

**Central Electricity Regulatory Commission**  
**3<sup>rd</sup> & 4<sup>th</sup> Floor, Chanderlok Building, 36 Janpath, New Delhi-110 001**

No. Eco-2/2019-CERC

October 30, 2019

**NOTIFICATION**

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

**Annual Escalation Rates applicable for the period from 01.10.2019 to 31.03.2020 for the purpose of payment for Procurement of Power by Distribution Licensees as per the Power Purchase Agreement entered into under the guidelines mentioned above:**

<b>S.No</b>	<b>Description</b>	<b>Annual Escalation Rates for Payment</b>
1	Escalation rate for domestic coal@	0.00%
2	Escalation rate for domestic gas	16.02%
3	Escalation rates for different escalable sub-components of energy charge for plants based on imported coal	
3.1	Escalation rate for imported coal	-30.71%
3.2	Escalation rate for transportation of imported coal*	-9.10%
3.3	Escalation rate for inland handling of imported coal	3.79%
4	Escalation rates for inland transportation charges for coal	
4.1	Upto 125 Km distance	11.32%
4.2	Upto 500 Km distance	11.34%
4.3	Upto 1000 Km distance	11.33%
4.4	Upto 2000 Km distance	11.34%
4.5	Beyond 2000 Km distance	11.34%
5	Escalation rate for inland transportation charges for gas	0.00%
6	Escalation rates for different escalable sub-components of energy charge for plants based on imported gas	
6.1	Escalation rate for imported gas	-22.63%
6.2	Escalation rate for transportation of imported gas*	-9.10%
6.3	Escalation rate for inland handling of imported gas	3.79%
7	Inflation rate to be applied to indexed capacity charge component.	3.79%

8	Inflation rate to be applied to indexed energy charge component in cases of captive fuel source	0.98%
<p><i>@The escalation rate for domestic coal has been computed based on Coal Price Index of CERC in place of WPI for Non-coking coal. This is as per the CERC order dated 18.10.2019 in Suo Motu Petition No.10/SM/2019.</i></p> <p><i>*The escalation rates shall be applicable for the period from 1.10.2019 to 31.12.2019. This is on account of implementation of the MARPOL regulation on Low Sulphur Fuel Oil w.e.f. 1.1.2020. The escalation rates for transportation of imported coal and gas applicable for the period from 1.1.2020 to 31.3.2020 shall be notified separately.</i></p>		

Sd/-  
(Sanoj Kumar Jha)  
Secretary