

No.23/11/2004-R&R(Vol.IV)  
Government of India  
Ministry of Power

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Dated 30<sup>th</sup> March, 2006

To,

The CMD,  
Power Finance Corporation  
Chandra Lok,  
36, Janpath,  
New Delhi – 110001.

Sub: Guidelines for procurement of power through competitive bidding –clarification  
reg.

Sir,

I am directed to refer to PFC's letter No. 03:07:UMPP dated 22<sup>nd</sup> March, 2006 on the above subject and to clarify the following with reference to relevant clauses of the Guidelines for determination of tariff by bidding process for procurement of power by Distribution Licensees notified by this Ministry vide gazette resolution dated 19<sup>th</sup> January, 2005:-

- (i) With reference to clause 3.1(iii)(a), it is clarified that the requirement of additional power would be related to the period of three years post the expected date of commissioning.
- (ii) With reference to clause 3.1(iii)(b), it is clarified that the stipulation of transfer price is not applicable if the project either comprises of a captive coal mine and power station or the project is based on imported fuel procured through open market.
- (iii) With reference to clause 5.6(v) it is clarified that the time period of 4 years for commissioning of the plant from the date of signing the PPA is indicative and flexibility is permitted.

Yours faithfully

Sd/-  
(Alok Kumar)  
Director  
Ph: 2371 4000