

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

1. **Shri Ashok Basu, Chairperson**
2. **Shri K.N.Sinha, Member**
3. **Shri Bhanu Bhushan, Member**

**Petition No. 72/2004**

**In the matter of**

Approval of transmission charges for Vindhyachal Stage-I Additional Transmission System in Western Region for the period from 1.4.2004 to 31.3.2009

**And in the matter of**

Power Grid Corporation of India Limited

....**Petitioner**

**Vs**

1. Madhya Pradesh State Electricity Board, Jabalpur
  2. Maharashtra State Electricity Board, Mumbai
  3. Gujarat Electricity Board, Baroda
  4. Electricity Deptt., Government of Goa, Panaji
  5. Electricity Deptt., Administration of Daman & Diu, Daman
  6. Electricity Deptt., Administration of Dadra Nagar Haveli, Silvassa
  7. Chhattisgarh State Electricity Board, Raipur
- Respondents**

**The following were present:**

1. Shri P.C. Pankaj, PGCIL
2. Shri U.K. Tyagi, PGCIL
3. Shri C. Kannan, PGCIL
4. Shri Prasant Sharma, CM, PGCIL
5. Shri M.M. Mondal, CM (Fin), PGCIL
6. Shri D. D. Khandelwal, MPSEB
7. Shri Deepak Srivastava, MPSEB
8. Shri P.M.Matiey, MSEB
9. Shri S.B.Khailya, GM, GUVNL
10. Shri Kamlesh Kumar Jangia, GUVNL

**ORDER**

**(DATE OF HEARING: 7.9.2005)**

The petition has been filed for approval for transmission charges for Vindhyachal Stage-I Additional Transmission System (the transmission system) in Western Region for the period from 1.4.2004 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"). The petitioner had also prayed that it be permitted to continue the billing of transmission charges on the same basis

as charged on 31.3.2004, pending determination of tariff in the present petition. No other specific relief is prayed for.

2. The approval for revised cost estimates of Rs. 79211.00 lakh, including IDC of Rs. 14675.00 lakh was accorded by Ministry of Power vide its letter dated 23.2.2001.

3. The tariff for the period up to 31.3.2001 was approved by the Commission vide its order dated 19.9.2002 in petition No. 70/2000, at the completion cost of Rs. 67685.50 lakh. The annual transmission charges for the period from 1.4.2001 to 31.3.2004 were decided by the Commission in its order dated 17.7.2003 in Petition No. 66/2002 at a gross block of Rs. 76505.20 lakh which included FERV of Rs. 8819.70 lakh up to 31.3.2001. The transmission system comprising of the following lines with total line length of 2048 ckt-kms was declared under commercial operation on 1.2.1998:

- i) 400 kV D/C Vindhyachal-Jabalpur transmission line-2
- ii) 400 kV D/C Jabalpur-Itarsi transmission line-2
- iii) 400 kV D/C Itarsi-Dhule transmission line

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

(Rs. in lakh)

	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
Depreciation	2190.39	2190.39	2190.39	2190.39	2190.39
Interest on Loan	2814.67	2565.81	2300.70	2018.13	1716.78
Return on Equity	890.53	890.53	890.53	890.53	890.53
Advance against Depreciation	1684.68	1952.61	2240.06	2549.50	2882.45
Interest on Working Capital	255.25	262.54	270.32	278.53	287.35
O & M Expenses	858.58	892.83	929.69	965.06	1005.37
<b>Total</b>	8694.09	8754.71	8821.69	8892.15	8972.87

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

(Rs. in lakh)

	2004-05	2005-06	2006-07	2007-08	2008-09
Maintenance Spares	969.67	1027.85	1089.52	1154.89	1224.18
O & M expenses	71.55	74.40	77.47	80.42	83.78
Receivables	1449.01	1459.12	1470.28	1482.02	1495.48
Total	2490.23	2561.37	2637.28	2717.33	2803.44
Rate of Interest	10.25%	10.25%	10.25%	10.25%	10.25%
Interest	255.25	262.54	270.32	278.53	287.35

6. The replies to the petition have been filed by Maharashtra State Electricity Board and Madhya Pradesh State Electricity Board. No comments or suggestion 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 (2) of Regulation 52 of the 2004 regulations in case of the projects existing as on 31.3.2004, the project cost admitted by the Commission for determination of tariff prior to 1.4.2004 shall form the basis for determination of tariff.

8. The petitioner has claimed the capital expenditure of Rs.76505.20 lakh admitted by the Commission in the order dated 17.7.2003 *ibid*. The petitioner has not claimed additional capitalisation on works. The petitioner has considered additional capitalisation of Rs. 4310.52 lakh on account of FERV for the period 1.4.2001 to 31.3.2004. Accordingly, gross block of Rs. 80815.72 lakh has been claimed for the purpose of tariff.

### **Extra Rupee Liability during the years 2001-04:**

9. Regulation 1.13 (a) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2001 provides as under:

- (a) Extra rupee liability towards interest payment and loan repayment actually incurred, in the relevant year shall be admissible; provided it directly arises out of foreign exchange rate variation and is not attributable to Utility or its suppliers or contractors. Every utility shall

follow the method as per the Accounting Standard-11 (Eleven) as issued by the Institute of Chartered Accountants of India to calculate the impact of exchange rate variation on loan repayment

- (b) Any foreign exchange rate variation to the extent of the dividend paid out on the permissible equity contributed in foreign currency, subject to the ceiling of permissible return shall be admissible. This as and when paid, may be spread over the twelve-month period in arrears

10. Regulation 1.7 of the 2001 further provides that recovery of foreign exchange rate variation would be done directly by the utilities from the beneficiaries without filing a petition before the Commission. In case of any objections by the beneficiaries to the amounts claimed on these counts, they may file an appropriate petition before the Commission.

11. MPSEB in its reply has objected to capitalisation of FERV. We do not find the objection to be valid. FERV worked out by the petitioner is in accordance with the provision of AS-11, applicable for the period up to 31.3.2004. Actual FERV works out to Rs. 4309.83 lakh. The claim of Rs. 4309.83 lakh has accordingly been considered for tariff calculations.

12. Based on the above, the gross block of Rs. 80815.03 lakh, including additional capitalization of Rs.4309.83 lakh on account of FERV claimed, as on 1.4.2004 has been considered for the purpose of tariff.

### **DEBT- EQUITY RATIO**

13. Regulation 54 of the 2004 regulations *inter alia* provides that,-

(1) In case of the existing project, 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.

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

Provided that where deployment of equity is less than 30%, the actual equity deployed shall be considered for the purpose of determination of tariff.

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

(3) In case of the transmission system for which investment approval is accorded on or after 1.4.2004, debt-equity in the ratio of 70:30 shall be considered for the purpose of determination of tariff:

Provided that where deployment of equity is less than 30%, the actual equity deployed shall be considered for the purpose of determination of tariff.

(4) The debt and equity amount arrived at in accordance with above sub-clause (1), (2) or (3), as the case may be, shall be used for calculation of interest on loan, return on equity, advance against depreciation and foreign exchange rate variation.”

14. The petitioner has claimed tariff based on debt-equity ratio of 92.13:7.87 as considered by the Commission in its order dated 17.7.2003 *ibid*. The additional capitalization amount of Rs 4310.52 lakh on account of FERV has been apportioned between debt and equity in the same ratio as considered in the order dated 17.7.2003, that is, ratio of 92.13:7.87, Rs. 3971.28 lakh as loan and Rs. 339.24 lakh as equity. Based on this, Rs. 6360.94 lakh as on 1.4.2004 has been taken as the equity by the petitioner for the purpose of determination of tariff in the present petition.

15. The petitioner has stated in the petition that the approved debt-equity ratio is 80: 20. Therefore, in order to bring debt and equity close to the approved debt-equity ratio, the entire amount of Rs. 4309.58 lakh approved on account of FERV has been adjusted against equity. Accordingly, for the purpose of tariff, an amount of Rs. 10331.53 lakh has been considered as equity as on 1.4.2004 against the equity of Rs. 6021.70 lakh considered in the order dated 17.7.2003. Adjusted overall debt-equity is worked out to 87.22:12.78.

### **RETURN ON EQUITY**

16. 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.

17. The petitioner has also claimed return on equity of Rs. 6360.94 lakh after accounting for equity of Rs. 339.24 lakh on account of FERV, over equity of Rs. 6021.07 lakh considered in the order dated 17.7.2003 *ibid*. For the reasons given hereinabove in para 15, we have taken equity of Rs. 10331.53 lakh. Accordingly, the

petitioner shall be entitled to return on equity @ Rs.1446.41 lakh each year during the year.

### **INTEREST ON LOAN**

18. 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 as per regulation 54 minus cumulative repayment as admitted by the Commission for the period up to 31.3.2004. The repayment for the period 2004-09 shall be worked out accordingly on normative basis.
  - (c) The transmission licensee shall make every effort to swap the loan as long as it results in net benefit to the long-term transmission customers. The costs associated with such swapping shall be borne by the long-term transmission customers.
  - (d) The changes to the loan terms and conditions shall be reflected from the date of such swapping and benefits passed on to the beneficiaries.
  - (e) 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.
19. The petitioner has claimed interest on loan in the following manner:
- (i) Gross loans, cumulative loan repayment up to previous year as admitted by the Commission in petition No. 66/2002 have been taken as the Opening Balance as on 1.4.2004.
  - (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) Loans as admitted by the Commission in petition No. 66/2002 have been considered as notional loan and the weighted average rate of interest on loan for the respective years as per above has been multiplied with average notional loan to work out interest on loan.

(iv) Notional loan component of FERV up to 31.3.2001 as above have been considered separately and actual applicable rate of interest on Foreign Loan have been considered to workout the interest on this component.

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

(i) Details of net outstanding loan as on 31.3.2004, repayment schedule for the period 2004-09, rate of interest as on 1.4.2004, exchange rate as on 31.3.2004 etc. have been taken from above loan allocation statement for working out weighted average rate of interest.

(ii) Gross notional loan and cumulative repayment up to 31.3.2004 have been taken from the order dated 17.7.2003.

(iii) The repayment of notional loan arising due to additional capitalization during the years 2001-04 has been worked out by the following formula:

$$\frac{\text{Actual repayment of actual loan during each year}}{\text{Opening balance of actual loans during corresponding year}} \times (\text{Opening balance + addition of normative loan during corresponding Year})$$

(iv) Tariff is worked out considering normative loan and normative repayments. Once the normative loan is arrived at, it is considered for all purposes in the tariff. Normative repayment is worked out by the following formula:

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



- (v) Moratorium in repayment of loan is 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 is considered as moratorium and depreciation during the year is deemed as normative repayment of loan during the year.
- (vi) Weighted average rate of interest on actual loan worked out as per (i) above is applied on the notional average loan during the year to arrive at the interest on loan.
- (vii) IBRD-loan carries floating rate of interest and rate of interest as applicable as on 1.4.2004 has been considered in the calculation, subject to mutual settlement between the parties in case of any change/resetting of the interest rate during the tariff period.

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

(Rs. in lakh)

Details of loan	Up to 31.3.2004	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Interest on Loan</b>						
Gross loan as per order dated 17.7. 2003	70483.51					
Addition due to additional capitalisation	0.00					
Addition due to FERV	0.00					
Gross Normative Loan	70483.51	70483.51	70483.51	70483.51	70483.51	70483.51
Cumulative Repayment up to Previous Year		25300.88	28859.12	32660.54	36722.89	41065.51
Net Loan-Opening		45182.63	41624.39	37822.97	33760.62	29418.00
Repayment during the year		3558.24	3801.42	4062.35	4342.62	4644.55
Net Loan-Closing		41624.39	37822.97	33760.62	29418.00	24773.45
Average Loan		43403.51	39723.68	35791.79	31589.31	27095.72
Weighted Average Rate of Interest on Loan		5.9980%	5.9782%	5.9555%	5.9283%	5.8937%
<b>Interest</b>		<b>2603.35</b>	<b>2374.78</b>	<b>2131.60</b>	<b>1872.72</b>	<b>1596.95</b>

### **DEPRECIATION**

22. 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.

23. The cost of land is Rs. 10.37 lakh. The gross depreciable value of the asset, as per (i) and (ii) above, is  $0.9 \times (\text{Rs. } 80815.03 \text{ lakh} - \text{Rs. } 10.37 \text{ lakh}) = \text{Rs. } 72724.19 \text{ lakh}$ . Cumulative depreciation and AAD recovered in tariff up to 31.3.2004 is Rs. 23654.09 lakh which includes an amount of Rs. 166.78 lakh recovered as depreciation on additional capitalization of Rs. 4309.83 lakh due to FERV over depreciation recovery of Rs. 23487.31 lakh considered in order dated 17.7.2003. Remaining depreciable value as on 1.4.2004 is thus Rs. 49070.10 lakh.

24. For the period 1.4.2004 to 31.3.2009 the depreciation works out to Rs. 2190.37 lakh each year by applying rate of depreciation of 2.7104% as shown below:

		(Rs. in lakh)					
Details of Depreciation		Up to 31.3.2004	2004-05	2005-06	2006-07	2007-08	2008-09
As per order dated 17.7.2003		76505.20					
Addition during 2001-04 due to Additional Capitalisation		0.00					
Addition during 2001-04 due to FERV		4309.83					
Gross Block as on 31.3.2004		80815.03	80815.03	80815.03	80815.03	80815.03	80815.03
Rate of Depreciation	2.7104%						
Depreciable Value	90%		72724.19	72724.19	72724.19	72724.19	72724.19
Balance Useful life of the asset			-	-	-	-	-
Remaining Depreciable Value			49070.10	45511.86	41710.44	37648.09	33305.47
<b>Depreciation</b>			<b>2190.37</b>	<b>2190.37</b>	<b>2190.37</b>	<b>2190.37</b>	<b>2190.37</b>

### **ADVANCE AGAINST DEPRECIATION**

25. 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.

26. 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.

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

- (i) 1/10th of gross loan is worked out from the gross loan admitted by the Commission in the order dated 17.7.2003 *ibid.*

- (ii) Cumulative loan as well as repayment of notional loan during the year have been considered.
- (iii) Depreciation as claimed.
- (iv) In addition to cumulative depreciation up to 2003-04 (excluding Advance Against Depreciation) as per order dated 17.7.2003 ibid, depreciation on FERV for the period 2001-04 has been added to arrive at total cumulative depreciation amount as on 31.3.2004.

28. In our calculation, the 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 21 above.
- (ii) Repayment of notional loan during the year has been considered as per para 21 above.
- (iii) Depreciation worked out as per para 24 has been taken into account.
- (iv) In cumulative depreciation up to 31.3.2004 is worked out considering Cumulative Depreciation/Advance Against Depreciation up to 2003-04 as per order dated 17.7.2003 ibid and depreciation recovered on FERV.

29. The details of Advance Against Depreciation allowed for the transmission system, is given hereunder:

	(Rs in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
1/10th of Gross Loan(s)	7048.35	7048.35	7048.35	7048.35	7048.35
Repayment of the Loan	3558.24	3801.42	4062.35	4342.62	4644.55
Minimum of the above	3558.24	3801.42	4062.35	4342.62	4644.55
Depreciation during the year	2190.37	2190.37	2190.37	2190.37	2190.37
(A) Difference	1367.87	1611.05	1871.98	2152.25	2454.18
Cumulative Repayment of the Loan	28859.12	32660.54	36722.89	41065.51	45710.06

Cumulative Depreciation/ Advance against Depreciation	25844.46	29402.70	33204.12	37266.47	41609.09
(B) Difference	3014.66	3257.83	3518.77	3799.03	4100.97
<b>Advance against Depreciation Minimum of (A) and (B)</b>	<b>1367.87</b>	<b>1611.05</b>	<b>1871.98</b>	<b>2152.25</b>	<b>2454.18</b>

### **OPERATION & MAINTENANCE EXPENSES**

30. 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

31. The petitioner has claimed O & M expenses for 2048 ckt km of line length and 14 bays (6 at Itrasi, 3 at Dhule and 5 at Jabalpur sub-stations), which has been allowed. Accordingly, the petitioner's entitlement to O & M expenses has been worked out as given hereunder:

(Rs. in lakh)

	Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
O&M expenses for line length	464.90	483.33	503.81	522.24	544.77
O&M expenses for bays	393.68	409.50	425.88	442.82	460.60
<b>Total</b>	<b>858.58</b>	<b>892.83</b>	<b>929.69</b>	<b>965.06</b>	<b>1005.37</b>

32. 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**

33. 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 has not been made available by the petitioner. The total capital expenditure of Rs. 67046.76 lakh as on 1.2.1998 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. The value of maintenance spares as on 1.4.2004 works out to Rs. 960.58 lakh.

**(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 the respective year. 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 1.4.2004, which is in accordance with the 2004 regulations and has been allowed.

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

(Rs. in lakh)

	2004-05	2005-06	2006-07	2007-08	2008-09
Maintenance Spares	960.58	1018.22	1079.31	1144.07	1212.71
O & M expenses	71.55	74.40	77.47	80.42	83.78
Receivables	1453.56	1462.90	1473.27	1484.07	1496.60
Total	2485.69	2555.52	2630.06	2708.56	2793.09
Rate of Interest	10.25%	10.25%	10.25%	10.25%	10.25%
<b>Interest</b>	254.78	261.94	269.58	277.63	286.29

### **TRANSMISSION CHARGES**

35. A summary sheet showing basic details of capital cost and other related aspects is annexed to this order. The transmission charges being allowed for the transmission system are summarised below.

(Rs. In lakh)

	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	2190.37	2190.37	2190.37	2190.37	2190.37
Interest on Loan	2603.35	2374.78	2131.60	1872.72	1596.95
Return on Equity	1446.41	1446.41	1446.41	1446.41	1446.41
Advance against Depreciation	1367.87	1611.05	1871.98	2152.25	2454.18
Interest on Working Capital	254.78	261.94	269.58	277.63	286.29
O & M Expenses	858.58	892.83	929.69	965.06	1005.37
<b>Total</b>	<b>8721.36</b>	<b>8777.38</b>	<b>8839.63</b>	<b>8904.44</b>	<b>8979.58</b>

36. The petitioner has sought approval for the reimbursement of expenditure of Rs. 1,05,083/- 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. The petitioner

has also sought reimbursement of filing fee of Rs.5.00 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.

37. 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. These transmission charges shall be included in the regional transmission tariff for Western Region and shall be shared by the regional beneficiaries in accordance with the 2004 regulations.

38. The petitioner is already billing the respondents on provisional basis in accordance with the Commission's interim directions. The provisional billing of tariff shall be adjusted in the light of final tariff now approved by us.

39. This order disposes of Petition No. 72/2004.

Sd-/  
**(BHANU BHUSHAN)**  
MEMBER

sd-/  
**(K.N.SINHA)**  
MEMBER

sd-/  
**(ASHOK BASU)**  
CHAIRPERSON

**New Delhi dated the 2<sup>nd</sup> May 2006**

### Summary Sheet

<b>Name of the Company:</b>	<b>PGCIL</b>
<b>Name of the Element:</b>	<b>Vindhyachal Stage-I Additional Transmission System in Western Region</b>
<b>Actual DOCO:</b>	<b>1. 2.1998</b>
<b>Petition No.:</b>	<b>72/2004</b>
<b>Tariff setting Period:</b>	<b>2004-09</b>
(Rs.in lakh)	



<b>1</b>	<b>Capital Cost of the Project</b>				<b>76505.20</b>
<b>2</b>	<b>Cumulative depreciation recovered as on 31. 3.1997</b>				<b>0.00</b>
<b>3</b>	<b>Net Fixed Assets as on 1.4.1997</b>				<b>76505.20</b>
<b>4</b>	<b>Admitted Capital Cost as on 1. 4.2004 for Calculation of Debt and Equity<sup>1</sup></b>				<b>76505.20</b>
<b>5</b>	<b>Additional Capitalisation(works)</b>				<b>0.00</b>
	2001-02			0.00	
	2002-03			0.00	
	2003-04			0.00	
	Total			0.00	
<b>6</b>	<b>Additional Capitalisation(FERV)</b>				<b>4309.83</b>
	2001-02			211.49	
	2002-03			3575.71	
	2003-04			522.63	
	Total			4309.83	
<b>7</b>	<b>Total Capital Cost as on 1. 4.2004(2+3+4)</b>				<b>80815.03</b>
<b>8</b>	<b>Means of Finance<sup>1</sup> :</b>				
	Debt	87.22%		70483.51	
	Equity	12.78%		10331.53	
	Total	100.00%		80815.03	
<b>9</b>	<b>Gross Loan as on 1. 4.2004</b>				<b>70483.51</b>
	<b>Cumulative Repayment up to 31.3.2009 :</b>				<b>45710.06</b>
	Repaid up to 31. 3.2004			25300.88	
	1. 4.2001 to 31. 3.2004 (ACE & FERV)			0.00	
	1. 4.2004 to 31. 3.2009			20409.18	
	Total			45710.06	
<b>10</b>	<b>Balance Loan to be repaid beyond 31. 3.2009 :</b>				<b>24773.45</b>
<b>11</b>	<b>Depreciation recovered up to 31. 3.2009 :</b>				<b>44063.27</b>
		<b>Dep</b>	<b>AAD</b>	<b>Total</b>	
	Recovered up to 31. 3.2004	18240.64	5246.67	23487.31	
	1. 4.2001 to 31. 3.2004 (ACE & FERV)	166.78	0.00	166.78	
	1. 4.2004 to 31. 3.2009	10951.85	9457.33	20409.18	
	Total			44063.27	
<b>12</b>	<b>Balance Depreciation to be recovered beyond 31. 3.2009 :</b>				<b>28660.92</b>
	<b>Capital cost for the purpose of Depreciation</b>			<b>76505.20</b>	
	<b>ACE + FERV</b>			<b>4309.83</b>	
	<b>Capital cost as 1. 4.2004</b>			<b>80815.03</b>	
	<b>Less: Land Cost</b>			<b>10.38</b>	
				<b>80804.66</b>	
	<b>90% of Capital Cost as above</b>			<b>72724.19</b>	
	<b>Cum. Depreciation to be recovered up to 31. 3.2009</b>			<b>44063.27</b>	
	<b>Balance Depreciation to be recovered beyond 31. 3.2009</b>			<b>28660.92</b>	