

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Record of Proceedings

PETITION No. 170/2010

Sub: Application under Section 63 of the Electricity Act, 2003 for adoption of transmission charges for North Karanpura Transmission Company Ltd. based on tariff determined through transparent process of competitive bidding in accordance with guideline issued by Ministry of Power, Government of India.

Date of hearing : 23.9.2010

Coram : Dr. Pramod Deo, Chairperson
Shri S.Jayaraman, member
Shri V.S.Verma, Member
Shri M. Deena Dayalan, Member

Petitioner : North Karanpura Transmission Company Ltd.

Respondent : Gujarat Urja Vikas Nigam Ltd. and others

Parties present : Sh. L. N. Mishra, UKTL
Sh. Mayank Bhardwaj, NKTCL
Sh. Anil Rawal, RPTL
Sh. Salil Kumar, RTC
Ms. Kiran Alla, RPTL
Sh. Rupin, RPTL
Sh. P. K. Singh, PuVVNL
Sh. Padamjit Singh, Haryana PPC
Sh. T. P. S. Bawa, Haryana PPC

This petition has been filed by North Karanpura Transmission Company Ltd. for adoption of transmission charges arrived on the basis of competitive bidding under Section 63 of the Electricity Act, 2003 (the Act).

2. The representative of the petitioner submitted that REC Transmission Projects Company Ltd. (RECTPCL) was notified as the Bid Process Coordinator for the

purpose of selection of bidder as Transmission Service Provider (TSP to establish Transmission System and System Strengthening in Northern Region for import of power from North Karanpura and other projects outside Northern Region and System Strengthening in Western Region for import of power from north Karanpura and other project outside Western Region and also for power evacuation from projects within western region through tariff based competitive bidding process to build, own, operate and maintain basis according to the guidelines issued under Section 63 of the Act. North Karanpura Transmission Company Ltd. was incorporated by RECTPCL as a special purpose vehicle to initiate the activities of the project and subsequently act as the Transmission Service Provider after being acquired by the successful bidder.

3. The representative of the petitioner described in brief the different stages of the process of the competitive bidding leading to the selection of Reliance Power Transmission Company Ltd. (RPTCL) as the successful bidder with the lowest levelised transmission charges. He further submitted that as per the RFP, the TSP is required to apply for the transmission licence and adoption of tariff within one month from the issue of Letter of Intent. The Letter of Intent was issued on 18.12.2009. As per clause 4.2 of the RFP, certain requirements are to be complied with within a period of one month from the issue of LOI including making applications before the Commission for grant of transmission licence as well as for adoption of tariff. Because of the problems encountered in categorization of the company and signing of the contract by the Long Term Transmission Customers (LTTCs), the Bid Process Coordinator extended the deadline up to 6.6.2010 for complying with the requirements. The TSP completed the performance RoP in Petition No. 170/2010

guarantee to the LTTCs on 17.5.2010 and acquired the applicant company on 20.5.2010. Thereafter, the applicant company has made the application for adoption of tariff on 3.6.2010 within the extended time period allowed by the Bid Process Coordinator. As per the para 12.4 of the guidelines certain important documents such as recommendations of the Bid Evaluation Committee and the Transmission Service Agreement were also submitted along with the application. The representative of the petitioner submitted that the supplementary affidavit has also been submitted clarifying the queries made by the staff of the Commission. He submitted that since the tariff has been arrived at based on the competitive bidding guidelines under Section 63 of the Act, the transmission charges included in the TSA may kindly be approved by the Commission.

4. The representative of Haryana Power Purchase Committee (HPPC), referring to page 10 of the petition submitted that the Bid Process Coordinator has made a condition that "M/s Reliance Power Transmission Company Ltd.'s contractual relationship with LTTCs will be governed solely on the basis of the final RFP". He requested the Commission to issue directions to the Bid Process Coordinator to certify that the entire Transmission Service Agreement is in tune with the provisions of RFP.

5. With reference to a query of the Commission, the representative of the HPPC clarified that the points argued by him are additional points not included in the affidavit already filed by it. The Commission directed the representative of HPCC to file the additional points on affidavit within a period of one week and the applicant to file its response within one week thereafter.

6. The Commission has directed that the representative of the Bid Process Coordinator shall be present during the next hearing to clarify any query with regard to the competitive bidding process adopted to select the TSA in this case.

7. The petitioner is listed for hearing on 19.10.2010.

sd/-
(T. Rout)
Joint Chief (Law)