

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No.240/2010

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

Date of Hearing: 20.1.2011

Date of Order: 15.3.2011

In the matter of

Determination of transmission tariff for 2nd 400 kV D/C Kahalgaon-Biharshariff transmission line 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 Rakesh Prasad, PGCIL
3. Shri Rajiv Gupta, PGCIL
4. Shri R.B.Sharma, Advocate, BSEB

ORDER

The petition has been filed seeking approval of tariff for 2nd 400 kV D/C Kahalgaon-Biharshariff transmission line (hereinafter referred to as 'the



transmission line') in Eastern Region for the period from 1.4.2009 to 31.3.2014, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as "the 2009 regulations").

The petitioner has made the following additional prayers:-

- (a) To allow grossing up of base rate of return with the applicable tax rate as per the relevant Finance Acts and direct settlement of tax liability between the generating company/transmission licensee and the beneficiaries/long-term transmission customers on year to year;
- (c) To approve reimbursement of petition filing fee and publication of notices in the newspaper as per the 2009 regulations;
- (d) Allow to bill and recover the service tax on transmission charges separately from the respondents, if the petitioner is subjected to such service tax;
- (e) 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;
- (f) Allow to bill and recover licence fee separately from the respondents; and

(g) Allow to approach Hon`ble Commission after paying /incurring the balance expenditure which is sub-judice for consequential tariff revision during the period 2009-14.

2. The investment approval for the transmission line was accorded by Board of Directors of the petitioner company vide Memorandum dated 6.12.2001 at an estimated cost of ₹13577 lakh, which included IDC of ₹1263 lakh based on 2nd quarter, 2001 price level. The date of the commercial operation of the transmission line is 1.12.2004.

3. The annual transmission charges up to 31.3.2009 in respect of the transmission line were approved vide order dated 6.2.2007 in Petition No. 137/2006, based on admitted capital cost of ₹12292.45 lakh.

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

(₹ in lakh)					
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	651.54	653.24	653.24	653.24	653.24
Interest on Loan	487.73	438.97	388.41	337.82	287.16
Return on Equity	597.25	598.94	598.94	598.94	598.94
Interest on Working Capital	47.93	47.65	47.31	47.01	46.74
O & M Expenses	234.59	248.04	262.25	277.23	293.00
Total	2019.04	1986.84	1950.15	1914.24	1879.08

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	35.19	37.21	39.34	41.58	43.95
O & M expenses	19.55	20.67	21.85	23.10	24.42
Receivables	336.51	331.14	325.03	319.04	313.18
Total	391.25	389.02	386.22	383.72	381.55
Rate of Interest	12.25%	12.25%	12.25%	12.25%	12.25%
Interest	47.93	47.65	47.31	47.01	46.74

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 (SBAR), reimbursement of filing fee, publication expenses and licence fees and impact of 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 ₹ 12292.45 lakh admitted vide order dated 6.2.2007 has been considered for the purpose of determination of tariff.

ADDITIONAL CAPITAL EXPENDITURE

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

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

- (i) Undischarged liabilities;
- (ii) Works deferred for execution;
- (iii) Procurement of initial capital spares within the original scope of work, subject to the provisions of regulating 8 ;
- (iv) Liabilities to meet award of arbitration or for compliance of the order or decree of a court; and
- (v) Change in law;

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

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

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

10. The petitioner has claimed the tariff after accounting for additional capital expenditure as under:

(₹ in lakh)

Admitted capital cost as on 31.3.2009	Additional Capital expenditure proposed during 2009-10	Total expenditure as on 31.3.2014
12292.45	64.24	12356.69

11. The petitioner vide its affidavit dated 1.12.2010 has submitted that an amount of ₹64.24 lakh has been released as Bihar entry tax as per the orders of Government of Bihar. The same amount has been claimed as additional capital expenditure during 2009-10. It has been further submitted that on account of suspension of collection by Bihar Government due to pending appeal, an amount of ₹ 172.52 lakh on account of entry tax has been shown as balance expenditure and tariff for the same has not been claimed. The petitioner has further submitted that it will approach the Commission for claiming tariff as and when the balance expenditure is released after the court verdict.

12. With regard to admissibility of undischarged liability of ₹ 64.24 lakh during 2009-10, it is observed that the expenditure has been incurred after the cut-off date for payment of Bihar Entry Tax under the provisions of Bihar Entry Tax Rules, 1993. The expenditure has been incurred for discharging a statutory obligation and is therefore, covered under 'change of law'. Accordingly, the expenditure has been allowed to be capitalized under Regulation 9 (2) (ii) of the 2009 regulations.

TOTAL CAPITAL COST

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

(₹ in lakh)

Admitted capital cost as on 31.3.2009	Additional Capital expenditure proposed during 2009-10	Total capital expenditure as on 31.3.2014
12292.45	64.24	12356.69

DEBT- EQUITY RATIO

14. Clause (2) of Regulation 12 of the 2009 regulations *inter-alia* provides that,-

"(2) In case of the generating station and the transmission system declared under commercial operation prior to 1.4.2009, debt-equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2009 shall be considered."

15. The petitioner has claimed tariff based on debt-equity ratio of 72.28:27.72 as admitted on 31.3.2009 vide order dated 6.2.2007 in Petition 137/2006. The petitioner has further claimed the amount of additional capital expenditure in the debt-equity ratio of 70:30 for the year 2009-10. For the purpose of tariff, equity considered for the transmission asset is as under:

(₹ in lakh)

Equity as on 1.4.2009	Notional equity due to additional capital expenditure for the period 2009-10	Average equity for 2009-10	Notional equity due to additional capital expenditure for the period 2010-14	Average equity for 2010-14
3406.95	19.27	3416.59	0.00	3426.22

RETURN ON EQUITY

16. 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."

17. BSEB has submitted that date of commercial operation of the asset in question is 1.12.2004 and same is under the period to claim the tax holiday under Section 80 IA of the Income Tax Act, 1961. Nothing has been said by the petitioner in relation to the tax holidays whether the same have been availed or not of if some balance period is left to avail the benefit of the tax holiday.

BSEB has also submitted that the petitioner is engaged in the development of the infrastructure facility in the transmission of power. Accordingly entitled for a tax holiday period under Section 80IA of the Income Tax Act, 1961 which permits deductions in respect of profits and gains from industrial undertakings or enterprises engaged in infrastructure development etc. allowing a tax deduction of an amount equal to hundred percent of profits and gains derived from such business for ten consecutive years out of fifteen years beginning from the year in which the undertaking or enterprise develops and begins to operate any infrastructural facility. Under Section 80 IA of the Income Tax Act, 196, infrastructure facility also includes generation, transmission or distribution of power. BSEB has submitted that the petitioner has claimed the MAT during the entire tariff period of 2009-14 from the beneficiaries. The petitioner be directed to furnish the entire information related to the tax holiday period to the respondents and the Commission to arrive at an actual tax rate applicable. 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. Income Tax return for the year 2009-10 is yet to be filed and claim of tariff will accordingly be as per the provisions of 2009 regulations. The petitioner has further submitted that the 2009 regulations had provided for a marked shift towards ROE as compared to the provisions of



tariff period 2004-09. The ROE for 2004-09 is on post tax basis whereas for 2009-14 it is on pre tax basis and while changing from post-tax to pre-tax rate of return on equity, the Commission has given preference to the view of the beneficiaries as can be seen from para 14.3 and para 14.6 of the Statement of Reasons of the 2009 regulations. It has been submitted that the Commission has also deliberated the treatment of the benefit of tax holiday as per Section 80 IA of the Income Tax Act, 1961 consequent to the changeover from post-tax to pre-tax return on equity at para 14.3 of the Statement of Reasons of the 2009 regulations. Accordingly, while switching over to the system of pre-tax return on equity, the Commission has restricted the burden of income tax to be paid by the beneficiaries only to the extent of ROE and allowed the benefit of tax holiday under Section 80 IA of the Income Tax Act to be retained at the end of the utilities. The petitioner has also submitted that the benefit of tax holiday under Section 80 IA of the Income Tax Act, 1961 would be eligible to be passed on only when actual reimbursement of income tax under post-tax system of ROE as was applicable for the period 2009-14, is allowed by the Commission. **In this regard it is clarified that the issue in regard to tax holiday is under consideration and the decision on the same will be applicable in this petition also.**

18. In regard to MAT, the Commission vide its order dated 3.8.2010 in Petition No. 17/2010 has already taken a decision to amend the 2009 regulations for allowing grossing up of the base rate of return with the



applicable tax rate as per the Finance Act for the relevant year and for direct settlement of tax holidays of between the generating company/transmission licensee and the beneficiaries/long- term transmission customers on year to year basis. The process of amendment to the 2009 regulations is under way and will address the grievance of the petitioner with regard to the MAT rate. Accordingly, the return on equity has been computed as per the existing provision of Regulation 15 (3) of 2009 regulation as under:

(₹ in lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Opening Equity as on 1.4.2009	3406.95	3426.22	3426.22	3426.22	3426.22
Addition due to Additional Capitalisation	19.27	0.00	0.00	0.00	0.00
Closing Equity	3426.22	3426.22	3426.22	3426.22	3426.22
Average Equity	3416.59	3426.22	3426.22	3426.22	3426.22
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%	15.50%
Tax rate for the year 2008-09	11.33%	11.33%	11.33%	11.33%	11.33%
Rate of Return on Equity (Pre Tax)	17.481%	17.481%	17.481%	17.481%	17.481%
Return on Equity (Pre Tax)	597.25	598.94	598.94	598.94	598.94

INTEREST ON LOAN

19. Regulation 16 of the 2009 regulations provides that,-

"16. (1) The loans arrived at in the manner indicated in regulation 12 shall be considered as gross normative loan for calculation of interest on loan.

(2) The normative loan outstanding as on 1.4.2009 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2009 from the gross normative loan.

(3) The repayment for the year of the tariff period 2009-14 shall be deemed to be equal to the depreciation allowed for that year:

(4) Notwithstanding any moratorium period availed by the generating company or the transmission licensee, as the case may be the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed.,

(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the project:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided further that if the generating station or the transmission system, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the transmission licensee as a whole shall be considered.

(6) The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

(7) The generating company or the transmission licensee, as the case may be, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries and the generating company or the transmission licensee, as the case may be, in the ratio of 2:1.

(8) The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.

(9) In case of dispute, any of the parties may make an application in accordance with the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, as amended from time to time, including statutory re-enactment thereof for settlement of the dispute:

Provided that the beneficiary or the transmission customers shall not withhold any payment on account of the interest claimed by the generating company or the transmission licensee during the pendency of any dispute arising out of re-financing of loan."

20. The 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) Moratorium period availed by the transmission licensee, the repayment of the loan have been e considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed;
- (iv) Weighted average rate of interest on actual loan has been worked out and applied on the average loan during the year to arrive at the interest on loan; and
- (v) The interest on loan has been calculated on the basis of rate prevailing as on 1.4.2009. Any change in rate of interest subsequent to 1.4.2009 will be considered at the time of truing up.

21. Based on the above, the year-wise details of interest worked out are given hereunder:

Details of loan	(₹ in lakh)					
	Up to 31.3.2009	2009-10	2010-11	2011-12	2012-13	2013-14
Gross Normative Loan	8885.50	8885.50	8930.47	8930.47	8930.47	8930.47
Cumulative Repayment up to Previous Year		2180.18	2831.72	3484.95	4138.19	4791.42
Net Loan-Opening		6705.32	6098.75	5445.51	4792.28	4139.04
Addition due to Additional Capitalisation		44.97	0.00	0.00	0.00	0.00
Repayment during the year		651.54	653.24	653.24	653.24	653.24
Net Loan-Closing		6098.75	5445.51	4792.28	4139.04	3485.81
Average Loan		6402.03	5772.13	5118.90	4465.66	3812.43
Weighted Average Rate of Interest on Loan		7.6184%	7.6051%	7.5878%	7.5648%	7.5323%
Interest		487.73	438.97	388.41	337.82	287.16

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

DEPRECIATION

23. 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."

24. The transmission line was declared under commercial operation w.e.f. 1.12.2004 and accordingly will complete 12 years beyond 2013-14 and thus, depreciation has been calculated annually based on Straight Line Method



and at rates specified in Appendix-III of the 2009 regulations. Accordingly, 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	12292.45	12292.45	12356.69	12356.69	12356.69	12356.69
Addition during 2009-14 due to projected Additional Capitalisation		64.24	0.00	0.00	0.00	0.00
Gross block as on 31.3.2009		12356.69	12356.69	12356.69	12356.69	12356.69
Average gross block		12324.57	12356.69	12356.69	12356.69	12356.69
Rate of Depreciation		5.2865%	5.2865%	5.2865%	5.2865%	5.2865%
Depreciable Value	90%	11092.11	11121.02	11121.02	11121.02	11121.02
Remaining Depreciable Value		8921.84	8299.21	7645.98	6992.74	6339.51
Depreciation		651.54	653.24	653.24	653.24	653.24

OPERATION & MAINTENANCE EXPENSES

25. In accordance with clause (g) of Regulation 19 the 2009 regulations, the following norms for 400 kV D/C, Twin conductor, Transmission line and 400 kV bays are prescribed for O & M expenses:

	Year				
	2009-10	2010-11	2011-12	2012-13	2013-14
400 kV D/C twin conductor transmission line (₹ in lakh /km)	0.267	0.663	0.701	0.741	0.783
400 kV bay (₹ in lakh/bay)	36.68	38.78	41.00	43.34	45.82

26. The petitioner has claimed O & M expenses for 207 ckt/km and two 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 400 kV D/C twin conductor transmission line (207 ckt/km)	129.79	137.24	145.11	153.39	162.08
O&M expenses for 220 kV (2 bays)	104.80	110.80	117.14	123.84	130.92
Total	234.59	248.04	262.25	277.23	293.00

27. 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 level 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 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 without taking into account expected manpower cost implication on account of wages revisions due w.e.f. 1.1.2007. 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.

28. 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%. 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

29. 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.

30. 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	35.19	37.21	39.34	41.58	43.95
O & M expenses	19.55	20.67	21.85	23.10	24.42
Receivables	336.51	331.14	325.02	319.04	313.18
Total	391.25	389.02	386.22	383.72	381.55
Rate of Interest	12.25%	12.25%	12.25%	12.25%	12.25%
Interest	47.93	47.65	47.31	47.01	46.74

TRANSMISSION CHARGES

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

	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	651.54	653.24	653.24	653.24	653.24
Interest on Loan	487.73	438.97	388.41	337.82	287.16
Return on Equity	597.25	598.94	598.94	598.94	598.94
Interest on Working Capital	47.93	47.65	47.31	47.01	46.74
O & M Expenses	234.59	248.04	262.25	277.23	293.00
Total	2019.04	1986.84	1950.15	1914.23	1879.08

Application fee and the publication expenses

32. BSEB has submitted that the claim of filing fee should be dealt as per the decision taken by Commission vide order dated 11.9.2008 in Petition No. 129/2005 (Suo motu). It is clarified that the said decision was applicable to the tariff period 2004-09. However, Regulation 42 of the 2009 regulation 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 from the beneficiaries on pro-rata basis the publication expenses for issuing public notices in connection with the present petition under Section 64 of the Electricity Act, 2003.

Service Tax

33. 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

34. As regards the reimbursement of licence fee, a view in the matter is yet to be taken by the Commission.

35. 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.

36. This order disposes of Petition No. 240/2010.

Sd/-
(M.Deena Dayalan)
Member

Sd/-
(V.S.Verma)
Member

Sd/-
(S.Jayaraman)
Member

Sd/-
(Dr. Pramod Deo)
Chairperson



CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN

(₹ in lakh)

	Details of Loan	2009-10	2010-11	2011-12	2012-13	2013-14
1	Bond X					
	Gross loan opening	119.00	119.00	119.00	119.00	119.00
	Cumulative Repayment up to the date of commercial operation /previous year	49.58	59.50	69.42	79.33	89.25
	Net Loan-Opening	69.42	59.50	49.58	39.67	29.75
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	9.92	9.92	9.92	9.92	9.92
	Net Loan-Closing	59.50	49.58	39.67	29.75	19.83
	Average Loan	64.46	54.54	44.63	34.71	24.79
	Rate of Interest	10.90%	10.90%	10.90%	10.90%	10.90%
	Interest	7.03	5.95	4.86	3.78	2.70
	Rep Schedule	12 Annual instalments from 21.06.2004				
2	Bonds XI- option-I					
	Gross loan opening	127.00	127.00	127.00	127.00	127.00
	Cumulative Repayment up to the date of commercial operation /previous year	42.33	52.92	63.50	74.08	84.67
	Net Loan-Opening	84.67	74.08	63.50	52.92	42.33
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	10.58	10.58	10.58	10.58	10.58
	Net Loan-Closing	74.08	63.50	52.92	42.33	31.75
	Average Loan	79.38	68.79	58.21	47.63	37.04
	Rate of Interest	9.80%	9.80%	9.80%	9.80%	9.80%
	Interest	7.78	6.74	5.70	4.67	3.63
	Rep Schedule	12 Annual instalments from 7.12.2005				
3	Bonds- XII					
	Gross loan opening	885.00	885.00	885.00	885.00	885.00
	Cumulative Repayment up to the date of commercial operation /previous year	295.00	368.75	442.50	516.25	590.00
	Net Loan-Opening	590.00	516.25	442.50	368.75	295.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	73.75	73.75	73.75	73.75	73.75
	Net Loan-Closing	516.25	442.50	368.75	295.00	221.25
	Average Loan	553.13	479.38	405.63	331.88	258.13
	Rate of Interest	9.70%	9.70%	9.70%	9.70%	9.70%
	Interest	53.65	46.50	39.35	32.19	25.04
	Rep Schedule	12 Annual Instalments from 28.3.2006				
4	Bonds- XIII- option-I					
	Gross loan opening	2560.00	2560.00	2560.00	2560.00	2560.00
	Cumulative Repayment up to the date of commercial operation /previous year	640.00	853.33	1066.67	1280.00	1493.33

	Net Loan-Opening	1920.00	1706.67	1493.33	1280.00	1066.67
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	213.33	213.33	213.33	213.33	213.33
	Net Loan-Closing	1706.67	1493.33	1280.00	1066.67	853.33
	Average Loan	1813.33	1600.00	1386.67	1173.33	960.00
	Rate of Interest	8.63%	8.63%	8.63%	8.63%	8.63%
	Interest	156.49	138.08	119.67	101.26	82.85
	Rep Schedule	12 annual inatalments from 31-7-2006				
5	Bond XV					
	Gross loan opening	4750.00	4750.00	4750.00	4750.00	4750.00
	Cumulative Repayment up to the date of commercial operation /previous year	791.67	1187.50	1583.33	1979.17	2375.00
	Net Loan-Opening	3958.33	3562.50	3166.67	2770.83	2375.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	395.83	395.83	395.83	395.83	395.83
	Net Loan-Closing	3562.50	3166.67	2770.83	2375.00	1979.17
	Average Loan	3760.42	3364.58	2968.75	2572.92	2177.08
	Rate of Interest	6.68%	6.68%	6.68%	6.68%	6.68%
	Interest	251.20	224.75	198.31	171.87	145.43
	Rep Schedule	12 annual inatalments from 23-2-2008				
6	Oriental Bank of Commerce					
	Gross loan opening	58.00	58.00	58.00	58.00	58.00
	Cumulative Repayment up to the date of commercial operation /previous year	24.17	29.00	33.83	38.67	43.50
	Net Loan-Opening	33.83	29.00	24.17	19.33	14.50
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	4.83	4.83	4.83	4.83	4.83
	Net Loan-Closing	29.00	24.17	19.33	14.50	9.67
	Average Loan	31.42	26.58	21.75	16.92	12.08
	Rate of Interest	9.60%	9.60%	9.60%	9.60%	9.60%
	Interest	3.02	2.55	2.09	1.62	1.16
	Rep Schedule	12 Annual Instalments from 22.03.2005				
7	Punjab National Bank-II					
	Gross loan opening	70.00	70.00	70.00	70.00	70.00
	Cumulative Repayment up to the date of commercial operation /previous year	29.17	35.00	40.83	46.67	52.50
	Net Loan-Opening	40.83	35.00	29.17	23.33	17.50
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	5.83	5.83	5.83	5.83	5.83
	Net Loan-Closing	35.00	29.17	23.33	17.50	11.67
	Average Loan	37.92	32.08	26.25	20.42	14.58
	Rate of Interest	9.35%	9.35%	9.35%	9.35%	9.35%
	Interest	3.55	3.00	2.45	1.91	1.36
	Rep Schedule	12 Annual Instalments from 8.3.2005				
8	Bond XVIII					
	Gross loan opening	60.00	60.00	60.00	60.00	60.00
	Cumulative Repayment up to the date of commercial	0.00	5.00	10.00	15.00	20.00



operation /previous year					
Net Loan-Opening	60.00	55.00	50.00	45.00	40.00
Additions during the year	0.00	0.00	0.00	0.00	0.00
Repayment during the year	5.00	5.00	5.00	5.00	5.00
Net Loan-Closing	55.00	50.00	45.00	40.00	35.00
Average Loan	57.50	52.50	47.50	42.50	37.50
Rate of Interest	8.15%	8.15%	8.15%	8.15%	8.15%
Interest	4.69	4.28	3.87	3.46	3.06
Rep Schedule	12 Annual Instalments from 9-3-2010				
Total Loan					
Gross loan opening	8629.00	8629.00	8629.00	8629.00	8629.00
Cumulative Repayment up to the date of commercial operation/previous year	1871.92	2591.00	3310.08	4029.17	4748.25
Net Loan-Opening	6757.08	6038.00	5318.92	4599.83	3880.75
Additions during the year	0.00	0.00	0.00	0.00	0.00
Repayment during the year	719.08	719.08	719.08	719.08	719.08
Net Loan-Closing	6038.00	5318.92	4599.83	3880.75	3161.67
Average Loan	6397.54	5678.46	4959.38	4240.29	3521.21
Rate of Interest	7.6184%	7.6051%	7.5878%	7.5648%	7.5323%
Interest	487.39	431.85	376.31	320.77	265.23

