

ఆంధ్ర ప్రదేశ్ ఆంధ్ర ప్రదేశ్ ANDHRA PRADESH
S.No. 944398 Date 18-03-2019 Rs. 100

18 MAR 2019

K. Madhavi
CH. 944398

KINTHADA MADHAVI
LICENCED STAMP VENDOR
OL. No. 06-14-003/2007
RL. No. 06-14-003/2017
2-88-1, TELAPROLU-521 109,
Cell : 9440169393.

Sold to Sri: P. Kodanda Rame, S/o. P. Satyanarayana, VTA

For Whom: A8 GENCO, VTPawada

**POWER PURCHASE AGREEMENT
BETWEEN
ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED
AND
ANDHRA PRADESH DISRIBUTION COMPANIES
For the Period from 01.04.2019 to 31.03.2024.
Dated 20th day of March, 2019**

THIS POWER PURCHASE AGREEMENT, hereinafter called "Agreement", entered into on this 20th day of March Two Thousand and Nineteen.

Between

Eastern Power Distribution Company of Andhra Pradesh Limited, constituted under the sub-section (6) of section 23 of Andhra Pradesh Electricity Reform Act, 1998 (Act, 30 of 1998) and having its registered office at P&T Colony, Seethammadhara, Visakhapatnam (hereinafter referred to as "APEPDCL"); and Southern Power Distribution Company of

Mrs. J. Anu
20/3/19
Chief Engineer
(Commercial)
APGENCO, Vidyut Soudha,
Gunadala, Vijayawada-520 004.

CHIEF GENERAL MANAGER
PROJECTS&IPC, APSPDCL
TIRUPATI

20/3/2019
Page 1 of 27
CHIEF GENERAL MANAGER
PPA, RA & QC
A.P.E.P.D.C. LTD.
VISAKHAPATNAM-13.

Andhra Pradesh Limited constituted under the sub-section (6) of section 23 of Andhra Pradesh Electricity Reform Act, 1998 (Act, 30 of 1998) and having its registered office at 19-13-65/A, Raghavendra Nagar, Kesvayana Gunta, Tiruchanur Road, Tirupathi – 517501 (hereinafter referred to as “APSPDCL”); (hereinafter each of APEPDCL and APSPDCL are, as the context may require, individually referred to as “APDISCOM” and collectively referred to as the “APDISCOMS” which expression shall, unless it be repugnant to the context or meaning thereof include its successors and assignees), as parties of the first part, and

ANDHRA PRADESH POWER GENERATION CORPORATION LIMITED, constituted under Section 13 of Andhra Pradesh Electricity Reform Act, 1998 (Act, 30 of 1998) having its registered office at Vidyuth Soudha, Vijayawada – 520004 (hereinafter called “APGENCO”) which expression shall, unless repugnant to the context or meaning thereof include its successors and assignees, as party of the second part.

Earlier the erstwhile APGENCO entered into PPA on 22.12.2009 with four DISCOMs of erstwhile Andhra Pradesh State which is going to expire by 31.03.2019. Therefore, APGENCO is entering into this PPA with the APEPDCL and APSPDCL, the Distribution companies of the present State of AP with suitable amendments/modifications.

The Thermal and Hydel Power Stations which were started and commissioned by the erstwhile APSEB (Andhra Pradesh State Electricity Board) between 1956 and 1998 were transferred and vested with erstwhile APGENCO with effect from February 1, 1999 in terms of Sections 23 and 24 of the Andhra Pradesh Electricity Reform Act, 1998 and the Andhra Pradesh Electricity Reform (Transfer Scheme) Rules, 1999 and subsequent additions thereon. Consequent to Bifurcation of the State of Andhra Pradesh as per the provisions of AP Reorganization Act, 2014, certain projects of the erstwhile APGENCO were transferred and vested with the present APGENCO vide G.O.MS.No.29 dated 31.05.2014 and G.O.MS.No.30 dated 01.06.2014 are as per Annexure-I along with the details of the Available Capacity and Electric Energy generated from Thermal and Hydel Power Stations of APGENCO is as mentioned in the Annexure-I.

NOW THEREFORE, in view of the foregoing premises and in consideration of the mutual covenants and agreements hereinafter set forth, APGENCO and APDISCOMs (each individually a Party and both collectively Parties) hereby agree to the following terms & conditions:

Any changes in APERC regulations that may occur in future and are relevant to this PPA shall be binding on all the parties.



Article 1: INTERPRETATION AND DEFINITIONS

1.1 Thermal Power Station:

Thermal Power Station means a thermal generating station that has one or more thermal generating units. The list of thermal stations covered under this Agreement is as per Table 1(a) of Annexure-I.

1.2 Auxiliary Consumption:

Auxiliary consumption means the energy consumed by APGENCO for operating generators and facilities including colony consumption where there are direct feeders from the Plant to the APGENCO colonies. However, for the purpose of computing the variable rates, the normative auxiliary consumption shall only be considered. The difference between generation which is measured at generator terminals and net energy export (Ex-Bus) is the Auxiliary Consumption.

1.3 Plant Load Factor (PLF) for Thermal Power Plants:

The PLF (Plant Load Factor) in a Tariff Year expressed as percentage is:

$$\text{PLF} = \frac{\text{Total net electrical energy measured at interconnections point X 100}}{(\text{Installed Capacity of Thermal Power Station in MW}) * (\text{Number of days in the year}) * 24 * (100 - A)}$$

Where A is the normative Auxiliary consumption in percentage. The normative auxiliary consumptions for different stations are per Annexure-VI.

1.4 Availability:

Availability in relation to a Thermal Generating station for any period means the average of the daily average declared capacity for all the days during that period expressed as a percentage of the installed capacity of the Generating stations minus the normative auxiliary consumption in MW, as specified in the relevant regulation and shall be computed in accordance with the following formula.

$$\text{Availability} = \frac{10000 \times \sum_{i=1}^N \text{DC}_i}{N \times \text{IC} \times (100 - \text{AUX})} \%$$

Where DC_i = Average Declared Capacity for the i th day of the period in MW

N = No. of Days during the period

IC = Installed Capacity of the generating station in MW

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(Aux) = normative auxiliary consumption as percentage of gross generation.

1.5. Declared Capacity:

Declared Capacity in relation to a generating station means the capability to deliver ex-bus electricity in MW declared by such generating station for any period of the day or whole of the day duly taking into account the availability of fuel for thermal power stations or water for hydel power station as mentioned in APERC Regulation 1 of 2008 as amended from time to time.

1.6 Gross Calorific Value (GCV):

Gross Calorific Value, in respect of coal and secondary fuel and for the purpose of calculating the variable charge for each billing month, means the weighted average Gross Calorific Value per kilogram of coal or per litre of secondary fuel consumed by the station for that particular billing month.

1.7 Station Heat Rate:

SHR (Station Heat Rate) means the input heat energy in Kilo Calories required by a Thermal Power Station to generate one Unit of electrical energy (kWh) at the Generator terminals. The SHR for each thermal station covered in this PPA is specified in Annexure-VI.

1.8 Net Electrical Energy:

It is the energy supplied by the Power Stations and measured in kWh at the point of interconnection in accordance with the provisions of Article 4.

1.9 Hydel Power Station:

Hydel Power Station means a hydro generating station which has one or more hydro generating units. The Hydel Stations covered under this Agreement are indicated in the Table 1 (b) of Annexure-I.

1.10 Run off river power station:

Means Hydel Power Station which has no upstream pondage facility.

1.11 Run off river power station with pondage:

Means Hydel Power Station which has sufficient pondage for meeting the diurnal variation of power demand.

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1.12 Primary Energy:

Primary Energy in relation to Hydel Power Station means the quantum of energy generated by the Station up to the design energy in a financial year.

1.13 Capacity charges:

Capacity Charges in relation to a Hydel Power Station means Annual fixed charges minus Primary Energy charges.

1.14 Secondary energy:

Secondary Energy in relation to Hydel Power Station means the quantum of energy generated by the Station in excess of design energy in a financial year.

1.15 Daily Capacity Index:

Daily Capacity Index means the Declared Capacity expressed as a percentage of the maximum available capacity for the day and shall be mathematically expressed as hereunder Subject to the availability of water for the purpose of generation:

$$\text{Daily Capacity Index} = \frac{\text{Declared capacity (MW)} * 100}{\text{Maximum available capacity (MW)}}$$

1.16 Capacity Index:

$$C.I = \frac{\text{Sum of capacity indices for all the days of year}}{\text{Number of days in the year when the maximum available capacity is non-zero}}$$

1.17 Dispatch Instructions:

Dispatch Instructions shall be as per the Grid Code as per clause 1.20

1.18 Equity:

Equity is as per the "Aggregate Value of Assets and Liabilities transferred and vested in APGENCO".

1.19 Emergency:

Emergency means a condition on or affecting APGENCO's electrical system which is beyond the reasonable control of APTRANSCO and which threatens the safe and reliable operation of the system or which is likely to result in the disruption of safe, adequate and continuous electric supply by APTRANSCO or which endangers life or property, and which condition is aggravated by continued deliveries of energy from APGENCO's electrical system.

Mrs. Anu

[Signature]

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1.20 Grid Code:

Grid Code means the Code of Technical Interface (Grid Code) 2001 Revision 1, June 2001 as approved by APERC vide Proceedings No. APERC / Dir-Engg / Grid-Code/20 dated 26-05-2001 and as amended from time to time.

1.21 Interconnection point:

Interconnection point means at HV side of Generator Transformers and HV side of station Transformers.

1.22 Date of Effectiveness of Agreement:

Date of Effectiveness of Agreement shall be 1st April, 2019.

1.23 Prudent Utility Practices:

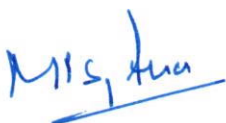
Prudent Utility Practices means the practices, methods, techniques, and standards that are generally accepted nationally and internationally from time to time and commonly used in the national and international electric utility industry for the operation and maintenance of equipment of the size and having the other characteristics of a Power Station in a safe, prudent and reliable manner consistent with the parameters for such operation and maintenance set forth in this Agreement, which practices, methods, techniques and standards shall be adjusted as necessary to take account of the requirements of Law, physical conditions at the site on which a Power Station is located and operation and maintenance guidelines of the manufacturers of plant and equipment incorporated in the Power Station which APGENCO is required to follow in order to maintain in effect any warranties, guarantees or insurance policies relating thereto.

1.24 Designated Officer:

The Designated Officer in APDISCOMs shall be of the rank of a Financial Advisor and Chief Controller of Accounts (FA & CCA) or any other officer designated by APDISCOMs for matters relating to Billing and Payment.

1.25 Monthly Bill:

Monthly Bill will have the meaning ascribed to it under Article 4.3 for Hydel and Thermal Energy supplied under this Agreement.



1.26 Metering Date:

Metering Date for the first calendar month will be 00:00 hours of April 1, 2019. Subsequent Metering Date will mean mid-day (12:00 hours) of the last day of each calendar month. However, the Metering date of the Financial Year ends at 24:00 Hrs on 31st March 2020 and so on.

1.27 Billing Date:

The Billing Date shall be 5 (five) days after the Meter Reading Date in each Calendar month.

1.28 Billing Month:

The Billing Month means Metering Date of calendar month to the Metering Date of the next calendar month. The first Billing Month will however be from 00:00 hours on April 1, 2019 to midday (12:00 hours) of April 30, 2019 and the subsequent Billing Month will be from midday (12:00 hours) of April 30, 2019 to midday (12:00 hours) of May 31, 2019 and so on and so forth. However, the last Billing Month of the Financial Year ends at 24:00 Hrs on 31st March, 2020 and so on.

1.29 Due Date of Payment:

In case of a regular Monthly Bill, the due date of payment shall be within 60 (Sixty) days from the Date of Billing and in case of a Supplementary Bill it shall be within 60 (Sixty) days from the date of presentation of the Supplementary Bill to the Designated Officer of APDISCOMs.

1.30 Supplementary Bill:

Supplementary Bill will have the meaning ascribed to it in Article 4.4

1.31 Business Day:

It shall be construed as reference to a day (other than Sunday) on which banks are generally open for business in the Capital of AP.

1.32 Tariff Year:

Tariff Year means the financial year.



Article 2: SALE AND PURCHASE OF AVAILABLE ELECTRICAL CAPACITY AND ENERGY

2.1 Power Supplies by APGENCO: From and after the date of the effectiveness of this Agreement, APGENCO shall make available and deliver, and APDISCOMs shall purchase for the consideration set forth in this Agreement, all the Declared Capacity and Net Electrical Energy generated by the Power Stations (both Thermal & Hydel) subject to such Dispatch Instruction as may be in effect. If DISCOMs continue to purchase power even after the expiry of this agreement and this PPA is not renewed, provisions of this agreement shall apply till this agreement is renewed, extended or replaced.

2.2: Power Supplies by APDISCOMs:

APDISCOMs shall provide electrical energy to any unit of APGENCO for the purpose of start-up, maintenance etc. APGENCO shall net off APDISCOMs energy against the energy supplied by the Power Station in the Monthly bills. When a Hydel Power Station is operating in the SCG mode / Pump mode, energy drawn from AP grid shall not be billed to APGENCO.

2.3: Dispatch Instructions

At 10.00 hours every day, all the generating stations (Thermal & Hydel) of APGENCO shall provide the hourly MW availability for the next day by way of a "Capacity Notice" direct to the APSLDC.

APSLDC in turn shall intimate to APGENCO, the generation schedule for the following day for the Power Stations covered under this Agreement by 16.00 hours of the current day. APGENCO shall follow the directives of APSLDC to back down, increase or resume generation provided that such directives are consistent with the technical limits of the Power Stations, Prudent Utility Practices, terms of this Agreement and provisions set out in the Grid Code.

In the absence of any Dispatch Instructions from APSLDC, Power Stations will operate according to the day ahead Capacity Notice furnished by APGENCO.

2.4: BACKING DOWN LIMITS OF THERMAL POWER STATIONS

For Thermal Stations gross generation for any Unit should not be backed down more than the capacity limits as detailed below.

Name of TPS	Limitations of capacity(%) for Load Backing down on Individual Unit
Dr.NTTPS - 6x210MW	28.6
RTPP - 2x210MW	28.6

Mrs. Anu

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Article 3: GENERATION TARIFF

3.1 Generation Tariff for APGENCO Power Stations:

The Monthly Tariff shall be the sum of Fixed Charges equal to one-twelfth of the Annual Fixed Charges approved by APERC and the aggregate of Variable Charge calculated for each Thermal Power Station separately pursuant to Article 3.1.3.

3.1.1 Availability:

i) Thermal power generating stations:

As per the norms fixed by APERC in Regulations 1 of 2008 as amended from time to time, the Target availability for full recovery of annual fixed charges shall be 80%.

ii) Hydel power generating stations:

Normative capacity index for recovery of annual fixed charges

a) During first year of commissioning of the generating station

i) Purely run-of –river power stations -85%

ii) Storage type and Purely run-of –river power stations with pondage -80%.

b) After first year of commissioning of the generating station

i) Purely run-of –river power stations -90%.

ii) Storage type and Purely run-of –river power stations with pondage -85%.

3.1.2 Annual Fixed Charges:

The Tariff will be based on APERC regulations and the fixed charges consist of following items:

(i) Return on capital employed (ROCE)

(ii) Depreciation

(iii) O&M expenses

(iv) Taxes on income (Restricted to ROE) as per actuals.

(a) **Pay revision Commitment:** Pay revision commitments are subject to the approval of APERC.

(b) Inter-state power:

Expenditure incurred by APGENCO in operating the Machkund and Tungabadhra HPS shall be paid at actuals as per audited accounts.

(c) **Interest on Pension bonds:** Any liability actually incurred on account of interest on Pension bonds in excess of that specified in the Annexure-I of the APERC's PPA Order dt.24.03.2003 (**Para-100**) shall be allowed as pass through in the tariff of



APGENCO on a year to year basis. Similarly any fall in the liability on this account will be adjusted in the Tariffs on a year to year basis.

3.1.2.1 Recovery of Fixed Charges:

- (a) One-twelfth of the full "Annual Fixed Charges" shall be claimed through the "Monthly Bill" for every month of a Financial Year.
- (b) The cumulative Fixed Charges claimed in the above manner till the end of financial year shall be adjusted at the end of the financial year based on the actual availability achieved vis-à-vis the normative availability mentioned under Para 3.1.1.
- (c) If Renovation and Modernisation of any of the APGENCO Power Stations leads to an increase in life and/or efficiency/sustainability of the plant, such additional costs incurred shall be factored in the Fixed Charges to be decided by APERC.

3.1.3 Variable Charge:

For any Billing Month, the Variable Charge component of the Tariff (comprising cost of Coal and Secondary Fuel Oil) for each Thermal Power Station shall be determined as per **Annexure-II**.

Variable Charges consists of cost of coal & oil. Landed cost of coal and oil shall include Transit and handling charges, royalty on coal, taxes, and duties as applicable. Energy charges shall be arrived after considering the transit & Windage losses as per the value mentioned under 3.1.13. Variable charges shall be paid based on the computation as per Annexure-II. Variations, if any, in delivered cost of coal & oil subsequent to the raising of initial bill shall be adjusted. For claiming such revision, APGENCO will raise supplementary Bills. The variable charges shall be paid every month as per the actuals or based on norms. At the end of the financial year, the difference between the sum of the above monthly payments and the annual variable charges arrived at (restricted to the lesser of actuals or based on norms considered on annual basis), if any, shall be adjusted in the next month energy bill.

3.1.4 Operating parameters

The values of Operating parameters like Station Heat Rate, Auxiliary power consumption and specific consumption of secondary fuel oil etc. for the duration of the PPA shall be as per APERC Regulation 1 of 2008 as amended from time to time/APERC orders.

Mrs. Anu 



3.1.5 Colony Consumption:

Colony Consumption of electricity at all generating stations of APGENCO shall be considered as a part and parcel of Auxiliary power consumption where direct feeders are available from the respective plants. Otherwise, energy charges shall be payable to DISCOMs as per applicable tariff where there are direct feeders from DISCOMs.

3.1.6 Fuel Cost Adjustment (FCA):

FCA shall be made at the end of each month.

3.1.7 Incentives:

a) Thermal Incentive:

- i) Target plant load factor for incentive shall be 80%.
- ii) Incentive shall be payable at a flat rate of 25 paisa/Kwh for Ex-bus scheduled energy in excess of ex-bus energy corresponding to Target plant load factor.

b) Hydel incentive:

No hydel incentive is payable as per APERC Regulation 1 of 2008. However, hydel incentive shall be payable in future, in case of any changes that may occur in APERC Regulations.

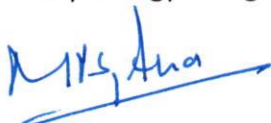
3.1.8 Primary energy Charges:

For all hydroelectric power generating stations, except for pumped storage generating stations, primary energy charges shall be equal to the average of the lowest of the variable charges of Central and State thermal power generating stations for all months of the previous year. The primary energy charge shall be computed based on the primary energy rate and scheduled primary energy of the station. Provided that in case the primary energy charge recoverable by applying the above primary energy rate exceeds the Annual fixed charges of a generating station, the primary energy rate of such generating station shall be calculated by the following formula:

Primary energy rate = Annual fixed charge/ Primary energy.

3.1.9 Capacity charges:

Capacity charges are payable in addition to the primary energy charges whenever Primary energy charges are less than the Annual fixed charges.



3.1.10 Secondary Energy Charges:

Secondary energy charges shall be applicable as per APERC Regulation 1 of 2008 as amended from time to time.

Secondary Energy means the quantum of energy generated in excess of design energy on annual basis. The rates of Primary and Secondary Energy Charges shall be computed as follows.

Primary energy charges = Scheduled primary energy x primary energy rate.

Secondary energy rate shall be equal to primary energy rate.

Secondary energy charges = Scheduled Secondary energy x secondary energy rate

The design energy of all Hydel stations put together shall be considered as 4262.35 MU (As per Annexure-V).

3.1.11 Deemed Generation:

Generation backed down/stopped due to any problems in the evacuation system shall treated as Deemed Generation and shall be considered in the computation of availability for the purpose of payment of fixed charges.

3.1.12 Admission of Energy bills:

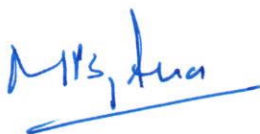
Details shall be given by APDISCOMs every month for the amounts deducted, if any, for all the energy bills sent by APGENCO with specific Remarks.

3.1.13 Windage & Transit losses:

The maximum limit of Windage & Transit losses of coal shall be as per the APERC Regulation 1 of 2008 as amended from time to time.

3.1.14 Payment mechanism

The bills shall be presented to the Designated Officer of APDISCOMs for payments. Payments by APDISCOMs for such bills raised by APGENCO shall be made within 60 days through revolving Letter of Credit (LC) to be opened in favour of APGENCO to cover one-month receivables valid for the term of the PPA. All LC charges shall be to APDISCOMs account. Escrow to cover one month receivables valid for the tenure of the PPA as per the procedure indicated in the Annexure-VII.



3.1.15 Surcharge :

In case the payment of bills is delayed beyond the period of two (2) months from the date of billing, a late payment surcharge at the rate of 1.25 per cent per month shall be allowed to be levied by the APGENCO.

3.1.16 Rebate:

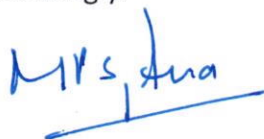
For payment of bills through a letter of credit on presentation, APGENCO shall allow a rebate of 2 per cent of the bill amount. If the payments are made within one week of presentation of the bill, APGENCO shall allow a rebate of 1.25 percent of the bill amount.

3.1.17 Income Tax:

Incidence of tax liability on APGENCO as per Income Tax Act in force from time to time shall be payable in addition to the amount as per the Tariff Bill by APDISCOMs duly certified by the Auditors of APGENCO. However, the tax payable on income exceeding the Return on Equity will not be charged to APDISCOMs. If any advance income tax is payable by APGENCO in any month, APGENCO shall submit a bill to APDISCOMs supported by a certificate of its chartered accountant at least 20 (twenty) days before the due date of such payment. APDISCOMs shall pay to APGENCO an amount equal to such advance tax within ten (10) days from the receipt of such Bill. After the tax assessment is completed for any year, balance tax amount, if any, is payable by APGENCO, APDISCOMs shall pay such balance tax within 15 days of demand by APGENCO. In case, the tax authority refunds any amounts to APGENCO including interest thereon, APGENCO shall promptly make an appropriate refund to APDISCOMs.

3.1.18 Levies, Taxes, Duties, Cess:

The Amount of taxes/duties/cess/fee etc. payable by APGENCO to Government (Central/State) and/or any other local bodies/authorities on generation of electricity including auxiliary consumption or any other types of consumption including water, transmission, environment protection, sale or on supply of electricity and/or in respect of any of its installation associated with Power Stations and/or Transmission system shall be billed on to APDISCOMs in the shape of supplementary bill raised by APGENCO and APDISCOMs will make payment accordingly.







3.1.19 Change in law

In the event of any new law, regulation or tax or in the event of any change, amendment, modification or repeal of any law, regulation or tax (including without limitation, any withholding taxes, cess, duties, environmental taxes, sales taxes, property taxes, import fees or assessments) of any Government Authority after the date of effectiveness of this agreement, detrimentally or beneficially affect APGENCO, APGENCO shall send a notice in writing to APDISCOMs regarding such an event and both parties shall meet and endeavour to agree to an amendment to this agreement to pass on the impact of such an event to APDISCOMs, which shall be settled through supplementary invoice. If within 90(ninety) days after such notification, the parties are unable to reach agreement on such amendment, or in the event that an agreement to amend has been reached but no amendment has been executed within 30 (thirty) days after reaching of such agreement to amend, either party shall have the right to commence the dispute resolution procedures set forth in Article 7 to determine the appropriate amendment to this agreement.

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Article 4: Metering & Billing

4.1 Monthly Meter Readings

Monthly meter readings shall be jointly taken (and a joint acknowledgement thereof signed) by the authorised representatives of both parties at an agreed time on each Metering Date. Whenever difference between the readings of the Main meter and the Check meter for any month is more than 0.5%, the procedure laid down in the CEA metering regulations shall be followed. If either Party fails to attend the joint meter reading at the agreed time, the readings provided by the Party which conducts such reading shall be conclusive for the purposes of this agreement: Provided that the results of such reading be provided to the other Party which shall be certified by an officer of the Party conducting the meter reading.

4.2 Installation, Inspection and Sealing, Calibration etc. & Testing conditions are as per Annexure-III.

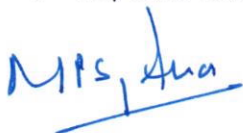
4.3 Monthly Bill:

On or before each Billing Date, APGENCO shall submit to APDISCOMs a Monthly Bill (a combined Thermal/ Hydel Tariff Bill) based on (a) meter reading (taken pursuant to Article 4.1) that has either been signed by both Parties or certified by APGENCO if APDISCOMs refuse to sign the same within five days of the Metering Date and (b) the Tariff, which will set out the monthly Fixed Charges and the monthly Variable Charges with respect to the Power Stations covered under this Agreement. Each Monthly Bill for a Billing Month shall be payable by APDISCOMs in accordance with this Agreement on or before the Due Date of Payment., which will be the date 60 days from the date of Billing to the Designated Officer of APDISCOMs.

4.4 Supplementary Bills:

Any amount due to APGENCO by APDISCOMs under this Agreement other than amounts set out in a monthly Tariff Bill shall be payable within sixty (60) days after presentation of Supplementary Bill(s) by APGENCO to APDISCOMs. This will include, but not be limited to the following;

- a. Claims for Income Tax.
- b. Claims for increased costs, if any subject to the approval of APERC.
- c. Statutory Duties, Taxes, Cess, Levies, fee, Royalty, etc.
- d. Monthly Tariff Adjustments.
- e. Any claims of Central/State/Local authorities/Bodies, etc.
- f. Any other claim admissible under this Agreement.



4.5 Any Supplementary Bill which reflects an amount owed by APGENCO to APDISCOMs shall be reflected as a credit in the next Monthly Bill.

Article 5: Duration of the Agreement

This Agreement shall be deemed to be in force with effect from 1.4.2019 and shall be in force for a period up to March 31, 2024. This Agreement may be extended, renewed, amended or replaced by another Agreement, on or before the expiry of this agreement, on such terms and for such further period as the Parties may mutually agree.

Article 6: Force Majeure

Neither party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the Agreement to the extent that such a failure is due to force majeure events such as war, rebellion, mutiny, civil commotion, riot, strike, lock-out, forces of nature, accident, act of God and any other reason beyond the control of concerned party. Any party claiming the benefit of this clause shall reasonably satisfy the other party of the existence of such an event and give written notice within a reasonable time to the other party to this effect. Generation/drawal of power shall be started as soon as practicable by the parties concerned after such eventuality has come to an end or ceased to exist.

Article 7: Arbitration

All differences or disputes between the parties arising out of or in connection with this Agreement shall be endeavoured to be settled amicably through negotiation between the Chief Executives of the respective parties failing which they shall be settled through arbitration as provided herein. In the event of any such differences or disputes between the parties, any party may by a written notice of 30 days to the other party request Andhra Pradesh Regulatory Commission (APERC) to settle such disputes. The decision of the APERC shall be final and binding on the parties.

Handwritten signature in blue ink, appearing to read "Mrs. Anu".

Handwritten signature in blue ink, consisting of a stylized letter 'R'.

Handwritten signature in blue ink, consisting of a stylized 'y' or 'g'.

Article 8: General

8.1 Agreement final and complete:

This Agreement contains the full and complete understanding between the parties and supersedes all prior arrangements and understandings whether written or oral pertaining to the subject matter of this Agreement and may not be varied except by an instrument in writing signed by all of the parties to this Agreement. No representations or promises not expressly contained in this Agreement have any effect of modifying this Agreement.

8.2 Waiver

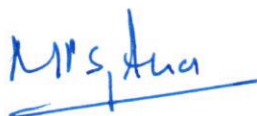
If any provision of this Agreement shall be adjudged by a court to be unlawful void or unenforceable such provision shall to the extent required be severed from this Agreement and rendered ineffective as far as possible without modifying the remaining provisions of this Agreement and shall not in any way affect any other circumstances or the validity or enforcement of this Agreement.

No failure or delay on the part of the parties to this Agreement relating to the exercise of any right of power or privilege or remedy provided under this Agreement shall operate as a waiver of such right or power or privilege or remedy or as a waiver of any preceding or succeeding breach by the other party to this Agreement nor shall any single or partial exercise of any right of power or privilege or remedy preclude any other or further exercise of such or any other right power privilege or remedy provided in this Agreement all of which are several and cumulative and are not exclusive of each other or of any other rights or remedies otherwise available to a party at law or in equity.

8.3 Circumstances not covered in this Agreement

The parties acknowledge and accept that it is not possible to envisage all the circumstances that may arise in the course of the dealings between the parties and therefore it is not possible to provide for all such eventualities. In the course of the implementation of the Agreement, the parties may be faced with matters which have not been expressly dealt within this Agreement.

The parties shall discuss and find an appropriate solution to such matters amicably and act on best endeavour basis keeping in view the interest of both the parties. If the parties are unable to arrive at a settlement, the matter shall be referred to arbitration in accordance with Article 7 and the decision of the arbitrator(s) shall be final and binding on the parties.




IN WITNESS WHEREOF THE PARTIES HAVE SIGNED THIS AGREEMENT ON THE DAY,
MONTH AND YEAR FIRST WRITTEN ABOVE

For and on behalf of
ANDHRA PRADESH POWER GENERATION
CORPORATION LIMITED



Chief Engineer/Commercial
APGENCO
Chief Engineer
(Commercial)
APGENCO, Vidyut Soudha,
Gunadala, Vijayawada-520 004.


For and on behalf of
ANDHRA PRADESH POWER DISTRIBUTION
COMPANIES LTD


CGM (IPC, P&MM) / APEPDCL
CHIEF GENERAL MANAGER
PROJECTS&IPC, APSPDCL
TIRUPATI


CGM (PPA, RA & QC) / APEPDCL
CHIEF GENERAL MANAGER
PPA, RA & QC
A.P.E.P.D.C. LTD.
VISAKHAPATNAM-13.


In the presence of

1. 
Superintending Engineer
(Commercial & Planning)
APGENCO, Vidyut Soudha,
Gunadala, Vijayawada-520 004

2. 
Executive Engineer
Commercial & Planning
APGENCO, Vidyut Soudha,
GUNADALA, VIJAYAWADA-520004

In the presence of

1. 
SE/SCADA

2. 
DEE / Power Purchase / APEPDCL

ANNEXURE-I

Table 1(a)

THERMAL POWER STATIONS

S.No.	Thermal Power Station	Unit	Installed Capacity (MW)	COD
1	RTPP Stage - I	I	210	31-03-1994
		II	210	25-02-1995
2	Dr.NTTPS Stage - I	I	210	01-11-1979
		II	210	10-10-1980
	Stage -II	III	210	05-10-1989
		IV	210	23-08-1990
	Stage - III	V	210	31-03-1994
		VI	210	24-02-1995
Grand Total			1680	

M. K. Sharma

R

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Table 1(b)
HYDEL POWER STATIONS

S. No	Hydel Power Station	Unit	Installed Capacity (MW)	COD
1	Upper Sileru PH	I	60	14-Oct-67
		II	60	31-Mar-68
		III	60	31-Mar-94
		IV	60	21-Mar-95
2	Lower Sileru PH	I	115	28-Mar-76
		II	115	6-Oct-76
		III	115	8-Nov-77
		IV	115	13-Jun-78
3	DonkarayiCanal PH	I	25	4-Oct-83
4	NagarjunaSagar Right Canal PH	I	30	24-Feb-83
		II	30	14-Sep-83
		III	30	10-Sep-90
5	Srisaillam-Right Bank PH	I	110	30-Aug-82
		II	110	14-Dec-82
		III	110	19-Nov-83
		IV	110	27-Aug-84
		V	110	31-Mar-86
		VI	110	30-Oct-86
		VII	110	19-Mar-87
6	PennaAhobilam PH	I	10	10-Jan-94
		II	10	23-Jan-94
7	Chettipeta mini Hydel Station	I	1.0	
8	Machkund(Interstate) HES		3*17+3*23=120 (state share 84)	19.08.55 to 08.08.59
9	a)T B DAM HES b)Hampi HES (Inter state)		4x9=36 4x9=36 (State share =57.6)	26-1-57 to 19-6-64 10-2-58 to 9-6-64
Grand Total			1747.6	

M. S. J. Anu

28/

ANNEXURE – II

COMPUTATION OF VARIABLE CHARGES

Variable Charge = $V_c \times E$

$$V_c = \frac{100\{P_p \times (Q_p)_n + P_s \times (Q_s)_n\}(\text{Rs./kWh})}{(100 - (\text{AUX})_n)}$$

Where,

- P_p = Landed cost of primary fuel coal or lignite in Rs/Kg
 $(Q_p)_n$ = Quantity of primary fuel required for generation of one kWh of electricity at generator terminals in Kg and shall be computed on the basis of normative Gross Station Heat Rate (less heat contributed by secondary fuel oil) and gross calorific value of coal/lignite fired.
 P_s = Landed cost of Secondary fuel oil in Rs./ml
 $(Q_s)_n$ = Normative Quantity of Secondary fuel oil in ml/kWh and
 AUX_n = Normative Auxiliary Energy Consumption as percentage of gross generation

The monthly Variable Charges to be shown in the Monthly Thermal energy Bill shall be the aggregate of the Variable Charge calculated for each of the Thermal Power Stations.

MPS, Anna 



ANNEXURE – III
Energy meters & calibration

1.1 Installation of Energy meters :

Main & check energy meters of 0.2s class accuracy shall be installed at the interconnection points. The Main meter shall be installed and maintained by APGENCO and the check meter by APDISCOMS. Cost of the main meter and charge for all types of testing and calibration shall be borne by APGENCO and those of check meters by APDISCOMS. The meters should have provision to record parameters even if there is a Potential Transformer fuse failure. APGENCO shall also ensure installation of adequate telemeter and communications equipment to transmit information on an on-line basis to APSLDC. These meters shall be jointly calibrated, inspected and sealed by and on behalf of APGENCO and APDISCOMS and shall not be interfered with except in the presence of the other party on mutual consent of parties when necessity arises.

1.2 Inspection and Sealing:

All the meters shall be jointly inspected and sealed with a seal owned by each Party and shall not be opened, calibrated or tested except in the presence of the representatives of both Parties; Provided that if any Party gives the other Party not less than two weeks prior notice (or where due to the requirements of this Agreement or any other event or circumstances, it is necessary for such opening calibration or testing to be carried out within any shorter period, such prior notice as shall be reasonable in the circumstances) that any such meter is to be opened, calibrated or tested, and such other Party does not attend such opening, calibration or testing, then the first Party may proceed with such opening, calibration or testing without the presence of such other Party.

1.3 Yearly Calibration:

The Main Meters and Check Meters shall be periodically tested once a year at NABL accredited laboratory.

1.4 Errors in Main Meters

Where the monthly meter reading indicates errors in the Main Meters beyond the permissible limit but no such error is noticed in the Check Meters, billing for the month shall be done on the basis of the Check Meters and Main Meters will be immediately repaired and recalibrated.



1.5 Errors in both the Main Meters and Check Meters

If during the monthly meter reading both the Main Meters and the corresponding check Meters are found to be beyond permissible limits of error, the Main Meters and the Check Meters shall be immediately repaired and recalibrated and a correction agreed to between the Parties and applied to the monthly meter reading to arrive at the correct energy for billing purposes for the period of the Month up to the time of such test repairs and recalibration. Billing for the period thereafter until the next monthly meter reading shall be as per the calibrated Main Meter.

1.6 Defects:

If both the Main Meter and the Check Meter fail to record or if any of the potential transformer fuses are blow out, then the energy will be computed on a mutually agreeable basis for that period of defect.

1.7 Correction of Meter Error

For the purpose of corrections to be applied, the meter shall be tested as per the applicable standards. The error at the load and power factor nearest the average monthly load served at the point during the period shall be taken as the error to be applied for correction. The meter shall be tested at NABL accredited laboratories.

1.8 Correction of Meter

All the periodical checks and calibration shall be conducted in the presence of authorised representatives of APGENCO & APDISCOMs & results/corrections implemented shall be applicable & binding on both parties. The meters shall be jointly sealed after each calibration or when the seal is broken on mutual consent of the parties.

1.9 Testing after notice

If at any time any party feels that the meter is not recording correctly, it shall give notice to the other party. APGENCO shall undertake testing and calibration (if necessary) at NABL accredited laboratory in co-ordination with APDISCOMS. If any error on such testing is found to exceed the error limits specified in the relevant standards for the class of the meter, the meter shall be notified and calibrated. Necessary adjustments in the bills shall be made from the time of previous meter reading till the time of the calibration if the defective meter reading has been used for billing for the concerned period. The testing after notice from APDISCOMS would be



done by APGENCO and if on such testing errors are found to be within limits, APGENCO shall be compensated by the payment of actual cost of such test by APDISCOMs.

1.10 Other Meters

Points of metering if any, other than the interconnected points, to be installed for mutual benefit will be decided in the co-ordination committee meeting between both parties. The type of meters, accuracy class etc. will be decided by the same committee.

1.11 Records

APGENCO and APDISCOMs shall maintain meter records of the energy generated by APGENCO and delivered to APDISCOMs. Such records shall be made available for inspection by the other Party during business hours upon reasonable advance notice.

1.12 General:

Regarding metering and Testing, the Regulations/Guidelines issued by CEA from time to shall be applicable.

Mrs. Anu 



ANNEXURE - IV

Computation of Delivered Cost of Coal – Thermal Plants

1. Weight of Coal:

The weight of coal received for each Thermal Power Station for the purpose of calculating Weighted Average Delivered Cost of Coal shall be the weight of coal supplied by the supplier reduced by the quantity lost in transit, windage & shrinkage, etc. This loss shall however be limited to 0.8% as per Regulations¹ of 2008 issued by APERC amended from time to time.

2. Cost of Coal :

Total Cost of Coal delivered at each Thermal Power Station shall be the sum of the price paid to the coal supplier, all incidental duties and taxes paid to the State or Central Government and the cost of optimal transportation. APGENCO has to submit Form-18 duly signed by the competent authority every month for each thermal station.

3. Weighted Average Cost of Coal:

The weighted average cost of coal shall be computed as follows.

Example:

Opening Stock = 100 MT (Metric Ton)

Opening Weighted average cost of coal = Rs. 920 per MT

Let the quantity of Coal supplied by Mahanadi Coal Fields Ltd be 100 MT

Cost of Coal:

Basic Cost	=	Rs. 70,000
Royalty	=	Rs. 500
CST	=	Rs. 280
Freight	=	Rs. 23,000
Total Cost	=	Rs. 93,780

Coal Lost in Transit, Windage & shrinkage = 0.8MT

Coal delivered = 99.2 MT

Closing balance = Opening balance (MT) + 99.2% of Receipts (MT) – Consumption (MT)

Weighted average cost of coal =

$$\frac{[\text{Cost of Coal received} + (\text{Op Stock} * \text{Op Weighted Average cost/MT})]}{[\text{Op Stock} + \text{Coal delivered \#}]}$$
$$= [\text{Rs.93,780} + (\text{Rs.920} * 100)]/[100+99.2] = \text{Rs. 932.63 per MT}$$

The cost of coal to be taken for the purpose of computing Variable Cost is Rs 932.63 per Tonne

considering transit loss, windage & shrinkage etc.

MPS, Ana

[Signature]

gpc

ANNEXURE –V

Design energy Details of all Existing Hydel stations

S.No	Name of the station	Installed capacity in MW	Design energy in M.U
1	Machkund HE (J) scheme (AP share)	84.0	472.5
2	Tungabhadra HES (AP- share)	57.6	160
3	Upper Sileru Power House	240.0	375
4	Donkarayi Canal Power House	25.0	100
5	Lower Sileru Power House	460.0	1050
6	Srisaillam Right Bank Power House	770.0	1752
7	Nagarjuna Sagar Right Canal Power House.	90.0	292.5
8	PABR Power House	20.0	54
9	Chettipeta mini Hydel Station	1.0	6.35
TOTAL		1747.6	4262.35

ANNEXURE –VI

Station Operating parameters from 01-4-2019 to 31.03.2024

S. No.	Station	SHR K.cal/Kwh	AUX Consumption %	S.O.C ml/Kwh
1	Dr NTPPS	2500	8.75	2
2	RTPP	2500	9	2

Station Operating parameters from 01-09-2008 are as per APERC Regulations/orders

MPS, Anna

[Signature]

[Signature]

Annexure-VII

To provide additional security to the APGENCO for the APDISCOM's obligation hereunder, APDISCOMs shall also open an escrow account with any of the Scheduled Banks which account shall be maintained by such bank as an agent for the APGENCO, and which shall be pledged as security to the APGENCO and its Lenders for payment of all sums due to the APGENCO by APDISCOMs under this Agreement as further set forth herein. Such account shall be opened on or before the date thirty (30) days prior to the effective date. Such account shall be funded with revenues from payments due to APDISCOMs from consumers of APDISCOMs. APDISCOMs shall cause all payments due to APDISCOMs from such consumers to be deposited in such Escrow account aggregating to an amount equal to not less than 1.1 times of the L.C amount. APDISCOMs shall not act in any manner as may negatively affect the inflow of the revenues into this account and shall take such steps as may be necessary to assure the flow of the specified level of revenues in such account (including adding or substituting consumers and undertaking collection efforts) during the term of this agreement. APDISCOMs shall be entitled to withdraw funds from the Escrow account each month to be used for such purposes as the APDISCOMs may designate provided that they comply with their obligations under this agreement related to payment of all sums when due to the APGENCO through the Letter of Credit or otherwise. In the event of APDISCOMs failure to pay any sums due to APGENCO on the due date of payment through the Letter of Credit or otherwise, when any sum is due to the APGENCO, or in case of non-renewal of the Letter of Credit, APGENCO, by notice in writing to the bank holding the Escrow Account, may require such bank not to honour any of cheques, hundies and requisition presented to it by or on behalf of APDISCOM or any other drawals on the account until after the claim of the APGENCO is first discharged.


Chief Engineer
(Commercial)
APGENCO, Vidyut Soudha,
Gunadala, Vijayawada-520 004.


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