

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

PETITION NO.200/TT/2015

Coram:

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

**Date of Hearing: 08.02.2016
Date of Order : 19.02.2016**

In the Matter of:

Truing up of transmission tariff for 2009-14 tariff block under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 and determination of transmission tariff for 2014-19 tariff block under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 for (1): 315 MVA 400/220 kV Spare Inter Connecting Transformer at 400/220 kV Hisar Sub-station , (2): 315 MVA 400/220 kV Spare Inter Connecting Transformer at 400/220 kV Lucknow Substation under "Provision of Spare ICT's and Reactors for Eastern, Northern, Southern and Western Region".

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
Rajasthan Power Procurement Centre,
Vidyut Bhawan, Vidyut Marg, Jaipur-302005
2. Ajmer Vidyut Vitran Nigam Ltd.,
400 kV GSS Building (Ground Floor), Ajmer Road,
Heerapura, Jaipur.
3. Jodhpur Vidyut Vitran Nigam Ltd.,
400 kV GSS Building (Ground Floor), Ajmer Road,
Heerapura, Jaipur



4. Jaipur Vidyut Vitran Nigam Ltd.,
400 kV GSS Building (Ground Floor), Ajmer Road,
Heerapura, Jaipur.
5. Himachal Pradesh State Electricity Board,
Vidyut Bhawan, Kumar House Complex Building II,
Shimla - 171 004.
6. Punjab State Power Corporation Limited
Thermal Shed T-1A, Patiala.
7. Haryana Power Purchase Centre,
Shakti Bhawan, Sector - 6
Panchkula (Haryana) - 134 109
8. Power Development Department,
Janipura Grid Station,
Jammu (Tawi) 180 007 .
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. Chandigarh Administration,
Sector - 9, Chandigarh
12. Uttarakhand Power Corporation Limited,
Urja Bhawan, Kanwali Road,
Dehradun
13. Norther Central Railway
Allahabad
14. BSES Yamuna Power Limited,
Shakti Kiran Building, Karkardooma,
Delhi – 110 092.
15. BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place,
New Delhi.
16. Tata power Delhi Distribution Limited ,
33kV Substation, Building
Hudson Lane



Kingsway Camp
North Delhi-110009

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

.....Respondent(s)

The following were present:

For Petitioner: Shri M.M. Mondal, PGCIL
Shri S.K Venkatesan, PGCIL
Smt. S. Edwards, PGCIL
Shri S.S. Raju, PGCIL
Shri Jasbir Singh, PGCIL
Shri R. Prasad, PGCIL
Shri S.C. Taneja, PGCIL

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 (1): 315 MVA 400/220 kV Spare Inter Connecting Transformer at 400/220 kV Hisar Substation ,(2): 315 MVA 400/220 kV Spare Inter Connecting Transformer at 400/220 kV Lucknow Substation under "Provision of Spare ICT's and Reactors for Eastern, Northern, Southern and Western Region"(hereinafter referred to as "the transmission assets").



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

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

a) The investment approval to the transmission project was accorded by Board of Directors of the petitioner company vide letter No. C/CP/Spare ICTs & Reactors dated 4.8.2011 at an estimated cost of ₹3843 lakh, including IDC of ₹104 lakh (based on 1st Quarter, 2011 price level). The assets were commissioned during 2012-13 period.

b) The annual transmissions charges for 2009-14 tariff periods for the transmission asset were determined vide order dated 3.2.2015 in Petition No. 39/TT/2013 based on capital cost of ₹230.28lakh for Asset-I, after deduction of IDC of ₹3.25 lakh and excess initial spares of ₹7.33 lakh, and admitted capital cost of ₹904.37lakh for Asset-II as on DOCO. Estimated additional capital expenditure considered by the Commission or determination of tariff for 2009-14 tariff period was ₹618.51lakh for 2012-13 and ₹142.88 lakh for 2013-14 for Asset-I and ₹124.45 lakh for 2012-13 for Asset-II.

c) The delay of 1 month for the commissioning of the Asset-I due to diversion of ICT to be commissioned at Hissar sub-station to Abdullapur was not condoned by the Commission and accordingly, the IDC and IEDC for 1 month amounting to ₹3.25 lakh were disallowed. The claim of the initial spares for Asset-I was also found to be in excess from the ceiling limit



based on the capital cost up to cut off date and excess initial spares of ₹ 7.33 lakh were disallowed. For Asset-II, the claim of the initial spares were found within the ceiling limit based on the capital cost up to cut off date.

d) The details of capital cost allowed vide order dated 3.2.2015 are as shown below:-

(₹ in lakh)

Particulars	Capital cost Claimed as on COD	Disallowed IDC and IEDC	Disallowed Excess Initial Spares	Capital Cost considered as on COD
Asset-I	240.86	3.25	7.33	230.28
Asset-II	904.37	0.00	0.00	904.37

(₹ in lakh)

Particulars	Apportioned approved cost	Admitted cost as on COD	Allowed Additional capital expenditure during 2009-14			Cost as on 31.3.2014
			2012-13	2013-14	Total	
Asset-I	1263.97	230.28	618.51	142.88	761.39	991.67
Asset-II	1267.99	904.37	124.45	-	124.45	1028.82

e) The Commission determined the tariff for 2009-14 tariff period, based on the above capital cost and estimated additional capital expenditure for the transmission assets during 2009-14 as given below:-

For Asset-I

(₹ in lakh)

Particulars	2012-13 (Pro-rata)	2013-14
Depreciation	4.75	48.59
Interest on Loan	5.82	57.21
Return on Equity	4.72	48.26
Interest on Working Capital	0.35	3.55
O & M Expenses	0.00	0.00
Total	15.63	157.60



For Asset-II

(₹in lakh)

Particulars	2012-13 (Pro-rata)	2013-14
Depreciation	38.28	54.32
Interest on Loan	45.86	60.89
Return on Equity	38.02	53.95
Interest on Working Capital	2.81	3.89
O & M Expenses	0.00	0.00
Total	124.97	173.06

4. As per Regulation 6 of the 2009 Tariff Regulations, the Commission shall carry out truing up exercise along with the tariff petition filed for the next tariff period, with respect to the capital expenditure including additional capital expenditure incurred up to 31.3.2014, as admitted by the Commission after prudence check at the time of truing up. Further, as per Regulation 15 of the 2009 Tariff Regulations, the petitioner is required to adjust the yearly impact of MAT rate in the truing up petition for 2009-14 tariff period.

5. In this context, the petitioner has filed the instant petition on 6.12.2014, for revision of tariff for the tariff period 2009-14 in accordance with Regulation 6 of the 2009 Tariff Regulations.

6. The petitioner has served the petition to the respondents and notice of this application has been published in the newspaper in accordance with Section 64 of the Electricity Act, 2003 ("the Act"). 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.



7. The hearing in this matter was held on 8.2.2016. The Commission had directed petitioner to submit the details in respect of the additional capital expenditure, un-discharged liabilities and actual equity infused during 2009-14 and 2014-19 tariff periods which was submitted by the petitioner vide affidavit dated 13.2.2016.

8. 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:-

9. 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”.

10. 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

11. The petitioner has submitted that the actual capital cost as on COD is ₹240.86 lakh for Asset-I and ₹904.37 lakh for Asset-II, certified vide Auditor’s Certificates dated 2.7.2015 and 13.4.2015 respectively. Further, the petitioner has submitted that for Asset-I Commission has disallowed excess initial spares are ₹7.33 lakh and IDC and IEDC of ₹3.25 lakh, hence the capital cost claimed as on COD, for the purpose of tariff determination of tariff for Asset-I is ₹230.29 lakh and for Asset-II is ₹904.37 lakh.

12. The last proviso to Regulation 7(2) of the 2009 Tariff Regulations provides that:-



“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”.

13. Accordingly, the capital cost as on COD for the transmission Asset-I and Asset-II for the purpose of computation of tariff for 2009-14 tariff period is worked out in the subsequent paragraph after the treatment of initial spares.

IDC and IEDC

14. For Asset-I, there was a delay of 1 month for the commissioning of the asset due - to diversion of ICT ,which was initially commissioned at Hissar sub-station was diverted to Abdullapur. The same was not condoned by the Commission in its order dated 3.2.2015 in Petition No. 39/TT/2013 and accordingly, the IDC and IEDC for 1 month amounting to ₹3.25 lakh were disallowed. Accordingly, IDC and IEDC allowed upto COD was ₹29.23 lakh. For Asset-II, there was no IDC and IEDC. The same has been claimed by the petitioner in the instant petition.

Initial Spares

15. Regulation 8 of the 2009 Tariff Regulations provides that initial spares shall be capitalised as a percentage of the original project cost, subject to following ceiling norms:-

“Transmission line:	0.75%
Transmission sub-station	2.50%
Series compensation devices & HVDC Station:	3.50%”

16. The Commission in its order dated 3.2.2015 in petition 39/TT/2013 had disallowed excess initial spares of ₹7.33 lakh for Asset-I against claimed initial spares of ₹32.23 lakh. The petitioner, in the instant petition, has submitted that the actual initial spares for



sub-station upto the cut-off date is ₹32.23 lakh for Asset-I and ₹22.13 lakh for Asset-II, as certified vide Auditor's Certificates dated 2.7.2015 and 13.4.2015 respectively. Further, the petitioner has submitted that for Asset-I excess initial spares is ₹7.33 lakh and for Asset-II, initial spares are within limit. We have worked out the admissible initial spares by considering capital cost as per Auditor's Certificate in accordance with the 2009 Tariff Regulations.

17. Regulation 8 of the 2009 Tariff Regulations provide for ceiling norms for capitalization of initial spares in respect of sub-station at 2.50%. Accordingly, the initial spares have been allowed as under:-

Asset-I:

(₹ in lakh)		
Particulars	Logical Formula	Substation: Amount
Capital cost as on cut- off date	(a)	1003.78
Capital Cost after deducting excess IDC & IEDC	(b)	1000.53
Initial Spares claimed	(c)	32.23
Proportionate Initial Spares claimed after deducting IDC	(d) = (c)/(a)* (b)	32.13
Ceiling limit as per Regulation 8 of 2009 regulations	(e)	2.50%
Initial spares worked out	(f)= ((b-d)*e)/(100%-e)	24.83
Excess initial spares	(g)=(d)-(f)	7.40

18. As the initial spares are in excess with respect to the limit, accordingly the capital cost as on COD for tariff computation of 2009-14 tariff period is considered as below:-

Particulars	(₹ in lakh)
Capital cost as on COD	240.86
Disallowed IDC and IEDC	3.25
Excess initial spares	7.40
Capital cost as on COD considered for tariff determination	230.21



Asset-II:

(₹ in lakh)

Particulars	Logical Formula	Substation: Amount
Capital cost as on cut- off date	(a)	1036.38
Capital Cost after deducting excess IDC	(b)	1036.38
Initial Spares claimed*	(c)	22.13
Proportionate Initial Spares claimed after deducting IDC	(d) = (c)/(a) * (b)	22.13
Ceiling limit as per Regulation 8 of 2009 regulations	(e)	2.50%
Initial spares worked out	(f)= ((b-d)*e)/(100%-e)	26.01
Excess initial spares	(g)=(d)-(f)	0.00

19. As the initial spares are well within the limit accordingly, the capital cost as on COD for tariff computation of 2009-14 tariff period is considered as below:-

Particulars	(₹ in lakh)
Capital cost as on COD	1036.38
Excess initial spares	0.00
Capital cost as on COD considered for tariff determination	1036.38

Additional Capital Expenditure

20. 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”

21. The petitioner has submitted that it has incurred following additional capital expenditure for all of the Assets during 2012-13 and 2013-14 period as certified vide Auditor’s Certificates dated 2.7.2015 and 13.4.2015 as depicted below:-



(₹ in lakh)

Name of Asset	AppORTIONED Approved Cost	Approved / Claimed	Actual Cost as on COD	Additional Capital Expenditure			Total cost as on 31.3.2014
				2012-13	2013-14	Total	
Asset-I	1263.97	Approved by the Commission	230.28	618.51	142.88	761.39	991.67
		Claimed by the Petitioner	230.29	618.51	144.41	762.92	993.21
		Allowed in this order	230.21	618.51	144.41	762.92	993.13
Asset-II	1267.99	Approved by the Commission	904.37	124.45	0.00	124.45	1028.82
		Claimed by the Petitioner	904.37	23.01	109.00	132.01	1036.38
		Allowed in this order	904.37	23.01	109.00	132.01	1036.38

22. We have considered the submissions of the petitioner with regard to the actual capital expenditure incurred during 2009-14 period. The capital addition is based on actual capital expenditure incurred as per the Auditor's Certificates dated 2.7.2015 and 13.4.2015 submitted by the petitioner. We allow the same for the purpose of revision of tariff in accordance with Regulation 6 of the 2009 Tariff Regulations.

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 debt: equity ratio of 70:30 was admitted by the Commission vide order dated 3.2.2015 in Petition No. 39/TT/2013 as on COD for Asset I & Asset II respectively in accordance with the Regulation 12 of the 2009 Tariff Regulations.

25. The Commission vide letter dated 8.2.2016, directed the petitioner to submit Undertaking/certificate depicting that the actual equity infused in the project is not less than 30% during the tariff period 2009-14 and 2014- 19. The petitioner vide affidavit dated 13.2.2016 submitted that the actual debt: equity for the additional capital expenditure during 2012-13 and 2013-14 for both Asset-I and Asset-II is 70:30 respectively. The actual debt: equity ratio for additional capital expenditure as claimed by the petitioner is in accordance with the Regulation 12(1) and Regulation 12 (3) of the 2009 Tariff Regulations and hence, same has been considered towards financing of the additional capital expenditure.

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

For Asset I

Funding	Capital cost as on COD	(%)	Additional capital expenditure during 2009-14	(%)	Total Cost as on 31.3.2014	(%)
Debt	161.15	70.00	534.04	70.00	695.19	70.00
Equity	69.06	30.00	228.88	30.00	297.94	30.00
Total	230.21	100.00	762.92	100.00	993.13	100.00



For Assets II

Funding	Capital cost as on COD	(%)	Additional capital expenditure during 2009-14	(%)	Total Cost as on 31.3.2014	(%)
Debt	633.06	70.00	92.41	70.00	725.47	70.00
Equity	271.31	30.00	39.60	30.00	310.91	30.00
Total	904.37	100.00	132.01	100.00	1036.38	100.00

Return on Equity (“ROE”)

27. 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 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.”

28. The variation in the tax rate during the 2009-14 tariff period applicable to the petitioner as per the Finance Act of the relevant year for the purpose of grossing up of return on equity (ROE) has been furnished as follows:-



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

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

For Asset I

(₹ in lakh)

Return on Equity	2012-13 (Pro-rata)	2013-14
Approved in order dated 3.2.2015 in petition 39/TT/2013	4.72	48.26
Claimed by the petitioner	5.23	54.18
Allowed after trued up in this order	5.23	54.18

For Asset II

(₹ in lakh)

Return on Equity	2012-13 (Pro-rata)	2013-14
Approved in order dated 3.2.2015 in petition 39/TT/2013	38.02	53.95
Claimed by the petitioner	39.93	57.76
Allowed after trued up in this order	39.93	57.77

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 increase due to actual additional capital expenditure.

Interest on Loan (“IoL”)

30. 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”.

31. 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:-

For Asset I

(₹ in lakh)

Interest on Loan	2012-13 (pro-rata)	2013-14
Approved in order dated 3.2.2015 in petition 39/TT/2013	5.82	57.21
Claimed by the petitioner	5.66	54.76
Allowed after trued up in this order	5.66	54.76

For Asset II

(₹ in lakh)

Interest on Loan	2012-13 (pro-rata)	2013-14
Approved in order dated 3.2.2015 in petition 39/TT/2013	45.86	60.89
Claimed by the petitioner	42.23	56.46
Allowed after trued up in this order	42.23	56.46

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

Depreciation

32. 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:-



For Asset I

Depreciation	(₹ in lakh)	
	2012-13 (pro-rata)	2013-14
Approved in order dated 3.2.2015 in petition 39/TT/2013	4.75	48.59
Claimed by the petitioner	4.75	48.63
Allowed after trued up in this order	4.75	48.62

For Asset II

Depreciation	(₹ in lakh)	
	2012-13 (pro-rata)	2013-14
Approved in order dated 3.2.2015 in petition 39/TT/2013	38.28	54.32
Claimed by the petitioner	36.27	51.84
Allowed after trued up in this order	36.27	51.84

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”)

33. The petitioner has not claimed O&M expenses for both the assets as both the assets are spare ICTs and the same has been considered for tariff computation.

Interest on Working Capital (IWC)

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

For Asset I

Interest on Working Capital	(₹ in lakh)	
	2012-13 (pro-rata)	2013-14
Approved in order dated 3.2.2015 in petition 39/TT/2013	0.35	3.55
Claimed by the petitioner	0.36	3.63
Allowed after trued up in this order	0.36	3.63



For Asset II

(₹ in lakh)

Interest on Working Capital	2012-13 (pro-rata)	2013-14
Approved in order dated 3.2.2015 in petition 39/TT/2013	2.81	3.89
Claimed by the petitioner	2.72	3.82
Allowed after trued up in this order	2.73	3.82

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

35. 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:-

For Asset I:

(₹ in lakh)

Particulars	2012-13 (pro-rata)	2013-14
Depreciation		
Opening Gross Block	230.21	848.72
Additional Capitalisation	618.51	144.41
Closing Gross Block	848.72	993.13
Average Gross Block	539.46	920.92
Rate of Depreciation (%)	5.28	5.28
Depreciable Value	485.52	1107.16
Balance Useful life of the asset	25	24
Elapsed Life	0	1
Remaining Depreciable Value	485.52	824.08
Depreciation during the year	4.75	48.62
Cumulative depreciation	4.75	53.37
Interest on Loan		
Gross Normative Loan	161.15	594.10
Cumulative Repayment upto Previous Year	0.00	4.75
Net Loan-Opening	161.15	589.36
Additions	432.96	101.09
Repayment during the year	4.75	48.62
Net Loan-Closing	589.36	641.82
Average Loan	375.25	615.59
Weighted Average Rate of Interest on Loan (%)	9.0465	8.8956



Particulars	2012-13 (pro-rata)	2013-14
Interest on Loan	5.66	54.76
Return on Equity		
Opening Equity	69.06	254.62
Additions	185.55	43.32
Closing Equity	254.62	297.94
Average Equity	161.84	276.28
Return on Equity (Base Rate) (%)	15.500	15.500
MAT rate for the respective year (%)	20.008	20.961
Rate of Return on Equity (%)	19.377	19.610
Return on Equity	5.23	54.18
Interest on Working Capital		
O & M expenses	0.00	0.00
Maintenance Spares	0.00	0.00
Receivables	15.99	26.87
Total	15.99	26.87
Rate of Interest (%)	13.50	13.50
Interest	0.36	3.63
Annual Transmission Charges		
Depreciation	4.75	48.62
Interest on Loan	5.66	54.76
Return on Equity	5.23	54.18
Interest on Working Capital	0.36	3.63
O & M Expenses	0.00	0.00
Total	15.99	161.19

For Asset II:

(₹ in lakh)

Particulars	2012-13 (pro-rata)	2013-14
Depreciation		
Opening Gross Block	904.37	927.38
Additional Capitalisation	23.01	109.00
Closing Gross Block	927.38	1036.38
Average Gross Block	915.88	981.88
Rate of Depreciation (%)	5.28	5.28
Depreciable Value	824.29	894.05
Balance Useful life of the asset	25	24
Elapsed Life	0	1
Remaining Depreciable Value	824.29	847.42
Depreciation during the year	36.27	51.84
Cumulative depreciation (incl. of AAD)	36.27	88.11
Interest on Loan		
Gross Normative Loan	633.06	649.17
Cumulative Repayment upto Previous Year	0.00	36.27
Net Loan-Opening	633.06	612.90



Particulars	2012-13 (pro-rata)	2013-14
Additions	16.11	76.30
Repayment during the year	36.27	51.84
Net Loan-Closing	612.90	637.35
Average Loan	622.98	625.13
Weighted Average Rate of Interest on Loan (%)	9.0374	9.0311
Interest on Loan	42.23	56.46
Return on Equity		
Opening Equity	271.31	278.21
Additions	6.90	32.70
Closing Equity	278.21	310.91
Average Equity	274.76	294.56
Return on Equity (Base Rate) (%)	15.500	15.500
MAT rate for the respective year (%)	20.008	20.961
Rate of Return on Equity (%)	19.377	19.610
Return on Equity	39.93	57.77
Interest on Working Capital		
O & M expenses	0.00	0.00
Maintenance Spares	0.00	0.00
Receivables	26.92	28.31
Total	26.92	28.31
Rate of Interest (%)	13.50	13.50
Interest on Working Capital	2.73	3.82
Annual Transmission Charges		
Depreciation	36.27	51.84
Interest on Loan	42.23	56.46
Return on Equity	39.93	57.77
Interest on Working Capital	2.73	3.82
O & M Expenses	0.00	0.00
Total	121.15	169.89

DETERMINATION OF ANNUAL FIXED CHARGES FOR 2014-19 TARIFF PERIOD

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

Particulars	(₹in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	107.16	107.16	107.16	107.16	107.16
Interest on Loan	109.44	99.83	90.19	80.58	71.00
Return on Equity	119.40	119.40	119.40	119.40	119.40
Interest on Working Capital	7.73	7.51	7.29	7.07	6.85
O & M Expenses	0.00	0.00	0.00	0.00	0.00
Total	343.73	333.90	324.04	314.21	304.41



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

(₹in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O & M Expenses	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	57.29	55.65	54.01	52.37	50.74
Total	57.29	55.65	54.01	52.37	50.74
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	7.73	7.51	7.29	7.07	6.85

Capital Cost

38. 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;”

39. The petitioner has combined Asset-I and Asset-II for claiming tariff during 2014-19 tariff period and accordingly the capital cost of combined assets is ₹2029.51 lakh as on 31.3.2014, as was worked out by the Commission and the same 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.

Name of Asset	Apportioned Approved Cost	Total cost as on 31.3.2014
Asset-I	1263.97	993.13
Asset-II	1267.99	1036.38
Total Cost of Combined Asset (I+II)	2531.96	2029.51



Additional Capital Expenditure

40. The COD of the Combined Assets is 1.2.2013 and the cut-off date works out to be 31.3.2016. The petitioner has not claimed any additional capital expenditure for 2014-19 tariff period. Accordingly, the capital cost of the combined assets as on 31.3.2019 is ₹2029.15 lakh.

Debt: Equity

41. 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.”

42. The details of the debt: equity considered for the purpose of tariff for 2014-19 tariff period are as follows:-

(₹in lakh)

Funding	Total Cost as on 31.3.2014	(%)	Total Cost as on 31.3.2019	(%)
Debt	1420.67	70%	1420.67	70%
Equity	608.84	30%	608.84	30%
Total	2029.51	100%	2029.51	100%



Return on Equity (“ROE”)

43. 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.”

44. 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	608.85	608.85	608.85	608.85	608.85
Additions	-	-	-	-	-
Closing Equity	608.85	608.85	608.85	608.85	608.85
Average Equity	608.85	608.85	608.85	608.85	608.85
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	119.40	119.40	119.40	119.40	119.40



Interest on Loan (“IoL”)

45. 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.”

46. 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. The details of weighted average rate of interest for 2014-19 tariff period are placed in Annexure 2, IoL allowed is as follows:-

(₹in lakh)

Interest on Loan	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	1420.66	1420.66	1420.66	1420.66	1420.66
Cumulative Repayment upto Previous Year	141.49	248.65	355.81	462.96	570.12
Net Loan-Opening	1279.17	1172.01	1064.85	957.69	850.53
Additions	0.00	0.00	0.00	0.00	0.00
Repayment during the year	107.16	107.16	107.16	107.16	107.16
Net Loan-Closing	1172.01	1064.85	957.69	850.53	743.38
Average Loan	1225.59	1118.43	1011.27	904.11	796.95
Weighted Average Rate of Interest on Loan (%)	8.9289	8.9258	8.9183	8.9119	8.9079



Interest on Loan	2014-15	2015-16	2016-17	2017-18	2018-19
Interest on Loan	109.43	99.83	90.19	80.57	70.99

Depreciation

47. 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."

48. The depreciation has been worked out considering the admitted capital expenditure as on 31.3.2014 and accumulated depreciation up to 31.3.2014. The detailed calculations for depreciation for the transmission asset are worked out and allowed as follows:-

(₹ in lakh)					
Depreciation	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross Block	2029.51	2029.51	2029.51	2029.51	2029.51
Additional Capitalisation	-	-	-	-	-
Closing Gross Block	2029.51	2029.51	2029.51	2029.51	2029.51
Average Gross Block	2029.51	2029.51	2029.51	2029.51	2029.51
Freehold Land (Av. Cost)	-	-	-	-	-
Rate of Depreciation (%)	5.28	5.28	5.28	5.28	5.28
Depreciable Value	1940.59	1826.56	1826.56	1826.56	1826.56
Balance useful life of the asset	23	22	21	20	19
Elapsed life	2	3	4	5	6
Remaining Depreciable Value	1685.07	1577.92	1470.76	1363.60	1256.44
Depreciation during the year	107.16	107.16	107.16	107.16	107.16



Depreciation	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation upto previous year	141.48	248.64	355.80	462.96	570.12
Cumulative depreciation (incl. of AAD)	248.64	355.80	462.96	570.12	677.27

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

49. The petitioner has not claimed any O & M expenses as the Assets are spare ICTs and Reactors and the same has been considered.

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	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00



Interest on Working Capital	2014-15	2015-16	2016-17	2017-18	2018-19
Receivables	57.29	55.65	54.01	52.37	50.73
Total	57.29	55.65	54.01	52.37	50.73
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on Working Capital	7.73	7.51	7.29	7.07	6.85

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	2029.51	2029.51	2029.51	2029.51	2029.51
Additional Capitalisation	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	2029.51	2029.51	2029.51	2029.51	2029.51
Average Gross Block	2029.51	2029.51	2029.51	2029.51	2029.51
Rate of Depreciation (%)	5.28	5.28	5.28	5.28	5.28
Depreciable Value	1940.59	1826.56	1826.56	1826.56	1826.56
Balance Useful life of the asset	23	22	21	20	19
Elapsed Life	2	3	4	5	6
Remaining Depreciable Value	1685.07	1577.92	1470.76	1363.60	1256.44
Depreciation	107.16	107.16	107.16	107.16	107.16
Cumulative depreciation (incl. of AAD)	248.64	355.80	462.96	570.12	677.27
Interest on Loan					
Gross Normative Loan	1420.66	1420.66	1420.66	1420.66	1420.66
Cumulative Repayment upto Previous Year	141.49	248.65	355.81	462.96	570.12
Net Loan-Opening	1279.17	1172.01	1064.85	957.69	850.53
Additions	0.00	0.00	0.00	0.00	0.00
Repayment during the year	107.16	107.16	107.16	107.16	107.16
Net Loan-Closing	1172.01	1064.85	957.69	850.53	743.38
Average Loan	1225.59	1118.43	1011.27	904.11	796.95
Weighted Average Rate of Interest on Loan (%)	8.9289	8.9258	8.9183	8.9119	8.9079
Interest	109.43	99.83	90.19	80.57	70.99
Return on Equity					
Opening Equity	608.85	608.85	608.85	608.85	608.85
Additions	0.00	0.00	0.00	0.00	0.00
Closing Equity	608.85	608.85	608.85	608.85	608.85
Average Equity	608.85	608.85	608.85	608.85	608.85
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



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Return on Equity	119.40	119.40	119.40	119.40	119.40
Interest on Working Capital					
O & M expenses	0.00	0.00	0.00	0.00	0.00
Maintenance Spares	0.00	0.00	0.00	0.00	0.00
Receivables	57.29	55.65	54.01	52.37	50.73
Total	57.29	55.65	54.01	52.37	50.73
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest on working capital	7.73	7.51	7.29	7.07	6.85
Annual Transmission Charges					
Depreciation	107.16	107.16	107.16	107.16	107.16
Interest on Loan	109.43	99.83	90.19	80.57	70.99
Return on Equity	119.40	119.40	119.40	119.40	119.40
Interest on Working Capital	7.73	7.51	7.29	7.07	6.85
O & M Expenses	0.00	0.00	0.00	0.00	0.00
Total	343.72	333.90	324.04	314.20	304.40

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. The deferred tax liability shall be dealt as per Regulations 49 of the 2014 Tariff Regulations, as amended. Since the COD is beyond 2009, the petitioner's prayer is not maintainable in this case.

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.200/TT/2015.

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

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



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

(₹in lakh)

Particulars	Interest Rate (%)	Loan deployed as on DOCO	Additions during the tariff period	Total
BOND XL- ADDCAP FOR 2012-2013 AD CAP	9.30	0.00	7.40	7.40
BOND XL-DOCO	9.30	161.20	0.00	161.20
BOND XXLI-ADDCAP FOR 2012-13 ADCAP	8.85	0.00	425.56	425.56
BOND XLIII-ADDCAP FOR 2013-2014 ADCAP	7.93	0.00	101.09	101.09
Total		161.20	534.05	695.25

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

(₹in lakh)

Particulars	2012-13	2013-14
Gross Opening Loan	161.20	594.16
Cumulative Repayments of Loans upto Previous Year	0.00	0.00
Net Loans Opening	161.20	594.16
Add: Draw(s) during the Year	432.96	101.09
Less: Repayments of Loan during the year	0.00	0.00
Net Closing Loan	594.16	695.25
Average Net Loan	377.68	644.71
Rate of Interest on Loan* (%)	9.0465	8.8956
Interest on Loan	34.17	57.35

*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 (2009-14)

Asset- II

(₹ in lakh)

Particulars	Interest Rate (%)	Loan deployed as on DOCO	Additions during the tariff period	Total
BOND XXXV-DOCO	9.64	145.87	0.00	145.87
BOND XXXVI-DOCO	9.35	24.00	0.00	24.00
BOND XXXIX-DOCO	9.40	16.71	0.00	16.71
BOND XL DOCO	9.30	7.20	0.00	7.20
BOND XLI-DOCO	8.85	56.44	0.00	56.44
BOND XLII-ADDCAP FOR 2012-2013 ADCAP	8.80	0.00	16.11	16.11
BOND XLII-DOCO	8.80	382.80	0.00	382.80
BOND XLIII-ADDCAP FOR 2013-14 ADCAP	7.93	0.00	30.00	30.00
BOND XLV-ADDCAP FOR 2013-2014 ADCAP	9.65	0.00	46.30	46.30
Total		633.02	92.41	725.43

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

(₹ in lakh)

Particulars	2012-13	2013-14
Gross Opening Loan	633.02	649.13
Cumulative Repayments of Loans upto Previous Year	0.00	0.00
Net Loans Opening	633.02	649.13
Add: Draw(s) during the Year	16.11	76.30
Less: Repayments of Loan during the year	0.00	0.00
Net Closing Loan	649.13	725.43
Average Net Loan	641.08	687.28
Rate of Interest on Loan* (%)	9.0374%	9.0311%
Interest on Loan	57.94	62.07

*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)**Combined Asset-I & II**

(₹in lakh)

Particulars	Interest Rate (%)	Loan deployed as on 1.4.2014	Additions during the tariff period	Total
BOND XXXV-2.DOCO	9.64	145.87	0.00	145.87
BOND XXXVI-1.DOCO	9.35	24.00	0.00	24.00
BOND XXXIX-3. DOCO	9.40	16.71	0.00	16.71
BOND XL-10 DOCO	9.30	161.20	0.00	161.20
BOND XL-1.ADDCAP FOR 2012-13 ADCAP	9.30	7.40	0.00	7.40
BOND XL-4.DOCO	9.30	7.20	0.00	7.20
BOND-XLI-2. ADDCAP FOR 2012-2013 ADCAP	8.85	425.56	0.00	425.56
BOND-XLI-5.DOCO	8.85	56.44	0.00	56.44
BOND-XLII-DOCO	8.80	382.80	0.00	382.80
BOND XLII-7.ADDCAP FOR 2012-13	8.80	16.11	0.00	16.11
BOND-XLIII-13. ADDCAP FOR 2013-14 ADCAP	7.93	101.09	0.00	101.09
BOND XLIII-8.ADDCAP FOR 2013-14	7.93	30.00	0.00	30.00
BOND-XLV-9.ADDCAPP FOR 2013-14 ADCAP	9.65	46.30	0.00	46.30
Total		1420.68	0.00	1420.68

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	1420.68	1420.68	1420.68	1420.68	1420.68
Cumulative Repayments of Loans up to Previous Year	0.00	0.00	12.16	80.73	164.08
Net Loans Opening	1420.68	1420.68	1408.52	1339.95	1256.60
Add: Drawl(s) during the Year	0.00	0.00	0.00	0.00	0.00
Less: Repayments during the year	0.00	12.16	68.57	83.35	83.35
Net Closing Loan	1420.68	1408.52	1339.95	1256.60	1173.25
Average Net Loan	1420.68	1414.60	1374.24	1298.28	1214.93
Rate of Interest on Loan (%)*	8.9289%	8.9258%	8.9183%	8.9119%	8.9079%
Interest on Loan	126.85	126.26	122.56	115.70	108.22

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

