

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

PETITION NO.191/TT/2015

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

Date of Hearing :03.02.2016
Date of Order :26.02.2016

In the Matter of:

Truing up of transmission tariff for 2009-14 tariff block under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2009 and determination of transmission tariff for 2014-19 tariff block under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2014 for (i) 315 MVA, 400/220 kV ICT at Mandola (COD: 1.11.2010) and (ii) 315 MVA 400/220 kV ICT at Ludhiana (COD: 1.12.2011) under spare ICT scheme in Northern Region and Regulation-86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations 1999

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 - 302005
2. Ajmer Vidyut Vitran Nigam Limited,
400 kV GSS Building (Ground Floor),
Ajmer Road, Heerapura, Jaipur
3. Jaipur Vidyut Vitran Nigam Limited,
400 kV GSS Building (Ground Floor),
Ajmer Road, Heerapura, Jaipur
4. Jodhpur Vidyut Vitran Nigam Limited,
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-147001
7. Haryana Power Purchase Centre,
Shakti Bhawan, Sector-6,
Panchkula, Haryana - 134109
8. Power Development Department,
Govt. Of Jammu & Kashmir,
Mini Secretariat, Jammu
9. Uttar Pradesh Power Corporation Limited,
(Formerly Uttar Pradesh State Electricity Board),
Shakti Bhawan, 14, Ashok Marg,
Lucknow - 226 001
10. Delhi Transco Limited,
Shakti Sadan, Kotla Road,
New Delhi-110002
11. BSES Yamuna Power Limited,
BSES Bhawan, Nehru Place , New Delhi.
12. BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place, New Delhi
13. North Delhi Power Limited,
Power Trading & Load Dispatch Group Cennet Building,
Adjacent To 66/11 kV Pitampura-3,
Grid Building, Near PP Jewellers Pitampura,
New Delhi - 110034
14. Chandigarh Administration,
Sector -9, Chandigarh
15. Uttarakhand Power Corporation Limited,
Urja Bhawan, Kanwali Road, Dehradun
16. North Central Railway,
Allahabad
17. New Delhi Municipal Council,



The following were present:

For Petitioner: Shri S.S. Raju, PGCIL
Smt. Sangeeta Edwards, PGCIL
Shri M.M. Mondal, PGCIL
Shri S. C. Taneja, PGCIL
Shri Rakesh Prasad, PGCIL

For Respondents: Shri B. L. Sharma, Rajasthan Discom

ORDER

The petition has been preferred by Power Grid Corporation of India Limited (hereinafter referred to as "the petitioner"), 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 Tariff Regulations") based on truing up of capital expenditure for the period from COD 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 Tariff Regulations") for the period from 1.4.2014 to 31.3.2019 in respect of (i) 315 MVA, 400/220 kV ICT at Mandola (COD: 1.11.2010), (hereinafter referred to as "Asset I") and (ii) 315 MVA, 400/220 kV ICT at Ludhiana (COD: 1.12.2011), (hereinafter referred to as "Asset II") under Spare ICT Scheme in Northern Region (Collectively referred to as "the transmission assets").

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 project was accorded by Board of Directors of the petitioner on 8.10.2010 at an estimated cost of ₹2778.00 lakh, including IDC of ₹109.00 lakh based on 2nd Quarter, 2010 price level.

b) The COD of the Asset I & II is 1.11.2010 and 1.12.2011 respectively. The Commission, vide its order dated 6.1.2015 in Petition No. 113/TT/2012 had considered the admitted capital cost of ₹1060.63 lakh for Asset I and ₹751.12 lakh for Asset II and a debt:equity ratio as on COD as under:-

Admitted as on COD	Amount (₹ in lakh)	Percentage (%)
Asset I		
Debt	742.44	70.00
Equity	318.19	30.00
Total	1060.63	100.00
Asset II		
Debt	525.78	70.00
Equity	225.34	30.00
Total	751.12	100.00

c) The transmission assets were completed within the SCOD and hence there was no time overrun. In case of Asset II, no expenditure was incurred by the petitioner upto the date of commercial operation i.e. 1.11.2012, however, the petitioner had claimed IDC and IEDC for Asset II. Thus the Commission had disallowed the petitioner's claim of ₹27.86 lakh claimed by the petitioner against IDC and IEDC for Asset II and determined the tariff vide its order dated 6.1.2015 in Petition No. 113/TT/2012.

d) Since the petitioner has capitalized expenditure from 1.3.2012 and no liability created before COD, the Commission had considered the COD as 1.3.2012 for Asset II for the computation of tariff.

- e) The Commission had capitalized the cost of initial spares of ₹21.07 lakh for Asset II in the order dated 6.1.2015 in Petition No. 113/TT/2012.
- f) The Commission had allowed the additional capital expenditure of ₹15.94 lakh in 2010-11 and ₹30.50 lakh in 2011-12 for Asset I and an additional capital expenditure of ₹30.00 lakh in 2011-12, ₹0.27 lakh in 2012-13 and ₹117.94 lakh in 2013-14 for Asset II in its order in Petition No. 113/TT/2012.
- g) The Commission determined the tariff for the transmission assets for tariff period 2009-14, based on admitted capital cost of ₹1060.63 lakh for Asset I and ₹751.12 lakh for Asset II as on COD. The estimated additional capital expenditure of ₹15.94 lakh in 2010-11 and ₹30.50 lakh in 2011-12 was considered for Asset I and an estimated additional capital expenditure of ₹30.00 lakh in 2011-12, ₹0.27 lakh in 2012-13 and ₹117.94 lakh in 2013-14 was considered for Asset II. The details of the capital cost considered in its order in Petition No. 113/TT/2012 as given below:-

(₹ in lakh)

Asset I				
Particulars	2010-11 (pro-rata)	2011-12	2012-13	2013-14
Depreciation	23.51	57.65	58.45	58.45
Interest on Loan	15.84	68.63	64.06	58.43
Return on Equity	23.35	57.26	58.06	58.06
Interest on Working Capital	0.48	3.43	3.37	3.27
O & M Expenses	0.00	0.00	0.00	0.00
Total	63.18	186.97	183.95	178.21

(₹ in lakh)

Asset II			
Particulars	2011-12 (pro-rata)	2012-13	2013-14
Depreciation	3.37	41.25	44.37
Interest on Loan	4.24	49.56	49.33
Return on Equity	3.35	40.97	44.07
Interest on Working Capital	0.22	2.63	2.75
O & M Expenses	0.00	0.00	0.00

Asset II			
Particulars	2011-12 (pro-rata)	2012-13	2013-14
Total	11.18	134.41	140.52

4. As per Regulation 6 of the 2009 Tariff 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 Tariff Regulations, the petitioner is required to adjust the yearly impact of MAT rate in the truing up petition for 2009-14 tariff period.

5. In this context, the petitioner has filed the instant petition on 24.7.2015, for revision of tariff for the tariff period 2009-14 in accordance with Regulation 6 of the 2009 Tariff Regulations.

6. 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. No comments/objections have been received from the public in response to the notice in newspaper. No submissions have been made by the respondents. The hearing in this matter was held on 3.2.2016. The Commission had directed the petitioner to submit an undertaking on affidavit depicting the actual equity infused during the tariff period 2009-14 and 2014-19, the amount of the balance and retention payment yet to be made along with the details of the contract for which payment has been retained along with the amount retained and the details of un-discharged liabilities, if any.

7. The petitioner in response to the Commission's direction has submitted its replies vide affidavit dated 22.2.2016. Having heard the representatives of the petitioner and perused the material on record, we proceed to dispose of the petition.

TRUING UP OF ANNUAL FIXED CHARGES FOR 2009-14 TARIFF PERIOD

8. Clause (3) of the Regulation 6 of the 2009 Tariff Regulations provides as under:-

“(3) The generating company or the transmission licensee, as the case may be, shall submit for the purpose of truing up, details of capital expenditure and additional capital expenditure incurred for the period from 1.4.2009 to 31.3.2014, duly audited and certified by the auditors”.

9. The petitioner has submitted the information as required under the 2009 Tariff Regulations for truing up of annual fixed charges for 2009-14 tariff period. The tariff for 2009-14 tariff period has been trued up in the subsequent paragraphs.

Capital Cost

10. The petitioner has claimed admitted capital cost of ₹1060.63 lakh for Asset I and ₹759.29 lakh for Asset II as on COD for the purpose of tariff determination.

11. Clause (1) and (2) of the Regulation 7 of the 2009 Tariff Regulations specifies 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. We have considered the submissions of the petitioner with regard to the capital cost. The capital cost for Asset I & II admitted as on COD have been worked out in the subsequent paragraphs after the treatment of the IEDC/IDC and initial spares.

IDC and IEDC

13. The petitioner in the Petition No. 113/TT/2012 had submitted that the Asset I & II were put under commercial operation from 1.11.2010 and 1.11.2011 respectively. The petitioner had further revised the COD of Asset II as 1.12.2011 vide affidavit dated 31.12.2012. Further the petitioner had submitted that in case of Asset II, it had not incurred any expenditure till COD (i.e.1.12.2011), and the actual expenditure was incurred between 1.12.2011 to 29.2.2012. The Commission in its order dated 6.1.2015 in Petition No. 113/TT/2012 has decided that:-

“We have considered the submissions of the petitioner regarding the date of commercial operation of the instant transmission assets. Asset-1 was commissioned on 1.11.2010 and there is no difficulty on this aspect. As regards Asset-2, the asset was commissioned on 1.12.2011; however, the capital expenditure was incurred from the date of commercial operation i.e 1.12.2011 to 29.2.2012. This is an unusual situation. As per Regulation 7 of 2014Tariff Regulations, the capital expenditure upto the date of

commercial operation is to be capitalized. But in the case of Asset-2, no capital expenditure has been incurred till the date of commercial operation. **Therefore, taking into account the peculiarity of the facts of the case, the capital cost incurred as on 1.3.2012 shall be considered for determination of tariff and tariff shall be paid with effect from the date of commercial operation.**" (emphasis supplied)

Based on the above finding, the Commission had considered the date of commercial operation for Asset II as 1.3.2012 for the purpose of tariff computation.

14. The petitioner in Petition No. 113/TT/2012 had claimed a capital cost of ₹778.98 lakh for Asset II which included an IDC of ₹19.69 lakh and IEDC of ₹8.17 lakh. However the Commission had disallowed the same as extracted below:-

"The petitioner has submitted that there is common expenditure incurred (CC and RHQ expenses) and IDC has been allocated against this common expenditure. The petitioner has further submitted vide affidavit dated 1.1.2014 that in case of Asset-2, no expenditure was incurred on supply and the actual expenditure was incurred from the date of commercial operation to 29.2.2012. As per the management certificate dated 18.9.2013 no expenditure was incurred by the petitioner as on the date of commercial operation i.e 1.11.2012. Accordingly, there is no liability created prior to date of commercial operation with regard to IDC and IEDC. Further, in line with Para 11, the capital cost is to be considered as on the date from which the tariff is to be allowed for Asset-2. Therefore, in order to work out the capital cost as on the date from which tariff is to be worked out, IDC and IEDC claimed by the petitioner after the date of commercial operation for Asset-2 are disallowed and have been excluded from capital cost for tariff purpose as under...."

In the instant petitioner, the petitioner has submitted the actual expenditure incurred. As per Auditor Certificate submitted by the petitioner, there is no expenditure incurred prior to COD. Therefore, in line with the decision taken by the Commission in its order dated 6.1.2015 in Petition No. 113/TT/2012, the IDC and IEDC for Asset II has been disallowed from the capital expenditure. The capital cost allowed as on COD is follows:-

(₹ in lakh)

Assets	Capital Cost claimed	IDC/IEDC disallowed	Capital cost as on COD
Asset I	1060.63	-	1060.63
Asset II	778.98	27.86	751.12

Treatment of Initial Spares

15. The petitioner has not claimed any initial spares for Asset I. The petitioner has claimed spares of ₹21.07 lakh against sub-station for Asset II. The initial spares claimed by the petitioner for Asset II is allowed as the same is within the normative limit specified in Regulation 8 of the 2009 Tariff Regulations.

Additional Capital Expenditure

16. Regulation 6(1) of the 2009 Regulations provides that:-

“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”

17. The additional capital expenditure approved by the Commission in its order dated 6.1.2015 in Petition No. 113/TT/2012 and that claimed by the petitioner are depicted below:-

(₹ in lakh)

Assets	Approved / Claimed	Capital cost as COD	Additional capital expenditure					Capital cost as on 31.3.2014
			2010-11	2011-12	2012-13	2013-14	Total	
Asset I	Approved in 113/TT/2012	1060.63	15.94	30.50	-	-	46.44	1107.07
	Claimed by petitioner	1060.63	15.94	30.50	-	3.02	49.46	1110.09
Asset II	Approved in 113/TT/2012	751.12	-	30.00	0.27	117.94	148.21	899.33
	Claimed by petitioner	759.29	-	30.00	19.96*	-	49.96	809.25

*₹19.96 lakh = ₹19.69 lakh (IDC Discharged) + ₹0.27 lakh (add. Cap towards balance and retention payment)

18. The petitioner has submitted the Auditor's Certificates dated 15.4.2015 and 4.3.2015 certifying the actual capital cost incurred towards additional capitalization.

19. We have considered the submissions of the petitioner with regard to the actual capital expenditure during 2009-14 tariff period. The capital addition of ₹15.94 lakh in 2010-11, ₹30.50 lakh in 2011-12 and ₹3.02 lakh in 2013-14 in Asset I is towards balance and retention payments and is based on actual capital expenditure incurred as per the Auditor Certificate dated 15.4.2014, and is within the original scope of work and also within the approved cost of the Asset I hence the same is allowed for truing up.

20. The additional capital expenditure of ₹30.00 lakh in 2011-12 and ₹0.27 lakh 2012-13 claimed by the petitioner towards balance retention payments is based on actual incurred expenditure as certified auditor's certificate dated 3.4.2015 and is within the original scope of work and also within the approved cost of the Asset II hence the same is allowed for truing up. The additional capital expenditure of ₹19.69 lakh in 2012-13 claimed by the petitioner towards IDC amount deducted from the capital cost as on COD is disallowed based on the reasons mentioned in Para 15. The additional capital expenditure allowed during 2009-14 tariff period for truing up is as follows:-

Assets	Capital cost as COD	Additional capital expenditure						Capital cost as on 31.3.2014
		2009-10	2010-11	2011-12	2012-13	2013-14	Total	
Asset I	1060.63	-	15.94	30.50	-	3.02	49.46	1110.09
Asset II	751.12	-	-	30.00	0.27*	-	30.27	781.39

(*19.69 lakh adjusted due to disallowance of IDC)

21. The debt:equity ratio of 70:30 for additional capital expenditure as claimed by the petitioner is in accordance with the Regulation 12 (3) of the 2009 Tariff Regulations and hence, same has been considered towards financing of the additional capital expenditure.

Debt: Equity

22. 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:

(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.”

23. The admitted debt:equity ratio of 70.00:30.00 as on 31.3.2009 was considered by the Commission in order dated 6.1.2015 in Petition No. 113/TT/2012 in line with the Regulation 12 of the 2009 Tariff Regulations. In respect of the additional capitalization, debt: equity ratio of 70:30 has been considered in line with the 2009 Tariff Regulations.

24. The details of the debt:equity considered for the purpose of tariff for 2009-14 tariff period is as follows:-

(₹ in lakh)

Funding	Admitted Capital cost as on COD	(%)	Additional capital expenditure during 2009-14	(%)	Total Cost as on 31.3.2014	(%)
Asset I						
Debt	742.44	70.00	34.62	70.00	777.06	70.00
Equity	318.19	30.00	14.84	30.00	333.03	30.00
Total	1060.63	100.00	49.46	100.00	1110.09	100.00
Asset II						
Debt	525.78	70.00	21.19	70.00	546.97	70.00

Funding	Admitted Capital cost as on COD	(%)	Additional capital expenditure during 2009-14	(%)	Total Cost as on 31.3.2014	(%)
Equity	225.34	30.00	9.08	30.00	234.42	30.00
Total	751.12	100.00	30.27	100.00	781.39	100.00

Return on Equity (“ROE”)

25. Clause (3), (4) and (5) of the Regulation 15 of the 2009 Tariff Regulations provide that

“(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 maybe, 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 year during the tariff period shall be trued up in accordance with Regulation 6 of these regulations.”

26. 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 return on equity (ROE) has been furnished as follows:-

Year	MAT Rate claimed in the current petition	Grossed up ROE (Base Rate/(1-t)) claimed in the current petition
2009-10	16.995%	18.674%
2010-11	19.931%	19.358%
2011-12	20.008%	19.377%

Year	MAT Rate claimed in the current petition	Grossed up ROE (Base Rate/(1-t)) claimed in the current petition
2012-13	20.008%	19.377%
2013-14	20.961%	19.610%

27. The petitioner has claimed the additional capital expenditure in the debt:equity ratio of 70:30, which is in line with Regulation 12 of the 2009 Tariff Regulations.

28. The ROE as trued up and allowed is as follows:-

(₹ in lakh)

Asset I				
Return on Equity	2010-11 (pro-rata)	2011-12	2012-13	2013-14
As approved vide Order dated 6.1.2015	23.35	57.26	58.06	58.06
Claimed by the petitioner	25.86	63.47	64.35	65.22
Allowed after true up in this order	25.86	63.47	64.35	65.22

(₹ in lakh)

Asset II			
Return on Equity	2011-12 (pro-rata)	2012-13	2013-14
As approved vide Order dated 6.1.2015	3.35	40.97	44.07
Claimed by the petitioner	3.75	46.46	47.61
Allowed after true up in this order	3.71	45.41	45.97

The difference in the approved ROE and that allowed after truing up is on account of actual grossed up ROE based on actual MAT rate.

Interest on Loan (“IoL”)

29. Regulation 16 of the 2009 Tariff Regulations provide the methodology for working out weighted average rate of IoL. The Commission in its earlier order dated 8.6.2011 in Petition No. 238/2010 has dealt with similar issue and 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”.

30. The petitioner has submitted the weighted average rate of IoL, based on its actual loan portfolio and rate of interest. Accordingly, the IoL has been calculated based on actual interest rate submitted by the petitioner, in accordance with the Regulation 16 of the 2009 Tariff Regulations. The details of weighted average rate of interest is placed in Annexure-1. The IoL worked out is as follows:-

(₹ in lakh)

Asset I				
Interest on Loan	2010-11 (pro-rata)	2011-12	2012-13	2013-14
As approved vide Order dated 6.1.2015	15.84	68.63	64.06	58.43
Claimed by the petitioner	29.57	68.63	64.07	58.53
Allowed after true up in this order	29.57	68.63	64.06	58.53

(₹ in lakh)

Asset II			
Interest on Loan	2011-12 (pro-rata)	2012-13	2013-14
As approved vide Order dated 6.1.2015	4.24	49.56	49.33
Claimed by the petitioner	4.27	50.65	47.25
Allowed after true up in this order	4.23	49.50	45.57

The difference in the approved IoL and that allowed after truing up is on account of change in the weighted average rate of interest which is computed based on actual loan portfolio and rate of interest.

Depreciation

31. The depreciation has been worked out as per the methodology provided in the Regulation 17 of the 2009 Tariff Regulations. The depreciation allowed is as follows:-

(₹ in lakh)

Asset I				
Depreciation	2010-11 (pro-rata)	2011-12	2012-13	2013-14
As approved vide Order dated 6.1.2015	23.51	57.65	58.45	58.45
Claimed by the petitioner	23.51	57.65	58.45	58.53

Asset I				
Depreciation	2010-11 (pro-rata)	2011-12	2012-13	2013-14
Allowed after true up in this order	23.51	57.65	58.45	58.53

(₹ in lakh)

Asset II			
Depreciation	2011-12 (pro-rata)	2012-13	2013-14
As approved vide Order dated 6.1.2015	3.37	41.25	44.37
Claimed by the petitioner	3.41	42.20	42.73
Allowed after true up in this order	3.37	41.25	41.26

The difference in the approved depreciation and that allowed after truing up is on account of change gross block during the 2009-14 tariff period.

Operation & Maintenance Expenses (O&M Expenses)

32. The petitioner has not claimed O&M expenses for spare ICTs and the same has been considered by the Commission.

Interest on Working Capital (IWC)

33. The IWC has been worked out as per the methodology provided in the Regulation 18 of the 2009 Tariff Regulations and allowed as under:-

(₹ in lakh)

Asset I				
Interest on Working Capital	2010-11 (pro-rata)	2011-12	2012-13	2013-14
As approved vide Order dated 6.1.2015	0.48	3.43	3.37	3.27
Claimed by the petitioner	1.48	3.54	3.49	3.40
Allowed after true up in this order	1.47	3.54	3.49	3.40

(₹ in lakh)

Asset II			
Interest on Working Capital	2011-12 (pro-rata)	2012-13	2013-14
As approved vide Order dated 6.1.2015	0.22	2.63	2.75

Asset II			
Interest on Working Capital	2011-12 (pro-rata)	2012-13	2013-14
Claimed by the petitioner	0.23	2.78	2.75
Allowed after true up in this order	0.23	2.72	2.65

The difference in the approved IWC and that allowed after truing up is on account of change in the receivables during the 2009-14 tariff period.

APPROVED ANNUAL FIXED CHARGES FOR 2009-14 TARIFF PERIOD

34. The detailed computation of the various components of the trued up annual fixed charges for the instant transmission assets for the tariff period 2009-14 is summarised below:-

(₹ in lakh)

Asset I				
Particulars	2010-11 (pro-rata)	2011-12	2012-13	2013-14
Depreciation				
Opening Gross Block	1060.63	1076.57	1107.07	1107.07
Additional Capitalisation	15.94	30.50	0.00	3.02
Closing Gross Block	1076.57	1107.07	1107.07	1110.09
Average Gross Block	1068.60	1091.82	1107.07	1108.58
Rate of Depreciation (%)	5.28	5.28	5.28	5.28
Depreciable Value	961.74	989.81	1010.09	997.72
Balance useful life of the asset	25.00	24.00	23.00	22.00
Elapsed life	0.00	1.00	2.00	3.00
Remaining Depreciable Value	961.74	959.13	915.21	858.11
Depreciation during the year	23.51	57.65	58.45	58.53
Cumulative depreciation (incl. of AAD)	23.51	81.16	139.61	198.14
Interest on Loan				
Gross Normative Loan	742.45	753.61	774.96	774.96
Cumulative Repayments upto Previous Year	0.00	23.51	81.16	139.61
Net Loan-Opening	742.45	730.10	693.80	635.35
Additions	11.16	21.35	0.00	2.11
Repayment during the year	23.51	57.65	58.45	58.53
Net Loan-Closing	730.10	693.80	635.35	578.93



Asset I				
Particulars	2010-11 (pro-rata)	2011-12	2012-13	2013-14
Average Loan	736.27	711.95	664.57	607.14
Weighted Average Rate of Interest on Loan (%)	9.6400	9.6400	9.6400	9.6397
Interest on Loan	29.57	68.63	64.06	58.53
Return on Equity				
Opening Equity	318.18	322.96	332.11	332.11
Additions	4.78	9.15	0.00	0.91
Closing Equity	322.96	332.11	332.11	333.02
Average Equity	320.57	327.54	332.11	332.57
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500
MAT Rate for respective year (%)	19.931	20.008	20.008	20.961
Rate of Return on Equity (%)	19.358	19.377	19.377	19.610
Return on Equity	25.86	63.47	64.35	65.22
Interest on Working Capital				
O & M Expenses	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00
Receivables	32.17	32.22	31.73	30.95
Total Working Capital	32.17	32.22	31.73	30.95
Rate of Interest (%)	11.00	11.00	11.00	11.00
Interest of working capital	1.47	3.54	3.49	3.40
Annual Transmission Charges				
Depreciation	23.51	57.65	58.45	58.53
Interest on Loan	29.57	68.63	64.06	58.53
Return on Equity	25.86	63.47	64.35	65.22
Interest on Working Capital	1.47	3.54	3.49	3.40
O & M Expenses	0.00	0.00	0.00	0.00
Total	80.41	193.29	190.36	185.68

(₹ in lakh)

Asset II			
Particulars	2011-12 (pro-rata)	2012-13	2013-14
Depreciation			
Opening Gross Block	751.12	781.12	781.39
Additional Capitalisation	30.00	0.27	0.00
Closing Gross Block	781.12	781.39	781.39
Average Gross Block	766.12	781.26	781.39
Rate of Depreciation (%)	5.28	5.28	5.28
Depreciable Value	689.51	716.63	703.37
Balance useful life of the asset	25.00	24.00	23.00



Asset II			
Particulars	2011-12 (pro-rata)	2012-13	2013-14
Elapsed life	0.00	1.00	2.00
Remaining Depreciable Value	689.51	699.76	658.63
Depreciation during the year	3.37	41.25	41.26
Cumulative depreciation (incl. of AAD)	3.37	44.62	85.88
Interest on Loan			
Gross Normative Loan	525.78	546.78	546.97
Cumulative Repayments upto Previous Year	0.00	3.37	44.62
Net Loan-Opening	525.78	543.41	502.35
Additions	21.00	0.19	0.00
Repayment during the year	3.37	41.25	41.26
Net Loan-Closing	543.41	502.35	461.09
Average Loan	534.60	522.88	481.72
Weighted Average Rate of Interest on Loan (%)	9.4856	9.4675	9.4599
Interest on Loan	4.23	49.50	45.57
Return on Equity			
Opening Equity	225.34	234.34	234.42
Additions	9.00	0.08	0.00
Closing Equity	234.34	234.42	234.42
Average Equity	229.84	234.38	234.42
Return on Equity (Base Rate) (%)	15.500	15.500	15.500
MAT Rate for respective year (%)	20.008	20.008	20.961
Rate of Return on Equity (%)	19.377	19.377	19.610
Return on Equity	3.71	45.41	45.97
Interest on Working Capital			
O & M Expenses	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00
Receivables	23.07	23.15	22.58
Total Working Capital	23.07	23.15	22.58
Rate of Interest (%)	11.75	11.75	11.75
Interest of working capital	0.23	2.72	2.65
Annual Transmission Charges			
Depreciation	3.37	41.25	41.26
Interest on Loan	4.23	49.50	45.57
Return on Equity	3.71	45.41	45.97
Interest on Working Capital	0.23	2.72	2.65
O & M Expenses	0.00	0.00	0.00
Total	11.53	138.89	135.45

DETERMINATION OF ANNUAL FIXED CHARGES FOR 2014-19 TARIFF PERIOD

35. The petitioner has combined the Asset I & II on 1.4.2014 and has claimed the tariff charges for 2014-19 tariff period as under:-

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	104.32	107.30	107.30	107.30	107.30
Interest on Loan	99.88	93.51	83.22	72.93	62.65
Return on Equity	116.23	119.55	119.55	119.55	119.55
Interest on Working Capital	7.38	7.37	7.14	6.90	6.66
O & M Expenses	0.00	0.00	0.00	0.00	0.00
Total	327.81	327.73	317.21	306.68	296.16

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

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	54.64	54.62	52.87	51.11	49.36
Total working capital	54.64	54.62	52.87	51.11	49.36
Rate of Interest	13.50	13.50	13.50	13.50	13.50
Interest of working capital	7.38	7.37	7.14	6.90	6.66

Capital Cost

37. 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;”



38. The capital cost of ₹1891.48 lakh worked out 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 Tariff Regulations as mentioned below:-

(₹ in lakh)

Assets	Capital cost as on 1.4.2014
Asset I	1110.09
Asset II	781.39
Combined Assets (Total)	1891.48

Additional Capital Expenditure

39. 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.”

40. 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.”

41. The petitioner has claimed additional capital expenditure amounting to ₹112.79 lakh during 2014-15 in Asset I & II as mentioned below:

Assets	Additional Capital Expenditure during 2014-19 (₹ in lakh)	Reasons
Asset I	2.48	Towards Price variation
Asset II	110.31	Towards Balance and retention payments
Total (Combined Assets)	112.79	-

42. The Commission has considered the submission of the petitioner and additional capital expenditure allowed during the tariff period 2014-19, subject to true up on actual basis.

Debt: Equity

43. 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.”

“(5) Any expenditure incurred or projected to be incurred on or after 1.4.2014 as maybe 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.”

44. The petitioner has considered the debt:equity ratio of 70.00:30.00 as on 31.3.2014, which is in line with the 2014 Tariff Regulations. The details of the debt:equity considered for the purpose of tariff for 2014-19 tariff period is as follows:-

(₹ in lakh)

Funding	Capital cost as on 1.4.2014	(%)	Additional capital expenditure during 2014-19	(%)	Total Cost as on 31.3.2019	(%)
Debt	1324.04	70.00	78.95	70.00	1402.99	70.00
Equity	567.44	30.00	33.84	30.00	601.28	30.00
Total	1891.48	100.00	112.79	100.00	2004.27	100.00

Return on Equity (ROE)

45. 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.”

46. 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 has been worked out and allowed as follows:-

(₹ in lakh)

Return on Equity	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	567.44	601.28	601.28	601.28	601.28
Additions	33.84	0.00	0.00	0.00	0.00
Closing Equity	601.28	601.28	601.28	601.28	601.28
Average Equity	584.36	601.28	601.28	601.28	601.28
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (%)	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	114.60	117.91	117.91	117.91	117.91

Interest on Loan (“IoL”)

47. Clause 5 and Clause 6 of Regulation 26 of the 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.”

48. 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 in Annexure-2 and the IoL has been worked out and allowed as follows:-

(₹ in lakh)

Interest on Loan	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	1324.04	1402.99	1402.99	1402.99	1402.99
Cumulative Repayment upto Previous Year	284.02	386.87	492.70	598.52	704.35
Net Loan-Opening	1040.01	1016.12	910.29	804.47	698.64
Additions	78.95	0.00	0.00	0.00	0.00
Repayment during the year	102.85	105.83	105.83	105.83	105.83
Net Loan-Closing	1016.12	910.29	804.47	698.64	592.82
Average Loan	1028.07	963.21	857.38	751.56	645.73
Weighted Average Rate of Interest on Loan (%)	9.5637	9.5612	9.5569	9.5531	9.5486
Interest on Loan	98.32	92.09	81.94	71.80	61.66

Depreciation

49. Clause (2), (5) and (6) of Regulation 27 of the 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."

50. 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)

Depreciation	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	1891.48	2004.27	2004.27	2004.27	2004.27
Additional Capitalization	112.79	0.00	0.00	0.00	0.00
Closing Gross Block	2004.27	2004.27	2004.27	2004.27	2004.27
Average Gross Block	1947.88	2004.27	2004.27	2004.27	2004.27
Freehold Land (Av. Cost)	0.00	0.00	0.00	0.00	0.00
Rate of Depreciation (%)	5.28	5.28	5.28	5.28	5.28
Elapsed life	2	3	4	5	6
Balance Useful life of the asset	23	22	21	20	19
Remaining Depreciable Value	1469.07	1416.97	1311.15	1205.32	1099.50
Depreciation during the year	102.85	105.83	105.83	105.83	105.83
Cumulative depreciation (incl. of AAD)	386.87	492.70	598.52	704.35	810.17

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

51. The petitioner has not claimed any O&M expenses against the spare ICTs. 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 2014-19 tariff period. 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 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 asset as per prevailing norms.

Interest on Working Capital (“IWC”)

52. 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;”

53. 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%.

54. 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	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	53.84	53.85	52.12	50.39	48.66
Total	53.84	53.85	52.12	50.39	48.66
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	7.27	7.27	7.04	6.80	6.57

ANNUAL FIXED CHARGES FOR THE 2014-19 TARIFF PERIOD

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

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation					
Opening Gross Block	1891.48	2004.27	2004.27	2004.27	2004.27
Additional Capitalisation	112.79	0.00	0.00	0.00	0.00
Closing Gross Block	2004.27	2004.27	2004.27	2004.27	2004.27
Average Gross Block	1947.88	2004.27	2004.27	2004.27	2004.27
Rate of Depreciation (%)	5.28	5.28	5.28	5.28	5.28



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciable Value	1753.09	1854.60	1803.84	1803.84	1803.84
Balance useful life of the asset	23.00	22.00	21.00	20.00	19.00
Elapsed life	2.00	3.00	4.00	5.00	6.00
Remaining Depreciable Value	1469.07	1416.97	1311.15	1205.32	1099.50
Depreciation during the year	102.85	105.83	105.83	105.83	105.83
Cumulative depreciation (incl. of AAD)	386.87	492.70	598.52	704.35	810.17
Interest on Loan					
Gross Normative Loan	1324.04	1402.99	1402.99	1402.99	1402.99
Cumulative Repayments upto Previous Year	284.02	386.87	492.70	598.52	704.35
Net Loan-Opening	1040.01	1016.12	910.29	804.47	698.64
Additions	78.95	0.00	0.00	0.00	0.00
Repayment during the year	102.85	105.83	105.83	105.83	105.83
Net Loan-Closing	1016.12	910.29	804.47	698.64	592.82
Average Loan	1028.07	963.21	857.38	751.56	645.73
Weighted Average Rate of Interest on Loan (%)	9.5637	9.5612	9.5569	9.5531	9.5486
Interest on Loan	98.32	92.09	81.94	71.80	61.66
Return on Equity					
Opening Equity	567.44	601.28	601.28	601.28	601.28
Additions	33.84	0.00	0.00	0.00	0.00
Closing Equity	601.28	601.28	601.28	601.28	601.28
Average Equity	584.36	601.28	601.28	601.28	601.28
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (%)	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	114.60	117.91	117.91	117.91	117.91
Interest on Working Capital					
O & M Expenses	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	53.84	53.85	52.12	50.39	48.66
Total Working Capital	53.84	53.85	52.12	50.39	48.66
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest of working capital	7.27	7.27	7.04	6.80	6.57
Annual Transmission Charges					
Depreciation	102.85	105.83	105.83	105.83	105.83
Interest on Loan	98.32	92.09	81.94	71.80	61.66
Return on Equity	114.60	117.91	117.91	117.91	117.91
Interest on Working Capital	7.27	7.27	7.04	6.80	6.57
O & M Expenses	0.00	0.00	0.00	0.00	0.00
Total	323.03	323.10	312.71	302.34	291.97



56. 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. However, the COD of the asset is after 2009, hence the claim of the petitioner is not maintainable.

Filing Fee and the Publication Expenses

57. 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

58. 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

59. 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

60. 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.

61. This order disposes of Petition No. 191/TT/2015.

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

Sd/-
(A.S. Bakshi)
Member

ASSET I - DETAILS OF LOAN BASED ON ACTUAL LOAN PORTFOLIO FOR 2009-14

(₹ in lakh)

Particulars	Interest Rate (%)	Loan deployed as on COD	Additions during the tariff period	Total
BOND-XXXV-ADDCAP FOR 2010-2011 ADD CAP LOAN 1-	9.64	0.00	11.16	11.16
BOND-XXXV-ADDCAP FOR 2011-2012 ADD CAP LOAN 2-	9.64	0.00	21.35	21.35
BOND-XXXV-DOC LOAN 1-	9.64	742.45	0.00	742.45
BOND XXXIX-ADDCAP FOR 2011-2012 ADD CAP LOAN 3-	9.40	0.00	2.11	2.11
Total		742.45	34.62	777.07

ASSET I - WEIGHTED AVERAGE RATE OF INTEREST ON LOAN DURING 2009-14 TARIFF PERIOD

(₹ in lakh)

Particulars	2010-11	2011-12	2012-13	2013-14
Gross Opening Loan	742.45	753.61	774.96	774.96
Cumulative Repayments of Loans upto Previous Year	0.00	0.00	0.00	0.00
Net Loans Opening	742.45	753.61	774.96	774.96
Add: Draw(s) during the Year	11.16	21.35	0.00	2.11
Less: Repayments of Loan during the year	0.00	0.00	0.00	0.00
Net Closing Loan	753.61	774.96	774.96	777.07
Average Net Loan	748.03	764.29	774.96	776.02
Rate of Interest on Loan (%)	9.6400	9.6400	9.6400	9.6397
Interest on Loan	72.11	73.68	74.71	74.81

ASSET II - DETAILS OF LOAN BASED ON ACTUAL LOAN PORTFOLIO FOR 2009-14

(₹ in lakh)

Particulars	Interest Rate (%)	Loan deployed as on COD	Additions during the tariff period	Total
BOND-XXXV-DOCO LOAN 1-	9.64	225.04	0.00	225.04
BOND XXXVI-loan 2-	9.35	56.00	0.00	56.00
BOND XXXIX-ADDCAP FOR 2011-2012 addcap loan 4-	9.40	0.00	3.54	3.54
BOND XXXIX-loan 3-	9.40	250.46	0.00	250.46
BOND - XLI-ADDCAP FOR 2011-2012 addcap loan 5-	8.85	0.00	17.46	17.46
BOND - XLI-ADDCAP FOR 2012-2013 loan 6-	8.85	0.00	13.97	13.97
Total		531.50	34.97	566.47

ASSET II - WEIGHTED AVERAGE RATE OF INTEREST ON LOAN DURING 2009-14 TARIFF PERIOD

(₹ in lakh)

Particulars	2011-12	2012-13	2013-14
Gross Opening Loan	531.50	552.50	566.47
Cumulative Repayments of Loans upto Previous Year	0.00	0.00	0.00
Net Loans Opening	531.50	552.50	566.47
Add: Draw(s) during the Year	21.00	13.97	0.00
Less: Repayments of Loan during the year	0.00	0.00	0.00
Net Closing Loan	552.50	566.47	566.47
Average Net Loan	542.00	559.49	566.47
Rate of Interest on Loan (%)	9.4856	9.4675	9.4599
Interest on Loan	51.41	52.97	53.59



Annexure – 2

DETAILS OF LOAN BASED ON ACTUAL LOAN PORTFOLIO FOR 2014-19

(₹ in lakh)

Particulars	Interest Rate (%)	Loan deployed as on 1.4.2014	Additions during the tariff period	Total
				(Rs in lakh)
BOND-XXXV-1.DOC LOAN 1-	9.64	742.45	0.00	742.45
BOND-XXXV-2.ADDCAP FOR 2010-2011 ADD CAP LOAN 1-	9.64	11.16	0.00	11.16
BOND-XXXV-3.ADDCAP FOR 2011-2012 ADD CAP LOAN 2-	9.64	21.35	0.00	21.35
BOND-XXXV-5.DOCO LOAN 1-	9.64	225.04	0.00	225.04
BOND XXXVI-6.loan 2-	9.35	56.00	0.00	56.00
BOND XXXIX-4.ADDCAP FOR 2011-2012 ADD CAP LOAN 3-	9.40	2.11	0.00	2.11
BOND XXXIX-7.loan 3-	9.40	250.46	0.00	250.46
BOND XXXIX-9.ADDCAP FOR 2011-2012 addcap loan 4-	9.40	3.54	0.00	3.54
BOND - XLI-10.ADDCAP FOR 2011-2012 addcap loan 5-	8.85	17.46	0.00	17.46
BOND - XLI-8.ADDCAP FOR 2012-2013 loan 6-	8.85	13.97	0.00	13.97
Total		1343.54	0.00	1343.54

WEIGHTED AVERAGE RATE OF INTEREST ON LOAN DURING 2014-19 TARIFF PERIOD

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Opening Loan	1343.54	1343.54	1343.54	1343.54	1343.54
Cumulative Repayments of Loans upto Previous Year	0.00	0.00	83.33	173.01	262.69
Net Loans Opening	1343.54	1343.54	1260.21	1170.53	1080.85
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	83.33	89.68	89.68	89.68
Net Closing Loan	1343.54	1260.21	1170.53	1080.85	991.17
Average Net Loan	1343.54	1301.88	1215.37	1125.69	1036.01
Rate of Interest on Loan (%)	9.5637	9.5612	9.5569	9.5531	9.5486
Interest on Loan	128.49	124.48	116.15	107.54	98.92

