

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

No. Eco 2 (R)/2006-CERC

New Delhi

22<sup>nd</sup> November, 2006

**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, in suppression of the rates specified in the earlier Notification No. Eco 2/2006-CERC dated 26th October 2006.

**I: Annual Escalation Rates for Bid Evaluation (for bid opening up to 31.03.2007)**

S.No	Description	Annual Escalation Rates for Bid Evaluation
1	Inflation rate to be applied to indexed capacity charge component	5.37%
2	Discount rate to be used for bid evaluation	10.60%
3	Dollar-Rupee exchange variation rate (for the purpose of bid evaluation)	1.07%
4	Escalation rates for different escalable sub-components of energy charge for plants based on imported coal (Separately for evaluation and payment)	
4.1	Escalation Rate for coal sub-component	3.46%
4.2	Escalation Rate for transportation sub-component	9.08%
4.3	Escalation Rate for inland handling sub-component	5.37%
5	Inflation rate to be applied to indexed energy charge component in cases of captive coal mine source.	6.61%

**II: Annual Escalation Rates applicable for payment purpose as per the Power Purchase Agreement for the period between October 1, 2006 and March 31, 2007.**

S.No	Description	Annual Escalation Rates for Payment
1	Inflation rate to be applied to indexed capacity charge component.	2.93%
2	Escalation rates for different escalable sub-components of energy charge for plants based on imported coal (Separately for evaluation and payment)	

<b>2.1</b>	Escalation Rate for coal sub-component	43.60%
<b>2.2</b>	Escalation Rate for transportation sub-component	16.71%
<b>2.3</b>	Escalation Rate for inland handling sub-component	2.93%
<b>3</b>	Inflation rate to be applied to indexed energy charge component in cases of captive coal mine source.	2.86%

K.S.Dhingra  
Chief (Law)