

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 808/MP/2025

Coram:

**Shri Jishnu Barua, Chairperson
Shri Ramesh Babu V, Member
Shri Harish Dudani, Member
Shri Ravinder Singh Dhillon, Member**

Date of Order: 23.03.2026

In the matter of

Petition under Section 62 and 79 (1) (a) of the Electricity Act, 2003 read with Chapter-III of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 and Regulation 9 & Chapter-9 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 for approval of input price of coal supplied from Kerandari Mine for the period from COD i.e. 01.04.2025 to 31.03.2029.

NTPC Limited,,
NTPC Bhawan, SCOPE Complex,
Institutional Area, Lodhi Road,
New Delhi - 110003

.....Petitioner

Vs

1. Uttar Pradesh Power Corp. Ltd.,
(UPPCL) Shakti Bhawan 14, Ashok,
Marg Lucknow – 226 001 (UP)
2. Rajasthan Urja Vikas and IT Service,
Limited (RUVITL) Vidyut Bhawan,
Janpath, Jaipur – 302005 (Rajasthan)
(On Behalf of JVVNL, AVVNL,
JDVVNL)
3. Gujarat Urja Vikas Nigam Ltd.,
(GUVNL) 2nd Floor Sardar Patel Vidyut Bhawan, Racecourse,
Vadodara-390007
4. Jammu and Kashmir Power,
Corporation Limited (JKPCL)
SLDC Building, Gladni Grid Complex
Narwar, Jammu– 180003
5. Uttarakhand Power Corporation Ltd.,
Urja Bhawan, Kanwali Road
Dehradun – 248001



6. Chandigarh Power Distribution Limited (CPDL),
4th Floor, SCO 33 to 35, Sector-34A,
Chandigarh-160022

.... Respondents

Parties Present:

Ms. Swapna Seshadri, Advocate, NTPC
Ms. Ritu Apurva, Advocate, NTPC
Shri Karthikeyan Murugan, Advocate, NTPC

ORDER

The present Petition has been filed by NTPC Limited ("**Petitioner/NTPC**") under Regulation 9 (4) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024 ("**Tariff Regulations 2024**") seeking approval of input price of coal supplied from Kerandari Coal Mine to the end use generating station for the four years tariff period starting from the COD i.e. 01.04.2025 to 31.03.2029.

Background

2. The Petitioner is a generating company owned and controlled by the Central Government. The Petitioner has been allocated integrated coal mines (both captive mines and basket mines) for specified end-use generating stations. Kerandari is one such coal mine (captive type), which has been allocated to the Petitioner for use in its end-use generating station, Tanda-II Super Thermal Power Station (STPS) (2x660 MW=1320 MW). Kerandari coal mine has declared COD on 1.04.2025, and the peak rated capacity of 6 MTPA is expected to be achieved in the financial year 2026-27 as per the Mining Plan approved on 4.8.2008.

3. The mine was envisaged to be developed and operated under Mine Developer cum Operator (MDO) mode, and the Letter of Award for appointment of the MDO was issued to M/s BGR Mining & Infra Limited on 1.2.2023.

4. The tariff for the sale of electricity generated at the end-use generating stations of the Petitioner is regulated by the Commission in terms of Section 79(1)(a) of the Electricity



Act, 2003 (the Act). The coal extracted from the Kerandari coal mine is used to generate electricity for supply to the Respondents from the end use generating station, Tanda-II, STPS (2x660 MW=1320 MW) of the Petitioner.

5. The 2024 Tariff Regulations, which came into force from 1.4.2024, stipulate the terms and conditions for the determination of the input price of coal supplied from integrated Mines to the linked generating stations for the Tariff period 2024-29. The mining plan of the Kerandari coal mine was approved by the competent authority on 4.8.2008, and the salient features of the Kerandari coal mine are as under:

	Characteristics
Peak rated capacity	6 MTPA (to be achieved by FY 2026-27)
Location	Hazaribagh, Jharkhand
Extractable Reserves	142.01 MT
Project Area	754 Hectare
Average stripping ratio	1:4.41
Type of mining	Open cast
Mode of Operation	Under Mine Development and Operator
Type of Mine (Captive/Basket)	Captive
End-use generating station(s)	Tanda-II STPS (2x660 MW=1320 MW)

6. The Petitioner has also prayed for the grant of an interim tariff, equivalent to 90% of the total tariff claimed for billing purposes, subject to the final determination of the tariff.

Hearing dated 6.11.2025

7. The matter was admitted on 6.11.2025. During the hearing, the learned counsel for the Petitioner submitted that since the Petitioner has in Prayer (e) of the Petition, sought permission to provisionally bill the Respondents at 90% of the input price of coal, the Commission may direct the Respondents to file their replies on the said interim prayer, at this stage, and list the matter at an early date. After hearing the learned counsel of the Petitioner, notice was issued to the parties to file their replies and rejoinders on the interim prayer of the Petitioner (prayer (e) of the petition).

Hearing dated 3.12.2025

8. None appeared on behalf of the Respondents, despite notice. The Commission, after hearing the learned counsel for the parties, reserved its orders with regard to the prayer of the Petitioner for the grant of an interim tariff in respect of the Kerandari integrated coal mine, in terms of the 2024 Tariff Regulations. However, the Respondents were granted a final opportunity to file their replies with regard to the grant of the interim tariff. However, no reply has been filed by the Respondents.

Analysis and decision

9. We have considered the submissions of the Petitioner for the grant of an interim tariff for the input price of coal supplied from the Kerandari Mine. In order to enable the Petitioner to meet its ongoing financial obligations through a reasonable recovery of the cost of mining by the Petitioner to the Respondents and keeping in view that the interim tariff of the integrated coal mine will be subject to adjustment, based on the final tariff to be determined by the Commission, we, on a prudence check, proceed to examine the prayer of the Petitioner for the grant of interim tariff in the instant Petition, as stated in the subsequent paragraphs.

10. In the present Petition, the Petitioner has claimed tariff in respect of the entire coal mine based on the COD, i.e. 1.4.2025 of the Kerandari mine. The Petitioner has filed the instant Petition in accordance with Regulation 9(4) of the Tariff Regulations 2024, along with an auditor-certified copy of the capital cost up to the actual COD, i.e., 01.04.2025, of the mine, vide affidavit dated 27.06.2025, which is within 90 days from the date of the actual COD. Regulation 9(4) of the 2024 Tariff Regulations provides for filing an application for the determination of the tariff of a generating station or unit thereof, within 90 days from the actual date of commercial operation.

11. Regulation 37 of the 2024 Tariff Regulations, as amended, provides as under:

“37. Input Price of coal and lignite for energy charges: (1) Where the generating company has the arrangement for supply of coal or lignite from the integrated mine(s) allocated to it for use in one or more of its generating stations as end use, the energy charge component of tariff of the generating station shall be determined based on the input price of coal or lignite, as the case may be, from such integrated mines in accordance with these regulations.

(2) The generating company shall, after the date of commercial operation of the integrated mine(s) till the input price of coal is determined by the Commission under these regulations, adopt the notified price of Coal India Limited commensurate with the grade of the coal from the integrated mine(s) or the estimated price available in the investment approval, whichever is lower, as the input price of coal for the generating station:

“Provided that the generating company may request an interim input price in its petition, which may be allowed by the Commission up to 90% of the claimed input price after the first hearing of the application:

Provided further that the difference between the input price of coal determined under these regulations and the input price of coal either adopted by the generating company in terms of this sub-regulation or the interim input price allowed by the Commission under the first proviso to this sub-regulation shall be recoverable or payable in accordance with sub-regulation (4) of this Regulation.

...

(4) In case of excess or short recovery of input price under Clauses (2) or (3) of this Regulation, the generating company shall refund the excess amount or recover the shortfall amount, as the case may be, with simple interest at the rate equal to 1-year SBI MCLR plus 100 basis points prevailing as on 1st April of the respective year of the tariff period, in six equal monthly instalments.”

12. Regulation 10(3) of the 2024 Tariff Regulations provides for the grant of an interim tariff, extracted as under:

“10. Determination of tariff

xxxx

(3) If the information furnished in the petition is in accordance with these regulations, the Commission may consider granting an interim tariff of up to ninety per cent (90%) of the tariff claimed in the case of a new generating station or unit thereof or transmission system, or element thereof during the first hearing of the application for billing purposes till the final tariff is determined by the Commission:

Provided that in case the final tariff determined by the Commission is lower than the interim tariff by more than 10%, the generating company or transmission licensee shall return the excess amount recovered from the beneficiaries or long term customers, as the case may be, with simple interest at 1.20 times of the rate worked out on the basis of 1 year SBI MCLR plus 100 basis points prevailing as on 1st April

of the financial year in which such excess recovery was made.

xxx”

As per the above provisions, the Commission may grant the interim tariff, up to ninety per cent (90%) of the tariff claimed by the Petitioner, for billing purposes, till the determination of the final tariff. In view of the above, the Kerandari integrated coal mine becomes entitled to the grant of an interim tariff, subject to the submission of details regarding time overrun, cost overrun, and other factors, and a prudence check applicable upon the submissions in terms of the 2024 Tariff Regulations during the subsequent hearings for the determination of the final tariff.

13. In view of the above, the Petitioner company is entitled to the grant of an interim tariff, subject to the submission of details regarding time overrun, cost overrun, and other factors, and a prudence check in terms of the 2024 Tariff Regulations during the determination of the final tariff. The Kerandari coal mine achieved COD on 1.4.2025. Accordingly, we, based on the data/details available on record and on prudent check, proceed to grant an interim tariff for the Kerandari coal mine from its COD till 31.3.2029 or till the determination of the final tariff of the generating station, whichever is earlier.

Determination of the Input price of coal for the Financial Year(s) 2024-29

14. The Petitioner has claimed the capital cost, annual extraction cost, run of mine cost, and input price of coal in tariff forms submitted vide affidavits dated 27.6.2025 as under:

Capital cost claimed

(Rs. in lakh)

S. No.	Particulars	2025-26 (01.04.2025 31.03.2026) to	2026-27	2027-28	2028-29
1	Opening Capital Cost	1,27,757.72	1,46,788.09	2,32,288.09	2,66,188.09
A	Notional IDC	8,900.41			
B	ERV charged to revenue	818.34			
C	Unamortized bond issue expense	311.62			
1	Opening Capital Cost	1,37,788.09	1,46,788.09	2,32,288.09	2,66,188.09
2	Add: Addition during the year/period	9,000.00	85,500.00	33,900.00	8,000.00



3	Less: De-capitalization during the year/period				-
4	Add: Discharges of Liability during the year/period				
5	Closing Capital Cost (1+2-3+4)	1,46,788.09	2,32,288.09	2,66,188.09	2,74,188.09
6	Average Capital Cost	1,42,288.09	1,89,538.09	2,49,238.09	2,70,188.09

Annual extraction cost claimed

(Rs. in lakh)

S. No.	Particulars	2025-26	2026-27	2027-28	2028-29
1	Depreciation	6,325.80	8,444.36	12,719.03	14,119.10
2	Interest on Loan	6,416.48	8,090.35	10,160.55	10,417.80
3	Return on Equity	7,241.30	9,645.94	12,684.18	13,750.36
4	Interest on Working Capital	754.60	932.71	994.07	1,033.56
5	O&M Expenses excluding mining charge	10,852.68	11,480.08	12,080.54	12,713.18
6	Mine closure expense	589.14	622.85	468.22	497.45
7	Total Annual Extraction Cost (1+2+3+4+5+6)	32,023.51	39,052.41	49,125.13	52,549.99

Run of Mine cost claimed

Particulars	2025-26	2026-27	2027-28	2028-29
Annual Extraction cost (A) (Rs. in lakh)	32,023.51	39,052.41	49,125.13	52,549.99
ATQ (B) (in tonne)	43,60,000	60,00,000	60,00,000	60,00,000
Annual Extraction cost Rs Per Tonne (C)=(A)/(B)	734.48	650.87	818.75	875.83
Mining Charges* in Rs/Tonne	1,569.21	1,651.60	1,738.31	1,829.57
*Fixed Reserve Price in Rs./Tonne	149.64	149.64	149.64	149.64
Run of Mine Cost Rs Per Tonne	2,453.33	2,452.11	2,706.69	2,855.04

Input price of coal claimed

(in Rs./tonne)

Particulars	2025-26 (01.04.2025 to 31.03.2026)	2026-27	2027-28	2028-29
ROM Cost as per Form 1A	2453.33	2452.11	2706.69	2855.04



Surface Transportation Charges	502.94	439.76	495.77	470.21
Input Price	2956.27	2891.87	3202.47	3325.25
Statutory Charges	794.71	811.90	811.97	821.77
Total Input Price	3750.98	3703.77	4014.44	4147.02
GST@5%	187.55	185.19	200.72	207.35
GST Compensation Cess @ Rs 400	400.00	400.00	400.00	400.00
Total Input Price	4338.53	4288.96	4615.16	4754.37

* The quantity specified in the Mining Plan has been considered as ATQ. However, the same shall be replaced with the ATQ or the Actual production quantity in terms of Regulation 39 (2) of CERC Tariff Regulations, 2024, during truing up.

*Mining Charges claimed are based on Mining Charges claimed for the year 2024-25, and the same has been escalated @ 5.25% per year for subsequent years.

*Fixed reserve price claimed for the period from FY 2025-26 to 2026-27 is based on the actual fixed reserve price applicable for the financial year 2025-26 as per the office order of Nominated Authority, Ministry of Coal, GoI.

*GST @5% and GST cess @Rs 400 per Ton shall be applicable in case coal is transferred to a station having a different GSTN.

Recovery of the Input Price of Coal

15. Based on the above deliberations, it is observed that the capital cost as on 31.03.2029 of Rs. 2741.88 crore claimed by the Petitioner is within the Investment Approval cost of Rs. 4182.70 crore. The input price claimed by the Petitioner is as under:

(Rs./Tonne)

	2025-26	2026-27	2027-28	2028-29
Input Price claimed	4338.53	4288.96	4615.16	4754.37

16. In accordance with Coal India Ltd. (CIL) Price Notification No. CIL/M&S/Pricing/572 dated 4th April, 2025, Pit head Run of Mine (RoM) prices (effective from 00:00 Hours of 16th April, 2025) of coal in G10 Grade (GCV exceeding 4300 Kcal/Kg and not exceeding 4600 Kcal/Kg) for power utilities is Rs. 1130 per tonne. The relevant extracts of the said Price Notification dated 4.4.2025 are as under:



“Pit head Run of Mine Price (ROM) of non-coking coal applicable for all coal-producing subsidiary companies, including NEC, but excluding WCL

Grade	GCV Range	Pithead Run of mine price for Non-Coking coal	
		Power (including Fertilizer & Defence sector)	Utilities (including IPPs), Sectors other than Power Utilities (including IPPs), Fertilizer & Defence
	(Kcal/Kg)	(Rs./Te)	(Rs./Te)
G1	Exceeding 7000	*	*
G2	Exceeding 6700 and not exceeding 7000	3570	3570
G3	Exceeding 6400 and not exceeding 6700	3420	3420
G4	Exceeding 6100 and not exceeding 6400	3260	3260
G5	Exceeding 5800 and not exceeding 6100	2980	2980
G6	Exceeding 5500 and not exceeding 5800	2520	2740
G7	Exceeding 5200 and not exceeding 5500	2100	2520
G8	Exceeding 4900 and not exceeding 5200	1600	1918
G9	Exceeding 4600 and not exceeding 4900	1250	1498
G10	Exceeding 4300 and not exceeding 4600	1130	1354
G11	Exceeding 4000 and not exceeding 4300	975	1165
G12	Exceeding 3700 and not exceeding 4000	906	1083
G13	Exceeding 3400 and not exceeding 3700	837	1000
G14	Exceeding 3100 and not exceeding 3400	768	917
G15	Exceeding 2800 and not exceeding 3100	610	728
G16	Exceeding 2500 and not exceeding 2800	524	624
G17	Exceeding 2200 and not exceeding 2500	467	556

* For GCV exceeding 7000 Kcal/Kg, the price shall be increased by Rs. 100/- per tonne over and above the price applicable for GCV band exceeding 6700 but not exceeding 7000 Kcal/Kg. for increase in GCV by every 100 Kcal/Kg or part thereof.

** An additional amount of Rs. 700 per tonne (as per the existing practice) to be charged over and above the notified price in respect of coal produced from Rajmahal area of Eastern Coalfields Limited.

*** Pricing of Raw coal with GCV from 1500 Kcal/Kg to 2200 Kcal/Kg would change as per the price Notification No.: CIL/M&S/1325 dated 18th July, 2022.”

17. The Petitioner in tariff form-3 has submitted that as per the Geological Report (GR), the GCV of the coal extracted from the Kerandari integrated coal mine lies in the range of 4300-4600 (G10) to 4000-4300 (G11) Kcal/Kg). The CIL notified price for the corresponding grade, i.e, the G10 grade, is Rs 1130 per tonne. As against this, the RoM price claimed by the Petitioner in the instant Petition is as follows:

Particulars	2025-26	2026-27	2027-28	2028-29
RoM Price (in Rs./tonne)	2453.33	2452.11	2706.69	2855.04

18. It is observed that RoM price claimed by the Petitioner for 2025-26 is around 217% of the CIL notified price of Rs 1130 per tonne for the corresponding grade, i.e., G10, as on 04th April, 2025.

19. As per Regulation 37 of the 2024 Tariff Regulations, the generating company shall, after the date of commercial operation of the integrated mine(s) till the input price of coal is determined by the Commission under these regulations, adopt the notified price of Coal India Limited commensurate with the grade of the coal from the integrated mine(s) or the estimated price available in the investment approval, whichever is lower, as the input price of coal for the generating station. In the instant Petition, the Petitioner has not furnished the input price of coal in the Investment Approval; rather, only the capital cost has been provided. The capital cost claimed by the Petitioner in the instant Petition is Rs. 2741.88 crore (closing capital cost as on 31.03.2029), which is less than the investment approval cost of Rs. 4182.70 crore. Further, the Petitioner has requested an interim input price. Accordingly, in terms of Regulation 37(2), we allow 80% of the RoM price claimed, along with other charges, as the interim input price, subject to adjustment based on the determination of the final tariff of the Kerandari coal mine from its COD till 31.3.2029, in terms of the provisions of the 2024 Tariff Regulations. Also, as stated earlier, the interim tariff granted for the Kerandari coal mine shall remain in operation for the period until 31.3.2029 or until the determination of the final tariff, whichever is earlier.

20. Accordingly, Petition No.808/MP/2025 shall be listed for hearing in due course, for which a separate notice will be issued to the parties.

Sd/- (Ravinder Singh Dhillon) Member	Sd/- (Harish Dudani) Member	Sd/- (Ramesh Babu V.) Member	Sd/- (Jishnu Barua) Chairperson
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