

Central Electricity Regulatory Commission
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No. Eco 1/2011-CERC

New Delhi

March 31, 2011

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 and other parameters for the purpose of bid evaluation and payment.

I: Annual Escalation Rates for Bid Evaluation (for bid opening up to 30.09.2011)

| S.No | Description | Annual Escalation Rates for Bid Evaluation |
|-------------|--|---|
| 1 | Escalation rate for domestic coal | 6.66% |
| 2 | Escalation rate for domestic gas | 2.42% |
| 3 | Escalation rates for different escalable sub-components of energy charge for plants based on imported coal | |
| 3.1 | Escalation Rate for coal sub-component | 14.02% |
| 3.2 | Escalation Rate for transportation sub-component | 15.99% |
| 3.3 | Escalation Rate for inland handling sub-component | 5.21% |
| 4 | Escalation rate for inland transportation charges for coal | |
| 4.1 | Upto 100 Km distance | 2.38% |
| 4.2 | Upto 500 Km distance | 2.05% |
| 4.3 | Upto 1000 Km distance | 1.88% |
| 4.4 | Upto 2000 Km distance | 2.44% |
| 4.5 | Beyond 2000 Km distance | 2.55% |
| 5 | Escalation rate for inland transportation charges for gas | 2.97% |
| 6 | Escalation rates for different escalable sub-components of energy charge for plants based on imported gas | |
| 6.1 | Escalation Rate for gas sub-component | 12.55% |
| 6.2 | Escalation Rate for transportation of gas sub-component | 15.99% |
| 6.3 | Escalation Rate for inland handling sub-component | 5.21% |
| 7 | Inflation rate to be applied to indexed capacity charge Component | 5.21% |
| 8 | Inflation rate to be applied to indexed energy charge component in cases of captive fuel source | 5.57% |
| 9 | Discount rate to be used for bid evaluation | 10.74% |
| 10 | Dollar-Rupee exchange variation rate | 0.64% |
| 11 | Escalation for normative transmission charges | 3.91% |

II: Annual Escalation Rates applicable for the purpose of payment as per the Power Purchase Agreement for the period between 01.04.2011 and 30.09.2011

| S.No | Description | Annual Escalation Rates for Payment |
|------|--|-------------------------------------|
| 1 | Escalation rate for domestic coal | 00.00% |
| 2 | Escalation rate for domestic gas | 187.59% |
| 3 | Escalation rates for different escalable sub-components of energy charge for plants based on imported coal | |
| 3.1 | Escalation Rate for imported coal | 34.43% |
| 3.2 | Escalation Rate for transportation of imported coal | 24.30% |
| 3.3 | Escalation Rate for inland handling of imported coal | 9.09% |
| 4 | Escalation rates for inland transportation charges for coal | |
| 4.1 | Upto 100 Km distance | 0.00% |
| 4.2 | Upto 500 Km distance | 0.21% |
| 4.3 | Upto 1000 Km distance | 0.21% |
| 4.4 | Upto 2000 Km distance | 0.22% |
| 4.5 | Beyond 2000 Km distance | 0.22% |
| 5 | Escalation rates for inland transportation charges for gas | 11.81% |
| 6 | Escalation rates for different escalable sub-components of energy charge for plants based on imported gas | |
| 6.1 | Escalation Rate for imported gas | 6.12% |
| 6.2 | Escalation Rate for transportation of imported gas | 24.30% |
| 6.3 | Escalation Rate for inland handling of imported gas | 9.09% |
| 7 | Inflation rate to be applied to indexed capacity charge component. | 9.09% |
| 8 | Inflation rate to be applied to indexed energy charge component in cases of captive fuel source | 9.55% |

III: Transmission Charges Matrix and Transmission Loss Matrix as per Format 5.10 & 5.11 of the RFP of Standard Bidding Document of Case-1 applicable between 01.04.2011 and 30.09.2011.

| S.No | Name of the Region | Transmission Charges (Rs/Unit) | Transmission Losses (%) |
|------|----------------------|--------------------------------|-------------------------|
| 1 | Northern Region | 0.18 | 3.88 |
| 2 | Western Region | 0.17 | 4.89 |
| 3 | Eastern Region | 0.19 | 3.14 |
| 4 | North-Eastern Region | 0.36 | 3.60 |
| 5 | Southern Region | 0.24 | 4.33 |

Sd/-
(Rajiv Bansal)
Secretary