

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.119/2010

**Coram: Dr. Pramod Deo, Chairperson
Shri S.Jayaraman, Member
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member**

DATE OF HEARING: 16.9.2010

DATE OF ORDER: 8.12.2010

In the matter of

Approval of transmission tariff for combined elements of (i) 315 MVA 400/220 kV Auto transformer at Hyderabad, and (ii) 50 MVAR Reactor at Cuddapah under CTP augmentation in Southern Region for the period from 1.4.2009 to 31.3.2014.

**And
In the matter of**

Power Grid Corporation of India Limited, Gurgaon **..Petitioner**

Vs

- 1 Kerala State Electricity Board, Thiruvananthapuram
- 2 Tamil Nadu Electricity Board, Chennai
- 3 Electricity Department, Govt. of Pondicherry, Pondicherry
- 4 Electricity Department, Government of Goa, Panaji
- 5 Transmission Corporation of Andhra Pradesh Ltd., Hyderabad
- 6 Northern Power Distribution Company of Andhra Pradesh Limited, Warangal
- 7 Eastern Power Distribution Company of Andhra Pradesh Limited, Vishakhapatnam
- 8 Southern Power Distribution Company of Andhra Pradesh Limited, Tirupati
- 9 Central Power Distribution Company of Andhra Pradesh Limited, Hyderabad
- 10 Karnataka Power Transmission Corporation Limited, Bangalore
- 11 Bangalore Electricity Supply Company Ltd., Bangalore
- 12 Gulbarga Electricity Supply Company Ltd. Gulbarga
- 13 Hubli Electricity Supply Company Ltd., Hubli
- 14 MESCOM Corporate office, Mangalore
- 15 Chamundeswari Electricity Supply Corporation Ltd., Mysore.

.Respondents

The following were present:

- 1 Shri U.K.Tyagi, PGCIL

- 2 Shri M.M. Mondal, PGCIL
- 3 Shri R.K.Gupta, PGCIL
- 4 Shri S.S.Raju, PGCIL

ORDER

The petition has been filed seeking approval of tariff for combined elements of (i) 315 MVA 400/220 kV Auto transformer at Hyderabad, and (ii) 50 MVAR Reactor at Cuddapah (hereinafter referred to as "the transmission assets") under CTP augmentation in Southern Region for the period 1.4.2009 to 31.3.2011, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as "the 2009 regulations"). The petitioner has made the following additional prayers:-

- (a) To invoke the provision of Regulation 44 of the 2009 regulations for relaxation of regulations 15 (3) of the 2009 regulations so that grossing up the base rate shall be considering the revised rate of MAT as per the Finance Act, 2009 for the year 2009-10 and as per the Finance Act, 2010 for the year 2010-11 and subsequent years and allow consequential impact on tariff for 2009-14 period accordingly;
- (b) In case of assets being combined to calculate the transmission charges, allow to it to recover full depreciation (90% of the gross block) of the assets during its useful life (25 years for sub-station and 35 years for transmission lines) reckoning from its actual date of commercial operation and to permit to treat the recovery of depreciation after achieving the useful life by an asset (to be reckoned from the actual

date of commercial operation) in accordance with para 6.2 of the petition;

(c) To approve reimbursement of petition filing fee and publication of notices in the newspaper as per the 2009 regulations;

(d) Allow to adjust impact on interest on loan due to floating rate of interest applicable during 2009-14;

(e) Allow to bill and recover the service tax on transmission charges separately from the respondents, if the petitioner is subjected to such service tax; and

(f) Allow reimbursement of licence fee separately from the respondents;

2. The Board of Directors of the petitioner company in its meeting held on 18.3.1994 accorded the approval for Central Transmission Project augmentation, under its delegated power for capital outlay of ₹3857.00 lakh, including IDC of ₹350.00 lakh for the transmission assets. The notional date of commercial operation of the combined assets is 1.4.1997.

3. The annual transmission charges for the period 1.4.2009 to 31.3.2009 in respect of the transmission system were initially approved by the Commission vide order dated 3.5.2006 in Petition No. 129/2004. The same were subsequently revised vide order dated 17.3.2008 by way of implementation of the judgment of the Hon'ble Appellate Tribunal for Electricity dated 16.5.2007 in Appeal No. 121 of 2005.

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

(₹ in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	40.30	40.30	40.30	40.30	40.30
Interest on Loan	15.33	11.96	8.60	5.24	1.88
Return on Equity	121.34	121.34	121.34	121.34	121.34
Interest on Working Capital	8.93	9.16	9.41	9.67	9.96
O & M Expenses	104.80	110.80	117.14	123.84	130.92
Total	290.70	293.56	296.79	300.39	304.40

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

(₹ in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Maintenance Spares	15.72	16.62	17.57	18.58	19.64
O & M expenses	8.73	9.23	9.76	10.32	10.91
Receivables	48.45	48.93	49.47	50.07	50.73
Total	72.90	74.78	76.80	78.97	81.28
Rate of Interest	12.25%	12.25%	12.25%	12.25%	12.25%
Interest	8.93	9.16	9.41	9.67	9.96

6. Reply to the petition has been filed by Tamil Nadu Electricity Board (TNEB). No comments or suggestions have been received from the general public in response to the notices published by the petitioner under section 64 of the Electricity Act, 2003.

7. TNEB in its reply has made following submission:

- (i) Allow reimbursement of impact on tariff on account of change in income tax rates during the tariff period 2009-14, if any at the end of tariff period. In the earlier tariff period, the income tax was reimbursed at the end of year whereas the present tariff period 2009-14 provide for

collection of ROE including grossed up tax on a monthly basis. Whereas the actual repayment of advance income tax by the petitioner is on a quarterly basis. To this extent there is upfront payment by the beneficiaries. As such there is no provision in the 2009 regulations for reimbursement on account of change in the rate of MAT/Corporate tax, therefore, allow pre-tax return on equity in line with the provisions of the 2009 regulations;

(iii) Under para 6.5 of the petition, the petitioner has prayed that the service tax payable by them be allowed to be recovered from the beneficiaries. As the petition No. 62/2009 pertaining to the issue is to be disposed of by the Commission, therefore, without prejudice to our rights available, the outcome of the said petition be made applicable in this case also and negate the claim for reimbursement of service tax;

(iv) Under the 2009 regulation, there is no specific provision in regard to floating rate of interest to be claimed/adjusted over the tariff block of 5 years directly from the beneficiaries. It has been prayed to allow adjustment of billing on impact of interest on loan component on account of change in floating rate of interest, if any at the end of tariff period;

(iv) To negate the claim of O & M expenses as the O & M expenses for the tariff period 2009-14 had been ordered on a normative basis and the 2009 regulations also do not provide for revisiting the normative

O & M charges viz ₹ lakh/km and ₹lakh/bay already fixed on the tariff period. TNEB has requested to fix a cap for the O & M expenses;

(v) To negate the claim for reimbursement of license fee as the 2009 regulations does not make any provisions for reimbursement of licence fee;

(iv) To negate the filing fee claim in line with the decision taken by the Commission vide its order dated 11.9.2008 in Petition No. 129/2005 (Suo motu);

(v) To negate the request for revision of the normative O & M expenses considering the impact of wage revision, effective from 1.1.2007 as the regulations does not provide any revision under any circumstances;

(vi) To direct the petitioner to bear the publication expenditure and to advertise the one stretch for all the assets declared for commercial operation as on 1.4.2009 and separate notices for assets commissioned after 1.4.2009.

8. The petitioner vide its rejoinder dated 11.6.2010 has made following submission:

(i) In regard to MAT, the petitioner has submitted that ROE has been calculated @ 17.481% based on the 2009 regulations and the rate of 17.481% is based on the MAT rate of 11.33% being applicable

for the year 2008-09. As per the Finance Act, 2009, the applicable MAT rate was revised from 10% to 15% and as per the Finance Act, 2010, MAT has been revised to 18%, including surcharge from 7.5% to 10%. In view of the substantial change in the MAT rate and therein impact on the cash flow, a Petition No. 38/2010 has been filed which was disposed by the Commission vide its order dated 3.8.2010 with direction to amend the 2009 regulations for allowing grossing up of the base rate of return with the applicable tax rate as per the Finance Act for the relevant year and for direct settlement of tax liability of between the generating company/transmission licensee and the beneficiaries/long term transmission customers on year to year basis;

(ii) In regard to service tax, the petitioner has submitted that in the Finance Act 2010, transmission service has been exempted from service tax. However, service tax implication, if any, for the period 2009-10 shall have to be shared by the beneficiaries. Further, in case the said notification regarding granting of exemption to transmission service from service tax is withdrawn on later date, the beneficiaries shall have to share the serviced tax paid by the petitioner;

(iii) In regard to floating rate of interest, the petitioner has submitted that the Commission allowed direct settlement with the beneficiaries any change in interest on account of floating rate of interest for the tariff period 2004-09. The change in interest rate may increase or decrease during the tariff period and hence it would be fair to allow

annual adjustment of difference in interest rate. Hence, the petitioner has prayed to follow the same practice with regard to claiming change in interest due to floating rate of interest for the period 2009-14 as was on done in 2004-09 period;

(iv) In regard to O & M, the petitioner has submitted that per ckt. km. and per bay O & M rates considered are based on the 2004 regulations. The petitioner has submitted that the wage revision for the executive levels has already been done, however, for the non-executive levels, the wage revision shall be done shortly and he will approach before the Commission for additional manpower cost on account of wage revision during the period 2009-14;

(v) In regard to licence fee, the petitioner has submitted that tariff allowed covers O & M expenses during the operation phase of the project. The rates for O & M have been worked out based on the past 5 year actual O & M expenses. The Payment of toward licence fee is not represented in those actual O & M expenses and therefore extra cost on the petitioner. Therefore, this extra cost burden during O & M phase needs to be reimbursed.

9. We have carefully considered the objections of TENB and reply filed by the petitioner. The tariff of the transmission line has been determined in this order strictly in accordance with the provisions of 2009 regulations. As regards the reimbursement of licence fee, decision on the same will be intimated in

due course. In regard to service tax, reimbursement of filing fee and publication expenditure, the same has been dealt with in relevant paras of the order.

CAPITAL COST

10. As per clause (2) of Regulation 7 of the 2009 regulations, the project cost admitted by the Commission for determination of tariff prior to 1.4.2009 shall form the basis for determination of tariff.

11. The petitioner has claimed the capital expenditure of ₹1605.91 lakh, which was admitted vide order dated 3.5.2006 read with order dated 17.3.2008 in Petition No. 129/2004. The petitioner has not claimed any projected additional capital expenditure.

12. Accordingly, gross block of ₹1605.91 lakh as on 31.3.2009 has been considered for the purpose of tariff.

DEBT- EQUITY RATIO

13. Clause (2) of Regulation 12 of the 2009 regulations *inter alia* provides that,-

“(2) In case of the generating station and the transmission system declared under commercial operation prior to 1.4.2009, debt-equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2009 shall be considered.”

14. The petitioner has claimed tariff based on debt-equity ratio of 56.78:43.22 as considered by the Commission in its order dated 3.5.2006 read

with order dated 17.3.2008 *ibid.* The same debt-equity ratio has been considered for the purpose of tariff.

RETURN ON EQUITY

15. Regulation 15 of the 2009 regulations provides that,-

“15. (1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with regulation 12.

(2) Return on equity shall be computed on pre-tax basis at the base rate of 15.5% to be grossed up as per clause (3) of this regulation:

Provided that in case of projects commissioned on or after 1st April, 2009, an additional return of 0.5% shall be allowed if such projects are completed within the timeline specified in **Appendix-II**:

Provided further that the additional return of 0.5% shall not be admissible if the project is not completed within the timeline specified above for reasons whatsoever.

(3) The rate of return on equity shall be computed by grossing up the base rate with the normal tax rate for the year 2008-09 applicable to the concerned generating company or the transmission licensee, as the case may be:

Provided that return on equity with respect to the actual tax rate applicable to the generating company or the transmission licensee, as the case may be, in line with the provisions of the relevant Finance Acts of the respective year during the tariff period shall be tried up separately for each year of the tariff period along with the tariff petition filed for the next tariff period.

(4) Rate of return on equity shall be rounded off to three decimal points and be computed as per the formula given below:

Rate of pre-tax return on equity = Base rate / (1-t)

Where t is the applicable tax rate in accordance with clause (3) of this regulation.

Illustration.-

(i) In case of the generating company or the transmission licensee paying Minimum Alternate Tax (MAT) @ 11.33% including surcharge and cess:

Rate of return on equity = $15.50 / (1-0.1133) = 17.481\%$

(ii) In case of generating company or the transmission licensee paying normal corporate tax @ 33.99% including surcharge and cess:

Rate of return on equity = $15.50 / (1-0.3399) = 23.481\%$.”

16. The petitioner has computed return on equity on pre-tax basis on 11.33% MAT in accordance with tax rate applicable for the year 2008-09 and claimed return on equity of ₹121.34 lakh each year during the tariff period @ 17.481% against the equity base of ₹694.10 lakh. This has been found to be in order. Accordingly, the petitioner shall be entitled to return on equity @ ₹121.34 lakh each year during the tariff period, as claimed.

17. The Commission vide its order dated 3.8.2010 in Petition No. 17/2010 has already taken a decision to amend the 2009 regulations for allowing grossing up of the base rate of return with the applicable tax rate as per the Finance Act for the relevant year and for direct settlement of tax liability of between the generating company/transmission licensee and the beneficiaries/long term transmission customers on year to year basis. The process of amendment to the 2009 regulation is under way and will address the grievance of the petitioner with regard to the MAT rate.

INTEREST ON LOAN

18. Regulation 16 of the 2009 regulations provides that,-

“16. (1) The loans arrived at in the manner indicated in regulation 12 shall be considered as gross normative loan for calculation of interest on loan.

(2) The normative loan outstanding as on 1.4.2009 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2009 from the gross normative loan.

(3) The repayment for the year of the tariff period 2009-14 shall be deemed to be equal to the depreciation allowed for that year:

(4) Notwithstanding any moratorium period availed by the generating company or the transmission licensee, as the case may be the repayment of

loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed,.

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the project:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided further that if the generating station or the transmission system, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the transmission licensee as a whole shall be considered.

(6) The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

(7) The generating company or the transmission licensee, as the case may be, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries and the generating company or the transmission licensee, as the case may be, in the ratio of 2:1.

(8) The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.

(9) In case of dispute, any of the parties may make an application in accordance with the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, as amended from time to time, including statutory re-enactment thereof for settlement of the dispute:

Provided that the beneficiary or the transmission customers shall not withhold any payment on account of the interest claimed by the generating company or the transmission licensee during the pendency of any dispute arising out of re-financing of loan."

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

(i) Details of net outstanding loan as on 31.3.2009, cumulative repayment up to 31.3.2009 have been taken from the order dated 13.5.2006 read with order dated 17.3.2008 in Petition No. 129/2004

for working out weighted average rate of interest. Repayment of loan has been considered as per the IBRD-I amortisation schedule. Rate of interest has been taken as per the documents annexed with petition;

- (ii) Tariff has been worked out considering normative loan and normative repayments. Depreciation allowed has been taken as normative repayment for the period 2009-14;
- (iii) Weighted average rate of interest on actual loan worked out as above has been applied on the notional average loan during the year to arrive at the interest on loan.

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

Details of loan	(₹ in lakh)					
	Up to 31.3.2009	2009-10	2010-11	2011-12	2012-13	2013-14
Gross Normative Loan	911.81	911.81	911.81	911.81	911.81	911.81
Cumulative Repayment up to Previous Year		707.90	748.20	788.50	828.79	869.09
Net Loan-Opening		203.91	163.61	123.31	83.02	42.72
Addition due to Additional Capitalisation		0.00	0.00	0.00	0.00	0.00
Repayment during the year		40.30	40.30	40.30	40.30	40.30
Net Loan-Closing		163.61	123.31	83.02	42.72	2.42
Average Loan		183.76	143.46	103.17	62.87	22.57
Weighted Average Rate of Interest on Loan		8.3400%	8.3400%	8.3400%	8.3400%	8.3400%
Interest		15.33	11.96	8.60	5.24	1.88

21. The detailed calculations in support of the weighted revised average rate of interest are contained in **Annexure** attached.

DEPRECIATION

22. Regulation 17 of the 2009 regulations provides for computation of depreciation in the following manner, namely:

“17. (1) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission.

(2) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset.

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(3) Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.

(4) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-III to these regulations for the assets of the generating station and transmission system:

Provided that, the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation shall be spread over the balance useful life of the assets.

(5) In case of the existing projects, the balance depreciable value as on 1.4.2009 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31.3.2009 from the gross depreciable value of the assets.

(6) Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.”

23. The transmission asset will complete 12 years at the beginning of 2009-10 and thus, depreciation during the period 2009-10 and 2013-14 has been calculated by spreading the remaining depreciable value over the balance useful life of the asset.

24. For the period 1.4.2009 to 31.3.2014, the depreciation works out to ₹40.30 lakh each year by applying rate of depreciation of 5.2243% as shown below:

(₹ in lakh)

Details of Depreciation		Up to 31.3.2009	2009-10	2010-11	2011-12	2012-13	2013-14
Gross block as per order dated 3.5.2006 read with order dated 17.3.2008		1605.90	1605.90	1605.90	1605.90	1605.90	1605.90
Addition during 2009-14 due to projected Additional Capitalisation			0.00	0.00	0.00	0.00	0.00
Gross block as on 31.3.2009			1605.90	1605.90	1605.90	1605.90	1605.90
Average gross block			1605.90	1605.90	1605.90	1605.90	1605.90
Rate of Depreciation			5.2243%	5.2243%	5.2243%	5.2243%	5.2243%
Depreciable Value	90%		1445.31	1445.31	1445.31	1445.31	1445.31
Elapsed Life			12	13	14	15	16
Weighted Balance Useful life of the combine assets			13	12	11	10	9
Remaining Depreciable Value			523.87	483.57	443.27	402.98	362.68
Depreciation			40.30	40.30	40.30	40.30	40.30

OPERATION & MAINTENANCE EXPENSES

25. In accordance with clause (g) of Regulation 19 the 2009 regulations, the following norms for 400 kV bays are prescribed for O & M expenses:

	Year				
	2009-10	2010-11	2011-12	2012-13	2013-14
400 kV bays (₹ in lakh/ bay)	52.40	55.40	58.57	61.92	65.46

26. The petitioner has claimed O & M expenses for 2 bays, which has been allowed. Accordingly, the petitioner's entitlement to O & M expenses has been worked out as given hereunder:

(₹ in lakh)

	Year				
	2009-10	2010-11	2011-12	2012-13	2013-14
400 kV bays (2 bays)	104.80	110.80	117.14	123.84	130.92
Total	104.80	110.80	117.14	123.84	130.92

27. The petitioner has submitted that transmission charges claimed for the year 2009-14 is inclusive of O & M expenses for project derived based on the norms for expenditure as specified under Regulation 19 (g) of the 2009 regulation. Accordingly, O & M expenses for the transmission assets have been considered as per Regulation 19 (g) of the 2009 regulations. The petitioner has further submitted that he reserves the right to approach the Commission for suitable revision in the norms for O & M expenditure in case the impact of wage hike w.e.f 1.1.2007 is more than 50%. The petitioner has further submitted that O & M norms for the period 2009-14, the cost associated with license fees had not been captured and the licence fee be allowed to be recovered separately from the respondents.

28. The issues have been raised by the petitioner in other petitions also. A view is yet to be taken by the Commission on reimbursement of the cost of wage hike and reimbursement of licence fees. The decision as and when taken will be applicable to the present case also.

INTEREST ON WORKING CAPITAL

29. The components of the working capital and the interest thereon are discussed hereunder:

(i) Receivables

As per Regulation 18(1)(c)(i) of the 2009 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.

(ii) Maintenance spares

Regulation 18(1)(c)(ii) of the 2009 regulations provides for maintenance spares @ 15% per annum of the O & M expenses from 1.4.2009. The value of maintenance spares works out to ₹15.72 lakh as on 1.4.2009.

(iii) O & M expenses

Regulation 18(1) (c) (iii) of the 2009 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.

(iv) Rate of interest on working capital

As per Regulation 18(3) of the 2009 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 1.4.2009 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 1.4.2009, which is in accordance with the 2009 regulations and has been allowed.

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

	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Maintenance Spares	15.72	16.62	17.57	18.58	19.64
O & M expenses	8.73	9.23	9.76	10.32	10.91
Receivables	48.45	48.93	49.46	50.06	50.73
Total	72.90	74.78	76.80	78.96	81.28
Rate of Interest	12.25%	12.25%	12.25%	12.25%	12.25%
Interest	8.93	9.16	9.41	9.67	9.96

TRANSMISSION CHARGES

31. The transmission charges being allowed for the transmission asset are summarised below:

	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	40.30	40.30	40.30	40.30	40.30
Interest on Loan	15.33	11.96	8.60	5.24	1.88
Return on Equity	121.34	121.34	121.34	121.34	121.34
Interest on Working Capital	8.93	9.16	9.41	9.67	9.96
O & M Expenses	104.80	110.80	117.14	123.84	130.92
Total	290.69	293.56	296.78	300.39	304.39

Application fee and the publication expenses

32. The petitioner has sought approval for the reimbursement of fee paid by it for filing the petition. In accordance with our decision in order dated 11.1.2010 in Petition No. 109/2009, the petitioner shall be entitled to recover the filing fee from the beneficiaries.

33. Accordingly, expenses incurred by the petitioner on application filing fees and publication of notices in connection with the present petition shall be directly recovered from the beneficiary on pro rata basis.

Service Tax

34. The prayer of the petitioner for reimbursement of service tax has become infructuous as transmission service has been exempted from the ambit of the service tax.

35. The transmission charges allowed shall be recovered on monthly basis in accordance with Regulation 23 and shall be shared by the respondents in accordance with Regulation 33 of the 2009 regulations.

36. This order disposes of Petition No. 119/2010.

sd/-
(M.DEENA DAYALAN)
MEMBER

sd/-
(V.S.VERMA)
MEMBER

sd/-
(S.JAYARAMAN)
MEMBER

sd/-
(Dr. PRAMOD DEO)
CHAIRPERSON

Annexure

CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN

(₹ in lakh)

	Details of Loan	2009-10	2010-11	2011-12	2012-13	2013-14
1	IBRD-I (Auto Transformer)					
	Gross loan opening	770.55	770.55	770.55	770.55	770.55
	Cumulative Repayment the date of commercial operation /previous year	452.39	514.35	581.00	652.68	729.79
	Net Loan-Opening	318.16	256.20	189.56	117.88	40.76
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	61.96	66.65	71.68	77.11	40.75
	Net Loan-Closing	256.20	189.56	117.88	40.76	0.01
	Average Loan	287.18	222.88	153.72	79.32	20.39
	Rate of Interest	8.34%	8.34%	8.34%	8.34%	8.34%
	Interest	23.95	18.59	12.82	6.62	1.70
	Rep Schedule					
	Total Loan					
	Gross loan opening	770.55	770.55	770.55	770.55	770.55
	Cumulative Repayment up to the date of commercial operation /previous year	452.39	514.35	581.00	652.68	729.79
	Net Loan-Opening	318.16	256.20	189.56	117.88	40.76
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	61.96	66.65	71.68	77.11	40.75
	Net Loan-Closing	256.20	189.56	117.88	40.76	0.01
	Average Loan	287.18	222.88	153.72	79.32	20.39
	Rate of Interest	8.3400%	8.3400%	8.3400%	8.3400%	8.3400%
	Interest	23.95	18.59	12.82	6.62	1.70