

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 174/TT/2010

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

Date of Hearing: 18.10.2011

Date of Order:14.11.2011

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 transmission tariff for the period 2009-14 for Bihar Sharif- Sasaram 400 kV D/C (Quad Conductor) line (anticipated DOCO: 1.1.2012) associated with Supplementary Transmission System under DVC and Maithon right bank project in Eastern Region from anticipated DOCO (1.1.2012) to 31.3.2014.

And

In the matter of:

Power Grid Corporation of India Ltd., Gurgaon

.....**Petitioner**

Vs

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

.....**Respondents**



The following were present:

1. Shri. M.M. Mondal, PGCIL
2. Shri. S.S. Raju, PGCIL
3. Shri. A.K. Sil, DVC

ORDER

This petition has been filed seeking approval of transmission tariff for the period 2009-14 for Biharsharif- Sasaram 400 kV D/C (Quad Conductor) line associated with Supplementary Transmission System under DVC and Maithon right bank project in Eastern Region (hereinafter referred to as "transmission asset") from anticipated date of commercial operation (1.1.2012) to 31.03.2014, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2009 (hereinafter referred to as "2009 regulations"). The petitioner has also sought the following reliefs:

- (a) Allow the additional capitalization incurred/ projected to be incurred;
- (b) Allow to recover the shortfall or refund the excess Annual Fixed Charges, 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 with the beneficiaries;
- (c) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and publishing of notices in newspapers in terms of Regulation 42 of 2009 regulations and other expenditure (if any) in relation to the filing of petition;



- (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 of power is notified as a taxable service;
- (e) 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;
- (f) Allow the petitioner to bill and recover licensee fee separately from the respondents; and
- (g) Allow the petitioner to raise the bills from the actual date of commercial operation.

2. Investment approval for start-up power to DVC and Maithon Right Bank Projects in Eastern Region was accorded by the Board of Directors of POWERGRID vide their letter dated 29.8.2008 at an estimated cost of ₹ 236095 lakh including IDC of ₹ 23593 lakh, based on 1st quarter, 2008 price level.

3. The details of apportioned approved cost as on the date of commercial operation and estimated additional capitalization projected to be incurred for the above mentioned asset submitted in this petition are given overleaf:-

(₹ inLakh)

Name of the asset	Apportioned approved FR cost	Exp. up to anticipated DOCO	Exp. up to anticipated DOCO to 31.3.2012	Exp. From 1.4.2012 to 31.3.2013	Exp. From 1.4.2013 to 31.3.2014	Estimated completion cost
Biharshariff-Sasaram 400 kV D/C (Quad Conductor) line.	47617.62	41833.26	1500.32	655.16	703.79	44692.53



Capital Cost as on the date of commercial operation is inclusive of initial spares of ₹ 35.77 lakh for transmission Line.

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

	(₹ in lakh)		
	2011-12	2012-13	2013-14
Depreciation	562.10	2305.31	2341.19
Interest on Loan	658.06	2571.25	2405.99
Return on equity	558.27	2289.60	2325.23
Interest on Working Capital	38.03	153.73	152.46
O & M Expenses	52.26	220.97	233.50
Total	1868.72	7540.86	7458.37

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

	(₹ in lakh)		
	2011-12	2012-13	2013-14
Maintenance Spares	31.36	33.15	35.03
O & M expenses	17.42	18.41	19.46
Receivables	1245.82	1256.82	1243.07
Total	1294.60	1308.38	1297.56
Interest	38.03	153.73	152.46
Rate of Interest	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 by Uttar Pradesh Power Corporation Ltd. (UPPCL), Respondent No.1, Ajmer Vidyut Vitran Nigam Ltd. (AVVNL), Respondent No.3, Jaipur Vidyut Vitran Nigam Ltd. (JVVNL), Respondent no.4 and Jodhpur Vidyut Vitran Nigam Ltd., Respondent No.5.

7. UPPCL, Respondent No.1, vide its affidavit dated 6.9.2011 has raised the following objections:-

(a) The projected additional expenditure beyond the anticipated date of commercial operation is not audited and only the audited expenditure be allowed;

(b) The proposed additional capital expenditure has not been categorized in accordance with Regulation 9(1) of 2009 regulations. The petitioner has not submitted the details of the balance of works/equipments after the asset was declared under commercial operation;

(c) The petitioner's submission to approach the Commission for additional man power cost on account of wage revision (if any) during tariff block 2009-14 be rejected since 2009 regulations provides for O&M expenses on the basis of normative parameters and not on actuals;

(d) The petitioner's claim for service tax is premature and should be rejected; and

(e) The payment of licence fee is the onus of the licensee and the petitioner should bear the licence fee from its own profits.

8. AVVNL, Respondent No.3, vide its affidavit dated 6.9.2011 and JVVNL, the Respondent No.4, vide its affidavit dated 14.9.2011 and JdVVNL, vide its affidavit dated 14.9.2011 have raised the following objections:-

(a) That the tariff calculations would undergo changes with the change in the actual date of commercial operation and hence the petitioner may be directed to make changes as per the actuals; and

(b) That the O&M charges specified in the 2009 regulations are on normative basis and as such the petitioner's prayer to consider the actual wages is not tenable and should not be allowed; and

(c) There has been increase in the cost by 5% even though the length of the transmission line has been reduced from the approved length of 60 km to 48.4 km.

9. The petitioner, vide its rejoinder dated 13.10.11 submitted the following clarifications to the issues raised by UPPCL:-

(a) The capital cost on capital expenditure projected to be incurred up to date of commercial operation and additional capital expenditure projected to be incurred during the tariff period have been claimed as per Regulation 5(2) of the 2009 regulations;

(b) As regards the justification for projected additional capital expenditure after the date of commercial operation, the payments in Line Tower pkg are on account of payment for works completed but billed later, final/retention payment, taxes & duties payment, price/quantity variation, spares, etc. Payments in Conductor pkg are on account of payment for works completed but billed later, final/retention payment, etc. The payments in Pile pkg are on account of payment for works completed but billed later, final/retention payment, etc;

(c) While deciding the norms of O&M expenditure in 2009 regulations, the Commission has considered the actual O&M cost furnished by the petitioner with regard to its transmission system for years 2003-04 to 2008-09 which did not include the expected manpower cost implications on account of pay revision due with effect

from 1.7.2007. In the norms stipulated, the Commission has considered only wage hike of 50% on account of pay revision. The petitioner has submitted that it would approach the Commission for additional manpower cost on account of wage revision, if any;

(d) The Government of India vide their notifications 11/2010 dated 27.2.2010 and 45/2010 dated 20.7.2010 has exempted transmission service from service tax. In case the said notification granting exemption to transmission service from service tax are withdrawn on a later date, the beneficiaries shall have to share the service tax paid by the petitioner. For this reason the petitioner has claimed the service tax; and

(e) The licence fee paid by the petitioner has not been represented in the actual O&M expenses of previous five years while fixing the normative O&M rates for 200-14. The licence fee is a burden on the petitioner and needs to be reimbursed.

10. The petitioner has not filed any rejoinder to the reply filed by AVVNL, JVVNL and JdVVNL.

11. Having heard the representatives of the parties and perused the material on records, we proceed to dispose of the petition. As regards the issues raised by the respondents, it is clarified that the tariff is calculated strictly in accordance with the 2009 regulations.

CAPITAL COST

12. Regulation 7(1) of 2009 regulations provides 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. As per the CA certificate, dated 1.7.2011, capital cost on the anticipated date of commercial operation (1.1.2012) would be ₹ 41833.26 lakh, inclusive of initial spares pertaining to transmission line amounting to ₹ 35.77 lakh. Initial spares claimed are within the limits specified in Regulation 8 of the 2009 regulations and accordingly it is allowed.

Additional Capital Expenditure

14. Regulation 9(1) of 2009 regulations provides as under:-

“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. As per 2009 regulations,

“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 asset is 31.3.2015.

16. Petitioner has claimed additional capital expenditure of ₹ 1500.32 lakh, ₹ 655.16 lakh and ₹ 703.79 lakh for the year 2011-12 (date of commercial operation to 31.3.2012), 2012-13, and 2013-14 respectively. Additional capital



expenditure claimed falls within the cut-off date. Accordingly, 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 considered for the purpose of tariff calculation as on the date of commercial operation:-

(₹ in lakh)		
Capital Cost as on date of commercial operation		
	Amount (₹ Lakh)	%
Debt	29284.00	70.00
Equity	12549.26	30.00
Total	41833.26	100.00

19. Details of debt-equity of additional capital expenditure claimed by the petitioner are given below:-

2011-12		
Normative		
Particulars	Amount (₹ in lakh)	%
Debt	1050.22	70.00
Equity	450.10	30.00
Total	1500.32	100.00
2012-13		
Normative		
Particulars	Amount (₹ in lakh)	%
Debt	458.61	70.00
Equity	196.55	30.00
Total	655.16	100.00
2013-14		
Normative		
Particulars	Amount (₹ in lakh)	%
Debt	492.65	70.00
Equity	211.14	30.00
Total	703.79	100.00

20. Details of debt- equity as on 31.3.2014 are as under:-

(₹ in lakh)

Particulars	Cost as on 31.3.2014	
	Amount	%
Debt	31285.49	70.00
Equity	13407.04	30.00
Total	44692.53	100.00

RETURN ON EQUITY

21. 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."

(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. 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, shall be settled in accordance with the provisions of Regulation 15 of 2009 regulations as amended by Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (Second Amendment) Regulations, 2011.

24. The ROE for the transmission asset works out to ₹ 558.27 lakh for the period 2011-12 (date of commercial operation to 31.3.2012), ₹ 2289.60 lakh for 2012-13 and ₹ 2325.23 lakh for 2013-14.

25. Return on equity as admissible has been calculated as under:-

	(₹ in lakh)		
	2011-12 (pro-rata)	2012-13	2013-14
Opening Equity	12549.26	12999.36	13195.90
Addition due to Additional Capitalisation	450.10	196.55	211.14
Closing Equity	12999.36	13195.90	13407.04
Average Equity	12774.31	13097.63	13301.47
Return on Equity (Base Rate)	15.50%	15.50%	15.50%
Tax rate for the year 2008-09 (MAT)	11.330%	11.330%	11.330%
Rate of Return on Equity (Pre Tax)	17.481%	17.481%	17.481%
Return on Equity (Pre-tax)	558.27	2289.60	2325.23

INTEREST ON LOAN

26. 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."

27. In these calculations, interest on loan has been worked out as given hereunder:-

(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 has been 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.

28. Details of the interest on loan worked on the above basis are as under:-

	(₹ in lakh)		
	2011-12 (pro-rata)	2012-13	2013-14
Gross Normative Loan	29284.00	30334.22	30792.84
Cumulative Repayment upto Previous Year	0.00	562.10	2867.41
Net Loan-Opening	29284.00	29772.12	27925.43
Addition due to Additional Capitalisation	1050.22	458.61	492.65
Repayment during the year	562.10	2305.31	2341.19
Net Loan-Closing	29772.12	27925.43	26076.89
Average Loan	29528.06	28848.77	27001.16
Weighted Average Rate of Interest on Loan	8.9144%	8.9129%	8.9107%
Interest	658.06	2571.25	2405.99

DEPRECIATION

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

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

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

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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.”

30. The petitioner has claimed actual depreciation as a component of Annual Fixed Charges. However, depreciation has been worked as provided in Regulation 17 (4) of the 2009 regulations.

31. Accordingly, depreciation has been worked out on the basis of capital expenditure from the first year of commercial operation wherein depreciation for the first year is calculated on pro-rata basis for the part of year. The transmission asset 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 the 2009 regulations.

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

	(₹ in lakh)		
	2011-12 (pro-rata)	2012-13	2013-14
Gross Block	41833.26	43333.58	43988.74
Addition during 2009-14 due to Projected Additional Capitalisation	1500.32	655.16	703.79
Gross Block	43333.58	43988.74	44692.53
Average Gross Block	42583.42	43661.16	44340.64
Rate of Depreciation	5.2800%	5.2800%	5.2800%
Depreciable Value	38325.08	39295.04	39906.57
Remaining Depreciable Value	38325.08	38732.94	37039.16
Depreciation	562.10	2305.31	2341.19

OPERATION & MAINTENANCE EXPENSES

33. 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	2011-12	2012-13	2013-14
400 kV D/C quad conductor, Transmission line (₹ Lakh/ Kms.)	1.051	1.111	1.174

34. As per the existing norms the allowable O&M expenses for the assets covered in this petition are as under:-

Assets	2011-12 (pro-rata)	2012-13	2013-14
400 kV D/C quad conductor, Transmission line (₹ lakh/ kms.)	52.26	220.97	233.50

35. 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%. It is clarified that if such an application is made, the same shall be considered in accordance with law.

INTEREST ON WORKING CAPITAL

36. As per the 2009 regulations, the components of the working capital and the interest thereon are discussed hereunder:-

(h) **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:** In the calculations, interest rate of 11.75% (SBI Base Rate of 8.25% as on 1.4.2011 plus 350 bps) has been considered for calculating interest on working capital.

37. Necessary computations in support of interest on working capital are appended herein below:-

(₹ in lakh)			
	2011-12 (pro-rata)	2012-13	2013-14
Maintenance Spares	31.36	33.15	35.03
O & M expenses	17.42	18.41	19.46
Receivables	1245.81	1256.81	1243.06
Total	1,294.59	1,308.37	1,297.55
Rate of Interest	11.75%	11.75%	11.75%
Interest	38.03	153.73	152.46

TRANSMISSION CHARGES

38. The transmission charges being allowed for the transmission asset are summarized below:-

(₹ in lakh)			
	2011-12 (pro-rata)	2012-13	2013-14
Depreciation	562.10	2305.31	2341.19
Interest on Loan	658.06	2571.25	2405.99
Return on equity	558.27	2289.60	2325.23
Interest on Working Capital	38.03	153.73	152.46
O & M Expenses	52.26	220.97	233.50
Total	1868.72	7540.86	7458.37

OTHER ISSUES

39. 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.

40. 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 beneficiary on pro-rata basis.

41. As regards petitioner's prayer for reimbursement of service tax, we consider the prayer as premature since the said tax has been withdrawn by the Government. The petitioner is at liberty to approach the Commission for any relief at the appropriate time as per law.

42. As regards the prayer for reimbursement of licence fee, it is clarified that the same shall be dealt with in accordance with our order dated 25.10.2011 in Petition No.21/2011 and 22/2011.

43. The billing, collection and disbursement of the transmission charges allowed in this order shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010.

44. This order disposes Petition No.174/2010.

(M. Deena Dayalan)
Member

(V.S. Verma)
Member

(S. Jayaraman)
Member

(Dr. Pramod Deo)
Chairperson



ANNEXURE I

CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN

(₹ in lakh)

	Details of Loan	2011-12	2012-13	2013-14
1	Bond XXXIII			
	Gross loan opening	9500.00	9500.00	9500.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	9500.00	9500.00	9500.00
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00
	Net Loan-Closing	9500.00	9500.00	9500.00
	Average Loan	9500.00	9500.00	9500.00
	Rate of Interest	8.64%	8.64%	8.64%
	Interest	820.80	820.80	820.80
	Rep Schedule	12 annual installments from 08.07.2014		
2	Bond XXIX			
	Gross loan opening	1500.00	1500.00	1500.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	125.00
	Net Loan-Opening	1500.00	1500.00	1375.00
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	125.00	125.00
	Net Loan-Closing	1500.00	1375.00	1250.00
	Average Loan	1500.00	1437.50	1312.50
	Rate of Interest	9.20%	9.20%	9.20%
	Interest	138.00	132.25	120.75
	Rep Schedule	12 annual installments from 12.03.2013		
3	Bond XXVIII			
	Gross loan opening	1500.00	1500.00	1500.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	125.00
	Net Loan-Opening	1500.00	1500.00	1375.00
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	125.00	125.00
	Net Loan-Closing	1500.00	1375.00	1250.00
	Average Loan	1500.00	1437.50	1312.50
	Rate of Interest	9.33%	9.33%	9.33%
	Interest	139.95	134.12	122.46
	Rep Schedule	12 annual installments from 15.12.2012		
4	Bond XXXIV			
	Gross loan opening	3398.00	3398.00	3398.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	3398.00	3398.00	3398.00
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00
	Net Loan-Closing	3398.00	3398.00	3398.00
	Average Loan	3398.00	3398.00	3398.00
	Rate of Interest	8.84%	8.84%	8.84%
	Interest	300.38	300.38	300.38



	Rep Schedule	12 annual installments from 21.10.2014		
5	Bond XXXI			
	Gross loan opening	4900.00	4900.00	4900.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	4900.00	4900.00	4900.00
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	408.33
	Net Loan-Closing	4900.00	4900.00	4491.67
	Average Loan	4900.00	4900.00	4695.83
	Rate of Interest	8.90%	8.90%	8.90%
	Interest	436.10	436.10	417.93
	Rep Schedule	12 annual installments from 25.02.2014		
6	Bond XXXII			
	Gross loan opening	100.00	100.00	100.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	100.00	100.00	100.00
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	8.33
	Net Loan-Closing	100.00	100.00	91.67
	Average Loan	100.00	100.00	95.83
	Rate of Interest	8.84%	8.84%	8.84%
	Interest	8.84	8.84	8.47
	Rep Schedule	12 annual installments from 29.03.2014		
7	Bond XXX			
	Gross loan opening	5000.00	5000.00	5000.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	5000.00	5000.00	5000.00
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	416.67
	Net Loan-Closing	5000.00	5000.00	4583.33
	Average Loan	5000.00	5000.00	4791.67
	Rate of Interest	8.80%	8.80%	8.80%
	Interest	440.00	440.00	421.67
	Rep Schedule	12 annual installments from 29.09.2013		
8	Bond XXXV			
	Gross loan opening	3386.00	3386.00	3386.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	3386.00	3386.00	3386.00
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00
	Net Loan-Closing	3386.00	3386.00	3386.00
	Average Loan	3386.00	3386.00	3386.00
	Rate of Interest	9.64%	9.64%	9.64%
	Interest	326.41	326.41	326.41
	Rep Schedule	12 annual installments from 31.05.2015		
	Total Loan			
	Gross loan opening	29284.00	29284.00	29284.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	250.00



Net Loan-Opening	29284.00	29284.00	29034.00
Additions during the year	0.00	0.00	0.00
Repayment during the year	0.00	250.00	1083.33
Net Loan-Closing	29284.00	29034.00	27950.67
Average Loan	29284.00	29159.00	28492.33
Rate of Interest	8.9144%	8.9129%	8.9107%
Interest	2610.48	2598.90	2538.87

