

हरियाणा HARYANA

S 969461

BULK POWER SUPPLY AGREEMENT

BETWEEN

NHPC LIMITED

AND

U.P. POWER CORPORATION LTD.

THIS BULK POWER SUPPLY AGREEMENT is entered into on this 22nd day of June'2018 between **NHPC Limited**, (formerly known as 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 **U.P. Power Corporation Ltd.** having its registered office at Shakti Bhawan, 14-Ashok Marg, Lucknow-226001 (hereinafter referred to as '**UPPCL**', 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 Government of India and the Bulk Power Customer have been allocated power by Government of India from Kishanganga HE Project (3x110MW) at Karalpura, Distt. Bandipora (J&K) - 193502 (hereinafter referred to as "**NHPC Station**") owned and operated by NHPC.

Now, therefore, in consideration of the premises and mutual covenants and conditions set forth herein, 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 Electricity Act, 2003 as amended from time to time and Act that would come into force as a substitute or otherwise to the above stated Act. The words/expressions mentioned below shall have the same meaning 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 Confirmed, Irrevocable, revolving Letter(s) of Credit.
- vi) FERV : means Foreign Exchange Rate Variation.
- vii) CEA : means Central Electricity Authority.
- viii) CERC : means Central Electricity Regulatory Commission.
- ix) GOI : means Government of India.
- x) IEGC : means Indian Electricity Grid Code.
- xi) MOP : means Ministry of Power.
- xii) 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.
- xiii) POWER GRID : means Power Grid Corporation of India Limited.
- xiv) RPC : means Regional Power Committee.
- xv) RLDC : means Regional Load Dispatch Centre
- xvi) REA : means periodic regional energy account including amendments thereof, if any, prepared / issued by RPC/ RLDC showing exchange of energy amongst the various constituents of RPC.

2.0 INSTALLED CAPACITY & ALLOCATION OF POWER:

- 2.1 The installed capacity of Kishanganga HE Project is 330MW (3x110MW). The installed capacity is however, subject to derating/uprating of the generating units as determined from time to time by CEA or any other agency authorized to do so by MOP, GOI.
- 2.2 The allocation of power from the NHPC Station(s) amongst the Bulk Power Customer shall be in accordance with the instructions regarding allocation of power issued by the MOP, Government of India from time to time.

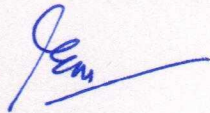
3.0 GENERAL OBLIGATIONS:

- 3.1 The energy to be supplied under this Agreement shall be in the form of three phase, 50 hertz alternating current at a voltage of 220 KV or as applicable. The frequency and voltage shall be subject to fluctuations as per provisions contained in Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 effective from 03.05.2010 and any further amendment to these regulations from time to time except for the reasons and circumstances beyond the reasonable control of NHPC. The supply of energy to Bulk Power Customer is subject to outages as may be necessary on account of shutdown of generating units of the NHPC Station (s) and associated transmission system 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 RPC/RLDC.

3.2 EVACUATION OF POWER FROM NHPC STATION:

220 KV Bus bar or any other point designated at the NHPC Station shall be the delivery point for supply of energy to the Bulk Power Customer. Evacuation of power from the delivery point of the NHPC Station(s) shall be through the transmission system of POWER GRID or any other authorized agency as the case may be. The Bulk Power Customer shall make necessary 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.

- 3.3 The Bulk Power Customer shall apply to Central Transmission Utility (CTU) for grant of connectivity in terms of Central Electricity Regulatory Commission (Grant of connectivity, Long - term Access & Medium-term Open Access in interstate Transmission and related matters) Regulations, 2009 & any further amendment to



these regulations from time to time and shall be the long -term customer for the purpose of above regulations. The Bulk Power customer shall pay the applicable charges as laid down in the above regulations.

4.0 METERING ARRANGEMENTS:

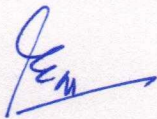
Metering arrangements including its installation, testing, operation, maintenance, collection, transportation and processing of data required for energy exchange shall be governed in accordance with Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, its amendment from time to time and as per the notification/ directives issued/ to be issued by CERC from time to time and the 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 RPC/RLDC. The REA including amendments, if any, as issued by RPC/RLDC shall form the basis for billing purposes and shall be binding on both the parties.

6.0 TARIFF:

- 6.1 The tariff to be charged & its associated Terms and Conditions for the energy to be supplied from the NHPC Station (s) shall be as per Tariff Notifications/ orders/directions issued/to be issued by CERC from time to time under Electricity Act, 2003 and /or any other Act/Regulations as may be substituted by Government of India in place of these provisions.
- 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 Bulk Power Customer shall pay to NHPC the tariff as per previous tariff notifications for the power supplied from the NHPC Station(s) 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 bill(s) for the energy supplied to the Bulk Power Customer on the basis of REAs issued by RPC based on the data provided by RLDC and Bulk Power Customer shall accept these bills for payment. The bill(s) shall be the aggregate of charges as approved /notified by CERC/Government of India from time to time. Similarly supplementary bill(s) would be raised as and when required following revised REA's / CERC notification / directives issued / to be issued.
- 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 30 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 All issues relating to dues shall be governed as per the directives of CERC/GOI as issued from time to time.

8.0 PAYMENT:

- 8.1 Payment of bill(s) for supply of power from the NHPC Station(s) may be made by the Bulk Power Customer through RTGS/NEFT or 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 annually. However, after issue of revised tariff order of the NHPC Stations, LC shall be renewed for an amount equivalent to 105% of average monthly billing of the preceding 12 months based on the revised tariff of the respective year. NHPC shall intimate the revised amount of LC one month in advance. If the amount of energy supply bill is more than the amount of LC, 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 Customer.
- 8.2 Upon unbundling / restructuring of beneficiary, if any, the outstanding payment liability / payment of revised bills to be raised after unbundling / restructuring pertaining to previous period shall be discharged by the successor entities.
- 8.3 In case of payment through LC, 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.

- 8.4 The amount of LC during the first year of commercial operation of the NHPC Station(s) shall be for an amount equivalent to 105% of average monthly energy bill based on the share of the Bulk Power Customer in the design energy of the NHPC Station(s).

9.0 PAYMENT SECURITY MECHANISM:

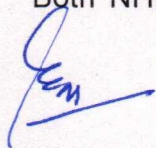
- 9.1 Bulk Power Customer shall essentially open a confirmed, revolving, irrevocable Letter of Credit in favour of NHPC of requisite amount i.e. an amount equivalent to 105 % of their average monthly billing of preceding 12 months for the purpose of Payment Security Mechanism (PSM). The LC of requisite amount shall be kept valid at all the times during the validity of this Agreement or extended period. In case of a default in making payment of bill(s) by Bulk Power Customer as per CERC Regulation, NHPC shall have the right to encash the LC which shall be paid by Bulk Power Customer immediately. The Bulk Power Customer shall replenish/re-instate the LC for full amount within next due date of its encashment.
- 9.2 If the bill(s) are either not paid by Bulk Power Customer to NHPC within stipulated period (as decided by CERC from time to time) from the date of billing or required letter of credit / Payment Security Mechanism is not maintained in terms of this Agreement, NHPC shall have the option to regulate and / or reallocate the power of Bulk Power Customer in accordance with the directives/guidelines issued / to be issued by CERC/GOI from time to time.

10.0 SURCHARGE ON LATE PAYMENT AND REBATE:

- 10.1 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 or any other Rebate Scheme as mutually agreed upon from time to time as per prevailing statutes and same shall form an integral part of this Agreement.

11.0 QUARTERLY RECONCILIATION:

Both NHPC and Bulk Power Customer acknowledge that all payments made against all Bills in the quarter shall be subject to quarterly reconciliation at the beginning of the following quarter to take into account the adjustment of payments, Rebate, Late Payment Surcharge etc. to determine the outstanding dues, if any. Both NHPC and Bulk Power Customer therefore, agree that as soon as all such



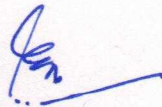
data in respect of any quarter has been finally verified and payment of energy bills adjusted, NHPC and Bulk Power Customer shall jointly sign such reconciliation statement. Any dispute with regard to the above reconciliation shall be dealt with in accordance with the provisions of this Agreement.

12.0 ARBITRATION:

- 12.1 The disputes arising under this agreement which are falling under the provisions of the Electricity Act, 2003 shall be dealt in accordance with the said Act.
- 12.2 All other disputes which are not covered under the provisions of the Electricity Act, 2003, shall be referred to arbitration. The appointment of arbitrator and arbitration proceedings shall be governed by the Arbitration and Conciliation Act, 1996. The venue of the arbitration proceedings shall be decided by the Arbitrator with the consent of parties. The decision of the Arbitrator shall be final and binding on the parties. The High Court of Punjab and Haryana, Chandigarh shall have exclusive jurisdiction in all matters arising under this agreement.
- 12.3 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.
- 12.4 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.

13.0 FORCE MAJEURE:

Both the parties shall ensure compliance of the terms of this Agreement. Save and except the orders / directions / regulations issued by CERC or Govt. of India from time to time in this regard, 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, drought, 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).



14.0 DURATION OF AGREEMENT:

- 14.1 This Agreement shall come into force from the date of signing and shall remain operative for 35 (Thirty Five) years from the date of commercial operation of the last unit or balance normative life of NHPC Station(s) whichever is earlier. However, during currency of agreement, if any Tariff notifications/orders/regulation/ directions are issued by CERC/Govt. of India/State Govt. or any competent authority the same shall be acceptable and binding on both the parties.

15.0 NOTICES:

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 the Power Station

b) BY NHPC:

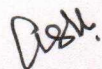
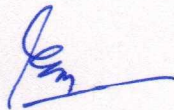
Executive Director (Comml.) /General Manager (Comml.)/
Chief Engineer (Comml.)
NHPC Ltd., NHPC Office Complex,
Sector-33, Faridabad-121003,
Haryana.

c) TO U.P. POWER CORPORATION LTD.:

To be intimated by UPPCL

d) BY U.P. POWER CORPORATION LTD.:

To be intimated by UPPCL



16.0 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 / speed 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.

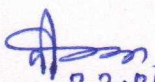
17.0 INTERPRETATION:

In case, any of the provisions of this agreement are inconsistent with the provision of the Tripartite Agreement signed between Govt. of India, Reserve Bank of India and State Govt. of Uttar Pradesh, then the provisions of Tripartite Agreement shall prevail during the period of validity of the Tripartite Agreement.


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


22/06/18
For and on behalf of
NHPC Limited
कार्यपालक निदेशक / Executive Director
वाणिज्यिक विभाग / Commercial Division
एन एच पी सी लिमिटेड / NHPC Limited
(भारत सरकार का उद्यम / A Govt. of India Enterprise)
सेक्टर-33, फरीदाबाद-121003 (हरियाणा)
Sector - 33, Faridabad-121003 (Haryana)

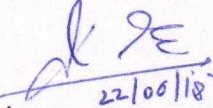
WITNESS

1. 
22.06.18

वीरन्द्र कुमार / VIRENDRA KUMAR
प्रबन्धक (विद्युत) / Manager (Elect.)
वाणिज्यिक विभाग / Commercial Division
एन एच पी सी लिमिटेड / NHPC Limited
(भारत सरकार का उद्यम / A Govt. of India Enterprise)
सेक्टर-33, फरीदाबाद / Sector - 33, Faridabad


22/06/18
For and on behalf of
(U.P. Power Corporation Ltd.)
(V.K. ASTHANA)
Chief Engineer (P.P.A.)
U.P. Power Corporation Ltd.
Shakti Bhawan Extension
14, Ashok Marg, Lucknow

WITNESS

1. 
22/06/18

DEEPAK RAIZADA
Superintending Engineer
SPAT Circle
P.P.A. Directorate, U.P.P.C.L.
10th Floor Shakti Bhawan Extension Lucknow-226001