

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 325/2009

Coram:

- 1. Dr. Pramod Deo, Chairperson**
- 2. Shri S.Jayaraman, Member**
- 3. Shri V.S.Verma, Member**
- 4. Shri M.Deena Dayalan, Member**

DATE OF HEARING: 11.3.2010

DATE OF ORDER: 26.4.2010

In the matter of

Determination of revised transmission tariff due to additional capital expenditure during 1.4.2008 to 31.3.2009 for (i) 315 MVA, 400/220 kV, ICT at Siliguri; (ii) 400 kV D/C Biharshariff-Muzaffarpur line, Biharshariff 400 kV extension and Muzaffarpur 400 kV extension; (iii) 315 MVA, 400/220 kV, ICT-I Subhashgram sub-station (New); and (iv) LLO of one circuit of 400 kV D/C Farakka -Jeerat line at Subhashgram and establishment of 400/220 kV sub-station (New) at Subhashgram including 1X315 MVA, ICT-II under system strengthening Scheme for Eastern Region (formerly part of Tala Supplementary Scheme).

And in the matter of

Power Grid Corporation of India Limited, Gurgaon
Vs

..Petitioner

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

.... Respondents

The following were present:

1. Shri U.K.Tyagi, PGCIL
2. Shri Rakesh Prasad, PGCIL
3. Shri M.M.Mondal, PGCIL
4. Shri R.B.Sharma, Advocate, BSEB

ORDER

This petition has been filed for revision of transmission tariff due to additional capital expenditure incurred in respect of transmission elements

given in the table below together with their dates of commercial operation under System Strengthening Scheme (the transmission scheme) in Eastern Region during the period from 1.4.2008 to 31.3.2009 for Asset-I and Asset-II and 1.4.2007 to 31.3.2009 for Asset-III and Asset-IV, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004 (hereinafter referred to as "the 2004 regulations:

S.No.	Name of Assets	Date of the commercial operation
1.	315 MVA, 400/220 kV, ICT at Siliguri (Asset-I)	1.10.2006
2.	400 kV D/C Biharshariff-Muzaffarpur line, Biharshariff 400 kV extension and Muzaffarpur 400 kV extension (Asset-II)	1.11.2006
3.	315 MVA, 400/220 kV, ICT-I Subhashgram sub-station (New) (Asset-III)	1.4.2007
4.	LILO of one circuit of 400 kV D/C Farakka-Jeerat line at Subhashgram and establishment of 400/220 kV sub-station (New) at Subhashgram including 1X315 MVA, ICT-II (Asset-IV)	1.3.2007

2. The petitioner has also prayed for reimbursement of the petition filing fee, licence fee and other expenditure in connection with the filing of the petition

3. The investment approval for the transmission scheme was accorded by the Board of Directors of the petitioner company vide letter dated 25.2.2003 at an estimated cost of Rs. 24791 lakh, which included IDC of Rs. 2364 lakh. Subsequently, the revised cost estimate for the transmission scheme was approved by Board of Directors of the petitioner company vide its letter dated 9.7.2007 at an estimated cost of Rs. 33618 lakh, which included an IDC of Rs.1837 lakh.

4. The transmission charges approved for the Asset-I and Asset-II vide order dated 6.5.2008 in Petition No. 97/2007 were revised by the Commission vide its order dated 19.8.2009 in Petition No. 68/2009. Transmission charges for Asset-III and Asset-IV were approved vide order dated 1.5.2008 in Petition No. 160/2007. The summary of the transmission charges approved by the said orders dated 19.8.2009 and 1.5.2008 is extracted hereunder:

(Rs. in lakh)

	Asset-I		Asset-II	
	2007-08	2008-09	2007-08	2008-09
Depreciation	34.59	35.67	486.43	496.82
Interest on Loan	48.82	48.28	927.68	917.99
Return on Equity	40.35	41.61	755.15	771.13
Advance against Depreciation	0.00	0.00	0.00	0.00
Interest on Working Capital	4.73	4.88	61.41	63.02
O & M Expenses	63.26	65.80	194.50	202.52
Total	191.76	196.25	2425.16	2451.48

(Rs. in lakh)

	Asset-III			Asset-IV	
	2006-07 (Pro rata)	2007-08	2008-09	2007-08	2008-09
Depreciation	23.29	282.27	282.27	37.33	37.33
Interest on Loan	44.66	529.42	507.52	51.18	47.54
Return on Equity	34.09	412.69	412.69	43.53	43.53
Advance against Depreciation	0.00	0.00	0.00	0.00	27.18
Interest on Working Capital	3.21	38.84	39.36	6.03	6.67
O & M Expenses	22.86	285.13	296.67	63.26	65.80
Total	128.10	1548.35	1538.51	201.33	228.05

5. The relevant details of the capital expenditure of the transmission assets claimed by the petitioner are as under:

(Rs. in lakh)

	Capital cost as on the date of commercial operation	Capital expenditure from the date of commercial operation to 31.3.2007	Additional capital expenditure during 2007-08	Capital cost as on 1.4.2008	Additional Capital Expenditure during 2008-09	Capital cost as on 1.4.2009
Asset-I	866.38	64.55	59.97	990.90	10.74	1001.64
Asset-II	17432.95	245.91	761.24	18440.10	101.35	18541.45
Asset-III	1036.90	-	0.00	1036.90	49.81	1086.71
Asset-IV	9657.71	171.80	651.26	10480.77	461.51	10942.28

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

(Rs. in lakh)

	Asset- I	Asset-II	Asset- III		Asset-IV	
	2008-09	2008-09	2007-08	2008-09	2007-08	2008-09
Depreciation	35.87	498.12	37.33	38.22	291.55	306.96
Interest on Loan	48.63	921.35	51.18	49.24	552.02	566.67
Return on Equity	41.84	773.26	43.53	44.57	426.36	449.73
Advance against Depreciation	0.00	0.00	0.00	26.28	0.00	0.00
Interest on Working Capital	4.90	63.14	6.03	6.73	39.63	41.46
O & M Expenses	65.80	202.52	63.26	65.80	285.13	296.67
Total	197.04	2458.39	201.33	230.84	1594.69	1661.49

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

(Rs. in lakh)

	Asset- I	Asset-II	Asset- III		Asst-IV	
	2008-09	2008-09	2007-08	2008-09	2007-08	2008-09
Maintenance Spares	9.46	189.41	10.37	10.99	97.06	102.88
O & M expenses	5.48	16.88	5.27	5.48	23.76	24.72
Receivables	32.84	409.73	33.56	38.47	265.78	276.92
Total	47.78	616.02	49.20	54.94	386.60	404.52
Rate of Interest	10.25%	10.25%	12.25%	12.25%	10.25%	10.25%
Interest	4.90	63.14	6.03	6.73	39.63	41.46

8. BSEB in its reply dated 22.2.2010 has submitted that the additional capital expenditure claimed in the petition are mainly on account of retention/final payments and a confirmation be taken from the petitioner that no part of the claim belongs to any other category not covered by Regulation 53 of the 2004 regulations. The petitioner in its rejoinder has confirmed that the expenditure shown in the petition for the year 2007-08 and 2008-09 has been claimed as per Regulation 53 (2) of the 2004 regulation on account of final/retention payments. In view of the clarification of the petitioner, the objections of BSEB no more survive. BSEB has also objected to considering O & M charges, levies, duties, cess or any other

statutory taxes etc., reimbursement of the petition filing fee and licence fee.

These concerns have been taken care of in the order.

CAPITAL COST

9. The details submitted by the petitioner in support of its claim for additional capital expenditure are given hereunder:

(Rs. in lakh)

Asset-I			Asset-II			Asset-III			Asset-IV		
Year	Amount (Rs. in lakh)	Nature and details of expenditure	Year	Amount (Rs. in lakh)	Nature and details of expenditure	Year	Amount (Rs. in lakh)	Nature and details of expenditure	Year	Amount (Rs. in lakh)	Nature and details of expenditure
									2007-08	Building, transmission line and sub-station= Rs. 651.26 lakh	Balance/ retention payments
2008-09	sub-station = Rs. 10.74 lakh	retention /Final payments	2008-09	Transmission line= Rs. 101.35 lakh	Retention/Fi nal payments	2008-09	sub-station = Rs. 49.81 lakh	Balance payments	2008-09	Building, transmission line and sub-station= Rs. 461.51 lakh	Balance/ retention payments
Total	Rs. 10.74 lakh			Rs. 101.35 lakh			Rs. 49.81 lakh		Total	Rs. 1112.77 lakh	

10. The petitioner has submitted audited capital cost up 31.2.2009 duly certified by Chartered Accountant. The additional capital expenditure claimed is within the original scope of work and on account of retention/final/balance payments. The additional expenditure sought to be capitalised is allowed under Regulation 53 of the 2004 regulations.

Initial spares

11. Clause (1) of the Regulation 52 of the 2004 regulations *inter alia* provides that,-

“(1) Subject to prudence check by the Commission, the actual expenditure incurred on completion of the project shall form the basis for determination of final tariff. The final tariff shall be determined based on the admitted capital expenditure actually incurred up to the date of commercial operation of the transmission system and shall include capitalized initial spares subject to a ceiling norm as 1.5% of original project cost”.

12. The details of actual expenditure incurred and spares included therein by the petitioner as per original scope of project up to 31.3.2009 are as under:-

	Particulars	Capital Expenditures (Rs in lakh)						Remarks
		Up to the date of commercial operation	From the date of commercial operation to 31-3-2007	From 1-4-2007 to 31-3-2008	From 1-4-2008 to 31-3-2009	Total up to cutoff date	Initial Spares included therein	
1	Asset-I	866.38	64.55	59.97	10.74	1001.64	2.18	Final transmission tariff up to the date of commercial operation and add cap up to 31.3.2008 allowed vide petition No. 68/2009
2	Asset-II	17432.95	245.91	761.24	101.35	18541.45	148.43	
3	Asset-III	1036.90	0.00	0.00	49.81	1086.71	0.00	Final transmission tariff up to the date of commercial operation and add cap up to 31.3.2007 allowed vide petition No. 160/2007
4	Asset-IV	9657.71	171.80	651.26	461.51	10942.28	148.46	

13. In regard to Asset-I, Asset-II, Asset-III and Asset-IV, total actual expenditure incurred by the petitioner up to 31.3.2009 is Rs. 31572.08 lakh and cost of spares included therein is Rs. 299.07 lakh. The total cost without initial spares is Rs. 31273.01 lakh and cost of spares included therein is Rs. 299.07 lakh which is found within the ceiling of 1.5% up to the cut off date as per the 2004 regulations.

TOTAL CAPITAL COST

14. Based on the above, capital cost for the purpose of tariff in respect of each of the transmission assets as on 31.3.2009 works out as under:

(Rs. in lakh)

	Capital cost as on the date of commercial operation	Capital expenditure from the date of commercial operation to 31.3.2007	Additional capital expenditure during 2007-08	Capital cost as on 1.4.2008	Additional Capital Expenditure during 2008-09	Capital cost as on 1.4.2009
Asset-I	866.38	64.55	59.97	990.90	10.74	1001.64
Asset-II	17432.95	245.91	761.24	18440.10	101.35	18541.45
Asset-III	1036.90	-	0.00	1036.90	49.81	1086.71
Asset-IV	9657.71	171.80	651.26	10480.77	461.51	10942.28

DEBT- EQUITY RATIO

15. The petitioner has considered the amount of additional capital expenditure for the year 2008-09 for Asset-I and Asset-II and years 2007-08 and 2008-09 for the Asset-III and Asset-IV in the debt-equity ratio of 70:30. This has been found to be in order. Accordingly, for the purpose of tariff, equity considered for the transmission assets is as under:

(Rs. in lakh)

	Equity as on the date of the commercial operation	Notional additional equity during 2006-07	Average equity for 2006-07	Equity as on 1.4.2007	Notional additional equity during 2007-08	Average equity for 2007-08	Equity as on 1.4.2008	Notional additional equity during 2008-09	Average equity for 2008-09	Total equity considered as on 31.3.2009
Asset-I	259.88	19.37	269.56	279.25	17.99	288.24	297.24	3.22	298.85	300.46
Asset-II	5205.95	73.77	5242.84	5279.72	228.37	5393.91	5508.10	30.41	5523.30	5538.50
Asset-III	310.90	-	-	0.00	0.00	310.90	310.90	14.94	318.37	325.84
Asset-IV	2896.21	51.54	2921.98	2947.75	195.38	3045.44	3143.13	138.45	3212.35	3281.58

RETURN ON EQUITY

16. 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.

17. Equity as given in the table under para 15 above has been considered. However, tariff for 2008-09 for the Asset-I and Asset-II and 2007-08 and 2008-09 for the Asset-III and Asst-IV has been allowed on average equity. Accordingly, return on equity allowed is given as under:

Name of the asset	(Rs. in lakh)	
	2007-08	2008-09
Asset-I	-	41.84
Asset-II	-	773.26
Asset-III	43.53	44.57
Asst-IV	426.36	449.73

INTEREST ON LOAN

18. 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."

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

(i) Gross amount of loan, repayment of instalments and rate of interest and weighted average rate of interest on actual loan have been considered as per the petition.

(ii) Notional loan arising out of additional capital expenditure for the year 2008-09 has been added to the loan amount as on the date of commercial operation to arrive at total notional loan. This adjusted Gross loan has been considered as normative loans for tariff calculations.

(iii) Tariff has been worked out considering normative loan and normative repayments. Normative repayment has been worked out by the following formula:

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

- (iv) 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 is considered as moratorium and depreciation during the year is deemed as normative repayment of loan during the year.
- (v) Weighted average rate of interest on actual loan worked out as per (i) above has been applied on the notional average loan during the year to arrive at the interest on loan.

20. Based on the above, the details of interest worked out are given hereunder:

Details	(Rs. in lakh)					
	Asset- I	Asset-II	Asset- III		Asset-IV	
	2008-09	2008-09	2007-08	2008-09	2007-08	2008-09
Gross Normative Loan	693.66	12932.01	726.00	726.00	6881.76	7337.64
Cumulative Repayment up to Previous Year/date of commercial operation	50.77	683.21	0.00	37.33	23.29	314.83
Net Loan-Opening	642.90	12248.80	726.00	688.67	6858.47	7022.81
Addition due to Additional Capitalisation	7.52	70.95	0.00	34.87	455.88	323.06
Repayment during the year	35.87	498.12	37.33	64.50	291.55	306.96
Net Loan-Closing	614.55	11821.62	688.67	659.03	7022.81	7038.90
Average Loan	628.72	12035.21	707.34	673.85	6940.64	7030.85
Weighted Average Rate of Interest on Loan	7.73%	7.66%	7.24%	7.31%	7.95%	8.06%
Interest	48.63	921.35	51.18	49.24	552.02	566.67

21. The detailed calculations in support of the weighted average rate of interest for the four assets are contained in Annexure-I, Annexure-II Annexure-III and Annexure-IV, respectively attached.

DEPRECIATION

22. 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."

23. Depreciation allowed has been worked out as below:

(Rs. in lakh)

Details	Asset- I	Asset- II	Asset- III		Asset-IV	
	2008-09	2008-09	2007-08	2008-09	2007-08	2008-09
Gross block as on the date of commercial operation	990.90	18440.10	1036.90	1036.90	9829.51	10480.77
Additional Capitalisation during 2007-08 and 2008-09	10.74	101.35	0.00	49.81	651.26	461.51
Gross Block at the end of the year	1001.64	18541.45	1036.90	1086.71	10480.77	10942.28
Rate of Depreciation	3.6000%	2.6939%	3.6000%	3.6000%	2.8709%	2.8657%
Depreciable Value	896.64	16641.70	933.21	955.62	8934.94	9435.69
Balance Useful life of the asset	-	-	-	-	-	-
Remaining Depreciable Value	845.87	15958.49	933.21	918.30	8911.65	9120.85
Depreciation	35.87	498.12	37.33	38.22	291.55	306.96

ADVANCE AGAINST DEPRECIATION

24. 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

25. 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.

26. Petitioner has claimed Advance Against Depreciation during the year 2008-09 for Asset-III. The petitioner has not claimed Advance Against Depreciation for Asset-I, Asset-II and Asset-IV. Accordingly, in our calculation the Advance Against Depreciation for Asset-III has been worked as detailed below:

(a) 1/10th of gross loan has been worked out from the Gross Notional Loan as per para 20 above.

(b) Repayment of notional loan during the year has been considered as per para 20 above.

(c) Depreciation has been worked out as per para 23 above.

(d) In the calculation of Advance Against Depreciation, cumulative depreciation/Advance Against Depreciation up to the preceding year along with the depreciation of the current year have been considered.

27. The details of Advance Against Depreciation are as under:

(Rs. in lakh)	
	Asset-III
	2008-09
1/10th of Gross Loan(s)	72.60
Repayment of the Loan	64.50
Minimum of the above	64.50
Depreciation during the year	38.22
(A) Difference	26.28
Cumulative Repayment of the Loan	101.83
Cumulative Depreciation/ Advance against Depreciation	75.55
(B) Difference	26.28
Advance against Depreciation Minimum of (A) and (B)	26.28

OPERATION & MAINTENANCE EXPENSES

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

	Year				
	2004-05	2005-06	2006-07	2007-08	2008-09
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

29. O&M expenses as taken for the tariff calculations as per order dated 19.8.2009 in Petition No. 68/2009 for Asset-I and Asset-II and order dated 1.5.2008 in Petition No. 160/2007 for Asset-III and Asset-IV have been considered, since line length and number of bays remain unchanged.

INTEREST ON WORKING CAPITAL

30. 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. The petitioner has claimed maintenance spares after accounting for additional capital expenditure.

For the purpose of computation of maintenance spares, the historical cost is being taken as the cost on the date of commercial operation. Maintenance spares on additional capital expenditure are not being considered for the present. Accordingly, maintenance spares have been worked out on the historical cost and by providing escalation from the date of commercial operation.

(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. O&M expenses as considered in the order dated 19.8.2009 in Petition No. 68/2009 for Asset-I and Asset-II and order dated 1.5.2008 in Petition No. 160/2007 for Asset-III and Asset-IV have been considered.

(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. Accordingly, in the tariff being allowed, receivables have been worked out on the basis of 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 whether or not the transmission licensee has taken working capital loan from any outside agency. The petitioner has claimed interest on working capital @ 10.25% based on SBI PLR as on 1.4.2006 for Asset, Asset-II and Asset-IV and @ 12.25% based on SBI PLR as on 1.4.2007 for Asset-III, which is in accordance with the 2004 regulations and has been allowed.

31. The necessary computations in support of interest on working capital are appended herein below:

(Rs. in lakh)

	Asset- I	Asset-II	Asset- III		Asset-IV	
	2008-09	2008-09	2007-08	2008-09	2007-08	2008-09
Maintenance Spares	9.46	189.41	10.37	10.99	97.06	102.88
O & M expenses	5.48	16.88	5.27	5.48	23.76	24.72
Receivables	32.84	409.73	33.55	38.48	265.78	276.92
Total	47.78	616.02	49.19	54.95	386.60	404.52
Rate of Interest	10.25%	10.25%	12.25%	12.25%	10.25%	10.25%
Interest	4.90	63.14	6.03	6.73	39.63	41.46

TRANSMISSION CHARGES

32. The transmission charges being allowed for the three transmission assets are summarised below:

(Rs. in lakh)

	Asset- I	Asset-II	Asset- III		Asset-IV	
	2008-09	2008-09	2007-08	2008-09	2007-08	2008-09
Depreciation	35.87	498.12	37.33	38.22	291.55	306.96
Interest on Loan	48.63	921.35	51.18	49.24	552.02	566.67
Return on Equity	41.84	773.26	43.53	44.57	426.36	449.73
Advance against Depreciation	0.00	0.00	0.00	26.28	0.00	0.00
Interest on Working Capital	4.90	63.14	6.03	6.73	39.63	41.46
O & M Expenses	65.80	202.52	63.26	65.80	285.13	296.67
Total	197.03	2458.40	201.33	230.85	1594.69	1661.50

33. The petitioner shall recover from the beneficiaries the additional transmission charges in two instalments and these charges shall be shared in accordance with the 2004 regulations.

34. The petitioner has also sought reimbursement of filing fee paid. The Commission by its separate general order dated 11.9.2008 in Petition No. 129/2005 (Suo-motu) has decided that petition filing fee shall not be reimbursed during the tariff period 2004-09 as the same has been factored in O & M norms. The decision applied in the present case also. The decision on licence fee shall be communicated separately.

35. 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.

36. This order disposes of Petition No. 325/2009.

Sd/-
(M.DEENA DAYALAN)
MEMBER

sd/-
(V.S.VERMA)
MEMBER

sd/-
(S.JAYARAMAN)
MEMBER

sd/-
(Dr.PRAMOD DEO)
CHAIRPERSON

Calculations in support of the weighted average rate of interest

Asset-I

		(Rs. in lakh)
	Details of Loan	2008-09
1	Bond XV	
	Gross Loan opening	25.00
	Cumulative Repayment up to the date of commercial operation/previous year	2.08
	Net Loan-Opening	22.92
	Additions during the year	0.00
	Repayment during the year	2.08
	Net Loan-Closing	20.84
	Average Loan	21.88
	Rate of Interest	6.68%
	Interest	1.46
	Repayment Schedule	12 Annual instalments from 23.2.2008
2	Bond XVI	
	Gross Loan opening	111.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00
	Net Loan-Opening	111.00
	Additions during the year	0.00
	Repayment during the year	11.10
	Net Loan-Closing	99.90
	Average Loan	105.45
	Rate of Interest	7.10%
	Interest	7.49
	Repayment Schedule	10 Annual instalments from 18.2.2009
3	Bond XVII	
	Gross Loan opening	361.50
	Cumulative Repayment up to the date of commercial operation /previous year	0.00
	Net Loan-Opening	361.50
	Additions during the year	0.00
	Repayment during the year	0.00
	Net Loan-Closing	361.50
	Average Loan	361.50
	Rate of Interest	7.39%
	Interest	26.71
	Repayment Schedule	10 Annual instalments from 20.9.2009
4	Bond XVIII	
	Gross Loan opening	109.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00
	Net Loan-Opening	109.00
	Additions during the year	0.00

	Repayment during the year	0.00
	Net Loan-Closing	109.00
	Average Loan	109.00
	Rate of Interest	8.15%
	Interest	8.88
	Repayment Schedule	12 Annual instalments from 9.3.2010
5	Bond XIX (ADD CAP FOR 2006-07)	
	Gross Loan opening	38.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00
	Net Loan-Opening	38.00
	Additions during the year	0.00
	Repayment during the year	0.00
	Net Loan-Closing	38.00
	Average Loan	38.00
	Rate of Interest	9.25%
	Interest	3.52
	Repayment Schedule	12 Annual instalments from 24.7.2010
6	Bond XXVII (ADD CAP FOR 2007-08)	
	Gross Loan opening	59.97
	Cumulative Repayment up to the date of commercial operation /previous year	0.00
	Net Loan-Opening	59.97
	Additions during the year	0.00
	Repayment during the year	0.00
	Net Loan-Closing	59.97
	Average Loan	59.97
	Rate of Interest	9.47%
	Interest	5.68
	Repayment Schedule	12 Annual instalments from 31.3.2012
7	Bond XXVIII (ADD CAP FOR 2008-09 DRAWL ON 15.12.2008)	
	Gross Loan opening	0.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00
	Net Loan-Opening	0.00
	Additions during the year	9.58
	Repayment during the year	0.00
	Net Loan-Closing	9.58
	Average Loan	4.79
	Rate of Interest	9.33%
	Interest	0.45
	Repayment Schedule	12 Annual instalments from 15.12.2012
	Gross Loan opening	704.47
	Cumulative Repayment up to the date of commercial operation /previous year	2.08

	Net Loan-Opening	702.39
	Additions during the year	9.58
	Repayment during the year	13.18
	Net Loan-Closing	698.79
	Average Loan	700.59
	Rate of Interest	7.73%
	Interest	54.19

Asset-II

(Rs. in lakh)

Details of Loan	2008-09
1 Bond XV	
Gross Loan opening	448.00
Cumulative Repayment up to the date of commercial operation /previous year	37.33
Net Loan-Opening	410.67
Additions during the year	0.00
Repayment during the year	37.33
Net Loan-Closing	373.34
Average Loan	392.01
Rate of Interest	6.68%
Interest	26.19
Repayment Schedule	12 Annual instalments from 23.2.2008
2 Bond XVI	
Gross Loan opening	2013.00
Cumulative Repayment up to the date of commercial operation /previous year	0.00
Net Loan-Opening	2013.00
Additions during the year	0.00
Repayment during the year	201.30
Net Loan-Closing	1811.70
Average Loan	1912.35
Rate of Interest	7.10%
Interest	135.78
Repayment Schedule	10 Annual instalments from 18.2.2009
3 Bond XVII	
Gross Loan opening	7335.00
Cumulative Repayment up to the date of commercial operation /previous year	0.00
Net Loan-Opening	7335.00
Additions during the year	0.00
Repayment during the year	0.00
Net Loan-Closing	7335.00
Average Loan	7335.00
Rate of Interest	7.39%
Interest	542.06
Repayment Schedule	10 Annual instalments from 20.9.2009
4 Bond XVIII	
Gross Loan opening	1975.00
Cumulative Repayment up to the date of commercial operation /previous year	0.00

	Net Loan-Opening	1975.00
	Additions during the year	0.00
	Repayment during the year	0.00
	Net Loan-Closing	1975.00
	Average Loan	1975.00
	Rate of Interest	8.15%
	Interest	160.96
	Repayment Schedule	12 Annual instalments from 9.3.2010
5	Bond XIX	
	Gross Loan opening	456.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00
	Net Loan-Opening	456.00
	Additions during the year	0.00
	Repayment during the year	0.00
	Net Loan-Closing	456.00
	Average Loan	456.00
	Rate of Interest	9.25%
	Interest	42.18
	Repayment Schedule	12 Annual instalments from 24.7.2010
6	Bond XIX (ADDCAP FOR 2006-07)	
	Gross Loan opening	145.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00
	Net Loan-Opening	145.00
	Additions during the year	0.00
	Repayment during the year	0.00
	Net Loan-Closing	145.00
	Average Loan	145.00
	Rate of Interest	9.25%
	Interest	13.41
	Repayment Schedule	12 Annual instalments from 24.7.2010
7	Bond XXVII (ADD CAP FOR 2007-08)	
	Gross Loan opening	761.24
	Cumulative Repayment up to the date of commercial operation /previous year	0.00
	Net Loan-Opening	761.24
	Additions during the year	0.00
	Repayment during the year	0.00
	Net Loan-Closing	761.24
	Average Loan	761.24
	Rate of Interest	9.47%
	Interest	72.09
	Repayment Schedule	12 Annual instalments from 31.3.2012

8	Bond XXVIII (ADD CAP FOR 2008-09 DRAWL ON 15.12.2008)	
	Gross Loan opening	0.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00
	Net Loan-Opening	0.00
	Additions during the year	90.38
	Repayment during the year	0.00
	Net Loan-Closing	90.38
	Average Loan	45.19
	Rate of Interest	9.33%
	Interest	4.22
	Repayment Schedule	12 Annual instalments from 15.12.2012
	Gross Loan opening	13133.24
	Cumulative Repayment up to the date of commercial operation /previous year	37.33
	Net Loan-Opening	13095.91
	Additions during the year	90.38
	Repayment during the year	238.63
	Net Loan-Closing	12947.66
	Average Loan	13021.79
	Rate of Interest	7.66%
	Interest	996.88

Asset-III

(Rs. in lakh)			
	Details of Loan	2007-08	2008-09
1	Bond XVI		
	Gross Loan opening	680.00	680.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00	0.00
	Net Loan-Opening	680.00	680.00
	Additions during the year	0.00	0.00
	Repayment during the year	0.00	68.00
	Net Loan-Closing	680.00	612.00
	Average Loan	680.00	646.00
	Rate of Interest	7.10%	7.10%
	Interest	48.28	45.87
	Repayment Schedule	10 Annual instalments from 18-2-2009	
2	Bond XIX		
	Gross Loan opening	46.00	46.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00	0.00
	Net Loan-Opening	46.00	46.00
	Additions during the year	0.00	0.00
	Repayment during the year	0.00	0.00
	Net Loan-Closing	46.00	46.00
	Average Loan	46.00	46.00
	Rate of Interest	9.25%	9.25%
	Interest	4.26	4.26
	Repayment Schedule	12 Annual instalments from 24-7-2010	
3	Bond XXVIII (ADDCAP FOR 2008-09 DRAWL ON 15.12.2008)		
	Gross Loan opening	0.00	0.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00	0.00
	Net Loan-Opening	0.00	0.00
	Additions during the year	0.00	44.43
	Repayment during the year	0.00	0.00
	Net Loan-Closing	0.00	44.43
	Average Loan	0.00	22.22
	Rate of Interest	0.00%	9.33%
	Interest	0.00	2.07
	Repayment Schedule	12 Annual instalments from 15-12.2012	
	Gross Loan opening	726.00	726.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00	0.00

	Net Loan-Opening	726.00	726.00
	Additions during the year	0.00	44.43
	Repayment during the year	0.00	68.00
	Net Loan-Closing	726.00	702.43
	Average Loan	726.00	714.22
	Rate of Interest	7.24%	7.31%
	Interest	52.54	52.19

Asset-IV

	Details of Loan	2007-08	2008-09
1	Bond XV		
	Gross Loan opening	227.00	227.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00	18.92
	Net Loan-Opening	227.00	208.08
	Additions during the year	0.00	0.00
	Repayment during the year	18.92	18.92
	Net Loan-Closing	208.08	189.16
	Average Loan	217.54	198.62
	Rate of Interest	6.68%	6.68%
	Interest	14.53	13.27
	Repayment Schedule	12 Annual instalments from 23.2.2008	
2	Bond XVI		
	Gross Loan opening	340.00	340.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00	0.00
	Net Loan-Opening	340.00	340.00
	Additions during the year	0.00	0.00
	Repayment during the year	0.00	34.00
	Net Loan-Closing	340.00	306.00
	Average Loan	340.00	323.00
	Rate of Interest	7.10%	7.10%
	Interest	24.14	22.93
	Repayment Schedule	10 Annual instalments from 18.2.2009	
3	Bond XVII		
	Gross Loan opening	3757.50	3757.50
	Cumulative Repayment up to the date of commercial operation /previous year	0.00	0.00
	Net Loan-Opening	3757.50	3757.50
	Additions during the year	0.00	0.00
	Repayment during the year	0.00	0.00
	Net Loan-Closing	3757.50	3757.50
	Average Loan	3757.50	3757.50
	Rate of Interest	7.39%	7.39%
	Interest	277.68	277.68
	Repayment Schedule	10 Annual instalments from 22.9.2009	
4	Bond XVIII		
	Gross Loan opening	1001.00	1001.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00	0.00
	Net Loan-Opening	1001.00	1001.00
	Additions during the year	0.00	0.00

	Repayment during the year	0.00	0.00
	Net Loan-Closing	1001.00	1001.00
	Average Loan	1001.00	1001.00
	Rate of Interest	8.15%	8.15%
	Interest	81.58	81.58
	Repayment Schedule	12 Annual instalments from 9.3.2010	
5	Bond XIX		
	Gross Loan opening	1436.00	1436.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00	0.00
	Net Loan-Opening	1436.00	1436.00
	Additions during the year	0.00	0.00
	Repayment during the year	0.00	0.00
	Net Loan-Closing	1436.00	1436.00
	Average Loan	1436.00	1436.00
	Rate of Interest	9.25%	9.25%
	Interest	132.83	132.83
	Repayment Schedule	12 Annual instalments from 24.7.2010	
6	Bond XXVII (ADDCAP FOR 2007-08 DRAWL ON 31.03.2008)		
	Gross Loan opening	0.00	651.26
	Cumulative Repayment up to the date of commercial operation /previous year	0.00	0.00
	Net Loan-Opening	0.00	651.26
	Additions during the year	651.26	0.00
	Repayment during the year	0.00	0.00
	Net Loan-Closing	651.26	651.26
	Average Loan	325.63	651.26
	Rate of Interest	9.47%	9.47%
	Interest	30.84	61.67
	Repayment Schedule	12 Annual instalments from 31.3.2012	
7	Bond XXVIII (ADDCAP FOR 2008-09 DRAWL ON 15.12.2008)		
	Gross Loan opening	0.00	0.00
	Cumulative Repayment up to the date of commercial operation /previous year	0.00	0.00
	Net Loan-Opening	0.00	0.00
	Additions during the year	0.00	411.62
	Repayment during the year	0.00	0.00
	Net Loan-Closing	0.00	411.62
	Average Loan	0.00	205.81
	Rate of Interest	0.00%	9.33%
	Interest	0.00	19.20
	Repayment Schedule	12 Annual instalments from 15.12.2012	
8	Bond XIX (ADDCAP FOR 2006-07)		
	Gross Loan opening	102.00	102.00

	Cumulative Repayment up to the date of commercial operation /previous year	0.00	0.00
	Net Loan-Opening	102.00	102.00
	Additions during the year	0.00	0.00
	Repayment during the year	0.00	0.00
	Net Loan-Closing	102.00	102.00
	Average Loan	102.00	102.00
	Rate of Interest	9.25%	9.25%
	Interest	9.44	9.44
	Repayment Schedule	12 Annual instalments from 24.07.2010	
	Gross Loan opening	6863.50	7514.76
	Cumulative Repayment up to the date of commercial operation /previous year	0.00	18.92
	Net Loan-Opening	6863.50	7495.84
	Additions during the year	651.26	411.62
	Repayment during the year	18.92	52.92
	Net Loan-Closing	7495.84	7854.54
	Average Loan	7179.67	7675.19
	Rate of Interest	7.95%	8.06%
	Interest	571.03	618.60