

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

- 1. Shri Ashok Basu, Chairman**
- 2. Shri K.N. Sinha, Member**
- 3. Shri Bhanu Bhushan, Member**

**Petition No. 63/2000**

**In the matter of**

Transmission tariff for 800 KV S/C Kishenpur-Moga Transmission Line Ckt-I with associated bays, 420 KV, 63 MVAR Bus Reactor at Kishenpur sub-station with associated bays and 400/220 KV, 250 MVA ICT-III at Moga sub-station with associated bays in Northern Region

**Petition No. 123/2000**

**And in the matter of**

Transmission tariff for 800 KV Kishenpur-Moga Transmission Line Ckt-II with associated bays.

**And in the matter of**

Power Grid Corporation of India Limited

**...Petitioner**

**Vs**

1. Rajasthan Rajya Vidyut Prasaran Nigam Ltd, Jaipur
2. Himachal Pradesh State Electricity Board, Shimla
3. Punjab State Electricity Board, Patiala
4. Haryana Vidyut Prasaran Nigam Ltd., Panchkula
5. Power Development Department, Govt. of J&K, Jammu
6. Uttar Pradesh Power Corporation Ltd., Lucknow
7. Delhi Vidyut Board, New Delhi
8. Chief Engineer, Chandigarh Administration, Chandigarh
9. Uttranchal Power Corporation Ltd., Dehradun

**... Respondents**

**The following were present:**

1. Shri Umesh Chandra, ED (Comml), PGCIL
2. Shri U.K. Tyagi, DGM, PGCIL
3. Shri C. Kanan, CM (Fin), PGCIL
4. Shri M.M. Mandal, PGCIL
5. Shri P.C. Pankaj, AGM (Comml)
6. Shri R.K. Arora, XEN, HVPN

**ORDER**  
**(DATE OF HEARING: 15.7.2004)**

Petition No. 63/2000 was filed by Power Grid Corporation of India Limited, the petitioner for approval of transmission charges for

- (i) 800 KV Kishenpur-Moga Transmission Line Ckt-I with associated bays,
- (ii) 420 KV, 63 MVAR Bus Reactor at Kishenpur sub-station with associated bays, and
- (iii) 400/220 KV, 250 MVA ICT-III at Moga sub-station with associated bays.

2. Similarly, in Petition No. 123/2000 the petitioner had sought approval of the transmission charges in respect of 800 KV Kishenpur-Moga Transmission Line Ckt-II with associated bays.

3. The dates of commercial operation of the different elements of the transmission system in these two petitions are given herein below.

Sl. No.	Details of the Assets	Date of commercial operation
<b>PETITION NO. 63/2000</b>		
1.	800 KV Kishenpur-Moga Transmission Line Ckt-I with associated bays	1.5.2000
2.	420 KV, 63 MVAR Bus Reactor at Kishenpur sub-station	1.3.2000
3.	400/220 KV, 250 MVA ICT-III at Moga sub-station with associated bays	1.3.2000
<b>PETITION NO. 123/2000</b>		
4.	800 kV Kishenpur-Moga transmission line Ckt II	1.2.2001

4. The transmission charges for the transmission system were approved by the Commission under its order dated 1.11.2002 after considering, among other things,

the information placed on record by the petitioner. The Commission had allowed the following transmission charges as under:

(Rs. in lakh)

S. No.	Details of the assets	Period	Interest on Loan	Depreciation	O&M expenses	Return on Equity	Interest on working capital	Total
1.	800 KV Kishenpur-Moga Transmission Line Ckt-I with associated bays	1.5.2000 to 31.3.2001	4946.05	2182.57	589.88	640.64	210.45	<b>8569.59</b>
2.	420 KV, 63 MVAR Bus Reactor at Kishenpur sub-station with associated bays	1.3.2000 to 31.3.2000	6.73	4.41	0.84	1.33	0.35	<b>13.66</b>
		1.4.2000 to 31.3.2001	83.84	52.93	10.18	12.64	4.01	<b>163.60</b>
3.	400/220 KV, 250 MVA ICT – III at Moga sub-station with associated bays	1.3.2000 to 31.3.2000	8.28	5.93	1.14	1.79	0.45	<b>17.59</b>
		1.4.2000 to 31.3.2001	110.34	71.20	13.69	16.28	5.34	<b>216.85</b>
4.	800 KV Kishenpur-Moga Transmission Line Ckt-II with associated bays	1.2.2001 to 31.3.2001	706.61	336.35	97.59	210.15	34.98	<b>1385.68</b>

5. In addition to the transmission charges, the petitioner was entitled to other charges like foreign exchange rate variation, income tax, incentive, surcharge and other cess and taxes in accordance with the notifications issued by Ministry of Power.

6. The petitioner in present petition in support of its claim for interest on loan had indicated that there was no repayment of Grid Bond I loan taken for the transmission system, before 31.3.2002. In other words, no repayments up to 31.3.2001 were shown. However, in Petition No. 43/2002 made by the petitioner for approval of tariff in respect of the same transmission system for the period from 1.4.2001 to 31.3.2004, part payment of Grid Bond 1 loan was shown prior to 31.3.2001. Subsequently, affidavits were also filed on behalf of the petitioner showing the loan allocation details. These details also supported the fact of repayment of Grid Bond 1 loan prior to 31.3.2001. Thus, the details furnished in the affidavits filed on behalf of the petitioner

are in agreement with the details of loan furnished in the main petition. Based on these details, the tariff for the period 1.4.2001 to 31.3.2004 was approved by the Commission by its order dated 18.5.2004 by considering part repayment of Grid Bond 1 loan prior to 31.3.2001. This necessitated revision of tariff earlier approved by the Commission in Petitions No. 63/2000 and 123/2000 by order dated 1.11.2002.

7. Accordingly, a notice dated 7.6.2004 was issued to the petitioner directing it to show cause while the tariff already approved by the Commission by order dated 1.11.2002 should not be reviewed. The petitioner was also directed to show cause for filing the incorrect affidavit before the Commission in the proceedings in the present petition in so far as repayment of Grid Bond I loan was concerned. The petitioner has shown cause on both these counts. On perusal of the reply to the notice for show cause, we are satisfied that there was no willful concealment on the part of the petitioner of the information in regard to repayment of Grid Bond 1 loan or intention to draw any undue benefit. The mistake was bonafide. Therefore, the proceedings against the petitioner or any of its officers for filing false affidavit before the Commission are hereby dropped. At the hearing, however, the representative of the petitioner accepted that the tariff approved by the Commission by order dated 1.11.2002 needed revision. The representative of the petitioner had further submitted that the transmission charges for some other transmission lines, also involving Grid Bond I loan, and the transmission charges for the period ending 31.3.2001 in respect of which had already been approved by the Commission, called for revision. It was stated by the representative of the petitioner that the Commission could revise the transmission charges in all such cases *suo motu* and without any further notice to the petitioner. We have noted down the submission made by the petitioner. The

transmission charges in all other similar cases would be, therefore, revised without a fresh show cause notice to the petitioner.

8. As seen from para 4 above, the transmission charges allowed by order of 1.11.2002, comprise of five components, namely interest on loan, depreciation, O&M charges, return on equity and the interest on working capital. The discrepancy regarding repayment of Grid Bond I loan, affects interest on loan component of the transmission charges. Further, interest on loan forms part of the working capital on which interest is allowed. The correction of interest on loan component of tariff will involve further correction of interest on working capital component of the transmission charges. The other components of the transmission charges approved earlier will accordingly remain unaffected and unchanged. Therefore, through this order, we are confining our consideration to interest on loan and interest on working capital components of the transmission charges. Further, the Bus Reactor at Kishenpur does not involve Grid Bond I loan, the transmission charges in respect this asset have not been revised.

### **Interest on Loan**

9. The salient features of recalculation of interest on loan are summarised below:

(a) Details of loan repaid before 31.3.2001 have been taken as per the affidavit dated 30.4.2002 filed by the petitioner in the proceedings in petition No. 43/2002 for approval of tariff for the period commencing 1.4.2001.

(b) As per Annual Report of the petitioner, Grid Bond-I loan consisted of three components, namely Series I, Series II and Series III, having different interest rates, they being 16.75%, 17% and 9%. As per the

petitioner, repayment of the first two components was due on 10<sup>th</sup>/13<sup>th</sup> March 1999. However, the break-up of rate of interest of Series I and Series II is not made available by the petitioner. Therefore, month-wise interest up to February 1999 has been worked out by presuming that the entire amount under Series I and II carried 16.75% rate of interest.

(c) The actual rates of interest have been considered in respect of all other loans for calculation of interest on loan .

10. The interest payable is worked out as under:

#### Calculation of Interest on Loan

(Rs. In lakh)

	800 kV Kishenpur-Moga transmission line Ckt-I	420/220 kV, 250 MVAR ICT-III at Moga sub-station		800 kV Kishenpur-Moga transmission line Ckt-II
Details of Loan	2000-01	1999-2000	2000-01	2000-01
Actual DOCO	1.5.2000	1.3.2000		01.02.2001
Period from DOCO (Year)	0.92	0.08	1.00	0.17
<b>Loan 1A - Grid-I (Issue-I/II)</b>				
Opening Balance	0.00	0.00	0.00	0.00
Addition	0.00	0.00	0.00	0.00
Repayment	0.00	0.00	0.00	0.00
Closing Balance	0.00	0.00	0.00	0.00
Rate of Interest	16.75%	16.75%	16.75%	16.75%
Interest	0.00	0.00	0.00	0.00
Repayment Schedule	10/13 March, 1999	10/13 March, 1999		10/13 March, 1999
<b>Loan 1B - Grid-I (Issue-III)</b>				
Opening Balance	14.92	0.51	0.51	8.75
Addition	0.00	0.00	0.00	0.00
Repayment	0.00	0.00	0.00	0.00
Closing Balance	14.92	0.51	0.51	8.75
Rate of Interest	9.00%	9.00%	9.00%	9.00%
Interest	1.23	0.05	0.05	0.13
Repayment Schedule	No repayment up to 31.03.2001	March'2002		No repayment up to 31.03.2001

<b>Loan 2 - Bond-III (1st TR)</b>				
Opening Balance	388.00	8.00	8.00	238.00
Addition	0.00	0.00	0.00	0.00
Repayment	0.00	0.00	0.00	0.00
Closing Balance	388.00	8.00	8.00	238.00
Rate of Interest	10.27%	10.27%	10.27%	10.27%
Interest	36.53	0.07	0.82	4.07
Repayment Schedule	October'2001	October'2001		October'2001
<b>Loan 3 - Bond-IV (2nd TR)</b>				
Opening Balance	1542.00	31.00	31.00	946.00
Addition	0.00	0.00	0.00	0.00
Repayment	0.00	0.00	0.00	0.00
Closing Balance	1542.00	31.00	31.00	946.00
Rate of Interest	17.84%	17.84%	17.84%	17.84%
Interest	252.17	0.46	5.53	28.13
Repayment Schedule	July'2001	July'2001		July'2001
<b>Loan4 - Bond-V</b>				
Opening Balance	1491.00	30.00	30.00	915.00
Addition	0.00	0.00	0.00	0.00
Repayment	0.00	0.00	0.00	0.00
Closing Balance	1491.00	30.00	30.00	915.00
Rate of Interest	15.80%	15.80%	15.80%	15.80%
Interest	215.95	0.40	4.74	24.10
Repayment Schedule	February.'2002	Feb.'2002		Feb.'2002
<b>Loan 5 - Bond-VI</b>				
Opening Balance	482.00	10.00	10.00	295.00
Addition	0.00	0.00	0.00	0.00
Repayment	0.00	0.00	0.00	0.00
Closing Balance	482.00	10.00	10.00	295.00
Rate of Interest	13.13%	13.13%	13.13%	13.13%
Interest	58.01	0.11	1.31	6.46
Repayment Schedule	No repayment till March'2002	No repayment till March'2002		No repayment till March'2002
<b>Loan 6 - Bond-VII</b>				
Opening Balance	923.00	19.00	19.00	566.00
Addition	0.00	0.00	0.00	0.00
Repayment	0.00	0.00	0.00	0.00
Closing Balance	923.00	19.00	19.00	566.00
Rate of Interest	13.64%	13.64%	13.64%	13.64%
Interest	115.41	0.22	2.59	12.87
Repayment Schedule	No repayment till March'2002	No repayment till March'2002		No repayment till March'2002
<b>Loan 7 - Corp. Bank</b>				
Opening Balance	462.00	9.00	9.00	283.00
Addition	0.00	0.00	0.00	0.00
Repayment	0.00	0.00	0.00	0.00
Closing Balance	462.00	9.00	9.00	283.00

Rate of Interest	11.75%	12.24%	12.24%	12.50%
Interest	49.76	0.09	1.10	5.90
Repayment Schedule	No repayment till March'2002	No repayment till March'2002		No repayment till March'2002
<b>Loan 8 - PNB</b>				
Opening Balance	923.00	19.00	19.00	566.00
Addition	0.00	0.00	0.00	0.00
Repayment	0.00	0.00	0.00	0.00
Closing Balance	923.00	19.00	19.00	566.00
Rate of Interest	11.51%	12.25%	12.25%	12.01%
Interest	97.38	0.19	2.33	11.33
Repayment Schedule	No repayment till March'2002	No repayment till March'2002		No repayment till March 2002
<b>Loan 9 - SBI-I</b>				
Opening Balance	963.00	19.00	19.00	592.00
Addition	0.00	0.00	0.00	0.00
Repayment	0.00	0.00	0.00	0.00
Closing Balance	963.00	19.00	19.00	592.00
Rate of Interest	11.50%	12.24%	12.24%	12.00%
Interest	101.52	0.19	2.33	11.84
Repayment Schedule	No repayment till March'2002	No repayment till March'2002		No repayment till March'2002
<b>Loan 10 - SBI-II</b>				
Opening Balance	716.00	14.00	14.00	439.00
Addition	0.00	0.00	0.00	0.00
Repayment	0.00	0.00	0.00	0.00
Closing Balance	716.00	14.00	14.00	439.00
Rate of Interest	11.57%	12.31%	12.31%	12.07%
Interest	75.94	0.14	1.72	8.83
Repayment Schedule	No repayment till March'2002	No repayment till March'2002		No repayment till March'2002
<b>Loan 11 - GOI</b>				
Opening Balance	23813.70	456.00	521.42	18045.91
Addition	0.00	65.42	0.00	720.00
Repayment	187.54	0.00	0.00	0.00
Closing Balance	23626.16	521.42	521.42	18765.91
Rate of Interest	As per affidavit dt.17.10.2002 for various draws	As per affidavit dt.17.10.2002 for various draws		As per affidavit dt.17.10.2002 for various draws
Interest	3420.44	5.57	77.82	449.10
Repayment Schedule & Interest	As per affidavit dt.17.10.2002 for various draws	As per affidavit dt.17.10.2002 for various draws		As per affidavit dt.17.10.2002 for various draws
<b>Loan 12 - BOI (Foreign Currency)</b>				
Opening Balance	6800.00	125.00	125.00	1573.00



Addition	0.00	0.00	0.00	0.00
Repayment	0.00	0.00	0.00	0.00
Closing Balance	6800.00	125.00	125.00	1573.00
Rate of Interest	8.33%	7.93%	7.93%	6.86%
Interest	519.24	0.83	9.91	17.98
Repayment Schedule	No repayment till March'2002	No repayment till March'2002	No repayment till March'2002	No repayment till March'2002
<b>Loan 13 - ICICI</b>				
Opening Balance				1318.00
Addition				0.00
Repayment				0.00
Closing Balance				1318.00
Rate of Interest				12.15%
Interest				26.69
Repayment Schedule				No repayment till March'2002
<b>Loan 14 - Bonds VIII Ist</b>				
Opening Balance				1000.00
Addition				0.00
Repayment				0.00
Closing Balance				1000.00
Rate of Interest				10.35%
Interest				17.25
Repayment Schedule				No repayment till March'2002
<b>Loan 15 - Bonds IX</b>				
Opening Balance				4000.00
Addition				0.00
Repayment				0.00
Closing Balance				4000.00
Rate of Interest				12.25%
Interest				81.67
Repayment Schedule				No repayment till March'2002
<b>TOTAL</b>				
Opening Balance	38518.62	740.51	805.93	30785.66
Addition	0.00	65.42	0.00	720.00
Repayment	187.54	0.00	0.00	0.00
Closing Balance	38331.08	805.93	805.93	31505.66
Interest	4943.58	8.32	110.25	706.35

### Interest on Working Capital

11. The revised calculations in support of interest on working capital calculated @ 12% for 1999-2000 and @ 11.5% for 2000-2001 of the total working capital are appended hereinbelow.

## COMPUTATION OF WORKING CAPITAL

(Rs. in lakh)

S.No	Details of the assets	Period	O&M Expenses	Maintenance Spares	Receivables	Total	Interest
1.	800 KV Kishenpur-Moga Transmission Line Ckt-I with associated bays	2000-2001	53.63	429.01	1557.65	2040.29	<b>210.40</b>
2.	420 KV, 63 MVAR Bus Reactor at Kishenpur sub-station with associated bays	1999-2000	0.84	6.75	27.32	34.91	<b>0.35</b>
		2000-2001	0.85	6.78	27.27	34.90	<b>4.01</b>
3.	400/220 KV, 250 MVA ICT – III at Moga sub-station with associated bays	1999-2000	1.14	9.08	35.26	45.48	<b>0.45</b>
		2000-2001	1.14	9.13	36.13	46.40	<b>5.34</b>
4.	800 KV Kishenpur-Moga Transmission Line Ckt-II with associated bays	2000-2001	48.80	390.35	1385.41	1824.56	<b>34.97</b>

12. Accordingly, the revised transmission charges to which the petitioner is entitled are summarized in the table given below:

(Rs. in lakh)

S. No.	Details of the assets	Period	Interest on Loan	Depreciation	O&M expenses	Return on Equity	Interest on working capital	Total
1.	800 KV Kishenpur-Moga Transmission Line Ckt-I with associated bays	1.5.2000 to 31.3.2001	4943.58	2182.57	589.88	640.64	210.40	<b>8567.07</b>
2.	420 KV, 63 MVAR Bus Reactor at Kishenpur sub-station with associated bays	1.3.2000 to 31.3.2000	6.73	4.41	0.84	1.33	0.35	<b>13.66</b>
		1.4.2000 to 31.3.2001	83.84	52.93	10.18	12.64	4.01	<b>163.60</b>
3.	400/220 KV, 250 MVA ICT – III at Moga sub-station with associated bays	1.3.2000 to 31.3.2000	8.32	5.93	1.14	1.79	0.45	<b>17.63</b>
		1.4.2000 to 31.3.2001	110.25	71.20	13.69	16.28	5.34	<b>216.76</b>
4.	800 KV Kishenpur-Moga Transmission Line Ckt-II with associated bays	1.2.2001 to 31.3.2001	706.35	336.35	97.59	210.15	34.97	<b>1385.41</b>

13. The revised transmission charges shall be shared by the beneficiaries in the Northern Region in accordance with the principles contained in paragraph 26 of the Commission's order dated 1.11.2002 ibid.

**Sd/-**  
**(BHANU BHUSHAN)**  
**MEMBER**

New Delhi dated the 29<sup>th</sup> July 2004

**Sd/-**  
**(K.N. SINHA)**  
**MEMBER**

**Sd/-**  
**(ASHOK BASU)**  
**CHAIRMAN**