



उत्तर प्रदेश UTTAR PRADESH

Y 260794

POWER PURCHASE AGREEMENT

BETWEEN

NTPC LIMITED

AND

UTTAR PRADESH POWER CORPORATION LIMITED

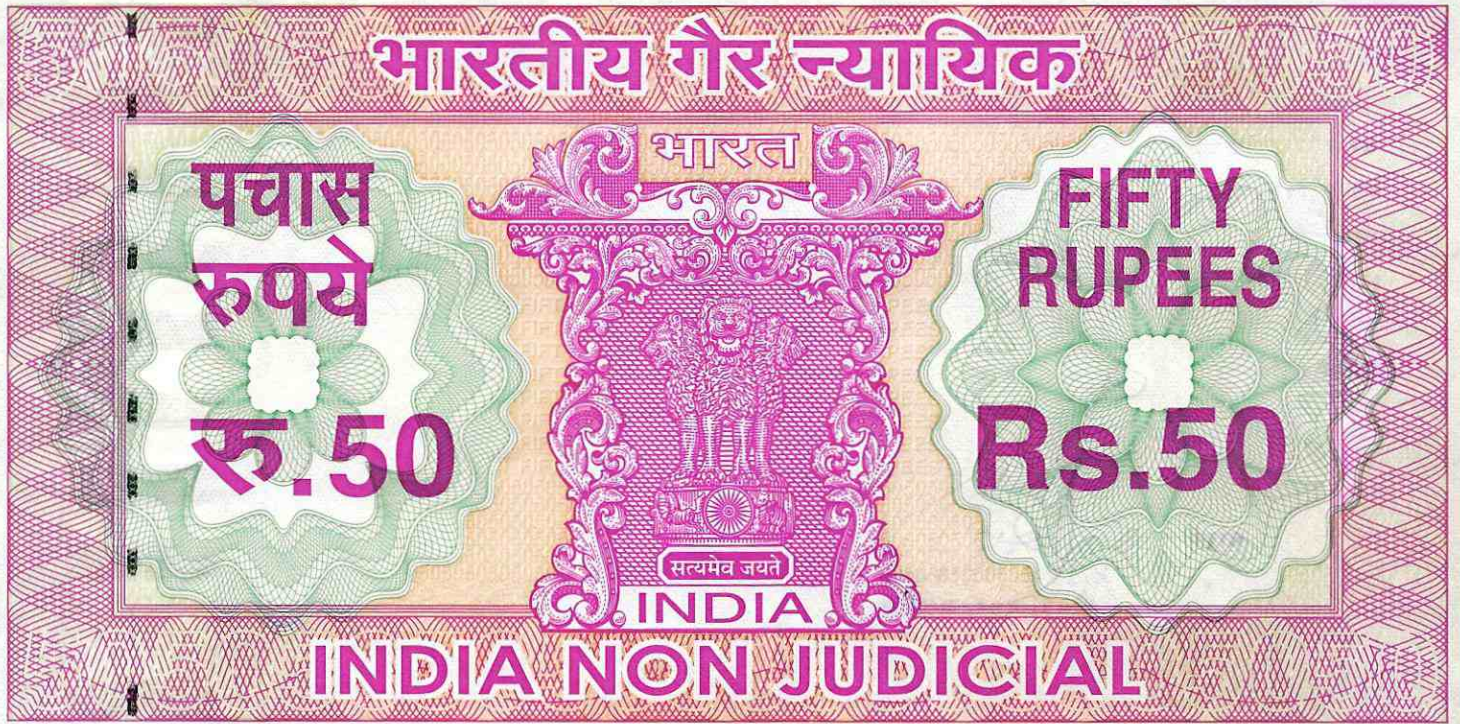
FOR

TAPOVAN VISHNUGAD HYDRO POWER STATION (4X130=520 MW)

THIS POWER PURCHASE AGREEMENT hereinafter called the "Agreement" entered into at Lucknow on the eleventh day of November, Two Thousand Ten (..11..11..2010) 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' or the 'Seller') which expression shall unless repugnant to the context or meaning thereof include its successors and assigns as party of the first part; and

[Signature]

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Uttar Pradesh Power Corporation Limited, having its Registered/Head Office at Shakti Bhawan, 14, Ashok Marg, Lucknow-226001 (hereinafter referred to as 'UPPCL' or 'the Procurer' which expression shall unless repugnant to the context or meaning thereof include its successors and Permitted Assigns as party of the second part. Each of the parties of the first and second above is individually referred to as a "Party" and collectively as the "Parties".

WHEREAS NTPC is a Generating Company as defined under Section 2(28) of the Electricity Act, 2003 and is a Govt. of India Enterprise.

AND WHEREAS NTPC is setting up a hydro power station named as Tapovan Vishnugad Hydro Power Station (capacity of 520 MW) at P.O. Joshimath in Chamoli district of Uttarakhand State hereinafter specifically referred to as "TVHPS" and generally be referred to as "Station" to be owned and operated by NTPC.

AND WHEREAS the UPPCL and other Bulk Power Customer(s) are desirous of purchasing electricity from TVHPS and NTPC is willing to sell electricity from TVHPS to UPPCL and other Bulk Power Customer(s) of the Northern Region from the date of commissioning of Unit-I of TVHPS 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 thereunder 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	The Electricity Act, 2003 as amended or modified from time to time, including any re-enactment thereof.
Agreement to Hypothecate cum Deed of Hypothecation	Shall have the meaning as ascribed under article 6.2.8 of this PPA.
Availability	'Availability' as defined in the CERC (Terms and Conditions of Tariff) Regulations, 2009 as amended or replaced from time to time
Billing Centre	The office / RHQ as intimated by NTPC to the UPPCL from where the bills will be raised on them.
Bulk Power Customer(s)	Bulk Power Customer(s) in relation to the Station shall mean the person(s) including UPPCL to whom capacity is contracted from the station.
Busbars/Ex Bus	Busbars of the Station to which outgoing feeders are connected.
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission or any other Competent Authority (for determination of tariff).


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CTU	Central Transmission Utility.
Capacity Charges	Capacity Charges are Fixed Charges as determined by CERC and shall be paid in proportion to the Contracted Capacity from time to time.
Charges for Supply of Electricity	Mean and include all charges including the Tariff to be paid by the UPPCL /Bulk Power Customer(s) in respect of supply of electricity to them from the Station in accordance with the provisions of this Agreement.
Commercial Operation Date	'Date of Commercial Operation' or 'COD' in relation to a unit means the date declared by NTPC from 0000 hour of which, after notice to the Bulk Power Customer(s), scheduling process in accordance with the Indian Electricity Grid Code is fully implemented, and in relation to the Station as a whole, the date declared by NTPC after demonstrating peaking capability corresponding to installed capacity of the Station through a successful trial run, after notice to the Bulk Power Customer(s).
	In case of Station (purely run-of-river) if the unit or the generating station is declared under commercial operation during lean inflows period when the water is not sufficient for such demonstration, Station will demonstrate peaking capability equivalent to installed capacity as and when sufficient inflow is available.
Contracted Capacity	Capacity contracted by the UPPCL /Bulk Power Customer(s) under this Agreement under Article 2.2
Due date	30 days from the date of presentation of bill(s).
Effective Date	means the date of signing of this Agreement including payment security as envisaged under Article 6.2.
Energy Charges	As defined in the CERC (Terms and Conditions of Tariff) Regulations, 2009 as amended or replaced from time to time.
Escrow Agreement	Shall have the meaning as ascribed under article 6.2.8 of this PPA
GOI	Government of India
IEGC	Indian Electricity Grid Code, as notified by CERC or any other competent authority and as amended from time to time.




Infirm Electricity	means electricity generated prior to commercial operation of a Unit (s) /Block(s) of the Station
Incremental Receivables	The amount of the Receivables in excess of the amounts which have been charged or agreed to be charged in favour of the Procurer's Financing Parties by way of a legally binding agreement, executed prior to the 'Effective Date', i.e., the date of signing of this PPA provided such charge of the Procurer's Financing Parties shall be limited to the extent of their outstanding exposure (including commitments for exposure) as on the 'Effective Date'.
LC	Irrevocable Revolving Letter(s) of Credit.
Main and Check Meter	Meter for measurement and checking of import/export of energy on the outgoing feeders of the Station Busbars for Energy Accounting.
Mega Power Policy	Mega Power Policy issued by GOI and amended from time to time.
Mega Power Project	Projects eligible for benefits under the Mega Power Policy of GOI.
Monthly Bill	Monthly Bill as raised by NTPC as per REA in line with the CERC Regulation as amended from time to time. Provided that periodicity of billing may change as per CERC regulation from time to time.
Party/Parties	Shall have the meaning ascribed thereto in the recital to this Agreement
Permitted Assigns	Have the meaning as per Article 12 of this agreement
Powergrid	Power Grid Corporation of India Ltd.
NRLDC	Northern Regional Load Despatch Centre.
NRPC	Northern Regional Power Committee established under Section 2(55) of the Electricity Act, 2003.
Regional Energy Account (REA)	Periodic Energy Account issued by NRPC/NRLDC including amendments thereof.




Procurers Financing Parties	“Procurers Financing Parties” shall mean the banks and/or financial institutions and/or power producers, which have provided or propose to provide financial assistance and/or facilities to the Procurer including in particular the Procurer’s Banks and/or supply or propose to supply electricity to the Procurer and who have, for the repayment and/or discharge of obligations of the Procurer due to them, by way of a legally binding agreement been provided as on the Effective Date <i>inter-alia</i> , security by way of a charge on the Receivables of the Procurer.
Receivables	“Receivables” for this purpose shall mean all of the present and future payments, receipts, obligations, monies, claims, bills and any other property whatsoever which may from time to time be derived from or accrue or be offered or due to the UPPCL in respect of the sale by the UPPCL to the Consumers of electric capacity, energy and/ or services or for any other reason whatsoever and all proceeds thereof.
Scheduled Generation	Scheduled Generation as defined in the CERC (Terms and Conditions of Tariff) Regulations, 2009 as amended or replaced from time to time
SLDC	State Load Despatch Centre
Station	Have the meaning as given in the recital
STU	State Transmission Utility
Supplementary Bill	Have the meaning under the Article 6.1.3
Target Availability	Availability of the Station for recovery of full Capacity (Fixed) Charges on annual basis
Transmission Licensee	Have the meaning as per Electricity Act 2003
Tariff	Tariff shall constitute Capacity Charges, Energy Charges, Incentive and other charges viz taxes, cess etc for supply of electricity from the Station as determined by CERC
Third Party(ies)	Any person other than the person to whom electricity is contracted under this Agreement
Tripartite Agreement (TPA)	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

Unit	Each Unit of the Station
UI	Unscheduled Interchange as defined in Central Electricity Regulatory Commission (Unscheduled Interchange charges and related matters) Regulations, 2010 as amended or replaced from time to time

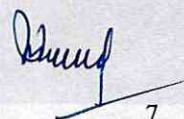
2.0 GENERAL

2.1 INSTALLED CAPACITY:

- 2.1.1 The capacity of Tapovan Vishnugad Hydro Power Station is proposed to be 520 MW. The capacity of the Station is subject to change after placement of orders for the main plant equipment.
- 2.1.2 The Station is being developed for the Bulk Power Customer(s) of Northern Region.
- 2.1.3 The Station is being developed as Mega Power project under Mega Power Policy of Govt. of India for the benefit of the Bulk Power Customer(s) of the Station. One of the conditions of such Mega Power Policy is that the electricity be made available only to the Bulk Power Customer(s) which agree to comply with the terms and conditions of the Mega Power Policy of GoI.

2.2 ALLOCATION OF CAPACITY

- 2.2.1 Allocation of Capacity from the Station to the State of Uttar Pradesh shall be as decided by GOI based on the prevailing Policy of GOI.
- 2.2.2 Fifteen percent capacity of the Station has been kept unallocated at the disposal of Govt. of India/Competent Authority and shall be subject to allocation from time to time as per the decision of GOI/competent authority and such further allocation will form part of Contracted Capacity. Out of unallocated capacity, balance if any, after such allocation by GOI/competent authority, shall be deemed to have been allocated and


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thereby forming part of Contracted Capacity to various Bulk Power Customer(s) in proportion to their contracted shares.

- 2.2.3 The allocation made from the Station by GOI or any other competent authority in favour of the UPPCL shall be Contracted Capacity subject to signing of the Agreement, opening of LC and providing appropriate payment security mechanism as provided at Article 6.2 in this Agreement. The UPPCL shall draw electricity against the above Contracted Capacity limited to the amount of LC opened and maintained by it. NTPC shall intimate RLDC from time to time regarding the quantum of capacity UPPCL is eligible to draw.

3.0 TRANSMISSION / WHEELING OF ELECTRICITY

- 3.1 Sale of electricity shall be at the busbars of the Station and it shall be the obligation and responsibility of UPPCL to make the required arrangement for evacuation of electricity from such delivery points of the NTPC.
- 3.2 Charges for utilisation of transmission system(s) owned by the Powergrid/PTCUL/other Transmission Licensee for wheeling of the electricity beyond busbar of the Station, shall be paid directly by UPPCL to the Powergrid or PTCUL or the Transmission Licensee as the case may be. NTPC shall not be responsible for payment of such charges.
- 3.3 NTPC had already applied for LTA to Powergrid on 09.01.2007. UPPCL agrees to enter into necessary agreements including BPTA with Powergrid/other licenses for its contracted share.
- 3.4 Further, NTPC had also applied for LTA upto Pooling Point to Power Transmission Corporation of Uttarakhand Ltd. (PTCUL) on 17.9.2008. UPPCL agrees to enter into necessary agreements including BPTA with PTCUL for its contracted share.

4.0 SCHEDULING, METERING AND ENERGY ACCOUNTING

4.1 SCHEDULING

It is understood and agreed by and between the parties that NTPC shall operate the Station as per the manufacturers' guidelines, applicable grid operating standards,



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directions of the CERC and relevant statutory provisions, as applicable from time to time. Methodology of generation scheduling shall be as per IEGC and the decisions taken at NRPC forums.

All charges/fees related to scheduling and despatch of electricity shall be borne by UPPCL.

NTPC shall make declaration of the capacity at the busbars of the Station after taking into account the capability of the Station to deliver Ex-Bus which shall be considered while calculating Declared Capability (DC).

4.2 DECLARED CAPABILITY

Declared Capability or 'DC' means the capability of the Station to deliver Ex-Bus electricity in MW declared by the Station in relation to any period of the day or whole of the day, duly taking into account the availability of water as per the procedure laid down in IEGC.

Notwithstanding the following, Station shall be deemed as available to the extent of DC declared by the Station for any time period:

- a. Failure on account of Bulk Power Customer(s) to transmit and wheel electricity from the Ex-Bus of the Station.
- b. Any other reason not attributable to NTPC restricting scheduling and despatch of capacity at the Ex-Bus of the Station

4.3 METERING

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

4.3.2 The Main and Check Meters shall be checked jointly at the time of installation as per the CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time.



4.3.3 Data shall be downloaded from the meters at regular intervals as decided by NRPC/NRLDC for preparation of the REA/UI Account.

4.3.4 Regular cross checking and analysis of meter readings and meter failure or discrepancies shall be reckoned as per CEA (Installation & Operation of Meters) Regulations 2006 as amended from time to time. If the Main Meter or Check Meter is found to be not working at the time of meter readings or at any other time, NTPC shall inform the CTU/NRLDC of the same.

4.3.5 In case of failure of meters, energy/UI accounting for the period shall be as per procedure laid down by CERC or as per the mutually agreed procedure in RPC. In case of absence of any such procedure, the following procedure shall be followed:

In case of failure of Main Meter, readings of Check Meter for the corresponding period shall be considered for energy/UI accounting. If both the Main and Check Meter(s) fail to record or if any of the PT fuses is blown out, energy shall be computed based on standby meters. In case of dispute, the decision of Member Secretary of the NRPC would be final and binding.

4.3.6 Periodic testing of both Main and Check Meters shall be carried out in the presence of representatives of NTPC and UPPCL or any of the Bulk Power Customer(s) as per procedure laid out in CEA (Installation & Operation of Meters) Regulations, 2006. For any testing and/ or replacement, notice of seven days will be given.

4.4 ENERGY ACCOUNTING

4.4.1 Both the Parties agree to facilitate issue of Regional Energy Accounts by 1st day of every month.

4.4.2 Regional Energy Account issued by NRPC NRLDC or any other Competent Authority shall be binding on all the parties for billing and payment purposes.

4.4.3 Any change in the methodology of Regional Energy Account shall be done only as per the decisions taken in the NRPC 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 from time to time.

5.1.2 Tariff for sale of electricity from the Station shall comprise of Capacity Charge, Energy Charge, Incentive, UI and all other taxes/charges.

5.1.3 ADHOC TARIFF

NTPC shall approach CERC for determination of Tariff before Commercial Operation Date of any unit of the station. In case this Tariff is not determined for any reason by CERC prior to commencement of commercial operation of such unit of the Station, the Parties agree that billing and payment shall be done on adhoc basis as per the proposal of NTPC submitted to CERC. The parties agree that the Buyer shall duly make 95% of such Tariff pending determination of such Tariff by CERC, subject to adjustment based on applicable rate as per CERC Regulations as and when such Tariff is determined by CERC.

5.2 SALE OF INFIRM ELECTRICITY:

Infirm electricity, i.e., sale of electricity prior to commercial operation of the unit, will be treated by NTPC based on methodology as notified by CERC from time to time.

5.3 TAXES, LEVIES, DUTIES, ROYALTY, CESS ETC.:

5.3.1 Tax on Income:

Tax on the income derived from generation of electricity shall be treated as per prevailing regulations of CERC as applicable from time to time.

5.3.2 Statutory taxes, levies, duties, royalty, cess or any other kind of levies 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 of 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



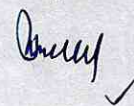
CERC/Appropriate Govt./ Local Bodies from time to time.

6.0 BILLING AND PAYMENT

6.1 BILLING:

The Charges for Supply of Electricity under this Agreement shall be billed by NTPC as determined from time to time by the Central Electricity Regulatory Commission and the same shall be paid by the UPPCL in accordance with the following provisions:

- 6.1.1 NTPC shall present the bills for electricity supplied to UPPCL from the Station for the previous month based on Regional Energy Account issued by NRPC/ NRLDC/UPSLDC 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 Officer to be nominated by UPPCL .
- 6.1.3 The Monthly Bill for the Station shall include the Charges for Supply of Electricity under this Agreement, taxes, duties, cess etc including additional bill (s) for the past period(s) on account of orders of CERC/Appellate Tribunal for Electricity/Other Courts/other Competent Authority(ies),. If for certain reasons some of the charges which otherwise are in accordance with this Agreement, cannot be included in the main Monthly Bills, such charges shall be billed as soon as possible through Supplementary Bill(s).
- 6.1.4 UPPCL shall arrange payment of such Monthly Bill(s)/Supplementary Bill(s) raised as per orders/ regulations of CERC, promptly on presentation through electronic fund transfer or other mutually acceptable instrument(s) at the designated account of the Seller. The date of transfer of payment to NTPC account shall be considered as the date of payment for computation of rebate or late payment of surcharge in respect of such payment. 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 notified/agreed tariff
 - iii) they are in accordance with the Regional Energy Accounts issued by NRPC/NRLDC/UPSLDC or any other Competent Authority.
- 6.1.5 In case UPPCL disputes any amount, even then, 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 shall not be a valid ground for dispute.

- 6.1.6 The amount of excess/shortfall with respect to the said 95% payment based on finally determined amount in line with Article 7 shall be paid/adjusted with the applicable interest from the date on which the amount in dispute was payable/refundable.

6.1.7 REBATE AND LATE PAYMENT SURCHARGE

Rebate and Late Payment Surcharge shall be as per Terms and Conditions of Tariff issued by CERC as applicable from time to time. No rebate shall be payable on the bills raised on account of taxes, duties, royalty / cess etc but subject to the orders of Competent Authorities.

6.2 ESTABLISHMENT OF LETTER OF CREDIT(LC) AND PAYMENT SECURITY MECHANISM:

- 6.2.1 UPPCL shall establish one or more irrevocable revolving Letters of Credit (LC) in favour of NTPC with any public sector / scheduled commercial bank [as per list supplied by NTPC] at least one month prior to the commencement of electricity supply from the first unit of the Station.

- 6.2.2 The LC shall cover 105% of the one month's estimated billing in respect of electricity supplied from the Station to UPPCL. This shall be in addition to the obligation of the UPPCL to establish similar letters of credit for supply of electricity to the 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 a financial year on the basis of the average of billing of previous 12 months and the LC amount shall be enhanced/reduced accordingly not later than 1st July and 1st January respectively of the same financial year.
- 6.2.4 The LCs shall be established for a minimum period of one year. UPPCL shall ensure that a valid LC is made available at all times during the entire/extended validity of this Agreement. New LCs shall be furnished/existing LCs reinstated not later than 30 days prior of expiry of existing LCs.
- 6.2.5 LC shall specify the manner and dates when Monthly and Supplementary Bill(s) can be presented to Bank by NTPC. The bills raised as per orders/regulations of CERC or such other competent authorities, so presented by NTPC to the Bank shall be promptly paid on their presentation through Electronic Fund Transfer or other mutually acceptable instrument(s). In case of non receipt of any part of Monthly and Supplementary Bill(s) on the above specified dates, LC shall be operated on the same day for unpaid portion of Monthly and Supplementary Bill(s).
- 6.2.6 All costs relating to opening and maintenance and negotiation of LC shall be borne by the UPPCL.
- 6.2.7 In case of drawal of the LC amount by NTPC in accordance with the terms of this Article, the amount of the LC shall be reinstated before next Due Date.
- 6.2.8 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 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 UPPCL shall establish an Escrow Agent in favour of NTPC through which the Incremental Receivables of UPPCL shall be routed as per the terms


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of the Tripartite Default Escrow Agreement.

The Escrow Agent cum LC Banker means the Bank(s) identified to act as the Escrow Agent which provides LC for payment to NTPC, on behalf of UPPCL and made a party to the Tripartite Default Escrow Agreement.

UPPCL shall hypothecate Incremental Receivables to the extent required for Payment of dues of NTPC by UPPCL under this Agreement by creation of first charge in favour of NTPC. These Incremental Receivables shall be routed through Escrow Account for payment to NTPC in case of default in payments. Notwithstanding the above, the LC Banker would have a superior charge, to the extent of LC provided, to NTPC for supply under this 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. In the event before expiry of TPA, UPPCL does not sign the 'Tripartite Default Escrow Agreement' and 'Agreement to Hypothecate Cum Deed of Hypothecation' at least 3 months before the expiry of TPA or UPPCL creating any superior charge in favour of any other party on its Incremental Receivables, or monthly Incremental Receivables being less than the required LC amount, NTPC shall have the right to reallocate power to other customers. In case of termination of this Agreement or reallocation of power due to reasons stated above, UPPCL shall be liable to pay capacity charges till the power is reallocated.

6.2.9 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. UPPCL and NTPC agree that this Agreement shall be deemed to have created a legally binding first charge on UPPCL's Incremental Receivables in favour of NTPC. However, 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, whichever is earlier. Accordingly, UPPCL shall not create any encumbrance, charge, and lien or otherwise execute any instrument which in any way affects the first charge of NTPC over the Incremental Receivables.



Except for the provisions of this Agreement, the other terms and conditions of "Escrow Agreement" and "Agreement to Hypothecate cum Deed of Hypothecation", to be entered into by the parties as above, shall be as per the provisions of corresponding documents used for the latest Ultra Mega Power Project competitively bid under Case-II format of Standard Bidding Documents of Government of India.

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.

6.2.10 Notwithstanding the obligations of UPPCL to pay all the dues as per this Agreement, in the event of default in opening of LC of requisite amount in favour of NTPC or non-payment of bills within a period of 60 days of billing, NTPC shall be entitled to regulate/divert the contracted capacity of the UPPCL to any other Bulk Power Customer(s)/ Third Party(ies) as per the provisions of generic procedure for regulation of power supply issued by CERC from time to time read with the provisions of TPA (during the validity of TPA) till the time default is set right.

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) subject to provision of TPA (upto 31.10.2016).

It is clarified that the above arrangement shall not be construed as relieving UPPCL of any of its obligations to NTPC including obligation of payment of Capacity Charges and Energy Charges under this Agreement.

For the removal of any doubt it is clarified that in case of default, UPPCL shall continue to be liable to pay the Capacity Charges and Energy Charges in proportion to its Contracted Capacity during the period of regulation / diversion of capacity or till the capacity is re-allocated to other Bulk Power Customer(s)/ Third Party (ies).



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 amicably resolved within 90 days.

7.2 Arbitration

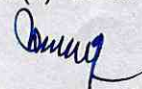
7.2.1 In the event that the parties are unable to resolve any dispute, controversy or claim relating to or arising under this Agreement, as stated above, the same shall be dealt as per the provisions of the Electricity Act, 2003. The place of Arbitration shall be at New Delhi.

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 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 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., NRHQ, Lucknow, 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 IMPLEMENTATION OF THE AGREEMENT at Article 9 above.

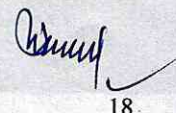
11.0 EFFECTIVE DATE AND DURATION OF AGREEMENT

The agreement shall come into effect for all purposes and intent from the date of signing of the Agreement. Subject to establishment and maintaining of payment security as envisaged under Article 6.2 under ESTABLISHMENT OF LETTER OF CREDIT (LC) AND PAYMENT SECURITY MECHANISM, the Agreement shall remain operative upto completion of thirty five (35) years from the date of commercial operation of last unit of the Station. The Agreement could be specifically extended on mutually agreed terms.

12.0 SUCCESSORS AND PERMITTED ASSIGNS

12.1 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.

12.2 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




Article 6.2 under ESTABLISHMENT OF LETTER OF CREDIT (LC) AND PAYMENT SECURITY MECHANISM are signed by the assignee before assignment of this Agreement.


12.3 Only such of the successor entities who fulfil the above requirements and execute the requisite documents as above shall be termed as the permitted assigns.

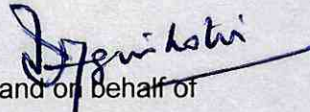
12.4 In other cases NTPC shall have the right to terminate this Agreement. In the event of termination of this Agreement, UPPCL shall be liable and continue to pay the Capacity Charges and Energy Charges each month till firm arrangement for sale of UPPCL's share with alternate customers substituting 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. 
CE. (P.P.A.)
U.P.P.C.L.
Shakti Bhawan E.to
Lucknow

2. 
(SUKESH MOHAN)
Sr. Manager (Commercial)
NTPC Limited
NRHQ, LUCKNOW-226 010


For and on behalf of
NTPC Ltd

एस० के०
S.K.A.C.
अपर महाप्रबन्धक (व्यापारिक)
Addl. General Manager (Comml.)
एन टी पी सी लिमिटेड
NTPC Limited, Northern Region, Lucknow


For and on behalf of

Uttar Pradesh Power Corporation Limited
(नन्द लाल)
निदेशक (वाणिज्य)
उ०प्र० पावर कारपोरेशन लि०
शक्ति भवन, 14-अशोक मार्ग, लखनऊ