

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 324/2010

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

Date of Hearing: 9.8.2011

Date of Order:16.9.2011

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 from 01.08.2010 (DOCO) to 31.03.2014 for 400 kV S/C Kankroli-Jodhpur line under System Strengthening Scheme in South-Western Part of Northern Grid (Part-B) for tariff block 2009-14 period in Northern Region.

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 Vitran Nigam Limited, Jaipur
3. Jaipur Vidyut Vitran Nigam Limited, Jaipur
4. Jodhpur Vidyut Vitran Nigam Limited, Jaipur
5. Himachal Pradesh State Electricity Board, Shimla
6. Punjab State Electricity Board, Patiala
7. Haryana Power Purchase Centre, Panchkula
8. Power Department, Govt. of Jammu & Kashmir, Jammu
9. Uttar Pradesh Power Corporation Limited, Lucknow
10. Delhi Transco Limited, New Delhi
11. BSES Yamuna Power Limited, Delhi
12. BSES Rajdhani Power Limited, New Delhi
13. North Delhi Power Limited, New Delhi
14. Chandigarh Administration, Chandigarh
15. Uttarakhand Power Corporation Limited, Dehradun
16. North Central Railway, Allahabad
17. New Delhi Municipal Council, New Delhi

.....**Respondents**



The following were present:

1. Shri S.S. Raju, PGCIL
2. Shri Akash Srivastava, PGCIL
3. Shri. M.M. Mondal, PGCIL

ORDER

This petition has been filed seeking approval for determination of transmission tariff from the date of commercial operation, i.e., 01.08.2010 to 31.03.2014 for 400 kV S/C Kankroli-Jodhpur line under System Strengthening Scheme in South-Western Part of Northern Grid (Part-B) for tariff block 2009-14 period in Northern Region 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 reliefs as under:-

- (a) Allow 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;
- (b) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and publishing of notices in newspapers in terms of Regulation 42 CERC (Terms and Condition of Tariff) Regulations 2009 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 respondent;



(d) Allow the Petitioner to bill and recover service tax on transmission charges separately from the respondents, if at any time exemption from service tax is withdrawn and transmission is notified as a taxable service; and

(e) Allow the petitioner to bill and recover license fee separately from the respondent.

2. The investment approval and expenditure sanction for the transmission project was accorded by the Board of Directors of the Petitioner company vide C/CP/SSSWng-part-B dated 27.10.2006 for ₹ 15026 lakh including Interest During Construction of ₹ 907 lakh based on 2nd quarter, 2006 price level.

3. The present petition covers determination of transmission tariff for 400 kV S/C Kankroli-Jodhpur line under System Strengthening Scheme in South-Western Part of Northern Grid (Part-B) in Northern Region. The date of commercial operation of the asset is 1.8.2010.

4. Details of the transmission charges claimed by the petitioner are as under:-

	(₹ in Lakh)			
	2010-11	2011-12	2012-13	2013-14
Depreciation	481.11	742.85	751.25	751.25
Interest on Loan	572.42	828.43	769.44	699.51
Return on equity	477.54	738.03	746.71	746.71
Interest on Working Capital	36.43	55.41	55.10	54.27
O & M Expenses	122.03	193.59	204.68	216.35
Total	1689.53	2558.31	2527.18	2468.09

5. The details submitted by the petitioner in support of its claim for interest on working capital are given hereunder:-

	(₹ in Lakh)			
	2010-11	2011-12	2012-13	2013-14
Maintenance Spares	27.46	29.04	30.70	32.45
O&M expenses	15.25	16.13	17.06	18.03
Receivables	422.38	426.39	421.20	411.35
Total	465.09	471.56	468.96	461.83
Interest	36.43	55.41	55.10	54.27
Rate of Interest	11.75%	11.75%	11.75%	11.75%

6. No comments or suggestions have been received from the general public in response to the notices published by the petitioner under section 64 of the Electricity Act, 2003. Reply to the petition has been filed only by Respondent No.9, Uttar Pradesh Power Corporation Limited. UPPCL has raised the following objections, vide its affidavit dated 5.8.2011:-

(a) Though the petitioner has attributed the time over-run of 9 months to the delay in forest clearance, environmental clearance and ROW problem, the delay has taken place on account of lack of pursuance by the petitioner resulting in increase of ₹ 406 lakh in IDC and ₹ 499 lakh in sub-station cost. The demand for increased IDC and sub-station cost be disallowed.

(b) Section 80-1A of the Income Tax Act, 1961 provides for 100% deduction in respect of profits for 10 consecutive years in respect of an undertaking which starts transmission during 1.4.1999 to 31.3.2011. The date of commercial operation of the asset is 1.8.2010 and hence no tax is leviable on the asset and grossing up of base rate of return with equity is not justified.

(c) That filing fee may be approved as decided by the Commission in earlier orders.

(d) That the existing financial packages do not have any provision of floating rate of interest and hence the petitioner's prayer for floating rate of interest is not tenable.

(e) That the onus of the licence fee is of the licensee and therefore there is no justification of passing over that burden to the consumers.

(f) That the petitioner's apprehension that the service tax may be levied in future is premature and it is based on conjectures and surmises.

7. The petitioner has not filed any rejoinder to the reply filed by UPPCL.

8. Having heard the representatives of the parties and perused the material on record we proceed to dispose of the petition. While doing so, we also take care of the submissions of the respondent in its reply and address them in the relevant paragraphs.

9. The petitioner has claimed transmission tariff based on the actual expenditure incurred up to date of commercial operation and additional capital expenditure projected to be incurred from the date of commercial operation to 31.3.2011 and during 2011-12. The details of apportioned approved cost as on the date of commercial and additional capitalizations projected to be incurred for the transmission asset are as under:-

(in lakhs)

Name of the Asset	FR Cost	Actual Cost incurred as on DOCO	Projected Additional Capitalization		Total Estimated Completion Cost
			DOCO to 31.03.2011	2011-12	
400 kV S/C Kankroli-Jodhpur TL	15026.00	13411.14	496.99	331.11	14239.24

TIME OVER-RUN

10. Investment approval for the project was granted on 27.10.2006 and the project was to be commissioned within 36 months from the date of investment approval, i.e. 27.10.2009. But, the project was commissioned only on 1.8.2010 and accordingly there has been a delay of 9 months. UPPCL, Respondent. No.9, has submitted that the petitioner's claim for increased IDC and increased sub-station cost due to time over-run be rejected.

11. The petitioner has submitted that it needed clearance of the Hon'ble Supreme Court for executing the work in the wild life sanctuary area of Kumbhalgarh, which was accorded only on 5.10.2009. The Ministry of Environment & Forests (MOE&F) gave its approval on 25.3.2010 and the Forest Department's approval was granted on 30.3.2010. It has also been submitted that a portion of the line near Jodhpur was delayed during the last stage of completion as the proposed line had to be diverted from its original route due to proximity of line to the Army Ammunition Depot. We are of the view that delay in completion of the project has occurred due to the time taken for obtaining mandatory environmental and forest clearance which were beyond the control of the petitioner. Accordingly, the delay of 9 months in commissioning the project is condoned.



CAPITAL COST

12. As regards the capital cost, Regulation 7(1) of the 2009 regulations provide as under:-

“The expenditure incurred or projected to be incurred, including interest during construction and financing charges, any gain or loss on account of foreign exchange risk variation during construction on the loan – (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the fund deployed, - up to the date of commercial operation of the project, as admitted by the Commission, after prudence check.”

13. Capital Cost as on the date of commercial operation, i.e., 01.08.2010 was ` 13411.14 lakh as per CA certificate dated 30.09.2010 and the same has been considered for tariff purpose.

ADDITIONAL CAPITAL EXPENDITURE

14. As per Clause 9(1) of 2009 regulations:-

“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) XXX*
- (iii) XXX*
- (iv) XXX*
- (v) XXX”*

15. The 2009 regulations further defines cut-off date as under:-

“cut-off date means 31st march of the year closing after 2 years of the year of commercial operation of the project, and in-case of the project is declared under commercial operation in the last quarter of the year, the cut-off date shall be 31st March of the year closing after 3 years of the year of commercial operation”.

Therefore, cut-off date for the above mentioned assets is 31.03.2013.

16. Petitioner has claimed Additional Capital Expenditure of ` 496.99 lakh and ` 331.11 lakh for the year 2010-11 (from the date of commercial operation to 31.03.2011) and 2011-12 respectively. The additional capital expenditure incurred is mainly on account of Balance & Retention payments. Additional capital expenditure claimed falls within the cut-off date. Hence, the same has been considered for the purpose of tariff calculation.

DEBT- EQUITY RATIO

17. Regulation 12 of the 2009 regulations provides that:-

“(1) For a project declared under commercial operation on or after 1.4.2009, if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan:

Provided that where equity actually deployed is less than 30% of the capital cost, the actual equity shall be considered for determination of tariff:

provided further that the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment.

(2) XXX”

18. Debt-Equity ratio of the asset considered for the purpose of tariff calculation as on the date of commercial operation is as given below:-

	Approved		Admitted as on DOCO	
	Amount (` lakh)	%	Amount (` lakh)	%
Debt	10518.20	70.00	9388.00	70.00
Equity	4507.80	30.00	4023.14	30.00
Total	15026.00	100.00	13411.14	100.00

19. Debt- equity ratio for the projected additional capital expenditure considered for the purpose of tariff calculations is given below:-

Particulars	Normative	
	Amount (` lakh)	%
Debt	347.89	70.00
Equity	149.10	30.00
Total	496.99	100.00
2011-12		
Particulars	Normative	
	Amount (` lakh)	%
Debt	231.78	70.00

Equity	99.33	30.00
Total	331.11	100.00

20. Thus, the debt- equity as on 31.03.2014 is as under:-

Particulars	Cost as on 31.03.2014	
	Amount (` Lakh)	%
Debt	9967.67	70.00
Equity	4271.57	30.00
Total	14239.24	100.00

RETURN ON EQUITY

21. Subsequent to the 2nd Amendment to the 2009 regulations, Regulation 15 thereof provides as given as under:-

“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 Minimum Alternate/Corporate income Tax Rate for the year 2008-09 as per the Income Tax Act, 1961 as applicable to the concerned generating company or the transmission licensee, as the case may be:

(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.

(5) The generating company or the transmission licensee as the case may be, shall recover the shortfall or refund the excess Annual Fixed Charge on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax Rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission.

Provided further that Annual Fixed Charge with respect to the 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 financial year during the tariff period shall be trued up in accordance with Regulation 6 of these regulations”



22. In this order, Return on Equity has been calculated as per Regulation 15 of the 2009 regulations with pre-tax ROE of 17.481%.

23. Petitioner's prayer to allow grossing up the base rate of ROE based on the tax rates viz., MAT, surcharge, any other cess, charges, levies etc., as per the relevant Finance Act, has already been taken care of through the 2nd amendment to the 2009 regulations as extracted hereinabove.

24. In view of the above, the following amount of equity has been considered for calculation of return on equity:-

	(₹ in lakh)			
	2010-11	2011-12	2012-13	2013-14
Opening Equity	4023.14	4172.24	4271.57	4271.57
Addition due to additional capital expenditure	149.10	99.33	0.00	0.00
Closing Equity	4172.24	4271.57	4271.57	4271.57
Average Equity	4097.69	4221.90	4271.57	4271.57
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%
Tax rate for the year 2008-09	11.330%	11.330%	11.330%	11.330%
Rate of Return on Equity (Pre Tax)	17.481%	17.481%	17.481%	17.481%
Return on Equity (Pre-tax)	477.54	738.03	746.71	746.71

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 calculations, the interest on loan has been worked out as detailed below:-

- a) Gross amount of loan, repayment of instalments and rate of interest and weighted average rate of interest on actual average loan have been considered as per the petition.
- b) Tariff is worked out considering normative loan and normative repayments. Depreciation allowed has been taken as normative repayment for the tariff period 2009-14.
- c) Weighted average rate of interest on actual loan worked out as above has been applied on the notional average loan during the year to arrive at the interest on loan.

27. The detailed calculations in support of the weighted average of interest are contained in the Annexure to this order. The year wise details of interest on loan have been worked out overleaf:-

(₹ in lakh)				
Details of loan	2010-11	2011-12	2012-13	2013-14
Gross Normative Loan	9388.00	9735.89	9967.67	9967.67
Cumulative Repayment up to Previous Year	0.00	481.11	1223.96	1975.21
Net Loan-Opening	9388.00	9254.78	8743.71	7992.46
Addition due to Additional Capitalisation	347.89	231.78	0.00	0.00
Repayment during the year	481.11	742.85	751.25	751.25
Net Loan-Closing	9254.78	8743.71	7992.46	7241.21
Average Loan	9321.39	8999.25	8368.09	7616.83
Weighted Average Rate of Interest on Loan	9.2114%	9.2056%	9.1949%	9.1837%
Interest	572.42	828.43	769.44	699.51

DEPRECIATION

28. Regulation 17 of the 2009 regulations provides for computation of depreciation as given under:-

“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.”

29. The date of commercial operation of the asset is 1.8.2010. Accordingly the same will complete 12 years beyond 2013-14. Depreciation, therefore,

has been calculated annually based on Straight Line Method and at rates specified in Appendix-III of 2009 regulations.

30. Details of the depreciation worked out are as under:-

	(` in lakh)			
	2010-11	2011-12	2012-13	2013-14
Opening Gross Block	13411.14	13908.13	14239.24	14239.24
Addition due to projected additional capitalisation	496.99	331.11	0.00	0.00
Gross Block	13908.13	14239.24	14239.24	14239.24
Average Gross Block	13659.64	14073.69	14239.24	14239.24
Rate of Depreciation	5.2832%	5.2783%	5.2759%	5.2759%
Depreciable Value (90%)	12293.67	12666.32	12815.32	12815.32
Remaining Depreciable Value	12293.67	12185.21	11591.36	10840.11
Depreciation	481.11	742.85	751.25	751.25

OPERATION & MAINTENANCE EXPENSES

31. Clause (g) of regulation 19 of the 2009 regulations prescribes the norms for operation and maintenance expenses based on the type of sub-station and line. Norms prescribed in respect of the elements covered in the instant petition are as under:-

Element	2009-10	2010-11	2011-12	2012-13	2013-14
400 kV D/C twin conductor T/Line (` Lakh/ Kms)	0.627	0.663	0.701	0.741	0.783
400 kV S/C twin conductor T/Line (` Lakh/ Kms)	0.358	0.378	0.400	0.423	0.447
400 kV, bay (` Lakh/ bay)	52.40	55.40	58.57	61.92	65.46

32. Based on the above norms, the allowable O&M expenses for the asset covered in this petition is as under:-

(` in lakh)



Element	2010-11 (Pro-rata for 8 months)	2011-12	2012-13	2013-14
4.152 Kms., 400 kV D/C, twin conductor T/Line	1.84	2.91	3.08	3.25
183.848 Kms., 400 kV S/C, twin conductor T/Line	46.33	73.54	77.77	82.18
2 nos., 400 kV bays	73.87	117.14	123.84	130.92
Total O&M expenditure	122.03	193.59	204.68	216.35

33. The petitioner has submitted that O & M expenditure for the year 2009-14 had been arrived at on the basis of normalized actual O & M expenses during the period 2003-04 to 2007-08. The wage hike of 50% on account of pay revision of the employees of public sector undertaking has also been considered while calculating the O & M charges for the tariff period 2009-14. The petitioner has further submitted that it reserves the right to approach the Commission for suitable revision in the norms for O & M expenditure in case the impact of wage hike with effect from 1.1.2007 is more than 50%. The petitioner has further submitted that in O & M norms for the period 2009-14, the cost associated with license fees had not been captured and therefore licence fee be allowed to be recovered separately from the respondents.

34. We observe that these issues have been raised by the petitioner in other petitions also. A view is yet to be taken by the Commission on reimbursement of the cost of wage hike and reimbursement of licence fees. The decision as and when taken will be applicable to the present case also.

INTEREST ON WORKING CAPITAL

35. 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 of fixed cost. 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: Subsequent to the second amendment notified in June 2011, Regulation 18(3) of the 2009 regulations, provides that rate of interest on working capital shall be on normative basis and shall be equal to the SBI Base Rate plus 350 basis points as on 1.7.2010 or as on 1st April of the year in which the generating station or a unit thereof or the transmission system, as the case may be, is declared under commercial operation, whichever is later in respect of the units or station whose date of commercial operation lies between the period 1.7.2010 to 31.3.2014. 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. Based on the above provision, rate of interest has been computed as 11.00% for calculation of interest on working capital.

36. The necessary computation in support of interest on working capital is given overleaf:-

(' in lakh)				
	2010-11	2011-12	2012-13	2013-14
Maintenance Spares	27.46	29.04	30.70	32.45
O & M expenses	15.25	16.13	17.06	18.03
Receivables	421.79	425.79	420.60	410.76
Total	464.50	470.96	468.36	461.24
Rate of interest	11.00%	11.00%	11.00%	11.00%
Interest	34.06	51.81	51.52	50.74

TRANSMISSION CHARGES

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

(' in lakh)				
	2010-11	2011-12	2012-13	2013-14
Depreciation	481.11	742.85	751.25	751.25
Interest on Loan	572.42	828.43	769.44	699.51
Return on Equity	477.54	738.03	746.71	746.71
Interest on Working Capital	34.06	51.81	51.52	50.74
O & M Expenses	122.03	193.59	204.68	216.35
Total	1687.17	2554.71	2523.60	2464.56

OTHER ISSUES

38. The petitioner has sought approval for the reimbursement of fee paid by it for filing the petition. In accordance with the Commission's 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.

39. Accordingly, expenses incurred by the petitioner on petition filing fees and publication of notices in connection with the present petition shall be directly recovered from the beneficiaries on pro rata basis.

40. The petitioner has made a specific prayer to be allowed to bill and recover the Service Tax on transmission charges separately from the respondents if it is subjected to such service tax in future. We consider the prayer pre-mature. The petitioner is at liberty to approach the Commission for any relief at the appropriate as per law.

41. As regards the prayer for reimbursement of licence fee, it is clarified that the matter is under consideration of the Commission and any decision taken will apply to this case as well.

42. The transmission charges allowed shall be recovered on monthly basis in accordance with Regulation 23 and shared by the beneficiaries in accordance with Regulation 33 of the 2009 regulations upto 30.6.2011. With effect from 1.7.2011, the billing, collection and disbursement of the transmission charges shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 and the Removal of Difficulties orders issued thereunder.

43. This order disposes of Petition No. 324/2010.

Sd/-

Sd/-

Sd/-

Sd/-



(M.DEENA DAYALAN)
MEMBER

(V.S.VERMA)
MEMBER

(S.JAYARAMAN)
MEMBER

(Dr. PRAMOD DEO)
CHAIRPERSON



CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN

(Rs. in Lacs)

	Details of Loan	2010-11	2011-12	2012-13	2013-14
1	Bond XXXIII				
	Gross loan opening	1179.00	1179.00	1179.00	1179.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	0.00
	Net Loan-Opening	1179.00	1179.00	1179.00	1179.00
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00
	Net Loan-Closing	1179.00	1179.00	1179.00	1179.00
	Average Loan	1179.00	1179.00	1179.00	1179.00
	Rate of Interest	8.64%	8.64%	8.64%	8.64%
	Interest	101.87	101.87	101.87	101.87
	Rep Schedule	12 Annual instalments from 08.07.2014			
2	Bond XXIX				
	Gross loan opening	733.00	733.00	733.00	733.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	61.08
	Net Loan-Opening	733.00	733.00	733.00	671.92
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	61.08	61.08
	Net Loan-Closing	733.00	733.00	671.92	610.83
	Average Loan	733.00	733.00	702.46	641.38
	Rate of Interest	9.20%	9.20%	9.20%	9.20%
	Interest	67.44	67.44	64.63	59.01
	Rep Schedule	12 Annual instalments from 12.03.2013			
3	Bond XXVIII				
	Gross loan opening	2899.00	2899.00	2899.00	2899.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	241.58
	Net Loan-Opening	2899.00	2899.00	2899.00	2657.42
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	241.58	241.58
	Net Loan-Closing	2899.00	2899.00	2657.42	2415.83
	Average Loan	2899.00	2899.00	2778.21	2536.63
	Rate of Interest	9.33%	9.33%	9.33%	9.33%
	Interest	270.48	270.48	259.21	236.67
	Rep Schedule	12 Annual instalments from 15.12.2012			
4	Bond XXXI				
	Gross loan opening	1468.00	1468.00	1468.00	1468.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	0.00
	Net Loan-Opening	1468.00	1468.00	1468.00	1468.00

	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	122.33
	Net Loan-Closing	1468.00	1468.00	1468.00	1345.67
	Average Loan	1468.00	1468.00	1468.00	1406.83
	Rate of Interest	8.90%	8.90%	8.90%	8.90%
	Interest	130.65	130.65	130.65	125.21
	Rep Schedule	12 Annual instalments from 25.02.2014			
5	Bond XXIV				
	Gross loan opening	459.00	459.00	459.00	459.00
	Cumulative Repayment upto DOCO/previous year	0.00	38.25	76.50	114.75
	Net Loan-Opening	459.00	420.75	382.50	344.25
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	38.25	38.25	38.25	38.25
	Net Loan-Closing	420.75	382.50	344.25	306.00
	Average Loan	439.88	401.63	363.38	325.13
	Rate of Interest	9.95%	9.95%	9.95%	9.95%
	Interest	43.77	39.96	36.16	32.35
	Rep Schedule	12 Annual instalments from 26.03.2011			
6	Bond XXX				
	Gross loan opening	321.00	321.00	321.00	321.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	0.00
	Net Loan-Opening	321.00	321.00	321.00	321.00
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	26.75
	Net Loan-Closing	321.00	321.00	321.00	294.25
	Average Loan	321.00	321.00	321.00	307.63
	Rate of Interest	8.80%	8.80%	8.80%	8.80%
	Interest	28.25	28.25	28.25	27.07
	Rep Schedule	12 Annual instalments from 29.09.2013			
7	Bond XXVII				
	Gross loan opening	2329.00	2329.00	2329.00	2329.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	194.08	388.17
	Net Loan-Opening	2329.00	2329.00	2134.92	1940.83
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	194.08	194.08	194.08
	Net Loan-Closing	2329.00	2134.92	1940.83	1746.75
	Average Loan	2329.00	2231.96	2037.88	1843.79
	Rate of Interest	9.47%	9.47%	9.47%	9.47%
	Interest	220.56	211.37	192.99	174.61
	Rep Schedule	12 Annual instalments from 31.03.2012			
	Total Loan				
	Gross loan opening	9388.00	9388.00	9388.00	9388.00



Cumulative Repayment upto DOCO/previous year	0.00	38.25	270.58	805.58
Net Loan-Opening	9388.00	9349.75	9117.42	8582.42
Additions during the year	0.00	0.00	0.00	0.00
Repayment during the year	38.25	232.33	535.00	684.08
Net Loan-Closing	9349.75	9117.42	8582.42	7898.33
Average Loan	9368.88	9233.58	8849.92	8240.38
Weighted Average Rate of Interest	9.2114%	9.2056%	9.1949%	9.1837%
Interest	863.00	850.01	813.74	756.78

