

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 304/2010

Coram:

1. Dr. Pramod Deo, Chairperson
2. Shri S.Jayaraman, member
3. Shri V.S.Verma, Member
4. Shri M.Deena Dayalan, Member

DATE OF HEARING: 5.5.2011

DATE OF ORDER: 19.7.2011

In the matter of

Determination of transmission tariff for 315 MVA, 400/220 kV ICT-III at Ludhiana with associated bays, along with 220 kV line bays under transmission system associated with Northern Region System Strengthening Scheme-VII (NRSS-VII) in Northern Region for the period from date of commercial operation to 31.3.2014.

And

In the matter of

Power Grid Corporation of India Limited, Gurgaon	..Petitioner
Vs	
Punjab State Power Corporation Ltd., Patiala	...Respondent

The following were present:

1. Shri M.M. Mondal, PGCIL
2. Shri S.S. Raju, PGCIL
3. Shri Rajiv Gupta, PGCIL
4. Shri TPS Bawa, PSPCL

ORDER

The petition has been filed by Power Grid Corporation of India Limited for approval of tariff in respect of 315 MVA, 400/220 kV ICT-III at Ludhiana with associated bays, along with 220 kV line bays (hereinafter referred to as the 'the transmission asset') under transmission



system associated with Northern Region System Strengthening Scheme-VII (NRSS-VII) (hereinafter referred to as "the transmission scheme") in Northern Region for the period from date of commercial operation 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 additional capital expenditure from date of commercial operation to 31.3.2012. The petitioner has made the following additional prayers to:

- (a) Allow grossing up the base rate of return with the applicable tax rate as per the relevant Finance Act and direct settlement of tax liability between the generating company/transmission licensee and the beneficiaries/long-term transmission customers on year to year basis;
- (b) Approve reimbursement of petition filing fee and publication of notices in the newspaper as per the 2009 regulations and other expenditure, if any in relation to the filing of the petition;
- (c) Allow to bill and adjust impact on interest on loan due to change in interest rate on account of floating rate of interest applicable during 2009-14, if any from the respondents;

(d) Allow to bill and recover the service tax on transmission charges separately from the respondents, if at any time exemption from service tax is withdrawn and transmission is notified as a taxable service; and

(e) Allow to bill and recover licence fee separately from the respondent.

2. The investment approval for the transmission scheme was accorded by the Board of Directors of the petitioner's company vide letter dated 27.10.2006 at an estimated cost ₹ 60.99 crore, including IDC of ₹ 3.02 crore based on 2nd quarter, 2006 price level. The transmission asset was declared under commercial operation with effect from 1.4.2010.

3. The details of apportioned approved cost, actual capital cost as on the date of commercial operation, projected additional capital expenditure and total estimated completion cost for the transmission asset as submitted by the petitioner are as under:

(₹ in lakh)

Apportioned approved cost	Actual cost incurred as on the date of commercial operation	Projected additional capital expenditure		Total estimated completion cost
		Date of commercial operation to 31.3.2011	2011-12	
2618.09	1969.80	456.41	105.28	2531.49

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

(₹ in lakh)

	2010-11	2011-12	2012-13	2013-14
Depreciation	116.17	131.00	133.77	133.77
Interest on Loan	132.65	139.19	130.57	118.52
Return on Equity	115.28	130.01	132.77	132.77
Interest on Working Capital	15.51	16.70	17.13	17.42
O & M Expenses	171.74	181.57	191.94	202.92
Total	551.35	598.47	606.18	605.40

5. The details submitted by the petitioner in support of its claim for Interest on Working Capital are given hereunder:

(₹ in lakh)

	2010-11	2011-12	2012-13	2013-14
Maintenance Spares	25.76	27.24	28.79	30.44
O & M expenses	14.31	15.13	16.00	16.91
Receivables	91.89	99.75	101.03	100.90
Total	131.96	142.12	145.82	148.25
Rate of Interest	11.75%	11.75%	11.75%	11.75%
Interest on Working Capital	15.51	16.70	17.13	17.42

6. 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. Reply to the petition has been filed by respondent Punjab State Power Corporation Ltd. (PSPCL) the successor of Punjab State Electricity Board.

7. Punjab State Power Corporation Ltd. (PSPCL) in its reply, dated 15.3.2011 has submitted as under:



(i) The petitioner should furnish the details of the actual additional capital expenditure incurred during the year 2010-11 as the year 2010-11 is almost over;

(ii) O & M charges should be allowed only as per 2009 regulations;

(iii) The capital cost pertaining to foundation structure claimed is much higher than the original estimate of ₹ 67.00 lakh. The original estimate for the outdoor lighting itself is on a higher side. The petitioner should be directed to submit the details of the expenditure pertaining to foundation structure and outdoor lighting and the justification along with relevant documents.

8. The petitioner vide its rejoinder dated 3.5.2011 has made following submissions:

(i) With regards to (i) above, the petitioner has submitted that auditing of accounts is yet to be completed for the financial year 2010-11 and same shall be submitted at the time of truing up as per 2009 regulations;

(ii) With regard to O & M expenses, the petitioner has submitted that while framing of 2009 regulations, it had furnished the actual O & M cost, line and bay details of transmission system for the 5 years period i.e 2003-04 to 2007-08, without taking into



consideration expected man power cost implications on account of wage revision w.e.f. 1.7.2007. The petitioner has further submitted that the Commission has considered 50% of the wage hike which stipulates the norms for 2009-10. The petitioner has also submitted that the wage revision for the employees has already been done and it would approach the Commission for claiming additional man power cost on account of wage revision, if any during the period 2009-14.

(iii) With regard to (iii) above, the petitioner has submitted that the estimated cost of the foundation for structures and outdoor lighting was the apportioned costs as per FR where as actual expenditure is based on the outcome of the awards placed on open market on competitive bidding basis. The estimated completion cost of the ICT-III at Ludhiana including the projected additional capital expenditure is ₹ 2531.00 lakh against the apportioned approved cost of ₹ 2618.00 lakh which is well within the limit.

9. The petitioner vide its affidavit, dated 25.5.2011 has submitted that the total amount of ₹ 85.00 lakh (as per original estimate) and ₹ 83.39 lakh (as on date of commercial operation + liabilities) shown against outdoor lighting includes cost towards fire fighting system, power and control cables, lighting system and energy meter and surveillance for remote



operation. As there was no separate head available for these items, the composite amount was shown against outdoor lighting. The petitioner has further submitted that against the projected capital expenditure of ₹ 67.00 lakh towards foundation for structures, an amount of ₹ 260.84 lakh (₹146.45 lakh + ₹ 114.38 lakh) is projected to be incurred, which is due to higher awarded cost. The awarded cost of different items of the contract are the cost determined by a transparent process of competitive bidding which were based on 2006 price level, as against the incurred cost at ₹ 2010 price level. It has been further submitted that the overall cost of the ICT at Ludhiana of ₹ 2531.49 lakh is within the apportioned approved cost of ₹ 2618.09 lakh as per original estimate.

10. We have carefully considered the objections of PSPCL and the reply of the petitioner. In respect of high cost for items mentioned above, the reasons given above by the petitioner are justified. With reference to the submission of the petitioner in regard to O & M expenses, it is clarified that if any application is filed by the petitioner for revision of O & M norms on account of wage revision, the same will be dealt within accordance with law.

CAPITAL COST

11. Regulation 7 of the 2009 regulations provides for determination of capital cost as under:

"7. Capital Cost: (1) Capital cost for a project shall include:



(a) *The expenditure incurred or projected to be incurred, including interest during construction and financing charges, any gain or loss on account of foreign exchange risk variation during construction on the loan-(i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the fund deployed, - up to the date of commercial operation of the project, as admitted by the Commission, after prudence check;*

(b) *Additional capital expenditure determined under regulation 9:*

Provided that the assets forming part of the project, but not in use shall be taken out of the capital cost"

12. The petitioner has claimed tariff based on the following capital cost, after accounting for additional capital expenditure as under:

(₹ in lakh)

Apportioned approved cost	Actual cost incurred as on the date of commercial operation	Projected additional capital expenditure		Total estimated completion cost
		Date of commercial operation to 31.3.2011	2011-12	
2618.09	1969.80	456.41	105.28	2531.49

ADDITIONAL CAPITAL EXPENDITURE

13. Regulation 9 (1) 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.”-

14. The petitioner has submitted the following details in support of its claim for projected additional capital expenditure for the transmission asset:

Years	Nature and details of expenditure	Amount (₹ in lakh)
2010-11	Sub-station equipments- Balance/Retention payments	456.41
2011-12	Sub-station equipments - Balance Retention payments	105.28
	Total	561.69

15. The above additional capital expenditures are of the nature of undischarged liabilities and are projected to be capitalised within the cut-off date of the transmission assets. As per Regulation 3 (11) , cut-off date means 31st March of year closing after 2 years of the year of commercial operation of the project. Since the transmission assets were declared under commercial operation on 1.4.2010, the cut off date works out to 31.3.2013. Accordingly, additional capital expenditure projected to be incurred during 2010-11 and 2011-12 are admissible under Regulation 9 (1) of the 2009 regulations and are accordingly allowed.

Initial spares

16. Capital cost claimed by the petitioner as on date of the commercial operation is inclusive of initial spares amounting to ₹ 62.11 lakh. Considering the additional capital expenditure and cut-off date, the initial spares are within the ceiling limit as specified in Regulation 8 of the 2009 regulation.



TOTAL CAPITAL COST

17. Based on the above, capital cost of the transmission assets is allowed as under:

(₹ in lakh)	
Particulars	Amount
Capital cost as on date of commercial operation	1969.80
Projected additional capital expenditure during 2010-11	456.41
Capital cost as on 1.4.2011	2426.21
Projected additional capital expenditure during 2011-12	105.28
Capital cost as on 1.4.2012 and onwards	2531.49

18. Capital cost of ₹ 1969.80 lakh as on the date of commercial operation for transmission asset has been considered as capital cost for the purpose of tariff.

DEBT- EQUITY RATIO

19. Clause (1) of Regulation 12 of the 2009 regulations *inter-alia* provides that,-

"(1) For a project declared under commercial operation on or after 1.4.2009, if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan:

Provided that where equity actually deployed is less than 30% of the capital cost, the actual equity shall be considered for determination of tariff:

Provided further that the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment."

20. The petitioner has claimed tariff based on debt-equity ratio of 70:30 for the transmission asset as under:



Asset	Approved		Capital cost as on date of commercial operation	
	Amount (₹ in lakh)	%	Amount (₹. in lakh)	%
Debt	1832.66	70.00	1378.80	70.00
Equity	785.43	30.00	591.00	30.00
Total	2618.09	100.00	1969.80	100.00

21. The petitioner has further claimed the amount of additional capital expenditure in the debt-equity ratio of 70:30 for the years 2010-11 to 2011-12 and the same has been considered for the calculation of tariff as on the date of commercial operation as under .

	Normative	
	Amount (₹ in lakh)	%
Asset	Additional capital expenditure for 2010-11	
Debt	319.49	70.00
Equity	136.92	30.00
Total	456.41	100.00
Asset	Additional capital expenditure for 2011-12	
Debt	73.70	70.00
Equity	31.58	30.00
Total	105.28	100.00

RETURN ON EQUITY

22. Regulation 15 of the 2009 regulations provides as under:

"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 Minimum Alternate/Corporate Income Tax Rate for the year 2008-



09, as per the Income Tax Act, 1961, as applicable to the concerned generating company or the transmission licensee, as the case may be.

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

$$\text{Rate of pre-tax return on equity} = \text{Base rate} / (1-t)$$

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

(5) The generating company or the transmission licensee, as the case may be, shall recover the shortfall or refund the excess Annual Fixed Charge on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax Rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission:

Provided further that Annual Fixed Charge with respect to the 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 in accordance with Regulation 6 of these regulations."

23. 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 has claimed return on equity @ 17.481% .

24. The petitioner has prayed for grossing up of base rate of return with MAT rate as per the applicable Finance Act. The petitioner shall be entitled to recover the shortfall, if any, in the annual fixed charges on account of Return on Equity due to change in applicable Minimum Alternate Tax in accordance with clause (5) of Regulation 15 of the 2009 regulations.

25. In view of the above and Para 30, the following amount of equity has been considered for calculation of return of equity:-

(₹ in lakh)

Details of Return on equity	As on date of commercial operation	2010-11	2011-12	2012-13	2013-14
Opening Equity	591.00	591.00	727.92	759.51	759.51
Addition due to Additional Capitalisation		136.92	31.58	0.00	0.00
Closing Equity		727.92	759.51	759.51	759.51
Average Equity		659.46	743.72	759.51	759.51
Return on Equity (Base Rate)		15.50%	15.50%	15.50%	15.50%
Tax rate for the year 2008-09 (MAT)		11.33%	11.33%	11.33%	11.33%
Rate of Return on Equity (Pre Tax)		17.481%	17.481%	17.481%	17.481%
Return on Equity (Pre Tax)		115.28	130.01	132.77	132.77

INTEREST ON LOAN

26. Regulation 16 of the 2009 regulations provides as under:-

"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."

27. The interest on loan has been worked out as detailed below:

(i) The gross amount of loan, repayment of instalments and rate of interest and weighted average rate of interest on actual average loan have been considered as per the petition;

(ii) The repayment for the tariff period 2009-14 shall be deemed to be equal to the depreciation allowed for that period; and

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

28. The detailed calculations in support of the weighted average rate of interest for transmission asset are contained in **Annexure** attached to



this order. Based on the above, annual interest on loan has been worked out as under:

(₹ in lakh)

Details of Interest on loan	As on date of commercial operation	2010-11	2011-12	2012-13	2013-14
Gross Normative Loan	1378.80	1378.80	1698.29	1771.98	1771.98
Cumulative Repayment up to Previous Year		0.00	116.17	247.16	380.94
Net Loan-Opening		1378.80	1582.12	1524.82	1391.05
Addition due to Additional Capitalisation		319.49	73.70	0.00	0.00
Repayment during the year		116.17	131.00	133.77	133.77
Net Loan-Closing		1582.12	1524.82	1391.05	1257.27
Average Loan		1480.46	1553.47	1457.93	1324.16
Weighted Average Rate of Interest on Loan		8.9601%	8.9601%	8.9557%	8.9508%
Interest		132.65	139.19	130.57	118.52

DEPRECIATION

29. Regulation 17 of the 2009 regulations provides for computation of depreciation in the following manner:

" 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."

30. The depreciation has been worked out on the basis of capital expenditure as on date of commercial operation and in terms of Regulation 17 (4) of the 2009 regulations as under :

Details of depreciation	As on date of commercial operation	(₹ in lakh)			
		2010-11	2011-12	2012-13	2013-14
Opening gross block	1969.80	1969.80	2426.21	2531.49	2531.49
Addition during 2009-14 due to projected Additional Capitalisation		456.41	105.28	0.00	0.00
Closing gross block		2426.21	2531.49	2531.49	2531.49
Average Gross Block		2198.01	2478.85	2531.49	2531.49
Rate of Depreciation		5.2851%	5.2845%	5.2844%	5.2844%
Depreciable Value	90%	1978.20	2230.97	2278.34	2278.34
Remaining Depreciable Value		1978.20	2114.80	2031.18	1897.40
Depreciation		116.17	131.00	133.77	133.77

OPERATION & MAINTENANCE EXPENSES

31. In accordance with clause (g) of Regulation 19 the 2009 regulations, the following norms have been specified for O & M expenses:

	(₹ in lakh)				
	Year				
	2009-10	2010-11	2011-12	2012-13	2013-14
400 kV bays (₹ in lakh/per bay)	52.40	55.40	58.57	61.92	65.46
220 kV bays (₹ in lakh/per bay)	36.68	38.78	41.00	43.34	45.82



32. 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
440 kV bays (1 bay)	-	55.40	58.57	61.92	65.46
220 kV bays (3 bays)	-	116.34	123.00	130.02	137.46
Total	-	171.74	181.57	191.94	202.92

33. The petitioner has submitted that O & M expenditure in 2009 regulations had been arrived on the basis of normalized actual O & M expenses of the petitioner during the year 2003-04 to 2007-08 which did not capture the employee cost on account of pay revision. The Commission has allowed hike of 50% on account of pay revision of the employees of public sector undertaking for 2009-14 periods. The petitioner has submitted that it would approach the Commission for suitable revision in the norms of O & M expenses in case the impact of wage hike w.e.f. 1.1.2007 is more than 50%. With reference to the submission of the petitioner, it is clarified that if any such application is made, it will be dealt with in accordance with law.

INTEREST ON WORKING CAPITAL

34. 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 fixed cost. The petitioner has claimed the receivables on the basis of 2 months' transmission charges. 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 specified in Regulation 19 of the 2009 regulations. 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 computing 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 petitioner has claimed interest on working capital @ 12.75% based on SBI PLR as on 1.4.2010 for the transmission assets, which is in accordance with the 2009 regulations and has been allowed.



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

(₹ in lakh)				
	2010-11	2011-12	2012-13	2013-14
Maintenance Spares	25.76	27.24	28.79	30.44
O & M expenses	14.31	15.13	16.00	16.91
Receivables	91.89	99.74	101.03	100.90
Total	131.96	142.11	145.82	148.25
Rate of Interest	11.75%	11.75%	11.75%	11.75%
Interest	15.51	16.70	17.13	17.42

TRANSMISSION CHARGES

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

(₹ in lakh)				
	2010-11	2011-12	2012-13	2013-14
Depreciation	116.17	131.00	133.77	133.77
Interest on Loan	132.65	139.19	130.57	118.52
Return on Equity	115.28	130.01	132.77	132.77
Interest on Working Capital	15.51	16.70	17.13	17.42
O & M Expenses	171.74	181.57	191.94	202.92
Total	551.34	598.46	606.19	605.41

Application fee and the publication expenses

37. 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 on pro rata basis. The petitioner shall also be entitled for reimbursement of expenses in connection with publication of notices from the beneficiaries on pro rata basis.

Licence fee

38. The petitioner has prayed for reimbursement of licence fee separately from the respondents. It is clarified that the matter is under consideration of the Commission and any decision on the issue as and when taken will be applicable to this petition.

Service Tax

39. The petitioner has prayed to be allowed to bill and recover the service tax on transmission charges if at any time exemption from service tax is withdrawn and transmission is notified as a taxable service. The prayer of the petitioner is premature at this stage and is accordingly rejected. The petitioner is at liberty to approach the Commission as per the provisions of law as and when such a contingency arises.

40. The transmission charges allowed shall be recovered on monthly basis in accordance with Regulation 23 and shall be shared by the respondent in accordance with Regulation 33 of the 2009 regulations up to 30.6.2011. With effect from 1.7.2011, billing, collection and disbursement of the transmission charges shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of inter-State transmission charges and losses) Regulations, 2010 and the Removal of Difficulties orders issued thereunder.



41. This order disposes of Petition No. 304/2010.

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	2010-11	2011-12	2012-13	2013-14
1	Bond XXVIII				
	Gross loan opening	190.00	190.00	190.00	190.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	15.83
	Net Loan-Opening	190.00	190.00	190.00	174.17
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	15.83	15.83
	Net Loan-Closing	190.00	190.00	174.17	158.33
	Average Loan	190.00	190.00	182.08	166.25
	Rate of Interest	9.33%	9.33%	9.33%	9.33%
	Interest	17.73	17.73	16.99	15.51
	Rep Schedule	12 annual Instalments from 15.12.2012			
2	Bond XXIX				
	Gross loan opening	300.00	300.00	300.00	300.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	25.00
	Net Loan-Opening	300.00	300.00	300.00	275.00
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	25.00	25.00
	Net Loan-Closing	300.00	300.00	275.00	250.00
	Average Loan	300.00	300.00	287.50	262.50
	Rate of Interest	9.20%	9.20%	9.20%	9.20%
	Interest	27.60	27.60	26.45	24.15
	Rep Schedule	12 annual Instalments from 12.3.2013			
3	Bond XXX				
	Gross loan opening	888.80	888.80	888.80	888.80
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	0.00
	Net Loan-Opening	888.80	888.80	888.80	888.80
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	74.07
	Net Loan-Closing	888.80	888.80	888.80	814.73
	Average Loan	888.80	888.80	888.80	851.77
	Rate of Interest	8.80%	8.80%	8.80%	8.80%
	Interest	78.21	78.21	78.21	74.96
	Rep Schedule	12 Annual instalments from 29.9.2013			
	Total Loan				
	Gross loan opening	1378.80	1378.80	1378.80	1378.80
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	40.83
	Net Loan-Opening	1378.80	1378.80	1378.80	1337.97
	Additions during the year	0.00	0.00	0.00	0.00



	Repayment during the year		0.00	0.00	40.83	114.90
	Net Loan-Closing		1378.80	1378.80	1337.97	1223.07
	Average Loan		1378.80	1378.80	1358.38	1280.52
	Rate of Interest		8.9601%	8.9601%	8.9557%	8.9508%
	Interest		123.54	123.54	121.65	114.62

