

**Central Electricity Regulatory Commission**  
**Core-3, 7th Floor, Scope Complex, Lodhi Road, New Delhi-110 003**  
(Tele No.24361145 Fax No.24360010)

No. Eco 2/2007-CERC

New Delhi

September 24, 2007

**NOTIFICATION**

In pursuance of Clause 5.6 (vi) of Ministry of Power (MOP) Notification dated 19.01.2005 (as amended from time to time) on *Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees*, the Central Electricity Regulatory Commission notifies the following rates for the purpose of bid evaluation and payment.

**I: Annual Escalation Rates for Bid Evaluation (for bid opening up to 31.03.2008)**

S.No	Description	Annual Escalation Rates for Bid Evaluation
1	Inflation rate to be applied to indexed capacity charge Component	5.18%
2	Discount rate to be used for bid evaluation	11.10%
3	Dollar-Rupee exchange variation rate	0.74%
4	Escalation rates for different escalable sub-components of energy charge for plants based on imported coal	
4.1	Escalation Rate for coal sub-component	5.48%
4.2	Escalation Rate for transportation sub-component	10.96%
4.3	Escalation Rate for inland handling sub-component	5.18%
5	Inflation rate to be applied to indexed energy charge component in cases of captive coal mine source.	6.61%
6	Escalation rate for energy charge component for domestic coal based bids invited under clause 4.2 of the competitive bidding guidelines	7.66%

**II: Annual Escalation Rates applicable for payment purpose as per the Power Purchase Agreement for the period between October 1, 2007 and March 31, 2008**

S.No	Description	Annual Escalation Rates for Payment
1	Inflation rate to be applied to indexed capacity charge component.	3.55%
2	Escalation rates for different escalable sub-components of energy charge for plants based on imported coal	
2.1	Escalation Rate for coal sub-component	36.00%
2.2	Escalation Rate for transportation sub-component	48.58%
2.3	Escalation Rate for inland handling sub-component	3.55%
3	Inflation rate to be applied to indexed energy charge component in cases of captive coal mine source.	0.19%

K.S.Dhingra  
Chief (Law)