

CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No.151/TT/2014

Coram:

Shri A.K. Singhal, Member

Shri A.S. Bakshi, Member

Dr. M. K.Iyer, Member

Date of Hearing: 17.09.2015

Date of Order: 07.10.2015

In the Matter of

Approval under Regulation-86 of CERC (Conduct of Business) Regulations'1999, CERC (Terms and Conditions of Tariff) Regulations, 2009 and CERC (Terms and Conditions of Tariff) Regulations' 2014 for determination of (i) Truing up Transmission tariff for 2009-14 tariff block and (ii) Transmission tariff for 2014-19 tariff block for **Asset-1** "400 kV Gandhar-Padge S/C transmission line with associated bays and 400 kV Gandhar-Gandhar S/C transmission line" and **Asset-2** "220 kV Gandhar-Bharuch D/C transmission line with associated bays and 400 kV Gandhar-Dehgam D/C transmission line with sub-station at Dehgam" associated with Gandhar Gas Power Station (Stage-I) in Western Region.

And in the Matter of

Power Grid Corporation of India Ltd,
Registered office: B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi. 110 016.
Corporate Centre : 'SAUDAMINI', Plot No-2,
Sector-29, Gurgaon-122 001 (Haryana).

.....Petitioner

Versus

1. Madhya Pradesh Power Trading Co. Ltd.
Shakti bhawan, Rampur
Jabalpur - 482 008

2. Maharashtra State Electricity Distribution Co. Ltd.
Prakashgad, 4th floor
Andheri (East), Mumbai - 400 052



3. Gujarat Urja Vikas Nigam Ltd.
Sardar Patel Vidyut Bhawan, Race Course Road
Vadodara - 390 007
4. Electricity Department
Govt. of Goa, Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa - 403 001
5. Electricity Department
Administration of Daman & 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
Chhatisgaarh-492013
8. Madhyapradesh Audyogik Kendra
Vikas Nigam (Indore) Ltd.
3/54, Press Complex, Agra-Bombay Road,
Indore-452 008

.....Respondents

The following were present:

For Petitioner: Shri A.M.Pavgi, PGCIL
Shri M.M. Mondal, PGCIL
Shri R.Prasad, PGCIL
Shri Mohd. Mohsin, PGCIL

For Respondents: None

ORDER

The petition has been preferred by Power Grid Corporation of India Ltd, a transmission licensee, for revision of tariff under Regulation 6 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as “the 2009 Regulations”) based on truing up of



expenditure for the period 1.4.2009 to 31.3.2014 and for determination of tariff under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Regulations”) for the period from 1.4.2014 to 31.3.2019 in respect of for **Asset-1** "400 kV Gandhar-Padge S/C transmission line with associated bays and 400 kV Gandhar-Gandhar S/C transmission line" and **Asset-2** "220 kV Gandhar-Bharuch D/C transmission line with associated bays and 400 kV Gandhar-Dehgam D/C transmission line with sub-station at Dehgam" associated with Gandhar Gas Power Station (Stage-I) (hereinafter referred to as “transmission system”).

2. The respondents are distribution licensees, who are procuring transmission service from the petitioner, mainly beneficiaries of Western Region.

3. The petitioner has built the transmission system in Western Region and the same has been put under commercial operation w.e.f. dated 1.6.1998 for Asset-1 and 1.8.1994 for Asset-2. The petitioner had approached the Commission vide Petition No. 166/2010 for determination of tariff for 2009-14 tariff period. The Commission, on 2.5.2011, had approved the tariff based on the admitted capital cost of ₹ 11989.48 lakh for Asset-1 and ₹ 11744.66 lakh for Asset-2 as on 31.3.2009 as given below:

Asset-1

(₹ in lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	632.80	632.80	216.97	216.97	216.97
Interest on Loan	7.81	0.00	0.00	0.00	0.00
Return on Equity	843.02	843.02	843.02	843.02	843.02
Interest on Working Capital	39.11	39.41	31.24	31.77	32.32
O & M Expenses	163.74	172.96	182.97	193.47	204.48
Total	1686.47	1688.18	1274.21	1285.23	1296.79



Asset-2

(₹ in lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	230.30	230.30	230.30	230.30	230.30
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	1026.54	1026.54	1026.54	1026.54	1026.54
Interest on Working Capital	48.07	49.32	50.65	52.04	53.52
O & M Expenses	437.30	462.34	488.82	516.75	546.24
Total	1742.21	1768.50	1796.30	1825.63	1856.60

4. As per Regulation 6 of the 2009 Regulations, the Commission shall carry out truing up exercise along with the tariff petition filed for the next tariff period, with respect to the capital expenditure including additional capital expenditure incurred up to 31.3.2014, as admitted by the Commission after prudence check at the time of truing up. Further, as per Regulation 15 of the 2009 Regulations, the petitioner is required to adjust the yearly impact of MAT rate in the truing up petition for 2009-14 tariff period. The petitioner has submitted that in case interest on loan was calculated on basis of prevailing rates for the determination of tariff, any change in the rate of interest subsequently during the tariff period will be considered at the time of truing up. In this context, the petitioner has relied upon the Commission's order dated 8.6.2011 in Petition No. 238/2010.

5. The petitioner has made following submissions in regard to revision of tariff in accordance with Regulation 6 of the 2009 Regulations for 2009-14:

- a) The additional capital expenditure during the 2009-14 tariff period is NIL and hence, the tariff has been claimed based on the admitted capital cost of ₹ 11989.48 lakh for Asset-1 and ₹11744.66 lakh for Asset-2 by the Commission in order dated 2.5.2011 in Petition No. 166/2010;
- b) The variation in the tax rate during the 2009-14 tariff period applicable to the petitioner as per the Finance Act of the relevant year for the purpose of grossing up of ROE has been furnished as follows:



Year	MAT Rate (in %)	Grossed up ROE (Base rate/(1-t) (in %))
2009-10	16.995	18.674
2010-11	19.931	19.358
2011-12	20.008	19.377
2012-13	20.008	19.377
2013-14	20.961	19.610

c) The petitioner has claimed the interest on loan based on actual interest rates for each year during the 2009-14 period and also submitted relevant documents vide affidavit dated 26.6.2014.

6. Based on aforesaid, the petitioner has claimed the revision of tariff for 2009-14 tariff period as under:

Asset-1

(₹ in lakh)

Particulars	2009-10	2010 – 11	2011 -12	2012 – 13	2013 - 14
Revised AFC based on truing up	1737.24	1780.58	1367.55	1378.57	1401.61

Asset-2

(₹ in lakh)

Particulars	2009-10	2010 – 11	2011 -12	2012 – 13	2013 - 14
Revised AFC based on truing up	1813.73	1881.03	1909.97	1939.29	1984.23

7. The petitioner has further claimed the transmission tariff for the period 2014-19 in accordance with the 2014 Regulations as follows:

(₹ in lakh)

Period	2014-15	2015-16	2016-17	2017-18	2018-19
Annual Fixed Cost For Asset-1	1385.64	1392.35	1399.12	1405.98	1413.22
Annual Fixed Cost For Asset-2	1942.19	1959.82	1977.92	1996.64	2015.98



8. The petitioner has made following submissions in regard to determination of tariff for 2014-19 :

- a) The depreciation has been claimed in accordance with Regulation 27 of the 2014 Regulations;
- b) The petitioner has prayed for grossing up of ROE at MAT rate of 20.961% prevailing in 2013-14 which shall be trued up with actual tax rate in accordance with clause 25 (3) of the 2014 Regulations;
- c) The petitioner has prayed for reimbursement of service tax if it is subjected to such tax in future;
- d) The petitioner has considered interest on loan on the basis of rate prevailing as on 1.4.2014 and prayed that the change in Interest Rate due to floating rate of interest applicable, if any, during 2014-19 period will be adjusted;
- e) The wage revision of the employees of the petitioner company is due during 2014-19 and actual impact of wage hike will be effective from a future date. The scheme of wage revision applicable to CPSUs being binding on the petitioner, the petitioner sought liberty to approach the Commission for suitable revision in the norms for O&M expenditure for claiming the impact of wage hike, if any, during 2014-19.

9. The petitioner has served the petition to the respondents and notice of this application has been published in the news paper in accordance with the CERC (Procedure for making of application for determination of tariff, Publication of the application and other related matters) Regulations, 2004. No submissions have been made by the Respondents. No comments/objections have been received from the public in response to the notice in newspaper. The hearing in this matter was held on 17.9.2015.

TRUE UP ANNUAL FIXED CHARGES FOR 2009-14 PERIOD



10. We have considered the submissions of the petitioner in respect of truing up of annual fixed charged for 2009-14 tariff period. The revision of tariff for 2009-14 period has been determined as discussed below:

- a) The capital cost of ₹ 11,989.48 lakh for Asset-1 and ₹11,744.66 lakh for Asset-2 admitted by the Commission as on 31.3.2009 has been considered as opening capital cost as on 1.4.2009 for determination of tariff in accordance with Regulation 7 of the 2009 Regulations;
- b) The petitioner has not claimed any additional capital expenditure for 2009-14 period;
- c) The Commission vide para 23 of its order dated 2.5.2011 in petition 166/2010 had already recognised that Asset – 1 had completed 12 years on 31.3.2011 and Asset – 2 had completed 12 years prior to 1.4.2009. Accordingly, depreciation for Asset – 1 till 2010-11 was provided by straight line method. For years 2011-12 to 2013-14 in respect of Asset – 1 and for tariff period 2009-14 in respect of Asset – 2 has been calculated based on the remaining depreciable value to be recovered in the balance useful life.
- d) The Regulation 15 of the 2009 Regulations provides for the grossing up of ROE with the actual tax rate for the purpose of return on equity. The petitioner has submitted the MAT rate applicable during the various years. Return on equity has been worked out by considering year wise MAT rate submitted by the petitioner in accordance with Regulation 15 of the 2009 Regulations;
- e) Regulation 16 of the 2009 Regulations provide the methodology for working out weighted average rate of interest on loan. The Commission in its earlier order dated 8.6.2011 in Petition No. 238/2010 has held that in case of floating rate of interest, any change in the rates of interest during the tariff period will be considered at the time of true up. The Commission vide para 20 of its order dated 2.5.2011 in petition 166/2010 had already recognised that normative



loan for the Asset – 1 has been repaid in the year 2009-10 while the actual loan was to be fully paid in the year 2012-13. Further, as the entire loan for Asset – 2 had already been repaid prior to 31.3.2009 therefore, no interest on loan was allowed while actual loan had got repaid in the year 2012-13. Accordingly, details of weighted average rate of interest are placed at Annexure-1 & 2 for Asset – 1 & Asset- 2 respectively;

- f) Interest on Working Capital and Operation & Maintenance Expenses has been considered in accordance with the 2009 Regulations.

11. Accordingly, the annual fixed charges for the transmission system under the petition has been worked out and allowed as under:

Asset-1

(₹ in lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Gross Block					
Opening Gross Block	11989.48	11989.48	11989.48	11989.48	11989.48
Additional Capitalisation	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	11989.48	11989.48	11989.48	11989.48	11989.48
Average Gross Block	11989.48	11989.48	11989.48	11989.48	11989.48
Depreciation					
Rate of Depreciation	5.2779%	5.2779%	5.2779%	5.2779%	5.2779%
Depreciable Value	10790.53	10790.53	10790.53	10790.53	10790.53
Elapsed Life (Beginning of the year)	10	11	12	13	14
Weighted Balance Useful life of the combine assets	24	23	22	21	20
Remaining Depreciable Value	6039.00	5406.21	4773.41	4556.44	4339.46
Depreciation	632.80	632.80	216.97	216.97	216.97
Interest on Loan					
Gross Normative Loan	7167.00	7167.00	7167.00	7167.00	7167.00
Cumulative Repayment upto Previous Year	6919.14	7167.00	7167.00	7167.00	7167.00
Net Loan-Opening	247.86	0.00	0.00	0.00	0.00
Additions	0.00	0.00	0.00	0.00	0.00
Repayment during the year	247.86	0.00	0.00	0.00	0.00
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Loan	123.93	0.00	0.00	0.00	0.00
Weighted Average Rate of Interest on Loan	6.3000%	6.3000%	6.3000%	6.3000%	0.0000%



Interest	7.81	0.00	0.00	0.00	0.00
Return on Equity					
Opening Equity	4822.48	4822.48	4822.48	4822.48	4822.48
Additions	0.00	0.00	0.00	0.00	0.00
Closing Equity	4822.48	4822.48	4822.48	4822.48	4822.48
Average Equity	4822.48	4822.48	4822.48	4822.48	4822.48
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%	15.50%
MAT rate for the respective year (%)	16.9950	19.9305	20.0078	20.0078	20.9605
Rate of Return on Equity(%)	18.674	19.358	19.377	19.377	19.610
Return on Equity	900.55	933.54	934.45	934.45	945.69
Interest on Working Capital					
Maintenance Spares	24.56	25.94	27.45	29.02	30.67
O & M expenses	13.65	14.41	15.25	16.12	17.04
Receivables	290.87	296.76	227.92	229.76	233.60
Total	329.07	337.12	270.62	274.90	281.31
Interest	40.31	41.30	33.15	33.68	34.46
Annual Transmission Charges					
Depreciation	632.80	632.80	216.97	216.97	216.97
Interest on Loan	7.81	0.00	0.00	0.00	0.00
Return on Equity	900.55	933.54	934.45	934.45	945.69
Interest on Working Capital	40.31	41.30	33.15	33.68	34.46
O & M Expenses	163.74	172.96	182.97	193.47	204.48
Total	1745.20	1780.59	1367.55	1378.57	1401.60

Asset-2

(₹ in lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Gross Block					
Opening Gross Block	11744.66	11744.66	11744.66	11744.66	11744.66
Additional Capitalisation	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	11744.66	11744.66	11744.66	11744.66	11744.66
Average Gross Block	11744.66	11744.66	11744.66	11744.66	11744.66
Depreciation					
Rate of Depreciation	5.1224%	5.1224%	5.1224%	5.1224%	5.1224%
Depreciable Value	10475.96	10475.96	10475.96	10475.96	10475.96
Elapsed Life (Beginning of the year)	14	15	16	17	18
Weighted Balance Useful life of the combine assets	18	17	16	15	14
Remaining Depreciable Value	4145.32	3915.02	3684.72	3454.43	3224.13
Depreciation	230.30	230.30	230.30	230.30	230.30



Interest on Loan					
Gross Normative Loan	5872.33	5872.33	5872.33	5872.33	5872.33
Cumulative Repayment upto Previous Year	5872.33	5872.33	5872.33	5872.33	5872.33
Net Loan-Opening	0.00	0.00	0.00	0.00	0.00
Additions	0.00	0.00	0.00	0.00	0.00
Repayment during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Loan	0.00	0.00	0.00	0.00	0.00
Weighted Average Rate of Interest on Loan	6.3000%	6.3000%	6.3000%	6.3000%	0.0000%
Interest	0.00	0.00	0.00	0.00	0.00
Return on Equity					
Opening Equity	5872.33	5872.33	5872.33	5872.33	5872.33
Additions	0.00	0.00	0.00	0.00	0.00
Closing Equity	5872.33	5872.33	5872.33	5872.33	5872.33
Average Equity	5872.33	5872.33	5872.33	5872.33	5872.33
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%	15.50%
MAT rate for the respective year (%)	16.9950	19.9305	20.0078	20.0078	20.9605
Rate of Return on Equity(%)	18.674	19.358	19.377	19.377	19.610
Return on Equity	1096.60	1136.77	1137.88	1137.88	1151.56
Interest on Working Capital					
Maintenance Spares	65.60	69.35	73.32	77.51	81.94
O & M expenses	36.44	38.53	40.74	43.06	45.52
Receivables	302.29	313.50	318.33	323.22	330.70
Total	404.32	421.38	432.39	443.79	458.16
Interest	49.53	51.62	52.97	54.36	56.12
Annual Transmission Charges					
Depreciation	230.30	230.30	230.30	230.30	230.30
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	1096.60	1136.77	1137.88	1137.88	1151.56
Interest on Working Capital	49.53	51.62	52.97	54.36	56.12
O & M Expenses	437.30	462.34	488.82	516.75	546.24
Total	1813.72	1881.02	1909.96	1939.29	1984.22

ANNUAL FIXED CHARGES FOR 2014-19

12. We have considered the submissions of the petitioner in respect of tariff for 2014-19 tariff period. The tariff for 2014-19 period has been determined as discussed follows:



- a) The capital cost of ₹ 11,989.48 lakh for Asset-1 and ₹11,744.66 lakh for Asset-2 admitted by the Commission as on 31.3.2014 has been considered as opening capital cost as on 1.4.2014 for determination of tariff in accordance with Regulation 9 of the 2014 Regulations;
- b) The petitioner has not claimed any projected additional capital expenditure during 2014-19 period;
- c) The Regulation 24 read with Regulation 25 of the 2014 Regulations provides the grossing up of return on equity with the effective tax rate for the purpose of return on equity. It further provides that in case the generating company or transmission licensee paying Minimum Alternative Tax (MAT), the MAT rate including surcharge and cess will be considered for the grossing up of return on equity. The petitioner has submitted that MAT rate is applicable to the petitioner's company. Accordingly, the MAT rate applicable during the 2013-14 has been considered for the purpose of return on equity which shall be trued up with actual tax rate in accordance with clause 25 (3) of the 2014 Regulations;
- d) In the present petition, as the loan has already been repaid prior to 31.3.2014, the petitioner has not claimed any interest on loan.
- e) As in the present petition Asset -1 & Asset- 2 had completed 12 years prior to 1.4.2014. Accordingly, depreciation for Asset – 1 & Asset – 2 has been spread over based on the remaining depreciable value to be recovered in the balance useful life.
- f) Interest on Working Capital and Operation & Maintenance Expenses has been considered in accordance with the 2014 Regulations.

13. Accordingly, the annual fixed charges for the transmission system under the petition has been worked out and allowed as follows:

Asset -1

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Block					
Opening Gross Block	11989.48	11989.48	11989.48	11989.48	11989.48



Additional Capitalisation	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	11989.48	11989.48	11989.48	11989.48	11989.48
Average Gross Block	11989.48	11989.48	11989.48	11989.48	11989.48
Depreciation					
Rate of Depreciation	5.2779%	5.2779%	5.2779%	5.2779%	5.2779%
Depreciable Value	10790.53	10790.53	10790.53	10790.53	10790.53
Elapsed Life (Beginning of the year)	15	16	17	18	19
Weighted Balance Useful life of the combine assets	19	18	17	16	15
Remaining Depreciable Value	4122.49	3905.52	3688.54	3471.57	3254.60
Depreciation	216.97	216.97	216.97	216.97	216.97
Interest on Loan					
Gross Normative Loan	7167.00	7167.00	7167.00	7167.00	7167.00
Cumulative Repayment upto Previous Year	7167.00	7167.00	7167.00	7167.00	7167.00
Net Loan-Opening	0.00	0.00	0.00	0.00	0.00
Additions during the year	0.00	0.00	0.00	0.00	0.00
Repayment during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Loan	0.00	0.00	0.00	0.00	0.00
Weighted Average Rate of Interest on Loan	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Interest	0.00	0.00	0.00	0.00	0.00
Return on Equity					
Opening Equity	4822.48	4822.48	4822.48	4822.48	4822.48
Additions	0.00	0.00	0.00	0.00	0.00
Closing Equity	4822.48	4822.48	4822.48	4822.48	4822.48
Average Equity	4822.48	4822.48	4822.48	4822.48	4822.48
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%	15.50%
MAT rate for FY 2014-15	20.961%	20.961%	20.961%	20.961%	20.961%
Rate of Return on Equity	19.610%	19.610%	19.610%	19.610%	19.610%
Return on Equity	945.69	945.69	945.69	945.69	945.69
Interest on Working Capital					
Maintenance Spares	27.89	28.85	29.81	30.78	31.81
O & M expenses	15.50	16.03	16.56	17.10	17.67
Receivables	230.94	232.06	233.19	234.33	235.54
Total	274.33	276.93	279.55	282.21	285.02
Interest	37.03	37.39	37.74	38.10	38.48
Annual Transmission Charges					
Depreciation	216.97	216.97	216.97	216.97	216.97
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	945.69	945.69	945.69	945.69	945.69
Interest on Working Capital	37.03	37.39	37.74	38.10	38.48



O & M Expenses	185.94	192.30	198.72	205.22	212.08
Total	1385.64	1392.35	1399.12	1405.98	1413.22

Asset - 2

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Block					
Opening Gross Block	11744.66	11744.66	11744.66	11744.66	11744.66
Additional Capitalisation	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	11744.66	11744.66	11744.66	11744.66	11744.66
Average Gross Block	11744.66	11744.66	11744.66	11744.66	11744.66
Depreciation					
Rate of Depreciation	5.1224%	5.1224%	5.1224%	5.1224%	5.1224%
Depreciable Value	10475.96	10475.96	10475.96	10475.96	10475.96
Elapsed Life (Beginning of the year)	19	20	21	22	23
Weighted Balance Useful life of the combine assets	13	12	11	10	9
Remaining Depreciable Value	2993.84	2763.54	2533.25	2302.95	2072.66
Depreciation	230.30	230.30	230.30	230.30	230.30
Interest on Loan					
Gross Normative Loan	5872.33	5872.33	5872.33	5872.33	5872.33
Cumulative Repayment upto Previous Year	5872.33	5872.33	5872.33	5872.33	5872.33
Net Loan-Opening	0.00	0.00	0.00	0.00	0.00
Additions during the year	0.00	0.00	0.00	0.00	0.00
Repayment during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
Average Loan	0.00	0.00	0.00	0.00	0.00
Weighted Average Rate of Interest on Loan	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Interest	0.00	0.00	0.00	0.00	0.00
Return on Equity					
Opening Equity	5872.33	5872.33	5872.33	5872.33	5872.33
Additions	0.00	0.00	0.00	0.00	0.00
Closing Equity	5872.33	5872.33	5872.33	5872.33	5872.33
Average Equity	5872.33	5872.33	5872.33	5872.33	5872.33
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%	15.50%
MAT rate for FY 2014-15	20.961%	20.961%	20.961%	20.961%	20.961%
Rate of Return on Equity	19.610%	19.610%	19.610%	19.610%	19.610%
Return on Equity	1151.56	1151.56	1151.56	1151.56	1151.56
Interest on Working Capital					
Maintenance Spares	75.13	77.63	80.21	82.87	85.62
O & M expenses	41.74	43.13	44.56	46.04	47.57
Receivables	323.70	326.64	329.65	332.77	336.00
Total	440.57	447.40	454.42	461.68	469.18
Interest	59.48	60.40	61.35	62.33	63.34



Annual Transmission Charges					
Depreciation	230.30	230.30	230.30	230.30	230.30
Interest on Loan	0.00	0.00	0.00	0.00	0.00
Return on Equity	1151.56	1151.56	1151.56	1151.56	1151.56
Interest on Working Capital	59.48	60.40	61.35	62.33	63.34
O & M Expenses	500.86	517.56	534.72	552.45	570.79
Total	1942.20	1959.82	1977.93	1996.64	2015.99

14. The petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses. 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 42 of the 2009 Tariff Regulations.

15. The petitioner has prayed for reimbursement of service tax if it is subjected to such tax in future. In our view, the petitioner's prayer is premature at this stage and cannot be entertained.

16. The petitioner shall be entitled for reimbursement of licence fee in accordance with Regulation 42A (1) (b) of the 2009 Regulations for 2009-14 period and in accordance with Regulation 52 (2) (b) of the 2014 Regulations.

17. The petitioner has submitted that O&M Expenses for the year 2014-19 had been arrived at on the basis of normalized actual O&M Expenses during the period 2008-13. The petitioner has further submitted that the wage revision of the employees of the petitioner company is due during 2014-19 and actual impact of wage hike which will be effective from a future date has also not been factored in fixation of the normative O&M rate specified for the tariff block 2014-19. The petitioner has also prayed that it will approach the Commission for suitable revision in the norms of O&M expenses for claiming the impact of such increase. We have considered the submission of the petitioner. We would like to clarify that any application filed by the

petitioner in this regard will be dealt with in accordance with the appropriate provisions of the 2014 Regulations.

18. The petitioner is directed to work out the tax on return on equity and the deferred tax liability for the period 2014-19 as per the observations made in order dated 15.4.2015 in Petition No. 532/TT/2014.

Sharing of Transmission Charges

19. The billing, collection and disbursement of the transmission charges approved shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010, as amended from time to time as provided in Regulation 43 of the 2014 Regulations.

20. This order disposes of Petition No. 151/TT/2014.

sd/-

(Dr. M.K. Iyer)
Member

sd/-

(A.S. Bakshi)
Member

sd/-

(A.K. Singhal)
Member



Asset – 1

CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN						
						(₹. in lakh)
	Details of Loan	2009-10	2010-11	2011-12	2012-13	2013-14
1	Bond- III Series - I					
	Gross loan opening	100.97	100.97	100.97	100.97	100.97
	Cumulative Repayment upto DOCO/previous year	100.97	100.97	100.97	100.97	100.97
	Net Loan-Opening	0.00	0.00	0.00	0.00	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00	0.00
	Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
	Average Loan	0.00	0.00	0.00	0.00	0.00
	Rate of Interest	13.50%	13.50%	13.50%	13.50%	13.50%
	Interest	0.00	0.00	0.00	0.00	0.00
	Repayment Schedule	Repaid in 28.02.2002				
2	Bond- III Series - 2					
	Gross loan opening	631.03	631.03	631.03	631.03	631.03
	Cumulative Repayment upto DOCO/previous year	631.03	631.03	631.03	631.03	631.03
	Net Loan-Opening	0.00	0.00	0.00	0.00	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00	0.00
	Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
	Average Loan	0.00	0.00	0.00	0.00	0.00
	Rate of Interest	9.75%	9.75%	9.75%	9.75%	9.75%
	Interest	0.00	0.00	0.00	0.00	0.00
	Repayment Schedule	Repaid in 28.10.2001				
3	Bond- I (Issue-III)					
	Gross loan opening	127.00	127.00	127.00	127.00	127.00
	Cumulative Repayment upto DOCO/previous year	127.00	127.00	127.00	127.00	127.00
	Net Loan-Opening	0.00	0.00	0.00	0.00	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00	0.00
	Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
	Average Loan	0.00	0.00	0.00	0.00	0.00
	Rate of Interest	9.00%	9.00%	9.00%	9.00%	9.00%
	Interest	0.00	0.00	0.00	0.00	0.00
	Repayment Schedule	Repaid in 10.03.2002				
4	Bond- II					
	Gross loan opening	2157.00	2157.00	2157.00	2157.00	2157.00
	Cumulative Repayment upto	2157.00	2157.00	2157.00	2157.00	2157.00



	DOC0/previous year					
	Net Loan-Opening	0.00	0.00	0.00	0.00	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00	0.00
	Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
	Average Loan	0.00	0.00	0.00	0.00	0.00
	Rate of Interest	14.78%	14.78%	14.78%	14.78%	14.78%
	Interest	0.00	0.00	0.00	0.00	0.00
	Repayment Schedule	Repaid in 31.03.2001				
5	UTI					
	Gross loan opening	1296.00	1296.00	1296.00	1296.00	1296.00
	Cumulative Repayment upto DOC0/previous year	1296.00	1296.00	1296.00	1296.00	1296.00
	Net Loan-Opening	0.00	0.00	0.00	0.00	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00	0.00
	Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
	Average Loan	0.00	0.00	0.00	0.00	0.00
	Rate of Interest	16.70%	16.70%	16.70%	16.70%	16.70%
	Interest	0.00	0.00	0.00	0.00	0.00
	Repayment Schedule	Repaid in 31.03.2001				
6	GOI replaced byLIC					
	Gross loan opening	2855.00	2855.00	2855.00	2855.00	2855.00
	Cumulative Repayment upto DOC0/previous year	2039.76	2243.57	2447.38	2651.19	2855.00
	Net Loan-Opening	815.24	611.43	407.62	203.81	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	203.81	203.81	203.81	203.81	0.00
	Net Loan-Closing	611.43	407.62	203.81	0.00	0.00
	Average Loan	713.34	509.53	305.72	101.91	0.00
	Rate of Interest	6.30%	6.30%	6.30%	6.30%	6.30%
	Interest	44.94	32.10	19.26	6.42	0.00
	Repayment Schedule	10 Annual Instalments from 31.03.2004				
	Total Loan					
	Gross loan opening	7167.00	7167.00	7167.00	7167.00	7167.00
	Cumulative Repayment upto DOC0/previous year	6351.76	6555.57	6759.38	6963.19	7167.00
	Net Loan-Opening	815.24	611.43	407.62	203.81	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	203.81	203.81	203.81	203.81	0.00
	Net Loan-Closing	611.43	407.62	203.81	0.00	0.00
	Average Loan	713.34	509.53	305.72	101.91	0.00
	Rate of Interest	6.3000%	6.3000%	6.3000%	6.3000%	0.0000%
	Interest	44.94	32.10	19.26	6.42	0.00



Asset – 2

CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN						
(₹ in lakh)						
	Details of Loan	2009-10	2010-11	2011-12	2012-13	2013-14
1	Bond- III Series - I					
	Gross loan opening	98.76	98.76	98.76	98.76	98.76
	Cumulative Repayment upto DOCO/previous year	98.76	98.76	98.76	98.76	98.76
	Net Loan-Opening	0.00	0.00	0.00	0.00	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00	0.00
	Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
	Average Loan	0.00	0.00	0.00	0.00	0.00
	Rate of Interest	13.50%	13.50%	13.50%	13.50%	13.50%
	Interest	0.00	0.00	0.00	0.00	0.00
	Repayment Schedule	Repaid in 28.02.2002				
2	Bond- III Series - 2					
	Gross loan opening	617.24	617.24	617.24	617.24	617.24
	Cumulative Repayment upto DOCO/previous year	617.24	617.24	617.24	617.24	617.24
	Net Loan-Opening	0.00	0.00	0.00	0.00	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00	0.00
	Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
	Average Loan	0.00	0.00	0.00	0.00	0.00
	Rate of Interest	9.75%	9.75%	9.75%	9.75%	9.75%
	Interest	0.00	0.00	0.00	0.00	0.00
	Repayment Schedule	Repaid in 28.10.2001				
3	Bond- I (Issue-III)					
	Gross loan opening	125.00	125.00	125.00	125.00	125.00
	Cumulative Repayment upto DOCO/previous year	125.00	125.00	125.00	125.00	125.00
	Net Loan-Opening	0.00	0.00	0.00	0.00	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00	0.00
	Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
	Average Loan	0.00	0.00	0.00	0.00	0.00
	Rate of Interest	9.00%	9.00%	9.00%	9.00%	9.00%
	Interest	0.00	0.00	0.00	0.00	0.00
	Repayment Schedule	Repaid in 10.03.2002				
4	Bond- II					
	Gross loan opening	2118.00	2118.00	2118.00	2118.00	2118.00
	Cumulative Repayment upto	2118.00	2118.00	2118.00	2118.00	2118.00



	DOC0/previous year					
	Net Loan-Opening	0.00	0.00	0.00	0.00	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00	0.00
	Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
	Average Loan	0.00	0.00	0.00	0.00	0.00
	Rate of Interest	14.78%	14.78%	14.78%	14.78%	14.78%
	Interest	0.00	0.00	0.00	0.00	0.00
	Repayment Schedule	Repaid in 31.03.2001				
5	UTI					
	Gross loan opening	1269.00	1269.00	1269.00	1269.00	1269.00
	Cumulative Repayment upto DOC0/previous year	1269.00	1269.00	1269.00	1269.00	1269.00
	Net Loan-Opening	0.00	0.00	0.00	0.00	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00	0.00
	Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
	Average Loan	0.00	0.00	0.00	0.00	0.00
	Rate of Interest	16.70%	16.70%	16.70%	16.70%	16.70%
	Interest	0.00	0.00	0.00	0.00	0.00
	Repayment Schedule	Repaid in 31.03.2001				
6	GOI replaced by LIC					
	Gross loan opening	2797.00	2797.00	2797.00	2797.00	2797.00
	Cumulative Repayment upto DOC0/previous year	1963.84	2172.13	2380.42	2588.71	2797.00
	Net Loan-Opening	833.16	624.87	416.58	208.29	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	208.29	208.29	208.29	208.29	0.00
	Net Loan-Closing	624.87	416.58	208.29	0.00	0.00
	Average Loan	729.02	520.73	312.44	104.15	0.00
	Rate of Interest	6.30%	6.30%	6.30%	6.30%	6.30%
	Interest	45.93	32.81	19.68	6.56	0.00
	Repayment Schedule	10 Annual Instalments from 31.03.2004				
	Total Loan					
	Gross loan opening	7025.00	7025.00	7025.00	7025.00	7025.00
	Cumulative Repayment upto DOC0/previous year	6191.84	6400.13	6608.42	6816.71	7025.00
	Net Loan-Opening	833.16	624.87	416.58	208.29	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	208.29	208.29	208.29	208.29	0.00
	Net Loan-Closing	624.87	416.58	208.29	0.00	0.00
	Average Loan	729.02	520.73	312.44	104.15	0.00
	Rate of Interest	6.3000%	6.3000%	6.3000%	6.3000%	0.0000%
	Interest	45.93	32.81	19.68	6.56	0.00

