

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

**Petition No. 97/2007
Along with
I.A.No. 32/2007**

In the matter of

Determination of final transmission tariff for (i) 315 MVA, 400/220 kV, ICT at Siliguri for the period 1.10.2006 to 31.3.2009, and (ii) 400 kV D/C Biharshariff-Muzaffarpur transmission line, Biharshariff 400 kV extension and Muzaffarpur 400 kV extension for the period 1.11.2006 to 31.3.2009 under System Strengthening Scheme for Eastern Region (formerly part of Tala Supplementary Scheme) .

And in the matter of

Power Grid Corporation of India Limited

...Petitioner

Vs

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

..Respondents

The following were present:

1. Shri V.V.Sharma, PGCIL
2. Shri B.C.Pant, PGCIL
3. Shri. A.K. Nagpal, PGCIL
4. Shri M.M.Mondal, PGCIL
5. Shri R.B.Sharma, Advocate, BSEB

**ORDER
(DATE OF HEARING: 25.9.2007)**

This petition has been filed for approval of transmission charges for (i) 315 MVA, 400/220 kV, ICT at Siliguri (Asset-I), and (ii) 400 kV D/C Biharshariff-Muzaffarpur transmission line, Biharshariff 400 kV extension and Muzaffarpur 400 kV extension (Asset- II) (collectively referred to as `the transmission assets`), under System Strengthening Scheme (hereinafter referred to as `the scheme`) for Eastern Region (formerly part of Tala Supplementary Scheme) from the date of commercial operation of the respective transmission asset, 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 during 2006-07. The petitioner has also prayed for reimbursement of expenditure from the beneficiaries incurred towards publishing of notices in newspapers and the petition filing fee.

2. The petitioner also filed I.A. No. 32/2007 for an interim order permitting it to charge the provisional tariff on monthly basis from the date of commercial operation pending determination of final tariff by the Commission. During the hearing, the representative of the petitioner stated that the audited expenditure upto the date of commercial operation was available and the same was furnished in the petition. Accordingly, the representative of the petitioner prayed for approval of final tariff without pursuing for provisional tariff. The beneficiaries present at the hearing expressed their no objection to allowing final tariff. Accordingly, we are considering the petitioner’s claim for final tariff. In this view, IA has become infructuous.

3. The investment approval for the scheme was accorded by the Board of Directors of the petitioner company vide letter dated 25.2.2003 at an estimated cost of Rs. 24791 lakh, which included IDC of Rs. 2364 lakh. Subsequently, the revised cost estimate for the scheme was approved by Board of Directors of the petitioner company vide its letter dated 9.7.2007 at an estimated cost of Rs. 33618 lakh, including an IDC of Rs.1837 lakh.

4. The dates of commercial operation of the two assets are stated to be as under:

S. No.	Name of the assets	Date of commercial operation
1.	Asset- I	1.10.2006
2.	Asset-II	1.11.2006

5. The details of the apportioned approved cost and the estimated completion cost of the transmission assets are stated to be as under:

(Rs. in lakh)

Name of the assets	Apportioned approved cost	Capital expenditure as on the date of commercial operation	Capital Expenditure from the date of commercial operation to 31.3.2007	Balance Expenditure	Total estimated completion cost
Asset- I	1081.00	866.38	64.55	115.45	1046.38
Asset-II	19119.00	17432.95	245.91	1087.09	18765.95

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

(Rs.in lakh)

	Asset- I			Asset-II		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
Depreciation	16.18	33.51	33.51	196.78	476.04	476.04
Interest on Loan	23.28	46.73	44.24	382.66	900.92	865.78
Return on Equity	18.87	39.09	39.09	305.83	739.16	739.16
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	2.29	4.72	4.81	25.00	60.48	61.20
O & M Expenses	30.42	63.26	65.80	78.03	194.50	202.52
Total	91.04	187.32	187.45	988.29	2371.11	2344.69

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

(Rs.in lakh)

	Asset- I			Asset-II		
	2006-07	2007-08	2008-09	2006-07	2007-08	2008-09
Maintenance Spares	9.31	9.59	10.16	174.33	178.69	189.41
O & M expenses	5.07	5.27	5.48	15.61	16.21	16.88
Receivables	30.35	31.22	31.24	395.32	395.18	390.78
Total	44.73	46.08	46.89	585.26	590.08	597.07
Rate of Interest	10.25%	10.25%	10.25%	10.25%	10.25%	10.25%
Interest	2.29	4.72	4.81	25.00	60.48	61.20

8. The reply to the petition has been filed by Bihar State Electricity Board (BSEB) and West Bengal State Electricity Distributing Company Limited (WBSEDCL), the successor entity of West Bengal State Electricity Board. In response to the public notices published by the petitioner in accordance with the procedure specified by the Commission, no comments have been received from the general public.

9. BSEB and WBSEDCL in their replies have raised question of delay of commissioning of transmission assets. The issue is being discussed in this order at an appropriate place.

CAPITAL COST

10. 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.

11. The petitioner has claimed additional capitalization of Rs. 64.55 lakh and Rs. 245.91 lakh on the works for date of the commercial operation to 31.3.2007 over the capital expenditure of Rs.. 866.38 lakh and Rs. 17432.95 lakh for Asset-I and Asset-II, respectively as on the date of commercial operation.

ADDITIONAL CAPITALIZATION 2006-07

12. 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.”

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

Asset-I	Asset-II
Nature of expenditure	Nature of expenditure
Sub-station = Rs. 64.55 lakh	Sub-station = Rs. 99.90 lakh
Total = Rs. 64.55 lakh	Transmission line = Rs. 140.90 lakh
	PLCC = Rs. 5.11 lakh
	Total = Rs. 245.91 lakh

14. 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. 64.55 lakh and Rs. 245.91 lakh has been allowed for the transmission assets.

Time Over-run

15. As per the original approval, the transmission assets were scheduled to be commissioned by June 2006. The lines were declared under commercial operation on 1.10.2006 and 1.11.2006, respectively. Therefore, there has been a delay of three to fourth months in the commissioning of the transmission assets. The petitioner has explained following reasons for delay:

(i) In respect of Asset-I, the petitioner has submitted that the progress of work was delayed mainly due to delay in availability of steel, bandh/strikes/political disturbances, heavy rains in the area and delay on account of statutory inspection. Copies of the correspondence in this regard have been placed on record ;

(ii) In respect of Asset-II, the progress of work was stated to be hampered mainly due to hindrance by local people, erection of RCE towers in flood

condition and stringing under difficult working condition. Copies of the correspondence in this regard have been attached with the application.

16. We have considered the matter very carefully. There is satisfactory explanation from the petitioner for the entire delay in completion of the transmission line. It needs to be pointed out that the petitioner does not gain anything by delaying the commissioning of its transmission assets. Therefore, the delay in commissioning of line is considered to be beyond the control of the petitioner.

TOTAL CAPITAL COST

17. Based on the above, gross block as given below has been considered for the purpose of tariff for both the transmission assets, after allowing additional capitalization on works as claimed by the petitioner:

(Rs. in lakh)

	Expenditure up on date of commercial operation	Additional capital expenditure up to 31.3.2007	Total capital expenditure
Asset- I	866.38	64.55	930.93
Asset-II	17432.95	245.91	17678.86
Total	18299.33	310.46	18609.79

.DEBT- EQUITY RATIO

18. Clause (1) of Regulation 54 of the 2004 regulations *inter alia* provides that,-

“(1) In case of the existing projects, debt–equity ratio Considered by the Commission for fixation of tariff for the period ending 31.3.2004 shall be considered for determination of tariff with effect from 01.04.2004:

Provided that in cases where the tariff for the period ending 31.3.2004 has not been determined by the Commission, debt-equity ratio shall be as may be decided by the Commission:

Provided further that in case of the existing projects where additional capitalisation has been completed on or after 1.4.2004 and admitted by the Commission under Regulation 53, equity in the additional capitalisation to be considered shall be :-

- (a) 30% of the additional capital expenditure admitted by the Commission, or
- (b) equity approved by the competent authority in the financial package, for additional capitalisation, or

(c) actual equity employed,

whichever is the least:

Provided further that in case of additional expenditure admitted under the second proviso, the Commission may consider equity of more than 30% if the transmission licensee is able to satisfy the Commission that deployment of such equity of more than 30% was in the interest of general public.”

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

20. In the present case, the revised investment approval for the scheme was accorded by the Board of Directors of the petitioner vide its letter dated 9.7.2007 with debt-equity ratio 70:30. The petitioner has considered debt-equity ratio of 70:30 and 70.14:29.86 for the transmission assets, 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. We have considered the debt-equity ratio on the date of commercial operation and for the additional capitalisation on works of Rs. 64.55 lakh and Rs.245.91 lakh for the transmission assets as considered by the petitioner. Accordingly, for the purpose of tariff, debt-equity considered for two assets as under:

(Rs. in lakh)

	Capital cost as on date of commercial operation	Equity on the date of commercial operation	Additional capital expenditure during 2006-07	Capital cost as on 1.4.2007	Addition of equity	Equity considered as on 1.4.2007
Asset- I	866.38	259.88	64.55	930.93	19.37	279.25
Asset-II	17432.95	5205.95	245.91	17678.86	73.77	5279.72
Total	18299.33	5465.83	310.46	18609.79	93.14	5558.97

RETURN ON EQUITY

21. 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.

22. Equity has been considered as on the date of commercial operation and as on 1.4.2007 onwards as given in the table below para 20 above. However, tariff for the period from date of the commercial operation to 31.3.2007 has been allowed on average equity. Accordingly, the petitioner shall be entitled to return on equity as under:

Name of the assets	Equity as on the date of commercial operation	Addition due to additional capitalization	Average equity	(Rs. in lakh)		
				Return on equity		
				2006-07 (Pro rata)	2007-08	2008-09
Asset- I	259.88	19.37	269.56	18.87	39.09	39.09
Asset- II	5205.95	73.77	5242.84	305.83	739.16	739.16

INTEREST ON LOAN

23. 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.”

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

(i) Gross loans opening has been considered from 2006-07.

(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) Gross loans at (i) above has been considered and the weighted average rate of interest on loan for respective years as per above has been multiplied to arrive at interest on loan, considering (depreciation + AAD) as repayment.

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

(i) Gross amount of loan, repayment of instalments and rate of interest submitted have been used to work out weighted average rate of interest on actual loan.

(ii) Notional loan arising out of additional capitalization from date of commercial operation to 31.3.2007 has been added in loan amount as on date of commercial operation to arrive at total notional loan. This

adjusted gross loan has been considered as normative loan for tariff calculations

- (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 :

Actual repayment of actual loan during the year

----- X Opening balance of normative
 Opening balance of actual loan during the year 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.

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

(Rs. in lakh)

Details of loan	Asset-I			Asset-II		
	2006-07 (Pro rata)	2007-08	2008-09	2006-07 (Pro rata)	2007-08	2008-09
Opening Gross Loan	606.50	651.69	651.69	12227.00	12399.14	12399.14
Cumulative Repayment	0.00	16.18	49.69	0.00	196.78	672.82
Net Loan-Opening	606.50	635.51	602.00	12227.00	12202.36	11726.32
Additions due to Additional Capitalisation	45.19	-	-	172.14	-	-
Repayment during the year	16.18	33.51	33.51	196.78	476.04	476.04

Net Loan-Closing	635.51	602.00	568.48	12202.36	11726.32	11250.28
Average Loan	621.00	618.75	585.24	12214.68	11964.34	11488.30
Weighted Average Rate of Interest on Loan	7.50%	7.55%	7.56%	7.52%	7.53%	7.54%
Interest	23.28	46.73	44.24	382.66	900.92	865.78

27. The detailed calculations in support of the weighted average rate of interest are contained in Annexure-I and Annexure-II attached.

DEPRECIATION

28. 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.

29. Depreciation allowed has been worked out as calculated below:

(Rs.in lakh)

Details of Depreciation	Asset-I			Asset-II		
	2006-07 (Pro rata)	2007-08	2008-09	2006-07 (Pro rata)	2007-08	2008-09
Gross block as on the date of commercial operation	866.38	930.93	930.93	17432.95	17678.86	17678.86
Additional Capitalisation during the period	64.55			245.91		
Gross Block at the end of the period	930.93	930.93	930.93	17678.86	17678.86	17678.86
Rate of Depreciation	3.6000%	3.6000%	3.6000%	2.6901%	2.6927%	2.6927%
Depreciable Value (90%)	808.79	837.84	837.84	15800.31	15910.97	15910.97
Balance Useful life of the asset	-	-	-	-	-	-
Remaining Depreciable Value	808.79	821.66	788.15	15800.31	15714.19	15238.16
Depreciation	16.18	33.51	33.51	196.78	476.04	476.04

ADVANCE AGAINST DEPRECIATION

30. 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

31. 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.

32. The petitioner has not claimed Advance Against Depreciation and accordingly Advance Against Depreciation has not been considered

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 2 bays for the Asset-I and 266.60 Ckt.km and 4 bays of Asset - II, which has been allowed. Accordingly, the petitioner's entitlement to O & M expenses has been worked out as given hereunder:

(Rs. in lakh)

	Asset-I			Asset-II			
	2006-07 (Pro-rata)	2007-08	2007-08		2006-07 (Pro-rata)	2007-08	2008-09
O&M expenses for 2 bays	30.42	63.26	65.80	O&M expenses for 266.60 ckt.km.	27.33	67.98	70.92
	-	-		O&M expenses for 4 bays	50.70	126.52	131.60
TOTAL	30.42	63.26	65.80	TOTAL	78.03	194.5	202.52

35. The petitioner has submitted that the wage revision of its employees is due with effect from 1.1.2007. Therefore, according to the petitioner, 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, element wise

capital expenditure on the date of commercial operation 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. 8.66 lakh and Rs. 174.33 lakh for Asset-I and Asset-II, respectively as on date of commercial operation. The necessary details are given hereunder:

Transmission assets	Date of Commercial Operation	Capital Expenditure (Rs. in lakh) on the date of commercial operation	Escalated spares Cost as on 1.4.2004 (Rs. in lakh)
Asset- I	1.10.2006	866.38	8.66
Asset-II	1.11.2006	17432.95	174.33

(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 1.4.2006, 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 herein below:

(Rs. in lakh)

	Asset-I			Asset-II		
	2006-07 (Pro rata)	2007-08	2008-09	2006-07 (Pro rata)	2007-08	2008-09
Maintenance Spares	8.66	8.92	9.46	174.33	178.69	189.41
O & M expenses	5.07	5.27	5.48	15.61	16.21	16.88
Receivables	30.34	31.21	31.23	395.32	395.18	390.78
Total	44.07	45.40	46.17	585.25	590.08	597.07
Rate of Interest	10.25%	10.25%	10.25%	10.25%	10.25%	10.25%
Interest	2.26	4.65	4.73	25.00	60.48	61.20

TRANSMISSION CHARGES

38. The transmission charges being allowed for the two transmission assets are summarised below:

(Rs. in lakh)

	Asset-I			Asset-II		
	2006-07 (Pro rata)	2007-08	2008-09	2006-07 (Pro rata)	2007-08	2008-09
Depreciation	16.18	33.51	33.51	196.78	476.04	476.04
Interest on Loan	23.28	46.73	44.24	382.66	900.92	865.78
Return on Equity	18.87	39.09	39.09	305.83	739.16	739.16
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	2.26	4.65	4.73	25.00	60.48	61.20
O & M Expenses	30.42	63.26	65.80	78.03	194.50	202.52
Total	91.01	187.25	187.38	988.30	2371.10	2344.70

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.1,58,365/- incurred on publication of notices in the newspapers. The petitioner shall claim reimbursement of the said expenditure directly from the respondents in one installment in the ratio applicable for sharing of transmission charges

41. This order disposes of Petition No.97/2007 along with I.A. No. 32 /2007.

Sd/-
(R.KRISHNAMOORTHY)
MEMBER
New Delhi dated the 6th May 2008

sd/-
(BHANU BHUSHAN)
MEMBER

Annexure-I

315 MVA, 400/220 kV, ICT at Siliguri

CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN
(Rs. in Lakh)

Details of Loan	2006-07	2007-08	2008-09
Bond-XV			
Gross Loan opening	25.00	25.00	25.00
Cumulative Repayment upto DOCO/previous year	0.00	0.00	2.08
Net Loan-Opening	25.00	25.00	22.92
Additions during the year	0.00	0.00	0.00
Repayment during the year	0.00	2.08	2.08

Net Loan-Closing	25.00	22.92	20.84
Average Loan	25.00	23.96	21.88
Rate of Interest	6.68%	6.68%	6.68%
Interest	1.67	1.60	1.46
Repayment Schedule	12 Annual instalments from 23-2-2008		
Bond- XVI			
Gross Loan opening	111.00	111.00	111.00
Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
Net Loan-Opening	111.00	111.00	111.00
Additions during the year	0.00	0.00	0.00
Repayment during the year	0.00	0.00	11.10
Net Loan-Closing	111.00	111.00	99.90
Average Loan	111.00	111.00	105.45
Rate of Interest	7.10%	7.10%	7.10%
Interest	7.88	7.88	7.49
Repayment Schedule	10 Annual instalments from 18-2-2009		
Bond- XVII			
Gross Loan opening	361.50	361.50	361.50
Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
Net Loan-Opening	361.50	361.50	361.50
Additions during the year	0.00	0.00	0.00
Repayment during the year	0.00	0.00	0.00
Net Loan-Closing	361.50	361.50	361.50
Average Loan	361.50	361.50	361.50
Rate of Interest	7.39%	7.39%	7.39%
Interest	26.71	26.71	26.71
Repayment Schedule	10 Annual Instalments from 22.9.2009		
Bond- XVIII			
Gross Loan opening	109.00	109.00	109.00
Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
Net Loan-Opening	109.00	109.00	109.00
Additions during the year	0.00	0.00	0.00
Repayment during the year	0.00	0.00	0.00
Net Loan-Closing	109.00	109.00	109.00
Average Loan	109.00	109.00	109.00
Rate of Interest	8.15%	8.15%	8.15%
Interest	8.88	8.88	8.88
Repayment Schedule	12 annual inatalments from 9-3-2010		
Bond- XIX (for addcap)			
Gross Loan opening	0.00	38.00	38.00
Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
Net Loan-Opening	0.00	38.00	38.00
Additions during the year	38.00	0.00	0.00
Repayment during the year	0.00	0.00	0.00
Net Loan-Closing	38.00	38.00	38.00
Average Loan	19.00	38.00	38.00
Rate of Interest	9.25%	9.25%	9.25%
Interest	1.76	3.52	3.52
Repayment Schedule	12 Annual Instalments from 24.7.2010		
Total Loan			
Gross Loan opening	606.50	644.50	644.50
Cumulative Repayment upto DOCO/previous year	0.00	0.00	2.08

Net Loan-Opening	606.50	644.50	642.42
Additions during the year	38.00	0.00	0.00
Repayment during the year	0.00	2.08	13.18
Net Loan-Closing	644.50	642.42	629.24
Average Loan	625.50	643.46	635.83
Rate of Interest	7.50%	7.55%	7.56%
Interest	46.91	48.59	48.06

Annexure-II

400 kV D/C Biharshariff-Muzaffarpur transmission line, Biharshariff 400 kV extension and Muzaffarpur 400 kV extension

CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN				
(Rs. in Lakh)				
	Details of Loan	2006-07	2007-08	2008-09
1	Bond-XV			
	Gross Loan opening	448.00	448.00	448.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	37.33
	Net Loan-Opening	448.00	448.00	410.67
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	37.33	37.33
	Net Loan-Closing	448.00	410.67	373.34
	Average Loan	448.00	429.34	392.01
	Rate of Interest	6.68%	6.68%	6.68%
	Interest	29.93	28.68	26.19
	Repayment Schedule	12 Annual instalments from 23-2-2008		

2	Bond- XVI			
	Gross Loan opening	2013.00	2013.00	2013.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	2013.00	2013.00	2013.00
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	201.30
	Net Loan-Closing	2013.00	2013.00	1811.70
	Average Loan	2013.00	2013.00	1912.35
	Rate of Interest	7.10%	7.10%	7.10%
	Interest	142.92	142.92	135.78
	Repayment Schedule	10 Annual instalments from 18-2-2009		
3	Bond- XVII			
	Gross Loan opening	7335.00	7335.00	7335.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	7335.00	7335.00	7335.00
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00
	Net Loan-Closing	7335.00	7335.00	7335.00
	Average Loan	7335.00	7335.00	7335.00
	Rate of Interest	7.39%	7.39%	7.39%
	Interest	542.06	542.06	542.06
	Repayment Schedule	10 Annual Instalments from 22.9.2009		
4	Bond- XVIII			
	Gross Loan opening	1975.00	1975.00	1975.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	1975.00	1975.00	1975.00
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00
	Net Loan-Closing	1975.00	1975.00	1975.00
	Average Loan	1975.00	1975.00	1975.00
	Rate of Interest	8.15%	8.15%	8.15%
	Interest	160.96	160.96	160.96
	Repayment Schedule	12 annual inatalments from 9-3-2010		
5	Bond- XIX			
	Gross Loan opening	456.00	456.00	456.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	456.00	456.00	456.00
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00
	Net Loan-Closing	456.00	456.00	456.00
	Average Loan	456.00	456.00	456.00
	Rate of Interest	9.25%	9.25%	9.25%
	Interest	42.18	42.18	42.18
	Repayment Schedule	12 annual inatalments from 24.7.2010		
6	Bond- XIX (for addcap)			
	Gross Loan opening	0.00	145.00	145.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	0.00	145.00	145.00
	Additions during the year	145.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00
	Net Loan-Closing	145.00	145.00	145.00
	Average Loan	72.50	145.00	145.00
	Rate of Interest	9.25%	9.25%	9.25%
	Interest	6.71	13.41	13.41
	Repayment Schedule	12 Annual Instalments from 24.7.2010		
	Total Loan			
	Gross Loan opening	12227.00	12372.00	12372.00

	Cumulative Repayment upto DOCO/previous year	0.00	0.00	37.33
	Net Loan-Opening	12227.00	12372.00	12334.67
	Additions during the year	145.00	0.00	0.00
	Repayment during the year	0.00	37.33	238.63
	Net Loan-Closing	12372.00	12334.67	12096.04
	Average Loan	12299.50	12353.34	12215.36
	Rate of Interest	7.52%	7.53%	7.54%
	Interest	924.75	930.21	920.57