

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Dr. Pramod Deo, Chairperson**
- 2. Shri R.Krishnamoorthy, Member**
- 3. Shri S.Jayaraman, Member**
- 4. Shri V.S.Verma, Member**

Petition No. 170/2008

In the matter of

Determination of final transmission tariff and additional capitalization up to 31.3.2008 for (i) 220 kV S/C Unchahar-Raibareilly transmission line along with associated bays at Raibareilly, LILO of 220 kV D/C Unchahar-Lucknow transmission line at Raibareilly and 100 MVA, 220/132 kV ICT-III at Raibareilly along with associated bays and (ii) 100 MVA, 220/132 kV ICT-II at Raibareilly sub-station along with associated bays under Unchahar-III transmission system in Northern Region for the period 2004-09.

And in the matter of

Power Grid Corporation of India Limited, Gurgaon

..Petitioner

Vs

1. Rajasthan Rajya Vidyut Prasaran Nigam Limited, Jaipur
2. Ajmer Vidyut Vitaran Nigam Ltd., Ajmer
3. Jaipur Vidyut Vitaran Nigam Ltd, Jaipur
4. Jodhpur Vidyut Vitaran Nigam Ltd, Jodhpur
5. Himachal Pradesh State Electricity Board, Shimla
6. Punjab State Electricity Board, Patiala
7. Haryana Power Purchase Centre, Panchkula
8. Power Development Department, Govt. of J&K, Jammu
9. Uttar Pradesh Power Corporation Ltd, Lucknow
10. Delhi Transco Ltd, New Delhi
11. BSES Yamuna Power Limited, New Delhi
12. BSES Rajdhani Power Ltd., New Delhi
13. North Delhi Power Ltd., New Delhi
14. Chief Engineer, Chandigarh Administration, Chandigarh
15. Uttaranchal Power Corporation Ltd, Dehradun
16. North Central Railway, Allahabad

.....Respondents

The following were present:

1. Shri V.V.Sharma, PGCIL
2. Shri A.K.Nagpal, PGCIL
3. Shri B.C.Pant, PGCIL
4. Ms. Sangeeta Edwaros, PGCIL
5. Shri .M.M.Mondal, PGCIL
6. Shri V.K.Gupta, Consultant, UPPCL and JVVNL
7. Shri S.N.Singh, UPPCL

ORDER
(DATE OF HEARING: 21.4.2009)

This petition has been filed for approval of transmission charges for (i) 220 kV S/C Unchahar-Raibareilly transmission line along with associated bays at Raibareilly, LILO of 220 kV D/C Unchahar-Lucknow transmission line at Raibareilly and 100 MVA, 220/132 kV ICT-III at Raibareilly along with associated bays (Asset-I) and (ii) 100 MVA, 220/132 kV ICT-II at Raibareilly sub-station along with associated bays (Asset-II) (collectively referred to “as the transmission assets”) under Unchahar-III transmission system (the transmission system) in Northern Region from the date of commercial operation of the respective asset to 31.3.2009, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (hereinafter referred to as “the 2004 regulations”) after accounting for additional capitalization during 2007-08. The petitioner has also prayed for reimbursement from the beneficiaries of expenditure incurred towards publishing of notices in newspapers and the petition filing fee.

2. The investment approval for the transmission system was accorded by Board of Directors of the petitioner company vide memorandum dated 2.5.2005 at an estimated cost of Rs.7346 lakh, which includes IDC of Rs. 392 lakh.

3. The provisional transmission charges for the transmission assets were approved by the Commission in its order dated 16.5.2008 in Petition No. 44/2008. The date of commercial operation of the transmission assets, details of their apportioned approved cost, the estimated completion cost, etc. are as under:

(Rs. in lakh)

Name of the assets	Date of the commercial operation	Apportioned approved cost	Capital expenditure as on the date of commercial operation	Capital Expenditure from the date of commercial operation to 31.3.2008	Capital expenditure up to 31.3.2008	Balance estimated Expenditure	Total estimated completion cost
Asset- I	1.8.2007	5988.16	3839.65	339.65	4179.30	769.91	4949.21
Asset-II	1.11.2007	1358.43	809.55	40.70	850.52	102.68	953.20

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

(Rs.in lakh)

	Asset- I		Asset-II	
	2007-08 (Pro rata)	2008-09	2007-08 (Pro rata)	2008-09
Depreciation	80.67	125.59	11.46	28.06
Interest on Loan	165.55	260.25	21.59	53.91
Return on Equity	112.34	175.64	14.51	35.68
Advance against Depreciation	0.00	0.00	0.00	0.00
Interest on Working Capital	14.88	23.26	1.83	4.52
O & M Expenses	134.46	209.83	13.18	32.90
Total	507.90	794.57	62.57	155.07

5. 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	
	2007-08 (Pro rata)	2008-09	2007-08 (Pro rata)	2008-09
Maintenance Spares	38.40	39.93	8.10	8.30
O & M expenses	16.81	17.49	2.64	2.74
Receivables	126.98	132.43	25.03	25.85
Total	182.19	189.85	35.77	36.89
Rate of Interest	12.25%	12.25%	12.25%	12.25%
Interest	14.88	23.26	1.83	4.52

6. Reply to the petition has been filed by Uttar Pradesh Power Corporation. 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.

CAPITAL COST

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

8. The petitioner has claimed tariff after accounting for additional capitalization in respect of the transmission assets from the respective date of commercial operation up to 31.3.2008 as given in the table below para 3 above.

ADDITIONAL CAPITALIZATION 2007-08

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

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

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

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

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

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

Asset-I				Asset-II		
Sl. No.	Year	Amount (Rs. in lakh)	Nature and details of expenditure	Year	Amount (Rs. in lakh)	Nature and details of expenditure
	2007-08	Building = Rs. 115.59 lakh Transmission line = Rs. 93.85 lakh Sub-station=Rs. 130.21 lakh	Balance and retention payments	2007-08	Building = Rs. 19.27 lakh Sub-station= Rs. 21.70 lakh	Balance payments
	Total	Rs.339.65 lakh		Total	Rs. 40.97 lakh	

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

12. As per investment approval, the transmission assets were scheduled to be completed by May 2008. However, the transmission system was completed 7 to 10 months ahead of schedule date. The petitioner has explained that Raibareilly was a load centre located in the vicinity of Unchahar and was being supplied at 132 kV from Sultanpur. Due to radial supply at 132 kV, the supply of power was unreliable. Establishment of 2 x 100 MVA, 220/132 kV sub-station at Raibareilly along with the direct connection of Raibareilly with central sector generating station, Unchahar generation complex (1050 MW) through 220 kV line, has ensured supply of power in a reliable and secured manner to the area. Hence, the preponement of the system has added to the reliability and security of the system.

13. The petitioner has further submitted that there was overall decrease in cost as compared to the approved cost. The estimated completion cost was Rs. 5902 lakh as against the approved cost of Rs. 7346 lakh. The decrease in cost

has mainly been on account of deletion of 132 kV switchyard and control panels from the scope of work. With the deletion of 132 kV switchyard (Rs. 160 lakh) the requirement of land has also reduced from 18.39 acres to 11 acres (approximately) (Rs. 1188 lakh) and land rate notified by Government was less than estimated rate and the reduction in cost.

14. During the hearing, the petitioner was directed to furnish the following information/clarifications for prudence check of the capital cost:

- (i) Cost break-up of different elements as per the completion cost as well as estimated approved cost; and
- (ii) Reasons for cost escalation, in case cost of the elements involved with reduced scope of work was more than the estimated cost.

15. The petitioner vide its affidavit dated 13.5.2009 has submitted the reasons as given hereunder.

(Rs. in lakh)

Description	Apportioned approved cost (without scope of 132 kV bay)	Actual Expenditure (up to 31. 3.2008)	Difference	Reasons for cost escalation in the elements where 132 kV scope is removed
(1)	(2)	(3)	(4) =(3) -(2)	(5)
Sub-station equipment	469.95	499.66	29.71	Higher awarded price vis-a-vis FR estimated price and also PV
Sub-station equipment	1878.87	2063.34	184.47	Higher awarded price vis-vis FR estimated price and also PV
ICT	584.36	725.51	141.15	No change in the scope due to 132 kV bay deletion. However, higher awarded price vis-a-vis FR estimated price.
Land	964.66	220.75	(-)743.91	Less rate for land acquisition notified by Govt. than estimated
Transmission Line	1269.05	1153.51	(-) 115.54	No change in the scope due to 132 kV bay deletion.
IEDC	489.64	278.11	(-) 211.53	Early completion
IDC	318.83	88.94	(-)229.89	Early completion
Total	5975.36	5029.82	(-)945.54	

16. The reasons furnished by the petitioner for cost escalation of sub-station equipment and ICT are found to be in order and are accepted.

TOTAL CAPITAL COST

17. Based on the above, gross block as given below has been considered for the purpose of tariff for the transmission assets, after allowing additional capitalization on works as claimed by the petitioner, which is within the limits of apportioned approved cost.

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. The petitioner has considered debt-equity ratio of 69.98:30.02 and 70.04:29.96 for Asset-I and Asset-II respectively, as actually deployed on the respective date of commercial operation. The petitioner has further considered the amount of additional capitalization in the debt-equity ratio of 70:30. In our calculations, actual debt-equity ratio on the date of commercial operation has been considered since over all equity conforms to ceiling limit of 30%. The additional capital expenditure approved has been considered in the ratio of 70:30 in accordance with the 2004 regulations. Accordingly, for the purpose of tariff, equity considered for the transmission assets is as under:

(Rs. in lakh)

	Equity as on date of commercial operation	Notional additional equity during 2007-08	Average equity for 2007-08	Equity as on 1.4.2008
Asset- I	1151.90	101.90	1202.84	1253.79
Asset-II	242.55	12.29	248.70	254.84

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 1.4.2008 onwards as given in the table in para 20 above. However, tariff for the period from date of commercial operation to 31.3.2008 has been allowed on average equity. Accordingly, the petitioner shall be entitled to return on equity as under:

(Rs. in lakh)

Name of the asset	Return on equity	
	2007-08 (Pro rata)	2008-09
Asset-I	112.27	175.53
Asset-II	14.51	35.68

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

(a) Gross amount of loan, repayment of instalments and rate of interest and weighted average rate of interest on actual loan have been considered.

(b) Notional loan arising out of additional capitalisation for 2007-08 has been added in loan amount as on the date of commercial operation to arrive at total Notional loan. This adjusted Gross loan has been considered as normative loan for tariff calculations.

(c) SBI Short Term Bridge Loan @ 7.95% was replaced by the Bond XXVI @ 9.30% and as such weighted average interest rate for bridge loan was considered;

(d) Part of the loans has been actually drawn during the year, thus loan on the date of commercial is actually less than that indicated under Form-6 of the petition. The petitioner has not claimed any interest against the pre-drawl period

(e) Tariff has been worked out considering normative loan and normative repayment. Normative repayments are worked out by the following formula:

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

(f) 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 Advance Against Depreciation during the year, then depreciation including Advance Against Depreciation during the year is deemed as normative repayment of loan during the year.

(g) 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.

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

Details	(Rs. in lakh)			
	Asset-I		Asset-II	
	2007-08 (Pro rata)	2008-09	2007-08 (Pro rata)	2008-09
Gross Normative Loan	2687.76	2925.51	567.00	595.68
Cumulative Repayment up to Previous Year/date of commercial operation	0.00	80.67	0.00	11.46
Net Loan-Opening	2687.76	2844.84	567.00	584.22
Addition due to Additional Capitalisation	237.76		28.68	
Repayment during the year	80.67	125.59	11.46	28.06
Net Loan-Closing	2844.84	2719.25	584.22	556.16
Average Loan	2766.30	2782.05	575.61	570.19
Weighted Average Rate of Interest on Loan	8.98%	9.36%	9.00%	9.45%
Interest	165.58	260.32	21.59	53.91

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

DEPRECIATION

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

(i) The value base for the purpose of depreciation shall be the historical cost of the asset.

- (ii) Depreciation shall be calculated annually based on straight line method over the useful life of the asset and at the rates prescribed in Appendix II to these regulations. The residual value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the historical capital cost of the asset. Land is not a depreciable asset and its cost shall be excluded from the capital cost while computing 90% of the historical cost of the asset. The historical capital cost of the asset shall include additional capitalisation on account of Foreign Exchange Rate Variation up to 31.3.2004 already allowed by the Central Government/Commission.
- (iii) On repayment of entire loan, the remaining depreciable value shall be spread over the balance useful life of the asset.
- (iv) Depreciation shall be chargeable from the first year of operation. In case of operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

28. Depreciation allowed has been worked out as below:

(Rs. in lakh)

	Asset-I		Asset-II	
	2007-08 (Pro rata)	2008-09	2007-08 (Pro rata)	2008-09
Gross block as on the date of commercial operation	3839.65	4179.30	809.55	850.52
Additional Capitalisation during 2007-08	339.65	-	40.97	-
Gross Block at the end of the year	4179.30	4179.30	850.52	850.52
Rate of Depreciation	3.0179%	3.0051%	3.3131%	3.2996%
Depreciable Value	3438.23	3591.07	718.65	737.09
Balance Useful life of the asset	-	-	-	-
Remaining Depreciable Value	3438.23	3510.40	718.65	725.63
Depreciation	80.67	125.59	11.46	28.06
Cumulative Depreciation/ Advance against Depreciation	80.67	206.26	11.46	39.52

ADVANCE AGAINST DEPRECIATION

29. 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

30. 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.

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

OPERATION & MAINTENANCE EXPENSES

32. 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

33. The petitioner has claimed O & M expenses for 46.72 Ckt line length and six bays for Asset-I and one bay for Asset- II which have 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	
	2007-08 (Pro rata)	2008-09		2007-08 (Pro rata)	2008-09
O&M expenses for 46.72 ckt line length	7.94	12.43	-	-	-
O&M expenses for 6 bays	126.52	197.40	O&M expenses for 1 bay	13.18	32.90
Total	134.46	209.83	Total	13.18	32.90

34. 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

35. 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. 38.40 lakh and Rs. 8.10 lakh for Asset-I and Asset-II, respectively as on the 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	Cost of maintenance spares as on the date of commercial operation (Rs. in lakh)
Asset- I	1.8.2007	3839.65	38.40
Asset-II	1.11.2007	809.55	8.10

(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 @ 12.25% based on SBI PLR as on 1.4.2007, which is in accordance with the 2004 regulations and has been allowed.

36. The necessary computations in support of interest on working capital are appended herein below:

(Rs. in lakh)

	Asset-I		Asset-II	
	2007-08 (Pro rata)	2008-09	2007-08 (Pro rata)	2008-09
Maintenance Spares	38.40	39.93	8.10	8.30
O & M expenses	16.81	17.49	2.64	2.74
Receivables	126.96	132.42	25.02	25.84
Total	182.17	189.84	35.75	36.88
Rate of Interest	12.25%	12.25%	12.25%	12.25%
Interest	14.88	23.26	1.82	4.52

TRANSMISSION CHARGES

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

(Rs. in lakh)

	Asset-I		Asset-II	
	2007-08 (Pro rata)	2008-09	2007-08 (Pro rata)	2008-09
Depreciation	80.67	125.59	11.46	28.06
Interest on Loan	165.58	260.32	21.59	53.91
Return on Equity	112.27	175.53	14.51	35.68
Advance against Depreciation	0.00	0.00	0.00	0.00
Interest on Working Capital	14.88	23.26	1.82	4.52
O & M Expenses	134.46	209.83	13.18	32.90
Total	507.86	794.53	62.56	155.07

38. The petitioner is already being paid the transmission charges for the transmission assets on provisional basis in terms of order dated 22.11.2007. The transmission charges already recovered shall be adjusted against the final transmission charges approved now.

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. 3,52,835/- 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 Commission by its separate general order dated 11.9.2008 in Petition No. 129/2005 has decided that the petitioner shall not be allowed reimbursement of the petition filing fee.

41. This order disposes of Petition No. 170/2008.

Sd/-	sd/-	sd/-	sd/-
(V.S.VERMA)	(S.JAYARAMAN)	(R.KRISHNAMOORTHY)	(DR.PRAMOD DEO)
MEMBER	MEMBER	MEMBER	CHAIRPERSON
New Delhi dated the 30th June 2009			

Annexure-I

CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN

220 kV S/C Unchahar-Raibareilly transmission line along with associated bays at Raibareilly, LILO of 220 kV D/C Unchahar-Lucknow transmission line at Raibareilly and 100 MVA, 220/132 kV ICT-III at Raibareilly along with associated bays

(Rs. in lakh)

	Details of Loan	2007-08	2008-09
1	Bond-XXI		
	Gross Loan opening	239.00	239.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00
	Net Loan-Opening	239.00	239.00
	Additions during the year	0.00	0.00
	Repayment during the year	0.00	0.00
	Net Loan-Closing	239.00	239.00
	Average Loan	239.00	239.00
	Rate of Interest	8.73%	8.73%
	Interest	20.86	20.86
	Repayment Schedule	12 Annual instalments from 11.10.2010	
2	Bond-XXII		
	Gross Loan opening	323.00	323.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00
	Net Loan-Opening	323.00	323.00
	Additions during the year	0.00	0.00
	Repayment during the year	0.00	0.00
	Net Loan-Closing	323.00	323.00
	Average Loan	323.00	323.00
	Rate of Interest	8.68%	8.68%
	Interest	28.04	28.04
	Repayment Schedule	12 Annual instalments from 07-12-2010	
3	Bond-XXIV		
	Gross Loan opening	729.00	729.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00
	Net Loan-Opening	729.00	729.00
	Additions during the year	0.00	0.00
	Repayment during the year	0.00	0.00
	Net Loan-Closing	729.00	729.00
	Average Loan	729.00	729.00
	Rate of Interest	9.95%	9.95%
	Interest	72.54	72.54
	Repayment Schedule	12 Annual instalments from 26-3-2011	
4	SBI LOAN from 24-08-2007 to 06-03.2008 @ 7.95 Replaced by Bond-XXVI @ 9.3% from 07-03.2008		
	Gross Loan opening	0.00	1317.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00
	Net Loan-Opening	0.00	1317.00
	Additions during the year	1317.00	0.00
	Repayment during the year	0.00	0.00
	Net Loan-Closing	1317.00	1317.00
	Average Loan	658.50	1317.00
	Rate of Interest	8.10%	9.30%
	Interest	53.34	122.48
	Repayment Schedule	12 Annual instalments from 07-03-2012	

5	Bond-XXVII ON 31-MAR-2008 (including add cap for 2007-08)		
	Gross Loan opening	0.00	107.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00
	Net Loan-Opening	0.00	107.00
	Additions during the year	107.00	0.00
	Repayment during the year	0.00	0.00
	Net Loan-Closing	107.00	107.00
	Average Loan	53.50	107.00
	Rate of Interest	9.47%	9.47%
	Interest	5.07	10.13
	Repayment Schedule	12 Annual instalments from 31-03-2012	
	Total Loan		
	Gross Loan opening	1291.00	2715.00
	Cumulative Repayment upto DOCO	0.00	0.00
	Net Loan-Opening	1291.00	2715.00
	Additions during the year	1424.00	0.00
	Repayment during the year	0.00	0.00
	Net Loan-Closing	2715.00	2715.00
	Average Loan	2003.00	2715.00
	Rate of Interest	8.9786%	9.3573%
	Interest	179.84	254.05

100 MVA, 220/132 kV ICT-II at Raibareilly sub-station along with associated bays

(Rs. in lakh)

Details of Loan		2007-08	2008-09
1	Bond-XXII		
	Gross Loan opening	100.00	100.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00
	Net Loan-Opening	100.00	100.00
	Additions during the year	0.00	0.00
	Repayment during the year	0.00	0.00
	Net Loan-Closing	100.00	100.00
	Average Loan	100.00	100.00
	Rate of Interest	8.68%	8.68%
	Interest	8.68	8.68
	Repayment Schedule	12 Annual instalments from 7.12.2010	
2	Bond-XXIV		
	Gross Loan opening	225.00	225.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00
	Net Loan-Opening	225.00	225.00
	Additions during the year	0.00	0.00
	Repayment during the year	0.00	0.00
	Net Loan-Closing	225.00	225.00
	Average Loan	225.00	225.00
	Rate of Interest	9.95%	9.95%
	Interest	22.39	22.39
	Repayment Schedule	12 Annual instalments from 26-3-2011	
3	SBI LOAN from 01-11-2007 to 06-03.2008 @ 7.95 Replaced by Bond-XXVI @ 9.3% from 07-3.2008		
	Gross Loan opening	224.00	224.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00
	Net Loan-Opening	224.00	224.00
	Additions during the year	0.00	0.00
	Repayment during the year	0.00	0.00
	Net Loan-Closing	224.00	224.00
	Average Loan	224.00	224.00
	Rate of Interest	8.17%	9.30%
	Interest	18.30	20.83
	Repayment Schedule	12 Annual instalments from 07-03-2012	
4	Bond-XXVII DRAWN ON 31-MAR-2008		
	Gross Loan opening	0.00	18.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00
	Net Loan-Opening	0.00	18.00
	Additions during the year	18.00	0.00
	Repayment during the year	0.00	0.00
	Net Loan-Closing	18.00	18.00
	Average Loan	9.00	18.00
	Rate of Interest	9.47%	9.47%
	Interest	0.85	1.70
	Repayment Schedule	12 Annual instalments from 03-03-2012	
	Total Loan		
	Gross Loan opening	549.00	567.00
	Cumulative Repayment upto DOCO	0.00	0.00
	Net Loan-Opening	549.00	567.00
	Additions during the year	18.00	0.00
	Repayment during the year	0.00	0.00
	Net Loan-Closing	567.00	567.00

Average Loan	558.00	567.00
Rate of Interest	9.0001%	9.4540%
Interest	50.22	53.60