

भारतीय गैर न्यायिक

एक सौ रुपये

Rs. 100

₹. 100

ONE
HUNDRED RUPEES

भारत INDIA
INDIA NON JUDICIAL

उत्तर प्रदेश UTTAR PRADESH

POWER PURCHASE AGREEMENT

BETWEEN

NTPC LIMITED

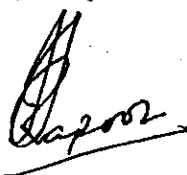
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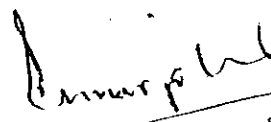
UTTAR PRADESH POWER CORPORATION LTD.

FOR

RIHAND SUPER THERMAL POWER PROJECT STAGE-III (2X500 MW)

THIS POWER PURCHASE AGREEMENT hereinafter called the "Agreement" entered into at Lucknow on the 27th day of March, Two Thousand Nine (27.10.3/2009) between NTPC Limited, a Company incorporated under the Companies Act, 1956 having its registered office at NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi - 110003 (hereinafter called 'NTPC') which expression shall unless repugnant to the context or meaning thereof includes its successors and assigns as party of the first part; and Uttar Pradesh Power Corporation Ltd., having its Registered Office at Shakti Bhawan, 14, Ashok Marg, Lucknow-226001 (hereinafter referred to as 'UPPCL' which expression shall unless repugnant to the context or meaning thereof shall include its successors and permitted assigns as party of the second part.





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UPPCL

AA-356498
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POWER CORPORATION LTD.

WHEREAS NTPC is a Generating Company as defined under Section 2(28) of the Electricity Act, 2003 and is a Government company within the meaning of Section-617 of the Companies Act, 1956.

AND WHEREAS NTPC has set up coal fired power station named as Rihand Super Thermal Power Station Stage-I & II (nominal capacity of 1000 MW each) at Rihand Nagar, Uttar Pradesh.

AND WHEREAS NTPC is in the process of expanding the capacity of the above mentioned station by installing two more units of 500 MW each in Stage-III (herein after referred to as "Rihand STPP Stage-III") to be owned and operated by NTPC as an Regional Station for the benefits of Bulk Power Customers of Northern Region.

AND WHEREAS the UPPCL and other Bulk Power Customers are desirous of purchasing energy from Rihand STPP Stage-III and NTPC is willing to sell energy from Rihand STPP Stage-III to UPPCL and other Bulk Power Customers from the date of commissioning of Unit-I of Rihand STPP Stage-III on mutually agreed terms and conditions mentioned hereunder.

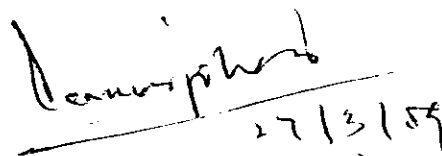
Now, therefore, in consideration of the premises and mutual agreements, covenants and conditions set forth herein, it is hereby agreed by and between the parties as follows: -

1.0 DEFINITIONS

- (a) The words or expressions used in this Agreement but not defined hereunder shall have the same meaning assigned to them by the Electricity Act, 2003 as amended from time to time, the Rules framed there under and Regulations issued by CERC from time to time.
- (b) The words or expressions mentioned below shall have the meanings respectively as assigned hereunder:

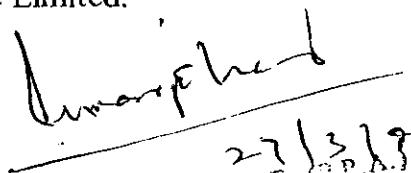
Act; 2003 Shall mean the Electricity Act, 2003 as amended or modified from time to time, including any re-enactment thereof.

Authority Central Electricity Authority.



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Bulk Power Customer	Bulk Power Customer in relation to a generating station shall mean the person to whom power is allocated from the station.
Billing Centre	The office as intimated by NTPC from where the bills will be raised on UPPCL.
Busbars	Shall mean 765 KV or 400 KV or 220 KV Busbars of the Station (as the case may be) to which outgoing feeders are connected.
CERC	Shall mean Central Electricity Regulatory Commission.
CTU	Shall mean Central Transmission Utility.
Capacity Charges	Capacity Charges are Fixed Charges as determined by CERC or any other competent authority and shall be paid on a monthly basis in proportion to the allocated capacity from time to time.
Charges for supply of energy	Shall mean and include all charges to be paid by Bulk Power Customer(s) in respect of supply of energy/power to them by NTPC in accordance with the provisions of this Agreement.
GOI	Shall mean Govt. of India.
IEGC	Shall mean Indian Electricity Grid Code, as approved by CERC or any other competent authority and as amended from time to time.
LC	Shall mean irrevocable Revolving Letter(s) of Credit.
PPA	Power Purchase Agreement.
NRLDC	Shall mean the Northern Regional Load Despatch Centre.
Main and Check Meter	Shall mean Meter for measurement and checking of import/export of energy on the outgoing feeders of the Station Busbars for UI Energy Accounting.
NTPC	Shall mean NTPC Limited.

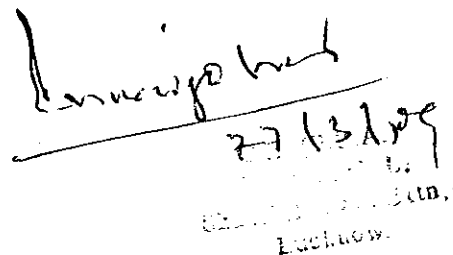
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Powergrid	Shall mean Power Grid Corporation of India Ltd.
NRPC	Shall mean Northern Regional Power Committee established under Section 2(55) of the Electricity Act, 2003.
Regional Energy Account (REA)	Shall mean periodic Energy Accounting including amendments thereof issued by NRPC/NRLDC or any other competent Authority named from time to time.
Tripartite Agreement (TPA)	Shall mean the Tripartite Agreement dated 20.03.2003 signed by Govt of Uttar Pradesh, GOI and Reserve Bank of India as per the provisions of the GOI Scheme for One time Settlement of SEBs dues.
UI	Unscheduled Interchange (as defined by CERC).
Escrow Agent cum LC Banker	Escrow Agent cum LC Banker means the Bank(s) identified to act as the Escrow Agent and provides LC for payment on behalf of UPPCL and made a party to the Tripartite Default Escrow Agreement.
Incremental Receivables	Incremental Receivables are the Receivables in excess of the Receivables over which a charge has been created by UPPCL through legally binding agreements before the date of signing of this Agreement, subject to the extent of the monthly LC requirement.

2.0 GENERAL

2.1 Installed Capacity:

- 2.1.1 The nominal capacity of Rihand STPP Stage-III is proposed to be 1000 MW.
- 2.1.2 The nominal capacity of the Station is subject to change after placement of orders for the main plant equipment.
- 2.1.3 The Station is being developed as Mega Power project under Mega Power Policy of Govt. of India. One of the conditions of such Mega Power Policy is that the power be made available only to the Bulk Power Customer(s) which agree to comply with the terms and conditions of the Mega Power Policy. In line with the Mega Power Policy, UPPCL undertakes in principle to privatise distribution in all cities in the state each of which

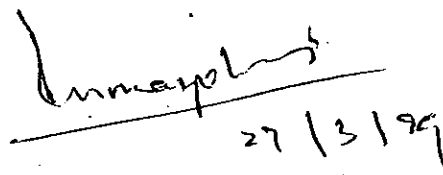
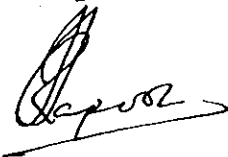



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having a population of more than one million within a period to be fixed by the GOI.

2.2 Allocation of Power

- 2.2.1 Final allocation of power from Rihand STPP Stage-III amongst various customers of Northern Region shall be decided by GOI/Competent Authority in accordance with the applicable guidelines of Govt. of India issued from time to time subject to signing of PPA by the Bulk Power Customers. Such allocation of power along with various terms and conditions mentioned therein shall form an integral part of this Agreement.
- 2.2.2 Fifteen percent capacity of the Station shall be kept unallocated at the disposal of Govt. of India and shall be subject to allocation from time to time as per the decision of Ministry of Power, GOI. Out of this unallocated capacity, balance if any, after such allocation by GOI shall be deemed to have been allocated to UPPCL in proportion to its allocated share.
- 2.2.3 The right of UPPCL to draw power against the above allocation shall be limited to the amount of LC opened and maintained by them.
- 2.2.4 Notwithstanding the obligations of UPPCL to pay all the dues as per this Agreement, in the event of default in opening of LC of adequate amount in favour of NTPC or payment of bills beyond a period of 60 days of billing, NTPC shall be entitled to regulate/ divert the share of UPPCL to any other Bulk Power Customer(s) as per the provisions of generic procedure for regulation of power supply issued by CERC or any other competent authority from time to time read with the provisions of TPA till the time default is set right.
- 2.2.5 In case of default in payment of bills beyond a period of 90 days of billing, NTPC shall have the right to re-allocate power to other Bulk Power Customer(s).
- 2.2.6 In case of default, UPPCL shall continue to be liable to pay the Capacity Charges in proportion to its allocation during the period of regulation/ diversion of power till the power is reallocated to other Bulk Power Customer(s).



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2.3 Operation of the Station

It is understood and agreed by and between the parties that NTPC shall operate the Station as a base load station as per the manufacturers' guidelines, applicable grid operating standards, directions of the CERC and relevant statutory provisions, as applicable from time to time.

3.0 TRANSMISSION / WHEELING OF POWER

- 3.1 Power shall be made available by NTPC at the busbars of the Station and it shall be the obligation and responsibility of UPPCL to make the required arrangement for evacuation of power from such delivery points of NTPC.
- 3.2 UPPCL shall coordinate with the appropriate authorities/agencies including Powergrid or any Transmission Licensee or other Licensees for power evacuation from the above delivery point.
- 3.3 UPPCL shall be responsible to coordinate with the Powergrid or any Licensee or other agencies for implementation of the transmission system for evacuation of power from the Station matching with the commissioning schedule of the station.
- 3.4 For wheeling of the power beyond busbar of the Station, charges for utilisation of transmission system(s) owned by the Powergrid/other agency(ies) shall be paid directly by UPPCL to the Powergrid or Licensee or other agency(ies) by the UPPCL. NTPC shall not be responsible for payment of such charges.

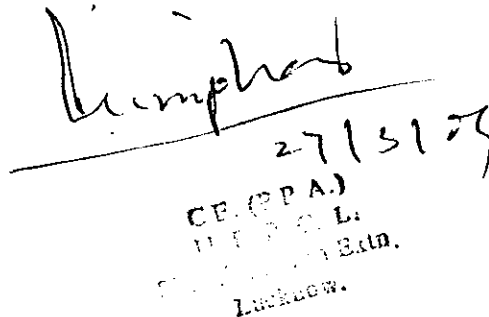
4.0 SCHEDULING, METERING AND ENERGY ACCOUNTING

4.1 Scheduling

Methodology of generation scheduling shall be as per Indian Electricity Grid Code (as revised from time to time) and the decisions taken at NRPC forums.

4.2 Metering

- 4.2.1 A set of Main and Check Energy Meters of 0.2 accuracy class, as per IEGC/ CEA (Installation & operation of meters) Regulations 2006 as applicable, shall be installed on all outgoing feeders of the Station. UPPCL shall make all necessary arrangements for installation of meters, at all its drawal points.



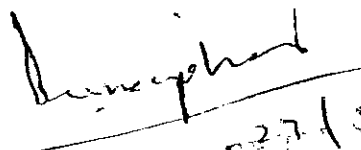
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- 4.2.2 The main and check meters shall be checked jointly at the time of installation and for any testing and/ or replacement, notice of seven days will be given, so that the representative of the UPPCL can be present for the same.
- 4.2.3 Data shall be downloaded from the meters at regular intervals as decided by NRPC/NRLDC for preparation of the REA/UI Account.
- 4.2.4 If the main meter is found to be not working at the time of meter readings or at any other time, NTPC shall inform the CTU/NRPC/NRLDC of the same and data from check meters shall be considered by NRPC/NRLDC for energy accounting for the period.
- 4.2.5 If both the main and check meter(s) fail to record or if any of the PT fuses is blown out, then the energy accounting shall be done on a mutually agreeable basis between NTPC, UPPCL and RLDC/RPC for the period of defect. In case there is no mutual agreement, the decision of Member Secretary of the NRPC would be final and binding.
- 4.2.6 The main & check meter shall be checked on a quarterly basis by comparison of the readings between these two meters and in case the readings of the two meters differ by more than 0.4%, both the meters will be checked separately with respect to another reference meter and defective meter shall be replaced. The energy metered during the period of defect would be revised by applying a correction factor on the energy metered by the defective meter.
- 4.2.7 Once in every five years, both main and check meters shall be tested for accuracy by a substandard meter either at the station or at any approved testing laboratory. During testing, in case the error is found to be more than the permissible limits, then the meter shall be replaced by a correct meter.

4.3 Energy Accounting

- 4.3.1 Both the parties agree to facilitate issue of Regional Energy Accounts by 1st day of every month.
- 4.3.2 NTPC shall prepare and submit bills to UPPCL and other Bulk Power Customers on the basis of such Regional Energy Accounts.
- 4.3.3 Regional Energy Account issued by NRPC/ NRLDC or any other Competent Authority shall be binding on all the parties for billing and payment purposes.



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4.3.4 Any change in the methodology of Regional Energy Accounting shall be done only as per the decisions taken in the RPC forums and both the parties agree to abide by the Methodology so finalised.

5.0 TARIFF

5.1 Terms and conditions:

5.1.1 The Tariff for the electricity supplied from the Station would be as determined by CERC or any other Competent Authority authorised from time to time.

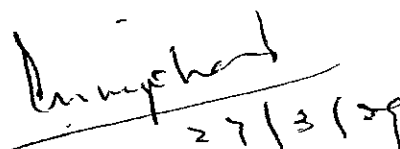
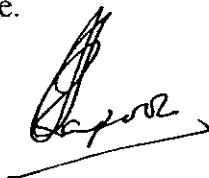
5.1.2 In case the tariff is not determined by CERC or any other competent authority prior to commencement of commercial operation of the 1st unit of the Station, the parties agree that NTPC may work out an adhoc tariff based on CERC's terms and conditions or guidelines of competent authority, as applicable from time to time and as per estimated completion cost for the project. NTPC shall inform UPPCL of such adhoc tariff and pending determination of tariff by CERC or any other competent authority, billing on provisional basis would be carried out, subject to appropriate adjustment as and when the tariff is determined by CERC or any other competent authority or any order passed pending the determination of such tariff.

5.2 Sale of Infirm Power:

Infirm power, i.e., sale of energy prior to commercial operation of the unit shall be governed by the Regulations / Orders of CERC or any other competent authority applicable from time to time.

5.3 Taxes, Levies, Duties, Royalty, Cess etc.:

Statutory taxes, levies, duties, royalty, cess or any other kind of imposition(s) imposed/charged by any Government (Central/State) and/or any other local bodies/authorities on generation of electricity including auxiliary consumption or any other type of consumption including water, environment protection, sale or on supply of power/electricity and/or in respect of any of its installations associated with the Station payable by NTPC to the authorities concerned shall be governed by the Regulations / Orders of CERC or any other competent authority applicable from time to time.



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6.0 BILLING AND PAYMENT

6.1 **Billing:**

The charges under this Agreement shall be billed by NTPC and shall be paid by the UPPCL in accordance with the following provisions:

6.1.1 NTPC shall present the bills after the end of each calendar month as per CERC Regulations for energy supplied to UPPCL from the Station as per Regional Energy Account issued by NRPC/NRLDC or any other Competent Authority.

6.1.2 Billing Centre of NTPC shall carry out billing and associated functions. NTPC would submit the bills to the Official and of the address as intimated by UPPCL.

6.1.3 The monthly bill for the Station shall be for the aggregate charges in accordance with the provisions of this Agreement. If for certain reasons some of the charges which otherwise are in accordance with this Agreement, cannot be included in the main monthly bill, such charges shall be billed as soon as possible through supplementary bill(s).

6.1.4 The bill(s) of NTPC shall be paid in full subject to the condition that—

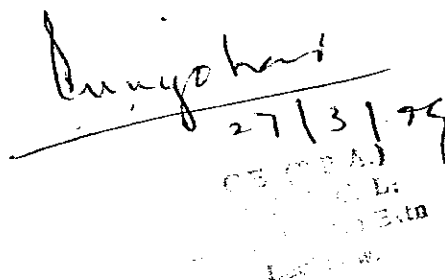
- i) there is no apparent arithmetical error in the bill(s),
- ii) the bill(s) is/are claimed as per the agreed tariff,
- iii) they are in accordance with the Regional Energy Accounts issued by NRPC/NRLDC or any other Competent Authority.

6.1.5 If UPPCL disputes any amount, it shall pay 95% of the disputed amount forthwith and file a written objection with NTPC within 30 days of presentation of the bill, giving following particulars:

- i) Item disputed, with full details/data and reasons of dispute,
- ii) Amount disputed against each item.

Provided that non-acceptance of tariffs determined/approved by CERC or any other competent authority shall not be a valid ground for dispute.

6.1.6 The amount of excess/shortfall with respect to the said 95% payment and finally determined amount in line with Clause 7.0 shall be paid/adjusted with interest @ 15% per annum from the date on which the amount in dispute was payable/refundable.



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6.1.7 Rebate on payments and surcharge on delay in payments, if any, shall be as per CERC Regulations, as amended from time to time.

6.2 Establishment of Letter of Credit(LC) and payment of bills:

6.2.1 Payment of bills for supply of power from the Station shall be made by UPPCL through irrevocable revolving Letters of Credit (LC) established in favour of NTPC with a public sector / scheduled commercial bank [as agreed by NTPC] at least one month prior to the commencement of power supply from the Station.

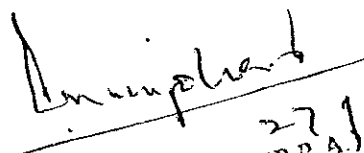
6.2.2 The LC shall cover 105% of one month's estimated billing in respect of power supplied from this Station to UPPCL. This shall be in addition to the obligation of UPPCL to establish similar letters of credit for supply of energy to UPPCL from all other generating Stations of NTPC.

6.2.3 The amount of LC shall be reviewed each half-year commencing April and October in each financial year on the basis of the average of billing of previous 12 months and the LC amount shall be enhanced/ reduced accordingly and effective from July and January respectively.

6.2.4 The LC shall be established for a minimum period of one year. UPPCL shall ensure that LC remains valid at all times during the entire/extended validity of this Agreement.

6.2.5 LC shall specify the manner and dates when bill(s) can be presented to Bank by NTPC. The bills so presented by NTPC to the Bank shall be promptly paid on their presentation. The LC charges shall be borne by UPPCL.

6.2.6 Provisions of Tripartite Agreement signed on 20.03.2003 between Govt. of Uttar Pradesh, Govt. of India and Reserve Bank of India under the Scheme for one time Settlement of SEB dues shall be applicable for supply of power from this station and safeguarding payments for the same. It is hereby mutually agreed that after the validity period of the Tripartite Agreement is over, an alternative payment security arrangement in the form of Tripartite Default Escrow Agreement between NTPC, the Escrow Agent cum LC Banker and UPPCL as a back up to the Letter of Credit shall be provided. Under this arrangement an Escrow Account in favour of NTPC shall be established through which the Incremental Receivables of UPPCL shall be routed as per the terms of Tripartite Default Escrow Agreement. Escrow Agent cum LC Banker means the Bank(s) identified



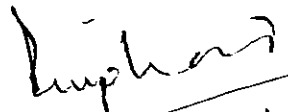
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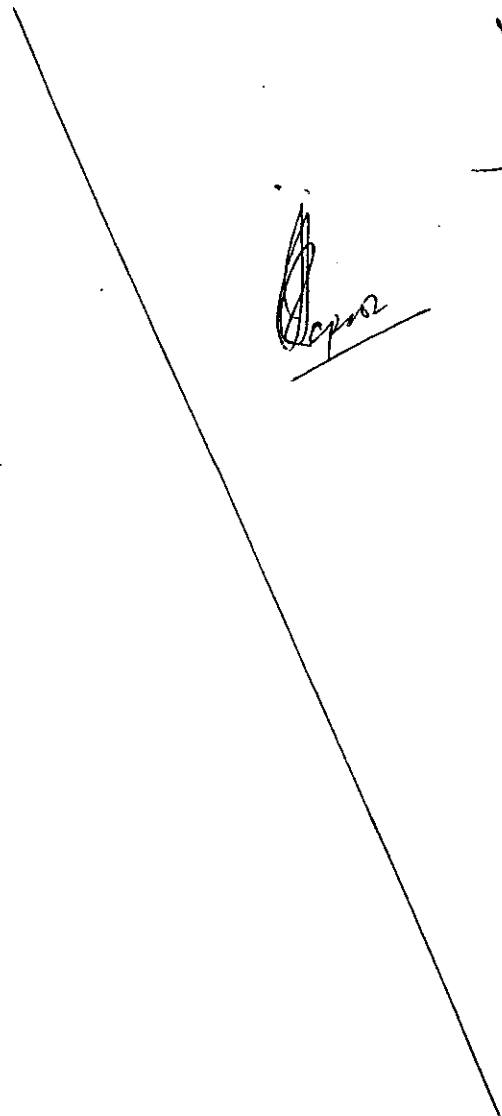
to act as the Escrow Agent and provides LC for payment on behalf of UPPCL and made a party to the Tripartite Default Escrow Agreement.

The Tripartite Default Escrow Agreement and Agreement to Hypothecate Cum Deed of Hypothecation shall be established by UPPCL to the satisfaction of NTPC at least one year before the completion of the validity period of the Tripartite Agreement.

Since the payments from UPPCL are currently secured as per the provisions of the Tripartite Agreement dated 20.03.2003, establishing of Tripartite Default Escrow Arrangement is not being insisted upon by NTPC presently. The UPPCL is free to use the Incremental Receivables for any purpose whatsoever including creation of encumbrances valid not beyond three months before the expiry of the Tripartite Agreement i.e. on 31.10.2016 or privatisation of UPPCL/ DISCOMS, whichever is earlier.




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Except for the provisions of this Agreement other terms and conditions for operation of "Escrow Agreement" and "Agreement to Hypothecate Cum Deed of Hypothecation" shall be based on the format prescribed by Government of India as "Standard Bidding Document (Case II)" / competitively bid Ultra Mega Power Projects or any other format prescribed by the Govt. of India for such Power Purchase Agreements.

UPPCL agrees to ensure that the successor entities of UPPCL are duly notified of the above arrangement with NTPC and shall be bound by the terms of this Agreement as if they are parties to this Agreement.

7.0 SETTLEMENT OF DISPUTES

7.1 All differences or disputes between the parties arising out of or in connection with this Agreement shall be mutually discussed and resolved within 90 days.

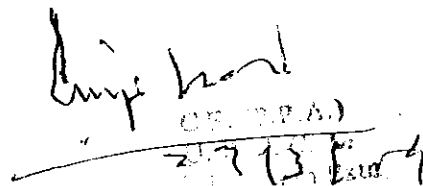
7.2 Arbitration

7.2.1 In the event that the parties are unable to resolve any dispute, controversy or claim relating to or arising under this Agreement, as stated above, which are falling under the provisions of the Electricity Act, 2003, the same shall be dealt in accordance with the said Act.

7.2.2 All other disputes which are not covered under the Electricity Act, 2003 shall be referred to arbitration. The appointment of Arbitrators and arbitration proceedings shall be governed by the Arbitration and Conciliation Act, 1996. The venue of Arbitration shall be New Delhi. The Courts of Delhi shall have exclusive jurisdiction in all matters.

8.0 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 this 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 or any other such 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.

9.0 IMPLEMENTATION OF THE AGREEMENT

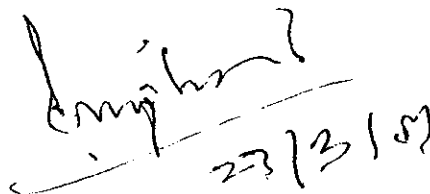
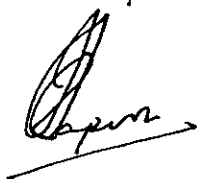
All discretions to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the authorised representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post. Any other nomination of authorised representative(s) shall be informed likewise in writing to/by UPPCL within one month of signing of the Agreement. Notwithstanding any nomination, the Regional Executive Director (North), NTPC Ltd., Lucknow, Regional Executive Director(National Capital) , NTPC Ltd., NCR-HQ, Sector-24, NOIDA, UP as well as Executive Director (Commercial), NTPC Ltd., NTPC Bhawan, Core 7, SCOPE Complex, 7, Institutional Area, Lodhi Road, New Delhi-110 003 or their authorised representative(s) at its Registered Office first above mentioned shall be authorised to act severally for and on behalf of NTPC.

10.0 NOTICE

All notices required or referred to under this Agreement shall be in writing and signed by the respective authorised signatories of the parties mentioned herein above, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered mail/speed post of Department of Posts with an acknowledgement due to the other parties in terms of Clause 9.0 above.

11.0 EFFECTIVE DATE AND DURATION OF AGREEMENT

This agreement shall come into force from the date of signing of this Agreement for all purposes and intent and shall remain operative upto completion of twenty five (25) years from the date of commercial operation of last unit of Rihand STPP Stage-III, unless it is specifically extended on mutually agreed terms.



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NTPC Ltd.
Shakti

12.0 SUCCESSORS AND ASSIGNS

In case the functions of UPPCL are reorganised and/or this Agreement is assigned to other organisation(s)/agency(ies), partly or wholly, the Agreement shall be binding mutatis mutandis upon the successor Distribution/Trading organisation(s)/agency(ies)/entities and shall continue to remain valid with respect to the obligations of the successor organisation(s)/agency(ies)/entities provided that the successor organisation(s)/agency(ies) is/are owned or controlled by the Government of Uttar Pradesh.

In the event the functions of UPPCL are reorganised and/or privatised or this Agreement is assigned to Private organisation(s)/agency(ies), partly or wholly, UPPCL shall ensure that the agreements namely 'Escrow Agreement' and 'Agreement to Hypothecate Cum Deed of Hypothecation' as mentioned at 6.2.6 are signed by the assignee before assignment of this Agreement failing which NTPC shall have the right to terminate this Agreement. In the event of termination of this Agreement UPPCL shall be liable and continue to pay the Capacity Charges each month till firm arrangement for sale of UPPCL's share with alternate customers substituting the UPPCL is tied up.

IN WITNESS WHEREOF the parties have executed these presents through their Authorised Representatives on the date mentioned above.

WITNESS:

1. 

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I. B. PANDEY
क्षेत्रीय अतिरिक्त निदेशक (उत्तर)
Regional Executive Director (North)
एन.टी.पी.सी./एन.टी.पी.सी. भवन, लखनऊ
N.T.P.C. Ltd./N.T.P.C. Ltd. Bldg., Lucknow

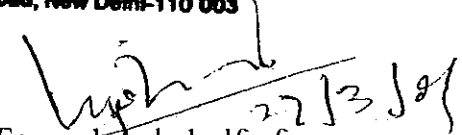
2. 

(C.A.K. Singh)
Executive Engr. (PRA)
UPPCL



For and on behalf of
NTPC Ltd

I. J. KAPOOR
Director (Commercial)
NTPC Limited
Core-7, SCOPE Complex,
Lodhi Road, New Delhi-110 003

 27/3/01
For and on behalf of
Uttar Pradesh Power Corporation Ltd.

X
C.A.K. Singh
Executive Engr. (PRA)
UPPCL
Lucknow.