

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 173/MP/2020

Subject : Petition for approval for revision of Lignite Transfer Price of NLCIL Barsingsar Mine for the period from 1.4.2014 to 31.3.2019 on account of truing up on additional capitalization for 2014-19, O&M expenses, over burden removal and consequent depreciation and return on equity as per Ministry of Coal Guidelines dated 2.1.2015 on Fixation of Transfer Price of Lignite.

Petitioner : NLC India Limited (NLCIL)

Respondents : Jodhpur Vidyut Vitran Nigam Limited and Ors.

Date of Hearing : 14.7.2020

Coram : Shri I. S. Jha, Member
Shri Arun Goyal, Member

Parties present : Shri M. G. Ramachandran, Sr. Advocate, NLCIL
Ms. Anushree Bardhan, Advocate, NLCIL
Shri Anil Kumar Sahni, NLCIL
Ms. Swapna Seshadri, Advocate, Rajasthan Discoms
Shri Anand Ganesan, Advocate, Rajasthan Discoms
Shri Ashwin Ramanathan, Advocate, Rajasthan Discoms

Record of Proceedings

The matter was heard through video conferencing.

2. Learned counsel for the Petitioner submitted that the instant Petition has been filed, *inter-alia*, seeking approval of revision in lignite transfer price of the Petitioner's Barsingsar Mine for the control period 2014-19 on account of truing-up of additional capitalization, O & M expenses, removal of overburden, consequent depreciation and return on equity as per Ministry of Coal Guidelines dated 2.1.2015 regarding fixation of transfer price of lignite. Learned counsel requested to issue notice to the Respondents.

3. Learned counsel for the Respondents 1 to 3, i.e. Rajasthan Distribution Companies, accepted the notice and sought four weeks' time to file reply.

4. After hearing the learned counsels for the parties, the Commission admitted the Petition and directed to issue notice to the Respondents.



5. The Commission directed the Petitioner to serve copy of the Petition on the Respondents immediately, if not already served. The Respondents were directed to file their reply, by 14.8.2020 with advance copy to the Petitioner who may file its rejoinder, if any, by 28.8.2020.

6. The Commission further directed the Petitioner to provide the following information/clarification on affidavit, by 10.8.2020:

(a) Breakup of the claimed trued up lignite base transfer price clearly indicating each component included in the total lignite transfer price considered for each year for the period 2014-19;

(b) Details of actual additional capital expenditure incurred during 2014-19 along with reasons and justification for incurring the same;

(c) Calculation for arriving at the claimed trued up base lignite transfer price in terms of the guidelines of MOC and clarify whether any price adjustment has been carried out with respect to grade slippage and less removal of overburden in comparison to notified overburden removal;

(d) Component-wise comparison of earlier lignite transfer price allowed by the Commission with trued up price claimed in the instant Petition along with reasons and justification for variation which include the budgeted expenses included in previously allowed transfer price vis-a-vis actual expenses incurred for removal of overburden included in the claimed trued up transfer price;

(e) Stripping ratio achieved versus target stripping ratio for each year. Clarify whether any penalty has been adjusted in the transfer price for not achieving the target stripping ratio; and

(f) Like to like comparison between the trued up lignite transfer price including all additions such as royalty, taxes and duties, etc. and transfer price charged based on the transfer price approved by the Commission earlier in Petition No. 255/GT/2014 after inclusion of all additions in the following format for each year separately:

S. No.	Base transfer price (Rs./Tonne)	Royalty (%) & (Rs./Tonne)	Clean Energy (%) & (Rs./Tonne)	Cess	Duty 1	Duty2	Total (Rs./Tonne)
Transfer price charged before truing up								
Transfer price								



to be charged after truing up							
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7. The Commission directed that the due date of filing of reply, rejoinder and information should be strictly complied with.

8. The Petition shall be listed for hearing in due course for which separate notice shall be issued.

By order of the Commission

**Sd/-
(T.D. Pant)
Deputy Chief (Law)**

