

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

- 1. Shri Ashok Basu, Chairperson**
- 2. Shri Bhanu Bhushan, Member**
- 3. Shri A.H. Jung, Member**

**I.A.No. 28/2006 in  
Petition No.84/2004**

**In the matter of**

Approval of transmission charges for Kishenpur-Moga Transmission System in Northern Region for the period from 1.4.2004 to 31.3.2009.

**And in the matter of**

Power Grid Corporation of India Limited

**..Petitioner**

Vs

1. Rajasthan Rajya Vidyut Prasaran Nigam Ltd, Jaipur
2. Ajmer Vidyut Vitaran Nigam Ltd., Ajmer
3. Jaipur Vidyut Vitaran Nigam Ltd, Jaipur
4. Jodhpur Vidyut Vitaran 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, Srinagar
9. Uttar Pradesh Power Corporation Ltd., Lucknow
10. Delhi Transmission Corporation Ltd, New Delhi
11. Chief Engineer, Chandigarh Administration, Chandigarh
12. Uttranchal Power Corporation Ltd, Dehradun
13. Northern Railway, New Delhi

**.....Respondents**

**The following were present:**

1. Shri U.K. Tyagi, PGCIL
2. Shri C. Kannan, PGCIL
3. Shri M.M.Mandol, PGCIL
4. Shri Rakesh Prasad, PGCIL
5. Shri T.P.S.Bawa, PSEB

**ORDER  
(DATE OF HEARING: 6.7.2006)**

The Commission by its order dated 24.2.2006 had allowed tariff for Kishenpur-Moga Transmission System comprising 800 kV Kishenpur-Moga transmission line-I along with associated bays, 800 kV Kishenpur-Moga transmission line-II along with associated bays and 420 kV 63 MVAR Bus Reactor at Kishenpur sub-station with

associated bays and 420/220 kV, 250 MVA ICT III at Moga sub-station with associated bays in Northern Region for the period from 1.4.2004 to 31.3.2009.

2. The Commission in its order dated 24.2.2006 *ibid*, while allowing interest on loan in case of 800 kV Kishenpur-Moga transmission line-I in para 24, considered the interest of loan as indicated below against each year :

(Rs. in lakh)

Details of loan	Up to 31.3.2004	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Interest on Loan</b>						
Gross loan as per order dated 21.7.2005	38938.44					
Addition due to additional capitalisation	0.00					
Addition due to FERV	(-)397.63					
Gross Normative Loan	38540.81	38540.81	38540.81	38540.81	38540.81	38540.81
Cumulative Repayment up to Previous Year		7294.00	10022.17	12750.33	15478.49	18206.65
Net Loan-Opening		31246.80	28518.64	25790.48	23062.32	20334.16
Repayment during the year		2728.16	2728.16	2728.16	2728.16	2728.16
Net Loan-Closing		28518.64	25790.48	23062.32	20334.16	17606.00
Average Loan		29882.72	27154.56	24426.40	21698.24	18970.08
Weighted Average Rate of Interest on Loan		5.8187%	5.7314%	5.6245%	5.4908%	5.3587%
<b>Interest</b>		1738.80	1556.33	1373.86	1191.40	1016.55

3. It is noted that while computing interest on loan, repayment of all loans taken together considered is Rs. 2728.16 lakh each year uniformly. However, in fact one of the loans, namely Bond VII, was fully repaid during 2007-08 and this was so stated in the petition. The impact of liquidation of Bond VII loan during 2007-08 needed to be taken into account while computing the interest on loan for the year 2008-09. Thus, an inadvertent clerical error has crept in computation of interest on loan component.

5. I.A. for correction of the ministerial error has been heard after notice to the respondents.

6. The parties have not objected to the correction of error either by filing written reply or orally at the hearing. Accordingly, it is proposed to correct the error through this order.

7. Accordingly, in case of 800 kV Kishenpur-Moga transmission line-I, the table below para 24 of the order dated 24.2.2006 *ibid*, under the heading `interest on loan` shall be substituted as under:

(Rs. in lakh)

Details of loan	Up to 31.3.2004	2004-05	2005-06	2006-07	2007-08	2008-09
<b>Interest on Loan</b>						
Gross loan as per order dated 21.7.2005	38938.44					
Addition due to additional capitalisation	0.00					
Addition due to FERV	-397.63					
Gross Normative Loan	38540.81	38540.81	38540.81	38540.81	38540.81	38540.81
Cumulative Repayment up to Previous Year		7294.00	10022.17	12750.33	15478.49	18206.65
Net Loan-Opening		31246.80	28518.64	25790.48	23062.32	20334.16
Repayment during the year		2728.16	2728.16	2728.16	2728.16	2544.05
Net Loan-Closing		28518.64	25790.48	23062.32	20334.16	17790.11
Average Loan		29882.72	27154.56	24426.40	21698.24	19062.13
Weighted Average Rate of Interest on Loan		5.8187%	5.7314%	5.6245%	5.4908%	5.3587%
<b>Interest</b>		1738.80	1556.33	1373.86	1191.40	1021.49

8. Revision of interest on loan component of tariff has necessitated revision of Advance Against Depreciation and interest on working capital components which are relatable to interest on loan. This has also been considered.

9. Therefore, the entries relating to 800 kV Kishenpur-Moga transmission line-I in the table below para 32 under the heading `Advance Against Depreciation` of the order dated 24.2.2006 *ibid* shall be substituted as under:

(Rs in lakh)

	2004-05	2005-06	2006-07	2007-08	2008-09
1/10th of Gross Loan(s)	3854.08	3854.08	3854.08	3854.08	3854.08
Repayment of the Loan	2728.16	2728.16	2728.16	2728.16	2544.05
Minimum of the above	2728.16	2728.16	2728.16	2728.16	2544.05
Depreciation during the	1167.32	1167.32	1167.32	1167.32	1167.32

year					
(A) Difference	1560.84	1560.84	1560.84	1560.84	1376.73
Cumulative Repayment of the Loan	10022.17	12750.33	15478.49	18206.65	20750.70
Cumulative Depreciation/ Advance against Depreciation	9679.47	11189.48	13917.64	16645.81	19373.97
(B) Difference	342.69	1560.84	1560.84	1560.84	1376.73
<b>Advance against Depreciation Minimum of (A) and (B)</b>	342.69	1560.84	1560.84	1560.84	1376.73

10. Similarly, in suppression of the entries in the table under paras 37 of the order dated 24.2.2006 ibid, showing interest on working capital in respect of 800 kV Kishenpur-Moga transmission line-I, the following shall be substituted:

(Rs. in lakh)

	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
Maintenance Spares	537.15	569.38	603.54	639.75	678.14
O & M expenses	9.90	10.29	10.72	11.12	11.59
Receivables	701.24	878.22	848.75	819.27	760.86
Total	1248.28	1457.89	1463.00	1470.15	1450.59
Rate of Interest	10.25%	10.25%	10.25%	10.25%	10.25%
<b>Interest</b>	127.95	149.43	149.96	150.69	148.69

11. The revised transmission charges allowed for 800 kV Kishenpur-Moga transmission line-I are given below which are in suppression of the relevant entries in the table given under para 38 of the said order dated 24.2.2006 ibid:

(Rs.in lakh)

	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
Depreciation	1167.32	1167.32	1167.32	1167.32	1167.32
Interest on Loan	1738.80	1556.33	1373.86	1191.40	1021.49
Return on Equity	711.92	711.92	711.92	711.92	711.92
Advance against Depreciation	342.69	1560.84	1560.84	1560.84	1376.73
Interest on Working Capital	127.95	149.43	149.96	150.69	148.69
O & M Expenses	118.75	123.49	128.58	133.48	139.05
<b>Total</b>	<b>4207.43</b>	<b>5269.34</b>	<b>5092.48</b>	<b>4915.65</b>	<b>4565.19</b>

12. Based on the above, the revised summary of capital cost etc, of the 800 kV Kishenpur-Moga transmission line-I is annexed with this order.

13. In all other respects, the tariff approved under order dated 24.2.2006 shall apply.

14. This order disposes of I.A. No. 28/2006.

**sd-/  
(A.H. JUNG)  
MEMBER**

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

**sd-/  
(ASHOK BASU)  
CHAIRPERSON**

**New Delhi dated the 14<sup>th</sup> July 2006**

Summary Sheet				
Name of the Company		PGCIL		
Name of the Element		800 kV Kishenpur-Moga transmission line-I along with associated bays		
Date of commercial operation		1.5.2000		
Petition No.		84/2004		
Tariff setting Period		2004-09		
(Rs.in lakh)				
<b>1</b>	<b>Capital Cost of the Project</b>			<b>93848.00@</b>
<b>2</b>	<b>Admitted Capital Cost as on 1.4.2004 for Calculation of Debt and Equity</b>			<b>43506.00</b>
<b>3</b>	<b>Additional Capitalisation(works)</b>			<b>517.58</b>
	2001-02		422.42	
	2002-03		95.16	
	2003-04		0.00	
	Total		517.58	
<b>4</b>	<b>Additional Capitalisation(FERV)</b>			<b>-397.63</b>
	2001-02		321.82	
	2002-03		-174.83	
	2003-04		-544.61	
	Total		-397.63	
<b>5</b>	<b>Total Capital Cost as on 1.4.2004(2+3+4)</b>			<b>43625.95</b>
<b>6</b>	<b>Means of Finance<sup>1</sup> :</b>			
	Debt	88.34%	38540.81	
	Equity	11.66%	5085.14	
	Total	100.00%	43625.95	
<b>7</b>	<b>Gross Loan as on 1.4.2004</b>			<b>38540.81</b>
<b>8</b>	<b>Cumulative Repayment up to 31.3.2009 :</b>			<b>20750.70</b>
	Repaid up to 31.3.2004		7258.93	
	1.4.2001 to 31.3.2004 (ACE & FERV)		35.07	
	1.4.2004 to 31.3.2009		13456.69	
	Total		20750.70	
<b>9</b>	<b>Balance Loan to be repaid beyond 31.3.2009 :</b>			<b>17790.11</b>
<b>10</b>	<b>Depreciation recovered up to 31.3.2009 :</b>			<b>20750.70</b>
		<b>Dep</b>	<b>AAD</b>	<b>Total</b>
	Recovered up to 31.3.2004	5681.68	2823.23	8504.91
	1.4.2001 to 31.3.2004 (ACE & FERV)	7.24	0.00	7.24
	1.4.2004 to 31.3.2009	5836.59	6401.95	12238.54
	Total			20750.70
<b>11</b>	<b>Balance Depreciation to be recovered beyond 31.3.2009 :</b>			<b>18151.37</b>
	<b>Capital cost for the purpose of Depreciation</b>			<b>43506.00</b>
	<b>ACE + FERV</b>			<b>119.95</b>
	<b>Capital cost as 1.4.2004</b>			<b>43625.95</b>
	<b>Less: Land Cost</b>			<b>401.43</b>
				<b>43224.52</b>
	<b>90% of Capital Cost as above</b>			<b>38902.06</b>
	<b>Cum. Depreciation to be recovered up to 31.3.2009</b>			<b>20750.70</b>
	<b>Balance Depreciation to be recovered beyond 31.3.2009</b>			<b>18151.37</b>

@ For the entire Kishenpur-Moga Transmission System