

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 217/2009**

**Coram:**

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

**DATE OF HEARING: 14.1.2010**

**DATE OF ORDER: 23.2.2010**

**In the matter of**

Determination of final transmission tariff and additional capital expenditure for (i) extension of 400/220 kV Kolhapur (MSEB) sub-station; (ii) 220 kV D/C Vapi-Magarwada transmission line; and (iii) 220 kV D/C Vapi-Khardpada transmission line along with associated bays with WRSS -III transmission system in Western Region from the date of commercial operation to 31.3.2009.

**And in the matter of**

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

1. Madhya Pradesh Power Transmission Company Ltd., Jabalpur
2. Maharashtra State Electricity Distribution Co. Ltd., Mumbai
3. Gujarat Urja Vikas Nigam Ltd., Vadodara
4. Electricity Deptt., Govt., of Goa, Panji
5. Electricity Department, Administration of Daman and Diu, Daman
6. Electricity Department, Administration of Dadra Nagar Haveli, Silvassa
7. Chhattisgarh State Electricity Board, Raipur
8. Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Ltd, Indore

**.....Respondents**

**The following were present:**

1. Shri U.K.Tyagi, PGCIL
2. Shri M.M.Mondal, PGCIL
3. Shri Rakesh Prasad, PGCIL
4. Shri S.K.Niranjan, PGCIL
5. Shri Mohd. Mohsin, PGCIL

**ORDER**

This petition has been filed seeking approval of transmission charges for (i) extension of 400/220 kV Kolhapur (MSEB) sub-station (Asset-I); (ii) 220 kV D/C Vapi-Magarwada transmission line (Asset-II); and (iii) 220 kV D/C Vapi-

Khardpada transmission line (Asset-III) along with associated bays with WRSS -III transmission system (the transmission system) in Western Region from the date of commercial operation 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 capital expenditure from the date of commercial operation to 2009. The petitioner has also prayed for reimbursement, from the beneficiaries of the expenditure incurred towards publishing of notices in newspapers, petition filing fee and licence fee.

2. The investment approval for the transmission system was accorded by Board of Directors of the petitioner company vide memorandum dated 20.2.2006 at an estimated cost of Rs.7565 lakh which included IDC of Rs. 219 lakh, at 3rd quarter, 2005 price level.

3. The provisional transmission charges for the transmission assets were approved by the Commission vide order dated 21.5.2007 in Petition No. 36/2007 for Asset-I and order dated 13.3.2009 in Petition No. 169/2008 for Asset-II and Asset-III. Further, the Commission vide its order dated 15.10.2007 in I.A.No. 40/2007 in Petition No. 36/2007 allowed the petitioner to file a combined petition for final transmission tariff in respect of the elements of the WRSS-II Scheme as and when completed.

4. The date of commercial operation of the transmission assets, their apportioned approved cost and estimated completion cost, etc. are as under:

(Rs in lakh)

S. No.	Name of Asset	Date of commercial operation	Apportioned approved cost	Expenditure up to the date of commercial operation	Expenditure from the date of commercial operation to 31.3.2009	Balance Estimated Expenditure
1.	Asset-I	1.12.2006	1045.19	386.04	92.43	0.00
2.	Asset-II	1.5.2008	3634.00	1332.57	555.70	409.70
3.	Asset-III	1.7.2008	2886.00	1117.44	350.36	423.00
	Total		<b>7565.19</b>	<b>2836.05</b>	<b>998.49</b>	<b>832.70</b>

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

(Rs. in lakh)

	Asset- I			Asset-II	Asset-III
	2006-07 (Pro rata)	2007-08	2008-09	2008-09 (Pro rata)	2008-09 (Pro rata)
Depreciation	4.63	15.56	17.22	42.21	27.90
Interest on Loan	7.79	25.31	26.70	97.16	63.59
Return on Equity	5.42	18.19	20.13	61.98	40.74
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	0.71	2.26	2.41	8.00	5.72
O & M Expenses	10.14	31.63	32.90	72.85	61.18
Total	<b>28.69</b>	<b>92.95</b>	<b>99.36</b>	<b>282.20</b>	<b>199.13</b>

6. 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	Asset-III
	2006-07 (Pro rata)	2007-08	2008-09	2008-09 (Pro rata)	2008-09 (Pro rata)
Maintenance Spares	3.86	3.94	4.17	13.33	11.17
O & M expenses	2.54	2.64	2.74	6.62	6.80
Receivables	14.35	15.49	16.56	51.31	44.25
Total	20.75	22.07	23.47	71.26	62.22
Rate of Interest	10.25%	10.25%	10.25%	12.25%	12.25%
Interest	<b>0.71</b>	<b>2.26</b>	<b>2.41</b>	<b>8.00</b>	<b>5.72</b>

7. No reply has been filed by any respondent. 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**

8. 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 of 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.

9. The petitioner has claimed tariff in respect of the three assets from the date of commercial operation up to 31.3.2009 based on the capital cost as on the date of commercial operation after accounting for additional capital expenditure and as given in the table below para 4 above.

### **ADDITIONAL CAPITAL EXPENDITURE 2007-08 and 2008-09**

10. 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."

11. The details submitted by the petitioner in support of its claim for additional capital expenditure for the year 2007-08 for Asset-I, for the year 2008-09 Asset-II and Asset-III are given hereunder:

Asset-I			Asset-II			Asset-III		
Year	Amount (Rs. in lakh)	Nature and details of expenditure	Year	Amount (Rs. in lakh)	Nature and details of expenditure	Year	Amount (Rs. in lakh)	Nature and details of expenditure
2007-08	Sub-Station: Rs. 92.43 lakh	Balance and retention payments	2008-09	Transmission line, Sub-Station and PLCC: Rs.555.71 lakh	Balance and retention payments	2008-09	Transmission line, Sub-Station and PLCC: Rs.350.36 lakh	Balance and retention payments
Total	Rs. 92.43 lakh		Total	Rs. 555.71 lakh		Total	Rs. 350.36 lakh	

12. 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 for the three transmission assets.

### **Initial spares**

13. Clause (1) of the Regulation 52 of the 2004 regulations *inter alia* provides that,-

"(1) Subject to prudence check by the Commission, 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 capitalized initial spares subject to a ceiling norm as 1.5% of original project cost”.

14. The details of actual expenditure incurred and spares included therein by the petitioner as per original scope of project up to 31.3.2009 are as under:-

	Particulars	Capital Expenditures (Rs in lakh)				Initial Spares included therein	Remarks
		Up to the date of commercial operation	From to the date of commercial operation to 31-3-2008	From 1-4-2008 to 31-03-2009	Total		
1.	Asset-I	386.04	92.43	-----	478.47	Not mentioned in CA Certificate	Provisional transmission tariff up to the date of commercial operation and add cap up to 31.03.2008 allowed vide petition No. 36/2007
2.	Asset-II	1332.57	-----	555.70	1888.27	28.32	Provisional transmission tariff up to the date of commercial operation and add cap up to 31.03.2009 allowed vide petition No. 169/2008
3.	Asset-III	1117.44	-----	350.36	1467.80	Not mentioned in CA Certificate	

15. Total actual expenditure incurred by the petitioner, for Asset-I and Asset-III up to 31.3.2008 to 31.3.2009 is Rs. 478.47 lakh and Rs. 1467.80 lakh, respectively. It is mentioned that cost of spares has not been included in the capital cost. Therefore, capital cost has been considered without initial spares. In respect of total actual expenditure incurred by the petitioner, for Asset-II, up to 31.3.2009 is Rs. 1888.27 lakh and cost of spares included therein is Rs. 28.32 lakh. The total cost for the Asset-I, Asset-II and Asset-III with out initial spares is Rs. 3806.22 lakh and cost of spares included therein is Rs. 28.32 lakh which is found within the ceiling of 1.5% as per the 2004 regulations.

**TOTAL CAPITAL COST**

16. 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:

(Rs. in lakh)			
Name of the asset	Admitted capital cost as on the date of commercial operation	Additional capital expenditure up to 31.3.2009	Total Capital expenditure as on 1.4.2009
Asset-I	386.04	92.43	478.47
Asset-II	1332.57	555.70	1888.27
Asset-III	1117.44	350.36	1467.80

### **DEBT- EQUITY RATIO**

17. 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.”

18. Note 1 below Regulation 53 of the 2004 regulations lays down that any expenditure on account of committed liabilities within the original scope of work is to be serviced in the normative debt-equity ratio specified in Regulation 54.

19. The petitioner has considered debt-equity ratio of 70:30, 70.02:29.98 and 70:30 for Asset-I, Asset-II and Asset-III, respectively, as actually deployed on the date of commercial operation. The petitioner has further considered the amount of additional capitalization in the debt-equity ratio of 70:30 for the three assets. The additional capital expenditure in the ratio of 70:30 has been considered in accordance with the 2004 regulations. Accordingly, for the purpose of tariff, equity considered for the transmission assets is as under:

(Rs. in lakh)

Assets	Equity on the date of commercial operation	Notional equity due to additional capital expenditure for the period 2007-08	Notional equity due to additional capital expenditure for the period 2008-09	Average equity for the period 2007-08	Average equity for 2008-09	Equity for the period 2008-09
Asset-I	115.81	27.73	-	129.68	-	143.54
Asset-II	399.57	-	166.71	-	482.93	566.28
Asset-III	355.23	-	105.11	-	387.79	440.34

**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. Equity has been considered as on the date of commercial operation as given in the table in para 19 above. However, tariff for the period from date of commercial operation to 31.3.2009 has been allowed on average equity. Accordingly, the petitioner shall be entitled to return on equity as under:

(Rs. in lakh)

	Asset- I			Asset-II	Asset-III
	2006-07 (Pro rata)	2007-08	2008-09	2008-09 (Pro rata)	2008-09 (Pro rata)
Return on equity	5.40	18.15	20.10	61.98	40.72

### **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 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."

23. 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 submitted by the petitioner have been used to work out weighted average rate of interest on actual loan.

(b) Notional loan arising out of additional capital expenditure from date of commercial operation to 31.3.2009 has been added to the loan amount as on date of commercial operation to arrive at total Notional loan. This adjusted Gross loan is considered as normative loan for tariff calculations.

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

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

(d) Moratorium in repayment of loan has been considered with reference to normative loan and if the normative repayment of loan during the year is less than the depreciation 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.

(e) Weighted average rate of interest on actual loan worked out as per (a) above has been applied on the notional average loan during the year to arrive at the interest on loan.

(f) In respect of Asset-III, short-term Bank of Baroda loan was replaced by Bond XXVIII w.e.f. 15.12.2008. Weighted average rate of interest for 2008-09 has been considered based on number of days while working out the weighted average rate of interest on actual loan.

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

(Rs. in lakh)

	Asset- I			Asset-II	Asset-III
	2006-07 (Pro rata)	2007-08	2008-09	2008-09 (Pro rata)	2008-09 (Pro rata)

Gross Normative Loan	270.23	270.23	334.93	933.00	782.21
Cumulative Repayment up to Previous Year/date of commercial operation	0.00	4.63	20.19	0.00	0.00
Net Loan-Opening	270.23	265.60	314.74	933.00	782.21
Addition due to Additional capital expenditure	0.00	64.70	0.00	388.99	245.25
Repayment during the year	4.63	15.56	17.22	42.21	27.90
Net Loan-Closing	265.60	314.74	297.51	1279.78	999.56
Average Loan	267.91	290.17	306.12	1106.39	890.88
Weighted Average Rate of Interest on Loan	8.73%	8.73%	8.73%	9.58%	9.52%
Interest	<b>7.80</b>	<b>25.33</b>	<b>26.72</b>	<b>97.16</b>	<b>63.60</b>

25. The detailed calculations in support of the weighted average rate of interest in respect of the three assets are contained in Annexure-I, Annexure-II and Annexure-III, respectively attached to this order.

### **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. Based on the above, depreciation allowed has been worked out as below:

(Rs. in lakh)

	Asset- I			Asset-II	Asset-III
	2006-07 (Pro rata)	2007-08	2008-09	2008-09 (Pro rata)	2008-09 (Pro rata)
Gross block as on the date of commercial operation	386.04	386.04	478.47	1332.57	1117.44
Addition due to Additional Capitalisation during 2008-09	0.00	92.43		555.70	350.36
Gross Block at the end of the year	386.04	478.47	478.47	1888.27	1467.80
Rate of Depreciation	3.6000%	3.6000%	3.6000%	2.8593%	2.8782%
Depreciable Value	347.44	389.03	430.62	1449.38	1163.36
Balance Useful life of the asset	-	-	-	-	-
Remaining Depreciable Value	347.44	384.40	410.43	1449.38	1163.36
Depreciation	<b>4.63</b>	<b>15.56</b>	<b>17.22</b>	<b>42.21</b>	<b>27.90</b>

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

### **OPERATION & MAINTENANCE EXPENSES**

31. 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

32. The petitioner has claimed O & M expenses for one bay for Asset-I, 51.42 ckt km and two bays for Asset- II and 59.32 ckt km and two bays for Asset-III 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		Asset-III	
	2006-07 (Pro rata)	2007-08	2008-09		2008-09 (Pro rata)		2008-09 (Pro rata)
				O&M expenses for 51.42 ckt km	12.53	O&M expenses for 59.32 ckt km	11.83
O&M expenses for 2 bays	10.14	31.63	32.90	O&M expenses for 2 bays	60.32	O&M expenses for 2 bays	49.35
<b>Total</b>	<b>10.14</b>	<b>31.63</b>	<b>32.90</b>		<b>72.85</b>		<b>61.18</b>

33. 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 actual based on the auditor's certificate for such extra employee cost. We are not expressing any view, as this issue does not arise for consideration at this stage. The petitioner may approach for relief in this regard at an appropriate stage in accordance with law.

### **INTEREST ON WORKING CAPITAL**

34. 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 where applicable.

**(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 1.4.2007 for Asset-I and @12.25% based on SBI PLR as on 1.4.2008 for Asset-II and Asset-III, which is in accordance with the 2004 regulations and has been allowed.

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

(Rs. in lakh)

	Asset- I	Asset-II	Asset-III
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	2006-07 (Pro rata)	2007-08	2008-09	2008-09 (Pro rata)	2008-09 (Pro rata)
Maintenance Spares	3.86	3.94	4.17	13.33	11.17
O & M expenses	2.54	2.64	2.74	6.62	6.80
Receivables	14.34	15.49	16.56	51.31	44.25
Total	20.74	22.06	23.47	71.26	62.22
Rate of Interest	10.25%	10.25%	10.25%	12.25%	12.25%
Interest	<b>0.71</b>	<b>2.26</b>	<b>2.41</b>	<b>8.00</b>	<b>5.72</b>

### TRANSMISSION CHARGES

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

	(Rs. in lakh)				
	Asset- I			Asset-II	Asset-III
	2006-07 (Pro rata)	2007-08	2008-09	2008-09 (Pro rata)	2008-09 (Pro rata)
Depreciation	4.63	15.56	17.22	42.21	27.90
Interest on Loan	7.80	25.33	26.72	97.16	63.60
Return on Equity	5.40	18.15	20.10	61.98	40.72
Advance against Depreciation	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	0.71	2.26	2.41	8.00	5.72
O & M Expenses	10.14	31.63	32.90	72.85	61.18
Total	<b>28.68</b>	<b>92.94</b>	<b>99.35</b>	<b>282.20</b>	<b>199.12</b>

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

38. The petitioner has sought approval for the reimbursement of expenditure of Rs. 1,80,661/- 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.

39. The reimbursement of filing fee is not being allowed in terms of the Commission's order dated 11.9.2008 in Petition No. 129/2005. Decision in regard in licence fee will be communicated separately.

40. Transmission charges shall be shared by all the Northern Regional beneficiaries as per the provisions of the 2004 regulations.

41. This order disposes of Petition No. 217/2008.

Sd/-  
**(V.S.VERMA)**  
**MEMBER**

sd/-  
**(S.JAYARAMAN)**  
**MEMBER**

sd/-  
**(DR.PRAMOD DEO)**  
**CHAIRPERSON**

Asset-I

<b>CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN</b>				
(Rs. in lakh)				
	<b>Details of Loan</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
<b>1</b>	<b>Bond XXI</b>			
	Gross Loan opening	270.00	270.00	270.00
	Cumulative Repayment up to the date of commercial operation/previous year	0.00	0.00	0.00
	Net Loan-Opening	270.00	270.00	270.00
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00
	Net Loan-Closing	270.00	270.00	270.00
	Average Loan	270.00	270.00	270.00
	Rate of Interest	<b>8.73%</b>	<b>8.73%</b>	<b>8.73%</b>
	Interest	23.57	23.57	23.57
	Repayment Schedule	12 Annual instalments from 11.10.2010		
	Gross Loan opening	270.00	270.00	270.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00	0.00	0.00
	Net Loan-Opening	270.00	270.00	270.00
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00
	Net Loan-Closing	270.00	270.00	270.00
	Average Loan	270.00	270.00	270.00
	Rate of Interest	<b>8.73%</b>	<b>8.73%</b>	<b>8.73%</b>
	Interest	23.57	23.57	23.57

Asset-II

		(Rs. in lakh)
	Details of Loan	2008-09
<b>1</b>	<b>Bond-XXII</b>	
	Gross Loan opening	50.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00
	Net Loan-Opening	50.00
	Additions during the year	0.00
	Repayment during the year	0.00
	Net Loan-Closing	50.00
	Average Loan	50.00
	Rate of Interest	8.68%
	Interest	4.34
	Repayment Schedule	12 Annual instalments from 7.12.2010
<b>2</b>	<b>Bond-XXVII</b>	
	Gross Loan opening	883.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00
	Net Loan-Opening	883.00
	Additions during the year	0.00
	Repayment during the year	0.00
	Net Loan-Closing	883.00
	Average Loan	883.00
	Rate of Interest	9.47%
	Interest	83.62
	Repayment Schedule	12 Annual instalments from 31.03.2012
<b>3</b>	<b>STBL From BOB 29-09-2008 to 14-12-2008 @12.5% Replaced by BOND XXVIII @ 9.33% from 15-12-2008 (Add Cap for 2008-09 Drawl on 15-12-2008)</b>	
	Gross Loan opening	0.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00
	Net Loan-Opening	0.00
	Additions during the year	290.65
	Repayment during the year	0.00
	Net Loan-Closing	290.65
	Average Loan	145.33
	Rate of Interest	10.66%
	Interest	15.49
	Repayment Schedule	12 Annual instalments from 15.12.2012
<b>4</b>	<b>Bond-XXVII (Add Cap for 2008-09 Drawl on 31-03-2008)</b>	
	Gross Loan opening	0.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00
	Net Loan-Opening	0.00
	Additions during the year	265.05
	Repayment during the year	0.00
	Net Loan-Closing	265.05
	Average Loan	132.53

Rate of Interest	9.47%
Interest	12.55
Repayment Schedule	12 Annual instalments from 31.3.2012
<b>Total Loan</b>	
Gross Loan opening	933.00
Cumulative Repayment up to the date of commercial operation	0.00
Net Loan-Opening	933.00
Additions during the year	555.70
Repayment during the year	0.00
Net Loan-Closing	1488.70
Average Loan	1210.85
Rate of Interest	9.58%
<b>Interest</b>	116.00

Asset-III

		(Rs. in Lakh)
	Details of Loan	2008-09
<b>1</b>	<b>Bond-XXII</b>	
	Gross Loan opening	28.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00
	Net Loan-Opening	28.00
	Additions during the year	0.00
	Repayment during the year	0.00
	Net Loan-Closing	28.00
	Average Loan	28.00
	Rate of Interest	8.68%
	Interest	2.43
	Repayment Schedule	12 Annual instalments from 7.12.2010
<b>2</b>	<b>Bond-XXVII</b>	
	Gross Loan opening	754.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00
	Net Loan-Opening	754.00
	Additions during the year	0.00
	Repayment during the year	0.00
	Net Loan-Closing	754.00
	Average Loan	754.00
	Rate of Interest	9.47%
	Interest	71.40
	Repayment Schedule	12 Annual instalments from 31.03.2012
<b>3</b>	<b>Bond-XXIX (Add Cap for 2008-09 Drawl on 12-03-2009)</b>	
	Gross Loan opening	0.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00
	Net Loan-Opening	0.00
	Additions during the year	191.01
	Repayment during the year	0.00
	Net Loan-Closing	191.01
	Average Loan	95.51
	Rate of Interest	9.20%
	Interest	8.79
	Repayment Schedule	12 Annual instalments from 12.03.2013
<b>4</b>	<b>STBL From BOB 29-09-2008 to 14-12-2008 @12.5% Replaced by BOND XXVIII @ 9.33% from 15-12-2008 (Add Cap for 2008-09 Drawl on 15-12-2008)</b>	
	Gross Loan opening	0.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00
	Net Loan-Opening	0.00
	Additions during the year	159.35
	Repayment during the year	0.00
	Net Loan-Closing	159.35
	Average Loan	79.68

Rate of Interest	10.66%
Interest	8.49
Repayment Schedule	12 Annual instalments from 15.12.2012
<b>Total Loan</b>	
Gross Loan opening	782.00
Cumulative Repayment up to the date of commercial operation	0.00
Net Loan-Opening	782.00
Additions during the year	350.36
Repayment during the year	0.00
Net Loan-Closing	1132.36
Average Loan	957.18
Rate of Interest	9.52%
<b>Interest</b>	91.11