

# Rajasthan Electricity Regulatory Commission

## **I.A. No. 7 & 8 in Petition No. 1285/2017 and 1286/17**

In the matter of petition filed by M/s Raj West Power Ltd., for determination of tariff for its 1080 MW Lignite based thermal generating station for FY 2018-19 and

In the matter of petition filed by M/s Barmer Lignite Mining Company Ltd., for determination of transfer price of Lignite for FY 2018-19 from Kapurdi and Jalipa mine.

### **Coram:**

**Shri Shreemat Pandey, Chairman**

**Shri S.C. Dinkar, Member**

**Shri Prithvi Raj, Member**

Petitioner	:	1. M/s Raj West Power Ltd. (1286/17) 2. M/s Barmer Lignite Mining Company Ltd. (1285/17)
Respondents	:	1. M/s Jaipur Vidyut Vitran Nigam Ltd., Jaipur 2. M/s Ajmer Vidyut Vitran Nigam Ltd., Ajmer 3. M/s Jodhpur Vidyut Vitran Nigam Ltd., Jodhpur
Date of hearing	:	14.09.2018
Present	:	1. Sh. Aman Anand, Advocate for Petitioners 2. Sh. P.N. Bhandari, Advocate for Respondents
<b>Order Date</b>	:	<b>26.09.2018</b>

### **ORDER**

1. Petitioner, M/s Raj West Power Ltd. (RWPL) has filed an Interlocutory Application No. 8 in petition no. 1286/17 for passing consequential orders in

reference with order dated 08.08.2018 passed by the Hon'ble APTEL in I.A. No. 643 of 2018 in Appeal no. 137 of 2018.

2. Petitioner, M/s Barmer Lignite Mining Company Ltd. (BLMCL) has also filed an Interlocutory Application No. 7 in petition no. 1285/17 for passing consequential orders in reference with order dated 08.08.2018 passed by the Hon'ble APTEL in I.A. No. 643 of 2018 in Appeal no. 137 of 2018

3. M/s RWPL in its application submitted as under:

3.1 Commission vide its order dated 10.05.2018 had allowed the interim transfer price of lignite for FY 2018-19 to BLMCL as Rs. 1959 per MT and accordingly the variable charges were fixed at Rs. 2.15 per unit.

3.2 Aggrieved by the said order, BLMCL filed an Appeal No. 137 of 2018 before the Hon'ble APTEL along with an application (being IA no. 643 of 2018) seeking interim directions.

3.3 Hon'ble APTEL, on 08.08.2018, passed an interim order, increasing the recovery of interim transfer price of lignite in FY 2018-19 to 85% of the cost proposed by the Petitioner, against the earlier figure of 70%, as granted by the this Commission in the order dated 10.05.2018.

3.4 Since Hon'ble APTEL did not direct this Commission to pass any consequential order to give effect to its order dated 08.08.2018, Petitioner based on the request of BLMCL and the directions of the Hon'ble APTEL vide its letter dated 11.08.2018 requested the Discoms to implement the said order and raised the bills accordingly.

3.5 In response to the bills raised, Discoms communicated to the Petitioner that it would not make payment as the variable charges have not been modified by the this Commission, pursuant to the order dated 08.08.2018, passed by the Hon'ble APTEL.

3.6 Even though the order of the Hon'ble APTEL is absolute and requires no further consequential orders to be passed, Petitioner is filing the present application requesting to pass a consequential order giving effect to the order dated 08.08.2018 of the Hon'ble APTEL passed in IA no. 643 of 2018 in Appeal no. 137 of 2018, increasing interim variable charges for FY 2018-19 from Rs. 2.15 per unit to Rs. 2.5073 per unit.

4. Petitioner BLMCL in its application submitted as under:

4.1 Commission vide its order dated 10.05.2018, while granting interim ad-hoc transfer price of lignite for FY 2018-19 had restricted recovery of transfer price (before Royalty, VAT and other statutory levies) to 70% of the price claimed by the Petitioner. As such, against the claimed price of Rs. 2036.78 per MT, a sum of Rs. 1425.75 per MT was allowed by this Commission.

4.2 Aggrieved by the said order, BLMCL approached the Hon'ble APTEL by filing Appeal no. 137 of 2018 along with an application (being IA no. 643 of 2018) seeking interim directions.

4.3 Hon'ble APTEL on 08.08.2018, passed an interim order, increasing the recovery of interim transfer price of lignite in FY 2018-19 to 85% of the cost proposed by the Petitioner, against the earlier figure of 70%, as granted by the this Commission in the order dated 10.05.2018.

4.4 Since the Hon'ble APTEL did not direct this Commission to pass any consequential order to give effect to the order dated 08.08.2018, Petitioner approached RWPL to implement the said order. RWPL in turn requested the Discoms to implement the said order and raised the bills accordingly.

- 4.5 In response to the bills raised, Discoms communicated RWPL that it would not make payment as the variable charges have not been modified by this Commission, pursuant to the order dated 08.08.2018, passed by the Hon'ble APTEL.
- 4.6 Even though the order of the Hon'ble APTEL is absolute and requires no further consequential orders to be passed, still without prejudice and with a view to put a quietus to the issue, BLMCL is filing the present application requesting to pass a consequential order giving effect to the order dated 08.08.2018 of the Hon'ble APTEL passed in IA no. 643 of 2018 in Appeal No. 137 of 2018, increasing the interim lignite transfer price for FY 2018-19 from Rs. 1958.99 per ton to Rs. 2293.06 per ton.
5. Matter was heard on 14.09.2018. Sh. Aman Anand, Advocate appeared for Petitioners and requested to pass consequential order in term of the order passed by the Hon'ble APTEL. Sh. P.N. Bhandari, Advocate appeared for Discoms and submitted that Commission may pass the consequential order in the matter. After hearing both the parties, order is reserved on the I.A. No. 7 & 8.

**Commission's views/decisions:**

6. Commission has considered the claims of both the Petitioner and the Respondents in the light of the orders of the Hon'ble APTEL.
7. Commission has considered the prayer of the Petitioners for grant of increase in Transfer price and variable charges in the light of the orders of the Hon'ble APTEL and arguments addressed by Ld. Counsels of Petitioners and Respondents.
8. As the prayers made by both Generating and Mining Companies are interrelated, Commission has considered both the Interlocutory Applications and prayers together and is passing the following common interim order.

### **Lignite Transfer Price**

9. As per order dated 08.08.2018 passed by Hon'ble APTEL, Commission allows the recovery of interim transfer price of lignite in FY 2018-19 to 85% of the transfer price before royalty, VAT and other statutory levies as proposed by the Petitioner, i.e., Rs. 2036.78/MT.
10. The interim transfer price for FY 2018-19 from Kapurdi and Jalipa lignite mines for supply to RWPL's Lignite based thermal generating stations thus works out as under:

<b>S.No.</b>	<b>Item</b>	<b>Existing</b>	<b>Allowed</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1	Lignite Transfer Price before royalty, VAT and other statutory levies	Rs.1425.75/MT	Rs.1731.26/MT
2	Royalty(6% Add-valorem)	Rs.85.54/MT	Rs.103.88/ MT
3	Contribution to District Mineral Foundation @ 30% of Royalty	Rs.25.66/MT	Rs.31.16/ MT
4	Contribution to National Mineral Exploration Trust Fund @ 2% of Royalty	Rs.1.71/MT	Rs.2.08/ MT
5	GST @ 18% on (Royalty, DMFT and NMET)	Rs.20.33/MT	Rs.24.68/ MT
6	Compensation Cess	Rs. 400.00/ MT	Rs. 400.00/ MT
7	GST @ 5% on Invoice Value (on S.No 1 to 4)	Rs.76.93/MT	Rs.93.42/ MT
8	Sub Total: (1 to 7)	Rs.2035.93/MT	Rs.2386.48/ MT
9	Less: CENVAT/ Input credit for GST@5%	Rs.76.93/MT	Rs.93.42/ MT
10	Total (8-9)	Rs.1958.99/MT	Rs.2293.06/ MT

### **Variable Charges**

11. For calculating the interim variable charges, Commission has considered the transfer price of lignite from Kapurdi and Jalipa mines as Rs. 2293/ MT. The interim variable charges for FY 2018-19 thus works out to Rs. 2.50/unit.

## **Fixed Charges**

12. The petition for FY 2018-19 is under consideration of the Commission therefore, pending prudence check and adjustments after detailed consideration, the Commission deems it appropriate not to modify the fixed charges for FY 2018-19 as allowed on interim basis by the Commission vide its order dated 10.05.2018 for FY 2018-19.

13. In the light of what has been discussed above, and in terms of order passed by Hon'ble APTEL, Commission allows the interim transfer price and tariff for 2018-19 as under:

S.N.	Item	Rate
1.	Lignite Transfer Price	Rs.2293/ MT
2.	Fixed cost	Rs.1.70/unit
3.	Variable cost	Rs.2.50/unit
4.	Total Tariff	Rs.4.20/unit

14. Payment made, based on the above interim tariff, would be subject to normative target availability for recovery of full capacity charges and target PLF for incentive as specified in Tariff Regulations, 2014 in respect of lignite fired thermal power stations using CFBC technology.

15. I.A. No. 7 in Petition No. 1285/2017 and I.A. No. 8 in Petition No. 1286/17 is disposed of with above terms.

(Prithvi Raj)  
Member

(S.C. Dinkar)  
Member

(Shreemat Pandey)  
Chairman