

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

UNSTARRED QUESTION NO:4618  
ANSWERED ON:25.08.2010  
LINKAGE FUEL SUPPLY AGREEMENT  
Rathwa Shri Ramsinhbhai Patalbhai

**Will the Minister of COAL be pleased to state:**

- (a) whether the Government has issued instructions to Coal India Limited (CIL) to rationalize source of coal locations for supply of coal to power plants, existing Fuel Supply Agreement (FSA) holders as well as linkage granted through LOA route and FSA yet to be signed taking into account the distance;
- (b) if so, the details thereof and the steps proposed to be taken thereon;
- (c) whether the Government has set a deadline in this regard;
- (d) if so, the details thereof;
- (e) the details of the applications thereof pending with CIL; and
- (f) the time by which these applications are likely to be cleared?

**Answer**

MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF COAL AND MINISTER OF THE STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION (SHRI SRIPRAKASH JAISWAL)

(a) to (f): Ministry of Coal has advised Coal India Limited (CIL) that as regards new consumers who have been issued Letter of Assurance or have been recommended Letter of Assurance but not yet entered into Fuel Supply Agreement or where coal supply has not commenced, CIL should allocate source(s) in a rationalized manner so as to minimize the transportation cost, subject to various other factors including coal availability as being considered by Coal India Limited at present for source allocation. Coal India Limited has informed that at present six Independent Power Producers (IPPs) have requested for change of source and the decision on the pending applications are likely to be taken by the end of the current fiscal year.

As regards power utilities, who are already getting coal, an Inter-Ministerial Task Force has been constituted to undertake a comprehensive review of existing sources and consider the feasibility for rationalization of sources with a view to minimizing transportation cost, given the various technical constraints. The Task Force was constituted on 25.6.2010 and is required to submit its report within three months of its constitution and the report will thereafter be examined in the Ministry for taking further necessary action as required.