

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 126/TT/2018

Coram:

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

Date of Order: 30.1.2019

IN THE MATTER OF

Corrigendum to order dated 10.12.2018 in Petition No. 126/TT/2018

In the matter of:

Approval under Regulation-86 of CERC (Conduct of Business) Regulations'1999 and Regulation-6 of CERC (Terms and Conditions of Tariff) Regulations, 2009 and CERC (Terms and Conditions of Tariff) Regulations' 2014 for determination of

- a. Truing up Transmission tariff for 2009-14 tariff block and
- b. Transmission tariff for 2014-19 tariff block

for 3x110 MVAR Line reactor for 765kV D/C Raipur PS - Wardha Line 1 Ckt#2 to be charged as Bus reactor at Wardha SS under Integration of Pooling stations in Chhattisgarh with central part of WR for IPP generation projects in Chhattisgarh (IPP C) in Western Region.

And in the matter of

Power Grid Corporation of India Limited,
"Saudamani", Plot No.2,
Sector-29, Gurgaon -122 001

Versus

1. Madhya Pradesh Power Management Company Ltd.
Shakti Bhawan, Rampur
Jabalpur - 482 008



2. Maharashtra State Electricity Distribution Co. Ltd.
Prakashgad, 4th Floor
Andheri (East), Mumbai - 400 052

3. Gujarat Urja Vikas Nigam Ltd.
Sardar Patel Vidyut Bhawan,
Race Course Road
Vadodara - 390 007

4. Electricity Department
Govt. Of Goa
Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa - 403 001

5. Electricity Department
Administration of Daman & Diu
Daman - 396 210

6. Electricity Department
Administration of Dadra Nagar Haveli
U.T., Silvassa - 396 230

7. Chhattisgarh State Electricity Board
P.O.Sunder Nagar, Dangania, Raipur
Chhatisgarh-492013

8. Madhya Pradesh Audyogik Kendra
Vikas Nigam (Indore) Ltd.
3/54, Press Complex, Agra-Bombay Road,
Indore-452 008.....**Respondents**

Corrigendum

The Commission vide order dated 10.12.2018 trued up the annual fixed charges of the 3x110 MVAR Line reactor for 765kV D/C Raipur PS - Wardha Line 1 Ckt#2 to be charged as Bus reactor at Wardha SS under Integration of Pooling stations in Chhattisgarh with central part of WR for IPP generation projects in



Chhattisgarh (IPPC) in Western Region for the period 2009-14 and approved the tariff for the period 2014-19. Earlier, while granting the final tariff in petition no. 97/TT/2014 vide order dated 14.3.2016, the Commission allowed the IDC of ₹27.70 lakh on cash basis as on scheduled COD. The Commission had not considered any discharge of the IDC after COD observing that the same shall be considered at the time of truing up on the basis of the submission of information in respect of drawl, rates of interest etc. by the petitioner along with computation in soft copy in excel format. Vide order dated 10.12.2018 in the instant petition, the similar IDC amounting to ₹27.70 lakh was considered inadvertently as against ₹172.74 lakh as claimed by the petitioner vide statement of IDC discharge submitted vide affidavit dated 7.3.2018. This inadvertent error is rectified through this corrigendum in exercise of powers under Regulation 103A of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, as amended from time to time. The prudence of the IDC as claimed by the petitioner has been taken and it is observed that though amount of IDC claimed is ₹172.74 lakh, the calculation as per the statement is ₹168.68 lakh. Accordingly, the following changes are made to the order dated 10.12.2018:-

a. Para 9 is revised as under:

9. Out of total IEDC claimed of ₹16.55 lakh as on COD, the Commission considered IEDC of ₹15.45 lakh due to disallowance of 2 months' time overrun vide order dated 14.3.2016 in PN. 97/TT/2014. Accordingly, the same amount of IEDC (₹15.45 lakh) has been considered for tariff purpose of capital cost as on COD. The petitioner has submitted the



information related to IDC duly certified and mentioned the year-wise discharge of the entire IDC claimed. On the basis of the information submitted by the petitioner, the IDC has been worked out up to scheduled COD amounting to ₹151.03 lakh for the asset taking into consideration the loan details mentioned in Form-13 and the working sheet of the IDC. The asset-wise details of IDC claimed as per Auditor's certificate and IDC worked out and considered for tariff purpose, are as follows:-

(₹ in lakh)

	IDC claimed	Disallowed due to time over-run	IDC allowed	IDC allowed on cash basis as on COD	IDC allowed on cash basis during 2013-14 as Add Cap	IDC allowed on cash basis during 2014-15 as Add Cap
Asset	172.74	21.71	151.03	117.19	5.97	27.87

b. Table at Para 10 is revised as under:

(₹ in lakh)

Apportioned Approved Cost (RCE)	4621.60
Expenditure upto COD	1995.48
IDC claimed	172.74
IEDC claimed	16.55
Hard Cost	1806.19
IDC calculated on Cash Basis (adjusting time overrun)	117.19
IEDC to be allowed	15.45
Admissible Capital Cost as on COD	1938.83
Add-cap including discharge of liabilities	381.88
Capital cost as on 31-03-2014	2320.71

c. Table at Para 13 is revised as under:



(₹ in lakh)

Particulars	(%)	As on COD (1.3.2014)	As on 31.3.2014
Debt	70.00	1357.18	1624.49
Equity	30.00	581.65	696.21
Total	100.00	1938.83	2320.71

d. Table at Para 15 is revised as under:

(₹ in lakh)

Particulars	2013-14
Gross Normative Loan	1357.18
Cumulative Repayment up to Previous Year	0.00
Net Loan-Opening	1357.18
Addition due to Additional Capitalization	267.32
Repayment during the year	9.09
Net Loan-Closing	1615.40
Average Loan	1486.29
Weighted Average Rate of Interest on Loan	8.28%
Interest	10.26

e. Table at Para 18 is revised as under:

(₹ in lakh)

Particulars	2013-14
Opening Equity	581.65
Addition due to Add Cap	114.56
Closing Equity	696.21
Average Equity	638.93
Return on Equity (Base Rate)	15.50%
Tax rate	20.961%
Rate of Return on Equity (Pre Tax)	19.610%
Return on Equity (Pre Tax)	10.44

f. Table at Para 21 is revised as under:

(₹ in lakh)

Particulars	2013-14
Opening Gross Block	1938.83
Addition during 2013-14	381.88



Closing Gross Block	2320.71
Average Gross Block	2129.77
Rate of Depreciation	5.1229
Depreciable Value	1916.79
Remaining Depreciable Value	1916.79
Depreciation	9.09

g. Table at Para 24 is revised as under:

(₹ in lakh)

Particulars	2013-14
Maintenance Spares	13.75
O & M expenses	7.64
Receivables	77.02
Total	98.42
Rate of Interest (%)	13.20%
Interest	1.08

h. Table at Para 25 is revised as under:

(₹ in lakh)

Particulars	2013-14
Depreciation	9.09
Interest on Loan	10.26
Return on Equity	10.44
Interest on Working Capital	1.08
O & M Expenses	7.64
Total	38.51

i. Table at Para 35 is revised as under:

(₹ in lakh)

Name of Asset	Apportioned Approved Cost (RCE)	Total cost allowed as on 31.3.2014	Add.cap allowed for FY 2014-15	Add.cap allowed for FY 2015-16	Add.cap allowed for FY 2016-17	Add.cap allowed for FY 2017-18	Total Completion cost allowed as on 31.3.2019
Asset	4621.60	2320.71	927.40*	107.42	223.49	899.02	4478.04

*including discharge of liabilities of ₹27.87 lakh

j. Table at Para 37 is revised as under:



(₹ in lakh)			
Particulars	(%)	1.4.2014	31.3.2019
Debt	70.00	1624.49	3134.63
Equity	30.00	696.21	1343.41
Total	100.00	2320.71	4478.04

k. Table at Para 37 is revised as under:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Gross loan opening	1624.49	2273.67	2348.87	2505.31	3134.63
Cumulative Repayment up to previous year	8.70	151.19	319.19	494.48	698.37
Net Loan-Opening	1615.80	2122.49	2029.68	2010.84	2436.25
Additions during the year	649.18	75.19	156.44	629.31	0.00
Repayment during the year	142.49	168.00	175.29	203.90	227.37
Net Loan-Closing	2122.49	2029.68	2010.84	2436.25	2208.89
Average Loan	1869.14	2076.08	2020.26	2223.54	2322.57
Rate of Interest (%)	8.363%	8.360%	8.383%	8.408%	8.418%
Interest	156.31	173.57	169.36	186.95	195.50

l. Table at Para 42 is revised as under:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Equity	696.21	974.43	1006.66	1073.70	1343.41
Additional Capitalization	278.22	32.23	67.05	269.71	0.00
Closing Equity	974.43	1006.66	1073.70	1343.41	1343.41
Average Equity	835.32	990.54	1040.18	1208.56	1343.41
Return on Equity (Base Rate) (%)	15.50%	15.50%	15.50%	15.50%	15.50%
MAT rate for the year (%)	20.96%	20.96%	20.96%	20.96%	20.96%
Rate of Return on Equity (Pre Tax) (%)	19.610%	19.610%	19.610%	19.610%	19.610%
Return on Equity (Pre Tax)	163.81	194.25	203.98	237.00	263.44

m. Table at Para 45 is revised as under:



(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Opening Gross block	2320.71	3248.11	3355.53	3579.02	4478.04
Additional Capitalization	927.40	107.42	223.49	899.02	0.00
Closing Gross block	3248.11	3355.53	3579.02	4478.04	4478.04
Average gross block	2784.41	3301.82	3467.27	4028.53	4478.04
Rate of Depreciation (%)	5.12%	5.09%	5.06%	5.06%	5.08%
Depreciable Value	2505.97	2971.63	3120.54	3625.67	4030.23
Remaining Depreciable Value	2497.27	2820.45	2801.36	3131.20	3331.86
Depreciation	142.49	168.00	175.29	203.90	227.37

n. Table at Para 52 is revised as under:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	12.66	13.08	13.52	13.97	14.43
O & M Expenses	7.04	7.27	7.51	7.76	8.02
Receivables	93.72	106.70	109.39	123.43	133.94
Total	113.42	127.05	130.42	145.15	156.38
Rate of Interest (%)	13.50	13.50	13.50	13.50	13.50
Interest	15.31	17.15	17.61	19.60	21.11

o. Table at Para 53 is revised as under:

(₹ in lakh)					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	142.49	168.00	175.29	203.90	227.37
Interest on Loan	156.31	173.57	169.36	186.95	195.50
Return on Equity	163.81	194.25	203.98	237.00	263.44
Interest on Working Capital	15.31	17.15	17.61	19.60	21.11
O & M Expenses	84.42	87.22	90.12	93.11	96.20
Total	562.34	640.18	656.36	740.55	803.62

2. All other terms of the order dated 10.12.2018 remains unchanged.

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

Sd/-
(P.K.Pujari)
Chairperson

