CENTRAL ELECTRICITY REGULATORY COMMISSION

Landmark Win for NTPC: SKV Law Offices Secures Condonation of Delay in Talaipalli Coal Mine COD as CERC Fixes Input Coal Price in a First-of-its-Kind Determination

The Central Electricity Regulatory Commission ("**CERC**" or "**Commission**") has passed an Order dated 15.07.2026 in Petition No. 386/MP/2023, filed by NTPC Limited ("**NTPC**" or "**Petitioner**"), seeking condonation of delay in declaration of the Commercial Operation Date ("**COD**") of the Talaipalli Coal Mine ("**TLCMP**") and approval of the input price of coal supplied therefrom to NTPC's Lara Super Thermal Power Station, Chhattisgarh, for the period from COD to 31.03.2024.

NTPC had sought condonation of a 22.5-month delay in declaring COD of TLCMP, along with approval of the input price of coal, mine closure expenses, and reimbursement of filing fee and publication expenses. The delay was attributed to the unworkability of the earlier mining plan and the time taken by the erstwhile Mine Developer-cum-Operator, necessitating termination of that arrangement and approval of a revised mining plan by the Ministry of Coal.

Considering the Petitioner's submissions, the Commission was pleased to condone the delay on the following grounds:

- The mine lacked a workable mining plan, necessitating termination of the earlier Mine Developer-cum-Operator arrangement.
- The Petitioner engaged expert agencies and pursued statutory approvals for a revised mining plan with promptness.
- Interim operations continued through contractors in viable pits, and coal evacuation via the MGR system commenced in November 2022.
- The Ministry of Coal approved the revised mining plan only in September 2023, after which the mine became commercially viable.

Holding the delay to be an "uncontrollable factor" under Regulation 22(2) of the CERC (Terms and Conditions of Tariff) Regulations, 2019, the Commission condoned the 22.5-month delay and fixed the COD of TLCMP as 01.10.2023, as claimed by NTPC, rejecting the Respondents' contention that the deemed COD of 16.11.2021 ought to apply.

Further, CERC allowed several claims to be passed through, reflecting the impact of the condoned time overrun. Key points on the allowed and disallowed amounts are as under:

- **Input Price of Coal**: Allowed at Rs. 2401.88/tonne for 2023-24 (against Rs. 3063.91/tonne claimed), subject to the Petitioner furnishing a year-wise comparison of RoM coal cost, claimed input price, and CIL-notified price at the time of truing up.
- **Capital Cost**: Of the total capital cost of Rs. 2,07,106.60 lakh claimed as on COD, the Commission allowed Rs. 1,93,451.18 lakh, disallowing Rs. 13,655.42 lakh — comprising the depreciation component of IEDC (Rs. 10,896.67 lakh, held to be a non-cash item), a shortfall in notional IDC (Rs. 2,261.60 lakh), and unamortized bond issue expenses (Rs. 497.16 lakh), with liberty granted to the Petitioner to re-agitate the last of these at the time of truing up with a reconciling auditor certificate.
- **IDC and FC**: Allowed in full at Rs. 30,285.93 lakh, considering that the entire time overrun stood condoned for tariff purposes.
- **Filing Fee and Publication Expenses**: Allowed to be reimbursed by the beneficiaries.

This Order reaffirms the Commission's consistent approach of allowing condonation of delay in COD of integrated coal mines where the delay is shown to be attributable to uncontrollable factors, and provides clarity on the treatment of associated capital cost heads for coal mine-linked generating stations.

The CERC Order dated 15.07.2026 in Petition No. 386/MP/2023 discussed above can be read here.

NTPC Limited was represented by SKV Law Offices' team led by Mr. Shri Venkatesh (Founding Partner), Mr. Abhishek Nangia (Counsel), and Mr. Aashwyn Singh (Senior Associate).

FOR FURTHER INFORMATION PLEASE CONTACT

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