

CENTRAL ELECTRICITY REGULATORY COMMISSION
7th Floor, Core-3, Scope Complex, Lodi Road, New Delhi-110 003
(Tele No.24361145; Fax No.24360010)

New Delhi

29th September, 2006

PUBLIC NOTICE

Subject: Escalation Rates, Inflation Rates, Discount Rate and Dollar-Rupee Exchange Variation Rate for Evaluation and Payment for Tariff Based Competitive Bidding for Procurement of Power by Distribution Licensees.

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 proposes to notify the following rates for the purpose of bid evaluation and payment:

- i. Inflation rate to be applied to indexed capacity charge component.
- ii. Discount rate to be used for bid evaluation
- iii. Dollar-Rupee exchange variation rate (for the purpose of bid evaluation)
- iv. Escalation rates for different escalable sub-components of energy charge for plants based on imported coal (Separately for evaluation and payment):
 - Escalation Rate for coal sub-component
 - Escalation Rate for transportation sub-component
 - Escalation Rate for inland handling sub-component
- v. Inflation rate to be applied to indexed energy charge component in cases of captive coal mine source.

2. The proposed rates shall be applicable for the period from 1.10.2006 to 31.3.2007. Explanation and methodology for arriving at the proposed rates can be seen by opening the relevant links on the home page of CERC website www.cercind.gov.in.

3. Comments and suggestions on the above proposed rates and the methodology adopted for arriving at the rates are invited from the stakeholders, SERCs, experts and public, latest by 15 October 2006.

S.K.Chatterjee
Assistant Secretary