

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 255/TT/2013

Coram:

**Shri Gireesh B. Pradhan, Chairperson
Shri M. Deena Dayalan, Member
Shri A. K. Singhal, Member**

**Date of Hearing : 24.06.2014
Date of Order : 31.10.2014**

In the matter of:

Approval of transmission tariff for Installation of 400/220 kV, 1x315 MVA Transformer at Mapusa (ICT-III) sub-station along with 2 nos. 220 kV line bays (Ant. DOCO 1.10.2013) under Augmentation of Transformer and Bays in Western Region from DOCO to 31.3.2014 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.

And in the matter of:

Power Grid Corporation of India Limited
"Saudamani", Plot No.2,
Sector-29, Gurgaon -122 001.

.....**Petitioner**

Vs

1. Madhya Pradesh Power Management Company Ltd.,
Shakti Bhawan, Rampur
Jabalpur-482 008.
2. Maharashtra State Electricity Distribution Company Limited,
Prakashgad, 4th floor
Andehri (East), Mumbai-400 052.
3. Gujarat Urja Vikas Nigam Ltd.,
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara-390 007.
4. Electricity Department, Government of Goa,
Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa-403 001.



5. Electricity Department,
Administration of Daman and Diu,
Daman-396 210.
6. Electricity Department,
Administration of Dadra Nagar Haveli,
U.T., Silvassa-396 230.
7. Chhattisgarh State Electricity Board,
P.O. Sunder Nagar, Dangania, Raipur
Chhattisgarh-492 013.
8. Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Ltd.,
3/54, Press Complex, Agra-Bombay Road
Indore-452 008.

....Respondents

For petitioner : Shri S. K. Venkatesan, PGCIL
Smt. Sangeeta Edwards, PGCIL
Shri S.S Raju, PGCIL
Smt. Seema Gupta, PGCIL

For respondent : None

ORDER

The petition has been filed by Power Grid Corporation of India Limited (PGCIL) seeking approval of the transmission tariff for Installation of 400/220 kV, 1x315 MVA Transformer at Mapusa (ICT-III) Sub-station along with 2 nos. 220 kV line bays (Ant. DOCO 1.10.2013) under Augmentation of Transformer and Bays in Western Region from DOCO to 31.3.2014 based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as "the 2009 Tariff Regulations").

2. The Investment Approval to the transmission project was accorded by Board of Directors of the petitioner vide the Memorandum Ref. C/CP/WR-240



dated 4.6.2012 at an estimated cost of ₹6551 lakh, including IDC of ₹227 lakh based on February, 2012 price level. The project was scheduled to be commissioned within 24 months from the date of investment approval i.e. by 1.7.2014. The scope of work covered under the project is as follows:

Sub Station:

- i. Installation of 400/220 kV, 1x315MVA transformer at Mapusa substation along with 2 nos. 220 kV line bays.
 - ii. Installation of 400/220 kV, 1x500MVA transformer at Navsari substation
 - iii. 2 Nos 400 kV line bays at 765/400 kV Indore substation
 - iv. 2 Nos 220 kV line bays at 400/220 kV Pirana substation
3. The instant petition covers Installation of 400/220 kV, 1x315MVA transformer at Mapusa substation along with 2 nos. 220 kV line bays (hereinafter referred to as "transmission assets").
4. The transmission charges claimed by the petitioner based on the actual date of commercial operation are as under:-

Particulars	(` in lakh)
	2013-14 (Pro-rata)
Depreciation	28.68
Interest on Loan	32.33
Return on equity	30.54
Interest on Working Capital	6.62
O & M Expenses	84.55
Total	182.72

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

(` in lakh)	
Particulars	2013-14 (Pro-rata)
Maintenance Spares	30.44
O & M Expenses	16.91
Receivables	73.09
Total	120.44
Rate of Interest	13.50%
Interest	6.62

6. No comments or suggestions have been received from the general public in response to the notices published by the petitioner under Section 64 of the Electricity Act. The Respondent No. 2, Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) has filed its reply vide affidavit dated 4.1.2014. MSEDCL has raised the issue of change in return on equity due to change in applicable MAT rate, reimbursement of expenditure towards publication of notices, filing fee, service tax and licence fee. The petitioner has filed its rejoinder to the reply filed by MSEDCL, vide affidavit dated 9.4.2014. The objections raised by the respondent and the clarifications given by the petitioner in its rejoinder are addressed in the relevant paragraphs of this order.

7. Provisional tariff was allowed for the transmission assets covered in the instant asset vide order 13.5.2014.

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

Capital cost

9. Regulation 7 of the 2009 Tariff Regulations so far as relevant provides as follows:-

“(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 fund deployed, - up to the date of commercial operation of the project, as admitted by the Commission, after prudence check.
- (b) capitalised initial spares subject to the ceiling rates specified in regulation 8; and
- (c) additional capital expenditure determined under regulation 9:

Provided that the assets forming part of the project, but not in use shall be taken out of the capital cost.

(2) The capital cost admitted by the Commission after prudence check shall form the basis for determination of tariff:

Provided that in case of the thermal generating station and the transmission system, prudence check of capital cost may be carried out based on the benchmark norms to be specified by the Commission from time to time:

Provided further that in cases where benchmark norms have not been specified, prudence check may include scrutiny of the reasonableness of the capital expenditure, financing plan, interest during construction, use of efficient technology, cost over-run and time over-run, and such other matters as may be considered appropriate by the Commission for determination of tariff.”

10. The petitioner has claimed capital cost of ₹1093.77 lakh upto the date of commercial operation vide Management Certificate dated 5.12.2013 along with additional capital expenditure of ₹607.46 lakh for 2013-14, IDC of ₹23.42 lakh and IEDC of ₹10.42 lakh. The details of the claims made by the petitioner are as given overleaf:-

(` in lakh)

Apportioned approved cost	Projected exp. as on DOCO*	Projected AddCap for 2013-14	Estimated capital expenditure upto 31.3.2014	Projected additional capitalization for 2014-15	Total estimated completion cost
2292.72	1093.77	607.46	1701.23	464.04	2165.27

* Inclusive of initial spares for sub-station of ₹74.95 lakh.

Time over-run

11. As per Investment Approval the instant transmission asset was scheduled to be commissioned by 1.7.2014. The asset has been put under commercial operation on 1.11.2013. Hence, there is no time over-run.

Cost over-run

12. The estimated completion cost is ₹2165.27 lakh against the apportioned approved cost of ₹2292.72 lakh. Hence, there is no cost over-run. Though there is no cost over-run, there is increase in cost of foundation for structures by 144% and 69% increase in structure for switchyard. The petitioner was asked to explain the reasons for the increase in cost under the above said two heads. In response, the petitioner submitted that the cost variation is due to increase in awarded cost as compared to FR cost. The variation in cost is allowed as there is no overall cost over-run.

Initial Spares

13. As per Regulation 8 (iv) (a) of the 2009 Tariff Regulations, norms for Initial Spares to be allowed for sub-station is 2.5% of total sub-station cost and for Transmission Line is 0.75% of the total Transmission Line cost. The petitioner

has claimed initial spares of ₹74.95 lakh and requested to consider the initial spares for the entire project. The petitioner has not submitted computation of initial spares for entire project. Hence, the initial spares have been restricted to the extent of transmission assets considered in the instant petition which will be adjusted on filing petition for entire project clubbing individual elements. The cut-off date for instant transmission assets falls in the next tariff period i.e. 2014-19. Accordingly, initial spares have been worked out by considering capital cost upto 31.3.2014, which will be reviewed at the time of truing up on submission of the actual expenditure and then in the next tariff period, considering additional capital expenditure for the year 2014-15. This issue was dealt in Petition No. 65/TT/2012 and similar approach is adopted in the instant case.

14. In view of the above, the initial spares claimed for sub-station have been restricted to the ceiling limit specified in Regulation 8 of the 2009 Tariff Regulations as given below. The excess initial spares of ₹33.25 have been excluded from the capital cost as on the date of commercial operation.

(` in lakh)

Calculation of Initial Spares				
Particulars	Capital Cost up to cut-off date	Initial Spares claimed	Initial Spares worked put	Excess Initial Spares
Sub-station	1701.23	74.95	41.70	-33.25

15. The petitioner has claimed capital cost of ₹1701.23 lakh as on 31.3.2014 for the instant transmission assets. The details of the capital cost as on the date of commercial operation considered for the purpose of the determination of transmission tariff is as given overleaf:-

(` in lakh)

Particular	
Capital Cost claimed as on COD	1093.77
Less: Excess Initial Spares claimed	33.25
Capital Cost considered as on COD	1060.52

Additional capital expenditure

16. Clause (1) of Regulation 9 of the 2009 Tariff Regulations provides as follows:-

“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) 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.”

17. Clause (11) of Regulation 3 of the 2009 Tariff Regulations defines “cut-off” date as under:-

“cut-off date” means 31st March of the year closing after 2 years of the year of commercial operation of the project, and in case 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.

18. The petitioner has claimed projected additional capital expenditure of ₹607.46 lakh for 2013-14 for construction of sub-station. It is mainly on account of Balance and Retention Payments and covered under Regulations 9 (1) of the 2009 Tariff Regulations. Accordingly, the additional capital expenditure upto 2013-14 has been considered for the purpose of calculation of tariff. The

petitioner has also claimed projected additional capital expenditure of ₹464.04 lakh for the period 2014-15. The said projected expenditure during 2014-15 has not been considered as it falls beyond the 2009-14 tariff period and it will be considered during the period 2014-19 as per the 2014 Tariff Regulations.

Debt- Equity Ratio

19. 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 modernisation expenditure for life extension shall be serviced in the manner specified in clause (1) of this regulation.”

20. The petitioner has claimed debt equity ratio of 70:30 as on the date of commercial operation of the transmission asset and for the additional capital expenditure, which is in accordance with the 2009 Tariff Regulations. The debt equity ratio of 70:30 has been considered to work out the tariff.

Return on equity

21. 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".

22. Based on the above, the return on equity has been considered as given

overleaf:-

Particulars	(` in lakh)
	2013-14 (pro-rata)
Opening Equity	318.16
Addition due to Additional Capitalisation	182.24
Closing Equity	500.39
Average Equity	409.27
Return on Equity (Base Rate)	15.50%
Tax rate for the year 2008-09 (MAT)	11.33%
Rate of Return on Equity (Pre Tax)	17.481%
Return on Equity (Pre Tax)	29.81

23. The petitioner's prayer to recover the shortfall or refund the excess Annual Fixed Charges, on account on return on equity due to change in applicable Minimum Alternate Tax/Corporate Income Tax rate as per the Income Tax Act, 1961 of the respective financial year directly without making any application before the Commission shall be dealt under Regulation 15(3) as state above. Return on Equity has been computed @ 17.481% p.a on average equity.

Interest on loan

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

“16. **Interest on loan capital** (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.”

25. The petitioner's entitlement to interest on loan has been calculated as specified in Regulation 16 of the 2009 Tariff Regulations, on the following basis:-

(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) The repayment for the tariff period 2009-14 shall be deemed to be equal to the depreciation allowed for that period.

(c) Weighted average rate of interest on actual average loan worked out as per (a) above is applied on the notional average loan during the year to arrive at the interest on loan.

(d) Notwithstanding 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.

26. Accordingly, the interest on loan has been calculated on the basis of prevailing rate available as on the date of commercial operation. Any change in rate of interest subsequent to the date of commercial operation will be considered at the time of truing up.

27. Detailed calculations in support of the weighted average rates of interest have been given in Annexure.

28. Based on the above, interest on loan has been calculated as given hereunder:-

Particulars	(` in lakh)
	2013-14 (Pro-rata)
Gross Normative Loan	742.36
Cumulative Repayment upto Previous Year	0.00
Net Loan-Opening	742.36
Addition due to Additional Capitalisation	425.22
Repayment during the year	27.95
Net Loan-Closing	1139.64
Average Loan	941.00
Weighted Average Rate of Interest on Loan	8.0502%
Interest	31.56

Depreciation

29. Regulation 17 of the 2009 Tariff Regulations provides as follows:-

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

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

Provided that in case of hydro generating stations, the salvage value shall be as provided in the agreement signed by the developers with the State Government for creation of the site;

Provided further that the capital cost of the assets of the hydro generating station for the purpose of computation of depreciable value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff.

(3) Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.

(4) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-III to these regulations for the assets of the generating station and transmission system:

Provided that, the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation shall be spread over the balance useful life of the assets.

(5) In case of the existing projects, the balance depreciable value as on 1.4.2009 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31.3.2009 from the gross depreciable value of the assets.

(6) Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.”

30. The petitioner has claimed actual depreciation as a component of Annual Fixed Charges. The instant transmission assets were put under commercial operation on 1.11.2013. Accordingly assets will complete 12 years beyond 2013-14. Thus, depreciation has been calculated annually based on Straight Line

Method and at rates specified in Appendix-III of 2009 Tariff Regulations, as per details given hereunder:-

Particulars	(` in lakh)
	2013-14 (Pro-rata)
Opening Gross Block	1060.52
Addition due to Projected Additional Capitalisation	607.46
Closing Gross Block	1667.98
Average Gross Block	1364.25
Rate of Depreciation	4.9166%
Depreciable Value	1227.82
Remaining Depreciable Value	1227.82
Depreciation	27.95
Cumulative Depreciation	27.95

Operation & Maintenance Expenses (O&M Expenses)

31. Clause (g) of Regulation 19 of the 2009 Tariff Regulations prescribes the norms for operation and maintenance expenses for the transmission system based on the type of sub-station and the transmission line. The norms for the instant assets are as follows:-

Element	2013-14
400 kV Bays (₹ lakh/bay)	65.46
220 kV Bays (₹ lakh/bay)	45.82

32. As per the existing norms of the 2009 Tariff Regulations, allowable O&M Expenses for the instant transmission assets are as under:-

400/220kV 1x350MVA transformer at Mapusa (ICT III) substation along with 2 nos. of 220 kV line bays	(` in lakh)
	2013-14 (Pro-rata)
1 No 400kV bay	27.27
3 Nos. 220 kV bays	57.28
Total O&M allowable	84.55

33. The petitioner has submitted that O&M Expenses for 2009-14 tariff block was 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 submitted that it would approach the Commission for suitable revision in the norms for O&M Expenses due to wage revision, if any. The petitioner further submitted that in O&M norms for tariff block 2009-14 the cost associated with license fees was not captured and the license fee may be allowed to be recovered separately from the beneficiaries.

34. The Commission has given effect to impact of pay revision in the 2009 Tariff Regulations by factoring 50% on account of pay revision of the employees of PSUs after extensive stakeholders' consultation. We do not see any reason why the admissible amount is inadequate to meet the requirement of the employee cost. However, in case the petitioner approaches with any such application, the same shall be dealt with in accordance with law.

Interest on Working Capital

35. The components of the working capital and the petitioner's entitlement to interest thereon are discussed hereunder:-

(i) Receivables

As per Regulation 18(1) (c) (i) of the 2009 Tariff Regulations, receivables as a component of working capital will be equivalent to two months' of fixed cost. The petitioner has claimed the receivables on the basis of 2

months' of annual 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 as part of the working capital 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 to be included in the working capital. The petitioner has claimed O&M expenses for 1 month of the respective year. This has been considered in the working capital.

(iv) Rate of interest on working capital

In accordance with clause (3) of Regulation 18 of the 2009 Tariff Regulations, as amended, rate of interest on working capital shall be on normative basis and shall be equal to State Bank of India Base Rate of @ 13.20% (Base rate as on 1.4.2013 and 350 basis points) for asset. The interest on working capital for the assets covered in the petition has been worked out accordingly.

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

(` in lakh)	
Particulars	2013-14 (Pro-rata)
Maintenance Spares	30.44
O & M Expenses	16.91
Receivables	72.18
Total	119.53
Rate of Interest	13.20%
Interest	6.57

Transmission charges

37. The transmission charges being allowed for the assets are summarized below:-

(` in lakh)	
Particulars	2013-14 (Pro-rata)
Depreciation	27.95
Interest on Loan	31.56
Return on Equity	29.81
Interest on Working Capital	6.57
O & M Expenses	84.55
Total	180.45

Filing fee and the publication expenses

38. The petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses. MSEDCL has requested not to consider the petitioner's prayer for reimbursement of filing fee. The petitioner has clarified that the licence fee is recoverable from the respondents as per Regulation 42 of the 2009 Tariff Regulations. The petitioner shall be entitled for reimbursement of the filing fees and publication expenses in connection with the present petition, directly from the beneficiaries on *pro-rata* basis in accordance with Regulation 42A (1) (a) of the 2009 Tariff Regulations.

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. MSEDCL has requested not to consider the petitioner's prayer for reimbursement of licence fee. The petitioner in its rejoinder has clarified that the licence fee is recoverable from the respondents as per Regulation 42 A (1) (b). The petitioner shall be entitled for reimbursement of licence fee in accordance with Regulation 42 A (1) (b) of the 2009 Tariff Regulations

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. MSEDCL has submitted that Service Tax has been put in the negative list and the petitioner's prayer is premature. We consider petitioner's prayer pre-mature and accordingly this prayer is rejected.

Sharing of Transmission Charges

41. Tariff for the instant transmission assets shall be shared by the respondents in accordance with Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010.

42. This order disposes of Petition No. 255/TT/2013.

sd/-

(A. K. Singhal)
Member

sd/-

(M. Deena Dayalan)
Member

sd/-

(Gireesh B. Pradhan)
Chairperson



Calculation of Weighted Average Rate of Interest on Actual Loans

(₹ in lakh)

Details of Loan		2013-14
1	Bond XLI	
	Gross loan opening	100.00
	Cumulative Repayment upto DOCO/previous year	0.00
	Net Loan-Opening	100.00
	Additions during the year	0.00
	Repayment during the year	0.00
	Net Loan-Closing	100.00
	Average Loan	100.00
	Rate of Interest	8.85%
	Interest	8.85
	Rep Schedule	12 annual installments from 28.6.2016
2	Bond XLIII	
	Gross loan opening	665.65
	Cumulative Repayment upto DOCO/previous year	0.00
	Net Loan-Opening	665.65
	Additions during the year	0.00
	Repayment during the year	0.00
	Net Loan-Closing	665.65
	Average Loan	665.65
	Rate of Interest	7.93%
	Interest	52.79
	Rep Schedule	12 Equal Annual Installments from 20.5.2017
	Total Loan	
	Gross loan opening	765.65
	Cumulative Repayment upto DOCO/previous year	0.00
	Net Loan-Opening	765.65
	Additions during the year	0.00
	Repayment during the year	0.00
	Net Loan-Closing	765.65
	Average Loan	765.65
	Rate of Interest	8.0502%
	Interest	61.64