

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Bhanu Bhushan, Member**
2. **Shri A.H. Jung, Member**

Petition No. 141/2005

In the matter of

Approval of transmission tariff for 400 kV Meerut-Mandola Circuit I & II and ICT II & ICT III for the period 1.4.2004 to 31.3.2009

And in the matter of

Power Grid Corporation of India Ltd.

... Petitioner

Vs

1. Rajasthan Rajya Vidyut Prasaran Nigam Ltd., Jaipur
2. Ajmer Vidyut Vitran Nigam Ltd., Ajmer
3. Jaipur Vidyut Vitran Nigam, Jaipur
4. Jodhpur Vidyut Vitran Nigam Ltd., Jodhpur
5. Himachal Pradesh State Electricity Board, Shimla
6. Punjab State Electricity Board, Patiala
7. Haryana Vidyut Prasaran Nigam Ltd, Panchkula
8. Power Development Department, Govt. of J&K, Jammu
9. Uttar Pradesh Power Corporation Ltd., Lucknow
10. Delhi Transco Ltd., New Delhi
11. Chief Engineer, Chandigarh Administration, Chandigarh
12. Uttranchal Power Corporation Ltd, Dehradun
13. Northern Central Railway, Allahabad, New Delhi**Respondents**

The following were present:

1. Shri Umesh Chandra ED, PGCIL
2. Shri U.K. Tyagi, PGCIL
3. Shri P.C. Pankaj, PGCIL
4. Shri M.M. Mondal, CM (Fin), PGCIL
5. Shri Prashant Sharma, PGCIL
6. Shri Jayant Verma, UPPCL
7. Shri T.P.S. Bawa, OSD (Comm.), PSEB
8. Shri R.K. Arora, XEN, HVPNL

**ORDER
(DATE OF HEARING: 20.4.2006)**

The petition has been filed for approval of transmission charges for 400 kV Meerut-Mandola Circuit I & II and ICT II & ICT III (hereinafter referred as “ the transmission assets”) for the period 1.4.2004 to 31.3.2009 in Northern Region based on the Central Electricity Regulatory Commission (Terms and Conditions of

Tariff) Regulations, 2004, (hereinafter referred to as “the 2004 regulations”). The petitioner has also prayed that it be allowed tariff on the expenditure incurred during 2003-04 after the date of commercial operation and also reimbursement from the beneficiaries of the expenditure incurred towards publishing notices in newspapers and petition filing fee.

2. The investment approval for construction of the transmission system associated with Tehri Hydroelectric Project which includes the transmission assets was accorded by the Central Government in Ministry of Power under letter dated 20.8.2002 at an estimated cost of Rs. 70229.00 lakh, including IDC of Rs. 13601.00 lakh. The dates of commercial operation of different elements of the transmission assets covered in the instant petition and the line length are as under:

Name of the element	Date of Commercial Operation	Line Length Ckt kms (For O&M)
400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations	1.10.2003	59.87
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations	1.4.2003	59.87
ICT-II along with associated bays at Meerut sub-station	1.4.2003	-
ICT-III along with associated bays at Meerut sub-station	1.7.2003	-
Total		119.74

3. The annual transmission charges for the period up to 31.3.2004 in respect of the transmission assets were approved by the Commission in its order dated 7.9.2005 in petition No. 8/2003. Gross block on the date of commercial operation of the respective element of the transmission assets considered by the Commission in the said order dated 7.9.2005 *ibid* is as under:

Name of the element	Gross Block on date of commercial operation (Rs in lakh)
400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations	2932.70
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations	2534.41
ICT-II along with associated bays at Meerut sub-station	1013.32
ICT-III along with associated bays at Meerut sub-station	1989.63
Total	8470.06

4. The transmission charges claimed by the petitioner under various heads are given in Annexure I of this order. The summary of the transmission charges claimed is given hereunder:

(Rs.in lakh)

Name of the element	2004-05	2005-06	2006-07	2007-08	2008-09
400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations	539.14	564.02	545.78	527.57	490.48
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations	490.24	492.99	477.25	461.53	427.12
ICT-II along with associated bays at Meerut sub-station	282.65	287.24	284.94	282.80	273.71
ICT-III along with associated bays at Meerut sub-station	388.73	457.88	449.00	440.28	424.62
Total	1700.76	1802.13	1756.97	1712.18	1615.93

5. The details submitted by the petitioner in support of its claim for interest on working capital are given in Annexure II to this order. A summary of the interest on working capital claimed is given hereunder:

(Rs.in lakh)

Name of the element	2004-05	2005-06	2006-07	2007-08	2008-09
400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations	12.95	13.58	13.50	13.42	13.04
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations	11.76	12.00	11.93	11.87	11.51
ICT-II along with associated bays at Meerut sub-station	6.91	7.10	7.17	7.25	7.22
ICT-III along with associated bays at Meerut sub-station	9.75	11.10	11.13	11.16	11.09
Total	41.37	43.78	43.73	43.7	42.86

6. The replies to the petition have been filed by Punjab State Electricity Board and UPPCL. In response to the public notices published by the petitioner in accordance with the procedure specified by the Commission, no comments or objections have been received from the general public.

Additional capitalization 2003-04

7. The petitioner has sought approval of tariff after accounting for additional capital expenditure incurred on account of left over/balance payments as per details given below:

(a) 400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations:

Year	Amount claimed (Rs. in lakh)	Details of expenditure
2003-04	40.04	Transmission line = Rs. 2.16 lakh sub-station = Rs. 23.28 lakh PLCC = Rs.14.60 lakh

(b) 400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations:

Year	Amount claimed (Rs. in lakh)	Details of expenditure
2003-04	31.32	Building = Rs. 6.45 lakh Transmission line = Rs.0.51 lakh Sub-station = Rs. 19.78 lakh PLCC = Rs. 4.58 lakh

(c) ICT-II along with associated bays at Meerut sub-station:

Year	Amount claimed (Rs. in lakh)	Details of expenditure)
2003-04	19.42	Building = Rs.2.14 lakh Sub-station = Rs.17.28 lakh

(d) ICT-III along with associated bays at Meerut sub-station :

Year	Amount claimed (Rs. in lakh)	Details of expenditure
2003-04	17.59	Sub-station= Rs.17.59 lakh

8. The above expenditure was not considered by the Commission in its order dated 7.9.2005 ibid while approving tariff for the period ending 31.3.2004. The capital expenditure claimed is found to be in order as it was against the committed liability. Accordingly, the additional capital expenditure as claimed for the respective transmission asset has been allowed.

CAPITAL COST

9. 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.

10. The petitioner has claimed the capital expenditure admitted by the Commission in the order dated 7.9.2005 ibid together with additional expenditure incurred after the date of commercial operation up to 31.3.2004 and has been allowed as per para 8 above. The petitioner has also considered de-capitalization on account of FERV for the year 2003-04. We consider the admissibility of de-capitalisation on account of FERV.

Extra Rupee Liability during the years 2001-04:

11. Regulation 1.13 (a) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2001 provided 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.

12. Regulation 1.7 of the 2001 further provided 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.

13. The petitioner has claimed decapitalization of a total amount of Rs. 45.79 lakh on account of FERV as per details given hereunder:

(Rs. in lakh)

Name of the element	Amount
400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations	(-) 10.92
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations	(-) 21.23
ICT-II along with associated bays at Meerut sub-station	(-) 8.10
ICT-III along with associated bays at Meerut sub-station	(-) 5.54
Total	(-) 45.79

14. As no objections are raised by the respondents to the petitioner's claim for de capitalization on account of FERV, FERV worked out is matching with calculations submitted by the petitioner and is in accordance with AS-11 as applicable up to 31.3.2004, the claim has been allowed for tariff calculations.

15. Based on the above, gross block as given below has been considered for the purpose of tariff for each of the elements, after allowing additional capitalization on works and de-capitalization on account of FERV:

(Rs. in lakh)				
Name of the Element	Admitted capital cost	Additional Capitalization on works	Additional capitalization on FERV for the period 1.4.2001 to 31.3.2004	Total
400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations	2932.70	40.04	(-) 10.92	2961.82
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations	2534.41	31.32	(-) 21.23	2544.50
ICT-II along with associated bays at Meerut sub-station	1013.32	19.42	(-) 8.10	1024.64
ICT-III along with associated bays at Meerut sub-station	1989.63	17.59	(-) 5.54	2001.68
Total	8470.06	108.37	(-)45.79	8532.64

DEBT- EQUITY RATIO

16. 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.”

17. The petitioner has claimed tariff based on debt-equity ratio as considered by the Commission in its order dated 7.9.2005 *ibid*, as indicated below:

Name of the Element	Debt-equity ratio
400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations	78.64:21.36
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations	79.56:20.44
ICT-II along with associated bays at Meerut sub-station	75.20:24.50
ICT-III along with associated bays at Meerut sub-station	78.53:21.47

18. The petitioner has considered the entire amount of additional capitalization on works towards equity. However, the amount decapitalized on account of FERV have

been apportioned between debt and equity in the same ratio as considered in the order dated 7.9.2005 ibid.

19. In the instant case, the approved debt-equity ratio is stated to be 79.48:20.52. Therefore, in all the assets, additional capital expenditure for the year 2003-04 has been considered as loan and decapitalization on account of FERV has divided between debt and equity in such a way so as to make over all debt-equity equal to the approved debt-equity ratio. Therefore, the quantum of equity in respect of the four elements considered is hereunder:

Name of the Element	Total equity (Rs. in lakh)
400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations	607.77
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations	522.13
ICT-II along with associated bays at Meerut sub-station	210.26
ICT-III along with associated bays at Meerut sub-station	410.74
TOTAL	1750.90

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 on the basis of order dated 7.9.2005 ibid along with notional equity on additional capitalization on works and decapitalization on account of FERV. However, for the purpose of tariff, equity considered is as given at para 19 above. Thus, return on equity recoverable each year during the tariff period in respect of each of the elements is given hereunder:

(Rs. in lakh)		
Name of the Element	Equity allowed	Return on Equity
400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations	607.77	85.09
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations	522.13	73.10
ICT-II along with associated bays at Meerut sub-station	210.26	29.44
ICT-III along with associated bays at Meerut sub-station	410.74	57.50
Total	1750.90	245.13

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 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 of any dispute, any of the parties may approach the Commission with proper application. However, long term transmission customers shall not

withhold any payment as ordered by the Commission to the transmission licensee during pendency of any dispute relating to swapping 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 swapping of loan and interest on loan.

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

(i) Gross loan, cumulative loan repayment up to previous year as admitted by the Commission in order dated 7.9.2005 *ibid* 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) Gross loans as admitted by the Commission in the order dated 7.9.2005 *ibid* has been considered as notional loan and the weighted average rate of interest on loan for respective years as per above has been multiplied to arrive at interest on loan.

(iv) Notional loan component on account of FERV has been included and weighted average rate of interest as per (ii) have been considered.

24. 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 the loan allocation statement submitted by the petitioner for working out weighted average rate of interest. The petitioner in its affidavit dated 1.9.2005 submitted that in case of loan from ICICI Bank, the prevailing interest rate of 12.15% per annum payable quarterly has been reset at 7.32% per annum payable quarterly w.e.f. 28.6.2005, the same has been considered in tariff calculation. For the year 2005-06, weighted average rate of interest of ICICI Bank loan on days basis has been considered for tariff calculations
- (ii) Gross notional loan and cumulative repayment up to 31.3.2004 have been taken from the order dated 7.9.2005 *ibid*.
- (iii) Notional loan arising out of additional capitalization on works and decapitalization on account of FERV in all the elements during the year 2003-04 has been considered.
- (iv) The repayment of notional loan arising due to additional capitalization and FERV during the years 2003-04 has been worked out by the following formula:

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

- (v) 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:

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

- (vi) 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 including AAD during the year, then depreciation including AAD during the year is deemed as normative repayment of loan during the year.
- (vii) Weighted average rate of interest on actual loan worked out as above is applied on the notional average loan during the year to arrive at the interest on loan.
- (viii) OBC, Punjab National Bank – I, Punjab National Bank – II, Corporation Bank and Bank of India Foreign Currency loan carry the floating rates of interest and rates of interest as applicable as on 1.4.2004 have 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. In case of PFC loan, the petitioner had submitted the rate of interest as

25. Based on the above, the year-wise details of interest worked out in respect of the four elements is given in Annexure III of this order. A summary of the details is given hereunder:

(Rs. in lakh)

Name of the element	2004-05	2005-06	2006-07	2007-08	2008-09
400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations	187.37	161.49	138.94	118.38	99.24
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations	155.76	131.64	111.89	94.08	77.66
ICT-II along with associated bays at Meerut sub-station	62.71	53.00	45.05	37.88	31.26
ICT-III along with associated bays at Meerut sub-station	139.63	127.08	112.85	99.37	86.42
Total	545.47	473.21	408.73	349.71	294.58

DEPRECIATION

26. 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.

27. The calculations in support of depreciation allowed are appended as per Annexure IV to the order. The summary is as under:

(Rs. in lakh)					
Name of the element	2004-05	2005-06	2006-07	2007-08	2008-09
400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations	80.76	80.76	80.76	80.76	80.76
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations	71.49	71.49	71.49	71.49	71.49
ICT-II along with associated bays at Meerut sub-station	36.06	36.06	36.06	36.06	36.06
ICT-III along with associated bays at Meerut sub-station	64.16	64.16	64.16	64.16	64.16
Total	252.47	252.47	252.47	252.47	252.47

ADVANCE AGAINST DEPRECIATION

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

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

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

30. In addition to cumulative depreciation up to 2003-04 (excluding Advance Against Depreciation) as per order dated 7.9.2005 *ibid*, depreciation on FERV for the period 2003-04 has been adjusted to arrive at total cumulative depreciation amount as on 31.3.2004.

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

- (i) 1/10th of gross loan is worked out from the gross notional loan, as per para 25 above.
- (ii) Repayment of notional loan during the year has been considered in accordance with para 25 above.
- (iii) Depreciation as worked out has been considered in para 27 above.
- (iv) Cumulative depreciation up to 31.3.2004 has been worked out considering cumulative depreciation/AAD for 2003-04 as per the order dated 9.7.2005 *ibid*.

32. The details of Advance Against Depreciation allowed for each elements are given in Annexure V to this order. A summary of the details is hereunder:

Name of the element	(Rs. in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations	104.91	146.55	146.55	146.55	125.81
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations	109.62	127.34	127.34	127.34	107.05
ICT-II along with associated bays at Meerut sub-station	36.92	44.05	44.05	44.05	35.86
ICT-III along with associated bays at Meerut sub-station	5.06	79.98	79.98	79.98	72.21
Total	256.51	397.92	397.92	397.92	340.93

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 119.74 ckt-kms of line length and 12 bays, which has been allowed. Accordingly, O & M expenses for the four elements in the instant petition are as under:

	(Rs. in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations					
O & M expenses for 59.87 ckt-kms line	13.59	14.13	14.73	15.27	15.93
O & M expenses for 2 bays	56.24	58.50	60.84	63.26	65.80
Total	69.83	72.63	75.57	78.53	81.73
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations					
O & M expenses for 59.87 ckt-kms line	13.59	14.13	14.73	15.27	15.93
O & M expenses for 2 bays	56.24	58.50	60.84	63.26	65.80
Total	69.83	72.63	75.57	78.53	81.73
ICT-II along with associated bays at Meerut sub-station					
O & M expenses for 0 ckt-kms line	0.00	0.00	0.00	0.00	0.00
O & M expenses for 4 bays	112.48	117.00	121.68	126.52	131.60
Total	112.48	117.00	121.68	126.52	131.60
ICT-III along with associated bays at Meerut sub-station					
O & M expenses for 0 ckt-kms line	0.00	0.00	0.00	0.00	0.00
O & M expenses for 4 bays	112.48	117.00	121.68	126.52	131.60
Total	112.48	117.00	121.68	126.52	131.60

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 has been considered as the historical cost and maintenance spares have been worked out accordingly by escalating 1% of the historical cost @ 6% per annum.

(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 of 2 months' transmission charges claimed in the petition. In the tariff being allowed,

receivables have been worked out on the basis of 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.

37. The necessary computations in support of interest on working capital are appended as annexure VI to this order. A summary of the details is given herein below.

Name of the element	(Rs. in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations	12.93	13.47	13.35	13.29	12.90
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations	11.75	11.88	11.79	11.75	11.39
ICT-II along with associated bays at Meerut sub-station	6.92	7.06	7.12	7.19	7.15
ICT-III along with associated bays at Meerut sub-station	9.73	11.06	11.07	11.11	11.04
Total	41.33	43.47	43.33	43.34	42.48

TRANSMISSION CHARGES

38. Summary sheets showing basic details of capital cost and other related aspects in respect of the transmission assets under consideration in this petition are

annexed to this order. The total transmission charges being allowed are given hereinunder the details of which are contained in Annexure VII to this order:

(Rs. in lakh)

Name of the element	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	252.47	252.47	252.47	252.47	252.47
Interest on loan	545.47	473.21	408.73	349.71	294.58
Return on equity	245.13	245.13	245.13	245.13	245.13
Advance Against Depreciation	256.51	397.92	397.92	397.92	340.93
Interest on working capital	41.33	43.47	43.33	43.34	42.48
O & M expenses	364.62	379.26	394.50	410.10	426.66
Total	1705.53	1791.46	1742.08	1698.67	1602.25

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

40. The petitioner has sought approval for the reimbursement of expenditure of Rs.1,60,889/- incurred on publication of notices in the newspapers. The petitioner shall claim reimbursement of the said expenditure directly from the respondents in one instalment in the ratio applicable for sharing of transmission charges. 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.

Impact of additional capitalization for the years 2001-04

41. The Commission has decided that additional capital expenditure for the period 1.4.2001 to 31.3.2004 be added to the gross block as on date of commercial operation to arrive at gross block as on 1.4.2004 for the purpose of fixation of tariff for the period 2004-05 to 2008-09. The Commission has further decided that the petitioner would be entitled to earn return on equity @ 16% on equity portion of additional

capitalization approved and interest on loan at the rate as applicable during 2001-02 to 2003-04. The return on equity and interest on loan are payable on additional capitalization from 1st April of the financial year following the financial year to which additional capital expenditure relates. As the entire additional capital expenditure allowed pertains to the year 2003-04 this does not have any impact on the tariff for that year

42. This order disposes of Petition No.141/2005.

Sd-/
(A.H. JUNG)
MEMBER

sd-/
(BHANU BHUSHAN)
MEMBER

New Delhi dated the 31st July 2006

Summary Sheet				
Name of the Company		PGCIL		
Name of the Element		400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut & Mandola substations		
Actual date of commercial operation		1.10.2003		
Petition No.		141/2005		
Tariff setting Period		2004-09		
(Rs.in lakh)				
1	Capital Cost of the Project			2932.70
2	Admitted Capital Cost as on 1.4.2004 for Calculation of Debt and Equity			2932.70
3	Additional Capitalisation(works)			40.04
	2003-04		40.04	
	Total		40.04	
4	Additional Capitalisation(FERV)			(-)10.92
	2003-04		(-)10.92	
	Total		(-)10.92	
5	Total Capital Cost as on 1.4.2004(2+3+4)			2961.82
6	Means of Finance :			
	Debt	79.48%	2354.06	
	Equity	20.52%	607.77	
	Total	100.00%	2961.82	
7	Gross Loan as on 1.4.2004			2354.06
8	Cumulative Repayment up to 31.3.2009 :			1238.83
	Repaid up to 31.3.2004		163.72	
	1.10.2003 to 31.3.2004 (ACE & FERV)		0.96	
	1.4.2004 to 31.3.2009		1074.15	
	Total		1238.83	
9	Balance Loan to be repaid beyond 31.3.2009 :			1115.22
10	Depreciation recovered up to 31.3.2009 :			1118.13
		Dep	AAD	Total
	Recovered up to 31.3.2004	39.65	4.41	44.05
	1.10.2003 to 31.3.2004 (ACE & FERV)	-0.07	0.00	-0.07
	1.4.2004 to 31.3.2009	403.78	670.38	1074.15
	Total			1118.13
11	Balance Depreciation to be recovered beyond 31.3.2009 :			1470.44
	Capital cost for the purpose of Depreciation			2932.70
	ACE + FERV			29.12
	Capital cost as 1.4.2004			2961.82
	Less: Land Cost			85.63
				2876.19
	90% of Capital Cost as above			2588.57
	Cum. Depreciation to be recovered up to 31.3.2009			1118.13
	Balance Depreciation to be recovered beyond 31.3.2009			1470.44

Name of the Element		400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut & Mandola substations		
Actual date of commercial operation		1.4.2003		
Petition No.		141/2005		
Tariff setting Period		2004-09		
(Rs.in lakh)				
1	Capital Cost of the Project			2534.41
2	Admitted Capital Cost as on 1.4.2004 for Calculation of Debt and Equity			2534.41
3	Additional Capitalisation(works)			31.32
	2003-04		31.32	
	Total		31.32	
4	Additional Capitalisation(FERV)			(-)21.23
	2003-04		(-)21.23	
	Total		(-)21.23	
5	Total Capital Cost as on 1.4.2004 (2+3+4)			2544.50
6	Means of Finance :			
	Debt	79.48%	2022.37	
	Equity	20.52%	522.13	
	Total	100.00%	2544.50	
7	Gross Loan as on 1.4.2004			2022.37
8	Cumulative Repayment up to 31.3.2009 :			1118.11
	Repaid up to 31.3.2004		161.60	
	1.4.2001 to 31.3.2004 (ACE & FERV)		0.41	
	1.4.2004 to 31.3.2009		956.11	
	Total		1118.11	
9	Balance Loan to be repaid beyond 31.3.2009 :			904.26
10	Depreciation recovered up to 31.3.2009 :			1091.91
		Dep	AAD	Total
	Recovered up to 31.3.2004	70.97	65.13	136.10
	1.4.2003 to 31.3.2004 (ACE & FERV)	-0.30	0.00	-0.30
	1.4.2004 to 31.3.2009	357.43	598.67	956.11
	Total			1091.91
11	Balance Depreciation to be recovered beyond 31.3.2009 :			1183.28
	Capital cost for the purpose of Depreciation			2534.41
	ACE + FERV			10.09
	Capital cost as 1.4.2004			2544.50
	Less: Land Cost			16.51
				2527.99
	90% of Capital Cost as above			2275.19
	Cum. Depreciation to be recovered upto 31.03.09			1091.91
	Balance Depreciation to be recovered beyond 31.03.09			1183.28

Name of the Element		ICT-II along with associated bays at Meerut Substation		
Actual date of commercial operation		1.4.2003		
Petition No.		141/2005		
Tariff setting Period		2004-09		
(Rs.in lakh)				
1	Capital Cost of the Project			1013.32
2	Admitted Capital Cost as on 01.04.2004 for Calculation of Debt and Equity			1013.32
3	Additional Capitalisation(works)			19.42
	2003-04		19.42	
	Total		19.42	
4	Additional Capitalisation(FERV)			(-)8.10
	2003-04		(-)8.10	
	Total		(-)8.10	
5	Total Capital Cost as on 1.4.2004 (2+3+4)			1024.64
6	Means of Finance :			
	Debt	79.48%	814.39	
	Equity	20.52%	210.26	
	Total	100.00%	1024.64	
7	Gross Loan as on 1.4.2004			814.39
8	Cumulative Repayment up to 31.3.2009 :			449.96
	Repaid up to 31.3.2004		61.35	
	1.4.2001 to 31.3.2004 (ACE & FERV)		3.38	
	1.4.2004 to 31.3.2009		385.24	
	Total		449.96	
9	Balance Loan to be repaid beyond 31.03.2009 :			364.42
10	Depreciation recovered up to 31.3.2009 :			436.74
		Dep	AAD	Total
	Recovered up to 31.3.2004	35.68	15.97	51.65
	1.4.2003 to 31.3.2004 (ACE & FERV)	-0.14	0.00	-0.14
	1.4.2004 to 31.3.2009	180.29	204.95	385.24
	Total			436.74
11	Balance Depreciation to be recovered beyond 31.3.2009 :			479.79
	Capital cost for the purpose of Depreciation			1013.32
	ACE + FERV			11.32
	Capital cost as 01.04.2004			1024.64
	Less: Land Cost			6.28
				1018.36
	90% of Capital Cost as above			916.53
	Cum. Depreciation to be recovered up to 31.3.2009			436.74
	Balance Depreciation to be recovered beyond 31.3.2009			479.79

Name of the Element		ICT-III alongwith associated bays at Meerut Substation		
Actual date of commercial operation		1.7.2003		
Petition No.		141/2005		
Tarrif setting Period		2004-09		
(Rs.in lakh)				
1	Capital Cost of the Project			1989.63
2	Admitted Capital Cost as on 1.4.2004 for Calculation of Debt and Equity			1989.63
3	Additional Capitalisation(works)			17.59
	2003-04		17.59	
	Total		17.59	
4	Additional Capitalisation(FERV)			(-)5.54
	2003-04		(-)5.54	
	Total		(-)5.54	
5	Total Capital Cost as on 1.4.2004(2+3+4)			2001.68
6	Means of Finance :			
	Debt	79.48%	1590.93	
	Equity	20.52%	410.74	
	Total	100.00%	2001.68	
7	Gross Loan as on 1.4.2004			1590.93
8	Cumulative Repayment up to 31.3.2009 :			700.07
	Repaid up to 31.3.2004		61.35	
	1.7.2003 to 31.3.2004 (ACE & FERV)		0.72	
	1.4.2004 to 31.3.2009		638.00	
	Total		700.07	
9	Balance Loan to be repaid beyond 31.3.2009 :			890.86
10	Depreciation recovered up to 31.3.2009 :			685.71
		Dep	AAD	Total
	Recovered up to 31.3.2004	47.78	0.00	47.78
	1.7.2003 to 31.3.2004 (ACE & FERV)	-0.07	0.00	-0.07
	1.4.2004 to 31.3.2009	320.80	317.20	638.00
	Total			685.71
11	Balance Depreciation to be recovered beyond 31.3.2009 :			1029.39
	Capital cost for the purpose of Depreciation			1989.63
	ACE + FERV			12.05
	Capital cost as 1.4.2004			2001.68
	Less: Land Cost			96.00
				1905.68
	90% of Capital Cost as above			1715.11
	Cum. Depreciation to be recovered up to 31.3.2009			685.71
	Balance Depreciation to be recovered beyond 31.3.2009			1029.39

Transmission charges claimed by the petitioner

Annexure I

(Rs. in lakh)

400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations					
	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	80.75	80.75	80.75	80.75	80.75
Interest on Loan	182.49	163.39	142.30	121.21	101.49
Return on Equity	92.99	92.99	92.99	92.99	92.99
Advance against Depreciation	100.13	140.68	140.68	140.68	120.48
Interest on Working Capital	12.95	13.58	13.50	13.42	13.04
O & M Expenses	69.83	72.63	75.57	78.53	81.73
Total	539.14	564.02	545.78	527.57	490.48
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations					
	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	71.48	71.48	71.48	71.48	71.48
Interest on Loan	153.63	135.88	117.26	98.64	81.39
Return on Equity	76.30	76.30	76.30	76.30	76.30
Advance against Depreciation	107.24	124.71	124.71	124.71	104.71
Interest on Working Capital	11.76	12.00	11.93	11.87	11.51
O & M Expenses	69.83	72.63	75.57	78.53	81.73
Total	490.24	492.99	477.25	461.53	427.12
ICT-II along with associated bays at Meerut sub-station					
	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	36.06	36.06	36.06	36.06	36.06
Interest on Loan	58.24	51.51	44.45	37.39	30.85
Return on Equity	37.21	37.21	37.21	37.21	37.21
Advance against Depreciation	31.76	38.38	38.38	38.38	30.78
Interest on Working Capital	6.91	7.10	7.17	7.25	7.22
O & M Expenses	112.48	117.00	121.68	126.52	131.60
Total	282.65	287.24	284.94	282.80	273.71
ICT-III along with associated bays at Meerut sub-station					
	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	64.16	64.16	64.16	64.16	64.16
Interest on Loan	136.62	126.62	113.03	99.44	86.37
Return on Equity	62.10	62.10	62.10	62.10	62.10
Advance against Depreciation	3.62	76.90	76.90	76.90	69.30
Interest on Working Capital	9.75	11.10	11.13	11.16	11.09
O & M Expenses	112.48	117.00	121.68	126.52	131.60
Total	388.73	457.88	449.00	440.28	424.62

Details of interest on working capital claimed by the petitioner

Annexure II

(Rs. in lakh)

400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations					
	2004-05	2005-06	2006-07	2007-08	2008-09
Maintenance Spares	30.62	32.46	34.40	36.47	38.66
O & M expenses	5.82	6.05	6.30	6.54	6.81
Receivables	89.86	94.00	90.96	87.93	81.75
Total	126.29	132.51	131.66	130.94	127.21
Rate of Interest	10.25%	10.25%	10.25%	10.25%	10.25%
Interest	12.95	13.58	13.50	13.42	13.04
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations					
	2004-05	2005-06	2006-07	2007-08	2008-09
Maintenance Spares	27.19	28.82	30.55	32.38	34.32
O & M expenses	5.82	6.05	6.30	6.54	6.81
Receivables	81.71	82.16	79.54	76.92	71.19
Total	114.71	117.04	116.39	115.85	112.32
Rate of Interest	10.25%	10.25%	10.25%	10.25%	10.25%
Interest	11.76	12.00	11.93	11.87	11.51
ICT-II along with associated bays at Meerut sub-station					
	2004-05	2005-06	2006-07	2007-08	2008-09
Maintenance Spares	10.94	11.60	12.29	13.03	13.81
O & M expenses	9.37	9.75	10.14	10.54	10.97
Receivables	47.11	47.87	47.49	47.13	45.62
Total	67.42	69.22	69.92	70.71	70.40
Rate of Interest	10.25%	10.25%	10.25%	10.25%	10.25%
Interest	6.91	7.10	7.17	7.25	7.22
ICT-III along with associated bays at Meerut sub-station					
	2004-05	2005-06	2006-07	2007-08	2008-09
Maintenance Spares	20.97	22.23	23.57	24.98	26.48
O & M expenses	9.37	9.75	10.14	10.54	10.97
Receivables	64.79	76.31	74.83	73.38	70.77
Total	95.13	108.29	108.54	108.90	108.21
Rate of Interest	10.25%	10.25%	10.25%	10.25%	10.25%
Interest	9.75	11.10	11.13	11.16	11.09

Details of interest on loan

Annexure III
(Rs. in lakh)

400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations						
		2004-05	2005-06	2006-07	2007-08	2008-09
Gross Loan as per order dated 7.9.2005	2306.21					
Addition due to Additional Capitalisation	65.79					
Addition due to FERV	(-)17.94					
Gross Normative Loan	2354.06	2354.06	2354.06	2354.06	2354.06	2354.06
Cumulative Repayment upto Previous Year		164.68	350.34	577.65	804.96	1032.27
Net Loan-Opening		2189.37	2003.71	1776.40	1549.09	1321.78
Repayment during the year		185.66	227.31	227.31	227.31	206.56
Net Loan-Closing		2003.71	1776.40	1549.09	1321.78	1115.22
Average Loan		2096.54	1890.06	1662.75	1435.44	1218.50
Weighted Average Rate of Interest on Loan		8.9373%	8.5443%	8.3561%	8.2471%	8.1442%
Interest		187.37	161.49	138.94	118.38	99.24
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations						
		2004-05	2005-06	2006-07	2007-08	2008-09
Gross Loan as per order dated 7.9.2005	2016.41					
Addition due to Additional Capitalisation	18.48					
Addition due to FERV	(-)12.53					
Gross Normative Loan	2022.37	2022.37	2022.37	2022.37	2022.37	2022.37
Cumulative Repayment upto Previous Year		162.01	343.11	541.93	740.76	939.58
Net Loan-Opening		1860.36	1679.26	1480.44	1281.61	1082.79
Repayment during the year		181.10	198.82	198.82	198.82	178.53
Net Loan-Closing		1679.26	1480.44	1281.61	1082.79	904.26
Average Loan		1769.81	1579.85	1381.03	1182.20	993.52
Weighted Average Rate of Interest on Loan		8.8007%	8.3324%	8.1020%	7.9583%	7.8166%
Interest		155.76	131.64	111.89	94.08	77.66
ICT-II along with associated bays at Meerut sub-station						
		2004-05	2005-06	2006-07	2007-08	2008-09
Gross Loan as per order dated 7.9.2005	765.01					
Addition due to Additional Capitalisation	84.68					
Addition due to FERV	(-)35.30					
Gross Normative Loan	814.39	814.39	814.39	814.39	814.39	814.39
Cumulative Repayment upto Previous Year		64.73	137.71	217.82	297.93	378.04
Net Loan-Opening		749.66	676.68	596.57	516.46	436.35
Repayment during the year		72.98	80.11	80.11	80.11	71.92
Net Loan-Closing		676.68	596.57	516.46	436.35	364.42
Average Loan		713.17	636.62	556.51	476.40	400.39
Weighted Average Rate of Interest on Loan		8.7935%	8.3253%	8.0946%	7.9504%	7.8081%
Interest		62.71	53.00	45.05	37.88	31.26
ICT-III along with associated bays at Meerut sub-station						
		2004-05	2005-06	2006-07	2007-08	2008-09
Gross Loan as per order dated 7.9.2005	1562.46					
Addition due to Additional Capitalisation	41.58					
Addition due to FERV	(-)13.10					
Gross Normative Loan	1590.93	1590.93	1590.93	1590.93	1590.93	1590.93
Cumulative Repayment upto Previous Year		62.07	131.29	275.43	419.56	563.70
Net Loan-Opening		1528.86	1459.64	1315.51	1171.37	1027.23
Repayment during the year		69.22	144.14	144.14	144.14	136.37
Net Loan-Closing		1459.64	1315.51	1171.37	1027.23	890.86
Average Loan		1494.25	1387.57	1243.44	1099.30	959.05
Weighted Average Rate of Interest on Loan		9.3443%	9.1582%	9.0761%	9.0397%	9.0113%
Interest		139.63	127.08	112.85	99.37	86.42

Details of depreciation

Annexure IV

(Rs. in lakh)

400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations							
			2004-05	2005-06	2006-07	2007-08	2008-09
As per Order dated 7.9.2005		2932.70					
Addition during 2001-04 due to Additional Capitalisation		40.04					
Addition during 2001-04 due to FERV		(-)10.92					
Gross Block as on 31.3.2004		2961.82	2961.82	2961.82	2961.82	2961.82	2961.82
Rate of Depreciation	2.7265%						
Depreciable Value	90%		2588.57	2588.57	2588.57	2588.57	2588.57
Balance Useful life of the asset			-	-	-	-	-
Remaining Depreciable Value			2544.60	2358.94	2131.62	1904.31	1677.00
Depreciation			80.76	80.76	80.76	80.76	80.76
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations							
			2004-05	2005-06	2006-07	2007-08	2008-09
As per Order dated 7.9.2005		2534.41					
Addition during 2001-04 due to Additional Capitalisation		31.32					
Addition during 2001-04 due to FERV		(-)21.23					
Gross Block as on 31.3.2004		2544.50	2544.50	2544.50	2544.50	2544.50	2544.50
Rate of Depreciation	2.8095%						
Depreciable Value	90%		2275.19	2275.19	2275.19	2275.19	2275.19
Balance Useful life of the asset			-	-	-	-	-
Remaining Depreciable Value			2139.39	1958.29	1759.46	1560.64	1361.82
Depreciation			71.49	71.49	71.49	71.49	71.49
ICT-II along with associated bays at Meerut sub-station							
			2004-05	2005-06	2006-07	2007-08	2008-09
As per Order dated 7.9.2005		1013.32					
Addition during 2001-04 due to Additional Capitalisation		19.42					
Addition during 2001-04 due to FERV		(-)8.10					
Gross Block as on 31.3.2004		1024.64	1024.64	1024.64	1024.64	1024.64	1024.64
Rate of Depreciation	3.5191%						
Depreciable Value	90%		916.53	916.53	916.53	916.53	916.53
Balance Useful life of the asset			-	-	-	-	-
Remaining Depreciable Value			865.02	792.04	711.93	631.82	551.71
Depreciation			36.06	36.06	36.06	36.06	36.06
ICT-III along with associated bays at Meerut sub-station							
			2004-05	2005-06	2006-07	2007-08	2008-09
As per Order dated 7.9.2005		1989.63					
Addition during 2001-04 due to Additional Capitalisation		17.59					
Addition during 2001-04 due to FERV		(-)5.54					
Gross Block as on 31.3.2004		2001.68	2001.68	2001.68	2001.68	2001.68	2001.68
Rate of Depreciation	3.2053%						
Depreciable Value	90%		1715.11	1715.11	1715.11	1715.11	1715.11
Balance Useful life of the asset			-	-	-	-	-
Remaining Depreciable Value			1667.39	1598.17	1454.03	1309.90	1165.76
Depreciation			64.16	64.16	64.16	64.16	64.16

Details of Advance Against Depreciation

Annexure V

(Rs. in lakh)

400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations					
	2004-05	2005-06	2006-07	2007-08	2008-09
1/10th of Gross Loan(s)	235.41	235.41	235.41	235.41	235.41
Repayment of the Loan	185.66	227.31	227.31	227.31	206.56
Minimum of the above	185.66	227.31	227.31	227.31	206.56
Depreciation during the year	80.76	80.76	80.76	80.76	80.76
(A) Difference	104.91	146.55	146.55	146.55	125.81
Cumulative Repayment of the Loan	350.34	577.65	804.96	1032.27	1238.83
Cumulative Depreciation/ Advance against Depreciation	124.73	310.39	537.70	765.01	992.32
(B) Difference	225.61	267.26	267.26	267.26	246.51
Advance against Depreciation Minimum of (A) and (B)	104.91	146.55	146.55	146.55	125.81
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations					
	2004-05	2005-06	2006-07	2007-08	2008-09
1/10th of Gross Loan(s)	202.24	202.24	202.24	202.24	202.24
Repayment of the Loan	181.10	198.82	198.82	198.82	178.53
Minimum of the above	181.10	198.82	198.82	198.82	178.53
Depreciation during the year	71.49	71.49	71.49	71.49	71.49
(A) Difference	109.62	127.34	127.34	127.34	107.05
Cumulative Repayment of the Loan	343.11	541.93	740.76	939.58	1118.11
Cumulative Depreciation/ Advance against Depreciation	207.29	388.39	587.22	786.04	984.86
(B) Difference	135.82	153.54	153.54	153.54	133.25
Advance against Depreciation Minimum of (A) and (B)	104.91	146.55	146.55	146.55	125.81
ICT-II along with associated bays at Meerut sub-station					
	2004-05	2005-06	2006-07	2007-08	2008-09
1/10th of Gross Loan(s)	81.44	81.44	81.44	81.44	81.44
Repayment of the Loan	72.98	80.11	80.11	80.11	71.92
Minimum of the above	72.98	80.11	80.11	80.11	71.92
Depreciation during the year	36.06	36.06	36.06	36.06	36.06
(A) Difference	36.92	44.05	44.05	44.05	35.86
Cumulative Repayment of the Loan	137.71	217.82	297.93	378.04	449.96
Cumulative Depreciation/ Advance against Depreciation	87.57	160.55	240.66	320.77	400.88
(B) Difference	50.14	57.27	57.27	57.27	49.08
Advance against Depreciation Minimum of (A) and (B)	36.92	44.05	44.05	44.05	35.86
ICT-III along with associated bays at Meerut sub-station					
	2004-05	2005-06	2006-07	2007-08	2008-09
1/10th of Gross Loan(s)	159.09	159.09	159.09	159.09	159.09
Repayment of the Loan	69.22	144.14	144.14	144.14	136.37
Minimum of the above	69.22	144.14	144.14	144.14	136.37
Depreciation during the year	64.16	64.16	64.16	64.16	64.16
(A) Difference	5.06	79.98	79.98	79.98	72.21
Cumulative Repayment of the Loan	131.29	275.43	419.56	563.70	700.07
Cumulative Depreciation/ Advance against Depreciation	111.88	181.10	325.23	469.37	613.51
(B) Difference	19.41	94.33	94.33	94.33	86.56
Advance against Depreciation Minimum of (A) and (B)	5.06	79.98	79.98	79.98	72.21

Details of interest on working capital allowed

Annexure VI

(Rs. in lakh)

400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations					
	2004-05	2005-06	2006-07	2007-08	2008-09
Maintenance Spares	30.21	32.02	33.94	35.98	38.14
O & M expenses	5.82	6.05	6.30	6.54	6.81
Receivables	90.15	93.33	90.04	87.10	80.92
Total	126.17	131.40	130.28	129.62	125.87
Rate of interest	10.25%	10.25%	10.25%	10.25%	10.25%
Interest	12.93	13.47	13.35	13.29	12.90
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations					
	2004-05	2005-06	2006-07	2007-08	2008-09
Maintenance Spares	26.86	28.48	30.19	32.00	33.92
O & M expenses	5.82	6.05	6.30	6.54	6.81
Receivables	81.92	81.34	78.53	76.05	70.40
Total	114.61	115.87	115.01	114.59	111.13
Rate of interest	10.25%	10.25%	10.25%	10.25%	10.25%
Interest	11.75	11.88	11.79	11.75	11.39
ICT-II along with associated bays at Meerut sub-station					
	2004-05	2005-06	2006-07	2007-08	2008-09
Maintenance Spares	10.74	11.39	12.07	12.79	13.56
O & M expenses	9.37	9.75	10.14	10.54	10.97
Receivables	47.42	47.77	47.23	46.86	45.23
Total	67.54	68.90	69.44	70.19	69.76
Rate of interest	10.25%	10.25%	10.25%	10.25%	10.25%
Interest	6.92	7.06	7.12	7.19	7.15
ICT-III along with associated bays at Meerut sub-station					
	2004-05	2005-06	2006-07	2007-08	2008-09
Maintenance Spares	20.79	22.04	23.36	24.76	26.25
O & M expenses	9.37	9.75	10.14	10.54	10.97
Receivables	64.76	76.13	74.54	73.11	70.49
Total	94.93	107.92	108.04	108.41	107.70
Rate of interest	10.25%	10.25%	10.25%	10.25%	10.25%
Interest	9.73	11.06	11.07	11.11	11.04

Transmission charges allowed

Annexure VIII

(Rs. in lakh)

400 kV Meerut-Mandola Ckt-I along with associated bays at Meerut and Mandola sub-stations					
	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	80.76	80.76	80.76	80.76	80.76
Interest on Loan	187.37	161.49	138.94	118.38	99.24
Return on Equity	85.09	85.09	85.09	85.09	85.09
Advance against Depreciation	104.91	146.55	146.55	146.55	125.81
Interest on Working Capital	12.93	13.47	13.35	13.29	12.90
O & M Expenses	69.83	72.63	75.57	78.53	81.73
Total	540.89	559.99	540.26	522.60	485.52
400 kV Meerut-Mandola Ckt-II along with associated bays at Meerut and Mandola sub-stations					
	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	71.49	71.49	71.49	71.49	71.49
Interest on Loan	155.76	131.64	111.89	94.08	77.66
Return on Equity	73.10	73.10	73.10	73.10	73.10
Advance against Depreciation	109.62	127.34	127.34	127.34	107.05
Interest on Working Capital	11.75	11.88	11.79	11.75	11.39
O & M Expenses	69.83	72.63	75.57	78.53	81.73
Total	491.53	488.07	471.17	456.28	422.41
ICT-II along with associated bays at Meerut sub-station					
	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	36.06	36.06	36.06	36.06	36.06
Interest on Loan	62.71	53.00	45.05	37.88	31.26
Return on Equity	29.44	29.44	29.44	29.44	29.44
Advance against Depreciation	36.92	44.05	44.05	44.05	35.86
Interest on Working Capital	6.92	7.06	7.12	7.19	7.15
O & M Expenses	112.48	117.00	121.68	126.52	131.60
Total	284.53	286.61	283.39	281.14	271.37
ICT-III along with associated bays at Meerut sub-station					
	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	64.16	64.16	64.16	64.16	64.16
Interest on Loan	139.63	127.08	112.85	99.37	86.42
Return on Equity	57.50	57.50	57.50	57.50	57.50
Advance against Depreciation	5.06	79.98	79.98	79.98	72.21
Interest on Working Capital	9.73	11.06	11.07	11.11	11.04
O & M Expenses	112.48	117.00	121.68	126.52	131.60
Total	388.56	456.78	447.25	438.65	422.93