

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 146/TT/2011

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

Date of Hearing: 23.2.2012

Date of Order:9.7.2012

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 from date of commercial operation to 31.3.2014 for 500 MVA 400/220KV ICT-II along with associated bays at Lucknow sub-station (anticipated date of commercial operation 1.12.2011) under Northern Region System Strengthening Scheme-XXIII for tariff block 2009-14 period in Northern Region.

And

In the matter of:

Power Grid Corporation of India Ltd., Gurgaon **.....Petitioner**

Vs

Uttar Pradesh Power Corporation Ltd., Lucknow **.....Respondent**

The following were present:

1. Shri. S.S. Raju, PGCIL
2. Shri. Rajeev Gupta, PGCIL
3. Shri Prashant Sharma, PGCIL
4. Shri M.M. Mondal, PGCIL
5. Shri R.B. Sharma, Advocate, BRPL , BSEB and JSEB



ORDER

This petition has been filed by Power Grid Corporation of India Limited (PGCIL) for determination of transmission tariff from date of commercial operation to 31.3.2014 for 500 MVA 400/220kV ICT-II along with associated bay at Lucknow sub-station under Northern Region System Strengthening Scheme-XXIII (NRSS-XXIII) (hereinafter referred to as "transmission assets") for tariff block 2009-14 period under Regulation 86 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2009 (hereinafter referred to as "2009 regulations").

2. The investment approval for the transmission scheme was accorded vide memorandum dated 10.12.2009 by the Board of Directors of PGCIL. The estimated cost of the project is ₹10972 lakh, including IDC of ₹641 lakh, based on 2nd quarter of 2009 price level. The scope of work covered under the transmission scheme includes construction of following transmission assets:-

Sub-Stations:-

- 1) Maharanibagh 400/220 kV GIS sub-station (Extension) -2x500 MVA,400/220 kV Transformer;
 - 2) Bahadurgarh 400/220 kV sub-station (Extension)-1X500 MVA,400/220kV Transformer;
 - 3) Lucknow 400/220 kV sub-station (Extension)-1X500 MVA, 400/220 kV Transformer.
3. The details of assets covered in the petition and their date of commercial operation are given overleaf:-



Sr. No.	Element	Date of commercial operation (actual)
Sub-Station/ bays: Lucknow Sub-Station:		
1	400 kV ICT-II, bay	1.2.2012
2	220 kV ICT-II, bay	1.2.2012
3	220 Line-III, bay	1.2.2012
4	220 Line-IV, bay	1.2.2012
5	220 Line-V, bay	1.2.2012
6	220 Line-VI, bay	1.2.2012

4. The petitioner initially has claimed transmission tariff as per anticipated date of commercial operation i.e. 1.12.2011. However, petitioner during the hearing on 23.2.2012 informed that the actual date of commercial operation of the assets covered in the instant petition as 1.2.2012. Petitioner was directed, vide ROP dated 23.2.2012, to submit the revised expenditure details as per the actual date of commercial operation for the purpose of determination of tariff. The petitioner submitted the revised expenditure details and the Management's Certificate vide affidavit dated 30.5.2012. Accordingly, actual date of commercial operation has been considered for the purpose of determination of transmission tariff.

5. The petition covers determination of transmission tariff based on actual expenditure incurred upto date of commercial operation and additional capital expenditure projected to be incurred from date of commercial operation to 31.3.2013 for the above mentioned transmission assets.

6. The details of apportioned approved cost as on actual date of commercial operation and projected additional capital expenditure projected to be incurred for the

assets covered in this petition, as per Management certificate vide affidavit dated 31.5.2012, is summarized below:-

(₹ in lakh)

Name of Asset	Apportioned approved cost	Actual cost claimed as date of commercial operation	Projected expenditure		Total estimated completion Cost
			Date of commercial operation to 31.3.2013	2012-13	
500MVA 400/220kV ICT-II along with associated bays at Lucknow sub-station (herein after referred as "transmission asset")	2417.45	1945.84*	176.60	265.14	2387.58

* including initial spares of ₹79.98 lakh pertaining to sub-station which has been dealt under the head of "Treatment of Initial Spares".

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

(₹ in lakh)

Particulars	2011-12 (pro- rata)	2012-13	2013-14
Depreciation	33.07	117.44	124.20
Interest on Loan	39.05	131.87	129.10
Return on equity	34.58	122.45	129.38
Interest on Working Capital	7.03	23.04	24.13
O & M Expenses	87.86	278.62	294.56
Total	201.59	673.42	701.37

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

(₹ in lakh)

Particulars	2011-12 (pro- rata)	2012-13	2013-14
Maintenance Spares	39.54	41.79	44.18
O & M expenses	21.97	23.22	24.55
Receivables	100.80	112.24	116.90
Total	162.31	177.25	185.63
Interest	7.03	23.04	24.13
Rate of Interest	13%	13%	13%

9. 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. Uttar Pradesh Power Corporation Limited (UPPCL) has raised the issue of additional return on equity, capital cost, filing fee, service tax, licence fee and O& M expenses. These objections have been dealt with in relevant paragraphs of this order.

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

TIME OVER RUN

11. As per investment approval, the transmission asset was scheduled to be commissioned within 24 months from the date of investment approval i.e. by December, 2011 and thus the schedule date of commercial operation was 1.1.2012. However, the actual date of commercial operation of the transmission asset was 1.2.2012. Thus, there has been a delay of one month in commissioning of the asset. The petitioner submitted, in its affidavit dated 16.5.2012, that at the location at which the transformer was to be erected, there was an 80 MVAR reactor foundation which was to be dismantled and it took time. The petitioner requested to condone the delay of one month and allow tariff as claimed. The reason for one month delay seems to be justified and hence the delay is condoned.

TREATMENT OF INITIAL SPARES

12. The petitioner has claimed initial spares of ₹79.98 lakh. As per the Regulation 8 of the 2009 tariff regulation, initial spares for the sub-station works out to ₹54.99 lakh and it is excess of ₹24.99 lakh. Accordingly, excess initial spares of ₹24.99 lakh



has been deducted from the cost of sub-station as on date of commercial operation.

Details of the initial spares worked out for the transmission assets are as under:-

Cost as on the cut-off date pertaining to sub-station	Initial spares claimed	Ceiling limits as per Regulation 8 of 2009 tariff regulations	Initial spares worked out	Excess initial spare claimed
(a)	(b)	(c)	$(d) = ((a) - (b) * (c) / (100\% - (c)))$	$(e) = (d) - (b)$
2224.63	79.98	2.50%	54.99	(24.99)

CAPITAL COST

13. As regards capital cost, Regulation 7(1) (a) of the 2009 tariff regulations provides that:-

“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.”

14. The petitioner has claimed capital cost of ₹1945.84 lakh as on date of commercial operation vide Management’s certificate dated 25.5.2012. Capital cost of ₹1920.85 lakh (excluding excess Initial Spares as showed above under the head of “Treatment of Initial Spares”) as on the date of commercial operation has been considered for the purpose of tariff calculation. The details of the capital cost considered for the purpose of tariff calculation is as under:-

Capital cost claimed as on date of commercial operation	Excess initial spares disallowed	Capital cost considered as on date of commercial operation for tariff determination
1945.84	24.99	1920.85

15. The UPPCL, in its reply, has submitted that additional capital expenditure claimed by the petitioner may not be allowed as the actual date of commercial operation has not been confirmed. It is clarified that the actual date of commercial operation is 1.2.2012 and hence the capital cost as on the date of commercial operation and projected additional capital expenditure is allowed as stated above.

PROJECTED ADDITIONAL CAPITAL EXPENDITURE

16. As per Regulation 9 (1) of 2009 tariff 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”

18. 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 31.3.2013.

19. Petitioner has claimed projected additional capital expenditure of ₹176.60 lakh and ₹265.14 lakh for the year 2011-12 (date of commercial operation to 31.03.2012) and 2012-13 respectively. Projected 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

20. Regulation 12 of the 2009 tariff 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."

21. The details of debt-equity of asset considered for the purpose of tariff calculation as on the date of commercial operation is given below:-

(₹ in lakh)

Asset		
Capital cost as on 1.2.2012		
Particulars	Amount	%
Debt	1344.60	70.00
Equity	576.25	30.00
Total	1920.85	100.00

22. The detail of debt-equity ratio as on 31.3.2014 are as follows:-

(₹ in lakh)

Asset		
Capital cost as on 31.3.2014		
Particulars	Amount	%
Debt	1653.82	70.00
Equity	708.78	30.00
Total	2362.59	100.00

23. Details of projected additional capital expenditure claimed by petitioner are given overleaf:-

(₹ in lakh)		
Particulars	Amount	%
	Normative	
	Additional capital expenditure for 2011-12	
Debt	123.62	70
Equity	52.98	30
Total	176.60	100.00
	Additional capital expenditure for 2012-13	
Debt	185.60	70.00
Equity	79.54	30.00
Total	265.14	100.00

RETURN ON EQUITY

24. Regulation 15 of the 2009 tariff 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:

(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"

25. The petitioner has claimed an additional return on equity (RoE) of 0.5% on the basis of the anticipated date of commercial operation of 1.12.2011 and as the transmission assets were anticipated to be commissioned within 24 months from the date of investment approval i.e. 10.12.2009.

26. The respondent, UPPCL in its reply submitted that as per Regulation 15 of 2009 tariff regulations additional return is only payable only when a complete project is actually put on commercial operation within scheduled time and certainly not in case of anticipated date of commercial operation. UPPCL has also submitted that the anticipated date of commercial operation of a project cannot be considered for additional return on equity.

27. The actual date of commercial operation of the subject asset was 1.2.2012. Thus, the transmission asset was not completed within 24 months as claimed by the petitioner. Therefore, the petitioner's claim of additional return on equity of 0.5 % on the ground of completion of the transmission asset within 24 months of the investment approval is not admissible and hence rejected.

28. Accordingly, the following amount of equity has been considered for calculation of return of equity:-

(₹ In lakh)						
Equity on date of commercial operation	Notional equity due to additional capital expenditure for the period 2011-12	Average equity considered for tariff calculations for the period 2011-12	Equity due to additional capital expenditure for 2012-13	Average equity considered for tariff calculations for the period 2012-13	Equity due to additional capital expenditure for 2013-14	Average equity considered for tariff calculations for the period 2012-13
576.25	52.98	602.74	79.54	669.00	0.00	708.78

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

Particulars	(₹ in lakh)		
	2011-12 (pro- rata)	2012-13	2013-14
Opening Equity	576.25	629.23	708.78
Addition due to Additional Capital expenditure	52.98	79.54	0.00
Closing Equity	629.23	708.78	708.78
Average Equity	602.74	669.00	708.78
Return on Equity (Base Rate)	15.50%	15.50%	15.50%
Tax rate for the year 2008-09 (MAT)	11.33%	11.33%	11.33%
Rate of Return on Equity (Pre Tax)	17.481%	17.481%	17.481%
Return on Equity (Pre Tax)	17.56	116.95	123.90

INTEREST ON LOAN

30. Regulation 16 of the 2009 tariff 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."

31. The respondent, UPPCL has submitted that there appears no case for the petitioner to pray for floating rate of interest which entails the avoidable element of risk of increase in the rate of interest to which consumer may be exposed. UPPCL has requested to reject the petitioner's request for floating rate of interest.

32. In these calculations, interest on loan has been worked out as detailed here under:-

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

- (iv) 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.

33. 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 rate of interest subsequent to 1.4.2009/date of commercial operation will be considered at the time of truing up.

34. Detailed calculations of the weighted revised average rate of interest are given in Annexure to this order.

35. Details of the interest on loan worked on the above basis are given hereunder:-

Particulars	(₹ in lakh)		
	2011-12 (pro rata)	2012-13	2013-14
Gross Normative Loan	1344.60	1468.22	1653.82
Cumulative Repayment upto Previous Year	0.00	17.15	131.74
Net Loan-Opening	1344.60	1451.06	1522.08
Addition due to Additional Capital expenditure	123.62	185.60	0.00
Repayment during the year	17.15	114.58	121.58
Net Loan-Closing	1451.06	1522.08	1400.49
Average Loan	1397.83	1486.57	1461.29
Weighted Average Rate of Interest on Loan	8.8625%	8.8616%	8.8617%
Interest	20.65	131.73	129.49

DEPRECIATION

36. Regulation 17 (4) of the 2009 tariff 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".

37. Assets in the instant petition were put under commercial operation on 1.2.2012 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 tariff regulations.

38. Details of the depreciation worked out are given below:-

Asset	(₹ in lakh)		
	2011-12 (pro rata for one month)	2012-13	2013-14
Opening Gross Block (as on date of commercial operation)	1920.85	2097.45	2362.59
Addition during 2009-14 due to Projected Additional Capitalisation	176.60	265.14	0.00
Closing Gross Block	2097.45	2362.59	2362.59
Average Gross Block	2009.15	2230.02	2362.59
Rate of Depreciation	5.1227	5.1382	5.1462
Depreciable Value	1808.24	2007.02	2126.33
Remaining Depreciable Value	1808.24	1989.87	1994.59
Depreciation	17.15	114.58	121.58

OPERATION & MAINTENANCE EXPENSES

39. Clause (g) of Regulation 19 of the 2009 tariff regulations prescribed the norms for operation and maintenance expenses based on the type of sub-station and line.

The norms for the assets covered in this petition are given overleaf:-

Element	2009-10	2010-11	2011-12	2012-13	2013-14
400 kV, bay (₹ lakh / bay)	52.40	55.40	58.57	61.92	65.46
220 kV, bay (₹ lakh / bay)	36.68	38.78	41.00	43.34	45.82

40. As per the existing norms of 2009 tariff regulations, allowable O&M expenses for the assets covered in this petition are as under:-

Element	2009-10	2010-11	2011-12 (pro-rata for 2 months)	(₹ lakh)	
				2012-13	2013-14
1 no., 400 kV, bay	Nil	Nil	9.76	61.92	65.46
5 nos., 400 kV, bays	Nil	Nil	34.14	216.70	229.10
Total O&M Expenditure	Nil	Nil	43.93	278.62	294.56

41. The respondent, UPPCL has submitted that the O&M should be allowed only as per existing norms.

42. The petitioner has submitted that the O&M expenses 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 expenses for tariff period 2009-14. The petitioner has also submitted that it would approach Commission for suitable revision in the norms for O&M expenses in case the impact of wage hike w.e.f 1.1.2007 is more than 50%.

43. 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. It is further clarified that O&M expenses are allowed as per existing norms.

INTEREST ON WORKING CAPITAL

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

(i) Receivables: As per Regulation 18(1) (c) (i) of the 2009 tariff 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 tariff 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 tariff regulations provides for operation and maintenance expenses for one month of the recommended O & M expenses.

(iv) Rate of interest on working capital: In the calculations, as per Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (Second

Amendment) Regulations, 2011 dated 21.6.2011, SBI Base Rate (8.25%) Plus 350Bps i.e. 11.75% has been considered as the rate of interest on working capital.

45. Necessary computations in support of interest on working capital are appended hereunder:-

Particulars	(₹ in lakh)		
	2011- 12 (pro- rata)	2012-13	2013-14
Maintenance Spares	39.54	41.79	44.18
O & M expenses	21.97	23.22	24.55
Receivables	102.50	110.42	115.19
Total	164.01	175.43	183.92
Interest	3.21	20.61	21.61

TRANSMISSION CHARGES

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

Particulars	(₹ in lakh)		
	2011-12 (pro rata)	2012-13	2013-14
Depreciation	17.15	114.58	121.58
Interest on Loan	20.65	131.73	129.49
Return on equity	17.56	116.95	123.90
Interest on Working Capital	3.21	20.61	21.61
O & M Expenses	43.93	278.62	294.56
Total	102.50	662.50	691.15

FILING FEE AND THE PUBLICATION EXPENSES

47. The petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses. The respondent, UPPCL has, submitted that the filing fee shall be governed as per the Commission's orders. In accordance with the

Commission's order dated 11.1.2010 in Petition No. 109/2009, the petitioner shall be entitled to recover the filing fee directly from the beneficiaries on pro-rata basis. The petitioner shall also be entitled for reimbursement of the publication expenses in connection with the present petition, directly from the beneficiary on pro-rata basis.

LICENCE FEE

48. The petitioner has submitted that in O&M expenses 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.

49. The respondent, UPPCL has submitted that the petitioner's request for reimbursement for licence fee should be rejected as license fee is the eligibility fee of a licence holder and it is the onus of the petitioner. The petitioner's prayer for licence fee shall be dealt with in accordance with our order dated 25.10.2011 in Petition No. 21/2011 and 22/2011.

SERVICE TAX

50. 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. The respondent, UPPCL has objected to levying of service tax on the beneficiaries and the petitioner's request for recovery of service tax is premature. We consider petitioner's prayer pre-mature and accordingly this prayer is rejected.

SHARING OF TRANSMISSION CHARGES

51. With effect from 1.7.2011, the billing, collection & disbursement of the transmission charges shall be governed by the provision of Central Electricity Regulatory Commission (sharing of inter-state transmission charges and losses) Regulations, 2010 as amended from time to time.

52. This order disposes of Petition No.146/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 lakh)		
	Details of Loan	2011-12	2012-13	2013-14
1	Bond- XXXII			
	Gross loan opening	150.00	150.00	150.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	150.00	150.00	150.00
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	12.50
	Net Loan-Closing	150.00	150.00	137.50
	Average Loan	150.00	150.00	143.75
	Rate of Interest	8.84%	8.84%	8.84%
	Interest	13.26	13.26	12.71
	Rep Schedule	12 Annual instalments from 29.03.2014		
2	Bond-XXXIV			
	Gross loan opening	1172.00	1172.00	1172.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	1172.00	1172.00	1172.00
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00
	Net Loan-Closing	1172.00	1172.00	1172.00
	Average Loan	1172.00	1172.00	1172.00
	Rate of Interest	8.84%	8.84%	8.84%
	Interest	103.60	103.60	103.60
	Rep Schedule	12 Annual instalments from 21.10.2014		
3	Bond-XXXV			
	Gross loan opening	40.09	40.09	40.09



	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	40.09	40.09	40.09
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00
	Net Loan-Closing	40.09	40.09	40.09
	Average Loan	40.09	40.09	40.09
	Rate of Interest	9.64%	9.64%	9.64%
	Interest	3.86	3.86	3.86
	Rep Schedule	12 Annual instalments from 31.05.2015		
4	Bond- XXXIV (Addcap for 2011-12)			
	Gross loan opening	0.00	123.62	123.62
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	0.00	123.62	123.62
	Additions during the year	123.62	0.00	0.00
	Repayment during the year	0.00	0.00	0.00
	Net Loan-Closing	123.62	123.62	123.62
	Average Loan	61.81	123.62	123.62
	Rate of Interest	8.84%	8.84%	8.84%
	Interest	5.46	10.93	10.93
	Rep Schedule	12 Annual instalments from 08.07.2014		
	Total Loan			
	Gross loan opening	1362.09	1485.71	1485.71
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	1362.09	1485.71	1485.71
	Additions during the year	123.62	0.00	0.00
	Repayment during the year	0.00	0.00	12.50
	Net Loan-Closing	1485.71	1485.71	1473.21
	Average Loan	1423.90	1485.71	1479.46
	Rate of Interest	8.8625%	8.8616%	8.8617%
	Interest	126.19	131.66	131.10