

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 452/MP/2019**

**Coram:**

**Shri P.K. Pujari, Chairperson**

**Shri I.S. Jha, Member**

**Shri Arun Goyal, Member**

**Shri Pravas Kumar Singh, Member**

**Date of Order: 26<sup>th</sup> April, 2022**

**In the matter of:**

**Corrigendum to the order dated 24.3.2022 in Petition No. 452/MP/2019**

**In the matter of**

Petition seeking approval for revision of Lignite Transfer Price of NLCIL Mines for the period 1.4.2014 to 31.3.2019 on account of truing up on additional capitalization for 2014-19, O&M expenses, Overburden 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.

**And**

**In the matter of**

NLC India Limited,  
First floor, No.8, Mayor Sathyamurthy Road,  
FSD, Egmore Complex of Food Corporation of India,  
Chetpet, Chennai-600031

**.... Petitioner**

**Vs**

1. Tamil Nadu Generation and Distribution Corporation Limited,  
NPKRR Maaligai, 144, Anna Salai,  
Chennai – 600 002

2. Transmission Corporation of Andhra Pradesh,  
Vidyut Soudha, Khairatabad,  
Hyderabad-500 082

3. Southern Power Distribution Company of Andhra Pradesh Limited,  
D.No:19-13-65/A, Srinivasapuram, Tiruchanoor Road, Tirupathi,  
Andhra Pradesh - 517501

4. Eastern Power Distribution Company of Andhra Pradesh Limited,  
P&T Colony, Seetammadhara, Vishakapatnam, Andhra Pradesh – 503013



5. Transmission Corporation of Telangana,  
Vidyut Soudha, Khairatabad,  
Hyderabad-500 082
6. Northern Power Distribution Company of Telangana Limited,  
H.No. 1-1-504, Opposite NIT petrol pump, Chaityanayapuri colony, Hanmkonda,  
Warangal (Telangana) - 506 004
7. Southern Power Distribution Company of Telangana Limited,  
2nd Floor, H.No.6-1-50, Mint Compound,  
Hyderabad – 500 063
8. Power Company of Karnataka Limited,  
KPTCL Complex, Kaveri Bhavan,  
Bangalore – 560 009
9. Bangalore Electricity Supply Company Limited,  
Krishna Rajendra Circle,  
Bangalore - 560 001
10. Mangalore Electricity Supply Company Limited,  
Corporate Office, MESCOM Bhavana, Bejai, Kavour Cross Road,  
Mangalore 575 004
11. Chamundeshwari Electricity Supply Company Limited  
Corporate office No.CA 29, Vijayanagar, 2nd Stage, Hinakal,  
Mysore -570017
12. Gulbarga Electricity Supply Company Limited,  
Station Main Road,  
Gulbarga -585 102, Karnataka
13. Hubli Electricity Supply Company Limited,  
P.B.Road, Navanagar,  
Hubli - 580 025
14. Kerala State Electricity Board Limited,  
Vaidyuthi Bhavanam, Pattom,  
Thiruvananthapuram – 695 004
15. Puducherry Electricity Department,  
137, NSC Bose Salai,  
Puducherry - 605 001

.... Respondents

### **CORRIGENDUM**

The Commission vide its order dated 8.3.2017 determined the lignite transfer price in respect of the lignite mines of NLCIL for the period 2014-19 as per



the guidelines dated 2.1.2015 issued by Ministry of Coal. The Commission vide order dated 24.3.2022 in Petition No. 452/MP/2019, trued up the lignite transfer price in respect of the lignite mines of NLCIL for the period 2014-19.

2. It has come to the notice of the Commission that certain clerical and arithmetical mistakes and errors arising from accidental slip or omission have occurred in order dated 24.3.2022 in Petition No. 452/MP/2019 on account of inadvertent exclusion of third party sales of Mine 1A against O&M, Over-Burden and total pooled mine cost for the period 2014-15 to 2018-19.

3. Regulation 103 A of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 as amended from time to time (hereinafter referred to as CBR) provides for the amendment of orders, in case of clerical or arithmetical mistakes or errors on account of accidental slip or omission.

Regulation 103 A of CBR is extracted below:

**“Amendment of orders**

103A. Clerical or arithmetical mistakes in the orders or errors arising therein from any accidental slip or omission may at any time be corrected by the Commission either of its own motion or on the application of any of the parties.”

4. In exercise of power under Regulation 103A of CBR, the Commission hereby issues the following corrigenda to order dated 24.3.2022 in Petition No. 452/MP/2019:

- (a) In first sentence of para 44, the word “not” shall be inserted before the word “necessary”.
- (b) In second sentence of para 44, the words “after excluding the expenses attributable to outside sales/third party sales” shall be deleted.
- (c) The rows at serial numbers B, C, D and E of the Table below para 44 shall be deleted.



(d) In para 45, the words in the bracket, namely, “excluding O&M expenses attributable to outside sales/third party sales” shall be deleted.

(e) The table under para 45 shall be substituted as under:

**(Rs. in lakh)**

	2014-15	2015-16	2016-17	2017-18	2018-19
Standalone: Mine-I	71202	70089	75469	78065	82946
<b>Pooled Mines</b>					
Mine-I (Expansion)	42292	42000	46442	48040	51044
Mine-IA	35183.57	39229.68	43741.09	48771.32	50439.59
Mine-II	91033.91	101502.81	113175.63	115427.46	120558.35
Mine-II (Expansion)	39014.89	43501.60	48504.29	49468.22	51667.87

(f) Para 46 shall be deleted.

(g) The table under para 47 shall be substituted as under:

**(Rs. in lakh)**

<b>Net allowable O&amp;M expenses (after adjustment of the revised power cost)</b>					
	2014-15	2015-16	2016-17	2017-18	2018-19
Standalone Mines					
Mine-I	70958	69559	75295	77882	83143
<b>Pooled Mines</b>					
Mine-I (Expansion)	42118	41746	46382	47939	51167
Mine-IA	35053	38327	43243	48398	50635
Mine-II	90322	100322	112880	114870	121247
Mine-II (Expansion)	38710	42996	48378	49229	51963
<b>Total of Pooled Mines</b>	206204	223391	250883	260436	275011

(h) Last two sentences of para 52 shall be deleted.

(i) The table under para 52 shall be deleted.

(j) In para 53, the words “excluding O&M expenses attributable to outside sales/third party sales from pooled Mine 1A” shall be deleted.

(k) The table under 53 shall be substituted as under:

**(Rs. in lakh)**

	2014-15	2015-16	2016-17	2017-18	2018-19
Standalone Mines					
Mine-I	2627.00	2896.00	5773.00	10095.00	6286.00
<b>Pooled Mines</b>					
Mine-I (Expansion)	1617.00	1782.00	3553.00	6212.00	3868.00
Mine-IA	156	-	-	-	5144
Mine-II	-	2733.00	5605.00	5277.00	3248.00
Mine-II (Expansion)	-	1171.00	2402.00	2262.00	1392.00
<b>Total of Pooled Mines</b>	1773	5687	11560	13751	13653

(l) Rows 7, 9 and 10 of table below para 59 shall be substituted as under:



(Rs. in lakh)

Total Working Capital for Pooled Mines - Revised with Smp (Pr)	48391	42606	53951	51494	49323
Interest on Working Capital allowable in Lignite Transfer Price of Pooled Mines (IWPM) = [13.5% of (Pr)]	6533	5752	7283	6952	6659
<b>Total interest of working capital allowable [(IWSM) + (IWPM)]</b>	<b>8451</b>	<b>7464</b>	<b>9322</b>	<b>8983</b>	<b>8717</b>

(m) Under para 78, the tables pertaining to standalone and pooled mines for the years 2014-15, 2015-16, 2016-17, 2017-18 and 2018-19 shall be substituted as under:

<b>MINE - I: STAND ALONE LIGNITE TRANSFER PRICE</b>						
<b>Truing up for the period 2014-19</b>						
<b>Particulars</b>	<b>UoM</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
100% Capacity	LTs	65.00	65.00	65.00	65.00	65.00
85% Capacity	LTs	55.25	55.25	55.25	55.25	55.25
O&M Cost	Rs. in lakh	70,958	69,559	75,295	77,882	83,143
OB Removal	Rs. in lakh	2,627	2,896	5,773	10,095	6,286
<b>Interest</b>						
KFW Loan	Rs. in lakh	18	18	17	16	15
Working Capital	Rs. in lakh	1,918	1,712	2,038	2,032	2,058
Depreciation & Amortisation	Rs. in lakh	2,501	2,402	2,545	3,724	3,325.09
Cost of Mine Closure	Rs. in lakh	812	853	895	940	987
ROE	23.481	10,853	11,799	11,826	12,496	12,816.14
Total	Rs. in lakh	89,687.08	89,237.79	98,389.30	107,185.03	108,630.65
Base Price	Rs/ Tonne	1,623	1,615	1,781	1,940	1,966

<b>Pooled Mines</b>						
<b>Year: 2014-15</b>	<b>UOM</b>	<b>Mine-I (Expansion)</b>	<b>Mine-IA</b>	<b>Mine-II</b>	<b>Mine-II (Expansion)</b>	<b>Total</b>
100% Capacity	LTs	40.00	30.00	105.00	45.00	220.00
85% Capacity	LTs	34.00	25.50	89.25	38.25	187.00
O&M Cost	Rs. in lakh	42118	35053	90322	38710	206202
O&B Removal	Rs. in lakh	1617	156	-	-	1773
<b>Interest</b>						
On Debt	Rs. in lakh	157	7	5	8479	8648
Working Capital	Rs. in lakh					6533
Depreciation & Amortisation	Rs. in lakh	4214	1406	5657	10725	22003
Cost of Mine Closure	Rs. in lakh	500	200	1029	441	2169
ROE	Rs. in lakh	4756	5316	17247	14723	42043
Total	Rs. in lakh					289372
Base Price	Rs./Tonne					1547
<b>Pooled Mines</b>						



Year: 2015-16	UOM	Mine-I (Expansion)	Mine-IA	Mine-II	Mine-II (Expansion)	Total
100% Capacity	LTs	40.00	30.00	105.00	45.00	220.00
85% Capacity	LTs	34.00	25.50	89.25	38.25	187
O&M Cost	Rs. in lakh	41746	38327	100322	42996	223391
O&B Removal	Rs. in lakh	1782	0	2733	1171	5686
<b>Interest</b>						
On Debt	Rs. in lakh	150	7	5	7871	8033
Working Capital	Rs. in lakh					5752
Depreciation & Amortisation	Rs. in lakh	4193	1688	6977	11300	24158
Cost of Mine Closure	Rs. in lakh	525	210	1080	463	2277
ROE	Rs. in lakh	4881	5382	20723	15487	46472
Total	Rs. in lakh					315770
Base Price	Rs./Tonne					1689

Pooled Mines						
Year: 2016-17	UOM	Mine-I (Expansion)	Mine-IA	Mine-II	Mine-II (Expansion)	Total
100% Capacity	LTs	40.00	30.00	105.00	45.00	220.00
85% Capacity	LTs	34.00	25.50	89.25	38.25	187.00
O&M Cost	Rs. in lakh	46382	43243	112880	48378	250883
O&B Removal	Rs. in lakh	3553	-	5605	2402	11560
<b>Interest</b>						
On Debt	Rs. in lakh	143	6	5	6828	6983
Working Capital	Rs. in lakh	-	-	-	-	7283
Depreciation & Amortisation	Rs. in lakh	4273	1053	8479	11385	25189
Cost of Mine Closure	Rs. in lakh	551	220	1134	486	2391
ROE	Rs. in lakh	4454	5442	23352	16064	49313
Total	Rs. in lakh					353603
Base Price	Rs./Tonne					1891

Pooled Mines						
Year: 2017-18	UOM	Mine-I (Expansion)	Mine-IA	Mine-II	Mine-II (Expansion)	Total
100% Capacity	LTs	40.00	30.00	105.00	45.00	220.00
85% Capacity	LTs	34.00	25.50	89.25	38.25	187.00
O&M Cost	Rs. in lakh	47939	48398	114870	49229	260436
O&B Removal	Rs. in lakh	6212	0	5277	2262	13751
<b>Interest</b>						
On Debt	Rs. in lakh	136	6	5	5,805	5952
Working Capital	Rs. in lakh					6952
Depreciation & Amortisation	Rs. in lakh	3548	2352	12840	11958	30697
Cost of Mine Closure	Rs. in lakh	578	231	1191	510	2511
ROE %	Rs. in lakh	4596	5376	24032	16480	50485
Total	Rs. in lakh					370783



Pooled Mines						
Year: 2017-18	UOM	Mine-I (Expansion)	Mine-IA	Mine-II	Mine-II (Expansion)	Total
Base Price	Rs./Tonne					1983

Pooled Mines						
Year: 2018-19	UOM	Mine-I (Expansion)	Mine-IA	Mine-II	Mine-II (Expansion)	Total
100% Capacity	LTs	40.00	30.00	105.00	45.00	220.00
85% Capacity	LTs	34.00	25.50	89.25	38.25	187.00
O&M Cost	Rs. in lakh	51167	50635	121247	51963	275011
O&B Removal	Rs. in lakh	3868	5144	3248	1392	13652
<b>Interest</b>						
On Debt	Rs. in lakh	130	6	4	5220	5359
Working Capital	Rs. in lakh					6659
Depreciation & Amortisation	Rs. in lakh	3752	1828	7707	11186	24474
Cost of Mine Closure	Rs. in lakh	607	243	1250	536	2636
ROE %	Rs. in lakh	4625	5200	23447	16787	50058
Total	Rs. in lakh					377850
Base Price	Rs./Tonne	-	-	-	-	2021

(n) In para 85, sub-para (c) shall be deleted.

(o) The table under para 86 shall be substituted as under:

(Rs./tonne)

Base Lignite Transfer Price (excluding Royalties, Cess, Taxes and Duties)									
	Base Lignite Transfer Price approved vide order dated 8.3.2017 in Petition No. 256/GT/2014		Base Lignite Transfer Price billed to the beneficiaries by the Petitioner		Base Lignite Transfer Price claimed in the present petition by the Petitioner		Base Lignite Transfer Price approved in this order		
	Standalone	Pooled	Standalone	Pooled	Standalone	Pooled	Standalone	Pooled	
2014-15	1679	1711	1679	1711	1642	1701	1623	1547	
2015-16	1959	1949	1959	1949	1636	1780	1615	1689	
2016-17	2181	2197	Up to Dec	1949	1949	1804	2012	1781	1891
			Rest of FY	2050	2050				
2017-18	2431	2412	Up to Oct	2050	2050	2151	2077	1940	1983
			Rest of FY	2150	2150				
2018-19	2715	2661	April	2050	2050	2404	2085	1966	2021
			Up to Feb	1850	1850				
			March	1950	1950				



5. Except for the above, all other items contained in the order dated 24.3.2022 in Petition No. 452/MP/2019 shall remain unchanged.

**Sd/-**  
**(Pravas Kumar Singh)**  
**Member**

**Sd/-**  
**(Arun Goyal)**  
**Member**

**Sd/-**  
**(I.S. Jha)**  
**Member**

**Sd/-**  
**(P.K. Pujari)**  
**Chairperson**

