

Central Electricity Regulatory Commission
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No.Eco 2/2006-CERC

New Delhi

26th October, 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:

I: Annual Escalation Rates for Bid Evaluation

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.	5.99%
2	Escalation rates for different escalable sub-components	

	of energy charge for plants based on imported coal (Separately for evaluation and payment)	
2.1	Escalation Rate for coal sub-component	5.80%
2.2	Escalation Rate for transportation sub-component	26.43%
2.3	Escalation Rate for inland handling sub-component	5.99%
3	Inflation rate to be applied to indexed energy charge component in cases of captive coal mine source.	7.18%

K.S.Dhingra
Chief (Law)