

**GOVERNMENT OF INDIA  
COAL  
LOK SABHA**

UNSTARRED QUESTION NO:1709

ANSWERED ON:04.12.2012

MODIFIED FSA

Bajirao Shri Patil Padamsinha ;Owaisi Shri Asaduddin

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

- (a) whether a modified Fuel Supply Agreement (FSA) has been finalised on a cost plus basis which provides for imported coal at its actual cost;
- (b) if so, the details along with the details of power firms which have signed the FSA;
- (c) the steps taken/being taken by the Government to address the concerns of the power firms/stations on the modified FSA and complete all the formalities to facilitate signing of the FSA with power firms;
- (d) whether the Coal India Limited (CIL) is awaiting customers' response on price pooling mechanism as the model has been referred to Central Electricity Authority (CEA) and Independent Power Producers (IPPs); and
- (e) if so, the details thereof?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF COAL (SHRI PRATIK PRAKASHBAPU PATIL)

(a)&(b): The Modified Fuel Supply Agreement (FSA) Models applicable for New Power plants, which have been finalized, provide for supply of coal from both the domestic sources as well as by imports to bridge the shortfall between the commitments and the availability from domestic sources. The imported coal under the FSA would be supplied on cost plus basis i.e the actual cost of imported coal (CIF) at unload port plus the applicable service charge. The list of Power Plants which have signed the Modified FSAs or have migrated from the earlier Model agreement is enclosed as Annexure.

(c): As such, all the concerned power firms have been impressed upon to sign the FSAs at the earliest possible. Ministry of Coal has also advised CIL to consider resolution of certain clauses of Model FSAs on which concerns have been raised, to further facilitate signing of FSAs with power firms/stations.

(d) & (e): Yes, Sir. In line with the directions of the CIL Board, letters were sent to all power stations by CIL, requesting them to send their reaction on the proposal of CEA regarding pooling of price for domestic and imported coal. While many of the power stations have intimated their agreement with the proposal, a few of them have indicated their disagreement. Some of the power stations have sought further clarifications.