

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

PETITION NO. 163/TT/2016

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

Date of Hearing : 05.10.2016
Date of Order : 26.10.2016

In the Matter of:

Truing up of transmission tariff of 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 LILO of 1st Circuit of 400 kV D/C Nathpa Jhakri-Nalagarh (Triple Snowbird) line at Rampur under transmission system associated with Rampur HEP.

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
2. Ajmer Vidyut Vitran Nigam Limited
400 kV GSS Building, Ajmer Road,
Heerapura, Jaipur
3. Jaipur Vidyut Vitran Nigam Ltd
400 kV GSS Building, Ajmer Road,
Heerapura, Jaipur.
4. Jodhpur Vidyut Vitran Nigam Ltd
400 kV GSS Building, Ajmer Road,
Heerapura, Jaipur
5. Himachal Pradesh State Electricity Board
Vidyut Bhawan,
Shimla-171004



6. Punjab State Power Corporation Limited
Thermal Shed T-1A, Near 22 Phatak
Patiala-147001
7. Haryana Power Purchase Centre, II Floor
Shakti Bhawan, Sector~6
Panchkula (Haryana) 134109
8. Power Development Department
Government of Jammu & Kashmir
Mini Secretariat, Jammu
9. Uttar Pradesh Power Corporation Ltd.
10th Floor Shakti Bhawan Extn.
14, Ashok Marg
Lucknow - 226001
10. Delhi Transco Ltd
Shakti Sadan, Kotla Road,
New Delhi-110002
11. BSES Yamuna Power Ltd,
BSES Bhawan, Nehru Place ,
New Delhi.
12. BSES Rajdhani Power Ltd,
BSES Bhawan, Nehru Place,
New Delhi
13. North Delhi Power Ltd.
Power Trading & Load Dispatch Group
Cennet Building, Adjacent to 66/11 kV,
Pitampura, Grid Building, Near PP Jewellers,
Pitampura, New Delhi-110034
14. Chandigarh Administration
Sector -9, Chandigarh.
15. Uttarakhand Power Corporation Ltd.
Urja Bhawan, Kanwali Road, Dehradun.
16. North Central Railway,
Allahabad.
17. New Delhi Municipal Council
Palika Kendra, Sansad Marg,
New Delhi-110002

....Respondent(s)



The following were present:

For Petitioner: Shri S. S. Raju, PGCIL
Shri M M Mondal, PGCIL
Shri S K Venkatesan, PGCIL
Shri Rakesh Prasad, PGCIL
Shri Jasbir Singh, PGCIL

For Respondents: Shri S. K. Agarwal, Advocate, Rajasthan Discoms
Shri A. P. Sinha, Advocate, Rajasthan Discoms
Shri S.P. Das, Advocate, Rajasthan Discoms
Shri R.B. Sharma, Advocate, BRPL

ORDER

The instant petition is filed 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 date of commercial operation (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 LILO of 1st Circuit of 400 kV D/C Nathpa Jhakri-Nalagarh (Triple Snowbird) line at Rampur under transmission system associated with Rampur HEP (hereinafter referred to as “Asset”).

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

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



a) The investment approval of the project was accorded by the Board of Directors of PGCIL vide Memorandum No. C/CP/Rampur HEP/14 dated 20.2.2009 at an estimated cost of ₹18419 lakh, including IDC of ₹1416 lakh (Based on 4th Quarter, 2008 price level). The Revised Cost Estimate (RCE) has been approved by the Board of Directors of the petitioner's company vide Memorandum No. C/CP/TS/Rampur HEP dated 11.3.2016 at an estimated cost of ₹17027.00 lakh, including IDC of ₹1183.00 lakh. The petitioner has submitted the apportioned approved cost for the instant asset as ₹1956.87 lakh. The scope of work is as under:-

Transmission Lines:

- i. Patiala-Ludhiana 400 kV D/C line : 78 km
- ii. LILO of 400 kV D/C Nathpa Jhakri-Nalagarh Triple Snowbird) line at Rampur : 4 km
- iii. LILO of Patiala-Hissar 400 kV (Triple Snowbird) line at Kaithal : 33 km.

Sub-stations:

- i. Extension of Patiala 400/220 kV (PGCIL) Sub-station
- ii. Extension of Ludhiana 400/220 kV (PGCIL) Sub-station
- iii. Extension of Kaithal 400/220 kV (PGCIL) Sub-station

b) The instant asset was scheduled to be commissioned on 1.12.2011 and the asset was commissioned on 1.3.2014. Thus there was time over-run of 27 months in commissioning of the instant asset. The time over-run was condoned vide order dated 25.8.2015 in Petition No. 288/ TT/2013.

c) The transmission tariff allowed for the instant asset vide order dated 25.8.2015 in Petition No. 288/TT/2013 is as follows:-



(₹ in lakh)

Particulars	2013-14 (Pro-rata)
Depreciation	3.82
Interest on Loan	4.50
Return on Equity	3.78
Interest on Working Capital	0.28
O & M Expenses	0.17
Total	12.55

d) The revised transmission tariff claimed by the petitioner is as follows:-

Particulars	2013-14 (Pro-rata)
Depreciation	6.61
Interest on Loan	8.11
Return on Equity	7.33
Interest on Working Capital	0.51
O & M Expenses	0.17
Total	22.73

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 and the change in interest rate on loan. The petitioner has filed this petition for revision of tariff for the tariff period 2009-14 in accordance with Regulation 6 of the 2009 Tariff Regulations based on actual capital expenditure, actual MAT rate and interest rate of loan.

5. The petitioner has served the petition on 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. Respondent No. 1, 2, 3, and 4 (collectively hereinafter called as "Rajasthan Discoms"), Uttar Pradesh Power Corporation Ltd., Respondent No.9 and BSES Rajdhani Power Ltd., Respondent No. 12, (hereinafter called as "BRPL"), have filed reply vide affidavits dated 30.9.2016, 23.7.2016 and 3.10.2016 respectively. The petitioner has filed rejoinder to the reply filed by UPPCL vide affidavit dated 3.10.2016.

6. 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

7. 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”.

8. 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 revised on account of true up of expenditure as discussed in the subsequent paragraphs.

Capital Cost

9. The capital cost as on COD claimed by the petitioner for the purpose of tariff determination is as follows:-



(₹ in lakh)

Apportioned approved cost as per FR	Apportioned approved cost (RCE)	Particulars	Capital cost approved as on COD	Addition capital expenditure	Total capital cost as on 31.3.2014
				2013-14	
864.29	1956.87	Approved in Petition No. 288/TT/2013	864.29	0.00	864.29
		Actual (Claimed)	1466.01	150.69	1616.70

10. Clause (1) of Regulation 7 of the 2009 Tariff Regulations provides that:-

“(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 funds 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.”

11. The petitioner has submitted the Auditor’s Certificate dated 1.9.2014 in support of the capital expenditure claimed for the transmission assets. The capital cost of the transmission assets has been worked out in the subsequent paragraphs taking into consideration the IEDC, IDC and initial spares.

12. UPPCL has submitted that as per company law the expenditure by a company has to be certified by the Statutory Auditors but in the present case only Management certificate has been submitted by the petitioner. In reply the petitioner has submitted that Auditor Certificates certified by the statutory Auditor have been submitted along with the petition.



IDC and IEDC

13. The petitioner has claimed IDC of ₹187.68 lakh and IEDC of ₹5.95 lakh. The petitioner has claimed that IEDC has been discharged up to COD. The petitioner has submitted that IDC discharged on cash basis are as follows:-

(₹ in lakh)		
IDC discharged upto COD	IDC discharged during 2013-14	IDC discharged during 2014-15
128.94	25.74	33.00

Cost Over-run

14. The Commission in order dated 25.8.2015 in Petition No. 288/TT/2015 had restricted the estimated completion cost in absence of RCE and directed the petitioner to submit proper justification for increase in cost. The relevant portion of order in Petition No. 288/TT/2013 is extracted as follows:-

" 30. There is substantial variation in the actual cost of a number of items as compared to the FR estimates. The petitioner has not submitted the cost details of projects which formed the basis of preparation of FR. The petitioner has simply submitted a stock reply that the estimates are prepared as per well defined procedure and the best competitive bid price against the tender may vary as compared to the cost estimates depending upon prevailing market conditions. We are not convinced with the justification given by the petitioner for the increase in cost. In the absence of any reasonable justification, we are not inclined to allow the cost increase. Accordingly, the cost over-run in the instant petition is not allowed and the total estimated expenditure in case of the instant asset is restricted to the approved apportioned cost of ₹864.29 lakh. The petitioner is directed to submit proper and justified reasons, if any, for cost over-run in case of instant asset at the time of truing up"

15. The petitioner has submitted that the preparation of FR was done with reference to plain terrain whereas on actual the asset is constructed on hilly terrain. The petitioner has further submitted that as per policy of the petitioner company, the bids were invited for the complete scope of work on overall basis. The break-up of these prices are only for the purpose of on-account payment. The comparison of prices for a particular package is also done with its cost estimate on overall basis. As per the provisions of



'Works & Procurement Policy and Procedure' Vol.- I of the petitioner company the qualified bidder, whose bid is determined as the lowest evaluated, techno-commercially responsive and, who is considered to have the capacity and capability to perform the contract based on the assessment, is recommended for award and the recommended price shall be compared with the approved cost estimate. The comparison is done only between total recommended price and the total cost estimate. Price of individual items is not compared for procurement purpose. The procurement framework of the petitioner company, which adopts best procurement practices, has been assessed by the World Bank. Further, the petitioner has submitted that the contracts for various packages under this project were awarded to the lowest evaluated and responsive bidder, on the basis of Open Competitive Bidding. The award prices represent the lowest prices available at the time of bidding of various packages, thus capturing the price level at the bidding stage. The price variation from award to final execution is mainly on account of price variation based on indices as per provision of respective contracts and is as per terms of the contract. Additional payment of ₹243.00 lakh were paid to M/s L&T due to cost variation. It is submitted that the price variation from the FR (i.e., February, 2009) to date of Award (i.e. July, 2009) and further upto COD ie. Mar, 2014 is attributable to inflationary trends prevalent during the execution of project and also market forces prevailing at the time of bidding process of various packages. The trend of variation in indices of various major raw materials i.e. Electrical high GR. Epoxy, EC grade Aluminum ingot, IN-INSLR, CPI, WPI etc. is as follows:-



WPI 2004 - 2005 = 100										
MONTH/	ELEC.	EC GRADE	IN-INSLR	CPI	WPI	WPI - Fuel & Power	High Speed	Structure Clay	Pig	Rubber
Year	HIGH GR.	Aluminum	(Jan 03=100)	2001=100	(2004-05)=100	(2004-05=100)	Diesel Oil	Products	Iron	(Polymer incl. synthetic rubber)
	ZINC	INGOT	IN-INSLR	CPI			(HSD)	(SC)		
02/2009 (FR Price level)	68900.00	96267	157.02	148.00	123.30	124.00	125.40	130.30	115.3	120.10
07/2009 (AWARD)	91000.00	98100	153.18	160.00	128.20	130.50	133.90	135.90	118.20	117.60
03/2014 (COD)	159200.00	147717	241.16	239.00	180.30	214.20	231.20	184.40	146.70	152.30
% increase in COD (March 2014) indices as compared to FR	131%	53%	54%	61%	6%	73%	84%	42%	27%	27%

16. The petitioner has submitted that there is increase in civil works due to cost variation and hilly terrain. There is increase in benching, excavation, revetment, concreting, tower erection, stringing as detailed below:-

As per FR/ km (for plain area)						As per actual/ km (hilly terrain)				
	Description	Unit	QTY	Rate (in ₹/Unit)	Amount (in lakh)	Description	Unit	QTY	Rate (in ₹/Unit)	Amount (in lakh)
1	Benching	Cu M	1460	344	5.02	Benching	Cu M	9843.6	2041.07	200.915
2	Excavation	Cu M	6394	396	25.32	Excavation	Cu M	6312.27	838.5	52.93
3	Revetment	Cu M	1155	2486	28.71	Revetment	Cu M	2123.05	8134.95	172.71
4	Concreting	Cu M	976	5482	53.5	Concreting	Cu M	1540.71	9692.58	149.33
5	Tower Erection	MT	461	3330	15.35	Tower Erection	MT	389.01	7030.99	27.35
6	Stringing	km	4	164980	6.6	Stringing	km	2.68	615353.39	16.49
				Total	134.5				Total	470.395



17. BRPL has submitted that the petitioner has contended that the FR was with reference to plain terrain whereas the asset has been constructed on the hilly terrain. This contention of the petitioner is without any basis as an amount of ₹60.49 lakh for preliminary investigation, right of way, forest clearance, PTCC, general civil works, was estimated and as against this estimate, the actual expenditure was ₹163.55 lakh was incurred and therefore it is difficult to imagine that the petitioner has gone for execution of this project without undertaking even the preliminary investigation in the form of preliminary survey. The instant asset is only a LILO of 1st circuit of 400 kV D/C Nathpa Jhakri-Nalagarh (Triple Snowbird) Line at Rampur with 2.6 km line length and thus it is difficult to believe that the petitioner did not know the terrain even though he is operating in this area for quite some time. Rajasthan Discoms and BRPL have submitted that the other contention of the petitioner describing the cost variation due to higher tendered cost by following the policy laid down by the petitioner by allowing the equal opportunity to all eligible firms in a open competitive bidding route as mentioned in the petition, was also explained by the petitioner during the course of hearing of the Petition No. 288/TT/2013 as may be seen from the order dated 25.8.2015. This argument of the petitioner was not found convincing by the Commission which was merely in the nature of stock reply for the increase in cost and thus the petitioner is again not able to furnish the proper and justified reasons for the cost over-run. BRPL has further submitted that indices of various major raw materials in the petition and the % increase has been worked out as on March, 2014, this trend of variation ought to have been worked out up to the date when the supplier was to start the manufacture of the items for use in the project. Thus, the claim of the petitioner on this account, as mentioned, is wholly incorrect and unjustified. BRPL and Rajasthan Discoms submitted



that the petitioner's claim with regard to increase civil works due to hilly terrain is liable to be rejected.

18. UPPCL has submitted that the cost of the project was ₹864.29 lakh as admitted by the Commission vide order dated 25.8.2015 in Petition No. 288/TT/2013. The petitioner has claimed capital cost of ₹1466.01 lakh as on COD and ₹1949.87 lakh up to 2018-19 in this Petition. Capital cost has been increased by 125.60% due to inflationary trend during execution of the project and market forces prevailing at the time of bidding process of various packages. UPPCL submitted that the petitioner has repeated the earlier mentioned stock replies. UPPCL further has submitted that Cabinet Committee of Economic Affairs, Government of India grants investment approval and further financial approval is carried out by the Department of Public Enterprises (DPE), Ministry of Heavy Industries, Government of India. Therefore such power cannot be delegated to the Directors of the petitioner company on perpetual basis. The petitioner has requested the Commission to direct the petitioner for submitting the copy of Office Memorandum No. 26(3)/2005-GM-GL-92 dated 1.5.2008 and Office Memorandum No.DPE/11(2)/97-Fin.dated 22.7.1997.

19. The petitioner has submitted that the details of cost over-run has already been submitted and the total estimated cost of ₹1949.87 lakh is well within the approved cost of ₹1956.87 lakh as per RCE. As a Navratna Company, the petitioner does not require approval of Ministry of Power or Public Investment Board for any project or scheme approved by its Board of Directors. The petitioner has also submitted copy of Office



Memorandum No. 26(3)/2005-GM-GL-92 dated 1.5.2008 and Office Memorandum No.DPE/11(2)/97-Fin.dated 22.7.1997 as enquired by UPPCL.

20. It is observed that the cost has been substantially increased due to hilly terrain, price variation and competitive bidding for the procurement of materials. The cost estimates submitted by the petitioner are based on actual expenditure incurred in the commissioning of the instant asset. Hence we are of the view that the reasons submitted by the petitioner for increase in cost is in order and accordingly the cost over-run is allowed. The petitioner has submitted RCE dated 11.3.2016, which is approved by the Board of Directors of the petitioner company, in exercise of powers delegated to it by DPE, Ministry of Heavy Industries and Public Enterprises, Government of India through its Office Memorandum No. 26(3)/2005-GM-GL-92 dated 1.5.2008 and Office Memorandum No.DPE/11(2)/97-Fin.dated 22.7.1997 (modified subsequently through Office Memorandum No. 18(24)/2003-GM-GL.64 dated 5.8.2005). Thus, the RCE has been approved in line with the established process. Hence we are allowing the cost as per RCE submitted by the petitioner and same has been considered for the purpose of tariff calculation.

Initial Spares

21. The petitioner has not claimed initial spares for the instant asset.

Additional Capital Expenditure

22. 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”



23. The petitioner has submitted actual additional capital expenditure during 2009-14 towards balance and retention payments for the works completed before the “cut-off” date. The petitioner has claimed the admissibility of additional capital expenditure before the “cut-off” date under Regulation 9(1)(i) of 2009 Tariff Regulations.

24. The additional capital expenditure claimed by the petitioner is towards actual balance and retention payments and the same has been certified by the Auditor vide certificates dated 1.9.2014. Further, the total capital expenditure during 2009-14 is within the total approved capital expenditure and the total cost as on 31.3.2014 is within the RCE submitted by the petitioner. Thus, the same is considered for the purpose of revision of tariff in accordance with Regulation 9(1)(i) and Regulation 6 of the 2009 Tariff Regulations.

25. BRPL has submitted that the petitioner has claimed an amount of ₹176.43 lakh during 2013-14 incurred under Regulation 9(1)(i) of the 2009 Tariff Regulations towards balance and retention payment. However, the Commission in its order dated 25.8.2015 in Petition No. 288/TT/2013 allowed an amount of ₹25.00 lakh as projected capital expenditure and the Auditor's Certificate filed shows an expenditure of ₹150.69 lakh. As the amount is differing at various places, it may be appropriate that the amount of ₹25.00 lakh allowed in the order dated 25.8.2015 may also be allowed in the true up. UPPCL has submitted that additional capitalization is mainly due to balance/retention payments and requested to direct the petitioner to submit quarter wise fund deployment and actual cost paid to the contractors for the period from 2013-14 and liability flow statement for the period 2015-17.



26. In reply the petitioner has submitted that the details of additional capital expenditure have been furnished in Form 9 of the Petition for 2009-14 tariff block and Form 7 for 2014-19 tariff block.

27. We have considered the petitioner and the respondent. The additional capital expenditure claimed by the petitioner is towards actual balance and retention payments and the same has been certified by the Auditor vide certificates dated 1.9.2014. Further, the total capital expenditure during 2009-14 is within the limits of the total approved capital expenditure and the total cost as on 31.3.2014 is within the approved cost of the project. Thus, the additional capital expenditure of ₹150.69 lakh is allowed for the purpose of revision of tariff in accordance with Regulation 9(1)(i) and Regulation 6 of the 2009 Tariff Regulations.

28. The capital expenditure as on COD and additional capital expenditure from COD to 31.3.2014 allowed is as depicted below:-

(₹ in lakh)

Particulars	Capital cost as on COD	Addition capital expenditure	Total capital cost as on 31.3.2014
		2013-14	
Approved in Petition No. 288/TT/2013	864.29	0.00	864.29
Actual (Claimed)	1466.01	150.69	1616.70
Allowed in this Order	1407.27	176.43	1583.70

Debt: Equity

29. 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.



30. 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.”

31. In respect of the additional capitalization, debt: equity ratio of 70:30 has been considered in line with Regulation 12 of the 2009 Tariff Regulations. The details of the debt: equity considered for the purpose of tariff for 2009-14 tariff period is as follows:-

(₹ in lakh)

Funding	Capital cost as on COD	(%)	Additional capital expenditure during 2009-14	(%)	Total Cost as on 31.3.2014	(%)
Debt	985.09	70.00	123.50	70.00	1108.59	70.00
Equity	422.18	30.00	52.93	30.00	475.11	30.00
Total	1407.27	100.00	176.43	100.00	1583.70	100.00

Return on Equity (“ROE”)

32. 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.”

33. UPPCL has submitted that interest on loan has increased by ₹3.55 lakh due to increase in capital cost and increase in rate of ROE from 17.481% to 19.610% due to rise in MAT rates. The petitioner has clarified that the petition has filed based on actual expenditure incurred during 2009-14 tariff period.

34. We have considered the submission of the petitioner and the respondent. 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
2013-14	20.961%	19.610%

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

Particulars	(₹ in lakh)
	2013-14 (pro-rata)
Approved in Petition No. 288/TT/2013	3.78
Claimed by the petitioner	7.33
Allowed after true up in this order	7.33



Interest on Loan (“IoL”)

36. 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.

37. UPPCL has submitted that interest on loan has been increased by ₹3.61 lakh is due to increase in capital cost and increase in rate of interest. The petitioner has clarified that the petition is filed based on actual expenditure incurred during 2009-14 tariff period. It is observed that the petitioner has submitted the actual expenditure for 2009-14 tariff period.

38. The details of weighted average rate of interest are placed in Annexure-1. The IoL worked out is as follows:-

(₹ in lakh)	
Particulars	2013-14 (pro-rata)
Approved in Petition No. 288/TT/2013	4.50
Claimed by the petitioner	8.11
Allowed after true up in this order	8.11

Depreciation

39. 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)	
Particulars	2013-14 (Pro-rata)
Approved in Petition No. 288/TT/2013	3.82
Claimed by the petitioner	6.61
Allowed after true up in this order	6.61



Operation & Maintenance Expenses (O&M Expenses)

40. Clause (g) of Regulation 19 of the 2009 Tariff Regulations specifies the norms for O&M Expenses for the transmission system. The normative O&M Expenses are not required to be trued up. Accordingly, the total allowable O&M Expenses for the instant assets have been worked out based on norms of O&M Expenses and the details are as follows:-

(₹ in lakh)	
Particulars	2013-14 (pro-rata)
Approved in Petition No. 288/TT/2013	0.17
Claimed by the petitioner	0.17
Allowed after true up in this order	0.17

Interest on Working Capital (IWC)

41. 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)	
Particulars	2013-14 (pro-rata)
Approved in Petition No. 288/TT/2013	0.28
Claimed by the petitioner	0.51
Allowed after true up in this order	0.51

APPROVED ANNUAL FIXED CHARGES FOR 2009-14 TARIFF PERIOD

42. 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)	
Particulars	2013-14 (pro-rata)
Depreciation	
Opening Gross Block	1407.27
Additional Capitalisation	176.43



Particulars	2013-14 (pro-rata)
Closing Gross Block	1583.70
Average Gross Block	1495.49
Rate of Depreciation (%)	5.30
Depreciable Value	1345.94
Balance useful life of the asset	35.00
Elapsed life	0.00
Remaining Depreciable Value	1345.94
Depreciation during the year	6.61
Cumulative depreciation	6.61
Interest on Loan	
Gross Normative Loan	985.09
Cumulative Repayments upto Previous Year	0.00
Net Loan-Opening	985.09
Additions	123.50
Repayment during the year	6.61
Net Loan-Closing	1101.98
Average Loan	1043.54
Weighted Average Rate of Interest on Loan (%)	9.3224
Interest on Loan	8.11
Return on Equity	
Opening Equity	422.18
Additions	52.93
Closing Equity	475.11
Average Equity	448.65
Return on Equity (Base Rate) (%)	15.500
MAT Rate for respective year (%)	20.961
Rate of Return on Equity (%)	19.610
Return on Equity	7.33
Interest on Working Capital	
O & M Expenses	0.17
Maintenance Spares	0.31
Receivables	45.46
Total Working Capital	45.95
Rate of Interest (%)	13.20
Interest of working capital	0.51
Annual Transmission Charges	
Depreciation	6.61
Interest on Loan	8.11
Return on Equity	7.33
Interest on Working Capital	0.51
O & M Expenses	0.17
Total	22.73



DETERMINATION OF ANNUAL FIXED CHARGES FOR 2014-19 TARIFF PERIOD

43. The tariff claimed by the petitioner for 2014-19 tariff period is as follows:-

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	91.07	100.74	103.38	103.38	103.38
Interest on Loan	107.57	110.53	104.25	94.55	84.86
Return on Equity	100.99	112.31	115.27	115.27	115.27
Interest on Working Capital	7.00	7.56	7.54	7.32	7.10
O & M Expenses	1.89	1.96	2.02	2.09	2.16
Total	308.52	333.10	332.46	322.61	312.77

Capital Cost

44. 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;”

45. The capital cost was restricted to ₹864.29 lakh as on 31.3.2014 as per approved apportioned cost given in investment approval. The petitioner has submitted RCE, according to which apportioned approved cost is ₹1956.87 lakh. The petitioner has claimed capital cost of ₹1616.70 lakh as on 31.3.2014. Capital cost of ₹1583.70 lakh has been considered as opening capital cost as on 1.4.2014 after adjusting IDC as on COD for determination of tariff in accordance with Regulation 9 of the 2014 Tariff Regulations. The petitioner has claimed total estimated capital cost ₹1949.87 lakh as on 31.3.2019 which is within the apportioned approved cost as per RCE.



Additional Capital Expenditure

46. 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 13;
- (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.”

47. Clause 13 of Regulation 3 of the 2014 Tariff Regulations defines “cut-off” as follows:-

“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.”

48. The “cut-off” date for the assets works out to be 31.3.2017. The petitioner has claimed additional capital expenditure for 2014-19 as per Regulation 14(1)(i) of the 2014 Tariff Regulation as shown below:-

(₹ in lakh)

Particulars	Capital cost as on 1.4.2014	Addition capital expenditure 2014-19			Total capital cost as on 31.3.2019
		2014-15	2015-16	Total	
Claimed	1616.70	233.00	100.17	333.17	1949.87
Approved in this order	1583.70	266.00	100.17	366.17	1949.87

49. The petitioner’s claim of additional capital expenditure on account of undischarged liabilities falls within the meaning of clause 14(1)(i) of the 2014 Tariff Regulations and hence, the same has been considered to work out the tariff. The total capital cost as on



31.3.2019 is within the approved apportioned cost of ₹1956.87 lakh and the same is allowed.

Debt: Equity

50. 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.”

51. 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	1108.59	70.00	256.32	70.00	1364.91	70.00
Equity	475.11	30.00	109.85	30.00	584.96	30.00
Total	1583.70	100.00	366.17	100.00	1949.87	100.00

Return on Equity (ROE)

52. 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.”

53. 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	475.11	554.91	584.96	584.96	584.96
Additions	79.80	30.05	0.00	0.00	0.00
Closing Equity	554.91	584.96	584.96	584.96	584.96
Average Equity	515.01	569.94	584.96	584.96	584.96
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (%)	20.961	21.342	21.342	21.342	21.342
Rate of Return on Equity (%)	19.610	19.705	19.705	19.705	19.705
Return on Equity	101.00	112.31	115.27	115.27	115.27

Interest on Loan (“IoL”)

54. 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.”

55. 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. In view of the 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	1108.59	1294.79	1364.91	1364.91	1364.91
Cumulative Repayment upto Previous Year	6.61	97.66	198.39	301.76	405.12
Net Loan-Opening	1101.98	1197.13	1166.52	1063.15	959.78
Additions	186.20	70.12	0.00	0.00	0.00
Repayment during the year	91.05	100.72	103.37	103.37	103.37
Net Loan-Closing	1197.13	1166.52	1063.15	959.78	856.42
Average Loan	1149.55	1181.82	1114.84	1011.47	908.10
Weighted Average Rate of Interest on Loan (%)	9.3574	9.3526	9.3516	9.3484	9.3448
Interest on Loan	107.57	110.53	104.25	94.56	84.86

Depreciation

56. 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.”

57. 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:-

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	1583.70	1849.70	1949.87	1949.87	1949.87
Additional Capitalisation	266.00	100.17	0.00	0.00	0.00
Closing Gross Block	1849.70	1949.87	1949.87	1949.87	1949.87
Average Gross Block	1716.70	1899.79	1949.87	1949.87	1949.87
Rate of Depreciation (%)	5.30	5.30	5.30	5.30	5.30
Depreciable Value	1545.03	1709.81	1754.88	1754.88	1754.88
Balance useful life of the asset	34.00	33.00	32.00	31.00	30.00
Elapsed life	1.00	2.00	3.00	4.00	5.00
Remaining Depreciable Value	1538.42	1612.14	1556.50	1453.13	1349.76
Depreciation during the year	91.05	100.72	103.37	103.37	103.37
Cumulative depreciation	97.66	198.39	301.76	405.12	508.49

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

58. Clause 3(a) of Regulation 29 of the 2014 Tariff Regulations specifies the norms for O&M Expenses for the transmission system. The total allowable O&M Expenses for the instant asset have been worked out and allowed are as follows:-



(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
D/C Twin/Triple Conductor					
Line (km)	2.68	2.68	2.68	2.68	2.68
Line(₹ lakh per km)	0.707	0.731	0.755	0.780	0.806
Total O&M Expenses	1.89	1.96	2.02	2.09	2.16

59. 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.

60. BRPL has submitted that wage revision must be taken care by improvement in their productivity levels by the petitioner so that the beneficiaries are not unduly burdened over and above the provisions made in 2014, Tariff Regulations. Rajasthan Discoms have submitted that the petitioner's claim regarding O&M Expenses are vague and should be rejected.

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

Interest on Working Capital ("IWC")

62. 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;”

63. 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%.

64. 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	0.16	0.16	0.17	0.17	0.18
Maintenance Spares	0.28	0.29	0.30	0.31	0.32
Receivables	51.42	55.51	55.41	53.77	52.13
Total	51.86	55.97	55.88	54.26	52.63
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	7.00	7.56	7.54	7.32	7.11

ANNUAL FIXED CHARGES FOR THE 2014-19 TARIFF PERIOD

65. 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	1583.70	1849.70	1949.87	1949.87	1949.87
Additional Capitalisation	266.00	100.17	0.00	0.00	0.00
Closing Gross Block	1849.70	1949.87	1949.87	1949.87	1949.87
Average Gross Block	1716.70	1899.79	1949.87	1949.87	1949.87
Rate of Depreciation (%)	5.30	5.30	5.30	5.30	5.30



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciable Value	1545.03	1709.81	1754.88	1754.88	1754.88
Balance useful life of the asset	34.00	33.00	32.00	31.00	30.00
Elapsed life	1.00	2.00	3.00	4.00	5.00
Remaining Depreciable Value	1538.42	1612.14	1556.50	1453.13	1349.76
Depreciation during the year	91.05	100.72	103.37	103.37	103.37
Cumulative depreciation	97.66	198.39	301.76	405.12	508.49
Interest on Loan					
Gross Normative Loan	1108.59	1294.79	1364.91	1364.91	1364.91
Cumulative Repayments upto Previous Year	6.61	97.66	198.39	301.76	405.12
Net Loan-Opening	1101.98	1197.13	1166.52	1063.15	959.78
Additions	186.20	70.12	0.00	0.00	0.00
Repayment during the year	91.05	100.72	103.37	103.37	103.37
Net Loan-Closing	1197.13	1166.52	1063.15	959.78	856.42
Average Loan	1149.55	1181.82	1114.84	1011.47	908.10
Weighted Average Rate of Interest on Loan (%)	9.3574	9.3526	9.3516	9.3484	9.3448
Interest on Loan	107.57	110.53	104.25	94.56	84.86
Return on Equity					
Opening Equity	475.11	554.91	584.96	584.96	584.96
Additions	79.80	30.05	0.00	0.00	0.00
Closing Equity	554.91	584.96	584.96	584.96	584.96
Average Equity	515.01	569.94	584.96	584.96	584.96
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (%)	20.961	21.342	21.342	21.342	21.342
Rate of Return on Equity (%)	19.610	19.705	19.705	19.705	19.705
Return on Equity	101.00	112.31	115.27	115.27	115.27
Interest on Working Capital					
O & M Expenses	0.16	0.16	0.17	0.17	0.18
Maintenance Spares	0.28	0.29	0.30	0.31	0.32
Receivables	51.42	55.51	55.41	53.77	52.13
Total Working Capital	51.86	55.97	55.88	54.26	52.63
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest of working capital	7.00	7.56	7.54	7.32	7.11
Annual Transmission Charges					
Depreciation	91.05	100.72	103.37	103.37	103.37
Interest on Loan	107.57	110.53	104.25	94.56	84.86
Return on Equity	101.00	112.31	115.27	115.27	115.27
Interest on Working Capital	7.00	7.56	7.54	7.32	7.11
O & M Expenses	1.89	1.96	2.02	2.09	2.16
Total	308.51	333.08	332.46	322.61	312.76

Filing Fee and the Publication Expenses

66. The petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses. BRPL has submitted that Commission in order dated 11.9.2008 in Petition No. 129 of 2005 has declined the claim of Central Power Sector undertakings



for allowing the reimbursement of the application filing fee. Rajasthan Discoms submitted that the petitioner's claim regarding publication of notices is vague and should be rejected.

67. We have considered the submission of the petitioner and the respondent. 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

68. 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

69. 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.

Goods & Service Tax

70. The petitioner has prayed to allow reimbursement of GST, if any, on account of the proposed implementation of GST. The impact of GST, if any, will be dealt at the time of truing up of 2014-19.

Sharing of Transmission Charges

71. As per the directions in order dated 25.8.2015 in Petition No. 288/TT/2013 SJVNL shall bear the transmission charges from 1.3.2014 to 12.5.2014. Thereafter, the billing,



collection and disbursement of the transmission charges shall be governed by the provision of Central Electricity Regulatory Commission (Sharing of Inter-state Transmission Charges and Losses) Regulations, 2010 as amended from time to time."

72. This order disposes of Petition No. 163/TT/2016.

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

Sd/-
(A.S. Bakshi)
Member



ANNEXURE-1

DETAILS OF LOAN BASED ON ACTUAL LOAN PORTFOLIO 2009-14

(₹ in lakh)

Particulars	Interest Rate (%)	Loan deployed as on 1.4.2013	Additions during the tariff period	Repayment	Total
BOND-XXXV-DOCO-	9.64	12.70	0.00	0.00	12.70
BOND XXXVI-DOCO-	9.35	219.00	0.00	0.00	219.00
BOND XXXVII-DOCO-	9.25	131.00	0.00	0.00	131.00
BOND XXXVIII-DOCO-	9.25	284.51	0.00	0.00	284.51
SBI (21.03.2012)-ADDCAP FOR 2013-2014 ADDCAP-	10.25	0.00	105.48	0.00	105.48
BOND XL-DOCO-	9.30	300.00	0.00	0.00	300.00
BOND - XLI-ADDCAP FOR 2013-2014 ADDCAP-	8.85	0.00	18.02	0.00	18.02
BOND - XLI-DOCO-	8.85	37.88	0.00	0.00	37.88
Total		985.09	123.50	0.00	1108.59

CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN FOR TARIFF PERIOD 2009-14

(₹ in lakh)

Summary	2013-14
Gross Opening Loan	985.09
Cumulative Repayments of Loans upto Previous Year	0.00
Net Loans Opening	985.09
Add: Draw(s) during the Year	123.50
Less: Repayments of Loan during the year	0.00
Net Closing Loan	1108.59
Average Net Loan	1046.84
Rate of Interest on Loan (%)	9.322
Interest on Loan	97.59



DETAILS OF LOAN BASED ON ACTUAL LOAN PORTFOLIO 2014-19

(₹ in lakh)

Particulars	Interest Rate (%)	Loan deployed as on 1.4.2014	Additions during the tariff period	Repayment	Total
BOND-XXXV-DOCO-	9.64	12.70	0.00	4.24	12.70
BOND XXXVI-DOCO-	9.35	219.00	0.00	43.80	219.00
BOND XXXVII-DOCO-	9.25	131.00	0.00	43.68	131.00
BOND XXXVIII-DOCO-	9.25	284.51	0.00	0.00	284.51
SBI (21.03.2012)-ADDCAP FOR 2013-2014 ADDCAP-	10.25	105.48	0.00	28.77	105.48
BOND XL-DOCO-	9.30	300.00	0.00	75.00	300.00
BOND - XLI-ADDCAP FOR 2013-2014 ADDCAP-	8.85	18.02	0.00	4.50	18.02
BOND-XLI-ADDCAP FOR 2014-2015 ADDCAP-	8.85	0.00	23.10	5.79	23.10
BOND - XLI-DOCO-	8.85	37.88	0.00	9.48	37.88
Total		1108.59	23.10	215.26	1131.69

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

(₹ in lakh)

Summary	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Opening Loan	1108.59	1131.69	1131.69	1131.69	1131.69
Cumulative Repayments of Loans upto Previous Year	0.00	0.00	11.98	79.74	147.50
Net Loans Opening	1108.59	1131.69	1119.71	1051.95	984.19
Add: Draw(s) during the Year	23.10	0.00	0.00	0.00	0.00
Less: Repayments of Loan during the year	0.00	11.98	67.76	67.76	67.76
Net Closing Loan	1131.69	1119.71	1051.95	984.19	916.43
Average Net Loan	1120.14	1125.70	1085.83	1018.07	950.31
Rate of Interest on Loan (%)	9.357	9.353	9.352	9.348	9.345
Interest on Loan	104.82	105.28	101.54	95.17	88.80

