

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 195/2010

**Coram: Shri S.Jayaraman, Member
Shri V.S.Verma, Member**

Date of Hearing: 13.1.2011

Date of Order:8.3.2011

In the matter of:

Approval under Regulation 86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations'1999, and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2009, for determination of Transmission Tariff for 400 kV Jeypore-Tarcher transmission system in Eastern Region for the period from 1.4.2009 to 31.3.2014.

And

In the matter of:

Power Grid Corporation of India Ltd., Gurgaon

....Petitioner

Vs

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

..... Respondents

The following were present:

1. Shri Rejeev Gupta, PGCIL
2. Shri M M Mondal, PGCIL
3. Shri R R Patel, PGCIL
4. Shri Rakesh Prasad, PGCIL
5. Shri R B Sharma, BSEB



ORDER

This petition has been filed seeking approval of transmission tariff in respect of 400 kV Jeypore-Tacher transmission system in Eastern Region (hereinafter “the transmission system”) 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 also sought the following reliefs:

- (a) Invoke the provisions of Regulation 44(Power to Relax) of the 2009 regulations, for relaxation of clause (3) of regulation 15 thereof so that grossing up the base rate of Return on Equity (ROE) may be allowed considering the revised rate of MAT, surcharge, any other cess, charges, levies etc. as per the relevant Finance Acts and accordingly allow consequential impact of tariff on account of truing up, to be billed and settled directly with the beneficiaries every year in the tariff block.
- (b) Approve the reimbursement, of expenditure, by the beneficiaries towards petition filing fee, and publishing of notices in newspapers in terms of Regulation 42 of the 2009 regulations, and other expenditure (if any) in relation to the filing of petition.
- (c) Allow the petitioner 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 period, if any, from the respondents.



- (d) Allow the petitioner to bill and recover Service tax on transmission charges from the respondents, if the petitioner is subjected to such tax
- (e) Allow the petitioner to bill and recover licence fee separately from the respondents
- (f) Pass such other relief as Hon'ble Commission deems fit and appropriate under the circumstances of the case and in the interest of justice.

2. Transmission charges for the transmission system for the period upto 31.3.2009 were determined by the Commission vide order dated 14.9.2005 in Petition No. 122/2004 and its amendment vide dated 31.3.2008 based on admitted Capital Cost of ₹ 12040.00 lakh for the asset covered under the current petition.

3. The petitioner has claimed the following transmission charges:

(₹ in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	256.97	256.97	256.97	256.97	269.44
Interest on Loan	0.00	0.00	0.00	0.00	7.16
Return on equity	1052.36	1052.36	1052.36	1052.36	1058.90
Interest on Working Capital	55.90	57.53	59.27	61.10	63.58
O & M Expenses	572.07	604.61	639.36	675.98	714.55
Total	1937.30	1971.47	2007.96	2046.41	2113.63

4. 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	85.81	90.69	95.90	101.40	107.18
O & M expenses	47.67	50.38	53.28	56.33	59.55
Receivables	322.88	328.58	334.66	341.07	352.27
Total	456.36	469.65	483.84	498.80	519.00
Interest	55.90	57.53	59.27	61.10	63.58
Rate of Interest	12.25%	12.25%	12.25%	12.25%	12.25%

5. Reply to the petition has been filed only by respondent No. 1 viz. Bihar State Electricity Board. The respondent has pointed that being engaged in the development of infrastructure facilities in the transmission of power, the petitioner is entitled for a tax holiday and has urged that the benefits of tax holiday should be availed by the petitioner so that ultimately the benefits would trickle down to the consumers through the beneficiaries. Such a suggestion has been made by BSEB in some other petitions as well and the Commission has decided to address this issue separately. A decision taken in this regard will apply to the present case as well.

6. BSEB has also objected to the claim of additional capital expenditure towards strengthening of towers due to change in wind zone. According to the respondent, such an expenditure is not covered under regulation 9(2) of the 2009 regulations and should rightly form part of O&M expenditure. Besides, BSEB has questioned the interest rate adopted by the petitioner for the computation of tariff as the same has been described as the State Bank of India Advance Rate (SBAR) whereas regulation 18(3) of the 2009 regulations mandates that the Short Term prime lending rate of SBI shall be the interest rate for computation of interest on working capital. The respondent has also objected to the claim, by the petitioner for reimbursement of application filing fee and the expenses on publication of notices and has relied on the Commission's order dated 11.9.2008 in Petition No. 129/2005 in this regard.

7. As regards the petitioner's claim for reimbursement of License fee and other levies, duties, cess, etc. revision of O&M expenses in the event of the impact of wage revision is more than 50%, the respondent has stated that



these items being part of parcel of O&M expenses are not required to be reimbursed.

8. The petitioner, in its rejoinder has reiterated its claim citing the relevant provisions of the 2009 regulations and has urged that 100% transmission tariff and other prayers made by it be approved. The petitioner has clarified that the SBAR of 12.25% indicted in the petition is the short term prime lending rate of SBI.

9. The issues raised by the respondent are discuss3ed in the relevant paragraphs hereunder.

10. Having heard the representatives of the parties and examined the material on record, we proceed to dispose of the petition.

CAPITAL COST

11. Proviso to clause (2) of Regulation 7 of the 2009 regulations, provides as under:

“Provided also that in case of the existing projects, the 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.”

12. The Commission vide order dated 14.9.2005 in Petition No: 122/2004 and its amendment vide order dated 31.3.2008 has approved the capital cost of ₹ 12040.00 lakh as on 31.3.2009 in respect of the transmission assets. Accordingly, capital expenditure of ₹ 12040.00 lakh as on 1.4.2009 has been considered for tariff determination for 2009-14 period.



ADDITIONAL CAPITAL EXPENDITURE

13. Regulation 9 of the 2004 regulations provides as under:

*“9. **Additional Capitalisation.** (1) The capital expenditure incurred or projected to be incurred, on the following counts within the 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 regulation 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 tariff.

(2) The capital expenditure incurred on the following counts after the cut-off date may, 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) Deferred works relating to ash pond or ash handling system in the original scope of work;

(iv) In case of hydro generating stations, any expenditure which has become necessary on account of damage caused by natural calamities (but not due to flooding of power house attributable to the negligence of the generating company) including due to geological reasons after adjusting for proceeds from any insurance scheme, and expenditure incurred due to any additional work which has become necessary for successful and efficient plant operation; and

(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 transmission system:

Provided that in respect sub-clauses (iv) and (v) above, any expenditure on acquiring the minor items or the assets like tools and tackles, furniture, air-conditioners, voltage stabilizers, refrigerators, coolers, fans, washing machines, heat convectors, mattresses, carpets etc. brought after the cut-off date shall not be considered for additional capitalization for determination of tariff w.e.f. 1.4.2009”.

14. Only one item of expenditure has been projected viz. expenditure amounting to ₹ 249.33 lakh during 2013-14 towards tower strengthening. This has been objected to by respondent No. 1 who contends that the expenditure should rightly fall under O&M expenses. The petitioner vide its affidavits dated 29.9.2010 and 2.11.2010 has made the following submissions:

- (a) The tower strengthening has been proposed in the 400 kV S/C Indravati-Rengali transmission line under the transmission system. Initially, the line was in medium wind zone, whereas as per the revised design practice IS-802-1995, the line falls in wind zone-3. There have been 54 incidents (involving 163 towers) of failure of 400 kV towers in the lines having towers with design reported up to 15 September 2010.
- (b) After failure of towers in 2009, the petitioner approached Structural Engineering Research Centre (SERC), Chennai to suggest strengthening of towers of 400 kV Dadri-Ballabgarh (designed for medium wind zone as per IS:802-1977 and now falling in wind zone 4 as per IS:802-1995 as a sample case and SERC suggested almost the same tower strengthening as worked out by the petitioner.
- (c) As 400 kV lines transfer bulk amount of power over long distances, impact of tower collapse would be for longer duration and may affect grid stability.
- (d) Tower strengthening by providing additional bracing in the towers up to cross arm level of 715 Nos of suspension towers at an estimated cost of ₹ 249.33 lakh was planned. However



supply and installation works are proposed to be undertaken through competitive bidding process and the petitioner will approach the Commission with the actual cost depending upon market conditions at the time of procurement.

15. From the documents placed on records, it is seen that the Committee constituted by the Central Electricity Authority (CEA) recommended provision of hip bracing up to bottom cross arm level in all suspension towers in some transmission lines with the design IS:802-1977. There had been many failures of towers (163 towers) in the lines having the same design as the subject line. Besides, the SERC has also recommended in favour the tower strengthening of line designed for medium wind zone 3 as per IS802:1977 and now falling in wind zone 3 as per IS802: - 1995. The SERC, in its review article has suggested increase of wind speed from 44 to 47 m/s in cyclone prone east coast in the regions of Andhra Pradesh and Orissa based on observations. As suggested by SERC, the subject transmission line falls in wind zone -4.

16. As stated hereinabove, the respondent has objected to allowing the above stated additional capital expenditure contending that the same should rightly fall under the category of O&M expenses. During the hearing on 13.1.2011, learned counsel for BSEB fairly stated that he did not have any objection to tower strengthening as such but proposed that instead of allowing it as additional capital expenditure, the same must be covered under regulation 10.



17. Regulation 10 pertaining to renovation and modernization reads as under:

*“10. **Renovation and Modernisation.** (1) The generating company or the transmission licensee, as the case may be, for meeting the expenditure on renovation and modernization (R&M) for the purpose of extension of life beyond the useful life of the generating station or a unit thereof or the transmission system, shall make an application before the Commission for approval of the proposal with a Detailed Project Report giving complete scope, justification, cost-benefit analysis, estimated life extension from a reference date, financial package, phasing of expenditure, schedule of completion, reference price level, estimated completion cost including foreign exchange component, if any, record of consultation with beneficiaries and any other information considered to be relevant by the generating company or the transmission licensee.”*

18. It is apparent from the above that expenditure under Regulation 10 is available for the purpose of extension of life beyond the useful life of the transmission system. The useful life of a transmission line has been specified as 35 years in Regulation 3(42) of 2009 regulations. The petitioner has submitted that the various elements of the transmission system have been put under commercial operation from 1.12.1990 to 1.8.1995. Therefore, the useful life of the transmission line extends upto 1.12.2025 and thereafter. Therefore, the expenditure on tower strengthening will not be covered under Regulation 10 of 2009 regulations. In our view, the expenditure is covered under Regulation 9(2)(iv) of 2009 regulations as it is expenditure has *“become necessary for successful and efficient operation of transmission system”* Accordingly, additional capital expenditure amounting to ₹ 249.33 lakh in respect of the transmission system is allowed during 2009-14 period..

DEBT- EQUITY RATIO

19. 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.”

20. Details of debt-equity based on the capital cost as on 1.4.2009 is as under:-

Particulars	As Admitted on 31.03.2009	
	Amount (Rs. Lakh)	%
Debt	6020.00	50.00%
Equity	6020.00	50.00%
Total	12040.00	100.00%

21. Additional capital expenditure allowed during 2009-10 and 2010-11 has also been segregated in the ratio of 70:30. Consequent to admitting the additional capital expenditure (referred to as “ACE” in the table below), equity base of the transmission system shall be as under:

(₹ in lakh)

Equity on 1.4.2009	Notional equity due to ACE for the period 2009-13	Total equity considered for tariff calculations for the period 2009-13*	Notional equity due to ACE for the period 2013-14	Total equity considered for tariff calculations for the period 2013-14*
6020.00	0.00	6020.00	74.80	6057.40

RETURN ON EQUITY

22. 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:

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

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

23. The petitioner has prayed to relax the provisions of Regulation 15(3) of 2009 regulations in order to allow grossing up the base rate of ROE with the MAT rate as per the relevant Finance Acts, The Commission has already been taken cognizance of the requirement in order dated 3.8.2010 in Petition No. 17/2010 wherein a decision has been taken to amend the tariff regulations. The process of amendment is under way and will address the concern of the petitioner and the respondents.

24. Detailed calculation of the ROE in respect the transmission assets is as under:

		(₹ in lakh)				
		2009-10	2010-11	2011-12	2012-13	2013-14
Gross Notional Equity	6020.00					
Addition due to Additional Capitalisation	0.00					
Opening Equity	6020.00	6020.00	6020.00	6020.00	6020.00	6020.00
Addition due to Additional Capitalisation		0.00	0.00	0.00	0.00	74.80
Closing Equity		6020.00	6020.00	6020.00	6020.00	6094.80
Average Equity		6020.00	6020.00	6020.00	6020.00	6057.40
Return on Equity (Base Rate)		15.50%	15.50%	15.50%	15.50%	15.50%
Tax rate for the year 2008-09 (mat)		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)		1052.36	1052.36	1052.36	1052.36	1058.89

INTEREST ON LOAN

25. 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.”



26. In the instant case, Normative Loan as also the Actual Loan as on 1.4.2009 are Nil and there is an addition to the Normative loan during 2013-14 amounting to ₹ 174.53 lakh due to proposed additional capital expenditure amounting to ₹ 249.33 lakh which is repaid in the same year. The petitioner, therefore, has not claimed any interest on loan, Accordingly, interest on loan has been considered as nil.

DEPRECIATION

27. 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.

Provided that.....

Provided further that.....

(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.”

28. There was no actual outstanding loan till 31.3.2004 and as such the remaining depreciable value was spread over in the balance useful life from



2004-05 onwards during the tariff period 2004-09. The same methodology has been followed for 2009-14 tariff period.

29. For the period from 1.4.2009 to 31.3.2014, the depreciation has been worked out as under:

(₹ in lakh)

		2009-10	2010-11	2011-12	2012-13	2013-14
Rate of Depreciation		5.1605%	5.1605%	5.1605%	5.1605%	5.1617%
Depreciable Value	90%	10818.58	10818.58	10818.58	10818.58	10930.77
Balance Useful life of the asset		13	12	11	10	9
Remaining Depreciable Value		3340.57	3083.60	2826.63	2569.67	2424.90
Depreciation		256.97	256.97	256.97	256.97	269.43

OPERATION & MAINTENANCE EXPENSES

30. Clause (g) of Regulation 19 the 2009 regulations prescribes the norms for operation and maintenance expenses based on the type of sub-station and line. The petitioner has calculated the operation and maintenance expenses in accordance with the above norms which have been allowed. Accordingly, the following O & M expenses have been allowed.

(₹ in lakh)

Dhauri Ganga Stage I Transmission System					
Element	2009-10	2010-11	2011-12	2012-13	2013-14
400 kV S/C twin conductor T/L(427 km)	152.87	161.41	170.80	180.62	190.87
8X400 kV bays	419.20	443.20	468.56	495.36	523.68
Total	572.07	604.61	639.36	675.98	714.55

31. The petitioner has stated that it reserves the right to approach the Commission for suitable revision in the norms for O&M expenses in case the impact of wage hike is more than 50%. We clarify that petition if any, filed by the petitioner shall be dealt with in accordance with law.

INTEREST ON WORKING CAPITAL

32. As per the 2009 regulations 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 of 2 months' transmission charges claimed in the petition. In the tariff being allowed, receivables have been worked out on the basis of 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 has accordingly been 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 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.

33. 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	85.81	90.69	95.90	101.40	107.18
O & M expenses	47.67	50.38	53.28	56.33	59.55
Receivables	322.88	328.58	334.66	341.07	351.05
Total	456.37	469.65	483.84	498.80	517.78
Rate of Interest	12.25%	12.25%	12.25%	12.25%	12.25%
Interest	55.90	57.53	59.27	61.10	63.43

TRANSMISSION CHARGES

34. The transmission charges being allowed for the transmission lines are summarized below:

(₹ in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	256.97	256.97	256.97	256.97	269.43
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on equity	1052.36	1052.36	1052.36	1052.36	1058.89
Interest on Working Capital	55.90	57.53	59.27	61.10	63.43
O & M Expenses	572.07	604.61	639.36	675.98	714.55
Total	1937.30	1971.47	2007.95	2046.41	2106.31

APPLICATION FEE AND THE PUBLICATION EXPENSES

35. The petitioner has sought approval for the reimbursement of fee paid by it for filing the petition. In accordance with our decision in order dated 11.1.2010 in Petition No. 109/2009, the petitioner shall be entitled to recover the filing



fee from the beneficiaries. The petitioner is also entitled for reimbursement of expenses for the publication of notices in connection with the present petition directly from the beneficiaries on pro rata basis.

SERVICE TAX

36. The petitioner has made a prayer to be allowed to bill and recover the service tax on transmission services if it is subjected to such tax in future. The prayer is premature and is accordingly rejected.

SHARING OF TRANSMISSION CHARGES

37. The transmission charges allowed in this order 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. The petitioner has also prayed for reimbursement of license fee. A view in this regard is yet to be taken. The same as and when evolved will apply to this petition as well.

39. This order disposes of Petition No. 195/2010.

**Sd/-
(V.S.Verma)
Member**

**Sd/-
(S.Jayaraman)
Member**

