



**POWER PURCHASE AGREEMENT**  
**BETWEEN**  
**NATIONAL HYDROELECTRIC POWER CORPORATION LIMITED**  
**AND**  
**UTTAR PRADESH POWER CORPORATION LIMITED**

THIS POWER PURCHASE AGREEMENT entered into on this ..... Eight ..... day of December ..... 2000 between National Hydroelectric Power Corporation Limited, 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 Uttar Pradesh Power Corporation Ltd., 14-Ashok Marg, Shakti Bhawan, Lucknow - 226001 (hereinafter referred to as "UPPCL" generally referred to as "Bulk Power Customer") which expressions shall unless repugnant to the context shall include their respective successors and assigns as party of the second part.

Whereas the Bulk Power Customer will be allocated energy by the Govt. of India from Dhauliganga HE Project Stage-I, Dharchula, Distt. Pithoragarh (U.P.) - 262545 owned and operated by NHPC.

2.

NOW, THEREFORE, in consideration of the premises and mutual covenants and conditions set forth herein and in the schedule annexed to this agreement, which shall form an integral part of this agreement, it is hereby agreed by and between the parties hereto as follows :-

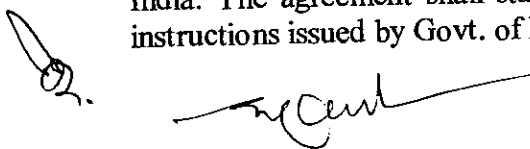
## 1.0 DEFINITIONS :

The words/expressions used in this Agreement, unless repugnant to the context, shall have the same meanings as respectively assigned to them by the Indian Electricity Act, 1910 and the Electricity (Supply) Act, 1948 as amended from time to time and the rules framed thereunder. The words/expressions mentioned below shall have the same meaning as respectively assigned to them hereunder :-

- a) 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.
- b) Month : means English Calendar month.
- c) Year : means the financial year commencing on 1<sup>st</sup> April and ending on 31<sup>st</sup> March.
- d) Energy : means the electrical energy.
- e) Power : means the electrical power.
- f) NREB : means Northern Regional Electricity Board.
- g) Global Accounts : means periodic energy account including amendments thereof, if any, prepared by NREB showing exchange of energy among the various constituents of NREB.
- h) LC : means Letter (s) of Credit.

## 2.0 ALLOCATION AND SUPPLY OF ENERGY :

- 2.1 The installed capacity of Dhauliganga HE Project Stage-I will have 4 units of 70 MW each i.e. 280 MW. The Energy available for Sale shall be allocated to Bulk Power Customer in accordance with the instructions of and allocation issued / or to be issued by the Ministry of Power, Govt. of India. The agreement shall stand amended as per decisions conveyed and instructions issued by Govt. of India from time to time in this regard.



### **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 KV. The frequency and voltage of the energy shall be subject to fluctuations that are ordinary, usual and incidental to the generation and transmission of energy but such fluctuations shall not exceed or be more than those laid down by NREB from time to time except for the reasons and circumstances beyond the reasonable control of Dhauliganga HE Project Stage-I Station. The supply of energy to Bulk Power Customer is subject to outages as may be necessary on account of removal of the Dhauliganga HE Project Stage-I generating units and associated transmission system from service for inspection, maintenance or repair or for any other reason beyond the reasonable control of NHPC. The periodicity and duration of such outages shall be such as may be determined by NHPC in consultation with NREB.

### **3.2 DELIVERY POINT :**

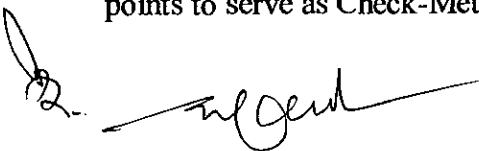
400 KV Bus bar or any other point designated at Dhauliganga HE Project Stage-I Station shall be the delivery point for supply of energy to the Bulk Power Customer. Wheeling arrangement for evacuation of power from the delivery point shall be carried out by PGCIL or any other agency as authorized by the Govt. of India. The Bulk Power Customer shall also permit and extend full cooperation in transmission of power to other Bulk Power Customers / Parties through their transmission system(s) without affecting its own distribution and after evacuation of its own allocated share.

### **4.0 METERING :**

The following metering arrangements will be provided.

### **4.1 ENERGY METERS :**

One set of energy meters of 0.2 accuracy class shall be provided by NHPC on each feeder at Dhauliganga HE Project Stage-I at the delivery point mentioned in Clause 3.2. These energy meters shall be tested, calibrated and sealed jointly by NHPC and NREB or any other agency authorized by it to serve as Main Meters for billing purposes. NREB or any other agency as authorized by NREB or NHPC or any other agency authorized by it may install another set of energy meters at the delivery points to serve as Check-Meters.



#### **4.2 METER READINGS :**

Joint meter readings of the meters shall be taken by the representatives of NHPC / Power Grid and Bulk Power Customer at 12 Noon on the 1<sup>st</sup> date of each month. In case other party is not available for joint meter readings at the specified time, the meter readings taken by Dhauliganga HE Project Stage-I authorized representative shall be taken into account by NREB for preparation of Global Accounts.

#### **4.3 INSPECTION AND TESTING OF METERS :**

The meters installed by NHPC shall be tested and calibrated at intervals of not less than 12 months by NHPC with intimation to NREB. Notwithstanding the above provision, on representation by the Bulk Power Customer or suo-moto by the NHPC, the meters shall be got tested at any other occasion as well. Should the meters be found to be correct within the permissible limits of accuracy laid down in Indian Electricity Rules, 1956 as amended from time to time, the cost of such testing shall be borne by the Bulk Power Customer, if the testing is done on representation by Bulk Power Customer, otherwise it shall be borne by NHPC. If on testing any error is found beyond the limits laid down by Indian Electricity Rules 1956, then the adjustment will be made accordingly in the energy bills for the said period.

#### **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 Global Accounts issued by NREB. The Global Accounts as issued by NREB on the basis of joint meter readings done by the concerned parties shall form the basis for billing purposes and shall be binding on both the parties.

#### **6.0 BILLING AND PAYMENT :**

- 6.1 Bulk Power Customer shall have to pay within 30 days from the date of billing through Demand Draft payable at Delhi or through other mode as mentioned below for the energy sold under this Agreement as per Clause 5.0 above at the rate and charges and other terms and conditions as laid down in the schedule annexed hereto and also subject to all other related provisions wherever appearing in this agreement.

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- 6.2 Bulk Power Customer shall open a confirmed, revolving, irrevocable Letter of Credit in favour of NHPC, for an amount equivalent to one month's average billing on the date of signing of this agreement or within one month from the date of commercial operation whichever is later and keep the same opened for 30 days after expiry of the agreement or till all outstanding dues are settled whichever is later, with the State Bank of India, Parliament Street, New Delhi, or any other Bank mutually acceptable to the parties for payment of bills and / or bills for surcharge raised by NHPC. The amount of LC shall be reviewed by NHPC in consultation with the Bulk Power Customer each quarter commencing April, July, October and January and the amount shall be enhanced / reduced accordingly. If the amount of energy supply bill is more than the amount of Letter of Credit, NHPC will prepare two bills, one equal to the amount of Letter of Credit and the other bill for the balance amount. The payment of bill for the balance amount shall be made by the Bulk Power Customer directly on presentation of bill(s).
- 6.3 NHPC shall present monthly bill(s) (in duplicate), to the said Bankers for the energy sold from Dhauliganga HE Project Stage-I Station to Bulk Power Customer during the previous calendar month within seven (7) days from the issuance of Global Account by NREB. NHPC shall raise supplementary bill(s), if necessary, on account of revision in Global Account by NREB, within 10 days on receipt of such revised Global Accounts from NREB for the difference between the amount as payable on the basis of revised Global Account and the amount already billed for that month. NHPC, at its sole discretion, can split such a monthly bill.

**The bill will be aggregate of :**

- i) Charges for the energy sold.
- ii) Wheeling charges, if any.
- iii) Taxes and duties etc., if any.
- iv) Any other charges as may be imposed by Government (Central / State) or any other agency / party under an Act, directive, rule or instruction of the Government (Central / State) from time to time.
- v) Any other amount due under this agreement.



6.4 The bill(s) presented by NHPC as aforesaid shall be paid by the said Bankers against the above referred Letter of Credit within three days from the date of presentation of the bill(s) and supplementary bills and Bulk Power Customer shall issue necessary instructions to the said Bankers under intimation to NHPC before opening of Letter of Credit in favour of NHPC for that purpose that payment of the bills prepared by NHPC shall not be withheld by the bank for any reasons whatsoever. All the bank charges shall be borne by the Bulk Power Customer.

6.5 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 30 days of payment of such bill(s) by the bank. 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.

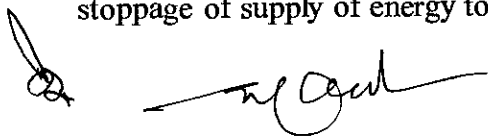
If on such rectification, it is found that Bulk Power Customer has paid an excess amount, such excess amount shall be adjusted in next bill(s). However, if as a result of such rectification, any amount becomes due and payable to NHPC, NHPC shall raise necessary supplementary bill(s). Notwithstanding the above, NHPC shall have the right to rectify any discrepancy in any bill, suo-moto if considered necessary, and as a result of such rectification by NHPC, if any amount becomes due and payable to NHPC, the same shall be paid by the said bankers in accordance with Clause 6.4 herein above.

**6.6 SURCHARGE DUE ON LATE PAYMENT :**

6.6.1 If the payment of the bill(s), supplementary bill(s) raised is not received within 30 days from the date of presentation of the bill for any reasons whatsoever, surcharge @ 2% per month for every month shall automatically become due and payable by Bulk Power Customer. Such surcharge shall be calculated on monthly basis. However the principal amount and the surcharge amount may be shown separately in the bill.

6.6.2 The excess amount, if any, as mentioned in Clause 6.5 above, received by NHPC from Bulk Power Customer would first be appropriated towards the payment of the bill(s) raised by NHPC in respect of energy supplied and the balance amount, if any, would be appropriated towards the surcharge due under Clause 6.6.1.

6.7 Notwithstanding what is contained above, if the bill(s) are not paid by Bulk Power Customer to NHPC within 3 months from the date of presentation of such bill(s), NHPC shall have the option to consider stoppage of supply of energy to Bulk Power Customer in part or full



which shall be at disposal of NHPC for distribution to any other State or region. As soon as the defaulted payments are received by NHPC, the energy supply shall be restored to defaulted Bulk Power Customer.

**7.0 ARBITRATION :**

7.1 All differences or disputes between the parties arising out of or in connection with this Agreement shall be settled through arbitration as provided herein.

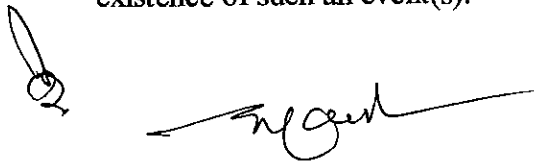
7.2 In the event of such differences or disputes between the parties, any party may by a written notice of 30 days to the other party request for appointment of a Sole Arbitrator to be decided mutually by the parties and, in case of disagreement, to be decided by Chairman, Central Electricity Authority. The Arbitration shall be conducted in accordance with the provisions of Arbitration and Conciliation Act, 1996 and any statutory modifications thereto. The Arbitrator shall give a speaking and reasoned award. The decision of the Arbitrator shall be final and binding on the parties. The venue of the arbitration shall be decided by the Arbitrator. The High Court of Punjab and Haryana, Chandigarh shall have exclusive jurisdiction in all matters arising under this Agreement.

7.3 The Arbitrator shall reasonably decide in what proportion his fee and cost of arbitration proceedings shall be borne by the parties. The Arbitrator with the consent of the parties may extend the time to make and publish the award.

7.4 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.

**8.0 FORCE MAJEURE :**

Both the parties shall ensure compliance with 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, draught, cyclone, lightning, earthquake 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).

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## 9.0 DURATION OF AGREEMENT :

This Agreement shall come into force from the date of signing of this Agreement and shall remain operative for thirty five (35) years from date of commercial operation of the last unit of Dhauliganga HE Project Stage-I 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 Dhauliganga HE Project Stage-I Station even after expiry of this Agreement without further renewal or formal extension thereof.

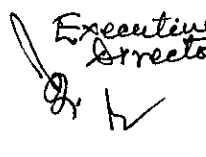
## 10.0 NOTICES :

10.1 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 / General Manager (Commercial) / Chief Engineer (Commercial)  
National Hydroelectric Power Corporation Ltd.,  
NHPC Office Complex, Sector - 33,  
FARIDABAD, HARYANA - 121003.

### b) BY NHPC :

 Executive Director / General Manager (Commercial)  
National Hydroelectric Power Corporation Ltd.,  
NHPC Office Complex, Sector - 33,  
FARIDABAD, HARYANA - 121003.

### c) TO OR BY BULK POWER CUSTOMER

Authorized representative of Uttar Pradesh Power Corporation Ltd.

## 11.0 IMPLEMENTATION OF THE AGREEMENT :

All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents unless otherwise expressly provided herein, shall be exercised and





given by the signatories to this Agreement or by the authorized representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post from time to time. Nomination of authorized representative(s) shall be informed likewise in writing by the Bulk Power Customer within one month of signing of the Agreement.

It is specifically agreed that this Agreement shall supersede all previous discussions and meetings held and correspondence exchanged between Bulk Power Customer and NHPC in respect of this Agreement and any decisions arrived at therein in the past and before signing of this Agreement if repugnant to the provisions made herein shall have no relevance with reference to matters covered under this Agreement and no reference of such discussions or meetings or past correspondence etc. shall be entertained for interpreting this Agreement or its implementation.

## 12.0 REGULATION BY CERC

Central Electricity Regulatory Commission (CERC) has been constituted under Electricity Regulatory Commissions Act of 1998(No. 14 of 1998). They are in the process of formulating various procedures, rules and regulations which shall automatically form a part of the Agreement and shall overrule clauses so affected, if any of this Agreement. Both parties can approach CERC for review of any of the provisions of this Agreement including hydrological considerations.

13.0 This agreement is subject to ratification from the respective Board of Directors. In witness thereof the parties hereto have caused this Agreement to be executed hereunder by their duly authorized representative(s) on the day, month and year first above written.

WITNESS

1. *(JITEN DER JAIN)*  
8.12.24  
MGR (COMM)

2. *G.C. JAIN*  
8/12/24  
EE, SPATC, LKO

*(S. D. TRIPATHI)*  
For and on behalf of Chief Engineer  
National Hydroelectric Power Corporation Ltd  
Commercial Division  
N.H.P.C. LT  
Sector-33, FARID SAD  
Haryana Pin-121 003.

*(B.S. Sharma)*  
For and on behalf of  
Uttar Pradesh Power Corporation Limited, Lucknow.

(B.S. Sharma)  
G.M.  
E.A.D.

## **SCHEDULE**

### **1.0 PURPOSE :**

The purpose of this schedule is to lay down terms and conditions of this Agreement for the energy supplied to Bulk Power Customer from Dhauliganga HE Project Stage-I (4 x 70 MW).

### **2.0 DRAWAL OF POWER**

Drawal of power by the Bulk Power Customer of its respective share of power / energy from Dhauliganga HE Project Stage-I Station shall be as follows :

#### **2.1 Computation of Shares**

The share of each Bulk Power Customer from the Dhauliganga HE Project Stage-I Station shall be computed in proportion to their respective allocation of power specified in the Ministry of Power, Govt. of India instructions, after allowing for the unallocated power which shall be allocated as under :

Allocation of power from unallocated power shall be made available by Govt. of India, Ministry of Power, or their authorized representative, to such parties and in such manner as they deem fit.

#### **2.2 Regulation of Drawals :**

The Bulk Power Customer shall make its own arrangements to draw its share as per Clause 2.1 above.

#### **2.3 Drawal of Shares :**

NHPC will generate power at its Dhauliganga HE Project Stage-I Generating Station and inject the same into the Grid. NREB will monitor and coordinate, as per agreed guidelines, the drawal by Bulk Power Customers as per their entitled share(s). The respective Bulk Power Customer(s) shall so regulate their power system parameters as to draw their shares of Dhauliganga HE Project Stage-I power from the Grid. NREB shall monitor concerned constituents of NREB regarding necessary corrective action to maintain the Power System parameters so as to enable Bulk Power Customer(s) to receive their share of Dhauliganga HE Project Stage-I power. In the event of overdrawal or underdrawal by any Bulk Power Customer(s) with respect to its power allocation, the matter shall be settled amongst

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the Bulk Power Customer(s) themselves with the help of NREB, and suitable remedial action taken. The decision of NREB would be final and binding.

**3.0 ENERGY TARIFF :**

The tariff / incentive / penalty / secondary power etc. for the project shall be calculated and charged as approved / notified by CERC from time to time.

**4.0 TAXES, DUTIES ETC.**

4.1 The energy tariff set out above shall be exclusive of and in addition to any tax, duty, cess, levy or any other imposition of fees or surcharges etc., on energy that may be payable by NHPC in accordance with any law in force from time to time. Bulk Power Customer shall also be liable to pay to NHPC all payments made by it on account of tax, cess, levy, fee or other imposition etc levied by any other Government or other authority including in respect of generation, transmission and supply of energy. Such payments by Bulk Power Customer shall be in addition to the charges payable by them in accordance with the energy tariff specified above, and shall be payable along with the monthly bills unless demanded earlier or otherwise by NHPC.

4.2 Incidence of tax liability on NHPC as per Income Tax in force from time to time shall be recovered from Bulk Power Customer(s) duly certified by Statutory Auditors of NHPC. The allocation of the Income Tax liability to the respective Power Stations will be in proportion to the capacity of NHPC in operation at the beginning of the respective financial year. The Income Tax allocated to Bulk Power Customer(s) will be in proportion to their energy drawals during the year to which the Income Tax pertains.

**5.0 REBATE ON PAYMENTS THROUGH LC :**

NHPC shall allow a rebate of 2.5% (Two and a half percent) only on the amount paid through LC upon presentation of bills by NHPC to bank. Where payments are made subsequently through LC or otherwise within a period of one month from the date of issue of bills by NHPC, a rebate of 1% (One Percent) only will be allowed. The rebate shall be limited to the amount of NHPC bills after excluding wheeling charges, (if any) taxes, duties, cess etc. billed therein.

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