

**PUNJAB STATE ELECTRICITY REGULATORY COMMISSION**  
**SITE NO. 3, BLOCK B, SECTOR 18-A MADHYA MARG, CHANDIGARH**

**Petition No. 55 of 2024**  
**Date of Hearing: 08.01.2025**  
**Date of Order: 13.01.2025**

Petition under Section 61, 62, and 86 of the Electricity Act, 2003, read with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) (Second Amendment) Regulations, 2021, for approval of Input price of coal supplied from the Pachwara Central coal mine from its date of commercial operation i.e. 01.09.2023.

In the matter of: Punjab State Power Corporation Limited (PSPCL), The Mall, Patiala- 147001.

...Petitioner

Commission: Sh. Viswajeet Khanna, Chairperson  
Sh. Paramjeet Singh, Member

Petitioner: Sh. Anand K Ganesan, Advocate (through VC)  
Sh. S.M Chopra, Dy.CE/Fuel-1  
Sh. Balwinder Kumar, ASE/Fuel-4  
Sh. Kuldeep Singh, AE/Fuel-6  
Sh. Harjeet Singh, ASE/TR-5

**ORDER**

The petition was taken up for hearing on admission. PSPCL has filed the present petition for approval of input price of coal supplied from the Pachwara Central coal mine from its date of commercial operation i.e. 01.09.2023. After hearing the Ld. Counsel for the petitioner, petition is admitted. PSPCL is further directed to supply the following information within one week (through hard & soft copy).

1. PSPCL has submitted only broad details of fixed and variable charges relating to expenses relating to its Pachwara central coal mine but has not submitted any proposal for input price of coal. PSPCL to submit the detailed calculation and proposal of input price of coal.
2. PSPCL had submitted capital expenditure of Rs.196.30 Crore during 1<sup>st</sup> MYT Control Period (FY 2017-18 to FY 2019-20) and Rs. 54.04 Crore during 2<sup>nd</sup> MYT Control Period (FY 2020-21 to FY 2022-23). Further, in the Tariff Order for FY 2024-25, the Commission decided that capital expenditure on Pachwara Captive Coal Mine separately in a petition to be filed by PSPCL. PSPCL has yet not filed any petition for

approval of the Capital expenditure on coal mine. In this petition, PSPCL submitted that its actual capital expenditure is Rs. 247.55 Crore alongwith "Land Cost" of approximately Rs. 65.31 Crore. PSPCL has also submitted that IDC on the capital expenditure is Rs. 173.95 Crore. PSPCL to submit the details of capital cost as well as calculation of IDC.

3. PSPCL has submitted in Para 85 (9) (f) that in terms of Regulation 7A, the amount received from sale of coal prior to date of commercial operation has been adjusted in the capital cost of the project. PSPCL to submit the amount received from sale of coal that has been adjusted in the capital cost of the project.
4. PSPCL has submitted that it is paying GST at 18% on composite mining charges. Further, PSPCL has also submitted that it is also paying GST Compensation Cess @ Rs. 400/MT to the GST department. PSPCL is not claiming any input tax credit. PSPCL to clarify applicability of two types of GSTs and non-availability of the input tax credit on the captive coal mined through MDO.
5. PSPCL submitted that as per the Mining Plan, the ATQ for FY 2023-24 is 7MTPA. Further, the revision of ATQ is under consideration by the Ministry of Coal and the ATQ may be revised to 2 MTPA in accordance with the mining sequence of Approved Mining Plan considering FY 2022-23 as a base year. PSPCL to provide the reasons for revision of ATQ from 7MTPA to 2MTPA.
6. In Para No. 90 of the petition PSPCL has submitted that under the current scenario, PSPCL Jharkhand is billing PSPCL Punjab and M/s GVK for coal at the notified price set by Coal India Limited for the corresponding grade, along with applicable statutory charges for that grade. PSPCL has further submitted that this methodology has been followed to ensure compliance with GST and other statutory laws. However, the 'actual' cost is recovered from the thermal plants of PSPCL and M/s GVK.  
PSPCL to provide the rationale of considering the notified CIL coal rate for billing purposes. Also, PSPCL to provide the difference as well as rationale for billing as per notified rate and recovering the actual cost from power plants.
7. PSPCL in its clarification to deficiencies against Petition No. 61 of 2024 stated that the cost of land amounting to Rs.291.54 crore booked in its financial account consists an amount of Rs. 290.65 crore pertaining to capitalization of Pachhwara Central Coal Mine whereas in the petition a bid, land cost liability has been shown as Rs.65.31 crore. The variation in both the statements needs to be clarified along-with documentary evidence.
8. PSPCL has claimed an amount of Rs.173.96 crore as IDC. There is no detail of loan amount upon which it has been worked out. Year-wise

breakup of loan, rate of interest, details/working of interest may be provided.

9. PSPCL has claimed Rs.41.66 Crore paid to Principal Chief Conservator of Forests, Ranchi, on account of 'Site-Specific Soil and Moisture Conservation Plan', it is to be intimated whether this amount is of one-time nature. Whether this amount has been included in the actual capital expenditure as stated above.
10. PSPCL to provide calculation-sheet showing indices of wholesale price index, consumer price index and price of HSD.
11. PSPCL has claimed amortization of coal mine expenses of Rs.6.54 Crores in the Annual Audited Accounts of FY 2023-24(Note-37). PSPCL to provide complete working of Rs.6.54 Crore.
12. PSPCL to intimate as to whether any depreciation of assets of Pachhwara Central Coal Mine has been counted and claimed in annual and audited accounts of F.Y. 2023-24.

The petition involves public interest and as required under Regulation 67 of the PSERC (Conduct of Business) Regulations 2005, PSPCL shall publish a public notice inviting objections/suggestions from the public/stakeholders. The petition, the information sought by the Commission as above and reply thereto by PSPCL as well as the objections/comments received in response to the public notice be also uploaded on the website of PSPCL and the Commission.

The petition shall be taken up for hearing as well as public hearing on 27.02.2025 at 11.30 AM.

Sd/-  
(Paramjeet Singh)  
Member

Sd/-  
(Viswajeet Khanna)  
Chairperson

Chandigarh

Dated: **13.01.2025**