CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. 106/TT/2012

Coram:

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

Date of Hearing : 22.04.2014
Date of Order : 09.01.2015

In the matter of:

Determination of transmission tariff for LILO point Jhanor (Gandhar)-Dehgam Line to 400 kV Sub-station of PGCIL at Pirana (Kamod) with LILO at 400 kV Pirana Sub-station of TPL (Phase-III) for the period from 1.4.2011 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:

Torrent Power Grid Limited (TPGL)
(Formerly Known as Torrent Power Transmission Pvt. Ltd. (TPTPL),
Torrent House, Off. Ashram Road,
Navrangpura, Ahmedabad-380009 ………**Petitioner**

Vs

1. Torrent Power Limited (TPL)
   Torrent House, Off. Ashram Road,
   Ahmedabad-380009

2. Power Grid Corporation of India Ltd.
   B-9, Qutab Institutional Area,
   Katwaria Sarai, New Delhi-110016

3. Western Regional Power Committee,
   F-3, MIDC Area, Marol,
   Opp. SEEPZ, Central Road,
   Andheri (East), Mumbai-400093

4. PTC India Ltd.
   2nd Floor, NBCC Tower,
   15, Bhikaji Cama Place,
   New Delhi-110066

5. M.P. Power Trading Company Limited
   Shakti Bhavan, Vidyut Nagar, Rampur,
   Jabalpur-482008

6. Gujarat Urja Vikas Nigam Limited,
   Sardar Patel Vidyut Bhavan, Race Course,
   Vadodra-390007

7. Maharashtra State Electricity Distribution Co. Ltd.
   “Prakashgad”, Bandra (East),
   Mumbai-400051

8. Chhattisgarh State Power Transmission Co. Ltd.
   P.O. Sundernagar, Dangania,
   Raipur-492013

9. Goa Electricity Department,
   Govt. of Goa, Vidyut Bhavan,
   3rd Floor, Panaji, Goa

10. Secretary, UT of Dadra Nagar Haveli,
    Silvasa-396230

11. Secretary, UT of Daman & Diu,
    Moti Daman ....**Respondents**

For petitioner : Shri Chetan Bundela, TPGL
Shri R. P. Rath, TPGL

For respondents : Shri P. J. Jani, GUVNL

ORDER

The petition has been filed by Torrent Power Grid Limited (TPGL), a joint venture between Torrent Power Limited and Power Grid Corporation of India Limited, seeking approval of the transmission charges for “LILO point Jhanor (Gandhar)-Dehgam Line to 400 kV Sub-station of PGCIL at Pirana (Kamod) with LILO at 400 kV Pirana Sub-station of TPL” (hereinafter referred to as “transmission asset”) as Phase-III of System associated for evacuation of power from 1147.50 MW SUGEN Combined Cycle Power Project (SUGEN CCPP) for the period from 1.4.2011 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"). The petitioner was granted transmission licence by the Commission vide order dated 16.5.2007 in Petition No. 97/2006 to transmit electricity and for that purpose to construct, maintain and operate the transmission system associated with evacuation of power from SUGEN power plant.

2. The investment approval for the Project was accorded by the Board of Directors of the petitioner in the meeting held on 21.8.2007 at an estimated cost of for ₹36400 lakh. However, the Commission has approved an amount of ₹35800 lakh for the whole project vide order dated 16.5.2007 in Petition No. 97/2006 while granting transmission license for the Project. Out of the approved cost, the apportioned approved cost of Phase-III is ₹24696 lakh.

3. The scope of works covered in the instant Project has been undertaken by the petitioner in three phases broadly as follows;-

I. Phase I: 400 kV LILO at SUGEN bus on one circuit of the 400 kV Gandhar (Jhanor)-Vapi Line of PGCIL.

II. Phase II: 400 kV D/C line from SUGEN to the point near Gandhar and LILO on one circuit of the Gandhar (Jhanor)-Dehgam Line of PGCIL near Gandhar.

III. Phase III: Extending 400 kV D/C line from LILO point on Jhanor (Gandhar)-Dehgam line to 400 kV Sub-station of PGCIL at Pirana (Kamod) and opening of LILO point near Gandhar along with two numbers of 400 kV line bays at Pirana (PGCIL) Sub-Station.

4. Phase-I and Phase-II of the Project were commissioned on 1.3.2009 and

26.3.2010 respectively. Phase-III of the Project was commissioned on 1.4.2011 which is the subject matter of the instant petition. The Phase-III was scheduled to be commissioned within 20 months from the date of issue of Letter of Award. The Letter of Award was issued on 18.11.2008 and accordingly the scheduled commissioning of the project works out to 17.7.2010 i.e. 1.8.2010. All three phases of the project are completed.

5. The petitioner claimed tariff for Phase-I and Phase-II through separate petitions. The tariff for Phase-I of the Project for the period 1.3.2009 to 31.3.2009 and 1.4.2009 to 31.3.2014 was allowed vide Order dated 11.7.2011 in Petition No. 275/2009 and vide Order dated 19.7.2011 in Petition No. 159/2009 respectively. The tariff for Phase-II was determined vide Order dated 22.4.2013 in Petition No. 318/2010.

6. Subsequent to filing the petition, the petitioner vide affidavit dated 16.11.2011 prayed for approval of provisional tariff as per clause (4) of Regulation 5 of the 2009 Tariff Regulations. Provisional tariff was granted vide order dated 24.5.2012 under Regulation 5(4) of the 2009 Tariff Regulations subject to adjustment as provided under Regulation 5(3) of the 2009 Tariff Regulations.

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

(₹ in lakh)

Particulars	2011-12	2012-13	2013-14
Depreciation	985.25	994.17	1054.41
Interest on Loan	1397.08	1300.23	1275.14
Return on Equity	1010.12	1019.27	1081.02
Interest on Working capital	78.24	77.26	79.83
O & M Expenses	218.47	230.95	244.10
Total	**3689.16**	**3621.88**	**3734.50**

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

(₹ in lakh)

Particulars	2011-12	2012-13	2013-14
Maintenance Spares	32.77	34.64	36.62
O & M expenses	18.21	19.25	20.34
Receivables	614.86	603.65	622.42
Total	**665.84**	**657.54**	**679.38**
Interest	78.24	77.26	79.83
Rate of Interest	11.75%	11.75%	11.75%

9. No comments or suggestions have been received from the general public in response to the notices published by the petitioner under Section 64 of the Electricity Act. However, the Respondent no. 7, Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) has filed reply to the petition vide affidavit dated 3.4.2012. The main contention of MSEDCL is regarding the petitioner's claim for grant of additional RoE of 0.5% for timely completion of the project. The Respondent no. 6, Gujarat Urja Vikas Nigam Limited (GUVNL) has filed a reply vide affidavit dated 27.6.2012. GUVNL has raised the issue of sharing of transmission charges. The petitioner has filed its rejoinder to MSEDCL and GUVNL's reply vide affidavit dated 24.5.2012 and 2.5.2014 respectively. The objections of MPPMCL and GUVNL have been dealt with in the relevant paragraphs of this order.

10. Having heard the parties and perused the material on record we proceed to determine the Annual Fixed Cost in accordance with Tariff Regulations, 2014.

<u>Capital Cost</u>

11. Regulation 7 of the 2009 Tariff Regulations 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."

12. Along with the petition, the petitioner submitted the Auditor's Certificate dated 6.9.2011 giving the capital cost of ₹20934.61 lakh as on the date of commercial operation including deferred liabilities of ₹2415.91 lakh. Subsequently, vide affidavit dated 19.2.2014, the petitioner has submitted the revised capital cost of ₹18518.70 lakh as on the date of commercial operation by excluding deferred liabilities. The details of the capital cost claimed by the petitioner are as follows:-

(₹ in lakh)

Apportioned approved cost	**Actual cost incurred as on COD**	**Projected Additional Capitalization**			**Total estimated completion cost**
		2011-12	**2012-13**	**2013-14**	
24695.76	18518.70	282.22	56.00	2225.49	21082.41

13. The break-up of the capital cost as submitted by the petitioner vide affidavit dated 19.2.2014, excluding un-discharged liabilities, as on the date of commercial operation for the purpose of tariff determination are as under:-

(₹ in lakh)

Capital expenditures claimed by the petitioner	**As on COD**
Transmission Line	17338.10
Sub-station	1144.67
Tools & Instruments	18.58
Plant and Machinery	16.94
Office Furniture and Furnishing	0.01
Office Equipments	0.36
I T Equipments	0.04
Total	**18518.70**

14. In the instant petition tariff is determined on the basis of the actual expenditure incurred up to date of commercial operation and projected additional capital expenditure to be incurred from the date of commercial operation to 31.3.2014.

Cost variation

15. The petitioner has stated that the actual cost of Phase-III, as on the date of commercial operation is ₹18518.70 lakh against the apportioned approved estimated cost of ₹24695 lakh. The reduction in actual cost by ₹6176.30 lakh despite the increase in transmission line cost on account of increase in length from 132 km to 144.55 km is mainly due to reduction in sub-station expenses, contingency reserve and IDC expenses. There is variation in cost of certain heads and accordingly, the petitioner was directed to explain the cost variation. In response, the petitioner has submitted that the cost variation is due to change in line length, changing the voltage of the transmission line, increase in EHV crossings, Angle Tower & Hardware Fittings, Design & Engineering cost and Tree Compensation, Site Supervision & Site Administration, etc. The estimated completion cost of the instant assets is within the apportioned approved cost and hence the cost variation in some of the elements is

allowed.

Time over-run

16. The schedule commissioning of the project was 20 months from the date of issue of Letter of Award. Letter of Award was issued on 18.11.2008. Accordingly, the scheduled commissioning date of the project works out to 17.7.2010, i.e. 1.8.2010. However, the instant assets were put under commercial operation on 1.4.2011. Thus, there is a delay of 8 months. The petitioner vide affidavit dated 4.2.2012 has attributed the time over-run to inadequate deployment of resources by the implementing agency and partially also due to revision in the scheme of implementation.

17. We have considered the submissions made by the petitioner regarding time over-run. As regards the inadequate deployment of resources and the consequent delay in completion of work by Gammon India Ltd., we are of the view that it is a bilateral issue between the petitioner and its contractor which requires to be settled between them and hence we would not like to go into it. The petitioner may claim liquidated damages (LD) from the contractor for the delay in commissioning of the asset. If the LD realized by the petitioner is more than the IDC/IEDC disallowed, the same shall be adjusted at the time of truing up. As regards the change in the implementation of the scheme, it is observed that the PGCIL has concurred with the petitioner’s proposal for the change in the scheme vide its letter dated 28.1.2008 and whereas the LoA for the works covered under Phase-III was placed on 18.11.2008. Therefore, the petitioner had ten months time to incorporate the changes to scheme before the LoA was awarded. It has been further observed that the approval for Phase-III was granted on 17.11.2008 and the LoA was immediately was placed on

18.11.2008. Therefore, change in the scheme cannot be considered as one of the reasons for the time over-run as contended by the petitioner.

18. Based on the facts above and material on record we are of the view that it is not established that revision in the scheme has been the cause of the delay in commissioning by 8 months. We are not convinced with the justification given by the petitioner for time over-run. Therefore, the time over-run of 8 months in commissioning of Phase-III is not condoned and accordingly the IDC and IEDC for 8 months have been disallowed.

Treatment of IDC & IEDC

19. The petitioner, vide affidavit dated 25.4.2013, has submitted the details of drawl of loan along with the interest capitalized. Accordingly, IDC of ₹720.76 lakh, corresponding to time over-run i.e. from 1st August, 2010 to 31st March, 2011 has been considered as below:-

(₹ in lakh)

Details of IDC as per CA Certificate dated 6.9.2011	
Up to COD	1242.36
Total IDC Claimed	1242.36

20. The petitioner has submitted the calculation of interest during construction upto 28.2.2011. Since the petitioner has test charged the line during March, 2013 due to completion of bays at sub-station end, the petitioner has declared the date of commercial operation as 1.4.2011 i.e. from the first of next calendar month. However, the date of capitalization for the purpose of IDC during time over-run period has been considered as 28.2.2011. Accordingly, the IDC from 1.8.2010 to 31.3.2011 has been considered as overleaf:-

(₹ in lakh)

IDC for 1.8.2010 to 31.3.2011 (equal to 8 Months based on actual loan drawl)	
Disallowed IDC	720.76

21. The IDC amount of ₹720.76 lakh has been deducted from the capital cost claimed, as on the date of commercial operation for the purpose of tariff determination.

22. The petitioner has submitted that the construction and pre-commissioning expenses from the date of issue of LoA to the date of commercial operation is ₹392.61 lakh on aggregate basis. IEDC has been deducted for 8 months period of time over-run, i.e. from 18.11.2008 (date of issue of Letter of Award) to 31.3.2011 from IEDC incurred for 28 months. Accordingly, an amount of ₹112.174 lakh has been proportionately deducted from the IEDC claimed by the petitioner. The details of the IEDC claimed and disallowed are as follows:-

(₹ in lakh)

Detail of IEDC as per CA Certificate dated 6.9.2011	
	IEDC
Up to COD	392.610
Total IEDC Claimed	**392.610**
Detail of IEDC disallowed for 8 Months	
Disallowed IEDC	112.174

23. The capital cost considered for the purpose of tariff computation, after adjusting the disallowed amount of IDC and IEDC corresponding to 8 months, is as under:-

(₹ in lakh)

Capital Expenditure claimed	As on COD	Capital Cost as on COD after adjusting IDC and IEDC
Transmission Line	17338.10	16558.27
Sub station	1144.67	1093.18
Tools & Instruments	18.58	17.74
Plant and Machinery	16.94	16.18
Office Furniture	0.01	0.01
Office Equipments	0.36	0.34

I T Equipments	0.04	0.04
Total	**18518.70**	**17685.76**

Treatment of Initial Spares

24. The petitioner has claimed the cost of initial spares for Tools & instruments, Plant & Machinery, Office furniture & furnishing, office equipment and IT equipments as a distinct component from sub-station and transmission line, in addition to the initial spares of sub-station and transmission line. The petitioner has not submitted whether these initial spares form part of sub-station or transmission line. Accordingly, the cost of tools and instruments has been apportioned in proportion to the capital cost of the sub-station and transmission line.

25. At the time of claiming the transmission tariff for Phase-I and Phase-II, the petitioner had made a submission that the cost of initial spares shall be claimed on completion of the entire project. With the commissioning of Phase-III, the entire project of the petitioner is completed. Accordingly, petitioner in the instant petition has claimed initial spares of ₹78.58 lakh and ₹123.80 lakh for sub-station and transmission line respectively for the entire project.

26. Initial spares has been allowed for only Phase-III in this order, after adjusting IDC, IEDC and apportioning cost of tools amongst sub-station and transmission line. The admissible initial spares shall be worked out for the entire project at the time of truing up on submission of the actual additional capital expenditure incurred up to cut-off date for the entire project. The details of the initial spares allowed for Phase-III are as overleaf:-

(₹ in lakh)

	Capital cost claimed	Capital cost after adjusting IDC and IEDC	Initial spares claimed	Proportion -ate initial spares claimed	Ceiling limits (%)	Initial spares considered	Excess initial spares
	(a)	(b)	(c)	(d) = (c)*(b)/(a)	(e)	(f)= {(b)-(d)}*(e)/ {100%-(e)}	(g) = (f) - (d)
S/S	1531.87	1095.31	78.58	56.19	2.50	26.64	29.55
T/L	19550.54	16590.45	123.80	104.38	0.75	124.58	NIL

27. The capital cost considered for the purpose of tariff calculations after disallowing IDC and IEDC and adjustment of the excess initial spares is as follows:-

(₹ in lakh)

Capital Expenditure claimed	As on COD	Capital Cost as on COD after adjusting IDC and IEDC	Capital Cost as on COD after adjusting excess initial spares
Transmission Line	17338.10	16558.27	16558.27
Sub station	1144.67	1093.18	1063.64
Tools & Instruments	18.58	17.74	17.74
Plant and Machinery	16.94	16.18	16.18
Office Furniture and Furnishing	0.01	0.01	0.01
Office Equipments	0.36	0.34	0.34
I T Equipments	0.04	0.04	0.04
Total	**18518.70**	**17685.76**	**17656.22**

Projected Additional Capital Expenditure

28. 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:"

29. 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".

Accordingly, the cut-off date for the instant asset in Phase-III is 31.3.2014.

30. The petitioner has claimed the following additional capital expenditure:-

(₹ in lakh)

Projected Capital Expenditure as on COD	**2011-12**	**2012-13**	**2013-14**
Transmission Line	54.88	35.95	2088.29
Sub station	227.34	20.05	137.20
Tools & Instruments	0.00	0.00	0.00
Plant and Machinery	0.00	0.00	0.00
Office Furniture and Furnishing	0.00	0.00	0.00
Office Equipments	0.00	0.00	0.00
I T Equipments	0.00	0.00	0.00
Total	**282.22**	**56.00**	**2225.49**

31. The projected additional capital expenditure is covered under original scope of work and falls within the cut-off date. The additional capital expenditure claimed by the petitioner has been considered as per Regulations 9 (1) of 2009 Tariff Regulations. The capital expenditure now considered on projected basis shall be reviewed at the time of truing up, on submission of actual capital expenditure by the petitioner.

Debt- Equity Ratio

32. 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."

33. In the instant petition, petitioner has claimed Debt: Equity ratio of 70:30 based on the actual funding. However, while fixation of tariff for Phase-II, covered in Petition No. 318/2010, the Commission, in its order dated 22.4.2013, has considered the normative Debt: Equity ratio with the direction to the petitioner to submit the actual Debt: Equity deployed on completion of the project. On commissioning of Phase-III, the entire project gets completed. Thus, the actual debt and equity deployed in the entire project has been considered and the admissible Debt: Equity of Phase-III has been considered after examination of Debt: Equity ratio of entire project as under:-

34. Considering Debt: Equity of ratio of 70:30 for Phase-III, the aggregate equity of the project works out to ₹10129.69 lakh for the purpose of tariff as on 31.3.2011 as detailed overleaf:-

(₹ in lakh)

	Capital Expenditure			Debt: Equity Ratio	
Phase-I	**Upto COD 1.3.2009**	**Add cap upto 31.3.2011**	**Total**	**Claimed for tariff (%)**	**Admitted for tariff (%)**
Debt	-	0.00	0.00	70.00	70.00
Equity	2103.46	237.98	2341.44	30.00	30.00
Total	**2103.46***	**237.98**	**2341.44**	**100.00**	**100.00**

(*Reducing undischarged liability of ₹16.19 lakh written back and including contribution paid by Gujarat Mineral Development Corporation (GMDC) of ₹780.48 lakh)

35. The petitioner has submitted that amount of ₹300 lakh was received from GMDC during 2009-10 and balance amount of ₹480.48 lakh was received during 2011-12. Accordingly, as on 31.3.2011, the revised actual status of Debt: Equity in Phase-I is as under:-

(₹ in lakh)

	Capital Expenditure			Debt: Equity Ratio	
Phase-I	**Upto COD 1.3.2009**	**Add cap upto 31.3.2011**	**Total as on 31.3.2011**	**Claimed for tariff (%)**	**Admitted for tariff (%)**
Debt	-	0.00	0.00	70.00	70.00
Equity	2103.46	-62.02*	2041.44	30.00	30.00
Total	**2103.46**	**-62.02**	**2041.44**	**100.00**	**100.00**

*Reduced ₹300 lakh received during 2009-10 against contribution of GMDC

36. The capital structure of Phase-II and Phase-III as on 31.3.2011 is as follows:-

(₹ in lakh)

Phase-II	Capital Expenditure			Debt: Equity Ratio	
	Upto COD 1.4.2010	**Add cap upto 31.3.2011**	**Total as on 31.3.2011**	**Claimed for tariff (%)**	**Admitted for tariff (%)**
Debt	5423.47	486.02	5895.45	70.00	70.00
Equity	2324.34	208.30	2526.63	30.00	30.00
Total	**7747.81**	**694.32**	**8422.08**	**100.00**	**100.00**

(₹ in lakh)

	Capital Expenditure as 31.3.2011							
	Phase-I	**D: E Ratio (%)**	**Phase-II**	**D: E Ratio (%)**	**Phase-III**	**D: E Ratio* (%)**	**Total**	**D: E Ratio (%)**
Debt	0.00	0.00	5895.45	70.00	12963.09	70.00	18872.58	65.07
Equity	2041.44	100.00	2526.63	30.00	5555.61	30.00	10129.69	34.93
Total	**2041.44**	**100.00**	**8422.08**	**100.00**	**18518.70**	**100.00**	**29002.27**	**100.00**

(*As claimed by the petitioner)

37. The balance sheet as on 31.3.2011 has been considered to verify the equity infused in the project as all three phases were commissioned by 31.3.2011. The petitioner has submitted the balance sheet for the financial year 2010-11. It is observed that “Equity and Reserves” as on 31st March, 2011 was ₹9422.46 lakh.

(₹ in lakh)

<table>
<tr><td rowspan="3">Phase-I+
Phase-II+
Phase-III</td><td rowspan="2"></td><td colspan="2">As on 31.3.2011</td><td rowspan="2">Excess Equity</td></tr>
<tr><td>Total</td><td>As per balance sheet</td></tr>
<tr><td>Equity</td><td>10129.69</td><td>9422.46</td><td>707.23</td></tr>
</table>

38. The aggregate equity of the project for the purpose of tariff exceeds the actual equity of the project by ₹707.23 lakh. Thus, Debt: Equity ratio for Phase-III has been considered after adjusting the excess equity. Accordingly, the Debt-Equity ratio as on the date of commercial for Phase-III works out to 73.82:26.18.

(₹ in lakh)

	D:E Ratio As claimed by Petitioner		**D:E Ratio After adjusting excess equity**	
Debt	12963.09	70.00	13670.32	73.8190
Equity	5555.61	30.00	4848.38	26.1810
Total	**18518.70**	**100.00**	**18518.70**	**100.0000**

39. As recognized by the Commission in its order dated 22.4.2013, the petitioner has not segregated phase wise loan and equity. The calculations are made on the basis of the submissions of the petitioner. However, if the petitioner changes the equity or/and loan position of Phase-I and II at the time of truing up, the debt: equity position may undergo change. The petitioner is given the liberty to file a consolidated petition along with phase wise infusion of loan and equity at the time of truing up for a final view by the Commission.

40. In view of above, Debt: Equity ratio of Phase-III, for the admitted capital cost as on the date of commercial operation, additional capital expenditure for 2011-12, 2012-12 and 2013-14 and capital cost as on 31.3.2014 is considered as follows:-

(₹ in lakh)

	Admitted Capital Cost **as on 1.4.2011**	
Debt	13033.65	73.8190
Equity	4622.57	26.1810
Total	**17656.22**	**100.00**
	Additional Capital Expenditure **2011-12**	
Debt	197.55	70.00
Equity	84.67	30.00
Total	**282.22**	**100.00**
	Additional Capital Expenditure **2012-13**	
Debt	39.20	70.00
Equity	16.80	30.00
Total	**56.00**	**100.00**
	Additional Capital Expenditure **2013-14**	
Debt	1557.84	70.00
Equity	667.65	30.00
Total	**2225.49**	**100.00**
	Capital Cost **as on 31.3.2014**	
Debt	14828.24	73.33
Equity	5391.69	26.67
Total	**20219.93**	**100.00**

41. The Debt: Equity ratio corresponding to admitted capital cost upto 31.3.2011 for the entire project is as follows:-

(₹ in lakh)

As admitted on 31.3.2011				
Phase-I	Upto COD (1.3.2009)	Add cap upto 31.3.2011	Total	D: E Ratio (%)
Debt	926.09	166.59	1092.68	70.00
Equity	396.89	71.39	468.28	30.00
Total	**1322.98**	**237.98**	**1560.96**	**100.00**
Phase-II	Upto COD (1.4.2010)	Add cap upto 31.3.2011		
Debt	5409.43	486.02	5895.45	70.00
Equity	2318.33	208.30	2526.63	30.00
Total	**7727.76**	**694.32**	**8422.08**	**100.00**
Phase-III	Upto COD (1.4.2011)			
Debt	13033.65	-	13033.65	73.8190
Equity	4622.57	-	4622.57	26.1810
Total	**17656.222**	**-**	**17656.22**	**100.00**
As admitted on 31.3.2014				

Phase-I	upto 31.3.2011	2011-14	Total	D:E Ratio (%)
Debt	1092.68	--	1092.68	70.00
Equity	468.28	--	468.28	30.00
Total	**1560.96**	**--**	**1560.96**	**100.00**
Phase-II				
Debt	5895.45	279.62	6175.08	70.00
Equity	2526.63	119.84	2646.46	30.00
Total	**8422.08**	**399.46**	**8821.54**	**100.00**
Phase-III				
Debt	13033.65	1794.60	14828.24	73.33
Equity	4622.57	769.11	5391.69	26.67
Total	**17656.22**	**2563.71**	**20219.93**	**100.00**

Return on Equity (RoE)

42. 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".

43. The petitioner has claimed the RoE under Regulation 15 of the 2009 Tariff Regulations. The petitioner has also claimed the additional RoE of 0.5%. The petitioner has submitted that its Board gave the Investment Approval on 21.8.2007, however the actual work was initiated only after the receipt of statutory approval under Section 164 of the Electricity Act, 2003. Hence, the petitioner has submitted that the time line of 28 months should be computed from the date of receipt of Section 164 approval and accordingly be allowed additional RoE of 0.5%. We have considered the submissions of the petitioner regarding grant of additional RoE. As per Appendix II of the 2009 Tariff regulations, the time schedule of 28 months for granting additional return on equity is counted from the date of Investment Approval, in the instant case it is 21.8.2007. As such, the scheduled date of commissioning works out to 20.12.2009, whereas the instant asset has been put under commercial operation on 1.4.2011. The instant assets have not been commissioned within the timeline specified in Appendix II of the 2009 Tariff Regulations and as such the petitioner's prayer for additional RoE is not allowed.

44. The equity of 26.181% as on the date of commercial operation has been considered after adjusting the excess equity. Accordingly, the actual equity of 26.181% has been considered for working out the RoE as follows:-

(₹ in lakh)

Return on Equity	**2011-12**	**2012-13**	**2013-14**
Opening Equity	4622.57	4707.24	4724.04
Addition due to Add Cap	84.67	16.80	667.65
Closing Equity	4707.24	4724.04	5391.69
Average Equity	4664.91	4715.64	5057.86

Return on Equity (Base Rate)	15.50%	15.50%	15.50%
Tax rate for the year 2008-09	11.33%	11.33%	11.33%
Pre-Tax Rate of RoE	17.481%	17.481%	17.481%
Return on Equity (Pre Tax)	815.47	824.34	884.17

Interest on Loan

45. 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."

46. The petitioner has claimed interest on loan under Regulation 16 of the 2009 Tariff Regulations, the petitioner's entitlement to interest on loan has been considered 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 is deemed to be equal to the depreciation allowed for that period;

(c) Moratorium period availed by the transmission licensee, the repayment of the loan is considered from the first year of commercial operation of the project and to be equal to the annual depreciation allowed;

(d) Weighted average rate of interest on actual loan worked out as per (i) above is considered on the notional average loan during the year to determine the interest on loan.

47. The interest on normative loan is considered as under:-

(₹ in lakh)

Interest on Loan	2011-12	2012-13	2013-14
Gross Normative Loan	13033.65	13231.20	13270.40
Cumulative Repayment up to Previous Year	0.00	939.71	1888.34
Net Loan-Opening	13033.65	12291.49	11382.06
Addition due to Additional Capitalization	197.55	39.20	1557.84
Repayment during the year	939.71	948.64	1008.87
Net Loan-Closing	12291.49	11382.06	11931.04
Average Loan	12662.57	11836.78	11656.55
Weighted Avg. Rate of Interest	11.1151%	11.1151%	11.1151%
Interest	**1407.45**	**1315.67**	**1295.63**

48. Detailed calculations in support of the weighted average rates of interest have been given in Annexure to this order.

Depreciation

49. 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."

50. The assets covered in the instant petition were put under commercial operation on 1.4.2011 and accordingly will complete 12 years beyond the year 2013-14. Thus depreciation for the tariff period has been calculated annually based on Straight Line Method and at the rates specified in Appendix-III to the 2009 Tariff Regulations as given below:-

(₹ in lakh)

Gross Block	**2011-12**	**2012-13**	**2013-14**
Opening Gross Block	17656.22	17938.44	17994.44
Addition during 2009-14 due to Projected Additional Capitalization	282.22	56.00	2225.49

Closing Gross Block	17938.44	17994.44	20219.93
Average Gross Block	17797.33	17966.44	19107.19
Rate of Depreciation	5.2800%	5.2800%	5.2800%
Depreciable Value	16017.60	16169.80	17196.47
Remaining Depreciable Value	16017.60	15230.09	15308.13
Depreciation	**939.71**	**948.64**	**1008.87**

Operation & Maintenance Expenses (O&M Expenses)

51. The norms for O&M expenditure for Transmission System for 2009-14 have been specified under Regulation 19 (g) of the 2009 Tariff Regulations. The norms for assets covered in this petition are as follows:-

Norms for AC and HVDC lines:-

Element	2009-10	2010-11	2011-12	2012-13	2013-14
D/C (Twin & Triple Conductor) (₹ lakh per km)	0.627	0.663	0.701	0.741	0.783

Norms for Sub-station:-

Element	2009-10	2010-11	2011-12	2012-13	2013-14
400 kV Bay (₹ lakh per bay)	52.40	55.40	58.57	61.92	65.46

52. The O & M Expenses for the instant assets, as per the norms specified in 2009 Tariff Regulations are as under:-

(₹ in lakh)

Element	2011-12	2012-13	2013-14
400 kV Line from 400 kV Sub-station of PGCIL at Pirana (Kamod) and opening of LILO point near Gandhar (144.5 km)	101.33	107.11	113.18
2 nos. of 400 kV bays at PGCIL-Pirana	117.14	123.84	130.92
Total	**218.47**	**230.95**	**244.10**

Interest on Working Capital

53. The petitioner is entitled to claim interest on working capital as per the 2009 Tariff Regulations. The components of the working capital and the petitioner's entitlement to interest thereon are as overleaf:-

(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 receivables on the basis of two months of fixed cost 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 O&M 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, rate of interest on working capital shall be on normative basis and shall be equal to State Bank of India Base Rate of 8.25% plus 350 bps, i.e. 11.75%. The interest on working capital for the assets covered in the petition has been considered accordingly.

54. Necessary computations in support of interest on working capital are given overleaf:-

(₹ in lakh)

Particulars	2011-12	2012-13	2013-14
Maintenance Spares	32.77	34.64	36.62
O & M Expenses	18.21	19.25	20.34
Receivables	575.79	565.39	584.69
Total	**626.77**	**619.28**	**641.65**
Rate of Interest	11.75%	11.75%	11.75%
Interest	**73.65**	**72.77**	**75.39**

Transmission charges

55. In light of the above considerations, the annual fixed charges allowed to the petitioner are as under:

(₹ in lakh)

Particulars	Annual Fixed Charges		
	2011-2012	2012-2013	2013-14
Depreciation	939.71	948.64	1008.87
Interest on Loan	1407.45	1315.67	1295.63
Return on equity	815.47	824.34	884.17
Interest on Working Capital	73.65	72.77	75.39
O & M Expenses	218.47	230.95	244.10
Total	**3454.75**	**3392.36**	**3508.16**

Filing Fee and the Publication Expenses

56. 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 42A (1) (a) of the 2009 Tariff Regulations.

Licence Fee

57. The petitioner has sought reimbursement of the annual license by the respondents. The petitioner shall be entitled for reimbursement of licence fee in accordance with Regulation 42A (1) (b) of the 2009 Tariff Regulations.

Sharing of Transmission Charges

58. Gujarat Urja Vikas Nigam Limited (GUVNL), Respondent No.6, has made the following submissions regarding sharing of transmission charges vide affidavit dated 25.6.2012:-

a. The 400 kV D/C transmission system from SUGEN to LILO near Gandhar and from LILO near Gandhar to 400 kV Pirana Sub-station of the petitioner, a dedicated transmission system is meant for evacuation of SUGEN generation to its distribution licensee and cannot be treated as inter-State Transmission Line;

b. For evacuation and supply of power from SUGEN Generation, the petitioner has constructed three 220 kV D/C dedicated transmission lines from SUGEN bus-bar to three 220 kV receiving sub-station at Surat for supply of power to distribution licensee. The 400 kV transmission network connected to SUGEN Generation bus-bar comprised of 400 kV LILO of Vapi-Jhanor and 400 kV D/C SUGEN-PGCIL Pirana (Kamod) with LILO of 400/132 kV Sub-station at TPL-Ahmedabad. These lines attains the status of dedicated transmission lines for evacuation and supply of power from SUGEN to Ahmedabad distribution area analogous to 220 kV dedicated transmission system from SUGEN to Surat distribution area;

c. The petitioner's contention that the instant transmission lines are used for supply of power to the beneficiaries outside the State of Gujarat as the physical connectivity of 400 kV D/C SUGEN-TPL Pirana Sub-station at one end is connected to the generator switchyard and the other end to the distribution licensee of the same Group Company. The transmission system shall be utilized only by TPL-Ahmedabad distribution for drawing power from its SUGEN generation station and there would be no actual inter-State flow of power and hence the transmission system cannot be considered as an inter-State Transmission System;

d. No open access for injection by SUGEN or open access for drawl by TPL-Ahmedabad on the 400 kV SUGEN-LILO near Gandhar and LILO near Gandhar-Pirana Sub-station has been sought. Therefore, the transmission charges and losses for the same needs to be borne by TPL-Ahmedabad under both pre-PoC and post-PoC regime. Accordingly, the beneficiaries of Western Region need not pay the transmission charges and sharing the transmission losses; and

e. The transmission charges for the transmission system, being a dedicated line cannot be charged to all the beneficiaries as SUGEN power station and TPL-Ahmedabad are not being considered as DICs for injection and drawl of power respectively.

59. In response, the petitioner vide affidavit dated 2.5.2014 has submitted as follows:-

a. The Commission had consistently held that the instant assets are part of ISTS in Petition No.159/2009 and Petition No.318/2010 while granting tariff for Phase-I and Phase-II respectively and GUVNL has not objected to the these orders and the orders have attained finality;

b. The instant transmission system has the following three parts:-

    (i) Phase-I: 400 kV D/C transmission line to LILO on Vapi-Gandhar (Jhanor) line.

    (ii) SUGEN-Pirana (PGCIL) 400 kV DC line in two phases:-

- Phase-II: 400 kV D/C transmission line from SUGEN to point near Gandhar to have LILO on Gandhar-Dehgam line.
- Phase-III: Extension of 400 kV D/C transmission line from Gandhar to PGCIL Pirana 400 kV substation with LILO at TPL-Pirana 400 kV substation and opening of LILO of Gandhar-Dehgam line near Gandhar as well as restoration of Gandhar-Dehgam line to its original configuration.

Upon completion of Phase-III, TPGL network connects 400 kV PGCIL-Pirana Sub-station with 400 kV D/C Vapi-Jhanor PGCIL line through LILO at SUGEN 400 kV sub-station and TPL-Ahmedabad (Pirana). Thus, it provides path to flow of power from both directions i.e. PGCIL Pirana Sub-station and Vapi-Jhanor line depending upon the loading condition. Thus, the network as evolved has become an integral part of ISTS. The said transmission system is also being used for transfer of power from PGCIL Pirana Sub-station to Vapi-Jhanor line and vice-versa. The actual power flow also establishes that TPGL network is being used for power other than SUGEN power station. It is submitted that the said transmission system is thus an integral part of the ISTS network. Therefore, the contention of GUVNL that the said transmission system is dedicated in nature is erroneous;

c. TPL is already a DIC under the PoC mechanism and is regularly paying the monthly PoC bill raised by PGCIL; and

d. Contention of the GUVNL that no open access has been sought by TPL-SUGEN or TPL-Ahmedabad on the transmission network is factually incorrect. Open access is always sought with reference to the drawl and injection point in the region and never sought with respect to the particular transmission line. The petitioner has also sought such open access. All Western Region beneficiaries do not have to seek open access with respect to the particular path or network.

60. We have already considered the issue regarding sharing of transmission charges while granting transmission tariff for Phase-II in order dated 22.4.2013 in Petition No.318/2010. The relevant extract of the said order is as follows:-

SHARING OF TRANSMISSION CHARGES

"47. The Commission while granting the provisional tariff for the subject transmission line, vide order dated 8.12.2011 had directed that the provisional transmission charges shall be recovered on monthly basis in accordance with Regulations 23 and shared by the beneficiaries in accordance with Regulation 33 of 2009 Tariff Regulations up to 30.6.2011 and with effect from 1.7.2011, the billing, collection and distribution of the transmission charges shall be governed by the provisions of Central Electricity Regulatory Commission (sharing of inter-State transmission charges and losses) Regulations, 2010 and Removal of difficulty order issued there under. The petitioner had filed Review Petition No. 8/RP/2012 praying that it should be exempted from the pooling of the transmission charges under the Regulation 23 of 2009 Tariff Regulation and sharing regulations, since the cost of the transmission charges would be entirely borne by the SUGEN beneficiaries and not by the constituents of the Western Region. The Commission in its order dated 23.8.2012 had rejected the prayer of the petitioner for review of the provisional tariff order and observed that the issue regarding sharing of the transmission charges would be considered at the time of issuing the order for final tariff.

48. After issuance of the provisional tariff order, the petitioner in its letter dated 27.12.2011 addressed to the Secretary of the Commission has submitted that the transmission charges of TPGL would be borne by the SUGEN beneficiaries only and not by all the constituents of the Western Region. In this connection, the petitioner has referred to its submission in Petition No. 275/2009 and the reply of MPPTCL in Petition no. 275/2009. In its reply to the petition, MPPTCL has not recorded any objection regarding the sharing of transmission charges of the transmission system by the Western Region beneficiaries. GUVNL in its reply dated 18.6.2012 has submitted that the transmission tariff of the transmission should be borne by M/s Torrent Power Limited, Ahmedabad both under the pre-PoC regime as well as the post-PoC regime.

49. We have considered the submission of the petitioner and the objections of the respondents. The petitioner has not made any specific prayer regarding the sharing of transmission charges of the transmission system in the main petition. However, in para 2.2 of the petition, the petitioner has submitted that the transmission system will connect SUGEN Power Project to Western Region and will be utilised to transfer power to its beneficiaries of Ahmedabad and outside the State. Therefore, by its own submission, the transmission system will be used by beneficiaries of the Western Region in addition to the SUGEN beneficiaries. Since, the transmission assets form part of the inter-State Transmission System for which transmission licence has been granted by the Commission, the transmission charges of the transmission assets of the petitioner being a part of the ISTS shall be shared in accordance with Regulation

> 23 of the 2009 Tariff Regulations up to 30.6.2011. With effect from 1.7.2011, the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010 came into force. As per Regulation 2(2) of the Sharing Regulations, the regulations are applicable to all designated ISTS customers, inter-State licensees, etc. Since the petitioner is an inter-State transmission licensee, the sharing of transmission charges and losses of the petitioner shall be governed by the provisions of the Sharing Regulations."

61. We have considered the submissions of GUVNL and the petitioner. The petitioner was granted transmission license, vide order dated 16.5.2007 in Petition No.97/2006 and the petitioner is an inter-State transmission licensee. The transmission line of the petitioner is connected to the ISTS and it is utilized to carry power outside the State through LTA. As such, the transmission charges for the instant transmission assets shall be recovered on monthly basis in accordance with Regulation 23 and shall be shared by the respondents in accordance with Regulation 33 of the 2009 Tariff Regulations from the date of commercial operation, i.e. 1.4.2011 upto 30.6.2011. With effect from 1.7.2011, billing, collection and disbursement of the transmission charges approved shall be governed by Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010, as amended from time to time.

62. This order disposes of Petition No. 106/TT/2012.

(A. K. Singhal) **Member**	**(M. Deena Dayalan)** **Member**	**(Gireesh B. Pradhan)** **Chairperson**

Annexure
(₹ in lakh)

	CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN			
	Details of Loan	**2011-2012**	**2012-2013**	**2013-14**
1	**Bank of Baroda**			
	Gross loan opening	**12963.09**	**13449.12**	**13728.74**
	Cumulative Repayment upto DOCO/previous year	**0.00**	**0.00**	**581.02**
	Net Loan-Opening	12963.09	13449.12	13147.71
	Additions during the year	486.03	279.62	0.00
	Repayment during the year	0.00	581.02	1162.05
	Net Loan-Closing	13449.12	13147.71	11985.67
	Average Loan	13206.10	13298.41	12566.69
	Rate of Interest	11.12%	11.12%	11.12%
	Interest	1467.87	1478.13	1396.80
	Rep Schedule	44 Quarterly Instalments (40 Instalments of ₹5.09 crore each and 4 Instalments of ₹10.10 crore each against Loan of ₹244 crore) from 8-December 2011		
	Total Loan			
	Gross loan opening	**12963.09**	**13449.12**	**13728.74**
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	581.02
	Net Loan-Opening	12963.09	13449.12	13147.71
	Additions during the year	486.03	279.62	0.00
	Repayment during the year	0.00	581.02	1162.05
	Net Loan-Closing	13449.12	13147.71	11985.67
	Average Loan	13206.10	13298.41	12566.69
	Rate of Interest	**11.1151%**	**11.1151%**	**11.1151%**
	Interest	1467.87	1478.13	1396.80