

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 363/TT/2014

Coram:

**Shri A.S Bakshi, Member
Dr. M.K. Iyer, Member**

**Date of Hearing : 21.12.2015
Date of Order : 11.01.2016**

In the matter of:

Truing up of transmission tariff for 2009-14 tariff period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 and determination of transmission tariff for 2014-19 tariff period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 for Kishenpur Moga transmission system in Northern Region under Regulation 86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999.

And in the matter of:

Power Grid Corporation of India Ltd.
'SAUDAMINI', Plot No-2,
Sector-29, Gurgaon -122 001 (Haryana).

.....Petitioner

Versus

1. Rajasthan Rajya Vidyut Prasaran Nigam Ltd.
Vidyut Bhawan, Vidyut Marg,
Jaipur-302 005
2. Ajmer Vidyut Vitran Nigam Ltd.
400 kV GSS Building (Ground Floor), Ajmer Road
Heerapura, Jaipur
3. Jaipur Vidyut Vitran Nigam Ltd.
400 kV GSS Building (Ground Floor), Ajmer Road
Heerapura, Jaipur
4. Jodhpur Vidyut Vitran Nigam Ltd.
400 kV GSS Building (Ground Floor), Ajmer Road
Heerapura, Jaipur



5. Himachal Pradesh State Electricity Board,
Vidyut Bhawan,
Kumar House Complex Building II
Shimla-171004
6. Punjab State Power Corporation Ltd.
Thermal Shed T1 A, Near 22 Phatak
Patiala-147001
7. Haryana Power Purchase Centre
Shakti Bhawan, Sector-6
Panchkula (Haryana) 134 109
8. Power Development Deptt.
Govt. of Jammu & Kashmir
Mini Secretariat, Jammu
9. Uttar Pradesh Power Corporation Ltd.
Shakti Bhawan, 14, Ashok Marg
Lucknow- 226001
10. Delhi Transco Ltd.
Shakti Sadan, Kotla Road
New Delhi- 110002
11. BSES Yamuna Power Ltd.
BSES Bhawan, Nehru Place
New Delhi
12. BSES Rajdhani Power Ltd.
BSES Bhawan, Nehru Place
New Delhi
13. North Delhi Power Ltd.
Power Trading & Load Dispatch Group
Cennet Building
Pitampura, New Delhi-110034
14. Chandigarh Administration
Sector-9, Chandigarh
15. Uttarakhand Power Corporation Ltd.
Urja Bhawan, Kanwali Road
Dehradun
16. North Central Railway
Allahabad



17. New Delhi Municipal Council
Palika Kendra, Sansad Marg
New Delhi-110002

....Respondents

The following were present:

For Petitioner: Shri Anshul Garg, PGCIL
Shri S.S. Raju, PGCIL
Shri S. K. Niranjana, PGCIL
Shri M.M. Mondal, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri Rakesh Prasad, PGCIL

For Respondent: Shri S. K. Aggrawal, Advocate, Rajasthan Discoms
Shri G. L. Sharma, Advocate, Rajasthan Discoms
Ms. Neelam, Advocate, Rajasthan Discoms

ORDER

The present petition has been preferred by Power Grid Corporation of India Ltd. ('the petitioner'), a transmission licensee, for trueing up of capital expenditure and tariff for Kishenpur Moga transmission system in Northern Region (hereinafter referred as "transmission asset") under Regulation 6 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as "the 2009 Tariff Regulations") based on actual expenditure for the period 1.4.2009 to 31.3.2014, and for determination of tariff under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as "the 2014 Tariff Regulations") for the period from 1.4.2014 to 31.3.2019.

2. The respondents are transmission licensees and distribution licensees or centralised power procurement companies of States, who are procuring transmission service from the petitioner, mainly beneficiaries of Northern Region.



3. The petitioner has served the petition to the respondents and notice of this application has been published in the newspaper in accordance with Section 64 of Electricity Act, 2003 ("the Act"). No comments have been received from the public in response to the notices published by the petitioner under Section 64 of the Act. The hearing in this matter was held on 21.12.2015. During the hearing, the learned counsel for the Respondents No. 2, 3 and 4 requested for one week time to file their reply and the Commission granted the same. The Commission during the hearing observed that in case no information is filed within the due date, the matter shall be considered based on the available records. Combined reply has been filed by Ajmer Vidyut Vitran Nigam Ltd., Jaipur Vidyut Vitran Nigam Ltd., and Jodhpur Vidyut Vitran Nigam Ltd., Respondents No. 2, 3 and 4, respectively vide affidavit dated 21.12.2015. Further, Uttar Pradesh Power Corporation Ltd., Respondent No. 9 filed its reply vide affidavit dated 2.9.2014. The issues raised by the respondents are being addressed in the respective paras of this order. Having heard the representatives of the petitioner and the respondents and the material on record, we proceed to dispose of the petition.

4. The brief facts of the case are as follows:

a. The petitioner has developed the transmission asset in the Northern Region and put the same under commercial operation as below:

Sl. No	Name of the transmission line	COD	Admitted Capital cost (₹ in lakh)
1	800 kV Kishenpur – Moga transmission line – I along with associated bays (Asset I)	1.5.2000	43625.95
2	800 kV Kishenpur – Moga transmission line – II along with associated bays (Asset II)	1.2.2001	40529.84



3	420 kV 63 MVAR Bus reactor at Kishenpur Sub-station & 400/220 kV, 250 MVA ICT III at Moga Sub-station along with associated bays (Asset III)	1.3.2000	1585.33
	Total		85741.12

- b. The tariff for the 2004-09 tariff period was initially allowed vide order dated 24.2.2006 in Petition No. 84/2004 by considering the gross block of ₹85741.12 lakh and the same was subsequently revised vide order dated 19.5.2008 by way of implementation of the Judgment of the Appellate Tribunal for Electricity dated 4.10.2006 in Appeal No. 135 of 2005.
- c. The tariff for the tariff period 2009-14 was allowed vide order dated 6.1.2011 in Petition No. 122/2010 in accordance with the 2009 Tariff Regulations. The tariff allowed vide order dated 6.1.2011 for the tariff period 2009-14 is as under:-

(₹ in lakh)					
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Depreciation	4468.79	4468.79	4468.79	4468.79	936.51
Interest on Loan	1938.42	1632.06	1324.40	1017.62	824.65
Return on Equity	2310.24	2310.24	2310.24	2310.24	2310.24
Interest on Working Capital	212.53	207.91	203.35	198.95	123.38
O & M Expenses	616.46	651.90	688.92	728.71	770.20
Total	9546.43	9270.90	8995.69	8724.31	4964.98

- d. The Commission, in its order dated 6.1.2011 in Petition No. 122/2010, has admitted capital cost as ₹85741.12 lakh as on 31.3.2009. No additional expenditure was claimed by the petitioner for the tariff period 2009-14.
- e. The MAT rate applicable as on 2008-09 was considered to arrive at rate of return on equity for the tariff period 2009-14, which is required to be



adjusted as per the actual MAT rate applicable for the respective year at the time of truing up of tariff for 2009-14 tariff period.

f. The instant petition was filed on 10.9.2014.

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

5. UPPCL vide its affidavit dated 2.9.2014 has submitted that inspite of reduction in capital cost as well as rate of interest on loan the AFC has increased due to increase in IWC since there has been no change in the figures of either depreciation or O&M Expenses.

6. UPPCL further stated that the revised transmission tariff for 2009-14 tariff period may not be approved till the petitioner submits relevant records regarding actual payment of interest at the rates shown in the petition.

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

Capital Cost

8. The petitioner has claimed admitted capital cost of ₹85741.12 lakh as on 31.3.2009 for the purpose of tariff.

9. Last proviso to Clause (2) of Regulation 7 of the 2009 Tariff Regulations provides that:

“Provided also that in case of the existing projects, the capital cost admitted by the Commission prior to 1.4.2009 duly trued up by excluding un-discharged liability, if any, as on 1.4.2009 and the additional capital expenditure projected to be incurred for the respective year of the tariff period 2009-14, as may be admitted by the Commission, shall form the basis for determination of tariff”.



10. The capital cost admitted as on 31.3.2009 vide order dated 6.1.2011 has been considered as the opening capital cost as on 1.4.2009 for determination of tariff in accordance with Regulation 7 of the 2009 Tariff Regulations. The admitted capital cost of ₹85741.12 lakh as on 1.4.2009 has been considered to work out the trued up tariff for the tariff period 2009-14.

Additional Capital Expenditure

11. The petitioner has not claimed any additional capital expenditure for 2009-14 tariff period, and accordingly, no additional capital expenditure has been considered for the 2009-14 tariff period.

Debt: Equity

12. Clause 2 of Regulation 12 of the 2009 Tariff Regulations provides that:

“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.”

13. The petitioner has claimed trued up Annual Fixed Charge based on debt:equity ratio of 84.59:15.41 as considered by the Commission in its order dated 6.1.2011 in Petition No. 122/2010. The transmission assets covered in the instant petition were commissioned prior to 1.4.2009. In Petition No. 122/2010, the Commission has considered admitted debt:equity ratio as on 31.3.2009 vide order dated 24.2.2006 and amendment dated 19.5.2008 in Petition No. 84/2004. The admitted debt:equity ratio of 84.59:15.41 as on 31.3.2009 has been considered as opening debt:equity ratio as on 1.4.2009 for the purpose of truing up of the approved tariff for tariff period 2009-14 as given under:-



Funding	Amount (₹ in lakh)	(%)
Debt	72525.42	84.59
Equity	13215.70	15.41
Total	85741.12	100.00

Interest on Loan (“IOL”)

14. Regulation 16 of the 2009 Tariff Regulations provides the methodology for working out weighted average rate of interest on loan. The Commission in its earlier order dated 8.6.2011 in Petition No. 238/2010 has held that:-

“...in case of floating rate of interest, any change in the rates of interest during the tariff period will be considered at the time of true up”.

15. The petitioner has submitted the weighted average rate of interest on loan based on its actual loan portfolio and rate of interest.

16. We have considered the submissions of the petitioner and accordingly calculated the IOL based on actual interest rate submitted by the petitioner, in accordance with Regulation 16 of the 2009 Tariff Regulations. The details of weighted average rate of interest are placed at **Annexure – 1** and the IOL has been worked out and allowed as follows:-.

(₹ in lakh)					
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Approved vide order dated 6.1.2011	1938.42	1632.06	1324.40	1017.62	824.65
As claimed by the petitioner	1899.54	1564.29	1266.15	968.16	756.42
Allowed after trued up	1899.56	1564.30	1266.13	968.15	756.41

The variation in IOL is due to reduction in actual weighted average interest rate.



Return on Equity ("ROE")

17. Clause (3), (4) and (5) of the Regulation 15 of the 2009 Tariff Regulations provide that

"(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 trued up in accordance with Regulation 6 of these regulations."

18. The petitioner has submitted that MAT rate of 11.330% applicable for 2008-09 was considered in the order dated 6.1.2011. However, for truing up purpose, the computation of RoE for the tariff period 2009-14 has been done on the basis of actual MAT rate applicable during 2009-14. The petitioner has submitted the variation in the MAT rate during 2009-14 as per the Finance Act of the relevant year for the purpose of grossing up of ROE, as under:-

Particulars	MAT Rate (%)	Grossed up RoE (Base rate/(1-t)) (%)
2009-10	16.995	18.674
2010-11	19.931	19.358



Particulars	MAT Rate (%)	Grossed up RoE (Base rate/(1-t)) (%)
2011-12	20.008	19.377
2012-13	20.008	19.377
2013-14	20.961	19.610

19. Accordingly, the RoE as trued up is shown in the table below:-

(₹ in lakh)					
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Approved vide order dated 6.1.2011	2310.24	2310.24	2310.24	2310.24	2310.24
As claimed by the petitioner	2467.90	2558.30	2560.81	2560.81	2591.60
Allowed after trued up	2467.90	2558.30	2560.81	2560.81	2591.60

20. The return on equity allowed in the instant order is more than the return on equity allowed vide order 6.1.2011 due to increase in the applicable MAT rate for the purpose of grossing up of base rate of return on equity.

Depreciation

21. Clause (4) of Regulation 17 of the 2009 Tariff Regulations provides as follows:-

"17. Depreciation:

...

(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."

22. The Commission, in its order dated 6.1.2011, has worked out the depreciation in accordance with Regulation 17 of the 2009 Tariff Regulations considering useful life of the asset as 34 years. The date of commercial operation



of the transmission system is 1.2.2001 and accordingly, the transmission system completed 12 years on 31.1.2013.

23. The depreciation for the tariff period 2009-14 has been worked out in accordance with Regulation 17 of the 2009 Tariff Regulations based on admitted capital expenditure as under:-

(₹ in lakh)					
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Approved vide order dated 6.1.2011	4468.79	4468.79	4468.79	4468.79	936.51
As claimed by the petitioner	4468.79	4468.79	4468.79	4468.79	936.50
Allowed after trued up	4468.79	4468.79	4468.79	4468.79	936.51

The depreciation allowed in the instant order is same as the depreciation allowed vide order 6.1.2011.

Operation & Maintenance Expenses ("O&M Expenses")

24. The petitioner has computed O&M Expenses for the assets mentioned in the petition, in accordance with the O&M norms for 765 kV S/C four conductor transmission line and 400 kV bay specified in Regulation 19(g) of the 2009 Tariff Regulations. The petitioner has claimed O&M Expenses for 765 kV S/C four conductor Kishenpur-Moga-I transmission line of 275.38 km line length and Kishenpur-Moga-II transmission line of 287.12 km line length and 6 bays of 400 kV level. Accordingly, the O&M Expenses have been worked out as given below:-

(₹ in lakh)						
Particulars		2009-10	2010-11	2011-12	2012-13	2013-14
Actual line length (km)	Single Circuit (Four Conductor)	562.5	562.5	562.5	562.5	562.5
Actual (No. of bays)	400 kV Bays	6	6	6	6	6



Particulars		2009-10	2010-11	2011-12	2012-13	2013-14
Norms as per Regulation	Single Circuit (Bundled conductor with four or more sub-conductors) (₹lakh/km)	0.537	0.568	0.6	0.635	0.671
	400 kV Bays (₹lakh/bay)	52.40	55.40	58.57	61.92	65.46
Total (₹ in lakh)		616.46	651.90	688.92	728.71	770.20

25. The O&M Expenses claimed by the petitioner for tariff period 2009-14 are same as that approved in the tariff order dated 6.1.2011 in Petition No. 122/2010. Accordingly, the O&M Expenses claimed by the petitioner, allowed and trued up are the same, and are as follows:-

(₹ in lakh)					
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Approved vide order dated 6.1.2011	616.46	651.90	688.92	728.71	770.20
As claimed by the petitioner	616.46	651.90	688.92	728.71	770.20
Allowed after trued up	616.46	651.90	688.92	728.71	770.20

Interest on working capital (“IWC”)

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

27. The petitioner has submitted that the rate of interest on working capital has been considered as 12.25% as per Clause (3) of Regulation 18 of the 2009 Tariff Regulations and the components of working capital are also considered in



accordance with sub-clause (c) of clause (1) of Regulation 18 of the 2009 Tariff Regulations.

28. The Commission in its order dated 6.1.2011 in Petition No. 122/2010 approved rate of interest on working capital of 12.25% applicable for 2008-09. In accordance with clause (3) of Regulation 18 of the 2009 Tariff Regulations, rate of interest on working capital shall be on normative basis and in case of transmission assets declared under commercial operation prior to 1.4.2009, shall be equal to short-term Prime Lending Rate as applicable as on 1.4.2009. The State Bank of India short-term Prime Lending Rate on 1.4.2009 was 12.25%. Therefore, interest rate of 12.25% has been considered to work out the interest on working capital in the instant case.

29. The IWC trued up is as under:-

(₹ in lakh)					
Interest on Working Capital	2009-10	2010-11	2011-12	2012-13	2013-14
Maintenance Spares	92.47	97.79	103.34	109.31	115.53
O & M Expenses	51.37	54.33	57.41	60.73	64.18
Receivables	1611.28	1575.83	1532.00	1488.27	863.76
Total	1755.13	1727.94	1692.75	1658.30	1043.47
Rate of Interest (%)	12.25	12.25	12.25	12.25	12.25
Interest	215.00	211.67	207.36	203.14	127.82

(₹ in lakh)					
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Approved vide order dated 6.1.2011	212.53	207.91	203.35	198.95	123.38
As claimed by the petitioner	215.00	211.67	207.36	203.14	127.82
Allowed after trued up	215.00	211.67	207.36	203.14	127.82



30. The IWC has increased on account of increase in receivables due to variation in ROE on account of applicable MAT rate during the 2009-14 tariff period.

ANNUAL FIXED CHARGES FOR 2009-14 TARIFF PERIOD

31. The detailed computation of the various components of the trued up annual fixed charges for the transmission asset for the tariff period 2009-14 is summarised below:-

(₹ in lakh)					
Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Gross Block					
Opening Gross Block	85741.12	85741.12	85741.12	85741.12	85741.12
Additional Capitalization	0.00	0.00	0.00	0.00	0.00
Closing Gross block	85741.12	85741.12	85741.12	85741.12	85741.12
Average Gross block	85741.12	85741.12	85741.12	85741.12	85741.12
Depreciation					
Rate of Depreciation (%)	5.212	5.212	5.212	5.212	1.092
Depreciable Value	76878.50	76878.50	76878.50	76878.50	76878.50
Elapsed Life of the assets at beginning of the year	8	9	10	11	12
Weighted Balance Useful life of the assets	26	25	24	23	22
Remaining Depreciable Value	38478.27	34009.48	29540.69	25071.90	20603.11
Depreciation	4468.79	4468.79	4468.79	4468.79	936.51
Interest on Loan					
Gross Normative Loan	72525.42	72525.42	72525.42	72525.42	72525.42
Cumulative Repayment upto Previous Year	38400.23	42869.02	47337.81	51806.60	56275.38
Net Loan-Opening	34125.19	29656.40	25187.61	20718.82	16250.04
Additions	0.00	0.00	0.00	0.00	0.00
Repayment during the year	4468.79	4468.79	4468.79	4468.79	936.51
Net Loan-Closing	29656.40	25187.61	20718.82	16250.04	15313.53
Average Loan	31890.80	27422.01	22953.22	18484.43	15781.78



Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
Weighted Average Rate of Interest on Loan	5.9564	5.7045	5.5161	5.2377	4.7929
Interest	1899.56	1564.30	1266.13	968.15	756.41
Return on Equity					
Opening Equity	13215.70	13215.70	13215.70	13215.70	13215.70
Additions	0.0	0.0	0.0	0.0	0.0
Closing Equity	13215.70	13215.70	13215.70	13215.70	13215.70
Average Equity	13215.70	13215.70	13215.70	13215.70	13215.70
Return on Equity (Base Rate)	15.50	15.50	15.50	15.50	15.50
MAT rate for the respective year (%)	16.995	19.931	20.008	20.008	20.961
Rate of Return on Equity (Pre Tax)	18.674	19.358	19.377	19.377	19.610
Return on Equity (Pre Tax)	2467.90	2558.30	2560.81	2560.81	2591.60
Interest on Working Capital					
Maintenance Spares	92.47	97.79	103.34	109.31	115.53
O & M Expenses	51.37	54.33	57.41	60.73	64.18
Receivables	1611.28	1575.83	1532.00	1488.27	863.76
Total	1755.13	1727.94	1692.75	1658.30	1043.47
Interest	215.00	211.67	207.36	203.14	127.82
Annual Transmission Charges					
Depreciation	4468.79	4468.79	4468.79	4468.79	936.51
Interest on Loan	1899.56	1564.30	1266.13	968.15	756.41
Return on Equity	2467.90	2558.30	2560.81	2560.81	2591.60
Interest on Working Capital	215.00	211.67	207.36	203.14	127.82
O & M Expenses	616.46	651.90	688.92	728.71	770.20
Total	9667.71	9454.96	9192.01	8929.60	5182.54



DETERMINATION OF ANNUAL TRANSMISSION CHARGES FOR 2014-19

32. The petitioner has claimed the transmission charges as under:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	936.51	936.52	936.51	936.52	936.50
Interest on Loan	641.32	459.96	250.10	232.05	213.99
Return on Equity	2591.60	2591.60	2591.60	2591.60	2591.60
Interest on Working Capital	134.79	131.93	128.41	129.39	130.38
O&M Expenses	702.68	726.49	750.16	775.37	800.95
Total	5006.90	4846.50	4656.78	4664.93	4673.42

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

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	105.40	108.97	112.52	116.31	120.14
O & M Expenses	58.56	60.54	62.51	64.61	66.75
Receivables	834.48	807.75	776.13	777.49	778.90
Total	998.44	977.26	951.16	958.41	965.79
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	134.79	131.93	128.41	129.39	130.38

34. Respondents No. 2, 3 and 4, i.e., Ajmer Vidyut Vitran Nigam Ltd., Jaipur Vidyut Vitran Nigam Ltd., and Jodhpur Vidyut Vitran Nigam Ltd., vide affidavit dated 21.12.2015 submitted that the transmission tariff has been sought on grounds of liability to pay income tax at MAT rate, ROE calculated @19.610% after grossing up the ROE with MAT rate of 20.96%, scheme of wage revision applicable to CPSUs, additional cost, service tax, interest on loan, the application filing fee, publication of notices, licence fee, RLDC charges imposed by local bodies/Government (Central/State) in relation to transmission of electricity, additional capitalization and environmental protection for transmission system.



However, no analysis has been furnished to explain the figures in the instant petition. The petitioner has relied upon the rudimentary form and has not shown specific details for the actual vis-à-vis anticipated in clearer terms. Further, the respondents cannot be burdened unduly by vague and ambiguous levies and charges, etc., as the petitioner has not provided rational criteria. The respondents suggested that the Commission should finalise the tariff after prudence check of the documents.

35. Respondents No. 2, 3 and 4 further submitted that the tariff proposal by the petitioner is exclusive of various incentives, statutory levies and duties charged by any Government or local bodies. Amount of taxes/duties/cess and levies, etc., payable by the petitioner to the authorities are sought to be recovered additionally from the respondents by the petitioner. As per the respondents, the proposal of the petitioner lacking specific details and, therefore, the Commission should finalise the tariff after prudence check.

36. The petitioner vide its affidavit dated 5.1.2016 replied that in line with the amendment dated 21.6.2011 to Regulation 15 of the 2009-14 Tariff Regulations, the petitioner is allowed to recover the shortfall or refund the excess MAT/Corporate Tax rate as per the Income Tax Act, 1961 directly without making any application before the Commission.

37. Further, the license fee shall be recovered separately from the respondents as per Regulation 42(A)(1)(b) of the third amendment of the 2009-14 Tariff Regulations.



38. With regard to service tax the petitioner has submitted that the same shall be borne and additionally paid by the respondents to the petitioner in case the exemption is withdrawn.

39. As regard reimbursement of filing fee the petitioner has submitted that its claim is under Regulation 42 of the 2009-14 Tariff Regulations and the Commission in its order dated 1.9.2010 in Petition No. 71/2010 has allowed such recovery on pro-rata basis.

40. The petitioner has further stated that the transmission charges and other related charges is exclusive of incentive, late payment surcharge, FERV, any statutory taxes, levies, duties, cess, filing fees, license fee or any other kind of imposition(s) in relation to transmission of electricity and is to be borne separately by the respondents.

41. We have considered the respondents' submissions and petitioner's claim in the petition. Accordingly, the tariff has been determined considering the principles laid down in the 2014 Tariff Regulations, after prudence check.

Capital Cost

42. Clause (1) and (3) of Regulation 9 of the 2014 Tariff Regulations provides as follows:-

“(1) The Capital cost as determined by the Commission after prudence check in accordance with this regulation shall form the basis of determination of tariff for existing and new projects.”

“(3) The Capital cost of an existing project shall include the following:
(a) the capital cost admitted by the Commission prior to 1.4.2014 duly trued up by excluding liability, if any, as on 1.4.2014;



- (b) additional capitalization and de-capitalization for the respective year of tariff as determined in accordance with Regulation 14; and
(c) expenditure on account of renovation and modernisation as admitted by this Commission in accordance with Regulation 15.”

43. The petitioner has claimed capital expenditure of ₹85741.12 lakh as on 31.3.2014 in accordance with order dated 6.1.2011 in Petition No. 122/2010. Further, the petitioner has not projected any additional capital expenditure during the tariff period 2014-19.

44. The trued up capital cost of ₹85741.12 lakh as on 1.4.2014 is considered for the purpose of tariff for tariff period 2014-19.

Additional Capital Expenditure

45. The petitioner has not claimed any additional expenditure for the tariff period 2014-19. Accordingly, no additional capital expenditure has been considered for the tariff period 2014-19.

Debt: Equity Ratio

46. Clause 3 and 4 of Regulation 19 of the 2014 Tariff Regulations provide as under:-

“(3) In case of the generating station and the transmission system declared under commercial operation prior to 1.4.2014, debt:equity ratio allowed by the Commission for determination of tariff for the period ending 31.3.2014 shall be considered.

(4) In case of the generating station and the transmission system including communication system declared under commercial operation prior to 1.4.2014, but where debt: equity ratio has not been determined by the Commission for determination of tariff for the period ending 31.3.2014, the Commission shall approve the debt:equity ratio based on actual information provided by the generating company or the transmission licensee as the case may be.”



47. The admitted debt:equity ratio of 84.59:15.41 after true-up for the tariff period ending 31.3.2014 has been considered as opening debt:equity ratio as on 1.4.2014. The details of the debt:equity as on 1.4.2014 considered for the purpose of tariff for the 2014-19 tariff period is as follows:-

Funding	Amount (in ₹ lakh)	(%)
Debt	72525.42	84.59
Equity	13215.70	15.41
Total	85741.12	100.00

Interest on Loan ("IOL")

48. Clause (5) & (6) of Regulation 26 of the 2014 Tariff Regulations are reproduced as under:-

"(5) The rate of interest shall be the weighted average rate of interest calculated on the basis of the actual loan portfolio after providing appropriate accounting adjustment for interest capitalized:

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."

49. UPPCL vide its affidavit dated 2.9.2014 has submitted that the present loans comprises of bonds with fixed rate of interest and therefore at present there is no question of floating rate of interest. Further, the loan portfolios may be swapped only to the benefit of the beneficiaries and they may not be exposed to floating rate of interest which has embedded risk element of rise in the rate of interest.



50. The weighted average rate of IOL has been considered on the basis of rate prevailing as on 1.4.2014.

51. The IOL has been worked out in accordance with Regulation 26 of the 2014 Tariff Regulations. The details of weighted average rate of interest are placed at **Annexure – 2** and the IOL has been worked out and allowed as follows:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Gross loan opening	72525.42	72525.42	72525.42	72525.42	72525.42
Cumulative Repayment upto COD/previous year	57211.89	58148.39	59084.90	60021.40	60957.91
Net Loan-Opening	15313.53	14377.03	13440.52	12504.02	11567.51
Additions during the year	0.00	0.00	0.00	0.00	0.00
Repayment during the year	936.51	936.51	936.51	936.51	936.51
Net Loan-Closing	14377.03	13440.52	12504.02	11567.51	10631.01
Average Loan	14845.28	13908.77	12972.27	12035.76	11099.26
Rate of Interest (%)	4.3253	3.3071	1.9281	1.9281	1.9281
Interest	642.11	459.98	250.12	232.06	214.01

52. The petitioner vide its Form-9C has claimed IOL considering weighted average rate of interest of loan as 4.33% in 2014-15, however, in Form 9E, the same has been claimed as 4.32%. We have computed the weighted average rate of interest as 4.3253% upto four decimal places based on the actual loan portfolio. Accordingly, the IOL worked out in 2014-15 is slightly more than the IOL claimed by petitioner.

Return on Equity (“ROE”)

53. Clause (1) and (2) of Regulation 24 and Clause (2) of Regulation 25 of the 2014 Tariff Regulations specify as under:-

“24. Return on Equity: (1) Return on equity shall be computed in rupee terms, on the equity base determined in accordance with regulation 19.



(2) Return on equity shall be computed at the base rate of 15.50% for thermal generating stations, transmission system including communication system....
.....”

“25. Tax on Return on Equity:

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

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

Where “t” is the effective tax rate in accordance with Clause (1) of this regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of generating company or transmission licensee paying Minimum Alternate Tax (MAT), “t” shall be considered as MAT rate including surcharge and cess.”

54. The petitioner has computed ROE at the rate of 19.610% after grossing up the ROE with MAT rate as per the above Regulations. The petitioner has further submitted that the grossed up ROE is subject to truing up based on the actual tax paid along with any additional tax or interest, duly adjusted for any refund of tax including the interest received from IT authorities, pertaining to the tariff period 2014-19 on actual gross income of any financial year. Any under-recovery or over-recovery of grossed up ROE after truing up shall be recovered or refunded to the beneficiaries on year to year basis.

55. The petitioner has further submitted that adjustment due to any additional tax demand including interest duly adjusted for any refund of the tax including interest received from IT authorities shall be recoverable/adjustable after completion of income tax assessment of the financial year.

56. We have considered the submissions made by the petitioner. Regulation 24 read with Regulation 25 of the 2014 Tariff Regulations provides for grossing up of return on equity with the effective tax rate for the purpose of return on



equity. It further provides that in case the generating company or transmission licensee is paying Minimum Alternative Tax (MAT), the MAT rate including surcharge and cess will be considered for the grossing up of return on equity. The petitioner has submitted that MAT rate is applicable to the petitioner's company. Accordingly, the MAT rate applicable during 2013-14 has been considered for the purpose of allowing return on equity, which shall be trued up with actual tax rate in accordance with Regulation 25 (3) of the 2014 Tariff Regulations. Accordingly, the ROE determined by the Commission is given below:-

	(₹ in lakh)				
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	13215.70	13215.70	13215.70	13215.70	13215.70
Addition due to Additional Capitalization	0.00	0.00	0.00	0.00	0.00
Closing Equity	13215.70	13215.70	13215.70	13215.70	13215.70
Average Equity	13215.70	13215.70	13215.70	13215.70	13215.70
Return on Equity (Base Rate) (%)	15.50	15.50	15.50	15.50	15.50
MAT rate for the year (%)	20.961	20.961	20.961	20.961	20.961
Rate of Return on Equity (Pre Tax) (%)	19.610	19.610	19.610	19.610	19.610
Return on Equity (Pre Tax)	2591.60	2591.60	2591.60	2591.60	2591.60

Depreciation

57. Clause (2), (5) and (6) of Regulation 27 of the 2014 Tariff Regulations provide as follows:-

"27. Depreciation:

...(2) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission. In case of multiple units of a generating station or multiple elements of transmission system, weighted average life for the generating station of the transmission system shall be applied. 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

...



(5) Depreciation shall be calculated annually based on Straight Line Method and at rates specified in **Appendix-II** 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 the effective date of commercial operation of the station shall be spread over the balance useful life of the assets.

(6) In case of the existing projects, the balance depreciable value as on 1.4.2014 shall be worked out by deducting the cumulative depreciation as admitted by the Commission upto 31.3.2014 from the gross depreciable value of the assets.”

58. The petitioner has computed depreciation considering capital expenditure of ₹ 85741.12 lakh as on 31.3.2014.

59. We have considered the submission made by the petitioner with reference to depreciation. Depreciation is allowed as provided under Regulation 27 of the 2014 Tariff Regulations. The details of the depreciation allowed are given hereunder:-

(₹ in lakh)					
Details of Depreciation	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross block	85741.12	85741.12	85741.12	85741.12	85741.12
Additions during the year due to projected additional capitalization	0.00	0.00	0.00	0.00	0.00
Closing Gross block	85741.12	85741.12	85741.12	85741.12	85741.12
Rate of Depreciation (%)	1.092	1.092	1.092	1.092	1.092
Depreciable Value	76878.50	76878.50	76878.50	76878.50	76878.50
Elapsed Life of the assets at beginning of the year	13	14	15	16	17
Weighted Balance Useful life of the assets	21	20	19	18	17
Remaining Depreciable Value	19666.61	18730.10	17793.60	16857.09	15920.59
Depreciation	936.51	936.51	936.51	936.51	936.51

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

60. Respondents No. 2, 3 and 4, i.e., Ajmer Vidyut Vitran Nigam Ltd., Jaipur Vidyut Vitran Nigam Ltd., and Jodhpur Vidyut Vitran Nigam Ltd., have submitted



that the petitioner has approached the Commission for seeking revision in the O&M rates. However, the details provided in support appear to be vague and not in actual terms. Further, the petitioner has sought revision under Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, but the specific details are not reflected in categorical terms.

61. The petitioner has computed normative O&M Expenses as per sub-clause (a) of clause (3) of Regulation 29 of the 2014 Tariff Regulations. UPPCL vide its affidavit dated 2.9.2014 has submitted that the petitioner has claimed excess O&M expenses of ₹51.96 lakh, ₹53.68 lakh, ₹55.46 lakh and ₹57.35 lakh for 2009-10, 2010-11, 2011-12 and 2012-13 respectively.

62. We have computed O&M Expenses as per the norms approved in the 2009-14 Tariff Regulations. Accordingly, the petitioner's entitlement to O&M Expenses has been worked out as given hereunder:-

		(₹ in lakh)				
Particulars		2014-15	2015-16	2016-17	2017-18	2018-19
Actual line length (km)	Single Circuit (Four Conductor)	562.5	562.5	562.5	562.5	562.5
Actual (No. of bays)	400 kV Bays	6	6	6	6	6
Norms as per Regulation	Single Circuit (Bundled conductor with four or more sub-conductors) (₹lakh/km)	0.606	0.627	0.647	0.669	0.691
	400 kV Bays (₹lakh/bay)	60.30	62.30	64.37	66.51	68.71
Total (₹ in lakh)		702.68	726.49	750.16	775.37	800.95

63. The petitioner has submitted that O&M Expenses for the tariff period 2014-19 have been arrived on the basis of normalized actual O&M Expenses



during the period 2008-13. The petitioner has further submitted that the wage revision of the employees of the petitioner Company is due during 2014-19 and actual impact of wage hike, which will be effective at a future date, has not been factored in fixation of the normative O&M rate specified for the tariff period 2014-19. The petitioner has prayed to be allowed to approach the Commission for suitable revision in the norms of O&M Expenses for claiming the impact of such increase. UPPCL vide its affidavit dated 2.9.2014 has requested the Commission to direct the petitioner to give the actual O&M Expenses after the impact of wage hike and the excess of the actual O&M Expenses over the normative O&M Expenses may only be charged from the beneficiaries.

64. We have considered the respondents submissions and petitioner's claim in the petition and O&M expenses has been determined considering the norms specified in the 2014 Tariff Regulations. As regards impact of wage revision, we would like to clarify that any application filed by the petitioner in this regard will be dealt with in accordance with the appropriate provisions of the 2014 Tariff Regulations.

65. The details of O&M Expenses allowed are given hereunder:-

Particulars	(₹ in lakh)				
	Year				
	2014-15	2015-16	2016-17	2017-18	2018-19
O&M Expenses allowed	702.68	726.49	750.16	775.37	800.95



Interest on Working Capital ("IWC")

66. Clause 1 (c) of Regulation 28 and Clause 5 of Regulation 3 of the 2014 Tariff Regulations specify as follows:-

"28. Interest on Working Capital

- (c)(i) Receivables equivalent to two months of fixed cost;
(ii) Maintenance spares @ 15% of operation and maintenance expenses specified in regulation 29; and
(iii) Operation and maintenance expenses for one month"

"(5) 'Bank Rate' means the base rate of interest as specified by the State Bank of India from time to time or any replacement thereof for the time being in effect plus 350 basis points;"

67. The petitioner has submitted that it has computed IWC for the tariff period 2014-19 considering the SBI Base Rate as on 1.4.2014 plus 350 basis points. The rate of interest on working capital considered for the purpose of computation of tariff is 13.50%.

68. The interest on working capital is worked out in accordance with Regulation 28 of the 2014 Tariff Regulations. The rate of interest on working capital considered is 13.50% (SBI Base Rate of 10% plus 350 basis points). The interest on working capital as determined is shown in the table below:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	105.40	108.97	112.52	116.31	120.14
O & M expenses	58.56	60.54	62.51	64.61	66.75
Receivables	834.62	807.75	776.13	777.49	778.91
Total	998.57	977.26	951.17	958.41	965.79
Rate of Interest (%)	13.500	13.500	13.500	13.500	13.500
Interest	134.81	131.93	128.41	129.39	130.38



Annual Transmission Charges

69. The Annual Transmission Charges allowed for the transmission asset is given hereunder:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	936.51	936.51	936.51	936.51	936.51
Interest on Loan	642.11	459.98	250.12	232.06	214.01
Return on equity	2591.60	2591.60	2591.60	2591.60	2591.60
Interest on Working Capital	134.81	131.93	128.41	129.39	130.38
O & M Expenses	702.68	726.49	750.16	775.37	800.95
Total	5007.70	4846.50	4656.79	4664.92	4673.44

70. The detailed computation of various components of annual fixed charges for the tariff period 2014-19 is summarized below:-

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Block					
Opening Gross Block	85741.12	85741.12	85741.12	85741.12	85741.12
Additional Capitalization	0.00	0.00	0.00	0.00	0.00
Closing Gross Block	85741.12	85741.12	85741.12	85741.12	85741.12
Average Gross Block	85741.12	85741.12	85741.12	85741.12	85741.12
Depreciation					
Rate of Depreciation	1.092	1.092	1.092	1.092	1.092
Depreciable Value	76878.50	76878.50	76878.50	76878.50	76878.50
Elapsed Life of the assets at beginning of the year	13	14	15	16	17
Weighted Balance Useful life of the assets	21	20	19	18	17
Remaining Depreciable Value	19666.61	18730.10	17793.60	16857.09	15920.59
Depreciation	936.51	936.51	936.51	936.51	936.51
Interest on Loan					
Gross Normative Loan	72525.42	72525.42	72525.42	72525.42	72525.42
Cumulative Repayment upto Previous Year	57211.89	58148.39	59084.90	60021.40	60957.91



Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Net Loan-Opening	15313.53	14377.03	13440.52	12504.02	11567.51
Additions	0.00	0.00	0.00	0.00	0.00
Repayment during the year	936.51	936.51	936.51	936.51	936.51
Net Loan-Closing	14377.03	13440.52	12504.02	11567.51	10631.01
Average Loan	14845.28	13908.77	12972.27	12035.76	11099.26
Weighted Average Rate of Interest on Loan	4.3253	3.3071	1.9281	1.9281	1.9281
Interest	642.11	459.98	250.12	232.06	214.01
Return on Equity					
Opening Equity	13215.70	13215.70	13215.70	13215.70	13215.70
Additions	0.00	0.00	0.00	0.00	0.00
Closing Equity	13215.70	13215.70	13215.70	13215.70	13215.70
Average Equity	13215.70	13215.70	13215.70	13215.70	13215.70
Return on Equity (Base Rate)	15.50	15.50	15.50	15.50	15.50
MAT Rate for the year 2013-14	20.961	20.961	20.961	20.961	20.961
Rate of RoE (Pre Tax)	19.610	19.610	19.610	19.610	19.610
Return on Equity (Pre Tax)	2591.60	2591.60	2591.60	2591.60	2591.60
Interest on Working Capital					
Maintenance Spares	105.40	108.97	112.52	116.31	120.14
O & M expenses	58.56	60.54	62.51	64.61	66.75
Receivables	834.62	807.75	776.13	777.49	778.91
Total	998.57	977.26	951.17	958.41	965.79
Interest	134.81	131.93	128.41	129.39	130.38
Annual Transmission Charges					
Depreciation	936.51	936.51	936.51	936.51	936.51
Interest on Loan	642.11	459.98	250.12	232.06	214.01
Return on Equity	2591.60	2591.60	2591.60	2591.60	2591.60
Interest on Working Capital	134.81	131.93	128.41	129.39	130.38
O & M Expenses	702.68	726.49	750.16	775.37	800.95
Total	5007.70	4846.50	4656.79	4664.92	4673.44

Filing Fee and Publication Expenses

71. The petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses, in terms of Regulation 52 of the 2014 Tariff



Regulations. UPPCL in its affidavit dated 2.9.2014 has stated that the reimbursement of such expenses shall be done only after production of documentary proof. We are of the view that the petitioner shall be entitled for reimbursement of the filing fees and publication expenses in connection with the present petition, directly from the beneficiaries on pro-rata basis in accordance with clause (1) of Regulation 52 of the 2014 Tariff Regulations.

Licence Fee and RLDC Fees and Charges

72. The petitioner has requested to allow the petitioner to bill and recover licence fee and RLDC fees and charges, separately from the respondents. The petitioner shall be entitled for reimbursement of licence fee and RLDC fees and charges in accordance with Clause (2)(b) and (2)(a), respectively, of Regulation 52 of the 2014 Tariff Regulations.

Service Tax

73. The petitioner has sought to recover service tax on transmission charges separately from the respondents, if at any time service tax on transmission is withdrawn from negative list in future. UPPCL vide its affidavit dated 2.9.2014 has stated that presently service tax on transmission service has been exempted and therefore the prayer made by the petitioner is not tenable. We are of the view that the petitioner's prayer is premature.

Deferred Tax Liability

74. The petitioner has sought recovery of deferred tax liability before 1.4.2009 from the beneficiaries or long term consumers/ DICs as and when materialized under Regulation 49 of the 2014 Tariff Regulations. UPPCL vide its affidavit



dated 2.9.2014 has requested the Commission to take a view on the issue. The deferred tax liability shall be dealt as per Regulation 49 of the 2014 Tariff Regulations, as amended. Accordingly, the petitioner is entitled to recover the deferred tax liability upto 31.3.2009 whenever the same materializes, directly from the beneficiaries or long term transmission customers /DICs.

Sharing of Transmission Charges

75. The billing, collection and disbursement of the transmission charges approved shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010, as amended from time to time, as provided in Regulation 43 of the 2014 Tariff Regulations.

76. This order disposes of Petition No. 363/TT/2014.

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

sd/-
(A.S. Bakshi)
Member



**DETAILS OF LOAN BASED ON ACTUAL LOAN PORTFOLIO DURING TARIFF
PERIOD 2009-14**

(₹ in lakh)

Particulars	Interest Rate (%)	Loan deployed as on 1.4.2009	Additions during the tariff period	Total
Bond VI - DOCO - 1-Feb-2001	13.13	295.00	0.00	295.00
Bond VI - DOCO - 1-Mar-2000	13.13	17.00	0.00	17.00
Bond VI - DOCO - 1-May-2000	13.13	482.00	0.00	482.00
Bond VII - DOCO - 1-Feb-2001	13.64	566.00	0.00	566.00
Bond VII - DOCO - 1-Mar-2000	13.64	33.00	0.00	33.00
Bond VII - DOCO - 1-May-2000	13.64	923.00	0.00	923.00
Bond VIII - DOCO - 1-Feb-2001	10.35	1000.00	0.00	1000.00
Bond IX - DOCO - 1-Feb-2001	12.25	4000.00	0.00	4000.00
Bond XI - Option-II- DOCO - 1-Feb-2001	9.20	592.00	0.00	592.00
Bond XI - Option-II - DOCO - 1-Mar-2000	9.20	33.00	0.00	33.00
Bond XI - Option-II - DOCO - 1-May-2000	9.20	963.00	0.00	963.00
Bond XIII - Option-II- DOCO - 1-Feb-2001	7.85	439.00	0.00	439.00
Bond XIII - Option-II - DOCO - 1-Mar-2000	7.85	25.00	0.00	25.00
Bond XIII - Option-II - DOCO - 1-May-2000	7.85	716.00	0.00	716.00
Bond XIV - DOCO - 1-Feb-2001	6.10	18765.91	0.00	18765.91
Bond XIV - DOCO - 1-Mar-2000	6.10	899.48	0.00	899.48
Bond XIV - DOCO - 1-May-2000	6.10	23813.70	0.00	23813.70
ICICI - DOCO - 1-Feb-2001	7.32	1318.00	0.00	1318.00
Corporation Bank - DOCO - 1-Feb-2001	10.60	283.00	0.00	283.00
Corporation Bank - DOCO - 1-Mar-2000	10.60	16.00	0.00	16.00
Corporation Bank - DOCO - 1-May-2000	10.60	462.00	0.00	462.00
Punjab National Bank-I - DOCO - 1-Feb-2001	8.95	566.00	0.00	566.00
Punjab National Bank-I - DOCO - 1-Mar-2000	8.95	33.00	0.00	33.00
Punjab National Bank-I - DOCO - 1-May-2000	8.95	923.00	0.00	923.00
BOI (Foreign Currency) - DOCO - 1-Feb-2001 - 44.31	2.77	1492.37	0.00	1492.37
BOI (Foreign Currency) - DOCO - 1-Mar-2000 - 44.31	2.77	226.87	0.00	226.87
BOI (Foreign Currency) - DOCO - 1-May-2000 - 44.31	2.77	6855.64	0.00	6855.64
Bond IV (1st Tranche) - DOCO - 1-Feb-2001	17.84	946.00	0.00	946.00
Bond IV (1st Tranche) - DOCO - 1-Mar-2000	17.84	54.00	0.00	54.00



Particulars	Interest Rate (%)	Loan deployed as on 1.4.2009	Additions during the tariff period	Total
Bond IV (1st Tranche) - DOCO - 1-May-2000	17.84	1542.00	0.00	1542.00
Bond V - DOCO - 1-Feb-2001	15.80	915.00	0.00	915.00
Bond V - DOCO - 1-Mar-2000	15.80	52.00	0.00	52.00
Bond V - DOCO - 1-May-2000	15.80	1491.00	0.00	1491.00
Bond-III Series- (2nd) (9.75%) - DOCO - 1-Feb-2001	13.50	238.00	0.00	238.00
Bond-III Series- (2nd) (9.75%) - DOCO - 1-Mar-2000	13.50	14.00	0.00	14.00
Bond-III Series- (2nd) (9.75%) - DOCO - 1-May-2000	13.50	388.00	0.00	388.00
Bond-I (Issue-I) - DOCO - 1-Feb-2001	16.75	17.00	0.00	17.00
Bond-I (Issue-I) - DOCO - 1-Mar-2000	16.75	1.00	0.00	1.00
Bond-I (Issue-I) - DOCO - 1-May-2000	16.75	29.00	0.00	29.00
Total		71425.97	0.00	71425.97



WEIGHTED AVERAGE RATE OF INTEREST ON LOAN DURING TARIFF PERIOD
2009-14

(₹ in lakh)

	2009-10	2010-11	2011-12	2012-13	2013-14
Gross Opening Loan	71425.97	71425.97	71425.97	71425.97	71425.97
Cumulative Repayments of Loans upto Previous Year	37826.26	42555.64	47285.02	52014.40	56664.38
Net Loans Opening	33599.71	28870.33	24140.95	19411.57	14761.59
Add: Drawal(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of Loan during the year	4729.38	4729.38	4729.38	4649.98	3927.93
Net Closing Loan	28870.33	24140.95	19411.57	14761.59	10833.66
Average Net Loan	31235.02	26505.64	21776.26	17086.58	12797.63
Interest on Loan	1860.49	1512.02	1201.21	894.94	613.38
Rate of Interest on Loan (%)	5.9564	5.7045	5.5161	5.2377	4.7929



**DETAILS OF LOAN BASED ON ACTUAL LOAN PORTFOLIO DURING TARIFF
PERIOD 2014-19**

(₹ in lakh)

Particulars	Interest Rate (%)	Loan deployed as on 1.4.2014	Additions during the tariff period	Total
Bond VI - DOCO - 1-Feb-2001	13.13	295.00	0.00	295.00
Bond VI - DOCO - 1-Mar-2000	13.13	17.00	0.00	17.00
Bond VI - DOCO - 1-May-2000	13.13	482.00	0.00	482.00
Bond VII - DOCO - 1-Feb-2001	13.64	566.00	0.00	566.00
Bond VII - DOCO - 1-Mar-2000	13.64	33.00	0.00	33.00
Bond VII - DOCO - 1-May-2000	13.64	923.00	0.00	923.00
Bond VIII - DOCO - 1-Feb-2001	10.35	1000.00	0.00	1000.00
Bond IX - DOCO - 1-Feb-2001	12.25	4000.00	0.00	4000.00
Bond XI - Option-II- DOCO - 1-Feb-2001	9.20	592.00	0.00	592.00
Bond XI - Option-II - DOCO - 1-Mar-2000	9.20	33.00	0.00	33.00
Bond XI - Option-II - DOCO - 1-May-2000	9.20	963.00	0.00	963.00
Bond XIII - Option-II- DOCO - 1-Feb-2001	7.85	439.00	0.00	439.00
Bond XIII - Option-II - DOCO - 1-Mar-2000	7.85	25.00	0.00	25.00
Bond XIII - Option-II - DOCO - 1-May-2000	7.85	716.00	0.00	716.00
Bond XIV - DOCO - 1-Feb-2001	6.10	18765.91	0.00	18765.91
Bond XIV - DOCO - 1-Mar-2000	6.10	899.48	0.00	899.48
Bond XIV - DOCO - 1-May-2000	6.10	23813.70	0.00	23813.70
ICICI - DOCO - 1-Feb-2001	7.32	1318.00	0.00	1318.00
Corporation Bank - DOCO - 1-Feb-2001	13.00	283.00	0.00	283.00
Corporation Bank - DOCO - 1-Mar-2000	13.00	16.00	0.00	16.00
Corporation Bank - DOCO - 1-May-2000	13.00	462.00	0.00	462.00
Punjab National Bank-I - DOCO - 1-Feb-2001	11.66	566.00	0.00	566.00
Punjab National Bank-I - DOCO - 1-Mar-2000	11.66	33.00	0.00	33.00
Punjab National Bank-I - DOCO - 1-May-2000	11.66	923.00	0.00	923.00
BOI (Foreign Currency) - DOCO - 1-Feb-2001 - 44.31	1.93	1492.37	0.00	1492.37
BOI (Foreign Currency) - DOCO - 1-Mar-2000 - 44.31	1.93	226.87	0.00	226.87
BOI (Foreign Currency) - DOCO - 1-May-2000 - 44.31	1.93	6855.64	0.00	6855.64
Bond IV (1st Tranche) - DOCO - 1-Feb-2001	17.84	946.00	0.00	946.00
Bond IV (1st Tranche) - DOCO - 1-Mar-2000	17.84	54.00	0.00	54.00



Particulars	Interest Rate (%)	Loan deployed as on 1.4.2014	Additions during the tariff period	Total
Bond IV (1st Tranche) - DOCO - 1-May-2000	17.84	1542.00	0.00	1542.00
Bond V - DOCO - 1-Feb-2001	15.80	915.00	0.00	915.00
Bond V - DOCO - 1-Mar-2000	15.80	52.00	0.00	52.00
Bond V - DOCO - 1-May-2000	15.80	1491.00	0.00	1491.00
Bond-III Series- (2nd) (9.75%) - DOCO - 1-Feb-2001	13.50	238.00	0.00	238.00
Bond-III Series- (2nd) (9.75%) - DOCO - 1-Mar-2000	13.50	14.00	0.00	14.00
Bond-III Series- (2nd) (9.75%) - DOCO - 1-May-2000	13.50	388.00	0.00	388.00
Bond-I (Issue-I) - DOCO - 1-Feb-2001	16.75	17.00	0.00	17.00
Bond-I (Issue-I) - DOCO - 1-Mar-2000	16.75	1.00	0.00	1.00
Bond-I (Issue-I) - DOCO - 1-May-2000	16.75	29.00	0.00	29.00
Total		71425.97	0.00	71425.97



**WEIGHTED AVERAGE RATE OF INTEREST ON LOAN DURING TARIFF PERIOD
2014-19**

(₹ in lakh)

	2014-15	2015-16	2016-17	2017-18	2018-19
Gross Opening Loan	71425.97	71425.97	71425.97	71425.97	71425.97
Cumulative Repayments of Loans upto Previous Year	60592.31	64482.19	68272.07	68724.14	69176.21
Net Loans Opening	10833.66	6943.78	3153.90	2701.83	2249.76
Add: Drawal(s) during the year	0.00	0.00	0.00	0.00	0.00
Less: Repayment(s) of Loan during the year	3889.88	3789.88	452.07	452.07	452.07
Net Closing Loan	6943.78	3153.90	2701.83	2249.76	1797.69
Average Net Loan	8888.72	5048.84	2927.86	2475.79	2023.72
Interest on Loan	384.47	166.97	56.45	47.74	39.02
Rate of Interest on Loan (%)	4.3253	3.3071	1.9281	1.9281	1.9281

