

CENTRAL ELECTRICITY REGULATORY COMMISSION
3rd & 4th Floor, Chanderlok Building, 36 Janpath, New Delhi 110 001
(Tele No.23353503 FAX No.23753923)

No. L-1/69/CERC/2010

Dated the 2nd October, 2010

PUBLIC NOTICE

Subject: Proposed Modification in the Methodology for Calculating Escalation Indices for Use in Tariff Based Competitive Bidding

Central Electricity Regulatory Commission (CERC) is required under the *Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees* to notify and update, every six months, the escalation rates for various elements of the power procurement cost such as fuel costs, fuel transportation costs, fuel handling costs, power transmission costs, etc. CERC has received representations from several stakeholders, requesting CERC to ensure that the escalation and other rates being computed and notified by the CERC are as realistic as possible.

2. Accordingly, a study with the aim to review the computation methodology of escalation rates for various elements of the power procurement cost has been undertaken and a draft proposal for reviewing the computation methodology has been prepared by the Commission which is enclosed with this notice and can be downloaded.

3. Notice is hereby given that comments/ suggestions/objections on the draft proposal for reviewing the computation methodology for escalation rate may be forwarded to the undersigned by 22.10.2010.

4. The comments/suggestions/objections received after the stipulated date in the Commission's office may not be considered while finalizing the methodology for computation of escalation rates.

Sd/-
(Alok Kumar)
Secretary