

CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

Petition No. 30/TT/2011

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

Date of Hearing: 15.12.2011

Date of Order: 24 .2.2012

In the matter of:

Approval under Regulation 86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations 1999 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2009 for determination of transmission tariff for LILO connectivity to DVC's ANDAL TPS through 400 KV D/C Durgapur Jamshedpur transmission line associated with transmission system for ERSS-I in Eastern Region from date of commercial operation (1.2.2011) to 31.3.2014.

And

In the matter of:

PowerGrid Corporation of India Ltd., Gurgaon**Petitioner**

Vs

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

The following were present:

1. Shri S.S. Raju, PGCIL
2. Shri Rajeev Gupta, PGCIL
3. Shri R.B. Sharma, Advocate for JSEB



ORDER

Power Grid Corporation of India Limited (PGCIL) has filed this petition seeking determination of transmission tariff of LILO connectivity to DVC's ANDAL TPS through 400 KV D/C Durgapur Jamshedpur transmission line associated with transmission system for ERSS-I in Eastern Region (hereinafter referred to as "transmission asset") from 1.2.2011 (date of commercial operation) to 31.3.2014 based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulation 2009 (hereinafter referred to as "2009 regulations").

2. The details of asset covered in the petition and their date of commercial operation are as under:-

Sr. No.	Asset	Date of commercial operation	Length (in kms.)
Transmission Lines:			
1	LILO Connectivity to DVC's Andal TPS through 400 kV D/C Durgapur-Jamshedpur Tr. Line	1.2.2011	18.977 (twin conductor) +0.197 (single conductor)

3. The administrative approval and expenditure sanction to the transmission project was accorded by Ministry of Power, Government of India, vide letter No.12/4/2005-PG dated 4.10.2006 for ₹ 97596 lakh, including IDC of ₹ 4572 lakh (based on 2rd Quarter, 2006 price level).

4. The date of commercial operation was 1.2.2011. The tariff is sought for only 19 km portion of the 400 kV D/C Durgapur-Jamshedpur Transmission Line (187 km.) which has been declared under commercial operation to facilitate start up power to DVC's Andal Generating Station.



5. Details of the transmission charges claimed by the petitioner are given below:-

(₹ in lakh)				
Asset				
	2010-11 (Pro-rata for 2 months)	2011-12	2012-13	2013-14
Depreciation	18.22	122.07.	134.79	134.79
Interest on Loan	6.78	43.45	44.02	39.32
Return on equity	18.10	121.24	133.88	133.88
Interest on Working Capital	0.96.	6.37	6.92	6.87
O & M Expenses	2.11	13.36	14.12	14.93
Total	46.17	306.49	333.73	329.79

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

(₹ in lakh)				
Asset				
	2010-11 (Pro-rata for 2 months)	2011-12	2012-13	2013-14
Maintenance Spares	1.90	2.00	2.12	2.24
O & M expenses	1.06	1.11	1.18	1.24
Receivables	46.17	51.08	55.62	54.97
Total	49.13	54.19	58.92	58.45
Interest	0.96	6.37	6.92	6.87
Rate of Interest	11.75%	11.75%	11.75%	11.75%

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 Bihar State Electricity Board (BSEB), Respondent No.1.

8. BSEB in its reply, vide its affidavit dated 21.12.2011, has mainly raised the issue of contingency arrangement to supply power to DVC, application and

filling fee, license fee, revision of O&M norms and levies and duties, issue of grossing up the rate of return based on the tax rate of the respective years.

9. The petitioner in its rejoinder, dated 23.1.2012, has clarified all the issues raised by the BSEB.

10. Having heard the representatives of the parties and perused the material on records, 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.

TIME OVER RUN

11. In the instant petition, tariff is sought for only 19 km. portion, of the 400 kV D/C Durgapur- Jamshedpur Transmission Line (187 km.), which has been declared under commercial operation to facilitate start-up power to DVC's Andal Generating station.

12. The petitioner, vide affidavit dated 12.10.2011, has submitted that as per investment approval the 400 kV D/C Durgapur-Jamshedpur Transmission Line associated with transmission system for ERSS-I was to be commissioned within 36 months from the date of investment approval i.e. by October, 2009. However, due to ROW problem the construction of line was not completed. As per the decision taken in 14th meeting of ERPC held on 11.6.2010, a portion of about 19 km. of one the circuits of the transmission line has been LILLOed at DSTPP (Andal) to provide start up power for new 500 MW unit.

13. The petitioner submitted that the delay is mainly due to delay in forest clearance and delay in clearance for railway crossing. The forest clearance was received in 10.5.2011 and clearance for railway crossing was received on 7.1.2011. The line was charged on 22.1.2011. The reason for delay is beyond the control of petitioner and therefore the delay of 16 months has been condoned.

CAPITAL COST

14. As regards capital cost, Regulation 7(1) of the 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.”

15. The total estimated completion cost for the asset has been projected as ₹ 2552.92 lakh against the total approved cost of the assets as ₹ 2166.92 lakh. The petitioner in its affidavit has submitted that there is no separate cost approval from the competent authority for the 19 km. portion. The investment approval for the ERSS-1 scheme (of which the 400 kV Jamshedpur-Durgapur Transmission Line is a part) had been submitted. The cost of the subject asset (19 km portion) has been arrived by calculating the actual quantity used in that portion of the line and their corresponding rate has been taken from the purchase order placed for the construction of 400kV Durgapur-Jamshedpur Transmission Line. It was also submitted that this part of the line would be clubbed with the remaining part of the line for tariff when the same is commissioned.

16. The respondent, BSEB, in its reply has submitted that the contingency arrangement to start up the power requirement of DVC would mean extra capital expenditure of ₹386.00 lakh over and above the apportioned approved cost of ₹2166.92 lakh.

17. PGCIL in its rejoinder has submitted that the contingency arrangement is a temporary arrangement and shall be used till the ROW problem is solved. It has also been submitted that the expenditure of this part of original Durgapur-Jamshedpur line and this temporary arrangement would not continue indefinitely and shall be reverted back to the original proposal covered under the scope of this petition.

18. The transmission asset constituting 19 km. portion of the 400 kV Durgapur-Jamshedpur Transmission Line has been commissioned as an interim arrangement and as such the final approved cost of the asset is not available. The cost as given by the petitioner has been considered as interim capital cost of the 19 km line and has been considered for the purpose of tariff calculations. The final capital cost of the asset shall be determined after completion of the whole line.

19. Petitioner, vide Auditor's Certificate dated 4.2.2011, has claimed capital expenditure of ₹ 2070.86 lakh and the same has been considered for the purpose of tariff determination for 2009-14 period.

20. Details of apportioned approved cost as on the actual date of commercial operation and estimated additional capitalization projected to be incurred for the assets covered in this petition are given overleaf:-

Particulars	Cost as on DOCO 1.2.2011	Projected capital Expenditure		Estimated Completion Cost
		From DOCO to 31.3.11	2011-12	
LILO Connectivity to DVC's ANDAL TPS through 400 KV D/C Durgapur Jamshedpur T/L	2070.86	0.00	482.06	2552.92

Petitioner, vide affidavit dated 10.6.2011, has submitted that initial spares included in the capital cost as on date of commercial operation is NIL.

ADDITIONAL CAPITAL EXPENDITURE

21. As per Regulation 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”

22. As per Regulations 2009,

“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 31.3.2014

23. We are convinced that the additional capital expenditure claimed by the petitioner falls within the cut-off date. Hence, the additional capital expenditure of ₹482.06 lakh for 2011-12, has been considered for the purpose of tariff calculation.

DEBT- EQUITY RATIO

24. 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."

25. The details of debt-equity ratio of assets considered for the purpose of tariff calculation as on date of commercial operation is as under:-

Capital cost as on 1.2.2011		
	Amount (₹ in lakh)	%
Debt	1449.60	70.00
Equity	621.26	30.00
Total	2070.86	100.00

26. Details of debt-equity ratio of assets as on 31.3.2014 is as under:-

Capital cost as on 31.3.2014		
	Amount (₹ in lakh)	%
Debt	1787.04	70.00
Equity	765.88	30.00
Total	2552.92	100.00

27. Details of projected additional capital expenditure claimed by the Petitioner as follows:-

Additional capital expenditure for 2011-12		
	Amount (₹ in lakh)	%
Normative		
Debt	337.44	70.00
Equity	144.62	30.00
Total	482.06	100.00

RETURN ON EQUITY



28. 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 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:

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"

29. The following amount of equity has been considered for calculation of return of equity:-

Description	Equity on DOCO	Notional equity due to ACE for the period 2010-11	Total equity considered for tariff calculations for the period 2010-11	Notional equity due to ACE for the period 2011-12	Total equity considered for tariff calculation for the period 2011-12	Notional equity due to ACE for the period 2012-14	Total equity considered for tariff calculation for the period 2012-14
Asset	621.26	0.00	621.26	144.62	693.57	0.00	765.88

30. Average equity corresponding to additional capital expenditure has been considered for working out return of equity during these periods. Return on equity has been calculated as follows- $\text{Base rate}/(1-t)$, where Base Rate is 15.5% and 't' is normal tax rate for the period 2008-09 applicable to PGCIL which is under MAT i.e. 10%+ surcharge@10%+3%Education Cess.

31. Return on equity has been calculated as per Regulation 15 of the 2009 regulations with pre-tax return on equity of 17.481%.

32. Petitioner's prayer to allow grossing up the base rate of return on equity 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.

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

(₹ in lakh)				
Asset	2010-11 (Pro-rata for two months)	2011-12	2012-13	2013-14
Opening Equity	621.26	621.26	765.88	765.88
Addition due to Additional Capitalization	0.00	144.62	0.00	0.00
Closing Equity	621.26	765.88	765.88	765.88
Average Equity	621.26	693.57	765.88	765.88
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%
Tax rate for the year 2008-09 (MAT)	11.33%	11.33%	11.33%	11.33%
Rate of Return on Equity (Pre-Tax)	17.481%	17.481%	17.481%	17.481%
Return on Equity (Pre-tax)	18.10	121.24	133.88	133.88

INTEREST ON LOAN

34. 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."

35. 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) 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;
- (c) The repayment for the tariff period 2009-14 shall be deemed to be equal to the depreciation allowed for that period; and
- (d) Weighted average rate of interest on actual average loan worked out as per (i) above is applied on the notional average loan during the year to arrive at the interest on loan.

36. The methodology followed for the calculation of weighted average rate of interest in case of floating interest loans in Petition No. 132/2010 has been adopted in the instant petition. Accordingly, the interest on loan has been calculated on the basis of rate prevailing as on 1.4.2009/date of commercial operation. Any change in the rate of interest subsequently to 1.4.2009/ date of commercial operation will be considered at the time of truing up.

37. Detailed calculations of the weighted revised average rate of interest have been given in Annexure to this order.

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

(₹ in lakh)

Asset	2010-11 (Pro-rata for 2 months)	2011-12	2012-13	2013-14
Gross Normative Loan	1449.60	1449.60	1787.04	1787.04
Cumulative Repayment upto previous year	0.00	18.22	140.29	275.09
Net Loan-Opening	1449.60	1431.38	1646.75	1511.96
Addition due to additional capital expenditure	0.00	337.44	0.00	0.00
Repayment during the year	18.22	122.07	134.79	134.79
Net Loan-Closing	1431.38	1646.75	1511.96	1377.16
Average loan	1440.49	1539.07	1579.36	1444.56
Weighted average rate of interest on loan	2.8233%	2.8233 %	2.7872%	2.7222 %
Interest	6.78	43.45	44.02	39.32

DEPRECIATION

39. Petitioner has claimed actual depreciation as a component of Annual Fixed Charges. However, Regulation 17 (4) of the 2009 regulations provides as under:-

"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 31th 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 asset".

40. Asset in the current petition was put under commercial operation as on 1.2.2011 and accordingly will complete 12 years beyond 2013-14 and thus depreciation has been calculated annually based on Straight Line Method and at rates specified in Appendix –III of 2009 regulations.



41. Details of the depreciation worked out are as given hereunder:-

Asset	(₹ in lakh)			
	2010-11 (Pro-rata for 2 months)	2011-12	2012-13	2013-14
Opening Gross Block	2070.86	2070.86	2552.92	2552.92
Addition during 2009-14 due to additional capital expenditure	0.00	482.06	0.00	0.00
Closing Gross Block	2070.86	2552.92	2552.92	2552.92
Average Gross Block	2070.86	2311.89	2552.92	2552.92
Rate of Depreciation	5.2800%	5.2800%	5.2800%	5.2800%
Depreciable Value	1863.77	2080.70	2297.63	2297.63
Remaining Depreciable Value	1863.77	2062.48	2157.34	2022.54
Depreciation	18.22	122.07	134.79	134.79

OPERATION & MAINTENANCE EXPENSES

42. 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 given as under:-

Element	2010-11 (Pro-rata for 2 months)	2011-12	2012-13	2013-14
400 kV, D/C twin conductor, T/Line (₹ Lakh / kms.)	0.663	0.701	0.741	0.783
400 kV, D/C single conductor, T/Line (₹ Lakh / kms.)	0.284	0.301	0.318	0.336

43. As per the above mentioned norms the allowable operation and maintenance expenses for the assets covered in the petition work out as under:-

(₹ in lakh)

Element	2010-11	2011-12	2012-13	2013-14
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	(Pro-rata for 2 months)			
18.977 kms, 400 kV, D/C twin conductor , T/Line	2.10	13.30	14.06	14.86
0.197 kms. 400 kV, D/C single conductor , T/Line	0.01	0.06	0.06	0.07
Total O&M Expenditure	2.11	13.36	14.12	14.93

44. The Petitioner has submitted that O&M expenditure for 2009-14 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 tariff period 2009-14. The petitioner has submitted that it would approach the Commission for suitable revision in the norms for O&M expenditure in case the impact of wage hike w.e.f 1.1.2007 is more than 50%. BSEB in its reply has submitted that any further increase in employee cost due to wage revision must be taken care by the petitioner by increasing its productivity, so that the beneficiaries are not unduly burdened over and above the provisions made in 2009 regulations. It is clarified that, if any, application for revision of norms of O&M expenditure is filed by the petitioner in future it will be dealt with in accordance with law.

INTEREST ON WORKING CAPITAL

45. As per the 2009 regulations the components of the working capital and the interest thereon are discussed are as under:-

(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: In these calculations, the SBI base rate (7.50%) plus 350 Bps i.e. 11.00% has been considered in accordance with the 2009 regulations, as amended vide the second amendment regulations notified in June 2011, for calculating interest on working capital.

46. Necessary computations in support of interest on working capital are as under:-

(₹ in lakh)

Asset	2010-11 (pro-rata for two months)	2011-12	2012-13	2013-14
Maintenance Spares	1.90	2.00	2.12	2.24
O & M expenses	1.06	1.11	1.18	1.24
Receivables	46.11	51.01	55.55	54.89
Total	49.07	54.13	58.84	58.38
Rate of interest	11.00%	11.00%	11.00%	11.00%
Interest	0.90	5.95	6.47	6.42

TRANSMISSION CHARGES

47. The transmission charges being allowed for the transmission lines are summarized as under:-

Asset	2010-11 (pro-rata for two months)	2011-12	2012-13	2013-14
Depreciation	18.22	122.07	134.79	134.79
Interest on Loan	6.78	43.45	44.02	39.32
Return on equity	18.10	121.24	133.88	133.88
Interest on Working Capital	0.90	5.95	6.47	6.42
O & M Expenses	2.11	13.36	14.12	14.93
Total	46.11	306.08	333.29	329.35

FILING FEE AND THE PUBLICATION EXPENSES

48. The respondent, BSEB has submitted that the petitioner's request for reimbursement of application filing fee and the expenses incurred on publication of notices may be rejected as per the Commission's order dated 11.9.2008 in Petition No.129/2005. It is clarified that the order dated 11.9.2008 is applicable for the tariff block 2004-09. As regards the tariff period 2009-14, the Commission has allowed reimbursement of filing fee in its order dated 11.1.2010 in Petition No. 109/2009. Accordingly, the petitioner shall be entitled to recover the filing fee and publication expenses from the beneficiaries on pro-rata basis.

SERVICE TAX

49. The petitioner has made a 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 and accordingly this prayer is rejected.

LICENSE FEE

50. The petitioner has submitted that in O&M norms for tariff block 2009-14, the cost associated with license fees had not been captured and the license fee may be allowed to be recovered separately from the respondents. The respondent, BSEB has submitted that the petitioner's request for reimbursement for license fee should be rejected as license fee forms part of the O&M expenses and as there is no specific provision for recovery of license fee in the 2009 regulations. It is clarified that reimbursement of license fee shall be dealt with in accordance with our order dated 25.10.2011 in Petition No.21/2011 and 22/2011.

SHARING OF TRANSMISSION CHARGES

51. The respondent BSEB, in its reply, has submitted that the petitioner has not disclosed whether the temporary arrangement as contemplated would continue indefinitely or the same would be reverted back to the original proposal as and when ROW problem is resolved in the construction of the Durgapur-Jamshedpur D/C Transmission Line. BSEB further submitted that the contingency arrangement was undertaken by the petitioner at the behest of DVC, so the entire expenses should be borne by DVC.

52. The petitioner has submitted, vide affidavit dated 12.10.2011, that the asset under consideration was commissioned as an interim arrangement and it is part of originally planned 400 kV Durgapur-Jamshedpur D/C Line. As per decision in 14th ERPC meeting, DVC will pay the transmission charges for this contingency arrangement till date of commercial operation of the 1st unit. It was also submitted that the scheme was also discussed in the 18th TCC/ERPC meeting and it was agreed that the subject scheme shall be considered as a regional scheme.

53. Tariff for the transmission asset shall be borne by DVC till commercial operation of 1st unit of DSTPS (Andal) by DVC and thereafter the tariff shall be shared by the respondents in accordance with the CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010.

54. This order disposes of Petition No. 30/TT/2011.

Sd/-
(M. Deena Dayalan)
Member

Sd/-
(V.S. Verma)
Member

Sd/-
(S. Jayaraman)
Member

ANNEXURE

CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN

		(₹ in Lacs)			
	Details of Loan	2010-11	2011-12	2012-13	2013-14
1	IBRD IV ADDL				
	Gross loan opening	321.97	321.97	321.97	321.97
	Cumulative Repayment up to DOCO/previous year	0.00	0.00	0.00	5.44



	Net Loan-Opening	321.97	321.97	321.97	316.53
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	5.44	10.98
	Net Loan-Closing	321.97	321.97	316.53	305.55
	Average Loan	321.97	321.97	319.25	311.04
	Rate of Interest	1.96%	1.96%	1.96%	1.96%
	Interest	6.31	6.31	6.26	6.10
	Rep Schedule	52 half yearly I installments from 1.2.2013			
2	IBRD IV				
	Gross loan opening	927.60	927.60	927.60	927.60
	Cumulative Repayment up to DOCO/previous year	0.00	0.00	0.00	0.00
	Net Loan-Opening	927.60	927.60	927.60	927.60
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	20.53
	Net Loan-Closing	927.60	927.60	927.60	907.07
	Average Loan	927.60	927.60	927.60	917.33
	Rate of Interest	1.72%	1.72%	1.72%	1.72%
	Interest	15.95	15.95	15.95	15.78
	Rep Schedule	30 half yearly I installments from 15.11.2013			
3	Bond XXVIII				
	Gross loan opening	200.00	200.00	200.00	200.00
	Cumulative Repayment up to DOCO/previous year	0.00	0.00	0.00	16.67
	Net Loan-Opening	200.00	200.00	200.00	183.33
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	16.67	16.67
	Net Loan-Closing	200.00	200.00	183.33	166.67
	Average Loan	200.00	200.00	191.67	175.00
	Rate of Interest	9.33%	9.33%	9.33%	9.33%
	Interest	18.66	18.66	17.88	16.33
	Rep Schedule	12 annual installments from 15.12.2012			
	Total Loan				
	Gross loan opening	1449.57	1449.57	1449.57	1449.57
	Cumulative Repayment up to DOCO/previous year	0.00	0.00	0.00	22.11
	Net Loan-Opening	1449.57	1449.57	1449.57	1427.46
	Additions during the year	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	22.11	48.18
	Net Loan-Closing	1449.57	1449.57	1427.46	1379.29
	Average Loan	1449.57	1449.57	1438.52	1403.37
	Rate of Interest	2.8233%	2.8233%	2.7872%	2.7222%
	Interest	40.93	40.93	40.09	38.20

