

ANNEXURE II

COMMENTS AND SUGGESTIONS OF TANGEDCO REGULATION WISE

Clause No. / Regulation No. in the Draft Regulations	Description as per Draft Regulation	Comments of TANGEDCO	Explanation
Regulation 2, Clause (1)	<p>New Clause (1a) shall be added after Clause (1) of Regulation 2 of the Principal Regulations as under:-</p> <p>“(1a) These regulations shall apply in all cases where a generating company has the arrangement for supply of coal or lignite from the integrated mine(s) allocated to it, for one or more of its specified end use generating stations, whose tariff is required to be determined by the Commission under section 62 of the Act read with section 79 thereof.”</p>	-----	
Regulation 3, Clause (4)	<p>A new clause, namely Clause (4a) shall be inserted after Clause (4) to the Regulation 3 of the Principal Regulations, as under:</p> <p>“(4a) ‘Annual Target Quantity’ or ‘ATQ’ in respect of an integrated mine means the quantity of coal or lignite to be extracted during a year from such integrated mine as specified in the Mining Plan;”</p>	-----	-----
Regulation 3, Clause (5)	<p>In Clause (5) to the Regulation 3 of the Principal Regulations, the words “and integrated coal mine” at the end part of the first proviso, shall be substituted by the</p>	-----	-----

	words "and integrated mine";		
Regulation 3, Clause (9)	<p>Clause (9) of Regulation 3 of the Principal Regulations shall be substituted as under:-</p> <p>(9) "Capital Cost" means the capital cost as determined in accordance with Regulation 19 of these regulations in respect of generating station or transmission system and Regulation 36D of these regulations in respect of integrated mine, as the case may be."</p>	.....	.....
Regulation 3, Clause (14)	<p>At the end of Clause (14) of Regulation 3 of the Principal Regulations, the words "except in case of integrated mine" shall be added.</p>	.....	.....
Regulation 3, Clause (15)	<p>The semicolon (;) at the end of Clause (15) shall be read as colon (:) and a new proviso shall be added under Clause (15) of Regulation 3 of the Principal Regulations, as under:-</p> <p>"Provided that date of commercial operation of an integrated mine shall have the same meaning as specified in Regulation 5 of these regulations;"</p>	.....	.....
Regulation 3, Clause (15a)	<p>A new Clause, namely Clause (15b) shall be inserted after Clause (15a) 1 of Regulation 3 of the Principal Regulations as under:-</p> <p>"(15b).Date of Commencement of Production' in respect of an integrated mine means the date of touching of coal or lignite, as the case may be, as per the Mining Plan;"</p>	<p>Proviso to be added:</p> <p>"Provided that a certificate in this regard issued by a third party inspection agency need to be furnished."</p>	<p>To overcome the ambiguity, the Certificate issued by third party agency (appointed by the Commission / Ministry of Coal) need to be included in the Petition for determination of Lignite Price.</p>

Regulation 3, Clause (20a)	A new Clause, namely Clause (20b) shall be inserted after Clause (20a) of Regulation 3 of the Principal Regulations as under:- “(20b),,Escrow account” in the context of integrated mines means the account specified by the Coal Controller, Ministry of Coal, Government of India, for deposit and withdrawal of mine closure expenses;”	Proviso to be added: “Provided that the Escrow account calculation shall be done as per the methodology of the MoC guidelines or as notified in CERC Regulation”.	
Regulation 3, Clause (21)	Clause (21) of Regulation 3 of the Principal Regulations shall be substituted as under:- “(21) `Existing Project` means the generating station or unit thereof and the transmission system or element thereof which has been declared under commercial operation on a date prior to 1.4.2019;”	-----	
Regulation 3, Clause (25)		A new proviso stipulating the Force majeure condition for Integrated mines may be included	The existing Force Majeure clause deals with the circumstances for generating station and transmission licensee. Hence Proviso for Integrated mines to be included
Regulation 3, Clause (36)	In Clause (36) of the Regulation 3 of the Principal Regulations, the word “lignite” in the first line shall be substituted with the words “price of lignite (including transfer price in respect of existing lignite mines)” and the word “determined” in the last line shall be substituted with the word “computed”.	---	.....

Regulation 3 Clause (38)		A new proviso to be included: "Provided that the Lignite/ coal excavated from a mine (Integrated Mine) linked to a specific generating station should not be used to other generating stations whatever the reasons may be, without the prior information to the utilities."	The beneficiaries are servicing the entire cost of the mines integrated to the generating station. Hence any sale of lignite/ coal excavated from the integrated mines is prohibited and in case of emergency, shall be done so with proper information to the beneficiaries.
Regulation 3, Clause (40)	A new proviso shall be added after first proviso of Clause (40) of Regulation 3 of Principal Regulations as under:- "Provided further that in respect of the integrated mines, funding and timeline for implementation shall be indicated separately and distinctly in the Investment Approval."	The words "In line with the approved mining plan" may be included after Investment Approval.	Self-explanatory
Regulation 3, Clause (41a)	A new clause, namely Clause (41a) shall be inserted after Clause (41) of Regulation 3 of the Principal Regulations as under: "(41a) „ Loading Point “ in respect of an integrated mine means the location of railway siding or silo for storage of coal or the coal handling plant, whichever is nearest to the mine;"	The clause may be modified as "(41a) " Loading Point " in respect of an integrated mine means the location of railway siding or silo for storage of coal/lignite or the coal/lignite handling plant, whichever is nearest to the mine;"	Self-explanatory

Regulation 3, Clause (43)	<p>Two new clauses, namely Clause (43a) and Clause (43b) shall be inserted after Clause (43) of Regulation 3 of the Principal Regulations as under:-</p> <p>“(43a) ‘Mine Infrastructure’ shall include assets of the mine such as tangible assets used for mining operations, being civil works, workshops, immovable winning equipment, foundations, embankments, pavements, electrical systems, communication systems, relief centres, site administrative offices, fixed installations, handling arrangements, crushing and conveying systems, railway sidings, pits, shafts, inclines, underground transport systems, hauling systems (except movable equipment unless the same is embedded in land for permanent beneficial enjoyment thereof), land demarcated for afforestation and land for rehabilitation and resettlement of persons affected by mining operations under the relevant law;</p> <p>(43b) ‘Mining Plan’ or Mine Plan” in respect of an integrated mine means a plan prepared in accordance with the provisions of the Mineral Concession Rules, 1960, as amended from time to time and approved under clause (b) of sub-section (2) of section 5 of the Mines & Minerals (Development & Rehabilitation) Act, 1957 by the Central Government, or by the State Government, as the case may be;”</p>	<p>.....</p> <p>A new proviso shall be added after 43(b):</p> <p>Provided that the generating company sourcing coal/lignite from the integrated mines may furnish a copy of the mining plan along with the Petition seeking fixation of tariff</p>	
Regulation 3, Clause (45)	The full stop (.) at the end of Clause (45) shall be read as colon (:) and a proviso shall be added under Clause (45) of	The components to be included in the Operation and Maintenance Expenses need to be specified. It is	In the circumstances like wage revision, the O&M gets revised, but instead of including such

	<p>Regulation 3 of the Principal Regulations as under:-</p> <p>“Provided that for an integrated mine, the Operation & Maintenance Expenses shall be as admissible in accordance with these regulations.”</p>	<p>also not clear if wage revision has been factored in the O & M expenses. In the event of increase in O&M expenses due to wage revision the procedure to calculate the difference in O&M need to be specifically mentioned.</p>	<p>O&M in the existing O&M, the difference due to wage revision are collected separately. Due to this technique adopted by the Generator like NLC, the O&M escalation will be more than the percentage normatively allowed.</p>
Regulation 3, Clause (46)	<p>A new clause, namely Clause (46a) shall be inserted after Clause (46) of Regulation 3 of the Principal Regulations as under:-</p> <p>“(46a) ‘Peak Rated Capacity’ in respect of an integrated mine means the peak rated capacity of the mine, as specified in the Mining Plan;”</p>	-----	-----
Regulation 3, Clause (73)	<p>A new sub-clause, namely (h) shall be added after sub-clause (g) of Clause (73) of Regulation 3 of the Principal Regulations as under</p> <p>“(h) Integrated mine As per the Mining Plan”</p>	----	-----
Regulation 4, Clause (4)	<p>A new Clause, namely (4a) shall be added after Clause (4) to the Regulation 4 of the Principal Regulations as under:-</p> <p>“(4a) “tonne” shall mean a metric tonne of coal or lignite in respect of an integrated mine;”</p>	----	-----
Regulation 4,	<p>Clause (5) of Regulation 4 of the Principal Regulations shall be substituted as under:-</p>	-----	-----

Clause (5)	<p>“(5) ‘Year’ means a financial year beginning from 1st April and ending on 31st March:</p> <p>Provided that the first year in case of a new project or integrated mine shall commence from the date of commercial operation and end on 31st March.”</p>		
Regulation 5, Clause (2)	<p>A new Clause, namely Clause (3) shall be added after Clause (2) of Regulation 5 of the Principal Regulations as under:-</p> <p>“(3) The date of commercial operation in case of an integrated mine, shall mean the earliest date amongst the following:</p> <p>a) First date of the year succeeding the year in which 25% of the Peak Rated Capacity as per the Mining Plan is achieved; or</p> <p>b) First date of the year succeeding the year in which the value of production estimated in accordance with Regulation 7A of these regulations, exceeds total expenditure in that year; or</p> <p>c) Date of two years from the Date of Commencement of Production;</p> <p>Provided that in case the integrated mine is ready for commercial operation but is prevented from the declaration of date of commercial operation for reasons not attributable to the generating company, its suppliers or contractors, the Commission may approve another date of commercial operation, considering the reasons that prevented the declaration of the date of</p>	<p>Proviso to be added :</p> <p>Provided that once the Commission approves the date of commercial operation of integrated Mines as per the Petition filed by the Generator, if there is delay in the commissioning of the linked generation station, the delay and financial implications, if any, are attributable to the Generator only and not to be passed on the utilities.</p> <p>Provided further that, in case if there is delay in commissioning of the generating station, the cost of the lignite/coal excavated should not be included in the Pooled cost and the Lignite Price for such Mine which is commissioned prior to the DOCO of the generating station, shall be treated as standalone price until commissioning of the linked generating station.</p>	<p>Provisions need to be added for treatment of delay in commissioning of the integrated generating station.</p>

	commercial operation.”		
Regulation 6	<p>Regulation 6 of the Principal Regulations shall be substituted as under:-</p> <p>“6. Treatment of mismatch in date of commercial operation: In case of mismatch between the date of commercial operation of the generating station and the transmission system, and between the transmission systems of two transmission licensees, the liability for the transmission charges shall be determined in accordance with provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 and as amended from time to time.”</p>	<p>-Clause 6a shall be included for defining the mismatch in case of date of commercial operation of coal/lignite mine and integrated generating station.</p> <p>6a. Treatment of mismatch in date of commercial operation of the mine and integrated generating station:</p> <p>In case the integrated mine is ready for commercial operation but is prevented from the declaration of date of commercial operation for reasons not attributable to the generating company, its suppliers or contractors, the Commission may approve another date of commercial operation, considering the reasons that prevented the declaration of the date of commercial operation.</p> <p>Provided that once the Commission approves the date of commercial operation of</p>	<p>There is no separate regulation/ clause in the proposed amendment for treatment of delay in case if the mine is declared for commercial operation and the linked generating station is not ready.</p>

		<p>integrated Mines as per the Petition filed by the Generator, if there is delay in the commissioning of the linked generating station, the financial implications of such delay is attributable to the Generator only and not to be passed on the utilities</p>	
Regulation 7	<p>Insertion of New Regulation 7A in the Principal Regulations:</p> <p>"7A. Supply of Coal or Lignite prior to the Date of Commercial Operation of Integrated Mine: The input price for supply of coal or lignite from the integrated mines prior to the date of commercial operation shall be:-</p> <p>in case of coal, the estimated price available in the investment approval, or the notified price of Coal India Limited for the corresponding grade of coal supplied to the power sector, whichever is lower; and</p> <p>(a) in case of lignite, the estimated price available in the investment approval or the last available pooled lignite price as determined by the Commission for transfer price of lignite, whichever is lower:</p> <p>Provided that any revenue earned</p>	<p>Two new proviso may be added to 7(A)(a) as below:</p> <p>Provided that the pooled price shall not include the price of coal/lignite excavated from mines and sold in open market.</p>	<p>The terminology for pooled lignite price needs clarity. In case of many number of mines are being operated in a campus, wherein, lignite excavated from certain individual mines are being sold in the market then the cost of lignite excavated from such Mines shall not be included while calculating the Pooled Lignite price in respect of the Mines from which the lignite excavated are used for generation of electricity and sold to beneficiaries.</p> <p>Moreover, there is a possibility</p>

	<p>from supply of coal or lignite prior to the Date of Commercial Operation of the integrated mines shall be applied in adjusting the capital cost of the said integrated mines.”</p>	<p>Provided that once the generator enjoys MOD ranking by quoting the price so determined, the Commission shall fix the price so quoted by the generator or the price determined by the Commission whichever is lesser on achieving COD as the input price for calculating the coal/ lignite transfer price for the tariff period</p>	<p>of the generator quoting lesser price as per the Investment Plan or the last available pooled price and enjoying MOD berth of the beneficiaries and after determination of actual price by the Commission on achieving the COD may opt for true up. Hence the proviso is suggested</p>
Regulation 9	<p>The full stop (.) at the end of Clause (4) shall be read as colon (:) and a new proviso shall be inserted after the first proviso under Clause (4) of Regulation 9 of the Principal Regulations as under:-</p> <p>“Provided that a generating company with integrated mines shall file separate petition for determination of input price of coal or lignite from the integrated mines not later than 60 days from the date of commercial operation of the integrated mines or from the date of notification of these regulations, whichever is later and may seek determination or revision of tariff of the concerned generating station(s) in accordance with these regulations.”</p>	<p>Two more provisos may be given to this Regulation as below :</p> <p>Provided that the Generating company should, well in advance (prior to 7 days) give information to the utilities on the details about the commercial operation of the Mines and the status of the linked generating stations.</p> <p>Provided further that the generating company while filing the separate petition for determination of input price of coal/lignite shall also file a copy of the approved mining plan along with the Petition</p>	<p>Similar to the Generating companies giving intimation to beneficiaries regarding the commercial operation declaration, the COD of mines may also be intimated to beneficiaries.</p> <p>Further a copy of the mining plan is to be uploaded along with the Petition for the benefit of the utilities.</p>

Regulation 10	<p>A new clause, namely Clause (1a) shall be inserted after Clause (1) of Regulation 10 of the Principal Regulations as under:-</p> <p>“(1a) The generating company shall, wherever applicable, file petition before the Commission as per Annexure-I (Part IV) to these regulations for computation of the input price of coal or lignite from the integrated mines containing the details of expenditure incurred and projected to be incurred duly certified by the Auditor.”</p>	.....	....
Regulation 11	<p>A new clause, namely Clause (2) shall be added after Clause (1) of Regulation 11 of the Principal Regulations as under:-</p> <p>“(2) The generating company undertaking any additional capitalization in integrated mine on account of change in law events or force majeure conditions may, after intimating the beneficiaries, file a petition for in-principle approval for incurring such expenditure, along with underlying assumptions, estimates and justification for such expenditure, if the estimated expenditure exceeds 10% of the admitted capital cost of the integrated mines or Rs.100 crore, whichever is lower;”</p>	<p>The proposed Clause (2) shall be modified as below:</p> <p>“(2) The generating company undertaking any additional capitalization in integrated mine on account of change in law events or force majeure conditions may, after intimating the beneficiaries, file a petition for in-principle approval for incurring such expenditure, along with underlying assumptions, estimates and justification for such expenditure, if the estimated expenditure exceeds the admitted capital cost of the integrated mines irrespective of the cost involved”</p>	<p>The generating company undertaking any additional capitalization in integrated Mine on account of change in law events or force majeure conditions shall notify the beneficiaries well in advance. This notification should be given irrespective of the cost involved.</p> <p>Force majeure to be defined for integrated mines, as requested in Regulation (3), Clause 25</p>

Regulation 13	<p>A new clause, namely Clause (1a) shall be inserted after Clause (1) of Regulation 13 of the Principal Regulations as under:-</p> <p>“(1a) The input price of coal and lignite from the integrated mines of the generating station for the period 2019-24 shall be trueed up for:</p> <p style="padding-left: 40px;">a) the capital expenditure including additional capital expenditure incurred up to 31.3.2024, as allowed by the Commission;</p> <p style="padding-left: 40px;">b) the capital expenditure including additional capital expenditure incurred up to 31.3.2024, on account of Force Majeure and</p> <p style="padding-left: 80px;">Change in Law, as admitted by the Commission.”</p>	<p><u>A new proviso shall be included</u></p> <p>“Provided, in the event of the Petitioner (Generator) offers a lesser Price for coal / lignite than the price determined by the Commission in any year, then that offer price shall be the final trued-up price for that year”</p>	<p>In order to get scheduling from the Utilities, in case, the Petitioner (Generator) on its own offers a lesser lignite price than the lignite price determined by the Commission, the Petitioner should not be permitted to revise the Lignite price in upwards than the price offered by them earlier. Since, the Petitioner has enjoyed the Merit Order rankings and has pushed other generators to lower rank, the Petitioner at a later date (ie) after truing up cannot claim a upward lignite price.</p> <p>Hence the proviso is suggested</p>
Regulation 16	<p>A new proviso shall be added after second proviso of Regulation 16 of the Principal Regulations as under:-</p> <p>“Provided also that in case of supply of coal or lignite from the integrated mine, the landed cost of primary fuel shall be based on the input price of coal or lignite, as the case may be, as computed in accordance with these regulations.”</p>	....	.....
Regulation 22	In Regulation 22 of the Principal Regulations, the word	----	

	"project" shall be substituted with the words "new projects".		
Regulation 36	In Clause (1) of Regulation 36 of the Principal Regulations, the words "the regulations to be notified separately by the Commission" shall be substituted with the words "these regulations".	----	
Regulation 36 Clauses (2) & (3)	<p>Clauses (2) and Clause (3) of Regulation 36 of the Principal Regulations shall be substituted as under:-</p> <p>"(2) The generating company shall, after the Date of Commercial Operation of the integrated mine till the input price of coal is determined by the Commission under these regulations, adopt the notified price of Coal India Limited commensurate with the grade of the coal from the integrated mine, as the input price of coal for the generating station:</p> <p>Provided that the difference between the input price of coal determined under these regulations and the input price of coal so adopted prior to such determination, for the quantity of coal billed, shall be adjusted in accordance with Clause (4) of this Regulation.</p> <p>(3) The generating company shall, after the Date of Commercial Operation of the integrated mines, till the input price of lignite is determined by the Commission under these regulations, fix the input price of lignite for the generating station at the last available pooled lignite price as determined by the Commission for transfer price of lignite;</p>	<p>Two new proviso may be added to Regulation 36 as below:</p> <p>Provided that the pooled price shall not include the price of coal/lignite excavated from mines and sold in open market.</p> <p>Provided that once the generator enjoys MOD ranking by quoting the price so determined, the Commission shall fix the price so quoted by the generator or the price determined by the Commission whichever is lesser on achieving COD as the input price for the tariff period and this rate shall be considered for adjustment in accordance with Clause (4) of this Regulation.</p>	<p>In this regard, to cite an example, M/s. NLC have charged a lesser price of Rs. 1950/ MT to TANGEDCO during 2018-19 as against Rs. 2661/- (Pooled mine cost) fixed by the Commission and declined to give an undertaking that the difference in price shall not be trued up at a later date.</p> <p>M/s. NLC has now filed P.No: 452/MP/2019 with a trued up price of Rs. 2085/- .</p>

	<p>Provided that the difference between the input price of lignite determined under these regulations and the input price of lignite so fixed prior to such determination, for the quantity of lignite billed, shall be adjusted in accordance with Clause (4) of this Regulation."</p>		
Clause 4	<p>A new clause, namely Clause (4) shall be added after Clause (3) of Regulation 36 of the Principal Regulations as under:-</p> <p>"(4) In case of excess or short recovery of input price under Clause (2) or Clause (3) of this Regulation, the generating company shall refund the excess amount or recover the short amount, as the case may be, with simple rate of interest, equal to the bank rate prevailing as on 1st April of the respective year of the tariff period, in six equal monthly instalments."</p>	<p>A new proviso may be included after clause (4) as below:</p> <p>"Provided if there is any delay on the part of the generating company with integrated mine in filing the petition, or delay in issue of order for some reason, then interest portion is not applicable for the delayed period"</p>	<p>In the case of delay in filing the Petition (or) delay in determination of the lignite price, the utilities should not be burdened by charging the interest on the difference portion.</p> <p>Since the utilities cannot pass on the interest portion to the customers of the previous year, the calculation of interest on the difference portion does not seem to be reasonable and therefore the need for the proviso is justified.</p>
New Regulations 36A to 36P	<p>The following Regulations (36A to 36P) shall be added after Regulation 36 of the Principal Regulations as under:-</p>		

36A	<p>"36A. Input Price of coal or Lignite: (1) Input price of coal or lignite from integrated mine shall be computed based on the following components:</p> <p>I) Run of Mine (ROM) Cost; and II) Additional charges:</p> <p>a. crushing charges; b. transportation charge within the mine up to the washery end or coal handling plant associated with the integrated mine, as the case may be;</p> <p>c. handling charges at mine end; d. washing charges; and e. transportation charges beyond the washery end or coal handling plant, as the case may be, and up to the Loading Point</p> <p>Provided that one or more components of additional charges may be applicable on case to case basis, based on the scope and nature of the mining activities;</p> <p>Provided further that the input price of lignite shall be computed based on Run of Mine (ROM) Cost based on the technology such as bucket excavator-conveyor belt-spreader or its combination and handling charges, if any.</p> <p>(2) Statutory Charges, as applicable, shall be allowed.</p>	<p>The first proviso may be altered as below:</p> <p>"Provided that one or more components of additional charges may be applicable on case to case basis, based on the scope and nature of the mining activities on submission of proper justification and documentary evidence;</p>	<p>.....</p>
36B	<p>Run of Mine Cost of coal in case of integrated mines allocated through auction under Coal Mines (Special</p>	<p>-----</p>	

	<p>Provisions) Act, 2015 shall be worked out as under:</p> <p>ROM Cost = [(Quoted Price of coal) + (Fixed Reserve Price)].</p> <p>Where,</p> <p>(i) Quoted Price of coal is the Final Price Offer of coal in respect of the concerned coal Block or Mine, along with subsequent escalation, if any, as provided in the Coal Mine Development and Production Agreement:</p> <p>Provided that additional premium, if any, quoted by the generating company in auction, shall not be considered in the Run of Mine Cost; and</p> <p>(ii) Fixed Reserve Price is the fixed reserve price per tonne along with subsequent escalation, if any, as provided in the Coal Mine Development and Production Agreement.</p> <p>(2) The Run of Mine Cost of coal in case of integrated mines allocated through allotment order under Coal Mines (Special Provisions) Act, 2015 shall be worked out as under:</p> <p>ROM Cost = [(Annual Extraction Cost / ATQ)+ mining charge] + (Fixed Reserve Price).</p> <p>Where,</p> <p>(i) Annual Extraction Cost is the cost</p>	<p>The scope of work of the generator / MDO has to be clearly defined and the same has to be spelt out clearly in the mining plan.</p>	
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	<p>of extraction of coal as computed in accordance with Regulation (36F) of these regulations;</p> <p>(ii) mining charge is the charge per tonne of coal paid by the generating company to the Mine Developer and Operator engaged by the generating company for mining, wherever applicable; and</p> <p>(iii) Fixed Reserve Price is the fixed reserve price per tonne along with subsequent escalation, if any, as provided in the Coal Mine Development and Production Agreement.</p> <p>(3) The Run of Mine Cost of lignite in case of integrated mines for lignite shall be worked out as under: ROM Cost = [(Annual Extraction Cost / ATQ) + (mining charge)] Where,</p> <p>(i) Annual Extraction Cost is the cost of extraction of lignite as computed in accordance with Regulation (36F) of these regulations; and</p> <p>(ii) mining charge is the charge per tonne of lignite paid by the generating company to the Mine Developer and Operator engaged</p>		
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	<p>by the generating company for mining, wherever applicable.</p> <p>(4) The generating company shall adhere to the Mining Plan for extraction of coal or lignite on annual basis and shall submit a certificate to that effect from the Coal Controller or the competent authority:</p> <p>Provided that deviations from the Mining Plan shall be considered only if such deviations have been approved by the Coal Controller or the revised Mining Plan has been approved by the competent authority.</p> <p>(5) The Run of Mine Cost of coal and lignite shall be worked out in terms of Rupees per tonne.</p>		
36C	<p>Additional Charges: (1) Where crushing, transportation, handling or washing are undertaken by the generating company without engaging Mine Developer and Operator, additional charges shall be worked out as under:-</p> <p>(i) Crushing Charges = Annual Crushing Cost/Quantity;</p> <p>(ii) Transportation Charges= Annual Transportation Cost/Quantity:</p> <p>Provided that separate transportation charges, as applicable, shall be considered from mine upto washery end or coal handling plant associated with the integrated mine and beyond washery end or coal handling plant associated with the integrated mine and up to the Loading Point, as the case may be;</p>	<p>A second proviso may be added after the existing first proviso after 36C(1)(ii):</p> <p>Provided that wherein the lignite excavated from the Integrated Mines are taken to the loading points through the conveyor system which are normally accounted as O & M Expenses the transportation charges and handling charges are not applicable.</p>	<p>The Lignite excavated from the Integrated Mines are taken to the loading points through the conveyor system which are normally accounted as O & M Expenses, therefore, the transportation charges and handling charges need to be removed.</p>

	<p>(iii) Handling charges = Annual Handling Cost/Quantity; and (iv) Washing Charges = Annual Washing Cost/Quantity. Where,</p> <p>(a) Annual Crushing Cost, Annual Transportation Cost, Annual Handling Cost and Annual Washing Cost shall be worked out on the basis of following components, for which the generating company shall submit the capital cost separately:</p> <p>(i) Depreciation; (ii) Interest on Working Capital; (iii) Interest on Loan; (iv) Return on Equity (RoE); (v) Operation and Maintenance Expenses, excluding mining charge; (vi) Statutory charges, if applicable.</p> <p>(b) Quantity shall be the quantity of coal or lignite in tonne crushed or transported or handled or washed, as the case may be, during the year duly certified by the Auditor (2) Where crushing, transportation, handling or washing are within the scope of the Mine Developer and Operator engaged by the generating company, no additional charges shall be admitted, as the same shall be recovered through mining charge of the Mine Developer and Operator. (3) Where crushing, transportation, handling or washing are undertaken by the generating company</p>		
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	<p>by engaging an agency other than Mine Developer and Operator, additional charges shall be worked out based on the annual charges of such agencies, provided that the charges have been discovered through a transparent competitive bidding process.</p> <p>(4) The crushing charges, transportation charges, handling charges, and washing charges shall be admitted by the Commission after prudence check, inter-alia, considering charges of Coal India Limited or similarly placed coal mines or any other reference charges.</p> <p>(5) The crushing charges, transportation charges, handling charges, and washing charges shall be worked out in terms of Rupees per tonne.</p>		
36D	<p>Capital Cost: (1) The expenditure incurred, including IDC and IEDC, duly certified by the Auditor, for development of the integrated mine up to the Date of Commercial Operation, shall be considered for arriving at the capital cost.</p> <p>(2) The capital expenditure incurred shall be admitted by the Commission after prudence check.</p> <p>(3) Capital cost of crushing infrastructure, transportation infrastructure and equipment, handling infrastructure, washing infrastructure and other mine infrastructure required for mining operations shall be arrived at separately in accordance with these regulations:</p> <p>Provided that in case mine development and operation, crushing, transportation, handling or washing are undertaken by the generating</p>	<p>A proviso may be added after 36D(1)</p> <p>Provided that if there is any delay in achieving the COD of the mines, and if the reasons for the delay is attributable to the generator/ mining company, then the IDC and IEDC pertaining to the delay period shall be borne by the generator/ mining company.</p>	<p>While calculating the IDC/IEDC, the delay period due to any events shall be differentiated as controllable / Non-controllable factors and the Hon'ble Commission may define both the factors in respect of integrated mines.</p>

	<p>company, the expenditure incurred on infrastructure of these components shall be capitalized;</p> <p>Provided further that where mine development and operation, with or without any component of crushing, transportation, handling or washing are undertaken by the generating company by engaging Mine Developer and Operator or an agency other than Mine Developer and Operator, the expenditure incurred by such agency on infrastructure of these components shall not be capitalised and assets of such agency engaged by the generating company shall not form part of capital cost for the computation of input price.</p> <p>(4) The capital cost shall be determined considering, but not limited to, the Mining Plan, detailed project report, mine closure plan, cost audit report and such other details as deemed fit by the Commission.</p> <p>(5) For integrated mine with Date of Commercial Operation prior to 1.4.2019, the capital cost already allowed by the Commission for the period ending 31.3.2019 shall form the basis for computation of input price.</p>		
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36E	<p>Additional Capital Expenditure: (1) The expenditure, in respect of the integrated mines, incurred or projected to be incurred after the Date of Commercial Operation and up to the date of achieving the Peak Rated Capacity may be admitted by the Commission, subject to prudence check and shall be capitalized in the respective year as Additional Capital Expenditure corresponding to the Annual Target Quantity of the year as specified in the Mining Plan or actual extraction in that year, whichever is higher, on following counts:</p> <ul style="list-style-type: none"> (a) expenditure incurred on activities as per the Mining Plan; (b) expenditure for works deferred for execution and un-discharged liabilities recognized for works executed prior to date of commercial operation; (c) expenditure for works required to be carried out for complying with directions or orders of any statutory authorities; (d) liabilities arising out of compliance of order or decree of any court of law or award of arbitration; (e) expenditure for procurement and development of land as per the Mining Plan; (f) expenditure for procurement of additional heavy earth moving machineries for replacement, on completion of their useful life; and (g) liabilities due to Change in Law or 	<p>A new clause (3) is to be added to this regulation as below:</p> <p>While admitting the Additional capital expenditure, the following factors are to be taken into consideration.</p> <ul style="list-style-type: none"> a. physical performance b. life period served c. GCV of the Lignite excavated and the, d. availability of the resources 	<p>Additional Capitalisation should be identified in advance with details of equipments required and its justification. Existing equipment and its present capacity achievement need to be analysed. If additional capitalisation is necessarily to be incurred the increase in performance level above the norms needs to be ascertained</p>
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	<p style="text-align: center;">Force Majeure events;</p> <p>Provided that in case of any replacement of the assets, the additional capitalization shall be worked out after adjusting the gross fixed assets and cumulative depreciation of the assets replaced on account of de-capitalization.</p> <p>The expenditure, in respect of the integrated mines, incurred or projected to be incurred after the date of achieving the Peak Rated Capacity may be admitted by the Commission subject to prudence check, and shall be capitalized as Additional Capital Expenditure, corresponding to the Annual Target Quantity of the respective years as specified in the Mining Plan or actual extraction in the respective years, whichever is higher, on following counts:</p> <ul style="list-style-type: none"> (a) expenditure incurred on activities, if any, as per Mining Plan; (b) expenditure for works required to be carried out for complying with directions or order of any statutory authority; (c) liabilities arising out of compliance of order or decree of any court of law or award of arbitration; (d) expenditure for procurement and development of land as per the Mining Plan; and (e) liabilities due to Change in Law or Force Majeure events; <p>Provided that in case of any replacement of the assets, the additional capitalization shall be worked</p>		
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	<p>out after adjusting the gross fixed assets, cumulative depreciation and cumulative repayment of loan of the assets replaced on account of de-capitalization.</p> <p>(3) The expenditure on following counts shall not be considered as Additional Capital Expenditure for the purpose of these regulations:</p> <ul style="list-style-type: none">a) expenditure incurred but not capitalized as the assets have not been put in service (capital work in progress);b) mine closure expenses;c) expenditure on works not covered under Mining Plan, unless covered under sub-clause (g) of Clause (1) or sub-clause (e) of Clause (2) of this Regulation;d) expenditure on replacement due to obsolescence of assets on account of completion of the useful life or due to obsolescence of technology, unless the original cost of such assets have been de-capitalised from the gross fixed assets.		
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36F	<p>Annual Extraction Cost: The Annual Extraction Cost of an integrated mine shall consist of the following components:</p> <ul style="list-style-type: none"> (i) Depreciation; (ii) Interest on Working Capital; (iii) Interest on Loan; (iv) Return on Equity (RoE); (v) Operation and Maintenance Expenses, excluding mining charge; (vi) Mine closure expenses, if not included in mining charge; and (vii) Statutory charges, if applicable. 	-----	-----
36G	<p>Capital Structure, Return on Equity and Interest on Loan: (1) For an integrated mine, the debt-equity ratio as on the date of commercial operation and as on the date of achieving Peak Rated Capacity shall be considered in the manner as specified under Clause (1) of Regulation 18 of these regulations:</p> <p style="padding-left: 40px;">Provided that for integrated mine in respect of lignite with Date of Commercial Operation prior to 1.4.2019, the debt-equity ratio already allowed by the Commission for the period ending 31.3.2019 shall form the basis for computation of input price.</p> <p>(2) For integrated mine, the debt-equity ratio for additional capital expenditure admitted by the Commission under these regulations shall be considered in the manner as specified under Clause</p>	<p>A new clause (5) shall be added as below:</p> <p>In case, the Utilities cancels the Power Purchase Agreement, with the Generator who is the owner of the integrated Mines, the utilities are not liable for payment of Return on Equity / Interest on debt from the date of cancellation of PPA.</p> <p>The debt equity ratio shall be</p>	<p>Since the Utilities have only executed the PPA and not the FSA, the utilities should not be forced to bear the Return on Equity , Interest on Loan and the outstanding principal of loan component if any borrowed by the Generator who is also the owner of the integrated mine.</p> <p>In the event of cancellation of PPA, the Generator (mine owner) will still be able to sell the power in the exchange market or they find alternate utility. Therefore, the existing</p>

	<p>(1) of this Regulation.</p> <p>(3) The return on equity shall be computed in rupee terms on the equity base arrived under Clause (1) of this Regulation at the base rate of 14%.</p> <p>(4) The base rate of return on equity as allowed by the Commission in this Regulation shall be grossed up with the effective tax rate computed in the manner specified under Regulation 31 of these regulations.</p> <p>(5) The interest on loan, including normative loan if any under Clause (1) of this Regulation, shall be arrived at by considering the weighted average rate of interest calculated on the basis of actual loan portfolio, in accordance with the Clauses (2) to (7) of Regulation 32 of these regulations.</p>	<p>maintained at 80:20</p> <p>(For justification kindly refer general comments 7)</p>	<p>utility which has cancelled the PPA shall not be forced to pay the outstanding equity / loan components if any.</p> <p>In the present scenario of increased RE penetration, the discoms are forced to back down conventional generators to accommodate RE power, due to which they are paying compensation to the generators in case the generation goes below the technical minimum. Hence in case of opting out of PPA in future, the discoms shall not be made to bear the RoE and Interest on Loan for the outstanding loan.</p>
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36H	<p>36H. Depreciation: (1) Depreciation in respect of integrated mines shall be computed from the date of commercial operation by applying Straight Line Method.</p> <p>(2) The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission: Provided that,</p> <ul style="list-style-type: none"> i) freehold land or assets purchased from grant shall not be a depreciable asset and its cost shall be excluded from the capital cost while computing depreciable value of the asset; ii) where the allotment of freehold land is conditional and is required to be returned, the cost of such land shall be part of value base for the purpose of depreciation, subject to prudence check by the Commission; and iii) lease hold land shall be amortized over the lease period or remaining life of the mine, whichever is lower. <p>(3) The salvage value of an asset shall be considered as 5% of the capital cost of the asset: Provided that the salvage value shall be:</p> <ul style="list-style-type: none"> i) zero for IT equipment and software; 	<p>In Case of the Mines commissioned prior to 31.3.2019, the Capital Cost as on 1.4.2019 shall be the Opening capital cost for the block period commencing from 1.4.2019.</p>	<p>In the Statement of Reasons issued to Tariff Regulations 2019-24, the following has been recorded by the Hon'ble Commission for fixing salvage value at 10%</p> <p>10.5 Depreciation [Regulation 33]</p> <p>10.5.1 The draft 2019 Tariff Regulations provides for computation of depreciation based on the admitted capital cost or otherwise. The Commission also provides that the salvage value of the asset shall be considered at 5% (instead of 10% earlier), and depreciation is allowed up to maximum of 95% (instead of 90% earlier) of the capital cost of the asset in lines with provisions of the Companies Act, 2013.</p> <p>10.5.2 Many of the stakeholders suggested that since the Commission has increased the useful life of hydro generating station only, while keeping intact the useful life of thermal generating stations and</p>
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	<p>ii) zero or as agreed by the generating company with the State Government for land; and</p> <p>iii) as specified by the Ministry of Corporate Affairs for specialized mining equipment.</p> <p>(4) The depreciation of integrated mine shall be arrived at annually by applying depreciation rates or on the basis of expected useful life specified in Appendix 1 of these regulations:</p> <p>Provided that specialized mining equipment shall be depreciated as per the useful life and depreciation rate as specified by the Ministry of Corporate Affairs.</p>	<p>The salvage value of the asset shall be retained as 10% as followed in the Tariff Regulations, 2019.</p>	<p>also the transmission system, there is little benefit in adopting the salvage value of 5% in lines with provisions of the Companies Act, 2013. Further, there would be a number of implementation hurdles in increasing the depreciation limit from 90% to 95%, especially in case of assets which have already completely recovered depreciation up to 90%. This would also result in increasing the annual fixed cost to the extent of additional 5% depreciation.</p> <p>10.5.3 The Commission, in view of above submissions, has decided to continue the salvage value of the asset at 10% and depreciation at maximum of 90% of the capital cost of the asset.</p> <p>Hence the same 10% shall be applicable for Mines also</p>
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36I	<p>36I. Operation and Maintenance Expenses: (1) The Operation and Maintenance expenses of integrated mine for the tariff period ending on 31st March 2024 shall be 2%, escalated at the rate of 3.5% per annum, of the average capital expenditure up to the end of each year of the tariff period as admitted by the Commission towards mining, crushing, transportation, handling and washing subject to true up:</p> <p>Provided that where mining, crushing, transportation, handling or washing are undertaken by the generating company by engaging Mine Developer and Operator, or an agency other than Mine Developer and Operator, any capital expenditure incurred by Mine Developer and Operator or such agency shall not be included for working out the Operation and Maintenance Expenses.</p> <p>(2) Where the mine development and operation are undertaken by the generating company by engaging Mine Developer and Operator, the mining charge of such Mine Developer and Operator shall not be included in Operation and Maintenance Expenses;</p> <p>(3) Where the generating company has engaged agency(ies) other than Mine Developer and Operator, annual charges of such agency(ies) shall also be considered as part of Operation and Maintenance Expenses, subject to prudence check by the Commission, provided that such annual charges have been discovered through a transparent competitive bidding process.</p>	<p>The Operation and Maintenance expenses in respect of Mines, should be computed in accordance with the ATQ.</p> <p>Allowing the normative escalation in the O&M expenses will only be beneficial to the Generator.</p> <p>Further, the O&M expenses in respect of Mines which had completed more than 25 to 30 years of life period should be restricted, as the excavation in such mines will be at the reduced level.</p>	<p>Most of the Mines owned by NLC have completed more than 20 years of service, therefore, the book value should be minimum say 10% of the project cost as Net Fixed Asset (NFA) is been adopted by NLC. Contrary to this, there is huge net block in all the Mines owned by NLC. Therefore, while allowing the O&M on the capital cost, the net block should be redetermined in accordance with the life period so far completed.</p> <p>For new mines, the O&M charges of the most efficient mining company shall be considered for bench marking the O&M charges instead of % of capital cost as normative rates.</p>
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36J	<p>Interest on Working Capital: (1) The working capital of the integrated mines of coal shall cover:</p> <p>(i) Input cost of coal stock for 7 days of production corresponding to the Annual Target Quantity for the relevant year;</p> <p>(ii) Consumption of stores and spare including explosives, lubricants and fuel @ 15% of operation and maintenance expenses, excluding mining charge of Mine Developer and Operator or annual charges of any agency other than Mine Developer and Operator, engaged by the generating company; and</p> <p>(iii) Operation and maintenance expenses for one month, excluding mining charge of Mine Developer and Operator or annual charges of any agency other than Mine Developer and Operator, engaged by the generating company.</p> <p>(2) The working capital of the integrated mine of lignite shall cover:-</p> <p>(i) Input cost of lignite stock for 7 days of production corresponding to the Annual Target Quantity for the year;</p> <p>(ii) Consumption of stores and spare including explosives, lubricants and fuel @ 20% of operation and maintenance expenses, excluding mining charge of Mine Developer and Operator or annual charges of any agency other than Mine Developer or Operator, engaged by the generating company; and Operation and maintenance expenses for one month, excluding mining</p>	----	<p>When there is a decline in PLF of thermal power plants due to growing capacity of power generation of renewable sources, the requirement of fuel will be much lesser in line with the PLF of thermal stations. Therefore, bringing down the stock level in input of lignite stock as 7 days is a welcome move.</p>
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	<p>charge of Mine Developer and Operator or annual charges of any agency other than Mine Developer or Operator, engaged by the generating company.</p> <p>(3) The rate and payment of interest on working capital shall be as per Clause (3) and Clause (4) of Regulation 34 of these regulations.</p>	<p>The rate and payment of interest on working capital shall be as per Clause (3) and Clause (4) of Regulation 34 of these regulations, which is Bank Rate ie SBI MCLR plus 350 basis points. This is on the higher side, hence need review.</p>	
36K	<p>36K. Mine Closure Expenses: (1) Where the mine closure is undertaken by the generating company, the amount deposited in the Escrow account as per the Mining Plan, after adjusting interest earned, if any, in the Escrow account shall be admitted as Mine Closure Expenses:</p> <p>Provided that,</p> <p>a) amount deposited in the Escrow account as per the Mining Plan prior to the Date of Commercial Operation shall be indicated separately and shall be allowed to be recovered over the useful life of the mine in the form of annuity linked to borrowing rate;</p> <p>b) amount deposited in the Escrow account as</p>	<p>A fifth proviso may be added to Regulation 36K as below :</p> <p>Provided that the information on the Mine closure expenses deposited with the Government and Interest earned on the Escrow Account, need to be shared with the beneficiaries on annual basis.</p>	<p>Earlier, the Ministry of Coal, in its notification dated. 27.8.2009 has issued the guidelines for preparation of Mine closure Plan.</p> <p>In respect of Mines owned by NLC, the Mine closure expenses are included as a component in the lignite price with an escalation of 5% every year. The amount so far collected and deposited in the Escrow Account and the details of utilisation of</p>

	<p>per the Mining Plan or any expenditure incurred towards mine closure shall be excluded from the capital cost for computing input price;</p> <p>c) where the expenditure incurred towards mine closure is short of or in excess of the reimbursement received from the Escrow account during the tariff period 2019-24, the same shall be allowed to be carried forward to subsequent years for adjustments; and where no expenditure has been incurred towards mine closure during the tariff period 2019-24, the amount deposited in the Escrow account shall continue to be recovered in subsequent years to be adjusted against the expenditure towards mine closure as and when it is incurred.</p> <p>Provided further that where the mine closure is undertaken by the generating company only for part of useful life of the mine, the treatment of mine closure for the period during which Mine Developer and Operator engaged by the generating company has undertaken mine closure, shall be as specified in Clause (2) of this Regulation.</p> <p>(2) Where mine closure is within the scope of Mine Developer and Operator engaged by the generating company and mine closure expenses are part of the mining charge of Mine Developer and Operator, the mine closure expenses shall be recovered through such mining charge and mine closure expenses shall not be admissible separately:</p>		<p>such amount need to be furnished to the beneficiaries-</p>
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	<p>Provided that,</p> <ul style="list-style-type: none">a) the amount deposited in the Escrow account by the Mine Development Operator or by the generating company and any amount received from the Escrow Account against expenditure incurred towards mine closure shall not be considered for computing input price; andb) the difference between the borrowing cost, arrived at by considering the weighted average rate of interest calculated on the basis of actual loan portfolio in accordance with the methodology specified in Regulation 32 under Chapter 8 of these regulations, and the amount deposited in Escrow account and the interest received from Escrow account in a year shall be allowed to be adjusted in the input price of the respective year, as a part of mine closure expenses, on case to case basis; <p>Provided further that where the mine closure is within the scope of Mine Developer and Operator engaged by the generating company only for a part of useful life of the mine, the treatment of mine closure for the period during which the generating company has undertaken mine closure shall be as specified in Clause (1) of this Regulation.</p>		
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36L	<p>Computation of Input Price: (1) The input price of coal or lignite shall be computed as under:</p> <p>Input Price = [ROM Cost + Additional charges</p> <p>(2) The credit arising on account of adjustment due to shortfall in overburden removal, GCV Adjustment and Non-tariff Income, if any, shall be dealt separately in the manner specified in these regulations.</p> <p>(3) Statutory Charges, as applicable, shall be allowed.</p>	=	---
36M	<p>Recovery of Input Charges: The input charges of coal or lignite shall be recovered as under:</p> <p>Input Charges = Input Price x Quantity of coal or lignite supplied] + Statutory charges, as applicable.</p> <p>Provided that where energy charge rate based on input price of coal from integrated mine exceeds by 20% of energy charge rate based on notified price of Coal India Limited for the commensurate grade of coal in a month, prior consent of the beneficiary(ies) shall be required;</p> <p>Provided further that where such consent of beneficiaries are not available, input price of coal from such integrated mine shall be so fixed that energy charge rate based on input price of coal from integrated mine does not exceed by more than 20% the energy charge rate based on notified price of Coal India Limited for the commensurate grade of</p>	=	.....

	<p style="text-align: right;">shortfall of overburden removal during the year] x [mining charge during the year + Operation and Maintenance expenses during the year]</p> <p>Where,</p> <p>i) Factor of adjustment for shortfall of overburden removal during the year shall be computed as under: $\frac{[(\text{Actual quantity of coal or lignite extracted during the year}) - (\text{Actual quantity of overburden removed during the year} / \text{Annual Stripping Ratio as per Mine plan})]}{(\text{Annual Target Quantity})}$</p> <p>ii) Annual Stripping ratio is the ratio of volume of overburden to be removed for one unit of coal or lignite as specified in the Mining Plan.</p> <p>iii) mining charge is the charge per tonne of coal or lignite paid by the generating company to the Mine Developer and Operator engaged by the generating company for</p>		<p>of non-adherence of mine plan and stripping ratio. The regulatory framework should encourage the best practice discouraging inefficient practice. Accordingly, that any loss on account of higher OB adjustment may not be passed on to the consumer through input price. The OB adjustment may be rationalized, either in quantity of coal (in case of lower removal of overburden) or overburden (in case of lower extraction of coal) in accordance with annual production plan.</p> <p>Hence giving adjustment period for three years is high.</p>
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	<p>iv) mining, wherever applicable. mining charge and Operation and Maintenance expenses shall be in terms of Rupees per tonne corresponding to the Annual Target Quantity.</p>		
360	<p>360. Adjustment on account of shortfall in GCV (GCV Adjustment): (1) In case the weighted average GCV of Coal extracted in a year is higher than the declared GCV of coal, no GCV adjustment shall be done.</p> <p>(2) In case the weighted average GCV of coal extracted in a year is lower than the declared GCV of coal, the GCV adjustment in that year shall be worked out as under:</p> <p>(a) Where the integrated mine is allocated through auction under Coal Mines (Special Provisions) Act, 2015:</p> $\text{GCV Adjustment} = (\text{Quoted Price of coal}) \times [(\text{Declared GCV of coal} - \text{Weighted Average GCV of coal extracted in the year}) / (\text{Declared GCV of coal})]$ <p>Where,</p> <p>Quoted Price of coal is the Final Price Offer of coal in respect of the concerned coal Block or Mine, along with subsequent escalation, if any, as provided in the Coal Mine Development and Production Agreement:</p>	<p>A proviso may be included in the end of this Regulation:</p> <p>“Provided this regulation is not applicable for integrated lignite mines.”</p>	<p>The GCV of lignite ranges from 2500 to 3300 KCal/kg whereas the GCV of coal is much higher and of the order of 3500 and above. The utilities are required to pay higher cost for the lignite than coal but at the same time derive less benefit by paying higher energy charges due to less heat content in terms of Gross Calorific Value.</p> <p>Therefore, adjustment on shortfall in GCV is not required for lignite.</p>

	<p>Provided that additional premium, if any, quoted by the generating company in auction, shall not be considered; and</p> <p style="padding-left: 40px;">ii) Declared GCV of coal shall be the GCV of coal as specified or quoted in the auction.</p> <p style="padding-left: 40px;">(b) Where the integrated mine is allocated through allotment order under Coal Mines (Special Provisions) Act, 2015:</p> <p>GCV Adjustment = [(Annual Extraction Cost/ATQ) + (mining charge)] X [(Declared GCV of coal – Weighted Average GCV of coal extracted in the year)/(Declared GCV of coal)]</p> <p>Where,</p> <p style="padding-left: 40px;">i) Annual Extraction Cost is the cost of extraction of coal as computed in accordance with Regulation (36F) of these regulations;</p> <p style="padding-left: 40px;">ii) mining charge is the charge per tonne of coal paid by the generating company to the Mine Developer and Operator engaged by the generating company for mining, wherever applicable; and</p> <p style="padding-left: 40px;">iii) Declared GCV of coal shall be the average GCV as per the Mining plan or as approved by the Coal Controller.</p>		
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36P	<p>Adjustment on account of Non-tariff income (NTI Adjustment):</p> <p>Adjustment on account of non-tariff income (NTI Adjustment) for any year, such as income from sale of washery rejects in case of coal mine and profit, if any, from supply of coal to the Coal India Limited or merchant sale of coal as allowed under the Coal Mines (Special Provisions) Act, 2015 shall be worked out as under:</p> <p>NTI Adjustment =(All Non-tariff income during the year)/(Actual quantity of coal or lignite extracted during the year)</p>
36Q	<p>Credit Adjustment Note:- (1) The credit arising on account of OB Adjustment, GCV Adjustment and NTI Adjustment shall be dealt through Credit Adjustment Note for any year.</p> <p>(2) The Credit Adjustment Note shall be issued in favour of the specified end use plants on account of OB Adjustment, GCV Adjustment or NTI Adjustment, as the case may be, for that year as under:-</p> <ul style="list-style-type: none"> (i) OB Adjustment for the year X Quantity of coal or lignite supplied in that year; (ii) GCV Adjustment for the year X Quantity of coal or lignite supplied in that year; and (iii) NTI Adjustment in the year X Quantity of coal or lignite supplied in that year. 		

	(3) The amount in Credit Adjustment Note shall be adjusted against the charges of coal or lignite supplied after the date of issue of Credit Adjustment Note. The integrated mine shall prepare an annual reconciliation statement of such adjustment and furnish the same to all the end use plants and also publish the same on its website.		
36R	Quality Measurement: The quality of coal or lignite supplied from the integrated mines shall be measured at the Loading Point through third party sampling as per the guidelines and procedure specified by the Ministry of Coal and records of such measurement of quality shall be made available to the beneficiaries on demand.	A proviso may be added: Provided that the sampling results on fortnight/ monthly basis may be uploaded on the website of the generators/ mining company	-----
36S	Special Provision: Provisions of Chapters 5 to 8 of these regulations shall not be applicable in case of integrated mines, except to the extent specifically provided for or referred to in Chapter 9: Provided that the financial parameters required for computation of input price of coal or lignite from an integrated mine, if not specifically provided for or referred to in Chapter 9, shall be considered as per provisions applicable to the coal or lignite based generating stations, as the case may be, in these regulations.”	----	-----

Regulation 59	<p>A new Clause shall be added after Clause (1) of Regulation 59 of the Principal Regulations as under:-</p> <p>“(2) The charges payable by a beneficiary or long term customer shall be first adjusted towards late payment surcharge on the outstanding charges and thereafter, towards monthly charges levied by the generating company or the transmission licensee, as the case may be, starting from the longest overdue bill.”</p>	This clause is to be removed in total, as it is against the interest of the discoms and end consumers.	The discoms in the country are in severe financial crisis and struggling to stay afloat. So adjusting the payment made by discoms towards surcharge first will only lead to further degradation of the financial health of the discoms. On the other hand, the generators, especially CGS are running under huge profit and the survival of the generators are directly dependant on the survival of the discoms. Hence in the benefit of the discoms and end consumers, this clause shall be removed.
Regulation 71	<p>Amendment to Regulation 71 of the Principal Regulations:</p> <p>17.1. In Regulation 71 of the Principal Regulations, the words “and the associated integrated mine” shall be added after the words “TPS-I(expansion)”.</p>	---	----

Sd/... 15.07.2020

Chief Financial Controller
Regulatory Cell / (I/c)