

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

No. Eco 1/2007-CERC

New Delhi

April 04, 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 30.09.2007)

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 April 1, 2007 and September 30, 2007

S.No	Description	Annual Escalation Rates for Payment
1	Inflation rate to be applied to indexed capacity charge component.	8.73%
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	-12.80%
2.2	Escalation Rate for transportation sub-component	-32.10%
2.3	Escalation Rate for inland handling sub-component	8.73%
3	Inflation rate to be applied to indexed energy charge component in cases of captive coal mine source.	8.49%

K.S.Dhingra
Chief (Law)