

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 480/TT/2014

Coram:

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

**Date of Hearing : 20.01.2016
Date of Order : 15.02.2016**

In the matter of:

Truing up of transmission tariff for 2009-14 tariff period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 and determination of transmission tariff for 2014-19 tariff period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 for Nellore-Gooty 400 kV D/C (Quad) line with associated bay extension at Nellore & Gooty Sub-station under Transmission System associated with SRSS XVIII-A (Formerly KUMPP Part A) in Southern Region Grid, under Regulation 86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999.

And in the matter of:

Power Grid Corporation of India Ltd.
'SAUDAMINI', Plot No-2,
Sector-29, Gurgaon -122 001 (Haryana).

.....**Petitioner**

Versus

1. Karnataka Power Transmission Corporation Ltd.
(KPTCL), Kaveri Bhavan, Bangalore -560 009
2. Transmission Corporation of Andhra Pradesh Ltd.
(APTRANSCO), Vidyut Soudha, Hyderabad- 500082
3. Kerala State Electricity Board (KSEB)
Vaidyuthi Bhavanam, Pattom,
Thiruvananthapuram- 695 004



4. Tami Nadu Generation and Distribution Corporation Ltd., NPKRR Maaligai, 800, Anna Salai, Chennai- 600 002
5. Electricity Department
Govt. Of Pondicherry,
Pondicherry- 605 001
6. Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL), P&T Colony, Seethmmadhara, Vishakhapatnam
7. Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL), Tirupati- 517 501, Chittoor District, Andhra Pradesh
8. Central Power Distribution Company of Andhra Pradesh Limited (APCPDCL), Corporate Office, Mint Compound, Hyderabad- 500 063
9. Northern Power Distribution Company of Andhra Pradesh Limited (APNPDCL), Opp. NIT Petrol Pump, Chaitayapuri, Warangal- 506 004
10. Bangalore Electricity Supply Company Limited (BESCOM) Corporate Office, K.R Circle, Bangalore- 560 001, Karnataka
11. Gulbarga Electricity Supply Company Limited (GESCOM) Station Road, Gulbarga, Karnataka
12. Hubli Electricity Supply Company Limited (HESCOM) Navanagar, PB Road, Hubli, Karnataka
13. MESCOM Corporate Office Paradigm Plaza, AB Shetty Circle, Mangalore- 575 001
14. Chamundeswari Electricity Supply Corporation Limited (CESC) #927, L J Avenue, Ground Floor, Saraswatipuram, Mysore- 570 009



15. Electricity Department
Government of Goa, Vidyuti Bhawan, Panaji,
Goa- 403001

....Respondents

The following were present:-

For Petitioner: Shri M. M. Mondal, PGCIL
Shri S. K. Venkatesan, PGCIL
Shri Y. K. Sehgal, PGCIL
Shri Nitish Kumar, PGCIL
Shri G. C. Dhal, PGCIL
Shri Amit Yadav, PGCIL
Shri Rakesh Prasad, PGCIL
Shri S. S. Raju, PGCIL
Shri Jasbir Singh, PGCIL
Shri Anshul Garg, PGCIL

For Respondent: None.

ORDER

The present petition has been preferred by Power Grid Corporation of India Ltd. ("the petitioner"), for truing up of capital expenditure and tariff for Nellore-Gooty 400 kV D/C (Quad) line with associated bay extension at Nellore and Gooty Sub-station under Transmission System associated with SRSS XVIII-A (Formerly KUMPP Part A) (COD: 1.4.2013) in Southern Region (hereinafter referred as "transmission asset") 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 actual capital expenditure for the period from 1.4.2013 (COD) to 31.3.2014, and for determination of tariff under Central Electricity Regulatory Commission (Terms



and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) for the period from 1.4.2014 to 31.3.2019.

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

3. The petitioner has served the petition to the respondents and notice of this application has been published in the newspapers in accordance with Section 64 of Electricity Act, 2003 (“the Act”). No comments have been received from the public in response to the notices published by the petitioner under Section 64 of the Act. The hearing in this matter was held on 20.1.2016. Tamil Nadu Generation and Distribution Corporation Ltd (TANGEDCO), i.e., Respondent No.4 has filed a reply vide letter dated 9.2.2016. In response, the petitioner has submitted the rejoinder to the reply filed by TANGEDCO vide affidavit dated 12.2.2016. In response to letter dated 17.1.2016, the petitioner has submitted its replies vide affidavit dated 4.2.2016. The concerns expressed by respondents are being addressed in the respective paras of this order. Having heard the representatives of the petitioner and perused the material on record, we proceed to dispose of the petition.

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

- (a) The investment approval for the project was accorded by Board of Directors of the petitioner company vide Memorandum No. C/CP/Krishnapatnam UMPP Part-A, dated 15.12.2010 at an estimated cost of



₹77921 lakh, which included IDC of ₹4900 lakh. Consequent to revision in scope of work, Revised Cost Estimate (RCE) for the transmission system was approved by the Board of Directors of the petitioner company vide letter dated 14.1.2014, at an estimated cost of ₹66119 lakh, including IDC of ₹3941 lakh based on April 2013 price level. The petitioner has built the transmission asset in the Southern Region. The date of the commercial operation of Asset is 1.4.2013.

- (b) The tariff from 1.4.2013 to 31.3.2014 for the Asset was allowed vide order dated 17.2.2014 in Petition No. 46/TT/2013 in accordance with the 2009 Tariff Regulations. The tariff allowed for the tariff period 2009-14 is as under:-

Particulars	(₹ in lakh)
	2013-14
Depreciation	3353.73
Interest on Loan	3997.60
Return on equity	3446.37
Interest on Working Capital	275.35
O & M Expenses	601.13
Total	11674.18

- (c) The Commission, vide order dated 17.2.2014 in Petition No. 46/TT/2013, has determined the tariff from COD to 31.3.2014 considering the capital cost of ₹61766.00 lakh for the Asset (excluding excess initial spares claimed) as on COD.

- (d) The MAT rate applicable as on 2008-09 was considered to arrive at rate of return on equity for the tariff period 2009-14, which is required to be



adjusted as per the actual MAT rate applicable for the respective year at the time of truing up of tariff for 2009-14 tariff period.

(e) The instant petition was filed on 10.11.2014.

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

5. The truing up of tariff for the 2009-14 tariff period has been determined as discussed below:

IDC and IEDC

6. As per the investment approval dated 15.12.2010, the project was scheduled to be commissioned within 32 months from the date of investment approval, i.e. by August 2013. The Asset has been commissioned on 1.4.2013. The petitioner has completed the project within the timeline and hence, the IDC and IEDC based on Auditor certificate have been capitalized in the Capital cost.

Initial Spares

7. 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	2.5%
Series compensation devices& HVDC Station:	3.5%”

8. The petitioner, for claiming initial spares, has deducted excess initial spares for transmission line, i.e., ₹5.49 lakh, from the Capital cost of the Asset as



on COD. Initial spares claimed by the petitioner for the sub-station are within the ceiling limits of 2.50%. The excess initial spares worked out and allowed as per above regulation for transmission line is shown in table below:-

(₹ in lakh)

Description	Capital cost as on cut-off date	Initial Spares claimed	Ceiling limit as per Regulation 8 of 2009 regulations	Initial spares worked out and allowed	Excess initial spares claimed
Asset	(a)	(b)	(c)	$(d)=((a-b)*c)/(100-c)\%$	$(e)=(b)-(d)$
Transmission line	62103.61	471.23	0.75%	465.74	5.49
Substation	4015.39	81.98	2.50%	100.86	0.00

9. The capital cost up to cut off date i.e. 31.3.2016 has been considered as the petitioner has claimed the additional capitalization beyond 31.3.2014. The additional capitalization beyond 31.3.2014 has been considered as admitted by the Commission after prudence check in accordance with 2014 Tariff Regulations.

Capital Cost

10. The petitioner has claimed capital cost of ₹61760.51 lakh for the Asset as on COD after deducting excess initial spares of ₹5.49 lakh from ₹61766.00 lakh (as per Auditor's Certificate) for the purpose of tariff.

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



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

- (a) the expenditure incurred or projected to be incurred, including interest during construction and financing charges, any gain or loss on account of foreign exchange risk variation during construction on the loan - (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed, - up to the date of commercial operation of the project, as admitted by the Commission, after prudence check;
- (b) capitalised initial spares subject to the ceiling rates specified in regulation 8; and
- (c) additional capital expenditure determined under regulation 9:

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

12. The petitioner has submitted the Auditor’s Certificate certifying the capital cost as on COD and additional capitalization claimed thereafter. The project was scheduled to be commissioned within 32 months from the date of investment approval i.e. SCOD August 2013. The assets have been commissioned as on 1.4.2013 which is within the SCOD. Accordingly, the capital cost for the asset as on COD including IDC and IEDC has been considered as ₹61760.51 lakh to work out the true up tariff for the tariff period 2009-14.

Additional Capital Expenditure

13. The petitioner has claimed additional capitalization under Regulation 9(1)(i) of the 2009 Tariff Regulations.

14. Clause (1), sub-clause(i) of Regulation 9 of the 2009 Tariff Regulations provides that:-

“Additional Capitalisation. (1) 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...;”

15. The petitioner has claimed additional capitalization of ₹3709.00 lakh for the Asset from COD to 31.3.2014 towards balance and retention payment for works executed within cut-off date.

16. The total capital cost of ₹65469.51 lakh for the Asset including actual additional capitalization claimed by the petitioner is within the overall approved cost of ₹66119.00 lakh and additional capitalisation claimed is lower than the additional capitalisation allowed by the Commission in its Order dated 17.2.2014 in Petition No. 46/TT/2013. Hence, considering the submissions made by the petitioner, we have allowed total capital cost including additional capitalization under Regulation 9(1)(i) of the 2009 Tariff Regulations as shown in the table below:-

(₹ in lakh)

Approved Apportioned Cost: ₹66119.00 lakh				
Particulars	Name of the asset	Capital cost up to COD	Total add cap (2009-14)	Total capital cost including additional capitalization as on 31.3.2014
Approved in order dated 17.2.2014	Asset	61766.00	3800.00	65566.00
Actual		61760.51	3709.00	65469.51

Debt: Equity

17. Clause 1 & 3 of Regulation 12 of the 2009 Tariff Regulations provide that:-



“(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:

Provided further that the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment.

.....

(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.”

18. The petitioner has claimed true up Annual Fixed Charge based on debt-equity ratio of 70:30 admitted as on 1.4.2013, i.e., as on COD by the Commission in its order dated 17.2.2014 in Petition No. 46/TT/2013. The admitted debt:equity ratio of 70:30 as on 1.4.2013 for the Asset has been considered for the purpose of trueing up of the approved tariff of tariff period 2013-14, as given under:-

(₹ in lakh)		
Funding	Amount	(%)
Debt	43232.35	70.00
Equity	18528.15	30.00
Total	61760.51	100.00

19. With respect to additional capitalization, the petitioner has submitted the debt:equity ratio of 70:30 for 2013-14 for the Asset . The petitioner was directed to confirm that the actual equity infused for additional capitalization during the 2009-14 tariff period is not less than 30%. In response the petitioner vide affidavit dated 4.2.2016 submitted that as per Form-13 of the asset, actual loans deployed for funding additional capitalization is 70% in 2013-14, accordingly,



equity deployment is 30% for 2013-14 as per Regulation 12(1) and 12(3) of the 2009 Tariff Regulations. The overall debt equity ratio as on 31.3.2014 for the Asset including additional capitalization is as under:-

(₹ in lakh)		
Funding	Amount	(%)
Debt	45828.65	70.00
Equity	19640.85	30.00
Total	65469.51	100.00

Interest on Loan (“IOL”)

20. Regulation 16 of the 2009 Tariff Regulations provides the methodology for working out weighted average rate of interest on loan. The Commission in its earlier order dated 8.6.2011 in Petition No. 238/2010 has held that:-

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

21. The Petitioner has submitted the weighted average rate of interest on loan based on its actual loan portfolio and rate of interest. We have considered the submissions of the petitioner and accordingly calculated the IOL based on actual interest rate submitted by the petitioner, in accordance with Regulation 16 of the 2009 Tariff Regulations. The details of weighted average rate of interest are placed at **Annexure-I** and the IOL has been worked out and allowed as follows:-

(₹ in lakh)	
Particulars	2013-14
Approved vide order dated 17.2.2014	3997.60
As claimed by petitioner	3984.06
Allowed after true up	3983.96



22. The interest on loan has decreased due to reduction in Capital Cost as on COD and actual additional capitalization during 2013-14 tariff period.

Return on Equity (“ROE”)

23. Clause (3), (4) and (5) of Regulation 15 of the 2009 Tariff Regulations provides that:-

“(3) The rate of return on equity shall be computed by grossing up the base rate with the Minimum Alternate/Corporate Income Tax Rate for the year 2008-09, as per the Income Tax Act, 1961, as applicable to the concerned generating company or the transmission licensee, as the case may be.

(4) Rate of return on equity shall be rounded off to three decimal points and be computed as per the formula given below:

Rate of pre-tax return on equity = Base rate / (1-t)

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

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

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

24. The petitioner has submitted that MAT rate of 11.330% applicable for 2008-09 was considered in the order dated 17.2.2014. The petitioner has considered the same for truing up also. The petitioner has also considered additional ROE of 0.5% allowed vide order dated 17.2.2014 in Petition No. 46/2013 on account of commissioning of complete project under the scheme



before the stipulated completion time of 32 months. The petitioner has submitted the variation in the MAT rate during 2009-14 as per the Finance Act of the relevant year for the purpose of grossing up of ROE, as below:-

Particulars	MAT Rate (t) %	Grossed up ROE (Base rate/(1-t)) %
2013-14	20.961	20.243

25. The respondent vide affidavit dated 9.2.2016 submitted that the petitioner cannot claim any difference in tax from beneficiaries and is entitled for grossing up of ROE only on actual tax paid during the respective financial year. The respondent also submitted that the difference in tax liabilities should not be passed on to the beneficiaries unless there is any amendment in Income Tax Act. In response, the petitioner vide affidavit dated 12.2.2016 submitted that the ROE has been calculated at 20.243% after grossing up the ROE with MAT rate of 20.961%, based on the rate prescribed by the Commission as per illustration under Regulation 25(2)(i) of the 2014 Tariff Regulations. The petitioner also submitted that as per Regulation 25 (3) of the above regulation, the grossed up rate of ROE at the end of every financial year shall be trued up based on actual tax paid together with any additional tax demand including interest thereon duly adjusted for any refund of tax including interest received from IT authorities pertaining to 2014-19 on actual gross income of any financial year. Any under recovery or over recovery of grossed up rate on ROE after truing up shall be recovered or refunded to beneficiaries on year to year basis. Adjustment due to additional tax demand including interest duly adjusted for any refund of tax



including interest received from IT authorities shall be recoverable/ adjustable during/after completion of income tax assessment of the financial year.

26. It is observed that though the petitioner in its petition has claimed ROE based on MAT rate of 20.961%, however, in the tariff forms the calculations were based on MAT rate as approved in order dated 17.2.2014 in Petition No.46/TT/2013, i.e., 11.330%. We have considered the revised MAT rate of 20.961% for grossing up ROE and the approved ROE is as shown in the table below:-

(₹ in lakh)	
Particulars	2013-14
Approved vide order dated 17.2.2014	3446.37
As claimed by petitioner	3443.61
Allowed after true up	3863.28

27. The variation in return on equity is on account of increase in the applicable MAT rate for the purpose of grossing up of base rate of return on equity and the petitioner has considered ROE based on MAT rate of 2008-09 i.e. 11.33% instead of actual MAT rate of 2013-14.

Depreciation

28. Clause (42) of Regulation 3 of the 2009 Tariff Regulations defines useful life as follows:-

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

.....

(c) AC and DC sub-station	25 years
(d) Hydro generating station	35 years
(e) Transmission line	35 years”



29. Clause (4) of Regulation 17 of the 2009 Tariff Regulations provides as follows:-

"17. Depreciation:

...

(4) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-III 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 date of commercial operation shall be spread over the balance useful life of the assets."

30. The Commission, in its order dated 17.2.2014 in Petition No. 46/2013, has worked out the depreciation in accordance with Regulation 17 of the 2009 Tariff Regulations.

31. The weighted average useful life of the transmission asset has been considered as per Regulations 3 (42) and 17 (4) of the 2009 Tariff Regulations. For the purpose of calculation, the weighted average useful life of the asset as on COD has been considered as 35 years for the Asset. The depreciation for the tariff period 2009-14 has been worked out in accordance with Regulation 17 of the 2009 Tariff Regulations based on admitted capital expenditure as under.

(₹ in lakh)

Particulars	2013-14
Approved vide order dated 17.2.2014	3353.73
As claimed by petitioner	3351.08
Allowed after true up	3351.09



32. The variation in depreciation is on account of reduction in Capital Cost as on COD and additional capitalization vis-à-vis that approved in the Order.

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

33. The petitioner has computed O&M expenses for the assets mentioned in the petition and in accordance with the O&M norms for lines and bays specified in Regulation 19(g) of the 2009 Tariff Regulations. The O&M Expenses claimed by the petitioner for tariff period 2009-14 are same as that approved in the tariff order dated 17.2.2014 in Petition No. 46/2013. Accordingly, the O&M Expenses claimed by the petitioner, allowed and trued up are the same, and are as follows:-

(₹ in lakh)	
Particulars	2013-14
Approved vide order dated 17.2.2014	601.13
As claimed by petitioner	601.13
Allowed after true up	601.13

Interest on working capital (“IWC”)

34. Sub-clause (c) of clause (1) of Regulation 18 of the 2009 Tariff Regulations provides the components of the working capital for the transmission system and clause (3) of Regulation 18 of the 2009 Tariff Regulations provides for the rate of interest of working capital.

35. The petitioner submitted the rate of interest on working capital as 13.20% for the period 1.3.2014 to 31.3.2014 as per Clause (3) of Regulation 18 of the 2009 Tariff Regulations and the components of working capital are also



considered in accordance with Sub-clause (c) of clause (1) of Regulation 18 of the 2009 Tariff Regulations.

36. The Commission in accordance with Clause (3) of Regulation 18 of the 2009 Tariff Regulations, as amended, has considered the rate of interest on working capital on normative basis, i.e., equal to State Bank of India Base Rate as applicable as on 1.4.2013 plus 350 basis points. State Bank of India Base Rate on 1.4.2013 was 9.70%. Therefore, interest rate of 13.20% (9.70% plus 350 basis points) has been considered to work out the interest on working capital in the instant case.

37. The IWC true up is as under:-

(₹ in lakh)	
Particulars	2013-14
Maintenance Spares	90.17
O & M expenses	50.09
Receivables	2013.97
Total	2154.23
Rate of Interest (%)	13.20
Interest	284.36

(₹ in lakh)	
Particulars	2013-14
Approved vide order dated 17.2.2014	275.35
As claimed by petitioner	274.92
Allowed after true up	284.36

38. The variation in IWC is on account of variation in IOL, Depreciation and ROE due to variation in additional capitalization and further increase in ROE on account of applicable MAT rate during 2009-14 tariff period.



ANNUAL FIXED CHARGES FOR 2009-14 TARIFF PERIOD

39. The detailed computation of the various components of the trued up annual fixed charges for the Asset for the tariff period 2013-14 is summarised below:-

(₹ in lakh)	
Particulars	2013-14
Gross Block	
Gross Opening Block	61760.51
Additional Capitalisation	3709.00
Gross Closing Block	65469.51
Average Gross Block	63615.01
Depreciation	
Rate of Depreciation (%)	5.268
Depreciable Value	57253.51
Elapsed Life (Beginning of the year)	0
Weighted Balance Useful life of the assets	35
Remaining Depreciable Value	57253.51
Depreciation	3351.09
Interest on Loan	
Gross Normative Loan	43232.35
Cumulative Repayment upto Previous Year	0.00
Net Loan-Opening	43232.35
Additional Capitalisation	2596.30
Repayment during the year	3351.09
Net Loan-Closing	42477.57
Average Loan	42854.96
Weighted Average Rate of Interest on Loan (%)	9.2964
Interest	3983.96
Return on Equity	
Opening Equity	18528.15
Additional Capitalisation	1112.70
Closing Equity	19640.85
Average Equity	19084.50
Return on Equity (Base Rate) (%)	16.00
MAT rate for the year (%)	20.961



Particulars	2013-14
Rate of Return on Equity (Pre Tax) (%)	20.243
Return on Equity (Pre Tax)	3863.28
Interest on Working Capital	
Maintenance Spares	90.17
O & M expenses	50.09
Receivables	2013.97
Total	2154.23
Interest	284.36
Annual Transmission Charges	
Depreciation	3351.09
Interest on Loan	3983.96
Return on Equity	3863.28
Interest on Working Capital	284.36
O & M Expenses	601.13
Total	12083.80

DETERMINATION OF ANNUAL TRANSMISSION CHARGES FOR 2014-19

40. The petitioner has claimed the transmission charges as under:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	3467.02	3484.27	3484.27	3484.27	3484.27
Interest on Loan	3804.51	3504.12	3180.67	2856.71	2533.38
Return on equity	3995.45	4015.00	4015.00	4015.00	4015.00
Interest on Working Capital	289.62	284.56	278.14	271.77	265.43
O & M Expenses	548.12	566.23	584.92	604.46	624.53
Total	12104.72	11854.18	11543.00	11232.21	10922.61

41. 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
Maintenance Spares	82.22	84.93	87.74	90.67	93.68
O & M expenses	45.68	47.19	48.74	50.37	52.04



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Receivables	2017.45	1975.70	1923.83	1872.04	1820.44
Total	2145.35	2107.82	2060.31	2013.08	1966.16
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	289.62	284.56	278.14	271.77	265.43

Capital Cost

42. Clause (1) & (3) of Regulation 9 of the 2014 Tariff Regulations specify as follows:-

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

“(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.”

43. The petitioner has claimed capital cost of ₹65469.51 lakh as on 31.3.2014 and additional capitalization of ₹644.00 lakh for the 2014-19 tariff period.

44. The respondent vide affidavit dated 9.2.2016 submitted that the petitioner has not furnished the tariff filing forms 5B, 5C and Auditor’s certificate clearly showing capital cost excluding initial spares, and components considered for calculation of initial spares. The respondent further submitted that if the petitioner does not provide these details, then capital cost should be restricted as per order dated 17.2.2014 in Petition No. 46/2013. In response, the petitioner vide affidavit dated 12.2.2016, submitted that Form 5B and 5D are already submitted in the



petition at page No.46. The petitioner also submitted that Form 5B and 5C as per the 2009 Tariff Regulations, are already submitted in Petition No. 46/2013.

45. We have considered the submissions of the petitioner and the respondents. Accordingly, the Commission has computed the trued up capital cost of ₹65469.51 lakh as on 31.3.2014 after restricting initial spares up to ceiling limits to work out the tariff for the 2014-19 tariff period.

Additional Capital Expenditure

46. The petitioner has proposed additional capitalization of ₹644.00 lakh for 2014-19 tariff period (₹215.44 lakh for transmission line, ₹381.94 lakh for sub-station and ₹46.62 lakh for PLCC) towards balance and retention payments under Clause 1, sub-clause (i) of Regulation 14 of the 2014 Tariff Regulations.

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

“(3) The capital expenditure, in respect of existing generating station or the transmission system including communication system, incurred or projected to be incurred on the following counts after the cut-off date, may be admitted by the Commission, subject to prudence check:

.....

(i) Undischarged liabilities recognized to be payable at a future date;

48. The respondent vide affidavit dated 9.2.2016 submitted that, in absence of Form 5B, 5C, 9 and detailed statements showing the works deferred for execution under different contracts, undischarged liabilities due to retention payments, the beneficiaries could not ascertain the veracity of the claims made by the petitioner. The respondent also submitted that the petitioner should be



directed to furnish the details to the Commission as well as beneficiaries, failing which, the projected additional capitalization should be disallowed. In response, the petitioner vide affidavit dated 12.2.2016 submitted that Form 5B and 5D are already submitted in the petition at page No.46. The petitioner also submitted that Form 5B and 5C as per the 2009 Tariff Regulations are already submitted in Petition No. 46/2013 and additional capitalization of ₹644.00 lakh was projected during 2014-15 as balance and retention payments in the Auditor's Certificate; against this an amount of ₹598.24 lakh has been incurred so far. The petitioner has also submitted the details of the contractor-wise payments made, stating that this expenditure will be subjected to truing up during 2014-19 in accordance with the 2014 Tariff Regulations.

49. The Commission vide its letter dated 17.1.2016 sought the amount of balance and retention payment yet to be made along with the details of contract for which the payment has been retained. In response the petitioner vide affidavit dated 4.2.2016 submitted that additional capitalization of ₹644.00 lakh was projected during 2014-15 as balance and retention payments in the Auditor's Certificate; against this an amount of ₹598.24 lakh has been incurred so far. The petitioner has also submitted the details of the contractor wise payments made.

50. The total capital cost of the transmission asset including additional capitalization incurred during 2014-19 works out to ₹66113.51 lakh. The Commission has considered the petitioner's submission and observes that the additional capitalization proposed is mainly towards balance and retention



payments due to undischarged liabilities for works executed within cut-off date. Further, the total completion cost is within the approved apportioned cost of the Asset. Accordingly, the Commission allows the same as claimed by the petitioner in accordance with Clause 3, sub-clause (i) of Regulation 14 of the 2014 Tariff Regulations.

51. The total capital cost of the transmission asset including additional capitalization projected to be incurred during 2014-19 is shown below:-

(₹ in lakh)

Apportioned Approved Cost : ₹66119.00 lakh								
Particulars	Admitted capital cost as on 31.3.2014	Additional capitalization projected					Total additional capitalization	Total capital cost including additional capitalization as on 31.3.2019
		2014-15	2015-16	2016-17	2017-18	2018-19		
Approved	65469.51	644.00	0.00	0.00	0.00	0.00	644.00	66113.51

Debt:Equity Ratio

52. Clause 3 of Regulation 19 of the 2014 Tariff Regulations specifies as under:-

“(3) In case of the generating station and the transmission 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.”

53. The petitioner has considered debt: equity ratio as 70:30 as on 31.3.2014. The admitted debt:equity ratio of 70:30 after true-up for the tariff period ending 31.3.2014 has been considered as opening debt:equity ratio as on 1.4.2014. The



details of the debt:equity as on 1.4.2014 considered for the purpose of tariff for the 2014-19 tariff period is as follows:-

(₹ in lakh)		
Particulars	Amount	(%)
Debt	45828.65	70.00
Equity	19640.85	30.00
Total	65469.51	100.00

54. For additional capitalization, the petitioner has proposed normative debt:equity ratio of 70:30 and the same has been considered. The details of the debt:equity including additional capitalization as on 31.3.2019 is as follows:-

(₹ in lakh)		
Funding	Amount	(%)
Debt	46279.45	70.00
Equity	19834.05	30.00
Total	66113.51	100.00

Interest on Loan (“IOL”)

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

“(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized:

Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:

Provided further that if the generating station or the transmission system, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the transmission licensee as a whole shall be considered.

(6) The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.”



56. The respondent vide affidavit dated 9.2.2016 submitted that the petitioner has not taken any efforts to refinance the high cost loans, which in turn is burdening beneficiaries at large. The respondent further submitted that Clause 7 of Regulation 26 of the 2014 Tariff Regulations provides:

“(7) The generating company or the transmission licensee, as the case may be, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries and the generating company or the transmission licensee, as the case may be, in the ratio of 2:1”

57. The respondent further submitted that the rate of interest on loans should be restricted to the actual for 2014-15 and the petitioner should be directed to furnish the steps taken to reduce the loan. In response, the petitioner vide affidavit dated 12.2.2016 submitted that wherever possible the petitioner shall make effort to refinance its high cost loans. However, in the instant petition, major part of loans deployed are through corporate bonds where rate of interest is fixed, but, since loans are repayable in annual instalments from 4th year onwards, the interest burden gets reduced gradually unlike cases for loans with bullet payments.

58. The Commission has considered the petitioner's and respondent's submissions and accordingly, considered the weighted average rate of IOL on the basis of rate prevailing as on 1.4.2014. The IOL has been worked out in accordance with Regulation 26 of the 2014 Tariff Regulations. The details of weighted average rate of interest are placed at **Annexure-II** and the IOL has been worked out and allowed as follows:-



(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Gross loan opening	45828.65	46279.45	46279.45	46279.45	46279.45
Cumulative Repayment upto previous year	3351.09	6818.11	10302.38	13786.65	17270.92
Net Loan-Opening	42477.57	39461.34	35977.07	32492.80	29008.54
Additions during the year	450.80	0.00	0.00	0.00	0.00
Repayment during the year	3467.02	3484.27	3484.27	3484.27	3484.27
Net Loan-Closing	39461.34	35977.07	32492.80	29008.54	25524.27
Average Loan	40969.46	37719.21	34234.94	30750.67	27266.40
Rate of Interest (%)	9.2862	9.2900	9.2907	9.2899	9.2912
Interest	3804.51	3504.10	3180.67	2856.72	2533.37

Return on Equity (“ROE”)

59. Clause (1) & (2) of Regulation 24 and Clause (2) of Regulation 25 of the 2014 Tariff Regulations specify as under:-

“24. Return on Equity: (1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with regulation 19.
(2) Return on equity shall be computed at the base rate of 15.50% for thermal generating stations, transmission system including communication system”

“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:

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

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.”



60. The petitioner has submitted ROE at the rate of 20.243% after grossing up the ROE of 16.00% with MAT rate as per the above Regulation. The petitioner has further submitted that the grossed up ROE is subject to truing up based on the actual tax paid along with any additional tax or interest, duly adjusted for any refund of tax including the interest received from IT authorities, pertaining to the tariff period 2014-19 on actual gross income of any financial year. Any under-recovery or over-recovery of grossed up ROE after truing up shall be recovered or refunded to the beneficiaries on year to year basis.

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

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



Regulations. Accordingly, the ROE determined by the Commission is given below:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	19640.85	19834.05	19834.05	19834.05	19834.05
Additional Capitalization	193.20	0.00	0.00	0.00	0.00
Closing Equity	19834.05	19834.05	19834.05	19834.05	19834.05
Average Equity	19737.45	19834.05	19834.05	19834.05	19834.05
Return on Equity (Base Rate) (%)	16.00	16.00	16.00	16.00	16.00
MAT rate for the year (%)	20.961	20.961	20.961	20.961	20.961
Rate of Return on Equity (Pre Tax) (%)	20.243	20.243	20.243	20.243	20.243
Return on Equity (Pre Tax)	3995.45	4015.01	4015.01	4015.01	4015.01

Depreciation

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

"27. Depreciation:

(2) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. In case of multiple units of a generating station or multiple elements of transmission system, weighted average life for the generating station of the transmission system shall be applied. Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis"

"(5) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in **Appendix-II** to these regulations for the assets of the generating station and transmission system:

Provided that the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.



(6) In case of the existing projects, the balance depreciable value as on 1.4.2014 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.3.2014 from the gross depreciable value of the assets.”

64. The petitioner has computed depreciation considering capital expenditure of ₹65469.51 lakh as on 31.3.2014 with additional capitalization of ₹644.00 lakh for the 2014-19 tariff period.

65. We have considered the submissions of the petitioner and have allowed depreciation considering capital expenditure of ₹65469.51 lakh as on 31.3.2014 under Regulation 27 of the 2014 Tariff Regulations. The details of the depreciation allowed are given hereunder:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross block	65469.51	66113.51	66113.51	66113.51	66113.51
Additional Capitalisation	644.00	0.00	0.00	0.00	0.00
Gross block at the end of the year	66113.51	66113.51	66113.51	66113.51	66113.51
Average gross block	65791.51	66113.51	66113.51	66113.51	66113.51
Rate of Depreciation (%)	5.270	5.270	5.270	5.270	5.270
Depreciable Value	59212.36	59502.16	59502.16	59502.16	59502.16
Elapsed Life of the assets at beginning of the year	1	2	3	4	5
Weighted Balance Useful life of the assets	34	33	32	31	30
Remaining Depreciable Value	55861.27	52684.04	49199.78	45715.51	42231.24
Depreciation	3467.02	3484.27	3484.27	3484.27	3484.27

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

66. The petitioner has computed normative O&M Expenses as per sub-clause (a) of clause (3) of Regulation 29 of the 2014 Tariff Regulations. Accordingly, the



petitioner's entitlement to O&M Expenses has been worked out as given hereunder:-

		(₹ in lakh)				
Particulars		2014-15	2015-16	2016-17	2017-18	2018-19
Actual	Double Circuit (Bundled conductor with four or more sub-conductors) (km)	289.00	289.00	289.00	289.00	289.00
	400 kV Bays (Nos.)	4	4	4	4	4
Norms as per Regulation	Double Circuit (Bundled conductor with four or more sub-conductors) (₹lakh/km)	1.062	1.097	1.133	1.171	1.21
	400 kV Bays (₹lakh/bay)	60.30	62.30	64.37	66.51	68.71
Total (₹ in lakh)		548.12	566.23	584.92	604.46	624.53

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

68. The respondent vide affidavit dated 9.2.2016, submitted that the petitioner's claim to include impact of wage revision in O&M Expenses should be



disallowed and petitioner should approach the Commission through review petition. In response, the petitioner vide affidavit dated 12.2.2016 submitted that norms for O&M Expenses for transmission system has been specified under Regulation 29(3)(a) of the 2014 Tariff Regulations after considering (i) normalized actual O&M expenses of the petitioner on its various projects and various regions during the year 2008-13. It is further submitted that being a CPSU, wage revision is binding on the petitioner. However, actual impact of wage hike (due w.e.f. 1.1.2017) has not been factored in the fixation of the normative O&M rates prescribed for the tariff period 2014-19. Further, the petitioner submitted that in line with Regulation 19(f)(ii) of the 2009 Tariff Regulations, for the tariff period 2009-14, norms for O&M Expenses for the year 2009-10 were derived considering impact of wage hike of the employees under PSUs.

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

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

Particulars	(₹ in lakh)				
	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses Allowed	548.12	566.23	584.92	604.46	624.53



Interest on Working Capital (“IWC”)

71. Clause 1 (c) of Regulation 28 and Clause 5 of Regulation 3 of the 2014 Tariff Regulations specify 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;”

72. The petitioner has submitted that it has computed Interest on working capital for the tariff period 2014-19 considering the SBI Base Rate as on 1.4.2014 plus 350 basis points. The rate of interest on working capital considered is 13.50%.

73. 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 interest on working capital as determined by the Commission is shown in the table below:-

	(₹ in lakh)				
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	82.22	84.93	87.74	90.67	93.68
O & M Expenses	45.68	47.19	48.74	50.37	52.04
Receivables	2017.45	1975.69	1923.83	1872.04	1820.43
Total	2145.35	2107.82	2060.31	2013.08	1966.16
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Interest	289.62	284.56	278.14	271.77	265.43

Annual Transmission Charges

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

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Block					
Opening Gross Block	65469.51	66113.51	66113.51	66113.51	66113.51
Additional Capitalisation	644.00	0.00	0.00	0.00	0.00
Closing Gross Block	66113.51	66113.51	66113.51	66113.51	66113.51
Average Gross Block	65791.51	66113.51	66113.51	66113.51	66113.51
Depreciation					
Rate of Depreciation (%)	5.270	5.270	5.270	5.270	5.270
Depreciable Value	59212.36	59502.16	59502.16	59502.16	59502.16
Elapsed Life (Beginning of the year)	1	2	3	4	5
Weighted Balance Useful life of the assets	34	33	32	31	30
Remaining Depreciable Value	55861.27	52684.04	49199.78	45715.51	42231.24
Depreciation	3467.02	3484.27	3484.27	3484.27	3484.27
Interest on Loan					
Gross Normative Loan	45828.65	46279.45	46279.45	46279.45	46279.45
Cumulative Repayment upto Previous Year	3351.09	6818.11	10302.38	13786.65	17270.92
Net Loan-Opening	42477.57	39461.34	35977.07	32492.80	29008.54
Additions	450.80	0.00	0.00	0.00	0.00
Repayment during the year	3467.02	3484.27	3484.27	3484.27	3484.27
Net Loan-Closing	39461.34	35977.07	32492.80	29008.54	25524.27
Average Loan	40969.46	37719.21	34234.94	30750.67	27266.40
Weighted Average Rate of Interest on Loan (%)	9.2862	9.2900	9.2907	9.2899	9.2912



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Interest	3804.51	3504.10	3180.67	2856.72	2533.37
Return on Equity					
Opening Equity	19640.85	19834.05	19834.05	19834.05	19834.05
Additions	193.20	0.00	0.00	0.00	0.00
Closing Equity	19834.05	19834.05	19834.05	19834.05	19834.05
Average Equity	19737.45	19834.05	19834.05	19834.05	19834.05
Return on Equity (Base Rate) (%)	16.00	16.00	16.00	16.00	16.00
MAT Rate for the year 2013-14 (%)	20.961	20.961	20.961	20.961	20.961
Rate of Return on Equity (Pre Tax) (%)	20.243	20.243	20.243	20.243	20.243
Return on Equity (Pre Tax)	3995.45	4015.01	4015.01	4015.01	4015.01
Interest on Working Capital					
Maintenance Spares	82.22	84.93	87.74	90.67	93.68
O & M expenses	45.68	47.19	48.74	50.37	52.04
Receivables	2017.45	1975.69	1923.83	1872.04	1820.43
Total	2145.35	2107.82	2060.31	2013.08	1966.16
Interest	289.62	284.56	278.14	271.77	265.43
Annual Transmission Charges					
Depreciation	3467.02	3484.27	3484.27	3484.27	3484.27
Interest on Loan	3804.51	3504.10	3180.67	2856.72	2533.37
Return on Equity	3995.45	4015.01	4015.01	4015.01	4015.01
Interest on Working Capital	289.62	284.56	278.14	271.77	265.43
O & M Expenses	548.12	566.23	584.92	604.46	624.53
Total	12104.73	11854.17	11543.01	11232.22	10922.60

Filing Fee and Publication Expenses

75. The petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses, in terms of Regulation 52 of the 2014 Tariff Regulations. The petitioner shall be entitled for reimbursement of the filing fees and publication expenses in connection with the present petition, directly from the



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

Licence Fee and RLDC Fees and Charges

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

Service Tax

77. The petitioner has sought to recover Service Tax on Transmission Charges separately from the Respondents, if at any time service tax on transmission is withdrawn from negative list in future.

78. The respondent vide affidavit dated 9.2.2016, submitted that, since service tax for transmission system is currently under negative list, the claim of the petitioner is premature. Further, the respondent submitted that the claim of petitioner to collect taxes if any paid directly from beneficiaries is not reasonable. In response the petitioner vide affidavit dated 12.2.2016 submitted that it is evident from its claim in the petition that service tax is to be paid by respondents only if the same is paid by the petitioner.

79. We are of the view that the petitioner's prayer of Service Tax is premature.



Sharing of Transmission Charges

80. 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.

81. This Order disposes of Petition No. 480/TT/2014.

Sd/-

(Dr. M. K. Iyer)
Member

Sd/-

(A.S. Bakshi)
Member



ANNEXURE-I**DETAILS OF LOAN BASED ON ACTUAL LOAN PORTFOLIO 2009-14****(₹ in lakh)**

Particulars	Interest Rate (%)	Loan deployed as on 1.4.2013	Additions during the tariff period	Total
BOND XXVIII-DOCO DRAWAL-01-April 2013-	9.33	480.00	0.00	480.00
BOND XXIX-DOCO-01-APR-2013-	9.20	535.00	0.00	535.00
BOND XXXIII-DOCO DRAWAL- 01-APR-2013	8.64	3.00	0.00	3.00
BOND XXXII-DOCO DRAWAL- 01-APR-2013	8.84	655.00	0.00	655.00
BOND XXXIV-DOCO-01-APR-2013	8.84	3720.00	0.00	3720.00
BOND XXXV-DOCO DRAWAL-01-APR-2013	9.64	280.00	0.00	280.00
BOND XXXVI-DOCO-DRAWAL-1-APR-2013	9.35	1425.00	0.00	1425.00
BOND XXXVII-DOCO-01-APR-2013-	9.25	4670.00	0.00	4670.00
BOND XXXIX-DOCO DRAWAL-01-APR-2013-	9.40	6650.00	0.00	6650.00
SBI (21.3.2012)- ADDCAP FOR 2013-14 Add Cap Funding	10.29	0.00	1208.34	1208.34
SBI (21.3.2012)- DOCO DRAWAL-01-APR-2013-	10.29	4500.00	0.00	4500.00
BOND XL- DOCO DRAWAL-01-APR-2013-	9.30	14000.00	0.00	14000.00
BOND XLI- DOCO DRAWAL-01-APR-2013-	8.85	6314.36	0.00	6314.36
BOND XLIII-ADD CAP FOR 2013-14 add cap funding-	7.93	0.00	1368.96	1368.96
BOND XLV-ADD CAP FOR 2013-14 add cap funding-	9.65	0.00	19.00	19.00
Total		43232.36	2596.30	45828.66



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

(₹ in lakh)	
Particulars	2013-14
Gross Opening Loan	43232.36
Cumulative Repayments of Loans upto Previous Year	84.58
Net Loans Opening	43147.78
Add: Drawal(s) during the year	2596.30
Less: Repayment(s) of Loan during the year	139.16
Net Closing Loan	45604.92
Average Net Loan	44376.35
Interest on Loan	4125.39
Rate of Interest on Loan (%)	9.2964



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

(₹ in lakh)

Particulars	Interest Rate (%)	Loan deployed as on 1.4.2014	Additions during the tariff period	Total
BOND XXVIII-DOCO DRAWAL-01- April 2013-	9.33	480.00	0.00	480.00
BOND XXIX-DOCO-01-APR-2013-	9.20	535.00	0.00	535.00
BOND XXXIII-DOCO DRAWAL- 01- APR-2013	8.64	3.00	0.00	3.00
BOND XXXII-DOCO DRAWAL- 01- APR-2013	8.84	655.00	0.00	655.00
BOND XXXIV-DOCO-01-APR-2013	8.84	3720.00	0.00	3720.00
BOND XXXV-DOCO DRAWAL-01- APR-2013	9.64	280.00	0.00	280.00
BOND XXXVI-DOCO-DRAWAL-1- APR-2013	9.35	1425.00	0.00	1425.00
BOND XXXVII-DOCO-01-APR- 2013-	9.25	4670.00	0.00	4670.00
BOND XXXIX-DOCO DRAWAL-01- APR-2013-	9.40	6650.00	0.00	6650.00
SBI (21.3.2012)- ADDCAP FOR 2013-14 Add Cap Funding	10.25	1208.34	0.00	1208.34
SBI (21.3.2012)- DOCO DRAWAL- 01-APR-2013-	10.25	4500.00	0.00	4500.00
BOND XL- DOCO DRAWAL-01- APR-2013-	9.30	14000.00	0.00	14000.00
BOND XLI- DOCO DRAWAL-01- APR-2013-	8.85	6314.36	0.00	6314.36
BOND XLIII-ADD CAP FOR 2013- 14 add cap funding-	7.93	1368.96	0.00	1368.96
BOND XLV-ADD CAP FOR 2013-14 add cap funding-	9.65	19.00	0.00	19.00
Total		45828.66	0.00	45828.66



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

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Opening Loan	45828.66	45828.66	45828.66	45828.66	45828.66
Cumulative Repayments of Loans up to Previous Year	223.74	673.15	1535.06	4703.80	7988.20
Net Loans Opening	45604.92	45155.51	44293.60	41124.86	37840.46
Add: Drawal(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of Loan during the year	449.41	861.91	3168.74	3284.40	3284.40
Net Closing Loan	45155.51	44293.60	41124.86	37840.46	34556.06
Average Net Loan	45380.22	44724.56	42709.23	39482.66	36198.26
Interest on Loan	4214.10	4154.89	3967.99	3667.92	3363.24
Rate of Interest on Loan (%)	9.2862	9.2900	9.2907	9.2899	9.2912

