

Central Electricity Regulatory Commission
3rd & 4th Floor, Chanderlok Building, 36 Janpath, New Delhi-110 001

No. Eco-A/2018-CERC

June 1, 2018

NOTIFICATION

In pursuance of Clause 5.6 (vi) of Ministry of Power Notification dated 19.1.2005 on “Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees”, as amended from time to time, the Central Electricity Regulatory Commission notifies various annual escalation rates (including the escalation rate for domestic coal) for the purpose of payment.

2. As per the methodology developed in July 2009, CERC has been using Wholesale Price Index (WPI) for Non-coking coal published by Department of Industrial Policy & Promotion (DIPP) for computing the escalation rate for domestic coal. On 12.5.2017, the Office of the Economic Advisor, DIPP, Ministry of Commerce & Industry published the new series of WPI (Base 2011-12) from April 2012. The escalation rate for domestic coal for the purpose of payment based on the new series of WPI for Non-coking coal (G7-G14) is more reflective of the prices of grades of Non-coking coal used by the power sector as compared to the old series of WPI for Non-coking coal (which represents the price of all grades of Non-coking coal i.e. G1-G17).

3. Therefore, consequent to the availability of the new series of WPI for Non-coking coal (G7-G14), the Commission has decided to adopt the new series from April 2012 for notification of the escalation rates for domestic coal as under:

- (i) The escalation rates (based on the new series) applicable from April 2013 to March 2017 shall be used only for correcting the payment index (base energy charges) and not for the purpose of payment.

- (ii) The escalation rates (based on the new series) applicable from April 2017 shall be used for payment. Accordingly, the escalation rates for domestic coal notified (as provisional) in April 2017 and October 2017 shall be considered as final.

4. The Commission hereby notifies the annual escalation rates for domestic coal for the purpose of payment and the annual escalation rates for domestic coal based on the new series of WPI for Non-coking coal (G7-G14) for correcting the payment index (base energy charges) as per the following table.

Annual Escalation Rates for Domestic Coal			
Notification	Annual Escalation Rates for Domestic Coal notified by CERC for the purpose of payment		Annual Escalation Rates for Domestic Coal (based on the New Series of WPI for Non-coking Coal G7-G14) for Correcting the Payment Index (base energy charges)
	Escalation Rates based on WPI for Non-coking Coal G1-G17	Escalation Rates based on WPI for Non-coking Coal G7-G14	
(1)	(2)	(3)	(4)
Apr 2013	4.10%	-	8.31%
Oct 2013	0.71%	-	1.82%
Apr 2014	3.55%	-	9.77%
Oct 2014	1.24%	-	8.27%
Apr 2015	0.00%	-	0.00%
Oct 2015	0.00%	-	0.00%
Apr 2016	0.00%	-	0.00%
Oct 2016	0.51%	-	2.79%
Apr 2017	-	13.78%*	-
Oct 2017	-	0.00%*	-

Note: Annual Escalation Rate for Domestic Coal notified (as provisional) in April 2017 vide Notification No. Eco-1/2017-CERC dated May 30, 2017 and in October 2017 vide Notification No. Eco-2/2017-CERC, dated October 10, 2017 () are final.*

Sd/-
(Sanoj Kumar Jha)
Secretary