

हरियाणा HARYANA

370230

POWER PURCHASE AGREEMENT

BETWEEN

NATIONAL HYDROELECTRIC POWER CORPORATION LTD.

AND

U. P. POWER CORPORATION LTD.

THIS POWER PURCHASE AGREEMENT is entered into on this
*Friday* of *MARCH*, 2006 between National Hydroelectric Power
 Corporation Ltd., a Company incorporated under the Companies Act, 1956
 having its registered office at NHPC Office Complex, Sector-33, Faridabad
 (Haryana) - 121003. (hereinafter called 'NHPC', which expression shall unless
 repugnant to the context or meaning thereof include its successors and
 assigns) as party of the first part and U.P. Power Corporation Ltd. having its
 registered office at Ashok Marg, Shakti Bhawan, Lucknow- 226001
 (hereinafter referred to as 'UPPCL', generally referred to as "Bulk Power
 Customer" which expressions unless repugnant to the context shall include
 their respective successors and assigns) as party of the second part.

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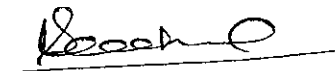
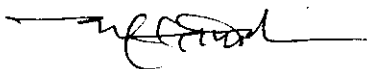
Whereas NHPC is a generating company of Government of India and the Bulk Power Customer (s) shall be allocated power by Govt. of India from **Dulhasti H.E. Project, J&K** (hereinafter referred to as "NHPC Station") owned and to be operated by NHPC.

Now, therefore, in consideration of the premises and mutual covenants and conditions set forth herein, it is hereby agreed by and between the parties hereto as follows:-

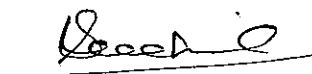
1.0 DEFINITIONS:

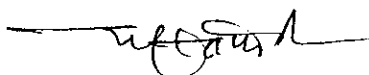
The words/expressions used in this Agreement, unless repugnant to the context, shall have the same meanings as respectively assigned to them by the Electricity Act,2003 as amended from time to time and the Act that would come into force as a substitute or otherwise to the above stated Act. The words/expressions mentioned below shall have the same meaning as respectively assigned to them hereunder :-

- i) **Month** : means English Calendar Month.
- ii) **Year** : means financial year commencing on 1st April and ending on 31st March.
- iii) **Energy** : means the electrical energy.
- iv) **Power** : means the electrical power.
- v) **LC** : means Irrevocable revolving Letter(s) of Credit.
- vi) **CEA** : means Central Electricity Authority.
- vii) **CERC** : means Central Electricity Regulatory Commission.



- viii) GOI : means Government of India.
- ix) IEGC : means Indian Electricity Grid Code.
- x) MOP : means Ministry of Power.
- xi) Outage : means the state of component when it is not available to perform its intended function due to some event directly associated with that component.
- xii) POWER GRID : means Power Grid Corporation of India Limited.
- xiii) NREB : means Northern Regional Electricity Board.
- xiv) NRPC : means Northern Regional Power Committee.
- xv) NRLDC : means Northern Regional Load Dispatch Center.
- xvi) REA : means periodic regional energy account including amendments thereof if any, prepared by NREB / NRPC showing exchange of energy amongst the various constituents of NREB / NRPC.
- xvii) Front loaded tariff : means the tariff as calculated as per the prevailing CERC Regulations / Norms.
- xviii) Back loaded tariff : means the tariff starting at a lower rate i.e. having Annual Fixed Charges equivalent to a composite rate of Rs.3.00 per unit with suitable annual increment thereafter so that the entire difference of amount between the Front Loaded Tariff & Back Loaded Tariff during the initial years is recovered fully during the later part of the life of NHPC Station alongwith the interest.





- xix) COD : means Date of Commercial Operation
xx) FERV : means Foreign Exchange Rate Variation
xxi) CI : means Capacity Index.
xxii) HOD : means Head of Department

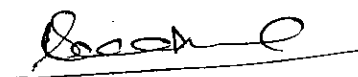
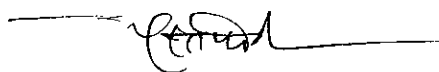
2.0 INSTALLED CAPACITY & ALLOCATION OF POWER :

- 2.1 The installed capacity of Dulhasti H.E. Project, J&K is 390 MW (3x130 MW). The installed capacity, is however, subject to derating/uprating of the generating units as determined from time to time by CEA.
- 2.2 The allocation of power from the NHPC Station amongst the Bulk Power Customers shall be in accordance with the allocation of power to be issued by the MOP, Govt. of India from time to time. However, the Bulk Power Customer is willing to purchase full power available from Dulhasti H.E. Project for 35 years.

3.0 GENERAL OBLIGATIONS:

- 3.1 The power to be supplied under this Agreement shall be in the form of three phase, 50 hertz alternating current at a voltage of 400/220 kV or as applicable . The frequency and voltage shall be subject to fluctuations as per provisions contained in IEGC and as amended from time to time.
- 3.2 **EVACUATION OF POWER FROM NHPC STATION:**

Evacuation point shall be 400/220 KV bus bar or as applicable. Evacuation of power from the delivery point of the NHPC Station shall be through the transmission system of POWER GRID or any other agency as the case may be. The Bulk Power Customer shall make necessary arrangements separately with the concerned agency for evacuation of power & payments of evacuation charges etc. and NHPC shall not be responsible for the same in any manner.



4.0 METERING ARRANGEMENTS:

Metering arrangements including its installation, testing, maintenance and also collection, transportation & processing of data required for energy exchange shall be governed as per the notifications / directives issued by CERC from time to time and as per relevant provisions contained in IEGC as amended from time to time.

5.0 ACCOUNTING OF ENERGY:

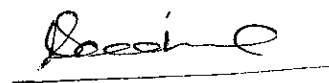
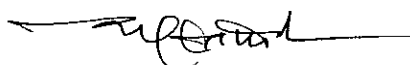
The quantum of energy sold to the Bulk Power Customer out of the energy available for sale shall be the energy as indicated in the REAs issued by NREB / NRPC. The REA including amendments, if any, as issued by NREB / NRPC shall form the basis for billing purposes and shall be binding on both the parties.

6.0 TARIFF:

- 6.1 The tariff to be charged & its associated terms & conditions for the power to be supplied by NHPC from the NHPC Station during its life cycle of 35 years shall be as per Tariff notification/ orders/ directions issued / to be issued by CERC from time to time. However, to make the tariff affordable for the Bulk Power Customer during the initial years of operation of the NHPC Station, the tariff to be charged and its associated terms and conditions for the power to be supplied by NHPC from the NHPC station shall be based on "Back Loaded Tariff Model". The modalities for working out of such tariff shall be as indicated in the Annexure-I which shall form an integral part of this Agreement. However, for charging of tariff on the basis of Back Loaded Tariff Model instead of "Front Loaded Tariff basis", NHPC shall approach CERC to approve such deviation in terms of provision under regulation (11) of CERC (terms and conditions of tariff) regulation, 2004 which is reproduced below:

Quote:

"11. Deviation from norms: (1) Tariff for sale of electricity by a generating company may also be determined in deviation of the norms specified in these regulations subject to the



conditions that:

- (a) *The overall per unit tariff of electricity over the entire life of the asset calculated on the basis of the norms in deviation does not exceed the per unit tariff calculated on the basis of the norms specified in these regulations; and*
- (b) *Any such deviation shall come into effect only after approval by the Commission”.*

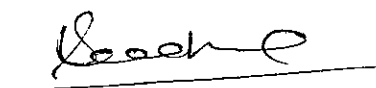
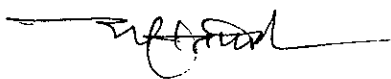
Unquote:

Tariff to be charged and recovered over the years on the Back Loaded Basis shall be so calculated that the difference between the two aforesaid tariffs in the initial years is recovered in the later period of the life of Power Station alongwith interest @ long term Prime lending rates (PLR) of SBI minus two percent as prevailing at the time of COD in the first stance and thereafter at the beginning of each tariff period as may be fixed by CERC from time to time.

- 6.2 In addition to the tariff set out for supply of power from the NHPC Station, the Bulk Power Customer shall also be liable to pay to NHPC in accordance with any law in force, all payments made or payable by it on account of taxes, duties, cess, levy, fees or other imposition etc. levied or to be levied in future as a new tax by the Government or other authority in respect of generation, transmission and supply of energy including activities incidental and ancillary thereto and FERV payment as per orders of CERC in this regard.

7.0 BILLING :

- 7.1 (a) NHPC shall prepare bills for the power supplied to the Bulk Power Customer on the basis of REAs issued by NREB / NRPC and as per the Annual Fixed Charges (AFC) to be approved / notified by CERC on the basis of Back Loaded Tariff from time to time as per Clause No. 6.1 above.
- (b) The Secondary energy shall be billed separately at the Primary Energy rate as per CERC Regulations. Similarly, incentive if any on account of Capacity Index shall be billed on the basis of Back Loaded AFC throughout the life of the project,



whenever, the Capacity Index achieved is more than normative Capacity Index. Otherwise incentive shall be zero.

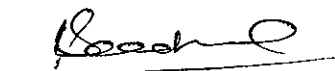
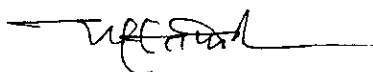
7.2 In case Bulk Power Customer has any objection as to the accuracy of any bill(s), it shall lodge a written objection with NHPC within 45 days on presentation of such bill(s). On such objection being upheld by NHPC, the same shall be rectified within a period of 30 days from the date of receipt of written objection and necessary effect of the same shall be given in the subsequent bill(s). Notwithstanding the above, NHPC shall have the right to revise the bills, whenever required.

8.0 PAYMENT SECURITY MECHANISM:

8.1 Payment of bills for supply of power from the NHPC Station, as described in the clauses herein above, shall be made by the Bulk Power Customer through a confirmed, revolving, irrevocable Letter of Credit to be established in favour of NHPC for an amount equivalent to 105 percent of their maximum monthly billing during the preceding 12 months with appropriate bank as mutually acceptable to the parties. The LC shall be kept valid at all the time during the validity of this Agreement or extended period. The amount of LC shall be reviewed quarterly. NHPC shall intimate the revised amount of L.C. one month in advance of start of the quarter. If still the amount of energy supplied is more than the amount of L.C., the payment of excess amount shall be made by the Bulk Power Customer directly on presentation of such bill(s). All the bank charges shall be borne by the Bulk Power Customer.

8.2 NHPC shall present bill(s) to the said Bankers with a copy to the Bulk Power Customer. The bill(s) so presented by NHPC to the said Bankers shall be promptly paid on their presentation for the billed amount based on the tariff as described in the clauses herein above.

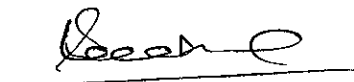
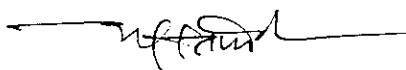
8.3 In the event of default by the Bulk Power Customer in timely payment of bills raised, NHPC shall have the authority, without prejudice to any other right to recover dues, to regulate as per prevailing CERC guidelines the entire supply of power from NHPC's any number of operating plants in the region supplying power to Bulk Power Customer,



starting from the cheapest one, till the dues are fully liquidated. The latest guidelines of CERC shall be deemed to be applicable for this purpose if there is no other guidelines existing at that time regarding regulation of Power.

9.0 BACK UP PAYMENT SECURITY MECHANISM:

- 9.1 In the event of backing out of the Bulk Power Customer from the Power Purchase Agreement and thereby refusing to draw the allocated power from the NHPC Station, the Bulk Power Customer shall be liable to pay the full Differential Amount between the Front Loaded and Back Loaded tariff, alongwith interest as per clause 6.1 above and any other dues outstanding to his account upto the date of backing out or till a new buyer is found out by NHPC, whichever is later.
- 9.2 To ensure payment to NHPC as per the tariff as described in the clauses herein above during the entire period of 35 years, it is specifically agreed by and between the parties that in the event of failure on the part of Bulk Power Customer to make payment as per the tariff as described in the clauses herein above and also in case Bulk Power Customer backs out / refuses to draw allocated power from the Dulhasti HE Project at any stage, NHPC shall have the authority, without prejudices to any other right to recover the tariff on Front Loaded Basis along with interest as per clause 6.1 retrospectively from the COD of the project, to regulate the entire supply of power from NHPC's any number of operating plants in the region supplying power to Bulk Power Customer, starting from the cheapest one, till the full differential Amount between the Front Loaded Tariff & the Back Loaded Tariff of the project including any other dues as stipulated under Clause 9.1 is liquidated alongwith the Interest to be determined as per Clause 6.1. The above security mechanism shall be resorted to by NHPC notwithstanding anything contrary provided for the time being in force in the Bulk Power Supply Agreements / Power Purchase Agreements executed between NHPC and Bulk Power Customer in respect of other projects of NHPC. The latest guidelines of CERC shall be deemed to be applicable for this purpose if there is no other guidelines existing at that time regarding regulation of Power.
- 9.3 The Bulk Power Customer shall arrange State Government's Guarantee as security



for the liquidation of outstanding amount as above against any default in payments by the Bulk Power Customer and / or backing out from the Power Purchase Agreement at appropriate time but before commencement of supply.

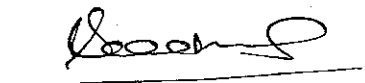
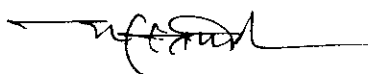
- 9.4 All terms and conditions for recovery of dues and other items of Tripartite Agreement signed between concerned State Government, GOI and RBI in compliance to GOI scheme of one time settlement of dues shall also be applicable for this Agreement, except those which have been modified in the Agreement. However, whatever terms and conditions have been modified in this Agreement, the same shall prevail.

10.0 SURCHARGE ON LATE PAYMENT AND REBATE :

- 10.1 The provision for levy of surcharge and rebate shall be governed as per notification/directives/guidelines issued / to be issued by CERC/GOI from time to time.
- 10.2 Notwithstanding what is contained above, if the bill(s) are not paid by Bulk Power Customer to NHPC within 60 days from the date of billing, NHPC shall have the option to regulate the supply of energy to Bulk Power Customer in accordance with the directives/guidelines issued by CERC/GOI from time to time.

11.0 ARBITRATION:

- 11.1 All questions, differences or disputes between the parties arising out of or in connection with this Agreement (save and except as provided under clause 5.0 of this agreement to the extent of power vested with NREB / NRPC) shall be settled through arbitration in accordance with the provisions of Arbitration and Conciliations Act, 1996 and any statutory modifications thereto.
- 11.2 In the event of such questions, differences or disputes between the parties, any party may by a written notice of 30 days to the other party request for appointment of a Sole Arbitrator to be decided mutually by the parties and in case of disagreement within 15 days thereafter to be decided by Chairman, Central Electricity Authority. The appointment of sole Arbitrator either mutually agreed by the parties or decided by the Chairman, CEA shall be made by HOD, Commercial Department, NHPC or by UPPCL alongwith the reference of dispute between the parties for adjudication



by the sole Arbitrator. The decision of the Arbitrator shall be final and binding on the parties. The venue of the arbitration proceedings shall be decided by the Arbitrator with the consent of parties. The High courts of Punjab and Haryana, Chandigarh shall have exclusive jurisdiction in all matters arising under this Agreement.

11.3 The Arbitrator shall reasonably decide his fees. However, the Arbitrator's fees and cost of arbitration proceedings shall be borne equally by the parties. The arbitrator shall publish the award, within a reasonable time.

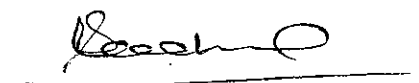
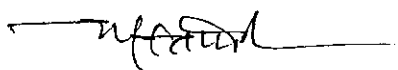
11.4 Notwithstanding the existence of any question, disputes and differences referred to arbitration, the parties hereto shall continue to perform their respective obligations under this Agreement.

12.0 FORCE MAJEURE:

Both the parties shall ensure compliance of the terms of this agreement. However, no party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of this Agreement to the extent that such failure is due to force majeure events such as rebellion, mutiny, civil commotion, riot, strike, lock out, fire, explosion, flood, drought, cyclone, lightning, earthquake, war or other forces, accident or act of God. But any party claiming the benefit of this clause shall satisfy the other party of the existence of such an event(s).

13.0 DURATION OF AGREEMENT:

This Agreement shall come into force from the date of commercial operation of the NHPC Station and shall remain operative for 35 years thereafter provided that this Agreement may be mutually extended, renewed or replaced by another Agreement on such terms and for such further period of time as the parties may agree to. However, the provisions of this Agreement shall continue to operate till this Agreement is formally renewed, extended or replaced, in case Bulk Power Customer continue to get power from the NHPC Station even after expiry of this Agreement without further renewal or formal extension thereof.



14.0 NOTICES:

All notices required or referred to under this Agreement shall be in writing and signed by the authorities mentioned herein below unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered, or sent by registered mail with an acknowledgement due to the other party.

a) TO NHPC

Executive Director (Comml.)/General Manager(Comml.) /
Chief Engineer(Comml.)
NHPC Ltd. ,NHPC Office Complex,
Sector-33, Faridabad-121003,
Haryana

With a copy to :

General Manager /
Chief Engineer of NHPC Station

b) BY NHPC

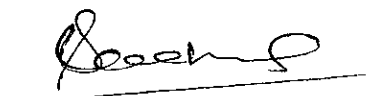
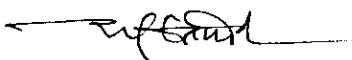
Executive Director (Comml.) /General Manager(Comml.)/
Chief Engineer (Comml.)
NHPC Ltd. ,NHPC Office Complex,
Sector-33, Faridabad-121003,
Haryana

c) TO U.P. POWER CORPORATION LTD.

To be intimated by UPPCL

d) BY U.P. POWER CORPORATION LTD.

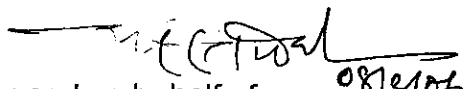
To be intimated by UPPCL



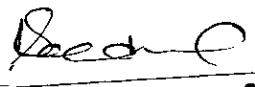
15.0 IMPLEMENTATION OF THE AGREEMENT;

The Tripartite Agreement signed between Govt. of India, Reserve Bank of India and State Govt. to the extent as covered under clause 9.4 shall form an integral part of this Agreement.

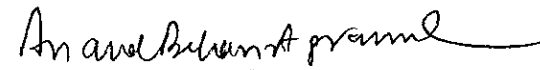
In WITNESS WHEREOF the parties have executed these presents through their duly authorised representatives caused on the day month and year first above written.


For and on behalf of 08/03/06
National Hydroelectric Power Corporation Ltd.

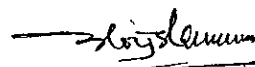
ए.सी. त्रिपाठी U.S. Tripathi
उपनिदेशक/Executive Director
राज्य विद्युत निगम लि.
National Hydroelectric Power Corporation
कक्ष-33/Sector-33
फरीदाबाद (हरियाणा)/Faridabad (Haryana)

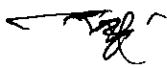

For and on behalf of 08/03/06
U.P. Power Corporation Ltd.
मुख्य महाप्रबन्धक (यांत्रिक)
उ.प्र. पावर कारपोरेशन लि.
शक्ति भवन विस्तार, फुर्सद रोड
लखनऊ

WITNESS

1. 
ए.बी. अग्रवाल/A.B. Agrawal
महाप्रबन्धक/General Manager
राज्य विद्युत निगम लि.
National Hydroelectric Power Corporation Ltd
कक्ष-33/Sector-33
फरीदाबाद (हरियाणा)/Faridabad (Haryana)

WITNESS

1. 
08/03/06
Dy. General Manager
S. P. A. T. Circle,
U. P. Power Corpn. Ltd.,
LUCKNOW.



DULHASTI H. E. PROJECT, JAMMU & KASHMIR

Annexure - I

Back Loaded Tariff Model:

Annual Generation in a 90% dependable year	1928 MU	Foreign Loan	Crs.	660.51	As per actuals	1.26 to 8.96 %
Annual Generation after allowing losses & free power to home state in a 90% dependable year	1676.28 MU	Loan	Crs.	1862.92		6.22 to 9.25 %
Total cost including IDC	Rs. 4930.12 Crs.	Bonds	Crs.	320.00	2943.43	7.7 %
Total cost including IDC (Completion cost at March, 2006)	Rs. 4930.12 Crs.	O&M Charges				1.5 %
Equity	40.30 %	Rate of Increase of O&M Charges after 1st Year (compound)				4 %
Loan	59.70 %	Interest rate on Working Capital				10.25%
		Return on Equity				14 %
		Discounting rate				8 %

Year	COMPONENTS OF AFC (Rs.in Crores)										AFC as per prevailing CERC norms	Composite rate as per Back Loaded Tariff	AFC to be recovered as per Back Loaded Tariff (Column 13-16)	Interest @ 8.00%	Accumulated Differential Amount	Discounting factor	Tariff (Rs. per Unit)			
	Interest on loan	Dep @ 2.54% / AAD	Total	Return On equity	O&M Charges	O&M for 1 month	Investion Working Capital @ 1%+Esc 6% p.a.	2 months Average Billing	Interest	Total										
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21
12006-07	217.14	126.46	343.61	278.14	73.96	6.16	49.30	118.93	17.86	369.96	713.57	4.26	3.00	502.66	210.69	8.43	219.11	1.0000	4.2569	
22007-08	203.66	207.51	411.17	278.14	76.97	6.41	52.26	130.94	19.44	374.48	785.65	4.69	3.10	520.20	265.45	28.15	512.71	0.9259	4.3397	
32008-09	185.39	242.76	428.15	278.14	79.99	6.67	55.39	134.40	20.14	378.26	806.41	4.81	3.21	537.52	268.89	51.77	633.38	0.8673	4.1244	
42009-10	164.16	247.10	411.26	278.14	83.19	6.93	58.72	132.14	20.27	381.60	797.86	4.73	3.31	554.64	238.02	76.19	1147.59	0.7938	3.7647	
52010-11	143.84	196.99	340.83	278.14	86.97	7.21	62.24	120.63	20.82	384.15	724.99	4.32	3.41	572.15	152.83	97.92	1398.35	0.7350	3.1790	
62011-12	131.80	257.01	388.81	278.14	89.97	7.50	65.98	125.02	20.78	388.93	777.74	4.64	3.52	589.47	188.27	119.40	1706.01	0.6806	3.1577	
72012-13	113.10	244.51	357.61	278.14	93.57	7.80	69.93	125.02	20.78	392.49	750.10	4.47	3.62	606.79	143.51	142.27	1991.54	0.6302	2.8199	
82013-14	95.27	294.34	389.61	278.14	97.32	8.11	74.13	131.16	21.87	397.33	786.94	4.69	3.72	624.11	162.83	165.84	2320.20	0.5835	2.7392	
92014-15	76.04	190.43	266.47	278.14	101.21	8.43	78.58	111.02	20.30	399.64	666.11	3.97	3.83	641.42	24.69	186.60	2531.50	0.5403	2.1468	
102015-16	61.49	190.43	251.92	278.14	105.26	8.77	83.29	109.33	20.64	404.04	655.95	3.91	3.93	656.74	-2.79	202.41	2731.12	0.5802	1.9575	
112016-17	46.98	190.43	237.40	278.14	109.47	9.12	88.29	107.67	21.02	408.62	648.83	3.85	4.03	676.06	-30.03	217.29	2918.37	0.4289	1.7851	
122017-18	32.45	128.13	160.58	278.14	113.85	9.49	93.59	95.49	20.35	412.33	572.91	3.42	4.14	693.37	-120.46	228.65	3026.56	0.4289	1.6558	
132018-19	22.20	125.23	147.43	278.14	118.40	9.67	99.20	94.13	20.83	417.36	564.79	3.37	4.24	710.69	-145.50	236.29	3116.95	0.3971	1.3380	
142019-20	14.41	125.23	139.63	278.14	123.14	10.26	105.16	93.72	21.44	422.71	562.34	3.35	4.34	728.01	-165.67	242.73	3194.01	0.3677	1.2335	
152020-21	6.92	125.23	131.85	278.14	128.06	10.87	111.47	93.36	22.09	428.29	560.13	3.34	4.45	745.33	-185.19	248.11	3256.93	0.3405	1.1377	
162021-22	0.00	0.00	77.27	278.14	133.18	11.10	118.15	86.09	21.97	438.29	510.56	3.05	4.56	762.64	-252.09	250.47	3255.31	0.3152	0.9602	
172022-23	0.00	0.00	77.27	278.14	138.51	11.54	125.24	86.13	22.85	439.50	516.76	3.08	4.65	779.96	-263.20	249.90	3242.01	0.2919	0.8998	
182023-24	77.27	77.27	77.27	278.14	144.05	12.00	132.76	87.21	23.78	445.96	523.23	3.12	4.76	797.26	-274.05	248.40	3216.36	0.2703	0.8436	
192024-25	77.27	77.27	77.27	278.14	149.81	12.48	140.72	88.33	24.76	452.71	528.97	3.16	4.86	814.60	-284.52	245.92	3177.66	0.2502	0.7912	
202025-26	77.27	77.27	77.27	278.14	155.81	12.98	149.17	89.50	25.79	459.74	537.00	3.20	4.96	831.91	-294.91	242.42	3125.17	0.2317	0.7423	
212026-27	77.27	77.27	77.27	278.14	162.04	13.50	158.12	90.72	26.89	467.06	544.33	3.25	5.07	849.23	-304.90	237.82	3058.09	0.2145	0.6967	
222027-28	77.27	77.27	77.27	278.14	168.52	14.04	167.60	92.00	28.05	474.70	551.97	3.29	5.17	866.55	-314.58	232.05	2975.57	0.1989	0.6544	
232028-29	77.27	77.27	77.27	278.14	175.26	14.60	177.66	93.32	29.27	482.67	559.94	3.34	5.27	883.87	-323.93	225.09	2876.73	0.1839	0.6141	
242029-30	77.27	77.27	77.27	278.14	182.27	15.19	188.32	94.71	30.57	490.97	566.24	3.39	5.38	901.18	-332.94	216.82	2760.61	0.1703	0.5774	
252030-31	77.27	77.27	77.27	278.14	189.55	15.80	199.62	96.15	31.94	499.63	576.90	3.44	5.48	918.50	-341.60	207.18	2626.19	0.1577	0.5407	
262031-32	77.27	77.27	77.27	278.14	197.14	16.43	211.59	97.65	33.38	509.66	588.93	3.50	5.58	935.82	-349.89	196.10	2472.40	0.1460	0.5027	
272032-33	77.27	77.27	77.27	278.14	205.03	17.09	224.29	99.22	34.91	518.08	596.34	3.55	5.69	953.14	-357.79	183.46	2298.09	0.1352	0.4802	
282033-34	77.27	77.27	77.27	278.14	213.23	17.77	237.75	100.86	36.53	527.90	605.16	3.61	5.79	970.45	-365.29	169.24	2102.04	0.1252	0.4519	
292034-35	77.27	77.27	77.27	278.14	221.76	18.48	252.01	102.57	38.24	538.18	615.40	3.67	5.89	987.77	-372.97	153.27	1882.94	0.1159	0.4255	
302035-36	77.27	77.27	77.27	278.14	230.63	19.22	267.13	104.35	40.05	548.81	626.08	3.73	6.00	1005.09	-379.01	135.47	1639.41	0.1073	0.4009	
312036-37	77.27	77.27	77.27	278.14	239.86	19.99	283.15	106.24	41.96	559.95	637.22	3.80	6.10	1022.40	-385.19	115.75	1369.97	0.0994	0.3762	
322037-38	77.27	77.27	77.27	278.14	249.45	20.79	300.16	108.14	43.98	571.57	648.83	3.87	6.20	1039.72	-390.89	93.96	1073.04	0.0920	0.3562	
332038-39	77.27	77.27	77.27	278.14	259.43	21.62	318.16	110.16	46.12	583.68	660.95	3.94	6.31	1057.04	-396.09	70.00	746.95	0.0852	0.3359	
342039-40	77.27	77.27	77.27	278.14	269.80	22.48	337.25	112.26	48.38	598.32	673.59	4.02	6.41	1074.36	-400.77	43.73	389.91	0.0769	0.3170	
352040-41	77.27	77.27	77.27	278.14	280.60	23.38	357.48	114.46	50.77	609.50	686.77	4.10	6.51	1091.67	-404.90	15.00	0.00	0.0730	0.2993	
	1514.56	4437.11	5951.67	9734.78									22.121		27.905		5.784			

Note: The charges per unit is exclusive of water cess, incentive, FERV, income tax etc. & shall be charged separately as per CERC Regulations / norms

35th Year Billing Rate 6.51 Rs./KWH

First Year Billing Rate 3.00 Rs./KWH

LEVELLED TARIFF-(B)/(A)

12.5869 (A)

50.71 (B)

4.03

(A) Assumptions / Methodology for working out Back Loaded Tariff shown in Annexure-I.

1. Figures shown in Annexure 'I' are indicative ones only for the purpose of working out the indicative tariff & its working methodology. However, the data up to calculation of AFC (Col. No.13) will be revised from time to time based on CERC Tariff orders and accordingly composite rate as per Back Loaded Tariff and other associated data shall also be revised accordingly from time to time during different tariff periods over the life of the project.
2. Capital cost considered in the Annexure-I is based on estimated completion cost as on March, 2006 i.e. the likely date of commissioning of Dulhasti H.E. Project. This may change based on actual expenditure of the project and actual date of commissioning of the project. However, for determination of final tariff the capital cost as admitted by CERC shall prevail.
3. Debt : Equity ratio as per actuals is expected to be 59.70 : 40.30 & the same has been taken for working out the indicative Tariff model. However, final Tariff determination shall be based on debt : equity ratio as admitted by CERC.
4. O&M charges, Escalation factor, R.O.E., Interest on working capital etc. have been taken as per existing CERC Regulations. Depreciation @ 2.54% is the approximate rate assumed for working out the amount of Depreciation & AAD. However, actual values shall be as admitted by CERC finally from time to time.
5. The interest rate assumed under Col.18 is indicative only. However, interest shall be charged on the basis of prevailing long term prime lending rate of S.B.I. minus two percent in line with clause 6.1 of the PPA.
6. Auxiliary consumption & transformation losses have been taken as per existing CERC Regulations while working out the Energy available at Bus Bar.
7. Discounting factor @8% has been considered for working out indicative levellised tariff only.

(B) Billing Methodology :

1. Billing for the power supplied from Dulhasti shall be based on Back Loaded Tariff basis in the following manner:-
 - a) AFC to be billed for 1st Financial Year shall be corresponding to composite rate of Rs.3/- per unit based upon saleable design energy and in subsequent financial years it will be enhanced as per Clause 6.1 of the PPA.
 - b) The secondary energy shall be billed separately at the primary energy rate as per CERC regulations. Similarly, incentive if any on account of CI shall be billed on the basis of back loaded AFC throughout the life of the project whenever the CI achieved is more than normative CI. Otherwise incentive shall be zero.
 - c) Apart from the above components of billing, other charges such as FERV, MAT, and Filing Fee etc. shall be billed as per prevailing CERC Regulations / Directions as applicable from time to time.

