

## BULK POWER SUPPLY AGREEMENT

BETWEEN

NATIONAL HYDROELECTRIC POWER CORPORATION LTD.

AND

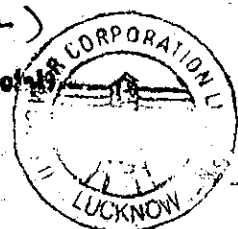
U.P. POWER CORPORATION LTD.

THIS BULK POWER SUPPLY AGREEMENT is entered into on this 3<sup>rd</sup> day of Sept. 03 between National Hydroelectric Power Corporation Ltd., a Company incorporated under the Companies Act, 1956 having its registered office at 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. ( hereinafter specifically referred to as 'UPPCL'), and 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.

Whereas NHPC is a generating company of Central Government of India and the Bulk Power Customers have been allocated power by Govt. of India from (1) Bairasiul HE Project at P.O. Surangani, Distt. Chamba, H.P.-176317 (2) Salal HE Project at P.O. Jyotipuram via Reasi, J&K-182312 (3) Tanakpur HE Project at Tanakpur, Distt. Champawat, Uttaranchal-262310 (4) Chamera HE Project at P.O. Dalhousie, Himachal Pradesh-176304 and (5) Uri HE Project at P.O. Gantamulla, Distt. Baramulla, J&K-193125 (hereinafter collectively referred to as "NHPC Stations") owned and operated by NHPC.

S. K. Agarwal  
 एस० के० अग्रवाल  
 General Manager (Commercial)  
 महाप्रबंधक (वाणिज्य)  
 N.H.P.C. Ltd., Sector-33, Faridabad  
 एन.एच.पी.सी. लि.सेक्टर-33, फरीदाबाद

(MEWA LAL)  
 Director (Commercial)

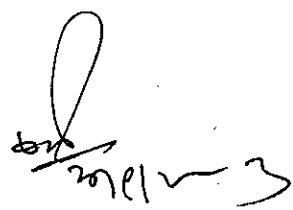


## 1.0 DEFINITIONS:

"The words/expressions used in this Agreement, unless repugnant to the context, shall have the same meanings as respectively assigned to them by the Indian Electricity Act, 1910 and the Electricity (Supply) Act, 1948 and Central Electricity Regulatory Commission Act 1998 as amended from time to time and Act that would come into force as a substitute or otherwise to the above stated Acts". The words/expressions mentioned below shall have the same meanings 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) NRLDC : means Northern Regional Load Dispatch Center.
- xv) REA : means periodic regional energy account including amendments thereof if any, prepared by NREB showing exchange of energy among the various constituents of NREB.

S. K. Aggarwal  
ए.स. को. लि. लि.  
General Manager (Commercial) 2  
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N.H.P.C. Ltd., Sector-33, Faridabad  
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Director (Commercial)

## 2.0 INSTALLED CAPACITY & ALLOCATION OF POWER:

- 2.1 The installed capacity of Bairasiul HEP is 180 MW (3x60 MW), Salal HEP is 690 MW (6x115), Tanakpur HEP is 120 MW\* (3x40), Chamera HEP is 540 MW (3x180MW) and Uri HEP is 480 MW (4x120). The installed capacity, is however, subject to derating/uprating of the generating units as determined from time to time by CEA

\*Actual maximum power output is 94.2 MW.

(Ref.: CEA Order No. DMLF/PS/9/7/96-Vol-IV/3530-85 dated 20.9.96 vide which installed capacity derated to 94.2 MW)

- 2.2 The allocation of power from the projects amongst the Bulk Power Customer shall be in accordance with the instructions regarding allocation of power issued/ or to be issued by the MOP, Govt. of India. from time to time.

## 3.0 GENERAL OBLIGATIONS:

- 3.1 The energy supplied under this agreement shall be in the form of three phase, 50 hertz alternating current at a voltage of 400/220 KV 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 STATIONS:

Evacuation point shall be 400/220 KV bus bar as applicable. Evacuation of power from the delivery point of the project shall be through the transmission system of POWER GRID or any other agency as the case may be. The Bulk Power Customer shall make 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 collection, transportation and processing of data required for energy exchange shall be governed as per the notification/ 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. The REA including amendments, if any, as issued by NREB shall form the basis for billing purposes and shall be binding on both the parties.

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General Manager (Commercial)  
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Director (Commercial)

## 6.0 TARIFF:

- 6.1 The tariff to be charged & its associated Terms and Conditions for the energy to be supplied by NHPC from the stations shall be as per Tariff Notifications/orders/directions issued/to be issued by CERC from time to time.
- 6.2 In case a new tariff for the period beyond the period mentioned in the previous tariff notification/orders/direction of the Competent Authority is not finalized before that date, the beneficiary(ies) shall pay to NHPC for the power supplied from the project beyond this date on adhoc/provisional basis as per the directions/instructions/orders of CERC.
- 6.3 In addition to the energy tariff set out, 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 as per orders of CERC in this regard.

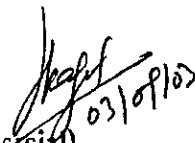
## 7.0 BILLING :

- 7.1 NHPC shall prepare bills for the energy supplied to each of the Bulk Power Customers on the basis of REAs issued by NREB and Bulk Power Customer shall accept these bills for payment. The bill shall be the aggregate of charges as approved /notified by CERC/Government of India from time to time.
- 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).
- 7.3 The settlement of all disputed current dues shall be governed as per the directives of CERC/GOI as issued from time to time.


## 8.0 PAYMENT:

- 8.1 Payment of bills for supply of power from the project 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 average monthly billing of 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 Customers.

S. K. Agarwal  
एस० के० अग्रवाल  
General Manager (Commercial)  
महाप्रबंधक (वाणिज्य)  
NHPC Ltd, Sector-33, Faridabad  
न.एच.पी.सी. लि. सेक्टर-33, फरीदाबाद

  
03/09/07

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Director (Commercial)

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.

8.3 Notwithstanding the above, the Bulk Power Customer who have not signed the Tripartite Agreement shall pursue to obtain guarantee from their respective State Governments as per mutually agreed draft to guarantee the performance of the obligations of Bulk Power Customer to make regular payments of the energy bill presented by NHPC for power supplied/to be supplied to Bulk Power Customer from the project.

#### 9.0 SURCHARGE ON LATE PAYMENT AND REBATE :

9.1 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.

9.2 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.

#### 10.0 ARBITRATION:

10.1 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 shall be settled through arbitration in accordance with the provisions of Arbitration and Conciliations Act, 1996 and any statutory modifications thereto. However before referring the matter of arbitration, efforts shall be made by the parties to settle the disputes through conciliation.

10.2 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 to be intimated by UPPCL alongwith the reference of dispute between the parties by 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 as the case may be shall have exclusive jurisdiction in all matters arising under this Agreement.

S. K. Agarwal  
एस० के० अग्रवाल  
General Manager (Commercial)  
महाप्रबंधक (वाणिज्य)  
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Director (Commercial)

10.3 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.

10.4 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.

#### 11.0 FORCE MAJEURE:

Both the parties shall ensure compliance of the terms of this agreement. However, no party shall be liable for any claim 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, draught, 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).

#### 12.0 DURATION OF AGREEMENT:

This Agreement shall come into force from 01.04.2002 and shall remain operative for 5 years and thereafter 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 project even after expiry of this Agreement without further renewal or formal extension thereof.

#### 13.0 NOTICES:

13.1 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 concerned project

S. K. Agarwal  
एस० के० अग्रवाल  
General Manager (Commercial)  
सहाप्रबंधक (वाणिज्य)  
N.H.P.C. Ltd., Sector-33, Faridabad  
एन.एच.पी.सी. लि.सेक्टर-33, फरीदाबाद

*Agarwal*  
03/01/03

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Director (Commercial)

- 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.

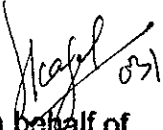
**14.0 IMPLEMENTATION OF THE AGREEMENT;**

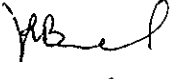
Any Tripartite Agreement signed between Govt. of India, Reserve Bank of India and State Govt. shall form an integral part of this agreement. In case, any of the provisions of this agreement are inconsistent with the provisions of the Tripartite Agreement, mentioned above, then the provisions of Tripartite Agreement shall prevail.


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

**WITNESSES**

1.   
 S. KUMAR  
 C.E.(C) NHPC

 05/08/03  
 S. K. Agarwal  
 एस० के० अग्रवाल  
 For and on behalf of National Hydroelectric Power Corporation Ltd.  
 General Manager (Commercial)  
 महि प्रबन्धक (व्यापारिक)  
 N.H.P.C. Ltd., Sector-33, Faridabad  
 एन.एच.पी.सी. लि. सेक्टर-33, फरीदाबाद

2.   
 (V.K. Bansal)  
 C.M (Commercial)

  
 For and on behalf of U.P. Power Corporation Ltd.  
 (MEWA LAL)  
 Director (Commercial)

