

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 134/TT/2017

Coram:

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

**Date of Hearing : 28.08.2018
Date of Order : 24.09.2018**

In the matter of:

Approval under regulation-86 of CERC (Conduct of Business) Regulations'1999 and Regulation-6 of CERC (Terms and Conditions of Tariff) Regulations, 2009 and CERC (Terms and Conditions of Tariff) Regulations' 2014 for determination of (i) Truing up Transmission tariff for 2009-14 tariff block and (ii) Transmission tariff for 2014-19 tariff block for **Combined Asset: Asset-1** :1x315 MVA, 400/220kV transformer at Nalagarh , **Asset-2** : 1x315 MVA, 400/220kV transformer at Abdullahpur , **Asset-3** : 1x500 MVA, 400/220kV transformer at Amritsar **Asset-4** : 4x105 MVA, 400/220kV single phase transformers at Kishenpur associated with Augmentation of Transformation capacity (Part-1) in Northern & Eastern Region.

And in the matter of:

Power Grid Corporation of India Ltd.
„SAUDAMINI“, Plot No-2,
Sector-29, Gurgaon -122001(Haryana).

Versus

1. RAJASTHAN POWER PROCUREMENT CENTRE.
VIDYUT BHAWAN, JANPATH, JAIPUR - 302 005
2. AJMER VIDYUT VITRAN NIGAMLTD
400 KV GSS BUILDING (GROUND FLOOR), AJMER ROAD,
HEERAPURA, JAIPUR.
3. JAIPUR VIDYUT VITRAN NIGAM LTD
400 KV GSS BUILDING (GROUND FLOOR), AJMER ROAD,



- HEERAPURA, JAIPUR.
4. JODHPUR VIDYUT VITRAN NIGAMLTD
400 KV GSS BUILDING (GROUND FLOOR), AJMER ROAD,
HEERAPURA, JAIPUR.
 5. HIMACHAL PRADESH STATE ELECTRICITY BOARD
VIDYUT BHAWAN, SHIMLA-171 004(H.P)
 6. PUNJAB STATE POWER COPORATION LIMITED
THERMAL SHED TIA
NEAR 22 PHATAK
PATIALA-147001
 7. HARYANA POWER PURCHASE CENTRE
II FLOOR, SHAKTI BHAWAN, SECTOR-6
PANCHKULA (HARYANA) 134 109
 8. POWER DEVELOPMENT DEPTT.
JANIPURA GRID STATION
JAMMU (TAWI) - 180007
 9. UTTAR PRADESH POWER CORPORATION LTD.
(FORMARLY UTTAR PRADESH STATE ELECTRICITY BOARD)
10TH FLOOR, SHAKTI BHAWAN EXTN. 14, ASHOK MARG
LUCKNOW - 226 001
 10. DELHI TRANSCOLTD
SHAKTI SADAN, KOTLA ROAD,
NEW DELHI-110 002
 11. BSES YAMUNA POWER Ltd,
BSES BHAWAN, NEHRU PLACE ,
NEW DELHI.
 12. BSES RAJDHANI POWER Ltd,
BSES BHAWAN, NEHRU PLACE,
NEW DELHI
 13. TATA POWER DELHI DISTRIBUTIO LTD.
33 KV SUBSTATION, BUILDING, HUDSON LANE
KINGS WAY CAMP
NORTH DELHI 110009



14. CHANDIGARH ADMINISTRATION
SECTOR -9, CHANDIGARH.
15. UTTARAKHAND POWER CORPORATION LTD.
URJA BHAWAN
KANWALI ROAD
DEHRADUN.
16. NORTH CENTRAL RAILWAY
ALLAHABAD.
17. NEW DELHI MUNICIPAL COUNCIL
PALIKA KENDRA, SANSAD MARG,
NEW DELHI-110002

.....Respondents

For Petitioner: Shri Vivek Kumar Singh, PGCIL
Shri S. K. Venkatesan, PGCIL
Shri S. S. Raju, PGCIL
Shri V. P. Rastogi, PGCIL
Shri Rakesh Prasad, PGCIL
Shri B. Dash, PGCIL
Shri Pankaj Sharma, PGCIL

For Respondent: Shri R. B. Sharma, Advocate, BRPL
Shri Mohit Mudgal, Advocate, BRPL

ORDER

The present petition has been filed by Power Grid Corporation of India Ltd. ("the petitioner") for truing up of capital expenditure and tariff for assets (04Nos) for the period from 01.03.2009 to 31.03.2014 and capital expenditure & tariff for 2014-19 period. The details of the project and the assets covered in the instant petition are given below



i) Project Details

Project	Augmentation of Transformation capacity (Part-1) in Northern & Eastern Region.
Investment Approval	The investment approval for both Part-I and Part-II of the project, Part-I being Augmentation of Transformation Capacity in Northern Region, was accorded by Board of Directors of the petitioner company vide Memorandum Reference No. C/CP/Aug. of transf. capacity in NR & ER dated 2.7.2012 at an estimated cost of ₹9197 lakh, including IDC of ₹ 290 lakh (based on April, 2012 price level)
Scheduled COD of the project	The project was scheduled to be commissioned within 20 months from the date of approval by the Board. Hence the Scheduled COD was 01.03.2014 .

ii) Assets Covered in the instant petition

The scheduled COD of the project was 1.3.2014. The following assets are covered (hereinafter referred as “transmission assets”) in the instant petition.

Asset No.	Assets name	Date of commercial operation	Delay
Asset-I	1x315 MVA, 400/220kV transformer at Nalagarh ,	01.11.2013	No Time Over-run
Asset-II	1x315 MVA, 400/220kV transformer at Abdullahpur , Asset	01.11.2013	
Asset-III	1x500 MVA, 400/220kV transformer at Amritsar	01.10.2013	
Asset-IV	Asset-4 : 4x105 MVA, 400/220kV single phase transformers at Kishenpur	01.03.2014	

2. The petitioner has made the following prayers:-

- i) Approve the Trued up Transmission Tariff for the tariff block 2009-14 block for the assets covered under this petition, as per para-13 above. The adjustment billing shall be raised.



- ii) Admit the capital cost as on 31.03.2014 as claimed in the Petition and approve the Additional Capitalization incurred during 2009-14 period and projected to be incurred during the tariff block 2014-19 as claimed in the petition.
- iii) Approve the Transmission Tariff for the tariff block 2014-19 block for the assets covered under this petition.
- iv) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided under clause 25 of the Tariff regulations 2014.
- v) Allow the Petitioner to approach Hon'ble Commission for suitable revision in the norms for O&M expenditure for claiming the impact of wage hike, if any, during period 2014-19.
- vi) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 52 Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014, and other expenditure (if any) in relation to the filing of petition.
- vii) Allow the petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 52 Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.
- viii) Allow the Petitioner to bill and recover Service tax on Transmission Charges separately from the respondents, if at any time service tax on transmission is withdrawn from 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.
- ix) Allow reimbursement of tax if any on account of the proposed implementation of GST.

3. Accordingly the instant petition covers True up Capital Cost & tariff for 2009-14 period under Regulation 6 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009



(hereinafter referred to as “the 2009 Tariff Regulations”) and Tariff for 2014-19 period for determination of tariff under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) for the period from 1.4.2014 to 31.3.2019 for Combined Assets.

4. The respondents are distribution licensees and power departments, who are procuring transmission service from the petitioner, mainly beneficiaries of Northern Region.
5. The petitioner has served the petition to the respondents and notice of this application has been published in the newspapers in accordance with Section 64 of Electricity Act, 2003 (“the Act”). No comments have been received from the public in response to the notices published by the petitioner under Section 64 of the Act. The hearing in this matter was held on 15.03.2018. BRPL Respondent No. 12, has filed reply to this petition vide letter dated 05.04.2018 in matter of admissibility of initial spares, disallowance of discharge IDC liability, disallowance of application filing fee and the submitted that the impact of wage hike should not be factored in the O&M expenses. In response, the petitioner has submitted the rejoinder vide affidavit dated 25.05.2018. We have considered the submissions made by the petitioner and BRPL to determine the tariff in the instant petition. The petition was last heard on 28.08.2018. Having heard the representatives of the petitioner and perused the material on record, we proceed to dispose of the petition.



6. Capital cost and Tariff allowed in Previous petition:

Petition for Asset-I to Asset-IV under “Augmentation of Transformation capacity (Part-1) in Northern & Eastern Region” were filed for the 2009-14 tariff period for determination of transmission tariff from DOCO to 31.3.2014 vide petition No. 164/TT/2013. Tariff order in petition no. 164/TT/2013 had been passed vide order dated 2.11.2015.

(a) The capital cost allowed in the above said order is given below:-

₹ In lakh

Asset	Capital Cost as on COD	Initial spares from COD to 31.03.2014	Add Cap 2013-14	Total Cost as on 31.03.2014
Asset I	937.18	28.86	334.19	1300.23
Asset II	859.08	13.37	186.77	1059.22
Asset III	1040.09	13.29	577.76	1631.14
Asset IV	1732.01	0.00	533.36	2265.37

(b) The tariff allowed in the above referred order for the instant assets for the period from their respective COD to 31.3.2014 in terms of the provisions of the 2009 Tariff Regulations are as under:-

(₹ in lakh)

Particulars	Asset-I	Asset-II	Asset-III	Asset-IV
Depreciation	24.61	21.10	35.34	8.79
Interest on Loan	7.73	5.03	8.38	3.30
Return on Equity	27.42	23.51	39.29	9.80
Interest on Working Capital	3.85	3.63	8.58	0.99
O & M Expenses	46.47	46.47	124.37	9.27
Total	110.09	99.74	215.96	32.16



TRUING UP OF ANNUAL FIXED CHARGES FOR TARIFF PERIOD 2009-14

7. The truing up of tariff for the 2009-14 tariff period for the assets has been determined as discussed below.

Capital Cost

8. The capital cost for the period from COD to 31.03.2014 has been dealt as per Clause (1) of Regulation 7 of the 2009 Tariff Regulations. Petitioner had submitted the Capital Cost incurred for the instant assets, vide Cost Accountant's Certificate dated 28.07.2016, which is based on audited accounts up to 31.03.2016. Details of capital cost are summarized below:

(₹ In lakhs)

Assets	Apportioned Cost	Expenditure up to COD	Expenditure from COD to 31.03.2014	Estimated Capital Cost as on 31.03.2014
Asset-I	1803.93	1004.55	334.19	1338.74
Asset-II	1556.79	924.24	186.77	1111.01
Asset-III	2638.42	1103.09	577.76	1680.85
Asset-IV	3198.05	1796.07	533.36	2329.43
Total	9197.19	4827.95	1632.08	6460.03

9. The apportioned approved cost for the instant assets is ₹ 9197.19 lakh and the estimated completion cost as on 31.3.2014 as per the Auditor certificate is ₹ 6460.03 lakh. The estimated completion cost of the instant asset as on 31.03.2014 is within the limit of the apportioned approved cost. There is no cost over-run in case of the instant assets.

10. Treatment of IDC and IEDC

- i) The instant assets include foreign loans and the information submitted by the petitioner for the computation of IDC was not adequate. The petitioner vide order dated 02.11.2015 was directed to submit the requisite information regarding foreign loan and confirm, if the undischarged liability



portion of IDC to be claimed during 2013-14 and 2015-16 is included in the projected additional capital expenditure.

- ii) The petitioner vide affidavit dated 23.08.2018 has submitted the drawl details and the interest amount under ADB-VI loan allocated to the project “Augmentation of Transformation Capacity in Northern and Eastern Region “ is ₹ 17.98 lakh which has been allocated among various assets as below:-

(₹ In lakhs)

Asset	IDC (Rs in lakh)	Discharged up to COD	Discharged after COD
Asset-I	4.17	0.00	4.17
Asset-II	3.42	0.00	3.42
Asset-III	4.50	0.00	4.50
Asset-IV	5.89	0.39	5.50
Total	17.98	0.39	17.59

- iii) The IDC given in the above table has been adjusted as per the discharged details as on COD and in the respective year.
- iv) The petitioner has claimed an amount of ₹ 38.22 lakh, ₹ 32.22 lakh, ₹ 46.95 lakh and ₹ 72.30 lakh on account of Incidental Expenditure during Construction (IEDC) for Asset-I, Asset-II, Asset-III and Asset-IV respectively. The percentage of 10.75% on Hard Cost indicated in the Abstract Cost Estimate submitted by the petitioner has been considered as the allowable limit of the IEDC. The amount of IEDC claimed is within the percentage of the Hard Cost indicated in the Abstract Cost Estimate as on COD in respect of the instant assets and petition in the instant true-up petition has stated that entire amount of IEDC has been discharged upto COD. Hence it is considered for the purpose of tariff calculation.



11. Treatment of Initial Spares

- i) Initial spare are considered as per Regulation 8 of the 2009 tariff Regulations.
- ii) The petitioner has claimed initial spares for sub-station in respect of Asset-I, Asset-II, Asset-III and Asset-IV and has also submitted the information of year-wise payment made against initial spares for the instant assets in the petition. The break-up of year-wise initial spare discharged for all the assets is given below:-

(₹ in lakhs)

Asset	PAYMENT UPTO DOCO	31.03.14	31.03.2015	31.03.2016	FY-16-17 (To be paid)	Total Paid
Asset-I	13.47	30.30	14.92	17.97	0.00	76.67
Asset-II	11.28	13.37	42.70	5.67	0.00	73.02
Asset-III	15.47	13.29	23.00	22.21	0.00	73.97
Asset-IV	17.19	0.00	14.86	26.23	17.47	58.28

- iii) The initial spare has been worked out and the excess initial spare has been adjusted either from COD cost or from ACE based on its discharge pattern. The allowable and excess initial spares for the assets covered in the instant petition are given below.

(₹ in lakh)

Asset	Cost as on Cut-off date	Initial spares claimed	Initial spares claimed in proportion to adjusted capital cost	Ceiling Limit as per 2009 Tariff Regulations	Initial Spares worked out as per CERC norms	Excess Initial Spares
Asset-I	1717.83	76.67	76.67	2.50%	42.08	34.59
Asset-II	1,447.35	73.02	73.02	2.50%	35.24	37.78
Asset-III	2281.95	73.97	73.97	2.50%	56.61	17.36
Asset-IV	3168.73	75.75	75.75	2.50%	79.31	0.00



12. Capital cost as on COD

The capital cost as on COD considered for tariff has been worked out as under:-

(₹ in lakh)

Asset	Capital cost as on COD claimed by Petitioner	Un-discharge IDC liability	IEDC disallowed on COD.	Excess Initial spares.	Capital Cost as on COD considered for tariff calculation
1	2	3	4	5	6= (2-3-4-5)
Asset-I	1004.55	4.17	0.00	0.00	1000.38
Asset-II	924.24	3.42	0.00	0.00	920.82
Asset-III	1103.09	4.50	0.00	0.00	1098.59
Asset IV	1796.07	5.50	0.00	0.00	1790.57

13. Additional Capital Expenditure

- i) Additional Capital Expenditure are considered as per Regulation 9 of the 2009 tariff Regulations.
- ii) The cut-off date for Asset I, II and III is 31.03.2016 and for Asset IV is 31.03.2017.
- iii) The ACE claimed by the petitioner vide Auditor certificate dated 28.07.2016. In addition, the petitioner has claimed the IDC liability as ACE during the year in which it is discharged.
- iv) The ACE claimed from COD to 31.03.2014 is summarized as under:-

(₹ in lakh)

ACE Claimed	Reg.	Asset I	Asset II	Asset III	Asset IV
		2013-14	2013-14	2013-14	2013-14
Discharge of un-discharge liabilities on Hard cost	9(1)(i)	0.00	0.00	0.00	0.00
Add cap towards works deferred for execution	9(1)(ii)	334.19	186.77	577.76	533.36
Total add-cap as per Auditor Certificate (excluding IDC liability)		334.19	186.77	577.76	533.36
Discharge of IDC Liability	9(1)(i)	4.17	3.42	4.50	0.00
Total add-cap Claimed		338.36	190.19	582.26	533.36



v) The ACE allowed for the instant assets are summarized below.

(₹ in lakh)

Particulars	Reg.	Asset I	Asset II	Asset III	Asset IV
		2013-14	2013-14	2013-14	2013-14
Discharge of un-discharge liabilities on Hard cost	9(1)(i)	0.00	0.00	0.00	0.00
Add cap towards works deferred for execution	9(1)(ii)	334.19	186.77	577.76	533.36
Discharge of IDC Liability	9(1)(i)	4.17	3.42	4.50	0.00
Total add-cap Allowed		338.36	190.19	582.26	533.36
Less: Excess initial spare		1.70	0.00	0.00	0.00
ACE Allowed		336.66	190.19	582.26	533.36

14. Capital Cost summary from COD to 31.3.2014

(₹ in lakh)

Asset	Capital cost allowed as on COD	ACE for the year 2013-14	Capital Cost as on COD considered for tariff calculation
1	2	3	4= (2+3)
Asset-I	1000.38	336.66	1337.04
Asset-II	920.82	190.19	1111.01
Asset-III	1098.59	582.26	1680.85
Asset IV	1790.57	533.36	2323.93
Total	4810.36	1642.47	6452.83

15. Debt: Equity Ratio

- i) Debt: Equity Ratio is considered as per Regulation 12 of the 2009 tariff Regulations.
- ii) The petitioner has claimed true-up annual fixed charge based on debt-equity ratio of 70:30 admitted as on COD in order dated 02.11.2015 in Petition No 164/TT/2013. The details of debt: equity ratio of the instant assets as on COD is given below:-



(₹ in lakh)

	Asset-I	Asset-II	Asset-III	Asset-IV
Debt%	70.00%	70.00%	70.00%	70.00%
Equity%	30.00%	30.00%	30.00%	30.00%
Loan	700.27	644.57	769.05	1253.40
Equity	300.11	276.25	329.54	537.17
Total	1000.38	920.82	1098.59	1790.57

- iii) The debt-equity ratio for the additional capital expenditure is considered as 70:30.
- iv) The overall debt equity ratio as on 31.3.2014 for the Assets is as under:-

(₹ in lakh)

	Asset-I	Asset-II	Asset-III	Asset-IV
Debt%	70.00%	70.00%	70.00%	70.00%
Equity%	30.00%	30.00%	30.00%	30.00%
Loan	935.93	777.71	1176.63	1626.75
Equity	401.11	333.30	504.22	697.18
Total	1337.04	1111.01	1680.85	2323.93

Annual Fixed Cost

16. Return on Equity ("ROE")

- i) The petitioner has submitted the MAT rate applicable during the various years. RoE has been worked out by considering year wise MAT rate submitted by the petitioner in accordance with **Regulation 15** of the 2009 Tariff Regulations.

Year	MAT Rate	Grossed up ROE (Base rate/(1-t))
2009-10	16.995	18.674
2010-11	19.931	19.358
2011-12	20.008	19.377
2012-13	20.008	19.377
2013-14	20.961	19.610

- ii) The trued up ROE allowed for the instant transmission assets under



Regulation 15 of the 2009 Tariff Regulations is as follows

	(₹ in lakh)			
Return on Equity	Asset-I 2013-14	Asset-II 2013-14	Asset-III 2013-14	Asset-IV 2013-14
Opening Equity	300.11	276.25	329.54	537.17
Addition due to Additional Capitalization	101.00	57.06	174.68	160.01
Closing Equity	401.11	333.30	504.22	697.18
Average Equity	350.61	304.77	416.88	617.17
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%
Tax rate for the year 2013-14 (MAT)	20.96%	20.96%	20.96%	20.96%
Rate of Return on Equity (Pre Tax)	19.610%	19.610%	19.610%	19.610%
Return on Equity (Pre Tax)	28.65	24.90	40.87	10.09

17. Interest on Loan (“IOL”)

- i) The petitioner has claimed the IOL based on actual interest rates for each year during the 2009-14 period. We have considered the submissions of the petitioner and accordingly calculated the IOL based on gross amount of normative loan and normative repayment of installments and rate of interest submitted by the petitioner, in accordance with **Regulation 16** of the 2009 Tariff Regulations.
- ii) In the calculations, the IoL has been worked out as detailed below:-
 - a) Gross amount of loan, repayment of installments and rate of interest weighted average rate of interest on actual average loan have been considered as per the petition.
 - b) The repayment for the tariff period 2009-14 has been considered to be equal to the depreciation allowed for that period.
- iii) The weighted average rate of interest has been considered as per Form 13 of respective assets and the IOL has been worked out and allowed as under :



(₹ in lakh)

Interest on loan	Asset-I 2013-14	Asset-II 2013-14	Asset-III 2013-14	Asset-IV 2013-14
Gross Normative Loan	700.27	644.57	769.05	1253.40
Cumulative Repayment up to Previous Year	0.00	0.00	0.00	0.00
Net Loan-Opening	700.27	644.57	769.05	1253.40
Addition due to Additional Capitalization	235.66	133.13	407.58	373.35
Repayment during the year	25.71	22.35	36.76	9.05
Net Loan-Closing	910.22	755.36	1139.87	1617.70
Average Loan	805.25	699.97	954.46	1435.55
Weighted Average Rate of Interest on Loan	2.3734%	1.7750%	1.7900%	2.8002%
Interest	7.96	5.18	8.54	3.35

18. Depreciation

- i) The depreciation is considered in accordance with **Regulation 17** of the 2009 Tariff Regulations.
- ii) The useful life for transmission line and sub-station is 35 years and 25 years, respectively. The actual COD of the instant assets is during 2013-14. Hence, the depreciation for the period 2009-14 has been worked out based on straight line method. :-

(₹ in lakh)

Particulars	Asset-I 2013-14	Asset-II 2013-14	Asset-III 2013-14	Asset-IV 2013-14
Opening gross block	1000.38	920.82	1098.59	1098.59
Addition during 2009-14	336.66	190.19	582.26	582.26
Closing Gross Block	1337.04	1111.01	1680.85	1680.85
Average Gross Block	1168.71	1015.92	1389.72	1389.72
Rate of Depreciation	5.2800%	5.2800%	5.2909%	5.2800%
Depreciable Value	1051.84	914.32	1250.75	1851.53
Remaining Depreciable Value	1051.84	914.32	1250.75	1851.53
Depreciation	25.71	22.35	36.76	9.05

19. Operation & Maintenance Expenses (“O&M Expenses”)

The O&M Expenses claimed by the petitioner at the time of true-up for the assets covered under the instant petition are allowed as under:-

(₹ in lakh)

Particulars	Asset-I 2013-14	Asset-II 2013-14	Asset-III 2013-14	Asset-IV 2013-14
O & M Expenses	46.37	46.37	124.37	9.27



20. Interest on working capital (“IWC”)

i) Sub-clause (c) of clause (1) of Regulation 18 of the 2009 Tariff Regulations provides the components of the working capital for the transmission system and clause (3) of Regulation 18 of the 2009 Tariff Regulations provides for the rate of interest of working capital.

- a) **Maintenance Expenses** : 15% of Operation and Maintenance expenses
- b) **O & M Expenses** one month of the allowed O&M Expenses
- c) **Receivables** 2 months' of annual transmission charges
- d) **Rate of Interest on Working Capital**

As per the 2009 Tariff Regulations rate of interest on working capital has been considered as 13.20% (i.e. SBI base rate 9.70 plus 350 basis points) for computing IWC for all the assets.

ii) The trued up Interest on working capital is given below:

₹ in lakh

Interest on Working Capital	Asset-I 2013-14	Asset-II 2013-14	Asset-III 2013-14	Asset-IV 2013-14
Maintenance Spares	16.69	16.69	37.31	16.69
O & M expenses	9.27	9.27	20.73	9.27
Receivables	45.04	40.99	73.07	65.53
Total	71.01	66.96	131.11	91.48
Rate of Interest	13.20%	13.20%	13.20%	13.20%
Interest (Prorata)	3.91	3.68	8.65	1.01

ANNUAL FIXED COST FOR 2009-14 TARIFF PERIOD

21. The trued up annual fixed cost for the Asset for the tariff period 2009-14 is summarized below:-



(₹ in lakh)

Annual Fixed Cost	Asset-I 2013-14 (Pro-rata)	Asset-II 2013-14 (Pro-rata)	Asset-III 2013-14 (Pro-rata)	Asset-IV 2013-14 (Pro-rata)
Depreciation	25.71	22.35	36.76	9.05
Interest on Loan	7.96	5.18	8.54	3.35
Return on Equity	28.65	24.90	40.87	10.09
Interest on Working Capital	3.91	3.68	8.65	1.01
O & M Expenses	46.37	46.37	124.37	9.27
Total	112.60	102.48	219.20	32.76

DETERMINATION OF ANNUAL FIXED COST FOR 2014-19

22. The tariff for the instant transmission assets up to 2009-14 tariff period has been trued-up based on the actual COD of individual elements. To avoid multiplicity of petitions and granting multiple tariffs for the assets covered under the single project/transmission system for 2014-19 tariff period, the Commission, vide Regulation 6 of the 2014 Tariff Regulations, has brought in the concept of a single consolidated petition wherein a single petition is required to be filed by a petitioner in case of all the assets which have been put under commercial operation prior to 31.3.2014, so that a single tariff can be granted for all the assets covered under such a single project/transmission system. To determine a single transmission tariff for different assets, as per the 2014 Tariff Regulations, the concept of effective date of commercial operation and weighted average life has also been introduced in Regulation 27 of the 2014 Tariff Regulations. The consolidation of individual assets for single tariff has been done by adding up the admitted capital cost as on 31.3.2014 of individual assets. The AFC for the consolidated cost has been allowed as given below:-

(a) **Return on Equity:** The admitted gross normative equity as on



31.3.2014 of individual assets are added to arrive at the gross equity as on 1.4.2014 for the combined assets/project as whole.

(b) **Interest on Loan:** The admitted gross normative loan and cumulative repayment of loan as on 31.3.2014 of individual assets are added to get the gross normative loan and cumulative re-payment of loan as on 1.4.2014 for the combined assets/project as whole.

(c) **Depreciation:** The admitted gross capital cost and cumulative depreciation as on 31.3.2014 of individual assets are added to get the gross capital cost and cumulative depreciation as on 1.4.2014 for the combined assets. Lapsed life of the combined assets as on 1.4.2014 has been worked out by the concept of Effective COD and Weighted Average life as provided in Regulation 27 of 2014 Tariff Regulations, as detailed in the depreciation paragraph given below.

(d) **Interest on Working capital:** Since, the normative working capital is derived from the O&M Expenses and Receivables; it is being worked out accordingly.

(e) **O&M Expenses:** The entitled O&M Expenses as per 2014 Tariff Regulations of individual assets are worked out and added together to consider as O&M Expenses of the consolidated assets.

- 23.** Though the instant assets are consolidated into one combined asset and single tariff is allowed, the petitioner has to maintain the identity of the individual assets. In future tariff petitions, the petitioner has to provide the details of individual assets like description, actual COD, effective COD, cut-off date, admitted capital cost, O&M Expenses claimed, etc. The petitioner is



directed to make all future claims of additional capital expenditure or de-capitalization for the project, along with Auditor certificate by clearly mentioning the individual assets to which the claim has been made. Accordingly the relevant tariff forms should show the individual asset wise breakup.

24. The closing balance as on 31.03.2014 of individual assets consolidated to arrive the opening balance of the project as a whole as given under.

Particulars as on 31-03-2014	Asset 1	Asset 2	Asset 3	Asset 4	Combined Asset as on 01.04.2014
Admitted Capital Cost (₹ in lakh)	1337.04	1111.01	1680.85	2323.93	6452.83
Cumulative Depreciation (₹ in lakh)	25.71	22.35	36.76	9.05	93.88
Debt %	70:30	70:30	70:30	70:30	70:30
Gross Equity (₹ in lakh)	401.11	333.30	504.22	697.18	1935.81
Gross Loan (₹ in lakh)	935.93	777.71	1176.63	1626.75	4517.02
Cumulative Re-payment of Loan (₹ in lakh)	25.71	22.35	36.76	9.05	93.88

25. The petitioner has claimed the transmission charges for combined asset for the 2014-19 tariff period as under

(₹ in lakh)					
Combined Assets	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	375.78	420.86	440.69	450.38	450.38
Interest on Loan	148.50	181.78	180.76	168.25	150.40
Return on equity	418.51	468.70	490.78	501.57	501.57
Interest on Working	51.35	55.29	57.25	58.48	59.16
O & M Expenses	536.67	554.47	572.90	591.89	611.54
Total	1530.81	1681.10	1742.38	1770.57	1773.05

26. The details submitted by the petitioner in support of its claim for interest on working capital are given hereunder:-



(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	80.50	83.17	85.94	88.78	91.73
O & M expenses	44.72	46.21	47.74	49.32	50.96
Receivables	255.14	280.18	290.40	295.10	295.51
Total	380.36	409.56	424.08	433.20	438.20
Interest	51.35	55.29	57.25	58.48	59.16
Rate of Interest (%)	13.50%	13.50%	13.50%	13.50%	13.50%

27. Capital Cost

i) The admissibility of capital cost during the period 2014-19 are dealt in accordance with Clause (1) & (3) (a) and (b) of Regulation 9 and Regulation 14 of the 2014 Tariff Regulations specify as follows:-

ii) **Capital Cost as on 1.4.2014.**

The capital cost allowed as on 31.3.2014, for the instant assets are clubbed together and the combined capital cost of the all the assets as on 31.3.2014 amounting ₹ **6452.83 lakh**, has been considered as an Opening admitted capital cost as on 1.4.2014 in accordance with clause 9(3) of 2014 Tariff Regulation.

iii) The petitioner, vide Auditor Certificate dated 28.07.2016 has claimed capital cost of individual assets which includes the additional capitalization for the 2014-19. In addition the petitioner has also claimed the discharge of IDC liability as additional capital expenditure during the year of discharge. The summary of approved apportioned cost, Capital cost admitted as on 01.04.2014 and additional capital expenditure claimed during 2014-19 period and the capital cost as on 31.03.2019 of all the assets are shown below.



(₹ in lakh)

Name of the asset	Approved apportioned cost	Admitted Capital cost as on 31.03.2014	Addition Capital Expenditure (2014-19)			Capital cost as on 31.3.2019
			2014-15	2015-16	2016-17	
Asset-I	1803.93	1337.04	221.07	158.02	0.00	1716.13
Asset-II	1556.79	1111.01	255.89	80.45	0.00	1447.35
Asset-III	2638.42	1680.85	506.86	94.24	0.00	2281.95
Asset-IV	3198.05	2323.93	380.16	92.26	366.88	3163.23
Total	9197.19	6452.83	1363.98	424.97	366.88	8608.66
Discharge of IDC Liability for Asset IV			5.50	0.00	0.00	5.50
Total ACE claimed during 2014-19			1369.48	424.97	366.88	8614.16

iv) The capital cost mentioned in Auditor certificate are derived as per books of account but the liability details are not mentioned in the certificate. It creates difficulties in reconciliation with the cost and liability given in Form 4A. Therefore liability amount mentioned in tariff forms are relied upon to determine the allowable cost. The petitioner is directed to submit the asset wise Auditor certificate by clearly mentioning the liability amount and whether the certified cost is inclusive of liability or exclusive of liability at the time of true up of 2014-19 petitions.

v) **Cost over-run**

Against the apportioned approved cost of ₹ 9197.19 lakh, the capital cost as on 31.3.2019 is ₹ 8608.66 lakh. Hence, there is no cost over-run for all the assets covered in the instant petition.

vi) **Treatment of IDC liability.**

The admitted IDC liability has been considered as discussed in the IDC portion pertaining to the 2009-14 period. Accordingly, IDC is included in ACE in the



respective years.

vii) **Initial Spares**

The initial spare were determined as per 2009 Tariff Regulations since the instant assets were put into commercial operation during 2009-14 period. The petitioner has submitted the year-wise discharge details of the initial spares for all the assets. Accordingly, excess initial spares are reduced from additional capital expenditure in the respective years based on the discharge details provided by the petitioner.

viii) **Additional Capital Expenditure**

The additional capital expenditure are dealt in accordance with Clause 1 & 2 of Regulation 14 of 2014 Tariff Regulations. The cut-off date for Asset I, II and III is 31.03.2016 and for Asset IV is 31.03.2017. The petitioner has claimed the Additional capital expenditure under Regulation 14(1)(i) towards the un-discharged liability and addition into Gross block of the individual assets under Regulation 14(1)(ii) as work deferred for execution. These ACE claims are considered for tariff purpose.

(₹ in lakh)

Asset I	Reg.	2014-15	2015-16	2016-17
Discharge of un-discharge liabilities on Hard cost	14(1)(i)	179.07	158.02	0.00
Addition into Gross block towards works deferred for execution	14(1)(ii)	42.00	0.00	0.00
Total add-cap Allowed		221.07	158.02	0.00
Less: Excess initial spare		14.92	17.97	0.00
ACE Allowed		206.15	140.05	0.00



Asset II	Reg.	2014-15	2015-16	2016-17
Discharge of un-discharge liabilities on Hard cost	14(1)(i)	251.83	80.45	0.00
Addition into Gross block towards works deferred for execution	14(1)(ii)	4.06	0.00	0.00
Total add-cap Allowed		255.89	80.45	0.00
Less: Excess initial spare		32.11	5.67	0.00
ACE Allowed		223.78	74.78	0.00

Asset III	Reg.	2014-15	2015-16	2016-17
Discharge of un-discharge liabilities on Hard cost	14(1)(i)	316.58	94.23	0.00
Addition into Gross block towards works deferred for execution	14(1)(ii)	190.28	0.01	0.00
Total add-cap Allowed		506.86	94.24	0.00
Less: Excess initial spare		0.00	17.36	0.00
ACE Allowed		506.86	76.88	0.00

Asset IV	Reg.	2014-15	2015-16	2016-17
Discharge of un-discharge liabilities on Hard cost	14(1)(i)	320.12	92.26	366.88
Addition into Gross block towards works deferred for execution	14(1)(ii)	60.04	0.01	0.00
Discharge of IDC Liability	14(1)(i)	5.50	0.00	0.00
Total add-cap Allowed		385.66	92.27	366.88
Less: Excess initial spare		0.00	0.00	0.00
ACE Allowed		385.66	92.27	366.88

Combined Assets	Reg.	2014-15	2015-16	2016-17
Discharge of un-discharge liabilities on Hard cost	14(1)(i)	1067.60	424.96	366.88
Addition into Gross block towards works deferred for execution	14(1)(ii)	296.38	0.02	0.00
Discharge of IDC Liability	14(1)(i)	5.50	0.00	0.00
Total add-cap Allowed		1369.48	424.98	366.88
Less: Excess initial spare		47.03	41.00	0.00
ACE Allowed for Combined Assets		1322.45	383.97	366.88



ix) **Capital Cost summary**

(₹ in lakh)

Asset	Capital cost allowed as on 01.04.2014	ACE for the year 2014-15	ACE for the year 2015-16	ACE for the year 2016-17	Capital Cost as on 31.03.2019 considered for tariff calculation
1	2	3	4	5	6= (2+3+4+5)
Asset-I	1337.04	206.15	140.05	0.00	1683.24
Asset-II	1111.01	223.78	74.78	0.00	1409.57
Asset-III	1680.85	506.86	76.88	0.00	2264.59
Asset IV	2323.93	385.66	92.27	366.88	3168.74
Total	6452.83	1322.45	383.98	366.88	8526.14

28. Debt: Equity Ratio

- i) The debt equity ratio has been considered in accordance with clause 19 (1), (3) and (5) of 2014 Tariff Regulation. Accordingly the debt-equity ratio allowed by Commission for individual assets for determination of tariff for the period ending 31.03.2014 has been consolidated and considered as opening debt equity ratio of the project as on 01.04.2014.
- ii) The debt equity ratio of 70:30 has been considered for the Additional capital expenditure allowed during 2014-19 in accordance to clause 19(3) of 2014 Tariff Regulation.
- iii) The details of the debt: equity as on 1.4.2014 and 31.03.2019 for the project as whole is considered for the purpose of tariff for the 2014-19 tariff period is as follows:-

(₹ in lakh)

Particulars	01.04.2014	31.03.2019
Debt%	70.00%	70.00%
Equity%	30.00%	30.00%
Loan (in lakh)	4517.02	5968.33
Equity (in lakh)	1935.81	2557.80
Total	6452.83	8526.13



29. Return on Equity (“ROE”)

- i) The petitioner has claimed ROE at the rate of 19.61% for the 2014-19 period after grossing up the ROE of 20.961% with MAT rate as per the above said Regulation. 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.
- ii) The ROE has been worked out in accordance with Regulations 24 and 25 of the 2014 Tariff Regulations. The rate of pre-tax return on equity for all the financial year during 2014-19 period has been determined by grossing up the base rate of 15.50% with effective tax rate of 20.961%. This rate of pre-tax return on equity is subject to true up based on the effective tax rate of respective financial year applicable to the petitioner company. Accordingly, the RoE allowed is as follows:-

₹ in lakh

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	1935.81	2332.54	2447.73	2557.80	2557.80
Addition due to Additional Capitalization	396.74	115.19	110.06	0.00	0.00
Closing Equity	2332.54	2447.73	2557.80	2557.80	2557.80
Average Equity	2134.17	2390.14	2502.77	2557.80	2557.80
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%	15.50%
MAT Rate	20.961%	20.961%	20.961%	20.961%	20.961%
Rate of Return on Equity (Pre Tax)	19.611%	19.611%	19.611%	19.611%	19.611%
Return on Equity (Pre Tax)	418.53	468.73	490.82	501.61	501.61



30. Interest on Loan (“IOL”)

iii) We have considered the weighted average rate of IOL on the basis of rate prevailing as on 1.4.2014. The IOL has been worked out in accordance with Regulation 26 of the 2014 Tariff Regulations as detailed below:-

(a) It is observed that the actual loan portfolio of individual assets as considered for the true up purpose has been added together for the balance as on 1.4.2014. The loan portfolio as submitted by the petitioner has been considered for determining WAROI.

(b) Now, the gross amount of loan, repayment of installments and rate of interest on actual loans as mentioned in Form 9C have been considered which is subject to true up.

(c) The yearly repayment for the tariff period 2014-19 has been considered to be equal to the depreciation allowed for that year.

(d) Weighted average rate of interest on actual average loan worked out as per (i) above is applied on the normative average loan during the year to arrive at the interest on loan.

iv) The details of weighted average rate of interest are placed at Annexure and the IOL has been worked out and allowed as follows



(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Gross loan opening	4517.02	5442.74	5711.52	5968.33	5968.33
Cumulative Repayment up to previous year	93.88	469.67	890.53	1331.22	1781.60
Net Loan-Opening	4423.15	4973.07	4820.99	4637.11	4186.73
Additions during the year	925.72	268.78	256.82	0.00	0.00
Repayment during the year	375.79	420.86	440.69	450.38	450.38
Net Loan-Closing	4973.07	4820.99	4637.11	4186.73	3736.35
Average Loan	4698.11	4897.03	4729.05	4411.92	3961.54
Rate of Interest (%)	3.160%	3.710%	3.820%	3.810%	3.800%
Interest	148.46	181.68	180.65	168.09	150.54

31. Depreciation

- i) The depreciation is dealt in accordance with the Regulation 27 of 2014 Tariff Regulation.
- ii) As discussed in above paragraphs, the lapsed life of the combined assets as on 1.4.2014 has been worked out by the concept of Effective COD and Weighted Average life as provided in Regulation 27 of 2014 Tariff Regulations.
- iii) **Effective Date of Commercial Operation (E-COD) of the project**

The Effective Date of Commercial Operation (E-COD) for the combined assets has been worked out based on the admitted capital cost of individual assets as on 31.3.2014 and the actual COD of individual Assets, as shown below:-

Asset No.	Actual DOCO	Admitted Capital Cost as on 31-03-2014	Weight of the cost	No. of days from last COD	Weighted days	Effective COD (Latest COD - Total Weighted days)
Asset-I	1-Nov-13	1337.04	20.72%	120.00	24.86	06-12-13
Asset II	1-Nov-13	1111.01	17.22%	120.00	20.66	
Asset III	1-Oct-13	1680.85	26.05%	151.00	39.33	
Asset IV	1-Mar-14	2323.93	36.01%	0.00	0.00	
Total		6452.83	100.00%		84.86	



iv) **Weighted Average Life (WAL) of the project.**

The combined asset, have multiple elements (i.e. Land, Building, Transmission line, Substation and PLCC) and each element may have different span of life. Therefore, in 2014 Tariff Regulations, the concept of Weighted Average Life (WAL) has been introduced which has been used as the useful life of the project as whole. The WAL has been determined based on the admitted capital cost of individual elements of assets as on 31-03-2014 and their respective life as stipulated in 2014- 19 Tariff Regulations. The element wise life as it was defined in Tariff Regulations prevailing at the time of actual COD of individual assets has been ignored for this purpose. The life as defined in 2014 Regulation for the individual assets has been considered for determination of WAL for the project as whole. Accordingly, the WAL of the combined assets has been worked out as 25 years as under:-

Determination of Weighted Average Life of the Project Assets commissioned during 2009-14 tariff period							
Particulars	Admitted Capital Cost as on 01-04-2014				Combined Cost (a)	Life as per 2014 Regulation (b)	Weight (a) x (b)
	Asset I	Asset II	Asset III	Asset IV			
Freehold Land	0.00	0.00	0.00	0.00	0.00	0	0.00
Leasehold Land	0.00	0.00	0.00	0.00	0.00	25	0.00
Building & Other Civil Works	0.00	0.00	0.00	0.00	0.00	25	0.00
Transmission Line	0.00	0.00	0.00	0.00	0.00	35	0.00
Sub-Station Equipment's	1337.04	1111.01	1666.46	2323.93	6438.44	25	160961.00
PLCC	0.00	0.00	14.39	0.00	14.39	15	215.87
Total	1337.04	1111.01	1680.85	2323.93	6452.83	25	161176.87
Weighted Average life						25	Years



v) **Lapsed Life of the project as on 01.04.2014:** The E-COD as determined above shall be used only to determine the lapsed life as on 01.04.2014 for the project as whole. The lapsed life as on 01.04.2014 refers the number of completed years as on 01.04.2014 starting from E-COD). The lapsed life (in completed years) of the instant project as on 1.4.2014 has been worked out as 0 years.

vi) **Remaining useful life of the project:** The remaining useful life of the project as on 1.4.2014 has been worked out as 25 years. (i.e. Weighted Average life minus lapsed life as on 01.04.2014) The usage of weighted average life of the project as determined above has been applied prospectively for determination of depreciation. (i.e. 01.04.2014 onwards) and no retrospective adjustment of depreciation in previous tariff period is required since the depreciation considered for the individual assets up to 31.03.2014 are added together to arrive the cumulative depreciation of the project as on 01.04.2014. The Cumulative Depreciation of the project as on 1.4.2014 has been computed as **₹ 93.88 lakh:-**

vii) The capital cost, E-COD, WAL and lapsed life for the combined assets as determined in above paragraphs are considered for computation of depreciation for the period 2014-19. The lapsed life of the project as on 01.04.2014 is 0 years hence, the 12 years from the effective date of commercial operation is completing beyond the tariff period 2014-19. Hence, the depreciation for entire tariff period (i.e. 2014-19) has been worked out based on Straight Line Method and at rates specified in Appendix-II to 2014 Tariff Regulations.

viii) The details of the depreciation allowed for the project as whole are given



hereunder:-

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross block	6452.83	7775.28	8159.25	8526.13	8526.13
Additional Capitalization	1322.45	383.97	366.88	0.00	0.00
Closing Gross block	7775.28	8159.25	8526.13	8526.13	8526.13
Average gross block	7114.06	7967.27	8342.69	8526.13	8526.13
Rate of Depreciation (%)	5.28%	5.28%	5.28%	5.28%	5.28%
Depreciable Value	6402.65	7170.54	7508.42	7673.52	7673.52
Remaining Depreciable Value	6309.04	6701.14	6618.16	6342.57	5892.19
Depreciation	375.79	420.86	440.69	450.38	450.38

32. Operation & Maintenance Expenses (“O&M Expenses”)

i) The O&M Expenses claimed by the petitioner are as under:-

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O & M Expenses claimed for combined asset	536.67	554.47	572.90	591.89	611.54

ii) The petitioner has submitted that O&M Expenses for the period 2014-19 have been arrived on the basis of normalized actual O&M Expenses during the period 2008-13. The petitioner has further submitted that the wage revision of the employees of the Petitioner Company is due during the period 2014-19 and actual impact of wage hike, which will be effective at a future date, has not been factored in fixation of the normative O&M rate specified for the tariff period 2014-19. The petitioner has prayed to be allowed to approach the Commission for suitable revision in the norms of O&M Expenses for claiming the impact of such increase.

iii) We have considered the submissions made by the petitioner. 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, we would like to clarify that any application filed by the petitioner in this regard will be dealt with in accordance with the appropriate provisions of the 2014 Tariff Regulations.

iv) The details of O&M Expenses allowed for the instant assets are given hereunder:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses Allowed	536.67	554.47	572.90	591.89	611.54

33. Interest on Working Capital (“IWC”)

i) As per 2014 Tariff Regulations the components of the working capital and the interest thereon are discussed hereinafter:-

- a) **Maintenance spares:**
Maintenance spares @ 15 % of Operation and Maintenance expenses specified in Regulation 28.
- b) **O & M expenses:**
O&M expenses have been considered for one month of the O&M expenses
- c) **Receivables:** The receivables have been worked out on the basis of 2 months' of annual fixed cost as worked out above.
- d) **Rate of interest on working capital:** As per Clause 28 (3) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014, SBI Base Rate (10.00%) as on 01.04.2014 Plus 350 Bps i.e. 13.50 % have been considered as the rate of interest on working capital.

ii) The interest on working capital allowed is shown in the table below:-



(₹ in lakh)

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	80.50	83.17	85.94	88.78	91.73
O & M Expenses	44.72	46.21	47.74	49.32	50.96
Receivables	255.13	280.17	290.39	295.08	295.54
Total	380.36	409.55	424.06	433.19	438.23
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	51.35	55.29	57.25	58.48	59.16

34. Annual Transmission Cost

The detailed computation of the various components of the annual fixed cost for the transmission asset for the tariff period 2014-19 is summarized below:-

(₹ in lakh)

Annual Transmission	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	375.79	420.86	440.69	450.38	450.38
Interest on Loan	148.46	181.68	180.65	168.09	150.54
Return on Equity	418.53	468.73	490.82	501.61	501.61
Interest on Working Capital	51.35	55.29	57.25	58.48	59.16
O & M Expenses	536.67	554.47	572.90	591.89	611.54
Total	1530.80	1681.03	1742.31	1770.45	1773.23

35. Filing Fee and Publication Expenses

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. BRPL has submitted that filing fee and other expenses may not be allowed. The petitioner is 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.



36. Licence Fee and RLDC Fees and Charges.

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.

37. Service Tax

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. Further, service tax is subsumed by GST and hence petitioner's prayer is infructuous.

38. Goods and Services Tax

The petitioner has prayed for reimbursement of tax, if any, on account of proposed implementation of GST. The petitioner has submitted that the Commission should allow to recover GST from the beneficiaries, if imposed on transmission charges under the proposed GST when implemented by Government of India. GST is not levied on transmission service at present and we are of the view that petitioner's prayer is premature.



39. Sharing of Transmission Charges

The billing, collection and disbursement of the transmission charges approved shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010, as amended from time to time.

. This order disposes of Petition No.134/TT/2017.

-Sd-

(Dr. M. K. Iyer)
Member

- Sd-

(A.K. Singhal)
Member

Sd-

(P.K. Pujari)
Chairperson





Order in Petition No. 134/TT/2017