

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

**Petition No. IA No. 62/2023
in Petition No. 149/MP/2015**

Coram:

**Shri Jishnu Barua, Chairperson
Shri Arun Goyal, Member
Shri Pravas Kumar Singh, Member**

Date of Order: 6th April, 2024

In the matter of:

Corrigendum to the order dated 14.3.2024 in IA No. 62/2023 in Petition No. 149/MP/2015.

And

In the matter of:

Interlocutory Application seeking implementation of Judgment dated 25.7.2023 passed by the APTEL in Appeal No. 185 of 2017 - Rehearing on the issues of O&M expenses in Petition No.149/MP/2015 seeking approval for revised Lignite Transfer Price of NLC Mines for the period 1.4.2009 to 31.3.2014 on account of truing up additional Capitalization, O&M, Income Tax, Return on Equity and FERV along with the Ministry of Coal guidelines on Fixation of Transfer Price of Lignite

And

In the matter of:

NLC India Limited,
135, EVR Periyar High Road, Kilpauk,
Chennai-600010

.....**Petitioner**

Vs

(i) Tamil Nadu Generation and Distribution Corporation Ltd.,
800, Anna Salai, Chennai-600002.

(ii) Power Company of Karnataka Ltd,
KPTCL building, Kaveri Bhavan, K.G. Road,
Bangalore-560009.

(iii) Bangalore Electricity Supply Company Limited,
KR Circle, Bangalore-560001.

(iv) Mangalore Electricity Supply Company Limited,
Paradigm Plaza, AB Shetty circle, Mangalore-575001.

(v) Gulbarga Electricity Supply Company Limited,



Station Main Road, Gulbarga-585102.

(vi) Hubli Electricity Supply Company Limited,
Corporate Office, Navanagar,
PB Road, Hubli-580025

(vii) Chamundeshwari Electricity Supply Corporation Limited,
Corporate Office, no. 927, LJ Avenue, New Kantarajours Road,
Saraswathipuram, Mysore - 570009.

(viii) Kerala State Electricity Board Limited
Vaidyuthi Bhavanam, Pattom, Thiruvananthpuram-695004

(ix) Puducherry Electricity Department,
137, NSC Bose Salai, Puducherry – 605 001.

(x) Transmission Corporation of Andhra Pradesh,
Vidyut Soudha, Khairatabad, Hyderabad-500082

(xi) Transmission Corporation of Telengana
Vidyut Soudha, Khairatabad, Hyderabad-500082

.....**Respondents**

CORRIGENDUM ORDER

The Commission, vide its order dated 14.3.2024 in IA No. 62/2023, in Petition No.149/MP/2015, had revised the O&M expenses of the various mines of the Petitioner for the period 2009-14, in terms of the findings and directions of the Appellate Tribunal for Electricity in its judgment dated 25.7.2023 in Appeal No. 185 of 2017. However, it is noticed that certain inadvertent clerical error has crept in paragraph 34 of the said order dated 14.3.2024, and the same is modified in the exercise of the powers under Regulation 54 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 as under:

Paragraph 34 of the order dated 14.3.2024, which reads as under:

34.As per para 4.1 of the guidelines, 100% of O&M cost shall be recovered at 85% capacity utilization. If the mines have achieved lower capacity utilization, the O&M cost shall be proportionately reduced based on actual capacity utilization, and the lignite transfer price shall be worked out accordingly. In line with MOC guidelines, we have not gone into the detailed prudence of numbers/values as given in the



auditor's certificate. Therefore, the petitioner shall ensure that a proportionate reduction in the O&M cost is done in case the capacity utilization is less than 85%.”:

is modified and shall be read as under:

34. As per para 4.1 of the MoC guidelines dated 11.06.2009 for the control period 2009-14, the lignite transfer price is determined by considering all components of extraction cost, including O&M, at 100%, and lignite production corresponding to 85% CUF. In case the actual production falls below the normative CUF of 85%, the extraction cost, inclusive of Operation and Maintenance (O&M) expenses, based on the actual production, gets reduced on a pro-rata basis. Accordingly, no further proportionate reduction in the O&M cost is required in case the capacity utilization is less than 85%.

2. Except for the above, all other terms contained in the order dated 14.3.2024 in IA No. 62/2023 in Petition No. 149/MP/2015 shall remain unaltered.

Sd/-
(Pravas Kumar Singh)
Member

Sd/-
(Arun Goyal)
Member

Sd/-
(Jishnu Barua)
Chairperson

