

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
(LAW DIVISION)**

**Petition No. 245/MP/2021**  
**Along with IA No. 41/2024**

Subject : Petition or approval of input price of coal supplied from Dulanga mines for the period from COD i.e. 1.10.2020 to 31.3.2024.

Petitioner : NTPC

Respondents : BSPHCL and 6 others

Date of Hearing : **11.7.2024**

Coram : Shri Jishnu Barua, Chairperson  
Shri Ramesh Babu V., Member

Parties Present : Ms. Ritu Apurva, Advocate, NTPC  
Ms. Sanjeevani Mishra, Advocate, NTPC  
Shri R.K. Mehta, Advocate, GRIDCO  
Ms. Himanshi Andley, Advocate, GRIDCO

**Record of Proceedings**

At the outset, learned counsel for the Respondent GRIDCO sought time to file its reply to the amended petition filed by the Petitioner. This request was not opposed by the learned counsel for the Petitioner. He, however, sought time to file a rejoinder to the reply of the Respondent.

2. Accordingly, the Commission adjourned the matter. The Commission also directed the Petitioner to furnish the following additional information on or before **16.9.2024** after serving a copy to the Respondents:

(a) The month-wise, from touching of coal to 31.3.2024, agreed quantity of coal, GCV of coal, cost of coal and actual quantity of coal, GCV of coal, and amount paid to MDO in the following prescribed format:

Month	As per agreement with MDO				Actual				
	Quantity (MT)	GCV (EM) kCal/kg	Stripping ratio	Amount (Rs.)	Quantity (MT)	GCV* (EM) kCal/kg	Stripping ratio	Penalty levied on account of GCV (Rs.)	Penalty levied on account moisture (Rs.)
19.09.2018 to 30.09.2018									



01.10.2018 to 31.10.2018									
....									
....									
01.03.2024 to 31.03.2024									

*\*Petitioner to furnish the basis on which the value has been declared.*

- (b) *The month-wise GCV (EM) considered at mine end; and the reasons for the difference claimed, if any, w.r.t the GCV (EM) declared/agreed with MDO.*
- (c) *In reference to the quality obligation of MDO and rate of compensation for the shortfall of GCV as % of Mining Fee, as it is noted that clause 15.6.5 (e) of the agreement with MDO as follows*

*“ 15.6.5 (e) In the event the Mine Operator delivers coal having lower GCV as described in Clause 15.6.5 during any particular month, the Mine Operator shall compensate the owner for the shortfall in GCV in accordance with the formula set forth in the table below :*

S. No.	GCV (kCal / kg)	Rate of Compensation for Shortfall as % MF <sub>Total</sub> for the month
1	Upto G - 150	Nil
2	Less than (G-150) but up to and including (G-300)	
3	Less than (G-300) but up to and including (G-450)	12 %
4	Less than (G-450) but up to and including (G-600)	16 %
5	Less than (G-600)	No payment to the Mine Operator for the coal delivered during the month

*Where, G is the weighted average GCV (G) calculated in accordance with clause 15.6.5 (C)”*

*In this context, as it is noted that the percentage of the compensation rate has been **missing for ‘less than (G-150) to but up to and including (G-300)’**, the same shall be furnished along with supporting documents. Further, the Petitioner shall also furnish month wise value of ‘G’ along with supporting documents.*

- (d) *In reference to ‘Fuel’ considered under components of escalation and defined as ‘WPI series for “High Speed Diesel” as published by the Office of Economic Advisor, Ministry of Commerce & Industry, Government of India’, the Petitioner shall furnish month wise ‘WPI for High Speed Diesel’ from date of issuance of the LoA to March, 2024 along with supporting documents.*
- (e) *The copy of all amendments made to the MDO agreement along with reasons for each amendment.*



- (f) The actual expenses incurred and provisions booked towards 'Community Development' and 'Polytechnic College' as on COD of mine along with supporting documents.
- (g) It is noted that the year-wise OB removal envisaged is varying and different in original petition filed in October – 2021, the amended petition filed in August - 2023 and second amended petition filed in June -2024. The Petitioner shall furnish detailed reasons for such variations claimed and submit correct and consistent OB removal envisaged along with supporting documents.
- (h) It is noted that year-wise, i.e., 2020-21, 2021 – 22, and 2022 – 23, additional capitalization and discharges claimed in the second amended petition filed in June – 2024 are at variance with the first amended petition filed in August, 2023. The Petitioner shall furnish detailed reasons for such variation in each additional capital and discharge thereof. Further, the Petitioner shall also submit correct and consistent details for additional capitalization and discharges thereof along with supporting documents such as the successful bidder, date of award of works, awarded price, scheduled timelines, actual timelines, the completion status of works, payments made etc., for 2020 – 21 to 2023 – 24.
- (i) Reasons for claiming IDC w.r.t. additional capital expenditure - 'Construction of Buildings', while the same was being capitalized yearly basis. Further shall furnish detailed computation (excel sheet with links and formulae) of year-wise IDC claimed against subject item/works along with supporting documents for date-wise capital infused, interest rate, duration, etc.
- (j) Month-wise coal sold and revenue realized from the date of touching of coal to COD of mine. Further, the Petitioner shall also furnish the quantity of coal available with MDO and Owner as on COD of mine and the GCV of such available coal.
- (k) As it is noted that O & M charges claimed in the second amended petition filed in June – 2024 are in variance with first amended petition filed in August 2023, the petitioner shall furnish detailed reasons for such variation in each year and submit year-wise, from 2020-21 to 2023 – 24, a detailed break up of O & M claimed.
- (l) In regard to the claim that Rs. 907.00 lakh, Rs. 166.50 lakh, Rs. 175.00 lakh, Rs. 183.50 lakh and Rs. 395.50 lakh have been deposited in escrow account, the Petitioner shall furnish supporting documents to substantiate year-wise such deposits. Further, the Petitioner shall also furnish reasons for depositing Rs. 395.50 lakh (more than double) in 2023 – 24, while such deposit in 2022 – 23 is only Rs. 183.50 lakh.
- (m) The detailed computation of the mining fee claimed in 2023 – 24, along with month-wise escalation factors, weights considered for each escalation factor, stripping ratio, the penalty levied, etc.
- (n) In reference to 'Annual Charges to agencies other than MDO' claimed under form 2B, as it is noted that the claim has been revised in second amended petition filed in June, 2024 w.r.t. that of first amended petition filed in August, 2023, the petitioner shall furnish reasons for such revision, including auditor certified expenses. Further shall furnish year-wise details such as quantity of coal loaded, rate for loading of coal onto wagons, number samples, rate for sampling etc., and supporting documents thereof.



- (o) *The detailed computation (softcopy excel sheet with links and formulae) of Rs. 9232.38 lakh claimed towards IDC as on COD of mine along with date-wise capital infused, rate interest, duration, etc.*
- (p) *The detailed break up of Rs. 530.16 lakhs, Rs. 16557.40 lakhs, Rs. 5725.18 lakhs and Rs. 1722.88 lakh claimed towards 'Miscellaneous expenses', 'Other Pre-operating expenses', 'UPFRONT AMT FOR COAL BLOCK ALLTMNT-DLCMP' and 'Environment Management Plan in Coal Mines', respectively.*
- (q) *The total expenses incurred as on the date of the letter of award to MDO and detailed a break up thereof.*
3. The Respondents are permitted to file their replies by **14.10.2024** after serving a copy to the Petitioner, who may file its rejoinder, if any, by **5.11.2024**.
4. The matter shall be listed for hearing on **12.11.2024**.

**By order of the Commission**

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

