

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 171/TT/2014**

**Coram:  
Shri A.K. Singhal, Member  
Shri A.S. Bakshi, Member**

**Date of Hearing: 26.02.2016  
Date of Order : 18.03.2016**

**In the Matter of**

Approval under Regulation-86 of CERC (Conduct of Business) Regulations'1999, CERC (Terms and Conditions of Tariff) Regulations, 2009 and CERC (Terms and Conditions of Tariff) Regulations' 2014 for determination of (i) Truing up Transmission tariff for 2009-14 tariff block and (ii) Transmission tariff for 2014-19 tariff block for Asset-1: Agartala - Agartala Ckt – I & II, Asset-2: Agartala – Kumarghat Under transmission system associated with Agartala GBPP in North-Eastern Region.

And in the Matter of

Power Grid Corporation of India Ltd,  
Registered office: B-9, Qutab Institutional Area,  
Katwaria Sarai, New Delhi. 110 016.  
Corporate Centre : 'SAUDAMINI', Plot No-2,  
Sector-29, Gurgaon-122 001 (Haryana).

**.....Petitioner**

Versus

And in the Matter of

Power Grid Corporation of India Ltd,  
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Katwaria Sarai, New Delhi. 110 016.  
Corporate Centre : 'SAUDAMINI', Plot No-2,  
Sector-29, Gurgaon-122 001 ( Haryana).

**.....Petitioner**



Versus

1. Assam State Electricity Board  
Bijulee Bhawan, Paltan Bazar,  
Guwahti-781001.
2. Meghalaya Energy Corporation Ltd.  
Short Round Road,  
Shillong-793001.
3. Government of Arunachal Pradesh,  
Itanagar, Arunachal Pradesh.
4. Pwer & Electricity Department,  
Govt. of Mizoram,  
Mizoram, Aizwal.
5. Electricity Department,  
Govt. of Manipur,  
Keishampat  
Imphal.
6. Department of Power,  
Govt. of Nagaland,  
Kohima, Nagaland.  
Patiala – 147 001
7. Tripura State Electricity Corporation Ltd.,  
Bidyut Bhawan, North Banamalipur,  
Agartala-700001, Tripura.

.....Respondents

The following were present:

For Petitioner : Ms. Sangeeta Edwards, PGCIL  
Sh. S.S.Raju, PGCIL  
Sh. Jasbir Singh, PGCIL  
Sh. M.M.Mondal, PGCIL

For Respondents : None



## ORDER

The petition has been preferred by Power Grid Corporation of India Ltd, 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 expenditure for the period 1.4.2009 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 Asset-1: Agartala - Agartala Ckt – I & II, Asset-2: Agartala – Kumarghat Under transmission system associated with Agartala GBPP in North-Eastern Region (hereinafter referred to as “transmission system”).

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

3. The petitioner has built the transmission system in North Eastern Region and the same has been put under commercial operation w.e.f. dated 1.4.1998 and 1.1.2001. The petitioner had approached the Commission vide Petition No. 153/2010 for determination of tariff for 2009-14 tariff period. The Commission, vide order dated 4.11.2010 in petition 153/2010 had approved the tariff based on the admitted capital cost of ₹380.47 lakh and ₹2166.18 lakh for the instant asset as on 31.3.2009 as given below:



### Asset-1

(₹ in Lakh)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	20.22	9.20	9.20	9.20	9.20
Interest on Loan	7.21	6.20	5.57	4.94	4.31
Return on Equity	35.31	35.31	35.31	35.31	35.31
Interest on Working Capital	4.04	3.95	4.10	4.26	4.43
O & M Expenses	54.66	57.78	61.08	64.59	68.28
<b>Total</b>	<b>121.44</b>	<b>112.44</b>	<b>115.26</b>	<b>118.30</b>	<b>121.54</b>

### Asset-2

(₹ in Lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	114.56	114.56	114.56	114.56	34.29
Interest on Loan	68.95	61.12	53.28	45.45	40.36
Return on Equity	62.84	62.84	62.84	62.84	62.84
Interest on Working Capital	7.38	7.34	7.31	7.30	5.67
O & M Expenses	44.82	47.36	50.08	53.01	56.03
<b>Total</b>	<b>298.55</b>	<b>293.21</b>	<b>288.07</b>	<b>283.15</b>	<b>199.18</b>

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. The petitioner has submitted that in case interest on loan was calculated on basis of prevailing rates for the determination of tariff, any change in the rate of interest subsequently during the tariff period will be considered at the time of truing up. In this context, the petitioner has relied upon the Commission's order dated 4.11.2010 in Petition No 153/2010.



5. The petitioner has made following submissions in regard to revision of tariff in accordance with Regulation 6 of the 2009 Tariff Regulations for 2009-14:

- a) The additional capital expenditure during the 2009-14 tariff period is NIL and hence, the tariff has been claimed based on the admitted capital cost of ₹380.47 lakh and ₹2166.18 lakh for the instant asset by the Commission in order dated 4.11.2010 in Petition No 153/2010;
- b) 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 ROE has been furnished as follows:

Year	MAT Rate (in %)	Grossed up ROE (Base rate/(1-t) (in %)
2009-10	16.995	18.674
2010-11	19.931	19.358
2011-12	20.008	19.377
2012-13	20.008	19.377
2013-14	20.961	19.610

- c) The petitioner has claimed the interest on loan based on actual interest rates for each year during the 2009-14 period and also submitted relevant documents vide affidavit dated 26.6.2014.

6. Based on aforesaid, the petitioner has claimed the revision of tariff for 2009-14 tariff period as under:

(₹ in lakh)

Particulars	2009-10	2010 – 11	2011 -12	2012 – 13	2013 - 14
Revised AFC based on truing up (Asset -1)	123.20	114.92	117.88	121.33	125.50
Revised AFC based on truing up (Asset – 2)	296.30	286.28	282.62	282.03	203.01



7. The petitioner has further claimed the transmission tariff for the period 2014-19 in accordance with the 2014 Tariff Regulations as follows:

(₹ in Lakh)

<b>Period</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Annual Fixed Cost (Asset-1)	119.81	121.41	123.06	124.81	126.62
Annual Fixed Cost (Asset – II)	197.95	197.52	197.11	196.74	196.39

8. The petitioner has made following submissions in regard to determination of tariff for 2014-19 :

- a) The depreciation has been claimed in accordance with Regulation 27 of the 2014 Tariff Regulations;
- b) The petitioner has prayed for grossing up of ROE at MAT rate of 20.961% prevailing in 2013-14 which shall be trued up with actual tax rate in accordance with clause 25 (3) of the 2014 Tariff Regulations;
- c) The petitioner has prayed for reimbursement of service tax if it is subjected to such tax in future;
- d) The petitioner has considered interest on loan on the basis of rate prevailing as on 1.4.2014 and prayed that the change in Interest Rate due to floating rate of interest applicable, if any, during 2014-19 period will be adjusted;
- e) The wage revision of the employees of the petitioner company is due during 2014-19 and actual impact of wage hike will be effective from a future date. The scheme of wage revision applicable to CPSUs being binding on the petitioner, the petitioner sought liberty to approach the Commission for suitable revision in the norms for O&M expenditure for claiming the impact of wage hike, if any, during 2014-19.

- f) The petitioner has prayed for recovery of deferred tax liability before 1.4.2009 from the beneficiaries or the long term customers / DICs as and when the same gets materialized.
- g) The petitioner has prayed for recovery of the application fee, filing fee, expenses incurred on publication of Notices in News papers and License fee from the respondents in terms of Regulation 52 Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014. The fees and charges to be paid by the petitioner as ISTS licensee (deemed ISTS licensee) under CERC (Fees and Charges of RLDC and other matters) Regulations as amended from time to time have also been prayed to be recoverable from the DICs as provided under clause 52(2) (a).

9. The petitioner has served the petition to the respondents and notice of this application has been published in the news paper in accordance with the CERC (Procedure for making of application for determination of tariff, Publication of the application and other related matters) Regulations, 2004. Further, submissions were made vide affidavit dated 4.9.2014 and 26.2.2016. No submissions have been made by the Respondents. No comments/objections have been received from the public in response to the notice in newspaper. The hearing in this matter was held on 26.2.2016.

**TRUE UP ANNUAL FIXED CHARGES FOR 2009-14 PERIOD**



10. We have considered the submissions of the petitioner in respect of truing up of annual fixed charged for 2009-14 tariff period. The revision of tariff for 2009-14 period has been determined as discussed below:

- a) The capital cost of ₹ 380.47 lakh and ₹2166.18 lakh for the instant Asset admitted by the Commission as on 31.3.2009 has been considered as opening capital cost as on 1.4.2009 for determination of tariff in accordance with Regulation 7 of the 2009 Tariff Regulations;
- b) The petitioner has not claimed any additional capital expenditure for 2009-14 period;
- c) The Regulation 15 of the 2009 Tariff Regulations provides for the grossing up of ROE with the actual tax rate for the purpose of return on equity. The petitioner has submitted the MAT rate applicable during the various years. Return on equity has been worked out by considering year wise MAT rate submitted by the petitioner in accordance with Regulation 15 of the 2009 Tariff Regulations;
- d) Regulation 16 of the 2009 Tariff Regulations provide the methodology for working out weighted average rate of interest on loan. The Commission in its earlier order dated 8.6.2011 in Petition No. 238/2010 has held that in case of floating rate of interest, any change in the rates of interest during the tariff period will be considered at the time of true up. As per para 17 of order dt.4.11.2010 in petition no. 153/2010, Asset-1 has been entirely funded through equity, therefore, the IOL for the same asset has been calculated applying the weighted average rate of interest pertaining to Asset-2, on the notional loan amount for the truing up purpose for the period of 2009-14. Accordingly, the interest on loan has been worked out and





details of weighted average rate of interest for Asset-2 are placed at Annexure-1.

- b) The Commission vide para 21 of its order dated 4.11.2010 in petition 153/2010 had already recognised that Transmission Assets had completed 12 years during 2009-10 and 2012-13 respectively. Accordingly, depreciation for the both the Transmission Assets till 2009-10 and 2012-13 was allowed on straight line method. Deprecation for the both the Transmission Assets for years 2010-11 onwards & 2013-14 onwards respectively has been calculated based on the remaining depreciable value to be recovered in the balance useful life.
- c) Interest on Working Capital and Operation & Maintenance Expenses has been considered in accordance with the 2009 Regulations

11. Accordingly, the annual fixed charges for the transmission system under the petition has been worked out and allowed as under:

**Asset -1:** Agartala - Agartala Ckt – I Under transmission system associated with Agartala GBPP in North-Eastern Region

(₹in lakh)					
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
<b>Gross Block</b>					
Opening Gross Block	380.47	380.47	380.47	380.47	380.47
Additional Capitalisation	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	380.47	380.47	380.47	380.47	380.47
Average Gross Block	380.47	380.47	380.47	380.47	380.47
<b>Depreciation</b>					
Rate of Depreciation	5.3147%	2.4189%	2.4189%	2.4189%	2.4189%
Depreciable Value	342.42	342.42	342.42	342.42	342.42
Elapsed Life (Beginning of the year)	11	12	13	14	15



Weighted Balance Useful life of the combine assets	18	17	16	15	14
Remaining Depreciable Value	176.67	156.45	147.25	138.05	128.84
Depreciation	<b>20.22</b>	<b>9.20</b>	<b>9.20</b>	<b>9.20</b>	<b>9.20</b>
<b>Interest on Loan</b>					
Gross Normative Loan	178.47	178.47	178.47	178.47	178.47
Cumulative Repayment upto Previous Year	63.01	83.23	92.43	101.64	110.84
Net Loan-Opening	115.46	95.24	86.04	76.83	67.63
Additions	0.00	0.00	0.00	0.00	0.00
Repayment during the year	20.22	9.20	9.20	9.20	9.20
Net Loan-Closing	95.24	86.04	76.83	67.63	58.43
Average Loan	105.35	90.64	81.43	72.23	63.03
Weighted Average Rate of Interest on Loan	6.1966%	5.3244%	5.2806%	5.6500%	6.1760%
Interest	<b>6.53</b>	<b>4.83</b>	<b>4.30</b>	<b>4.08</b>	<b>3.89</b>
<b>Return on Equity</b>					
Opening Equity	202.00	202.00	202.00	202.00	202.00
Additions	0.00	0.00	0.00	0.00	0.00
Closing Equity	202.00	202.00	202.00	202.00	202.00
Average Equity	202.00	202.00	202.00	202.00	202.00
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%	15.50%
MAT rate for the respective year (%)	16.995	19.931	20.008	20.008	20.961
Rate of Return on Equity	18.674%	19.358%	19.377%	19.377%	19.610%
Return on Equity	<b>37.72</b>	<b>39.10</b>	<b>39.14</b>	<b>39.14</b>	<b>39.61</b>
<b>Interest on Working Capital</b>					
Maintenance Spares	8.20	8.67	9.16	9.69	10.24
O & M expenses	4.56	4.82	5.09	5.38	5.69
Receivables	20.53	19.15	19.65	20.22	20.92
Total	33.29	32.63	33.90	35.29	36.85
Interest	<b>4.08</b>	<b>4.00</b>	<b>4.15</b>	<b>4.32</b>	<b>4.51</b>
<b>Annual Transmission Charges</b>					
Depreciation	20.22	9.20	9.20	9.20	9.20
Interest on Loan	6.53	4.83	4.30	4.08	3.89
Return on Equity	37.72	39.10	39.14	39.14	39.61
Interest on Working Capital	4.08	4.00	4.15	4.32	4.51
O & M Expenses	54.66	57.78	61.08	64.59	68.28
<b>Total</b>	<b>123.21</b>	<b>114.91</b>	<b>117.88</b>	<b>121.34</b>	<b>125.50</b>



**Asset 2: Agartala – Kumarghat Under transmission system associated with Agartala GBPP in North-Eastern Region**

(₹in lakh)

<b>Particulars</b>	<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>
<b>Gross Block</b>					
Opening Gross Block	2166.18	2166.18	2166.18	2166.18	2166.18
Additional Capitalisation	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	2166.18	2166.18	2166.18	2166.18	2166.18
Average Gross Block	2166.18	2166.18	2166.18	2166.18	2166.18
<b>Depreciation</b>					
Rate of Depreciation	5.2886%	5.2886%	5.2886%	5.2886%	1.5831%
Depreciable Value	1949.56	1949.56	1949.56	1949.56	1949.56
Elapsed Life (Beginning of the year)	8	9	10	11	12
Weighted Balance Useful life of the combine assets	26	25	24	23	22
Remaining Depreciable Value	1212.69	1098.13	983.57	869.01	754.45
Depreciation	<b>114.56</b>	<b>114.56</b>	<b>114.56</b>	<b>114.56</b>	<b>34.29</b>
<b>Interest on Loan</b>					
Gross Normative Loan	1806.73	1806.73	1806.73	1806.73	1806.73
Cumulative Repayment upto Previous Year	741.35	855.91	970.47	1085.03	1199.59
Net Loan-Opening	1065.38	950.82	836.26	721.70	607.14
Additions	0.00	0.00	0.00	0.00	0.00
Repayment during the year	114.56	114.56	114.56	114.56	34.29
Net Loan-Closing	950.82	836.26	721.70	607.14	572.84
Average Loan	1008.10	893.54	778.98	664.42	589.99
Weighted Average Rate of Interest on Loan	6.1966%	5.3244%	5.2806%	5.6500%	6.1760%
Interest	<b>62.47</b>	<b>47.58</b>	<b>41.13</b>	<b>37.54</b>	<b>36.44</b>
<b>Return on Equity</b>					
Opening Equity	359.45	359.45	359.45	359.45	359.45
Additions	0.00	0.00	0.00	0.00	0.00
Closing Equity	359.45	359.45	359.45	359.45	359.45
Average Equity	359.45	359.45	359.45	359.45	359.45
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%	15.50%
MAT rate for the respective year (%)	16.995	19.931	20.008	20.008	20.961
Rate of Return on Equity	18.674%	19.358%	19.377%	19.377%	19.610%
Return on Equity	<b>67.12</b>	<b>69.58</b>	<b>69.65</b>	<b>69.65</b>	<b>70.49</b>
<b>Interest on Working Capital</b>					
Maintenance Spares	6.72	7.10	7.51	7.95	8.40
O & M expenses	3.74	3.95	4.17	4.42	4.67
Receivables	49.38	47.71	47.10	47.01	33.83
Total	59.84	58.76	58.79	59.37	46.91
Interest	<b>7.33</b>	<b>7.20</b>	<b>7.20</b>	<b>7.27</b>	<b>5.75</b>



<b>Annual Transmission Charges</b>					
Depreciation	114.56	114.56	114.56	114.56	34.29
Interest on Loan	62.47	47.58	41.13	37.54	36.44
Return on Equity	67.12	69.58	69.65	69.65	70.49
Interest on Working Capital	7.33	7.20	7.20	7.27	5.75
O & M Expenses	44.82	47.36	50.08	53.01	56.03
<b>Total</b>	<b>296.30</b>	<b>286.28</b>	<b>282.63</b>	<b>282.03</b>	<b>203.00</b>

### **ANNUAL FIXED CHARGES FOR 2014-19**

12. We have considered the submissions of the petitioner in respect of tariff for 2014-19 tariff period. The tariff for 2014-19 period has been determined as discussed below:

- a) Regulation 6 of 2014-19 tariff regulation requires submitting single consolidated petition where all elements of a transmission system have been declared under commercial operation prior to 01-04-2014, so that Commission may grant single tariff for all the assets covered under the project. In order to determine a single transmission tariff, the concept of effective date of commercial operation and weighted average life has been covered under Regulation 27 of Tariff regulations,2014. In the present petition, these two Assets were allowed tariff sperately vide order dated 4-11-2010 in Petition No. 153/2010. Accordingly the Tariff for 2009-14 tariff period has been trued-up in the above paragraphs.Although the petitioner has not combined these assets,however,these two Assets are combined into single Asset as per Tariff Regulations,2014.Accordingly, single Tariff for the project as a whole has been worked out for the tariff period 2014-19.
- b) As per Tariff Regulations,2014, Effective Date of Commercial Operation, for the project as a whole has been worked out based on the admitted



capital cost of individual Assets as on 31-03-2014 and the Actual DOCO of individual Asset. Accordingly, Effective Date of Commercial Operation for the instant project as a whole has been worked out as 3-Aug-2000. The weighted average life of project as a whole on the basis of admitted capital cost of individual elements as on 31.3.2014 and their respective life as prescribed in Tariff Regulations, 2014, worked out as 33 years. Therefore, remaining useful life of project as a whole works out to 20 years as on 31.03.2014.

- d) The capital cost of ₹380.47 lakh and ₹2166.18 lakh for the both assets admitted by the Commission as on 31.3.2014 aggregating to combined capital cost of Rs. 2546.65 lakh has been considered as opening capital cost as on 1.4.2014 for determination of tariff in accordance with Regulation 9 of the Tariff Regulations, 2014;
- e) Respective admitted parameters for both the assets during 2009-14 tariff block have been aggregated for working out combined tariff during 2014-19 period.
- f) The petitioner has not claimed any projected additional capital expenditure during 2014-19 period;
- g) The Regulation 24 read with Regulation 25 of the Tariff Regulations, 2014 provides the 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 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 the 2013-14 has been considered for the purpose of return on equity which shall be trued up with actual tax rate in accordance with clause 25 (3) of the Tariff Regulations, 2014;

- h) The weighted average interest on loan 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 period will be adjusted. Accordingly, the floating rate of interest, if any, shall be considered at the time of true up or next revision of tariff. By considering above, the interest on loan has been worked out in accordance with Regulation 26 of the 2014 Regulations and details of weighted average rate of interest are placed at Annexure-2.
- i) As in the present petition, both the transmission Assets had completed 12 years prior to 1.4.2014. Accordingly, depreciation has been spread over based on the remaining depreciable value to be recovered in the balance useful life.
- j) Interest on Working Capital and Operation & Maintenance Expenses have been considered in accordance with the 2014 Regulations.

13. Accordingly, the annual fixed charges for the transmission asset under the petition has been worked out and allowed as under:

					(₹in lakh)
<b>Particulars</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>Gross Block</b>					
Opening Gross Block	2546.65	2546.65	2546.65	2546.65	2546.65
Additional Capitalisation	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	2546.65	2546.65	2546.65	2546.65	2546.65
Average Gross Block	2546.65	2546.65	2546.65	2546.65	2546.65



<b>Depreciation</b>					
Rate of Depreciation	1.6488%	1.6488%	1.6488%	1.6488%	1.6488%
Depreciable Value	2291.99	2291.99	2291.99	2291.99	2291.99
Elapsed Life (Beginning of the year)	13	14	15	16	17
Weighted Balance Useful life of the combine assets	20	19	18	17	16
Remaining Depreciable Value	839.80	797.81	755.82	713.83	671.84
Depreciation	<b>41.99</b>	<b>41.99</b>	<b>41.99</b>	<b>41.99</b>	<b>41.99</b>
<b>Interest on Loan</b>					
Gross Normative Loan	1985.20	1985.20	1985.20	1985.20	1985.20
Cumulative Repayment upto Previous Year	1353.93	1395.92	1437.91	1479.90	1521.89
Net Loan-Opening	631.27	589.28	547.29	505.30	463.31
Additions during the year	0.00	0.00	0.00	0.00	0.00
Repayment during the year	41.99	41.99	41.99	41.99	41.99
Net Loan-Closing	589.28	547.29	505.30	463.31	421.32
Average Loan	610.28	568.29	526.30	484.31	442.32
Weighted Average Rate of Interest on Loan	6.4700%	6.4700%	6.4700%	6.4700%	6.4700%
Interest	<b>39.48</b>	<b>36.77</b>	<b>34.05</b>	<b>31.33</b>	<b>28.62</b>
<b>Return on Equity</b>					
Opening Equity	561.45	561.45	561.45	561.45	561.45
Additions	0.00	0.00	0.00	0.00	0.00
Closing Equity	561.45	561.45	561.45	561.45	561.45
Average Equity	561.45	561.45	561.45	561.45	561.45
Return on Equity (Base Rate )	15.50%	15.50%	15.50%	15.50%	15.50%
MAT rate for FY 2014-15 (%)	20.961	20.961	20.961	20.961	20.961
Rate of Return on Equity	19.610%	19.610%	19.610%	19.610%	19.610%
Return on Equity	<b>110.10</b>	<b>110.10</b>	<b>110.10</b>	<b>110.10</b>	<b>110.10</b>
<b>Interest on Working Capital</b>					
Maintenance Spares	17.10	17.67	18.26	18.86	19.49
O & M expenses	9.50	9.82	10.14	10.48	10.83
Receivables	52.71	52.92	53.15	53.39	53.66
Total	79.31	80.41	81.55	82.73	83.97
Interest	<b>10.71</b>	<b>10.86</b>	<b>11.01</b>	<b>11.17</b>	<b>11.34</b>
<b>Annual Transmission Charges</b>					
Depreciation	41.99	41.99	41.99	41.99	41.99
Interest on Loan	39.48	36.77	34.05	31.33	28.62
Return on Equity	110.10	110.10	110.10	110.10	110.10
Interest on Working Capital	10.71	10.86	11.01	11.17	11.34
O & M Expenses	114.00	117.81	121.73	125.75	129.90
Total	<b>316.28</b>	<b>317.52</b>	<b>318.88</b>	<b>320.34</b>	<b>321.94</b>

14. The petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses. The petitioner shall be entitled for reimbursement of the filing fees and publication expenses in connection with the present petition, directly



from the beneficiaries on pro-rata basis in accordance with Regulation 52 (1) of the 2014 Tariff Regulations.

15. The petitioner has prayed for reimbursement of service tax if it is subjected to such tax in future. In our view, the petitioner's prayer is premature.

16. The petitioner shall be entitled for reimbursement of licence fee in accordance with Regulation 42A (1) (b) of the 2009 Tariff Regulations for 2009-14 period and in accordance with Regulation 52 (2) (b) of the 2014 Tariff Regulations. The petitioner shall also be entitled for recovery of RLDC fee & charges in accordance with 42 A (1) (a) of 2009 Tariff Regulations for 2009-14 period and Regulations 52 (2) (a) of the Tariff 2014 Tariff Regulations for 2014-19 period.

17. The petitioner has submitted that O&M Expenses for the year 2014-19 had been arrived at 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 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 tariff block 2014-19. The petitioner has also prayed that it will approach the Commission for suitable revision in the norms of O&M expenses for claiming the impact of such increase. We have considered the submission of the petitioner. 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.





## **Sharing of Transmission Charges**

18. 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.

19. This order disposes of Petition No.171/TT/2014.

**Sd/-**  
**(A.S. Bakshi)**  
**Member**

**Sd/-**  
**(A.K. Singhal)**  
**Member**



CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN						
(Rs. in Lacs)						
	Details of Loan	2009-10	2010-11	2011-12	2012-13	2013-14
<b>1</b>	<b>ADB-I</b>					
	Gross loan opening	1836.21	1836.21	1836.21	1836.21	1836.21
	Cumulative Repayment upto DOCO/previous year	753.44	892.89	1046.64	1216.14	1403.02
	Net Loan-Opening	1082.76	943.31	789.57	620.06	433.19
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	139.45	153.75	169.50	186.88	206.03
	Net Loan-Closing	943.31	789.57	620.06	433.19	227.15
	Average Loan	1013.04	866.44	704.82	526.62	330.17
	Rate of Interest	6.1966%	5.3244%	5.2806%	5.6500%	6.1760%
	Interest	62.77	46.13	37.22	29.75	20.39
	Rep Schedule	Half Yearly Instalments from 1.06.2000				
	<b>Total Loan</b>					
	Gross loan opening	1836.21	1836.21	1836.21	1836.21	1836.21
	Cumulative Repayment upto DOCO/previous year	753.44	892.89	1046.64	1216.14	1403.02
	Net Loan-Opening	1082.76	943.31	789.57	620.06	433.19
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	139.45	153.75	169.50	186.88	206.03
	Net Loan-Closing	943.31	789.57	620.06	433.19	227.15
	Average Loan	1013.04	866.44	704.82	526.62	330.17
	Rate of Interest	6.1966%	5.3244%	5.2806%	5.6500%	6.1760%
	<b>Interest</b>	62.77	46.13	37.22	29.75	20.39

**Annexure – 2**

<b>CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN</b>						
(Rs. in Lacs)						
	<b>Details of Loan</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>1</b>	<b>ADB-I</b>					
	Gross loan opening	1836.21	1836.21	1836.21	1836.21	1836.21
	Cumulative Repayment upto DOCO/previous year	1609.05	1836.21	1836.21	1836.21	1836.21
	Net Loan-Opening	227.15	0.00	0.00	0.00	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	227.15	0.00	0.00	0.00	0.00
	Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
	Average Loan	113.58	0.00	0.00	0.00	0.00
	Rate of Interest	6.4700%	6.4700%	6.4700%	6.4700%	6.4700%
	Interest	7.35	0.00	0.00	0.00	0.00
	Rep Schedule	Half Yearly Instalments from 1.06.2000				
	<b>Total Loan</b>					
	Gross loan opening	1836.21	1836.21	1836.21	1836.21	1836.21
	Cumulative Repayment upto DOCO/previous year	1609.05	1836.21	1836.21	1836.21	1836.21
	Net Loan-Opening	227.15	0.00	0.00	0.00	0.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	227.15	0.00	0.00	0.00	0.00
	Net Loan-Closing	0.00	0.00	0.00	0.00	0.00
	Average Loan	113.58	0.00	0.00	0.00	0.00
	Rate of Interest	6.4700%	6.4700%	6.4700%	6.4700%	6.4700%
	<b>Interest</b>	7.35	0.00	0.00	0.00	0.00

