

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

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

**Petition No.102/2006**

**In the matter of**

Approval of transmission tariff for 400 kV D/C Talcher-Meramundali transmission line in Eastern Region for the period 1.4.2004 to 31.3.2009.

**And in the matter of**

Power Grid Corporation of India Limited  
Vs

**..Petitioner**

1. Bihar State Electricity Board, Patna
2. West Bengal State Electricity Board, Calcutta
3. Grid Corporation of Orissa Ltd, Bhubaneswar
4. Damodar Valley Corporation, Calcutta
5. Power Department, Govt. of Sikkim, Gangtok
6. Jharkhand State Electricity Board, Ranchi

**.....Respondents**

**The following were present:**

1. Shri P.C. Pankaj, PGCIL
2. Shri U.K. Tyagi, PGCIL
3. Shri B.C.Pant, PGCIL
3. Shri M.M.Mondal, PGCIL
4. Shri C. Kannan, PGCIL
5. Shri A..K..Nagpal, PGCIL
6. Shri Prashant Sharma, PGCIL
7. Shri S. Prasad, PGCIL

**ORDER**

**(DATE OF HEARING: 14.12.2006)**

The petition has been filed for approval of tariff for 400 kV D/C Talcher-Meramundali transmission line ( the transmission line) in Eastern Region for the period 1.4.2004 to 31.3.2009, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004, (hereinafter referred to as "the 2004 regulations") after accounting for additional capitalization of Rs. 53.60 lakh during 2003-04 and Rs. 54.75 lakh during 2004-05. The petitioner has also prayed for reimbursement of expenditure from the beneficiaries incurred towards publishing of notices in newspapers and the petition filing fee.

2. The investment approval for the transmission line was accorded by the Board of Directors of the petitioner company under its Memo dated 19.1.2001 at an estimated cost of Rs.4686.00 lakh, including IDC of Rs. 536.00 lakh. The approval of the revised cost estimates was accorded by the Board of Directors of the petitioner company vide memorandum dated 13.10.2005 at an estimated cost of Rs. 3875.00 lakh (excluding bays at Meramundali) including IDC of Rs. 636.00 lakh. The date of commercial operation of the transmission line is 1.12.2003 with line length (for O & M purpose) of 102 ckt-kms.

3. The annual transmission charges for the period up to 31.3.2004 in respect of transmission line were approved by the Commission in its order dated 9.5.2006 in Petition No. 131/2002.

4. The petitioner has claimed the transmission charges as under:

(Rs. in lakh)

	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
Depreciation	98.87	99.58	99.58	99.58	99.58
Interest on Loan	305.11	285.71	260.93	234.45	207.96
Return on Equity	85.02	88.85	88.85	88.85	88.85
Advance against Depreciation	39.68	133.12	172.62	172.62	172.62
Interest on Working Capital	13.80	15.43	15.97	15.80	15.65
O & M Expenses	23.15	24.07	25.09	26.01	27.13
<b>Total</b>	<b>565.64</b>	<b>646.76</b>	<b>663.04</b>	<b>637.31</b>	<b>611.80</b>

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

(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	38.42	40.72	43.16	45.75	48.50
O & M expenses	1.93	2.01	2.09	2.17	2.26
Receivables	94.27	107.79	110.51	106.22	101.97
<b>Total</b>	<b>134.62</b>	<b>150.52</b>	<b>155.76</b>	<b>154.14</b>	<b>152.73</b>
Rate of Interest	10.25%	10.25%	10.25%	10.25%	10.25%
<b>Interest</b>	<b>13.80</b>	<b>15.43</b>	<b>15.97</b>	<b>15.80</b>	<b>15.65</b>

6. Reply has been filed by the Bihar State Electricity Board and West Bengal State Electricity Board. 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.

### **CAPITAL COST**

7. As per clause (1) of Regulation 52 of the 2004 regulations, subject to prudence check, the actual expenditure incurred on completion of the project shall form the basis for determination of final tariff, and shall include capitalised initial spares subject to a ceiling norm as 1.5% of original project cost.

8. The petitioner has claimed tariff based on capital cost of Rs. 3874.63 lakh after accounting for additional capitalization of Rs. 53.60 lakh for the period from 1.12.2003 to 31.3.2004 and Rs. 54.75 lakh for the period from 1.4.2004 to 31.3.2005 over the capital expenditure of Rs. 3766.28 lakh considered in the order dated 9.5.2006 *ibid*.

### **Additional Capitalisation – 2003-04**

9. As per Regulation 1.10 of the Central Electricity Regulatory Commission (Terms and conditions of tariff) Regulation, 2001, the tariff revisions during the period on account of capital expenditure with the approved project cost incurred during the tariff period may be entertained by the Commission only if such expenditure exceeds 20% of the approved cost. In all cases, where the expenditure is less than 20%, tariff revision shall be considered in the next tariff period,

10. The petitioner has sought approval of tariff after accounting for additional capital expenditure of Rs.53.60 lakh incurred during the period 1.12.2003 to 31.3.2004. The details submitted by the petitioner in support of its claim for additional capital expenditure are given hereunder:

Year	Amount (Rs. in lakh)	Nature of expenditure
2003-04	53.60	Balance payments and price variation payments

11. The above expenditure was not considered by the Commission in its order dated 9.5.2006 *ibid* while approving tariff for the period ending 31.3.2004. The capital expenditure claimed is found to be in order as it was against the committed liability. Accordingly, the additional capital expenditure of Rs. 53.60 lakh for the year 2003-04 has been allowed.

#### **Additional capitalization -2004-05**

12. Clause (1) of Regulation 53 of the 2004 regulations provides-

“(1) The following capital expenditure within the original scope of work actually incurred after the date of commercial operation and up to the cut off date may be admitted by the Commission, subject to prudence check:

- (i) Deferred liabilities;
- (ii) Works deferred for execution;
- (iii) Procurement of initial capital spares in the original scope of works subject to the ceiling norm specified in regulation 52;
- (iv) Liabilities to meet award of arbitration or compliance of the order or decree of a court; and
- (v) On account of change in law.

Provided that original scope of work along with estimates of expenditure shall be submitted along with the application for provisional tariff:

Provided further that a list of the deferred liabilities and works deferred for execution shall be submitted along with the application for final tariff after the date of commercial operation of the transmission system.”

13. The details submitted by the petitioner in support of its claim for additional capital expenditure of Rs. 54.75 lakh for the period 1.4.2004 to 31.3.2005 are given hereunder:

Year	Amount (Rs. in lakh)	Nature of expenditure
2004-05	54.75	Balance payments

14. The additional capital expenditure claimed is within the original scope of work and found to be in order as it was against the committed liability. Accordingly, the additional capital expenditure of Rs. 54.75 lakh as claimed has been allowed.

### **DEBT- EQUITY RATIO**

15. Clause (2) of Regulation 54 of the 2004 regulations *inter alia* provides that,-

“(1) In case of the existing projects, debt–equity ratio Considered by the Commission for fixation of tariff for the period ending 31.3.2004 shall be considered for determination of tariff with effect from 01.04.2004:

Provided that in cases where the tariff for the period ending 31.3.2004 has not been determined by the Commission, debt-equity ratio shall be as may be decided by the Commission:

Provided further that in case of the existing projects where additional capitalisation has been completed on or after 1.4.2004 and admitted by the Commission under Regulation 53, equity in the additional capitalisation to be considered shall be :-

- (a) 30% of the additional capital expenditure admitted by the Commission, or
  - (b) equity approved by the competent authority in the financial package, for additional capitalisation, or
  - (c) actual equity employed,
- whichever is the least:

Provided further that in case of additional expenditure admitted under the second proviso, the Commission may considered equity of more than 30% if the transmission licensee is able to satisfy the Commission that deployment of such equity of more than 30% was in the interest of general public.

16. The Note 1 below Regulation 53 lays own that any expenditure on account of committed liabilities within the original scope of work is to be serviced in the normative debt-equity ratio specified in Regulation 54.

17. **The petitioner has claimed debt-equity ratio of 86.03:13.97 as considered in the order dated 9.5.2006 ibid. The petitioner has further considered the entire amount of additional capitalization against equity. The approved debt-equity ratio as indicated by the petitioner is 84:16. The additional capitalisation on works of Rs. 53.60 lakh for the year 2003-04 has been considered to be financed from equity to bring the overall debt-**

equity ratio closer to the approved debt-equity ratio of 84:16 and the additional capital expenditure for the year 2004-05 has been segregated in the debt-equity ratio of 84:16. Accordingly, for the purpose of tariff, an amount of Rs. 579.88 lakh has been considered as equity as on 1.4.2004 and Rs. 588.64 lakh as on 1.4.2005. The resultant debt-equity ratio as on 1.4.2005 works out to 84.81:15.19.

### **RETURN ON EQUITY**

18. As per clause (iii) of Regulation 56 of the 2004 regulations, return on equity shall be computed on the equity base determined in accordance with regulation 54 @ 14% per annum. Equity invested in foreign currency is to be allowed a return in the same currency and the payment on this account is made in Indian Rupees based on the exchange rate prevailing on the due date of billing.

19. The petitioner has claimed return on equity of Rs. 607.26 lakh for the year 2004-05 and Rs. 634.63 lakh for year 2005-06 and onwards. For the reasons recorded in para 17 above equity of Rs. 579.88 lakh has been considered as on 1.4.2004 and from 1.4.2005 onwards, equity of Rs. 588.64 lakh has been considered each year. However, tariff for the period 1.4.2004 to 31.3.2005 has been allowed on average equity of Rs. 584.24 lakh. Accordingly, the petitioner shall be entitled to return on equity of Rs. 81.80 lakh during 2004-05 and Rs. 82.41 lakh each year during 2005-09.

### **INTEREST ON LOAN**

20. Clause (i) of regulation 56 of the 2004 regulations *inter alia* provides that,-

“(a) Interest on loan capital shall be computed loan wise on the loans arrived at in the manner indicated in regulation 54.

(b) The loan outstanding as on 1.4.2004 shall be worked out as the gross loan in accordance with Regulation 54 minus cumulative repayment as admitted by the Commission or any other authority having power to do so, up to 31.3.2004. The repayment for the period 2004-09 shall be worked out on a normative basis.

- (c) The transmission licensee shall make every effort to re-finance the loan as long as it results in net benefit to the beneficiaries. The costs associated with such re-financing shall be borne by the beneficiaries.
- (d) The changes to the loan terms and conditions shall be reflected from the date of such re-financing and benefit passed on to the beneficiaries.
- (e) In case of dispute, any of the parties may approach the Commission with proper application. However, the beneficiaries shall not withhold any payment ordered by the Commission to the transmission licensee during pendency of any dispute relating to re-financing of loan;
- (f) In case any moratorium period is availed of by the transmission licensee, depreciation provided for in the tariff during the years of moratorium shall be treated as repayment during those years and interest on loan capital shall be calculated accordingly.
- (g) The transmission licensee shall not make any profit on account of re-financing of loan and interest on loan;
- (h) The transmission licensee may, at its discretion, swap loans having floating rate of interest with loans having fixed rate of interest, or vice versa, at its own cost and gains or losses as a result of such swapping shall accrue to the transmission licensee:

Provided that the beneficiaries shall be liable to pay interest for the loans initially contracted, whether on floating or fixed rate of interest.”

21. The petitioner has claimed interest on loan in the following manner:

- (i) As on date of commercial operation, the actual loan has been considered.
- (ii) On the basis of actual rate of interest on actual average loan, the weighted average rate of interest on loan is worked out for various years.
- (iii) Weighted average rate of interest on loan for respective years as per above has been multiplied to arrive at interest on loan.

22. In our calculation, the interest on loan has been worked out as detailed below:

- (i) Gross amount of loan, repayment of instalments as per the loan allocation statement up to 2004-05 has been prepared on the basis of loan allocation details submitted by the petitioner and rate of interest as

given in the petition. The same is used to work out weighted average rate of interest on actual loan.

- (ii) Gross notional loan and cumulative repayment up to 31.3.2004 have been taken as per order dated 9.5.2006 *ibid*.
- (iii) The additional notional loan corresponding to additional capital expenditure for 2003-04 and 2004-05 arrived in the manner given in para 17 above has been added in the gross loan as per previous tariff setting to arrive at total gross loan. This adjusted Gross loan is considered as normative loan for tariff calculations.
- (iv) Tariff has been worked out considering normative loan and normative repayments. Once the normative loan has been arrived at, it has been considered for all purposes in the tariff. Normative repayment has been worked out by the following formula:

$$\frac{\text{Actual repayment of actual loan during the year}}{\text{Opening balance of actual loan during the year}} \times \text{Opening balance of normative loan during the year}$$

- (v) Moratorium in repayment of loan has been considered with reference to normative loan and if the normative repayment of loan during the year is less than the depreciation during the year, it has been considered as moratorium and depreciation during the year has been deemed as normative repayment of loan during the year.
- (vi) Weighted average rate of interest on actual loan worked out as per (i) above has been applied on the average loan during the year to arrive at the interest on loan.



23. Based on the above, the year-wise details of interest worked out are given hereunder:

(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 9.5.2006	3240.00					
Addition due to additional capitalisation	0.00					
Addition due to FERV	3240.00	3240.00	3285.99	3285.99	3285.99	3285.99
Gross Normative Loan	13.20	13.20	170.82	407.00	683.28	959.56
Cumulative Repayment up to Previous Year		3226.80	3115.17	2878.99	2602.71	2326.43
Net Loan-Opening		45.99				
Repayment during the year		157.62	236.19	276.28	276.28	276.28
Net Loan-Closing		3115.17	2878.99	2602.71	2326.43	2050.15
Average Loan		3170.99	2997.08	2740.85	2464.57	2188.29
Weighted Average Rate of Interest on Loan		9.6924%	9.6759%	9.6628%	9.6553%	9.6458%
<b>Interest</b>		307.34	290.00	264.84	237.96	211.08

### **DEPRECIATION**

24. Sub-clause (a) of clause (ii) of Regulation 56 of the 2004 regulations provides for computation of depreciation in the following manner, namely:

- (i) The value base for the purpose of depreciation shall be the historical cost of the asset.
- (ii) Depreciation shall be calculated annually based on straight line method over the useful life of the asset and at the rates prescribed in Appendix II to these regulations. The residual value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the historical capital cost of the asset. Land is not a depreciable asset and its cost shall be excluded from the capital cost while computing 90% of the historical cost of the asset. The historical capital cost of the asset shall include additional capitalisation on account of Foreign Exchange

Rate Variation up to 31.3.2004 already allowed by the Central Government/Commission.

- (iii) On repayment of entire loan, the remaining depreciable value shall be spread over the balance useful life of the asset.
- (iv) Depreciation shall be chargeable from the first year of operation. In case of operation of the asset for part of the year, depreciation shall be charged on pro rata basis.

25. The petitioner has claimed the depreciation on the capital cost of Rs.3766.28 lakh as on 1.4.2004 and at a capital cost of Rs.3874.63 lakh as on 1.4.2005 and the subsequent years.

26. The gross depreciable value of the transmission line is 3487.17 lakh,  $0.9 \times$  (Rs. 3874.63 lakh).

27. Depreciation works out to Rs. 98.87 lakh for the year 2004-05 on average gross block of Rs. 3847.26 lakh and Rs. 99.58 lakh on gross block of Rs. 3874.63 lakh each year by applying rate of depreciation of 2.57% as shown below:

(Rs. in lakh)							
Details of Depreciation		Capital cost	2004-05	2005-06	2006-07	2007-08	2008-09
As per order dated 9.5.2006		3766.28					
Additions during 2003-04 and 2004-05 due to Additional Capitalisation		53.60	54.75				
Additions during 2003-04 due to FERV		0.00					
Gross Block as on 31.3.2004		3819.88	3874.63	3874.63	3874.63	3874.63	3874.63
Rate of Depreciation	2.57%						
Depreciable Value	90%		3437.89	3487.17	3487.17	3487.17	3487.17
Balance Useful life of the asset			-	-	-	-	-
Remaining Depreciable Value			3405.63	3316.35	3080.16	2803.88	2527.61
<b>Depreciation</b>			<b>98.87</b>	<b>99.58</b>	<b>99.58</b>	<b>99.58</b>	<b>99.58</b>

## **ADVANCE AGAINST DEPRECIATION**

28. As per sub-clause (b) of clause (ii) of Regulation 56 of the 2004 regulations, in addition to allowable depreciation, the transmission licensee is entitled to Advance Against Depreciation, computed in the manner given hereunder:

AAD = Loan repayment amount as per regulation 56 (i) subject to a ceiling of 1/10th of loan amount as per regulation 54 minus depreciation as per schedule

29. It is provided that Advance Against Depreciation shall be permitted only if the cumulative repayment up to a particular year exceeds the cumulative depreciation up to that year. It is further provided that Advance Against Depreciation in a year shall be restricted to the extent of difference between cumulative repayment and cumulative depreciation up to that year.

30. The petitioner has claimed Advance Against Depreciation in the following manner:

- (i) 1/10th of gross loan is considered for tariff computation.
- (ii) Cumulative loan as well as repayment of notional loan considered during the year.
- (iii) Depreciation as claimed in the petition.

31. In our calculation, Advance Against Depreciation has been worked as under:

- (i) 1/10th of gross loan has been worked out from the gross notional loan as per para 23 above.
- (ii) Repayment of notional loan during the year has been considered as per para 23 above.
- (iii) Depreciation as worked out as per para 27 has been taken into account.

- (iv) Cumulative depreciation up to 31.3.2004 has been worked out considering cumulative deprecation/AAD as per the order dated 9.5.2006.
- (v) Cumulative depreciation/AAD up to proceeding year along with deprecation for the current year have been considered for working out AAD.

32. The details of Advance Against Depreciation allowed for the transmission line is given hereunder:

(Rs. in lakh)					
<b>Details of Advance Against Depreciation</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
1/10th of Gross Loan(s)	324.00	328.60	328.60	328.60	328.60
Repayment of Loan	157.62	236.19	276.28	276.28	276.28
Minimum of the above	157.62	236.19	276.28	276.28	276.28
Depreciation during the year	98.87	99.58	99.58	99.58	99.58
(A) Difference	58.74	136.61	176.70	176.70	176.70
Cumulative Repayment of the Loan	170.82	407.00	683.28	959.56	1235.84
Cumulative Depreciation/ Advance against Depreciation	131.14	270.39	506.58	782.86	1059.14
(B) Difference	39.68	136.61	176.70	176.70	176.70
<b>Advance Against Depreciation Minimum of (A) and (B)</b>	<b>39.68</b>	<b>136.61</b>	<b>176.70</b>	<b>176.70</b>	<b>176.70</b>

### **OPERATION & MAINTENANCE EXPENSES**

33. In accordance with clause (iv) of Regulation 56 the 2004 regulations, the following norms are prescribed for O & M expenses:

	Year				
	<b>2004-05</b>	<b>2005-06</b>	<b>2006-07</b>	<b>2007-08</b>	<b>2008-09</b>
O&M expenses (Rs. in lakh per ckt-km)	0.227	0.236	0.246	0.255	0.266
O&M expenses (Rs in lakh per bay)	28.12	29.25	30.42	31.63	32.90

34. The petitioner has claimed O & M expenses for 102 ckt kms, which have been allowed. Accordingly, the petitioner's entitlement to O & M expenses has been worked out as given hereunder:

	Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
O&M expenses for 102 ckt kms line length	23.15	24.07	25.09	26.01	27.13
<b>Total</b>	<b>23.15</b>	<b>24.07</b>	<b>25.09</b>	<b>26.01</b>	<b>27.13</b>

35. The petitioner has submitted that the wage revision of its employees is due with effect from 1.1.2007. Therefore, O&M expenses should be subject to revision on account of revision of employee cost from that date. In the alternative, it has been prayed that the increase in employee cost due to wage revision be allowed as per actuals for extra cost to be incurred consequent to wage revision. We are not expressing any view, as this issue does not arise for consideration at this stage. The petitioner may approach for a relief in this regard at an appropriate stage in accordance with law.

### **INTEREST ON WORKING CAPITAL**

36. 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, the capital expenditure on the date of commercial operation is Rs.3766.28 lakh, 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. In this manner, the value of maintenance spares works out to Rs. 38.42 lakh as on 1.4.2004.

#### **(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 O&M expenses of the respective year as claimed 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 2 months' transmission charges claimed in the petition. In the tariff being allowed, receivables have been worked out on the basis 2 months' transmission 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.

37. The necessary computations in support of interest on working capital are appended hereinbelow:

	(Rs. in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Maintenance Spares	38.42	40.72	43.16	45.75	48.50
O & M expenses	1.93	2.01	2.09	2.17	2.26
Receivables	94.10	108.02	110.77	106.41	102.09
Total	134.45	150.75	156.02	154.33	152.85
Rate of Interest	10.25%	10.25%	10.25%	10.25%	10.25%
<b>Interest</b>	13.78	15.45	15.99	15.82	15.67

### **TRANSMISSION CHARGES**

38. The capital cost and other relevant details are contained in the summary sheet attached. The transmission charges being allowed for the transmission line are summarised below:

	(Rs.in lakh)				
	2004-05	2005-06	2006-07	2007-08	2008-09
Depreciation	98.87	99.58	99.58	99.58	99.58
Interest on Loan	307.34	290.00	264.84	237.96	211.08
Return on Equity	81.80	82.41	82.41	82.41	82.41
Advance against Depreciation	39.68	136.61	176.70	176.70	176.70
Interest on Working Capital	13.78	15.45	15.99	15.82	15.67
O & M Expenses	23.15	24.07	25.09	26.01	27.13
<b>Total</b>	<b>564.62</b>	<b>648.11</b>	<b>664.61</b>	<b>638.48</b>	<b>612.56</b>

39. 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. .

40. The petitioner has sought approval for the reimbursement of expenditure of Rs. 96,153/- incurred on publication of notices in the newspapers. The petitioner shall claim reimbursement of the said expenditure directly from the respondents in one installment. The petitioner has also sought reimbursement of filing fee of Rs.5 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 called for. The view taken on consideration of the comments received shall apply in the present case as regards reimbursement of filing fee.

41. The petitioner is already billing the respondents on provisional basis in accordance with the Commission's interim directions. The provisional billing of tariff shall be adjusted in the light of final tariff now approved by us.

42. This order disposes of Petition No. 102/2006.

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

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

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

**New Delhi dated the 10<sup>th</sup> January 2007**



Summary Sheet							
Name of the Company:		PGCIL					
Name of the Element:		400 KV D/C Talcher- Meramundali transmission line in Eastern Region					
Actual DOCO:		1.12.2003					
Petition No.:		102/2006					
Tariff setting Period:		2004-09					
(Rs.in lakh)							
1	Capital Cost of the Project as on date of commercial operation					3766.28	
2	Additional Capitalisation during 2003-04					53.60	
3	Admitted Capital Cost as on 1.4.2004 (1+2)					3819.88	
4	Additional Capitalisation during 2004-09					54.75	
	2004-05				54.75		
	Total				54.75		
5	Admitted Capital Cost as on 1.4.2005(3+4)					3874.63	
6	Means of Finance :						
			As on 1-4-2004		As on 1-4-2005		
	Debt		84.82%	3240.00	84.81%		3285.99
	Equity		15.18%	579.88	15.19%		588.64
	Total		100.00%	3819.88	100.00%		3874.63
7	Gross Loan						
	As on 1.4.2004		3240.00	As on 1.4.2005		3285.99	
8	Cumulative Repayment up to 31.3.2009 :					1235.84	
	Repaid up to 31.3.2004				13.20		
	1.4.2004 to 31.3.2005				157.62		
	1.4.2005 to 31.3.2009				1065.02		
	Total				1235.84		
9	Balance Loan to be repaid beyond 31.3.2009 :					2050.15	
10	Depreciation recovered up to 31.3.2009 :					1235.84	
		Dep			AAD	Total	
	Recovered up to 31.3.2004		32.26		0.00	32.26	
	1.4.2004 to 31.3.2005		98.87		39.68	138.55	
	1.4.2005 to 31.3.2009		398.31		666.71	1065.02	
	Total					1235.84	
11	Balance Depreciation to be recovered beyond 31.3.2009 :					2251.33	
	Capital cost for the purpose of Depreciation					3766.28	
	ACE during 2003-04					53.60	
	Capital cost as 1.4.2004					3819.88	
	ACE during 2004-05					54.75	
	Capital cost as 1.4.2005					3874.63	
	Less: Land Cost					0.00	
						3874.63	
	90% of Capital Cost as above					3487.17	
	Cum. Depreciation to be recovered up to 31.3.2009					1235.84	
	Balance Depreciation to be recovered beyond 31.3.2009					2251.33	