

**CENTRAL ELECTRICITY REGULATORY COMMISSION**

**NEW DELHI**

**Petition No. 64/TT/2018**

**Coram:**

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

**Date of order: 23.04.2019**

**In the matter of:**

Revision of order dated 20.7.2018 in Petition No. 64/TT/2018 consequent to order dated 16.04.2019 in Petition No. 39/RP/2018.

**And in the matter of:**

Power Grid Corporation of India Limited,  
'SAUDAMINI', Plot No-2,  
Sector-29, Gurgaon – 122001 (Haryana)

**....Petitioner**

**Vs**

1. Rajasthan Rajya Vidyut Prasaran Nigam Limited  
Vidyut Bhawan, Vidyut Marg, Jaipur - 302 005
2. Ajmer Vidyut Vitran Nigam Ltd  
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 Nigam Ltd  
400 KV GSS Building (Ground Floor), Ajmer Road,  
Heerapura, Jaipur.
5. Himachal Pradesh State Electricity Board  
Vidyut Bhawan  
Kumar House Complex Building  
Shimla-171 004
6. Punjab State Electricity Board  
Thermal Shed Tia, Near 22 Phatak  
Patiala-147001



7. Haryana Power Purchase Centre  
Shakti Bhawan, Sector-6  
Panchkula (Haryana) 134 109
8. Power Development Department  
Government of Jammu & Kashmir  
Mini Secretariat, Jammu
9. Uttar Pradesh Power Corporation Ltd.  
(Formerly Uttar Pradesh State Electricity Board)  
Shakti Bhawan, 14, Ashok Marg, Lucknow - 226 001
10. Delhi Transco Ltd  
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. North Delhi Power Ltd, Power Trading & Load Dispatch Group  
Cennet Building, Adjacent to 66/11 kV Pitampura-3  
Grid Building, Near PP Jewellers  
Pitampura, New Delhi – 110034
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

### **ORDER**

The Commission vide order dated 13.8.2015 in Petition No.300/TT/2013 had allowed tariff for the 2009-14 for Asset-A: 400 kV Agra-Sikar (D/C Quad) Line with associated Bays



at Agra; Asset-B: 2 nos. 400 kV line bays for 400 kV D/C Agra-Sikar line including 2 nos. 50 MVAR Line Reactors under Bus Reactor operation mode at 400/220 kV Sikar Substation of the “Transmission System Associated with System Strengthening in NR for Sasan and Mundra UMPP” (hereinafter referred to as “assets”) in Northern Region in terms of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as “2009 Tariff Regulations”) . Further, the Commission vide order dated 20.9.2018 in Petition No.64/TT/2018 trued up the fee and charges of 2009-14 tariff period under the 2009 Tariff Regulations and determined the tariff of 2014-19 period for Assets-A and B under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “2014 Tariff Regulations”).

2. In order dated 20.9.2018 in Petition No.64/TT/2018, filed by Power Grid Corporation of India Limited (PGCIL), IDC amounting to ₹3881.97 lakh and ₹90.00 lakh in case of Assets-A and Asset-B respectively was disallowed as PGCIL did not furnish the relevant information required for the computation of IDC as directed by the Commission in order dated 13.8.2015 in Petition No. 300/TT/2013. Aggrieved by the order dated 20.9.2018, PGCIL filed Review Petition No.39/RP/2018 for review and modification of the said order on the ground that the affidavit dated 6.7.2018, giving reasons for non-submission of the information sought by the Commission in order dated 13.8.2015 in Petition No.300/TT/2013 was not considered by the Commission. The Commission allowed the prayer of the Review Petitioner in Petition No.39/RP/2018 as non-consideration of affidavit dated 6.7.2018 in order dated 20.9.2018 is an error apparent on the face of record and observed that the said order would be revisited taking into consideration the affidavit dated 6.7.2018. The relevant portion of the order dated 16.4.2019 in Petition No.39/RP/2018 is as follows:-



“7. We have considered the submissions of the Review Petitioner and BRPL. The basic contention of the Review Petitioner is that non-consideration of its affidavit of 6.7.2018, filed in Petition No.64/TT/2018 led to disallowance of ₹3881.97 lakh and ₹90.00 lakh in case of Assets-A and B respectively. It is observed that while issuing the impugned order dated 20.7.2018, the Review Petitioner’s affidavit dated 6.7.2018, wherein the Review Petitioner has submitted certain information, demonstrating Review Petitioner’s inability to comply with the direction of the Commission in order dated 13.8.2015 to furnish the details of loan had not been taken into consideration inadvertently. This non-consideration of the affidavit of 6.7.2018 filed by the Review Petitioner resulted in disallowance of ₹3881.97 lakh and ₹90.00 lakh in case of Assets-A and Asset-B respectively. The said affidavit was placed on record before the impugned order was passed and the same was inadvertently overlooked by the Commission. We are of the view that non-consideration of the affidavit dated 6.7.2018 is an apparent error on the face of record. Accordingly, we allow the Review Petition.

8. In view of the above, the claim of the Review Petitioner for IDC in respect of Assets-A and B shall be considered separately.”

3. PGCIL vide affidavit dated 6.7.2018 has furnished a revised statement showing IDC discharged upto COD. As per the revised statement, only foreign loan (IBRD-V) is deployed in case of Asset-A and in case of Asset-B, both foreign and domestic loans were deployed.

4. PGCIL has submitted that PGCIL is borrowing its loans as a common pool of loans. As per the Company’s accounting policy funds are earmarked out of the common pool as per periodical expenditure incurred on the project during construction. The borrowing costs (including interest during construction, front end fee, guarantee fee etc.) are also allocated to the projects in proportion to the funds so earmarked.

5. The petitioner has submitted that in case of foreign loans (WB, ADB etc.) these are contracted for a basket of projects. Loans are drawn based on the periodical expenditure incurred for all the projects covered under the loan. The actual debt servicing in respect of the foreign loan has to be released to the lender as per schedule of repayment agreed for the loan as a whole consisting of the entire basket of projects. As such, the PGCIL is not in a position to submit drawl and disbursement of foreign loans in case of instant assets. PGCIL has further furnished the details of the loan drawn under IBRD-V allocated to the



project including the instant transmission assets. It is further observed that the Commission had earlier allowed the IDC claimed by the PGCIL against the IBRD-V loan in Petition Nos. 186/TT/2015, 199/TT/2016 and 69/TT/2017 vide orders dated 30.3.2016, 28.4.2016 and 6.12.2017 respectively. Accordingly, based on the information and clarification provided by PGCIL, the IDC claimed by PGCIL, which is duly certified by the Auditor, is revised taking into consideration the Accounting Policy of PGCIL and the precedence.

6. The Commission in order dated 13.8.2015 in Petition No. 300/TT/2013 had disallowed time over-run of 12 months and 11 months in case of the Assets-A and B respectively. Accordingly, the IDC has been allowed after making pro-rata deduction on account of time over-run. The IDC allowed for the instant assets is as under:-

(₹ in lakh)

Assets	Total IDC accrued till COD	Pro-rata deduction due to time over-run	IDC as on COD
Asset-A	3933.48	983.37	2950.11
Asset-B	165.24	42.27	122.97

7. Due to the revision of IDC, the capital cost is revised with the consequential effect on tariff. Accordingly, the following modifications are made to the order dated 20.7.2018.

8. The Table in para19 of the order dated 20.7.2018 is revised as under:-

(₹ in lakh)

Particulars	Asset-A		Asset-B
	TL	SS	SS
Total capital cost as on cut-off date (A)	62638.88	2554.97	1423.97
Proportionate IDC and IEDC disallowed (B)	1356.56	55.33	46.23
Total capital after IDC and IEDC deduction € =A-B	61282.32	2499.64	1377.74
Spares claimed (D)	474.22	0.58	20.25
Proportionate Spares claimed € =D*C/A	463.95	0.57	19.59
Ceiling limits as per Regulation 8 the 2009 Tariff Regulations (F)	0.75%	2.50%	2.50%
Spares worked out (G) =[(€-€)*(F)/{(100%-(F))}]	459.58	64.08	34.82
<b>Excess claimed (H) = E-G</b>	<b>4.37</b>	<b>-63.51*</b>	<b>-15.23*</b>



\* claimed within limit, hence no excess initial spares are deducted

9. The Table in para 20 of the order dated 20.7.2018 is revised as under:-

(₹ in lakh)

Asset	Capital cost claimed on COD	less: IDC claimed	less: IEDC claimed	add: IDC allowed on cash basis	add: IEDC allowed	less: Excess Initial spare	Admissible capital cost as on COD
Asset-A	<b>61313.46</b>	3933.48	1763.29	2950.11	1322.47	4.36	<b>59884.90</b>
Asset-B	<b>1330.08</b>	165.24	30.84	122.97	22.95	0.00	<b>1279.92</b>

10. The Table in para21 of the order dated 20.7.2018 is revised as under:-

(₹ in lakh)

Asset	Approved apportioned cost (RCE)	Capital cost as on COD	Addition Capital Expenditure for 2013-14	Capital cost as on 31.3.2014
Asset-A	71644.87	59884.90	1516.38	<b>61401.28</b>
Asset-B	1624.39	1279.92	9.74	<b>1289.66</b>

11. The Tables in para 23 of the order dated 20.7.2018 is revised as under:-

**Asset-A**

(₹ in lakh)

Particulars	as on COD		Add-cap		as on 31.3.2014	
	Amount	(%)	Amount	(%)	Amount	(%)
Debt	41919.43	70.00	1061.47	70.00	42980.90	70.00
Equity	17965.47	30.00	454.91	30.00	18420.38	30.00
<b>Total</b>	<b>59884.90</b>	<b>100.00</b>	<b>1516.38</b>	<b>100.00</b>	<b>61401.28</b>	<b>100.00</b>

**Asset-B**

(₹ in lakh)

Particulars	as on COD		Add-cap		as on 31.3.2014	
	Amount	(%)	Amount	(%)	Amount	(%)
Debt	895.94	70.00	6.82	70.00	902.76	70.00
Equity	383.98	30.00	2.92	30.00	386.90	30.00
<b>Total</b>	<b>1279.92</b>	<b>100.00</b>	<b>9.74</b>	<b>100.00</b>	<b>1289.66</b>	<b>100.00</b>

12. The Table in para 26 of the order dated 20.7.2018 is revised as under:-

(₹ in lakh)

Return on Equity	2013-14 (pro-rata)	2013-14 (pro-rata)
	Asset-A	Asset-B
Opening Equity	17965.47	383.98
Addition due to Additional Capitalisation	454.91	2.92



Closing Equity	18420.38	386.90
Average Equity	18192.93	385.44
Return on Equity (Base Rate )	15.50%	15.50%
Tax rate for the year 2013-14	20.961%	20.961%
Rate of Return on Equity (Pre Tax )	19.610%	19.610%
<b>Return on Equity (Pre Tax)</b>	<b>879.69</b>	<b>50.32</b>

13. The Table in para 30 of the order dated 20.7.2018 is revised as under:-

Interest on Loan	(₹ in lakh)	
	2013-14 (pro-rata) Asset-A	2013-14 (pro-rata) Asset-B
Gross Normative Loan	41919.43	895.94
Cumulative Repayment upto Previous Year	0.00	0.00
Net Loan-Opening	41919.43	895.94
Addition due to Additional Capitalisation	1061.47	6.82
Repayment during the year	789.78	44.91
Net Loan-Closing	42191.12	857.85
Average Loan	42055.28	876.90
Weighted Average Rate of Interest on Loan	1.6200%	4.2470%
<b>Interest</b>	<b>167.99</b>	<b>24.79</b>

14. The Table in para 33 of the order dated 20.7.2018 is revised as under:-

Depreciation	(₹ in lakh)	
	2013-14 (pro-rata) Asset-A	2013-14 (pro-rata) Asset-B
Opening gross block	59884.90	1279.92
Addition during 2009-14 due to Projected Additional Capitalisation	1516.38	9.74
Gross Block	61401.28	1289.66
Average Gross Block	60643.09	1284.79
Rate of Depreciation	5.28%	5.25%
Depreciable Value @90%	54578.78	1156.31
Remaining Depreciable Value	54578.78	1156.31
<b>Depreciation</b>	<b>789.78</b>	<b>44.91</b>

15. The Table in para 37 of the order dated 20.7.2018 is revised as under:-

Particulars	(₹ in lakh)	
	Asset-A 2013-14 (Pro-rata)	Asset-B 2013-14 (Pro-rata)
Maintenance Spares	88.83	39.28
O & M Expenses	49.35	21.82
Receivables	1373.95	76.72
<b>Total</b>	<b>1512.13</b>	<b>137.82</b>
<b>Interest</b>	<b>49.22</b>	<b>12.11</b>



16. The Table in para 38 of the order dated 20.7.2018 is revised as under:-

Annual Transmission Charges	(₹ in lakh)	
	Asset-A 2013-14 (Pro-rata)	Asset-B 2013-14 (Pro-rata)
Depreciation	789.78	44.91
Interest on Loan	167.99	24.79
Return on Equity	879.69	50.32
Interest on Working Capital	49.22	12.11
O & M Expenses	146.02	174.32
<b>Total</b>	<b>2032.70</b>	<b>306.46</b>

17. The Table in para 43 of the order dated 20.7.2018 is revised as under:-

(₹ in lakh)						
Assets	Actual COD	Trued up capital cost as on 31.3.2014 (in the instant petition)	Weight of the capital cost	No. days from assets COD to project COD	Weighted days	Effective COD of Project (Project COD Weighted days)
Asset-A	1.1.2014	61401.28	97.94%	0.00	0.00	28.12.2013
Asset-B	1.8.2013	1289.66	2.06%	153.00	3.15	
<b>Total</b>		<b>62690.94</b>	<b>100.00%</b>		<b>3.15</b>	

18. The Table in para 46 of the order dated 20.7.2018 is revised as under:-

(₹ in lakh)					
Particulars	Asset-A	Asset-B	Combined cost	Life as per 2014 Tariff Regulations	Weight
Freehold Land	0.00	0.00	0.00	0	0.00
Leasehold Land	0.00	16.31	16.31	25	407.77
Building & Other Civil Works	0.00	20.39	20.39	25	509.77
Transmission Line	59090.41	0.00	59090.41	35	2068164.32
Sub-Station Equipment	2212.51	1220.97	3433.48	25	85837.06
PLCC	98.36	31.99	130.35	15	1955.25
<b>Total</b>	<b>61401.28</b>	<b>1289.66</b>	<b>62690.94</b>	<b>34</b>	<b>2156874.17</b>
<b>WAL</b>	<b>34 years</b>				

19. The Table in para 55 of the order dated 20.7.2018 is revised as under:-



(₹ in lakh)

Asset	Apportioned Approved Cost as per RCE	Capital cost as on 1.4.2014	Additional Capital Expenditure allowed					Total completion cost
			2014-15	2015-16	2016-17	2017-18	2018-19	
Asset-A	71844.87	61401.28	1082.08	1097.74	184.19	567.99	0.00	64333.28
Asset-B	1624.39	1289.66	11.78	112.29	10.41	70.68	0.00	1494.82
<b>Combined Asset</b>	<b>73469.26</b>	<b>62690.94</b>	<b>1093.86</b>	<b>1210.03</b>	<b>194.60</b>	<b>638.67</b>	<b>0.00</b>	<b>65828.10</b>

20. Para 57 of the order dated 20.7.2018 is revised as under:-

“57. The petitioner has considered debt:equity ratio as 70:30 as on 31.3.2014. The debt:equity ratio of 70:30 considered to the period 2009-14 (as on 31.3.2014) has been considered as opening debt:equity ratio as on 1.4.2014. The details of the debt:equity as on 1.4.2014 considered for the purpose of tariff for the 2014-19 tariff period is as follows:-

(₹ in lakh)		
Particulars	Amount	(%)
Debt	43883.66	70.00
Equity	18807.28	30.00
<b>Total</b>	<b>62690.94</b>	<b>100.00</b>

The details of the debt:equity including additional capitalization as on 31.3.2019 is as follows:-

(₹ in lakh)”		
Particular	Amount	(%)
Debt	46079.67	70.00
Equity	19748.43	30.00
<b>Total</b>	<b>65828.10</b>	<b>100.00</b>

21. The Table in para 61 of the order dated 20.7.2018 is revised as under:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	18807.28	19135.44	19498.45	19556.83	19748.43
Additional Capitalization	328.16	363.01	58.38	191.60	0.00
Closing Equity	19135.44	19498.45	19556.83	19748.43	19748.43
Average Equity	18971.36	19316.95	19527.64	19652.63	19748.43
Return on Equity (Base Rate) (%)	15.50%	15.50%	15.50%	15.50%	15.50%



MAT rate for the year (%)	20.96%	20.96%	20.96%	20.96%	20.96%
Rate of Return on Equity (Pre Tax) (%)	19.610%	19.610%	19.610%	19.610%	19.610%
<b>Return on Equity (Pre Tax)</b>	<b>3720.28</b>	<b>3788.05</b>	<b>3829.37</b>	<b>3853.88</b>	<b>3872.67</b>

22. The Table in para 64 of the order dated 20.7.2018 is revised as given below:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross block	62690.94	63784.80	64994.83	65189.43	65828.10
Additional Capitalization	1093.86	1210.03	194.60	638.67	0.00
Gross block at the end of the year	63784.80	64994.83	65189.43	65828.10	65828.10
Average gross block	63237.87	64389.82	65092.13	65508.77	65828.10
Rate of Depreciation (%)	5.28%	5.28%	5.28%	5.28%	5.28%
Depreciable Value	56914.09	57950.84	58582.92	58957.89	59245.29
Elapsed Life of the assets at beginning of the year	0	1	2	3	4
Weighted balance useful life of the assets	34	33	32	31	30
Remaining depreciable value	56079.40	53776.53	51008.17	47945.62	44774.04
<b>Depreciation</b>	<b>3339.62</b>	<b>3400.44</b>	<b>3437.52</b>	<b>3458.99</b>	<b>3475.32</b>

23. The Table in para 66 of the order dated 20.7.2018 is revised as under:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Gross loan opening	43883.66	44649.36	45496.38	45632.60	46079.67
Cumulative Repayment up to previous year	834.69	4174.31	7574.75	11012.27	14471.25
Net Loan-Opening	43048.97	40475.06	37921.64	34620.34	31608.42
Additions during the year	765.70	847.02	136.22	447.07	0.00
Repayment during the year	3339.62	3400.44	3437.52	3458.99	3475.32
Net Loan-Closing	40475.06	37921.64	34620.34	31608.42	28133.10
Average Loan	41762.01	39198.35	36270.99	33114.38	29870.76
Rate of Interest (%)	1.66%	1.66%	1.66%	1.67%	1.67%
<b>Interest</b>	<b>692.99</b>	<b>648.82</b>	<b>602.83</b>	<b>552.96</b>	<b>498.01</b>

24. The Table in para 74 of the order dated 20.7.2018 is revised as under:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	115.76	119.59	123.53	127.66	131.90
O & M Expenses	64.31	66.44	68.63	70.92	73.28
Receivables	1457.62	1476.50	1486.65	1490.83	1492.42
Total	1637.69	1662.52	1678.82	1689.41	1697.59
<b>Interest</b>	<b>221.09</b>	<b>224.44</b>	<b>226.64</b>	<b>228.07</b>	<b>229.17</b>

25. The Table in para 79 of the order dated 20.7.2018 is revised as under:-

<b>Particulars</b>	<b>(₹ in lakh)</b>				
	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
Depreciation	3339.62	3400.44	3437.52	3458.99	3475.32
Interest on Loan	692.99	648.82	602.83	552.96	498.01
Return on Equity	3720.28	3788.05	3829.37	3853.88	3872.67
Interest on Working Capital	221.09	224.44	226.64	228.07	229.17
O & M Expenses	771.73	797.242	823.558	851.066	879.320
<b>Total</b>	<b>8745.71</b>	<b>8859.00</b>	<b>8919.92</b>	<b>8944.96</b>	<b>8954.49</b>

26. All other terms of the order dated 20.7.2018 in Petition No. 64/TT/2018 remain unchanged.

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

sd/-  
**(P.K. Pujari)**  
**Chairperson**

