

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 141/TT/2015**

**Coram:**

**Shri Gireesh B. Pradhan, Chairperson  
Shri A.K. Singhal, Member  
Shri A.S. Bakshi, Member  
Dr. M.K. Iyer, Member**

**Date of Order : 15.12.2017**

**In the matter of:**

Approval of transmission tariff for MB TPS (Anuppur)-Jabalpur Pooling Station 400 kV D/C (triple Snowbird) line, under Transmission System for connectivity of MB Power (M.P.) Limited in Western Region for tariff block 2014-19 under Regulation 86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and Central Electricity Regulatory Commission(Terms and Conditions of Tariff) Regulations, 2014.

**And in the matter of:**

Power Grid Corporation of India Limited  
"Saudamini", Plot No. 2, Sector 29  
Gurgaon -122001

**....Petitioner**

**Vs**

1. Madhya Pradesh Power Trading Company Limited,  
Shakti Bhawan, Rampur,  
Jabalpur-482 008
2. MB Power (Madhya Pradesh) Limited,  
Corporate Office, 235, Okhla Industrial Estate,  
Phase-III, New Delhi-110 020
3. Maharashtra State Electricity Distribution Company Limited,  
Prakashgad, 4<sup>th</sup> Floor,  
Andheri (East), Mumbai-400 052
4. Gujarat Urja Vikas Nigam Limited,  
Sardar Patel Vidyut Bhawan, Race Course Road, Vadodara-390 007



5. Electricity Department, Government of Goa,  
Vidyut Bhawan, Panaji,  
Near Mandvi Hotel, Goa-403 001
6. Electricity Department,  
Administration of Daman and Diu,  
Daman-396 210
7. Electricity Department,  
Administration of Dadra Nagar Haveli,  
U.T., Silvassa-396 230
8. Chhattisgarh State Electricity Board,  
P.O. Sunder Nagar, Dangania, Raipur  
Chhattisgarh-492 013
9. Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Limited,  
3/54, Press Complex, Agra-Bombay Road  
Indore-452 008

.....Respondents

**For petitioner :** Shri M.G. Ramachandran, Advocate for PGCIL  
Shri Mohd. Mohsin, PGCIL  
Shri Y.K. Sehgal, PGCIL  
Shri A.M. Pavgi, PGCIL

**For respondents:** Shri Sanjay Sen, Advocate for M.B. Power (MP) Ltd.  
Ms. Molshree Bhatnagar, Advocate for M.B. Power (MP) Ltd.  
Shri Abhishek Gupta, M.B. Power (MP) Ltd.  
Ms. Ruth Elvin, M.B. Power (MP) Ltd.

### **ORDER**

The present petition has been filed by Power Grid Corporation of India Limited (the petitioner) seeking approval of transmission charges for MB TPS (Anuppur)-Jabalpur Pooling Station 400 kV D/C (triple Snowbird) line only (hereinafter referred to as “transmission asset”) under Transmission System for connectivity of MB Power (M.P.)



Limited in Western Region for tariff block 2014-19 from the date of commercial operation to 31.3.2019 based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”).

2. The Investment Approval (IA) for the said system was accorded by the Board of Directors of the petitioner vide Memorandum No C/CP/MB Power dated 5.8.2011 at an estimated cost of ₹42551 lakh including an IDC of ₹1759 lakh (based on 1st Qtr 2011 price level). The Revised Cost Estimate for the project was accorded by the Board of Directors of the petitioner vide Memorandum No C/CP/RCE-MB Power dated 9.12.2014 at an estimated cost of ₹44764 lakh including an IDC of ₹3840 lakh (based on April, 2014 price level). The project was scheduled to be commissioned within 25.5 months from the date of IA. Therefore, the scheduled date of commissioning of the transmission system was 19.9.2013.

3. The scope of work covered under the original scheme is broadly as follows:-

**Transmission Lines:**

- a. MB TPS (Anuppur)-Jabalpur Pooling Station 400 kV D/C (Triple Snowbird) line;
- b. Jabalpur Pooling Station-Jabalpur (existing) Sub-station 400 kV D/C (Triple Snowbird) line;

**Sub-stations:**

- a. Extension of 765/400 kV Jabalpur Pooling Station;
- b. Extension of 400 kV Jabalpur Sub-station (for interim arrangement);

4. The scope of work under the scheme as per revised approved cost estimate is



broadly as follows:-

**Transmission Lines:**

- a. MB TPS (Anuppur)-Jabalpur Pooling Station 400 kV D/C (Triple Snowbird) line;

**Sub-stations:**

- a. Extension of 765/400 kV Jabalpur Pooling Station with 2x50 MVAR Line Reactors;

5. The petitioner was entrusted with the implementation of transmission system for connectivity of M.B. Power (MP) Limited in Western Region. The connectivity and Long Term Access (LTA) was granted to M.B. Power (MP) Limited in the 30<sup>th</sup> meeting of Standing Committee on Power System Planning of Western Region Constituents held on 8.7.2010. It was also discussed and agreed in the 12<sup>th</sup> meeting of WR Constituents and IPPs regarding connectivity/MTOA/LTA application held on 8.7.2010. However, as per the 18<sup>th</sup> WR constituents meeting for LTA held on 9.7.2013, the scope of the project was revised, as it was decided that the interim arrangement (till the availability of the dedicated transmission system, inter-connection through 400 kV D/C Jabalpur Pooling Sub-station-Jabalpur existing transmission line) as approved in the 12<sup>th</sup> Open Access Meeting of WR constituents is no longer needed, due to delay in the generation project and it was observed that by the time the generation project comes into effect, Jabalpur PS shall be available considering the advance stage of completion of work.

6. The petitioner had initially claimed the transmission tariff for the following assets as per the actual/anticipated COD in Petition No. 38/TT/2014 under the 2009 Tariff Regulations.



Particulars	COD	
	Scheduled	Actual/ Anticipated
<b>Asset-1:</b> 2 nos. Line bays alongwith 2 nos. 50 MVAR Line Reactors (charged as Bus Reactor) (Interim contingency till readiness of 400 kV D/C MB TPS (Anuppur)-Jabalpur Pool Station TL associated with MB Power (MP) Transmission system	1.10.2013	1.1.2014  (Actual)
<b>Asset-2:</b> 400 kV D/C (Triple Snowbird) MB TPS (Anuppur)-Jabalpur Pooling Station TL only associated with MB Power (M.P.) Transmission system	1.10.2013	1.3.2014  (Anticipated)

7. Later, the petitioner vide affidavit dated 30.5.2014 has submitted the anticipated COD of Asset-2 as 1.7.2014 and not 1.3.2014 as stated in the petition. As 400 kV D/C (Triple Snowbird) MB TPS (Anuppur)-Jabalpur Pooling Station TL associated with MB Power (M.P.) Transmission System was anticipated to be commissioned on 1.7.2014, the petitioner has filed the instant petition claiming tariff for 400 kV D/C (Triple Snowbird) MB TPS (Anuppur)-Jabalpur Pooling Station only associated with MB Power (M.P.) Transmission system under the 2014 Tariff Regulations. Accordingly, the details of the asset covered in the instant petition are as under:-

Particulars	Scheduled COD	Actual COD	Delay
400 kV D/C (Triple Snowbird) MB TPS (Anuppur)-Jabalpur Pooling Station only associated with MB Power (M.P.) Transmission system	1.10.2013	8.8.2014	10 months 19 days

8. This order has been issued considering petitioner's affidavits dated 16.6.2015, 3.7.2015, 30.12.2015, 24.2.2016, 28.4.2016, 6.5.2016 and 16.5.2016.



9. The details of the transmission charges claimed by the petitioner for the instant asset are as follows:-

Particulars	(₹ in lakh)				
	2014-15 (pro-rata)	2015-16	2016-17	2017-18	2018-19
Depreciation	1300.10	2,082.74	2,144.54	2169.80	2169.80
Interest on Loan	1516.24	2,275.75	2,157.55	1992.05	1796.18
Return on Equity	1448.10	2,319.42	2,387.86	2416.01	2416.01
Interest on Working Capital	104.39	163.65	164.26	162.02	157.86
O & M Expenses	112.77	179.98	185.88	192.04	198.44
<b>Total</b>	<b>4481.60</b>	<b>7021.54</b>	<b>7040.09</b>	<b>6931.92</b>	<b>6738.29</b>

10. The details submitted by the petitioner in support of its claim for interest on working capital are as under:-

Particulars	(₹ in lakh)				
	2014-15 (pro-rata)	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	26.11	27.00	27.88	28.81	29.77
O & M expenses	14.51	15.00	15.49	16.00	16.54
Receivables	1152.94	1170.26	1173.35	1155.32	1123.05
<b>Total</b>	<b>1193.56</b>	<b>1212.26</b>	<b>1216.72</b>	<b>1200.13</b>	<b>1169.36</b>
Interest Rate	13.50%	13.50%	13.50%	13.50%	13.50%
<b>Interest</b>	<b>161.13</b>	<b>163.65</b>	<b>164.26</b>	<b>162.02</b>	<b>157.86</b>

11. No comments have been received from the general public in response to the notices published in newspapers by the petitioner under Section 64 of the Electricity Act, 2003 (the Act). MB Power (Madhya Pradesh) Limited (MBPL), Respondent No. 2 has filed replies dated 3.7.2015, 31.7.2015, 28.8.2015 and 28.3.2016. MBPL has submitted that the COD of the instant asset should not be approved as 8.8.2014 till the petitioner successfully demonstrates the compliance of all the regulatory, statutory and legally pre-conditions for declaration of COD. MBPL has also submitted that the petitioner has not provided the requisite metering as per the approved scheme and in accordance with statutory requirements and the certificate issued by the Electrical



Inspector for the instant asset is not for commencement of supply but for anti-theft charging, which is not valid under Regulation 43 of CEA (Measures relating to Safety and Electric Supply) Regulation 2010. MBPL has further submitted that it is not liable to pay any transmission charges till the time the instant asset serves the intended purpose of dispatch of power from its Generation Project under the Long Term Access granted to it and as such MBPL should not be burdened with any liability in terms of transmission charges. The petitioner has filed rejoinder dated 11.8.2015 to the reply of MBPL. The objections raised by the respondent and the clarifications given by the petitioner are addressed in the relevant paragraphs of this order.

12. MBPL filed an Interlocutory Application No. 21/201, raising interrogatories seeking information from the petitioner. The same was disposed vide order dated 8.8.2016 wherein the Commission observed that since the order in the main petition is already reserved, the Commission will proceed to pass the order after taking into account the submissions of the petitioner and the respondent in the Interlocutory Application with reference to the interrogatories. The basic issue raised by MBPL in its interrogatories pertains to the date of commercial operation of the instant transmission assets and delay in operationalisation of the LTA granted. The interrogatories raised by MBPL and the reply give by the petitioner are dealt in the subsequent paragraphs.

**Approval of date of commercial operation (COD)**

13. The petitioner has submitted that the instant asset was ready on 8.8.2014 for its intended use but could not be commissioned due to delay in commissioning of generation by MBPL. Therefore, the petitioner was not able to provide service for the



reasons not attributable to itself, its suppliers or contractors. Accordingly, the instant assets of the petitioner qualifies for approval of COD prior to the element coming into regular service under the second proviso to Regulation 4(3) of the 2014 Tariff Regulations. Accordingly, the petitioner has prayed for approval of COD of the instant assets as 8.8.2014 as per the said regulations.

14. Regulation 4(3) of the 2014 Tariff Regulations, provides as under:-

"(3) date of commercial operation in relation to a transmission system shall mean the date declared by the transmission licensee from 0000 hour of which an element of the transmission system is in regular service after successful trial operation for transmitting electricity and communication signal from sending end to receiving end:

Provided that:

i) Where the transmission line or substation is dedicated for evacuation of power from a particular generating station, the generating company and transmission licensee shall endeavour to commission the generating station and the transmission system simultaneously as far as practicable and shall ensure the same through appropriate Implementation Agreement in accordance with Regulation 12(2) of these Regulations:

ii) in case a transmission system or an element thereof is prevented from regular service for reasons not attributable to the transmission licensee or its supplier or its contractors but is on account of the delay in commissioning of the concerned generating station or in commissioning of the upstream or downstream transmission system, the transmission licensee shall approach the Commission through an appropriate application for approval of the date of commercial operation of such transmission system or an element thereof."

15. MBPL vide affidavit dated 3.7.2015 has submitted that the COD of 8.8.2014 claimed by the petitioner is inaccurate and contrary to facts and the same may not be accepted as COD of the instant assets.

16. As stated above, MBPL has filed an Interim Application No. 21/IA/2016 seeking information above the date of the commercial operation of the instant assets. MBPL has





submitted that the petitioner has claimed the COD of the instant assets as 8.8.2014 and it is incorrect and opposed by MBPL has the petitioner has not complied with the prevailing statutory requirement and regulations. MBPL has submitted that the petitioner is under both contractual and statutory obligation to match and coordinate the COD of the instant assets with that of the generation project of MBPL, which was also emphasized by the Commission in its order dated 13.12.2011 in Petition No.154/MP/2011. The petitioner cannot absolve itself of its statutory duties and contractual obligations by merely stating that it could not do so because of contractual obligations. MBPL has submitted that the petitioner cannot seek tariff for the instant assets when it has incurred costs without paying heed to the intimation of delay in commissioning of the associated generation project. The petitioner should unambiguously and adequately establish that it made efforts to mitigate its losses. MBPL has raised the following issues in its IA:- (a) whether the COD claimed may be rendered as legal and actual COD as per the prevailing applicable laws, statutes and the regulations, (b) whether the petitioner had the option of matching the construction/COD of the instant asset with that of the associated Generation Project of the respondent in accordance with the directions of the Commission vide its orders from time to time to coordinate and match the construction and commissioning of the transmission system with that of the associated generation project, (c) what were the potential liabilities that the petitioner would have had to incur in case of prolonging the construction of the instant asset to match the COD of the associated Generation Project of MBPL (d) whether any actual efforts were made by the petitioner to match the commissioning of the instant asset with that of the associated Generation Project of



MBPL. MBPL has prayed the Commission to direct the petitioner to reply the interrogatories, so that the petition can be heard in totality. The interrogatories raised by MBPL are as under:-

- i) What and when were the contracts/sub-contracts entered into by PGCIL pursuant to signing the Transmission Agreement and Bulk Power Transmission Agreement/Long Term Access Agreement with the Applicant/Respondent No.2?
- ii) Which contracts/sub-contracts would have been affected if the purported COD of instant asset by PGCIL was to be done matching with the Commercial Date of Operation of the associated Generation Project of the Applicant/Respondent No.2?
- iii) What losses would have been incurred in case such sub-contractors were instructed to match the purported date of commercial operation of Asset-2 with the Commercial Date of Operation of the associated Generation Project of the Applicant/ Respondent No. 2?
- iv) Whether such contracts/sub-contracts had any provision(s) to pay compensation in case of instructions to match the purported Date of Commercial Operation of Asset-2 with the Commercial Date of Operation of the associated Generation Project of the Applicant/Respondent No.2 were issued by the petitioner PGCIL to these sub-contractors?
- v) Whether such contract/sub-contract restricts the PGCIL from prolonging the construction of Asset-2 to match its Date of Commercial Operation with Commercial Date of Operation of the associated Generation Project of the Applicant/Respondent No.2?
- vi) Whether the compensation payable to contractor/sub-contractor for matching the Date of Commercial Operation of Asset 2 commensurate to Commercial Date of Operation of the associated Generation Project of the Applicant/Respondent No.2 would have been less onerous qua the transmission charges for its intervening period between claimed Date of Commercial Operation of Asset-2 and Commercial Date of Operation of associated Generation Project of the Applicant/Respondent No.2 as prayed by PGCIL?
- vii) Whether as on 8.8.2014, the entire metering scheme as approved by the WRLDC vide its letter dated 13.11.2013 was installed and working?
- viii) Whether PGCIL has complied with all the pre-requisites i.e. successful trial run operation of the Transmission System as identified under the TA/BPTA as required under the 2014 Tariff Regulations to declare the date of commercial operation of instant asset as 08.08.2014?
- ix) Whether instant asset had end to end connectivity to serve its intended use as on 8.8.2014 to enable PGCIL to declare the COD of the instant asset as 08.08.2014, as per the prevailing applicable laws, statues and regulations?
- x) Whether as on 08.08.2014 the Petitioner was ready to operationalize the entire Long Term Access granted to Applicant for seamless evacuation and transmission of the power



generated from the associated Generation Project of the Applicant to its beneficiary under PPA. If yes, then what are the reasons for delay by the Petitioner in operationalisation of the Long Term Access of 192 MW for Uttar Pradesh till end of the August 2015 despite the fact that the associated Generation Project of the Applicant achieved COD on 20<sup>th</sup> May 2015 and the Applicant had a valid Long Term PPA with Uttar Pradesh for supply of power from its Generation Project.”

17. In response, the petitioner vide affidavit dated 4.8.2016 has submitted its reply to interrogatories raised by MBPL as under:-

a. MBPL is attempting to undertake roving and fishing inquiry to delay the adjudication and consequent decision in the instant matter. The issue raised by MBPL is completely academic and purely legal. MBPL cannot raise questions on the hypothesis as to what would have happened if something else had happened. The petitioner is not required to answer such questions. The petitioner has claimed that it was ready with its transmission system by 8.8.2014 and COD should be on 8.8.2014, notwithstanding that the generating project of MBPL was not ready on that date. The petitioner has also explained the reasons for the delay in declaring the DOCO till 8.8.2014.

b. It is entitled to complete its part of the scope of work, declare COD as per law and claim transmission tariff for the transmission asset put to use. There is no justification to delay the completion of the transmission line by asking the contractor to postpone/defer the work. It involves lot of financial/contractual and other implications. The contractor could have even abandoned the work and proceed if asked to defer the project without any cause or justification. It may also lead to payment of escalated rate to the contractor.



c. The petitioner needs to service its Lenders and its equity shareholders i.e. the project cost with effect from 8.8.2014. MBPL cannot ask the petitioner to defer the servicing of its capital cost and operating cost in order to accommodate their wishes and desires. Further, the Commission will not allow IDC and IEDC for such deferment as per the principles laid down by the Appellate Tribunal in the Maharashtra Generating Company's case.

d. Two numbers of Energy meters installed were sufficient for evacuation of power from its generating unit. The other aspects raised by MBPL are irrelevant.

e. The petitioner had taken all the steps required for declaring the commercial operation (COD). All facilities required for evacuation of power from generating stations were ready on 8.8.2014 and power from the bus bar of the generating station could have been evacuated to the grid from 8.8.2014 if the generating station of MBPL was ready and had injected power.

f. The LTA taken by the concerned party for transfer of power from the bus-bar of the generating station to the point of delivery under the LTA was operational on the day for evacuation of power. MBPL is confusing the issue of COD with LTA. The LTA depends upon the application filed and the availability of transmission system and its capacity required for LTA. It is clear from the LTA Agreement entered on 17.6.2011 between CTU and MBPL that the transfer of power to its target beneficiary regions (NR: 200 MW and WR:192 MW) shall be



facilitated on the availability of transmission elements. MBPL on 21.1.2014 mentioned that PPA of 361 MW (MBPL with PTC and PTC back to back with Uttar Pradesh) has been entered into, with start date of 30.10.2016. MBPL, later on 28.8.2014 had desired to have the LTA commencement advanced, which was still contingent upon the approval from UPPCL which was expected soon at their end.

g. LTA commencement to an identified beneficiary (in the present case-Uttar Pradesh) may only commence upon the fulfilment of conditions which are not merely limited to PPA (which was approved by Uttar Pradesh on 8.12.2014), as per their MTOA application dated 24.12.2014, for commencement of supply to UP on 1.3.2015. Thus, based on the availability of transmission system and its capacity, the MTOA of 169 MW commenced on 22.8.2015 and the LTA of 192 MW commenced on 26.8.2015. Further, the transfer of 361 MW to Uttar Pradesh started even though certain elements were still not commissioned.

18. MBPL has made the following additional submissions, vide affidavit dated 8.8.2016, regarding utilization of instant asset in the context of non-availability of downstream ISTS, which delayed open access for U.P:-

a) The petitioner was granted Long Term Access (LTA) on 19.4.2010 for evacuation of power from its generation project with effect from 1.8.2013, for which a Long Term Access Agreement (BPTA) was signed between MBPL and the petitioner on 17.6.2011. This LTA was granted from an identified ISTS, which included the 765 kV S/C (2<sup>nd</sup>) Gwalior-Jaipur transmission line to be built, owned,



operated and maintained by the petitioner as a part of ISTS and the 765 kV S/C Jaipur-Bhiwani transmission line to be built, owned, operated and maintained by the petitioner as a part of ISTS.

b. Subsequently, the MBPL signed a long term PPA on 18.1.2014 with UP for supply of 361 MW from its generation project. Immediately after signing this PPA, MBPL vide its letter dated 21.1.2014 informed the petitioner of the same, thereby enclosing a copy of this PPA, with a request to formalize the LTA of 361 MW to UP (on firm beneficiary basis) from the LTA granted quantum of 392 MW.

c. Subsequently, MBPL on 29.5.2014 once again requested the petitioner to formalize the LTA to UP from the third quarter (Q3) of 2014-15 (i.e. by October-November 2014) to enable MBPL to supply power to UP under the PPA and requested the petitioner to confirm the date of commencement of LTA for UP.

d. Meanwhile, UPPCL on 8.12.2014 preponed the commencement of supply under PPA from 30.10.2016 to 1.3.2015, subject to availability of Open Access. Accordingly, MBPL again on 9.12.2014, requested the petitioner to operationalise the LTA from March 2015. The same was reiterated again on 19.12.2014. MBPL on 31.12.2014 also gave 60 days' prior notice to WRLDC to effect supply from its generation project to UP in March 2015.

e. The petitioner clearly expressed its inability to operationalise the granted LTA for UP from March 2015 as per the request of MBPL. Further, the petitioner informed that the LTA for UP can be operationalised only after commissioning of 765 kV S/C (2<sup>nd</sup>) Gwalior-Jaipur transmission line, which was also being constructed by the petitioner and was then targeted for commissioning by May 2015. Accordingly, it was



the endeavour of MBPL to match the commissioning of its generation project with the targeted commissioning of 765 kV S/C (2<sup>nd</sup>) Gwalior-Jaipur transmission line, since without operationalised LTA, the generation project would have remained unutilized and stranded.

f. To complete all the formalities for timely operationalisation of LTA, MBPL requested the petitioner to confirm the value of LC to be opened by it in favour of the petitioner. To this request, the petitioner on 18.3.2015 directed MBPL not to open the LC as commencement of LTA was subject to commissioning of the 765 kV S/C (2<sup>nd</sup>) Gwalior-Jaipur transmission line, which was not commissioned till that time.

g. The generation project reached full load commissioning on 20.4.2015, subsequent to which MBPL vide letter dated 2.5.2015 yet again requested the petitioner to operationalise the Open Access for UP at the earliest to enable MBPL to supply power to UP under PPA.

h. The generation project achieved COD on 20.5.2015. However, repeated requests by MBPL, the LTA for UP was not operationalised by the petitioner. Operationalisation of LTA was delayed by the petitioner due to delay in commissioning of 765 kV S/C (2<sup>nd</sup>) Gwalior-Jaipur transmission line and 765 kV S/C Jaipur-Bhiwani transmission line which were also implemented by the petitioner.

i. Eventually, after commissioning of 765 kV S/C (2<sup>nd</sup>) Gwalior-Jaipur transmission line and 765 kV S/C Jaipur-Bhiwani transmission line by the petitioner, the LTA for UP was finally operationalised by the petitioner with effect from 28.8.2015.



j. Despite having signed and secured a LTA in April 2010 and having achieved COD of the Generation Project on 20.5.2015, MBPL was not able to supply power to UP under its PPA due to delay in operationalisation of LTA by the petitioner till 26.8.2015 i.e. almost 3 months after COD of Generation Project. This resulted in bottling up of power at the Generation Project, thereby forcing MBPL to shut down its Generation Project till the time the LTA was operationalised by the petitioner.

k. As per the Clause 6.0 (d) of the LTA Agreement (BPTA) dated 17.6.2011, in case generation capacity was ready and there is a delay in COD of associated ISTS, the petitioner is required to make alternate arrangement for dispatch of power. However, the petitioner has failed to provide any alternate system for dispatch of power from the Generation Project of MBPL to Uttar Pradesh.

l. Even after achieving COD, the instant asset did not serve its intended purpose of dispatch of power to PPA beneficiary till the time LTA granted to MBPL for UP was made operational by the petitioner i.e. till 26.8.2015.

m. As the instant asset is part of ISTS, it requires a holistic consideration i.e. end to end transmission access from the Generation Project to UP. In the absence of timely implementation of the downstream ISTS by the petitioner for timely operationalisation of LTA, the standalone instant asset did not serve its intended purpose to MBPL. As such, any financial liabilities on MBPL on account of the standalone tariff of instant asset, which forms only a part of the identified end to end ISTS would be unwarranted. It is unfair for the petitioner to seek transmission charges for instant asset from MBPL corresponding to the period when the downstream system for operationalisation of LTA was not completed by the petitioner itself. The petitioner





in abuse of its dominant position, does not want to take any responsibility for its own delays, but wants to charge MBPL for an incomplete transmission system which is not serving its intended purpose till the time the LTA granted to MBPL for UP was made operational by the petitioner.

19. MBPL, in response to the petitioner's rejoinder to the interrogatories dated 4.8.2016, has made the following submissions, vide affidavit date 12.8.2016:-

a. Form 5(A) does not consist of the relevant contract/sub-contract. It merely refers to transaction/orders details of contracts with suppliers. The contract/sub-contracts can be scrutinised by the MBPL since these are relevant and material to present subject matter.

b. The petitioner has refused to answer its queries at nos.2 and 3 on the ground that the same are completely academic and purely legal. MBPL cannot examine the authenticity of such submissions made by the petitioner unless such contracts/sub-contracts are put on records.

c. The petitioner was under the obligation to match the progress of the instant asset with that of the generation project. The Commission in order dated 13.12.2011 in the Petition No. 154/MP/2011 and I.A. No. 17/2011 while granting regulatory approval to the petitioner for the instant asset, directed the petitioner to ensure optimum utilization of both generation and transmission capacities and to avoid either stranded transmission assets or generation asset so that end consumers are not burdened with onerous financial implications. The petitioner cannot declare the COD of instant



asset, without fulfilling the conditions stipulated in the Hon'ble Supreme Court of India order in NTPC Barh-Balia judgement. The instant asset ought to be connected from Jabalpur end to Annupur end and there should be actual flow of power, at a rated voltage, from one end to another and the asset must perform its intended use.

d. The obligation to pay transmission charges can only arise as per law, once the transmission asset has achieved end to end connectivity and is being utilised for its intended use. Since the instant asset neither achieved end to end connectivity nor could have been utilised for its intended use as on 8.8.2014, the petitioner cannot declare the COD on 8.8.2014.

e. The petitioner has admitted that as on 8.8.2014 only two numbers (and not seven numbers) of energy meters were installed. The petitioner has contended that all required pre-requisites for declaring COD have been complied with. Such averments and submission made by the petitioner reinstate claim of MBPL that there has been non-compliance of statutory and regulatory mandates by the petitioner.

f. Without having proper certification as required under law and no end to end connectivity, the instant asset cannot be said to be ready for evacuation of power as required for the purpose and scope intended under the BPTA.

g. The metering scheme communicated by WRLDC was admittedly not complied as on 8.8.2014 (and even till date) the certificate for commencement for supply by CEIG under Regulation 43 of the CEA Regulations and Certificate of Regular Service by WRLDC has not been put on record by the petitioner, therefore, the claim that as



on 8.8.2014, the petitioner would have duly evacuated the power from the Generation Project is not correct.

h. As the petitioner failed to establish its case on the three conditions (i) The line had to be successfully charged; (ii) Its trial has been successfully carried out; (iii) It is in regular service, the COD of the instant asset cannot be approved as 8.8.2014 and accordingly no transmission charges are payable by MBPL.

20. The petitioner, vide affidavit date 2.9.2016 has further made the following additional submissions, in response to MBPL's reply vide affidavit dated 12.8.2016:-

“(i) The details of contracts entered by the petitioner are as under:-

<b>Srl. No</b>	<b>Name of Contract</b>	<b>Scope of work</b>	<b>Date of Award</b>
1.	Tower Pkg. P261-TW01 for 400 kV D/C (Triple Bundle) MB TPS (Anuppur)-Jabalpur Pooling Station (Part-I).- EMC	Supply and Erection	12.9.2011
2.	Tower Pkg. P261-TW02 for 400 kV D/C (Triple Bundle) MB TPS (Anuppur)-Jabalpur Pooling Station (Part-II) and 400 kV D/C (Triple Bundle) Jabalpur pooling Station- Jabalpur Existing Substation.- EMC	Supply and Erection	12.9.2011
3.	Conductor pkg. P261-CD01 for 400 kV D/C (Triple Bundle) MB TPS- Jabalpur pooling Station (Part-I) T/L.- Vijay Electricals	Supply and Erection	22.10.2011
4.	Conductor pkg. P261-CD02 for 400 kV D/C (Triple Bundle) MB TPS- Jabalpur pooling Station (Part-II) and 400 kV D/C (Triple Bundle) Jabalpur Pooling Station-Jabalpur Existing S/S T/L.- SMITA CONDUCTORS	Supply and Erection	22.10.2011
5.	Insulator Pkg. P261-IS01 (for Tower Pkg. TWO1 & TW02) - WSI	Supply and Erection	5.12.2011
6.	Composite Long Rod Insulator Pkg.- CIS02 for 400 kV Transmission Lines in NR-I, ER-II & WR-II Regions associated	Supply and Erection	15.4.2013



	with Composite Long Rod Insulators for under Construction lines in Various Region.- GOLDSTONE -		
7.	PLCC ONLY-Substation Package (P237-SS02) for Extension of 400 kV Jabalpur Pooling Station associated with MB Power.- TECHNO	Supply and Erection	28.11.2011

The petitioner has further submitted that the present petition has been filed for determination of transmission charges of MBPL-Jabalpur 400 kV D/C (Triple conductor) line, which has been identified as transmission system to facilitate the connectivity of the generation project with the Grid and to this effect a Transmission Agreement was also signed with MBPL. A separate transmission system was envisaged to enable the provision of long term access of the power to its beneficiaries (NR and WR as target regions). As far as the 2009 Connectivity Regulations is concerned the purpose of the connectivity line is to enable inter-connection of the generation project with the Grid. The transfer of power to any identified beneficiary is facilitated by seeking any form of access (i.e. STOA, MTOA or LTA). MBPL on this connectivity line has imported up to about 20 MW of power from Jabalpur (from where it is connected to entire regional grid) and has availed the same for its start-up requirement and has also exported infirm power up to about 520 MW in to the grid utilising this connectivity line. Further, while granting the regulatory approval in Petition No. 154/MP/2011 for the transmission system, the Commission had observed that transmission charges of the transmission system shall be governed as per the Sharing Regulations.



21. The submissions made by MBPL are summarised herein below:-

**A) Requisite Metering as per the approved scheme and in accordance with statutory requirements has not been provided.**

a. As per Regulation 7 of the Central Electricity Authority (Installation and operation of Meters) Regulations, 2006, installation of at least 1 Main Meter and 1 Check Meter on each outgoing feeder and at least 1 Standby Meter each on High Voltage side of every Generator Transformers and High Voltage side of every station Auxiliary transformers at switchyard of any generation project is mandatory.

b. As per Regulation 6.4.21 of Grid Code read with regulation 2.3.1.(3) of Grid Code and Regulation 7 of the CEA Regulations, a scheme of metering was made by WRLDC for the instant asset. This scheme for installation of SEMs at the 400 kV switchyard of the Generation Project was approved and communicated to the MBPL and the petitioner by WRLDC on 13.11.2013, which required installation of 7 SEMs by the petitioner (CTU) at the 400 kV switchyard of the generation project. This scheme provided for installation of 2 Main Meters; 2 Check Meters and 3 Stand-by Meters.

c. As per the petitioner's affidavit dated 16.6.2015, the balance metering (i.e. 5 SEMs) could not be carried out by the petitioner as the panels at the generation switchyard of the respondent were not available as on 30.7.2014. The assets under the scope of the petitioner are ready, but the associated Anuppur Generating Station of MBPL is not ready. As regards alleged 'non-readiness' of the Generation project as on the date of installation of 2 SEMs i.e. 30.7.2014, nothing



prevented the petitioner to install the remaining SEMs at the site of Generation project.

d. The petitioner realized the lapse on its part to comply with statutory requirements of installing 7 SEMs at the 400 kV switchyard of the generation project after receipt of affidavit dated 13.10.2014 in petition No. 38/TT/2014 from respondent. However, despite this, the petitioner took more than three weeks to rectify its lapse. Subsequently, 2 SEMs installed on 30.7.2014 were removed and new 7 SEMs were installed on 7.11.2014 by the petitioner at the 400 kV switchyard of Generation Project. The obligation of petitioner to install adequate metering arrangement as per the statutory requirement is not dependent on the commissioning of Generation project.

e. As per Regulation 3(53) of the 2014 Tariff Regulations, 'Regular Service' means putting into use a transmission system or element thereof after successful trial operation and a certificate to that effect has been issued by the concerned Regional Load Dispatch Centre.

f. The Hon'ble Appellate Tribunal for Electricity in its judgement dated 2.7.2012 in Appeal No. 123 of 2011 has held that adequate metering arrangements at both sending and receiving ends of any transmission line is a pre-requisite for declaration of COD of a line. In absence of requisite metering arrangement in accordance with (i) Regulation 6.4.21 of Grid Code; (ii) Regulation 7 of CEA regulations; (iii) WRLDC Metering Scheme dated 13.7.2013; and (iv) Tribunal's



Judgment dated 2.7.2012, the instant asset cannot be considered as 'ready for its intended use' and/or 'deemed to be commissioned' and/or to have achieved COD on 8.8.2014 as submitted by the petitioner. Hence, the COD of instant asset on 8.8.2014 as claimed by the petitioner is inaccurate and contrary to facts and hence may not be considered for approval.

**B) Certificate Issued by Electrical Inspector for the transmission asset is not for 'Commencement of Supply' but for anti-theft charging.**

The petitioner has failed to obtain the required certificate from the Electrical Inspector for 'Commencement of Supply' for the instant asset under Regulation 43 of CEA (Measures relating to Safety and Electric Supply) Regulations, 2010. As per the said regulation approval of the Electrical Inspector is mandatory before the commencement of supply of any electrical installation exceeding 650 Volts. The Certificate issued by the Electrical Inspector dated 31.7.2014 to the petitioner, clearly states that this approval has been granted for the specific purpose of 'anti-theft measure'. This approval cannot be construed to be an approval for the 'commencement of supply' from instant asset as mandated under Regulation 43 of the CEA (Measures relating to Safety and Electric Supply) Regulations, 2010. The Certificate issued for 'Commencement of Supply' means and implies that the Transmission Line is ready to be charged end to end at its rated voltage level and is capable of transmitting the power at such rated voltage level on continuous basis. The Electrical Inspector's approval for 'Anti-Theft Charging' does not amount to the statutory requirement of approval for 'Commencement of Supply' under the prevailing regulations. The petitioner has prayed for approval of



transmission tariff from 8.8.2014. The tariff for the instant assets cannot be determined unless the petitioner demonstrates actual COD.

**C) The determination, billing and recovery of transmission tariff of the instant transmission assets is subject to 'PoC Methodology'.**

a. Any liabilities on MBPL on account of transmission charges before the COD of its Generation Project (Unit-1: 600 MW) are not to be levied on grounds of failure of the petitioner to operationalise the LTA granted to MBPL and occurrence of force majeure events. Despite the best efforts by MBPL, there has been some delay in achieving the COD of its Generation Project on account of various factors beyond its reasonable control. The delay was due to grant of Stage-II Forest Clearance, appeals in the National Green Tribunal (NGT) which were later disposed-off by NGT in favour of the Generation Project, delay in land acquisition, disturbance/unrest at Project Site by motivated elements; unprecedented rains during monsoons, delay on account of filing of Public Interest Litigation before the Jabalpur High Court, etc. Accordingly, MBPL was appraising the petitioner of delay in commissioning of Generation Project.

b. MBPL is not liable to pay any transmission charges of the instant asset till the time they serve the intended purpose of dispatch of power from the Generation Project under the Long Term Access granted to MBPL.

**D) The petitioner has failed to operationalise the Long Term Access granted to the MBPL**

a. The subject transmission asset and part of the basic network was approved as ISTS by the Commission in its order dated 13.12.2011. MBPL was granted a





Long Term Access (LTA) for Northern Region which has been later formalized by CTU to Uttar Pradesh (UP) under Firm Beneficiary pursuant to the MBPL executing a Long Term Power Purchase Agreement ('PPA') with UP. This LTA was granted to MBPL by the CTU on 19.4.2010 and the LTA Agreement (BPTA) was signed between MBPL and the petitioner on 17.6.2011. The Transmission System including the instant transmission asset was accordingly identified for strengthening by the petitioner for the purpose of operationalisation of the granted LTA for evacuation and transmission of power from the Generation Project of MBPL to Northern Region (UP). This system strengthening involves commissioning of a S/C (2<sup>nd</sup>Ckt.) 765 kV Gwalior-Jaipur transmission line (hereinafter referred to as 'G-J Line') by the petitioner and is capable of delivering power from the Generation Project to U.P. periphery.

b. The G-J line has not been commissioned by the petitioner and the commissioning of this line was postponed by the petitioner. As per the CEA report (providing progress till 31.5.2015), the target commissioning of the G-J line was August 2015.

c. MBPL has signed a Long Term PPA with UP for supply of 361 MW power from the Generation Project with the power supply date being 1.3.2015. As mentioned above, MBPL has already secured Open Access for UP from CTU and the Unit-1 (600 MW) of the Generation Project has achieved COD in May 2015. Thus, despite having achieved COD of the Generation Project (Unit-1) and having secured Open Access way back in April 2010, the Open Access has not been



operationalised due to delay in commissioning of the G-J Line by the petitioner. As a result, MBPL is unable to supply power to the power deficit UP under PPA thereby forcing a shutdown of its Generation Project.

d. As per the Clause 6.0 (d) of the LTA Agreement (BPTA) dated 17.6.2011, in event of generation capacity being ready and there is a delay in commissioning of associated ISTS, the petitioner is required to make alternate arrangement for dispatch of power. However, the petitioner has failed to provide any alternate system for dispatch of power from the Generation Project of the MBPL to Uttar Pradesh.

**E) The petitioner's approach for the development of transmission infrastructure is purely revenue driven and profiteering in the garb of the Connectivity and PoC Regulations.**

a. The Commission in its order dated 13.12.2011 in the Petition No.154/MP/2011 and IA No. 17/2011 has repeatedly emphasized that in order to ensure optimum utilization of both generation and transmission capacities and to avoid stranded transmission assets, it is imperative for the petitioner to take up implementation of associated transmission system matching with the commercial operations of the Generation Project, so as not to burden the consumers with the transmission charges without getting benefit of the extra power.

b. Delay in land acquisition, court case and forest clearance have caused delay in commissioning of the Generation Project, extension of scheduled COD has



been approved by M.P. Power Management Company Ltd., Jabalpur by its letter dated 16.4.2015 and has been accordingly approved by MPERC.

22. The Respondent has submitted that in view of the above, the Commission may not approve COD of instant asset as 8.8.2014, direct the petitioner to submit the strict proof towards the compliances of the statutory pre-requisites enumerated in the Grid Code, CEA Regulations and WRLDC Metering Scheme etc. as stated above before approving COD of instant asset, to ascertain the validity of the Certificate issued by Electrical Inspector under Regulation 43 of CEA (Measures relating to Safety and Electric Supply) Regulation 2010 and to allow tariff for instant asset only after the petitioner successfully demonstrates COD of instant asset.

23. The petitioner, vide rejoinder dated 11.8.2015, has further submitted following:-

a. It has denied that it did not fulfill the requisite conditions for declaration of commercial operation of instant asset and has reiterated that it is entitled for declaration of COD of instant asset as 8.8.2014 and consequently the tariff as per the applicable regulations. The anticipated date of commercial operation of instant asset was 1.3.2014, but was commissioned on 8.8.2014. However, the instant asset could not be put into regular service because of non-readiness on the part of MBPL. Accordingly, the delay in the use of asset beyond 8.8.2014 is for reasons attributable to MBPL and not for any reason attributable to it or its contractors or suppliers. As per proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations, it is entitled to an order from the Commission declaring commercial operation of the instant asset with effect from 8.8.2014.



b. Further, the metering system to be installed including check meters, standby meters etc. are dependent on the quantum of power to be evacuated from the power station of MBPL. It had already installed two Special Energy Meters (SEMs) on the 400 kV switchyard of the generation station of MBPL. These meters installed were sufficient to deal with the evacuation of power from Unit No. 1 of MBPL as per the Indian Electricity Grid Code Regulations, 2010. The balance metering (5 Special Energy Meters) could not be installed at the generating station as the panels at the generating of MBPL were not available as is evident from their correspondence vide their letter dated 1.11.2014. The completion of the requisite switchyard for installation of the balance SEMs is the obligation of MBPL. As soon as MBPL informed about the readiness of switchyard vide their letter dated 1.11.2014, it installed the balance 5 SEMs. MBPL cannot take advantage of its own wrong in not providing the panels at the generation switchyard to enable installation of the SEMs. In any event, the two SEMs already installed were sufficient for the petitioner to charge the line and treat the same to be in commercial operation under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations. It is obligatory on the part of MBPL to place on record the requisite evidence in support of the existence of panels in the generation switchyard enabling it to install all the SEMs. Further, the circumstances under which the new 7 SEMs were installed on 7.11.2014 are as follows:-

- (a) Anuppur-Jabalpur Ckt.-I Main (Sr. No.-NP-6204-A)
- (b) Anuppur-Jabalpur Ckt.-I Check (Sr. No.-NP-6202-A)
- (c) Anuppur-Jabalpur Ckt.-II Main (Sr. No.-NP-6205-A)
- (d) Anuppur-Jabalpur Ckt.-II Check (Sr. No.-NP-6218-A)
- (e) Generator Transformer-I (Main) (Sr. No.-NP-6203-A)
- (f) Station Transformer (Main) (Sr. No.-NP-6201-A)
- (g) Generator Transformer-II (Main) (Sr. No.-NP-6223-A)



Two numbers SEMs at (a) and (b) above were installed on 30.7.2014 at Anuppur end before charging of the line. However, on receiving information from MBPL regarding availability of panels for balance SEMs vide their letter dated 1.11.2014, five more SEMs were installed at Anuppur on 7.11.2014.

c. The petitioner denied that it was not in a position to install the requisite SEMs on 30.7.2014 and it had not complied with any of the statutory requirements to seek declaration of commercial operation under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations. The decision of the Tribunal in judgement dated 2.7.2012 in Appeal No. 123 of 2011 does not apply to the present case. In the instant case, there was adequate metering and other arrangements for testing and charging the transmission line. MBPL has not completed its part by completion of the generation switchyard and desires to take advantage of the Tribunal's judgement dated 2.7.2012 in Appeal No. 123 of 2011.

d. The petitioner has denied that a certificate from the Electrical Inspector is required. The certificate issued by the Electrical Inspector is regarding the safety of the equipment. The Electrical Inspector is not concerned with the commercial operation of the line. Accordingly, the Certificate dated 31.7.2014 issued by the Electrical Inspector is adequate. The Regulation 43 of CEA (Measures relating to Safety and Electric Supply) Regulation 2010 provide for inspection by the Electrical Inspector of the premise and certification of safety and security of the equipment to be obtained before commencement of supply. This does not mean that there has to be a certificate from the



Electrical Inspector for commencement of supply. The certificate given by the Electrical Inspector, in the facts and circumstances of the case, is sufficient and adequate.

e. The petitioner has reiterated that the transmission charges are payable by MBPL from the effective date under the Transmission Agreement drawn between it and MBPL on 14.6.2010 for implementation of connectivity line (MB Power-Jabalpur Pool 400 KV D/C) for providing connectivity to MBPL's generation project as per Central Electricity Regulatory Commission(Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters Regulations),2009.T

f. The payment of transmission charges is not in any manner affected by the delay in the commissioning of the power project of MBPL, notwithstanding such delay may be on account of any Force Majeure as alleged by MBPL.

24. We have considered the submissions of both MBPL and the petitioner and perused the documents placed on record including the interrogatories raised by MBP and the reply of the petitioner thereto. On the basis of the submissions made by the petitioner and MBPL, the following issues are framed:-

- a) What should be the date of commercial operation for asset covered in instant petition?
- b) Whether metering issues raised by respondent have a bearing on declaration of COD?
- c) What should be treatment of long term access granted to MBPL not being operationalised by Petitioner due to non-availability of associated transmission system?



We shall deal with each issue in subsequent paragraphs:

**What should be the date of commercial operation for asset covered in instant petition?**

25. The petitioner has prayed for approval of COD of assets covered in instant petition from 8.8.2014 under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations, since the instant asset could not be put into regular service because of non-readiness on the part of MBPL. CEA vide its certificate dated 31.7.2014 has granted approval for anti-theft charging of the line. It is indicated in CEA certificate dated 31.7.2014 that generator end switchyard was not ready as on 31.7.2014. Further, RLDC has issued trial run certificate dated 18.11.2014 indicating that the trial run was completed on 7.8.2014 on “no load” due to non-availability of bays at MBPL end. This implies that the petitioner was ready on 8.8.2014 but could not declare commercial operation of the line due to non-availability of bays at MBPL end.

26. The petitioner has been relying on the trial run certificate issued by RLDC showing that the trial run was completed on 7.8.2014 on “no load condition” due to non-availability of bays at MBPL end. In other words, the assets have not been put to use. Therefore, we are not inclined to consider COD of the assets with effect from 8.8.2014 under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations as the asset was not put into regular service on that date. It is further noticed that neither the petitioner nor the respondent has submitted documents as regards date on which switchyard at MBPL end was ready for use. However, on perusal of the DSM accounts available on the website of WRPC, we notice from the account for the week 23.2.2015 to 1.3.2015



issued by WRPC vide letter dated 18.7.2016, that the MBPL started drawing start up power with effect from 25.2.2015 which is possible when the switchyard at MBPL end was ready. Accordingly, we hold that the asset was put to regular service on 25.2.2015 i.e. date of drawl of start-up power by MBPL and the COD of the instant transmission line is approved as 25.2.2015. The IDC and IEDC for the period from 8.8.2014 to 24.2.2015 shall be borne by MBPL since the line despite being ready from 8.8.2014 could not be put to commercial operation due to non-availability of bays at MBPL end.

**Whether metering issues raised by respondent have a bearing on declaration of COD?**

27. WRLDC vide letter dated 13.11.2013 stated that it was the responsibility of the respondent MBPL to coordinate with WRTS-II, PGCIL, Vadodra for procurement of SEMs alongwith DCD on payment basis. The respondent deposited the requisite amount towards installation of 7 nos. SEMs with the petitioner only on 27.8.2014, and intimated the petitioner, vide letter dated 1.11.2014 for readiness of system of Unit-I and 400 kV switchyard of the generating station. The petitioner installed 2 nos. SEMs in the 400 kV switchyard of the generating station of the respondent on 30.7.2014. The petitioner has claimed that balance meters could not be installed as the panels at generating switchyard of the respondent were not available and as soon as the respondent informed about readiness of switchyard vide their letter dated 1.11.2014, the petitioner installed the balance 5 SEMs. The petitioner has further claimed that the two SEMs already installed were sufficient for it to charge the line and treat the same to be





in commercial operation under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations. We observe that in view of our decision for approval of COD of the transmission line on 25.2.2015, with the issue of metering raised by MBPL no more survives.

**What should be treatment of long term access granted to MBPL not being operationalised by Petitioner due to non-availability of associated transmission system?**

28. The petitioner has submitted that MBPL's LTA to MPPMCL for 197.4 MW was operationalised on 20.5.2015. LTA for 192 MW to Uttar Pradesh and LTA for 200 MW WR (Target) [i.e. total=392 MW] was operationalised on 26.8.2015. MBPL has stated that the petitioner has failed to operationalised the LTA amounting to 392 MW to Uttar Pradesh and WR from 20.5.2015 with effect from COD of the first unit of the generating station, due to non-commissioning of downstream assets as covered in Annexure-4 to the LTA Agreement dated 17.6.2011 including S/C (2nd Ckt) 765 kV Gwalior-Jaipur Transmission Line which were necessary for evacuation of power from the generating station. MBPL vide affidavit dated 3.3.2017 has claimed that till August 2015, Annupur-Jabalpur D/C line could not have fully achieved the intended purpose for which it was constructed in the absence of Gwalior-Jaipur transmission line and hence no liability towards payment of transmission charges should be levied on MBPL.

29. The petitioner vide affidavit dated 1.9.2016 has submitted that the transmission system under instant petition has been identified to facilitate the connectivity of the



generation project with the grid and in order to enable LTA, separate transmission system was envisaged.

30. We have considered submissions of petitioner and MBPL. We are not in agreement with MBPL that no liability towards payment of transmission charge should be levied on MBPL till August, 2015 as Annupur-Jabalpur D/C line could not have achieved the intended purpose for which it was constructed. We are of the view that the line under instant petition is dedicated line meant for evaluation of power from the generating station of MBPL for which PGCIL has granted Connectivity vide letter dated 19.4.2010 with the indicative date of operationalisation of connectivity as 1.2.2013. The said line is also indicated as connectivity line in Agreement dated 17.6.2011 between the petitioner and MBPL. Operationalisation of LTA depends on the availability of system strengthening in addition to the connectivity line included in the LTA Agreement. Only because some of the transmission lines covered under the System Strengthening have not been commissioned will not prevent the use of the connectivity line. In fact the connectivity line has been used to the extent of LTA operationalised with effect from 25.5.2015. Regulation 8(6) of the Sharing Regulations provides as under:-

"(6) For Long Term Transmission Customers availing power supply from inter-State generating stations, the charges attributable to such generation for long term supply shall be calculated directly at drawal nodes as per methodology given in the Annexure-I. Such mechanism shall be effective only after commercial operation of the generator. Till then it shall be the responsibility of the generator to pay transmission charges."

In terms of the above provision, the transmission charges for the connectivity lines from 25.2.2016 (date approved as COD of the transmission lines in this order) till the COD of the first unit of generating station of MBPL shall be borne by MBPL.



31. As regards the submission of MBPL that the operationalisation of LTA of 392 MW was delayed on account of the delay in COD of Gwalior-Jaipur line and the petitioner could not make alternative arrangement for evacuation of power. The petitioner has entered into an LTA Agreement dated 17.6.2011. Sub-clause (d) of Clause 6.0 of the Transmission Agreement between the petitioner and MBPL provides as under:-

“(d) In the event of delay in commissioning of concerned transmission system from its schedule, as indicated at Annexure-4 POWERGRID shall pay proportionate transmission charges to concerned Long Term Transmission Customer proportionate to its transmission capacity (which otherwise would have been paid by the concerned Long Term Transmission Customer to POWERGRID) provided generation is ready and POWERGRID fails to make alternate arrangement for dispatch of power.”

32. We have perused Annexure-4 to the Transmission Agreement dated 17.6.2011 which details the transmission system required for MBPL as under:-

**“1.2 Transmission System**

**1.2.1 Connectivity System**

- MB TPS- Jabalpur pooling station 400 kV D/c (triple)

**1.2.2 Transmission system strengthening for LTA for MB power (MP) Ltd.**

**Part-A-being developed by POWERGRID**

(i) Common Transmission system to be shared by Maruti Clean Coal & Power Ltd.(300MW), Dheeru Powergen (450MW), Jaiprakash Power Venture Ltd(1320MW), Aryan M.P Power Generation Pvt. Ltd(1200MW), Bina Power (1500MW), CSPTCL (432MW), M.B Power(MP) (1200MW) along with IPPs in Orissa in proportion to allocation to NR

- a) Bina- Gwalior 765 kV S/c (3<sup>rd</sup>)
- b) Gwalior- Jaipur 765kV S/c (2<sup>nd</sup>)
- c) Jaipur- Bhiwani 765kV S/c

Commissioning schedule - As per the BPTA signed with IPPs in Orissa for HCTC-I

(ii) Common Transmission system to be shared by M B Power (MP) [1200MW] along with IPPs in Orissa in proportion to allocation to WR



a) 765/400kV 2x1500MVA Jabalpur Pooling Station

Commissioning schedule-As per the BPTA signed with IPPs in Orissa for HCTC-I

(iii) Common Transmission system to be shared by Maruti Clean Coal & Power Ltd.(300MW),Dheeru Powergen(450MW), Jaiprakash Power Ventures Ltd.(1320MW) and Aryan M.P Power Generation Pvt. Ltd (1200MW), Bina Power(500MW), CSPTCL (432MW), M.B Power(MP) [1200MMW] in proportion to allocation to WR

- a) Indore- Vadodara 765 kV S/c
- b) Vadodara- Pirana 400kV D/c(Quad)
- c) Establishment of 765/400kV 2x1500MVA Pooling station at Vadodara

Commissioning schedule - As per the BPTA signed with IPPs in MP & Chhattisgarh (Bilapsur) for HCTC-IV

(iv) 765 kV line bays along with reactors at Jabalpur Pooling and Bina end of tr. Line at Part-B (i-a)

(v) 765 kV line bays along with reactors at Jabalpur Pooling and Indore end of tr. Line at Part-B (ii-a)

Commissioning schedule (iv/v)-Matching with the line being implemented through tariff based bidding process”

33. In terms of Clause 6(d) of the LTA Agreement dated 17.6.2011 and Annexure-4, the petitioner is required to make alternative arrangement for despatch of power from the generating station and in the event of delay in commissioning of the concerned transmission system from its schedule, transmission charges proportionate to the concerned LTA shall be paid by the petitioner. It is accordingly, directed that the petitioner and MBPL shall settle the issue of delay in operationalisation of LTA on account of delay in COD of the transmission lines covered under Annexure 4 of the LTA in terms of the LTA Agreement.



## **Capital cost**

34. Clause (1) and (2) of Regulation 9 of the 2014 Tariff Regulations provides 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.”

(2) The Capital Cost of a new project shall include the following:

(a) the expenditure incurred or projected to be incurred up to the date of commercial operation of the project;

(b) Interest during construction and financing charges, on the loans (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;

(c) Increase in cost in contract packages as approved by the Commission;

(d) Interest during construction and incidental expenditure during construction as computed in accordance with Regulation 11 of these regulations;

(e) capitalised Initial spares subject to the ceiling rates specified in Regulation 13 of these regulations;

(f) expenditure on account of additional capitalization and de-capitalisation determined in accordance with Regulation 14 of these regulations;

(g) adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the COD as specified under Regulation 18 of these regulations; and

(h) adjustment of any revenue earned by the transmission licensee by using the assets before COD.

35. The details of the approved apportioned capital cost, capital cost as on the date of commercial operation and estimated additional capital expenditure incurred or projected to be incurred for the instant transmission asset as submitted by the petitioner vide Auditors' Certificate dated 23.9.2014 are as under:-



(₹ in lakh)

Approved apportioned cost	Approved apportioned cost (RCE)	Cost as on COD (8.8.2014)	Additional capital expenditure Incurred/projected			Total estimated completion cost
			COD to 31.3.2015	2015-16	2016-17	
36988.56	42359.32	37555.83	624.29	1494.91	555.47	40230.50

36. However, the petitioner has submitted a revised Auditors' Certificate dated 9.10.2015 vide affidavit dated 30.12.2015 claiming revised cost and revised add-cap for the instant asset. The details of the capital cost considered for the purpose of tariff is as follows:-

(₹ in lakh)

Approved apportioned cost	Approved apportioned cost (RCE)	Cost as on COD (8.8.2014)	Additional capital expenditure Incurred/projected			Total estimated completion cost
			COD to 31.3.2015	2015-16	2016-17	
36988.56	42359.32	38033.85	707.07	1369.77	956.99	41067.68

37. The total estimated completion cost of the instant asset is within the revised approved apportioned cost. Thus, there is no cost over-run.

### **Time over-run**

38. The project was scheduled to be commissioned within 25.5 months from the date of investment approval of 5.8.2011. Accordingly, the scheduled COD was 1.10.2013. The petitioner has claimed that the subject asset was put under commercial operation w.e.f. 8.8.2014. The admitted COD for the instant asset is 25.2.2015. Hence, there is a delay of 512 days with reference to the admitted COD (i.e. from SCOD 1.10.2013 to admitted COD 25.2.2015). As per the COD claimed i.e. 8.8.2014, there is a delay of 311 days.



39. The petitioner has submitted that the chronology of the events in implementation of the instant assets, which is as given under:-

Srl. No.	Date	Details of Event
1	5.8.2011	Investment Approval
2	12.9.2011	LOA issued
3	26.11.2011	Request for Survey by Powergrid to DFO, Anuppur & Shahdol
4	26.12.2011	Request for survey by PGCIL to CCF, Shahdol
5	16.1.2012	Permission given by CCF Shahdol for survey
6	3.4.2012	Letter from CCF, Jabalpur to CF, Jabalpur for formulation of proposal for afforestation under Forest Conservation Act, 1980 regarding diversion of 18.662 hectares of land
7	27.7.2012	NOC issued by Tehsildar, Shahdol (Budhar)
8	9.8.2012	Proposal submitted at CCF, Shahdol by PGCIL
9	4.7.2013	Stage-I approval issued by RMOEF Bhopal
10	12.7.2013	Letter from APCCF, Bhopal to DFOs for Stage-I compliance.
11	2.8.2013	Payment of CA & NPV deposited by PGCIL to Jabalpur division.
12	17.8.2013	One receipt of demand note payment for CA NPV for other divisions deposited.
13	29.8.2013	Demand note of Medicinal plantation Jabalpur division received and payment deposited.
14	20.12.2013	Payment of Medicinal Plantation deposited by PGCIL
15	3.1.2014	Combined Compliance report of stage-I forwarded to APCCF, Bhopal to RMoEF, Bhopal.
16	20.2.2014	Stage-II approval issued by RMOEF, Bhopal.
17	26.2.2014	Government Order (GO) by additional secretary, MP Government Forest Division.
18	1.3.2014	Letter from CCF, Bhopal to CF, Jabalpur & DFO for ensuring compliance.

40. The petitioner was directed to submit the details of time over-run with documentary evidence. In response, the petitioner vide affidavit dated 3.7.2015 has submitted that the reasons for time over-run were primarily on account of getting approval for forest clearance. It took almost 27 months for the whole process to complete. Action was initiated for getting forest clearance as early as November, 2011. LOA was placed on 12.9.2011 for supply and installation of transmission line after Investment Approval on 5.8.2011. On mobilization of the working agency, request for survey was made to DFO, Anuppur and Shahdol on 26.11.2011.



Thereafter, CCF Shahdol permitted for carrying out the survey work on 16.1.2012, The survey work was completed through the working agency in all the four Forest Divisions (Jabalpur, Anuppur, Shahdol and Dindori) expeditiously, however, concerned forest authorities submitted their report for further processing only in September, 2012. Stage-I forest clearance approval was issued by RMOEF, Bhopal on 4.7.2013 after a year from the submission of the above report from the concerned forest divisions despite regular follow-up. Rigorous follow-up was continued by the petitioner for obtaining Stage-II forest clearance approval. However, Stage-II approval was accorded by RMOEF, Bhopal on 20.2.2014 followed by a Government order (by Addl. Secretary, MP Govt. Forest Division) dated 26.2.2014. Thus, the time taken in forest clearance is about 2 years and 3 months (from 26.11.2011 to 20.2.2014). Even after continuous rigorous efforts of the petitioner, the forest clearance was received after a gap of 3 months from scheduled COD (20.9.2013).

41. MBPL has submitted that the petitioner has claimed that the time over-run was on account of force majeure and hence the time over-run should be claimed as per procedure mentioned in T.A. and BPTA/LTAA, which provides for notification of a force majeure event by the defaulting party to the other party within 30 days of happening of such event, which has not been done, whereas, MBPL was regularly informing the petitioner regarding delay in commissioning of its generation project. As such, the petitioner is working to gain revenue instead of optimization of resources and making use of their monopoly in the field of transmission projects.

42. The petitioner in its rejoinder dated 24.2.2016 has submitted that the contentions of MBPL are baseless and denied. The petitioner has submitted that clause 8 of the





TSA deals with the force majeure conditions and it stipulates certain conditions as basic force majeure conditions and the delay due to forest clearances, handing over land etc. are not covered under the force majeure conditions. The petitioner has further submitted that as per Section 10 of Electricity Act, 2003, there is a corresponding responsibility upon the generator to coordinate with CTU for the purpose of transmission activities. The Commission has observed in Petition No.11/SM/2012 that the matching of commissioning of transmission and generation could be delayed by transmission licensee to a certain extent, subsequent to which it is incumbent upon the transmission licensee to declare the commercial operations.

43. We have considered the submissions of the petitioner and MBPL. As per the Forest (Conservation) Amendment Rules, 2004 notified by MoEF dated 3.2.2004, the timeline for forest approval after submission of proposal is 210 days by State Government and 90 days by Forest Advisory Committee of Centre Government i.e. total 300 days. The petitioner has approached to DFO for the survey on 26.11.2011 and received the stage-I and stage-II clearances on 4.7.2013 and 20.2.2014 respectively. Therefore, the time taken for obtaining the forest clearance is about 2 years and 3 months (from 26.11.2011 to 20.2.2014). In our view, time over-run beyond 300 days from 26.11.2011 i.e. 22.9.2012 to 20.2.2014 in getting forest clearance is beyond the control of the petitioner. It took 17 months more than the specified period of 300 days for the petitioner to obtain the forest clearance. However, the petitioner has managed to put the instant asset into commercial operation with a time over-run of 10 months 19 days. As the actual time over-run is less than the additional time taken for getting the



forest approval, the time over-run in case of the instant asset is condoned and the IDC and IEDC for the period of time over-run is allowed to be capitalised. The delay from SCOD to 8.8.2014 (i.e. 311 days) is condoned and the IDC and IEDC for this period of time over-run are capitalized. The IDC and IEDC for the period from 8.8.2014 to 24.2.2015 (i.e. 201 days) shall be directly payable by the MBPL to the petitioner the IDC and IEDC.

**Interest During Construction (IDC)**

44. The petitioner vide auditor's certificated dated 23.9.2014 has claimed IDC of ₹3103.69 lakh. The petitioner was directed to submit period wise and loan wise computation of IDC on cash basis. In response, the petitioner vide affidavit dated 30.12.2015 has submitted the Revised Auditor Certificate dated 9.10.2015 which certify the IDC of ₹3573.28 lakh as on 8.8.2014. The petitioner has also submitted a statement showing IDC discharged up to COD which shows that out of ₹3573.28 lakh, ₹2788.14 lakh has been discharged up to 8.8.2014 and the balance of ₹785.14 lakh has been discharged during 2014-15.

45. Based on the information available in Auditor certificate and IDC the allowable IDC up to 8.8.2014, IDC on cash basis and un-discharged IDC are worked out and details are summarised below:-

(₹ in lakh)			
Total IDC claimed up to 8.8.2014 as per Auditor's Certificate dated 9.10.2015	Entitled IDC up to 8.8.2014 as worked out on accrual basis	Entitled IDC on cash basis considered for tariff as on 8.8.2014	Un-discharged IDC
b	c	d	e=c-d
3573.28	3573.28	2788.14	785.14



46. The entitled IDC on cash basis has been provisionally considered for tariff purpose. Due to shifting of COD to 25.2.2015 from the claimed COD of 8.8.2014, the treatment of un-discharged liability shall be reviewed at the time of true up, on receipt of the required information as per the admitted COD. As stated above, the IDC pertaining to the period from 8.8.2014 to 24.2.2015 (i.e. 201 days) shall be directly payable by the MB Power (Madhya Pradesh) Limited (MBPL) to the petitioner.

**Incidental Expenditure During Construction (IEDC)**

47. The petitioner vide auditor's certificate dated 23.9.2014 has claimed IEDC of ₹32.72 lakh. The petitioner was directed to submit detailed information of IEDC. In response, petitioner vide affidavit dated 30.12.2015 had submitted Revised Auditor Certificate dated 9.10.2015, certifying the IEDC as on 8.8.2014 as ₹41.15 lakh. The petitioner has also submitted Form 12A which mentions the year wise IEDC as mentioned below:-

**(₹ in lakh)**

Form 12A as submitted by the petitioner vide affidavit dt. 30.12.2015 has provided the break-up of IEDC as given below			
<b>Particulars</b>	<b>up to 31.03.2013</b>	<b>2013-14</b>	<b>2014-15</b>
Gross IEDC	213.08	142.75	52.35
Less: Incidental income	344.65	100.17	11.2
<b>Net IEDC</b>	<b>-131.57</b>	<b>42.58</b>	<b>41.15</b>

48. The petitioner has submitted that negative IEDC of ₹89 lakh up to 31.3.2014 has been adjusted against IDC. However, neither the Auditor certificate nor the IDC statement submitted by the petitioner contain the details of adjustment of negative IEDC claimed by the petitioner. Hence, adjustment of negative IEDC has not been carried out



in determining the allowable IDC. The petitioner is directed to clarify the same. However, the allowable IEDC has been worked out as (-₹47.84) lakh (i.e. -₹131.57 + ₹42.58 + ₹41.15) as against the claimed IEDC of ₹41.15 lakh, which is subject to true up. The difference of ₹88.99 lakh between claimed IEDC of ₹41.15 lakh and allowed IEDC of (-₹47.84) lakh has been reduced from the claimed capital cost as on COD. As stated above, the IEDC pertaining to the period from 8.8.2014 to 24.2.2015 (i.e. 201 days) shall be directly payable by the MB Power (Madhya Pradesh) Limited (MBPL) to the petitioner.

### **Initial Spares**

49. Regulation 13 of the 2014 Tariff Regulations specifies ceiling norms for capitalization of initial spares in respect of transmission system as under:-

#### **“13. Initial Spares**

Initial spares shall be capitalised as a percentage of the Plant and Machinery cost upto cut-off date, subject to following ceiling norms:

(d) Transmission system

- (i) Transmission line-1.00%
- (ii) Transmission Sub-station (Green Field)-4.00%
- (iii) Transmission Sub-station (Brown Field)-6.00%
- (iv) Series Compensation devices and HVDC Station-4.00%
- (v) Gas Insulated Sub-station (GIS)-5.00%
- (vi) Communication system-3.5%

Provided that:

(i) where the benchmark norms for initial spares have been published as part of the benchmark norms for capital cost by the Commission, such norms shall apply to the exclusion of the norms specified above:

(ii) -----



(iii) Once the transmission project is commissioned, the cost of initial spares shall be restricted on the basis of plant and machinery cost corresponding to the transmission project at the time of truing up:

(iv) for the purpose of computing the cost of initial spares, plant and machinery cost shall be considered as project cost as on cut-off date excluding IDC, IEDC, Land Cost and cost of civil works. The transmission licensee shall submit the breakup of head wise IDC & IEDC in its tariff application.”

50. The petitioner has claimed initial spares amounting to ₹273.61 lakh corresponding to transmission line, in respect of instant asset. Initial spares claimed by the petitioner are within the ceiling limit i.e. 1% of capital cost as specified in the 2014 Tariff Regulations and thus have been allowed and considered for the purpose of computation tariff subject to review at the time of truing up. The petitioner is directed to submit the details of initial spares actually capitalised as on COD and up to cut-off date alongwith its discharge particulars duly reconciled with the cost and liability given in the Forms.

#### **Pro-rata cost from 8.8.2014 to 25.2.2015**

51. The petitioner has claimed capital cost as on COD considering the COD as 8.8.2014 and additional capital expenditure from 8.8.2014 to 31.3.2019. However, the admitted COD for the instant asset is 25.2.2015 and the capital cost of the instant asset as on 25.2.2015 is not available. Therefore, the additional capital expenditure as claimed by the petitioner for the period from 8.8.2014 to 31.3.2015 has been allocated on pro-rata basis in to two parts (i.e. from 8.8.2014 to 24.2.2015 and from 25.2.2015 to 31.3.2015) as mentioned below:-



(₹ in lakh)

<b>Pro-rata allocation of ACE pertaining to the period from 8.8.2014 to 31.3.2015</b>			
<b>Particular</b>	<b>Capital Cost from 8.8.2014 to 31.3.2015 as per Auditor Certificate</b>	<b>Pro-rata Cost from 8.8.2014 to 24.2.2015</b>	<b>Pro-rata Cost from 25.2.2015 to 31.3.2015 considered as claimed ACE</b>
Land (Freehold Land)	0	0.00	0.00
Land (Leasehold)	0	0.00	0.00
Building, Civil Work, Colony	0	0.00	0.00
Transmission Line	704.96	600.41	104.55
Sub-Station	0	0.00	0.00
PLCC	2.11	1.80	0.31
<b>Total</b>	<b>707.07</b>	<b>602.21</b>	<b>104.86</b>

### **Capital cost as on admitted COD (25.2.2015)**

52. In view of the above, the capital cost provisionally allowed as on admitted COD (i.e. 25.2.2015) under Regulation 9(2) of 2014 Tariff Regulation is summarized as under:-

(₹ in lakh)

<b>Assets</b>	<b>Capital cost as on COD claimed by Petitioner as on 8.8.2014</b>	<b>Un-discharged IDC</b>	<b>IEDC disallowed on COD.</b>	<b>Pro-rata Cost from 8.8.2014 to 24.2.2015</b>	<b>Capital Cost as on COD considered for tariff calculation</b>
1	2	3	4	5	6= (2-3-4+5)
<b>Asset-I</b>	38033.85	785.14	88.99	602.21	<b>37761.93</b>

53. The capital cost as on the admitted COD of 25.2.2015 as determined above is subject to true up.

### **Additional Capitalisation**

54. Clause (1) of Regulation 14 of the 2014 Tariff Regulations provides as under:-

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



- (i) Undischarged liabilities recognised to be payable at a future date;
- (ii) Works deferred for execution;
- (iii) Procurement of initial capital spares within the original scope of work, in accordance with the provisions of Regulation 13;
- (iv) Liabilities to meet award of arbitration or for compliance of the order or decree of a court; and
- (v) Change in Law or compliance of any existing law.”

Provided that the details of works asset wise/work wise included in the original scope of work along with estimates of expenditure, liabilities recognized to be payable at a future date and the works deferred for execution shall be submitted along with the application for determination of tariff.

55. Clause (13) of Regulation 3 of the 2014 Tariff Regulations defines “cut-off” date as under:

“cut-off date” means 31<sup>st</sup> March of the year closing after two years of the year of commercial operation of whole or part of the project, and in case the whole or part of the project is declared under commercial operation in the last quarter of the year, the cut-off date shall be 31<sup>st</sup> March of the year closing after three years of the year of commercial operation”.

56. The cut-off date in the case of instant transmission asset is 31.3.2017.

57. The petitioner has claimed additional capital expenditure as per Auditor certificate dated 09.10.2015. In addition, the petitioner has also claimed the discharge of IDC liability as Add-cap. The petitioner has claimed both these costs as Add-cap (Form 7). The petitioner has claimed the entire Add-cap under Regulation 14(1) without specifying the sub-clause of the regulation. The Auditor certificate is also silent about the flow of liability and the Gross block added after COD. However, the petitioner vide affidavit dated 30.12.2015 has submitted Form 4A which indicates the year wise addition in Gross Block after COD. Further, in Form 4A it has been mentioned that the amount of



capital liabilities as on 8.8.2014 is ₹785.14 lakh. The Add-cap claimed by the petitioner is summarized in the table below:-

Particulars	Regulation	(₹ in lakh)		
		2014-15	2015-16	2016-17
Balance and retentions amount (which is matching with Auditor Certificate)	14(1)	707.07	1369.77	956.99
Discharge of IDC Liability claimed as ACE	14(1)	785.14	0.00	0.00
Total add-cap claimed as per Form-7		1492.21	1369.77	956.99

58. Based on the information submitted in the Auditor certificate, Form 4A and IDC statement and Form 7, the Add-cap considered for the purpose of tariff has been provisionally allowed as mentioned below:-

- (a) The pro-rata cost for the period from 25.2.2015 to 31.3.2015 amounting ₹104.86 lakh has been considered as claimed ACE for the year 2014-15 and the same has been provisionally allowed under Regulation (14)(1) which may be reviewed at the time of truing-up.
- (b) The un-discharged IDC liability as on 25.2.2015 amounting ₹785.14 has not been considered and will be reviewed at the time of true up
- (c) The Add-cap claimed for the year 2015-16 and 2016-17 are provisionally allowed as per Auditor certificate.
- (d) Accordingly, the allowable Add-cap has been summarized as under:-

Additional capital expenditure allowed				
Particulars	Regulation	(₹ in lakh)		
		2014-15	2015-16	2016-17
As per Auditor Certificate	Regulation 14(1)	104.86	1369.77	956.99





59. The above mentioned admitted ACE shall be reviewed at the time of true up. The petitioner is directed to ensure, at the time of true, that the IDC and IEDC (if any) pertaining to the period from 8.8.2014 to 24.2.2015 are not included in cost claimed for tariff purpose. Further, the petitioner is directed to mention the sub-clause of the regulation under which the Add-cap has been claimed in Form-7.

**Summary of capital cost considered for tariff for the period from admitted COD-31.3.2019**

60. Considering the admitted capital cost as on COD (25.2.2015) and admissible Add-cap, the element wise capital cost as on 31.3.2019 has been worked out as under:-

Particulates	(₹ in lakh)				
	As on COD (i.e. 25.02.2015)	Add Cap 2014-15	Add Cap 2015-16	Add Cap 2016-17	As on 31.3.2019
Freehold Land	0.00	0.00	0.00	0.00	0.00
Leasehold Land	0.00	0.00	0.00	0.00	0.00
Building & Other Civil Works	0.00	0.00	0.00	0.00	0.00
Transmission Line	37698.88	104.69	1298.76	956.99	40059.31
Sub-Station Equipments	0.00	0.00	0.00	0.00	0.00
PLCC	63.06	0.18	71.01	0.00	134.24
<b>Total</b>	<b>37761.93</b>	<b>104.86</b>	<b>1369.77</b>	<b>956.99</b>	<b>40193.55</b>

**Debt- Equity ratio**

61. Clause 1 and 5 of Regulation 19 of the 2014 Tariff Regulations specifies as follows:-

“(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:

Provided that:



- i. where equity actually deployed is less than 30% of the capital cost, actual equity shall be considered for determination of tariff:
- ii. the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment:
- iii. any grant obtained for the execution of the project shall not be considered as a part of capital structure for the purpose of debt : equity ratio.

**Explanation.-**The premium, if any, raised by the generating company or the transmission licensee, as the case may be, while issuing share capital and investment of internal resources created out of its free reserve, for the funding of the project, shall be reckoned as paid up capital for the purpose of computing return on equity, only if such premium amount and internal resources are actually utilised for meeting the capital expenditure of the generating station or the transmission system.”

“(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.”

62. The capital cost on the dates of commercial operation arrived at as above and additional capitalization allowed have been considered in the normative debt-equity ratio of 70:30. The details of debt-equity as on date of commercial operation and 31.3.2019 considered on normative basis are as under:-

Particulars	% age	As on COD	Add-cap for 2014-19			As on 31.3.2019
		Amount	2014-15	2015-16	2016-17	Amount
Debt	70.00	26433.36	73.40	958.84	669.89	28135.48
Equity	30.00	11328.58	31.46	410.93	287.10	12058.06
<b>Total</b>	<b>100.00</b>	<b>37761.93</b>	<b>104.86</b>	<b>1369.77</b>	<b>956.99</b>	<b>40193.54</b>

### **Return on Equity (RoE)**

63. Clause (1) and (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 and run of



the river hydro generating station, and at the base rate of 16.50% for the storage type hydro generating stations including pumped storage hydro generating stations and run of river generating station with pondage:

Provided that:

(i) in case of projects commissioned on or after 1st April, 2014, an additional return of 0.50 % shall be allowed, if such projects are completed within the timeline specified in **Appendix-I**:

(ii) the additional return of 0.5% shall not be admissible if the project is not completed within the timeline specified above for reasons whatsoever:

(iii) additional RoE of 0.50% may be allowed if any element of the transmission project is completed within the specified timeline and it is certified by the Regional Power Committee/National Power Committee that commissioning of the particular element will benefit the system operation in the regional/national grid:

(iv) the rate of return of a new project shall be reduced by 1% for such period as may be decided by the Commission, if the generating station or transmission system is found to be declared under commercial operation without commissioning of any of the Restricted Governor Mode Operation (RGMO)/ Free Governor Mode Operation (FGMO), data telemetry, communication system up to load dispatch centre or protection system:

(v) as and when any of the above requirements are found lacking in a generating station based on the report submitted by the respective RLDC, RoE shall be reduced by 1% for the period for which the deficiency continues:

(vi) additionalRoE shall not be admissible for transmission line having length of less than 50 kilometers.

#### **“25. Tax on Return on Equity:**

(1) The base rate of return on equity as allowed by the Commission under Regulation 24 shall be grossed up with the effective tax rate of the respective financial year. For this purpose, the effective tax rate shall be considered on the basis of actual tax paid in the respect of the financial year in line with the provisions of the relevant Finance Acts by the concerned generating company or the transmission licensee, as the case may be. The actual tax income on other income stream (i.e., income of non generation or non transmission business, as the case may be) shall not be considered for the calculation of “effective tax rate”.

(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."

64. The petitioner has submitted that RoE has been calculated at the rate of 19.610% after grossing up the RoE with MAT rate of 20.961% as per the above Regulations. 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. 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.

65. 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. 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 allowed is as given follows:-

Particulars	(₹in lakh)				
	2014-15 (pro-rata)	2015-16	2016-17	2017-18	2018-19
Opening Equity	11328.58	11360.04	11770.97	12058.07	12058.07
Addition due to Additional Capitalization	31.46	410.93	287.10	0.00	0.00
Closing Equity	11360.04	11770.97	12058.07	12058.07	12058.07
Average Equity	11344.31	11565.50	11914.52	12058.07	12058.07
Return on Equity (Base Rate )	15.50%	15.50%	15.50%	15.50%	15.50%
Tax rate for the year 2013-14 (MAT)	20.961%	20.961%	20.961%	20.961%	20.961%
Rate of Return on Equity (Pre Tax )	19.610%	19.610%	19.610%	19.610%	19.610%
Return on Equity (Pre Tax)	213.32	2268.00	2336.44	2364.59	2364.59

### **Interest on Loan (IoL)**

66. Regulation 26 of the 2014 Tariff Regulations are provides as under:-

“(1) The loans arrived at in the manner indicated in regulation 19 shall be considered as gross normative loan for calculation of interest on loan

(2) The normative loan outstanding as on 1.4.2014 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2014 from the gross normative loan.

(3) The repayment for each of the year of the tariff period 2014-19 shall be deemed to be equal to the depreciation allowed for the corresponding year/period. In case of decapitalization of assets, the repayment shall be adjusted by taking into account cumulative repayment on a pro rata basis and the adjustment should not exceed cumulative depreciation recovered upto the date of decapitalisation of such asset.

(4) Notwithstanding any moratorium period availed by the generating company or the transmission licensee, as the case may be, the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the depreciation allowed for the year or part of the year.

(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.”

67. The petitioner’s entitlement to IOL has been calculated as per the provisions of Regulation 26 of the 2014 Tariff Regulations as detailed below:-

- a. The Gross normative loan as determined as per Debt Equity ratio has been considered for interest on loan.
- b. Notwithstanding moratorium period availed by the transmission licensee, the repayment of the loan shall be considered from the first year of commercial operation of the asset and shall be equal to the annual depreciation allowed;
- c. Since the actual loan portfolio is not available as on admitted COD i.e. 25.2.2015, Weighted average Rate of Interest as claimed has been considered which shall be reviewed at the time of true up. In this regard, the petitioner may be directed to submit the Form 9C by considering the admitted COD.

68. The petitioner has submitted that the interest on loan has been considered on the basis of rate prevailing as on COD i.e.1.4.2014 and the change in interest due to floating rate of interest applicable, if any, needs to be claimed/ adjusted over the tariff block 2014-19. We would like to clarify that the interest on loan has been calculated on the basis of rate prevailing as on the date of commercial operation. Any change in rate of interest subsequent to the date of commercial operation will be considered at the time of true-up.



69. Detailed calculations in support of interest on loan have been calculated as given at **Annexure**.

70. The details of Interest on Loan allowed are as under:-

Particulars	(₹ in lakh)				
	2014-15 (pro-rata)	2015-16	2016-17	2017-18	2018-19
Gross Normative Loan	26433.35	26506.76	27465.59	28135.49	28135.49
Cumulative Repayment upto Previous Year	0.00	191.52	2228.08	4326.45	6450.08
Net Loan-Opening	26433.35	26315.24	25237.51	23809.04	21685.41
Addition due to Additional Capitalisation	73.40	958.84	669.89	0.00	0.00
Repayment during the year	191.52	2036.57	2098.36	2123.63	2123.63
Net Loan-Closing	26315.24	25237.51	23809.04	21685.41	19561.78
Average Loan	26374.29	25776.37	24523.28	22747.22	20623.60
Weighted Average Rate of Interest on Loan	9.02%	9.01%	9.01%	9.00%	9.00%
<b>Interest on Loan</b>	228.12	2322.57	2208.53	2047.14	1855.39

### **Depreciation**

71. Regulation 27 of the 2014 Tariff Regulations with regard to depreciation specifies as follows:-

#### **"27. Depreciation:**

(1) Depreciation shall be computed from the date of commercial operation of a generating station or unit thereof or a transmission system including communication system or element thereof. In case of the tariff of all the units of a generating station or all elements of a transmission system including communication system for which a single tariff needs to be determined, the depreciation shall be computed from the effective date of commercial operation of the generating station or the transmission system taking into consideration the depreciation of individual units or elements thereof.

Provided that effective date of commercial operation shall be worked out by considering the actual date of commercial operation and installed capacity of all the units of the generating station or capital cost of all elements of the transmission system, for which single tariff needs to be determined.



(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.

(3) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset:

Provided that in case of hydro generating station, the salvage value shall be as provided in the agreement signed by the developers with the State Government for development of the Plant:

Provided further that the capital cost of the assets of the hydro generating station for the purpose of computation of depreciated value shall correspond to the percentage of sale of electricity under long-term power purchase agreement at regulated tariff:

Provided also that any depreciation disallowed on account of lower availability of the generating station or generating unit or transmission system as the case may be, shall not be allowed to be recovered at a later stage during the useful life and the extended life.

4) Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.

(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.”

72. The petitioner has claimed actual depreciation as a component of annual fixed charges. Depreciation has been calculated in accordance with Regulation 27 of the 2014 Tariff Regulations extracted above. The instant transmission asset was put under commercial operation during 2014-15. Accordingly, it will complete 12 years after 2018-





19. As such, depreciation has been calculated annually based on Straight Line Method at the rates specified in Appendix-II to the 2014 Tariff Regulations.

73. The details of the depreciation worked out are as under:-

(₹ in lakh)					
Particulars	2014-15 (pro-rata)	2015-16	2016-17	2017-18	2018-19
Gross Block as on COD	37761.93	37866.79	39236.56	40193.55	40193.55
Addition during 2014-19 due to Projected Additional Capitalisation	104.86	1369.77	956.99	0.00	0.00
Gross Block as on 31 <sup>st</sup> March	37866.79	39236.56	40193.55	40193.55	40193.55
Average Gross Block	37814.36	38551.68	39715.06	40193.55	40193.55
Rate of Depreciation	5.2818%	5.2827%	5.2835%	5.2835%	5.2835%
Depreciable Value	34032.93	34696.51	35743.55	36174.20	36174.20
Remaining Depreciable Value	34032.93	34504.99	33515.47	31847.75	29724.12
<b>Depreciation</b>	191.52	2036.57	2098.36	2123.63	2123.63

### **Operation & Maintenance Expenses (O&M Expenses)**

74. Regulation 29(4) (a) of the 2014 Tariff Regulations specifies the norms for operation and maintenance expenses for the transmission system based on the type of sub-station and the transmission line. Norms specified in respect of the elements covered in the instant petition are as under:-

(₹ in lakh)				
2014-15	2015-16	2016-17	2017-18	2018-19
0.707	0.731	0.755	0.780	0.806

75. The petitioner has claimed normative O&M Expenses as per sub-clause (a) of clause (4) of Regulation 29 of the 2014 Tariff Regulations. Accordingly, the allowable O&M Expenses for the instant transmission asset are as under:-

(₹ in lakh)				
2014-15 (pro-rata)	2015-16	2016-17	2017-18	2018-19
16.69	179.97	185.88	192.04	198.44



76. The petitioner has submitted that O&M Expenses for the tariff period 2014-19 had been arrived at on the basis of normalized actual O&M Expenses during the period 2008-09 to 2012-13. The petitioner has further submitted that the wage revision of the employees is due during 2014-19 and actual impact of wage hike effective from a future date has not been factored in fixation of the normative O&M rates specified for the tariff block 2014-19. The petitioner has submitted that it would approach the Commission for suitable revision in norms for O&M Expenses for claiming the impact of wage hike during 2014-19, if any.

77. 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, any application filed by the petitioner in this regard will be dealt with in accordance with the appropriate provisions of the 2014 Tariff Regulations.

### **Interest on working capital**

78. 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**

(1) The working capital shall cover:

(c) Hydro generating station including pumped storage hydro electric generating station and transmission system including communication system:

(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”



(3) Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1.4.2014 or as on 1st April of the year during the tariff period 2014-15 to 2018-19 in which the generating station or a unit thereof or the transmission system including communication system or element thereof, as the case may be, is declared under commercial operation, whichever is later.

“(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;”

79. The petitioner is entitled to claim interest on working capital as per the 2014 Tariff Regulations. The components of the working capital and the petitioner’s entitlement to interest thereon are discussed hereunder:-

**(i) Receivables**

Receivables as a component of working capital will be equivalent to two months fixed cost. The petitioner has claimed the receivables on the basis of 2 months' annual transmission charges. In the tariff being allowed, receivables have been worked out on the basis of 2 months' transmission charges.

**(ii) Maintenance spares**

Regulation 28 of the 2014 Tariff Regulations provides for maintenance spares @ 15% per annum of the O&M Expenses. The value of maintenance spares has accordingly been worked out.

**(iii) O & M Expenses**

O&M Expenses have been considered for one month as a component of working capital. The petitioner has claimed O&M Expenses for one month of the



respective year as claimed in the petition. This has been considered in the working capital.

**(iv) Rate of interest on working capital**

As per Proviso 3 of regulation 28 of the 2014 Tariff Regulations, SBI Base rate 10.00% as on 1.4.2016 plus 350 Bps i.e. 13.50% has been considered for the asset, as the rate of interest on working capital.

80. The interest on working capital determined is as follows:-

Particulars	(₹ in lakh)				
	2014-15 (pro-rata)	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	26.11	27.00	27.88	28.81	29.77
O & M expenses	14.51	15.00	15.49	16.00	16.54
Receivables	1156.09	1161.60	1165.40	1148.07	1116.50
<b>Total</b>	<b>1196.70</b>	<b>1203.59</b>	<b>1208.77</b>	<b>1192.88</b>	<b>1162.81</b>
Interest Rate	13.50%	13.50%	13.50%	13.50%	13.50%
<b>Interest</b>	<b>15.49</b>	<b>162.48</b>	<b>163.18</b>	<b>161.04</b>	<b>156.98</b>

**Transmission charges**

81. The transmission charges allowed for the instant transmission asset are summarized as under:-

Particulars	(₹ in lakh)				
	2014-15 (pro-rata)	2015-16	2016-17	2017-18	2018-19
Depreciation	191.52	2036.57	2098.36	2123.63	2123.63
Interest on Loan	228.12	2322.57	2208.53	2047.14	1855.39
Return on Equity	213.32	2268.00	2336.44	2364.59	2364.59
Interest on Working Capital	15.49	162.48	163.18	161.04	156.98
O & M Expenses	16.69	179.97	185.88	192.04	198.44
<b>Total</b>	<b>665.14</b>	<b>6969.59</b>	<b>6992.39</b>	<b>6888.44</b>	<b>6699.03</b>



82. The petitioner has submitted that the claim for transmission charges and other charges is exclusive of incentive, late payment surcharge, FERV, any statutory taxes, levies, duties, cess and charges or any other kind of impositions etc. The same if imposed shall be borne and additionally paid by the respondents. The petitioner is entitled to FERV as provided under Regulation 50 of the 2014 Tariff Regulations and the petitioner can make other claims as per the 2014 Tariff Regulations.

### **Filing Fee and the Publication Expenses**

83. 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**

84. 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.

### **Deferred Tax Liability**

85. The petitioner has sought recovery of deferred tax liability accrued before 1.4.2009 from the beneficiaries or long term consumers/DICs as and when materialized under



Regulation 49 of the 2014 Tariff Regulations. However, the instant asset was commissioned on 8.8.2014 and hence the petitioner's prayer is infructuous.

### **Sharing of Transmission Charges**

86. Petitioner has stated that the instant line is the Connectivity line of Respondent MBPL. The line under instant petition is dedicated line of generator. PGCIL has intimated grant of Connectivity to Respondent MBPL vide letter dated 19.4.2010 whereby date of start of Connectivity is indicated as 1.2.2013 and it is noted that "entire transmission charges for the Connectivity line shall be borne by MBPL. This fact that the line is the Connectivity Line is also indicated in Agreement dated 17.6.2011 between Petitioner and Respondent. Hence as per Regulation 8(8) of CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009, the transmission charges from 25.2.2015 i.e. approved COD of the instant transmission asset to 19.5.2015 (day before date of start of LTA), transmission charges shall be payable by MBPL to the petitioner post which the transmission charges approved in the instant order shall be included in the computation of PoC charges as per Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulation, 2010 as amended from time to time.

87. This order disposes of Petition No. 141/TT/2015.

sd/-  
**(M.K. Iyer)**  
Member

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

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

sd/-  
**(Gireesh B Pradhan)**  
Chairperson



**Annexure**

<b>CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN</b>						
						<b>(₹ in lakh)</b>
	<b>Details of Loan</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
<b>1</b>	<b>Bond - XLIII</b>					
	Gross loan opening	1848.29	1848.29	<b>1848.29</b>	<b>1848.29</b>	<b>1848.29</b>
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	<b>0.00</b>	<b>0.00</b>	<b>154.02</b>
	Net Loan-Opening	1848.29	1848.29	1848.29	1848.29	1694.27
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	154.02	154.02
	Net Loan-Closing	1848.29	1848.29	1848.29	1694.27	1540.25
	Average Loan	1848.29	1848.29	1848.29	1771.28	1617.26
	Rate of Interest	7.93%	7.93%	7.93%	7.93%	7.93%
	Interest	<b>146.57</b>	146.57	146.57	140.46	128.25
	Rep Schedule					
<b>2</b>	<b>Bond XLII</b>					
	Gross loan opening	5617.00	5617.00	<b>5617.00</b>	<b>5617.00</b>	<b>5617.00</b>
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	Net Loan-Opening	5617.00	5617.00	5617.00	5617.00	5617.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00	0.00
	Net Loan-Closing	5617.00	5617.00	5617.00	5617.00	5617.00
	Average Loan	5617.00	5617.00	5617.00	5617.00	5617.00
	Rate of Interest	8.80%	8.80%	8.80%	8.80%	8.80%
	Interest	<b>494.30</b>	494.30	494.30	494.30	494.30
	Rep Schedule					
<b>3</b>	<b>Bond XXXVII - LOAN - 1</b>					
	Gross loan opening	1765.00	1765.00	<b>1765.00</b>	<b>1765.00</b>	<b>1765.00</b>
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	<b>147.08</b>	<b>294.16</b>	<b>441.24</b>
	Net Loan-Opening	1765.00	1765.00	1617.92	1470.84	1323.76
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	147.08	147.08	147.08	147.08
	Net Loan-Closing	1765.00	1617.92	1470.84	1323.76	1176.68
	Average Loan	1765.00	1691.46	1544.38	1397.30	1250.22
	Rate of Interest	9.25%	9.25%	9.25%	9.25%	9.25%
	Interest	<b>163.26</b>	156.46	142.86	129.25	115.65
	Rep Schedule					
<b>4</b>	<b>Bond XXXVIII - LOAN - 2</b>					
	Gross loan opening	1667.00	<b>1667.00</b>	<b>1667.00</b>	<b>1667.00</b>	<b>1667.00</b>



	Cumulative Repayment upto DOCO/previous year	0.00	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	Net Loan-Opening	1667.00	1667.00	1667.00	1667.00	1667.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00	0.00
	Net Loan-Closing	1667.00	1667.00	1667.00	1667.00	1667.00
	Average Loan	1667.00	1667.00	1667.00	1667.00	1667.00
	Rate of Interest	9.25%	9.25%	9.25%	9.25%	9.25%
	Interest	<b>154.20</b>	154.20	154.20	154.20	154.20
	Rep Schedule					
<b>7</b>	<b>SBI (21.3.2012)</b>					
	Gross loan opening	1380.00	<b>1380.00</b>	<b>1380.00</b>	<b>1380.00</b>	<b>1380.00</b>
	Cumulative Repayment upto DOCO/previous year	0.00	<b>0.00</b>	<b>0.00</b>	<b>125.45</b>	<b>250.90</b>
	Net Loan-Opening	1380.00	1380.00	1380.00	1254.55	1129.10
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	125.45	125.45	125.45
	Net Loan-Closing	1380.00	1380.00	1254.55	1129.10	1003.65
	Average Loan	1380.00	1380.00	1317.28	1191.83	1066.38
	Rate of Interest	10.25%	10.25%	10.25%	10.25%	10.25%
	Interest	141.45	141.45	135.02	122.16	109.30
	Rep Schedule	22 annual installments from 31.8.2016				
<b>8</b>	<b>Bond XL</b>					
	Gross loan opening	4194.00	<b>4194.00</b>	<b>4194.00</b>	<b>4194.00</b>	<b>4194.00</b>
	Cumulative Repayment upto DOCO/previous year	0.00	<b>0.00</b>	<b>0.00</b>	<b>349.50</b>	<b>699.00</b>
	Net Loan-Opening	4194.00	4194.00	4194.00	3844.50	3495.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	349.50	349.50	349.50
	Net Loan-Closing	4194.00	4194.00	3844.50	3495.00	3145.50
	Average Loan	4194.00	4194.00	4019.25	3669.75	3320.25
	Rate of Interest	9.30%	9.30%	9.30%	9.30%	9.30%
	Interest	390.04	390.04	373.79	341.29	308.78
	Rep Schedule	12 Annual installments from 28.6.2016				
<b>9</b>	<b>Bond XLI</b>					
	Gross loan opening	6188.00	<b>6188.00</b>	<b>6188.00</b>	<b>6188.00</b>	<b>6188.00</b>
	Cumulative Repayment upto DOCO/previous year	0.00	<b>0.00</b>	<b>0.00</b>	<b>515.67</b>	<b>1031.34</b>
	Net Loan-Opening	6188.00	6188.00	6188.00	5672.33	5156.66
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	515.67	515.67	515.67
	Net Loan-Closing	6188.00	6188.00	5672.33	5156.66	4640.99
	Average Loan	6188.00	6188.00	5930.17	5414.50	4898.83
	Rate of Interest	8.85%	8.85%	8.85%	8.85%	8.85%
	Interest	547.64	547.64	524.82	479.18	433.55
	Rep Schedule	12 annual installments from 19.10.2016				





	<b>Bond XLIV</b>					
	Gross loan opening	779.00	<b>779.00</b>	<b>779.00</b>	<b>779.00</b>	<b>779.00</b>
	Cumulative Repayment upto DOCO/previous year	0.00	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	Net Loan-Opening	779.00	779.00	779.00	779.00	779.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00	259.67
	Net Loan-Closing	779.00	779.00	779.00	779.00	519.33
	Average Loan	779.00	779.00	779.00	779.00	649.17
	Rate of Interest	8.70%	8.70%	8.70%	8.70%	8.70%
	Interest	67.77	67.77	67.77	67.77	56.48
	Rep Schedule	13.3.2023 Bullet Payment				
	<b>Bond XLV</b>					
	Gross loan opening	1007.23	<b>1007.23</b>	<b>1007.23</b>	<b>1007.23</b>	<b>1007.23</b>
	Cumulative Repayment upto DOCO/previous year	0.00	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>83.94</b>
	Net Loan-Opening	1007.23	1007.23	1007.23	1007.23	923.29
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	83.94	83.94
	Net Loan-Closing	1007.23	1007.23	1007.23	923.29	839.35
	Average Loan	1007.23	1007.23	1007.23	965.26	881.32
	Rate of Interest	9.65%	9.65%	9.65%	9.65%	9.65%
	Interest	97.20	97.20	97.20	93.15	85.05
	Rep Schedule					
	<b>SBI (2014-15)</b>					
	Gross loan opening	411.00	<b>411.00</b>	<b>411.00</b>	<b>411.00</b>	<b>411.00</b>
	Cumulative Repayment upto DOCO/previous year	0.00	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	Net Loan-Opening	411.00	411.00	411.00	411.00	411.00
	Additions during the year	0.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00	0.00
	Net Loan-Closing	411.00	411.00	411.00	411.00	411.00
	Average Loan	411.00	411.00	411.00	411.00	411.00
	Rate of Interest	10.25%	10.25%	10.25%	10.25%	10.25%
	Interest	42.13	42.13	42.13	42.13	42.13
	Rep Schedule					
	<b>Bond XLVI</b>					
	Gross loan opening	0.00	<b>1113.00</b>	<b>1113.00</b>	<b>1113.00</b>	<b>1113.00</b>
	Cumulative Repayment upto DOCO/previous year	0.00	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
	Net Loan-Opening	0.00	1113.00	1113.00	1113.00	1113.00
	Additions during the year	1113.00	0.00	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00	0.00	0.00



Net Loan-Closing	1113.00	1113.00	1113.00	1113.00	1113.00
Average Loan	556.50	1113.00	1113.00	1113.00	1113.00
Rate of Interest	9.30%	9.30%	9.30%	9.30%	9.30%
Interest	51.75	103.51	103.51	103.51	103.51
Rep Schedule					
<b>Bond XLVII</b>					
Gross loan opening	0.00	205.00	205.00	205.00	205.00
Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	0.00	0.00
Net Loan-Opening	0.00	205.00	205.00	205.00	205.00
Additions during the year	205.00	0.00	0.00	0.00	0.00
Repayment during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	205.00	205.00	205.00	205.00	205.00
Average Loan	102.50	205.00	205.00	205.00	205.00
Rate of Interest	8.93%	8.93%	8.93%	8.93%	8.93%
Interest	9.15	18.31	18.31	18.31	18.31
Rep Schedule					
<b>Bond XLVIII</b>					
Gross loan opening	0.00	754.00	754.00	754.00	754.00
Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	0.00	0.00
Net Loan-Opening	0.00	754.00	754.00	754.00	754.00
Additions during the year	754.00	0.00	0.00	0.00	0.00
Repayment during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	754.00	754.00	754.00	754.00	754.00
Average Loan	377.00	754.00	754.00	754.00	754.00
Rate of Interest	8.2%	8.2%	8.2%	8.2%	8.2%
Interest	30.91	61.83	61.83	61.83	61.83
Rep Schedule					
<b>Bond XLIX</b>					
Gross loan opening	0.00	190.12	190.12	190.12	190.12
Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00	0.00	0.00
Net Loan-Opening	0.00	190.12	190.12	190.12	190.12
Additions during the year	190.12	0.00	0.00	0.00	0.00
Repayment during the year	0.00	0.00	0.00	0.00	0.00
Net Loan-Closing	190.12	190.12	190.12	190.12	190.12
Average Loan	95.06	190.12	190.12	190.12	190.12
Rate of Interest	8.15%	8.15%	8.15%	8.15%	8.15%
Interest	7.75	15.49	15.49	15.49	15.49
Rep Schedule					
<b>Total Loan</b>					
Gross loan opening	24856.52	27118.64	27118.64	27118.64	27118.64
Cumulative Repayment upto	0.00	0.00	147.08	1284.78	2660.44



DOCO/previous year					
Net Loan-Opening	24856.52	27118.64	26971.56	25833.86	24458.20
Additions during the year	2262.12	0.00	0.00	0.00	0.00
Repayment during the year	0.00	147.08	1137.70	1375.66	1635.33
Net Loan-Closing	27118.64	26971.56	25833.86	24458.20	22822.87
Average Loan	25987.58	27045.10	26402.71	25146.03	23640.54
<b>Weighted Average Rate of Interest</b>	<b>9.02%</b>	<b>9.01%</b>	<b>9.01%</b>	<b>9.00%</b>	<b>9.00%</b>
<b>Interest</b>	2344.12	2436.89	2377.79	2263.02	2126.81

