

MODEL MOU FOR PURCHASE OF POWER BY PTC

MEMORANDUM OF UNDERSTANDING

BETWEEN

POWER TRADING CORPORATION OF INDIA LIMITED

AND

SELLER OF POWER

This Memorandum of Understanding is entered on _____ day of September Two Thousand One between Power Trading Corporation of India Limited, a limited company incorporated under the Companies Act 1956, having its registered office at 10th Floor, Hemkunt Chambers, 89 Nehru Place, New Delhi – 110019 (hereinafter referred to as “**PTC**”, which expression, unless repugnant to the context or meaning thereof shall be deemed to include its successors and permitted assigns) of the **First Part** and _____, incorporated under the _____, having its Registered Office at _____ (hereinafter referred to as “**SELLER**”), which expressions shall unless repugnant to the context or meaning thereof include its successors in business and permitted assigns) as of the **Second Part**.

WHEREAS

- i) The PTC has been established with an objective, inter alia, to carry on the business of purchase of all forms of electrical power from Independent Power Producers (IPPs), Captive Power Plants (CPPs), other Generating Companies, State Electricity Boards etc., for sale to SEBs, Power Distribution Companies, other organisations and bulk power consumers etc., in India and abroad;
- ii) The SELLER is desirous to sell and PTC is desirous to purchase upto _____ MW or any other magnitude of power as may be mutually agreed, available to PTC from SELLER of power, at the Delivery Point as defined under 1 (a) and for further sale to a purchasing utility.

- iii) The present Memorandum of Understanding (hereinafter referred as 'MOU') between SELLER and PTC for purchase of power by PTC from the SELLER, is subject to the detailed terms and conditions to be agreed through a Power Purchase Agreement ("PPA") to be entered into between PTC and SELLER of power, and signing of back to back agreement for the sale of power from SELLER by PTC with purchasing utility.

NOW, THEREFORE, it is hereby agreed by and between the Parties hereto as under:

1. That the SELLER is willing to sell upto _____ MW of power or any other quantum of power that may be mutually agreed to between the parties and PTC is willing to buy the same for period of _____ from the date of commencement of power supply against this MOU to the purchasing utility, for short term trading on the following general terms and conditions: -

a) Period of Energy Sale:

That the period of Energy sale shall be -----from the date of commencement of sale of power at the Delivery Point.

b) Delivery Point:

- i) That for sale of energy within _____ Region (___R), the Delivery Point shall be the Commercial Metering Point at Central Transmission Utility bus in the _____Region.
- ii) For sale of energy outside _____ Region, the Delivery Point shall be the Commercial Metering Point at _____ end of inter-regional transmission system between _____ Region and neighbouring Region.
- iii) The interconnecting point of the SELLER system with neighbouring states could also be a Delivery Point.

c) Tariff:

That the applicable rate for sale energy of by the SELLER to PTC as per _____ Regional Electricity Board (_REB) Regional Energy Account, will be Rs _____ / kWh (Rupees _____ per kWh) on the energy delivered at the Delivery Point. This rate is on net basis and there will be no other taxes like Income Tax or any other levy upto the Delivery Point.

d) Transmission Losses & Charges:

That the transmission charges, Transmission losses, Regional Load Despatch Centre (RLDC) charges or any other charges for sale of energy upto the Delivery Point shall be borne by the SELLER whereas such charges beyond Delivery Point for other Regions and/or State Electricity Boards / State Power Utilities, if any, shall be payable directly by PTC or its customer to POWERGRID / State Electricity Boards / State Power Utilities

e) Billing Cycle:

That the Billing Cycle will be monthly, based on Regional Energy Account (REA) issued by ___REB indicating the energy exported at Central Transmission Utility bus of _____ Region or any other point of delivery as defined under clause 1 (b).

f) Payment:

That the SELLER would open a Bank account with the Indian Overseas Bank at Delhi or _____. The amount would be credited to the SELLER account at Delhi/ _____ within ten working days from the date of receipt of the bills from SELLER by PTC.

g) Rebate for Prompt Payment by SELLER:

That the SELLER would allow _____ % rebate on the billed amount if the payment is transferred by PTC to SELLER's Bank account in Delhi/ _____ within 10 (Ten) working days of receipt of monthly bill of SELLER based on REA of ___REB by PTC. The rebate @ 1.5 % will be applicable on the above said amount if the payment is made after 10 days but

within 30 days of receipt of bill by PTC. In case of part payment by PTC, the above said rebate will be applicable on the amount actually paid by PTC.

h) Surcharge for late Payment by SELLER:

That for the energy supplied during the month, a surcharge of 18 % (Eighteen percent) per annum shall be applied on all payments outstanding after the 30th day of receiving SELLER's monthly bill by PTC. This surcharge would be calculated on a day-to-day basis for each day of the delay.

2. That the above given basis price and terms for supply of power are valid upto a period of _____ from the date of commencement of power supply. Any extension thereof will be on mutually agreed terms and condition.
3. That in case any purchasing utility does not make timely payments of PTC dues for the SELLER Power, PTC will have the right to terminate the prevailing arrangement for the sale of the SELLER power and/or offer the same to some alternate customer(s).
4. That the SELLER and PTC shall obtain necessary approvals and consents of Government(s) / Statutory Authority(ies) that they require to enter into PPA for sale and purchase, respectively, of above power.
5. If the SELLER is located in the licensed area of a licensee or SEB / Distribution Co. and use of transmission system of the licensee / Distribution Co. / SEB / State Transmission Utility is required for delivery of PTC's power upto delivery point, the SELLER will obtain the approval of the owner of such Transmission System and finalise the wheeling arrangements with the concerned agency in consultation with PTC.
6. The scheduling of power shall be done as per Indian Electricity Grid Code (IEGC).
7. The impact on account of implementation of Availability Based Tariff (ABT) will be covered in the Power Purchase Agreement.

IN WITNESS whereof the duly authorised representatives of the Parties have signed on the day and year first hereinbefore written.

For and on behalf of
**POWER TRADING CORPORATION OF
INDIA LIMITED**

For and on behalf of
THE SELLER

Signature with seal

Signature with seal

Witnesses:

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