

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 21/MP/2023**

Subject : Petition seeking approval for determination of Lignite Input Price for the period 1.4.2019 to 31.3.2024 in respect of Barsingsar Mines as per CERC (Terms and conditions of Tariff) Second Amendment Regulations, 2021.

Petitioner : NLC India Limited

Respondent : Rajasthan Discoms

Date of Hearing : **18.8.2023**

Coram : Shri Jishnu Barua, Chairperson  
Shri I.S. Jha, Member  
Shri Arun Goyal, Member  
Shri Pravas Kumar Singh, Member

Parties Present : Shri Kulamani Biswal, Advocate, NLCIL  
Shri Rakesh Pandey, Advocate, NLCIL  
Shri A. Srinivasan, NLCIL  
Shri Mukesh Agarwal, NLCIL  
Ms. Akansha Wadhwa, NLCIL  
Shri Amal Nair, Advocate, Rajasthan Discoms  
Ms. Shivani Verma, Rajasthan Discoms

**Record of Proceedings**

During the hearing, the learned counsel for the Petitioner made detailed oral submissions seeking approval for the determination of the Lignite Input Price of NLCIL mines at Barsingsar for the 2019-24 period as per the CERC (Terms and Conditions of Tariff) Second Amendment Regulations, 2021. He further requested for a 15% relaxation in the Annual Target Quantity from the approved mine capacity in addition to the deviation approved by the Coal Controller Organization for 2019-20 due to the non-stabilization of the CFBC technology and due to the COVID outbreak for the period 2020-21 and 2021-22 for the recovery of fixed cost of mines while determining Input Price of lignite under Regulation 76 and 77 of the 2019 Tariff Regulations.

2. On a specific query by the Commission regarding reason for the shortfall in actual production during 2019-20, the learned counsel for the Petitioner submitted that the production was less because of the non-stabilization of the CFBC technology due to teething problems and the Petitioner was not allowed to sell lignite excavated from the captive mines in the open market by the Rajasthan Govt. till 2021-22. Therefore, the lignite had no alternate use and the production of lignite was restricted to the requirements of the linked thermal plant.

3. The learned counsel for the Respondents submitted that the majority of the additional capitalisation claims have been made in terms of Regulation 36E(2)(a)



and (b) of the amended Regulations, 2021. However, the claims made by the Petitioner are not aligned to the specific applicable Regulations and in its rejoinder, the Petitioner has given an explanation that there is no other provision for claiming these expenses, therefore claims have been made under said two Regulations.

4. In response, the learned counsel for the Petitioner clarified that a rejoinder has been filed justifying the capital expenditure and in the absence of specific provision for claiming expenditure for minor assets that are required for carrying out the operation of mines, all items of capital nature irrespective of the value of assets have been claimed under the head of additional capital expenditure. He further submitted that the pleadings are complete in the matter and that the order in this regard may be reserved.

5. The Commission, after hearing the parties, directed the Petitioner to file its written submission, on or before, **18.9.2023** after serving a copy to the respondents on specific provisions of the Amended Regulations, 2021 with respect to the claims for the additional capital expenditure claimed in the present petition.

6. Subject to the above, order in the petition was reserved.

**By order of the Commission**

Sd/-  
(Deepak Pandey)  
Assistant Chief (Law)

