

**CENTRAL ELECTRICITY REGULATORY COMMISSION**

**NEW DELHI**

**Petition No. 118/2010**

**Coram: Shri S.Jayaraman, Member  
Shri M.Deena Dayalan, Member**

**Date of Hearing: 9.11.2010**

**Date of Order: 6.5.2011**

**In the matter of:**

Approval under Regulation 86 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations 1999 and Central Electricity Regulatory Commission (Terms and conditions of tariff) Regulations 2009 for transmission tariff for (i) 220 kV D/C Faridabad-Samaypur transmission line with associated bays; and (ii) 220 kV D/C Faridabad-Palla transmission line with associated bays under Transmission System associated with Faridabad Gas Based Combined Cycle Power Project in Northern Region for tariff block 2009-14.

**And**

**In the matter of:**

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

**Vs**

Haryana Power Purchase Centre, Panchkula ..... Respondent

**The following were present:**

- 1 Shri U.K.Tyagi, PGCIL
- 2 Shri Rakesh Prasad, PGCIL
- 3 Shri Rajiv Gupta, PGCIL
- 4 Shri T P S Bawa, HPCC

**ORDER**

This petition has been filed for determination of transmission tariff for (i) 220 kV D/C Faridabad-Samaypur transmission line with associated bays; and (ii) 220 kV D/C Faridabad-Palla transmission line with



associated bays (hereinafter referred to as "the transmission assets") under Transmission System associated with Faridabad Gas Based Combined Cycle Power Project (hereinafter referred to as "the transmission system") 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"). The petitioner has also sought the following reliefs:

(a) Invoke the provision 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 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 by the beneficiaries, of expenditure 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 recover service tax on transmission charges separately from the respondents, if petitioner is subjected to such service tax;

(d) 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, if any during 2009-14; and

(e) Allow the petitioner to bill and recover licence fee separately from the respondents;

2. The assets of the transmission system were commissioned as per the following details:

Assets	Name of the asset	Date of commercial operation
Asset-I	220 kV D/C Faridabad-Samaypur transmission line with associated bays	1.6.1999
Asset-II	220 kV D/C Faridabad-Palla transmission line with associated bays	1.2.2000

3. In accordance with the procedure of the Commission issued under letter Ref No. C-7/189(204)/2009-CERC, dated 23.10.2009, the above assets associated with Faridabad Gas Based Combined Cycle Power Project in Northern Region have been clubbed for the purpose

of determination of transmission charges with notional date of commercial as 1.2.2000.

4. Transmission charges for the transmission assets for the period up to 31.3.2009, were initially approved by the Commission vide order dated 27.1.2006 in Petition No. 97/2004. Subsequently, the transmission charges in respect of Asset-II was revised vide order dated 19.5.2008 by way of implementation of judgment dated 4.10.2006 of the Hon'ble Appellate Tribunal for Electricity in Appeal No 135/2005 and some other judgments which were considered judgments in rem. Later, consequent to the transfer of ownership to NTPC, final tariff in respect of the balance assets was approved by the Commission vide its order dated 18.6.2008 in Petition No. 52/2007.

5. In this petition, the petitioner has claimed the following transmission charges:

	(₹ in lakh)				
	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	65.09	65.09	65.09	20.97	20.97
Interest on Loan	5.12	1.14	0.00	0.00	0.00
Return on equity	127.55	127.55	127.55	127.55	127.55
Interest on Working Capital	8.24	8.39	8.62	7.96	8.24
O & M Expenses	82.34	87.04	92.05	97.30	102.86
<b>Total</b>	<b>288.34</b>	<b>289.21</b>	<b>293.31</b>	<b>253.78</b>	<b>259.62</b>

6. 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	12.35	13.06	13.81	14.60	15.43
O & M expenses	6.86	7.25	7.67	8.11	8.57
Receivables	48.06	48.20	48.89	42.30	43.27
<b>Total</b>	<b>67.27</b>	<b>68.51</b>	<b>70.37</b>	<b>65.01</b>	<b>67.27</b>
Rate of Interest	12.25%	12.25%	12.25%	12.25%	12.25%
<b>Interest</b>	<b>8.24</b>	<b>8.39</b>	<b>8.62</b>	<b>7.96</b>	<b>8.24</b>

7. 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 the respondent Haryana Power Purchase Centre (HPPC).

8. HPCC in its reply has made following submission:

- (i) In regard to floating rate of interest, the petitioner may be directed to furnish the details of latest position of adjustment for the period 2004-09;
- (ii) In regard to O & M expenses, it has been submitted that O & M expenses should be allowed on normative basis as per 2009 regulations; and
- (iii) Under Form No. 11 of the petition, the rate of depreciation for the years 2009-10, 2010-11 and 2011-12 is more than 5.28% rate specified in 2009 regulations and

the petitioner should rectified the errors in the calculation of depreciation for the period 2009-10 to 2011-12.;

9. In response to above, the petitioner in its rejoinder dated 4.11.2011 has made following submissions:

(i) In regard to change in interest on floating rate of interest for the tariff block 2009-14, the petitioner has submitted that the Commission had allowed direct settlement with the beneficiaries any change in interest on account of floating rate of interest for the tariff period 2004-09. The change in interest rate may increase or decrease during the period 2009-14, hence it would be fair to allow annual adjustment of difference in interest rate. Therefore, Power Grid is following the same practice with regard to claiming change in interest due to floating rate of interest for the period 2009-14;

(ii) In regard to O & M expenses, 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 is more than 50%; and

(iii) In regard to rate of depreciation, the petitioner has submitted that the depreciation has been calculated under Form-11 as

per the 2009 regulations, by duly considering the appropriate rates of depreciation for the corresponding heads of capital cost.

10. We have considered the objections of HPPC and the reply of the petitioner. The interest on loan has been calculated on the basis of rate prevailing as on 1.4.2009. With reference to the submission of the petitioner in regard to O & M expenses, it is clarified that if any such application is made for revision of O & M expenses, the same will be dealt with in accordance with law. Rate of depreciation has been calculated strictly as per the 2009 regulations.

### **CAPITAL COST**

11. The last proviso to clause (2) of Regulation 7 of the 2009 regulations, extracted hereunder provides that the project cost admitted by the Commission for determination of tariff prior to 1.4.2009 shall form the basis for determination of tariff.

*"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. As per the orders dated 18.6.2008 in Petition No. 52/2007, the admitted capital expenditure of the transmission assets was ₹ 1208.78 lakh (Asset-I ₹ 714.64 lakh and Asset-II ₹ 494.14 lakh) as on 31.3.2009.

Accordingly, gross block of ₹1208.78 lakh as on 31.3.2009 has been considered as the capital cost for the purpose of tariff.

#### **ADDITIONAL CAPITAL EXPENDITURE**

13. The petitioner has not projected any additional capital expenditure during the period 2009-14.

#### **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 for combined asset based on debt-equity ratio of 39.64:60.36 as admitted vide order dated 27.1.2006 read with order dated 19.5.2008 in Petition No.97/2004. The same debt-equity ratio has been considered for the purpose of tariff during the period 2009-14 in terms of clause (2) of Regulation 12 as quoted above.

#### **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. The petitioner has further prayed for grossing up the base rate considering the revised rate of MAT as per the Finance Act, 2009, which would work out to pre tax ROE at 18.674% for the year 2009-10. ROE for the year 2010-11 and subsequent years of the tariff block, has been sought by grossing up of the base rate considering the revised rate of MAT as per the Finance Act, 2010. This would lead to pre tax ROE at 19.358%.

18. Petitioner's prayer to invoke the provision of Regulation 44 of the 2009 regulations for relaxation of Regulation 15(3) thereof so that grossing up the base rate of ROE may be allowed considering the tax rates viz., MAT, surcharge, any other cess, charges, levies etc., as per the relevant Finance Acts, has already been taken cognizance of in the Commission's order dated 3.8.2010 in Petition No. 17/2010 wherein a decision has been taken to address the issue raised by the petitioner.

Relevant portion of the said order is extracted as under:

*"We are of the view that this issue of 'grossing up the base rate with the normal tax rate for the year 2008-09' is generic in nature and therefore, it will be appropriate to make suitable provisions in the 2009 regulations to cater to any future changes in the tax rate. Accordingly, we direct the staff of the Commission to prepare and submit draft amendment to the 2009 regulations for allowing grossing up of base rate of return with the applicable tax rate as per the Finance Act for the relevant year and direct settlement of tax liability between the generating company/transmission licensee and the beneficiaries/long term transmission customers on year to year basis. Any under/over recovery on account of direct settlement of tax liability shall be subject to the final adjustment at the time of true up exercise."*

19. Accordingly, the return on equity has been computed as per the existing provision of Regulation 15 (3) of 2009 regulation as under:

	(₹ in lakh)					
	Up to 31.3.2009	2009-10	2010-11	2011-12	2012-13	2013-14
Gross Notional Equity	729.66					
Addition due to additional capital expenditure	0.00					
Opening Equity	729.66	729.66	729.66	729.66	729.66	729.66
Addition due to additional capital expenditure		0.00	0.00	0.00	0.00	0.00
Closing Equity		729.66	729.66	729.66	729.66	729.66
Average Equity		729.66	729.66	729.66	729.66	729.66
Return on Equity (Base Rate )		15.50%	15.50%	15.50%	15.50%	15.50%
Tax rate for the year 2008-09		11.330%	11.330%	11.330%	11.330%	11.330%
Rate of Return on Equity (Pre Tax )		17.481%	17.481%	17.481%	17.481%	17.481%
<b>Return on Equity (Pre Tax)</b>		<b>127.55</b>	<b>127.55</b>	<b>127.55</b>	<b>127.55</b>	<b>127.55</b>

## **INTEREST ON LOAN**

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

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

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

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

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

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

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

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

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

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

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

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

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

21. Interest on loan has been worked out as detailed below:

(a) In the view of fact that switchyard had been transferred to NTPC during tariff period 2004-09. Actual loan portfolio has been adjusted proportionately for the calculation of the weighted average rate of interest;

(b) Proportionate gross amount of loan, proportionate repayment of instalments and rate of interest and weighted average rate of interest on actual loan have been considered as per the petition;

(c) The repayment for the tariff period 2009-14 shall be deemed to be equal to the depreciation allowed for that period;

(d) Moratorium period availed by the transmission licensee, the repayment of the loan shall be considered from the first year

of commercial operation of the project and shall be equal to the annual depreciation allowed;

(e) Weighted average rate of interest on actual loan has been worked out as per (a) above and applied on the average loan during the year to arrive at the interest on loan; and

(e) The interest on loan has been calculated on the basis of rate prevailing as on 1.4.2009 as per methodology followed in Petition No. 132/2010 for the calculation of weighted average rate of interest. Any change in rate of interest subsequent to 1.4.2009 will be considered at the time of truing up.

22. The detailed calculations in support of the weighted revised average rate of interest are contained in ***Annexure*** attached to this order. Based on the above, interest on loan worked is as under:

	(₹ in lakh)					
	Up to 31.3.2009	2009-10	2010-11	2011-12	2012-13	2013-14
Gross Normative Loan	479.12	479.12	479.12	479.12	479.12	479.12
Cumulative Repayment up to Previous Year		381.90	446.99	479.12	479.12	479.12
Net Loan-Opening		97.22	32.13	0.00	0.00	0.00
Addition due to additional capital expenditure		0.00	0.00	0.00	0.00	0.00
Repayment during the year		65.09	32.13	0.00	0.00	0.00
Net Loan-Closing		32.13	0.00	0.00	0.00	0.00
Average Loan		64.68	16.07	0.00	0.00	0.00
Weighted Average Rate of Interest on Loan		7.9162%	7.1180%	5.6902%	4.0584%	3.4456%
Interest		5.12	1.14	0.00	0.00	0.00

## **DEPRECIATION**

23. 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.*

XXXX

XXXX

*(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. Date of commercial operation of the transmission assets is 1.2.2000. Accordingly, they will complete 12 years in 2012-13. Thus, depreciation during the period 2009-10 to 2011-12 has been calculated

as per Straight Line Method and at rates specified in **Appendix-III** of the 2009 regulations. Thereafter, remaining depreciable value as on 1.4.2012 has been spread over the balance useful life of the transmission assets.

25. Details of the depreciation worked out are 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	1208.78	1208.78	1208.78	1208.78	1208.78	1208.78
Addition during 2009-14 due to projected Additional capital expenditure		0.00	0.00	0.00	0.00	0.00
Gross block as on 31.3.2009		1208.78	1208.78	1208.78	1208.78	1208.78
Rate of Depreciation		5.3848%	5.3848%	5.3848%	5.3848%	5.3848%
Depreciable Value	90%	1087.90	1087.90	1087.90	1087.90	1087.90
Elapsed Life (Beginning of the year)		9	10	11	12	13
Weighted Balance Useful life	33	24	23	22	21	20
Remaining Depreciable Value		635.53	570.44	505.35	440.26	419.30
<b>Depreciation</b>		<b>65.09</b>	<b>65.09</b>	<b>65.09</b>	<b>20.96</b>	<b>20.96</b>

### **OPERATION & MAINTENANCE EXPENSES**

26. In accordance with clause (g) of Regulation 19 the 2009 regulations, the following norms for 400 kV D/C and S/C twin conductor transmission line and 400 kV bays have been specified for O & M expenses:

	Year				
	2009-10	2010-11	2011-12	2012-13	2013-14
220 kV D/C, single conductor transmission line (₹ in lakh /km)	0.629	0.284	0.381	0.318	0.336
400 kV bays (₹ in lakh per bay)	<b>36.68</b>	<b>38.78</b>	<b>41.00</b>	<b>43.34</b>	<b>45.82</b>

27. 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 220 kV D/C, single conductor transmission line ( 33.381 ckt km)	8.98	9.48	10.05	10.62	11.22
O & M expenses for 220 kV bays ( 2 bays)	73.36	77.56	82.00	86.68	91.64
<b>Total</b>	<b>106.35</b>	<b>112.44</b>	<b>118.88</b>	<b>125.67</b>	<b>132.86</b>

28. The petitioner has submitted that O & M expenditure for 1009-14 tariff block had been arrived on the basis of normalized actual O & M expenses of the petitioner during the year 2003-04 to 2007-08. The wage hike of 50% on account of pay revision of the employees of public sector undertaking was also considered while calculating the O & M charges for 2009-14 periods. The petitioner has submitted that it would approach the Commission for suitable revision in the norms of O & M 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. 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 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. 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	12.35	13.06	13.81	14.60	15.43
O & M expenses	6.86	7.25	7.67	8.11	8.57
Receivables	48.06	48.20	48.89	42.30	43.27
<b>Total</b>	<b>67.27</b>	<b>68.51</b>	<b>70.36</b>	<b>65.00</b>	<b>67.27</b>
Rate of Interest (%)	12.25%	12.25%	12.25%	12.25%	12.25%
<b>Interest on working capital</b>	<b>8.24</b>	<b>8.39</b>	<b>8.62</b>	<b>7.96</b>	<b>8.24</b>

### **TRANSMISSION CHARGES**

31. 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	65.09	65.09	65.09	20.96	20.96
Interest on Loan	5.12	1.14	0.00	0.00	0.00
Return on equity	127.55	127.55	127.55	127.55	127.55
Interest on Working Capital	8.24	8.39	8.62	7.96	8.24
O & M Expenses	82.34	87.04	92.05	97.30	102.86
<b>Total</b>	<b>288.34</b>	<b>289.22</b>	<b>293.31</b>	<b>253.78</b>	<b>259.62</b>

### **Application fee and the publication expenses**

32. The petitioner has sought approval for the reimbursement of fee paid by it for filing the petition. The Regulation 42 of the 2009 regulation provides for reimbursement of filing fees and expenses on publication of notices as may be allowed at the discretion of the

Commission. We have decided the following in our order dated 11.1.2010 in Petition No. 109/2009:

*"85. The Commission after careful consideration has decided that filing fee will be reimbursed in the following cases:*

- (a) Main petitions for determination of tariff;*
- (b) Petitions for revisions of tariff due to additional capital expenditure.;*
- (c) Petitions for truing up of expenditure.*

*Filing fees paid for filing the Review Petitions, Interlocutory Applications and other Miscellaneous Applications will not be reimbursed in tariff. The Commission has decided to reimburse the expenses on publication of notices as such expenses are incurred to meet the statutory requirement of transparency in the process of determination of tariff."*

33. In accordance with the said decision, 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**

34. 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 and is accordingly rejected

### **Licence fee**

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

36. The transmission charges allowed shall be recovered on monthly basis in accordance with Regulation 23 and shall be shared by the respondent in accordance with Regulation 33 of the 2009 regulations.

37. This order disposes of Petition No. 118/2010.

Sd/-

**(M.Deena Dayalan)**  
**Member**

Sd/-

**(S.Jayaraman)**  
**Member**

## Annexure

CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN						
(₹ in lakh)						
	Details of Loan	2009-10	2010-11	2011-12	2012-13	2013-14
<b>1</b>	<b>Bond VI</b>					
	Gross loan opening	94.36	<b>94.36</b>	<b>94.36</b>	<b>94.36</b>	<b>94.36</b>
	Cumulative Repayment upto DOCO/previous year	66.05	<b>75.48</b>	<b>84.92</b>	<b>94.35</b>	<b>94.36</b>
	Net Loan-Opening	28.31	18.88	9.44	0.01	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	9.44	9.44	9.44	0.01	0.00
	Net Loan-Closing	18.88	9.44	0.01	0.00	0.00
	Average Loan	23.60	14.16	4.72	0.00	0.00
	Rate of Interest	13.13%	13.13%	13.13%	13.13%	13.13%
	Interest	3.10	1.86	0.62	0.00	0.00
	Rep Schedule	10 Annual Installments from 06.12.2002				
<b>2</b>	<b>Bond VII</b>					
	Gross loan opening	31.93	<b>31.93</b>	<b>31.93</b>	<b>31.93</b>	<b>31.93</b>
	Cumulative Repayment upto DOCO/previous year	31.93	<b>31.93</b>	<b>31.93</b>	<b>31.93</b>	<b>31.93</b>
	Net Loan-Opening	0.00	0.00	0.00	0.00	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00	0.00
	Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
	Average Loan	0.00	0.00	0.00	0.00	0.00
	Rate of Interest	0.00%	0.00%	0.00%	0.00%	0.00%
	Interest	0.00	0.00	0.00	0.00	0.00
	Rep Schedule	12 Annual Installments from 04.08.2003				
<b>3</b>	<b>Bond XI- Option II</b>					
	Gross loan opening	189.02	<b>189.02</b>	<b>189.02</b>	<b>189.02</b>	<b>189.02</b>
	Cumulative Repayment upto DOCO/previous year	189.02	<b>189.02</b>	<b>189.02</b>	<b>189.02</b>	<b>189.02</b>
	Net Loan-Opening	0.00	0.00	0.00	0.00	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00	0.00
	Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
	Average Loan	0.00	0.00	0.00	0.00	0.00
	Rate of Interest	0.00%	0.00%	0.00%	0.00%	0.00%
	Interest	0.00	0.00	0.00	0.00	0.00
	Rep Schedule	6 Annual Installments from 07.12.2003				
<b>4</b>	<b>Bond- XIII - Option- II</b>					
	Gross loan opening	24.60	<b>24.60</b>	<b>24.60</b>	<b>24.60</b>	<b>24.60</b>
	Cumulative Repayment up to DOCO/previous year	24.60	<b>24.60</b>	<b>24.60</b>	<b>24.60</b>	<b>24.60</b>
	Net Loan-Opening	0.00	0.00	0.00	0.00	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00	0.00

	Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
	Average Loan	0.00	0.00	0.00	0.00	0.00
	Rate of Interest	0.00%	0.00%	0.00%	0.00%	0.00%
	Interest	0.00	0.00	0.00	0.00	0.00
	Rep Schedule	6 Annual Installments from 31.07.2003				
<b>5</b>	<b>Corporation Bank</b>					
	Gross loan opening	15.93	<b>15.93</b>	<b>15.93</b>	<b>15.93</b>	<b>15.93</b>
	Cumulative Repayment up to DOCO/previous year	8.75	<b>10.35</b>	<b>11.94</b>	<b>13.53</b>	<b>15.13</b>
	Net Loan-Opening	7.18	5.58	3.99	2.40	0.80
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	1.59	1.59	1.59	1.59	0.80
	Net Loan-Closing	5.58	3.99	2.40	0.80	0.00
	Average Loan	6.38	4.79	3.19	1.60	0.40
	Rate of Interest	11.40%	11.40%	11.40%	11.40%	11.40%
	Interest	0.73	0.55	0.36	0.18	0.05
	Rep Schedule	20 Annual Installments from 10.03.2004				
<b>6</b>	<b>Punjab National Bank- I</b>					
	Gross loan opening	31.93	<b>31.93</b>	<b>31.93</b>	<b>31.93</b>	<b>31.93</b>
	Cumulative Repayment up to DOCO/previous year	19.16	<b>22.36</b>	<b>25.55</b>	<b>28.74</b>	<b>31.93</b>
	Net Loan-Opening	12.77	9.57	6.38	3.19	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	3.19	3.19	3.19	3.19	0.00
	Net Loan-Closing	9.57	6.38	3.19	0.00	0.00
	Average Loan	11.17	7.98	4.79	1.59	0.00
	Rate of Interest	9.41%	9.41%	9.41%	9.41%	9.41%
	Interest	1.05	0.75	0.45	0.15	0.00
	Rep Schedule	10 annual Installments from 30.03.2004				
<b>7</b>	<b>BOI (Foreign Currency Loan)</b>					
	Gross loan opening	49.13	<b>49.13</b>	<b>49.13</b>	<b>49.13</b>	<b>49.13</b>
	Cumulative Repayment up to DOCO/previous year	12.62	<b>15.23</b>	<b>17.84</b>	<b>20.45</b>	<b>23.06</b>
	Net Loan-Opening	36.51	33.90	31.29	28.68	26.07
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	2.61	2.61	2.61	2.61	2.61
	Net Loan-Closing	33.90	31.29	28.68	26.07	23.46
	Average Loan	35.21	32.60	29.99	27.38	24.77
	Rate of Interest	3.3163%	3.3163%	3.3163%	3.3163%	3.3163%
	Interest	1.17	1.08	0.99	0.91	0.82
	Rep Schedule	Equal Half Yearly instalments from 10.06.2004				
	<b>Total Loan</b>					
	Gross loan opening	<b>436.90</b>	<b>436.90</b>	<b>436.90</b>	<b>436.90</b>	<b>436.90</b>
	Cumulative Repayment upto DOCO/previous year	<b>352.13</b>	<b>368.96</b>	<b>385.80</b>	<b>402.63</b>	<b>410.03</b>
	Net Loan-Opening	<b>84.77</b>	<b>67.94</b>	<b>51.10</b>	<b>34.27</b>	<b>26.87</b>
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	<b>16.83</b>	<b>16.83</b>	<b>16.83</b>	<b>7.40</b>	<b>3.41</b>
	Net Loan-Closing	<b>67.94</b>	<b>51.10</b>	<b>34.27</b>	<b>26.87</b>	<b>23.46</b>
	Average Loan	<b>76.35</b>	<b>59.52</b>	<b>42.69</b>	<b>30.57</b>	<b>25.17</b>
	Rate of Interest	7.9162%	7.1180%	5.6902%	4.0584%	3.4456%
	<b>Interest</b>	<b>6.04</b>	<b>4.24</b>	<b>2.43</b>	<b>1.24</b>	<b>0.87</b>