

**BEFORE THE MAHARASHTRA ELECTRICITY REGULATORY
COMMISSION, MUMBAI**

JAIGAD POWERTRANSCO LIMITED (JPTL)

REVISED MULTI YEAR TARIFF PETITION FOR APPROVAL
OF TRUE UP OF FY 2022-23 & FY 2023 -24, PROVISIONAL
TRUE-UP OF FY 2024-25 AS PER THE MERC MYT
REGULATIONS 2019 AND ITS AMENDMENTS THEREOF
AND AGGREGATE REVENUE REQUIREMENT FOR 5TH
CONTROL PERIOD FOR FY 2025-26 TO FY 2029-30 AS PER
THE MERC MYT REGULATIONS 2024

Case No.: 180 OF 2024

**FILED BY
JAIGAD POWERTRANSCO LIMITED**



**Before the Maharashtra Electricity Regulatory Commission
Mumbai**

Filing No.:

Case No.: **180 OF 2024**

IN THE MATTER OF

FILING OF PETITION OF JAIGAD POWERTRANSCO LIMITED (JPTL) FOR APPROVAL OF TRUE-UP OF FY 2022-23 & FY 2023 -24, PROVISIONAL TRUE-UP OF FY 2024-25 AS PER THE MERC MYT REGULATIONS 2019 AND ITS AMENDMENTS THEREOF AND AGGREGATE REVENUE REQUIREMENT FOR 5TH CONTROL PERIOD FOR FY 2025-26 TO FY 2029-30 AS PER THE MERC MYT REGULATIONS 2024 AND UNDER SECTION 62 READ WITH SECTION 86 OF THE ELECTRICITY ACT 2003

AND

IN THE MATTER OF
THE PETITIONER

JAIGAD POWERTRANSCO LIMITED (JPTL),
NANDIWADE, KUNBIWADI, POST – JAIGAD,
RATNAGIRI 415614, MAHARASHTRA



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LIST OF ABBREVIATIONS

A&G	Administrative & General Expenses
ARR	Aggregate Revenue Requirement
APTEL / ATE	Appellate Tribunal for Electricity
AV	Audio Visual
BoQ	Bill of Quantity
Capex	Capital Expenditure
CEA	Central Electricity Authority
CB	Circuit Breakers
Ckt-km	Circuit Kilometre
CoD	Commencement of Operation Date
CSD	Controlled Switching Device
CCD	Corporate Commercial Department
CSR	Corporate Social Responsibility
Crs	Crores
DPC	Delay Payment Charges
DPR	Detail Project Report
D/c	Double Circuit
DCRM	Dynamic Contact Resistance Measurement
EA 2003	Electricity Act 2003
ERS	Emergency Restoration System
FY	Financial Year
G-Sec	Government Securities
GFA	Gross Fixed Assets
GoI	Government of India
H1	Half Year 1 - April to September 2024
H2	Half Year 2 - October 2024 to March 2025
HVDC	High Voltage Direct Current
ITR	Income Tax Return
IND AS	Indian Accounting Standard
IoWC	Interest on Working Capital
InSTS	Intra-State Transmission System
JPTL	Jaigad PowerTransco Limited
JSWEL	JSW Energy Limited
km	Kilo meter
kV	Kilo Volt
MERC Commission	Maharashtra Electricity Regulatory Commission
MSETCL	Maharashtra State Electricity Transmission Company Limited
MSLDC	Maharashtra State Load Despatch Centre
MCLR	<i>Marginal Cost of Funds-based Lending Rate</i>
MYT Regulations, 2019	MERC (Multi Year Tariff), Regulation, 2019



MYT Regulations, 2024	MERC (Multi Year Tariff), Regulation, 2024
MTR	Mid Term Review
MYT	Multi Year Tariff
NEFT	National Electronic Funds Transfer
NTI	Non-Tariff Income
O&M	Operation and Maintenance
OPEX	Operational Expenses
OEM	Original Equipment Manufacturer
PM	Plant Maintenance
RTGS	Real-Time Gross Settlement
R&M	Repairs & Maintenance
RfQ	Request for Quotation
RBI	Reserve Bank of India
RoE	Return on Equity
Sq. ft	Square Feet
TDS	Tax Deducted at Source
VC	Video Conference



1 EXECUTIVE SUMMARY

1.1 Preamble

1.1.1 Jaigad PowerTransco Limited (JPTL) is a Joint Venture between JSW Energy Limited (JSWEL) and Maharashtra State Electricity Transmission Company Limited (MSETCL), set up for developing, operating and maintaining a Transmission Lines along with associated equipment and terminal Bays at MSETCL's New Koyna and Karad Sub-stations. JPTL is an intra-state transmission licensee in Maharashtra, as per License No. 1 of 2009 on 8th February, 2009, for a period of 25 years. As per provisions of Electricity Act, 2003 (EA), JPTL being a transmission licensee, is required to submit its Aggregate Revenue Requirement (ARR) and Tariff Petition as per procedures outlined in Section 61, 62 and 64 of EA 2003, and the governing Regulations thereof

1.1.2 This section summarizes the petition filed by JPTL for Approval of True Up of FY 2022-23 & FY 2023-24, Provisional True-Up of FY 2024-25 as per MULTI YEAR TARIFF (MYT) Regulations 2019 and ARR for Control Period FY 2025-26 to FY 2029-30 as per MYT Regulations 2024.

1.2 True up for FY 2022-23 and FY 2023-24

ARR for FY 2022-23 and 2023-24

1.2.1 JPTL has worked out its ARR for FY 2022-23 and FY 2023-24 as part of True Up exercised, based on audited annual accounts and applied norms wherever applicable as per the MERC (MYT) Regulations 2019 and its amendments thereof. The detailed comparison of various cost components is undertaken with cost approved by the Hon'ble Commission vide its MTR Order dated 31 March, 2023 in Case No. 213 of 2022. A summary of the proposed ARR for Truing Up of FY 2022-23 and 2023-24 is as under:

Table 1: Summary of True-up of FY 2022-23 and 2023-24 (Rs. Crores)

Sl. No.	Particulars	Approved	Actual	Net Entitlement after sharing of gains / (losses)	Deviation	Approved	Actual	Net Entitlement after sharing of gains / (losses)	Deviation
		FY 2022-23				FY 2023-24			
1.	O&M Expenses	4.87	5.64	5.13	0.25	5.07	5.59	5.36	0.30
2.	Additional OPEX	0.52	0.55	0.55	0.03	0.58	0.15	0.15	-0.43
3.	Depreciation	29.18	29.22	29.22	0.04	29.25	29.33	29.32	0.07
4.	Interest on Loan	7.80	7.80	7.80	0.01	5.56	5.55	5.55	-0.01



**Revised True-up Petition for FY 2022-23 to FY 2023-24, Provisional True-up of ARR for FY 2024-25
and MYT for FY 2025-26 to FY 2029-30 - JPTL**

Sl. No.	Particulars	Approved	Actual	Net Entitlement after sharing of gains / (losses)	Deviation	Approved	Actual	Net Entitlement after sharing of gains / (losses)	Deviation
		FY 2022-23				FY 2023-24			
5.	Interest on Working Capital	1.37	1.35	1.13	-0.23	1.35	1.46	1.00	-0.36
6.	Contribution to Contingency Reserves	1.38	1.38	1.38	0.00	1.39	1.39	1.39	0.00
7.	Total Revenue Expenditure	45.12	45.94	45.22	0.10	43.20	43.47	42.78	-0.42
8.	Return on Equity	23.49	25.44	25.44	1.95	23.58	26.24	26.24	2.67
9.	Gross ARR	68.61	71.38	70.66	2.05	66.78	69.70	69.02	2.24
10.	Less: Non-Tariff Income	1.07	1.07	1.07	0.00	1.17	1.17	1.17	0.00
11.	Net ARR	67.54	70.31	69.59	2.05	65.61	68.54	67.85	2.224
12.	Past Gap for FY 2019-20 to FY 2022-23 including Carrying cost - as approved in Case No.213 of 2022					0.92	1.22	1.22	0.30
13.	Total Annual Revenue Requirement (ARR) including past gaps	67.54	70.31	69.59	2.05	66.54	69.76	69.07	2.54

Revenue gap for FY 2022-23 and FY 2023-24

1.2.2 The Revenue recovery of FY 2022-23 and FY 2023-24 has been considered based on the Intra-State Transmission Charges determined by the Hon'ble Commission vide its MYT Order dated 30 March 2019 in Case No. 294 of 2019 and as per the MTR Order dated 31 March, 2023 in Case No. 213 of 2022, respectively. Also, the Recovery of the same was allowed as per Transmission Tariff of Intra-State Transmission System for 4th MYT Control Period for FY 2020-21 to FY 2024-25 as per Order dated 30 March 2020 in Case No. 327 of 2019 and determination of revised InSTS Tariff for FY 2023-24 and FY 2024-25 as per Order dated 31 March 2023 in Case No. 239 of 2022 for FY 2022-23 and FY 2023-24 respectively. Accordingly, considering the past period gaps and the revenue recovered during the FY 2022-23 and FY 2023-24, the revenue gap claimed by JPTL is as under:

Table 2: Revenue Gap for FY 2022-23 and FY 2023-24 (Rs. Crores)

Sl. No.	Particulars	FY 2022-23	FY 2023-24
1	Total ARR	69.59	69.07
2	ARR recovered through Transmission Tariff	68.08	67.67
3	Revenue Gap / (Surplus)	1.51	1.40



1.3 Provisional Truing up for FY 2024-25

Provisional ARR of FY 2024-25

1.3.1 As per the provisions of the MERC MYT Regulations, 2019 and its amendments thereof, the Provisional True-up is carried out by comparing the performance of Transmission Licensee with the approved forecast in the MTR Order. Accordingly, the comparison of approved ARR as per MERC Order dated 31 March, 2023 in Case No. 213 of 2022 with the revised forecast based on performance during the first half of FY 2024-25 and other factors are as shown in the following table:

Table 3: Summary of Provisional True-up of FY 2024-25 (Rs. Crores)

Particulars	Approved	Actual H1	Estimated H2	Estimated
O&M Expenses	5.27	2.74	2.74	5.48
Additional OPEX	0.33	0.00	0.36	0.36
Depreciation	29.36	14.68	14.68	29.36
Interest on Long-term Loan Capital	3.27	1.58	1.58	3.16
Interest on Working Capital	1.33	0.74	0.74	1.47
Contribution to contingency reserves	1.39	0.70	0.70	1.39
Total Revenue Expenditure	40.95	20.43	20.80	41.23
Return on Equity	23.69	11.86	11.86	23.73
Aggregate Revenue Requirement	64.64	32.30	32.66	64.96
Less: Non-Tariff Income	1.27	0.63	0.63	1.26
Net Aggregate Revenue Requirement	63.37	31.67	32.03	63.70
Past Gap for FY 2019-20 to FY 2022-23 including Carrying cost - as approved in Case No.213 of 2022	0.92	0.61	0.61	1.22
Total Aggregate Revenue Requirement from Transmission Business	64.29	32.28	32.64	64.91

Revenue gap for FY 2024-25

1.3.2 The Revenue recovery of FY 2024-25 has been considered based on the Intra-State Transmission Charges determined by the Hon'ble Commission vide its Order dated 31 March, 2023 in Case No. 239 of 2022. Accordingly, considering estimated revenue to be recovered during the FY 2024-25, the revenue gap claimed by JPTL is provided as under:

Table 4: Revenue Gap for FY 2024-25 (Rs. Crores)

Particulars	FY 2024-25
Total ARR	64.91
ARR recovered through Transmission Tariff	64.28
Revenue Gap / (Surplus)	0.63



1.4 Multi Year Tariff Petition for the 5th Control Period for FY 2025-26 to FY 2029-30

Based on the MERC MYT Regulations, 2024, JPTL has prepared the projections for the 5th MYT Control Period from FY 2025-26 to FY 2029-30. The summary of the ARR for the 5th Control Period is provided as under:

Table 5: Aggregate Revenue Requirement for 5th MYT Control Period (Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M Expenses	5.62	5.85	6.13	6.39	6.68
Additional OPEX Expenses	0.25	0.00	0.00	0.00	0.00
Depreciation	7.92	8.15	8.22	8.31	8.33
Interest on Long-term Loan Capital	1.94	1.58	1.01	0.74	0.69
Interest on Working Capital	1.26	1.21	1.21	1.22	1.23
Contribution to contingency reserves	1.39	1.42	1.42	1.43	1.43
Total Revenue Expenditure	18.38	18.22	18.00	18.09	18.36
Return on Equity	26.57	26.87	26.97	27.09	27.13
Gross Aggregate Revenue Requirement	44.95	45.09	44.97	45.18	45.49
Less: Non-Tariff Income	1.36	1.45	1.55	1.64	1.74
Net Aggregate Revenue Requirement	43.59	43.63	43.42	43.54	43.75
Add: Gap/ (Surplus) for FY 2022-23	1.51				
Add: Gap/ (Surplus) for FY 2023-24	1.40				
Add: Gap/ (Surplus) for FY 2024-25	0.63				
Carrying cost/ Holding Cost for FY 2022-23 to FY 2023-24	0.75				
Total Annual Revenue Requirement including past gaps	47.88	43.63	43.42	43.54	43.75

1.5 Prayers to the Hon'ble Commission

JPTL respectfully hereby submits the revised Petition and Prays before this Hon'ble Commission to:

- a) Admit this Petition for the Approval of True Up of FY 2022-23 & FY 2023-24, Provisional True-Up of FY 2024-25 in accordance with the MYT Regulations 2019 and its amendments thereof and Aggregate Revenue Requirement for the 5th MYT Control Period from FY 2025-26 to FY 2029-30 in accordance with the MYT Regulations 2024;
- b) Approve the True-up of ARR of JPTL including past gaps and Performance based RoE for higher Transmission availability for FY 2022-23 & FY 2023-



24 in accordance with the MYT Regulations 2019 and its amendments thereof;

- c) Approve the Provisional True Up for FY 2024-25 as presented in this Petition in accordance with the MYT Regulations 2019 and its amendments thereof;
- d) To allow the overhauling cost and additional OPEX of the transmission system as proposed in the petition in addition to normative O&M Expenses;
- e) Approve the projected ARR for the 5th MYT Control Period FY 2025-26 to FY 2029-30 in accordance with the MYT Regulations 2024;
- f) To approve the CAPEX and Capitalisation as proposed in the Petition for FY 2023-24 to FY 2024-25 as per MYT Regulations 2019 and for 5th MYT Control Period i.e. FY 2025-26 to FY 2029-30 as per MYT Regulations 2024.
- g) To allow to claim interest on loan for existing and new assets separately so as to fund the new capitalisation as per the norms of MYT Regulations 2024.
- h) To allow the recovery of the past gaps in the transmission charges as submitted in the Petition;
- i) Condone any inadvertent omissions, errors, shortcomings, rounding off and permit JPTL to add/ change/ modify/ alter this filing and make further submissions as may be required at a future date; and
- j) Pass such other and further orders as deemed fit and proper in the facts and circumstances of the case.



2 INTRODUCTION

2.1 Preamble

2.1.1 This section presents the background and reasons for filing of this Petition.

2.2 Background

2.2.1 Jaigad PowerTransco Limited (JPTL) is a Joint Venture between JSW Energy Limited (JSWEL) and Maharashtra State Electricity Transmission Company Limited (MSETCL), set up for developing, operating and maintaining a Transmission Lines along with associated equipment and terminal Bays at MSETCL's New Koyna and Karad Sub-stations.

Table 6: Details of existing transmission system of JPTL

Name of the Line	Line Length & Voltage Level	District	Grid Interface Point	COD
Jaigad - New Koyna Transmission Line	55 kms - 400 kV Double Circuit (Quad) Transmission Line	Ratnagiri, Maharashtra	MSETCL Substation, New Koyna	7 th July 2010
Jaigad - Karad Transmission Line	110 kms - 400 kV Double Circuit (Quad) Transmission Line	Ratnagiri / Satara, Maharashtra	MSETCL Substation, Karad	2 nd December 2011

2.2.2 The Hon'ble Commission has granted the Transmission License (License No. 1 of 2009) on 8th February, 2009, for a period of 25 years to JPTL for establishing, operating and maintaining the above referred transmission system including the associated infrastructure and hence as per Electricity Act, 2003 (EA 2003), JPTL is a transmission licensee within the state of Maharashtra for above transmission system.

2.2.3 As per provisions of EA 2003, Jaigad PowerTransco Limited (JPTL) being an intra-state Transmission Licensee, is required to submit its True-up, MYT ARR and Tariff Petition as per procedures outlined in Section 61, 62 and 64 of EA 2003, and the governing Regulations thereof.

2.2.4 Section 61 of EA 2003 empowers the State Electricity Regulatory Commission to set terms and conditions for determination of tariff. Further, it also lists down certain guiding principles for determination of terms and conditions of tariff such as Multi Year Tariff (MYT) principles and principles to incentivize efficiency in performance.



2.2.5 Accordingly, Hon'ble Commission notified following Multi Year Tariff Regulations for relevant period under consideration of this petition:

- MERC MYT Regulations, 2019 on 1 August 2019 for Control Period from FY 2020-21 (April 1, 2021) up to FY 2024-25 (March 31, 2025).
- MERC (MYT) Regulations, 2024 on 19 August 2024 for the 5th Control Period from FY 2025-26 (1 April 2025) upto FY 2029-30 (31 March, 2030)

2.2.6 JPTL has always complied the Tariff Regulations and had been filing the tariff Petition on a periodic basis as per the Regulations. The details of the tariff Petition filed and the relevant Orders passed by the Hon'ble Commission is outlined below:

Table 7: Details of past Petition filed by JPTL

Case No.	Petition details	MERC Order
15 of 2009	Approval of capital expenditure scheme	20-05-2009
97 of 2010	ARR for FY 2010-11	25-05-2011
170 of 2011	True-up of FY 2010-11 and ARR for FY 2011-12	16-05-2012
57 of 2012	Business Plan - MYT for FY 2012-13 to FY 2015-16	20-12-2012
27 of 2013	True-up of FY 2011-12 and MYT for FY 2012-13 to FY 2015-16	16-08-2013
208 of 2014	True-up of FY 2012-13 and FY 2013-14, ARR of FY 2014-15 and FY 2015-16	26-06-2015
12 of 2016	True-up of FY 2014-15, Provisional Truing up of FY 2015-16 and MYT of FY 2016-17 to FY 2019-20	27-06-2016
167 of 2017	True-up of FY 2015-16 and FY 2016-17, Provisional True-up of FY 2017-18 and revised ARR for FY 2018-19 to FY 2019-20	12-09-2018
294 of 2019	True-up of FY 2017-18 and FY 2018-19, Provisional True-up of FY 2019-20 and ARR for MYT Control Period FY 2020-21 to FY 2024-25	30-03-2020
213 of 2022	True-up of FY 2019-20, FY 2020-21 and FY 2021-22, Provisional Truing-up of FY 2022-23 and Revised ARR for FY 2023-24 and FY 2024-25	31-03-2023

2.2.7 Accordingly, in accordance with the MERC (Multi Year Tariff) Regulations 2019 ("MYT Regulations, 2019") for Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and in accordance with the MERC (Multi Year Tariff) Regulations 2024 ("MYT Regulations, 2024") for the determination of ARR for the 5th Control Period from FY 2025-26 to FY 2029-30, JPTL has submitted the MYT petition on 30th October 2024 on E-portal of the Hon'ble Commission and by mail on 31st October 2024 before this Hon'ble Commission for approval.



- 2.2.8 Subsequently, the Hon'ble Commission has asked for data gap queries Set-1 notified by MERC vide email dated 8th November 2024 against the said case no. 180 of 2024 against which the replies were submitted on 18th November 2024. Also, a Technical Validation Session was carried out with MERC officials on 19th November 2024 and accordingly, was directed to file the revised Petition post including the changes as claimed in the Data Gaps.
- 2.2.9 In line with the same as per the directions of the Hon'ble Commission, JPTL is submitting the revised petition including the relevant disclosure wherever required and specified in the data gaps which are also enclosed as Annexure 21 to this Petition.

2.3 Approach for filing the Petition

- 2.3.1 The Hon'ble Commission has notified its Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019, (MERC (MYT) Regulations, 2019) vide 1 August 2019 and its amendments thereof, which are applicable for the tariff determination for the 4th Control Period from FY 2020-21 to FY 2024-25.
- 2.3.2 The Hon'ble Commission vide its Order dated 30 March 2020 in Case No. 294 of 2019 has approved ARR for the 4th Control Period from the FY 2020-21 to FY 2024-25 under MYT Order.
- 2.3.3 The Hon'ble Commission vide its Order dated 31 March 2023 in Case No. 213 of 2022 had approved the True-up for FY 2019-20, FY 2020-21 and FY 2021-22 and Provisional True-up of FY 2022-23 and the revised ARR for the period from FY 2023-24 to FY 2024-24 and has been considered as "Approved" figures in this Petition.
- 2.3.4 Since FY 2022-23 and FY 2023-24 are complete and annual audited accounts for said years are now available, JPTL is therefore filing its true up Petition for the period from FY 2022-23 and FY 2023-24 along with the audited accounts and the Provisional True Up for FY 2024-25 in accordance with the provisions set-out under the MYT Regulations 2019.
- 2.3.5 As per the provisions of the MYT Regulations, 2019, JPTL is filing its True-up Petition for FY 2022-23 and FY 2023-24 based on the available audited accounts and Provisional True-up for FY 2024-25 based on the 6 months actual data and 6 months projection, before the Hon'ble Commission along with the specified formats providing information on various operational and performance parameters.
- 2.3.6 Also, the Hon'ble Commission has notified its Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2024 (MERC (MYT) Regulations,



2024) on 19 August 2024 for the 5th Control Period from FY 2025-26 to FY 2029-30.

- 2.3.7 Accordingly, as per the provisions of MYT Regulations 2024, JPTL is filing its MYT Petition for the determination of ARR for 5th Control Period from FY 2025-26 to FY 2029-30 before the Hon'ble Commission along with the specified formats providing information on various operational and performance parameters in line with the provisions set out under these Regulations.

2.4 Provision of Law

- 2.4.1 The Hon'ble Commission has notified the MYT Regulations, 2019 and 2024. The scope of the regulations includes tariff determination for transmission licensee under the Multi Year Tariff principle. For MYT Control Period i.e. FY 2020-21 to FY 2024-25, MYT Regulations 2019 is applicable and for MYT Control Period i.e. FY 2025-26 to FY 2029-30, MYT Regulations 2024 is applicable.

- 2.4.2 From FY 2020-21 onwards, the MYT Regulations, 2019 and its amendments thereof are applicable, hence True Up Petition for FY 2022-23, FY 2023-24 and Provisional True Up for FY 2024-25 are prepared as per the provisions set-out under the MYT Regulations, 2019 and its amendments thereof, whereas the MYT Regulations, 2024 are applicable for 5th MYT Control Period from FY 2025-26 to FY 2029-30.

- 2.4.3 The relevant Regulation under the MYT Regulations 2019 specifying the Scope in is stated as under:

"3 Scope of Regulations

3.1 The Commission shall determine the Aggregate Revenue Requirement, Tariff and Fees and Charges, including terms and conditions thereof, in accordance with these Regulations for all matters for which the Commission has jurisdiction under the Act, including the following:-

- (i);*
(ii) For Intra-State transmission of electricity;
(iii);"

- 2.4.4 The provisions for filing Petitions during the 4th Control Period starting from FY 2020-21 to FY 2024-25 is defined in the referred MYT Regulations, 2019. The relevant para of the Regulation is reproduced below which is applicable for filing up of the True Up Petition for FY 2022-23, FY 2023-24 and Provisional True Up for FY 2024-25:

"5 Petitions to be filed in the Control Period

.....

- c) True-up Petition, which is complete in all aspects as per these Regulations,*



for the third and fourth year of the Control Period shall be filed by November 1, 2024 by Generating Companies, Transmission Licensees and SLDC, and by November 30, 2024, by Distribution Licensees, comprising:

- i. Truing-up for FY 2022-23 and FY 2023-24 to be carried out under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019;
- ii. Provisional Truing-up for FY 2024-25 to be carried out under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019.”

2.4.5 The Hon'ble Commission has notified its MYT Regulations, 2024 on 19 August 2024. The provisions for filing Petitions for the 5th Control Period from FY 2025-26 to FY 2029-30 are set-out in the said MYT Regulations, 2024. The relevant extracts of the MERC Regulations are reproduced below which are applicable for filing up of the True Up Petition for FY 2022-23, FY 2023-24 and Provisional True Up for FY 2024-25 as per MYT Regulations 2019 and its amendments thereof and ARR as well as tariff determination for each year of the 5th Control Period i.e. from FY 2025-26 to FY 2029-30:

“5 Petitions to be filed in the Control Period

5.1 The Petitions to be filed in the Control Period under these Regulations are as under:

a) Multi-Year Tariff Petition, which is complete in all aspects as per these Regulations, shall be filed by November 1, 2024 by Generating Companies, Transmission Licensees, ESSD, MSLDC and STU, and by November 30, 2024, by Distribution Licensees, comprising:

- i. Truing-up for FY 2022-23 and FY 2023-24 to be carried out under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019:
Provided that the Commission may, if it considers appropriate, carry out the Truing-up for years prior to FY 2022-23 under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019, along with the Truing-up for FY 2022-23, in case such Truing-up is yet to be completed;
- ii. Provisional Truing-up for FY 2024-25 to be carried out under the Maharashtra Electricity Regulatory Commission (Multi Year Tariff) Regulations, 2019;
- iii. Aggregate Revenue Requirement for each year of the Control Period under these Regulations;
- iv. Revenue from the sale of power at existing Tariffs and charges and projected revenue gap for each year of the Control Period under these Regulations;



v. Proposed category-wise Tariff or Fees & Charges for each year of the Control Period under these Regulations;”

2.4.6 Also, as quoted above, Regulation 5.1(a) of the MYT Regulations, 2024 requires the said Petition to be filed by 1 November 2024 and accordingly JPTL filed its Petition before this Hon’ble MERC on 30th October 2024, in lines with the provisions set-out under the MYT Regulations 2024 within the period as provided in the said Regulations. The Hon’ble Commission has directed to file the revised Petition post including the changes as claimed in the Data Gaps.

2.4.7 Accordingly, JPTL is submitting this Revised Petition in accordance with MERC (Multi Year Tariff) Regulations 2019 (“MYT Regulations, 2019”) for Truing-up of ARR for FY 2022-23 and FY 2023-24, Provisional Truing-up of ARR for FY 2024-25 and in accordance with MERC (Multi Year Tariff) Regulations 2024 (“MYT Regulations, 2024”) for determination of ARR for 5th Control Period from FY 2025-26 to FY 2029-30 along with specified MYT data formats, which is enclosed herewith as Annexure 1 for the approval by the Hon’ble Commission and the relevant disclosure wherever required and specified in the data gaps which are also enclosed as Annexure 21 to this Petition.

2.5 Petition Structure

2.5.1 The Petition includes the following sections:

Sr. No.	Section	Contents
1.	Section 1	Executive summary of Petition
2.	Section 2	Introduction and overall approach to filling the Petition (present Section)
3.	Section 3	True Up of FY 2022-23 and FY 2023-24
4.	Section 4	Provisional True Up for FY 2024-25
5.	Section 5	MYT ARR for FY 2025 – 26 TO FY 2029 – 30
6.	Section 6	Prayers to the Hon’ble Commission



3 TRUE-UP OF ARR OF FY 2022-23 AND FY 2023-24

3.1 Preamble

3.1.1 This section outlines actual performance of JPTL for FY 2022-23 and FY 2023-24. In line with provisions of MYT Regulations, 2019 notified on 1st August 2019, JPTL hereby submits the True-up Petition comparing the actual performance of JPTL during FY 2022-23 and FY 2023-24 with the forecast as approved by the Hon'ble Commission vide MTR Order dated 31 March 2023 in Case No. 213 of 2022 along with deviations, if any.

3.2 Provision of Law

3.2.1 For the MYT control period starting from FY 2020-21 to FY 2024-25, the Hon'ble Commission has notified the MYT Regulations, 2019 on 1st August 2019 and the same are applicable for treatment of True-up Petition for FY 2022-23 and FY 2023-24. The scope of the regulations includes tariff determination for transmission licensee under the Multi Year Tariff principle. Accordingly, JPTL is submitting the True-up Petition for FY 2022-23 and FY 2023-24 as per the provisions of MYT Regulations, 2019 and its amendment thereof.

3.3 True-up of Aggregate Revenue Requirement of FY 2022-23 and FY 2023-24

3.3.1 The audited annual accounts for FY 2022-23 and FY 2023-24 are attached to this Petition as Annexure 2. Further, as per the proviso of Regulations 23.4 of MYT Regulations 2019, JPTL also submits the Cost Audit Report for FY 2022-23 and FY 2023-24 as per Annexure 3. As per the provisions of MYT Regulations, 2019, JPTL seeks true up of its expenses and revenue for FY 2022-23 and FY 2023-24 and requests the Hon'ble Commission to approve the ARR as submitted by JPTL.

3.4 Operation and Maintenance Expenses

3.4.1 MYT Regulations, 2019 are applicable for tariff determination of Transmission Licensee for the Control Period up from FY 2020-21 to FY 2024-25. The norms for O & M expenditure for transmission licensees are specified in these regulations, relevant paragraph of the Regulation is reproduced below:

“61 Operation and Maintenance expenses:

61.1 The norms for O and M expenses for existing and new Transmission Licensees have been specified on the basis of circuit kilometre of transmission lines and number of bays in the substation of the Transmission Licensee, as given below:



Explanation: For the purpose of applying normative O and M expenses under these Regulations, a 'Bay' shall mean a set of accessories that are required to connect an electrical equipment such as Transmission Line, Bus Section Breakers, Potential Transformers, Power Transformers, Capacitors and Transfer Breaker and the feeders emanating from the bus at sub-Station of Transmission Licensee. Further, the Bays referred to shall include only the Bays at the Transmission substation and shall exclude any Bays of the Generating Station switchyard whose maintenance is usually the responsibility of the Generating Company:

..

61.5 The norms for O and M expenses for Jaigad Power Transmission Company Limited (JPTL) shall be:

Sr. No.	Voltage Level	Unit	FY 2022-23	FY 2023-24
1	400 kV Transmission Lines	Rs. Lakh/ckt km	0.47	0.49
2	400 kV Terminal Bays	Rs. Lakh/bay	83.09	86.29

- 3.4.2 Accordingly, the Hon'ble Commission vide its Order as referred in Regulations 3.1, approved normative O & M expenses of Rs. 4.87 Crs and Rs. 5.07 Crs for FY 2022-23 and FY 2023-24 respectively.
- 3.4.3 JPTL submits that there is no increase in Ckt. Km. of the Transmission Lines and the number of Bays and they remain same as approved in the Tariff Order as specified in Para 3.1.1.
- 3.4.4 In line with the Norms as specified in the MYT Regulations, 2019 for JPTL, the normative O&M expenses for FY 2022-23 and FY 2023-24 is outlined as below:

Table 8: O & M Expenses for JPTL as per Norms for FY 2022-23 and FY 2023-24 (Rs. Crores)

Particulars	Unit	Normative O & M	
		FY 2022-23	FY 2023-24
Length of Line of 400 kV(A)	ckt. kms.	330.00	330.00
Norms as per Regulations (B)	Rs. lakh/ ckt. kms.	0.47	0.49
Cost (C = A * B)	Rs. Crore	1.55	1.62
No of bays (D)	No.	4.00	4.00
Norms as per Regulations (E)	Rs. lakh/ bay	83.09	86.29
Cost (F = D * E)	Rs. Crore	3.32	3.45
Total O&M expenses (G = C + F)	Rs. Crore	4.87	5.07

- 3.4.5 JPTL submits that the actual O & M expenses for FY 2022-23 and FY 2023-24 are



higher than the norms specified in the MYT Regulations, 2019. The detail explanation of the actual O&M expenses incurred is provided in the subsequent para of this Petition.

Table 9: Actual O & M Expenses for FY 2022-23 and FY 2023-24 (Rs. Crores)

Particulars	As per norms	Actual	As per norms	Actual
	FY 2022-23		FY 2023-24	
Employee expense	1.55	1.73	1.62	1.81
Administrative and General expense		1.59		1.17
Repairs and Maintenance expense		1.68		1.90
O&M expenses for lines		5.00		4.88
O&M expenses for terminal bays as per the contract with MSETCL	3.32	0.64	3.45	0.71
Total O&M expenses	4.87	5.64	5.07	5.59

- 3.4.6 With reference to Terminal bay expenses, only the amount payable to MSETCL as per existing O&M arrangement between MSETCL and JPTL is considered, which is enclosed as Annexure 4. However, there are certain common cost in relation to maintenance of Bay which cannot be segregated between Lines and Bay and hence has been included in the respective head of O&M Expenses.

Overhauling expenses in FY 2022-23

- 3.4.7 JPTL submits that all bay equipment's have completed around 10 to 12 years of service in harsh weather condition prevailing in Konkan region and may need major servicing/overhauling works. Also, the maintenance of circuit breakers deserves special consideration because of their importance for routine switching and for protection of other equipment's in the bay. The following reasons attributes to the additional maintenance activities required to be carried out over and above the norms as specified by the Hon'ble Commission in MYT Regulations 2019:

- For smooth operation of this transmission network & to ensure the transmission availability as per the MERC norms, continuous monitoring / patrolling & regular preventive maintenance of line and bays are necessary.
- As the assets has already served the life of more than 10 to 12 years, the occurrence of preventive maintenance is higher compared to the new assets for which JPTL is required to maintain resources such as Spares, T&P's, manpower, machinery, patrolling vehicles and other resources to monitor the lines & bays. Further due to ageing of equipment need for servicing and replacement of spares parts will increase.



- Also due to ageing of Lines and Bay like circuit breaker, isolators, Lightning Arrestor etc, there is a probability of increase in corrective and breakdown maintenance of assets particularly involving substation terminal bays. All bay equipment's have completed around 10 years of service in harsh weather condition prevailing in Konkan region and may need major servicing/overhauling works.
- 3.4.8 Hence, it was planned to carry out the overhauling exercise of breakers in the MYT Control period and accordingly has been initiated such expenses from FY 2020-21 onwards and is carried out till FY 2022-23 as both the receiving stations are major grid stations in Western Maharashtra under MSETCL network with connectivity with generating stations like, JSWEL-Jaigad, Dabhol Power, Pophali hydro Power, Wind mill generations etc. grid stability is at most priority for smooth operations of all the equipment's.
- 3.4.9 JPTL has already received communication from MSETCL regarding overhauling of all the circuit breakers and isolators. Also, the inspection was carried out by G.E. (OEM Vendor) whereby, the following observation has been made in the inspection report:
- DCRM (Dynamic Contact Resistance Measurement) test results of both breakers R-Y-B phase are not OK, some spikes are observed and value of dynamic contact resistance is very high. This is due to erosion of contacts and it might be possible that contacts are having several pitting on their surfaces.
 - Contacts pitting are caused by clearing of faulty interruption by Line Circuit Breaker during its service life. Lots of bounces are observed in R1, Y1, & B1 phases.
 - Contacts of all breakers to be physically inspected after dismantling of breakers.
 - R phase of both breakers Head assembly/interrupting chamber is not advisable to continue in service and it can be replaced with spare head assembly or change the current carrying contacts after conditional assessment to be done at site.
- 3.4.10 In view of above, GE Engineer recommended to overhauling of (Poles and mechanism) of both the breakers.
- 3.4.11 JPTL submits that the O&M Norms as per MYT Regulations, 2019, is estimated on the basis of previous years' actual expenses, however, JPTL has not incurred any expenses towards terminal bay overhauling from the date of CoD as the same was not a regular activity and is required to be undertaken on periodical basis based on equipment condition. Accordingly, JPTL had undertaken overhauling process in the current MYT Control period. It is submitted that Overhauling of equipment will ensure full availability of terminal bays without any system interruption and the same is a part of Maintenance R&M activities which is



required to be undertaken for system maintenance. JPTL humbly submits that existing O&M norm, since does not include such overhauling expenses and has been benchmarked on the past expenses, therefore such overhauling expenses to be allowed as an additional actual O&M expenditure over and above the normative O&M expenses.

3.4.12 JPTL also submits that considering the overhauling of the transmission system which includes the Circuit breaker and isolators, the same will result in improvement in the efficiency of the assets, smooth operations with higher availability of the system, lower interruption, etc. Accordingly, JPTL requests the Hon'ble Commission to allow the additional operational expenditure as claimed for FY 2022-23 as an O&M expenditure to carry out the overhauling of the system.

3.4.13 The above Operational expenses over and above the normative O&M Expenses are claimed as per Regulations 61.8 of MYT Regulations 2019 and is reproduced as below:

"61.8 A Transmission Licensee may undertake Opex schemes for system automation, new technology and IT implementation, etc., and such expenses may be allowed over and above normative O&M Expenses, subject to prudence check by the Commission:

Provided that the Transmission Licensee shall submit detailed justification, cost benefit analysis of such schemes as against capex schemes, and savings in O&M expenses, if any."

3.4.14 Also, in Case No. 294 of 2019, the Hon'ble Commission has recognised the need of carrying out overhauling of these assets considering the weather conditions, degradation of these assets and the recommendation of the OEM and hence the claim of additional O&M seems to be prudent. However, as per the Hon'ble Commission, such expenses are required to be assessed based on actual expenses, subject to prudence check. Accordingly, the Hon'ble Commission has granted liberty to allow recovery of the expenses for overhauling based on actual expenditure incurred with additional information on the affidavit namely (i) Audited actual expenditure incurred for overhauling (ii) Bid evaluation Report with cost benefit analysis (iii) Board Resolutions, etc. The extract from the Order is as outlined below:

"4.2.9 After scrutiny of documents submitted by JPTL for overhauling, the Commission finds that the additional expenditure of around Rs. 2.20 Crore spread over three years claimed by the JPTL mainly consist of spares for pole overhauling for circuit breakers and isolators, Service engineer charge, some miscellaneous charges and GST. JPTL has also highlighted that harsh weather condition prevailing in Konkan region has resulted in the need for carrying out major servicing/overhauling



works.

- 4.2.10 *The electrical switchgear such as circuit breakers and isolators have both mechanical and electrical life, and the number of times these assets have operated determines the electrical life. The OEM recommendations provided along with the Petition justifies the possibility of reduction in electrical life of these assets and thus necessitates requirement of overhauling. Thus, the requirement of carrying out overhauling of these assets considering the weather conditions, degradation of these assets and the recommendation of the OEM requires consideration of the Commission.*
- 4.2.11 *Further it is also noted that such overhauling activity is being proposed to be undertaken by JPTL for the first time and that O&M norms specified for FY 2020-21 to FY 2024-25 set based on past trend of actual O&M expenses and inflation factors would not have factored in such expenses while setting O&M norms. This is unlike for other existing utilities of which such expenses are already factored in while deriving the O&M norms. Thus, the present claim to consider such expenses as additional O&M expenses appears prudent. However, the estimation of the overhauling expenses claimed by JPTL is based on the estimation and selection of vendor, award of contract, etc., is yet to be finalised by JPTL. Such expense being specific in nature may have to be assessed based on actual expenses, subject to necessary prudence check.*
- 4.2.12 *Thus, Commission finds it appropriate to grant liberty to JPTL to approach the Commission for recovery of expense for overhauling based on the actual expenditure incurred and the same can be considered at the time of Truing Up subject to necessary prudence check. This is however subject to Petitioner filing certain additional information on the affidavit namely (i) Audited actual expenditure incurred for overhauling (ii) Bid evaluation Report with cost benefit analysis (iii) Board Resolutions, etc.*
- 4.2.13 ***In view of the foregoing, the Commission approves normative O&M Expenses and JPTL to approach the Commission for recovery of expense for overhauling based on the actual expenditure incurred at the time of Truing up."***

- 3.4.15 Accordingly, JPTL has initiated circuit breaker overhauling works based on recommendation of OEM (M/s. GE T&D LTD) at bays. Based on DCRM report findings, 400kV Jaigad-Karad ckt-1 overhauling works undertaken under supervision of OEM engineer from FY 2020-21. Based on first overhauling experience, JPTL has procured spares required for another 2 breakers in FY 2021-22, and actual overhauling works carried out in May-22 for two bays



namely 400kV Jaigad-Karad ckt-2 & Jaigad-New koyna ckt-1. The balance breaker of Jaigad-New koyna ckt-2 was undertaken in the month of February and March 2023. However, with respect to the Overhauling expenses, part of the amount i.e. Rs. 0.11 Crs has not been incurred in FY 2023-24 and has been claimed in FY 2024-25. JPTL submits that it has undertaken overhauling of circuit breaker since FY 2020-21 till FY 2022-23. During H-2 of FY 2022-23, M/s. Venkatesh regret to deploy OEM engineer manpower for overhauling works in March-23. Hence JPTL has requested OEM directly to deploy manpower considering outage applied for March-23 for balance Pole overhauling of Jaigad-karad ckt-I (B pole) alongwith Jaigad- New koyna ckt-II. Since M/s. Venkatesh Electricals denied to provide OEM supervision manpower, JPTL has no option to undertake overhauling of complete set of Jiagad-New koyna ckt-II as per approved outage in balance available outage slot and had to left B-pole overhauling. Accordingly, the balance pole overhauling cost of Rs. 0.11 Crs has been proposed under Additional OPEX in FY 2024-25.

- 3.4.16 Also, with reference to the supporting of the Overhauling expenses, the Board Resolution, Bid Evaluation Report and CBA Copy is enclosed as Annexure 5 of this Petition. Since, the board approval for overhauling was taken during the annual budget plan process and the overhauling was the part of the business plan, the Board resolution of approval of such business plan is also attached with the same annexure.
- 3.4.17 As submitted earlier, the additional overhauling expenses were recognised by the Hon'ble Commission in MYT Case No. 294 of 2019 and actual cost incurred for FY 2020-21 and FY 2021-22 was approved in MTR Case No. 213 of 2022. The relevant extract of the same is extracted as below:

4.2.24 *As submitted by JPTL, in FY 2020-21, the overhauling was undertaken only for 400kV Jaigad-Karad ckt-1. Further, in FY 2021-22, JPTL has procured spares for another 2 breakers, but the actual overhauling works were carried out in May-22 for two bays namely 400kV Jaigad-Karad ckt-2 & Jaigad-New koyna ckt-1.*

4.2.25 *In this context, it is noteworthy that mere inventory build-up of spares for overhauling of circuit breakers has not led to any benefits and it does not satisfy the criteria meant for OPEX scheme as claimed by JPTL under Regulation 61.8 of MYT Regulations 2019. Therefore, the*

Table 56: Overhauling expenses under Additional O&M incurred for FY 2020-21 and FY 2021-22, as approved by Commission (Rs. Crores)

Particulars	FY 2020-21		FY 2021-22	
	JPTL Petition	Approved in this Order	JPTL Petition	Approved in this Order
Overhauling expenses	0.20	0.18	0.20	0.02



Commission has considered the overhauling cost of other two breakers in FY 2022-23 along with the balance breaker of Jaigad-New koyna ckt-2 as has been undertaken. The Commission notes that, JPTL has submitted the necessary details as directed in the para 4.2.12 and 4.2.13 of MYT Order dated 30 March 2020 for the expenses incurred towards overhauling and has claimed the same as additional OPEX. However, the Commission is approving the overhauling expenses to that extent as an additional O&M expense for FY 2020-21 and FY 2021-22 upon prudence check as outlined below:

3.4.18 Further for FY 2023-24, the Hon'ble Commission has provisionally approved the overhauling cost in in MTR Case No. 213 of 2022, the relevant extract is outlined as below:

5.2.11 ***In this context, it is noteworthy that mere inventory build-up of spares for overhauling of circuit breakers has not led to any benefits and it does not satisfy the criteria meant for OPEX scheme as claimed by JPTL under Regulation 61.8 of MYT Regulations 2019. Therefore, the Commission has considered the overhauling cost of other two breakers in FY 2022-23 along with the balance breaker of Jaigad-New koyna ckt-2 as has been undertaken. The Commission notes that, JPTL has submitted the necessary details as directed in the para 4.2.12 and 4.2.13 of MYT Order dated 30 March 2020 for the expenses incurred towards overhauling and has claimed the same as additional OPEX. However, the Commission is provisionally approving the overhauling expenses to that extent as an additional O&M Expense for FY 2022-23. The Commission grants liberty to JPTL to approach the Commission for recovery of expenses for overhauling based on the actual expenditure incurred per the provisions of the MYT Regulations, 2019 at the time of final Truing up of FY 2022-23 subject to prudence check.***

.....
Table 117: Additional O&M Expenses for FY 2022-23 as approved by the Commission (Rs. Crore)

Particulars	JPTL Petition	Approved
Overhauling expenses	0.48	0.73

3.4.19 Accordingly, the total overhauling expense incurred and spread in three years i.e. FY 2020-21 to FY 2022-23 is Rs. 0.76 Crs of which Rs. 0.21 Crs has been approved



by the Hon'ble Commission in FY 2020-21 to FY 2021-22 and balance Rs. 0.55 Crs has been claimed in FY 2022-23. The supporting's for the Overhauling expenses is enclosed as Annexure 5 of this Petition.

- 3.4.20 Based on the above submission, JPTL hereby claims the actual expenditure related to overhauling as an additional O&M expense for FY 2022-23 as outlined below:

Table 10: Overhauling expenses incurred for FY 2022-23 (Rs. Crores)

Particulars	FY 2022-23
Overhauling expenses	0.55

Additional OPEX expenses for FY 2023-24 (Drone Survey)

- 3.4.21 JPTL submits that it has undertaken the Drone survey of JPTL transmission line using android based software. It is submitted that the conventional methods of surveying include walkover surveys, prior surveys, and detailed surveys, all of which take a considerable amount of time and manpower. These are manual methods and there is always a risk that the results may not accurately reflect the issues. On the other hand, modern surveying techniques leverage the latest technologies for mapping and aerial monitoring and reduce the possibility of error. Based on the new technology available, JPTL has undertaken the plan to implement the Drone survey, Drone technologies using software, to make sure essential power infrastructure supports uninterrupted. Such new and emerging Survey and patrolling techniques enhances the operational efficiency of transmission assets and minimise the downtime.

- 3.4.22 The above operational expenses over and above the normative O&M Expenses are claimed as per Regulation 61.8 of MYT Regulations, 2019 and is reproduced as below:

“61.8 A Transmission Licensee may undertake Opex schemes for system automation, new technology and IT implementation, etc., and such expenses may be allowed over and above normative O&M Expenses, subject to prudence check by the Commission:

Provided that the Transmission Licensee shall submit detailed justification, cost benefit analysis of such schemes as against capex schemes, and savings in O&M expenses, if any.”

- As per the Regulations, the additional OPEX can be claimed alongwith the submission of detailed justification, Cost benefit anlaysis and Saving in O&M expenses is outlined below:

- 3.4.23 The power transmission sector has high accident field cases because of the hilly terrain areas, rainfall issues, etc. With that in mind, power line companies consider using drones for inspection purposes, which provides many benefits. Drones are highly advanced unmanned aerial vehicles (UAVs) that constantly



innovate. It has features like A.I. multispectral sensors, autonomous aerial surveillance, and robust hardware for intense weather endurance. Over time, drones improved and streamlined enhanced workflow on power line inspection sites. As a result, incorporating drones into the powerline industry provides the following benefits:

1. Drone Power Line Inspections reduces Safety Concerns

- Drones can have long flight times and can reach a maximum height. Thus, workers no longer have to explore into risky and time-consuming effort. Running diagnostic and assessment are being operated seamlessly with its multispectral sensors. Additionally, drones have a high resolution camera, allowing users to view videos and capture photos with high definition. It has improved, and many high-risk inspections have decreased due to its substitution. Drones for the Power Industry have been consistent in improving safety above all.

2. Drone Technology Provides Efficient Power Line Inspection Results

- Drones can provide you with raw images and clips of power lines. Drones are highly advanced and have robust features. With the integration of Artificial Intelligence (A.I.), drones can have more accurate and real-time data gathering as compared to conventional monkey patrolling.

3. Structural Fault Analysis & Detection of Anomalies

- Structural Fault Mapping of towers and Infrastructure helps in the detection of potential faults early. Timely detection of Anomalies helps in Prognosis of the Assets. Drone can fly extremely close to the power lines, and as a result provide high-resolution images and data, useful in the optimization of maintenance plans.

4. Optimize Human Resources with Drone Integration

- Can benefit from using drones for inspection, monitoring, and data gathering. With only limited trained staff controlling the UAV, the need to engage several workforces for inspection at the site may not be as essential compared to a traditional method, the workforce can be effectively utilized for other priority works especially during tripping patrolling.

5. Drone Utilization Grants a Cost-Effective Power Line Inspection Approach

- Conducting a transmission line inspection is challenging task, as it requires tedious operations. It is time-consuming and needs expense, and thus, this work process involves higher emergency contingency. The site in charge also have to consider the well-being of their workers, providing benefits that would add up to their expenses. Although manual inspections are still ongoing, integrating drones can reduce these risks and high figures in modern ways.



3.4.24 As per MTR Order dated 31 March 2023, the Hon'ble Commission has allowed the expenses of Rs. 0.33 Crore as an additional OPEX against Drone Survey. The relevant extract is stated as under:

*6.2.14 In view of the above rationale, the Commission allows, the expense of Rs.0.33 Crore (revised submission in the reply to data gaps) for drone survey during FY 2023-24 as per Regulation 61.8 of MYT Regulation, 2019 subject to necessary prudence check at the time of Turing Up. JPTL at the time of truing up need to submit the information namely (i) Audited actual expenditure incurred for Drone survey of Transmission Lines (ii) Bid evaluation Report with cost benefit analysis (iii) Board Resolutions, (iv) Short note on of outages avoided due to drone survey etc. **In case of non-submission of documents as above, the Commission may consider these expenses under actual O&M expenses instead of additional OPEX, at the time of Truing Up of FY 2023-24. Further, depending on the actual cost benefit due to this activity the Commission, subject to prudence check may allow partial OPEX.***

3.4.25 Accordingly, Aerial patrolling of entire transmission system was carried out in FY 2023-24 by capturing RGB images of all towers and Videography of line corridor by using modern technology of AI based drone surveying. The Key benefit of drone surveying,

1. Aerial tower patrolling of entire tower locations (451 nos) undertaken in a 2-month time, which otherwise to be plan as 9 tower per week as per conventional tower top patrolling by using two dedicated line technician. Hence all overhead line defect data made available to maintenance engineer to plan preventive maintenance.
2. Work site human risk also reduced since tower top patrolling avoided to identify overhead defects, as continuous Tower climbing by linemen for 451 towers on daily basis was practically difficult considering human fatigue, physical limitation.
3. All high quality RGB images of towers available which clearly shown minor defects like missing of split pin in line hardware, rusted bolts, missing of copper bond etc as well in addition to missing/bucked members, bird nest, ACD missing and vegetation around leg etc.

3.4.26 The Bid evaluation report, actual expenditure incurred for drone survey, management approval is enclosed herewith as Annexure 7.

3.4.27 The Cost benefit analysis of implementing the Drone Surveying is outlined in the following table:



Table 11: Cost Benefit Analysis of Drone Surveying

Item	Drone Patrolling Costs	Conventional Linemen Patrolling Costs	Savings/Benefits
Service award cost	15,25,000.00	14,40,000.00	Two dedicated line technician manpower + one engineer cost for attending 451 tower (for tower top, data processing, report submission etc)
Time required	2 to 3 months	12 months	Time saving
Labour Costs per tower for Inspection	665.188	4615.38	around 85% reduction in labour cost with drone
Transportation Costs per Inspection	270000 (included in service contract)	453000	Approx 40% reduction in transportation cost
Inspection Time	20 minutes working time per tower	45 minutes working time per tower	Almost 55% faster
Total Annual Cost for 165 km Line	1525000	1893000	Almost 20% reduction in total costs.

3.4.28 Additional OPEX claimed towards drone survey for aerial patrolling (RGB images + videography) has been executed in FY 2023-24 and completed in FY 2024-25 after compliance of pending/correction in survey reports, raw data by executing agency. Accordingly, Rs. 0.15 Crores has been claimed in FY 2023-24 and Rs. 0.25 Crore in FY 2024-25.

Additional OPEX expenses for FY 2023-24 (Remote Monitoring)

3.4.29 The Hon'ble Commission vide its MTR Order dated 31 March 2023 has allowed Rs. 0.25 Crs against IT Automation - Remote Monitoring of Transmission Towers using software. The relevant extract is outlined as below:

*6.2.10 The Commission allows the expenses of Rs. 0.25 Core regarding the remote monitoring of tower subject to necessary prudence check at the time of truing up considering the submission information namely (i) Audited actual expenditure incurred for remote monitoring of transmission towers using software (ii) Bid evaluation Report with cost benefit analysis (iii) Board Resolutions, (iv) Short note on No. of surveys performed, No. of outages avoided due to remote monitoring etc. **In case of non-submission of documents as above, the Commission may consider these expenses under actual O&M expenses instead of additional OPEX, at the time of Truing Up of FY 2023-24. Further, depending on the actual cost benefit due to this activity the Commission, subject to prudence check may allow partial OPEX.***



3.4.30 However, JPTL humbly submits that Additional OPEX of IT automation towards Remote monitoring of transmission towers using app based software has been delayed since JPTL has recently implemented PM module to manage all aspects of maintenance activities. After fully integration of PM module with other SAP module like Material Management (MM), Finance (FI), integration with third party application like web based/ mobile based remote monitoring shall be adapted by JPTL. Hence JPTL has postponed the approved additional OPEX for IT automation - Remote Monitoring of Transmission Towers using software in FY 2025-26.

Reconciliation of the expenses

3.4.31 In relation to the reconciliation of the O&M cost with the audited Financial Statement of JPTL, it is submitted that Other expenses as specified in Note 23 of the financial Statement includes A&G cost, R&M cost and Corporate Social Responsibility expenses whereby JPTL in the Petition has not claimed Corporate Social responsibility. The reconciliation of the same is provided as below:

Table 12: Reconciliation of O&M cost with Financial Statement for FY 2022-23 and FY 2023-24 (Rs. Crores)

Particulars	FY 2022-23	FY 2023-24
Other Expenses as per Financial Statement	5.13	4.65
Less: Corporate Social Responsibility not claimed in this Petition	0.67	0.71
Net Other expenses	4.46	3.94
A&G expenses as claimed in Form 2.4	1.59	1.17
R&M expenses as claimed in Form 2.5 (includes R&M expenses of Line + O&M expenses of terminal Bay as per MSETCL contract)	2.32	2.61
Additional Overhauling expenses included in Form 2	0.55	0.15
Total Expenses claimed in Petition	4.46	3.94

Actual O&M Expenses

3.4.32 In case of employee expenses, it is submitted that there was an attrition of Grade 1 employee in previous year which was filled in FY 2022-23 and accordingly employee cost was lower in FY 2022-23. The employee cost for FY 2023-24 reflects the full period cost for all employee's including the Grade 1 employee recruited in the middle of FY 2022-23. Further, the employee cost increase in FY 2023-24 is the reflection of the yearly increment of the salary.

3.4.33 In case of A&G expenses, there has been increase in the FY 2023-23 due to the ARR petition filing related expenses. Other expense increase is reflective of the



normal inflation increase in the A&G expenses

3.4.34 With respect to R&M Expenses, in FY 2022-23, Other than circuit breaker overhauling expenses, routine repairs & maintenance expenses were carried out. However, in FY 2023-24 around Rs. 0.45 Crs additional expenditure was incurred due to following reasons and balance expenditure were routine in nature:

- Around Rs. 16 Lacs incurred for sale of non-usable spares under RPT, whereby the Cost was mainly on account of goods freight, material packing, loading etc.
- Around Rs. 18 Lacs was incurred on two nos of civil works undertaken namely, 1) strengthening of existing outdoor store premises as an existing GI wire mesh fencing were damaged at multiple locations and security concern arised for high value inventory, due to which JPTL decided to strengthen existing compound wall of outdoor yard by replacing with powder coated wire mesh. 2) Due to result of climate change, western ghat (in sahyadri mountains) experienced frequent landsliding incidents. JPTL's Jaigad-Karad transmission line also passes through western ghats and during site visit, Tower no 165 found vulnerable to landsliding from adjacent hillock. Hence for tower leg protection, retaining wall constructed at tower no 165. Since such expenses are considered under O&M as per Capex regulation 2022 and therefore both civil works have been executed under R&M expenses.
- Around Rs. 8.26 Lacs incurred against RCA for failure of silicon composite rod insulators by ERDA. JPTL had witnessed failure of silicon rubber composite insulators in the western ghats, which highly impacted on transmission system availability in FY 2021-22, 2022-23. Hence it has been decided to undertake RCA study from well recognised institutions like CPRI, ERDA etc. Accordingly, M/s. ERDA has been awarded for conducting RCA on failed insulators in the western ghat section. The study begins in FY 2022-23 by ERDA team and concluded in FY 2023-24.
- Additional Rs. 2.58 Lacs incurred for store upgradation work, whereby expenses towards purchase of heavy duty racks been made as the existing racks became non usable. Also, for easy identification of store new inventory (mandatory spares), a material tags been procured and fixed with spares. All these expenses were one time in nature/ repeated after completing of its useful life, hence procured under R&M expenses.

3.4.35 JPTL submits that due to notification of MERC (Approval of Capital Investment Schemes) Regulations, 2022, the civil work of Rs. 18 Lacs is been included under R&M Cost and hence this amount is presently not considered in normative O&M expenses. Hence, it is humbly requested to consider Rs. 18 Lacs as additional O&M cost and may not be considered for sharing purpose.



3.4.36 Further, the transmission lines of JPTL's have been commissioned in FY 2010-11 and has carried out various measures related to preventive, predictive and breakdown maintenance as well as condition monitoring etc. As the line aging increased, to maintain transmission system at highest level, it was decided to carry out predictive, condition monitoring works periodically rather than job based/need based. Also line restoration/emergencies in case of major breakdown became a panic situation since no back up agencies were tied up to for immediate mobilization at site. In order to have a 24X7 for technical support for addressing any emergencies, including natural disasters, equipment failure, or unexpected outages and creating synergy and efficient way of operating & maintaining transmission lines for all the processes involved & to avoid multiple contracts, the management decided to bring KPI based AMC with service level agreement (SLA) for 400kV transmission system. Accordingly, M/s. BNC Power Projects Ltd, a Pune based agency awarded as SLA agency to execute KPI based SLA contract for 400kV transmission line initially for 3 years from FY 2022-23 till 2024-25. The details of Bid evaluations reports, management approval, SLA agreement and LOI copy etc were enclosed herewith as Annexure 6 of this Petition.

3.4.37 With respect to R&M expenses, the details of repairs in Plant & Machinery and other expenses are provided as below:

Table 13: Details of R&M expenses for FY 2022-23 and FY 2023-24 (Rs. Crores)

Repair Expenses	FY 2022-23	FY 2023-24
Overhauling Expenses / Drone implementation	0.55	0.15
Insulator / Battery Replacement, earthing, Jumper fixing, etc	0.47	0.52
Expenses related to SLA agreement for predictive, preventive and breakdown maintenance including condition monitoring of transmission line	1.07	1.16
Terminal Bay Expenses payable to MSETCL	0.64	0.71
Total R&M expenses related to Plant & Machinery	2.73	2.54
Total R&M expenses related to Buildings	0.05	0.05
Total R&M expenses related to Civil works	0.09	0.17
Total R&M Expenses claimed	2.87	2.76
Less: R&M expenses related to overhauling claimed separately	0.55	0.15
R&M expenses part of O&M contract	2.32	2.61

3.4.38 Comparison of O & M Expense as approved by the Hon'ble Commission, normative O & M expenses and actual O & M Expense for FY 2022-23 and FY 2023-24 is outlined below:



Table 14: Actual O & M Expenses for FY 2022-23 and FY 2023-24 Rs. Crores)

Particulars	Approved	Normative	Actual	Approved	Normative	Actual
	FY 2022-23			FY 2023-24		
O & M Expenses for line	4.87	1.55	5.64	5.07	1.62	5.59
O & M Expenses for terminal bays		3.32			3.45	
Total O & M Expenses	4.87	4.87	5.64	5.07	5.07	5.59
Additional OPEX	0.52	0.55	0.55	0.58	0.15	0.15
Total O&M	5.39	5.42	6.19	5.65	5.22	5.74

3.4.39 The details related to O & M Expenses i.e. Employee expenses, Administrative & General Expenses and Repairs & Maintenance Expenses is submitted in the Petition formats as per Annexure 1.

3.4.40 Accordingly, JPTL requests the Hon'ble Commission to approve the O & M Expenses of Rs. 5.64 Crs and Rs. 5.59 Crs and additional OPEX of Rs. 0.55 Crs and Rs. 0.15 Crs for FY 2022-23 and FY 2023-24 respectively for determination of ARR.

3.5 Capital Expenditure and Capitalisation

For Capitalisation of Office, Guest House and Shed

3.5.1 The Hon'ble Commission vide its MTR Order dated September 12, 2018 has approved the capitalisation of Rs. 2.77 Crs for FY 2019-20. The relevant para is reproduced below:

"Commission's Analysis and Ruling

6.3.3 In MYT Order, the Commission had approved capital expenditure pertaining to setting up office, guest house & shed at Chiplun for exclusive use of Transmission business. JPTL has provided progress of work and submitted that capitalization will be in FY 2018-19.

6.3.4 This issue has been discussed in para 5.3 of this Order and based on the progress of work, the Commission provisionally approves capitalization of Rs. 2.07 Crore in FY 2019-20. Additionally, the Commission has also disallowed freehold land capitalization of Rs. 0.4630 Crore & Rs. 0.2348 Crore done by JPTL for FY 2016-17 and FY 2017-18 as asset was not put to use. The Commission now approves capitalization of Office including guest house along with the capitalization of freehold land of Rs. 0.6978 Crore in FY 2019-20.

6.3.5 The Commission approves Capitalisation of Rs. 2.77 Crore for FY 2019-20".

3.5.2 JPTL has already initiated the process to establish office premises and guest house at its own premises. However, the project commissioning has been delayed due to identifying a suitable land parcel (acquired in October 2016), Final mutation entry updated in the name of Jaigad PowerTransco Ltd in



- September 2018 and deferment of the materialisation of the tender related to other works such as Civil, Electrical, architectural and design work, etc.
- 3.5.3 JPTL submits that, the CAPEX as incurred till FY 2022-23 for guest house and office was capitalised in March 2023 i.e. second half of FY 2022-23. Also, the Capitalisation of freehold land of Rs. 0.70 Crore, incurred in FY 2016-17 and FY 2017-18 was disallowed by the Commission as the asset was not put in use. Same is proposed for capitalisation in FY 2022-23 along with the other cost related to establishment of offices and guest house
- 3.5.4 It is submitted that after the comprehensive study of the project, architecture by the team and commercial negotiations by the Group Corporate team, the final work order for civil works could be awarded to the contractor only in the month of July-2020. The first half of the FY 2020-21 was the period when the 1st wave of pandemic COVID-19 was at its peak leading to further delay in the project. Post-monsoon in the month October-2020, the contractor mobilized the resources at site to commence civil activities. Again, in the first half FY 2021-22, the 2nd wave of the pandemic caused significant time delay in construction works.
- 3.5.5 The additional delay other than those highlighted in para 3.5.2, is also due to widespread epidemic of COVID-19 which has resulted into halt of activities for more than 9 months.
- 3.5.6 Further, due to the onset of Covid-19 pandemic and its continued presence, significant downtrend observed in market economy. The infrastructure sector had witnessed financial stress, which affected deputed contractor & their material, and service provider as a cascade effect, which in turn delay in material availability & labour supply. In addition, there was a restriction on laterite mining & sand dredging works in a Konkan, which further affected work progress of the project. However, the construction activities regain their pace post pandemic & after normalization of flood situation in Chiplun in October 2021.
- 3.5.7 JPTL submits that any cost due to time and cost over-run may be allowed to be submitted at the time of True-up of relevant year. Also, against the original schedule of completion of the scheme was March 2019, the actual date of capitalisation of this scheme is March 2023.
- 3.5.8 JPTL would like to submit that the building civil works & interior works estimates were prepared in the FY 2017-18. Also, during submission of the provisional true-up Petition of the FY 2019-20, the project completion date was revised to the FY 2020-21 without any increase in the construction cost. However, due to the onset of Covid-19 pandemic, there was a considerable cost escalation in almost every sector which has impacted the earlier projected



estimates. Moreover, the area envisaged for the office-cum-guest house building was of 5,062 sq. ft. considering construction cost @ Rs. 2,200/-sq. ft. and Rs. 25 Lakhs for compound walls. However, the actual built-up area had worked out to be 5,639 sq. ft. after detailed architectural engineering. Consequently, actual work order finalized by Group Commercial Procurement Cell was at Rs.1.74 crore (i.e. 5,639 sq. ft. @ Rs. 3,085/- per sq. ft. cost of construction) including compound walls of Rs 25 lakhs, which further resulted in additional cost over the initial projected estimates. It is submitted that the cost escalation due to cost over-run is around Rs. 0.38 Crs (Rs. 0.15 Crs on account of area revision and Rs. 0.23 Crs on account of rate increase).

- 3.5.9 Also, the initial approval from the Hon'ble Commission was obtained only for the construction of the Office-cum-guest house building. However, some other major capex expenditures were inadvertently missed while preparing the detailed estimate for the new office building project such as development exterior developments, readymade furniture & electronics, Power back up facility & transformer cost for power supply etc. Further, there were some site locality specific capex expenditures like cost of DG set and Transformer connection, which were also not envisaged earlier in the detailed estimates. Therefore, an increase in capitalisation for the guest house cum office for FY 2022-23 is due to cost overrun, time overrun, revision of scope of work after detailed architectural engineering and additional expenses that were not envisaged during estimation. Hence, the increase in capitalisation of the cost from Rs. 2.77 Crore to Rs. 3.95 Crore is detailed as below:

Table 15: Increase in cost of Guest house for FY 2022-23 (Rs. Crores)

Repair Expenses	FY 2022-23
Original Cost approved in MTR Order dated 12 September, 2018	2.77
Add: Increase in Cost due to increase in build-up area by 577 Sq. ft	0.15
Add: Increase in Cost due to increase in Cost	0.23
Total Actual cost against the approval	3.15
Additional Cost incurred for guest house / office not included in estimates	0.80
Total Capitalisation claimed	3.95

- 3.5.10 The details of the additional cost compare to block of assets is outlined in the following table:

Table 16: Comparison between approved and actual Capitalisation for guest house (Rs. Crores)

Asset Block	Approved	FY 2022-23
Buildings	1.82	3.01
Furniture	0.20	0.18
Office Equipment	0.05	0.06
Land	0.70	0.70
Guest House / Office capitalisation	2.77	3.95



3.5.11 However, the Hon'ble Commission in its Order dated 31 March 2023 in Case No. 213 of 2022 has disallowed the additional cost and allowed the original cost of Rs. 2.77 Crore as approved in MTR Order dated September 12, 2018. The relevant extract is reproduced below:

5.3.7 The Commission notes that, JPTL has claimed Rs. 0.23 Crore for cost overrun and time over run due to delay in the project, Rs.0.15 Crore for increase in the scope of work and Rs. 0.82 Crore against the items which were inadvertently missed while preparing the detailed estimates at the time of original approval of the Commission. Further, the Commission also notes that, the actual completion of work was initially envisaged to be completed in FY 2019-20, which was further delayed till FY 2020-21 as approved in MYT Order in Case No. 294 of 2019 and same was further delayed due to COVID-19 and now expected to be completed by FY 2022-23.

5.3.8 With regards to justification of JPTL for time over run and cost overrun, the Commission is of the view that, the project was planned in 2017-18 and was expected to be completed by 2019-20 i.e., much before the COVID-19 Pandemic. Further, the Commission also notes that, even after more than one-year post-lockdown period, JPTL has not progressed much for completion of project activities.

5.3.9 Further, the Commission is of the view that, the justification of JPTL for cost overrun due to time overrun and revision in the scope of work, layout revisions, inadvertently missing the items like furniture in the office building, power supply arrangement for guest house, power back up arrangement are not acceptable. It is observed that the nature of the item missed out are common in nature which should have been considered at the time of project estimates.

5.3.10 Further, with regards to site specific capex expenditures like cost of DG set and Transformer connection, the Commission is of the view that, the site location and detailed design were already finalised on 20 April 2019. Therefore, JPTL would have proposed this capitalisation during the MYT projection in Order dated 30 March 2020.

5.3.11 The Commission is of the view that, the justification submitted by the JPTL does not substantiate the claim of cost over run, and additional expenses of Rs. 1.20 Crore (Rs. 0.15 Cr +Rs. 0.23+ Rs. 0.82 Cr) for guest house cum office during FY 2022-23.

.....

5.3.13 In view of the above, the Commission does not find it appropriate to allow the additional capital expenditure of Rs. 1.20 Crore as proposed by JPTL. Accordingly, the Commission allows Rs. 2.77 Crore for the guest house cum office as approved in MYT Order dated 30 March 2020 in Case No. 294 of 2019."

3.5.12 JPTL has filed for review for such disallowance of additional capital cost on guest house vide Order dated 30 November 2023 in Case No. 96 of 2023. Therefore,



JPTL has filed an appeal being aggrieved by such disallowance on the same methodology vide DFR 123 of 2024 which is pending and the matter is subjudice. However, without prejudice to the outcome of the Appeal filed by JPTL, in the said petition, JPTL is once again requesting to allow the additional cost related to cost overrun and time over run due to delay in the project, Rs.0.15 Crore for increase in the scope of work and Rs. 0.80 Crore against the items which were inadvertently missed while preparing the detailed estimates at the time of original approval of the Commission.

3.5.13 Further, JPTL request the Hon'ble Commission to treat the additional capitalisation at the guest house which were missed during the original approval under Regulation 24.6 and 24.7 of MYT Regulations 2019 as outlined as below:

24.6 The Commission may approve, for each year of the Control Period, an additional amount equivalent to 20% of the total capital expenditure approved for that year, towards planned or unplanned capital expenditure that is yet to be approved by the Commission.

24.7 The amount of capitalisation against non-DPR schemes for any Year shall not exceed 20% or such other limit as may be stipulated by the Commission through an Order, of the amount of capitalisation approved against DPR schemes for that Year:

Provided that the Commission may allow capitalisation against non-DPR schemes for any Year in excess of 20% or such other limit as may have been stipulated by the Commission through Order, on a request made by the Generating Company or Licensee or MSLDC.

3.5.14 Based on the above submission, JPTL is claiming the following additional capitalisation related to the guest house and outlined in the following table under Regulations 24.6 and 24.7 of MYT Regulations 2019.

Table 17: Additional Capitalisation related to Guest House (Rs. Crore)

Head	Amount
D G Set	0.05
Transformer 25 kVA	0.04
Detailed Architect services	0.02
Fortnet Firewall 51E With 3 Years Care Pack	0.02
Furniture, compactors, electronics goods	0.25
Exterior works (Gate, pathway, Cross Drainage works etc)	0.42
Total Capitalisation in FY 2022-23	0.80

3.5.15 Based on the above, JPTL requests the Hon'ble Commission to condone the delay in capitalisation of the work related to office at Chiplun, to allow the capitalisation related to the same in FY 2022-23 and to treat the additional capitalisation under Regulation 24.6 and 24.7 of MYT Regulations 2019.



Other Additional Capitalisation

- 3.5.16 Apart from capitalisation of the Office cum Guest house alongwith the additional capitalisation related to guest house, JPTL also has envisage certain additional capital expenditure and capitalisation of amount equivalent to Rs. 1.03 Crore in FY 2023-24 and Rs. 0.46 Crore. The details of such capital expenditure and capitalisation are outlined as below:

Table 18: Additional capitalisation for FY 2022-23 and FY 2023-24 (Rs. Crores)

Assets	FY 2022-23	FY 2023-24
Office Equipment		0.41
Purchase of spares (Tower parts-DC & DD, bay spares) as per CEA guidelines	0.89	0.01
Laptop & printer	0.01	0.03
Watch Tower	0.13	0.00
Total CAPEX / Capitalisation	1.03	0.46

- 3.5.17 With respect to Watch Tower, the Hon'ble Commission has opined in MTR Order dated 31 March 2023 that minor expenses like watch tower, laptops and printers, can be covered under allowable Non-DPR and hence provisionally approved the capitalisation for normal business activities.
- 3.5.18 JPTL would like to submit that Central Electricity Authority (CEA) had issued a guideline dated July 2020, for availability of spares & inventories for power transmission system assets. Availability of spares at the time of need played an important role in bringing normalcy back to the system. Its significance increased manifold in case of natural disasters. Usually, power utilities generally procure mandatory spares along with the supply of equipment / material. However, these spares may not be adequate to restore the power transmission network damaged during natural disasters and that availability of adequate spares for transmission assets helped in faster restoration of power supply. Being a transmission licensee, JPTL had re-assessed available mandatory spares and decided to procure shortage quantity of sparse with respect to the guidelines laid by CEA and accordingly the same has been procured equivalent to Rs. 0.89 Crs in FY 2022-23 and Rs. 0.01 Crore in FY 2023-24.
- 3.5.19 Below table illustrates mandatory spare towers for lines of 765 kV, 500 kV HVDC, 800 kV HVDC, 400 kV Quad bundle line, Multi Circuit Towers (towers with more than two circuits) and towers of special design having ice loading etc.: **(As per CEA guideline)**

Table 19: Mandatory Spares towers for lines as per CEA Guideline

Type of Normal tower (same/standard design)	Quantity of Tower	Quantity of Extensions for towers					Special type (negative, unequal etc.)
		+3 M	+6 M	+9 M	+18 M	+25 M	
Suspension towers with stub and cleats	5 Nos./ 8 Nos.**	1 No.	1 No.	1 No.	1No.	1 No.	1 No.
Tension towers with stub and cleats	1No.	1No.	1No.	1No.	1No.	1No.	1 No.
Stub setting Template for each type suspension towers- 2 sets#							
Stub setting Template for each type tension towers- 1 set each#							

3.5.20 After internal assessment of JPTL, it is observed that sufficient amount of towers kept under project spares for 400kV quad bundle line. However, there was shortage on account of tower parts for each type of tower category namely DA, DB, DC & DD. A detailed shortage list is enclosed herewith for reference as an Annexure 8. The table below shows available spare towers with JPTL:

Table 20: Details of Spare towers with JPTL

Sr. No.	Type of tower	As per CEA (Qty)	Available stock JPTL qty	Extensions for towers				
				(+) 3 M	(+) 6 M	(+) 9 M	(+) 18 M	(+) 25 M
1	DA	5 Nos	10 #	1	1	1		
2	DB	1 No	2 #	1	1	1		
3	DC	1 No	2 #	1	1	1		
4	DD	1 No	2 #	1	1	1	1	1

with shortage of tower parts (incorporated as a procurement part as a mandatory spare in the proposal)

3.5.21 Along with tower parts following transmission line material, as applicable, shall be kept by the utility as per CEA guideline:

Table 21: Transmission Line Material - as per CEA guideline

Sr. No.	Name of Material	Unit	As per CEA guideline	Available stock with JPTL
1	Stub & cleat For DA	Set	5	10
2	Stub & cleat For DB	Set	1	1
3	Stub & cleat For DC	Set	1	1
4	Stub & cleat For DD	Set	1	1
5	SST for DA	Set	2	2

Sr. No.	Name of Material	Unit	As per CEA guideline	Available stock with JPTL
6	SST for DB	Set	1	1
7	SST for DC	Set	1	1
8	SST for DD	Set	1	1
9	ERS suitable for transmission line up to 400 KV twin bundle	Set	N/A	
10	ERS suitable for 765 KV/500 KV HVDC/ 800 KV HVDC/ 400 KV quad bundle (in States having such system)	Set	Capex proposal under process	
11	Galvanised steel section for replacement of missing members	To be decided by the utility		Available
12	Ani-theft Galvanised nut bolts & washers of various length	To be decided by the utility		Available
13	OPGW	Km	1	N/A
14	7×3.66 mm GS Earth wire	Km	2	8
15	ACSR Moose conductor	Km	20	20

3.5.22 As per Table 21, all the spares covered under CEA guidelines were available with JPTL.

3.5.23 Further, below table shows the summary of assorted tower parts procured under mandatory spares:

Table 22: Summary of Mandatory Spares procured by JPTL

BOQ for Assorted Shortage of Tower Material (kg)					
Type of Tower	PO	PO AMOUNT (INR)	Mild Steel	High Tensile Steel	Total weight
DA	1860000051	15,36,041.00	8541.162	3849.625	12390.787
DB	1860000053	15,44,758.00	3029.72	9174.319	12204.039
DC	1860000054	13,63,179.00	4909.586	5964.114	10873.7
DD	1860000055	45,31,975.00	19303.897	16835.749	36139.646
Total		89,75,953.00	35784.365	35823.807	71608.172

3.5.24 Hence, JPTL has requested to the Hon'ble Commission for recovery of expenses incurred towards procurement of additional mandatory spares of Rs. 0.89 Crs, which are not covered in allowable spares during supply of project spares

3.5.25 The Hon'ble Commission in MTR Order dated 30 March 2022 has provisionally approved the cost of Spares under O&M Expenses and had directed JPTL to approach the Commission for recovery of expenses for additional spares which are not covered in allowable spares with appropriate justification and



supporting documents at the time of final Truing Up of FY 2022-23. Accordingly, JPTL submits that the said spares need to be considered as CAPEX expenses as same has been procured based on CEA guideline dated July 2020 which was post the commissioning of the transmission lines. Of the total procurement of spares of Rs. 0.89 Crs, Rs. 0.73 Crs has been carried in inventory as project spares and the balance of Rs. 0.15 Crs has been procured and capitalised in books of accounts.

- 3.5.26 JPTL submits that the set-up of IT infrastructure, which had a very high lead time of delivering IT products (almost 8-10 months), is completed in FY 2023-24. The total cost of implementation of IT Infrastructure of Rs. 0.41 Crore includes AV solutions (excluding VC system), Visitor management system, Surveillance system, Fire alarm system with UPS, Compatible Networking system includes CISCO router, Network switches, Aruba controller, IP phones etc (with support care packs & license), etc. Based on the above, JPTL request the Hon'ble Commission to allow the capitalisation related IT work in FY 2023-24.
- 3.5.27 JPTL submits that this Capitalisation undertaken is below the limit specified in MYT Regulations, 2019 and is required to be considered under Non-DPR scheme. Regulation 2 (58) and under Regulation 24.6 and 24.7 of MYT Regulations 2019.
- 3.5.28 The Reconciliation of the capitalisation with Accounts in FY 2022-23 and FY 2023-24, is outlined in the following table:

Table 23: Reconciliation of Capitalisation of assets in FY 2022-23 and FY 2023-24 – Rs. Crore

Particulars	FY 2022-23	FY 2023-24
Capitalisation as per Accounts	3.54	0.46
Amount Claimed in Petition (3.95 + 1.03)	4.97	0.46
Difference	1.43	0.00
Capitalisation of Land capitalised in the books of accounts in the year 2016-17 and 2017-18 but disallowed claimed in FY 2022-23 due to capitalisation of Guest house	0.70	0.00
Purchase of Spares (as per CEA guidelines) – As per accounting standard, the same is considered as inventory in Accounts but capitalised as per Regulations.	0.73	0.00

- 3.5.29 Along with the capitalisation of other assets, certain marginal assets were decapitalised as some of the assets have either expired their useful life or not useful at present for their required purpose as most of the items are non-repairable. The details of the other assets decapitalised are outlined as below:

Table 24: Decapitalisation of Other assets in FY 2022-23 and FY 2023-24 – Rs.

Class Description	Put to Use Date	Gross Block	Accumulated Depreciation	Balance W/off
Office Equipments	9-Feb-11	15,351	(13,816)	1,535
Office Equipments	8-Feb-14	43,050	(38,745)	4,305
Total – FY 2022-23		58,401	(52,561)	5,840



Class Description	Put to Use Date	Gross Block	Accumulated Depreciation	Balance W/off
Office Equipments	6-Jun-20	48,152	(10,367)	37,785
Computers	7-Nov-09	17,400	(15,660)	1,740
Computers	30-Jul-15	39,558	(35,602)	3,956
Furniture & Fixture-Others	24-Oct-08	8,100	(7,290)	810
Furniture & Fixture-Others	1-Oct-08	3,262	(3,262)	-
Furniture & Fixture-Others	1-Oct-08	47,250	(47,250)	-
Furniture & Fixture-Others	1-Oct-08	30,375	(30,375)	-
Furniture & Fixture-Others	1-Oct-08	3,746	(3,746)	-
Furniture & Fixture-Others	1-Jul-09	2,450	(2,450)	-
Furniture & Fixture-Others	1-Jul-09	2,200	(2,200)	-
Furniture & Fixture-Others	25-Sep-09	13,386	(11,943)	1,443
Furniture & Fixture-Others	25-Sep-09	6,014	(5,364)	650
Furniture & Fixture-Others	25-Sep-09	24,444	(21,810)	2,634
Furniture & Fixture-Others	25-Sep-09	14,123	(12,598)	1,525
Furniture & Fixture-Others	1-Sep-09	3,967	(3,967)	-
Total - FY 2023-24		2,64,427	(2,13,884)	50,543

3.5.30 Based on the above submission, JPTL claims the following amount as CAPEX, Capitalisation and De-capitalisation for FY 2022-23 and FY 2023-24:

Table 25: Capex, Capitalisation and de-capitalisation for FY 2022-23 and FY 2023-24 (Rs. Crores)

Particulars	CAPEX	Capitalisation	Decapitalisation	Loss of Assets
FY 2022-23	1.98	4.97	(0.01)	0.00
FY 2023-24	0.46	0.46	(0.03)	0.01

3.5.31 Based on the above, JPTL requests the Hon'ble Commission to approve the actual capital expenditure and addition to the GFA as outlined above for FY 2022-23 and FY 2023-24 respectively and as specified in Form 3 of the Tariff formats enclosed as per Annexure 1.

3.6 Depreciation

3.6.1 Regulation 28 of MYT Regulations, 2019 provides for computation of depreciation to be estimated by the Petitioner based on capital cost of assets approved by the Hon'ble Commission and rates of depreciation applicable as per Annexure I specified in the Regulation 28.1 (b) of MYT Regulations, 2019. Also, the proviso of the Regulations specifies that if the asset is depreciated to the extent of 70%, then remaining depreciable value as on 31st March of the year to be spread over the balance Useful Life of the asset.

3.6.2 Regulation 28.4 of MYT Regulations, 2019 also provides for depreciation to be calculated based on average of opening and closing value of assets for assets having achieved commercial operation for only part of the financial year.



- 3.6.3 Accordingly, JPTL has considered actual addition of assets capitalised and decapitalised as submitted in para 3.5.30 of this petition and as per audited statement of accounts for calculation of depreciation as per applicable depreciation rate as specified in Regulation 28.1(b) of the MYT Regulations 2019 for FY 2020-21 and FY 2021-22.
- 3.6.4 Also, as de-capitalisation of the assets as specified in Table 24 of this Petition, has been written off from the books of accounts and accordingly, the same has been reduced from the GFA and equivalent impact has been provided in calculation of Interest and Return on Equity.
- 3.6.5 Based on the above submission, JPTL hereby submits the calculation of depreciation for FY 2022-23 and FY 2023-24 as outlined below:

Table 26: Depreciation Expenses for FY 2022-23 and FY 2023-24 (Rs. Crores)

Particulars	Approved	Actual	Approved	Actual
	FY 2022-23		FY 2023-24	
Opening GFA	551.73	551.73	554.74	556.71
Addition of GFA	3.01	4.97	0.60	0.457
Retirement of GFA	0.00	-0.01	0.00	-0.026
Closing GFA	554.74	556.71	555.34	557.19
Depreciation	29.18	29.22	29.25	29.32
Average Depn. Rate	5.27%	5.27%	5.27%	5.26%

- 3.6.6 Accordingly, JPTL requests the Hon'ble Commission to approve the Depreciation of Rs. 29.22 Crs and Rs. 29.33 Crs for FY 2022-23 and FY 2023-24 respectively for determination of ARR and as specified in Form 4 of the Tariff formats enclosed as per Annexure 1.

3.7 Interest on Loan Capital

- 3.7.1 The Hon'ble Commission has approved a debt equity ratio of 75:25 in its Order in Case No. 97 of 2010, during the in-principle approval of project cost of the transmission system for JPTL. Post that, additional capitalisation has been approved by the Hon'ble Commission in a normative debt:equity ratio of 70:30 for the respective financial year in which the capitalisation has been undertaken.
- 3.7.2 The Regulation 27.1 MYT Regulations, 2019 specifies the following norms for debt equity ratio for capital expenditure.

"27. Debt-equity ratio—

27.1 For a capital investment Scheme declared under commercial operation on or after April 1, 2020, debt-equity ratio as on the date of commercial operation shall be 70:30 of the amount of capital cost approved by the Commission under Regulation 24, after prudence check for determination of Tariff:

.....



Provided that if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan for the Generating Company or Licensee or MSLDC for determination of Tariff:

- 3.7.3 Accordingly, JPTL has considered debt equity ratio of 70:30 for additional capitalisation of fixed assets for FY 2022-23 and FY 2023-24 in line with norms specified in the Regulation 27.1 of MYT Regulations, 2019.
- 3.7.4 Further, for retired assets, JPTL has reduced the debt component by 70% of the original cost of the retired asset as per the debt equity ratio approved at the time of Capitalisation and adjusted the accumulated depreciation which is equivalent to the debt paid against such capitalisation of assets and accordingly the balance debt of the decapitalised assets has been calculated as outlined in the following table:

Table 27: Balance debt of the decapitalised assets for FY 2022-23 and FY 2023-24 (Rs. Crores)

Class Description	Put to Use Date	Gross Block	Accumulated Depreciation	Debt	Debt Claimed	Balance Debt Written off
FY 2022-23						
Office Equipments	9-Feb-11	15,351	(13,816)	10,746	10,746	-
Office Equipments	8-Feb-14	43,050	(38,745)	30,135	30,135	-
Total		58,401	(52,561)	40,881	40,881	-
FY 2023-24						
Office Equipments	6-Jun-20	48,152	(10,367)	33,707	10,367	23,340
Computers	7-Nov-09	17,400	(15,660)	12,180	12,180	-
Computers	30-Jul-15	39,558	(35,602)	27,691	27,691	-
Furniture & Fixture- Others	24-Oct-08	8,100	(7,290)	5,670	5,670	-
	1-Oct-08	3,262	(3,262)	2,283	2,283	-
	1-Oct-08	47,250	(47,250)	33,075	33,075	-
	1-Oct-08	30,375	(30,375)	21,263	21,263	-
	1-Oct-08	3,746	(3,746)	2,622	2,622	-
	1-Jul-09	2,450	(2,450)	1,715	1,715	-
	1-Jul-09	2,200	(2,200)	1,540	1,540	-
	25-Sep-09	13,386	(11,943)	9,370	9,370	-
	25-Sep-09	6,014	(5,364)	4,210	4,210	-
	25-Sep-09	24,444	(21,810)	17,111	17,111	-
25-Sep-09	14,123	(12,598)	9,886	9,886	-	
1-Sep-09	3,967	(3,967)	2,777	2,777	-	
Total		2,64,427	(2,13,884)	1,85,099	1,61,759	23,340

- 3.7.5 The repayment for FY 2022-23 and FY 2023-24 is considered equal to the depreciation for that year as specified in Regulation 30.3 MYT Regulations, 2019. The relevant para is reproduced below:

“The loan repayment during each year of the Control Period from FY 2020-21 to FY 2024-25 shall be deemed to be equal to the depreciation allowed for that year.”

- 3.7.6 The Regulation 30.5 of MYT Regulations, 2019 states as follows:



“30.5 The rate of interest shall be the weighted average rate of interest computed on the basis of the actual long-term loan portfolio at the beginning of each year:

Provided that at the time of Truing-up, the weighted average rate of interest computed on the basis of the actual long-term loan portfolio during the concerned year shall be considered as the rate of interest:”

3.7.7 JPTL submits that the opening balance of FY 2022-23 is considered equivalent to the closing balance of FY 2021-22 as approved in MTR Order dated 31 March 2023.

3.7.8 Also, with respect to interest rate of loan, JPTL has squared off the loan liability through early repayment in FY 2021-22 and hence no actual loan exists in FY 2022-23 and FY 2023-24. Therefore, in line with proviso of Regulations 30.5 of MYT Regulations, 2019, the weighted average interest rate on loan for FY 2021-22 is considered for the calculation of interest on normative loan. The relevant second proviso is outlined as below:

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

3.7.9 Also, in addition to the interest claimed on the normative loan, JPTL has also incurred finance charges related to certain bank charges. The details of the Finance charges claimed in the Petition are as outlined below:

Table 28: Finance Charges for FY 2022-23 and FY 2023-24 (Rs.)

Interest Expense	FY 2022-23	FY 2023-24	Remarks
Bank Charges	28,487	16,355	Claimed
Interest on Cash Credit	1,02,87,230	76,71,703	Claimed under IoWC
Interest on Income Tax		2,13,715	Not claimed
Total as per Accounts	1,03,15,717	79,01,773	

3.7.10 Based on the above submission, JPTL hereby submits the calculation of interest on loan and Finance charges for FY 2022-23 and FY 2023-24 as outlined below:

Table 29: Interest on Loan and Finance Charges - FY 2022-23 and FY 2023-24 (Rs. Crores)

Particulars	Approved	Actual	Approved	Actual
	FY 2022-23		FY 2023-24	
Opening balance of Debt	107.65	107.65	82.04	81.91
Addition	3.57	3.48	0.42	0.32
Repayment	29.18	29.22	29.25	29.33
Retirement		0.00		0.00
Closing Debt	82.04	81.91	53.23	52.90
Interest Rate (%)	8.23%	8.23%	8.23%	8.23%
Interest on the Loan	7.80	7.80	5.56	5.55
Finance Charges	0.00	0.00	0.00	0.00
Total Interest and Finance charges	7.80	7.80	5.56	5.55

3.7.11 JPTL requests the Hon’ble Commission to approve the Interest on loan along with the finance charges as submitted above for FY 2022-23 and FY 2023-24 for



determination of ARR and as specified in Form 5 of the Tariff formats enclosed as per Annexure 1.

3.8 Interest on Working Capital

3.8.1 Regulation 32.2 of the MYT Regulations, 2019 specifies the methodology for assessment of Working Capital requirements by a Transmission Licensee:

“32.2 Transmission

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

- (i). Normative Operation and maintenance expenses for one month;*
- (ii). Maintenance spares at one per cent of the opening Gross Fixed Assets for the Year; and*
- (iii). One and a half months equivalent of the expected revenue from transmission charges at the Tariff approved in the Order for ensuing year/s;*
minus
- (iv). Amount held as security deposits in cash, if any, from Transmission System Users:*

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

.....”

3.8.2 In accordance with the Regulation 32 of MYT Regulations, 2019, the following approach has been adopted by JPTL for calculation of working capital requirement:

- i. JPTL has considered normative O&M expenses as per the norms provided in the MYT Regulations, 2019 for the purpose of computation of the working capital requirement as against actual expenses;
- ii. Maintenance Spares has been considered as 1% of opening GFA;
- iii. Being a true-up for FY 2022-23 and FY 2023-24, the actual Revenue considered is as per applicable InSTS Order for the respective years and as per MERC Order for determination of ARR for JPTL vide Order in Case No. 294 of 2019 and 213 of 2022.

3.8.3 Interest on Working Capital is calculated in accordance to Regulation 2 (11) and 32.2 (b) of MYT Regulations, 2019. The relevant para is reproduced below:

“2 (11) “Base Rate” shall mean the one-year Marginal Cost of Funds-based Lending



Rate ('MCLR') as declared by the State Bank of India from time to time;
32.2 (b) Rate of interest on working capital shall be on normative basis and shall be equal to the Base Rate as on the date on which the petition for determination of Tariff is filed, plus 150 basis points:
Provided that for the purpose of Truing-up for any year, interest on working capital shall be allowed at a rate equal to the weighted average Base Rate prevailing during the concerned Year plus 150 basis points."

3.8.4 Based on the above referred regulation, the weighted average base rate to be considered for computation of interest on working capital has been calculated as below:

Table 30: Interest Rate on working capital Loan for FY 2022-23 and FY 2023-24

	Date	No. of Days	%	Date	No. of Days	%
	FY 2022-23			FY 2023-24		
Opening SBI Base Rate / MCLR Rate	01-04-2022	14	7.00%	01-04-2023	14	8.50%
Revision in Base Rate by RBI	15-04-2022	30	7.10%	15-04-2023	30	8.50%
Revision in Base Rate by RBI	15-05-2022	31	7.20%	15-05-2023	31	8.50%
Revision in Base Rate by RBI	15-06-2022	30	7.40%	15-06-2023	30	8.50%
Revision in Base Rate by RBI	15-07-2022	31	7.50%	15-07-2023	31	8.55%
Revision in Base Rate by RBI	15-08-2022	31	7.70%	15-08-2023	31	8.55%
Revision in Base Rate by RBI	15-09-2022	30	7.70%	15-09-2023	30	8.55%
Revision in Base Rate by RBI	15-10-2022	31	7.95%	15-10-2023	31	8.55%
Revision in Base Rate by RBI	15-11-2022	30	8.05%	15-11-2023	30	8.55%
Revision in Base Rate by RBI	15-12-2022	31	8.30%	15-12-2023	31	8.65%
Revision in Base Rate by RBI	15-01-2023	31	8.40%	15-01-2024	31	8.65%
Revision in Base Rate by RBI	15-02-2023	28	8.50%	15-02-2024	29	8.65%
Revision in Base Rate by RBI	15-03-2023	16	8.50%	15-03-2024	16	8.65%
Closing Rate	31-03-2023	1	8.50%	31-03-2024	1	8.65%
Weighted Average Rate		365	7.80%		366	8.57%
Plus 150 Basis Point			1.50%			1.50%
Total Weighted Average Rate			9.30%			10.07%
	https://www.sbi.co.in/portal/web/interest-rates/mclr-historical-data					

3.8.5 JPTL has calculated Interest on Working Capital as per norms, as shown is table below:

Table 31: Interest on Working Capital for FY 2022-23 and FY 2023-24 (Rs. Crores)

Particulars	Approved	Actual	Approved	Actual
	FY 2022-23		FY 2023-24	
O&M for one month	0.45	0.45	0.47	0.44
Maintenance Spares @1% of Op. GFA	5.52	5.52	5.55	5.57
Expected revenue at prevailing tariffs - 1.5 months	8.52	8.51	8.32	8.46
Total Working Capital	14.48	14.48	14.34	14.46
Rate of Interest on Working Capital	9.45%	9.30%	9.45%	10.07%
Interest on Working Capital	1.37	1.35	1.35	1.46



3.8.6 JPTL requests the Hon'ble Commission to approve the Interest on Working Capital as submitted for FY 2022-23 and FY 2023-24 for determination of ARR and as specified in Form 6 of the Tariff formats enclosed as per Annexure 1.

3.9 Grossed up Return on Equity

3.9.1 The Hon'ble Commission has notified MYT Regulations, 2019 dated 1st August 2019 for MYT Control Period FY 2020-21 to FY 2024-25. Accordingly, Regulation 29 of the said Regulation will be applicable for determination of Return on Equity.

3.9.2 As per Regulation 29.1 of the MYT Regulations, 2019, Return on Equity for Transmission Licensee will be @15.5% for the assets put to use. However, the Return on Equity will be allowed in 2 parts, i.e. Base Return on Equity (14% as per Regulation 29.2 of MYT Regulations, 2019) and Additional Return on Equity (1.5%) linked to actual performance i.e. transmission availability, whereby Additional Return on Equity will be allowed at time of truing up. The Relevant provision of the Regulations is outlined below:

"29 Return on Equity

29.1 Return on Equity for the Generating Company, Transmission Licensee, Distribution Wires Business and MSLDC shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of up to 15.5 per cent per annum in Indian Rupee terms, and for the Retail Supply Business, Return on Equity shall be allowed on the amount of equity capital determined in accordance with Regulation 27 at the rate of up to 17.5 per cent per annum in Indian Rupee terms: Provided that Return on Equity shall be allowed in two parts viz. Base Return on Equity, and Additional Return on Equity linked to actual performance:

Provided further that Additional Return on Equity shall be allowed at time of truing up for respective year based on actual performance, after prudence check of the Commission:

29.2 Base Return on Equity for the Generating Company, Transmission Licensee, Distribution Wires Business and MSLDC shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of 14 per cent per annum in Indian Rupee terms, and for the Retail Supply Business, Return on Equity shall be allowed on the amount of equity capital determined in accordance with Regulation 27 at the rate of 15.5 per cent per annum in Indian Rupee terms:"

3.9.3 Further, as per the Regulation 34 of the MYT Regulations, 2019, the Income Tax



for transmission Licensee is required to be considered while calculation of Return on Equity and Regulation 34.2 allows the grossing up of RoE with the effective tax rate of the respective financial year or on the basis of actual tax paid as per latest available audited accounts. The relevant provisions are reproduced as below:

"34.1 The Income Tax for the Generating Company or Licensee or MSLDC for the regulated business shall be allowed on Return on Equity, including Additional Return on Equity through the Tariff charged to the Beneficiary/ies, subject to the conditions stipulated in Regulations 34.2 to 34.6:

Provided that no Income Tax shall be considered on the amount of efficiency gains and incentive approved by the Commission, irrespective of whether or not the amount of such efficiency gains and incentive are billed separately:

Provided further that no Income Tax shall be considered on the amount of income from Delayed Payment Charges or Interest on Delayed Payment or Income from Other Business, as well as on the income from any source that has not been considered for computing the Aggregate Revenue Requirement:

Provided also that the Income Tax shall be computed for the Generating Company as a whole, and not Unit-wise/Station-wise:

Provided also that the deferred tax liability only before March 31, 2020 shall be allowed by the Commission, whenever they get materialised, after prudence check.

34.2 The rate of Return on Equity, including additional rate of Return on Equity as allowed by the Commission under Regulation 29 of these Regulations shall be grossed up with the effective tax rate of respective financial year.

34.3 The base rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

*Rate of pre-tax return on equity = Base rate of Return on Equity / (1-t),
Where "t" is the effective tax rate*

34.4 The effective tax rate shall be considered on the basis of actual tax paid in respect of financial year in line with the provisions of the relevant Finance Acts by the concerned Generating Company or Licensee or MSLDC, as the case may be:

.....

Provided further that effective tax rate shall be estimated for future year based on actual tax paid as per latest available Audited accounts, subject to prudence check."

3.9.4 Further as per Regulation 60.1 (b) of MYT Regulations, 2019, a transmission licensee is entitled for additional Return on Equity, only if the transmission



availability of AC system is 99% or more. The actual transmission system availability is 99.62% for FY 2022-23 and 99.79% for FY 2023-24 respectively. The System Availability based on certification by Maharashtra State Load Despatch Centre (MSLDC) is enclosed as Annexure 11 to this Petition. Accordingly, as the transmission system availability for FY 2022-23 and FY 2023-24 is higher than 99%, JPTL is entitled for additional RoE, which is calculated as per table below:

Table 32: Entitled RoE for FY 2022-23 and FY 2023-24 - %

Particulars	FY 2022-23	FY 2023-24
Target Availability	99.00%	99.00%
Actual Availability Achieved	99.62%	99.79%
Additional rate of return on equity*	1.11%	1.50%
Base Rate of Return on Equity	14%	14%
Entitled Return on Equity	15.11%	15.50%

* - Calculated as per Regulations 29.7 of MYT Regulations 2019

- 3.9.5 Accordingly, JPTL is entitled for RoE of 15.11% and 15.50% for FY 2022-23 and FY 2023-24 respectively. Further, as per Regulation 34.1 of MYT Regulations, 2019, Income tax is allowed on Return on Equity, including Additional Return on Equity and as per Regulation 34.2 of MYT Regulations, 2019, such arrived rate of return on equity needs to be grossed up with the effective tax rate. Based on the above referred regulations, JPTL has computed the gross RoE for FY 2022-23 and FY 2023-24 respectively as outlined in the following table:

Table 33: Calculation of Grossed Return on Equity for FY 2022-23 and FY 2023-24 (Rs. Crores)

Particular	Actual	Actual
Total Gross Income of Regulated Entity	39.76	39.07
Actual Income Tax paid by the Entity	6.95	6.83
Effective Income Tax Rate	17.47%	17.47%
Base + Additional RoE Entitled	15.11%	15.50%
Grossed up RoE	18.31%	18.78%

*- Effective Income tax rate remains same after considering income tax on prorata basis as compared to income not considered in ARR.

- 3.9.6 Actual Income Tax payment challan and ITR acknowledgement for FY 2022-23 and FY 2023-24 is attached to this Petition as Annexure 10 and accordingly JPTL requests the Hon'ble Commission to kindly approve the same on actual basis. JPTL submits that no penalty has been paid on the income tax for any of the financial year.
- 3.9.7 With reference to the decapitalisation considered in FY 2022-23 and FY 2023-24, the impact of the same has been considered by reducing Equity @30% considering the approved debt: equity ratio of 70:30.



3.9.8 Based on the above provisions, JPTL has calculated the Return on Equity for FY 2022-23 and FY 2023-24 as outlined below:

Table 34: Return on Equity for FY 2022-23 and FY 2023-24 (Rs. Crores)

Particulars	Approved	Actual	Approved	Actual
	FY 2022-23		FY 2023-24	
Opening Equity	138.16	138.16	139.06	139.65
Additions to equity towards capital investments	0.90	1.49	0.18	0.14
Retirement	-	0.00	-	0.01
Closing balance of Equity	139.06	139.65	139.24	139.78
Pre-tax RoE	16.95%	18.31%	16.95%	18.78%
Grossed up ROE on the average balance	23.49	25.44	23.58	26.24

3.9.9 Accordingly, JPTL requests the Hon'ble Commission to approve the RoE as submitted above for FY 2022-23 and FY 2023-24 for determination of ARR and as specified in Form 7 of the Tariff formats enclosed as per Annexure 1.

3.10 Contribution to Contingency Reserve

3.10.1 Contribution to Contingency Reserve is based on Regulation 35 of MYT Regulations, 2019 which is reproduced below:

"35 Contribution to contingency reserves

35.1 Where the Licensee has made a contribution to the Contingency Reserve, a sum not less than 0.25 per cent and not more than 0.5 per cent of the original cost of fixed assets shall be allowed annually towards such contribution in the calculation of Aggregate Revenue Requirement:

Provided that where the amount of such Contingencies Reserves exceeds five (5) per cent of the original cost of fixed assets, no further contribution shall be allowed:

Provided further that such contribution shall be invested in securities authorised under the Indian Trusts Act, 1882 within a period of six months of the close of the financial Year.

Provided also that if the Licensee does not invest the amount of contribution to Contingency Reserves in authorised securities within a period of six months of the close of the Year, then the contribution allowed in the calculation of Aggregate Revenue Requirement shall be disallowed at the time of true-up.

....."

3.10.2 Based on above provisions, JPTL has made a provision for contingency reserve in the audited accounts and has invested as per the MYT Regulations, 2019 estimated on the basis of 0.25% of the Opening GFA. The detail of amount invested in the Government securities is attached in Annexure 9 of the Petition.



Table 35: Contribution to Contingency Reserve for FY 2022-23 and FY 2023-24 (Rs. Crores)

Particulars	Approved	Actual	Approved	Actual
	FY 2022-23		FY 2023-24	
GFA	551.73	551.73	554.74	556.71
Contribution to contingency reserves	1.38	1.38	1.39	1.39

3.10.3 JPTL requests the Hon'ble Commission to approve the Return on Equity as submitted above for FY 2022-23 and FY 2023-24 for determination of ARR and as specified in Form 10 of the Tariff formats enclosed as per Annexure 1.

3.11 Non-Tariff Income

3.11.1 As per Regulation 35.1 of MYT Regulations, 2019, out of the revenue recovered, the amount accumulated against the contribution to contingency reserve is required to be invested in securities authorized under Indian Trust Act, 1882 within six months of the close of the financial year, the income from such investment shall be treated as non-tariff income.

3.11.2 Also, as per Regulations 62.1 of MYT Regulations 2019, the Non-Tariff Income shall be deducted from Aggregate Revenue Requirement in determining the Annual Transmission Charges of the Transmission Licensee. However, first Proviso of 62.2 of MYT Regulations, 2019 clearly states that interest earned from investments made out of Return on Equity shall not be included in Non-Tariff Income:

“Provided that the interest earned from investments made out of Return on Equity corresponding to the regulated Business of the Transmission Licensee shall not be included in Non-Tariff Income”.

3.11.3 Accordingly, the Non-Tariff Income claimed in the Petition is related to income from contingency reserves, the detail calculation of which is provided as below:

Table 36: Calculation of Income on Contingency Investment for FY 2022-23 and FY 2023-24 (Rs. Crores)

Financial Year	Purchase Date	Int Rate	Cont. Reserve	FY 2022-23	FY 2023-24
FY 2010-11 to FY 2012-13	6-Aug-14	8.28%	3.22	0.27	0.27
FY 2013-14	29-Sep-14	8.33%	1.39	0.12	0.12
FY 2014-15	30-Sep-15	8.28%	1.39	0.12	0.12
FY 2015-16	7-Dec-16	9.23%	1.39	0.13	0.13
FY 2016-17	25-Sep-17	8.28%	1.38	0.11	0.11
FY 2017-18	25-Sep-18	8.32%	1.38	0.11	0.11
FY 2018-19	30-Sep-19	7.73%	1.38	0.11	0.11
FY 2019-20	21-Sep-20	6.57%	1.38	0.09	0.09
FY 2020-21	22-Sep-21	6.68%	1.38	0.09	0.09
Less: Reduction for restoration of tower	Case No. 213 of 2022	8.01%	-1.61	-0.13	-0.13



Financial Year	Purchase Date	Int Rate	Cont. Reserve	FY 2022-23	FY 2023-24
FY 2021-22	21-Sep-22	7.26%	1.38	0.05	0.10
FY 2022-23	11-Sep-23	7.28%	1.38		0.05
Total			15.44	1.07	1.17

3.11.4 The balance amount of income as provided in Note 19 of the Financial Statements includes Delay Payment Surcharge, Gain on Sale of Current Investment (ear-marked from income from own funds which have been funded from internal accruals), etc is not considered as per MYT Regulations, 2019. The details of the Other income as accounted in the audited accounts in Note 19 is outlined in the following table:

Table 37: Details of other income as per audited accounts for FY 2022-23 and FY 2023-24 (Rs. Crores)

Other Income	FY 2022-23	FY 2023-24
Delayed Payment Surcharge	2.72	-
Interest on Government Securities	1.20	1.27
Profit on Sale of Investment	2.09	2.99
Miscellaneous Income	0.07	2.56
MTM Gain on Financial assets	0.01	0.01
Total	6.08	6.83
Less: Income considered under Non-Tariff Income		
Income from Contingency Reserve Investment	1.07	1.17
Income from other sources	5.01	5.66

* - variance in Interest on G-Sec as claimed and in accounts is due to higher investment in G-SEC by JPTL against the allowed provision by Hon'ble Commission.

3.11.5 With respect to the Scrap sales booked in FY 2022-23, the same are related to the retirement of the insulator which was written off in FY 2012-13 and FY 2013-14 of Rs. 6.44 Crs under Regulation 27.10 of MYT Regulations 2011. Under the said Regulations, any expenditure on replacement, renovation and modernization or extension of life of old fixed assets, as applicable shall be considered after writing off the **net value of such replaced assets from the original capital cost**. Hence, vide order dated 26 June 2015 in Case No. 208 of 2014, the Hon'ble Commission has approved the replacement of insulators by way of retirement of assets at Rs. 4.92 Crore for FY 2012-13. However, the said insulator was in the inventory and was scrapped in FY 2022-23 and FY 2023-24 for Rs. 6.84 Lacs and Rs. 13.74 Lacs respectively. Since the said amount was totally been replaced and nullified under replacement cost method in FY 2012-13 resulting in being not a part of Regulatory Fixed Assets, the scrap realisation from the said asset has not been claimed under Non-Tariff Income. The Supporting document for the realisation



of such scrap sales is enclosed as Annexure 12.

- 3.11.6 Accordingly, JPTL is only claiming the interest on contingency reserve investment amount and requests the Hon'ble Commission to approve the same as Non-Tariff income.

Table 38: Non- Tariff Income for FY 2022-23 and FY 2023-24 (Rs. Crores)

Particulars	Approved	Actual	Approved	Actual
	FY 2022-23		FY 2023-24	
Non-Tariff Income	1.07	1.07	1.17	1.17

- 3.11.7 JPTL requests the Hon'ble Commission to approve the Non-Tariff Income as claimed for FY 2022-23 and FY 2023-24 for determination of ARR and as specified in Form 8 of the Tariff formats enclosed as per Annexure 1.

3.12 Sharing of Gains and Losses

O&M Expenses

- 3.12.1 The relevant provisions of MYT Regulations, 2019 stipulating the sharing of gains/losses due to controllable factors is reproduced below:

"11. Mechanism for sharing of gains or losses on account of controllable factors

11.1 *The approved aggregate gain to the Generating Company or Licensee or MSLDC on account of controllable factors shall be dealt with in the following manner:*

- (a) *Two-third of the amount of such gain shall be passed on as a rebate in Tariff over such period as may be stipulated in the Order of the Commission under Regulation 8.4;*
- (b) *The balance amount of such gain shall be retained by the Generating Company or Licensee or MSLDC.*

11.2 *The approved aggregate loss to the Generating Company or Licensee or MSLDC on account of controllable factors shall be dealt with in the following manner:*

- (a) *One-third of the amount of such loss may be passed on as an additional charge in Tariff over such period as may be stipulated in the Order of the Commission under Regulation 8.4;*
- (b) *The balance amount of such loss shall be absorbed by the Generating Company or Licensee or MSLDC."*

- 3.12.2 The O & M expense of JPTL for the said transmission system is higher than the norms specified for JPTL in the relevant Regulations. As defined in the MYT Regulations, 2019, JPTL submits that the expenditure incurred for O & M expenses were controllable due to various efficiency measures implemented by JPTL for optimising and managing the O & M expenses.



- 3.12.3 As per the provisions of the Regulation 11 of the MYT Regulations, 2019, the O&M expenses of licensee are controllable in nature. Accordingly, the difference between the actual O&M expenses as claimed by JPTL and the normative entitlement is shared with the beneficiaries in line with the MYT Regulations, 2019.

Interest on Working Capital

- 3.12.4 With regards to Sharing of gains/ loss on the Interest on Working Capital, MYT Regulations, 2019 states the following:

“32.6 For the purpose of Truing-up for each year, the variation between the normative interest on working capital computed at the time of Truing-up and the actual interest on working capital incurred by the Generating Company or Licensee or MSLDC, substantiated by documentary evidence, shall be considered as an efficiency gain or efficiency loss, as the case may be, on account of controllable factors, and shared between it and the respective Beneficiary/ies or consumer as the case may be, in accordance with Regulation 11.”

- 3.12.5 It is submitted that JPTL has availed the working capital loan in FY 2022-23 and FY 2023-24 and accordingly, the actual interest on working capital loan incurred has been adjusted against the normative interest on working capital arrived as per para 3.8 of this Petition. The Interest on working capital loan is as per the Audited accounts and is highlighted in Table 28 of this Petition.
- 3.12.6 As per Regulation 32.6 of MYT Regulations, 2019, variation between normative interest on working capital computed at the time of True-up and actual interest on working capital is considered as an efficiency gain and shared between JPTL and the respective Beneficiaries.

Summary of Sharing of Gains / losses

- 3.12.7 Accordingly, the net entitlement after sharing of gains as shown in the following Table is considered for sharing of efficiency gains in accordance with the MERC MYT Regulations, 2019 as shown in the table below:

Table 39: Sharing of Gains and Losses for FY 2022-23 and FY 2023-24 (Rs. Crores)

Particulars	Normative	Actual	Entitlement as per Regulations	Variation	1/3rd of efficiency gain	Net entitlement after sharing of gains /losses
FY 2022-23						
O & M Expense	4.87	5.64	4.87	-0.76	-0.25	5.13
IoWC	1.35	1.03	1.35	0.32	0.11	1.13
Total	6.22	6.67	6.22	-0.45	-0.15	6.26



Particulars	Normative	Actual	Entitlement as per Regulations	Variation	1/3rd of efficiency gain	Net entitlement after sharing of gains /losses
FY 2023-24						
O & M Expense*	5.07	5.41	5.07	-0.34	-0.11	5.18
IoWC	1.45	0.77	1.45	0.69	0.23	1.00
Total	6.52	6.18	6.52	0.34	0.11	6.18

*Rs. 18 Lacs has been considered as additional O&M expenses and not claimed under Sharing mechanism as explained in Para 3.4.35 of this petition.

3.12.8 Based on the above submission, JPTL requests the Hon'ble Commission to approve the net entitlement for O&M expenses and IoWC Expenses on Truing-up of ARR for FY 2022-23 and FY 2023-24 after sharing of gains/ (losses) as per Regulation 11 and 32.6 of MYT Regulations, 2019.

3.13 Revenue Gap of Past Years:

3.13.1 The Hon'ble Commission, as per Para 6.11.3 to 6.11.5 of its Order dated 31 March, 2023 in Case No. 213 of 2022 has approved the recovery of following Gap / (Surplus) of past years in FY 2023-24:

Table 40: Approved Recovery of Past Gap / (Surplus) in FY 2023-24 (Rs. Crores)

Sr. No.	Particulars	Rs. Crs
1.	Add: Gap / (Surplus) for True-up FY 2019-20	(0.73)
2.	Add: Gap / (Surplus) for True-up FY 2020-21	2.48
3.	Add: Gap / (Surplus) for True-up FY 2021-22	0.00
4.	Add: Gap / (Surplus) for Provisional True-up FY 2022-23	(0.57)
5.	Carrying Cost/ (Holding Cost) of above Revenue Gap/ (Surplus)	0.21
6.	Total Past Gap allowed to be recovered in FY 2023-24	1.75

3.13.2 JPTL submits that the past gap of Rs. 1.75 Crore as approved by the Hon'ble Commission in Case No. 213 of 2022 was based on surplus based on provisional truing up of FY 2022-23 of Rs. (0.57) Crore, which has been now revised to Rs. 1.39 Crore Gap.

3.13.3 JPTL would like to submit that the Hon'ble ATE in its order dated 31st October 2022, has provided the following observation:

*"6. We find that the Commission has directed recovery of actual revenue gap of 0.77 crore in FY 2020-21 and, **in this view, the revenue gap / surplus for FY 2017-18 should have been considered as "Nil" for purposes of truing-up of ARR for FY 2018-19.** However, while finally truing-up the ARR for FY 2018-19 the provisional revenue surplus of Rs.1.95 crore for FY 2017-18 has been carried forward, this being reflected by the following*



tables (first being summary of approval for recovery of past revenue gap in FY 2018-19 accorded vide order dated 12.09.2018 and the second to reflect the net ARR approved for FY 2017-18 and 2018-19 in the impugned order):

.....

7. We find that the appellant is rightly aggrieved in that the above has resulted in an erroneous calculation of trued-up ARR in the sum of Rs.69.02 crore as against Rs.70.97 crore, and consequentially **the ARR determined for FY 2020-21 is deficient of Rs.1.95 crore, the appellant having been unjustly burdened with additional carrying cost of Rs.0.28 crore,** as reflected in the following table forming part of the impugned order:
-
9. We are not impressed with the above explanation. **In the provisional true-up order dated 12.09.2018 for FY 2017-18, the Commission had determined the provisional revenue surplus of Rs. 1.95 crore. This has been revised to a revenue gap of Rs. 0.77 crore for the same period by the impugned order, meant to be recovered in FY 2020-21. Yet, in the true-up for FY 2018-19 by the same very order, the provisional revenue surplus of Rs. 1.95 crore for FY 2017-18 has been deducted bringing out in an inherent contraction. While carrying forward the revenue gap/surplus for past years up to FY 2018-19, the Commission having determined the revenue gap of Rs. 0.77 crore, it could not have deducted the provisional revenue surplus of Rs. 1.95 crore for FY 2017-18. The method adopted results in impermissible under-recovery for the transmission licensee unduly burdening it with excess carrying cost.** The impugned decision does not give any reasoning, much less sufficient, for such treatment.
10. For the above reasons, the impugned order to the extent challenged by the appeal at hand cannot be sustained. It is accordingly set aside. The matter is remitted for fresh decision on the issue by the Commission in light of the observation recorded above.”
- 3.13.4 Based on the final order of the said appeal, JPTL has revised the computation of the claim whereby the gap of FY 2023-24 has been revised considering the Gap/ (Surplus) for FY 2022-23 as NIL, as the true-up of the same will be undertaken in this MYT Petition.
- 3.13.5 Accordingly, as per the MTR Order dated 30th March 2023, the Hon’ble Commission had undertaken the provisional True-up for FY 2022-23 and had allowed the Revenue Surplus of Rs. 0.57 Crore. However, as the amount was only provisional, no Carrying Cost was considered at that time. The recovery of this provisional Revenue Gap/ (Surplus) was allowed in FY 2023-24. Since, the True-



up of FY 2023-24 will be determined through the instant MYT petition, the cumulative gap allowed to be recovered in FY 2023-24 is revised as outlined in the following table:

Table 41: Revised Cumulative Gap claimed in FY 2023-24 (Rs. Crore)

Particulars	Approved	Revised
Add: Gap / (Surplus) for True-up FY 2019-20	(0.73)	(0.73)
Add: Gap / (Surplus) for True-up FY 2020-21	2.85	2.85
Add: Gap / (Surplus) for True-up FY 2021-22	0.00	0.00
Add: Gap / (Surplus) for Provisional True-up FY 2022-23*	(0.57)	-
Carrying Cost/ (Holding Cost) of above Revenue Gap/ (Surplus)	0.21	0.21
Total Past Gap allowed to be recovered in FY 2023-24	1.75	2.33

*- As per the Hon'ble ATE Order, since the final true-up of FY 2022-23 has been undertaken, the final gap / (surplus) is claimed in FY 2025-26

3.13.6 Further, the Hon'ble Commission has amortised the gap in two years to smoothen the recovery with the carrying cost. The relevant extract from the MTR Order dated 30 March 2023 is outlined as below:

6.12.3 In addition to the above, the Commission has also approved the Revenue Gap after truing up of FY 2019-20, FY 2020-21 and FY 2021-22 along with associated Carrying cost, and the Revenue Gap after Provisional Truing up for FY 2022-23 which amounts to Rs. 1.75 Crore. This revenue gap is normally added to the standalone Revenue Requirement of FY 2023-24 for recovery through Transmission Tariff when the recovery is envisaged in a single year. However, this approved consolidated revenue requirement (including stand alone and past revenue gap) in FY 2023-24 will be significantly higher compared to FY 2024-25.

6.12.4 Hence, the Commission has decided to smoothen the recovery of the intra State Transmission Charges, by spreading the Revenue Requirement of JPTL in two years in such a manner that the intra-State Transmission Charges are around the same level for the entire Control Period, in terms of Rs/kWh. The associated Carrying Cost on account of spread of recovery over the Control Period has also been included in the overall recovery. The

Table 176: Computation of Carrying cost for on account of Phasing of Gap in FY 2023-24 and FY 2024-25, as approved by the Commission (Rs. Crore)

Particular	FY 2022-23	FY 2023-24
Opening Balance	-	0.88
Gap during the year excluding incentive	1.75	-
Recovery During the Year	0.88	0.88
Closing Balance	0.88	-
Average Balance	0.44	0.44
Wtg. Average rate of Interest	9.45%	9.45%
Carrying/(Holding) cost	0.04	0.04
Past Gaps including Carrying Cost	0.92	0.92



rate of interest considered for computing the Carrying Cost is the same rate considered for computing IoWC for the respective years in this order. The following table provides the details of Carrying Cost over the FY 2023-24 and FY 2024-25:

6.12.5 Accordingly, considering the above, the approved cumulative Revenue Requirement of JPTL for FY 2023-24 and FY 2024-25 after spreading the revenue gap over the Control Period is shown in the Table below.

.....”

3.13.7 Since based on the judgement of the Hon'ble ATE in its order dated 31 October 2022, JPTL has revised the cumulative gap by considering the provisional true-up gap of FY 2022-23 as NIL and the recovery of the final True-up Gap in FY 2025-26. Therefore, the associated carrying cost and the cumulative past gap will also be revised and recalculated, on the same principle as adopted by the Hon'ble Commission in MTR Order dated 30 March 2022 (as highlighted in para 3.13.6) and is represented as below:

Table 42: Revised Computation of Carrying cost for on account of Phasing of Gap in FY 2023-24 and FY 2024-25 (Rs. Crore)

Particulars	FY 2023-24	FY 2024-25
Opening Balance	0	1.16
Gap during the year excluding incentive	2.33	0
Recovery during the year	1.16	1.16
Closing Balance	1.16	-
Average Balance	0.58	0.58
Weighted Average Rate of Interest	9.45%	9.45%
Carrying/(Holding) cost	0.05	0.05
Cumulative past gap incl. carrying cost	1.22	1.22

3.14 Annual Aggregate Revenue Requirement for FY 2022-23 and FY 2023-24:

3.14.1 Based on the parameters as explained and submitted in the above section, the Annual Revenue Requirement for JPTL for FY 2022-23 and FY 2023-24 is summarized in the table below:

Table 43: Annual Aggregate Revenue Requirement for FY 2022-23 and FY 2023-24 (Rs. Crores)

Sl. No.	Particulars	Approved	Actual	Net Entitlement after sharing of gains / (losses)	Deviation	FY 2022-23		FY 2023-24	
						Approved	Actual	Approved	Actual
1.	O&M Expenses	4.87	5.64	5.13	0.25	5.07	5.59	5.36	0.30
2.	Additional OPEX	0.52	0.55	0.55		0.58	0.15	0.15	-0.43
3.	Depreciation	29.18	29.22	29.22	0.04	29.25	29.32	29.32	0.07
4.	Interest on Loan	7.80	7.80	7.80	0.01	5.56	5.55	5.55	-0.01
5.	Interest on Working Capital	1.37	1.35	1.13	-0.23	1.35	1.46	1.00	-0.36



**Revised True-up Petition for FY 2022-23 to FY 2023-24, Provisional True-up of ARR for FY 2024-25
and MYT for FY 2025-26 to FY 2029-30 - JPTL**

Sl. No.	Particulars	Approved	Actual	Net Entitlement after sharing of gains / (losses)	Deviation	Approved	Actual	Net Entitlement after sharing of gains / (losses)	Deviation
		FY 2022-23				FY 2023-24			
6.	Contribution to Contingency Reserves	1.38	1.38	1.38	0.00	1.39	1.39	1.39	0.00
7.	Total Revenue Expenditure	45.12	45.94	45.22	0.10	43.20	43.46	42.78	-0.42
8.	Return on Equity	23.49	25.44	25.44	1.95	23.58	26.24	26.24	2.67
9.	Gross ARR	68.61	71.38	70.66	2.04	66.78	69.70	69.02	2.24
10.	Less: Non-Tariff Income	1.07	1.07	1.07	0.00	1.17	1.17	1.17	0.00
11.	Net ARR	67.54	70.31	69.59	2.05	65.61	68.54	67.85	2.24
12.	Past Gap for FY 2019-20 to FY 2022-23 including Carrying cost - as approved in Case No.213 of 2022					0.92	1.22	1.22	0.30
13.	Annual Revenue Requirement including past gaps	67.54	70.31	69.59	2.05	66.54	69.76	69.07	2.54

3.15 Revenue gap of FY 2022-23 and FY 2023-24

3.15.1 For FY 2022-23, the ARR (Revenue) allowed to be recovered through transmission tariff is Rs. 68.12 Crore, as per Case No. 294 of 2019 dated 30 March 2020 and as per InSTS Tariff Order in Case No. 327 of 2019 dated 30 March 2020.

3.15.2 For FY 2023-24, the ARR (Revenue) allowed to be recovered through transmission tariff is Rs. 66.54 Crore, as per Case No. 213 of 2022 dated 31 March 2023 and as per InSTS Tariff Order in Case No. 239 of 2022 dated 30 March 2020.

3.15.3 The detail of the Revenue recovery for FY 2022-23 and FY 2023-24 is outlined in the following table:

Table 44: Revenue entitled to recover for FY 2022-23 and FY 2023-24 (Rs. Crores)

Revenue Reconciliation	FY 2022-23	FY 2023-24
As per Case no. 294 of 2019 - dated 30 March 2020	68.12	
As per Case no. 213 of 2022 - dated 31 March 2023		66.54
Additional Transmission Charges	0.03	1.19
Less: Rebate	-0.07	-0.06
Revenue recovered for the year	68.08	67.67

3.15.4 JPTL submits that the rebate has been provided to the beneficiaries as per Regulation 36.1 of the MYT Regulations, 2019 whereby 1% rebate is allowed on billed amount, if paid within 7 days of presentation of bills and the same is claimed as expenses in line with Regulation 36.4 of MYT Regulations, 2019. The relevant Regulation is outlined below for reference:

"36.1 For payment of bills of generation Tariff or transmission charges or



MSLDC Fees and Charges within 7 days of presentation of bills, through Letter of Credit or otherwise or through NEFT/RTGS, a rebate of 1% on billed amount, excluding the taxes, cess, duties, etc., shall be allowed”.

36.4 *All rebates or incentives earned by the Generating Company or Licensee or MSLDC shall be considered under its Non-Tariff Income, while all rebates or incentives given by the Generating Company or Licensee or MSLDC shall be allowed as an expense for the Generating Company or Licensee or MSLDC.”*

- 3.15.5 With respect to the Additional transmission Charges, the same were billed by MSETCL (STU) to the transmission system users based on the usage of the transmission lines and accordingly the additional transmission charges were passed to the transmission licencees.
- 3.15.6 It is submitted that the revenue recognition in the audited Financial statement is in line with the principle of accrual basis of accounting. However, the revenue considered in the Petition for calculation of Gap / (Surplus) is as per the recovery allowed by the Hon’ble Commission in the relevant Order.
- 3.15.7 Considering the past gaps and the revenue recovered during the FY 2022-23 and FY 2023-24, the revenue gap claimed by JPTL is outlined below and request the Hon’ble Commission to allow the same along with the carrying cost.

Table 45: Revenue Gap for FY 2022-23 and FY 2023-24 (Rs. Crores)

Sl. No.	Particulars	FY 2022-23	FY 2023-24
1	Total ARR	69.59	69.07
2	ARR recovered through Transmission Tariff	68.08	67.67
3	Revenue Gap	1.51	1.40

- 3.15.8 It is submitted that JPTL has claimed the above revenue gap along with its carrying cost while determining the ARR of FY 2022-23 and FY 2023-24 and requests the Hon’ble Commission to allow the recovery of the same while determining the transmission charges for FY 2025-26.



4 PROVISIONAL TRUE-UP OF ARR FOR FY 2024-25

4.1 Preamble

4.1.1 This section outlines the provisional True-up of FY 2024-25 whereby it highlights the performance for FY 2024-25 based on half year results.

4.2 Provision of Law

4.2.1 For MYT Control Period starting from FY 2020-21 to FY 2024-25, the Hon'ble Commission has notified the MYT Regulations, 2019 and the same are applicable for treatment of provisional True-up Petition for FY 2024-25.

4.2.2 JPTL seeks the provisional True-up of expenses and revised Annual Revenue Requirement (ARR) / Revenue for FY 2024-25 as per the MYT Regulations, 2019.

4.3 Provisional True-up of FY 2024-25

4.3.1 As per the provisions of MYT Regulations, 2019, JPTL hereby submits the provisional True-up for FY 2024-25 comparing actual performance during April to September (H1) and revised estimates for October to March (H2) of FY 2024-25 with forecast as approved by Hon'ble Commission vide Tariff Order dated 31 March 2023 in Case No. 213 of 2022, along with deviations, if any.

4.4 Operation and Maintenance Expenses

4.4.1 MYT Regulations, 2019 are applicable for tariff determination of transmission licensee for the Control period up from FY 2020-21 to FY 2024-25. The norms for O & M expenditure for transmission licensees are specified in these regulations, relevant paragraph of the regulation is reproduced below:

“61 Operation and Maintenance expenses:

61.1 The norms for O and M expenses for existing and new Transmission Licensees have been specified on the basis of circuit kilometre of transmission lines and number of bays in the substation of the Transmission Licensee, as given below:

Explanation: For the purpose of applying normative O and M expenses under these Regulations, a 'Bay' shall mean a set of accessories that are required to connect an electrical equipment such as Transmission Line, Bus Section Breakers, Potential Transformers, Power Transformers, Capacitors and Transfer Breaker and the feeders emanating from the bus at sub-Station of Transmission Licensee. Further, the Bays referred to shall include only the Bays



at the Transmission substation and shall exclude any Bays of the Generating Station switchyard whose maintenance is usually the responsibility of the Generating Company:

..

61.5 The norms for O and M expenses for Jaigad Power Transmission Company Limited (JPTL) shall be:

Voltage Level	Unit	FY 2024-25
400 kV Transmission Lines	Rs. Lakh/ckt km	0.51
400 kV Terminal Bays	Rs. Lakh/bay	89.61

4.4.2 Accordingly, the Hon'ble Commission vide its Order as referred in Para 4.3.1, approved normative O & M expenses of Rs. 5.27 Crs for FY 2024-25.

4.4.3 In line with the Norms as specified in the MYT Regulations, 2019 for JPTL, the normative O&M expenses for FY 2024-25 is outlined as below:

Table 46: O & M Expenses for JPTL as per Norms for FY 2024-25

Normative O & M			
Particulars	Unit	Approved	FY 2024-25 (Estimated)
Length of Line (A)	ckt. kms.	330	330
Norms as per Regulations (B)	Rs. lakh/ ckt. kms.	0.51	0.51
Cost (C = A * B)	Rs. Crore	1.68	1.68
No of bays (D)	No.	4.00	4.00
Norms as per Regulations (E)	Rs. lakh/ bay	89.61	89.61
Cost (F = D * E)	Rs. Crore	3.58	3.58
Total O&M expenses (G = C + F)	Rs. Crore	5.27	5.27

4.4.4 JPTL submits that the estimated O & M expenses for FY 2024-25 is higher than the norms specified in the MYT Regulations, 2019 due to following reasons:

A. Employee Expenses

During the year FY 2024-25, there has been an attrition of one Grade 1 employee and the vacancy is estimated to be filled by H2 of FY 2024-25 and hence the employee expenses of FY 2024-25 is lower.

B. A&G Expenses

- Also, A&G expenses has also been increased in FY 2024-25 as compared to earlier year, as the tariff Petition is to be filed as per MYT Regulations, 2019 / 2024. Accordingly, the related expenses such as tariff Petition fees, advertisement cost, etc will be incurred and has been considered.
- There has been normal inflation based increase for other A&G expenses

C. R&M Expenses

- Under R&M expenses, around Rs. 0.21 Crore was an additional expenditure and balance expenditure was routine in nature. The details of such



additional expenditure are outlined as below:

- Since Tower no 282 of Jaigad Karad line is located on koyna river bank and farmer having land adjoining to tower 282 and river, had excavated soil for farming purpose, the tower 282 becomes vulnerable specially during monsoon peak. River flooding may erode tower base & existing protection wall. Since capex regulation 2022 specifically restricted tower protection civil activities from capex, JPTL have to undertake tower footing protection works under R&M head in the FY 2024-25 in order to timely protect tower base to prevent any incident due to present vulnerability. PO placed to agency and awaiting to clear post monsoon rain in the region.

4.4.5 JPTL submits that due to notification of MERC (Approval of Capital Investment Schemes) Regulations, 2022, the civil work of Rs. 21Lacs is been included under R&M Cost and hence this amount is presently not considered in normative O&M expenses. Hence, it is humbly requested to consider Rs. 21 Lacs as additional O&M cost and may not be considered for sharing purpose.

4.4.6 Based on the above submission, the estimated O&M Expenses as compared to normative O&M Expenses for FY 2024-25 is outlined as below, whereby the expenses are claimed equivalent to normative O&M expenses and additional OPEX and civil expenses claimed separately:

Table 47: Estimated O & M Expenses for FY 2024-25 (Rs. Crores)

Particulars	As per norms	H1 (Actual)	H2 (Projected)	Estimated
Employee expense	1.68	0.88	0.88	1.76
Administrative and General expense		0.58	1.13	1.72
Repairs and Maintenance expense		0.45	0.56	1.01
O&M expenses for lines		1.92	2.58	4.50
O&M expenses for terminal bays as per the contract with MSETCL	3.58	0.39	0.39	0.78
Total O&M expenses	5.27	2.30	2.97	5.27
Additional OPEX / Civil Expenses	0.73	0.26	0.47	0.58
Total O&M Expenses	6.00	2.57	3.43	5.84

4.4.7 With reference to Terminal bay expenses, only the amount payable to MSETCL as per existing O&M arrangement between MSETCL and JPTL is considered, which is enclosed as Annexure 4. However, there are certain common cost in relation to maintenance of Bay which cannot be segregated between Lines and Bay and hence has been included in the respective head of O&M Expenses. Also, it is submitted that as per the O&M arrangement between JPTL and MSETCL, all major spares and maintenance work along with OEM services are under JPTL scope.

4.4.8 Further, as submitted in MTR Petition and as approved by the Hon'ble



Commission, JPTL` has undertaken the Drone survey of JPTL transmission line using AI. JPTL submits that the approved additional OPEX expenses by this Hon'ble Commission is of Rs. 0.33 Crore, however, based on the budgetary offer, JPTL has claimed Rs. 0.25 Crs for FY 2024-25.

- 4.4.9 It is submitted that the conventional methods of surveying include walkover surveys, prior surveys, and detailed surveys, all of which take a considerable amount of time and manpower. These are manual methods and there is always a risk that the results may not accurately reflect the issues. On the other hand, modern surveying techniques leverage the latest technologies for mapping and aerial monitoring and reduce the possibility of error. Based on the new technology available, JPTL is planning to undertake the Drone survey, Drone technologies using software, to make sure essential power infrastructure supports uninterrupted. Such new and emerging survey and patrolling techniques enhances the operational efficiency of transmission assets and minimise the downtime.
- 4.4.10 The above operational expenses over and above the normative O&M Expenses are claimed as per Regulation 61.8 of MYT Regulations, 2019 and is reproduced as below:

"61.8 A Transmission Licensee may undertake Opex schemes for system automation, new technology and IT implementation, etc., and such expenses may be allowed over and above normative O&M Expenses, subject to prudence check by the Commission:

Provided that the Transmission Licensee shall submit detailed justification, cost benefit analysis of such schemes as against capex schemes, and savings in O&M expenses, if any."

- 4.4.11 As per the Regulations, the additional OPEX can be claimed alongwith the submission of detailed justification, Cost benefit analysis and Saving in O&M expenses. The details of the same is outlined below for each OPEX schemes:

New Technology – Drone Survey:

- 4.4.12 The power transmission sector has high accident field cases because of the hilly terrain areas, rainfall issues, etc. With that in mind, power line companies consider using drones for inspection purposes, which provides many benefits. Drones are highly advanced unmanned aerial vehicles (UAVs) that constantly innovate. It has features like A.I. multispectral sensors, autonomous aerial surveillance, and robust hardware for intense weather endurance. Over time, drones improved and streamlined enhanced workflow on power line inspection sites. As a result, incorporating drones into the powerline industry provides the following benefits:



1. Drone Power Line Inspections reduces Safety Concerns

- Drones can have long flight times and can reach a maximum height. Thus, workers no longer have to explore into risky and time-consuming effort. Running diagnostic and assessment are being operated seamlessly with its multispectral sensors. Additionally, drones have a high resolution camera, allowing users to view videos and capture photos with high definition. It has improved, and many high-risk inspections have decreased due to its substitution. Drones for the Power Industry have been consistent in improving safety above all.

2. Drone Technology Provides Efficient Power Line Inspection Results

- Drones can provide you with raw images and clips of power lines. Drones are highly advanced and have robust features. With the integration of Artificial Intelligence (A.I.), drones can have more accurate and real-time data gathering as compared to conventional monkey patrolling.

3. Structural Fault Analysis & Detection of Anomalies

- Structural Fault Mapping of towers and Infrastructure helps in the detection of potential faults early. Timely detection of Anomalies helps in Prognosis of the Assets. Drone can fly extremely close to the power lines, and as a result provide high-resolution images and data, useful in the optimization of maintenance plans.

4. Optimize Human Resources with Drone Integration

- Can benefit from using drones for inspection, monitoring, and data gathering. With only limited trained staff controlling the UAV, the need to engage several workforces for inspection at the site may not be as essential compared to a traditional method, the workforce can be effectively utilized for other priority works especially during tripping patrolling.

5. Drone Utilization Grants a Cost-Effective Power Line Inspection Approach

- Conducting a transmission line inspection is challenging task, as it requires tedious operations. It is time-consuming and needs expense, and thus, this work process involves higher emergency contingency. The site in charge also have to consider the well-being of their workers, providing benefits that would add up to their expenses. Although manual inspections are still ongoing, integrating drones can reduce these risks and high figures in modern ways.

4.4.13 The estimated cost of the IT Automation – Drone survey and the budgetary offer is enclosed as Annexure 7.

4.4.14 With respect to Cost benefit analysis, JPTL submits that the above cost though are one time in nature but is incurred as a proactive maintenance cost and hence claimed under additional OPEX. The resultant output is that the interruption



time may reduce due to such proactive maintenance and identification of probable threats through drone surveying helps in achieving higher transmission availability. JPTL would like to mention that such implementation of new technology will not result in reduction in man-power but will help in fault identification with a reasonably less time as compared to existing conventional practices. Also, with drone technology, you can do the survey in minutes and get the data back in real time. Therefore, Quantifying the value of a system can be difficult as the same relates to the quality of the power in nature such as grid reliability, proper system availability, proactive maintenance, etc. also, there may be a marginal decrease in R&M expenses due to proactive maintenance and in A&G cost due to resultant lower travelling and conveyance cost of the patrolling of lines. However, at present, the same is difficult to quantify.

- 4.4.15 Further, with respect to the Overhauling expenses, part of the amount i.e. Rs. 0.11 Crs has not been incurred in FY 2023-24 and has been claimed in FY 2024-25. JPTL submits that it has undertaken overhauling of circuit breaker since FY 2020-21 till FY 2022-23. During H-2 of FY 2022-23, M/s. Venkatesh regret to deploy OEM engineer manpower for overhauling works in March-23. Hence JPTL has requested OEM directly to deploy manpower considering outage applied for March-23 for balance Pole overhauling of Jaigad-karad ckt-I (B pole) alongwith Jaigad- New koyna ckt-II. Since M/s. Venkatesh Electricals denied to provide OEM supervision manpower, JPTL has no option to undertake overhauling of complete set of Jiagad-New koyna ckt-II as per approved outage in balance available outage slot and had to left B-pole overhauling. Now, the balance pole overhauling has been proposed under Additional OPEX in FY 2024-25.

Additional Insurance Cost:

- 4.4.16 JPTL would like to submit that at present there is no insurance policy of the transmission assets as the cost of the insurance seems to be on a higher side. However, considering the terrain area with the risk of landslide and continuous rains in Sahyadri hills of Koyna Region, JPTL is exploring the option of purchasing new insurance policy for transmission assets which may cost around Rs. 2.50 Crs. The quotation of the various insurance company is provided as Annexure 13 of this petition.
- 4.4.17 JPTL submits that while filing the MTR Petition, JPTL has humbly requested that since this cost is over and above the normative O&M expenses, the Hon'ble Commission may allow the same as an additional expense. However, the Hon'ble Commission has disallowed the insurance cost as additional O&M expenses and directed to claim the same under normative O&M Expenses. The relevant extract from the said MTR Order dated 31 March 2023 is outlined as below:

6.2.31 Therefore, the Commission is not inclined to consider the prayer of JPTL



to allow claim the cost of new insurance policy on the transmission assets as proposed by JPTL.

6.2.32 Upon detailed study as highlighted under Para 6.3.31, JPTL may avail insurance cover as appropriate within the normative O&M expenses for FY 2023-24 and FY 2024-25.

4.4.18 Being aggrieved by the same, JPTL filed the review petition to reconsider the insurance expenses as the additional O&M expenses. The Hon'ble Commission vide its order dated 30 November 2023 in Case No. 96 of 2023 has given following verdict:

12.11 JPTL has reiterated its submission from the MTR Petition without any new facts on record which were not available or could not have been produced at the time of proceeding in the MTR Petition. The decision of the Commission is considered decision. There is no error apparent on the face of record and no additional facts have been submitted by the Petitioner. Hence, the review is not allowed.

4.4.19 Therefore, JPTL has filed an appeal being aggrieved by such disallowance vide Appeal no. 123 of 2024 which is pending and the matter is subjudice. However, without prejudice to the outcome of the Appeal filed by JPTL, in the said petition, JPTL will be incurring an additional expenditure by way of insurance expenses based on the best budgetary quote in FY 2024-25 to reduce the risk and the same will be claimed at the time of True-up of FY 2024-25 as per the outcome of the Judgement of the Hon'ble APTEL.

4.4.20 Based on the above submission, JPTL would like to submit that in the current MYT petition, JPTL is claiming the O&M expenses as per the norms specified in MYT Regulations 2019. Accordingly, in line with the norms as specified in the MYT Regulations, 2019 for JPTL and additional expenses claimed due to new technology and IT Automation the O&M expenses for FY 2024-25, is outlined as below and has been claimed in the Petition for determination of ARR:

Table 48: Estimated O&M cost for FY 2024-25 (Rs. Crores)

Particulars	Unit	FY 2024-25
Normative O & M Expenses for line	Rs. Crore	1.68
Normative O & M Expenses for terminal bays	Rs. Crore	3.58
Normative O&M Expenses	Rs. Crore	5.27
Additional OPEX		
New Technology – Drone Survey	Rs. Crore	0.25
Balance Overhauling expenses	Rs. Crore	0.11
Civil work – not considered under normative O&M	Rs. Crore	0.21
Total O & M Expenses	Rs. Crore	5.84

4.4.21 The details related to O & M Expenses i.e. Employee expenses, Administrative & General Expenses and Repairs & Maintenance Expenses is submitted in the Petition formats as per Annexure 1.



- 4.4.22 However, JPTL submits that for FY 2024-25, since ARR is to be computed on provisional basis, JPTL has claimed the normative O&M expenses of Rs. 5.27 Crs as specified in Table 46 of this Petition. Actual O&M expenses for FY 2024-25 will be claimed by JPTL at the time of True-up Petition.
- 4.4.23 Accordingly, JPTL request the Hon'ble Commission to approve the estimated O & M Expenses of Rs. 5.27 Crs, additional OPEX of Rs. 0.36 Crs and Rs. 0.21 Crs against the Civil expenses capitalised in nature claimed as additional O&M for FY 2024-25 for determination of ARR.

4.5 Capital Expenditure and Capitalization

- 4.5.1 The Hon'ble Commission vide its MTR Order dated 31 March 2023 has approved the capitalisation of Rs. 3.54 Crore which includes the Emergency Restoration System (ERS) of Rs. 3.50 Crore and Office equipment and Computer of Rs. 0.04 Crore.
- 4.5.2 Against the approved capitalisation of Rs. 3.54 Crore, JPTL estimates to capitalise the assets of Rs. 0.60 Crore related to PLCC Upgradation at New Koyna and Karad Substation. The said cost has provisionally been approved by the Hon'ble Commission in the MTR Order dated 31 March 2023. It is submitted that the cost was approved and to be capitalised for FY 2023-24 as proposed by JPTL in MTR Petition and approved by the Hon'ble Commission in MTR Order dated 31 March 2023, however, the same is expected to be capitalised in FY 2024-25 as currently technical clearance from Karad circle (PAC) is under progress.
- 4.5.3 Based on the above, JPTL requests the Hon'ble Commission to approve the estimated capital expenditure and addition to the GFA as outlined below and as specified in Form 3 of the Tariff formats enclosed as per Annexure 1:

Table 49: Capital expenditure and Capitalisation for FY 2024-25 (Rs. Crores)

Sr. No.	Particulars	FY 2024-25	
		Approved	Estimated
1	CAPEX and Capitalisation	3.54	0.60
A	<i>Laptop and printer</i>	0.04	0.00
B	<i>Emergency Restoration System (ERS)</i>	3.50	0.00
C	<i>PLCC Upgradation at New Koyna and Karad Substation</i>	0.00	0.60

4.6 Depreciation

- 4.6.1 Regulation 28 of MYT Regulation, 2019 provides for computation of depreciation to be estimated by the Petitioner based on capital cost of assets approved by the Hon'ble Commission and rates of depreciation applicable as per Annexure I specified in the Regulation 28.1 (b) of MYT Regulations, 2019. Also, the



Regulation specifies that if the asset is depreciated to the extent of 70%, then remaining depreciable value as on 31st March of the year to be spread over the balance Useful Life of the asset.

- 4.6.2 Regulation 28.4 of MYT Regulations, 2019 also provides for depreciation to be calculated based on average of opening and closing value of assets for assets having achieved commercial operation for only part of the financial year.
- 4.6.3 Accordingly, JPTL has considered estimated addition of assets as provided in Table 49 of this Petition for calculation of depreciation as per applicable depreciation rate as per Regulation 28.1(b) of the MYT Regulations, 2019 for FY 2024-25.
- 4.6.4 Also, the accumulated depreciation for Computers exceeds 70% of Gross Fixed Assets and therefore in line with proviso of Regulation 28.1.(b) of MYT Regulations, 2019 the depreciation is calculated by spreading the remaining depreciable value over the balance Useful Life of the asset. It is submitted that the useful life of the computer considered is for 15 years and accordingly the same has been calculated in accordance with the Regulations.
- 4.6.5 Based on the above submission, JPTL hereby submits the calculation of depreciation for FY 2024-25 as outlined below:

Table 50: Depreciation Expenses for FY 2024-25 (Rs. Crores)

Particulars	Approved	Estimated
Opening GFA	555.34	557.19
Addition of GFA	3.54	0.60
Retirement of GFA	0.00	0.00
Closing GFA	558.88	557.79
Depreciation	29.36	29.36
Average Depreciation rate	5.27%	5.27%

- 4.6.6 Accordingly, JPTL requests the Hon'ble Commission to approve the Depreciation of Rs. 29.36 Crs for FY 2024-25 for determination of provisional ARR and as specified in Form 4 of the Tariff formats enclosed as per Annexure 1.

4.7 Interest on Loan Capital

- 4.7.1 Regulation 27.1 MYT Regulation, 2019 specifies the following norms for debt equity ratio for capital expenditure.

"27. Debt-equity ratio—

27.1 For a capital investment Scheme declared under commercial operation on or after April 1, 2020, debt-equity ratio as on the date of commercial operation shall be 70:30 of the amount of capital cost approved by the Commission under Regulation 24, after prudence check for determination of Tariff:



.....

Provided that if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan for the Generating Company or Licensee or MSLDC for determination of Tariff"

4.7.2 JPTL has considered debt: equity ratio of 70: 30 for the capitalisation estimated in FY 2024-25 in line with norms specified in the Regulation 27.1 of MYT Regulations, 2019.

4.7.3 The repayment is considered equal to the depreciation for the year as specified in Regulation 30.3 MYT Regulations, 2019, relevant para is reproduced below:

"30.3 The loan repayment during each year of the Control Period from FY 2020-21 to FY 2024-25 shall be deemed to be equal to the depreciation allowed for that year."

4.7.4 Also, Regulation 30.5 of MYT Regulations, 2019 states as follows:

"30.5 The rate of interest shall be the weighted average rate of interest computed on the basis of the actual long-term loan portfolio at the beginning of each year:

Provided that at the time of Truing-up, the weighted average rate of interest computed on the basis of the actual long-term loan portfolio during the concerned year shall be considered as the rate of interest"

4.7.5 JPTL submits that the opening balance of FY 2024-25 is considered equivalent to the closing balance of FY 2023-24 as submitted in Table 29 of this Petition.

4.7.6 With regards to Finance Charges, as per Regulations 30.8 of MYT Regulations 2019, the finance charges is required to be allowed by the Hon'ble Commission at the time of Truing-up and hence has not been claimed in the Petition.

4.7.7 Also, with respect to interest rate of loan, JPTL has squared off the loan liability through early repayment in FY 2021-22 and hence no actual loan exist in FY 2024-25. Therefore, in line with proviso of Regulations 30.5 of MYT Regulations, 2019, the weighted average interest rate on loan for FY 2021-22 is considered for the calculation of interest on normative loan. The relevant second proviso is outlined as below:

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

4.7.8 Accordingly, JPTL hereby submits the calculation of interest on loan for FY 2024-25 as outlined below:

Table 51: Interest on Loan and Finance Charges - FY 2024-25 (Rs. Crores)

Particulars	Approved	Estimated
Opening balance of Debt	53.23	52.90
Addition	2.48	0.42
Repayment	29.36	29.36



Particulars	Approved	Estimated
Retirement	0.00	0.00
Closing Debt	26.36	23.96
Interest Rate (%)	8.23%	8.23%
Interest on the Loan	3.27	3.16

4.7.9 JPTL requests the Hon'ble Commission to approve the Interest on loan as submitted above for FY 2024-25 for determination of provisional ARR and as specified in Form 5 of the Tariff formats enclosed as per Annexure 1.

4.8 Interest on Working Capital

4.8.1 Regulation 32.2 of the MYT Regulations, 2019 specifies the methodology for assessment of Working Capital requirements by a Transmission Licensee:

"32.2 Transmission

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

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

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

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

minus

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

4.8.2 In accordance with the Regulation 32 of MYT Regulations, 2019, the following approach has been adopted by JPTL for calculation of working capital requirement:

- i. JPTL has considered normative O&M expenses plus additional OPEX for the purpose of computation of the working capital requirement;
- ii. Maintenance Spares has been considered as 1% of opening GFA of FY 2024-25;
- iii. The expected Revenue considered is as per applicable InSTS Order for FY 2024-25 and as per MERC Order for determination of ARR for JPTL vide Case No. 213 of 2022 and 239 of 2022 dated 31 March 2023.

4.8.3 Interest on working capital is calculated in accordance with Regulation 2 (11) and 32.2 (b) of MYT Regulations, 2019, relevant para reproduced below:



“2 (11) “Base Rate” shall mean the one-year Marginal Cost of Funds-based Lending Rate (‘MCLR’) as declared by the State Bank of India from time to time;

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

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

4.8.4 Based on the above referred regulation, the Rate of interest on working capital considered is Base Rate i.e. one-year MCLR based Lending Rate (‘MCLR’) as declared by the State Bank of India as on 1st November 2024 is 8.95% plus 150 basis points.

4.8.5 JPTL has calculated interest on working capital for FY 2024-25 as per norms, as shown is table below:

Table 52: Interest on Working Capital for FY 2024-25 (Rs. Crores)

Particulars	Approved	Estimated
O&M for one month	0.47	0.49
Maintenance Spares @1% of Op. GFA	5.55	5.57
Expected revenue at prevailing tariffs - 1.5 months	8.04	8.04
Total Working Capital	14.05	14.09
Rate of Interest on Working Capital	9.45%	10.45%
Interest on Working Capital	1.33	1.47

4.8.6 JPTL request the Hon’ble Commission to approve the estimated Interest on Working Capital for FY 2024-25 for determination of Provisional ARR and as specified in Form 6 of the Tariff formats enclosed as per Annexure 1.

4.9 Grossed up Return on Equity

4.9.1 As per Regulation 29.1 of the MYT Regulations, 2019, Return on Equity for transmission licensee will be @15.5% for the assets put to use. However, the Return on Equity will be allowed in 2 parts, i.e. Base Return on Equity (14% as per Regulation 29.2 of MYT Regulations, 2019) and Additional Return on Equity (1.5%) linked to actual performance whereby Additional Return on Equity will be allowed at time of truing up only. The relevant provision of the Regulations is outlined below.

“29 Return on Equity

29.1 Return on Equity for the Generating Company, Transmission Licensee,



Distribution Wires Business and MSLDC shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of up to 15.5 per cent per annum in Indian Rupee terms, and for the Retail Supply Business, Return on Equity shall be allowed on the amount of equity capital determined in accordance with Regulation 27 at the rate of up to 17.5 per cent per annum in Indian Rupee terms:

Provided that Return on Equity shall be allowed in two parts viz. Base Return on Equity, and Additional Return on Equity linked to actual performance:

Provided further that Additional Return on Equity shall be allowed at time of trueing up for respective year based on actual performance, after prudence check of the Commission:

29.2 Base Return on Equity for the Generating Company, Transmission Licensee, Distribution Wires Business and MSLDC shall be allowed on the equity capital determined in accordance with Regulation 27 for the assets put to use, at the rate of 14 per cent per annum in Indian Rupee terms, and for the Retail Supply Business, Return on Equity shall be allowed on the amount of equity capital determined in accordance with Regulation 27 at the rate of 15.5 per cent per annum in Indian Rupee terms:"

4.9.2 Accordingly, JPTL has considered addition to equity capital at 30 % for additional estimated capital expenditure capitalised during the FY 2024-25 as per Regulation 29.1 of MYT Regulations, 2019.

4.9.3 Also, as per Regulation 29.3 of MYT Regulations, 2019, full RoE for the equity capital at the commencement of the year and 50% on the equity capital for the assets addition during the year can be claimed by the Transmission Licensee. The same is reproduced below:

*"29.3 The Base Return on Equity shall be computed in the following manner:
(a) Return at the allowable rate as per this Regulation, applied on the amount of equity capital at the commencement of the Year; plus
(b) Return at the allowable rate as per this Regulation, applied on 50 per cent of the equity capital portion of the allowable capital cost, for the investments put to use in Generation Business or Transmission Business or Distribution Business or MSLDC, for such Year:"*

4.9.4 Also, as per the Regulation 34 of the MYT Regulations, 2019, the Income Tax for transmission Licensee is required to be considered while calculation of Return on Equity and Regulation 34.2 allows the grossing up of RoE with the effective tax rate of the respective financial year or on the basis of actual tax paid as per latest available audited accounts. The relevant provisions are reproduced as below:

"34.2 The rate of Return on Equity, including additional rate of Return on Equity as allowed by the Commission under Regulation 29 of these Regulations



shall be grossed up with the effective tax rate of respective financial year.

34.3 The base rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

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

Where "t" is the effective tax rate

34.4 The effective tax rate shall be considered on the basis of actual tax paid in respect of financial year in line with the provisions of the relevant Finance Acts by the concerned Generating Company or Licensee or MSLDC, as the case may be:

.....

Provided further that effective tax rate shall be estimated for future year based on actual tax paid as per latest available Audited accounts, subject to prudence check

- 4.9.5 Accordingly, for calculation of grossed up RoE for FY 2024-25, the actual effective tax rate of FY 2023-24 has been considered for grossing up of Base RoE. The actual effective tax rate based on the Income Tax calculated as per Table 33 is outlined as below:

Table 53: Effective Rate of Pre-tax Return on Equity

Sr. No.	Particulars	FY 2023-24
1	Total Gross Income of Regulated Entity (Rs. Crore)#	39.07
2	Actual Income Tax paid by the Entity #	6.83
3	Effective Tax Rate of the Company (%)	17.47%
4	Base Rate of Return on Equity (%)	14%
5	Rate of Pre Tax Return on Equity (%)	16.96%

- 4.9.6 Based on the above provisions, JPTL has calculated the Return on Equity for FY 2024-25 as outlined below:

Table 54: Return on Equity for FY 2024-25 (Rs. Crores)

Particulars	Approved	Estimated
Opening Equity	139.24	139.78
Additions to equity towards capital investments	1.06	0.18
Retirement	0.00	0.00
Closing balance of Equity	140.31	139.96
Pre-tax Return on Equity after considering effective Tax rate	16.95%	16.96%
Pre-Tax ROE on the average balance	23.69	23.73

- 4.9.7 JPTL requests the Hon'ble Commission to approve the Return on Equity as submitted above for FY 2024-25 for determination of provisional ARR and as specified in Form 7 of the Tariff formats enclosed as per Annexure 1.



4.10 Contribution to Contingency Reserve

4.10.1 Contribution to Contingency Reserve is as per Regulation 35 of MYT Regulations, 2019. The relevant para is reproduced below:

“35. Contribution to Contingency Reserves -

35.1 Where the Licensee has made a contribution to the Contingency Reserve, a sum not less than 0.25 per cent and not more than 0.5 per cent of the original cost of fixed assets shall be allowed annually towards such contribution in the calculation of Aggregate Revenue Requirement:

Provided that where the amount of such Contingency Reserves exceeds five (5) per cent of the original cost of fixed assets, no further contribution shall be allowed:

Provided further that such contribution shall be invested in securities authorised under the Indian Trusts Act, 1882 within a period of six months of the close of the Year

.....”

4.10.2 Based on above provisions, JPTL has submitted the expected contingency reserves of 0.25% of the Opening GFA as on FY 2024-25.

Table 55: Contribution to Contingency Reserve for FY 2024-25 (Rs. Crores)

Particulars	Approved	Estimated
GFA (Rs Cr)	555.34	557.19
Contingency Reserve	1.39	1.39

4.10.3 JPTL requests the Hon’ble Commission to approve the Contingency Reserves as submitted above for FY 2024-25 for determination of ARR and as specified in Form 10 of the Tariff formats enclosed as per Annexure 1.

4.11 Non-Tariff Income:

4.11.1 As per Regulation 35.1 of MYT Regulations, 2019, the amount accumulated against the contribution to contingency reserve is required to be invested in securities authorized under Indian Trust Act, 1882 within six months of the close of the financial year, and the income from such investment shall be treated as non-tariff income.

4.11.2 Also, as per Regulation 62.1 of MYT Regulations 2019, the Non-Tariff Income shall be deducted from Aggregate Revenue Requirement in determining the Annual Transmission Charges of the Transmission Licensee.



4.11.3 JPTL submits that the amount against the contingency reserves has been invested in the Government securities with fixed income of the respective year of the investment and hence the Non-Tariff Income claimed in the Petition is related to expected yield from such investment as outlined below:

Table 56: Expected Income on Contingency Investment for FY 2024-25 (Rs. Crores)

Financial Year	Purchase Date	Int Rate	Cont. Reserve	FY 2024-25
FY 2010-11 to FY 2012-13	6-Aug-14	8.28%	3.22	0.27
FY 2013-14	29-Sep-14	8.33%	1.39	0.12
FY 2014-15	30-Sep-15	8.28%	1.39	0.12
FY 2015-16	7-Dec-16	9.23%	1.39	0.13
FY 2016-17	25-Sep-17	8.28%	1.38	0.11
FY 2017-18	25-Sep-18	8.32%	1.38	0.11
FY 2018-19	30-Sep-19	7.73%	1.38	0.11
FY 2019-20	21-Sep-20	6.57%	1.38	0.09
FY 2020-21	22-Sep-21	6.68%	1.38	0.09
Less: Reduction for restoration of tower	Case No. 213 of 2022	8.01%	(1.61)	(0.13)
FY 2021-22	21-Sep-22	7.26%	1.38	0.10
FY 2022-23	11-Sep-23	7.28%	1.38	0.10
FY 2023-24	24-Sep-24	6.96%	1.39	0.05
Total			16.83	1.26

4.11.4 Accordingly, JPTL is only claiming the expected interest on contingency reserve investment and request the Hon'ble Commission to approve the same as Non-Tariff income.

Table 57: Non- Tariff Income for FY 2024-25 (Rs. Crores)

Particulars	Approved	Estimated
Non- Tariff Income	1.27	1.26

4.11.5 JPTL requests the Hon'ble Commission to approve the Non-Tariff Income as submitted above for FY 2024-25 for determination of ARR and as specified in Form 8 of the Tariff formats enclosed as per Annexure 1.

4.12 Past Gap

4.12.1 JPTL submits that as specified in Para 3.13 and as per the Judgement of the Hon'ble ATE in its order dated 31 October 2022, it has revised the cumulative gap by considering the provisional true-up gap of FY 2022-23 as NIL and the recovery of the final True-up Gap in FY 2025-26. Therefore, the associated carrying cost and the cumulative past gap will also be revised and recalculated,



on the same principle as adopted by the Hon'ble Commission in MTR Order dated 30 March 2022 (as highlighted in para 3.13.6) and is represented as below:

Table 58: Revised Computation of Carrying cost for on account of Phasing of Gap in FY 2023-24 and FY 2024-25 (Rs. Crore)

Particulars	FY 2023-24	FY 2024-25
Opening Balance	0	1.16
Gap during the year excluding incentive	2.33	0
Recovery during the year	1.16	1.16
Closing Balance	1.16	-
Average Balance	0.58	0.58
Weighted Average Rate of Interest	9.45%	9.45%
Carrying/(Holding) cost	0.05	0.05
Cumulative past gap incl. carrying cost	1.22	1.22

4.13 Annual Aggregate Revenue Requirement for FY 2024-25:

4.13.1 Based on the parameters as explained and submitted in the above section, the Annual Revenue Requirement for JPTL for FY 2024-25 is summarized in the table below with the break-up of H1 (April 2023 to September 2024) and H2 (estimates for October 2024 to March 2025):

Table 59: Aggregate Revenue Requirement for FY 2024-25 – (Rs. Crores)

Particulars	Approved	Actual H1	Estimated H2	Estimated
O&M Expenses	5.27	2.74	2.74	5.48
Additional OPEX	0.33	0.00	0.36	0.36
Depreciation	29.36	14.68	14.68	29.36
Interest on Long-term Loan Capital	3.27	1.58	1.58	3.16
Interest on Working Capital	1.33	0.74	0.74	1.47
Contribution to contingency reserves	1.39	0.70	0.70	1.39
Total Revenue Expenditure	40.95	20.43	20.80	41.23
Return on Equity	23.69	11.86	11.86	23.73
Aggregate Revenue Requirement	64.64	32.30	32.66	64.96
Less: Non-Tariff Income	1.27	0.63	0.63	1.26
Net Aggregate Revenue Requirement	63.37	31.67	32.03	63.70
Past Gap for FY 2019-20 to FY 2022-23 including Carrying cost - as approved in Case No.213 of 2022	0.92	0.61	0.61	1.22
Total Annual Revenue Requirement including past gaps	64.29	32.28	32.64	64.91

4.14 Revenue Gap / Surplus of FY 2024-25

4.14.1 For FY 2024-25, the ARR (Revenue) allowed to be recovered through transmission tariff is Rs. 64.28 Crs as per Case No. 213 of 2022 dated 31 March



2023 and as per Transmission Tariff of Intra-State Transmission System for 4th MYT Control Period for FY 2020-21 to FY 2024-25 as per Case No. 239 of 2022 dated 31 March 2023.

- 4.14.2 Accordingly, based on the revised ARR proposed by JPTL for provisional true-up of FY 2024-25 and the approved revenue to be recovered, JPTL hereby submits the resultant Gap / (Surplus) as outlined below and request the Hon'ble Commission to allow the same along with the carrying cost:

Table 60: Revenue Gap / Surplus for FY 2024-25 – (Rs. Crores)

Particulars	FY 2024-25
Total ARR	64.91
ARR recovered through Transmission Tariff	64.28
Revenue Gap / (Surplus)	0.63

- 4.14.3 It is submitted that JPTL has claimed the above revenue surplus along with its holding cost while determining the ARR of FY 2025-26 and request the Hon'ble Commission to adjust the recovery of the same while determining the transmission charges for FY 2025-26.



5 MULTI YEAR TARIFF (MYT) ARR FOR 5TH CONTROL PERIOD – FY 2025-26 TO FY 2029-30

5.1 Preamble

5.1.1 This section outlines the calculation of ARR for MYT Control Period consisting of FY 2025-26 to FY 2029-30. JPTL is hereby filing its MYT Petition for the determination of ARR for the MYT Control Period FY 2025-26 to FY 2029-30 as per the provisions of the MERC (MYT) Regulations, 2024 notified on 19 August 2024, for consideration of the Hon'ble Commission along with the specified formats providing information on various operational and performance parameters in line with the provisions of the said Regulations

5.2 Provision of Law

5.2.1 For MYT control period from FY 2025-26 to FY 2029-30 onwards, the Hon'ble Commission has notified the MYT Regulations, 2024 and the same are applicable for determination of ARR for FY 2025-26 to FY 2029-30. The relevant clause specifying the Scope of Regulations in MERC MYT Regulations 2024 is stated as below:

“3 Scope of Regulations

3.1 The Commission shall determine the Aggregate Revenue Requirement, Tariff and Fees and Charges, including terms and conditions thereof, in accordance with these Regulations for all matters for which the Commission has jurisdiction under the Act, including the following: -

(i)

(ii)

(iii) For Intra-State transmission of electricity;”

5.2.2 As per the Regulation 5.1 (a) and 6 of MYT Regulations, 2024, the Multi Year Tariff Petition comprising ARR for each year of the Control Period i.e. FY 2025-26 to FY 2029-30 and the proposed transmission charges to be required to be filed by 1 November 2024. The relevant para of the regulation is reproduced below:

“5 Petitions to be filed in the Control Period

5.1 The Petitions to be filed in the Control Period under these Regulations are as under:

- a) Multi-Year Tariff Petition, which is complete in all aspects as per these Regulations, shall be filed by November 1, 2024 by Generating Companies, Transmission Licensees, ESSD, MSLDC and STU, and by November 30, 2024, by Distribution Licensees, comprising:*



- (i)
- (ii)
- (iii) *Aggregate Revenue Requirement for each year of the Control Period under these Regulations;*
- (iv) *Revenue from the sale of power at existing Tariffs and charges and projected revenue gap for each year of the Control Period under these Regulations;*
- (v)

6 Multi-Year Tariff Petition

6.1 *The Multi-Year Tariff Petition shall include a forecast of Aggregate Revenue Requirement and expected revenue from Tariff for each year of the Control Period in the manner specified in these Regulations and be accompanied by applicable fees.*

.....
6.5 *The forecast of expected revenue from Tariff and charges shall be based on the following:*

(b) *In the case of a Transmission Licensee, estimate of Aggregate Revenue Requirement or estimates of transmission capacity allocated to Transmission System Users, as appropriate, for each year of the Control Period.*

5.3 Determination of ARR for 5th Control Period i.e. FY 2025-26 to FY 2029-30

5.3.1 As per the Regulations 5.1 (a) (iii) and 6 of MYT Regulations, 2024, JPTL hereby submits the Aggregate Revenue Requirement for each year of the Control Period for FY 2025-26 to FY 2029-30, along with adjustment of Past Gap / (Surplus) to be adjusted in FY 2025-26. Also, JPTL proposed the transmission charges for the 5th Control Period i.e. from FY 2025-26 to FY 2029-30 based on the following components of the cost to determine the transmission charges.

5.3.2 Accordingly, JPTL is hereby filing the Multi Year Tariff (MYT) Petition for the determination of ARR for the MYT Control Period i.e. FY 2025-26 to FY 2029-30 as per the provisions of the MYT Regulations, 2024, for consideration of the Hon'ble Commission along with the specified formats providing information on various operational and performance parameters in line with the provisions of the said Regulations.

5.4 Operation and Maintenance Expenses

5.4.1 MYT Regulations, 2024 are applicable for tariff determination of transmission



licensee for the 5th Control Period from FY 2025-26 to FY 2029-30. The norms for O & M expenditure for JPTL are specified under these regulations, the relevant extract of the Regulation is reproduced as under:

“80 Operation and Maintenance expenses:

80.1. The norms for O&M expenses for existing and new Transmission Licensees have been specified on the basis of circuit kilometre of transmission lines, number of Bays and MVA Capacity of Transformers in the substation of the Transmission Licensee, as given below:

.....
80.4 Norms for O&M expenses for Jaigad Power Transmission Company Limited (JPTL) shall be:

Voltage Level	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
INR Lakh/Ckt. Km					
400 kV	0.54	0.56	0.59	0.61	0.64
INR Lakh/Bay					
400 kV	95.83	100.14	104.63	109.33	114.24

5.4.2 In line with the Norms as specified under the MYT Regulations 2024 for JPTL, the normative O&M expenses for the 5th Control Period, from FY 2025-26 to FY 2029-30, is outlined as under and the same has been claimed under this Petition:

Table 61: Normative O&M Expenses of JPTL for 5th Control period (Rs. Crore)

Particulars	Unit	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Length of Line (A)	ckt. kms.	330	330	330	330	330
Norms as per Regulations (B)	Rs. lakh/ ckt. kms.	0.54	0.56	0.59	0.61	0.64
Cost (C = A * B)	Rs. Crore	1.78	1.85	1.95	2.01	2.11
No of bays (D)	No.	4	4	4	4	4
Norms as per Regulations (E)	Rs. lakh/ bay	95.83	100.14	104.63	109.33	114.24
Cost (F = D * E)	Rs. Crore	3.83	4.01	4.19	4.37	4.57
Total normative O&M expenses (G = C + F)	Rs. Crore	5.62	5.85	6.13	6.39	6.68

Additional OPEX expenses - (Remote Monitoring)

5.4.3 The Hon’ble Commission vide its MTR Order dated 31 March 2023 has allowed Rs. 0.25 Crs against IT Automation - Remote Monitoring of Transmission Towers using software. The relevant extract is outlined as below:

6.2.10 The Commission allows the expenses of Rs. 0.25 Core regarding the remote monitoring of tower subject to necessary prudence check at the time of truing up considering the submission information namely (i) Audited actual expenditure incurred for remote monitoring of transmission towers using software (ii) Bid evaluation Report with cost



benefit analysis (iii) Board Resolutions, (iv) Short note on No. of surveys performed, No. of outages avoided due to remote monitoring etc. In case of non-submission of documents as above, the Commission may consider these expenses under actual O&M expenses instead of additional OPEX, at the time of Truing Up of FY 2023-24. Further, depending on the actual cost benefit due to this activity the Commission, subject to prudence check may allow partial OPEX.

- 5.4.4 However, JPTL humbly submits that Additional OPEX of IT automation towards Remote monitoring of transmission towers using app based software has been delayed since JPTL has recently implemented PM module to manage all aspects of maintenance activities. After fully integration of PM module with other SAP module like Material Management (MM), Finance (FI), integration with third party application like web based/ mobile based remote monitoring shall be adapted by JPTL. Hence JPTL has postponed the approved additional OPEX for IT automation - Remote Monitoring of Transmission Towers using software in FY 2025-26.

Additional Insurance Cost:

- 5.4.5 JPTL would like to submit that at present there is no insurance policy of the transmission assets as the cost of the insurance seems to be on a higher side. However, considering the terrain area with the risk of landslide and continuous rains in Sahyadri hills of Koyna Region, JPTL is exploring the option of purchasing new insurance policy for transmission assets which may cost around Rs. 2.50 Crs. The quotation of the various insurance company is provided as Annexure 13 of this petition.
- 5.4.6 JPTL submits that while filing the MTR Petition, JPTL has humbly requested that since this cost is over and above the normative O&M expenses, the Hon'ble Commission may allow the same as an additional expense. However, the Hon'ble Commission has disallowed the insurance cost as additional O&M expenses and directed to claim the same under normative O&M Expenses. The relevant extract from the said MTR Order dated 31 March 2023 is outlined as below:
- 6.2.31 Therefore, the Commission is not inclined to consider the prayer of JPTL to allow claim the cost of new insurance policy on the transmission assets as proposed by JPTL.*
- 6.2.32 Upon detailed study as highlighted under Para 6.3.31, JPTL may avail insurance cover as appropriate within the normative O&M expenses for FY 2023-24 and FY 2024-25.*
- 5.4.7 Being aggrieved by the same, JPTL filed the review petition to reconsider the insurance expenses as the additional O&M expenses. The Hon'ble Commission



vide its order dated 30 November 2023 in Case No. 96 of 2023 has given following verdict:

12.11 JPTL has reiterated its submission from the MTR Petition without any new facts on record which were not available or could not have been produced at the time of proceeding in the MTR Petition. The decision of the Commission is considered decision. There is no error apparent on the face of record and no additional facts have been submitted by the Petitioner. Hence, the review is not allowed.

5.4.8 Therefore, JPTL has filed an appeal being aggrieved by such disallowance vide Appeal no. 123 of 2024 which is pending and the matter is subjudice. However, without prejudice to the outcome of the Appeal filed by JPTL, in the said petition, JPTL is once again requesting to allow the additional cost related to insurance and humbly request the Hon'ble Commission to allow the recovery of such additional cost during the 5th Control Period.

5.4.9 Further, the Hon'ble Commission has issued the MYT Regulations 2024 post the issue of the MTR Order and Review Order whereby the O&M norms of the transmission licensee has been revised. As per the Statement of Reason dated 19 August 2024, JPTL has submitted their comments on the Draft MYT Regulations 2024 whereby it has prayed to consider insurance cost under O&M norms:

Comments on Regulation 79.4 (O&M Norms for JPTL)

6.5 JPTL requested to not to consider the transformation capacity while calculating the O&M norms. As, JPTL does not have interconnecting transformer in the bay assets. So, O&M norms shall be computed on the basis of transmission line length and number of bays. Further, JPTL requested to consider the insurance costs on transmission assets while calculating the O&M norms.

5.4.10 However, as per Statement of Reasons, the Hon'ble Commission has determined the O&M norms by escalating the actual approved O&M expenses of FY 2021-22 (post sharing of gains and losses) with actual 5 years average of CPI: WPI having the ratio of 70:30 upto the Base Year i.e. FY 2024-25. Such derived normalised for base year O&M and then further escalated over the 5th Control Period with the inflation rate of 5.33% and post adjustment of the 1% efficiency factor. In the said methodology, the Hon'ble Commission has considered the actual approved O&M expenses of FY 2021-22 which does not include the insurance expenses and hence the O&M norms are understated to that extent.

5.4.11 Therefore, JPTL requests the Hon'ble Commission to approve the Operations and Maintenance Expenses as per the norms specified in the MYT Regulations, 2024 and allow insurance expenses in addition to normative O&M expenses, as the



same is not included in the normative cost.

5.5 Capital Expenditure and Capitalization

5.5.1 JPTL submits that as per the Regulations 24.5 of MYT Regulations 2024, projection of CAPEX and Capitalisation plan for each year of the Control Period needs to be submitted in accordance with Capital Investment Scheme Regulations 2022.

24.5 The Petitioner may project the capital expenditure and capitalisation plan for each year of the Control Period as per its projected capital investment outlay and annual phasing plan with due justifications in accordance with provisions outlined under MERC (Approval of Capital Investment Schemes) Regulations, 2022, as amended from time to time.

5.5.2 As per Regulations 4.1 of MERC (Approval of Capital Investment Schemes) Regulations, 2022, the Capital Investment Scheme exceeding Rupees Twenty Five Crore shall be considered as DPR Scheme:

4.1 Capital Investment Schemes of a value exceeding Rupees Twenty-five crore or such other amount as may be stipulated by the Commission from time to time shall be considered as DPR Schemes:

5.5.3 Also, the said Regulations states that Capital Investment Schemes of a value below Rs. Twenty Five Crore will be considered as Non-DPR Schemes:

4.2 Capital Investment Schemes of a value below the values specified in Regulation 4.1 shall be considered as Non-DPR Schemes

5.5.4 Further as per Regulation 10.1 of MERC (Approval of Capital Investment Schemes) Regulations, 2022 it provides that:

*“10.1 All Non-DPR Schemes shall be required to be registered with the Commission on quarterly basis in physical form, till the commencement of the web-portal referred in Regulation 19 of these Regulations, after which the Schemes shall be registered on the web portal:
Provided that the Format specified in Appendix 1 for submission of DPR Schemes shall be applicable for Non-DPR Schemes also, to be filled-up as applicable/relevant:*

5.5.5 Based on the above provisions of the MERC (Approval of Capital Investment Schemes) Regulations, 2022, JPTL propose to undertake the following Schemes which falls under Non-DPR scheme as defined in the said Regulations:



Table 62: Capitalisation Plan for 5th Control Period (Rs. Crore)

Sr. No.	Particular	Asset Block	UOM	Qty	Amount	Implementation Year	Remarks
1.	Emergency Portable Light	Office Equipment	Set	1	0.035	2025-26	
2.	Emergency Restoration System	Plant & Machinery	Set	1	8.96	2025-26	05 Nos of tower including all accessory. Already approved for FY 2024-25
3.	Tower Footing Resistance Meter	Plant & Machinery	Nos	1	0.11	2025-26	
4.	Binoculars	Plant & Machinery	Nos	3	0.01	2025-26	As existing binoculars becomes non usable, Last purchased in 2017
5.	Laptop	Computers	Nos	3	0.03	2025-26	HP desktop (2016) & Dell (2018) to be replaced as per JSW IT policy
6.	Travelling wave Fault location system	Plant & Machinery	Nos	3	0.87	2025-26	
7.	Solar Roof shade for office building	Buildings	Nos	1	0.17	2025-26	
8.	Face recognition attendance machines	Office Equipment	Nos	2	0.01	2025-26	
9.	Control switching device	Plant & Machinery	Nos	2	0.40	2026-27	For Jaigad Karad line 3 & 4.
10.	OPGW- (48 core) for JGD-NKY ckt-I (55kM)	Plant & Machinery	kM	55	3.18	2027-28	
11.	Transmission line surge arrestor	Plant & Machinery	Nos	12	1.13	2028-29	
	Total				14.901		

5.5.6 With respect to Solar Roof Shade for office building, JPTL submits that similar capitalisation was proposed in MTR Petition which was disallowed by the Hon'ble Commission considering the same internal civil work and is O&M in nature. However, JPTL has filed a review petition under Case 96 of 2023 whereby the Hon'ble Commission has stated that since the scheme is not registered as per Regulation 10.1 of CAPEX Approval Regulations 2022 though it is planned for the FY 2024-25 and hence is disallowed. Accordingly, JPTL as specified in Regulations 10.1 of MERC (Approval of Capital Investment Schemes) Regulations, 2022, JPTL has registered the Non-DPR scheme as per Appendix 1 to the Hon'ble Commission vide following reference:

Table 63: Letter Ref of Non-DPR Scheme approval

Sr.	Scheme	Ref. No	Dated
1.	Procurement of Emergency Restoration System (ERS)	JPTL/Chiplun-TL/25	29-10-2024
2.	Procurement of Tower Footing	JPTL/Chiplun-TL/26	29-10-2024



Sr.	Scheme	Ref. No	Dated
	Resistance Meter (TFR)		
3.	Installation of Travelling Wave Fault Location System (TWFLS)	JPTL/Chiplun-TL/27	29-10-2024
4.	Installation of Solar Roof Top System	JPTL/Chiplun-TL/28	29-10-2024
5.	Installation of Controlling Switching Devise (CSD)	JPTL/Chiplun-TL/29	29-10-2024
6.	Installation of Optical Ground Wire	JPTL/Chiplun-TL/30	29-10-2024
7.	Installation of Transmission Line Surge Arrestor (TLISA)	JPTL/Chiplun-TL/31	29-10-2024

5.5.7 Accordingly, as per the above table, JPTL has envisage additional capital expenditure and capitalisation of amount equivalent to Rs. 14.901 Crore in 5th Control Period i.e. between FY 2025-26 to FY 2029-30.

5.5.8 With regards to other CAPEX / Capitalisation work, JPTL hereby provides the following justification for additional CAPEX proposed to be undertaken for ensuing years:

A. Emergency Restoration System

As per Clause 22 of CEA (Grid Standards) Regulations, 2010 each Transmission Licensee is required to have an arrangement for Emergency Restoration System (ERS) for transmission lines of 400 kV and above in order to minimize outage time, in case of tower failures. In accordance with the CEA Regulation, JPTL proposes to make an arrangement for ERS through procurement of ERS tower material to cater to emergencies. The said clause is reproduced for reference below:

“22. Emergency Restoration System- Each Transmission Licensee shall have an arrangement for restoration of transmission lines of 400 KV and above and strategic 220 KV lines through the use of Emergency Restoration System in order to minimise the outage time of the transmission lines in case of tower failures.”

Further, the said capitalisation was expected to be capitalised in FY 2024-25 but now is planned to be capitalised in FY 2025-26. Also, the Hon'ble Commission in MTR Order dated 31 March 2023 has approved the CAPEX of Rs. 3.50 Crore for ERS in FY 2024-25, subject to the condition that JPTL shall file certain additional information on the affidavit namely (i) Audited actual expenditure incurred for ERS (ii) Bid evaluation Report with cost benefit analysis (iii) Board Resolutions, etc at the time of Truing up. The said capitalisation cover 1 set of ERS system containing 2 nos of ERS pole material for temporary bypass arrangement.

It is submitted that during discussing techno-commercial budgetary proposal



with agency, it was observed that technical limitations of two set of ERS system proposed under the proposal for restoration of collapsed tower for double circuit transmission line will not be sufficient in quantum and additional ERS set might be required to be hired from other utility/service provider which could be costly affair, in case more than one number of transmission tower need to be restored.

Further, at the time of budgetary level itself, JPTL has assessed price advantage of procurement of 5 set instead of 2 set as below,

Particulars	For 5 set of ERS	For 2 set of ERS
Per Set Price (Cr)	1.79 Cr per set	2.12 Cr per set

In view of better preparedness for future emergencies, JPTL has re-enquired budgetary proposal for 5 set of ERS system. There is substantial savings projected of Rs 42 lakh in budgetary stage for 5 set of ERS over earlier enquired 2 set of ERS. Having 5 sets of ERS compared to 2 sets provides several critical benefits in terms of reliability, speed of recovery, and overall resilience to JPTL's transmission system as well.

Below are the benefits considered while re-submitting Capex proposal of 5 nos ERS set which was requested to be considered by Hon'ble Commission,

When discussing the **Emergency Restoration System (ERS)**, especially in power grid infrastructure, having 5 sets of ERS compared to 2 sets provides several critical benefits in terms of reliability, speed of recovery, and overall resilience. Here are the key advantages:

1. Faster Response and Restoration Time

- **Increased coverage:** With 5 sets of ERS, transmission utility (JPTL) can respond to multiple outages simultaneously or cover a larger geographical area, reducing downtime after an emergency.
- **Parallel deployment:** More sets allows for parallel restoration efforts in different affected areas, leading to a much quicker recovery of critical infrastructure.

2. Enhanced Grid Resilience

- **Redundancy:** Having more sets adds redundancy to the emergency response. If one set is damaged or unavailable, others can still be deployed, improving the overall resilience of the grid.
- **Better contingency planning:** More ERS units give operators more flexibility in planning and managing resources during severe weather events or equipment failures.

3. Increased Capacity for Complex Failures



- **Handling multiple failures:** Some emergencies involve multiple points of failure. With 5 sets of ERS, the system can restore power in stages, focusing on the most critical areas first, then gradually restoring the rest of the grid.
- **Larger-scale restoration:** For more significant disasters that affect broad sections of the grid, having more sets of ERS provides the capacity to address larger portions of the system more efficiently.

4. Improved Reliability and Customer Satisfaction

- **Reduced outage duration:** Faster and more comprehensive restoration leads to shorter outages for consumers and businesses, which can improve customer satisfaction and trust in the utility provider.

5. Better Preparedness for Future Emergencies

- **Scalability for future events:** Having 5 sets of ERS offers scalability for responding to even larger or more complex future emergencies. It enables a utility company (JPTL) to be better prepared for unexpected high-impact events.

In summary, 5 sets of ERS provide significantly more flexibility, speed, and capacity in restoring power during emergencies compared to just 2 sets.

However, JPTL submits that against the provisionally approved cost of ERS of Rs. 3.50 Crore, JPTL propose to incur the capital expenditure of Rs. 8.96 Crore for 05 Nos of tower including all accessories which earlier was envisage only for 1 no. of tower. The detail supporting of the ERS is enclosed as Annexure 15.

B. Controlled Switching Device (CSD): (Rs. 0.40 Crore in FY 2026-27)

400kV Jaigad-Karad transmission line been frequently hand tripped for over voltage control from MSETCL karad substation as per instruction of Control room of State load dispatch centre(SLDC). Frequent breaker operations lead to servicing/ overhauling of equipment due to undue stress. Further, while switching ON circuit breakers while normalising over voltage scenario, JPTL has witnessed line trippings due to switching transients in FY 2020-21, 2021-22 & 2022-23. In order to control such a switching transients during overvoltage's and high inrush currents, JPTL has proposed to install control switching device on 400kV D/C Jaigad-Karad transmission line. The control switching device operates on Point on wave (PoW) switching phenomenon which broadly described as below,

Point-on-wave (PoW) switching is a highly specialized technique used in



power systems to minimize switching transients by controlling the exact moment during the AC voltage waveform when a circuit breaker or switching device operates. This is particularly important for transmission lines, transformers, and capacitors, where uncontrolled switching can lead to severe electrical transients, stress on equipment, and power quality issues.

Working Principle of Point-on-Wave Switching:

The core idea of PoW switching is to open or close the circuit breaker at a specific point on the AC voltage or current waveform to reduce electrical stress, minimize inrush currents, or avoid overvoltages. The system measures the phase angle of the waveform in real-time and sends a signal to the circuit breaker to operate at the optimal moment.

In a 50 Hz or 60 Hz AC system, the voltage and current waveforms oscillate sinusoidally. By controlling when switching occurs, PoW technology can help:

- **Eliminate or minimize transients** (like inrush currents and overvoltages)
- **Reduce equipment wear** caused by arcing during switching
- **Improve system stability** by avoiding disturbances in the grid

Key Benefits of Point-on-Wave Switching

1. Reduction of Transient Overvoltages and Inrush Currents

- By controlling the switching time, PoW minimizes the energy dissipated as transients, preventing overvoltages that could damage transmission line insulation or other equipment.

2. Extended Equipment Life

- By reducing the stress caused by transient overvoltages, PoW switching helps extend the life of circuit breakers, transformers, capacitors, and other transmission line components.

3. Improved Power Quality

- PoW switching leads to fewer disturbances in the power system, improving voltage stability and reducing harmonics, which enhances the overall quality of power delivered to consumers.

4. Lower Maintenance Costs

- Reduced equipment stress and fewer transients mean that maintenance needs are minimized, leading to cost savings over the long term.



PoW Control Strategies

To implement point-on-wave switching effectively, advanced control systems are used. The control system continuously monitors the phase angle of the voltage and current waveforms and issues precise commands to the circuit breaker to either open or close at the desired point.

1. Voltage Zero-Crossing Switching:

- The breaker closes or opens when the voltage crosses zero, which is particularly useful for energizing transmission lines, as it minimizes the overvoltage caused by charging currents.

2. Current Zero-Crossing Switching:

- This approach is ideal for disconnecting inductive loads, such as reactors, as it minimizes the current interruption and reduces overvoltage spikes.

3. Optimal Phase Angle Switching:

- Sometimes, the ideal switching point is neither the zero-voltage nor the zero-current crossing. Instead, advanced algorithms calculate the optimal phase angle based on system parameters to minimize transients.

Point-on-wave switching is a powerful technique used to reduce electrical transients and stresses in EHV transmission systems. By carefully controlling the timing of switching operations in relation to the waveform, it enhances the reliability, lifespan, and performance of power system components. By implementation of Control switching devices, particularly for 400kV Jaigad-Karad transmission line, where overvoltage scenario is persistent, JPTL could achieve less interruptions while controlling hand tripping operations. The detail supporting of the Controlled Switching Device is enclosed as Annexure 17.

C. OPGW- (48 core) for JGD-NKY ckt-I (55KM)

JPTL's two double circuit transmission line namely 400kV Jaigad-Karad transmission line and Jaigad-New koyna transmission line configured with two ground wires travels parallel from tower peak provide effective grounding throughout the lines. At present, Power line carrier communication (PLCC) installed at both ends enabling communication between substations and SLDC.

As entrusted in WRPC meetings, each transmission licensee has to conduct a Third party protection audit (TPPA) of the substation. As a part of TPPA



findings, committee observed that “only PLCC is used as a carrier protection in 400kV Jaigad-New koyna Feeders-I & II at MSETCL New Koyna receiving station. For enhanced protection, committee recommended to installed OPGW/FOTE DTPC. (Audit report enclosed herewith as Annexure 14).

Hence it is proposed to install Optical Ground Wire (OPGW) and Fiber optic test equipment (FOTE) on 400kV Jaigad-New koyna transmission line by removing existing ground wire from any one of the circuit.

OPGW (Optical Ground Wire) 48 core is a type of optical fiber cable that is integrated into the ground wire or shield wire of high-voltage transmission lines. It serves a dual function: providing grounding or shielding for the transmission line, and enabling high-speed communication through the optical fibers embedded within the cable.

Key Features of OPGW 48 Core:

1. Ground Wire Functionality:
 - OPGW is installed at the top of transmission towers, acting as the ground or shield wire. Its primary electrical role is to protect the transmission lines by conducting lightning strikes and fault currents safely to the ground.
2. 48 Fiber Cores:
 - The "48 core" refers to the number of optical fiber strands contained within the cable. These fibers are used for high-capacity data transmission, enabling communication between substations and control centers or for telecommunications purposes.
 - With 48 fibers, OPGW can support a wide range of communication services, including data, voice, and video transmission, as well as critical power grid monitoring and control functions.
3. High-Speed Communication:
 - The optical fibers inside the OPGW offer high bandwidth and low-latency communication, making it suitable for real-time data exchange, network protection schemes, and SCADA (Supervisory Control and Data Acquisition) systems used in power grids.
4. Durability and Weather Resistance:
 - OPGW cables are designed to withstand harsh environmental conditions, including extreme temperatures, wind, ice, and



mechanical stresses. The outer layer of the OPGW typically consists of steel or aluminum-clad steel wires for strength, while the optical fibers are housed in a protective buffer tube inside the cable.

5. Protection from Electromagnetic Interference (EMI):

- Since OPGW is installed at the top of transmission lines, it is not affected by the electromagnetic fields produced by the power lines, ensuring that the data transmitted via the optical fibers is free from interference.

Advantages of OPGW 48 Core:

1. Integration with Existing Infrastructure:

- OPGW combines both power and communication infrastructure in a single cable, eliminating the need for separate communication lines, which reduces installation costs and space requirements.

2. Enhanced Communication Capacity:

- With 48 fibers, the cable can handle a large volume of communication traffic, making it suitable for utilities that need to transmit real-time operational data, monitor the status of the grid, or even lease out fiber capacity to third-party telecommunications providers.

3. Grid Monitoring and Control:

- OPGW enables real-time monitoring and control of the power grid, which improves the reliability and stability of the electrical network. The communication fibers can be used for:
 - Teleprotection (fast communication to protect the grid)
 - SCADA systems
 - Phasor Measurement Units (PMUs)
 - Video surveillance

4. Reliable Protection Against Lightning:

- OPGW, like traditional ground wires, provides protection against lightning strikes, reducing the likelihood of damage to the transmission lines or related equipment.

An OPGW 48 core cable is an essential component of modern high-voltage



transmission systems, combining the roles of grounding and communication. It enables utilities to efficiently monitor, control, and protect their electrical grids while providing reliable, high-capacity communication for operational and commercial purposes.

D. Transmission Line Surge Arrestor

JPTL witnessed most of its line trippings during pre-monsoon and post-monsoon season with heavy lightning strikes in the line corridor. Hence in addition to existing tower earthing arrangement, earthing strengthening works carried out at interval of 3km in the line corridor for both Jaigad-Karad and Jaigad-New koyna transmission line by laying a dedicated ground wire connecting ground wire at tower peak to the ground by introducing additional earth pit. The results were satisfactory till now in the specific regions where transient trippings reduced significantly. (eg near Tower location 281/282 of Jaigad-Karad line).

The similar practice adapted at tower no 151 of Jaigad-Karad line, which located on highest altitude (about 650 meter above mean sea level). However, due to geographical nature of tower, line trippings were persist in the region which majority caused due to insulation failure. Further in order to found root cause of the repetitive line tripping, M/s. ERDA conducted detailed analysis on failed polymer insulators and recommended several measures to avoid line trippings. (RCA report enclosed herewith as Annexure 18) One of recommendation received is to install Transmission Line Surge Arrestor (TLSA) in view of increased possibility of lightning to reduce damage to the composite insulators.

TLSA (Transmission Line Surge Arrestor) is a type of protective device used in power transmission systems to safeguard transmission lines from overvoltages caused by lightning strikes or switching events. Overvoltage's can lead to damage to insulation and electrical components, potentially causing outages or costly repairs. TLSAs help mitigate these risks by limiting the amplitude of the surge and redirecting the excess energy safely to the ground.

Line surge arresters (LSA) are designed to prevent ground faults and short circuits in transmission lines caused by lightning or switching overvoltages. Insulator flashovers, voltage dips and interruptions are prevented by eliminating all lightning and switching overvoltages above the insulator insulation level (the lightning-impulse withstand level, or LIWL for short).

Installation of line surge arresters at recommended locations along the line in accordance with ensures enhanced overvoltage protection. Selecting the



optimum line surge arresters, especially in terms of their quantity and installation locations, significantly improves the reliability of the overall line system and the quality of power that it supplies.

Key Features of TLSAs

1. Protection Against Lightning Surges:

- TLSAs are installed along transmission lines to provide localized protection from lightning strikes. When a high-voltage surge occurs due to lightning, the TLSA diverts the surge energy away from the transmission line into the ground, preventing damage to the conductors or associated equipment.

2. Switching Surge Protection:

- In addition to lightning, transmission lines can experience overvoltages during switching operations (e.g., when circuit breakers open or close). TLSAs help to limit these switching surges, protecting the transmission line and connected equipment.

3. Non-linear Voltage-Current Characteristics:

- TLSAs typically use materials like **metal oxide varistors (MOVs)**, which have non-linear voltage-current characteristics. This means that under normal operating conditions, the arrester presents a high impedance, allowing little to no current to flow. However, when a surge occurs, the arrester's impedance drops significantly, allowing it to conduct and shunt the surge energy.

4. Continuous Voltage Monitoring:

- While designed to handle high-voltage surges, TLSAs are capable of withstanding the continuous voltage levels present in transmission lines during normal operation without triggering unnecessarily.

Benefits of TLSAs

1. Improved System Reliability:

- By reducing the incidence of outages and equipment damage caused by lightning or switching surges, TLSAs contribute to improved reliability and stability of the transmission system.

2. Extended Equipment Life:

- TLSAs protect the insulation and equipment, such as



transformers and circuit breakers, from excessive voltage stress. This leads to a longer service life for these components.

3. Cost Savings:

- With TLSAs in place, costly repairs, replacements, and downtime resulting from surge damage can be minimized. They provide a cost-effective solution for protecting expensive and critical components in the transmission system.

4. Strategic Placement:

- TLSAs are strategically installed at key points along transmission lines, such as near substations, at line terminations, and at locations prone to lightning activity. Their positioning ensures optimal protection for vulnerable sections of the network.

E. Travelling Wave Fault Location System

JPTL submits that 400kV Jaigad-Karad transmission ckt 1 & 2 been tripped multiple times in last 4 years while switching ON circuit breakers during normalizing over voltage scenario. JPTL has witnessed erroneous relay indication specially during single ended fault occurrences. i.e. only karad end relay data available to locate fault on transmission line, since Jaigad end relay data unavailable as circuit breaker in OFF mode. The tripping instances which have erroneous relay indication, resulted into higher down time causes major impact on transmission system availability. (details as enclosed an Annexure 19)

In order to identify pin point faulty tower location, modern technology need to be adapt in view of limitation of conventional protection relays. Now a day, proven solution is available for the transmission sector namely a Travelling Wave Fault Location System (TWFL).

A Travelling Wave Fault Location System is a technology used in power transmission systems to detect and locate faults along transmission lines. When a fault occurs, it creates a disturbance or "travelling wave" that propagates along the line. By analysing the characteristics of these waves, the system can determine the exact location of the fault.

The TWFL monitors Travelling Waves at both ends of Transmission Lines & provides accurate fault location parameters (like Fault Distance, Tower Number etc) for all kind of Power Lines including,

- AC Transmission Lines



- HVDC Transmission Line
- Series Compensated Transmission line
- Lines with T Branches
- Lines containing cable section and Overhead Lines

Travelling wave measurement technique is used for measurement of fault distance with best accuracy of ± 50 meter and maximum resolution of ± 5 meter and this depends on the accuracy of time synchronization (100 ns) as well as on the accuracy of input parameters like line-length and the velocity of travelling waves.

TWFL system is free from influence of following factors which affect fault location accuracy of Impedance Measurement Method,

- Resistance of line
- Voltage & Current Transformer (CT, PT) errors
- Insufficient accuracy of line parameters due to neglecting of line transposition, distributed capacitance etc.
- Uncertainty of zero sequence impedance due to variation of earth resistance along the Line corridor
- Load Flow

Key Features and Benefits:

1. **High Precision:** This method offers more precise fault location compared to traditional methods because it uses the time difference between the travelling waves at various points along the line.
2. **Fast Detection:** The system can detect faults almost instantaneously since it relies on the speed of wave propagation, which is close to the speed of light in the transmission line.
3. **Minimal Downtime:** By accurately pinpointing the fault location, the utility can quickly send maintenance crews to the exact site, reducing power outages and system downtime hence prevents revenue loss.
4. **Works on Long Transmission Lines:** The travelling wave method is especially effective for long transmission lines, where conventional impedance-based fault location methods may struggle due to line impedance variation.



How It Works:

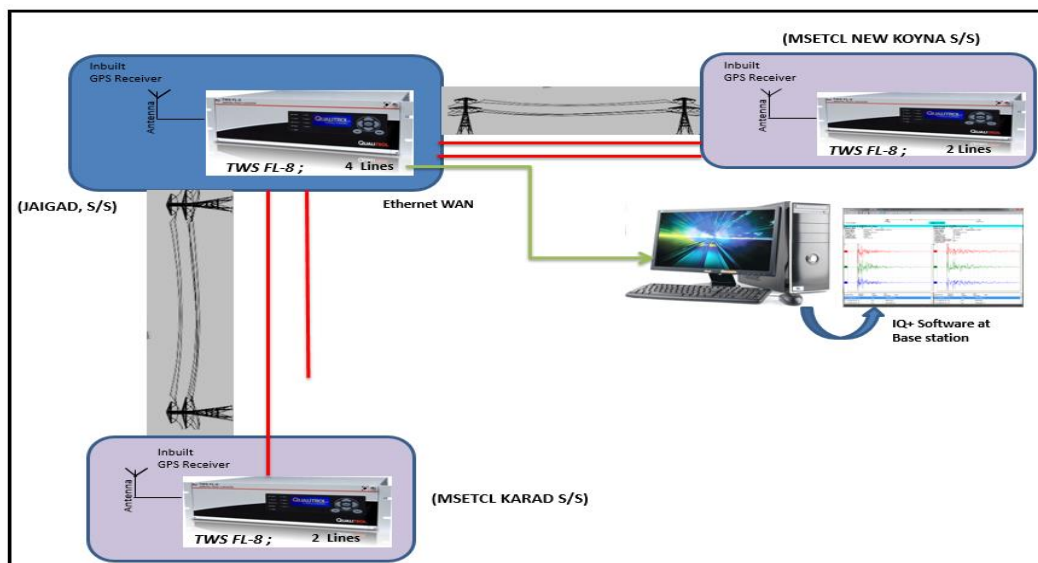
- When a fault occurs, a high-frequency wave is generated at the point of the fault and travels along the transmission line.
- Sensors installed at either end of the transmission line detect the arrival times of the wave.
- The fault location is determined by calculating the time difference between the wave arrivals and using the known speed of the wave propagation.

Types of Faults Detected:

- Short-circuits: Most commonly caused by line-to-line or line-to-ground faults.
- Line breaks: When a conductor snaps or is damaged.

This system enhances the reliability and efficiency of power transmission by ensuring quick detection and reducing fault restoration time.

Proposed TWFL system architecture is as outlined below:



F. Other Assets

JPTL submits that apart from Capitalisation as proposed above, marginal routine capitalisation has been planned to be incurred as outlined in the following table under Non-DPR scheme.

Table 64: Proposed Marginal capitalisation for 5th Control Period (Rs. Crore)

Particular	Asset Block	UOM	Quantity	Amount	Implementation Year
Emergency Portable Light	Office Equipment	Set	1	0.04	2025-26
Tower Footing Resistance Meter - Annexure 20	Plant & Machinery	Nos	1	0.11	2025-26
Binoculars	Plant & Machinery	Nos	3	0.01	2025-26
Laptop	Computers	Nos	3	0.03	2025-26
Solar Roof shade for office building - Annexure 16	Buildings	Nos	1	0.17	2025-26
Face recognition attendance machines	Office Equipment	Nos	2	0.01	2025-26
				0.37	

5.5.9 Also, JPTL submits that this CAPEX and Capitalisation as proposed for 5th control period in the Tariff Petition is below the limit specified in MYT Regulations, 2024 and is required to be considered under Non-DPR scheme. Regulation 2 (72) of MYT Regulations, 2024 states as under:

(72) "Non-DPR Scheme" means a capital expenditure Scheme with projected capital cost within the limits specified in these Regulations, for which the Generating Company or Licensee or MSLDC or STU is not required to obtain prior in-principle approval of the Commission;

5.5.10 Accordingly, the expected CAPEX and capitalisation to be incurred for 5th Control Period is highlighted in the table below and JPTL requests the Hon'ble Commission to approve the estimated capital expenditure / addition to the GFA as outlined below and as specified in Form 3 of the Tariff formats enclosed as per Annexure 1:

Table 65: CAPEX / Capitalisation for 5th MYT Control Period (Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
CAPEX	10.19	0.40	3.18	1.13	-
Capitalisation	10.19	0.40	3.18	1.13	-

5.6 Depreciation

5.6.1 Regulation 28 of the MERC (MYT) Regulation, 2024 provides for computation of depreciation to be estimated by the Petitioner based on capital cost of assets approved by the Hon'ble Commission and rates of depreciation applicable as per Annexure I specified in the Regulation 28.1 (b) of MERC (MYT) Regulation, 2024. Also, the proviso of the clause specifies that if the asset is depreciated to the

extent of 70%, then remaining depreciable value as on 31st March of the year to be spread over the balance Useful Life of the asset.

- 5.6.2 Regulation 28.4 of the MERC (MYT) Regulation, 2024 also provides for depreciation to be calculated based on average of opening and closing value of assets for assets having achieved commercial operation for only part of the financial year.
- 5.6.3 Accordingly, JPTL has considered the closing balance of FY 2024-25 as the opening balance for the first year of the 5th MYT control period i.e. FY 2025-26.
- 5.6.4 As per the Capital expenditure or Capitalization proposed for the 5th MYT Control Period i.e. from FY 2025-26 to FY 2029-30, as specified in Para 5.5 of this Petition, the Depreciation is therefore computed as per applicable Depreciation Rates in accordance with the Regulation 28.1(b) of the MYT Regulations 2024 for existing assets and as per Regulation 28.1(c) of the MYT Regulations 2024 for new assets.
- 5.6.5 Also, the accumulated Depreciation for certain assets exceeding 70% of GFA and therefore in line with proviso of Regulations 28.1.(b) of MYT Regulations 2024, the Depreciation is calculated by spreading the remaining depreciable value over the balance Useful Life of the asset. The Useful life of the asset considered for the purpose of computation of depreciation is as outlined below:

Table 66: Useful life of the Assets

Block of Assets	Useful life
Plant & Machinery	35 years
Office Equipment	20 years
Computers	15 years
Furniture and Fixtures	20 years
Buildings	35 years

- 5.6.6 Based on the above submission, the Depreciation projected for the 5th MYT Control Period FY 2025-26 to FY 2029-30 is provided in the table below for the consideration of this Hon'ble Commission:

Table 67: Depreciation Expenses for 5th Control Period (Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening GFA	557.79	567.98	568.38	571.56	572.69
Addition of GFA	10.19	0.40	3.18	1.13	-
Closing GFA	567.98	568.38	571.56	572.69	572.69
Depreciation	7.93	8.16	8.21	8.31	8.33
Average Depreciation rate	1.41%	1.44%	1.44%	1.45%	1.46%

- 5.6.7 Accordingly, JPTL therefore humbly requests this Hon'ble Commission to approve the Depreciation for the 5th MYT Control Period i.e. from FY 2025-26 to FY 2029-30 and as specified under Form 4 of the MYT Tariff formats, which is enclosed herewith as **Annexure 1**.



5.7 Interest on Loan Capital

5.7.1 The Regulation 27.1 of MYT Regulations, 2024 specifies the following norms for debt equity ratio for capital expenditure.

"27. Debt-equity ratio—

27.1 For a capital investment Scheme declared under commercial operation on or after April 1, 2025, debt-equity ratio as on the date of commercial operation shall be 70:30 of the amount of capital cost approved by the Commission under Regulation 24, after prudence check for determination of Tariff:

.....

Provided also that if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan for the Generating Company or Licensee or MSLDC or STU or ESSD for determination of Tariff."

5.7.2 JPTL has considered debt: equity ratio of 70: 30 for proposed additional capitalisation estimated for 5th Control Period i.e. FY 2025-26 to FY 2029-30, in line with norms specified in the Regulation 27.1 of MYT Regulations, 2024.

5.7.3 The repayment is considered equal to the depreciation for the year as specified in Regulation 30.3 MYT Regulations, 2024. The relevant para is reproduced below:

"30.3 The loan repayment during each year of the Control Period from FY 2025-26 to FY 2029-30 shall be deemed to be equal to the depreciation allowed for that year."

5.7.4 Also, Regulation 30.5 of MYT Regulations, 2024 states as follows:

"30.5 The rate of interest shall be the weighted average rate of interest computed on the basis of the actual loan portfolio at the beginning of each year"

5.7.5 JPTL submits that the opening balance of FY 2025-26 is considered equivalent to the closing balance of FY 2024-25 as submitted in Table 51 of this Petition.

5.7.6 With regards to Finance Charges, as per Regulation 30.8 of MYT Regulations, 2024, the finance charges is required to be allowed by the Hon'ble Commission at the time of True-up and hence has not been claimed in the Petition.

5.7.7 Also, with respect to interest rate of loan, JPTL has squared off the loan liability through early repayment in FY 2021-22 and hence no actual loan exist in 5th Control Period. Therefore, in line with proviso of Regulation 30.5 of MYT Regulations, 2024, the weighted average interest rate on loan for FY 2021-22 is considered for the calculation of interest on normative loan. The relevant second proviso is outlined as below:



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

5.7.8 Accordingly, JPTL hereby submits the calculation of interest on loan for 5th Control Period i.e. FY 2025-26 to FY 2029-30 as outlined below:

Table 68: Interest on Loan and Finance Charges for 5th Control Period (Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening balance of Debt	23.97	23.18	15.30	9.31	8.65
Addition	7.13	0.28	2.23	0.79	0.00
Repayment	7.93	8.16	8.21	1.46	0.63
Closing Debt	23.17	15.30	9.32	8.65	8.02
Interest Rate (%)	8.23%	8.23%	8.23%	8.23%	8.23%
Interest on the Loan	1.94	1.58	1.01	0.74	0.69

5.7.9 JPTL submits that the loan of the existing assets gets squared off, however the depreciation is still being calculated, resulting in the offset of the depreciation of old assets with loan repayment of new assets. This being the case, the whole loan amount gets squared off against the total depreciation amount and JPTL would be entitled for only 30% equity and no debt would be allowed for such new assets which may be financially not viable and any additional CAPEX will be difficult to be undertaken. Accordingly, JPTL request the Hon’ble Commission under Regulation 149 of MYT Regulations 2024 to relax the norm for calculation of interest on loan and segregate the calculation of interest on loan for Existing and New Assets separately from FY 2025-26 onwards, so as to consider the funding of new assets in the Tariff Petition. JPTL humbly request the Hon’ble Commission to accept the same methodology as the funding of new assets is undertaken through proper debt:equity funding. If the depreciation of old assets is adjusted with new loan addition, then the funding through debt becomes ZERO which is practically not possible. The detail calculation of the same is enclosed in the Tariff Formats enclosed as Annexure 1 of this Petition.

5.7.10 JPTL requests the Hon’ble Commission to approve the Interest on loan as submitted above for determination of ARR for 5th Control Period i.e. FY 2025-26 to FY 2029-30 and as specified in Form 5 of the Tariff formats enclosed as per Annexure 1.

5.8 Interest on Working Capital

5.8.1 Regulation 32.2 of the MYT Regulations, 2024 specifies the methodology for assessment of Working Capital requirements by a Transmission Licensee:



“32.2 Transmission

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

- i. Normative Operation and maintenance expenses for one month;*
- ii. Maintenance spares at one per cent of the opening Gross Fixed Assets for the Year; and*
- iii. One and a half months equivalent of the expected revenue from transmission charges at the Tariff approved in the Order for ensuing year/s;
minus*
- iv. Amount held as security deposits in cash, if any, from Transmission System Users: ”*

5.8.2 Interest on working capital is calculated in accordance to Regulation 32.2 (b) of MYT Regulations, 2024, relevant para reproduced below:

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

5.8.3 Based on the above specified Regulations, the definition of the Base Rate as per MYT Regulations, 2024 is as follows:

2.1 (12) “Base Rate” shall mean the one-year Marginal Cost of Funds-based Lending Rate (‘MCLR’) as declared by the State Bank of India from time to time;”

5.8.4 Based on the above referred regulation, the Rate of interest on working capital considered is Base Rate i.e. one-year MCLR based Lending Rate (‘MCLR’) as declared by the State Bank of India as on 1st November 2024 is 8.95% plus 150 basis points.

5.8.5 JPTL has therefore calculated Interest on Working Capital (IoWC) for the 5th MYT Control Period i.e. from FY 2025-26 to FY 2029-30 as per the norms, as shown in the table below:

Table 69: Interest on Working Capital for 5TH Control Period (Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M for one month	0.49	0.49	0.51	0.53	0.56
Maintenance Spares @1% of Op. GFA	5.58	5.68	5.68	5.72	5.73
Expected revenue - 1.5 months	5.99	5.45	5.43	5.44	5.47
Total Working Capital Requirement	12.05	11.62	11.62	11.69	11.75
Interest Rate (%) – MCLR Plus 150 bps	10.45%	10.45%	10.45%	10.45%	10.45%



Interest on Working Capital	1.26	1.21	1.21	1.22	1.23
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5.8.6 JPTL requests the Hon'ble Commission to approve the Interest on Working Capital as submitted above for determination of ARR for 5th Control Period i.e. FY 2025-26 to FY 2029-30 and as specified in Form 6 of the Tariff formats enclosed as per Annexure 1.

5.9 Grossed up Return on Equity

5.9.1 The Hon'ble Commission has notified MYT Regulation 2024 dated 19th August 2024 for MYT Control Period FY 2025-26 to FY 2029-30. Accordingly, Regulation 29 of the said Regulations will be applicable for determination of Return on Equity.

5.9.2 As per the Regulation 29.1 of the MERC MYT Regulations, 2024, the RoE for Transmission Licensee shall be @15.50% for the assets put to use. However, the RoE will be allowed in 2 parts, i.e. Base RoE (14% as per the Regulation 29.2 of the MERC MYT Regulation 2024) and Additional RoE (1.5%) linked to actual performance whereby Additional RoE will be allowed entirely or reduced at time of truing up based on the supporting documentary evidence submitted by the Transmission Licensee relating to the Transmission Availability. The Relevant provision of the Regulations is outlined below:

"29 Return on Equity

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

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

Provided further that Performance Linked Return on Equity considered at the time of MYT Proceedings is on provisional basis and may undergo change at the time of True-up based on level of performance on various parameters stipulated in these Regulations:

Provided that return on equity in respect of additional capitalization beyond the original scope, including additional capitalization on account of the emission control system, Change in Law, and Force Majeure shall be computed at the base rate of one-year marginal cost of lending rate (MCLR) of the State Bank of India plus 350 basis points as on 1st April of the year, subject to a ceiling of 14%:

Provided also that in case the Generation Company or Licensee or MSLDC or STU or ESSD claims Return on Equity at a rate lower than the normative rate specified above for any particular year, then such claim for lower Return on Equity shall be unconditional:



Provided also that such claim for lower Return on Equity shall be allowed subject to the condition that the reduction in Return on Equity shall be foregone permanently for that year and shall not be allowed to be recouped at the time of Mid-Term Review or true-up as may be applicable.

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

5.9.3 Accordingly, JPTL has considered addition to equity capital at 30% for additional estimated capital expenditure capitalised and specified in para 5.5 of this Petition for 5th Control Period i.e. FY 2025-26 to FY 2029-30 as per Regulation 29.1 and 29.2(i) of MYT Regulations, 2024.

5.9.4 Also, the Regulation 34 of the MERC MYT Regulations, 2024 states that the Income Tax for Transmission Licensee is required to be considered while computing the RoE and Regulation 34.2 allows the grossing up of RoE with the effective tax rate of the respective financial year or on the basis of actual tax paid for the previous year. The relevant provisions are reproduced as below:

“34.2 The rate of Return on Equity, including the rate of Performance Linked Return on Equity as allowed by the Commission under Regulation 29 of these Regulations shall be grossed up with actual tax paid, for the previous year:

Provided that in case the Generating Company or ESSD or Licensee or MSLDC or STU for the regulated business has not paid any Income Tax for respective year, the Tax Rate shall be considered as zero at the time of Truing-up, subject to prudence check.

34.3 The Rate of Return on Equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

Rate of pre-tax return on equity = Rate of Return on Equity / (1-t),

Where “t” is the actual tax rate including surcharge and cess.

34.4 Variation between the Income Tax estimated by the Commission for future year during MYT Order and Mid-Term Review Order (in case of Distribution Licensees) and the Income Tax approved by the Commission for the respective Year after truing up for respective year, shall be allowed for recovery as part of the Aggregate Revenue Requirement at the time of Mid-Term Review Order (in case of Distribution Licensees) or Truing-up, subject to prudence check.”



- 5.9.5 Accordingly, since the calculated RoE is for the 5th MYT Control Period from FY 2025-26 to FY 2029-30 is an estimate for future years, the actual effective tax rate of FY 2023-24 has been considered for grossing up of RoE. The actual effective tax rate based on the Income Tax calculated is outlined as below:

Table 70: Effective Rate of Pre-Tax Return on Equity

Sr. No.	Particulars	FY 2023-24
1	Total Gross Income of Regulated Entity (Rs. Crore)	39.07
2	Actual Income Tax paid by the Entity #	6.83
3	Effective Tax Rate of the Company (%)	17.47%
4	Return on Equity (%) allowed for 5 th MYT Control Period	15.50%
5	Rate of Pre-Tax Return on Equity (%)	18.78%

- 5.9.6 Based on the above calculation, the Pre-tax Return on equity considered as 18.78%, and accordingly JPTL has calculated the RoE for the 5th MYT Control Period from FY 2025-26 to FY 2029-30 as outlined below:

Table 71: Return on Equity for FY 2023-24 and FY 2024-25 (Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Opening Equity	139.96	143.02	143.14	144.09	144.43
Additions to equity towards capital investments	3.06	0.12	0.95	0.34	0.00
Closing balance of Equity	143.02	143.14	144.09	144.43	144.43
Pre-tax Return on Equity after considering effective Tax rate	18.78%	18.78%	18.78%	18.78%	18.78%
Pre-Tax ROE on the average balance	26.57	26.87	26.97	27.09	27.13

- 5.9.7 JPTL requests the Hon'ble Commission to approve the Return on Equity as submitted above for determination of ARR for 5th Control Period i.e. FY 2025-26 to FY 2029-30 and as specified in Form 7 of the Tariff formats enclosed as per Annexure 1.

5.10 Contribution to Contingency Reserve

- 5.10.1 Contribution to Contingency Reserve is based on MYT Regulations, 2024. The relevant para is reproduced below:

"35. Contribution to Contingency Reserves -

35.1 Where the Licensee has made a contribution to the Contingency Reserve, a sum not less than 0.25 per cent of the original cost of fixed assets shall be allowed annually towards such contribution in the calculation of Aggregate Revenue Requirement:



Provided that where the amount of such Contingency Reserves exceeds five (5) per cent of the original cost of fixed assets, no further contribution shall be allowed:

Provided further that such contribution shall be invested in securities authorised under the Indian Trusts Act, 1882 such as Treasury Bills, Sovereign Bonds, Zero Coupon Bonds or similar kind of financial instruments, within a period of six months of the close of the Year:

.....”

5.10.2 Based on above provisions, JPTL has submitted the expected contingency reserves of 0.25% of the Opening GFA after considering the capitalisation expected in 5th Control Period i.e. FY 2025-26 to FY 2029-30.

Table 72: Contribution to Contingency Reserve for 5th MYT Control Period (Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
GFA (Rs Cr)	557.79	567.98	568.38	571.56	572.69
Contingency Reserve	1.39	1.42	1.42	1.43	1.43

5.10.3 JPTL requests the Hon'ble Commission to approve the Contribution to Contingency reserve as submitted above, for determination of ARR and as specified in Form 10 of the Tariff formats enclosed as per Annexure 1.

5.11 Non-Tariff Income:

5.11.1 The Regulation 35.1 of the MERC MYT Regulations, 2024 provides that, the amount accumulated against the Contribution to Contingency Reserve is required to be invested in the securities authorized under Indian Trust Act, such as Treasury Bills, Sovereign Bonds, Zero Coupon Bonds or similar kind of financial instruments, within a period of six months of the close of the Year. Accordingly, any income from such investment shall be treated as Non-Tariff Income.

5.11.2 Also, as per Regulations 81.1 of the MERC MYT Regulations 2024, the NTI relating to the Transmission Business as approved by the Hon'ble Commission shall be deducted from ARR while determining the Annual Transmission Charges of the Transmission Licensee.

5.11.3 Accordingly, the Non-Tariff Income claimed in the Petition is related to income from contingency reserves investment, the detailed calculation of which is provided as below:



Table 73: Expected Income on Contingency Investment for 5th Control Period (Rs. Crores)

Financial Year	Int Rate	Cont. Reserve	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
FY 2010-11 to FY 2012-13	8.28%	3.22	0.27	0.27	0.27	0.27	0.27
FY 2013-14	8.33%	1.39	0.12	0.12	0.12	0.12	0.12
FY 2014-15	8.28%	1.39	0.12	0.12	0.12	0.12	0.12
FY 2015-16	9.23%	1.39	0.13	0.13	0.13	0.13	0.13
FY 2016-17	8.28%	1.38	0.11	0.11	0.11	0.11	0.11
FY 2017-18	8.32%	1.38	0.11	0.11	0.11	0.11	0.11
FY 2018-19	7.73%	1.38	0.11	0.11	0.11	0.11	0.11
FY 2019-20	6.57%	1.38	0.09	0.09	0.09	0.09	0.09
FY 2020-21	6.68%	1.38	0.09	0.09	0.09	0.09	0.09
Less: Reduction (Case No. 213 of 2022)	8.01%	(1.61)	(0.13)	(0.13)	(0.13)	(0.13)	(0.13)
FY 2021-22	7.26%	1.38	0.10	0.10	0.10	0.10	0.10
FY 2022-23	7.28%	1.38	0.10	0.10	0.10	0.10	0.10
FY 2023-24	6.96%	1.39	0.10	0.10	0.10	0.10	0.10
FY 2024-25	6.78%	1.39	0.05	0.09	0.09	0.09	0.09
FY 2025-26	6.78%	1.39		0.05	0.09	0.09	0.09
FY 2026-27	6.78%	1.39			0.05	0.09	0.09
FY 2027-28	6.78%	1.39				0.05	0.09
FY 2028-29	6.78%	1.39					0.05
FY 2029-30	6.78%	1.39					
Total		25.17	1.36	1.45	1.55	1.64	1.74

* - GILT 10 Year rate considered as on 27 September 2023

5.11.4 Accordingly, JPTL is only claiming the expected interest on contingency reserve investment and request the Hon'ble Commission to approve the same as Non-Tariff income.

Table 74: Non- Tariff Income for 5th Control Period (Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Non- Tariff Income	1.36	1.45	1.55	1.64	1.74

5.12 Additional Submission

5.12.A Past Gaps / (Surplus)

5.12.1 Based on the submission made in Para 3.15 and 4.14 of this Petition, JPTL hereby claims the Revenue Gap / (Surplus) determined under truing up of FY 2022-23 and FY 2023-24 and Provisional True-up of FY 2024-25 and request the Hon'ble Commission to allow the adjustment of the same while determining the ARR for FY 2025-26.

5.12.2 JPTL submits that the surplus of Rs. 0.57 Crs as approved by the Hon'ble Commission in Case No. 213 of 2022 for FY 2022-23 was based on provisional



truing up and the same has been revised to gap of Rs. 1.51 Crs against final True-up of FY 2022-23.

- 5.12.3 JPTL would like to submit that being aggrieved with the methodology adopted for the treatment of final True-up gap of FY 2017-18 and the impact of its carrying cost for determining the ARR of FY 2018-19 and FY 2020-21, it has appealed to the Hon'ble ATE vide APPEAL NO. 108 OF 2022. Accordingly, the Hon'ble ATE has issued order dated 31st October 2022, the summary of the same has been provided in the para 3.13 of this petition.
- 5.12.4 Based on the final order of the said appeal, JPTL has computed the past gap to be claimed in FY 2025-26 considering the total Gap of FY 2022-23.
- 5.12.5 The details of the Past Gaps/(Surplus) to be claimed in FY 2025-26 is outlined as below:

Table 75: Past Gaps / (Surplus) claimed in FY 2025-26 (Rs. Crores)

Sr. No.	Details of Gaps / (Surplus)	Amount
a.	Add: Gap/ (Surplus) for True-up for FY 2022-23	1.51
b.	Add: Gap/ (Surplus) for True-up for FY 2023-24	1.40
c.	Add: Gap/ (Surplus) for Provisional True-up for FY 2024-25	0.63
e.	Total Revenue Gap / (Surplus) claimed in FY 2025-26	3.54

5.12.B Carrying Cost on the past gaps

- 5.12.6 In the said Petition, JPTL has claimed the past gaps for FY 2022-23 to FY 2025-26 as specified in para 5.12.A of this Petition. For carrying/ (holding) cost computation, JPTL has considered the Trued-up ARR of FY 2022-23 to FY 2023-24.
- 5.12.7 JPTL submits that in the MYT Order dated 31 March 2023, the Hon'ble Commission had undertaken the provisional True-up for FY 2022-23 and had allowed the Revenue Surplus of Rs. 0.57 Crore. In the current petition, JPTL has recomputed the final true-up gap of Rs. 1.51 Crore. However, as the amount was only provisional, no Carrying Cost was considered at that time. The recovery of this provisional Revenue Gap/ (Surplus) alongwith the other gaps was allowed in FY 2023-24 and FY 2024-25. Since, this petition has been filed for final true-up of FY 2022-23, the Revenue gap of Rs. 1.51 Crore has been claimed by JPTL and the recovery is claimed in FY 2025-26.
- 5.12.8 Accordingly, the carrying cost is computed on the Revenue Gap / (Surplus) for FY 2022-23 to FY 2023-24 after Truing-up. The rate of interest considered for computing the carrying cost is the same as the rate considered for computing IoWC for the respective years. The following Table provides the re-computation of Carrying Cost for FY 2022-23 to FY 2023-24 and claiming the same in FY 2025-



26:

Table 76: Computation of Carrying cost for Past Revenue Gap / (surplus) (Rs. Crores)

Particulars	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26
Opening Balance	-	1.51	2.91	2.91
Addition during the year	69.60	69.08		
Recovery during the year	68.08	67.67		2.91
Closing Balance	1.51	2.91	2.91	-
Average Balance	0.76	2.21	2.91	1.45
Wtg. Average rate of Interest	9.30%	10.07%	10.45%	10.45%
Carrying / (Holding) Cost	0.07	0.22	0.31	0.15
Effective carrying/ (holding) cost for Period from FY 2022-23 to FY 2024-25	0.75			

5.12.9 The carrying/ (holding) cost is computed considering simple interest on the gap/ (surplus) using the weighted average Base Rate prevailing during the respective years of the Gap / (Surplus) as per the provisions specified in the MYT Regulations.

“The Commission shall allow Carrying Cost or Holding Cost, as the case may be, on the admissible amounts, with simple interest, at the weighted average Base Rate prevailing during the concerned Year, plus 150 basis points:”

5.12.10 The calculation of carrying cost has been undertaken in line with the APTEL Order vide Appeal No. 160 of 2012 and Appeal Nos. 211, 215, 3, 4, 57, 274, 164, 166, 121 of 2013 dated 8th April 2015 which states as follows:

“40.....

41.....

42.....

The interest should be calculated for the period from the middle of the financial year in which the revenue gap had occurred upto the middle of the financial year in which the recovery has been proposed. Thus, for the revenue gap of FY 2010-11, the Commission has to consider interest from middle of FY 2010-11 to middle of FY 2013-14 in which the recovery is proposed. This is because the expenditure is incurred throughout the year and its recovery is also spread out throughout the year. Admittedly, the revenue gap will be determined at the end of the financial year in which the expenditure is incurred. However, the under or over recovery is the resultant of the cost and revenue spread out throughout the year. Similarly, the revenue gap of the past year will be recovered throughout the year in which its recovery is allowed. Therefore, the interest on revenue gap as a result of true up for a financial year should be calculated from the mid of that year till the middle of the year in which such revenue gap is allowed to be recovered.”

5.12.11 Accordingly, JPTL request the Hon’ble Commission to approve the carrying cost as per the gap claimed in the Petition.



5.12.C Cases Pending before the higher courts

A. Appeal with the Hon'ble Supreme Court of India regarding Delayed Payment Charges:

- 5.12.12 The Hon'ble Commission approved the Business Plan of JPTL based on projections for FY 2012-13 to FY 2015-16 vide Order dated 20-12-2012; and the Aggregate Revenue Requirement (ARR) for FY 2012-13 to FY 2015-16 vide Order dated 16th August 2013.
- 5.12.13 In accordance with the Tariff Regulations, the Order dated 16th August 2013, directed JPTL to submit a Petition for Mid-Term Review of performance, JPTL filed the MTR Petition on 28th November 2014 (Case No. 208 of 2014). The Mid-Term review Petition comprised of true up of ARR for FY 2012-13 to FY 2013-14 based on actuals and approval of revised ARR for FY 2014-15 and FY 2015-16.
- 5.12.14 The Hon'ble Commission vide Order dated 26th June 2015 considered Delayed Payment Charges (DPC) or the interest receivable by JPTL from the transmission system users on delayed payment of transmission tariff, amounting to Rs. 16.73 Crs as Non-Tariff Income (NTI) of JPTL and consequently reduced the said amount from the ARR for FY 2015-16.
- 5.12.15 JPTL filed an appeal bearing no. 250 of 2015, before the Hon'ble Appellate Tribunal for Electricity ("APTEL") on this issue amongst other issues. While the aforesaid Appeal was pending for adjudication, the Hon'ble Commission, in Case No. 12 of 2016, undertook the exercise of Truing up of ARR for FY 2014-15, provisional Truing up for FY 2015-16 and approval of ARR for the period of FY 2016-17 to FY 2019-20. During the said exercise the Hon'ble Commission despite noting that the DPC of Rs. 16.73 Crs, which had been reduced from the ARR of FY 2015-16 vide Order dated 26th June 2015 has not been realized in the FY 2015-16, still reduced the unrealized amount of DPC along with interest (now amounting to Rs. 20.22 Crs because of accrual of interest, at that stage) as Non-Tariff Income of the Appellant and revised the ARR for FY 2015-16 accordingly.
- 5.12.16 The Hon'ble Commission included DPC as part of Non-Tariff Income of JPTL and passed an Order dated 27th June 2016 in Case No 12 of 2016. JPTL filed an appeal bearing no. 242 of 2016 before the Hon'ble APTEL on the said issue.
- 5.12.17 The Hon'ble APTEL heard both Appeal No. 250 of 2015 and 242 of 2016 together and by two different Orders of even date (i.e. 11th May 2017) dismissed both the Appeals, without considering the contentions raised by JPTL
- 5.12.18 JPTL filed a second appeal on 11th May 2017, against the Order passed by the Hon'ble APTEL in Appeal 242 of 2016, before the Supreme Court. The second appeal is filed against the Order dated 11th May 2017, passed by the Hon'ble



APTEL in Appeal No. 242 of 2016 (Impugned Order).

- 5.12.19 JPTL has filed a review against the Impugned Order, primarily on the ground that the Hon'ble APTEL while passing an Impugned Order has not taken into consideration the contentions and arguments raised by JPTL in support of its case and is pending adjudication before the Hon'ble APTEL. Although the review bearing DFR No. 1991 of 2017 is pending adjudication by the Hon'ble APTEL, the Appeal in the Supreme Court was filed in order to avoid the bar of limitation without awaiting the disposal of the review application by the Hon'ble APTEL.
- 5.12.20 On 07.09.2017, JPTL filed an appeal (C. A. No. 2805 of 2018) before Supreme Court against the order passed by APTEL on 11.05.2017. Notice has been issued and appeal tagged with other similar appeals filed by Tata Power. We have filed an interim application (IA) before Supreme Court to hear this matter on account of subsequent development i.e. APTEL in another order dated 29.05.2019 held that delayed payment surcharge is not a non-tariff income. Matter was admitted on 21.03.2023 by the Supreme Court and it will be listed for hearing in due course.
- 5.12.21 Also, the Hon'ble Commission in Case No. 294 of 2019 dated 30 March 2020 has specified that issue related to DPC of JPTL is pending with the Hon'ble Supreme Court and there is no stay to the impugned Order, therefore, the appropriate effect as per directions of the Hon'ble Supreme Court shall be undertaken post issue of the related Order:

"2.15.10 It is noted that the APTEL in Appeal No. 250 of 2016 & IA NO. 899 of 2017 dated 29 May 2019, has provided a judgment that DPC shall not be considered as Non-Tariff Income for Adani Transmission (India) Limited. JPTL has relied on this judgment which is issued in the matter of Adani Transmission (India) Limited. Besides, the same issue, specific to JPTL, related to treatment of DPC is pending before the Supreme Court (Civil Appeal No. 2846/2017) and there is no stay to the Commission's Order. Hence, in line with the stand taken in the recent Orders including the MTR Order dated 12 September 2018, the Commission is of the view that the issue of DPC need not be relooked relying on the APTEL judgment dated 29 May, 2019 in ATIL matter at this stage, particularly since this issue specific to JPTL is pending before the Supreme Court. However, if and when the matter is decided, the appropriate effect as per directions of Supreme Court shall be undertaken. Accordingly, for the present MYT Order, the Commission has considered this amount as Non-Tariff Income in line with its earlier Order.

2.15.11 The Commission continues to consider DPC as a Non- Tariff Income for the period under MYT Regulations, 2011 and any Order by the Hon'ble Supreme Court in the matter of the DPC will be implemented appropriately by the Commission as and when it is issued."



5.12.22 Since the above matter regarding Delayed Payment Charges & the interest accrued on it is sub-judice in the Supreme Court, JPTL has not claimed any impact of past DPC disallowed by the Hon'ble Commission in this Petition and is awaiting the final disposal of the appeal by Supreme Court.

B. Appeal with the Hon'ble ATE regarding MTR Order in Case no. 213 of 2022:

5.12.23 The Company has filed an Appeal No. 123 of 2024 before APTEL against the disallowances of claims/expenses in the MTR Order dated 31.03.2023 passed by Hon'ble Commission (MERC) and dismissal of the review petition of the Company vide MERC's Order dt. 30.11.2023, on the following issues:

- a. Wrong interest reset date considered for Canara Bank loan;
- b. Disallowed capex towards office cum guest house works;
- c. Interest on Term loan & Return on Equity (RoE) on Capitalization of Rs. 1.61 Crore towards fallen towards disallowed;
- d. Proposal for insurance cover on entire transmission assets declined by MERC.

5.12.24 Hon'ble Tribunal vide its order dated 07.03.2024 condoned the delay in filing the appeal and recorded that despite service of notice, Respondent has not entered appearance. Therefore, registry has been directed to include the Appeal in the 'List of Finals' to be taken up from there, in its turn.

5.13 Annual Aggregate Revenue Requirement for 5th MYT Control Period:

5.13.1 Based on the parameters as explained and submitted in the chapter 5 of the Petition, the Annual Revenue Requirement for JPTL for 5th MYT Control Period i.e. FY 2025-26 to FY 2029-30 is summarized in the table below and request the Hon'ble Commission to approve the same for recovery of transmission charges:

Table 77: Aggregate Revenue Requirement for 5th MYT Control Period (Rs. Crores)

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
O&M Expenses	5.62	5.85	6.13	6.39	6.68
Additional OPEX Expenses	0.25	0.00	0.00	0.00	0.00
Depreciation	7.92	8.15	8.22	8.31	8.33
Interest on Long-term Loan Capital	1.94	1.58	1.01	0.74	0.69
Interest on Working Capital	1.26	1.21	1.21	1.22	1.23
Contribution to contingency reserves	1.39	1.42	1.42	1.43	1.43



**Revised True-up Petition for FY 2022-23 to FY 2023-24, Provisional True-up of ARR for FY 2024-25
and MYT for FY 2025-26 to FY 2029-30 - JPTL**

Particulars	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30
Total Revenue Expenditure	18.38	18.22	18.00	18.09	18.36
Return on Equity	26.57	26.87	26.97	27.09	27.13
Gross Aggregate Revenue Requirement	44.95	45.09	44.97	45.18	45.49
Less: Non-Tariff Income	1.36	1.45	1.55	1.64	1.74
Net Aggregate Revenue Requirement	43.59	43.63	43.42	43.54	43.75
Add: Gap/ (Surplus) for FY 2022-23	1.51				
Add: Gap/ (Surplus) for FY 2023-24	1.40				
Add: Gap/ (Surplus) for FY 2024-25	0.63				
Carrying cost/ Holding Cost for FY 2022-23 to FY 2023-24	0.75				
Total Annual Revenue Requirement including past gaps	47.88	43.63	43.42	43.54	43.75



6 PRAYERS TO THE HON'BLE COMMISSION

6.1 Prayers

6.1.1 The Applicant respectfully hereby submits the Petition and prays that the Hon'ble Commission may:

- a) Admit this Petition for the Approval of True Up of FY 2022-23 & FY 2023-24, Provisional True-Up of FY 2024-25 in accordance with the MYT Regulations 2019 and its amendments thereof and Aggregate Revenue Requirement for the 5th MYT Control Period from FY 2025-26 to FY 2029-30 in accordance with the MYT Regulations 2024;
- b) Approve the True-up of ARR of JPTL including past gaps and Performance based RoE for higher Transmission availability for FY 2022-23 & FY 2023-24 in accordance with the MYT Regulations 2019 and its amendments thereof;
- c) Approve the Provisional True Up for FY 2024-25 as presented in this Petition in accordance with the MYT Regulations 2019 and its amendments thereof;
- d) To allow the overhauling cost and additional OPEX of the transmission system as proposed in the petition in addition to normative O&M Expenses;
- e) Approve the projected ARR for the 5th MYT Control Period FY 2025-26 to FY 2029-30 in accordance with the MYT Regulations 2024;
- f) To approve the CAPEX and Capitalisation as proposed in the Petition for FY 2023-24 to FY 2024-25 as per MYT Regulations 2019 and for 5th MYT Control Period i.e. FY 2025-26 to FY 2029-30 as per MYT Regulations 2024.
- g) To provide relaxation under Regulations 149 of MYT Regulations 2024, in computation of interest on normative loan separately for for existing and new assets so as to fund the new capitalisation.
- h) To allow the recovery of the past gaps in the transmission charges as submitted in the Petition;
- i) Condone any inadvertent omissions, errors, shortcomings, rounding off and permit JPTL to add/ change/ modify/ alter this filing and make further submissions as may be required at a future date; and
- j) Pass such other and further orders as deemed fit and proper in the facts and circumstances of the case.



List of Annexures

- Annexure 1: JPTL Petition Formats (Excel Format in Soft mode)
- Annexure 2: Audited Accounts for FY 2022-23 and FY 2023-24
- Annexure 3: Cost Audit Report for FY 2022-23 and FY 2023-24
- Annexure 4: O&M contract of MSETCL with JPTL
- Annexure 5: Details related to Overhauling Expenses
- Annexure 6: Bid evaluations reports, management approval, SLA agreement and LOI copy
- Annexure 7: Estimated cost of the IT Automation - Drone Survey
- Annexure 8: Supporting related to Mandatory Spares as per CEA Regulations
- Annexure 9: Contingency Reserve Investment for 2022-23 and FY 2023-24
- Annexure 10: Income Tax Challan paid for 2022-23 and FY 2023-24
- Annexure 11: System Availability for FY 2022-23 and FY 2023-24
- Annexure 12: Scrap Sales related to Insulator in FY 2022-23 and FY 2023-24
- Annexure 13: Quotation of the insurance Companies
- Annexure 14: Documents related to installed OPGW/FOTE DTPC
- Annexure 15: Supporting related to ERS
- Annexure 16: Supporting related to Solar Rooftop System
- Annexure 17: Supporting related to Controlling System devise
- Annexure 18: Supporting related to Transmission Line Surge Arrestor
- Annexure 19: Supporting related to Travelling Wave Fault Location System
- Annexure 20: Supporting related to TFR Meter
- Annexure 21: Replies to Data Gaps Set - 1

