

**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, Consultant, TNEB,
5. Shri R.Krishnaswami, TNEB,
6. Ms. S.Geetha, TNEB.
7. Shri Visweswara Rao, KPTCL.
8. Shri V.Bharatheesha Rao, KPTCL.
9. Shri Johnson Jacob, KSEB.

ORDER
(DATE OF HEARING: 26.6.2006)

The dispute involves in computation of the lignite transfer price.

2. Heard the submissions of the representatives of the parties present before me. I find that there is considerable difference in the tariff parameters adopted by the petitioner and the first respondent for computation of lignite transfer price. In order to appreciate the controversy in correct perspective, the parties are required to furnish certain additional information.

3. Accordingly, the petitioner is directed to furnish the following information:

- (a) Actual gross block of Mine-II Stage-I as on 31.3.2001 as per the audited accounts,
- (b) Actual depreciation recovered as per the books of accounts up to 31.3.2001 in respect of Mine-II Stage-I,
- (c) Details of actual capital expenditure on works and FERV separately for the years 2001-02, 2002-03 and 2003-04,
- (d) Reasons for lower depreciation in the books of accounts as compared to depreciation shown in BPSA in respect of Mine-II Stage-I,
- (e) Details of computation of interest on working capital,
- (f) Details of the power charges included in O & M expenses and the rate of power charges considered by the petitioner as component of generation tariff.

- (g) Lignite transfer price computation for Mine-I for the years 2001-02, 2002-03 and 2003-04.
 - (h) Lignite transfer price computation in respect of all the mines for the year 2004-05, including Mine-I.
4. Similarly, the first respondent shall submit the following information:
- (a) Gross block as on 31.3.2001 considered for the tariff including estimated additional capitalization as per BPSAs signed.
 - (b) Cumulative depreciation recovered in tariff since the commissioning of the mines,
 - (c) Detailed calculation of the interest on working capital,
 - (d) A Copy of the Commission's order, relied upon by the first respondent, wherein direct reimbursement of FERV during the period 2001-04 is stated to have been allowed by the Commission,
5. Both petitioner and the first respondent are directed to submit the above information in respect of other mines of the petitioner.
6. The above information should be filed by the parties concerned latest by 7.8.2006, duly supported by affidavits, with copies to other respondents.
7. List the matter before me for hearing on 23.8.2006 at 11.30 a.m.

Sd/-
(A.H. JUNG)
MEMBER

New Delhi dated the 21th July, 2006