

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 157/2010**

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

**Date of Hearing 23-9-2010**

**Date of Order: 11-1-2011**

**In the matter of:**

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations 1999 and Central Electricity Regulatory Commission (Terms and conditions of tariff) Regulations 2004 for revision of transmission tariff from 1.4.2004 to 31.3.2009 due to additional capitalization during 1.4.2004 to 31.3.2009 for LILO of 400 kV Bongaigaon – Malda transmission line at Silliguri and sub station at Silliguri (New) in Eastern Region

**And**

**In the matter of:**

Power Grid Corporation of India Limited, Gurgaon

**...Petitioner**

**Vs**

1. Bihar State Electricity Board, Patna
2. West Bengal State Electricity Board, Calcutta
3. Grid Corporation of Orissa Ltd. Bhubaneswar
4. Damodar Valley Corporation, Calcutta
5. Power Department, Govt. of Sikkim, Gangtok
6. Jharkhand State Electricity Board, Ranchi

**..... Respondent**

**The following was present:**

1. Shri M.M. Mondal, PGCIL
2. Shri S S Raju, PGCIL
3. Shri R B Sharma, Advocate, BSEB

**ORDER**

This petition has been filed seeking approval for revision of transmission tariff due to additional capitalization during 2004-09 for LILO of 400 kV Bongaigaon – Malda transmission line at Silliguri and sub station at Silliguri (New) in Eastern Region (hereinafter called “the transmission system”) for the period



from 1.4.2004 to 31.3.2009 based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004, (hereinafter referred to as “the 2004 regulations”). The petitioner has also sought reimbursement of expenditure towards petition filing fee, license fee and other expenditure if any in connection with the filing of the petition.

2. Investment approval for the transmission system was accorded vide Government of India, Ministry of Power letter dated 2.6.2000 at an estimated cost of ₹ 6319.00 lakh including IDC of ₹ 968 lakh based on 2<sup>nd</sup> quarter 1999 price level. The transmission system was declared under commercial operation on 1.8.2003.

3. Transmission tariff for the period from 1.4.2004 to 31.3.2009 was approved by the Commission vide its order dated 4.5.2006 in Petition No. 112/2005. While approving tariff, the Commission had considered the capital cost of ₹ 4101.73 lakh including additional capital expenditure amounting to ₹ 45.31 lakh and de-capitalization due to FERV amounting to ₹ 123.01 lakh during 2003-04. The Commission, however, did not take into account the additional capital expenditure during the period 1.4.2004 to 31.3.2005 due to non availability of loan reconciliation details and granted liberty to the petitioner to seek revision of tariff for the above purpose.

4. Revised charges claimed by the petitioner vide this petition are as under:

	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	141.72	142.67	144.06	148.20	151.45
Interest on Loan	277.98	260.03	241.34	225.99	207.31
Return on Equity	74.53	75.65	77.27	82.09	85.89
Advance against Depreciation	67.11	89.40	103.07	114.15	141.69
Interest on Working Capital	21.72	22.40	22.96	23.67	24.60
O & M Expenses	284.83	296.28	308.14	320.38	333.26
<b>Total</b>	<b>867.89</b>	<b>886.43</b>	<b>896.84</b>	<b>914.48</b>	<b>944.20</b>

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

(₹ in lakh)

	2004-05	2005-06	2006-07	2007-08	2008-09
Maintenance Spares	43.47	46.07	48.84	51.77	54.87
O & M expenses	23.74	24.69	25.68	26.70	27.77
Receivables	144.65	147.74	149.47	152.41	157.37
<b>Total</b>	<b>211.86</b>	<b>218.50</b>	<b>223.99</b>	<b>230.88</b>	<b>240.01</b>
Rate of Interest	10.25%	10.25%	10.25%	10.25%	10.25%
Interest	21.72	22.40	22.96	23.67	24.60

6. The first respondent viz. BSEB, alone has filed reply to the petition. The respondent in its reply has prayed that the claim of the petitioner be accepted strictly in accordance with regulation 53 of the 2004 regulations. Besides, the respondent has prayed for the revision of capital cost after considering the adjustment of de-capitalization of ₹ 123.01 lakh on account of FERV. Further, the respondent has specifically objected to the reimbursement of petition filing fee, etc. The petitioner in its rejoinder has reiterated its claim.

7. Having heard the representatives of the parties and examined the material on records, we proceed to dispose of the petition.

### **CAPITAL COST**

8. Admitted capital cost of the transmission system as on 31.03.2004 as per the order dated 4.5.2006 in Petition No 112/2005 was ₹ s. 4101.73 lakh. This has been considered as on 1.4.2004 for tariff calculations.

### **ADDITIONAL CAPITALIZATION DURING 2004-09**

9. The petitioner, has submitted the following details towards its claim of additional capital expenditure as stated in the auditor's certificates dated 23.3.2010 on the basis of audited accounts up to 31.3.2009:

	(₹ in lakh)
Cost up to Date of commercial operation (1.8.2003)	4179.42
Expenditure after Date of commercial operation to 31.3.2004	45.31
Expenditure during 2004-05	37.98
Expenditure during 2005-06	14.93
Expenditure during 2006-07	62.30
Expenditure during 2007-08	167.54
Expenditure during 2008-09	13.03
Balance Estimated Expenditure	18.83
<b>Total</b>	<b>4539.34</b>

10. Category wise break up of additional capital expenditure is as under:\

(₹ in lakh)

Sl. No.	Year	Nature	Amount as per auditor's certificate	Details of Expenditure
1	2004-2005	Sub-Station	37.98	Final/Retention payments
2	2005-2006	Sub-Station	14.93	Final/Retention payments
3	2006-2007	Sub-Station	62.30	Final/Retention payments
4	2007-2008	Sub-Station	167.54	Final/Retention payments
5	2008-2009	Sub-Station	13.03	Final/Retention payments
6	Balance estimated expenditure.	Sub Station	18.83	Final/Retention payments

11. Clause 53(1) of the 2004 regulations provides as under:

*"53. **Additional capitalisation:** (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.*

12. As the additional capital expenditure is in respect of retention payments, the same is allowed for the purpose of calculation of tariff.

### **DEBT-EQUITY RATIO**

13. Clause 54 (1) of the 2004 regulations provides the following with regard to Debt-equity ratio:

**54. Debt-Equity Ratio.** (1) In case of the existing projects, debt-equity ratio considered by the Commission for the period ending 31.3.2004 shall be considered for determination of tariff with effect from 1.4.2004:

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 capitalization 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 capitalization, or

(c) actual equity employed,

whichever is the least:

Provided further that in case of additional capital 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.

.....

**Note 1**

Any expenditure admitted on account of committed liabilities within the original scope of work and the expenditure deferred on techno-economic grounds but falling within the original scope of work shall be serviced in the normative debt-equity ratio specified in regulation 54.”

14. Debt-equity ratio allowed vide the Commission’s order dated 4.5.2006 in Petition No. 112/2005 is as under:

	As admitted on 01.04.2004	
	₹ in lakh	%
Debt	3575.03	87.16%
Equity	526.69	12.84%
<b>Total</b>	<b>4101.72</b>	<b>100.00%</b>

15. In respect of the additional capital expenditure during 2004-05 to 2008-09, the petitioner has claimed following debt-equity ratio:

	Actual (2004-05)		Normative (2004-05)	
	₹ in lakh	%	₹ in lakh	%
Debt	0.00	0.00%	26.59	70.01%
Equity	37.98	100.00%	11.39	29.99%
<b>Total</b>	<b>37.98</b>	<b>100.00%</b>	<b>37.98</b>	<b>100.00%</b>
	Actual (2005-06)		Normative (2005-06)	
	₹ in lakh	%	₹ in lakh	%
Debt	14.93	100.00%	10.45	69.99%
Equity	0.00	0.00%	4.48	30.01%
<b>Total</b>	<b>14.93</b>	<b>100.00%</b>	<b>14.93</b>	<b>100.00%</b>
	Actual (2006-07)		Normative (2006-07)	
	₹ in lakh	%	₹ in lakh	%
Debt	62.30	100.00%	43.61	70.00%
Equity	0.00	0.00%	18.69	30.00%
<b>Total</b>	<b>62.30</b>	<b>100.00%</b>	<b>62.30</b>	<b>100.00%</b>
	Actual (2007-08)		Normative (2007-08)	
	₹ in lakh	%	₹ in lakh	%
Debt	7.43	4.43%	117.28	70.00%
Equity	160.11	95.57%	50.26	30.00%
<b>Total</b>	<b>167.54</b>	<b>100.00%</b>	<b>167.54</b>	<b>100.00%</b>
	Actual (2008-09)		Normative (2008-09)	
	₹ in lakh	%	₹ in lakh	%
Debt	0.00	0.00%	9.12	69.99%
Equity	13.03	100.00%	3.91	30.01%
<b>Total</b>	<b>13.03</b>	<b>100.00%</b>	<b>13.03</b>	<b>100.00%</b>

16. In this connection, Note 1 under regulation 53 of the 2004 regulations provides as under:

**Note 1**

*Any expenditure admitted on account of committed liabilities within the original scope of work and the expenditure deferred on techno-economic grounds but falling within the original scope of work shall be serviced in the normative debt-equity ratio specified in regulation 54.*

17. The meaning of the above provision came up for interpretation in the Commission's order dated 15.10.2007 in Review Petition No. 77/2007 and the Commission held as under:

*"12. The language used in the substantive provision of clause (2) of Regulation 54 makes it explicit that the general rule or the norm for debt-equity ratio for the purpose of determination of tariff is 70:30. Thus, as per the substantive provisions of Regulation 54, norm for debt-equity ratio should be 70:30. Note 1 below Regulation 53 lays*

down that for additional capital expenditure, normative debt-equity ratio is to be adopted. It, therefore, follows that the additional capital expenditure, irrespective of the source of financing is to be apportioned between debt and equity in the ratio of 70:30, which is the “normative” debt-equity ratio. This principle of interpretation has been followed by the Commission while fixing tariff for the transmission line. We may also add that the resultant equity works out to 23.18% on overall basis which is less than the normative equity of 30%.”

### **DEBT- EQUITY RATIO**

18. Regulation 54 of the 2004 regulations provides as under:

*“(1)In case of the existing projects, debt-equity ratio considered by the Commission for the period ending 31.03.2004 shall be considered for determination of tariff with effect from 01.04.2004:*

XXX

*Provided further that in case of the existing projects where additional capitalization has been completed on or after 01.04.2004 and admitted by the Commission under Regulation 53, Equity in the additional capitalization 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 capitalization, or
- (c) Actual equity employed,

*Which ever is least*

xxxx “

19. In accordance with the above interpretation, we allow the debt-equity ratio of 70:30 for the additional capital expenditure. Equity base for computation of tariff is as under:

(₹ in lakh)

Equity on 01.04.2004	Notional equity due to ACE for the period 2004-05	Notional equity due to ACE for the period 2005-06	Notional equity due to ACE for the period 2006-07	Notional equity due to ACE for the period 2007-08	Notional equity due to ACE for the period 2008-09	Total equity considered for tariff calculations for the period 2008-09
526.69	11.39	4.48	18.69	50.26	3.91	615.42

\*Average equity corresponding to Additional capital expenditure during 2004-05 to 2008-09 has been considered for working out return on equity during these periods.

### **RETURN ON EQUITY**

20. Regulation 56 (iii) of the 2004 regulations, provides that 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. Revised calculation of Return on Equity for the period 2004-09, consequent to approval of additional capital expenditure is as under:

	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Opening Equity	526.69	538.08	542.56	561.25	611.52
Addition due to Additional Capitalisation	11.39	4.48	18.69	50.26	3.91
Equity	538.08	542.56	561.25	611.52	615.42
Average Equity	532.39	540.32	551.91	586.38	613.47
Return on Equity	74.53	75.65	77.27	82.09	85.89

### **INTEREST ON LOAN**

22. Clause 56 (i) of the 2004 regulations provides the following methodology for the calculation of Interest on Loan:

***(i) Interest on loan capital***

*(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 refinancing 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 these calculations, interest on loan has been worked out as detailed below:

(a) The transmission system being an existing one, gross amount of loan, repayment of instalments and rate of interest and weighted average rate of interest on actual loan as per earlier order in Petition No 112/2005 has been used.

(b) Notional loan arising out of additional capitalisation up to 31.3.2009 has been added in loan amount as on 1.4.2004 to arrive at total Notional loan. This adjusted Gross loan is considered as normative loan for tariff calculations.

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

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

(d) Moratorium in repayment of loan is considered with reference to normative loan and if the normative repayment of loan during the year is less than the depreciation including AAD during the year, then depreciation including AAD during the year is deemed as normative repayment of loan during the year. This is as per decision in other similar petitions of the petitioner for the period 2004-09.

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

(f) The petitioner has utilised Bond XVIII for additional capital purpose during 2005-06 and 2006-07. Bond XXII has been for additional capital purpose during 2006-07 and 2007-08. These have been taken in to account for working out the weighted average rate of interest.

24. Details of the revision of interest on loan worked on the above basis are as under:

	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Opening Gross Loan	3575.03	3601.62	3612.07	3655.68	3772.96
Cumulative Repayment upto previous Year	173.06	381.89	613.97	861.12	1123.48
Net Loan-Opening	3401.97	3219.72	2998.10	2794.56	2649.47
Additions including additions due to Additional Capitalisation	26.59	10.45	43.61	117.28	9.12
Repayment during the year	208.83	232.08	247.15	262.36	293.14
Net Loan-Closing	3219.72	2998.10	2794.56	2649.47	2365.45
Average Loan	3310.85	3108.91	2896.33	2722.02	2507.46
Weighted Average Rate of Interest on Loan	8.3960%	8.3640%	8.3326%	8.3023%	8.2677%
Interest	277.98	260.03	241.34	225.99	207.31

## **DEPRECIATION**

25. As per sub-clause (a) of clause (ii) of Regulation 56 of the 2004 regulations,

*“For the purpose of tariff, depreciation shall be computed 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 life 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.”*

26. Revised calculation of depreciation consequent to revision of capital cost during 2007-08 is as under:

(₹ in lakh)

	2004-05	2005-06	2006-07	2007-08	2008-09
As on opening date	4101.73	4139.71	4154.64	4216.94	4384.48
Addition due to Additional Capitalisation	37.98	14.93	62.30	167.54	13.03
Gross Block	4139.71	4154.64	4216.94	4384.48	4397.51
Rate of Depreciation	3.4391%	3.4402%	3.4416%	3.4459%	3.4490%
Depreciable Value	3651.27	3675.08	3709.84	3813.26	3894.52
Balance Useful life of the asset	-	-	-	-	-
Remaining Depreciable Value	3556.93	3371.91	3174.59	3030.87	2849.76
Depreciation	141.72	142.67	144.06	148.20	151.45

## **ADVANCE AGAINST DEPRECIATION**

27. Sub-clause (b) of clause (ii) of Regulation 56 of the 2004 regulations prescribes the following methodology for computation of Advance Against Depreciation:

### ***(b) Advance Against Depreciation***

*In addition to allowable depreciation, the transmission licensee shall be 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*

*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;*

*Provided further 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.*

28. Advance against depreciation has been calculated in the following manner:

(a) 1/10th of gross loan is worked out from the Gross Notional Loan as above.

(b) Repayment of notional loan during the year is considered as above.

(c) Depreciation is worked out as stated above.

(d) As per other similar petitions of the petitioner, in the calculations of AAD, cumulative depreciation/AAD up to preceding year along with the depreciation of the current year has been considered for working out the AAD. Therefore this figure of cumulative depreciation/AAD would be different from the figure appearing under the similar head elsewhere in tariff calculations where AAD for the current year is also included for 90% restriction of the depreciation.

29. Revised calculation in respect of Advance Against Depreciation is as under:

(₹ in lakh)

	2004-05	2005-06	2006-07	2007-08	2008-09
1/10th of Gross Loan(s)	357.50	360.16	361.21	365.57	377.30
Repayment of the Loan	208.83	232.08	247.15	262.36	293.14
Minimum of the above	208.83	232.08	247.15	262.36	293.14
Depreciation during the year	141.72	142.67	144.06	148.20	151.45
(A) Difference	67.12	89.41	103.09	114.17	141.70
Cumulative Repayment of the Loan	381.89	613.97	861.12	1123.48	1416.63
Cumulative Depreciation/ Advance against Depreciation	236.06	445.84	679.31	930.59	1196.21
(B) Difference	145.84	168.13	181.81	192.89	220.42
Advance against Depreciation Minimum of (A) and (B)	67.12	89.41	103.09	114.17	141.70

### **OPERATION & MAINTENANCE EXPENSES**

30. As the O&M component is on normative basis and does not depend on the capital cost, there is no change in this component of the transmission tariff. O&M expenses as approved by the Commission vide its order dated 4.5.2006 in Petition No. 112/2005 hold good even after the revision.

### **INTEREST ON WORKING CAPITAL**

31. As per clause 56 (v), working capital shall cover the following: \

(a) *Operation and maintenance expenses for one month;*

(b) *Maintenance spares @ 1% of the historical cost escalated @ 6% per annum from the date of commercial operation; and*

(c) *Receivables equivalent to two months of transmission charges calculated on target availability level.*

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

#### **(a) 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. For the purpose of computation of maintenance spares, the historical cost is being taken as the cost on the date of commercial operation. Maintenance spares on additional capital expenditure are not being considered for the present. Therefore, the petitioner's claim in this regard is not being allowed. Accordingly, maintenance spares have been worked as per the order dated 20.1.2006 in Petition No. 53/2005.

#### **(b) 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. O&M expenses as considered in the order dated 4.5.2006 in Petition No. 112/2005 have been considered.

#### **(c) 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. Accordingly, in the tariff being allowed, receivables have been worked out on the basis 2 months' transmission charges.

#### **(d) Rate of interest on working capital**

As per Regulation 56(v) (2) of the 2004 regulations, rate of interest on working capital shall be on normative basis and shall be equal to the short-term Prime Lending Rate of State Bank of India as on 1.4.2004 or on 1st April of the year in which the project or part thereof (as the case may be) is declared under commercial operation, whichever is later. The interest on working capital is payable on normative basis notwithstanding that the transmission licensee has not taken working

capital loan from any outside agency. The petitioner has claimed interest on working capital @ 10.25% based on SBI PLR as on 1.4.2004, which is in accordance with the 2004 regulations and has been allowed.

33. Necessary computations in support of interest on working capital are appended hereinbelow:

	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Maintenance Spares	43.47	46.07	48.84	51.77	54.87
O & M expenses	23.74	24.69	25.68	26.70	27.77
Receivables	144.65	147.74	149.48	152.42	157.37
<b>Total</b>	<b>211.85</b>	<b>218.50</b>	<b>223.99</b>	<b>230.88</b>	<b>240.01</b>
Rate of Interest (%)	10.25%	10.25%	10.25%	10.25%	10.25%
Interest	<b>21.71</b>	<b>22.40</b>	<b>22.96</b>	<b>23.67</b>	<b>24.60</b>

### TRANSMISSION CHARGES

34. The transmission charges being allowed for the transmission lines are summarized below:

	(₹ in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	141.72	142.67	144.06	148.20	151.45
Interest on Loan	277.98	260.03	241.34	225.99	207.31
Return on Equity	74.53	75.65	77.27	82.09	85.89
Advance against Depreciation	67.12	89.41	103.09	114.17	141.70
Interest on Working Capital	21.71	22.40	22.96	23.67	24.60
O & M Expenses	284.83	296.28	308.14	320.38	333.26
<b>Total</b>	<b>867.89</b>	<b>886.43</b>	<b>896.85</b>	<b>914.49</b>	<b>944.20</b>

35. The petitioner shall recover the difference in tariff from the respondents in three monthly installment and these charges shall be shared in accordance with the 2004 regulations. The petitioner has also sought reimbursement of filing fee paid. The Commission by its separate general order dated 11.9.2008 in Petition No. 129/2005 (Suo-motu) has decided that the petitioner shall not be allowed reimbursement of the petition filing fee.

36. 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.

37. This order disposes of Petition No. 157/2010.

Sd/-

**(M.Deena Dayalan)**  
**Member**

Sd-

**(V.S.Verma)**  
**Member**

Sd/-

**(S.Jayaraman)**  
**Member**

Sd/-

**(Dr. Pramod Deo)**  
**Chairperson**

