

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Ashok Basu, Chairpeson**
- 2. Shri. Bhanu Bhushan, Member**

Petition No.130/2006

In the matter of

Approval of transmission tariff for 400 kV S/C Gooty-Neelmangala transmission line along with bay extension and equipment at Gooty and Neelmangala associated with Ramagundam-III Transmission System in Southern Region for the period from 1.5.2005 to 31.3.2009.

And in the matter of

Power Grid Corporation of India Limited

..Petitioner

Vs

1. Karnataka Power Transmission Corporation Ltd, , Bangalore
 2. Transmission Corporation of Andhra Pradesh Ltd., Hyderabad
 3. Kerala State Electricity Board, Thiruvananthapuram
 4. Tamil Nadu Electricity Board, Chennai
 5. Electricity Department, Govt. of Pondicherry, Pondicherry
-Respondents**

The following were present:

1. Shri P.C.Pankaj, PGCIL
2. Shri Rakesh Prasad, PGCIL
3. Shri U.K. Tyagi, DGM, PGCIL
4. Shri C.Kannan, PGCIL
5. Shri Harmeet Singh, PGCIL
6. Shri Johnson Jacob, KSEB

ORDER

(DATE OF HEARING: 18.1.2007)

The petition has been filed for approval of tariff for 400 kV S/C Gooty-Neelmangala transmission line along with bay extension and equipment at Gooty and Neelmangala (hereinafter referred to as "the transmission system") associated with Ramagundam-III Transmission System (the transmission system) in Southern Region for the period from 1.5.2005 to 31.3.2009, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004, (hereinafter referred to as "the 2004 regulations") after

accounting for additional capitalization of Rs. 403.18 lakh during 2005-06. The petitioner has also prayed for the reimbursement of expenditure from the beneficiaries incurred towards publishing notices in newspapers and the petition filing fee.

2. The investment approval for the transmission system was accorded by the Ministry of Power vide letter dated 29/30.8.2001 for an estimated cost of Rs. 39012.00 lakh which includes IDC of Rs. 4204 lakh. The apportioned approved cost of the transmission line is stated to be Rs. 8983 lakh. The transmission line was declared under commercial operation on 1.5.2005, with line length of 256.13 ckt-kms (for O & M purposes).

3. The provisional transmission charges for the transmission line were approved by the Commission in its order dated 13.2.2006 in Petition No. 107/2005. The present petition is for approval of final tariff from the date of commercial operation.

4. The petitioner has claimed the transmission charges as under:

(Rs. in lakh)

	2005-06 (Pro rata)	2006-07	2007-08	2008-09
Depreciation	169.39	191.07	191.07	191.07
Interest on Loan	228.40	250.14	240.31	229.84
Return on Equity	192.47	209.96	209.96	209.96
Advance against Depreciation	0.00	0.00	2.83	26.00
Interest on Working Capital	19.40	21.79	22.23	23.05
O & M Expenses	109.03	123.85	128.57	133.93
Total	718.69	796.82	794.99	813.86

5. The details submitted by the petitioner in support of its claim for interest on working capital are given hereunder:

(Rs. in lakh)

	2005-06 (Pro rata)	2006-07	2007-08	2008-09
Maintenance Spares	65.88	69.50	73.67	78.09
O & M expenses	9.91	10.32	10.71	11.16
Receivables	130.67	132.80	132.50	135.64
Total	206.46	212.62	216.88	224.90
Rate of Interest	10.25%	10.25%	10.25%	10.25%
Interest	19.40	21.79	22.23	23.05

6. The reply to the petition has been filed by Karnataka Power Transmission Corporation Ltd and Tamil Nadu Electricity Board. No comments or suggestions have been received from the general public in response to the notices published by the petitioner under section 64 of the Electricity Act, 2003.

CAPITAL COST

7. As per clause (1) of Regulation 52 of the 2004 regulations, subject to prudence check, the actual expenditure incurred on completion of the project shall form the basis for determination of final tariff. The final tariff shall be determined based on the admitted capital expenditure actually incurred up to the date of commercial operation of the transmission system and shall include capitalised initial spares subject to a ceiling norm as 1.5% of original project cost. The regulation is applicable in case of the transmission system declared under commercial operation on or after 1.4.2004.

8. The petitioner has claimed additional capitalization of Rs. 403.18 lakh on works for the period from 1.5.2005 to 31.3.2006 over the capital expenditure of Rs.6587.75 lakh as on the date of commercial operation.

Additional capitalization -2005-06

9. Clause (1) of Regulation 53 of the 2004 regulations provides-

“(1) The following capital expenditure within the original scope of work actually incurred after the date of commercial operation and up to the cut off date may be admitted by the Commission, subject to prudence check:

- (i) Deferred liabilities;
- (ii) Works deferred for execution;
- (iii) Procurement of initial capital spares in the original scope of works subject to the ceiling norm specified in regulation 52;
- (iv) Liabilities to meet award of arbitration or compliance of the order or decree of a court; and
- (v) On account of change in law:

Provided that original scope of work along with estimates of expenditure shall be submitted along with the application for provisional tariff:

Provided further that a list of the deferred liabilities and works deferred for execution shall be submitted along with the application for final tariff after the date of commercial operation of the transmission system.”

10. The details submitted by the petitioner in support of its claim for additional capital expenditure are given hereunder:

Year	Nature of expenditure
2005-06	Transmission line = Rs. 189.15 lakh
	Sub-station = Rs. 214.03 lakh
	Total = Rs. 403.18 lakh

11. The additional capital expenditure claimed is within the original scope of work and is found to be in order as it was against the committed liability. Accordingly, the additional capital expenditure of Rs. 403.18 lakh has been allowed.

Time Over run

12. The transmission system was scheduled to be commissioned by August 2005. However, it was declared under commercial operation on 1.5.2005. Thus, there is no time overrun

TOTAL CAPITAL COST

13. Against the above background, gross block of Rs. 6990.93 lakh as on 31.3.2006 has been worked out for the purpose of tariff over the gross block of Rs. 6587.75 lakh as on the date of commercial operation.

DEBT- EQUITY RATIO

14. Clause (2) of Regulation 54 of the 2004 regulations *inter alia* provides that,-

“(2) In case of the transmission system for which investment approval was accorded prior to 1.4.2004 and which are likely to be declared under commercial operation during the period 1.4.2004 to 31.3.2009, debt and equity in the ratio of 70:30 shall be considered:

Provided that where equity actually employed to finance the project is less than 30%, the actual debt and equity shall be considered for determination of tariff:

Provided further that the Commission may in appropriate cases consider equity higher than 30% for determination of tariff, where the transmission licensee is able to establish to the satisfaction of the Commission that deployment of equity higher than 30% was in the interest of general public.”

15. The Note 1 below Regulation 53 lays down that any expenditure on account of committed liabilities within the original scope of work is to be serviced in the normative debt-equity ratio specified in Regulation 54.

16. The petitioner has considered debt-equity ratio of 77.23:22.77 as actually deployed on the date of commercial operation. The petitioner has further considered entire amount of additional capitalization against loan. We have considered the debt-equity ratio of 77.23:22.77 on the date of commercial operation. The additional capitalisation on works of Rs. 403.18 lakh has been segregated into debt and equity in the normative debt-equity ratio of 70:30 in view of Note 1 below Regulation 53. Accordingly, for the purpose of tariff, an amount of

Rs. 1499.74 lakh has been considered as equity as on 1.5.2005 and Rs. 1620.69 lakh as on 1.4.2006.

RETURN ON EQUITY

17. As per clause (iii) of Regulation 56 of the 2004 regulations, return on equity shall be computed on the equity base determined in accordance with regulation 54 @ 14% per annum. Equity invested in foreign currency is to be allowed a return in the same currency and the payment on this account is made in Indian Rupees based on the exchange rate prevailing on the due date of billing.

18. The petitioner has claimed return on equity of Rs. 1499.74 lakh. For the reasons recorded in para 16 above equity of Rs. 1499.74 lakh has been considered as on 1.5.2005 and from 1.4.2006 onwards, equity of Rs. 1620.69 lakh has been considered each year. However, tariff for the period 1.5.2005 to 31.3.2006 has been allowed on average equity of Rs. 1560.22 lakh. Accordingly, the petitioner shall be entitled to return on equity of Rs.200.23 lakh during 2005-06 on pro rata basis and Rs. 226.90 lakh each year during 2006-09.

INTEREST ON LOAN

19. Clause (i) of regulation 56 of the 2004 regulations *inter alia* provides that,-

“(a) Interest on loan capital shall be computed loan wise on the loans arrived at in the manner indicated in regulation 54.

(b) The loan outstanding as on 1.4.2004 shall be worked out as the gross loan in accordance with Regulation 54 minus cumulative repayment as admitted by the Commission or any other authority having power to do so, up to 31.3.2004. The repayment for the period 2004-09 shall be worked out on a normative basis.

(c) The transmission licensee shall make every effort to re-finance the loan as long as it results in net benefit to the beneficiaries. The costs associated with such re-financing shall be borne by the beneficiaries.

(d) The changes to the loan terms and conditions shall be reflected from the date of such re-financing and benefit passed on to the beneficiaries.

(e) In case of dispute, any of the parties may approach the Commission with proper application. However, the beneficiaries shall not withhold any payment ordered by the Commission to the transmission licensee during pendency of any dispute relating to re-financing of loan;

(f) In case any moratorium period is availed of by the transmission licensee, depreciation provided for in the tariff during the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly.

(g) The transmission licensee shall not make any profit on account of re-financing of loan and interest on loan;

(h) The transmission licensee may, at its discretion, swap loans having floating rate of interest with loans having fixed rate of interest, or vice versa, at its own cost and gains or losses as a result of such swapping shall accrue to the transmission licensee:

Provided that the beneficiaries shall be liable to pay interest for the loans initially contracted, whether on floating or fixed rate of interest.”

20. The petitioner has claimed interest on loan in the following manner:

(i) Gross loan opening has been considered from 2005-06.

(ii) Gross loans drawn for additional capital expenditure during 2005-06 has been added to the gross loan up to date of commercial operation.

(iii) On the basis of actual rate of interest on actual average loan, the weighted average rate of interest on loan is worked out for various years.

(iv) Weighted average rate of interest on loan for respective years as per above has been multiplied to arrive at interest on loan.

(v) ADB-II LB loan from 24.6.2005 has been utilised for the purpose of additional capitalization during 2005-06.

21. In our calculation, the interest on loan has been worked out as detailed below:

- (i) Gross amount of loan, repayment of instalments as per the loan allocation statement for 2005-06 has been prepared on the basis of loan allocation details submitted by the petitioner and rate of interest as given in the petition. The same is used to work out weighted average rate of interest on actual loan. The gross loan as per loan reconciliation has been considered as gross loan as on date of commercial operation.
- (ii) Notional loan arising out of additional capitalization during the year 2005-06 has been considered.
- (iii) Tariff has been worked out considering normative loan and normative repayments. Once the normative loan has been arrived at, it has been considered for all purposes in the tariff. Normative repayment has been worked out by the following formula :

$$\frac{\text{Actual repayment of actual loan during the year}}{\text{Opening balance of actual loan during the year}} \times \text{Opening balance of normative loan during the year}$$

- (iv) Moratorium in repayment of loan has been considered with reference to normative loan and if the normative repayment of loan during the year is less than the depreciation during the year, it has been considered as moratorium and depreciation during the year has been deemed as normative repayment of loan during the year.
- (v) Weighted average rate of interest on actual loan worked out as per (i) above has been applied on the average loan during the year to arrive at the interest on loan.

- (vi) In case of ADB-II LB loan, repayment instalments have been taken pro rata for loan as on the date of commercial operation and for loan for additional capitalization

22. Based on the above, the year-wise details of interest worked out are given hereunder:

(Rs. in lakh)

Details of loan	2005-06 (Pro rata)	2006-07	2007-08	2008-09
Opening Gross Loan	5088.01	5370.24	5370.24	5370.24
Cumulative Repayment	3.08	172.47	363.55	554.62
Net Loan-Opening	5084.93	5197.76	5006.69	4815.61
Additions due to Additional Capitalisation	282.23			
Repayment during the year	169.39	191.07	191.07	211.74
Net Loan-Closing	5197.76	5006.69	4815.61	4603.87
Average Loan	5141.34	5102.22	4911.15	4709.74
Weighted Average Rate of Interest on Loan	4.81%	4.79%	4.78%	4.76%
Interest	226.63	244.35	234.61	224.35

23. The detailed calculations in support of the weighted average rate of interest are contained in Annexure I attached.

DEPRECIATION

24. Sub-clause (a) of clause (ii) of Regulation 56 of the 2004 regulations provides for computation of depreciation in the following manner, namely:

- (i) The value base for the purpose of depreciation shall be the historical cost of the asset.
- (ii) Depreciation shall be calculated annually based on straight line method over the useful life of the asset and at the rates prescribed in Appendix II to these regulations. The residual value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the historical capital cost of the asset. Land is not a depreciable asset and its cost shall be excluded from the

capital cost while computing 90% of the historical cost of the asset. The historical capital cost of the asset shall include additional capitalisation on account of Foreign Exchange Rate Variation up to 31.3.2004 already allowed by the Central Government/Commission.

- (iii) On repayment of entire loan, the remaining depreciable value shall be spread over the balance useful life of the asset.
- (iv) Depreciation shall be chargeable from the first year of operation. In case of operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

25. The petitioner has claimed the depreciation on the capital cost of Rs. 6990.93 lakh.

26. The gross depreciable value of the transmission system is 0.9 x (Rs.6990.93 lakh-) = Rs. 6291.84 lakh.

27. Depreciation works out to Rs. 169.39 lakh for the period 1.5.2005 to 31.3.2006 on average gross block of Rs. 6789.34 and Rs. 191.07 lakh each year for the period 1.4.2006 to 31.3.2009 on gross block of Rs. 6990.93 lakh by applying rate of depreciation of 2.7218% and 2.7332% as shown below:

Details of Depreciation	(Rs. in lakh)			
	2005-06 (Pro rata)	2006-07	2007-08	2008-09
Gross block at the beginning of the period	6587.75	6990.93	6990.93	6990.93
Additional Capitalisation during the period	403.18			
	6990.93	6990.93	6990.93	6990.93
Gross Block at the end of the period	6990.93	6990.93	6990.93	6990.93
Rate of Depreciation	2.7218%	2.7332%	2.7332%	2.7332%
Depreciable Value (90%)	6291.84	6291.84	6291.84	6291.84
Balance Useful life of the asset	-	-	-	-
Remaining Depreciable Value	6291.84	6122.45	5931.37	5740.30

Depreciation	169.39	191.07	191.07	191.07
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ADVANCE AGAINST DEPRECIATION

28. As per sub-clause (b) of clause (ii) of Regulation 56 of the 2004 regulations, in addition to allowable depreciation, the transmission licensee is entitled to Advance Against Depreciation, computed in the manner given hereunder:

AAD = Loan repayment amount as per regulation 56 (i) subject to a ceiling of 1/10th of loan amount as per regulation 54 minus depreciation as per schedule

29. It is provided that Advance Against Depreciation shall be permitted only if the cumulative repayment up to a particular year exceeds the cumulative depreciation up to that year. It is further provided that Advance Against Depreciation in a year shall be restricted to the extent of difference between cumulative repayment and cumulative depreciation up to that year.

30. The petitioner has claimed Advance Against Depreciation in the following manner:

- (i) 1/10th of gross loan considered for tariff computation.
- (ii) Cumulative loan as well as repayment of notional loan considered during the year.
- (iii) Depreciation as claimed in the petition.

31. In our calculation, Advance Against Depreciation has been worked as under:

- (i) 1/10th of gross loan has been worked out from the gross notional loan as per para 22 above.

- (ii) Repayment of notional loan during the year has been considered as per para 22 above.
- (iii) Depreciation as worked out as per para 27 has been taken into account.

32. The details of Advance Against Depreciation allowed for the transmission line are given hereunder:

(Rs. in lakh)

Details of Advance Against Depreciation	2005-06	2006-07	2007-08	2008-09
1/10th of Gross Loan(s)	508.80	537.02	537.02	537.02
Repayment of Loan	169.39	191.07	191.07	211.74
Minimum of the above	169.39	191.07	191.07	211.74
Depreciation during the year	169.39	191.07	191.07	191.07
(A) Difference	0.00	0.00	0.00	20.67
Cumulative Repayment of the Loan	172.47	363.55	554.62	766.37
Cumulative Depreciation/ Advance against Depreciation	169.39	360.46	551.54	742.61
(B) Difference	3.08	3.08	3.08	23.75
Advance Against Depreciation Minimum of (A) and (B)	0.00	0.00	0.00	20.67

OPERATION & MAINTENANCE EXPENSES

33. In accordance with clause (iv) of Regulation 56 the 2004 regulations, the following norms are prescribed for O & M expenses

	Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
O&M expenses (Rs. in lakh per ckt-km)	0.227	0.236	0.246	0.255	0.266
O&M expenses (Rs in lakh per bay)	28.12	29.25	30.42	31.63	32.90

34. The petitioner has claimed O & M expenses for 256.13 ckt km and 2 bays, which have been allowed. Accordingly, the petitioner's entitlement to O & M expenses has been worked out as given hereunder:

(Rs. in lakh)

	Year			
	2005-06 (Pro rata)	2006-07	2007-08	2008-09
O&M expenses for 256.13 ckt kms line length	55.41	63.01	65.31	68.13
O&M expenses for 2 bays	53.63	60.84	63.26	65.80

Total	109.04	123.85	128.57	133.93
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35. The petitioner has submitted that the wage revision of its employees is due with effect from 1.1.2007. Therefore, O&M expenses should be subject to revision on account of revision of employee cost from that date. In the alternative, it has been prayed that the increase in employee cost due to wage revision be allowed as per actuals for extra cost to be incurred consequent to wage revision. We are not expressing any view, as this issue does not arise for consideration at this stage. The petitioner may approach for a relief in this regard at an appropriate stage in accordance with law.

INTEREST ON WORKING CAPITAL

36. The components of the working capital and the interest thereon are discussed hereunder:

(i) Maintenance spares

Regulation 56(v)(1)(b) of the 2004 regulations provides for maintenance spares @ 1% of the historical cost escalated @ 6% per annum from the date of commercial operation. In the present case, the capital expenditure on the date of commercial operation is Rs. 6587.75 lakh, which has been considered as the historical cost for the purpose of the present petition and maintenance spares have been worked out accordingly by escalating 1% of the historical cost @ 6% per annum. In this manner, the value of maintenance spares works out to Rs.65.88 lakh as on 1.5.2005.

(ii) O & M expenses

Regulation 56(v)(1)(a) of the 2004 regulations provides for operation and maintenance expenses for one month as a component of working

capital. The petitioner has claimed O&M expenses for 1 month of O&M expenses of the respective year as claimed in the petition. This has been considered in the working capital.

(iii) Receivables

As per Regulation 56(v)(1)(c) of the 2004 regulations, receivables will be equivalent to two months average billing calculated on target availability level. The petitioner has claimed the receivables on the basis 2 months' transmission charges claimed in the petition. In the tariff being allowed, receivables have been worked out on the basis 2 months' transmission charges.

(iv) Rate of interest on working capital

As per Regulation 56(v)(2) of the 2004 regulations, rate of interest on working capital shall be on normative basis and shall be equal to the short-term Prime Lending Rate of State Bank of India as on 1.4.2004 or on 1st April of the year in which the project or part thereof (as the case may be) is declared under commercial operation, whichever is later. The interest on working capital is payable on normative basis notwithstanding that the transmission licensee has not taken working capital loan from any outside agency. The petitioner has claimed interest on working capital @ 10.25% based on SBI PLR as on 1.4.2005, which is in accordance with the 2004 regulations and has been allowed.

37. The necessary computations in support of interest on working capital are appended hereinbelow:

(Rs. in lakh)

	2005-06 (Pro rata)	2006-07	2007-08	2008-09
Maintenance Spares	65.88	69.50	73.67	78.09

O & M expenses	9.91	10.32	10.71	11.16
Receivables	131.78	134.69	133.92	136.68
Total	207.57	214.51	218.31	225.93
Rate of Interest	10.25%	10.25%	10.25%	10.25%
Interest	19.50	21.99	22.38	23.16

TRANSMISSION CHARGES

38. The capital cost and other relevant details are contained in the summary sheet attached as Annexure II. The transmission charges being allowed for the transmission system are summarised below:

	(Rs. in lakh)			
	2005-06 (Pro rata)	2006-07	2007-08	2008-09
Depreciation	169.39	191.07	191.07	191.07
Interest on Loan	226.63	244.35	234.61	224.35
Return on Equity	200.23	226.90	226.90	226.90
Advance against Depreciation	0.00	0.00	0.00	20.67
Interest on Working Capital	19.50	21.99	22.38	23.16
O & M Expenses	109.04	123.85	128.57	133.93
Total	724.79	808.16	803.52	820.07

39. In addition to the transmission charges, the petitioner shall be entitled to other charges like income-tax, incentive, surcharge and other cess and taxes in accordance with the 2004 regulations. .

40. The petitioner has sought approval for the reimbursement of expenditure of Rs. 90,553/- incurred on publication of notices in the newspapers. The petitioner shall claim reimbursement of the said expenditure directly from the respondent in one installment. The petitioner has also sought reimbursement of filing fee of Rs.5 lakh paid. A final view on reimbursement of filing fee is yet to be taken by the Commission for which views of the stakeholder have been called for. The view taken on consideration of the comments received shall apply in the present case as regards reimbursement of filing fee.

41. The petitioner is already billing the respondents on provisional basis in accordance with the Commission's order dated 13.2.2006 in Petition No. 107/2005. The provisional billing of tariff shall be adjusted in the light of final tariff now approved by us.

42. This order disposes of Petition No. 130/2006.

Sd-/
(BHANU BHUSHAN)
MEMBER

sd-/
(ASHOK BASU)
CHAIRPERSON

New Delhi dated the 15th March 2007

Annexure I

CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN

(Rs. in Lakh)

Details of Loan	2005-06	2006-07	2007-08	2008-09
1 Bond-X				
Gross Loan opening	18.00	18.00	18.00	18.00
Cumulative Repayment upto DOCO/previous year	1.50	3.00	4.50	6.00
Net Loan-Opening	16.50	15.00	13.50	12.00
Additions during the year	0.00	0.00	0.00	0.00
Repayment during the year	1.50	1.50	1.50	1.50
Net Loan-Closing	15.00	13.50	12.00	10.50
Average Loan	15.75	14.25	12.75	11.25
Rate of Interest	10.90%	10.90%	10.90%	10.90%
Interest	1.72	1.55	1.39	1.23
Repayment Schedule	12 Annual instalments from 21.06.2004			
2 Bond-XI Option-I				
Gross Loan opening	19.00	19.00	19.00	19.00
Cumulative Repayment upto DOCO/previous year	0.00	1.58	3.17	4.75
Net Loan-Opening	19.00	17.42	15.83	14.25
Additions during the year	0.00	0.00	0.00	0.00
Repayment during the year	1.58	1.58	1.58	1.58
Net Loan-Closing	17.42	15.83	14.25	12.67
Average Loan	18.21	16.63	15.04	13.46
Rate of Interest	9.80%	9.80%	9.80%	9.80%
Interest	1.78	1.63	1.47	1.32
Repayment Schedule	12 Annual instalments from 07.12.2005			
3 Bond-XII				
Gross Loan opening	1.00	1.00	1.00	1.00
Cumulative Repayment upto DOCO/previous year	0.00	0.08	0.17	0.25
Net Loan-Opening	1.00	0.92	0.83	0.75
Additions during the year	0.00	0.00	0.00	0.00
Repayment during the year	0.08	0.08	0.08	0.08
Net Loan-Closing	0.92	0.83	0.75	0.67
Average Loan	0.96	0.88	0.79	0.71
Rate of Interest	9.70%	9.70%	9.70%	9.70%
Interest	0.09	0.08	0.08	0.07
Repayment Schedule	12 Annual instalments from 28.03.2006			
4 Bond-XIII Option-I				
Gross Loan opening	261.00	261.00	261.00	261.00
Cumulative Repayment upto DOCO/previous year	0.00	0.00	21.75	43.50
Net Loan-Opening	261.00	261.00	239.25	217.50
Additions during the year	0.00	0.00	0.00	0.00
Repayment during the year	0.00	21.75	21.75	21.75
Net Loan-Closing	261.00	239.25	217.50	195.75
Average Loan	261.00	250.13	228.38	206.63
Rate of Interest	8.63%	8.63%	8.63%	8.63%
Interest	22.52	21.59	19.71	17.83
Repayment Schedule	12 Annual instalments from 31.07.2006			
5 Bond- XVI				
Gross Loan opening	63.00	63.00	63.00	63.00

	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	0.00
	Net Loan-Opening	63.00	63.00	63.00	63.00
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	6.30
	Net Loan-Closing	63.00	63.00	63.00	56.70
	Average Loan	63.00	63.00	63.00	59.85
	Rate of Interest	7.10%	7.10%	7.10%	7.10%
	Interest	4.47	4.47	4.47	4.25
	Repayment Schedule	10 Annual instalments from 18-02-2009			
6	PNB-II				
	Gross Loan opening	10.00	10.00	10.00	10.00
	Cumulative Repayment upto DOCO/previous year	0.83	1.67	2.50	3.33
	Net Loan-Opening	9.17	8.33	7.50	6.67
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.83	0.83	0.83	0.83
	Net Loan-Closing	8.33	7.50	6.67	5.83
	Average Loan	8.75	7.92	7.08	6.25
	Rate of Interest	8.60%	8.60%	8.60%	8.60%
	Interest	0.75	0.68	0.61	0.54
	Repayment Schedule	12 Annual Instalments from 08.3.2005			
7	OBC				
	Gross Loan opening	9.00	9.00	9.00	9.00
	Cumulative Repayment upto DOCO/previous year	0.75	1.50	2.25	3.00
	Net Loan-Opening	8.25	7.50	6.75	6.00
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.75	0.75	0.75	0.75
	Net Loan-Closing	7.50	6.75	6.00	5.25
	Average Loan	7.88	7.13	6.38	5.63
	Rate of Interest	8.60%	8.60%	8.60%	8.60%
	Interest	0.68	0.61	0.55	0.48
	Repayment Schedule	12 Annual Instalments from 22.03.2005			
8	ADB-II uv				
	Gross Loan opening	56.17	56.17	56.17	56.17
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	1.55	3.26
	Net Loan-Opening	56.17	56.17	54.62	52.91
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	1.55	1.71	1.88
	Net Loan-Closing	56.17	54.62	52.91	51.03
	Average Loan	56.17	55.39	53.76	51.97
	Rate of Interest	7.49%	7.49%	7.49%	7.49%
	Interest	4.21	4.15	4.03	3.89
	Repayment Schedule	Half yearly Instalments from 15.6.2006			
9	ADB-II LB				
	Gross Loan opening	4650.84	4650.84	4650.84	4650.84
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	143.71	301.84
	Net Loan-Opening	4650.84	4650.84	4507.13	4349.00
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	143.71	158.13	174.41
	Net Loan-Closing	4650.84	4507.13	4349.00	4174.60
	Average Loan	4650.84	4578.99	4428.07	4261.80
	Rate of Interest	4.49%	4.49%	4.49%	4.49%

10	Interest	208.82	205.60	198.82	191.35
	Repayment Schedule	Half yearly Instalments from 15.6.2006			
	ADB-II LB (for ACE): Drawl on 24-6-2005				
	Gross Loan opening	0.00	0.00	0.00	0.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	12.46	26.17
	Net Loan-Opening	0.00	403.18	390.72	377.01
	Additions during the year	403.18	0.00	0.00	0.00
	Repayment during the year	0.00	12.46	13.71	15.12
	Net Loan-Closing	403.18	390.72	377.01	361.89
	Average Loan	201.59	396.95	383.87	369.45
	Rate of Interest	4.49%	4.49%	4.49%	4.49%
	Interest	9.05	17.82	17.24	16.59
	Repayment Schedule	Half yearly Instalments from 15.6.2006			
	Total Loan				
	Gross Loan opening	5088.01	5088.01	5088.01	5088.01
	Cumulative Repayment upto DOCO/previous year	3.08	7.83	192.05	392.10
	Net Loan-Opening	5084.92	5483.35	5299.14	5099.09
	Additions during the year	403.18	0.00	0.00	0.00
	Repayment during the year	4.75	184.22	200.04	224.21
	Net Loan-Closing	5483.35	5299.14	5099.09	4874.88
Average Loan	5284.14	5391.25	5199.11	4986.99	
Rate of Interest	4.81%	4.79%	4.78%	4.76%	
Interest	254.10	258.19	248.36	237.55	

Annexure-II

Name of the Company:		PGCIL			
Name of the Element:		400 KV S/C Gooty- Neelmangala Line along with bay extensions and equipment at Gooty and Neelmangala associated with Ramagundam-III Transmission System in SR			
Actual DOCO:		1.5.2005			
Petition No.:		130/2006			
Tariff setting Period:		2004-09			
					(Rs.in lakh)
1	Capital Cost of the Project as on DOCO				6587.75
2	Additional Capitalization				403.18
			2005-06	403.18	
			Total	403.18	
3	Total Capital Cost as on 1.4.2006(1+2)				6990.93
4	Means of Finance :				
	As on DOCO			As on 1.4.2006	
	Debt	77.23%	5088.01	76.82%	5370.24
	Equity	22.77%	1499.74	23.18%	1620.69
	Total	100.00%	6587.75	100.00%	6990.93
5	Gross Loan:				
			As on DOCO		5088.01
			Notional Loan corresponding to ACE during 2005-06		282.23
			As on 1.4.2006		5370.24
6	Cumulative Repayment up to 31.3.2009 :				766.37

			Up to DOCO			3.08		
			From DOCO to 31.3.2009			763.28		
			Total			766.37		
7	Balance Loan to be repaid beyond 31.3.2009 :							4603.87
8	Depreciation recovered up to 31.3.2009 :							763.28
				Dep	AAD	Total		
			From DOCO to 31.3.2009	742.61	20.67	763.28		
			Total			763.28		
9	Balance Depreciation to be recovered beyond 31.3.2009 :							5528.56
			Capital cost for the purpose of Depreciation			6587.75		
			ACE during 2005-06			403.18		
			Capital cost as 1.4.2006			6990.93		
			Less: Land Cost			0.00		
						6990.93		
			90% of Capital Cost as above			6291.84		
			Cum. Depreciation to be recovered upto 31.3.2009			763.28		
			Balance Depreciation to be recovered beyond 31.3.2009			5528.56		