

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No: 32/MP/2018

Coram:

**Shri P.K. Pujari, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member**

Date of Order: 9th of July, 2018

In the matter of

Increase in Operation and Maintenance expenses incurred by NLCIL's Mines on account of Wage Revision and other pay hikes with effect from 1.1.2012 to Employees (Non-Executives and Workmen) posted in NLCIL Mines linked to NLCIL's Power Stations, namely NLCIL TPS I (600 MW), NLCIL TPS II - Stage I (3X210 MW), NLCIL-TPS II-Stage II (4X210 MW), NLCIL TPS I Expn (2x210 MW) and NLCIL Barsingsar Thermal Power Station (2X125 MW) and to allow appropriate adjustment of money due from/payable to the beneficiaries of NLCIL Stations for the period 1.1.2012 to 31.3.2014.

And

In the matter of

NLC India Limited
First Floor, No.8, Mayor Sathyamurthy Road,
FSD, Egmore Complex of Food Corporation of India,
Chetpet, Chennai-600031,
Tamil Nadu, India

..... **Petitioner**

Vs

1. The Chief Engineer/Mechanical/Regulatory Cell
Tamil Nadu Generation and Distribution Company Ltd.
NPKRR Maaligai, 144, Anna Salai, Chennai-600 002

2. The Chief Engineer (Commercial), APPCC
APTRANSCO, Vidyut Soudha,
Khairatabad, Hyderabad-500082.

3. The Managing Director
Southern Power Distribution Company of A.P. Ltd. (APSPDCL)
D.NO:19-13-65/A
Srinivasapuram, Tiruchanoor Road
Tirupathi(AP)-517501.



4. The Managing Director,
Eastern Power Distribution Company of A.P. Ltd. (APEPDCL)
P&T Colony, Seetammadhara, Vishakapatnam (AP)-503013

5. The Chief Engineer (Commercial), TSPCC
TSTRANSCO,
Vidyut Soudha,
Khairatabad, Hyderabad-500082.

6. The Managing Director,
Northern Power Distribution Company of Telangana Ltd. (TS NPDCL)
H.No. 1 -1-504, Opp. NIT petrol Pump,
Chaityanayapuri colony, Hanmkonda,
Warangal (Telangana) - 506 004.

7. The Managing Director,
Southern Power Distribution Company of Telangana Ltd. (TS SPDCL)
2nd Floor, H.No.6-1-50, Mint Compound,
Hyderabad-500063.

8. The Director(Commercial)
Power Company of Karnataka Ltd,
KPTCL Complex, Kaveri Bhavan,
Bangalore – 560009.

9. The Managing Director,
Bangalore Electricity Supply Company Ltd(BESCOM)
Krishna Rajendra Circle
Bangalore - 560 001.

10. The Managing Director,
Mangalore Electricity Supply Company Limited (MESCOM)
Corporate Office, MESCOM Bhavana, Bejai, Kavour Cross Road,
Mangalore 575 004.

11. The Managing Director,
CESC Mysore (Chamundeshwari Electricity Supply Co. Ltd.)
Corporate Office No CA 29,
Vijayanagar 2nd Stage
Hinakal, Mysore -570017

12. The Managing Director,
GESCOM (Gulbarga Electricity Supply Company Ltd.)
Main road, Gulbarga, Gulbarga -585 102
Karnataka.



13. The Managing Director,
HESCOM (Hubli Electricity Supply Company Ltd.) Corporate office
P.B.Road, Navanagar, Hubli - 580 025.

14. The Chief Engineer (Commercial & Tariff)
Kerala State Electricity Board Ltd,
Vaidyuthi Bhavanam,
Pattom, Thiruvananthapuram-695004.

15. The Superintending Engineer I (HOD),
Puducherry Electricity Department,
137, NSC Bose Salai, Puducherry – 605 001.

16. The Managing Director,
Jodhpur Vidyut Vitaran Nigam Ltd.,
New Power House, Heavy Industrial Area,
Jodhpur, Rajasthan 342 003

17. The Managing Director,
Jaipur Vidyut Vitaran Nigam Ltd.,
Vidyut Bhavan, I Floor, Janpath,
Jaipur , Rajasthan– 302 005

18. The Managing Director,
Ajmer Vidyut Vitaran Nigam Ltd.,
Old Power House Hathi Bhata,
Jaipur Road, Ajmer, Rajasthan 305 001

19. The Chief Executive Officer,
Rajasthan Urja Vikas Nigam Ltd,
Shed no.5/5, Vidyut Bhawan, Janpath,
Jaipur, Rajasthan – 302 005

.... Respondents

Parties present:

Shri M.G.Ramachandran, Advocate, NLC
Ms. Anushree Bardhan, Advocate, NLC
Shri S.Gnana Prabhakaran, NLC
Shri S. Vallinayagam, Advocate, TANGEDCO
Shri Jayaprakash R. TANGEDCO

ORDER

The Petitioner, Neyveli Lignite Corporation India Limited, (hereinafter referred to as NLCIL) has filed the present petition seeking directions of the Commission to allow the Petitioner to increase and recover O&M expenses of NLC



Mines linked to NLC's generating stations due to increase in employee cost on account of wage revision of employees (Non-Executives and Workmen) deployed at NLCIL Mines linked to NLCIL's generating Stations, namely NLCIL TPS I (600 MW), NLCIL TPS II - Stage I (3X210 MW), NLCIL-TPSII- Stage-II (4X210 MW), NLCIL TPS-I Expansion (2 x 210 MW) and NLCIL Barsingsar Thermal Power Station (2X125 MW) for the period from 1.1.2012 to 31.3.2014, and to allow appropriate adjustment of money due from/payable to the beneficiaries of NLCIL's generating stations. The Petitioner has made the following prayers:

“(a) To take on record the present petition filed by NLCIL in respect of the increase in the O&M expenses on account of Wage Revision and other pay hikes of employees of NLCIL Thermal Power Stations during the period 1.1.2012 to 31.3.2014.

(b) To allow the additional O&M expenses due to wage revision w.e.f. 1.1.2012 and permit for appropriate adjustment of money due from/payable to beneficiaries of NLCIL power Stations due to Wage revision and other pay hikes to Employees (for Non-Executives and workmen) of NLCIL Mines linked to NLCIL Power Stations, namely NLCIL TPS-I (600 MW) NLCIL TPS-II Stage I (3X210 MW), NLCIL- TPS-II, Stage-II (4X210 MW), NLCIL TPS-I Expansion (2 X 210 MW) and NLCIL BTPS (2 X 125 MW), for the period 1.1.2012 to 31.3.2014.”

Submission of the Petitioner

2. The Petitioner has submitted that the Commission in its various orders approved the revised Lignite Transfer Price for NLCIL Mines linked to NLCIL's generating stations, namely NLCIL TPS-I (600 MW), NLCIL TPS-II Stage-I (3X210 MW), NLCIL- TPS-II Stage-II (4X210 MW), NLCIL TPS-I Expansion (2X210 MW) and NLCIL Barsingsar Thermal Power Station (2X125 MW) for the tariff period 2009-14.

3. The Petitioner has submitted that Para 4.5 of the Ministry of Coal (MOC) guidelines dated 11.6.2009 provides that “it was also agreed that the O & M



expenses would be trued up at the beginning of the next tariff period”. Para 8 (v) of the Ministry of Coal` guidelines dated 2.1.2015 further provides that “as the impact of wage revision of workers from 1.1.2012 cannot be quantified and included in the tariff at this point of time. Therefore, as and when the same is finalized, NLC shall claim at actual”.

4. The Petitioner has submitted that in the truing up Petitions of lignite transfer price for the period 2009-14, the Petitioner, had sought the permission of the Commission for claiming the impact of wage revision for non-executives and workers w.e.f. 1.1.2012 on actual basis, as the same could not be quantified at the time of filing of the truing up Petitions. The Commission in its order dated 20.3.2017 in Petition No.149/MP/2015 held that the wage revision for non-executives and workers has not been quantified and therefore, in the absence of complete details with regard to impact of wage revision, the claim cannot be decided in this order. However, the Petitioner was granted liberty to approach the Commission with relevant details in accordance with law. In pursuant to liberty granted, the Petitioner has approached the Commission by way of the present petition.

5. The Petitioner has submitted that the salary/wage revision of the Petitioner’s employees was due from 1.1.2012. Wage revision to employees (for non-executives/workmen) was implemented as per the guidelines of Department of Public Enterprise and Ministry of Coal and on 3.11.2015, the Petitioner issued the order in this regard. Pursuant to the said order, there has been an increase in the employee cost substantially and the Petitioner has placed on record the details of pay revision impact for the period 2012-14 along with Auditor Certificate.



6. The petition was heard after notice to the respondents. Reply to the Petition has been filed by Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) and the Petitioner has filed rejoinder thereof.

7. Tamil Nadu Generation and Distribution Corporation Limited in its reply dated 3.5.2018 has submitted that there is no provision in the MoC guidelines to include the wage revision expenditure in the O&M expenses. The MoC while determining the O&M expenses norms for the NLC mines for the period 2009-14 has considered these factors and accordingly, determined the escalation factor of 11.5% per annum which is already more than the O&M escalation of 5.75% as per the 2009 Tariff Regulations. TANGDECO has further submitted that, the present petition is not maintainable as the Petitioner has shown abnormal delay in filing the Petition and that the Petitioner should have filed the Petition during 2015-16. TANGEDCO has submitted that due to inclusion of wage revision expenses, the O&M expenses and lignite transfer price for the period 2009-14 have increased. Considering the earlier price of lignite transfer price (variable cost), the Petitioner has already enjoyed the benefit of scheduling in merit order despatch. The Petitioner, after wage revision expenditure for the period 2012-14, cannot now claim the difference in energy charge rate as arrears due to escalation of lignite transfer price.

8. The Petitioner in its rejoinder dated 11.05.2018 has submitted as under:

(a) The wage revision order for workmen and non-executives of the Petitioner was issued on 3.11.2015. Since, the quantum of arrears could not be ascertained as on date of filing of truing up Petition, the same was mentioned in the lignite price truing up petition filed by the Petitioner.



(b) After completing all payments, the auditor certificate was received on 8.12.2017 and thereafter, the present Petition was filed on 22.1.2018.

(c) Since the quantum of impact could not be ascertained at that point of time, it could not be included as noted above by the Ministry of Coal.

(d) Having known this factor, TANGEDCO who was also heard by the Ministry of Coal while formulating the guidelines, could have stacked NLCIL in MOD (merit order despatch) appropriately.

(e) TANGEDCO has failed to appreciate the factual position that lignite transfer price truing up exercise for the period 2009-14 has resulted in net refund to the beneficiaries by NLCIL on account of power of NLCIL being scheduled. Thus, NLCIL is in fact in at disadvantageous position.

(f) TANGEDCO has been repeatedly advancing the argument regarding merit order dispatch in all the petitions and also in the appeals filed before the Hon'ble Tribunal for Electricity and reply to the Petitions filed by the Petitioner, without any basis whatsoever and which is misconceived and liable to be rejected.

9. The Petitioner, vide Record of Proceedings for the hearing dated 29.5.2018, was directed to submit the following information:

(a) Copy of the guidelines of Department of Public Enterprise and Ministry of Coal based on which the wage revision order dated 3.11.2015 has been passed by the HR department of NLC.



(b) Mine-wise audited statement indicating wage before revision and wage after revision for the years 2011-12, 2012-13 and 2013-14.

(c) Certification to the effect that the impact of wage revision has not been billed to the beneficiaries by increasing lignite transfer price on month to month basis.

(d) Certification to the effect that mined lignite from the mines for which wage revision impact is being claimed, is solely used for power generation from the generating stations under the purview of the Commission. In case, mined lignite is being used/sold elsewhere, the Petitioner shall clearly indicate as to how the wage revision impact is being sought/ accounted for the quantum of lignite used for power generation.

The Petitioner vide its affidavit dated 19.6.2018 has submitted the information called for.

Analysis and Decision:

10. We have considered the submissions of the Petitioner and TANGEDCO and perused documents on record. The Petitioner is a generating company owned and controlled by the Central Government. The tariff for sale of electricity generated at the Petitioner's generating stations is regulated by the Commission in terms of clause (a) of sub-section (1) of Section 79 of the Electricity Act, 2003. Lignite extracted from the mines maintained and operated by the Petitioner is used for generation of electricity for supply to the Respondents. The lignite transfer price for the tariff period 2009-14 was computed by the Petitioner based on Ministry of Coal guidelines dated 11.6.2009 which was approved by the Commission while



determining the tariff of the thermal generating stations of the petitioner for the tariff period 2009-14.

11. Before we proceed to the merit of the case of the Petitioner, it is considered appropriate to deal with the objection of TANGEDCO with regard to maintainability of the petition.

12. TANGDECO has submitted that the present petition is not maintainable as the Petitioner has shown abnormal delay in filing the petition and the Petitioner should have filed the petition during 2015-16. The Petitioner has submitted that wage revision order was issued on 3.11.2015 and after obtaining the Auditor's Certificate on 8.12.2017 and completing all payments, the present petition was filed on 22.1.2018. This is not the fact that the wage revision has been claimed by the Petitioner only in the year 2018, the Petitioner in its earlier Petition No. 149/MP/2017 had sought permission to claim the impact of wage revision for non-executives and labours of NLC with effect from 1.1.2012 at actual from the beneficiaries directly without approaching the Commission after its finalization. TANGEDCO in the said Petition had submitted that since, the Commission is the competent authority to determine the generation tariff in respect of the Central Generating Stations, no additional O & M expenses should be allowed without being approved by the Commission. The Commission after considering the submissions of the Petitioner and TANGEDCO vide order dated 20.3.2017 had observed as under:

“32. The wage revision for non-executives and labours has not been quantified and therefore, in the absence of complete details with regard to impact of wage revision, the claim cannot be decided in this order. However, the petitioner is granted liberty to approach the Commission with all relevant details in accordance with law.”



Since, the Petitioner, in the absence of detailed expenditure during truing up, could not quantify actual amount to be claimed, the prayer of the Petitioner for seeking permission to claim the impact of wage revision for non-executives and workmen of NLC with effect from 1.1.2012 at actual from the beneficiaries, was rejected but the Petitioner vide order dated 20.3.2017 in Petition No. 149/MP/2017 was granted liberty to approach the Commission with the relevant details. In pursuance of liberty granted, the Petitioner has approached the Commission by way of the present Petition. In the present, the Petitioner has furnished the actual expenditure, duly certified by the Auditor. In light of the above, we do not find any merit in the contention of TANGEDCO that the petition is not maintainable. Accordingly the contention of TANGEDCO on maintainability is rejected.

13. TANGEDCO has further submitted that due to inclusion of wage revision expenses, O&M expenses will also increase which would result in increase in the lignite transfer price for the period 2009-14. According to TANGEDCO, considering the earlier price of lignite transfer price (variable cost), the Petitioner has already enjoyed the benefit of scheduling in Merit Order Despatch (MOD) and the Petitioner cannot claim the difference in energy charge rate as arrears due to escalation of lignite transfer price after wage revision expenditure for the period 2012-14.

14. The Petitioner has contended that Ministry of Coal while formulating the guideline for computation of lignite transfer price had considered the submissions of TANGEDCO. The Petitioner has placed on record the details of actual trued up lignite transfer price including royalty for the period 2009-14 and has stated that NLCIL is, in fact, in a disadvantageous position as the lignite transfer price as billed and considered for MOD, except for the year 2009-10, was higher than the actual



trued up lignite transfer price including royalty for the period 2010 to 2014. In this regard, the Petitioner has furnished the details as under:

NLCIL POOLED LIGNITE TRANSFER PRICE (LTP) (INCLUDING ROYALTY)						
						Rs/Ton
	2009-10	2010-11	2011-12	2012-13	2012-13	2013-14
LTP trued up	1383	1432	1543	1516	1530	1673
LTP billed	1376	1444	1569	1588	1604	1692
Difference per tone	7	-12	-26	-72	-74	-19

Perusal of the above data reveals that the Petitioner did not enjoy the benefit of scheduling in Merit order despatch (MOD). Therefore, the contention of TANGEDCO that the Petitioner had enjoyed the benefit of scheduling in MOD, is not tenable. Now, we proceed to deal with the prayer of the Petitioner to allow the additional O & M expenses due to wage revision w.e.f. 1.1.2012 and for permission for appropriate adjustment of money due from/payable to beneficiaries of NLCIL generating stations due to wage revision and other pay hikes to employees (for non-executives and workmen) of NLCIL Mines linked to the Petitioner's generating stations.

15. The Petitioner is operating integrated Mining cum Power Projects under the administrative control of the Govt. of India, Ministry of Coal. The Commission as a Central Regulator is only regulating the tariff of lignite based thermal generating stations of NLC and has no role in deciding the lignite transfer price which is linked to mining projects. Lignite transfer price is calculated by NLC based on the guidelines issued by the Ministry of Coal based on the components such as Capacity Utilization, Debt-Equity Ratio, Return on Equity, Additional Capitalization, Depreciation, O&M expenses, Spares under Working Capital, Income Tax, etc. which are taken into consideration for calculation of lignite transfer price apart from Opening Gross Block of Mines in a financial year as audited by the Auditor.



16. With regard to revision/wage revision, the Ministry of Coal(MOC) on 11.6.2009 issued guidelines for computation of lignite price for the period from 2009-14 and the lignite transfer price as computed by the Petitioner based on the said guidelines and certified by the Auditor were considered by the Commission while issuing various tariff orders for the period 2009-14.

17. The MOC guidelines dated 11.6.2009 had projected expenditures, which are to be trued up at the beginning of the next tariff period. Relevant portion of MOC guidelines is as under:

“Para 4.5...It was also agreed that the O & M expenses would be trued up at the beginning of the next tariff period”

18. It is observed that the Ministry of Coal in its order No.28012/1/2014-CA-II, dated 2.1.2015 recognised the fact that the impact of wage revision of workers from 1.1.2012 was not quantified and included in the tariff. The relevant portion of order dated 2.1.2015 is extracted as under:

“8(V)As the impact of wage revision of workers from 1.1.2012 cannot be quantified and included in the tariff at this point of time. Hence, as and when the same is finalised, NLC shall claim at actual. However, NLC shall take maximum care at the time of negotiation with workmen unions to keep the wage increase to the minimum.”

Further, Ministry of Coal in Para 5 of its guidelines dated 2.1.2015 has observed that 11.55% escalation in O&M expenses of mines does not include the impact of wage revision, which can be ascertained from the extracted portion as under:

“8.(v) Considering the impact of wage revision which cannot be quantified at this stage and adverse stripping ratios of OB beyond the normative level as considered in FR necessitating outsourcing, these factors shall not be part of normal O & M expenditure. Moreover, in the absence of truing up claim of lignite by NLC for 2009-19, the proposal of



NLC to enhance escalation from 11.55 to 13% is not agreeable. Therefore, the prevailing rate of 11.55 shall continue.”

In view of above observations and directions of MOC, it is clear that the 11.55% escalation allowed by MOC in O&M expenses of mines for computing lignite transfer price for the period 2009-14 did not include wage revision impact for the period 2012-14. Therefore, there is no merit in the contention of TANGEDCO that 11.55% escalation includes the impact of wage revision.

19. The Petitioner has provided mine-wise and year-wise impact due to wage revision for the periods 2011-12 to 2013-14 as under:

(Value in Rs.)

Stations	2011-12	2012-13	2013-14	TOTAL
Mine I	4,10,17,976	19,17,40,838	20,94,75,551	44,22,34,365
Mine I EXP	2,52,41,832	11,79,94,362	12,89,08,032	27,21,44,225
Mine IA	2,10,79,864	9,90,90,646	10,90,46,122	22,92,16,631
Mine II	6,87,96,724	32,24,25,762	35,91,71,736	75,03,94,222
Barsingsar	84,680	4,22,090	4,82,084	9,88,854

20. The Petitioner vide its affidavit dated 19.6.2018 has submitted the wage details before and after revision for the years 2011-12, 2012-13 and 2013-14 certified by the Auditor. The Petitioner has also certified that impact of wage revision has not been billed to the beneficiaries by increasing the lignite transfer price on month to month basis for the financial years 2011-12, 2012-13 and 2013-14.

21. The Petitioner has submitted the duly audited wage details before and after revision for the period 2011-12, 2012-13 and 2013-14 as under:

(Value in Rs.)

STATIONS	2011-12		2012-13		2013-14	
	Due (After revision)	Drawn (Before revision)	Due (After revision)	Drawn (Before revision)	Due (After revision)	Drawn (Before revision)
Mine I	412208279	371190303	1683998030	1492257193	1858069448	1648593896
Mine I Expn	253666633	228424802	1036306480	918312119	1143427352	1014519321
Mine IA	211580426	190500562	867854407	768763761	964419232	855373110
Mine II	691874573	623077849	2842425218	2519999446	3184541391	2825369655
Barsingsar	823538	738858	3643370	3221280	4228739	3746654
Total	1570153450	1413932375	6434227495	5702553797	7154686162	6347602637



From the above tables, it is noticed that the actual impact due to wage revision of NLC employees (non-executives and workmen) is Rs 4422.344 lakh for Mine-I, Rs 2721.44 lakh for Mine-I Expansion, Rs 2292.17 lakh for Mine-IA, Rs 7503.94 lakh for Mine-II and Rs 9.89 lakh for Barsingsar Mines. The above impact totals to Rs.16949.78 lakh.

22. In order to assess the amount which can be recovered by NLCIL from power plants to which the mined lignite is being sent for power generation, the Commission vide ROP of the hearing held on 29.5.2018 directed the Petitioner to submit certification to the effect that mined lignite from the mines for which wage revision impact is being claimed, is solely used for power generation from the generating stations under the purview of the Commission, in case, mined lignite is being used/sold elsewhere, the Petitioner shall clearly indicate as to how the wage revision impact is being sought/ accounted for the quantum of lignite used for power generation.

23. The Petitioner in reply to the above query of the Commission has submitted the year-wise details of the total lignite dispatched from its various mines, lignite sold in open market (3 to 4.5%) and has accordingly indicated that out of total wage revision impact of Rs.16949.78 lakh, an amount of Rs. 655.09 lakh can be attributed to the quantum of coal sold in open market. The details as submitted by the Petitioner in this respect are as under:

**Statement showing effect of sales of lignite on Pay revision of Non Executives
Lignite Dispatched (LT)**

Year	Total Lignite Dispatched	Open Sales
2011-12	244.99	7.32
2012-13	255.77	8.56
2013-14	260.19	11.72



Wage revision impact-Mines

Year	Total Wage revision for Mines (Rs.)	Open Sales (%age to total)	Open sales portion (Rs.)	Balance (Rs.)
2011-12	156221075	2.99%	4667693.654	151553381
2012-13	731673698	3.35%	24487339.61	707186358
2013-14	807083525	4.50%	36354275.37	770729249
Total	1694978297		65509309	1629468989

Note: Impact of wage revision of Non-Executives pertaining to Mines have been apportioned on the basis of quantity of lignite consumed for power generation and quantity of lignite sold.

24. It is observed that the Petitioner has submitted the details based on lignite dispatched during the period in question in place of quantity of lignite mined (produced) as was intended vide ROP. Notwithstanding the same and considering the above submission of the Petitioner as such, the wage revision impact corresponding to the lignite supplied for power generation works out to Rs.16294.69 lakh.

Further, considering the fact that the lignite dispatched during the period may be less/more than the lignite produced during the period for which wage impact is being sought, the Commission is of the view that the Petitioner shall calculate the month-wise and mine-wise wage revision impact which can be linked to power generation on the basis of lignite produced, lignite sold in open market, lignite dispatched to power stations and balance lignite kept in stock, if any at mine end and power project end. This may further reduce the overall wage revision impact corresponding to the lignite supplied for power generation from the figure of



Rs.16294.69 lakh indicated above on the basis of lignite dispatched as the total wage revision impact cannot be landed on the lignite supplied for power generation.

25. Ministry of Coal in its order dated 2.1.2015 in fixation of transfer price of lignite for MLC Mines for the period 2014-19 directed the Petitioner to recover increase in cost due to wage revision w.e.f. 1.1.2012 to 31.3.2014 on actual basis. However, considering the fact that as per Tariff Regulations, the Petitioner is entitled to recover variable charges corresponding to schedule energy only, allowing recovery of entire wage revision impact directly from the beneficiaries would tantamount to allowing increase in variable charges corresponding to actual energy generated by the NLCIL generators.

26. As such, the Petitioner is directed to first calculate the month-wise and mine-wise increase in Lignite Transfer Price (Rs/MT) corresponding to wage revision impact which can be linked to power generation. Then based on this increase in Lignite Transfer price (LTP), month-wise recovery corresponding to schedule energy from each generating station, based on operating parameters and source of supply shall be calculated. Summation of these month-wise/station-wise recoveries for the period in question i.e 1.1.2012 to 31.03.2014 shall be recovered from the beneficiaries in twelve equal instalments starting from the month of issue of this order.

27. Keeping in view the time taken by the Petitioner in finalizing the accounts, we order that no interest shall be charged on the arrears. In our view, this arrangement will protect the interest of both the Petitioner and the beneficiaries.



28. The increase in the LTP based on the wage revision impact shall not be used for the purpose revising the IWC component of AFC for the period 2009-14 as per 2009 Tariff Regulations.

29. Petition No.32/MP/2018 is disposed of in terms of the above.

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

sd/-
(A. S. Bakshi)
Member

sd/-
(A. K. Singhal)
Member

sd/-
(P.K. Pujari)
Chairperson

