

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. Shri Ashok Basu, Chairman
2. Shri K.N.Sinha, Member
3. Shri Bhanu Bhushan, Member
4. Shri A.H.Jung, Member

Petition No.5/2002

In the matter of

Revised Tariff for Thermal Power Station II of NLC for the period from 2001-2002 to 2003-2004.

And in the matter of

Neyveli Lignite Corporation Ltd.

...Petitioner

Vs

1. Tamil Nadu Electricity Board, Chennai
2. Karnatka Power Transmission Corp. Ltd., Bangalore
3. Kerala State Electricity Board, Thiruvanthapuram
4. Pondicherry Electricity Deptt., Pondicherry
5. Transmission Corporation of Andhra Pradesh Ltd.,

Hyderabad.....Respondents

The following were present

1. Shri. K. Sekar, NLC
2. Shri R. Suresh, NLC
3. Shri A. Ganesan, NLC
4. Shri. S. Sowmyanarayanan, Consultant, TNEB
5. Shri V.G. Pandit, KPTCL

**ORDER
(DATE OF HEARING : 7.2.2006)**

One of the questions under detailed examination is transfer price of lignite to be considered for the purpose of computation of tariff. Other related issues in dispute are debt-equity ratio, depreciation rate, O&M charges and computation of interest on working capital.

2. By our order dated 2.11.2005, we had called upon Ministry of Coal to have a fresh look on lignite transfer price.

3. The matter has been considered by Ministry of Coal in consultation with the respondent as also the other issues raised by them. Ministry of Coal by its order dated 30.1.2006 has decided the principles for determination of lignite transfer price. The petitioner has stated that it has worked out the lignite transfer price based on these principles and an affidavit has been filed on 6.2.2006. A copy of the affidavit has been served on the representatives of TNEB and KPTCL present at the hearing. The representatives of the petitioner confirmed that other respondents were also supplied copies of the affidavit through post.

4. The petitioner has also submitted detailed computations in support of the transfer price arrived at in a confidential sealed cover addressed to the Secretary of the Commission. The representative of the petitioner requested that the detailed computation submitted for perusal of the Commission may not be disclosed to the respondents or any other person.

5. In the first instance, we give an opportunity to the respondents to submit their own calculations for transfer price latest by 20.2.2006.

6. List this petition on 28.2.2006, as decided in the courtroom.

Sd/-
(A.H.JUNG)
MEMBER

Sd/-
(BHANU BHUSHAN)
MEMBER

Sd/-
(K.N.SINHA)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRPERSON

New Delhi dated the 7th February, 2006