

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 475/TT/2015

Coram:

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

**Date of Hearing : 14.03.2016
Date of Order : 23.05.2016**

In the matter of:

Determination of transmission tariff for 2014-19 tariff period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 for **Asset I**: 01 No. 1x500 MVA ICT at 400/220 KV Subhasgram S/S along with the associated bays and 02 Nos. of 220 kV equipped line bays at 400 KV Subhasgram S/S.; **Asset II**:125 MVAR Bus Reactor – I Muzaffarpur Substation along with bays; **Asset III**:125 MVAR Bus Reactor II replacing existing 63 MVAR Bus Reactor at Muzaffarpur along with bays under Transmission System for “Eastern Region Strengthening Scheme – VIII” in Eastern Region, under 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 -122 001 (Haryana).

.....**Petitioner**

Versus

1. Bihar State Electricity Board,
Vidyut Bhawan,
Bailey Road, Patna-800001
2. West Bengal State Electricity Distribution Company Ltd.
Bidyut Bhawan, Bidhan Nagar, Block DJ, Sector-II,
Salt Lake City, Calcutta-700091



3. Grid Corporation of Orissa Ltd.,
Shahid Nagar,
Bhubaneswar-751007
4. Damodar Valley Corporation, DVC Tower,
Maniktala, Civic Centre, VIPO Road,
Calcutta-700054
5. Power Department, Govt. of Sikkim,
Gangtok-737101
6. Jharkhand State Electricity Board,
In front of Main Secretariat,
Doranda, Ranchi-834002

.....Respondents

The following were present:

For Petitioner : Shri S.S. Raju, PGCIL
Shri Rakesh Prasad, PGCIL
Shri Jasbir Singh, PGCIL
Shri Aryaman Saxena, PGCIL
Shri M.M. Mondal, PGCIL

For Respondent: None

ORDER

The present petition has been preferred by Power Grid Corporation of India Ltd. (“the petitioner”), for determination of tariff for 01 No. 1x500 MVA ICT at 400/220 KV Subhasgram S/S along with the associated bays and 02 Nos. of 220 kV equipped line bays at 400 KV Subhasgram S/S (referred as “**Asset I**”), 125 MVAR Bus Reactor – I Muzaffarpur Substation along with bays (referred as “.; **Asset II**”), 125 MVAR Bus Reactor II replacing existing 63 MVAR Bus Reactor at Muzaffarpur along with bays (referred as “; **Asset III**”) under Transmission



System for “Eastern Region Strengthening Scheme – VIII” in Eastern Region (hereinafter referred as “transmission asset”) 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 COD of respective assets to 31.3.2019.

2. The respondents are distribution licensees or electricity departments or power procurement companies of States, who are procuring transmission service from the petitioner, mainly beneficiaries of Eastern and North Eastern Region.

3. The petitioner has served the petition to the respondents and notice of this application has been published in the newspapers in accordance with Section 64 of Electricity Act, 2003 (“the Act”). No comments have been received from the public in response to the notices published by the petitioner under Section 64 of the Act. None of the respondents have filed any reply to the petition. The hearing in this matter was held on 14.3.2016. Having heard the representatives of the petitioner and perused the material on record, we proceed to dispose of the petition.

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

(a) Investment approval was accorded by Board of Directors of POWERGRID, vide the Memorandum No. C/CP/ERSS VIII dated 28.8.2013 at an estimated cost of ₹7348 lakh, which included IDC of ₹361 lakh (based on April 2013 price level). Subsequently, Revised Cost Estimate (RCE) was approved by Board of Directors of POWERGRID,



vide the Memorandum No. C/CP/RCE-ERSS-VIII dated 19.2.2016 at an estimated cost of ₹9568.00 lakh, which included IDC of ₹111.00 lakh (based on August 2015 price level).

(b) The scope of work scope of the instant project is as follows:-

Installation of Bus Reactor

- a) Installation of 420 kV, 2x125 MVAR bus reactor along with bays at Muzaffarpur (one 125 MVAR reactor would be installed by replacing the existing 63 MVAR bus reactor at Muzaffarpur)
- b) Installation of 420 kV, 1x125 MVAR bus reactor along with bays at Rourkela
- c) Installation of 420 kV, 1x125 MVAR bus reactor along with bays at Indravati
- d) Installation of 420 kV, 1x125 MVAR bus reactor along with bays by replacing existing 1x63 MVAR bus reactor at Jeypore

Shifting of Line Reactor

- a) Shifting of 2x50 MVAR line reactor from Patna end of 400kV Kahalgaon/ Barh – Patna D/C line to Balia end of 400 kV Patna-Balia D/C line.

Augmentation of Transformation Capacity

- a) Addition of 1x500 MVA, 400/220 kV ICT with associated bays at Subhashgram along with 2 nos. of 220kV equipped line bays.(2 nos. 63 MVAR bus reactors thus released from Muzaffarpur and Jeypore shall be used as regional spare)

(c) The petitioner has developed the transmission asset in the Eastern Region and put under commercial operation w.e.f. 29.1.2015 for Asset-I, 5.3.2015 for Asset-II and 1.4.2015 for Asset-III.

(d) The petitioner has submitted tThe approved apportioned cost as per RCE dated 19.2.2016 is ₹3544.30 lakh, ₹1100.40 lakh and ₹1100.40 lakh for Asset-I, II and III respectively.



- (e) The transmission asset was scheduled to be commissioned within 20 months from the date of investment approval i.e. 28.8.2013. Therefore, the scheduled date of commissioning (SCOD) of the transmission system works out to 28.4.2015 against which the **Asset-I**, **Asset-II** and **Asset-III** were put under commercial operation with effect from 29.1.2015, 5.3.2015 and 1.4.2015, respectively, i.e., there is no delay.
- (f) The petitioner has submitted the capital cost along with Management certificate certifying the capital cost. The petitioner was directed to submit Auditor Certificate, revised tariff forms and COD letters for Asset-I, II & III. In response, the petitioner, vide its affidavit dated 5.11.2015, has submitted the revised tariff forms along with Management Certificate dated 13.2.2015 for Asset-I and Auditor's Certificates dated 26.8.2015 for Asset-II & III.
- (g) The petitioner, vide its affidavit dated 5.11.2015, has also submitted a letters declaring COD of all three assets.
- (h) The petitioner has prayed the tariff for the computation purpose of point of connection (PoC) charges under clause 7 of Regulation 7 of the 2014 Tariff Regulations. The Commission has allowed the tariff for the billing purpose of PoC.



ADMISSIBILITY OF THE TRANSMISSION ASSETS

5. The petitioner has submitted the application for the determination of transmission tariff of Asset-I, Asset-II and Asset-III. While claiming the transmission tariff, the petitioner has submitted the management certificate for certifying capital cost. Subsequently, the petitioner has submitted the actual commissioning of all three assets. The Commission has directed the petitioner to submit the Auditor Certificate in support of claim of capital expenditure incurred by the petitioner. The requirement of the Auditor Certificate is in line with Regulation 7 of the 2014 Tariff Regulations. Relevant provision is extracted as under:

“(4) The generating company or the transmission licensee, as the case may be, shall make an application as per **Annexure-I** of these regulations, for determination of tariff based on capital expenditure incurred duly certified by the auditors or projected to be incurred up to the date of commercial operation and additional capital expenditure incurred duly certified by the auditors or projected to be incurred during the tariff period of the generating station or the transmission system as the case may be:

Provided that the petition shall contain details of underlying assumptions for the projected capital cost and additional capital expenditure, wherever applicable.”

6. The petitioner has submitted the capital cost along with Management certificate certifying the capital cost. The petitioner was directed to submit Auditor Certificate, revised tariff forms and COD letters for Asset-I, II & III. In response, the petitioner, vide its affidavit dated 5.11.2015, has submitted the revised tariff forms along with Management Certificate dated 13.2.2015 for Asset-I and Auditor’s Certificates dated 26.8.2015 for Asset-II & III. Therefore, above said clause 4 of Regulation 7 of the 2014 Tariff Regulations is complied by the



petitioner with respect to Asset-II and Asset-III. The requirement of Audited expenditure is mandated by the Commission in the 2014 Tariff Regulations. The petitioner should have furnished the audited expenditure till the date of filing of the petition. In this case, the petitioner was given opportunity to comply regulations even after filing petition and actual COD of the elements have occurred. There is no reason for the petitioner to avert the submission of Audited expenditure for Asset-I.

7. Further, clause (5) of the 2014 Tariff Regulations provides that:

“(5) If the petition is inadequate in any respect as required under **Annexure-I** of these regulations, the application shall be returned to the generating company or transmission licensee as the case may be, for resubmission of the petition within one month after rectifying the deficiencies as may be pointed out by the staff of the Commission.”

Since the petitioner has not submitted adequate information in respect of Asset-I despite the direction of the Commission, the application is found to be inadequate to the extent of determination of Asset-I. Therefore, the instant petition is admitted for the determination of Asset-II and Asset-III. The petitioner shall file a separate petition for Asset-I. However, the tariff allowed, vide order dated 15.4.2015, for the Asset-I for the purposes of billing of PoC shall remain applicable as the Asset is already Commissioned as on 29.1.2013.

DETERMINATION OF ANNUAL TRANSMISSION CHARGES FOR 2014-19`

8. The petitioner, vide is affidavit dated 5.11.2015, has claimed the revised transmission charges as under:-



(₹ in lakh)

Asset-II					
Particulars	2014-15 (Pro-rata)	2015-16	2016-17	2017-18	2018-19
Depreciation	1.11	39.37	55.56	59.04	59.04
Interest on Loan	1.25	41.95	55.95	55.02	50.07
Return on equity	1.23	43.86	61.90	65.78	65.78
Interest on Working Capital	0.32	6.32	7.55	7.81	7.82
O & M Expenses	4.38	62.30	64.37	66.51	68.71
Total	8.29	193.80	245.33	254.16	251.42

(₹ in lakh)

Asset-III				
Particulars	2015-16	2016-17	2017-18	2018-19
Depreciation	39.97	56.16	59.64	59.64
Interest on Loan	43.61	57.86	56.86	51.74
Return on equity	44.53	62.58	66.45	66.45
Interest on Working Capital	2.95	4.06	4.21	4.09
O & M Expenses	0.00	0.00	0.00	0.00
Total	131.06	180.66	187.16	181.92

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

(₹ in lakh)

Asset-II					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	9.05	9.35	9.66	9.98	10.31
O & M Expenses	5.03	5.19	5.36	5.54	5.73
Receivables	19.05	32.30	40.89	42.36	41.90
Total	33.13	46.84	55.91	57.88	57.94
Rate of Interest	13.50	13.50	13.50	13.50	13.50
Interest	4.47	6.32	7.55	7.81	7.82
Pro-rata Interest	0.32	6.32	7.55	7.81	7.82

(₹ in lakh)

Asset-III				
Particulars	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	0.00	0.00	0.00	0.00
O & M Expenses	0.00	0.00	0.00	0.00



Receivables	21.84	30.11	31.19	30.32
Total	21.84	30.11	31.19	30.32
Rate of Interest	13.50	13.50	13.50	13.50
Interest	2.95	4.06	4.21	4.09
Pro-rata Interest	2.95	4.06	4.21	4.09

Commercial Operation Date (“COD”)

9. The petitioner has claimed the date of the commercial operation of the Asset-II and III as 5.3.2015 and 1.4.2015 respectively. Regulation 4(3) of the 2014 Tariff Regulations provides as follows:-

“4. Date of Commercial Operation: The date of commercial operation of a generating station or unit or block thereof or a transmission system or element thereof shall be determined as under:

xxx

(3) Date of commercial operation in relation to a transmission system shall mean the date declared by the transmission licensee from 0000 hour of which an element of the transmission system is in regular service after successful trial operation for transmitting electricity and communication signal from sending end to receiving end:

(i) where the transmission line or substation is dedicated for evacuation of power from a particular generating station, the generating company and transmission licensee shall endeavour to commission the generating station and the transmission system simultaneously as far as practicable and shall ensure the same through appropriate Implementation Agreement in accordance with Regulation 12(2) of these Regulations :

(ii) in case a transmission system or an element thereof is prevented from regular service for reasons not attributable to the transmission licensee or its supplier or its contractors but is on account of the delay in commissioning of the concerned generating station or in commissioning of the upstream or downstream transmission system, the transmission licensee shall approach the Commission through an appropriate application for approval of the date of commercial operation of such transmission system or an element thereof.”

10. The petitioner has submitted the detail reason for commissioning of Asset-I (i.e. 1 No. 1x500 MVA ICT at 400/220 KV Subhasgram S/S along with the associated bays and 2 Nos. of 220 kV equipped line bays at 400 KV



Subhasgram S/S) without commissioning of downstream 220 kV lines of WBSETCL for which 2 nos. 220 kV bays at Subhasgram S/S have been claimed. However, as discussed above, the instant case is admitted for Asset-II and Asset-III, this issue is not discussed in the instant petition.

11. With regard to Asset-III (125 MVAR Bus Reactor II replacing existing 63 MVAR Bus Reactor at Muzaffarpur along with bays), the petitioner was directed to provide the details of completed life of 63 MVAR bus reactor being replaced at Muzaffarpur. The petitioner, in response vide its affidavit dated 15.11.2015, has submitted that the replaced 63 MVAR bus reactor at Muzaffarpur was in service since COD (i.e. 1.9.2006) and the asset will complete 25 years of service on 31.8.2031. Replacement of existing 1x63 MVAR reactor with new 2x125 MVAR capacity is necessary to contain over voltage at Muzaffarpur S/S. The existing 1x63 MVAR shunt reactor would be used as regional spare to meet any contingency and was also agreed in the 69th OCC meeting of ERPC.

12. Further, the petitioner has submitted RLDC certificate, vide affidavit dated 5.11.2015, issued by ERLDC, POSOCO vide letter dated 19.2.2015 for Asset-II and 18.3.2015 for Asset-III in support of the claim of commercial operation in accordance with Regulation 5(2) of the 2014 Tariff Regulations indicating completion of successful trial operation. Accordingly, the commercial operation date of the transmission asset has been considered as 5.3.2015 and 1.4.2015, respectively, for Asset-II and Asset-III and the tariff is worked out from respective COD to 31.3.2019.



IDC/IEDC

13. As per investment approval dated 28.8.2013, the asset was scheduled to be commissioned within 20 months from the date of investment approval. Therefore, the SCOD of the transmission system works out to 28.4.2015 against which the **Asset-II** and **Asset-III** was put under commercial operation with effect from 29.1.2015, 5.3.2015 and 1.4.2015, respectively, i.e., no delay.

14. The petitioner was directed to provide the computation of IDC for the periods from the date of infusion of debt fund upto actual COD. In case, the actual COD happens after the scheduled COD, then the petitioner was required to submit the same information for (i) from the date of infusion of debt fund to scheduled COD as per Regulation 11(A)(1) of the 2014 Tariff Regulations, and (ii) scheduled COD to actual COD/revised COD, as the case may be. The petitioner in response vide its affidavit dated 5.11.2015 submitted the IDC/IEDC details as follows:

(₹ in lakh)

Asset-II			
Statement showing IDC & IEDC	IDC	IEDC	Total
Total IDC/IEDC as per Management Certificate/ Auditor Certificate	3.19	15.77	18.96
IDC/IEDC discharged upto COD	1.78	15.77	17.55
Accrual IDC/IEDC to be discharged in 2015-16	1.41	0.00	1.41

(₹ in lakh)

Asset-III			
Statement showing IDC & IEDC	IDC	IEDC	Total
Total IDC/IEDC as per Management Certificate/ Auditor Certificate	8.47	21.88	30.35
IDC/IEDC discharged upto COD	0.94	21.88	22.82
Accrual IDC/IEDC to be discharged in 2015-16	7.53	0.00	7.53



15. The IDC/IEDC discharged upto COD has been considered as part of Capital Cost as on COD and undischarged IDC/IEDC has been considered as part of additional capitalization.

Initial Spares

16. Regulation 13(d) of the 2014 Tariff Regulations provides that initial spares shall be capitalised as a percentage of plant and machinery cost upto cut-off date, subject to following ceiling norms:-

“(d) Transmission System	
Transmission line:	1.00%
Transmission sub-station (Green Field):	4.00%
Transmission sub-station (Brown Field):	6.00%”

17. The initial spares of ₹38.81 lakh each for sub-station claimed by the petitioner for Asset-II and Asset-III, respectively, are within the specified ceiling limits and accordingly the amount claimed by the petitioner is allowed. The calculation for the treatment of initial spares for sub-station has been shown in the table given below:-

(₹ in lakh)

Description Sub-station (including PLCC)	Plant & Machinery cost as on cut-off date i.e. 31.3.2015	Initial spares claimed	Ceiling limits as per Regulation 8 of the 2009 Tariff Regulation	Initial spares worked out and allowed	Excess initial spares claimed
	(a)	(b)	(c)	$(d) = \frac{(a-b) \times c}{(100-c)\%}$	$(e) = (d) - (b)$
Asset-II	1101.81	38.81	6.00%	67.85	0.00
Asset-III	1107.93	38.81	6.00%	68.24	0.00



Capital Cost

18. Regulations 9 and 10 of the 2014 Tariff Regulations specify as follows:-

“9. Capital Cost: (1) The Capital cost as determined by the Commission after prudence check in accordance with this regulation shall form the basis of determination of tariff for existing and new projects.

(2) The Capital Cost of a new project shall include the following:

- a) the expenditure incurred or projected to be incurred up to the date of commercial operation of the project;
- b) Interest during construction and financing charges, on the loans (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 funds deployed;
- c) Increase in cost in contract packages as approved by the Commission;
- d) Interest during construction and incidental expenditure during construction as computed in accordance with Regulation 11 of these regulations;
- e) capitalised Initial spares subject to the ceiling rates specified in Regulation 13 of these regulations;
- f) expenditure on account of additional capitalization and de-capitalisation determined in accordance with Regulation 14 of these regulations;
- g) adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the COD as specified under Regulation 18 of these regulations; and
- h) adjustment of any revenue earned by the transmission licensee by using the assets before COD.

...

(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;
- c) In case of hydro generating station any expenditure incurred or committed to be incurred by a project developer for getting the project site allotted by the State government by following a two stage transparent process of bidding; and
- d) the proportionate cost of land which is being used for generating power from generating station based on renewable energy:
Provided that any grant received from the Central or State Government or any statutory body or authority for the execution of the project which does not carry any liability of repayment shall be excluded from the Capital Cost for the purpose of computation of interest on loan, return on equity and depreciation;

10. Prudence Check of Capital Expenditure: The following principles shall be adopted for prudence check of capital cost of the existing or new projects:



(1) In case of the thermal generating station and the transmission system, prudence check of capital cost may be carried out taking into consideration the benchmark norms specified/to be specified by the Commission from time to time: Provided that in cases where benchmark norms have not been specified, prudence check may include scrutiny of the capital expenditure, financing plan, interest during construction, incidental expenditure during construction for its reasonableness, use of efficient technology, cost over-run and time over-run, competitive bidding for procurement and such other matters as may be considered appropriate by the Commission for determination of tariff.”

19. The petitioner was directed to provide the RLDC certificate for commercial operation date along with certificate issued by CEA under Regulation 43 of the CEA (Measures relating to safety and electricity supply) Regulations, 2010. In response, the petitioner vide its affidavit dated 5.11.2015, has submitted trial run certificate issued by ERLDC for Asset-II and III.

20. Further, the petitioner was directed to provide the Single Line Diagram (SLD) of sub-stations at Muzaffarpur and Subhasgram where strengthening works are proposed. In response the petitioner vide its affidavit dated 5.11.2015 submitted the same.

21. The petitioner has submitted capital expenditure of ₹72.64 lakh and ₹516.19 lakh as on COD of 5.3.2015 and 1.4.2015 for Asset-II and Asset-III, respectively. Also, the petitioner has submitted Auditor’s Certificate dated 26.8.2015 for Asset-II and III in support of capital cost incurred up to COD.

22. Considering the accrued IDC upto COD to be discharged in 2014-15 and 2015-16, we have considered the capital cost for Asset-II and III as given below:



(₹ in lakh)

Particulars	Asset-II	Asset-III
Capital Cost as on COD as per Auditor's Certificate	72.64	516.19
Accrual IDC/IEDC to be discharged in 2014-15	0.00	0.00
Accrual IDC/IEDC to be discharged in 2015-16	1.41	7.53
Capital Cost as on COD (after deducting accrual IDC to be discharged in 2014-15 and 2015-16)	71.23	508.66

23. The petitioner, vide its affidavit dated 11.3.2016, has submitted the RCE dated 19.2.2016 of ₹9568.00 lakh. The petitioner has submitted a revised apportioned cost of ₹1100.40 lakh for Asset-II and ₹1100.40 lakh for Asset-III as per RCE. The capital cost of ₹71.23 lakh and ₹508.66 lakh as on COD is well within the revised approved apportioned cost for Asset-II and III respectively as mentioned in subsequent paras. Accordingly, the capital cost of ₹71.23 lakh and ₹508.66 lakh as on COD has been considered for Asset-II and Asset-III, respectively, for the purpose of tariff computation for tariff period 2014-19 which shall be trued up at time of truing up of tariff for 2014-19 period.

Additional Capital Expenditure

24. The petitioner has claimed additional capital expenditure of ₹1045.58 lakh and ₹613.42 lakh, respectively, during the tariff period 2014-19 for Asset-II and Asset-III towards balance and retention payments under Clause 1(i) of Regulation 14 of the 2014 Tariff Regulations.

25. Clause 1, sub-clause (i) of Regulation 14 of the 2014 Tariff Regulations provides as follows:



“(3) The capital expenditure, in respect of existing generating station or the transmission system including communication system, incurred or projected to be incurred on the following counts after 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;

26. As the additional capitalization during FY 2014-15 post COD and FY 2014-15 is towards balance and retention payments, the Commission considered the same. However, considering the accrual IDC to be discharged in 2014-15 and 2015-16, it is observed that the capital cost for Asset II and III as on 31.3.2019 exceeds the apportioned approved cost as given below:

Name of the element	Approved Apportioned Cost	Expenditure upto COD	Additional Capital Expenditure				Total estimated completion cost
			2014-15 (Pro-rata)	2015-16	2016-17	Total	
Asset-II	1100.40	71.23	432.17	482.91 (=481.50+accrued IDC of 1.41)	131.91	1046.99	1118.22*
Asset-III	1100.40	508.66	0.00	489.04 (=481.51+accrued IDC of 7.53)	131.91	620.95	1129.61*

* The estimated completion cost exceeds apportioned approved cost

27. It is observed from the above table that the total estimated completion cost of ₹1118.22 lakh and ₹1129.61 lakh (including additional capital expenditure during 2014-19 tariff period) exceeds the the approved apportioned cost for Asset-II and Asset-III, respectively. Therefore, we have restricted the capital cost upto 31.3.2019 to approved apportioned cost for Asset-II and Asset-III. Accordingly, following additional capital expenditure during 2014-19 is allowed under Regulation 14(1)(i) of 2014 Tariff Regulations subject to prudence check while carrying out the truing up of tariff for 2014-19 period.



(₹ in lakh)

Name of the element	Approved Apportioned Cost	Expenditure upto COD	Additional Capital Expenditure				Total estimated completion cost
			2014-15 (Pro-rata)	2015-16	2016-17	Total	
Asset-II	1100.40	71.23	432.17	482.91 (=481.50+accrued IDC of 1.41)	114.09	1029.17	1100.40
Asset-III	1100.40	508.66	0.00	489.04 (=481.51+accrued IDC of 7.53)	102.70	591.74	1100.40

Debt : Equity Ratio

28. Clause 3 of Regulation 19 of the 2014 Tariff Regulations specifies 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:

Provided that:

- i. where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff:
- ii. the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:
- iii. any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt : equity ratio.”

29. The petitioner has considered debt:equity ratio as 70:30 both for capital cost as on COD and for additional capitalization during the tariff period 2014-19.

30. We have considered the petitioner’s submission subject to prudence check while carrying out the truing up of tariff for 2014-19 period. The details of the debt:equity considered for the purpose of tariff for the 2014-19 tariff period is as follows:-



(₹ in lakh)

Asset-II				
Particulars	Capital Cost as on COD		Estimated Completion cost including additional capitalization	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	49.86	70.00	770.28	70.00
Equity	21.37	30.00	330.12	30.00
Total	71.23	100.00	1100.40	100.00

(₹ in lakh)

Asset-III				
Particulars	Capital Cost as on COD		Estimated Completion cost including additional capitalization	
	Amount (₹ in lakh)	(%)	Amount (₹ in lakh)	(%)
Debt	356.06	70.00	770.28	70.00
Equity	152.60	30.00	330.12	30.00
Total	508.66	100.00	1100.40	100.00

Interest on Loan (“IOL”)

31. Clause (5) & (6) of Regulation 26 of the 2014 Tariff Regulations are reproduced as under:-

“(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.”

32. The weighted average rate of IOL has been considered on the basis of rate prevailing as on COD. 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 at the time of truing up.



33. We have considered the petitioner's submissions. The IOL has been worked out in accordance with Regulation 26 of the 2014 Tariff Regulations. Further, with regard to floating rate of interest, variation in interest rate if any shall be considered at the time of true up. The details of weighted average rate of interest are placed at **Annexure-I** and the IOL has been worked out and allowed as follows:-

(₹ in lakh)

Asset-II					
Details of Loan	2014-15	2015-16	2016-17	2017-18	2018-19
Gross loan opening	49.86	352.38	690.42	770.28	770.28
Cumulative Repayment upto DOCO/previous year	0.00	1.12	40.45	95.54	153.64
Net Loan-Opening	49.86	351.26	649.97	674.74	616.64
Additions during the year	302.52	338.04	79.86	0.00	0.00
Repayment during the year	1.12	39.33	55.09	58.10	58.10
Net Loan-Closing	351.26	649.97	674.74	616.64	558.54
Average Loan	200.56	500.61	662.35	645.69	587.59
Rate of Interest (%)	8.5373	8.3715	8.3715	8.3715	8.3715
Interest	1.27 (Pro-rata)	41.91	55.45	54.05	49.19

(₹ in lakh)

Asset-III				
Details of Loan	2015-16	2016-17	2017-18	2018-19
Gross loan opening	356.06	698.39	770.28	770.28
Cumulative Repayment upto DOCO/previous year	0.00	39.77	95.16	153.26
Net Loan-Opening	356.06	658.62	675.12	617.02
Additions during the year	342.33	71.89	0.00	0.00
Repayment during the year	39.77	55.39	58.10	58.10
Net Loan-Closing	658.62	675.12	617.02	558.92
Average Loan	507.34	666.87	646.07	587.97
Rate of Interest (%)	8.5527	8.5527	8.5527	8.5505
Interest	43.39	57.04	55.26	50.27



Return on Equity (“ROE”)

34. Clause (1) & (2) of Regulation 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...

Provided that:

i. in case of projects commissioned on or after 1st April, 2014, an additional return of **0.50 %** shall be allowed, if such projects are completed within the timeline specified in **Appendix-I:**

ii. the additional return of 0.5% shall not be admissible if the project is not completed within the timeline specified above for reasons whatsoever:

iii. additional RoE of 0.50% may be allowed if any element of the transmission project is completed within the specified timeline and it is certified by the Regional Power Committee/National Power Committee that commissioning of the particular element will benefit the system operation in the regional/national grid.”

“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.”

35. The petitioner has computed ROE at the rate of 19.610% after grossing up the ROE with MAT rate as per the above Regulation. The petitioner has further submitted that the grossed up ROE is subject to truing up based on the actual tax paid along with any additional tax or interest, duly adjusted for any refund of tax



including the interest received from IT authorities, pertaining to the tariff period 2014-19 on actual gross income of any financial year. Any under-recovery or over-recovery of grossed up ROE after truing up shall be recovered or refunded to the beneficiaries on year to year basis.

36. The petitioner has further submitted that adjustment due to any additional tax demand including interest duly adjusted for any refund of the tax including interest received from IT authorities shall be recoverable/adjustable after completion of income tax assessment of the financial year.

37. We have considered the submissions made by the petitioner. Regulation 24 read with Regulation 25 of the 2014 Tariff Regulations provides for grossing up of return on equity with the effective tax rate for the purpose of return on equity. It further provides that in case the generating company or transmission licensee is paying Minimum Alternative Tax (MAT), the MAT rate including surcharge and cess will be considered for the grossing up of return on equity. The petitioner has submitted that MAT rate is applicable to the petitioner's company. Accordingly, the MAT rate applicable during 2013-14 has been considered for the purpose of return on equity, which shall be trued up with actual tax rate in accordance with Regulation 25 (3) of the 2014 Tariff Regulations. Accordingly, the ROE determined by the Commission is given below:-

(₹ in lakh)

Asset-II					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19



Asset-II					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	21.37	151.02	295.89	330.12	330.12
Addition due to Additional Capitalisation	129.65	144.87	34.23	0.00	0.00
Closing Equity	151.02	295.89	330.12	330.12	330.12
Average Equity	86.19	223.46	313.01	330.12	330.12
Return on Equity (Base Rate) (%)	15.50	15.50	15.50	15.50	15.50
MAT rate for the year (%)	20.961	20.961	20.961	20.961	20.961
Rate of Return on Equity (Pre Tax) (%)	19.610	19.610	19.610	19.610	19.610
Return on Equity (Pre Tax)	1.25 (Pro-rata)	43.82	61.38	64.74	64.74

(₹ in lakh)

Asset-III				
Particulars	2015-16	2016-17	2017-18	2018-19
Opening Equity	152.60	299.31	330.12	330.12
Addition due to Additional Capitalisation	146.71	30.81	0.00	0.00
Closing Equity	299.31	330.12	330.12	330.12
Average Equity	225.95	314.72	330.12	330.12
Return on Equity (Base Rate) (%)	15.50	15.50	15.50	15.50
MAT rate for the year (%)	20.961	20.961	20.961	20.961
Rate of Return on Equity (Pre Tax) (%)	19.610	19.610	19.610	19.610
Return on Equity (Pre Tax)	44.31	61.72	64.74	64.74

Depreciation

38. Clause (67) of Regulation 3 of the 2014 Tariff Regulations defines useful life as follows:-

“**useful life**’ in relation to a unit of a generating station and transmission system from the COD shall mean the following, namely:-

.....

- (c) AC and DC Sub-station: 25 years
- (d) Gas Insulated Sub-station: 25 years
- (e) Transmission line (including HVAC & HVDC): 35 years”



39. Clause (2), (5) and (6) of Regulation 27 of the 2014 Tariff Regulations provide as follows:-

"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."

40. The petitioner in its petition has computed depreciation considering capital cost of ₹72.64 lakh and ₹516.19 lakh as on COD and additional capitalization of ₹ 1045.58 lakh and ₹ 613.42 lakh during tariff period 2014-19, for Asset-II and III, respectively.

41. As per Clause 67 of Regulation 3 of the 2014 Tariff Regulations, weighted average value of asset as on COD has been considered to work out the weighted average life of the transmission system as 25 years.

42. We have computed depreciation considering capital cost of ₹71.23 lakh and ₹508.66 lakh as on COD for Asset-II and Asset III respectively and additional capital expenditure of ₹1029.17 lakh and ₹591.74 lakh for Asset-II and



Asset III respectively during tariff period 2014-19. Depreciation is allowed as provided under Regulation 27 of the 2014 Tariff Regulations. The details of the depreciation claimed and allowed are given hereunder:-

(₹ in lakh)

Asset-II					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	71.23	503.40	986.31	1100.40	1100.40
Additional Capitalization	432.17	482.91	114.09	0.00	0.00
Closing Gross block	503.40	986.31	1100.40	1100.40	1100.40
Average Gross block	287.32	744.86	1043.36	1100.40	1100.40
Rate of Depreciation (%)	5.280	5.280	5.280	5.280	5.280
Depreciable Value	258.58	670.37	939.02	990.36	990.36
Elapsed Life of the asset at beginning of the year	0	1	2	3	4
Weighted Balance Useful life of the asset	25	24	23	22	21
Remaining Depreciable Value	258.58	669.25	898.57	894.82	836.72
Depreciation	1.12 (Pro-rata)	39.33	55.09	58.10	58.10

(₹ in lakh)

Asset-III				
Particulars	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	508.66	997.70	1100.40	1100.40
Additional Capitalization	489.04	102.70	0.00	0.00
Closing Gross block	997.70	1100.40	1100.40	1100.40
Average Gross block	753.18	1049.05	1100.40	1100.40
Rate of Depreciation (%)	5.280	5.280	5.280	5.280
Depreciable Value	677.86	944.15	990.36	990.36
Elapsed Life of the asset at beginning of the year	0	1	2	3
Weighted Balance Useful life of the asset	25	24	23	22
Remaining Depreciable Value	677.86	904.38	895.20	837.10
Depreciation	39.77 (Pro-rata)	55.39	58.10	58.10



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

43. The petitioner has computed normative O&M Expenses as per sub-clause (a) of clause (3) of Regulation 29 of the 2014 Tariff Regulations. Accordingly, the petitioner’s entitlement to O&M expenses for Asset-II has been worked out as given hereunder:-

(₹ in lakh)

		Asset-II				
Particulars		2014-15	2015-16	2016-17	2017-18	2018-19
Actual (No. of bays)	400 kV Bays	1	1	1	1	1
Norms as per Regulation	400 kV Bays (₹lakh/bay)	60.30	62.30	64.37	66.51	68.71
Total (₹ in lakh)		4.46 (Pro-rata)	62.30	64.37	66.51	68.71

44. Regarding Asset-III (125 MVAR Bus Reactor II replacing existing 63 MVAR Bus Reactor at Muzaffarpur along with bays), the petitioner has not claimed any O&M expenses for asset replacement. Accordingly, the O&M expenses is NIL for the asset.

45. The petitioner has submitted that norms for O&M Expenses for the tariff period 2014-19 have been arrived on the basis of normalized actual O&M Expenses during the period 2008-13. The petitioner has further submitted that the wage revision of the employees of the petitioner Company is due during the 2014-19 tariff period and actual impact of wage hike, which will be effective at a future date, has not been factored in fixation of the normative O&M rate specified for the tariff period 2014-19. The petitioner has prayed to be allowed to approach



the Commission for suitable revision in the norms of O&M Expenses for claiming the impact of such increase.

46. The O&M Expenses have been worked out as per the norms of O&M Expenses specified in the 2014 Tariff Regulations. As regards impact of wage revision, we would like to clarify that any application filed by the petitioner in this regard will be dealt with in accordance with the appropriate provisions of the 2014 Tariff Regulations.

47. The details of O&M Expenses allowed are given hereunder:-

(₹ in lakh)					
Particulars	2014-15 (Pro-rata)	2015-16	2016-17	2017-18	2018-19
Asset-II	4.46	62.30	64.37	66.51	68.71
Asset-III	0.00	0.00	0.00	0.00	0.00

Interest on Working Capital (“IWC”)

48. As per 2014 Tariff Regulations the components of the working capital and the interest thereon are discussed hereinafter:-

(i) Receivables

As per Regulation 28(1) (c) (i) of the 2014 Tariff Regulations, receivables will be equivalent to two months average billing calculated on target availability level. The petitioner has claimed the receivables on the basis of 2 months transmission charges claimed in the petition. In the tariff being allowed, receivables have been worked out on the basis of 2 months transmission charges.



(ii) Maintenance Spares

Regulation 28 (1) (c) (ii) of the 2014 Tariff Regulations provides for maintenance spares @ 15% per annum of the O&M Expenses from 1.4.2014. The petitioner has claimed maintenance spares for the instant asset and value of maintenance spares has accordingly been worked out as 15% of O&M Expenses.

(iii) O & M Expenses

Regulation 28 (1) (c) (iii) of the 2014 Tariff Regulations provides for operation and maintenance expenses for one month to be included in the working capital. The petitioner has claimed O & M expenses for the instant asset and value of O & M expenses has accordingly been worked out by considering 1 month O&M Expenses.

(iv) Rate of interest on working capital

Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1.4.2014 or as on 1st April of the year during the tariff period 2014-15 to 2018-19 in which the transmission system including communication system or element thereof, as the case may be, is declared under commercial operation, whichever is later. Further, the 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. The rate of interest on working capital considered is 13.50% (SBI Base Rate of 10% plus 350 basis points).



49. The interest on working capital allowed is shown in the table below:-

(₹ in lakh)

Asset-II					
Particulars	2014-15 (Pro-rata)	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	0.67	9.35	9.66	9.98	10.31
O & M expenses	0.37	5.19	5.36	5.54	5.73
Receivables	1.40	32.28	40.63	41.86	41.42
Total	2.45	46.82	55.65	57.38	57.45
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	0.33	6.32	7.51	7.75	7.76

(₹ in lakh)

Asset-III				
Particulars	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	0.00	0.00	0.00	0.00
O & M expenses	0.00	0.00	0.00	0.00
Receivables	21.73	29.69	30.37	29.52
Total	21.73	29.69	30.37	29.52
Rate of Interest (%)	13.50	13.50	13.50	13.50
Interest	2.93	4.01	4.10	3.98

Annual Transmission Charges

50. The detailed computation of the various components of the annual fixed charges for the transmission asset for the tariff period 2014-19 is summarised below:-

(₹ in lakh)

Asset-II					
Particulars	2014-15 (Pro-rata)	2015-16	2016-17	2017-18	2018-19
Gross Block					
Opening Gross Block	71.23	503.40	986.31	1100.40	1100.40
Additional Capitalization	432.17	482.91	114.09	0.00	0.00
Closing Gross Block	503.40	986.31	1100.40	1100.40	1100.40
Average Gross Block	287.32	744.86	1043.36	1100.40	1100.40
Rate of Depreciation	5.280	5.280	5.280	5.280	5.280
Depreciable Value	258.58	670.37	939.02	990.36	990.36
Elapsed Life of the assets at	0	1	2	3	4



Asset-II					
Particulars	2014-15 (Pro-rata)	2015-16	2016-17	2017-18	2018-19
beginning of the year					
Weighted Balance Useful life of the assets	25	24	23	22	21
Remaining Depreciable Value	258.58	669.25	898.57	894.82	836.72
Depreciation	1.12	39.33	55.09	58.10	58.10
Interest on Loan					
Gross Normative Loan	49.86	352.38	690.42	770.28	770.28
Cumulative Repayment upto Previous Year	0.00	1.12	40.45	95.54	153.64
Net Loan-Opening	49.86	351.26	649.97	674.74	616.64
Additions	302.52	338.04	79.86	0.00	0.00
Repayment during the year	1.12	39.33	55.09	58.10	58.10
Net Loan-Closing	351.26	649.97	674.74	616.64	558.54
Average Loan	200.56	500.61	662.35	645.69	587.59
Weighted Average Rate of Interest on Loan (%)	8.5373	8.3715	8.3715	8.3715	8.3715
Interest	1.27	41.91	55.45	54.05	49.19
Return on Equity					
Opening Equity	21.37	151.02	295.89	330.12	330.12
Additions	129.65	144.87	34.23	0.00	0.00
Closing Equity	151.02	295.89	330.12	330.12	330.12
Average Equity	86.19	223.46	313.01	330.12	330.12
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
MAT Rate for the year 2013-14 (%)	20.961	20.961	20.961	20.961	20.961
Rate of Return on Equity (Pre Tax) (%)	19.610	19.610	19.610	19.610	19.610
Return on Equity (Pre Tax)	1.25	43.82	61.38	64.74	64.74
Interest on Working Capital					
Maintenance Spares	0.67	9.35	9.66	9.98	10.31
O & M expenses	0.37	5.19	5.36	5.54	5.73
Receivables	1.40	32.28	40.63	41.86	41.42
Total	2.45	46.82	55.65	57.38	57.45
Interest	0.33	6.32	7.51	7.75	7.76
Annual Transmission Charges					



Asset-II					
Particulars	2014-15 (Pro-rata)	2015-16	2016-17	2017-18	2018-19
Depreciation	1.12	39.33	55.09	58.10	58.10
Interest on Loan	1.27	41.91	55.45	54.05	49.19
Return on Equity	1.25	43.82	61.38	64.74	64.74
Interest on Working Capital	0.33	6.32	7.51	7.75	7.76
O & M Expenses	4.46	62.30	64.37	66.51	68.71
Total	8.43	193.68	243.80	251.15	248.49

(₹ in lakh)

Asset-III				
Particulars	2015-16	2016-17	2017-18	2018-19
Gross Block				
Opening Gross Block	508.66	997.70	1100.40	1100.40
Additional Capitalisation	489.04	102.70	0.00	0.00
Closing Gross Block	997.70	1100.40	1100.40	1100.40
Average Gross Block	753.18	1049.05	1100.40	1100.40
Rate of Depreciation	5.280	5.280	5.280	5.280
Depreciable Value	677.86	944.15	990.36	990.36
Elapsed Life of the assets at beginning of the year	0	1	2	3
Weighted Balance Useful life of the assets	25	24	23	22
Remaining Depreciable Value	677.86	904.38	895.20	837.10
Depreciation	39.77	55.39	58.10	58.10
Interest on Loan				
Gross Normative Loan	356.06	698.39	770.28	770.28
Cumulative Repayment upto Previous Year	0.00	39.77	95.16	153.26
Net Loan-Opening	356.06	658.62	675.12	617.02
Additions	342.33	71.89	0.00	0.00
Repayment during the year	39.77	55.39	58.10	58.10
Net Loan-Closing	658.62	675.12	617.02	558.92
Average Loan	507.34	666.87	646.07	587.97
Weighted Average Rate of Interest on Loan (%)	8.5527	8.5527	8.5527	8.5505
Interest	43.39	57.04	55.26	50.27
Return on Equity				
Opening Equity	152.60	299.31	330.12	330.12
Additions	146.71	30.81	0.00	0.00



Asset-III				
Particulars	2015-16	2016-17	2017-18	2018-19
Closing Equity	299.31	330.12	330.12	330.12
Average Equity	225.95	314.72	330.12	330.12
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500
MAT Rate for the year 2013-14 (%)	20.961	20.961	20.961	20.961
Rate of Return on Equity (Pre Tax) (%)	19.610	19.610	19.610	19.610
Return on Equity (Pre Tax)	44.31	61.72	64.74	64.74
Interest on Working Capital				
Maintenance Spares	0.00	0.00	0.00	0.00
O & M expenses	0.00	0.00	0.00	0.00
Receivables	21.73	29.69	30.37	29.52
Total	21.73	29.69	30.37	29.52
Interest	2.93	4.01	4.10	3.98
Annual Transmission Charges				
Depreciation	39.77	55.39	58.10	58.10
Interest on Loan	43.39	57.04	55.26	50.27
Return on Equity	44.31	61.72	64.74	64.74
Interest on Working Capital	2.93	4.01	4.10	3.98
O & M Expenses	0.00	0.00	0.00	0.00
Total	130.40	178.15	182.19	177.10

Filing Fee and the Publication Expenses

51. The petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses, in terms of Regulation 52 of the 2014 Tariff Regulations. The petitioner shall be entitled for reimbursement of the filing fees and publication expenses in connection with the present petition, directly from the beneficiaries on pro-rata basis in accordance with clause (1) of Regulation 52 of the 2014 Tariff Regulations.



Licence Fee and RLDC Fees and Charges

52. The petitioner has requested to allow the petitioner to bill and recover License fee and RLDC fees and charges, separately from the respondents. The petitioner shall be entitled for reimbursement of licence fee and RLDC fees and charges in accordance with Clause (2)(b) and (2)(a) respectively of Regulation 52 of the 2014 Tariff Regulations.

Service Tax

53. The petitioner has sought to recover Service Tax on Transmission Charges separately from the Respondents, if at any time service tax on transmission is withdrawn from negative list in future. We are of the view that the petitioner's prayer is premature.

Sharing of Transmission Charges

54. 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.

55. This Order disposes of Petition No. 475/TT/2015.

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

Sd/-
(A.S. Bakshi)
Member



DETAILS OF LOAN BASED ON ACTUAL LOAN PORTFOLIO

(₹ in lakh)

Asset-I				
Particulars	Interest Rate (%)	Loan deployed as on 1.4.2014	Additions during the tariff period	Total
SBI (2014-15)-DOCO Loan	10.25	35.15	0.00	35.15
Bond XLVI- DOCO Loan 1	9.30	120.00	0.00	120.00
Bond XLVII- DOCO Loan 2	8.93	14.00	0.00	14.00
Bond XLVIII- DOCO Loan 3	8.20	277.27	0.00	277.27
Total		446.42	0.00	446.42

(₹ in lakh)

Asset-II				
Loan deployed as on 1.4.2014	Interest Rate (%)	Loan deployed as on 1.4.2014	Additions during the tariff period	Total
SBI (2014-15)-DOCO Loan	10.25	20.85	0.00	20.85
Bond XLVI- DOCO Loan 1	9.30	30.00	0.00	30.00
Bond XLIX- Addcap for 2014-15 Addcap Loan	8.15	0.00	302.52	302.52
		50.85	302.52	353.37

(₹ in lakh)

Asset-III				
Loan deployed as on 1.4.2014	Interest Rate (%)	Loan deployed as on 1.4.2014	Additions during the tariff period	Total
SBI (2014-15)-DOCO Loan	10.25	10.00	0.00	10.00
Bond XLVI- DOCO Loan 1	9.30	70.00	0.00	70.00
Bond XLVII- DOCO Loan 4	8.93	50.00	0.00	50.00
Bond XLVIII- DOCO Loan 2	8.20	100.00	0.00	100.00
Bond XLVIX- DOCO Loan 3	8.15	131.33	0.00	131.33
		361.33	0.00	361.33



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

(₹ in lakh)

Asset-I					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Opening Loan	446.42	446.42	446.42	446.42	446.42
Cumulative Repayments of Loans upto Previous Year	0.00	0.00	0.00	0.00	0.00
Net Loans Opening	446.42	446.42	446.42	446.42	446.42
Add: Drawl(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of Loan during the year	0.00	0.00	0.00	0.00	1.17
Net Closing Loan	446.42	446.42	446.42	446.42	445.25
Average Net Loan	446.42	446.42	446.42	446.42	445.84
Interest on Loan	38.75	38.75	38.75	38.75	38.70
Rate of Interest on Loan (%)	8.6800	8.6800	8.6800	8.6800	8.6797

(₹ in lakh)

Asset-II					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Opening Loan	50.85	353.37	353.37	353.37	353.37
Cumulative Repayments of Loans upto Previous Year	0.00	0.00	0.00	0.00	0.00
Net Loans Opening	50.85	353.37	353.37	353.37	353.37
Add: Drawl(s) during the year	302.52	0.00	0.00	0.00	0.00
Less: Repayment(s) of Loan during the year	0.00	0.00	0.00	0.00	0.00
Net Closing Loan	353.37	353.37	353.37	353.37	353.37
Average Net Loan	202.11	353.37	353.37	353.37	353.37
Interest on Loan	17.25	29.58	29.58	29.58	29.58
Rate of Interest on Loan (%)	8.5373	8.3715	8.3715	8.3715	8.3715

(₹ in lakh)

Asset-III				
	2015-16	2016-17	2017-18	2018-19
Gross Opening Loan	361.33	361.33	361.33	361.33
Cumulative Repayments of Loans upto Previous Year	0.00	0.00	0.00	0.00
Net Loans Opening	361.33	361.33	361.33	361.33
Add: Drawl(s) during the year	0.00	0.00	0.00	0.00



Asset-III				
	2015-16	2016-17	2017-18	2018-19
Less: Repayment(s) of Loan during the year	0.00	0.00	0.00	4.17
Net Closing Loan	361.33	361.33	361.33	357.16
Average Net Loan	361.33	361.33	361.33	359.25
Interest on Loan	30.90	30.90	30.90	30.72
Rate of Interest on Loan (%)	8.55	8.55	8.55	8.55

