

Before
UTTARAKHAND ELECTRICITY REGULATORY COMMISSION
Petition No. 41 of 2026

In the Matter of:

Investment Approval for “Construction of 02 Nos. 132 kV bays at 132 kV Substation, Satpuli.”

And

In the Matter of:

Power Transmission Corporation of Uttarakhand Limited (PTCUL)
Vidyut Bhawan, Near ISBT Crossing,
Saharanpur Road, Majra,
Dehradun

... Petitioner

Coram

Shri M.L. Prasad	Chairman
Shri Anurag Sharma	Member (Law)
Shri Prabhat Kishor Dimri	Member (Technical)

Date of Order: September 02, 2026

ORDER

This Order relates to the Petition filed by Power Transmission Corporation of Uttarakhand Ltd. (hereinafter referred to as “PTCUL” or “the Petitioner”) vide letter No. 1798/Dir.(Operations)/PTCUL/ dated 26.10.2024 seeking Construction of 02 Nos. 132 kV bays at 132 kV Substation, Satpuli under Para 11 of Transmission Licence. [Licence No. 1 of 2003].

1. Background

- 1.1. In the aforesaid Petition, the Petitioner has submitted the following proposal for investment approval:

Particulars	Total Project Cost as per DPR (excluding IDC (in Crore)	Total Project Cost as per DPR (including IDC (in Crore)
Construction of 02 Nos. 132 kV bays at 132 kV Substation, Satpuli.	7.45	7.71

- 1.2. The Petitioner has submitted a copy of the extract of Minutes of 94th meeting of the Board of Directors (BoD) of PTCUL held on 26.09.2024, wherein the Petitioner's Board has approved the Corporation's aforesaid proposals with a debt-equity ratio of 70:30. The relevant portion of the decision of the BoD is reproduced below:

“ ...

RESOLVED THAT the consent of the Board be and is hereby accorded to approve the revised Detailed Project Report for Construction of 02 Nos. 132 kV bays at 132 kV Substation, Satpuli at a total scheme cost of Rs 7.71 Cr with IDC and Rs. 7.45 Cr without IDC.

RESOLVED FURTHER THAT the DPR submitted and approved in the 92nd Bod meeting held on 27/08/2024 vide agenda item no. 92.50 on the same project shall be treated null and void shall be deemed to have been withdrawn by the management.

RESOLVED FURTHER THAT the aforesaid revised DPR be submitted to Hon'ble UERC for their information against the investment approval already obtained by Corporation.

RESOLVED FURTHER THAT Managing Director, Director (Operations) or any other functional Director jointly and severally are hereby authorized to sign, seal and certifies all the documents, petitions and all other legal papers that might be required for sending the proposal for investment approval for signing all clarifications and to do all others such legal acts may be necessary to be acted upon in furtherance of the investment approval.

RESOLVED FURTHER THAT the Managing Director and/or Director Finance and/or Company Secretary be and are hereby jointly and severally authorized to approach to REC/PFC/NABARD/HUDCO/Nationalized Banks and other financial

institution as they deem fit and proper and tie-up the loan component with a debt equity ratio of 70:30.

RESOLVED FURTHER THAT the Managing Director and/or Director (Finance) and/or Company Secretary be and are hereby jointly and severally authorized to accept the lowest interest rates offered by the institution along with other suitable terms and conditions and execute the loan documents along with other legal papers, under the common seal of the Company wherever required, creation of charge by following the prescribed procedure of law.

RESOLVED FURTHER THAT all legal deeds and documents as may be executed and such other legal acts as may be performed by the Managing Director, Director (Finance) and Company Secretary in connection with obtaining the aforesaid loan shall be deemed to have been approved by the board of Director for which the board hereby under take to ratify and confirm.

RESOLVED FURTHER THAT the action so taken shall be brought before the Board for their information."

1.3. The Petitioner has submitted the following scope of work

"...

The details of the work "Construction of 02 Nos. 132 KV bays at 132 KV Substation, Satpuli" is as under:

- (I) Supply, Erection, Testing & Commissioning of complete material for 02 nos. 132 KV Line Bays including Feeder Control & Relay Panel, 132 KV Isolators, ACSR Conductor, Disc Insulators, Suspension and Tension Fittings, Clamps & Connectors, MS Round, GI Flat etc. and other works as per BOQ.*
- (II) Supply and Erection of all Main & Auxiliary Structures and all foundation works including Nuts & Bolts for Extension of 132 kV Main & Transfer Bus as per site requirements"*

1.4. To justify the need of the proposed works the Petitioner has submitted that:

"...

132 KV D/C Srinagar - Satpuli and 132 KV D/C Satpuli - Kotdwar lines will be properly connected at 132 KV Substation, Satpuli. In this manner Uninterrupted, Reliable and quality power supply shall be ensured from 132 kV Substation, Satpuli.

Availability of shutdown for preventive maintenance of Transmission lines will be easier.

Therefore, for proper termination of both the 132 KV D/C Lines, it is required to connect both circuit of each line with 132 KV main bus of Satpuli Substation. It is also to bring into notice that for construction of 02 nos. additional 132 KV Line Bays, space is available at 132 KV Substation Satpuli.

Hence, the work "Construction of 02 Nos. 132 KV bays at 132 KV Substation, Satpuli" is recommended and proposed. The tentative expected expenditure on the proposed work is Rs. 7.71 Crore including taxes, contingency, and supervision and IDC charges."

- 1.5. The Petitioner in its Petition has mentioned that the estimated cost proposed in the DPR has been prepared by technical team on the basis of rates taken from revised SoR 2024-25 of PTCUL.
- 1.6. The Petitioner for the project has submitted an execution period of 21 months. Further, the Petitioner under the financial analysis has projected an IRR of 14.91% with breakeven in the 10th year of operations.
- 1.7. On examination of the proposal submitted by the Petitioner, certain queries were raised on the deficiencies/shortcomings observed in the Petition, which were communicated to the Petitioner vide the Commission's letter dated 17.06.2026. In response to the aforesaid queries, the Petitioner, through its letter dated 13.07.2026, submitted the reply to the Commission. The queries and respective replies are as follows:

Query 1	In the Petition, it is proposed that the source of financing will be 70 % through a loan from REC & 30 % through equity from GoU, in this regard, PTCUL is required to submit the supporting documents/ approval letters from REC & GoU with respect to the proposed financing.
Reply 1	<i>The DPR of the above project has been submitted to Financial Institutions for financing of 70 % of Loan and approval of the same is under process with Financial Institutions.</i> <i>Further, it is to inform that the 30% of entire Equity contribution from the Government of Uttarakhand (GoU) shall not be required at one time. It shall</i>

	<i>be required in phases as per the progress of the project, during the entire completion schedule of the project.</i> <i>The year-wise equity requirement against the above project will be demanded from Government of Uttarakhand (GoU) through State Budget by submitting Annual Plan, as it has been done for all earlier projects.</i> <i>May like to apprise here that the above project is already approved in the Master Plan of Projects approved by GoU vide GO No. 553/I(2)/2024/05-05/2024 dated 02.09.2024 copy enclosed.</i>															
Query 2	In the Petition, it is observed that the double-circuit transmission lines from 132 KV Srinagar and 132 KV Kotdwar were available at the time of commissioning of the Substation. In this regard, PTCUL is required to clarify why only Two-line bays were constructed at the time of commissioning instead of four bays. Further, justify the present requirement for construction of the additional Two bays with supporting data/ calculation.															
Reply 2	<i>It is submitted that at the time of commissioning of 132 kV Substation Satpuli on 16.01.2011, only 01 circuit of 132 kV Satpuli–Kotdwar D/C line was available for Power supply, whereas the 2nd circuit of this line and both the circuit of 132 KV Srinagar – Satpuli line were energized subsequently in a phased manner. Therefore, considering the network and system requirement at that time, only 02 Nos. 132 kV line bays were constructed.</i> <i>The energization details of the substation and associated transmission line circuits are as hereunder :</i> <table> <tr> <td>132 KV S/S Satpuli</td> <td>:</td> <td>16.01.2011</td> </tr> <tr> <td>132 KV Satpuli – Kotdwar Line Ckt-1</td> <td>:</td> <td>28.01.2010</td> </tr> <tr> <td>132 KV Satpuli – Kotdwar Line Ckt-2</td> <td>:</td> <td>26.12.2019</td> </tr> <tr> <td>132 KV Srinagar – Satpuli Line Ckt-1</td> <td>:</td> <td>25.02.2013</td> </tr> <tr> <td>132 KV Srinagar – Satpuli Line Ckt-2</td> <td>:</td> <td>28.09.2020</td> </tr> </table> <i>Therefore, construction of 04 line bays at that stage would have resulted in idle investment without any immediate operational benefit. Subsequently, after energization of the remaining 2nd circuit of 132 kV Satpuli–Kotdwar line and both the circuit of 132 kV Srinagar–Satpuli line became available. However, due to non-availability of corresponding line bays at 132 kV</i>	132 KV S/S Satpuli	:	16.01.2011	132 KV Satpuli – Kotdwar Line Ckt-1	:	28.01.2010	132 KV Satpuli – Kotdwar Line Ckt-2	:	26.12.2019	132 KV Srinagar – Satpuli Line Ckt-1	:	25.02.2013	132 KV Srinagar – Satpuli Line Ckt-2	:	28.09.2020
132 KV S/S Satpuli	:	16.01.2011														
132 KV Satpuli – Kotdwar Line Ckt-1	:	28.01.2010														
132 KV Satpuli – Kotdwar Line Ckt-2	:	26.12.2019														
132 KV Srinagar – Satpuli Line Ckt-1	:	25.02.2013														
132 KV Srinagar – Satpuli Line Ckt-2	:	28.09.2020														

	<i>Substation Satpuli, 1 no. circuit of each line could not be terminated on the 132 kV Main bus and are presently terminated at gantry and temporarily interconnected outside the switchyard for utilization of the 2nd circuits of both the line. This arrangement is operationally sub-optimal and does not provide the intended reliability benefits of the D/C transmission system.</i> <i>Single Line Diagram Depicting Transmission and Distribution Network of Satpuli and its adjoining areas is enclosed.</i> <i>Further, the requirement of the additional 02 bays is justified on the following technical grounds :</i> (i) Improvement in Reliability and Availability : <i>The proposed 132 kV bays will provide independent switching, protection and isolation facilities for all 04 circuits, thereby improving system reliability and operational flexibility.</i> (ii) Facilitation of Maintenance Shutdowns : <i>Separate bays shall permit shutdown of any one circuit for maintenance without affecting power supply to the 132 KV S/S Satpuli, Kotdwar and their associated 33 kV substations.</i> (iii) N-1 Contingency Arrangement : <i>Proper termination of all four line circuits at the 132 kV Main bus shall enable uninterrupted supply under outage of any one circuit or line bay.</i> (iv) Proper Utilization of Existing Transmission Network : <i>However, 2nd Circuit of both the D/C Transmission lines are already in used through temporary arrangement, but termination of 2nd circuits of both the line on 132 KV Main bus will ensure full utilization, increasing reliability and redundancy of transmission network.</i> (v) Load Growth in Satpuli Area: <i>The 132 kV Substation Satpuli presently caters to power supply of multiple downstream substations including Satpuli, Ghandiyal, Mastkhal, Simarkhal, Syunsi, Jaiharikhal and associated areas of District Pauri. Therefore, considering growing load demand and increasing dependence of the region on the Satpuli, enhancement of transmission reliability and redundancy is essential.</i>
Query 3	At page no. 04 of the Detailed Project Report (DPR), PTCUL has mentioned the following:

	“... It is to apprise here that 132 KV S/C Rishikesh Srinagar Transmission Line is important transmission line of Garhwal region which is connected with 220/132 KV Substation Rishikesh and 400/220/132 KV S/S Srinagar Garhwal. This line was commissioned in the year 1980 and now it's about 44 years old and having 400 Amp. current capacity only. As useful life span of line has already been passed, therefore strengthening of line by replacing by old conductor, Disc Insulators are essentially required.” In this regard, PTCUL is required to clarify the relevance of the above para w.r.t. the proposed project.
Reply 3	<i>It is respectfully submitted that the above-mentioned paragraph has no direct relevance to the present proposal "Construction of 02 Nos. 132 kV Bays at 132 kV Substation, Satpuli".</i> <i>The said paragraph was mistakenly incorporated in the DPR while compiling the document and pertains to another transmission strengthening proposal being processed separately by PTCUL. Accordingly, the aforesaid paragraph may be ignored for the purpose of appraisal of the present petition.</i>
Query 4	In the Petition, PTCUL has submitted the maximum loading details of transformers at the 132 KV Substation, Satpuli till September 2024. In this regard, PTCUL is required to furnish the month wise Maximum loading details of both the 20 MVA and 40 MVA transformers at the 132 KV Substation, Satpuli for the FY 2025-26.
Reply 4	<i>The month – wise maximum loading details of both the Transformer (40 MVA and 20 MVA) for FY 2024-25 and FY 2025-26 is included in Maximum Load Data Sheet which is enclosed.</i>
Query 5	In the Petition, PTCUL has submitted the maximum loading of feeders at 132 KV Substation, Satpuli. In this regard, PTCUL is requested to furnish the Projected load growth of corresponding distribution network to be served by the aforesaid substation for next 05 years as proposed by UPCL.
Reply 5	<i>In compliance with direction of Hon'ble UERC, regarding projected load growth of the downstream 33 KV network connected with 132/33 kV Substation Satpuli, Maximum Load Data Sheet which is enclosed and is considered and following loading patterns have been observed.</i>

	• Combined transformer maximum load increased from approximately 41.15 MVA in FY 2024-25 to 43.67 MVA in FY 2025-26, representing about 6.1% growth in T/F's loading. • The average loading of the 06 nos. 33 kV feeders increased by approximately 4.32%. • Therefore, adopting a 5% annual load-growth rate for evaluation load growth purposes is reasonable. • Accordingly, projected load growth of corresponding distribution network to be served by 132 KV Substation, Satpuli for the next five years is as under: i. FY 2026-27 : 45.85 MVA ii. FY 2027-28 : 48.14 MVA iii. FY 2028-29 : 50.55 MVA iv. FY 2029-30 : 53.08 MVA v. FY 2030-31 : 55.73 MVA
Query 6	PTCUL is required to submit the SLD indicating transmission and distribution network of Satpuli and its adjoining areas.
Reply 6	SLD indicating transmission and distribution network of 132 KV Substation and its adjoining areas is enclosed.
Query 7	PTCUL is required to submit the details of contingency conditions occurred during the outage of 132 KV Srinagar – Satpuli line and 132 KV Kotdwar – Satpuli line.
Reply 7	<i>In response to the Hon'ble UERC's query regarding contingency conditions during outage of 132 kV Srinagar–Satpuli line and 132 kV Kotdwar–Satpuli line, it is submitted that in the event of outage of both the above transmission lines simultaneously, 132 kV Substation Satpuli would become completely isolated from the 132 KV Power supply network, as no alternate 132 kV power supply source is presently available at 132 kV Substation, Satpuli. Consequently, supply to downstream 33 kV substations of UPCL fed from 132 kV Substation Satpuli might be interrupted until restoration of at least one of the two incoming transmission lines.</i>

1.8. On the reply submitted by the Petitioner, the Commission further raised the queries, which were communicated to the Petitioner vide the Commission's letter dated 27.07.2026. In response to the queries, the Petitioner, through its

letter dated 14.08.2026 submitted the reply. The queries and respective replies are as follows:

Query 1	PTCUL in the submitted maximum loading details of the 132 kV Satpuli-Kotdwar transmission line has indicated the line loading as 400 A in June 2024. However, it is observed that the maximum rated transformation capacity of Satpuli substation is 60 MVA (262.44 A). In this regard, PTCUL is required to submit reason for such high current incident in June, 2024 with supporting documents.
Reply 1	<i>It is submitted that the loading of the 132 kV Satpuli-Kotdwar line is not governed solely by the T/F capacity/load demand of 132/33 kV S/S, Satpuli. A substantial quantum of solar generation is also connected to the 33 kV network associated with 132/33 kV S/S, Satpuli, and the power generated from these solar plants is evacuated through the transmission network depending upon the prevailing generation and local demand.</i> <i>Accordingly, the current recorded on the 132 kV Satpuli-Kotdwar transmission line cannot be directly correlated only with the rated transformation capacity of 60 MVA or with the consumer demand of Satpuli Substation.</i> <i>It is further submitted that the penetration of solar generation in the Satpuli area is continuously increasing. Consequently, the Satpuli S/S is required to cater not only to the increasing consumer demand but also to the evacuation of solar generation from the downstream distribution network.</i>
Query 2	PTCUL, vide its letter dated 13.07.2026, submitted the projected load growth details, wherein the expected load for FY 2030-31 is 55.73 MVA, which corresponds to 243.76 A at the 132 kV voltage level. In view of the above, PTCUL is required to justify the necessity of the proposed work as the maximum current carrying capacity of the existing conductor is 400 A and the substation is N-1 compliant as having two sources i.e, 400 kV substation Srinagar and 132 kV substation Kotdwar.
Reply 2	<i>It is submitted that the proposed work is required not merely from the consideration of conductor ampacity, but primarily for improving system reliability, voltage profile and operational flexibility.</i>

	<i>At present, the 132 kV Srinagar–Kotdwar direct circuit is 99.2 km (52.4 + 46.8 Km.) long, which constitutes a comparatively long transmission line at 132 kV level. With the proposed bay arrangement at 132 kV S/S, Satpuli, the existing long transmission line will be sectionalized at Satpuli, effectively reducing the individual transmission sections to 52.4 Km. & 46.8 Km.</i> <i>The proposed arrangement will result in :-</i> <i>• Improved voltage profile and reduced voltage drop</i> <i>• Improved reliability and effective N-1 operation</i> <i>• Better fault isolation and reduced outage impact</i> <i>• Improved operational flexibility</i> <i>Therefore, although the projected load of 55.73 MVA (243.76 Amp.) is within the 400 Amp. conductor capacity, the proposed bays are technically justified for sectioning the long 132 kV Line Ckt, improvement of voltage profile, enhanced N-1 reliability and reduction in the extent of transmission line affected during fault/maintenance conditions.</i>
Query 3	PTCUL is required to submit the maximum loading details for last 03 Years of 132 kV Srinagar- Kotdwar Line (IInd circuit) (alternate evacuation connection).
Reply 3	<i>The maximum loading details of 132 kV Srinagar–Kotdwar Line (Direct Circuit) for the last three financial years are enclosed.</i>
Query 4	PTCUL is required to submit the load flow analysis of all feeders connected to the 132 kV Substation, Satpuli under both normal and contingency condition.
Reply 4	<i>The load flow analysis of all associated 132 kV feeders of 132 kV S/S, Satpuli has been carried out under normal as well as contingency conditions. The study results (enclosed) are as under :-</i> <i>• Normal Condition: Exhibit-I</i> <i>• Outage of one circuit of 132 kV Satpuli–Kotdwar Line: Exhibit-II</i> <i>• Outage of one circuit of 132 kV Satpuli–Srinagar Line: Exhibit-III</i> <i>It is observed from the load flow studies that loading of all associated 132 kV lines remains within permissible limits under normal as well as the considered contingency conditions.</i>

Query 5	In the Petition, PTCUL has submitted the Single Line Diagram (SLD) of the proposed work at the 132 kV Satpuli Substation. However, the proposed Kotdwar bay appears to be incomplete in the submitted SLD. In this regard, PTCUL is required to submit a revised Single Line Diagram clearly indicating the complete configuration of the proposed bay, along with the nomenclature of all substation equipments with their ratings.
Reply 5	<i>The revised Single Line Diagram clearly indicating the complete configuration of the proposed bay, along with the nomenclature of all substation equipments with their ratings is enclosed.</i>

2. Commission's Observations, Views and Directions:

2.1. Based on the submissions made in the Petition and subsequent submissions of the Petitioner, the Commission observes the following:

2.1.1 The 132 kV Substation, Satpuli was commissioned in 2011 and serves as an important substation for supplying power to the Satpuli area of District Pauri-Garhwal. The existing transformation capacity of the S/s is 60 MVA (1x20 MVA + 1x40 MVA). At present, 06 nos. of 33 kV substations, namely Mastkhal, Ghandiyal, Satpuli, Simarkhal, Syunsi, and Jaiharikhal are connected to the 132 kV S/s Satpuli. The maximum demand recorded at the substation during FY 2025-26 was 43.67 MVA.

2.1.2 The 132 kV S/s Satpuli is presently connected to the 132 kV S/s Srinagar and 132 kV S/s Kotdwar. At present, only one circuit of each of the respective transmission lines is connected to the Satpuli Substation, while the second circuits of both lines are terminated at the substation gantry under a temporary arrangement. Consequently, the existing configuration forms a direct 132 kV Srinagar-Kotdwar circuit of approximately 99.2 km.

Under the present proposal, the aforesaid second circuit i.e. direct connected 132 kV Srinagar-Kotdwar circuit is proposed to be connected at 132 kV S/s Satpuli by constructing the proposed 02 nos. of bays i.e. 01 no. bay at each end of 132 kV S/s, thereby dividing the existing transmission section into two sections of approximately 52.4 km (Srinagar-Satpuli) and 46.8 km (Satpuli-Kotdwar). The proposed sectionalization is expected to improve the voltage profile and reduce voltage drop by reducing the length of the individual

transmission sections. Further, the proposed arrangement would enhance operational flexibility by facilitating faster fault isolation and reducing the impact and duration of outages on the connected network.

- 2.1.3 The Petitioner has submitted that, in the absence of termination of the second circuit due to the non-availability of bays, in case of any eventuality of shutdown of either connected single circuit line due to maintenance would adversely affect the power supply to 132 kV Substation, Satpuli.

The maximum recorded loading on the existing transmission lines in FY 2025-26 is as follows:

Month	132 kV Satpuli - Kotdwar Line		132 kV Satpuli - Srinagar Line	
	Amp	% Loading	Amp	% Loading
Apr-25	222	56%	240	60%
May-25	252	63%	304	76%
Jun-25	243	61%	285	71%
Jul-25	214	54%	266	67%
Aug-25	288	72%	298	75%
Sep-25	195	49%	238	60%
Oct-25	165	41%	164	41%
Nov-25	161	40%	214	54%
Dec-25	228	57%	303	76%
Jan-26	228	57%	321	80%
Feb-26	221	55%	320	80%
Mar-26	207	52%	289	72%

From the above, it is observed that the existing single-circuit 132 kV Satpuli-Kotdwar and 132 kV Satpuli-Srinagar transmission lines have reached approximately 78% and 80% of their respective rated capacities, respectively. Further, the Petitioner has submitted that the penetration of solar generation in the area is continuously increasing, which may result in a further increase in the loading of the existing transmission lines due to increased power evacuation from the downstream network. Also in June 2024, the maximum loading on 132 kV Satpuli-Kotdwar transmission line reached 400 A primarily due to the evacuation of solar generation from the downstream distribution network in the Satpuli area. Accordingly, the existing single-circuit arrangement may have limited capacity to accommodate the anticipated increase in demand as well as power evacuation from the downstream network. Accordingly, termination of the second circuits at the 132 kV S/s Satpuli from both the Srinagar and Kotdwar sides is considered necessary to

strengthen the transmission network, enhance its reliability and operational flexibility, and facilitate the evacuation of increasing power generation from the downstream network.

2.1.4 Based on the submissions made by the Petitioner for the said work, the reasons and benefits stated by Petitioner are summarised as follows:

- i. The proposed 132 kV bays will provide independent switching, protection, and isolation facilities for all four circuits, thereby improving system reliability and operational flexibility.
- ii. Provision of separate bays will facilitate the shutdown of any one circuit for maintenance without affecting the power supply to the 132 kV Substations, Satpuli and Kotdwar, and their associated 33 kV substations.
- iii. Proper termination of all four-line circuits on the 132 kV main bus will facilitate continued power supply under the outage of any one circuit or associated line bay, thereby improving the N-1 contingency arrangement.
- iv. Second circuits of both the double-circuit transmission lines are presently being utilized through temporary arrangements. Termination of the second circuits of both lines on the 132 kV main bus will enable proper utilization of the existing transmission infrastructure and enhance the reliability and redundancy of the transmission network.
- v. Considering the increasing load demand and growing dependence of the region on the Satpuli Substation, enhancement of transmission system reliability and redundancy is considered necessary.

2.2. The Commission, after due examination of the submissions, technical details, and material placed on record by the Petitioner, observes that the second circuits of both the aforesaid transmission lines have been available since 2020; however, the same have not been commissioned due to non-availability of the requisite line bays at the substation. Consequently, the available transmission assets have remained underutilized.

In this regard, the Commission is of the view that the proposed work would facilitate commissioning of the available second circuits and thereby ensure optimum utilization of the existing transmission infrastructure. The proposed arrangement would also strengthen the transmission system under N-1 contingency conditions and provide greater operational

flexibility for carrying out maintenance of the existing transmission lines with minimal impact on the reliability and continuity of power supply.

Further, considering that the loading on the 132 kV Srinagar–Satpuli and 132 kV Kotdwar–Satpuli transmission lines has reached approximately 80% of their respective rated capacities, coupled with the continuous increase in solar generation in the downstream distribution network of the Satpuli area, the proposed work is expected to enhance the reliability, redundancy, and operational flexibility of the transmission system. The proposed work would, therefore, contribute towards ensuring reliable and continuous power supply to the downstream network and facilitate evacuation of the increasing generation from the area. Hence, the proposed work is justified.

- 2.3. With regard to the funding of the project, the Petitioner has submitted that its Board has approved the proposed funding plan comprising 70% through loan assistance from financial institutions and the remaining 30% as equity from the Government of Uttarakhand (GoU). The Petitioner has further submitted that the equity component forms part of the master plan of projects approved by the GoU vide letter dated 02.09.2024. It has stated that the entire 30% equity will be funded by the Government of Uttarakhand, which shall be required in phases as per the progress of the project during the entire completion schedule of the project. Accordingly, the year-wise equity requirement against the above project will be demanded from the Government of Uttarakhand (GoU) through the State budget by submitting the annual plan to the GoU, as has been done for all earlier projects.

However, with regard to the loan component, Petitioner has not furnished any supporting documents from the Financial Institution concerned and has stated that the approval of the loan is under process. Accordingly, **the Petitioner is directed to furnish the relevant sanction/approval documents to the Commission issued by the Financial Institution upon approval of the loan for the proposed project.**

- 2.4. The Petitioner has considered the Price Contingencies @ 6.8%, Contingency @ 3% and Project Overheads @ 5% in the DPR. The Commission has not considered Price Contingencies @ 6.8% and in order to maintain uniformity with recent investment approvals, calculated the total project cost considering only Contingency @ 3% and Project Overheads @ 5%, based on past Commission practice.

Further, as the issue of SoR revisions is currently under deliberation before the Commission, the revised rates in SoR of FY 2024-25 cannot be considered final. Accordingly, estimates based on these rates are also provisional in nature. After finalizing the SoR, the Commission will carry out a prudence check of the costs incurred and financing thereof, in accordance with Licence conditions and MYT Regulations during ARR scrutiny.

- 2.5. The Commission hereby grants in-principle approval of Rs. 7.24 Crore (including IDC), as detailed in the table below, and directs the Petitioner to proceed with the approved works subject to fulfilment of the following conditions:

Capital Cost Approved by the Commission		
Name of the work	Project Cost as per DPR (including IDC) (Rs. Crore)	Project Cost Considered by the Commission (including IDC) (Rs. Crore)
"Construction of 02 Nos. 132 kV bays at 132 kV Substation, Satpuli."	7.71	7.24

- (i) The Petitioner shall undertake competitive bidding to secure the most economical prices from bidders.
- (ii) The Petitioner is directed to furnish the relevant sanction/approval documents to the Commission issued by the Financial Institution upon approval of the loan for the proposed project.
- (iii) All loan conditions prescribed by the funding agency in their detailed sanction letter shall be strictly complied with.
- (iv) The Petitioner shall submit detailed quarterly reports to the Commission, including outage-management measures, contingency planning, and progress of implementation, until completion of the project.
- (v) Within one month of this Order, the Petitioner shall submit a letter from the State Government or equivalent documentary evidence supporting the claim for equity funding agreed by the State Government or any other source in respect of the proposed projects.
- (vi) Upon completion of the projects, the Petitioner shall submit the final cost and financing details.

(vii) The cost of servicing the project shall be allowed in the Annual Revenue Requirement after asset capitalization and subject to prudence verification of the costs incurred.

2.6. The approval is granted based on the submissions and statements made by the Petitioner under affidavit in the Petition. Any violation of these conditions, or if any information provided is later found to be incorrect, incomplete or if relevant information was withheld, materially affecting the basis of approval, the Commission reserves the right to cancel the approval, disallow expenses in ARR/True-up, and initiate appropriate penal actions.

Ordered accordingly.

(Prabhat Kishor Dimri)
Member (Technical)

(Anurag Sharma)
Member (Law)

(M.L. Prasad)
Chairman