

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No.190/2010**

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

**Date of Hearing: 11.1.2011**

**Date of Order: 15.3.2011**

**In the matter of**

Determination of transmission tariff for integration of Sikkim transmission system with Eastern Region by LILO of Siliguri-Gangtok Section 132 kV Rangit-Siliguri transmission line at Melli in Eastern Region for the period from 1.4.2009 to 31.3.2014.

**And  
In the matter of**

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

**Vs**

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

**The following were present:**

1. Shri M.M. Mondal, PGCIL
2. Shri Rajiv Gupta, PGCIL
3. Shri Rakesh Prasad, PGCIL
4. Shri R.B.Sharma, Advocate, BSEB

**ORDER**

The petition has been filed for determination of transmission tariff for integration of Sikkim transmission system with Eastern Region by LILO of Siliguri-



Gangtok Section 132 kV Rangit-Siliguri transmission line at Melli (hereinafter referred to as "the transmission asset") in Eastern Region for the period from 1.4.2009 to 31.3.2014 in accordance with 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 of ₹ 1.01 lakh incurred during 2009-10. The petitioner has made the following additional prayers:-

- (a) To invoke the provision of Regulation 44 of the 2009 regulations so that the additional capital expenditure incurred/to be incurred on account of undischarged liabilities after the cut off date is allowed and considered for the fixation of tariff for the period 2009-14;
- (b) To invoke the provision of Regulation 44 of the 2009 regulations for relaxation of Regulation 15(3) of the 2009 regulations so that grossing up the base rate of ROE may be allowed considering the tax rates viz, MAT, surcharge, any other cess, charges, levies etc. as per the relevant Finance Acts and allow consequential impact of tariff on account of trueing up to be billed and settled directly with beneficiaries every year in the tariff block;
- (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 adjust impact on interest on loan due to floating rate of interest applicable during 2009-14, if any from the respondents;
- (e) Allow to recover the service tax on transmission charges separately from the respondents, if the petitioner is subjected to such service tax; and
- (f) Allow reimbursement of licence fee separately from the respondents.

2. The investment approval for execution of the transmission asset was accorded by Board of Directors of the petitioner company vide letter dated 22.10.2002 at an estimated cost of ₹511.00 lakh, which included IDC of ₹36.00 lakh.

3. The transmission asset was declared under commercial operation w.e.f. 1.10.2005. The annual transmission charges up to 31.3.2009 in respect of the transmission assets were approved vide order dated 15.2.2008 in Petition No. 21/2007 which were subsequently revised vide order dated 1.4.2009 in Petition No. 143/2008 on account of additional capital expenditure incurred during 2006-07 and 2007-08.

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

**(₹ in lakh)**

	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	17.56	17.59	17.59	17.59	17.59
Interest on Loan	12.88	11.67	10.43	9.19	7.96
Return on Equity	15.53	15.56	15.56	15.56	15.56
Interest on Working Capital	3.61	3.74	3.87	4.02	4.17
O & M Expenses	53.07	56.11	59.31	62.72	66.30
<b>Total</b>	<b>102.65</b>	<b>104.67</b>	<b>106.76</b>	<b>109.08</b>	<b>111.58</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	7.96	8.42	8.90	9.41	9.94
O & M expenses	4.42	4.68	4.94	5.23	5.53
Receivables	17.11	17.45	17.79	18.18	18.60
<b>Total</b>	<b>29.49</b>	<b>30.55</b>	<b>31.63</b>	<b>32.82</b>	<b>34.07</b>
Rate of Interest	12.25%	12.25%	12.25%	12.25%	12.25%
Interest	3.61	3.74	3.87	4.02	4.17

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 Bihar State electricity Board (BSEB). BSEB has raised the issue of tax holiday, State Bank of India Advance Rate, Reimbursement of filing fee, publication expenses and licence fee and impact on wage revision on O & M norms. The issues have been addressed in relevant paras of this order.

### **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. The capital cost of ₹ 325.31 lakh admitted vide order dated 1.4.2009 in Petition No. 143/2008 has been considered for the purpose of tariff.

9. The petitioner has claimed the tariff after accounting for additional capital expenditure incurred during 2009-10 as under:

(₹ in lakh)		
Admitted capital cost as on 31.3.2009	Capital expenditure incurred during 2009-10	Capital expenditure as on 31.3.2014
325.31	1.01	326.32

#### **ADDITIONAL CAPITAL EXPEDNTURE**

10. 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."*

11. BSEB in its reply has submitted that capital expenditure incurred after the cut off date on account of balance and retention payment is not permitted under Regulation 9 (2) of the 2009 regulations. The additional capital expenditure incurred should be dealt with as per the 2009 regulations. The petitioner in its rejoinder dated 20.12.2010 has submitted that additional capital expenditure shall be dealt with in accordance with Regulation 9 (2) (v) of the 2009 regulations.

12. It is noted from the Auditor's certificate dated 23.3.2010, an amount of ₹1.01 lakh was incurred by the petitioner during 2008-09. In this regard, the petitioner has submitted that the expenditure ₹1.01 lakh incurred during the year 2008-09 towards balance and retention payments was very small and therefore, the same was claimed for the period from 2009-10 instead of during the period of 2008-09. The petitioner has requested to invoke the provision of Regulation 44 of the 2009 regulations so that the additional capital

expenditure incurred/to be incurred on account of undischarged liabilities after the cut off is allowed.

13. The Regulation 9 (2) (v) do not allow capitalization of expenditure incurred during the year 2008-09 and therefore, the expenditure of ₹1.01 lakh towards retention and balance payments is not allowed.

#### **TOTAL CAPITAL COST**

14. Based on the above, gross block of ₹ 325.31 lakh has been considered for the purpose of determination of transmission tariff for the transmission asset.

#### **DEBT- EQUITY RATIO**

15. Clause (2) of Regulation 12 of the 2009 regulations *inter-alia* provides as under:

*"(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 72.73:27.27 as admitted on 31.3.2009 vide order dated 1.4.2009 in Petition 143/2008. The same debt-equity ratio has been considered for the purpose of tariff during the period 2009-14.

#### **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."*

18. BSEB has submitted that the date of commercial operation of the asset in question is 1.10.2005 and the same is within the period to claim tax holiday under Section 80 IA of the Income Tax Act, 1961. The petitioner has not indicated anything as to whether tax holidays have been claimed or not. The petitioner be directed to furnish the entire information related to the tax holiday under Section 80 IA of the Income Tax Act, 2010 to work out the ROE. In response, the petitioner has submitted that the PGCIL has filed income tax return up to financial year 2008-09 but has not been able to exercise the option of tax holiday as per Section 80 IA of the Income Tax Act, 1961, as there was no taxable profit as per Income Tax Act. In the absence of taxable



profit, MAT is being paid as per the provisions of Section 115JB of the Income Tax Act, 1961. The petitioner has submitted that the benefit of tax holiday under Section 80 IA of the Income Tax Act, 1961 would be eligible to be passed on to the beneficiaries only when actual reimbursement of income tax under post-tax system of ROE as was applicable for the period 2004-09, is allowed by the Commission. **It is clarified that that the issue in regard to tax holiday is under consideration and the decision on the same will be applicable in this petition also.**

19. In regard to pre-tax rate of ROE, BSEB has submitted that the Commission in its order dated 3.8.2010 in Petition No. 17/2010 has issued orders to make suitable provisions in the 2009 regulations to cater to the future changes in the tax rate. Since the Commission has already taken a decision to amend the 2009 regulations in this regard, the amended provisions should apply. It is clarified that 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	88.71	88.71	88.71	88.71	88.71
Addition due to Additional Capitalisation	0.00	0.00	0.00	0.00	0.00
Closing Equity	88.71	88.71	88.71	88.71	88.71
Average Equity	88.71	88.71	88.71	88.71	88.71
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%
<b>Return on Equity (Pre Tax)</b>	<b>15.51</b>	<b>15.51</b>	<b>15.51</b>	<b>15.51</b>	<b>15.51</b>

## **INTEREST ON LOAN**

20. 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."*

21. BSEB has submitted that the petitioner should clarify as to how SBAR of 12.25% per annum has been claimed whereas Regulation 18 (3) of the 2009 regulations allow only short term prime lending rate of State Bank of India as on 1.4.2009. In response, the petitioner has submitted that SBAR of 12.25% per annum indicated in the petition is short term price lending rate of SBI as on 1.4.2009.

22. Accordingly, 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 1.4.2009 in Petition No. 143/2008 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 above and applied on the average loan during the year to arrive at the interest on loan.

23. The detailed calculations in support of the weighted revised average rate of interest are contained in Annexure attached to this order. Interest on loan has been worked out as under:

**(₹ in lakh)**

Details of loan	Up to 31.3.2009	2009-10	2010-11	2011-12	2012-13	2013-14
Gross Normative Loan	236.61	236.61	236.61	236.61	236.61	236.61
Cumulative Repayment up to Previous Year		46.12	63.65	81.18	98.72	116.25
Net Loan-Opening		190.49	172.96	155.42	137.89	120.35
Addition due to Additional Capitalisation		0.00	0.00	0.00	0.00	0.00
Repayment during the year		17.53	17.53	17.53	17.53	17.53
Net Loan-Closing		172.96	155.42	137.89	120.35	102.82
Average Loan		181.72	164.19	146.65	129.12	111.59
Weighted Average Rate of Interest on Loan		7.0728%	7.0811%	7.0854%	7.0911%	7.0991%
<b>Interest</b>		<b>12.85</b>	<b>11.63</b>	<b>10.39</b>	<b>9.16</b>	<b>7.92</b>

### DEPRECIATION

24. 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."

25. The depreciation has been worked out on the admitted capital cost of ₹325.31 lakh as on 31.3.2009. Accordingly, the depreciation works out is 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		325.31	325.31	325.31	325.31	325.31	325.31
Addition during 2009-14 due to projected Additional Capitalisation			0.00	0.00	0.00	0.00	0.00
Gross block as on 31.3.2009			325.31	325.31	325.31	325.31	325.31
Average gross block			325.31	325.31	325.31	325.31	325.31
Rate of Depreciation			5.3900%	5.3900%	5.3900%	5.3900%	5.3900%
Depreciable Value	90%		292.78	292.78	292.78	292.78	292.78
Remaining Depreciable Value			246.66	229.13	211.60	194.06	176.53
<b>Depreciation</b>			<b>17.53</b>	<b>17.53</b>	<b>17.53</b>	<b>17.53</b>	<b>17.53</b>

## OPERATION & MAINTENANCE EXPENSES

26. In accordance with clause (g) of Regulation 19 the 2009 regulations, the following norms for 132 kV D/C Single conductor transmission line and 132 kV and below bays are prescribed for O & M expenses:

	Year				
	2009-10	2010-11	2011-12	2012-13	2013-14
132 kV D/C, single conductor, transmission line (₹ lakh per km.)	0.629	0.284	0.301	0.318	0.336
132 kV and below (₹ in lakh/bay)	26.20	27.70	29.28	30.96	32.73

27. The petitioner has claimed O & M expenses for 2.5 ckt/km and 2 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
O&M expenses for 132 kV S/C, single conductor, transmission line (2.5 ckt km.)	0.67	0.71	0.75	0.80	0.84
O&M expenses for 132 kV and below (2 bays)	52.40	55.40	58.56	61.92	65.46
Total	<b>53.07</b>	<b>56.11</b>	<b>59.31</b>	<b>62.72</b>	<b>66.30</b>

28. 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%.

29. BSEB has submitted that further increase in the employee cost, if any, due to wage revision must be taken care by improvement in their productivity levels by the petitioner company so that the beneficiaries are not unduly burdened over and above the provisions of the 2009 regulations. In response, the petitioner in its rejoinder has submitted that the wages for all levels of employees have been done revised but the total impact of wage hike would be more as compared to the compensation provided in the O &M rates. The petitioner has submitted that it shall approach the Commission separately for additional manpower cost on account of wage revision during the period 2009-14 for claiming the tariff. 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**

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 of 2 months' transmission charges claimed in the petition. 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 @ 12.25% 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	7.96	8.42	8.90	9.41	9.95
O & M expenses	4.42	4.68	4.94	5.23	5.53
Receivables	17.10	17.42	17.77	18.16	18.57
<b>Total</b>	<b>29.48</b>	<b>30.51</b>	<b>31.61</b>	<b>32.79</b>	<b>34.04</b>
Rate of Interest	12.25%	12.25%	12.25%	12.25%	12.25%
Interest	<b>3.61</b>	<b>3.74</b>	<b>3.87</b>	<b>4.02</b>	<b>4.17</b>

### **TRANSMISSION CHARGES**

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

	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	17.53	17.53	17.53	17.53	17.53
Interest on Loan	12.85	11.63	10.39	9.16	7.92
Return on Equity	15.51	15.51	15.51	15.51	15.51
Interest on Working Capital	3.61	3.74	3.87	4.02	4.17
O & M Expenses	53.07	56.11	59.31	62.72	66.30
<b>Total</b>	<b>102.57</b>	<b>104.51</b>	<b>106.61</b>	<b>108.93</b>	<b>111.43</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 for determination of transmission tariff. Regulation 42 of the 209 regulations provides as under:

“The application filing fee and the expenses incurred on publication of notices in the application for approval of tariff, may in the discretion of the Commission, be allowed to be recovered by the generating company or the transmission licensee, as the case may be, directly from the beneficiaries or the transmission customers, as the case may be.”

34. BSEB has submitted that the claim of filing fee should be dealt as per the decision taken by Hon`ble Commission vide order dated 11.9.2008 in Petition No. 129/2005. It is clarified that the said decision was applicable to the tariff period 2004-09. However, Regulation 42 of the 2009 regulations provides for reimbursement of filing fees and expenses on publication of notices may be allowed in the direction of the Commission. 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 publication expenses from the beneficiaries on *pro rata* basis.

#### **Service Tax**

35. The prayer of the petitioner for reimbursement of service tax, if it is subjected to such tax in future is premature and is rejected.

#### **Licence fee**

36. The petitioner has prayed for reimbursement of licence fee as it is an extra cost on the petitioner. BSEB has objected the prayer of the petitioner. In this regard it is clarified that a view in the matter is yet to be taken by the Commission.

37. 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.

38. This order disposes of Petition No.190/2010.

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	2009-10	2010-11	2011-12	2012-13	2013-14
<b>1 BONDS XV</b>					
Gross loan opening	80.00	80.00	80.00	80.00	80.00
Cumulative Repayment up to the date of commercial operation/previous year	13.33	20.00	26.66	33.33	40.00
Net Loan-Opening	66.67	60.00	53.34	46.67	40.00
Additions during the year	0.00	0.00	0.00	0.00	0.00
Repayment during the year	6.67	6.67	6.67	6.67	6.67
Net Loan-Closing	60.00	53.34	46.67	40.00	33.34
Average Loan	63.34	56.67	50.00	43.34	36.67
Rate of Interest	6.68%	6.68%	6.68%	6.68%	6.68%
Interest	4.23	3.79	3.34	2.89	2.45
Rep Schedule	12 equal yearly installments from 23.02.2008				
<b>2 BONDS XVI</b>					
Gross loan opening	125.00	125.00	125.00	125.00	125.00
Cumulative Repayment up to the date of commercial operation /previous year	12.50	25.00	37.50	50.00	62.50
Net Loan-Opening	112.50	100.00	87.50	75.00	62.50
Additions during the year	0.00	0.00	0.00	0.00	0.00
Repayment during the year	12.50	12.50	12.50	12.50	12.50
Net Loan-Closing	100.00	87.50	75.00	62.50	50.00
Average Loan	106.25	93.75	81.25	68.75	56.25
Rate of Interest	7.10%	7.10%	7.10%	7.10%	7.10%
Interest	7.54	6.66	5.77	4.88	3.99
Rep Schedule	10 equal annual installments from 18.2.2009				
<b>3 BONDS XXII</b>					
Gross loan opening	13.68	13.68	13.68	13.68	13.68
Cumulative Repayment up to the date of commercial operation/previous year	0.00	0.00	1.14	2.28	3.42
Net Loan-Opening	13.68	13.68	12.54	11.40	10.26
Additions during the year	0.00	0.00	0.00	0.00	0.00
Repayment during the year	0.00	1.14	1.14	1.14	1.14
Net Loan-Closing	13.68	12.54	11.40	10.26	9.12
Average Loan	13.68	13.11	11.97	10.83	9.69
Rate of Interest	8.68%	8.68%	8.68%	8.68%	8.68%
Interest	1.19	1.14	1.04	0.94	0.84
Rep Schedule	12 equal annual installments from 7.12.2010				
<b>Total Loan</b>					
Gross loan opening	218.68	218.68	218.68	218.68	218.68
Cumulative Repayment up to the date of commercial operation /previous year	25.83	45.00	65.30	85.61	105.92
Net Loan-Opening	192.85	173.68	153.38	133.07	112.76
Additions during the year	0.00	0.00	0.00	0.00	0.00
Repayment during the year	19.17	20.31	20.31	20.31	20.31



Net Loan-Closing	173.68	153.38	133.07	112.76	92.46
Average Loan	183.27	163.53	143.22	122.92	102.61
Rate of Interest	7.0728%	7.0811%	7.0854%	7.0911%	7.0991%
<b>Interest</b>	12.96	11.58	10.15	8.72	7.28

