CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Coram
Shri. A. H. Jung, Member

Petition No. 5/2002.

In the matter of

Revised tariff of Thermal Power Station II of NLC for the period 1.4.2001 to 31.3.2004.

And in the matter of

Neyveli Lignite Corporation Ltd. ------ **Petitioner**.

Vs

1. Tamil Nadu Electricity Board, Chennai,
2. Karnataka Power Transmission Corporation Ltd, Bangalore,
3. Kerala State Electricity Board, Thiruvananthapuram,
4. Pondicherry Electricity Department., Pondicherry,
5. Transmission Corporation of Andhra Pradesh Ltd, Hyderabad.

----- **Respondents**.

The following were present

1. Shri K.Sekar,NLC
2. Shri R.Suresh, NLC
3. Shri A.Ganesan, NLC
4. Shri R.Sowmyanarayanan, TNEB
5. Ms. Geetha,TNEB
6. Shri Johnson Jacob, KSEB

ORDER
(Date of Hearing : 30.8.2006)

This order is on the question of lignite transfer price referred to me by the Commission by its order dated 25.4.2006 for revised tariff for Thermal Power Station II (the generating station) of NLC for the period from 2001-02 to 2003-04.

2. The background of this reference is that the petitioner initially filed the petition for determination of tariff of the generating station for the period 1.4.2001 to 31.3.2004 on "Gross Fixed Assets" basis. However, as the tariff for the

generating station for the period 1.4.1996 to 31.3.2001 contained in Bulk Power Supply Agreement between petitioner and the respondents was based on Net Fixed Assets basis, the Commission vide order dated 3.5.20005 decided that the tariff for 2001-04 should also be determined on the basis of Net Fixed Assets basis. Accordingly, the petitioner filed revised tariff proposal dated 13.6.2005 on “Net Fixed Assets” basis along with additional information needed for this purpose.

3. In its proposal, the petitioner has considered the following lignite transfer prices stated to be as per direction of Ministry of Coal and as approved by Board of Directors :

(Rs/MT)

Year	Mine	Standalone	Pooled price
2001-2002	Mine-I	797*	Not applicable
	Mine-II 1	795	
	Mine-II 2	891	
2002-2003	Mine-I	758	Not applicable
	Mine-II 1	847	899
	Mine-II 2	941	
2003-2004	Mine-I	808	Not applicable
	Mine-II 1	905	1123
	Mine-II 2	996	
	Mine-I (Exp.)	1553	
	Mine-I A	1137	

* As agreed to by TNEB in the BPSA for TPS-I expired on 31.3.2002

4. The above lignite transfer prices were the pooled price of NLC Mines excluding TPS –I Mine. The above lignite prices considered by the petitioner were not acceptable to the respondent beneficiaries.

5. In compliance with the directions of the Commission, the petitioner submitted the detailed methodology adopted, including the computations in support of the transfer price for lignite considered in the proposal for tariff in

confidence to the Commission. The petitioner also explained the parameters for fixation of lignite transfer price to the respondent beneficiaries in a meeting convened by it.

6. The petition was again heard on 15.9.2005 and the Commission vide order dated 2.11.2005 directed the respondent No.1 to approach Ministry of Coal on the issue of lignite transfer price and place the decision of Ministry of Coal on record by 31.1.2006. The Commission allowed provisional capacity charge and the provisional energy charge based on lignite transfer price at 80% of the lignite transfer price of respective year considered in the tariff proposal.

7. The petitioner then filed Ministry of Coal order dated 30.1.2006 on the issue of lignite transfer price. In this order Ministry of Coal had rejected the contentions of beneficiaries on capacity utilization, funding pattern, additional capitalization, income tax, and interest on loan, ROE and royalty. For O&M expenses, Ministry of Coal allowed escalation rate of 8% instead of 10% adopted by the petitioner for computation of lignite transfer pricing and as against 4% to 6% sought by beneficiaries. As regards spares under Working Capital, Ministry of Coal decided that in order to exercise better control on inventory management, the petitioner should try to bring down the inventory of stores and spares to consumption of 12 months in a phased manner, which may be worked out on the basis of 16 months consumption for the first two years, 14 months consumption for the next year and 12 months consumption thereafter.

8. The petitioner worked out the lignite transfer price based on the principles decided by Ministry of Coal and submitted the detailed computations in support of the transfer price arrived at, in confidence.

9. On the directions of the Commission, respondent No.1 also submitted its calculations for transfer price of lignite. The comparative table of lignite transfer price as per calculations of the petitioner and respondent No.1 is as follows:

(Rs/MT)

Particulars	**Petitioner**		**Respondent No.1**
2001-02	Original	Revised	
Mine-II 1 (47 LT)	795.00	**770.00**	**566.89**
Mine-II 2 (58 LT)	891	**866.00**	**750.12**
Mine-II 2 (68 LT)	-	-	**(653.30)**
2002-03			
Mine-II 1 (47 LT)	847.00	818.00	589.08
Mine-II 2 (58 LT)	940.00	911.00	772.72
Mine-II 2 (68 LT)	-	-	(652.57)
Pooled price	**899.00**	**869.00**	
2003-04			
Mine-II 1 (47 LT)	905.00	861.00	613.06
Mine-II 2 (58 LT)	996.00	952.00	797.13
Mine-II 2 (68 LT)	-	-	(693.39)
Mine-I Expansion	1553.00	1558.00	1219.35
Mine-IA	1137.00	1139.00	1058.11
Pooled price (with 58 LT)	**1123.00**	**1098.00**	**888.94**
Pooled price (with 68 LT)	-	-	**(845.84)**

10. The Commission in its order dated 20.3.2006 observed that there are vast differences between the transfer prices computed by the petitioner and Respondent No.1 and directed the petitioner to submit the detailed calculations of the transfer price separately for each year during the tariff period, clearly bringing out the pricing parameters of the capital cost, gross block, additional capitalization, depreciation, net block, O&M expenses, power charges, income-tax, etc. along with all supporting documents and proper justification separately for each mine, duly reconciled with the balance sheet of the respective year. The calculations were to be supported by the following:

(a) Justification for depreciation rate along with asset-wise depreciation calculations;

(b) Year of capitalization of bucket wheel excavator of capacity 10 LT and its cost allocation to specific mine and increase in mine capacity, if any as a result thereof; and

(c) Basis for power charges, income-tax, FERV, interest rate for Working Capital.

11. The petitioner vide affidavit dated 25.3.2006 submitted the requisite information and also the audited transfer price of lignite of Mine-II (Stage-I &II), Mine-I Expansion and Mine IA as under:

Tariff Period 2001-04	**2001-02**	**2002-03**	**2003-04**
Production at 85% capacity (Lakh Tons)			
Mine-II - 1	39.95	39.95	39.95
Mine-II - 2	49.30	49.30	49.30
Mine-I Expansion			34.00
Mine-IA			25.50
Stand Alone Price (Rs/Ton)			
Mine-II - 1	756	800	850
Mine-II - 2	760	806	855
Mine-I Expansion			1810
Mine-IA			1160
Pooled Price			**1124**

12. As respondent No.1 still disputed the correctness of the computations made by the petitioner, the Commission by its order dated 25.4.2006 constituted the one-Member Bench with me as the Presiding Officer to consider the question of lignite transfer price and make appropriate recommendations to the Commission for its consideration. This order did not specify whether lignite transfer price for Mine-I is also to be deliberated by the Bench. According to the petitioner, lignite transfer price for Mine-I has already been firmed up at Rs.797/MT as per the Commission's order dated 31.8.2005 in Petition

No.81/2005 and therefore, the same was not to be computed afresh. Since the present tariff petition is for the period 2001-04, the scope of deliberation of the Bench was limited to the period 2001-04. The matter was heard by me on 26.6.2006 and 30.8.2006. After hearing the representatives of the parties present before me, the parties were required to furnish certain additional information. The petitioner, and respondent No.1 have filed the information as called for.

CAPITAL BASE

13. The lignite transfer price is to be worked out on NFA basis, as agreed to by both parties. Hence net block of the assets at the start of the period is to be arrived at and the capital base to be considered for the purpose of tariff worked out after considering the relevant parameters as discussed in succeeding paragraphs.

Gross Block

14. The gross block considered by the petitioner included capital works in progress and stock in store. Since capital works in progress are not serviced till they are put to use and capitalized, the petitioner was directed to submit the gross block after excluding capital works in progress and stock in store. The petitioner has indicated the gross block as follows:

(Rs in lakh)

	As on 1.4.2001	**As on 31.3.2003**
Mine-II ,Stage-I	72161	-
Mine-II ,Stage-II	89050	-
Mine-I Expansion	-	172272
Mine-I A		82086

15. Respondent No.1, has worked out the gross block as on 1.4.2001, based on BPSA as follows:

(Rs in lakh)

	As on 1.4.2001	**As on 1.4.2003**
Mine-II ,Stage-I	66016	-
Mine-II ,Stage-II	142601	-

Mine-I Expansion	-	141989
Mine-I A		93357

16. The gross block considered by respondent No.1 in case of Mine-II, Stage–I & II, are based on estimates of additional capitalization and deferred revenue expenditure, considered in BPSA and not on actuals. The gross block for Mine–I Expansion and Mine-IA are based on its own estimates. Since the gross block as certified by the statutory auditors is the clear indicator of actual capital expenditure, it would only be fair and reasonable to be guided by the gross block as per the books of accounts, to arrive at the lignite transfer price. Hence, the gross block indicated by the petitioner has been adopted for arriving at the net block as on 1.4.2001 for Mine-II, Stage–I & II and 1.4.2003 for Mine-I Expansion and Mine-IA.

Additional Capitalisation

17. The petitioner has considered additional capitalization based on the estimates provided in its annual budget for the respective year. Respondent No.1 has submitted that the period is already over and hence actual additional capitalization during the year and not the estimated expenditure should be considered for the purposes of tariff.

18. The recommendations of Ministry of Coal to consider the additional capitalization based on estimates in the annual budget, as I understand, has been made on the consideration that lignite transfer price shall be determined upfront and additional capitalization can be considered based on estimates, in such situations. In the present case, where lignite transfer price is being determined post facto with adjustment of gross and net blocks in each year based on actual expenditure, it would only be fair and reasonable to consider the

additional capitalization based on actuals. In future, the practice of considering additional capitalization based on budget estimates may continue if transfer price is worked out upfront.

19. The petitioner has indicated the following additional capitalisation in the respective year :

(Rs in lakh)

	2001-02	2002-03	2003-04	Total
Mine-II- Stage-I				
Works/Supplies	1138.45	749.17	458.52	2346.14
FERV	0.81	4.27	1.00	6.09
Total	1139.27	753.45	459.51	**2352.23**
Mine-II, Stage-II				
Works/Supplies	1404.90	924.51	565.83	2895.24
FERV	1.01	5.28	1.23	7.51
Total	1405.90	929.79	567.06	**2902.75**
Mine-I Expansion				
Works/Supplies	5081.63	44103.23	1579.65	50764.51
FERV	1332.24	7872.40	1314.85	10519.46
Total	6413.87	51975.63	2894.50	**61284.00**
Mine- I A				
Works/Supplies	16026.68	60455.93	9957.77	86440.38
FERV	28.60	144.44	25.88	198.92
Total	**16055.28**	**60600.37**	**9983.65**	**86639.30**

20. The actual additional capital expenditure shown above is considered for the purpose of working out the lignite transfer price on the assumption that it does not include any capital works in progress.

Depreciation and Cumulative Depreciation

Mine-I, Stage-I & II

21. The petitioner has arrived at the net block at the start of the tariff period after deducting the cumulative depreciation from the gross block as per books of accounts. The respondents have submitted that the tariff charged under the BPSA was based on capital base including estimated additional capitalization which was higher than the actual additional capitalization, whereby the respondents had paid higher depreciation. Therefore, the respondents have contended that net block should be arrived at after taking the cumulative

depreciation recovered in tariff and not the cumulative depreciation as per books of accounts. On the contrary, the petitioner states that payment of higher depreciation by the beneficiaries in the respective year would reduce the net block in the subsequent year, leading to lower return and hence depreciation based on depreciation recovery as per BPSA would tantamount to opening of the lignite transfer price of the previous tariff periods. This contention of the petitioner is not in order. The cumulative depreciation is a necessary ingredient of tariff particularly when Net Fixed Assets concept is applied. The petitioner can only be allowed to recover depreciation corresponding to the gross capital investment. Accordingly, depreciation recovery in the previous period has to be deducted from the actual gross block on a particular date.

22. The petitioner has submitted that the total depreciation recovery is Rs.133531 lakh till 31.3.2001 through the lignite transfer price of Mine-II, Stage-I &II, wherein, depreciation recovery for Mine-II, Stage-I is Rs 38791 lakh and depreciation recovery for Mine-II, Stage-II is Rs.94740 lakh. The depreciation recovery of Rs.133531 lakh includes the deferred revenue expenditure charge of Rs.38753 lakh. The petitioner has clarified that the deferred revenue expenditure being the revenue expenditure incurred pending approval of the competent authority, is amortized over five year period, on which return on equity has not been paid despite additions to the gross block. The petitioner has further submitted that it has stopped claiming deferred revenue expenditure through depreciation with effect from 1.4.2001.The recovery of this deferred revenue expenditure over five years cannot be termed as the depreciation recovery and, therefore, the cumulative depreciation recovered in tariff is considered after

reducing the deferred revenue expenditure from the depreciation recovery from the total recovery of Rs.133531 lakh. The actual depreciation recovery in tariff excluding deferred revenue expenditure is Rs.94776 lakh. In the absence of actual bifurcation, the deferred revenue expenditure is allocated to two mines in the ratio of their depreciation recovery during the respective year and in this manner depreciation recovery for Stage-I and Stage-II works out as Rs.28118 lakh and Rs 66658 lakh respectively.

Mine-I Expansion and Mine-I A

23. As regards Mine-I Expansion and Mine-I A, there is no history of depreciation recovery as in case of Mine-II, as these mines have been commissioned in 2002-03 and achieved full capacity utilization in 2003-04. However, the petitioner has indicated depreciation of Rs. 38464 lakh till 1.4.2003 in the case of Mine-I Expansion. There cannot be recovery of depreciation before the date of commercial operation. The petitioner has further confirmed that the gross block of Rs 172272 lakh is after adjustment of sale of lignite prior to the date of commercial operation of Mine-I Expansion.

24. The following cumulative depreciation is considered in respect of different mines :

(Rs in lakh)

Mine-II, Stage-I up to 31.3.2001	Mine-II, Stage-II up to 31.3.2001	Mine-I Expansion Up to 31.3.2003	Mine-I A Up to 31.3.2003
28118	**66658**	**0.00**	**0.00**

25. For the year 2003-04, the petitioner has considered depreciation as per provisions of the Companies Act 1956, in line with Ministry of Coal guidelines and is considered to be in order. The depreciation figures indicated by the petitioner may undergo slight change due to change in gross block. The petitioner should,

therefore, correct the depreciation figures corresponding to the gross block including actual additional capitalization. For the present computation of lignite transfer price, the depreciation figures given by the petitioner have been considered.

26. Accordingly, the net block for the respective year, is worked out as follows:

(Rs in lakh)

	Mine-II Stage-I			Mine-II Stage-II			Mine-I Expansion	Mine I A
	2001-02	**2002-03**	**2003-04**	**2001-02**	**2002-03**	**2003-04**	**2003-04**	**2003-04**
Opening Gross block	72161	73300	74053	89050	90456	91386	172272	82086
Cumulative depreciation	28118	29755	31508	66658	68678	70842	0.00	0.00
Opening NFA	44043	43545	42545	22392	21778	20544	172272	82086
Additions	1139	753	459	1406	930	567	2894	9984
Depreciation	1637	1753	1812	2020	2164	2236	16630	8689
Closing NFA	43545	42545	41192	21778	20544	18875	158536	83381

O&M EXPENSES

27. The petitioner has considered O&M expenses of Rs.20269 lakh for the year 2001-02 for Mine-II Stage-I and Rs.25013 lakh for the year 2001-02, in respect of Mine-II Stage-II based on actual O&M expenses for the year 2000-01, escalated @ 8%. For Mine-I Expansion and Mine-IA, the petitioner has considered O&M expenses of Rs.17117 lakh and Rs.5025 lakh, being about 10% and 6% respectively, of the gross blocks of these mines.

28. Respondent No.1 has stated that O&M expenses considered by the petitioner are on the higher side and has submitted that O&M expenses for the year 2000-01 as per BPSA were of the order of Rs 10264 lakh and Rs.12994 lakh respectively. Even if 8% escalation is considered on this, O&M expenses would be Rs.11085 lakh and Rs.13926 lakh respectively, for the year 2001-02.

29. The petitioner has clarified that O&M expenses are based on actuals and include deferred revenue expenditure. It has been submitted that the practice of

claiming deferred revenue expenditure as depreciation after including in the gross block has been abandoned and since 2000-01, the same is treated as part of O&M expenses.

30. Since O&M expenses shown by the petitioner was two times expenses proposed by respondent No.1, the petitioner was directed to submit the break up of actual O&M expenses of Mine-II Stage-I and Stage-II, for the year 1999-2000 and 2000-01. The actual O&M expenses submitted by the petitioner are as follows:

Break up of O&M Expenses

(Rs in lakh)

	1999-2000	**2000-2001**
Consumption of Stores & Spares	7331.25	7918.82
Repair & Maintenance	4469.49	4407.43
Insurance	36.58	51.64
Security	-	-
Administrative expenses		
Rent	-	-
Electricity charges	4875.84	5111.27
Travelling and Conveyance	100.16	253.64
Telephone, Telex &Postage	1.58	1.44
Advertising	5.53	4.70
Entertainment	0.24	0.39
Others (Statutory payment-water cess, License fees, stationery & other expenses	57.71	24.32
Sub-Total Admin. Expenses	5041.06	5395.75
Employee cost		
(a) Salaries, wages & allowances	3926.44	6296.29
(b) Staff welfare expenses	202.78	183.22
(c) Productivity linked Incentive	348.46	354.28
Deferred Revenue Expenditure	2446.36	10832.54
Prior period adjustments, if any	-	-
Donations	-	-
Corporate office expenses allocation	3064.47	6591.33
Total	**26866.88**	**42031.30**
Less:		
Other Income (revenue earned from external sales)	220.37	268.06
Net O &M Expenses	**26646.51**	**41763.24**

31. It is seen that O&M expenses under the head 'employee cost' and 'corporate office' have increased in 2000-01 and the deferred revenue expenditure is higher in 2000-01, when compared to 1999-2000. It also appears

that the expenses under the head ‘employee cost’ and ‘corporate office’ have doubled due to payment of arrears on account of pay revision, which include pay arrears prior to 2000-01. Also, in case of power block, the increase in the salary and administrative expenses is in the order of 20% in 2000-01, after spreading of pay arrears of the respective year.

32. The petitioner should have spread the arrears of pay and allowances to the respective year to which these belonged. Only the expenses relatable to the year 2000-01, should have been considered. Similarly, the entire balance of deferred revenue expenses of Rs.10832 lakh has been charged in 2000-01 under O&M expenses, due to discontinuance of the practice of charging deferred revenue expenditure to depreciation. The petitioner’s deferred revenue expenditure in the last 15 years is Rs.38758 lakh. This works out to Rs 2584 lakh per year and may be considered to be of recurring nature.

33. Under these circumstances, it would be reasonable if the increase in expenses under the heads ‘employee cost’ and ‘corporate office’, is restricted to 20%, over expenses for the year 1999-2000. As regards deferred revenue expenditure, the average value of Rs. 2584 lakh is treated as part of O & M expenses for 2000-01, escalated at 8 % to arrive at the O & M expenses for subsequent years. The balance of Rs 8249 lakh is allowed to be recovered in the next three years in equal installments in order to avoid its undue loading into the tariff.

34. In the case of Mine-I Expansion and Mine IA, O&M expenses as indicated by the petitioner have been considered. Accordingly, the following O&M expenses are considered for lignite transfer pricing:

(Rs in lakh)

	2001-02	2003-04
Mine-II ,Stage-I	14027	
Mine-II ,Stage-II	17310	
Mine-I Expansion		17117
Mine-I A		5025

CAPACITY UTILIZATION FACTOR

35. Ministry of Coal has recommended adoption of 85% capacity utilization factor which indicates that the petitioner should be able to recover its cost including return corresponding to 85% capacity utilization. Ministry of Coal has further observed that the petitioner should be suitably rewarded for performing efficiently and suffers if it fails to do so. Accordingly, capacity utilization factor of 85 % as recommended by Ministry of Coal has been adopted for computing the lignite transfer price.

POWER CHARGES

36. According to the petitioner, power charges would depend upon the lignite transfer price being decided by the Commission and as such the petitioner has included the power charges in O & M expenses based on power charges for 2000-01 with escalation on the same. The same is recommended as it appears to be in order.

RETURN ON EQUITY AND INTEREST ON LOAN

37. The return on Equity of 16% for 2001-04 is in order. However, the depreciation recovered should first reduce the loan component to the extent of loan repayment and later on the equity. The return on equity and interest on loan are being worked out accordingly.

INCOME TAX

38. There is no component of income-tax in the lignite transfer price as there is no actual sale of lignite . However, income-tax is allowed as pass through at actuals separately and is not to be built in the lignite transfer price.

INTEREST ON WORKING CAPITAL

39. The computation of working capital needs revision based on O&M expenses recommended. Further, the maintenance spares of 16 months in the first two years and 14 months in the 3rd year should be based on actual spares consumption of Rs.7918 lakh in 2000-01, in case of Mine-I, Stage –I & II. Based on the above recommendations, the lignite transfer price has been worked out for Stage-II. In case of Mine-I Expansion and Mine I A, the computation of interest on working capital as indicated by the petitioner is being considered. The interest on working capital worked out for the respective year of tariff period is as follows:

(Rs in lakh)

	2001-02	2002-03	2003-04
Mine-II ,Stage-I	800	864	838
Mine-II ,Stage-II	987	1066	1034
Mine-I Expansion			1320
Mine-I A			489

LIGNITE TRANSFER PRICE

40. Based on the above, the detailed computation of the lignite transfer price corresponding to lignite supply of 85% of capacity utilization factor is appended to this order. The lignite transfer price recommended is as follows:

	2001-02	2002-03	2003-04
Production at 85% capacity (Lakh Tons)			
Mine-II -1	39.95	39,95	39.95
Mine II-2	49.30	49.30	49.30
Mine-I Expansion			34.00
Mine-IA			25.50
Lignite transfer price at 85% utilization Stand alone price (Rs/Ton)			
Mine-II -1	666	696	722
Mine II-2	565	594	621
Mine-I Expansion			1757
Mine-IA			1010
Pooled Price	-	-	**974**

41. The petitioner may be directed to work out the lignite transfer price after reconciliation of the amounts of additional capitalization, depreciation thereof etc based on the above recommendations.

Sd/-
(A.H.Jung)
MEMBER

New Delhi dated 8th January, 2007

Computation of lignite transfer price

	Mine-II Stage-I			Mine-II Stage-II			Mine-I Expansion	Mine I A	Total
	2001-02	2002-03	2003-04	2001-02	2002-03	2003-04	2003-04	2003-04	
Parameter considered									
Gross capacity at 100% production **-LTs**	47	47	47	58	58	58	40	30	
Return on Equity **%**	16	16	16	16	16	16	16	16	
	(Rs in lakh)								
Opening Gross block	72161	73300	74053	89050	90456	91386	172272	82086	744764
Cumulative depreciation	28118	29755	31508	66658	68678	70842	0.00	0.00	
• Opening NFA	44043	43545	42545	22392	21778	20544	172272	82086	
• Additions	1139	753	459	1406	930	567	2894	9984	
• Depreciation	1637	1753	1812	2020	2164	2236	16630	8689	
• Closing NFA	43545	42545	41192	21778	20544	18875	158536	83381	
Avg NFA yr wise	43794	43045	41869	22085	21161	19709	165404	82734	
Avg debt	678	789	1054				39719	41471	
Avg Equity	43116	42256	40815	22085	21161	19709	125685	41263	
Cost computation	(Rs in lakh)								
O&M	14027	15149	16361	17310	18695	20190	17117	5025	123874
Recovery of Balance deferred revenue expenditure in 3 installments	1231	1231	1231	1519	1519	1519			
Depreciation	1637	1753	1812	2020	2164	2236	16630	8689	36941
Interest -Debt	25	27	32	-	0	0	1546	3607	5237
Interest on Working capital	800	864	838	987	1066	1034	1320	489	7398
ROE	6899	6761	6530	3534	3386	3153	20110	6602	56974
FERV	(-) 1	4	42	0.00	0.00	0.00	1305	66	1416
Income Tax	As per actual								
Cost before Royalty	24617	25789	26846	25369	26829	28133	58028	24478	240089
Add royalty @ Rs 50 per ton, corresponding to 85% utilisation.	1998	1998	1998	2465	2465	2465	1700	1275	16363
Cost including royalty corresponding to 85% utilisation	26615	27786	28844	27634	29294	30598	59728	25753	256452
	(Rs per Ton)								
Lignite transfer price at 85% capacity utilization	666	696	722	565	594	621	1757	1010	
Pooled Lignite transfer price at 85% capacity for 2003-04	**974.27**								