

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 59/MP/2026

Subject : Petition under Sections 62 and 79(1)(a) of the Electricity Act, 2003 read with Rule 3 of the Electricity Rules, 2021 and Regulation 50 of the CERC (Terms and Conditions of Tariff) Regulations, 2024 for approval of treating the expenditure incurred on account of an annual imposition of the Surface Right Compensation determined by the District Collector, Cuddalore District, Tamil Nadu, in accordance with Rule 72 of the Mineral Concession Rules, 1960 as a change in law and recovery thereof through monthly supplementary bills.

Petitioner : NLCIL

Respondent : TNPDCCL and 15 others

Date of Hearing : **8.9.2026**

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

Parties Present : Ms. Swapna Seshadri, Advocate, NLCIL
Ms. Ritu Apurva, Advocate, NLCIL
Ms. Anusha Nagarajan, Advocate, TNPDCCL

Record of Proceedings

The matter was called out for a hearing in virtual mode.

2. During the hearing, the learned counsel for the Petitioner submitted that Rule 72 of the Mineral Concession Rules, 1960 provides for payment of compensation for surface rights and enables the Collector to determine the amount of such compensation. She further submitted that pursuant to the third renewal of the mining lease on 18.8.2020 for mining of lignite, the District Collector, Cuddalore, vide order dated 3.10.2024, determined Surface Rights Compensation (SRC) of Rs. 6,98,53,469/- for the year 2023-24 in respect of 1455.29 hectares, based on the average annual net income from cultivation of adjoining lands for the preceding three years. Learned counsel submitted that although Rule 72 has been in existence since 1960, the third renewal provided the enabling basis for imposing SRC, and the renewal was for mining of lignite. Accordingly, SRC is a statutory charge and is liable to be allowed as a pass-through component in tariff. The learned counsel further submitted that the Petitioner has paid the SRC and placed on record the relevant challans evidencing payment from the period 2021-22 onwards.

3. The learned counsel for the Respondent, TNPDCCL, submitted that the Petitioner, vide its rejoinder, has filed certain additional details in the matter and sought permission to file a short note of submissions in response to the same. The learned counsel accordingly sought seven days' time for filing the said note.



4. The Commission, after hearing the parties, permitted the Respondent to file its note of submissions, after serving a copy thereof on the Petitioner, on or before **29.9.2026**.

5. The matter is part-heard and shall be listed for hearing on **27.10.2026**.

By order of the Commission

**Sd/-
(T. D. Pant)
Joint Chief (Law)**

