

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 76/TT/2012

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

**Date of Hearing: 23.07.2013
Date of Order : 31.12.2013**

In the matter of:

Approval of transmission charges for Additional Special Energy Meters in Northern Region for the period from 1.4.2009 to 31.3.2014

And

In the matter of:

Power Grid Corporation of India Ltd.,
Saudamini, Plot No.2,
Sector 29,Gurgaon-122001

...Petitioner

Vs

1. Chairman,
Uttar Pradesh Power Corporation Limited,
(Formally Uttar Pradesh State Electricity Board),
Shakti Bhawan, 14, Ashok Marg,
Lucknow-226001
2. Chairman,
Rajasthan Rajya Vidyut Prasaran Nigam Limited,
Vidyut Bhawan, Vidyut Marg,
Jaipur-302005
3. Managing Director,
Ajmer Vidyut Vitran Nigam Ltd.,
400 KV GSS Building (Ground Floor),
Ajmer Road, Heerapura, Jaipur
4. Managing Director,
Jaipur Vidyut Vitran Nigam Ltd.,
400 KV GSS Building (Ground Floor),
Ajmer Road, Heerapura, Jaipur



5. Managing Director,
Jodhpur Vidyut Vitran Nigam Ltd.,
400 KV GSS Building (Ground Floor), Ajmer Road,
Heerapura, Jaipur
6. Chairman,
Himachal Pradesh State Electricity Board, Vidyut Bhawan,
Kumar House Complex Building-II,
Shimla-171004
7. Chairman,
Punjab State Electricity Board,
The Mall, Patiala-147001
8. S.E./C&R-1,
Haryana Power Purchase Centre,
Shakti Bhawan, Sector-6,
Panchkula (Haryana) 134109
9. Commissioner,
Power Development Department,
Govt. of Jammu & Kashmir,
Mini Secretariat, Jammu
10. Chairman,
Delhi Transco Limited,
Shakti Sadan, Kotla Road,
New Delhi-110002
11. The CEO,
BSES Yamuna Power Limited,
BSES Bhawan, Nehru Place, New Delhi
12. The CEO,
BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place, New Delhi
13. The CEO,
North Delhi Power Limited,
Power Trading & Load Dispatch Group,
CENNET Building, Adjacent to 66/11 kV Pitampura-3,
GRID Building, Near PP Jewelers,
Pitampura, New Delhi-110034
14. Chief Engineer
Chandigarh Administration,
Sector-9, Chandigarh

15. Managing Director,
Uttarakhand Power Corporation Limited,
Urja Bhawan,
Kasnwali Road,
Dehradun

16. Chief Electrical Distribution Engineer,
North Central Railway,
Allahabad

17. Chairman
New Delhi Municipal Council,
Palika Kendra,
Sansad Marg, New Delhi-110001

...**Respondents**

Representatives of the petitioner : Shri S.S. Raju, PGCIL
Shri M.M. Mondal, PGCIL

Counsel/ representatives of the respondents: Shri R.B. Sharma, Advocate for BRPL
Shri T.P.S. Bawa, PSPCL

ORDER

This petition has been filed by Power Grid Corporation of India Limited (PGCIL) seeking approval for procurement of 365 Special Energy Meters (SEM) and 81 Data Collection Devices at an estimated cost of ₹160 lakh plus the balance expenditure after the completion of work as discussed and agreed in the 15th TCC and 16th NRPC Meeting for Northern Region, for tariff block 2009-14 period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as "the 2009 Tariff Regulations").

2. The petitioner, vide affidavit dated 11.6.2012, has submitted that the additional Special Energy Meters (SEMs) and Data Collection Devices (DCDs) has been agreed upon in the 15th TCC and 16th NRPC meeting held on 4.5.2010. In the earlier SEM

project of NR (covered under Petition No. 288/2010) the agreement of all the parties in 114th NREB meeting on 15.1.1998 was understood as the approval for the project. The petitioner has requested the Commission to consider the earlier case as a precedent and to consider the approval of the project in the 15th TCC and 16th NRPC Meeting for Northern Region as a formal approval of this project. During hearing on 23.7.2013, the representative of the petitioner submitted that investment approval of the Board was not obtained even in the earlier case in Petition No. 288/2010. Moreover, no investment approval has been obtained in the instant case as the expenditure involved was very small.

3. The petitioner has vide affidavit dated 25.11.2013 submitted revised auditor's certificate dated 21.11.2013 with latest capital cost and revised tariff forms. The transmission charges claimed by the petitioner as per this affidavit are as per details given hereunder:-

| (₹ in lakh) | | | |
|-----------------------------|--------------|--------------|--------------|
| Particulars | 2011-12 | 2012-13 | 2013-14 |
| Depreciation | 8.33 | 8.66 | 8.98 |
| Interest on loan | 10.11 | 9.32 | 8.92 |
| Return on equity | 8.27 | 8.60 | 8.92 |
| Interest on working capital | 0.68 | 0.68 | 0.71 |
| O & M Expenses | 3.15 | 3.46 | 3.78 |
| Total | 30.54 | 31.27 | 31.82 |

4. The details submitted by the petitioner vide affidavit dated 25.11.2013 in support of its claim for interest on working capital are given overleaf:-

(₹ in lakh)

| Particulars | 2011-12 | 2012-13 | 2013-14 |
|-------------------------|----------------|----------------|----------------|
| Maintenance Spares | 0.26 | 0.29 | 0.32 |
| O & M expenses | 0.47 | 0.52 | 0.57 |
| Receivables | 5.09 | 5.01 | 5.11 |
| Total | 5.82 | 5.82 | 6.00 |
| Interest | 0.68 | 0.68 | 0.71 |
| Rate of Interest | 11.75% | 11.75% | 11.75% |

5. 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 has been filed by Punjab State Power Corporation Limited (PSPCL), Respondent No. 7.

6. PSPCL, vide affidavits dated 15.3.2011 and 20.4.2012, has raised the issue of O&M expenses, and declaration of commercial operation. PSPCL has submitted that the petition does not contain the format/ form in which the details of various bids received is given and requested the details of these bids. PSPCL has also requested to know whether the meter testing equipment mentioned in the petition includes only the SEM testing equipment or whether it includes the testing equipments for CTs and PTs also. The petitioner has filed rejoinder to the reply of PSPCL, vide affidavit dated 19.9.2013. The objections raised by the respondent and their clarifications are dealt in relevant paragraphs of this order.

7. The matter was heard on 23.7.2013 and order was reserved. One of the Members of the Commission, who heard the matter on 23.7.2013, demitted office on 31.7.2013.

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

9. PSPCL, in its affidavit dated 24.7.2013, has submitted that in the absence of any O&M norms for Special Energy Meters, the claim of 2% is on higher side and is not acceptable. It has requested to know whether the petitioner carries out the O&M of SEMs including the testing of accuracy, and also whether the petitioner is carrying out the O&M of the CTs and PTs also, which are parts of the metering equipment. In case the accuracy of CTs and PTs is not being checked, the O&M charges should not be more than 1%. PSPCL has further submitted that the date of commercial operation (DOCO) certificate should give the summary of SEMs commissioned giving location-wise, i.e. number of SEMs in PGCIL sub-stations, in sub-stations of various generating companies and in sub-stations of other constituents. The DOCO certificate should also mention whether it includes the meter testing equipment. PSPCL has further requested to clarify whether the meter testing equipment mentioned in the petition includes only the SEM testing equipment or whether it includes the testing equipments for CTs and PTs also.

10. The petitioner, in its rejoinder vide affidavit dated 19.9.2013, has submitted that since no O&M norms are available, normative O&M charges of 2% of capital cost have been considered with annual escalation at the rate of 5.72%, which is subject to adjustment on the basis of actual expenditure towards O&M. As per prevailing practice, accuracy of CT & PT is not being checked/ covered under testing norms of

meters. PGCIL has further submitted that the equipment covered under the petition is only SEMs and DCDs and does not cover Meter Testing Equipment.

Capital cost

11. Regulation 7(1) (a) of the 2009 Tariff Regulations provides as under:-

“(1) Capital cost for a project shall include:

- (a) 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 funds deployed,-up to the date of commercial operation of the project, as admitted by the Commission, after prudence check.”

12. The petitioner has submitted Management Certificate, dated 16.6.2011, giving details of TCC/ NRPC agreed cost, cost as on date of commercial operation and additional capital expenditure to be incurred from the date of commercial operation, i.e. 1.4.2011 to 31.3.2013. The petitioner has, vide affidavit dated 25.11.2013, submitted that meter testing equipment is not covered in the capital cost of the project. The petitioner has submitted a revised auditor certificate dated 21.11.2013, giving cost as on DOCO, and additional capital expenditure to be incurred upto 31.3.2014, as per details given overleaf:-

(₹ in lakh)

| Particulars | TCC/NRPC agreed cost | Expenditure up to DOCO (1.4.2011) | Projected expenditure from 1.4.2011 to 31.3.2012 | Projected expenditure from 1.4.2012 to 31.3.2013 | Projected expenditure from 1.4.2013 to 31.3.2014 | Total estimated completion cost |
|---|-------------------------------------|-----------------------------------|--|--|--|---------------------------------|
| Special Energy Meters & Data Collection Devices | 160.00 plus the balance expenditure | 157.74 | 0.00 | 0.00 | 12.38 | 170.12 |

Projected additional capital expenditure

13. Regulation 9(1) of the 2009 Tariff Regulations provides as under:-

"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) Works deferred for execution
- (iii) Procurement of initial capital spares within the original scope of work, subject to the provisions of regulation 8;
- (iv) Liabilities to meet award of arbitration or for compliance of the order or decree of a court; and
- (v) Change in law.

Provided that the details of works included in the original scope of work along with estimates of expenditure, undischarged liabilities and the works deferred for execution shall be submitted along with the application for determination of tariff."

14. As per the 2009 Tariff Regulations,

"'cut-off date' means 31st March of the year closing after two years of the year of commercial operation of the project, and in case the project is put under commercial operation in the last quarter of a year, the cut-off date shall be 31st March of the year closing after three years of the year of commercial operation."

Therefore, the cut-off date for the above mentioned asset is 31.3.2014.

15. The additional capital expenditure claimed by the petitioner is against balance/retention and falls within the cut-off period and accordingly it is allowed.

Debt- equity ratio

16. Regulation 12 of the 2009 Tariff Regulations provides as under:-

“12. Debt-Equity Ratio (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.

Explanation- The premium, if any, raised by the generating company or the transmission licensee, as the case may be, while issuing share capital and investment of internal resources created out of its free reserve, for the funding of the project, shall be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilised for meeting the capital expenditure of the generating station or the transmission system.

(2) In case of the generating station and the transmission system declared under commercial operation prior to 1.4.2009, debt-equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2009 shall be considered.

(3) Any expenditure incurred or projected to be incurred on or after 1.4.2009 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernization expenditure for life extension shall be serviced in the manner specified in clause (1) of this regulation.”

17. The details of debt-equity ratio as on the date of commercial operation is as follows:-

(₹ in lakh)

| Particulars | Apportioned approved cost | | As on DOCO | |
|-------------|---------------------------|--------|------------|--------|
| | Amount | % | Amount | % |
| Debt | 112.00 | 70.00 | 110.42 | 70.00 |
| Equity | 48.00 | 30.00 | 47.32 | 30.00 |
| Total | 160.00 | 100.00 | 157.74 | 100.00 |

The additional capital expenditure of ₹12.38 lakh during 2013-14 has been considered in the debt-equity ratio of 70:30.

18. The details of debt-equity ratio for the transmission system as on 31.3.2014 are as follows:-

(₹ in lakh)

| Particulars | Capital cost as on 31.3.2014 | |
|-------------|------------------------------|--------|
| | Amount | % |
| Debt | 119.08 | 70.00 |
| Equity | 51.04 | 30.00 |
| Total | 170.12 | 100.00 |

Return on equity

19. Regulation 15 of the 2009 Tariff Regulations provides as under:-

“15. (1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with regulation 12.

(2) Return on equity shall be computed on pre-tax basis at the base rate of 15.5% for thermal generating stations, transmission system and run of the river generating station, and 16.5% for the storage type generating stations including pumped storage hydro generating stations and run of river generating station with pondage and shall 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".

20. The amount of equity allowed for calculation of return on equity is given hereunder:-

| (₹ in lakh) | | | |
|--|---------|---------|---------|
| Particulars | 2011-12 | 2012-13 | 2013-14 |
| Opening equity | 47.32 | 47.32 | 47.32 |
| Addition due to additional capital expenditure | 0.00 | 0.00 | 3.71 |
| Closing equity | 47.32 | 47.32 | 51.04 |
| Average equity | 47.32 | 47.32 | 49.18 |
| 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) | 8.27 | 8.27 | 8.60 |

21. The petitioner's request to allow grossing up the base rate of return with the applicable tax rate as per the relevant Finance Act for the relevant year and direct settlement of tax liability between the transmission licensee and the beneficiaries on year to year basis, shall be settled in accordance with the provisions of Regulation 15 of the 2009 Tariff Regulations.

Interest on loan

22. Regulation 16 of the 2009 Tariff Regulations provides as under:-

"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.”

23. In these calculations, the interest on loan has been worked out as per details given hereunder:-

(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 details submitted by the petitioner;

(ii) The yearly repayment for the tariff period 2009-14 has been considered to be equal to the yearly depreciation allowed for that period; and

(iii) 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.

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

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

(₹ in lakh)

| Particular | 2011-12 | 2012-13 | 2013-14 |
|--|----------------|----------------|----------------|
| Gross normative loan | 110.42 | 110.42 | 110.42 |
| Cumulative repayment upto previous year | 0.00 | 8.33 | 16.66 |
| Net loan-opening | 110.42 | 102.09 | 93.76 |
| Addition due to additional capital expenditure | 0.00 | 0.00 | 8.67 |
| Repayment during the year | 8.33 | 8.33 | 8.66 |
| Net loan-closing | 102.09 | 93.76 | 93.77 |
| Average loan | 106.25 | 97.92 | 93.77 |
| Weighted average rate of interest on loan | 9.5177% | 9.5177% | 9.5177% |
| Interest | 10.11 | 9.32 | 8.92 |

Depreciation

26. 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 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 asset".

27. The asset covered under the petition was put under commercial operation on 1.4.2011 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 the 2009 Tariff Regulations.

28. Details of the depreciation worked out are as follows:-

| Particulars | (₹ in lakh) | | |
|---|-------------|--------------|--------------|
| | 2011-12 | 2012-13 | 2013-14 |
| Opening Gross Block | 157.74 | 157.74 | 157.74 |
| Addition during 2009-14 due to projected additional capital expenditure | 0.00 | 0.00 | 12.38 |
| Closing Gross Block | 157.74 | 157.74 | 170.12 |
| Average Gross Block | 157.74 | 157.74 | 163.93 |
| Rate of Depreciation | 5.2800% | 5.2800% | 5.2800% |
| Depreciable value of combined assets | 141.97 | 141.97 | 147.54 |
| Remaining Depreciable Value | 141.97 | 133.64 | 130.88 |
| Depreciation | 8.33 | 8.33 | 8.66 |
| Cumulative Depreciation | 8.33 | 16.66 | 25.31 |

Operation & maintenance expenses

29. The petitioner has claimed the normative O&M charges at the rate of 2% of capital cost with an escalation at 5.72%. The petitioner has further submitted that this will be adjusted on the basis of actual expenditure towards O&M. The petitioner has submitted vide affidavit dated 20.9.2012 that in Eastern, Western and North Eastern Regions the expenditure incurred on installation of SEMs was reimbursed by SEBs as onetime payment instead of through tariff. The petitioner agreed for onetime payment as the expenditure is very small. However, in the 16th NRPC meeting held on 4.5.2011, beneficiaries insisted on recovery of expenditure as a component of tariff.

30. During hearing on 23.7.2013, the representative of the petitioner submitted that investment approval of the Board was not obtained even in an earlier case in Petition No. 288/2010. It also submitted that no investment approval was obtained as the expenditure involved was very small.

31. Learned counsel for BRPL submitted that SEMs are in the nature of equipment and they cannot be categorized as transmission asset. The SEMs are part of bays. O&M expenses for SEMs are already provided for bays and there is no requirement for providing additional 2% O&M expenses for SEMs. He further submitted that the petitioner should have told the RPCs that the SEMs and DCDs are equipments and the expenditure in this regard cannot be recovered as tariff of transmission assets under the 2009 Tariff Regulations.

32. PSPCL has submitted vided affidavit dated 24.7.2013 that there are no O&M norms for SEMs and hence the claim of 2% is not acceptable. As SEM is static/ electronic equipment, its O&M should not be more than 1% of capital cost. PSPCL has further submitted that the DOCO certificate should give the summary of SEMs commissioned, giving the number of SEMs in PGCIL sub-stations, in the sub-stations of various generating companies and in sub-stations of other constituents. The certificate also does not state whether the corresponding Meter Testing Equipments have also been commissioned. PSPCL has also requested to clarify whether the meter testing equipment includes only the SEM testing equipment or it includes testing equipment for CTs and PTs also.

33. The petitioner has submitted affidavit dated 19.9.2013 stating that the repair/rectification work requires dedicated manpower, vehicles for movement, repairing charges, etc. This justifies the proposed normative O&M charges of 2%. As per prevailing practice, accuracy of CT & PT is not being checked/ covered under testing norms of meters. The petitioner has further submitted that the date of commercial operation letter contains all necessary information such as total SEMs and DCDs installed in Northern Region. This includes SEMs and DCDs installed at petitioner's sub-stations as well as other utilities generating stations and sub-stations. Moreover, the equipment covered under the petition is only SEMs and DCDs and does not cover Meter Testing Equipment. The petitioner has also submitted that the 6 bids were received.

34. In the Commission's order dated 12.7.2013 in Petition No. 288/2010, separate O&M expenditure has not been allowed in case of SEMs. The same is not being allowed in the instant petition also.

Interest on working capital

35. As per the 2009 Tariff Regulations, the components of the working capital and the interest thereon are discussed as per details given below:-

(i) Receivables:-

As per Regulation 18 (1) (c) (i) of the 2009 Tariff Regulations, receivables will be equivalent to two months of fixed cost. In the tariff being allowed, receivables have been worked out on the basis of 2 months transmission charges.

(ii) Rate of interest on working capital:-

Interest on working capital has been worked out considering interest rate of 11.75% (SBI Base Rate as on 1.4.2011, i.e. 8.25% and 350 basis points) for asset as per the 2009 Tariff Regulations, amended from time to time.

36. Necessary computations in support of interest on working capital are given hereunder:-

| (₹ in lakh) | | | |
|--------------------|-------------|-------------|-------------|
| Particular | 2011-12 | 2012-13 | 2013-14 |
| Maintenance Spares | 0.00 | 0.00 | 0.00 |
| O & M expenses | 0.00 | 0.00 | 0.00 |
| Receivables | 4.54 | 4.41 | 4.45 |
| Total | 4.54 | 4.41 | 4.45 |
| Interest | 0.53 | 0.52 | 0.52 |

Transmission charges

37. The transmission charges allowed are given hereunder:-

| (₹ in lakh) | | | |
|-----------------------------|--------------|--------------|--------------|
| Particulars | 2011-12 | 2012-13 | 2013-14 |
| Depreciation | 8.33 | 8.33 | 8.66 |
| Interest on loan | 10.11 | 9.32 | 8.92 |
| Return on equity | 8.27 | 8.27 | 8.60 |
| Interest on working capital | 0.53 | 0.52 | 0.52 |
| O & M expenses | 0.00 | 0.00 | 0.00 |
| Total | 27.25 | 26.44 | 26.70 |

Filing fee and the publication expenses

38. The petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses, in terms of Regulation 42 of 2009 Tariff Regulations. 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 beneficiaries on *pro-rata* basis.

Licence fee

39. 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 petitioner has submitted that the licence fee has been a new component of cost to the transmission licence under O&M stage of the project and has become incidental to the petitioner only from 2008-09. The petitioner shall be entitled for reimbursement of licence fee in terms of the Commission's order dated 25.10.2011 in Petition No. 21/2011.

Service tax

40. 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 petitioner has submitted that if notifications regarding granting of exemption to transmission service are withdrawn at a later date, the beneficiaries shall have to share the service tax paid by the petitioner. We consider petitioner's prayer pre-mature and accordingly this prayer is rejected.

Sharing of transmission charges

41. The transmission charges allowed shall be recovered on monthly basis in accordance with Regulation 23 and shared by the beneficiaries in accordance with

Regulation 33 of the 2009 Tariff Regulation up to 30.6.2011. 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.

42. This order disposes of Petition No. 76/TT/2012.

Sd/-
(M. Deena Dayalan)
Member

Sd/-
(V.S. Verma)
Member

Annexure

| CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN | | | | |
|---|--|--------------------------------------|----------------|------------------|
| (₹ in lakh) | | | | |
| | Details of Loan | 2011-2012 | 2012-13 | 2013-2014 |
| 1 | Bond XXXV | | | |
| | Gross loan opening | 0.00 | 54.13 | 54.13 |
| | Cumulative Repayment upto DOCO/previous year | 0.00 | 0.00 | 0.00 |
| | Net Loan-Opening | 0.00 | 54.13 | 54.13 |
| | Additions during the year | 54.13 | 0.00 | 0.00 |
| | Repayment during the year | 0.00 | 0.00 | 0.00 |
| | Net Loan-Closing | 54.13 | 54.13 | 54.13 |
| | Average Loan | 27.07 | 54.13 | 54.13 |
| | Rate of Interest | 9.64% | 9.64% | 9.64% |
| | Interest | 2.61 | 5.22 | 5.22 |
| | Rep Schedule | 12 annual instalments from 31.5.2015 | | |
| 2 | BOND XXXIX | | | |
| | Gross loan opening | 0.00 | 56.29 | 56.29 |
| | Cumulative Repayment upto DOCO/previous year | 0.00 | 0.00 | 0.00 |
| | Net Loan-Opening | 0.00 | 56.29 | 56.29 |
| | Additions during the year | 56.29 | 0.00 | 0.00 |
| | Repayment during the year | 0.00 | 0.00 | 0.00 |
| | Net Loan-Closing | 56.29 | 56.29 | 56.29 |
| | Average Loan | 28.15 | 56.29 | 56.29 |
| | Rate of Interest | 9.40% | 9.40% | 9.40% |
| | Interest | 2.65 | 5.29 | 5.29 |
| | Rep Schedule | Payment at par as on 29.3.2027 | | |
| | Total Loan | | | |
| | Gross loan Opening | 0.00 | 110.42 | 110.42 |
| | Cumulative Repayment upto DOCO/previous year | 0.00 | 0.00 | 0.00 |
| | Net Loan-Opening | 0.00 | 110.42 | 110.42 |
| | Additions during the year | 110.42 | 0.00 | 0.00 |
| | Repayment during the year | 0.00 | 0.00 | 0.00 |
| | Net Loan-Closing | 110.42 | 110.42 | 110.42 |
| | Average Loan | 55.21 | 110.42 | 110.42 |
| | Rate of Interest | 9.5177% | 9.5177% | 9.5177% |
| | Interest | 5.25 | 10.51 | 10.51 |