

ARTICLE 5

RATES AND CHARGES

Monthly Energy Charges:

a. HESCOM shall for the Delivered Energy pay, for the first 10 years from the Commercial Operation Date, to the Company every month during the period commencing from the Commercial Operation Date at the rate of Rs. 3.40 (Rupees Three and forty paise only) per kilowatt-hour without any escalation for energy delivered to HESCOM at the Metering Point.

5.2 From the 11<sup>th</sup> year onwards, from the Commercial Operation Date, HESCOM shall pay to the Company for the energy delivered at the Metering Point at a rate determined by the Commission. In case HESCOM is unwilling to purchase the power at the rates determined by the Commission, the Company shall be permitted to sell energy to third parties and enter into a Wheeling & banking Agreement with HESCOM /Corporation to sell power for which it shall pay transmission and other charges to HESCOM /Corporation at the rates applicable from time to time as approved by the Commission.

5.3 In case induction generators are used for generation of energy, for each KVARH drawn from the grid, the Company shall pay at the rate of 40 paise for each KVARH drawn.

5.4 The Company shall agree to pay to HESCOM, on or before signing of this Agreement, at the rate of Rs. 37,000/- (Rupees Thirty Seven Thousand only) per MW of Installed Capacity and for fractions thereof on a pro rata basis as a one time lump sum payment for the sole purpose of providing the required MVAR capacity at the sub-station of the KPTCL/ HESCOM to which the Project is interconnected to supply the requisite reactive power to the Grid System. KPTCL/ HESCOM shall install the capacitors of required capacity, at the substation of the Corporation/HESCOM to which the project is interconnected before commercial operation date of the project.

In case the Corporation/HESCOM fails to install the capacitors of requisite capacity before the commercial operation date, the amount collected for this purpose shall be refunded by HESCOM to the Company who has paid the amount, within 30 days from the date of commercial operation of the project.

5.5 The Company shall be permitted to use 10% of the installed capacity for startup, after inspection by the concerned officers of HESCOM and 105% of such energy provided by HESCOM for startup purposes shall be deducted from the energy pumped into the Grid by the Company for determining the amount to be paid by HESCOM to the Company. If energy over and above the above requirement is drawn from the Grid, the same will be billed under the tariff applicable to HT industries including demand charges.

For M.M.T.C. LIMITED

  
Authorised Signatory

  
General Manager  
(T, A & H. R. D.)