

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri. Bhanu Bhushan, Member**
- 2. Shri R.Krishnamoorthy, Member**

Petition No.1/2007

In the matter of

Approval of final transmission tariff of LILO of Kolaghat-Rengali 400 kV S/C line at Baripada and establishment of new 400/220/132 kV sub-station at Baripada in Eastern Region for the period from 1.7.2005 to 31.3.2009..

And in the matter of

Power Grid Corporation of India Ltd., Gurgaon

.... Petitioner

Vs

1. Bihar State Electricity Board, Patna
2. West Bengal State Electricity Board, Kolkata
3. Grid Corporation of Orissa Ltd., Bhubaneswar
4. Damodar Valley Corporation, Kolkata
5. Power Dept., Govt. of Sikkim, Gangtok
6. Jharkhand State Electricity Board, Ranchi

.....Respondents

The following were present:

1. Shri P.C.Pankaj, PGCIL
2. Shri U.K. Tyagi, PGCIL
3. Shri B.C.Pant, PGCIL
4. Shri C.Kannan, PGCIL
5. Shri A.K.Nagpal, PGCIL
6. Shri R.B.Sharma, Advocate, BSEB and GRIDCO
7. Shri Shiba Shankar Nayah, GRIDCO

ORDER

(DATE OF HEARING: 14.8.2007)

The petition has been filed for approval of tariff for LILO of Kolaghat-Rengali 400 kV S/C transmission line at Baripada and establishment of new 400/220/132 kV sub-station at Baripada (the transmission assets) in Eastern Region for the period from 1.7.2005 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. 289.66 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 assets was accorded by the Board of Directors of the petitioner company vide letter dated 5.12.2001 at an estimated cost of Rs.6624.00 lakh, which included IDC of Rs. 544.00 lakh.

3. The provisional transmission charges for the transmission assets, declared under commercial operation on 1.7.2005, were approved by the Commission in its order dated 24.8.2006 in Petition No. 30/2006. The present petition is for approval of final tariff.

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

	(Rs. in lakh)			
	2005-06 (Pro rata)	2006-07	2007-08	2008-09
Depreciation	113.52	155.31	155.31	155.31
Interest on Loan	181.40	241.53	230.11	215.05
Return on Equity	151.27	207.78	207.78	207.78
Advance against Depreciation	0.00	0.00	0.00	110.09
Interest on Working Capital	16.22	22.27	22.64	24.90
O & M Expenses	182.14	252.58	262.60	273.17
Total	644.54	879.46	878.43	986.30

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	47.47	49.61	52.58	55.74
O & M expenses	20.24	21.05	21.88	22.76
Receivables	143.23	146.58	146.41	164.38
Total	210.94	217.23	220.87	242.89
Rate of Interest	10.25%	10.25%	10.25%	10.25%
Interest	16.22	22.27	22.64	24.90

6. The reply to the petition has been filed by Bihar State Electricity Board and Grid Corporation of Orissa Limited. 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. 289.66 lakh on works for the period from 1.7.2005 to 31.3.2006 over the capital expenditure of Rs.4747.22 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	Building = Rs. 95.73 lakh
	Sub-station = Rs. 115.9 lakh
	Transmission line = Rs. 78.03 lakh
	Total = Rs. 289.66 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. 289.66 lakh has been allowed.

Time Over run

12. The transmission assets were scheduled to be commissioned by May 2004. However, these were declared under commercial operation on 1.7.2005. Thus, there is delay of about 13 months in the commissioning.

13. The petitioner has explained that the land requirement of sub-station was revised as per the revised layout of the sub-station and for optimising land requirement to the extent possible. The petitioner further submitted that the delay was on account of handling over of land by district administration to them, it was on different accounts, namely during issue of demand note, notification, delay due to The Scheduled Area Act, objection by villagers to transfer land and

disturbances by villagers during verification, deferment of handling over of land till removal of crops of land etc. The petitioner continuously persuaded with different authorities and land was finally handed over to petitioner on 12.12.2002. The work suffered for 16 months but cumulative delay was of about 13 months.

14. BSEB and GRIDCO in their replies have stated that the problems given by the petitioner for delay in commissioning of the transmission assets were of general nature and further the petitioner initially asked for land requirement of 51.1 acres which was later on reduced to 24.48 acres so change in land requirement which resulted in delay was due the petitioner's wrong estimation.

15. There is satisfactory explanation for the entire delay of 13 months in completion of the transmission line. Therefore, the delay in commissioning of line is considered to be beyond the control of the petitioner.

TOTAL CAPITAL COST

16. Against the above background, gross block of Rs. 5036.88 lakh as on 31.3.2006 has been worked out for the purpose of tariff over the gross block of Rs. 4747.22 lakh as on the date of commercial operation.

DEBT- EQUITY RATIO

17. 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.”

18. 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.

19. The petitioner has considered debt-equity ratio of 70.57:29.43 as actually deployed on the date of commercial operation. The petitioner has further considered the amount of additional capitalization in the debt-equity ratio of 70:30 though additional capitalisation has been actually financed in the debt-equity ratio of 29.34:70.66. We have considered the debt-equity ratio of 70.57:29.43 on the date of commercial operation. The additional capitalisation on works of Rs. 289.66 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. 1397.22 lakh has been considered as equity as on 1.7.2005 and Rs. 1484.12 lakh as on 1.4.2006.

RETURN ON EQUITY

20. 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.

21. The petitioner has claimed return on equity of Rs. 1397.22 lakh as on 1.7.2005 and equity of Rs.1484.12 lakh as on 1.4.2006. For the reasons recorded in para 19 above equity of Rs. 1397.22 lakh has been considered as on 1.7.2005

and from 1.4.2006 onwards, equity of Rs. 1484.12 lakh has been considered each year. However, tariff for the period 1.7.2005 to 31.3.2006 has been allowed on average equity of Rs. 1440.67 lakh. Accordingly, the petitioner shall be entitled to return on equity of Rs. 151.27 lakh during 2005-06 on pro rata basis and Rs. 207.78 lakh each year during 2006-09.

INTEREST ON LOAN

22. 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.”

23. The petitioner has claimed interest on loan in the following manner:
- (i) Gross loan opening has been considered from 2005-06.
 - (ii) 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.
 - (iii) To the total gross loan of 2005-06, notional loan amounting to Rs. 202.76 lakh corresponding to additional capital expenditure for the year 2005-06 has been added. This resulting amount has been considered as notional loan and weighted average rate of interest on loan for respective years as per above has been multiplied to arrive at interest on loan. Depreciation plus Advance Against Depreciation has been considered as repayment.

24. 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) Bridge financing of loan from IOB having a floating rate of interest 5.90% was replaced with Bond XVII having a fixed rate of interest of 7.39%. Therefore, weighted average rate of interest has been arrived at before calculating the interest pertaining to this loan, subject to mutual settlement between the parties in case of any change/resetting of the interest rate during the tariff period.
- (vii) The date of the commercial operation of the asset is during 2005-06 and the petitioner has considered funding of additional capital expenditure during 2005-06 from Bond XVIII which is drawn w.e.f. 9.3.2006. Although interest on Bond XVIII for working out weighted average rate of interest has been considered w.e.f. 9.3.2006 (i.e. date of drawal) on actual days basis for the remaining part of the

year 2005-06 by the petitioner, however, as per methodology for the tariff block 2004-09, weighted average rate of interest has been worked out on average loan basis. Moreover, though, the petitioner has considered Bond XVIII in opening gross loan but as the same is drawn during the year, it has not been considered in opening gross loan but added subsequently resulting in difference average value of loan.

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

Details of loan	(Rs. in lakh)			
	2005-06 (Pro rata)	2006-07	2007-08	2008-09
Interest on Loan				
Opening Gross Loan	3350.00	3552.76	3552.76	3552.76
Cumulative Repayment	0.00	113.52	268.82	424.13
Net Loan-Opening	3350.00	3439.25	3283.94	3128.63
Additions due to Additional Capitalisation	202.76	-	-	-
Repayment during the year	113.52	155.31	155.31	265.40
Net Loan-Closing	3439.25	3283.94	3128.63	2863.24
Average Loan	3394.62	3361.59	3206.29	2995.93
Weighted Average Rate of Interest on Loan	7.15%	7.18%	7.18%	7.18%
Interest	182.06	241.53	230.11	215.05

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

DEPRECIATION

27. 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.

28. The petitioner has claimed the depreciation on the capital cost of Rs. 5036.86 lakh.

29. The cost of land is Rs. 201.38 lakh. The gross depreciable value of the transmission system is $0.9 \times (\text{Rs } 5036.86 \text{ lakh} - \text{Rs. } 201.38 \text{ lakh}) = \text{Rs. } 4351.95 \text{ lakh}$.

30. Depreciation works out to Rs. 113.52 lakh for the period 1.7.2005 to 31.3.2006 on average gross block of Rs. 4892.05 and Rs. 155.31 lakh each year for the period 1.4.2006 to 31.3.2009 on gross block of Rs. 5036.88 lakh by applying rates of depreciation of 3.0939% during 2005-06 and 3.0834% thereafter as shown below:

(Rs. in lakh)

Details of Depreciation	2005-06 (Pro rata)	2006-07	2007-08	2008-09
Gross block at the beginning of the period	4747.22	5036.88	5036.88	5036.88
Additional Capitalisation during the period	289.66	-	-	-
Gross Block at the end of the period	5036.88	5036.88	5036.88	5036.88
Rate of Depreciation	3.0939%	3.0834%	3.0834%	3.0834%
Depreciable Value (90%)	4221.60	4351.95	4351.95	4351.95
Balance Useful life of the asset	-	-	-	-
Remaining Depreciable Value	4221.60	4238.43	4083.13	3927.82
Depreciation	113.52	155.31	155.31	155.31

ADVANCE AGAINST DEPRECIATION

31. 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

32. 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.

33. 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.

34. 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 25 above.
- (ii) Repayment of notional loan during the year has been considered as per para 25 above.
- (iii) Depreciation as worked out as per para 30 has been taken into account.

35. The details of Advance Against Depreciation allowed for the transmission scheme is given hereunder:

(Rs. in lakh)

Details of Advance Against Depreciation	2005-06	2006-07	2007-08	2008-09
1/10th of Gross Loan(s)	335.00	355.28	355.28	355.28
Repayment of Loan	113.52	155.31	155.31	265.40
Minimum of the above	113.52	155.31	155.31	265.40
Depreciation during the year	113.52	155.31	155.31	155.31
(A) Difference	0.00	0.00	0.00	110.09
Cumulative Repayment of the Loan	113.52	268.82	424.13	689.53
Cumulative Depreciation/ Advance against Depreciation	113.52	268.82	424.13	579.43
(B) Difference	0.00	0.00	0.00	110.09
Advance Against Depreciation Minimum of (A) and (B)	0.00	0.00	0.00	110.09

OPERATION & MAINTENANCE EXPENSES

36. 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

37. The petitioner has claimed O & M expenses for 37.488 ckt km and 8 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 37.488 ckt kms line length	6.64	9.22	9.56	9.97
O&M expenses for 8 bays	175.50	243.36	253.04	263.20
Total	182.14	252.58	262.60	273.17

38. 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

39. 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. 4747.22 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.143.38 lakh as on 1.7.2005.

(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.

40. 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	47.47	49.61	52.58	55.74
O & M expenses	20.24	21.05	21.88	22.76
Receivables	143.38	146.58	146.41	164.38
Total	211.09	217.23	220.87	242.89
Rate of Interest	10.25%	10.25%	10.25%	10.25%
Interest	16.23	22.27	22.64	24.90

TRANSMISSION CHARGES

41. 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	113.52	155.31	155.31	155.31
Interest on Loan	182.06	241.53	230.11	215.05
Return on Equity	151.27	207.78	207.78	207.78
Advance against Depreciation	0.00	0.00	0.00	110.09
Interest on Working Capital	16.23	22.27	22.64	24.90
O & M Expenses	182.14	252.58	262.60	273.17
Total	645.21	879.46	878.43	986.29

42. 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. .

43. The petitioner has sought approval for the reimbursement of expenditure of Rs. 1,07,024/- 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.

44. The petitioner is already billing the respondents on provisional basis in accordance with the Commission's order dated 24.8.2006 in Petition No. 30/2006. The provisional billing of tariff shall be adjusted in the light of final tariff now approved by us.

45. This order disposes of Petition No. 1/2007.

Sd-/
(R.KRISHNAMOORTHY)
MEMBER
New Delhi dated the 15th October 2007

sd-
(BHANU BHUSHAN)
MEMBER

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
Bond-XIII Option-I				
Gross Loan opening	450.00	450.00	450.00	450.00
Cumulative Repayment up to DOCO/previous year	0.00	0.00	37.50	75.00
Net Loan-Opening	450.00	450.00	412.50	375.00
Additions during the year	0.00	0.00	0.00	0.00
Repayment during the year	0.00	37.50	37.50	37.50
Net Loan-Closing	450.00	412.50	375.00	337.50
Average Loan	450.00	431.25	393.75	356.25
Rate of Interest	8.63%	8.63%	8.63%	8.63%
Interest	38.84	37.22	33.98	30.74
Repayment Schedule		12 Annual instalments from 31.7.2006		
Bond-XV				
Gross Loan opening	1300.00	1300.00	1300.00	1300.00
Cumulative Repayment up to DOCO/previous year	0.00	0.00	0.00	108.33
Net Loan-Opening	1300.00	1300.00	1300.00	1191.67
Additions during the year	0.00	0.00	0.00	0.00
Repayment during the year	0.00	0.00	108.33	108.33
Net Loan-Closing	1300.00	1300.00	1191.67	1083.33
Average Loan	1300.00	1300.00	1245.83	1137.50
Rate of Interest	6.68%	6.68%	6.68%	6.68%
Interest	86.84	86.84	83.22	75.99
Repayment Schedule		12 Annual instalments from 23-02-2008		
Bond- XVI				
Gross Loan opening	1300.00	1300.00	1300.00	1300.00
Cumulative Repayment up to DOCO/previous year	0.00	0.00	0.00	0.00
Net Loan-Opening	1300.00	1300.00	1300.00	1300.00
Additions during the year	0.00	0.00	0.00	0.00
Repayment during the year	0.00	0.00	0.00	130.00
Net Loan-Closing	1300.00	1300.00	1300.00	1170.00
Average Loan	1300.00	1300.00	1300.00	1235.00
Rate of Interest	7.10%	7.10%	7.10%	7.10%
Interest	92.30	92.30	92.30	87.69
Repayment Schedule		10 Annual instalments from 18-02-2009		
Bond- XVII				
Gross Loan opening	300.00	300.00	300.00	300.00
Cumulative Repayment up to DOCO/previous year	0.00	0.00	0.00	0.00
Net Loan-Opening	300.00	300.00	300.00	300.00
Additions during the year	0.00	0.00	0.00	0.00
Repayment during the year	0.00	0.00	0.00	0.00
Net Loan-Closing	300.00	300.00	300.00	300.00
Average Loan	300.00	300.00	300.00	300.00
Rate of Interest	7.05%	7.39%	7.39%	7.39%
Interest	21.16	22.17	22.17	22.17
Repayment Schedule		10 Annual Instalments from 22.9.2009		
Bond- XVIII (For ACE) (Date of Drawal 9.3.2006)				
Gross Loan opening	0.00	85.00	85.00	85.00
Cumulative Repayment up to DOCO/previous year	0.00	0.00	0.00	0.00
Net Loan-Opening	0.00	85.00	85.00	85.00

Additions during the year	85.00	0.00	0.00	0.00
Repayment during the year	0.00	0.00	0.00	0.00
Net Loan-Closing	85.00	85.00	85.00	85.00
Average Loan	42.50	85.00	85.00	85.00
Rate of Interest	8.15%	8.15%	8.15%	8.15%
Interest	3.46	6.93	6.93	6.93
Repayment Schedule		12 annual insataltments from 9.3.2010		
Total Loan				
Gross Loan opening	3350.00	3435.00	3435.00	3435.00
Cumulative Repayment up to DOCO/previous year	0.00	0.00	37.50	183.33
Net Loan-Opening	3350.00	3435.00	3397.50	3251.67
Additions during the year	85.00	0.00	0.00	0.00
Repayment during the year	0.00	37.50	145.83	275.83
Net Loan-Closing	3435.00	3397.50	3251.67	2975.83
Average Loan	3392.50	3416.25	3324.58	3113.75
Rate of Interest	7.15%	7.18%	7.18%	7.18%
Interest	242.60	245.45	238.60	223.51

Annexure II

Summary Sheet						
Name of the Company:				PGCIL		
Name of the Element:				LILO of Kolaghat- Rengali 400 kV S/C Transmission line at Baripada and establishment of new 400/220/132 kV Sub- station at Baripada in ER		
Actual DOCO:				1.7.2005		
Petition No.:				1/2007		
Tariff setting Period:				2004-09		
(Rs.in lakh)						
1	Capital Cost of the Project as on DOCO					4747.22
2	Additional Capitalisation					289.66
			For the year 2005-06		289.66	
			Total		289.66	
3	Total Capital Cost as on 1.4.2006(1+2)					5036.88
4	Means of Finance :					
		As on DOCO			As on 1.4.2006	
	Debt	70.57%	3350.00		70.53%	3552.76
	Equity	29.43%	1397.22		29.47%	1484.12
	Total	100.00%	4747.22		100.00%	5036.88
5	Gross Loan:					
			As on DOCO			3350.00
			Notional Loan corresponding to ACE during 2005-06			202.76
			As on 1. 4.2006			3552.76
6	Cumulative Repayment up to 31.3.2009 :					689.53
			Up to DOCO			0.00
			From DOCO to 31. 3.2009			689.53
			Total			689.53
7	Balance Loan to be repaid beyond 31.3.2009 :					2863.24
8	Depreciation recovered up to 31.3.2009 :					689.53
				Dep	AAD	Total
			From DOCO to 31.03.2009	579.43	110.09	689.53
			Total			689.53
9	Balance Depreciation to be recovered beyond 31.3.2009 :					3662.42
			Capital cost for the purpose of Depreciation		4747.22	
			ACE during 2005-06		289.66	
			Capital cost as 1.4.2006		5036.88	
			Less: Land Cost		201.38	
					4835.50	
			90% of Capital Cost as above		4351.95	
			Cum. Depreciation to be recovered up to 31.3.2009		689.53	
			Balance Depreciation to be recovered beyond 31.3.2009		3662.42	