

MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION

5th Floor, "Metro Plaza", E-5, Arera Colony, Bittan Market, Bhopal - 462016



Petition No. 41/2021

PRESENT:

S. P. S. Parihar, Chairman

Mukul Dhariwal, Member

Shashi Bhushan Pathak, Member

IN THE MATTER OF:

True-up of Transmission Tariff of MPPTCL for FY 2019-20 determined by Madhya Pradesh Electricity Regulatory Commission in Multi Year Tariff Order dated 19th May, 2021 in Petition No. 45/2020.

M. P. Power Transmission Company Ltd., Jabalpur

- Petitioner

Versus

(i) M. P. Poorv Kshetra Vidyut Vitaran Co. Ltd., Jabalpur

(ii) M. P. Madhya Kshetra Vidyut Vitaran Co. Ltd., Bhopal

(iii) M. P. Paschim Kshetra Vidyut Vitaran Co. Ltd., Indore

(iv) M. P. Industrial Development Corporation Ltd. (SEZ), Indore

(v) West Central Railways, Jabalpur

Respondents

ORDER

(Passed on this day of 7th December, 2021)

1. The Multi-Year Transmission Tariff (MYT) order for FY 2019-20 to FY 2023-24 was issued by the Commission on 19th May, 2021 in Petition No. 45/2020 in accordance with MPERC (Terms & Condition for Determination of Transmission Tariff)(Revision-IV)Regulations, 2020 (RG-28 (IV) of 2020) (hereinafter referred to as “Regulations”).
2. Vide letter No. 4029 dated 06/11/2020, MPPTCL had sought extension of date to file the subject True-up petition broadly mentioning the following reasons:
 - i. *The MYT petition in accordance with the Tariff Regulations – 2020 notified on 14.02.2020 for control period FY 2019-20 to FY 2023-24 have been filed for approval before the Hon’ble Commission on 26.06.2020 which has been registered as petition No. 45 of 2020. The subject MYT petition is under consideration by the Hon’ble Commission. The Tariff for FY 2019-20 is a part of aforesaid petition (45/2020), as such, the True-up of the same will be got approved after approval of the subject MYT petition.*
 - ii. *In view of the Covid-19 pandemic, the Ministry of Corporate Affairs, Govt. of India, has extended the time for conducting AGM upto 31.12.2020. The accounts of MPPTCL for FY 2019-20 are under preparation and efforts are being made to finalize the same at the earliest which have been affected due to breakdown of functioning of various Offices of MPPTCL due to Covid-19 pandemic.*
 - iii. *The MPERC (Terms & Conditions for determination of Transmission Tariff) (Revision-III) Regulations, 2016 (1st Amendment) [ARG-(III)(i) of 2019], notified in Gazette on dated 08.03.2019 stipulated that “Till notification of Madhya Pradesh Electricity Regulatory Commission (Terms & Conditions for determination of Transmission Tariff) Regulations for new control period commencing 1st April, 2019 and determination of Tariff by the Commission in accordance with aforesaid Regulations, the Transmission Licensee shall continue to bill provisionally the beneficiary at the Tariff approved by the Commission and as applicable on 31st March, 2019.” In compliance to the above, the Transmission Charges from the customers are being charged on the Tariff approved as on 31.03.2019.*

It is submitted that the True-up of Transmission Tariff for FY 2019-20 can be done after approval of the Transmission Tariff for FY 2019-20 which is a part of MYT petition (Petition No. 45/2020) and after finalization of Audited Accounts of MPPTCL for the FY 2019-20. Considering the above, it is most respectfully submitted that the petition for True-up of Transmission Tariff for FY 2019-20 will be submitted by the MPPTCL within 60 days of the approval of the MYT petition (Petition No. 45/2020) or finalization of Audited Accounts of MPPTCL for FY 2019-20, whichever is later.

3. Considering the aforesaid reasons, vide Commission's letter No. 10 dated 06/01/2021, MPPTCL was allowed to file the petition for True-up of Transmission Tariff for FY 2019-20 within 60 days of issue of the MYT order in P. No. 45/2020 or finalization of Audited Accounts, whichever is later.
4. Accordingly, MPPTCL vide its letter no. 1930 dated 15th July, 2021, filed the subject petition for true-up of its Transmission Tariff for FY 2019-20 along with Asset-cum-Depreciation Register for FY 2019-20. Earlier, vide letter No. 2145 dated 29/06/2021, MPPTCL had submitted the Annual Financial statements and Auditor's Report for FY 2019-20. The instant petition for True-up of FY 2019-20 is based on Annual Accounts of the company for FY 2019-20. Vide letter No. 2892 dated 31/08/2021, the Report of the Reporter of Compliance of MPPTCL for FY 2019-20 was submitted.
5. MPPTCL has claimed True-up of ARR for FY 2019-20 in the following manner:

A. True up for FY 2019-20

(Amount in Rs. Crores)

S. No.	Particulars	As per ARR approved vide MYT order dated 19.05.2021	As filed in this petition based on Audited Accounts of FY 2019-20	True-up Amount (Col. 4 - Col 3)
1	2	3	4	5
1	O&M	556.68	556.68	0.00
2	Cash expenses	1834.01	1834.01	0.00
3	Depreciation	455.50	432.12	-23.38
4	Interest on Loan	152.36	186.38	34.02
5	Interest on Working Capital	70.03	69.28	-0.75
6	return on Equity	498.93	497.64	-1.29
7	PPP Unitary Charges	37.80	35.43	-2.37
8	Expense Towards Payment of OPGW Charges to PGCIL	2.47	2.47	0.00
9	MPERC's	0.77	0.01	-0.76
10	Taxes and Fee (Other than MPERC)	1.98	2.24	0.26
11	Security Expenses	22.74	19.54	-3.20
12	TOTAL -	3633.27	3635.80	2.53
13	Less Non-Tariff Income	23.00	25.81	2.81
14	GRAND TOTAL -	3610.27	3609.99	-0.28

B. True up of MAT for FY 2016-17 to FY 2019-20*(Amount in Rs. Crores)*

S. No.	Particulars	As per approved ARR	As filed in this petition based on Audited Accounts	True-up Amount
1	MAT actually paid in FY 2016-17	0.00	5.32	5.32
2	MAT actually paid in FY 2017-18	0.00	8.90	8.90
3	MAT actually paid in FY 2018-19	0.00	18.75	18.75
4	MAT actually paid in FY 2019-20	0.00	3.43	3.43
	GRAND TOTAL -	3610.27	3646.39	36.12

C. Prayer:

MPPTCL broadly prayed the following in the subject petition:

- (i) Approve the True-up of Annual Fixed Cost for FY 2019-20 as mentioned in para 15.1(B) of the petition.
- (ii) Allow True-up amount to be recovered from the Discoms & other LTOA customers as per para 15.2. of the petition.
- (iii) As per Clause 10.9 of Tariff Regulations, may permit to recover the same from beneficiaries, within six months from the date of determination of final Tariff under these Regulations.

6. The subject petition is for True-up of Transmission Tariff for FY 2019-20 determined by the Commission in the MYT order. The ARR for FY 2019-20 claimed by the petitioner and as approved by the Commission vide MYT Order dated 19/05/2021 are summarized as below:

(Rs. in Crore)

S. No.	Particulars	ARR for FY 2019-20		
		As claimed by MPPTCL in original MYT petition (without Accounts of FY 2019-20)	As claimed by MPPTCL in the amended MYT petition (based on trial balance of FY 2019-20)	As approved by the Commission in the MYT Order dated 19/05/2021
1	2	3	4	5
1	O&M Expenses	556.68	556.68	556.68
2.i	Against Current Liabilities	2066.22	1834.01	1834.01
2.ii	Provisions	95.93	0.00	0.00
2	Total Terminal Benefits	2162.15	1834.01	1834.01
3	Depreciation	475.44	455.50	455.50
4	Interest & Finance Charges	334.77	311.40	152.36
5	Interest on Working Capital	78.63	72.74	70.03
6	Return on Equity	610.79	590.03	498.93
7	Expenses Towards payment to PPP Licensee	37.80	37.80	37.80
8	Expenses Towards payment to OPGW Charges to PGCIL	2.47	2.47	2.47
9	MPERC's Fee	0.77	0.77	0.77
10	Taxes & fees (other than MPERC fee)	1.98	1.98	1.98
11	Security Expenses	22.74	22.74	22.74
	TOTAL -	4284.21	3886.11	3633.27
12	Less Non-Tariff Income (-)	-23.00	-23.00	-23.00
	ARR -	4261.21	3863.11	3610.27

7. It is observed that the actual ARR of Rs. 3609.99 Crore for FY 2019-20 filed in the subject petition is based on Audited Accounts FY 2019-20 and the ARR of Rs. 3610.27 Crore approved by the Commission in the MYT Order was based on the trial balance accounts for FY 2019-20. Thus, the True-up amount claimed by MPPTCL for FY 2019-20 is (-) **Rs. 0.28 Crore** only. However, MPPTCL has also claimed MAT for period FY 2016-17 to FY 2019-20 of **Rs. 36.40 Crore**. Thus, the net true-up amount of **Rs. 36.12 Crore** is claimed in the subject petition.

8. Motion hearing in the subject petition was held on the 7th September, 2021. The petition was admitted and the petitioner was directed to serve copy of petition on all Respondents within a week and report its compliance to the Commission. The petitioner was asked to submit draft public notices in Hindi and English on gist of the petition to the Commission within a week. The Respondents were directed to file their replies to the petition by 30/09/2021 and to serve a copy of the aforesaid reply to the petitioner simultaneously.
9. Vide letter No. 3203 dated 13/09/2021, MPPTCL served copies of the petition to all the respondents in the subject matter. Vide letter No. 3205 dated 13/09/2021, MPPTCL submitted draft public notices for Commission's approval.
10. Subsequently, vide Commission's letter No. 1409 dated 23/09/2021, the information gaps and the requirement of additional details/ data/ documents were communicated to the petitioner seeking its response by 05/10/2021. The petitioner was also directed to publish the approved public notices on gist of the petition in Hindi & English newspapers, inviting comments within 21 days of the publication of the public notice. The public hearing in this matter was scheduled on 26/10/2021.
11. Vide letter No. 3698 dated 05/10/2021, MPPTCL submitted its issue wise reply to the aforesaid issues. Further, MPPTCL also submitted that the approved public notice has been published in the following Hindi / English newspapers:
 - i. Free Press (Bhopal) on 25.09.2021,
 - ii. Dainik Patrika (Jabalpur) on 26.09.2021 and
 - iii. Dainik Bhaskar (Indore) on 27.09.2021.
12. The details of the issue raised by the Commission and the response of MPPTCL to each issue is as given below:
 - (i) **Issue:**

At para 2.1 of the petition, details of EHV lines and Sub-Stations has been provided. However, details for number of bays have not been provided. The petitioner is required to submit information regarding number of bays as on 31/03/2019 & 31/03/2020.

MPPTCL's response:

The list of No. of bays as on 31.03.2019 and 31.03.2020 are submitted as Annexure-I(A) & I(B).

(ii) Issue:

At para 2.5 of the petition, net transmission capacity is worked out as 19742.32 MW for FY 2019-20. The petitioner is required to confirm that there is no subsequent change in the total transmission capacity for FY 2019-20 and also that this capacity has been adequate to serve the demand and there has been no instance for curtailment of demand due to adequacy related issue of the transmission system.

MPPTCL's response:

There is no change in the net Transmission capacity of 19742.32MW for FY 2019-20. This is to confirm that the aforesaid capacity was adequate to serve the demand and there has been no instance for curtailment of demand due to adequacy related issue of the transmission system.

(iii) Issue:

At para 4.2 of the petition, financial plan corresponding to the physical plan mentioned at para 4.1 is submitted. However, in para 4.3 of the petition, the progress during FY 2019-20 for only physical plan has been submitted. Similar progress for financial plan mentioned at para 4.2 may also be submitted by the petitioner. The impact of lower achievement on the other parameters of the ARR may also be submitted by the petitioner.

MPPTCL's response:

The physical and financial plan are drawn up on tentative basis. The corresponding financial plan as desired is also indicated therein in Annexure-II. The lower achievement than what was anticipated results in lower capitalization besides reduction in other tariff components which yield lower ARR.

(iv) (a) Issue:

At para 1.10 and 5.3 of the petition, MPPTCL has stated that the instant petition for True-up for FY 2019-20 is based on the Annual Accounts of the company for FY 2019-20 submitted vide letter no. CFO/MPPTCL/144/2145 dated 29/06/2021. On perusal of the aforesaid annual accounts of the company for FY 2019-20 it is observed that the Auditor has mentioned many issues including the following issues in Annexure-A to the Report:

"We observed delay in submission of Annexure-G due to which completed assets are delayed for recognition as assets and thus depreciation is undercharged and excess interest is capitalized for delayed period. During our audit we have found delay in submission of Annexure-G of Rs. 14.85 crore.

MPPTCL's response:

The efforts have been made to reduce the redundancies earlier prevailed prior to implementation of ERP in submission of Annexure-G. The delay due to manual entries has now been considerably reduced which is now being eliminated by streamlining the system in ERP.

(b) Issue:

As per IND AS-23, funds to the extent borrowed specifically for the purpose of obtaining a qualifying asset, the amount of borrowing cost eligible for capitalization on that asset should be determined as the actual cost of borrowing costs incurred on that borrowing during the period less any income on the temporary investment of those borrowing. However, the company is using general rate of the capitalization off borrowing cost over the assets except loan taken from JICA, ADB, KFW & REC-II during the year. Quantification of the same is not possible due to non-availability of sufficient information and records.

MPPTCL's response:

Specific rate for capitalization of the borrowing costs is used for the ongoing loan from JICA, ADB, KFW & REC-II during the Year.

Whereas is general rate as mentioned by the auditor is the weighted average interest rate used for capitalization of borrowing cost of drawl from loan from state government other than JICA, ADB, KFW & REC-II /counterpart funding arranged from other agencies for system strengthening of transmission system. The weighted average interest rate is being derived after matching of fund inflow with Capital Expenditure (Capex) in accordance with IND-AS 16. Hon'ble Commission is also allowing weighted average interest rate on borrowed funds for the purpose of computation of allowable interest in annual revenue requirement/True-Up petitions.

(c) Issue:

In Financial year 2018-19 company was recognized Rs. 24.70 Lakhs to Deemed Equity without any order / approval from GOMP. However, from the FY 2019-20. The practice of recognizing as deemed. Equity has been changed and recorded as Equity only on the receipt of order.

MPPTCL's response:

The disbursement of Rs. 24.70 lakhs have been made by the ADB to the supplier/contractor in FY 2018-19. A request letter to GOMP has already been sent in previous FY 2018-19 to allot this amount under Equity, therefore the same has been shown in the previous year financial statement as deemed equity as on 31/03/2019. Since, order from GoMP for the same is yet to be received in current year also, therefore, an amount of Rs. 24.70 lakhs have been kept under deemed equity as on 31.03.2020.

In the last two previous financial years, deemed equity was being recorded and shown in financial statement in the expectation of equity order from Govt. But, since AG has objected to this practice of recording deemed equity during the supplementary audit of FY 2018-19, thus, the same is recorded only on the receipt of order or cash as equity, in order to comply with suggestion of AG.

(d) Issue:

The Company has written off an amount of Rs. 440 Crore receivable outstanding from DISCOMS on the basis of decision of GOMP vide their letter No. 1413/R 4197

/ 2015/XIII dated 15.2.2021. We have neither informed about any dispute nor provided representation received, if any, from DISCOMS. Therefore, there is no reconciliation between the write off bad debts with the unrealized debtors. There is no policy of the Company with regard to the provision of bad debts. Hence, No provision has been made by the Company in the books of accounts. Due to this profit for the year are understated.

MPPTCL's response:

The Company does not have a policy of write-off or provisions of bad & doubtful debts. The dues of DISCOMS are written off on the directions of GOMP who is 100% shareholder of the company. Therefore, the amount has been written off as per GoMP (Energy department) letter No. 1413/R 4197/ 2015/XIII dated 15.02.2021. (Copy of order is submitted as Annexure-III)

(e) Issue:

“The Company has outstanding consumer contribution amounting to Rs. 784.94 Crore, this includes contribution amount for few works which has been completed. The Company does not have sufficient consumer wise or asset-wise information / details regarding amount refundable”.

In view of the above, the petitioner is required to inform the impact on the true-up claim of delay in submission of Annexure - G of Rs. 14.85 crore, bad debts of Rs. 440 crore written off along with the efforts made to recover these debts. The response of MPPTCL on each of the aforesaid issues raised by the auditor be also submitted.

MPPTCL's response:

The consumer wise details of amount deposited against consumer contributory work along with Assets capitalized against consumer contribution has been maintained in ERP system. As per the policy of the company, any excess amount deposited against consumer contribution work are refunded to consumer on completion of work.

(f) Issue:

It is further observed that Note 10 of the audited account shows that balances with bank has increased from Rs. 337.23 crores as on 31/03/2019 to Rs. 522.57 crores as on 31/03/2020. Its effect on the ARR items claimed in true-up petition be submitted by the petitioner.

MPPTCL's response:

This is to submit for kind consideration that the finalization of Annexure-G and capitalization thereof has been streamlined to a significant extent and it is expected that minor delays in capitalization will further reduce. The dues of Discoms are written off on the directions of GoMP, who took into account, the precarious financial position of Discoms and on the request of Discoms, it was decided by the GoMP that the amount of Rs. 440 Crores of bills raised by the MP Transco, in respect of

Transmission Charges, be written off in FY 2019-20 from the receivable outstanding as on 31.03.2020. The aforesaid directions of the GoMP are issued vide letter No. 1413/R-4197/2015/XIII dated 15.02.2021 of Officer on Special Duty, Energy Department.

It is further submitted that the bank balance of 31/03/2019 was Rs. 337.23 Crore which includes 3.02 Crore of SLDC account and bank balance on 31.03.2020 was Rs.522.57 Crore which include Rs. 135.97 Crore of SLDC account. Apart from it, Rs.139.22 Crore and Rs.20.69 Crore has been received from GoMP (Equity + Loan) and PSDF Grant respectively. For SLDC account, separate petition is being filed.

Depending upon the expenditure incurred on various projects & receipt from various sources such as GoMP equity, loan, grant etc., the bank balance can increase or decrease for a financial year.

It is submitted that bank balance and ARR are two different parameters, as such, the bank balance has no impact on the ARR.

v. **(a) Issue:**

At para 6.5 of the petition, actual R&M expenses have been mentioned as Rs. 76.90 crores. However, in note no. 33 of the audited accounts, R&M expenses is mentioned as Rs. 77.56 Crores.

MPPTCL's response:

The actual R&M expenses of Rs.76.90 Crores indicated at Para 6.5 of the petition is verified which is exclusive of SLDC expenses and R&M expenses capitalized. The reconciled statement is submitted herewith as Annexure-IV.

(b) Issue:

A&G expenses has been mentioned as Rs. 87.71 crore in the petition however, the same has been mentioned as Rs. 88.00 crore in the audited accounts.

MPPTCL's response:

The A&G expenses of Rs.87.71 Crores is verified which is exclusive of fee paid to MPERC and SLDC expenses. The reconciled statement is submitted herewith as Annexure-V.

(c) Issue:

Further, Employee cost has been mentioned as Rs. 292.56 Crore in the petition while it appears as Rs. 372.05 Crore in note 30 of the audited accounts. In view of the above, the petitioner is required to submit reasons for the aforesaid discrepancy in figures and to submit a table to reconcile the figures.

MPPTCL's response:

The total employee cost as on 31.03.2020 is Rs.387.67 Crores inclusive of SLDC expenses and employee cost capitalized amounting to Rs.83.30 Crores. The net employee expenses therefore works out to Rs.292.56 Crores (Rs.387.67 Cr. - Rs.11.82 Cr. - Rs.83.30 Cr. = Rs.292.56 Cr.). The reconciled statement is submitted as Annex.-VI.

vi. Issue:

The petitioner is required to confirm that the claim towards O&M expenses have been workout only on the works completed and capitalized in the audited accounts and no CWIP has been considered for this purpose.

MPPTCL's response:

This is to confirm that CWIP is not taken into consideration for working out the O&M expenses.

vii. Issue:

At para 6.3 of the petition, parameters regarding lines and bays for claiming O&M expenses have been submitted. The petitioner is required to submit details of lines and bays as on 01.04.2019, 31.03.2020 and average for the year in tabular form.

MPPTCL's response:

The desired statement of bays and lines existed on 01.04.2019 and 31.03.2020 and average for the year is submitted herewith as Annexure-VII.

viii. Issue:

At para 7.2 & 7.3 of the petition, details of terminal benefit cost has been submitted and details is enclosed in Annexure-VII in which the amount of pension is mentioned as Rs. 1609.59 crore while in para 7.2 it is mentioned as Rs. 1713.85 crore. The petitioner is required to submit a chart to reconcile the figures filed at para 7.2 of the petition with the figures filed in Annexure-VII of the petition.

MPPTCL's response:

The pension disbursement of Rs.1609.59 Crores together with commutation of Rs.93.87 Crores as shown in Annexure-VII of the petition works out to Rs.1703.46 Crores. The DCRG amount shown in Annexure-VII of the petition is Rs.130.54 Crores which together with the amount of Rs.1703.46 Crores as aforesaid works out to Rs.1834.01 Crores which has been shown in Note-30 of Audited Accounts i.e. Rs.1713.85 Crores + Rs.120.16 Crores = Rs.1834.01 Crores. The difference of Rs.10.39 Crores is seen in DCRG amount shown as Rs.130.54 Crores in Annexure-VII of the petition and Rs.120.16 Crores shown in Audited Accounts at Note-30. This variation is due to accounting adjustments, however, it is submitted that the claimed amount of Terminal Benefits i.e. Rs.1834.01 Crores is the same which is considered in the petition and shown in the Audited Accounts.

ix. (a) Issue:

At para 8.5, depreciation at the beginning of the period has been mentioned as Rs. 4248.24 crores. However, in para 33 of the Commission's Order dated 8/02/2021 in petition 45/2019 regarding true-up for FY 2018-19, the closing accumulated depreciation was allowed as Rs. 4248.26 crores. The reason for discrepancy in figures be submitted by the petitioner.

MPPTCL's response:

The closing accumulated depreciation as on 31.03.2019 claimed in the True-up petition for FY 2018-19 was Rs.4248.24 Crores which has been considered in the instant petition. The accumulated depreciation allowed in the True-up order for FY 2018-19 as Rs.4248.26 Crores was not the claim of petitioner MPPTCL. It is most humbly requested to kindly consider the claim as per the instant petition.

(b) Issue:

At para 8.5 of the petition, GFA addition during the year has been mentioned as Rs. 934.10 crores. However, note 2 of the audited accounts shows addition to GFA as 854.24 crores. A chart telling the GFA claimed in the petition with the corresponding figure mentioned in the audited accounts be submitted by the petitioner.

MPPTCL's response:

The reconciled figure of GFA addition of Rs.934.10 Crores is verified from the Audited Accounts and the same is submitted as Annexure-VIII.

(c) Issue:

In annexure - V of the petition, it is mentioned that assets of Rs. 937.83 crores have been capitalized during the year and assets off Rs. 3.73 crores have been withdrawn. Thus, the net capitalization during the year is 934.10 crores. Further, at para 8.3 of the petition, the values for asset addition due to consumer contribution, PSDF grant and NCEF grant have been mentioned resulting in net capitalization of Rs. 821.96 crores during FY 2019-20. Further, at para 8.5 of the petition depreciation has been claimed on asset addition of Rs. 934.10 crores. In view of the aforesaid, the petitioner is required to confirm that depreciation has not been claimed on assets created through consumer contribution, PSDF grant or NCEF scheme.

MPPTCL's response:

This is to confirm that depreciation on the net capitalization of Rs.821.96 Crores during FY 2019-20 has been claimed as mentioned at Para-9.5 of the petition.

(d) Issue:

At para 8.5 of the petition, provision for depreciation on additions during the year has been mentioned as Rs. 432.12 crores. However, in note 2 of the audited accounts, the addition has been mentioned as Rs. 444.71 crores. A chart to reconcile the depreciation claimed in the petition with the figures mentioned in the audited accounts be submitted by the petitioner.

MPPTCL's response:

The difference in depreciation of Rs.432.12 Crores at Para-8.5 of the petition and addition as per Note-2 of Audited Accounts is Rs.444.71 Crores, is due to the different rate of depreciation as per MPERC Regulations and rate prescribed in the Companies

Act prior to 2010. This is to confirm that the accumulated depreciation claimed in the petition conforms to the laid down procedures adopted and approved since beginning.

x. Issue:

At para 8.3 of the petition, it is mentioned that assets amounting to Rs. 313.19 crore for assets pertaining to PPP project contracted to M/s. Satpura Transco Private Limited has also been shown in the audited accounts. The petitioner is required to show that the depreciation related to these assets have been excluded while claiming depreciation in the subject petition.

MPPTCL's response:

The asset amounting to Rs.313.19 Crores pertains to project executed on PPP mode which is not the part of MPPTCL asset and no depreciation has been claimed on the same.

xi. (a) Issue:

Vide letter. No. 10/1/2014 dated 07.09.2021, Ministry of Power, Government of India, New Delhi has sent the letter to MPPTCL and a copy to MPERC, regarding Sanction of grant from PSDF towards installation of ABT compliant meter having facility of 5 minute integration on existing MPPTCL interface points, in response to MPPTCL's letter no. PSDF/MPPTCL-17/Sep-18/247.

Further, it is observed that in para 8.3 of the petition, MPPTCL has submitted that capitalization of asset is inclusive of Rs. 24.46 Crores on account of consumer contribution Rs. 0.38 crores against grant portion of PSDF scheme and Rs. 87.30 crores against grant portion of NCEF scheme. Similarly, the projects under PSDF grant is shown other years also. In view of the above, the petitioner is required to clarify the following issues:

(a) Method adopted by MPPTCL to cover the actual cost of the work as against the estimated cost and amount of grant sanctioned from PSDF by the Ministry of Power.

MPPTCL's response:

The Fixed Assets and Grant has been recognized in the financial statement in accordance with the terms and conditions of grant and as per the IND-20 "Accounting for Government Grants and Disclosure of Government Assistance".

(b) Issue:

How such amounts of PSDF grant are shown in the information mentioned in Annexure-V of the Petition.

MPPTCL's response:

The statement showing the amount capitalized against PSDF & NCEF scheme is submitted herewith as Annexure-IX(A & B).

(c) Issue:

Details of compliance of the relevant terms and conditions of the Government's letter and the MPERC's Regulations in the matter.

MPPTCL's response:

The works capitalized through grant portion are not to be considered for claiming depreciation as per the Regulations. The regulatory provisions are being complied with. The relevant terms & conditions of the Government for grant of PSDF are followed as mentioned at (a) above.

xii. Issue:

The petitioner has submitted a list of 316 projects capitalized during FY 2019-20 along with a list of projects under DB, CC, and WD in Annexure - V of the petition. On scrutiny of the aforesaid details, following information is required to be submitted by the petitioner:

(a) Depreciation claimed on land mentioned at serial no. 1, 2 and 3 of the list.

MPPTCL's response:

No depreciation has been claimed on land as per the provisions in the Tariff Regulations.

(b) Issue:

The original scope of work under each project indicating the competent authority from whom the approval was accorded for all works.

MPPTCL's response:

The Annexure-V of the petition covers the details of works capitalized during FY 2019-20. It is submitted that competent authority have accorded approval to all such works for execution. The revised Annexure-V which contains the reference of approved Plan is submitted herewith as Annexure-X.

(c) Issue:

It should also be submitted whether the projects / works shown as capitalized in FY 2019-20 are new works or a part of some existing projects or under any R&M scheme.

MPPTCL's response:

This is to submit that works capitalized during FY 2019-20 are the capital works and no work executed under R&M scheme has been capitalized.

(d) Issue:

The scheduled date of commissioning of each project mentioned in Annexure - V.

MPPTCL's response:

The schedule date of commissioning of each project is also indicated in above said Annexure-X.

(e) Issue:

If the commissioning of any project has been done beyond its scheduled date, the reason for delay along with any penalty / liquidated damage if any, imposed on the contractor / vendor.

MPPTCL's response:

The penalties / liquidated damages wherever imposed are indicated against the works in Annexure-X.

(f) Issue:

In some of the works, partial amount is shown as capitalized against the estimated amount of works such as S. No. 10, 20, 50, 52, 88, 93, 104, 122, 129, 130, etc. The reasons for non capitalization of the complete estimated amount.

MPPTCL's response:

The capital works necessary for charging or bringing any asset in commercial operation are capitalized first on execution and thereafter, some works which do not directly affect the charging or asset being put to use, are executed subsequently and then capitalized. This situation occurs may times, however, efforts are made for early capitalization of the assets to the best possible extent.

(g) Issue:

It is mentioned in the petition that the works capitalized during FY 2019-20 are as per the Capex Plan approved, whereas no reference is given against each work. All such references be submitted by MPPTCL.

MPPTCL's response:

The reference of approved Capex Plan for each work is indicated in Annexure-X.

(h) Issue:

The works of 132 KV Sub-Stations at Gudgaon, Shahdol, Barman, Bistan are appearing at serial no. 17,19,20,21 and also at serial no. 113, 118, 119,120. The reason for repetition of the works be submitted by the petitioner.

MPPTCL's response:

The amount capitalized are through different Annexure-G under the same estimate, therefore, indicated at different serial numbers of Annexure-V of the petition. However, it is to submit that there is no effect on the net capitalization claim for FY 2019-20.

(i) Issue:

The petitioner is required to mention different works at same location as a, b and c with same serial no. and to submit a revised annexure after consolidating all such repetitive works mentioned in the annexure.

MPPTCL's response:

*The revised Annexure consolidating all such works shown at different serial numbers is submitted herewith as **Annexure-X**.*

(j) Issue:

For some works the estimate / executed amount has been mentioned in Rs. while at most of the places these have been mentioned in Rs. Lakhs. The petitioner is required to mention the amount in Rs. Lakhs only.

MPPTCL's response:

The amounts have been indicated in Lakhs in Annexure-X.

(k) Issue:

For some of the works, estimate amount has been blank and only executed amount has been mentioned. Example: S. No. 11, 12, 92, 93, etc. The petitioner is required to submit the Annexure after completing all rows and columns.

MPPTCL's response:

The desired information has been filled up as shown in Annexure-X.

xiii. Issue:

At para 9.4 of the petition, weighted average interest rate has been submitted as 5.55 % for FY 2019-20. It is observed that in petition No. 45/2019 regarding True-up of Transmission Tariff for FY 2018-19, the weighted average interest cost was claimed as 4.50 %, which was also considered by the Commission in MYT Order dated 19/05/2021.

Regulation 25.5 of the MPERC Regulations, 2020 provides that:

"The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment of interest capitalized"

Therefore, the petitioner is required to compute weighted average rate of interest on actual loan portfolio and also to submit the detailed calculation in excel format.

MPPTCL's response:

The desired information tabulated in Annexure-XI is submitted herewith, together with excel format.

xiv. Issue:

At para 9.7 of the petition, interest on working capital has been claimed as Rs. 69.28 crores. The actual amount of working capital loans availed by the petitioner during FY 2019-20 and the actual interest on working actual paid by it to the Banks/ Financial institutions be submitted by the petitioner along with the chart showing reconciliation of the aforesaid information with the Financial data contained in the audited accounts.

MPPTCL's response:

The claim towards interest on working capital has been made as per Tariff Regulations, 2020. This is submitted that the MPPTCL does not have any working capital loan during FY 2019-20.

xv. Issue:

It is observed that the para 43.4 of the MYT order dated 19.05.2021 mentioned that *“a report with covering letter dated 31/12/2021 regarding FOR working group on “Analysis off factors impacting Retail Tariff and measures to address them” is available on the website of the Forum of Regulators. The report contains issues related to **Transmission charges also**. MPPTCL may make efforts in light of the recommendations of this report to reduce the transmission charges”*.

The petitioner is required to submit efforts made by it to reduce the transmission charges filed in the subject petition.

MPPTCL’s response:

The MPPTCL always comply the directions of Hon’ble Commission to have the reasonable tariff structure as per the mandate of the Regulations. On the earlier directions of the Hon’ble Commission, the grossing up of MAT rate to evaluate the rate of RoE is not being done instead actual MAT being paid to tax authorities is claimed. The MPPTCL also make efforts to reduce the interest burden by way of swapping of loans.

xvi. Issue:

On perusal of the information filed in para 10.4 of the petition for additional RoE, the petitioner is required to provide complete details for its claim along with a certificate from competent authority mentioning that all parts of the concerned unit / element has been completed within the time line fixed under Regulations. The petitioner is required to justify its claim for additional RoE for works capitalized in FY 2018-19.

MPPTCL’s response:

The claim towards additional RoE have been admitted by the Hon’ble Commission in earlier True-up orders till FY 2018-19 after prudence check. No such claim for the works capitalized within timeline in FY 2019-20 have been made in the instant petition since the provision of additional RoE has been dispensed with in the Tariff Regulations applicable for control period FY 2019-20 to FY 2023-24. The cumulative additional RoE as per Para 10.4 of the petition has been considered for evaluation of claims towards RoE in Para 10.6 of the petition. It is to submit that the cumulative additional RoE already allowed by the Hon’ble Commission till FY 2018-19 commencing from FY 2009-10 has been considered for claim towards RoE which will be available till useful life of the assets. As such, it is most humbly requested that instant claim as per the petition may kindly be considered.

xvii. Issue:

At para 46.3 of the Commission’s MYT order dated 19.05.2021, it was mentioned that MPPTCL is required to make efforts to reduce transmission charges including return on equity. The petitioner is required to submit the details of the efforts made by it to reduce the return on equity in the transmission charges.

MPPTCL's response:

It is to submit that, earlier in order to reduce the interest burden and its cumulative effect on the ARR, the MPPTCL have made swapping of loans. The grossing up of MAT rate is also not being done to evaluate the rate of RoE on the directions of the Hon'ble Commission. In the MYT order dated 19.05.2021, the RoE component of ARR for control period FY 2019-20 to FY 2023-24 have also been worked out @ 15.50% without grossing up.

xviii. Issue:

MPERC Regulations, 2020 provided as under:

“(19.2) The capital cost admitted by the Commission after prudent check shall form the basis for determination of Tariff”.

At para 10.8 of the petition, MPPTCL has submitted information regarding taxes paid and MAT claimed on actual basis.

It is observed that Report on key Regulatory parameters of Power Utilities prepared by REC Limited / KPMG and forwarded by Ministry of Power, Government of India, New Delhi mentioned that the rate of return on equity has been reduced in many states like U.P., Haryana, Rajasthan, etc to reduced the cost to the consumers during the year affected by Covid-19 pandemic. Specific details are mentioned at section 10, Annexure-10.3 at page no. 137 of the Report. In view of the above, the petitioner is required to justify its claim for return on equity and its claim for MAT.

MPPTCL's response:

In view of submissions at xvii above, the Hon'ble Commission may kindly be pleased to appreciate that the MPPTCL have already lessened the claims towards RoE as per the earlier directions. Further reduction in RoE will affect the ARR and may lead to difficulties in resource mobilization.

xix. Issue:

At para 11.1 of the petition, Non-Tariff income for FY 2019-20 has been submitted as Rs. 25.81 crores. It is observed that note 19 of the audited accounts mentioned other income as Rs. 35.63 crores. It also mentions details regarding consultancy / service charges at para 29.1 and 29.2 of the audited accounts. The petitioner is required to reconcile the total amount of Non-Tariff income submitted in the instant petition with the corresponding information mentioned in the annual audit account for FY 2019-2020.

MPPTCL's response:

*The reconciled statement of Non-Tariff Income claimed in instant petition with the Annual Audited Account of FY 2019-20 is submitted as **Annexure-XII** for kind consideration of the Hon'ble Commission.*

xx. Issue:

At para 12.1 of the petition, it is mentioned that the PPP expenses were allowed as Rs. 37.80 crores in the MYT Order. However, M/s. STPL has raised total bills of Rs. 35.43 crores. Annexure - XVII mentions that amount unitary charges paid to M/s. STPL was same from May 2019 to March 2020. However, the amount was slightly different in April 2019. The reason for variation in the amounts and also reasons for the total invoice amount being less than the amount allowed in MYT order be submitted.

MPPTCL's response:

The claim towards PPP expenses amounting to Rs.35.43 Crores are on the actual basis as mentioned in Annexure-XVII of the Petition. It is further submitted that the slight variation in monthly Invoice amount occurs because of the variable Transmission System Availability factor which determines the component of incentive in the Transmission Charges.

xxi. Issue:

At para 14 of the petition, security expenses have been claimed as Rs. 19.54 crores. In view of the provisions regarding prudence check mentioned at Regulation 19.2 of the concerned MPERC Regulations, the petitioner is required to justify its claims and to submit the security expenses for FY 2018-19 and the manner in which such expenses were claimed in the True-up of Transmission charges for FY 2018-19.

MPPTCL's response:

The claim of Rs.19.54 Crores towards security expenses has been made as per Clause No. 28.4 of the Tariff Regulations, 2020 which stipulates that the security expenses for Transmission System shall be allowed separately. The details of security expenses are appended as Annexure-XIX of the Petition based on the actual payments made. It is also submitted that in the prior control period i.e. FY 2018-19, the security expenses were booked in the head A&G expenses since there was no provision in the applicable Regulations for that control period for claiming the security expenses separately.

13. The Commission received comment/suggestion/objections from one stakeholder which was forwarded to MPPTCL on email for its response. Vide its letter No. 3908 dated 21/10/2021, MPPTCL submitted issue wise reply to the issues raised in the aforesaid comments and simultaneously served a copy of the reply to the concerned stakeholder. Details of the issues raised, MPPTCL's reply and the Commission's observations are annexed as Appendix - I to this Order.
14. Public hearing was conducted on the 26/10/2021 through video conferencing. In the public hearing, the stakeholder who had submitted written comments was heard and the case was reserved for Order.

15. In para 2.1 to 2.6 and Annexure III of the petition, MPPTCL filed the following Transmission Capacity for FY 2019-20 and its allocation among Discoms, SEZ and WCR:

INTRA-STATE TRANSMISSION SYSTEM -

Intra-State Transmission System of MPPTCL comprises of EHV Lines and Sub-stations of various voltages. Position as on 31.03.19 and 31.03.20 is tabulated hereunder;

S. No.	Voltage Level	As on 31.3.19			As on 31.3.20		
		EHV Lines Ckt. KMs	EHV Sub-Stations		EHV Lines Ckt. KMs	EHV Sub-Stations	
			Number	MVA Capacity		Number	MVA Capacity
1	400 KV	3520.95	11	8495	3570.85	12	9440.00
2	220 KV	12929.07	78	23990	13594.28	82	25900.00
3	132 KV	18914.55	276	28246	20084.79	287	29831.50
TOTAL -		35364.57	365	60731	37249.92	381	65171.50

The Transmission System capacity of Intra-State Transmission System of MPPTCL is allocated to the Long Term Open Access customers including the Distribution Licensees. The Transmission System capacity is therefore determined as per the "MPERC (Terms and conditions for Intra-State Open Access in MP) Regulations, 2005". The Average Capacity of Intra-State Transmission System is defined as;

"Average capacity means the average capacity in MW served by the Intra-State Transmission System of the Transmission Licensee in the previous financial year, and shall be the sum of the generating capacities, connected to the Transmission System and contracted capacities of other Long Term transactions handled by the system of Transmission Licensee".

STATE GOVERNMENT ORDER FOR CAPACITY ALLOCATION

Based on MPPMCL, MPIDC (SEZ) & WCR (Indian Railway) contracted capacities, the total Generating Capacity in MW served by Intra-State Transmission System of MPPTCL in the previous financial year i.e. 2018-19 is summarized hereunder;

S. No.	MP's Power Share from	MP Share (MW)	Post-Aux. Consumption Share (MW)
1	MP Thermal Generation (excluding MPIDC)	5345.00	4941.77
2	MP Hydel Generation	595.00	592.09
3	Inter-state Hydel Projects	322.20	321.24

4	Joint Venture Hydel Projects	2424.32	2406.97
5	Central Sector	4655.66	4225.92
6	Additional share from Other Projects	3962.60	3834.11
7	From Private Projects	3395.00	3095.22
Total Capacity of Discoms		20699.78	19417.32
8	MPIDC	55.00	55.00
9	WCR (Indian Railway)	270.00	270.00
Total -		21024.78	19742.32

Hon'ble Commission in its order dated 19.5.2021, has considered a total capacity of 19417.32 MW allocated to the three DISCOMS, 55.00 MW for MPIDC and 270.00 MW for 2019-20 thus revising the same to 19742.32 MW.

TRANSMISSION CAPACITY ALLOCATION AMONG DISCOMS, RAILWAYS & SEZ -

The capacity allocation to Discoms is proposed on the following basis:

The State Government vide notification dated 21.03.2016 (**Annexure-II**) has allocated all capacities to Madhya Pradesh Power Management Co. Ltd. and directed MPPMCL to distribute the power capacity in the ratio of energy requirement of three state owned Discoms. and the capacities based on energy requirement of MPPMCL has been distributed between three Discoms and the same is tabulated hereunder;

Particulars	Energy input of Discoms (in MU)	% allocation	MW Share
MP Poorva Kshetra Vidyut Vitaran Company Ltd. Jabalpur.	20508.98	29.37 %	5703.02
MP Madhya Kshetra Vidyut Vitaran Company Ltd. Bhopal.	24133.28	34.56 %	6710.84
MP Paschim Kshetra Vidyut Vitaran Company Ltd. Indore.	25185.56	36.07 %	7003.46
Total -	69827.83	100.00 %	19417.32

- (i) The Capacity of 55 MW for MPIDC and 270 MW for WCR is treated as additional.
(ii). The capacity for the year for 2019-20 is taken as that on 31st March 2019.
(iii). The percentage takes care of Bundelkhand's allocation to East Discom.
Based on above, the allocated transmission capacity is tabulated hereunder;

S. No.	Distribution Licensee	Percentage Allocation	Capacity Allocation for FY 2019-20 (MW)
1	MP Poorva Kshetra Vidyut Vitaran Company Ltd. Jabalpur.	29.37 %	5703.02
2	MP Madhya Kshetra Vidyut Vitaran Company Ltd. Bhopal.	34.56 %	6710.84

3	MP Paschim Kshetra Vidyut Vitaran Company Ltd. Indore.	36.07 %	7003.46
4	Total Discoms -		19417.32
5	MPIDC(SEZ)-Indore	-	55
6	WCR on behalf of Railways	-	270
GRAND TOTAL -		-	19742.32

As per Transmission Tariff Regulations, the Distribution Companies, MPIDC and West Central Railways as Long Term Open Access Customers will share the Transmission charges in the ratio of capacity allocated to them.

16. **TRANSMISSION LOSSES** -

The Transmission Loss for 2019-20 has been calculated to be 2.59 % against a target of 2.80% set by Hon'ble Commission i.e. below the limits as fixed by the Hon'ble Commission. Transmission losses in Intra-State system have generally reduced gradually during previous years, one of the reasons being execution of Capital Plan. The figures for last three years and during the year are tabulated hereunder;

Details	2016-17	2017-18	2018-19	2019-20
Energy Received into System (MUs)	60797.28	65350.83	71945.23	72278
Energy sent Out of System (MUs)	59150.63	63552.25	69994.79	70403
Energy Lost (MUs)	1646.65	1798.58	1950.44	1874.31
Transmission Loss (%)	2.71	2.75	2.71	2.59
Target (Loss) (%)	2.82	2.82	2.82	2.80

As per the directives of the Hon'ble Commission, MPPTCL is computing the Voltage-wise Transmission losses. The year-wise details are given hereunder;

S. No.	System Voltage	Transmission Losses in %			
		2016-17	2017-18	2018-19	2019-20
1	400 KV	1.13%	1.02%	1.12%	2.17%
2	220 KV	1.92%	1.88%	1.94%	1.10%
3	132 KV	0.44%	0.56%	0.49%	0.63%

17. **TRANSMISSION SYSTEM AVAILABILITY** -

Hon'ble Commission has fixed a target of Transmission System Availability as 98% for year 2019-20 in the MYT Regulations. The actual achieved during the year is higher than the target fixed. This indicates proper maintenance of lines and sub-stations as well as prompt outage management. The achievements are shown hereunder:

S. No.	System Voltage	Transmission System Availability in %			
		2016-17	2017-18	2018-19	2019-20
1	Target	98.00%	98.00%	98.00%	98.00%
2	Achieved	98.39%	99.15%	99.59%	99.64%

CAPITAL COST AND CAPITAL STRUCTURE**ADDITION OF ASSETS DURING FY 2019-20**

18. The petitioner broadly submitted as under:

MPPTCL has adopted IND AS for accounting from FY 2016-17 onwards and accounts for FY 2019-20 has also been prepared accordingly.

Assets inclusive of Consumer Contribution, PSDF Grant and NCEF Grant worth Rs. 937.83 Crores have been capitalized during the year and assets of value Rs. 3.73 Crores have been withdrawn. The above figure of capitalization of asset is inclusive of value Rs. 24.46 Crores that have been capitalized on account of consumer contributions, Rs. 0.38 Crores against grant portion of PSDF Scheme and Rs. 87.30 Crores NCEF Scheme. Thus, a net addition worth of Rs. (937.83 - 3.73 - 24.46 - 0.38 - 87.30) Cr = Rs. 821.96 Crores (net capitalization) have been Capitalized during the year 2019-20.

It is also to be submitted that as per the provisions of new IND AS adopted by the Company, this year, leasehold Asset amounting to Rs. 313.19 Crores for the Asset pertaining to PPP Project contracted to M/s Satpura Transco Pvt. Ltd. has also been shown in the Company's accounts; however, this amount of Rs. 313.19 Crores have not been considered in this Petition. The claim of Unitary Charges has been detailed out in Chapter XII (Para 12.1) of this Petition.

19. The petitioner filed a list of works completed during FY 2019-20 with the petition. The aforesaid list contained a break-up of works capitalized during the year with works done by consumer contribution, works done by direct booking and other work-wise details like particulars of work, estimated amount, date when work completed, amount capitalized and date of capitalization etc.
20. MPPTCL filed the details of transmission lines and bays commissioned in FY 2019-20 (Annexure 4 of the petition) in support of its O&M claims. MPPTCL also filed the break-up of following capital cost and its funding:

Breakup of Capital Cost filed by the Petitioner

(Rs. in Crore)		
S. No.	Particular	Total Assets
1	<i>Capital cost as on 31.3.2019 (as per True Up Order of FY 2018-19)</i>	10542.57
2	<i>Capital expenditure during FY2019-20 based on audited accounts</i>	937.83
3	<i>Less Works capitalized through Consumer Contribution during FY 2019-20</i>	24.46
4	<i>Less PSDF Scheme Grant Portion Recognized</i>	0.38
5	<i>Less NCEF Grant Portion Recognized</i>	87.30

6	Less Assets adjusted/ withdrawn/ de-capitalized during the year	3.73
7	Net Additional Capital expenditure during FY 2018-19	821.96
8	Total capital cost as on 31.3.2020 (Net)	11364.53

FUNDING OF CAPITAL COST –**Funding of Capital Cost claimed by the petitioner (Rs. in Crore)****(Rs. in Crores)**

S. No.	Particular	Assets	Equity	Loan
1	Opening capital cost as on 01.04.2019 as per True Up order of FY 2018-19	10542.57	3078.80	5605.24
2	Net-off Capitalization during the year for RoE calculations (considering normative 70 - 30 debt - equity ratio)	821.96	246.59	575.37
3	Closing capital cost as on 31.03.2020	11364.53	3325.39	6180.61

Commission's Analysis: -

21. Vide Order dated 12/03/2021 in Petition No. 42/2020, the Commission has granted in principle approval to the MPPTCL's Capex. Plan for MYT control period of FY 2019-20 to FY 2023-24 in which total works of Rs. 8480.52 Crore have been proposed.
22. As per the certificate of the Chief Financial Officer, MPPTCL Jabalpur, the assets of Rs. 24.46 Crore were funded through consumer contribution, Rs. 0.38 Crore through grant portion of PSDF Scheme and Rs. 87.30 through Crore NCEF Scheme. Withdrawal of Rs. 3.73 Crore was made from the Gross Block. Accordingly, net addition of **Rs. 821.96 Crore** (out of total capitalized amount of Rs. 937.83 Crore in FY 2019-20) is shown in the aforesaid certificate and the petition. In view of the above, the Commission has considered the Capital cost as follows:

Capital Cost considered by the Commission

S. No.	Particular	Unit	Total Assets
1	Capital cost as on 01.04.2019 as admitted vide True up Order for FY 2018-19	Rs. Cr.	10542.57
2	Capital expenditure during FY 2019-20 based on audited accounts	Rs. Cr.	937.83

3	Less : Assets adjusted/ withdrawn/ de-capitalized during the year	Rs. Cr.	(-) 3.73
4	Less Works capitalized through Consumer Contribution during FY 2019-20	Rs Cr.	(-) 24.46
5	Less NCEF Grant Portion Recognized	Rs. Cr.	(-) 87.30
6	Less PSDF Scheme Grant Portion Recognized	Rs Cr.	(-) 0.38
7	Net Additional Capital expenditure during FY 2019-20	Rs. Cr.	821.96
8	Total capital cost as on 31.3.2019 (1+8)	Rs. Cr.	11,364.53

23. The following funding of Capital Cost as on 31.03.2020 on normative Debt: Equity ratio is considered in this order:

Funding Admitted by the Commission

(Rs in Crore)				
S. No.	Particular	Assets	Equity	Loan
1	Opening capital cost as on 01.04.2019 as per true-up order for FY2018-19	10542.57	3078.80	5605.24
2	Net-off Capitalization during the year for RoE calculations (considering normative 70:30 Debt:Equity ratio)	821.96	246.59	575.37
3	Closing capital cost as on 31.03.2020	11364.53	3325.39	6180.61

24. As per provisions under MPERC (Terms & Conditions for Determination of Transmission Tariff)(Revision-IV) Regulations, 2020, the Commission has considered that the source of funding corresponding to the assets addition is 70% from loan and 30% from Equity as per normative debt-equity ratio. Therefore, GFA addition of Rs. **821.96 Crore** is considered to be funded from a loan of Rs. **575.37 Crore** and Equity of Rs. **246.59 Crore** in terms of the provisions under Regulations, as mentioned above.
25. The above figures of funding are considered in this order to work out interest and finance charges and Return on Equity.

ANNUAL FIXED COST

26. The Annual Fixed Cost (AFC) of a Transmission System including Communication System consists of the following components:
- (i) Depreciation;
 - (ii) Return on Equity;
 - (iii) Interest and Finance Charges on loan capital;
 - (iv) Interest on working capital;
 - (v) Operation and Maintenance Expenses;
 - (vi) Lease/ Hire Purchase Charges
27. The component-wise analysis of the Annual Fixed Cost in this true-up order is as given below:

DEPRECIATION:**Petitioner's submission:**

28. The petitioner has broadly submitted the following in the petition:

"OPENING BALANCE SHEET" -

The Government of Madhya Pradesh has notified the final Opening Balance Sheet on 12th June 2008 in the position of 31.05.2005. The fixed Assets transferred are shown as hereunder;

(i)	<i>Opening Gross Block</i>	<i>Rs. 2932.75 Crores</i>
(ii)	<i>Accumulated Depreciation</i>	<i>Rs. 1205.95 Crores</i>
(iii)	<i>Net Fixed Assets</i>	<i>Rs. 1726.81 Crores</i>

Hon'ble Commission had directed the Petitioner to reconcile the Asset Register and work out the Depreciation during the year on the above. The details of this Asset Register was submitted during the Truing-up process of 2012-13 for perusal of the Hon'ble Commission. The Opening Gross Blocks and Net Blocks of the Asset Register were reconciled & were of the same value as given in the Final Opening Balance Sheet. There was no change in Assets capitalized after 1.6.2005 which in turn were the same as submitted earlier and reconciled with the accounts. The Depreciation for FY 2018-19 was also worked out on the basis of this reconciled Asset Register.

Continuing with the Asset Register thus submitted, by extending the figures of GFA - Depreciation for the year, Accumulated Depreciation & Net Fixed Assets for 2019-20 has been worked out, as summarized in the following table;

(Amount Rs. in Crores)				
S. No.	Date as on	Gross Fixed Assets	Accumulated Depreciation	Net Fixed Assets
1	31-03-2017	8837.80	3503.16	5334.64
2	31-03-2018	9606.08	3864.34	5741.74
3	31-03-2019	11512.35	4248.24	7264.11
4	31-03-2020	12446.45	4680.36	7766.09

The Depreciation for the year 2019-20 has been calculated as per Clause 26 of the Regulations. The Depreciation has been claimed as per the Regulations.

ADDITION OF ASSETS DURING FY 2019-20 –

MPPTCL has adopted IND AS for accounting from FY 2016-17 onwards and accounts for FY 2019-20 has also been prepared accordingly.

Assets inclusive of Consumer Contribution, PSDF Grant and NCEF Grant worth Rs. 937.83 Crores have been capitalized during the year and assets of value Rs. 3.73 Crores have been withdrawn. The above figure of capitalization of asset is inclusive of value Rs. 24.46 Crores that have been capitalized on account of consumer contributions, Rs. 0.38 Crores against grant portion of PSDF Scheme and Rs. 87.30 Crores NCEF Scheme. Thus, a net addition worth of Rs. 937.83 - Rs. 3.73 - Rs. 24.46 - Rs. 0.38 - Rs. 87.30 = Rs. 821.96 Crores (net capitalization) have been Capitalized during the year 2019-20.

It is also to be submitted that as per the provisions of new IND AS adopted by the Company, this year, leasehold Asset amounting to Rs. 313.19 Crores for the Asset pertaining to PPP Project contracted to M/s Satpura Transco Pvt. Ltd. has also been shown in the Company's accounts; however, this amount of Rs. 313.19 Crores have not been considered in this Petition. The claim of Unitary Charges has been detailed out in Chapter XII (Para 12.1) of this Petition

The certificate of Works Completion and Capitalization from the CFO (MPPTCL) along with the list of Assets capitalized during the year is enclosed as Annexure-V.

DEPRECIATION AGAINST CONSUMER'S CONTRIBUTION WORKS –

Hon'ble Commission has prescribed the procedure to account for the Depreciation on Assets formed under Consumer's Contribution. Hon'ble Commission also mentioned to review this since 31.05.2005, the date of Opening Balance Sheet transfer. It is to mention that no such Assets have been capitalized till 31.03.2010. Such Assets have been capitalized in FY 2010-11 onwards only. The Depreciation on these Assets have been computed as per other Assets. Thereafter, these Assets are tabulated separately in Depreciation Model and Depreciation charged on these has been subtracted from total Depreciation claim.

Since the adjustment has been given in Depreciation itself, the amortization is not shown again as other income.

DEPRECIATION FOR FY 2019-20 –

*As per above procedure, the Depreciation (**excluding Depreciation on Assets formed under Consumer's Contribution and grant**) for 2019-20, computed from Asset Register & Software model and comparison from previous year, is given below;*

(Amount Rs. in Crores)

FY	Gross Fixed Assets			Provision For Depreciation			Net Fixed Assets	
	At the beginning of Year	Addition During Year	At End of Year	At the beginning of Year	Addition During Year	At End of Year	At the beginning of Year	At the End of Year
2018 -19	9606.08	1906.27	11512.35	3864.34	383.90	4248.24	5741.74	7264.11
2019 -20	11512.35	934.10	12446.45	4248.24	432.12	4680.36	7264.11	7766.09

The category-wise details for FY 2019-20 are given in Format TUT-7 & 8.

TRUE-UP OF DEPRECIATION FOR FY 2019-20 -

(i).	Depreciation claim as per Para 8.5 above	Rs. 432.12 Crores
(ii)	Depreciation allowed in MYT order dated 19.5.2021	Rs. 455.50 Crores
True-up Claim -		(-) Rs. 23.38 Crores

Provisions under Regulations:

29. Clause 26 of MPERC (Terms and Conditions for determination of Transmission Tariff) (Revision-IV) Regulations, 2020, provides that,

For the purpose of Tariff, depreciation shall be computed in the following manner:

(a) Depreciation shall be computed from the date of commercial operation of a Transmission System including Communication System or element thereof. In case of the tariff of a Transmission System including Communication System for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial Operation of the Transmission System taking into consideration the depreciation of individual units or elements thereof:

Provided that effective date of Commercial Operation shall be worked out by considering the actual date of Commercial Operation and installed capacity or capital cost of all elements of the Transmission System, for which single tariff needs to be determined.

(b) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. In case of multiple elements of Transmission System, weighted average life Transmission System shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

(c) The approved/accepted cost shall include foreign currency funding converted to

equivalent rupee at the exchange rate prevalent on the date of foreign currency actually availed.

- (d) The salvage value of the assets shall be considered as 10% and depreciation shall be allowed upto maximum of 90% of the capital cost of the asset:*

Provided that the salvage value for IT equipment and software shall be considered as NIL and 100% value of the assets shall be considered depreciable:

Provided further that any depreciation disallowed on account of lower availability of the transmission system shall not be allowed to be recovered at a later stage during the useful life or the extended life.

- (e) Land other than land held under lease shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.*

- (f) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in **Appendix-I** to these Regulations for the assets of the Transmission System:*

Provided that, there main depreciable value as on 31st March of the year closing after a period of 12 years from date of Commercial Operation, shall be spread over equitably in the balance useful life of the assets:

Provided further that the Consumer contribution or capital subsidy/ grant etc for asset creation shall be treated as per the Accounting Rules notified and in force from time to time.

- (g) In case of the existing Projects, the balance depreciable value as on 1.4.2019 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.3.2019 from the gross depreciable value of the assets. The rate of Depreciation shall be continued to be charged at the rate specified in Appendix-I.*

- (h) Depreciation shall be chargeable from the first Year of commercial operation. In case of commercial operation of the asset for part of the Year, depreciation shall be charged on pro rata basis.*

- (i) In case of de-capitalization of assets in respect of Transmission System or element thereof, the cumulative depreciation shall be adjusted by taking into account the depreciation recovered in tariff by the decapitalized asset during its useful services.*

Commission's Analysis:

30. The information gaps/ infirmities regarding this issue were communicated to the petitioner and the petitioner's response on all such issues has been discussed in earlier paragraphs of this order. These are not repeated here for sake of brevity. In the Asset-Depreciation Register filed by the petitioner, the depreciation of Rs 432.12 Cr for FY 2019-20 has been claimed as against the Depreciation of Rs 455.50 Cr allowed in the MYT Order. Thus, the true-up of (-) Rs 23.38 Cr is claimed for FY 2019-20. As per provisions under Regulations, the following Depreciation is considered for FY 2019-20 in this order:

Depreciated admitted by the Commission

Sr. No.	Particular	Unit	Amount for FY 2019-20
1	Opening Cumulative Depreciation for FY 2019-20	Rs. Cr.	4248.24
2	Depreciation during the year	Rs. Cr.	432.12
3	Closing Cumulative Depreciation for FY 2019-20	Rs. Cr.	4680.36

(ii) RETURN ON EQUITY:**Petitioner's Submission:****RETURN ON EQUITY ALLOWED IN THE ORDER -**

The MPERC (Terms and Conditions for Determination of Transmission Tariff - Revision-IV) Regulations, 2020 notified on 14th February 2020 provides that;

- i The Return on Equity shall be computed in rupee terms on the paid-up Equity Capital.*
ii The Return on Equity shall be computed on pre-tax basis at the base rate of 15.5% to be grossed up for tax.

Hon'ble Commission vide tariff order dated 19.5.2021 has allowed the RoE at the base rate of 15.5% on average Equity of Rs. 3218.91 Crores, which works out to Rs. 498.93 Crores for FY 2019-20.

EQUITY INFUSED DURING 2018-19 -

The Balance Sheet incorporated in Audited Accounts for FY 2019-20, provides for following figures for Equity;

- (i). Equity held on 31.03.2019 - Rs. 3294.35 Crores*
(ii). Equity held on 31.03.2020 - Rs. 3393.32 Crores

And after taking into consideration of accounting of reserves and surplus, the net value comes out for the year under consideration as Rs. 3217.47 Crores

QUALIFYING EQUITY FOR ROE -

Eligible Equity for claim of RoE in line with the approach adopted by Hon'ble Commission in True up order for FY 2011-12 is worked out taking opening figures as per the order of True-up of FY 2018-19, the same is tabulated as hereunder;

(Rs. in Crores)			
S. No.	Particular	Unit	Amount for FY 2019-20
1	Opening Equity in FY 2019-20 (closing Equity of last year as True Up order of FY 2018-19)	Rs. Cr.	3078.80
2	Equity addition due to capitalization considered during the year	Rs. Cr.	246.59
3	Closing Equity in FY 2019-20	Rs. Cr.	3325.39
4	Average Equity in FY 2019-20	Rs. Cr.	3202.10
5	Return on Equity base rate	%	15.50
6	Tax rate actually paid during the year	%	0.00
7	Rate of Return on Equity	%	15.50
8	Return on Equity	Rs. Cr.	496.32
9	Cumm. Additional RoE in respect of projects completed within specified time limit	Rs. Cr.	1.32
10	Total Return on Equity -	Rs. Cr.	497.64

Regarding above, it is also to submit that, keeping in tune with the approach of Hon'ble Commission towards calculating RoE as indicated in the True-up orders of previous years, the Format TUT-19 covering RoE has been suitably modified.

PROJECTS COMPLETED WITHIN SPECIFIED TIME LIMIT -

The provision for an additional return of 0.5% in case of project completed within time line has been **deleted** in Tariff Regulation applicable during control period FY 2019-20 to FY 2023-24 in view of the above claim in respect of the same has not been made for the works capitalized in FY 2019-20. However, the claim of additional RoE allowed by Hon'ble Commission upto FY 2018-19 as per provision in earlier Tariff Regulation is mentioned hereunder and same has been claimed in instant True Up Petition: -

FROM WORKS CAPITALIZED IN PREVIOUS YEARS -

S No	Addl. RoE already allowed in Previous Years through True-up	Rs. Crores
1	For Works Capitalized in FY 2009-10	0.005
2	For Works Capitalized in FY 2010-11	0.100
3	For Works Capitalized in FY 2011-12	0.120
4	For Works Capitalized in FY 2012-13	0.020
5	For Works Capitalized in FY 2013-14	0.120
6	For Works Capitalized in FY 2014-15	0.070
7	For Works Capitalized in FY 2015-16	0.030
8	For Works Capitalized in FY 2016-17	0.070
9	For Works Capitalized in FY 2017-18	0.014
10	For Works Capitalized in FY 2018-19	0.770
	TOTAL -	1.319

NORMATIVE LOAN -

If the average Equity is more than the eligible Equity, the same is to be treated as Normative Loan, and this "Normative loan" is eligible for interest at the rate **5.55 %** as

indicated in Para 9.4 covering overall Weighted Average Rate of Interest for Year 2019-20. On the basis of Chapter-IX & X, formulated on lines of True up order for FY 2011-12, with opening figures based on True up order of FY 2018-19, the following is worked out;

(Amount Rs. in Crores)

S No	Interest on Normative Loan	
a	Gross Block of Assets as on 01.04.2019	10542.57
b	Gross Block of Assets as on 31.03.2020 Net of Consumer Contribution, PSDF & NCEF Grant	11364.53
c	Gross Block of Assets (Average)	10953.55
d	Maximum Qualifying Equity (30%) with 70:30 Debt : Equity ratio	3286.07
e	Equity at the beginning of the year employed on Capitalized Works	3078.80
f	Equity at the end of the year employed on Capitalized Works	3325.39
g	Average Equity employed on Capitalized Works	3202.10
h	Qualifying Equity	3286.07
i	Available equity	0.00
j	Normative Loan component only if (g)>(h)	Nil

TRUE-UP OF RoE FOR FY 2019-20 -**(Amount Rs. in Crores)**

(i)	RoE Eligibility as per True-up claimed above	496.32
(ii)	Additional RoE as per Para 10.4 above	1.32
(iii)	Total RoE claimed	497.64
(iv)	RoE allowed in MYT order for 2019-20	498.93
(v)	True-up amount	(-) Rs. 1.29

Provisions under Regulations:

31. The provisions under Regulations 24 of MPERC (Terms & Conditions for determination of Transmission Tariff)(Revision-IV) Regulation, 2020 provide that, *Return on equity shall be computed in rupee terms, on the paid up equity capital determined in accordance with Regulation 22.*

Return on equity shall be computed at the base rate of 15.5% to be grossed up as per clause 24.3 of these Regulations:

Provided that:

- (i) *the rate of return of a new project shall be reduced by 1% for such period as may be decided by the Commission, if the Transmission System is found to be declared under Commercial Operation without commissioning of any of the data telemetry and Communication System up to Load Dispatch Centre or protection system:*

- (ii) *as and when the above requirement is found lacking in a Transmission System based on the report submitted by SLDC, RoE shall be reduced by 1% for the period for which the deficiency continues.*

The base rate of return on equity as allowed by the Commission under Regulation 24.2 shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in the respective financial year in line with the provisions of the relevant Finance Acts by the concerned Transmission Licensee, The actual income tax on other income stream including deferred tax (i.e., income of non transmission business) shall not be considered for the calculation of “effective tax rate”.

Rate of return on equity shall be rounded off to three decimal points and be computed as per the formula given below:

Rate of pre-tax return on equity= Base rate / (1-t)

Where t is the effective tax rate in accordance with clause 24.3 of this Regulation, and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of or non-transmission business, as the case may be, and the corresponding tax thereon. In case of Transmission Licensee paying Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess.

Illustration.-

- (i) *In case of the Transmission Licensee paying Minimum Alternate Tax (MAT) say, @ 21.55% including surcharge and cess:*

Rate of return on equity=15.50/ (1-0.2155) = 19.758%

- (ii) *In case of the Transmission Licensee paying normal corporate tax including surcharge and cess:*

(a) *Estimated Gross Income from transmission business for FY2019-20 is Rs 1000 Crore.*

(b) *Estimated Advance Tax for the year on above is Rs 240 Crore*

(c) *Effective Tax Rate for the year 2019-20 = Rs 240 Crore / Rs 1000 Crore =24%*

(d) *Rate of return on equity = 15.50/ (1-0.24) = 20.395%*

- (iii) *The Transmission Licensee shall true up the grossed up rate of return on equity at the end of every financial year based on actual tax paid together with any additional tax demand including interest thereon, duly adjusted for any refund of tax including interest received from the income tax authorities pertaining to the tariff period FY 2019-20 to FY 2023-24 on actual gross income of any financial year. However, penalty, if any, arising on account of delay in deposit or short deposit of tax amount shall not be claimed by the Transmission Licensee. Any under-recovery or over-recovery of grossed up rate on return on equity after truing up, shall be recovered or refunded to the Long Term Transmission Customers on year to year basis.*

Commission's Analysis:

32. The information gaps/ infirmities regarding this issue were communicated to the petitioner and the petitioner's response on all such issues have been discussed in preceding paragraphs of this order. These are not repeated here for brevity.
33. On perusal of the information filed for RoE and additional RoE, the petitioner was also asked to justify its claim towards RoE and additional RoE in view of the provisions of the Regulations in force.

It is observed that the petitioner has submitted that "*the provision for an additional return of 0.5% in case of project completed within time line has been **deleted** in Tariff Regulation applicable during control period FY 2019-20 to FY 2023-24. In view of the above claim in respect of the same has not been made for the works capitalized in FY 2019-20. However, the claim of additional RoE allowed by Hon'ble Commission upto FY 2018-19 as per provision in earlier Tariff Regulation is mentioned hereunder and same has been claimed in instant True Up Petition.*"

The Regulations 2016 provided for additional RoE as an incentive. The provisions under Regulations 23.2(i) of Regulations 2016 were applicable for the control period of aforesaid Regulations only. Those Regulations of 2016 have been superseded by Regulations of 2020 which have been effective from 01/04/2019. MPERC (Terms and conditions for determination of Transmission Tariff) Regulations, 2020 do not have such provisions for additional RoE.

34. Accordingly, the closing equity of FY 2018-19 is considered as equity employed on capital cost at the beginning of FY 2019-20. The equity infusion of Rs. 246.59 Crore during FY 2019-20 is considered in this order. Accordingly, the Return on Equity for FY 2019-20 is worked out as under:

S. No.	Particular	Unit	Amount for FY 2019-20
1	Opening Equity as on 01.04.2019 (as per True up order of FY 2018-19- closing Equity of previous year)	Rs. Cr.	3078.80
2	Addition due to additional capital expenditure during the year	Rs. Cr.	246.59
3	Closing Equity as on 31.03.2019	Rs. Cr.	3325.39
4	Average Equity during FY 2019-20	Rs. Cr.	3202.10
5	Return on equity base rate	%	15.50
6	Tax rate actually paid during the year	%	-
7	Applicable Rate of return on Equity	%	15.50
8	Return on equity	Rs. Cr.	496.32

35. In view of the above, the Commission has considered the total Return on Equity of Rs. **496.32 Crore** in this order.

INTEREST AND FINANCE CHARGES ON LOAN CAPITAL:

36. **Petitioner's submission:**

The petitioner broadly submitted as under:

SANCTION UNDER TARIFF ORDER FOR FY 2019-20 -

Hon'ble Commission under order dated 19.05.2021, allowed following Interest and Finance charges to MPPTCL for year 2019-20;

(i)	<i>Interest & Finance Charges</i>	<i>Rs. 152.36 Crores</i>
(ii)	<i>Interest on Working Capital</i>	<i>Rs. 70.03 Crores</i>
TOTAL -		<i>Rs. 222.39 Crores</i>

LOANS TRANSFERRED THROUGH OPENING BALANCE SHEET -

The Govt. of M.P. has notified the final Opening Balance Sheet on 12th June 2008, as referred in Chapter 1 of this Petition. Loan liabilities of Rs. 1313.21 Crores are indicated in the Balance Sheet and a liability of Rs. 5.53 Crores is indicated in the footnote as loan from MP Power Generating Company Ltd., making a total of Rs. 1318.74 Crores. Details of these are mentioned hereunder;

(Amount Rs. in Lakhs)

S. No.	Particulars	Opening Balance at the beginning of the year			
		Principal Not Due	Principal Due	Interest overdue	TOTAL
1	<i>Loan from PFC - Unsecured</i>	<i>30990.54</i>	<i>0.00</i>	<i>0.00</i>	<i>30990.54</i>
2	<i>Loan from PFC - Secured</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>

3	Loan from Canara Bank	0.00	0.00	0.00	0.00
4	Loan from SADA Gwalior	720.00	480.00	302.80	1502.80
5	Bonds & Debentures	29692.14	7655.06	11545.70	48892.90
6	MP Genco	553.00	0.00	0.00	553.00
7	Direct Loans	0.00	0.00	0.00	0.00
8	ADB	20844.32	0.00	0.00	20844.32
9	NABARD	7619.10	1215.02	0.00	8834.32
10	General Loans	2876.59	214.78	0.00	3091.37
11	Market Bonds	15964.95	1200.55	0.00	17165.50
TOTAL -		109260.64	10765.41	11848.50	131874.55

A Statement showing the position of the above mentioned liabilities as on FY 2019-20 has been prepared and is a part of Annexure-VI.

WEIGHTED AVERAGE RATE OF INTEREST -

Hon'ble Commission has desired that the Rate of Interest for each category of loans such as PFC, ADB, State Govt. etc. should be worked out by considering rate of interest of various loan installments applicable during the year. It is to submit that State Government Fund for JICA IDP 217 & ADB 3066 related works were based on debt i.e. there was no component of equity given by the State Government. Finance Department (GoMP) considered the request of MP Power Transmission Co., Ltd. to infuse equity in the JICA and ADB funded projects in such manner that the loan and equity portion to be kept in the ratio of 70:30. However, it was decided that 70% Loan portion would carry interest rate of 12% with retrospective effect. The same was conveyed to MPPTCL vide Energy Department letter No. F5-15/2014/13 dated 31.03.2017, the same is enclosed as **Annexure- XV**. Further, for the FY 2017-18 the Govt. of MP has released Rs. 102.38 Crores as equity under ADB-3066 and JICA IDP-217 project out of which Rs. 28.12 Crores has been received. Therefore, the interest on externally aided projects (ADB-3066 & JICA IDP-217) was revised to 12% with retrospective effect. It is also mentioned in the Energy Department letter dated 31.03.2017 that the same has been done in order to maintain the ratio of 70:30 between Loan and Equity portion of the project so as to make the project financially viable.

It is to submit that as directed by the Hon'ble Commission vide Para 33 of the True up order dated 04.05.2018 for FY 2016-17 that since any change in interest rates between the State Govt. and the Govt. of India / Lending Agencies have not been finalized, the revision of total weighted average rate of interest on account of change in interest rate of JICA IDP-217 and ADB 3066 loans and consequential claim for the prior period i.e. FY 2012-13 to FY 2015-16 is not considered. On similar ground, the interest claims of JICA and ADB 3066 loans were considered @1.5% and 2.14% respectively instead of 12%. The earlier submissions in the petition for True up claim of FY 2017-18, were made taking the interest rate @12% for JICA and ADB 3066 loans which were revised in compliance to the directives of the Hon'ble Commission vide letter No. 272 dated 13.02.2019 in this Petition for True Up of FY 2019-20, the total weighted average rate of interest worked out is in compliance to the observations and directions of the Hon'ble Commission as aforesaid. It is also submitted that consequent upon

finalization of interest rates between the GoMP & Govt. of India/ lending agencies in respect of JICA IDP-217 and ADB 3066 loans, as desired by the Hon'ble Commission, the claims for revised rates of interest for FY 2012-13 till applicable financial year shall be lodged in subsequent True Up Petitions.

The computation of interest for each category for FY 2019-20 is done and enclosed as Annexure numbered VIII to XIV, details of which are tabulated hereunder;

S. No.	Loan Scheme	Weighted Average Rate of Interest	Remarks
1	REC-I Secured	9.62%	Ref. Annexure-VIII(a)
2	REC-II Secured	9.72%	Ref. Annexure-VIII(b)
3	Union Bank of India	8.58%	Ref. Annexure-IX
4	ADB-1869	10.58%	Ref. Annexure-X
5	GOMP ADB 2323	3.44%	Ref. Annexure-XI(a)
6	GOMP ADB 2346	3.44%	Ref. Annexure-XI(b)
7	GOMP ADB 3066	2.14%	Ref. Annexure-XI(c)
8	GOMP JICA IDP-217	1.50%	Ref. Annexure-XII(a)
9	GOMP JICA IDP-250	1.80%	Ref. Annexure-XII(b)
10	GOMP KfW (GEC)	11.50%	Ref. Annexure-XIII
11	Market Bond	8.30%	Ref. Annexure-XIV

Note: The 'Weighted Average Rate of Interest' worked out in above mentioned Annexure are based on 'Principal Not Due' only, therefore, may differ from actual loan portfolio.

OVERALL WEIGHTED AVERAGE RATE OF INTEREST FOR 2019-20-

Clause 25.5 of the Transmission Tariff Regulations says;

"The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment or interest capitalized: .

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided further that if the Transmission System, does not have actual loan, then the weighted average rate of interest of the Transmission Licensee as a whole shall be considered."

The Weighted Rate of Interest is worked out on the basis of the principal not due outstanding at the end of the year, and on the rate of interest against various loans as worked out in Para 9.3 above. The working is shown in the following table: -

(Rs. in Crores)

S. No.	Particulars	Principal not due as on 31.03.2020	Rate of interest (%)	Interest
1	REC-I Secured	259.66	9.62%	24.98
2	REC-II Secured	122.97	9.72%	11.95
3	Union Bank of India	587.61	8.58%	50.42
4	ADB-1869	124.60	10.58%	13.18
5	GOMP ADB 2323	307.41	3.44%	10.57
6	GOMP ADB 2346	456.81	3.44%	15.71
7	GOMP ADB 3066	725.59	2.14%	15.53
8	GOMP JICA IDP-217	502.76	1.50%	7.54
9	GOMP JICA IDP-250	102.68	1.80%	1.85
10	GOMP KfW (GEC)	421.95	11.50%	48.52
11	Market Bond	2.28	8.30%	0.27
TOTAL -		3614.32	-	200.52

Weighted Average Rate of Interest = (200.52/3614.32)*100 = 5.55 %

The Hon'ble Commission vide MYT Order dated 19.5.2021 allowed the weighted average rate of interest @4.50% considering the same approved in True Up Order for FY 2018-19 which is now calculated as per actual loan portfolio as above.

ELIGIBILITY OF INTEREST FOR YEAR 2019-20 -

Clause 24.2 and 24.3 of the Transmission Tariff Regulations notified on 14.12.2012 states the following;

"24.2 The normative loan outstanding as on 01-04-2013 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.03.2013 from gross normative loan.

24.3 The repayment for each year of the Tariff period 2013-16 shall be deemed to be equal to the depreciation allowed for that year."

In accordance with the above, the position of loans up to 31.03.2020 has been worked out in **Annexure-VI** considering the actual loan repayments during each year. The repayment of loan is deemed as equal to Depreciation being claimed in the True-up Petition for FY 2019-20.

Further, Hon'ble Commission vide its order dated 12.12.2013 has directed to adopt its approach regarding the True up order for FY 2011-12.

In line with the approach & True up order for FY 2011-12 & also 2012-13 to 2018-19, the interest claim for FY 2019-20 is worked out as hereunder:

CAPITAL COST -**(Rs. in Crores)**

S. No.	Particular	Unit	Total Assets
1	Capital cost as on 31.3.2019 (as per True Up Order of FY 2018-19)	Rs. Cr.	10542.57
2	Capital expenditure during FY2019-20 based on audited accounts	Rs. Cr.	937.83
3	Less Works capitalized through Consumer Contribution during FY 2019-20	Rs. Cr.	24.46
4	Less PSDF Scheme Grant Portion Recognized	Rs. Cr.	0.38
5	Less NCEF Grant Portion Recognized	Rs. Cr.	87.30
6	Less Assets adjusted/ withdrawn/ de-capitalized during the year	Rs. Cr.	3.73
7	Net Additional Capital expenditure during FY 2018-19	Rs. Cr.	821.96
8	Total capital cost as on 31.3.2020 (Net)	Rs. Cr.	11364.53

FUNDING OF CAPITAL COST -**(Rs. in Crores)**

S. No.	Particular	Assets	Equity	Loan
1	Opening capital cost as on 01.04.2019 as per True Up order of FY 2018-19	10542.57	3078.80	5605.24
2	Net-off Capitalization during the year for RoE calculations (considering normative 70 - 30 debt - equity ratio)	821.96	246.59	575.37
3	Closing capital cost as on 31.03.2020	11364.53	3325.39	6180.61

INTEREST ON LOAN -**(Rs. in Crores)**

S. No.	Particular	Unit	Amount claimed for FY 2019-20
1	Opening Loan	Rs. Cr.	3286.59
2	Loan component added for Capitalization considered during the year	Rs. Cr.	575.37
3	Repayment equal to depreciation during the year	Rs. Cr.	432.12
4	Closing Loan	Rs. Cr.	3429.84
5	Average Loan	Rs. Cr.	3358.22
6	Wt. average rate of interest as claimed	%	5.55%
7	Interest on Loan	Rs. Cr.	186.38

NET INTEREST CLAIMED FOR FY 2019-20

(Rs. in Crores)

i.	Gross Interest claim as per Para 9.5	-	186.38
ii.	Interest allowed in order dtd. 19.5.2021	-	152.36
iii.	True up claimed for interest (i-iii)	-	(+)34.02 Crores

INTEREST ON WORKING CAPITAL -

The Interest on Working Capital is to be worked out on Normative basis as per Clause 29 & 39 of the Transmission Tariff Regulations, the working is given in Format TUT - 16 and summarized in the following table;

Working Capital requirement for 2019-20 -

(Rs. in Crores)

i.	O&M expenses for one month (Rs. 556.68 Crores / 12)	Rs. 46.39
ii.	Maintenance spares @ 15% of the O&M expenses	Rs. 83.50
iii.	Receivables equivalent to 45 days Transmission charges	Rs. 445.07
Total Working Capital --		Rs. 574.96
iv.	Interest on working capital @ 12.05 % i.e. SBI's Base rate of 8.55% as on 01.04.2019 plus 3.5%	Rs. 69.28

TRUE UP OF INTEREST CHARGES FOR FY 2019-20 -

(Rs. in Crores)

S. No.	Particulars	As allowed in Tariff order	As per this petition	True Up
1	Interest on loans	152.36	186.38	34.02
2	Interest on working capital	70.03	69.28	-0.75
Net True-up Rs. in Crores-				(+) 33.27

Provisions of Regulations:

37. Clause 25 of MPERC (Terms & Conditions for Determination of Transmission Tariff)(Revision-IV) Regulations, 2020 provides as under:

The loans arrived at in the manner indicated in Regulation 22 shall be considered as gross normative loan for calculation of interest on loan.

The normative loan out standing as on 1.4.2019 shall be worked out by deducting the cumulative repayment as admitted by the Commission upto 31.3.2019 from the gross normative loan.

The repayment for each year of the tariff period FY 2019-20 to FY 2023-24 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In

case of de-capitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro-rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of de-capitalization of such asset.

Notwithstanding any moratorium period availed by the Transmission Licensee, there payment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed.

The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment or interest capitalized:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided further that if the Transmission System, does not have actual loan, then the weighted average rate of interest of the Transmission Licensee as a whole shall be considered.

The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

The Transmission Licensee shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the Beneficiaries and the net savings shall be shared between the Beneficiaries and the Transmission Licensee, in the ratio of 50:50.

The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.

In case of dispute, any of the parties may make an application in accordance with the MPERC (Conduct of Business) Regulation, 2004, as amended from time to time:

Provided that the Transmission Customers shall not withhold any payment on account of the interest claimed by the Transmission Licensee during the pendency of any dispute arising out of re-financing of loan.

Commission's Analysis

38. While observing that the weighted average interest rate has been submitted as 5.55 % for FY 2019-20 at para 9.4 of the petition, the petitioner vide Commission's letter dated 23/09/2021 was asked to compute weighted average rate of interest on actual loan portfolio and also to submit the detailed calculation in excel format. Vide letter No. 3698 dated 05/10/2021, MPPTCL submitted the desired information tabulated in Annexure-XI together with excel format.
39. MPPTCL has submitted the calculation for arriving at the weighted average rate of interest for FY 2019-20. Considering the calculation provided by the petitioner, the weighted average rate has been considered as 5.55%. Accordingly, the interest on loan is considered as Rs. 130.96 Crore.
40. The Commission has allowed Rs.186.38 Crore for Interest and Finance charges for FY 2019-20 in this order as given below:

Interest on Loan admitted by the Commission

Sr. No.	Particular	Unit	Amount for FY 2019-20
1	Opening Loan	Rs. Cr.	3286.59
2	Loan addition for additional Capitalization	Rs. Cr.	575.37
3	Repayment equal to depreciation during the year	Rs. Cr.	432.12
4	Closing Loan (4=1+2-3)	Rs. Cr.	3429.84
5	Average Loan [5= (1+4) * 0.5]	Rs. Cr.	3358.22
6	Wt. average rate of interest as claimed	%	5.55 %
7	Interest on Loan	Rs. Cr.	186.38

(iii) OPERATION AND MAINTENANCE EXPENSES:

Petitioner's Submission:

41. The petitioner broadly submitted the following:

O&M EXPENSES DURING FY 2019-20 -

Hon'ble Commission has allowed O&M expenses of Rs. 556.68 Crores for FY 2019-20. This covers Employee Cost, A&G and Repairs & Maintenance Expenses during the year. It was however mentioned that if progress achieved is more than quantities considered in this order, higher amount of O&M will be allowed. The provision is based on the O&M Norms notified in the Transmission Tariff Regulation. The same is as hereunder;

Norms for O&M Expenses

S. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
	Lines	Rs. Lakh / 100 ckt km / annum				
1.	400 kV Lines	35.92	37.18	38.48	39.83	41.23
2.	220 kV Lines	33.54	34.71	35.93	37.19	38.50
3.	132 kV Lines	35.30	36.54	37.82	39.15	40.52
	Bays	Rs. Lakh / Bay / annum				
1.	400 kV Bay	10.75	11.13	11.52	11.93	12.35
2.	220 kV Bay	12.48	12.92	13.38	13.84	14.33
3.	132 kV Bay	12.52	12.96	13.42	13.89	14.38

Hon'ble Commission while allowing O&M Expenses for the year 2019-20 in the above referred order and tabulated in Para 5.1, considered the following average length of EHV Lines and Bays for the period 01.04.19 to 31.03.20. O&M expenses for year 2019-20 have been allowed as Rs. 556.68 Crores, considering following parameters;

S. No.	Particulars	O&M Norms 2019-20 Rs. in Lakhs	Parameters taken for 2019-20	O&M Expenses allowed for 2019-20 (rounded to Rs. In Lakhs)
1	400 KV Line	35.92 /100 Ckt-KM	3545.90 Ckt-KM	1273.69
2	400 KV Bays	10.75	153	1644.75
3	220 KV Line	33.54 /100 Ckt-KM	13261.67 Ckt-KM	4447.97
4	220 KV Bays	12.48	739	9222.72
5	132 KV Line	35.30 /100 Ckt-KM	19499.67 Ckt-KM	6883.38
6	132 KV Bays	12.52	2571.50	32195.18
TOTAL Rs. in LAKHS -				55667.69

PROVISION FOR TRUE UP OF O&M EXPENSES -

Item 38 (Clause 38.1 & 38.2) of MYT Regulations notified on 14.02.2020 provides that true up of O&M expenses will depend on length of Lines and number of Bays. The relevant Clauses are reproduced hereunder;

The O&M expenses comprise of employee cost, repairs & maintenance (R&M) cost and administrative & general (A&G) cost. The norms for O&M expenses have been fixed on the basis of circuit kilometers of transmission lines and number of bays in substation. These norms exclude Pension, Terminal Benefits and arrears, if any, to be paid to employees, taxes payable to the Government and fee payable to MPERC. The Transmission Licensee shall claim the taxes payable to the Government, fees to be paid to MPERC and any arrears paid to

employees separately as actuals. If the O&M expense as per norms provided in these Regulations are more than the actual total O&M expenses including arrears if any, as per audited accounts of Transmission Licensee, the O&M expenses to the extent of normative O&M expenses shall be allowed. The claim of pension and terminal benefits shall be dealt with as per Regulation 28.4. The Security Expenses for transmission system shall be allowed separately after prudence check:

Provided that the transmission licensee shall submit the assessment of the security requirement and estimated security expenses, at the time of truing up with appropriate justification.

The total allowable O&M expenses for the Transmission Licensee shall be calculated by multiplying the average number of bays and 100 ckt-km of line length for the Year with the applicable norms for O&M expenses per bay and per 100 ckt. km, respectively. In support of its claim for allowable O&M expenses, the Licensee shall submit before the Commission, the actual or projected circuit kilometers of line lengths and number of bays for each voltage level separately for each Year of the Tariff Period as the case may be.

NETWORK EXPANSION AND O&M EXPENSES FOR FY 2019-20

The average voltage-wise length of line & Bays on the basis of actual progress made during the year and the allowable O&M expenses for FY- 2019-20 based on approved norms, is worked out as under;

S. No.	Particulars	O&M Norms 2019-20 Rs. in Lakhs	Parameters taken for True Up of FY 2019-20	O&M Expenses allowed for 2019-20 (rounded to Rs. In Lakhs)
1	400 KV Line	35.92 /100 Ckt-KM	3545.90 Ckt-KM	1273.69
2	400 KV Bays	10.75	153	1644.75
3	220 KV Line	33.54 /100 Ckt-KM	13261.67 Ckt-KM	4447.97
4	220 KV Bays	12.48	739	9222.72
5	132 KV Line	35.30 /100 Ckt-KM	19499.67 Ckt-KM	6883.38
6	132 KV Bays	12.52	2571.50	32195.18
TOTAL Rs. in LAKHS -				55667.69

Say Rs. 556.68 Crores

List of Lines and Bays added during 2019-20 is enclosed as **Annexure-IV A & B**. The aforesaid list is based on comprehensive information furnished by the field units which includes name of Substation and Bays, their voltage level, estimate number, date of completion etc. The report of the Reporter of Compliance containing above said information has been submitted to Hon'ble MPERC by the MPPTCL vide No.4839 dated.9.12.2020.

ACTUAL O&M EXPENSES AS PER AUDITED ACCOUNTS –

The Regulations provide for claiming O&M Expenses on normative basis on certain heads. The actual O&M Expenses are therefore for information only. The details of O&M Expenses are given in formats TUT-3 to TUT-5 as per details given hereunder;

(Rs. Crores)

S. No	Format No.	Particulars	Gross Amount	Less Capitalized	Less SLDC Expenses	Net Amount
1	TUT-3	R&M Expenses	81.52	3.95	0.66	76.90
2	TUT-4	Employee Cost	387.67	83.30	11.80	292.56
3	TUT-5	A&G Expenses (MPERC fee Rs.0.01 not incl. in Net Amt)	108.29	19.00	1.58	87.71
4	TOTAL -		577.48	106.25	14.04	457.17

CLAIM OF O&M EXPENSES – TRUE UP

Net True up of O&M Expenses for FY 2019-20 is tabulated hereunder;

S. No.	Particulars	Amount (Rs. Crores)
1	O&M claim as per O&M Norms worked out in Para 6.3 above	556.68
2	O&M Expenses allowed in Tariff order for FY 2019-20	556.68
3	True up amount of O&M Expenses ((1-2))	0
Net True up Claim (O&M): (+) Rs. 0.00 Crores		

Provisions under Regulations:

42. Regulations 28 & 38 in MPERC (Terms and Conditions for determination of Transmission Tariff) (Revision – IV) Regulations, 2020 provides as under:

Operation and Maintenance Expenses shall be determined for the Tariff period based on normative O&M expenses specified by the Commission in these Regulations.

The cost components for employee expenses, repair & maintenance expenses and administrative and general expenses are considered as per Regulations 38.1 of these Regulations. The figures of O&M expenditure provided for FY 2018-19 in MPERC Terms & conditions for Determination of Transmission Tariff Regulations, 2016 shall be escalated by the escalation rate of 3.51% to arrive at the figures for FY 2019-20.

Thereafter, the O&M expenses for the subsequent years of control period shall be

determined by escalating the O&M norms arrived for FY 2019-20 with the escalation factor @ 3.51% as considered by the Central Commission for Transmission Licensees in its Tariff Regulations, 2019 for the respective financial years to arrive at permissible O&M expenses for each year of the Control Period.

The employee expenses considered in the above Operation and Maintenance expenses are excluding the pension and other terminal benefits. The Commission has notified MPERC (Terms and Condition for allowing Pension and Terminal Liabilities of Personal of Board and Successor Entities) Regulations, 2012 (G-38 of 2012) on 20th April, 2012. The expenses towards pension and terminal liabilities shall be allowed as per the provisions of aforesaid Regulations. The Security Expenses for transmission system shall be allowed separately after prudence check.

Increase in O&M charges on account of war, insurgency or changes in laws, or like eventualities where the Commission is of the opinion that an increase in O&M charges is justified, may be considered by the Commission for such a specified period.

Any saving achieved by a Transmission Company in any Year shall be allowed to be retained by it. The Transmission Company shall bear the loss if it exceeds the targeted O&M expenses for that Year.

Regulations 38 of the aforesaid Regulations provides as under:

The O&M expenses comprise of employee cost, repairs & maintenance (R&M) cost and administrative & general (A&G) cost. The norms for O&M expenses have been fixed on the basis of circuit kilometers of transmission lines and number of bays in substation. These norms exclude Pension, Terminal Benefits and arrears, if any, to be paid to employees, taxes payable to the Government and fee payable to MPERC. The Transmission Licensee shall claim the taxes payable to the Government, fees to be paid to MPERC and any arrears paid to employees separately as actuals. If the O&M expenses as per norms provided in these Regulations are more than the actual total O&M expenses including arrears if any, as per audited accounts of Transmission Licensee, the O&M expenses to the extent of normative O&M expenses shall be allowed. The claim of pension and terminal benefits shall be dealt- with as per Regulation 28.4. The Security Expenses for transmission system shall be allowed separately after prudence check:

Provided that the transmission licensee shall submit the assessment of the security requirement and estimated security expenses, at the time of truing up with appropriate justification.

The norms for O&M expenses per 100 ckt-km and per bay shall be as under:

Norms for O&M expenses per 100 Ckt. km and per bay

S. No.	Particulars	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
	Lines	Rs. Lakh / 100ckt km / annum				
1.	400 kV Lines	35.92	37.18	38.48	39.83	41.23
2.	220 kV Lines	33.54	34.71	35.93	37.19	38.50
3.	132 kV Lines	35.30	36.54	37.82	39.15	40.52
	Bays	Rs. Lakh / Bay / annum				
1.	400 kV Bay	10.75	11.13	11.52	11.93	12.35
2.	220 kV Bay	12.48	12.92	13.38	13.84	14.33
3.	132 kV Bay	12.52	12.96	13.42	13.89	14.38

The total allowable O&M expenses for the Transmission Licensee shall be calculated by multiplying the average number of bays and 100ckt-km of line length for the Year with the applicable norms for O&M expenses per bay and per 100ckt-km, respectively. In support of its claim for allowable O&M expenses, the Licensee shall submit before the Commission, the actual or projected circuit kilometers of line lengths and number of bays for each voltage level separately for each Year of the Tariff Period as the case may be.

Commission's Analysis:

43. The information gaps/ infirmities regarding this issue were communicated to the petitioner and the petitioner's responses on all such issue have been discussed in detail in earlier paragraphs of this order. These are not reproduced here for sake of brevity.
44. Details of EHV lines & bays filed in this petition are tallied with the corresponding figures mentioned in tables under para 1.1 & 2.10, respectively of the RoC report. The Commission has considered this information for the purpose of this order.

O&M Expenses admitted by the Commission

S. No.	Particulars	Assets			Approved Norms for FY 2019-20	Amount (Rs. in Lakhs)
		As on 31.3.2019 (as per true-up order for FY 2018-19)	As on 31.3.2020 (as per RoC report for FY 2019-20)	Average		
1	400 KV Line in Ckt-KMs	3520.95	3570.85	3545.90	Rs.35.92 Lakhs/ 100 Ckt-KM	1273.69
2	220 KV Line in Ckt-KMs	12929.07	13594.23	13261.67	Rs.33.54 Lakhs/100 Ckt-KM	4447.97
3	132 KV Line in Ckt-KMs	18914.55	20084.79	19499.67	Rs. 35.30 Lakhs/ 100 Ckt-KM	6883.38
4	400 KV Bay in Nos.	148	158	153	Rs. 10.75 Lakhs/ Bay	1644.75
5	220 KV Bay in Nos.	713	765	739	Rs. 12.48 Lakhs/ Bay	9222.72
6	132 KV Bay in Nos.	2500	2643	2571.50	Rs. 12.52 Lakhs/ Bay	32195.18
Total O&M Cost on the basis of Bays and Lines –Rs. 556.68 Cr.						55667.69

45. Based on the norms specified in the Regulations, the O&M Expenses are worked out as **Rs. 556.68 Crore** for FY 2019-20.

TERMINAL BENEFITS:**Petitioner's submission:**

46. The petitioner broadly submitted the following:

TERMINAL BENEFITS ALLOWED FOR FY 2019-20:

Hon'ble Commission has notified the "MPERC (Terms & Conditions for allowing Pension and Terminal Benefits liabilities of personnel of Board and successor Entities) Regulations, 2012 (G-38 of 2012)" on 20th April 2012. Clause 1.2 of this Regulation provides;

"These Regulations shall come into force with immediate effect from the date of their publication in the official Gazette of the Government of Madhya Pradesh. For Tariff determination purposes its provisions will be given effect to in the financial year following the year of its publication."

*Hon'ble Commission therefore in its order dtd. 19.05.2021; in para-34 has considered the Terminal Benefit and Pension expenses for FY 2019-20 on provisional basis on "Pay as you go" principles payable to the extent of **Rs. 1834.01 Crores** as allowed in the MYT order. The actual expenses for this period is to be considered during the process of True up of Transmission Tariff for FY 2019-20.*

TERMINAL BENEFITS AS PER AUDITED ACCOUNTS -

The Audited Accounts of MPPTCL, listed out the following expenses against Terminal Benefits for FY 2019-20 as compared to the previous year;

TERMINAL BENEFIT COST -		Rs. in Crores	
PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2020	
(A) CASH -			
Gratuity	284.75	120.16	
Pension	1739.56	1713.85	
TOTAL -	2024.31	1834.01	

TRUE-UP CLAIM FOR TERMINAL BENEFITS -

Vide Para 34 of the Order dated 19.5.2021, against the head of Pension and Gratuity on retirement (of MPPTCL employees), Hon'ble Commission, has determined an amount of Rs. **1834.01 Crores**. The details of Pension & Gratuity of all the Companies are enclosed as **Annexure-VII**.

True-up for FY 2019-20 for Terminal Benefits is worked out hereunder;

(Amount Rs. in Crores)

S. No.	Particulars	Cash	Provision	TOTAL
1	Claim for the year	1834.01	0.00	1834.01
2	Allowed in MYT order	1834.01	0.00	1834.01
3	True-up	0.00	0.00	0.00

Provisions under Regulations:

47. Regulation 28.4 of the MPERC (Terms and Conditions for determination of transmission tariff) (Revision-IV) Regulation, 2020 provides as following:
"The employee expenses considered in the above Operation and Maintenance expenses are excluding the pension and other terminal benefits. The Commission has notified MPERC (Terms and Condition for allowing Pension and Terminal Liabilities of Personal of Board and Successor Entities) Regulations, 2012 (G-38 of 2012) on 20th April, 2012. The expenses towards pension and terminal liabilities shall be allowed as per the provisions of aforesaid Regulations."

Commission's Analysis:

48. As mentioned at para 6 of this Order, initially MPPTCL had claimed terminal benefit expenses of Rs. 2162.15 Cr in the Original MYT petition. However it was amended to Rs. 1834.01 Cr in response to the issues raised by the Commission at that time. Now, the figures filed by MPPTCL have been tallied with Note 30 of the Audited Balance Sheet of FY 2019-20. Based on the information/ clarifications filed by the petitioner and the provisions under the Regulations, an amount of **Rs. 1834.01 Crore** for Terminal Benefits is allowed in this true-up order for FY 2019-20. The amount of provisioning under this head is not allowed by the Commission as per the approach adopted in the past true-up orders. The details of Terminal Benefits allowed in this order are given below:

Terminal Benefits Allowed

Sr. No.	Particular	Unit	Amount for FY 2019-20
1	Pension as per audited accounts	Rs. Cr.	1713.85
2	Gratuity as per audited accounts	Rs. Cr.	120.16
3	Provisions	Rs. Cr.	0.00
4	Annuity	Rs. Cr.	0.00
5	Total amount of terminal benefits	Rs. Cr.	1834.01

WORKING CAPITAL:**Petitioner's submission:**

49. The petitioner broadly submitted the following:

"INTEREST ON WORKING CAPITAL -

The Interest on Working Capital is to be worked out on Normative basis as per Clause 29 & 39 of the Transmission Tariff Regulations, the working is given in Format TUT - 16 and summarized in the following table;

Working Capital requirement for 2019-20 -**(Rs. in Crores)**

i.	O&M expenses for one month (Rs. 556.68 Crores / 12)	Rs. 46.39
ii.	Maintenance spares @ 15% of the O&M expenses	Rs. 83.50
iii.	Receivables equivalent to 45 days Transmission charges	Rs. 445.07
Total Working Capital --		Rs. 574.96
iv.	Interest on working capital @ 12.05 % i.e. SBI's Base rate of 8.55% as on 01.04.2019 plus 3.5%	Rs. 69.28

Provisions under Regulations

50. Clause 39 of MPERC (Terms and Conditions for determination of transmission tariff) (Revision-IV) Regulation, 2020 provides as following:

“For each year of the tariff period, working capital shall cover the following:

- (1) Maintenance spares @ 15% of the O&M expenses specified in Regulation 38.1;*
(2) Receivables equivalent to 45 days of transmission charges calculated on Target Availability Level; and
(3) Operation and Maintenance expenses for one month.”

51. Further, Regulations 29.1 & 29.2 provides that,
Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1.4.2019 or as on 1st April of the year during the tariff period FY 2019-20 to FY 2023-24 in which the Transmission System including Communication System or element thereof is declared under commercial operation, whichever is later.

Interest on working capital shall be payable on normative basis notwithstanding that the Transmission Licensee has not taken loan for working capital from any outside agency.

Commission’s Analysis:

52. State Bank of India’s website shows that base rate was 8.55% as on 01/04/2019. Hence, effective rate of interest for working capital is considered as 8.55 + 3.50 = 12.05 %. As per norms under Regulations, the interest on working capital for FY 2019-20 is worked out and allowed in this true-up order as given below:

Interest on Working Capital Allowed

Sr. No.	Particular	Unit	Amount for FY 2019-20
1	O&M expenses for one month (556.68/12)	Rs. Cr.	46.39
2	Maintenance spares @ 15% of the O&M expenses (556.68 x 0.15)	Rs. Cr.	83.50
3	Receivables equivalent to 45 days transmission charges (3608.67 * 45/365)	Rs. Cr.	444.90
4	Total working capital(1+2+3)	Rs. Cr.	574.79
5	Applicable rate of interest on working capital @12.05%	%	12.05%
6	Amount of Interest on working capital	Rs. Cr.	69.26

NON-TARIFF INCOME:**Petitioner's submission:**

53. *Other Income of Rs. 26.82 Crores is shown in Note 29 of Audited Accounts. This income has been bifurcated in two categories, as shown hereunder after excluding Rs. 1.01 Crores as the Other Income of SLDC.*

(Amount Rs. in Crores)

<i>i</i>	<i>Interest received on Income Tax Refund</i>	<i>0.00</i>
<i>ii</i>	<i>Application fees for Open Access</i>	<i>0.68</i>
<i>iii</i>	<i>Hire charges for contractors etc.</i>	<i>0.70</i>
<i>iv</i>	<i>Consultant services charges received</i>	<i>16.33</i>
<i>v</i>	<i>Sale of Tender forms</i>	<i>0.50</i>
<i>vi</i>	<i>Applications under RTI charges</i>	<i>0.00</i>
<i>vii.</i>	<i>Recovery of transport facilities</i>	<i>0.07</i>
<i>viii</i>	<i>Ground rent</i>	<i>0.02</i>
<i>ix</i>	<i>Rent of Staff quarters / Water charges/ Guest House</i>	<i>0.84</i>
<i>x</i>	<i>Recovery of telephone charges</i>	<i>0.02</i>
<i>xi</i>	<i>Other MISC receipts</i>	<i>1.60</i>
<i>xii</i>	<i>Profit on Sale of Store's scrap</i>	<i>6.06</i>
	Sub Total	26.82
<i>xiii</i>	<i>Less : Income considered in SLDC's Account</i>	<i>-1.01</i>
	TOTAL -	25.81

Therefore, Non-Tariff Income for FY 2019-20 is **Rs. 25.81 Crores** against **Rs. 23.00 Crores** allowed vide order dated 19.5.2021 for the FY 2019-20.

Provisions under Regulations:

54. Regulation 33 of MPERC (Terms and Conditions for determination of transmission tariff) (Revision-IV) Regulation, 2020 provides as under:

Non-Tariff Income:

A schedule for other income as provided in the schedule of Miscellaneous Charges and General Charges under MPERC (Details to be furnished by licensees for determination of Tariff and manner of making an application) Regulation 2004 as amended from time to time shall be classified under 'Non-Tariff Income'. The non-tariff income shall include income from investments, Fixed and other deposits and any other non-tariff income.

Commission's Analysis:

55. In view of the provisions of the Regulations, an amount of Rs. 25.81 **Crore** is considered as Non-Tariff Income in this true-up order.

Non-Tariff Income considered in this Order

Sr. No.	Particular	Unit	Amount for FY 2019-20
1	Net amount of non-tariff income	Rs. Cr.	25.81

TAXES, MAT AND FEE PAID TO MPERC:**Petitioner's Submission:**

56. MPPTCL has paid Fee amounting of Rs. 0.01 Crores to Hon'ble MPERC as Regulatory fees during year 2019-20; which is claimed under a separate head. Apart from above Rates & Taxes to the tune of Rs. 2.24 Crores have also been paid, keeping in line with Clause 38.1 of the Regulations the same is claimed separately. Thus, a total of Rs. 0.01 Cr + Rs. 2.24 Cr. = Rs. 2.25 Crores is claimed against a permitted amount of Rs. 2.75 Crores.

(Amount Rs. in Crores)

(i)	MPERC Fee approved in MYT Order dated 19.5.21	2.75
(ii)	MPERC Fee paid	0.01
(iii)	Total Other Rates & Taxes paid	2.24
(iv)	Total	2.25
(v)	True-up amount (iv) - (i)	(-) Rs. 0.50

TAXES -

- a) Clause 24.3 of the Regulation, covering FY 2019-20, states that - *The base rate of Return on Equity as allowed by the Commission under Regulation 24.2 shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in the respective financial year in line with the provisions of relevant Finance Acts by the concerned Transmission Licensee. The actual income tax on other income stream including deferred tax (i.e. income of non-transmission business) shall not be considered for the calculation of "effective tax rate".*

The Company has paid an amount of Rs. 3.43 Crores as MAT as per Return filed for FY 2019-20 (AY 2020-21), however the Income Tax Department has yet to issue Certificate/ Assessment order taking cognizance of the same, thus pending materialization of which, the revised rate of Return on equity as defined in Clause 24.4 has not been applied now. It is, therefore, requested that permission to claim the same at a grossed-up base rate, on receipt of the Certificate / Assessment order confirming payment of MAT, with a future True-up Petition may please be granted.

- b) *Income Tax Department has issued report taking cognizance of the MAT payment amounting to Rs. 5.32 Crores for **FY 2016-17** (AY 2017-18), Rs. 8.90 Crores for **FY 2017-18** (AY 2018-19), Rs. 18.75 Crores for **FY 2018-19** (AY 2019-20) and Rs. 3.43 Crores for **FY 2019-20** (AY 2020-21) the same is submitted as **Annexure -XVI(a) to (d)** of this petition.*

As the Assessment report now confirms payment of MAT, the following submissions are made for the kind consideration of the Hon. Commission.

As per Clause 24.3 of the Regulations, 2020 the grossing up of base rate is to be done. As such, Return on Equity shall be computed by grossing up the base rate with the normal tax rate for the Financial Year 2016-17 to FY 2019-20 applicable to the Transmission Licensee:

Provided that Return on Equity with respect to the actual tax rate applicable to the Transmission Licensee in line with the provisions of the relevant finance acts of the

respective year during the Tariff Period **shall be tried up separately for each year of the Tariff Period.**

Also Clause 23.4 states - **Rate of Return on Equity shall be rounded off to three decimal points and be computed as per the formula given below:**

Rate of pre-tax Return on Equity = Base rate / (1-t), where t is the applicable tax rate in accordance with Clause 23.3 of this Regulation. Therefore, it is submitted-

(A) For FY 2016-17 to FY 2018-19:-

- | | | | |
|------|--|---|---------------------------|
| i. | The MAT Tax rate for FY | - | 18.5% |
| ii. | The MAT surcharge rate | - | 7.0% on above |
| iii. | The CESS rate | - | 3.0% on sum of above two. |
| iv. | Total tax rate is 18.5%+(7% of 18.5%) + [3% of (18.5%+(7 % of 18.5%))] | | |
| | = 18.5% + 1.30 % + 0.59% | = | 20.39 % |

(B) For FY 2019-20:-

- | | | | |
|------|--|---|---------------------------|
| i. | The MAT Tax rate | - | 15.00% |
| ii. | The MAT surcharge rate | - | 7.0% on above |
| iii. | The CESS rate | - | 3.0% on sum of above two. |
| iv. | Total tax rate is 15.00%+(7% of 15.00%) + [3% of (15.00%+(7 % of 15.00%))] | | |
| | = 15.00% + 1.05 % + 0.48% | = | 16.53 % |

*It is to submit that Hon'ble Commission vide order dated 15.5.2017 of True up FY 2015-16 has allowed MAT on actual basis and to recover the amount paid to Tax authority directly from the Long Term Customers in proportion to Transmission capacity allocated to them for that particular year. Accordingly, Rs. 5.32 Crores for **FY 2016-17** (AY 2017-18), Rs. 8.90 Crores for **FY 2017-18** (AY 2018-19), Rs. 18.75 Crores for **FY 2018-19** (AY 2019-20) and Rs. 3.43 Crores for **FY 2019-20** (AY 2020-21) paid to tax authority have been incurred which is now being claimed, the same may kindly be considered and allowed by Hon. Commission.*

Provisions under Regulations:

57. Clause 38.1 of MPERC (Terms and Conditions for determination of transmission tariff) (Revision-IV) Regulation, 2020 provides as following:

The O&M expenses comprise of employee cost, repairs & maintenance (R&M) cost and administrative & general (A&G) cost. The norms for O&M expenses have been fixed on the basis of circuit kilometers of transmission lines and number of bays in substation. These norms exclude Pension, Terminal Benefits and arrears, if any, to be paid to employees, taxes payable to the Government and fee payable to MPERC. The Transmission Licensee shall claim the taxes payable to the Government, fees to be paid to MPERC and any arrears paid to employees separately as actuals. If the O&M expenses as per norms provided in these Regulations are more than the actual total O&M expenses including arrears if any, as per audited accounts of Transmission Licensee, the O&M expenses to the extent of normative O&M expenses shall be allowed.

Commission's Analysis:

58. The information gaps/ infirmities regarding this issue were communicated to the petitioner and the petitioner's responses on all such issue have been discussed in detail in earlier paragraphs of this order. These are not reproduced here for sake of brevity.
59. In view of the provisions of the Regulations, the fees paid to Regulatory bodies and taxes / MAT paid to the Government has been allowed as actual expenditure in this Order.

Taxes and Fee considered in this order

Sr. No.	Particular	Unit	Amount for FY 2019-20
1	Taxes and Fee	Rs. Cr.	2.25
2	MAT	Rs. Cr.	36.40

PPP EXPENSES:**Petitioner's submission:**

60. The petitioner broadly submitted the following:

"A Petition for seeking approval in respect of initiating the Tariff based competitive bidding process and the Bidding documents for the selection of the Transmission Service Provider (TSP) for the development of Transmission System by construction of 400 KV DCDS Transmission Line between Satpura and Ashta for evacuation of power from 2 x 250 MW Extension Unit at Satpura in Madhya Pradesh through Public Private Partnership ("PPP") on Design, Build, Finance, Operate and Transfer ("DBFOT") basis was filed and was subsequently registered as Petition No. 06/ 2012 by the Hon. Commission. In this matter vide Order dated 26th April, 2012, Hon. MPERC directed that private participation in transmission is a welcome step and deserves to be encouraged. The petitioner should strive for this by following procedures and methodology as prescribed in the Act.

Subsequently, in this matter another petition was filed in the subject of application seeking approval of Unitary Charges for initiating the Tariff based competitive bidding process for the selection of the Transmission Service Provider (TSP) for the development of Transmission System by construction of 400 KV DCDS Transmission Line between Satpura and Ashta for evacuation of power from 2 x 250 MW Extension Units at Satpura in the State of Madhya Pradesh through Public Private Partnership ("PPP") on Design, Build, Finance, Operate and Transfer ("DBFOT") basis. The same was registered by Hon. Commission as Petition No. 44 of 2012. Vide its Order dated 8th August, 2012, while disposing off the petition, Hon. Commission passed the directive that - In view of the submissions / clarifications filed by the petitioner and the amendment to Para 24 of the "Guidelines for Encouraging Competition in the Development of Transmission Projects" issued by the Ministry of Power on 2nd May,

2012, the Commission hereby accords approval to the notional unitary charges of Rs.3.15 Crores as filed by the petitioner for initiating the tariff based bidding process in the subject matter.

MPERC vide order dated 08.10.2013 under Petition No. 45/2013 has adopted the base unitary charge of Rs. 3.15 Crores per month determined through a transparent process of bidding in accordance with the guideline issued by the Central Government under Section 63 of the Electricity Act 2003.

The said order states that – “Based on the above Certificate issued by the Bid evaluation Committee, the documents filed with the petition and the supplementary submission, the Commission hereby adopts the Base Unitary Charge of Rs.3.15 Crore per month determined through a transparent process of bidding in accordance with the guidelines issued by the Central Government under Section 63 of the Electricity Act, 2003. The aforesaid Base Unitary Charge and other applicable associated charges payable by the petitioner as per Transmission Agreement entered into by the M.P. Power Transmission Company Ltd., Jabalpur and the Concessionaire on 6th June 2013 for 400 KV DCDS Satpura-Ashta transmission line PPP Project, may be claimed by the petitioner in its petition for determination of Transmission Tariff for recovery of these charges from the DISCOMs and other long term customers.”

In this matter it is also submitted that Commission vide its Order dated 19.5.2021 covering the control period of FY 2019-20 to FY 2023-24 has taken cognizance of the expenses and allowed Rs. 37.80 Crores under the PPP head.

Further, MPERC, vide its Order dated 01.11.2013, under Petition No. 32/ 2013 has granted transmission License to M/s SPTCL (earlier known as M/s KSTPL). The Licensee has started its commercial operation from April 2015 and consequent to its service provided during 2019-20, M/s KSTPL has raised a total bill of **Rs.35.43 Crores**. On disbursing the bill within time limits, the Company thereby earned an amount of Rs. 0.07 Crores through discount. The details are submitted through Annexure-XVII of this Petition. As the discount amount is an earning on account of the Company’s effort, therefore the entire amount of Rs. 35.43 Crores is claimed, the same has been indicated in TUT-12 (New) of this petition.

The claims towards PPP Expenses in FY 2019-20 are as follows;

S. No.	Particulars	Cash
1	Claim for the year	Rs.35.43 Crores
2	Allowed in MYT order	Rs.37.80 Crores
3	True-up	- Rs.2.37 Crores

Commission's Analysis:

61. The Commission vide order dated 08.10.2013 in Petition No. 45/2013 has adopted the base unitary charge of Rs. 3.15 Crore per month determined through a transparent process of bidding in accordance with the guideline issued by the Central Government under Section 63 of the Electricity Act 2003 mentioning the following:

"The Commission hereby adopts the Base Unitary Charge of Rs. 3.15 Crore per month determined through a transparent process of bidding in accordance with the guidelines issued by the Central Government under Section 63 of the Electricity Act, 2003. The aforesaid Base Unitary Charge and other applicable associated charges payable by the petitioner as per Transmission Agreement entered into by the M.P. Power Transmission Company Ltd., Jabalpur and the Concessionaire on 6th June 2013 for 400 KV DCDS Satpura-Ashta transmission line PPP Project, may be claimed by the petitioner in its petition for determination of Transmission tariff for recovery of these charges from the DISCOMs and other long term customers. The adoption of the aforesaid charges in this Order is subject to fulfilment of all other conditions in the "Guidelines for Encouraging Competition in the Development of Transmission Projects" by the petitioner and the selected Bidder/ Concessionaire."

62. Based on above an amount of Rs. 35.43 Crore as recorded in Audited Accounts of MPPTCL for FY 2019-20 is considered as PPP Unitary Charges in this order.

PAYMENT TOWARDS OPGW CHARGES TO PGCIL:-**Petitioner's submission:**

63. Hon'ble CERC has approved transmission tariff for the control period of FY 2014-15 to FY 2018-19 vide their Order dated 22.2.2019 for OPGW (Optical Ground wire) links constructed for state sector of MPPTCL under "Establishment of Fiber Optic Communication System in Western Region" (**Annexure-XVIII**). In compliance to above said order, an amount of Rs. 2.47 has been paid by MPPTCL in FY 2019-20. The details of charges paid to PGCIL for the period under consideration is tabulated hereunder;

In Rs. Crores

S. No.	Particulars	FY 2019-20
1	Transmission tariff paid by MPPTCL to PGCIL (actual basis)	1.21
2.	Petition filed by PGCIL for Control period of FY 2019-20 to FY 2023-24 before CERC	1.15
	Sub-Total	2.36
3.	True Up charges claimed as per Petition No. 264/2020	0.11*
	Grand-Total	2.47

- True Up Charges 0.0043 Crores for FY 2017-18 and 0.1028 Crores for FY 2018-19

S. No.	Particulars	Cash
1	Claim for the year	Rs. 2.47 Crores
2	Allowed in MYT order	Rs. 2.47 Crores
3	True-up	- Rs. 0.00 Crores

Commission's Analysis

64. It is observed that the petitioner has claimed these charges in accordance with the CERC's Order in the matter. In view of the aforesaid, as claimed by the petitioner, these charges of Rs 2.47 Cr are considered in this order as actual expenses.

SECURITY EXPENSES -

Petitioner's submission:

65. *Clause 28.4 of the Regulation stipulates that the security expenses for transmission system shall be allowed separately after prudence check. It is most respectfully submitted that in the FY 2019-20, the Security expenses, as per the practice in vogue, were booked under O&M head which could not be identified separately as a separate account code due to entries already done through ERP system as the Transmission Tariff Regulations, 2020 notified in February 2020. Therefore, to have claim of security expenses separately in the Petition, the bill amounts passed for payments against orders placed at the field level have been obtained which is tabulated in **Annexure-XIX**. It is to submit that as per above an amount of Rs. 19.54 Crores has been claimed towards security expenses, may kindly be allowed in addition to the normative O&M expenses claimed vide Para 6.7 of the Petition. The details of the same is tabulated hereunder*

(Amount Rs. in Crores)

S. No.	Particulars	2019-20
1	Security Expense	19.54

S. No.	Particulars	Cash
1	Claim for the year	Rs. 19.54 Crores
2	Allowed in MYT order	Rs. 22.74 Crores
3	True-up	- Rs. 3.20 Crores

Regulations:

66. Regulation 28.4 provides as under:
The Security Expenses for transmission system shall be allowed separately after prudence check.

Commission's Analysis

67. In view of the aforesaid provisions of the Regulations and the information filed by MPPTCL and as claimed by the petitioner, these security expenses of Rs 19.54 Cr are considered in this order as actual expenses.

True-up amount allowed for FY 2019-20 in this order:

68. Based on the analysis made in preceding paragraphs, the Commission has determined the true-up amount of Rs. **34.78** Crore for FY 2019-20. This amount shall be adjusted in the bills of long term open access customers of MPPTCL in FY 2021-22. Details of true-up amount determined in this order are tabulated hereunder:

(Rs. Crores)

S. No.	Particulars	As per ARR approved in MYT order dated 19.5.2021	As allowed in this true-up order for FY 2019-20	True-up Amount
				(Col. 4 - Col 3)
1	2	3	4	5
1	O&M Expenses	556.68	556.68	0.00
2	Actual expenses towards Terminal Benefits	1834.01	1834.01	0.00
3	Depreciation	455.50	432.12	-23.38
4	Interest and financial charges on Loan capital	152.36	186.38	34.02
5	Interest on Working Capital	70.03	69.26	-0.77
6	Return on Equity	498.93	496.32	-2.61
7	PPP Unitary Charges	37.80	35.43	-2.37
8	Expense Towards Payment of OPGW Charges to PGCIL	2.47	2.47	0.00
9	MPERC's	0.77	0.01	-0.76
10	Taxes and Fee (other than MPERC)	1.98	2.24	0.26
11	Security Expenses	22.74	19.54	-3.20
12	TOTAL -	3633.27	3634.46	1.19
13	Less Non-Tariff Income	23.00	25.81	2.81
14	GRAND TOTAL -	3610.27	3608.65	-1.62
15	MAT actually paid during FY 2016-17 to FY 2019-20	0.00	36.40	36.40
16	NET TOTAL	3610.27	3645.05	34.78

SHARING OF TRUE-UP AMOUNT -**Petitioner's submission:**

69. *The Hon'ble Commission distributed the True Up amount on the basis of MW capacity and percentage allocation as approved in MYT order dated 19.5.2021. Sharing of True-up amount amongst Discoms, MPIDC (SEZ) and West Central Railways (WCR) has been proposed on Trued Up Capacities, which is tabulated below:*

(Rs. in Crores)

S. No.	Customer	Trued Up Capacity (MW)	Amount as per filing in this petition	Amount as per MYT Orders	True-up to be shared
1	MP Poorv KVVCL	5703.02	1053.34	1042.91	10.43
2	MP Madhya KVVCL	6710.84	1239.49	1227.21	12.28
3	MP Paschim KVVCL	7003.46	1293.53	1280.72	12.81
4	Railways (WCR)	270.00	49.87	49.37	0.50
5	MPAKVN for SEZ	55.00	10.16	10.06	0.10
	TOTAL -	19742.32	3646.39	3610.27	36.12

Commission's analysis:

70. The true-up amount as allowed in this Order shall be recoverable from the long term open access consumers i.e. Discoms, SEZ and WCR as given below:

(Rs. in Crores)

S. No.	Customer	Trued Up Capacity (MW)	Amount as per approved in this Order	Amount as per MYT Orders	True-up to be shared
1	MP Poorv KVVCL	5703.02	1052.96	1042.91	10.05
2	MP Madhya KVVCL	6710.84	1239.03	1227.21	11.82
3	MP Paschim KVVCL	7003.46	1293.06	1280.72	12.34
4	Railways (WCR)	270.00	49.85	49.37	0.48
5	MPAKVN for SEZ	55.00	10.15	10.06	0.09
	TOTAL -	19742.32	3645.05	3610.27	34.78

71. The petitioner must take steps to implement this Order after giving public notice in accordance with clause 1.30 of MPERC (Details to be furnished and fees payable by licensee or generating company for determination of tariff and manner of making application) Regulations, 2004 and its amendment. The petitioner must also provide information to the Commission in support of having complied with this order. MPPTCL shall upload the Order & petition on its website. The true-up amount as determined by the Commission in this order shall be recovered by MPPTCL in terms of the MPERC (Terms and conditions for Determination of Transmission Tariff) (Revision-IV) Regulations, 2020.

Ordered accordingly.

(Shashi Bhushan Pathak)
Member

(Mukul Dhariwal)
Member

(S. P. S. Parihar)
Chairman

Date: 7th December, 2021

Place: Bhopal