

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 386/MP/2023

Subject : Petition under Regulation 22 of the CERC (Terms and Conditions of Tariff) Regulations, 2019, read with Regulation 9 (4) of the CERC (Terms and Conditions of Tariff) (Second Amendment) Regulations, 2021, seeking condonation of delay of 22.5 months in declaring COD of Talaipalli Coal Mine and approval of input price of coal to end use generating station (Lara STPS) for the period from COD i.e. 1.10.2023 to 31.3.2024.

Petitioner : NTPC Limited

Respondent : MPPMCL and 5 others.

Date of Hearing : **28.1.2025**

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

Parties Present : Shri Venkatesh, Advocate, NTPC
Shri Anant Singh Ubeja, Advocate, NTPC
Shri Kunal Veer Chopra, Advocate, NTPC
Ms. Vanshika Saraf, Advocate, NTPC
Shri Ravi Sharma, Advocate, CSPDCL
Shri Vyom Chaturvedi, Advocate, MSEDCL
Shri Ravin Dubey, Advocate, MPPMCL

Record of Proceedings

During the hearing, the learned counsel for the Petitioner submitted that the present petition had been filed for approval of the input price of coal supplied from Taliappali Coal Mine to the end-use generating station from COD (1.10.2023) till 31.3.2024. He also submitted that the petition has been amended for truing up of the capital cost as on 1.10.2023, based on the actual capital expenditure incurred during the period from 1.10.2023 to 31.3.2024. The learned counsel, however, pointed out that in case any additional information is required, the Petitioner will submit the same.

2. The learned counsel for the Respondent, CSPDCL, submitted that the Commission may only consider the determination of the input price of coal in the present Petition. He, however, pointed out that the truing up of the input price for 2023-24, may be separately considered along with the petition for determination of the input price of coal for the period 2019-24. In response, the learned counsel for the Petitioner objected to the said submissions and clarified that since the present petition has been filed/amended based on the actual expenditure, the Commission may consider the present petition. The Commission, while agreeing with the submissions of the learned counsel for the Petitioner, observed that the Petition would be heard after certain additional information, which is to be sought from the Petitioner, is filed.



3. Accordingly, the Commission adjourned the hearing and directed the Petitioner to file the following additional information, on affidavit, after serving copies on the Respondents on or before **10.3.2025**:

- (a) All forms duly signed and audited, in terms of Regulation 3(6) of the 2019 Tariff Regulations, along with the date and UDIN.
- (b) The copy of the original of the investment approval and the revised cost estimate.
- (c) Detailed information regarding the scope of works under the Petitioner, works assigned to MDO, the facilities provided by the Petitioner, and the facilities created by MDO.
- (d) The milestones considered in investment approval, along with supporting documents and the milestones specified in the award/agreement with MDO.
- (e) The scheduled date vis-vis-vis the actual date of completion of the milestone activities associated with the integrated mine with a copy of the prior regulatory approval and seeking beneficiaries' consent before the declaration of COD along with the supporting documents.
- (f) Delay claimed on account of each factor from zero date to the actual COD in the following format along with the supporting documents:

| Period | Total No. of Days in period | Delay claimed | | | | | Total no. of days claimed for Delay |
|------------------------------|-----------------------------|---------------|----------|-----|----------|------------------|-------------------------------------|
| | | Factor 1 | Factor 2 | ... | Factor n | Overlapping Days | |
| Zero date – end of the month | | | | | | | |
| Month 2 | | | | | | | |
| | | | | | | | |
| Start of Month m to COD | | | | | | | |

- (g) Scheduled CoD of the integrated mine as per the Investment Approval/Mine Plan. The scheduled date of achieving 25% of the Peak Rated Capacity as per the Mining Plan vis-a-vis the actual date of achieving 25% of the Peak Rated Capacity, the year in which the value of production estimated exceeds the total expenditure in that year with supporting documents.
- (h) Justification for escalation rate associated with mining fees in the 4th Quarter 2023-2024 being drastically higher than that in the 3rd Quarter 2023-24. Supporting documents to substantiate the Petitioner's submission that the estimated price available in the investment approval was lower than the notified price of Coal India Limited for the corresponding grade of coal supplied to the power sector.
- (i) The year-wise envisaged stripping ratio, OB removal, revised coal production targets, actual coal production, actual stripping ratio, actual OB removal, actual stripping ratio associated with open cast mining, the impact of change in stripping ratio on the mining fee from 2021-22 to 2023-24.
- (j) The auditor certified year-wise payment made to MDO, particularly mentioning the escalation rate considered; the auditor certified year-wise LD recovered from MDO, if any, on account of shortfall in production of coal, and the adjustment of such charges, delay in execution of work.
- (k) The auditor certified head wise break up of opening capital claimed in the Petition as on COD, i.e., 207106.60 lakh.



- (l) *In regards to additional capitalizations claimed, the appropriate justification, including the scope of work, the purpose of such work, etc., with respect to each claim.*
- (m) *Auditor certified year-wise non-tariff income and expenses incurred on OB removal, the shortfall in OB removal, adjustments made thereof, etc, from 2021-2022 to 2023 – 24.*
- (n) *Incidental Expenditure up to the date of commencement of Production and up to the Actual/anticipated date of commercial operation as per Form-K, including Detailed breakup of power charges and other pre-operating expenses -the cost of captive coal produced as on the date of commencement of production and actual COD of the integrated coal mine.*
- (o) *Detailed breakup of expenditure regarding Establishment (other expenditure directly attributable to construction) as on actual COD of the mine as mentioned in Form-B of the finally amended Petition.*
- (p) *Detailed breakup of MBOA expenditure as on actual COD of the mine and liabilities as depicted in Form-B of the finally amended Petition.*
- (q) *The reasons for claiming IWC, in spite of mine being developed in MDO mode.*
- (r) *Reason for not submitting 'Form 15 Non-Tariff Income' and Form-F Statements showing details of items/assets/works/claimed under Exclusions,' as specified in the Tariff Regulations 2019-24.*
- (s) *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.*

4. The Respondents are permitted to file their replies on the above on or before 20.3.2025 after serving a copy to the Petitioner, who may file its rejoinder, if any, by **31.3.2025**.

5. Petition shall be listed for hearing on **15.4.2025**.

By order of the Commission

Sd/-

**(B. Sreekumar)
Joint Chief (Law)**

