

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

**Petition No. MP/062/2014
with I.A. No. 16 of 2014**

- Subject : Petition for revision of the Escalation Rates for domestic Coal published by the Hon'ble Central Electricity Regulatory Commission for the purposes of payment in the PPA under Case -I Bidding process, along with Affidavit.
- Date of hearing : 15.4.2014
- Coram : Shri Gireesh B. Pradhan, Chairperson
Shri M. Deena Dayalan, Member
Shri A.K. Singhal, Member
Smt. Neerja Mathur, Member (Ex- officio)
- Petitioner : India Bulls Power Ltd.
- Parties present : Shri Sanjay Sen, Senior Advocate, India Bull
Shri Anurag Sharma, Advocate, India Bull
Shri Sanjay Nagrare, India Bull
Shri Niraj, India Bull

Record of Proceedings

Learned senior counsel for the petitioner submitted that the present petition has been filed for revision of methodology for computing the escalation rate for domestic coal for payment. Learned senior counsel further submitted as under:

- (a) Hardship faced by the petitioner is due to the escalation rate for domestic coal published by Central Electricity Regulatory Commission.
- (b) The Central Electricity Regulatory Commission uses Wholesale Price Index (WPI) for Non-Coking coal for calculating the escalation rate and the changes in the index have not been commensurate with the actual changes in the price of coal supplied by Coal India Limited (CIL) to power utilities.
- (c) The Commission in its order dated 23.12.2013 in Petition No. 308/SM/2013 has modified the escalation index for imported coal keeping in view the existing realities. Similarly, the methodology for computing the escalation rate for domestic coal needs to be modified.
- (d) The hardship faced by the petitioner may be temporarily relieved by making the escalation rate as zero instead of the current negative escalation rate for domestic coal published by CERC.

2. Learned senior counsel submitted that I.A. has been filed seeking direction from the Commission that zero percent escalation rates be applicable for domestic coal for the interim period from April, 2014 till pending disposal of the petition. The Commission declined to grant any relief without hearing the other stakeholders.

3. The Commission directed the staff of the Commission to prepare a staff paper with suitable suggestions to address the petitioner's problem, within two weeks on which comments will be invited from the stakeholders of Case-I bidding.

4. The petition shall be listed for hearing thereafter.

**By order of the Commission
Sd/-**

**(T. Rout)
Chief (Law)**