

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 212/TT/2017

Coram:

**Shri P. K. Pujari, Chairperson
Shri A. K. Singhal, Member
Shri A. S. Bakshi, Member
Dr. M. K. Iyer, Member**

Date of Order : 19th July, 2018

In the matter of:

Petition for revision of Fees and Charges for the period 2014-19 tariff block on accelerated depreciation of SCADA/EMS systems of SLDCs for Unified Load Despatch & Communication Scheme under Section 28(4) of the Electricity Act, 2003 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 -122 001

.....Petitioner

Vs

1. Madhya Pradesh Power Management Company Ltd.
Shakti Bhawan, Rampur Jabalpur - 482 008
2. Maharashtra State Electricity Distribution Co. Ltd.
Hongkong Bank Building, 3rd Floor
M.G. Road, Fort, Mumbai-400 001.
3. Gujarat Urja Vikas Nigam Ltd.
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara - 390 007
4. Electricity Department
Govt. Of Goa, Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa - 403 001
5. Electricity Department
Administration of Daman & Diu
Daman - 396 210



6. Electricity Department
Administration of Dadra Nagar Haveli
U.T., Silvassa - 396 230
7. Chhattisgarh State Electricity Board
P.O.Sunder Nagar, Dangania, Raipur
Chhattisgarh-492 013
8. Madhya Pradesh Audyogik Kendra
Vikas Nigam (Indore) Ltd.
3/54, Press Complex, Agra-Bombay Road, Indore-452 008

...Respondents

For petitioner : Shri Vivek Kumar Singh, PGCIL
Shri S. S. Raju, PGCIL
Shri B. Dash, PGCIL
Shri Rakesh Prasad, PGCIL

ORDER

The Petitioner, Power Grid Corporation of India Limited (hereinafter referred to as "the Petitioner") has filed the present petition for revision of Fees and Charges for the period 2014-19 tariff block on accelerated depreciation of SCADA/EMS systems of SLDCs for Unified Load Despatch & Communication Scheme at SLDC of Western Region" (hereinafter referred to as the project) under Section 28(4) of the Electricity Act, 2003 and in terms of the Central Electricity Regulatory Commission (Terms and Conditions) of Tariff Regulations, 2014 (hereinafter "the 2014 Tariff Regulations").

2. The petitioner has made the following prayers:-

(a) Allow the Petitioner to recover the unrecovered depreciation of ₹1408.56 lakh on SCADAIEMS till 1.10.2016 (DOCO of New SCADAIEMS System) as one time recovery.

(b) Approve the fees and charges for the communication system and SLDC system for the period 2014-19 covered under this petition, as per Para-8.2 above;

(c) Approve the reimbursement of expenditure by the beneficiaries towards any other expenditure (if any) in relation to the filing of petition and petition filing fee.

(d) Allow the petitioner to bill and recover License fee separately from the respondents.



(e) Allow the petitioner to recover the applicable income tax from the respondents separately;

(f) Allow the petitioner to bill and adjust impact on Interest on Loan due to change in loan balance and in Interest rate on account of floating rate of interest applicable during 2014-19 period, if any, from the respondents.

(g) Allow the Petitioner to bill and recover the Charges for 2014-19, for communication system forming part of transmission system to be shared by beneficiaries or long term transmission customers in accordance with the sharing regulations.

(h) Allow the Petitioner to bill and recover the Charges for 2014-19, for communication system other than central transmission system to be shared by beneficiaries in proportion to the capital cost belonging to respective beneficiaries.

(i) Allow the petitioner to bill and recover GST on Transmission charges separately from the respondents, if GST on Transmission of electricity is withdrawn from the exempted (negative) list at any time in future. Further any taxes and duties including cess, etc. imposed by any Statutory/Govt./ Municipal Authorities shall be allowed to be recovered from the beneficiaries.

and Pass such other relief as the Commission deems fit and appropriate under the circumstances of the case and in the interest of justice.”

3. The Commission, vide order dated 14.11.2013 in Petition No. 57/TT/2012 and order dated 11.6.2014 in Review Petition No. 3/RP/2014 had approved the fee and charges for the period 2009-14 for the assets retained by the petitioner after formation of POSOCO in Western Region. Subsequently, the Commission, vide order dated 14.7.2016 in Petition No. 11/TT/2015 had approved the true-up Fee and Charges for the period 2009-14 and final Fee and Charges for tariff period 2014-19.

4. The Commission vide order dated 2.3.2017 in Petition No. 188/MP/2014 had held that wherever, the SCADA/EMS system of SLDC retained by PGCIL are replaced by new SCADA/EMS system, before completion of their useful life, the unrecovered charges shall be recovered as accelerated depreciation matching with the commissioning schedule of the new SCADA system and observed as under:-

“14.Considering the existing SCADA/EMS system for SLDC retained by Powergrid as 95% depreciable with 5% salvage value, the Commission is of the view that wherever, the SCADA/EMS system of SLDC retained by Powergrid are replaced by new SCADA/EMS system, before completion of their useful life, the unrecovered charges shall be recovered as accelerated depreciation matching with the commissioning schedule of the new SCADA system.



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16. The petitioner has filed petitions for true-up of the fees and charges for the period 2009-14 and determination of the fee and charges for the period 2014-19 for the ULDC scheme under PGCIL portions. Orders in the petitions pertaining to Southern Region, Western Region and Northern Region (545/TT/2014, 11/TT/2015 and 19/TT/2015) have been issued and orders in the petition for NER and ER (17/TT/2015 and 39/TT/2015) are in the process of being issued. The Petitioner is directed to file fresh petitions in those cases where orders have been issued and amend the petitions where order have not been issued, incorporating the input of accelerated depreciation of SCADA/EMS matching with the commissioning of the new SCADA system covered in the petitions for the respective regions. While filing the petitions/ amended petitions, the Petitioner shall segregate the existing assets where tariff was determined in terms of order in Petition No. 68/2010 and the new assets which have been considered during 2014-19 period in accordance with the 2014 Tariff Regulations.”

5. The COD of new SCADA / EMS System is 1.10.2016 which pertains to the tariff period 2014-19. Accordingly, the revision of true-up Fee & Charges for the period 2009-14, as approved vide Commission’s order dated 14.7.2016 in petition no. 11/TT/2015, is revised to the extent of the Fee & Charges approved for the period 2014-19.

6. No comments or suggestions have been received from the general public in response to the notices published by the petitioner under Section 64 of the Electricity Act, 2003 (“the Act”). The petitioner has served the petition on the respondents. Respondent, MPPMCL vide affidavit dated 16.12.2017 had filed its reply in the matter. In response, the petitioner has filed its rejoinders vide affidavit dated 16.3.2018. The issues raised by MPPMCL and the clarifications given by the petitioner are addressed in the succeeding paragraphs of this order.

7. Having heard the representatives of the parties and after perusal of the records, we proceed to dispose of the petition.



Capital Cost

8. Clause (1) and (2) of Regulation 9 of the 2014 Tariff Regulations provides as under:-

“(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.

9. The Commission, vide order dated 14.7.2016 in Petition No. 11/TT/2015, had approved the following gross capital cost as on 31.3.2014, capital cost recovered during the tariff period 2009-14 and net capital cost as on 31.3.2014 for the assets retained by the petitioner after formation of POSOCO in Western Region:-

(₹ in lakh)			
Particulars	Capital	Central Portion	State Portion
Gross capital cost as on 31.3.2014	Loan	6005.39	5229.29
	Equity	1973.44	1730.53
	Total	7978.83	6959.82
Capital cost recovered up to 31.3.2014	Loan	2803.20	2437.07
	Equity	559.67	489.72
	Total	3362.87	2926.79



Net capital cost as on 31.3.2014	Loan	3202.19	2792.22
	Equity	1413.77	1240.81
	Total	4615.96	4033.03

Additional Capital Expenditure

10. The petitioner has not claimed any additional capital expenditure for the period 2014-19. Hence, the capital cost has been considered as on 1.4.2014 for working out the Fee & Charges for the period 2014-19 for Central as well as State Portion for 'Non-Microwave portion' only.

11. The petitioner has submitted that due to substantial technological obsolescence, rapid changes in information technology and rapid growth in power system has necessitated the up-gradation/expansion of existing RLDCs and SLDCs. This has resulted in a peculiar situation wherein the investments made by the petitioner for SCADA/EMS for SLDC scheme are still to be recovered fully as the schemes have not completed the useful life of fifteen years. The petitioner has further submitted that in Commission's order dated 2.3.2017 in Petition No. 188/MP/2014, had allowed recovery of accelerated depreciation matching with the COD of the new SCADA/EMS system.

12. The petitioner has submitted the details regarding capital cost and unrecovered depreciation of SCADA / EMS are under:-

(₹ in lakh)						
Assets	COD of New SCADA / EMS System	Total cost as per Auditor's certificate dated 10.7.2009	SCADA / EMS cost as per Auditor's certificate dated 10.7.2009	Depreciation recovered on complete asset till 1.10.2016	Depreciation Recovered on SCADA / EMS till 01.10.2016	Unrecovered Depreciation on SCADA / EMS
MPSEB (MPPTCL)	1.10.2016	3763.52	1336.70	2263.26	803.85	532.85
CSEB (CSPTCL)		899.67	433.61	541.03	260.76	172.85
GEB (GETCO)		1728.22	1344.64	1039.30	808.62	536.02



GED		568.41	418.53	341.82	251.69	166.84
TOTAL		6959.82	3533.48	4185.42	2124.92	1408.56

13. The petitioner has prayed to allow recovery of the accelerated depreciation of ₹1408.56 lakh on SCADA/EMS for remaining period starting since 1.10.2016 (COD of New SCADNEMS System) as one time recovery.

14. We have considered the methodology applied in order dated 12.12.2017 in Petition No. 39/TT/2015 and order dated 15.12.2017 in Petition No.17/TT/2015 for Eastern Region and North-Eastern Region respectively.

15. Accordingly, the gross capital cost as on 1.4.2014 for the State Portion for 'Non-Microwave System', as indicated above, has been segregated into "Replaced SCADA/EMS – State Portion" and the remaining as "Existing Assets – State Portion". Capital Cost recovered up to 31.3.2014 for "Replaced SCADA/EMS – State Portion" and for the "Existing Assets – State Portion" has been worked out on pro-rata basis. Hence, the following capital cost have been calculated as on 1.4.2014 for working out the Fee & Charges for the period 2014-19 for Central as well as "Replaced SCADA / EMS – State Portion" and the remaining "Existing Assets – State Portion" for 'Non-Microwave System' only as under:-

(₹ in lakh)

Particulars	Capital	Central Portion	State Portion		
			Replaced SCADA / EMS – State Portion	Remaining "Existing Assets – State Portion"	Total
Retained gross capital cost as on 1.4.2014	Loan	6005.39	2654.90	2574.39	5229.29
	Equity	1973.44	878.58	851.95	1730.53
	Total	7978.83	3533.48	3426.34	6959.82
Pro-rata capital cost recovered up to 31.3.2014	Loan	2803.20	1237.30	1199.78	2437.07
	Equity	559.67	248.63	241.09	489.72
	Total	3362.87	1485.92	1440.87	2926.79



16. The Commission in order dated 2.3.2017 in Petition No. 188/MP/2014, had directed to recover 95% of depreciable value of the replacing assets, before completion of their useful life, as accelerated depreciation matching with the commissioning schedule of the new SCADA system. Accordingly, the following Net Capital cost have been considered as on 1.4.2014 for working out the Fee & Charges for the period 2014-19 for Central as well as “Replaced SCADA / EMS – State Portion” and the remaining “Existing Assets – State Portion” for ‘Non-Microwave System’ only as under:-

(₹ in lakh)

Particulars	Capital	Central Portion	State Portion		
			Replaced SCADA / EMS – State Portion	Remaining “Existing Assets – State Portion”	Total
Retained gross capital cost as on 1.4.2014	Loan	6005.39	2654.90	2574.39	5229.29
	Equity	1973.44	878.58	851.95	1730.53
	Total	7978.83	3533.48	3426.34	6959.82
Salvage value for state portion only (5% of Gross Capital Cost)	Loan	-	132.74	-	132.74
	Equity	-	43.93	-	43.93
	Total	-	176.67	-	176.67
Recoverable capital cost for state portion only (95% of Gross Capital Cost) as on 1.4.2014	Loan	6005.39	2522.15	2574.39	5097.54
	Equity	1973.44	834.66	851.95	1686.61
	Total	7978.83	3356.81	3426.34	6783.15
Pro-rata capital cost recovered up to 31.3.2014	Loan	2803.20	1237.30	1199.78	2437.08
	Equity	559.67	248.63	241.09	489.72
	Total	3362.87	1485.92	1440.87	2926.79
Net capital cost as on 1.4.2014	Loan	3202.19	1284.85	1374.62	2659.47
	Equity	1413.77	586.03	610.86	1196.89
	Total	4615.96	1870.88	1985.47	3856.35

Debt- Equity ratio

17. Clause 1 and 5 of Regulation 19 of the 2014 Tariff Regulations specifies as under:

“(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 may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernisation expenditure for life extension shall be serviced in the manner specified in clause (1) of this regulation”

18. The following Debt-Equity ratio has been considered as on 1.4.2014 for the Central as well as “Replaced SCADA / EMS – State Portion” and the remaining “Existing Assets – State Portion” for ‘Non-Microwave System’:-

(₹ in lakh)

Particulars	Capital	Central Portion	State Portion		
			Replaced SCADA / EMS – State Portion	Remaining “Existing Assets – State Portion	Total
Net capital cost as on 1.4.2014	Loan	3202.19	1284.85	1374.62	2659.47
	Equity	1413.77	586.03	610.86	1196.89
	Total	4615.96	1870.88	1985.47	3856.35
Debt-Equity Ratio	Debt	69.37%	68.68%	69.23%	68.96%
	Equity	30.63%	31.32%	30.77%	31.04%
	Total	100%	100%	100%	100%

Rates for recovery of loan and equity

Capital recovery for loan

19. The weighted average rate of interest works out to be 2.1826 % which has been applied for calculating the Capital Recovery Factor for loan. The details of loan are attached at Annexure-1 of the order.

Capital recovery for equity

20. The methodology as used for true-up calculation for the period 2009-14, approved



vide Commission's order dated 14. 7.2016 in Petition No. 11/TT/2015, has been considered for Capital Recovery of Equity. Hence, post-tax RoE of 15.50%, without grossing has been applied for calculating the capital recovery factor for equity.

Monthly capital recovery charges

21. The monthly Recovery factors for loan for Central Portion as well as "Replaced SCADA / EMS – State Portion" and the remaining "Existing Assets – State Portion" for 'Non-Microwave System' has been worked out as under:-

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Non-Microwave – Central Portion	0.013138	0.015227	0.018182	0.022681	0.030357
Non-Microwave – Replaced SCADA / EMS – State Portion	0.034281	0.056520	0.167729	-	-
Non-Microwave – Remaining Existing Assets – State Portion	0.013138	0.015227	0.018182	0.022681	0.030357

22. Similarly, monthly recovery factors for Equity for Central Portion as well as "Replaced SCADA / EMS – State Portion" and the remaining "Existing Assets – State Portion" for 'Non-Microwave System' have been considered as under:-

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Non-Microwave – Central Portion	0.019844	0.021790	0.024605	0.028969	0.036528
Non-Microwave – Replaced SCADA / EMS – State Portion	0.040420	0.062620	0.174282	-	-
Non-Microwave – Remaining Existing Assets – State Portion	0.019844	0.021790	0.024605	0.028969	0.036528

23. Based on above factors, monthly capital recovery charges for loan for Central Portion as well as "Replaced SCADA / EMS – State Portion" and the remaining "Existing Assets – State Portion" for 'Non-Microwave System' are worked out as under:-

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Non-Microwave – Central Portion	42.07	42.07	42.07	42.07	42.07
Non-Microwave – Replaced SCADA / EMS – State Portion	44.05	44.05	44.05	-	-
Non-Microwave – Remaining Existing Assets – State Portion	18.06	18.06	18.06	18.06	18.06

(₹ in lakh)



24. Similarly, monthly capital recovery charges for Equity for Central Portion as well as “Replaced SCADA / EMS – State Portion” and the remaining “Existing Assets – State Portion” for ‘Non-Microwave System’ are worked out as under:-

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Non-Microwave – Central Portion	28.06	28.06	28.06	28.06	28.06
Non-Microwave – Replaced SCADA / EMS – State Portion	23.69	23.69	23.69	-	-
Non-Microwave – Remaining Existing Assets – State Portion	12.12	12.12	12.12	12.12	12.12

25. Accordingly, the following recovery of capital during 2014-19 has been worked:-

(₹ in lakh)

Particulars	Capital	Central Portion	State Portion		
			Replaced SCADA / EMS – State Portion	Remaining “Existing Assets – State Portion	Total
Capital cost recovered during 2014-19	Loan	2295.71	1284.85	985.49	2270.34
	Equity	879.47	586.03	380.00	966.03
	Total	3175.18	1870.88	1365.49	3236.37
Net capital cost as on 31.3.2019 -	Loan	906.48	-	389.13	389.13
	Equity	534.30	-	230.86	230.86
	Total	1440.78	-	619.98	619.98

26. The accelerated depreciation in respect of “Replaced SCADA / EMS – State Portion” is being recovered up to 30.9.2016. Accordingly, the assets corresponding to “Central Portion” as well as the remaining “Existing Assets – State Portion” for ‘Non-Microwave System’ shall be completing 15 years on 31.1.2021. Therefore, the capital cost thereof shall be completely recovered as on that date.

Income Tax

27. The petitioner has submitted that it is liable to pay MAT rate of income tax, as such RoE has been considered post-tax @15.5%. Further, regarding recovery of income tax, vide order dated 14.11.2013 in Petition No. 57/TT/2012, it has been mentioned that income tax



shall be recoverable from the respondents in proportion of the fee and charges shared by them.

28. 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.

Operation and Maintenance Expenses (O&M Expenses)

29. The petitioner has not claimed O&M Expenses for State Portion. The petitioner has submitted the claim of the O&M Expenses for Central portion by escalating the actual O&M expenditure in 2013-14 @ 3.32% subject to normative rates in terms of Regulation 29 (4) (c) of the 2014 Tariff Regulations.

30. The O&M Expenses for Central portion have been considered by escalating the actual O&M Expenses in 2013-14 with escalation rate of 3.32% and in terms of Commission's order dated 14.7.2016 in Petition No. 11/TT/2015. The details of O&M Expenses allowed are as under:-

(₹ in lakh)				
2014-15	2015-16	2016-17	2017-18	2018-19
259.98	268.61	277.53	286.74	296.26

Interest on Working Capital (IWC)

31. 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 onemonth”

“(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 ineffect plus 350 basis points;”

32. The petitioner is entitled to claim IWC as per the 2014 Tariff Regulations. The components of the working capital and the Petitioner’s entitlement to interest thereon are discussed as under:

(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 1 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

The rate of interest on working capital considered is 13.50% (SBI Base Rate of 10% plus 350 basis points).

33. Accordingly, the IWC as determined is as under:-

(₹ in lakh)			
Non-Microwave: State SCADA / EMS Portion	2014-15	2015-16	2016-17
Maintenance Spares (15% of O&M)	0.00	0.00	0.00
O&M Expenses (1 Month)	0.00	0.00	0.00
Receivables (2 months)	138.59	138.59	138.59
Total	138.59	138.59	138.59
Rate of Interest on Working Capital	13.50%	13.50%	13.50%

(₹ in lakh)					
Non-Microwave: Central Portion	2014-15	2015-16	2016-17	2017-18	2018-19
Maintenance Spares (15% of O&M)	39.00	40.29	41.63	43.01	44.44
O&M Expenses (1 Month)	21.66	22.38	23.13	23.90	24.69
Receivables (2 months)	189.21	190.72	192.29	193.91	195.59
Total	249.87	253.40	257.05	260.82	264.71
Rate of Interest on Working Capital	13.50%	13.50%	13.50%	13.50%	13.50%
Total Interest on Working Capital (Annualized)	33.73	34.21	34.70	35.21	35.74

(₹ in lakh)					
Non-Microwave: State Portion (After replacing SCADA / EMS)	2014-15	2015-16	2016-17	2017-18	2018-19
Maintenance Spares (15% of O&M)	0.00	0.00	0.00	0.00	0.00
O&M Expenses (1 Month)	0.00	0.00	0.00	0.00	0.00
Receivables (2 months)	61.75	61.75	61.75	61.75	61.75
Total	61.75	61.75	61.75	61.75	61.75
Rate of Interest on Working Capital	13.50%	13.50%	13.50%	13.50%	0.14
Total Interest on Working Capital (Annualized)	8.34	8.34	8.34	8.34	8.34

Annual Fees and charges

34. The detailed calculations of fees and charges being allowed for the instant assets are summarized as under:-



(₹ in lakh)

Non-Microwave: State SCADA / EMS Portion	2014-15	2015-16	2016-17
Annual Capital Recovery Charges-Total	812.80	812.80	406.40
O&M Expenses	0.00	0.00	0.00
Interest on Working Capital	18.71	18.71	9.35
Total Charges	831.51	831.51	415.76

(₹ in lakh)

Non-Microwave: Central Portion	2014-15	2015-16	2016-17	2017-18	2018-19
Annual Capital Recovery Charges-Total	841.52	841.52	841.52	841.52	841.52
O&M Expenses	259.98	268.61	277.53	286.74	296.26
Interest on Working Capital	33.73	34.21	34.70	35.21	35.74
Total Charges	1135.23	1144.34	1153.75	1163.47	1173.52

(₹ in lakh)

Non-Microwave: State Portion (After replacing SCADA / EMS)	2014-15	2015-16	2016-17	2017-18	2018-19
Annual Capital Recovery Charges-Total	362.18	362.18	362.18	362.18	362.18
O&M Expenses	0.00	0.00	0.00	0.00	0.00
Interest on Working Capital	8.34	8.34	8.34	8.34	8.34
Total Charges	370.52	370.52	370.52	370.52	370.52

35. 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 filing fees, license fee, RLDC fees 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

36. 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

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

Service Tax

38. The petitioner has sought to recover service tax on transmission charges separately from the respondents, if at any time service tax on transmission is withdrawn from negative list in future. We have considered the submission of the petitioner. Service tax is not levied on transmission services. Further, service tax is subsumed by GST and hence petitioner's prayer has become infructuous.

Goods and Services Tax

39. The petitioner has prayed for reimbursement of tax, if any, on account of proposed implementation of GST. GST is not levied on transmission at present. Hence we are of the view that petitioner's prayer is premature.

Sharing of Transmission Charges

40. The fees and charges for the Unified Scheme under the Central Sector shall be recovered on monthly basis in accordance with Regulation 43 of the 2014 Tariff Regulations shall be shared by the beneficiaries and long term transmission customers in Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges & Losses)



Regulations, 2010 as amended time to time. The fees and charges for the Unified Scheme under the State Sector shall also be shared by the respective State as provided under Regulation 43 of the 2014 Tariff Regulations.

41. This order disposes of Petition No. 212/TT/2017

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

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

sd/-
(P. K. Pujari)
Chairperson



Annexure -1

CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN

(₹in lakh)

Loan	2014-19			
	Opening (Net O/S as on 1.4.2014)	Rate of interest	Interest	Weighted average rate of interest
Bond XIII (Option-I)	143.52	8.6300%	12.39	
Bond XV	293.75	6.6800%	19.62	
IBRD-II (For add cap from COD to 31.03.2006)	467.49	1.7500%	8.18	
IBRD-II (For add cap during 2006-07)	565.94	1.7500%	9.90	
IBRD-II	4159.46	1.7500%	72.79	
Total Loan	5630.16		122.88	2.1826%

