

authorization of Letter of Assurance for Power Plants, Coal India Limited is required who are at present not linked to CIL. The Letter of Assurance specifies a list of milestones to be completed within the prescribed time frame for conclusion of Fuel Supply Agreement for becoming eligible for coal supplies.

Supply of coal to Rajasthan

‡470. SHRI ASHK ALI TAK: Will the Minister of COAL be pleased to state:

(a) the quantity of coal being supplied per month for power generation to Rajasthan;

(b) whether it is a fact that power generation has been affected in the State in the absence of timely supply of coal and if so, the details thereof; and

(c) whether Government proposes to ensure timely supply of coal to the State in time and if so, the details of the arrangements being made in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL): (a) The average monthly supply of coal from Coal India Limited (CIL) sources to the power plants located in Rajasthan during the current year has been 1.272 Million Tonnes.

(b) Supply of coal to power plants Rajasthan during the current financial year, till January 2012 has been 12.719 Million Tonnes against the commitment of 12.919 Million Tonnes under Fuel Supply Agreement (FSA)/Memorandum of Understanding (MoU). Thus, supply has been 99% of the commitment. Therefore, less availability of coal from CIL sources may not be the reason for drop in power generation, if any, in Rajasthan.

(c) Coal supplies to the Power Utilities, including the power stations of Rajasthan, and made under Fuel Supply Agreement (FSA)/Memorandum of Understanding (MoU). The schedule of supply is an integral part of the FSA. Therefore, in-built provision has already been made for timely supply of coal. Moreover, the Infrastructure Review Committee under the Chairmanship of the Secretary (Co-ordination), Cabinet Secretariat has constituted an Inter-Ministerial Sub-Group to monitor dispatch of coal to power stations and to take contingency decisions, as and when required, for prioritizing movement of coal keeping in view the coal stock position at the power stations.

Formula for fixing coal prices

471. SHRI RAM KRIPAL YADAV: Will the Minister of COAL be pleased to state:

(a) whether Government is aware that coal prices have been increased by 150-250 per cent upon changing the gross calorific value formula;

(b) if so, the reasons for changing the formula adopted earlier i.e. Heat Value formula for fixing coal prices for consumers;

‡Original notice of the question was received in Hindi.

(c) whether it is a fact that there are differences between the Ministry and the coal companies on changing the formula for coal prices and this is the reason for high increase in coal prices in the year 2012 suddenly; and

(d) the details of corrective action being taken by Government in this matter?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL): (a) Following the Government's announcement of switching over from Useful Heat Value (UHV) to Gross Calorific Value (GCV) system of grading of coal, the coal companies revised their coal prices in terms of GCV bands with effect from 1-1-2012. Initially the price of coal in the GCV system was finalised by CIL on the basis of Rupees per Million Kilo calorie heat value by providing various discounts on ex-unload port price of imported Coal, resulting in the some price increas.

(b) The decision to migrate to the new system is based on international coal trading practices, besides the Intergrated Energy Policy Document and the Expert Committee headed by Shri T.L. Sankar on Coal Sector Reforms also recommended for the same. The new mechanism is more scientific and accurate and ensures uniform price across the subsidiary companies of Coal India Limited (CIL). This system will ensure a high degree of consistency in quality of coal supplies and result in high consumer satisfactoin. The new mechanism is more scientific and accurate.

(c) and (d) No Sir, there are o differences between the Ministry and the coal companies on implementation' of the GCV based grading system. However, based on the feedback received from various coal consumers, the Government advised CIL for immediate corrective measures and accordingly, the issue of coal pricing has been reviewed by the CIL and prices have been revised, taking into account the weighted average price of CIL for a particular grade and linking the same to the midpoint of the relevant GCV band, ensuring that revenue neutrality to the extent possible is maintained for CIL, as a whole.

Hike in coal prices

472. SHRI PARIMAL NATHWANI: Will the Minister of COAL be pleased to state:

(a) how availability, quality and overall economics of indigenous coal compares with the imported coal for power generation in the country;

(b) whether Government contemplates to allow coal mining in the reserves hitherto untapped;

(c) the details thereof in view of changed economics of coal subsequent to CIL's announcement of a new pricing policy; and

(d) to what extent the hike in coal prices would affect power, cement and steel sectors in the country?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL): (a) Due to lesser availability of indigenous coal vis-a-vis its