

**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

Respondents : Jodhpur Vidyut Vitran Nigam Limited and 2 ors

Date of Hearing : **14.12.2021**

Coram : Shri P.K. Pujari, Chairperson
Shri I.S. Jha, Member
Shri Arun Goyal, Member
Shri Pravas Kumar Singh, Member

Parties present : Ms. Anushree Bardhan, Advocate, NLCIL
Ms. Srishti Khindaria, Advocate, NLCIL
Ms. Shikha Sood, Advocate, NLCIL
Shri Ravi Nair, Advocate, NLCIL
Shri Anil Kumar Sahni, NLCIL
Shri K. Nambirajan. NLCIL
Shri A.Srinivasan. NLCIL
Ms. Swapna Seshadri, Advocate, Rajasthan Discoms
Shri Ashwin Ramanathan, Advocate, Rajasthan Discoms

Record of Proceedings

Case was called out for virtual hearing.

2. During the hearing, the learned counsel for the Petitioner made detailed submissions in the matter. She also submitted that the Petitioner has computed the transfer price of lignite (exclusive of royalty and other duties) on actual basis, in accordance with the MOC guidelines and the same has been certified by statutory auditor. The learned counsel further submitted that the additional information sought vide ROP of the hearing dated 14.7.2020 have been furnished, after serving copies on the Respondents.

3. The learned counsel for the Respondents, Rajasthan discoms submitted that since there is reduction in the actual lignite transfer price claimed by the Petitioner (as compared to the projected lignite transfer price approved vide order dated 3.5.2017 in Petition No.255/GT/2014 for the 2014-19 tariff period), the Respondents are entitled to interest on the excess amount recovered by the Petitioner in terms of Regulation 8(13) of the 2014



Tariff Regulations. She further submitted that the additional capital expenditure claimed with respect to the Barsingsar mines, in the present petition, is not maintainable, as no reasons have been furnished by the Petitioner. She, however, added that the reply filed by the Respondent may be considered and the claims of the Petitioner may be allowed only after prudence check.

4. In response, the learned counsel for the Petitioner clarified that detailed reasons for the variation in the lignite transfer price claimed and the additional capital expenditure claimed in respect of Barsingsar mines for the 2014-19 tariff period, has been furnished by the Petitioner. She however pointed out that lignite transfer price is variable in nature depending upon major operations like overburden removal and lignite excavation, which were outsourced by the Petitioner.

5. The Commission after hearing the parties, reserved orders in the petition.

By order of the Commission

Sd/-
(B.Sreekumar)
Joint Chief (Law)

