

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:1716
ANSWERED ON:07.03.2013
FUEL SUPPLY AGREEMENT
Adhi Sankar Shri ;Saha Shri Anup Kumar

Will the Minister of POWER be pleased to state:

- (a) whether the National Thermal Power Corporation Limited (NTPC) has decided to sign the Fuel Supply Agreement (FSA) with Coal India Limited (CIL) without any major changes in the draft FSA and the differences between them have been sorted out;
- (b) if so, the details thereof;
- (c) whether the NTPC is expected to pick up more than 35 percent of the coal that CIL supply under the new FSA and if so, the details thereof;
- (d) whether the power production is affected in the units of NTPC and Damodar Valley Corporation (DVC) due to delay in signing of the FSA;and
- (e) if so, the reasons for delay in signing of the FSA and the steps being taken by the Government to resolve the issues at the earliest?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF POWER (SHRI JYOTIRADITYA M. SCINDIA)

- (a) No, Madam.
- (b) Does not arise in view of (a) above.
- (c) NTPC including its joint ventures companies is expected to sign Fuel Supply Agreement (FSA) for around 25% of CIL coal under new FSA.
- (d) & (e) As far as NTPC is concerned, power production is not affected in its units so far on account of delay in signing of FSA. The delay in signing is due to certain clauses unacceptable to NTPC, which is in the process of reaching an agreement for signing of FSA with CIL.

Durgapur Thermal Power Plant Unit-1 & 2 (1000 MW) of DVC for which FSA is yet to be signed, has generated electricity at 78% PLF in the month of January, 2013. The FSA for Durgapur Thermal Power Plant has been delayed as M/s. Eastern Coalfields Ltd. (ECL) is insisting on signing of FSA for A-E grade coal instead of linked C-E grade coal. Ministry of Power has written to the Ministry of Coal to give suitable instruction to the concerned authorities for signing FSA for the full linked quantity in C to E grade and that if ECL does not have sufficient stock of coal of the linked grades, the same may be reallocated from ECL to other companies viz. BCCL & CCL.