

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

PETITION NO. 241/TT/2014

**Coram:
Shri A.S. Bakshi, Member
Dr. M. K. Iyer, Member**

**Date of Hearing: 23.11.2015
Date of Order : 18.12.2015**

In the matter of:

Determination of transmission tariff for 2014-19 tariff block for 125 MVAR Bus Reactor at Gorakhpur Extn under "Immediate Evacuation System Associated with Barh-II TPS (1320 MW)" in Northern Region (DOCO:- 26.5.2014), under Regulation-86 of CERC (Conduct of Business) Regulations, 1999 and CERC (Terms and Conditions of Tariff) Regulations, 2014 and CERC (Terms and Condition of Tariff) Regulations, 2014.

And in the Matter of:

Power Grid Corporation of India Ltd,
SAUDAMINI, Plot No. 2,
Sector-29, Gurgaon-122001 (Haryana)

.....Petitioner

Versus

1. Rajasthan Rajya Vidyut Prasaran Nigam Limited
Vidyut Bhawan, Vidyut Marg, Jaipur - 302 005
2. Ajmer Vidyut Vitran Nigam Ltd
400 KV GSS Building (ground floor), Ajmer Road,
Heerapura, Jaipur.
3. Jalpur Vidyut Vitran Nigam Ltd
400 kv GSS Building (ground floor), Ajmer Road,
Heerapura, Jaipur.
4. Jodhpur Vidyut Vitran Nigam Ltd
400 kv GSS Building (ground floor), Ajmer road,



Heerapura, Jaipur.

5. Himachal Pradesh State Electricity Board
Vidyut Bhawan
Kumar House Complex Building II
Shimla-171 004
6. Punjab State Power Corporation Limited
Thermal Shed Tia
Near 22 Phatak
Patiala - 147 001
7. Haryana Power Purchase Centre
Shakti Bhawan, Sector-6
Fanchkula (Haryana) - 134 109
8. Power Development Deptt.
Govt. of Jammu & Kashmir
Mini secretariat, Jammu
9. Uttar Pradesh Power Corporation Ltd.
(Formerly Uttar Pradesh State Electricity Board)
Shakti Bhawan, 14, Ashok Marg
Lucknow - 226 001
10. Delhi Transco Ltd
Shakti Sadan, Kotla road,
New Delhi-1 10 002
11. BSES Yamuna Power Ltd,
Bses Bhawan, Nehru place,
New Delhi.
12. BSES Rajdhani Power Ltd,
Bses Bhawan, Nehru Place,
New Delhi
13. North Delhi power ltd,
Power Trading & Load Dispatch Group
Cennet Building,
Adjacent to 6611 1 kv Pitampura-3
Grld Building, Near PP Jewellers



Pitanipura, New Delhi - 110034

14. Chandigarh administration
Sector -9, Chandigarh.

15. Uttarakhand Power Corporation Ltd.
Urja Bhawan
Kanwali road, Dehradun.

16. North Central Railway
Allahabad.

17. New Delhi Municipal Council
Paiika Kendra Sansad Marg,
New delhi-110002

....Respondent(s)

The following were present:

For Petitioner: Shri S.K. Niranjana, PGCIL
Shri S.S. Raju, PGCIL
Shri Jasbir Singh, PGCIL
Shri Rakesh Prasad, PGCIL
Shri Anshul Garg, PGCIL
Shri M.M. Mondal, PGCIL
Shri S.K Venkatesan, PGCIL
Smt. Sangeeta Edwards, PGCIL
Shri S.K. Aggarwal, Advocate, JVVNL
Shri Shashi Bhushan, PGCIL
Shri Ved Prakash Rastogi, PGCIL

For Respondents: Shri B.L Sharma, Rajasthan Discoms

ORDER

The petition has been preferred by Power Grid Corporation of India Limited ("the petitioner"), a transmission licensee, for determination of tariff under Central



Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) for the period from 1.4.2014 to 31.3.2019 in respect of 125 MVAR Bus Reactor at Gorakhpur Extn under “Immediate Evacuation System Associated with Barh-II TPS (1320 MW)” in Northern Region (hereinafter referred to as “the transmission asset”)

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

3. The brief facts of the case are as follows:-

a) The investment approval for the transmission scheme was accorded by Board of Directors of the petitioner company vide memorandum dated 27.12.2011 at an estimated cost of ₹90177 lakh, which includes IDC of ₹5650 lakh.

b) The date of commercial operation for the transmission asset was 26.5.2014.

c) The Commission, vide its order dated 11.12.2014, in Petition No. 241/TT/2014 had approved the tariff for the transmission asset for the years 2014-15 and 2015-16 for inclusion in PoC charges as per Regulation 7(7)(i) of the 2014 Tariff Regulations. The Commission in the said order further stated that there is no time over-run and cost over-run in case of the instant asset and the issues raised by the respondent, BRPL, in its reply shall be dealt with at the time of determination of final tariff.



d) The Petitioner has claimed a capital cost of ₹690.50 lakh as on DOCO (26.5.2014) and additional capital expenditure of ₹255.68 lakh in 2014-19 tariff period.

4. The petitioner has served the petition to the respondents and notice of this application has been published in the newspaper in accordance with Section 64 of the Electricity Act 2003. In response to the instant petition, Respondent No. 12, BRPL filed its reply vide affidavit dated 15.9.2014. The petitioner has filed its rejoinder vide affidavit dated 4.12.2015, to the reply filed by BRPL. No comments/objections have been received from the public in response to the notice published in newspaper. The hearing in this matter was held on 23.11.2015. Having heard the representatives of the petitioner and respondents, and perused the material on record, we proceed to determine the tariff in accordance with the Tariff Regulations, 2014.

DETERMINATION OF ANNUAL FIXED CHARGES FOR 2014-19 TARIFF PERIOD:

5. The petitioner has claimed the transmission charges as under:-

(₹ in lakh)

Particulars	2014-15 (Pro-rata)	2015-16	2016-17	2017-18	2018-19
Depreciation	36.70	49.96	49.96	49.96	49.96
Interest on Loan	44.07	56.20	51.52	46.86	42.23
Return on Equity	40.90	55.66	55.66	55.66	55.66
Interest on Working Capital	5.63	7.17	7.17	7.18	7.20
O & M Expenses	51.22	62.30	64.37	66.51	68.71
Total	178.52	231.29	228.68	226.17	223.76



Capital Cost

6. Clause (3) and (6) of Regulation 9 of 2014 Tariff Regulation provide as follows:-

“(3) The Capital cost of an existing project shall include the following:
(a) the capital cost admitted by the Commission prior to 1.4.2014 duly trued up by excluding liability, if any, as on 1.4.2014;
(b) additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with Regulation 14; and
(c) expenditure on account of renovation and modernisation as admitted by this Commission in accordance with Regulation 15.”

“(6) The following shall be excluded or removed from the capital cost of the existing and new project:
(a) The assets forming part of the project, but not in use; (b) Decapitalisation of Asset;”

7. The capital cost of ₹690.50 lakh as certified in the Auditor’s Certificate dated 30.5.2014 has been considered as the capital cost as on DOCO for determination of tariff in accordance with Regulation 9 of the 2014 Tariff Regulations.

BRPL has submitted that in spite of marginal savings in the total projected capital cost to that of apportioned cost, element wise breakup of Project cost shows cost over-run in case of some of the element of the transmission asset and the reasons mentioned for variation are very casual and hence it should not be allowed by the Hon’ble Commission. In response, the petitioner has submitted that the cost variation is due to competitive bidding for procurement. It has further submitted that the FR was approved at price level of 3rd Quarter 2011 whereas the LOA is place at Nov, 2012 price level and therefore the best competitive bid prices against tenders may vary as compared to the cost estimates depending upon prevailing market conditions, design and site requirement.



Initial Spares

8. The petitioner has claimed initial spares of `52.48 lakh pertaining to sub-station corresponding to capital cost of `930.66 lakh (excluding IDC, IEDC, Land cost and cost of civil works) as on the cut-off date.

9. Regulation 13 of the 2014 Tariff Regulations provide for ceiling norms for capitalization of initial spares in respect of transmission Sub-station (Brown Field) is 6.00%. Accordingly, the initial spare has been allowed as under:-

(in lakh)							
Particulars	Apportioned Approved Cost	Capital cost pertaining to substation upto cut-off date	IDC and IEDC	Capital cost pertaining to substation upto cut-off date claimed (excluding IDC and IEDC)	Initial Spares claimed	Ceiling limits as per Regulation 8, 2009 regulations	Initial Spare worked out
Transmission Sub-station (Brown Field)	971.19	946.18	15.52	930.66	52.48	6.00%	56.05

Thus, the total initial spares claimed by the Petitioner are within the limits prescribed under Regulation 13 of the Tariff Regulation, 2014.

Additional Capital Expenditure

10. Clause (1) of Regulation 14 of the 2014 Tariff Regulations provides as under:-

“(1) The capital expenditure in respect of the new project or an existing project 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 recognized to be payable at a future date;
- (ii) Works deferred for execution;



- (iii) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation;
- (iv) Liabilities to meet award of arbitration or for compliance of the order or decree of a court of law; and
- (v) Change in law or compliance of any existing law.”

11. Clause 13 of Regulation 3 of the 2014 Tariff Regulations defines

“Cut - off Date” means 31st March of the year closing after two years of the year of commercial operation of whole or part of the project, and in case the whole or part of the project is declared 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:”

The petitioner has claimed additional capital expenditure amounting to `255.68 lakh during 2014-15, on account of Balance/Retention payments and is covered under Regulation 14(1)(i) of Tariff Regulations’ 2014. The Commission has considered the submission of the petitioner and is allowing the same during the tariff period 2014-19, subject to true up on actual basis.

Debt: Equity

12. Clause (1) and (3) of Regulation 19 of the 2014 Tariff Regulations provide as under:-

“19. Debt-Equity Ratio: (1) For a project declared under commercial operation on or after 1.4.2014, the debt-equity ratio would be considered as 70:30 as on COD. If the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan”

“(3) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2014, debt equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2014 shall be considered.”

13. The petitioner has considered the debt: equity ratio of 70:30, which is in line with the 2014 Tariff Regulations, hence same is considered for calculation of tariff.



14. The details of the debt:equity considered for the purpose of tariff for 2014-19 tariff period is as follows:-

	Capital Cost as on DOCO (in ₹ lakh)	(%)	Add Cap in FY 2014-15 (in ₹ lakh)	(%)	Capital Cost as on 31.3.2019	(%)
Equity	207.15	30.00	76.70	30.00	283.85	30.00
Debt	483.35	70.00	178.98	70.00	662.33	70.00
Total	690.50	100.00	255.68	100.00	946.18	100.00

Return on Equity (“ROE”)

15. Clause (1) and (2) of Regulations 24 and Clause (2) of Regulation 25 of the 2014 Tariff Regulations specify as under:-

“24. Return on Equity: (1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with regulation 19.
(2) Return on equity shall be computed at the base rate of 15.50% for thermal generating stations, transmission system including communication system....”

“25. Tax on Return on Equity:

..(2) Rate of return on equity shall be rounded off to three decimal places and shall be computed as per the formula given below:

Rate of pre-tax return on equity = Base rate / (1-t)

Where “t” is the effective tax rate in accordance with Clause (1) of this regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of generating company or transmission licensee paying Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess.”

16. 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 ROE. 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



ROE, which shall be trued up with actual tax rate in accordance with Clause (3) of Regulation 25 of the 2014 Tariff Regulations. The ROE allowed is as follows:-

(₹ in lakh)

Return on Equity	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	207.15	283.85	283.85	283.85	283.85
Additions	76.70	0.00	0.00	0.00	0.00
Closing Equity	283.85	283.85	283.85	283.85	283.85
Average Equity	245.50	283.85	283.85	283.85	283.85
Return on Equity (Base Rate) (%)	15.50	15.50	15.50	15.50	15.50
MAT Rate for respective year (%)	20.96	20.96	20.96	20.96	20.96
Rate of Return on Equity (%)	19.61	19.61	19.61	19.61	19.61
Return on Equity	40.90*	55.67	55.67	55.67	55.67

*(Pro-rata)

Interest on Loan (“IoL”)

17. Clause 5 and 6 of Regulation 26 of 2014 Tariff Regulations provides that:-

“(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized:

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.”

18. The weighted average rate of IoL has been considered on the basis of rate prevailing as on 1.4.2014. The petitioner has prayed that the change in interest rate due to floating rate of interest applicable, if any, during 2014-19 tariff period will be adjusted. Accordingly, the floating rate of interest, if any, shall be considered at the time of true up or next revision of tariff. By considering above,



the IoL has been worked out in accordance with Regulation 26 of the 2014 Tariff Regulations. The details of weighted average rate of interest for 2014-19 tariff period are placed at Annexure-2, IoL allowed is as follows:-

(₹ in lakh)

Interest on Loan	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	483.35	662.33	662.33	662.33	662.33
Cumulative Repayment upto Previous Year	0.00	36.70	86.66	136.62	186.58
Net Loan-Opening	483.35	625.62	575.66	525.71	475.75
Additions	178.98	0.00	0.00	0.00	0.00
Repayment during the year	36.70	49.96	49.96	49.96	49.96
Net Loan-Closing	625.62	575.66	525.71	475.75	425.79
Average Loan	554.49	600.64	550.68	500.73	450.77
Weighted Average Rate of Interest on Loan (%)	9.3573	9.3573	9.3561	9.3579	9.3680
Interest on Loan	44.07*	56.20	51.52	46.86	42.23

*(Pro-rata)

Depreciation

19. Clause (2), (5) and (6) of Regulation 27 of 2014 Tariff Regulations provide that:-

"27. Depreciation:

...(2) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. In case of multiple units of a generating station or multiple elements of transmission system, weighted average life for the generating station of the transmission system shall be applied. 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

...

(5) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-II 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 the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.

(6) In case of the existing projects, the balance depreciable value as on 1.4.2014 shall be worked out by deducting the cumulative depreciation as



admitted by the Commission upto 31.3.2014 from the gross depreciable value of the assets.”

20. The depreciation has been worked out considering the admitted capital expenditure as on 31.3.2014 and accumulated depreciation up to 31.3.2014. The detailed calculations for depreciation for the transmission asset are worked out and allowed as follows:-

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	690.50	946.18	946.18	946.18	946.18
Additional Capitalisation	255.68	0.00	0.00	0.00	0.00
Closing Gross Block	946.18	946.18	946.18	946.18	946.18
Average Gross Block	818.34	946.18	946.18	946.18	946.18
Rate of Depreciation (%)	5.28	5.28	5.28	5.28	5.28
Depreciable Value	736.51	966.62	851.56	851.56	851.56
Balance useful life of the asset	25.00	24.00	23.00	22.00	21.00
Elapsed life	1.00	2.00	3.00	4.00	5.00
Remaining Depreciable Value	115.06	193.41	143.45	93.49	43.53
Depreciation during the year	36.70	49.96	49.96	49.96	49.96
Cumulative depreciation	36.70*	86.66	136.62	186.58	236.54

*(Pro-rata)

Operation & Maintenance Expenses (“O&M Expenses”)

21. The petitioner has 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 2014-19 tariff period. The petitioner has also submitted that it will approach the Commission for suitable revision in the norms of O&M Expenses for claiming the impact of such increase.



22. BRPL has submitted that the increase in the employee cost, if any, due to wage regions must be taken care by improvement in their productivity levels by the petitioner company so that the beneficiaries are not unduly burdened over and above the provisions made in the Tariff Regulations, 2014. In response the petitioner has submitted that the norms for O&M Expenses for Transmission System as specified under Regulation 29 (3) (a) of the 2014 tariff regulations for 2014-19 has been arrived after considering (i) normalized actual O&M Expenses of the petitioner on its various projects in various regions during the year 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13. The petitioner has submitted that being a CPSU, the scheme of wage revision is binding on the petitioner. However, the actual impact of wage hike (due w.e.f. 1.1.2017) has not been factored in fixation of the normative O&M rates prescribed for the 2014-19 tariff period.

23. We have considered the submissions of the petitioner and the respondents. We would like to clarify that any application filed by the petitioner for revision of O&M Expenses on account of wage revision will be dealt with in accordance with the appropriate provisions of the 2014 Tariff Regulations. The O&M Expenses are allowed for the instant transmission assets as per the prevailing norms.

24. Clause 3(a) of Regulation 29 of the 2014 Tariff Regulations specify the norms for O&M Expenses for the transmission system. The total allowable O&M Expenses for the instant assets are as follows:-

Particulars	2014-15 (Pro-rata)	2015-16	2016-17	2017-18	2018-19
400 kV Bays :					
No. of Bays	1	1	1	1	1
Norms (₹ lakh/Bay)	60.30	62.30	64.37	66.51	68.71



Particulars	2014-15 (Pro-rata)	2015-16	2016-17	2017-18	2018-19
Total O&M Expenses (₹ lakh)	51.22	62.30	64.37	66.51	68.71

Interest on Working Capital

25. Clause 1 (c) of Regulation 28 and Clause 5 of Regulation 3 of the 2014 Tariff Regulations specifies as follows:

“28. Interest on Working Capital

- (c).(i) Receivables equivalent to two months of fixed cost;
(ii) Maintenance spares @ 15% of operation and maintenance expenses specified in regulation 29; and
(iii) Operation and maintenance expenses for one month”

“(5) ‘Bank Rate’ means the base rate of interest as specified by the State Bank of India from time to time or any replacement thereof for the time being in effect plus 350 basis points;”

26. The petitioner has submitted that it has computed interest on working capital for the tariff block 2014-19 considering the SBI Base Rate plus 350 basis points as on 1.4.2014. The rate of interest on working capital considered is 13.50%.

27. The interest on working capital is worked out in accordance with Regulation 28 of the 2014 Tariff Regulations. The rate of interest on working capital considered is 13.50% (SBI Base Rate of 10% plus 350 basis points). The components of the working capital and interest thereon have been worked as follows:-

	(₹ in lakh)				
Interest on Working Capital	2014-15	2015-16	2016-17	2017-18	2018-19
O & M expenses	4.27	5.19	5.36	5.54	5.72
Maintenance Spares	7.68	9.35	9.66	9.98	10.31
Receivables	29.75	38.55	38.11	37.70	37.29



Interest on Working Capital	2014-15	2015-16	2016-17	2017-18	2018-19
Total	41.70	53.08	53.13	53.21	53.32
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	5.63	7.17	7.17	7.18	7.20

*(Pro-rata)

ANNUAL FIXED CHARGES FOR THE 2014-19 TARIFF PERIOD

28. The transmission charges allowed for the instant transmission assets for the 2014-19 tariff period are summarised below:-

(₹ in lakh)

Particulars	2014-15 (Pro-rata)	2015-16	2016-17	2017-18	2018-19
Depreciation					
Opening Gross Block	690.50	946.18	946.18	946.18	946.18
Additional Capitalisation	255.68	0.00	0.00	0.00	0.00
Closing Gross Block	946.18	946.18	946.18	946.18	946.18
Average Gross Block	818.34	946.18	946.18	946.18	946.18
Rate of Depreciation (%)	5.28	5.28	5.28	5.28	5.28
Depreciable Value	736.51	966.62	851.56	851.56	851.56
Balance useful life of the asset	25.00	24.00	23.00	22.00	21.00
Elapsed Life	1.00	2.00	3.00	4.00	5.00
Remaining Depreciable Value	115.06	193.41	143.45	93.49	43.53
Depreciation	36.70	49.96	49.96	49.96	49.96
Cumulative depreciation	36.70	86.66	136.62	186.58	236.54
Interest on Loan					
Gross Normative Loan	483.35	662.33	662.33	662.33	662.33
Cumulative Repayment upto Previous Year	0.00	36.70	86.66	136.62	186.58
Net Loan-Opening	483.35	625.62	575.66	525.71	475.75
Additions	178.98	0.00	0.00	0.00	0.00
Repayment during the year	36.70	49.96	49.96	49.96	49.96
Net Loan-Closing	625.62	575.66	525.71	475.75	425.79
Average Loan	554.49	600.64	550.68	500.73	450.77
Weighted Average Rate of Interest on Loan (%)	9.3573	9.3573	9.3561	9.3579	9.3680



Particulars	2014-15 (Pro-rata)	2015-16	2016-17	2017-18	2018-19
Interest	44.07	56.20	51.52	46.86	42.23
Return on Equity					
Opening Equity	207.15	283.85	283.85	283.85	283.85
Additions	76.70	0.00	0.00	0.00	0.00
Closing Equity	283.85	283.85	283.85	283.85	283.85
Average Equity	245.50	283.85	283.85	283.85	283.85
Return on Equity (Base Rate) (%)	15.50	15.50	15.50	15.50	15.50
MAT rate for the respective year (%)	20.96	20.96	20.96	20.96	20.96
Rate of Return on Equity (%)	19.61	19.61	19.61	19.61	19.61
Return on Equity	40.90	55.67	55.67	55.67	55.67
Interest on Working Capital					
O & M expenses	4.27	5.19	5.36	5.54	5.72
Maintenance Spares	7.68	9.35	9.66	9.98	10.31
Receivables	29.75	38.55	38.11	37.70	37.29
Total	41.70	53.08	53.13	53.21	53.32
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on working capital	5.63	7.17	7.17	7.18	7.20
Annual Transmission Charges					
Depreciation	36.70	49.96	49.96	49.96	49.96
Interest on Loan	44.07	56.20	51.52	46.86	42.23
Return on Equity	40.90	55.67	55.67	55.67	55.67
Interest on Working Capital	5.63	7.17	7.17	7.18	7.20
O & M Expenses	51.22	62.30	64.37	66.51	68.71
Total	178.53	231.29	228.69	226.17	223.76



Deferred Tax Liability

29. The petitioner has sought recovery of deferred tax liability before 1.4.2009 from the beneficiaries or long term consumers/ DICs as and when materialized. The deferred tax liability shall be dealt as per Regulations 49 of the 2014 Tariff Regulations, as amended. Accordingly, the petitioner is entitled to recover the deferred tax liability upto 31.3.2009 whenever it is materialized directly from the beneficiaries or long term transmission customers /DICs.

Filing Fee and the Publication Expenses

30. 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 52 (1) of the 2014 Tariff Regulations.

Licence Fee & RLDC Fees and Charges

31. The petitioner shall be entitled for reimbursement of licence fee in accordance with Regulation 52 (2) (b) of the 2014 Tariff Regulations for 2014-19 tariff period. The petitioner shall also be entitled for recovery of RLDC fee & charges in accordance with Regulations 52 (2) (a) of the 2014 Tariff Regulations for 2014-19 tariff period.

Service Tax

32. The petitioner has prayed for reimbursement of service tax if it is subjected to such tax in future. We are of the view that the petitioner's prayer is premature.



Sharing of Transmission Charges

33. 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 Tariff Regulations.

34. This order disposes of Petition No. 241/TT/2014.

Sd/-
(Dr. M.K. Iyer)
Member

Sd/-
(A.S. Bakshi)
Member



CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
SBI (21.03.2012)-LOAN 7-					
Gross Opening Loan	43.00	43.00	43.00	43.00	43.00
Cumulative Repayments of Loans upto Previous Year	0.00	0.00	0.00	3.91	7.82
Net Loans Opening	43.00	43.00	43.00	39.09	35.18
Add: Draw(s) during the Year	0.00	0.00	0.00	0.00	0.00
Less: Repayments of Loan during the year	0.00	0.00	3.91	3.91	3.91
Net Closing Loan	43.00	43.00	39.09	35.18	31.27
Average Net Loan	43.00	43.00	41.05	37.14	33.23
Rate of Interest on Loan (%)	10.25	10.25	10.25	10.25	10.25
Interest on Loan	4.41	4.41	4.21	3.81	3.41
BOND XL-LOAN 1-					
Gross Opening Loan	50.00	50.00	50.00	50.00	50.00
Cumulative Repayments of Loans upto Previous Year	0.00	0.00	0.00	4.17	8.34
Net Loans Opening	50.00	50.00	50.00	45.83	41.66
Add: Draw(s) during the Year	0.00	0.00	0.00	0.00	0.00
Less: Repayments of Loan during the year	0.00	0.00	4.17	4.17	4.17
Net Closing Loan	50.00	50.00	45.83	41.66	37.49
Average Net Loan	50.00	50.00	47.92	43.75	39.58
Rate of Interest on Loan (%)	9.30	9.30	9.30	9.30	9.30
Interest on Loan	4.65	4.65	4.46	4.07	3.68
BOND -XU-LOAN 2-					
Gross Opening Loan	50.00	50.00	50.00	50.00	50.00
Cumulative Repayments of Loans upto Previous Year	0.00	0.00	0.00	4.17	8.34
Net Loans Opening	50.00	50.00	50.00	45.83	41.66
Add: Draw(s) during the Year	0.00	0.00	0.00	0.00	0.00
Less: Repayments of Loan during the year	0.00	0.00	4.17	4.17	4.17
Net Closing Loan	50.00	50.00	45.83	41.66	37.49
Average Net Loan	50.00	50.00	47.92	43.75	39.58
Rate of Interest on Loan (%)	8.85	8.85	8.85	8.85	8.85
Interest on Loan	4.43	4.43	4.24	3.87	3.50
BOND -XUI-LOAN 3-					
Gross Opening Loan	50.00	50.00	50.00	50.00	50.00
Cumulative Repayments of Loans upto Previous Year	0.00	0.00	0.00	0.00	0.00
Net Loans Opening	50.00	50.00	50.00	50.00	50.00
Add: Draw(s) during the Year	0.00	0.00	0.00	0.00	0.00



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Less: Repayments of Loan during the year	0.00	0.00	0.00	0.00	0.00
Net Closing Loan	50.00	50.00	50.00	50.00	50.00
Average Net Loan	50.00	50.00	50.00	50.00	50.00
Rate of Interest on Loan (%)	8.80	8.80	8.80	8.80	8.80
Interest on Loan	4.40	4.40	4.40	4.40	4.40
BOND -XUII-LOAN 4-					
Gross Opening Loan	50.00	50.00	50.00	50.00	50.00
Cumulative Repayments of Loans upto Previous Year	0.00	0.00	0.00	0.00	4.17
Net Loans Opening	50.00	50.00	50.00	50.00	45.83
Add: Draw(s) during the Year	0.00	0.00	0.00	0.00	0.00
Less: Repayments of Loan during the year	0.00	0.00	0.00	4.17	4.17
Net Closing Loan	50.00	50.00	50.00	45.83	41.66
Average Net Loan	50.00	50.00	50.00	47.92	43.75
Rate of Interest on Loan (%)	7.93	7.93	7.93	7.93	7.93
Interest on Loan	3.97	3.97	3.97	3.80	3.47
BOND XLIV-LOAN 5-					
Gross Opening Loan	50.00	50.00	50.00	50.00	50.00
Cumulative Repayments of Loans upto Previous Year	0.00	0.00	0.00	0.00	0.00
Net Loans Opening	50.00	50.00	50.00	50.00	50.00
Add: Draw(s) during the Year	0.00	0.00	0.00	0.00	16.67
Less: Repayments of Loan during the year	0.00	0.00	0.00	0.00	33.33
Net Closing Loan	50.00	50.00	50.00	50.00	33.34
Average Net Loan	50.00	50.00	50.00	50.00	41.67
Rate of Interest on Loan (%)	8.70	8.70	8.70	8.70	8.70
Interest on Loan	4.35	4.35	4.35	4.35	3.63
BOND XLV-LOAN 6-					
Gross Opening Loan	80.00	80.00	80.00	80.00	80.00
Cumulative Repayments of Loans upto Previous Year	0.00	0.00	0.00	0.00	6.67
Net Loans Opening	80.00	80.00	80.00	80.00	73.33
Add: Draw(s) during the Year	0.00	0.00	0.00	0.00	0.00
Less: Repayments of Loan during the year	0.00	0.00	0.00	6.67	6.67
Net Closing Loan	80.00	80.00	80.00	73.33	66.66
Average Net Loan	80.00	80.00	80.00	76.67	70.00
Rate of Interest on Loan (%)	9.65	9.65	9.65	9.65	9.65
Interest on Loan	7.72	7.72	7.72	7.40	6.75
PROPOSED LOAN 2014-15 (10.25%)-LOAN 8-					
Gross Opening Loan	110.35	110.35	110.35	110.35	110.35
Cumulative Repayments of Loans	0.00	0.00	0.00	0.00	0.00



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
upto Previous Year					
Net Loans Opening	110.35	110.35	110.35	110.35	110.35
Add: Draw(s) during the Year	0.00	0.00	0.00	0.00	0.00
Less: Repayments of Loan during the year	0.00	0.00	0.00	0.00	9.20
Net Closing Loan	110.35	110.35	110.35	110.35	101.15
Average Net Loan	110.35	110.35	110.35	110.35	105.75
Rate of Interest on Loan (%)	10.25	10.25	10.25	10.25	10.25
Interest on Loan	11.31	11.31	11.31	11.31	10.84
Summary					
Gross Opening Loan	483.35	483.35	483.35	483.35	483.35
Cumulative Repayments of Loans upto Previous Year	0.00	0.00	0.00	12.25	35.34
Net Loans Opening	483.35	483.35	483.35	471.10	448.01
Add: Draw(s) during the Year	0.00	0.00	0.00	0.00	16.67
Less: Repayments of Loan during the year	0.00	0.00	12.25	23.09	65.62
Net Closing Loan	483.35	483.35	471.10	448.01	399.06
Average Net Loan	483.35	483.35	477.23	459.56	423.54
Rate of Interest on Loan (%)	9.3573%	9.3573%	9.3561%	9.3579%	9.3680%
Interest on Loan	45.23	45.23	44.65	43.00	39.68

