Central Electricity Regulatory Commission Core-3, 7th Floor, Scope Complex, Lodhi Road, New Delhi–10 003

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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	4.78
	component -Thermal	
4.2	Inflation rate to be applied to indexed capacity charge	4.55
	component - Hydro	

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

(A.K.Sachan) Secretary