

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram

1. **Shri K.N.Sinha, Member**
2. **Shri Bhanu Bhushan, Member**
3. **Shri A.H.Jung, Member**
4. **Shri Rakesh Nath, Member (EO)**

Petition No. 139/2005

In the matter of

Approval of charges for Unified Load Despatch & Communication Scheme in Northern Region for the period from 1.4.2004 to 31.7.2017 and additional capitalization during 2002-03 to 2004-05.

And in the matter of

Power Grid Corporation of India Ltd.

.... Petitioner

Vs

1. Rajasthan Rajya Vidyut Prasaran Nigam Ltd., Jaipur
2. Ajmer Vidyut Vitran Nigam Ltd.,Ajmer
3. Jaipur Vidyut Vitran Nigam Ltd, Jaipur
4. Jodhpur Vidyut Prasaran Nigam Ltd. Jodhpur
5. Himachal Pradesh State Electricity Board, Shimla
6. Punjab State Electricity Board, Patiala
7. Haryana Vidyut Prasaran Nigam Ltd., Panchkula
8. Power Development Department, Govt. of J&K, Jammu
9. Uttar Pradesh Power Corporation Ltd., Lucknow
10. Delhi Vidyut Board, New Delhi
11. Chandigarh Administration Chandigarh
12. Uttaranchal Power Corporation Ltd., Dehradun
13. Bhakra Beas Management Board, Chandigarh

....Respondents

The following were present

1. Shri U.K. Tyagi, PGCIL
2. Shri S.Singh, PGCIL
3. Shri M.M.Mondal, PGCIL
4. Shri C.Kannan, PGCIL
5. Shri P.K.Gupta, JdVVNL
6. Shri S.K.Yadav, JVVNL
7. Shri S.P.Srivastava, UPPCL
8. Shri T.P.S. Bawa, OSD (Commercial), PSEB

ORDER

(Date of Hearing: 21.3.2006)

The petition has been filed for approval of charges for Unified Load Despatch & Communication Scheme (hereinafter referred to as "the Scheme") in

Northern Region for the period from 1.4.2004 to 31.7.2017. The petitioner also seeks reimbursement from the beneficiaries of the expenditure incurred towards publishing of notices in the newspapers and the petition filing fee.

2. At the outset it is necessary to observe that the Scheme has been designed to strengthen the load despatch infrastructure in Northern Region. The Scheme covers investment in NRLDC and SLDCs in the beneficiary States. The scope of the present petition, therefore, covers determination of fees and charges for Northern Regional Load Despatch Center under sub-section (4) of Section 28 of the Electricity Act, 2003. We, therefore, proceed on that basis.

3. Central Electricity Authority had accorded techno-economic clearance for the Scheme in Northern Region vide its letter dated 12.1.1994 at an estimated cost of Rs.43660.00 lakh, including IDC of Rs.12837.00 lakh. The investment approval and expenditure sanction was subsequently accorded by the Central Government in Ministry of Power by its letter dated March 1995 at an estimated cost of Rs. 47951.00 lakh, including IDC of Rs. 9383.00 lakh. The approved estimated cost included an amount of Rs. 4601.00 lakh for the investments to be made by the beneficiary constituent States. Subsequently, the Central Government vide its letter dated 25.2.2002, accorded its fresh approval to the Revised Cost Estimate of Rs.65892.00 lakh, including IDC of Rs.11426.00 lakh, consisting of (i) Power Grid's portion of Rs.59458.00 lakh, including IDC of Rs.9989.00 lakh and (ii) SEB's portion of Rs.6434.00 lakh, including IDC of Rs.1437.00 lakh based on 2nd quarter 2001 price level. The details of the approved cost are given hereunder:

(Rs. in lakh)

| Respondents | Approved cost |
|----------------|---------------|
| RSCC | 27656 |
| BBMB | 2741 |
| Delhi | 4425 |
| HSEB | 3029 |
| HPSEB | 2428 |
| J&K | 1875 |
| PSEB | 2605 |
| RSEB | 4580 |
| UPSEB | 10119 |
| Total | 59458 |

4. The Scheme was declared under commercial operation on 1.8.2002. The fee and charges for the period from 1.8.2002 to 31.3.2004 were decided by the Commission in its order dated 2.9.2005 in Petition No. 82/2002. The following principles were adopted while approving fees and charges:

(a) Annual capital cost recovery shall be based on the levelised tariff for 15 years through recovery factor $= i(1+i)^n / (1+i)^n - 1$ where i = weighted average rate of interest and ROE respectively and n = period.

(b) IWC and O&M charges shall not be levelised.

(c) O & M charges shall be payable initially @ 7.5% of the admitted cost.

(d) Actual O & M expenses shall be reimbursed with retrospective effect after a thorough scrutiny and prudence check.

5. The gross block as on 1.8.2002, considered in the order dated 2.9.2005, is as summarised below:

(Rs. in lakh)

| | Gross Block |
|----------------|-----------------|
| RSCC | 24958.31 |
| UPPCL | 8205.93 |
| DPSCCL | 3955.10 |
| RRVPL | 4531.92 |
| HVPL | 2959.68 |
| HPSEB | 2484.98 |
| BBMB | 2631.70 |
| PSEB | 2437.97 |
| J&K | 1885.30 |
| Total | 54050.89 |

6. The petitioner has claimed fees and charges for the period up to 31.7.2017. However, since for the present general tariff period ends on 31.3.2009, NRULDC fees and charges are being approved for the period up to 31.3.2009, coinciding with the current tariff period.

7. The year-wise fees and charges claimed by the petitioner for the period 1.4.2004 to 31.3.2009 are summarized hereunder:

| Particulars | Central Portion (RSCC) | | | | | State portion (Total) | | | | |
|---|-----------------------------------|--|---|-------------------------------------|---|----------------------------------|--|---|-------------------------------------|---|
| | On Capital expenditure up to DOCO | On Capital expenditure from DOCO to 31.03.2003 | On Capital expenditure from 1. 4.2003 to 31.03.2004 | On FERV capitalised as on 1. 4.2004 | On Capital expenditure from 1. 4.2004 to 31.03.2005 | On Capital expenditure upto DOCO | On Capital expenditure from DOCO to 31.03.2003 | On Capital expenditure from 1. 4.2003 to 31.03.2004 | On FERV capitalised as on 1. 4.2004 | On Capital expenditure from 1. 4.2004 to 31. 3.2005 |
| Annual Capital Recovery Charge - Loan | 2362.24 | 0.00 | 0.00 | (-)74.66 | 0.00 | 2753.54 | 0.00 | 0.00 | (-)87.02 | 0.00 |
| Annual Capital Recovery Charge - Equity | 516.49 | 117.00 | 14.38 | (-)15.59 | 10.15 | 602.05 | 288.84 | 94.62 | (-)18.18 | 32.28 |
| Annual Capital Recovery Charge - Total | 2878.74 | 117.00 | 14.38 | (-)90.25 | 10.15 | 3355.59 | 288.84 | 94.62 | (-)105.20 | 32.28 |
| Cumulative Annual Capital Recovery Charges | 2878.74 | 2995.74 | 3010.12 | 2919.87 | 2930.02 | 3355.59 | 3644.43 | 3739.05 | 3633.85 | 3666.13 |
| O&M Expenses | 1871.85 | 47.98 | 5.76 | 0.00 | 3.95 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest on Working Capital | 128.28 | 4.25 | 0.48 | (-)1.57 | 0.33 | 62.67 | 7.16 | 2.17 | (-)1.83 | 0.74 |

8. The replies to the petition have been filed by Jaipur Vidyut Vitran Nigam Ltd., Jodhpur Vidyut Vitran Nigam Ltd., and Ajmer Vidyut Vitran Nigam Ltd. 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.

9. The petitioner vide its affidavit dated 23.3.2006 explained that the operation of CPCC, Kanpur has been shifted to NRLDC. Data of all RTUs which were earlier reporting to CPCC have been re-routed and are directly reporting to NRLDC. Equipment and hardware of CPCC are planned to be shifted to NRLDC very shortly.

10. The petitioner vide its affidavit dated 7.4.2006 has further explained that (a) in order to streamline interface with NRLDC and maintenance of ULDC network, the CPCC Kanpur were relocated to NRLDC and the same is merged with Network Management System (NMS) of ULDC from July 2003, (b) all the manpower working in CPCC Kanpur were also transferred to NRLDC from July 2003, (c) at present NRLDC is imparting training to O&M staff of the constituents on regular basis. The equipments of CPCC Kanpur are to be shifted to NRLDC shortly for establishing a training centre for System Engineers/operators of the constituents. After shifting of CPCC equipment the participants of the constituents shall have the opportunity to have hands on training on all aspects of the ULDC system such as RTU integration, database preparation and

downloading, MUX-CEF interfacing, CFE and system configuration etc. We are satisfied with the explanation given by the petitioner in regard to shifting of CPCC, Kanpur to NRLDC, New Delhi.

Additional Capitalisation- 2002-03 and 2003-04

11. The petitioner has sought approval of ULDC fees and charges after accounting for additional capital expenditure of Rs.2801.25 lakh incurred during 2002-03 and 2003-04 on account of left over/balance payments as per details given below:

| Year | Particulars | Amount (Rs. in lakh) | Nature of expenditure |
|--------------|--------------------------------|-------------------------|---|
| 2002-03 | Consultancy charges | 33.96 | Balance payments |
| | Building and other civil works | 30.20 | Balance works. |
| | EMS/SCADA System | 1201.16 | Balance payments and works |
| | Fibre optic system | 81.00 | Balance payments |
| | PLCC/PABX | 87.97 | Balance payments |
| | Digital microwave system | 782.98 | Balance payments |
| | Auxiliary power supply system | 0.67 | Balance payments |
| 2003-04 | Building and other civil works | 12.24 | Balance works |
| | EMS/SCADA System | 177.13 | Balance payments |
| | Fibre optic system | 25.47 | Balance payments & works |
| | PLCC/PABX | 100.98 | Balance payments |
| | Digital microwave system | 127.71 | Balance payments & works |
| | Auxiliary power supply system | 138.78 | Balance payment and new works within original scope |
| Total | | 2801.25 | |

Additional Capitalisation- 2004-05

12. The petitioner has also claimed additional capitalization of Rs. 220.51 lakh for the period 2004-05. The details submitted by the petitioner in support of its claim for additional capital expenditure are given hereunder:

| Year | Particulars | Amount (Rs. in lakh) | Nature of expenditure |
|---------|--------------------------------|-------------------------|----------------------------|
| 2004-03 | Consultancy charges | 25.36 | Balance payments |
| | Building and other civil works | 0.61 | Balance works. |
| | EMS/SCADA System | 108.16 | Balance payments and works |
| | PLCC/PABX | 4.27 | Balance payments |
| | Digital microwave system | 79.73 | Balance payments |
| | Auxiliary power supply system | 2.38 | Balance payments |
| | Total | 220.51 | |

13. The additional expenditure now claimed was not considered by the Commission in its order dated 2.9.2005 *ibid* while approving fees and charges for the period ending 31.3.2004. The expenditure claimed is found to be in order as it is against the committed liability. Therefore, the additional capital expenditure of Rs. 2801.25 lakh for the period 1.8.2002 to 31.3.2004 and Rs. 220.51 lakh for the year 2004-05 has been approved.

Capital cost

14. The petitioner has claimed tariff based on the capital expenditure of Rs. 55509.21 lakh after accounting for additional capitalization of Rs. 3021.76 (Rs.2801.25 + 220.51) lakh on works and Rs. (-) 1563.44 lakh on account of FERV for the period up to 31.3.2004 over the capital expenditure of Rs. 54050.89 lakh in regard to RSCC portion and State portion admitted by the Commission in the order dated 2.9.2005 *ibid*.

15. Since the loan allocation statement for the year 2004-05 has not yet been finalized by the petitioner, the additional capital expenditure of Rs. 220.51 lakh for the year 2004-05 is not being considered for approval of fees and charges. The petitioner is at liberty to seek revision of fee and charges after finalization of

loan allocation details. However, additional capital expenditure of Rs. 2801.05 lakh for the period ending 31.3.2004 has been taken into account for the purpose of determination of fees and charges.

FERV/Extra Rupee Liability during the years 2001-04

16. Regulation 1.13 (a) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2001 provided as under:

- (a) Extra rupee liability towards interest payment and loan repayment actually incurred, in the relevant year shall be admissible; provided it directly arises out of foreign exchange rate variation and is not attributable to Utility or its suppliers or contractors. Every utility shall follow the method as per the Accounting Standard-11 (Eleven) as issued by the Institute of Chartered Accountants of India to calculate the impact of exchange rate variation on loan repayment
- (b) Any foreign exchange rate variation to the extent of the dividend paid out on the permissible equity contributed in foreign currency, subject to the ceiling of permissible return shall be admissible. This as and when paid, may be spread over the twelve-month period in arrears

17. Regulation 1.7 of the 2001 regulations further provided that recovery of foreign exchange rate variation would be done directly by the utilities from the beneficiaries without filing a petition before the Commission. In case of any objections by the beneficiaries to the amounts claimed on these counts, they may file an appropriate petition before the Commission.

18. The consideration of fess and charges involves de-capitalization of Rs. 1573.23 lakh on account of FERV against de-capitalization of Rs. 1563.44 lakh considered by the petitioner. Therefore, total amount of Rs. 1573.23 lakh has been de-capitalized for the period 2002-04. Necessary calculations in support of FERV are appended below:

| Year | 2002-03 | 2003-04 | 2002-03 | 2003-04 | 2002-03 | 2003-04 | |
|-----------------------------|----------|----------|-------------|--------------|-----------|------------|------------|
| Name of the Currency | USD | USD | USD | USD | | | |
| Opening Balance | | | | | | | |
| FC Lakh | 18.2771 | 19.4507 | 356.14 | 356.1400 | | | |
| Rate of Exchange | 48.9600 | 47.8300 | 48.9600 | 47.8300 | | | |
| Rs.Lakh | 894.8457 | 930.3293 | 17436.6144 | 17034.1762 | | | |
| Drawl | | | | | | | |
| FC Lakh | 0.0000 | 0.0000 | 0.0000 | 0.0000 | | | |
| Rate of Exchange | 0.0000 | 0.0000 | 0.0000 | 0.0000 | | | |
| Rs.Lakh | 0.0000 | 0.0000 | 0.0000 | 0.0000 | | | |
| Repayment 1 | | | | | | | |
| FC Lakh | 0.0000 | 0.8197 | 0.0000 | 0.0000 | | | |
| Rate of Exchange | 0.0000 | 51.1601 | 0.0000 | 0.0000 | | | |
| Rs.Lakh | 0.0000 | 41.9349 | 0.0000 | 0.0000 | | | |
| Repayment 2 | | | | | | | |
| FC Lakh | 0.7601 | 0.8897 | 0.0000 | 0.0000 | | | |
| Rate of Exchange | 47.6718 | 45.6356 | 0.0000 | 0.0000 | | | |
| Rs.Lakh | 36.2370 | 40.6021 | 0.0000 | 0.0000 | | | |
| Closing Balance | | | | | | | |
| FC Lakh | 19.4507 | 19.3837 | 356.1400 | 356.1400 | | | |
| Rate of Exchange | 47.8300 | 44.3100 | 47.8300 | 44.3100 | | | |
| Rs.Lakh | 930.3293 | 858.8928 | 17034.1762 | 15780.5634 | | | |
| ERV | 71.7206 | 11.1006 | (-)402.4382 | (-)1253.6128 | (-)330.72 | (-)1242.51 | (-)1573.23 |

19. Based on the above, gross block of Rs. 55278.91 lakh, including additional capitalization of Rs. 2801.25 lakh on works and decapitalization on account of FERV of Rs. 1573.23 lakh, as on 1.4.2004 has been considered for the purpose of approving fees and charges.

DEBT-EQUITY RATIO

20. The petitioner has claimed tariff based on debt-equity ratio of 88.46:11.54 considered by the Commission in its order dated 2.9.2005 *ibid.*

Further, it has adjusted the entire amount on account of additional capitalization against equity during 2002-03 and 2003-04. While considering fees and charges, additional capital expenditure of Rs. 2801.25 lakh on works and de-capitalization of Rs. 1573.23 lakh on account of FERV have been adjusted against debt and equity so as to arrive at the debt-equity ratio close to the approved ratio of 80:20. The adjusted debt-equity ratio arrived at is 83.65:16.35.

ANNUAL RECOVERY ON ACCOUNT OF RETURN ON EQUITY AND INTEREST ON LOAN

21. Gross loan up to 31.3.2004 has been taken from the order dated 2.9.2005 *ibid*. Details of outstanding loan as on 31.3.2004 and Interest on loan as on 31.3.2004 have been taken from the loan allocation statement submitted by the petitioner for working out weighted average rate of interest. Weighted average rate of interest on outstanding loan as on 31.3.2004, opening balance as on 1.4.2004 has been worked out. IBRD-I loan for the period 2001-04 and IBRD-II loan has been considered in the calculation for the tariff period 2004-05. Repayment of total loan for State and Regional /Central Sector portions has been considered by the petitioner during the period of levelised charges of 15 years.

22. ROE applicable @ 14% has been considered for the tariff purpose for the period 2004-09.

23. Based on weighted average rate of interest (6.037%) and ROE @ 14%, recovery factor,

(i) for 15 years for capital expenditure up to 1.8.2002,

(ii) for 14 years for additional capital expenditure from 1.8.2002 to 31.3.2003, and

(iii) for 13 years for additional capital expenditure from 1.4.2003 to 31.3.2004,

have been arrived as per the following formula considered in the order dated 2.9.2005 ibid given hereunder:

$$\text{Recovery Factor: } i(1+i)^n / (1+i)^n - 1$$

Where, i = Weighted average rate of interest and RoE respectively and
 n = period

24. Annual recovery corresponding to loan and equity for Central and State portions has been arrived as the product of loan corresponding to a particular constituent and respective recovery factor and the sum of both has been considered as annual recovery for each constituent.

Operation and Maintenance (O&M) Expenses

25. The Commission in its order dated 2.9.2005 had allowed O&M charges @ 7.5% for Central Sector portion of the capital cost. This was subject to adjustment based on submission of actual O&M expenses. The petitioner has submitted the following details of O & M expenses for the period ending 31.3.2005:

| (Rs. in lakh) | | | |
|--------------------|--------------------------|-------------------------|-----------|
| O&M expenses | O&M expenditure (NRULDC) | O&M expenditure (NRLDC) | Total |
| 2002-03 (pro-rata) | 20991275 | 38913190 | 59904465 |
| 2003-04 | 86196290 | 77807319 | 164003609 |
| 2004-05 | 75018942 | 78292027 | 153411969 |

26. The petitioner has also submitted that the AMC for EMS/SCADA was to start from 1.3.2006 which was expected to cost approximately Rs. 960 lakh per annum for which finalization of contract was under progress.

27. On the issue of reasonability of O&M charges, the petitioner has submitted that O&M charges for Central Sector portion @ 7.5% of the capital cost were proposed on normative basis only for the initial two years which would be adjusted based on the actuals. This had been proposed in view of the fact that project of this nature and magnitude had been established for the first time in India and no past data was available for arriving at normative O&M charges. Moreover, in view of the system being predominant with communication facilities and computer hardware and software, royalty charges for micro wave links, spares, consumables, AMC for computer etc., the rate of 7.5% was recommended by its consultant to the petitioner. The data placed on record is not sufficient for taking a final view on normative O&M expenses.

28. Therefore, O&M charges are provisionally allowed at the same level as allowed in the previous tariff period i.e. Rs.1871.85 lakhs per annum without any escalation. The normalization of O&M charges and prudence of actual O&M charges shall be carried out after receipt of further details of actual O&M charges for the period ending 31.3.2007 and applicable adjustments made w.e.f. 1.8.2002.

29. The necessary computation in support of O&M charges after adjusting FERV for RSCC are appended herein below:

(Rs. in lakh)

| | On Capital expenditure up to 1.8.2002 | On Capital expenditure from 1.8.2002 to 31.03.2003 | On Capital expenditure from 1. 4.2003 to 31.03.2004 |
|---|---------------------------------------|--|---|
| O & M charges for RSCC portion | 1871.87 | 47.98 | 5.76 |
| FERV (2) | | -152.71 | -573.74 |
| Adjustment in O & M expenses @ 7.5% of (3) | | -11.45 | -43.03 |
| Adjusted O & M expenses(4)=(1)+(3) | 1871.87 | 36.53 | -37.27 |

30. O&M expenses have not been worked out for State portion.

Interest on Working Capital:

31. The components of the working capital and the interest thereon are discussed hereunder:

(i) Maintenance spares

Regulation 56(v)(1)(b) of the 2004 regulations provides for maintenance spares @ 1% of the historical cost escalated @ 6% per annum from the date of commercial operation. In the present case, capital expenditure on the date of commercial operation is Rs. 24958.31 lakh for RSCC portion, which has been considered as the historical cost for the purpose of the present petition and maintenance spares have been worked out accordingly by escalating 1% of the historical cost @ 6% per annum. The value of maintenance spares as on 1.4.2004 works out to Rs. 249.58 lakh.

(ii) O & M expenses

Regulation 56(v)(1)(a) of the 2004 regulations provides for operation and maintenance expenses for one month as a component of working capital. The petitioner has claimed O&M expenses for 1 month of

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

(iii) Receivables

As per Regulation 56(v)(1)(c) of the 2004 regulations, receivables will be equivalent to two months average billing calculated on target availability level. The petitioner has claimed the receivables on the basis of 2 months' transmission charges. In the tariff being allowed, receivables have been worked out on the basis 2 months charges.

(iv) Rate of interest on working capital

As per Regulation 56(v)(2) of the 2004 regulations, rate of interest on working capital shall be on normative basis and shall be equal to the short-term Prime Lending Rate of State Bank of India as on 1.4.2004 or on 1st April of the year in which the project or part thereof (as the case may be) is declared under commercial operation, whichever is later. The interest on working capital is payable on normative basis notwithstanding that the transmission licensee has not taken working capital loan from any outside agency. The petitioner has claimed interest on working capital @ 10.25% based on SBI PLR as on 1.4.2004, which is in accordance with the 2004 regulations and has been allowed.

32. The detailed calculations in support of interest on Working Capital are as under:

(Rs. in lakh)

| Interest on Working Capital | Central Portion | | | State Portion | | |
|-------------------------------------|--|--|---|--|---|--|
| | 2004-09 (on capital expenditure up to 1.8.2002) | 2004-09(on capital expenditure from1.8.200 2 to 31.3.2003 including FERV) | 2004-09 (on capital expenditure from 1.4.2003 to 31.3.2004 including FERV) | 2004-09 (on capital expenditure up to 1.8.2002) | 2004-09(on capital expenditure from1.8.2002 to 31.3.2003 including FERV) | 2004-09 (on capital expenditure from 1.4.2003 to 31.3.2004 including FERV) |
| Maintenance Spares | 249.58 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| O&M Expenses | 155.99 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Receivables | 790.34 | 15.28 | (-)8.78 | 543.07 | 41.38 | 1.87 |
| Total | 1195.91 | 15.28 | (-)8.78 | 543.07 | 41.38 | 1.87 |
| Rate of Interest on Working Capital | 10.25% | 10.25% | 10.25% | 10.25% | 10.25% | 10.25% |
| Interest on Working Capital | 122.58 | 1.57 | (-)0.90 | 55.66 | 4.24 | 0.19 |

33. Based on the foregoing principles and methodologies, the annual fees and charges for the Scheme for Northern Region are calculated as under :

(Rs. in lakh)

| | Calculation of ULDC Charges | | | | | |
|--|---|---|---|--|---|--|
| | Central Portion | | | State Portion | | |
| | RSCCS | | | Total | | |
| | 2004-09 (on capital expenditure up to 1.8.2002) | 2004-09(on capital expenditure from1.8.2002 to 31.3.2003 including FERV) | 2004-09 (on capital expenditure from 1.4.2003 to 31.3.2004 including FERV) | 2004-09 (on capital expenditure up to 1.8.2002) | 2004-09 (on capital expenditure from1.8.2002 to 31.3.2003 including FERV) | 2004-09 (on capital expenditure from 1.4.2003 to 31.3.2004 including FERV) |
| Capital cost | 24958.31 | 487.00 | (-)496.90 | 29092.58 | 1401.22 | (-)163.31 |
| Notional loan | 22078.62 | (-)152.71 | (-)573.74 | 25735.88 | (-)178.01 | (-)668.78 |
| Equity | 2879.69 | 639.71 | 76.84 | 3356.70 | 1579.23 | 505.47 |
| Recovery factors -loan | 0.1032 | 0.1078 | 0.1132 | 0.10321 | 0.1078 | 0.1132 |
| Annual Capital Recovery charge-loan | 2278.79 | (-)16.47 | -64.95 | 2656.26 | (-)19.19 | (-)75.71 |
| Recovery factors-Equity | 0.1628 | 0.1666 | 0.1712 | 0.16281 | 0.1666 | 0.1712 |
| Annual Capital Recovery Charge- Equity | 468.84 | 106.58 | 13.15 | 546.50 | 263.11 | 86.52 |
| Annual Capital Recovery Charge –Total | 2747.63 | 90.11 | (-)51.80 | 3202.76 | 243.92 | 10.81 |
| O&M Expenses | 1871.85 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Interest on Working Capital | 122.58 | 1.57 | (-)0.90 | 55.66 | 4.24 | 0.40 |
| Total charges | 4742.06 | 91.68 | (-)52.70 | 3258.43 | 248.16 | 11.00 |

34. In addition to the transmission charges, the petitioner shall be entitled to other charges like income-tax, incentive, surcharge and other cess and taxes in accordance with the 2004 regulations. These charges shall be shared by the respondents in accordance with the 2004 regulations.

35. The petitioner by an affidavit dated 24.3.2006 has sought approval for the reimbursement of expenditure of Rs. 2,14,699/- incurred on publication of notices in the newspapers. The petitioner shall claim reimbursement of the said expenditure directly from the respondents in one instalment in the ratio applicable for sharing of charges. The petitioner has also sought reimbursement of filing fee of Rs.5.00 lakh paid. A final view on reimbursement of filing fee is yet to be taken by the Commission for which views of the stakeholder have been received. The view taken on consideration of the comments received shall apply in the present case as regards reimbursement of filing fee.

36. It is to be noted that the full capital cost shall be recovered over a period of 15 years with interest/return. After full capital recovery, the assets shall be transferred to the respective constituents at nominal value.

37. This disposes of petition No. 139/2005.

Sd/-
(RAKESH NATH)
MEMBER

Sd/-
(A.H.JUNG)
MEMBER

Sd/-
(BHANU BHUSHAN)
MEMBER

Sd/-
(K.N. SINHA)
MEMBER

New Delhi Dated the 9th May 2006