

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.162/2010

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

Date of Hearing: 23.9.2010

Date of Order: 1.3.2011

In the matter of

Determination of transmission tariff for combined element of (i) 315 MVA ICT-IV along with associated bays at Moga sub-station; and (ii) ICT-II along with associated bays and 2 Nos. PSEB feeder bays at Amritsar sub-station and 400 kV bus reactor bay and 2 Nos. PSEB line bays at Moga sub-station under Augmentation of transformation capacity at Amritsar and Moga sub-station under Augmentation of transformation capacity at Amritsar and Moga sub-station in Northern 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. 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 Electricity Board, 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
3. Shri R.Prasad, PGCIL
4. Shri R.K.Gupta, PGCIL
5. Shri V.Vamsi, PGCIL

ORDER

The petition has been filed seeking approval of tariff for combined element of (i) 315 MVA ICT-IV along with associated bays at Moga sub-station and (ii) ICT-II along with associated bays and 2 Nos. PSEB feeder bays at Amritsar sub-station and 400 kV bus reactor bay and 2 Nos. PSEB line bays at Moga sub-station under Augmentation of transformation capacity at Amritsar and Moga sub-station under Augmentation of transformation capacity at Amritsar and Moga sub-station (hereinafter referred to as 'the transmission scheme') in Northern 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") after accounting for additional capital expenditure incurred during 2009-10 and 2010-11. The petitioner has made the following additional prayers:-

- (a) To invoke the provision of Regulation 44 of the 2009 regulations for relaxation of regulation 9 (2) of the 2009 regulations so that the additional capital expenditure incurred/to be incurred on account of undischarged

liabilities after the cut off date shall be allowed and considered for fixation of tariff for 2009-14 period accordingly;

(b) In case of assets being combined to calculate the transmission charges, allow the recover full depreciation (90% of the gross block) of the assets during its useful life (25 years for sub-station and 35 years of transmission line) reckoning from its actual date of commercial operation and to permit to treat the recovery of depreciation after achieving the useful life by an asset;

(c) To invoke the provision of Regulation 44 of the 2009 regulations for relaxation of regulations 15 (3) of the 2009 regulations so that grossing up the base rate shall be considering the revised rate of MAT as per the Finance Act, 2009 for the year 2009-10 and as per the Finance Act, 2010 for the year 2010-11 and subsequent years and allow consequential impact on tariff for 2009-14 period accordingly;

(d) To approve reimbursement of petition filing fee and publication of notices in the newspaper as per the 2009 regulations;

(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 the transmission scheme was accorded by Board of Directors of the petitioner company vide Memorandum dated 1.9.2005 at an estimated cost of ₹4728.00 lakh, which included IDC of ₹250.00 lakh. The notional date of the commercial operation of the transmission assets is 1.3.2008.

3. The annual transmission charges for the period from 1.7.2007 to 31.3.2009 were decided by the Commission in its order dated 30.6.2009 in Petition No. 128/2008. Subsequently, the revised annual transmission charges were revised by the Commission vide its order dated 11.3.2010 in Petition No. 292/2009 based on admitted capital cost of ₹3470.34 lakh.

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

(₹ in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	186.44	198.33	207.32	207.32	207.32
Interest on Loan	211.36	207.99	199.94	180.16	160.39
Return on Equity	184.86	196.66	205.57	205.57	205.57
Interest on Working Capital	28.39	29.75	30.94	31.56	32.25
O & M Expenses	324.88	343.48	363.14	383.88	405.84
Total	935.93	976.21	1006.91	1008.49	1011.37

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	48.73	51.52	54.47	57.58	60.88
O & M expenses	27.07	28.62	30.26	31.99	33.82
Receivables	155.99	162.70	167.82	168.08	168.56
Total	231.80	242.85	252.55	257.65	263.26
Rate of Interest	12.25%	12.25%	12.25%	12.25%	12.25%
Interest	28.39	29.75	30.94	31.56	32.25

6. Reply to the petition has been filed by Uttar Pradesh Power Corporation Ltd. (UPPCL), Jaipur Vidyut Vitaran Nigam Ltd. (JVVNL), Jodhpur Vidyut Vitaran Nigam Ltd. (JdVVNL) and Haryana Power Purchase Centre (HPPC). 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. The objections of UPPCL, JVVNL, JdVVNL and HPPC have been dealt with in relevant paras of this order.

CAPITAL COST

7. As per clause (2) of Regulation 7 of the 2009 regulations, the project cost admitted by the Commission for determination of tariff prior to 1.4.2009 shall form the basis for determination of tariff.

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

(₹ in lakh)

Admitted capital cost as on 1.4.2009 as per order dated 11.3.2010	Projected capital expenditure during 2009-14	Total
3470.34	449.77	3920.11

9. The admitted capital cost of ₹ 3470.34 lakh as on 1.4.2009 has been considered for determination of tariff.

ADDITIONAL CAPITAL EXPENDITURE

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

Years	Nature and details of expenditure	Amount (₹ in lakh)
2009-10	Sub-station equipments -Balance and retention payments	109.97
2010-11	Sub-station equipment -Balance and retention payments	336.65
	PLCC - Balance and retention payments	3.15
Total		449.77

12. Jaipur Vidyut Vitaran Nigam Ltd. and Jodhpur Vidyut Vitaran Nigam Ltd. in their replies have submitted that the petitioner has not submitted the details of expenditure claimed under Regulation 9 (2) of the 2009 regulations and additional capital expenditure should not be allowed. It has been submitted that O & M expenses claimed in the petition are over and above the norms specified in the 2009 regulations and should not be allowed. HPPC has submitted that additional capital expenditure claimed by the petitioner should be allowed as per Regulation 9(2) of the 2009 Regulations. UPPCL has raised the similar objections in its reply. In response, the petitioner has submitted that the PGCIL has prayed to invoke the provision of Regulation 44 of the 2009 regulations for relaxation of Regulation 9 (2) of the 2009 regulations so that the additional capital expenditure incurred/to be incurred on account of undischarged liabilities after the cut off date is allowed and considered for fixation of tariff for the period 2009-14. The petitioner has further submitted that the additional capital expenditure is within the original scope of project and is projected as per 2009 regulations. The petitioner has also submitted that

the asset covered in this petition was declared under commercial operation during 2004-09, wherein additional capital expenditure after cut off dates on account of deferred liabilities was allowed as per Regulation 53 (2) of the under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004. Due to contractual exigencies and other reasons beyond its control and also for the reasons that the petitioner is required to make provisions for release of balance/retention payment beyond 2008-09. However, as per Regulation 9 (2) of the 2009 regulations does not provide for such undischarged liabilities as part of additional capitalization after cut off date, the petitioner has submitted that as the additional capital expenditure incurred/projected to be incurred during the years 2009-10 and 2010-11 is on account of balance and retention payments and is within the original scope of work, it may be allowed by Commission in exercise of the power of relaxation under Regulation 44 of the 2009 regulations.

13. We have considered the submission made by the petitioner and the respondents. The Commission in its order dated 8.2.2011 in Petition No. 176/2010 has relaxed the provision of Regulation 9 (2) to allow capitalization of undischarged liabilities after the cut-off date. Accordingly, ₹ 109.97 lakh and ₹ 339.80 lakh projected to be incurred during 2009-10 and 2010-11 on account of balance and retention payments has been allowed to be capitalized.



TOTAL CAPITAL COST

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

(₹ in lakh)

Admitted capital cost as on 1.4.2009 as per order dated 11.3.2010	Projected capital expenditure during 2009-14	Total
3470.34	449.77	3920.11

DEBT- EQUITY RATIO

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

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

16. The petitioner has claimed tariff based on debt-equity ratio of 70:30 as considered by the Commission in its order dated 8.4.2010 *ibid*. The petitioner has further claimed the amount of additional capital expenditure in the debt-equity ratio of 70:30 for the year 2009-10 and 2010-11. For the purpose of tariff, equity considered for the transmission asset is as under:

(₹ in lakh)

Equity as on 1.4.2009	Notional equity due to additional capital expenditure for the period 2009-10	Average equity for 2009-10	Notional equity due to additional capital expenditure for the period 2010-11	Average equity for 2010-11	Equity for the period 2011-14	Average equity for 2011-14
1041.02	32.99	1057.52	101.94	1124.98	0.00	1175.95

RETURN ON EQUITY

17. Regulation 15 of the 2009 regulations provides that,-

" 15. (1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with regulation 12.

(2) Return on equity shall be computed on pre-tax basis at the base rate of 15.5% to be grossed up as per clause (3) of this regulation:

Provided that in case of projects commissioned on or after 1st April, 2009, an additional return of 0.5% shall be allowed if such projects are completed within the timeline specified in **Appendix-II**:

Provided further that the additional return of 0.5% shall not be admissible if the project is not completed within the timeline specified above for reasons whatsoever.

(3) The rate of return on equity shall be computed by grossing up the base rate with the normal tax rate for the year 2008-09 applicable to the concerned generating company or the transmission licensee, as the case may be:

Provided that return on equity with respect to the actual tax rate applicable to the generating company or the transmission licensee, as the case may be, in line with the provisions of the relevant Finance Acts of the respective year during the tariff period shall be trued up separately for each year of the tariff period along with the tariff petition filed for the next tariff period.

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

Rate of pre-tax return on equity = Base rate / (1-t)

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

Illustration.-

(i) In case of the generating company or the transmission licensee paying Minimum Alternate Tax (MAT) @ 11.33% including surcharge and cess:

Rate of return on equity = $15.50 / (1 - 0.1133) = 17.481\%$

(ii) In case of generating company or the transmission licensee paying normal corporate tax @ 33.99% including surcharge and cess:

Rate of return on equity = $15.50 / (1 - 0.3399) = 23.481\%$."

18. Equity has been considered as on 1.4.2009 as given in the table in para 16 above. However, the tariff for period 2009-14 has been allowed on average equity. 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.

19. 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 liability 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 regulation is under way and will address the grievance of the petitioner with regard to the MAT rate

20. Accordingly, the petitioner shall be entitled to return on equity as under:

(₹ in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Return on equity	184.86	196.66	205.57	205.57	205.57

INTEREST ON LOAN

21. 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."

22. UPPCL has requested to direct the petitioner to recalculate the interest on loan in Form 13A since the beneficiaries have been over charged on account of higher value of gross normative loan, lower value of depreciation for the year 2011-12 to 2013-14 and lower figure of repayment of normative loan during the year 2010-11. JVVNL and JdVVNL have submitted that the details of loan allocation have not been furnished and petitioner may be directed to furnish the same.

23. The interest on loan has been worked out as detailed below as per the provisions of Regulation 21 of the 2009 regulations:

- (i) Gross amount of the 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 period 2009-14 shall be deemed to be equal to the depreciation allowed for that period; and
- (iii) Weighted average rate of interest on actual loan worked out as per (i) above is applied on the average loan during the year to arrive at the interest on loan.

24. The detailed calculations in support of the weighted revised average rate of interest are contained in Annexure attached to the order. The interest on loan has been worked out are given hereunder:

(₹ in lakh)

Details of loan	Up to 31.3.2009	2009-10	2010-11	2011-12	2012-13	2013-14
Gross Normative Loan	2429.32	2429.32	2506.30	2744.16	2744.16	2744.16
Cumulative Repayment up to Previous Year		158.80	345.24	543.58	750.90	958.22
Net Loan-Opening		2270.52	2161.06	2200.58	1993.26	1785.94
Addition due to Additional Capitalisation		76.98	237.86	0.00	0.00	0.00
Repayment during the year		186.44	198.33	207.32	207.32	207.32
Net Loan-Closing		2161.06	2200.58	1993.26	1785.94	1578.62
Average Loan		2215.79	2180.82	2096.92	1889.60	1682.28
Weighted Average Rate of Interest on Loan		9.5387%	9.5371%	9.5350%	9.5343%	9.5339%
Interest		211.36	207.99	199.94	180.16	160.39

DEPRECIATION

25. Regulation 17 of the 2009 regulations provides for computation of depreciation in the following manner, namely:

"17. (1) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission.

(2) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset.

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(3) Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.

(4) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-III to these regulations for the assets of the generating station and transmission system:

Provided that, the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation shall be spread over the balance useful life of the assets.

(5) In case of the existing projects, the balance depreciable value as on 1.4.2009 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31.3.2009 from the gross depreciable value of the assets.

(6) Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis."

26. UPPCL has submitted that depreciation amount for the year 2009-10 is not matching and consequently, the figures of cumulative depreciation for the year 2009-10 to 2013-14 have to be revised by the petitioner. UPPCL has further requested to issue guidelines regarding the treatment of depreciation and to amend the 2009 regulation to that extent. The depreciation has been worked out on the admitted capital expenditure of ₹3470.34 lakh as on 31.3.2009. Cumulative depreciation amounting to ₹158.80 lakh up to 31.3.2009 has been taken as per order dated 11.3.2010 in Petition No. 292/2009.

27. The transmission assets covered in the petition was notionally declared under commercial on 1.3.2008 and accordingly, asset will complete 12 years beyond 2013-14. Therefore, depreciation for the period 2009-14 has been calculated annually based on Straight Line Method and at the rate specified in Appendix-III of the 2009 regulations. Depreciation has been computed 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 order dated 11.3.2010	3470.34	3470.34	3580.31	3920.11	3920.11	3920.11
Addition during 2009-14 due to projected Additional Capitalisation		109.97	339.80	0.00	0.00	0.00
Gross block as on 31.3.2009		3580.31	3920.11	3920.11	3920.11	3920.11
Average gross block		3525.33	3750.21	3920.11	3920.11	3920.11
Rate of Depreciation		5.2887%	5.2886%	5.2886%	5.2886%	5.2886%
Depreciable Value	90%	3172.79	3375.19	3528.10	3528.10	3528.10
Remaining Depreciable Value		3013.99	3029.95	2984.52	2777.20	2569.88
Depreciation		186.44	198.33	207.32	207.32	207.32

OPERATION & MAINTENANCE EXPENSES

28. In accordance with clause (g) of Regulation 19 the 2009 regulations, the following norms for 400 kV and 220 kV sub-station bays are prescribed for O & M expenses:

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

29. The petitioner has claimed O & M expenses for 2 Nos. 400 kV bays and 220 kV bays, which has been allowed. 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 (2 bays)	104.80	110.80	117.14	123.84	130.92
O&M expenses for 220 kV (6 bays)	220.08	232.68	246.00	260.04	274.92
Total	324.88	343.48	363.14	383.88	405.84

30. UPPCL, HPPC, JVVNL and JdVVNL have submitted that O & M charges should be allowed on the basis of 2009 regulations only and the higher O & M charges due to revision of pay as claimed by the petitioner should not be allowed. In response, the petitioner has submitted that since the total impact of wage hike would be more than the compensation provided in O & M rates, PGCIL shall approach the Commission for additional manpower cost on account of wages revision. It is clarified that if any petition in this regard is filed by the petitioner, the same shall be dealt with in accordant with law.

INTEREST ON WORKING CAPITAL

31. 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 average billing calculated on target availability level. The petitioner has claimed the receivables on the basis 2 months' transmission charges claimed in the petition. In the tariff being allowed, receivables have been worked out on the basis 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 from 1.4.2009. The value of maintenance spares works out to ₹48.73 lakh as on 1.4.2009.

(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 as claimed in the petition. This has been considered in 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 interest on working capital is payable on normative basis notwithstanding that the transmission licensee has not taken working capital loan from any outside agency. 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.

32. The necessary computations in support of interest on working capital are appended hereinbelow:

(₹ in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Maintenance Spares	48.73	51.52	54.47	57.58	60.88
O & M expenses	27.07	28.62	30.26	31.99	33.82
Receivables	155.99	162.70	167.82	168.08	168.56
Total	231.80	242.85	252.55	257.65	263.26
Rate of Interest	12.25%	12.25%	12.25%	12.25%	12.25%
Interest	28.39	29.75	30.94	31.56	32.25

TRANSMISSION CHARGES

33. 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	186.44	198.33	207.32	207.32	207.32
Interest on Loan	211.36	207.99	199.94	180.16	160.39
Return on Equity	184.86	196.66	205.57	205.57	205.57
Interest on Working Capital	28.39	29.75	30.94	31.56	32.25
O & M Expenses	324.88	343.48	363.14	383.88	405.84
Total	935.94	976.21	1006.91	1008.49	1011.36

Application fee and the publication expenses

34. The petitioner has sought approval for the reimbursement of fee paid by it for filing the petition. The claim of the petitioner has been opposed by UPPCL. 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 petitioner has prayed for reimbursement of service tax, if it is subjected to such tax in future. As the petitioner has no liability for service tax at present, the prayer is infructuous accordingly rejected.

Licence fee

36. The petitioner has prayed for reimbursement of licence fee as it is extra cost on the petitioner. UPPCL has objected the prayer of the petitioner. In this regard, 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.

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.162/2010.

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
1	BONDS XXIV					
	Gross loan opening	223.00	223.00	223.00	223.00	223.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00	0.00	18.58	37.17	55.75
	Net Loan-Opening	223.00	223.00	204.42	185.83	167.25
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	18.58	18.58	18.58	18.58
	Net Loan-Closing	223.00	204.42	185.83	167.25	148.67
	Average Loan	223.00	213.71	195.13	176.54	157.96
	Rate of Interest	9.95%	9.95%	9.95%	9.95%	9.95%
	Interest	22.19	21.26	19.41	17.57	15.72
	Rep Schedule	12 Annual Instalments from 26.3.2011				
2	Bond XXV					
	Gross loan opening	525.00	525.00	525.00	525.00	525.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00	0.00	0.00	43.75	87.50
	Net Loan-Opening	525.00	525.00	525.00	481.25	437.50
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	43.75	43.75	43.75
	Net Loan-Closing	525.00	525.00	481.25	437.50	393.75
	Average Loan	525.00	525.00	503.13	459.38	415.63
	Rate of Interest	10.10%	10.10%	10.10%	10.10%	10.10%
	Interest	53.03	53.03	50.82	46.40	41.98
	Rep Schedule	12 Annual Instalments from 12.6.2011				
3	Bond XXVI					
	Gross loan opening	1549.00	1549.00	1549.00	1549.00	1549.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00	0.00	0.00	129.08	258.17
	Net Loan-Opening	1549.00	1549.00	1549.00	1419.92	1290.83
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	129.08	129.08	129.08
	Net Loan-Closing	1549.00	1549.00	1419.92	1290.83	1161.75
	Average Loan	1549.00	1549.00	1484.46	1355.38	1226.29
	Rate of Interest	9.30%	9.30%	9.30%	9.30%	9.30%
	Interest	144.06	144.06	138.05	126.05	114.05
	Rep Schedule	12 Annual Instalments from 7.3.2012				
4	Bond XXVIII					
	Gross loan opening	80.00	80.00	80.00	80.00	80.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00	0.00	0.00	0.00	6.67
	Net Loan-Opening	80.00	80.00	80.00	80.00	73.33
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	6.67	6.67



Net Loan-Closing	80.00	80.00	80.00	73.33	66.67
Average Loan	80.00	80.00	80.00	76.67	70.00
Rate of Interest	9.33%	9.33%	9.33%	9.33%	9.33%
Interest	7.46	7.46	7.46	7.15	6.53
Rep Schedule	12 Annual Instalments from 15.12.2012				
Total Loan					
Gross loan opening	2377.00	2377.00	2377.00	2377.00	2377.00
Cumulative Repayment up to the date of commercial operation /previous year	0.00	0.00	18.58	210.00	408.08
Net Loan-Opening	2377.00	2377.00	2358.42	2167.00	1968.92
Additions during the year	0.00	0.00	0.00	0.00	0.00
Repayment during the year	0.00	18.58	191.42	198.08	198.08
Net Loan-Closing	2377.00	2358.42	2167.00	1968.92	1770.83
Average Loan	2377.00	2367.71	2262.71	2067.96	1869.88
Weighted Average Rate of Interest	9.5387%	9.5371%	9.5350%	9.5343%	9.5339%
Interest	226.73	225.81	215.75	197.17	178.27

