

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

No. Eco 2/2008-CERC

New Delhi

October 6, 2008

**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 (for bid opening up to 31.03.2009)**

S.No	Description	Annual Escalation Rates for Bid Evaluation
1	Inflation rate to be applied to indexed capacity charge Component	4.98%
2	Discount rate to be used for bid evaluation	10.49%
3	Dollar-Rupee exchange variation rate	0.20%
4	Escalation rates for different escalable sub-components of energy charge for plants based on imported coal	
4.1	Escalation Rate for coal sub-component	7.61%
4.2	Escalation Rate for transportation sub-component	14.79%
4.3	Escalation Rate for inland handling sub-component	4.98%
5	Inflation rate to be applied to indexed energy charge component in cases of captive coal mine source.	6.39%
6	Escalation rate for energy charge component for domestic coal based bids invited under clause 4.2 of the competitive bidding guidelines	6.77%

**II: Annual Escalation Rates applicable for payment purpose as per the Power Purchase Agreement for the period between 1.10.2008 and 31.3.2009**

S.No	Description	Annual Escalation Rates for Payment
1	Inflation rate to be applied to indexed capacity charge component.	8.86%
2	Escalation rates for different escalable sub-components of energy charge for plants based on imported coal	
2.1	Escalation Rate for coal sub-component	115.13%
2.2	Escalation Rate for transportation sub-component	66.14%
2.3	Escalation Rate for inland handling sub-component	8.86%
3	Inflation rate to be applied to indexed energy charge component in cases of captive coal mine source.	8.16%

Sd/-  
Alok Kumar  
Secretary