BEFORE THE KARNATAKA ELECTRICITY REGULATORY COMMISSION,  
BANGALORE

Dated 3rd August 2009

Present

1. Shri K.P. Pandey, Chairman  
2. Shri Vishvanath Hiremath, Member  
3. Shri K. Srinivasa Rao, Member

In the matter of the Approval of the Power Purchase Agreement of Almatti Dam Power House in pursuance of Orders of the Hon’ble ATE in Appeal No. 88 of 2008

BETWEEN

BESCOM, MESCOM, HESCOM, CESC & GESCOM & Karnataka  
Power Transmission Corporation Limited

AND

Karnataka Power Corporation Limited

Parties to the cause:

1) Managing Director, Bangalore Electricity Supply Company, Bangalore  
2) Managing Director, Mangalore Electricity Supply Company, Mangalore  
3) Managing Director, Hubli Electricity Supply Company, Hubli  
4) Managing Director, Gulbarga Electricity Supply Company, Gulbarga  
5) Managing Director, Chamundeshwari Electricity Supply Corporation, Mysore  
6) Managing Director, Karnataka Power Transmission Corporation Ltd. Kaveri Bhavan, Bangalore – 560 009  
7) Managing Director, Karnataka Power Corporation Ltd. No.82, Shakthi Bhavan, Race Course Road, Bangalore – 560 001
ORDER

1. A draft Power Purchase Agreement for purchase of power from 290 MW Almatti Dam Power House between Karnataka Power Transmission Corporation Ltd. (hereinafter referred to as KPTCL) and Karnataka Power Corporation Ltd. (hereinafter referred to as KPCL) was submitted to the Commission for approval by KPTCL vide their letter no. KPTCL/SEE/Proj/EE/Proj/1977-86/01-02 Dated 11.1.2002.

2. After examining and considering the material placed before it and objections from general public, the Commission approved the said PPA vide the Commission’s Order dated 10th April 2003, with certain modifications.

3. The Commission’s Order came to be challenged by KPCL in the High Court of Karnataka in MFA No. 4257/2003. The Hon’ble High Court of Karnataka disposed of the Appeal vide its Order dated 22nd February 2008 duly permitting KPCL to withdraw the Appeal with liberty to file the appeal before the Hon’ble Appellate Tribunal for Electricity (ATE). Accordingly, KPCL preferred the Appeal before the Hon’ble ATE in Appeal No.88/2008.

4. The Hon’ble ATE vide its order dated 18th March 2009, setting aside the order of the Commission dated 10th April 2003, remanded the matter back to the Commission to pass fresh orders after affording an opportunity to the Appellant to make its submissions on the modifications directed by the Commission vis-à-vis objections filed by the Objectors.

5. Pursuant to the orders of Hon’ble ATE, the Commission issued notice to the Appellant and the respondents to make their submissions, if any, on the modifications directed by the Commission in the Impugned Order dated 10th April 2003, duly informing the objectors.
6. The Commission held a public hearing on 17th June 2009. In the hearing, MD KPCL for the Appellant, MD KPTCL and MD BESCOM for the Respondents appeared and made their submissions. No personal representation was made on behalf of M/s Mysore Grahakara Parishat. However, in the written submission it is stated that they were not aware of the appeals before ATE and hence KPCL be directed to furnish copies of appeal and its enclosures. From the records it is observed that Parishat’s views on the PPA are already available on record and the matter has been remanded back to the Commission by the Hon’ble ATE to provide an opportunity to KPCL to make their submissions on the modifications made by the Commission and the objections of the Parishat. Therefore no direction as sought by the Parishat need be issued and the Commission proceeds to pass the order.

7. KPCL has pleaded in its submission that it is agreeable for computation of tariff as per CERC Regulations 2009, which have come into force from 01.04.2009. It is further contended that while computing the Tariff, Advance Against Depreciation may be allowed in addition to Depreciation. Further, it is requested to include rebate clause for payment through LC. The submission of KPCL for applying CERC Regulations dated 19.01.2009 cannot be accepted, as the said Regulations have no retrospective application. The approval of the PPA has to be considered in accordance with the norms/rules/Government orders as were applicable when the draft PPA was negotiated and submitted to the Commission for approval.

8. **Salient Features of the Draft PPA:**

   i) The draft PPA is based on Hydro Norms as per the two-part Notification of GOI dated 30.3.1992.

   ii) Tariff for the project is based on the Design Energy, which means the quantum of energy, which could be generated in a 90 per cent dependable year with 95 per cent availability of installed capacity of the station.
iii) The two-part tariff shall comprise the recovery of annual capacity charges, energy charges, and royalty on water and incentive on secondary energy which means the energy generated in excess of design energy on annual basis in the Station.

iv) Deemed generation is allowed on availability of 85% and above for any tariff period if the Net metered energy falls short of Tariff design energy for reasons solely attributable to hydrology during the first 7 years of operation or due to any event or condition solely attributable to the Buyer’s System.

v) The rate of return on equity shall be at 16% of equity.

vi) O&M expenses shall be at 1.5 per cent of capital expenditure and additional capital expenditure and shall be escalated at 6% per annum.

vii) Auxiliary consumption inclusive of transformation losses is subject to a ceiling of 1% of energy generated.

viii) Letter of Credit: KPTCL shall provide letter of credit equal to two months projected payments. LOC shall be established not later than 30 days from the effective date.

ix) Working capital shall be computed as under:

a) O&M expenses for 30 days

b) Maintenance spares as per actuals subject to a ceiling of 1% on the capital expenditure.

c) Receivables equal to 45 days actual billing for the sale of electrical energy. (The rate of interest on working capital is not indicated in the draft PPA).
x) Depreciation shall be at the rates as notified by the GoI from time to time. In addition, advance against depreciation is to be allowed, if the loan repayment exceeds the amount of depreciation for the year.

9. The Commission, after carefully considering the oral and written submissions made on behalf of KPCL, KPTCL & BESCOM on the PPAs, and also considering the material on record, approves the PPA submitted for approval with modifications carried out by both the parties, with the following norms:

10. Operating Norms

a) Design Energy:

i) This parameter is defined in the Draft PPA as follows:

“Design Energy means the quantum of electrical energy which could be generated in a 90% dependable year with 95% availability of respective installed capacity by a Generating Station and shall be as given in Annex– II* and after 7 years of operation, the Design Energy shall be reviewed in consultation with the CEA”.

* KPTCL had not furnished Annex-II with the draft PPA, but it was subsequently furnished vide letter dated 7.06.2002

b) The value of Design Energy: The Values of Design Energy as approved by the CEA in the Techno-Economic clearance were furnished by KPTCL in their letter dated 7.6.2002 as follows:

<table>
<thead>
<tr>
<th>Design Energy</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-3 years</td>
<td>483 MU</td>
</tr>
<tr>
<td>4th year</td>
<td>450 MU</td>
</tr>
<tr>
<td>5th year</td>
<td>417 MU</td>
</tr>
<tr>
<td>6th year</td>
<td>384 MU</td>
</tr>
<tr>
<td>7th year</td>
<td>351 MU</td>
</tr>
<tr>
<td>8th year</td>
<td>319 MU</td>
</tr>
<tr>
<td>9-35 years</td>
<td>286 MU</td>
</tr>
</tbody>
</table>
The CEA has approved the design Energy as per the above Table. The Commission approves the design energy as per the above Table up to the seventh year of operation after CoD of the station. The Design Energy shall be reviewed after 7 years of operation in consultation with the CEA and approval of the Commission shall be obtained thereon.

c) Availability

Availability means the capability of the Generating station to generate electrical energy on availability of water and the annual availability of the Generating Station shall be determined as per the following formula:

\[
\text{Availability In } \% = \frac{(U_1*H_1 + U_2*H_2 + \ldots + U_n*H_n) \times 100}{(U_1 + U_2 + \ldots + U_n) \times 8760}
\]

Where \( U_1, U_2, \ldots, U_n \) is the contracted capacity of generating units in the Generating Station expressed in MW.

\( H_1, H_2, \ldots, H_n \) are the hours for which the respective generating units were available for operation during the tariff period. In case any generating unit is not being operated for reasons due to prudent utility practices or is under renovation, modernization or uprating, such period in hours shall be considered as being available for computation of Availability.

‘Prudent Utility Practices’ is defined in the draft PPA as follows:

"Prudent Utility Practices" means those practices, methods, techniques and standards as changed from time to time that are generally accepted for use in electric utility industries internationally taking into conditions
obtaining in India, and commonly used in prudent electric utility engineering and operations to design, engineer, construct, test, operate and maintain any project lawfully, safely, efficiently and economically as applicable to power station of the size, service and type of the project and that generally conforms to the operation and maintenance guidelines of the manufacturers/suppliers.

The above definition of Availability in the draft PPA conforms to that in the two part Notification dated 30.3.1992 with the exception that:

i) $U_1, U_2, \ldots, U_n$ is indicated as the Contracted capacity of the Generating Units in the draft PPA which is the capacity net of auxiliary consumption whereas in the GOI Notification, it is indicated as the capacities of different units which means the gross capacity.

ii) The aspect mentioned in the draft PPA viz. Counting the period during which any generating unit is not being operated for reasons due to prudent utility practices or because of renovation, modernization or uprating of the generating unit, is not covered under the norms in the two part Tariff Notification of the GOI dated 30.3.1992.

iii) In the Almatti Project, the power station will typically operate 24 hours a day for 2-3 months of the monsoon season to move the volume of flood discharges downstream of the Almatti Dam and after the monsoon is over the power station may be required to operate during the peaking hours depending upon the daily irrigation releases. In either case, the maximum generating capacity (including continuous over load capacity) of the units would be required to prevent spillage of water during the monsoon months to the extent possible and during the non-monsoon months to meet the peak load requirement of the grid as may be necessary.
iv) Considering all the aspects enumerated in the foregoing paragraphs, the Commission is of the view that Availability of the Generation Station requires to be computed on a daily basis on the basis of the Declared Capacity of the Station for each hour of the day with respect to the Contracted capacity of the Station averaged over the day and then over the year to arrive at the Annual Availability.

v) The Daily Availability shall be computed based on the following formula:

\[
\text{Percentage Daily Availability} = \frac{U_1H_1 + U_2H_2 + \ldots + U_{24}H_{24}}{U \times 24} \times 100
\]

Where \( U_1, U_2, \ldots, U_{24} \) are the hourly Declared Capacities of the Station during the day commencing from the first hour to the 24th hour.

\( H_1, H_2, \ldots, H_{24} \) are the hours from the first to the 24th hour and \( U \) is the Contracted capacity of the Station for the day.

Since the head available for power generation varies depending upon the level of water in the Reservoir, the Contracted capacity used in the above formula shall correspond to the head available during that period including the overload capacity wherever applicable. The Seller shall declare to the Buyer the capacities of the generating units including overload capacity wherever applicable at various heads and discharges.

vi) Availability under conditions of non-operation of units for reasons due to Prudent utility practices or if the units are under renovation, modernization or uprating:

a) The draft PPA provides that the periods in hours during which the units are not being operated for reasons mentioned above shall be counted for availability. This provision is not covered in the Notification.
of GOI dated 30.3.1992. The Commission also is of the view that since the project is commissioned recently and the period of the PPA is proposed to be fifteen (15) years, the generating units may not be requiring any renovation, modernization or uprating during the term of the Agreement. However, in the unlikely event of any generating unit/units requiring any such works, proper proposal with justification and time schedule shall be furnished to the Commission for approval. The period for such works as approved by the Commission shall count for computation of Availability.

b) If however, there is a reduction in the guaranteed output from the generating unit/units due to design limits and specifications arising out of grid conditions such as:

(i) Bus voltage and frequency conditions beyond the prescribed limits.

(ii) Constraints in the evacuation capability, etc.,

The capacity hours thus lost shall be considered for computation of Availability.

If the generating unit/units are not operated for other reasons mentioned in the draft PPA under “Prudent Utility Practices” such as prudent electric utility engineering operations to design, engineer, construct, test, operate, etc., the capacity hours thus lost shall not be counted for Availability.

The Commission approves that the normative Annual Availability of the project shall be taken as 85% as per the norms. The definition of Availability provided in the PPA shall be modified suitably.

d) **Auxiliary consumption:**

The Auxiliary consumption inclusive of transformation losses subject to ceiling of 1% of energy generated is indicated in the draft PPA.
The Commission approves as follows:

i) The definition of Auxiliary Consumption shall be: "Auxiliary consumption means the quantum of energy consumed by the auxiliary equipment of the project inclusive of Transformation losses from Generation Voltage to Transmission Voltage."

ii) The Auxiliary Consumption (including the transformation losses) shall not exceed 1% of the energy generated.

e) **Deemed Generation:**

This is defined in the draft PPA as follows:

"Deemed Generation" for a generating station achieving an Annual Availability of 85% and above for any tariff period, shall mean the difference between Tariff Design Energy and net-metered energy (NME) of such generating station, if the NME falls short of Tariff Design Energy for reasons:

i) Solely attributable to hydrology during first seven years of the operation of the unit.

ii) any event or condition solely attributable to the Buyer or solely attributable to the Buyer’s system or due to any Dispatch instruction.

This definition has to be changed as follows to conform to the provisions of the Two Part Tariff Notification dated 30.3.92

a) If the station has achieved the normative Availability level in a contract year, but actual energy generation falls short of design energy for reasons solely attributable to hydrology, the energy charges for generation up to Design Energy shall be payable to the Generating Company during the first seven years of operation.
b) In case of reduced generation due to reasons beyond the control of Generating Company and non-availability of Buyer’s transmission lines or on receipt of backing down instructions from the State Load Dispatch Centre and it results in spillage of water, the energy loss on account of such spillage shall be considered as Deemed Generation limited to the Design Energy.

11. **Financial Norms:**

   a) **Capital Cost:** For the purpose of tariff, historical capital costs as per audited accounts shall be the basis. The Commission therefore approves to consider the actual capital costs as per book value as at the end of 31.3.2009, in respect of each of the existing 6 units of Almatti Dam Power House as per audited accounts. This shall include the additional capital expenditure incurred, if any, by KPCL subsequent to CoD, upto 31.3.2009. For any future R&M expenditures, separate proposals, after due consultation with buyers, shall be submitted to the Commission for approval.

   b) **Operation and Maintenance expenses:** The Commission approves O&M expenses at 1.5 per cent of capital cost as per the completed capital cost as per audited accounts as on 31.03.2009 and shall be escalated at 6% per annum for subsequent years.

   c) **Interest on Working Capital:** The Commission approves the components of the working capital as per the draft PPA. Further the Commission approves to allow interest on working capital at the rate of prevailing SBI PLR plus 2%. In case reserves are used for working capital purposes, the interest on working capital shall be allowed only on the basis of actual interest paid on the working capital borrowings subject to 1992 norms.

   d) **Depreciation:** The Rates of Depreciation as indicated in the CEA’s techno-economic clearance is 3.4% on the capital expenditure and the additional capital expenditure. As per the draft PPA, the depreciation is as
per the rates notified by GoI from time to time. In view of this the Commission approves an annual depreciation rate of 3.4% on 90% of the cost of assets. If the depreciation is not sufficient to meet the annual loan repayment, the difference may be claimed as Advance Against Depreciation (AAD), for tariff purposes.

e) Interest Charges: In the draft PPA, interest payment has been indicated as aggregate amount of interest payable on loans, listed in Annexe X including lease rentals. Annexe X of the draft PPA has not been filled in. In the Techno Economic Clearance issued by the CEA, the debt is indicated as Rs.539.50 crores from IDFC, the rate of interest as 12.5 % plus Government Guarantee fee of 1% and the repayment period of the loan is indicated as 10 years with a moratorium of 6 months. KPCL is directed to provide the details in Annex-X to the draft PPA.

The Commission approves to allow the actual interest charges payable on the loans in each year during the Agreement period limited to the Schedule of interest indicated in the TEC.

f) Incentive Payment: In the draft PPA, the rate for secondary energy has been indicated as 15 paise per unit and it is stated that the total incentives along with secondary energy charges shall not exceed 3.28% of the equity. According to GOI norms, the rate of incentive for Secondary Energy shall be mutually agreed between the Board (buyer) and the Generating Company and that the maximum payment on this account in any year shall not exceed 10 percent return on equity. The Commission approves the same.

g) Return on Equity: The draft PPA provides for a Return on Equity at 16% on the Equity and Reserves. The Commission approves return on equity at 16% of the equity and reserves.
h) **Tax Component:** The draft PPA provides for payment of all taxes by the purchaser ESCOMs on the income from Return on Equity. As per GOI norms 1992, the Income Tax paid by the generating company is a pass through to the utility. The Commission therefore agrees to the provision in the PPA for payment of Income Tax as a pass through with a condition that MAT / Income Tax shall be restricted to 16% RoE.

i) **Rebate on payment through LC:**

KPCL has sought to include rebate clause as provided in CERC Regulations dated 19.01.2009. As already held, CERC Regulations dated 19.01.2009 cannot be applied to the present PPA, as the same was not provided in the renegotiated PPA.

12. **Recoverable capacity charges:**

The components of recoverable capacity charges are (i) interest payment on loans including lease rentals and (ii) depreciation. The Commission approves the Recovery of Capacity Charges with reference to the approved Interest & Depreciation charges and Advance Against Depreciation, if any.

The provisions of Section 5.3 in the draft PPA shall be suitably modified to fall in line with the above approval.

13. **Primary Energy Charges:**

According to the draft PPA, this comprises of: (i) Return on equity (ii) O&M expenses (iii) Income Tax and (iv) Interest on working capital. The Commission approves the Recovery of Primary Energy charges with reference to the approved rates of RoE, O & M Expenses, Income Tax and Interest on working capital.
14. **Royalty:**

The Commission notes that CEA has issued TEC to the project subject to the fulfillment of the condition that “no royalty shall be levied for use of water for power generation”. However, in the draft PPA it is indicated that royalty, if applicable, is payable to GOK or any designated agency thereof for electricity. However, KPCL had made it amply clear in their rejoinder to Mysore Grahakara Parishat during the hearing on the objections that “the payment of Royalty charges has not been approved by CEA, New Delhi while issuing TEC. As such, KPCL will not pay any royalty for the power transmitted from ADPH. The relevant clauses of the PPA may be reviewed by KERC while approving the PPA”.

The Commission notes that the tariff for power supply from this project will increase substantially if royalty is included. The Commission directs KPCL that this matter may be taken up with the Government of Karnataka for an appropriate decision.

15. **Disincentive for lower Availability below 85%**

According to the draft PPA, if the Availability achieved is less than the normative Availability, the generator will be eligible for lesser capacity charges based on Capacity Charge Adjustment Factor. The Capacity Charge Adjustment Factor has been defined in the draft PPA as “Capacity Charge Adjustment Factor means for a Tariff period, the quotient obtained by dividing Availability by 85 %. The capacity charge adjustment factor for a Tariff period shall not exceed 1.0”. The Commission approves this provision.

16. **Water Management & Supply Agreement:**

During the earlier proceedings KPCL had submitted draft copy of the Water Management and Supply Agreement, which had been proposed to be entered into between M/s CPCL, KBJNL & Karnataka Irrigation Department of
GOK. A copy of the letter dated 26.3.2002 addressed by Managing Director/KBJNL and ex-officio Principal Secretary to Government, Water Resources Department addressed to MD/KPCL was also furnished. It is stated in the letter that KBJNL is aware that the power generation at Almatti Dam PH is envisaged through the releases for Irrigation and the surpluses from the Almatti Dam and based on the water table (prepared by IISc) as approved by CWC while clearing the Upper Krishna Project. It is also confirmed that KBJNL would be adhering to the above schedule/programme of releases through penstocks which would facilitate generation of power from the GOK approved power house of 290 MW at the toe of the Almatti Dam.

The draft Water Supply Management & Supply agreement incorporates some important provisions such as:

i) Principal obligations of the Parties to the Agreement.
ii) Mechanism of Co-ordination through constitution of Policy Committee, Technical Committee and Dam Safety Committee.
iii) Payment of Royalty charges, if any.

An essential part concerning the water release programme comprising general release principles and release plans for each hydrological year is also incorporated which takes into account,

(a) The maximum reservoir level that can be allowed for the monsoon season for that hydrological year by the extent to which the rehabilitation and resettlement works have been completed in the area of Almatti Reservoir.
(b) The proposed irrigation demand from UKP Reservoirs.
(c) The expected values of inflows into the reservoirs.
(d) The expected values of evaporation and such other consumptive uses as may be projected for municipal and industrial demands from the UKP Reservoirs.

(e) The expected releases to be made from the Almatti Dam through spillway gates.

(f) The expected irrigation releases to be made through penstocks.

(g) The expected reservoir elevation for the UKP reservoirs at the start and end of each such period.

(h) The required releases from the Narayanpur Dam necessary to meet downstream consumptive use requirements.

The draft agreement also contemplates that a water release plan for each hydrological year be developed by Nigam in consultation with CPCL and KPCL.

In view of the above, the Commission directs that KPCL shall also enter into a Water Management & Supply Agreement with the above authorities, if not already done.

17. **Dispute Resolution**: The provision relating to dispute resolution contained in the PPA shall be modified in view of Section 86(1)(f) of the Electricity Act 2003. Now it shall state that any dispute arising out of or in relation to the PPA shall be referred to the Commission for adjudication under Section 86(1)(f) of the Electricity Act 2003.

18. The draft PPA was earlier signed by KPTCL at the time of submission of the PPA for approval of this Commission. However, Section 39 of Electricity Act 2003 bars KPTCL from entering into agreement for purchase of power. The GoK vide its letter dated EN 18 PSR 2008 dated 20th October 2008 has made source-wise allocation of power to the Hukeri Rural Electric Co-operative Society (HRECS) also. In view of this, HRECS shall also be a party to the agreement. The Commission therefore directs KPCL and ESCOMs and HRECS
to execute a fresh PPA with the above-approved parameters and corrections to the draft PPA as per Annex-1 to this Order. KPCL, ESCOMs and HRECS shall execute the PPA with all Annexures and submit 3 copies of the executed agreement to the Commission within thirty (30) days from the date of this Order.

19. Further, the following Annexes shall also be made as the part of PPA that are to be finalized by the parties themselves in addition to the Annexures enclosed to the draft PPA:

   a) The schematic diagram indicating the interconnection points and metering system to measure the net-metered energy from the plant and the net power output.

   b) Procedures for conducting Annual capacity test.

20. Any other issues not specifically finalized by the Commission, can be mutually discussed and agreed to between the parties and submitted for approval of the Commission.

21. The revised tariff for Almatti Dam Power House shall become effective from 01.04.2009.

This Order is signed on 3rd Day of August 2009.

(K.P.Pandey)  (Vishvanath Hiremath)  (K.Srinivasa Rao)
CHAIRMAN       MEMBER       MEMBER
Annex - 1

MODIFICATIONS / ADDITIONS TO BE EFFECTED TO THE CLAUSES OF THE DRAFT PPA
OF ALMATTI DAM POWER HOUSE

<table>
<thead>
<tr>
<th>Page</th>
<th>Corrections</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 of 62</td>
<td>The names of the Buyers viz. ESCOMs &amp; HRECS shall appear first in the PPA replacing KPTCL. Para (iii) under RECITALS shall be modified suitably.</td>
</tr>
<tr>
<td>2 of 62</td>
<td>Para (iv) shall be modified suitably since Almatti Dam Power house has been established and is in operation. Para (v) shall be deleted.</td>
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</tbody>
</table>

**Article 1 Definitions**

<table>
<thead>
<tr>
<th>Page</th>
<th>Corrections</th>
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<tbody>
<tr>
<td>3 of 62</td>
<td>The term “Act” may be brought under Definitions to define the Electricity Act, 2003.</td>
</tr>
<tr>
<td>4 of 62</td>
<td>The definition of “Additional Capital Expenditure” shall be modified to reflect the capital expenditure being incurred or proposed to be incurred by the seller after the effective date in respect of renovation, replacement, modernization and/or uprating works in the consent of Buyer and KERC from time to time, since the project has been established and is in operation.</td>
</tr>
<tr>
<td>5 of 62</td>
<td>Definition of “Auxiliary Consumption” shall refer to energy consumption of the auxiliary equipment in the generating station inclusive of transformer losses from generation voltage to transmission voltage. This shall not include energy consumption in the colony. Definition of “Availability” shall be in accordance with 10(c) of the order. Definition of “Capital expenditure” shall be in accordance with 11(a) of the order. Definition of “Check Meters” and “Main meters” (Page 9 of 62) shall be in accordance with CEA Regulations on Installation and Operation of meters.</td>
</tr>
<tr>
<td>7 of 62</td>
<td>(ab) “Effective date”: - The words “on which Financial Closing should have occurred” shall be deleted.</td>
</tr>
</tbody>
</table>
| 8 of 62 | (aq) Definition of KERA may be deleted.  
(ar) KERC “Established under KERA” may be deleted. |
| 10 of 62 | (bo) “Royalty” – The definition shall be modified as “the amount payable to GoK or any agency designated by Government thereof for use of water for generation of electricity”.  
(bq) “Scheduled Commercial Operation date” – This definition may be deleted since the project has already achieved the COD. |
| 11 of 62 | (bv) Definition of “Synchronization date” may be deleted since the project is already commissioned. |

**Article 2**

| 14 of 62 | Construction and Commissioning. This Article may be modified suitably since the project has already been commissioned. |
| 16 of 62 | 3.11 The table shall be changed to indicate the date of commissioning. |
| 17 of 62 | 3.12 Initial Capacity Test. This Article may be deleted. |
| 18 of 62 | 3.13. This Article may be deleted. |
| 18 of 62 | 3.14 This Article may be deleted. |
| 20 of 62 | 4.5 Dispatch Procedure – This article shall be in accordance with KERC Intra State ABT Regulations. |
| 23 of 62 | The category of HT tariff applicable shall be specified in the penultimate Para. |

**Article – 5 Tariff**

| 24 of 62 | 5.1 (a) Capital expenditure – This article shall be in accordance with Para 11 (a) of the order. |
| 25 of 62 | 5.3(ii) To be suitably modified considering the fact that all the units have achieved COD and the Article shall also be in accordance with para 11(d) of the Order.  
5.4(ii) To be modified as per Clause 11(b) of the Order. |
| 26 of 62 | 5.4(iii) To be modified as per 11(h) of the Order.  
5.4(iv) Interest Rate as per 11(c) of the Order to be incorporated. |
| 27 of 62 | 5. Energy Generation prior to Commercial Operation date. This article may be deleted since the project is already commissioned. |

**Article – 6 Metering**
### Article – 7 Billing and Payment

#### 35 of 62

7.4 Royalty

The Para shall be modified to read as “Royalty if applicable, is payable to GoK or any designated agency thereof for water used for generation of electricity.”

### Article – 8 Dispute Resolutions

#### 41 of 62

This Article shall be modified to be in conformity with Para 17 of the order.