

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 15/2011**

**Coram: Dr. Pramod Deo, Chairperson  
Shri S. Jayaraman, Member  
Shri M. Deena Dayalan, Member**

**Date of Hearing: 12.7.2011**

**Date of Order: 12:10.2011**

**In the matter of:**

Approval under Regulation 86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations 1999 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2009, for determination of transmission tariff for 2 nos. of 220 kV Bays at Fatehabad sub-station associated with Northern Region System Strengthening-XIII (NRSS-XIII) in Northern Region for tariff block 2009-14 period.

**And**

**In the matter of:**

Power Grid Corporation of India Limited, Gurgaon

.....**Petitioner**

**Vs**

Haryana Power Purchase Centre, Panchkula

...**Respondent**

The following were present:

1. Shri S.S. Raju, PGCIL
2. Shri M.M. Mondal, PGCIL
3. Shri Rajeev Gupta, PGCIL



## ORDER

This petition has been filed seeking approval of transmission tariff for 2 nos. of 220 kV Bays at Fatehabad sub-station associated with Northern Region System Strengthening-XIII (NRSS-XIII) in Northern Region (hereinafter referred to as “the transmission asset”) in Northern Region from the date of commercial operation to 31.3.2014, based on the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as “the 2009 regulations”). The petitioner has also sought the following reliefs:-

- (a) Allow grossing up of base rate of return with the applicable tax rate as per the Finance Act for the relevant year and direct settlement of tax liability between the generating company/ transmission licensee and the beneficiaries/ long term transmission customers on year to year basis;
- (b) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and publishing of notices in newspapers in terms of Regulation 42 of the 2009 regulations, and other expenditure (if any) in relation to the filing of petition;
- (c) Allow the petitioner to bill and recover service tax on transmission charges separately from the respondents, if at any time exemption from service tax is withdrawn and transmission is notified as a taxable service; and
- (d) Allow the petitioner to bill and recover license fee separately from the respondents.



2. The administrative approval and expenditure sanction to the transmission (project) asset was accorded by the Board of Directors of the petitioner PGCIL vide C/CP/NRSS-XIII dated 16.2.2009 at an estimated cost of ₹ 31769 lakh including IDC of ₹ 2432 lakh based on 4th quarter, 2008 price level.

3. The details of the elements for which transmission charges have been claimed in this petitioner are as under:-

**Transmission Lines:**

- (a) Gurgaon (POWERGRID)-Manesar 400 kV (Quad) D/C line-18 km
- (b) Delinking Agra–Samaypur and Samaypur–Gurgaon (POWERGRID) 400 kV lines from Samaypur and making a direct 400 kV S/C lines from Agra to Gurgaon (POWERGRID)-1.5 km

**Sub-stations:-**

- (a) Manesar 400 kV/220 kV (POWERGRID) GIS Sub Station (New) - 2x 500 MVA, 400 kV/220 kV Transformers
- (b)Gurgaon 400 kV/220 kV (POWERGRID) GIS Sub –Station (Extension)
- (c) Fatehabad 400 kV/220 kV ((POWERGRID)Sub –Station (Extension)

4. The transmission asset covered in this petition was put on commercial operation on 1.7.2011. Details of the transmission charges claimed by the petitioner are given overleaf:-

(₹ in lakh)

	2011-12	2012-13	2013-14
Depreciation	20.33	22.85	22.85
Interest on Loan	22.25	23.29	21.28
Return on equity	20.66	23.24	23.24
Interest on Working Capital	5.19	5.54	5.74
O & M Expenses	82.00	86.68	91.64
<b>Total</b>	<b>150.43</b>	<b>161.60</b>	<b>164.75</b>

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

(₹ in lakh)

	2011-12	2012-13	2013-14
Maintenance spares	12.30	13.00	13.75
O & M expenses	6.83	7.22	7.64
Receivables	25.07	26.93	27.46
<b>Total</b>	<b>44.20</b>	<b>47.15</b>	<b>48.85</b>
Rate of Interest	11.75%	11.75%	11.75%
<b>Interest</b>	<b>5.19</b>	<b>5.54</b>	<b>5.74</b>

6. 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. The respondent, Haryana Power Purchase Committee (HPCC) has also not filed any reply to the petition.

7. Having heard the representatives of the petitioner and perused the material on records, we proceed to dispose of the petition.

### **CAPITAL COST**

8. As regards the capital cost, regulation 7(1) of the 2009 regulations provides as under:-

*“ (1) Capital cost for a project shall include*



(a) *The expenditure incurred or projected to be incurred, including interest during construction and financing charges, any gain or loss on account of foreign exchange risk variation during construction on the loan – (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the fund deployed, - up to the date of commercial operation of the project, as admitted by the Commission, after prudence check”*

9. The petitioner had earlier indicated the expected date of commercial operation as 1.1.2011. Subsequently, the petitioner has indicated that the actual date of commercial operation of the transmission asset is 1.7.2011. The petitioner has not provided the details of capital cost as on actual date of commercial operation and additional capital expenditure to be incurred from actual date of commercial operation to 31.3.2014. Based on the available information, capital cost of ₹ 333.87 lakh as on 1.4.2011 (capital cost as on anticipated date of commercial operation, i.e., ₹ 323.87 lakh and additional capital expenditure during 2010-11, i.e., ₹ 10 lakh) has been considered as opening capital cost. This includes initial spares, as on the actual date of commercial operation, i.e., 1.7.2011. However, capital cost and additional capital expenditure shall be reviewed at the time of truing up.

### **TREATMENT OF INITIAL SPARES**

10. Petitioner has claimed initial spares of ₹ 46.21 lakh pertaining to sub-station. The amount worked out as per Regulation 8 of the 2009 regulations is ₹ 9.39 lakh. The claim of the petitioner thus exceeds the ceiling limit by ₹ 36.82 lakh. Accordingly, initial spares has been restricted as per details given overleaf:-

(₹ In lakh)

Description	Project Cost pertaining to sub-station as on Cut-off date	Apportioned initial spares claimed	Ceiling Limits as per Regulation 8 of 2009 regulations	initial spares worked out	Excess initial spares claimed
	(a)	(b)	(c)	$(d) = \frac{((a-b) c)}{(100-c)\%}$	(e)=(b)-(d)
TL	412.40	46.21	2.50%	9.39	36.82

11. Accordingly, details of opening capital cost considered for the purpose of tariff calculation is given hereunder:-

(₹ in lakh)

Particular	Capital Cost as on Anticipated DOCO	Projected Expenditure Anticipated DOCO to 31.3.2011	Excess initial spares disallowed	Capital Cost considered as on Actual DOCO excluding excess initial spares
	(a)	(b)	(c)	(d)= (a)+(b)-(c)
Asset	323.87	10.00	36.82	297.05

### **ADDITIONAL CAPITAL EXPENDITURE**

12. As regards additional capital expenditure, Regulation 9(1) of the 2009 regulations provides as under:-

*“Additional Capitalisation: (1) The capital expenditure incurred or projected to be incurred, on the following counts within the original scope of work, after the date of commercial operation and up to the cut-off date may be admitted by the Commission, subject to prudence check:*

- (i) Undischarged liabilities;
- (ii) XXX
- (iii) XXX
- (iv) XXX
- (v) XXX”

13. Further, the 2009 regulations defines cut-off date as under:-

*“cut-off date means 31<sup>st</sup> March of the year closing after 2 years of the year of commercial operation of the project, and in case the project is declared under commercial operation in the last quarter of the year, the cut-off date shall be 31<sup>st</sup> March of the year closing after 3 years of the year of commercial operation”.*

Based on the above definition, cut-off date for the above mentioned asset is 31.03.2014. Additional capital expenditure of ₹ 95.49 lakh claimed by the petitioner falls within the cut-off date. Hence, the same has been considered for the purpose of tariff calculation.

### **DEBT-EQUITY RATIO**

14. Regulation 12 of the 2009 regulations provides as under:-

*“12. **Debt-Equity Ratio** (1) For a project declared under commercial operation on or after 1.4.2009, if the equity actually deployed is more than 30% of the capital cost, equity in excess of 30% shall be treated as normative loan:*

*Provided that where equity actually deployed is less than 30% of the capital cost, the actual equity shall be considered for determination of tariff:*

*Provided further that the equity invested in foreign currency shall be designated in Indian rupees on the date of each investment.*

**Explanation.-** *The premium, if any, raised by the generating company or the transmission licensee, as the case may be, while issuing share capital and investment of internal resources created out of its free reserve, for the funding of the project, shall be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilised for meeting the capital expenditure of the generating station or the transmission system.*

*(2) In case of the generating station and the transmission system declared under commercial operation prior to 1.4.2009, debt-equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2009 shall be considered.*

*(3) Any expenditure incurred or projected to be incurred on or after 1.4.2009 as may be admitted by the Commission as additional capital expenditure for determination of tariff, and renovation and modernisation expenditure for life extension shall be serviced in the manner specified in clause (1) of this regulation.”*

15. Details of debt-equity in respect of the transmission asset as on the date of commercial operation are given overleaf:-

<b>Capital Cost as on date of commercial operation</b>		
<b>Particulars</b>	<b>Amount (₹ in lakh)</b>	<b>%</b>
Debt	207.93	70.00
Equity	89.11	30.00
<b>Total</b>	<b>297.05</b>	<b>100.00</b>

16. Details of debt-equity ratio of the transmission asset as on 31.3.2014 are as under:-

<b>Capital Cost as on 31.3.2014</b>		
<b>Particulars</b>	<b>Amount (₹ in lakh)</b>	<b>%</b>
Debt	274.78	70.00
Equity	117.76	30.00
<b>Total</b>	<b>392.54</b>	<b>100.00</b>

17. Details of additional capital expenditure (referred to as “Add cap” in the table herein below) and their debt equity ratio are as under:-

<b>Add cap for 2011-12</b>		
<b>Particulars</b>	<b>Amount (₹ in lakh)</b>	<b>%</b>
Debt	66.84	70.00
Equity	28.65	30.00
<b>Total</b>	<b>95.49</b>	<b>100.00</b>

18. The above stated debt – equity ratios have been applied for the purpose of tariff calculation in this order.

### **RETURN ON EQUITY**

19. Regulation 15 of the 2009 regulations provides as under:-

*“15. (1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with regulation 12.*

*(2) Return on equity shall be computed on pre-tax basis at the base rate of 15.5% to be grossed up as per clause (3) of this regulation:*



*Provided that in case of projects commissioned on or after 1st April, 2009, an additional return of 0.5% shall be allowed if such projects are completed within the timeline specified in **Appendix-II**:*

*Provided further that the additional return of 0.5% shall not be admissible if the project is not completed within the timeline specified above for reasons whatsoever.*

*(3) The rate of return on equity shall be computed by grossing up the base rate with the Minimum Alternate/Corporate Income Tax Rate for the year 2008-09, as per the Income Tax Act, 1961, as applicable to the concerned generating company or the transmission licensee, as the case may be.*

*(4) Rate of return on equity shall be rounded off to three decimal points and be computed as per the formula given below:*

*Rate of pre-tax return on equity = Base rate / (1-t)*

*Where t is the applicable tax rate in accordance with clause (3) of this regulation.*

*(5) The generating company or the transmission licensee, as the case may be, shall recover the shortfall or refund the excess Annual Fixed Charge 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:*

*Provided further that Annual Fixed Charge with respect to the tax rate applicable to the generating company or the transmission licensee, as the case may be, in line with the provisions of the relevant Finance Acts of the respective year during the tariff period shall be tried up in accordance with regulation 6 of these regulations.*

## **ADDITIONAL RETURN ON EQUITY**

20. The petitioner has claimed additional return on equity of 0.5% for completing the 2 bays at existing Fatehabad sub-station. It has been submitted that as per Appendix-II of the 2009 regulations for schemes having combination of various types of projects the qualifying time schedule of the activity having maximum time period shall be considered for the scheme as a whole. That the timeline for the 400kV D/C quad transmission line is 32 months from the date of investment approval and the transmission asset was commissioned within the specified timeline of 32 periods and hence it is qualified for additional return on equity of 0.5%.

21. The petitioner was directed to submit proper justification for claiming additional return on equity as the timeline given in the 2009 regulations is applicable

to a new sub-station and not to an existing sub-station. The petitioner has submitted that on a combined reading of the Appendix-II of the 2009 regulations, different elements of the transmission projects would be eligible for additional return on equity if they are completed within the timeline specified in the 2009 regulations. The eligible timeline in case of a scheme having combination of the various elements would be the timeline having maximum time period. It has also been submitted that the 2009 regulations do not stipulate that the additional return on equity shall be payable only when the entire project is completed. Moreover, the timely commissioning of the assets would benefit the beneficiaries by way of reduced IDC & IEDC components.

22. We have considered the submission of the petitioner as noted in the preceding para. 400 kV D/C Gurgaon- Manesar transmission line covered in the scheme is anticipated to be commissioned in December 2011. Two 220 kV bays which form part of the scheme covered in the instant petition pertain to an existing sub-station. No timeline has been specified in the 2009 regulations for construction of bays in an existing sub-station. The petitioner's contention for determining the qualifying timeline for 2 Nos. of 220 kV bays covered under this petition, based on timeline stipulated for 400 kV D/C line cannot be accepted in the absence of specific provision in the regulations to that effect. Hence, additional return on equity claimed by the petitioner is not allowed.

23. The amount of equity considered for calculation of return on equity is given overleaf:-

(₹ in lakh)

Description	Equity on DOCO	Notional equity due to ACE for the period 2011-12	Total equity considered for tariff calculations for the period 2011-2012	Average Equity considered for Interest calculation for 2011-2012	Notional equity due to ACE for the period 2012-14	Total equity considered for tariff calculations for the period 2012-14	Average Equity considered for Interest calculation for 2012-14
Asset	89.11	28.65	117.76	103.44	-	117.76	117.76

24. Return on equity as admissible has been given hereunder:-

(₹ in lakh)

	2011-12 (pro-rata)	2012-13	2013-14
Opening Equity	89.11	117.76	117.76
Addition due to Additional Capitalisation	28.65	0.00	0.00
Closing Equity	117.76	117.76	117.76
Average Equity	103.44	117.76	117.76
Return on equity (Base Rate )	15.50%	15.50%	15.50%
Tax rate for the year 2008-09 (MAT)	11.33%	11.33%	11.33%
Rate of Return on equity (Pre Tax )	17.48%	17.48%	17.48%
<b>Return on equity (Pre-tax)</b>	<b>13.56</b>	<b>20.59</b>	<b>20.59</b>

In this order, return on equity has been calculated as per Regulation 15 of the 2009 regulations with pre-tax return on equity of 17.48%. The petitioner's prayer to allow grossing up the base rate of return on equity based on the tax rates viz., MAT, surcharge, any other cess, charges, levies etc., as per the relevant Finance Act, shall be settled in accordance with the provisions of Regulation 15 of 2009 regulation as amended by the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (Second Amendment) Regulations, 2011.

### **INTEREST ON LOAN**

25. Regulation 16 of the 2009 regulations provides as under:-

*"16. (1) The loans arrived at in the manner indicated in regulation 12 shall be considered as gross normative loan for calculation of interest on loan.*

*(2) The normative loan outstanding as on 1.4.2009 shall be worked out by deducting the cumulative repayment as admitted by the Commission up to 31.3.2009 from the gross normative loan.*



(3) *The repayment for the year of the tariff period 2009-14 shall be deemed to be equal to the depreciation allowed for that year:*

(4) *Notwithstanding any moratorium period availed by the generating company or the transmission licensee, as the case may be the repayment of loan shall be considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed,.*

(5) *The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio at the beginning of each year applicable to the project:*

*Provided that if there is no actual loan for a particular year but normative loan is still outstanding, the last available weighted average rate of interest shall be considered:*

*Provided further that if the generating station or the transmission system, as the case may be, does not have actual loan, then the weighted average rate of interest of the generating company or the transmission licensee as a whole shall be considered.*

(6) *The interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.*

(7) *The generating company or the transmission licensee, as the case may be, shall make every effort to re-finance the loan as long as it results in net savings on interest and in that event the costs associated with such re-financing shall be borne by the beneficiaries and the net savings shall be shared between the beneficiaries and the generating company or the transmission licensee, as the case may be, in the ratio of 2:1.*

(8) *The changes to the terms and conditions of the loans shall be reflected from the date of such re-financing.*

(9) *In case of dispute, any of the parties may make an application in accordance with the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, as amended from time to time, including statutory re-enactment thereof for settlement of the dispute:*

*Provided that the beneficiary or the transmission customers shall not withhold any payment on account of the interest claimed by the generating company or the transmission licensee during the pendency of any dispute arising out of re-financing of loan."*

26. In these calculations, interest on loan has been worked out as under:-

(a) Gross amount of loan, repayment of instalments and rate of interest and 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 deemed to be equal to the depreciation allowed for that period.

(c) As regards the moratorium period availed by the transmission licensee, the repayment of the loan has been considered from the first year of commercial operation of the project and shall be equal to the annual depreciation allowed.

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

(e) The methodology followed for the calculation of weighted average Rate of Interest in case of floating interest loans in Petition 132/2010, has been adopted in the instant petition. Accordingly, the interest on loan has been calculated on the basis of rate prevailing as on 1.4.2009/date of commercial operation. Any change in rate of interest subsequent to the above will be considered at the time of truing up.

27. Detailed calculation of the weighted average rate of interest has been given in Annexure to this order.

28. Details of the interest on loan worked on the above basis is as under:-

(₹ in lakh)

(	2011-12 (pro rata)	2012-13	2013-14
Gross Normative Loan	207.93	274.78	274.78
Cumulative Repayment upto Previous Year	0.00	13.79	34.69
Net Loan-Opening	207.93	260.99	240.09
Addition due to additional capital expenditure	66.84	0.00	0.00
Repayment during the year	13.79	20.90	20.90
Net Loan-Closing	260.99	240.09	219.18
Average Loan	234.46	250.54	229.63
Weighted Average Rate of Interest on Loan	8.8091%	8.8091%	8.8083%
<b>Interest</b>	<b>15.49</b>	<b>22.07</b>	<b>20.23</b>

## **DEPRECIATION**

29. Regulation 17 of the 2009 regulations provides for computation of depreciation in the following manner, namely:-

*“17. (1) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission.*

*(2) The salvage value of the asset shall be considered as 10% and depreciation shall be allowed up to maximum of 90% of the capital cost of the asset.*

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xxxx

*(3) Land other than the land held under lease and the land for reservoir in case of hydro generating station shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset.*

*(4) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in Appendix-III to these regulations for the assets of the generating station and transmission system:*

*Provided that, the remaining depreciable value as on 31st March of the year closing after a period of 12 years from date of commercial operation shall be spread over the balance useful life of the assets.*

*(5) In case of the existing projects, the balance depreciable value as on 1.4.2009 shall be worked out by deducting the cumulative depreciation as admitted by the Commission up to 31.3.2009 from the gross depreciable value of the assets.*

*(6) Depreciation shall be chargeable from the first year of commercial operation. In case of commercial operation of the asset for part of the year, depreciation shall be charged on pro rata basis.”*

30. Details of the depreciation worked out are as under:-

	(₹ in lakh)		
	2011-12 (pro-rata)	2012-13	2013-14
Opening Gross Block	297.05	392.54	392.54
Addition during 2009-14	95.49	0.00	0.00
Closing Gross Block	392.54	392.54	392.54
Average Gross Block	344.79	392.54	392.54
Rate of Depreciation	5.3316%	5.3254%	5.3254%
Depreciable Value	310.32	353.29	353.29
Remaining Depreciable Value	310.32	339.50	318.59
<b>Depreciation</b>	<b>13.79</b>	<b>20.90</b>	<b>20.90</b>

## OPERATION & MAINTENANCE EXPENSES

31. Clause (g) of Regulation 19 of the 2009 regulations prescribes the norms for operation and maintenance expenses based on the type of sub-station and line. Norms prescribed in respect of the elements covered in the instant petition are given as under:-

Element	(₹ in lakh)				
	2009-10	2010-11	2011-12 (pro-rata for 9 months)	2012-13	2013-14
220 kv, bay (₹ lakh/bay)	36.68	38.78	41.00	43.34	45.82

32. Based on the above norms, the petitioner has calculated the following operation and maintenance expenses which is allowed as under:-

Element	(₹ in lakh)				
	2009-10	2010-11	2011-12 (pro-rata for 9 months)	2012-13	2013-14
2 Nos. 220 kV, bays	Nil	Nil	61.50	86.68	91.64
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>61.50</b>	<b>86.68</b>	<b>91.64</b>

33. The petitioner has submitted that O & M expenditure for the period 2009-14 had been arrived at on the basis of normalized actual O & M expenses during the period 2003-04 to 2007-08. The wage hike of 50% on account of pay revision of the employees of public sector undertaking has also been considered while calculating the O & M charges for the tariff period 2009-14. The petitioner has further submitted that it reserves the right to approach the Commission for suitable revision in the norms for O & M expenditure in case the impact of wage hike with effect from 1.1.2007 is more than 50%. The petitioner has further submitted that in the O & M

norms for the period 2009-14, the cost associated with license fees has not been captured and therefore licence fee be allowed to be recovered separately from the respondents.

34. In this order, we have allowed O&M expenses as per the existing norms. We observe that the issues regarding higher O&M expenses due to wage revision and licence fees will be considered separately.

### **INTEREST ON WORKING CAPITAL**

35. As per the 2009 regulations the components of the working capital and the interest thereon are discussed hereunder:-

#### **(i) Receivables**

As per Regulation 18(1) (c) (i) of the 2009 regulations, receivables will be equivalent to two months of fixed cost. The petitioner has claimed the receivables on the basis of 2 months transmission charges claimed in the petition. In the tariff being allowed, receivables have been worked out on the basis of 2 months transmission charges.

#### **(ii) Maintenance spares**

Regulation 18(1)(c)(ii) of the 2009 regulations provides for maintenance spares @ 15% of the O & M expenses from 1.4.2009. The value of maintenance spares has accordingly been worked out.



**(iii) O & M expenses**

Regulation 18(1) (c) (iii) of the 2009 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 the respective year as claimed in the petition. This has been considered in the working capital.

**(iv) Rate of interest on working capital**

In these calculations, SBI PLR as on 1.4.2011 (i.e. 11.75%) has been considered in accordance with the 2009 regulations as amended vide the second amendment regulations notified in June 2011 has been considered for calculating interest on working capital.

36. Necessary computations in support of interest on working capital are given as under:-

	(₹ in lakh)		
	<b>2011-12 (pro-rata)</b>	<b>2012-13</b>	<b>2013-14</b>
Maintenance spares	12.30	13.00	13.75
O & M expenses	6.83	7.22	7.64
Receivables	24.03	25.94	26.50
<b>Total</b>	43.17	46.17	47.88
Rate of Interest	11.75%	11.75%	11.75%
<b>Interest</b>	<b>3.80</b>	<b>5.42</b>	<b>5.63</b>

## TRANSMISSION CHARGES

37. The transmission charges being allowed for the transmission asset are summarized hereunder:-

	(₹ in lakh)		
	2011-12 (pro-rata)	2012-13	2013-14
Depreciation	13.79	20.90	20.90
Interest on Loan	15.49	22.07	20.23
Return on equity	13.56	20.59	20.59
Interest on Working Capital	3.80	5.42	5.63
O & M Expenses	61.50	86.68	91.64
<b>Total</b>	<b>108.14</b>	<b>155.67</b>	<b>158.98</b>

## OTHER ISSUES

38. The petitioner has sought approval for the reimbursement of fee paid by it for filing the petition. In accordance with the Commission's decision in order dated 11.1.2010 in Petition No. 109/2009, the petitioner shall be entitled to recover the filing fee from the beneficiaries.

39. Accordingly, expenses incurred by the petitioner on petition filing fees and publication of notices in connection with the present petition shall be directly recovered from the beneficiary on pro rata basis.

40. The petitioner has made a specific prayer to be allowed to bill and recover the service tax on transmission charges separately from the respondents if the exemption granted to it is withdrawn and transmission of power is made a taxable service. We consider the prayer pre-mature. The petitioner is at liberty to approach the Commission for any relief at the appropriate as per law.

41. As regards the prayer for reimbursement of licence fee, it is clarified that the matter is under consideration of the Commission and any decision taken will apply to this case as well.

42. The billing, collection and disbursement of the transmission charges allowed in this order shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010.

40. This order disposes of Petition No. 15/2011.

**(M.DEENA DAYALAN)**  
**MEMBER**

**(S. JAYARAMAN)**  
**MEMBER**

**(DR. PRAMOD DEO)**  
**CHAIRPERSON**



## Annexure

### CALCULATION OF WEIGHTED AVERAGE RATE OF INTEREST ON LOAN

(₹ in Lacs)

	Details of Loan	2011-12	2012-13	2013-14
<b>1</b>	<b>Bond XXXI</b>			
	Gross loan opening	50.00	50.00	50.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	50.00	50.00	50.00
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	4.17
	Net Loan-Closing	50.00	50.00	45.83
	Average Loan	50.00	50.00	47.92
	Rate of Interest	8.90%	8.90%	8.90%
	Interest	4.45	4.45	4.26
	Rep Schedule	12 annual installments from 25.02.2014		
<b>2</b>	<b>Bond XXXIII</b>			
	Gross loan opening	50.00	50.00	50.00
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	50.00	50.00	50.00
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00
	Net Loan-Closing	50.00	50.00	50.00
	Average Loan	50.00	50.00	50.00
	Rate of Interest	8.64%	8.64%	8.64%
	Interest	4.32	4.32	4.32
	Rep Schedule	12 annual installments from 08.07.2014		
<b>3</b>	<b>Bond XXXIV</b>			
	Gross loan opening	126.70	126.70	126.70
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	126.70	126.70	126.70
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	0.00
	Net Loan-Closing	126.70	126.70	126.70
	Average Loan	126.70	126.70	126.70
	Rate of Interest	8.84%	8.84%	8.84%
	Interest	11.20	11.20	11.20
	Rep Schedule	12 annual installments from 21.10.2014		
	<b>Total Loan</b>			
	Gross loan opening	226.70	226.70	226.70
	Cumulative Repayment upto DOCO/previous year	0.00	0.00	0.00
	Net Loan-Opening	226.70	226.70	226.70
	Additions during the year	0.00	0.00	0.00
	Repayment during the year	0.00	0.00	4.17
	Net Loan-Closing	226.70	226.70	222.53
	Average Loan	226.70	226.70	224.62
	Rate of Interest	<b>8.8091%</b>	<b>8.8091%</b>	<b>8.8083%</b>
	<b>Interest</b>	19.97	19.97	19.78

