

**Before the**  
**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**  
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**CASE No. 178 of 2024**

**In the matter of**  
**Case of Maharashtra State Electricity Transmission Co. Ltd. for Truing-up of Aggregate Revenue Requirement (ARR) for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30**

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

**ORDER**

**Date: 28 March, 2025**

Maharashtra State Electricity Transmission Co. Ltd. (**MSETCL**), Prakashganga, 6<sup>th</sup> Floor, Plot No. C-19, 'E' Block, Bandra-Kurla Complex, Mumbai has filed a Petition for Truing-Up of Aggregate Revenue Requirement (**ARR**) for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-24 and Multi Year Tariff (**MYT**) projections of 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30. The Truing-up of the ARR for FY 2022-23 & FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 is being considered under the MERC (Multi Year Tariff) Regulations, 2019 (**'MYT Regulations, 2019'**), and Multi Year Tariff (MYT) projections of 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 is being considered under the MERC (Multi Year Tariff) Regulations, 2024 (**'MYT Regulations, 2024'**), along with the impact of claim for disallowed Capitalization for past period from FY 2011-12 to FY 2021-22 and impact of the Commission Order in Case No. 137 of 2023 in the matter of Review Petition filed by MSETCL.

The Commission, in exercise of its powers under Sections 61 and 62 of the Electricity Act (**EA**), 2003 and all other powers enabling it in this behalf, and after taking into consideration submissions made during these proceedings and the public consultation process, and other relevant material has approved the Truing-up of ARR for FY 2022-23 & FY 2023-24, Provisional Truing-up of the

ARR for FY 2024-25 and MYT Projections of 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30 in this Order.

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### **LIST OF ABBREVIATIONS**

A&G	Administrative and General
AC System	Alternating Current System
APTEL / ATE	Appellate Tribunal for Electricity
ARR	Aggregate Revenue Requirement
BOM	Bank of Maharashtra
CBA	Cost Benefit Analysis
CERC	Central Electricity Regulatory Commission
COD	Date of Commissioning
Commission / MERC	Maharashtra Electricity Regulatory Commission
CTU	Central Transmission Utility
DA	Dearness Allowance
DPC	Delayed Payment Charges
DPR	Detailed Project Report
EA, 2003	The Electricity Act, 2003
ECR	Energy Charge Rate
FRP	Financial Restructuring Plan
FY	Financial Year
GFA	Gross Fixed Assets
GOM	Government of Maharashtra
GST	Good and Services Tax
GWEL	GMR Warora Energy Ltd
HVAC	High Voltage Alternating Current System
HVDC	High Voltage Direct Current System
IDC	Interest During Construction
IND AS	Indian Accounting Standards
InSTS	Intra-State Transmission System
ISTS	Inter-State Transmission System
IoWC	Interest on working capital
LoA	Letter of Award
MAT	Minimum Alternate Tax
MCLR	Marginal Cost of Funds Based Lending Rate
MOP	Ministry of Power
MSEB	Maharashtra State Electricity Board
MSEDCL	Maharashtra State Electricity Distribution Company Ltd.

MSETCL	Maharashtra State Electricity Transmission Company Ltd.
MSLDC	Maharashtra State Load Despatch Centre
MTR	Mid-Term Review
MYT	Multi Year Tariff
NHAI	National Highway Authority of India
O&M	Operation and Maintenance
PBT	Profit Before Tax
POC	Point of Connection
PPE	Property Plant and Equipment
PR	Public Relations
PREL	WBS Element Partially Released (SAP Status of Project)
R&M	Repair and Maintenance
REL	WBS Element Released (SAP Status of Project)
RDD	Reserve for Doubtful Debt
RLDC	Regional Load Despatch Centre
RoE	Return on Equity
ROW	Right of Way
SBC	Soil Bearing Capacity
SBI	State Bank of India
STU	State Transmission Utility
TBCB	Tariff Based Competitive Bidding
TSP	Transmission Service Provider
TSU	Transmission System User



## 1 Introduction

### 1.1 Background

- 1.1.1 MSETCL is a Company formed under Government of Maharashtra (**GoM**) Resolution dated 24 January 2005 from 6 June 2005 in accordance with Part XIII of the Electricity Act (**EA**), 2003. It was incorporated as a Company under the Companies Act, 1956 on 31 May 2005.
- 1.1.2 The Provisional Transfer Scheme was notified under Section 131(5) (g) of the EA, 2003 on 6 June, 2005, which resulted in the creation of four successor Companies (including MSETCL) from the erstwhile Maharashtra State Electricity Board (**MSEB**).
- 1.1.3 MSETCL is in the business of Transmission of electricity in Maharashtra and has been notified as the State Transmission Utility (**STU**) as per Section 39 of the EA, 2003.

### 1.2 Multi-Year Tariff Regulations and Control Period

- 1.2.1 The MYT Regulations, 2019 were applicable for the 4<sup>th</sup> Control Period FY 2020-21 to FY 2024-25. The First and Second amendment to these Regulations was notified on 10 February, 2023 and 8 June, 2023 respectively.
- 1.2.2 On 19 August, 2024 the Commission notified the MYT Regulations, 2024 which are applicable for 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30.

### 1.3 Petition and main Prayers of MSETCL

- 1.3.1 MSETCL has filed this Multi Year Tariff (**MYT**) Petition on 29 October 2024. On 12 November 2024, the Commission forwarded the data gaps and information requirements, to which MSETCL responded on 22 November, 2024. The Technical Validation Session (**TVS**) on the Petition was held on 27 November, 2024. The list of persons who attended the discussion is at [Annexure - 1](#).
- 1.3.2 Revised Petition was submitted by MSETCL on 2 December 2024.
- 1.3.3 MSETCL's main prayers in the revised Petition are as follows:
1. *To admit the MYT Petition as per the provisions of the MERC (MYT) Regulations, 2024 and consider present Petition for further proceedings before Hon'ble Commission;*
  2. *To allow the recovery of impact of disallowed capitalisation for past years along with appropriate carrying cost and allow to recover the same with ARR for FY 2025-26 to FY 2029-30 as appropriate;*
  3. *To allow the recovery of Impact of Review Order in Case No. 232 of 2022.*
  4. *To allow true-up of expenses for FY 2022-23 and FY 2023-24 based on the Audited Accounts and approve the Revenue Gap arrived after duly sharing the efficiency gains with the transmission system users of MSETCL according to the MERC (MYT) Regulations, 2019;*

5. *To allow the approach submitted by MSETCL for purpose of calculating the revised normative O&M expenses for FY 2022-23, FY 2023-24 and FY 2024-25;*
6. *To allow impact of wage revision as proposed in this Petition by invoking power to relax under Regulations 105 of the MYT Regulations, 2019;*
7. *To approve the provisional true-up of expenses for FY 2024-25 as proposed by MSETCL in this Petition;*
8. *To approve the O&M expenses for FY 2025-26 to FY 2029-30 considering realistic trend as proposed by the MSETCL in this Petition by invoking power to remove difficulties under Regulations 151 of the MYT Regulations, 2024;*
9. *To approve the ARR projections for FY 2025-26 to FY 2029-30 as proposed by MSETCL in the present Petition;*
10. *To determine the ARR for FY 2025-26 to FY 2029-30 that would help in recovery of consolidated ARR including revenue gap/(surplus) and carrying cost for past years and other impacts;*
11. *To approve the CAPEX and Capitalisation as submitted by MSETCL.*
12. *To approve proposal for utilisation/treatment of Special Reserve amount as proposed by MSETCL or alternatively guide / suggest for its appropriate utilisation / treatment.*
13. *To approve revision in scope of work for the sanctioned scheme of augmentation of transformer capacity at 400 kV Babbleshwar s/s. 400 kV Padghe s/s. & 400 kV Nagothane S/s.*
14. *To approve the methodology for recovery of O&M charges by MSETCL from InSTS licensees and Transmission Service Providers (TSP) under TBCB by invoking power to remove difficulties under Regulations 151 of the MYT Regulations, 2024;*
15. *To grant any other relief as the Hon'ble Commission may consider appropriate.*
16. *To provide the workable excel model(s) used by the Hon'ble Commission for approval of true-up and ARR requirement of MSETCL;*
17. *To condone any shortcomings/deficiencies and allow MSETCL to submit additional information/data at a later stage as may be required;*

#### **1.4 Admission of Petition and Public Consultation Process**

- 1.4.1 The Commission admitted the Petition on 04 December, 2024 and directed MSETCL to publish a Public Notice in accordance with Section 64 of the EA, 2003, in the prescribed abridged form and manner for inviting suggestions/objections on its MYT Petition and to reply expeditiously to all the suggestions and comments received.
- 1.4.2 MSETCL issued a Public Notice inviting comments/suggestions/objections on its Petition. The Public Notice was published in English in Times of India and Hindustan Times and in Marathi in Lokmat, Punyanagari Mumbai, and Punyanagari daily newspapers, on 8 December, 2024. The Petition and its summary were made available for

inspection/purchase at MSETCL's offices and website ([www.mahatransco.in](http://www.mahatransco.in)). The Public Notice and Executive Summary of the Petition were also made available on the website of the Commission ([www.merc.gov.in](http://www.merc.gov.in)) in downloadable format.

- 1.4.3 In response, the Commission received 1 written comment on the Petition from Maharashtra State Electricity Distribution Company Ltd (**MSEDCL**). The Public Hearing was held on 7 January 2025. The List of persons who attended the Public Hearing is at [Annexure – 2](#).
- 1.4.4 The Commission has ensured that the due process contemplated under law to ensure transparency and public participation was followed at every stage and adequate opportunity was given to all concerned to express their views.

## **1.5 Organisation of the Order**

1.5.1 This Order is organised in following Sections:

- **Section 1** provides a brief of the regulatory process undertaken by the Commission.
- **Section 2** deals with the suggestions / objections received, the responses of MSETCL and the Commission's rulings.
- **Section 3** deals with the impact of disallowed capitalisation of assets for previous years which are allowed in the present Order.
- **Section 4** deals with the impact of the Commission's Order in Case No. 178 of 2023 in the matter of Review Petition filed by MSETCL.
- **Section 5** deals with the approval of Truing-up of ARR for FY 2022-23 and FY 2023-24.
- **Section 6** deals with the provisional Truing-up of ARR for FY 2024-25.
- **Section 7** deals with the Projection of ARR of MYT 5th Control Period from FY 2025-26 to FY 2029-30.
- **Section 8** deals with other issues raised by MSETCL for Commission Approval.
- **Section 9** deals with MSETCL's compliance with the directives issued by the Commission in the previous tariff Orders.
- **Section 10** deals with MSETCL's compliance to the directives issued by the Commission in non-tariff related Orders (i.e. Orders other than those related to tariff determination).
- **Section 11** sets out the mechanism for recovery of Transmission Charges.
- **Section 12** deals with the applicability of the present Order

## **2 Suggestions / objections received, MSETCL's response and the Commission's ruling**

### **2.1.1 Past Disallowed Capitalisation**

#### ***A) Suggestions/Objections***

- 2.1.2 MSEDCL stated that while MSETCL at para 3.4.1 has claimed capitalisation against schemes that were disallowed in the MTR Petition due to cost overrun and the projects were subsequently put to use. It further stated that the reason/documents for survey works, crop compensation are not submitted to justify the cost overrun. Further, allowable capitalisation (the assets that are put to use) should be at the net depreciated amount and not the gross amount as claimed by MSETCL.

#### ***MSETCL's Response:***

- 2.1.3 MSETCL submitted that MSEDCL has commented on the overall preamble para of the Petition pointing to the impact of past disallowed capitalisation section. The para 3.4.1 of the Petition is the background para and details of the schemes were discussed in para 3.4.2.1 to 3.4.2.4 on which MSEDCL has separately commented upon and MSETCL has also replied upon in the subsequent points of this reply.

#### ***Commission's Analysis and Ruling***

- 2.1.4 The Commission notes the submission of MSETCL. The Commission, while approving the capitalisation claimed by the Licensees, undertakes necessary due diligence covering but not limited to issues related to reasons for cost and time overrun, put to use status of schemes, cost allowance on actual or depreciated value, etc. Accordingly, the Commission dealt this issue of approval of past disallowed schemes in Para 5.6.36 of this Order.

#### ***B) Suggestions/Objections***

- 2.1.5 MSEDCL stated that, MSETCL has claimed that 220 kV Dondaicha - Shahada line is completed in July 2023. As a result, MSETCL has claimed the entire disallowed amount (Rs 11.32 Crore) from the year 2019 to 2022, along with carrying cost, which is not prudent. The depreciated cost of the line is to be considered from the date of completion.

#### ***MSETCL's Response:***

- 2.1.6 MSETCL submitted that the work of 2<sup>nd</sup> Ckt. stringing under Bhusawal Circle at the time of MTR Petition was pending due to line work at river crossing. Hence the Commission had disallowed at that time capitalisation of Rs. 0.33 Crore, Rs. 3.90 Crore and Rs. 7.09 Crore for FY 2019-20, FY 2020-21 & FY 2021-22 respectively. Since work of 2<sup>nd</sup> Ckt stringing of 220kV Dondaicha-Shahada Line was completed on 1.7.2023, it has claimed past capitalisation as per its previous approach. MSETCL has filed an appeal before the Hon'ble Appellate Tribunal for Electricity (APTEL) on the approach of shifting of capitalisation (gross to net depreciated value) and matter is sub-judice at present. The details about the appeal are mentioned in para 3.2 of the MYT petition.

### ***Commission's Analysis and Ruling***

- 2.1.7 The Commission has observed that, MSETCL has claimed capitalisation related to 2<sup>nd</sup> Ckt. stringing under Bhusawal Circle (LE/2017-18/002). The scheme was approved by the Commission vide letter No. 4384 dated 17 October, 2017. The approved cost of the scheme is Rs. 18.98 Crore.
- 2.1.8 The Commission allowed the past disallowed capitalisation of Rs 11.32 Crore from FY 2019-20 -FY 2021-22 in the FY 2023-24 as the work related to 2<sup>nd</sup> Ckt stringing of 220kV Dondaicha-Shahada Line was completed on 01.07.2023. Further, considering the information shared by MSETCL, the Commission has also approved further capitalisation of Rs 1.47 Crore in FY 2022-23 and Rs. 6.30 Crore in FY 2023-24 as 16.64 MW load taken in 132 kV Amalner - Parola line, and 29 MW load taken on 132 kV Amalner – Nardana line thus ensuring that the asset was put to use. The Commission has noted that the cumulative capitalisation upto 31 March 2024 is Rs. 19.09 Crore. A cost overrun of Rs. 0.11 Crore has been noted and considering that the quantum of cost run is marginal (0.57% of MERC Approved cost) as compared to MERC approved cost, the Commission has considered the same for approval. The Commission in the past Orders has considered depreciated value of assets in case of schemes which were disallowed during the period FY 2010-11 to FY 2016-17 and for schemes post this period, the actual undepreciated capitalisation has been allowed from the date of completion of the scheme.

### ***C) Suggestions/Objections***

- 2.1.9 At Para 3.4.2.3 of the Petition, MSETCL with respect to 220 kV Bhokardan Substation submitted that the capitalisation claimed is against some miscellaneous expenses incurred during the execution of the scheme. However, no justification or details of miscellaneous expenses is submitted. So, in absence of details of the miscellaneous expenses, the same should not be allowed.

### ***MSETCL's Response:***

- 2.1.10 MSETCL submitted that the capitalisation claimed is Rs. 5.27 Crore (FY 2019-20 to FY 2020- 21). The details of the expenses are as under:
- Claims of compensation of farmers and General Establishment Charges (**GEC**) amounting to Rs. 3.26 Crore of the following lines were disbursed in the year 2020:
    - 132 kV Sillod Bhokardan line
    - 220 kV Sawangi Bhokardan
    - 132 kV Bhokardan Jafrabad line
  - Further Claim of Rs. 1.79 Crore pertaining to final bill of 132 kV Sillod- Bhokardan line for supply as well as erection were completed in the year 2020. Due to reasons beyond the control of MSETCL such as severe Right of Way (**ROW**), implementation of Goods and Services Tax (**GST**), revision of contract due to implementation of GST, the claims were disbursed in the year 2020 and project capitalized. Other expenses are to the tune of Rs. 0.22 Crore.
  - Also, Civil work was carried out on urgent basis as there was no permanent source of

water for the substation. As the work was of capital nature i.e. New Borewell was drilled, and new Submersible pump was installed and hence the work was carried out in Capex work under the original Substation scope.

### ***Commission's Analysis and Ruling***

2.1.11 The Commission has noted MSEDCL's submission and MSETCL's response. The Commission as a part of prudence check observed that 220 kV Bhokardan scheme is very old scheme and work was completed on 27 June 2017 and accordingly, the Commission had deemed closed the scheme in its MTR Order in Case No. 232 of 2022. Thus, the Commission has not allowed any further capitalisation including miscellaneous expense claimed for this scheme in the present Order.

2.1.12 Further, the Commission also observed that, there are several schemes [e.g. SS/2008-09/028: 220 kV Malegaon SS (STU Plan 2017-2018), SS/2008-09/030: 220 kV Anjangaon SS, LL/2014-15/005: Reorientation of 132 kV lines at 220 kV Balapur S/s, SS/2008-09/045: 132 kV Ghargaon SS, LL/2020-11/004: 220 kV Lines for 400 kV PGCIL S/s, LL/2010-11/020: Under Ground cable for various Zones, LL/2008-09/094: 132 kV Sindewahi – Bramhapuri LL (STU Plan 2017-18), SS/2008-09/017: 220 kV Lonand MIDC S/s] which were deemed closed by the Commission in its MTR Order in Case No. 232 of 2022, however, MSETCL keeps claiming the capitalisation against such schemes time and again in different Tariff Petition. The scheme has been deemed closed based on certain basis as outlined by the Commission in its relevant Orders and hence it is not appropriate to keep on seeking approval for these disallowed capitalisation time and again. **Accordingly, MSETCL is directed to refrain from claiming capitalisation against such schemes which have been deemed closed by the Commission in its Orders. Accordingly, the Commission has not allowed any further capitalisation for this scheme in the present Order.**

### ***D) Suggestions/Objections***

2.1.13 MSEDCL stated that, at para 3.4.2.4 of the Petition, MSETCL has stated that in respect of 220 kV Warud S/s 220 kV lines are yet to be Commissioned and expected in Dec 2024. Disallowed capitalisation due to asset not put to use, should not be allowed till entire project is Commissioned.

### ***MSETCL's Response:***

2.1.14 MSETCL submitted that the capitalisation claim is Rs. 3.99 Crore (FY 2019-20 to FY 2021- 22). MSETCL had included the same in MYT petition as the Commissioning date of 220 kV line work was very near and it should not get deprived off the tariff for the same till next 5 years (no midterm review is available for transmission licensees as per MYT Regulations 2024). MSETCL submitted that the current status of 220 kV line as on date of this reply is as under:

- Stringing - 43.34 Ckm out of 45.25 Ckm is completed, and Forest NOC is awaited for balance stringing works – Likely to be done in next 2-3 months.

2.1.15 MSETCL submitted that it believes including the same in ARR will avoid creating revenue gap to that extent and carrying cost on the same at the time of true-up.

### ***Commission's Analysis and Ruling***

- 2.1.16 The Commission observed that, there is significant cost escalation of Rs. 161 Crore against approved cost of Rs. 107.71 Crore. The scheme was originally approved vide MERC approval No. 1268 dated 12 July, 2010. MSETCL has submitted that the revised cost of the project was intimated to the Commission vide letter No. 2886 dated 30 April, 2024. The sub-station is presently back charged at 132 kV level. Further, 220 kV Kalmeshwar – Warud source line is not yet Commissioned. Accordingly, sub-station is not put to use. Further, the scheme is very old and conceptualised in the FY 2008-09. Accordingly, capitalisation will be allowed without carrying cost once asset put to use, subject to prudence check.
- 2.1.17 The Commission in the MTR Order in Case No. 232 of 2022 had also disallowed capitalisation against this scheme stating that Station was back charged at 132 kV level and the 220 kV Kalmeshwar - Warud source line is not yet commissioned. MSETCL has provided details of the physical progress of the scheme wherein it has been reported that the 132 kV level of 220/132kV Warud S/S is permanently charged through LILO on 132 kV Morshi - Warud Line on 4 August 2021 and load of 132 kV Warud S/s is continuously fed from this S/s since 18 August 2021. Therefore, 132 kV level of Warud SS is put to use since 18 August 2021. However, it has also been mentioned that the 220 kV Kalmeshwar-Warud DC Line is likely to be charged in FY 2024-25, subject to securing the required Forest Clearance.
- 2.1.18 The contention of MSETCL that it has back charged 220 kV SS at 132 kV level and hence it is put to use is not based on merit. It was never the objective of the scheme. Unless Source line work is completed and loaded it cannot be considered the scheme is put to use. MSETCL is trying to hide its inefficiencies in project execution claiming that Warud substation is put to use without completion of source line.
- 2.1.19 Accordingly, the Commission has restricted the approval of the capitalisation sought for the 220 kV Warud sub-station to the MERC approved cost as the station is back charged but expected to be put to use in March 2025.
- 2.1.20 The scheme has been substantially time as well as cost overrun. Hence MSETCL shall expedite the forest approval process and execution of line work. MSETCL shall submit the scheme closure report along with the details of cost run and time overrun within 6 months from likely completion date of March 2025.
- 2.1.21 **As the scheme has been time and cost overrun, the Commission also intends to undertake third party evaluation of the schemes, and the capitalisation may be allowed in future year subjected to the outcome of the process.**

## **2.2 Impact of Past disallowed Capitalisation against unutilised bays from approved scheme**

### ***Suggestions/Objections***

- 2.2.1 MSEDCL stated that, through para 3.4.8 to 3.4.10 of the Petition MSETCL has claimed carrying cost on disallowed capitalisation. The same was disallowed due to incomplete projects. Hence, the same should not be allowed.
- 2.2.2 MSEDCL stated that, in para 3.5 and 3.6 MSETCL has claimed disallowed capitalisation in respect of bays at various substations which have now been put to use. MSEDCL requested that capitalisation should be allowed from date of charging, on depreciated cost without carrying cost.

### ***MSETCL's Response:***

- 2.2.3 MSETCL submitted that it has continued with its approach for claiming impact of past disallowed capitalisation (ARR elements such as Depreciation, Interest on Loan, Return on Equity etc) from the date of completion of the asset as put to use is delayed due to inability of MSEDCL to draw power from such transmission elements. Since MSETCL is financially affected on this recovery of ARR, it has also claimed carrying cost on the same.
- 2.2.4 MSETCL would like to submit that in para 3.2 of the MYT petition it has provided details about the appeal in this regard which is reiterated as below.

*“3.2.1 MSETCL submits that it has filed an Appeal No. 9 of 2024 against the Hon'ble Commission Order dated 31 March 2023 in Case No. 232 of 2022. MSETCL submits that it has mainly appealed against, the arbitrary adoption by the Hon'ble Commission of the methodology of shifting of capitalisation and allowing the same at depreciated value, and, disallowance of the impact of past period disallowed capitalisation which is not as per MERC Tariff Regulations, 2015 or any other previous Regulations.*

*3.2.2 MSETCL submits that this change of method of shifting of capitalisation and allowing the same at depreciated value, as adopted by the Hon'ble Commission makes MSETCL suffers twice. Firstly, by considering the depreciated value of the shifted assets, the revenue from the assets being capitalised is impaired not only for the years in the control period but also, for next 25 years of the asset, and secondly, the impact on disallowed capitalisation is also eliminated. Due to this, the assets of MSETCL are also capitalised at lower value, further, the O&M cost of the deferred capitalised assets are also deprived, as MSETCL incurs the same to maintain the developed assets though not put to use but kept in operating condition.*

*3.2.3 Similar issues were also submitted in MSETCL earlier filed Appeal No. 379 of 2019 against the Hon'ble Commission Order dated 12 September 2018 in Case No. 168 of 2018 and Appeal no. 107 of 2021 against the MERC Order dated 30 March 2020 in Case No. 302 of 2019. 3.2.4 MSETCL is submitting the current Petition without prejudice to any of its right and contentions taken by MSETCL in said Appeal*



*and MSETCL reserves its right to again approach the Hon'ble Commission depending upon the final decision of the Hon'ble APTEL, New Delhi in said Appeal."*

- 2.2.5 MSETCL also submitted that most of the assets not put to use are due to MSEDCL's inability to utilize the bays developed by MSETCL. MSETCL is at loss when assets are capitalized in the books, but the Commission has deferred as the same are not put to use. Further MSETCL gets approval at a later date when assets are put to use and MSEDCL benefits for getting such assets at a lower capital cost as well as at depreciated value. MSETCL is also deprived of O&M costs which it incurs to maintain developed asset though not put to use and keep it in operating condition.
- 2.2.6 MSETCL further submitted that as a transmission licensee of the State it is duty bound to provide transmission access to MSEDCL by developing network as per the requirement. However as mentioned above, it is due to inability of MSEDCL to utilize the assets which has put MSETCL in such crisis. Hence it is eligible to seek all such expenses along with carrying cost from the actual date of capitalisation (at gross value). It is due to this reason, MSETCL has requested to exercise its powers to relax available under various Regulations and allow expenses as proposed by MSETCL.

***Commission's Analysis and Ruling***

- 2.2.7 The Commission noted the MSEDCL comments and response given by MSETCL.
- 2.2.8 Regulation 24 of MYT Regulation, 2019 states that, asset not put to use shall not be considered for capitalisation. Relevant extract of the Regulation is shown below:

*"24.1 .....*

***Provided further that the capital cost of the assets forming part of the Project but not put to use or not in use, shall be excluded from the capital cost of Generation Project and transmission system:***

*Provided also that the Generating Company or Transmission Licensee or Distribution Licensee shall submit documentary evidence in support of its claim of assets being put to use:*

*Provided also that the Commission may undertake a sample check to verify the assets put to use as submitted by the Generating Company or Licensee or SLDC, as the case may be, independent of the tariff determination process:*

*Provided also that any capital expenditure incurred based on the specific requirement of a Generating Company or Licensee shall be substantiated with necessary documentary evidence of such request and undertaking received.*

*... "*

- 2.2.9 The provisions of the MYT Regulation 2019 are abundantly clear that the assets which are forming part of the project but not put to use will be excluded from the capital cost of the project. The Commission has been following this approach consistently across its Orders for all Transmission Licensees. Further, as regards allowing capitalisation, the Commission has been allowing capitalisation at depreciated cost for bays which were disallowed during the period FY 2010-11 to FY 2014-15, and which have now been put to use. Further, no

carrying cost has also been allowed on such bays. For bays which were part of approved schemes in the MTR Order but were unutilised, the capitalisation has been allowed at its actual cost on utilisation.

- 2.2.10 Accordingly, the Commission has dealt this issue in the past Orders as well as in para 3.3 and 3.4 of this Order.
- 2.2.11 Further, MSETCL has also filed an Appeal No. 9 of 2024 against the Commission's Order dated 31 March 2023 in Case No. 232 of 2022 wherein it has challenged the adoption of the methodology of shifting of capitalisation and allowing the same at depreciated value, and disallowance of the impact of past period disallowed capitalisation stating that it is not as per provisions of MYT Regulations, 2015 or any other previous Regulations.
- 2.2.12 MSETCL had also earlier filed Appeal No. 379 of 2019 against the Commission's Order dated 12 September 2018 in Case No. 168 of 2018 and Appeal No. 107 of 2021 against the Commission's Order dated 30 March 2020 in Case No. 302 of 2019. Both appeals are pending before Hon'ble APTEL. However, there is no stay to the Commission's Order. Thus, the Commission continued with same approach as adopted in MTR Order Case No. 232 of 2022 and earlier Orders.

## **2.3 Return on Equity**

### ***Suggestions/Objections***

- 2.3.1 MSEDCL stated that, in accordance with the Regulation 29 of the MYT Regulation, 2019 MSETCL has computed the Return on Equity (**RoE**) for FY 2022-23, FY 2023-24 and for FY 2025-26 to FY 2029-30. Also, additional rate of RoE has computed for FY 2022-23, FY 2023-24. MSEDCL has requested the Commission to approve this only after prudence check.

### ***MSETCL's Response:***

- 2.3.2 MSETCL submitted that necessary documents/ information for consideration of effective income tax rate computations as submitted in Income Tax Return (**ITR**) filing for grossing up of RoE is given in Annexure of the MYT petition. Further transmission availability certificate duly certified by SLDC for consideration of additional RoE is also given in the Annexure of MYT petition. MSETCL submits that it has computed RoE and Additional RoE for the true-up period and RoE for the MYT period based on MYT Regulations provisions applicable for respective years.

### ***Commission's Analysis and Ruling***

- 2.3.3 The Commission considering the effective tax rate as per Income Tax Return for grossing up of RoE, and transmission availability certificate duly certified by SLDC for consideration of additional RoE. The Commission has dealt with this issue in Para 5.12, 6.12 and 7.10 of this Order. The Commission exercises necessary due diligence while approval all the elements of the costs claimed by the Licensees as per provisions of applicable Regulations.

## 2.4 Capitalisation and Gross Fixed Assets

### *Suggestions/Objections*

2.4.1 MSEDCL stated that, in para 4.6 & 5.6 of the Petition, MSETCL submitted the Capitalisation and Gross Fixed Assets for FY 2022-23, FY 2023-24 respectively. The detailed breakup of the Capitalisation is provided as per table below:

(Rs. Crore)

Sr. No	Particulars	FY 2022-23 Audited (Actuals)	FY 2023-24 Audited (Actuals)
1	As per Audited Accounts of respective year	1,174.61	1,117.28
2	Less: pertaining to SLDC	5.45	3.18
3	Less: pertaining to ORC	2.14	5.30
4	<b>Total amount to be claimed by MSETCL as per Audited Accounts (4=1-2-3)</b>	<b>1,167.02</b>	<b>1,108.80</b>
5	<b>Break-up DPR/NDPR</b>	-	-
6	<i>DPR</i>	1,017.66	958.50
7	<i>Non-DPR</i>	148.15	149.99
8	<b>Total (7=5+6)</b>	<b>1,165.81</b>	<b>1,108.48</b>
9	Non-DPR to DPR Ratio (11=7/6) %	14.56%	15.65%

2.4.2 MSEDCL stated that, MSETCL might take proactive steps to avoid at least controllable delay in planning and execution of line & substation works. MSEDCL requested that the cost overrun caused due to delay should not be allowed. MSEDCL requested the Commission to issue directives to MSETCL to avoid delay & the cost overrun.

### ***MSETCL's Response:***

2.4.3 MSETCL has claimed the capitalisation for FY 2022-23 and FY 2023-24 as per audited accounts and submitted all the necessary documents/ information/ justification against the same.

2.4.4 With respect to MSEDCL's suggestions to take proactive steps to avoid at least controllable delay in planning and execution of line & substation works, MSETCL submitted that it has already taken following steps for pre-planning activities like detailed surveys, identification of key areas and the processing of proposals for necessary approvals to prevent delays and cost overruns.

- MSETCL is actively conducting preliminary and detailed surveys for transmission lines, initiating and following up on forest proposals, and obtaining approvals.
- For substation work, MSETCL is preparing key requirements such as Soil Bearing Capacity (**SBC**), ground levels, soil resistivity, earth mat design, and equipment design. Parallel activities such as finalizing tower and foundation drawings are also underway.
- MSETCL is coordinating with departments like Forest, National Highway Authority of India (**NHAI**), Railways, and others in advance to ensure swift approvals. These are being provided to the awarded agency along with the Letter of Award (**LoA**) to avoid delays.

- A bill tracking system and project monitoring tools are in place to enhance efficiency and ensure timely execution.

2.4.5 This proactive approach aims to reduce time and cost overruns in project completion.

***Commission's Analysis and Ruling***

2.4.6 The Commission has noted MSEDCL's comments, and the response given by MSETCL.

2.4.7 The Commission examines the reasons contributing to the cost overrun and if these can be considered to be controllable or uncontrollable (e.g., change in scope, higher cost discovered in the tender process, etc.). Further, the Commission also reviews the project implementation timelines (approved and actual) to assess if there is time overrun in the scheme and if this time overrun has contributed to the overall cost overrun (e.g., increased Interest During Construction (**IDC**) due to delay in project implementation), etc. Based on such assessment, the Commission decides to either allow the cost over-run in case the Licensee gives adequate justification along with supporting documentation or restricts the approved cost to the MERC approved cost in case the justification is not provided or is not adequate. In certain cases, the Commission also allows cost overrun if the quantum is marginal and partly in cases where the justification is not adequate or supported by documentation.

2.4.8 The Commission in past Orders has raised concerns regarding lack of prioritisation of schemes and inefficient planning on the part of MSETCL, which leads to delay in the implementation of schemes well beyond the approved project completion timelines. The issues causing the delays continue to be ROW issues and related court cases, delay in land acquisition, delay in forest approval etc. In spite of observations in the past Orders and directives, the Commission observes that number of schemes are delayed and there are also instances of unutilised assets including bays which leads to stranding of assets and also leads to delay in recovery of capital expenditure incurred by MSETCL. This also leads to cost escalation which ultimately burdens the consumers in the State.

2.4.9 In this regard, the Commission observed significant delays in schemes like LE/2017-18/012: Replacement of disc insulator for 220 kV Lines, LL/2019-20/002: Construction LILO on 132 kV Shivajinagar – Dhule Line, TA/2017-18/004: Addition of ICTs at 2 Nos. of S/s Pune zone, TA/2019-20/001: 33 kV level creation at 220 kV Bhose s/s, LL/2017-18/003: 132 kV underground cable from 220 kV Parvati S/s to 132 kV Kothrud S/s etc. which have delayed due to reason mentioned earlier.

2.4.10 Accordingly, the Commission analyses the schemes which have instances of cost/time over run and, in such cases, wherever deemed appropriate based on the available information, has restricted the Capitalisation to MERC approved cost. In instances where the cost overrun is minor or has been justified by MSETCL, the cost overrun has been allowed on case-to-case basis. The Commission dealt with this issue in Para 5.7.56 of this Order.

2.4.11 The Commission has notified the Capex Regulations 2022 which streamline the process from in-principle approval to final approval of the capitalisation post completion of the schemes. The Regulations clearly outlines the manner in which the time and cost overrun

is to be assessed and consequent approval to be given. MSETCL, needs to propose the capitalisation in its Petition considering the provisions of the Capex Regulations 2022.

2.4.12 MSETCL is directed to plan and execute the schemes in timely manner to avoid time and cost overrun, in accordance with Capex Regulations 2022.

## 2.5 Non-Tariff Income

### *Suggestions/Objections*

2.5.1 MSEDCL stated that, as per audited account, Non-Tariff Income for FY 2022-23 is Rs 786.22 Crore, but MSETCL has claimed Rs 785.55 Crore. Also, for FY 2023-24, as per audited accounts NTI is Rs 654.63 Crore, but MSETCL has claimed Rs 603.13 Crore. For the purposes of projecting the NTI for FY 2024-25 and FY 2025-26 to FY 2029-30, year-on-year increase of 2% is considered. MSEDCL submitted that the figures of audited account related to Non-Tariff Income should be considered.

### *MSETCL's Response:*

2.5.2 MSETCL submitted the Reconciliation as under:

Particulars	FY 2022-23 (Rs.)	FY 2023-24 (Rs.)
<b>Total of all Income shown in MYT of MSETCL + SLDC</b>	<b>7,89,36,86,712</b>	<b>6,10,73,71,133</b>
Less: SLDC Amount	3,81,87,254	7,60,76,275
<b>Total Amount claimed in the Petition by MSETCL under Non-Tariff Income</b>	<b>7,85,54,99,458</b>	<b>6,03,12,94,858</b>
<b>Total of all Income shown in MYT (MSETCL + SLDC) and appearing in Audited Accounts</b>	<b>7,89,36,86,712</b>	<b>6,10,73,71,133</b>
Less: Items in Audited Accounts but not considered by MSETCL in Non-Tariff Income as per past practice (Government Grant, Prior Period Income/Revenue, DPC etc net off figures of various ledger accounts which are already detailed and given in Notes to Accounts No.25)	4,44,73,335	-
Add: Items considered in Non-Tariff Income but not appearing in Notes to Accounts No.25 as per past practice and approval of Commission (Foreign Exchange loss net figures. The same is appearing in Notes to Accounts No.28 under Finance Costs	1,30,07,608	68,02,449
Add: Items in Audited Accounts but not considered by MSETCL in Non-Tariff Income as per past practice (Government Grant, Prior Period Income/Revenue, DPC etc net off figures of various ledger accounts which are already detailed and given in Notes to Accounts No.25)	-	43,00,95,872
Add: Revenue from wheeling central sector power – WRPC certified lines income. (Appearing in Revenue from Transmission Charges – Others Note No.24)	-	20,82,000
<b>Amount as per Audited Accounts as appearing under Other Income (Note 25)</b>	<b>7,86,22,20,984</b>	<b>6,54,63,51,454</b>

### *Commission's Analysis and Ruling*

2.5.3 The Commission has noted MSEDCL's comments and response given by MSETCL. In response to data gap dated 12.11.2024, MSETCL has submitted the reconciliation of non-

tariff income FY 2022-23 and FY 2023-24. The Commission dealt this issue in Para 5.15 of this Order.

## **2.6 Issue of GMR Warora Energy Ltd (GWEL) InSTS Grid connectivity to STU for evacuation of MSEDCL share of 200 MW Power**

### ***Suggestions/Objections***

2.6.1 MSEDCL submitted that, in Case No. 232 of 2022 of MSETCL (MTR Petition of MSETCL), the Commission in response to the suggestions / objections raised by MSEDCL had issued the directives as given below:

*2.11.29 ..... Accordingly, the Commission directs STU to withhold the total payable amount of Rs. 48.00 Crore (Rs. 8.00 Crore per month) from April 2023, in six equal instalments to MSETCL. STU shall invest this amount in government securities or fixed deposits with nationalised banks (considering liquidity requirements) along with the accrued interest. The Commission will issue appropriate directions for the amount so withheld based on the submission filed by MSETCL against the directives issued in this Order and after reviewing the detailed project progress report along with its completion timelines as deemed appropriate.*

*2.11.30 The Commission once again reiterates the importance of completing this scheme on a priority basis as it has a heavy and avoidable cost implication on consumers.*

2.6.2 MSEDCL further submitted that, till time, MSEDCL's progress is very poor in GWEL InSTS Grid connectivity. This work needs to be done on priority. MSEDCL requested the Commission to issue further directives to MSETCL.

### ***MSETCL's Response:***

2.6.3 MSETCL has recently apprised the Commission with copy to MSEDCL officials and GMR about the status of scheme in detail vide its letter dated 12.12.2024. In the letter, MSETCL further has prayed the Commission to:

- Direct M/s. GWEL to pay requisite charges to MIDC and handover land to MSETCL after subdivision for establishment of substation. MSETCL has submitted the copy of the said correspondence for reference.

2.6.4 MSETCL also submitted that petition has been filed before the Commission seeking direction to M/s GMR Warora Energy Ltd. to handover the land to MSETCL for construction of 400/220 kV switchyard for evacuation of MSEDCL's 200 MW power from 2x300 MW thermal power plant (Case No.233/2023). The matter is under consideration before the Commission and recent hearing was conducted on 10.12.2024.

### ***Commission's Analysis and Ruling***

2.6.5 The Commission notes the submission of MSEDCL and reply of MSETCL.

2.6.6 MSETCL has filed the Petition in Case No 233 of 2023, seeking direction to M/s GMR Warora Energy Ltd. to handover the land to MSETCL for construction of 400/220 kV

switchyard for evacuation of MSEDCL's 200 MW power from 2×300 MW thermal power plant.

- 2.6.7 The hearing in the matter was held on 10 December 2024. At the hearing, the Advocate representing MSETCL stated that amended Petition is not uploaded on the Commission's Portal due to administrative reasons and sought ten days' time to do so. The Commission had adjourned the matter vide daily Order dated 10 September 2024 to enable MSETCL to file the amended Petitioned as per its request.
- 2.6.8 The details submitted in the progress report submitted by MSETCL on 12 December, 2024 are as follows:

Sr. No.	Scope of work	Progress as on 2 September, 2024	Progress as on 12 December, 2024
1	Work of 400/220 kV Switch Yard:	Land of the MIDC to be acquired. The land acquisition is in progress.	Land of the MIDC to be acquired. The land acquisition is in progress.
2	220 kV Underground Cable from 400 kV Switchyard to 220 kV Sai Wardha SS	Cable route has been approved by MSETCL on 7 November, 2022. The agency has been instructed to carry out the work on priority. It means work is yet to be started.	Cable route has been approved by MSETCL on 7 November, 2022. It is instructed to M/s M. D. Transcon to mobilize manpower at site and start the 220 kV U/G Power cable laying work at the earliest.
3	Statue of work of 220 kV Bays at Sai Wardha 220 kV SS:	LOI issued on 2 August, 2023. Civil work completed. Erection work is in progress.	LOI issued to M/s A B Corporation on 2 August, 2023. Civil works almost completed except mettle spreading. Erection of CB, Isolator, LA, Protection CT completed.
4	Major constraint to start work	Availability of the land	Availability of the land

- 2.6.9 In view of the above, MSETCL shall endeavour to acquire the land required and shall make communication with the GWEL.
- 2.6.10 **As the separate Petition has been filed by MSETCL, the Commission will deal with these issues in the said Petition after hearing the parties.**

## **2.7 Issue of Overloading of 220 kV double circuit Babhaleshwar – Nashik Line**

### ***Suggestions/Objections***

- 2.7.1 MSEDCL submitted that, 220 kV Babhaleshwar – Nashik double circuit line is overloaded due to the power flow from Babhaleshwar to Nashik as major load is at Nashik area side. Nashik TPS power is required to be scheduled irrespective of its high Energy Charge Rate (ECR) due to constraints of this line. It causes violation of MoD and increases power purchase cost of MSEDCL.

2.7.2 In peak hours, emergency load shedding is also implemented only because of overloading of this line. Even after repeated requests from MSEDCL since year 2016, no resolution is yet provided by MSETCL/STU. Nashik units are in service for more than 44 years. Retirement of these units is delayed due to transmission constraints. Hence, MSEDCL submitted that cost implication due to running of Nashik TPS should be allowed to be recovered from MSETCL till resolution of this issue.

***MSETCL's Response:***

2.7.3 MSETCL submitted that the measures taken to avoid overloading are as under:

- Establishment of 400/220 kV Pimpalgaon S/s is proposed in the year 2025-26 which will provide the relief to overloading of 220 kV Babhleshwar-Nasik GCR D/C line. Letter of Intent has been placed on 14 October 2024. The Target date of completion is December 2026.
- MSETCL also submitted that to resolve the overloading of above line it has also proposed for replacement of existing conductor of 220 kV Babhleshwar-Nasik GCR D/C line by high performance conductor and the same is also included in STU Plan for the year 2025-26. The scheme is under approval.
- Capacitor banks scheme Phase-VI is also sanctioned, and tender is in process for acceptance. The list of such capacitor banks schemes is submitted by MSETCL along with its response.
- At 132 kV Shah Sub-station transformer augmentation 2×50 MVA, 132/33 kV T/F is taken up. 1<sup>st</sup> transformer Commissioned on 20.12.2024 and 2<sup>nd</sup> transformer work is being initiated.

2.7.4 MSETCL submitted that it believes that the above measures will address the issues cited by MSEDCL.

***Commission's Analysis and Ruling***

2.7.5 The Commission has noted the submissions of MSEDCL and the response on MSETCL. It is important for MSETCL to ensure that such issues faced due to overloading of existing network have to be resolved at the earliest through implementation of remedial measures. The schemes planned by MSETCL to alleviate this issue needs to be implemented on priority and within the planned timelines. The progress on these schemes should be included in the half yearly progress report being submitted by MSETCL to the Commission. Any delay in implementation of the schemes may lead to stringent action by the Commission as deemed appropriate.

2.7.6 The Commission noted that the scheme related to establishment of 400 kV Pimpalgaon substation in Nashik District (SS/2020-21/005) was approved on 15 April, 2022 for Rs. 335.88 Crore. The scheme was envisaged for strengthening of the network in that region by catering to the load growth and creating redundancy in the system. The project was envisaged to be completed by March 2026. The Commission observed that there is delay in execution of the work, and the timelines for completion of the project have been



extended to FY 2026-27. As per the status provided by MSETCL, the scheme is under tenderisation, work has not yet started.

- 2.7.7 It has been further observed that to avoid the overloading in Nashik region, MSETCL has submitted 400 kV scheme multiple times, such as 400 kV Eklahare and then revised. This shows that even the areas are critical, MSETCL is not serious in execution of the scheme.
- 2.7.8 Considering the criticality of the scheme for alleviating the overloading of the network in the regions, the Commission directs MSETCL to expedite the execution of the scheme work to ensure its early Commissioning. **MSETCL is also directed to submit a monthly progress report covering critical schemes, including 400 kV Pimpalgaon sub-station, to the Commission with copy to MSEDCL outlining details of progress achieved in the project till date, project activities envisaged in the upcoming month and over the overall duration of the project. Any delay in implementation of the schemes will lead to stringent action by the Commission while approving the capitalisation, subject to necessary prudence check.**

## 2.8 Issue of Line loading of 400 kV Chakan – Talegaon Line

### *Suggestions/Objections*

- 2.8.1 MSEDCL submitted that, most of the times Koyna hydro generation is utilized to control the line loading of 400 kV Chakan-Talegaon PG line. The line loading generally occurs after morning peak, when ample solar power is available in system and Koyna generation is rarely required to meet MSEDCL demand. Further, many times 500 to 750 MW generation from Koyna Stage -IV is picked up by Maharashtra State Load Dispatch Centre (MSLDC) causing forced and unnecessary backing down of thermal generators. Even cost optimization is badly hampered due to system restrictions to purchase available cheaper power from energy exchanges.

### *MSETCL's Response:*

- 2.8.2 MSETCL elaborated the measures taken to avoid overloading as under:
- Replacement of existing conductor of 400 kV Talegaon PG-Chakan S/C line by high ampacity conductor is included in the Ten-Year STU Plan for the year 2025-26 and tender is under process.
  - 220 kV Talegaon PG-Chakan MIDC phase II D/C line with HTLS conductor - 6 kms is also proposed in the year 2025-26 to give load relief to 400 kV Talegaon PG-Chakan line. Work is in progress and target date is March 2026.
  - Link lines viz. 220 kV DC line from 765 kV Shikrapur PG to 220 kV Khed City - 18 kms. Work is in Progress. Target date of completion is Mar 2026.
  - Link lines viz. 400kV LILO - Lonikand-I Jejuri at 765 kV Shikrapur PG - 30km approx. Tender is under process. Target date of Completion is Mar 2027.
  - Capacitor banks scheme Phase-VI is also sanctioned, and tender is in process for acceptance. The list of such capacitor banks schemes submitted by MSETCL along with its response.

- 2.8.3 MSETCL stated that it believes that the above measures will address the issues cited by MSEDCL.

***Commission's Analysis and Ruling***

- 2.8.4 The Commission has noted the submissions of MSEDCL and the response on MSETCL. It is important for MSETCL to ensure that such issues faced due to overloading of existing network have to be resolved at the earliest through implementation of remedial measures. The schemes planned by MSETCL to alleviate this issue needs to be implemented on priority and within the planned timelines.
- 2.8.5 The Commission has already discussed similar issue in its ruling in the context of the scheme related to the establishment of 400 kV Pimpalgaon sub-station in Nashik District. As directed by the Commission, MSETCL needs to submit a monthly progress report outlining the progress of critical schemes, including but not limited to those mentioned above.
- 2.8.6 Further, the Commission directs MSETCL to ensure the timely completion of all ongoing and upcoming transmission schemes, with clear accountability fixed on the concerned officers. **The Superintending Engineers (SEs) and Chief Engineers (CEs) in charge of the respective execution of schemes shall be individually held responsible for their timely execution of the projects. Any delay or deviation from the approved project execution timelines shall be the responsibility of the concerned officers. It shall be their responsibility to take the timely remedial action for timely execution of scheme. A monthly progress report detailing the status of schemes, bottlenecks, and corrective actions shall be submitted to the Commission with a copy to the MSEDCL by the 15<sup>th</sup> of every month. MSETCL/ STU is also directed to closely monitor the implementation of schemes and take proactive measures to address any delays. In case of unwarranted delays, the Commission may constrain to impose monetary penalties on the responsible officers or any such penal action, as deemed appropriate. Further, action may also be initiated in case of continued non-compliance with the Commission's directives by levying disincentive of Rs. 1 Crore per default as per the provisions of Regulation 5.2 of the MYT Regulations, 2024.**

**2.9 Issue of line Overloading of 220 kV Jejuri – Baramati transmission line**

***Suggestions/Objections***

- 2.9.1 MSEDCL submitted that, 220 kV Jejuri – Baramati Transmission Line is critically overloaded. It operates on more than 100% of its thermal capacity and hence forced load shedding (FLS) is being implemented Load curtailment will cause financial burden to MSEDCL and also leads huge public unrest.

***MSETCL's Response:***

- 2.9.2 MSETCL submitted that the Commissioning of 220 kV Jejuri (400 kV R.S.) - Baramati in January 2024 has addressed the issue. Further, Commissioning of 220 kV Karjat - Bhigwan line & Karjat - Shirsuphal lines in August 2024 has completely resolved the issue of transmission line constraint in 220 kV Network around Baramati.

### ***Commission's Analysis and Ruling***

- 2.9.3 The Commission has noted the submissions of MSEDCL and the response on MSETCL. It is important for MSETCL/STU to ensure that such issues faced due to the overloading of existing network are resolved at the earliest through the implementation of remedial measures.
- 2.9.4 MSETCL has stated that the issue of forced load shedding due to 220 kV Jejuri – Baramati Transmission Line loading has been resolved in January 2024. MSEDCL need to check the status of issue and approach separately to STU/MSETCL if the issue still persists.

### **2.10 Non-Availability of Available Transmission Capacity (ATC) for the upcoming Projects**

#### ***Suggestions/Objections***

- 2.10.1 MSEDCL submits that it has the responsibility to purchase power at a reasonable price while fulfilling its RPO target. The cheaper power is available from Inter-state projects, however due to non-availability of ATC margin, it is not possible for MSEDCL to procure the power and pass on the benefit of cheaper power to common consumers of MSEDCL. Further, due to non-availability of ATC, MSEDCL is forced to purchase power from intra-state generators at higher price as compared to inter-state power.
- 2.10.2 MSEDCL also submitted that, to meet the future demand, MSEDCL is projecting an addition of generation capacity from various sources by the end of FY 2029-30. This new capacity is expected to be sourced from inter-state power stations, necessitating a significant reliance on the Central Transmission Utility (CTU) network. In view of this, MSETCL needs to prioritize the development of an enhanced transmission adequacy plan by designing the transmission network with scalability to accommodate future increase in generation capacity and demand.
- 2.10.3 MSEDCL has filed Petition (Case No 155 of 2024) seeking adoption of weighted average tariff discovered in composite bids through the competitive bidding held for long term procurement of 1,600 MW thermal power and 5,000 MW solar power in the state of Maharashtra. The Commission has issued the Order on 26 September, 2024.
- 2.10.4 The “Way Forward” of this Order is reproduced below:

*“18.1 The Commission notes that availability of transmission corridors for such power procurement is one of the most important issues that must be addressed on priority. At present, Maharashtra is facing Inter-State Transmission capacity constraints to bring and transfer the power from outside Maharashtra. Therefore, there is a urgent need to increase inter-state transmission transfer capacities so as to flow outside contracted power into the State of Maharashtra.*

*18.2 Hence, MSEDCL shall coordinate with STU to plan and timely implementation of strengthening and augmentation of inter-state transmission transfer capacities on urgent and priority basis. If required, a suitable intervention from various Government Department may be sought to resolved issue in clearance and Right of way for timely implementation of such planned schemes.”*

2.10.5 As per these directives, MSEDCL is pursuing this issue with MSETCL. The concerned is raised in various “MSETCL-MSEDCL coordination” meetings. After repeated followed up ATC Capacity addition plan is received from STU by E-Mail on 27.06.2024 as mentioned below:

- Present ATC: 9760 MW
- By Mar’24 (2023-24) ATC Enhancement: ~ 1740 MW. Total ATC: 11500 MW
- By Mar’25 (2024-25) ATC Enhancement: ~ 5500 MW. Total ATC: 17000 MW
- By Mar’26 (2025-26) ATC Enhancement: ~ 4500 MW. Total ATC: 21500 MW
- By Mar’27 (2026-27) ATC Enhancement: ~ 1000 MW. Total ATC: 22500 MW

2.10.6 However, Present ATC of 9,760 MW is completely utilized among intra state beneficiaries. MSEDCL’s Addition Plan is as below:

Year	Intra State	Inter State	Total
2024-25	1765	183	1948
2025-26	700	109	809
2026-27	1540	8523	10063
2027-28	3.2	3313	3316
2028-29	1600	332	1932
2029-30	3500	1179	4679
<b>Total</b>	<b>9108</b>	<b>13639</b>	<b>22747</b>

2.10.7 MSEDCL stated that, if new power station/any Unit is ready for COD but COD is delayed due to non-availability of transmission systems from the delivery point, MSEDCL has to pay to the supplier the fixed charges based on Normative Availability as damages for a period till the time transmission system is made available. It may lead to huge financial implication to MSEDCL. As such the defaulting entity i.e MSETCL will have to bear this fixed cost. MSEDCL requested the Commission to issue directives to MSETCL to incorporate the ATC Enhancement plan in the ARR.

***MSETCL’s Response:***

2.10.8 MSETCL submitted that, the concern raised by MSEDCL is about Transmission Planning which is function of STU. Ideally MSEDCL should take up this matter with STU as per provisions of Central Electricity Regulatory Commission (**CERC**) (Connectivity and GNA to the ISTS) Regulation, 2022. MSEDCL has provided extract of para 18.2 from Case No.155/ 2024 dated 26.09.2024 which says that MSEDCL shall coordinate with STU to plan and timely implementation of strengthening and augmentation of ISTS transfer capacities on urgent and priority basis.

2.10.9 However, MSETCL has coordinated with STU and the details shared regarding ATC requirement vis-à-vis ATC enhancement envisaged in Maharashtra are as under:

Year	Peak Demand (ant.) (MW)	ATC requirement (MW) Upto 2024-25: Based on STU NOCs & 2025-26 & 2026-27: Based on projected load growth (as on STU NOCs issued)		ATC availability (MW) (with under implementation/planned Transmission schemes)		Surplus ATC (MW)	TTC after commissioning of projects (MW)	Transmission Reliability Margin (2% of demand) (MW)	ATC after commissioning of projects (MW)	Enhancement in ATC (MW)
		Addl. Requirement (A)	Cumulative (B)	Enhancement (C)	Cumulative (D)					
Present (when report was published i.e Nov - 2022)	28800	-	9905	-	9905* (Actual ATC 9760 MW)	0				
2022-23 (By Apr 23)	29500	893	10798	1038*	10798	0				
2023-24	31600	461	11259	702	11500	241				
2024-25	33000	1408	12667	5500	17000	4333	11400 (as on 5.12.2024)	600 (as on 5.12.2024)	10800 (as on 5.12.2025)	1040 (10800-9760)
2025-26	34500	1500	14167	4500	21500	7333				
2026-27	36000	1500	15667	1000	22500	6833				

\*Including 145 MW being accommodated under Reliability Margin

2.10.10 MSETCL has submitted the copy of recent of the recent letter dated 5.12.2024 by Grid Controller of India, WRLDC to SLDC and details/status of the transmission schemes impacting Maharashtra ATC.

2.10.11 MSETCL also submitted that, it would take up such projects on priority basis and also coordinate with STU and other stakeholders as needed to ensure timely completion of projects in the overall interest of the consumers of the State. As mentioned earlier, MSETCL is also taking proactive steps in micro planning for execution of the schemes to ensure timely completion of the same.

### Commission's Analysis and Ruling

2.10.12 The Commission noted the submissions of MSEDCL and MSETCL. As MSETCL pointed out, it is important for MSEDCL to coordinate with the STU to ensure that the required schemes are implemented on time to ensure availability of sufficient ATC to evacuate power. However, having said this, it is also the responsibility of MSETCL to ensure that the schemes which are being implemented by MSETCL are completed well within the approved timelines and costs. **The Commission as a part of the capex approval in this Order has given priority to schemes which are being planned for evacuation of RE power along with other schemes. Such schemes have been approved in this Petition, as an exception, even if the Detailed Project Report (DPR) for these schemes is yet to be approved.** This exception has been considered only to ensure that distribution licensees do not face issues with the evacuation of power from RE power plants for which they have entered into PPAs. MSETCL/STU has to closely monitor such schemes to ensure that they are implemented within prescribed time and cost.

2.10.13 Further the Commission notes that STU has finalised its 10-year plan on 5 September 2024. The said plan includes the schemes of all transmission licences including MSETCL.

2.10.14 Hence, the Commission directs STU and MSETCL to ensure that they shall decide the priority for execution of the scheme based on the system requirements. This will help to resolve the transmission constraints faced by the system.

### **3 Summary of Impact of Disallowed Capitalisation for previous years**

#### **3.1 Background / MSETCL submission:**

- 3.1.1 The Commission in the MYT Order Case No. 302 of 2019 dated 30 March 2020 had approved a gross amount of Rs.112.20 Crore as against MSETCL claim of Rs. 323.79 Crore due to unutilised bays and other capital expenditure not put to use.
- 3.1.2 MSETCL in the MTR Order in Case no. 232 of 2022 had sought approval against the following:
- Disallowed capitalisation was claimed till FY 2014-15 as per the directives of the Commission
    - Capitalization against DPR schemes
      - These schemes were disallowed due to lack of justification or assets not put to use are only claimed now as they are put to use or MSETCL has provided adequate justification.
    - Capitalization against Unutilised (33/22/11 kV) bays
- 3.1.3 MSETCL had also claimed capitalisation against capital expenditure schemes which were disallowed in the past as the assets were not put to use. These included schemes from FY 2010-11 till FY 2018-19 disallowed in the past Orders of the Commission. MSETCL had submitted the year wise claim against each of the schemes as part of the Petition and supporting documentation.
- 3.1.4 MSETCL claimed capitalisation of Rs. 186.19 crore from FY 2010-11 to FY 2018-19 along with the associated impact on various ARR elements.
- 3.1.5 Based on detailed scrutiny, the Commission had approved the disallowed capitalisation partially, against the claims of MSETCL in the MTR Petition.
- 3.1.6 MSETCL has filed an Appeal No. 9 of 2024 against the Commission's Order dated 31 March 2023 in Case No. 232 of 2022 on the following issues:
- Adoption of the methodology of shifting capitalisation and allowing the same at depreciated value
  - Disallowance of the impact of past period disallowed capitalisation which is not as per MYT Regulations, 2015 or any other previous Regulations
- 3.1.7 Similar issues were also agitated in MSETCL's earlier Appeal No. 379 of 2019 against the Commission's Order dated 12 September 2018 in Case No. 168 of 2018 and Appeal No. 107 of 2021 against the Commission's Order dated 30 March 2020 in Case No. 302 of 2019.
- 3.1.8 MSETCL has submitted the current Petition without prejudice to any of its right and contentions in said Appeal and MSETCL reserves its right to again approach the Commission depending upon the final decision of the Hon'ble APTEL.

3.1.9 MSETCL in this Petition has claimed disallowed capitalisation, which is now put to use, under the following three categories.

- Impact of past disallowed Capitalisation which is put to use.
- Impact of past disallowed capitalisation against 132 nos. of unutilised bays from approved schemes, which is put to use.
- Impact of past disallowed Capitalisation against balance Unutilised (33/22/11 kV) bays till FY 2014-15, which are put to use.

3.1.10 The subsequent paragraphs outline the submissions of MSETCL and the rulings of the Commission.

### **3.2 Impact of past disallowed capitalisation now being claimed, which is put to use**

#### ***MSETCL's Submission***

3.2.1 The Commission in MYT Order in Case No. 302 of 2019 dated 30 March 2020 had identified certain schemes which had cost-overflow on account of various reasons including cost escalation due to price and quantity variation, crop compensation, etc. However, in absence of submission of documents by MSETCL, the Commission approved restricted capitalisation on account of cost overrun (i.e., disallowed 50% cost-over-run). Subsequently, as against MSETCL claim during MTR Petition, the Commission disallowed capitalisation against certain schemes as they were restricted in MYT Petition. MSETCL is submitting claim against such schemes as amount of capitalization claimed here is not against the works, but it is the balance payment made viz., against the survey work in the scheme, for payment of crop compensation and GEC, while closing the scheme in the SAP system.

3.2.2 MSETCL submitted other key claims for the following schemes:

- **Work of 2<sup>nd</sup> Ckt. stringing under Bhusawal Circle**
  - At the time of MTR Petition the Commission has disallowed capitalisation of Rs. 0.33 Crore, Rs. 3.90 Crore and Rs. 7.09 Crore for FY 2019-20, FY 2020-21 & FY 2021-22 respectively due pending line work at river crossing. MSETCL submitted that work of 2<sup>nd</sup> Ckt stringing of 220 kV Dondaicha-Shahada Line is completed on 1 July 2023 and hence the capitalisation has been claimed
- **Maharashtra Transmission Asset Management Centre (MTAMC) Project Phase-I & Phase-II:**
  - The capitalisation at the time of MTR was disallowed as asset was not put to use and due to minimal capitalisation against the scheme. MSETCL submitted that the work completed upto March 2022 is put to use. Hence, the capitalization claimed in FY 2020-21 and FY 2021-22 of Rs. 6.82 Crore may be allowed. Further, the additional capitalization amount of Rs. 60.38 Crore during FY 2022-23 and FY 2023-24 is also claimed in this Petition.

- **220 kV Bhokardan Substation:**

- The Commission at the time of MTR Petition disallowed capitalisation stating that Capitalisation is higher than the capital expenditure incurred. Further, the capitalisation claimed is of a very old scheme which is deemed close as per the previous Petition. MSETCL submits that the capitalization claimed is against some miscellaneous expenses incurred during the execution of the scheme. Further, the total amount of capitalisation claimed is within the approved limit of capitalisation and hence claimed for FY 2019-20 and FY 2020-21 may be allowed.

- **220 kV Warud S/s:**

- The Commission in its MTR Order had disallowed capitalisation sought against 220 kV Warud sub-station stating that the sub-station was back charges and not expected to be put to use before the end of the Control Period. MSETCL submits that only 220 kV line work was pending in this scheme, which is likely to be get commissioned in December 2024. In view of the details submitted in this Petition, the disallowed claim may be approved along with the projected claim for FY 2024-25.

3.2.3 The Commission in MTR Order has disallowed certain non-DPR schemes for want of information mainly General Assets. The relevant extract of the Order is reproduced below:

*“4.7.48 Further, in case of certain schemes, MSETCL has not shared any information pertaining to the scope of work or the objective of the scheme, nature of work etc. inspite of queries and follow up. It is only mentioned general assets. Hence, such schemes are disallowed (e.g. General Assets, etc.). The list of such schemes is attached as Annexure 4 (g): (Disallowed Schemes – NDPR).”*

3.2.4 MSETCL has also claimed capitalisation against such schemes. The relevant justification is submitted along with the list of such scheme. MSETCL has enclosed various General Asset circulars pursuant to relevant Board Resolution as **Annexure – 13** of revised petition.

3.2.5 MSETCL has further submitted that out of total 99 no. of schemes, capitalisation for 52 no. of schemes claimed in this Petition is based on the put to use status and justification provided. The scheme-wise details such as approved capital cost, cost incurred till date, approved and actual date of Commissioning, reasons for cost and/or time overrun, if applicable, etc. The List of aforementioned schemes is attached with as **Annexure – 5** of revised petition.

3.2.6 MSETCL requested the Commission to allow the past disallowed capitalisation along with its claimed impact of same as shown in the Table below:

**Table 1: Disallowed Capitalisation now being claimed, as submitted by MSETCL (Rs. Crore)**

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	Total
Capitalisation Claimed	10.66	27.52	26.17	<b>64.34</b>

3.2.7 MSETCL has submitted the impact of ARR element linked to capitalisation as shown in table below:



**Table 2: Impact of Disallowed Capitalisation now being claimed, as submitted by MSETCL (Rs. Crore)**

Capitalisation Claimed in FY	Depreciation	Interest on Loan	Return on Equity	Total
FY 2019-20	0.21	0.41	0.09	0.71
FY 2020-21	0.85	1.86	1.13	3.84
FY 2021-22	2.01	3.38	2.49	7.88
<b>Total</b>	<b>3.07</b>	<b>5.65</b>	<b>3.71</b>	<b>12.43</b>

**Table 3: Impact of Disallowed Capitalisation – Carrying cost, as submitted by MSETCL (Rs. Crore)**

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
<b>Applicable Rate</b>	<b>9.66%</b>	<b>8.57%</b>	<b>8.50%</b>	<b>9.30%</b>	<b>10.07%</b>	<b>10.45%</b>
Opening balance	0.00	0.71	4.55	12.43	12.43	12.43
Additions during year	0.71	3.84	7.88	0.00	0.00	0.00
<b>Closing balance</b>	<b>0.71</b>	<b>4.55</b>	<b>12.43</b>	<b>12.43</b>	<b>12.43</b>	<b>12.43</b>
Carrying cost on opening	0.00	0.06	0.39	1.16	1.25	1.30
Carrying cost on addition	0.03	0.16	0.33	0.00	0.00	0.00
<b>Total</b>	<b>0.03</b>	<b>0.23</b>	<b>0.72</b>	<b>1.16</b>	<b>1.25</b>	<b>1.30</b>
<b>Total Carrying Cost due to Disallowed Capitalisation</b>						<b>4.69</b>
<b>Total Impact of Disallowed Capitalisation and Carrying Cost on the same.</b>						<b>17.12</b>

3.2.8 MSETCL further submitted that, past capitalisation has been added to the opening Gross Fixed Asset (GFA) of FY 2022-23 for further depreciation, Interest on loan, return on Equity computation purpose and capitalisation for FY 2022-23 onwards have been added in respective years.

### ***Commission's Analysis and Ruling***

3.2.9 The Commission has noted the submissions of MSETCL with regards to the past disallowed capitalisation which is now claimed being now put to use. The Commission had disallowed these schemes in the past Orders for various reasons including but not limited to the asset not been put to use, the scheme being old, minimal capitalisation claimed, etc.

3.2.10 In the above context, the Commission has now examined the details provided by MSETCL for the schemes for which the approval has been sought by MSETCL. Based on the review, the Commission has observed that some of the schemes which were disallowed earlier have now been Commissioned and put to use. Such schemes have been approved, and the associated capitalisation has been considered as approved. The Commission in the past had also disallowed capitalisation against various non-DPR schemes which were categorised as "General Assets" due to lack of availability of relevant information (scope of work or the objective of the scheme, nature of work etc.) required to enable decision making. MSETCL has now provided clarifications in this regard and accordingly, the Commission has considered the scheme for approval. The capitalisation against these schemes "General Assets" has been considered in FY 2022-23.

3.2.11 In case of one of the schemes, (LE/2017-18/009 - Replacement of 245 kV & 145 kV CT under Nashik) the work involved is of Repair and Maintenance (R&M) nature rather than

capex nature and hence the associated capitalisation has been approved and transferred to the O&M expenses instead of considering the same under capitalisation.

3.2.12 The remaining schemes have been disallowed on account of various reasons including but not limited to:

- Schemes where the asset has not been put to use.
- The schemes were already deemed closed in the past MTR Order in Case No. 232 of 2022 and hence not considered.
- Schemes which already have substantial cost overrun and assets not put to use as on date have been disallowed. Further capitalization shall not be allowed on these schemes in future.
- For Schemes which already had cost overrun during the MTR proceedings, no further capitalisation has been considered.
- Very old schemes which have been deemed closed in the past are not considered.
- Very old schemes against which negligible capitalization has been claimed have not been considered for approval.
- No justification has been provided for capitalisation.

3.2.13 Accordingly, the Commission has examined the scheme wise details submitted by MSETCL for the period FY 2019-20 to FY 2021-22. Based on the available information, the Commission has assessed and considered the schemes as put to use and accordingly approved the capitalisation against such schemes. The details of the schemes approved are available **Annexure-4 (e)** of this Order. Accordingly, the summary of the past disallowed capitalisation against schemes approved by the Commission is summarised in the table below:

**Table 4: Past Disallowed capitalisation, as approved by the Commission (Rs. Crore)**

Particulars	FY 2022-23	FY 2023-24
Past disallowed capitalisation approved	18.56	11.32
Transfer from Capex to R&M based on nature of work (Approved)	1.41	-

3.2.14 The Commission notes that even though the old schemes have been closed by the Commission and ruled that no further capitalisation shall allowed, MSETCL has been again and again claiming capitalisation against such scheme without any justification. Some of these schemes are included in following table:

**Table 5: Illustrative list of schemes closed by the Commission in previous Orders**

Project Definition	Scheme Name	MERC Approval Date	Date of Completion
SS/2008-09/028	220 kV Malegaon S/s	12 July, 2010	10 August, 2017
SS/2008-09/030	220 kV Anjangaon S/s	12 July, 2010	27 December, 2017
SS/2008-09/045	132 kV Ghargaon S/s	12 July, 2010	2 April, 2019
LL/2014-15/005	Reorientation of 132 kV line at 220 kV Balapur S/s	7 August, 2009	27 June, 2018

- 3.2.15 It is evident from the above table that the schemes under consideration are quite old and it is not prudent to keep on allowing capitalisation against such schemes perpetually. Further, MSETCL has submitted that the amount of capitalization claimed presently is not against the works, but it is the balance payment made viz., against the survey work in the scheme, for payment of crop compensation and GEC, while closing the scheme in the SAP system. In this regard, MSETCL needs to note that all the expenditure pertaining to the scheme, whether related to works or other payments (survey work, crop compensation, etc.) are capitalised against the project cost and completion of the project in all respects has to be achieved within a prescribed timeline. The projects which are supposed to be completed in all respects within a period of 2 to 3 years depending on the nature of the project and scheme cannot be allowed to be kept open perpetually. MSETCL needs to ensure that projects are completed and closed within the prescribed timelines which will enable avoiding time and cost overruns. Accordingly, MSETCL should close schemes which are ongoing for long durations as the Commission will be constrained to disallow capitalisation against such schemes.
- 3.2.16 It is apparent from the repeated claim of MSETCL towards already closed schemes, that MSETCL is not taking the cognizance of the rulings of the Commission. **Hence, MSETCL is directed that once the scheme is closed by the Commission, then MSETCL shall not claim the capitalisation against such schemes. Further, MSETCL shall submit the scheme completion report and close the scheme in its SAP system. If MSETCL fails to comply with the directives, the Commission may be constrained to initiate the appropriate action against the responsible officials of MSETCL.**
- 3.2.17 The Commission notes that MSETCL has claimed the impact of the past disallowed capitalisation claimed in the present Petition on various elements of ARR like the depreciation, return on equity and interest on loan for the period from FY 2019-20 to FY 2021-22. Additionally, MSETCL has also claimed the carrying cost on these elements for the period FY 2019-20 to FY 2024-25 considering the delay in recovery of these costs.
- 3.2.18 MSETCL further submitted that, past capitalisation has been added to the opening GFA of FY 2022-23 for computation of depreciation, interest on loan, return on equity computation purpose.
- 3.2.19 The Commission has noted MSETCL's submissions, however, in line with the approach adopted in the past Orders, the Commission has considered the addition of the approved past disallowed capitalisation for the period upto FY 2022-23 in the FY 2022-23 and subsequently in the relevant years in which the capitalisation has been approved. The Commission has not considered approval of the impact on the ARR elements as proposed by MSETCL for the period prior to FY 2022-23 and also the associated carrying cost. The impact on the ARR elements has only been considered from FY 2022-23 onwards, as relevant, as part of the truing up process.
- 3.2.20 **Accordingly, the Commission has approved past disallowed capitalisation to the extent of Rs. 18.56 Crore in FY 2022-23 and Rs. 11.32 Crore in FY 2023-24. Capitalisation against one scheme to the extent of Rs. 1.41 Crore has been considered for transfer from capex to R&M considering the nature of activities envisaged (R&M**

**nature instead of capital expenditure nature) under the scheme. The actual O&M expenses for FY 2022-23 will now include the expenses identified for transfer from capex to O&M expenses.**

### **3.3 Impact of past disallowed capitalisation against unutilised bays from approved schemes (as identified in MTR Order in Case No. 232 of 2022), which are put to use**

#### ***MSETCL's Submission***

3.3.1 The Commission in the MTR Order dated 31 March 2023 observed that MSETCL has considered only the utilised bays for additions during the period FY 2019-20 to FY 2024-25. However, the capitalisation considered is as per the audited accounts and hence will include costs towards unutilised bays as well. Considering the same, the Commission had identified unutilised bays against schemes which have been approved in the MTR Order (Approved, restricted and shifted schemes). Further, the Commission identified associated capitalisation of such unutilised bays for the purpose of disallowing. The relevant extract of the Order is reproduced below:

*“4.7.52 Further, MSETCL has also provided information of the bays associated with schemes capitalised during the period FY 2019-20 to FY 2024-25. This also includes a breakup of how many of these bays are utilised and how many are unutilised. MSETCL has considered only the utilised bays for additions during the period FY 2019-20 to FY 2024-25. However, the capitalisation considered is as per the audited accounts and hence will include costs towards unutilised bays as well. Considering the same, **the Commission has identified unutilised bays against schemes which have been approved in the present Order (Approved, restricted and shifted schemes).** The cost of bay has been considered as per the information provided by MSETCL as given below:*

....

***4.7.53 The Commission has identified such unutilised bays and the associated capitalisation for the purpose of disallowing as given in the table below:***

....

***4.7.54 The above disallowed capitalisation is a temporary disallowance of the cost and MSETCL can claim it in future subject to the bays being put to use. The details of these bays is provided at Annexure 4 (h): List of unutilised bays from approved capital schemes.”***

3.3.2 The disallowed capitalisation was a temporary disallowance of the cost and MSETCL can claim the same in the future, subject to the bays being put to use. Out of such 132 nos. of bays, there are 96 nos. of bays that have been put to use and hence capitalisation has been claimed against these bays. MSETCL submitted the list of such bays along with the current status is attached as **Annexure – 6** of revised petition.

3.3.3 Further, amongst these bays there are significant number of 33 kV bays. Most of them are in the nature of spare bays for which either no requirement for utilisation is received from MSEDCL or they are not utilised by MSEDCL. MSETCL is incurring loss due to delayed

utilisation of bays by MSEDCL. MSETCL requested the Commission to seriously look into this aspect and direct MSEDCL to provide reasons for non-utilisation for prolonged period or direct them to bear the cost.

- 3.3.4 The Commission in MTR Order had disallowed capitalisation for such unutilised bays by considering separate voltage-wise cost per bay. MSETCL for the purpose of this claim has considered the respective voltage-wise cost per bays for AIS as well as GIS bays in line with the approach adopted by the Commission.
- 3.3.5 MSETCL requested to allow the past disallowed capitalisation and the impact of all the ARR elements linked to the capitalisation as claimed in the Table below:

**Table 6: Disallowed Capitalisation (unutilised bays from approved schemes) now being claimed, as submitted by MSETCL (Rs Crore)**

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	Total
Capitalisation Claimed	0.35	0.70	1.40	26.07	6.98	7.81	43.31

**Table 7: Impact of Disallowed Capitalisation (unutilised bays from approved schemes) now being claimed, as submitted by MSETCL (Rs. Crore)**

Capitalisation Claimed in FY	Depreciation	Interest on Loan	Return on Equity	Total
FY 2019-20	0.01	0.01	0.00	0.02
FY 2020-21	0.02	0.05	0.03	0.11
FY 2021-22	0.07	0.12	0.09	0.27
<b>Total</b>	<b>0.10</b>	<b>0.18</b>	<b>0.12</b>	<b>0.40</b>

**Table 8: Impact of Disallowed Capitalisation – Carrying cost, as submitted by MSETCL (Rs Crore)**

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
<b>Applicable Rate</b>	<b>9.66%</b>	<b>8.57%</b>	<b>8.50%</b>	<b>9.30%</b>	<b>10.07%</b>	<b>10.45%</b>
Opening balance	0.00	0.02	0.13	0.40	0.40	0.40
Additions during year	0.02	0.11	0.27	0.00	0.00	0.00
<b>Closing balance</b>	<b>0.02</b>	<b>0.13</b>	<b>0.40</b>	<b>0.40</b>	<b>0.40</b>	<b>0.40</b>
Carrying cost on opening	0.00	0.00	0.01	0.04	0.04	0.04
Carrying cost on addition	0.00	0.00	0.01	0.00	0.00	0.00
<b>Total</b>	<b>0.00</b>	<b>0.01</b>	<b>0.02</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>
<b>Total Carrying Cost due to Disallowed Capitalisation</b>						<b>0.15</b>
<b>Total Impact of Dis. Capitalisation &amp; Carrying Cost on the same.</b>						<b>0.55</b>

- 3.3.6 MSETCL further submitted that past capitalisation has been added to the opening GFA of FY 2022-23 for further depreciation, Interest on loan and Return on Equity computation purpose, while capitalisation for FY 2022-23 onwards has been added in respective years.

#### ***Commission's Analysis and Ruling***

- 3.3.7 The Commission notes the MSETCL submission and observes that MSETCL has claimed capitalisation against 96 nos. of bays which have been considered to be put to use out of 102 nos. of Bays (instead of 132 nos. as mentioned by MSETCL in its submission – details available at **Annexure 4 (h): List of unutilised bays from approved capital schemes** of the MTR Order) disallowed by the Commission in the MTR Order in Case No. 232 of 2022.

These bays were part of the approved capital expenditure schemes, however, were unutilised.

- 3.3.8 The Commission has examined the submissions of MSETCL in Annexure 6 to the MYT Petition. MSETCL has provided bay wise details like the date on which the load was taken and the quantum of load. The Commission has approved the bays which have been utilised (load taken) as per the details submitted by MSETCL. Accordingly, there are 38 nos. of AIS which has been put to use over the period FY 2022-23 to FY 2024-25. Similarly, 3 nos. of GIS bays have also been put to use based on current status submitted by MSETCL over the period FY 2022-23 and FY 2023-24. The balance bays are either not utilised or are allotted to some consumer who is yet to utilise it or allotted to consumer or MSEDCL, but the downstream network is not ready, or are spare bays in the substation, or not utilised by the Discoms. MSETCL has claimed capitalisation against such bays as well stating that amongst these bays there are significant number of 33 kV bays which are of the nature of spare bays for which either no requirement for utilisation is received from MSEDCL or they are not utilised by MSEDCL. MSETCL submitted that it is incurring loss due to delayed utilisation of bays by MSEDCL and MSEDCL should be directed to provide reasons for non-utilisation of the bays for prolonged period or direct them to bear the cost.
- 3.3.9 The Commission in its past Orders has made its stand clear regarding considering the bays as utilised only when the bay is actually put to use. The MYT Regulations 2019 and 2024 also clearly specify that the capitalisation can be approved only when the asset is put to use. Accordingly, for the purpose of this Order, the Commission approved 38 nos. of AIS bays, and 3 nos. of GIS bays are utilised from the overall list of 102 nos. of unutilised bays identified by the Commission in the MTR Order in Case No. 232 of 2022. The list of utilised bays and pending utilised bays is available at [Annexure 3 \(f\)](#).
- 3.3.10 The Commission has considered the Cost per Bay (Rs. Crore / Bay) as elaborated in para 4.7.52 of the MTR Order Case No. 232 of 2022. The Commission has not considered the carrying cost as submitted by MSETCL as bays were not put to use.
- 3.3.11 The summary of the utilised bays considered by the Commission for approval along with the associated capitalisation for the FY 2022-23, FY 2023-24, and FY 2024-25 as shown in table below.

**Table 9: Utilised bays from approved schemes and the capitalisation as, allowed by the Commission (Rs. Crore)**

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	Cost per Bay (Rs. Crore / Bay)
<b>Number of Bays (AIS Bays)</b>				
220 kV	-	-	2.00	1.83
132 kV	5.00	3.00	1.00	1.00
33/22 kV	11.00	7.00	9.00	0.35
<b>Total AIS</b>	<b>16.00</b>	<b>10.00</b>	<b>12.00</b>	
<b>Number of Bays (GIS Bays)</b>				
33/22 kV	2.00	1.00	-	0.53
<b>Total GIS</b>	<b>2.00</b>	<b>1.00</b>	<b>-</b>	

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	Cost per Bay (Rs. Crore / Bay)
<b>Total BAYS</b>	<b>18.00</b>	<b>11.00</b>	<b>12.00</b>	
Total Capitalisation allowed - AIS	8.85	5.45	7.81	<b>22.11</b>
Total Capitalisation allowed - GIS	1.06	0.53	-	<b>1.59</b>
<b>Total Capitalisation allowed (Rs Crore)</b>	<b>9.91</b>	<b>5.98</b>	<b>7.81</b>	<b>23.70</b>

3.3.12 Accordingly, the Commission has now considered 38 nos. of AIS bays and 3 nos. of GIS bays as utilised from the total of 102 bays identified by the Commission as unutilised bays in the MYR Order in Case No. 232 of 2022. The associated capitalisation approved by the Commission is Rs. 9.91 Crore, Rs. 5.98 Crore and Rs. 7.81 Crore in FY 2022-23, FY 2023-24 and FY 2024-25 respectively.

### 3.4 Impact of past disallowed Capitalisation against balance Unutilised (33/22/11 kV) bays till FY 2014-15, which is put to use

3.4.1 MSETCL submitted that, during the period from last MYT Order and MTR Petition there were 101 nos. of 33/22/11 kV bays which are put to use out of the total 310 nos. of unutilised bays previously disallowed till FY 2014-15. The Commission vide its MTR Order allowed capitalisation against only 91 nos. of bays which have been considered to be put to use. Subsequent to issuance of the MTR Order, out of balance 209 nos. of unutilised bays previously disallowed till FY 2014-15, there are 47 nos. of 33/22/11 kV bays that have been put to use.

3.4.2 MSETCL submits that despite of various efforts of MSETCL to utilise these bays, MSEDCL is finding difficult to construct feeders and utilise these bays. Hence, balance nos. of bays will be claimed in future based on utilisation of put to use by MSEDCL.

3.4.3 MSETCL submitted to allow the impact of all the ARR elements linked to the capitalisation as claimed in the Table below:

**Table 10: Impact of Disallowed Capitalisation, as claimed by MSETCL (Rs. Crore)**

Capitalisation Claimed in FY	Depreciation + AAD	Interest on Loan	Return on Equity	Total before Incentive	Incentive	Total
FY 2010-11	-	-	-	-	-	-
FY 2011-12	0.27	0.15	0.05	0.46	0.01	<b>0.47</b>
FY 2012-13	0.58	0.43	0.15	1.16	0.02	<b>1.18</b>
FY 2013-14	0.30	0.67	0.24	1.22	0.02	<b>1.24</b>
FY 2014-15	0.33	0.72	0.26	1.31	0.03	<b>1.34</b>
FY 2015-16	0.29	0.69	0.27	1.24	0.02	<b>1.27</b>
FY 2016-17	0.34	0.65	0.13	1.12	0.01	<b>1.12</b>
FY 2017-18	0.34	0.57	0.13	1.04	0.01	<b>1.05</b>
FY 2018-19	0.34	0.52	0.13	0.99	0.00	<b>1.00</b>
FY 2019-20	0.35	0.49	0.13	0.96	0.01	<b>0.97</b>
FY 2020-21	0.30	0.46	0.34	1.10	0.00	<b>1.10</b>
FY 2021-22	0.34	0.38	0.35	1.07	0.00	<b>1.07</b>
<b>Total</b>	<b>2.78</b>	<b>4.39</b>	<b>1.36</b>	<b>8.54</b>	<b>0.12</b>	<b>11.81</b>



**Table 11: Impact of Disallowed Capitalisation – Carrying cost as, claimed by MSETCL (Rs. Core)**

Particulars	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	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
Applicable Rate	11.75%	14.75%	14.75%	14.75%	14.45%	10.80%	10.79%	10.18%	9.89%	9.66%	8.57%	8.50%	9.30%	10.07%	10.45%
Opening balance	-	-	0.47	1.65	2.89	4.23	5.50	6.62	7.67	8.66	9.63	10.74	11.81	11.81	11.81
Additions during year	-	0.47	1.18	1.24	1.34	1.27	1.12	1.05	1.00	0.97	1.10	1.07	-	-	-
Closing balance	-	0.47	1.65	2.89	4.23	5.50	6.62	7.67	8.66	9.63	10.74	11.81	11.81	11.81	11.81
Carrying cost on opening	-	-	0.07	0.24	0.42	0.46	0.59	0.67	0.76	0.84	0.83	0.91	1.10	1.19	1.23
Carrying cost on addition	-	0.03	0.09	0.09	0.10	0.07	0.06	0.05	0.05	0.05	0.05	0.05	-	-	-
<b>Total</b>	-	0.03	0.16	0.34	0.51	0.53	0.65	0.73	0.81	0.88	0.87	0.96	1.10	1.19	1.23
<b>Total Carrying Cost due to Disallowed Capitalisation</b>															<b>9.99</b>
<b>Total Impact of Disallowed Capitalisation and Carrying Cost on the same.</b>															<b>21.80</b>

3.4.4 MSETCL requested the Commission to allow the above impact of Rs. 11.81 Crore along with carrying cost of Rs. 9.99 Crore. Further, it has submitted that claim of past capitalisation has been added to the opening GFA of FY 2022-23 for further depreciation, Interest on loan, Return on Equity computation purpose.

### **Commission's Analysis and Ruling**

3.4.5 The Commission has noted the submissions of MSETCL and also examined the details provided by MSETCL in support of its claim for utilisation of previously unutilised bays during the FY 2011-12 to FY 2014-15.

3.4.6 MSETCL has claimed that 47 nos. of bays have been utilised after the MTR Order and accordingly claimed associated capitalisation and its impact on various ARR components for the period FY 2011-12 and FY 2021-22. The bays have been considered to be utilised during the period FY 2011-12 to FY 2014-15. MSETCL has also claimed carrying cost on the impact of disallowed capitalisation for the period FY 2011-12 to FY 2024-25.

3.4.7 The Commission has examined the put to use related information shared by MSETCL and has accordingly considered utilisation of 46 no. of bays from the list of 47 no. of bays submitted by MSETCL. One 22 kV capacitor bank related to the scheme “Additional T/F O&M Cr Pune (77 18.1.07)” forming part of bays disallowed for FY 2012-13 has not been considered as utilised as the status mentioned under the head “Date of Commissioning” is “6. Capacitor bank-reserved for Phase-VI” and load taken details includes a comment that “6. Capacitor bank - Reserved for 5 MVar”. Accordingly, the Commission has not considered the same as capitalised.

3.4.8 Further, the Commission, in line with the approach adopted in the past Order, has approved capitalisation against the utilised bays considering the capital cost per bay of Rs. 18.57 Lakh considered by the Commission at the time of disallowing the bays.

3.4.9 The summary of bays considered as utilised in the present Order is given below:

**Table 12: Capitalisation against bays – MSETCL submission and Commission's Approval**

Particulars	MSETCL Submission				Cost per Bay (Rs. Lakh/Bay)	Amount (Rs. Crores)
	33 kV	22 kV	11 kV	Total		
FY-2011-12	13.00	1.00	4.00	18.00	18.57	3.34
FY-2012-13 <sup>#</sup>	16.00	6.00	-	21.00	18.57	3.90
FY-2013-14	6.00	-	-	6.00	18.57	1.11
FY-2014-15	-	2.00	-	2.00	18.57	0.37
<b>Total</b>	<b>35.00</b>	<b>9.00</b>	<b>4.00</b>	<b>47.00</b>		<b>8.73</b>



# The voltage wise break-up of bays provided for FY 2012-13 does not add up to the total number of bays provided by MSETCL. The Commission has relied on the information provided in the supporting documents submitted by MSETCL while approving the voltage-wise bays.

<b>Commission Approval (Gross Capitalisation)</b>						
<b>Particulars</b>	<b>33 kV</b>	<b>22 kV</b>	<b>11 kV</b>	<b>Total</b>	<b>Cost per Bay (Rs. Lakh/Bay)</b>	<b>Amount (Rs. Crores)</b>
FY-2011-12	13.00	1.00	4.00	<b>18.00</b>	18.57	3.34
FY-2012-13	17.00	3.00	-	<b>20.00</b>	18.57	3.71
FY-2013-14	6.00	-	-	<b>6.00</b>	18.57	1.11
FY-2014-15	-	2.00	-	<b>2.00</b>	18.57	0.37
<b>Total</b>	<b>36.00</b>	<b>6.00</b>	<b>4.00</b>	<b>46.00</b>		<b>8.54</b>

3.4.10 The year wise addition of past disallowed bays for the purpose of allowing associated O&M expenses based on the actual year of put to use is given in the table below.

**Table 13: Summary of year wise addition of bays, as approved by the Commission (Nos.)**

<b>Particulars</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>	<b>FY 2024-25</b>	<b>Total</b>
AIS	39.00	4.00	3.00	46.00
GIS	-	-	-	-
<b>Total</b>	<b>39.00</b>	<b>4.00</b>	<b>3.00</b>	<b>46.00</b>

3.4.11 Further, MSETCL has submitted that while allowing capitalisation amount in the past Orders, the Commission had considered net of depreciation for past years but has not allowed the depreciation and impact of other elements of ARR linked to capitalisation in the MYT Order. MSETCL submitted that it has been suffering due to inability of MSEDCL to construct the feeders and utilise these bays. MSETCL requested the Commission to allow the impact of ARR elements linked to capitalisation in this Petition.

3.4.12 The Commission has discussed the issue pertaining to allowing the past capitalisation based on depreciated value in its past Orders and hence it is a settled matter as far as the Commission is concerned. Accordingly, in line with the approach adopted by the Commission in the MTR Order in Case No. 232 as well as earlier Orders, the Commission has first identified the year of actual put to use of assets based on the information shared by MSETCL. Further, in line with the approach adopted in the MTR Order, the Commission has considered capitalisation for all the bays which were put to use in the period from FY 2011-12 to FY 2021-22 in the FY 2022-23 or later if the bays are utilised in subsequent years. Further, for such bays, the Commission computed the year-wise depreciation, from the year of disallowance (as per previous Orders) up to the year FY 2022-23 or later, depending on the year in which the bay has been considering as utilised and the depreciation rates approved for the respective years have been considered for computing the depreciation. For bays whose put to use status is ascertained in FY 2023-23 or expected in the subsequent years up to FY 2024-25, the Commission computed the depreciation till such year of put to use in a similar manner. The total depreciation computed from the year of disallowance up to the year of put to use/ expected put to use is deducted from the claimed capitalisation amount to derive the net capitalisation (depreciated cost) against these bays. This net capitalisation is considered for approval in the respective years from FY 2022-22 to FY 2024-25, as applicable. Considering that such previously disallowed capitalisation is now being allowed only from FY 2022-23, there is

no impact of disallowed capitalisation computed for the years FY 2010-11 to FY 2021-22, separately. The approval of ARR elements pertaining to this capitalisation is dealt with in the respective year of capitalisation considered now, in the subsequent Sections of this Order.

3.4.13 Based on the forgoing discussions, the previously disallowed capitalisation pertaining to unutilised bays (FY 2011-12 to FY 2014-15) approved by the Commission in this Order is shown in the Table below:

**Table 14: Past Disallowed Capitalisation pertaining to unutilised bays (FY 2011-12 to FY 2024-15) as, approved by the Commission (Rs. Crore)**

Capitalisation Claimed in FY	Claimed in this Petition	Gross Capitalisation approved by the Commission	Net Capitalisation approved by the Commission
FY 2010-11	-	-	-
FY 2011-12	3.34	-	-
FY 2012-13	3.90	-	-
FY 2013-14	1.11	-	-
FY 2014-15	0.37	-	-
FY 2015-16	-	-	-
FY 2016-17	-	-	-
FY 2017-18	-	-	-
FY 2018-19	-	-	-
FY 2019-20	-	-	-
FY 2020-21	-	-	-
FY 2021-22	-	-	-
FY 2022-23	-	7.24	4.00
FY 2023-24	-	0.74	0.44
FY 2024-25	-	0.56	0.29
<b>Total</b>	<b>8.73</b>	<b>8.54</b>	<b>4.73</b>

3.4.14 The Commission approves previously disallowed capitalisation pertaining to unutilised bays of Rs. 4.73 Crore (Net capitalisation) Crore, as against MSETCL's claim of Rs. 8.73 Crore (Gross capitalisation). Considering that the previously disallowed capitalisation is being allowed only from FY 2022-23, there is no impact of disallowed capitalisation computed for the years FY 2011-12 to FY 2021-22, separately. The approval of ARR elements pertaining to this capitalisation is dealt with in the respective year of capitalisation considered now, in the subsequent Sections of this Order. The list of bays disallowed previously against which capitalisation is claimed by MSETCL and is considered by the Commission for analysis and approval is available at [Annexure - 3 \(a\) to \(d\)](#).

## **4 Impact of Review Order**

### **4.1 Introduction**

- 4.1.1 MSETCL had filed a Petition (Case No. 137 of 2023) seeking review of MTR Order dated 31 March 2023 in Case No. 232 of 2022. The Commission vide its Order dated 4 December 2023 had allowed MSETCL certain claims in the Review Order. This section outlines the MSETCL's submissions and Commissions analysis and rulings in this regard.

#### ***MSETCL's Submission***

### **4.2 Utilisation of Special reserve Amount**

- 4.2.1 The Commission admitted that there is error in the treatment provided by the Commission in MTR Order to reduce the revenue gap by utilizing the Special Reserve amount of Rs. 139.39 Crore. The Commission allowed the review and ruled that the impact of the same will be considered in the ensuing MYT Petition of MSETCL along with the associated costs.
- 4.2.2 Accordingly, MSETCL has claimed the impact of special reserve amount of Rs 139.39 Crore along with the impact on account of deduction of Past revenue gap of Rs. 236.63 Crore discussed in the subsequent paragraphs.

### **4.3 Impact on account of exclusion of Past revenue gap of Rs 236.63 Crore from computation of effective revenue gap for FY 2019-20**

- 4.3.1 The Commission had not allowed the review amount of Rs. 236.63 Crore which was sought by the MSETCL on account inadvertent exclusion of revenue gap upto FY 2018-19. The same was allowed for recovery by the Commission in Case No. 302 of 2019 from the total revenue gaps for the computation of carrying cost. However, the Commission directed MSETCL to consider the impact of exclusion of the past revenue of Rs. 236.63 Crore from computation of effective gap for FY 2019-20 and consider its consequential impact on various elements of ARR, as applicable, along with the applicable carrying / holding cost in the MYT Petition.
- 4.3.2 MSETCL submitted that, while undertaking final truing-up process for FY 2019-20, gap of Rs. 236.63 Crore till previous year was considered in net entitlement. It is mentioned by the Commission that recovery of Rs. 236.63 Crore is already allowed in MYT Control Period from FY 2020-21 to FY 2024-25 (spread over 5 years) along with carrying cost and the same was also later allowed in MTR in respective years under net entitlement. It is to be noted that no ARR / revised revenue was determined by the Commission for FY 2019-20 in the MYT Order dated 30 March, 2020 in Case No. 302 of 2019. To this effect it appears that revenue gap of Rs.236.63 Crore needs to be removed from the current MYT Petition along with the carrying cost impact claimed in MYT period 2025-26 to FY 2029-30.
- 4.3.3 MSETCL has computed the impact in terms of holding cost with same approved figures and is presented below:

**Table 15: Revised Table 159 in MTR Order in Case No. 232 of 2022 (Effective Revenue gaps for FY 2019-20 to FY 2021-22 as, approved by the Commission) (Rs. Crore)**

Particulars	Effective Revenue Gap for FY 2019-20	Effective Revenue Gap for FY 2020-21	Effective Revenue Gap for FY 2021-22
Standalone ARR of FY 2019-20 / FY 2020-21/FY 2021-22/FY2022-23 on True up (Excluding incentive and including Impact of change in PPE policy for FY 2018-19)	4,031.35	4,465.14	4,711.16
Less: impact of higher O&M expenses	313.15	40.67	287.17
Add: Revenue Gap/ (Surplus) till previous year/ Carrying Cost approved in MYT Order 302/2019	-	103.96	116.47
<b>Net Aggregate Revenue Requirement on True up - (A)</b>	<b>3,718.20</b>	<b>4,528.43</b>	<b>4,540.46</b>
<b>Revenue from InSTS</b>	<b>3,571.96</b>	<b>4,603.62</b>	<b>4,689.45</b>
<b>Total Effective Revenue Recovery in True-ups - (B)</b>			
<b>Effective Revenue Gap on True ups - (C = A-B)</b>	<b>146.24</b>	<b>-75.18</b>	<b>-148.99</b>

**Table 16: Revised Table 160 in MTR Order in Case No. 232 of 2022 (Computation on Carrying Cost for Revenue Gap as, approved by the Commission) (Rs. Crore)**

Carrying Cost					Rs. Crore
Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Op. Balance of Revenue Gap	-	146.24	-76.39	-225.37	-225.37
Add: Gap during the year	146.24	-75.18	-148.99	-	-
Less: Recovery during the year	-	147.45	-	-	-225.37
<b>Closing balance of Revenue Gap</b>	<b>146.24</b>	<b>-76.39</b>	<b>-225.37</b>	<b>-225.37</b>	<b>-</b>
Rate of Interest	9.66%	8.57%	8.50%	9.45%	9.45%
<b>Carrying (Holding) Cost</b>	<b>7.06</b>	<b>2.99</b>	<b>-12.82</b>	<b>-21.30</b>	<b>-10.65</b>
<b>Total Carrying Cost on Revenue Gap/ (Surplus) of True ups</b>					<b>-34.72</b>

**Table 17: Revised Table 166 in MTR Order in Case No. 232 of 2022 (Total Revenue gap in FY 2023-24, as approved by the Commission) (Rs. Crore)**

Particulars	Total Gap for FY 2023-24
Revenue Gap/ (Surplus) till previous year (Rs.860.72 Cr less Rs.236.63 Cr)	624.09
Add: Carrying Cost on Revenue Gap/ (Surplus) of True-ups (FY 2019-20 to FY 2022-23) upto FY 2023-24	-34.72
Add: Impact of ATE judgement	854.99
Add: Impact of ATE judgement - Carrying cost till FY 23-24	549.24
Less: Special Reserve available with the Utility is proposed for utilisation to reduce ARR gap	139.39
<b>Total Revenue Gap/ (Surplus)</b>	<b>1,854.22</b>

**Table 18: Revised Table 167 in MTR Order in Case No. 232 of 2022 (Carrying cost on Revenue gap spread over the FY 2023-24 and FY 2024-25, as approved by the Commission) (Rs. Crore)**

Particulars	FY 2023-24	FY 2024-25
Op. Balance of Revenue Gap	-	787.45
Add: Gap during the year	1,854.22	-
Less: Recovery during the year	1,066.77	872.81
<b>Cl. balance of Revenue Gap</b>	<b>787.45</b>	<b>-85.36</b>
Rate of Interest	9.45%	9.45%
<b>Carrying (Holding) Cost</b>	<b>37.21</b>	<b>33.17</b>

- 4.3.4 MSETCL submitted that, the computations in the table above provide the total impact of carrying/ holding cost till FY 2024-25 due to exclusion of Revenue Gap of Rs.236.63 Crore from computation of effective gap of FY 2019-20. The amount of Rs. 85.36 Crore (Rs.1939.58 Crore minus Rs.1854.22 Crore) needs to be passed on as holding cost. Further the carrying cost due to spread over of revenue gap in FY 2023-24 and FY 2024-25 also reduces to Rs. 37.21 Crore and Rs. 33.17 Crore respectively. The same needs to be considered in net entitlement in current petition. However, Commission had utilised an amount of Rs.139.39 Crore of Special Reserve to meet revenue gap due to which revenue gap as well as carrying cost got reduced in the net ARR / Tariff of FY 2023-24 and FY 2024-25.
- 4.3.5 MSETCL also submitted that, it would be improper to pass on the impact of revenue gap and associated cost alone and not consider the addition of Rs.139.39 Crore in re-computation of total revenue gap as done above. Hence MSETCL submits to consider the impact of revenue gap and special reserve and associated cost in single computation.

**Table 19: Revised Total Revenue Gap in FY 2023-24 (Revised Table 166 in MTR Order in Case No. 232 of 2022 -Total Revenue gap in FY 2023-24, as approved by the Commission) (Rs. Crore)**

Particulars	Total Gap for FY 2023-24
Revenue Gap/ (Surplus) till previous year (Rs.860.72 Cr less Rs.236.63 Cr)	624.09
Add: Carrying Cost on Revenue Gap/ (Surplus) of True-ups (FY 2019-20 to FY 2022-23) upto FY 2023-24	-34.72
Add: Impact of ATE judgement	854.99
Add: Impact of ATE judgement - Carrying cost till FY 23-24	549.24
Less: Special Reserve available with the Utility is proposed for utilisation to reduce ARR gap	-
<b>Total Revenue Gap/ (Surplus)</b>	<b>1,993.61</b>

**Table 20: Revised Carrying cost on Revenue gap spread over FY 2023-24 & FY 2024-25 (Revised Table 167 in MTR Order in Case No. 232 of 2022 (Carrying cost on Revenue gap spread over the FY 2023-24 and FY 2024-25, as approved by the Commission) (Rs. Crore))**

Particulars	FY 2023-24	FY 2024-25
Op. Balance of Revenue Gap	-	926.84
Add: Gap during the year	1,993.61	-
Less: Recovery during the year	1,066.77	872.81
<b>Cl. balance of Revenue Gap</b>	<b>926.84</b>	<b>54.03</b>
Rate of Interest	9.45%	9.45%
<b>Carrying (Holding) Cost</b>	<b>43.79</b>	<b>46.35</b>

- 4.3.6 MSETCL submitted that carrying cost impact due to inclusion of Special Reserve amount works out to Rs.19.76 Crore (Rs. 43.79 Crore + Rs. 46.35 Crore – Rs. 37.21 Crore – Rs. 33.17 Crore) which is computed as difference of the total carrying cost minus carrying cost computed in earlier table to give impact of effective gap for FY 2019-20. However, MSETCL will be claiming the above carrying cost of Rs. 43.79 Crore and Rs. 46.35 Crore for FY 2023-24 and FY 2024-25 respectively in net entitlement instead of approved Rs. 41.24 Crore for each year of FY 2023-24 and FY 2024-25 to give combined effect.
- 4.3.7 MSETCL requests to consider amount of Rs. 139.39 Crore of Special Reserve to be claimed again in revenue gap computations under this petition and also pass on the carrying / (holding) cost associated of the same as well as of revenue gap of Rs. 236.63 Crore as indicated above.
- Rs. 85.36 Crore is being passed on Holding cost on revenue gap of Rs. 236.63 Crore
  - Rs. 139.39 Crore is being added back in revenue gap of FY 2023-24
  - Revised Carrying cost for spread over of Revenue Gap for FY 2023-24 and FY 2024-25 of Rs. 43.79 Crore and Rs. 46.35 Crore respectively is being claimed under net entitlement against Rs. 41.24 Crore for FY 2023-24 and FY 2024-25.

#### 4.4 Impact of Disallowance of the reactor scheme funded through PSDF grant

4.4.1 MSETCL has stated that, the Commission has allowed the impact on account of disallowance of the reactor scheme funded through PSDF grant (8. Nos. Reactor schemes).

4.4.2 The detailed break-up of year wise capitalisation of Rs 96.50 Crore along with impact is summarized in table below:

**Table 21: Details of Capitalisation claimed for PSDF Scheme, as submitted by MSETCL (Rs. Crore)**

Sr. No	Project Definition and Scheme Name	Year	Grant	Equity	Debt	Total
1	<b>AN/2016-17/021</b> Bus Shunt reactor-8 nos.- Rev & new (The scheme covered funding 90% from PSDF and 10% from equity)	FY 2019-20 (Actual)	0.00	0.00	0.00	<b>0.00</b>
2		FY 2020-21 (Actual)	5.72	0.64	0.00	<b>6.36</b>
3		FY 2021-22 (Actual)	38.96	4.33	0.00	<b>43.29</b>
4		FY 2022-23 (Actual)	15.77	1.75	0.00	<b>17.52</b>
5		FY 2023-24 (Actual)	26.41	2.93	0.00	<b>29.34</b>
6		FY 2024-25 (Proposed)	0.00	0.00	0.00	<b>0.00</b>

4.4.3 The impact of 10% capitalisation from FY 2020-21 to FY 2021-22 in terms of depreciation and return on equity works out to be Rs. 0.12 Crore and Rs. 0.63 Crore respectively. MSETCL further submitted that the claim of past capitalisation has been added to the opening GFA of FY 2022-23 for further depreciation and Return on Equity computation purpose. Further, the claim from FY 2022-23 onwards is considered in the Capitalisation for the respective year. The relevant impact on ARR components on the above capitalisation, summarized in table below:

**Table 22: Impact of PSDF capitalisation from FY 2020-21 to FY 2021-22, as submitted by MSETCL (Rs. Crore)**

Particulars	Depreciation	RoE	Total
FY 2020-21	0.01	0.06	0.07
FY 2021-22	0.11	0.57	0.68
<b>Total</b>	<b>0.12</b>	<b>0.63</b>	<b>0.75</b>

**Table 23: Impact of PSDF capitalisation from FY 2020-21 to FY 2021-22 – Carrying cost, as submitted by MSETCL (Rs. Crore)**

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
<b>Applicable Rate</b>	<b>8.57%</b>	<b>8.50%</b>	<b>9.30%</b>	<b>10.07%</b>	<b>10.45%</b>
Opening balance	-	0.07	0.75	0.75	0.75
Additions during year	0.07	0.68	-	-	-
<b>Closing balance</b>	<b>0.07</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>
Carrying cost on opening	-	0.01	0.07	0.08	0.08
Carrying cost on addition	0.00	0.03	-	-	-
<b>Total</b>	<b>0.00</b>	<b>0.03</b>	<b>0.07</b>	<b>0.08</b>	<b>0.08</b>
<b>Total Carrying Cost due to Disallowed Capitalisation</b>					<b>0.26</b>
<b>Total Impact of Disallowed Capitalisation and Carrying Cost on the same.</b>					<b>1.01</b>

4.4.4 MSETCL requested the Commission to allow the impact along with carrying cost as submitted above.



### ***Commission's Analysis and Ruling***

4.4.5 The Commission has noted the submissions of MSETCL. It is observed that MSETCL has worked out the consolidated impact of the elements related to (i) Utilization of Special Reserve Amount; and (ii) Impact on account of Deduction of Past revenue gap of Rs 236.63 Crore. The Commission has worked out the impact for these two elements separately for the sake of clarity. Further, the Commission has also allowed the impact of disallowance of the reactor scheme funded through PSDF grant in the MTR Order. The approach adopted by the Commission for computation and approval of the impact is elaborated in the subsequent paragraphs.

### **4.5 Impact of Utilization of Special Reserve Amount as approved by the Commission**

4.5.1 The Commission in its Order in Case No. 137 of 2023 in the matter of the Petition filed by MSETCL seeking review of the Commission's MTR Order in Case No. 232 of 2022 in the context of utilisation of the Special Reserve Amount had allowed the review stating the following:

*"4. The Commission accepts the request for review of utilization of Special Reserve fund of Rs. 139.39 Crore available with the MSETCL to reduce ARR gap and the impact of the same will be passed on through the Tariff in the next MYT Order along with the associated costs."*

4.5.2 Accordingly, the Commission in its MTR Order in Case No. 232 of 2022 (Table 166 of the MTR Order) has deducted the amount of Rs. 139.39 Crore while working out the net revenue gap for FY 2023-24 (Rs. 1,939.58 Crore). Further, the Commission decided to spread the recovery of this revenue gap of Rs. 1,939.58 Crore for FY 2023-24 over two years i.e. FY 2023-24 and FY 2024-25 in the ratio of 55% in FY 2023-24 and remaining 45% in FY 2024-25 (As evident in Table 167 of the MTR Order). Considering the spreading of recovery over two years, the Commission also allowed the recovery of the associated carrying cost by MSETCL in the two years (Table 167 of the MTR Order). The revenue gap so worked out was approved and included for recovery along with the standalone ARRs for FY 2023-24 and FY 2024-25.

4.5.3 The Commission has considered a similar methodology for working out the impact of adding back the amount pertaining to the Special Reserve and allowing the recovery of this impact by MSETCL. The methodology adopted by the Commission for working out the impact is summarised below:

- The amount of Rs. 139.39 Crore to be recovered by MSETCL is added into the ARR for FY 2023-24 and FY 2024-25 by spreading it over two years in the ratio 55% and 45%.
- Considering the spreading of recovery over two years, the associated carrying cost is also worked out using the same rate of interest as considered by the Commission while approving the carrying cost for FY 2023-24 and FY 2024-25 in the MTR Order. This is also allowed for recovery by MSETCL through the ARR.



4.5.4 Based on the above, the recovery of Special Reserve in FY 2023-24 and FY 2024-25 allowed by the Commission in the present Order is summarised below:

**Table 24: Recovery of Special Reserve in FY 2023-24 and FY 2024-25, as approved by the Commission (Rs. Crore)**

Sr. No.	Particulars	FY 2023-24	FY 2024-25
<b>Principal Recovery</b>			
1	Add back: Special Reserve	76.66	62.73
<b>Carrying Cost deferred Recovery</b>			
1	Opening Balance	-	62.73
2	Add: Gap during the year	139.39	-
3	Less: Recovery during the year	76.66	62.73
4	Closing Balance	<b>62.73</b>	-
5	Rate of Interest	9.45%	9.45%
6	Carrying Cost / (Holding Cost)	<b>2.96</b>	<b>2.96</b>
<b>Total Recovery Allowed:</b>			
	<b>Principal + Carrying Cost Recovery</b>	<b>79.63</b>	<b>65.69</b>

4.5.5 The Commission has allowed a recovery of Rs. 79.63 Crore and Rs. 65.69 Crore in FY 2023-24 and FY 2024-25, respectively, as impact of the review Order in the matter of utilisation of Special Reserve by the Commission in the MTR Order. This impact has been added to the trued up ARR for FY 2023-24 and FY 2024-25.

**4.6 Impact on account of exclusion of past revenue gap of Rs 236.63 Crore from computation of effective revenue gap for FY 2019-20 used for carrying cost computation as appropriate**

4.6.1 The Commission, in its Order in Case No. 137 of 2023 in the matter of the Petition filed by MSETCL seeking review of the Commission's MTR Order in Case No. 232 of 2022 in the context of Exclusion of Past revenue gap of Rs 236.63 Crore from computation of effective revenue gap for FY 2019-20, had stated the following while rejecting the review sought by MSETCL:

*“3. The review is not allowed on the issue of MSETCL's contention that revenue gap of Rs. 236.63 Crore has been inadvertently missed out by the Commission in the computation of the revenue gap for FY 2023-24. However, based on analysis of the Commission as ruled at Para 10.33 of this Order, MSETCL is directed to consider the impact of exclusion of the past revenue gap of Rs. 236.63 Crore from computation of effective gap for FY 2019-20 and consider its consequential impact on various elements of ARR, as applicable, along with the applicable carrying /holding cost in the next MYT filing.”*

4.6.2 The Commission in the MTR Order in Case no. 232 of 2022 had considered the amount of Rs. 236.63 Crore pertaining to past revenue gap for computing the effective revenue gap for FY 2019-20 which was then further used to compute the carrying cost on this effective

revenue gap for the period from FY 2019-20 to FY 2023-24. The relevant tables from the MTR Order are reproduced below:

**“Table 159: Effective Revenue gaps for FY 2019-20 to FY 2021-22, as approved by the Commission (Rs. Crore)**

<b>Particulars</b>	<b>Effective Revenue Gap for FY 2019-20</b>	<b>Effective Revenue Gap for FY 2020-21</b>	<b>Effective Revenue Gap for FY 2021-22</b>	<b>Effective Revenue Gap for FY 2022-23</b>
Standalone ARR of FY 2019-20 / FY 2020-21/FY 2021-22/FY2022-23 on True up (Excluding incentive and including Impact of change in PPE policy for FY 2018-19)	4,031.35	4,465.14	4,711.16	4,621.60
Less: impact of higher O&M expenses	313.15	40.67	287.17	-
Add: Revenue Gap/ (Surplus) till previous year/ Carrying Cost approved in MYT Order 302/2019	236.63	103.96	116.47	108.13
<b>Net Aggregate Revenue Requirement on True up - (A)</b>	<b>3,954.83</b>	<b>4,528.43</b>	<b>4,540.46</b>	<b>4,729.73</b>
<b>Revenue from InSTS Total Effective Revenue Recovery in True-ups - (B)</b>	<b>3,571.96</b>	<b>4,603.62</b>	<b>4,689.45</b>	<b>4,697.54</b>
<b>Effective Revenue Gap on True ups - (C = A-B)</b>	<b>382.87</b>	<b>-75.18</b>	<b>-148.99</b>	<b>32.19</b>

....”

**“Table 160: Computation on Carrying Cost for Revenue Gap, as approved by the Commission (Rs. Crore)**

<b>Particulars</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>	<b>FY 2023-24</b>
Op. Balance of Revenue Gap	-	382.87	160.24	11.26	11.26
Add: Gap during the year	382.87	-75.18	-148.99	-	-
Less: Recovery during the year	-	147.45	-	-	11.26
<b>Closing balance of Revenue Gap</b>	<b>382.87</b>	<b>160.24</b>	<b>11.26</b>	<b>11.26</b>	<b>-</b>
Rate of Interest	9.66%	8.57%	8.50%	9.45%	9.45%
<b>Carrying (Holding) Cost</b>	<b>18.49</b>	<b>23.28</b>	<b>7.29</b>	<b>1.06</b>	<b>0.53</b>
<b>Total Carrying Cost on Revenue Gap/ (Surplus) of True-ups</b>					<b>50.65</b>

.....”

- 4.6.3 Further, the Commission in its MTR Order in Case no. 232 of 2022 (Table 166 of the MTR Order) has added the amount of Rs. 50.65 Crore (Carrying cost on effective revenue gap for FY 2019-20) while working out the net revenue gap for FY 2023-24 (Rs. 1,939.58 Crore). Further, the Commission decided to spread the recovery of this revenue gap of Rs. 1,939.58 Crore for FY 2023-24 over two years i.e. FY 2023-24 and FY 2024-25 in the ratio of 55% in FY 2023-24 and remaining 45% in FY 2024-25 (As evident in Table 167 of the MTR Order). Considering the spreading of recovery over two years, the Commission also allowed the recovery of the associated carrying cost by MSETCL in the two years (Table

167 of the MTR Order). The revenue gap so worked out was approved and included for recovery along with the standalone ARR for FY 2023-24 and FY 2024-25.

4.6.4 The Commission has adopted a similar methodology for working out the impact of exclusion of past revenue gap of Rs 236.63 Crore from computation of effective revenue gap for FY 2019-20. The methodology adopted by the Commission for working out the impact is summarised below:

- The carrying cost on the effective gap of FY 2019-20 was calculated considering the amount of Rs. 236.63 Crore in the MTR Order, and now, in a similar manner, the holding cost has been computed on the amount of Rs. 236.63 Crore for the period FY 2019-20 to FY 2023-24 to pass on the impact of exclusion of the amount of Rs. 236.63 Crore from the effective revenue gap computation for FY 2019-20.
- The holding cost so computed is then adjusted from the ARR for FY 2023-24 and FY 2024-25 by spreading it over two years in the ratio 55% and 45%.
- Considering the passing of the impact us spread over two years, the associated holding cost is also worked out using the same rate of interest as considered by the Commission while approving the carrying / holding cost for FY 2023-24 and FY 2024-25 in the MTR Order. This impact is passed on to the beneficiaries through the ARR for FY 2023-24 and FY 2024-25 as approved in this Order.

4.6.5 Based on the above, the impact of exclusion of Rs. 236.63 Crore from the effective revenue gap computation for FY 2019-20 is allowed by the Commission in the present Order is summarised below:

**Table 25: Passing on the impact of exclusion of Rs. 236.63 Crore from the effective revenue gap computation for FY 2019-20, as approved by the Commission (Rs. Crore)**

Sr. No.	Particulars	FY 2023-24	FY 2024-25
<b>Principal Recovery</b>			
1	<b>Deduction from ARR: Holding Cost</b>	-46.95	-38.42
<b>Carrying Cost deferred Recovery</b>			
1	Opening Balance	-	-38.42
2	Add: Gap during the year	-85.37	-
3	Less: Recovery during the year	-46.95	-38.42
4	Closing Balance	<b>-38.42</b>	-
5	Rate of Interest	9.45%	9.45%
6	Carrying Cost / (Holding Cost)	<b>-1.82</b>	<b>-1.82</b>
<b>Total Recovery Allowed:</b>			
	<b>Principal + Carrying Cost Recovery</b>	<b>-48.77</b>	<b>-40.23</b>

4.6.6 The Commission has allowed an amount of Rs. -48.77 Crore and Rs. -40.23 Crore in FY 2023-24 and FY 2024-25, respectively, as impact of exclusion of past revenue gap of Rs 236.63 Crore from computation of effective revenue gap for FY 2019-20 used for carrying cost computation in the review Order. This impact has been deducted from the trued up ARR for FY 2023-24 and FY 2024-25.

**4.6.7 The net impact passed on through the trued up ARR of FY 2023-24 and FY 2024-25 is Rs. 30.86 Crore and Rs. 25.46 Crore, respectively.**

**4.7 Impact of Disallowance of the reactor scheme funded through PSDF grant**

4.7.1 The Commission has allowed the impact on account of disallowance of the reactor scheme funded through PSDF grant (8 Nos. Reactor schemes) in the Order in Case No. 137 of 2023 in the matter of review of the MTR Order sought by MSETCL. The relevant extract of the Order is reproduced below:

*“9.16 Based on the scrutiny of the information submitted by MSETCL, the request of MSETCL for review in the matter has been considered for approval. Accordingly, MSETCL can approach the Commission for including the impact of the approved capitalisation against the PSDF scheme on various components of the ARR in the next MYT filing. The Commission also directs MSETCL to complete the financial closure of the scheme on priority and submit the closure report while claiming capitalisation in the ensuing MYT Petition.”*

4.7.2 Further, MSETCL has provided compliance on above directive in the para 9.6 of the ‘Section 10: Compliance to the Directives in Case No. 232 of 2022 and Case No. 137 of 2023’ of this Petition.

4.7.3 The Commission has examined the details shared by MSETCL and considers the capitalisation and the associated funding for the purpose of approval. The detailed break-up of the year wise capitalisation of Rs. 96.50 Crore approved by the Commission is summarized in table below:

**Table 26: Details of Capitalisation claimed for PSDF Scheme, as approved by the Commission (Rs. Crore)**

Sr. No	Project Definition and Scheme Name	Year	Grant	Equity	Debt	Total
1	AN/2016-17/021 Bus Shunt reactor-8 nos.- Rev & new (The scheme covered funding 90% from PSDF and 10% from equity)	FY 2019-20 (Actual)	0.00	0.00	0.00	<b>0.00</b>
2		FY 2020-21 (Actual)	5.72	0.64	0.00	<b>6.36</b>
3		FY 2021-22 (Actual)	38.96	4.33	0.00	<b>43.29</b>
4		FY 2022-23 (Actual)	15.77	1.75	0.00	<b>17.52</b>
5		FY 2023-24 (Actual)	26.41	2.93	0.00	<b>29.34</b>
6		FY 2024-25 (Proposed)	0.00	0.00	0.00	<b>0.00</b>

4.7.4 While the capitalisation for FY 2020-21 and FY 2021-22, its impact on the ARR elements and the associated carrying cost upto FY 2025-26 have been approved in this section of the Order, the capitalisation approved for FY 2022-23 and FY 2023-24 and its impact on the ARR elements is considered in the approval of the trued up ARR for FY 2022-23 and FY 2023-24 in the subsequent section of the Order.

4.7.5 Further, in line with the submission of MSETCL, the impact of 10% capitalisation (equity funded) for FY 2020-21 and FY 2021-22 pertaining to depreciation and return on equity works out to be Rs. 0.12 Crore and Rs. 0.63 Crore respectively. The capitalisation for the period FY 2020-21 and FY 2021-22 has been added to the opening GFA of FY 2022-23

for further computation and approval of depreciation and Return on Equity. Further, the capitalisation claim from FY 2022-23 onwards is considered in the capitalisation for the respective year. The relevant impact on ARR components on the above capitalisation, summarized in table below:

**Table 27: Impact of PSDF capitalisation from FY 2020-21 to FY 2021-22, as approved by the Commission (Rs. Crore)**

Particulars	Depreciation	RoE	Total
FY 2020-21	0.01	0.06	0.07
FY 2021-22	0.11	0.57	0.68
<b>Total</b>	<b>0.12</b>	<b>0.63</b>	<b>0.75</b>

4.7.6 The Commission notes that MSETCL has also sought approval of the carrying cost on the depreciation and RoE approved for the FY 2020-21 and FY 2021-22 over the period FY 2020-21 to FY 2024-25 and considered it as part of the past revenue gap included for recovery in the ARR for FY 2025-26. However, MSETCL has inadvertently not realised that considering carrying cost computation only till FY 2024-25 and including the amount for recovery as part of the past period revenue gap in FY 2025-26 would lead to MSETCL not considering the carrying cost for the first half part of FY 2025-26 considering that the recovery envisaged in FY 2025-26 will happen through the year and hence MSETCL is entitled for recovery of carrying cost for half year in FY 2025-26. Considering the same, the Commission has approved the carrying cost computation as given below:

**Table 28: Impact of PSDF capitalisation from FY 2020-21 to FY 2021-22 – Carrying cost, as approved by the Commission (Rs. Crore)**

Particulars	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
<b>Applicable Rate</b>	<b>8.57%</b>	<b>8.50%</b>	<b>9.30%</b>	<b>10.07%</b>	<b>10.45%</b>	<b>10.45%</b>
Opening balance	-	0.07	0.75	0.75	0.75	0.75
Additions during year	0.07	0.68	-	-	-	-
Repayment during year	-	-	-	-	-	(0.75)
<b>Closing balance</b>	<b>0.07</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.00</b>
Carrying cost	0.00	0.03	0.07	0.08	0.08	0.04
<b>Total Carrying Cost due to Disallowed Capitalisation</b>						<b>0.30</b>
<b>Total Impact of Disallowed Capitalisation and Carrying Cost on the same</b>						<b>1.05</b>

4.7.7 Accordingly, the Commission approved the following impact of PSDF capitalisation as follows:

(i) Capitalisation approved:

- FY 2020-21: Rs. 6.36 Crore; Equity Component: Rs. 0.64 Crore.
- FY 2021-22: Rs. 43.29 Crore; Equity Component: Rs. 4.33 Crore.
- The addition to capitalisation and equity is considered in the opening balance of GFA and Equity for FY 2022-23 and accordingly, the impact on ARR elements is automatically allowed from FY 2022-23 onwards.

(ii) Impact on ARR elements:

- Depreciation and RoE: Rs. 0.75 Crore – Included in the revenue gap to be recovered

in FY 2025-26 as discussed in para 7.15.16 of this Order.

- b. Carrying cost on approved depreciation and RoE for the period FY 2020-21 to FY 2025-26: Rs. 0.30 Crore – Included in the revenue gap to be recovered in FY 2025-26 as discussed in para 7.15.16 of this Order.

## 5 Truing-up of ARR for FY 2022-23 and FY 2023-24

### 5.1 Background

5.1.1 MSETCL has sought final Truing-up of ARR for FY 2022-23 and FY 2023-24 considering actual expenditure and revenue as per the Audited Accounts. The Truing-up of FY 2022-23 and FY 2023-24 is in accordance with the principles stipulated in the MYT Regulations, 2019, as applicable. MSETCL has submitted reasons for variations in the actual expenses for FY 2022-23 and FY 2023-24 as compared to expenses in previous years.

5.1.2 The analysis underlying the Commission's approval is set out below.

### 5.2 Operation & Maintenance Expenses for FY 2022-23 and FY 2023-24

#### *MSETCL's Submission*

#### **FY 2022-23**

5.2.1 O&M expenses comprise of Employee expenses, Administration and General (A&G) expenses and Repairs and Maintenance (R&M) expenses. The summary of O&M expenses is as below:

**Table 29: O&M Expenses for FY 2022-23, as submitted by MSETCL (Rs. Crore)**

Sr. No.	O & M Expenses	FY 2022-23			
		MTR Order	Normative	Audited (Actuals)	True-Up requirement
1	Normative O & M Expenses	2,021.48	2,336.91		
2	Employee Expenses	1,132.38		1,332.37	
	Wage Revision	-		-	
3	A&G Expenses	416.93		446.20	
4	R&M Expenses	423.06		548.26	
5	<b>Total O&amp;M Expenses</b>	<b>1,972.37</b>	<b>-</b>	<b>2,326.82</b>	<b>354.45</b>

*Note: Normative O&M Expenses has been calculated as per MYT Regulations 2019 & are provided in Form 2.1 of Annexure 1 of the Petition.*

#### **FY 2023-24**

**Table 30: O&M Expenses for FY 2023-24, as submitted by MSETCL (Rs. Crore)**

Sr. No.	O & M Expenses	FY 2023-24			
		MTR Order	Normative	Audited (Actuals)	True-Up requirement
1	Normative O & M Expenses	2,147.98	2,479.58		
2	Employee Expenses	1,189.00		1,608.97	
	Wage Revision	-		232.86	
3	A&G Expenses	437.78		479.56	
4	R&M Expenses	444.21		552.73	
5	<b>Total O&amp;M Expenses</b>	<b>2,070.99</b>	<b>2,479.58</b>	<b>2,874.12</b>	<b>803.14</b>

*Note: Normative O&M Expenses has been calculated as per MYT Regulations 2019 & are provided in Form 2.1 of Annexure 1.*



5.2.2 The actual O&M expenses incurred are less as compared to the normative expense computed in FY 2022-23. However, the actual expenses incurred are high as compared to the normative expenses computed in FY 2023-24. MSETCL has also submitted the reconciliation of audited accounts with MSETCL's submission excluding MSLDC expenses in the Petition.

5.2.3 The subsequent paragraphs outline the element wise submission of MSETCL and the Commission's analysis and approval of the same.

### 5.3 Employee Expenses

5.3.1 Employee expenses for FY 2022-23 and FY 2023-24 which is as per the actual expenses reflecting as per the audited accounts, by reducing expense capitalized and SLDC Employee Expense.

**Table 31: Employee Expenses for FY 2022-23, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Particulars	Audited (Actuals)
1	Gross Employee Expenses	1,454.70
2	Less: Impact of wage revision	-
3	Less: Expenses Capitalised	99.15
<b>4</b>	<b>Net Employee Expenses</b>	<b>1,355.55</b>
5	Less: SLDC Employee Expense	23.19
<b>6</b>	<b>Net Employee Expenses after adjustment for SLDC Employee Expenses for sharing purposes</b>	<b>1,332.37</b>

*Note: Employee Expenditure of Project Offices, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets and capitalised. The same has been disclosed in Audited Accounts for FY 2022-23.*

**Table 32: Employee Expenses for FY 2023-24, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Particulars	Audited (Actuals)
1	Gross Employee Expenses	1,738.31
2	Less: Impact of wage revision	-
3	Less: Expenses Capitalised	105.00
<b>4</b>	<b>Net Employee Expenses</b>	<b>1,633.31</b>
5	Less: SLDC Employee Expense	24.35
<b>6</b>	<b>Net Employee Expenses after adjustment for SLDC Employee Expenses for sharing purposes</b>	<b>1,608.97</b>
7	Add: Prior Period Expenses	-
8	Add: Impact of wage revision	232.86
<b>9</b>	<b>Net Employee Expenses after adjustment and impact of Wage Revision</b>	<b>1,841.83</b>

*Note: Employee Expenditure of Project Offices, attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets and capitalised. The same has been disclosed in Audited Accounts for FY 2023-24.*

5.3.2 MSETCL has submitted following table provides comparison of Gross Employee Expenses for FY 2022-23 as compared to the previous year i.e. FY 2021-22.



**Table 33: Comparison of Gross Employee Expenses for FY 2021-22 and FY 2022-23, as submitted by MSETCL (Rs. Crore)**

Sr. No	Particulars	FY 2021-22	FY 2022-23	Difference
		Audited (Actuals)	Audited (Actuals)	
		(a)	(b)	
1	Basic Salary	611.58	619.15	7.57
2	Dearness Allowance (DA)	162.01	262.51	100.51
3	House Rent Allowance	70.14	79.31	9.17
4	Earned Leave Encashment	-	-	-
5	Other Allowances	179.86	223.32	43.46
6	Medical Reimbursement	0.26	0.33	0.07
7	Overtime Payment	32.50	33.36	0.86
8	Bonus/Ex-Gratia Payments	11.18	14.31	3.13
9	Staff welfare expenses	38.85	43.61	4.75
10	Payment under Workmen's Compensation Act	-	0.12	0.12
11	Provision for PF Fund	84.25	93.65	9.40
12	Pension Payments	0.05	0.04	-0.01
13	Gratuity Payment	58.43	78.30	19.86
14	Leave encashment on Retirement	-	-	-
15	Company Cont paid to EPFO for EDLI Scheme	0.82	0.78	-0.03
16	Employees Term Insurance Policy	0.00	0.61	0.60
17	EPS Amount paid as per EPFO	0.02	0.00	-0.02
18	Prior Period - Employee Benefits Expenses	-	-	-
19	Rent paid for Employees- New a/c Head	0.16	0.03	-0.13
20	Salaries to Apprentices	1.61	4.87	3.25
21	Staff ACCIDENT Grp Insurance Exps MSETCL's Co	0.36	0.40	0.04
	<b>Total</b>	<b>1,252.10</b>	<b>1,454.70</b>	<b>202.61</b>

5.3.3 MSETCL has submitted following table provides comparison of Gross Employee Expenses for FY 2023-24 over FY 2022-23.

**Table 34: Comparison of Gross Employee Expenses for FY 2022-23 and FY 2023-24, as submitted by MSETCL (Rs. Crore)**

Sr. No	Particulars	FY 2022-23	FY 2023-24	Difference
		Audited (Actuals)	Audited (Actuals)	
		(a)	(b)	
1	Basic Salary	619.15	631.20	12.05
2	Dearness Allowance (DA)	262.51	290.98	28.47
3	House Rent Allowance	79.31	80.11	0.80
4	Earned Leave Encashment	-	0.18	0.18
5	Other Allowances	223.32	298.56	75.24
6	Medical Reimbursement	0.33	0.44	0.11
7	Overtime Payment	33.36	33.36	0.00
8	Bonus/Ex-Gratia Payments	14.31	16.39	2.07
9	Staff welfare expenses	43.61	41.92	-1.68
10	Payment under Workmen's Compensation Act	0.12	-	-0.12
11	Provision for PF Fund	93.65	99.06	5.41

Sr. No	Particulars	FY 2022-23	FY 2023-24	Difference
		Audited (Actuals)	Audited (Actuals)	
		(a)	(b)	
12	Pension Payments	0.04	0.07	0.02
13	Gratuity Payment	78.30	236.53	158.23
14	Leave encashment on Retirement	-	1.55	1.55
15	Company Cont paid to EPFO for EDLI Scheme	0.78	0.85	0.07
16	Employees Term Insurance Policy	0.61	0.70	0.09
17	EPS Amount paid as per EPFO	0.00	-0.00	-0.00
18	Prior Period - Employee Benefits Expenses	-	-	-
19	Rent paid for Employees	0.03	0.08	0.04
20	Salaries to Apprentices	4.87	5.95	1.08
21	Staff ACCIDENT Grp Insurance Exps MSETCL's Co	0.40	0.40	-
	<b>Total</b>	<b>1,454.70</b>	<b>1,738.31</b>	<b>283.61</b>

5.3.4 MSETCL has outlined the major reasons for the variation in the employee expenses over the previous year in the subsequent paragraphs.

***Increase in Dearness Allowance (DA):***

5.3.5 **FY 2022-23:** The increase in the DA rates compared to FY 2021-22 is due to two adjustments made during FY 2022-23. The first adjustment, effective from 1 July 2022, was issued via Administrative Circular No. 631 dated 17 January 2023, which increased the DA rates from 34% to 38%. The second adjustment, effective from 1 January 2023, was made pursuant to Administrative Circular No. 643 dated 6 July 2023, raising the DA rates from 38% to 42%.

5.3.6 **FY 2023-24:** The increase in the DA rates compared to FY 2022-23 is due to two adjustments made during FY 2023-24. The first adjustment, effective from 1 July 2023, was issued via Administrative Circular No. 655 dated 24 November 2023, which increased the DA rates from 42% to 46%. The second adjustment, effective from 1 January 2024, was made pursuant to Administrative Circular No. 672 dated 16 July 2024, raising the DA rates from 46% to 50%. The relevant Circulars are attached as Annexure – 15 of the revised Petition. The summary of the applicable DA rates since FY 2020-21 is shown in Table below:

**Table 35: DA Rates applicable since FY 2020-21, as submitted by MSETCL**

Year	From	To	Effective DA Rate
FY 2020-21	01-04-2020	31-03-2021	17%
FY 2021-22	01-04-2021	30-06-2021	17%
	01-07-2021	30-09-2021	28%
	01-10-2021	30-12-2021	31%
	01-01-2022	31-03-2021	34%
FY 2022-23	01-04-2022	31-06-2022	34%
	01-07-2022	31-12-2022	38%
	01-01-2023	31-03-2023	42%
FY 2023-24	01-04-2023	31-06-2023	42%
	01-07-2023	31-12-2023	46%

Year	From	To	Effective DA Rate
	01-01-2024	31-03-2024	50%

***Increase in Other Allowances:***

5.3.7 **FY 2022-23:** MSETCL submitted that variation is mainly attributed to increase in ‘Provision for Leave encashment’ by Rs. 40. 66 Crore and ‘Training Expenses including TA/DA’ by Rs. 3.87 Crore.

5.3.8 **FY 2023-24:** MSETCL submitted that variation is mainly attributed to increase in ‘Provision for Leave encashment’ by Rs. 74.23 Crore and ‘Training Expenses including TA/DA’ by Rs. 0.97 Crore. This is mainly due to pay revision impact (Basic: 19%, proportionate increase in DA, increase in all other allowances by 25%). The detailed break-up of ‘Other allowances’ under employee expenses for FY 2022-23 and FY 2023-24 along with justification of increase in key elements of other allowances is attached at Annexure – 14 of the revised Petition.

***Increase in Gratuity Payment:***

5.3.9 **FY 2022-23 and FY 2023-24:** MSETCL submitted that the booking of gratuity has been done based on the actuarial valuation report for FY 2022-23 and FY 2023-24. The summary of the same from the report is provided in Table below and the same matches with the liability accounts in the balance sheet. The Commission had adopted the same approach in the past for approval of actuarial valuation of gratuity. MSETCL requested the Commission to approve the actuarial valuation of gratuity. The Actuarial valuation reports for FY 2022-23 and FY 2023-24 is submitted as **Annexure – 16** of the revised Petition.

**Table 36: Actuarial valuation of gratuity for FY 2022-23, as submitted by MSETCL (Rs Crore)**

Particulars	31 March, 2023		
	Current	Non-Current	Total
Gratuity	57.85	467.30	525.14
General Leave	82.31	383.48	465.78
Half Paid Leave	13.77	166.20	179.97
<b>Total Leave</b>	<b>96.08</b>	<b>549.67</b>	<b>645.75</b>

**Table 37: Actuarial valuation of gratuity for FY 2023-24, as submitted by MSETCL (Rs. Crore)**

Particulars	31 March, 2024		
	Current	Non-Current	Total
Gratuity	62.05	651.26	713.31
General Leave	36.09	523.09	559.18
Half Paid Leave	14.24	239.36	253.60
<b>Total Leave</b>	<b>50.33</b>	<b>762.45</b>	<b>812.78</b>

***Increase in Staff Welfare Expenses***

5.3.10 **FY 2022-23 and FY 2023-24:** MSETCL submitted that variation is mainly due to increase in Canteen Expenses, Recreation expenses and expenses towards Staff Mediclaim Group Insurance which altogether has contribution of Rs. 3.89 Crore. The breakup of staff welfare expenses is provided below:

**Table 38: Staff Welfare Expenses for FY 2022-23, as submitted by MSETCL (Rs. Crore)**

Sr. No	Particulars	FY 2021-22	FY 2022-23
1	Medical Expenses	0.03	0.14
2	Canteen Expenses	0.09	1.10
3	Education Expenses	0.01	0.01
4	Uniform & Livery Expenses	0.71	0.69
5	Recreation Expenses	0.00	0.04
6	Other Welfare Expenses	16.01	7.55
7	Company Contribution paid to EPFO for EDLI Scheme (A/c)	13.35	13.14
8	MSETCL's Contribution towards MSEB EDW Trust	0.43	0.43
9	Staff Mediclaim Grp Insurance Expenses MSETCL's Co	17.09	19.82
10	Stipend – Paid to Trainees	0.53	0.69
11	Provision - Reversal of shortfall towards plan Assets	-9.41	-
12	Prior Period - Employee Benefits Expenses- new	-	0.00
	<b>Total</b>	<b>38.85</b>	<b>43.61</b>

**Table 39: Staff Welfare Expenses for FY 2023-24, as submitted by MSETCL (Rs. Crore)**

Sr. No	Particulars	FY 2022-23	FY 2023-24
1	Medical Expenses	0.14	1.39
2	Canteen Expenses	1.10	1.20
3	Education Expenses	0.01	0.01
4	Uniform & Livery Expenses	0.69	1.09
5	Recreation Expenses	0.04	0.00
6	Other Welfare Expenses	7.55	6.29
7	Company Cont paid to EPFO for EDLI Scheme (A/c)	13.14	12.15
8	MSETCL's Contribution towards MSEB EDW Trust	0.43	0.43
9	Staff Mediclaim Grp Insurance Exps MSETCL's Co	19.82	18.71
10	Stipend – Paid to Trainees	0.69	0.66
11	Provision - Reversal of shortfall towards plan Assets	-	-
12	Prior Period - Employee Benefits Expenses- new	0.00	-
	<b>Total</b>	<b>43.61</b>	<b>41.92</b>

5.3.11 MSETCL submitted that the other welfare expenses generally include expenses not covered under the main heads of staff welfare expenses which are mainly for other welfare activities for staff such as claim for payment of Ex-gratia Assistance to dependent of expired Staff in Covid-19, expenses for retirement functions, retirement gifts, gift for 1st girl, scholarship, etc. The 'reduction' in other welfare expenses in FY 2022-23 as compared to FY 2021-22 is mainly due to reduction in claim for payment of Ex-gratia Assistance to dependent of expired Staff in Covid-19. In this context, MTR Order dated 31 March 2023 in Case No. 232 of 2022 states as under:

*“4.3.20 FY 2021-22: In FY 2021-22 the group Mediclaim policy and other welfare expenses, as seen from the above given table, contribute to the major portion of the staff welfare expenses. The "other welfare expenses" contributes to 41% of the total staff welfare expenses in FY 2021-22 due to payment of Ex-gratia Assistance to dependent of expired Staff in Covid-19 (Rs 30 lakh x 41 Staff = 12.30 Crore) and balance payment of Term life Insurance of expired Staff (Rs 20 lakh x 18 Staff =*

**3.60 Crore). It means total amount booked in other Welfare of Rs 15.90 Crore. Hence the major variation is there. Hence the staff expense in FY 2021-22 is more than the previous year.”**

5.3.12 MSETCL also submitted that, increase in other key expenses is majorly attributable to Basic Salary, House Rent Allowance, provision for PF fund, and Bonus/Ex-gratia payments. MSETCL submitted that increase in Basic salary is due to annual increments, whereas House Rent Allowance increased due to revise DA rate impact. Further, increase in the provision for PF fund is as per basic and DA rate computation, whereas increase in Bonus/Ex-gratia payments is due to ex-gratia announcement by the GoM.

#### ***Wage revision Impact in FY 2023-24***

5.3.13 MSETCL submits that the Board of Directors vide its Resolution No. BR/C-01/2024-25 dated 2 August 2024 noted that total financial implications as a result of the revision of Pay Scales and Allowances works out is approximately Rs. 239.71 Crores per annum. Accordingly, MSETCL has made ‘Provision for Wage Revision Impact of FY 2023-24’ of Rs. 232.86 Crore. MSETCL has submitted the board resolution and administrative circulars as Annexure-25 of revised petition.

5.3.14 MSETCL has submitted schedule of arrears due to revisions of pay & allowances is submitted below:

**Table 40: Wage revision arrears payment schedule, as submitted by MSETCL (Rs. Crore)**

<b>Instalment schedule</b>	<b>Amount</b>
First Instalment (01.03.2023 to 31.08.2023) in Oct. 2024	71.21
Second Instalment (01.09.2023 to 31.01.2024) in March 2025 (approximate)	83.86
Third Instalment (01.02.2024 to 31.07.2024) in September 2025 (approximate)	102.95

#### ***Commission’s Analysis and Ruling***

5.3.15 The Commission noted the submission of MSETCL and has examined the component wise comparison provided by MSETCL, along with the reasons provided regarding the variations observed between the actual employee expenses for FY 2022-23 vis-à-vis FY 2021-22 and FY 2023-24 vis-à-vis FY 2022-23.

5.3.16 In response to the query raised by the Commission dated 12 November, 2024, MSETCL submitted that the increase in the basic salary of its employee increases due to release of annual increment, pay fixation on account of promotion / higher grade benefit and recruitment of personal. MSETCL also submitted that there was promotion drive undertaken for class-III, and Class-IV of the technical cadre, which is mainly effected during FY 2022-23. New employees of cadre /post were also recruited. The promotion involved a shift to higher pay scale leading to overall increase in the Basic pay. The Commission considers the explanation provided by MSETCL and approves these expenses for truing up period.

5.3.17 The Commission noted that the increase in the DA rates in FY 2022-23 compared to FY 2021-22 is due to two adjustments made during FY 2022-23. The first adjustment, effective from 1 July 2022, was issued via Administrative Circular No. 631 dated 17 January 2023,

which increased the DA rates from 34% to 38%. The second adjustment, effective from 1 January 2023, was made pursuant to Administrative Circular No. 643 dated 6 July 2023, raising the DA rates from 38% to 42%. Considering the justification, the Commission has approved the DA related expenses for inclusion in the employee expenses for FY 2022-23.

- 5.3.18 The increase in the DA rates in FY 2023-24 compared to FY 2022-23 is due to two adjustments made during FY 2023-24. The first adjustment, effective from 1 July 2023, was issued via Administrative Circular No. 655 dated 24 November 2023, which increased the DA rates from 42% to 46%. The second adjustment, effective from 1 January 2024, was made pursuant to Administrative Circular No. 672 dated 16 July 2024, raising the DA rates from 46% to 50%. Considering the justification, the Commission has approved the DA related expenses for inclusion in the employee expenses for FY 2023-24.
- 5.3.19 In response to the query raised by the Commission seeking justification for increase in other allowances during the truing up period, MSETCL submitted the breakup of other allowances with supporting justifications. The Commission noted that other allowances include a component of leave encashment and training expenses includes TA/DA which impacted by the wage revision. Further, there was also increase in other elements forming part of other allowances in FY 2023-24 which is also mainly attributed to the pay revision. The Commission has noted the reasons submitted by MSETCL and approves the cost related to other allowances for the truing up period.
- 5.3.20 Based on the justification provided by MSETCL, the Commission observed that the booking of gratuity in the accounts has been done based on the actuarial valuation report which has been shared by MSETCL for FY 2022-23 and FY 2023-24. Considering the same, the Commission approves the gratuity as claimed by MSETCL for the truing up period.
- 5.3.21 The Commission examined the justification for the increase in staff welfare expenses in truing up period provided by MSETCL wherein the increase in the staff welfare expenses has been attributed to the increase in canteen expenses, recreation expenses and expenses towards Staff Mediclaim Group Insurance. The Commission considers the explanation provided by MSETCL and approves the expenses for truing up period.
- 5.3.22 Further, the Commission observed that, increase in other key expenses is majorly attributable to increase in the Basic Salary, House Rent Allowance, provision for PF fund, and Bonus/Ex-gratia payments. The Commission also observed that increase in basic salary is due to annual increments, whereas House Rent Allowance increased due to the revised DA rate impact. Further, increase in the provision for PF fund is linked to the basic salary and DA rate computation, whereas increase in Bonus/Ex-gratia payments is due to ex-gratia announcement. The Commission considers the explanation provided by MSETCL and approves the actual employee expenses for truing up period.
- 5.3.23 **Wage revision impact in FY 2023-24:** The Commission noted MSETCL's submission that the total financial implications as a result of the revision of Pay Scales and Allowances works out is approximately Rs. 239.71 Crores per annum. Accordingly, MSETCL has made 'Provision for Wage Revision Impact of FY 2023-24' of Rs. 232.86 Crore. As per the information shared by MSETCL, the first instalment (Rs 71.21 Crore) towards payment

of past wage revision arrears was released in October 2024, second instalment (Rs. 83.86 Crore) is due in March 2025 and the third instalment (Rs. 102.95 Crore) is due in September 2025. These three instalments add up to Rs. 258.02 Crore against the provision of Rs. 232.86 Crore made by MSETCL in FY 2023-24.

- 5.3.24 The Commission in the past Orders has adopted the approach of generally not considering the wage revision related on provisioning basis and these were allowed only when the actual expenses were done. The MYT Regulations, 2019 while outlining the provisions related to O&M expenses for generation units has stated the following:

*“e) The **impact of Wage Revision, if any, may be considered at the time of true-up for any Year**, based on documentary evidence and justification to be submitted by the Petitioner:*

*Provided that if actual employee expenses are higher than normative expenses on this account, then no sharing of efficiency losses shall be done to that extent:*

*Provided further that efficiency gains shall not be allowed by deducting the impact of Wage Revision and comparison of such reduced value with normative value.*

*f) **Provisioning of wage revision expenses shall not be considered as actual expenses at the time of true-up, and only expenses as actually incurred shall be considered.**”*

- 5.3.25 Similar provisions are also there in case of Distribution Licensee. The Regulations clearly states that the impact of wage revision may be considered at the time of truing up for any year, subject to necessary prudence check by the Commission. It also further states that provisioning of wage revision expenses shall not be considered as actual expenses at the time of truing up and only expenses actually incurred will be considered by the Commission. The Commission deems it appropriate to consider the applicability of the approach in case of Transmission Licensees as well to ensure consistency in approach across utilities / licensees. Accordingly, the Commission has not considered the provision against wage revision arrears related expenses for approval in FY 2023-24.

- 5.3.26 However, considering that one instalment has already been paid in Sept 2024 and the next two are due in March 2025 and September 2025, the Commission, considering the imminent nature of this expenditure and in Order to avoid the impact of carrying cost on the end consumers in case of deferred recovery of this cost at the time of truing up of FY 2024-25 and FY 2025-26, has considered the impact of wage revision for the purpose of projections in FY 2024-25 and FY 2025-26. The cost considered in FY 2024-25 is Rs. 155.07 Crore and the cost considered in FY 2025-26 is Rs. 81.80 Crore. Accordingly, the impact of wage revision arrear payment equivalent to two instalments (Rs 155.06 Crore) has been considered in FY 2024-25, one instalment (Rs 81.80 Crore: 236.86 – 155.06) has been considered in FY 2025-26 by the Commission in this Order.

- 5.3.27 The Commission has considered the reasons for variation in costs submitted by MSETCL regarding the DA, Gratuity, Other allowances, staff welfare expenses, etc. for all the truing up years, as applicable and has also verified the costs from the Annual Audited Accounts and accordingly approves the same.



5.3.28 Based on the above, the employee expenses approved by the Commission for FY 2022-23 and FY 2023-24 are given in the Table below:

**Table 41: Employee Expenses approved by the Commission for FY 2022-23 and FY 2023-24**

Particulars	FY 2022-23		FY 2023-24	
	MYT Petition	Approved in this Order	MYT Petition	Approved in this Order
Gross Employee Expenses	1,454.70	1,454.70	1,738.31	1,738.31
Less: Expenses Capitalised	99.15	99.15	105.00	105.00
<b>Net Employee Expenses</b>	<b>1,355.55</b>	<b>1,355.55</b>	<b>1,633.31</b>	<b>1,633.31</b>
Less: SLDC Employee Expense	23.19	23.19	24.35	24.35
<b>Net Employee Expense after adjustment for SLDC Employee Expense</b>	<b>1,332.37</b>	<b>1,332.37</b>	<b>1,608.97</b>	<b>1,608.97</b>
Add: Prior Period Employee Expense	-	-	-	-
Add: Impact of Wage Revision			232.86	-
<b>Total Employee Expense</b>	<b>1,332.37</b>	<b>1,332.37</b>	<b>1,841.83</b>	<b>1,608.97</b>

#### 5.4 Administrative and General Expenses

##### *MSETCL's Submission*

5.4.1 MSETCL submitted that its asset base has been increasing since past few years which directly impacts various heads of A&G Expenses like electricity charges, vehicle running and hiring expenses, security expenses and other A&G Expenses. The Table below captures the A&G expenses for FY 2022-23 and FY 2023-24 which is being arrived at after taking into consideration the actual A&G expenses as per the audited accounts. The reconciliation with the Audited Accounts is attached herewith as **Annexure-14** of revised petition.

**Table 42: A&G Expenses for FY 2022-23, as submitted by MSETCL (Rs. Crore)**

Sr. No	Particulars	FY 2022-23
		Audited (Actuals)
1	Gross A&G Expenses	481.72
2	Less: Expenses Capitalised	16.05
<b>3</b>	<b>Net A&amp;G Expenses</b>	<b>465.67</b>
4	Less: SLDC A & G Expense	19.47
<b>5</b>	<b>Net A &amp; G Expenses after adjustment for SLDC A &amp; G Expense</b>	<b>446.20</b>

**Table 43: A&G Expenses for FY 2023-24, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Particulars	Audited (Actuals)
1	Gross A&G Expenses	519.76
2	Less: Expenses Capitalised	17.57
<b>3</b>	<b>Net A&amp;G Expenses</b>	<b>502.19</b>
4	Less: SLDC A & G Expense	22.62
<b>5</b>	<b>Net A &amp; G Expenses after adjustment for SLDC A &amp; G Expense</b>	<b>479.56</b>



5.4.2 The comparison of the actual A&G expenses for FY 2022-23 as compared to FY 2021-22 and FY 2023-24 as compared to FY 2022-23 is shown in the Table below:

**Table 44: Comparison of A&G Expenses for FY 2021-22 and FY 2022-23, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Particulars	FY 2021-22	FY 2022-23	Difference (c) = (b)-(a)
		Audited (Actuals)	Audited (Actuals)	
		(a)	(b)	
1	Rent Rates & Taxes	37.69	14.04	-23.65
2	Insurance	2.98	4.37	1.40
3	Telephone & Postage, etc.	3.44	3.38	-0.06
4	Legal charges & Audit fee	3.01	2.34	-0.66
5	Professional, Consultancy, Technical fee	6.68	15.17	8.49
6	Conveyance & Travel	5.02	7.71	2.69
7	Electricity charges	63.70	97.16	33.46
8	Water charges	5.92	6.49	0.57
9	Security arrangements	102.33	108.95	6.63
10	Fees & subscription	5.98	9.28	3.30
11	Books and Periodicals	0.14	0.09	-0.05
12	Computer Stationery/ IT/ Communication Exps	10.22	18.88	8.66
13	Printing & Stationery	2.87	3.96	1.09
14	Advertisement expenses	0.35	1.24	0.89
15	Purchase Related Advertisement Expenses	3.10	4.34	1.24
16	License Fee and other related fee	0.04	0.03	-0.01
17	Vehicle Running Expenses Truck / Delivery Van	3.90	5.49	1.60
18	Vehicle Hiring Expenses Truck / Delivery Van	30.76	36.48	5.73
19	Freight On Capital Equipment	0.01	0.01	-0.00
20	Bank Charges	0.00	-	-
21	Misc. Expenses	17.24	9.09	-8.15
22	Office Expenses	10.94	12.50	1.56
23	CSR expenses	19.80	-	-19.80
24	Other expenses	109.73	118.94	9.21
25	Entertainment	0.09	0.35	0.26
26	Expenditure on meetings, conferences etc.	0.77	1.41	0.64
	<b>Total</b>	<b>446.70</b>	<b>481.72</b>	<b>35.02</b>

**Table 45: Comparison of A&G Expenses for FY 2022-23 and FY 2023-24, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Particulars	FY 2022-23	FY 2023-24	Difference (c) = (b)-(a)
		Audited (Actuals)	Audited (Actuals)	
		(a)	(b)	
1	Rent Rates & Taxes	14.04	39.03	24.98
2	Insurance	4.37	2.92	-1.45
3	Telephone & Postage, etc.	3.38	3.33	-0.05
4	Legal Charges & Audit Fees	2.34	2.64	0.30
5	Professional, Consultancy, Technical fee	15.17	6.81	-8.36
6	Conveyance & Travel	7.71	9.60	1.89
7	Electricity charges	97.16	87.48	-9.68
8	Water charges	6.49	6.61	0.13
9	Security arrangements	108.95	114.95	6.00
10	Fees & subscription	9.28	12.66	3.39

Sr. No.	Particulars	FY 2022-23	FY 2023-24	Difference
		Audited (Actuals)	Audited (Actuals)	
		(a)	(b)	
11	Books and Periodicals	0.09	0.04	-0.05
12	Computer Stationery/ IT/ Communication Exps	18.88	20.60	1.72
13	Printing & Stationery	3.96	3.98	0.02
14	Advertisement expenses	1.24	0.64	-0.60
15	Purchase Related Advertisement Expenses	4.34	4.36	0.02
16	License Fee and other related fee	0.03	0.03	-0.00
17	Vehicle Running Expenses Truck / Delivery Van	5.49	5.78	0.29
18	Vehicle Hiring Expenses Truck / Delivery Van	36.48	39.38	2.89
19	Freight On Capital Equipment	0.01	0.01	-0.00
20	Bank Charges	-	-	-
21	Misc Expenses	9.09	9.08	-0.01
22	Office Expenses	12.50	14.81	2.30
23	CSR expenses	-	-	-
24	Other expenses	118.94	132.33	13.39
25	Entertainment	0.35	0.60	0.24
26	Expenditure on meetings, conferences etc.	1.41	2.09	0.68
	<b>Total</b>	<b>481.72</b>	<b>519.76</b>	<b>38.04</b>

5.4.3 MSETCL submitted that, there is an increase of Rs. 35.02 Crore in FY 2022-23 as compared to FY 2021-22 and increase of Rs 38.04 Crore in FY 2023-24 as compared to FY 2022-23. The major elements contributing to the increase in A&G expenses are Professional, Consultancy and Technical Fees, Electricity Charges and Other Expenses. The main reasons for the variations are listed below:

5.4.3.1 Increase in consultancy and professional fees in FY 2022-23:

- i. MSETCL submitted that increase is due to the requirement of consultant for the project “Upgradation of Chandrapur-Padghe High Voltage Direct Current System (HVDC) Control & Protection System” costing Rs. 7.08 Crore. The detailed status for this project is attached as **Annexure – 17** to revised Petition.
- ii. Professional fees for online examination for the post of AE (Telecom) and AE (Civil) dated 9 March 2022 of Rs. 1.4 Crore.
- iii. Payment of design engineering & project management consultancy to PGCIL for relocation for Anjur Earth Electrode Station of Rs. 4.5 Crore has contributed to the increase. MSETCL submitted that as per administrative approval for ‘Establishment of Earth Electrode Station at Malegaon Tal. Murbad Dist. Thane along with electrode line from Malegaon to HVDC Padghe terminal Station due to relocation of Anjur Electrode Station’ under ORC scheme on 30 January 2023, this expense pertains to ORC scheme and the amount towards consultancy is to be borne by NHSRCL. This amount should have been knocked out against respective deposit amount. As the accounts for FY 2022-23 as well as FY 2023-24 have been finalized and audited, the said amount of Rs. 4.5 Crore cannot be rectified. Instead, the matching effect can only be passed in the FY 2024-25. Accordingly, MSETCL has reduced this amount from A&G expenses from head of ‘Professional, Consultancy, Technical fee’ this Petition. Further, in FY 2024-25 the deposit amount shall be

reduced by Rs. 4.5 Crore and would be shown as income in profit and loss account. Thus, during final true-up of FY 2024-25 this income will not be reflected under Non-Tariff Income for that year.

- 5.4.3.2 The increase in the electricity charges from Rs. 63.70 Crores to Rs. 97.16 Crore is mainly due to the increase in the Discom Tariff in the FY 2022-23, addition of new sub-stations during FY 2022-23 and due to payment made towards electricity bills arrears for the period from May 2018 to November 2020 by HVDC Chandrapur Circle of Rs. 12.63 Crore and HVDC Chandrapur Division of Rs. 1.86 Crore. As the energy bill for the period from May 2018 to March 2020 was submitted by MSEDCL to MSETCL in the month of June 2020 therefore Delayed Payment Charges (**DPC**) and interest charges were not acceptable and also the bills had various discrepancies. The payment made by MSETCL is after deduction of delay in payment charges and interest charges. The details of bills were attached as **Annexure-18** with the revised petition.
- 5.4.3.3 The increase in the Insurance amount from Rs. 2.98 Crore to Rs. 4.37 Crore is mainly due to the increase in the insurance premium. The variation is mainly due to increase in one-time insurance premium paid on account of increase in new vehicle purchases during FY 2022-23.
- 5.4.3.4 The increase in the Advertisement Expenses from Rs. 0.35 Crore to Rs. 1.24 Crore is mainly due to the increase in Public Relations (PR) activity and increase in tender related advertisement expenses. The increase is also attributed to expenses on Geo digital map of Rs. 0.189 Crore, expense on creation of documentary film of Rs. 0.15 Crore, advertisement expenses towards advertising agency of Rs. 0.26 Crore, contribution towards MSEBHCL advertisement of Rs. 0.1083 Crore and other newspaper advertisement.
- 5.4.3.5 The increase in the Vehicle Running Expenses Truck / Delivery Van is mainly due to the increase in the fuel prices.
- 5.4.3.6 The increase in other expenses is mainly on account of increase in number of outsourced manpower and salary expenses of outsource personnel salary which is mainly due to rise in DA.
- MSETCL outsourced employee on contract basis against the sanction vacant post of pay group III and IV of the company. Such vacant post can arise due to retirement during the year, increase in number of substations, and the promotion incurred during the year. Such outsourced employees are mainly deployed against the employees of class III and IV in both the Technical and non -technical cadre.
  - FY 2017-18 to FY 2021-22 no promotion in technical cadre was undertaken upto the level of Additional EE, due to revision in norm and the same was undertaken during FY 2022-23 onwards. Due to these vacancies were created in the Class III and Class IV employees, Outsourced employees were deployed against these vacancies. As stated above outsourced employees are employed against the sanctioned vacant post which are as below:
    - Nos. of outsourced employee working in MSETCL

- During FY 2021-22: 3,069
  - During FY 2022-23: 3,196
  - During FY 2023-24: 3,545
- Thus, the number of outsourced employees are increasing gradually from FY 2021-22 to FY 2023-24. Further, there is a periodic increase in the DA amount of the outsourced employees base on Government of Maharashtra which also added to the overall increase of the expenses.
- 5.4.3.7 The decrease in the Miscellaneous Expenses from Rs. 17.24 Crore to Rs. 9.09 Crore is mainly due to the decrease of Rs. 6.90 Crore in the refund of old SD/EMD (Security Deposit/ Earnest Money Deposits).
- 5.4.3.8 Vehicle hiring expenses increased due to increase in hiring of Vehicles.
- 5.4.3.9 Rent Rates and Taxes:
- i. FY 2022-23: The lease rent has been adjusted with the rent rates and taxes to the extent of Rs. 0.53 Crore. The total amount of lease rent booked in FY 2021-22 was Rs. 20.65 Crore. However, due to introduction of Indian Accounting Standard (Ind AS)-116, MSETCL has passed on entry of Rs. 0.53 Crore as liability and net amount of Rs. 0.20 Crore only is debited to rent, rates and taxes. MSETCL is making payment/supposed to make payments to MSEBHCL for full amount and hence the same needs to be accounted for and approved by the Commission. This has resulted in decrease in lease rent as compared to FY 2021-22. The lease rent varies because of discounting factor over the period of lease.
  - ii. FY 2023-24: The lease rent has been adjusted with the rent rates and taxes to the extent of Rs. 21.88 Crore for FY 23-24. The total amount of lease rent booked in FY 19-20, FY 20-21 and FY 21-22 was Rs. 20.53 Crore, Rs. 20.54 Crore and Rs. 20.65 Crore respectively. However, due to introduction of Ind AS-116, MSETCL has passed on entry of Rs. 20.53 Crore, Rs. 20.54 Crore and Rs. 20.65 Crore as liability and net amount of Rs. 0.43 Crore, Rs. 0.59 Crore and Rs. 0.32 Crore only is debited to rent, rates and taxes for FY 2019-20, FY 2020-21 and FY 2021-22 respectively. It is submitted that MSETCL is however, making payment/supposed to make payments to Govt. of Maharashtra for full amount and hence the same needs to be accounted for and approved by the Commission.
  - iii. As per Ind AS-116, with regard to the lease rent being paid by the company to "MSEB Holding Co.", the company has to identify the "Right of Use Assets" (ROU)' and "Lease Liability" considering the discounting factor over the period of lease. Company has to charge depreciation (Debit to Profit & Loss AC) on such "ROU" assets and identify the interest (Debit to Profit & Loss) on lease liability during the financial year, at the same time lease liability is reduced to the extent of lease rent (Credit to Profit & Loss AC) during the financial year. In other words, Ind AS-116 requires the presentation of "depreciation on ROU Assets" and "Interest on lease liability" as Expense to revenue statement and "lease rent" during the period as reduction of lease liability. MSETCL has identified lease rent as expense on accrual

basis before adjustment of the same against lease liability.

- iv. MSETCL has adopted Ind AS-116 "Leases" with effect from April 1, 2019, with a modified retrospective approach. MSETCL has elected to account for short-term leases using the practical expedients i.e. instead of recognising right-of-use asset and lease liability, the payments in relation to these short term leases are recognised as an expense in profit or loss. The details of the same are also provided in the Note No. 28 of the Audited accounts of FY 2022-23 and Note No. 31 of the audited accounts of FY 2023-24.
- v. MSETCL has provided for lease rent payable to MSEBHCL for the respective years under A&G but the same are payable on demand.
- vi. The Commission considering the requirements prescribed under the Ind AS had allowed to recover the cost towards the lease payment as part of the A&G expenses.

5.4.3.10 The computer stationery expenses mainly increased due to purchase of SAP HANA enterprise cloud software of Rs. 5.75 Crore and SAP implementation of Rs. 3.3 Crore.

5.4.4 Further, in line with approach adopted by the Commission, MSETCL has not claimed Corporate Social Responsibility (CSR) related expenses.

#### ***Commission's Analysis and Ruling***

5.4.5 The Commission has examined the component-wise comparison of actual A&G expenses for FY 2022-23 vis-à-vis FY 2020-21 and FY 2023-24 vis-à-vis FY 2022-23 submitted by MSETCL and the reasons provided by MSETCL for the variation in various cost heads.

5.4.6 As regards, Rent Rates and Taxes, the Commission accepts the submission of MSETCL as narrated above, considering the requirements prescribed under the Ind-AS and allows to recover the cost towards the lease payment as part of the A&G expenses.

5.4.7 In response to the query raised by the Commission dated 12 November, 2024, MSETCL clarified that the amount of lease rent is payable to MSEB Holding Co. Ltd. and but the same is actually paid on demand. The variation is due to impact of discounting factor at the closure of lease in FY 2022-23 and FY 2023-24.

5.4.8 Similarly, as regards professional, consultancy and technical fees, MSETCL attributed the increase to the requirement of consultant for the project Upgradation of Chandrapur-Padghe HVDC Control & Protection System. In response to the query raised by the Commission, MSETCL submitted the date of the Letter of Award (LoA) issued to PGCIL. The scope of work covered in the LoA includes the following:

- **Engineering and Design Services:** Covering pre-award engineering services, preparation & finalization of Bill of Quantities (BoQ), support in the bid process management (preparation of bidding documents, attending pre-bid meetings, evaluation of tenders, preparation of contract documents, post award review of contractor's drawings, specifications, etc.)
- **Supervision during construction:** Site and field supervision at identified sites, preparation or evaluation of change proposals, technical amendments, changes in scope of work, etc.

- **Factory inspection services.**

- 5.4.9 Considering the nature of services required, preparation of such technical specification/bid documents for HVDC Control and Instrumentation upgradation, procurement of equipments, testing and project management required to be provided by the PGCIL and the relevant HVDC related expertise available with PGCIL, the Commission has approved the related expenses as submitted by MSETCL.
- 5.4.10 The Commission has also approved the professional fees of Rs. 1.4 Crore in FY 2022-23 which are related to expenses incurred for online examination for the post of AE(Telecom) & AE(Civil) as submitted by MSETCL.
- 5.4.11 The Commission has also noted the submissions of MSETCL with regards to the adjustment of the payment made to PGCIL for relocation of Anjur Earth Electrode Station in FY 2024-25 and approves the same.
- 5.4.12 The Other Expenses in FY 2022-23 have also shown an increase of 8.4% over previous year and in FY 2023-24 have also shown an increase of 11.26% over previous year. In response to the query raised by the Commission, MSETCL submitted that the other expenses mainly include the cost towards outsourced employees. The outsourced employees are on contract basis against the sanctioned vacant posts of pay group III and IV (both technical & non-technical cadre) of the company which can arise due to retirement during the year, increase in number of Sub-stations, and the promotion granted during the year. The Commission noted that from FY 2017-18 to FY 2021-22 no promotion in technical cadre was undertaken upto the level of Additional EE, due to revision in norm and the same was undertaken during FY 2022- 23 onwards. Due to these vacancies were created in the Class III and Class IV employees against which outsourced employees were deployed. Accordingly, the no. of outsourced employee during FY 2021-22, FY 2022-23 and FY 2023-24 are 3,069, 3,196 and 3,545 respectively which shows an increasing trend.
- 5.4.13 Further, there is a periodic increase in the DA amount of the outsourced employees base on Government of Maharashtra which also added to the overall increase of the expenses. Considering the same, the Commission has approved the related expenses as submitted by MSETCL.
- 5.4.14 Miscellaneous expenses have shown a year on year decrease over the period FY 2021-22 to FY 2023-24 mainly due to the decrease in the refund of old SD/EMD (Security deposit/Earnest Money Deposits) as clarified by MSETCL. The Commission has accordingly approved the related expenses as submitted by MSETCL.
- 5.4.15 The computer and stationery expenses increased due to purchase of SAP HANA enterprise cloud software and SAP implementation. Further, increase in the vehicle running expenses truck / Delivery van is mainly due to increase in the fuel prices, vehicle hiring expenses increased due to increase in hiring of vehicles in FY 2022-23 and FY 2023-24. The Commission has approved the related expenses as submitted by MSETCL considering the justification submitted by MSETCL.
- 5.4.16 Increase in the electricity charges is mainly due to increase in the Discom Tariff in the FY 2022-23, addition of new sub-station during FY 2022-23 and due to payment made towards

electricity bills arrears for the period from May 2018 to November 2020 by HVDC Chandrapur circle, and HVDC Chandrapur Division. The Commission has approved the same as submitted by MSETCL.

- 5.4.17 Increase in the insurance mainly due to the increase in the insurance premium paid on account of increase in new vehicles purchases during FY 2022-23. The Commission has approved the same as submitted by MSETCL.
- 5.4.18 Increase in advertisement expenses in FY 2022-23 is mainly due to increase in PR activity and increase in tender related advertisement expenses. The increase is also attributed to expenses on Geo digital map, expense on creation of documentary film, advertisement expenses towards advertising agency, contribution towards MSEBHCL advertisement and other newspaper advertisement. The Commission has approved the same as submitted by MSETCL.
- 5.4.19 As a part of scrutiny of the nature of expenses undertaken by the Commission, it was observed that MSETCL has considered expenses towards “Interest on Late Payment of Statutory Dues” under “Other expenses” forming part of the A&G expenses in both the truing up years. Considering that such expenses are of the nature of penal expenses paid as penalty for delay in payment of statutory dues by MSETCL, the Commission has not allowed these expenses for recovery as part of the actual A&G expenses. Accordingly, the Commission has deducted an amount of Rs. 0.20 Lakhs and Rs. 2.04 Lakhs in FY 2022-23 and FY 2023-24 respectively from the “Other expenses” under A&G expenses.
- 5.4.20 The Commission has considered A&G expenses as per Audited Annual Accounts, and A&G expenses as approved by the Commission in FY 2022-23 and FY 2023-24 are shown in table below:

**Table 46: 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 in this Order	MYT Petition	Approved in this Order
Gross A&G Expenses	481.72	481.72	519.76	519.74
Less: Expenses Capitalised	16.05	16.05	17.57	17.57
<b>Net A&amp;G Expenses</b>	<b>465.67</b>	<b>465.67</b>	<b>502.19</b>	<b>502.17</b>
Less: SLDC A&G Expense	19.47	19.47	22.62	22.62
<b>Net A&amp;G Expense after adjustment for SLDC A&amp;G Expense</b>	<b>446.20</b>	<b>446.19</b>	<b>479.56</b>	<b>479.54</b>

## 5.5 Repairs and Maintenance Expenses

### *MSETCL's Submission*

- 5.5.1 MSETCL submitted that the R&M expenses for FY 2022-23 and FY 2023-24, which is being arrived at after taking into consideration the actual R&M expenses as per the audited accounts and by reducing expenses capitalized and SLDC R&M Expenses. The reconciliation with the Audited Accounts has been submitted by MSETCL as **Annexure-14** to the revised Petition.

**Table 47: R&M Expenses for FY 2022-23, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Repair and Maintenance Expenses	FY 2022-23
		Actuals
1	Gross R&M Expenses	551.28
2	Less: Expenses Capitalised	0.52
3	<b>Net R&amp;M Expenses</b>	<b>550.75</b>
4	Less: SLDC R&M Expense	2.49
5	<b>Net R&amp;M Expenses after adjustment for SLDC R&amp;M Expense</b>	<b>548.26</b>

**Table 48: R&M Expenses for FY 2023-24, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Repair and Maintenance Expenses	FY 2023-24
		Actuals
1	Gross R&M Expenses	556.45
2	Less: Expenses Capitalised	0.62
3	<b>Net R&amp;M Expenses</b>	<b>555.83</b>
4	Less: SLDC R&M Expense	3.09
5	<b>Net R&amp;M Expenses after adjustment for SLDC R&amp;M Expense</b>	<b>552.73</b>

5.5.2 The comparison of the actual R&M expenses for FY 2022-23 as compared to FY 2021-22, and FY 2023-24 as compared to FY 2022-23 is shown in the Table below:

**Table 49: Comparison of Gross R&M Expenses for FY 2021-22 and FY 2022-23, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Particulars	FY 2021-22	FY 2022-23	Difference
		Actuals	Actuals	
		(a)	(b)	(c) = (b)-(a)
1	Plant & Machinery, Building, Civil Works, Hydraulic Works, Lines & Cables Networks	388.73	547.41	158.68
2	Vehicles	0.50	1.05	0.55
3	Furniture & Fixtures	0.09	0.79	0.70
4	Office Equipment	1.38	1.12	-0.26
5	Repairs to Office building	1.23	0.91	-0.31
6	<b>Gross R&amp;M Expenses</b>	<b>391.93</b>	<b>551.28</b>	<b>159.35</b>

**Table 50: Comparison of Gross R&M Expenses for FY 2022-23 and FY 2023-24, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Particulars	FY 2022-23	FY 2023-24	Difference
		Audited (Actuals)	Actuals	
		(a)	(b)	(c) = (b)-(a)
1	Plant & Machinery, Building, Civil Works, Hydraulic Works, Lines & Cables Networks	547.41	553.42	6.01
2	Vehicles Repairs	1.05	1.53	0.48
3	Furniture & fixtures Repairs	0.79	0.07	-0.73
4	Repairs - Office Equipments	1.12	1.34	0.22
5	Repairs to Office building	0.91	0.10	-0.81
6	<b>Gross R&amp;M Expenses</b>	<b>551.28</b>	<b>556.45</b>	<b>5.17</b>

Rs Crore



Sr. No.	Particulars	FY 2022-23	FY 2023-24	Difference (c) = (b)-(a)
		Actuals	Actuals	
		(a)	(b)	
1	Plant & Machinery, Building, Civil Works, Hydraulic Works, Lines & Cables Networks	547.41	553.42	6.01
2	Vehicles Repairs	1.05	1.53	0.48
3	Furniture & fixtures Repairs	0.79	0.07	-0.73
4	Repairs - Office Equipments	1.12	1.34	0.22
5	Repairs to Office building	0.91	0.10	-0.81
6	<b>Gross R&amp;M Expenses</b>	<b>551.28</b>	<b>556.45</b>	<b>5.17</b>

5.5.3 MSETCL submitted that during FY 2020-21 and FY 2021-22 due to impact of Covid-19 Pandemic, only R&M works of essential nature were carried out to keep the grid healthy and ensure reliable supply. Post Covid-19, during FY 2022-23 the R&M works were undertaken in full-fledged manner for the maintenance of Substations and lines.

5.5.4 MSETCL submitted that there is increase in material and labour prices which can be observed from the 20% rate escalation in SOR revision.

5.5.5 Following major activities have contributed to R&M expenses in FY 2022-23.

- Plant and Machinery (Rs.93.08 Crore)
  - Repairs and maintenance of transformers: 38% (Rs.22 Crore)
  - Safety measures: 159% (Rs.7.5 Crore)
  - Crimping and jumpering work: 165% (Rs.5.27 Crore)
  - Repairs and purchase of CT/PT: 66% (Rs.2.94 Crore)
- Line and Cables (Rs.34.08 Crore)
  - Line/cable maintenance works: 90% (Rs.23.18 Crore)
- Building and Civil (Rs.30.85 Crore)
  - Building and civil works- 31% (Rs.15.65 Crore)
  - Metal spreading- 161% (Rs.4.81 Crore)
  - UCR wall and chain link fencing works- 96% (Rs.3.66 Crore)

### ***Commission's Analysis and Ruling***

5.5.6 The Commission has examined the broad level component-wise comparison of actual R&M expenses for FY 2022-23 vis-à-vis FY 2021-22 and, FY 2023-24 vis-à-vis FY 2022-23, as submitted by MSETCL.

5.5.7 The Commission has raised query regarding the significant increase (40.82%) in the expenses categorised under “Plant & Machinery, Building, Civil works, Hydraulic works, lines & cables network expenses” for FY 2022-23 as compared to FY 2021-22. In response to the datagaps, MSETCL submitted that during FY 2021-22 due to impact of Covid-19 Pandemic, most of R&M works such as insulator replacement, transformer overhauling and repair works, EHV equipment replacement, various repairs and maintenance /civil works in substations were not executed. However, only repair and maintenance work in the essential nature were carried out to keep grid healthy and to give reliable supply. Post

Covid-19, during FY 2022-23 pandemic restrictions were released, R&M works in full fledged manner were undertaken for the maintenance of Substations and lines. The Commission noted that there is increase in material prices around 20% rate escalation in SOR revision.

5.5.8 MSETCL also elaborated the key variation as reproduced in para 5.5.5 of the Order in its response to the datagaps.

5.5.9 The Commission has validated the costs submitted by MSETCL based on the audited accounts for all the truing up years and approved the costs considering the justifications provided by MSETCL. The Commission has considered capitalised R&M expenses as per the Audited Annual Accounts for FY 2022-23 and FY 2023-24.

5.5.10 In addition to the above, as discussed in the section related to approval of the capitalisation claimed by MSETCL during the truing up period, certain capitalisation claimed by MSETCL as part of the non-DPR schemes has been disallowed considering that the nature of work undertaken in these schemes is of regular Repairs & Maintenance expenses rather than of capital nature. Such disallowed capitalisation has been considered for approval under the R&M expenses during the truing up period (Rs. 12.69 Crore in FY 2022-23, Rs. 20.98 Crore in FY 2023-24). Accordingly, this expenditure has been added to the R&M expenditure approved as part of the truing up process and considered for approval by the Commission. Hence, the R&M expenses considered by the Commission are higher than the expenses claimed by MSETCL in its Petition.

5.5.11 The R&M expenses approved by the Commission are shown in table below:

**Table 51: Net 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 in this Order	MYT Petition	Approved in this Order
Gross R&M Expenses	551.28	551.28	556.45	556.45
Less: Expenses Capitalised	0.52	0.52	0.62	0.62
<b>Net R&amp;M Expenses</b>	<b>550.75</b>	<b>550.75</b>	<b>555.83</b>	<b>555.83</b>
Less: SLDC R&M Expense	2.49	2.49	3.09	3.09
<b>Net R&amp;M Expense after adjustment for SLDC R&amp;M Expense</b>	<b>548.26</b>	<b>548.26</b>	<b>552.73</b>	<b>552.73</b>
Add: Transfer from Capex to R&M based on nature of work	-	12.69	-	20.98
<b>Net R&amp;M Expenses</b>	<b>548.26</b>	<b>560.95</b>	<b>552.73</b>	<b>573.71</b>

## 5.6 Normative O&M expenses for FY 2022-23 & FY 2023-24

### *MSETCL's Submission*

#### **FY 2022-23**

5.6.1 MSETCL submits that computation of revised normative O&M expenses for truing-up of FY 2022-23 and FY 2023-24 is crucial for MYT Period.

- 5.6.2 MSETCL has been maintaining master data of number of substation bays and Ckt. km of transmission lines and transformer MVA since year 2012 in ERP PM Module. During the MTR proceedings, MSETCL has submitted the data of number of substation bays and Ckt. km of transmission lines (from FY 2014-15 or earlier upto June/August 2022) to the Commission through ERP system. The entire exercise of data incorporation in SAP system based on actual field level certification has been carried out on a one-time basis to ensure consistency in data availability and reliability. This data was submitted after due verification and certification received from each zone for completeness and correctness of data. Since, the aforementioned was a cumbersome one-time exercise involving a huge number of assets resulting in submission of the report in past at the time of MTR Petition, the Commission also recognised the usefulness and necessity of this exercise undertaken by MSETCL.
- 5.6.3 MSETCL submitted that in view of the observation of the Commission in Para 4.6.20 of the MTR Order, MSETCL has institutionalized the process so that the information regarding the network details (no. of bays and ckt. km of line) is updated on a regular basis. Further, MSETCL has also streamlined the process to validate the information being entered into the system to ensure accuracy of data/information. The Commission may appreciate the volume of data/ quantity which is being streamlined and reconciled over all its offices which was pending for such long period.
- 5.6.4 Accordingly, MSETCL also submitted that the information submitted in this Petition is from SAP system of MSETCL, which based on actual information. These actual numbers are verified and supported by certificates issued by CE of respective Zone that said information is also updated in SAP system. MSETCL requested the Commission to consider the actual information as submitted for purpose of this Petition.
- 5.6.5 The year wise and voltage wise position of number of bays in MSETCL SAP system is given in the following table. This includes technology-wise (AIS/GIS wise) break-up of utilized and unutilized bays. The same is enclosed with as Annexure – 8 of revised petition

**Table 52: Details of Bays Voltage wise and year wise (Nos.), as submitted by MSETCL**

Voltage Level	FY 2014-15 or Earlier	FY 2015-16	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*	Grand Total
11 KV	1,202	18	11	11	8	17	10	3	9	4	2	1,295
20 KV	1	-	-	-	-	-	-	-	-	-	-	1
22 KV	1,659	116	90	57	116	49	26	55	65	75	53	2,361
33 KV	4,665	187	312	254	307	291	171	143	139	137	28	6,634
66 KV	36	1	2	-	3	-	-	-	-	-	-	42
100 KV	317	14	8	9	17	6	10	9	5	2	-	397
110 KV	291	1	5	4	3	3	4	9	27	1	3	351
132 KV	2,783	113	148	151	161	180	105	123	147	98	49	4,058
220 KV	2,023	171	126	107	125	79	65	61	96	77	33	2,963
400 KV	347	25	30	19	9	1	7	20	6	5	2	471
765 KV	-	6	5	-	-	-	-	-	-	-	-	11
Total	13,324	652	737	612	749	626	398	423	494	399	170	18,584

\* Details upto August 2024, bays are inclusive of utilized & un-utilised; AIS an GIS;

5.6.6 The year wise and voltage wise transmission line length in ckt. km in MSETCL SAP system is given in the following table. The same is enclosed with as Annexure – 9 of revised petition.

**Table 53: Details of transmission line length – Voltage wise and year wise (ckt-km), as submitted by MSETCL**

Voltage Level	Upto 2015-16	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*	Grand Total
33 KV	47.81	35.00	-	-	-	-	-	-	-	-	82.81
66 KV	608.47	-42.60	-	-154.42	-	-	-98.80	-	-	-	312.65
100 KV	963.78	-2.30	40.14	6.76	18.95	-19.16	17.00	47.50	-0.10	2.24	1,074.81
110 KV	1,569.31	-49.93	113.41	28.48	3.00	-29.50	57.15	17.91	-15.77	5.80	1,699.86
132 KV	14,899.25	482.74	340.89	942.87	498.89	381.46	315.99	384.37	241.81	456.28	18,944.55
220 KV	16,056.78	378.20	895.94	432.58	323.71	581.42	-39.71	351.25	328.65	407.77	19,716.59
400 KV	8,548.64	-74.25	-	-	-	-	-10.05	17.99	-	-	8,482.33
500 KV	1,504.44	-	-	-	-	-	-	-	-	-	1,504.44
Total	44,198.48	726.86	1,390.38	1,256.27	844.55	914.22	241.58	819.02	554.59	872.09	51,818.04

\* Details upto August 2024.

5.6.7 Post MTR Order issuance, during MSETCL's consistent efforts towards institutionalizing process for information completeness and correctness of data and regular updation, some difference in the data which was previously submitted to the Commission and latest data extracted from SAP system (refer table above) were observed.

5.6.8 The opening balance for FY 2019-20 for number of bays and ckt kms based on actual information submitted above, opening as MSETCL earlier submission in Case No. 232 of 2022 and opening balance as per the Commission approach is provided below:

**Table 54: Updation in historical details of number of bays and transmission line length post MSETCL MTR submission and FY 2019-20 opening balance, as submitted by MSETCL**

Particulars	FY 2019-20				
	Opening as per MERC Approach in Case No.232 of 2022 (A)	Opening as per MSETCL submission in Case No. 232 of 2022 (B)	Opening as per MSETCL Submission in this Petition (C)	Difference (C-A)	Difference (C-B)
<b>Ckt km length</b>					
HVDC	1,504.00	1,507.00	1,504.44	0.44	-2.56
765 kV	-	-	-	-	-
400 kV	8,415.62	8,487.00	8,474.39	58.77	-12.61
above 66 kV & less than 400 kV	35,690.51	37,632.00	37,098.90	1,408.39	-533.10
66 kV and below	3,286.50	461.00	494.26	-2,792.24	33.26
<b>Total</b>	<b>48,896.62</b>	<b>48,087.00</b>	<b>47,571.99</b>	<b>-1,324.63</b>	<b>-515.01</b>
<b>Number of Bays (AIS Bays)</b>					
765 kV	9	11	11	2	-
400 kV	374	434	421	47	-13
above 66 kV & less than 400 kV	5,372	6,337	6,355	983	18
66 kV and below	7,333	8,528	8,490	1,157	-38

Particulars	FY 2019-20				
	Opening as per MERC Approach in Case No.232 of 2022 (A)	Opening as per MSETCL submission in Case No. 232 of 2022 (B)	Opening as per MSETCL Submission in this Petition (C)	Difference (C-A)	Difference (C-B)
<b>Total (AIS)</b>	<b>13,088</b>	<b>15,310</b>	<b>15,277</b>	<b>2,189</b>	<b>-33</b>
<b>Number of Bays (GIS Bays)</b>					
765 kV	-	0	-	-	-
400 kV	-	0	-	-	-
above 66 kV & less than 400 kV	23	83	89	66	6
66 kV and below	20	129	123	103	-6
<b>Total (GIS)</b>	<b>43</b>	<b>212</b>	<b>212</b>	<b>169</b>	<b>-</b>
<b>Total (AIS + GIS)</b>	<b>13,131</b>	<b>15,522</b>	<b>15,489</b>	<b>2,358</b>	<b>-33</b>

5.6.9 Post MTR Order issuance, MSETCL has carried out one-time activity of verification of fixed assets and its utilization i.e., HV spare, feeder bays, etc. by its Zonal offices and data is corrected/ updated subsequently by field offices in the SAP system. Accordingly, historical data which was submitted to the Commission is revised to some extent as shown in the Table above. Such updated details from SAP system are being submitted along with this Petition.

5.6.10 The Commission in Para 4.6.23 of the MTR Order opined that in Order to validate the accuracy of the exercise undertaken by MSETCL may undertake a third-party verification of bays and ckt. kms claimed by MSETCL. Further, as against clarity sought by MSETCL during review of MTR Order proceeding (Case No. 137 of 2023) as to whether the third-party verification will be carried out by the Commission on suo-motu basis or if MSETCL needs to initiate the process for appointment of such an agency, the Commission clarified that it may undertake the third-party verification of bays and ckt. km. The relevant extract is reproduced below:

*MSETCL submission*

*12.9 As ruled in the impugned Order, a third-party inspection for the verification of elements of the cost audit report might be undertaken. In this regard, MSETCL sought directions from the Commission as to whether the third-party verification of the Cost Audit Report will be carried out by it suo motto or if MSETCL needs to initiate the process for appointment of such an agency. MSETCL undertakes that the results of third-party verification based on Cost Audit Report will be binding on MSETCL.*

...

*Commission's Analysis and Rulings*

*12.17 Further, as regards to whether the Commission would undertake the third-party verification on suo moto basis or MSETCL needs to appoint the agency to undertake the third-party verification, the impugned Order is clear that the Commission, to validate the accuracy of cost auditing, may undertake the third-party*

*verification of bays and ckt. kms claimed by MSETCL as per the cost auditor certificate and hence there is no need to rule on this issue.”*

- 5.6.11 In view of above ruling, MSETCL has not initiated the process for appointment of agency. Pending the third-party verification and in its effort to represent accurate information, one-time correction which required back dated changes/entries is carried out by all Zone offices. The data submitted in this petition is reflective of such corrections. MSETCL requested the Commission to conduct such third-party verification if required during the present MYT proceedings and a consensus over such number of bays and transmission line length in ckt. km may be attained. Alternatively, MSETCL requested the Commission to allow MSETCL to carry out such third-party verification for necessary submission before the Commission.
- 5.6.12 Based on above data, MSETCL also submitted the Cost Auditor Certificate certifying the number of bays and ckt. km from FY 2022-23 onwards. The Cost Auditor Certificate covering information for FY 2022-23 to FY 2023-24 is submitted along with the Petition. The information provided also includes the opening balance, additions during the year and closing balance of voltage wise Bays and Ckt. km of transmission lines. The certificate provided for the bays also includes information regarding the voltage-wise utilised and unutilised bays for relevant financial years. The Cost Auditor Certificate is available as Annexure- 28 to the revised Petition.
- 5.6.13 MSETCL further submitted that for the purpose of calculating the revised normative O&M expenses for the truing-up period for FY 2019-20 to FY 2021-22, the Commission had considered closing values of bays and ckt. km approved by the Commission as closing values for FY 2018-19 in its Order in Case No. 302 of 2019 as the opening values for FY 2019-20. Further, the Order also provides that guidance for the calculation of revised normative O&M for FY 2023-24.
- 5.6.14 For the purpose of calculating the revised normative O&M expense for the truing up period for FY 2022-23, MSETCL has considered the opening bays and ckt. km based on following factors:
- a) Opening bays and ckt. km considered for FY 2019-20 based on actual information from SAP system submitted above.
  - b) The actual addition of bays and ckt km for the period from FY 2019-20 to FY 2021-22.
  - c) The opening bays and ckt.km for FY 2022-23 arrived based on above considered for the purpose of truing-up for FY 2022-23.
  - d) For the purpose of truing up of FY 2023-24, the actual addition of bays and ckt km for FY 2023-24.
- 5.6.15 MSETCL requested the Commission to consider the approach submitted by MSETCL for purpose of the present Petition.
- 5.6.16 MSETCL has considered only the utilized bays for opening balance for FY 2019-20 as well as for additions during the period. The opening balance for number of bays and ckt kms based on actual information submitted above is provided below:

**Table 55: Addition in ckt. km of transmission line length for FY 2019-20 to FY 2021-22 – Voltage wise and year wise (ckt. km), as submitted by MSETCL**

Particulars	FY 2019-20			FY 2020-21			FY 2021-22		
	Opening as per MSETCL current submission	Actual Addition as per MSETCL	Closing No.	Opening No.	Actual Addition as per MSETCL	Closing No.	Opening No.	Actual Addition as per MSETCL	Closing No.
<b>Ckt km length</b>									
HVDC	1,504.44	-	1,504.44	1,504.44	-	1,504.44	1,504.44	-	1,504.44
765 kV	-	-	-	-	-	-	-	-	-
400 kV	8,474.39	-	8,474.39	8,474.39	-	8,474.39	8,474.39	-10.05	8,464.34
Above 66 kV and less than 400 kV	37,098.90	844.55	37,943.45	37,943.45	914.22	38,857.67	38,857.67	350.43	39,208.10
66 kV and below	494.26	-	494.26	494.26	-	494.26	494.26	-98.80	395.46
<b>Total</b>	<b>47,571.99</b>	<b>844.55</b>	<b>48,416.54</b>	<b>48,416.54</b>	<b>914.22</b>	<b>49,330.76</b>	<b>49,330.76</b>	<b>241.58</b>	<b>49,572.34</b>

**Table 56: Addition in number of bays for FY 2019-20 to FY 2021-22 – Voltage wise and year wise (Nos.), as submitted by MSETCL**

Particulars	FY 2019-20			FY 2020-21			FY 2021-22		
	Opening as per MSETCL current submission	Actual Addition as per MSETCL	Closing No.	Opening No.	Actual Addition as per MSETCL	Closing No.	Opening No.	Actual Addition as per MSETCL	Closing No.
<b>Number of Bays (AIS Bays)</b>									
765 kV	11	-	11	11	-	11	11	-	11
400 kV	421	1	422	422	7	429	429	20	449
Above 66 kV and less than 400 kV	6,355	252	6,607	6,607	164	6,771	6,771	170	6,941
66 kV and below	8,490	308	8,798	8,798	173	8,971	8,971	161	9,132
<b>Total (AIS)</b>	<b>15,277</b>	<b>561</b>	<b>15,838</b>	<b>15,838</b>	<b>344</b>	<b>16,182</b>	<b>16,182</b>	<b>351</b>	<b>16,533</b>
<b>Number of Bays (GIS Bays)</b>									
765 kV	-	-	-	-	-	-	-	-	-
400 kV	-	-	-	-	-	-	-	-	-
Above 66 kV and less than 400 kV	89	7	96	96	11	107	107	25	132
66 kV and below	123	11	134	134	8	142	142	26	168
<b>Total (GIS)</b>	<b>212</b>	<b>18</b>	<b>230</b>	<b>230</b>	<b>19</b>	<b>249</b>	<b>249</b>	<b>51</b>	<b>300</b>
<b>Total (AIS+GIS)</b>	<b>15,489</b>	<b>579</b>	<b>16,068</b>	<b>16,068</b>	<b>363</b>	<b>16,431</b>	<b>16,431</b>	<b>402</b>	<b>16,833</b>

**Table 57: Addition in number of bays and ckt km of transmission line length for FY 2022-23 – Voltage wise (ckt-km), as submitted by MSETCL**

Particulars	FY 2022-23		
	Opening No.	MSETCL Actual Addition	Closing
<b>Ckt km length</b>			
HVDC	1,504.44	-	1,504.44
765 kV	-	-	-
400 kV	8,464.34	17.99	8,482.33
Above 66 kV and less than 400 kV	39,208.10	801.03	40,009.13
66 kV and below	395.46	-	395.46
<b>Total</b>	<b>49,572.34</b>	<b>819.02</b>	<b>50,391.36</b>
<b>Number of Bays (AIS Bays)</b>			
765 kV	11	-	11
400 kV	449	5	454



Particulars	FY 2022-23		
	Opening No.	MSETCL Actual Addition	Closing
Above 66 kV and less than 400 kV	6,941	240	7,181
66 kV and below	9,132	162	9,294
<b>Total (AIS)</b>	<b>16,533</b>	<b>407</b>	<b>16,940</b>
<b>Number of Bays (GIS Bays)</b>			
765 kV	-	-	-
400 kV	-	-	-
Above 66 kV and less than 400 kV	132	30	162
66 kV and below	168	34	202
<b>Total (GIS)</b>	<b>300</b>	<b>64</b>	<b>364</b>
<b>Total (AIS + GIS)</b>	<b>16,833</b>	<b>471</b>	<b>17,304</b>

5.6.17 The opening balance for no. of bays and ckt kms arrived above and along with actual addition of number of bays and ckt. kms are considered for calculation of revised O&M normative expenses for truing up year of FY 2022-23.

**Table 58: Normative O&M expenses for FY 2022-23, as submitted by MSETCL (Rs. Crore)**

Particulars	FY 2022-23
<b>O&amp;M Expenses for Transmission Lines (Rs Crore)</b>	
HVDC	22.99
765 kV	-
400 kV	55.92
Above 66 kV & less than 400 kV	102.98
66 kV and below	0.63
<b>Sub-total</b>	<b>182.53</b>
<b>O&amp;M Expense (Bays), Rs Crore</b>	
765 kV	18.55
400 kV	544.01
Above 66 kV & less than 400 kV	1,250.82
66 kV and below	341.00
<b>Sub-total</b>	<b>2,154.38</b>
<b>Total O&amp;M Expenses</b>	<b>2,336.91</b>

**Table 59: O&M Expenses for FY 2022-23, as submitted by MSETCL (Rs. Crore)**

Sr. No.	O & M Expenses	FY 2022-23			
		MTR Order	Normative	Audited (Actuals)	True-Up requirement
1	<b>Normative O &amp; M Expenses</b>	<b>2,021.48</b>	<b>2,336.91</b>		
2	Employee Expenses	1,132.38		1,332.37	
	Wage Revision	-		-	
3	A&G Expenses	416.93		446.20	
4	R&M Expenses	423.06		548.26	
5	<b>Total O&amp;M Expenses</b>	<b>1,972.37</b>	<b>-</b>	<b>2,326.82</b>	<b>354.45</b>

*Note: Normative O&M Expenses has been calculated as per MYT Regulations 2019 & are provided in Form 2.1 of Annexure 1*



## **FY 2023-24**

5.6.18 The approach adopted by MSETCL to calculate the revised normative O&M expense for FY 2023-24 is same as that adopted for True-up for FY 2022-23.

**Table 60: Addition in number of bays and ckt km of transmission line length for FY 2023-24 – Voltage wise, as submitted by MSETCL**

Particulars	FY 2023-24		
	Opening No.	MSETCL Actual Addition	Closing
<b>Ckt km length</b>			
HVDC	1,504.44	-	1,504.44
765 kV	-	-	-
400 kV	8,482.33	-	8,482.33
Above 66 kV and less than 400 kV	40,009.13	554.59	40,563.72
66 kV and below	395.46	-	395.46
<b>Total</b>	<b>50,391.36</b>	<b>554.59</b>	<b>50,945.95</b>
<b>Number of Bays (AIS Bays)</b>			
765 kV	11	-	11
400 kV	454	5	459
Above 66 kV and less than 400 kV	7,181	144	7,325
66 kV and below	9,294	135	9,429
<b>Total (AIS)</b>	<b>16,940</b>	<b>284</b>	<b>17,224</b>
<b>Number of Bays (GIS Bays)</b>			
765 kV	-	-	-
400 kV	-	-	-
Above 66 kV and less than 400 kV	162	28	190
66 kV and below	202	56	258
<b>Total (GIS)</b>	<b>364</b>	<b>84</b>	<b>448</b>
<b>Total (AIS + GIS)</b>	<b>17,304</b>	<b>368</b>	<b>17,672</b>

5.6.19 MSETCL also submitted that, actual addition of no. of bays and ckt. kms are considered for calculation of revised O&M normative expenses for FY 2023-24.

**Table 61: Normative O&M expenses for FY 2023-24, as submitted by MSETCL**

Particulars	FY 2023-24
<b>O&amp;M Expenses for Transmission Lines (Rs Crore)</b>	
HVDC	23.80
765 kV	-
400 kV	57.68
Above 66 kV & less than 400 kV	108.77
66 kV and below	0.63
<b>Sub-total</b>	<b>190.89</b>
<b>O&amp;M Expense (Bays), Rs Crore</b>	
765 kV	19.27
400 kV	571.22
Above 66 kV & less than 400 kV	1,337.31
66 kV and below	360.90
<b>Sub-total</b>	<b>2,288.69</b>
<b>Total O&amp;M Expenses</b>	<b>2,479.58</b>

**Table 62: O&M Expenses for FY 2023-24, as submitted by MSETCL**

Sr. No.	O & M Expenses	FY 2023-24			
		MTR Order	Normative	Audited (Actuals)	True-Up requirement
1	<b>Normative O &amp; M Expenses</b>	<b>2,147.98</b>	<b>2,479.58</b>		
2	Employee Expenses	1,189.00		1,608.97	
3	Wage Revision	-		232.86	
4	A&G Expenses	437.78		479.56	
5	R&M Expenses	444.21		552.73	
6	<b>Total O&amp;M Expenses</b>	<b>2,070.99</b>	<b>2,479.58</b>	<b>2,874.12</b>	<b>803.14</b>

*Note: Normative O&M Expenses has been calculated as per MYT Regulations 2019 & are provided in Form 2.1 of Annexure 1*

5.6.20 MSETCL submitted that the Commission in the past observed that the actual O&M expenses of MSETCL are lower than the normative O&M expenses. However, as can be seen from above table this trend has started reversing wherein normative O&M expense are lower and actual O&M expenses has been increasing since last year. One of the reasons for lower normative expenses approved by the Commission in MTR/ as claimed here is due to unapproved schemes/assets/bays.

5.6.21 MSETCL requested to consider the revised normative O&M expenses as computed in above table.

#### ***Commission's Analysis and Ruling***

5.6.22 The Commission has noted the submission of MSETCL.

5.6.23 MSETCL has carried out one-time activity of verification of fixed assets and its utilization i.e., HV spare, feeder bays, etc. by its Zonal offices and data is corrected/ updated subsequently by field offices in the SAP system. Accordingly, historical data which was submitted to the Commission is revised to some extent as shown in the Table 54 above. Such updated details from SAP system are being submitted along with this Petition.

5.6.24 Considering the above, MSETCL has requested the Commission to consider the actual information as submitted for purpose of this Petition.

5.6.25 The Commission has examined the submissions of MSETCL and takes cognisance of the updated information submitted by MSETCL. However, as per the ruling in the MTR Order in Case No. 232 of 2022, the effect on account of these changes in the number of bays and ckt. kms will be given from FY 2023-24 onwards instead of FY 2022-23 as proposed by MSETCL in its submission.

5.6.26 Considering the above, the Commission has relied on the submissions of MSETCL along with the supporting certification from the Cost Auditor certifying the number of bays ( i.e. AIS/GIS and utilised & unutilised) and ckt. kms from FY 2022-23 onwards.

5.6.27 Further, as discussed earlier, the Commission has decided to give the effect of this change in bays and ckt. kms from FY 2023-24 onwards instead of FY 2022-23 onwards as requested by MSETCL. Accordingly, the Commission has considered closing values of bays and ckt. km for FY 2021-22 approved by the Commission in the MTR Order in Case No. 232 of 2022 as the opening values for FY 2022-23. To these values, the actual addition

of bays and ckt km for FY 2022-23 arrived based on capital schemes approved by the Commission for FY 2022-23 has been added. Further, the Commission has also considered addition of previously unutilised bays which were now approved in this Order for the purpose of computing the O&M expenses. The year wise addition is considered based on the approvals given in the Section pertaining approval of past disallowed capitalisation. Considering the opening bays and ckt. kms for FY 2022-23 and the additional bays and ckt. kms approved during the year, the closing bays for FY 2022-23 is computed.

5.6.28 However, the closing bays so arrived for FY 2022-23 is not considered as the opening bays for FY 2023-24. The methodology adopted by the Commission to compute the opening bays and ckt. kms for FY 2023-24 giving effect to the request of MSETCL for revision of the bays and ckt. kms related information is summarised below:

- Opening bays and ckt. kms for FY 2022-23 as per MSETCL's submission in the present Petition has been considered as the opening bays for FY 2022-23.
- The past disallowed bays (47 nos.) which have now been put to use and hence claimed by MSETCL for approval as part of the present Petition have been deducted from the opening balance for FY 2022-23 to compute the adjusted opening balance of bays for FY 2022-23.
- To this adjusted opening balance of bays and ckt. kms, the actual addition of bays and ckt. kms approved by the Commission for FY 2022-23 is added to arrive at the closing bays and ckt. kms for FY 2022-23.
- This closing bays and ckt. kms so worked out for FY 2022-23 is considered as the revised opening balance for FY 2023-24.
- Details are provided in the table given below.

**Table 63: Opening bays and ckt. kms for FY 2023-24, as considered by the Commission**

Sr. No.	Particulars	Opening for FY 2022-23 as per MTR Order (Case No. 232 of 2022)	Opening for FY 2022-23 as per MSETCL Present Submission (Case No. 178 of 2024)	Past Disallowed Bays Put to Use Claimed by MSETCL till March 2022 (Case No. 178 of 2024)	Adjusted Opening Values for FY 2022-23 (Case No. 178 of 2024)	Additions approved for FY 2022-23 in Case No. 178 of 2024	Opening for FY 2023-24 to be considered in Case No. 178 of 2024
<b>1</b>	<b>Transmission Line - Ckt-km Basis</b>						
<b>a</b>	<b>Ckt km length</b>						
	HVDC	1,504.00	1,504.44		1,504.44	-	1,504.44
	765 kV	-	-		-	-	-
	400 kV	8,415.62	8,464.34		8,464.34	17.99	8,482.33
	Less than 400 kV and greater than 66 kV	37,486.29	39,208.10		39,208.10	712.56	39,920.66
	66 kV and less	3,187.70	395.46		395.46	-	395.46
<b>2</b>	<b>Transmission Bays - 'Number of bays' basis</b>						
<b>d</b>	<b>Number of Bays (AIS Bays)</b>						
	765 kV	9	11		11	-	11
	400 kV	384	449		449	6	455
	Less than 400 kV and greater than 66 kV	5,877	6,941		6,941	229	7,170
	66 kV and less	7,960	9,132	47	9,085	210	9,295
	<b>Number of Bays (GIS)</b>						
	765 kV	-	-		-	-	-
	400 kV	-	-		-	-	-
	Less than 400 kV and greater than 66 kV	118	132		132	25	157
	66 kV and less	172	168		168	25	193

5.6.29 The Commission has also approved the addition of bays and ckt. kms against capital expenditure schemes approved during the FY 2022-23 and FY 2023-24 as discussed in subsequent sections of the Order. Additionally, the Commission has also approved bays which were unutilised in the past but which have now been put to use for addition during the FY 2022-23 and FY 2023-24. These also included unutilised bays which were part of approved capital expenditure schemes as identified by the Commission in its MTR Order in Case No. 232 of 2022 and which have now been put to use as per the information shared by MSETCL.

5.6.30 With reference to the data shared by MSETCL regarding the unutilised bays pertaining to scheme against which MSETCL has sought approval in the FY 2022-23 and FY 2023-24, the Commission has observed variation in the scheme-wise data of unutilised bays shared by MSETCL along with the capex details and the unutilised bays provided separately (in “MSETCL SS BAY.xlsx”). The summary of the variation is given in the table below:

**Table 64: Variation in scheme wise unutilised bays and details of unutilised bays shared separately by MSETCL for FY 2022-23 & FY 2023-24**

Particulars	AIS Bays			
	FY 2022-23		FY 2023-24	
	Provided in the file “MSETCL SS BAY.xlsx” by MSETCL	Scheme wise bays data provided by MSETCL and considered by Commission	Provided in the file “MSETCL SS BAY.xlsx” by MSETCL	Scheme wise bays data provided by MSETCL and considered by Commission
400 KV	1		0	
220 KV	1		3	2
132 KV	1		3	2
110 KV	3	3	0	
33 KV	10	11	13	19
22 KV	2		2	
11 KV	0		0	
<b>TOTAL</b>	<b>18</b>	<b>14</b>	<b>21</b>	<b>23</b>
Particulars	GIS Bays			
	FY 2022-23		FY 2023-24	
	Provided in the file “MSETCL SS BAY.xlsx” by MSETCL	Scheme wise bays data provided by MSETCL and considered by Commission	Provided in the file “MSETCL SS BAY.xlsx” by MSETCL	Scheme wise bays data provided by MSETCL and considered by Commission
400 KV	0		0	
220 KV	0		0	
132 KV	0		0	
110 KV	0		0	
33 KV	1	2	3	2
22 KV	2		7	
11 KV	2		0	
<b>TOTAL</b>	<b>5</b>	<b>2</b>	<b>10</b>	<b>2</b>
<b>TOTAL (AIS+GIS)</b>	<b>23</b>	<b>16</b>	<b>31</b>	<b>25</b>

5.6.31 As evident from the above, there is a variation in the same data provided by MSETCL in different files in the same Petition, which is not acceptable. Considering that the Commission is approving the bays and ckt. kms added during the year linked to approval capital expenditure scheme, the Commission has considered the scheme-wise bays information provided by MSETCL. **MSETCL is directed to reconcile the differences mentioned above and pass on the resultant impact through the next MYT Petition along with the associated carrying / (holding) cost. MSETCL should also ensure that the information provided is consistent across the Petition as otherwise it raises doubts in the mind of the Commission and other stakeholders which may lead to disallowance of associated cost by the Commission.**

5.6.32 As regards the issue of accuracy of maintaining the data related to no. of bays and ckt. kms line length which is used for computation of the normative O&M expenses, MSETCL stated that they have started to maintain the data in SAP and the same has been shared as part of its Petition. It is important for MSETCL to ensure accuracy of the information stored in the SAP system by mandating regular updation of information related to addition / deletion of bays and ckt. kms. Accordingly, the Commission is not undertaking the third-party verification of the information shared by MSETCL.

5.6.33 Accordingly, the actual addition in ckt.km of transmission lines and AIS and GIS bays, during the year FY 2022-23 and FY 2023-24 are shown in table below:

**Table 65: Addition during the year of transmission lines, AIS, and GIS bays approved by the Commission in FY 2022-23 and FY 2023-24**

Particulars	FY 2022-23	FY 2023-24
<b>Number of Bays (AIS Bays)</b>		
765 kV	-	-
400 kV	6	5
above 66 kV and less than 400 kV	229	170
66 kV and below	210	142
<b>TOTAL AIS</b>	<b>445</b>	<b>317</b>
<b>Number of Bays (GIS Bays)</b>		
765 kV	-	-
400 kV	-	-
above 66 kV and less than 400 kV	25	10
66 kV and below	25	47
<b>TOTAL GIS</b>	<b>50</b>	<b>57</b>
<b>TOTAL BAYS</b>	<b>495</b>	<b>374</b>
<b>Transmission Lines (ckt. Kms)</b>		
HVDC	-	-
765 kV	-	-
400 kV	17.99	-
above 66 kV and less than 400 kV	712.56	457.16
66 kV and below	-	-
<b>TOTAL</b>	<b>730.55</b>	<b>457.16</b>

5.6.34 As discussed earlier, the Commission has also considered addition of previously unutilised bays which were now approved in this Order for the purpose of computing the O&M

expenses. The year wise addition is considered based on the approvals given in the Section pertaining approval of past disallowed capitalisation.

5.6.35 Based on the same, the revised normative O&M expenses approved by the Commission as per norms specified in MYT Regulation, 2019 for the period FY 2022-23 and FY 2023-24 are shown in Table below:

**Table 66: Revised normative and 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		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
<b>Normative O&amp;M Expenses</b>	<b>2,021.48</b>	<b>2,336.91</b>	<b>2,024.71</b>	<b>2,147.98</b>	<b>2,479.58</b>	<b>2,478.86</b>
Actual O&M Expenses						
Employee Expense	1,132.38	1,332.37	1,332.37	1,189.00	1,608.97	1,608.97
Wage Revision Impact	-	-	-	-	232.86	-
A&G Expense	416.93	446.20	446.19	437.78	479.56	479.54
R&M Expense	423.06	548.26	560.95	444.21	552.73	573.71
<b>Total Actual O&amp;M Expenses</b>	<b>1,972.37</b>	<b>2,326.82</b>	<b>2,339.51</b>	<b>2,070.99</b>	<b>2,874.12</b>	<b>2,662.22</b>

5.6.36 Based on the foregoing discussion, the variation in the O&M expenses claimed by MSETCL and as approved by the Commission is on account of the following key factors:

- **Normative O&M expenses:** Variation is on account of opening bays and additions during the year (bays and ckt. kms of transmission line) considered by MSETCL and that allowed by the Commission in this Order.
- **Wage revision impact:** The Commission has not considered the impact in FY 2023-24 and shifted the same to FY 2024-25 and FY 2025-26 as against the claim of MSETCL in FY 2023-24.
- **A&G expenses:** Minor disallowance on account of non-consideration of interest paid on delayed payment of statutory dues by the Commission.
- **R&M expenses:** Impact of shifting of R&M nature expenses from non-DPR capitalisation to R&M expenses considered by the Commission.

## 5.7 Capital Expenditure and Capitalisation

### *MSETCL's Submission*

#### **Actual capitalisation for FY 2022-23 & FY 2023-24 and revised estimates of capitalisation for FY 2024-25**

5.7.1 The Commission in its MTR Order in Case No. 232 of 2022 had approved the Capitalisation of Rs. 2,019.87 Crore. MSETCL submits that as per audited accounts the actual capitalisation is Rs. 1,174.61 Crore which includes SLDC and ORC capitalisation. For this Petition, MSETCL has claimed Capitalization as submitted in table below as against approved Capitalization of Rs. 2,019.87 Crore for FY 2022-23.

5.7.2 MSETCL submitted that the Commission in its MTR Order in Case No. 232 of 2022 had approved the Capitalisation of Rs. 1,482.01 Crore. MSETCL submitted that as per audited



accounts the actual capitalisation is Rs. 1,117.28 Crore which includes SLDC and ORC capitalisation. For this Petition, MSETCL has claimed capitalization of Rs. 1,108.80 Crore as against approved capitalization of Rs. 1,482.01 Crore for FY 2023-24.

5.7.3 Similarly, MSETCL has also projected the capitalisation for FY 2024-25 based on the progress of the capital expenditure schemes as outlined in the table below.

5.7.4 The detailed breakup of the capitalisation is provided in the table below:

**Table 67: Capitalisation for FY 2022-23, FY 2023-24 and FY 2024-25, as submitted by METCL (Rs. Crore)**

Sr. No	Particulars	FY 2022-23 Audited (Actuals)	FY 2023-24 Audited (Actuals)	FY 2024-25 Estimated
1	As per Audited Accounts of respective year	1,174.61	1,117.28	2,293.73
2	Less: pertaining to SLDC	5.45	3.18	-
3	Less: pertaining to ORC	2.14	5.30	63.55
4	<b>Total amount to be claimed by MSETCL as per Audited Accounts (4=1-2-3)</b>	<b>1,167.02</b>	<b>1,108.80</b>	<b>2,230.18</b>
5	<b>Break-up DPR/NDPR</b>	-	-	-
6	<i>DPR</i>	1,017.66	958.50	2,035.87
7	<i>Non-DPR</i>	148.15	149.99	194.31
8	<b>Total (7=5+6)</b>	<b>1,165.81</b>	<b>1,108.48</b>	<b>2,230.18</b>
9	Non-DPR to DPR Ratio (11=7/6) %	14.56%	15.65%	9.54%

5.7.5 MSETCL submitted the details of capitalisation as Annexure-2 of the revised Petition.

5.7.6 MSETCL has attributed the major reasons for variation in approved capitalization and claimed capitalisation for FY 2022-23 and FY 2023-24 to the delay in following projects:

- **The cable work for Shendra S/s.:** The route passes through MIDC & DMIC area, there was delay in receipt of permissions from MIDC & DMIC for cable laying works. Further, MIDC has denied permission for open cutting the road passing through chowk and insisted for HDD, payment for which was delayed from AITL. While doing the HDD work, the hard rock was encountered hence work got further delayed. (~Rs. 87 Crore in FY 2022-23; ~Rs. 50 Crore in FY 2023-24)
- **400 kV Babhaleshwar – Kudus line:** There were severe RoW issues enroute Kudus line project. Now, the project is taken in CM war room and the issues such as tree/ crop valuation, forest cutting, availing of police protection are being resolved through directives from CM war room, Commissioner (Pune), Divisional Commissioner (Pune), SP (Pune- Rural). However, inspite of this and availing of police force of about 100-125 personnel, the works could not be started in Alephata, Tal. Junnar, Dist. Pune. (~Rs. 550 Crore in FY 2022-23; ~Rs. 150 Crore in FY 2023-24)
- **220 kV Deoli – Ghatodi line:** The work was awarded to M/s. JSL, which went into liquidation. Hence the work was held up. In the meantime, various RoW issues were observed. Therefore, the work was further delayed. After survey of line, the Railway has obstructed the work due to their newly proposed Yavatmal – Nanded railway line. Also, the working permission from the forest department was received on 21.09.2023. The line is commissioned on 07.10.2023. Hence, capitalization proposed in 2023-24.

(~Rs. 30 Crore in FY 2022-23; ~Rs. 11.65 Crore in FY 2023-24)

- **220 kV lines for 400 kV Karjat S/s:** The two lines for Karjat project were adversely affected by severe RoW issues, each location was completed under police protection. Also, the route of Jeur – Karjat line was diverted to avoid the forest area. (~Rs. 80 Crore in FY 2022-23; ~Rs. 40 Crore in FY 2023-24)
- **220 kV Umred – Nagbhid line:** The works of associated line for 220 kV Nagbhid substation is completed except for 4 locations. These locations are in the forest area and the approval from forest & wildlife (Tiger corridor) authorities is still awaited. (~Rs. 25 Crore in FY 2022-23)
- **220 kV Babhaleshwar – Rahuri – Ahmednagar S/C line:** The Rahuri – Ahmednagar portion of this line is charged on 10.02.2024. In the Babhaleshwar – Rahuri portion, all foundations are completed, tower material is available. However, the tower erection & stringing could not be taken up for want of outage as the work is to be carried out in the existing corridor. There is a single source to 132 kV Ahmednagar MIDC S/s, hence load cannot be managed. The works of 132 kV Ahmednagar – Nimblak line is in progress to provide a second source to 132 kV Ahmednagar MIDC S/s. After completion of this line, outage will be availed to complete the works of Babhaleshwar – Rahuri portion. Also, there are issues with the work executing agency. (~Rs. 35.39 Crore in FY 2022-23)

5.7.7 For the FY 2024-25, MSETCL has stated that there is a revision in scope of work for the sanctioned scheme of augmentation of transformer capacity at 400 kV Babhleshwar s/s. 400 kV Padghe s/s. & 400 kV Nagothane S/s and therefore it is proposed to consider the addition of ICT instead of replacement of ICT at 400 kV Babhleshwar s/s. 400 kV Padghe s/s. & 400 kV Nagothane S/s. The reasons for the change have been summarised in the revised Petition and the copy of board resolution has been enclosed as Annexure 27 of the revised Petition.

5.7.8 The Commission in Para 4.7.36 of the MTR Order in Case no. 232 of 2022, while approving 39 nos. of schemes has shifted the capitalisation to the years when the scheme/assets are likely to put to use. Accordingly, MSETCL has claimed such capitalisation in the Petition in the year in which the asset was put to use or likely to put to use. MSETCL has submitted the list of such schemes previously allowed by the Commission, its current status along with the MSETCL claim as Annexure – 11 of revised Petition. The Commission had approved shifted capitalisation of Rs. 313.96 Crore, Rs. 81.62 Crore and Rs. 96.80 Crore for FY 2022-23, FY 2023-24 and FY 2024-25 respectively. Capitalisation claimed against such shifted schemes of Rs. 220.08 Crore, Rs. 62.54 Crore and Rs. 162.10 Crore have been added in FY 2022-23, FY 2023-24 and FY 2024-25 respectively.

5.7.9 MSETCL also submitted that, it has considered the impact of past disallowed capitalisation as discussed in the previous Section and claimed the impact of this disallowed capitalisation in the respective year in which the asset has been put to use.

#### **Projected Capitalisation for FY 2025-26 to FY 2029-30**



5.7.10 Regulation 78 of MYT Regulation, 2024 provides for submission of the Capital Investment plan. Further, Regulation 24.6 of MYT Regulations, 2024 specifies the parameters that shall be considered by the Commission for the purpose of approval of projected capital expenditure plan and capitalisation plan for Control Period. MSETCL submitted that the scheme-wise projections for the Control Period are as per the transmission system plan prepared by the State Transmission Utility (STU) in line with Regulation 78.3 to be implemented during the Control Period. MSETCL confirmed that all these schemes are under the Capital Investment Plan and in compliance with the provisions of the MERC (Approval of Capital Investment Schemes) Regulations, 2022 (hereinafter referred to as “Capex Regulations, 2022”).

5.7.11 As per STU submission before the Maharashtra Transmission Committee (MTC), STU has taken following factors into consideration while preparation of STU plan:

- a) While preparing the transmission plan for state of Maharashtra, load-generation balance scenarios have been worked out corresponding to seasonal / quarterly load and generation variations. STU has consulted all stakeholders and taken into consideration the following factors while undertaking the preparation of the plan:
  - Existing and planning year growth rate
  - CTU Rolling plan
  - Discom requirement
  - Renewable and Conventional Generation Evacuation planning
  - 20<sup>th</sup> Electric Power Survey Report
  - Identification of Demand Hotspots
  - Green Hydrogen Policy
  - Mukhyamantri Saur Krushi Vahini Yojana – 2.0
  - Western Region Expansion Schemes
  - Transmission Bottlenecks of Maharashtra System
  - Transmission constraints for Mumbai corridor
  - Construction of New Transmission corridor for Maharashtra Energy Transmission plan.
- b) As per STU the State Peak demand is currently at 29 GW and has been growing historically at a CAGR of 4-5% (pre-COVID) led by Maharashtra economic growth. If a peak to grow at 6%-7% going forward is considered for planning purposes, then Maharashtra’s peak may reach 34-35 GW by 2026 and 42-45 GW by 2030 translating to an annual growth rate of 2 GW/ year.
- c) Over and above this, the demand growth is expected to be further driven by factors viz. Data Centers, Green Hydrogen and derivatives and Pump Storage Plants. Taking into consideration these factors the projected peak demand requirement in the state of Maharashtra may rise to 69-70 GW by 2030. Catering to this demand would need a

mix of long-term and short-term capacity contracting which need evaluation against three main factors –cost, reliability/flexibility and time to implementation. To cater the above requirement Maharashtra will require an additional 130-150K MVA T&D network for connecting load centers to supply centers and end customers; while ensuring higher grid stability measures are taken across generation, transmission, and distribution value chain.

- d) Based on the above parameters STU has prepared plan of transmission utilities for the period FY 2024-25 to FY 2033-34.

5.7.12 MSETCL has planned to execute the following schemes/projects:

- a) System strengthening works of existing network and some of asset creation like augmentation requirement, renovation and modernization requirement and Life Extension requirement of the given network through O&M department and
- b) new assets/ green-field projects (mainly substations and Transmission lines) based on the requirement of system and as per the STU plan through Projects department.

5.7.13 MSETCL also submitted that while preparing the Capital Expenditure/ Capitalisation Plan, it has considered schemes which are listed in STU Plan, schemes which are Non-TBCB and schemes which are generally DPR. Presently schemes falling under TBCB are excluded in line with MYT Regulations, 2024. This is without prejudice to the right of MSETCL to participate in such TBCB projects in future towards its efforts to enhance business portfolio.

5.7.14 MSETCL has also outlined its execution strategy for capitalisation in the Petition as summarised below.

5.7.14.1 MSETCL submitted that, it has studied / reviewed its execution strategy and considering all the persistent issues commonly observed in execution delay, micro-level planning of pre-sanctioned schemes was essential for increasing accuracy level of predicted outcomes.

5.7.14.2 **Existing Procedure:** In SAP system; commissioned, WIP, and administratively sanctioned projects are already mapped, with work progress and budgets tracked by users, allowing for monitoring of physical progress and payments.

5.7.14.3 **Proposed Microplanning:**

- a. MSETCL has proposed micro-planning for pre-sanctioned schemes in the SAP-ERP system to overcome challenges during execution, such as delays in land finalization, surveys, and approvals, which lead to time and cost overruns.
- b. In addition to existing projects, those with land possession or in search are now mapped in SAP. End users will input data regarding clearances, layout submissions, and other pre-planning activities, which will be monitored by higher authorities.

5.7.14.4 MSETCL has also listed the advantages of microplanning in terms of improving project efficiency ultimately reducing time and cost overruns.

5.7.14.5 MSETCL's execution plan for FY 2024-25 to FY 2027-28 highlights significant progress in project completion and proactive measures for timely execution:

- In FY 2024-25, projects nearing completion (80% progress) are on track for commissioning. Major substations, 220 kV Timber Market, 220 kV Shendra DMIC, 132 kV Ida, and 132 kV Samudral substations, including their associated lines, were commissioned ahead of schedule. Further, ten major projects have been completed, and 100% capitalization is ensured by October 2024.
- For FY 2025-26, projects proposed for capitalization are 50% complete and scheduled for timely commissioning.
- Further for projects planned in FY 2026-27, nine out of the nineteen major projects are under tenderization, and remaining ten await MERC approvals. Post-approval, tenderization will be prioritized.
- Schemes worth Rs. 800 Crore are technically completed but financially not closed and hence, capitalization is pending. These will be capitalized in FY 2024-25 on priority.

**Summary of key plans from FY 2024-25 to FY 2027-28:**

- 800 MVA of transformation capacity to be capitalized in FY 2024-25, has been added by way of augmentation of Power Transformers (PTR) / Interconnecting Transformers (ICT) & 22 kV / 33 kV level creation schemes, at a cost of Rs. 85 Crore.
- Currently 13,620 MVA capacity addition schemes (Rs. 1,800 Crore) is under tenderization, capitalization for which is expected in upcoming years.
- Further 4,700 MVA transformation capacity addition schemes (Rs. 1,550 Crore) is proposed for execution and completion from FY 2026-27 to FY 2027-28.
- For High-Performance Conductor (HPC) Projects, total planned expenditure is Rs. 4,300 Crore from FY 2024-25 to FY 2027-28, submitted in Capex rolling plan. LOA's worth Rs. 481 Crore are already issued and tenders are floated for Rs. 990 Crore for finalization in FY 2024-25. Also, schemes worth Rs. 2,847 Crore are under preparation/approval stage, including Rs. 847 Crore submitted to the Commission for approval.
- For reactive compensation projects, MSETCL has added 170 MVAR worth Rs. 40.11 Crore and for capitalization in FY 2024-25. Further, 200 MVAR of work worth Rs. 22.96 Crore is under execution and pending capitalization.
- Also, 3,510 MVAR Capacitor Banks and 635 MVAR Reactors are under tenderization and replacement of 375 MVAR Reactors also planned and approved by the competent administrative authority. Of the above, 3,510 MVAR Capacitor Banks and 510 MVAR Reactors tenders are floated with expected completion within 6-12 months excluding monsoon periods. The

expenditure for above works worth Rs. 603.07 Crore shall be capitalized in upcoming years.

- Also, O&M Schemes are being conducted within existing EHV substation premises or corridors which shall not face ROW issues, ensuring completion within two years.

5.7.14.6 Following Special Initiatives are also underway -

- Emergency Restoration Systems (ERS): Rs. 176.3 Crore tender under process for supply, to be capitalized in FY 2025-26.
- STATCOM for Reactive Power Management: Rs 780 Crore scheme under preparation, completion by FY 2027-28.
- High Voltage Direct Current (HVDC) Control System Upgrade Scheme: Rs 343.17 Crore for Chandrapur-Padghe HVDC Bipole link, targeted for completion and capitalization in FY 2027-28.

5.7.14.7 To prevent delays and cost overruns, MSETCL is following steps mentioned for pre-planning activities like detailed surveys, identification of key areas and the processing of proposals for necessary approvals.

- MSETCL is actively conducting preliminary and detailed surveys for transmission lines, initiating and following up on forest proposals, and obtaining approvals independently.
- For substation work, MSETCL is preparing key requirements such as SBC, ground levels, soil resistivity, earth mat design, and equipment design. Parallel activities such as finalizing tower and foundation drawings are also underway.
- MSETCL is coordinating with departments like Forest, NHAI, Railways, and others in advance to ensure swift approvals. These are being provided to the awarded agency along with the Letter of Award (LoA) to avoid delays.
- A bill tracking system and project monitoring tools are in place to enhance efficiency and ensure timely execution.

5.7.15 The detailed breakup of the capitalisation for FY 2025-26 to FY 2029-30 is provided in the table below:

**Table 68: Break-up of Capitalisation for FY 2025-26 to FY 2029-30, as submitted by MSETCL (Rs. Crore)**

Sr. No	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Projected Capitalisation	5,129.85	6,411.41	7,123.99	4,769.04	2,063.82
2	<u>Less:</u> pertaining to SLDC					
3	<u>Less:</u> pertaining to ORC	9.99	-	-	-	-
4	<b>Total amount to be claimed by MSETCL (4=1-2-3)</b>	<b>5,119.86</b>	<b>6,411.41</b>	<b>7,123.99</b>	<b>4,769.04</b>	<b>2,063.82</b>
	<b>Break-up DPR/NDPR</b>					
5	<i>DPR</i>	4,541.27	5,542.10	6,607.62	4,423.20	2,055.82

Sr. No	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
6	Non-DPR	578.59	869.31	516.37	345.84	8.00
7	<b>Total (7=5+6)</b>	<b>5,119.86</b>	<b>6,411.41</b>	<b>7,123.99</b>	<b>4,769.04</b>	<b>2,063.82</b>
8	Non-DPR to DPR Ratio (11=6/5) %	13%	16%	8%	8%	0%

5.7.16 The scheme wise details of capitalisation have been submitted is attached to the revised Petition as Annexure – 2.

5.7.17 In additional submission dated 20 January, 2025, MSETCL submitted that post submission of the petition on 2 December 2024 and during discussion with the Commission it is observed that certain key details, mainly projected capitalization (with associated network addition) for certain schemes, were inadvertently missed in the Annexure-2 of the revised petition. In this regard, MSETCL has submitted additional details regarding capital expenditure and capitalisation for the considered of the Commission as given below:

**Table 69: Revised Capital Expenditure and Capitalisation for FY 2025-26 to FY 2029-30, as submitted by MSETCL (Rs. Crore)**

Particulars	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Capital Expenditure	8,475.39	6,326.30	5,594.59	4,056.52	1,654.86
Capitalisation	5,683.59	6,903.46	7,465.99	5,326.99	2,317.82

5.7.18 MSETCL has provided the revised scheme wise details of capitalisation along with the revised submission.

5.7.19 Subsequently, the Commission sought details from MSETCL regarding the capex schemes pertaining to RE power evacuation in the state which were planned based on requests from Distribution Licensees in Maharashtra and included in its Petition. In response, MSETCL has specifically identified such schemes from the overall list of schemes shared as part of its capex submission in the MYT Petition and have been identified for implementation on priority.

5.7.20 MSETCL also requested the Commission to allow registration of Non-DPR schemes on quarterly basis going forward to the extent of limit (30%) specified in Regulation 24.9 of MYT Regulations 2024. The Non- DPR schemes which are submitted as part of this petition may also be considered for favourable dispensation and may be allowed for recovery in tariff. MSETCL would submit required details of Non-DPR schemes in compliance to the Capex Regulations 2022 and MYT Regulations 2019/2024 as applicable in future period.

#### 5.7.21 Funding for the capitalisation

5.7.21.1 Funding of the capitalisation has been claimed based on the individual scheme wise funding into Grant: Debt: Equity as the case may be. Majority of the funding of schemes has been in Debt-Equity ratio of 80:20 (prior to FY 2015-16) and/ 75:25 (after FY 2015-16). MSETCL has few schemes which are partially funded by grant such as Green Energy

Corridor schemes (Grant: 60% (MNRE-40% + GoM Equity 20%), Debt: 40% (kfW); Power System Development Fund (PSDF) – 90% Grant and 10% Equity and State Government support for Tribal Area (Grant 50% & Equity 50%).

5.7.21.2 Further, for the 5<sup>th</sup> Control Period from FY 2025-26 to FY 2029-30, MSETCL submitted that the funding of proposed schemes which are yet to be approved by the Commission have been proposed with Debt-Equity ratio of 70:30.

5.7.21.3 MSETCL submitted that, it has only received grants of capital nature. MSETCL has not claimed capitalization corresponding to the amount received through grants, as the same must not be recovered from the consumers under any component of tariff. Therefore, MSETCL has not considered amount attributable to grants in the computation of Interest on Long Term Loans, Depreciation and Return on Equity during the computation of ARR.

5.7.21.4 MSETCL also submitted that, it has computed grant, debt & equity for each year based on above funding for each scheme and accordingly arrived at weighted average funding ratio as tabulated below which are utilised for further computation of depreciation, interest on loan and return on equity.

**Table 70: Average Funding Ratio of Capitalisation for FY 2022-23, FY 2023-24 and FY 2024-25, as submitted by MSETCL (Rs. Crore)**

Particulars	FY 2022-23	FY 2023-24	FY 2024-25 <sup>#</sup>
<b>Capitalisation Amount (Rs. Crore)</b>	<b>1,165.93</b>	<b>1,108.48</b>	<b>2,230.18</b>
<b>Funding Sources:</b>			
Grant	18.86	45.89	0.07
Debt	867.41	798.15	1,674.76
Equity	279.66	264.44	555.35
<b>Total Funding</b>			
<b>Funding Ratio</b>			
Debt	75.62%	75.11%	75.10%
Equity	24.38%	24.89%	24.90%

<sup>#</sup> The information is considered from the Petition excel formats shared by MSETCL as the information shared in the revised Petition is incorrect.

**Table 71: Average Funding Ratio of Capitalisation for FY 2025-26 to FY 2029-30, as submitted by MSETCL (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Projected Capitalisation	5,119.86	6,411.41	7,123.99	4,769.04	2,063.82
<b>Funding Sources:</b>					
Grant	45.18	-	7.20	-	-
Debt	3,817.64	4,710.42	5,066.09	3,355.93	1,450.28
Equity	1,257.04	1,700.99	2,050.70	1,413.11	613.54
<b>Total Funding</b>					
<b>Funding Ratio</b>					
Debt	75.23%	73.47%	71.19%	70.37%	70.27%
Equity	24.77%	26.53%	28.81%	29.63%	29.73%

## 5.7.22 Gross Fixed Assets (GFA)

### **FY 2022-23, FY 2023-24 and FY 2024-25**

5.7.22.1 Opening balance of GFA has been taken same as closing balance of FY 2021-22 approved in MTR Order in Case No. 232 of 2022 and MSETCL has further added the various impacts as claim pertaining to disallowed capitalisation as discussed in Section ‘Impact of Past Disallowed Capitalisation’.

5.7.22.2 Similarly, the opening balance of GFA for FY 2023-24 has been taken same as closing balance of FY 2022-23 and the opening balance for FY 2024-25 is considered same as FY 2023-24.

5.7.22.3 As regards to the reduction of grant amount for the purpose of depreciation, interest on loan and return on equity computation, MSETCL has considered grant amount as per the funding applicable for the respective scheme based on the capitalisation during the year. The computation of funding for year has been provided in the earlier paragraphs.

5.7.22.4 MSETCL also submitted that, the total retirement of assets for FY 2022-23, FY 2023-24 and FY 2024-25 has been computed as per audited account.

**Table 72: GFA for FY 2022-23, FY 2023-24 & FY 2024-25, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Particulars	FY 2022-23	FY 2023-24	FY 2024-25
		Audited	Audited	Estimated
1	Opening GFA	28,921.36	30,280.48	31,388.36
2	Add: Additional Capitalization during the year	1,412.92	1,178.21	2,400.09
3	% to be considered for retirement of assets	-	-	-
4	Less: Retirement/Adjustments	34.95	24.43	25.25
5	Less: Grant	18.86	45.89	0.07
6	Closing GFA	30,280.48	31,388.36	33,763.12

5.7.22.5 For the 5<sup>th</sup> Control Period, opening balance of GFA for FY 2025-26 has been taken same as closing balance of FY 2024-25. As regards to the reduction of grant amount for the purpose of depreciation, interest on loan and return on equity computation, MSETCL has considered grant amount as per the funding applicable for the respective scheme based on the capitalisation during the year.

5.7.22.6 MSETCL has considered percentage (%) of retirement of assets (retirement of asset/opening GFA) for latest year i.e., FY 2023-24 and applied it to opening GFA for estimation of retirement of assets for each year of the Control Period. The estimation is done for existing as well new assets on the same principles which would be subject to true-up at a later date. MSETCL submitted that, it has prepared a Policy for Asset retirement, Scrap Declaration and Disposal Policy. Once in place, this Policy is expected to streamline the booking/ accounting of the retirement of assets.

5.7.22.7 MSETCL also submitted that, as per the MYT Regulation, 2024, Capital Investment scheme which are approved by the Commission are considered under the existing assets whereas capital investment schemes (DPR/Non-DPR) which are not in-principle approved by the Commission and proposed during Control Period are considered under new assets. Accordingly, existing assets wise and new assets wise GFA have been categorised and are submitted separately in tables below.

**Table 73: GFA for FY 2025-26 to FY 2029-30, as submitted by MSETCL**

**EXISTING ASSETS**

						Rs Crore
Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Opening GFA (Existing Assets)	33,763.12	36,328.83	38,214.44	38,776.34	38,863.22
2	Add: Additional Capitalization during the year	2,637.84	1,914.57	599.50	117.72	-
3	Less: Retirement/Adjustments	26.95	28.95	30.40	30.84	30.91
4	Less: Grant	45.18	-	7.20	-	-
5	Closing GFA	36,328.83	38,214.44	38,776.34	38,863.22	38,832.31

**NEW ASSETS**

						Rs Crore
Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Opening GFA (New Assets)	-	2,482.02	6,976.95	13,496.08	18,137.03
2	Add: Additional Capitalization during the year	2,482.02	4,496.84	6,524.49	4,651.32	2,063.82
3	Less: Retirement/Adjustments	-	1.91	5.36	10.37	13.94
4	Less: Grant	-	-	-	-	-
5	Closing GFA	2,482.02	6,976.95	13,496.08	18,137.03	20,186.91

5.7.23 MSETCL requested to approve the capitalisation and GFA as submitted for the purpose of truing-up, provisional truing up and projection purpose.

***Commission's Analysis and Ruling***

5.7.24 The Commission has noted the submissions of MSETCL in the matter of capitalisation (actual / planned) for the period from FY 2022-23 to FY 2029-30 in the present Petition. Considering that, the approach adopted by the Commission for approval of the capitalisation will be similar for all the years under consideration. Also considering that the schemes are spread over multiple years, the Commission deems it fit to elaborate on its approach for approval of the capitalisation for all the years (True up as well as over the 5<sup>th</sup> Control Period) in the present Section of the Order for better clarity and interlinking of the issues. Necessary reference to the approvals in the present Section will be referred in other Sections of this Order for the sake of convenience and to avoid duplication of information.

5.7.25 Accordingly, the Commission has examined the capitalisation claimed against the various approved schemes for various years as given below:

- For FY 2022-23, actual capitalisation claimed is Rs 1,412.92 Crore as against capitalisation of Rs 2,019.87 Crore approved in the MTR Order.
- For FY 2023-24, actual capitalisation claimed by MSETCL is Rs 1,178.21 Crore as compared to capitalisation of Rs 1,482.01 Crore approved in the MTR Order.
- For FY 2024-25, actual capitalisation claimed by MSETCL is Rs. 2,400.09 Crore as compared to capitalisation of Rs 1,439.77 Crore approved in the MTR Order. However, through a subsequent submission dated 20 January, 2025, MSETCL revised the capitalisation claim to Rs. 2,658.31 Crore.



**Table 74: Capitalisation for FY 2022-23, FY 2023-24 and FY 2024-25, as submitted by MSETCL (Rs. Crore)**

Capitalisation	FY 2022-23 (Actual)	FY 2023-24 (Actual)	FY 2024-25 (Estimated)
Approved in MTR Order	2,019.87	1,482.01	1,439.77
Claimed in MYT Petition	1,412.92	1,178.21	2,400.09 <sup>#</sup>

<sup>#</sup> The capitalisation claimed for FY 2024-25 in the subsequent submission is Rs. 2,658.31 Crore which has been considered by the Commission.

- For the 5<sup>th</sup> Control period, the projected capitalisation by MSETCL is as follows. The Commission has considered capitalization as per the revised submission dated 20.1.2025 same for subsequent analysis.

**Table 75: Capitalisation for the 5<sup>th</sup> Control Period, as submitted by MSETCL (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Claimed in the revised Petition	5,119.86	6,411.41	7,123.99	4,769.04	2,063.82
Claimed in additional submission dated 20 January, 2025 – <b>Considered by the Commission</b>	5,673.60	6,903.46	7,465.99	5,326.99	2,317.82

5.7.26 The Commission has analysed the year-wise cumulative capitalisation as against the approved cost and year-wise capitalisation under the corresponding schemes. The Commission adopts the procedure for approval of capital cost for the Utilities in the State of Maharashtra in accordance with the “Guidelines for in-principle clearance of proposed investment schemes 2005”, MERC Capex Regulations, 2022 and the applicable MYT Regulations for respective Control Period, as applicable.

5.7.27 The Capex Regulations, 2022 lays down the framework to be followed by all state entities for obtaining the Commission’s in-principle approval for proposed Capital Investment as well as the approval to be granted to the final completed cost. The Regulations outline the objectives which need to be met by the capital investment schemes to enable approval of the same by the Commission. The Regulations also identify specific activities which would not qualify under the capital investment and would have to be undertaken by the licensees as regular repairs & maintenance expenses. The Regulations also specify that the Commission shall approve the Capital Investment in the following two stages:

- In-principle approval prior to undertaking the capital investment against DPR Schemes;
- Final approval of completed cost after asset is put to use.

5.7.28 Accordingly, the licensees will need adhere to all the guidelines specified in Regulations to enable approval of the investments undertaken by the Licensees in the FY 2022-23 onwards, as applicable.

5.7.29 The MYT Regulation, 2019 as well as MYT Regulations, 2024 are clear in specifying that the capitalisation will be considered only against assets which are “put to use”. The relevant part of the MYT Regulations, 2019 is reproduced below:

*“24. Capital Cost and Capital Structure*

*....*

*Provided further that the capital cost of the assets forming part of the Project but not put to use or not in use, shall be excluded from the capital cost of Generation Project and transmission system:*

*...*

*Provided also that the Commission may undertake a sample check to verify the assets put to use as submitted by the Generating Company or Licensee or SLDC, as the case may be, independent of the tariff determination process:*

*.....*

*Provided also that the following shall be excluded from the capital cost of the existing and new projects:*

*The assets forming part of the project, but not in use, as declared in the tariff petition;*

*...”*

5.7.30 Further, the MYT Regulations, 2024 which are applicable for the 5<sup>th</sup> Control Period also specify the following:

*“24 Capital Cost and Capital Structure*

*24.1 The Capital Investment Scheme of the Generating Company or ESSD or Transmission Licensee or Distribution Licensee or STU throughout the Control Period shall be in accordance with the principles set out under Regulation 3 of the MERC (Approval of Capital Investment Schemes) Regulations, 2022, as amended from time to time.*

*24.2 Capital cost for a capital investment Project shall include:*

*.....*

*Provided further that the capital cost of the assets forming part of the Project but not put to use or not in use, shall be excluded from the capital cost of Generation Project or ESSD or transmission system:*

*.....*

*Provided also that the Commission may undertake a sample check to verify the assets put to use as submitted by the Generating Company, ESSD or Licensee or MSLDC or STU, as the case may be, independent of the tariff determination process:*

*Provided also that any capital expenditure incurred based on the specific requirement of a Generating Company or ESSD or Licensee shall be substantiated with necessary documentary evidence of such request and undertaking received: Provided also that the following shall be excluded from the capital cost of the existing and new projects:*

***(a) The assets forming part of the project, but not in use, as declared in the tariff petition;”***

5.7.31 Accordingly, it is very clear that capitalisation against assets which have been “put to use” only shall be allowed by the Commission for recovery from the TSUs.

5.7.32 Further, the Regulations provide that the Commission may undertake a sample check to verify the assets put to use as submitted by the Generating Company, ESSD or Licensee or MSLDC or STU, as the case may be, independent of the tariff determination process. Accordingly, a third-party validation process is also envisaged under the Regulations, if deemed necessary and at the discretion of the Commission.

5.7.33 The Commission has come across multiple issues while examining the schemes as part of the prudence check for approving the capitalisation and these issues include but are not limited to the following:

- Inordinate delay in execution of schemes – some schemes were initiated more than 10 years ago and still not completed.
- Delay in initiating work on the scheme after obtaining approval from Commission
- Cost and / or time overrun
- Work on the scheme is completed, but the assets are not “put to use”
- Schemes are partially completed, and assets are not “put to use”
- Schemes which are back charged
- DPRs are not approved
- Nature of work undertaken as part of the scheme – R&M nature or capital expenditure nature
- Schemes commissioned and negligible capitalization claimed after a long gap which is attributed to balance payments, price variation related payments, miscellaneous payments, etc.

5.7.34 The subsequent paragraphs outline the approach adopted by the Commission to approve the capitalisation claimed by MSETCL for the period from FY 2022-23 to FY 2029-30 which covers the truing up and projection period.

**Delay in implementation of capital expenditure Schemes**

5.7.35 The Commission in MTR Order in Case No. 232 of 2022 has ruled that:

*“4.7.19 As mentioned by the Commission in the past MYT Order, the Commission is concerned about very high projections of capitalisation resulting in a higher recovery and thereafter the overall delay in execution and completion of approved capital expenditure schemes by MSETCL. This not only affects the development of the Transmission network, but also means that MSETCL’s revenue recovery gets delayed and in turn affects its financial position to undertake further network development. Alternatively, such delay also causes escalation in project costs in many cases and*

*MSETCL recovers this higher expenditure from the TSUs and eventually from end consumers thus impacting them adversely.”*

5.7.36 The Commission reviewed the scheme wise details submitted by MSETCL and it is observed that the issue of inordinate delay in execution of the schemes continues to plague MSETCL despite measures undertaken to close the past schemes. It is also observed that there are many schemes approved in FY 2010-11 or before are still being capitalised indicating time delay. List of some schemes are shown in table below:

**Table 76: Illustrative list of schemes which are significantly delayed**

<b>Project Definition</b>	<b>Scheme Name</b>	<b>MERC Approval Date</b>	<b>Approved Date of Completion</b>
EV/2008-09/002	220 kV Ghatodi SS	31 July, 2009	1 December, 2011
SS/2008-09/044	220 kV Bhose (Belwandi) SS	7 December, 2010	31 March, 2013
SS/2009-10/012	400 kV Nanded	1 April, 2010	31 March, 2012
SS/2008-09/017	220 kV Lonand MIDC SS	7 December, 2010	31 March, 2013
LL/2008-09/064	220 kV Karad-Koyna LL	7 December, 2010	31 March, 2013
EV/2009-10/002	400 kV Chandrapur-II SS	1 April, 2009	31 March, 2012
SS/2008-09/025	132 kV Karajgi SS	7 December, 2010	31 March, 2013

5.7.37 The Commission in past Orders raised concern regarding lack of prioritisation of scheme and inefficient planning on the part of MSETCL which leads to delay in implementation of schemes well beyond the approved project completion timelines. The issues causing the delays, as cited by MSETCL, continue to be ROW issues, related court cases, delay in land acquisition, delay in forest approval etc. However, it is not clear from the submission whether MSETCL took timely action as per the prevailing Act, Rules and Regulations to over the RoW/Land /Court issues. No material proof is kept on record by MSETCL to justify its action, which is MSETCL’s prime responsibility. In spite of observations in the past Orders and directives, the Commission observes that there are number of unutilised assets including bays, Back charged S/S, Transformers, etc. which leads to stranding of assets and also delay in recovery of capital expenditure incurred by MSETCL. A relevant example in this context are the bays against which MSETCL has been seeking approval after they have been put to use recently. These bays were constructed during the period FY 2010-11 to FY 2014-15 but not approved by the Commission as they were not utilised or put to use. This leads to delayed recovery of expenditure incurred by MSETCL which puts undue strain on the financial condition of MSETCL. The Commission also does not allow carrying cost on such assets and hence the impact has to be borne by MSETCL through its internal resources. This also leads to cost escalation in schemes which ultimately burdens the consumers in the State.

- 5.7.38 One such important schemes for Pune city is the “132 kV UG Cable from 220kV Parvati S/s to 132kV Kothrud S/s” (LL/2017-18/003) which was approved in October 2017 by the Commission and was expected to be completed by July 2019 as per the approval. However, the scheme was delayed and there has been a cost escalation. While the approved cost of the scheme was Rs. 27.20 Crore, the capitalisation claimed is Rs. 32.65 Crore, i.e. a cost escalation of Rs. 5.45 Crore (20%). Major part of the capitalisation has been claimed in FY 2023-24 i.e. when the line was commissioned in June 2023 with a four year delay in commissioning as compared to expected commissioning date. Also, no substantial justification with supporting documentation has been provided by MSETCL to justify the increase in cost. Hence, the Commission is constrained to restrict the approved cost to the MERC approved cost.
- 5.7.39 Similarly, there is one more scheme named “Add. of ICTs at 2Nos. of S/s, Pune Zone” (TA/2017-18/004) which was approved by the Commission in July 2017 with expected completion by FY 2018-19. The approved cost for the scheme was Rs. 54.51 Crore. However, the work on the scheme is still ongoing and it is expected to be completed by FY 2026-27 as per the information shared by MSETCL. The cumulative capitalisation claimed by MSETCL by FY 2026-27 is Rs. 72.38 Crore as compared to the approved cost of Rs. 54.51 Crore, i.e. an escalation of Rs. 17.87 Crore (33%). MSETCL apparently faced issues with the contractor who was appointed to complete the work and which led to delays. The reasons for the cost escalation have to be justified by MSETCL along with supporting documents while seeking approvals for higher costs without which the Commission is constrained to disallow the escalated cost. Considering that the capitalisation has been sought in the projection period, while the Commission has approved the capitalisation against this scheme during the control period, the cost has been restricted to the MERC approved cost.
- 5.7.40 It is worth noting that the scheme is for installation ICTs at the existing substation for which the land is available. Also, there are no Right of Way issues and still the scheme gets delayed. This shows that there are fundamental lacuna in MSETCL’s process of planning, estimating, tendering, procurement and execution of the schemes. Even though there are agency issues, MSETCL shall avail the legal remedy available in the agreement within time to avoid the delay in execution of the scheme. However, past experience shows that MSETCL on this count also not availing the remedies proactively. It is fact that project execution includes set of activities which needs to be completed as per schedule.
- 5.7.41 The Commission observed that, MSETCL has been missing many of the project completion timelines in the present submission as well. MSETCL, based on its past experience, needs to come up with an appropriate approach to the overall project planning, estimating, tendering, procurement and execution activity which will enable efficient project implementation within the approved costs and timelines. This also includes stringent scrutiny of the planned schemes at MSETCL level itself to assess the need and the priority of the proposed capex schemes. This will be more critical during the 5<sup>th</sup> Control period wherein MSETCL has sought approval for significant quantum of capitalisation which is much beyond the normal trend of capitalisation achieved in the past. In this context, MSETCL in its revised Petition has also provided details of its execution strategy

planned to be implemented to ensure smooth, timely and within cost implementation of projects. The strategy emphasizes on micro-planning of pre-sanctioned schemes to help overcome challenges during execution, such as delays in land finalization, surveys, and approvals, which lead to time and cost overruns. In addition to existing projects, those with land possession or in search are now mapped in SAP and the end users will input data regarding clearances, layout submissions, and other pre-planning activities, which will be monitored by higher authorities. The benefits envisaged from the micro-planning approach includes the following:

- a. Enabling early issue detection for improved decision making
- b. Better resource management for adherence to budget and timeline
- c. Quality Control
- d. Risk mitigation and Accountability
- e. Continuous improvement for alignment with objectives.

5.7.42 While MSETCL has proposed a plan for efficient project monitoring of projects, it is important that the proposed approach must be meticulously and regularly followed to enable getting the desired benefits. These benefits also must reflect in the form of improved project implementation statistics and reduced instances of time and cost overrun.

5.7.43 The Commission will examine the improvements in the project implementation activities during the next MYT proceedings. In case the improvements are not evident during the filing for the next control period onwards (which will also include truing up of years from 4<sup>th</sup> and 5<sup>th</sup> control period), the Commission will be constrained to take a very stringent view in cases of cost and time overrun in project implementation to the extent that cost overrun can be completely disallowed and fix the responsibility.

5.7.44 The Commission also notes that there are delays in even starting the basic project related activities even after getting the necessary in-principle approval from the Commission for the capital expenditure schemes. The Capex Regulations, 2022 mandates that if the licensee fails to initiate the work, including tendering process, within a period of one year or as stipulated by the Commission, from the date of receipt of in-principle approval, the in-principle approval shall be deemed to be cancelled. Considering the persistent delay observed in implementation of schemes by MSETCL, the Commission will be forced to implement the aforementioned provisions very strictly. The Regulations also prescribe the mechanism for monitoring of the progress of the schemes which needs to be followed by MSETCL diligently. In case of any shortcomings on the part of MSETCL to adhere to the provision, the Commission will be forced to initiate stringent action which may impact MSETCL adversely.

**5.7.45 Accordingly, the Commission will monitor this aspect as part of the periodic monitoring process as well and if work is not initiated on any scheme approved by the Commission in FY 2024-25 onwards, the in-principle approval will be deemed to be cancelled in line with the provisions of the Capex Regulations, 2022. MSETCL will be required to provide status of all approved DPR schemes as part of the 6 monthly Progress Review report submitted by MSETCL to the Commission. The subsequent**

**submissions on the MYT Petitions should also include this information against which capitalisation has been sought i.e. when the scheme was approved and when the actual work including tendering process was started.**

5.7.46 The subsequent paragraphs outline the process adopted by the Commission to examine and approve / disapprove the DPR and non-DPR schemes proposed by MSETCL during the truing up period, provisional truing up year as well as the 5<sup>th</sup> Control period

#### **Approval of DPR Schemes**

5.7.47 The DPR schemes submitted by MSETCL for approval fall into three broad categories:

- i) Schemes for which DPRs are in-principally approved by the Commission.
- ii) Schemes for which MSETCL has submitted its DPR to the Commission for approval, however, the approval is awaited.
- iii) Schemes for which the DPR is yet to be submitted to the Commission. However, these schemes are all part of the 10-year rolling plan of the STU as per the submission of MSETCL.

5.7.48 In this Order, the Commission has only considered the capitalisation for approval against schemes for which the DPRs are already approved by the Commission and some RE evacuation schemes for which DPRs are submitted / yet to be submitted for approval of the Commission. Capitalisation for DPR schemes which fall into the other categories has not been considered by the Commission for the purpose of approval.

5.7.49 While the above-mentioned stance was adopted by the Commission in the past MTR Order as well, the Commission has proposed to relax the same in case of certain identified scheme for reasons outlined hereinafter. The Commission noted that all the Distribution utilities in the state have contracted or are in the process of contracting large quantum of Renewable Energy (RE) to meet the Renewable Purchase Obligations (RPO) targets prescribed by the Commission as well as increase the contribution of RE power in their overall power portfolio in line with the approach adopted at the state and national level. In this regard, it is important to ensure that there is no constraint on the transmission side to evacuate the power from various RE generation plants in the state. This will ensure that the distribution companies are not constrained by the network non-availability for procuring RE power. Accordingly, the Commission had sought from MSETCL details of the schemes which were related to evacuation of RE power in the state and based on the submission of the details by MSETCL, the Commission has approved capitalisation pertaining to all these RE power evacuation related schemes even though the DPR for such schemes are yet to be approved by the Commission. The Commission has treated that as an exception to facilitate increased consumption of RE power in the state. However, MSETCL will have to adhere to all applicable Regulations before and during implementation of the scheme. The DPRs will be required to be approved by the competent authorities as per the provisions of the applicable Regulations. The approval in the present Order should not be considered as a substitute for following the necessary approval process. The list of approved DPR RE evacuation schemes (DPR not in-principle approved) are available at [Annexure- 4 \(d\)](#).

5.7.50 Further, some of the schemes related to evacuation of RE power also fall under the non-DPR category of schemes based on the value of the scheme. The Commission has also considered these schemes for approval under the non-DPR category. As per the provisions of the Capex Regulations, 2022, non-DPR schemes also need to be registered with the Commission prior to starting work on such schemes. Accordingly, MSETCL will need to adhere to all the requirements prescribed in the applicable Regulations for executing the non-DPR schemes as well. The list of non-DPR RE evacuation schemes are available at [Annexure- 4 \(e\)](#).

5.7.51 The capitalisation proposed against approved DPR schemes were scrutinized by the Commission based on the scheme wise details provided by MSETCL covering various aspects of project implementation such as:

- Current status of these schemes including physical progress
- The elements of the schemes which were commissioned (fully or partly) and “put to use”
- The commissioning dates, loading information for the commissioned assets
- Comparison of the approved DPR cost with the actual capitalisation claimed to determine instances of cost-overflow
- Examining the reasons contributing to the cost overrun and if these can be considered as controllable or uncontrollable (e.g., change in scope, higher bid received in tender process, etc.)
- Review of the project implementation timelines (approved and actual) to assess time overrun and if this time overrun has contributed to the overall cost overrun (e.g., increase IDC due to delay in project implementation), etc.

#### **Observations and directions on DPR schemes approved prior to FY 2010-11**

5.7.52 The Commission observes that there are 42 nos. of schemes approved prior to FY 2010-11 but were still under execution. These schemes now either have been short-closed(without completion of work) or closed (after completion of work) by MSETCL. Capitalisation against such schemes is claimed based on assets put to use in the respective years. Some of these schemes are still ongoing i.e. work in progress and capitalisation against such schemes is claimed in the respective years of the proposed capitalisation. The Commission has scrutinized the details of assets put to use for each of these schemes and allowed capitalisation against them based on respective year of capitalisation.

5.7.53 The brief analysis of these 42 nos. schemes is given below:

- 11 schemes have been marked as “Closed<sup>1</sup>” in SAP.
  - Minor capitalisation has been claimed in the true-up years and no claim in the

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<sup>1</sup> CLSD: WBS Element is Closed: No operation can be done using the WBS Element



5th Control period.

- Some of these schemes which were deemed closed in MTR proceedings itself and hence capitalisation claimed in the present Petition is not allowed.
- Considering that the scheme is closed in SAP and quite old, the scheme should be deemed closed, and no further capitalisation should be claimed.
- 14 schemes have been marked as “PREL2” in SAP. (one scheme LL/2008-09/090 is short closed due to severe ROW issue)
  - MSETCL continues to claim capitalisation under these schemes in truing up years as well as provisional truing year and projection period as well.
  - No capitalisation has been claimed under certain schemes and such schemes have been disallowed in the present proceedings and MSETCL should ensure that these schemes are not included in the next Petition.
  - The Commission has approved capitalisation under certain schemes under the head “Approved,” “Restricted” or “Shifted” based on scheme-to-scheme review. Considering that these schemes are quite old, MSETCL should endeavour to close these schemes and not claim capitalisation in the future beyond the years in which the capitalisation is presently approved.
- 17 schemes have been marked as “REL3” in SAP. (SS/2008-09/046 short close, SS/2008-09/077 Scheme is not included in STU plan, proposal of cancellation is initiated. Write off proposal sent to CO, Mumbai. The scheme will be closed only after approval of write of proposal. LL/2008-09/001 short closed. TA/2008-09/009 short closed, Balance work estimate is in process at Sub-division office)
  - No capitalisation has been claimed under certain schemes and such schemes have been disallowed in the present proceedings and MSETCL should ensure that these schemes are not included in the next Petition.
  - The Commission has approved capitalisation under certain schemes under the head “Approved” or “Shifted” based on scheme-to-scheme review. Considering that these schemes are quite old, MSETCL should endeavour to close these schemes and not claim capitalisation in the future beyond the years in which the capitalisation is presently approved.

5.7.54 As regards the schemes for which the approvals were given prior to FY 2010-11 and the work against the scheme has been completed, such schemes will be considered to be deemed closed, and no further capitalisation will be allowed in the future.

5.7.55 Similarly, the schemes for which the approvals were given prior to FY 2010-11 and the work against the scheme is still not completed i.e., it is work in progress, in such cases,

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<sup>2</sup> PREL: WBS Element Partially Released: No MIGO/ SES/ Financial Posting can be done

<sup>3</sup> REL: WBS Element is Released: MIGO/ SES/ Financial Posting can be done

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MSETCL while claiming the capitalisation approval in future (during truing up process) will need to provide justification for delay in execution of the scheme and seek capitalisation only if the assets are put to use and benefitting the consumers. Further, MSETCL should endeavour to close these schemes and not claim capitalisation in the future beyond the years in which the capitalisation is presently approved. The Commission further cautions MSETCL that it shall make all efforts to close such pending schemes including short close schemes in which no further progress is expected in the near future. In these cases, the Commission will not allow any increase in cost against such schemes.

### **DPR Schemes:**

5.7.56 There are 522 nos. of DPR schemes which have been submitted by MSETCL. Out of these, capitalisation of 276 nos. of DPR schemes has been approved by the Commission in the present Order. These 276 no. of DPR schemes have been categorised into the following:

- **Approved schemes** – 202 nos.: These schemes have been examined, and the approval comments of the Commission have been included in the subsequent paragraphs. ([Annexure 4 \(a\)](#) - *Approved Schemes – DPR*)
- **Shifted schemes** – 11 nos.: Schemes which have been approved; however, the capitalisation has been shifted to years when the scheme is / will be put to use. ([Annexure 4 \(b\)](#) - *Approved – Shifted Schemes – DPR*)
- **Restricted schemes (Cost overrun)** – 63 nos.: Schemes whose capitalisation is approved, however, the approval cost is restricted to the in-principle approved cost or with partially approved cost over-run ([Annexure 4 \(c\)](#) - *Restricted Schemes – DPR*)

5.7.57 The above scheme categories have been further discussed in the following paragraphs.

5.7.58 **Approved Schemes:** There are 202 nos. of schemes which have been examined in line with the approach outlined in paras 5.7.47 to 5.7.51 and accordingly considered for approval by the Commission. The list of such schemes is available at ([Annexure 4 \(a\)](#) - *Approved Schemes – DPR*). The analysis of some of the major schemes is given in the table below:

**Table 77: Broad analysis of some of the major schemes undertaken by MSETCL**

Sr No	Project Definition	Name of Scheme	Scheme wise details / capitalisation and Remarks
1	EV/2008-09/002	220KV Ghatodi SS	<b>FY 2023-24: Rs. 102.47 Crore</b> 220 kV Deoli - Ghatodi DC Line up to LILO Point – 50 km commissioned & put to use. <b>FY 2024-25: Rs. 1.74 Crore</b> Crop & Land Compensation for 220 kV Deoli - Ghatodi Line up to LILO Point., PV Bills. <b>Scheme closed.</b>
2	TA/2017-18/013	Additional ICT under Amravati Zone	<b>FY2022-23: Rs. 40.16 Crore</b> 1X100MVA, 220/132 kV ICT along with HV & LV bay equipment at 220 kV Balapur and 3X167MVA, 400/220 kV ICT along with HV & LV bays and 220kV Bus sectionalizer bay equipment at 400 kV Akola <b>FY 2023-24: Rs. 1.11 Crore</b>

Sr No	Project Definition	Name of Scheme	Scheme wise details / capitalisation and Remarks
			Balance payment towards PV & extra items. Work related to 400 kV Akola ICT, 220 kV Balapur ICT, 220 kV Hybrid switchgear as bus sectionize at 200 kV Akola substation commissioned and put to use, so shifted capitalisation of Rs. 2.52 Cr allowed in FY 2022-23 separately under shifted scheme. <b>FY 2024-25: Rs. 5.50 Crore</b> Additional budget for 400 kV ICT.
3	SS/2017-18/014	Establishment of 132/33 kV Shaha s/s	<b>FY 2022-23: Rs. 32.16 Crore</b> Substation along with Line commissioned on 11.01.2023. <b>FY 2023-24: Rs. 3.11 and FY 2024-25: Rs. 5.29 Crore</b> PV and compensation related capitalisation. <b>Scheme Closed.</b>
4	SS/2017-18/019	Establishment of 400 kV Karjat SS (Revision in cost due to Compensation, PV QV, etc)	Shifted capitalisation Rs. 159.57 Crore allowed separately under shifted scheme in FY 2022-23 as considering the Scope pertaining to Nashik zone is completed, and the balance work of 220 kV Line (220 kV D/C Jeur Karjat Line) is likely to be completed in FY 2024-25. Capitalisation allowed against following work completed: <b>FY 2022-23 (Rs 66.42 Crore):</b> SS commissioned <b>FY 2023-24 (Rs. 21.01 Crore):</b> GEC, IDC and Compensation <b>FY 2024-25 (Rs 32.14 Crore):</b> extra item & compensation.
5	SS/2015-16/002	220/132 kV Jalkot, Latur	<b>FY 2022-23: Rs.17.20 Crore</b> 132 kV LILO on Chakur Ahmedpur at Jalkot commissioned on 31 October, 2022. <b>FY 2023-24: Rs. 0.47 Crore</b> Balance Payment. <b>Scheme completed.</b>
6	SS/2017-18/001	220/132 kV Kurunda S/s (GIS)	<b>FY 2022-23: Rs. 47.34 Crore</b> Kurunda SS along with Hingoli -Kurunda Line commissioned <b>FY 2023-24 (Rs. 1.20 Crore)</b> Compensation payments. <b>FY 2024-25 (Rs. 46.45 Crore)</b> Kurunda - Kumbhargaoon Line expected to be commissioned. <b>Scheme completed.</b>
7	AN/2016-17/021	Bus Shunt reactor-8 nos.-(The scheme covered funding 90% from PSDF and 10% from equity)	<b>FY 2022-23: Rs. 17.52 Crore, FY 2023-24: Rs. 29.34 Crore</b> All reactors have been commissioned between April 2021 to May 2023 as per submission in MYT Petition - Compliance to directives. Impact of Review Order in this matter is also allowed in this Order. <b>Scheme Closed.</b>
8	AN/2018-19/021	Maharashtra Transmission Asset Management Centre (MTAMC) project.	<b>FY 2022-23: Rs 6.75 Crore</b> Substation level SCADA, VMS and VOIP system is capitalised. MTAMC Control Centre Access control system capitalised. <b>FY2023-24: Rs. 53.59 Crore</b> Substation level SCADA, VMS and RAS system is capitalised. MTAMC Control Centre SCADA, VMS, RAS and Auxiliary system is capitalised.

Sr No	Project Definition	Name of Scheme	Scheme wise details / capitalisation and Remarks
			<b>Scheme closed.</b>
9	TA/2017-18/012	Addition & Replacement of ICTs at Karad Zone	<b>FY 2022-23: Rs. 28.15 Crore</b> 3x105MVA, 400/220 kV ICT along with HV & LV bays at 400 kV New Koyna S/s and 1x100MVA, 220/132 kV ICT along with HV & LV bay at 220 kV Satara MIDC S/s. <b>FY 2023-24: Rs 7.09 Crore:</b> IDC & GEC portion payment. <b>Scheme Closed.</b> Loading details: 400 kV Talandge ICT- 470 MVA 400 kV New Koyna ICT- 190 MVA 220 kV Satara MIDC ICT - 70 MVA
10	AN/2020-21/007	Installation of 3Nos of Shunt Reactors (50 MVAR each) at Chandrapur	<b>FY 2023-24: Rs. 23.18 Crore</b> 3 Nos. of shunt reactors (50 MVAR each) commissioned and put to use. <b>Scheme closed.</b>
11	SS/2017-18/017	Establishment of 220/33 kV GIS Ulwe node (NMIA)	<b>FY 2023-24: Rs. 45.66 Crore</b> 11 out of 13 bays have been put to use, over all s/s is commissioned on 12 July, 2023 & put to use. <b>FY 2024-25: Rs. 0.87 Crore</b> Balance payment. <b>Scheme Closed.</b>
12	SS/2017-18/010	220/ 22 kV Pawane (MIDC)- GIS	<b>FY 2022-23: Rs. 62.97 Crore, FY 2023-24: Rs. 0.67 Crore</b> All scope completed (50 MVA - 02 nos. with HV & LV GIS bays, 220 kV GIS LB - 02 nos., 22 GIS OLT - 12 nos. LILO on one ckt. of 220 kV Kharghar Kalwa MC line through UG cable - 0.7 km) & S/s commissioned on 12 December, 2022. Load is 15 MW. <b>FY 2024-25: Rs 1.30 Crore</b> Balance Payment. <b>Scheme to be closed.</b>

5.7.59 Further, cost overrun was observed in case of approved schemes on account of various reason like ROW issues, price variation, quantity variation, crop compensation, Interest During Construction, General Establishment Charges, price escalation, etc. In case MSETCL has provided necessary justification for the cost overrun and also the quantum of cost overrun is lesser than 10% of the approved cost, the Commission has considered the actual cost for approval. However, in case of certain schemes, the cost overrun was substantial, then in such cases, the approval was based on case-to-case assessment. E.g.:

- 220 kV Link Line for 400 kV Kudus Sub-station (LL/2016-17/003):
- The in-principle approved cost of the scheme was Rs. 191.50 Crore, however, MSETCL has sought approval for cumulative capitalization of Rs. 417.26 Crore.
- The variation is on account of variation in the scope of work and the revised cost is expected to be Rs. 417.26 Crore. The revision in scope is yet to be submitted to the Commission.

- The Commission has approved capitalization of Rs. 307.04 Crore i.e. 50% of the expected cost escalation proposed by MSETCL over and above the in-principle approved cost.  $[191.50 + (417.26-191.50)/2]$ .
- It is worth noting that, MSETCL only mentioned the reasons for delay as RoW issues, permission issues, agency issues, however, they have not submitted any documents justifying the time over run and cost overrun. Hence, it becomes challenging for the Commission to approve the cost in absence of adequate justification.

**Shifted Schemes (Capitalisation is shifted to “put to use” years:**

5.7.60 Out of the overall 276 nos. of approved schemes, 11 schemes are such that their capitalisation has been approved after shifting it to later years when the asset is either put to use or likely to be put to use ([Annexure 4 \(b\)](#) - *Approved – Shifted Schemes – DPR*). This shifting of capitalisation is required as it is observed that MSETCL in many instances capitalizes the assets in its balance sheet without the asset being actually “put to use” which is expected under the provisions of the MYT Regulations. Accordingly, this leads to a difference in the capitalisation booked in the financial accounts and that approved by the Commission for regulatory purposes. In the case of such schemes, MSETCL must claim this shifted capitalisation in the future years when the assets are likely to be actually put to use. This is especially important when the capitalisation which is claimed by MSETCL in FY 2022-23 and FY 2023-24, which are the true up years, has been shifted by the Commission to the future period. So, when MSETCL approaches the Commission for the truing up for the future years, this shifted capitalisation may not figure in the audited accounts for that year as the same is already booked in FY 2022-23 and FY 2023-24 and there is a possibility that MSETCL may miss out on claiming such shifted capitalisation. Accordingly, it is important for MSETCL to keep track of these approvals and seek recovery at an appropriate time. Similar approach has been adopted by the Commission in the MTR Order as well.

5.7.61 Further, the Commission notes that it is a settled principle that the capitalisation against the scheme shall be claimed only after assets are being put to use. However, it is observed that despite regulatory provisions, repeated directives, and disallowance of capitalisation in absence of put to use of assets, MSETCL has been claiming the capitalisation. For example – Land cost of Sub-Station, Civil work of Sub-Station, partial transmission line work, pre-development expenses, Sub-Station work in absence of line work and vice versa. Such claims of MSETCL creates the difficulty in tracking the capitalisation of the scheme and leads to multiple allowance and disallowances in every Petition. Hence, MSETCL should not claim the capitalisation without asset being put to use as per the provisions of the prevailing Rules and Regulations.

5.7.62 If MSETCL continues to claim the capitalisation without asset put to use, the Commission may be constrained to treat this as a non-compliance with the Commission’s Regulations and directives and to initiate the appropriate proceedings thereof.

**Restricted Schemes (Cost Overrun schemes):**

5.7.63 Cost over-run was observed in 63 DPR schemes ([Annexure 4 \(c\)](#) - *Restricted Schemes – DPR*) for which detailed justification was sought from MSETCL. The main reasons for

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cost over-run were ROW issues, price variation, quantity variation, crop compensation, Interest During Construction, General Establishment Charges, price escalation, etc. The Commission's approach for approval of cost over run in case of the 63 schemes mentioned above is as follows:

- Some DPR schemes had cost over-run on account of various reasons including cost escalation due to price and quantity variation, crop compensation. In absence of any substantial justification, the Commission has disallowed the cost overrun and restricted the cost to the approved DPR cost for those schemes in which capitalisation was claimed only in the true up period. For schemes where the cost overrun is observed in provisional truing up or projection period, the capitalisation has been restricted to the approved cost.
- In case of some DPR schemes, the cumulative capitalisation claimed was already exceeding the in-principle approved cost of the project and hence the cost has been restricted to in-principle approved cost. Also in some schemes the cost approved by the Commission is lower than the cost claimed by MSETCL. However, MSETCL has wrongly claimed the cost as per their estimate and not as per the approved cost.

**Past Shifted capitalisation considered for approval:**

5.7.64 As discussed in the preceding sections of this Order, there were certain schemes in the MTR Order in Case No. 232 of 2022 in which the Commission had approved the capitalisation against the scheme, however, shifted the same from the true up years (i.e. FY 2019-20, FY 2020-21 and FY 2021-22) to future years as the scheme was expected to be put to use in future years. It was expected that MSETCL should have claimed such capitalisation again in the present petition in the year in which the asset was put to use or likely to be put to use. The Commission has identified such schemes (23 nos. schemes covered under [Annexure 4 – g](#)) and considered such capitalisation for approval in the present Order.

**Disallowed DPR Schemes: ([Annexure 4 \(d\)](#))**

5.7.65 Based on the analysis, the Commission has disallowed a total of 58 schemes. The bifurcation of such schemes is as follows:

- **No capitalisation claimed:** There is no capitalisation claimed by MSETCL against 19 nos. of schemes for entire period from FY 2022-23 to FY 2029- 30. e.g. (i) 132kV Vadjire SS (STU Plan 17-18) Project completed (ii 220kV Bhokar (SS/2008-09/062 scheme completed); (iii) 220kV Kandalgaon-Dasturi Link Line (LL/2008-09/001 – work short closed) etc. It is observed that even after repeated instructions, MSETCL has been including such dummy schemes with no capitalisation claimed in the sheet adding unnecessary complications. Henceforth, MSETCL to ensure that to avoid such redundant entries in the sheet.
- **Capitalisation claimed but assets not put to use:** In case of 39 nos. schemes, capitalisation is claimed against assets which are not put to use. E.g. capitalisation is claimed against cost of land and civil work, site survey, partial Transmission Line and Bay work, line is charged but Sub-station work is incomplete, substation work is



complete but either the source or the downstream evacuation network is not ready, bays are commissioned but not put to use, etc. There are 7 no. of DPR schemes out of the above mentioned 39 nos. of schemes (i.e. SS/2008-09/028, SS/2008-09/030, LL/2014-15/005, SS/2008-09/045, LL/2010-11/004, LL/2010-11/020, LL/2008-09/094) which were already closed in the MTR Order in Case No. 232 of 2022 with a remark that “no further capitalisation allowed”. The capitalisation claimed against these schemes is not allowed in this Order. It is observed that even though the schemes are closed by the Commission (initiated in FY 2008-09, FY 2010-11) and delayed by 10 to 15 years, MSETCL is again and again claiming capitalisation against these schemes instead of permanently closing such schemes in SAP system. Such instances show the lackadaisical attitude of MSETCL’s officers towards the accounting / reporting system followed by MSETCL.

**Cancelled DPR Schemes: ([Annexure 4 \(e\)](#))**

5.7.66 There are 15 schemes (in addition to 58 disallowed DPR schemes) which have been categorised as cancelled. It was observed that 12 no. of schemes are very old and no capitalisation has been claimed in schemes and hence deemed to be cancelled. The balance 3 scheme [(i) SS/2022-23/005 - 220/33kV Sarul (MSEDCL/RE); (ii) LE/2021-22/16 - Replacement of existing conductor by HTLS for 220kV Talandage - Tilawani Ckt 1 & 2 - 13km; (iii) SS/2016-17/005 - 132kV Etapalli Upgradation from 66kV along with existing 66kV line] are repeated schemes i.e. the capitalisation has been claimed multiple times for the same schemes. It shows the casual approach of Regulatory / Account department of MSETCL towards the ARR Petitions and claims thereof. Such instance shall be avoided by MSETCL in future.

5.7.67 Further, it is to be noted that consideration of capitalisation in this MYT Order does not mean that the same is approved. No DPR scheme shall be undertaken unless the same is prior approved by the Commission under the separate in-principle approval process or unless it qualifies under Non-DPR scheme. It is the responsibility of MSETCL to ensure that the schemes shall be submitted to the Commission for approval in a timely manner after due consent of STU and as per process outlined in the Capex Regulations, 2022 and applicable MYT Regulations.

**Non-DPR Schemes:**

5.7.68 The Commission has also examined MSETCL’s submission as regards the capitalisation claimed against non-DPR schemes. The MYT Regulations 2019 prescribe a cap of 20% of the approved DPR cost for allowing non-DPR schemes in any year. This cap has been raised to 30% of approved DPR cost in the MYT Regulations 2024 applicable for the 5<sup>th</sup> Control period from FY 2025-26 to FY 2029-30. Accordingly, the approvals given by the Commission for capitalisation against non-DPR schemes is subject to the prescribed limits.

5.7.69 The Commission had directed MSETCL to submit relevant details along with the Non-DPR schemes to enable the Commission to comprehend the scope of work of the schemes and its objective. Further, the Capex Regulations 2022 also prescribe the requirement to register the non-DPR schemes with the Commission to enable recovery of the associated

cost through the ARR. The relevant clause from the Regulation is reproduced below for reference:

*“10.1 All Non-DPR Schemes shall be required to be registered with the Commission on quarterly basis in physical form, till the commencement of the web-portal referred in Regulation 19 of these Regulations, after which the Schemes shall be registered on the web portal:*

*Provided that the Format specified in Appendix 1 for submission of DPR Schemes shall be applicable for Non-DPR Schemes also, to be filled-up as applicable/relevant:*

*Provided further that the registration of the Non-DPR Schemes shall only be acknowledged by the Commission in accordance with the Format specified in Appendix 4, and shall not be construed as approval by the Commission:*

*Provided also that the Commission shall not consider Non-DPR Schemes that have not been registered with the Commission, for Final approval of completed cost in accordance with these Regulations.”*

5.7.70 Accordingly, based on the submission by MSETCL, the Commission has categorised the schemes as Approved, Disallowed, Restricted, or under Repair and Maintenance (R&M), Non-DPR yet to be registered.

5.7.71 The schemes which were below the threshold of Rs. 10 Crore for the period prior to notification of the Capex Regulations, 2022 and Rs. 25 Crore for the period post notification of the Capex Regulations, 2022 and the work involved was purely of capex nature, were approved, subject to the scope being completed. In case of FY 2022-23 and FY 2023-24, the Commission has examined the details shared by MSETCL against its claim for non-DPR schemes, and has observed the following in case of many of the schemes:

- Details of the works undertaken in the scheme was not provided by MSETCL – This information is critical to enable the Commission to validate and approve the scheme
- Some of the schemes involved work which is of R&M nature [Regulation 3.19(a) of the Capex Regulation, 2022] instead of capital nature. E.g. replacement or repairing of individual items like Current Transformer (CT), Potential Transformer (PT), Lightning Arrestor (LA), Circuit Breaker (CB), Distribution Box, Cables, etc. – Such expenses were considered for transfer to O&M expenses rather than considering the cost incurred as capitalization to be added to the GFA.
- Some of the schemes against which MSETCL has not claimed any capitalization have been disallowed.

5.7.72 Similarly, in case of schemes the work involved was not entirely of the nature of capital expenditure, or where the scope of work involved activities which were of mixed nature (i.e. mix of capital nature and R&M - no break up and details provided, particularly schemes executed at Zone level, CE Schemes), in such cases, the schemes were categorised under R&M and transferred to the repairs and maintenance expenses under O&M. The list



of such schemes (transferred from capex to R&M) is enclosed at [Annexure 4 \(i\): \(Non-DPR schemes transferred to R&M\)](#) of this Order. Schemes where no capitalisation was claimed, and repeated schemes are categorised as cancelled. MSETCL to ensure that such mix nature of work scheme shall not be claimed as Non-DPR schemes henceforth.

5.7.73 Further, in case of certain schemes, instead of repeated follow-up and queries, MSETCL has not shared any information pertaining to the scope of work or the objective of the scheme, nature of work etc. It is only mentioned as general assets. Hence, such schemes are disallowed (e.g. General Assets, etc.). The list of such schemes is attached as [Annexure 4 \(i\): \(Disallowed Schemes – NDPR\)](#).

5.7.74 For the purpose of approval of non-DPR schemes for the FY 2024-25, the Commission has considered the minimum of 20% of the approved DPR value and claim by MSETCL in its Petition for approving the non-DPR related capitalisation. Similarly, for the FY 2025-26 to FY 2029-30, the Commission has considered the minimum of 30% of the approved DPR value and claim by MSETCL in its Petition for approving the non-DPR related capitalisation.

5.7.75 The Commission notes that the intent of the Non-DPR scheme was to execute the small urgent scheme on priority as per the system requirements. However, it is observed that under the Non-DPR schemes, MSETCL claims the capitalisation over multiple years. Further, it is observed that MSETCL is claiming the DPR nature scope such installation /augmentation of ICTs/ Transformers, replacement of conductors by HTLS, second circuit string etc. as part of the non-DPR schemes. It is also observed that major cost under non-DPR capitalisation is allocated for such schemes. The practice being adopted by MSETCL defeats the intent and purpose of the Non-DPR scheme provisions in the MYT Regulations. In view of the above, MSETCL should revisit its approach and align it in line with the provisions of the Capex Regulations, 2022 and applicable MYT Regulations.

5.7.76 Considering the above, the Commission has approved the capitalisation against Non-DPR schemes as discussed in the preceding paragraphs.

**Disallowance of unutilised bays from approved schemes:**

5.7.77 Further, MSETCL has also provided information of the bays associated with schemes capitalised during the period FY 2022-23 to FY 2029-30. This also includes a break-up of utilised and unutilised Bays. MSETCL has considered only the utilised bays for additions during the period FY 2022-23 to FY 2029-30. The Commission has identified unutilised bays against schemes which have been approved in the present Order (Approved, restricted and shifted schemes). The cost of bay has been considered as per the MTR Order Case no. 232 of 2022.

**Table 78: Cost per bay as provided by MSETCL (Rs. Crore per bay)**

Sr. No.	Voltage level	Cost Per bay GIS Rs. Crore including taxes + Loading	Cost Per bay AIS Rs. Crore including taxes + loading	Reference of the cost
1	400 kV	4.58	-	For GIS – SOR 2022
2	220 kV	2.19	1.83	

Sr. No.	Voltage level	Cost Per bay GIS Rs. Crore including taxes + Loading	Cost Per bay AIS Rs. Crore including taxes + loading	Reference of the cost
3	132 kV	1.46	1.00	For AIS – Lonar scheme BR No. 157/22 dt. 17 October, 2022 For GIS – SOR 2022
4	33/22 kV	0.53	0.35	SOR - 2022

5.7.78 The Commission has identified such unutilised bays and the associated capitalisation for the purpose of disallowing as given in the table below:

**Table 79: Unutilised bays from approved schemes and the capitalisation, as disallowed by the Commission (Rs. Crore)**

Number of Bays (AIS Bays)	FY 2022-23	FY 2023-24	Cost per Bay (Rs. Crore / Bay)
220 kV	-	2.00	1.83
132 kV	-	2.00	1.00
110 kV	2.00	-	1.00*
33 kV	11.00	19.00	0.35
<b>TOTAL AIS</b>	<b>13.00</b>	<b>23.00</b>	
<b>Number of Bays (GIS Bays)</b>			
400 kV	-	-	4.58
220 kV	-	-	2.19
132 kV	-	-	1.46
33 kV	2.00	2.00	0.53
<b>TOTAL GIS</b>	<b>2.00</b>	<b>2.00</b>	
<b>TOTAL BAYS</b>	<b>15.00</b>	<b>25.00</b>	
<b>Disallowed Cost (Rs. Crore)</b>			<b>TOTAL</b>
Total Capitalisation Disallowed AIS	5.85	12.31	
Total Capitalisation Disallowed AIS	1.06	1.06	
<b>Total Capitalisation Disallowed</b>	<b>6.91</b>	<b>13.37</b>	<b>20.28</b>

\* For 110 kV bay, the available rate for 132 kV has been considered.

5.7.79 As regards the unutilised bays, MSETCL has been submitting that on many occasions the bays are unutilised in account of reasons attributable to the distribution licensees or consumers. MSETCL as a Transmission Licensee creates the transmission infrastructure which also includes bays on request from the Distribution Licensee or consumers. However, post creation of the bays, the Distribution Licensee or consumers are not able to utilise the bays immediately and MSETCL, for no fault on its part, is penalised by the Commission by not allowing capitalisation claimed against such bays and also not allowing recovery of the associated O&M expenses. In this context, 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)***

5.7.80 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.

- 5.7.81 Accordingly, the Commission directs STU to 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 unutilized bays for normative O&M expenses and the associated capitalisation has also not been allowed for FY 2022-23 and FY 2023-24, respectively.
- 5.7.82 The above disallowed capitalisation is a temporary disallowance of the cost and MSETCL can claim it in future subject to the bays being put to use. However, the Commission shall approve at depreciated cost in line with the capex approval Regulations. The details of these bays are provided at [Annexure 4 \(k\): List of unutilised bays from approved capital schemes \(MYT Order in Case No. 178 of 2024\)](#).
- 5.7.83 Further, the previously disallowed capitalisation allowed now in this MYT Order is included in addition in the truing up year and Provisional truing up year, as applicable.
- 5.7.84 The capitalisation for FY 2022-23, FY 2023-24 and FY 2024-25 approved by the Commission after prudence check is given in the Table below:

**Table 80: Capitalisation for FY 2022-23, FY 2023-24 and FY 2024-25, as approved by the Commission (Rs Crore)**

Particulars	FY 2022-23	FY 2023-24	FY 2024-25
DPR Capitalisation	895.66	822.81	1,876.04
Non-DPR Capitalisation	114.53	109.81	353.39
Less: Cap. Linked to unutilised Bays for approved / shifted / restricted schemes*	6.91	13.37	0.00
Add: Past period disallowed capitalisation – Bays*	4.00	0.44	0.29
Add: Impact of past disallowed capitalisation against unutilised bays from approved schemes (as identified in MTR Order in Case No. 232 of 2022), which are put to use*	9.91	5.98	7.81
Add: Past period disallowed capitalisation – Capex scheme*	18.56	11.32	0.00
Add: Shifted schemes approved*	219.90	60.85	93.82
<b>Total approved capitalisation</b>	<b>1,255.64</b>	<b>997.84</b>	<b>2,331.35</b>

\* The capitalisation is approved in Section 3 of this Order.

- 5.7.85 The capitalisation for FY 2025-26 to FY 2029-30 approved by the Commission after prudence check is given in the Table below:

**Table 81: 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 Capitalisation	3,603.89	3,799.86	1,513.04	966.58	966.58
Non-DPR Capitalisation	829.54	959.61	453.91	289.97	33.00
Add: Shifted schemes approved	53.00	15.33	-	-	-
<b>Total approved capitalisation</b>	<b>4,486.42</b>	<b>4,774.80</b>	<b>1,966.95</b>	<b>1,256.56</b>	<b>999.58</b>

5.7.86 **The Commission approves capitalisation of Rs 1,255.64 Crore & Rs 997.84 Crore on truing -up of FY 2022-23 & FY 2024-24 respectively, Rs 2,331.35 Crore on provisional truing-up of FY 2024-25 and Rs 4,486.42 Crore, Rs 4,774.80 Crore, Rs 1,966.95 Crore, Rs 1,256.56 Crore, Rs 999.58 Crore against projections for the period FY 2025-26 to FY 2029-30.**

**Third party validation of identified DPR schemes:**

5.7.87 The Regulation 8.2 of Capex Regulations, 2022 covers the provision relating to third party validation of schemes. The Relevant extract of this regulation is reproduced below:

*“8.2 The Prudence Check for in-principle approval of DPR Schemes shall comprise detailed scrutiny of the following parameters inter-alia:*

*(1) Whether the Applicant has submitted all the essential data, justification and documentary evidence, as specified in Regulation 5;*

*(2) Technical Evaluation criteria*

*...*

*u. Requirement of third-party verification on case-to-case basis, if considered appropriate by the Commission;”*

5.7.88 Further, the proviso 4 of the Regulation 24.1 of MYT Regulations, 2019 also states the following:

*“24.1 Capital cost for a capital investment Project shall include:*

*.....*

*Provided also that the Commission may undertake a sample check to verify the assets put to use as submitted by the Generating Company or Licensee or SLDC, as the case may be, independent of the tariff determination process:*

*..... ”*

5.7.89 Similar provision is also there in MYT Regulations, 2024.

5.7.90 The Regulation 8.2 of Capex Regulations, 2022 covers the provision relating to third party validation of schemes. Similarly, the 4<sup>th</sup> proviso of Regulation 24.1 of the MYT Regulation 2019 and Regulations 24.2 of MYT Regulation 2024 state that the Commission may undertake a sample check to verify the assets put to use as submitted by the Licensees and the same may be independent of the tariff determination process.

5.7.91 The Commission has observed that certain important / critical schemes being implemented by MSETCL have been significantly delayed and this has also led to significant cost

escalation apart from the time overrun. The Commission is concerned about such delays and the resultant impact on the consumers on account of such schemes. Two of the identified schemes have been initiated prior to FY 2010-11 and one schemes is initiated prior to FY 2020-21. A third part validation of schemes is essential to ensure transparency, assess the efficiency in implementation of the scheme, and ensure accountability in the planning and execution of critical infrastructure projects. The Commission observed significant cost overruns in these schemes and hence a third-party review will help identify the reasons for the cost and time overrun and help MSETCL to address systemic issues, if any, which would enable efficient and cost effective project implementation in the future. This will ensure that the consumers are not burdened with inefficient investments.

**5.7.92 As regards the 220 kV MIDC Lonand Sub-station Scheme, the scheme was initiated in the year 2008 i.e. 14 years ago and the Commission had approved the DPR is December 2010. The scheme is under implementation since then. The Commission in the past has approved capitalisation of Rs. 45.77 Crore against this scheme. Further, during the MTR Order proceedings, the Commission had disallowed additional capitalisation sought by MSETCL against this scheme by stating that “the asset is not put to use and the transformer has also been shifted to another location as there is no load.” In the present Petition also, the Commission has disallowed the capitalisation as this was a past disallowed scheme during the MTR Order and part asset has also not been put to use. Further, it has come to the notice of the Commission that MSEDCL required supply is at 22 kV level in that area. However, MSETCL has installed 220/33 kV Transformers at this sub-station leading to the assets remaining idle. In absence of 33 kV level in MSEDCL area , the Transformers and idle material has been shifted to other places and the scheme is short closed by MSETCL. As evident from the submission, this is a fit case of substantial mismanagement of the scheme wherein the specification of equipment itself has not been considered properly leading to MSETCL installing incorrect distribution voltage level equipment in its substation leading to the asset remaining idle. It is important to identify the reason for such mistake and fix responsibility on the responsible authority/person. Further, till date without installation of the 22 kV feeders at 220 kV Lonand SS, the system is working. It indicates that the scope of work proposed in the year 2008 i.e. 14 years ago was not necessary. In spite of this, MSETCL continued the scheme. Hence, it is important to undertake a 3<sup>rd</sup> party scrutiny or enquiry of the scheme which will be helpful in going to the root of the issue and addressing the systemic lacunae, if any.**

**5.7.93** Accordingly, in view of the above, the Commission hereby states that it will undertake a third-party validation of the following schemes or any other scheme that deem fit:

- 220 kV Warud s/s and associated lines (SS/2008-09/031)
- Establishment of 400kV Kudus S/S and associated lines (STU Plan 17-18) (SS/2010-11/004)
- 400 kV Kalwa-Padghe Ckt-I & II – HTLS (LE/2020-21/014)
- 220 kV MIDC Lonand Sub-station (SS/2008-09/017)
- Augmentation of 2 nos. of EHV Substation by replacement of ICTs under Vashi Zone

(TR/2019-20/004) etc

**Critical schemes for monitoring:**

5.7.94 The Commission has identified certain critical schemes for monitoring purpose. MSETCL/STU is directed these schemes on regular basis so as to complete the scheme within the scheduled time and help the transmission system in managing the load and evacuating the contracted RE power of the Distribution Licensees. The list is given below:

**Table 82: List of MSETCL critical schemes for monitoring**

Sr. No.	Name of the scheme
1	400 kV Pimpalgaon SS District Nashik
2	400 kV Kudus and Associated Lines
3	400 kV Velgaon SS (TBCB)
4	Augmentation of various existing 400 kV substations and installation of Reactors
5	Installation of Capacitor Banks at Various EHV Substations and Lines
6	RE Power Evacuation Schemes
7	Schemes for Strengthening of Pune Ring Main and Nashik Ring main.
8	220 kV Warud SS and Associated Lines.

**5.8 Depreciation for FY 2022-23 and FY 2023-24**

***MSETCL's Submission***

**FY 2022-23**

5.8.1 MSETCL submitted that, for working out the depreciation, opening GFA for FY 2022-23 has been considered as per the closing GFA as approved by the Commission for FY 2021-22 calculated after taking into account the impact of capitalisation claimed against the disallowed capitalisation. The retirements have been taken as per actuals in books and grants amount has been reduced from GFA for depreciation purpose. The total retirement of assets for FY 2022-23 have been considered as Rs. 34.95 Crore.

5.8.2 MSETCL also submitted that the depreciation has been calculated considering the average depreciation rate of 3.83% for FY 2022-23. The rate has been computed considering total depreciation as per the audited accounts excluding GFA and depreciation pertaining to Financial Restructuring Plan (**FRP**). The details pertaining to FRP element is attached as Annexure -19 of revised Petition.

**FY 2023-24**

5.8.3 MSETCL submit that for working out the depreciation, opening GFA for FY 2023-24 has been considered as per the closing GFA for FY 2022-23 submitted by MSETCL in this Petition calculated after taking into account the impact of capitalisation claimed against the past disallowed capitalisation. The retirements have been taken as per actuals in books and



grants amount has been reduced from GFA for depreciation purpose. The total retirement of assets for FY 2023-24 have been considered as Rs. 24.43 Crore.

5.8.4 MSETCL also submitted that the depreciation has been calculated considering the average depreciation rate of 3.81% for FY 2023-24. The rate has been computed considering total depreciation as per the audited accounts excluding GFA and depreciation pertaining to FRP.

5.8.5 MSETCL requested to allow the Depreciation as computed in Table below:

**Table 83: Depreciation for FY 2022-23, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Particulars	MTR Order	FY 2022-23 Actuals
1	<b>Opening GFA</b>	<b>28,840.87</b>	<b>28,921.36</b>
2	Add: Additional Capitalization during the year	2,019.87	1,412.92
3	Less: Retirement/Adjustments	12.81	34.95
4	Less: Grant		18.86
5	<b>Closing GFA</b>	<b>30,829.93</b>	<b>30,280.48</b>
6	Average Depreciation Rate	3.97%	3.83%
7	<b>Total Depreciation</b>	<b>1,183.27</b>	<b>1,133.10</b>

**Table 84: Depreciation for FY 2023-24, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Particulars	MTR Order	FY 2023-24 Actuals
1	<b>Opening GFA</b>	<b>30,911.58</b>	<b>30,280.48</b>
2	Add: Additional Capitalization during the year	1,482.01	1,178.20
3	Less: Retirement/Adjustments	13.64	24.43
4	Less: Grant	-	45.89
5	<b>Closing GFA</b>	<b>32379.94</b>	<b>31,388.35</b>
6	Average Depreciation Rate	4.00%	3.81%
7	<b>Total Depreciation</b>	<b>1260.13</b>	<b>1,175.38</b>

### ***Commission's Analysis and Ruling***

5.8.6 For FY 2022-23, the Commission notes MSETCL's submissions, and has approved depreciation in line with the MYT Regulations, 2019. The Commission has considered the closing GFA of FY 2021-22 approved in MTR Order Case No. 232 of 2022 as the opening GFA for FY 2022-23. The Commission has allowed the impact of disallowance of reactor scheme funded through the PSDF fund as elaborated in the para 4.4 of this Order. Accordingly, the opening GFA has been considered as Rs. 28,845.84 Crore after adding the impact of the PSDF scheme of Rs. 4.97 Crore to the opening balance of Rs 28,840.87 Crore approved in the MTR Order in Case No. 232 of 2022. However, the Commission has not included the impact of capitalization claimed against the past disallowed capitalization in the Opening GFA for FY 2022-23 as per MSETCL's submission. The capitalisation approved by the Commission against past disallowed capitalisation is considered as addition during the year in which it has been approved by the Commission.



- 5.8.7 Similarly, the Commission has considered the closing GFA for FY 2022-23 approved in this Order as the opening GFA for FY 2023-24.
- 5.8.8 Further, addition in assets in FY 2022-23 and FY 2023-24 is considered as per the capitalisation approved at Para 5.7.83 of this Order which also includes the past disallowed capitalization approved by the Commission in this Order and disallowance pertaining to unutilised bays from approved schemes.
- 5.8.9 The Commission has computed the applicable depreciation rate by considering the depreciation amount as a percentage of the average of actual opening GFA and closing GFA as per the Audited Annual Accounts for FY 2022-23 and FY 2023- 24, which amounts to 3.83% and 3.81%, respectively, for the calculation of depreciation
- 5.8.10 The Commission has considered retirement of assets during the year as per MSETCL submission to arrive at the closing balance of assets. As observed in the previous Petition as well, the Commission notes that the quantum of retirement considered by MSETCL is significantly low as compared to the overall asset base. This also has to be looked at from the perspective that the Commission has been approving large number of replacement or augmentation related schemes in the capital investment plan of MSETCL. Considering this fact, the retirement of assets booked by MSETCL in its audited accounts appears to be on a lower side. The Commission had raised this issue in the previous MTR Order as well and had directed MSETCL to examine this aspect and ensure that the retirements of assets are reflective of the assets being scrapped/replaced/augmented under various capital expenditure schemes. MSETCL was also directed to submit its findings in this matter in the next MYT Petition. Accordingly, MSETCL has submitted the details in its compliance to the directive of the Commission in its MYT Petition. According to the submission, MSETCL has prepared a Policy for Asset retirement, Scrap Declaration and Disposal Policy and once in place, this Policy is expected to streamline the booking/ accounting of the retirement of assets. The Commission has noted this submission, and the follow-on directive has been included in the section covering the compliance to the Commission's directives.
- 5.8.11 Accordingly, depreciation for FY 2022-23 and FY 2023-24 has been computed on the average of opening and closing GFA approved by the Commission and the approved depreciation rate as mentioned in Para 5.8.9. Accordingly, the Commission approves the Depreciation for FY 2022-23 and FY 2023-24 as summarised in Table below:

**Table 85: Depreciation for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)**

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Opening GFA	28,840.87	28,921.36	28,845.84	30,911.58	30,047.67	30,047.67
Add: Additional Capitalization during the year	2,019.87	1,412.92	1,255.64	1,482.01	1,178.21	997.84
Less: Retirement/Adjustments	12.81	34.95	34.95	13.64	24.43	24.43
Less: Grant	-	18.86	18.86	-	45.89	45.89
Closing GFA	30,847.93	30,280.48	30,047.67	32,379.95	31,155.55	30,975.19
Average Depreciation Rate	3.97%	3.83%	3.83%	4.00%	3.81%	3.81%
<b>Total Depreciation</b>	<b>1,184.82</b>	<b>1,133.10</b>	<b>1,127.20</b>	<b>1,265.83</b>	<b>1,166.51</b>	<b>1,163.07</b>

**5.8.12 The Commission approves Depreciation of Rs. 1,127.20 Crore on Truing-up of ARR for FY 2022-23 and Rs. 1,163.07 Crore for FY 2023-24.**

## **5.9 Interest on Long Term Loan for FY 2022-23 and FY 2023-24**

### ***MSETCL's Submission***

- 5.9.1 MSETCL submitted that, it has computed the interest expenses on normative basis linked to the normative opening loan and normative loan addition during the year.
- 5.9.2 MSETCL submitted that the Regulation 30.5 of the MYT Regulations 2019 provides that at the time of Truing-up, the weighted average rate of interest computed on the basis of the actual loan portfolio during the concerned year shall be considered as the rate of interest.
- 5.9.3 The capital expenditure for FY 2022-23 is funded through existing loans from KFW, REC, PFC, Bank of India, Canara Bank, Bank of Maharashtra and ICICI. Further, MSETCL has also started availing Special Assistance – Interest free GoM loan of Rs. 120 Crore for Capex funding. The weighted average rate of interest computed based on the actual loan portfolio for FY 2022-23 is 9.05%. Similarly, the capital expenditure for FY 2023-24 is funded through existing loans from KFW, REC, PFC, Bank of India, Canara Bank, Bank of Maharashtra, ICICI and Interest Free GoM Loan. The weighted average rate of interest computed based on the actual loan portfolio for FY 2023-24 is 9.36%.
- 5.9.4 MSETCL has submitted the loan balance confirmation, interest certificates and computation of weighted average rate of interest along with the revised Petition.
- 5.9.5 MSETCL has considered the opening balance of loan for FY 2022-23 same as the closing balance of loan of FY 2021-22 after taking into account impact of capitalisation claimed against the past disallowed capitalisation. Similarly, MSETCL has considered the opening balance of loan for FY 2023-24 same as the closing balance of loan of FY 2022-23 submitted by MSETCL in its Petition. MSETCL has considered weighted average debt-equity ratio as explained earlier.
- 5.9.6 Considering the normative opening loan, normative loan addition during the year and loan repayment equal to depreciation and the weighted average interest rate of actual loan

portfolio, MSETCL has computed the interest expenses on normative basis as summarized in table below:

**Table 86: Interest Expenses for FY 2022-23, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Source of Loan	MTR Order	FY 2022-23 Actuals
1	Opening Balance of Net Normative Loan	6,544.92	6,602.57
2	Retirement of Assets	12.81	34.95
3	Debt % considered for reduction in loan due to retirement / adjustment of assets	80%	80%
4	Less: Reduction of Normative Loan due to retirement or replacement of assets	10.25	27.96
	Less: Grants	18.00	18.86
5	<b>Total capitalization</b>	<b>2,001.87</b>	<b>1,394.06</b>
6	Debt Component	76.90%	75.62%
7	Addition of Normative Loan due to capitalisation during the year	1,539.34	1,054.18
8	Repayment of Normative loan during the year	1,183.27	1,133.10
9	Closing Balance of Net Normative Loan	6,890.74	6,495.69
10	<b>Average Balance of Net Normative Loan</b>	-	<b>6,549.13</b>
11	Weighted average Rate of Interest on actual Loan (%)	8.97%	9.05%
12	<b>Interest Expenses</b>	<b>602.8</b>	<b>592.77</b>

**Table 87: Interest Expenses for FY 2023-24, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Source of Loan	MTR Order	FY 2023-24 Actuals
1	Opening Balance of Net Normative Loan	6,890.74	6,495.79
2	Retirement of Assets	13.64	24.43
3	Debt % considered for reduction in loan due to retirement / adjustment of assets	80%	80%
4	Less: Reduction of Normative Loan due to retirement or replacement of assets	10.92	19.55
	Less: Grants	-	45.89
5	<b>Total capitalization</b>	<b>1,436.71</b>	<b>1,132.31</b>
6	Debt Component	75.98%	75.11%
7	Addition of Normative Loan due to capitalisation during the year	1,091.61	850.52
8	Repayment of Normative loan during the year	1,260.13	1,175.38
9	Closing Balance of Net Normative Loan	6,711.31	6,151.29
10	<b>Average Balance of Net Normative Loan</b>	-	<b>6,323.49</b>
11	Weighted average Rate of Interest on actual Loan (%)	8.97%	9.36%
12	<b>Interest Expenses</b>	<b>610.27</b>	<b>591.81</b>

5.9.7 MSETCL also submitted that, the Commission in para 5.9.15 of MTR Order dated 31 March 2023 in Case No. 232 of 2022 has approved passing of the benefits of refinancing transmission through interest and finance charges during FY 2022-23 and FY 2023-24. MSETCL for the purpose of truing-up has claimed such approved amount.

5.9.8 MSETCL requested the Commission to approve the normative interest expenses as submitted in the above paragraphs including the benefit of refinancing transaction through interest and finance charges.

***Commission's Analysis and Ruling***

5.9.9 The Commission has considered the closing balance of FY 2021-22 approved in MTR Order in Case No. 232 of 2022 as the opening GFA for FY 2022-23. As discussed in para 5.8.6, the Commission has not included the impact of capitalization claimed against the disallowed capitalization in the opening balance of loans GFA for FY 2022-23. Similarly, the opening balance of loan for FY 2023-24 is considered the same as the closing balance of FY 2022-23 approved in this Order.

5.9.10 The Commission observed that MSETCL has funded different capital expenditure schemes at different debt-equity ratios of 80:20, 75:25 and 70:30 depending on the scheme. Few schemes which are partially funded by grant such as Green Energy Corridor schemes (Grant: 60% (MNRE-40% + GoM Equity 20%), Debt: 40% (kfW); Power System Development Fund (PSDF) – 90% Grant and 10% Equity and State Government support for Tribal Area (Grant 50% & Equity 50%).

5.9.11 MSETCL has provided the funding retails for each of the scheme for which the capitalisation has been sought by MSETCL. Based on the available financing details for the schemes, a weighted average debt-equity ratio of 75.62:24.38 for FY 2022-23, 75.10:24.90 for FY 2023-24 has been worked out by MSETCL. The Commission adopted the methodology similar to that considered by MSETCL and recomputed the debt: equity based on the available financing details for the schemes, a weighted average debt-equity ratio of 75.48:24.52 for FY 2022-22, and 75.42:24.58 for FY 2023-24. The addition to the normative loans is based on capitalisation approved for FY 2022-23 and FY 2023-24 in this Order and considering the debt: equity ratio as mentioned previously.

5.9.12 The Commission has considered the repayment of normative loan equal to the depreciation approved for FY 2022-23 and FY 2023-24 in this Order. The reduction of loans due to retirement of assets is considered as submitted by MSETCL.

5.9.13 The Commission has examined the computation for weighted average interest rate for the loan portfolio during the FY 2022-23 and FY 2023-24 as well as the documentary evidence substantiating the same. MSETCL has provided documentary evidence in the form of letters from banks / financial institutions, etc. certifying the opening & closing loan balances, interest paid during the year, etc. The opening / closing balance of the loans and the interest paid during the year has been verified from documentary evidence submitted by MSETCL. Considering the same, the Commission has computed the weighted average interest rate at 9.05% and 9.36% for FY 2022-23 and FY 2023-24 respectively and considered the same for computation of the interest expenses on the approved normative loan for FY 2022-23 and FY 2023-24.

5.9.14 The Commission in para 5.9.15 of MTR Order Case No 232 of 2022 mentioned that to considered Rs. 14.11 Crore sharing of gains on refinancing of loan to be recovered through the ARR of FY 2022-23 to FY 2024-25, same has to be considered by the Commission in this Order.

*“5.9.15 The Commission also notes MSETCL’s submission regarding approval for passing on the benefit of the refinancing transaction through the interest and finance charges during FY 2022-23. The Commission has examined the net savings accrued from the refinancing transaction in paras 4.10.7 to 4.10.19 of this Order. Considering that there are net savings from the transaction after considering the cost of refinancing, the Commission has agreed to allow passing on MSETCL’s share of the net benefit over a period of 3 years i.e. FY 2022-23 to FY 2024-25 in line with the submission of MSETCL. Accordingly, the Commission allows an amount of Rs. 14.11 crore to be recovered through the ARR for FY 2022-23.”*

5.9.15 The interest expenses for FY 2022-23 and FY 2023-24 approved by the Commission are as shown in the Table below:

**Table 88: Interest on Loans for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)**

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
<b>Opening Balance of Net Normative Loan</b>	<b>6,544.92</b>	<b>6,602.57</b>	<b>6,544.92</b>	<b>6,890.74</b>	<b>6,495.69</b>	<b>6,323.25</b>
Retirement of Assets	12.81	34.95	34.95	13.64	24.43	24.43
Debt % considered for reduction in loan due to retirement/adjustment of assets	80.00%	80.00%	80.00%	80.00%	80.00%	80.00%
Less: Reduction of Normative Loan due to retirement or replacement of assets	10.25	27.96	27.96	10.92	19.55	19.55
Less: Grant	18.00	18.86	18.86	-	45.89	45.89
Total Capitalization	2,001.87	1,394.06	1,236.78	1,436.71	1,132.31	951.95
Debt Component	76.90%	75.62%	75.48%	75.98%	75.11%	75.42%
Addition of Normative Loan due to capitalisation during the year	1,539.34	1,054.18	933.49	1,091.61	850.52	717.92
Repayment of Normative loan during the year	1,183.27	1,133.10	1,127.20	1,260.13	1,175.38	1,163.07
<b>Closing Balance of Net Normative Loan</b>	<b>6,890.74</b>	<b>6,495.69</b>	<b>6,323.25</b>	<b>6,711.31</b>	<b>6,151.29</b>	<b>5,858.56</b>
<b>Average balance of net Normative Loan</b>	<b>6,717.83</b>	<b>6,549.13</b>	<b>6,434.09</b>	<b>6,801.03</b>	<b>6,323.49</b>	<b>6,090.91</b>
Weighted average Rate of Interest on actual Loans (%)	8.97%	9.05%	9.05%	8.97%	9.36%	9.36%
<b>Interest Expenses</b>	<b>602.59</b>	<b>592.77</b>	<b>582.36</b>	<b>610.05</b>	<b>591.81</b>	<b>570.04</b>
Add: Sharing of gains on Re-financing / Swapping of Loan (spread over 3 years)	14.11	14.11	14.11	14.11	14.11	14.11
<b>Total Interest Expenses</b>	<b>616.70</b>	<b>606.88</b>	<b>596.47</b>	<b>624.16</b>	<b>605.92</b>	<b>584.15</b>

**5.9.16 The Commission approves Interest on Long Term Loan along with the sharing of gains on refinancing / swapping of loans as Rs. 596.47 Crore on Truing-up of ARR for FY 2022-23 and Rs. 584.15 Crore for FY 2023-24.**

## **5.10 Other Finance Charges for FY 2022-23 and FY 2023-24**

### ***MSETCL’s Submission***

5.10.1 MSETCL submitted that the Regulation 30.8 of the MYT Regulations, 2019 provides that the finance charges shall be allowed at the time of True-up. The relevant extract is reproduced below:

*“30.8 The finance charges incurred for obtaining loans from financial institutions for any Year shall be allowed by the Commission at the time of Truing-up, subject to prudence check.”*

5.10.2 MSETCL has incurred Other Finance Charges amounting to Rs. 0.18 Crore and 0.36 Crore during the FY 2022-23 FY 2023-24 respectively. These are the Bank Charges, Commitment Charges, and Service Fee (for raising finance).

**Table 89: Other Finance Charges for FY 2022-23, as submitted by MSETCL (Rs. Crore)**

Particulars	MTR Order	FY 2022-23 (Audited) Actuals
Other Interest and Financing Charges	1.00	0.18

**Table 90: Other Finance Charges for FY 2023-24, as submitted by MSETCL (Rs. Crore)**

Particulars	MTR Order	FY 2023-24 (Audited) Actuals
Other Interest and Financing Charges	1.00	0.36

5.10.3 MSETCL requested the Commission to allow the other Finance Charges as per the Audited accounts.

#### ***Commission’s Analysis and Ruling***

5.10.4 The Commission noted that MSETCL has incurred Other Finance Charges due to Bank charges, Commitment charges, and Service fees for raising finance for FY 2022-23 and FY 2023-24. As per Regulation 30.8 of MYT Regulation, 2019 the Commission has considered Rs. 0.18 Crore and 0.36 Crore during the FY 2022-23 and FY 2023-24 respectively.

**Table 91: Other Finance Charges for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)**

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Other Interest and Finance charges	1.00	0.18	0.18	1.00	0.36	0.36

5.10.5 **The Commission approves the actual Interest and Finance Charges of Rs. 0.18 Crore and Rs. 0.36 Crore on Truing-up of ARR for FY 2022-23 and FY 2023-24 respectively, as claimed by MSETCL.**

#### **5.11 Interest on Working Capital for FY 2022-23 and FY2023-24**

##### ***MSETCL’s Submission***

5.11.1 MSETCL has computed the Interest on Working Capital (**IoWC**) based on the norms and the actual audited elements of ARR like O&M expenses, Gross Fixed assets and revenue from Transmission Charges considering the provisions of the Regulation 32.2 of MYT Regulations, 2019

5.11.2 The MYT Regulations, 2019 stipulate that the rate of interest on working capital shall be equal to weighted average Base Rate prevailing during the concerned year plus 1.5%. MSETCL has considered weighted average of applicable Base Rate prevailing during the year as 7.80% plus 1.5% equals to work out the applicable rate of 9.30% for FY 2022-23 and the same has been considered for determining IoWC. The details of the IoWC for FY 2022-23 claimed by MSETCL are shown in the Table below:

**Table 92: Interest on Working Capital for FY 2022-23, as submitted by MSETCL (Rs. Crore)**

Particulars	MTR Order	Normative	FY 2022-23 Audited (Actuals)
Interest on Working capital	98.72	100.81	2.77

5.11.3 Similarly, MSETCL has considered weighted average of applicable Base Rate prevailing during the year as 8.57% plus 1.5% equals to work out the applicable rate of 10.07% and the same has been considered for determining IoWC for FY 2023-24 as shown in the Table below:

**Table 93: Interest on Working Capital for FY 2023-24, as submitted by MSETCL (Rs. Crore)**

Particulars	MTR Order	Normative	FY 2023-24 Audited (Actuals)
Interest on Working capital	122.67	132.88	0.31

5.11.4 MSETCL also submitted that, due to effective management of cash flow, MSETCL was able to prudently meet its working capital requirement in FY 2022-23 and FY 2023-24.

### ***Commission's Analysis and Ruling***

5.11.5 The Commission scrutinized the submissions of MSETCL regarding the computation of IoWC. MSETCL has considered the normative O&M expenses, maintenance spares and Revenue from Transmission Charges for FY 2022-23 and FY 2023-24 for the Computation of the Normative working capital requirement.

5.11.6 The Commission has computed the revised normative working capital requirement for FY 2022-23 and FY 2023-24 in accordance with Regulation 32.2 of MYT Regulation, 2019 as follows:

- Revised normative O&M expenses based on the actual Bays and ckt. km. as approved in this Order for the relevant year is considered for calculating working capital requirements.
- The maintenance spares are computed a 1% of the opening GFA for the relevant year as approved in this Order.
- Revenue from Transmission charges from TSUs for the relevant year is considered as per the applicable InSTS Order after deducting the rebate given to TSUs for prompt payment during the relevant years.

5.11.7 The Commission has considered weighted average one year Marginal Cost of Funds Based Lending Rate (**MCLR**) Rate prevailing during the concerned year plus 1.5%, same as that submitted by MSETCL. The Commission has considered weighted average Base Rate as



7.80% plus 1.5% i.e. 9.30% for FY 2022-23, 8.57% plus 1.5% for FY 2023-24 i.e. 10.07% for FY 2023-24 as the applicable rate of interest.

5.11.8 The actual IoWC for FY 2022-23 and FY 2023-24 as per the audited account is Rs. 2.77 Crore and Rs. 0.31 Crore.

5.11.9 Based on the above, the IoWC approved by the Commission for FY 2022-23 and FY 2023-24 is as given in the Table below:

**Table 94: Interest on Working Capital for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)**

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Operations and Maintenance Expenses for one month	168.46	194.74	168.73	179.00	206.63	206.57
Maintenance Spares @1% of the Opening GFA	289.05	289.21	288.46	309.12	302.99	300.67
One and a half months of the expected revenue from transmission charges at the prevailing tariffs	587.19	600.22	600.22	810.02	810.62	810.62
Less: Amount of Security Deposit from Transmission System Users	-	-	-	-	-	-
<b>Total Working Capital Requirement</b>	<b>1,044.70</b>	<b>1,084.17</b>	<b>1,057.40</b>	<b>1,298.14</b>	<b>1,320.25</b>	<b>1,317.86</b>
Interest Rate (%)	9.45%	9.30%	9.30%	9.55%	10.07%	10.07%
<b>Normative Interest on Working Capital</b>	<b>98.72</b>	<b>100.81</b>	<b>98.33</b>	<b>122.67</b>	<b>132.88</b>	<b>132.64</b>
<b>Actual Interest on Working Capital</b>	<b>-</b>	<b>2.77</b>	<b>2.77</b>	<b>-</b>	<b>0.31</b>	<b>0.31</b>

5.11.10 The Commission approves the revised normative IoWC of Rs. 98.33 Crore on Truing-up of ARR for FY 2022-23 and Rs. 132.64 Crore for FY 2023-24. The net entitlement of MSETCL towards the IoWC after sharing of efficiency gains/losses is set out subsequently.

## 5.12 Return on Equity for FY 2022-23 and FY 2023-24

### *MSETCL's Submission*

5.12.1 MSETCL has computed the Return on Equity (RoE) for FY 2022-23 in accordance with the Regulation 29 of the MYT Regulations, 2019. MSETCL has considered the opening balance of equity for FY 2022-23 same as the closing balance of equity of FY 2021-22 after taking into account impact of capitalisation claimed against the disallowed capitalisation. Similarly, MSETCL has considered the opening balance of equity for FY 2023-24 same as the closing balance of equity of FY 2022-23 submitted by MSETCL in this Petition.

5.12.2 MSETCL has claimed the RoE for FY 2022-23 and FY 2023-24 in line with the provision of the MYT Regulation 2019.

### **Additional Rate of Return on Equity**

#### **FY 2022-23 and FY 2023-24**

5.12.3 MSETCL submitted that, it has computed additional rate of RoE for FY 2022-23 and FY 2023-24 in accordance with Regulation 29 of the MYT Regulations, 2019.



5.12.4 MSETCL also submitted that the transmission system availability of MSETCL for FY 2022-23 and FY 2023-24 is considered as per MSLDC certificate, which is annexed with as **Annexure – 22** of revised Petition. The details of transmission system availability are given in the table below:

**Table 95: Actual Transmission System Availability for FY 2022-23 and FY 2023-24, as submitted by MSETCL**

Particulars	FY 2022-23 Availability	FY 2023-24 Availability
EHV – AC	99.65%	99.69%
HVDC	95.34%	95.29%

5.12.5 MSETCL submitted that, as per the Regulation 29 of MYT Regulations, 2019, MSETCL has calculated Additional ROE Rate for Alternating Current (AC) System & HVDC bi-pole links for FY 2022-23 and FY 2023-24. Further, MSETCL has used the base asset data for FY 2022-23 and FY 2023-24 to calculate the allocation ratio between AC system and HVDC bi-pole link. The details are provided in the table below:

**Table 96: Asset data and ratio for FY 2022-23, as submitted by MSETCL**

Particulars	Gross Block (Rs. Crore)	Ratio
EHVAC	33,760.71	88.69%
HVDC	4,306.76	11.31%
<b>Total</b>	<b>38,067.47</b>	<b>100.00%</b>

**Table 97: Asset data and ratio for FY 2023-24, as submitted by MSETCL**

Particulars	Gross Block (Rs. Crore)	Ratio
EHVAC	34,779.58	88.87%
HVDC	4,356.42	11.13%
<b>Total</b>	<b>39,136.00</b>	<b>100%</b>

**Table 98: Additional RoE rate for FY 2022-23, as submitted by MSETCL**

Particulars	Normative for Fixed Cost recovery	Normative for Incentive	Slab for Additional RoE	Ceiling for Additional ROE	Actual
AC System	98.00%	99.00%	99.50%	99.75%	99.65%
HVDC Bipole	95.00%	96.00%	96.50%	96.75%	95.34%
Additional RoE Rate for AC System	88.69%	1.064%			
Additional RoE Rate for HVDC Bipole	11.31%	0.000%			
<b>Total Additional RoE Rate</b>		<b>1.064%</b>			

**Table 99: Additional RoE rate for FY 2023-24, as submitted by MSETCL**

Particulars	Normative for Fixed Cost recovery	Normative for Incentive	Slab for Additional RoE	Ceiling for Additional ROE	Actual
AC System	98.00%	99.00%	99.50%	99.75%	99.69%
HVDC Bipole	95.00%	96.00%	96.50%	96.75%	95.29%
Additional RoE Rate for AC System	88.87%	1.17%			
Additional RoE Rate for HVDC Bipole	11.13%	0.00%			
<b>Total Additional RoE Rate</b>		<b>1.173%</b>			

5.12.6 Regulation 34 of the MYT Regulation 2019 provides for Income Tax. The relevant extract of the Regulations is reproduced below:

*“34.1 The Income Tax for the Generating Company or Licensee or MSLDC for the regulated business shall be allowed on Return on Equity, including Additional Return on Equity through the Tariff charged to the Beneficiary/ies, subject to the conditions stipulated in Regulations 34.2 to 34.6:*

*...*

***34.2 The rate of Return on Equity, including additional rate of Return on Equity as allowed by the Commission under Regulation 29 of these Regulations shall be grossed up with the effective tax rate of respective financial year.***

*34.3 The base rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:*

*Rate of pre-tax return on equity = Base rate of Return on Equity / (1-t),*

*Where “t” is the effective tax rate*

*34.4 The effective tax rate shall be considered on the basis of actual tax paid in respect of financial year in line with the provisions of the relevant Finance Acts by the concerned Generating Company or Licensee or MSLDC, as the case may be:*

*Provided that, in case of the Generating Company or Licensee or MSLDC has engaged in any other regulated or unregulated Business or Other Business, the actual tax paid on income from any other regulated or unregulated Business or Other Business shall be excluded for the calculation of effective tax rate:*

*Provided further that effective tax rate shall be estimated for future year based on actual tax paid as per latest available Audited accounts, subject to prudence check.*

*34.5 In case of Generating Company or Licensee or MSLDC paying Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess:*

*Illustration:-*

*(a) In case of a Generating Company or Licensee or MSLDC paying Minimum Alternate Tax (MAT) at rate of 21.55% including surcharge and cess:*

*Base rate of return on equity =  $15.50 / (1 - 0.2155) = 19.758\%$*

*(b) In case of Generating Company or Licensee or MSLDC paying normal corporate tax including surcharge and cess:*

*(i) Estimated Gross Income of Company as a whole for FY 2020-21 is Rs. 1,000 crore;*

*(ii) Income Tax for the year on above is Rs 240 crore;*

*(iii) Effective Tax Rate for the year 2019-20 =  $\text{Rs } 240 \text{ Crore} / \text{Rs } 1000 \text{ Crore} = 24\%$ ;*

*(iv) Base rate of return on equity =  $15.50 / (1 - 0.24) = 20.395\%$ .*

*34.6 Variation between the Income Tax estimated by the Commission for future year during MYT Order and Mid Term Review Order and the Income Tax approved by the Commission for the respective Year after truing up for respective year, shall be allowed for recovery as part of the Aggregate Revenue Requirement at the time of Mid-term Review or Truing-up, subject to prudence check:*

... ”

- 5.12.7 MSETCL has been paying Income Tax at corporate Tax rate and hence, same been considered for trueing-up of income tax, i.e 34.94%, for FY 2022-23 and FY 2023-24 as per actual income tax paid (effective tax rate). MSETCL has submitted the documentary evidence towards tax paid along with ITR computation which is annexed as **Annexure - 23** of revised Petition.
- 5.12.8 MSETCL has computed the rate of Return on Equity by grossing up the effective tax rate for FY 2022-23 and FY 2023-24. The table below provides computation of rate of pre-tax RoE:

**Table 100: Rate of Pre-tax RoE for FY 2022-23, as submitted by MSETCL**

Particulars	Formula	FY 2022-23	FY 2023-24
Effective Tax Rate of the Company (%)	a	34.944%	34.944%
Base Rate of Return on Equity (%)	b	14.000%	14.000%
Additional Rate of Return on Equity (%)	c	1.064%	1.173%
Total Rate of Return on Equity (%)	d = b+c	15.064%	15.173%
<b>Rate of Pre-Tax Return on Equity (%)</b>	<b>e = d/ (1-a)</b>	<b>23.156%</b>	<b>23.323%</b>

- 5.12.9 In view of the above, MSETCL has claimed the RoE for FY 2022-23 and FY 2023-24 as shown in table below:

**Table 101: Detailed computation of RoE for FY 2022-23, as submitted by MSETCL**

Rs. Crore				
Sr. No.	Particulars	Formula	MTR Order	FY 2022-23 Actuals
1	Regulatory Equity at the beginning of the year	a	6,800.46	6,823.31
2	Capitalisation during the year	b	2,019.87	1,412.92
3	Consumer Contribution and Grants used during the year for Capitalisation	c	18.00	18.86
4	Equity portion of capitalisation during the year	d	462.53	339.88
5	Reduction in Equity Capital on account of retirement / replacement of assets	e	2.56	6.99
6	Regulatory Equity at the end of the year	f	7,260.43	7,156.20
7	Tax Rate (%)	g	34.944%	34.944%
8	<b>Base Return on Equity Computation</b>			
	Base Rate of Equity (%)	h	14.00%	14.00%
	RoE (%)	$i=h/(1-g)$	21.520%	21.520%
	Return on Regulatory Equity at beginning of year	$j=i*a$	1,463.45	1,468.37
	RoE portion of capitalisation during the year	$k=(d-e)*i/2$	49.49	35.82
	<b>Total Return on Regulatory Equity excluding Additional RoE</b>	<b>l</b>	<b>1,512.95</b>	<b>1,504.19</b>
9	<b>Additional Return on Equity Computation</b>			
	Additional Rate of RoE for Availability (%)	m		1.064%
	RoE (%)	$n=m/(1-g)$		1.636%
	Return on Regulatory Equity at beginning of year	$o=n*a$		111.62
	RoE portion of capitalisation during the year	$p=(d-e)*n/2$		2.72
	<b>Total Additional Return on Equity</b>	<b>q</b>		<b>114.34</b>
10	<b>Total Return on Regulatory Equity</b>	<b>r=l+q</b>	<b>1,512.95</b>	<b>1,618.53</b>

**Table 102: Detailed Computation of RoE for FY 2023-24, as submitted by MSETCL**

Rs. Crore				
Sr. No.	Particulars	Formula	MTR Order	FY 2023-24 Actuals
1	Regulatory Equity at the beginning of the year	a	7,260.43	7,156.20
2	Capitalisation during the year	b	1,482.01	1,178.21
3	Consumer Contribution and Grants used during the year for Capitalisation	c	45.29	45.89
4	Equity portion of capitalisation during the year	d	345.10	281.79
5	Reduction in Equity Capital on account of retirement / replacement of assets	e	2.73	4.89
6	Regulatory Equity at the end of the year	f	7,602.80	7,433.10
7	Tax Rate (%)	g	34.944%	34.944%
8	<b>Base Return on Equity Computation</b>			
	Base Rate of Equity (%)	h	14.00%	14.00%
	RoE (%)	$i=h/(1-g)$	21.520%	21.520%
	Return on Regulatory Equity at beginning of year	$j=i*a$	1,562.44	1,540.01
	RoE portion of capitalisation during the year	$k=(d-e)*i/2$	36.84	29.79
	<b>Total Return on Regulatory Equity excluding Additional RoE</b>	<b>l</b>	<b>1,599.28</b>	<b>1,569.80</b>
9	<b>Additional Return on Equity Computation</b>			
	Additional Rate of RoE for Availability (%)	m		1.173%
	RoE (%)	$n=m/(1-g)$		1.803%
	Return on Regulatory Equity at beginning of year	$o=n*a$		129.04
	RoE portion of capitalisation during the year	$p=(d-e)*n/2$		2.50
	<b>Total Additional Return on Equity</b>	<b>q</b>		<b>131.53</b>
10	<b>Total Return on Regulatory Equity</b>	<b>r=l+q</b>	<b>1,599.28</b>	<b>1,701.34</b>

### ***Commission's Analysis and Ruling***

5.12.10 As per the principle for ROE computation specified in the MYT Regulation, 2019, the Commission considered the closing balance of regulatory equity of FY 2021-22 as the opening balance of equity for FY 2022-23. As discussed in para 5.8.6 the Commission has not included the impact of capitalisation claimed against the past disallowed capitalisation in the opening balance equity for FY 2022-23. However, the Commission has included PSDF impact in opening balance equity for FY 2022-23. Similarly, the opening balance of equity for FY 2023-24 is considered same as the closing balance of FY 2022-23 approved in this Order.

5.12.11 Addition in equity due to approved capitalisation in FY 2022-23 and FY 2023-24 including the impact of previously disallowed capitalisation for past years which has been approved in this Order is considered at the weighted average debt-equity ratio as discussed in para 5.9.10 of this Order.

5.12.12 The Commission has considered retirement of assets same as considered by MSETCL based on the Audited Annual Accounts for FY 2022-23 and FY 2023-24, and reduced equity to the extent of the 20% of the value of retired assets.

5.12.13 As per the principle for ROE computation specified in the MYT Regulation, 2019, the Commission has considered the base RoE rate at 14% for FY 2022-23 and FY 2023-24. Further, Additional ROE is computed based on the Transmission Availability as submitted by MSETCL, as below:

**Table 103: Additional RoE rate for FY 2022-23 and FY 2023-24, as approved by the Commission (%)**

#### **FY 2022-23**

Particulars	Normative for Fixed Cost recovery	Normative for Incentive	Slab for Additional RoE	Ceiling for Additional ROE	Actual
AC System	98.00%	99.00%	99.50%	99.75%	99.65%
HVDC Bipole	95.00%	96.00%	96.50%	96.75%	95.34%
Additional RoE Rate for AC System	88.69%	1.064%			
Additional RoE Rate for HVDC Bipole	11.31%	0.000%			
<b>Total Additional RoE Rate</b>		<b>1.064%</b>			

#### **FY 2023-24**

Particulars	Normative for Fixed Cost recovery	Normative for Incentive	Slab for Additional RoE	Ceiling for Additional ROE	Actual
AC System	98.00%	99.00%	99.50%	99.75%	99.69%
HVDC Bipole	95.00%	96.00%	96.50%	96.75%	95.29%
Additional RoE Rate for AC System	88.87%	1.17%			
Additional RoE Rate for HVDC Bipole	11.13%	0.00%			
<b>Total Additional RoE Rate</b>		<b>1.173%</b>			

5.12.14 The Commission noted the ratio of allocation of ARR into AC system and HVDC system submitted by MSETCL and has approved the additional ROE rate of 1.064% and 1.173% for FY 2022-23 and FY 2023-24, respectively.

5.12.15 The Commission has also grossed up the ROE for Income tax at the effective tax rate for FY 2022-23 and FY 2023-24. In line with the provisions of the MYT Regulations, 2019, the Commission checked the actual rate of income tax at which MSETCL had paid the income tax in FY 2022-23 and FY 2023-24. MSETCL has considered corporate tax rate of 34.94% for grossing up the RoE in FY 2022-23 and FY 2023-24. Accordingly, the effective rate of pre-tax RoE is worked out to 23.156% and 23.323% for FY 2022-23 and FY 2023-24, respectively, based on the available information. The table below provides computation of rate of pre-tax RoE:

**Table 104: Computation of rate of pre-tax RoE, as approved by the Commission (%)**

Particulars	Formula	FY 2022-23	FY 2023-24
Effective Tax Rate of the Company (%)	a	34.944%	34.944%
Base Rate of Return on Equity (%)	b	14.000%	14.000%
Additional Rate of Return on Equity (%)	c	1.064%	1.173%
Total Rate of Return on Equity (%)	d = b+c	15.064%	15.173%
<b>Rate of Pre-Tax Return on Equity (%)</b>	<b>e = d/ (1-a)</b>	<b>23.156%</b>	<b>23.323%</b>

5.12.16 Accordingly, the Commission has considered the RoE at the rate of 23.156% for FY 2022-23 and 23.323% for FY 2023-24. RoE as approved by the Commission for FY 2022-23 and FY 2023-24 is shown in table below:

**Table 105: Return on Equity for FY 2022-23 and FY 2023-24, as approved by Commission (Rs. Crore)**

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Regulatory Equity at the beginning of the year	6,800.46	6,823.31	6,805.43	7,260.43	7,156.20	7,101.73
Capitalisation during the year	2,019.87	1,412.92	1,255.64	1,482.01	1,178.21	997.84
Consumer Contribution and Grants used during the year for Capitalisation	18.00	18.86	18.86	45.29	45.89	45.89
Equity portion of capitalisation during the year	462.53	339.88	303.29	345.10	281.79	234.03
Reduction in Equity Capital on account of retirement / replacement of assets	2.56	6.99	6.99	2.73	4.89	4.89
<b>Regulatory Equity at the end of the year</b>	<b>7,260.43</b>	<b>7,156.20</b>	<b>7,101.73</b>	<b>7,602.80</b>	<b>7,433.10</b>	<b>7,330.87</b>
<b>RoE %</b>	<b>21.52%</b>	<b>23.16%</b>	<b>23.16%</b>	<b>21.52%</b>	<b>23.32%</b>	<b>23.32%</b>
Return on Regulatory Equity at the beginning of the year	1,463.46	1,579.99	1,575.85	1,562.44	1,669.05	1,656.34
Return on Equity portion of capitalisation during the year	49.49	38.54	34.31	36.84	32.29	26.72
<b>Total Return on Regulatory Equity excluding additional RoE</b>	<b>1,512.95</b>	<b>1,618.53</b>	<b>1,610.16</b>	<b>1,599.28</b>	<b>1,701.34</b>	<b>1,683.06</b>
<b>Additional RoE Computation</b>						
Additional rate of RoE for Availability (%)		<b>1.064%</b>	<b>1.064%</b>		<b>1.173%</b>	<b>1.173%</b>
RoE(%)						
Return on Equity at beginning of year		72.62	72.43		83.95	83.31
RoE poerion of capitalisation during the year		3.62	3.23		3.31	2.75
<b>Total Additional Return on equity</b>		<b>76.23</b>	<b>75.65</b>		<b>87.25</b>	<b>86.05</b>
<b>Total Return on Equity on regulatory Equity</b>	<b>1,512.95</b>	<b>1,694.77</b>	<b>1,685.81</b>	<b>1,599.28</b>	<b>1,788.59</b>	<b>1,769.12</b>

5.12.17 The Commission approves the total Return on Equity of Rs. 1,685.51 Crore and Rs. 1,769.12 Crore on Truing-up of ARR for FY 2022-23 and FY 2023-24 respectively.

### 5.13 Contribution to Contingency Reserves for FY 2022-23

#### *MSETCL's Submission*

5.13.1 Contribution towards Contingency Reserves is made in accordance with Regulation 35 of MYT Regulations, 2019 and within the prescribed limits (not less than 0.25 % and not more than 0.5% of the original cost of fixed assets annually), and is invested in the approved class of securities authorized under the Indian Trusts Act, 1882.

5.13.2 MSETCL submitted that it has made a contribution of contingency reserves of 0.25% of original fixed assets for FY 2022-23 and FY 2023-24. Therefore, MSETCL requested the Commission to approve the Contribution towards Contingency Reserves based on Audited Accounts for FY 2022-23 and FY 2023-24. MSETCL has submitted the investment proof for the said amount along with excel based reconciliation of the investments as **Annexure – 21** to the revised Petition.

5.13.3 The details of the Contribution towards Contingency Reserves for FY 2022-23, and FY 2023-24 as claimed by MSETCL are as shown in the Table below:

**Table 106: Contribution to Contingency Reserve for FY 2022-23, as submitted by MSETCL (Rs. Crore)**

Particulars	MTR Order	FY 2022-23
Contribution to Contingency Reserve	72.10	73.15

**Table 107: Contribution to Contingency Reserve for FY 2023-24, as submitted by MSETCL (Rs. Crore)**

Particulars	MTR Order	FY 2023-24
Contribution to Contingency Reserve	77.07	76.78

#### *Commission's Analysis and Ruling*

5.13.4 The Commission verified that the actual contribution to Contingency Reserves as per the Audited Annual Accounts and documentary evidence in the form of account holding statements towards investment undertaken is within the range 0.25% to 0.50% of the approved opening GFA of FY 2022-23 and FY 2023-24. MSETCL also submitted a reconciliation statement of the actual investments in Contingency Reserve as on 31 September, 2023 and 30 September 2024 (excluding the investments in Special Reserve) and the same has been examined by the Commission.

5.13.5 The Commission has also verified that the accumulated Contingency Reserves of MSETCL does not exceed 5% of the original cost of fixed assets as stipulated in the Regulation 35.1 of MYT Regulations, 2019. The amount of contingency reserve as on 31 March, 2024 is Rs. 930.32 Crore and the GFA at the beginning of FY 2023-24 was Rs. 30,047.67 Crore i.e. the contingency reserve is 3.10% of GFA.

5.13.6 Accordingly, the actual addition during FY 2022-23 and FY 2023-24 as per the preceding discussions is considered for approval. The Contribution to Contingency reserves approved by the Commission is shown in the Table below.



**Table 108: Contribution to Contingency Reserve for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)**

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Contribution to Contingency Reserves	72.10	73.15	73.15	77.07	76.78	76.78

**5.13.7 The Commission approves Rs. 73.15 Crore and Rs. 76.78 Crore as contribution towards Contingency Reserves on Truing-up of ARR for FY 2022-23 and FY 2023-24, respectively.**

#### **5.14 Revenue from Transmission Charges, Income from Wheeling Charges and Point of Connections (PoC) Charges for FY 2022-23 and FY 2023-24**

##### ***MSETCL's Submission***

##### **5.14.1 Revenue from Transmission Charges**

##### **FY 2022-23**

5.14.1.1 MSETCL submitted that it has earned Income from Transmission Charges of Rs. 4,697.54 Crore for FY 2022-23 as per Multi Year Tariff for InSTS Order in Case No. 327 of 2019 dated 30 March 2020. In the audited accounts, the revenue shown in the Note 22 is Rs. 4,692.77 Crore and is net of the rebate of prompt payment Rs. 4.76 Crore (given to beneficiaries) which has been adjusted in the A&G expenses submitted for FY 2022-23 in this Petition under sub-head of 'Miscellaneous expenses'.

5.14.1.2 MSETCL also submitted that, the Commission vide Order in Case No. 52 of 2020 dated 18 October 2020 has allowed to recover the additional transmission charges as per Regulation 66 of the MYT Regulation 2019 from 1 April 2020. MSETCL has earned Rs. 108.97 Crore as additional transmission charges for FY 2022-23 as per audited account.

5.14.1.3 Accordingly, MSETCL has shared the revenue from transmission charges of Rs. 4,697.54 Crore along with additional transmission and regulatory charges of Rs. 108.97 Crore as total revenue from transmission charges in FY 2022-23.

##### **FY 2023-24**

5.14.1.4 MSETCL has earned Income from Transmission Charges of Rs. 6,480.14 Crore for FY 2023-24 as per MTR Order for InSTS in Case No. 239 of 2022 dated 31 March 2023. In the audited accounts, the revenue shown in the Note 24 is Rs. 6,474.35 Crore and is net of the rebate of prompt payment Rs. 5.78 Crore (given to beneficiaries) which has been adjusted in the A&G expenses submitted for FY 2023-24 in this Petition under sub-head of 'Miscellaneous expenses'.

5.14.1.5 The Commission vide Order in Case No. 52 of 2020 dated 18 October 2020 has allowed to recover the additional transmission charges as per Regulation 66 of the MYT Regulation 2019 from 1 April 2020. MSETCL has earned Rs. 10.61 Crore as additional transmission charges for FY 2023-24 as per audited account.



5.14.1.6 Accordingly, MSETCL has shared the revenue from transmission charges of Rs. 4,680.14 Crore along with additional transmission and regulatory charges of Rs. 10.61 Crore as total revenue from transmission charges in FY 2023-24.

#### 5.14.2 Income from PoC chargers – 9 Inter State Transmission System (ISTS)lines

5.14.2.1 MSETCL submitted that tariff or yearly transmission charges (YTC) was determined by the CERC in Case no. 256/TT/2013 dated 18 May, 2015 for the 2009 - 2014 tariff block (YTC approved for FY 2011-12, FY 2012-13 and FY 2013-14). The YTC approved was based on line length in ckt. km and ARR approved by MERC for the FY 2009-10, FY 2010-11, FY 2011-12, FY 2012-13 and FY 2013-14 and PoC cost data for the respective years.

5.14.2.2 MSETCL submitted that it has continued booking the income under PoC transmission charges for 9 ISTS lines till FY 2021-22. It is submitted that 9 ISTS lines income was shown separately under the head of Income from PoC charges for ISTS lines till FY 2018-19 and income from WRPC certified lines was booked under Income from Wheeling charges from Goa, DD, DNH & other sources. However, from FY 2019-20 to FY 2021-22 the income from PoC charges for 9 ISTS lines was inadvertently clubbed with GL/300021-Revenue from Power Grid Transmission Charges i.e. Income from Wheeling charges from Goa, DD, DNH & other sources in Regulatory formats.

5.14.2.3 The details of income from wheeling charges for above 3 years is tabulated below for reference to demonstrate that Income from PoC charges for 9 ISTS lines was clubbed with WRPC certified lines.

**Table 109: Details of Income from wheeling charges FY 2019-20 to FY 2021-22, as submitted by MSETCL (Rs. Crore)**

Particulars	FY 2019-20 (Rs.Cr)	FY 2020-21 (Rs.Cr)	FY 2021-22 (Rs.Cr)
Revenue from Power Grid Transmission Charge	26.57	26.57	26.57
Rev frm Wheeling of Power Osmanabad Solar Energy	0.97	1.21	1.20
Rev frm Wheeling of Pwr RGPPL Pwr to Gujrat	23.05	28.73	28.40
Rev frm Whling of Pwr RGPPL Pwr to MP fr W Railway	21.77	27.13	26.83
Rev frm Whling of Pwr RGPPL Pwr to Jharkhand	17.93	22.34	22.09
Rev frm Wheeling of Pwr RGPPL Pwr to Uttar Pradesh	12.81	15.96	15.78
Rev frm Whling of Pwr RGPPL Power to Karnataka	8.97	11.17	11.05
<b>Total</b>	<b>112.08</b>	<b>133.12</b>	<b>131.92</b>

5.14.2.4 MSETCL submitted that it had filed Petition for Truing up Tariff of FY 2014-15 to FY 2018-19 tariff period and for determination of Tariff for the FY 2019-20 to FY 2023-24 tariff period vide Petition dated 28 April, 2021. The Petition was heard on 24 November, 2022 and 28 August, 2024 and the Order in this matter i.e. Case no. 82/TT/2022 was issued on 11 November, 2024.

5.14.2.5 The summary of the claim and approved amount in Order dated 11 November 2024 is given in the table below:

**Table 110: Details of truing-up of FY 2014-15 to FY 2018-19 period for 9 ISTS lines, as submitted by MSETCL (Rs. Lakh)**

Asset	Rs.Lakh											
	FY2014-15		FY2015-16		FY2016-17		FY2017-18		FY2018-19		Total	
	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved
Asset I	7.20	25.66	7.45	25.90	7.70	26.15	7.95	26.41	8.20	26.65	38.50	130.77
Asset II	3.84	10.75	3.97	10.87	4.10	6.72	4.24	4.23	4.37	4.37	20.52	36.94
Asset III	6.39	6.39	6.62	6.62	6.84	6.84	7.06	7.06	9.45	8.42	36.36	35.33
Asset IV	36.74	34.90	41.77	38.83	42.54	39.85	43.08	40.76	59.81	50.30	223.94	204.64
Asset V	36.11	121.57	40.61	125.85	41.44	126.78	42.05	127.61	60.03	143.27	220.24	645.08
Asset VI	3.28	3.28	3.40	3.40	3.51	3.51	3.63	0.59	3.74	-	17.56	10.78
Asset VII	5.12	5.12	5.29	5.30	5.47	5.47	5.65	0.93	6.94	-	28.47	16.82
Asset VIII	343.37	311.69	308.87	315.29	315.98	318.89	320.65	322.63	324.19	326.53	1,613.06	1,595.03
Asset IX	343.37		308.87		315.98		320.65		324.19		1,613.06	
<b>Total</b>	<b>785.42</b>	<b>519.36</b>	<b>726.85</b>	<b>532.06</b>	<b>743.56</b>	<b>534.21</b>	<b>754.96</b>	<b>530.22</b>	<b>800.92</b>	<b>559.54</b>	<b>3,811.71</b>	<b>2,675.39</b>

**Table 111: Details of tariff of FY 2019-20 to FY 2023-24 period for 9 ISTS lines, as submitted by MSETCL (Rs. Lakh)**

Asset	Rs.Lakh											
	FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24		Total	
	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved	Claimed	Approved
Asset I	8.87	27.20	9.17	27.44	9.51	27.75	9.84	28.06	10.19	22.53	47.58	132.98
Asset II	4.72	4.74	4.88	4.87	5.06	5.04	5.24	5.21	5.43	5.43	25.33	25.29
Asset III	12.00	10.13	17.41	12.42	22.47	14.71	21.79	14.90	21.55	15.15	95.22	67.31
Asset IV	76.47	61.02	99.08	70.82	120.04	80.32	116.28	81.30	115.09	82.28	526.96	375.74
Asset V	77.83	160.61	104.60	170.98	129.43	181.01	124.95	180.97	123.35	168.71	560.16	862.28
Asset VI	4.05	-	4.18	-	4.34	-	4.49	-	4.65	-	21.71	-
Asset VII	8.43	-	11.45	-	14.33	-	14.02	-	13.98	-	62.21	-
Asset VIII & IX	649.62	334.70	658.83	338.70	668.31	342.90	678.10	347.76	688.14	353.93	3,343.00	1,717.99
<b>Total</b>	<b>841.99</b>	<b>598.40</b>	<b>909.60</b>	<b>625.23</b>	<b>973.49</b>	<b>651.73</b>	<b>974.71</b>	<b>658.20</b>	<b>982.38</b>	<b>648.03</b>	<b>4,682.17</b>	<b>3,181.59</b>

5.14.2.6 MSETCL submitted that the tariff approved in truing-up for FY 2014-15 to FY 2018-19 period and tariff for FY 2019-20 to FY 2023-24 period needs to be reconciled and refunded to the beneficiaries in this FY 2024-25 as tariff recovery for above period has been much higher than approved in this Order.

**Table 112: Summary of Truing up and Tariff approved by CERC in 82/TT/2022**

Asset	2014-2019 block (Rs.Lakh)		2019-2024 block (Rs.Lakh)	
	Claimed	Approved	Claimed	Approved
Asset I	38.50	130.77	47.58	132.98
Asset II	20.52	36.94	25.33	25.29
Asset III	36.36	35.33	95.22	67.31
Asset IV	223.94	204.64	526.96	375.74
Asset V	220.24	645.08	560.16	862.28
Asset VI	17.56	10.78	21.71	-
Asset VII	28.47	16.82	62.21	-
Asset VIII & IX	3,226.12	1,595.03	3,343.00	1,717.99
<b>Total Rs.Lakh</b>	<b>3,811.71</b>	<b>2,675.39</b>	<b>4,682.17</b>	<b>3,181.59</b>

5.14.2.7 MSETCL submitted that it has undertaken reconciliation exercise and the amount of Rs. 232.51 Crore need to be adjusted which is summarized in the table below:

**Table 113: Reconciliation of YTC approved by hon'ble CERC vs passed in MYT by the Commission**

Financial Year	Approved POC Charges for ISTS in Truing Up Orders			
	Claimed (Rs.Cr)	Approved by MERC (Rs.Cr)	Reference	Approved by CERC (Rs.Cr)
FY 2014-15	20.090	20.090	31/2016, Table 55, pg 67	5.194
FY 2015-16	59.130	59.130	168/2017, Table 42, pg 60	5.321
FY 2016-17	97.680	97.680	168/2017, Table 83, pg 92	5.342
FY 2017-18	77.160	77.160	302/2019, Table 50, pg 95	5.302
FY 2018-19	5.990	5.990	302/2019, Table 50, pg 95	5.595
FY 2019-20	5.990	5.990	232/2022, Table 83, pg 160	5.984
FY 2020-21	5.990	5.990	(Claimed along with Income from Wheeling Charges from Goa, Dadra and Nagar Haveli and other sources)	6.255
FY 2021-22	5.990	5.990		6.517
<b>Total Rs.Crore</b>	<b>278.020</b>	<b>278.020</b>		<b>45.510</b>
<b>Difference to be claimed in ARR/ Reduction in Other Income/ NTI</b>				<b>232.510</b>

\*YTC approved by Hon'ble CERC for FY 22-23 (Rs.6.582 Cr) and FY 23-24 (Rs.6.480 Cr) is being shown as Income in FY 24-25 i.e. **Total Rs.13.06 Cr**

5.14.2.8 MSETCL has also considered the approved YTC for FY 2022-23 and FY 2023-24 in FY 2024-25 under income from PoC charges from 9 ISTS lines.

- FY 2022-23: Rs.6.582 Crore
- FY 2023-24: Rs.6.480 Crore
- **Total considered in FY 2024-25: Rs.13.06 Crore**

5.14.2.9 The direction as given by CERC in the Order dated 11 November, 2024 with regards to the adjustment of the approved ARR/YTC in ARR of petitioner and approaching the Commission (MERC) is reproduced below for reference:

***“Sharing of Transmission Charges***

*106. With effect from 1.7.2011, the sharing of transmission charges for inter-State transmission systems was governed by the provisions of the 2010 Sharing Regulations. However, with effect from 1.11.2020, the 2010 Sharing Regulations have been repealed, and the sharing of transmission charges is governed by the provisions of the 2020 Sharing Regulations. Accordingly, the transmission charges approved in this Order for the transmission assets shall be recovered in accordance with the applicable Sharing Regulations as per Regulation 43 of the 2014 Tariff Regulations and Regulation 57(2) of the 2019 Tariff Regulations. **Further, the transmission charges allowed in this Order shall be adjusted against the ARR approved by the State Commission.***

*108. We further direct the Petitioner to approach the MERC to adjust such recovery against the ARR of the Petitioners' respective years.*

***Emphasis added”***

5.14.2.10 MSETCL has considered the adjustment/ refund amount under this head in the FY 2024-25 and requested the Commission to allow the same as per CERC's direction.

### 5.14.3 Income from Wheeling charges

5.14.3.1 MSETCL has earned revenue from wheeling Central sector power to Goa and Dadra Nagar and other Generators, as shown in the Audited Accounts and which is considered for truing up purpose.

5.14.3.2 MSETCL also submitted that, it has been receiving transmission charges for other ISTS lines, tariff / YTC for which is certified by WRPC, and the annual amount is Rs.20.5785 Crore. The same has been proposed by MSETCL in the past Petitions as income and the same has been allowed in the ARR/ MYT by the Commission.

5.14.3.3 MSETCL further submitted that, the transmission charges for these lines were put on hold by CTU with effect from 1 October 2019. Though there has been no actual recovery, MSETCL has been booking the amount in accounts and benefit of the same has been passed in the ARR till FY 2021-22. The recovery has been stopped from 1 October, 2019 which means Rs.51.45 Crore (*FY 2019-20: Rs.10.29 Crore; FY 2020-21: Rs.20.58 Crore; FY 2021-22: Rs.20.58 Crore; Total: Rs.51.45 Crore*) has been passed on to the beneficiaries in the true-up from FY 2019-20 to FY 2021-22.

5.14.3.4 The Commission has approved the same in MTR Order in Case no. 232 of 2022, Table 83, page160. Since the truing-up process has been closed, MSETCL is not pressing to exclude/ reverse this amount in ARR and would take up under overall reconciliation exercise with CTU. That reconciliation activity with CTU will be initiated for both 9 ISTS lines and WRPC certified lines in coming months of FY 2024-25.

5.14.3.5 Accordingly, MSETCL has excluded amount of Rs.20.58 Crore from FY 2022-23 onwards till FY 2029-30.

5.14.4 MSETCL requested to approve Revenue from transmission tariff and other sources as shown in table below:

**Table 114: Revenue from Transmission tariff and other sources for FY 2022-23, as submitted by MSETCL (Rs. Crore)**

Particulars	MTR Order	FY 2022-23 (Audited) Actuals
Revenue from Transmission tariff	4,697.54	4,806.51
Total Income from wheeling Central sector power to Goa & Dadra Nagar and Other Generators	127.45	2.89
PoC Charges for Inter-State Lines (ISTS)	5.99	-
<b>Total Revenue from transmission tariff and other sources</b>	<b>4,830.98</b>	<b>4,809.40</b>

**Table 115: Revenue from Transmission Charges and other sources for FY 2023-24, as submitted by MSETCL (Rs. Crore)**

Particulars	MTR Order	FY 2023-24 (Audited) Actuals
Revenue from Transmission tariff	6,480.14	6,490.75

Particulars	MTR Order	FY 2023-24 (Audited) Actuals
Total Income from wheeling Central sector power to Goa & Dadra Nagar and Other Generators	133.82	1.41
PoC Charges for Inter-State Lines (ISTS)	5.99	-
<b>Total Revenue from transmission charges and other sources</b>	<b>6,619.95</b>	<b>6,492.16</b>

### *Commission's Analysis and Ruling*

5.14.5 The Commission noted the MSETCL submission. The Commission has considered the approved revenue from Transmission Tariff as per the applicable InSTS Orders and is verified from the audited accounts for FY 2022-23 and FY 2023-24. The revenue from transmission charges in FY 2022-23 and FY 2023-24 as appearing in the audited accounts was the net revenue booked after subtracting the prompt payment rebate of Rs. 4.76 Crore and 5.78 Crore, respectively which has been considered by MSETCL in its Petition under the cost head A&G expenses.

5.14.6 The Commission has considered the income from Goa and Dadra & Nagar Haveli towards Wheeling Charges, income from PoC Charges for Interstate lines as submitted by MSETCL.

5.14.7 MSETCL has also considered reversal of the revenue from additional transmission & regulatory charges in FY 2022-23 and FY 2023-24 considering the Order passed by the Commission in Case No. 52 of 2020 dated 18 October, 2020. The Commission has considered the same for approval in the present Order, however, **the reconciliation activity with CTU which was expected to be initiated for both 9 ISTS lines and WRPC certified lines in coming months of FY 2024-25 needs to be completed at the earliest. The status of reconciliation should be communicated to the Commission on a half yearly basis.**

5.14.8 Accordingly, the revenue from Transmission Charges and other sources as approved by the Commission is given in the Table below:

**Table 116: Revenue from Transmission and other Sources for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)**

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Revenue from Transmission Charges	4,697.54	4,697.54	4,697.54	6,480.14	6,480.14	6,480.14
Income from additional Transmission and Regulatory Charges		108.97	108.97	-	10.61	10.61
Income from Wheeling Charges from Goa, Dadra and Nagar Haveli and other sources	127.45	2.89	2.89	133.82	1.41	1.41
Income from PoC charges for Inter-State lines	5.99	-	-	5.99	-	-
<b>Total Revenue from transmission Charges and other sources</b>	<b>4,830.98</b>	<b>4,809.40</b>	<b>4,809.40</b>	<b>6,619.95</b>	<b>6,492.16</b>	<b>6,492.16</b>

**5.14.9 The Commission approves total Revenue from transmission Charges and other sources as Rs. 4,809.40 Crore and Rs. 6,492.16 Crore on Truing-up of ARR for FY 2022-23 and FY 2023-24, respectively.**

## **5.15 Non-Tariff Income for FY 2022-23 and FY 2023-24**

### ***MSETCL's Submission***

#### **FY 2022-23**

5.15.1 MSETCL submitted that Non-Tariff Income (NTI) has the major contribution of interest on contingency reserves and other investment, income from Supervisory charges, Other miscellaneous receipts and remittance of partial open access charges collected from consumers. Apart from these, in accordance with the approach adopted by the Commission in earlier Order, MSETCL has considered revenue from sale of scrap pertaining to items which are of revenue expenditure nature as NTI. The Other Income in audited accounts is of Rs. 786.22 Crore but MSETCL has claimed Rs. 785.55 Crore.

#### **FY 2023-24**

5.15.2 NTI has the major contribution of interest on contingency reserves and other investment, income from Supervisory charges, Other miscellaneous receipts and remittance of partial open access charges collected from consumers. Apart from these, in accordance with the approach adopted by the Commission in earlier Order, MSETCL has considered revenue from sale of scrap pertaining to items which are of revenue expenditure nature as Non-Tariff Income. The Other Income in audited accounts is of Rs. 654.63 Crore but MSETCL has claimed Rs. 603.13 Crore.

5.15.3 The detailed component wise break-up of NTI is submitted in the Regulatory Formats as **Annexure 1** of revised Petition. MSETCL requested Commission to approve NTI as per Table below.

**Table 117: Non-Tariff Income for FY 2022-23, as submitted by MSETCL (Rs. Crore)**

Particulars	MTR Order	FY 2022-23 (Audited) Actuals
Total Non-Tariff Income	702.29	785.55

**Table 118: Non-Tariff Income for FY 2023-24, as submitted by MSETCL (Rs. Crore)**

Particulars	MTR Order	FY 2023-24 (Audited) Actuals
Total Non-Tariff Income	343.37	603.13

### ***Commission's Analysis and Ruling***

5.15.4 The Commission verified the details of the NTI from the Audited Annual Accounts. It was observed that MSETCL had not considered certain income heads in the NTI as submitted in the Petition. This includes heads like government grant income, REMC QCA registration fee pertaining to SLDC, Prior period other income, Prior period revenue from operations, Revenue from Goa Transmission charges, Revenue/Profit sharing in



JV/Associates, dividend income from JPTL/MTCIL. Further the DPC amount received by MSETCL, and interest from banks is not considered as the deposits are from their own funds. The Commission has examined the details and accepts the submission of MSETCL and accordingly approved NTI components for FY 2022-23 and FY 2023-24.

5.15.5 Accordingly, the Commission approves the NTI for FY 2022-23 and FY 2023-24 as given in following table:

**Table 119: Non-Tariff Income for FY 2022-23 and FY 2023-24, as approved by the Commission (Rs. Crore)**

Particulars	FY 2022-23			FY 2023-24		
	MTR Order	MYT Petition	Approved in this Order	MTR Order	MYT Petition	Approved in this Order
Non-Tariff Income	702.29	785.55	785.55	343.37	603.13	603.13

5.15.6 The Commission approves Rs. 785.55 Crore and Rs. 603.13 Crore as Non-Tariff Income on Truing-up of ARR of FY 2022-23 and FY 2023-24, respectively.

#### 5.16 Sharing of efficiency gains /(losses)

##### *MSETCL's Submission*

##### **FY 2022-23**

##### **O&M Expense**

5.16.1 MSETCL has computed the sharing of efficiency gains/(losses) on revised normative O&M expenses and actual O&M expenses as per provisions of the MYT Regulations, 2019.

5.16.2 The summary of the sharing of efficiency gain / (loss) for O&M expenses based on the controllable and uncontrollable parameters is as shown in the following Table below:

**Table 120: Sharing of efficiency Gains/(losses) on O&M Expenses for FY 2022-23, as submitted by MSETCL (Rs. Crore)**

Particulars	Normative for FY 2022-23	Actual for FY 2022-23	Efficiency Gains/ (Losses)	Efficiency Gains/(Losses) shared with TSUs	Net Entitlement of MSETCL
	<b>a</b>	<b>b</b>	<b>c=b-a</b>	<b>d=c*2/3</b>	<b>e=a-d</b>
O&M Expenses	2,336.91	2,326.82	10.09	6.73	2,330.19

##### **Interest on Working Capital**

5.16.3 MSETCL submitted that, in accordance with the provisions of the MYT Regulations, 2019, IoWC needs to be treated as efficiency gain if the actual interest paid on working capital is less than the normative interest on working capital. Hence, difference of IoWC computed based on norms and actual IoWC has been considered as efficiency gain.

5.16.4 The summary of the sharing of efficiency gain / (loss) for IoWC expenses based on the controllable and uncontrollable parameters is as shown in the following Table below:

**Table 121: Sharing of efficiency Gains/(losses) on IoWC Expenses for FY 2022-23, as submitted by MSETCL (Rs. Crore)**

Particulars	Normative FY 2022-23	FY 2022-23 Audited (Actuals)	Efficiency Gains / (Losses)	Efficiency Gains / (Losses) shared with TSUs	Net Entitlement of MSETCL
	a	b	c=b-a	d=c*2/3	e=a-d
Interest on Working Capital	100.81	2.77	98.04	65.36	35.45

## **FY 2023-24**

### **O&M Expense**

5.16.5 Sharing of gains / (loss) are computed as per MYT Regulations, 2019. Further, MSETCL has considered wage revision as an uncontrollable element and excluded from the computations of the sharing of gains / (losses) in line with the approach adopted by the Commission in MTR Order dated 31 March 2023, in Case No. 232 of 2022.

5.16.6 The summary of the sharing of efficiency gain / (loss) for O&M expenses based on the controllable and uncontrollable parameters is as shown in the following Table below:

**Table 122: Sharing of efficiency Gains/(losses) on O&M Expenses for FY 2023-24, as submitted by MSETCL (Rs. Crore)**

Particulars	Normative FY 2023-24	Actual for FY 2023-24	Efficiency Gains/ (Losses)	Controllable (actual +1/3rd efficiency gain)	Uncontrollable (Wage revision)	Net Entitlement of MSETCL
O&M Expenses	2,479.58	2,874.12	-394.54	2,533.48	232.86	2,766.34

### **Interest on Working Capital**

5.16.7 MSETCL submitted that, in accordance with the MYT Regulations, 2019, IoWC needs to be treated as efficiency gain if the actual interest paid on working capital is less than the normative interest on working capital. Hence, difference of IoWC computed based on norms and actual IoWC has been considered as efficiency gain.

5.16.8 The summary of the sharing of efficiency gain / (loss) for IoWC expenses based on the controllable and uncontrollable parameters is as shown in the following Table below:

**Table 123: Sharing of efficiency Gains/(losses) on IoWC Expenses for FY 2023-24, as submitted by MSETCL**

Particulars	Normative FY 2023-24	FY 2023-24 Audited (Actuals)	Efficiency Gains / (Losses)	Efficiency Gains / (Losses) shared with TSUs	Net Entitlement of MSETCL
	a	b	c=b-a	d=c*2/3	e=a-d
Interest on Working Capital	132.88	0.31	132.58	88.39	44.50



### ***Commission's Analysis and Ruling***

- 5.16.9 For the purpose of computing the sharing of gains / losses on account of O&M expenses, the Commission has re-computed the normative O&M expenses based on the approved number of Bays and ckt. km. for FY 2022-23 and FY 2023- 24 as discussed in para 5.6.33 of this Order. The addition in bays and ckt. km of transmission lines has been considered in line with the capex approval considered in the present Order.
- 5.16.10 The efficiency gain/loss on the difference between the revised normative and the actual approved O&M expenses is computed as per the MYT Regulations, 2019 as relevant. The methodology of sharing of the efficiency gains/(losses) is in accordance with the provision of the applicable MYT Regulations.
- 5.16.11 The Commission in past Order has taken a stand that the impact of wage revision will be passed on only after it actually happens, subjected to prudence check. In the present case, MSETCL has submitted details of provision towards wage revision arrear payments made during FY 2023-24. However, as discussed in paras 5.3.25 and 5.3.26 of the Order, the Commission has not considered the provision towards payment of wage revision arrears in the FY 2023-24, however, the payout has been considered in the FY 2024-25 (2 instalments) and FY 2025-26 (1 instalment).
- 5.16.12 Accordingly, there is no need to consider the provision as an uncontrollable factor and exclude it from the computation for FY 2023-24 in line with the submissions of MSETCL.
- 5.16.13 Further, as discussed in para 5.5.10 of the Order, Commission has considered shifting of capital expenditure against certain non-DPR schemes to R&M expenses considering the nature of works being undertaken in those schemes. The shifted expenses are Rs. 12.69 Crore in FY 2022-23 and Rs. 20.98 Crore in FY 2023-24. With regards to such expenditure, the Regulation 61.9 introduced after Regulation 61.8 of the MYT Regulations, 2019 as part of the MERC (Multi Year Tariff) (Second Amendment) Regulations, 2023 states the following:
- “61.9 The Commission may consider any request for revision of the normative O&M expenses of the Transmission Licensee on account of consideration of some Schemes under O&M rather than Capital Investment on case-to-case basis, depending on the justification to be submitted by the Applicant and the life-cycle cost analysis:*
- Provided that if actual O&M expenses including the cost of some schemes considered under O&M rather than Capital Investment are lower than normative O&M expenses, then sharing of efficiency gains shall be done:*
- Provided further that if actual O&M expenses including the cost of some schemes considered under O&M rather than Capital Investment are higher than normative O&M expenses on this account, then no sharing of efficiency losses shall be done.”*
- 5.16.14 The actual approved O&M expenditure of MSETCL is already higher than the normative expenses for the FY 2022-23 and FY 2023-24 and accordingly, in line with the proviso 2 of the Regulation 61.9, the Commission has considered the sharing of gains / losses only between the normative O&M expenses and the actual O&M expenses excluding the cost

of shifted schemes. The net entitlement so worked out has been considered for approval along with the expenses towards the R&M nature schemes (without any sharing of efficiency losses) for recovery through the ARR.

5.16.15 In case of IoWC, the efficiency gain/loss is computed as the difference between the actual IoWC incurred in FY 2022-23 and FY 2023-24 and the normative IoWC approved by the Commission after considering other elements of expenditure and revenue as approved after Truing-up.

5.16.16 Further, the first proviso of the Regulation 32.6 of MYT Regulations, 2019 states the following:

*“32.6 For the purpose of Truing-up for each year, the variation between the normative interest on working capital computed at the time of Truing-up and the actual interest on working capital incurred by the Generating Company or Licensee or MSLDC, substantiated by documentary evidence, shall be considered as an efficiency gain or efficiency loss, as the case may be, on account of controllable factors, and shared between it and the respective Beneficiary/ies or consumer as the case may be, in accordance with Regulation 11:*

*Provided that the Delayed Payment Surcharge and Interest on Delayed Payment as per books of accounts of the Generating Company or Licensee or MSLDC shall be deducted from the actual interest on working capital, before sharing of the efficiency gain or efficiency loss, as the case may be.”*

5.16.17 Considering the above, the Commission has deducted an amount of Rs. 0.64 Crore in FY 2022-23 and Rs. 0.03 Crore in FY 2023-24 booked as Delayed Payment Charges under other miscellaneous income in the Audited Financial Accounts from the actual interest on working capital.

5.16.18 The methodology of sharing of the efficiency gains/(losses) is in accordance with the provision of the applicable MYT Regulations.

5.16.19 The Summary of sharing of efficiency gains/ (losses) as approved by the Commission in accordance with the provision of the MYT Regulations 2019 is shown in the Table below.

**Table 124: Sharing of efficiency Gains / (losses) due to variation in O&M Expenses and IoWC for FY 2022-23, as approved by the Commission (Rs. Crore)**

Particulars	Normative	Audited/ Actual	Efficiency Gain/(Loss)	Controllable	Uncontrollable	Net Entitlement of MSETCL
Operation & Maintenance Expenses	2,024.71	2,339.51	(314.80)	(302.11)	(12.69)	2,138.11
Interest on Working Capital	98.33	2.77	96.19	96.19	-	34.84

**Table 125: Sharing of efficiency Gains / (losses) due to variation in O&M Expenses and IoWC for FY 2023-24, as approved by the Commission (Rs Crore)**

Particulars	Normative	Audited/ Actual	Efficiency Gain/(Loss)	Controllable	Uncontrollable	Net Entitlement of MSETCL
Operation & Maintenance Expenses	2,478.86	2,662.22	(183.36)	(162.38)	(20.98)	2,553.97
Interest on Working Capital	132.64	0.31	132.37	132.37	-	44.43

*Note: The Efficiency gain/(loss) in case of IOWC for FY 2022-23 and FY 2023-24 is after adjustment of the DPC from the actual IOWC as discussed in para 5.16.17 of the Order.*

**5.16.20 The Commission approves Rs. 2,138.11 Crore and Rs. 2,553.97 Crore as net entitlement against O&M expenses on Truing-up of ARR of FY 2022-23 and FY 2023-24, respectively. Similarly, the Commission approves Rs. 34.84 Crore and Rs. 44.43 Crore as net entitlement against IoWC expenses on Truing-up of ARR of FY 2022-23 and FY 2023-24, respectively.**

## **5.17 Summary of Truing -up of ARR for FY 2022-23 and FY 2023-24**

### ***MSETCL's Submission***

5.17.1 MSETCL submitted that, the summary of ARR (after sharing of efficiency gains & losses) for the MSETCL, as per Audited Account and as approved by the Commission, for FY 2022-23 and FY 2023-24 is presented in the Table below.

5.17.2 The variation in ARR approved by the Commission and that sought by the MSETCL is mainly on account of pass through of sharing of losses on account of O&M expenses and sharing of gains on account of IoWC, increase in non-tariff income, increase in revenue from transmission charges, reduction in income from wheeling charges and claim of additional RoE at the time of true-up as per Regulations.

**Table 126: Summary of Truing-up of ARR for FY 2022-23, as submitted by MSETCL (Rs. Crore)**

<b>Sr. No.</b>	<b>Particulars</b>	<b>MTR Order</b>	<b>Normative</b>	<b>FY 2022-23 (Actuals)</b>	<b>MSETCL Net Entitlement</b>
1	Operation & Maintenance Expenses	1,972.37	2,336.91	2,326.82	2,330.19
2	Depreciation Expenses	1,183.27	-	1,133.10	1,133.10
3	Interest on Loan Capital	616.92	-	606.89	606.89
4	Other Interest and Finance Charges	1.00	-	0.18	0.18
5	Interest on Working Capital	98.72	100.81	2.77	35.45
6	Income Tax	-	-	-	-
7	Contribution to contingency reserves	72.10	-	73.15	73.15
8	<b>Total Revenue Expenditure</b>	<b>3,944.39</b>	<b>-</b>	<b>4,142.91</b>	<b>4,178.96</b>
9	Add: Return on Equity Capital	1,512.95	-	1,618.52	1,618.52
10	<b>Aggregate Revenue Requirement</b>	<b>5,457.33</b>	<b>-</b>	<b>5,761.44</b>	<b>5,797.48</b>
11	Less: Non-Tariff Income	702.29	-	785.55	785.55
12	Less: Income from Other Business	127.45	-	2.89	2.89
13	Less: Income from PoC charges for InSTS	5.99	-	-	-
14	<b>Aggregate Revenue Requirement from Transmission Business</b>	<b>4,621.60</b>	<b>-</b>	<b>4,973.00</b>	<b>5,009.04</b>
15	Add: Carrying Cost (Holding Cost) on account of spreading of gaps (Case No. 302/2019)	20.84	-	-	20.84
16	Add: Past Revenue Gaps / (Surplus) spread over control period (Case No. 302/2019)	87.29	-	-	87.29
17	<b>Net Aggregate Revenue Requirement from Transmission Tariff including Incentive and impact</b>	<b>4,729.73</b>	<b>-</b>	<b>4,973.00</b>	<b>5,117.17</b>

Sr. No.	Particulars	MTR Order	Normative	FY 2022-23 (Actuals)	MSETCL Net Entitlement
18	Revenue from transmission tariff and Additional Transmission & Regulatory Charges	4,697.54	-	4,806.51	4,806.51
19	<b>Revenue Gap/(Surplus)</b>	<b>32.19</b>	-	-	<b>310.66</b>
20	Revenue Gap/(Surplus) till previous year	828.53	-	-	828.53
21	<b>Cumulative Revenue Gap/(Surplus) till the year</b>	<b>860.72</b>	-	-	<b>1,139.19</b>

**Table 127: Summary of Truing-up of ARR for FY 2023-24, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Particular	MTR Order	Normative	FY 2023-24 (Actuals)	MSETCL Net Entitlement
1	Operation & Maintenance Expenses	2,070.99	2,479.58	2,874.12	2,766.34
2	Depreciation Expenses	1,260.13	-	1,175.38	1,175.38
3	Interest on Loan Capital	624.38	-	605.93	605.93
4	Other interest and financial charges	1.00	-	0.36	0.36
5	Interest on Working Capital	122.67	132.88	0.31	44.50
6	Income Tax	-	-	-	-
7	Contribution to Contingency reserves	77.07	-	76.78	76.78
8	<b>Total Revenue Expenditure</b>	<b>4,156.24</b>	-	<b>4,732.88</b>	<b>4,669.29</b>
9	Return on Equity Capital	1,599.28	-	1,701.31	1,701.31
10	<b>Aggregate Revenue Requirement</b>	<b>5,755.52</b>	-	<b>6,434.20</b>	<b>6,370.61</b>
11	Less: Non-Tariff Income	343.37	-	603.13	603.13
12	Less: Income from Other Business	133.82	-	1.41	1.41
13	Less: Income from PoC charges for InSTS	5.99	-	-	-
14	<b>Aggregate Revenue Requirement from Transmission Tariff</b>	<b>5,272.34</b>	-	<b>5,829.66</b>	<b>5,766.08</b>
15	Add: Carrying Cost (Holding Cost) due to spreading of recovery over two years	41.24	-	-	43.79
16	Add: Carrying Cost (Holding Cost) on account of spreading of gaps (Case No. 302/2019)	12.50	-	-	12.50
17	Add: Past Revenue Gaps / (Surplus) spread over control period (Case No. 302/2019)	87.29	-	-	87.29
18	<b>Net Aggregate Revenue Requirement from Transmission Tariff including Incentive and impact</b>	<b>5,413.37</b>	-	<b>5,829.66</b>	<b>5,909.66</b>
19	Revenue from transmission tariff and Additional Transmission & Regulatory Charges	6,480.17	-	6,490.75	6,490.75
20	<b>Revenue Gap/(Surplus)</b>	<b>-1,066.80</b>	-	-	<b>-581.09</b>
21	Revenue Gap/(Surplus) till previous year	1,066.77	-	-	1,139.19
22	<b>Cumulative Revenue Gap/(Surplus) till the year</b>	<b>-0.03</b>	-	-	<b>558.10</b>

5.17.3 MSETCL requests to allow MSETCL true up requirement of Rs. 1,139.20 Crore and Rs 558.11 Crore for FY 2022-23 and FY 2023-34 respectively as submitted in the Table above.

***Commission's Analysis and Ruling***

5.17.4 The Commission has examined the net ARR submitted by MSETCL and the revenue gap computation for FY 2022-23 and FY 2023-24. It is observed that MSETCL, based on the actual expenses incurred in FY 2022-23 as per the audited accounts and considering the impact of sharing of efficiency gains / (losses), has reworked the revenue gap for FY 2022-23 to Rs. 1139.19 Crore as against Rs 860.72 Crore provisionally approved by the Commission in the MTR Order in Case No. 232 of 2022.

5.17.5 Further, MSETCL has also reworked the revenue gap for FY 2023-24 considering the actual expenses incurred during the year and considering the impact of sharing of efficiency gains / (losses). Additionally, MSETCL has also considered the entire reworked revenue gap of Rs. 1,139.19 for FY 2022-23 to work out the cumulative revenue gap at the end of FY 2023-24 for recovery over the 5<sup>th</sup> Control Period. In this regard, it is important to note that the Commission, in its MTR Order in Case No. 232 of 2022 had considered the provisional gap approved for FY 2022-23 for recovery over the remaining part of the 4<sup>th</sup> Control Period i.e. FY 2023-24 and FY 2025-26. Accordingly, only the incremental revenue gap worked out for FY 2022-23 as part of the truing up process (revised revenue gap during truing up minus provisionally approved revenue gap during MTR proceedings) should have been considered by MSETCL for inclusion in cumulative revenue gap recoverable at the end of FY 2023-24. It is evident that MSETCL has inadvertently considered the entire revised revenue gap worked out during the truing up process for FY 2022-23 for recovery over the 5<sup>th</sup> Control period which is incorrect. The Commission in its computation has rectified this anomaly and worked out the cumulative gap upto FY 2023-24 recoverable over the 5<sup>th</sup> Control Period.

5.17.6 The Summary of the net ARR and efficiency gains, as approved by the Commission for FY 2022-23 and FY 2023-24, is shown in the following Table:

**Table 128: Summary of Truing-up of ARR for FY 2022-23, as approved by the Commission (Rs. Crore)**

Particulars	FY 2022-23			
	MTR Order	Normative	Actual	Net Entitlement after sharing of gain/(loss)
Operation & Maintenance Expenses	1,972.37	2,024.71	2,339.51	2,138.11
Depreciation Expenses	1,183.27		1,127.20	1,127.20
Interest on Loan Capital	616.92		596.47	596.47
Other Interest and Finance Charges	1.00		0.18	0.18
Interest on Working Capital	98.72	98.33	2.77	34.84
Income Tax	-		-	-
Contribution to contingency reserves	72.10		73.15	73.15
<b>Total Revenue Expenditure</b>	<b>3,944.39</b>		4,139.28	3,969.94
Add: Return on Equity Capital	1,512.95		1,610.16	1,610.16
<b>Aggregate Revenue Requirement</b>	<b>5,457.33</b>		5,749.44	5,580.09
Less: Non Tariff Income	702.29		785.55	785.55
Less: Income from Wheeling Charges from Goa and Dadra and Nagar Haveli and other sources	127.45		2.89	2.89
Less: Income from PoC charges for Inter-State lines	5.99		-	-
<b>Aggregate Revenue Requirement from Transmission</b>	<b>4,621.60</b>		<b>4,961.00</b>	<b>4,791.65</b>
Add: Carrying Cost (Holding Cost) on account of spreading of gaps	20.84		-	20.84
Add: Past Revenue Gaps / (Surplus) spread over control period	87.29		-	87.29
<b>Net Aggregate Revenue Requirement from Transmission Tariff inclu. Incentive and impact</b>	<b>4,729.73</b>		<b>4,961.00</b>	<b>4,899.78</b>
Revenue from transmission tariff and Additional Transmission & Regulatory Charges	4,697.54		4,806.51	4,806.51
<b>Standalone Revenue Gap/(Surplus)</b>	<b>32.19</b>			<b>93.28</b>
Revenue Gap/(Surplus) till previous year	828.53			828.53
<b>Cumulative Revenue Gap/(Surplus) till the year</b>	<b>860.72</b>			<b>921.81</b>

**Table 129: Summary of Truing-up of ARR for FY 2023-24, as approved by the Commission (Rs. Crore)**

Particulars	FY 2023-24			
	MTR Order	Normative	Actual	Net Entitlement after sharing of gain/(loss)
Operation & Maintenance Expenses	2,070.99	2,478.86	2,662.22	2,553.97
Depreciation Expenses	1,260.13		1,163.07	1,163.07
Interest on Long-term Loan Capital	624.38		584.15	584.15
Other interest and financial charges	1.00		0.36	0.36
Interest on Working Capital	122.67	132.64	0.31	44.43
Income Tax	-		-	-
Contribution to Contingency reserves	77.07		76.78	76.78
<b>Total Revenue Expenditure</b>	<b>4,156.24</b>		<b>4,486.89</b>	<b>4,422.76</b>
Return on Equity Capital	1,599.28		1,683.06	1,683.06
<b>Aggregate Revenue Requirement</b>	<b>5,755.52</b>		<b>6,169.96</b>	<b>6,105.82</b>
Less: Non Tariff Income	343.37		603.13	603.13
Less: Income from Wheeling Charges from Goa and Dadra and Nagar Haveli and other sources	133.82		1.41	1.41
Less: Income from PoC charges for Inter - State Lines	5.99		-	-
<b>Aggregate Revenue Requirement from Transmission</b>	<b>5,272.34</b>		<b>5,565.42</b>	<b>5,501.29</b>
Add: Carrying Cost (Holding Cost) due to spreading of recovery over two years	41.24			41.24
Add: Carrying Cost (Holding Cost) on account of spreading of gaps approved in Case No. 302 of 2019	12.50			12.50
Add: Past Revenue Gaps / (Surplus) spread over control period spread over control period approved in Case No. 302 of 2019	87.29			87.29
Add: Revenue Gap/(Surplus) till previous year (FY 2022-23) allowed in MTR Order (232 of 2022)	1,066.77			1,066.77
<b>Net Aggregate Revenue Requirement from Transmission Tariff inclu. Incentive and impact</b>	<b>6,480.14</b>		<b>5,565.42</b>	<b>6,709.09</b>
Revenue from transmission tariff and Additional Transmission & Regulatory Charges	6,480.14		6,490.75	6,490.75
<b>Stand-alone Revenue Gap/(Surplus)</b>	<b>-</b>			<b>218.34</b>
Revenue Gap/(Surplus) till previous year	-			61.09
Add: Impact of adding back Special Reserve available with Utility utilised to reduce ARR gap in FY 2023-24 in Case No. 232 of 2022 along with Carrying Cost	-			79.63
Add: Carrying / (Holding) cost on account of recomputation of effective gap of FY 2019-20 and FY 2023-24.	-			-48.77
<b>Cumulative Revenue Gap/(Surplus) till the year</b>	<b>-</b>			<b>310.29</b>

5.17.7 The detailed analysis underlying the Commission's approval of individual ARR elements on Truing-up of ARR for FY 2022-23 and FY 2023-24 is already set out above. However, the variation in the ARR sought by the MSETCL and that approved by the Commission in this Order is mainly on lower approval of O&M expenses and also capitalisation which consequently impacts the depreciation, Interest on Long Term Loans, RoE and IoWC approved by the Commission.

**5.17.8 Accordingly, the Commission approves a cumulative Revenue Gap of Rs. 310.29 Crore on Truing-up of ARR for FY 2022-23 and FY 2023-24.**



## 6 Provisional Truing-up of ARR for FY 2024-25

### 6.1 Background

6.1.1 MSETCL has sought provisional true up of expenses and revenue for FY 2024-25 as per actual provisional financial information for April 2024 to August 2024 and estimated financial figures for September 2024 to March 2025 and principles stipulated under MYT Regulations, 2019 as applicable for various heads of expenditure and revenues.

6.1.2 The detailed analysis underlying the Commission's approval of various ARR elements for the provisional Truing-up for FY 2024-25 is set out below. The final approvals shall be accorded based on Audited Annual Accounts and prudence check at the time of Truing-up.

### 6.2 Operation & Maintenance Expenses for FY 2024-25

#### *MSETCL's Submission*

6.2.1 Operation & Maintenance (O&M) expenses comprise of Employee expenses, Administrative & General expenses and Repair & Maintenance expenses. The comparison of the O&M expenses allowed by the Commission with the provisional expenses incurred by MSETCL is as shown in the below table:

**Table 130: O&M Expenses for FY 2024-25, as submitted by MSETCL (Rs. Crore)**

Sr. No.	O & M Expenses	FY 2024-25		
		MTR Order	Normative	Estimated
1	<b>Normative O &amp; M Expenses</b>	<b>2,259.40</b>	<b>2,625.58</b>	
2	Employee Expenses	1,248.45		1,624.89
4	A&G Expenses	459.67		484.04
5	R&M Expenses	466.42		647.44
6	<b>Total O&amp;M Expenses</b>	<b>2,174.54</b>	<b>2,625.58</b>	<b>2,756.37</b>

*Note: Normative O&M Expenses has been calculated as per MYT Regulations 2019 & are provided in Form 2.1 of Annexure 1*

### 6.3 Employee Expenses

#### *MSETCL's Submission*

6.3.1 The provisional gross employee expenses for FY 2024-25 estimated by MSETCL after taking into consideration actual financials for April 2024 to August 2024 and estimated financials for September 2024 to March 2025, are given in the below table:

**Table 131: Employee Expenses for FY 2024-25, as submitted by MSETCL**

Sr. No.	Particulars	Estimated
1	Gross Employee Expenses	1,655.92
2	Less: Impact of wage revision	-
3	Less: Expenses Capitalised	-
4	<b>Net Employee Expenses</b>	<b>1,655.92</b>
5	Less: SLDC Employee Expense	31.03
6	<b>Net Employee Expenses after adjustment for SLDC Employee Expenses</b>	<b>1,624.89</b>



Sr. No.	Particulars	Estimated
7	Add: Prior Period Expenses	-
8	Add: Impact of wage revision	-
9	<b>Net Employee Expenses after adjustment and impact of Wage Revision</b>	<b>1,624.89</b>

*Note: April to Aug. 2024 and FY 2024-25 estimated figures are net of capitalisation and hence no separate expenses capitalised shown as of now.*

**Table 132: Break-up of Gross Employee Expenses for FY 2024-25, as submitted by MSETCL (Rs. Crore)**

Sr. No	Particulars	Estimated
1	Basic Salary	704.93
2	Dearness Allowance (DA)	292.07
3	House Rent Allowance	81.92
4	Earned Leave Encashment	167.19
5	Other Allowances	113.44
6	Medical Reimbursement	0.45
7	Overtime Payment	35.47
8	Bonus/Ex-Gratia Payments	10.65
9	Staff welfare expenses	52.14
10	Payment under Workmen's Compensation Act	-
11	Provision for PF Fund	103.94
12	Pension Payments	0.04
13	Gratuity Payment	82.53
14	Leave encashment on Retirement	0.59
15	Company Cont paid to EPFO for EDLI Scheme	0.83
16	Employees Term Insurance Policy	0.23
17	EPS Amount paid as per EPFO	0.03
18	Prior Period - Employee Benefits Expenses	-
19	Rent paid for Employees	0.07
20	Salaries to Apprentices	8.38
21	Staff ACCIDENT Grp Insurance Exps MSETCL's Co	1.02
	<b>Total</b>	<b>1,655.92</b>

### ***Commission's Analysis and Ruling***

- 6.3.2 The Commission has examined the submissions of MSETCL for employee expenses in FY 2024-25. It is observed that MSETCL has estimated overall increase of ~1% over the FY 2022-23. While significant increase is expected under the expenses heads of Earned Leave Encashment, Basic Salary, Staff welfare expenses and salary to Apprentices, the expenses have been estimated significantly lower in other heads. The projections are based on actual expenses for the period April to August 2024 and remaining in estimation basis.
- 6.3.3 The Commission has noted the submissions. The Commission's approach in approval of the provisional O&M expenses for the FY 2024-25 is discussed in paras 6.6.12 to 6.6.24 of the Order.

## 6.4 Administrative and General Expenses

### *MSETCL's Submission*

6.4.1 A&G expenses for FY 2024-25 have been computed after taking into consideration actual financial figures for April to August 2024 and estimated financial figures for September 2024 to March 2025 are given in the below:

**Table 133: A&G Expenses for FY 2024-25, as submitted by MSETCL (Rs. Crore)**

Sr. No	Administrative and General Expense	Estimated
1	Gross A&G Expenses	505.88
2	Less: Expenses Capitalised	-
3	<b>Net A&amp;G Expenses</b>	<b>505.88</b>
4	Less: SLDC A & G Expense	21.84
5	<b>Net A &amp; G Expenses after adjustment for SLDC A &amp; G Expense</b>	<b>484.04</b>

**Table 134: Break-up of Gross A&G Expenses for FY 2024-25, as submitted by MSETCL (Rs. Crore)**

Sr. No	Particulars	Estimated
1	Rent Rates & Taxes	34.78
2	Insurance	4.66
3	Telephone & Postage, etc.	3.51
4	Legal Charges & Audit Fees	2.41
5	Professional, Consultancy, Technical fee	7.12
6	Conveyance & Travel	8.50
7	Electricity charges	93.24
8	Water charges	6.35
9	Security arrangements	119.56
10	Fees & subscription	10.62
11	Books and Periodicals	0.13
12	Computer Stationery/ IT/ Communication Exps	21.04
13	Printing & Stationery	3.34
14	Advertisement expenses	0.54
15	Purchase Related Advertisement Expenses	4.52
17	License Fee and other related fee	0.03
18	Vehicle Running Expenses Truck / Delivery Van	5.89
19	Vehicle Hiring Expenses Truck / Delivery Van	32.81
20	Freight On Capital Equipments	0.03
21	Bank Charges	-
22	Misc Expenses	1.43
23	Office Expenses	15.18
24	CSR expenses	-
25	Other expenses	127.72
26	Entertainment	0.74
27	Expenditure on meetings, conferences etc.	1.73
	<b>Total</b>	<b>505.88</b>

### ***Commission's Analysis and Ruling***

- 6.4.2 The Commission has examined the submissions of MSETCL. MSETCL has estimated the cost for FY 2024-25 based on the unaudited actuals for April 2024 to August 2024 and estimated financial figures for September 2024 to March 2025. It is observed that the net A&G expenses projected for FY 2024-25 is 0.93% higher than that of FY 2023-24. The basis for head wise estimation is not provided by MSETCL.
- 6.4.3 It is also observed that the electricity charges are showing an increasing trend over the years. MSETCL should consider options available in the market to reduce the expenditure on electricity charges. One such option which is widely encouraged is the installation of rooftop solar generation plants which will help reduce the cost of electricity by ensuring local generation and consumption of electricity at MSETCL premises (offices, sub-stations, etc.). MSETCL as part of its initiative has also proposed similar initiative as a part of its Petition. The Commission has examined the proposal and provided necessary directions to MSETCL in this Order. MSETCL may further assess the most optimal option and proceed with the implementation, subject to necessary approvals by the competent authority and the Commission.
- 6.4.4 The Commission has noted the submissions. The Commission's approach in approval of the provisional O&M expenses for the FY 2024-25 is discussed in paras 6.6.12 to 6.6.24 of the Order.

### **6.5 Repair and Maintenance (R&M) Expenses**

#### ***MSETCL's Submission***

- 6.5.1 MSETCL submitted that, in view of budget provision made vide BR no. 167/06 dated 4 March 2024, and actual expenses incurred till November 2024 and aforementioned past trend (i.e. 4-year CAGR of R&M expenses from FY 2019-20 to FY 2023-24 is 15%, whereas 5-year CAGR of R&M expenses from FY 2018-19 to FY 2023-24 is 24%.) of R&M expenses, it has estimated R&M expenses. The estimation also considers the actual financial figures for April 2024 to August 2024 and estimated financial figures for September 2024 to March 2025. The details are available in the table below:

**Table 135: R&M Expenses for FY 2024-25, as submitted by MSETCL (Rs. Crore)**

Sr. No	Particulars	Estimated
1	Plant & Machinery, Building, Civil Works, Hydraulic Works, Lines & Cables Networks	645.00
2	Vehicles Repairs	2.50
3	Furniture & fixtures Repairs	0.10
4	Repairs - Office Equipments	2.20
5	Repairs to Office building	0.20
6	<b>Gross R&amp;M Expenses</b>	<b>650.00</b>
7	Less: Expenses Capitalized	-
8	<b>Net R&amp;M Expenses</b>	<b>650.00</b>
9	Less: SLDC R&M Expense	2.56
10	<b>Net R&amp;M Expense after adjustment for SLDC</b>	<b>647.44</b>

Note: April to Aug. 2024 and FY 2024-25 estimated figures are net of capitalisation and hence no separate expenses capitalised shown as of now.

### ***Commission's Analysis and Ruling***

- 6.5.2 The Commission has examined the submissions of MSETCL. MSETCL's estimations are based on the unaudited actuals for April 2024 to August 2024 and estimated financial figures for September 2024 to March 2025. MSETCL has estimated R&M expenses of Rs. 647.44 Crore in FY 2024-25 as against Rs 552.73 Crore in FY 2023-24 i.e. an increase of almost 17% which is significantly high.
- 6.5.3 In response to the Commission's query regarding the significant hike envisaged in the R&M expenses, MSETCL submitted that due to the impact of COVID-19, the R&M (Plant and Machinery) expenses during FY 2021-22 were utilised on lower side. During FY 2022-23, R&M works is executed to fullest extent. Further, in FY 2023-24 the R&M expenditure incurred is in line with the R&M expenditure of FY 2022-23. The R&M expenditure till November 2024 is Rs.324.31 Crore. Expected R&M expenditure for FY 2024-25 will be in line with R&M expenditure incurred in FY 2023-24. However, the budget provision made vide BR. No.167/06 dated 4 March 2024 by taking review of all MSETCL Zone offices is of Rs 764.38 Crore.
- 6.5.4 The Commission considers that the estimated R&M expenses are on a higher side and such high level of year-on-year increase in the expenses cannot continue over a longer duration of time. A substantial jump in expenses in one or two years may be justifiable if the expenses in the past have been stagnant or reduced as compared to earlier period, e.g. as in the case of COVID period, however, significant year-on-year increase over a longer duration cannot be sustainable for the business.
- 6.5.5 However, considering that this section is dealing with provisional approval of costs, the Commission has noted the submissions. The Commission's approach in approval of the provisional O&M expenses for the FY 2024-25 is discussed in paras 6.6.12 to 6.6.24 of the Order.

### **6.6 Normative O&M expenses for FY 2024-25**

#### ***MSETCL's Submission***

- 6.6.1 MSETCL submitted that, it has taken approach for purpose of calculating the revised normative O&M expenses for FY 2022-23 and FY 2023-24 along with provisional truing up for FY 2024-25 is explained under Section for True-up for FY 2022-23.
- 6.6.2 The voltage wise addition in number of bays and ckt. kms of transmission line length for FY 2024-25 considered by MSETCL is given below:

**Table 136: Addition in number of bays and ckt. km of transmission line length for FY 2024-25 – Voltage wise, as submitted by MSETCL**

Particulars	FY 2024-25		
	Opening No.	MSETCL Actual Addition	Closing
<b>Ckt km length</b>			
HVDC	1,504.44	-	1,504.44
765 kV	-	-	-
400 kV	8,482.33	1.93	8,484.26
above 66 kV and less than 400 kV	40,563.72	1,603.67	42,167.39
66 kV and below	395.46	-	395.46
<b>Total</b>	<b>50,945.95</b>	<b>1,605.61</b>	<b>52,551.56</b>
<b>Number of Bays (AIS Bays)</b>			
765 kV	11	-	11
400 kV	459	7	466
above 66 kV and less than 400 kV	7,325	157	7,482
66 kV and below	9,429	158	9,587
<b>Total (AIS)</b>	<b>17,224</b>	<b>322</b>	<b>17,546</b>
<b>Number of Bays (GIS Bays)</b>			
765 kV	-	-	-
400 kV	-	-	-
above 66 kV and less than 400 kV	190	26	216
66 kV and below	258	45	303
<b>Total (GIS)</b>	<b>448</b>	<b>71</b>	<b>519</b>
<b>Total (AIS + GIS)</b>	<b>17,672</b>	<b>393</b>	<b>18,065</b>

6.6.3 MSETCL submitted that, above mentioned actual addition of Numbers of bays and ckt. kms are considered for calculation of revised O&M normative expenses for FY 2024-25. The revised normative O&M for FY 2024-25 are provided in table below:

**Table 137: O&M Expenses for FY 2024-25, as submitted by MSETCL**

Sr. No.	O & M Expenses	FY 2024-25		
		MTR Order	Normative	Estimated
1	<b>Normative O &amp; M Expenses</b>	<b>2,259.40</b>	<b>2,625.58</b>	
2	Employee Expenses	1,248.45		1,624.89
4	A&G Expenses	459.67		484.04
5	R&M Expenses	466.42		647.44
6	<b>Total O&amp;M Expenses</b>	<b>2,174.54</b>	<b>2,625.58</b>	<b>2,756.37</b>

*Note: Normative O&M Expenses has been calculated as per MYT Regulations 2019 & are provided in Form 2.1 of Annexure 1*

6.6.4 MSETCL submitted that the Commission in the past observed that the actual O&M expenses of MSETCL are lower than the normative O&M expenses. However, as can be seen from above table this trend has started reversing wherein normative O&M expense are lower and actual O&M expenses has been increasing since last year. One of the reasons for lower normative expenses approved by the Commission in MTR/ as claimed here is due to unapproved schemes/assets/bays.

6.6.5 In this context, MSETCL submitted that the Commission in the MTR Order dated 31 March 2023 in Case No. 232 of 2022 has ruled as under:

*“5 Provisional truing-up of ARR for FY 2022-23*

*Commission’s Analysis and Ruling*

...

*5.6.6 Accordingly, the Commission has approved the O&M expenses for FY 2022-23 on provisional truing up of FY 2022-23 considering 5% escalation over the actual O&M expenses approved for FY 2021-22 excluding the payment of wage revision arrears which may be considered by the Commission if actually paid, subject to prudence check. In case the actual O&M expenses are found to be higher at the time of Truing-up, they shall be considered subject to prudence check.*

*5.6.7 Further, as per the stand taken by the Commission in its MYT Order, it will undertake the sharing of gain / (loss) considering the revised normative expenses, but it will not allow any carrying cost on the difference between the actual O&M expenses and the approved O&M expenses, in case the actual expenses are higher.*

...

*6.2.3 The Commission notes the MSETCL submissions. It is submitted that, the Commission, at para 4.6.28 to 4.6.30 had already clarified that the Commission does not intend to change its approach to project the O&M expenses for the 4th Control period which was approved in the Order in Case No. 302 of 2019 during the mid-term review process as it raises issues in the matter of regulatory certainty.*

*6.2.4 Accordingly, the Commission has approved the O&M expenses for FY 2023-24 and FY 2024-25 considering 5% escalation over the actual O&M expenses approved for FY 2021-22 excluding the payment of wage revision arrears which may be considered by the Commission if actually paid, subject to prudence check. In case the actual O&M expenses are found to be higher at the time of Truing-up, they shall be considered subject to prudence check.*

*6.2.5 Further, as per the stand taken by the Commission in its MYT Order, it will undertake the sharing of gain / (loss) considering the revised normative expenses, but it will not allow any carrying cost on the difference between the actual O&M expenses and the approved O&M expenses, in case the actual expenses are higher. Further, The Commission also clarified that the impact of wage revision arrears in the actual approved O&M expenses for FY 2021-22 has not been considered while projecting the O&M expenses for FY 2022-23 to FY 2024-25. Accordingly, there is a significant variation in the O&M expenses projected by MSETCL and that approved by the Commission. The variation is attributed to MSETCL considering the O&M expenses based on the normative O&M expenditure norms prescribed in the MYT Regulations and also considering the restated number of bays and ckt. kms based on the cost auditor certificate, while the Commission has used the escalation methodology adopted in the MYT Order as mentioned earlier.*

6.2.6 Based on the same, the Commission has approved the O&M expenses for FY 2023- 24 and FY 2024-25 as given in the table below:

**Table 131: O&M Expenses for FY 2023-24 and FY 2024-25 approved by Commission (Rs. Crore)**

Particulars	FY 2023-24			FY 2024-25		
	MYT Order	MTR Petition	Approved in this Order	MYT Order	MTR Petition	Approved in this Order
Total O&M Expenses	1,824.04	2,468.52	2,070.99	1,915.24	2,603.36	2,174.54

6.2.7 The Commission approves the O&M Expenses of Rs. 2,070.99 Crore and Rs. 2,174.54 Crore for FY 2023-24 and FY 2024-25, respectively.

#### **Normative O&M expenses**

6.2.10 Based on the above, the Commission has worked out the normative O&M expenses for FY 2023-24 and FY 2024-25 as given below:

Particulars	FY 2023-24			FY 2024-25		
	MYT Order	MTR Petition	Approved in this Order	MYT Order	MTR Petition	Approved in this Order
Total O&M Expenses	1,824.04	2,468.52	2,070.99	1,915.24	2,603.36	2,174.54

.....”

6.6.6 As per above quoted paras, the Commission in MTR Order, while approving O&M expenses for FY 2022-23 on provisional truing up of FY 2022-23 considered 5% escalation over the actual O&M expenses approved for FY 2021-22 excluding the payment of wage revision arrears which may be considered by the Commission if actually paid. Further, the Commission ruled that in case the actual O&M expenses are found to be higher at the time of Truing-up, they shall be considered subject to prudence check, however, it will not allow any carrying cost on the difference between the actual O&M expenses and the approved O&M expenses, in case the actual expenses are higher.

6.6.7 MSETCL further submitted that it would be unjust for MSETCL in case the Commission follows the similar approach for FY 2024-25 that it followed while approving O&M expenses for FY 2022-23 i.e. escalating actual approved expenses of FY 2023-24 by 5% and not allow any carrying cost on the difference between the actual O&M expenses and the approved O&M expenses, in case the actual expenses are higher.

6.6.8 MSETCL submitted that unlike provisional truing-up for FY 2022-23 which was carried out under Mid-Term review framework and being trued-up in this Petition; the provisional truing for FY 2024-25 that would be approved by the Commission as part of these proceedings would only be subjected to true-up after five-year period i.e. at the end of upcoming Control Period. This would entail the unjust burden on account of carrying cost on the difference between the actual O&M expenses and the approved O&M expenses, in case the actual expenses for FY 2024-25 are higher rather than escalated number.

- 6.6.9 MSETCL's projected O&M expenses for FY 2024-25 in MTR Petition were of Rs. 2,603.36 Crore and the estimated O&M expenses for FY 2024-25 by MSETCL of Rs. 2,873.31 Crore are approximately matching. However, Commission at that point of time approved lower O&M expenses of Rs. 2,174.54 Crore.
- 6.6.10 In view of above, MSETCL submitted that for FY 2024-25 instead of escalating actual approved expense of FY 2023-24 by 5%, expenses estimated by MSETCL in this Petition for FY 2024-25 needs to be considered.
- 6.6.11 Therefore, MSETCL for the purpose of estimating O&M expenses for FY 2024-25 for provisional truing up has considered component wise estimated O&M expenses and requested the Commission to consider the same.

#### ***Commission's Analysis and Ruling***

- 6.6.12 The Commission has noted the submissions of MSETCL. MSETCL has computed both the revised normative O&M expenses as well as estimated O&M expenditure for FY 2024-25 based on provisional costs for the period April to August 2024 and estimation for the remaining period from September 2024 to March 2025.
- 6.6.13 It is observed that, while in FY 2022-23 the actual expenses are lower than the Normative expenses, thereafter the actual expenses have far exceeded the normative expenses. In FY 2023-24 actual expenses are higher than the normative expenses even after excluding the component of wage revision related expenses claimed by MSETCL. Similarly, MSETCL's estimated expenses are higher than the normative expenses in FY 2024-25 as well. The increasing trend in the actual O&M expenses is visible from FY 2021-22 itself with 12.9% increase in FY 2021-22 over FY 2020-21, 19.8% increase in FY 2022-23 over FY 2021-22 and 13.51% increase (excluding wage revision related expenses) in FY 2023-24 over FY 2022-23. The proposed increase in FY 2024-25 expenses over FY 2023-24 is around 4.36%, however, the increased base expenses lead to the situation wherein the projected O&M expenses are almost 5 % higher than the normative expenses computed by MSETCL in the FY 2024-25.
- 6.6.14 It is also to be noted that the Commission in its MTR Order in Case No. 232 of 2022 had approved the estimated O&M expenses considering 5% escalation over the approved O&M expenses for FY 2023-24. This was in line with the approach proposed by MSETCL in the MYT Petition in Case No. 302 of 2019 and the Commission had not agreed to change this approach during the MTR proceedings. The relevant extract of the Order is reproduced below for reference:

*4.6.28 Further, the Commission has also noted the submissions of MSETCL regarding considering the normative O&M expenses for the provisional truing up of FY 2022 23 and projections for FY 2023-24 and FY 2024-25. However, the Commission in its MYT Order in Case No. 302 of 2019 had approved the O&M expenses for the 4th Control period by escalating the actual approved O&M expenses for FY 2019-20 considering an escalation rate of 5% instead of projecting the expenses using normative O&M expenses. Further, this approach was adopted by the Commission based on submissions of MSETCL itself. The relevant paragraph from the MYT Order is reproduced below for reference:*



*“6.2.16 Accordingly, the Commission approves the O&M expenses as per the methodology proposed by MSETCL. The O&M expenses for FY 2019-20 approved in this Order are escalated at 5% to derive the expenses for FY 2020-21, and the O&M expenses for subsequent years up to FY 2024-25 have been computed similarly. If actual O&M turn out to be higher, they may be considered, subject to prudence check, at the time of Truing-up. The Commission would also undertake the sharing of gain/ (loss) at that time but not allow any carrying cost on that account.”*

*4.6.29 The Commission notes that the Hon’ble Supreme Court in its judgment in Civil Appeal Nos. 4323 and 4324 / 2015 dated 18 October, 2022 has observed that the truing up exercise cannot be done to retrospectively change the methodology / principles of tariff determination and reopening the original tariff determination Order thereby setting the tariff determination process to a naught at the true-up stage and hence the premise based on which the projections have been considered under the MYT cannot be permissible to change in the truing up process. **Accordingly, the Commission does not intend to change its approach during the mid-term review process which was suggested by MSETCL itself in the MYT proceedings in Case No. 302 of 2019.** Further it also raises issues in the matter of regulatory certainty. Further, as per the stand taken by the Commission in its MYT Order, it will undertake the sharing of gain / (loss) considering the revised normative expenses, but it will not allow any carrying cost on the difference between the actual O&M expenses and the approved O&M expenses, in case the actual expenses are higher.”*

6.6.15 The stand taken by the Commission in the past MYT Order (Case No. 302 of 2019) and MTR Order (Case No. 232 of 2022) was based on following considerations:

- The approach was suggested by MSETCL itself during the MYT Petition in Case No. 302 of 2019 considering the past trend of O&M expenses wherein the actual O&M expenses were lower than the normative O&M expenses. Accordingly, considering the projected O&M expenses during provisional truing up process and for projection purpose leads to lower burden on the TSU and consequently on the retail consumer.
- In the MTR Order as well, the projected O&M were lower than the normative expenses and hence the approach was beneficial for the end consumers.
- Accordingly, considering the variation trend observed in the actual and normative O&M expenses, the Commission also continued with the approach during the MTR proceedings
- Considering that there was no change in the scenario during the MTR proceedings (i.e. projected O&M expenses were lower than the normative O&M expenses) and to ensure continuity in the approach during the control period, the Commission did not agree with MSETCL’s contention for changing the approach mid-way during MTR Order proceedings.

6.6.16 Having said that, it is important to consider the changed scenario during the present proceedings. While FY 2024-25 is part of the earlier control period, the projected expenses considered by MSETCL are far higher than the normative expenses for FY 2024-25. If the

expenses for FY 2024-25 are projected considering 5% increase over the approved actual O&M expenses for FY 2023-24, the value will be even higher. Further, as discussed earlier, there has been a significant increase in the actual O&M expenses from FY 2020-21 onwards and this increase is far beyond the inflationary increases (CPI and WPI linked) seen in the country. Further, the MYT Regulations 2019 prescribe normative O&M expenses while projecting the O&M expenses for any year of the control period. The actual expenses are only considered at the time of the truing up for any year of the Control Period for working out the efficiency gains / (losses) which must be passed on to the TSUs through the transmission ARR.

- 6.6.17 In this regard, the Commission has also computed the revised normative O&M expenses for FY 2024-25 as per norms specified in the MYT Regulation, 2019 and considering the opening bays and ckt. kms same as the approved closing bays and ckt. kms for FY 2023-24. The additions to the no. of bays and ckt. kms of transmission lines have been considered based on the schemes approved for consideration of capitalisation in FY 2024-25. It was observed that the normative O&M expenses computed by the Commission (Rs. 2633.52 Crore) is higher than the normative O&M expenses estimated by MSETCL (Rs. 2,625.58 Crore) on account of the lower number of addition of bays considered by MSETCL in its revised Petition. MSETCL in its revised Petition had considered addition of 393 nos. of bays (AIS & GIS) during the year for computation of the normative O&M expenses. However, while providing details for the no. of bays for capital expenditure schemes against which capitalisation had been claimed in the Petition, MSETCL has considered 504 nos. of bays. Accordingly, MSETCL has apparently considered lesser nos. of bays as added during the year for normative O&M computation during FY 2024-25 in its revised Petition. However, MSETCL in its additional submission dated 20 January 2025 has corrected this anomaly and has now considered addition of 504 nos. of bays during the FY 2024-25. Accordingly, the revised normative O&M expenditure submitted by MSETCL is Rs. 2,634.09 Crore.
- 6.6.18 Another important point to be noted is that the Commission has accepted MSETCL's request to consider the revised data pertaining to the bays and ckt. kms which has also been certified by the Cost Accountant for the purpose of computation of normative O&M expenses. There is a significant variation between the latest numbers shared by MSETCL and those approved by the Commission in its earlier orders till the end of FY 2021-22. The change has been accepted and the impact passed on from FY 2023-24 as per the Commission's ruling in the MTR Order in Case No. 232 of 2022 instead of FY 2022-23 requested by MSETCL. This has increased the quantum of entitlement of normative O&M expenditure for MSETCL.
- 6.6.19 Accordingly, considering the above facts, it will not be appropriate for the Commission to consider the approved O&M expenses for FY 2024-25 on projection basis (either as estimated by MSETCL or calculated considering 5% increase over FY 2023-24 approved actual expenses) as it is higher than the estimates normative O&M expenses worked out by the Commission and hence the Commission has considered the normative O&M expenses for FY 2024-25. During the truing up process for FY 2024-25 the actual O&M expenses will be compared with the revised normative expenses computed for the year to

work out the efficiency gains / (losses) which will then be allowed for recovery along with the associated carrying / (holding) cost as per the provisions of the MYT Regulations 2019.

6.6.20 The addition to bays and ckt. kms for FY 2024-25 has been considered by the Commission on a provisional basis linked to the capital expenditure schemes approved by the Commission. The details are summarised in the table below:

**Table 138: Addition to bays and ckt. kms of transmission line for FY 2024-25, as approved by the Commission**

Particulars	FY 2024-25
<b>Number of Bays (AIS Bays)</b>	
765 kV	-
400 kV	9
above 66 kV and less than 400 kV	221
66 kV and below	199
<b>TOTAL AIS</b>	<b>429</b>
<b>Number of Bays (GIS Bays)</b>	
765 kV	-
400 kV	-
above 66 kV and less than 400 kV	26
66 kV and below	45
<b>TOTAL GIS</b>	<b>71</b>
<b>TOTAL BAYS</b>	<b>500</b>
<b>Transmission Lines (ckt. Kms)</b>	
HVDC	-
765 kV	-
400 kV	-
above 66 kV and less than 400 kV	1,399.43
66 kV and below	-
<b>TOTAL</b>	<b>1,399.43</b>

6.6.21 The normative O&M expenses have been computed considering the above stated additions to bays and ckt. kms on transmission line.

6.6.22 Further, in addition to the normative O&M expenses, the Commission has also allowed recovery of wage revision arrears (2 instalments) to the tune of Rs. 155.06 Crore as discussed in para 5.3.26 **Error! Reference source not found.** in the FY 2024-25. This recovery is over and above the normative O&M expenses approved for the FY 2024-25.

6.6.23 The O&M expenses approved for FY 2024-25 after provisional truing up are as given in the table below:

**Table 139: O&M Expenses for FY 2024-25, as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	MYT Petition	Approved in this Order
<b>Normative O&amp;M Expenses</b>	<b>2,259.40</b>	<b>2,625.58</b>	<b>2,633.81</b>
Add: Wage Revision Arrears (2 Instalments)			155.06
<b>Total O&amp;M expenses</b>	<b>2,259.40</b>	<b>2,625.58</b>	<b>2,788.87</b>
<b>Unaudited Actual O&amp;M Expenses</b>			
Employee Expense	1,248.45	1,624.89	1,624.89
A&G Expense	459.67	484.04	484.04
R&M Expense	466.42	647.44	647.44
<b>Total Projected O&amp;M Expenses (Excluding wage revision arrears payment)</b>	<b>2,174.54</b>	<b>2,756.37</b>	<b>2,756.37</b>

*Note: MSETCL in its additional submission dated 20 January 2025 has revised the normative O&M expenses to Rs. 2,634.09 Crore.*

6.6.24 Accordingly, the Commission approves total O&M expenses of Rs. 2,788.87 Crore on provisional truing up of FY 2024-25 which includes Rs. 2,633.81 Crore of normative O&M expenses and Rs. 155.06 Crore as wage revision arrears (2 instalments) to be paid out during FY 2024-25.

6.6.25 Notwithstanding the above, considering the increasing trend of O&M expenses particularly employee expenses and the concerns raised by the Commission during the public hearing process, the Commission hereby directs MSETCL to provide a justification for increase in employee expenses including the impact of wage revision and compare the same vis-à-vis the pay revisions scale applicable for the State Government Departments. The same shall be considered at the time of MYT proceedings for undertaking prudence check of O&M expenses as part of the truing up process for relevant years.

6.6.26 Thus, the Commission directs MSETCL to submit details of the employee expenses at the time of truing up of projection years. The details shall comprise employee category, number of employees in that category, applicable pay band as per the provision of the 7<sup>th</sup> Pay Commission approved by the Government of Maharashtra and actual salary of the respective employee category in tabular format.

## 6.7 Capital Expenditure and Capitalization for FY 2024-25

### *MSETCL's Submission*

6.7.1 MSETCL submitted that, it has projected the Capital Expenditure and Capitalisation for FY 2024-25 based on the progress of the schemes as submitted in the table below:

**Table 140: Estimated Capitalisation for FY 2024-25, as submitted by MSETCL (Rs. Crore)**

Sr. No	Particulars	FY 2024-25 Estimated
1	Estimated Capitalisation	2,293.73
2	Less: pertaining to SLDC	-
3	Less: pertaining to ORC	63.55
4	<b>Total amount to be claimed by MSETCL (4=1-2-3)</b>	<b>2,230.18</b>
5	<b>Break-up DPR/NDPR</b>	-
6	DPR	2,035.87
7	Non-DPR	194.31

Sr. No	Particulars	FY 2024-25 Estimated
8	<b>Total (7=5+6)</b>	<b>2,230.18</b>
9	Non-DPR to DPR Ratio (11=7/6)%	9.54%

*Note: MSETCL vide its additional submission dated 20 January, 2025 has revised the estimated capitalisation for FY 2024-25 to Rs. 2488.40 Crore (excluding impact of past disallowed capitalisation claimed in the Petition and ORC schemes).*

- 6.7.2 MSETCL also submitted that, the scheme wise details of capitalisation as Annexure-2 of revised Petition. MSETCL further submitted that the drive of closing of scheme which are already completed is being undertaken.
- 6.7.3 MSETCL has provided details regarding revision in scope of work for the sanctioned scheme of augmentation of transformer capacity at 400 kV Babbleshwar s/s. 400 kV Padghe s/s. & 400 kV Nagothane S/s. The details have been elaborated in the capitalisation related section of the Section on truing up of FY 2022-23 and FY 2023-24.
- 6.7.4 **Funding for the capitalisation for FY 2024-25:** MSETCL has submitted that the funding of the capitalisation has been claimed based on the individual scheme wise funding into Grant: Debt: Equity as the case may be. Majority of the funding of schemes has been in Debt-Equity ratio of 80:20 (prior to FY 2015-16) and/ 75:25 (after FY 2015-16). MSETCL has few schemes which are partially funded by grant such as Green Energy Corridor schemes (Grant: 60% (MNRE-40% + GoM Equity 20%), Debt: 40% (kfW); Power System Development Fund (PSDF) – 90% Grant and 10% Equity and State Government support for Tribal Area (Grant 50% & Equity 50%).
- 6.7.5 MSETCL has only received grants of capital nature. It may be noted that MSETCL has not claimed capitalization corresponding to the amount received through grants, as the same must not be recovered from the consumers under any component of tariff. Therefore, MSETCL has not considered amount attributable to grants in the computation of Interest on Long Term Loans, Depreciation and Return on Equity during the computation of ARR.
- 6.7.6 MSETCL has computed grant, debt & equity for each year based on above funding for each scheme and accordingly arrived at weighted average funding ratio as tabulated below which are utilised for further computation of depreciation, interest on loan and return on equity.

**Table 141: Average Funding Ratio of Capitalisation for FY 2024-25, as submitted by MSETCL**

Particulars	FY 2024-25
Estimated Capitalisation Amount (Includes impact of past capitalisation approvals sought by MSETCL)	<b>2,400.01</b>
<b>Funding Sources:</b>	
Grant	0.07
Debt	1,802.35
Equity	597.66
<b>Total Funding</b>	
<b>Funding Ratio</b>	
Debt	75.10%
Equity	24.90%

**Note:** (i) The table for FY 2022-23 was incorrectly included in the MSETCL revised Petition under the provisional truing up section of FY 2024-25 which has been corrected by the Commission for sake of clarity on MSETCL's submission in the matter.  
(ii) MSETCL has revised the estimation to **Rs. 2,658.31 Crore** in its additional submission dated 20 January 2025.

- 6.7.7 In its additional submission dated 20 January 2025 after the hearing process was completed, MSETCL has proposed revised capitalization of Rs 2,658.31 Crore in FY 2024-25.
- 6.7.8 MSETCL submits that post submission of the revised petition on 2 December 2024 and during discussion with the Commission it is observed that certain key details mainly related to projected capitalization (with associated network addition) for certain schemes was inadvertently missed in the Annexure -2 of the revised main Petition. The capitalisation claimed was mentioned in the comments in the sheet, but the actual number were not added in the particular cells of the excel sheet.
- 6.7.9 Accordingly, MSETCL has submitted the updated 'Annexure-2: Capital Expenditure and Capitalization sheet' and updated 'Annexure-I: Regulatory Formats' (incorporating changes in Annexure-2) and has also updated certain scheme related information / details.
- 6.7.10 MSETCL has requested the Commission to kindly consider the updated Annexure while allowing and approving the capital expenditure and capitalization and other related parameters.

### ***Commission's Analysis and Ruling***

- 6.7.11 The Commission has elaborated the analysis underlying its approval of the capitalization for FY 2022-23 to FY 2029-30 in para 5.7 of this Order. Accordingly, the capitalization for FY 2024-25 provisionally approved by the Commission after prudence check is given in the Table below:

**Table 142: Capitalisation for FY 2024-25 provisionally, as approved by the Commission (Rs. Crore)**

Particulars	FY 2024-25
DPR Capitalisation	1,876.04
Non-DPR Capitalisation	353.39
Less: Cap. Linked to unutilised Bays for approved / shifted / restricted schemes*	0.00
Add: Past period disallowed capitalisation – Bays*	0.29
Add: Impact of past disallowed capitalisation against unutilised bays from approved schemes (as identified in MTR Order in Case No. 232 of 2022), which are put to use*	7.81
Add: Past period disallowed capitalisation – Capex scheme*	0.00
Add: Shifted schemes approved*	93.82
<b>Total approved capitalisation</b>	<b>2,331.35</b>

\* The capitalisation is approved in Section 3 of this Order.

- 6.7.12 The Commission has also reviewed the nature of activities being undertaken under the non-DPR schemes and the capitalisation against the schemes in which the activities to be undertaken are of primarily of the nature of regular repairs and maintenance has been disallowed under non-DPR schemes and considered as part of the R&M expenses. The Commission's approach in this matter has been discussed in paras 5.7.68 to 5.7.73 of the

Order. While certain non-DPR schemes have been identified as of the nature of R&M expenses, the capitalisation against such schemes has not been considered for addition into the O&M expenses for FY 2024-25 considering that the Commission has approved the O&M expenses on normative basis and also the provisional truing up is being done presently. The Commission will consider these expenses during the truing up process in line with provisions of the MYT Regulations, 2019.

**6.7.13 The Commission approves Capitalisation of Rs 2,331.25 Crore on Provisional Truing-up of ARR for FY 2024-25 as per the details provided in Table 142 above.**

**6.8 Depreciation for FY 2024-25**

***MSETCL's Submission***

- 6.8.1 The opening balance of GFA has been considered same as closing balance of FY 2023-24 as submitted by MSETCL in this Petition.
- 6.8.2 MSETCL submitted that the percentage (%) of retirement of assets for true-up years (i.e. FY 22-23 and FY 23-24) is percentage (%) derived from actual figures. MSETCL has considered percentage (%) of retirement of assets (retirement of asset/ opening GFA) for latest year i.e. FY 23-24 and applied it to opening GFA for estimation of retirement of assets for FY 2024-25 which shall be subject to actuals and claimed later in the truing-up process. MSETCL has prepared a Policy for Asset retirement, Scrap Declaration and Disposal Policy. Once in place, this Policy is expected to streamline the booking / accounting of the retirement of assets.
- 6.8.3 MSETCL has submitted that the depreciation has been calculated considering the average depreciation rate of 3.88% for FY 2024-25. The rate has been computed considering average rate of depreciation for FY 2023-24 on opening GFA net of retired assets during the year and 5.28% on additions to the capitalisation for FY 2024-25.
- 6.8.4 The depreciation proposed for approval by MSETCL for the FY 2022-23 is given in following table:

**Table 143: Depreciation for FY 2024-25, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Particulars	MTR Order	Estimated
1	<b>Opening GFA</b>	<b>32,379.94</b>	<b>31,388.35</b>
2	Add: Additional Capitalization during the year	1,439.77	2,400.09
3	Less: Retirement/Adjustments	14.26	25.25
4	<b>Closing GFA</b>	<b>33,805.45</b>	<b>33,763.12</b>
5	Average Depreciation Rate	4.02%	3.86%
6	<b>Total Depreciation</b>	<b>1,325.77</b>	<b>1,257.46</b>

***Commission's Analysis and Ruling***

- 6.8.5 For computing depreciation, the Commission has considered the closing GFA of FY 2023-24 approved in this Order as the opening GFA for FY 2024-25. Further, addition of assets during FY 2024-25 is considered as per the capitalisation approved for FY 2024-25 in this Order.



6.8.6 As regards retirement of assets, MSETCL in its Petition has mentioned that it has estimated the % retirement of assets for true-up years (i.e., FY 2022-23 and FY 2023-24) is percentage (%) derived from actual figures and derived the % of retirement of assets for latest year i.e. FY 2023-24 and applied it to opening GFA for estimation of retirement of assets for FY 2024-25. Accordingly, the Commission has computed the estimated retirement of assets using the methodology adopted by MSETCL in its submission i.e. linked to the actual rate observed by FY 2023-24.

6.8.7 The Commission has considered the rate of depreciation of 3.86%. The rate has been computed by adopting the following methodology:

- Depreciation on opening GFA of FY 2024-25 as per MSETCL accounts is computed considering the actual average rate of depreciation for the FY 2023-24 i.e. 3.81% for the entire year.
- **Less:** Depreciation on assets estimated to be retired during the year considering the actual average rate of depreciation for the FY 2023-24 i.e. 3.81% for half year assuming retirement across the year.
- **Add:** Depreciation on assets estimated to be capitalised during the year considering 5.28% rate of depreciation for half year, assuming that the additions will happen across the year.

6.8.8 The depreciation computed as per the methodology elaborated in the previous para is then used with the average GFA during the year to compute the average rate of depreciation during the year.

6.8.9 The depreciation approved by the Commission for FY 2024-25 is summarised in the following Table:

**Table 144: Depreciation for FY 2024-25, as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	MYT Petition	Approved in this Order
<b>Opening GFA</b>	<b>32,379.94</b>	<b>31,388.36</b>	<b>30,975.19</b>
Add: Additional Capitalization during the year	1,439.77	2,400.09	<b>2,331.35</b>
Less: Retirement/Adjustments	14.26	25.25	<b>25.25</b>
Less: Grant	-	0.07	<b>0.07</b>
<b>Closing GFA</b>	<b>33,805.45</b>	<b>33,763.12</b>	<b>33,281.21</b>
Average Depreciation Rate	4.02%	3.86%	<b>3.86%</b>
<b>Total Depreciation</b>	<b>1,330.33</b>	<b>1,257.46</b>	<b>1,240.86</b>

6.8.10 **The Commission approves depreciation of Rs. 1,240.86 Crore on provisional Truing-up of ARR for FY 2024-25.**



## 6.9 Interest on Long Term Loan for FY 2024-25

### *MSETCL's Submission*

- 6.9.1 MSETCL has submitted that, the Regulation 30.5 of the MYT Regulations 2019 specifies that the rate of interest shall be the weighted average rate of interest computed on the basis of the actual loan portfolio at the beginning of the year. Accordingly, the weighted average rate of interest computed on the basis of the actual loan portfolio for FY 2024-25 is 9.05%
- 6.9.2 MSETCL has considered the opening balance of loan for FY 2024-25 as the closing balance of loan of FY 2023-24. Considering the normative opening loan, estimated loan addition during the year and loan repayment equal to depreciation and the weighted average interest rate of actual loan portfolio at the beginning of the year, MSETCL has computed the interest expenses on normative basis as summarized in table below:

**Table 145: Interest Expenses for FY 2024-25, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Source of Loan	MTR Order	Estimated
1	Opening Balance of Net Normative Loan	6,711.31	6,151.29
2	Retirement of Assets	14.26	25.25
3	Debt % considered for reduction in loan due to retirement / adjustment of assets	80%	80%
4	Less: Reduction of Normative Loan due to retirement or replacement of assets	11.41	20.20
5	<b>Total capitalization</b>	<b>1,439.77</b>	<b>2,400.01</b>
6	Debt Component	76.43%	75.10%
7	Addition of Normative Loan due to capitalisation during the year	1,100.41	1,802.35
8	Repayment of Normative loan during the year	1,325.77	1,257.46
9	Closing Balance of Net Normative Loan	6,474.54	6,675.98
10	<b>Average Balance of Net Normative Loan</b>	<b>-</b>	<b>6,413.63</b>
11	Weighted average Rate of Interest on actual Loan (%)	8.97%	9.05%
12	<b>Interest Expenses</b>	<b>591.39</b>	<b>580.27</b>

- 6.9.3 Further, the Commission in MTR Order dated 31 March 2023 in Case No. 232 of 2022 has approved passing of the benefit of refinancing transaction through interest and finance charges during FY 2024-25. MSETCL for the purpose of truing-up has claimed such approved amount. The relevant extract of the Order is reproduced below:

*“5.9.15 The Commission also notes MSETCL's submission regarding approval for passing on the benefit of the refinancing transaction through the interest and finance charges during FY 2022-23. The Commission has examined the net savings accrued from the refinancing transaction in paras 4.10.7 to 4.10.19 of this Order. Considering that there are net savings from the transaction after considering the cost of refinancing, the Commission has agreed to allow passing on MSETCL's share of the net benefit over a period of 3 years i.e. FY 2022-23 to FY 2024-25 in line with the submission of MSETCL. Accordingly, the Commission allows an amount of Rs. 14.11 crore to be recovered through the ARR for FY 2022-23.”*

- 6.9.4 MSETCL requested the Commission to approve the normative interest expenses as submitted in the above paragraphs including the benefit of refinancing transaction through interest and finance charges.

***Commission's Analysis and Ruling***

- 6.9.5 The Commission has considered the opening balance of loan for FY 2024-25 same as the closing balance of loan for FY 2023-24 approved in this Order, and a weighted average debt-equity ratio of 75.60:24.40 for funding of the capitalisation of FY 2024- 25 to determine the normative addition in loans during the year.
- 6.9.6 The Commission has considered the repayment of normative loan equal to the depreciation approved for FY 2024-25 in this Order.
- 6.9.7 The reduction in loan is computed by multiplying the value of retired assets considered in this Order with the percentage debt funding, considered as 80% since the assets being retired would historically have been funded at 80% debt. This would be finalised subject to prudence check during the time of Truing-up.
- 6.9.8 The Commission has examined the submissions of MSETCL including documentary evidence certifying the opening loan balances and the applicable rate of interest at the beginning of the year. Based on the above, the Commission has considered the weighted average rate of interest of the loans at the beginning of the FY 2024-25 @ 9.05% i.e. same as submitted by MSETCL and applied it on the average of opening and closing balance of normative loan for the year to compute the interest expense for FY 2024-25. This rate of interest will be revised at the time of truing up of FY 2024- 25.
- 6.9.9 The Commission in para 5.9.15 of MTR Order Case No 232 of 2022 mentioned that to considered Rs 14.11 Crore sharing of gains on refinancing of loan to be recovered through the ARR of FY 2022-23 to FY 2024-25, same has to be considered by the Commission in this Order.
- 6.9.10 Accordingly, the Commission approves the interest expense for FY 2024-25 as given in Table below:

**Table 146: Interest on Long Term Loans for FY 2024-25, as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	MYT Petition	Approved in this Order
<b>Opening Balance of Net Normative Loan</b>	<b>6,711.31</b>	<b>6,151.29</b>	<b>5,858.56</b>
Retirement of Assets	14.26	25.25	<b>25.25</b>
Debt % considered for reduction in loan due to retirement/adjustment of assets	80%	0.80	<b>0.80</b>
Less: Reduction of Normative Loan due to retirement or replacement of assets	11.41	20.20	<b>20.20</b>
Less: Grants	-	0.07	<b>0.07</b>
<b>Total Capitalization</b>	<b>1,439.77</b>	<b>2,400.01</b>	<b>2,331.27</b>
Debt Component	76.43%	75.10%	75.60%
Addition of Normative Loan due to capitalisation during the year	1,100.41	1,802.35	1,762.38
Repayment of Normative loan during the year	1,325.77	1,257.46	1,240.86
<b>Closing Balance of Net Normative Loan</b>	<b>6,474.54</b>	<b>6,675.98</b>	<b>6,359.87</b>
<b>Average Balance of Net Normative Loan</b>	<b>-</b>	<b>6,413.63</b>	<b>6,109.22</b>
Weighted average Rate of Interest on actual Loans (%)	8.97%	9.05%	9.05%
<b>Interest Expenses</b>	<b>591.39</b>	<b>580.27</b>	<b>552.73</b>
<b>Add:</b> Sharing of gains on Re-financing / Swapping of Loan (spread over 3 years)	14.11	14.11	14.11
<b>Total Interest Expenses</b>	<b>605.50</b>	<b>594.38</b>	<b>566.84</b>

6.9.11 The Commission approves Interest on Loan of Rs. 566.84 Crore considering Rs 14.11 Crore share of gains on refinancing of loans on provisional Truing-up of ARR for FY 2024-25.

## 6.10 Other Finance Charges for FY 2024-25

### *MSETCL's Submission*

6.10.1 MSETCL submitted that it has projected Other Finance Charges in line with MTR approved figures and would be claimed as per actuals at the time of truing-up. MSETCL requested the Commission to approve Other Finance Charges for FY 2024-25 as shown in the table below:

**Table 147: Other Finance Charges for FY 2024-25, as submitted by MSETCL**

Particulars	Rs Crore	
	MTR Order	Estimated
Other Interest and Financing Charges	1.00	1.00

### *Commission's Analysis and Ruling*

6.10.2 The Commission has examined MSETCL's submission and approves the interest and finance charges claimed by MSETCL on a provisional basis.

**Table 148: Other Finance Charges for FY 2024-25, as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	MYT Petition	Approved in this Order
Other interest and finance charges	1.00	1.00	1.00

## 6.11 Interest on Working Capital for FY 2024-25

### *MSETCL's Submission*

6.11.1 MSETCL submitted that the Regulation 32.2 of the MYT Regulations, 2019 stipulates that, the rate of interest on working capital shall be equal to Base Rate plus 1.5% prevailing at the time of submission of Petition. In line with MYT Regulations, 2019, the rate of interest comprises of Base Rate equivalent to one-year Marginal Cost of Funds-based Lending Rates (MCLR) declared by State Bank of India plus 1.5% which works out to 10.45% has been considered for determining interest on working capital.

6.11.2 The details of the IoWC as approved in the MYT Order and as claimed by MSETCL in this Petition for FY 2024-25 is shown in the following Table below:

**Table 149: Interest on Working Capital for FY 2024-25, as submitted by MSETCL (Rs. Crore)**

Particulars	MTR Order	Normative
Interest on Working capital	124.98	141.56

### *Commission's Analysis and Ruling*

6.11.3 The Commission has computed the normative IoWC as per the provisions of MYT Regulation 2019 considering the following:

- Normative O&M expenses approved for FY 2024-25 in this Order.
- One Percent of the opening GFA approved in this Order for FY 2024-25 as maintenance spares.
- Transmission charges levied on TSUs as per the InSTS Tariff Order in Case No. 239 of 2022 for the period April 2024 to March 2025 is considered.

6.11.4 The Commission has considered the interest rate for computing IoWC equivalent to the weighted average Base rate as on date of filing and additional 150 basis points as per MYT Regulation, 2019. Thus, the interest rate which works out to 10.45% (8.95% + 1.50%) has been considered by the Commission for estimation of the normative IoWC.

6.11.5 The normative IoWC as approved by the Commission for FY 2024-25 is shown in the Table below:

**Table 150: Interest on Working Capital for FY 2024-25, as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	MYT Petition	Approved in this Order
Operations and Maintenance Expenses for one month	188.28	229.70	188.28
Maintenance Spares @1% of the Opening GFA	323.80	314.53	323.80
One and a half months of the expected revenue from transmission charges at the prevailing tariffs	810.43	810.43	810.43
Less: Amount of Security Deposit from Transmission System Users	-	-	-
<b>Total Working Capital Requirement</b>	<b>1,322.51</b>	<b>1,354.66</b>	<b>1,322.51</b>
Interest Rate (%)	9.45%	10.45%	10.45%
<b>Normative Interest on Working Capital</b>	<b>124.98</b>	<b>141.56</b>	<b>140.06</b>

**6.11.6 The Commission has determined the normative IoWC as Rs. 140.06 Crore on provisional Truing-up of ARR for FY 2024-25.**

## **6.12 Return on Equity for FY 2024-25**

### ***MSETCL's Submission***

6.12.1 MSETCL submitted that it has calculated the return of equity in line with the provisions of Regulation 29 of the MYT Regulations, 2019. MSETCL has considered the opening balance of equity for FY 2024-25 same as the closing balance of equity of FY 2023-24. MSETCL has considered weighted average debt-equity ratio as discussed in the section related to interest on loans.

6.12.2 MSETCL submitted that it has been paying Income Tax at Corporate Tax rate and therefore, the effective tax rate for FY 2024-25 is considered to be the same as that of FY 2023-24 i.e. 34.94%, for FY 2023-24 as per actual income tax paid (effective tax rate). MSETCL has computed the rate of Return on Equity by grossing up the effective tax rate for FY 2023-24. The table below provides computation of rate of pre-tax RoE:

**Table 151: Rate of Pre-tax RoE for FY 2024-25, as submitted by MSETCL**

Particulars	Formula	FY 2024-25
Effective Tax Rate of the Company (%)	A	34.944%
Base Rate of Return on Equity (%)	B	14.000%
Additional Rate of Return on Equity (%)	c	0.000%
Total Rate of Return on Equity (%)	d = b+c	14.000%
<b>Rate of Pre-Tax Return on Equity (%)</b>	<b>e = d/ (1-a)</b>	<b>21.520%</b>

6.12.3 The table below provides the detailed computation of Return on Equity for FY 2024-25:

**Table 152: Detailed Computation of RoE for FY 2024-25, as submitted by MSETCL (Rs. Crore)**

Rs. Crore				
Sr. No.	Source of Equity	Formula	MTR Order	FY 2024-25 Estimated
1	Regulatory Equity at the beginning of the year	a	7,602.80	7,433.10
2	Capitalisation during the year	b	1,439.77	2,400.09
3	Consumer Contribution and Grants used during the year for Capitalisation	c	-	0.07
4	Equity portion of capitalisation during the year	d	339.36	597.66
5	Reduction in Equity Capital on account of retirement / replacement of assets	e	2.85	5.05
6	Regulatory Equity at the end of the year	f	7,939.31	8,025.71
7	Tax Rate (%)	g	34.944%	34.944%
8	<b>Base Return on Equity Computation</b>			
	Base Rate of Equity (%)	h	14.00%	14.00%
	RoE (%)	$i=h/(1-g)$	21.520%	21.520%
	Return on Regulatory Equity at beginning of year	$j=i*a$	1,636.12	1,599.60
	RoE portion of capitalisation during the year	$k=(d-e)*i/2$	36.21	63.76
	<b>Total Return on Regulatory Equity excluding Additional RoE</b>	<b>l</b>	<b>1,672.32</b>	<b>1,663.36</b>
9	<b>Additional RoE Computation</b>			
	Additional Rate of RoE for Availability (%)	m		0.000%
	RoE (%)	$n=m/(1-g)$		0.000%
	Return on Regulatory Equity at beginning of year	$o=n*a$		0.00
	RoE portion of capitalisation during the year	$p=(d-e)*n/2$		-
	<b>Total Additional Return on Equity</b>	<b>q</b>		-
10	<b>Total Return on Regulatory Equity</b>	<b>r=l+q</b>	<b>1,672.32</b>	<b>1,663.36</b>

### **Commission's Analysis and Ruling**

- 6.12.4 As per principle for ROE computation specified in the MYT Regulations, 2019, the Commission considered the closing balance of regulatory equity for FY 2023-24 approved in this Order, as the opening balance of equity for FY 2024-25. Addition in equity due to approved capitalisation in FY 2024-25 is considered at the weighted average debt-equity of 75.60:24.40 as computed by the Commission based on the provisionally approved capitalisation during the year.
- 6.12.5 The Commission has considered retirement of assets based on the methodology adopted by MSETCL, and reduced equity to the extent of 20% of the value of retired assets considering that the assets being retired would have been funded considering the 80:20 debt: equity ratio.
- 6.12.6 For computing the return on equity for FY 2024-25, the Commission has considered the base rate of return on equity of 14% which is grossed up with the effective tax rate. Accordingly, considering that MSETCL was falling in the corporate tax bracket in FY 2023-24 i.e., the latest year for which the actual income tax rate is available, the Commission has provisionally considered the 34.94% as the effective tax rate for grossing up RoE in FY 2024-25. Accordingly, the Commission has computed the ROE at the rate of 21.52% which is in line with the MSETCL submission as well. The ROE as approved by the Commission on provisional truing up of FY 2024-25 is given in the Table below.

**Table 153: Return on Equity for FY 2024-25, as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	MYT Petition	Approved in this Order
<b>Regulatory Equity at the beginning of the year</b>	<b>7,602.80</b>	<b>7,433.10</b>	<b>7,330.87</b>
Capitalisation during the year	1,439.77	2,400.09	2,331.35
Consumer Contribution and Grants used during the year for Capitalisation	-	0.07	0.07
Equity portion of capitalisation during the year	339.36	597.66	568.89
Reduction in Equity Capital on account of retirement / replacement of assets	2.85	5.05	5.05
<b>Regulatory Equity at the end of the year</b>	<b>7,939.31</b>	<b>8,025.71</b>	<b>7,894.72</b>
<b>RoE %</b>	<b>21.52%</b>	<b>21.52%</b>	<b>21.52%</b>
Return on Regulatory Equity at the beginning of the year	1,636.12	1,599.60	1,577.60
Return on Equity portion of capitalisation during the year	36.21	63.76	60.67
<b>Total Return on Regulatory Equity excluding additional RoE</b>	<b>1,672.32</b>	<b>1,663.36</b>	<b>1,638.27</b>

**6.12.7 The Commission approves Return on Equity of Rs. 1,638.27 Crore on provisional Truing-up of ARR for FY 2024-25.**

### **6.13 Contribution to Contingency Reserves for FY 2024-25**

#### ***MSETCL's Submission***

6.13.1 MSETCL has made a contribution towards Contingency Reserve in accordance with Regulation 35 of MYT Regulation, 2019.

6.13.2 MSETCL submits that it has estimated the contribution of contingency reserves of 0.25% of the opening GFA for FY 2024-25 as given below.

**Table 154: Contribution to Contingency Reserve for FY 2024-25, as submitted by MSETCL (Rs. Crore)**

Particulars	MTR Order	Rs Crore
		Estimated
Contribution to Contingency Reserve	80.63	78.47

#### ***Commission's Analysis and Ruling***

6.13.3 The Commission has verified that the accumulated Contingency Reserves do not exceed 5% of the original cost of fixed assets as stipulated in the MYT Regulations, 2019 and accordingly considered the contribution as 0.25% of opening GFA of FY 2024-25 provisionally approved in this Order. The contribution towards Contingency Reserves approved for FY 2024-25 on provisional truing up is subject to True-up based on submission of documentary evidence and Audited Accounts, is as shown in the Table below.



**Table 155: Contribution to Contingency Reserve for FY 2024-25, as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	MYT Petition	Approved in this Order
Contribution to Contingency Reserves	80.63	78.47	77.44

**6.13.4 The Commission approves contribution to Contingency Reserves of Rs. 77.44 Crore on Provisional Truing-up of ARR for FY 2024-25.**

#### **6.14 Revenue from Transmission Charges, Income from Wheeling Charges and Point of Connection (PoC) Charges for FY 2024-25**

##### ***MSETCL's Submission***

##### **6.14.1 Revenue from Transmission Charges**

6.14.1.1 MSETCL submitted that the Commission vide its MTR Order for InSTS in Case No. 239 of 2022 dated 31 March 2023 has allowed to recover the revenue from transmission charges of Rs. 6,483.43 Crore for FY 2024-25. For provisional truing-up of FY 2024-25, MSETCL has considered the same revenue in this Petition.

##### **6.14.2 Income from PoC Charges – 9 ISTS lines**

6.14.2.1 The submissions of MSETCL have been elaborated in Para 5.14.2 of this Order.

##### **6.14.3 Income from Wheeling Charges**

6.14.3.1 The submissions of MSETCL have been elaborated in Para 5.14.3 of this Order.

6.14.4 MSETCL requested to approve Revenue from transmission tariff and other sources as shown in table below:

**Table 156: Revenue from Transmission Charges and other sources for FY 2024-25, as submitted by MSETCL (Rs. Crore)**

Particulars	MTR Order	Estimated
Revenue from Transmission tariff	6,483.43	6,483.43
Total Income from wheeling Central sector power to Goa & Dadra Nagar and Other Generators	140.51	1.41
PoC Charges for Inter-State Lines (ISTS)	5.99	-219.45
<b>Total Revenue from transmission charges and other sources</b>	<b>6,629.33</b>	<b>6,265.39</b>

##### ***Commission's Analysis and Ruling***

6.14.5 The Commission has considered the income from wheeling power to Dadra & Nagar Haveli as submitted by MSETCL based on MYT Order. Any variation in actual revenue would be dealt with during Truing-up for FY 2024-25.

6.14.6 Further, the issue related to the income from POC charges for inter-state lines is already elaborated in para 5.14.2 and 5.14.7 of this Order. Accordingly, the Commission has considered impact of the reconciliation exercise undertaken by MSETCL between the POC charges already passed on to the beneficiaries through earlier truing up Orders and the



charges approved by the CERC in its truing up Order (upto FY 2021-22). The impact so considered by MSETCL is Rs. -232.51 Crore and the same has been considered by the Commission as well. Further, MSETCL has also considered the POC charges of Rs. 13.06 Crore pertaining to FY 2022-23 and FY 2023-24 for recovery in FY 2024-25 and the same has also been considered by the Commission. The net impact of both these income heads is Rs. -219.45 Crore which has been considered as part of the revenue from other source.

6.14.7 The Commission has also noted MSETCL's submission regarding exclusion of the amount of Rs. 20.58 Crore pertaining to the transmission charges for other ISTS lines for the period FY 2022-23 to FY 2029-30 considering that the recovery of these transmission charges has been put on hold by CTU from 1 October, 2019 onwards.

6.14.8 Further, MSETCL in its submission for the 5<sup>th</sup> Control Period has stated that it is in the process of preparation of petition for the Truing up of the transmission tariff for FY 2019-20 to FY 2023-24 Tariff Block and for determination of the transmission tariff for FY 2024-25 to FY 2028-29 Tariff Block in respect of the MSETCL owned transmission lines/system conveying electricity to other States. For projections, MSETCL has estimated the income from PoC charges of Inter State Transmission Lines as per its tariff claimed for period from FY 2025-26 to FY 2029-30 in proposed submission before CERC. In its regard it is observed that the control period as per the CERC Tariff Regulations is covering the period from FY 2024-25 to FY 2028-29 and the same has also been mentioned by MSETCL in its submission. However, while estimating the income from POC charges for the 5<sup>th</sup> Control Period, it has incorrectly referred to the Control Period as covering the period from FY 2025-26 to FY 2029-30 (Table 142 of the revised Petition). This is an apparent error in the submission of MSETCL and the table actually pertains to the Control Period from FY 2024-25 to FY 2028-29. The Commission in its analysis has considered the correct Control Period and accordingly has considered the revenue from POC charges for FY 2024-25 as Rs. 557.96 Lakh (shown as revenue for FY 2025-26 in Table 142 of the revised Petition). Likewise, the change has also been implemented for future period covering the 5<sup>th</sup> Control Period as well. In view of this change, there is no value of income from POC charges available for FY 2029-30 which is beyond the Control Period defined by CERC and hence, the income projected for FY 2029-30 has been considered same as that estimated for FY 2028-29.

6.14.9 Accordingly, the Commission has considered income from POC charges for Inter-state lines as Rs. 5.58 Crore, Rs. 5.69 Crore, Rs. 5.80 Crore, Rs. 5.92 Crore, Rs. 6.06 Crore for FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28, and FY 2028-29 respectively. The Commission has considered Rs. 6.06 Crore as the income from POC charges for Inter-state line for FY 2029-30, same as that considered for FY 2028-29. The Commission will consider actual charges at time of truing up of relevant years, subjects to prudence check.

6.14.10 Similarly, the Commission also approved the income from transmission tariff same as that approved by the Commission in its MTR Order in Case No. 232 of 2022.

6.14.11 Accordingly, the revenue from transmission charges and other sources as approved is given in the table below:

**Table 157: Revenue from Transmission Charges and other sources for FY 2024-25, as approved by the Commission (Rs Crore)**

Particulars	MTR Order	MYT Petition	Approved in this Order
Revenue from Transmission Charges	6,483.43	6,483.43	6,483.43
Income from additional transmission and regulatory charges		-	-
Income from Wheeling Charges from Goa, Dadra and Nagar Haveli and other sources	140.51	1.41	1.41
Income from PoC charges for Inter-State lines	5.99	-219.45	-213.87
<b>Total</b>	<b>6,629.93</b>	<b>6,265.39</b>	<b>6,270.97</b>

6.14.12 The Commission approves revenue from Transmission Tariff as Rs. 6,483.43 Crore, income from Dadra & Nagar Haveli and other sources towards Wheeling Charges as Rs. 1.41 Crore and recovery pertaining to PoC Charges for wheeling Central Sector power to Goa through Inter-State Lines of Rs. -213.87 Crore on Provisional Truing-up of ARR for FY 2024-25.

#### 6.15 Non-Tariff Income for FY 2024-25

##### *MSETCL's Submission*

6.15.1 MSETCL submitted that at the time of provisional truing-up of FY 2022-23 had estimated Non-Tariff Income by considering year on year increase of 2%, which was examined and adopted by the Commission vide its MTR Order dated 31 March 2023 in Case No. 232 of 2022. Further, during estimation of Non-Tariff Income for FY 2024-25, MSETCL observed that there is no clear trend of increase of Non-Tariff Income is available. Accordingly, it has escalated actual Non-Tariff Income submitted in the Petition for FY 2023-24 by 2%, to estimate Non-Tariff Income for FY 2024-25.

6.15.2 MSETCL requested to approve Non-Tariff Income as per table below:

**Table 158: Non-Tariff Income for FY 2024-25, as submitted by MSETCL**

Particulars	MTR Order	Estimated
Total Non-Tariff Income	360.54	401.03

##### *Commission's Analysis and Ruling*

6.15.3 The Commission has examined the submissions of MSETCL. It is observed that, MSETCL has escalated the actual NTI of FY 2023-24 by 2% to estimate the non-tariff income for FY 2024-25. The Commission has examined the methodology and adopted the same to approve the NTI for FY 2024-25.

6.15.4 In MTR Order Case No. 232 of 2022, the Commission has also considered the revenue from transmission charges collected by Distribution Licensee from partial Open Access consumers and actually remitted to MSETCL as part of NTI.

6.15.5 The above charges actually received by MSETCL are provisional and are subject to prudence check during truing up.

6.15.6 Accordingly, the NTI approved for FY 2024-25 is as given in the Table below:

**Table 159: Non-Tariff Income for FY 2024-25, as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	MYT Petition	Approved in this
Non-Tariff Income	360.54	401.03	401.03

## 6.16 Summary of Provisional Truing-up of ARR for FY 2024-25

### *MSETCL's Submission*

6.16.1 MSETCL has estimated the ARR for FY 2024-25 and is presented below table:

**Table 160: Summary of Provisional Truing-up of ARR for FY 2024-25, as submitted by MSETCL (Rs. Crore)**

Rs Crore				
Sr. No.	Particular	MTR Order	FY 2024-25 (Provisional)	Provisional True-Up requirement
1	Operation & Maintenance Expenses	2,174.54	2,756.37	581.83
2	Depreciation Expenses	1,325.77	1,257.46	-68.31
3	Interest on Loan Capital	605.71	594.38	-11.33
4	Other Interest and Finances charges	1.00	1.00	-
5	Interest on Working Capital	124.98	141.56	16.58
6	Income Tax	-	-	-
7	Contribution to contingency reserves	80.63	78.47	-2.16
8	<b>Total Revenue Expenditure</b>	<b>4,312.63</b>	<b>4,829.24</b>	<b>516.61</b>
9	Add: Return on Equity Capital	1,672.32	1,663.36	-8.96
10	<b>Aggregate Revenue Requirement</b>	<b>5,984.95</b>	<b>6,492.61</b>	<b>507.66</b>
11	Less: Non Tariff Income	360.54	401.03	40.49
12	Less: Income from Other Business	140.51	1.41	-139.10
13	Less: Income from PoC charges for InSTS	5.99	-219.45	-225.44
14	<b>Aggregate Revenue Requirement from Transmission Tariff</b>	<b>5,477.92</b>	<b>6,309.62</b>	<b>831.70</b>
15	Add: Carrying Cost (Holding Cost) due to spreading of recovery over two years	41.24	46.35	<b>5.11</b>
16	Add: Carrying Cost (Holding Cost) on account of spreading of gaps approved in Case No. 302 of	4.17	4.17	-
17	Add: Past Revenue Gaps / (Surplus) spread over control period (Case No. 302/2019)	87.29	87.29	-
18	<b>Net Aggregate Revenue Requirement</b>	<b>5,610.62</b>	<b>6,447.42</b>	<b>836.80</b>
19	Revenue from transmission tariff and Additional Transmission Regulatory charges	6,483.43	6,483.43	-
20	<b>Revenue Gap/(Surplus)</b>	<b>-872.81</b>	<b>-36.01</b>	<b>836.80</b>
21	Revenue Gap/(Surplus) till previous year	872.81	558.11	-314.70
22	Add: Special Reserve available with Utility utilised to reduce ARR gap in FY 2023-24 in Case No. 232 of 2022 along with Carrying Cost		139.39	
23	Add: Holding cost on account of recomputation of effective gap of FY 2019-20		-85.37	
24	<b>Cumulative Revenue Gap/(Surplus) till the year</b>	<b>-0.00</b>	<b>576.13</b>	<b>576.13</b>

6.16.2 MSETCL submitted that the variation in ARR approved by the Commission and that sought by the MSETCL is mainly on account of increase in projected O&M expenses, decrease in income from wheeling charges and impact of other elements. MSETCL requested the Commission to approve the provisional true-up requirement of Rs 576.13 Crore for FY 2024-25.

6.16.3 MSETCL vide its additional submission dated 20 January 2025 has revised the ARR of FY 2024-25. The changes are primarily driven by revised capitalisation submitted by MSETCL and the consequential changes on depreciation, Interest on Loan, Interest on working capital, and Return on equity, etc. The Commission has considered the revised changes while approving the provisional ARR for FY 2024-25 in this Order. Summary of Net ARR, Revenue from transmission tariff, Cumulative gap/(surplus) till the year based on the additional submission are shown in table below:

**Table 161: Summary of revised ARR for FY 2024-25, as submitted by MSETCL (Rs. Crore)**

Particulars	FY 2024-25		
	MTR Order	MSETCL Petition	MSETCL Additional Submission
Net Aggregate Revenue Requirement	5,610.62	6,447.42	6,469.46
Revenue from transmission tariff and additional transmission regulatory charges	6,483.43	6,483.43	6,483.43
<b>Revenue gap/(Surplus)</b>	<b>-872.81</b>	<b>-36.01</b>	<b>-13.97</b>
Revenue gap/(Surplus) till previous year	872.81	558.11	558.11
<b>Cumulative gap/(Surplus) till year</b>	<b>0.00</b>	<b>576.13</b>	<b>598.16</b>

### *Commission's Analysis and Ruling*

6.16.4 Based on the approvals discussed in the earlier paragraphs, the summary of the Provisional Truing-up for FY 2024-25 is given in the following table:

**Table 162: Summary of Provisional Truing-up of ARR for FY 2024-25, as approved by the Commission (Rs. Crore)**

Particulars	MTR Order	MYT Petition	Approved in this Order
Operation & Maintenance Expenses	2,174.54	2,756.37	2,788.91
Depreciation Expenses	1,325.77	1,257.46	1,240.86
Interest on Loan Capital	605.71	594.38	566.84
Other Interest and Finance Charges	1.00	1.00	1.00
Interest on Working Capital	124.98	141.56	140.06
Income Tax	-	-	-
Contribution to contingency reserves	80.63	78.47	77.44
<b>Total Revenue Expenditure</b>	<b>4,312.63</b>	<b>4,829.24</b>	<b>4,815.12</b>
Add: Return on Equity Capital	1,672.32	1,663.36	1,638.27
<b>Aggregate Revenue Requirement</b>	<b>5,984.95</b>	<b>6,492.61</b>	<b>6,453.38</b>
Less: Non Tariff Income	360.54	401.03	401.03
Less: Income from Wheeling Charges from Goa and Dadra and Nagar Haveli and other sources	140.51	1.41	1.41
Less: Income from PoC charges for Inter-State lines	5.99	(219.45)	(213.87)
<b>Aggregate Revenue Requirement from Transmission</b>	<b>5,477.92</b>	<b>6,309.62</b>	<b>6,264.82</b>
<b>Add:</b> Carrying Cost (Holding Cost) on account of spreading of gaps approved in Case No. 302 of 2019	4.17	4.17	4.17
<b>Add:</b> Past Revenue Gaps / (Surplus) spread over control period spread over control period approved in Case No. 302 of 2019	87.29	87.29	87.29
<b>Add:</b> Carrying Cost (Holding Cost) due to spreading of recovery allowed in MTR Order in Case No. 232 of 2022	41.24	46.35	41.24
<b>Add:</b> Revenue Gap/(Surplus) till previous year (FY 2022-23) allowed in MTR Order in Case No. 232 of 2022	872.81	-	872.81
<b>Net ARR from transmission Tariff</b>	<b>6,483.43</b>	<b>6,447.42</b>	<b>7,270.33</b>
<b>Revenue from Transmission Tariff</b>	<b>6,483.43</b>	<b>6,483.43</b>	<b>6,483.43</b>
<b>Revenue Gap/(Surplus) for current year</b>	<b>-</b>	<b>(36.01)</b>	<b>786.90</b>
Revenue Gap/(Surplus) till previous year	-	558.11	310.30
Add: Impact of adding back Special Reserve available with Utility utilised to reduce ARR gap in FY 2023-24 in Case No. 232 of 2022 along with Carrying Cost	-	139.39	65.69
Add: Carrying / (Holding) cost on account of recomputation of effective gap of FY 2019-20 and FY 2023-24.	-	(85.37)	(40.23)
<b>Cumulative Revenue Gap/(Surplus) till the year</b>	<b>-</b>	<b>576.13</b>	<b>1,122.66</b>

*Note: The details included in the MYT Petition column are as per the revised Petition filed by MSETCL. As per the additional submission dated 20 January, 2025, the cumulative revenue gap at the end of the year is revised to Rs. 598.16 Crore.*

6.16.5 As discussed in Section 4, the impact of the Review Order issued by the Commission in Case No. 137 of 2023 has been included by the Commission for recovery in the provisional truing up of FY 2024-25.

6.16.6 The variation in the ARR components between MSETCL's submission and Commission's approval is mainly on account of variation in the O&M expenses (normative O&M expenses considered by the Commission as against estimated O&M considered by MSETCL, consideration of payout of wage revision arrears by the Commission in FY 2024-25 as against MSETCL's submission in FY 2023-24), impact of lower capitalisation allowed by the Commission on elements depreciation, RoE, interest on loan, etc.

6.16.7 The revenue gap as projected by MSETCL is lower than that approved by the Commission on provisional truing up of FY 2024-25 primarily on account of the following:

- Impact of variation in ARR approved during the truing up period of FY 2022-23 and FY 2023-24.
- Further, Rs. 872.71 Crore allowed against recovery of past period gap (prior to FY 2023-24) in the ARR approved for FY 2024-25 in the MTR Order was inadvertently not considered as part of net ARR by MSETCL for FY 2024-25 and this led to understatement of the cumulative revenue gap for the year. This amount was allowed for recovery through transmission tariff, over and above the other ARR components as it pertains to recovery of past gaps and not related to ARR components for FY 2024-25. This discrepancy in the submission of MSETCL has been rectified by the Commission and this has led to a higher quantum of revenue gap to be carry forward in the 5<sup>th</sup> Control period for recovery. Discrepancies in computation of the carry-forward revenue gaps have also been observed in the FY 2022-23 and FY 2023-24. MSETCL should ensure that such discrepancies in computation should be avoided as it leads to incorrect depiction of the ARR and its associated recovery. The details have been discussed in relevant sections of the Order.
- Impact of variation in approval of O&M expenses, capitalization and its consequential impact on elements like depreciation, interest on loan, return on equity, etc.

**6.16.8 Accordingly, the Commission approves cumulative Gap of Rs. 1,222.66 Crore on Provisional Truing-up of ARR for FY 2024-25, to be adjusted in the ARR for the 5<sup>th</sup> Control period.**

## 7 Aggregate Revenue Requirement for the 5<sup>th</sup> Control period from FY 2025-26 to FY 2029-30, revenue gap and impact on transmission tariff

### 7.1 Background

7.1.1 MSETCL has computed the ARR for the 5<sup>th</sup> control period of FY 2025- 26 to 2029-30 as per the provisions of the MYT Regulations, 2024 under various heads, viz., O&M expenses, depreciation, interest on loans, interest on working capital, etc., in the Petition. The Commission has carried out prudence check for approval of expenditure for each of the above items while approving the ARR of MSETCL for the 5<sup>th</sup> Control Period i.e., from FY 2025-26 to FY 2029-30. The details are outlined in the following sections.

### 7.2 Operation & Maintenance Expenses for FY 2025-26 to FY 2029-30

#### *MSETCL's Submission*

#### a) Computation of Normative O&M Expenses as per Regulations:

7.2.1 The Regulation 80 of the MYT Regulations, 2024 provides for the O&M Expenses norms for existing as well as new Transmission Licensee. The norms for O&M expenses for existing Transmission Licensees are determined based on the circuit kilometres of transmission lines, the number of bays, and the MVA capacity of transformers at the Transmission Licensee's substations. The relevant extract of the norms of MSETCL are as follows:

*“Norms for O&M expenses for the Maharashtra State Electricity Transmission Company Limited shall be:*

<b>Voltage Level</b>	<b>FY 2025-26</b>	<b>FY 2026-27</b>	<b>FY 2027-28</b>	<b>FY 2028-29</b>	<b>FY 2029-30</b>
<i>HVDC (Rs. Lakhs)</i>	<i>1800.00</i>	<i>1,905.00</i>	<i>2010.00</i>	<i>2,130.00</i>	<i>2,253.93</i>
<b>INR Lakh/ckt km</b>					
400 kV	4.02	4.20	4.38	4.57	4.78
Less than 400 kV and greater than 66 kV	1.59	1.66	1.74	1.81	1.90
66 kV and less	0.95	1.00	1.04	1.09	1.14
<b>INR Lakh/Bay</b>					
765 kV	50.62	52.89	55.26	57.74	60.34
400 kV	36.16	37.78	39.48	41.25	43.10
Less than 400 kV and greater than 66 kV	5.24	5.47	5.72	5.98	6.24
66 kV and less	1.09	1.14	1.19	1.25	1.30
<b>INR Lakh/MVA</b>	<i>0.51</i>	<i>0.53</i>	<i>0.55</i>	<i>0.58</i>	<i>0.61</i>

80.9 ...

*The O&M expenses for the GIS bays shall be allowed as worked out by multiplying 0.70 to the normative O&M expenses for bays as allowed in Regulations 80.1 to 80.9.”*

7.2.2 The details of year-wise projected addition in the ckt. km of transmission lines, the number of bays, and MVA capacity of transformers at the Transmission Licensee's substations considered by the MSETCL for the Control Period is as given in the Table below. The projected addition to these parameters during the Control Period from FY 2025-26 to FY 2029-30 is based on scheme-wise capitalisation (proposed phasing of various schemes) explained under the para 'Capex and Capitalisation for FY 2025-26 to FY 2029-30' below. The detailed break-up is also enclosed herewith as **Annexure- 2** of the revised Petition.

**Table 163: Projected Year-wise addition of AIS and GIS Bays for FY 2025-26 to FY 2029-30, as submitted by MSETCL**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>No. of Bays (AIS)</b>					
765 kV	-	1.00	-	-	-
400 kV	21.00	21.00	1.00	-	4.00
>66 kV and <400 kV	284.00	242.00	174.00	141.00	49.00
66 kV and less	381.00	251.00	210.00	126.00	56.00
<b>Total AIS</b>	<b>686.00</b>	<b>515.00</b>	<b>385.00</b>	<b>267.00</b>	<b>109.00</b>
<b>No. of Bays (GIS)</b>					
765 kV	-	-	-	-	-
400 kV	-	17.00	26.00	-	7.00
>66 kV and <400 kV	34.00	55.00	55.00	8.00	16.00
66 kV and less	66.00	84.00	60.00	14.00	-
<b>Total GIS</b>	<b>100.00</b>	<b>156.00</b>	<b>141.00</b>	<b>22.00</b>	<b>23.00</b>
<b>Total Bays</b>	<b>786.00</b>	<b>671.00</b>	<b>526.00</b>	<b>289.00</b>	<b>132.00</b>

**Table 164: Projected Year-wise addition of ckt. kms of transmission lines and MVA Capacity for FY 2025-26 to FY 2029-30, as submitted by MSETCL**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>Transmission Line Length (Ckt-Km.)</b>					
HVDC	-	-	-	-	-
765 kV	-	-	-	-	-
400 kV	733.00	317.92	470.74	-	134.00
>66 kV and <400 kV	1,879.02	1,773.23	1,835.04	1,172.15	443.70
66 kV and less	1.00	1.00	-	4.00	-
<b>Total</b>	<b>2,613.02</b>	<b>2,092.16</b>	<b>2,305.78</b>	<b>1,176.15</b>	<b>577.70</b>
<b>Transformational Capacity (MVA)</b>					
MVA Capacity	6,902.00	11,698.00	7,250.00	2,825.00	2,570.00

7.2.3 MSETCL has outlined the approach adopted for calculating the revised normative O&M expenses for FY 2022-23 and FY 2023-24 along with provisional truing up for FY 2024-25 in the respective chapters of the Petition. Accordingly, MSETCL has considered the opening number of bays and ckt.km lines for FY 2025-26 same as that projected as the closing balance for FY 2024-25. The opening balance of MVA capacity for FY 2025-26 used for computation of normative O&M expenses is arrived at after considering estimated addition of MVA capacity during FY 2024-25. The year-wise position of MVA capacity in MSETCL's SAP system is given in the following table:



**Table 165: Details of MVA Capacity as on 31 March 2024 and expected addition during FY 2024-25 (MVA), as submitted by MSETCL**

Particulars	As on 31.03.2023 (Actual)	As on 31.03.2024 (Actual)	Expected addition (FY 2024-25)	As on 31.03.2025 (Estimated)
Total MVA Capacity	1,31,791.50	1,34,167.50	3,151.00	1,37,318.50

7.2.4 Opening balance as well as year-wise projected addition in the ckt. km of transmission lines, the number of bays, and MVA capacity over the Control Period as shown in table below:

**Table 166: Details of opening balance & year-wise addition in network parameters for FY 2025-26 to FY 2029-30, as submitted by MSETCL**

Particulars	FY 2025-26			FY 2026-27			FY 2027-28		
	Opening No.	MSETCL Actual Addition	Closing	Opening No.	MSETCL Actual Addition	Closing	Opening No.	MSETCL Actual Addition	Closing
<b>Ckt km length</b>									
HVDC	1,504.44	-	1,504.44	1,504.44	-	1,504.44	1,504.44	-	1,504.44
765 kV	-	-	-	-	-	-	-	-	-
400 kV	8,484.26	733.00	9,217.26	9,217.26	317.92	9,535.19	9,535.19	470.74	10,005.92
above 66 kV and less than 400 kV	42,167.39	1,879.02	44,046.41	44,046.41	1,773.23	45,819.64	45,819.64	1,835.04	47,654.68
66 kV and below	395.46	1.00	396.46	396.46	1.00	397.46	397.46	-	397.46
<b>Total</b>	<b>52,551.56</b>	<b>2,613.02</b>	<b>55,164.57</b>	<b>55,164.57</b>	<b>2,092.16</b>	<b>57,256.73</b>	<b>57,256.73</b>	<b>2,305.78</b>	<b>59,562.50</b>
<b>Number of Bays (AIS Bays)</b>									
765 kV	11	-	11	11	1	12	12	-	12
400 kV	466	21	487	487	21	508	508	1	509
above 66 kV and less than 400 kV	7,482	284	7,766	7,766	242	8,008	8,008	174	8,182
66 kV and below	9,587	381	9,968	9,968	251	10,219	10,219	210	10,429
<b>Total (AIS)</b>	<b>17,546</b>	<b>686</b>	<b>18,232</b>	<b>18,232</b>	<b>515</b>	<b>18,747</b>	<b>18,747</b>	<b>385</b>	<b>19,132</b>
<b>Number of Bays (GIS Bays)</b>									
765 kV	-	-	-	-	-	-	-	-	-
400 kV	-	-	-	-	17	17	17	26	43
above 66 kV and less than 400 kV	216	34	250	250	55	305	305	55	360
66 kV and below	303	66	369	369	84	453	453	60	513
<b>Total (GIS)</b>	<b>519</b>	<b>100</b>	<b>619</b>	<b>619</b>	<b>156</b>	<b>775</b>	<b>775</b>	<b>141</b>	<b>916</b>
<b>Total (AIS + GIS)</b>	<b>18,065</b>	<b>786</b>	<b>18,851</b>	<b>18,851</b>	<b>671</b>	<b>19,522</b>	<b>19,522</b>	<b>526</b>	<b>20,048</b>
<b>Total MVA Capacity</b>	<b>137318.5</b>	<b>6902</b>	<b>144220.5</b>	<b>144220.5</b>	<b>11698</b>	<b>155918.5</b>	<b>155918.5</b>	<b>7250</b>	<b>163168.5</b>

Particulars	FY 2028-29			FY 2029-30		
	Opening No.	MSETCL Actual Addition	Closing	Opening No.	MSETCL Actual Addition	Closing
<b>Ckt km length</b>						
HVDC	1,504.44	-	1,504.44	1,504.44	-	1,504.44
765 kV	-	-	-	-	-	-
400 kV	10,005.92	-	10,005.92	10,005.92	134.00	10,139.92
above 66 kV and less than 400 kV	47,654.68	1,172.15	48,826.83	48,826.83	443.70	49,270.53
66 kV and below	397.46	4.00	401.46	401.46	-	401.46
<b>Total</b>	<b>59,562.50</b>	<b>1,176.15</b>	<b>60,738.65</b>	<b>60,738.65</b>	<b>577.70</b>	<b>61,316.35</b>
<b>Number of Bays (AIS Bays)</b>						
765 kV	12	-	12	12	-	12
400 kV	509	-	509	509	4	513
above 66 kV and less than 400 kV	8,182	141	8,323	8,323	49	8,372
66 kV and below	10,429	126	10,555	10,555	56	10,611
<b>Total (AIS)</b>	<b>19,132</b>	<b>267</b>	<b>19,399</b>	<b>19,399</b>	<b>109</b>	<b>19,508</b>
<b>Number of Bays (GIS Bays)</b>						
765 kV	-	-	-	-	-	-
400 kV	43	-	43	43	7	50
above 66 kV and less than 400 kV	360	8	368	368	16	384
66 kV and below	513	14	527	527	-	527
<b>Total (GIS)</b>	<b>916</b>	<b>22</b>	<b>938</b>	<b>938</b>	<b>23</b>	<b>961</b>
<b>Total (AIS + GIS)</b>	<b>20,048</b>	<b>289</b>	<b>20,337</b>	<b>20,337</b>	<b>132</b>	<b>20,469</b>
<b>Total MVA Capacity</b>	<b>163168.5</b>	<b>2825</b>	<b>165993.5</b>	<b>165993.5</b>	<b>2570</b>	<b>168563.5</b>

7.2.5 MSETCL has submitted the cost auditor certificate covering information for FY 2022-23 to FY 2023-24. Cost auditor certificate includes the opening balance, additions during the year and closing balance of voltage wise Bays and Ckt. km of transmission lines and also

includes information regarding the voltage-wise utilised and unutilised bays for relevant financial years.

7.2.6 MSETCL submitted the normative O&M expenses for the Control Period as shown in the table below:

**Table 167: Normative O&M Expense for FY 2025-26 to FY 2029-30, as submitted by MSETCL (Rs. Crore)**

Voltage Level	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
<b>O&amp;M Expenses for Transmission Lines (Rs Crore)</b>					
HVDC	18.00	19.05	20.10	21.30	22.53
765 kV	-	-	-	-	-
400 kV	355.80	393.80	427.95	457.27	481.49
above 66 kV and less than 400 kV	685.40	745.89	813.23	873.16	931.92
66 kV and below	3.76	3.97	4.13	4.35	4.58
<b>Sub-total</b>	<b>1,062.96</b>	<b>1,162.71</b>	<b>1,265.41</b>	<b>1,356.08</b>	<b>1,440.52</b>
<b>O&amp;M Expense (Bays), Rs Crore</b>					
765 kV	5.57	6.08	6.63	6.93	7.24
400 kV	172.30	187.96	195.67	209.96	220.24
above 66 kV and less than 400 kV	408.04	442.04	476.35	508.74	537.31
66 kV and below	109.14	118.35	126.88	135.70	142.37
<b>Sub-total</b>	<b>695.05</b>	<b>754.43</b>	<b>805.53</b>	<b>861.33</b>	<b>907.16</b>
<b>O&amp;M Expenses (MVA), Rs. Crore</b>	<b>717.92</b>	<b>795.37</b>	<b>877.49</b>	<b>954.57</b>	<b>1,020.40</b>
<b>Total O&amp;M Expenses</b>	<b>2,475.94</b>	<b>2,712.51</b>	<b>2,948.43</b>	<b>3,171.98</b>	<b>3,368.08</b>

7.2.7 Subsequently, in additional submission dated 20 January 2025, MSETCL submitted that post submission of the Petition on 2 December 2024 and during discussion with the Commission it is observed that certain key details, mainly projected capitalization (with associated network addition) for certain schemes, were inadvertently missed in the Annexure-2 of the revised Petition. In this regard, MSETCL has submitted additional details regarding capital expenditure and capitalisation for the consideration of the Commission. The change in the capitalisation details has also impacted the normative O&M computation for the 5<sup>th</sup> Control Period. Accordingly, the comparison of the original and revised normative O&M cost computation is outlined in the table below:

**Table 168: Comparison of original and revised normative O&M cost computation, as submitted by MSETCL (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Original submission	2,475.94	2,712.51	2,948.43	3,171.98	3,368.08
Revised submission	2,487.12	2,730.96	2,976.07	3,212.28	3,416.66

**c) Inadequate Normative O&M Expenses:**

7.2.8 MSETCL submitted that the normative O&M expenses for upcoming Control Period in recently notified MYT Regulations, 2024 have been significantly changed as compared to the previous MYT Regulations as shown in Table below:

**Table 169: Inadequacy of Normative O&M Expense for FY 2025-26 to FY 2029-30 (Table a, b & c), as submitted by MSETCL (Rs. Crore)**

a. Normative O&M expenses for FY 2025-26 to FY 2029-30 as computed in paragraphs above are reproduced below:

Rs. Cr					
O & M Expenses	FY 25-26	FY 26-27	FY 27-28	FY 28-29	FY 29-30
Normative O&M Expenses in this Petition as per Reg.	2,476	2,713	2,948	3,172	3,368

b. Normative O&M expenses for FY 2022-23 to FY 2024-25 as computed in earlier Chapters of this Petition are reproduced below:

Rs. Cr					
O & M Expenses	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
MERC approved (Revised) Normative O&M Expenses	1,794	1,902	2,021	2,148	2,259
Revised Normative O&M Expenses in this Petition (as per MSETCL approach)			2,337	2,480	2,626

c. Details of actual O&M expenses incurred/projected to be incurred by MSETCL in this Control Period:

Rs. Cr					
O & M Expenses	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25
<b>Actual O&amp;M expenses (Net of Capitalisation)</b>					
Employee Expenses	1,020	1,078	1,332	1,609	1,625
Wage Revision	55	63	-	233	-
A&G Expenses	339	397	446	480	484
R&M Expenses	345	403	548	553	647
<b>Total actual O&amp;M Expenses</b>	<b>1,760</b>	<b>1,942</b>	<b>2,327</b>	<b>2,874</b>	<b>2,756</b>
<b>Actual O&amp;M Expenses (Net of Capitalisation) (excl. wage revision)</b>	<b>1,705</b>	<b>1,878</b>	<b>2,327</b>	<b>2,641</b>	<b>2,756</b>

Source: Order dated 31 March 2023 in Case No. 232 of 2022 & MSETCL submission in this Petition.

7.2.9 From the table above, it can be seen that normative O&M expenses for FY 2025-26 to FY 2029-30, even after considering MSETCL proposed approach in this petition for consideration of no. of bays and transmission line length, are inadequate to cover the actual O&M expenses incurred by MSETCL in FY 2023-24 and estimated O&M expenses for FY 2024-25. In case of computation of normative O&M expenses for FY 2025-26 to FY 2029-30 with the Commission approach for consideration of number of bays and transmission line length, this gap will further widen.

7.2.10 MSETCL stated that, the methodology / procedure notified in the MYT Regulations, 2024 will lead to projection of O&M expenses which is much lower than actual requirement for the Control Period. Considering past trends, an increase in normative O&M as stipulated in the Regulations will lead to under-estimation which may not be realistic and will become impossible for MSETCL to sustain.

**d) Need for O&M expenses to cover expenditure reflective of changes**

- 7.2.11 Further, the provisions for O&M expenses calculation in the MERC MYT Regulations, 2024 does not capture the expenditure that is required to be incurred due to increase in activities.
- 7.2.12 The rate at which employee expenses increase is not in line with O&M expenses norms specified in the MYT Regulations, 2024. Wage revision is undertaken after periodic interval apart from the yearly increase/ increment in the wages / salaries of the employees. Further, the amount of wage revision is based on agreement signed between the various labour unions existing in the licensee and the management of Licensee. It needs to be ensured that the yearly increment in the wages along with wage revision are suitably factored in the norms for O&M expenses for the Control Period.
- 7.2.13 To optimise the costs, full time existing sanctioned positions are filled up with outsourced employees. MSETCL in recent months have undertaken various recruitment drives to fill up vacant posts by new recruitments which will affect employee expenses.
- 7.2.14 The Commission has formulated the MERC (Approval of Capital Investment Schemes) Regulations, 2022, wherein certain elements/ list of equipments are to be considered under R&M expenses and need to be excluded from Capital Expenditure. This resulted in increase in O&M expenses from FY 2022-23 onwards.
- 7.2.15 MSETCL carries out periodic diagnostic testing works/activities of equipment's like transformers/ CTs/CBs/Las etc. at all 400 kV, Power station attached EVS & critical substation, wherein zone wise targets upto SE/EE level have been given. The reduced O&M expenses norms impose severe restrictions on O&M works and may adversely impact the minimum service standards required to be met by MSETCL.
- 7.2.16 O&M expenses being a controllable cost, any variation will add a financial burden for no fault of MSETCL. Considering the increased network additions, projected capital expenditure in view of STU plan and ageing assets of MSETCL, the O&M expenses are bound to increase

**e) MSETCL proposed approach for O&M expenses for FY 2025-26 to FY 2029-30:**

- 7.2.17 MSETCL has submitted the past trends of actual O&M expenses in summarised in table below:

**Table 170: Past trend in components of actual O&M Expenses, as submitted by MSETCL (Rs. Crore)**

O & M Expenses	Rs. Cr										
	FY 17-18	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23	FY 23-24	FY 24-25	4 - yr CAGR FY20-FY24	5 - yr CAGR FY19-FY24	5 - yr CAGR FY20-FY25
MERC approved (Revised) Normative	1893.61	2049.38	2,210.87	1,794.11	1,901.92	2,021.48	2,147.98	2,259.40			
Revised Normative O&M Expenses as per MSETCL in this Petition						2,336.91	2,479.58	2,625.58			
<b>Actual O&amp;M expenses (Net of Capitalisation)</b>											
Employee Expenses	873	940	1,216	1,020	1,078	1,332	1,609	1,625	7%	11%	6%
Wage Revision	-	-	49	55	63	-	233	-			
A&G Expenses	273	298	304	339	397	446	480	484	12%	10%	10%
R&M Expenses	187	192	316	345	403	548	553	647	15%	24%	15%
<b>Total actual O&amp;M</b>	<b>1,333</b>	<b>1,430</b>	<b>1,886</b>	<b>1,760</b>	<b>1,942</b>	<b>2,327</b>	<b>2,874</b>	<b>2,756</b>			
<b>Actual O&amp;M Expenses (Net of Capitalisation) (excl. wage revision)</b>	1,333	1,430	1,837	1,705	1,878	2,327	2,641	2,756	10%	13%	8%

Source: Tariff Orders of the Hon'ble Commission & MSETCL submission in this Petition

7.2.18 Based on past trends, escalation rate for projections of individual component wise O&M expenses have been derived, and the same have been applied over estimated component wise O&M expenses for FY 2024-25. Accordingly, for calculation of O&M expenses for Control Period, Employee expenses are escalated at 6%, A&G expenses are escalated at 10% and R&M expenses are escalated at 15%.

7.2.19 MSETCL requested Commission to approve the O&M expenses considering the realistic trend as proposed by MSETCL as shown in table below:

**Table 171: Projected O&M expenses for FY 2025-26 to FY 2029-30, as submitted by MSETCL (Rs. Crore)**

O & M Expenses	Rs. Cr				
	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Projected O&M expenses (Net of Capitalisation)					
Employee Expenses	1,722.38	1,825.73	1,935.27	2,051.39	2,174.47
Wage Revision	-	-	-	-	-
A&G Expenses	532.44	585.69	644.26	708.68	779.55
R&M Expenses	744.56	856.24	984.68	1,132.38	1,302.23
<b>Total</b>	<b>2,999.38</b>	<b>3,267.65</b>	<b>3,564.20</b>	<b>3,892.45</b>	<b>4,256.25</b>

7.2.20 As per the MYT Regulations, 2024, State Transmission Utility is required to file Petition for Fees and Charges to be levied by STU for FY 2025-26 to FY 2029-30. For the purpose of projections, MSETCL has deducted STU related 'Component-wise O&M expenses' from MSETCL 'Projected O&M Expenses for FY 2025-26 to FY 2029-30' as shown in Table above. MSETCL has considered component wise O&M expenses for FY 2023-24 as per STU submission and escalated the same as per MSETCL approach in above para (Employee expenses are escalated at 6%, A&G expenses are escalated at 10% and R&M expenses are escalated at 15%). MSETCL requested to consider income/expenses for MSETCL duly considering submission of the STU in its Petition.

**Table 172: Projected O&M expenses for FY 2025-26 to FY 2029-30 (After deducting STU estimated O&M expenses), as submitted by MSETCL (Rs. Crore)**

	Rs. Cr				
O & M Expenses	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Projected O&M expenses (Net of Capitalisation)					
Employee Expenses	1,714.21	1,817.06	1,926.08	2,041.65	2,164.15
Wage Revision		-	-	-	-
A&G Expenses	528.98	581.87	640.06	704.07	774.47
R&M Expenses	744.32	855.97	984.36	1,132.02	1,301.82
<b>Total</b>	<b>2,987.50</b>	<b>3,254.90</b>	<b>3,550.51</b>	<b>3,877.73</b>	<b>4,240.44</b>

7.2.21 MSETCL requested the Commission to recognise various issues resulting from normative provisions of the MYT Regulations, 2024 and approve the O&M expenses for the period FY 2025-26 to FY 2029-30 considering realistic trend as proposed by the MSETCL in this Petition by invoking power to remove difficulties under Regulations 151 of the MYT Regulations, 2024, for deviating from norms in this case.

#### ***Commission's Analysis and Ruling***

7.2.22 The Commission notes the MSETCL submissions. The Regulation 80 of the MYT Regulations, 2024 outlines the methodology for computation of normative O&M expenses and also prescribes the O&M norm to be considered for determining normative O&M expenses for all years of the 5<sup>th</sup> Control period. Considering the same, the Commission has calculated normative O&M expenses for 5<sup>th</sup> Control period. The approach adopted by the Commission is summarised below:

- The year-wise addition to bays and ckt. kms of transmission lines has been considered based on the scheme-wise capitalisation approved by the Commission.
- The MVA capacity linked O&M norm has been introduced for the first time through the MYT Regulations, 2024. Hence there is no transformation capacity approved by the Commission for the past period. Accordingly, the Commission has relied on the actual transformation capacity data shared by MSETCL for FY 2023-24 (truing up year). The closing balance of transformation capacity available for FY 2023-24 is considered as the opening transformation capacity for FY 2024-25. MSETCL has provided data for scheme wise transformation capacity likely to be added to the existing system during FY 2024-25 and the 5<sup>th</sup> Control Period. Similar to the approach adopted for considering addition of bays and ckt. kms, the transformation capacity associated with the schemes approved by the Commission for the period FY 2024-25 onwards has been considered as addition to the existing transformation capacity at the beginning of FY 2024-25. The closing balance of FY 2024-25 is considered as the opening transformation capacity for FY 2025-26 and likewise.
- While the Commission has relied on the actual transformation capacity data shared by MSETCL for FY 2023-24 from the SAP system, MSETCL, while filing the next MYT Petition should confirm that the closing transformation capacity as on 31st March 2024

pertains to schemes / projects which have been approved by the Commission and have been put to use. Transformation capacity pertaining to projects which are not put to use should not be considered by MSETCL for computation of the normative O&M expenses.

- Similarly, only utilized bays should be considered for computation of the normative O&M expenses.

7.2.23 The year wise approved addition of bays, ckt. kms of transmission lines and transformation capacity (MVA) during the 5<sup>th</sup> Control Period is as given in the table below:

**Table 173: Voltage wise and year wise addition of bays, ckt. kms of transmission network and transformation capacity for the period FY 2025-26 to FY 2029-30, as approved by the Commission**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
<b>Number of Bays (AIS Bays)</b>					
765 kV	-	1	-	-	-
400 kV	15	20	-	-	2
above 66 kV and less than 400 kV	196	182	42	42	34
66 kV and below	358	193	36	36	51
<b>TOTAL AIS</b>	<b>569</b>	<b>396</b>	<b>78</b>	<b>78</b>	<b>87</b>
<b>Number of Bays (GIS Bays)</b>					
765 kV	-	-	-	-	-
400 kV	-	9	5	-	3
above 66 kV and less than 400 kV	28	39	2	1	7
66 kV and below	54	68	-	2	-
<b>TOTAL GIS</b>	<b>82</b>	<b>116</b>	<b>7</b>	<b>3</b>	<b>10</b>
<b>TOTAL BAYS</b>	<b>651</b>	<b>512</b>	<b>85</b>	<b>81</b>	<b>97</b>
<b>Transmission Lines (ckt. Kms)</b>					
HVDC	-	-	-	-	-
765 kV	-	-	-	-	-
400 kV	681.00	19.44	249.74	-	56.69
above 66 kV and less than 400 kV	1,646.18	1,303.70	538.99	42.95	232.12
66 kV and below	1.00	1.00	-	37.25	-
<b>TOTAL</b>	<b>2,328.18</b>	<b>1,324.15</b>	<b>788.72</b>	<b>80.20</b>	<b>288.81</b>
<b>Transformational Capacity</b>					
<b>MVA Capacity</b>	<b>8,027.00</b>	<b>8,903.00</b>	<b>3,042.46</b>	<b>818.42</b>	<b>1,306.44</b>

7.2.24 Based on the above and considering the O&M norms specified in Regulation 80 of the MYT Regulations 2024, the Commission has computed the normative O&M expenses as given below:

**Table 174: Normative O&M expenses 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
Normative O&M Expenses	2,475.94	2,470.74	2,712.51	2,683.09	2,948.43	2,863.07	3,171.98	3,027.86	3,368.08	3,187.60

7.2.25 In addition to the normative O&M expenses, as mentioned in para 5.3.26 of the Order, the Commission has considered allowing payment against wage revision



**arrears (1 instalment) in the FY 2025-26 over and above the normative O&M expenses.**

**MSETCL's claims regarding insufficient normative O&M and proposed methodology for projecting O&M expenses for the 5<sup>th</sup> control period**

- 7.2.26 As explained above MSETCL has emphasised that computation of the normative O&M expenses based on the methodology and norms prescribed in the MYT Regulations, 2024 will lead to projection of O&M expenses which are much lower than actual expected requirement for the Control Period and will impact the sustainability of MSETCL operations.
- 7.2.27 Accordingly, MSETCL has proposed estimation of the O&M expenses for the FY 2025-26 to FY 2029-30 considering past growth trends for individual cost heads (employee, A&G and R&M). Accordingly, MSETCL has proposed 6%, 10% and 15% year on year growth rate for employee, A&G and R&M expenses.
- 7.2.28 The Commission has examined the submissions, and its analysis of the above issues is elaborated in the subsequent paragraphs.
- 7.2.29 As regards the issue of O&M norms prescribed in the MYT Regulations, 2024 not being adequate to cover the expenses of MSETCL for the 5<sup>th</sup> Control period, it is to be noted that the norms were fixed based on exhaustive stakeholder consultation process which was carried out during formulations of the MYT Regulations, 2024. Submissions from all the stakeholders including MSETCL were taken into consideration and appropriately incorporated into the Regulations and norms, as deemed appropriate by the Commission. Further, O&M norms notified for the 5<sup>th</sup> Control Period were based on past actual data of MSETCL available with the Commission and approved in the past Orders. Accordingly, the data is reflective of the similar changes which have occurred in the past period like wage revisions, periodic recruitments or outsourcing of services by MSETCL to meet the gap due to vacant positions, and other ongoing changes in business operations. Accordingly, the norms were determined based on MSETCL's own past cost data and determined using a structured approach similar to that adopted in the past Regulation drafting process as well. The Statement of Reasons document issued by the Commission along with the Regulation also outlines the basis for determining the norms. Considering that power sector is a regulated sector, it is necessary to have norms / KPIs, etc. to control the overall business activities including the expenses incurred by the licensees and their recovery from the end consumers.
- 7.2.30 The intent of the Regulation is to encourage the licensee to perform better than the norms / performance targets and earn the associated incentives / penalties depending on the performance. The sharing of efficiency gains / (losses) is one such mechanism wherein the actual performance of the Licensee is either rewarded or penalised based on whether the performance has been better or worse than the set targets. Not having norms and allowing cost recovery entirely on actuals will be against the principles of a regulated business and will lead to undue burden on the consumers. Accordingly, norms are necessary for ensuring recovery of efficient costs from the end users and the impact of any under or over performance is shared in pre-decided ratio between the Licensee and end users.



7.2.31 Further, considering that the norms have to be prescribed for the entire control period, the escalation of the base year norms derived using the past cost trends is usually done using publicly available inflationary indices like the Consumer Price Index (CPI) and Wholesale Price Index (CPI) which are used by most of the Regulatory Institutions including the CERC while projecting expenses for future period. Such indices are uniformly applied for all the Licensees in the State, thus creating a uniform base for evaluation performance of Licensee and regulating them. Typically, the employee expenses are primarily impacted by the CPI indices and the A&G and R&M expenses by the WPI indices. Accordingly, a weighted average escalation rate (e.g. 70% CPI and 30% WPI) is used to escalate the O&M expenses considering that the O&M expenses comprise of employee, A&G and R&M expenses.

7.2.32 If the past actual O&M expense trend of MSETCL is seen, the increase in cost has been significant and much beyond the inflationary indices. The trend observed in the past is given in the table below:

**Table 175: Past trend of O&M expenses (Rs. Crore)**

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Employee	1,216.42	1,020.49	1,078.46	1,332.37	1,608.97
Wage Revision	49.37	55.48	63.18	-	-
A&G	304.27	339.31	397.08	446.20	479.56
R&M	316.05	345.13	402.91	560.95	573.71
<b>Total O&amp;M Expenses (Including Wage Revision)</b>	<b>1,886.11</b>	<b>1,760.41</b>	<b>1,941.63</b>	<b>2,339.51</b>	<b>2,662.24</b>
<b>Total O&amp;M Expenses (Excluding Wage Revision)</b>	<b>1,836.74</b>	<b>1,704.93</b>	<b>1,878.45</b>	<b>2,339.51</b>	<b>2,662.24</b>
<b>Year on Year Escalation</b>					
Employee		-16.11%	5.68%	23.54%	20.76%
Employee + Wage Revision		-15.00%	6.10%	16.71%	20.76%
A&G		11.52%	17.03%	12.37%	7.48%
R&M		9.20%	16.74%	39.22%	2.27%
<b>Total O&amp;M Expenses (Including Wage Revision)</b>		<b>-6.66%</b>	<b>10.29%</b>	<b>20.49%</b>	<b>13.79%</b>
<b>Total O&amp;M Expenses (Excluding Wage Revision)</b>		<b>-7.18%</b>	<b>10.18%</b>	<b>24.54%</b>	<b>13.79%</b>

*Note: R&M expenses are including transfer from capex to R&M; Provision for Wage revision arrears made in FY 2023-24 by MSETCL is not considered for the comparison.*

7.2.33 The actual inflationary trend based on WPI and CPI indices during the same period is given in the table below:

**Table 176: WPI and CPI linked inflationary trend (%)**

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
WPI	1.39%	2.38%	4.63%	5.93%	4.93%
CPI	5.17%	5.04%	5.24%	5.84%	5.78%
<b>Wtg. Avg. (30% WPI: 70% CPI)</b>	<b>4.03%</b>	<b>4.24%</b>	<b>5.06%</b>	<b>5.86%</b>	<b>5.53%</b>

*Note: The year inflation is worked out considering average inflation of past 5-year period (including the year under consideration) in line with the approach adopted in the MERC MYT Regulations, 2024 wherever projections are linked to inflationary indices.*

7.2.34 As evident from the information available in Table 175 and Table 176 above, the year on year increases in the actual expenses incurred by MSETCL are much higher than the inflationary increases observed in the country. Such increases are difficult to justify, and the impact of such increases cannot be passed on entirely to the end consumers. In case all the expenses incurred by the Licensee are allowed to be entirely passed on through the tariff, the Licensee will have no motivation to improve its operating efficiency and ensure prudent / efficient expenditure. The very purpose of the norms is to set a target performance level for the Licensee which will ensure that the licensee will be prudent and efficient in its operations and at the same time he is able to recover its cost to ensure sustainability of operations. Any deviation in the performance will lead to an associated incentive or penalty for the Licensee. This mechanism also ensures that the operational risks are shared between the Licensee and the end consumers in an equitable manner.

7.2.35 If the individual cost elements are examined, the actual increase in the employee expense is significantly high, especially in the last two years (FY 2022-23 and FY 2023-24) and much beyond the CPI trend which is around 5.41% on an average for the period from FY 2019-20 to FY 2023-24. The CAGR of the period FY 2019-20 to FY 2023-24 for the employee expenses is 7.24% which is also higher than the CPI trend. This variation is more pronounced in case of A&G and R&M expenses wherein the year in year increase has been significantly higher than the WPI or weighted average inflation indices. Accordingly, allowing such expenses for recovery in totality without any benchmarking of expenses based on norms is not a prudent approach. Having no linkage to norm will lead to a possibility wherein Licensees incur imprudent expenditure as the same would be allowed to be entirely recovered from the end user. The Commission in its role as the Regulator of the sector cannot permit such approach.

7.2.36 For the future projection, MSETCL has considered year on year increases of 6%, 10% and 15% for the employee expenses, A&G expenses and R&M expenses, respectively. Such significant level of yearly cost escalation over a longer duration of time is unsustainable as the growth in the network or consumer sales will not be able to match this kind of growth leading to significant burden on the end consumers. 15% year on year growth in R&M expenses will mean that the R&M expenses will double from the existing level in next 6 to 7 years which is not realistic. Higher increase in one off year to compensate for lower expenses in the past year may be considered, but such year-on-year increase over a longer period is neither sustainable or justifiable.

7.2.37 As an illustration, in case we consider FY 2019-20 as the base year and escalate the O&M expenses for FY 2019-20 considering the WPI & CPI linked inflationary indices, following will be the scenario of O&M expenses as compared to normative expenses approved in the present Order and that claimed by MSETCL:

**Table 177: Comparison of O&M expenses under various scenarios and MSETCL claim (Rs. Crore)**

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M (Actual for FY 2019-20 – Remaining years projected)	1,886	1,966	2,066	2,187	2,308	2,435	2,570	2,712	2,862	3,020	3,187

Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
considering WPI:CPI inflation)											
Wtg. Avg. (30% WPI: 70% CPI) <sup>#</sup>		4.24%	5.06%	5.86%	5.53%	5.53%	5.53%	5.53%	5.53%	5.53%	5.53%
Approved Normative O&M Expenses							2,541*	2,661	2,824	2,978	3,134
MSETCL Claim							2,988	3,255	3,551	3,878	4,240

\* Include wage revision arrears component of Rs. 77.80 Crore allowed for recovery by the Commission in FY 2025-26 over and above normative O&M expenses

<sup>#</sup> The year inflation is worked out considering average inflation of past 5-year period (including the year under consideration) in line with the approach adopted in the MERC MYT Regulations, 2024 wherever projections are linked to inflationary indices

7.2.38 As evident from the above illustration, the claim by MSETCL is significantly higher than the projections considering WPI: CPI linked inflationary increases, and the Normative O&M expenses approved in this Order. The normative O&M expenses are relatively close to the projections considering WPI: CPI linked inflationary increases.

7.2.39 Further, it is also to be noted that the norms are linked to addition of new infrastructure and hence for any new additions, the entitlement of O&M expenses will increase.

7.2.40 Further, MSETCL will also need to ensure that it is able to optimise the expenses and be within the normative O&M cost levels. Any increase beyond the norms will be shared with the beneficiaries as per the relevant provisions of MYT Regulation, 2024. In this regard it is observed that on one hand MSETCL has spoken about adopting latest technology like GIS, SCADA, automated substations, etc. which will improve the overall operational efficiency and is also expected to optimise the existing operational expenses as well. However, on the other hand MSETCL has also been seeking higher O&M expenses going forward which defeats one of the important benefits of adopting technological solutions in business operations. This is not a desirable situation. MSETCL should endeavour to adopt the best practises adopted by various better performing Transmission Licensees and try to optimise the O&M expenses.

7.2.41 Considering the above, the Commission is constrained to not consider the request of MSETCL with regards to the proposed escalation linked approach to estimate the O&M expenses for the control period. Further, any changes to the O&M norms may have to be addressed during the next MYT Regulation formulation process as this activity will need wider stakeholder consultation and is not possible through the present proceedings.

7.2.42 Based on the above, the Commission has worked out the normative O&M expenses for FY 2025-26 to FY 2029-30 as given below:

**Table 178: Total O&M expense 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
Normative O&M Expenses	2,475.94	2,470.74	2,712.51	2,683.09	2,948.43	2,863.07	3,171.98	3,027.86	3,368.08	3,187.60
Add: Wage Revision Arrears (1 instalment)	-	77.80	-	-	-	-	-	-	-	-
<b>Total approved O&amp;M expenses</b>	<b>2,475.94</b>	<b>2,548.54</b>	<b>2,712.51</b>	<b>2,683.09</b>	<b>2,948.43</b>	<b>2,863.07</b>	<b>3,171.98</b>	<b>3,027.86</b>	<b>3,368.08</b>	<b>3,187.60</b>

7.2.43 Accordingly, the Commission approves total O&M expenses of Rs. 2,548.54 Crore, Rs. 2,683.09 Crore, Rs. 2863.07 Crore, Rs. 3,027.86 Crore and Rs. 3,187.60 Crore for the FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30 respectively.

7.2.44 Notwithstanding the above, considering the increasing trend of O&M expenses particularly employee expenses and the concerns raised by the Commission during the public hearing process, the Commission hereby directs MSETCL to provide a justification for increase in employee expenses including the impact of wage revision and compare the same vis-à-vis the pay revisions scale applicable for the State Government Departments. The same shall be considered at the time of MYT proceedings for undertaking prudence check of O&M expenses as part of the truing up process for relevant years.

7.2.45 Thus, the Commission directs MSETCL to submit details of the employee expenses at the time of truing up of projection years. The details shall comprise employee category, number of employees in that category, applicable pay band as per the provision of the 7<sup>th</sup> Pay Commission approved by the Government of Maharashtra and actual salary of the respective employee category in tabular format.

### 7.3 Opex for FY 2025-26 to FY 2029-30

#### *MSETCL's Submission*

7.3.1 As per the Regulation 80.10 of the MYT Regulations, 2024 the transmission licensee is allowed to undertake Opex schemes for system automation, new technology and IT implementation etc. and such expenses may be allowed over and above normative O&M expenses.

7.3.2 MSETCL also submitted that intention of the Commission for introduction of allowing O&M expenses under Opex schemes specially designed for linkage of deliverables, wherein the payments will be linked to the performance and deliverables throughout the contract period, especially for system automation, maintenance, new technology and IT implementation, etc. O&M expenses on account of such schemes shall be allowed over and above normative O&M Expenses. Instead of owning an asset, service model is being allowed to infuse latest technologies.

7.3.3 At present MSETCL has not envisaged/ projected any Opex for the FY 2025-26 to FY 2029-30. However, during the Control Period, in case, on the onset of any new technologies, MSETCL may undertake Opex schemes at that point of time. In such cases,

MSETCL requests that such Opex scheme may be considered subject to prudence check at the time of truing-up.

### ***Commission's Analysis and Ruling***

- 7.3.4 As per the Regulation 80.10 of the MYT Regulation 2024, the transmission licensee is allowed to undertake Opex schemes for system automation, new technology and IT implementation etc. and such expenses may be allowed over and above normative O&M expenses. The Relevant extract of the Regulation are shown in below:

*80.10 A Transmission Licensee may undertake Opex schemes for system automation, new technology and IT implementation, etc., and such expenses may be allowed over and above normative O&M Expenses, subject to prudence check by the Commission:*

*Provided that the Transmission Licensee shall submit detailed justification, cost benefit analysis, and life cycle cost analysis of such schemes as against capex schemes, and savings in O&M expenses, if any as per the provisions of the MERC (Approval of Capital Investment Schemes) Regulations, 2022.*

- 7.3.5 The Commission noted that, at present MSETCL has not envisaged/ projected any Opex for the FY 2025-26 to FY 2029-30. However, in future MSETCL may undertake Opex schemes and such Opex scheme may be considered subject to prudence check in line with the prevailing Regulations.

## **7.4 Capex and Capitalisation for FY 2025-26 to FY 2029-30**

### ***MSETCL's Submission***

- 7.4.1 Regulation 78 of MYT Regulation, 2024 provides for submission of the Capital Investment plan.
- 7.4.2 Further, Regulation 24.6 of MYT Regulation, 2024 specifies the parameters that shall be considered by the Commission for the purpose of approval of projected capital expenditure plan and capitalisation plan for Control Period. MSETCL submitted that the scheme-wise projections for the Control Period are as per the transmission system plan prepared by the STU in line with Regulation 78.3 to be implemented during the Control Period. MSETCL confirmed that all these schemes are under the Capital Investment Plan and in compliance with the provisions of the Capex Regulations, 2022.
- 7.4.3 MSETCL also submitted the factors which were taken into consideration while preparation of STU plan and the details are already captured in the para 5.7.11 of the Order.
- 7.4.4 MSETCL submitted that has planned to execute the following works:
- a) System strengthening works of existing network and asset creation like augmentation requirement, renovation and modernization requirements and Life Extension requirements of the given network through O&M department and
  - b) new assets/ green-field projects (mainly substations and Transmission lines) based on the requirement of system and as per the STU plan through Projects department.

- 7.4.5 MSETCL has considered schemes which are listed in STU Plan, schemes which are Non-TBCB and schemes which are generally DPR. Schemes falling under TBCB are excluded in line with MERC MYT Regulations, 2024. This is without prejudice to the right of MSETCL to participate in such TBCB projects in future towards its efforts to enhance business portfolio.
- 7.4.6 MSETCL has also outlined the Execution Strategy for implementation of the Capitalisation as a part of its submission and the same is also included in para 5.7.14.5 of the Order.
- 7.4.7 The detailed breakup of the capitalisation for FY 2025-26 to FY 2029-30 is provided in the table below:

**Table 179: Break-up of Capitalisation for FY 2025-26 to FY 2029-30, as submitted by MSETCL (Rs. Crore)**

Sr. No	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Projected Capitalisation	5,129.85	6,411.41	7,123.99	4,769.04	2,063.82
2	<u>Less:</u> pertaining to SLDC					
3	<u>Less:</u> pertaining to ORC	9.99	-	-	-	-
4	<b>Total amount to be claimed by MSETCL (4=1-2-3)</b>	<b>5,119.86</b>	<b>6,411.41</b>	<b>7,123.99</b>	<b>4,769.04</b>	<b>2,063.82</b>
	<b>Break-up DPR/NDPR</b>					
5	DPR	4,541.27	5,542.10	6,607.62	4,423.20	2,055.82
6	Non-DPR	578.59	869.31	516.37	345.84	8.00
7	<b>Total (7=5+6)</b>	<b>5,119.86</b>	<b>6,411.41</b>	<b>7,123.99</b>	<b>4,769.04</b>	<b>2,063.82</b>
8	Non-DPR to DPR Ratio (11=6/5) %	13%	16%	8%	8%	0%

- 7.4.8 The scheme wise details of capitalisation have been submitted is attached to the revised Petition as Annexure – 2.
- 7.4.9 In additional submission dated 20 January 2025, MSETCL submitted that post submission of the Petition on 2 December 2024 and during discussion with the Commission it is observed that certain key details, mainly projected capitalization (with associated network addition) for certain schemes, were inadvertently missed in the Annexure-2 of the revised Petition. In this regard, MSETCL has submitted additional details regarding capital expenditure and capitalisation for the considered of the Commission as given below:

**Table 180: Revised Capital Expenditure and Capitalisation for FY 2025-26 to FY 2029-30, as submitted by MSETCL (Rs. Crore)**

Particulars	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY 2029-30
	Projected	Projected	Projected	Projected	Projected
Capital Expenditure	8,475.39	6,326.30	5,594.59	4,056.52	1,654.86
Capitalisation	5,683.59	6,903.46	7,465.99	5,326.99	2,317.82

- 7.4.10 MSETCL has provided the revised scheme wise details of capitalisation along with the revised submission.



#### 7.4.11 Funding for the capitalisation for FY 2025-26 to FY 2029-30

7.4.11.1 MSETCL submitted that the funding of the capitalisation has been claimed based on the individual scheme wise funding into Grant: Debt: Equity as the case may be. Majority of the funding of schemes has been in Debt-Equity ratio of 80:20 (prior to FY 2015-16) and/ 75:25 (after FY 2015-16). MSETCL has few schemes which are partially funded by grant such as Green Energy Corridor schemes (Grant: 60% (MNRE-40% + GoM Equity 20%), Debt: 40% (kfW); Power System Development Fund (PSDF) – 90% Grant and 10% Equity and State Government support for Tribal Area (Grant 50% & Equity 50%). MSETCL submits that the funding of proposed schemes in next Control Period which are yet to be approved by the Commission have been proposed with Debt-Equity ratio of 70:30.

7.4.11.2 MSETCL in past only received grants of capital nature. MSETCL has not claimed capitalization corresponding to the amount received through grants, as the same must not be recovered from the consumers under any component of tariff. Therefore, MSETCL has not considered amount attributable to grants in the computation of Interest on Long Term Loans, Depreciation and Return on Equity during the computation of ARR.

7.4.11.3 MSETCL has computed grant, debt & equity for each year based on above funding for each scheme and accordingly arrived at weighted average funding ratio as tabulated below which are utilised for further computation of depreciation, interest on loan and return on equity.

**Table 181: Average Funding Ratio of Capitalisation for FY 2025-26 to FY 2029-30, as submitted by MSETCL (Rs. Crore)**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Projected Capitalisation	5,119.86	6,411.41	7,123.99	4,769.04	2,063.82
<b>Funding Sources:</b>					
Grant	45.18	-	7.20	-	-
Debt	3,817.64	4,710.42	5,066.09	3,355.93	1,450.28
Equity	1,257.04	1,700.99	2,050.70	1,413.11	613.54
<b>Total Funding</b>					
<b>Funding Ratio</b>					
Debt	75.23%	73.47%	71.19%	70.37%	70.27%
Equity	24.77%	26.53%	28.81%	29.63%	29.73%

#### *Commission's Analysis and Ruling*

7.4.12 The Commission has noted the submission of MSETCL. The Commission has already elaborated its views and reasons for allowing and disallowing capitalisation against certain DPR and non-DPR schemes for the entire period from FY 2022-23 to FY 2029-30 in para 5.7 of this Order. As a part of the review, the Commission has examined the capitalisation claimed by MSETCL in FY 2025-26 to FY 2029-30 and observed that there are many schemes for which the DPRs were not approved and in such cases the Commission has not considered the proposed capitalisation against such schemes, as discussed in preceding part of the Order. The exceptions to this approach are the schemes which relate to evacuation

of RE power as identified by MSETCL, which have been approved by the Commission to ensure that non-availability of the transmission network should not become a constraint for the distribution companies to source contracted RE power. This issue has been discussed and decided by the Commission at para 5.7.49 of the Order.

7.4.13 Further, the Commission also observed that the capitalisation pertaining to the approved DPR schemes in the late part of the 5<sup>th</sup> Control Period is either negligible or nil. In order to ensure that MSETCL does not face any issue in taking up the capitalisation during the later part of the 5<sup>th</sup> Control Period, the Commission has allowed capitalisation equivalent to either the capitalisation against approved DPRs forming part of the present Petition or average approved capitalisation against DPR schemes over last three years (i.e. FY 2021-22, FY 2022-23 and FY 2023-24), whichever is higher.

7.4.14 The Commission has restricted the approval of the non-DPR schemes to either 30% of the approved DPR schemes related capitalisation or non-DPR capitalisation claimed by MSETCL, whichever is lower. The details of the approach are captured in para 5.7.68 to 5.7.76 of the Order. This also includes the approach for non-DPR schemes identified as of the nature of R&M expenditure.

7.4.15 The Commission has also not allowed capitalisation and O&M against identified unutilised bays from approved schemes. The treatment of such bays is discussed at para 5.7.77 to 5.7.82.

7.4.16 Accordingly, the capitalisation for FY 2025-26 to FY 2029-30 approved by the Commission after prudence check is given in the Table below:

**Table 182: 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 Capitalisation	3,603.89	3,799.86	1,513.04	966.58	966.58
Non-DPR Capitalisation	829.54	959.61	453.91	289.97	33.00
Add: Shifted schemes approved	53.00	15.33	-	-	-
<b>Total approved capitalisation</b>	<b>4,486.42</b>	<b>4,774.80</b>	<b>1,966.95</b>	<b>1,256.56</b>	<b>999.58</b>

7.4.17 **The Commission approves capitalisation of Rs 4,486.42 Crore, Rs 4,774.80 Crore, Rs 1,966.95 Crore, Rs 1,256.56 Crore, Rs 999.58 Crore against projections for the period FY 2025-26 to FY 2029-30.**

7.4.18 Further, as regards MSETCL's prayer seeking approval of the revision in scope of work for the sanctioned scheme of augmentation of transformer capacity at 400 kV Babbleshwar S/s, 400 kV Padghe S/s and 400 kV Nagothane S/s, MSETCL is directed to approach the Commission separately with necessary supporting information / documentation and justification for seeking the approval in line with the process outlined in the Capex Regulations, 2022.



## 7.5 Gross Fixed Assets (GFA) for FY 2025-26 to FY 2029-30

### *MSETCL's Submission*

- 7.5.1 MSETCL submitted that, the opening balance of GFA has been taken same as closing balance of FY 2024-25. As regards to the reduction of grant amount for the purpose of depreciation, interest on loan and return on equity computation, MSETCL has considered grant amount as per the funding applicable for the respective scheme based on the capitalisation during the year.
- 7.5.2 MSETCL has considered percentage (%) of retirement of assets (retirement of asset/ opening GFA) for latest year i.e., FY 2023-24 and applied it to opening GFA for estimation of retirement of assets for each year of the Control Period. The estimation is done for existing as well new assets on the same principles which would be subject to true-up at a later date. MSETCL submitted that, it has prepared a Policy for Asset retirement, Scrap Declaration and Disposal Policy. Once in place, this Policy is expected to streamline the booking/ accounting of the retirement of assets.
- 7.5.3 MSETCL also submitted that, as per the MYT Regulation, 2024, the assets are categorised as “Existing assets” and “New assets” and depreciation thereof is required to be computed and submitted separately based on distinct specified depreciation rates of such assets. Capital Investment schemes which are approved by the Commission are considered under the existing assets whereas capital investment schemes (DPR/Non-DPR) which are not in-principally approved by the Commission and proposed during Control Period are considered under new assets. Accordingly, existing assets wise and new assets wise GFA have been categorised and are submitted separately in tables below.

**Table 183: GFA for FY 2025-26 to FY 2029-30, as submitted by MSETCL (Rs. Crore)**

Rs Crore						
Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Opening GFA (Existing Assets)	33,763.12	36,328.83	38,214.44	38,776.34	38,863.22
2	Add: Additional Capitalization during the year	2,637.84	1,914.57	599.50	117.72	-
3	Less: Retirement/Adjustments	26.95	28.95	30.40	30.84	30.91
4	Less: Grant	45.18	-	7.20	-	-
5	Closing GFA	36,328.83	38,214.44	38,776.34	38,863.22	38,832.31

Rs Crore						
Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Opening GFA (New Assets)	-	2,482.02	6,976.95	13,496.08	18,137.03
2	Add: Additional Capitalization during the year	2,482.02	4,496.84	6,524.49	4,651.32	2,063.82
3	Less: Retirement/Adjustments	-	1.91	5.36	10.37	13.94
4	Less: Grant	-	-	-	-	-
5	Closing GFA	2,482.02	6,976.95	13,496.08	18,137.03	20,186.91

## Commission's Analysis and Ruling

- 7.5.4 The Commission has considered the opening balance of GFA for FY 2025-26 same as the approved closing balance of FY 2024-25. As regards to the reduction of grant amount for the purpose of depreciation, interest on loan and return on equity computation, the Commission has considered grant amount as per the funding applicable for the respective scheme based on the capitalisation during the year.
- 7.5.5 The Commission has considered percentage (%) of retirement of assets (retirement of asset/ opening GFA) for latest year i.e., FY 2023-24 and applied it to opening GFA for estimation of retirement of assets for each year of the Control Period. The estimation is done for existing as well new assets on the same principles which would be subject to prudence check during true-up at a later. Only in case of the new assets, the retirement is not considered in the first year i.e. FY 2025-26 as that is the year in which the new assets are being capitalised.
- 7.5.6 Capital Investment scheme which are approved by the Commission are considered under the existing assets whereas capital investment schemes (DPR/Non-DPR) which are not in-principally approved by the Commission and proposed during Control Period are considered under new assets. Accordingly, existing assets wise and new assets wise GFA have been categorised and are summarised separately in tables below.

**Table 184: GFA (Existing Asset) 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
Opening GFA (Existing Assets)	33,763.12	33,281.21	36,328.83	36,022.10	38,214.44	37,902.55	38,776.34	38,396.68	38,863.22	38,400.82
Add: Additional Capitalization during the year	2,637.84	2,800.82	1,914.57	1,909.61	599.50	531.94	117.72	35.12	-	-
Less: Retirement / Adjustments	26.95	27.03	28.95	29.16	30.40	30.60	30.84	30.99	30.91	30.99
Less: Grant	45.18	32.90	-	-	7.20	7.20	-	-	-	-
Closing GFA	36,328.83	36,022.10	38,214.44	37,902.55	38,776.34	38,396.68	38,863.22	38,400.82	38,832.31	38,369.83
Average Depreciation Rate	3.91%	3.92%	3.95%	3.95%	3.96%	3.96%	3.96%	3.96%	3.96%	3.96%
Total Depreciation	1,370.85	1,357.14	1,470.55	1,460.01	1,522.70	1,510.28	1,536.28	1,520.36	1,537.39	1,519.83

**Table 185: GFA (New Asset) 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
Opening GFA (New Assets)	-	-	2,482.02	1,685.61	6,976.95	4,549.50	13,496.08	5,981.02	18,137.03	7,197.86
Add: Additional Capitalization during the year	2,482.02	1,685.61	4,496.84	2,865.19	6,524.49	1,435.01	4,651.32	1,221.44	2,063.82	999.58
Less: Retirement / Adjustments	-	-	1.91	1.30	5.36	3.50	10.37	4.60	13.94	5.53
Less: Grant	-	-	-	-	-	-	-	-	-	-
Closing GFA	2,482.02	1,685.61	6,976.95	4,549.50	13,496.08	5,981.02	18,137.03	7,197.86	20,186.91	8,191.91
Average Depreciation Rate	4.22%	4.22%	4.22%	4.22%	4.22%	4.22%	4.22%	4.22%	4.22%	4.22%
Total Depreciation	52.37	35.57	199.58	131.56	431.98	222.19	667.46	278.07	808.64	324.72

## 7.6 Depreciation for FY 2025-26 to FY 2029-30

### MSETCL's Submission

- 7.6.1 MSETCL submitted that the depreciation has been calculated as per Regulation 28 of MYT Regulation, 2024. As per the Regulations, the assets are categorised as Existing assets and

New assets and depreciation thereof is required to be computed and submitted separately based on distinct specified depreciation rates of such assets.

7.6.2 MSETCL has submitted that, the depreciation has been calculated in case of existing assets considering the average depreciation rate of 3.91%, 3.95%, 3.96%, 3.96%, and 3.96% for FY 2025-26 to FY 2029-30 respectively. The rate has been computed considering average rate of depreciation for FY 2024-25 on opening GFA net of retired assets during the year and 5.28% on additional capitalisation for every year. MSETCL has computed average asset retirement percent rate based on actual asset retirement for FY 2023-24. The detailed computation submitted in the Regulatory Formats attached as **Annexure 1** with the revised Petition.

7.6.3 MSETCL submitted that the depreciation in case of new assets has been calculated considering the average depreciation rate of 4.22% for FY 2025-26 to FY 2029-30 respectively. The rate has been computed considering average rate of depreciation for the year on opening GFA net of retired assets during the year and 4.22% on additional capitalisation for every year. MSETCL has computed average asset retirement percent rate based on actual asset retirement for FY 2023-24 for existing assets base.

**Table 186: Depreciation for FY 2025-26 to 2029-30 (Existing/New Assets wise & Summary), as submitted by MSETCL (Rs. Crore)**

Rs Crore						
Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Opening GFA (Existing Assets)	33,763.12	36,328.83	38,214.44	38,776.34	38,863.22
2	Add: Additional Capitalization during the year	2,637.84	1,914.57	599.50	117.72	-
3	Less: Retirement/Adjustments	26.95	28.95	30.40	30.84	30.91
4	Less: Grant	45.18	-	7.20	-	-
5	Closing GFA	36,328.83	38,214.44	38,776.34	38,863.22	38,832.31
6	Average Depreciation Rate	3.91%	3.95%	3.96%	3.96%	3.96%
7	Total Depreciation	1,370.85	1,470.55	1,522.70	1,536.28	1,537.39

Rs Crore						
Sr. No.	Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Opening GFA (New Assets)	-	2,482.02	6,976.95	13,496.08	18,137.03
2	Add: Additional Capitalization during the year	2,482.02	4,496.84	6,524.49	4,651.32	2,063.82
3	Less: Retirement/Adjustments	-	1.91	5.36	10.37	13.94
4	Less: Grant	-	-	-	-	-
5	Closing GFA	2,482.02	6,976.95	13,496.08	18,137.03	20,186.91
6	Average Depreciation Rate	4.22%	4.22%	4.22%	4.22%	4.22%
7	Total Depreciation	52.37	199.58	431.98	667.46	808.64

Rs. Crore					
Particulars	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029-30
	Projected	Projected	Projected	Projected	Projected
Depreciation - Existing Assets	1,370.85	1,470.55	1,522.70	1,536.28	1,537.39
Depreciation - New Assets	52.37	199.58	431.98	667.46	808.64
<b>Depreciation - Total</b>	<b>1,423.22</b>	<b>1,670.14</b>	<b>1,954.68</b>	<b>2,203.74</b>	<b>2,346.03</b>

- 7.6.4 MSETCL requested the Commission to approve the depreciation for FY 2025-26 to FY 2029-30 as submitted in above Table.

### ***Commission's Analysis and Ruling***

- 7.6.5 Commission has noted the submission of MSETCL. The Regulation 28 of MYT Regulation, 2024 specifies that the assets are categorised as "Existing assets" and "New assets" and depreciation thereof is required to be computed and submitted separately based on distinct specified depreciation rates of such assets. The relevant extract of the Regulation is reproduced below:

*"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:*

...

*28.3 In case of existing assets, the balance depreciable value as on April 1, 2025, shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to March 31, 2025, from the gross depreciable value of the assets:*

*Provided that depreciation shall be chargeable from the first year of commercial operation.*

*28.4 In case of projected commercial operation of the assets for part of the year, depreciation shall be computed based on the average of opening and closing value of assets.*

...

*28.8 The Generating Company or Licensee or MSLDC or STU shall submit the depreciation computations separately for assets added upto March 31, 2025 and assets added on or after April 1, 2025.”*

- 7.6.6 For computing Depreciation for existing asset, the Commission has considered the closing GFA of FY 2024-25 as approved in this Order as the opening GFA of FY 2025-26. Addition to assets for the respective years is considered as per the capitalisation approved in para 7.5.6 of this Order. In case of new assets, the opening GFA for FY 2025-26 is nil and the asset additions for the respective years is considered as per the capitalisation approved in para 7.5.6 of this Order.
- 7.6.7 The Commission has been calculated depreciation on existing assets while considering the average depreciation rate of 3.92%, 3.95%, 3.96%, 3.96%, and 3.96% for FY 2025-26 to FY 2029-30 respectively. The Commission has computed depreciation rate as per the methodology used by MSETCL in its submission.

7.6.8 The Commission has been calculated depreciation on New assets while considering the average depreciation rate of 4.22% for FY 2025-26 to FY 2029-30. This is in line with the approach adopted by MSETCL in its submission. The detailed computation is available in Table 184 and Table 185 of this Order. The summary of approval is given below:

**Table 187: Depreciation for FY 2025-26 to 2029-30 (Existing / New Assets wise & Summary), 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
Depreciation (Existing Assets)	1,370.85	1,357.14	1,470.55	1,460.01	1,522.70	1,510.28	1,536.28	1,520.36	1,537.39	1,519.83
Depreciation (New Assets)	52.37	35.57	199.58	131.56	431.98	222.19	667.46	278.07	808.64	324.72
<b>Depreciation Total</b>	<b>1,423.22</b>	<b>1,392.71</b>	<b>1,670.14</b>	<b>1,591.57</b>	<b>1,954.68</b>	<b>1,732.47</b>	<b>2,203.74</b>	<b>1,798.44</b>	<b>2,346.03</b>	<b>1,844.55</b>

7.6.9 **The Commission approves the Depreciation of Rs. 1,392.71 Crore, Rs. 1,591.57 Crore, Rs. 1,732.47 Crore, Rs. 1,798.44 Crore and Rs. 1,844.55 Crore for the FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30 respectively.**

## 7.7 Interest on Loan for FY 2025-26 to FY 2029-30

### *MSETCL's Submission*

7.7.1 MSETCL submitted the interest expenditure on account of long-term loans depends on the outstanding loan, repayments, and prevailing interest rates on the outstanding loans. Further, the projected capital expenditure and the funding of the same also have a major bearing on the long-term interest expenditure.

7.7.2 Regulation 30.3 of the MERC MYT Regulations, 2024 provides for loan repayment during a year equal to depreciation allowed. The relevant extract is reproduced below:

*“30.3 The loan repayment during each year of the Control Period from FY 2025-26 to FY 2029-30 shall be deemed to be equal to the depreciation allowed for that year.”*

7.7.3 MSETCL submitted that typically capital expenditure is funded by way of taking loan from KFW, REC, PFC, Bank of India, Canara Bank, Bank of Maharashtra, ICICI and Interest Free GoM Loan. Since, FY 2016-17, the capex schemes have been funded by 75% debt, however, earlier schemes are still funded at a debt equity ratio of 80:20. However, the funding of proposed schemes in next Control Period which are yet to be approved by the Commission have been proposed with Debt-Equity ratio of 70:30. Therefore, for computation of Interest on loan, MSETCL has considered weighted average debt-equity ratio from FY 2025-26 onwards. The weighted average Debt-Equity ratio corresponding to various years from FY 2025-26 to FY 2029-30 are projected to be as follows:

**Table 188: Debt Equity Ratio for FY 2025-26 to 2029-30, as submitted by MSETCL**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Debt	75.23%	73.47%	71.19%	70.37%	70.27%
Equity	24.77%	26.53%	28.81%	29.63%	29.73%

7.7.4 Considering the normative opening loan, normative loan addition during the year and loan repayment equal to depreciation and the weighted average interest rate of actual loan

portfolio for FY 2024-25, MSETCL has computed the interest expenses on normative basis for the FY 2025-26 to FY 2029-30 as summarized in table below:

**Table 189: Interest Expenses on Loan for FY 2025-26 to FY 2029-30, as submitted by MSETCL (Rs. Crore)**

Particulars	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029-30
	Projected	Projected	Projected	Projected	Projected
Interest on normative loan	711.35	955.11	1,230.98	1,421.07	1,429.56

7.7.5 MSETCL requested the Commission to allow the Interest on loan as per the MYT Regulations, 2024 and to approve the interest expenses for FY 2025-26 to FY 2029-30 as submitted in above table.

### ***Commission's Analysis and Ruling***

7.7.6 Commission has noted the submission of MSETCL. The Regulation 30 of the MYT Regulations, 2024 outlines the methodology to be adopted for computation of the interest on loans. The Commission has adopted the same for approval of the interest on loan in the present Petition.

7.7.7 The Commission has considered the closing loan balance for FY 2024-25 approved in this Order as the opening balance for FY 2025-26. The Commission notes a mix of ongoing capex schemes funded at different debt: equity ratio.

7.7.8 The Commission has considered this debt: equity ratio for deriving the debt and equity component of the approved capitalisation added during the respective years for approving the Interest on Long term Loans and also the return on equity.

7.7.9 The Commission has considered the repayment of loan as equal to the approved depreciation for respective years.

7.7.10 The reduction in loan is computed by multiplying the value of retired assets considered in this Order with the percentage debt funding, considered as 80% since the assets being retired would historically have been funded at 80% debt. This would be finalised based on the Audited annual accounts at the time of true-up.

7.7.11 The weighted average rate of interest on the loan portfolio at the beginning of the FY 2024-25 is 9.05% and the same is considered by the Commission and applied it to the average of opening and closing balance of the loan for the year to compute the interest expense on normative long-term loans. Any variation in the interest rate shall be dealt with at the time of Truing-up.

7.7.12 The Interest on Long Term Loans approved by the Commission as shown in table below:



**Table 190: Interest Expenses on Loan for FY 2025-26 to FY 2029-30, 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
Opening Balance of Net Normative Loan	6,675.98	6,359.87	9,048.84	8,292.67	12,064.43	10,175.17	15,147.22	9,850.01	16,266.44	8,916.17
Retirement of Assets	26.95	27.03	30.86	30.45	35.76	34.10	41.21	35.58	44.84	36.52
Debt % considered for reduction in loan due to retirement/adjustment of assets	80.00%	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Less: Reduction of Normative Loan due to retirement or replacement of assets	21.56	21.62	24.69	24.36	28.61	27.28	32.97	28.47	35.87	29.22
Less: Grant	45.18	32.90	-	-	7.20	7.20	-	-	-	-
Total Capitalization	5,074.69	4,453.52	6,411.41	4,774.80	7,116.79	1,959.75	4,769.04	1,256.56	2,063.82	999.58
Debt Component	75.23%	0.75	0.73	0.73	0.71	0.73	0.70	0.71	0.70	0.70
Addition of Normative Loan due to capitalisation during the year	3,817.64	3,347.12	4,710.42	3,498.44	5,066.09	1,434.59	3,355.93	893.06	1,450.28	699.71
Repayment of Normative loan during the year	<b>1,423.22</b>	1,392.71	1,670.14	1,591.57	1,954.68	1,732.47	2,203.74	1,798.44	2,346.03	1,844.55
<b>Closing Balance of Net Normative Loan</b>	9,048.84	8,292.67	12,064.43	10,175.17	15,147.22	9,850.01	16,266.44	8,916.17	15,334.82	7,742.11
<b>Average Balance of Net Normative Loan</b>	7,862.41	7,326.27	10,556.63	9,233.92	13,605.82	10,012.59	15,706.83	9,383.09	15,800.63	8,329.14
Weighted average Rate of Interest on actual Loans (%)	<b>9.05%</b>	<b>9.05%</b>	<b>9.05%</b>	<b>9.05%</b>	<b>9.05%</b>	<b>9.05%</b>	<b>9.05%</b>	<b>9.05%</b>	<b>9.05%</b>	<b>9.05%</b>
<b>Interest Expenses</b>	<b>711.35</b>	<b>662.84</b>	<b>955.11</b>	<b>835.44</b>	<b>1,230.98</b>	<b>905.89</b>	<b>1,421.07</b>	<b>848.93</b>	<b>1,429.56</b>	<b>753.58</b>

**7.7.13 The Commission approves the Interest on Long Term Loans of Rs. 662.84 Crore, Rs. 835.44 Crore, Rs. 905.89 Crore, Rs. 848.93 Crore and Rs. 753.58 Crore for the FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30 respectively.**

## **7.8 Interest on Working Capital for FY 2025-26 to FY 2029-30**

### ***MSETCL's Submission***

**7.8.1** The Regulation 32.2 of the MYT Regulations, 2024 provides for Interest on Working Capital for Transmission business

*“32 Interest on Working Capital*

*....*

*“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.”*

**7.8.2** As per the Regulation 32.2 of MERC MYT Regulations, 2024, normative interest on working capital (IoWC) has been computed based on the norms and the estimated elements of ARR like O&M expenses, Gross Fixed Assets and one and half month's revenue from transmission charges.

**7.8.3** MYT Regulations, 2024, provides for the normative rate of interest on working capital to be equal to the Base Rate, which is the one-year Marginal Cost of Funds-based Lending



Rates (MCLR) declared by State Bank of India, plus 150 basis points which works out to 10.45% (i.e 8.95% plus 150 basis point). This rate has been considered for determining interest on working capital for FY 2025-26 to FY 2029-30.

7.8.4 The details of the Interest on Working Capital (normative) for FY 2025-26 to FY 2029-30 is shown in table below:

**Table 191: Interest on Working Capital from FY 2025-26 to FY 2029-30, as submitted by MSETCL**

Particulars	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029-30
	Projected	Projected	Projected	Projected	Projected
Interest on Working Capital	160.99	175.55	202.24	228.35	246.57

Rs. Crore

### **Commission's Analysis and Ruling**

7.8.5 The Commission has computed the Working Capital requirement based on the norms specified in Regulation 32.2 of the MYT Regulations, 2024 considering the estimated elements of ARR like normative O&M expenses, maintenance spares at 1% of Gross Fixed Assets and one and a half months revenue from Transmission Charges equivalent of the expected revenue from transmission charges at the Tariff approved in the Order for ensuing year/s for FY 2025-26 to FY 2029-30.

7.8.6 The interest rate of 10.45% (i.e 8.95% plus 150 basis point), as submitted by MSETCL, which is also in line with the provisions of the MYT Regulations 2024 has been applied to Working Capital requirement for computing the IoWC.

7.8.7 Accordingly, the IoWC approved by the Commission is as shown in the Table below.

**Table 192: Interest on Working Capital from 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
Operations and Maintenance Expenses for one month	249.95	205.90	272.30	223.59	297.02	238.59	324.37	252.32	354.69	265.63
Maintenance Spares @1% of the Opening GFA	338.28	333.46	389.21	378.05	453.01	425.50	523.90	444.83	571.17	457.04
One and a half months of the expected revenue from transmission charges at the prevailing tariffs	952.31	926.22	1,018.35	904.76	1,185.31	982.58	1,336.87	1,017.76	1,433.64	1,041.18
Less: Amount of Security Deposit from Transmission System Users	-	-	-	-	-	-	-	-	-	-
Total Working Capital Requirement	1,540.54	1,465.57	1,679.86	1,506.40	1,935.34	1,646.67	2,185.13	1,714.91	2,359.51	1,763.85
Interest Rate (%)	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
<b>Normative Interest on Working Capital</b>	<b>160.99</b>	<b>153.15</b>	<b>175.55</b>	<b>157.42</b>	<b>202.24</b>	<b>172.08</b>	<b>228.35</b>	<b>179.21</b>	<b>246.57</b>	<b>184.32</b>

7.8.8 **The Commission approves the Interest on Working Capital of Rs. 153.15 Crore, Rs. 157.42 Crore, Rs. 172.08 Crore, Rs. 179.21 Crore and Rs. 184.32 Crore for the FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30 respectively**

## **7.9 Other Finance Charges for FY 2025-26 to FY 2029-30**

### **MSETCL's Submission**

7.9.1 MSETCL submitted that the Regulation 30.8 of the MYT Regulations, 2024 provides that the finance charges shall be allowed at the time of True-up. The relevant extract is reproduced below:

*“30.8 The finance charges incurred for obtaining loans from financial institutions for any Year shall be allowed by the Commission at the time of Truing-up, subject to prudence check.”*

7.9.2 Accordingly, MSETCL has not projected any finance charges for the Control Period and will claim the same during true-up of respective years.

### ***Commission’s Analysis and Ruling***

7.9.3 The Commission observed that, MSETCL has not projected any finance charges for the Control Period. As per Regulation 30.8 of MYT Regulation 2024, the Commission shall be allowed finance charges incurred for obtaining loans from financial institutions for any Year at the times of Truing -up, subject to prudence check. **Accordingly, for the purposes of the present Order, the Commission has approved nil finance charges for the 5<sup>th</sup> Control Period.**

## **7.10 Return on Equity for FY 2025-26 to FY 2029-30**

### ***MSETCL’s Submission***

7.10.1 MSETCL submitted that the Regulation 29 of MYT Regulations, 2024 provides that transmission licensee is allowed RoE at the rate of 15.50% at the time of MYT proceedings, subject to review of performance linked RoE at the time of true-up.

7.10.2 MSETCL has considered the opening balance of equity for FY 2025-26 as the closing balance of equity of FY 2024-25. MSETCL has considered debt equity ratio as mentioned under Interest on loan section. Therefore, for computation of Return on Equity, it has considered weighted average debt-equity ratio. Further, it has also considered retirement in equity due to retirements of assets in FY 2025-26 to FY 2029-30.

7.10.3 As per Regulation 34 of MYT Regulation, 2024, RoE allowed shall be grossed up with latest available Income Tax Rate. MSETCL has been paying Income Tax at Corporate Tax rate and therefore, the effective tax rate for the FY 2025-26 to FY 2029-30 is considered to be the same as that of FY 2023-24 i.e. 34.94%, as per actual income tax paid (effective tax rate). MSETCL has computed the rate of Return on Equity by grossing up the effective tax rate. The table below provides computation of rate of pre-tax RoE:

**Table 193: Rate of Pre-tax RoE for FY 2025-26 to FY 2029-30, as submitted by MSETCL**

Particulars	Formula	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Effective Tax Rate of the Company (%)	A	34.944%	34.944%	34.944%	34.944%	34.944%
Base Rate of Return on Equity (%)	B	14.000%	14.000%	14.000%	14.000%	14.000%
Additional Rate of Return on Equity (%)	C	1.500%	1.500%	1.500%	1.500%	1.500%
Total Rate of Return on Equity (%)	d = b + c	15.500%	15.500%	15.500%	15.500%	15.500%
<b>Rate of Pre-Tax Return on Equity (%)</b>	<b>e = d / (1-a)</b>	<b>23.826%</b>	<b>23.826%</b>	<b>23.826%</b>	<b>23.826%</b>	<b>23.826%</b>

7.10.4 MSETCL has provided the detailed computation of Return on Equity for FY 2025-26 to FY 2029-30 as shown in table below:

**Table 194: Detailed Computation of RoE for FY 2025-26 to FY 2029-30, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Particulars	Formula	Ensuing Years (Projected)				
			FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Regulatory Equity at the beginning of the year	a	8025.71	9277.36	10972.18	13015.73	14420.59
2	Capitalisation during the year	b	5119.86	6411.41	7123.99	4769.04	2063.82
3	Consumer Contribution and Grants used during the year for Capitalisation	c	45.18	0.00	7.20	0.00	0.00
4	Equity portion of capitalisation during the year	d	1257.04	1700.99	2050.70	1413.11	613.54
5	Reduction in Equity Capital on account of retirement / replacement of assets	e	5.39	6.17	7.15	8.24	8.97
6	Regulatory Equity at the end of the year	f	9277.36	10972.18	13015.73	14420.59	15025.16
7	Tax Rate (%)	g	34.944%	34.944%	34.944%	34.944%	34.944%
8	<b>Base Return on Equity Computation</b>						
	Base Rate of Equity (%)	h	14.00%	14.00%	14.00%	14.00%	14.00%
	RoE (%)	$i=h/(1-g)$	21.520%	21.520%	21.520%	21.520%	21.520%
	Return on Regulatory Equity at beginning of year	$j=i*a$	1727.13	1996.48	2361.20	2800.97	3103.30
	RoE portion of capitalisation during the year	$k=(d-e)*i/2$	134.68	182.36	219.88	151.16	65.05
	<b>Total Return on Regulatory Equity excluding Additional RoE</b>	<b>l</b>	<b>1861.80</b>	<b>2178.84</b>	<b>2581.09</b>	<b>2952.14</b>	<b>3168.35</b>
9	<b>Performance Linked RoE Computation</b>						
	Performance Linked RoE for Availability (%)	m	1.500%	1.500%	1.500%	1.500%	1.500%
	RoE (%)	$n=m/(1-g)$	2.306%	2.306%	2.306%	2.306%	2.306%
	Return on Regulatory Equity at beginning of year	$o=n*a$	185.05	213.91	252.99	300.10	332.50
	RoE portion of capitalisation during the year	$p=(d-e)*n/2$	14.43	19.54	23.56	16.20	6.97
	<b>Total Performance Linked RoE</b>	<b>q</b>	<b>199.48</b>	<b>233.45</b>	<b>276.55</b>	<b>316.30</b>	<b>339.47</b>
10	<b>Total Return on Regulatory Equity</b>	<b>r=l+q</b>	<b>2,061.28</b>	<b>2,412.29</b>	<b>2,857.63</b>	<b>3,268.44</b>	<b>3,507.82</b>

7.10.5 Return on Equity has been computed as per the methodology specified in the MYT Regulations, 2024 and is shown in the table below:

**Table 195: Return on Equity for FY 2025-26 to FY 2029-30, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Particulars	Ensuing Years (Projected)				
		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Base RoE	1,861.80	2,178.84	2,581.09	2,952.14	3,168.35
2	Performance Linked RoE	199.48	233.45	276.55	316.30	339.47
3	<b>Total RoE</b>	<b>2,061.28</b>	<b>2,412.29</b>	<b>2,857.63</b>	<b>3,268.44</b>	<b>3,507.82</b>

### Commission's Analysis and Ruling

7.10.6 The Commission has considered the regulatory equity at the end of FY 2024-25, as approved in this Order, as the opening balance for FY 2025-26.

7.10.7 The Regulation 29.2 of the MYT Regulations, 2024 specifies that the RoE for the Transmission Licensee shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of 15.5 (base rate – 14 + performance linked 1.50) per cent per annum.

7.10.8 Further, the provisions pertaining to Income Tax in the MYT Regulations, 2024 specify the following with regards to the RoE:

*“34.2 The rate of Return on Equity, including the rate of Performance Linked Return on Equity as allowed by the Commission under Regulation 29 of these Regulations shall be grossed up with actual tax paid, for the previous year:*

.....

*34.3 The Rate of Return on Equity shall be rounded off to three decimal places and shall be computed as per the formula given below: Rate of pre-tax return on equity = Rate of Return on Equity / (1-t), Where “t” is the actual tax rate including surcharge and cess.*

*34.4 Variation between the Income Tax estimated by the Commission for future year during MYT Order and Mid-Term Review Order (in case of Distribution Licensees) and the Income Tax approved by the Commission for the respective Year after truing up for respective year, shall be allowed for recovery as part of the Aggregate Revenue Requirement at the time of Mid-Term Review Order (in case of Distribution Licensees) or Truing-up, subject to prudence check.”*

7.10.9 The Commission has adopted the method prescribed in the MYT Regulations, 2024 and has grossed up the base rate of return with the applicable tax rate. The Commission has considered effective tax rate for the latest year for which the actual income tax rate is available (FY 2023-24), as the effective tax rate for grossing up RoE in FY 2025-26 to FY 2029-30. The rate provisionally considered is 34.94%.

7.10.10 Based on the above, the pre-tax Rate of Return considered by the Commission for working out the RoE is 23.83% ((14%+1.5%) / (1-34.94%)). This rate will be revisited at the time of truing up for the relevant years based on the actual effective rate of income tax paid by MSETCL.

7.10.11 The RoE from FY 2025-26 to FY 2029-30 approved by the Commission is shown in table below:

**Table 196: Detailed Computation of RoE for FY 2025-26 to FY 2029-30 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
Regulatory Equity at the beginning of the year	8,025.71	7,894.72	9,277.36	8,995.71	10,972.18	10,265.98	13,015.73	10,784.33	14,420.59	11,140.70
Capitalisation during the year	5,119.86	4,486.42	6,411.41	4,774.80	7,123.99	1,966.95	4,769.04	1,256.56	2,063.82	999.58
Consumer Contribution and Grants used during the year for Capitalisation	45.18	32.90	-	-	7.20	7.20	-	-	-	-
Equity portion of capitalisation during the year	1,257.04	1,106.40	1,700.99	1,276.36	2,050.70	525.17	1,413.11	363.49	613.54	299.87
Reduction in Equity Capital on account of retirement / replacement of assets	5.39	5.41	6.17	6.09	7.15	6.82	8.24	7.12	8.97	7.30
<b>Regulatory Equity at the end of the year</b>	<b>9,277.36</b>	<b>8,995.71</b>	<b>10,972.18</b>	<b>10,265.98</b>	<b>13,015.73</b>	<b>10,784.33</b>	<b>14,420.59</b>	<b>11,140.70</b>	<b>15,025.16</b>	<b>11,433.27</b>
RoE %	23.83%	23.83%	23.83%	23.83%	23.83%	23.83%	23.83%	23.83%	23.83%	23.83%
Return on Regulatory Equity at the beginning of the year	1,912.18	1,880.97	2,210.39	2,143.28	2,614.19	2,445.93	3,101.08	2,569.43	3,435.80	2,654.34
Return on Equity portion of capitalisation during the year	149.11	131.16	201.90	151.32	243.44	61.75	167.36	42.45	72.02	34.85
<b>Total Return on Regulatory Equity Including additional RoE</b>	<b>2,061.28</b>	<b>2,012.12</b>	<b>2,412.29</b>	<b>2,294.61</b>	<b>2,857.63</b>	<b>2,507.68</b>	<b>3,268.44</b>	<b>2,611.89</b>	<b>3,507.82</b>	<b>2,689.19</b>

7.10.12 The Commission approves the return on equity of Rs. 2,012.12 Crore, Rs. 2,294.61 Crore, Rs. 2,507.68 Crore, Rs. 2,611.89 Crore and Rs. 2,689.19 Crore for the FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30 respectively.

## 7.11 Contribution to Contingency Reserve for FY 2025-26 to FY 2029-30

### *MSETCL's Submission*

7.11.1 MSETCL submitted that, as per Regulation 35 of MYT Regulation 2024, appropriation to Contingency Reserves of not less than 0.25 per cent of the original cost of Fixed Assets annually towards in the calculation of ARR. Accordingly, MSETCL has considered 0.25% of the Gross Fixed Assets and computed contribution to contingency reserves.

7.11.2 The contribution to contingency reserve for the Control Period is summarised in following table.

**Table 197: Contribution to Contingency Reserve from FY 2025-26 to FY 2029-30, as submitted by MSETCL (Rs. Crore)**

Particulars	Rs. Crore				
	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029-30
	Projected	Projected	Projected	Projected	Projected
Contribution to Contingency Reserves	84.41	97.03	112.98	130.68	142.50

7.11.3 MSETCL requested the Commission to allow the contribution to contingency reserves for FY 2025-26 to FY 2029-30 as submitted above.

### *Commission's Analysis and Ruling*

7.11.4 The Commission has verified that the accumulated Contingency Reserves of MSETCL do not exceed 5% of the original cost of fixed assets as stipulated in Regulation 35.1 of the MYT Regulations, 2024.

7.11.5 The Commission has considered contribution to Contingency Reserves at 0.25% of the opening GFA in accordance with the Regulation 35.1 of the MYT Regulations, 2024. Further, the year on year opening GFA based on the capitalisation approved in this Order has been considered for the computation. Accordingly, the approved contribution to Contingency Reserves is as given in the Table below.

**Table 198: Contribution to Contingency Reserve from 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
Contribution to Contingency Reserves	84.41	83.20	97.03	94.27	112.98	106.13	130.68	110.94	142.50	114.00

7.11.6 **The Commission approves the return on equity of Rs. 83.20 Crore, Rs. 94.27 Crore, Rs. 106.13 Crore, Rs. 110.94 Crore and Rs. 114.00 Crore for the FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30 respectively.**

## 7.12 Income from Wheeling charges and point of connection (PoC) Charges for FY 2025-26 to FY 2029-30

### MSETCL's Submission

#### 7.12.1 Income from Wheeling Charges

7.12.1.1 MSETCL's submission in this regard has been reproduced in Para 5.14.3 of this Order.

#### 7.12.2 Income from PoC Charges – 9 ISTS lines

7.12.2.1 MSETCL's submission in this regard has been reproduced in Para 5.14.2 of this Order.

7.12.2.2 MSETCL is in the process of preparation of Petition for the Truing up of the transmission tariff for FY 2019-20 to FY 2023-24 Tariff Block and for determination of the transmission tariff for FY 2024-25 to FY 2028-29 Tariff Block in respect of the MSETCL owned transmission lines/ system conveying electricity to other States.

7.12.2.3 For the purpose of projections, MSETCL has estimated the income from PoC charges of Inter State Transmission Lines as per its tariff claimed for period from FY 2025-26 to FY 2029-30 in proposed submission before CERC as summarised in table below:

**Table 199: Tariff claimed for Tariff Period 2024-25 to FY 2028-29 (before Hon'ble CERC), as submitted by MSETCL (Rs. Lakh)**

Assets	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Asset I	8.67	9.13	9.59	10.12	10.65
Asset II	4.62	4.86	5.11	5.39	5.67
Asset III	9.95	10.29	10.62	11.02	11.42
Asset IV	74.78	75.60	76.63	77.66	78.90
Asset V	51.90	53.48	55.25	57.03	59.02
Asset VI	8.67	9.13	9.59	10.12	10.65
Asset VII	9.87	10.08	10.29	10.55	10.81
Asset VIII & IX (Combined)	389.50	396.18	403.14	410.55	418.38
<b>Total</b>	<b>557.96</b>	<b>568.75</b>	<b>580.22</b>	<b>592.44</b>	<b>605.50</b>

*Note: MSETCL has inadvertently considered the tariff period in the table from FY 2025-26 to FY 2029-30 instead of FY 2024-25 to FY 2028-29. The Commission has appropriately considered the same in its analysis.*

7.12.3 MSETCL requested to approve Revenue from transmission tariff and other sources as shown in table below:

**Table 200: Income from Wheeling & Other Charges and PoC charge for Inter-State Lines for FY 2025-26 to FY 2029-30, as submitted by MSETCL (Rs. Crore)**

Particulars	Rs. Crore				
	FY2025-26 Projected	FY2026-27 Projected	FY2027-28 Projected	FY2028-29 Projected	FY2029-30 Projected
Total Income from wheeling Central sector power to Goa & Dadra Nagar and Other Generators	1.41	1.41	1.41	1.41	1.41
PoC Charges for Inter-State Lines	5.58	5.69	5.80	5.92	6.06



### ***Commission's Analysis and Ruling***

7.12.4 The Commission has considered the income from wheeling charges from Goa, Dadra & Nagar Haveli, Goa and other sources for FY 2025-26 to FY 2029-30 as submitted by MSETCL, subject to Truing-up.

7.12.5 As discussed in para 6.14.8 and 6.14.9 of the Order, the Commission has considered income from POC charges for Inter-state lines as Rs. 5.58 Crore, Rs. 5.69 Crore, Rs. 5.80 Crore, Rs. 5.92 Crore, Rs. 6.06 Crore and Rs. 6.06 Crore for FY 2024-25, FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30. The Commission will consider actual charges at time of truing up of relevant years, subjects to prudence check. The details are as shown in the Table below.

**Table 201: Income from Wheeling & Other Charges and PoC charge for Inter-State lines for FY 2025-26 to FY 2029-30 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
Income from Wheeling Charges from Goa, Dadra and Nagar Haveli and other sources	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41
Income from PoC charges for Inter-State lines	5.58	5.69	5.69	5.80	5.80	5.92	5.92	6.06	6.06	6.06
<b>Total</b>	<b>6.99</b>	<b>7.09</b>	<b>7.09</b>	<b>7.21</b>	<b>7.21</b>	<b>7.33</b>	<b>7.33</b>	<b>7.46</b>	<b>7.46</b>	<b>7.46</b>

7.12.6 The Commission approves the income from wheeling charges from Goa, Dadra & Nagar Haveli and other sources along the income from POC charges for Interstate lines of Rs. 7.09 Crore, Rs. 7.21 Crore, Rs. 7.33 Crore, Rs. 7.46 Crore and Rs. 7.46 Crore for the FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30 respectively.

### **7.13 Non-Tariff Income for FY 2025-26 to FY 2029-30**

#### ***MSETCL's Submission***

7.13.1 MSETCL submitted that, for the purpose of projecting the Non-Tariff Income for FY 2025-26 it has escalated estimated Non-Tariff Income for FY 2024-25 by 2%. Such escalation is considered at 2% as no clear historical trend of increase in Non-Tariff Income is available. Thereafter, Non-Tariff Income for FY 2026-27 to FY 2029-30 is projected by considering year-on-year increase of 2%.

7.13.2 For the purpose of projections, MSETCL has deducted STU related 'income' from MSETCL 'non-tariff income' for period from FY 2025-26 to FY 2029-30. Following table shows the projected non-tariff income for FY 2025-26 to FY 2029-30.

**Table 202: Non-Tariff Income for FY 2025-26 to FY 2029-30, as submitted by MSETCL (Rs. Crore)**

Particulars	Rs. Crore				
	FY2025-26 Projected	FY2026-27 Projected	FY2027-28 Projected	FY2028-29 Projected	FY2029-30 Projected
Non-Tariff Income	403.08	411.14	419.37	427.75	436.31

7.13.3 MSETCL requested the Commission to approve the Non-Tariff Income for FY 2025-26 to FY 2029-30 as per above projections.

### ***Commission's Analysis and Ruling***

7.13.4 The Commission has examined MSETCL's Submissions. MSETCL has escalated the NTI of FY 2024-25 at 2% to derive NTI for FY 2025-26. Further, MSETCL has deducted STU related 'income' from MSETCL 'non-tariff income' for period from FY 2025-26 to FY 2029-30. The approach adopted by MSETCL has been accepted by the Commission and accordingly, the approved Non-Tariff Income for FY 2026-27 to FY 2029-30 is given in the table below.

**Table 203: Non-Tariff Income for FY 2025-26 to FY 2029-30, 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
Non-Tariff Income	403.08	403.08	411.14	411.14	419.37	419.37	427.75	427.75	436.31	436.31

7.13.5 **The Commission approves the non-tariff income of Rs. 403.08 Crore, Rs. 411.14 Crore, Rs. 419.37 Crore, Rs. 427.75 Crore and Rs. 436.31 Crore for the FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30 respectively.**

## **7.14 Aggregate Revenue Requirement for FY 2025-26 to FY 2029-30**

### ***MSETCL's Submission***

7.14.1 The Aggregate Revenue Requirement (ARR) of MSETCL for the FY 2025-26 to FY 2029-30 is summarised as follows:

**Table 204: Stand-alone ARR for FY 2025-26 to FY 2029-30, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Particular	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Operation & Maintenance Expenses	2,987.50	3,254.90	3,550.51	3,877.73	4,240.44
2	Depreciation Expenses	1,423.22	1,670.14	1,954.68	2,203.74	2,346.03
3	Interest on Loan Capital	711.35	955.11	1,230.98	1,421.07	1,429.56
4	Other Interest and Finances charges	-	-	-	-	-
5	Interest on Working Capital	160.99	175.55	202.24	228.35	246.57
6	Income Tax	-	-	-	-	-
7	Contribution to contingency reserves	84.41	97.03	112.98	130.68	142.50
8	<b>Total Revenue Expenditure</b>	<b>5,367.47</b>	<b>6,152.72</b>	<b>7,051.39</b>	<b>7,861.58</b>	<b>8,405.10</b>
9	Add: Return on Equity Capital	2,061.28	2,412.29	2,857.63	3,268.44	3,507.82
10	<b>Aggregate Revenue Requirement</b>	<b>7,428.75</b>	<b>8,565.01</b>	<b>9,909.03</b>	<b>11,130.01</b>	<b>11,912.91</b>
11	Less: Non Tariff Income	403.08	411.14	419.37	427.75	436.31
12	Less: Income from Other Business	1.41	1.41	1.41	1.41	1.41
13	Less: Income from PoC charges for InSTS	5.58	5.69	5.80	5.92	6.06
14	<b>ARR from Transmission Tariff</b>	<b>7,018.69</b>	<b>8,146.77</b>	<b>9,482.45</b>	<b>10,694.93</b>	<b>11,469.14</b>



7.14.2 MSETCL requested the Commission to approve the Aggregate Revenue Requirement for FY 2025-26 to FY 2029-30 as shown in the Table above.

### ***Commission's Analysis and Ruling***

7.14.3 The Commission has calculated the Aggregate Revenue Requirement (ARR) of MSETCL for the FY 2025-26 to FY 2029-30 is summarised as follows:

**Table 205: Stand-alone ARR 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	2,987.50	2,548.54	3,254.90	2,683.09	3,550.51	2,863.07	3,877.73	3,027.86	4,240.44	3,187.60
Depreciation Expenses	1,423.22	1,392.71	1,670.14	1,591.57	1,954.68	1,732.47	2,203.74	1,798.44	2,346.03	1,844.55
Interest on Loan Capital	711.35	662.84	955.11	835.44	1,230.98	905.89	1,421.07	848.93	1,429.56	753.58
Other Interest and Finance Charges	-	-	-	-	-	-	-	-	-	-
Interest on Working Capital	160.99	153.15	175.55	157.42	202.24	172.08	228.35	179.21	246.57	184.32
Income Tax	-	-	-	-	-	-	-	-	-	-
Contribution to contingency reserves	84.41	83.20	97.03	94.27	112.98	106.13	130.68	110.94	142.50	114.00
<b>Total Revenue Expenditure</b>	<b>5,367.47</b>	<b>4,840.45</b>	<b>6,152.72</b>	<b>5,361.78</b>	<b>7,051.39</b>	<b>5,779.64</b>	<b>7,861.58</b>	<b>5,965.38</b>	<b>8,405.10</b>	<b>6,084.05</b>
Add: Return on Equity Capital	2,061.28	2,012.12	2,412.29	2,294.61	2,857.63	2,507.68	3,268.44	2,611.89	3,507.82	2,689.19
<b>Aggregate Revenue Requirement</b>	<b>7,428.75</b>	<b>6,852.57</b>	<b>8,565.01</b>	<b>7,656.39</b>	<b>9,909.03</b>	<b>8,287.32</b>	<b>11,130.01</b>	<b>8,577.27</b>	<b>11,912.91</b>	<b>8,773.25</b>
Less: Non Tariff Income	403.08	403.08	411.14	411.14	419.37	419.37	427.75	427.75	436.31	436.31
Less: Income from Wheeling Charges from Goa and Dadra and Nagar Haveli and other sources	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41
Less: Income from PoC charges for Inter-State lines	5.58	5.69	5.69	5.80	5.80	5.92	5.92	6.06	6.06	6.06
<b>Aggregate Revenue Requirement from Transmission</b>	<b>7,018.69</b>	<b>6,442.40</b>	<b>8,146.77</b>	<b>7,238.04</b>	<b>9,482.45</b>	<b>7,860.63</b>	<b>10,694.93</b>	<b>8,142.06</b>	<b>11,469.14</b>	<b>8,329.48</b>

7.14.4 Based on the foregoing analysis in the earlier sections of the Order, the Commission approves the standalone ARR of Rs. 6,442.40 Crore, Rs. 7,238.04 Crore, Rs. 7,860.63 Crore, Rs. 8,142.06 Crore and Rs. 8,329.4 Crore for the FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30 respectively.

## **7.15 Cumulative Revenue (Gap)/Surplus upto FY 2024-25**

### ***MSETCL's Submission***

7.15.1 MSETCL in previous chapters of the Petition, arrived at revenue gap in each of the financial year i.e. FY 2022-23, FY 2023-24 and FY 2024-25. MSETCL submitted that the carrying cost is subject to the corrections in interest rates for provisional and projection years and figures estimated/ project for revenue gap.

7.15.2 The Commission in Para 5.6.6 and of the MTR Order dated 31 March 2023 in Case No. 232 of 2022 has ruled as under:

*“5.6.6 Accordingly, the Commission has approved the O&M expenses for FY 2022-23 on provisional truing up of FY 2022-23 considering 5% escalation over the actual O&M expenses approved for FY 2021-22 excluding the payment of wage revision arrears which may be considered by the Commission if actually paid, subject to prudence check. In case the actual O&M expenses are found to be higher at the time of Truing-up, they shall be considered subject to prudence check.*

5.6.7 *Further, as per the stand taken by the Commission in its MYT Order, it will undertake the sharing of gain / (loss) considering the revised normative expenses, but it will not allow any carrying cost on the difference between the actual O&M expenses and the approved O&M expenses, in case the actual expenses are higher.*

.....

6.2.4 *Accordingly, the Commission has approved the O&M expenses for FY 2023-24 and FY 2024-25 considering 5% escalation over the actual O&M expenses approved for FY 2021-22 excluding the payment of wage revision arrears which may be considered by the Commission if actually paid, subject to prudence check. In case the actual O&M expenses are found to be higher at the time of Truing-up, they shall be considered subject to prudence check.*

6.2.5 *Further, as per the stand taken by the Commission in its MYT Order, it will undertake the sharing of gain / (loss) considering the revised normative expenses, but it will not allow any carrying cost on the difference between the actual O&M expenses and the approved O&M expenses, in case the actual expenses are higher. Further, The Commission also clarified that the impact of wage revision arrears in the actual approved O&M expenses for FY 2021-22 has not been considered while projecting the O&M expenses for FY 2022-23 to FY 2024-25. Accordingly, there is a significant variation in the O&M expenses projected by MSETCL and that approved by the Commission. The variation is attributed to MSETCL considering the O&M expenses based on the normative O&M expenditure norms prescribed in the MYT Regulations and also considering the restated number of bays and ckt. kms based on the cost auditor certificate, while the Commission has used the escalation methodology adopted in the MYT Order as mentioned earlier.”*

7.15.3 Accordingly, MSETCL while computing the effective revenue gap for the purpose of carrying cost has not considered carrying on account of the difference between the actual O&M expenses and the approved O&M expenses in case the actual expenses are higher. The detailed computation is provided in the Table below:

**Table 206: Computation of Effective Revenue Gap for the purpose of Carrying Cost, as submitted by MSETCL (Rs. Crore)**

Rs. Cr			
Particulars	Effective Revenue Gap for FY 2022-23	Effective Revenue Gap for FY 2023-24	Effective Revenue Gap for FY 2024-25
Standalone ARR of FY 2022-23 / FY 2023-24/FY2024-25 on True up	5,117.18	5,766.08	6,309.62
Less: impact of higher O&M expenses	354.45	803.13	-
Add: Revenue Gap/ (Surplus) till previous year/ Carrying Cost approved	828.53	143.58	132.70
<b>Net Aggregate Revenue Requirement on True up - (A)</b>	<b>5,591.25</b>	<b>5,106.53</b>	<b>6,442.32</b>
<b>Revenue from InSTS</b>	<b>4,806.51</b>	<b>6,490.75</b>	<b>6,483.43</b>
<b>Total Effective Revenue Recovery in True-ups - (B)</b>			
<b>Effective Revenue Gap on True ups - (C = A-B)</b>	<b>784.74</b>	<b>-1,384.23</b>	<b>-41.11</b>

7.15.4 MSETCL has considered the applicable rate of interest as per the MYT Regulations, 2019 for respective years for the purpose of carrying cost. The detailed computation of carrying cost on the revenue gap upto FY 2024-25 is presented in the table below:

**Table 207: Computation of Carrying Cost on Revenue Gap upto FY 2024-25, as submitted by MSETCL (Rs. Crore)**

Rs. Cr			
Particulars	FY 2022-23	FY 2023-24	FY 2024-25
Op. Balance of Revenue Gap	-	784.74	-599.48
Add:Gap during the year	784.74	-1,384.23	-
Less:Recovery during the year	-	-	-
<b>Closing balance of Revenue Gap</b>	<b>784.74</b>	<b>-599.48</b>	<b>-599.48</b>
Rate of Interest	9.30%	10.07%	10.45%
<b>Carrying (Holding) Cost</b>	<b>36.49</b>	<b>9.32</b>	<b>-62.65</b>
<b>Total Carrying Cost on Revenue Gap/ (Surplus) of True-ups</b>			<b>-16.84</b>

7.15.5 MSETCL's total revenue gap upto FY 2024-25, along with the impact of disallowed capitalisation and the carrying cost in the table below:

**Table 208: Total Revenue Gap for FY 2025-26, as submitted by MSETCL (Rs. Crore)**

Rs. Cr	
Particulars	Total Gap for FY 2025-26
Revenue Gap/ (Surplus) till previous year	576.13
Add: Carrying Cost on Revenue Gap/ (Surplus) of True-ups (FY 2022-23 to FY 2024-25)	-16.84
Add: Impact of Past Disallowed capitalisation + Impact of PSDF Capitalisation	25.39
Add: Impact of Past Disallowed capitalisation + Impact of PSDF Capitalisation:: Carrying cost till FY 24-25	15.09
<b>Total Revenue Gap/ (Surplus)</b>	<b>599.77</b>

7.15.6 Total revenue gap is proposed to be recovered through FY 2025-26. This shall also result in consistent revenue recovery over the Control Period and reduce the burden of carrying cost.

7.15.7 In view of above, MSETCL has projected the ARR for FY 2025-26 to FY 2029-30 including the past revenue gap and carrying cost as submitted in the table below:

**Table 209: Projected ARR for FY 2025-26 to FY 2029-30, as submitted by MSETCL (Rs. Crore)**

Sr. No.	Particular	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
1	Operation & Maintenance Expenses	2,987.50	3,254.90	3,550.51	3,877.73	4,240.44
2	Depreciation Expenses	1,423.22	1,670.14	1,954.68	2,203.74	2,346.03
3	Interest on Loan Capital	711.35	955.11	1,230.98	1,421.07	1,429.56
4	Other Interest and Finances charges	-	-	-	-	-
5	Interest on Working Capital	160.99	175.55	202.24	228.35	246.57
6	Income Tax	-	-	-	-	-
7	Contribution to contingency reserves	84.41	97.03	112.98	130.68	142.50
8	<b>Total Revenue Expenditure</b>	<b>5,367.47</b>	<b>6,152.72</b>	<b>7,051.39</b>	<b>7,861.58</b>	<b>8,405.10</b>
9	Add: Return on Equity Capital	2,061.28	2,412.29	2,857.63	3,268.44	3,507.82
10	<b>Aggregate Revenue Requirement</b>	<b>7,428.75</b>	<b>8,565.01</b>	<b>9,909.03</b>	<b>11,130.01</b>	<b>11,912.91</b>
11	Less: Non Tariff Income	403.08	411.14	419.37	427.75	436.31
12	Less: Income from Other Business	1.41	1.41	1.41	1.41	1.41
13	Less: Income from PoC charges for InSTS	5.58	5.69	5.80	5.92	6.06
14	<b>ARR from Transmission Tariff</b>	<b>7,018.69</b>	<b>8,146.77</b>	<b>9,482.45</b>	<b>10,694.93</b>	<b>11,469.14</b>
15	Add: Carrying Cost (Holding Cost) due to spreading of recovery	-	-			
16	Add: Carrying Cost (Holding Cost) on account of spreading of gaps approved in Case No. 302 of 2019					
17	Add: Past Revenue Gaps / (Surplus) spread over control period spread over control period approved in Case No. 302 of 2019					
18	<b>Net Aggregate Revenue</b>	<b>7,018.69</b>	<b>8,146.77</b>	<b>9,482.45</b>	<b>10,694.93</b>	<b>11,469.14</b>
19	Revenue from transmission tariff and Additional Transmission Regulatory	-	-	-	-	-
20	<b>Revenue Gap/(Surplus)</b>					
21	Revenue Gap/(Surplus) till previous	599.77	-			
22	<b>Cumulative Revenue Gap/(Surplus)</b>	<b>7,618.46</b>	<b>8,146.77</b>	<b>9,482.45</b>	<b>10,694.93</b>	<b>11,469.14</b>

7.15.8 MSETCL requested to approve the above projected ARR for FY 2025-26 to FY 2029-30 including gap of previous years and carrying cost of respective years as shown in the table above.

### ***Commission's Analysis and Ruling***

7.15.9 The Commission has noted the submissions of MSETCL with regards to the carrying cost computation and the year wise ARR to be recovered from the transmission tariff during the 5<sup>th</sup> Control Period. The Commission's approach to computation of the carrying cost and consolidated revenue gap to be recovered through the ARR for FY 2025-26 is discussed in the subsequent paragraphs.

7.15.10 The Commission has already computed the Revenue Gap / (Surplus) derived after Truing up of ARR for FY 2022-23, FY 2023-24, and FY 2024-25 which is to be recovered in the 5<sup>th</sup> Control period through the approved transmission ARR. Further, the revenue gap / (surplus) for FY 2022-23 and FY 2023-24 is to be recovered along with the applicable carrying / (holding) cost. No carrying / holding cost is considered in case of FY 2024-25 as the Commission is presently undertaking the provisional truing up. The carrying / (holding) cost will be computed at the time of final truing up for the year.

7.15.11 Further, the Commission in MTR Order in Case No. 232 of 2022 had stated the following regarding not allowing carrying cost on increased O&M expense:

*“5.6.6 Accordingly, the Commission has approved the O&M expenses for FY 2022-23 on provisional truing up of FY 2022-23 considering 5% escalation over the actual O&M expenses approved for FY 2021-22 excluding the payment of wage revision arrears which may be considered by the Commission if actually paid, subject to prudence check. In case the actual O&M expenses are found to be higher at the time of Truing-up, they shall be considered subject to prudence check.*

*5.6.7 Further, as per the stand taken by the Commission in its MYT Order, it will undertake the sharing of gain / (loss) considering the revised normative expenses, but it will not allow any carrying cost on the difference between the actual O&M expenses and the approved O&M expenses, in case the actual expenses are higher.....”*

7.15.12 The Commission has accordingly not considered the impact of the higher O&M expenses while computing the effective revenue gap/(surplus) to be considered for calculating the carrying / (holding) cost. Further, the Commission has also not considered the impact of transfer of cost related to capex schemes to R&M while working out the effective gap. The computation of the effective revenue gap for the FY 2022-23, FY 2023-24 and FY 2024-25 is given in the table below:

**Table 210: Computation of Effective Revenue Gap for the purpose of Carrying Cost, as approved by the Commission (Rs. Crore)**

Particulars	Effective Revenue Gap for FY 2022-23	Effective Revenue Gap for FY 2023-24	Effective Revenue Gap for FY 2024-25
Standalone ARR of FY 2022-23 / FY 2023-24 / FY2024-25 on True up / Prov. True-up	4,899.78	6,709.10	7,270.33
Less: impact of higher O&M expenses	367.14	570.26	-
<b>Net Aggregate Revenue Requirement on True up - (A)</b>	<b>4,532.64</b>	<b>6,169.71</b>	<b>7,295.79</b>
<b>Revenue from Transmission Tariff &amp; additional Transmission/Regulatory charges - (B)</b>	<b>4,806.51</b>	<b>6,490.75</b>	<b>6,483.43</b>
<b>Effective Revenue Gap / Surplus) on True ups - (C = A-B)</b>	<b>-273.87</b>	<b>-321.04</b>	<b>812.36</b>

7.15.13 Accordingly, the effective revenue gaps / (surplus) for FY 2022-23 and FY 2023-24 computed above is considered for computation of the carrying / (holding) cost as given in the table below:

**Table 211: Computation of Carrying / (Holding) Cost on Revenue Gap upto FY 2025-26, as approved by the Commission (Rs. Crore)**

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Op. Balance of Revenue Gap	-	-273.87	-627.10	-627.10
Add: Gap during the year	-273.87	-321.04	-	-
Less: Recovery during the year	-	32.19	-	-627.10
<b>Closing balance of Revenue Gap</b>	<b>-273.87</b>	<b>-627.10</b>	<b>-627.10</b>	<b>-</b>
Rate of Interest	0.09	0.10	0.10	0.10
<b>Carrying / (Holding) Cost</b>	<b>-12.73</b>	<b>-45.34</b>	<b>-65.53</b>	<b>-32.77</b>
<b>Total Carrying Cost on Revenue Gap/ (Surplus) of True-ups</b>			<b>-</b>	<b>-156.37</b>

7.15.14 It is envisaged that the cumulative revenue gap / (surplus) upto the FY 2024-25 is to be recovered through the ARR in the FY 2025-26. Accordingly, the recovery will be equally spread over the entire financial year. Accordingly, MSETCL is entitled to recover carrying / (holding) cost for half year in FY 2025-26 by the virtue of the recovery being spread over the entire year. Accordingly, the Commission has computed the carrying / (holding) cost upto the FY 2025-26. MSETCL in its submission had inadvertently missed out this point and accordingly computed the carrying / (holding) cost till the end of FY 2024-25, thus missing out on half year carrying cost. Commission has rectified this discrepancy and allowed recovery of carrying / (holding) cost till FY 2025-26.

7.15.15 The recovery of Rs. 32.19 Crore shown in FY 2023-23 pertains to the provisional revenue gap for FY 2022-23 which allowed for recovery through the ARR for FY 2023-24 and FY 2024-25 in the MTR Order in Case No. 232 of 2022, however, was not allowed carrying cost for the period of one year (mid of FY 2022-23 to mid of FY 2023-24 when the recovery was envisaged) on account of provisional truing up of FY 2022-23 was being undertaken. Accordingly, on final truing up of FY 2022-23, the carrying cost for one year has now been allowed (mid of FY 2022-23 to mid of FY 2023-24 when the recovery was envisaged) and beyond which the carrying / (holding) cost only on the trued-up revenue / (surplus) gap for FY 2022-23 will be allowed.

7.15.16 Accordingly, the net revenue gap / (surplus) to be carried forward for recovery in FY 2025-26 is worked out as shown in the table below:



**Table 212: Total Revenue Gap for recovery in FY 2025-26, as approved by the Commission (Rs. Crore)**

Particulars	Total Gap for FY 2025-26
Revenue Gap/ (Surplus) till previous year	1,122.66
Add: Carrying Cost on Revenue Gap/ (Surplus) of True-ups (FY 2022-23 & FY 2024-25)	-156.37
Add: Impact of past disallowed capitalisation + Impact of PSDF capitalisation	0.75
Add: Impact of past disallowed capitalisation + Impact of PSDF capitalisation: Carrying cost till FY 2024-25	0.30
<b>Total Revenue Gap/ (Surplus)</b>	<b>967.34</b>

7.15.17 Accordingly, the Commission has worked out a total revenue gap of Rs. 967.34 Crore for recovery in the FY 2025-26. This gap will be added to the standalone ARR for FY 2025-26 for allowing recovery through the transmission tariff. Further, considering the year-on-year standalone ARR approved by the Commission for the 5<sup>th</sup> Control Period, the Commission does not feel the need to spread over the recovery over multiple years and thus can avoid the impact of carrying cost on account of the deferred recovery. The year wise ARR including the revenue gap for the past period to be recovered in FY 2025-26 is around the same level, hence not requiring the spreading the recovery over multiple years.

7.15.18 In view of the above, the approved ARR for the 5<sup>th</sup> Control period including the recovery of past revenue gap is given in the following table:

**Table 213: Projected ARR 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	2,987.50	2,548.54	3,254.90	2,683.09	3,550.51	2,863.07	3,877.73	3,027.86	4,240.44	3,187.60
Depreciation Expenses	1,423.22	1,392.71	1,670.14	1,591.57	1,954.68	1,732.47	2,203.74	1,798.44	2,346.03	1,844.55
Interest on Loan Capital	711.35	662.84	955.11	835.44	1,230.98	905.89	1,421.07	848.93	1,429.56	753.58
Other Interest and Finance Charges	-	-	-	-	-	-	-	-	-	-
Interest on Working Capital	160.99	153.15	175.55	157.42	202.24	172.08	228.35	179.21	246.57	184.32
Income Tax	-	-	-	-	-	-	-	-	-	-
Contribution to contingency reserves	84.41	83.20	97.03	94.27	112.98	106.13	130.68	110.94	142.50	114.00
<b>Total Revenue Expenditure</b>	<b>5,367.47</b>	<b>4,840.45</b>	<b>6,152.72</b>	<b>5,361.78</b>	<b>7,051.39</b>	<b>5,779.64</b>	<b>7,861.58</b>	<b>5,965.38</b>	<b>8,405.10</b>	<b>6,084.05</b>
Add: Return on Equity Capital	2,061.28	2,012.12	2,412.29	2,294.61	2,857.63	2,507.68	3,268.44	2,611.89	3,507.82	2,689.19
<b>Aggregate Revenue Requirement</b>	<b>7,428.75</b>	<b>6,852.57</b>	<b>8,565.01</b>	<b>7,656.39</b>	<b>9,909.03</b>	<b>8,287.32</b>	<b>11,130.01</b>	<b>8,577.27</b>	<b>11,912.91</b>	<b>8,773.25</b>
Less: Non Tariff Income	403.08	403.08	411.14	411.14	419.37	419.37	427.75	427.75	436.31	436.31
Less: Income from Wheeling Charges from Goa and Dadra and Nagar Haveli and other sources	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41	1.41
Less: Income from PoC charges for Inter-State lines	5.58	5.69	5.69	5.80	5.80	5.92	5.92	6.06	6.06	6.06
<b>Aggregate Revenue Requirement from Transmission</b>	<b>7,018.69</b>	<b>6,442.40</b>	<b>8,146.77</b>	<b>7,238.04</b>	<b>9,482.45</b>	<b>7,860.63</b>	<b>10,694.93</b>	<b>8,142.06</b>	<b>11,469.14</b>	<b>8,329.48</b>
Add: Revenue Gap/(Surplus) till previous year	599.77	967.34	-	-	-	-	-	-	-	-
<b>Net Aggregate Revenue Requirement</b>	<b>7,618.46</b>	<b>7,409.73</b>	<b>8,146.77</b>	<b>7,238.04</b>	<b>9,482.45</b>	<b>7,860.63</b>	<b>10,694.93</b>	<b>8,142.06</b>	<b>11,469.14</b>	<b>8,329.48</b>

7.15.19 Accordingly, the Commission approves the ARR of Rs. 7,409.73 Crore, Rs. 7,238.04 Crore, Rs. 7,860.63 Crore, Rs. 8,142.06 Crore and Rs. 8,329.48 Crore for recovery

**during the FY 2025-26, FY 2026-27, FY 2027-28, FY 2028-29 and FY 2029-30 respectively.**

## **7.16 Utilisation / Treatment of Special Reserve amount**

### ***MSETCL's Submission***

7.16.1 A Special Reserve fund was created vide Regulation 19 of MERC (Terms and Conditions of Tariff) Regulations 2005 (hereinafter referred to as "MERC Tariff Regulation, 2005"), which pertains to the mechanism for sharing of gains and losses on account of controllable factors. The relevant extract of the Regulation is reproduced below:

*"19 Mechanism for sharing of gains or losses on account of controllable factors*

*19.1 The approved aggregate gain to the Generating Company or Licensee on account of controllable factors shall be dealt with in the following manner:*

*(a) One-third of the amount of such gain shall be passed on as a rebate in tariffs over such period as may be specified in the Order of the Commission under Regulation 17.10;*

*(b) In case of a Licensee, one-third of the amount of such gain shall be retained in a special reserve for the purpose of absorbing the impact of any future losses on account of controllable factors under clause (b) of Regulation 19.2; and*

*(c) The balance amount of gain may be utilized at the discretion of the Generating Company or Licensee"*

7.16.2 Accordingly, MSETCL had made contributions in Special Reserve upto FY 2014- 15 to the tune of the amount as recommended by the Commission from time to time in respective Tariff Orders and the same were invested in approved securities.

7.16.3 Since, there were no efficiency loss while truing-up from FY 2014-15 to FY 2021- 22, on account of controllable factors either on O&M or on Interest on working capital the said special reserve could not be set off as per provision of MERC Tariff Regulation, 2005.

7.16.4 In view of above, MSETCL in MTR proceeding in Case No. 232 of 2022 had sought the Commission's directions for Utilisation/ Treatment of Special Reserve of Rs. 139.39 Crore. MSETCL vide its submission had suggested that it would utilize the said amount, subject to approval from Commission, for any Innovative idea/ technologies / for any emergency works arising due to natural calamities.

7.16.5 However, the Commission, considering the significant increase in MSETCL's ARR due to various reasons, considered the special fund available with MSETCL to reduce the ARR. The relevant extract of the Commission's Order is reproduced below:

*"6.14.9 Considering the present situation wherein there has been a significant increase in the ARR for MSETCL due to various reasons, **the Commission deems it fit to utilise this available reserve to reduce the ARR for the FY 2023-24 and has accordingly considered this amount in determining the net ARR for FY 2023-24.** The treatment is discussed in the subsequent paragraphs of this Order."*



7.16.6 MSETCL filed a review Petition against the Commission's MTR Order in case No. 137 of 2023 seeking to reverse the decision of the Commission. The Commission having reviewed the submissions of MSETCL in this regard, ruled the following:

*“11.12 The review sought by MSETCL is in line with the Regulation 28 (a) of the MERC (Transaction of Business and Fees and Charges) Regulations, 2022. Accordingly, the Commission accepts the review and the impact of the same will be considered in the ensuing MYT Petition of MSETCL along with the associated costs.”*

7.16.7 In view of the above, MSETCL has now submitted its proposition for utilisation / treatment of the Special Reserve amount.

#### **Disaster Management Plan for Power Sector:**

7.16.8 MSETCL submitted that the Ministry of Power in fulfilment of provisions of the Disaster Management Act, 2005 has published the “Disaster Management Plan for Power Sector”. It provides a framework and direction to the utilities in the power sector for all phase of the disaster management cycle (i.e., Mitigation, Preparedness, Response and Recovery).

7.16.9 MSETCL also submitted that, under the Disaster Management Act, 2005, a financial mechanism has also been set up by way of National Disaster Response Fund (NDRF) at the national level and State Disaster Response Fund (SDRF) at the state level to meet the rescue and relief expenditure during any notified disaster. Under the notified norms, relief for repairing the damaged power sector infrastructure of immediate nature is provided through NDRF/SDRF funds. Apart from that, the “Disaster Management Plan for Power Sector” recommends for creation of a fund of 1.5% of annual revenue by each power utility for meeting the expenditure of disaster management requirement. The relevant extract of the plan is reproduced below:

*“11.5 Financial arrangement specifically for Power Sector*

*Each power utility shall create a fund for meeting the requirement of disaster management plan. The disaster management fund would be 1.5% of the annual revenue of the utility. Besides the above, every utility should have a core corpus of sufficient amount especially for immediate relief and rehabilitation depending upon revenue potential of the utility and the same should be replenished on an annual basis.*

*As during the disturbance period, the various heads of the departments need more financial power to meet the various contingencies, enhancement of financial powers/ impress money shall be available for the disturbance period. Arrangements for adequate financial resources must be made so that the restoration activities do not get hampered because of a shortage of funds. The authorized signatory may be designated for each strategic location that can make decisions in this regard.*

*Power utilities may also seek financial assistance from specialised funding agencies to meet any funding requirement. They may enter into a financing arrangement in advance as it will reduce the response time in organising the funds at the time of disaster. The Power Utility/State Government may also enter into an arrangement with financial institutions for funding certain activities under the Disaster Management Plan (like project financing, building disaster resilient infrastructure, strengthening of existing infrastructure etc.). This arrangement will help utility to develop infrastructure which is less prone to damage due to occurrence of natural calamities.*

*Insofar relief under NDRF/SDRF is concerned, assistance is provided for the repair of damaged power sector infrastructure of immediate nature only. It is given for damaged conductors, poles and transformers up to the level of 11 kV as per the norms of assistance issued by SDRF and NDRF from time to time.”*

7.16.10 ‘MSETCL Disaster Management Framework’ prepared by MSETCL is in line with the above plan and it envisages three-tier structure at Corporate, Zonal and Division level for dealing with the disaster situation. The ‘MSETCL Disaster Management Framework’ is part of the ‘Crisis and Disaster Management Plan for MSETCL.’ MSETCL’s Board of Directors vide its Resolution No. 166/39 dated 19 January 2024 approved the proposal for implementation of Crisis & Disaster Management Plan for MSETCL. The copy of Board Resolution was enclosed with the revised Petition as Annexure - 29. As per this framework, MSETCL envisaged as under:

“15. *Financial Arrangement*

*The financial aspects of Crisis / Disaster Management entail various factors ranging from development planning to immediate relief post disaster, followed by investments made for reconstruction and for this purpose, appropriate financial allocations are imperative.*

***MSETCL, therefore, shall create a fund for meeting the requirement of crisis/disaster management plan. The crisis / disaster management fund would be 1.5% of the annual revenue of the Utility. Besides the above, MSETCL shall create a core corpus of sufficient amount especially for immediate relief and rehabilitation depending upon revenue potential of the utility and the same should be replenished on an annual basis.***

*As during the disturbance period, the various heads of the departments need more financial power to meet the various contingencies, the enhancement of financial powers/ impress money shall be available for the disturbance period. Arrangements for adequate financial resources must be made so that the restoration activities do not get hampered because of a shortage of funds. The authorized signatory may be designated for each strategic location that can make decisions in this regard.*

*The MSETCL may seek financial assistance from specialised funding agencies to meet any funding requirement. The MSETCL may enter into a financing arrangement in advance as it will reduce the response time in organising the funds at the time of disaster The MSETCL may also enter into an arrangement with Financial Institution*

*for funding certain activities under the Crisis/Disaster Management Plan like the project financing, strengthening of existing infrastructure etc.*

***Any proposal for utilizing this fund initiated by field / corporate level must be endorsed by respective Disaster Management Cell.”***

7.16.11 Subsequently, Western Region Disaster Management Group (RDMG) vide its agenda for meeting to be held on 12 July 2024 had sought update on ‘creation of disaster management fund by utilities. In view of the above, MSETCL has proposed for utilisation of Special Reserve amount for creation of Disaster Management Fund, subject to approval of the Commission

7.16.12 MSETCL submitted that projected Annual Revenue Requirement for FY 2025-26 is of Rs. 8,312.77 Crore. The 1.5% of ARR works out to Rs. 124.69 Crore. In view of the ARR projected MSETCL proposes that the entire Special Reserve along with carrying cost shall be utilised for creation of Disaster Management Fund.

#### ***Commission’s Analysis and Ruling***

7.16.13 The Commission noted MSETCL submission. The Commission in its Review Order in Case No. 137 of 2023 dated 4 December 2023 has accepted MSETCL contention in the matter of treatment given by the Commission for Special Reserve in its MTR Order in Case No. 232 of 2022. The Commission accepted the review and ruled that the impact of the same will be considered in the ensuing MYT Petition of MSETCL along with the associated costs. Accordingly, MSETCL has included the impact along with the associated costs for recovery through the ARR. The Commission has dealt with this matter in para 4.5 of this Order.

7.16.14 The Commission noted MSETCL’s submission regarding the “Disaster Management Plan for the Power Sector” published by the Ministry of Power in fulfilment of the requirements specified in the Disaster Management Act, 2005. The plan provides a framework and direction to the utilities in the power sector for all phase of the disaster management cycle (i.e., Mitigation, Preparedness, Response and Recovery). It is intended to guide all agencies within the sector with a general concept of potential emergency and roles and assignments before, during, and following emergency situations.

7.16.15 The plan envisages a four-tier structure at Central, Regional, State and Local Unit Levels, with intervention and response depending on the severity of the disaster/ calamity for effectively dealing with disaster situations in power sector and the same is also mandated to deal with the crisis situations as per “Crisis Management Plan for the Power Sector” issued by the Ministry of Power.

7.16.16 Further, under the Disaster Management Act, 2005, a financial mechanism has also been set up by way of National Disaster Response Fund (NDRF) at the national level and State Disaster Response Fund (SDRF) at the state level to meet the rescue and relief expenditure during any notified disaster. Under the notified norms, relief for repairing the damaged power sector infrastructure of immediate nature is provided through NDRF/SDRF funds. The “Disaster Management Plan for Power Sector” recommends for creation of a fund of

1.5% of annual revenue by each power utility for meeting the expenditure of disaster management requirement.

7.16.17 MSETCL has also prepared 'MSETCL Disaster Management Framework' which is in line with the above plan, and it envisages three-tier structure at Corporate, Zonal and Division level for dealing with the disaster situation. The 'MSETCL Disaster Management Framework' is part of the 'Crisis and Disaster Management Plan for MSETCL.' The same has also been approved by the Board of Directors of MSETCL. As per the provisions of the framework, the crisis / disaster management fund would be 1.5% of the annual revenue of the utility and expects MSETCL to create a core corpus of sufficient amount especially for immediate relief and rehabilitation depending upon revenue potential of the utility and the same should be replenished on an annual basis.

7.16.18 In this regard, MSETCL submitted that the projected Annual Revenue Requirement for FY 2025-26 is of Rs. 8,312.77 Crore and 1.5% of ARR works out to Rs. 124.69 Crore.

7.16.19 Having considered the submissions of MSETCL, it is important for MSETCL to comply with the requirements of the Disaster Management Act 2005 and following the framework issued by the Ministry Power in this regard. Further, Commission also notes that there is a financial contribution required from MSETCL to develop this fund. While the provisions of the MERC MYT Regulations, 2005 state that the Special Fund can be utilised by the Licensee for the purpose of absorbing the impact of any future losses on account of controllable factors, MSETCL has not been able to utilise this fund till date. Considering the same and also the fact that MSETCL will need funds to create the disaster management fund, the Commission deems it appropriate to allow MSETCL to utilise the amount available from the Special Reserve Fund along with the carrying cost for creation of the Disaster Management Fund.

7.16.20 The Commission also notes that it will be important for MSETCL to develop guidelines for investment of the fund available with it in appropriate instruments which will ensure that the value of the fund is safeguarded, and the fund generates interest. MSETCL can be guided by the investment related provisions applicable to contingency fund as outlined in the MYT Regulations, 2024 or guidelines issued by the Ministry of Power or any other competent authority, as deemed appropriate. MSETCL will share the details of creation of this fund and applicable guidelines with the Commission, as and when the same are ready for implementation.

7.16.21 Accordingly, the Commission has accepted MSETCL's proposal for utilisation of the funds available in the Special Reserve Fund for creation of the Disaster Management Fund.

## **8 Other issues raised by MSETCL for Commission's approval**

### **8.1 Installation of Rooftop Solar Projects to reduce Energy consumption at Sub-station of MSETCL**

#### ***MSETCL's Submission***

- 8.1.1 MSETCL plans to install solar panels on the roofs of substations / spare land to generate electricity and offset the energy consumption required by these substations. Substations are integral components of the electrical grid, and they typically consume a significant amount of power for their operation, which may include lighting, cooling, air conditioning, control systems, and communication equipment. By harnessing solar energy, substations can reduce their dependency on conventional grid power and contribute to energy savings.
- 8.1.2 MSETCL has analysed its electricity bill amount towards auxiliary consumption which is Rs. 63.70 Crore, Rs. 87.48 Crore, Rs. 97.16 Crore for FY 2021-22, FY 2022-23, and FY 2023-24 respectively.
- 8.1.3 MSETCL submitted that, at 400 kV Chakan substation, after the installation of roof top solar, the data analysis for auxiliary consumption of electricity for the period from August 2021 to June 2022 showed substantial savings. Details are as follows:
- Total Electricity Consumption (kWh) – 130828
  - Total Solar generation (kWh) – 64173
  - Billed by MSEDCL (kWh) – 66655
- 8.1.4 If the Roof Top Solar are installed across the MSETCL sub-stations, there will be minimum 15- 20% savings in electricity expenditure towards auxiliary consumption.
- 8.1.5 **MSETCL's Proposal:** The integration of rooftop solar projects at substations offers a cost-effective, sustainable, and reliable solution for reducing energy consumption. Around 15% energy bill reduction is expected after implementation of roof top solar across MSETCL at substations and at Office building premises. MSETCL would undertake detailed cost benefit analysis and decide whether the project of RTS installations be undertaken in Opex model or Non-DPR scheme. MSETCL shall submit the required details as mandated under applicable regulations to Commission for approval/ intimation from time-to-time basis. MSETCL shall claim the amount in the subsequent MYT petition under true-up of the respective years.

#### ***Commission's Analysis and Ruling***

- 8.1.6 The Commission has noted MSETCL's submission. The Commission observed significant increase in electricity charges in FY 2022-23 and FY 2023-24 compared to FY 2021-22. The increase was primarily on account of increase in retail electricity tariffs as also due to addition of new sub-stations during FY 2022-23 and due to payment made towards electricity bills arrears for the period from May 2018 to November 2020 by HVDC Chandrapur circle, and HVDC Chandrapur Division.

8.1.7 Total amount incurred by MSETCL towards the electricity charges is Rs. 97.16 Crore in FY 2022-23 and Rs. 87.48 Crore in FY 2023-24. It is a fact that at some of the EHV substations ample free space is available. Considering such significant increase in electricity charges, it may be worthwhile for MSETCL to explore option of installing roof top solar at available locations including but not limited to MSETCL substation. However, MSETCL will have to explore all possible options for installing roof top solar so as to ensure that the cost is optimised to the maximum extent possible.

8.1.8 In this regard, MSETCL is directed to undertake the following activities before finalising and going ahead with the widespread installation of roof top solar:

- MSETCL should identify the potential sites also access the potential roof top solar capacity that would be possible for installation.
- MSETCL should explore possible options for the implementation of roof top solar projects:
  - Examine the Opex and capex models – Examine the feasibility of the options and which option is likely to be more beneficial for MSETCL. The challenges associated with both the options should also be examined in detail to enable decision making.
  - Opex option appears to be more beneficial in terms of ensuring that there would not be any upfront capital expenditure costs payable by MSETCL – The outgo would only be on a monthly basis on a per unit basis.
  - Opex option would also mean that the developer will be responsible for maintaining the installation and also guarantee a certain level of performance depending on the contractual agreement.
  - Ensure that competitive bidding is undertaken to appoint the developer for any of the chosen options.
  - Clubbing of capacity / locations should be encouraged to enable enjoying the economies of scale. This may also encourage larger players to participate in case the quantum is decent.
  - In case of capex option, MSETCL will need to approach the Commission for getting necessary approvals / for registration of schemes, depending on the scale of the project. Larger scale of project would lead to economies of scale and can be structured as a DPR scheme. However, the challenges associated with this option include appointing different type of service providers for managing the execution of the projects, regular maintenance, etc. Opex model fixes that responsibility on the developer who will be responsible for installation of the projects as well as the regular maintenance.
  - Project implementation should also be staggered in phases – e.g. the implementation can initially start at 400 kV substations followed by 220 kV and 132 kV substations, etc. where MSETCL's self-consumption is high. Also, MSETCL shall also consider its administrative offices where the roof is

available. This will also ensure that learnings from the first phase of implementation can be utilized for subsequent installation.

- MSETCL also needs the legal and regulatory issues impacting the possible models including its eligibility to sell surplus power to the distribution company (primarily MSEDCL) under the net-metering or other prevailing models.
- MSETCL may evaluate the implementation of Virtual Net Metering.
- In view of the above, MSETCL is directed to examine the above options and submit a proposal to the Commission for approval justifying the recommended model for implementation within six months from the date of this Order.

## **8.2 Formulation of methodology for recovery of O&M charges by MSETCL from InSTS Licensee and Transmission Service Provider (TSP) under TBCB**

### ***MSETCL's Submission***

8.2.1 MSETCL highlighted that the need for formulation of methodology for recovery of O&M charges by MSETCL from various licensees under RTM and TBCB contracts.

8.2.2 Some of the issue faced by MSETCL in applying O&M Charges:

- Kharghar Vikhroli Transmission Pvt. Ltd. (KVTPPL) has constructed 2 nos. of 400 kV bays at 400 kV Kharghar substation of MSETCL which are commissioned on 26 September 2023.
- Prior to handing over the operational responsibility of these bays to MSETCL, KVTPPL proposed O&M charges at 1% of the bay capital cost with an annual escalation of 10%. However, there were regulatory concerns regarding these charges and hence the matter was referred to the State Transmission Utility (STU).
- KVTPPL is under the jurisdiction of STU and hence the MERC MYT Regulations are deemed to be applicable.

8.2.3 O&M Norms determine in MERC MYT Regulation 2024

- In the MYT Regulations 2024, regulation 80.1, the O&M charges are specified for various voltage level and transformation capacity for MSETCL & charges as applicable for 400 kV voltage level are as follows:

**Table 214: O&M charges for 400 kV Voltage level (Rs. Lakh/Bay)**

Voltage level	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
400 kV	36.16	37.78	39.48	41.25	43.10

- MSETCL submitted that there are no specific guidelines given in MYT Regulations 2024 for the O&M expenses to be recovered from Transmission Service Providers (TSPs) selected under TBCB such as KVTL.

8.2.4 **STU Recommendation on the above issue:**

- STU has formulated and recommended the methodology as follows:
  - a. The O&M charges to be paid by the TSPs under TBCB to the existing



substation owner, for the relevant year, shall be 30% of the normative O&M expenses of relevant voltage level and transformer capacity as specified for that particular year in MERC MYT Regulation, 2024 on interim basis.

#### 8.2.5 CEA Norms:

- CEA guidelines dated 22 June 2023 for O&M of assets created under TBCB projects, Clause no. (iv) state that:

*“(iv) The O&M charges to be paid by the New TSP to the existing substation owner, for the relevant year, shall be 30% of the normative O&M expenses of relevant voltage level and transformer capacity as specified for that particular year in Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations as issued from time to time.”*

#### MSETCL’s Proposal:

8.2.6 The O&M charges to be paid by the TSPs under TBCB to MSETCL are proposed considering MERC MYT Regulations 2024 i.e. 30% of normative O&M expenses admissible in relevant tariff regulation on interim basis as follows:

**Table 215: MSETCL’s proposal regarding O&M charges payable by TSP under TBCB to MSETCL, as submitted by MSETCL (Rs. Lakh/bay)**

Voltage level	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
400kV	10.848	11.334	11.844	12.735	12.930

8.2.7 O&M Charges to be recovered from TSPs falling under MERC MYT Regulations 2024:

- a) Comprehensive operation and maintenance charges for the other existing TSPs:

The O&M charges for TSPs falling under MERC MYT Regulations 2024 shall be paid as per the norms applicable for MSETCL under MERC MYT Regulations 2024 and as amended from time to time. Accordingly, it is proposed that the O&M charges to be paid by the TSPs for comprehensive O&M to the existing substation owner will be as below and the same will be amended time to time as per applicable MERC MYT Regulations.

**Table 216: MSETCL’s proposal regarding O&M charges payable by TSP falling under MERC MYT Regulations, 2024 to MSETCL, as submitted by MSETCL (Rs. Lakh/bay)**

Voltage level	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
400kV	36.16	37.78	39.48	41.25	43.10

- b) Partial operation and maintenance charges for the other existing TSPs

The O&M charges shall be paid at 30% of the norms applicable for MSETCL under MERC MYT Regulations 2024 as amended from time to time as specified for the TSP whom the project is awarded through TBCB. Hence the O&M charges to be paid by the TSPs for partial O&M to the existing substation owner is as below and which will be amended time to time as per MERC MYT Regulations 2024.

**Table 217: MSETCL's proposal regarding O&M charges payable by TSP for partial O&M charges for other existing TSP's to MSETCL, as submitted by MSETCL (Rs. Lakh/bay)**

Voltage level	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
400kV	10.848	11.334	11.844	12.735	12.930

- 8.2.8 MSETCL requested the Commission to approve above proposal for O&M Charges to be recovered from different kind of transmission licensees/ TSPs for different kind of O&M services provided by MSETCL and the same to be made applicable for recovery of pending / due for renewal as well as new MoUs to be executed between MSETCL and TSPs. MSETCL also requested to approve the methodology for recovery of O&M charges by MSETCL from InSTS licensees and Transmission Service Providers (TSP) under TBCB by invoking power to remove difficulties under Regulations 151 of the MYT Regulations, 2024.

### *Commission's Analysis and Ruling*

- 8.2.9 The Commission noted MSETCL's submission, CEA norms and STU's recommendation in this matter. As communicated by STU vide its letter dated 6 January, 2025, it has formulated the guidelines for recovery of O&M charges by MSETCL from InSTS Licensees and TSP under TBCB for the FY 2025-26 to FY 2029-30.

## **8.3 Refund of evacuation expenditure for Wind & Bagasse Projects**

### *MSETCL's Submission*

- 8.3.1 MSETCL needs to refund the amount of evacuation expenditure for wind and bagasse projects to the developers as per applicable policy and subsequent communication of GoM. The amount to be refunded needs to be claimed in ARR/ MYT of the respective year.
- 8.3.2 **RE Policy 2008 (Wind Projects)**
- RE – Policy 2008 and procedure laid down in the year 2010 there is a provision for refund of evacuation expenditure to Wind Power projects with target capacity generation of 2000 MW. GoM issued new RE policy on 20 July 2015 and procedure were laid down on 9 September 2015. In the new RE policy & procedure - 2015, there was no provision for refund of evacuation expenditure to Wind Power Projects. Further, the Policy and Procedure - 2015 were silent with regards to the refund of wind projects having Infrastructure Clearance under RE Policy, 2008 & Procedure 2010. Due to lack of clarity in policy(ies) and procedure, refund of expenditure was discontinued.
  - Thereafter, MSETCL sought the concurrence from GoM vide letter dated 10 March 2017. In response to the same, GoM has clarified & informed that benefits under RE Policy-2008 & Procedure -2010 will be applicable to projects upto target capacity of 2000 MW, however, developers to comply all the terms & conditions of Policy 2008 & Procedure 2010 as per GoM letters dated 23 June 2022 & 10 February 2024. Subsequently, MEDA has provided the list of Project Developers of Capacity 2000 MW for refund purpose.
  - Wind power developers submitted refund proposal through field offices under RE Policy-2008 & Procedure -2010.

- d) MSETCL Board, directed to follow the GoM clarifications vide its B.R. 169/56 dated 27 September 2024.
- e) Refund proposal (7 nos.) of 539.05 MW was also approved by the Commission in Case no. 232 of 2022.
- f) The refund request/ application received & pending for processing are till date 11 nos. & for 746.55 MW. These projects will be processed for refund of expenditure as per RE Policy 2008 and as per GoM clarifications.
- g) It is further submitted that the refund proposal / request pending to be received are to the tune of approx. 600 MW projects commissioned on MSETCL network (additionally 114 MW on MSEDCL network) from balance Policy Target of 2000 MW.
- h) After refund, the expenditure will be claimed in MSETCL's subsequent MYT Petition to be submitted to the Commission.

### 8.3.3 RE Policy 2008 (Bagasse Projects)

- a) In GoM RE – Policy -2008 & Procedure -2010 there is provision of refund of evacuation expenditure to Bagasse based Co-generation projects with target capacity generation of 1000 MW.
- b) GoM had declared RE Policy-2014 on 30 August 2014 for additional 1,000 MW capacity for Bagasse based co-generation project. Facilities under RE Policy dated 14 October 2008 & Procedure dated 14 July 2010 were applicable to this additional 1,000 MW capacity also. MEDA has provided the list of Project Developers having Infrastructure Clearance under RE policy 2008 & 2014 for refund.
- c) GoM had declared 'RE Policy-2015' on dated 20 July 2015. In this policy, there was no provision for refund of evacuation expenditure to Bagasse based projects by MSETCL. However, at Clause no. 3.6 it is mentioned that "The provisions and incentives under this policy will be prospectively applicable to the new bagasse /agricultural waste based co-generation power projects. The projects which have obtained infrastructure clearance under the earlier policies will get the benefits mentioned under the then prevailing policy, notwithstanding any other provisions stated elsewhere in this policy & at Clause no. 3.10: "Government Resolution no. NCE-2014/C.R.144/Energy-7 dated 30/08/2014 in respect of bagasse / agricultural waste-based co-generation power projects is hereby superseded by this government resolution".
- d) As per clause 2.2 of Annexure B of Procedure 2015: "The provisions of the methodology dated 14 July 2010 will be applicable to the cogeneration power projects which have obtained Infrastructure Clearance as per renewable energy policy dated 14 October 2008 and 30 August 2014. It is not necessary for such projects to obtain Infrastructure Clearance again under this policy."
- e) Since, there was ambiguity in interpretation of above clauses & GoM letter dated 14 July 2020, MSETCL discontinued the refund of expenditure to Bagasse Developers and sought the concurrence on various issues from GoM vide letters dated 1 December 2020 & 10 May 2021.

- f) GoM issued the clarification vide letter dated 1 August 2024, that the bagasse based projects are eligible for refund of expenditure to the extent of the target generation capacity set as per RE Policy 2008 & 2014 to 2000 MW.
- g) MSETCL Board, directed to follow the GoM clarifications vide B.R. 169/18 dated 27 September 2024
- h) Refund proposal (52 nos.) of 986.25 MW was approved by Commission in various Tariff orders.
- i) The refund request/ application received & pending for processing are till date 4 nos. & for 111.8 MW. These projects will be processed for Refund of expenditure as per RE Policy 2008 as per GoM clarifications.
- j) It is further submitted that the Refund proposal / request pending to be received are to the tune of 555.90 MW projects from balance Policy Target of 2000MW.
- k) After refund, the expenditure will be claimed in MSETCL's subsequent MYT petition to be submitted to the Commission.

#### ***Commission's Analysis and Ruling***

8.3.4 The Commission noted MSETCL's submission. **MSETCL should be guided by the provisions of the applicable policies and accordingly proceed in the matter of processing the refund and claiming the amount through ARR.**

8.3.5 Further, MSETCL needs to carry out necessary prudence check / due diligence before refunding the same, such as reason for delay in claim/refund, undertaking by the applicant not to claim refund, fulfilments of the terms and conditions of the agreement, applicability of law of limitation etc. The refund shall be granted to the eligible generators only.

#### **8.4 Interest Income – Additional demand note to MEGPTCL towards 2x 765 kV Bays at 765 kV Ektuni substation – Rs.6.42 Crore**

##### ***MSETCL's Submission***

8.4.1 MSETCL had issued Demand Note of Rs. 28.89 Crore towards work of 765 kV Bays at Ektuni s/s on 2 February 2013. MEGPTCL had deposited Rs. 28.89 Crore. on 19 January 2015 for works to be executed by MSETCL. Accordingly, MSETCL executed the works of 2 × 765 kV end bays at Ektuni Substation and commissioned them on 31 March 2016 and 27 May 2016 respectively.

8.4.2 MEGPTCL claimed the amount of Rs. 28.89 Crore before Commission through its MYT Petition and Commission approved the same. The asset for the same is also created in the Books of Accounts of MEGPTCL.

8.4.3 MSETCL had issued an additional demand note of Rs. 31.31 Crore (Rs. 18.67 Crore additional cost + Rs. 12.63 Crore interest) towards work of 765 kV Bays at Ektuni Substation to MEGPTCL on 19 July 2019 on the basis of actual cost incurred duly certified by Cost Auditor (on 18 July 2023). However, the payment was pending from MEGPTCL. Upon verification of accounts by MSETCL, it was observed that additional demand amount of Rs. 18.67 Crore was already included in the approved capitalization of Rs.

278.06 Crore towards total work of 765 kV Ektuni SS of MSETCL (excluding Rs. 28.89 Crore). It is submitted that the same was approved by Commission vide Order in Case no. 232 of 2022 dated 31.03.2023. **Hence, additional demand amount of Rs. 18.67 Crore towards cost of works is not being pursued/ claimed from MEGPTCL.**

8.4.4 After reconciliation the amount of Rs. 6.42 Crore is calculated on account of interest on late deposit of payment by MEGPTCL i.e. demand raised by MSETCL on 2 February 2013 and amount deposited by MEGPTCL on 31 January 2015.

8.4.5 Revised additional Demand Note of Rs. 6.42 Crore towards work of  $2 \times 765$  kV Bays at Ektuni is under approval process of its Competent Authority and will be issued to MEGPTCL thereafter. **MSETCL will consider the amount under other income once payment is made by MEGPTCL.**

#### ***Commission's Analysis and Ruling***

8.4.6 The Commission notes the submissions of MSETCL. However, the Commission in MEGPTCL's MYT Order in Case No. 182 of 2024 has stated that MEGPTCL has not accepted the MSETCL's claim towards the carrying cost stating that there is no delay in payment. The Commission directs MSETCL to resolve the issue and intimate the same to the Commission as soon as the issue is resolved.

## 9 Earlier directives, and compliance status

### 9.1 Background

- 9.1.1 The Commission had given certain directives to MSETCL in the MYT Order in Case No. 232 of 2022 and Review Order in Case No. 137 of 2023. The directives and the status of the compliance as submitted by MSETCL and the Commissions observations / rulings on the same are set out below.

### 9.2 Cost Audit Report (Order in Case No. 232 of 2022)

#### *Directive*

- 9.2.1 Directive in para 7.3.6 and 7.3.7 of MTR Order in Case No. 232 of 2022 are given below:

*7.3.6 Further, from the details submitted by MSETCL it was observed that there are still as many as 132 number of bays which are unutilised across 220 kV, 132 kV, 33 kV and 22 kV. In this regard, the Commission had stated that it is important for MSETCL to endeavour to utilise these bays at the earliest as the Commission may consider disallowing the cost associated with these unutilised bays in the future. In case MSETCL feels that certain bays / other assets which are already constructed are unlikely to be put to use in the near future, then it should explore ways of utilising these assets in other upcoming projects so as to optimise the cost and ensure that these assets are put to use. MSETCL shall identify such cases and report the same to the Commission along with the revised Cost Accountant report. In spite of specific directives given to MSETCL, no such information has been submitted by MSETCL. In fact, in response to the compliance to this directive MSETCL made a passing remark that sometimes, due to some reasons, some bays may not get utilized while commissioning the substation. The information of such bays along with the justified reason will be submitted along with the Cost Accountant Certificate. However, no such information has been submitted by MSETCL.*

*7.3.7 The Commission has also discussed this matter in paras 4.6.13 to 4.6.24 of this Order and considering the delay in compliance with the directive along with other reasons related to this matter ruled that the details submitted by MSETCL, though useful, will not be implemented with retrospective effect. **MSETCL may approach the Commission with the same during the truing up of FY 2023-24 and seek implementation of the outcome of the study. The Commission once again reiterates the need for MSETCL to comply with the directives of the Commission in a timely manner and in a manner as directed by the Commission.***

#### *MSETCL's Compliance*

- 9.2.2 In compliance to above directive, MSETCL submitted that, updated utilisation status of 132 numbers of un-utilised bays is attached as Annexure-6 of revised Petition.

### ***Commission's Analysis and Ruling***

- 9.2.3 The Commission notes MSETCL's submission. The Commission has also examined the updated utilisation status submitted by MSETCL and observes that MSETCL has claimed capitalisation against 96 nos. of bays which have been considered to be put to use out of 102 nos. of Bays (instead of 132 nos. as mentioned by MSETCL in its submission – details available at ***Annexure 4 (h): List of unutilised bays from approved capital schemes*** of the MTR Order) disallowed by the Commission in the MTR Order in Case No. 232 of 2022. These bays were part of the approved capital expenditure schemes, however, were unutilised.
- 9.2.4 On detailed scrutiny of the submission, the Commission observed and approved 38 nos. of AIS bays, and 3 nos. of GIS bays which are utilised (put to use) from the overall list of 96 nos. of unutilised bays as claimed by MSETCL. Most of the unutilised bays are either allotted to consumer which have not utilised them or as constructed for use by the distribution licensee who has not been able to utilise these bays. Accordingly, the concern of the Commission regarding the number of unutilised bays continues and even in the present Petition, there are number of bays which are part of approved capital expenditure schemes and yet they are not put to use. The Commission has disallowed the capitalisation and O&M against such bays till the time they are utilised and put to use. This matter has been discussed in paras 3.3.7 to 3.3.9 and paras 5.7.79 to 5.7.81 of the Order.
- 9.2.5 In this regard, the Commission had stated that it is important for MSETCL to endeavour to utilise these bays at the earliest as the Commission may consider disallowing the cost associated with these unutilised bays in the future. In case MSETCL feels that certain bays / other assets which are already constructed are unlikely to be put to use in the near future, then it should explore ways of utilising these assets in other upcoming projects so as to optimise the cost and ensure that these assets are put to use. In spite of specific directives given to MSETCL, no such information has been submitted by MSETCL.
- 9.2.6 **Accordingly, going forward MSETCL should identify steps to avoid such situation. MSETCL should update the status of unutilised bays (both existing and new bays which are unutilised) to the Commission on a six-monthly basis along with the expected timeline for utilisation of these bays and issue faced, if any.** Further, the Commission has also discussed the issues pertaining to the TSUs not utilising the bays after demanding the same from the Transmission Licensees in this Order. In this context, the Commission has directed STU to 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. Details regarding this are available in paras 5.7.79 to 5.7.81 of the Order.

### **9.3 Scheme being delayed as per Order in Case No. 302 of 2019 (Order in Case No. 232 of 2022)**

#### ***Directive***

- 9.3.1 Directive in para 7.4.3 and 7.4.4 of MTR Order in Case No. 232 of 2022 are given below:



*“7.4.3 The Commission notes MSETCL’s submission. While MSETCL has mentioned that the review has been undertaken and the reasons for delay has been analysed, no specific steps taken to improve the planning, implementation and monitoring of the projects has been provided. It is appreciated that now onwards for new schemes, the estimates are proposed to be prepared only after receipt of detailed line survey reports and sub-station land acquisition confirmation. This would help avoid delays in project implementation and also better control over the project costs. **MSETCL should endeavour to institutionalise best practises in the field of project management and implementation which will be very critical for ensuring time implementation of projects and managing the cost economic aspect.**”*

*7.4.4 Recently, the Commission has notified the MERC (Approval of Capital Investment Schemes) Regulations, 2022. The objective of the Regulation is to execute the project with advance planning and need based analysis. Hence, MSETCL shall follow the provisions of the Capex Regulations 2022 while planning the schemes.”*

### **MSETCL’s Compliance**

9.3.2 MSETCL submitted that the Project Monitoring and implementation related activities have been carried out by Project Section. In order to ensure timely implementation of projects and managing cost economic aspects following practices are being adopted:

- i. Guidance of various consultancy agencies is being availed for resolution of ROW issues /forest issues/statutory issues/modification of terms & conditions of contract agreements etc. MSETCL has also availed services of project management consultant for various ongoing and future projects of EHV Substations and Transmission lines of MSETCL. MSETCL has recently hired services of expert consultants (deputy secretary rank) for EHV Transmission System Right of Way (RoW) and Forest Clearance Expert for expediting statutory approvals, ROW issues.
- ii. Timely revision of Schedule of Rates: Schedule of Rates (SoR) for MSETCL project works will be revised annually with respect to IEEMA guidelines etc. as per the new policy of MSETCL which will facilitate effective competition in bidding process & good vendors can be attracted. This will also reduce variation in quoted rates facilitating speedy processing of bids. MSETCL’s payment terms & conditions are modified to suit the cash flow of MSETCL vendors for smooth execution.
  - a. Formation of SoR cell – MSETCL has recently formed dedicated SoR cell to have detail analysis of market trends and the bidders quoted prices for revision of SoR.
  - b. Revision of SoR on quarterly basis – SoR revision frequency is reduced from annual to quarterly revision.
  - c. Practice of item-rate tender instead of combined percentage based tender –

Earlier, MSETCL used to float SRM e-Tender for composite work contract on equal percentage basis for supply ETC and Civil portion. In this process bidder has to quote equal percentage for all items in supply, ETC and Civil over the estimated cost of MSETCL.

- By means of item rate tenders, bidder can quote different percentage and accordingly prices based on the market trend for each material in the tender estimate. The item rate tender will provide realistic bid price and also the revision of SoR will be more realistic, as the base for revision of SoR is bidders prices under last purchase.
- iii. SOP for MSETCL Project Section: Standard Operating Procedure are being implemented for expeditious redressal of various project issues in following way.
  - a. Project Monitoring Dashboards: Implementation of Project System (PS) Module 'Project Monitoring Dashboards' based on the data available in SAP-ERP system is made 'Go-Live' on 6 April 2024. As of now following scenarios have been mapped:
    - i. Overall Capex Schemes overview
    - ii. Open Projects Distribution
    - iii. Open work order ageing more than 3 years
    - iv. Project issues
    - v. Type-wise ongoing projects
    - vi. Financial Progress monitoring
    - vii. Individual Project Dashboard
  - These Dashboards offer numerous benefits ranging from real-time insights, improved decision making, enhanced communication, resource optimization, risk management, performance tracking, standardization and consistency, time savings to MIS Report generation.
    - b. Bill Tracking System: In order to enhance transparency & improve vendor relations, 'Bill Tracking System' is being developed. This shall ensure that bills are processed in a timely and efficient manner, ultimately leading to timely delivery of projects.
    - c. Revision in General Terms & Conditions of Contract: General Terms and Conditions of Contract have been revised recently to reflect the changing market conditions and to navigate easily through contracts.
  - iv. Detailed Engineering of Project activities- Based on experience of some of stuck-up projects, MSETCL has now given emphasis on detailed engineering of project activities before administrative approval of projects schemes. Unless, detailed survey, identification of statutory requirements, RoW issues and action towards the resolution of the same undertaken, the projects schemes are not initiated. Thus, ensuring timely completion of projects.
  - v. Regular Work Review Meetings: Periodical, pre-defined work review meetings are

being conducted at Circle/Zone/CO levels for review of project progress & addressing issues along with concerned vendors/manufacturers/consultants etc.

- vi. Training to employees: Effective contract & monitoring trainings are being imparted at reputed institutes which facilitate efficient utilization of available manpower for effective completion & monitoring of project works.

### ***Commission's Analysis and Ruling***

9.3.3 The Commission notes MSETCL's submission. In compliance to directive, MSETCL has mentioned the specific steps taken to improve the planning, implementation, and monitoring of the projects. It is important for MSETCL to institutionalise best practices in the field of project management and implementation for ensuring time implementation of projects and managing the cost economics aspect.

9.3.4 However, considering the past experience and ground facts related to the project planning and execution, there is a potential for improvement at MSETCL as well as STU level.

9.3.5 It is observed that most of MSETCL's Projects have time overrun as well as cost overrun. The major reasons for the same are as follows:

1. Right of Way Issues and various clearances such as Forest, Wildlife, Railway, etc.
2. Delay by the Agency / Performance of Agency.
3. Poor response to the bids and Multiple bidding.
4. Frequent changing the plan / Scope of the schemes etc.
5. Procurement Policy etc.
6. Lack of awareness of importance of timely completion of the schemes at field level.

9.3.6 The Commission also observed that even the schemes such as installation of additional Transformers/ ICT, replacement of Transformers, replacement of conductors, installation of capacitor banks, procumbent of material etc. at the existing SS had been delayed. It is worth noting that such scheme does not have the ROW and other permission related issues as these schemes are to be executed at existing substations/Lines. Hence, MSETCL needs to look in the fundamental issues leading to delay in the schemes for future.

9.3.7 It is worth to noting that MSETCL has been executing projects, and the above-mentioned practises are the basic needs for execution of the projects. Hence, MSETCL shall follow and monitor these activities regularly.

9.3.8 Further, it is observed that there are less response or no responses to the some of the bids issued by MSETCL and multiple time bid publishing is required. The said process is time consuming. Mean time the market rates get increased and the MSETCL bid becomes unviable. Hence the Schemes got delay at bidding level itself. In the competitive situation and having multiple agencies working in the Transmission, MSETCL needs to retrospect and find reasons for poor response to its bids. MSETCL also needs to review its estimating methods and shall align with the prevailing Regulations. Accordingly, MSETCL shall review its bidding process and rectify the lacunas if any. MSETCL shall take the help of

third party to do so and submit the report to the Commission within six months. MSETCL also shall submit the action take report on the recommendations by third-party.

- 9.3.9 **MSETCL should demonstrate the benefits of implementation of these initiatives within six months from the date of this Order. MSETCL shall submit the details and status of the projects being monitored. Also, MSETCL shall submit the details in the next MYT filing in terms of how it has helped in executing projects in a timely manner.**

#### **9.4 Retirement of Assets (Order in Case No. 232 of 2022)**

##### ***Directive***

- 9.4.1 Directive in para 7.5.4 and 7.5.5 of MTR Order in Case No. 232 of 2022 are given below:

*“7.5.4 During TVS MSETCL’s officials updated that the MSETCL corporate office is preparing the policy for retirement of the assets. Once the policy is in place then the process of retirement of assets would be smooth. The Policy should ensure that the assets which are identified for scrapping/retirement are retired with immediate effect else MSETCL keeps on charging the depreciation (if not already depreciated upto 90%), RoE, etc. on these assets till they are retired from the asset base. Hence, MSETCL should ensure that the policy should address such issues. **The Policy framed / modified, and action taken report by MSETCL should be shared with the next MYT Petition.***

*7.5.5 The Commission has also recorded its observation in para 4.8.11 and accordingly, MSETCL should examine this matter in a greater detail and report the findings along with the next MYT Petition. ”*

##### ***MSETCL’s Compliance***

- 9.4.2 MSETCL submitted that it is maintaining large and old transmission network in the State of Maharashtra. Due to old age of equipment, the performance is degraded and hence such equipment needs to retire from the service before they cause any interruption in the power system. Also, in day to day operations and maintenance activity the large amount of scrap gets accumulated, which needs to be disposed off periodically to generate the revenue to company and avoid loss due to theft etc.

##### **9.4.3 Need for Asset Retirement**

- Aging infrastructure impacts performance.
- Accumulation of scrap needs periodic disposal.
- Prevents operational interruptions.
- Identify and retire non-useful assets.
- Maximize returns from retired materials.
- Ensure environmental compliance in disposal

- 9.4.4 Considering above aspects and in compliance to the directive, MSETCL has prepared a policy for Asset retirement, Scrap Declaration and Disposal Policy. The letter forwarding policy to field offices is attached as **Annexure -30** of revised petition.
- 9.4.5 MSETCL submitted that the said policy provides for process/ procedure to be adopted for complying with asset retirement and disposal of scrap. MSETCL also submits that during the course of the implementation of this policy there might be need to modify policy to ensure objective of the policy are met. However, MSETCL assures the Commission to implement the policy in true spirit and would come up with all details in subsequent MYT petition. Hence at this moment it would be difficult to provide any impact of the same to be considered in the asset details in MYT.

#### ***Commission's Analysis and Ruling***

- 9.4.6 The Commission notes MSETCL's submission. The Commission notes that the rate of retirement has improved only marginally from 0.0417% of GFA in FY 2021-22 to 0.1139% of GFA in FY 2022-23 and 0.0786% of GFA in FY 2023-24. This is still miniscule considering the asset base of MSETCL and the scale of augmentation/replacement works being undertaken by MSETCL every year.
- 9.4.7 During the TVS, MSETCL's officials updated that the MSETCL corporate office has prepared the policy for retirement of the assets. Once the policy is in place / implemented completely, then the process of retirement of assets should be smooth. The Policy should ensure that the assets which are identified for scrapping/retirement are retired with immediate effect else MSETCL keeps on charging the depreciation (if not already depreciated upto 90%), RoE, etc. on these assets till they are retired from the asset base. **MSETCL should share the copy of the implemented 'Asset Retirement, Scrap Declaration, and Disposal Policy' with the Commission as soon as it is implemented.**
- 9.4.8 The Commission observed that, presently MSETCL has not provided any impact of this policy in the Petition. The Commission directs MSETCL to consider and share the impact of the policy during the next MYT filing covering the period starting FY 2024-25 onwards.
- 9.4.9 The Commission further notes that the MTR Order was issued on 31 March, 2023 and MSETCL was directed to examine this matter in a greater detail and report the findings along with the MYT Petition. However, MSETCL has failed to do so. The retirement of the assets and adjustment in the books of the account is a regular business. However, MSETCL failed to comply with the directives within stipulated time. As discussed by the Commission in para 2.8.6 of the Order, action may also be initiated in case of continued non-compliance with the Commission's directives by levying disincentive of Rs. 1 Crore per default as per the provisions of Regulation 5.2 of the MYT Regulations, 2024.

#### **9.5 Submission approach of capitalisation (Order in Case No. 232 of 2022)**

##### ***Directive***

- 9.5.1 Directive in para 7.6.5 to 7.6.9 of MTR Order in Case No. 232 of 2022 are given below:

*“7.6.5 MSETCL has also mentioned that it will submit the reports for 3 years (FY 2019-20, FY 2020-21 and FY 2021-22) by July 2022, however, the Commission is not in receipt of this report.*

*7.6.6 The intent of the Commission to seek the annual reports is to enable detailed scrutiny of the schemes well in advance before the onset of the truing up process as part of the tariff determination activity. This will ensure adequate time for the Commission to undertake adequate prudence check and also sufficient time for MSETCL to comply with the shortcomings in the submissions, if any.*

*7.6.7 MSETCL, time and again has failed to comply with the directives of the Commission in a timely manner and provide the details as directed by the Commission. This is not acceptable to the Commission and will force the Commission to initiate stringent action against MSETCL within the ambit of the applicable rules and regulations.*

***7.6.8 The Commission states that in case MSETCL does not adhere to the above-mentioned requirement in the upcoming time period, the Commission will be constrained to not consider any capitalisation towards assets during the true up period in the next MYT filing. Even the capex related information submitted by MSETCL during the tariff determination process needs further improvement and it is important that the information, the status of schemes, year wise details of the asset against which the capitalisation is being sought, whether the asset is put to use or not, etc. needs to be internally reviewed before submission to the Commission to avoid the long-time taken for reviewing and reconciling the information to enable approvals by the Commission.***

*7.6.9 MSETCL needs to institutionalise a process to maintain this scheme wise information which can be readily retrieved and shared with the relevant stakeholders as and when required. **The Commission directs MSETCL to look in this matter with greater involvement and ensure submission of adequate and error free information/data to enable decision making by the Commission.** Approvals also should be sought for assets which are actually put to use as per the requirement specified by the Commission.”*

### **MSETCL's Compliance**

9.5.2 MSETCL has prepared Report on assets created/ capitalised and put to use during FY 2023-24. This report was prepared considering the capitalisation recorded in FY 2023-24 for DPR schemes approved by the Commission. MSETCL vide its letter dated 25 September 2024 had submitted the aforementioned report for consideration of the Commission. MSETCL requested to condone the delay in submission of aforementioned report due to finalisation of statutory audit for FY 2023-24.

- 9.5.3 As regards the information pertaining to previous years upto FY 2022-23 (i.e. actual for FY 2019-20, FY 2020-21, FY 2021-22 and provisional for FY 2022-23), MSETCL submitted that it had already furnished the said information at the time of MTR Petition. As regards actual information for FY 2022-23, the same has been submitted in the current petition.
- 9.5.4 MSETCL shall submit, the Annual report of Assets created/ Capitalised and put to use to the Commission by 10 June.
- 9.5.5 MSETCL in compliance with the Capex Regulations, 2022 has submitted following half-yearly progress reports (of all Capex Schemes of MSETCL that have received in-principle approval) to the Commission.
- a) Half-yearly progress report for the period of October 2022 to March 2023 vide letter dated 28 July, 2023
  - b) Half-yearly progress (updated) report for the period of April 2023 to September 2023 vide letter dated 22 November, 2023
  - c) Half-yearly progress report for the period of October 2023 to March 2024 vide letter dated 22 May, 2024.
  - d) Half-yearly progress report for the period of April 2024 to September 2024 vide letter dated 14 November, 2024. Additionally, the status of completed schemes (DPR) against which capitalization has been sought by the MSETCL in the present Petition is also incorporated in the revised half-yearly progress report. The status of schemes incorporated is in terms of completed schemes, WIP scheme, under-tenderization and yet to start scheme approved by MERC. The report also included information wherever respective schemes put to use.
- 9.5.6 MSETCL has ensured that the capitalisation claimed in the current Petition is based on the assets “put to use.” MSETCL has also supported its claim in the Petition with the necessary documentation / information. As regards Non-DPR scheme, MSETCL submitted that the Regulation 10.1 of the Capex Regulations, 2022 specifies as under,

***“10. Prudence Check for Approval of Completed Cost of Non-DPR Schemes***

*10.1 All Non-DPR Schemes shall be required to be registered with the Commission on quarterly basis in physical form, till the commencement of the web-portal referred in Regulation 19 of these Regulations, after which the Schemes shall be registered on the web portal:*

*....”*

In compliance with the above regulations, MSETCL has submitted the Non-DPR schemes in physical form vide following letter

- No. 7498 dated 26 October 2023,
- No. 7499 dated 26 October 2023,
- No. 85 dated 5 January 2024,
- No. 4898 dated 31 July 2024, and
- No. 7598 dated 29 October 2024.

### ***Commission's Analysis and Ruling***

- 9.5.7 The Commission has noted the MSETCL's submission. As regards the delay in submission of the capex related reports specified in the Commission's order, while the Commission has presently condoned the delay, any repeated instances of similar nature in the future period will be dealt with strictly and necessary action will be initiated by the Commission. **MSETCL should ensure compliance with the directives of the Commission very diligently and within the prescribed timelines.**
- 9.5.8 Further, in compliance to directive MSETCL has submitted the capex related information considering the status of schemes, year wise details of the asset against which the capitalisation is being sought, physical progress of the schemes etc. The Commission observed that MSETCL has claimed capitalisation against such schemes which are partially completed or the assets created have not been put to use as expected under the provisions of the applicable MYT Regulations. Commission has time and again raised this concern in its past Tariff Orders and had disallowed capitalisation against such claims. However, to address this issue, it is important for MSETCL to create awareness amongst the concerned officials who are responsible for declaring capitalisation of assets. Further, MSETCL also needs to institutionalise a system wherein the assets are capitalised only if they are commissioned and "put to use" as expected under the provisions of the applicable MYT Regulations. This will address the issue related to disallowance of capitalisation by the Commission against assets which have not been commissioned and put to use. **MSETCL to provide details of the steps initiated by MSETCL to address this issue and institutionalise the process within 6 months from the date of Order and thereafter on directions of the Commission.**
- 9.5.9 Further, to substantiate its claims, the information submitted by MSETCL in its reports / petition have to clearly capture the details of assets which have been 'Put to use' along with the date when the asset was commissioned and the details related to loading of these assets. These details will have to be provided for each year in which the capitalisation has been reported. This will also need to be supported by other information which includes but is not limited to (i) Original scope of project; (ii) Scope actually executed; (iii) Reasons for variation; (iv) Details of cost and / or time overrun supported by adequate justification and supporting documentation to prove the efforts taken by MSETCL to address the issues; (v) Approved start date / Actual start date / reason for delay in starting the projects, if any, etc.; (vi) pending activities and the likely timeline; etc. **This list is just an indicative list and MSETCL needs to provide all the necessary information as prescribed in applicable Regulations / Guidelines.**
- 9.5.10 The Commission in the MTR Order had directed MSETCL to institutionalise a process to maintain this scheme wise information which can be readily retrieved and shared with the relevant stakeholders as and when required. The Commission had directed MSETCL to look in the matter with greater involvement and ensure submission of adequate and error free information/data to enable decision making by the Commission. However, in the present submission as well it was observed that there were issues with regards to availability of all relevant and required information necessary to enable the Commission to take a reasoned decision. The process of seeking this information after filing of the



Petition by MSETCL consumes lot of time of the Commission and MSETCL team as well. Further, after the public hearing was completed, **MSETCL through its additional submission again submitted additional information regarding capitalisation which it had missed out in the original submission. This situation is not at all desirable as it raises concerns over the seriousness with which MSETCL is looking at this entire process. MSETCL is well aware that any disallowances or if any expenditure is not claimed by MSETCL during the tariff proceedings, it will have an impact on the financial health of the company and its ability to manage the business efficiently. The Commission once again reiterates that needs to the Board of Directors of MSETCL look at these issues with necessary seriousness and focus and ensure that such instances are not repeated in the future. The Commission may be constrained to not consider such additional submissions in the future and will take the decision based on the available information.**

9.5.11 Accordingly, MSETCL needs to continue providing the periodic progress reports / any other reports sought by the Commission within the prescribed timelines.

**9.6 Expedite work in 400 kV Line from Babhaleshwar to Mumbai (Kudus) (Order in Case No. 232 of 2022):**

***Directive***

9.6.1 Directive in para 7.8.4 of MTR Order in Case No. 232 of 2022 are given below:

*“7.8.4 The Commission notes MSETCL’s submission on the progress achieved on 400 kV Babhaleshwar Kudus line. As the scheme being critical for strengthening of the transmission network in and around Mumbai area, MSETCL shall ensure that the scheme is expedited and completed as per its planned target. The Commission notes that MSETCL has not claimed any capitalisation against this scheme in the 4<sup>th</sup> Control period. MSETCL shall submit the six-monthly progress report on this scheme as per the conditions of the in-principle approval. The Commission shall review the progress of the scheme during next MYT.”*

***MSETCL’s Compliance***

9.6.2 MSETCL in compliance with the Capex Regulations, 2022 has submitted following half-yearly progress reports (of all Capex Schemes of MSETCL that have received in-principle approval) to the Commission.

- a) Half-yearly progress report for the period of October 2022 to March 2023 vide letter dated 28 July, 2023
- b) Half-yearly progress (updated) report for the period of April 2023 to September 2023 vide letter dated 22 November, 2023
- c) Half-yearly progress report for the period of October 2023 to March 2024 vide letter dated 22 May, 2024.
- d) Half-yearly progress report for the period of Apr. 2024 to Sept. 2024 vide letter dated 14 November, 2024.

- 9.6.3 Amongst various other schemes these reports also included progress of 400 kV Babhaleshwar to Kudus line.
- 9.6.4 Additionally, MSETCL vide its letter dated 2 September 2024 submitted status report on the construction of 400 kV Babhaleshwar to Kudus line to the Commission. The letter also lists major issues while executing the work due to involvement of forest, GMRT (Giant Metrewave Radio Telescope). Severe RoW & GMRT issues have resulted into Time and Cost overrun. MSETCL is striving hard with sincere and serious efforts to complete the project at the earliest with revised timelines as March 2025.
- 9.6.5 Subsequently, MSETCL vide its letter dated 10 October 2024 submitted updated status report in the matter to the Commission.

#### ***Commission's Analysis and Ruling***

- 9.6.6 The Commission notes MSETCL's submission. It is observed that the scheme was initiated way back in the year 2011. The Commission has also granted the revised approval in 2017. However, till date the scheme is not completed.
- 9.6.7 It is a fact that the issue of GMRT is also existing since long. However, the Commission is not aware about the legal remedies availed by MSETCL to resolve the RoW issues. While the scheme is critical, it is substantially delayed. **Hence, the Commission will carry out the third-party asset verification of the scheme as discussed in the preceding part of the Order. MSETCL while claiming the capitalisation against the scheme or completion of the scheme shall provide the detailed scheme report covering the issues related to cost overrun, time overrun, difficulties faced by MSETCL and the corresponding action taken by MSETCL in executing the schemes, etc.**
- 9.6.8 Meanwhile, MSETCL shall follow-up with the respective authorities and endeavour to complete the scheme at the earliest.

#### **9.7 Disallowance of the reactor scheme funded through PSDF grant (8 No. Reactor scheme) (Order in Case No. 137 of 2023)**

##### ***Directive***

- 9.7.1 Directive in para 9.16 in Case No. 137 of 2023 are given below:

*“9.16 Based on the scrutiny of the information submitted by MSETCL, the request of MSETCL for review in the matter has been considered for approval. Accordingly, MSETCL can approach the Commission for including the impact of the approved capitalisation against the PSDF scheme on various components of the ARR in the next MYT filing. The Commission also directs MSETCL to complete the financial closure of the scheme on priority and submit the closure report while claiming capitalisation in the ensuing MYT Petition.”*

##### ***MSETCL's Compliance***

- 9.7.2 The updated funding status is submitted below:

a. First Instalment : Rs. 9.30 Crores (Disbursed on 28 June 2018)

- b. Second Instalment : Rs.10.83 Crores (Disbursed on 26 August 2020)
- c. Third Instalment : Rs. 31.90 Crores (Disbursed on 31 March 2022)
- Total received : Rs. 52.034 Crore.
- Final claim : Rs. 41.01 Cr pending.

Final claim and scheme closure proposal submitted to PSDF on 28 June 2024. The reply to data gaps regarding final claim and scheme closure proposal are submitted to PSDF on 11 October 2024 and approval in this matter is awaited.

9.7.3 All reactors have been commissioned between April 2021 to May 2023. The final capitalisation against the scheme is Rs. 96.50 Crore. The eligible grant against the actual capitalisation amount would be 90% i.e. Rs. 86.85 Crore and accordingly, equity is of Rs. 9.65 Crore.

9.7.4 MSETCL has considered the impact against the scheme on various component of ARR.

#### ***Commission's Analysis and Ruling***

9.7.5 The Commission has noted MSETCL's submissions. **The Commission, based on the information shared by MSETCL has approved the capitalisation against PSDF scheme in this Order and as per the ruling in the Review Order in Case No. 137 of 2023 has allowed recovery of the impact of the approval of PSDF schemes along with the applicable carrying cost in the present Order.**

#### **Additional Directives**

#### **9.8 Past Disallowed Capitalisation (Order in Case No. 232 of 2022)**

##### ***Directive***

9.8.1 Directive in para 2.1.14 of MTR Order in Case No. 232 of 2022 are given below:

*“2.1.14 Hence, the Commission directs MSETCL/STU to carry out the detailed study and analysis before proposing the new schemes in accordance with the planning code of MERC State Grid Code Regulations, 2020 (MEGC 2020) wherein the criteria augmenting transmission system and creation of new transmission system (technical as well as financial planning criteria has been provided. The MEGC 2020 also has provisions for creation of the Maharashtra Transmission Committee (MTC) which is responsible for coordinating system planning, maintenance schedule and contingency plan to ensure adequate transmission system planning. Further, this Committee is responsible for reviewing and finalising the proposals identified based on planning studies which would be implemented by the Transmission Licensees. Accordingly, MSETCL should ensure that its capex proposal/plan is finalised in consultation with the MTC and implemented accordingly to the provisions of MEGC 2020.”*

### ***MSETCL's Compliance***

- 9.8.2 MSETCL submits that in compliance to MERC (State Grid Code) Regulations, 2020 and responsibilities entrusted to STU under the Electricity Act, 2003, the STU has prepared the Short term (3 years), Medium Term (5 years) and long term (10 years) Transmission Plan for the State of Maharashtra for period FY 2024-25 to FY 2033-34. During meeting held on 10 July 2024, STU has placed before the Maharashtra Transmission Committee (MTC) aforementioned STU Transmission Plan. As per the STU, the Plan has been prepared in accordance with the Section 39 of the Electricity Act, 2003. While preparing the Plan, the Load-Generation Balance scenarios have been worked out corresponding to seasonal/quarterly load and generation variations and has been simulated for planning years by STU. STU has consulted all stakeholders and taken into consideration various factors.
- 9.8.3 In compliance with the Capex Regulations, 2022, MSETCL vide its letter dated 5 September 2024 has submitted Rolling Capital Investment Plan of MSETCL for FY 2024-25 to FY 2029-30. The Rolling Capital Investment Plan is prepared and finalised based on aforementioned STU Transmission Plan.
- 9.8.4 MSETCL puts up before the MTC various transmission system augmentation (new and/or augmentation) proposals from time to time for scrutiny.

### ***Commission's Analysis and Ruling***

- 9.8.5 The Commission notes MSETCL submissions. As submitted by MSETCL, STU has submitted the 10 year plan on 5 September 2024 from FY 2024-25 to FY 2029-30.

## **9.9 Gross Fixed Assets (GFA) for MTR Period (Order in Case No. 232 of 2022)**

### ***Directive***

- 9.9.1 Directive in para 4.7.24 of MTR Order in Case No. 232 of 2022 are given below:

*“4.7.24 The Commission also notes that there are delays in even starting the basic project related activities even after getting the necessary in-principle approval from the Commission for the capital expenditure schemes. The recently issued MERC (Approval of Capital Investment Schemes) Regulations, 2022 mandates that if the licensee fails to initiate the work, including tendering process, within a period of one year or as stipulated by the Commission, from the date of receipt of in-principle approval, the in-principle approval shall be deemed to be cancelled. Considering the persistent delay observed in implementation of schemes by MSETCL, the Commission will be forced to implement the aforementioned provisions very strictly. The Regulations also prescribe the mechanism for monitoring of the progress of the schemes which needs to be followed by MSETCL diligently. In case of any shortcomings on the part of MSETCL to adhere to the provision, the Commission will be forced to initiate stringent action which may impact MSETCL adversely. **The Commission directs MSETCL to provide the list of the schemes approved by the Commission but could not initiated within a one-year period. Also, MSETCL needs to submit the justification for delay and way forward for such schemes.**”*

### ***MSETCL's Compliance***

- 9.9.2 MSETCL submits that it has submitted the list of the schemes which are yet to start at Annexure-31 with revised petition. MSETCL along with the list also included summary of schemes giving details and reasons for delay.

### ***Commission's Analysis and Ruling***

- 9.9.3 The Regulation 16 of Capex Regulation, 2022 mentions the pre-requisites for undertaking Capex Schemes. The relevant extract of the regulation is reproduced below:

“....

*c. If the Applicant fails to initiate the work, including tendering process, within a period of one year or as stipulated by the Commission, from the date of receipt of in-principle approval, the in-principle approval shall be deemed to be cancelled;*

*d. The Applicant shall provide regular updates on half-yearly basis on status of implementation of all Capex Schemes that have received the in-principle approval of the Commission with respect to the PERT Chart/Gantt Chart/ Project Monitoring mechanism submitted along with the Application for in-principle approval, at the end of the month of September and March of every year, through the web-based portal being developed by the Commission for this purpose and in physical form and email till the web-based portal is operationalised as well as if the web-based portal is not functional for any reason;*

...

*i. The inter-connected entities should ensure that the upstream/downstream network is created as per the optimised schedule to avoid stranding of assets:*

*Provided that if the Applicant feels for any reason that the work cannot be initiated within a period of one year from the date of receipt of in-principle approval, the Applicant should clearly state accordingly in its Application along with the reasons for the same and also state the additional time required in the Application:*

*Provided further that the onus of compliance with above pre-requisites lies on the Applicant and non-compliance may lead to partial/full disallowance of capital cost, as considered appropriate by the Commission.”*

- 9.9.4 The Commission notes that MSETCL has submitted the details regarding the schemes on which work is yet to be initiated even after passing of more than one year after approval of the scheme by the Commission. The details are provided in Annexure 31 of revised Petition wherein MSETCL has mentioned summary of schemes giving details and reasons for delay of the following 3 schemes:

- **Construction of LILO on 100kV Ambernath - Mohane line at 220kV Jambhul S/s. MBR No. 137/13. MERC Approval date is 17 June 2021.**

MSETCL submitted that the scheme was prepared on the block estimate and at the time of tender process detail survey was carried out, it was noticed that there was a huge difference between scheme cost and revised estimated cost. So, tender was not

processed and decided to revise the scheme as per detail survey and pre-engineering. Also, the validity of administrative approval was over. **Accordingly, revised scheme is in process as per detail survey and latest SOR, after administrative approval the DPR will be submitted to Hon'ble Commission for approval.**

Further, the LILO of 100 kV Mohane –Ambernath s/c Line at 220 /100 kV Jambhul is included in STU Five Year Plan for FY 2022-23 to FY 2026-27 during the FY 2026-27 for alternate source and enhanced reliability of supply to consumers fed from Mohane & Ambernath s/s and utilization of under loaded 1x100 MVA + 125 MVA ICT at 220 /100 kV Jambhul s/s.

**The Commission has noted the submission of MSETCL. As per the in-principle approval granted by the Commission vide letter dated 17 June 2021, MSETCL was required to initiate the tendering process within one year from the date of approval, failing which the scheme shall be deemed to be cancelled. Considering the delay in initiating work on the scheme, as per the condition of the in-principle approval granted by the Commission, the scheme is deemed to be cancelled. MSETCL/STU may approach the Commission to seek necessary approvals, if required.**

- **Scheme of Installation of 125MVA<sub>r</sub>, 400kV Bus Reactors at 400kV Chakan / Jejuri / Lonikand -I. MBR No. 151/12. MERC Approval date is 28 March 2022.**
  - MSETCL submitted that the SOR was revised by Corporate Office, Mumbai and further circulated vide letter MSETCL/CO/C&M/Pre Tender/6601 dated 16 September 2022.
  - The Scheme was revised vide BR No. 157/47 dated 17.10.2022 including scope of 400 kV Chandrapur switching.
  - TQR for tenderization was given to field by CO, Mumbai vide email Dt. 9 December, 2022
  - Tender was floated for a period from 4 May, 2023 to 6 June, 2023. No bids received and hence it was further extended till 16 June, 2023, however, no bids received.
  - The schemes were revised vide BR No. 167/46 Dated 4 March, 2024 due to exclusion of Jejuri reactor. Reactors to be supplied by CPA & ETC at field level.
  - Tender process is ongoing against above BR.

**The Commission has noted the submissions of MSETCL and notes that there is significant delay in initiating work on the scheme which was approved in March 2022. As per the information shared by MSETCL, the tendering process is ongoing with the revised scope of work being finalised by MSETCL for the schemes. As per the in-principle approval granted by the Commission vide letter dated 28 March, 2022, MSETCL was required to initiate the tendering process within one year from the date of approval, failing which the scheme shall be**

**deemed to be cancelled. Considering the delay in initiating work on the scheme, the scheme is deemed to be cancelled. MSETCL/STU may approach the Commission to seek necessary approvals, if required.**

- **Establishment of 400/220kV GIS Sub-Station at Velgaon, Dist- Palghar. MBR No. 147/12. MERC Approval date is 16 July 2022.**

MSETCL submitted the land for the substation was not in possession, hence, tenderisation was not done. Now, the rates for acquisition of private land are finalised by Collector, Palghar and acquisition is in final stages. The tenderisation will be carried out as soon as land is in possession of MSETCL.

Based on the submission of MSETCL, it is evident that there has been significant delay in the implementation of the project on account of the land related issues. The rates for acquisition of private land are now finalised by Collector, Palghar and acquisition is in final stages. **Considering the delay in implementation of the project, the in-principle approval granted by the Commission is no longer valid in line with the provisions of the Regulation 16 (c) of the Capex Regulations, 2022.**

**Further, the STU vide letter dated 5 March, 2025 has intimated the Commission that the said scheme is proposed to be undertaken through the TBCB route as per the approval of the empowered Committee. The Commission has noted the information shared by STU.**

#### **9.10 Shifted Scheme (Capitalisation is Shifted to “put to use” years (Order in Case No. 232 of 2022)**

##### ***Directive***

9.10.1 Directive in para 4.7.36 of MTR Order in Case No. 232 of 2022 are given below:

*“4.7.36 Shifted Schemes (Capitalisation is shifted to “put to use” years:*

*....*

*Further, the Commission notes that it is a settled principle that the capitalisation against the scheme shall be claimed only after assets are being put to use. However, it is observed that despite regulatory provisions, repeated directives, and disallowance of capitalisation in absence of put to use of assets, MSETCL has been claiming the capitalisation. For example – Land cost of Sub-Station, Civil work of Sub-Station, partial transmission line work, pre-development expenses, Sub-Station work in absence of line work and vice versa. Such claims of MSETCL creates the difficulty in tracking the capitalisation of the scheme and leads to multiple allowance and disallowances in every Petition. **Hence, the Commission once again directs MSETCL not to claim the capitalisation without asset being put to use as per the provisions of the prevailing Rules and Regulations.**”*

### ***MSETCL's Compliance***

9.10.2 MSETCL submitted that it has ensured that the capitalisation claimed in the current Petition is based on the asset put to use. MSETCL has also supported its claim in the Petition with the necessary documentation / information.

### ***Commission's Analysis and Ruling***

9.10.3 The Commission noted MSETCL's submissions. **The Commission has already covered its observation in the matter of MSETCL claiming capitalisation without the asset being actually put to use along with related issues in para 9.5.8 and 9.5.9 of the Order.** MSETCL shall follow the provisions of the prevailing Regulations in this regard.

## **9.11 Impact of Exclusion of past revenue gap of Rs 236.63 Crore (Order in Case No. 137 of 2023)**

### ***Directive***

9.11.1 Directive in para 10.33 of review Order in Case No. 137 of 2023 are given below:

*"10.33 Accordingly, while the review sought by MSETCL is not allowed, MSETCL is directed to consider the impact of exclusion of the past revenue gap of Rs. 236.63 Crore from computation of effective gap for FY 2019-20 and consider its consequential impact on various elements of ARR, as applicable, along with the applicable carrying /holding cost in the next MYT filing."*

### ***MSETCL's Compliance***

9.11.1.1 MSETCL has considered the impact of exclusion of past revenue gap of Rs. 236.63 Crore from computation of effective gap for FY 2019-20 along with consequential impact under the Section on True-up of FY 2023-24 of this Petition.

### ***Commission's Analysis and Ruling***

9.11.2 The Commission noted MSETCL submissions. **The Commission has passed on the related impact in the present Order as per the discussion in para 4.6 of this Order.**

## **9.12 Penalty of Rs 48 Crore imposed on MSETCL in the matter of 400/220 kV switchyard at GMR Warora Energy Ltd. Power plant premises (Order in Case No. 137 of 2023)**

### ***Directive***

9.12.1 Directive in para 13.47 of review Order in Case No. 137 of 2023 are given below:

*"13.47 Further, MSETCL is directed to file a separate Petition within a period of one month from the date of this Order with concerned stakeholders impleaded as parties. In the said proceeding MSETCL shall explain the project status and efforts taken by it for timely completion of the project and status of compliance of impugned Order. The Commission will deal with the issues of penalty and condonation of delay in the said proceeding."*



### ***MSETCL's Compliance***

- 9.12.2 MSETCL had filed a Petition in the Case No. 233/MP/2023 on 3 November 2023 seeking directions with timelines against the M/s. GMR Warora Energy Ltd. to handover the necessary land with all clearances to MSETCL for construction of 400/220 kV switchyard for evacuation arrangement for MSEDCL share of 200 MW power from 2x300 MW thermal power plant. The said Petition was filed before issuance of Review Order dated 4 December 2023 (Case No. 137 of 2023). The said Petition provided detailed efforts undertaken by it.
- 9.12.3 While the preliminary scrutiny of the Petition was pending, the Commission issued above directive vide Review Order dated 4 December 2023. The Petition under scrutiny required amendments in view of the directive given by the Commission and subsequent developments. Accordingly, MSETCL submitted Interlocutory Application No. 1 of 2024 in Case No. 233 of 2023 seeking amendments to the Petition.
- 9.12.4 Meanwhile, MSETCL vide its letter dated 2 September 2024 submitted status report to the Commission giving status of following project work:
- a) Work of 400/220 kV level creation of GWEL premises (including Land & Tree Cutting Status).
  - b) Status of work of 220 kV U/G Cable line from 400/220 kV GWEL to 220 kV SWPGL, Warora.
  - c) Status of work of 220 kV end bays at M/s. SWPGL, Warora.
  - d) Major constraints to start the work.
- 9.12.5 The Commission vide its Daily Order dated 10 September 2024 has allowed amendment to the aforementioned Petition and further directed to submit the status report of the land required for the project. Subsequently, MSETCL vide its letter dated 8 October 2024 submitted updated status report in the matter to the Commission. MSETCL also submitted that amount of Rs 48 Crore so far has not been released by STU, pending the hearing.

### ***Commission's Analysis and Ruling***

- 9.12.6 The Commission noted MSETCL's submissions. MSETCL, has filed the Case No. 233 of 2023 and the matter is sub judice before the Commission. The way forward will be based on the directions to be issued by the Commission in its Order in the matter of the Petition in Case No. 233 of 2023 filed by MSETCL with the Commission.

## **10 Compliance to the Directive in Non-Tariff related orders passed in Present Control Period**

### **10.1 Case No. 202 of 2020 dated 22.10.2020**

**(Suo Motu Proceeding in the matter of Grid Failure in the Mumbai Metropolitan Region on 12 October 2020)**

#### ***Directive:***

10.1.1 *Based on submissions made by the Parties during the hearing dated 21 October 2020, the Commission also notes that the Parties (such as MSLDC, MSETCL, STU, TPC etc.) have either constituted internal enquiries or internal studies to find out as to whether there had been any lapses internally or to find out technical reasons behind the incident. The Commission directs that the internal enquiries should be completed in a time-bound manner fixing the responsibilities in case of serious inadvertence/lapses. Further, the studies initiated should be concluded in time-bound manner with the objective to improve upon various aspects such as system protections, routine maintenance activities, design of the material/equipment being procured, training, documentation etc. **The Commission directs the Parties to submit the outcome of their internal enquiries and the internal studies to the Commission and also to the High Level Committee constituted by the Commission.***

#### ***MSETCL's Compliance***

10.1.2 MSETCL submitted that, the Commission, vide its Notification dated 22 October, 2020 had, set up a High-Level Committee (HLC) to undertake a root cause analysis of the incident, examine the drawbacks in the system restoration efforts undertaken by the licensees, verify compliance with the provisions of the MERC (State Grid Code) Regulations, 2020, and provide suggestions for remedial measures to be taken to avoid such occurrences in the future.

10.1.3 Considering the recommendations of HLC and upon scrutiny of stakeholder's feedback, the Commission had issued the final Order dated 28 May, 2021 in Case No. 202 of 2020, wherein the Commission had ruled that, the Committee would be necessary for monitoring the progress of 400 kV Kharghar-Vikhroli Project, Kudus-Aarey HVDC project and associated transmission schemes within and around MMR region which are critical for strengthening of Mumbai transmission network. In addition to these two transmission projects, the Monitoring Committee shall also closely monitor the progress of the action plan for the implementation of key recommendations of the HLC as directed by the Commission in its final Order in Case No. 202 of 2020.

10.1.4 Accordingly, the Commission vide its notification dated 28 May 2021 had constituted a "Monitoring Committee" with tenure of 18 months. As the tenure of the Committee completed on 27 November 2022 and considering the importance of strengthening of Mumbai Transmission, the Commission vide its notification dated 4 November 2022 reconstituted the Monitoring Committee.

10.1.5 Report of the Committee providing the progress, pending actions, and observations by the Committee is at final stage of preparation for submission to the Hon'ble Commission.

### ***Commission's Analysis and Ruling***

10.1.6 The Commission notes the submission of MSETCL. The Monitoring Committee, chaired by Director (Operations), MSETCL, vide letter dated 5 November, 2024 has submitted its progress report in which the Committee briefly stated the following:

- Out of the total 33 Action Points, 14 Actions Points were pending, out of which 8 have been marked as "Completed" and remaining 6 Action Points are "In-Progress" and achieved significant progress and are likely to be completed within 18 months.
- Action Points 7, 8, 9 and 10 have been identified as the sub-action points under "Monitoring of Works relating to PMU integration, SCADA data, Decision and Analytical Tools", which shall be monitored by the MSETCL's Control Room (War Room) for timely completion.
- Action Points 3 (Kudus Aarey HVDC Line) and 11 (HTLS Conversion of Kalwa Padghe Line) have achieved considerable progress and are expected to be completed by March 2026 and March 2025 respectively.
- All the Utilities to submit the monthly progress report to STU and STU to submit the quarterly progress report to the Commission and the Principal Secretary (Energy), GoM until closure of all the pending Action Points as recommended by HLC including any potential intervention/measures required.
- Accordingly, the Monitoring Committee submitted that it believes that significant efforts have been put in by all the stakeholders and activities related to pending Action Points have already started and there is no specific requirement of further monitoring by Monitoring Committee. Accordingly, Monitoring Committee recommended that the present Committee may be dissolved

10.1.7 Accordingly, the Commission notes the report of the Monitoring Committee and directs STU to submit its quarterly progress report of all the HLC recommended action points including any potential intervention measures required.

### **10.2 Case No. 215 of 2020 dated 31.12.2020**

**(Case of MSEDCL vs MSETCL for construction of 400/220 kV switchyard at GMR Warora Energy Ltd. power plant premises and 220 kV Transmission Line upto Sai Wardha Power Generation Ltd. switch yard)**

#### ***Directive***

10.2.1 The Commission has evaluated the scheme in accordance with the Capex Guidelines where its financial and technical justification has been validated, thus MSETCL was directed to execute the scheme as part of InSTS as per STU Plan.

10.2.2 The Commission has observed that owing to lack of poor project planning by MSETCL and its lack of coordination with other utilities such as MSEDCL, a few other schemes which should have been commissioned by now are still not completed. Therefore, the Commission directs the Director (Project) of MSETCL to monitor the progress of scheme on a monthly basis, and resolve difficulties, if any, and execute the scheme on top priority

within stipulated time period i.e., FY 2022-23. Monthly progress report on the said scheme shall be submitted to the Commission with copy to MSEDCL. The Commission expresses its displeasure at the lacklustre approach of MSETCL and will be constrained to take necessary action during the MTR proceedings, including partial recovery ISTS charges, from MSETCL if the project is delayed any further.

10.2.3 STU, MSETCL, GMR Warora Energy Ltd. and Sai Wardha Power Generation Ltd. shall extend the necessary co-operation to MSETCL during execution of the scheme.

### ***MSETCL's Compliance***

*MTR Order dated 31.03.2023 in Case No. 232 of 2023*

10.2.4 The Commission has dealt with this matter during the MTR Proceedings. At the time of MTR, MSETCL submitted that the said issue pertains to grid connectivity and in purview of STU. However, during the proceedings, the Commission has directed STU to withhold the amount of Rs 8.00 Crores per month (Total Rs. 48 Crore) for a period of 6 months towards penalty for the contravention of the Order of the Commission from April 2023

*MSETCL submission during review of MTR Order Case No. 137 of 2023*

10.2.5 MSETCL had requested to consider its submissions on its merit and to review its decision as to withholding of the payment of Rs. 48 Crores. MSETCL has also requested the Commission to treat its response through this review petition as submission to the direction given in the MTR Order at para 2.11.29 and to condone the delay & not to initiate any adverse action towards the non-compliance of its Order owing to the uncontrollable nature of the facts for MSETCL.

10.2.6 MSETCL submitted that, the Commission vide its Order dated 4 December 2023 did not allow review sought by MSETCL in the matter of levy of penalty of Rs 48 Crore on MSETCL and ruled as under:

*“13.47 Further, MSETCL is directed to file a separate Petition within a period of one month from the date of this Order with concerned stakeholders impleaded as parties. In the said proceeding MSETCL shall explain the project status and efforts taken by it for timely completion of the project and status of compliance of impugned Order. The Commission will deal with the issues of penalty and condonation of delay in the said proceeding.”*

### ***Commission's Analysis and Ruling***

10.2.7 The Commission notes the submission of MSETCL.

10.2.8 As directed by the Commission, MSETCL has filed the Case No. 233 of 2024 (Petition of MSETCL seeking direction to M/s GMR Warora Energy Ltd. to handover the land to MSETCL for construction of 400/220 kV switchyard for evacuation of MSEDCL's 200 MW power from 2x300 MW thermal power plant.)

10.2.9 The hearing in the matter was held on 10 December 2024. At the hearing, the Advocate representing MSETCL stated that amended Petition is not uploaded on the MERC Portal due to administrative reasons and sought ten days' time to do so. The Commission

adjourned the matter as the amended Petition is not uploaded, though MSETCL was granted time to so do by the Commission vide daily Order dated 10 September 2024.

10.2.10 The details shared in the progress report submitted by MSETCL on 12 December, 2024 is summarised below:

**Table 218: Latest Progress of the Scheme submitted on 2 September 2024 (upto August 2024)**

Sr. No.	Scope of work	Progress as on 2 September 2024	Progress as on 12 December 2024
1	Work of 400/220 kV Switch Yard:	Land of the MIDC to be acquired. The land acquisition is in progress.	Land of the MIDC to be acquired. The land acquisition is in progress.
2	220 kV Underground Cable from 400 kV Switchyard to 220 kV Sai Wardha SS	Cable route has been approved by MSETCL on 7 November, 2022. The agency has been instructed to carry out the work as a priority. It means work is yet to be started.	Cable route has been approved by MSETCL on 7 November, 2022. It is instructed to M/s M. D. Transcon to mobilize manpower at site and start the 220 kV U/G Power cable laying work at the earliest.
3	Statue of work of 220 kV Bays at Sai Wardha 220 kV SS:	LOI issued on 2 August, 2023. Civil work completed. Erection work is in progress.	LOI issued to M/s A B Corporation on 2 August, 2023. Civil works almost completed except mettle spreading. Erection of CB, Isolator, LA, Protection CT completed.
4	Major constraint to start work	Availability of the land	Availability of the land

10.2.11 In view of the above MSETCL shall endeavour to acquire the land required and shall communicate with the GWEL.

10.2.12 As separate Petition is filed, the Commission will deal with these issues in the said Petition after hearing the parties.

### 10.3 Case No. 58 of 2021 dated 09.08.2021

**(Case of NuPower Renewables Pvt. Ltd. seeking Review of the Order dated 15 March 2021 passed by the Commission in Case No. 337 of 2019)**

#### **Directive**

10.3.1 13.12 .....The Commission in its Order dated 19 September 2019 in Case No. 235 of 2019 has directed MSETCL to frame procedure for Grid Connectivity as follows:

.....

*MSETCL is yet to inform compliance of above directives of the Commission. In case, MSETCL is yet to frame such procedure, it shall complete the process within 2 months from date of this Order. While doing so, MSETCL shall also cover procedure/guidelines for allocating Grid Connectivity by Wind Developer to individual generator. MSETCL shall insure that such Grid Connectivity is not being used for gaining undue advantage by*

*Wind Developers and at the same time each of the Wind generator gets non-discriminatory access to the transmission grid.*

#### **MSETCL's Compliance**

10.3.2 MSETCL submitted that the said issue pertains to grid connectivity and in the purview of STU.

#### **Commission's Analysis and Ruling**

10.3.3 The Commission notes the submission of MSETCL. STU has submitted the revised procedure dated 13 January 2025 for grant of grid connectivity to the projects based on RE sources to the InSTS.

#### **10.4 Case No. 236 of 2020 dated 14.01.2021 and Case No. 137 of 2021 dated 28.10.2021**

**(Case of MADC seeking approval for its power procurement plan and for undertaking competitive bidding as per guidelines issued by Ministry of Power, Government of India dated 30 January, 2019 for Medium Term Power Procurement for 4 years starting from 1 March, 2021 to 28 February, 2025.)**

#### **Directive**

10.4.1 *11.5 During the present proceeding on being specifically reminded about above directives by the Commission, MADC has made submission and stated that it has handed over the plot to MSETCL for building 132/33 kV Mihan SEZ GIS substation and it has been submitted to the Commission for in-principle approval of the same. The Commission notes that certain queries have been raised by the office of the Commission in this regard and it is expected that MSETCL, considering urgency, should immediately address the same to expedite the approval process. Also, any other differences between MSETCL and MADC should be resolved at the earliest to avoid further delay in the execution of the project.*

*Speedy efforts shall be made by MSETCL and MADC for ensuring the connectivity of MADC directly from STU.*

10.4.2 *13.3 MADC has also requested to direct MSETCL for cooperation and support to supply power to MADC consumers. In this regard considering the AMNEPL's dedicated transmission line as the only connection point to STU, the Commission vide its Order in Case No 236 of 2020 has directed MADC and MSETCL to make conjoint speedy efforts to execute the project of 132 KV GIS substation. Detailed Project Report of MIHAN GIS has been approved by the Commission in June, 2021 and the Commission expects MSETCL and MADC to work for execution of the project on fast track in view of NCLT proceedings of AMNEPL and MADC having to bank on a single source of interconnection in the present situation.*

#### **MSETCL's Compliance**

10.4.3 MSETCL submits that the Tender was floated for establishment of 132/33 kV Mihan GIS substation along with construction of 132 kV DC line by making LILO on 132 kV Hingana II- Khapri line – 0.2 km on 8 May 2022. Due to insufficient response, the tender was re-

floated on 14 July 2023, 10 November 2023 and 1 August 2024. After persistent efforts, 04 nos. of bids were received.

10.4.4 The proposal for acceptance of Tender and award of contract for establishment of 132/33 kV Mihan GIS substation along with associated line was put up in the recent board meeting dated 27 September 2024 and LOA will be placed shortly.

10.4.5 MSETCL further submits that pre-planning activities for 220 kV Mihan GIS have been completed, which will ensure timely completion of this project. Further, MSETCL vide its letter dated 10 October 2024 has submitted above status for appraisal of the Commission.

#### ***Commission's Analysis and Ruling***

10.4.6 The Commission noted MSETCL's submission. The Commission observed that, MSETCL in the Petition has mentioned that the LOA was placed on 15 October, 2024 and the site has been handed over on 26 November, 2024.

10.4.7 Accordingly, while the MERC approval was dated 17 June, 2021, the actual work on the project has started on 26 November, 2024 i.e. the date of handing over of the site to the contractor, and the estimated date of completion has mentioned as 26 February, 2026. **Accordingly, the Commission directs MSETCL to complete the work on priority and meet the urgent system requirements.**

#### **10.5 Case No. 210 of 2020 dated 31.01.2021**

**(Case of Purna Sahakari Sakhar Karkhana Ltd. for recovery of expenses incurred for construction of power evacuation infrastructure from Maharashtra Electricity Transmission Co. Ltd. as per the Government of Maharashtra's Renewable Energy Policy, 2008)**

#### ***Directive***

10.5.1 Maharashtra State Electricity Transmission Co. Ltd. to refund the balance three instalments in three consecutive years in continuation to earlier instalment without any interest. Further delay in refund of balance three instalment would be at the risk and cost of MSETCL. The amount refunded by MSETCL is eligible for recovery through MSETCL's ARR excluding interest component if any.

#### ***MSETCL's Compliance***

10.5.2 MSETCL submits that in compliance to the Commission's directive, MSETCL has paid balance three instalments. The details of payment made to M/s. Purna Sahakari Sakhar Karkhana Ltd. is submitted below:

Particulars	Payment Date	Amount
First Instalment	6 February 2019	Rs. 34.322 Lakh
Second Instalment	7 January 2020	Rs. 34.322 Lakh
Third Instalment	25 February 2021	Rs. 34.322 Lakh
Fourth Instalment	4 February 2022	Rs. 34.322 Lakh
Fifth Instalment	9 March 2023	Rs. 34.322 Lakh

### ***Commission's Analysis and Ruling***

10.5.3 The Commission noted the compliance.

### **10.6 Case No. 62 of 2022, Case No. 63 of 2022 and Case No. 64 of 2022**

**Case No. 62 of 2022 (Case of M/s. Surya Ferrous alloys Pvt. Ltd. seeking appropriate orders and directions against MSETCL and MSEDCL as regards laying of EHT Lines and necessary infrastructure for supply of power at EHV Levels.) dated 02.09.2022**

**Case No. 63 of 2022 (Case of M/s. Guardian Castings Pvt. Ltd. seeking appropriate orders and directions against MSETCL and MSEDCL as regards laying of EHT Lines and necessary infrastructure for supply of power at EHV Levels.) dated 02.09.2022**

**Case No. 64 of 2022 (Petition of Executive Engineer, MSRDC through its user, Regent Bhairavi Corporation against MSEDCL seeking compliance of the Order of CGRF, Kalyan Zone dated 24 August 2022) dated 13.03.2024**

### ***Directive***

10.6.1 *"11.4. The Commission directed MSETCL to provide the current progress status of the proposed 220KV Abitghar Substation and allied EHV lines, details of the correspondence with statutory bodies for getting forest clearance and to update the Commission with quarterly reports regarding the progress of the proposed Abitghar Substation work."*

10.6.2 *"19.6 .....Said revised proposal was approved by the Commission in 2019. The Commission notes that a period of 5 years was lost for changing the scope of lines and possibly, this period could have been reduced. As there is already substantial delay in setting up of Abitghar substation, and as assured by MSETCL, they shall ensure that timelines of March 2023 stated during present proceeding are complied with and if possible, they shall try to complete the work before such timelines so that consumers can be connected to EHV network at the earliest."*

### ***MSETCL's Compliance***

10.6.3 MSETCL submitted that the LOA was placed on M/s. BNC Power Projects on 5 December 2019 with scheduled completion date 10 June 2021.

10.6.4 MSETCL vide its letter dated 17 October 2024 submitted status on following projects work related activities for appraisal of the Commission.

- a) Substation part status
- b) Line part status
- c) Major Issue (Forest and Modification in 220 kV GIS module.

### ***Commission's Analysis and Ruling***

10.6.5 The Commission noted the status of the 220 kV Abitghar Substation work as submitted in the Petition. As regards the substation related activities, 76.6 % of the Civil works and 56% Electrical work has been completed. As regards the line related portion of 220 kV LILO on existing 220 kV Padghe Wada line at 220 kV Abitghar Substation, the work is in



progress. This line comes under eco- sensitive zone of forest, therefore, work is proposed to be restarted after getting the forest approval. No work at site is ongoing due to the pendency of forest approval. MSETCL submitted that the in-Principle approval was received vide MoM of the 114<sup>th</sup> REC meeting held on 24 April, 2024. Further, the proposal related forest approval is at the IRO, Nagpur.

- 10.6.6 MSETCL has targeted to complete the substation work in March 2025 and LILO line in December 2025. **The Commission directs MSETCL to expedite the work and complete the work on priority basis before the aforementioned timelines so that consumers can be connected to EHV network at the earliest.**

#### **10.7 Case No. 206 of 2022 dated 20.01.2023**

**(Petition for approval of Short-Term Power Purchase by Aurangabad Industrial Township Limited (AITL) for one year period starting from 1 April 2023 to 31 March 2024)**

##### ***Directive***

- 10.7.1 *“12.5 As far as progress of 220 kV connectivity schemes is concerned, it is necessary to highlight that MSETCL shall take initiative and drive the schemes. It is pertinent to note that 220 kV substation to supply load of Phase-I of Bidkin area is not even sanctioned. MSETCL is directed to consider the connectivity schemes on priority and complete all sanctioning related works (including finalization of Right of Way) at the earliest.”*

##### ***MSETCL's Compliance***

- 10.7.2 MSETCL submitted that the Tender was floated for 220 kV Bidkin GIS on 11 March 2024. Due to insufficient response the tender was refloated on 9 July 2024 and 4 September 2024. Now, 04 nos. of bids are received. The technical scrutiny is under process.
- 10.7.3 The proposal for acceptance of tender and award of contract for establishment of 220 kV Bidkin (GIS) substation will be processed for approval of Competent Authority and LoA will be placed shortly. Further, MSETCL vide its letter dated 10 October 2024 has submitted above status for appraisal of the Commission.

##### ***Commission's Analysis and Ruling***

- 10.7.4 The Commission noted MSETCL submission. The MERC approval date of scheme 220 kV Bidkin GIS is 17.05.2024. The Commission observed that the scheme is under tenderisation. The Commission directs MSETCL to expedite the scheme on priority and complete all scope of work at the earliest.

## 11 Recovery of transmission charges

11.1.1 As MSETCL forms a part of the InSTS, its approved ARR for FY 2025-26 to FY 2029-30 shall be allowed to be recovered through the Commission's subsequent InSTS Transmission Tariff Order in terms of the Intra-State Transmission pricing framework and as specified in the MYT Regulations, 2024.

## 12 Applicability of the Order


12.1.1 This Order on approval of the Trueing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and Estimation of ARR for MYT 5th Control Period from FY 2025-26 to FY 2029-30 shall come into force from 1 April, 2025.

12.1.2 The Petition of the Maharashtra State Electricity Transmission Co. Ltd in Case No. 178 of 2024 stands disposed of accordingly.

**Sd/-**  
**(Surendra J. Biyani)**  
**Member**

**Sd/-**  
**(Anand M. Limaye)**  
**Member**

**Sd/-**  
**(Sanjay Kumar)**  
**Chairperson**

  
**(Dr. Rajendra G. Ambekar)**  
**Secretary**



**13 Annexure-1: List of Persons Present at the Technical Validation Session on 27 November 2024**

Sr. No.	Name of the representative	Designation	Organisation
1	Mr. Satish Chavan	Director, Operations	MSETCL
2	Ms. T.N. Mudholkar	Director, Finance	MSETCL
3	Mr. Avinash Nimbalkar	Director, Projects	MSETCL
4	Mr. Shashank Jewalikar	Executive Director SLDC	MSETCL
5	Mrs. J. Wagh	Chief Engineer (CE)	MSETCL
6	Ms. Jyoti N. Chimte	CE (Project) In-charge	MSETCL
7	Ms. Pratibha Pawar	Superintending Engineer (SE) (R&C)	MSETCL
8	Mr. M C. Walke	CE (O&M)	MSETCL
9	Mr. P. S. Sharma	CE, STU	MSETCL
10	Mr. Swapnil Kumre	Dy. EE	MSETCL
11	Mr. K. D. Daware	EE (R&C)	MSETCL
13	Mr. Suhash Chaudhri	Add. EE (PMT)	MSETCL
14	Ms. Supriya	R&C	MSETCL
15	Mr. Milind Mohire	AGM	MSETCL

*(Back to the original reference 1.3.1)*

**14 Annexure-2: List of Persons Present at the Public Hearing on 07 January 2025**

Sr. No.	Name of the Participant	Designation	Organisation
1	Mr. Satish Chavan	Director, Operations	MSETCL
2	Ms. T.N. Mudholkar	Director, Finance	MSETCL
3	Mr. Avinash Nimbalkar	Director, Projects	MSETCL
4	Mr. Shashank Jewalikar	ED	MSETCL
5	Ms. Pratibha Pawar	SE	MSETCL
6	Mrs. J. Wagh	CE	MSETCL

*(Back to the original reference 1.4.3)*

### 15 Annexure-3: List of Schemes pertaining to Past Disallowed Capitalisation considered for approval:

#### a) FY 2011-12: (Capitalisation approved against utilisation of 33/22 Bays):

Sr No	Scheme Name	BR No. & Date	Number of Bays			Name of Feeder / Bays	Total Amount * (Rs Crore)	Year
			33 kV	22 kV	11 kV			
1	Establishment of 220/132/33 kV at Balapur, Dist. Akola	23/13 dt. 20.12.2007	1			33 kV Palshi Feeder (02 Nos. of spare bay available)	0.19	FY 2024-25
2	Establishment of 132 kV Chandwad (132/33 kV, 2x25 MVA) S/S, Dist. Nasik	107 dt. 20.04.2007	1			33 kV Tisgoan	0.19	FY 2024-25
3	220 kV S/S at South Solapur	34/4 dt. 04.10.2008	1			33 kV Ray Nagar-1	0.19	FY 2022-23
4	132 kV Shakarnagar S/S	40/8 dt. 26.05.2009	3			1) 33kV Vijori 2) 33kv Udaynagar 3) 33kV Khandali	0.56	FY 2022-23
5	Installation of Additional Transformer at 220 kV Mahad S/S(Rs. 0.90Cr.)	76 dt. 18.01.2007		1		22kV Mallakh	0.19	FY 2022-23
6	1) Installation of additional (1 x 25 MVA, 132/33 kV) Transformer capacity at 132 kV Purandwade S/S(Rs. 4.10 Cr.)	73 dt. 18.01.2007	1			33kV Fondshiras	0.19	FY 2022-23
7	Installation of Additional (1 x25 MVA, 132/33 kV T/F) capacity at 132 kV Daund S/S(Rs. 3.96 Cr.)	77 dt. 18.01.2007	1			33 kV Loco-Shed	0.19	FY 2024-25
8	Installation of additional T/F in 220 kV Sawantwadi S/S	76 dt. 18.01.2007	1			33kV Malewad feeder	0.19	FY 2022-23
9	Installation of additional (1 x 25 MVA, 132/33 kV T/F ) capacity at 132 kV Himayatnagar S/S	78 dt. 18.01.2007	1			33 kV Sai Puranand	0.19	FY 2023-24
10	132 kV Shirur Substation	33/9 dt. 11.09.2008	2			1 No of bay TF LV incomer 1 No of bay for capacitor bank	0.37	FY 2022-23
11	Replacement of existing transformers by higher capacity transformers in Kolhapur Circle	19/18 dt.17.10.2007			4	11 kV Chalkaranji - 1 11kV Ganganagar 11kV Industrial Express 11kV Vittal Nagar	0.74	FY 2022-23
12	Replacement of 1 x 25 MVA, T/F by 1 x 50 MVA, 132/33 kV T/F at 132 kV Ujni S/S	29/10 dt. 16.07.2008	1			33kV Kamegaon Feeder	0.19	FY 2022-23

\* This is the gross capitalisation as considered for analysis by the Commission. However, the Commission has approved the net capitalisation as discussed in the relevant Section of the Order.

**b) FY 2012-13: (Capitalisation approved against utilisation of 33/22 Bays):**

Sr No	Scheme Name	BR No. & Date	Number of Bays			Name of Feeder / Bays	Total Amount * (Rs Crore)	Year
			33 kV	22 kV	11 kV			
1	Estt. of 132kV Soregaon SS	34/4 dt. 04.10.2008	5			33 kV Water Works Feeder 33 kV Wadkbal Feeder 33 kV Soregaon Feeder TF 1 and TF 2	0.93	FY 2022-23
2	132kV Pangri SS	34/4 dt. 04.10.2008	1			33 kV ITI	0.19	FY 2022-23
3	132kV Taharabad SS	41/4 dt. 04.10.2008	2			33 kV Jaikheda 33 kV Taharabad	0.37	FY 2022-23
4	Additional T/F O&M Pune	77 dt. 18.01.2007	2	3		22 kV Vadgaon 22 kV Montana 22 kV Mahindra UGINE 22 kV Jai Hind 22 kV Supreme Ganga 22 kV Capacitor bank	0.93	FY 2022-23
5	Additional Trf. in Tr. O& M Karad Zone (Karad Zone)	73 dt. 18.01.2007	1			G-block feeder on Dtd. 07/11/2017 at 110kV Shirol S/stn.	0.19	FY 2022-23
6	132 kV Satpur MIDC s/s, District-Nashik	70/5 dt. 04.02.2012	2			33 kV M&M-2 Graphite	0.37	FY 2022-23 FY 2023-24
7	Aug of ss under Nasik Zone (132 Malegaon, satpur MIDC, Dindori, Igatpuri, Takli)	71/4 dt. 17.03.2012	1			33 kV M&M-1	0.19	FY 2022-23
8	220kV Pandharpur SS	33/9 dt. 11.09.2008	1			33 kV TANALI	0.19	FY 2022-23
9	132kV Adgaon SS	32/4 dt. 18.08.2008	1			33 kV CPRI	0.19	FY 2023-24
10	220kV Parli-II (Girwali)	29/10 dt. 16.07.2008	1			33 kV PGCIL Bay	0.19	FY 2022-23

\* This is the gross capitalisation as considered for analysis by the Commission. However, the Commission has approved the net capitalisation as discussed in the relevant Section of the Order.

**c) FY 2013-14: (Capitalisation approved against utilisation of 33/22 Bays):**

Sr No	Scheme Name	Project definition	Number of Bays			Name of Feeder / Bays	Total Amount *(Rs Crore)	Year
			33 kV	22 kV	11 kV			
1	132kV Mangrulpir SS	TA/2006-07/079	1			33 kV Manoli	0.19	FY2022-23
2	220kV Tadali SS	SS/2008-09/057	4			33 kV NEW TADALI 33 kV GOPANI 33 kV SIDUR 33 kV VIJASAN 3 nos. of bays are shifted to other substations.	0.74	FY 2022-23 FY 2023-24
3	132kV Shirur SS	TA/2008-09/008	1			1 bay is utilized for capacitor bank	0.19	FY 2022-23

\* This is the gross capitalisation as considered for analysis by the Commission. However, the Commission has approved the net capitalisation as discussed in the relevant Section of the Order

**d) FY 2014-15: (Capitalisation approved against utilisation of 33/22 Bays):**

Sr No	Scheme Name	BR No.& Date	Number of Bays			Name of Feeder / Bays	Total Amount *(Rs Crore)	Year
			33 kV	22 kV	11 kV			
1	Establishment of 100kV Mumbra S/S	SS/2010-11/003		2		Panvel Road and Daighar	0.37	FY 2022-23

\* This is the gross capitalisation as considered for analysis by the Commission. However, the Commission has approved the net capitalisation as discussed in the relevant Section of the Order.

(Back to the original reference 3.4.9 and 3.4.14)

**e) Past Disallowed Capitalisation approved in the present MYT Order (FY 2019-20 to FY 2021-22):**

Sr No	Project Definition	Scheme Name	Capitaliation (Rs. Crore) *				Capitalisation Considered
			FY 2019-20	FY 2020-21	FY 2021-22	Total	
1	LE/2017-18/002	2nd Ckt. stringing under Bhusawal Circle	0.33	3.90	7.09	11.32	FY 2023-24
2	AN/2018-19/021	MTAMC project: Phase-I & Phase-II	-	1.66	5.16	6.82	FY 2022-23
3	GA/2019-20.9	General Assets	0.18	-	-	0.18	FY 2022-23
4	GA/2019-20.9.0	General Assets	1.64	0.91	-	2.55	FY 2022-23

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Sr No	Project Definition	Scheme Name	Capitaliation (Rs. Crore) *				
			FY 2019-20	FY 2020-21	FY 2021-22	Total	Capitalisation Considered
5	GA/2020-21.9	General Assets	-	0.20	0.11	<b>0.31</b>	FY 2022-23
6	GA/2020-21.9.0	General Assets	-	2.74	0.31	<b>3.05</b>	FY 2022-23
7	GA/2021-22.9	General Assets	-	-	2.90	<b>2.90</b>	FY 2022-23
8	GA/2021-22.9.0	General Assets	-	-	2.59	<b>2.59</b>	FY 2022-23
9	GA/2018-19.9.0	General Assets	0.16	-	-	<b>0.16</b>	FY 2022-23
	<b>Grand Total</b>					<b>29.88</b>	

\* This is the gross capitalisation as considered for analysis by the Commission. However, the Commission has approved the net capitalisation as discussed in the relevant Section of the Order

(Back to the original reference 3.2.13)

**f) List of past unutilised bays from approved schemes (as identified in MTR Order in Case No. 232 of 2022):**

**List of utilised Bays (approved)**

Project Definition	Scheme Name	AIS Bays			GIS Bays		
		220kV	132kV	33/22 kV	220kV	132kV	33/22 kV
LL/2016-17/004	LILO 220 KV Deoli-Ghatodi at 220 kV Yavatmal	1					
LL/2016-17/004	LILO 220 KV Deoli-Ghatodi at 220 kV Yavatmal	1					
LE/2017-18/003	2nd Ckt. stringing under Akola & Amravati		1				
LE/2017-18/003	2nd Ckt. stringing under Akola & Amravati		1				
LL/2014-15/007	Construction of Transmission Line under GEC-Part I (Tranche II)		1				
LL/2018-19/003	132kV Majalgaon-Pathri SCDC line		1				
NA	ORC Scheme		1				
OR/2019-20/017	ORC Scheme - 100% TSS		1				
LL/2014-15/007	Const of TL under GEC-Part I (Tranche II)		1				
LL/2014-15/007	Construction of TL under GEC-Part I (Tranche II)		1				
LL/2018-19/003	132kV Majalgaon-Pathri SCDC line		1				
AN/2018-19/016	Construction 18 Nos 22/33kV bays Vashi zone			1			
LE/2018-19/004	Indoor to GIS Switchyard at 220kV Taloja						1
LE/2018-19/004	Indoor to GIS Switchyard at 220kV Taloja						1



MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Project Definition	Scheme Name	AIS Bays			GIS Bays		
		220kV	132kV	33/22 kV	220kV	132kV	33/22 kV
AN/2018-19/016	Construction 18 Nos 22/33kV bays Vashi zone			1			
SS/2015-16/005	Estt. of 220/33kV s/s at Ner			1			
AN/2019-20/010	Scheme for construction of 07 nos. of 33			1			
AN/2019-20/010	Scheme for construction of 07 nos. of 33			1			
AN/2015-16/037	Construction. of 27 Nos New 33Kv Bays, Amt Zone			1			
AN/2015-16/037	Construction. of 27 Nos New 33Kv Bays, Amt Zone			1			
NA	Spare bay utilised			1			
TR/2016-17/002	Augmentation by addition of T/F 1X50 MVA, 110/33kV Power Transformer & 4x33kV Bay outlets at 110KV Gokul Shirgaon S/stn. (MBR No. 108/20)			1			
TA/2018-19/007	Add T/F at 400/220 kV Khaperkheda SS NGP			1			
TA/2018-19/007	Add T/F at 400/220 kV Khaperkheda SS NGP			1			
SS/2017-18/006	132 kV Chamorshi S/S			1			
SS/2017-18/007	132 kV Level creation at SICOM SS			1			
SS/2017-18/007	132 kV Level creation at SICOM SS			1			
SS/2017-18/012	Establishment of 220KV KARANJA SS			1			
LE/2015-16/011	Dismantling and erection of 33kV Bays at 132 kV Degaon S/S			1			
AN/2016-17/037	Addition of 54 nos. 33kV bays, Nashik zone			1			
AN/2016-17/037	Addition of 54 Nos. 33kV Bays, Nashik Zone			1			
SS/2016-17/008	220/132/33kV Kekatnimbora ss			1			
SS/2016-17/008	220/132/33kV Kekatnimbora ss			1			
SS/2016-17/008	220/132/33kV Kekatnimbora ss			1			
SS/2016-17/008	220/132/33kV Kekatnimbora ss			1			
AN/2018-19/023	Construction of 33kV bays 220kV ONGC SS VSH zone						1
AN/2016-17/039	Construction. of 68 Nos. New 33kV Bays, Abd Zone			1			
TA/2019-20/004	Add T/Fs at 220kV Jalkot SS CSN Zone			1			
TA/2019-20/004	Add T/Fs at 220kV Jalkot SS CSN Zone			1			
<b>Total Utilized Bays</b>		<b>2</b>	<b>9</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>3</b>

### List of unutilised Bays

Project Definition	Scheme Name	AIS Bays			GIS Bays		
		220kV	132kV	33/22 kV	220kV	132kV	33/22 kV
LE/2018-19/004	Indoor to GIS Switchyard at 220kV Taloja						1
AN/2018-19/016	Construction 18 Nos 22/33kV bays Vashi zone			1			
AN/2018-19/016	Construction 18 Nos 22/33kV bays Vashi zone			1			
AN/2018-19/016	Construction 18 Nos 22/33kV bays Vashi zone			1			
OR/2018-19/014	Fresh HTPS from 220kV PAL SS to NHSRCL			1			
OR/2018-19/014	Fresh HTPS from 220kV PAL SS to NHSRCL			1			
TR/2017-18/003	Rep of T/F at 100kV Roha SS Vashi Zone			1			
TR/2017-18/003	Rep of T/F at 100kV Roha SS Vashi Zone			1			
TA/2018-19/002	Add 25MVA TF at 132kV Dharni SS Amravati			1			
TA/2018-19/002	Add 25MVA TF at 132kV Dharni SS Amravati			1			
SS/2015-16/005	Estt. of 220/33kV s/s at Ner			1			
AN/2015-16/037	Construction. of 27 Nos New 33kV Bays, Amt Zone			1			
AN/2015-16/037	Construction. of 27 Nos New 33kV Bays, Amt Zone			1			
AN/2015-16/037	Construction. of 27 Nos New 33kV Bays, Amt Zone			1			
AN/2015-16/037	Construction. of 27 Nos New 33kV Bays, Amt Zone			1			
AN/2015-16/037	Construction. of 27 Nos New 33kV Bays, Amt Zone			1			
AN/2015-16/037	Construction. of 27 Nos New 33kV Bays, Amt Zone			1			
AN/2015-16/037	Construction. of 27 Nos New 33kV Bays, Amt Zone			1			
	Scheme of MSEDCL Phase -II			1			
TR/2016-17/002	Augmentation by addition of T/F 1X50 MVA, 110/33kV Power Transformer & 4x33kV Bay outlets at 110kV Gokul Shirgaon S/stn. (MBR No. 108/20)			1			
TR/2016-17/002	Augmentation by addition of T/F 1X50 MVA, 110/33kV Power Transformer & 4x33kV Bay outlets at 110kV Gokul Shirgaon S/stn. (MBR No. 108/20)			1			
TR/2016-17/002	Augmentation by addition of T/F 1X50 MVA, 110/33kV Power Transformer & 4x33kV Bay outlets at 110kV Gokul Shirgaon S/stn. (MBR No. 108/20)			1			
TA/2011-12/011	Augmentation by providing additional T/F of 50 MVA 220/33kV along with 4X33kV Bay at 220kV Wathar S/stn. (MBR No. 2714)			1			
AN/2018-19/009	Work of construction of 33kV bays at various SS			1			

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Project Definition	Scheme Name	AIS Bays			GIS Bays		
		220kV	132kV	33/22 kV	220kV	132kV	33/22 kV
AN/2018-19/009	construction of 33kV bays			1			
AN/2018-19/009	Construction of 13 Nos. of 33kV Bays as per MSEDCL requirement under Nagpur Zone.			1			
TA/2017-18/002	Addition of 25MVA T/F at 132kV Seloo, Nagpur Zone			1			
AN/2016-17/038	Addition of 13nos of 33kV bays under Infra II for MSEDCL under Solapur Circle			1			
				1			
AN/2016-17/037	Addition of 54 nos. 33kV bays, Nashik zone			1			
AN/2016-17/037	Addition of 54 nos. 33kV bays, Nashik zone			1			
TA/2013-14/006	Additional T/F at 132 kV Satpur (Old) SS			1			
AN/2016-17/037	Addition of 54 Nos. 33kV Bays, Nashik Zone			1			
AN/2016-17/037	Addition of 54 Nos. 33kV Bays, Nashik Zone			1			
SS/2008-09/045	132kV Ghargaon SS			1			
SS/2008-09/045	132kV Ghargaon SS			1			
SS/2008-09/045	132kV Ghargaon SS			1			
SS/2008-09/045	132kV Ghargaon SS			1			
SS/2008-09/045	132kV Ghargaon SS			1			
SS/2008-09/045	132kV Ghargaon SS			1			
SS/2008-09/045	132kV Ghargaon SS			1			
SS/2016-17/008	220/132/33kV Kekatnimbora ss			1			
TR/2008-09/081	Aug. of S/S 132kV PALGHAR			1			
TA/2015-16/003	Aug. by additional T/Fs under Vashi Zone			1			
TA/2015-16/003	Aug. by additional T/Fs under Vashi Zone			1			
AN/2018-19/023	Construction of 33kV bays 220kV ONGC SS VSH zone						1
AN/2016-17/039	Construction. of 68 Nos. New 33Kv Bays, Abd Zone			1			
NA	ORC Scheme			1			
TA/2019-20/004	Add T/Fs at 220kV Jalkot SS CSN Zone			1			
TA/2019-20/004	Add T/Fs at 220kV Jalkot SS CSN Zone			1			
TA/2019-20/004	Add T/Fs at 220kV Jalkot SS CSN Zone			1			
TA/2019-20/004	Add T/Fs at 220kV Jalkot SS CSN Zone			1			
AN/2016-17/039	Construction. of 68 nos. new 33kV bays, Abd zone			1			
SS/2016-17/010	Estt of 220/132/33kV Narangwadi s/s			1			
SS/2016-17/010	Estt of 220/132/33kV Narangwadi s/s			1			

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Project Definition	Scheme Name	AIS Bays			GIS Bays		
		220kV	132kV	33/22 kV	220kV	132kV	33/22 kV
SS/2016-17/010	Estt of 220/132/33kV Narangwadi s/s			1			
SS/2016-17/010	Estt of 220/132/33kV Narangwadi s/s			1			
Total Unutilized Bays		0	0	55	0	0	2

(Back to the original Reference 3.3.9)

## 16 Annexure-4: List of Schemes against which capitalisation is claimed by MSETCL in FY 2022-23 to FY 2029-30:

(Back to Original Reference 5.7.56)

### a. Approved Scheme DPR

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
1	EV/2008-09/002	220kV Ghatodi SS	31-07-2009	198.42	0.00	102.47	1.74	0.00	0.00	0.00	0.00	0.00	209.68	FY 2023-24	<ul style="list-style-type: none"> <li><b>FY 2023-24:</b> 220kV Deoli-Ghatodi DC Line upto LILO Point – 50 km commissioned &amp; put to use.</li> <li><b>FY 2024-25:</b> Crop &amp; Land Compensation for 220 kV Deoli-Ghatodi Line upto LILO Point, PV Bills.</li> </ul>

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
2	SS/2015-16/003	Establishment of 220/132 kV Malkapur SS Buldhana	08-08-2016	144.07	2.79	1.84	3.20	0.00	0.00	0.00	0.00	0.00	106.40	FY 2019-20	<ul style="list-style-type: none"> <li>- <b>FY 2022-23:</b> Civil work, land &amp; crop comp. of line and GEC.</li> <li>- <b>FY 2023-24:</b> Civil work, land &amp; crop comp. of line, PV, IDC and GEC.</li> <li>- <b>FY 2024-25:</b> QV, land &amp; crop comp. of line.</li> </ul>
3	SS/2015-16/004	Est.132kV Ralegaon ss, Yavatmal	16-12-2016	48.89	1.93	0.13	0.08	0.00	0.00	0.00	0.00	0.00	42.14	FY 2021-22	<ul style="list-style-type: none"> <li>- <b>FY 2022-23:</b> Final QV/line &amp; GEC.</li> <li>- <b>FY 2023-24:</b> Final QV/line.</li> <li>- <b>FY 2024-25:</b> Crop &amp; land compensation.</li> </ul>
4	SS/2015-16/005	Estt. Of 220/33kV s/s at Ner	12-09-2016	66.48	2.95	1.76	0.00	0.00	0.00	0.00	0.00	0.00	60.56	FY 2018-19	<ul style="list-style-type: none"> <li>- Balance payments towards compensation in FY 2022-23 and FY 2023-24</li> </ul>
5	SS/2016-17/009	Est 132 kV level at 220 kV Nandgaonpeth ss	10-03-2017	17.32	0.06	0.04	0.00	0.00	0.00	0.00	0.00	0.00	17.92	-	<ul style="list-style-type: none"> <li>- <b>FY 2022-23 and FY 2023-24:</b> Balance payment of price variation bill of Electrical part and Civil part.</li> </ul>

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
															<ul style="list-style-type: none"> <li>- 132 kV Nandgaonpeth-Amravati line: 55 MW Load</li> <li>- 132 kV Nandgaonpeth-Murshi: 20 MW Load</li> </ul>
6	SS/2017-18/011	Upgradation of 132kV Pandharkawad a SS to 220kV Level with 220kV Wani - Pandharkawad a DCDC line.	14-03-2018	114.81	0.00	61.25	3.50	0.00	0.00	0.00	0.00	0.00	114.03	FY 2023-24	<ul style="list-style-type: none"> <li>- <b>FY 2023-24:</b> 220 kV Wani-Pandharkawda DC Line commissioned.</li> <li>- <b>FY 2024-25:</b> Land &amp; Crop Compensation.</li> </ul>
7	LL/2016-17/004	LILO 220 kV Deoli-Ghatodi at 220 kV Yavatmal	30-03-2017	15.3	11.63	0.03	0.00	0.00	0.00	0.00	0.00	0.00	14.47	FY 2020-21	<ul style="list-style-type: none"> <li>- <b>FY 2022-23:</b> LILO Line – 10 km.</li> <li>- <b>FY 2023-24:</b> Balance payments.</li> </ul>
8	LL/2017-18/007	Construction of 220 kV Bhokhardhan - 132 kV Dhad S/S	23-08-2017	30.81	1.15	2.66	0.59	0.00	0.00	0.00	0.00	0.00	25.80	FY 2019-20	<ul style="list-style-type: none"> <li>- Civil final QV, Land &amp; Crop Compensation of Lines, GEC &amp; IDC.</li> </ul>

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
9	LL/2017-18/008	Yavatmal-Yavatmal MIDC LILO at Darwha	29-11-2017	26.54	0.09	0.02	0.00	0.00	0.00	0.00	0.00	0.00	22.92	FY 2019-20	- Capitalisation related to land and crop compensation.
10	SS/2008-09/029	220kV Nandgaon-Peth SS	12-07-2010	62.59	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	- No capitalisation claimed. Scheme completed.
11	AN/2017-18/043	132kV Capacitor banks at Amravati Zone PH4	20-4-2018	15.16	0.34	0.77	0.01	0.00	0.00	0.00	0.00	0.00	12.25	FY 2019-20	- Assets Created 9 Nos. of 132 kV capacitor Bank and put to use in 2019.
12	LE/2017-18/003	2nd Ckt. stringing under Akola & Amravati	17-10-2017	27.55	5.26	8.43	0.30	0.00	0.00	0.00	0.00	0.00	23.90	FY 2023-24	<b>- FY 2022-23: End bay of</b> 1) 132 kV Washim-Jambazar SCDC 2) 132 kV Akot -Hiwarkhed SCDC 3) 132 kV Malegaon - Mehekar SCDC 4) 132kV Anjangaon - Durgwada SCDC lines <b>- FY 2023-24</b>

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Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
															1) 132 kV Washim-Jambazar SCDC 2) 132 kV Akot -Hiwarkhed SCDC 3) 132kV Anjangaon - Durgwada SCDC lines commissioned
13	TA/2015-16/006	Augmentation scheme at various substations under Amravati Zone	26-4-2016	28.85	3.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.23	FY 2020-21	- 50 MVA, 132/33 kV T/F at 220 kV Akola asset put to use.
14	TA/2017-18/013	Addition. of ICTs under Amravati Zone	20-7-2018	50.12	40.16	1.11	5.50	0.00	0.00	0.00	0.00	0.00	49.29	FY 2022-23	- <b>FY2022-23:</b> 1 X 100 MVA, 220/132 kV ICT at 220 kV Balapur and 3 X 167 MVA, 400/220 kV ICT at 400 kV Akola  - <b>FY 2023-24:</b> Balance payment towards PV & extra items. Work related to 400 kV Akola ICT, 220 kV Balapur ICT,



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Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
															220 kV Hybrid switchgear as bus sectionalizer at 200 kV Akola substation commissioned and put to use. <b>- Capitalisation proposed in FY 2024-25</b>
15	TA/2019-20/005	Aug of 220kV Malegaon & 220 kV Anjangaon	4-7-2020	17.67	14.38	3.86	2.31	0.00	0.00	0.00	0.00	0.00	20.54	FY 2023-24	<b>ICT loading:</b> 1 x 100 MVA, 220/132 kV ICT at 220 kV Malegaon: 71 MVA 1 x 100 MVA, 220/132 kV ICT at 220 kV Anjangaon: 55 MVA
16	AN/2016-17/034	Phase 2-Cap Bank at Akola circle PH2	2-8-2019	18.08	0.03	0.18	0.38	0.00	0.00	0.00	0.00	0.00	5.22	FY 2019-20	<b>- FY 2022-23:</b> Assets Created 10 Nos. of 33 kV capacitor Bank and put to use. <b>- FY 2023-24 and FY 2024-25:</b> Balance QV payment
17	SS/2022-23/008	Establishment of 132/33 kV Mukutban SS (Revision in	20-01-2025	65.59	0.00	0.00	0.00	0.00	0.00	59.54	0.00	0.00	59.54	FY 2027-28	<b>- MERC Approval date is 20.01.2025. Hence, projected capitalisation allowed.</b>

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
		Cost due to SOR 2022)													
18	EV/2019-20/001	400 kV Sw/y at Bhusawal for power evacuation	24-5-2020	37.47	29.65	3.03	0.16	0.00	0.00	0.00	0.00	0.00	32.85	FY 2023-24	- Substation commissioned & put to use in FY 2022-23. Balance capitalisation allowed.
19	SS/2008-09/044	220 kV Bhose (Belwandi) SS	07-12-2010	121.24	0.10	0.00	1.34	0.00	0.00	0.00	0.00	0.00	88.25	FY 2013-14	- Scheme completed. Balance capitalisation allowed.
20	SS/2016-17/007	Estt.132 kV Dhadgaon ss	24-07-2017	59.13	4.22	4.25	1.53	0.00	0.00	0.00	0.00	0.00	59.08	FY 2021-22	- Scheme completed. Balance capitalisation allowed.
21	SS/2016-17/008	220/132/33 kV Kekatnimbora ss	07-09-2017	90.08	0.48	0.24	0.00	0.00	0.00	0.00	0.00	0.00	71.48	FY 2021-22	- Scheme completed. Asset put to use. Balance capitalisation allowed.
22	SS/2017-18/013	Upgradatn-132 kV Manmad ss at 220kVManmad	26-03-2018	94.16	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	63.12	FY 2020-21	- Scheme is closed. Balance capitalisation claimed in FY 2022-23 is allowed.
23	SS/2017-18/002	Estt of 220/132 kV Amrapur (Pathardi) ss	28/11/2017	143.73	17.41	1.90	5.14	0.00	0.00	0.00	0.00	0.00	100.83	FY 2021-22	- <b>FY 2022-23:</b> 220 kV Amrapur Thaptitanda line charged 31.3.2022, compensation.

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Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
															<ul style="list-style-type: none"> <li><b>FY 2023-24:</b> GEC and IDC.</li> <li><b>FY2024-25:</b> PV, Crop, compensation and IDC.</li> </ul>
24	SS/2017-18/014	Estt of 132/33 kV Shaha s/s	18/01/2018	49.15	32.16	3.11	5.29	0.00	0.00	0.00	0.00	0.00	40.56	FY 2023-24	<ul style="list-style-type: none"> <li>Substation along with Line commissioned on 11.01.2023 in FY 2022-23. PV and compensation related capitalisation in FY 2023-24 and FY 2024-25.</li> </ul>
25	SS/2017-18/019	Estt of 400 kV Karjat SS (Revision in cost due to Compensation, PV QV, etc)	04-01-2018	346.61	66.42	21.01	32.14	0.00	0.00	0.00	0.00	0.00	279.54	FY 2022-23	<ul style="list-style-type: none"> <li>Shifted capitalisation of Rs. 159.57 Crore allowed separately under shifted scheme in FY 2022-23 as considering the Scope pertaining to Nashik zone is completed. The balance work of 220 kV Line (220 kV D/C Jeur Karjat Line) is likely to be completed in FY 2024-25.</li> <li><b>FY 2022-23:</b> SS commissioned</li> </ul>

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
															<ul style="list-style-type: none"> <li>- <b>FY 2023-24:</b> GEC, IDC and Compensation</li> <li>- <b>FY 2024-25:</b> extra item &amp; compensation.</li> </ul>
26	LL/2011-12/010	LILO on 132 kV Shahda-Taloda 2nd Circuit at Nandurbar Substation	02-07-2012	14.27	0.28	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.61	FY 2021-22	- Scheme is closed. Capitalisation against compensation payment in FY 2022-23
27	SS/2017-18/015	Estt. of 132 kV Karkee ss Jalgaon Dist.	28-1-2019	50.34	4.90	5.08	0.03	0.00	0.00	0.00	0.00	0.00	39.19	FY 2021-22	- Scheme is closed. Commissioned on 10.02.2022. Capitalisation against compensation payment, balance payment in FY 2022-23, FY 2023-24 and FY 2024-25.
28	AN/2016-17/026	33 kV Capacitor Bank at Bhusawal Circle Phase 2	30-3-2017	10.5	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	6.46	FY 2018-19	- Scheme is closed. No capitalisation claimed.

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Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
29	SS/2017-18/009	Estt. 132 kV Kothali (Nagardeola)-Rev&Mod	3-5-2018	33.20	3.58	0.35	0.08	0.00	0.00	0.00	0.00	0.00	21.36	FY 2021-22	- Scheme is closed. Commissioned on 12.10.2021. - Capitalisation against compensation payment, Balance payment in FY 2022-23, FY 2023-24 and FY 2024-25.
30	AN/2016-17/037	Addition of 54 nos. 33 kV bays, Nashik zone	10-10-2016	25.22	0.20	0.10	0.00	0.00	0.00	0.00	0.00	0.00	10.13	FY 2019-20	- Scheme closed. Balance payment Asset (54 Nos. of 33 kV bays) is already in use.
31	AN/2017-18/045	132kV Capacitor banks at Nashik Zone PH4	20-4-2018	19.02	1.10	12.96	1.00	0.00	0.00	0.00	0.00	0.00	15.06	FY 2023-24	- Work completed. Scheme closed. Assets created of 12 Nos. of 132 kV capacitor bank and put to use in 2023.
32	LE/2017-18/002	2nd Ckt. stringing under Bhusawal Circle	17-10-2017	18.98	1.47	6.30	0.00	0.00	0.00	0.00	0.00	0.00	19.09	FY 2020-21	- Scheme closed. - <b>FY 2022-23 and FY 2023-24:</b> 220 kV Dondaicha-Shahada Line 29.2 ckm work completed on 1.07.2023.

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Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
33	LE/2017-18/023	Rep.132kV Cond. Nashik Ring Main by HTLS	07-20-2018	38.72	1.92	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32.74	FY 2020-21	<ul style="list-style-type: none"> <li>- Scheme completed. Scheme closed.</li> <li>- 132 kV Raymond-Ambad 28 km commissioned on 27.03.2021.</li> <li>- 132 kV OCR-Takali 12.5 km Commissioned on 15.03.2021.</li> <li>- 132 kV GCR-Ambad 19.5 km commissioned on 08.08.2021.</li> <li>- Asset created already in service dtd 08.08.2021.</li> </ul>
34	LE/2017-18/001	2nd Ckt. stringing under Nashik EHV O&M Dn BBLR: 1.2nd ckt stringing of 132kV Bhenda-Newasa line 2.132kV	09-08-2017	12.67	0.01	0.29	0.00	0.00	0.00	0.00	0.00	0.00	10.62	FY 2020-21	<ul style="list-style-type: none"> <li>- Scheme completed. Scheme closed.</li> <li>- 2<sup>nd</sup> ckt. stringing of 1)132kV Belwandi - Shrigonda (16 ckm) commissioned on 06.07.2022</li> <li>- 132 kV Malegaon - Nampur (30.7 ckm) commissioned on 09.07.2020</li> </ul>

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Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
		Belwandi-Shrigonda line													<ul style="list-style-type: none"> <li>- 132kV Bhenda - Newasa lines (16 ckm) commissioned on 28.12.2021.</li> <li>- Balance capitalisation claimed in FY 2022-23 and FY 2023-24.</li> </ul>
35	TA/2015-16/005	Aug by addition & replace. T/F, Nashik Zone	30-5-2016	76.71	3.92	8.80	4.24	0.00	0.00	0.00	0.00	0.00	51.12	FY 2018-19	<ul style="list-style-type: none"> <li>- <b>FY 2022-23:</b> Payment against 1x50 MVA, 132/33 kV T/F along with HV &amp; LV bays at 132 kV Chalisgaon S/s. Commissioned on 21.06.2021 Load: 141 A, 29 MW</li> <li>- <b>FY 2023-24:</b> Balance payment against asset already created in system.</li> </ul>
36	TA/2015-16/012	Addition/replacement of ICTS, Nashik Zone	9-8-2016	37.85	0.00	0.81	1.88	0.00	0.00	0.00	0.00	0.00	16.74	FY 2022-23	<ul style="list-style-type: none"> <li>- <b>FY2023-24:</b> Balance payment.</li> <li>- <b>FY 2024-25:</b> 1 x 200 MVA, 220/132 kV ICT along with HV &amp; LV bays at 220 kV Chalisgaon S/s.</li> </ul>

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37	TA/2017-18/003	Add. of T/Fs at 2Nos. of S/s, Nashik Zone	27-6-2017	10.64	0.06	0.10	0.00	0.00	0.00	0.00	0.00	0.00	8.34	FY 2020-21	<ul style="list-style-type: none"> <li>- Scheme closed. Balance payment against asset already in service.</li> <li>- 1x50 MVA, commissioned on 23.10.2020 at 132 kV Ahemed gar MIDC S/s, Load: 19.08MW 91 Amp</li> <li>- 1x50 MVA, 132/33 kV T/F commissioned on 07.12.2020 at 132 kV Supa S/s, Load: 21.17 MW</li> </ul>
38	TA/2017-18/009	Add. & Repl. of ICTs , Nashik Zone	5-6-2018	31.87	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.14	FY 2020-21	<ul style="list-style-type: none"> <li>- Scheme completed. Scheme closed. Balance payment against asset already in service.</li> </ul>
39	TA/2018-19/003	Add/ Replace of T/Fs 9 SS Nashik Zone	21-1-2019	45.23	3.14	1.92	0.00	0.00	0.00	0.00	0.00	0.00	34.05	FY 2021-22	<ul style="list-style-type: none"> <li>- Scheme completed. Scheme closed. Balance payment against asset already in service.</li> <li>- Transformers put to use at 132 kV Ramachepimplas, 132 kV Rashin S/s, 220 kV Bhenda S/s , 132 kV Rahuri S/s , 220 kV</li> </ul>



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Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
															Babhleshwar, 220 kV Kalwan (Bhendi), 132 kV Taloda S/s, 132 kV Visarwadi S/s:
40	TA/2019-20/001	33kV level creation at 220kV Bhose S/s	11.05.2020	16.67	5.16	1.76	6.53	0.00	0.00	0.00	0.00	0.00	18.65	FY 2022-23	<ul style="list-style-type: none"> <li>- 2 x 50 MVA, 220/33 kV T/Fs commissioned on 30.03.2022 &amp; 12.11.2022</li> <li>- <b>FY 2022-23:</b> 220/33kV 50 MVA TF-1.</li> <li>- Delay in work due to COVID pandemic and hence cost overrun allowed.</li> </ul>
41	TA/2020-21/002	Augmentation at 03 S/stn Nashik Zone	5-2-2021	18.94	20.18	1.72	0.28	0.00	0.00	0.00	0.00	0.00	22.17	FY 2023-24	<b>FY 2022-23:</b> <ul style="list-style-type: none"> <li>- 50MVA, 132/33 T/F at 132kV Kedgaon S/s;</li> <li>- 50MVA, 220/33 T/F at 220kV Malegaon S/s;</li> <li>- 50MVA, 132/33 T/F at 132kV Dindori S/s.</li> </ul> <b>FY 2023-24 and FY 2024-25:</b> Balance Payment. <ul style="list-style-type: none"> <li>- Increase in cost due to price variation.</li> </ul>

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Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
42	SS/2021-22/001	Estb 220kV Deosane s/s, Dist- Nashik (Revision in cost due to SOR 2022)	24.01.2024	60.92	0.00	0.00	0.00	0.00	53.26	0.00	0.00	0.00	53.26	FY 2026-27	- Work yet to start. LOA issued on 15.10.2024. Hence, projected capitalisation is allowed.
43	LE/2021-22/020	HTLS- 132kV Eklahare OCR-Satpur line	28.10.2022	15.25	0.00	10.79	0.21	0.00	0.00	0.00	0.00	0.00	11.00	FY 2023-24	- Capitalisation against Asset created 132 kV OCR-Satpur 20.94 ckm commissioned on 15.08.2023 already in service.
44	AN/2017-18/044	132kV Level Cap Bank at Chhatrapati Sambhajanagar Zone Phase 4	20-Apr-2018	14.32	0.17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	12.90	FY 2021-22	- Capitalisation against balance payment of asset created and put to use. - Capacitor Bank at total 11 nos. of S/s commissioned. Last Capacitor Bank commissioned on 31/03/2021.
45	SS/2009-10/016	132 kV Mahur (Revision in cost due to SOR 2022)	24.11.2020	47.5	0.00	0.00	0.00	47.50	0.00	0.00	0.00	0.00	47.50	FY 2025-26	<b>FY 2025-26 :</b> - Civil activities started, Electrical Eqpt. Supply. Work is in Progress,

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															Earthmat Laying Work is in Progress. Target: May - 2025 - 132 kV SCDC Gunj-Mahur Line work: F- 14/139, E- 0/139, S- 0/38.9 km Target: May - 2025
46	LL/2018-19/003	132kV Majalgaon-Pathri SCDC line	9-5-2019	22.91	13.50	0.78	0.00	0.00	0.00	0.00	0.00	0.00	15.70	FY 2022-23	- Asset Commissioned on 02.02.2023. - <b>FY 2022-23 and FY 2023-24:</b> Extra items, QV & PV is allowed.
47	SS/2020-21/003	132/33kV Utwad s/s Dist.-Jal	22-8-2019	37.89	18.72	2.02	8.11	0.00	0.00	0.00	0.00	0.00	28.87	FY 2024-25	- <b>FY 2022-23:</b> line, T/F with complete scope capitalized - <b>FY 2023-24:</b> GEC/IDC - <b>FY 2024-25:</b> QV/PV/Extra items. - 2X25 MVA, 132/33kV T/Fs commissioned on 31.03.2023.
48	SS/2015-16/002	220/132 kV Jalkot, Latur	28-03-2016	143.12	17.20	0.47	0.00	0.00	0.00	0.00	0.00	0.00	91.71	FY 2022-23	- Scheme completed. 132 kV LILO on Chakur Ahmedpur at Jalkot

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
															commissioned on 31.10.2022.
49	SS/2017-18/001	220/132 kV Kurunda s/s (GIS)	17-10-2017	148.29	47.34	1.20	46.45	0.00	0.00	0.00	0.00	0.00	106.69	FY 2022-23	<ul style="list-style-type: none"> <li>- <b>FY 2022-23:</b> Kurunda SS along with Hingoli - Kurunda Line commissioned.</li> <li>- <b>FY 2023-24:</b> Compensation payments.</li> <li>- <b>FY 2024-25:</b> Kurunda-Kumbhargaoon Line expected to be commissioned.</li> </ul>
50	LE/2017-18/004	2nd Ckt. Stringing under Parli Circle 132kV Telgaon - Majalgaon Line 132kV Himayatnagar - Kinwat Line	17-10-2017	15.24	0.05	4.81	0.00	0.00	0.00	0.00	0.00	0.00	7.74	FY 2023-24	<ul style="list-style-type: none"> <li>- The project is commissioned and the actual capitalisation is claimed against material, Erection GEC &amp; IDC, and crop compensation.</li> <li>- 132 kV Kinwat Himayatgar Line COD on 23.12.2023.</li> </ul>

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
		132kV Narsi - Degloor Line													
51	SS/2010-11/015	400 kV Chhatrapati Sambhajanagar - II (Tapti Tanda)	11-01-2011	796.69	1.06	0.47	0.00	155.69	0.00	0.00	0.00	0.00	735.15	FY 2014-15	<ul style="list-style-type: none"> <li>- 2 x 500 MVA, 400/220 kV ICTs, with bays (comprising of 7 x 167 MVA units including a spare T/F unit with bays commissioned).</li> <li>- 400 kV DC line LILO on Ckt-I of 400kV Bhusawal-II to 400kV Aurangabad-I D/C line- commissioned.</li> <li>- 400 kV DCDC line from 400 kV Aurangabad-II to 400 kV Babhaleshwar S/S on 30.12.2014.</li> <li>- <b>FY 2025-26:</b> balance work in progress. As the work is likely to complete in March 2025.</li> </ul>
52	TA/2018-19/005	Add/ Replace of T/Fs 4 EHV SS A'bad Zone	21-1-2019	26.45	0.14	0.61	1.80	0.00	0.00	0.00	0.00	0.00	13.93	FY 2021-22	<ul style="list-style-type: none"> <li>- Capitalisation allowed in <b>FY 2022-23 and FY 2023-24</b> against balance payment</li> </ul>

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
															asset created is already in service. <b>FY 2024-25:</b> - 220kV Jalna:- Out of 02 nos. of T/F, 1X100 MVA T/F commissioned on 16/12/2024. 2nd 1X100 MVA T/F – Work in progress - 132kV Ambad- T/F commissioned on 25.06.2021 - 132kV Akhada Balapur: - T/F commissioned on 12.08.2021 - 132kV Elichpur: - T/Fs commissioned on 13.09.2021 & 23.12.2021
53	TA/2017-18/010	Addition.ICTs under Chhatrapati Sambhajinagar Zone	5-6-2018	20.25	0.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.83	FY 2021-22	- <b>FY 2022-23</b> against balance payment asset created is already in service.

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Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
54	TA/2020-21/005	Augmentation of substation by addition of T/Fs at three nos. (132kV Harsul, 132kV Satara (Deolai) & 132kV Nilanga S/s) of EHV S/s under Nashik zone.	5-2-2021	17.46	3.35	13.84	3.81	0.00	0.00	0.00	0.00	0.00	21.00	FY 2013-14	<ul style="list-style-type: none"> <li>- <b>FY 2022-23:</b> 1x50 MVA, 132/33 kV T/F at 132 kV Nilanga S/s T/F loading - 20 MW</li> <li>- <b>FY 2023-24:</b> 1x50 MVA, 132/33 kV T/F at 132 kV Satara (Deolai) S/s, T/F loading - 10 MW 1x50 MVA, 132/33 kV T/F 132 kV Harsul S/s T/F loading - 30 MW.</li> </ul>
55	AN/2021-22/025	Bus Reactor_400kV Thaptitanda & Girwali	28-3-2022	22.96	0.00	0.00	22.96	0.00	0.00	0.00	0.00	0.00	22.96	FY 2024-25	- Reactors are supplied at site. ETC work in progress. Hence, projected capitalisation is allowed.
56	AN/2016-17/039	Construction of 68 nos. new 33kV bays, CSN zone	10-10-2016	27.19	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.49	FY 2019-20	- Scheme completed. Asset put to use. Hence, capitalisation against balance payment as asset already put to use.
57	SS/2020-21/001	Est 132/33 kV Tirthpuri ss Dist. Jalna	06-01-2021	35.71	0.00	17.12	8.01	0.00	0.00	0.00	0.00	0.00	25.23	FY 2023-24	- <b>FY 2023-24:</b> Sub-station along with associated line

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															is commissioned on 08.01.2024. - <b>FY 2024-25:</b> PV / extra Item / IDC /GEC.
58	SS/2009-10/012	400 kV Nanded s/s	01-04-2010	286.37	0.91	0.00	0.00	0.00	0.00	0.00	0.00	0.00	242.76	FY 2016-17	- Scheme is completed. Capitalisation of compensation payments in FY 2022-23.
59	SS/2017-18/003	Establishment of 220/132 kV SS at Georai (Revision due to LoA)	29-11-2017	173.69	2.11	0.16	0.64	0.00	0.00	0.00	0.00	0.00	99.45	FY 2020-21	- Sub-station is commissioned on 06.12.2019 & 220 kV Georai Thaptitanda Commissioned on 01.02.2021. - Extra item and balance payment in FY 2022-23 and FY 2023-24.
60	SS/2016-17/003	Estt of 220/132/33 kV Jalna-Nagewadi s/s	28-04-2017	170.98	0.24	0.17	19.40	0.00	0.00	0.00	0.00	0.00	126.46	FY 2018-19	- <b>FY 2022-23 and FY 2023-24:</b> Compensation payments. - <b>FY 2024-25:</b> 220 kV Lilo on Jalna Chikhali at Nagewadi, 50 MVA



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															220/33 Transformer with GEC IDC (WIP).
61	SS/2016-17/010	Estt of 220/132/33kV Narangwadi s/s	03-10-2017	172.24	6.35	0.11	0.00	0.00	0.00	0.00	0.00	0.00	122.97	FY 2018-19	- <b>FY 2022-23 and FY 2023-24:</b> Crop compensation and balance supply bill, GEC, IDC
62	AN/2021-22/017	Hybrid S/W as B/S for 220kV and 132kV Bus at 220kV Jalna, Chitegaon and Waghala S/S under CSN Zone	07-07-2022	13.67	1.76	1.86	3.43	0.00	0.00	0.00	0.00	0.00	7.05	FY 2022-23	- 145 kV Waghala Hybrid: Bus sectionalizer commissioned on 05/12/2024 & asset put in use.
63	LL/2017-18/016	Interlink of Waluj-Padegaon with Padegaon-Sawangi	26-03-2018	33.35	1.10	0.29	0.00	0.00	0.00	0.00	0.00	0.00	22.12	FY 2021-22	- Scheme closed. Commissioned on 08.01.2021 - <b>FY 2022-23 and FY 2023-24:</b> RoW compensation and balance payment.
64	LE/2020-21/016	Replacement of new equipment at	05.01.2022	17.25	0.00	0.00	0.00	0.00	17.25	0.00	0.00	0.00	17.25	FY 2026-27	- Revised capitalisation submitted have been considered for approval.

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

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		400 kV Girwali Ss													
65	AN/2010-11/022	Procurement and installation of Nitrogen Injection System for Fire prevention against T/F.	24-7-2009	22.42	2.54	0.70	18.79	0.00	0.00	0.00	0.00	0.00	22.41	FY 2021-22	- <b>FY 2022-23, FY 2023-24 and FY 2024-25:</b> Balance payment for 99 Nos. NIFPS system are taken in Service. Asset created & put to used.
66	AN/2019-20/007	33kV Capacitor Banks at Amravati, Chhatrapati Sambhajanagar, Nashik, Karad & Pune Zone under PH3	16-4-2020	45.47	21.33	1.12	11.55	0.00	0.00	0.00	0.00	0.00	45.47	FY 2022-23	- <b>FY 2022-23:</b> 39 Nos. of Assets Created of 33 kV capacitor Bank and put to use - <b>FY 2023-24:</b> 8 Nos. of Assets Created of 33 kV capacitor Bank and put to use.
67	AN/2018-19/028	RRS at Various SS under Ngp Pune Vashi Zone.	26-8-2019	19.4	0.00	0.00	5.22	3.99	0.00	0.00	0.00	0.00	9.21	FY 2024-25	- <b>FY 2023-24:</b> Nagpur Zone: Koradi II -commissioned on 02.02.2024.

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															- <b>FY 2024-25:</b> Khaperkheda commissioned on 03.07.2024 <b>Pune Zone:</b> Jejuri commissioned on 20.06.2024 Lonikand II commissioned on 27.06.2024
68	AN/2020-21/012	Installation of 125MVA, 400 kV Bus Reactor Kalwa	02-05-2021	14.33	0.00	0.00	15.55	0.00	0.00	0.00	0.00	0.00	15.55	FY 2024-25	- <b>FY 2024-25 :</b> 400 kV Bus Reactor along with allied 400 kV Bay commissioned. Asset put to use on 21 Aug 2024.
69	AN/2016-17/021	Bus Shunt reactor-8 nos.- Rev & new (90%)(The scheme covered funding 90% from PSDF and 10% from equity)	13.11.2017	129.33	17.52	29.34	0.00	0.00	0.00	0.00	0.00	0.00	96.49	FY 2022-23	- All reactors have been commissioned between April 2021 to May 2023 as per submission in MYT Petition - Compliance to directives. - Impact of Review Order in this matter is also allowed in this Order.

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

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70	AN/2018-19/021	Maharashtra Transmission Asset Management Centre (MTAMC) project.	31-May-2019	137.17	6.79	53.59	0.00	0.00	0.00	0.00	0.00	0.00	67.20	FY 2023-24	<ul style="list-style-type: none"> <li>- <b>FY 2022-23:</b> Substation level SCADA, VMS and VOIP system is capitalised. MTAMC Control Centre Access control system capitalised.</li> <li>- <b>FY 2023-24:</b></li> <li>- Substation level SCADA, VMS and RAS system is capitalised</li> <li>- MTAMC Control Centre SCADA, VMS, RAS and Auxiliary system is capitalised.</li> </ul>
71	AN/2018-19/030	SITC of IEM and AMR System	3-1-2019	146.32	2.57	1.79	0.00	0.00	0.00	0.00	0.00	0.00	94.00	FY 2022-23	- <b>FY 2022-23 and FY 2023-24:</b> AMR system is in use now for DSM mechanism
72	AN/2020-21/014	Procurement of 21 Nos of ICT's and Power T/F as emergency critical spares in all zones of	15-2-2019	80.4	0.00	4.23	63.00	13.17	0.00	0.00	0.00	0.00	80.40	FY 2024-25	<ul style="list-style-type: none"> <li>- <b>FY 2024-25:</b></li> <li>- 13 Nos. of TFs &amp; 1 No of ICT commissioned.</li> <li>- Out of 15 nos of LOA Qty of T/F/ ICT, 15 Nos of T/Fs/ ICT are supplied at site. The scheme was</li> </ul>

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

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		MSETCL.  For earlier scheme PD No. AN/2018-19/031													sanctioned for 21 Nos of TFs/ ICTs but short closed for 15 Nos of TFs/ ICTs because within the MERC Sanctioned Amt of Rs. 80.4 Crore only 15 Nos of TFs/ ICT could be procured. For balance 6 Nos of TFs/ ICTs new scheme is sanctioned vide BR No 167/48 dated 04.03.24. DPR of the same is submitted to MERC on 31.07.24.
73	AN/2022-23/018	Procurement of Water Mist Fire Extinguisher	NA	18.66	13.16	5.18	0.00	0.00	0.00	0.00	0.00	0.00	18.34	FY 2022-23	- Procurement of Water Mist Fire Extinguisher capitalised across MSETCL.
74	AN/2023-24/034	Revised scheme with 37 No of NIFP System  Earlier Supply Inst of 55	30-11-2021	16.04	0.00	0.00	0.00	14.71	0.00	0.00	0.00	0.00	14.71	FY 2025-26	- The change in scheme is apprised by MSETCL vide MSETCL letter No 4866 dated 30/7/24. Tender will be floated after finalisation of standards by CEA.

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		NIFPS scheme is cancelled  Earlier PD No. AN/2021-22/027													<ul style="list-style-type: none"> <li>- Capitalisation is projected work related to Design, supply, erection, testing &amp; commissioning of 55 Nos. of NIFPS for Power TF/ICT connected at 400 kV, 220 kV &amp; 132 kV.</li> <li>- Voltage level &amp; 400kV Bus/Line Reactors.</li> </ul>
75	AN/2022-23/025	Procurement & Installation of CVAMS	13.03.2024	83.61	0.00	0.00	0.00	83.61	0.00	0.00	0.00	0.00	83.61	FY 2025-26	- Revised capitalisation submitted have been considered for approval.
76	AN/2023-24/014	SITC of 11kV to 220kV Capacitor Bank Phase VI	16.04.2024	251.53	0.00	0.00	0.53	194.03	56.97	0.00	0.00	0.00	251.53	FY 2026-27	- Capitalisation claimed under projection period for SITC of Capacitor bank of voltage ratings 11 kV, 22 kV, 33 kV, 100 kV, 132 kV & 220 kV at various EHV SS under Nashik, Pune & Vashi Zone (Total 2495 MVAR). Tender under process.

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77	AN/2023-24/012	Procurement of Van mounted CFL	06.08.2024	16.47	0.00	0.00	16.47	0.00	0.00	0.00	0.00	0.00	16.47	FY 2024-25	- Revised capitalisation submitted have been considered for approval
78	TA/2023-24/006	Scheme of Augmentation of substation by providing additional 3x500MVA, 765/400/33kV ICT at 765kV R.S. Ektuni in CSN zone	06.03.2024	123.38	0.00	0.00	0.00	0.00	123.38	0.00	0.00	0.00	123.38	FY 2026-27	- Capitalisation is claimed in projection year for Augmentation of substation by providing additional 3x500 MVA, 765/400/33 kV ICT.
79	SS/2023-24/002	Est. of 220kV Bidkin GIS s/s	17.05.2024	114.46	0.00	0.00	0.00	0.00	114.46	0.00	0.00	0.00	114.46	FY 2026-27	- Capitalisation is claimed in Projection year. Tender under process.
80	TA/2017-18/012	Add. & Repl. of ICTs, Karad Zone	30-7-2018	59.37	28.15	7.09	0.15	0.00	0.00	0.00	0.00	0.00	52.49	FY 2022-23	<b>FY 2022-23:</b> - 3x105MVA, 400/220kV ICT at 400kV New Koyna S/s commissioned on 31.03.2023 - 1x100MVA, 220/132kV ICT at 220kV Satara

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															<p>MIDC S/s commissioned on 2.5.2022</p> <ul style="list-style-type: none"> <li>- <b>FY 2023-24:</b> IDC &amp; GEC portion payment.</li> </ul> <p><b>Loading details:</b></p> <ul style="list-style-type: none"> <li>- 400 kV Talandge ICT- 470 MVA</li> <li>- 400kV New Koyana ICT- 190 MVA</li> <li>- 220kV Satara MIDC ICT - 70 MVA</li> </ul>
81	TR/2012-13/011	Replac. /Addition of T/F , Kolhapur circle	8-2-2013	25.53	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	22.62	FY 2020-21	<ul style="list-style-type: none"> <li>- Scheme closed. Capitalisation against balance payment. Asset created is in service.</li> </ul>
82	LL/2017-18/018	132kV DC line from Niwaliphata-Ratnagiri	25-5-2018	14.5412	0.90	6.29	4.00	0.50	0.00	0.00	0.00	0.00	11.69	FY 2023-24	<ul style="list-style-type: none"> <li>- Capitalisation claimed work related to:</li> <li>- Tower Material and Erection with Accessories.</li> <li>- 0.2 ACSR Panther Conductor with ETC and Accessories, Sub asset created post capitalisation for GEC 2023-24.</li> </ul>



MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
83	LL/2014-15/007	Construction of TL under GEC-Part I (Tranche II) (The scheme covered funding 20% from Equity,40% grant from MNRE and 40% from loan.) 2nd ckt stringing of 220kV Tilwani Miraj Line	28-Mar-2016	367.00	7.73	48.73	0.18	0.00	0.00	0.00	0.00	0.00	166.64	FY 2019-20	<ul style="list-style-type: none"> <li>- 2<sup>nd</sup> Ckt stringing of Tilwani - Miraj Line - 19 km. alongwith 2 X 220 kV Bays completed &amp; commissioned on 09.02.2021.</li> <li>- Capitalisation claimed work related to Excess &amp; extra items of Tilwani Miraj 2<sup>nd</sup> Ckt 21 km along with 2 X 220 kV end bays - Tower material, Earthwire, conductor with respective other material Supply &amp; ETC along with Crop compensation charges &amp; GEC.</li> </ul>
84	LL/2019-20/007	Conversion of 110kV Vishrambag-Borgaon SCSC to DCDC line - 35 km	18-9-2020	23.26	0.00	0.00	2.00	5.00	5.00	4.00	0.00	0.00	16.00	FY 2027-28	<ul style="list-style-type: none"> <li>- LOA issued, work in progress. Capitalisation is claimed in projection year.</li> </ul>

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
85	LL/2008-09/125	132kV Kankawali-Kudal Line	12/7/2010 30/05/2019 18/10/2024	14.31	0.63	1.65	0.00	0.00	0.00	0.00	0.00	0.00	4.47	FY 2021-22	<ul style="list-style-type: none"> <li>- Work is completed. 132 kV SCDC Line from kawali S/s to Loc. No. 94, 2 X 132 kV end bays 1 each at kawali &amp; Kudal S/s. Test charged on 08.03.2022.</li> <li>- FY 2022-23: Capitalisation claimed work is related to GEC portion capitalization of Original asset - Items approved under QV - Tower material with accessories - 2 Deg. D/C Tower + 3 mtr Extension.</li> </ul>
86	SS/2010-11/011	400kV Alkud SS	21-04-2011	385.11	0.00	0.05	0.00	0.00	0.00	0.00	0.00	0.00	142.01	FY 2029-30	<b>Scope completed:</b> <ul style="list-style-type: none"> <li>- <b>FY 2023-24</b> : Balance payment.</li> </ul>
87	LL/2017-18/004	110kV SC LL PETH-BORGAON+ICT AT PETH	07-11-2017	22.62	0.00	11.86	1.25	0.00	0.00	0.00	0.00	0.00	13.11	FY 2023-24	<ul style="list-style-type: none"> <li>- <b>FY 2023-24</b> : 1x110 kV bay at Peth S/s. is charged on 30.09.2022 &amp; 1x110 kV bay at Bargaon S/s. is charged on 10.11.2022.</li> </ul>

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
															- <b>FY 2024-25</b> : 110 kV Peth - Bargaon Line is charged on 30.03.2024.
88	LL/2017-18/009	132 kV Ambheri (Wind) - Aundh SCDC line	18/01/2018	11.17	0.10	0.10	2.08	0.00	0.00	0.00	0.00	0.00	2.28	FY 2020-21	<ul style="list-style-type: none"> <li>- 132 kV End Bay at 132 Aundh SS COD - 31.03.2021</li> <li>- 132 kV End Bay at 132 Ambheri SS COD: 31.03.2021</li> </ul> <b>Scope Balance</b> <ul style="list-style-type: none"> <li>- <b>FY 2024-25</b> : 132 kV Line from 132 kV Aundh SS to 132 kV Ambheri SS.</li> <li>- Capitalisation allowed is related to compensation and balance payment in FY 2022-23 and FY 2023-24.</li> </ul>
89	EV/2008-09/004	400KV Koradi-II SS 220kV Koradi -II - Buttibori - III DC Line 105 km	07-08-2009 Revise d date 18.02.2011	419.81 Cost added 361.37 Total is 781.18	0.01	0.00	151.80	0.00	0.00	0.00	0.00	0.00	726.37	FY 2022-23	<ul style="list-style-type: none"> <li>- <b>400 kV Koradi-II S/s</b> with bays: Commissioned on 22.03.2013</li> <li>- <b>220 kV Koradi II-</b> Khaperkheda Line with bays: - Commissioned on 30.03.2016.</li> </ul>

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
		(Revised by C&M Section)													<ul style="list-style-type: none"> <li>- <b>220 kV Koradi II</b> - Buttibori D/C line with bays: - Commissioned on dt.04.07.2024.</li> <li>- <b>LILo on 400 kV Bhusawal-Koradi-II Line</b> (not operated).</li> <li>- <b>LILo on 400kV Satpura - Koradi-II Line</b> (not operated).</li> <li>- 220kV Koradi-II to Mankapur (not operated)</li> <li>- Capitalisation is claimed in Projection year.</li> </ul>
90	EV/2009-10/002	400kV Chandrapur-II SS	07-08-2009	737.97	3.31	0.00	7.65	0.00	0.00	0.00	0.00	0.00	647.02	FY 2022-23	<ul style="list-style-type: none"> <li>- Scope completed and commissioned on 31.03.2021.</li> <li>- Capitalisation in <b>FY 2022-23 and FY 2024-25</b> is claimed related to compensation of 33kV Auxiliary supply switchyard at 400kV Switching S/Stn.</li> </ul>

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
91	SS/2016-17/011	Est 132/33kV Hybrid GIS ss at Jat Tarodi	28-04-2017	152.19	0.00	0.00	0.00	136.20	0.00	0.00	0.00	0.00	136.20	FY 2024-25	- Capitalisation is claimed in Projection period.
92	SS/2019-20/004	Est of 220/33kV Pachgaon Dist-NGP	15-4-2022	77.11	0.00	0.00	0.00	54.00	0.00	0.00	0.00	0.00	54.00	FY 2025-26	- Capitalisation claimed in Projection year.
93	SS/2007-08/024	220kV Nagpur Ring Main SS (Uppalwadi)	05-10-2010	878.98	0.07	0.04	49.47	63.37	0.00	0.00	0.00	0.00	174.67	FY 2025-26	- Establishment of 220/132/33 kV S/S at: <b>A) UPPALWADI</b> -- Commissioned on 27.01.2023. <b>B) MANKAPUR –WIP:</b> Civil - 77%; Elect - 31% <b>C) New Buttibori</b> commissioned on 30.12.2013 <b>D) New PARDI-WIP</b> Civil - 95%; Elect - 95% Only charging Balance. associated line work is in progress. Target date: DEC-2024

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
															<ul style="list-style-type: none"> <li>- Construction of 220 kV link lines connecting the S/s on Nagpur ring main, viz</li> <li><b>(A) 220 kV MC on MC Lines</b> <ul style="list-style-type: none"> <li>- Khaparkheda (Old) - Uppal wadi- 10 km.</li> <li>- Uppal wadi - Mankapur - 10 km.</li> <li>- Uppal wadi - Pardi- 15 km</li> <li>- NEW PARDI -Old Buttibori vis Bes-Khapri 53 KM</li> </ul> </li> <li><b>(B) New Buttibori – Ambazari</b> <ul style="list-style-type: none"> <li>- 220 kV M/C ON M/C Line- 31 km</li> <li>- 220 kV XLPE UG Cable - 4 km</li> </ul> </li> <li><b>(C) Ambazari – Manakpur -- Scope</b></li> </ul>

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
															cancelled.  - <b>FY 2022-23 and FY 2023-24:</b> Balance payment of Uppalwadi S/s. - Capitalisation is claimed in projection year. - MSETCL has to complete this work on priority.
94	SS/2017-18/006	132 kV Chamorshi S/S	16-11-2017	40.49	1.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	30.57	FY 2022-23	- Work is completed. Capitalisation allowed is related to compensation and GEC in FY 2022-23.
95	SS/2017-18/012	Estt.220/132/3 kV Karanja SS, Wardha	18-12-2017	73.72	0.00	0.22	0.00	0.00	0.00	0.00	0.00	0.00	55.12	FY 2019-20	- Work is completed. Capitalisation allowed is related final payment in FY 2023-24.
96	SS/2018-19/001	Estt of 132/33kV Kolari SS	30-1-2019	39.08	3.81	0.00	0.30	0.00	0.00	0.00	0.00	0.00	24.33	FY 2020-21	- Capitalisation allowed is related to Land compensation in FY 2022-23 and FY 2024-25.
97	SS/2022-23/004	Establishment of 220/33 kV	18.11.2024	65.21	0.00	0.00	0.00	0.00	60.00	0.00	0.00	0.00	60.00	FY 2026-27	- Capitalisation is claimed in projection year.

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Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
		s/s at Yenwa, Dist-Nagpur													
98	LL/2006-07/002	220kV LILO on Kanhan-Umred Line	05.10.2010	36.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	- Work is completed. Scheme is closed. No capitalisation claimed
99	LE/2020-21/009	132kV Kaulewada-Gondia Ckt I & II - HTLS	02-05-2021	38.35	0.83	0.47	0.00	0.00	0.00	0.00	0.00	0.00	35.09	FY 2021-22	- Capitalisation allowed in FY 2022-23 and FY 2023-24 is related to balance payment as asset created and already in put to use on dated 30.11.2021
100	TA/2020-21/001	Add Transformer at 220kV Ambazari S/S	26-4-2021	12.6	0.00	0.00	0.00	7.40	0.00	0.00	0.00	0.00	7.40	FY 2025-26	- The Capitalisation claimed in projection year is allowed.
101	TR/2017-18/001	Rep. of T/Fs & 33kV Level creation, Wardha	14-7-2017	15.78	4.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00	13.23	FY 2021-20	- Capitalisation allowed in FY 2022-23 as 01 no. 220/33 kV 50 MVA TF added.
102	TA/2021-22/004	Augmentation of Substation by providing additional transformers at	28-10-2022	14.73	0.00	0.00	0.00	4.94	0.00	0.00	0.00	0.00	4.94	FY 2024-25	Loading details: - 25 MVA, 132/33 kV TF at Khapari - 22 MVA - 25 MVA, 132/33 kV TF at Gosekhurd- 10 MVA



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Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
		03 nos. of EHV Substations under Nagpur Zone													- 25 MVA, 132/33 kV TF at Morgaon Arjuni - 16 MVA - Capitalisation claimed in Projection year.
103	AN/2020-21/007	Installation of 3Nos of Shunt Reactors (50 MVAR each) at Chandrapur	6-1-2021	22.3	0.00	23.18	0.00	0.00	0.00	0.00	0.00	0.00	23.18	FY 2022-23	<b>FY 2023-24:</b> 3 Nos of shunt reactors (50 MVAR each) commissioned and put to use
104	EV/2019-20/003	400/220kV Switchyard at M/s.GWEL	30.12.2020	134.2	0.00	0.00	0.00	0.00	102.78	0.00	0.00	0.00	102.78	FY 2026-27	- WIP. - Land is not handed by GWEL to MSETCL hence work could not start. - Capitalisation is claimed in Projection year.
105	LE/2023-24/031	Replacement of conductor by HTLS of 220kV Khaparkheda-Kanhan	11.10.2024	120.54	0.00	0.00	0.00	51.98	0.00	0.00	0.00	0.00	51.98	FY 2025-26	- LOA issued. Work in progress. Hence, Projected capitalisation is allowed.
106	LE/2023-24/031	Replacement of conductor by HTLS of	11.10.2024	120.54	0.00	0.00	0.00	47.12	0.00	0.00	0.00	0.00	47.12	FY 2025-26	- LOA issued. Work in progress. Hence, Projected capitalisation is allowed.

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		220kV Khaperkheda-Suryalaxmi (NEW)													
107	SS/2008-09/005	132kV Waghdari (STU Plan 15-16)	07-12-2010	39.76	0.73	0.61	0.00	0.19	0.00	0.00	0.00	0.00	38.77	FY 2015-16	<ul style="list-style-type: none"> <li>- Work is completed.</li> <li>- <b>FY 2022-23:</b> Crop, Land Compensation, Stringing of 0.2 ACSR on D/C Tower, GEC</li> <li>- <b>FY 2023-24:</b> Land Crop Fixing T Connector, Stringing of Suspension Insulator.</li> <li>- <b>FY 2026-27:</b> Compensation payments against land and crop likely to be paid in future</li> </ul>
108	SS/2008-09/025	132kV Karajgi SS	07-12-2010	35.07	1.20	1.02	0.00	0.89	0.00	0.00	0.00	0.00	31.86	FY 2020-21	<ul style="list-style-type: none"> <li>- Work is completed.</li> <li>- <b>FY 2022-23 and FY 2023-24:</b> GEC, Crop land compensation.</li> <li>- <b>FY 2026-27:</b> compensation payments against land and</li> </ul>

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Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
															crop likely to be paid in future.
109	SS/2009-10/007	220kV Walchandnagar SS	15-Nov-2010	144.27	0.06	0.67	0.00	0.00	0.00	0.00	0.00	0.00	133.39	FY 2017-18	- Work is completed. - Capitalisation claimed in FY 2022-23 and FY 2023-24 is related to GEC, Crop land compensation.
110	SS/2010-11/006	132kV Nimboni SS (STU Plan 15-16)	28.06.2011 18.10.2024	32.79	0.00	1.31	0.00	0.15	0.00	0.00	0.00	0.00	32.28	FY 2017-18	- Work is completed. - Capitalisation claimed in FY 2022-23 and FY 2024-25 is related to GEC, Crop land compensation.
111	SS/2010-11/016	220kV Vairag (Rev 2013-14) (STU Plan 16-17)	03/10/2011 30.04.2014	75.37	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	45.25	FY 2016-17	- Work is completed. Capitalisation claimed in FY 2022-23 is related to Crop land compensation.
112	SS/2010-11/019	Estt. 132kV Pimpalgaon (Khadki) SS (STU Plan 16-17)	28-Jun-2011	53.22	0.02	0.01	0.00	0.00	0.00	0.00	0.00	0.00	46.43	FY 2016-17	- Work is completed. Capitalisation claimed in FY 2022-23 is related to Panacea Radical payment for preparation of forest proposal.

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113	SS/2011-12/002	Estt. of 220 kV Bhalavani S/S (STU Plan 15-16)	19.06.2012 01.11.2014	106.04	0.49	1.39	0.00	0.62	0.00	0.00	0.00	0.00	60.68	FY 2020-21	- Work is completed. - <b>FY 2022-23 and FY 2023-24:</b> Land compensation capitalisation is on crop compensation and land compensation likely to be paid in future.
114	SS/2011-12/008	Estt. of 220 kV CHAKAN-II s/s (STU Plan 15-16)	04-12-2012	83.61	2.94	0.00	0.00	0.00	0.20	0.00	0.00	0.00	77.62	FY 2019-20	- Work is completed. - <b>FY 2022-23:</b> Payment done against balance work, such as GEC/IDC, Sae Power Tower Pit excavation, R P Power Repair sleeves etc, Konkan melleable Dismantling of towers & Fabrication of members, Advertisement.
115	SS/2011-12/023	LL-220kV Magarpatta S/S-132kV Rastapeth (STU Plan 16-17)	19-Jun-2012	83.25	2.27	0.65	0.09	0.00	0.00	0.00	0.00	0.00	61.20	FY 2020-21	- Work is completed. - <b>FY 2022-23:</b> Annual License fee, ETC Nalla Crossing & Misc work 27RAB ETC, GEC. - <b>FY 2023-24:</b> ETC Laying of 132kV single core

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															cable, Supply Galv. Steel Structure for Bridge (Sakav) & Civil Work.
116	SS/2013-14/005	Inst & Repl 220/22/22kV Hinjewadi-II	28-Mar-2014	23.56	3.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.91	FY 2017-18	- <b>FY 2022-23:</b> Kapre electrical work and earthing work.
117	SS/2014-15/005	132kV LEVEL AT 400kV LONIKAND SS, PUNE	16-Oct-2014	35	3.00	0.15	0.00	1.00	0.00	0.00	0.00	0.00	35.10	FY 2021-22	- Work is completed. - <b>FY 2022-23:</b> GEC/IDC, Cable work and 132 kV bays. - <b>FY 2023-24:</b> Testing commissioning of line. Single phase link boxes with SVL 400kV Lonikand-II S V power Links work Order. <b>FY 2025-26:</b> Balance payment against Price variation.
118	LL/2010-11/019	LL - 400kV Talegaon PGCIL - 220kV Hinjewadi-II	22-Jun-2012	62.6	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	7.79	FY 2024-25	- Capitalisation claimed in FY 2023-24 is for GEC.

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119	LL/2011-12/007	132 kV DCDC Daund - Shrigonda LL	19-Jun-2012	18.4	0.34	0.05	0.00	0.41	0.00	0.00	0.00	0.00	16.32	FY 2021-22	<ul style="list-style-type: none"> <li>- Work is completed.</li> <li>- <b>FY 2022-23 and FY 2023-24:</b> PVC Cable, GALVD STRUCTURES, Nut bolt and Misc items with ETC &amp; GEC, Advertisement.</li> <li>- Capitalisation in projection year due to in process of orientation work at 132 kV Shrigonda.</li> </ul>
120	LL/2014-15/003	Diversion of 220kV M/C line for Baramati Medical college and hospital	09-10-2014	50.68	0.10	0.11	0.00	0.00	0.00	0.00	0.00	0.00	44.88	FY 2020-21	<ul style="list-style-type: none"> <li>- Capitalisation claimed in FY 2022-23 and FY 2023-24 is related to line diversion completed and in use. Payment against GEC.</li> </ul>
121	LL/2017-18/001	220kV DC line from 400kV Jejuri to Lonand	12/7/2017 31.08.2020	17.8 18.84	0.00	11.07	4.82	0.00	0.00	0.00	0.00	0.00	17.25	FY 2023-24	<ul style="list-style-type: none"> <li>- <b>FY 2023-24:</b> Line commissioned on 11.01.2024 and in use.</li> <li>- <b>FY 2024-25:</b> Balance work related to OPWG communication (FOTE) is pending.</li> </ul>

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Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
122	LL/2022-23/003	Construction of 220kV DC Line from 765kV Shikrapur (PG)	12.12.2023	84.74	0.00	0.00	0.00	52.00	0.00	0.00	0.00	0.00	52.00	FY 2025-26	- Work is in progress. MSETCL has to done it on priority. Capitalisation is claimed in projection year.
123	LE/2004-05/006	R&M of 220KV Chinchwad SS			1.69	0.73	0.00	0.00	0.00	0.00	0.00	0.00	37.36	FY 2021-22	- Asset created already in service.
124	LE/2017-18/018	HTLS of 132 kV Chinchwad-Chakan & 132 kV Chakan-Narayangaon	18-5-2018	62.15	1.05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48.31	FY 2021-22	- Asset created already in service. Hence, capitalisation claimed against final bill payment is allowed.
125	LE/2018-19/019	HTLS -132 kV Theur-Kharadi Line & 132 kV Lonikand2 - Kharadi Line	23-12-2019	24.95	7.62	0.42	0.00	0.00	0.00	0.00	0.00	0.00	19.85	FY 2022-23	Work completed. - <b>FY 2022-23 and FY 2023-24:</b> HTLS Conductor of 132 kV Theur -Karadi Line (14 ckm) & 132 kV Lonikand-2 Kharadi (25 ckm).
126	TA/2015-16/004	Aug by addition & replace. T/F	30-5-2016	10.33	0.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.28	FY 2021-22	- <b>FY 2022-23:</b> Balance payment on Asset created already in service.

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Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
		Pune Zone. 1) 132kV Bawada 2) 132kV Whirlpool													
127	TA/2018-19/004	Add/Rep of T/Fs 6 EHV SS Pune zone	3-1-2019	48.95	1.64	11.57	0.00	2.60	0.00	0.00	0.00	0.00	41.09	FY 2021-22	<ul style="list-style-type: none"> <li>- <b>FY 2023-24:</b> 1x50MVA, 220/22kV T/F at 220kV Nanded City S/s.</li> <li>- <b>FY 2024-25:</b> 1x50MVA, 220/33kV T/F at 220kV Tembhurni S/s.</li> <li>- <b>FY 2025-26:</b> SCADA work is balanced.</li> <li><b>Loading details:</b> <ul style="list-style-type: none"> <li>1) 132 kV Kharadi - 1X50MVA, Loading - 38 MVA ,</li> <li>2) 132kV Markal - 2X50 MVA, 132/33kV T/Fs Loading - 53 MVA</li> <li>3) 220kV Pandharpur - 1X50 MVA, 220/33 kV T/F Loading - 20 MVA</li> <li>4) 132 kV Velapur -</li> </ul> </li> </ul>



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Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
															2X50 MVA, 132/33kV T/Fs Loading- 56MVA against 41 MVA 5) 220kV Nanded City - 50 MVA 220/22 kV TF Loading - 45 MVA 6) 1X50 MVA, 220/33 kV T/F 220 kV Tembhurni S/s - Loading - 28 MVA
128	TA/2017-18/011	Add. & Repl. of ICTs ,Pune Zone Magarpatta, Ranjangaon	5-6-2018	22.63	0.93	0.09	0.00	0.00	0.00	0.00	0.00	0.00	18.84	FY 2021-22	- <b>FY 2022-23 and FY 2024-25:</b> Balance payment. Asset created already in service.
129	TR/2016-17/001	Aug. by add. & replace under Pune Zone	29-11-2016	12.1	0.00	4.36	0.00	0.00	0.00	0.00	0.00	0.00	10.08	FY 2018-19	Work completed. - <b>FY 2023-24:</b> 1x50MVA, 132/33 kV T/F at 132 kV Indapur S/s. Commissioned on 3.10.2023. Loading details: 132 kV Indapur S/s T/F Loading - 25 MVA against

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Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
															16 MVA 132 kV NCL S/s T/F Loading - 44 MVA
130	TA/2022-23/006	Additional T/F 132/33kV, 50MVA at 132kV Sanaswadi, Vairag & Bhigwan S/s	19-12-2022	23.05	0.00	0.00	0.00	17.00	0.00	0.00	0.00	0.00	17.00	FY 2023-24	- Work is in progress. Capitalisation is claimed in projection year.
131	TR/2022-23/001	Work of replacement of 1x100 MVA ICT by 1x200 MVA ICT at 220kV Jeur ss.	19-12-2022	11.16	0.00	0.00	10.00	0.00	0.00	0.00	0.00	0.00	10.00	FY 2024-25	- Work is completed. - <b>FY 2024-25:</b> 1x200MVA, 220/132kV ICT at Jeur SS. Commissioned on 27.09.2024. Loading - 65 MVA.
132	TA/2008-09/006	132kV Kamthadi (Nigade) SS	12-9-2016	20.86	0.04	0.06	0.00	0.00	0.00	0.00	0.00	0.00	6.72	FY 2019-20	- Capitalisation in FY 2022-23 and FY 2023-24 is related to balance payment. - Asset created is already in service.

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Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
133	TA/2018-19/009	Add T/Fs at 220kV Jambhul SS Vashi zone	24-6-2019	21.99	0.00	0.00	4.28	16.51	0.00	0.00	0.00	0.00	20.79	FY 2025-26	<ul style="list-style-type: none"> <li>- 50 MVA, 220/22kV T/F along with HV &amp; LV bays and 3x22kV Feeder bays Work is in Progress.</li> <li>- T/F Loading: 20 MVA</li> </ul>
134	TA/2021-22/007	Augmentation of Substation at 08 nos. of EHV S/s under Vashi Zone.	01-11-2022	111.93	0.00	0.00	0.00	111.93	0.00	0.00	0.00	0.00	111.93	FY 2025-26	<ul style="list-style-type: none"> <li>- Tenderization under process for ETC work at Zone office.</li> <li>- Capitalisation is claimed in projection year.</li> </ul>
135	LE/2021-22/-17	HTLS - 220 kV Padghe - Jambhul	28.10.2022	59.61	0.00	0.00	0.00	59.61	0.00	0.00	0.00	0.00	59.61	FY 2025-26	<ul style="list-style-type: none"> <li>- Revised capitalisation submitted have been considered for approval</li> </ul>
136	SS/2017-18/008	<b>Upgradation of 132kV Palghar ss to 220kV</b>	3-5-2018	71.17	32.13	0.00	0.00	15.00	0.00	0.00	0.00	0.00	52.73	FY 2022-23	<ul style="list-style-type: none"> <li>- <b>FY 2022-23:</b> 220 kV substation &amp; Line commissioned on 31.03.23 and in use.</li> <li>- <b>FY 2025-26:</b> LILO on one ckt of 132 kV Boisar (MIDC)- Dahanu line to be completed in March - 2025.</li> </ul>

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Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
137	SS/2017-18/017	Est. of 220/33 kV GIS Ulwe node (NMIA)	5-6-2018	109.55	0.00	45.66	0.87	0.00	0.00	0.00	0.00	0.00	46.53	FY 2022-23	- <b>FY 2023-24:</b> 11 out of 13 bays have been put to use. S/s is commissioned on 12.07.2023 & put to use. Capitalisation claimed in FY 2024-25 pertain to balance payment likely to be paid in future year.
138	SS/2017-18/018	Estb of 220/33 kV GIS Panvel -II (NMIA)	7-9-2018	102.04	0.00	0.00	44.92	0.00	0.00	0.00	0.00	0.00	44.92	FY 2022-23	- <b>FY 2024-25:</b> 1 x 50MVA, 220/33kV T/F-I commissioned on 28.06.2024. - <b>The details scope completed up to date is as follows:-</b> 4 X 220 kV Line bays 1 X 220 kV Bus Coupler Bay 1 X 50 MVA Transformer with HV bay 2 X 220 kV PT bay
139	SS/2018-19/006	Est of 220/22 kV GIS s/s at Mankoli	08-01-2020	67.86	0.00	0.00	0.00	58.00	0.00	0.00	0.00	0.00	58.00	FY 2023-24	- Work is in progress. capitalisation claimed in

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															Projection year. Target to complete in March 2025.
140	SS/2022-23/007	220/22kV Kaman s/s	23.02.2024	172.84	0.00	0.00	0.00	0.00	125.00	0.00	0.00	0.00	125.00	FY 2026-27	- Capitalisation claimed in projection year.
141	SS/2018-19/009	Est of 220/22 kV GIS s/s at Abitghar	3-9-2019	116.4	0.00	0.00	0.00	113.93	0.00	0.00	0.00	0.00	113.93	FY 2024-25	- Work is in Progress. Capitalisation claimed in projection year. Target for s/s is March 2025, and line in Dec 2025.
142	SS/2017-18/010	220/ 22 kV Pawane (MIDC)- GIS	15-03-2018	86.25	62.97	0.67	1.30	0.00	0.00	0.00	0.00	0.00	67.84	FY 2022-23	<b>FY 2022-23:</b> <ul style="list-style-type: none"> <li>- 50 MVA -02 nos. with HV &amp; LV GIS bays, 220 kV GIS LB - 02 nos., 22 GIS OLT - 12 nos.</li> <li>- LILO on one ckt of 220 kV Kharghar Kalwa MC line through UG cable - 0.7 km) &amp; S/s commissioned on 12.12.2022. Load is 15 MW.</li> </ul> <b>FY 2023-24 and FY 2024-25: Balance payment</b>

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143	LL/2016-17/003	220 kV link lines for 400 kV Kudus SS	28.09.2017 11.04.2022	191.5	0.00	0.00	307.04	0.00	0.00	0.00	0.00	0.00	307.04	FY 2024-25	<ul style="list-style-type: none"> <li>- Revised cost is expected to be Rs. 417.26 Crore.</li> <li>- Revised scope is yet to be submitted by MSETCL to MERC.</li> <li>- Revised approval for increasing cost to be submitted. There are RoW issues and Commission may carry out 3rd Party verification of the assets. MSETCL to approach Commission after completion of the scheme. 50% of the cost overrun approved.</li> </ul>
144	AN/2017-18/019	Administrative building at Kalwa Complex	13.11.2017	15.75	0.00	0.00	0.00	10.84	0.00	0.00	0.00	0.00	10.84	FY 2022-23	<ul style="list-style-type: none"> <li>- All RCC work of G+3 building completed. Capitalisation is claimed in Projection year.</li> </ul>
145	LE/2019-20/008	220kV Boisar II- PGCIL ckt. -I &II by HTLS	07-10-2020	12.37	0.46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.73	FY 2022-23	<ul style="list-style-type: none"> <li>- <b>FY 2022-23:</b> Final Work for commissioning of 220 kV PGCIL-BOISAR Line No. 1 (4.5 km).</li> </ul>

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															Commissioned on 29.05.2022.
146	LE/2020-21/008	220kV Padghe-Temghar Ckt I & II - HTLS	04-01-2021	32.67	0.00	0.30	0.22	0.00	0.00	0.00	0.00	0.00	23.62	FY 2021-22	- <b>FY 2023-24 and FY 2024-25:</b> 38 km HPC conductors, and balance payment against asset is already in use.
147	LE/2020-21/010	100kV Padghe-Bhiwandi Ckt 1&2 by HTLS	11-01-2021	29.67	23.45	0.03	1.26	0.00	0.00	0.00	0.00	0.00	24.74	FY 2022-23	- Work is completed and both the lines are now converted to HTLS. - <b>FY 2022-23 and FY 2024-25:</b> 38 km HPC conductors, and balance payment against asset is already in use.
148	LE/2017-18/022	220kV Kalwa-Trombay Corridor using CCC	11-12-2018	41	1.91	0.91	0.00	0.00	0.00	0.00	0.00	0.00	35.57	FY 2022-23	- 220kV Kalwa-Trombay completed on 21.04.2022 & 220kV Mulund-Trombay completed on 18.04.2022 - <b>FY 2022-23 and FY 2023-24:</b> Balance payment against asset is already in use.

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149	LE/2018-19/015	C&R panel & GIS Bays at 100/22kV Vasai	7-8-2019	16.85	2.29	14.06	0.05	0.00	0.00	0.00	0.00	0.00	16.40	FY 2023-24	<ul style="list-style-type: none"> <li>- <b>FY 2022-23:</b> Partial work completion report for GIS CRP and SCADA integration and electrification work BCU C&amp;R panel, Control cable work, Battery work etc.</li> <li>- <b>FY 2023-24:</b> Partial work completion report for Commissioning of GIS, Cable termination and control room, electrification work, lightning, C&amp;R panel, ABT meter.</li> </ul>
150	TA/2016-17/006	Aug. by add. & replace under Vashi Zone	10-10-2016	42.45	0.16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.11	FY 2020-21	- Capitalisation in FY 2022-23 is related to balance payment as against asset created is already in service dtd. 23.09.2019
151	TA/2018-19/008	Add/Rep of T/Fs 3 Nos. of SS Vashi zone	21-1-2019	35.92	3.78	17.63	5.28	0.00	0.00	0.00	0.00	0.00	26.68	FY 2023-24	- <b>FY 2022-23:</b> 220kV Nalasopara - 80MVA, 220/22kV T/F commissioned on 29.10.2019 and 22kV GIS



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															bays commissioned on 31.03.2023. - <b>FY 2023-24:</b> 400kV Kharghar: 50MVA, 220/33kV T/F along with 33kV GIS is Commissioned on 15.03.2024 - <b>FY 2024-25:</b> 220kV Kolshet - 1x50MVA, 100/22kV T/F commissioned 19.05.2023 alongwith 22 kV GIS bays.
152	TR/2015-16/003	3x167 MVA, 400/220 kV ICT at 400 kV Padghe S/s	1-1-2016	40.19	0.00	0.00	30.92	0.00	0.00	0.00	0.00	0.00	40.14	FY 2017-18	- Presently Warora ICT being utilised at Padghe s/s. Hence, new ICT been procured and installed at Warora s/s. work is in progress. Capitalisation claimed in projection year.
153	LE/2022-23/005	Strengthening of bays	19.05.2022	14.8	0.00	14.80	0.00	0.00	0.00	0.00	0.00	0.00	14.80	FY 2023-24	- <b>FY 2023-24:</b> Strengthening of 220kV GIS Bhandup-Mulund &

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		@220kV Bhandup GIS													Borivali Line bay, Bus coupler and one additional 220kV Bay work completed.
154	TR/2023-24/002	Augm. at 400kV Kharghar SS under Vashi	06-08-2024	30.16	0.00	0.00	0.00	0.00	30.16	0.00	0.00	0.00	30.16	FY 2026-27	<ul style="list-style-type: none"> <li>- Capitalisation claimed in projection year.</li> <li>- Replacement of 3X105MVA, 400/220/33kV ICT-1 by 3X167 MVA, 400/220/33kV ICT at 400kV Kharghar S/s. Tender under process.</li> </ul>
155	LE/2023-24/031	Replacement of conductor by HTLS of 220kV Kanhan-Suryalaxmi (NEW)	11.10.2024	120.54	0.00	0.00	0.00	18.21	0.00	0.00	0.00	0.00	18.21	FY 2025-26	<ul style="list-style-type: none"> <li>- LOA issued. Work in progress. Capitalisation claimed in projection year.</li> </ul>
156	11-Proposed-FY2024	220/33kV Mundhale, District-Pune	18.11.2024	60.17	0.00	0.00	0.00	0.00	62.70	0.00	0.00	0.00	62.70	FY 2027-28	<ul style="list-style-type: none"> <li>- Tenderization under process. Work not yet started. Capitalisation claimed in projection year.</li> </ul>

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	-25 SS/2021-22/002														
157	160-Proposed-2025-26	Replacement of conductor by HTLS of 400kV Talegaon (PG) - Chakan (NEW)	11.10.2024	63.35	0.00	0.00	0.00	63.35	0.00	0.00	0.00	0.00	63.35	FY 2025-26	- Tenderization under process. Work not yet started. Capitalisation claimed in projection year.
158	LE/2021-22/017	Replacement of conductor by HTLS of 220 kv Padghe-Jambhul - 20 km, Jambhul-Anand Nagar-5km & Padghe-Pal-45km	28.10.2022	59.61	0.00	0.00	0.00	59.61	0.00	0.00	0.00	0.00	59.61	FY 2024-25	- LOA issued in Oct 2024. Capitalisation claimed in projection year.

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
159	LE/2021-22/018	Replacement of conductor by HTLS of 220 kV Kalwa-Apta, (39km) Kalwa-Taloja (25km) & Apta-Taloja (25km)	28.10.2022	67.08	0.00	0.00	0.00	67.08	0.00	0.00	0.00	0.00	67.08	FY 2024-25	- LOA issued in Oct 2024. Capitalisation claimed in projection year.
160	175-Proposed-2025-26	Replacement of conductor by HTLS of 220kV Kalwa-Colorchem line =14.4 km, 220kV Colorchem-Temghar line -17.3 km & 220kV Kalwa-Temghar line -16.5km	11.10.2024	62.62	0.00	0.00	0.00	62.62	0.00	0.00	0.00	0.00	62.62	FY 2025-26	- Tenderization under process. Work not yet started. Capitalisation claimed in projection year.

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
161	LE/2023-24/047 Repeat-Sr No 106, 113, 114	2nd ckt stringing of Jeur-Parewadi	-	32.32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-	- No capitalisation claimed.
162	LE/2023-24/026	Replacement of conductor by HTLS conductor of 220 kV Chakan - Bhosari (NEW)	10.10.2024	48.65	0.00	0.00	0.00	0.00	48.65	0.00	0.00	0.00	48.65	FY 2026-27	- Capitalisation claimed in Projection year.
<b>Grand Total</b>					<b>665.73</b>	<b>636.97</b>	<b>953.11</b>	<b>1614.76</b>	<b>799.81</b>	<b>63.54</b>	<b>0.00</b>	<b>0.00</b>			

## b. Approved Shifted Scheme DPR

(Back to Original Reference 5.7.56)

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
1	SS/2008-09/037	220kV Pimpalgao n (Ranwad) SS	07-12-2010	78.94	0.00	0.00	38.35	0.00	0.00	0.00	0.00	0.00	78.94	FY 2024-25	Capitalisation claimed in FY 2022-23 is not allow, due to asset not put to use. Capitalisation claimed in FY 2023-24 Rs. 32.42 Crore is shifted in FY 2024-25 as no load on the system.
2	SS/2022-23/001	132/33kV Ida s/s Dist- Osmanaba d	25-4-2023	33.58	0.00	0.00	24.59	4.85	0.00	0.00	0.00	0.00	29.44	FY 2022-23	Work in Progress. Line and bays charged. Capitalisation projected for GEC/IDC scope. Capitalisation claimed in FY 2022-23 Rs. 0.59 Crore is shifted in FY 2023-24.
3	SS/2022-23/002	132/33kV Samudral s/s Dist.- Osmanaba d	25-04-2023	33.43	0.00	0.00	26.88	0.50	0.00	0.00	0.00	0.00	27.38	FY 2023-24	Work in progress. Capitalisation claimed in FY 2023-24 Rs. 0.98 Crore is shifted in FY 2024-25

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
4	SS/2018-19/012	132kV Shendra - Chikaltha na line	05-09-2019	57.47	0.00	0.00	0.00	57.48	0.00	0.00	0.00	0.00	57.48	FY 2023-24	Capitalisation claimed in FY 2023-24. ICT, Line Work in progress, so asset not in put to use so capitalisation claimed in FY 2022-23 Rs. 21.04 Crore is shifted to FY 2025-26
5	LE/2017-18/005	2nd Ckt. Stringing under Chhatrapati Sambhajinagar Circle	17-10-2017	17.07	0.00	0.00	0.00	12.40	0.00	0.00	0.00	0.00	17.07	FY 2025-26	Work in progress. Asset Not put to use. Capitalisation claimed in FY 2022-23 Rs. 0.19 Crore and FY 2023-24 Rs. 0.32 Crore shifted in FY 2025-26

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
6	SS/2017-18/004	Estt of 220/132/3 3kV Nagbhid s/s	04-11-2017	136.3	0.00	0.00	58.62	0.00	0.00	0.00	0.00	0.00	111.57	FY 2024-25	Substation work completed, Source line work pending. Capitalisation in FY 2022-23 and FY 2023-24 for forest payment and crop compensation respectively. Forest approval is pending; work is in progress. Hence, Capitalisation claimed in FY 2022-23 Rs. 2.07 Crore and FY 2023-24 Rs. 1.05 Crore is shifted in FY 2025-26.
7	SS/2018-19/003	132-33 kV Lendra Park GIS/Modular GIS SS	2-8-2019	143.89	0.00	0.00	43.10	0.00	28.62	0.00	0.00	0.00	71.72	FY 2026-27	UG/OH Line for Lendra S/S commissioned, S/s work WIP. Hence, Capitalisation in FY 2022-23 Rs. 41.93 Crore shifted in FY 2024-25. Scheme is old and work needs to be



Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
															expedited and scheme to be closed.
8	SS/2011-12/003	Establishment of 400/ 220 kV Hinjewadi GIS	21-01-2011 20-07-2011	592.94	0.00	0.00	0.00	0.00	0.00	395.05	0.00	0.00	457.55	FY 2027-28	Capitalisation claimed in FY 2022-23 Rs.14.73 Crore and FY 2023-24 Rs. 0.32 Crore. Asset is not put to use. Source line is not yet completed. Hence, Capitalisation claimed in FY 2022-23 Rs.14.73 Crore and FY 2023-24 Rs. 0.32 Crore, shifted to FY 2027-28. MSETCL to obtain the revised approval of the commission.

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
9	SS/2018-19/002	220/33 kV ss at Khed City (Retwadi)	31-8-2020	68.98	0.00	0.00	0.00	68.93	0.00	0.00	0.00	0.00	68.98	FY 2022-23	Scope completed but asset not put in use. Due to Cost Overrun of Rs 12.3 Crore. capitalisation claimed In FY 2022-23 Rs. 2.23 Crore and FY 2023-24 Rs. 71.19 Crore including Rs 0.05 Cr shifted capitalisation is restricted to MERC approval cost. So Rs 68.98 Crore is shifted in FY 2025-26.
10	SS/2019-20/003	Establishment of 132/22 kV Bibwewadi s/s, Pune	26-7-2020	31.3	0.00	0.00	30.93	0.00	0.00	0.00	0.00	0.00	30.93	FY 2024-25	Substation commissioned & put to use in August 2024 and hence, entire capitalisation will have to be allowed in FY 2024-25. Capitalisation claimed in FY 2023-24 Rs. 18.93 Crore is shifted to FY 2024-25. Balance capitalisation claimed in

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr. No.	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
															FY 2024-25 is against line work.
11	SS/2018-19/010	Estb of 220/33kV Panchanand GIS (Taloja)	01-04-2022	56.37	0.00	0.00	0.00	0.00	31.97	0.00	0.00	0.00	47.30	FY 2026-27	Work in progress and Material procurement to be completed by March 2025. Project likely to be put to use in FY 2026-27. As line work is not started, so shifted capitalisation Rs 15.33 Cr is further shifted in FY 2026-27 & Projected capitalisation Rs 15.84 Cr to be shifted in FY 2026-27.
Grand Total					0.00	0.00	222.46	144.16	60.59	395.05	0.00	0.00			

*Note: The shaded rows are for schemes in which the capitalisation from true-up years was shifted to projection period for approval in the Case No. 232 of 2022 has been considered for approval in the present Petition*

### c. Restricted Scheme DPR

(Back to Original Reference 5.7.56)

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
1	SS/2019-20/005	Estt of 132/33kV Karajgaon s/s.	6-10-2022	39.18	0.00	0.00	37.33	1.85	0.00	0.00	0.00	0.00	39.18	FY 2025-26	The capitalisation is claimed in the projection period.
2	SS/2008-09/031	220kV Warud SS	12/7/2010 Rev. Cost informed to MERC on 30.04.2024	107.71	0.00	0.00	62.60	0.00	0.00	0.00	0.00	0.00	107.71	FY 2024-25	The capitalisation is claimed in the projection period
3	SS/2022-23/011	Establishment of 132/33 kV Nandura s/s, Dist. Buldhana	08.10.2024	37.84	0.00	0.00	0.00	0.00	37.84	0.00	0.00	0.00	37.84	FY 2026-27	The capitalisation is claimed in the projection period
4	TR/2024-25/002	Replacement of existing 3X105 MVA 400/220/33kV ICT by 3X167 at	07.12.2024	37.3	0.00	0.00	23.00	14.30	0.00	0.00	0.00	0.00	37.30	FY 2025-26	The capitalisation is claimed in the projection period

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
		400kV Akola S/s													
5	SS/2020-21/004	132/33kV Dhanora s/s, Dist.- Jalgaon	21-7-2021	35.12	0.00	0.00	0.00	0.00	0.00	0.00	35.12	0.00	35.12	FY 2028-29	The capitalisation is claimed in the projection period
6	SS/2020-21/005	Establishment of 400 kV Pimpalgaon s/s, Dist. Nashik (Revision in cost due to AIS to GIS)	15/04/2022	335.88	0.00	0.00	0.00	0.00	335.88	0.00	0.00	0.00	335.88	FY 2026-27	The capitalisation is claimed in the projection period
7	TA/2019-20/002	Additional ICT (400kV Khadka) & Replacement of ICT (400kV Babhaleshwar)	6-7-2020	85.13	0.00	22.39	62.74	0.00	0.00	0.00	0.00	0.00	85.13	FY 2023-24	Part work completed; ICT Bableshtar is on put to use in FY 2023-24. Capitalisation claimed under FY 22-23 is Rs. 0.33 Crore

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
		ar ) under Nashik Zone													shifted in FY 2023-24. Hence, capitalisation is restricted and approved considered approved DPR cost.
8	SS/2022-23/006	Establishment of 220/132/33 kV Supa MIDC	20.12.2023	197.44	0.00	0.00	0.00	0.00	197.44	0.00	0.00	0.00	197.44	FY 2026-27	The capitalisation is claimed in the projection period
9	SS/2022-23/003	Estb of 220/33 kV Shrirampur MIDC s/s (Revision in cost due to SOR 2022 & Compensation etc)	16/12/2024	65.04	0.00	0.00	0.00	0.00	65.04	0.00	0.00	0.00	65.04	FY 2026-27	The capitalisation is claimed in the projection period
10	SS/2023-24/001	Est 132/33 kV Navapur ss Dist: Nandurbar	26.12.2023	64.67	0.00	0.00	0.00	64.67	0.00	0.00	0.00	0.00	64.67	FY 2025-26	The capitalisation is claimed in the projection period

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
11	TA/2015-16/001	Additional ICT at 400 kV Babhaleshwar S/s	22.01.2016	40.73	0.00	15.27	24.68	0.78	0.00	0.00	0.00	0.00	40.73	FY 2023-24	The Capitalisation claimed in projection year. Hence, capitalisation is restricted and approved considered approved DPR cost.
12	TA/2023-24/012	Dhule (3x167) MVA 400/220kV with Spare (1x167)MVA, 400/220kV unit for RRS	07.12.2024	41.68	0.00	0.00	0.00	0.00	41.68	0.00	0.00	0.00	41.68	FY 2026-27	The capitalisation is claimed in the projection period
13	LE/2022-23/021	Replacement of conductor by HTLS of 220 kV Dhule-Malegaon - 80.5 km	11.10.2024	72.34	0.00	0.00	0.00	0.00	72.34	0.00	0.00	0.00	72.34	FY 2026-27	The capitalisation is claimed in the projection period

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
14	AN/2020-21/023	1X125 MVar 400kV Bus Reactor along with allied bay at 400kV Waluj SS	28-3-2022	19.04	0.00	0.00	0.00	0.00	19.04	0.00	0.00	0.00	19.04	FY 2026-27	The capitalisation is claimed in the projection period
15	LL/2017-18/015	220kV Nagewadi-Bhokardhan DC LL	18-5-2018	67.72	0.00	0.00	60.82	0.00	0.00	0.00	0.00	0.00	67.72	FY 2024-25	The capitalisation is claimed in the projection period
16	TA/2021-22/002	Augmentation of 3 nos. of EHV Substations under Chhatrapati Sambhajinagar Zone	25-4-2022	42.74	0.00	0.00	0.00	42.74	0.00	0.00	0.00	0.00	42.74	FY 2025-26	The capitalisation is claimed in the projection period
17	TA/2022-23/001	Augmentation of Substation by providing additional	25.04.2023	35.14	0.00	0.00	0.00	35.14	0.00	0.00	0.00	0.00	35.14	FY 2025-26	The capitalisation is claimed in the projection period



MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
		ICTs at 02 nos. of EHV S/s under CSN													
18	SS/2022-23/005	Establishment of 220 kV Sarul s/s.	22.03.2024	66.2	0.00	0.00	0.00	65.00	1.20	0.00	0.00	0.00	66.20	FY 2026-27	The capitalisation is claimed in the projection period
19	SS/2016-17/004	Establishment of 220kV GIS Shendra	15-02-2017	65.47	0.00	0.00	65.47	0.00	0.00	0.00	0.00	0.00	65.47	FY 2024-25	The capitalisation is claimed in the projection period
20	AN/2020-21/021	Proc & Inst. of CCTV Surveillance System	24-Nov-2021	30.52	25.12	3.48	0.00	0.00	0.00	0.00	0.00	0.00	30.52	FY 2023-24	<b>FY 2022-23:</b> CCTV Cameras installed at 31 nos at 400 kV S/s, HVDC Stations & Major Stores.
21	AN/2020-21/013	Replacement of 2 Nos of Reactors at 400kV Babhaleshwar S/s.	03-06-2021	18.58	0.00	0.00	18.58	0.00	0.00	0.00	0.00	0.00	18.58	FY 2024-25	The capitalisation is claimed in the projection period

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
22	AN/2022-23/005	Supply ETC of Cap Bank 33kV & 132kV Capacitor Banks 955MVAR at 73 Nos. of substation under Amravati, CSN, Karad, Nagpur, Nashik & Pune zone Phase V	14.11.2022 partial approval	29.97	0.00	0.00	0.00	11.76	18.21	0.00	0.00	0.00	29.97	FY 2026-27	The capitalisation is claimed in the projection period
23	TA/2018-19/006	Add of T/F at 2 Nos. EHV S/s Karad zone	3-1-2019	12.14	0.44	0.60	0.00	0.00	0.00	0.00	0.00	0.00	12.14	FY 2021-22	<b>FY 2022-23 and FY 2023-24:</b> Balance payment on Asset created is already in service. Capitalisation is restricted and approved considered approved DPR cost.

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
24	TA/2021-22/006	Augmentation of 05 nos. of EHV Substations under Karad Zone	06-10-2022	39.18	0.00	0.00	8.50	30.68	0.00	0.00	0.00	0.00	39.18	FY 2025-26	The capitalisation is claimed in the projection period
25	TA/2023-24/003	Aug by add ICT 400kV Talandge SS Karad	07.12.2024	39.53	0.00	0.00	0.00	39.53	0.00	0.00	0.00	0.00	39.53	FY 2025-26	The capitalisation is claimed in the projection period
26	LL/2018-19/001	Cons of 132kV Jaysinghpur -Kurudwad DC ln	11-9-2019	14.77	12.59	2.06	0.12	0.00	0.00	0.00	0.00	0.00	14.77	FY 2022-23	<b>FY 2022-23 and FY 2023-24: WIP</b>
27	LE/2021-22/016	220kV Talandage-Tilwani CKT-I &II-HTLS	26.09.2024	25.28	0.00	0.00	0.00	25.28	0.00	0.00	0.00	0.00	25.28	FY 2025-26	The capitalisation is claimed in the projection period
28	LL/2016-17/005	220kV Lines of Nagpur Ring Main BR 112/12	28-09-2017	254.55	71.86	1.75	180.93	0.00	0.00	0.00	0.00	0.00	254.55	FY 2024-25	<b>FY 2022-23:</b> 220kV Koradi - Uppalwadi D/C O/h + U/G Line  <b>FY 2023-24:</b> GEC + Additional items of

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
															20kV Koradi-Uppalwadi D/C O/h + U/G Line  <b>FY 2024-25:</b> 220kV Uppalwadi -pardi Line.
29	SS/2008-09/048	132kV Morgaon-Arjuni SS (STU Plan 17-18)	07-12-2010	32.72	2.46	0.38	0.00	0.00	0.00	0.00	0.00	0.00	32.72	FY 2023-24	<b>FY2022-23:</b> Amount of Forest Demand Payment and Additional Items of Morgaon Arjuni S/s.  <b>FY 2023-24:</b> Compensation and Forest Demand Payment.
30	SS/2016-17/005	Estt of 132kV Allapalli & Etapalli-Rev	03-01-2017	50.57	0.03	0.11	4.57	0.00	0.00	0.00	0.00	0.00	50.57	FY 2024-25	Capitalisation claimed pertaining to compensation, GEC. Capitalisation is restricted and approved considered approved DPR cost.

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
31	SS/2017-18/007	132 kV Level creation at SICOM SS	1-4-2018	57.09	0.00	0.00	0.00	0.00	55.31	0.00	0.00	0.00	57.09	FY 2026-27	The capitalisation is claimed in the projection period
32	SS/2018-19/015	132/33 kV MIHAN GIS s/s, Dist. Nagpur	17-6-2021	40.55	0.00	0.00	0.00	40.55	0.00	0.00	0.00	0.00	40.55	FY 2025-26	The capitalisation is claimed in the projection period
33	LL/2008-09/090	132kV Kalmeshwar-Hingna LL	07-12-2010	18.05	0.00	10.43	7.62	0.00	0.00	0.00	0.00	0.00	18.05	FY 2024-25	Due to severe ROW problem, capitalisation in FY 2023-24 allowed. Projected capitalisation allowed.
34	LL/2021-22/002	Interlinking 132 kV Hingna -II s/s and Hingna -I s/s	03.06.2021 21.12.2021	25.15	0.00	0.00	25.15	0.00	0.00	0.00	0.00	0.00	25.15	FY 2024-25	The capitalisation is claimed in the projection period
35	AN/2014-15/029	Administrative building Nagpur	01-01-2016	14.47	0.00	0.00	0.00	14.47	0.00	0.00	0.00	0.00	14.47	FY 2025-26	The capitalisation is claimed in the projection period

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
36	TA/2024-25/007	Additional 3X167MVA , 400/220/33kV ICT-III at 400/220kV Koradi-II S/s	07.12.2024	78.93	0.00	0.00	0.00	0.00	78.93	0.00	0.00	0.00	78.93	FY 2026-27	The capitalisation is claimed in the projection period
37	LL/2011-12/016	220kV line from 400kV Solapur PGCIL (Kum'ri)ss-Bale (STU Plan 16-17)	04-04-2012	41.13	7.88	0.00	0.00	18.03	0.00	0.00	0.00	0.00	41.13	FY 2025-26	<b>FY 2022-23:</b> IDC & compensation. As asst already in services. 220 kV D/C line from 400 kV PGCIL (Kumbhari) S/s to 220/33 kV Bale S/s- D/C portion charged on 01.06.2019. Projected capitalisation allowed
38	LL/2017-18/003	132 kV UG Cable from 220kV Parvati S/s	24-Oct-2017	27.2	0.00	27.20	0.00	0.00	0.00	0.00	0.00	0.00	27.20	FY 2023-24	<b>FY 2023-24:</b> Work completed & Commissioned dtd. 16.06.2023.

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
		to 132kV Kothrud S/s													
39	TA/2017-18/004	Add. of ICTs at 2Nos. of S/s, Pune Zone	28-7-2017	54.51	0.93	0.00	0.00	0.00	40.21	0.00	0.00	0.00	54.51	FY 2026-27	<b>FY 2022-23 :</b> Balance payment 400kV Chakan - 1x315 MVA, 400/220/33 kV ICT Asset created is already in service Load on 400 kV Chakan ICT is 210 MVA against 315 MVA. Delay in execution. Projected
40	TA/2020-21/004	Augmentation of S/stn by addition & repl	20-2-2021	32.78	23.31	8.71	0.76	0.00	0.00	0.00	0.00	0.00	32.78	FY 2024-25	<b>FY 2022-23:</b> • 1x50MVA, 132/33kV T/F at 132kV Walchandnagar • 2x50MVA, 220/33kV T/Fs at 220kV

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
															<p>Bhalwani S/s;</p> <ul style="list-style-type: none"> <li>1x50MVA, 132/33kV T/F at 132kV Purandwade S/s</li> </ul> <p><b>FY 2023-24:</b> 1x50MVA, 132/22kV T/F at 132kV Saswadi S/s Projected capitalisation allowed.</p>
41	TR/2019-20/003	Augmentation of Substation by replacement of ICT's at 220kV Pandharpur, Jeur & Walchandna	23-5-2020	14.7	0.00	9.47	5.23	0.00	0.00	0.00	0.00	0.00	14.70	FY 2024-25	<p><b>FY 2023-24:</b> 220kV Pandharpur - 1x200MVA, 220/132kV ICT Commissioned on dtd. 20.03.2024. Projected capitalisation allowed.</p>



MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
		gar Substation													
42	LL/2022-23/005	220kV Talegaon PG-Chakan Phase II Dc line	20.12.2023	212.73	0.00	0.00	0.00	0.00	212.73	0.00	0.00	0.00	212.73	FY 2026-27	The capitalisation is claimed in the projection period
43	TA/2024-25/006	400kVJejuri (3X167) MVA 400/220kV	07.12.2024	43.93	0.00	0.00	0.00	0.00	43.93	0.00	0.00	0.00	43.93	FY 2026-27	The capitalisation is claimed in the projection period
44	TA/2023-24/005	400kV Lonikand-I (3X167) MVA 400/220kV	06.08.2024	42.17	0.00	0.00	0.00	42.17	0.00	0.00	0.00	0.00	42.17	FY 2025-26	The capitalisation is claimed in the projection period
45	LL/2023-24/001	LILO of Chinchwad - Telco at 400kV Chakan - 0.9km UG Cable & 10.608 km OH with	28.02.2024 - 25.04.2024	70.14	0.00	0.00	0.00	0.00	70.14	0.00	0.00	0.00	70.14	FY 2026-27	The capitalisation is claimed in the projection period

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
		HPC conductor													
46	TA/2020-21/003	Augmentation of substation by addition of T/Fs at two nos. (110kV Neral & 100kV Nocil S/s) of EHV S/s under Vashi zone.	20-2-2021	19.74	0.00	7.11	3.24	9.39	0.00	0.00	0.00	0.00	19.74	FY 2025-26	<b>FY 2022-23 and FY 2023-24:</b> 25MVA, 110/22kV T/F along with HV & LV at 110kV Neral S/s. Hence, capitalisation allowed. Loading 18 MVA. Projected capitalisation allowed 100kV NOCIL work in progress
47	SS/2010-11/004	Estt. of 400KV Kudus S/S (STU Plan 17-18)	11.01.2011 29.11.2017 08.09.2021	793.45	0.00	0.00	0.00	772.00	0.00	0.00	0.00	0.00	793.46	FY 2025-26	The capitalisation is claimed in the projection period
48	SS/2018-19/005	Estb 220/22kV Virar west (Chikhaldongri)	12-07-2021	187.99	0.00	0.00	0.00	0.00	187.99	0.00	0.00	0.00	187.99	FY 2026-27	The capitalisation is claimed in the projection period

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
49	SS/2016-17/006	Estt. 132kV Jawhar ss-Rev) (The scheme covered funding 50% from TSP and 50% from equity)	6-8-2017	54.6	0.00	0.00	0.00	54.60	0.00	0.00	0.00	0.00	54.60	FY 2025-26	The capitalisation is claimed in the projection period
50	SS/2019-20/002	132/33 kV Dapcheri	21/11/2020	132.89	0.00	0.00	0.00	0.00	0.00	132.89	0.00	0.00	132.89	FY 2027-28	The capitalisation is claimed in the projection period
51	TR/2021-22/001	Replacement of 315 MVA ICT by 500 MVA ICT at , 400kV Nagothane Substation under Vashi Zone.	28-10-2022	28.77	0.00	0.00	0.42	28.35	0.00	0.00	0.00	0.00	28.77	FY 2025-26	The capitalisation is claimed in the projection period
52	TA/2022-23/002	Addition of 1X100MVA , 220/22-22kV	28-10-2022	13	0.00	0.00	13.00	0.00	0.00	0.00	0.00	0.00	13.00	FY 2024-25	The capitalisation is claimed in the projection period

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
		Transformer at 220kV Nalasopara substation under Vashi Zone													
53	LE/2020-21/014	400kV Kalwa-Padghe Ckt I & II -HTLS	07-07-2021	182.22	85.30	67.07	29.85	0.00	0.00	0.00	0.00	0.00	182.22	FY 2024-25	<b>FY 2022-23:</b> 50.9 km of 400kV Kalwa-Padghe II - 100% completed.  <b>FY 2023-24:</b> 27.028 km HPC Conductor - 54% Work completed.
54	LE/2021-22/018	HTLS-220kV Apta-Taloja-Kalwa line	10-28-2022	67.08	0.00	0.00	0.00	0.00	67.08	0.00	0.00	0.00	67.08	FY 2026-27	The capitalisation is claimed in the projection period
55	TR/2019-20/004	Augmentation of 2 nos. of EHV S/s by replacement of ICTs	18-10-2020	48.99	0.00	9.82	39.17	0.00	0.00	0.00	0.00	0.00	48.99	FY 2024-25	<b>FY 2023-24:</b> 200MVA, 220/132kV ICT at 220kV Boisar-II S/S. Loading: 140 MVA.

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
		under Vashi Zone.													Tender under process.
56	TA/2023-24/011	Kharghar (3x167) MVA, 400/220kV	07.12.2024	50.49	0.00	0.00	0.00	50.49	0.00	0.00	0.00	0.00	50.49	FY 2025-26	The capitalisation is claimed in the projection period
57	SS/2023-24/005	220/132 kV Nandurbar, District-Nandurbar	08.10.2024	125.87	0.00	0.00	0.00	0.00	125.87	0.00	0.00	0.00	125.87	FY 2026-27	The capitalisation is claimed in the projection period
58	AN/2019-20/016	1X125 MVAR 400kV Bus Reactor at 400kV Khadka SS Replacement of 2x50 MVAR Line Reactors by 80 MVAR Line reactors.	02-08-2020 Revised MERC approval is awaited	33.41	0.00	0.00	0.00	0.00	33.41	0.00	0.00	0.00	33.41	FY 2026-27	The capitalisation is claimed in the projection period

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
59	8-Proposed-FY2026-27 SS/2023-24/003	400 kV Nandgaonpeeth (2x500MV A ICT)	20-01-2025	380.08	0.00	0.00	0.00	0.00	380.08	0.00	0.00	0.00	380.08	FY 2026-27	The capitalisation is claimed in the projection period
60	95-Proposed-FY2026-27 LL/2023-24/007	400kV LILO - Lonikand-I Jejuri at 765kV Shikrapur PG -30km approx.	11.10.2024	369.33	0.00	0.00	0.00	0.00	0.00	369.33	0.00	0.00	382.12	FY 2027-28	Tenderization under process. Work not yet started. Capitalisation is restricted and approved considered approved DPR cost.
61	LE/2022-23/020	Replacement of conductor by HTLS of 220kVBoisarPG-Nalasopara-57km & 220kV Nalasopara-Padghe line -54km	11.10.2024	112.88	0.00	0.00	0.00	112.88	0.00	0.00	0.00	0.00	112.88	FY 2025-26	The capitalisation is claimed in the projection period

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project Definition	Scheme Name	MERC Approval date	MERC In-principle approved cost	Truing Up Year		Provisional Truing up	Projection Year					Cumulative capitalisation up to FY 2029-30	Year of Completion/ commissioning	Remarks
					FY 2022-23	FY 2023-24		FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30			
62	LE/2022-23/023	Replacement of conductor by HTLS of 220kVPGCIL - Vasai Line & 220kVKamba - Vasai Line (NEW)	11.10.2024	99.85	0.00	0.00	0.00	0.00	99.85	0.00	0.00	0.00	99.85	FY 2026-27	The capitalisation is claimed in the projection period
63	LE/2023-24/022	Replacement of conductor by HTLS of 100kVPadghe -Mohane line -14.5km & Mohane-Amber th link -10km & 100kVPadghe-Amber th line -18 km	11.10.2024	48.05	0.00	0.00	0.00	48.05	0.00	0.00	0.00	0.00	48.05	FY 2025-26	The capitalisation is claimed in the projection period
	<b>Grand Total</b>				<b>229.93</b>	<b>185.84</b>	<b>673.79</b>	<b>1522.71</b>	<b>2184.20</b>	<b>502.22</b>	<b>35.12</b>	<b>0.00</b>			

*Note: The shaded rows are for schemes in which the capitalisation from true-up years was shifted to projection period for approval in the Case No. 232 of 2022 has been considered for approval in the present Petition*

**d. Approved RE Evacuation Schemes (DPR Approved / yet to be approved)**

*(Back to Original Reference 5.7.49)*

Sr No	Project definition	Scheme Name	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
1	TR/2023-24/004	Replacement of T/Fs at 3 nos. of EHV substations under EHV PC O&M zone Amravati,	32.93	0.00	0.00	0.00	0.00	Yet to approved.
2	TA/2024-25/015	Scheme of enhancement of transformation capacity of substations by replacement/addition of ICTs at 220kV Shivajinagar & 220kV Manmad S/S under Nashik zone.	31.96	0.00	0.00	0.00	0.00	Yet to approved
3	TA/2023-24/020	Scheme of augmentation of substations by replacement of T/Fs at 09 Nos. of EHV Substations under EHV O&M Circle, Bhusawal in Nashik zone	74.43	0.00	0.00	0.00	0.00	Yet to approved.
4	TA/2023-24/022	Scheme of Enhancement of transformation capacity by addition and replacement of T/Fs at 05 nos. of substations under EHV PC (O&M) zone Nashik in MSKVY Phase 2.0	46.80	0.00	0.00	0.00	0.00	DPR yet to submitted to the Commission
5	LE/2023-24/029	Replacement of conductor by HTLS of 220kV Gangapur - Satana S/C - 110 km (RE)	0.00	0.00	102.67	0.00	0.00	DPR yet to submitted to the Commission
6	SS/2024-25/008	132 kV Patoda Raimoha Link Line (Scope of Level Creation at 220kV Patoda s/s)	0.00	0.00	18.00	0.00	0.00	DPR yet to submitted to the Commission



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Sr No	Project definition	Scheme Name	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
7	TA/2022-23/001	Augmentation of Substation by providing additional ICTs at 02 nos. of EHV Substations under Chhatrapati Sambhajanagar Zone	35.14	0.00	0.00	0.00	0.00	DPR Restricted to MERC approval cost.
8	SS/2022-23/005	Establishment of 220 kV Sarul s/s.	65.00	1.20	0.00	0.00	0.00	DPR is approved. Cost approval is Restricted to MERC approval cost.
9	LE/2023-24/035	Replacement of conductor of 220 kV Beed-Manjarsumbha- Patoda line by HTLS	0.00	0.00	55.90	0.00	0.00	DPR yet to be submitted by MSETCL
10	LE/2023-24/035-R	Replacement of existing conductor of 220kVBeed-Patoda line by HTLS	0.00	0.00	46.10	0.00	0.00	DPR yet to be submitted by MSETCL
11	LE/2023-24/037	132kVUjani-Tulajapur- Naldurg-Solapur DC line -107kms including LILO portion line by HTLS	0.00	0.00	0.00	134.85	0.00	DPR yet to be submitted by MSETCL
12	LE/2023-24/037-R	132kVHarangul-Ausa- Ujani and 132kVHarangul-Niwali- Ujani including LILO portion of Ausa and Niwali -79ckt kms -Tuljapur- Naldurg-Solapur DC line -107kms including LILO portion (New) line by HTLS	0.00	0.00	0.00	99.54	0.00	DPR yet to be submitted by MSETCL
13	TA/2024-25/002	Scheme of enhancement of transformation capacity of the substation by addition of ICTs at 03 nos. of EHV substations under Chhatrapati Sambhajanagar Zone.	0.00	28.19	0.00	0.00	0.00	Yet to approved.
14	TA/2023-24/019	Scheme of Enhancement of transformation capacity by addition and replacement of T/Fs at 6 nos. of substation under EHV PC (O&M) zone Chhatrapati Sambhajanagar.	53.89	0.00	0.00	0.00	0.00	Yet to approved.
15	TA/2023-24/017	Scheme of augmentation of substations by providing additional and replacement of Transformers at 05 Nos. of EHV Substations under Karad Zone,	30.90	0.00	0.00	0.00	0.00	Yet to approved.

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Sr No	Project definition	Scheme Name	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
16	70-Proposed-FY2026-27	132/33kV Pimpalner (MSEDCL/RE)	0.00	117.51	0.00	0.00	0.00	DPR Yet to approved
17	LE/2023-24/034	2nd ckt stringing of 220kV SCDC Gangapur-Valve 12 Ckm (NEW)	13.88	0.00	0.00	0.00	0.00	DPR Yet to approved
18	261-Proposed-2027-28	Kekalnimbora (1X200) MVA 220/132kV (RE)	0.00	0.00	11.00	0.00	0.00	DPR yet to submitted to the Commission
19	8-Proposed-FY2026-27 SS/2023-24/003	400kV Nandgaon Peth (2x500MVA ICT)	0.00	380.08	0.00	0.00	0.00	Scheme is approved by MERC. Cost restricted to approved amount.
20	78-Proposed-2025-26	2nd ckt stringing of 220kVBadnera- Ner line with HTLS conductor (NEW)	0.00	0.00	45.40	0.00	0.00	DPR yet to submitted to the Commission
21	126-Proposed-2025-26	HPC of 220kVBadnera-Ner Ckt-I (NEW)	0.00	0.00	41.20	0.00	0.00	DPR yet to submitted to the Commission
22	127-Proposed-2025-26	Replacement of existing conductor by HTLS for 132kV Nandgaonpeth-Amravati SC line-40 km (RE) (New)	0.00	0.00	18.35	0.00	0.00	DPR yet to submitted to the Commission
23	182-Proposed-2026-27	Replacement of existing conductor by HTLS for 220kVBalapur- Malkapur ckt (NEW )	0.00	0.00	73.08	0.00	0.00	DPR yet to submitted to the Commission
24	201-Proposed-2027-28	Replacement of existing conductor by HTLS for 220kVBalapur- Malegaon DCDC line (NEW)	0.00	0.00	0.00	142.00	0.00	DPR yet to submitted to the Commission
25	60-Proposed-FY2025-26 SS/2024-25/001	132/33kV Ajani BK (Previously Talegaon) Dist-Latur (New) (MSEDCL/RE)	0.00	63.00	0.00	0.00	0.00	DPR Yet to approved
26	163-Proposed-FY2027-28 same as row no. 79	LILLO Kharda - Ashti at Patoda -30km (Scope of Level Creation at 220kV Patoda s/s)	0.00	0.00	24.00	0.00	0.00	DPR yet to be submitted by MSETCL
27	133-Proposed-2025-26	132kVPartur to Partur DC line by HTLS	0.00	8.80	0.00	0.00	0.00	DPR yet to be submitted by MSETCL

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Sr No	Project definition	Scheme Name	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
28	LE/2023-24/041	2nd ckt stringing along with bays- 220kV Waifale-Ghatnandre- 17Km (New)	9.87	0.00	0.00	0.00	0.00	DPR Yet to approved
29	136-Proposed-2025-26	Replacement of existing 220Kv Miraj - Mhaisal line 0.4 Deer / Zebra ACSR Conductor by HTLS (ACCC) conductor & Disc Insulator by Long Rod Porcelain Insulator - 33 kms approximately. GEC Trench-III for RE evacuation (New)	0.00	0.00	26.40	0.00	0.00	DPR yet to be submitted by MSETCL
30	138-Proposed-2025-26	Replacement of conductor by HPC of 132kV Kalmeshwar-Katol-38km GEC-III	0.00	0.00	28.69	0.00	0.00	DPR yet to be submitted by MSETCL
31	LE/2023-24/032	Replacement of conductor by HTLS of 220kVGangapur - Shivajinagar S/C - 96Km (RE)	0.00	78.12	0.00	0.00	0.00	DPR Yet to approved
32	LE/2023-24/032	Replacement of conductor by HTLS of 220kVJamde-Dondaicha Ckt-1 & 2 (NEW)	0.00	68.68	0.00	0.00	0.00	DPR Yet to approved
33	LE/2023-24/032	Replacement of conductor by HTLS of 132kVShivajinagar - Sakri - Dhule -80km	0.00	13.62	61.44	0.00	0.00	DPR Yet to approved
34	LE/2023-24/032	Replacement of conductor by HTLS of 132kVMalkapur-Khadka line via VaragaonTap-47 km (RE)	12.60	30.51	0.00	0.00	0.00	DPR Yet to approved
35	LE/2023-24/032	Replacement of conductor by HTLS of 132kVPimperkhed-Chalishaon	0.00	23.31	0.00	0.00	0.00	DPR Yet to approved
36	LE/2023-24/029	Replacement of conductor by HTLS of 132kVManmad-Pimperkhed	0.00	22.85	0.00	0.00	0.00	DPR Yet to approved
37	LE/2023-24/032	Replacement of conductor by HTLS of 132 kV Manmad-Chalishaon	0.00	46.19	0.00	0.00	0.00	DPR Yet to approved
38	LE/2023-24/029	Replacement of conductor by HTLS of 220kV Shivajinagar - Malegaon S/C - 110Km (RE)	0.00	103.24	0.00	0.00	0.00	DPR yet to submitted to the Commission
39	20-Proposed-FY2025-26	220/132/33 kV Lotewadi (NEW) (RE)	0.00	0.00	0.00	54.83	0.00	DPR yet to submitted to the Commission

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Sr No	Project definition	Scheme Name	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
40	23-Proposed-FY2025-26 SS/2024-25/006	220/132/33 kV Waghdari, District-Solapur	0.00	151.24	0.00	0.00	0.00	DPR Yet to approved
Grand Total			407.40	1136.54	552.23	431.22	0.00	

#### e. Approved RE Evacuation Schemes (non-DPR)

- (Back to Original Reference 5.7.50)

Sr No	Project definition	Scheme Name	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
1	LE/2023-24/047	2nd circuit stringing of 132kV Akkalkot – Karajgi line (NEW)	5.50	0.00	0.00	0.00	0.00	NDPR Yet to registered
2	LE/2023-24/047	2nd circuit stringing of 132kV Mandrup-Karajgi b) Estimated Cost- Rs. 9.5 Cr. c) Estimated CoD- Mar-2026	9.50	0.00	0.00	0.00	0.00	NDPR Yet to registered
3	LE/2023-24/013	2nd ckt stringing of 132 kV Nepanagar (Pipalpani) - Dharni-60km ( Req. for MSKVY also)	8.62	0.00	0.00	0.00	0.00	NDPR Yet to registered
4	TA/2022-23/004	Augmentation of Substation by providing addition 1 1X50MVA, 220/33kV T/F along with HV & LV bays at 220kV Sayane S/s under EHV (O&M) Circle, Nashik	6.25	0.00	0.00	0.00	0.00	NDPR Yet to registered
5	TA/2023-24/010	Augm. at 220kV Satana S/s under Nashik	5.89	0.00	0.00	0.00	0.00	NDPR Yet to registered
6	Proposed/ STU plan/ Karad/FY-2022-23/C-1	2nd ckt stringing Kale(T) to Warana	0.00	0.00	9.72	0.00	0.00	Old scheme, Old BR. Hence, disallowed & cancelled.
7	TA/2023-24/018	Enhancement of transformation capacity by addition and replacement of T/Fs at 04 nos. of substations under EHV PC (O&M) zone Karad in MSKVY 2.0	23.50	0.00	0.00	0.00	0.00	NDPR Yet to registered
8	TA/2023-24/008	Aug at 132kV Mohol	6.44	0.00	0.00	0.00	0.00	NDPR Yet to registered

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Sr No	Project definition	Scheme Name	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
9	LE/2023-24/029	Replacement of conductor by HTLS of 132kV Kekatnimbhora-Pahur (NEW)	0.00	23.23	0.00	0.00	0.00	NDPR Yet to registered
10	183-Proposed-2026-27	Replacement of existing conductor by HTLS for 132kV Malegaon (Zodga)-Malegaon DC line -10km (RE) (Shifted from 2022-23 of Plan 2022-23 to 2026-27))	0.00	6.80	0.00	0.00	0.00	NDPR Yet to registered
11	184-Proposed-2026-27	Replacement of existing conductor by HTLS for 132kV SC line from 220kV Warud to 132kV Warud s/s -36km	0.00	8.35	0.00	0.00	0.00	NDPR Yet to registered
12	185-Proposed-2026-27	Replacement of existing conductor by HTLS for 132kV Ghatodi-Pusad SC line -21 km (RE) (Shifted from 2022-23)	0.00	11.96	0.00	0.00	0.00	NDPR Yet to registered
13	275-Proposed-2025-26	Addition of 1x25MVA, 132/33kV power transformer along with HV & LV Bays at 132kV Gunj substation under EHV O&M Division, Yavatmal under MSKVY phase 2.0	4.76	0.00	0.00	0.00	0.00	NDPR Yet to registered
14	390-Proposed-2026-27	Addition of 1 X 50 MVA, 220/33 kV T/F along with HV and LV bays and allied civil works at 220 kV Ner Substation under EHV O&M Division Yavatmal	0.00	0.00	11.31	0.00	0.00	NDPR Yet to registered
15	84-Proposed-2025-26	2nd ckt stringing along with bays- 132 kV Jal Old - Partur	9.48	0.00	0.00	0.00	0.00	NDPR Yet to registered
16	86-Proposed-2025-26	2nd ckt stringing of 132kV Kharda-Bhairvath (RE)	0.00	5.50	0.00	0.00	0.00	NDPR Yet to registered
17	393-Proposed-2026-27	220kV Degaonrangari 1x50 MVA, 220/33kV TF	0.00	7.88	0.00	0.00	0.00	NDPR Yet to registered
18	395-Proposed-2026-27	132kV Chakur S/s, 1x25 MVA, 132/33 kV (New) MSKVY	0.00	5.00	0.00	0.00	0.00	NDPR Yet to registered
19	397-Proposed-2026-27	Ausa (1X50) MVA 132/33kV (New) (MSKVY)	0.00	5.60	0.00	0.00	0.00	NDPR Yet to registered
20	413-Proposed-2026-27	Pishor, 1x (50-25) MVA, 132/33 kV (New) MSKVY	0.00	5.09	0.00	0.00	0.00	NDPR Yet to registered
21	415-Proposed-2026-27	GCR Parli, 1 x (50-25) MVA, 132/33 kV (New) MSKVY	0.00	5.09	0.00	0.00	0.00	NDPR Yet to registered

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Sr No	Project definition	Scheme Name	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
22	307-Proposed-2025-26	Mayani 2X (50-25)MVA 132-110/33kV	6.44	9.56	0.00	0.00	0.00	NDPR Yet to registered
23	416-Proposed-2026-27	Satara MIDC (1x100) MVA 220/33kV	0.00	0.00	14.37	0.00	0.00	NDPR Yet to registered
24	101-Proposed-2025-26	2nd ckt stringing of 132kVBharsingi-Warud line -33km (RE) GEC-III	14.00	0.00	0.00	0.00	0.00	NDPR Yet to registered
25	326-Proposed-2025-26	Talegaon (1x25) MVA 132/33 TF (NEW)	4.98	0.00	0.00	0.00	0.00	NDPR Yet to registered
26	333-Proposed-2025-26	Babhleshwar (1x50) MVA, 220/33kV (MSKVY) (New)	10.60	0.00	0.00	0.00	0.00	NDPR Yet to registered
27	334-Proposed-2025-26	Shivaji gar (1x50) MVA, 220/33kV (MSKVY) (New)	10.60	0.00	0.00	0.00	0.00	NDPR Yet to registered
28	427-Proposed-2026-27	Kopargaon (1x50) MVA, 220/33kV (MSKVY) (New)	5.77	0.00	0.00	0.00	0.00	NDPR Yet to registered
29	428-Proposed-2026-27	Rahuri (1x50)MVA 132/33kV (MSKVY)	0.00	5.96	0.00	0.00	0.00	NDPR Yet to registered
30	429-Proposed-2026-27	Shrigonda (1x25)MVA 132/33kV (MSKVY)	0.00	5.28	0.00	0.00	0.00	NDPR Yet to registered
31	430-Proposed-2026-27	Kharda (1x25) MVA 132/33kV	0.00	7.13	0.00	0.00	0.00	NDPR Yet to registered
32	LE/2022-23/001	2nd ckt stringing of 132kVDegaon – Mandrup (GEC)- 15km	4.06	0.00	0.00	0.00	0.00	NDPR Yet to registered
33	444-Proposed-2026-27	Manegaon (1x50) MVA 132/33kV (NEW) MSKVY	0.00	6.44	0.00	0.00	0.00	NDPR Yet to registered
34	446-Proposed-2026-27	Madrup (1x50) MVA 132/33kV (NEW) MSKVY	0.00	6.44	0.00	0.00	0.00	NDPR Yet to registered
	<b>Grand Total</b>		<b>136.39</b>	<b>125.31</b>	<b>35.40</b>	<b>0.00</b>	<b>0.00</b>	

## f. Past shifted Approved schemes

- (Back to Original Reference 5.7.64)

Sr No	Project Definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Remarks
1	EV/2008-09/002	220KV Ghatodi SS		0.18				Scheme put to use. Shifted and allowed in FY 2023-24 as 220kV DC line from Deoli (PGCIL)- Yavatmal LILO point commissioned on dtd. 07.10.2023.
2	SS/2019-20/005	Estt of 132/33kV Karajgaon s/s.			0.17			As work is likely to completed in Feb 2025. The, proposed shifted capitalisation is allowed in FY 2024-25.
3	SS/2017-18/011	Upgradation of 132kV Pandharkawda to 220kV Level with 220kV Wani - Pandharkawda DCDC line with end bays		49.28				Scheme put to use. Shifted capitalisation Rs. 49.28 Crore allowed as work is completed in FY 2023-24.
4	SS/2020-21/001	Est 132/33 kV Tirthpuri ss Dist Jalna		0.10				Scheme is to be closed. No further capitalisation expected beyond FY 2026-27. Closure report to be submitted by MSETCL.
5	SS/2020-21/003	132/33kV Utwad s/s Dist.-Jalna			0.02			Line works Commissioned on 31.03.2023. Substation works 2X25 MVA, 132/33kV T/Fs commissioned on 31.03.2023
6	SS/2010-11/015	400 kV Aurangabad- II (Tapti Tanda)			40.78			As per considering current status of work shifted capitalisation is allowed. Projected capitalisation to be allowed for One line (400kV

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Sr No	Project Definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Remarks
								Thaptitanda-Babhleshwar line & LILo on 400kV Waluj-Bhusawal line Ckt-I)balance work in progress. As the work is likely to complete on March 2025
7	SS/2016-17/003	Estt of 220/132/33 kV Jalna Nagewadi s/s	18.43					As substation is put to use, shifted capitalisation allowed. There is balance work on 220 kV Lilo on Jalna Chikhali at Nagewadi,50 MVA 220/33 Transformer with GEC IDC in progress, Scheme to be closed in March 2025.
8	LL/2017-18/015	220kV Nagewadi-Bhokardhan DC LL			6.90			Shifted capitalisation of Rs. 6.90 Crore allowed as per current status submitted by MSETCL. As the work is likely to be completed on March 2025
9	LL/2018-19/003	132kV Majalgaon-Pathri SCDC line	1.41					Scheme completed. Commissioned on 02.02.2023.
10	SS/2010-11/011	400kV Alkud SS			4.84			Scheme completed. Shifted capitalisation Rs. 4.84 Crore allowed as per current work status submitted by MSETCL. The entire balance work is likely to be commissioned in March 2025.
11	SS/2007-08/024	220kV Nagpur Ring Main SS (Uppalwadi)			35.51			Shifted capitalisation Rs. 35.51 Crore allowed, based on 220KV Uppalwadi S/S work is completed and the 220 kV Ring main line work completed by Dec-2024.
12	SS/2017-18/004	Estt of 220/132/33kV Nagbhid s/s				52.95		Work under progress. There is forest approval still pending and



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Sr No	Project Definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Remarks
								so other work is in progress. Considering status of work, the work is likely to be completed in FY 2025-26. Accordingly, capitalisation of Rs. 52.95 Crore is further shifted in FY 2025-26.
13	SS/2017-18/019	Estt of 400 kV Karjat SS	159.97					Shifted capitalisation Rs. 159.57 Crore allowed as considering the Scope pertaining to Nasik zone is completed, and the balance work of 1/220 kV Line (220kV D/C Jeur Karjat Line) is likely to be completed in FY 2024-25.
14	SS/2018-19/002	220/33 kV ss at Khed City (Retwadi)				0.05		Scope completed but asset not put in use. Due to Cost Overrun ~Rs. 12.3 Crore, all capitalisation claimed including Rs 0.05 Crore shifted capitalisation is restricted to MERC approval cost. Hence, Rs. 68.98 Crore to be Shifted in FY 2025-26.
15	LL/2017-18/001	220kV DC line from 400kV Jejuri to Lonand		1.36				All scope completed. Shifted capitalisation of Rs. 1.36 Crore is allowed in FY 2023-24 as the project is commissioned. Balance work related to OPWG communication (FOTE) is pending. Hence, Capitalisation projected in FY 2024-25.
16	SS/2017-18/008	Upgradation of 132kV Palghar ss to 220kV			5.60			Shifted capitalisation Rs. 5.60 Crore allowed as per 220 kV DC line by LILO on 220 kV

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Sr No	Project Definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Remarks
								Nalasopara- Boisar line- Commissioned on 31.03.2023. LILO on one ckt of 132 kV Boisar (MIDC)- Dahanu line to be completed in March -2025.
17	SS/2018-19/010	Estb of 220/33kV Panchanand GIS (Taloja)					15.33	As line work is not started, so shifted capitalisation Rs. 15.33 Crore is further shifted in FY 2025-26.
18	SS/2017-18/010	220/ 22 kV Pawane (MIDC)- GIS	2.90					S/s was commissioned in FY 2022-23, So shifted capitalisation Rs. 2.90 Crore allowed.
19	AN/2020-21/021	Proc & Inst. of CCTV Surveillance System	1.92					CCTV Cameras installed at 31 nos at 400 kV S/s, HVDC Stations, so shifted capitalisation Rs. 1.91 Crore allowed in FY 2022-23.
20	LE/2017-18/003	2nd Ckt. stringing under Akola & Amravati		9.91				Scheme completed. So shifted capitalisation Rs. 9.91 Crore allowed in FY 2023-24. Loading Details: 1) 132 kV Washim-Jambazar line: 30MW 2) 132 kV Akot -Hiwarkhed line: 20MW 3) 132kV Anjangaon - Durgwada line: 28MW
21	TA/2017-18/013	Addition. of ICTs under Amravati Zone	2.52					Work related to 400 kV Akola ICT, 220 kV Balapur ICT, 220 kV Hybrid switchgear as bus sectionize at 200 kV Akola substation commissioned and put

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Sr No	Project Definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	Remarks
								to use so shifted capitalisation Rs. 2.52 Crore allowed.
22	TR/2016-17/001	Aug. by add. & replace under Pune Zone		0.02				Shifted capitalisation Rs. 0.02 Cr allowed as work at Indapur S/s is completed and commissioned. Approved restricted to MERC approval cost.
23	LE/2017-18/022	220kV Kalwa-Trombay Corridor using CCC	32.75					Scheme closed. So Shifted capitalisation Rs. 32.75 Crore allowed as 220kV Kalwa-Trombay completed on 21.04.2022 & 220kV Mulund-Trombay completed on 18.04.2022.
	<b>Grand Total</b>		<b>219.90</b>	<b>60.85</b>	<b>93.82</b>	<b>53.00</b>	<b>15.33</b>	

#### g. Disallowed DPR schemes

- (Back to the original reference 5.7.65)

Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Remarks
1	SS/2008-09/028	220kV Malegaon SS (STU Plan2017-2018)	0.00	0.65	0.00	0.00	0.00	0.00	0.00	0.00	Scheme already closed in MTR Order.
2	SS/2008-09/030	220kV Anjangaon SS	2.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme already closed in MTR Order.
3	LL/2014-15/005	Reorientation of 132kV lines at 220kV Balapur SS	0.99	0.61	0.00	0.00	0.00	0.00	0.00	0.00	Scheme already closed in MTR Order.

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Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Remarks
4	SS/1995-96/001	220kV Chikhali SS	0.19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Too old scheme. Scheme completed. Scheme closed.
5	SS/2008-09/039	132kV Vadjire SS (STU Plan 17-18)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme completed. No capitalisation claimed. Scheme closed.
6	SS/2008-09/045	132kV Ghargaon SS (Revision in Cost due to Compensation, GEC, etc)	0.13	0.77	0.00	0.00	0.00	0.00	0.00	0.00	Scheme already closed in MTR Order.
7	LL/2008-09/086	220kV Chalisgaon-Bab'war LL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Too old scheme. No capitalisation claimed.
8	LL/2018-19/002	132kV Erandol to 132kV Parola DC line <b>TO BE DELETED</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme Deleted. No Capitalisation claimed.
9	EV/2007-08/002	400kV Bhusawal-II SS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme completed. Scheme closed. No Capitalisation claimed.
10	TA/2011-12/014	Aug of ss under Nashik Zone	0.00	0.94	0.00	0.00	0.00	0.00	0.00	0.00	Old scheme. No justification for price variation. Scheme deemed closed. Capitalisation claimed in FY 2023-24 is not allowed.
11	SS/2008-09/065	132 kV Shengaon	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme completed. Scheme closed. No Capitalisation claimed.
12	LL/2017-18/006	132 kV LILO on Kannad Kagzipura Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme completed. Scheme closed. No Capitalisation claimed.
13	SS/2008-09/069	220 kV Krishnoor	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme completed. Scheme closed. No Capitalisation claimed.

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Remarks
14	SS/2008-09/068	220 kV Narsi	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme short closed. No Capitalisation claimed.
15	SS/2008-09/008	220 kV Partur SS (Revision in cost due to issuance of LoA)	0.00	0.00	15.84	1.00	0.00	0.00	0.00	0.00	Too old scheme. Already allowed above MERC approved cost. Details of Projected capitalisation is not given. Scheme to be closed.
16	SS/2008-09/062	220kV Bhokar	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme completed. Scheme closed. No Capitalisation claimed.
17	AN/2016-17/033	Cap Bank at Parli circle PH2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme completed. Scheme closed. No Capitalisation claimed.
18	LL/2010-11/004	220kV Lines for 400kV PGCIL SS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme already closed in MTR Order.
19	LL/2010-11/020	UG Cable for various Zones	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme already closed in MTR Order.
20	LE/2013-14/015	Replacement of old busbar protection scheme by numeric BB	0.01	0.00	0.00	1.52	0.00	0.00	0.00	0.00	Scheme closed. It is old scheme. Details of Projected capitalisation is not given.
21	AN/2007-08/001	RTU SCADA & DC	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	Too Old (2007-08) scheme. Scheme deemed closed.
22	AN/2015-16/008	SITC OF 80 no. OF RTU	0.47	0.55	0.00	0.00	0.00	0.00	0.00	0.00	Scheme deemed closed. Details of capitalisation is not given.
23	LE/2010-11/014	Repl of SS materials under JAICA phase-II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme completed. Scheme closed. No Capitalisation claimed.
24	AN/2012-13/017	125 MVAR Shunt Reactor 400kV Kolhapur (Talandge)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme completed. Scheme closed. No Capitalisation claimed.

Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Remarks
25	SS/2008-09/017	220kV Lonand MIDC SS	0.00	4.49	0.00	0.00	0.00	0.00	0.00	0.00	Scheme already disallowed in MTR Order.
26	LL/2008-09/064	220kV Karad-Koyna LL	0.00	6.64	0.50	0.00	0.00	0.00	0.00	0.00	Partial work completed. Scheme short closed. Hence, capitalisation is disallowed.
27	LL/2008-09/072	110kV Chambukhadi-Kale	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Too old scheme. Scheme completed. Scheme closed. Increased cost informed to MERC vide 1717 dtd. 17.05.2021 for a revised cost of Rs. 17.16 crores. But cumulative capitalisation upto FY 2021-22 is 18.39 crores. Hence, the actual capitalisation claimed is disallowed.
28	SS/2008-09/046	132kV Jat-Tarodi SS	0.00	0.15	0.00	0.00	0.00	0.00	0.00	0.00	Too old scheme. It was closed in MTR Order with remark "No Further Capitalisation expected".
29	SS/2008-09/053	132kV Pulgaon SS	0.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Too old scheme. Scope of the work is completed and no justification provided for capitalisation for FY 2022-23. There is Cost Over due to severe ROW.
30	SS/2018-19/004	Estb of 132/33 kV S/S at Sironcha	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No Capitalisation claimed.
31	LL/2008-09/094	132kV Sindewahi-Bramhapuri LL (STU Plan 17-18).	1.89	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Too old scheme. Scheme already disallowed in MTR Order.

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Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Remarks
32	TA/2016-17/004	Add. & Replace of T/Fs under Nagpur Zone	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme completed. Scheme closed. No Capitalisation claimed.
33	SS/2004-05/003	Strengthening of EHV Network PUNE	0.00	0.07	0.00	13.10	0.60	0.00	0.00	0.00	Scheme is very old. Scheme is deemed to be closed. Projected capitalisation not allowed.
34	SS/2013-14/009	132kV Kavathe-Yamai (STU Plan 16-17)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme closed. No Capitalisation claimed. Scheme deem to be closed.
35	LL/2018-19/015	Bal works-220kV Walchandnagar Lonideokar Bilt graphic - Lonideokar:20-21, Loni Deokar - LILO of Indapur -Ujani at Lonideokar :22-23.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40.00	No Capitalisation claimed. Scheme deem to be closed.
36	AN/2017-18/017	Administrative building Pune (Rawet)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme short closed. No Capitalisation claimed.
37	SS/2008-09/004	Establishment of 132kV Bibewadi substation. OLD BR	0.00	3.73	0.00	0.00	0.00	0.00	0.00	0.00	This cost is already part of scheme with PD SS/2019-20/003. Hence, no cost is allowed under this scheme. Scheme deem to be closed.
38	LL/2020-21/001	2nd ckt stringing of 3 lines @ Pune Zn	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No Capitalisation claimed.
39	LL/2012-13/002	Replacement of Existing 0.4 ACSR Conductor by High Ampacity Conductor for lines	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme to be closed. No Capitalisation claimed. Scheme deem to be closed.

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Remarks
		under EHV O&M Division, Kalwa.									
40	SS/2009-10/002	Establishment of 220kV Vile Bhagad S/S	0.00	0.66	0.00	0.00	0.00	0.00	0.00	0.00	Capitalisation against compensation claimed in FY 2023-24. But scheme is restricted as MERC approved cost exceeded. Scheme deem to be closed.
41	SS/2018-19/008	110/22 kV Gaikwadpada GIS s/s	0.00	0.00	0.00	0.00	0.00	50.00	0.00	0.00	The scheme not approved by the Commission. Capitalisation is claimed in FY 2027-28. Not considered presently.
42	LL/2008-09/001	220kV Kandalgaon-Dasturi Link Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme short closed. No Capitalisation claimed.
43		400/ 220 kV Velgaon	0.00	0.00	0.00	0.00	477.76	0.00	0.00	0.00	Scheme is approved in FY 2020, Tendering is not initiated with a one year form approval of the Commission. Hence, approval is no longer valid. Hence, projected capitalisation not allowed. Scheme deem to be closed.
44	LL/2019-20/005	“Construction of LILO on 100kV Amber th-Mohone line at 220kV Jambhul Substation.”	0.00	0.00	0.00	0.00	0.00	30.50	0.00	0.00	Scheme is approved in FY 2022, Tendering I not initiated within time. hence, approval is no longer valid. Scheme deem to be closed.
45	Proposed-FY2026-27	Upgradation of existing HVDC control & Protection of C'Pur-	0.00	0.00	0.00	0.00	0.00	343.17	0.00	0.00	Scheme already approved under R&M. Details not provided by



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Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Remarks
		Padghe HVDC Bipole link									MSETCL. Scheme deem to be closed.
46	LE/2023-24/047	2nd ckt stringing of Lamboti-Vairag	0.00	0.00	0.00	14.00	0.00	0.00	0.00	0.00	MERC Approval awaited. Hence, projected capitalisation is not considered.
47	SS/2018-19/016	Estt of 132/33 kV Deori s/s	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No Capitalisation claimed.
48	TA/2006-07/073	132kV Jambazar Washim	0.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme too old. Scheme closed. No capitalisation allowed.
49	TA/2006-07/080	132 kV Lalkhedi	0.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme too old. Scheme closed. No capitalisation allowed.
50	TA/2006-07/082	220kV Dhamangaon	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme too old. Scheme closed. No capitalisation allowed.
51	TA/2006-07/084	220kV Yavatmal	0.09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme too old. Scheme closed. No capitalisation allowed.
	<b>Grand Total</b>		<b>6.64</b>	<b>19.31</b>	<b>16.34</b>	<b>29.62</b>	<b>478.36</b>	<b>423.67</b>	<b>0.00</b>	<b>40.00</b>	

## h. Cancelled Schemes DPR

- (Back to the original reference 5.7.66)

Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
1	SS/2011-12/024-GEC-II	Estt.132kV Sarola s/s GEC-II	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No Capitalisation claimed. New 220 kV Sarul SS work in progress.
2	LL/2019-20/004	Conversion of 110 kV SCSC Miraj-Tasgaon Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No Capitalisation claimed.
3	SS/2008-09/077	132 kV Nanduri	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No Capitalisation claimed.
4	AN/2017-18/047	Repairs BHEL make Converter T/F Chandrapur	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme is closed. No Capitalisation claimed.
5	TR/2021-22/002	Supply, Erection, Testing & Commissioning of 2 Nos. of 500 MVA ICTs at 400kV Warora S/s under Nagpur Zone	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme is closed. No Capitalisation claimed.
6	LL/2020-21/003	Second Circuit Stringing In Nagpur Zone Mul Sindewahi & Bramhapuri Sindewahi	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme is closed. No Capitalisation claimed.
7	LL/2017-18/002	400kVDC from PGCIL Shikrapur-Lonikand-II (Separate Scheme of Lonikand-Jejuri LILO at Shikrapur Is Sanctioned)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme Closed. No Capitalisation claimed.
8	LL/2017-18/017	LILO on both ckts of 400kV Tarapur-Padghe line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme approved in 2018. Work yet to start. No Capitalisation claimed.
9	EV/2005-06/001	Evacuation of Tarapur Extn	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Work is short closed. No Capitalisation claimed.
10	LL/2009-10/001	Strengthening of PS to Greater Mumbai	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme closed; No capitalisation is claimed.
11	SS/2013-14/002	220kV GIS Manor S/S, Dist-Thane	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme closed, No capitalisation is claimed.

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Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
12	28-Proposed-FY2026-27 SS/2022-23/005	220/33kV Sarul	0.00	0.00	0.00	0.00	68.00	0.00	0.00	0.00	Scheme Repeated. Hence, Cancelled.
13	LE/2021-22/016	Replacement of existing conductor by HTLS for 220kV Talandage - Tilawani Ckt 1 & 2 - 13km	0.00	0.00	0.00	25.92	0.00	0.00	0.00	0.00	Scheme Repeated. Hence, Cancelled.
14	63-Proposed-FY2025-26 SS/2016-17/005	132kV Etapalli (Upgradation from 66kV along with existing 66kV line) Scope of Allapalli	0.00	0.00	0.00	8.02	0.00	0.00	0.00	0.00	Scheme Repeated. Hence, Cancelled
15	SS/2019-20/001	132/33kV Mahur s/s- Revalidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme approved since 2020. Work not yet started. No Capitalisation Claimed. Repeated scheme.
<b>Grand Total</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>33.94</b>	<b>68.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	

#### i. Non-DPR schemes transferred to R&M (Scope being R&M Nature)

Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
1	CE/2021-22/001	CE Schemes Under Amravati Zone 2021-22 1. P&F of 1.5T Split Type AC under Amt Zone	2.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	R&M
2	LE/2015-16/021	Rep of Isolator at Amravati Dn	0.13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	R&M
3	CE/2019-20/001	CE Schemes Under Amravati Zone 2019-20	0.30	0.01	0.00	0.00	0.00	0.00	0.00	0.00	R&M
4	LE/2017-18/009	Replac of 245kV & 145kV CT under Nashik	*1.72	2.11	0.35	1.76	0.00	0.00	0.00	0.00	R&M
5	CE/2021-22/005	CE Schemes Under Nashik Zone 2021-22	0.38	0.32	0.00	0.00	0.00	0.00	0.00	0.00	R&M
6	LE/2021-22/011	Insulator Replacement by porcelain long rod-Bableshtar Dn	0.00	1.91	2.00	0.00	0.00	0.00	0.00	0.00	R&M

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Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
7	LE/2023-24/004	RCC to Lattice str @220kV GCR & OCR NSK	0.00	0.00	1.26	0.00	0.00	0.00	0.00	0.00	R&M
8	CE/2023-24/005	CE Schemes Under Nasik Zone 2023-24	0.00	0.54	0.00	0.00	0.00	0.00	0.00	0.00	R&M
9	LE/2022-23/012	Rep. Pneumatic by Spring CB-Bhusawal Circle	0.00	0.00	0.90	10.00	7.00	0.00	0.00	0.00	R&M
10	CE/2022-23/002	CE Schemes Under Chhatrapati Sambhaji gar Zone 2022-23	0.46	1.79	0.20	0.00	0.00	0.00	0.00	0.00	R&M
11	LE/2018-19/011	Repl. of hanging to Pedestal type WT Latur	0.96	0.20	0.00	0.34	0.00	0.00	0.00	0.00	R&M
12	AN/2022-23/002	Capex Budget or training 2022-23	0.14	1.05	0.00	0.00	0.00	0.00	0.00	0.00	R&M
13	AN/2023-24/003	Training Budget for Year 2023-24	0.00	0.27	0.00	0.00	0.00	0.00	0.00	0.00	R&M
14	CE/2022-23/003	CE Schemes Under Karad Zone 2022-23	0.20	2.85	0.03	0.00	0.00	0.00	0.00	0.00	R&M
15	LE/2016-17/009	Replacement of Isolators and retrofit of PLCC Karad zone	0.21	0.00	0.00	0.37	0.00	0.00	0.00	0.00	R&M
16	CE/2021-22/003	CE Schemes Under Karad Zone 2021-22	2.22	0.28	0.00	0.00	0.00	0.00	0.00	0.00	R&M
17	LE/2021-22/012	Repl of old equip at various SS Karad Div	0.00	0.83	0.50	0.00	0.00	0.00	0.00	0.00	R&M
18	LE/2021-22/008	Repl of CTs at various SS Nagpur Division	0.00	0.00	2.95	0.00	0.00	0.00	0.00	0.00	R&M
19	LE/2021-22/009	<b>Repl of old equip at 400kV Chandrapur SS</b>	0.00	0.00	5.63	1.44	0.00	0.00	0.00	0.00	R&M
20	LE/2020-21/020	Repl of old PTS at EHV SS under Nagpur Div	0.00	0.00	1.14	0.00	0.00	0.00	0.00	0.00	R&M
21	LE/2024-25/011	LE scheme for replacement of 220kV CBs and various old EHV equipments alongwith support structure at under EHV O&M circle Nagpur, EHV O&M circle, Chandrapur & HVDC circle Chandrapur.	0.00	0.00	0.00	13.70	12.00	0.00	0.00	0.00	R&M
22	LE/2019-20/002	Repl of polymer Insu of 220kV Ln, Div-II	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	R&M
23	LE/2022-23/016	LE scheme of "Replacement of old 220kV, 132kV & 100kV Lightning Arrester (LA) at various EHV Substations	0.00	0.00	1.05	0.00	0.00	0.00	0.00	0.00	R&M
24	LE/2022-23/017	Repl. of RCC strut to lattice Solapur div	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	R&M
25	LE/2023-24/006	Replacement of CRP under Pune Zone	0.00	0.00	0.00	4.73	0.00	0.00	0.00	0.00	R&M
26	LE/2023-24/049	LE scheme for replacement of HV CB due to frequent failure/ breakdown/ tripping mechanism issue but not qualifying the age criteria at various substations under EHV O&M Division - 1, Pune	0.00	0.00	0.00	1.61	0.00	0.00	0.00	0.00	R&M

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Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
27	LE/2021-22/007	Repl. of CRP @ 100 kV Dombiwali SS	0.00	0.00	0.00	2.47	0.00	0.00	0.00	0.00	R&M
28	LE/2017-18/020	Repl. of conductor of Kalwa-Mulund Line HTLS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	R&M
29	LE/2019-20/009	Repl of Main & Aux Bus Cond at Kalwa SS	1.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	R&M
30	LE/2020-21/003	Repl of C&R panels at 100kV Vashi SS	0.00	0.00	1.12	0.25	0.00	0.00	0.00	0.00	R&M
31	LE/2013-14/011	Rep of DP/TP structure of Kalwa circle	0.00	0.51	0.00	0.16	0.00	0.00	0.00	0.00	R&M
32	LE/2018-19/005	Repl. of C & R panels at 220kV Colourchem	0.12	0.00	1.17	1.16	0.00	0.00	0.00	0.00	R&M
33	LE/2018-19/010	400kV P. Graph bus & Center break Isolator .Padghe	0.27	0.16	1.00	1.53	1.53	0.00	0.00	0.00	R&M
34	LE/2021-22/002	Repl of 220/132/100/22kV equip Bhandup Div	0.00	0.00	7.26	-	-	-	-	-	R&M
35	LE/2020-21/018	Repl of conductor of Apta-Jite Apta-Thal Thal-Jit	0.16	5.74	0.88	0.00	0.00	0.00	0.00	0.00	R&M
36	CE/2021-22/007	CE Schemes Under Vashi Zone 2021-22	1.93	0.78	0.00	0.00	0.00	0.00	0.00	0.00	R&M
37	LE/2018-19/018	LE for repl of 400 kV CB at Padghe SS	0.00	0.00	0.51	0.81	0.00	0.00	0.00	0.00	R&M
38	LE/2019-20/005	Repl of C&R Panels at 220kV Apta SS	0.00	0.00	0.00	5.99	6.66	0.00	0.00	0.00	R&M
39	LE/2021-22/005	Repl of 100kV & 400kV equip. at Padghe SS	0.00	0.10	1.26	0.66	0.00	0.00	0.00	0.00	R&M
40	CW/2020-21/003	OLD SLDC Bldg. renovation Airoli, Navi Mumbai	0.00	1.47	0.00	0.00	0.00	0.00	0.00	0.00	R&M
41	LE/2022-23/004	Repl. of 220kV CB at 400kV Kharghar s/s	0.00	0.00	2.07	0.90	0.00	0.00	0.00	0.00	R&M
42	LE/2022-23/006	Strengthening of bays @220kV Borivali ss	0.00	0.00	1.01	1.01	0.00	0.00	0.00	0.00	R&M
43	LE/2023-24/009	Equip. repl. @220kV Mahad & 100kV Roha ss	0.00	0.00	0.38	0.00	0.00	0.00	0.00	0.00	R&M
44	LE/2021-22/004	Repl. of CRP @ 220kV Uran & JNPT SS	0.00	0.00	0.00	4.07	0.00	0.00	0.00	0.00	R&M
45	LE/2023-24/002	RCC to Lattice str under O&M circle Panvel	0.00	0.00	1.02	0.00	0.00	0.00	0.00	0.00	R&M
46	LE/2023-24/010	Bus repl.by 0.5 moose @400kV Kharghar Ss	0.00	0.00	0.00	2.99	0.00	0.00	0.00	0.00	R&M
47	AN/2017-18/021	Digital Bay at 400 kV Lonikand-II S/s	0.00	0.06	0.00	0.00	0.00	0.00	0.00	0.00	R&M
48	LE/2024-25/019	LE Scheme for replacement of existing Quadruple conductor (0.5 ACSR-Moose) of 400 kV Main Bus A and Bus B by Quadruple conductor (0.5 ACSR-Moose) along with 120 KN Disc insulator string & related hardwares and Supply & ETC of 400 kV PG & CB isolators at 400 kV R.S Karad.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	R&M

MYT Order on approval of Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and approval of ARR for 5<sup>th</sup> MYT Control Period from FY 2025-26 to FY 2029-30 for MSETCL

Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
49	-	LE scheme for replacement of 400 kV & 220kV BHEL-Make Circuit Breakers at 400kV R.S. New Koy under EHV PC O&M Zone, Karad.	0.00	0.00	0.00	7.71	0.00	0.00	0.00	0.00	R&M
50	LE/2024-25/013	Replacement of BHEL make circuit breakers at 765/400/220 kV substation, PGCIL, Wardha	0.00	0.00	0.00	1.37	0.00	0.00	0.00	0.00	R&M
51	-	LE Scheme for replacement of 220KV and 132KV CT and PT having no tan delta point and 33KV CT at Various S/stn under EHV (O&M) Circle Nagpur and EHV (O&M) Circle Chandrapur.	0.00	0.00	0.00	7.66	0.00	0.00	0.00	0.00	R&M
52	scheme approval under process	LE Scheme of for replacement of existing old 33kV/22kV/11kV CTs for incomer and bus coupler bays of critical ss under various EHV Substation under Pune circle.	0.00	0.00	0.00	0.00	1.40	0.00	0.00	0.00	R&M
53	scheme approval under process	LE Scheme for 100 kV Bus Sectionizer/Coupler arrangement along with addition l 100 k PT bay at 100 kV Talegaon substation under EHV O&M Circle, Pune.	0.00	0.00	0.00	0.00	1.69	0.00	0.00	0.00	R&M
54	scheme approval under process	LE Scheme of for replacement of existing 220kV CBs at various EHV Substation under Pune circle.	0.00	0.00	0.00	0.00	5.01	0.00	0.00	0.00	R&M
	<b>Grand Total</b>		<b>12.69</b>	<b>20.98</b>	<b>33.69</b>	<b>72.69</b>	<b>35.29</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	

*\*Schemes LE/2017-18/009 (Replac of 245kV & 145kV CT under Nashik): Past disallowed capitalisation of FY 2020-21 and FY 2021-22 considering R&M nature work. Hence, it is allowed in FY 2022-23.*

*Cost transferred from capex to R&M expenses for the period FY 2024-25 onwards is not added to the O&M expenses approved in the present Order as the same is done based on normative O&M expense computation rather than calculating O&M expense head wise. This may be considered at the time of truing up subject to applicable provisions of the MYT Regulations, 2019 and 2024 and necessary due diligence.*

*(Return to original reference 5.7.72)*

## j. Disallowed Schemes Non-DPR

(Return to original reference 5.7.73)

Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
1	AN/2013-14/033	Amravati Administrative Bldg.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed
2	LE/2015-16/010	Scheme for 1) Supply and erection of additional 220kV PT bay and 132kV PT bay at 220kV Amravati substation. 2) Erection of 132kV Aux bus along with 132kV TBC for existing 132kV Old Single Bus (Main) section at 220kV Amravati substation. under Trans EHV(O&M) Dn., Amravati.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme Completed. No capitalisation claimed
3	LE/2020-21/013	Repl of EW of 132kV Lines under Amr Zone	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed
4	CE/2023-24/001-R	CE Schemes Under Amravati Zone 2023-24 - Construction of store shed and stacking platform for placing ERS material at EHV project store land, Murtizapur	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Repeated - To be deleted
5	CE/2023-24/001-R	CE Schemes Under Amravati Zone 2023-24 - Construction of peripheral compound wall along with watchman cabin for add ERS material stacking at Murtizapur store	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Repeated - To be deleted
6	CE/2024-25/001	CE Schemes Under Amaravati Zone 2024-25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed
7	LE/2021-22/019-R	Replacement of existing old 220kV & 132kV Pneumatic CBs	0.00	0.00	0.40	0.00	0.00	0.00	0.00	0.00	Repeated - To be deleted

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Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
		by new SF6 Spring Type CBs at various EHV S/Stn under Amravati zone									
8	CW/2018-19/002	Civil work at EHVPC Nashik Zone	0.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Asset Not put to use. Scheme completed. Scheme closed. No justification provided.
9	CE/2020-21/005	CE Schemes Under Nashik Zone 2020-21	0.06	0.02	28.07	0.00	0.00	0.00	0.00	0.00	Old Scheme since FY 2020-21. Scheme details is not given by MSETCL inspite of repeated followup. Hence, it is disallowed.
10	CW/2021-22/002	Civil works under EHVCCM Circle Nashik	0.04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme details is not given by MSETCL inspite of repeated followup. Scheme to be closed.
11	CE/2022-23/005	CE Schemes Under Nashik Zone 2022-23	1.47	2.38	0.60	0.00	0.00	0.00	0.00	0.00	Scheme was Cancelled in MTR Order.
12	CW/2016-17/005	Compound wall at 400kv Babhaleshwar ss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme Completed. Scheme closed. No capitalisation claimed
13	LE/2012-13/009	Rep of Equi at various s/s, Jalgaon,DhulDn	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme Completed. Scheme closed. No capitalisation claimed
14	AN/2017-18/025	Regional Training Centre at 400KV BBLR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed
15	CE/2024-25/005	CE Schemes Under Nashik Zone 2024-25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed
16	CW/2023-24/001	SECURITY CABIN FOR SS UNDER NASHIK ZONE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed
17	CW/2023-24/002	STORE SHED FOR 400KV BBLR	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Yet to be registered. No capitalisation claimed



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Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
18	CW/2015-16/005	Scheme of Rest House At Racca Plot Nashik	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Yet to be registered. No capitalisation claimed
19	TA/2023-24/009	Kekatnimbora (1x50) MVA, 220/33kV (MSKVY) (New) (Scheme will not be executed due to revised requirement of MSKVY scheme by MSEDCL)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed
20	CE/2021-22/002	CE Schemes Under Chhatrapati Sambhajanagar Zone 2021-22	0.03	0.37	0.00	0.00	0.00	0.00	0.00	0.00	Scheme details is not given by MSETCL inspite of repeated followup. Scheme to be closed.
21	LL/2022-23/002	Procurement of Ultrasound Detection kit	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed
22	AN/2019-20/015	Relocation of Anjur HVDC Earth Electrode Stn. - Appointment of PGCIL as Project Management Consultant.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed
23	GA/2021-22.9	General Assets	0.18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme details is not given by MSETCL inspite of repeated follow up. Scheme to be closed.
24	GA/2021-22.9.0	General Assets	0.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Scheme details is not given by MSETCL inspite of repeated follow up. Scheme to be closed.
25	AN/2020-21/015	SITC 220kV BB scheme in Nagpur & Vashi	0.00	0.00	5.63	0.00	0.00	0.00	0.00	0.00	Old scheme. Scheme to be closed. No further capitalisation expected.
26	AN/2021-22/034	SITC 220kV BB scheme in Amt, Abd, Karad	0.00	0.00	0.00	6.14	0.00	0.00	0.00	0.00	Old scheme. Scheme to be closed. No further capitalisation expected.
27	AN/2015-16/002	Supply ETC OF TPI TRANSDUCER	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed

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Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
28	GA/2022-23.9	General Asset FY 2022-23	7.21	0.40	0.00	0.00	0.00	0.00	0.00	0.00	Scheme details is not given by MSETCL inspite of repeated followup. Even not included in revised submission dtd 04.01.2025.
29	GA/2022-23.9.0	General Asset FY 2022-23	2.62	0.40	0.00	0.00	0.00	0.00	0.00	0.00	Scheme details is not given by MSETCL inspite of repeated followup. Even not included in revised submission dtd 04.01.2025.
30	GA/2023-24.9	General assets	0.00	1.31	0.00	0.00	0.00	0.00	0.00	0.00	Scheme details is not given by MSETCL inspite of repeated followup. Even not included in revised submission dtd 04.01.2025.
31	AN/2022-23/020	Pro & Inst of Clean Agent Fire Suppression Sys	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed
32	AN/2023-24/001	Supply of IED in visible EHV SS in MSETCL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed
33	GA/2024-25	General Assets for 2024-25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed
34	CW/2023-24/004	Construction of peripheral compound wall	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed
35	TA/2010-11/001	220kV Oni	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	Too old scheme. Scheme closed. Hence, No capitalisation allowed
36	CW/2022-23/001	Bal. Payment of Land @ Vijayanagar Karad	0.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	land is part of existing 400 kV s/s. It was 2009

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Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
											BR. Hence, capitalisation disallowed.
37	CE/2024-25/003	CE Schemes Under Karad Zone 2024-25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed
38	TR/2024-25/001	Savljaj 2x(50-25) MVA, 110/33kV (MSKVY) <b>(Scheme will not be executed due to revised requirement of MSKVY scheme by MSEDCL)</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed
39	CE/2020-21/004	CE Schemes Under Nagpur Zone 2020-21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed
40	AN/2021-22/007	Administrative Building Solapur	0.00	0.00	0.00	0.00	8.87	0.00	0.00	0.00	Old scheme. Already cancelled in Previous MTR Order 2022.
41	LE/2022-23/001 (Repeat)	Second circuit stringing on existing 132 kV Degaon-Mandrup SCDC line along with 02 Nos. of end bays at 132 kV Degaon & 132 kV Mandrup substation and erection of horizontal tower at Degaon substation.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Repeated - To be deleted
42	LL/2011-12/002	LILO on 132kV Solapur (Bale) - Akkalkot	0.00	0.02	0.00	0.00	0.00	0.00	0.00	0.00	Old BR. Capitalisation in FY 2023-24 not allowed.
43	LL/2022-23/004	132kV line loc29-30of Bridgestone-Chakan	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Yet to be registered. No capitalisation claimed
44	CE/2024-25/006	CE Schemes Under Pune Zone 2024-25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Yet to be registered. No capitalisation claimed
45	CE/2022-23/007	CE Schemes Under Vashi Zone 2022-23	0.85	0.83	0.00	0.00	0.00	0.00	0.00	0.00	No registration details available. Yet to registered.
46	CE/2023-24/007	CE Schemes Under Vashi Zone 2023-24	0.00	0.46	0.31	0.00	0.00	0.00	0.00	0.00	No registration details available. Yet to registered. Hence, Capitalisation in FY

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Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
											2023-24 and FY 2024-25 not allowed.
47	AN/2021-22/014	Construction of rest house at Vashi S/S	0.00	0.00	0.00	0.00	9.08	0.00	0.00	0.00	No justification Provided. Hence projected capitalisation is not allowed.
48	LE/2012-13/007	Bus conductor repl at Padghe s/s	0.04	0.04	1.29	0.00	0.00	0.00	0.00	0.00	Old scheme. Scheme closed. No details provide by MSETCL. Hence, not allowed.
49	LE/2021-22/001	LILo arrangement of 100kV Jite-Thal-GAIL	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed
50	CW/2020-21/004	Construction of rail-cum road @220kV Nalasopara	2.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No details provided inspite of repeated follow up. Hence capitalisation not allowed.
51	LE/2021-22/022	Additional PT Bay under O&M Circle Kalwa	0.00	0.00	0.00	2.68	0.00	0.00	0.00	0.00	Old scheme since FY 2020-21. Scheme details is not given by MSETCL inspite of repeated followup. Not registered.
52	CE/2024-25/007	CE Schemes Under Vashi Zone 2024-25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed
53	GA/2023-24.9.0	General Assets	0.00	1.86	0.00	0.00	0.00	0.00	0.00	0.00	No details submitted by MSETCL instead of repeated follow up.
54	LE/2018-19/007	Supply & Commissioning of Station -Transformer-Solapur Div	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00	Scheme since 2018-19. Capitalisation related to balance payment is not allowed.
55	Pyt-Compensati		0.00	0.13	0.00	0.00	0.00	0.00	0.00	0.00	No details submitted by MSETCL inspite of repeated follow up.

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Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
56	144-Proposed-FY2025-26	LILO on 132kV Deepnagar - Muktainagar line at 132kV Varasgaon Tap to LILO conversion (NEW)	0.00	0.00	0.00	0.00	0.00	2.77	0.00	0.00	Yet to be registered. No details available. Hence disallowed.
57	471-Proposed-2025-26	Georai (2X25) MVA, 220/33 kV ( Repeated above as TA/2023-24/001)	0.00	0.00	0.00	17.78	0.00	0.00	0.00	0.00	Repeated - To be deleted
58	176-Proposed-FY2025-26	110kV Mudshingi (Kolhapur) - Puikhadi- 16km  Covered in Part I Sheet as the work is in progress. Hence, row to be deleted	0.00	0.00	0.00	0.00	23.00	0.00	0.00	0.00	Repeated - To be deleted
59	181-Proposed-FY2024-25	New 125 MVAr bus reactor at 400 kV New Koy (New)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	No capitalisation claimed
60	57-Proposed-FY2024-25	132/33 kV Sironcha, District-Gadchiroli Back charged on 33kv Level	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Repeated - To be deleted
61	115-Proposed-FY2025-26	1) LILO of Bale – Osmanabad 220kV S/c line at Solapur – PS (PG) (Western Region Network expansion scheme)	0.00	0.00	0.00	0.00	0.00	15.00	0.00	0.00	Yet to be registered. No Capitalisation claimed.
62	116-Proposed-FY2025-26	2) LILO of Osmanabad – Barshi 220kV S/c line at Solapur PS (PG) (Western Region Network expansion scheme)	0.00	0.00	0.00	0.00	0.00	12.50	0.00	0.00	Yet to be registered. No Capitalisation claimed.
63	145-Proposed-FY2025-26	Conversion Chinchwad-Talegaon 100kV tower line to 132kV- 15km	0.00	0.00	0.00	0.00	0.00	13.98	0.00	0.00	Yet to be registered. No Capitalisation claimed.
64	147-Proposed-FY2025-26	Conversion of 132 kV Theur - Yawat - Daund SC to DC line (Old line)- 50km-(WIP) (Spill over)	0.00	0.00	0.00	0.00	0.00	19.62	0.00	0.00	Yet to be registered. No Capitalisation claimed.
65	158-Proposed-FY2026-27	LILO on Rahatani –Varasgaon - 20km @ Knowledge Park/(	0.00	0.00	0.00	0.00	0.00	13.57	0.00	0.00	Yet to be registered. No Capitalisation claimed.

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Sr No	Project definition	Scheme Name	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	Status
		Lavalephata ) Associated line of Knowledge City Pune									
66	177-Proposed-FY2024-25	100kV Khopoli-Kalwa from Loc 64 to 120) -17 km	0.00	0.00	0.73	0.00	0.00	0.00	0.00	0.00	Work has not started, and capitalisation is claimed in FY 2024-25 which is nearing end. Hence, capitalisation is disallowed. MSETCL can register the scheme and execute the work.
67	178-Proposed-FY2024-25	LILo on 100kV Jite-Thal at GAIL - 3km (NEW)	0.00	0.00	0.13	0.00	0.00	0.00	0.00	0.00	Work has not started, and capitalisation is claimed in FY 2024-25 which is nearing end. Hence, capitalisation is disallowed. MSETCL can register the scheme and execute the work.
68	179-Proposed-FY2024-25	100kV MUSCO-Bhushan Steel (NEW)	0.00	0.00	0.45	0.00	0.00	0.00	0.00	0.00	Work has not started, and capitalisation is claimed in FY 2024-25 which is nearing end. Hence, capitalisation is disallowed. MSETCL can register the scheme and execute the work.
69	-	Conversion of 110 kV S/C Kale (T) to Wathar Line to 132 kV DCDC	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.00	Repeated - To be deleted
	<b>Grand Total</b>		<b>15.21</b>	<b>8.25</b>	<b>37.61</b>	<b>26.60</b>	<b>40.95</b>	<b>77.44</b>	<b>0.00</b>	<b>20.00</b>	

**k. List of unutilised bays from approved capital schemes (MYT Order in Case No. 178 of 2024)**

**FY 2022-23**

Scheme Details	Scheme Name	Type	FY 2022-23 No. of Bays Voltage -wise				
			220 kV	132 kV	110 kV	33 kV	Total
LL/2018-19/001	Cons of 132kV Jaysinghpur -Kurudwad DC line	AIS	-	-	2.00	-	2.00
TA/2020-21/001	Add TFS at 220kV Ambazari S/S	AIS	-	-	-	9.00	9.00
TA/2018-19/008	Add/Rep of T/Fs 3 Nos. of SS Vashi zone	AIS	-	-	-	2.00	2.00
LE/2019-20/004	Conver 11kV i/d to GIS at Ambad Ozar SS	GIS	-	-	-	2.00	2.00
	<b>Total</b>				<b>2.00</b>	<b>13.00</b>	<b>15.00</b>

**FY 2023-24**

Scheme Details	Scheme Name	Type	FY 2023-24 No. of Bays Voltage -wise				
			220 kV	132 kV	110 kV	33 kV	Total
SS/2008-09/031	220kV Warud SS	AIS	2.00	-	-	-	2.00
LL/2008-09/090	132kV Kalmeshwar-Hingna LL	AIS	-	2.00	-	-	2.00
TA/2020-21/005	Augmentation of substation by addition of T/Fs at three nos. (132kV Harsul, 132kV Satara (Deolai) & 132kV Nilanga S/s) of EHV S/s under Nashik zone.	AIS	-	-	-	4.00	4.00
SS/2018-19/002	220/33 kV ss at Khed City (Retwadi)	AIS	-	-	-	7.00	7.00
SS/2017-18/017	Estb of 220/33 kV GIS Ulwe node (NMIA)	GIS	-	-	-	2.00	2.00
TA/2018-19/008	Add/Rep of T/Fs 3 Nos. of SS Vashi zone	AIS	-	-	-	5.00	5.00
OR/2021-22/011	ORC cons of 1x33kV bay for Air Liquid N	AIS	-	0.00	-	1.00	1.00
	<b>Total</b>		<b>2.00</b>	<b>2.00</b>		<b>19.00</b>	<b>23.00</b>

(Return to original reference 5.7.82)