

**Before the**  
**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**  
**World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005.**  
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**Case No. 154 of 2013**

**Dated: 25 October, 2017**

**CORAM:**     **Shri. Anand B. Kulkarni, Chairperson**  
                  **Shri. Azeez M. Khan, Member**  
                  **Shri. Deepak Lad, Member**

**In the matter of Petition of Indiabulls Power Ltd. (now RattanIndia Power Ltd.) for compensation in tariff on account of increase in fuel and other incidental costs relating to the PPAs dated 22.4.2010 and 5.6.2010.**

Indiabulls Power Ltd. (now RattanIndia Power Ltd.) (RPL)                     .....Petitioner  
V/s  
Maharashtra State Electricity Distribution Co. Limited                             .....Respondent

For the Petitioner:   Shri. Vikram Nankani (Adv.)  
For the Respondent:   Smt. Deepa Chawan (Adv.)  
For Authorised Consumer Representative:   Smt. Ashwini Chitnis, Prayas  
   Energy Group

**Daily Order**

1. The matter had earlier been partly heard before a two-Member Bench. Since the Chairperson has assumed office since then, the Parties were informed at the hearing held on 25 October, 2017 that the matter would now be heard by the Chairperson and both Members. The Parties agreed to the hearing being in continuation of the earlier proceedings, which would be taken on record.
2. RPL stated that:
  - (i) As explained in its Petition and at earlier hearings, RPL had been granted coal linkage from South Eastern Coalfields Ltd. (SECL) and Western Coalfields Ltd. (WCL) (subsidiaries of Coal India Ltd. (CIL)) in terms of Letters of Assurance (LoAs) issued in 2009. On that basis, RPL had shown its coal linkages in its bids, as reflected in Schedule 5 of the PPAs. The WCL LoA quantum was

subsequently transferred to SECL in 2012 on account of shortage of coal with WCL.

- (ii) In the bids and as reflected in the PPAs, the primary fuel is stated to be domestic coal, and reference was made to the Standing Linkage Committee (Long Term) which had approved the grant of linkage at its meeting dated 12.11. 2008, and the LoAs issued by WCL and SECL.
  
- b) The impact of Change in Law claimed is from 3.6.2013 to 31.3.2016, i.e. the period covered by the amendment effected in 2013 to the New Coal Distribution Policy (NCDP) 2007 reducing, in percentage terms for a period of 4 years, the earlier 100% assured domestic coal supply by CIL, and an advisory issued by Ministry of Power (MoP) with reference to the decision of the Cabinet Committee on Economic Affairs (CCEA) in this regard. The impact of Change in Law due to this reduction in the assured quantity of domestic coal and consequent sourcing of imported coal is Rs. 287 crore.
  
- c) MSEDCL has stated in its Reply that, if there was a shortfall against the assured quantity of coal, RPL was free to take the supplier to task. However, that matter has been decided by the Supreme Court Judgment of April, 2017 which held the reduction in the assured supply was on account of a Change in Law event.
  
- d) MSEDCL has also stated that the bills on account of the shortfall had been raised by RPL earlier as being on account of Compensatory Tariff allowed by the Commission. At that time, that it is what it was.
  
3. The Commission asked about any issues in blending imported coal to the extent required to meet the shortfall, and whether RPL's claim also includes additional imports required to meet any shortfalls in the quality of coal supplied by CIL.
  
4. The Commission also observed that RPL was essentially reiterating the submissions made in its Petition and at the last hearing. The issues raised by Prayas and MSEDCL have also not been fully addressed. Shri Nankani, Advocate stated that Shri Amit Kapur was expected to argue the matter further today for RPL but could not be present due to a bereavement in the family.
  
5. The Commission asked RPL to file its Rejoinder, if any, to MSEDCL's Reply, and also its response to Prayas' submissions, within a week.

**The next date of hearing will be communicated by the Secretariat of the Commission.**

**Sd/-  
(Deepak Lad)  
Member**

**Sd/-  
(Azeez M. Khan)  
Member**

**Sd/-  
(Anand B. Kulkarni)  
Chairperson**