

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 327/2010

Coram:

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

DATE OF HEARING: 26.5.2011

DATE OF ORDER: 21.6.2011

In the matter of

Determination of transmission tariff for 400 kV D/C Meerut-Kaithal (Quad) transmission line along with its associated bays and equipments under transmission system associated with Northern Region System Strengthening Scheme-VI (NRSS-XI) 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

1. Rajasthan Rajya Vidyut Prasaran Nigam Limited, Jaipur
2. Ajmer Vidyut Vitaran Nigam Ltd., Jaipur
3. Jaipur Vidyut Vitaran Nigam Ltd, Jaipur
4. Jodhpur Vidyut Vitaran Nigam Ltd, Jaipur
5. Himachal Pradesh State Electricity Board, Shimla
6. Punjab State Power Corporation Ltd., Patiala
7. Haryana Power Purchase Centre, Panchkula
8. Power Development Department, Govt. of J&K, Jammu
9. Uttar Pradesh Power Corporation Ltd, Lucknow
10. Delhi Transco Ltd, New Delhi
11. BSES Yamuna Power Limited, New Delhi
12. BSES Rajdhani Power Ltd., New Delhi
13. North Delhi Power Ltd., New Delhi
14. Chandigarh Administration, Chandigarh
15. Uttarakhand Power Corporation Ltd, Dehradun
16. North Central Railway, Allahabad
17. New Delhi Municipal Council, New Delhi **.....Respondents**



The following were present:

1. Shri U.K.Tyagi, PGCIL
2. Shri M.M. Mondal, PGCIL

ORDER

The petition has been filed seeking approval of tariff in respect of 400 kV D/C Meerut-Kaithal (Quad) transmission line along with its associated bays and equipments (hereinafter referred to as the 'the transmission asset') under transmission system associated with Northern Region System Strengthening Scheme-VI (NRSS-XI) (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 during 2010-11 to 2012-13. The petitioner has made the following additional prayers:-

- (a) To 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) To 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 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

(d) Allow to bill and recover licence fee separately from the respondents.

2. The scope of work covered under the scheme is as under:

Transmission line

400 kV D/C Meerut-Kaithal (Quad) transmission line its associated bays and equipments.

3. The administrative approval and expenditure sanction of the transmission scheme was accorded by the Board of Directors of the petitioner's company vide Memorandum No. C/CP/NRSS-XI dated 26.12.2007 at an estimated cost ₹ 417.76 crore, including IDC of ₹ 36.12 crore based on 3rd quarter, 2007 price level. The transmission asset was declared under commercial operation with effect from 1.11.2010.



4. 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	2012-13	
41775.74	28330.92	823.54	808.73	93.35	30056.54

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

(₹ in lakh)

	2010-11	2011-12	2012-13	2013-14
Depreciation	633.10	1562.73	1586.54	1589.01
Interest on Loan	744.19	1738.56	1624.17	1482.80
Return on Equity	628.06	1550.15	1573.81	1576.26
Interest on Working Capital	49.95	122.00	122.10	120.89
O & M Expenses	206.30	523.47	553.39	584.94
Total	2261.60	5496.91	5460.01	5353.90

6. 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	74.27	78.52	83.01	87.74
O & M expenses	41.26	43.62	46.12	48.75
Receivables	904.64	916.15	910.00	892.32
Total	1020.17	1038.29	1039.13	1028.81
Rate of Interest	11.75%	11.75%	11.75%	11.75%
Interest on Working Capital	49.95	122.00	122.10	120.89

7. No comments or suggestions have been received from the general public in response to the public notice published by the petitioner on

18.12.2010 as required under Section 64 of the Electricity Act, 2003 (the Act) read with Regulation 3 (6) of the Central Electricity Regulatory Commission (Procedure for making of application for determination of tariff, publication of the application and other related matters) Regulations, 2004. No reply has been filed by the respondents.

CAPITAL COST

8. 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”

9. 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	2012-13	
41775.74	28330.92	823.54	808.73	93.35	30056.54

10. Admissibility of the capital cost as claimed above is being examined hereunder.

Initial spares

11. Capital cost claimed by the petitioner as on date of the commercial operation is inclusive of initial spares amounting to ₹ 512.67 lakh (₹ 387.77 lakh for transmission line and ₹ 124.90 lakh for sub-station) As per Regulation 8 of the 2009 regulation, the ceiling for initial spares is 0.75% for transmission line and 2.5% for sub-station. The details of cost of initial spares admissible as per the 2009 regulations has been calculated as under:

(₹ in lakh)

Particulars	Project cost pertaining to transmission line and sub-station as on cut off date	Initial spares claimed	Ceiling limits as per regulations 8 of the 2009 Regulations	Initial spares worked out	Excess initial spares claimed
	(a)	(b)	(c)	$(d) = ((a - b) * c) / (100 - c)\%$	$(e) = (b) - (d)$
Transmission line	26743.41	387.77	0.75%	199.16	188.61
Sub-station	3120.74	124.90	2.5%	76.82	48.08
	29864.15	512.67		275.98	236.69

12. An amount of ₹ 236.69 lakh claimed for initial spares is in excess of the ceiling specified in Regulations 8 of the 2009 regulations and has been accordingly disallowed.

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	Transmission line- Balance/Retention payments	527.45
	Sub-station equipments- Balance/Retention payments	261.16
	Power Line Carrier Communication- Balance/Retention payments	34.93
	Total	823.54
2011-12	Transmission line- Balance/Retention payments	502.05
	Sub-station- Balance Retention payments	306.68
	Total	808.73
2012-13	Transmission line- Balance/Retention payments	46.36
	Sub-station- Balance/ Retention payments	46.99
	Total	93.35

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 31 st 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 1.11.2010, the cut off date works out to 31.3.2013. Accordingly, additional capital expenditure projected to be incurred during 2010-11, 2011-12 and 2012-13 are admissible under Regulation 9 (1) of the 2009 regulations and are accordingly allowed.

TOTAL CAPITAL COST

16. 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	28330.92
Less: excess spares claimed	236.69
Capital cost admissible for tariff determination	28094.23
Projected additional capital expenditure during 2010-11	823.54
Capital cost as on 1.4.2011	28917.77
Projected additional capital expenditure during 2011-12	808.73
Capital cost as on 1.4.2012	29726.50
Projected additional capital expenditure during 2012-13	93.35
Capital cost as on 1.4.2013	29819.85

17. Capital cost of ₹ 28094.23 lakh for transmission asset has been considered as opening capital cost for the purpose of tariff after deducting excess initial spares.

DEBT- EQUITY RATIO

18. 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.”

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

	Approved		As on date of commercial operation	
	Amount (₹ lakh)	%	Amount (₹ lakh)	%
Debt	29243.02	70.00	19831.64	70.00
Equity	12532.72	30.00	8499.28	30.00
Total	41775.74	100.00	28330.92	100.00

20. For the purpose of tariff, debt-equity considered for the transmission asset is as under:

	Admitted as on date of commercial operation	
	Amount (₹ lakh)	%
Debt	19665.95	70.00
Equity	8428.27	30.00
Total	28094.22	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 2012-13 and the same has been considered for the calculation of tariff as on the date of commercial operation.

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 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."

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 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 base rate of return with applicable tax rate as per the Finance Act for the relevant year and for direct settlement of tax liability between the generating company/transmissions 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. For the present, return on equity has been computed as per the existing provisions of Regulation 15 (3) of the 2009 regulations as under:

(₹ in lakh)

Details of Return on equity	Up to the date of commercial operation	2010-11 (Pro rata)	2011-12	2012-13	2013-14
Opening Equity	8428.27	8428.27	8675.33	8917.95	8945.95
Addition due to Additional Capitalisation		247.06	242.62	28.01	0.00
Closing Equity		8675.33	8917.95	8945.95	8945.95
Average Equity		8551.80	8796.64	8931.95	8945.95
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)		622.89	1537.74	1561.39	1563.84

INTEREST ON LOAN

25. 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."

26. 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;

(iii) Where Moratorium period was availed by the transmission licensee, the repayment of the loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed;

(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; and

(iv) The interest on loan has been calculated on the basis of rate prevailing as on 1.4.2009/date of commercial operation. Any change in rate of interest subsequent to 1.4.2009/ date of commercial operation will be considered at the time of truing up.

27. 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	Up to the date of commercial operation	2010-11 (Pro rata)	2011-12	2012-13	2013-14
Gross Normative Loan	19665.96	19665.96	20242.44	20808.55	20873.89
Cumulative Repayment up to Previous Year		0.00	627.90	2178.13	3752.17
Net Loan-Opening		19665.96	19614.54	18630.42	17121.72
Addition due to Additional Capitalisation		576.48	566.11	65.35	0.00
Repayment during the year		627.90	1550.23	1574.04	1576.51
Net Loan-Closing		19614.54	18630.42	17121.72	15545.22
Average Loan		19640.25	19122.48	17876.07	16333.47
Weighted Average Rate of Interest on Loan		9.0190%	9.0190%	9.0142%	9.0070%
Interest		738.06	1724.65	1611.39	1471.16

DEPRECIATION

28. 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."

29. The transmission asset was declared under commercial operation on 1.11.2010. Accordingly, it will complete 12 years beyond 2013-14. Thus, depreciation has been calculated annually based on Straight Line Method and at rates specified in Appendix-III of the 2009 regulations. Accordingly, annual depreciation has been worked out as under:

(₹ in lakh)					
Details of depreciation	Up to the date of commercial operation	2010-11 (Pro rata)	2011-12	2012-13	2013-14
Opening gross block	28094.23	28094.23	28917.77	29726.50	29819.85
Addition during 2009-14 due to projected Additional Capitalisation		823.54	808.73	93.35	0.00
Closing gross block		28917.77	29726.50	29819.85	29819.85
Average Gross Block		28506.00	29322.13	29773.17	29819.85
Rate of Depreciation		5.2864%	5.2869%	5.2868%	5.2868%
Depreciable Value	90%	25655.40	26389.92	26795.86	26837.86
Remaining Depreciable Value		25655.40	25762.02	24617.73	23085.69
Depreciation		627.90	1550.23	1574.04	1576.51

OPERATION & MAINTENANCE EXPENSES

30. 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 D/C, Quad conductor transmission line (₹ in lakh/per ckt.km.)	0.940	0.994	1.051	1.111	1.174
400 kV bays (₹ in lakh/per bay)	52.40	55.40	58.57	61.92	65.46

31. The petitioner's entitlement to O & M expenses has been worked out as given hereunder:

(₹ in lakh)

	Year				
	2009-10	2010-11 (Pro rata)	2011-12	2012-13	2013-14
400 kV D/C, quad conductor transmission line (163.70 km)	-	67.80	172.05	181.87	192.18
440 kV bays (6 bays)	-	138.50	351.42	371.52	392.76
Total	-	206.30	523.47	553.39	584.94

32. 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

33. 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. 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.

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

	(₹ in lakh)			
	2010-11 (Pro rata)	2011-12	2012-13	2013-14
Maintenance Spares	74.27	78.52	83.01	87.74
O & M expenses	41.26	43.62	46.12	48.75
Receivables	897.91	909.55	903.59	886.10
Total	1013.44	1031.70	1032.72	1022.59
Rate of Interest	11.75%	11.75%	11.75%	11.75%
Interest	49.62	121.22	121.34	120.15

TRANSMISSION CHARGES

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

	(₹ in lakh)			
	2010-11 (Pro rata)	2011-12	2012-13	2013-14
Depreciation	627.90	1550.23	1574.04	1576.51
Interest on Loan	738.06	1724.65	1611.39	1471.16
Return on Equity	622.89	1537.74	1561.39	1563.84
Interest on Working Capital	49.62	121.22	121.34	120.15
O & M Expenses	206.30	523.47	553.39	584.94
Total	2244.77	5457.32	5421.57	5316.60

Application fee and the publication expenses

36. 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

37. 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

38. 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.

39. 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.

40. This order disposes of Petition No. 327/2010.

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	2010-11	2011-12	2012-13	2013-14
1	Bond-XXXIII				
	Gross loan opening	2207.64	2207.64	2207.64	2207.64
	Cumulative Repayment up to DOCO/previous year	0.00	0.00	0.00	0.00
	Net Loan-Opening	2207.64	2207.64	2207.64	2207.64
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00
	Net Loan-Closing	2207.64	2207.64	2207.64	2207.64
	Average Loan	2207.64	2207.64	2207.64	2207.64
	Rate of Interest	8.64%	8.64%	8.64%	8.64%
	Interest	190.74	190.74	190.74	190.74
	Rep Schedule	12 Annual instalments from 8.7.2014			
2	Bond-XXX				
	Gross loan opening	4461.00	4461.00	4461.00	4461.00
	Cumulative Repayment up to DOCO/previous year	0.00	0.00	0.00	0.00
	Net Loan-Opening	4461.00	4461.00	4461.00	4461.00
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	371.75
	Net Loan-Closing	4461.00	4461.00	4461.00	4089.25
	Average Loan	4461.00	4461.00	4461.00	4275.13
	Rate of Interest	8.80%	8.80%	8.80%	8.80%
	Interest	392.57	392.57	392.57	376.21
	Rep Schedule	12 Annual instalments from 20.9.2013			
3	Bond- XXXI				
	Gross loan opening	3327.00	3327.00	3327.00	3327.00
	Cumulative Repayment up to DOCO/previous year	0.00	0.00	0.00	0.00
	Net Loan-Opening	3327.00	3327.00	3327.00	3327.00
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	277.25
	Net Loan-Closing	3327.00	3327.00	3327.00	3049.75
	Average Loan	3327.00	3327.00	3327.00	3188.38
	Rate of Interest	8.90%	8.90%	8.90%	8.90%
	Interest	296.10	296.10	296.10	283.77
	Rep Schedule	12 Annual instalments from 25.2.2014			

4	Bond- XXVIII				
	Gross loan opening	3300.00	3300.00	3300.00	3300.00
	Cumulative Repayment up to DOCO/previous year	0.00	0.00	0.00	275.00
	Net Loan-Opening	3300.00	3300.00	3300.00	3025.00
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	275.00	275.00
	Net Loan-Closing	3300.00	3300.00	3025.00	2750.00
	Average Loan	3300.00	3300.00	3162.50	2887.50
	Rate of Interest	9.33%	9.33%	9.33%	9.33%
	Interest	307.89	307.89	295.06	269.40
	Rep Schedule	12 Annual Instalments from 15.12.2012			
5	Bond- XXIX				
	Gross loan opening	6536.00	6536.00	6536.00	6536.00
	Cumulative Repayment up to DOCO/previous year	0.00	0.00	0.00	544.67
	Net Loan-Opening	6536.00	6536.00	6536.00	5991.33
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	544.67	544.67
	Net Loan-Closing	6536.00	6536.00	5991.33	5446.67
	Average Loan	6536.00	6536.00	6263.67	5719.00
	Rate of Interest	9.20%	9.20%	9.20%	9.20%
	Interest	601.31	601.31	576.26	526.15
	Rep Schedule	12 annual inatalments from 12.3.2013			
	Total Loan				
	Gross loan opening	19831.64	19831.64	19831.64	19831.64
	Cumulative Repayment up to DOCO/previous year	0.00	0.00	0.00	819.67
	Net Loan-Opening	19831.64	19831.64	19831.64	19011.97
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	819.67	1468.67
	Net Loan-Closing	19831.64	19831.64	19011.97	17543.31
	Average Loan	19831.64	19831.64	19421.81	18277.64
	Rate of Interest	9.0190%	9.0190%	9.0142%	9.0070%
	Interest	1788.61	1788.61	1750.73	1646.27