

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No.198/2010**

**Coram:**

1. Shri S. Jayaraman, Member
2. Shri V.S.Verma, Member
3. Shri M.Deena Dayalan, Member

**DATE OF HEARING: 23.12.2010**

**DATE OF ORDER: 24.1.2011**

**In the matter of**

Determination of transmission tariff for 132 kV S/C Ranganadi-Ziro Transmission system in North Eastern Region for the period from 1.4.2009 to 31.3.2014.

**And**

**In the matter of**

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

1. Assam State Electricity Board, Guwahati
2. Meghalaya State Electricity Board, Shillong
3. Government of Arunachal Pradesh, Itanagar
4. Power and Electricity Department, Govt. of Mizoram, Aizawl
5. Electricity Department, Govt. of Manipur, Imphal
6. Department of Power, Govt. of Nagaland, Kohima
7. Tripura State Electricity Corporation Limited, Agartala ..**Respondents**

**The following were present:**

1. Shri M.M. Mondal, PGCIL
2. Shri Rajiv Gupta, PGCIL
3. Shri Rakesh Prasad, PGCIL

**ORDER**

The petition has been filed seeking approval of tariff for 132 kV S/C Ranganadi-Ziro Transmission system (hereinafter referred to as "the transmission system") in North Eastern Region for the period 1.4.2009 to 31.3.2014 based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as "the 2009 regulations") after accounting for addition capital expenditure incurred



during 2009-10, 2010-11 and 2011-12. The petitioner has made the following additional prayers:-

- (a) To invoke the provision of Regulation 44 of the 2009 regulations for relaxation of regulation 9 (2) of the 2009 regulations so that the additional capital expenditure incurred/to be incurred on account of undischarged liabilities after the cut off date shall be allowed and considered for fixation of tariff for period 2009-14;
- (b) 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 allowed considering the revised rate of MAT as per the relevant Finance Act and allow consequential impact on tariff for 2009-14 period accordingly;
- (c) To approve reimbursement of petition filing fee and publication of notices in the newspaper as per the 2009 regulations;
- (d) 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
- (e) Allow reimbursement of licence fee separately from the respondents.

2. The transmission system was declared under operation w.e.f 1.4.2004. The annual transmission charges up to 31.3.2009 in respect of the transmission system were initially approved vide order dated 11.8.2009 in Petition No. 82/2006 and were subsequently revised vide order dated 15.6.2010 in Petition No. 29/2010 on account of additional capital expenditure incurred during 2007-08 and 2008-09.

3. The details of approved cost, admitted capital cost and projected additional capital expenditure etc. of the transmission line are as under:

(₹ in lakh)

Approved cost	Admitted capital cost as on 31.3.2009 as per order dated 16.5.2010	Additional capital expenditure incurred during 2009-10	Additional capital expenditure incurred during 2010-11	Additional capital expenditure incurred during 2011-12	Estimated capital cost
2725.00	1584.26	95.97	137.0	9.24	1826.47

4. The petitioner has claimed the transmission charges in respect of the transmission system as under:

(₹ in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	85.48	90.05	92.52	92.68	92.68
Interest on Loan	62.01	62.09	59.59	52.66	45.44
Return on Equity	83.01	89.11	92.95	93.19	93.19
Interest on Working Capital	11.76	12.38	12.88	13.19	13.51
O & M Expenses	138.97	146.91	155.30	164.24	173.62
<b>Total</b>	<b>381.23</b>	<b>400.54</b>	<b>413.24</b>	<b>415.96</b>	<b>418.44</b>

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	20.85	22.04	23.30	24.64	26.04
O & M expenses	11.58	12.24	12.94	13.69	14.47
Receivables	63.54	66.76	68.87	69.33	69.74
<b>Total</b>	<b>95.97</b>	<b>101.04</b>	<b>105.11</b>	<b>107.66</b>	<b>110.25</b>
Rate of Interest	12.25%	12.25%	12.25%	12.25%	12.25%
<b>Interest</b>	11.76	12.38	12.88	13.19	13.51

6. No reply has been filed by the respondents. 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.

## CAPITAL COST

7. As per the last proviso to clause (2) of Regulation 7 of the 2009 regulations, "in case of the existing projects, capital cost admitted by the Commission prior to 1.4.2009 and the additional capital expenditure projected to be incurred for the respective year of the tariff period 2009-14 as may be admitted by the Commission, shall form the basis for determination of tariff".

8. As per the order dated 15.6.2010 in Petition No. 29/2010, the admitted capital expenditure of the transmission system is ₹1584.26 lakh which has been considered as the opening capital cost as on 1.4.2009. The petitioner has claimed the tariff after accounting for additional capital expenditure as under:

(₹ in lakh)

Admitted capital cost as on 31.3.2009 as per order dated 16.5.2010	Additional capital expenditure incurred during 2009-10	Additional capital expenditure incurred during 2010-11	Additional capital expenditure incurred during 2011-12	Total capital cost
1584.26	95.97	137.0	9.24	1826.47

## ADDITIONAL CAPITAL EXPEDNTURE

9. Regulation 9 of the 2009 regulations provides as under:

(1) The capital expenditure incurred or projected to be incurred, on the following counts with in original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:

- (i) Undischarged liabilities;
- (ii) Works deferred for execution;
- (iii) Procurement of initial capital spares within the original scope of work, subject to the provisions of regulating 8 ;

- (iv) Liabilities to meet award of arbitration or for compliance of the order or decree of a court; and
- (v) Change in law;

Provided that the details of works included in the original scope of work along with estimates of expenditure, undischarged liabilities and the works deferred for execution shall be submitted along with the application for determination of the tariff.

(2) The capital expenditure incurred on the following counts after the cut-off-date, in its discretion, be admitted by the Commission, subject to prudence check:

- (i) Liabilities to meet award of arbitration or for compliance of the order or decree of a court;
- (ii) Change in law;
- (iii) \*\*\*\*\*
- (iv) \*\*\*\*\*
- (v) In case of transmission system any additional expenditure on items such as relays, control and instrumentation, computer system, power line carrier communication, DC batteries, replacement of switchyard equipment due to increase of fault level, emergency restoration system, insulators cleaning infrastructure, replacement of damaged equipment not covered by insurance and any other expenditure which has become necessary for successful and efficient operation of the transmission system.

10. The details submitted by the petitioner in support of its claim for Projected additional capital expenditure for the transmission line is given hereunder:

Years	Nature and details of expenditure	Amount (₹ in lakh)
2009-10	<b>Building, civil works and sub-station:</b> Balance and retention payments	95.97
2010-11	<b>Building, civil works and sub-station:</b> Balance and retention payments	137.00
2011-12	<b>Building and civil works:</b> Balance and retention and payments	9.24
<b>Total</b>		<b>242.21</b>

11. The petitioner has submitted that asset covered in this petition was declared under commercial operation during 2004-09, wherein additional capital expenditure after cut off dates on account of deferred liabilities was allowed as per Regulation 53 (2) of the under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004. Due to

contractual exigencies and other reasons beyond the control of it and it has to make provisions for release of balance/retention payment beyond 2008-09. However, as per Regulation 9 (2) of the 2009 regulations does not provide for such undischarged liabilities as part of additional capitalization after cut off date. The petitioner has further submitted that the additional capital expenditure incurred/projected to be incurred during the years 2009-10, 2010-11 and 2011-12 is on account of balance and retention payments and is within the original scope of work and which is necessary for successful and efficient operation of the transmission system.

12. The petitioner vide its affidavit dated 4.11.2010 has further submitted that as per original scope of work 12 number B Type quarters, 4 Nos. C type quarters, 9 room field hostel and Community Hall were included in the project. LOA was accordingly placed to M/s NPCC on 15.7.2010 for constructions of these building. However, M/s NPCC vide its letter dated 12.12.2005 had intimated their inability to contract the colony and asked for contract closure. The petitioner has further submitted that Ziro sub-station are residing in Ziro town. The petitioner has also submitted that due to poor facilities, remoteness, climate condition etc, the place is not amenable for employees to keep their families. Due to this, the original scope for residential/utility buildings was raised by deleting the original scope of building and augmenting the scope of work by increasing the Nos. of room of the field hostel along with common room with recreation facility. In view of the above modification, fresh contract for construction of field hostel had to be awarded for completion of work and the same was currently in progress.

Provision accordingly, for payment progressively of ₹ 66.96 lakh, ₹134 lakh and ₹ 9.24 lakh has been made during the years 2009-10, 2010-11 and 2011-12, respectively against this award. In respect of additional capital expenditure of ₹66.63 lakh incurred during 2009-10, the petitioner has submitted that same was on account of retendering of work awarded to BHEL due to dispute regarding boundary wall construction at Ziro sub-station. The work was finally completed in January 2009 and the final payment was done in the year 2009-10. The petitioner has further submitted that a provision of balance payment of ₹ 3 lakh has been kept in 2010-11 for telemetry and communication facilities.

13. We have examined the issue. In terms of sub-clause (i) of clause (2) of Regulation 53 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004, additional capital expenditure incurred after the cut-off-date towards undischarged liabilities could be capitalized. It is only consequent to the 2009 regulation, the above expenditure was exempt from being capitalized. As the cut-off date under the erstwhile 2004 regulations was over on 31.3.2008, almost a year before 2009 regulations, we propose to take a lenient view in the instant case. Accordingly, in exercise of powers under Regulation 44 of the 2009 regulations, we relax the provisions relating to treatment of additional capital expenditure. Accordingly, capitalization of the additional expenditure claimed by the petitioner has been allowed as per regulation 9 (2) of the 2009 regulations.

## TOTAL CAPITAL COST

14. Based on the above, gross block as given below has been considered for the purpose of tariff for the transmission asset, after allowing additional capital expenditure as claimed by the petitioner:

(₹ in lakh)

Admitted capital cost as on 31.3.2009 as per order dated 16.5.2010	Additional capital expenditure incurred during 2009-10	Additional capital expenditure incurred during 2010-11	Additional capital expenditure incurred during 2011-12	Total capital cost
1584.26	95.97	137.0	9.24	1826.47

## DEBT- EQUITY RATIO

15. 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."*

16. The petitioner has claimed tariff based on debt-equity ratio of 70.94:29.06 as admitted on 31.3.2009 vide order dated 15.6.2010 in Petition 29/2010. The petitioner has further claimed the amount of additional capital expenditure in the debt-equity ratio of 70:30 for the year 2009-10 2010-11 and 2011-12. For the purpose of tariff, equity considered for the transmission asset is as under:

(₹ in lakh)

Equity as on 1.4.2009	Notional equity due to additional capital expenditure for the period 2009-10	Average equity for 2009-10	Notional equity due to additional capital expenditure for the period 2010-11	Average equity for 2010-11	Notional equity due to additional capital expenditure for the period 2011-12	Average equity for 2011-12	Equity for the period 2012-14	Average equity for 2012-14
460.44	28.79	474.83	41.10	509.78	2.77	531.71	533.10	533.10



## RETURN ON EQUITY

17. 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 trued 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%."*

18. 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 holidays 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 regulations is under way and will address the grievance of the petitioner with regard to the MAT rate. Accordingly, the return on equity has been computed as per the existing provision of Regulation 15 (3) of 2009 regulation as under:

(₹ in lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Opening Equity as on 1.4.2009	460.44	489.23	530.33	533.10	533.10
Addition due to Additional Capitalisation	28.79	41.10	2.77	0.00	0.00
Closing Equity	489.23	530.33	533.10	533.10	533.10
Average Equity	474.83	509.78	531.71	533.10	533.10
Return on Equity (Base Rate )	15.50%	15.50%	15.50%	15.50%	15.50%
Tax rate for the year 2008-09	11.330%	11.330%	11.330%	11.330%	11.330%
Rate of Return on Equity (Pre Tax )	17.481%	17.481%	17.481%	17.481%	17.481%
Return on Equity (Pre Tax)	83.01	89.11	92.95	93.19	93.19

### **INTEREST ON LOAN**

19. 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."*

20. The petitioner has considered proposed domestic loan (with interest rate @ 8.84%) for the additional capital expenditure incurred/ to be incurred during the years 2010-11 and 2011-12 in actual loan portfolio for the computation of weighted average rate of interest which is not in conformity as per Regulation 16(5) of the 2009 regulations. Therefore, the same has not been considered for the purpose of tariff.

21. 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, repayment schedule for the loans, rate of interest etc. Have been taken from the order dated 15.6.2010 in Petition No. 29/2010 for working out weighted average rate of interest;
  - (ii) Tariff has been worked out considering normative loan and normative repayments. Depreciation allowed have been taken as normative repayment for the tariff period 2009-14; and
  - (iii) Weighted average rate of interest on actual loan has been worked out as per (i) above and applied on the average loan during the year to arrive at the interest on loan.

22. 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	1123.82	1123.82	1191.00	1286.90	1293.37	1293.37
Cumulative Repayment up to Previous Year		313.37	398.85	488.90	581.43	674.10
Net Loan-Opening		810.45	792.15	798.00	711.95	619.27
Addition due to Additional Capitalisation		67.18	95.90	6.47	0.00	0.00
Repayment during the year		85.48	90.05	92.52	92.68	92.68
Net Loan-Closing		792.15	798.00	711.95	619.27	526.59
Average Loan		801.30	795.08	754.97	665.61	572.93
Weighted Average Rate of Interest on Loan		7.7390%	7.7323%	7.7236%	7.7120%	7.6956%
<b>Interest</b>		<b>62.01</b>	<b>61.48</b>	<b>58.31</b>	<b>51.33</b>	<b>44.09</b>

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

## DEPRECIATION

24. 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."

25. The depreciation has been worked out on the admitted capital cost of ₹1584.26 lakh as on 31.3.2009.

26. Depreciation during the period 2009-14 has been worked out as under:

(₹ in lakh)

Details of Depreciation		Up to 31.3.2009	2009-10	2010-11	2011-12	2012-13	2013-14
Gross block as per last order		1584.26	1584.26	1680.23	1817.23	1826.47	1826.47
Addition during 2009-14 due to projected Additional Capitalisation			95.97	137.00	9.24	0.00	0.00
Gross block as on 31.3.2009			1680.23	1817.23	1826.47	1826.47	1826.47
Average gross block			1632.25	1748.73	1821.85	1826.47	1826.47
Rate of Depreciation			5.2371%	5.1495%	5.0785%	5.0741%	5.0741%
Depreciable Value	90%		1458.65	1563.49	1629.30	1633.46	1633.46
Remaining Depreciable Value			1145.28	1164.64	1140.39	1052.03	959.35
<b>Depreciation</b>			<b>85.48</b>	<b>90.05</b>	<b>92.52</b>	<b>92.68</b>	<b>92.68</b>

### OPERATION & MAINTENANCE EXPENSES

27. In accordance with clause (g) of Regulation 19 the 2009 regulations, the following norms for 132 kV S/C single conductor transmission line and 132 kV and below bays have been specified for O & M expenses:

	Year				
	2009-10	2010-11	2011-12	2012-13	2013-14
132 kV S/C single conductor transmission line (₹ in lakh /km)	0.179	0.189	0.200	0.212	0.224
132 kV and below bays (₹ in lakh per bay)	62.20	27.70	29.28	30.96	32.73

28. The petitioner has claimed O & M expenses for 44.52 Ckt.km. and 5 bays. 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
132 kV S/C single conductor transmission line ( 44.52 ckt/km)	7.97	8.41	8.90	9.44	9.97
132 kV and below bays ( 5 bays)	131.00	138.50	146.40	154.80	163.65
<b>Total</b>	<b>138.97</b>	<b>146.91</b>	<b>155.30</b>	<b>164.24</b>	<b>173.62</b>

29. The petitioner has submitted that O & M expenditure for 2009-14 tariff block had been arrived on the basis of normalized actual O & M expenses of the petitioner during the year 2003-04 to 2007-08. The wage hike of 50% on account of pay revision of the employees of public sector undertaking was

also considered while calculating the O & M charges for 2009-14 periods. The petitioner has submitted that it would approach the Commission for suitable revision in the norms of O & M expense in case the impact of wage hike w.e.f 1.1.2007 is more than 50%.

### **INTEREST ON WORKING CAPITAL**

30. 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 of annual transmission charges. 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 of 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 specified in Regulation 19. The value of maintenance spares has been accordingly worked out.

**(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 which has been considered for computation of 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 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.

31. The necessary computations in support of interest on working capital are given as under:

(₹ in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Maintenance Spares	20.85	22.04	23.30	24.64	26.04
O & M expenses	11.58	12.24	12.94	13.69	14.47
Receivables	63.54	66.65	68.66	69.10	69.51
Total	95.96	100.93	104.89	107.42	110.02
Rate of Interest	12.25%	12.25%	12.25%	12.25%	12.25%
<b>Interest</b>	<b>11.76</b>	<b>12.36</b>	<b>12.85</b>	<b>13.16</b>	<b>13.48</b>

### **TRANSMISSION CHARGES**

32. 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	85.48	90.05	92.52	92.68	92.68
Interest on Loan	62.01	61.48	58.31	51.33	44.09
Return on Equity	83.01	89.11	92.95	93.19	93.19
Interest on Working Capital	11.76	12.36	12.85	13.16	13.48
O & M Expenses	138.97	146.91	155.30	164.24	173.62
<b>Total</b>	<b>381.23</b>	<b>399.92</b>	<b>411.93</b>	<b>414.60</b>	<b>417.06</b>



### **Application fee and the publication expenses**

33. 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.

34. 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**

35. Presently, service tax on transmission service has been exempted by Government of India vide its notification No. 20/2010 dated 27.2.2010 read with notification No. 45/2010 dated 20.7.2010. Therefore, prayer made by the petitioner for recovery of service tax on transmission charges from the beneficiaries has become infructuous.

### **Licence fee**

36. The petitioner has prayed to allow reimbursement of licence fee separately from the respondents. A view in the matter is yet to taken by the Commission.

37. In addition to the transmission charges, the petitioner shall be entitled to other charges like income-tax, surcharge and other cess and taxes in accordance with the 2009 regulations.



38. 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.

39. This order disposes of Petition No.198/2010.

Sd/-  
**(M.DEENA DAYALAN)**  
MEMBER

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

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

## CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN

(₹ in lakh)

Details of Loan	2009-10	2010-11	2011-12	2012-13	2013-14
<b>1 Bond - XIII Option - I</b>					
Gross loan opening	550.00	550.00	550.00	550.00	550.00
Cumulative Repayment up to the date of commercial operation /previous year /previous year	137.50	183.33	229.17	275.00	320.83
Net Loan-Opening	412.50	366.67	320.83	275.00	229.17
Additions during the year	0.00	0.00	0.00	0.00	0.00
Repayment during the year	45.83	45.83	45.83	45.83	45.83
Net Loan-Closing	366.67	320.83	275.00	229.17	183.33
Average Loan	389.58	343.75	297.92	252.08	206.25
Rate of Interest	8.63%	8.63%	8.63%	8.63%	8.63%
Interest	33.62	29.67	25.71	21.75	17.80
Rep Schedule	12 Annual instalments from 31.07.2006				
<b>2 Bond XV</b>					
Gross loan opening	414.00	414.00	414.00	414.00	414.00
Cumulative Repayment up to the date of commercial operation /previous year /previous year	69.00	103.50	138.00	172.50	207.00
Net Loan-Opening	345.00	310.50	276.00	241.50	207.00
Additions during the year	0.00	0.00	0.00	0.00	0.00
Repayment during the year	34.50	34.50	34.50	34.50	34.50
Net Loan-Closing	310.50	276.00	241.50	207.00	172.50
Average Loan	327.75	293.25	258.75	224.25	189.75
Rate of Interest	6.68%	6.68%	6.68%	6.68%	6.68%
Interest	21.89	19.59	17.28	14.98	12.68
Rep Schedule	12 Annual instalments from 23-02-2008				
<b>Total Loan</b>					
Gross loan opening	964.00	964.00	964.00	964.00	964.00
Cumulative Repayment up to the date of commercial operation /previous year	206.50	286.83	367.17	447.50	527.83
Net Loan-Opening	757.50	677.17	596.83	516.50	436.17
Additions during the year	0.00	0.00	0.00	0.00	0.00
Repayment during the year	80.33	80.33	80.33	80.33	80.33
Net Loan-Closing	677.17	596.83	516.50	436.17	355.83
Average Loan	717.33	637.00	556.67	476.33	396.00
<b>Weighted Average Rate of Interest</b>	<b>7.7390%</b>	<b>7.7323%</b>	<b>7.7236%</b>	<b>7.7120%</b>	<b>7.6956%</b>
<b>Interest</b>	<b>55.51</b>	<b>49.25</b>	<b>42.99</b>	<b>36.73</b>	<b>30.47</b>