

Central Electricity Regulatory Commission
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No.Eco 1/2006-CERC

New Delhi

3rd May, 2006

NOTIFICATION

The Ministry of Power (MOP), vide its Notification dated, 19.01.2005, issued *Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees*. These guidelines *inter alia* provide in para 5.6 (vi) that the CERC shall notify and update the following rates every six months for the purpose of bid evaluation:

1. Applicable discount rate (10 year GOI securities rate as per the guidelines)
2. Escalation rate for coal
3. Escalation rate for gas/LNG
4. Inflation rate to be applied to indexed capacity charge component.

2. In pursuance of the requirement as stipulated in aforesaid guidelines, the Central Electricity Regulatory Commission hereby notifies the following rates for the purpose of bid evaluation.

Sr.No	Discount Rate/Escalation Rate/Inflation Rate	%
1	Applicable discount rate	6.25
2	Escalation rate for Coal	0.69
3	Escalation rate for Gas/LNG	7.71
4.1	Inflation rate to be applied to indexed capacity charge component -Thermal	4.78
4.2	Inflation rate to be applied to indexed capacity charge component - Hydro	4.55

3. The above mentioned rates will be applicable for the period from 1.4.2006 to 30.9.2006.

(A.K.Sachan)
Secretary