



31490 2701 Rs. 50/-

J. Giridharkumaraswamy

T.S. Jeganathan

B.H.E.L. Itchy sec-bad

A. SETHURAM

S.V. ... 24.
... 19
...

[Signature]

[Signature]

Amendment dated 29th day of June 2004 to the Power Purchase & Captive Wheeling Agreement
dt.22-7-2002 between M/s Bharat Heavy Electricals Limited and APTRANSCO

Whereas the Power Purchase & Captive Wheeling Agreement dt. 22-7-2002 entered into (herein after referred to as "Agreement") between M/s Bharat Heavy Electricals Limited, and APTRANSCO and this Agreement is in force now.

2. Whereas APERC vide Letter No.APERC/Secy/Dir-Engg/F-/D.No.1762/2003, dt.23-07-2003 and Letter No. APERC/Secy/Dir(Engg)DD(Tr)/F-PPA/D.No.2739/2003, dt.15-11-2003 has communicated approval to the modifications to Tariff clause at Article 3.3 and Delivered Energy clause at Article 1.9 of PPA and directed APTRANSCO to amend PPA accordingly. Whereas APERC vide letter dt.21-5-04 directed for deletion of Article 7.1 (v) with regard to obtaining the permission from APERC for captive use.

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[Signature]
CHIEF ENGINEER
(COMMERCIAL & IT)
APTRANSCO, Andhrit Soudha
Hyderabad-500 082.

[Signature]
J. GIRIDHAR KUMARASWAMY,
Dy. Manager / EDC - WEG,
BHEL, Hyderabad - 502 406.
Dy. Manager / EDC - WEG,
BHEL, Hyderabad - 502 406.



31489 28/6/2004 50/-
 S.No. Date Rs.
 Sold to: J. Anidhar Kumara swamy
 For: T.S. Jeganathan
 For Whom: BHEL TRICHY sec-bad.

A. SRIPRANAV
 S.V. ... /2004.
 Near C. ...
 West Madhya Pradesh ...

3. The Amendment to the Article mentioned at preamble para 4, 1.9, 1.10, 1.30, 2.4, 3.3, 5.1, 8, 12.3 and deletion of Schedule 5 & Schedule 6 of the Agreement along with incorporation of new Articles at Preamble para 6 (a), Article 5.12(a), 7.1(viii), are incorporated at pages 2C, 2D, 2 E, 2F and 2 G of the Agreement.

4. The Amendments as mentioned in paragraph 2&3 and in the APPENDIX shall be deemed always to have been made from the 22-7-2002 that is from the date of original Agreement. The other terms and conditions of the Agreement remain unaltered.

5. The Agreement including these Amendments are enforceable subject to obtaining the consent of Andhra Pradesh Electricity Regulatory Commission under Section 21 of A.P. Electricity Reform Act 1998 (Act No. 30 of 1998)

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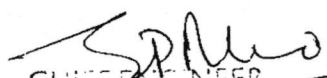
S.P. Rao
 CHIEF ENGINEER
 (COMMERCIAL & IT)
 APTRANSCO, Vidyut Soudha,
 Hyderabad - 500 032.

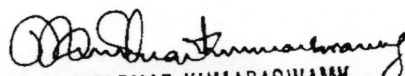
J. Anidhar Kumara swamy
 J. ANIDHAR KUMARA SWAMY,
 ...

APPENDIX

Sl. No	Article No.	Existing	Amendment (shall be read in place of existing Articles)
1	Preamble para 4	<p>WHEREAS, the Power Purchase & Captive Wheeling Agreement is in line with the incentives allowed for Wheeling & Banking and Charges for Captive Consumption, in G.O.Ms.No.93 Energy (RES) Department dated 18.11.97 read with G.O.Ms.No.112 Energy (RES) Department dated 22.12.98 and the copies of the G.Os are attached as Schedule 5 and 6 respectively. The Wheeling & Banking and Charges for Captive Consumption, shall be reviewed by Andhra Pradesh Electricity Regulatory Commission (APERC). APERC in para 26 of the Order No. 432/2001, dt: 20.6.2001 in O.P.No. 1075/2000, communicated vide APERC letter No. APERC/Secy/F.24/D.No.3355 /2001, dt: 21.6.2001 directed that the Wheeling & Banking for captive consumption will continue to be regulated by G.O.Ms.No. 93 Energy (RES) Department, dated 18.11.97 till further orders of the Commission. The Wheeling Charges shall be as per the APERC Order No 162/2002 passed in O.P.No.510/2001 on 24-3-2002.</p>	<p>The Wheeling Charges applicable to this Project shall be as fixed by the Andhra Pradesh Electricity Regulatory Commission (the Commission) from time to time. The Company shall also pay any other charges as may be fixed by the Commission from time to time for wheeling of energy for captive consumption.</p>
2	Preamble para 6(a)	New Article	<p>The terms and conditions of this Agreement are subject to the provision of the Electricity Act, 2003 (36 of 2003).</p>
3	Article 1.9	<p>Delivered Energy: means, with respect to any Billing Month, the kilo watt hours (kWh) of electrical energy generated by the Project and delivered to the APTRANSCO at the Interconnection Point as defined in Article 1.18 as measured by the energy meters at the Interconnection Point during that Billing Month.</p>	<p>Delivered Energy: means, with respect to any Billing Month, the kilo watt hours (kWh) of electrical energy generated by the Project and delivered to the APTRANSCO at the Interconnection Point as defined in Article 1.18, as measured by the energy meters at the Interconnection Point during that Billing Month.</p>

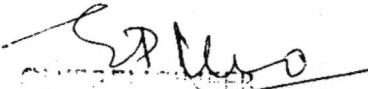
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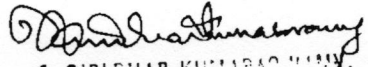

 CHIEF ENGINEER
 (COMMERCIAL & TD)
 APTRANSCO, Hyderabad
 Hyderabad - 500032


 J. GIRIDHAR KUMARASWAMY,
 Dy. Manager / EDC - WEG,
 BHEL/BAP/RANIPET - 632 406.

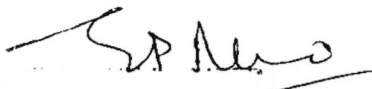
		<p>Explanation 1: For the purpose of clarification, Delivered Energy, excludes all energy consumed in the Project by the main plant and equipment, lighting and other loads of the Project from the energy generated and as recorded by energy meter at interconnection point.</p> <p>Explanation 2: In case of the projects interconnected at project switchyard the estimated line losses will also be subtracted first as provided in Article 1.18 from the metered energy exported.</p>	<p>Explanation 1: For the purpose of clarification, Delivered Energy, excludes all energy consumed in the Project by the main plant and equipment, lighting and other loads of the Project from the energy generated and as recorded by energy meter at interconnection point.</p> <p>Explanation 2: The delivered energy in a billing month shall be limited to the energy calculated based on the capacity agreed for export to grid for sale to APTRANSCO as mentioned in preamble & Schedule 1, multiplied with number of hours and fraction thereof the project is in operation during that billing month. In case any excess energy is delivered no payment shall be made for the same.</p> <p>Explanation 3: In case of the projects interconnected at project switchyard the estimated line losses will also be subtracted first as provided in Article 1.18 from the metered energy exported.</p>
4	Article 1.10	<p>Due Date of Payment: means the date on which the amount payable by the APTRANSCO to the Company hereunder for Delivered Energy, if any, supplied during a Billing Month becomes due for payment, which date shall be thirty (30) days from the Metering Date, and in the case of any supplemental or other bill or claim, if any, the due date of payment shall be thirty (30) days from the date of the presentation of such bill or claim to the designated officer of the APTRANSCO.</p>	<p>Due Date of Payment: means the date on which the amount payable by the APTRANSCO to the Company hereunder for Delivered Energy, if any, supplied during a Billing Month becomes due for payment, which date shall be thirty (30) days from the Metering Date, provided the bill is received by APTRANSCO within 5 days from metering date, and in the case of any supplemental or other bill or claim, if any, the due date of payment shall be thirty (30) days from the date of the presentation of such bill or claim to the designated officer of the APTRANSCO.</p>
5	Article 1.30	<p>All other words and expressions, used herein and not defined herein but defined in the Indian Electricity Act, 1910, Electricity (Supply) Act, 1948, Indian Electricity Rules, 1956 and AP Electricity Reform Act, 1998 shall</p>	<p>All other words and expressions, used herein and not defined herein but defined in the Indian Electricity Rules 1956, A.P. Electricity Reform Act, 1998, and Electricity Act, 2003 shall have the meanings respectively</p>


2.D


 (Sd/-) _____
 Dy. Manager / BCC - WEG,
 APTRANSCO, VV, at Goudha
 Hyderabad-500 082.


 J. RAMESH KUMAR
 Dy. Manager / BCC - WEG,
 BHEL/SAP/RAJAPET - 532 406.

		have the meanings respectively assigned to them in the said Acts.	assigned to them in the said Acts.
6	Article 2.4	As compensation for the provision of Wheeling service, the APTRANSCO shall be entitled to deduct from the delivered energy the Wheeling charges, in kind, which charges shall be at 28.4% and in cash at 50 paise per unit for financial year 2002-03 as per the APERC Order No.162/2002 passed in O.P.No.510/2001 on 24-3-2002, or Wheeling Charges as fixed by Commission from time to time.	As compensation for the provision of Wheeling service, the APTRANSCO shall be entitled to deduct Wheeling charges from the delivered energy. . The Wheeling Charges applicable to this Project shall be as fixed by the Commission from time to time. The Wheeling Charges shall be paid to DISCOM where the wheeled energy is consumed and the wheeling charges payable under this para shall be shared between APTRANSCO and DISCOM as stipulated by the Commission from time to time.
7	Article 3.3	The Company shall be paid the tariff for the energy delivered at the interconnection point for sale to APTRANSCO at Rs.2.25 paise per unit with escalation at 5% per annum with 1994-95 as base year and to be revised on 1 st April of every year upto the year 2003-2004. Beyond the year 2003-2004, the purchase price by APTRANSCO will be decided by Andhra Pradesh Electricity Regulatory Commission. There will be further review of purchase price on completion of ten years from the date of commissioning of the project, when the purchase price will be reworked on the basis of Return on Equity, O&M expenses.	The Company shall be paid the tariff for the energy delivered at the interconnection point for sale to APTRANSCO as applicable as on date of commercial operation subject to the reviews of the prices by the APERC from time to time . Notwithstanding these reviews there will be a special review of purchase price on completion of 10 years from the date of commissioning of the project, when the purchase price will be reworked on the basis of Return on Equity, O&M expenses.
8	Article 5.1	The Company shall install main meters of Static type 0.2 class accuracy at the Interconnection Point and the APTRANSCO shall install check meters of Static type at the same point and of the same accuracy. The main meters and check meters will each consist of a pair of export and import meters.	The Company shall install main meters of Static type 0.2 class accuracy at the Interconnection Point and the APTRANSCO shall install check meters of Static type at the same point and of the same accuracy. The main meters and check meters will each consist of a pair of export and import meters with facility for recording meter readings using Meter Recording Instrument. For the purpose of uniformity the Company shall follow metering specification as developed by the APTRANSCO.
9	Article 5.12 (a)	New Article	The company shall install communication system in the Project and at the designated Sub-Station at the




J. GIRIDHAR KUMARASWAMY,
 Dy. Manager / EDC - WEG,
 BHEL/3AP/RANIPET - 632 406.

			cost of the company, to establish contact with the sub-station to which it is interconnected for co-ordination of the Project operation. The regular maintenance of the Wireless sets is to be carried out by the Company.
10	Article 7.1 (v)	Non-conventional energy Projects sanctioned by NEDCAP, which use the generation partially or fully for captive purposes, will have to seek permission from the Commission U/S 21 (3) of Andhra Pradesh Reform Act, 1998 for captive use of the energy generated.	Deleted
11	Article 7.1 (viii)	New Article	The company shall pay grid support charges as fixed by Commission from time to time.
12	Article 8	<u>DURATION OF AGREEMENT</u> This Agreement shall be effective upon its execution and delivery thereof between parties hereto and shall continue in force from the billing month of July, 2002 until 30-6-2004. This Agreement may be renewed for such further period of time and on such terms and conditions as may be mutually agreed up on by the parties, 90 days prior to the expiry of the said period, subject to the consent of APERC. Any and all incentives/conditions envisaged in the Articles of this Agreement are subject to modification from time to time as per the directions of APERC, Government of Andhra Pradesh and APTRANSCO.	<u>DURATION OF AGREEMENT</u> This Agreement shall be effective upon its execution and delivery thereof between parties hereto and shall continue in force from the Commercial Operation Date (COD) i.e. from 23-9-1999 and until the twentieth (20 th) anniversary that is for a period of twenty years from the Commercial Operation Date (COD). This Agreement may be renewed for such further period of time and on such terms and conditions as may be mutually agreed upon by the parties, 90 days prior to the expiry of the said period of twenty years, subject to the consent of APERC. Any and all incentives/conditions envisaged in the Articles of this Agreement are subject to modification from time to time as per the directions of APERC.


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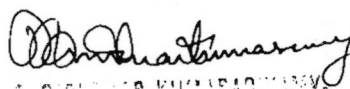
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J. Girish Kumaraswamy
J. GIRISH KUMARASWAMY
 Dy. Manager / EDC - WSG,
 BHEL/AP/ 151951 - 630 406.

13	Article 12.3	<p>WHEREAS, the Power Purchase & Captive Wheeling Agreement is in line with the incentives allowed for Wheeling & Banking and Charges for Captive Consumption, in G.O.Ms.No.93 Energy (RES) Department dated 18.11.97 read with G.O.Ms.No.112 Energy (RES) Department dated 22.12.98 and the copies of the G.Os are attached as Schedule 5 and 6 respectively. The Wheeling & Banking and Charges for Captive Consumption, shall be reviewed by Andhra Pradesh Electricity Regulatory Commission (APERC). APERC in para 26 of the Order No. 432/2001, dt: 20.6.2001 in O.P.No. 1075/2000, communicated vide APERC letter No. APERC/Secy/F.24/ D.No.3355/2001, dt: 21.6.2001 directed that the Wheeling & Banking for captive consumption will continue to be regulated by G.O.Ms.No. 93 Energy (RES) Department, dated 18.11.97 till further orders of the Commission. The Wheeling Charges shall be as per the APERC order No.162/2002 passed in O.P.No.510/2002 on 24-3-2002.</p>	<p>The Wheeling Charges applicable to this Project shall be as fixed by the Andhra Pradesh Electricity Regulatory Commission (the Commission) from time to time. The Company shall also pay any other charges as may be fixed by the Commission from time to time for wheeling of energy for captive consumption.</p>
14	Schedule 5	Schedule 5 (Copy of G.O.Ms.No.93 Energy (RES) Department dt.18.11.1997)	Deleted
15	Schedule 6	Schedule 6 (Copy of G.O.Ms.No.112 Energy (RES) Department dt.22.12.1998)	Deleted

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 CHIEF ENGINEER
 (COMMERCIAL & IT)
 APTRANSCO, Vidyut Soudha
 Hyderabad-500 082.


 OFFICER IN CHARGE
 (COMMERCIAL & IT)
 APTRANSCO, Vidyut Soudha
 Hyderabad-500 082.



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5/7/02

**POWER PURCHASE & CAPTIVE WHEELING AGREEMENT
 BETWEEN
 TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED
 AND
 M/s BHARAT HEAVY ELECTRICALS LIMITED**

This Power Purchase & Captive Wheeling Agreement (the "Agreement") entered into this 22nd day of July 2002, between Transmission Corporation of Andhra Pradesh Limited, incorporated by the Government of Andhra Pradesh in accordance with the Andhra Pradesh Electricity Reform Act 1998 (Act No.30 of 1998), under the provisions of Companies Act, 1956 in place of Andhra Pradesh State Electricity Board, having its office at Vidyut Soudha, Hyderabad - 500 082, India, hereinafter referred to as the "APTRANSCO" (which expression shall, unless repugnant to the context or meaning thereof, include its successors and assigns) as first party, and M/s Bharat Heavy Electricals Ltd., a Generating Company as defined U/s 2 (4-A) of Electricity (Supply) Act, 1948 having its registered office at BHEL House, Sirifort, New Delhi - 110 049, hereinafter referred to as the 'Company' (which expression shall, unless repugnant to the context or meaning thereof, include its successors and assigns) as second party. This Agreement supersedes in its entirety the Wind Power Wheeling Agreement entered into on 27.3.99 between APTRANSCO and M/s Bharat Heavy Electricals Ltd.;

J. 7
 Chief Engineer (IVC)
 APTRANSCO, Vidyut Soudha
 HYDERABAD-500 082.

and further amended 04 29-6-2004

[Signature]
 CHIEF ENGINEER
 (CONVE...)
 APTRANSCO, Vidyut Soudha,
 Hyderabad - 500 082.

[Signature]
 J. GIRIDHAR KUMARASWAMY,
 Dy. Manager / EDC - WEG,
 BHEL (P) LTD., DANIPET - 522 405

[Signature]
 D. B. RAO
 Addl General Manager
 BHEL / ROD / Sec'bad

2. WHEREAS, the Company has set up the Non-conventional Energy Project i.e., the 4MW capacity Wind Power Project at Kadavakallu, Anantapur District, Andhra Pradesh with a proposal for 0.13 MW for Auxiliary Consumption, 1.32 MW for Captive Consumption by Wheeling and 2.55 MW for Sale to APTRANSCO as detailed in Schedule 1 attached herewith, hereafter called the Project, and the Non-conventional Energy Development Corporation of Andhra Pradesh Limited, hereafter referred to as NEDCAP has accorded approval to the said proposal in their letter No NEDCAP/WE/3944/98/1714, dt: 24.8.98 and copy whereof is attached herewith as Schedule 2. The Company entered into Agreement with NEDCAP on 8.2.1999 and copy whereof is attached herewith as Schedule 3;

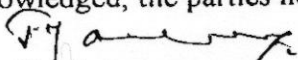
3. WHEREAS, the Company shall fulfill the conditions of Agreement entered with NEDCAP and obtain extensions wherever required till the Project is completed. In the event of cancellation of the Project allotted to the Company by NEDCAP for any reason, the Power Purchase & Captive Wheeling Agreement with APTRANSCO will automatically get cancelled.

4. WHEREAS, the Power Purchase & Captive Wheeling Agreement is in line with the incentives allowed for Wheeling & Banking and Charges for Captive Consumption, in G.O.Ms.No.93 Energy (RES) Department dated 18.11.97 read with G.O.Ms.No.112 Energy (RES) Department dated 22.12.98 and the copies of the G.Os are attached as Schedule 5 and 6 respectively. The Wheeling & Banking and Charges for Captive Consumption, shall be reviewed by Andhra Pradesh Electricity Regulatory Commission (APERC). APERC in para 26 of the Order No. 432/2001, dt: 20.6.2001 in O.P.No. 1075/2000, communicated vide APERC letter No. APERC/Secy/F.24/ D.No.3355/2001, dt: 21.6.2001 directed that the Wheeling & Banking for captive consumption will continue to be regulated by G.O.Ms.No. 93 Energy (RES) Department, dated 18.11.97 till further orders of the Commission. The Wheeling Charges shall be as per the APERC Order No. 162/2002 passed in O.P. No. 510/2001 on 24.03.2002.

5. WHEREAS, it has been agreed that the Project will be designed, engineered and constructed and operated by or on behalf of the Company with reasonable diligence subject to all applicable Indian laws, rules, regulations and orders having the force of law. The Project achieved Commercial Operation date (COD) on 23.9.1999;

6. This Agreement shall come into force from the billing month of July, 2002. As per the provisions of Wind Power Wheeling Agreement dated 27.3.1999 the Company's un-utilized Delivered Energy at captive industry at Ramachandrapuram unit in Hyderabad, if any, shall be for sale to APTRANSCO. This Agreement is enforceable subject to obtaining consent of Andhra Pradesh Electricity Regulatory Commission as per Section 21 of Andhra Pradesh Electricity Reform Act 1998 (Act No.30 of 1998). APERC in Proceedings No.APERC/Dir-Engg./CPP/O.P.No. 27/2002/13, dated 31.1.2002 read with amendment issued to the said order on 20.7.2002 attached herewith as Schedule 7 & 7A, accorded consent for Captive consumption upto 1.32 MW of power generated from the Company's 4 MW Wind Power Project to be used in Company's Ramachandrapuram unit, Hyderabad and R&D unit at Vikas Nagar, Hyderabad mentioned at Schedule 4 attached herewith;

7. NOW THEREFORE, in consideration of the foregoing premises and their mutual covenants herein, and for other valuable consideration, the receipt and sufficiency of which are acknowledged, the parties hereto, intending to be legally bound hereby agree as follows:



ARTICLE 1 DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set forth herein below. Defined terms of singular number shall include the plural and vice-versa.

1.1 **Allocated Energy:** means the portion of the Delivered Energy allocated in a Billing Month to the Consumers for the captive consumption.

1.2 **Billing Date:** means the fifth (5th) day after the Metering Date.

1.3 **Billing Month:** means the period commencing from 25th of the calendar month and ending on the 24th of the next calendar month.

1.4 **Banking:** means keeping in reserve, the delivered energy supplied to the APTRANSCO, in any billing month(s), in excess of the energy required to be wheeled by the APTRANSCO to the Consumers in that month, with the purpose of wheeling such excess energy in any succeeding month(s) to the Consumers, subject to the condition specified in Article 2 of this Agreement. Such excess energy is, hereinafter called 'Banked energy'.

1.5 **Commercial Operation Date (COD):** means, with respect to each Generating unit, the date on which such Generating unit is declared by the company to be operational, provided that the company shall not declare a Generating unit to be operational until such Generating unit has completed its performance acceptance test as per standards prescribed.

Explanation: In respect of Non-conventional based power projects the date of synchronisation of the first unit of the project after completion of its performance test as per Standards prescribed, will be treated as the Commercial Operation Date of the project since Ministry of Non-conventional Energy Sources not specified any guide lines for declaration of the Commercial Operation Date (COD).

1.6 **Commission:** means Andhra Pradesh Electricity Regulatory Commission


1.7 **Consumer:** means the Consumers of the APTRANSCO listed in Schedule 4 attached to this Agreement, receiving power from the APTRANSCO at a voltage of 11 Kilo volts (KV) and above; to whom wheeled energy is desired by the company to be wheeled by the APTRANSCO.

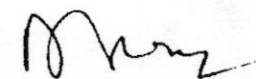
Explanation : The Consumer is a unit which is 100% owned by the Company or an Industry owning the Company 100%, and using power produced by the Company for its own use.

1.8 **Delivered Capacity:** means, in relation to the Project, at Interconnection Point in KW, is $\frac{A}{B}$, where

A - is the Delivered Energy at the Interconnection Point during a billing month subject to Article 1.13.

and B - Number of hours in the billing month.


Chief Engineer (PSC)


D. B. RAO
Addl. General Manager

- 1.9 **Delivered Energy:** means, with respect to any Billing Month, the kilo watt hours (kWh) of electrical energy generated by the Project and delivered to the APTRANSCO at the Interconnection Point as defined in Article 1.13, as measured by the energy meters at the Interconnection Point during that Billing Month.

Explanation 1: For the purpose of clarification, Delivered Energy, excludes all energy consumed in the Project by the main plant and equipment, lighting and other loads of the Project from the energy generated and as recorded by energy meter at Interconnection Point.

Explanation 2: In case of the projects interconnected at project switchyard the estimated line losses will also be subtracted first as provided in Article 1.13 from the metered energy exported.

- 1.10 **Due Date of Payment:** means the date on which the amount payable by the APTRANSCO to the Company hereunder for Delivered Energy, if any, supplied during a Billing Month becomes due for payment, which date shall be thirty (30) days from the Metering Date, and in the case of any supplemental or other bill or claim, if any, the due date of payment shall be thirty (30) days from the date of the presentation of such bill or claim to the designated officer of the APTRANSCO.

- 1.11 **Installed Capacity:** means the total rated capacity in mega-watts of all the generators installed.

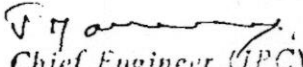
- 1.12 **Interconnection Facilities:** means all the equipment and facilities, including, but not limited to, all metering facilities, switch gear, substation facilities, transmission lines and related infrastructure, to be installed by the APTRANSCO upto the project's switch yard at the voltage specified in Article 1.24 at the company's expense from time to time throughout the term of this Agreement, necessary to enable the APTRANSCO to economically, reliably and safely receive Delivered Energy from the Project in accordance with the terms of this Agreement.

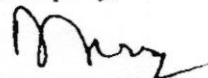
Explanation 1: For Wind Farms the development charges shall be paid by the Company as per Government orders and APTRANSCO will provide evacuation facilities.

Explanation 2: For all projects other than Wind projects, the Company have to bear the entire expenditure of interconnection facilities for power evacuation as per the sanctioned estimate by the respective field officers.

- 1.13 **Interconnection Point:** means the point or points where the Project and the APTRANSCO's grid system are interconnected. The metering for the Project will be provided at the Interconnection Point as per Article 5.1.

Explanation : In case of cluster of Non-Conventional Energy Schemes where the projects are interfaced with the near by APTRANSCO's Grid then the Interconnection point will be at the Project's Switch Yard. The estimated line loss component (line losses from the Mini Hydel Scheme / Wind farm to the designated substation where the ring main terminates) for the respective Mini Hydel Scheme / Wind farm is to be worked out and apportioned as per their capacity and intimated to the Company, and


Chief Engineer (IPC)
APTRANSCO, Vidyal Soudha


B. B. RAO
Addl. General Manager

subtracted from the metered units at Mini Hydel Scheme / Wind farm project switch yard, to arrive at the Delivered Energy by the Project.


- 1.14 **Metering Date:** means mid-day (i.e., noon) of the 24th (twenty-fourth) day/last day of each calendar month, at the Interconnection Point.
- 1.15 **Net Wheeled Energy:** means Wheeled Energy less applicable Wheeling Charges.
- 1.16 (a) **Power Factor Surcharge:** means the additional charges leviable on a Consumer in accordance with the prevailing conditions of the tariff of the APTRANSCO applicable to such Consumer, where the average power factor (the ratio of kWh to kVAh drawn) by such Consumer during the relevant Billing Month falls below Minimum Power Factor prescribed under terms and conditions and tariff as notified by the APTRANSCO from time to time.

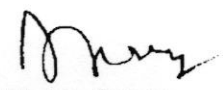
(b) **Surcharge on Reactive Power drawn by Wind Farms/Mini Hydel Stations:** means the charges leviable on the reactive power drawn from APTRANSCO's grid or such other related charges fixed by the Commission from time to time.

Explanation 1: Induction generators used in Wind Electric Power Farms/Mini Hydel Stations draw reactive power from APTRANSCO's grid during generator mode and motor mode.

Explanation 2: Surcharge on reactive power drawn by Wind Farms/Mini Hydel stations will be levied on the Company.

- 1.17 **Project:** means the 4 MW capacity Wind Power Project at Kadavakallu, Anantapur District, Andhra Pradesh with a proposal for 0.13 MW for Auxiliary Consumption, 1.32 MW for Captive Consumption by Wheeling and 2.55 MW for Sale to APTRANSCO as detailed in Schedule 1 attached herewith, entrusted to the Company for construction and operation as detailed in Agreement entered into with NEDCAP as shown in Schedule 3 attached herewith and includes the metering system.
- 1.18 **Surplus Energy:** means the portion of the Delivered Energy, if any, after allocation to the Consumers, which will be purchased by APTRANSCO at the rate specified in Article 3.3.
- 1.19 **System Emergency:** means a condition affecting the APTRANSCO's electrical system which threatens the safe and reliable operation of such system or which is likely to result in the disruption of safe, adequate and continuous electric supply by the APTRANSCO, or which endangers life or property, which condition is affected or aggravated by the continued delivery of Delivered Energy from the Project.
- 1.20 **Tariff Year:** means, each period of one year from the date of commercial operation of the first unit of the project.
- 1.21 **Unit:** When used in relation to the generating equipment, means one set of turbine generator and auxiliary equipment, and facilities forming part of the project and when used in relation to electrical energy, means kilo watt hour (kWh).


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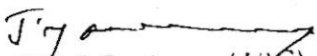

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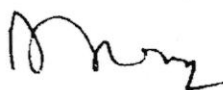
- 1.22 **Unutilised Energy:** means the portion of the Allocated Energy which is not consumed by Consumers in Billing Month as per the allocation given by the Company.
- 1.23 **Voltage Surcharge:** means the additional tariff rates chargeable to the Consumers by the APTRANSCO, in accordance with the conditions of the tariff of the APTRANSCO for supply of power to its own Consumers of the same category, for providing power at voltages less than those prescribed in the terms and conditions of supply applicable to such Consumers.
- 1.24 **Voltage of Delivery:** means the voltage at which the electrical energy generated by the project is required to be delivered to the APTRANSCO at the Interconnection Point and the Voltage of Delivery is as detailed below.

For Wind farms, Mini Hydel Schemes:

Capacity of the plant	Specified voltage level for interfacing with APTRANSCO grid
Upto 1500 KVA	11 KV
From 1501 KVA to 7500 KVA	33 KV
Above 7500 KVA	132 KV


- 1.25 **Voltage of Supply:** means the voltage or voltages at which the APTRANSCO actually delivers the energy to the Consumers as per tariff, and terms and conditions of supply, and shall be not less than 11 KV.
- 1.26 **Wheeled Energy:** means Delivered Energy to be Wheeled to a Consumer by the APTRANSCO, including any applicable Wheeling Charges.
- 1.27 **Wheeling:** means the transportation of the electrical power and energy of the project from the Interconnection Point to the Consumers, on the transmission system of the APTRANSCO.
- 1.28 **Wheeling Charges:** means the consideration payable for providing Wheeling Service as fixed by the Commission from time to time.
- 1.29 **Wheeling Schedule:** means the schedule provided to the APTRANSCO by the Company pursuant to Paragraph 2.5 below of the Consumers to whom Wheeled Energy is to be Wheeled.
- 1.30 All other words and expressions, used herein and not defined herein but defined in the Indian Electricity Act, 1910, Electricity (Supply) Act, 1948, Indian Electricity Rules, 1956 and AP Electricity Reform Act, 1998 shall have the meanings respectively assigned to them in the said Acts.

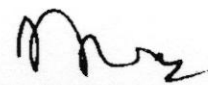

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ARTICLE 2
WHEELING AND BANKING OF ENERGY

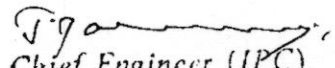
- 2.1 Subject to the provisions of this Agreement, the APTRANSCO shall provide Wheeling Service to the Company for the Wheeling of Delivered Energy from the Interconnection Point to the Consumers.
- 2.2 Wheeling service provided hereunder shall be subject to interruption or curtailment by the APTRANSCO only in the event of a System Emergency and under such other conditions which are considered necessary by the APTRANSCO, during the Operation of its Transmission System and/or during times of power cut imposed by the APTRANSCO on the Consumers. This interruption or curtailment shall be only to the extent that the APTRANSCO considers necessary for safe and reliable operation of Transmission System or to enforce power cut. The APTRANSCO shall give the Company advance notice of any interruption or curtailment in case of Scheduled (planned) interruption. If the interruption is due to emergency, the APTRANSCO shall use all reasonable efforts to remove or remedy the circumstance causing such Emergency as expeditiously as possible. In respect of any System Emergency that results in an interruption or curtailment of Wheeling service by the APTRANSCO for a period of 72 hours or more, the APTRANSCO, if requested by the Company, may provide such information as the Company may require to substantiate the nature, duration and cause of such emergency and the efforts undertaken by the APTRANSCO to remedy it.
- 2.3 The APTRANSCO shall be responsible for operating and maintaining its transmission system in accordance with good and generally accepted electric utility engineering and operating practices and in such a manner as to ensure that it will be able to provide Wheeling service throughout the term of this Agreement. The costs of operating and maintaining the APTRANSCO's transmission system in order to provide Wheeling service shall be borne by the APTRANSCO. The APTRANSCO will make any repairs or improvements required in connection with the operation and maintenance of its transmission system in order to provide Wheeling service as expeditiously as reasonably possible.
- 2.4 As compensation for the provision of Wheeling service, the APTRANSCO shall be entitled to deduct from the delivered energy the Wheeling charges, in kind, which charges shall be at 28.4% and in cash at 50 paise per unit for the Financial Year 2002-2003 as per the APERC Order No. 162/2002 passed in O.P. No. 510/2001 on 24.03.2002, or Wheeling Charges as fixed by Commission from time to time.
- 2.5 At least ten (10) days before the first day of each Billing Month, the Company shall provide the APTRANSCO with a schedule of Allocated energy to each of Consumers to whom Delivered energy is to be Wheeled during the Billing Month (the "Wheeling Schedule"); provided, however, in the event the Company fails to submit a Wheeling Schedule at least ten (10) days before the first of any Billing Month, the Wheeling

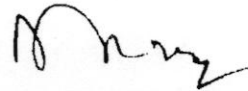

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Schedule for the immediately preceding Billing Month shall continue to be the effective Wheeling Schedule. The Wheeling Schedule shall indicate the percentage of Delivered Energy to be Wheeled to each of the Consumers during the Billing Month. The sum of the percentages of Delivered Energy to be Wheeled to the Consumers listed in the Wheeling Schedule should ordinarily add up to one hundred percent (100%) of the Delivered Energy; provided, however, in the event a portion of the Delivered Energy i.e., Surplus Energy is being sold to the APTRANSCO pursuant to Paragraph 3.2 below; and in the event a portion of the Delivered Energy is being banked by Company pursuant to paragraph 2.12 below the sum of the percentages of Delivered Energy to be Wheeled to the Consumers listed in the Wheeling Schedule together with such Purchased Energy and Banked Energy if any, shall add up to one hundred percent (100%) of the Delivered Energy. However, the wheeling of previous Banked energy by the Company shall not include in the 100% of the Delivered Energy in the billing month, subject to Article 2.23. At any time prior to the tenth day before the end of each Billing Month, the Company shall have the right to revise the percentage of Delivered Energy to be Wheeled to any Consumer during such Billing Month by giving written notice of such a revision to the APTRANSCO. While the Wheeling Schedule will be based on the percentage of Delivered Energy to be Wheeled to each of the Consumers, only the Net Wheeled Energy shall actually be delivered to each of the Consumers. The energy indicated to have been delivered to each of the Consumers shall be appropriate portion of delivered energy as per allocation. The Company shall submit the Wheeling Schedule and obtain acknowledgement from APTRANSCO on the duplicate.

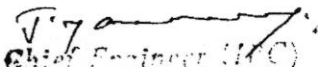
- 2.6 The Delivered Capacity shall be deemed to be allocated to the Consumers in proportion to the allocation of Delivered Energy Wheeled to each such Consumer.
Explanation: In case of Wind farms the Delivered Capacity will be taken into account only in a month in which it is not less than 10% of the installed capacity.
- 2.7 The maximum demand and energy consumed by any of the Consumers, from the APTRANSCO shall be determined by reducing, from the maximum demand and energy recorded on the APTRANSCO's meters at the premises of the said Consumers, the allocable delivered capacity and allocated Delivered Energy (after deducting the respective Wheeling charges).
- 2.8 In relation to the power supplied by the APTRANSCO to a Consumer, the Consumer shall be subject to all the terms and conditions of supply between the APTRANSCO and the Consumer including restrictions and controls. In further elaboration of the foregoing, it is understood that from time to time the APTRANSCO is required for various operational reasons to restrict and control electricity supply by the APTRANSCO to all or a portion of the APTRANSCO's customers (a "Restriction Period"). Only that portion of the electricity requirements of a Consumer being supplied by the APTRANSCO shall be subject to restriction by the APTRANSCO during a Restriction Period. The portion of a Consumer's electricity requirements being supplied by the Company through delivered energy shall not be subject to restriction by the APTRANSCO except in the case of a System Emergency. Any restriction imposed by the APTRANSCO on the portion of a Consumer's electricity requirements being supplied by the APTRANSCO shall be applied to such Consumer



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on a non-discriminatory basis relative to other customers of the APTRANSCO taking service from the APTRANSCO under the same category as such Consumer.

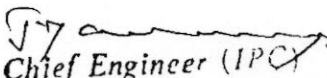
- 2.9 The APTRANSCO shall not be entitled to reduce a Consumer's contracted maximum demand merely as a result of such Consumer's purchase of Wheeled Energy from the Company. Any of the Consumers may apply to the APTRANSCO for increase or decrease in their contracted maximum demand (CMD) with the APTRANSCO and the APTRANSCO may agree to reduce the said CMD permanently or increase the said CMD in accordance with the Terms and Conditions notified by the APTRANSCO.
- 2.10 The APTRANSCO shall not be obligated to disconnect the supply of power to any of the Consumers for any failure on the part of any Consumer to comply with the terms and conditions of any agreements between the Company and such Consumer.
- 2.11 APTRANSCO shall not be required to supply the Allocated Energy or Allocable Delivered Capacity to any of the Consumers whose supply of power has been disconnected by the APTRANSCO for any breach by the said Consumer of any of the Terms and Conditions of supply and the Agreement entered into by him with APTRANSCO, including non-payment of any dues to the APTRANSCO by such Consumer.
- 2.12 Where, in any billing month, any of the Consumers, does not consume the whole or any part of the Allocated Energy allocated to him by the Company, such Unutilised Energy not so consumed, can be banked by the Company which shall be wheeled to Consumers, in any subsequent month on the same Terms and Conditions as are applicable to regular Wheeling of Energy under this Agreement. The Unutilised Energy not so consumed in any billing month (but so banked) shall be ignored in computing the Delivered Energy and the Delivered Capacity in that billing month and added up to the Delivered Energy and Delivered Capacity in the billing month in which it is wheeled from out of the banked energy.
- 2.13 The voltage and frequency at which Delivered Energy is delivered to the APTRANSCO shall be in synchronism with the voltage and frequency of the APTRANSCO's grid. The Company shall operate and maintain the Project used to generate electricity in accordance with prudent Engineering practices applicable for operation of similar utilities by the APTRANSCO.
- 2.14 The Company shall ensure that the power factor of the power delivered to the APTRANSCO is maintained at or above Minimum Power Factor as per Tariff.
- 2.15 Where in any Billing month, the energy supplied by the APTRANSCO to the Company, shall be billed by the APTRANSCO, and the Company shall pay the APTRANSCO for such electricity supplies, at the APTRANSCO's then-effective tariff applicable to High Tension Category-I Consumers. For this purpose, the maximum demand specified in such APTRANSCO's Tariff shall be computed by dividing the amount of such energy supplied by the APTRANSCO by the total hours in the Billing Month.


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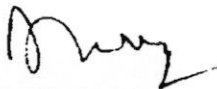

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Explanation: The Generating Plants viz., Wind, Mini Hydel during the plant shut down periods shall draw the energy from APTRANSCO only for the essential loads not exceeding auxiliary consumption.

- 2.16 In the event a Consumer receives energy at a voltage lower than that prescribed by the APTRANSCO, the Voltage Surcharge tariff in the then applicable tariff of the APTRANSCO shall apply to the full demand and energy supplied by APTRANSCO to such Consumer. In case of Allocated energy and Allocable delivered capacity, the difference between voltage surcharge tariff and normal tariff rates shall be collected by APTRANSCO on such allocated energy and allocable delivered capacity supplied by the Company. Such amount will be billed and received by the APTRANSCO.
- 2.17 In the event a Consumer fails to maintain a minimum power factor as prescribed under terms and conditions and Tariff as notified by APTRANSCO from time to time, such Consumer shall be liable for a Power Factor Surcharge, as specified in the then applicable tariff of the APTRANSCO, on the full energy and demand supplied to such Consumer, including any delivered energy and allocable delivered capacity supplied by the Company. Such amount will be billed and received by the APTRANSCO.
- 2.18 The Company shall be responsible for obtaining all approvals, permits or licenses, if any, required in connection with the discharge of its responsibilities and obligations hereunder.
- 2.19 Metering of the energy and maximum demand at the premises of any Consumer shall be done exclusively by the APTRANSCO's staff in accordance with the APTRANSCO's regulations, tariff and terms and conditions of supply, the date of such meter reading, however, coinciding with the meter reading date. The Company may depute its own staff at the time of such meter reading.
- 2.20 Where the meter erected in the premises of any Consumer has become stuck up, burnt or otherwise found defective, in any billing month, the maximum demand and energy consumed including the portion of delivered capacity or delivered energy allocated to him during the said billing month shall be as assessed by the APTRANSCO or its authorised officers under the Terms and Conditions of supply of the APTRANSCO.
- 2.21 Title to Surplus Energy purchased shall pass from the Company to the APTRANSCO at the Interconnection Point. Title to Delivered Energy from the Company to the Consumers shall also pass at the Interconnection Point (subject to the APTRANSCO's obligation to provide Wheeling service for any Delivered Energy).
- 2.22 The Company shall control and operate the Project. The APTRANSCO shall only be entitled to request the Company to reduce electric power and energy deliveries from the Project during a System Emergency, and then only to the extent that in the APTRANSCO's reasonable judgment such a reduction will alleviate the emergency. The APTRANSCO shall give the Company as much advance notice of such a reduction as is practicable under the circumstances and shall use all reasonable efforts to remedy the circumstance causing the reduction as soon as possible. Any reduction required of the Company hereunder shall be implemented in a manner consistent with safe operating procedures.


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2.23 Banking

2.23.1 The APTRANSCO shall accept for banking of any part of the unallocated energy and/or Unutilised Energy by Consumers in a billing month.

2.23.2 The gross energy so banked shall be subject to a banking charge of two (2) percent thereof and only 98 percent of such energy shall be available for future wheeling, which shall be the net banked energy. Banking Charges can be changed and re-fixed by the Commission from time to time.

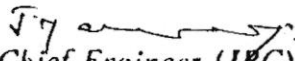
APERC in para 26 of the Order No. 432/2001, dt: 20.6.2001 in O.P.No. 1075/2000, communicated vide APERC letter No. APERC/Secy/F.24/D.No.3355/2001, dt: 21.6.2001 directed that the Wheeling & Banking for captive consumption will continue to be regulated by G.O.Ms.No. 93 Energy (RES) Dept., dt: 18.11.97 till further orders of the Commission. The Wheeling Charges fixed by the Commission in Order No.162/2002 passed in O.P.No.510/2001 on 24.3.2002 are 28.4% of the energy input into the Grid for the purpose of Wheeling, in kind and 50 paise per Unit in Cash.


2.23.3 Banking shall be allowed of any energy delivered (Delivered Energy) during the 12 months of any year, for captive consumption.

2.23.4 The net banked energy of one or more billing months shall be added to the Delivered Energy of any billing month or months, at the discretion of the Company, subject to a written notice in writing delivered to the APTRANSCO, atleast one week prior to the start of the billing month, and wheeled to the Consumers in the same manner and subject to the same conditions as regular Delivered Energy and Delivered Capacity.

2.23.5 Banking arrangement shall be valid for Tariff Year. However, such banked energy would be wheeled for all 12 months for captive consumption, and any net banked energy not subjected to wheeling in succeeding Tariff Year shall lapse.

2.24 If the Consumers are found indulging in theft of energy or other malpractices, the energy supplied by the Company will not be accounted for, in the assessment made on the Consumer as per Terms and Conditions of supply, as the entire wheeled energy supplied by the Company is already accounted for in the recorded energy. Hence the Company is not entitled to make any claim on the assessment made. Such Consumers shall be deleted from the list of Consumers with effect from the billing month, succeeding the date of detection of such offence and they will not be entitled to become Schedule Consumer for a period of six months.



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ARTICLE 3
PURCHASE OF DELIVERED ENERGY AND TARIFF

- 3.1 The Company shall use all reasonable efforts to ensure that all Delivered Energy is consumed by Consumer (other than Delivered Energy that constitutes Wheeling Charges for delivered energy scheduled to be Wheeled to a Consumer), including, but not limited to, reallocating in accordance with Section 2.5 above among the Consumers in the event a Consumer is unable to consume any portion of the Delivered Energy previously scheduled to be Wheeled to such Consumer.
- 3.2 The Delivered Energy at the interconnection point for sale to APTRANSCO will be purchased at the tariff provided for in Article 3.3 from and after the date of Commercial Operation of the Project. Title to Delivered Energy purchased shall pass from the Company to the APTRANSCO at the Interconnection Point.
- 3.3 The Company shall be paid the tariff for the energy delivered at the interconnection point for sale to APTRANSCO at Rs.2.25 paise per unit with escalation at 5% per annum with 1994-95 as base year and to be revised on 1st April of every year upto the year 2003-2004. Beyond the year 2003-2004, the purchase price by APTRANSCO will be decided by Andhra Pradesh Electricity Regulatory Commission. There will be further review of purchase price on completion of ten years from the date of commissioning of the project, when the purchase price will be reworked on the basis of Return on Equity, O&M expenses and the Variable Cost.
- 3.4 The tariff is inclusive of all taxes, duties and levies.
- 3.5 All future increase in Taxes, Duties and Levies on Energy generated is to be borne by the Company.
- 3.6 No wheeling charges or other charges or assessments shall be levied by the APTRANSCO on purchased energy.
- 3.7 Where in any Billing month, the energy supplied by the APTRANSCO to the Company, shall be billed by the APTRANSCO, and the Company shall pay the APTRANSCO for such electricity supplies, at the APTRANSCO's then-effective tariff applicable to High Tension Category-I Consumers. For this purpose, the maximum demand specified in such APTRANSCO's Tariff shall be computed by dividing the amount of such energy supplied by the APTRANSCO by the total hours in the Billing Month.

Explanation: The Generating Plants viz., Wind, Mini Hydel during the plant shut down periods shall draw the energy from APTRANSCO only for the essential loads not exceeding auxiliary consumption.


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ARTICLE 4
INTERCONNECTION FACILITIES

4.1 Upon receipt of a requisition from the Company the APTRANSCO will prepare an estimate for arranging interconnection facilities for power evacuation at the voltage level as per Article 1.24. The Company have to bear the entire cost of the interconnection facilities as per the sanctioned estimate. APTRANSCO shall evaluate, design, install, own, operate and maintain the Interconnection Facilities and perform all work, at the Company's expense, necessary to economically, reliably and safely connect the APTRANSCO's existing system to the Project switch yard.

Explanation: For Wind Farms the development charges shall be paid by the Company at Rs.10 lakhs per MW as per the existing Government orders and APTRANSCO will provide evacuation facilities.

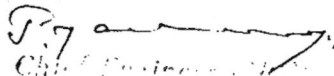
4.2 APTRANSCO may also permit the Company to execute the interconnection facilities for power evacuation as per the sanctioned estimate at it's discretion duly collecting the supervision charges as per procedure in vogue.

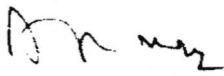
4.3 The maintenance expenses of the interconnection facilities from time to time have to be borne by the Company. The maintenance work on the Generating units has to be done in coordination with the APTRANSCO.

4.4 APTRANSCO has got the right to add any additional loads on the feeder without detrimental to the interests of the existing generating companies on the same feeder.

4.5 Any modifications or procedures or changes in arranging interconnection facilities for power evacuations rests with Government of Andhra Pradesh/APTRANSCO. The orders of Government of Andhra Pradesh for any changes in payment of developmental charges in respect of Wind Farms for power evacuation is applicable.

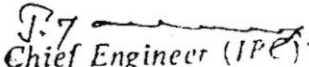
4.6 During the period prior to the Commercial Operation Date, on the request of the Company, the APTRANSCO will supply energy to the Project for any purpose, on the Terms and Conditions and at the tariff rates that are applicable from time to time to the category of Consumers of the APTRANSCO to which the Company belongs, provided separate metering arrangements as may be required under the Terms and Conditions of such tariff have been installed at the Project.



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ARTICLE 5
METERING AND PROTECTION


- 5.1 The Company shall install main meters of Static type 0.2-class accuracy at the Interconnection Point and the APTRANSCO shall install check meters of Static type at the same point and of the same accuracy. The main meters and check meters will each consist of a pair of export and import meters.
- 5.2 All of the meters required to be installed pursuant to Article 5.1 above shall be jointly inspected and sealed on behalf of both parties and shall not be interfered with, tested or checked except in the presence of representatives of both parties.
- 5.3 The meter readings from the main meters will form the basis of billing. If any of the meters required to be installed pursuant to Article 5.1 above are found to be registering inaccurately the affected meter will be immediately be replaced.
- 5.4 Where the half yearly meter check indicates an error in one of the main meter/meters beyond the limits for such meter but no such error is indicated in the corresponding check meter/meters, billing for the month will be done on the basis of the reading on the check meter/meters and the main meter will be replaced immediately.
- 5.5 If during the half yearly test checks, both the main meters and the corresponding check meters are found to be beyond permissible limits of error, both the meters shall be immediately replaced and the correction applied to the consumption registered by the main meter to arrive at the correct delivered energy for billing purposes for the period of the one month upto the time of such test check, computation of delivered energy for the period thereafter till the next monthly meter reading shall be as per the replaced main meter.
- 5.6 Corrections in delivered energy billing, whenever necessary, shall be applicable to the period between the previous monthly meter reading and the date and time of the test calibration in the current month when the error is observed and this correction shall be for the full value of the absolute error. For the purpose of determining the correction to be applied to any meter registering inaccurately, the meter shall be tested under conditions simulating 100, 50, 20 and 10 percent load at unity power factor and 0.5 power factor. Of these eight values, the error at the load and power factor nearest the average monthly load served at the Interconnection Point during the applicable period shall be taken as the error to be applied for correction.
- 5.7 If both the main and check meters fail to record or if any of the PT fuses are blown out, then the energy will be computed on a mutually agreeable basis for that period of defect.
- 5.8 The main and check meters shall be tested and calibrated utilizing a Standard Meter. The Standard Meter shall be calibrated once in every year at the approved Laboratory by Government of India/Government of Andhra Pradesh, as per Terms and Conditions of supply.


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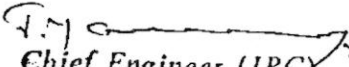
- 5.9 All main and check meter tests shall be jointly conducted by the authorized representatives of both parties and the results and correction so arrived at mutually will be applicable and binding on both the parties.
- 5.10 On the Metering Date each month meter readings shall be taken (and an acknowledgement thereof signed) by the authorized representatives of both parties.
- 5.11 Within six (6) months following the execution of this Agreement, the Company and the APTRANSCO shall mutually agree to technical and performance specifications (including, but not limited to, the metering configuration for the Project) concerning the design and operation of the facilities required to be installed by the Company in order for the Company to operate in parallel with the APTRANSCO's grid. Thereafter, any change in such specifications shall be subject to mutual agreement of the parties.
- 5.12 The Project shall be operated and maintained in accordance with good and generally accepted utility standards with respect to synchronizing, voltage, frequency and reactive power control.
- 5.13 Voltage regulation shall be such as to enable continued paralleling and synchronisation with the grid voltage at the point of interconnection.
- 5.14 The equipment of the Company shall be designed for fluctuations in the frequency within limits of -5% and +3% of the standard frequency of 50 cycles per second.
- 5.15 The Company shall ensure that the power factor of the power delivered to the APTRANSCO is maintained at or above the Minimum Power Factor as per Tariff Notification, or otherwise pay Surcharge as per Tariff Notification in force.
- 5.16 Any change in rupturing capacity of switch-gear, settings of the relays, etc., shall be subject to approval of the APTRANSCO.
- 5.17 As the Project's generator may carry fault currents that may occur on the APTRANSCO's grid, the Company shall provide adequate generator and switchgear protection against such faults. The APTRANSCO is not responsible for damage, if any, caused to the Project's generator and allied equipment during parallel operation of the generator with the APTRANSCO's grid.
- 5.18 The Company shall make a good faith effort to operate the Project in such a manner as to avoid fluctuations and disturbances to the APTRANSCO's grid due to parallel operation with the grid.
- 5.19 The Company shall control and operate the Project. The APTRANSCO shall only be entitled to request the Company to reduce electric power and energy deliveries from the Project during a System Emergency, and then only to the extent that in the APTRANSCO's reasonable judgment such a reduction will alleviate the emergency. The APTRANSCO shall give the Company as much advance notice of such a reduction as is practicable under the circumstances and shall use all reasonable efforts to remedy the circumstance causing the reduction as soon as possible. Any reduction required of the Company hereunder shall be implemented in a manner consistent with safe operating procedures.

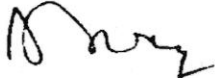

P. J. [unclear]
APTRANSCO, [unclear]


D. B. RAO
Addl General Manager

5.20 In case of Wind Farms / Mini Hydel Projects where Induction Generators are installed the following shall be observed:


- i) Starting current of the generator shall not exceed the full load current of the machine. Necessary current limiting devices shall be provided.
- ii) Auto-switched capacitor banks shall be used to maintain Power factor of the power delivered to the APTRANSCO at or above the Minimum Power Factor as per Tariff Notification.
- iii) Automatic switching off of the machines shall be provided in case APTRANSCO supply fails.



Chief Engineer (IPCY)
APTRANSCO, Vidyut Soudha
HYDRABAD-500 082.


D. B. RAO
Addl General Manager
BHEL / ROD / Sec'bad

ARTICLE 6
BILLING AND PAYMENT

- 6.1 For Delivered Energy purchased, the Company shall furnish a bill to the APTRANSCO calculated at the rate provided for in Article 3.3, in such form as may be mutually agreed between the APTRANSCO and the Company, for the billing month on or before the 5th working day following the metering date.
- 6.2 Any payment made beyond the due date of payment, APTRANSCO shall pay interest at a rate of 10% per annum as per existing nationalised bank rate and in case this rate is reduced, such reduced rate is applicable from the date of reduction.
- 6.3 The APTRANSCO shall pay the bill on monthly basis as per Article 6.1, by opening a revolving Letter of Credit for a minimum period of one year in favour of the Company.
- 6.4 **Letter of Credit:** Not later than 30 days prior to the Scheduled COD of the first Generating Unit, APTRANSCO shall cause to be in effect an irrevocable revolving Letter of Credit issued in favour of the Company by a Scheduled Bank (the Letter of Credit). Each Letter of Credit shall
- (a) on the date it is issued, have a term of one year;
 - (b) be payable upon the execution and presentation by an officer of the Company of a sight draft to the issuer of such Letter of Credit supported by a meter reading statement accepted and signed by both parties or a certification from the Company that the APTRANSCO failed to sign the meter reading statements within five days of the metering date or that a supplemental bill has been issued and remains unpaid until the due date of payment;
 - (c) provide that the Company shall have the right to draw upon such Letter of Credit notwithstanding any failure by the APTRANSCO to reimburse the issuer thereof for any draw down made under; and
 - (d) not less than 30 days prior to the expiration of any Letter of Credit, the APTRANSCO shall provide a new or replacement Letter of Credit. Each monthly bill or supplemental bill shall be presented at the said Scheduled Bank for payment under the Letter of Credit and shall become payable thereunder. The opening charges for Letter of Credit (L/C) and Letter of Credit (L/C) negotiation charges will be borne by the beneficiary i.e., Company.
- 6.5 **Direct Payment:** Notwithstanding the fact that a Letter of Credit has been opened, in the event that through the actions of the APTRANSCO, the Company is not able to make a draw upon the Letter of Credit for the full amount of any bill, the Company shall have the right to require the APTRANSCO to make direct payment of any bill by cheque or otherwise on or before the due date of payment by delivering to the APTRANSCO on or prior to the due date of payment of such bill a notice requiring payment in the foregoing manner. Without prejudice to the right of the Company to draw upon the Letter of Credit if payment is not received in full, the APTRANSCO shall have the right to make direct payment by cheque or otherwise of any bill such that within 30 days after the date of its presentation to the designated officer of the


S. J. [unclear]


[unclear]

APTRANSCO, the Company shall receive payment in full for such bill. When either such direct payment is made, the Company shall not present the same bill to the Scheduled Bank for payment against the Letter of Credit.

- 6.6 **Billing disputes:** The APTRANSCO shall pay the bills of the Company promptly subject to the clauses 6.1 and 6.2 above.

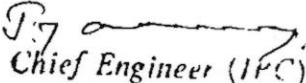
The APTRANSCO shall notify the Company in respect of any disallowed amount on account of any dispute as to all or any portion of the bill. The Company shall immediately take up issue with all relevant information with APTRANSCO which shall be rectified by the APTRANSCO, if found satisfactory. Otherwise notify its (APTRANSCO's) rejection of the disputed claim within reasonable time with reasons therefor. The dispute may also be decided by mutual agreement. If the resolution of any dispute requires the APTRANSCO to reimburse the Company, the amount to be reimbursed shall bear interest at 10% per annum from the date of disallowance to the date of reimbursement.


- 6.7 All payments by the APTRANSCO to the Company hereunder shall be made to such address as may be designated by the Company to the APTRANSCO in writing from time to time.

Address : Additional General Manger,
M/s BHEL, Regional Operations Division,
"Ek tara" Building, 39,
Sarojini Devi Road,
Secunderabad - 500 003

Fax : 040 - 7700716

Telephone : 040 - 7703209, 7702930, 7804357


Chief Engineer (IPC)
APTRANSCO, Vidyut Soudha
HYDERABAD-500 082.


D. B. RAO
Addl General Manager
BHEL / ROD / Sec'bad


ARTICLE 7 UNDERTAKING

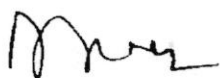
7.1 The Company shall be responsible:

- (i) for the proper maintenance of the project in accordance with established prudent utility practices.
- (ii) for the operation, maintenance, overhaul of the plant, equipment, works, switch yard and transmission lines and equipment up to the Interconnection Point of the project in close coordination with the APTRANSCO.
- (iii) for making all payments on account of any taxes, cesses, duties, or levies imposed by any Government or competent statutory authority on the land, equipment, material or works of the project or on the energy generated or consumed by the project or the Company or on the income or assets of the Company.
- (iv) for obtaining necessary approvals, permits or licences for operation of the project and sale of energy to APTRANSCO there from under the provision of the relevant laws.
- (v) Non-conventional energy Projects sanctioned by NEDCAP, which use the generation partially or fully for captive purposes, will have to seek permission from the Commission U/S 21 (3) of Andhra Pradesh Reform Act, 1998 for captive use of the energy generated.
- (vi) the Project Developer using power for Captive Consumption and supplying Electricity to the Colony constructed by it for its employees on no-profit no-loss basis and coming under general exemption as per amended APERC's Regulation No. 8 dt. 04-09-2000, shall have to comply with directions of PART II Para 5 (43)(6) of above regulations.
- (vii) the Company have to comply with the provisions of the AP Code of Technical Interface (Grid Code).

7.2 The APTRANSCO agrees:

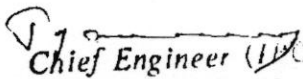
- (i) to make all reasonable efforts for making arrangements for evacuation of power from the project to be completed prior to the Commercial Operation Date of the Project subject to Article 4.
- (ii) for the wheeling of the Delivered Energy to the Consumers, and banking of energy subject to the provision of this agreement.
- (iii) for purchase of Delivered Energy from the project as per section 3.3.

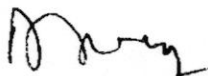

APTRANSCO, 19th Mile S. road
GATEWAY ROAD - 500082.


D. B. RAO
Addl General Manager
BHEL / ROD / Sec'bad

**ARTICLE 8
DURATION OF AGREEMENT**

This Agreement shall be effective upon its execution and delivery thereof between parties hereto and shall continue in force from the billing month of July, 2002 and until 30.6.2004. This Agreement may be renewed for such further period of time and on such terms and conditions as may be mutually agreed upon by the parties, 90 days prior to the expiry of the said period, subject to the consent of the APERC. Any and all incentives/conditions envisaged in the Articles of this Agreement are subject to modification from time to time as per the directions of APERC, Government of Andhra Pradesh and APTRANSCO.


Chief Engineer (D.C.)
APTRANSCO, Vidyut Soudha
HYDERABAD-500 082.


D. B. BAO
Addl General Manager
BHEL / ROD / Sec'bad

**ARTICLE 9
NOTICES**

- 9.1 Except as otherwise expressly provided in this Agreement, all notices or other communications which are required or permitted hereunder shall be in writing and sufficient if delivered personally or sent by registered or certified mail, teletype, telex or telegram addressed as follows:

If to the Company:

Attention : Additional General Manager,
M/s BHEL, Regional Operations Division,
"Ek tara" Building, 39,
Sarojini Devi Road,
Secunderabad - 500 003

Fax No. : 040 - 7700716

Telephone No. : 040 - 7703209, 7702930, 7804357

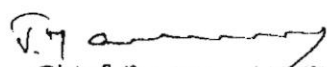
If to the APTRANSCO:


Attention : Chief Engineer,
Investment Promotion Cell,
APTRANSCO, Vidyut Soudha,
Hyderabad - 500 082.

Fax No. : 040 - 3313791

Telephone No. : 040 - 3393304

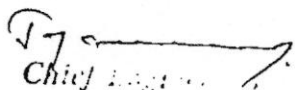
- 9.2 All notices or communications given by teletype, telex or telegram shall be confirmed by depositing a copy of the same in the post office in an envelope properly addressed to the appropriate party for delivery by registered or certified mail. All notices shall be deemed delivered upon receipt, including notices given by teletype, telex or telegram regardless of the date the confirmation of such notice is received.
- 9.3 Any party may by written notice change the address and/or addresses to which such notices and communications to it are to be delivered or mailed.

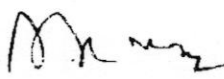

Chief Engineer (I/C)
APTRANSCO, Vidyut Soudha
HYDERABAD-500 082.


D. B. RAO
Addl. General Manager
BHEL / ROD / Sec'bad

**ARTICLE 10
DEFAULT**

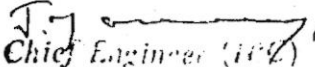
- 10.1 In the event, APTRANSCO commits a breach of any of the terms of this Agreement, the Company shall be entitled to specific performance of this Agreement or claimed such damages as would be available under Law or both, at its option, by giving 30 days notice to APTRANSCO.
- 10.2 In the event, Company commits a breach of any of the terms of this Agreement, the APTRANSCO shall be entitled to specific performance of this Agreement or claimed such damages as would be available under Law or both, at its option, by giving 30 days notice to Company.
- 10.3 If the default continues for a period of 30 days or more, either party will have a right to issue a preliminary notice for termination of this Agreement. If the default is not cured within 30 days thereafter, either party can terminate this Agreement and can claim damages at its option.

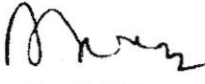

Chief Engineer
APTRANSCO, Vidyal Sankha
HYDERABAD-500 082.


D. B. RAO
Addl General Manager
BHEL / ROD / Sec'bad

ARTICLE 11
SUBSEQUENT COMMISSION / GOVERNMENTAL ACTIONS

If as a result of any act, restraint or regulation by the Commission, State or Central Government Authority, Department, Ministry, whether part of legislative, executive, or judicial branch, the Company's ability to Wheel Delivered Energy to Consumers can be materially abridged or abrogated, at the request of the Company, APTRANSCO agrees to negotiate in good faith with the Company for an arrangement mutually agreed to by both the parties, whereby, the Company would sell and the APTRANSCO would purchase the energy produced by the Project.

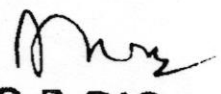

Chief Engineer (EE)
APTRANSCO, Vidyut Soudha
HYDERABAD-500082.


D. B. RAO
Addl General Manager
BHEL / ROD / Sec'bad

**ARTICLE 12
SPECIAL PROVISIONS**

- 12.1 The waiver of any breach or failure to enforce any of the terms, covenants or conditions of this Agreement shall not in any way affect, limit, modify or waive the future enforcement of such terms, covenants or conditions.
- 12.2 No oral or written modification of this Agreement either before or after its execution shall be of any force or effect unless such modification is in writing and signed by the duly authorized representatives of the Company and the APTRANSCO, subject to the condition that any further modification of the Agreement shall be done only with the prior approval of Andhra Pradesh Electricity Regulatory Commission. However, the amendments to the Agreement as per the respective orders of APERC from time to time shall be carried out. All the conditions mentioned in the Agreement are with the consent of APERC.
- 12.3 WHEREAS, the Power Purchase & Captive Wheeling Agreement is in line with the incentives allowed for Wheeling & Banking and Charges for Captive Consumption, in G.O.Ms.No.93 Energy (RES) Department dated 18.11.97 read with G.O.Ms.No.112 Energy (RES) Department dated 22.12.98 and the copies of the G.Os are attached as Schedule 5 and 6 respectively. The Wheeling & Banking and Charges for Captive Consumption, shall be reviewed by Andhra Pradesh Electricity Regulatory Commission (APERC). APERC in para 26 of the Order No. 432/2001, dt: 20.6.2001 in O.P.No. 1075/2000, communicated vide APERC letter No. APERC/Secy/F.24/ D.No.3355/2001, dt: 21.6.2001 directed that the Wheeling & Banking for captive consumption will continue to be regulated by G.O.Ms.No. 93 Energy (RES) Department, dated 18.11.97 till further orders of the Commission. The Wheeling Charges shall be as per the APERC Order No. 162/2002 passed in O.P. No. 510/2001 on 24.03.2002.
- 12.4 However, in respect of power evacuation, the voltage levels for interfacing with APTRANSCO's Grid will be as per Article 1.24. The cost of interconnection facilities have to be borne by the Company as per Article 4.
- 12.5 The invalidity or unenforceability for any reason of any provision of this Agreement shall not prejudice or affect the validity or enforceability of any other provision of this Agreement.
- 12.6 The failure of any party to insist in one or more instances upon the strict performance of any of the provisions of this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of any such provisions or relinquishment of any such rights but the same shall continue in full force and effect.
- 12.7 Unless the context otherwise requires, every arrangement, procedure or any other matter which is, under any of the provisions of this Agreement, required to be mutually agreed upon between the parties, shall be concluded by a written Agreement between the parties not later than the date specified in the concerned clause of this Agreement, subject to the consent of the APERC.
- 12.8 This Agreement, including Schedule 1, 2, 3, 4, 5, 6, 7 & 7A attached hereto, constitute the entire agreement between the parties with respect to the subject matter hereof, and


Chief Engineer (IPC)



there are no oral or written understandings, representations or commitments of any kind, express or implied, not set forth herein.

- 12.9 The headings contained herein are included solely for the convenience of the parties and are not to be used as a basis for interpreting the various sections of this Agreement.
- 12.10 The parties each agree to act in good faith in implementing the terms and conditions of this Agreement and in carrying out their respective obligations hereunder.
- 12.11 In the event of the merger or re-organisation of APTRANSCO, if the resulting entity is able to perform APTRANSCO's obligations hereunder in no less a manner than APTRANSCO, the resulting entity shall take the right and responsibility for performance of APTRANSCO's obligations.
- 12.12 In the event of the merger or re-organisation of Company if the resulting entity is able to perform Company's obligations hereunder in no less a manner than Company, the resulting entity shall take the right and responsibility for performance of Company's obligations.
- 12.13 **Assignment and Financing:** Neither party shall assign this Agreement or any portion thereof to any third party without the prior written consent of the other party which consent shall not be unreasonably withheld.

IN WITNESS WHEREOF, the Company and the APTRANSCO have caused this Agreement to be executed as of the date and the year first set forth above.

For and behalf of

TRANSMISSION CORPORATION OF ANDHRA PRADESH LIMITED

WITNESS

1.

V. Venkatarao 22/07/02
(V. Venkatarao)
SS/PPCA
By:

2.

N. Umamaheswari 22.7.2002
(N. UMA MAHESWARI IAS)
Its:

V. Jayaram 22/7/2002
Chief Engineer (IPC)
APTRANSCO, Vidyut Soudha
HYDERABAD-500 082.

For and behalf of

M/s BHARAT HEAVY ELECTRICALS LIMITED

WITNESS

1.

A. V. S. Mohan
(A. V. SUMA MOHANI)
BHEL (RD) Sec'bad.

By:

2.

[Signature]
SPO 22/07/02
Its:

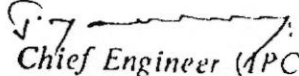
[Signature] 22/7/2002
D. B. RAO
Addl General Manager
BHEL / ROD / Sec'bad


SCHEDULE 1

Particulars of the Project (referred to in the Preamble to the Agreement)

Name of the Project	Location	No. of Units	Capacity of each Generator	Capacity of the Station
Wind power project by M/s Bharat Heavy Electricals Limited.	Near Kadavakallu, Anatapur Dist.	16	250 KW M/s BHEL - NORDEX make Induction Generator	4 MW (*)

- (*) - Out of which 0.13 MW for Auxiliary Consumption, 1.32 MW for Captive Consumption by Wheeling & balance 2.55 MW for Sale to APTRANSCO.


Chief Engineer (APC)
APTRANSCO, Vidyut Soudha
HYDERABAD-500 082.


D. B. RAO
Addl General Manager
BHEL / ROD / Sec'bad

SCHEDULE 2
(Copy of Sanction letter to the Company from NEDCAP dated 24.08.1998)
Non-Conventional Energy Development Corporation of Andhra Pradesh Ltd.

Ref: NEDCAP/WE/3994/98/1714

Date: 24.8.1998

PROCEEDINGS

Sub: Wind Power Project under wind estate - Communication of sanction for the project - Reg.

- Ref:
1. Your application for allotment of wind farm dated 17.8.98.
 2. G.O.Ms.No.64, dt: 29.3.94 of Energy & Forests (RES) Dept., Government of Andhra Pradesh.
 3. Approval accorded by the Board of NEDCAP in its 161th Board Meeting held on 19.8.98.

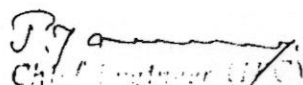
In the reference 1st cited, M/s Bharat Heavy Electricals Limited, Ranipet have applied to NEDCAP for allotment of 4.00 MW capacity wind power project at kadavakallu, Anantapur District for generation of electric power for captive consumption/Third Party Sale/Commercial.

As per the orders issued by the State Government in the reference 2nd cited, wherein NEDCAP is permitted to sanction wind power projects of capacity upto 20 MW, the Board of NEDCAP in its meeting held on 19.8.98 has considered the application and accorded approval for sanction of wind power project under wind estate scheme.

4.00 MW (Four megawatts only) capacity wind power project is sanctioned to M/s Bharat Heavy Electricals Limited, Ranipet to setup at Kadavakallu location, Anantapur District for captive consumption/third party sale/commercial.

The sanction accorded above is subjected to the following conditions:

1. Under the project sanction, the windmills, which are having type approval including power curve certification from designated international test stations and classification societies, shall only be installed. The execution of works shall be in line with the type approval issued.
2. No second hand or used wind turbines, imported from abroad shall be installed.
3. The Developer should apply for land within one month from the date of clearance and if it is not done so, it automatically gets cancelled.
4. If there is any change in the proposal submitted along with the application, the same shall be brought to the notice of NEDCAP and approval shall be obtained for such changes.


B. B. RAO
Addl. General Manager
HYDERABAD-500 082.


B. B. RAO
Addl. General Manager

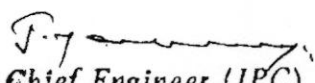
5. The wind farm developer should ensure that the windmill generate grid quality power with power factor not less than 0.85 and should draw minimum reactive power.
6. Proper micrositing coupled with selection of machines should be undertaken for optimum utilization of land.
7. The wind farm developer shall submit Detailed Project Report (DPR) indicating the machinery details, copies of purchase order details, land details including micrositing details, for issue of final approval for the project and to recommend for allotment of land.
8. The land required for the wind farm will be allotted by NEDCAP at the market value fixed by the Govt. The windmills shall be installed in the areas notified by NEDCAP only.
9. The wind farm developer shall enter into an agreement with NEDCAP and shall pay service charges @ 1% of the project cost, considering Rs. 4 Lakhs/MW, out of which 50% at the time of Agreement and balance at the time of land allotment. An irrevocable Bank guarantee of Rs. 25,000/- per megawatt valid for a period of 18 months shall be furnished at the time of agreement. This amount will be adjusted against penalties imposed, if any, due to delay in execution of the project.
10. The development charges for power evacuation to APSEB shall also be paid at the time of entering into agreement with NEDCAP.
11. The wind farm developers shall follow the guidelines issued by MNES/State Govt./NEDCAP from time to time.
12. The wind farm developers shall submit monthly progress reports to NEDCAP on status of the project.


The receipt of the letter may be acknowledged along with communicating action plan for implementation of project sanctioned.

Sd/-
MANAGING DIRECTOR

To
M/s Bharat Heavy Electricals Limited,
Ranipet - 632 406.
Tamilnadu State.

Copy to: The Secretary to Government, Energy Department, GOAP, Hyderabad.
The Secretary to Govt., Revenue Department, GOAP, Hyderabad.
The Commissioner of Land Revenue, Nampally, GOAP, Hyderabad.
The Chairman, APSEB, Vidyut Soudha, Hyderabad.
The District Collector, Anantapur.
The District Manager, Anantapur.


Chief Engineer (IPC)
APTRANSCO. Vidyut Soudha


D. B. RAO

SCHEDULE 3

(Copy of Agreement made by the Company with NEDCAP on 8.2.1999)

AGREEMENT

This Agreement is made on this Eighth day of February, 1999 between the Non-conventional Energy Development Corporation of A.P. Ltd., (NEDCAP) on one part which term shall mean and include its successors, legal representatives and assignees, etc., (hereinafter called NEDCAP) represented by its Managing Director, and M/s Bharat Heavy Electricals Limited called the Company having its registered office at BHEL House, Sirifort, New Delhi - 110 049, which expression shall include its successors, legal representatives and assignees represented by its Authorized Representative.


Whereas the Company has made an application dated 17.8.98 to the NEDCAP to setup wind mills with capacity of 4.0 MW for power generation at Kadavakallu location for captive consumption and/or commercial under wind estate scheme.

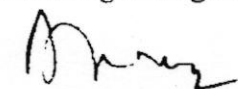
AND WHEREAS, NEDCAP has accorded permission to the Company to setup 4.0 MW Wind Farm Project in Private Sector in Lr.No.NEDCAP/WE/3944/98, dated 24.8.98, at Kadavakallu location, as per G.O.Ms.No.64, dated 29.03.94 and 79 dated 8.9.97.

NOW, THEREFORE, IT IS THEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS UNDER:

- (1) The Company shall make an application to NEDCAP to the extent of the land required to setup the Wind Farm, keeping in view the capacity allotted.
- (2) NEDCAP will allot the Government land to the Company, at the identified location at the market value fixed by the Government, 4.0 MW capacity, subject to the condition that the land shall not used for any purpose other than for setting up a wind energy farm and the Company has agreed for any other condition that may be prescribed by the Government of Andhra Pradesh from time to time.
- (3) The Company will pay the cost of land development, cost of internal and approach roads including any other charges as fixed by NEDCAP on pro-rata basis based capacities allotted.
- (4) The Company shall enter into an agreement with the Andhra Pradesh State Electricity Board for evacuation of power and its sale as per the terms and conditions mutually agreed upon.
- (5) The Company shall pay 1% of the Project cost towards consultancy and service charges for the following services to NEDCAP @ 0.5% of the Project cost, at the time of entering into agreement and balance 0.5% at the time of placing P.O. by the developer.

(a) Identification of site (b) Acquisition of land from Govt. and allotment at cost (c) contour survey (d) Micro siting (e) Land development at cost (f) common tendering, tender evaluation (g) co-ordination with APSEB for interfacing arrangement (h) Tech. Supervision of erections & commissioning.


Chief Engineer (IPC)


D. B. RAO

- (6) The Company shall obtain all clearances necessary for installation of Wind Farms in accordance with statutory provisions, guidelines issued by the Government of India and Government of Andhra Pradesh from time to time.
- (7) The Company shall complete the financial closing within a period of six months from the date of signing of the Agreement or before such extensions as may be accepted and granted by NEDCAP on request by the Company on account of delays in obtaining all necessary consents, licences, authorisations and clearances required from the Government of Andhra Pradesh and Government of India.
- (8) The Company shall execute the contract within one year from the date of agreement. In case, the Company fails to execute work within stipulated time, the Company shall take an extension from the Managing Director, NEDCAP. In the event of failure to do so, NEDCAP will recommend to Government for the resumption of land.
- (9) At the time of land allotment, the Company shall give a schedule of execution of the Project, which must be commissioned within a period of one year from the date of Agreement. The Company shall provide an irrevocable bank guarantee of Rs. 25,000/- (Rupees Twenty five thousand only) per megawatt at the time of agreement, for a period of one and half years (18 months). The amount will be adjusted against penalties imposed, if any, due to delay in execution of the Project.
- (10) If the Company fails to complete the Project as per agreed schedule, for each fortnight delay in commissioning of the Project, a penalty of 20% of the Bank Guarantee amount, i.e., Rs. 5,000/- per megawatt will be imposed. If the Project is not commissioned within three months beyond the schedule date of commissioning as per the agreement, the agreement would stand automatically annulled. All permission including the allotment of land would stand automatically cancelled and the bank guarantee given by the Company will be encashed.
- (11) The Company shall permit the other Wind Developers to use the roads and other infrastructure facilities if any on the allotted land and also provide infrastructure and other facilities for conveyance and for transmission of power necessary in that area.
- (12) The Company shall permit the officers of the Non-Conventional Energy Development Corporation of A.P Ltd./Government of Andhra Pradesh/Government of India for inspection/verification.
- (13) All the disputes arising out of this agreement shall be under the jurisdiction of Hyderabad Courts.

IN WITNESSES WHEREOF the parties above have set their hands and signed this Agreement on the day, month and year above mentioned.

FOR BHARAT HEAVY ELECTRICALS LTD.

Sd/-
Director

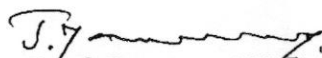
FOR NON-CONVENTIONAL
ENERGY DEVELOPMENT
CORPORATION OF A.P.
LIMITED (NEDCAP)

Sd/-
Managing Director

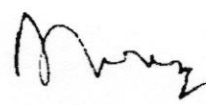
Witnesses:

1. Sd/-

2. Sd/-


Chief Engineer (I.P.C.)

30

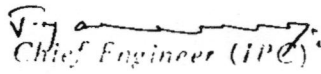

D. B. RAO


SCHEDULE 4

(Schedule list of Consumers as referred to Article 1.7)

Sl No	Name of the Consumer & Address	APTRANSCO's Consumer No. & Category	CMD in KVA	Voltage Level	Purpose
1	M/s Bharat Heavy Electricals Ltd., Ramachandrapuram unit, Hyderabad.	RRD 176 H.T. Cat -I	13000	132 KV	Captive Use
2	M/s Bharat Heavy Electricals Ltd., R&D Unit, Vikas Nagar, Hyderabad - 500 093	HDN 297 H.T. Cat - II	1000	33 KV	Captive Use
3	APTRANSCO	--	--	--	Surplus Power, if any, for sale

Note: Out of 4.00 MW the Company utilises 0.13 MW for Auxiliary Consumption, 1.32 MW for Captive Consumption by Wheeling & balance 2.55 MW for Sale to APTRANSCO.


Chief Engineer (IPC)
APTRANSCO, Adyut Soudha
HYDERABAD-500082.


B. B. RAO
Addl. General Manager
BHEL / ROD / Sec'yd

SCHEDULE 5

(Copy of G.O.Ms.No.93 Energy (RES) Department dated 18.11.1997)

GOVERNMENT OF ANDHRA PRADESH ABSTRACT

WIND POWER PROJECTS in Private Sector - Uniform Incentives to Entrepreneurs - Further Orders Issued.

ENERGY (RES) DEPARTMENT

G.O.Ms.No.93

Dated 18.11.1997

Read the following:-

1. From the Director, Power Group Ministry of Non-Conventional Energy Sources Lr.No.66/86/93-PG dated 13.9.1993.
2. From the Director (Power) Ministry of Non-Conventional Energy Sources, New Delhi Lr.No.66/221/94-WE/PG dated 25.11.1994.
3. G.O.Ms.No.19 Energy (RES) Department dated 16.3.1996.
4. From the MD/NEDCAP D.O.Lr.No.NEDCAP/PO/CG/7077/96-97 dt.15.4.97.


ORDER:

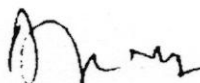
In the reference 1st read above, the Ministry of Non-Conventional Energy Sources, Government of India have issued guidelines for promotional and Fiscal incentives to be given by State Governments for power generation from Non-Conventional Energy Sources. The incentives are envisaged to encourage power generation in the Non-Conventional Sector which are renewable and encouragement from the Government for this sector is necessary in view of the fast depletion of fossilifuels. Further, the Renewable/Non-Conventional Energy Sources are least pollution-effecting.

In the G.O third read above, the Government have accorded certain revised incentives in respect of the Developers with whom Non-Conventional Energy Development Corporation of Andhra Pradesh had already entered into Memoranda of Understanding based on the guidelines existing prior to 15th November 1995.

While reviewing the incentives made available to the sectors, certain representations were received from some of the Non-Conventional Energy Developers, and they have requested for extending the benefits available to other sectors.

A review of the incentives made available to various sectors of Non-Conventional Energy was made in the presence of officials from Non-Conventional Energy Development Corporation of Andhra Pradesh and Andhra Pradesh State Electricity Board, duly keeping in view the guidelines of Ministry of Non-Conventional Energy Sources, Government of India, dated 13.9.1993. A view was taken to make available the incentives to all the Non-Conventional Energy Sources uniformly.


Chief Engineer (IPC)
APTRANSCO, Vidyut Soudha


D. B. RAO

The Government after careful examination of the recommendations and with a view to encourage generation of electricity from renewable sources of energy hereby allow the following uniform incentives to all the Projects based on Renewable Sources of energy viz., Wind, Biomass, Cogeneration, Municipal Waste and Mini Hydel.

S.No	Description	
1.	Power Purchase Price	Rs.2.25/-
2.	Escalation	5% per annum with 1997-98 as base year and to be revised on 1 st April of every year upto the year 2000 AD.
3.	Wheeling Charges	2%
4.	Third Party Sales	Allowed at a tariff not lower than HT tariff of A.P.S.E.Board.
5.	Banking	Allowed upto 12 months.
(a)	Captive Consumption	Allowed throughout the year on 2% banking charges.
(b)	Third Party Sale	Allowed on 2% banking charges from August to March.

This order issues with the concurrence of Finance & Planning (Fin.) Department vide their U.O.No.48291/351/EBS-EFES&T/97 dated 18.11.1997.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

V.S.SAMPATH,
SECRETARY TO GOVERNMENT.

To

The Chairman, A.P State Electricity Board, Hyderabad.

The Member Secretary, A.P State Electricity Board, Hyderabad.

The Managing Director, Non-Conventional Energy Development Corporation of Andhra Pradesh, Hyderabad.

The Secretary to Government of India, Ministry of Non-Conventional Energy Sources, Block No.14, C.G.O Complex, Lodi Road, New Delhi - 110 003.

The Principal Scientific Officer, Ministry of Non-Conventional Energy Sources, Regional Office, H.No.1-11-222/6/D, Gowrisadan, Begumpet, Hyderabad - 500 016.

Copy to:

The Principal Accountant General, A.P., Hyderabad.

The Pay & Accounts Officer, Hyderabad.

The All District Collectors.

The Special Commissioner, Government of Andhra Pradesh, No.1, Ashok Road, New Delhi.

All the Heads of Departments under the control of Energy Department.

The Assistant Director, Publicity Cell, Information & Public Relations Department.

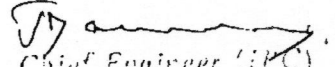
All the Departments of Secretariat.

The General Administration (Cabinet) Department - with reference to the Counsel Resolution No.424/97 dated 24.10.1997.

P.S to Secretary to Chief Minister.

P.S to Joint Secretary to Chief Minister.

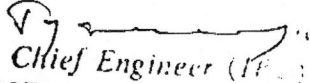
The Chief Secretary to Government.



Chief Engineer (IPC)
APTRANSLO, Vidyanandapur

P.S to Principal Secretary to Government (IF), Finance & Planning (FW) Department.
P.A to Deputy Secretary to Government, Energy Department.
O.P Section, Energy Department.
Power-I Section, Energy Department.
Power-II Section, Energy Department.
Power-III Section, Energy Department.
G.O referred to above.
S.F/S.C

// Forwarded :: By Order //

Sd/-
Section Officer.


Chief Engineer (IF)
APTRANSCO, Vidya Soudha
HYDERABAD-500 082.


D. B. RAO
Addl General Manager
BHEL / ROD / Sec'bad

SCHEDULE 6

(Copy of G.O.Ms.No.112 Energy (RES) Department dated 22.12.1998)

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Uniform Incentives to Entrepreneurs/Developers using Non-Conventional Energy Sources for Power Generation - Certain Amendments - Issued.

ENERGY (RES) DEPARTMENT

G.O.Ms.No.112

Dated 22.12.1998

Read the following:-

G.O.Ms.No.93 dated 18.11.1997 Energy (RES) Department.

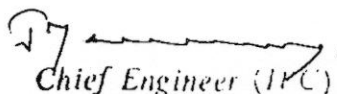
ORDER:

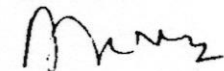
In the Government Order cited, certain uniform incentives were extended to the Developers of Power Projects using Wind, Biomass, Cogeneration, Municipal Wastes and Mini Hydel for promotion of and to encourage generation of electricity from renewable sources of energy. In order to remove certain ambiguities in the implementation of uniform incentives scheme and also to ensure that the incentives contemplated are channelled for promotion and development of Non-Conventional Energy Sources, in keeping with the spirit of Government order cited, the following amendments are issued:

- (1) The uniform incentives specified in G.O.Ms.No.93 dated 18.11.97 shall be available only to the Power Projects where fuel used is from Non-Conventional Energy Sources which are on the nature of renewable sources of energy.
- (2) The operation of the incentives scheme shall be watched for a period of 3 years and at the end of 3 years period from the date of G.O.Ms.No.93, the Andhra Pradesh State Electricity Board shall come up with suitable proposals for review for further continuance of the incentives in the present form or in a suitably modified manner to achieve the objectives of promotion of power generation through Non-Conventional Sources.
- (3) Though there is a provision for banking and third party sale, in the absence of conferring the status of licensee under section 3 of the Indian Electricity Act, the Entrepreneurs/Developers of Non-Conventional Energy Power may be handicapped in effecting third party sales to the needy and contracted Consumers. Therefore, it is hereby ordered that the Entrepreneurs/Developers covered by G.O.Ms.No.93 dated 18.11.1997 who made the third party sale of energy shall be deemed to be licensees for the purpose under section 3 of the Electricity Duty Act, 1939 read with section 28 of Indian Electricity Act, 1910.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

V.S.SAMPATH,
SECRETARY TO GOVERNMENT.


Chief Engineer (IPC)
APTRANSCO, Vidyut Soudha
HYDRABAD-500 082.


D R B A O

To

The Chairman, A.P State Electricity Board, Hyderabad.

The Member Secretary, A.P State Electricity Board, Hyderabad.

The Managing Director, Non-Conventional Energy Development Corporation of
Andhra Pradesh, Hyderabad.

The Secretary to Government of India, Ministry of Non-Conventional Energy Sources,
Block No.14, C.G.O Complex, Lodi Road, New Delhi - 110 003.

The Principal Scientific Officer, Ministry of Non-Conventional Energy Sources,
Regional Office, H.No.1-11-222/6/D, Gowrisadan, Begumpet, Hyderabad - 500 016.

Copy to:

The Principal Accountant General, A.P., Hyderabad.

The Pay & Accounts Officer, Hyderabad.

The All District Collectors.

The Special Commissioner, Government of Andhra Pradesh, No.1, Ashok Road, New Delhi.

All the Heads of Departments under the control of Energy Department.

The Assistant Director, Publicity Cell, Information & Public Relations Department.

P.S to Chief Secretary to Government.

P.S to Principal Secretary to Government, Finance & Planning (FW) Department.

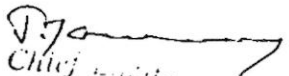
P.A to Deputy Secretary to Government, Energy Department.

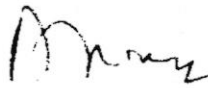
Power-I/Power-II/Power-III/O.P Sections/Energy Department.

S.F/S.C

// Forwarded :: By Order //

Sd/-
Section Officer.


Chief Engineer
APTRANSCO, Vidyanagar
HYDERABAD-500 082.


D. B. RAO
Add: General Manager
BHEL / ROD / Sec'bad

SCHEDULE 7
ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
8-2-283/B/1, Road No.3, Banjara Hills, Hyderabad.

APERC – Consent for Captive Consumption from Co-generation Plant – Order issued.

Proceedings No.APERC/Dir(Engg.)/CPP/O.P.No.27/2002/13

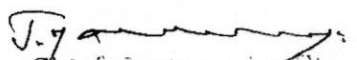
date 31-01-2002.


M/s. Bharat Heavy Electricals Limited (Applicant), had filed an Application vide CPP-IV Sl.No. 1339, for grant of permission U/S 21(3) of AP Electricity Reform Act 1998 for Captive Consumption of power generated from their 4 MW wind Farm Power Project located at Kadavakallu, Anantapur District, for the utilization of Power at Applicants works in Ramachandrapuram, Hyderabad.

2) Applicant was sanctioned 4 MW Wind Farm Power Project at Kadavakallu, Anantapur District by NEDCAP vide sanction No. NEDCAP/WE/3944/98 dated 24.08.1998. Applicant entered into Memorandum of Understanding with NEDCAP on 8.2.1999. Applicant entered into Wind Farm Power Project with erstwhile APTRANSCO on 27.03.1999 for Wheeling of Power generated from their Power Project to their works in Ramachandrapuram.

3) The Commission, after examining the application in the light of Practice directions issued by the Commission in proceedings No.7, dated 20.2.2001 and in light of Commission's Order in O.P.No.212/2000, hereby consents for captive consumption of power generated from their 4 MW Wind farm Power Project to be used in Applicant's works at Ramachandrapuram, Hyderabad. Commission also permits Generating Units with the total capacity of 4 MW of Applicant to run on continuously in synchronization with APTRANSCO Grid, subject to the following terms and conditions:

- i) The consent shall be valid upto 30.06.2004. The Applicant will, if necessary, seek renewal permission by making appropriate application before three months in advance, from the due date.
- ii) The Applicant should get his generating units inspected under Rules (63), (46) of the Indian Electricity Rules, 1956. He should enclose a copy of the Inspection Report with the application for renewal, if made.
- iii) The Applicant should furnish full particulars of the load, duration of use etc., to the DE(Operation) concerned every month.
- iv) The Applicant should install separate metering for recording the generation by the Power Plant. It shall be by an Electronic Tri-vector meter with Load Survey Capability including logging of KWH, KVAH and KVARH.
- v) The applicant should fulfill the contractual obligations he has with the APTRANSCO/DISCOMs.
- vi) The consent is accorded subject to the condition that the applicant is not indulging in any malpractice and the services is live.


Chief Engineer (Gen. S.)
APTRANSCO, Hyderabad


D. B. RAO
Addl. General Manager

- vii) In event of any damage to the APTRANSCO/DISCOMs equipments due to Parallel operation, same shall be made good by the Company to the full satisfaction of the APTRANSCO/DISCOMs.
- viii) Facility for isolation of either of the two systems viz., APTRANSCO/DISCOMs supply as well as Applicant's sets, in the event of fault either in the APTRANSCODISCOMs system or Applicant's installation, so that sudden load transfer is avoided.
- ix) The Applicant should provide under-frequency relays based on the principle of the rate of change of frequency detectors to ensure isolation of Applicant's generation system in the event of sudden trip-out of supply from APTRANSCO/DISCOMs system to avoid any adverse effect on Applicant's sets, which are much smaller in capacity as compared to APTRANSCO/DISCOMs Grid capacity.
- x) Synchronizing of the two systems shall be carried out by the Applicant in the presence of a qualified Station Superintendent to avoid sudden / throw off of load due to sudden jerk or mal operation consequent to wrong synchronization. The synchronizing shall be carried out with Auto synchronizer and synchro check relays.
- xi) The Applicant has to pay Grid Support Charges as decided by Andhra Pradesh Electricity Regulatory Commission from time to time.


This Order is signed by the Andhra Pradesh Electricity Regulatory Commission on 31st January, 2002.

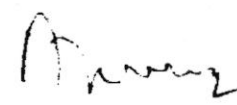
(BY ORDER OF THE COMMISSION)

Sd/-
SECRETARY

To
M/s Bharat Heavy Electricals Ltd.,
ROD, "Ek Tara" Bldg, 39, S.D. Road,
Secunderabad - 500 003.

Copy to: The Managing Director/APCPDCL/Hyderabad.
The VC & Managing Director, NEDCAP, Hyderabad.
The Chief Engineer/IPC, APTRANSCO, Vidyut Soudha, Hyderabad.
The Chief Electrical Inspector to Govt., Mint Compound, Hyderabad.
The Director (Law), APERC.
The Director (Engg.), APERC.


CHIEF ENGINEER/IPC,
APTRANSCO, Vidyut Soudha
HYDRABAD-500082.


D. B. RAO
Addl General Manager
BHEL / ROD / Sec'bad

SCHEDULE 7A
ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION
11-4-660, 5th floor, Singareni Bhavan, Red Hills, Hyderabad

AMENDMENT TO THE PROCEEDING. NO. APERC/Dir-Engg/CPP/O.P.No.27/2002/13

DATED 20.7.2002


The following amendments in Para (3) and terms & conditions of Captive use permission in proceeding No.APERC/Dir-Engg/CPP/O.P.No.147/2002/12, dt.31.01.2002 are issued.

“The Commission, after examining the application in the light of the Practice Directions issued by the Commission in Proceeding No.7 dt.20.2.2001 and in light of Commission’s Order in O.P.No.212/2000, hereby consents for Captive Consumption of power generated from their 4 MW Wind Farm Power Project to be used in Applicant’s works at Ramachandrapuram, Hyderabad. Commission also permits Generating Units with the total capacity of 4 MW of Applicant to run on continuously in synchronization with APTRANSCO Grid, subject to the following terms and conditions:

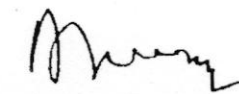
- (i) The consent shall be valid upto 30.6.2004. The Applicant will, if necessary, seek renewal permission by making appropriate application before three months in advance from the due date.
- (ii)
-
-
- (xi) Applicant has to pay Grid Support Charges as decided by Andhra Pradesh Electricity Regulatory Commission”.

shall be read as

“The Commission, after examining the application in the light of the Practice Directions issued by the Commission in Proceeding No.7 dt.20.2.2001 and in light of Commission’s Order in O.P.No.212/2000, further in pursuance to the Applicant’s letter No.RE/HYD/APERC/KDV/02-03, dt.17.7.2002, wherein, the Applicant requested to include additionally their R&D Unit at Vikas Nagar, Hyderabad for Captive Consumption of 1.32 MW of Power (Approximately 20 Lakhs Units per year), out of 4 MW being generated from their existing Wind Farm Power Project at Kadavakallu, Anantapur District and balance for (approximately 38 Lakh units per year) sale to APTRANSCO after Auxiliary Consumption of their Wind Farm Power Project, hereby consents for Captive Consumption of power generated from their 4 MW Wind Farm Power Project to be used in Applicant’s works at Ramachandrapuram, Hyderabad and up to 1.32 MW of power (around 20 Lakh units per year) for their R&D unit at Vikas Nagar, Hyderabad. Commission also permits Generating Units with the total capacity of 4 MW of Applicant to run continuously in synchronization with APTRANSCO Grid, subject to the following terms and conditions.


Chief Engineer (IPC)

39


D. B. RAO

(i) The consent shall be valid upto 30.6.2004. The Applicant will, if necessary, seek renewal permission by making appropriate application before three months in advance from the due date.

(ii)
.....
.....

(xi) Applicant has to pay Grid Support Charges as decided by Andhra Pradesh Electricity Regulatory Commission.

(xiii) Applicant has to enter into Power Purchase & Captive Wheeling Agreement with DISCOM which needs to be consented by the Commission U/s.21(4) of A.P.E.R. Act, 1998.

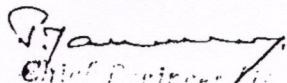
This Order is signed by the Andhra Pradesh Electricity Regulatory Commission on 20th July, 2002

Sd/-
(K.SREERAMA MURTHY)
MEMBER


Sd/-
(D.LAKSHMINARAYANA)
MEMBER

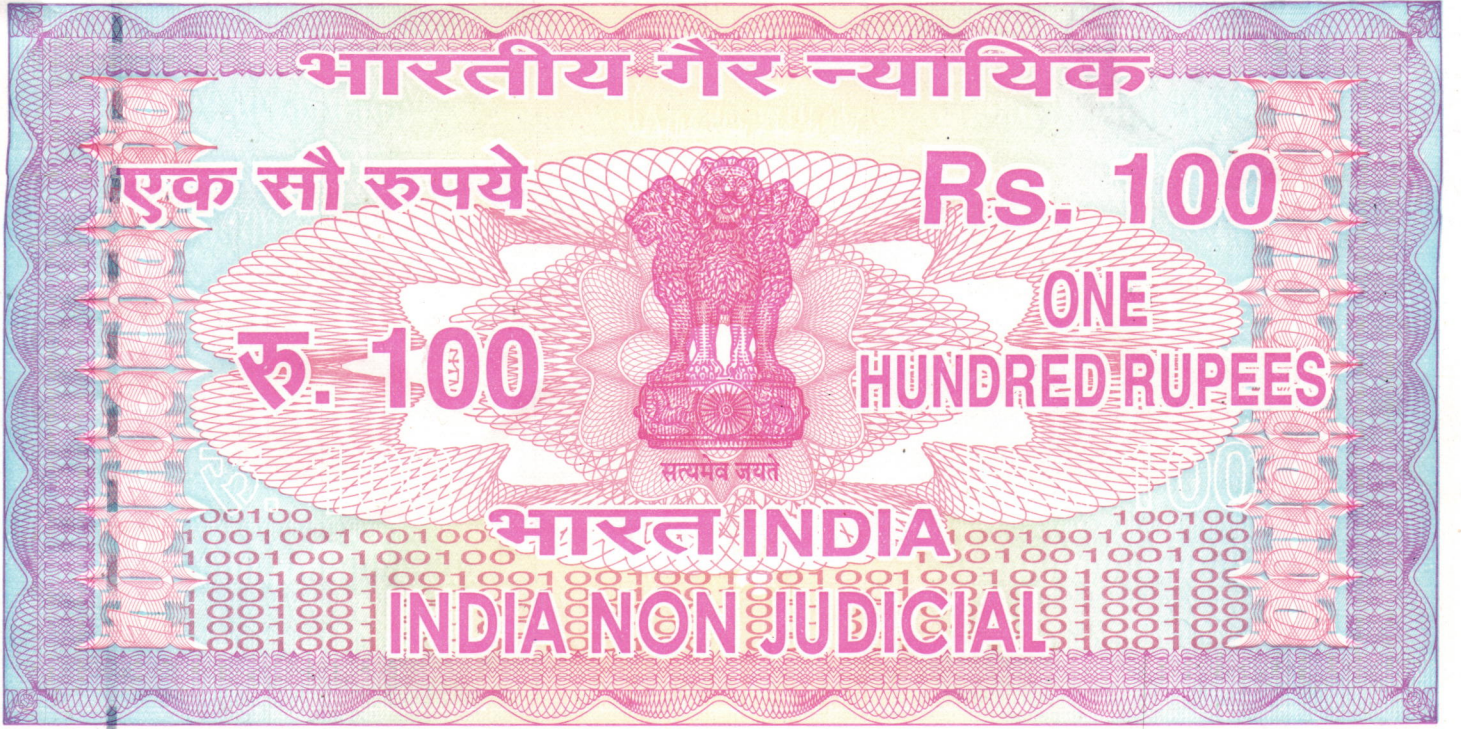
Sd/-
(G.P.RAO)
CHAIRMAN

(CERTIFIED COPY)


Chief Engineer
APTRANSCO, Vinipal S. Jyoti
HYDERABAD-500062.

Sd/-
Secretary/APERC


B. B. RAO
Addl. General Manager
BHEL / ROD / Sec'bad



தமிழ்நாடு தமில்நாடு TAMILNADU

100/-
7356
30.8.2018

BHEL
RANIPET.

BP 611041

R. P. H. P.
எஸ்.பி.ஐ.ஐ.
வாராஜா, தமிழ்நாடு.
L.No. 3053/A1/97

Amendment dated. 2-9-2018 to the Power Purchase & Captive Wheeling Agreement entered between Transmission Corporation of Andhra Pradesh Ltd and BHEL dated 22.07.2002. The following shall be substituted

SCHEDULE- 4
(Schedule List of Consumers as referred to Article 1.7)

Sl. No.	Name of the consumer and address	APTRANSCO's /APEPDCL Consumer No. & Category	CMD in KVA	Voltage Level (KV)	Purpose
1	M/s. BHEL HPVP Visakhapatnam Unit,	VSP - 168 HT-I	2000 KVA	33 KV	Captive Purpose

Note : Out of 4.00 MW the Company utilities 0.13 MW for Auxiliary Consumption, 1.32 MW for Captive Consumption by Wheeling & balance 2.55 MW for Sale to APTRANSCO / APSPDCL.

M. Salim Manick
M. SALIMANALAN / एस साले मणालन
Sr. Manager / New Products / वरि प्रबंधक नवीन उत्पाद
BHEL / BAP / RANIPET - 6 / बीएचईएल/बीएपी/रानोपेट - 6

P. S. S. S.
CHIEF GENERAL MANAGER
P & MM & IPC
APSPDCL :: TIRUPATI