

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

PETITION NO.18/TT/2015

Coram:

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

**Date of Hearing : 03.02.2016
Date of Order : 23.02.2016**

In the Matter of:

Truing up of transmission tariff of 220 kV D/C TL from GIS Pooling Station Chamba-Chamera-III HEP (Asset-1) under Transmission System associated with Chamera-III HEP in Northern Region for 2009-14 tariff block under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 and determination of transmission tariff for 2014-19 tariff block under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and 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-122001 (Haryana)

.....Petitioner

Versus

1. Rajasthan Rajya Vidyut Prasaran Nigam Limited.,
Vidyut Bhawan, Vidyut Marg,
Jaipur - 302 005.
2. Ajmer Vidyut Vitran Nigam Limited
400 kV GSS Building (Ground Floor), Ajmer Road,
Heerapura, Jaipur.
3. Jaipur Vidyut Vitran Nigam Limited
400 kV GSS Building (Ground Floor), Ajmer Road,
Heerapura, Jaipur.
4. Jodhpur Vidyut Vitran Nigam Limited,



- 400 kV GSS Building (Ground Floor), Ajmer Road,
Heerapura, Jaipur
5. Himachal Pradesh State Electricity Board,
Vidyut Bhawan, Kumar House Complex Building II,
Shimla - 171 004.
 6. Punjab State Electricity Board,
The Mall, Patiala - 147 001.
 7. Haryana Power Purchase Centre,
Shakti Bhawan, Sector - 6
Panchkula (Haryana) - 134 109
 8. Power Development Department,
Govt. of Jammu and Kashmir
Mini Secretariat, Jammu .
 9. Uttar Pradesh Power Corporation Limited,
Shakti Bhawan, 14, Ashok Marg,
Lucknow - 226 001.
 10. Delhi Transco Limited,
Shakti Sadan, Kotla Road,
New Delhi - 110 002
 11. BSES Yamuna Power Limited,
Shakti Kiran Building, Karkardooma,
Delhi – 110 092.
 12. BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place,
New Delhi.
 13. North Delhi Power Limited,
Power Trading & Load Dispatch Group,
Cennet Building,
Adjacent to 66/11kV Pitampura - ,
Grid Building, Near PP Jewellers,
Pitampura, New Delhi - 110 034
 14. Chandigarh Administration,
Sector - 9, Chandigarh
 15. Uttarakhand Power Corporation Limited,
Urja Bhawan, Kanwali Road,
Dehradun



16. North Central Railway,
Allahabad

17. New Delhi Municipal Council,
Palika Kendra, Sansad Marg,
New Delhi - 110 002

.....Respondents

The following were present:

For Petitioner: Shri S.S. Raju, PGCIL
 Shri Jasbir Singh, PGCIL
 Shri Rakesh Prasad, PGCIL
 Shri M.M. Mondal, PGCIL
 Shri J Majumder, PGCIL
 Smt. Sangeeta Edwards, PGCIL
 Shri S.C. Taneja, PGCIL
 Shri A.M. Pavgi, PGCIL
 Mohd. Mohsin, PGCIL

For Respondents: Shri B.L. Sharma, Advocate, Rajasthan Discoms

ORDER

The petition has been filed by Power Grid Corporation of India Limited (hereinafter referred to as “the petitioner”) 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 from the date of commercial operation 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 for 220 kV D/C TL from GIS Pooling Station Chamba-Chamera-III HEP under Transmission System associated with Chamera-III HEP in Northern Region (hereinafter referred to as “the transmission 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 administrative approval and expenditure sanction of the transmission project was accorded by the Board of Directors of the petitioner's company vide C/CP/Chamera-III HEP T.S. dated 28.4.2008 for ₹29737 lakh including IDC of ₹2323 lakh based on 1st quarter, 2008 price level. The transmission asset was put on commercial operation on 1.11.2011.

b) The annual transmission charges for 2009-14 tariff periods for the transmission asset were determined vide order dated 16.11.2012 in Petition No. 92/TT/2011 based on admitted capital cost of the transmission asset and debt:equity of 70:30 as on COD.

c) Additional capital expenditure of ₹297.31 lakh in 2011-12 and ₹208.50 lakh in 2012-13 towards balance and retention payments was allowed in order dated 16.11.2012 in Petition No. 92/TT/2011.

d) The delay of 3 month for the commissioning of the asset due to non-readiness of 400 kV GIS bay at Chamera-III, which was executed by NHPC on deposit basis, was not condoned and accordingly, the IDC of ₹52.49 lakh and IEDC to ₹7.41 lakh for 3 month were disallowed.

e) There was cost variation due to increase in forest area and difference in estimated and awarded cost as well as change in quantity of certain items like



tower steel. In order dated 16.11.2012 in Petition No. 92/TT/2011, the Commission observed that the final cost of the instant asset would be examined at the time of determination of tariff for remaining assets at the time of truing up.

f) The details of capital cost allowed are as shown below:-

(₹ in lakh)

Approved apportioned cost	Admitted cost as on COD	Allowed additional capital expenditure during 2009-14				Cost as on 31.3.2014
		2011-12	2012-13	2013-14	Total	
3815.08	3206.24	297.31	208.50	0.00	505.81	3712.05

g) The tariff for the transmission asset for tariff period 2009-14 was allowed, based on the above capital cost and estimated additional capital expenditure in its order dated 16.11.2012 in Petition No. 92/TT/2011. The tariff approved in the said order is as follows:-

(₹ in lakh)

Particulars	2011-12 (pro-rata)	2012-13	2013-14
Depreciation	73.81	190.49	196.00
Interest on Loan	86.12	210.66	199.86
Return on Equity	73.31	189.20	194.67
Interest on Working Capital	4.87	12.32	12.36
O & M Expenses	4.38	11.10	11.73
Total	242.49	613.78	614.61

4. As per Regulation 6 of the 2009 Tariff Regulations, the Commission shall carry out truing up exercise along with the tariff petition filed for the next tariff period, with respect to the capital expenditure including additional capital expenditure incurred up to 31.3.2014, as admitted by the Commission after prudence check at the time of truing up. Further, as per Regulation 15 of the 2009 Tariff Regulations, the petitioner is



required to adjust the yearly impact of MAT rate in the truing up petition for 2009-14 tariff period.

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

6. The petitioner has served the petition 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. None of the respondents have filed the reply in the matter. The hearing in this matter was held on 3.2.2016. The petitioner was directed to submit the details in respect of the actual equity infused during 2009-14 and 2014-19 tariff periods and un-discharged liabilities. The petitioner has submitted the information vide affidavit dated 11.2.2016.

7. Having heard the representatives of the parties and perused the material on record, we proceed to dispose of the petition.

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

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

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

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



Capital Cost

10. The petitioner has submitted that the actual capital cost as on COD is ₹3230.06 lakh, certified vide Auditor's Certificate dated 12.11.2014. However, the petitioner had claimed capital cost of ₹3170.16 lakh as on COD after deducting IDC and IEDC of ₹59.90 lakh, disallowed in order dated 16.11.2012 in Petition No. 92/TT/2011, in respect of the transmission asset for the purpose of truing up of tariff.

11. Clause (1) and (2) of the Regulation 7 of the 2009 Tariff Regulations specifies as follows:-

“(1) Capital cost for a project shall include:-

(a) The expenditure incurred or projected to be incurred, including interest during construction and financing charges, any gain or loss on account of foreign exchange risk variation during construction on the loan – (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the fund deployed, up to the date of commercial operation of the project, as admitted by the Commission, after prudence check.

(b) capitalised initial spares subject to the ceiling rates specified in regulation 8; and

(c) additional capital expenditure determined under regulation 9:

Provided that the assets forming part of the project, but not in use shall be taken out of the capital cost.

(2) The capital cost admitted by the Commission after prudence check shall form the basis for determination of tariff:

Provided that in case of the thermal generating station and the transmission system, prudence check of capital cost may be carried out based on the benchmark norms to be specified by the Commission from time to time:

Provided further that in cases where benchmark norms have not been specified, prudence check may include scrutiny of the reasonableness of the capital expenditure, financing plan, interest during construction, use of efficient technology, cost over-run and time over-run, and such other matters as may be considered appropriate by the Commission for determination of tariff.”

.....

“Provided also that in case of the existing projects, the capital cost admitted by the Commission prior to 1.4.2009 duly trued up by excluding un-discharged liability, if any, as on 1.4.2009 and the additional capital expenditure projected to be incurred for the

respective year of the tariff period 2009-14, as may be admitted by the Commission, shall form the basis for determination of tariff”.

12. The capital cost of the transmission asset as on COD has been worked out in the subsequent paragraphs.

IDC and IEDC

13. The petitioner in Petition No. 92/TT/2011 had claimed IDC and IEDC of ₹378.17 lakh and ₹83.97 lakh respectively, on projected basis. The Commission in its order dated 16.11.2012 in Petition No. 92/TT/2011 has not condoned a time overrun of 3 months and had disallowed the IDC & IEDC of ₹59.90 lakh for 3 months as shown below:

Details of IDC & IEDC	IEDC	IDC
upto 31.3.2011	66.68	255.7
1.4.2011 to 31.10.2011	17.29	122.47
Total IDC and IEDC claimed	83.97	378.17
Disallowed for 3 months	7.41	52.49

14. In the instant petition, the petitioner has submitted that the actual IDC and IEDC upto COD are ₹349.73 lakh and ₹76.32 lakh respectively as certified vide Auditor`s Certificate dated 12.11.2014. As the IDC and IEDC has changed, the disallowed IDC & IEDC for 3 months will also undergo change as shown below:

Details of IDC & IEDC	IEDC	IDC
upto 31.3.2011	66.68	255.7
1.4.2011 to 31.10.2011	9.64	94.03
Total IDC and IEDC claimed	76.32	349.73
Disallowed for 3 months	4.13	40.30

Hence, the total IDC and IEDC disallowed for 3 months during 2009-14 comes out to be ₹44.43 lakh. Therefore, Capital Cost as on COD for the transmission asset considered



for the purpose of computation of tariff for 2009-14 tariff period works out to be ₹3185.63 (3230.06-44.43) lakh.

Additional Capital Expenditure

15. 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”

16. The petitioner has claimed additional capitalization for expenditure incurred before cut-off date against the transmission asset under Clause (1) (i) of Regulation 9 of the 2009 Tariff Regulations.

15. Clause 1 of Regulation 9 of the 2009 Tariff Regulations provides as follows:-

“The capital expenditure incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:

(i) Undischarged liabilities;”

16. The petitioner has submitted that it has actually incurred an additional capital expenditure of ₹703.83 lakh during 2009-14 towards balance and retention payments for the works completed before the cut-off date, as depicted below:-

(₹ in lakh)

Apportioned Approved Cost		Capital cost as on COD	Additional capital expenditure				Capital cost as on 31.3.2014
			2010-11	2011-12	2013-14	Total	
3815.08	Approved in Order dated 16.11.2012	3206.24	297.31	208.50	0.00	505.81	3712.05
	Claimed by the petitioner	3170.16	165.91	336.74	201.18	703.83	3873.99



17. It was observed that the capital cost claimed as on 31.3.2014 i.e. ₹3873.99 lakh exceeded the approved apportioned cost of ₹3815.08 lakh of the asset. The petitioner was directed to submit the reasons for the increase in the cost of the asset as compared to the apportioned cost and to submit the RCE, if any. The petitioner vide affidavit dated 11.2.2016 has submitted that the petitioner had already submitted the same in the order dated in 16.11.2012 in Petition No.92/TT/2011 that there were significant cost variation in the scheme due to increase in forest area and difference in estimated and awarded cost as well as quantity of certain items like tower steel. The petitioner further submitted that the RCE of the project is under approval and it would be submitted soon. The Commission in order dated in 16.11.2012 observed that the final costs of the assets would be examined at the time of truing up.

18. The petitioner has submitted the RCE C/CP/RCE-Chamera-III HEP TS dated 6.6.2012 and the revised cost of the project is ₹38632 lakh including IDC of ₹6221 lakh. The details of apportioned approved cost for the asset are as follows:-

(₹ in lakh)

S.NO.	Asset Name	Revised Apportioned Approved Cost	Petition No.
1	400kV D/C Chamera Pooling Station-Jalandhar Transmission Line alongwith bays and Line Reactor at Jalandhar S/S	34754.88	290/TT/2013
2	220kV TL GIS Pooling Station Chamba-Chamera-III HEP	3877.12	18/TT/2015 (instant petition)
Total		38632.00	

19. The transmission tariff for the instant assets was approved vide order dated 16.11.2012 in petition No. 92/TT/2011. It is observed that the RCE for instant transmission system was approved on 6.6.2012. However, the same was submitted only on 11.2.2016. We are of the view that the petitioner should have filed the RCE immediately after approval in the petition No. 92/TT/2011 itself or at the time of filing of



the instant petition or during the hearing on 3.2.2016. It appears that the petitioner not been pursuing the matter diligently .The petitioner is directed to submit all the relevant documents and information in time for timely disposal of petition.

20. Considering the revised apportioned approved cost as per RCE, the capital cost as on COD worked out by the Commission and the additional capital expenditure during 2009-14 period, the capital cost as on 31.3.2014 comes out to be:

(₹ in lakh)

Revised Apportioned Approved Cost	Capital cost as on COD	Additional capital expenditure				Capital cost as on 31.3.2014
		2010-11	2011-12	2013-14	Total	
3877.12	3185.63	165.91	336.74	201.18	703.83	3889.46

21. The petitioner has claimed the admissibility of additional capital expenditure before the cut-off date under Regulation 9(1)(i) of 2009 Tariff Regulations. The above mentioned additional capital expenditure is towards balance and retention payments and the same has been certified by the Auditor vide certificate dated 12.11.2014. We have considered the submissions of the petitioner with regard to the actual capital expenditure during 2009-14. It is observed that the completion cost as on 31.3.2014 comes out to be ₹3889.46 lakh which exceeds the revised apportioned approved cost of ₹3877.12 lakh. Therefore, the additional capital expenditure during 2013-14 has been restricted to ₹188.84 lakh, so as to make the completion cost equal to the revised apportioned cost of the asset.

22. The details of the capital cost as on 31.3.2014, after restricting the capital cost as per revised apportioned approved cost is given hereunder:-



(₹ in lakh)

Revised AppORTioned Approved Cost		Capital cost as on COD	Additional capital expenditure				Capital cost as on 31.3.2014
			2010-11	2011-12	2013-14	Total	
3877.12	Approved in Order dated 16.11.2012	3206.24	297.31	208.50	0.00	505.81	3712.05
	Claimed by the petitioner	3170.16	165.91	336.74	201.18	703.83	3873.99
	Approved in this order	3185.63	165.91	336.74	188.84	691.49	3877.12

Debt: Equity

23. 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.”

24. The admitted debt:equity ratio of 70:30, in order dated 16.11.2012 in Petition No. 92/TT/2011, as on COD is considered for truing up of tariff in accordance with the Regulation 12 of the 2009 Tariff Regulations. In the petition, the petitioner has submitted that the actual debt:equity as on COD in 70.80:29.20 and for additional capital expenditure is 70:30 vide Form-6 of the petition, however, tariff has been worked out by considering normative debt:equity ratio of 70:30. Further on 1.2.2015, the



petitioner was directed to confirm and furnish an undertaking on affidavit providing the actual equity infused during 2009-14 tariff period. In response, the petitioner vide affidavit dated 11.2.2016, has submitted that the actual equity infusion during 2011-12 was 59.44%, during 2012-13 it was 59.55% and during 2013-14 it was 30%. However, for the purpose of tariff calculation, the petitioner has considered normative debt:equity of 70:30 for additional capital expenditure during 2011-12, 2012-13 and 2013-14 in line with 2009 Tariff Regulations .

25. We have considered the submissions of the petitioner. In the instant petition, the petitioner has deployed the equity of 29.20% as submitted by the petitioner in Form-6 of the petition and accordingly, the debt:equity ratio of 70.80:29.20 for capital cost as on COD has been considered for computation of tariff for 2009 Tariff Regulations. The normative debt:equity ratio of 70:30 has been considered for the additional capitalization in accordance with 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	2255.43	70.80	484.04	70.00	2739.47	70.66
Equity	930.20	29.20	207.45	30.00	1137.65	29.34
Total	3185.63	100.00	691.49	100.00	3877.12	100.00

Return on Equity (“ROE”)

26. 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:

$$\text{Rate of pre-tax return on equity} = \text{Base rate} / (1-t)$$

Where “t” is the applicable tax rate in accordance with clause (3) of this regulation.

(5) The generating company or the transmission licensee, as the case may be, shall recover the shortfall or refund the excess Annual Fixed Charge on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax Rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission:

Provided further that Annual Fixed Charge with respect to the tax rate applicable to the generating company or the transmission licensee, as the case may be, in line with the provisions of the relevant Finance Acts of the respective year during the tariff period shall be trued up in accordance with Regulation 6 of these regulations.”

27. 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 (%)
2010-11	19.931	19.358
2011-12	20.008	19.377
2012-13	20.008	19.377
2013-14	20.961	19.610

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

	(₹ in lakh)		
Return on Equity	2011-12 (pro-rata)	2012-13	2013-14
Approved in order dated 16.11.2012	73.31	189.20	194.67
Claimed by the petitioner	78.79	203.72	221.99
Allowed in this order	77.11	199.68	217.54

The difference in the approved ROE and that allowed after truing up is on account of actual grossed up ROE based on actual MAT rate and variation in actual equity as on COD and actual additional capital expenditure.



Interest on Loan (“IoL”)

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

“...in case of floating rate of interest, any change in the rates of interest during the tariff period will be considered at the time of true up”.

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

	(₹ in lakh)		
Interest on Loan	2011-12 (pro-rata)	2012-13	2013-14
Approved in order dated 16.11.2012	86.12	210.66	199.86
Claimed by the petitioner	83.45	204.54	204.54
Allowed in this order	84.80	207.72	207.27

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

Depreciation

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



(₹ in lakh)

Depreciation	2011-12 (pro-rata)	2012-13	2013-14
Approved in orderr dated 16.11.2012	73.81	190.49	196.00
Claimed by the petitioner	71.57	185.03	199.24
Allowed in this order	71.91	185.85	199.73

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

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

32. 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)

O&M Expenses	2011-12 (pro-rata)	2012-13	2013-14
Approved in order dated 16.11.2012	4.38	11.10	11.73
Claimed by the petitioner	4.38	11.10	11.73
Allowed in this order	4.38	11.10	11.73

Interest on Working Capital (“IWC”)

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

(₹ in lakh)

Interest on Working Capital	2011-12 (pro-rata)	2012-13	2013-14
Approved in order dated 16.11.2012	4.87	12.32	12.36
Claimed by the petitioner	4.88	12.38	13.06
Allowed in this order	4.88	12.38	13.04



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

APPROVED ANNUAL FIXED CHARGES FOR 2009-14 TARIFF PERIOD

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

(₹ in lakh)			
Particulars	2011-12 (pro-rata)	2012-13	2013-14
Depreciation			
Opening Gross Block	3185.63	3351.54	3688.28
Additional Capitalisation	165.91	336.74	188.84
Closing Gross Block	3351.54	3688.28	3877.12
Average Gross Block	3268.59	3519.91	3782.70
Rate of Depreciation (%)	5.28	5.28	5.28
Depreciable Value	2941.73	3242.58	3555.96
Balance Useful life of the asset	35	34	33
Elapsed Life	0	1	2
Remaining Depreciable Value	2941.73	3096.01	3146.67
Depreciation during the year	71.91	185.85	199.73
Depreciation upto previous year	0.00	71.91	257.76
Cumulative depreciation (incl. of AAD)	71.91	257.76	457.49
Interest on Loan			
Gross Normative Loan	2255.43	2371.56	2607.28
Cumulative Repayment upto Previous Year	0.00	71.91	257.76
Net Loan-Opening	2255.43	2299.65	2349.52
Additions	116.14	235.72	132.19
Repayment during the year	71.91	185.85	199.73
Net Loan-Closing	2299.65	2349.52	2281.98
Average Loan	2277.54	2324.59	2315.75
Weighted Average Rate of Interest on Loan (%)	8.9357	8.9358	8.9505
Interest on Loan	84.80	207.72	207.27
Return on Equity			
Opening Equity	930.20	979.98	1081.00
Additions	49.77	101.02	56.65
Closing Equity	979.98	1081.00	1137.65
Average Equity	955.09	1030.49	1109.32
Return on Equity (Base Rate) (%)	15.500	15.500	15.500



Particulars	2011-12 (pro-rata)	2012-13	2013-14
MAT rate for the respective year (%)	20.008	20.008	20.961
Rate of Return on Equity (%)	19.377	19.377	19.610
Return on Equity	77.11	199.68	217.54
Interest on Working Capital			
O & M expenses	0.88	0.92	0.98
Maintenance Spares	1.58	1.67	1.76
Receivables	97.23	102.79	108.22
Total	99.68	105.38	110.95
Rate of Interest (%)	11.75	11.75	11.75
Interest on Working Capital	4.88	12.38	13.04
Annual Transmission Charges			
Depreciation	71.91	185.85	199.73
Interest on Loan	84.80	207.72	207.27
Return on Equity	77.11	199.68	217.54
Interest on Working Capital	4.88	12.38	13.04
O & M Expenses	4.38	11.10	11.73
Total	243.07	616.73	649.31

DETERMINATION OF ANNUAL FIXED CHARGES FOR 2014-19 TARIFF PERIOD

35. The petitioner has claimed the tariff charges for 2014-19 tariff period as under:-

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	204.55	204.55	204.55	204.55	204.55
Interest on Loan	193.27	175.04	156.77	138.45	120.08
Return on Equity	227.91	227.91	227.91	227.91	227.91
Interest on Working Capital	14.99	14.59	14.19	13.79	13.39
O & M Expenses	10.59	10.95	11.31	11.68	12.07
Total	651.31	633.04	614.73	596.38	578.00

(₹ in lakh)

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

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O & M Expenses	0.88	0.91	0.94	0.97	1.01
Maintenance Spares	1.59	1.64	1.70	1.75	1.81
Receivables	108.55	105.51	102.46	99.40	96.33
Total	111.02	108.06	105.10	102.12	99.15
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	14.99	14.59	14.19	13.79	13.39

(₹ in lakh)



Capital Cost

37. Clause (3) and (6) of Regulation 9 of 2014 Tariff Regulation provide as follows:-

“(3) The Capital cost of an existing project shall include the following:

- (a) the capital cost admitted by the Commission prior to 1.4.2014 duly tried up by excluding liability, if any, as on 1.4.2014;
- (b) additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with Regulation 14; and
- (c) expenditure on account of renovation and modernisation as admitted by this Commission in accordance with Regulation 15.”

“(6) The following shall be excluded or removed from the capital cost of the existing and new project:

- (a) The assets forming part of the project, but not in use; (b) Decapitalisation of Asset;”

38. The capital cost of ₹3877.12 lakh worked out as on 31.3.2014 has been considered as opening capital cost as on 1.4.2014 for determination of tariff in accordance with Regulation 9 of the 2014 Tariff Regulations.

Additional Capital Expenditure

39. No additional capital expenditure has been claimed by the petitioner for 2014-19 tariff period. Accordingly capital cost as on 31.3.2019 works out to be ₹3877.12 lakh.

Debt: Equity

40. 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.”

41. The normative debt:equity ratio has been considered to work out the tariff in accordance with the 2014 Tariff Regulations as given below:-

(₹ in lakh)

Funding	Capital cost as on 31.3.2014	(%)	Additional capital expenditure during 2014-19	Total Cost as on 31.3.2019	(%)
Debt	2739.47	70.66	0.00	2739.47	70.66
Equity	1137.65	29.34	0.00	1137.65	29.34
Total	3877.12	100.00	0.00	3877.12	100.00

Return on Equity (“ROE”)

42. 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.”



43. 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	1137.65	1137.65	1137.65	1137.65	1137.65
Additions	0.00	0.00	0.00	0.00	0.00
Closing Equity	1137.65	1137.65	1137.65	1137.65	1137.65
Average Equity	1137.65	1137.65	1137.65	1137.65	1137.65
Return on Equity (Base Rate) (%)	15.500	15.500	15.500	15.500	15.500
MAT Rate for respective year (%)	20.961	20.961	20.961	20.961	20.961
Rate of Return on Equity (%)	19.610	19.610	19.610	19.610	19.610
Return on Equity	223.10	223.10	223.10	223.10	223.10

Interest on Loan (“IoL”)

44. 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.”



45. The weighted average rate of IoL has been considered on the basis of rate prevailing as on 1.4.2014. The petitioner has prayed that the change in interest rate due to floating rate of interest applicable, if any, during 2014-19 tariff period will be adjusted. Accordingly, the floating rate of interest, if any, shall be considered at the time of true up or next revision of tariff. By considering above, the IoL has been worked out in accordance with Regulation 26 of the 2014 Tariff Regulations. The details of weighted average rate of interest for 2014-19 tariff period are placed in Annexure 2. 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	2739.47	2739.47	2739.47	2739.47	2739.47
Cumulative Repayment upto Previous Year	457.49	662.20	866.91	1071.62	1276.33
Net Loan-Opening	2281.98	2077.27	1872.56	1667.85	1463.13
Additions	0.00	0.00	0.00	0.00	0.00
Repayment during the year	204.71	204.71	204.71	204.71	204.71
Net Loan-Closing	2077.27	1872.56	1667.85	1463.13	1258.42
Average Loan	2179.63	1974.91	1770.20	1565.49	1360.78
Weighted Average Rate of Interest on Loan (%)	8.9737	8.9802	8.9863	8.9898	8.9916
Interest on Loan	195.59	177.35	159.08	140.73	122.36

Depreciation

46. 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.”

47. 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 transmissions asset will be completing 12 beyond 2014-19 period; hence depreciation up to 2014-19 tariff period has been calculated annually based on Straight Line Method and at rates specified in Appendix-II of the 2014 Tariff Regulations. The detailed calculations for depreciation for the transmission asset are worked out and allowed as follows:-

	(₹ in lakh)				
Depreciation	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	3877.12	3877.12	3877.12	3877.12	3877.12
Additional Capitalisation	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	3877.12	3877.12	3877.12	3877.12	3877.12
Average Gross Block	3877.12	3877.12	3877.12	3877.12	3877.12
Rate of Depreciation (%)	5.28	5.28	5.28	5.28	5.28
Depreciable Value	3574.39	3489.41	3489.41	3489.41	3489.41
Balance Useful life of the asset	32	31	30	29	28
Elapsed Life	3	4	5	6	7
Remaining Depreciable Value	3031.92	2827.21	2622.50	2417.79	2213.07
Depreciation during the year	204.71	204.71	204.71	204.71	204.71
Depreciation upto previous year	457.49	662.20	866.91	1071.62	1276.33
Cumulative depreciation (incl. of AAD)	662.20	866.91	1071.62	1276.33	1481.05

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



48. 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 assets have been worked out and allowed are as follows:-

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Transmission Line (D/C Twin/Triple Conductor):					
Length (km)	14.98	14.98	14.98	14.98	14.98
Norms (₹ lakh/Km)	0.707	0.731	0.755	0.78	0.806
Total O&M Expenses (₹ lakh)	10.59	10.95	11.31	11.68	12.07

49. The petitioner has further submitted that the wage revision of the employees of the petitioner company is due during 2014-19 and actual impact of wage hike which will be effective from a future date has also not been factored in fixation of the normative O&M rate specified for the 2014-19 tariff period. The petitioner has also prayed that it will approach the Commission for suitable revision in the norms of O&M Expenses for claiming the impact of such increase. We would like to clarify that any application filed by the petitioner for revision of O&M Expenses on account of wage revision will be dealt with in accordance with the appropriate provisions of the 2014 Tariff Regulations. The O&M Expenses are allowed for the instant transmission asset as per prevailing norms.

Interest on Working Capital (IWC)

50. 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;”

51. 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%.

52. 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	0.88	0.91	0.94	0.97	1.01
Maintenance Spares	1.59	1.64	1.70	1.75	1.81
Receivables	108.15	105.11	102.06	98.99	95.93
Total	110.63	107.66	104.69	101.72	98.75
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	14.93	14.53	14.13	13.73	13.33

ANNUAL FIXED CHARGES FOR THE 2014-19 TARIFF PERIOD

53. 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	3877.12	3877.12	3877.12	3877.12	3877.12
Additional Capitalisation	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	3877.12	3877.12	3877.12	3877.12	3877.12
Average Gross Block	3877.12	3877.12	3877.12	3877.12	3877.12



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Rate of Depreciation (%)	5.28	5.28	5.28	5.28	5.28
Depreciable Value	3574.39	3489.41	3489.41	3489.41	3489.41
Balance Useful life of the asset	32	31	30	29	28
Elapsed Life	3	4	5	6	7
Remaining Depreciable Value	3031.92	2827.21	2622.50	2417.79	2213.07
Depreciation during the year	204.71	204.71	204.71	204.71	204.71
Depreciation upto previous year	457.49	662.20	866.91	1071.62	1276.33
Cumulative depreciation (incl. of AAD)	662.20	866.91	1071.62	1276.33	1481.05
Interest on Loan					
Gross Normative Loan	2739.47	2739.47	2739.47	2739.47	2739.47
Cumulative Repayment upto Previous Year	457.49	662.20	866.91	1071.62	1276.33
Net Loan-Opening	2281.98	2077.27	1872.56	1667.85	1463.13
Additions	0.00	0.00	0.00	0.00	0.00
Repayment during the year	204.71	204.71	204.71	204.71	204.71
Net Loan-Closing	2077.27	1872.56	1667.85	1463.13	1258.42
Average Loan	2179.63	1974.91	1770.20	1565.49	1360.78
Weighted Average Rate of Interest on Loan (%)	8.9737	8.9802	8.9863	8.9898	8.9916
Interest on Loan	195.59	177.35	159.08	140.73	122.36
Return on Equity					
Opening Equity	1137.65	1137.65	1137.65	1137.65	1137.65
Additions	0.00	0.00	0.00	0.00	0.00
Closing Equity	1137.65	1137.65	1137.65	1137.65	1137.65
Average Equity	1137.65	1137.65	1137.65	1137.65	1137.65
Return on Equity (Base Rate)	15.500	15.500	15.500	15.500	15.500
MAT rate for the respective year	20.961	20.961	20.961	20.961	20.961
Rate of Return on Equity	19.610	19.610	19.610	19.610	19.610
Return on Equity	223.10	223.10	223.10	223.10	223.10
Interest on Working Capital					
O & M expenses	0.88	0.91	0.94	0.97	1.01
Maintenance Spares	1.59	1.64	1.70	1.75	1.81
Receivables	108.15	105.11	102.06	98.99	95.93
Total	110.63	107.66	104.69	101.72	98.75



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	14.93	14.53	14.13	13.73	13.33
Annual Transmission Charges					
Depreciation	204.71	204.71	204.71	204.71	204.71
Interest on Loan	195.59	177.35	159.08	140.73	122.36
Return on Equity	223.10	223.10	223.10	223.10	223.10
Interest on Working Capital	14.93	14.53	14.13	13.73	13.33
O & M Expenses	10.59	10.95	11.31	11.68	12.07
Total	648.93	630.65	612.33	593.96	575.57

54. The petitioner has sought recovery of deferred tax liability before 1.4.2009 from the beneficiaries or long term consumers/ DICs as and when materialized. However, the COD of the asset is after 2009, hence the claim of the petitioner is not maintainable.

Filing Fee and the Publication Expenses

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

Licence Fee & RLDC Fees and Charges

56. 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

57. The petitioner has prayed for reimbursement of service tax if it is subjected to such tax in future. We are of the view that the petitioner's prayer is premature.



Sharing of Transmission Charges

58. 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.

59. This order disposes of Petition No.18/TT/2015.

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

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



DETAILS OF LOAN BASED ON ACTUAL LOAN PORTFOLIO (2009-14)

(₹ in lakh)

Particulars	Interest Rate (%)	Loan deployed as on COD	Additions during the tariff period	Total
BOND XXVIII-DOCO DRAWL ON 01-NOV-2011-	9.33	140.00	0.00	140.00
BOND XXIX-DOCO DRAWL ON 01-NOV-2011-	9.20	200.00	0.00	200.00
BOND XXX-DOCO DRAWL ON 01-NOV-2011-	8.80	550.00	0.00	550.00
BOND XXXI-DOCO DRAWL ON 01-NOV-2011-	8.90	330.00	0.00	330.00
BOND XXXIII-DOCO DRAWL ON 01-NOV-2011-	8.64	200.00	0.00	200.00
BOND-XXXIV-DOCO DRAWL ON 01-NOV-2011-	8.84	603.00	0.00	603.00
BOND XXXVI-ADDCAP FOR 2011-2012 DOCO-	9.35	0.00	67.30	67.30
BOND XXXVI-DOCO-	9.35	196.00	0.00	196.00
BOND - XLII-ADDCAP FOR 2012-2013 Add Cap-	8.80	0.00	135.90	135.90
BOND - XLV-ADDCAP FOR 2013-2014 Add Cap-	9.65	0.00	140.83	140.83
Total		2219.00	344.03	2563.03

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

(₹ in lakh)

Particulars	2011-12	2012-13	2013-14
Gross Opening Loan	2219.00	2286.30	2422.20
Cumulative Repayments of Loans up to Previous Year	0.00	0.00	28.34
Net Loans Opening	2219.00	2286.30	2393.86
Add: Drawl(s) during the Year	67.30	135.90	140.83
Less: Repayments during the year	0.00	28.34	101.67
Net Closing Loan	2286.30	2393.86	2433.02
Average Net Loan	2252.65	2340.08	2413.44
Rate of Interest on Loan (%)*	8.9357%	8.9358%	8.9505%
Interest on Loan	201.29	209.10	216.02

*Petitioner, in the tariff computation submitted with the petition, has considered rate of interest on loan upto two decimal points.



DETAILS OF LOAN BASED ON ACTUAL LOAN PORTFOLIO (2014-19)

(₹ in lakh)

Particulars	Interest Rate (%)	Loan deployed as on 31.3.2014	Additions during the tariff period	Total
BOND XXVIII-DOCO DRAWL ON 01-NOV-2011-	9.33	140.00	0.00	140.00
BOND XXIX-DOCO DRAWL ON 01-NOV-2011-	9.20	200.00	0.00	200.00
BOND XXX-DOCO DRAWL ON 01-NOV-2011-	8.80	550.00	0.00	550.00
BOND XXXI-DOCO DRAWL ON 01-NOV-2011-	8.90	330.00	0.00	330.00
BOND XXXIII-DOCO DRAWL ON 01-NOV-2011-	8.64	200.00	0.00	200.00
BOND-XXXIV-DOCO DRAWL ON 01-NOV-2011-	8.84	603.00	0.00	603.00
BOND XXXVI-ADDCAP FOR 2011-2012 DOCO-	9.35	67.30	0.00	67.30
BOND XXXVI-DOCO-	9.35	196.00	0.00	196.00
BOND - XLII-ADDCAP FOR 2012-2013 Add Cap-	8.80	135.90	0.00	135.90
BOND - XLV-ADDCAP FOR 2013-2014 Add Cap-	9.65	140.83	0.00	140.83
Total		2563.03	0.00	2563.03

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

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Opening Loan	2563.03	2563.03	2563.03	2563.03	2563.03
Cumulative Repayments of Loans up to Previous Year	130.01	298.60	467.19	653.34	851.23
Net Loans Opening	2433.02	2264.43	2095.84	1909.69	1711.80
Add: Drawl(s) during the Year	0.00	0.00	0.00	0.00	0.00
Less: Repayments during the year	168.59	168.59	186.15	197.89	197.89
Net Closing Loan	2264.43	2095.84	1909.69	1711.80	1513.91
Average Net Loan	2348.73	2180.14	2002.77	1810.75	1612.86
Rate of Interest on Loan (%)*	8.9737%	8.9802%	8.9863%	8.9898%	8.9916%
Interest on Loan	210.77	195.78	179.98	162.78	145.02

*Petitioner, in the tariff computation submitted with the petition, has considered rate of interest on loan upto two decimal points.

