

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 6/2011

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

Date of Hearing: 21.4.2011

Date of order: 12.8.2011

In the matter of

Application under Section 63 of the Electricity Act, 2003 for adoption of transmission charges with respect to transmission system being established by Raichur Sholapur Transmission Company Limited, New Delhi.

And in the matter of

Raichur Sholapur Transmission Company Ltd, New Delhi **Applicant**

Vs

- 1 Gujarat Urja Vikas Nigam Limited, Vadodara
- 2 Madhya Pradesh Power Trading Company Limited, Jabalpur
- 3 Chattisgarh State Power Distribution Company Limited, Raipur
- 4 Maharashtra State Electricity Distribution Co. Ltd., Mumbai
- 5 Goa State Electricity Department, Govt. of Goa, Panaji
- 6 Electricity Department, Daman
- 7 Electricity Department, Silvassa
- 8 Madhya Pradesh Audyokik Kendra Vikas Nigam Ltd., Indore
- 9 Jindal Power Limited, Chhattisgarh
- 10 Torrent Power Limited, Ahmedabad
- 11 PTC India Ltd., New Delhi
- 12 Adani Power Limited, Gurgaon
- 13 Heavy Water Projects, Department of Atomic Energy, Mumbai
- 14 Power Grid Corporation of India Ltd. (POWERGRID-HVDC-VIN)
- 15 Power Grid Corporation of India Ltd. (POWERGRID-HDC-BHD)
- 16 Kerala State Electricity Board, Trivandrum
- 17 Tamil Nadu State Electricity Board, Chennai
- 18 Electricity Department, Govt. of Puducherry
- 19 Northern Power Distribution Company of A. P. Ltd., Wrangal
20. Eastern Power Distribution company of A.P. Ltd., Vishakhapatnam



21 Southern Power Distribution Company of A. P. Limited, Tiruputi
22 Central Power Distribution Company of A.P. Limited, Hyderabad
23 Power Company of Karnataka Limited, Karnataka
24 Power Grid Corporation of India Ltd.
25 Lanco Kondapali Power Ltd., Hyderabad ... **Respondents**

The following were present:

1. Shri Sanjay Sen, Advocate for the petitioner
2. Shri Pankaj Kapoor, Consultant, RSTCL
3. Shri Suresh Jahani, Consultant, RSTCL
4. Shri A.K.Agarwal, RSTCL

ORDER

The Applicant, Raichur Sholapur Transmission Company Limited (RSTCL) has filed the present application under section 63 of the Electricity Act, 2003 (the Act) for adoption of tariff in respect of the transmission system associated with Krishnapattnam Ultra Mega Power Project - Synchronous interconnection between Southern Region and Western Region (Part-B) 765 kV Single Circuit Raichur-Sholapur transmission line-1.

2. The applicant has submitted that the Central Government in exercise of the powers under section 63 of the Act has notified the "Tariff Based Competitive Bidding Guidelines for Transmission Service" (hereinafter "the Guidelines") vide Government of India Ministry of Power Resolution No.11/5/2005-PG(i) dated 17.4.2006. The applicant has further submitted that Rural Electrification Corporation Transmission Projects Company Limited (RECTPCL) was notified by Government of India Ministry of Power vide notification F.No. 11/12/2006-PG dated 1.7.2009 as the Bid Process



Coordinator (herein after referred to as 'BPC') for the purpose of selection of a Transmission Service Provider (TSP) to establish the project on Build, Own, Operate and Maintain (BOOM) basis through competitive bidding in accordance with the Guidelines. The applicant was incorporated on 19.11.2009 by RECTCL as its wholly owned subsidiary to initiate work on the project to build, own, operate and maintain the transmission system for evacuation of power from Krishnapattnam UMPP (4000 MW) and export of power from various IPPs coming up in the Southern Region to their target beneficiaries in Western Region and Northern Region and for synchronization of southern Region with rest of the Western Grid and to act as the Transmission Service Provider (TSP) after being acquired by the successful bidder.

3. The applicant has submitted that RECTCL as the BPC prepared the bidding documents such as RFQ and RFP in accordance with the Standard Bid Documents issued by the Ministry of Power, Government of India on 28.1.2008 as amended on 18.9.2008 and project specific inputs furnished by Central Electricity Authority. The BPC started the process of selection of TSP with the publication of Global Invitation for pre-qualification on 26.2.2010 for selection of a TSP for the project and to provide transmission service on long term basis to the Long Term Transmission Customers. Intimation regarding the initiation of the bidding process was given by the BPC to the Commission vide its letter dated 2.3.2010.

4. The applicant has submitted that the key milestones in the bidding process were as under:

Event	Date
Submission of RFQ bids	26.4.2010
Issuance of RFP	12.7.2010
Issue of signed RFP documents	10.9.2010
Submission of bids	10.11.2010
Opening of non-financial bids	10.11.2010
Opening of financial bids	9.12.2010
Issue of Letter of Intent to successful bidder	16.12.2010
Taking over of Raichur Sholapur Transmission Company from the BPC	7.1.2011

5. The applicant has further submitted that the RFP bids were opened on 26.10.2010 in the presence of Bid Evaluation Committee and the representatives of the bidders. Based on the evaluated levelised transmission charges, the Bid Evaluation Committee recommended M/s Patel Engineering Ltd. in consortium with Simplex Infrastructure Limited and BS Transcomm Limited (hereinafter referred to as "the consortium") as the successful bidder with the lowest levelised transmission charges of ₹ 2939.569 lakh per annum for the project. The Letter of Intent was issued to the consortium on 16.12.2010 and subsequently the consortium has acquired the applicant company on 7.1.2011 after execution of the Share Purchase Agreement and completing all procedural requirements specified in the bid documents. The applicant has prayed for adoption of the transmission charges for the project which has been discovered through the process of competitive bidding.

6. Notices were issued to all the respondents who are the Long Term Transmission Customers of the project. None of the respondents has filed its reply. Notice was also issued to RECPTCL in its capacity as Bid Process Coordinator. RECPTCL has filed the copies of all relevant documents pertaining to the bidding process. We have heard the learned counsel for the applicant and perused the documents on record. We now proceed to examine whether the transmission charges have been arrived at in accordance with section 63 of the Act.

7. Section 63 of the Act provides as under:

“63. Notwithstanding anything contained in section 62, the Appropriate Commission shall adopt the tariff if such tariff has been determined through transparent process of bidding in accordance with the guidelines issued by the Central Government.”

8. Government of India, Ministry of Power has notified the Guidelines issued by the Central Government under section 63 of the Act vide Resolution No.11/5/2005-PG(i) dated 17.4.2006. The salient features of the Guidelines are discussed in brief as under:

(a) The Guidelines are applicable for procurement of transmission services for transmission of electricity through tariff based competitive bidding and for selection of transmission service provider for new transmission lines and to build, own, maintain and operate the specified transmission system elements.

(b) For procurement of transmission services, required for inter-State transmission, the Central Government shall notify any Central Government Organization or any Central Public Sector Undertaking as the Bid Process Coordinator (BPC) who would be responsible for coordinating the bid process.

(c) The BPC shall prepare the bid documentation in accordance with the Guidelines and obtain approval of the Appropriate Commission or alternatively, the BPC can use the standard bid documents notified by the Ministry of Power. Approval of the Appropriate Commission would be necessary if any material deviation is proposed to be made in the Standard Bid Documents. Intimation about the initiation of the bid process shall be sent by the BPC to the Appropriate Commission.

(d) For procurement of transmission charges under the Guidelines, the BPC may adopt at its option either a two-stage process featuring separate Request for Qualifications (RFQ) and Request for Proposal(RFP) or adopt a single stage two envelope tender process combining both RFQ and RFP processes.

(e) RFQ or combined RFQ and RFP notice shall be issued in at least two national newspapers, website of the BPC and the

appropriate Government and preferably in the trade magazines also to provide wide publicity. For the purpose of issue of RFQ minimum conditions to be met by the bidder shall be specified in the RFQ notice. The bidding shall be by way of International Competitive Bidding.

(f) Standard documentation to be provided in the RFQ stage shall include definitions of requirements including the details of location and technical qualifications for each component of the transmission lines, construction milestones, and financial requirements to be met by the bidders; proposed Transmission Service Agreement; period of validity of offer of bidder; conditions as specified by the Appropriate Commission for being eligible to obtain a transmission licence; and other technical and safety criteria to be met by the bidder/TSP including the provisions of Indian Electricity Grid Code (IEGC).

(g) Standard documentations to be provided by BPC in the RFP shall include specified target dates/months for commissioning and commercial operations and start of providing transmission services; TSA proposed to be entered with the selected bidder; bid evaluation methodology to be adopted by the BPC; Discount Factor to be used for evaluation of the bids; specification regarding the bid bond and project completion guarantee to be furnished by the bidders;

proposed indemnification agreement between the TSP and the utilities; amount of contract performance guarantee as percentage of the project cost; and the liquidated damages that would apply in the case of delay in start of providing the transmission services.

(h) To ensure competitiveness, the minimum number of qualified bidders will be two. The BPC shall constitute a committee for evaluation of the bids with at least one member from Central Electricity Authority (CEA) and the concerned Regional Power Committees. The member from CEA shall have expertise in the cost engineering of transmission projects. The bids shall be opened in public and the representative of the bidders shall be allowed to remain present. The technical bids shall be scored to ensure that only the bids that meet the minimum technical criteria set out in the RFQ shall be considered for further evaluation on the transmission charge bids. The transmission charge bid shall be rejected if it contains any deviation from the tender conditions for submission of the same. The bidder who has quoted the lowest transmission charge as per the evaluation procedure shall be considered for the award.

(i) The Guidelines provide for suggested time tables for the bid process. The timeline suggested for a two stage bid process is 240 days and single stage two envelope bid process is 180 days. The BPC

is empowered to give extended time-frame based on the prevailing circumstances and such alterations shall not be construed as the deviation from the Guidelines.

(j) The selected bidder shall make an application for grant of transmission licence to the Appropriate Commission within one month of selection. The TSA shall be signed with the selected bidder in accordance with the terms and conditions as finalized in the bid document before the RFP stage.

(k) The BPC shall make evaluation of the bid public by indicating the terms of the winning bid and anonymous comparison of all other bids. All contracts signed with the successful bidder shall also be made public. The final TSA along with the certification of BPC shall be forwarded to the Appropriate Commission for adoption of tariff in terms of section 63 of the Act.

9. In the light of the above provisions of the Guidelines, we have examined in the succeeding paragraphs the transparent process of international competitive bidding adopted in the present case for arriving at the lowest levelised transmission charges and for selection of the successful bidder.

10. RECTPCL was notified by Government of India, Ministry of Power vide Notification No. 11/12/2006-PG dated 26.6.2007 as the Bid Process Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider (TSP) to establish the project on Build, Own, Operate and Maintain (BOOM) basis through tariff based competitive bidding process.

11. Raichur Sholapur Transmission Company Limited (RSTCL) was incorporated on 19.11.2009 under the Companies Act, 1956 as a wholly owned subsidiary of RECTPCL with the objective to initiate work on the project to build, own, operate and maintain the transmission system for evacuation of power from Krishnapattnam UMPP (4000 MW) and export of power from various IPPs coming up in the Southern Region to their target beneficiaries in Western Region and Northern Region and for synchronization of southern Region with rest of the Western Grid and to act as the Transmission Service Provider (TSP) after being acquired by the successful bidder. The main objects of the applicant company in its Memorandum of Associations are as under:

“Plan, promote and develop an integrated and efficient power transmission system network in all its respects including planning, investigations, research, design and engineering, preparation of preliminary, feasibility and definite project reports, construction, operation and maintenance of transmission lines, sub-station, load dispatch stations and communication facilities and appurtenant works, coordination of integration operation of regional and national grid system, execution of turn-key jobs for other utilities/organizations, wheeling of power, purchase and sale of power in accordance with the policies, guidelines and objectives laid down by the Central Government from time to time”.

12. RECTPCL as the BPC prepared the bidding documents such as RFQ and RFP in accordance with the Standard Bid Documents issued by the Ministry of Power, Government of India on 28.1.2008 as amended on 18.9.2008 and project specific inputs furnished by Central Electricity Authority. The BPC started the process of selection of TSP with the publication of Global Invitation for Qualification on 26.2.2010 for selection of developer on 'build, own, operate and maintain' (BOOM) basis for the project. The RFQ notice was published on 26.1.2010 in all the editions of The Economic Times, The Nav Bharat Times, The Times of India and The Financial Times with the last date of submission of response to RFQ as 12.4.2010 which was subsequently extended up to 26.4.2010. Intimation regarding the initiation of the bid process was given to the Central Commission in accordance with para 4.2 of the Guidelines vide its letter No. RECTPCL/K` pattnam/RFQ/2009-10 dated 2.3.2010.

13. The identified Long Term Transmission Customers (LTCs) of the project alongwith the allocated capacity in the project are as under, namely:-

S.No.	Name of Long Term Transmission Customers	Allocated capacity (in MW)
1	Gujarat Urja Vikas Nigam Limited, Vadodara	2392.89
2	Madhya Pradesh Power Trading Company Limited, Jabalpur	2454.04
3	Chattisgarh State Power Distribution Company Limited, Raipur	552.82
4	Maharashtra State Electricity Distribution Co. Ltd., Mumbai	3272.61
5	Goa State Electricity Department, Govt. of Goa, Panaji	349.64
6	Electricity Department, Administration of Daman and Diu, Daman	297.99

7	Electricity Department, Administration of Dadra and Nagar Haveli	564.18
8	Mahdya Pradesh Audyokik Kendra Vikas Nigam Ltd., Indore	12.96
9	Jindal Power Limited, Chhattisgarh	500.00
10	Torrent Power Limited, Ahmedabad	500.00
11	PTC India Ltd., New Delhi	300.00
12	Adani Power Limited, Gurgaon	200.00
13	Heavy Water Projects, Department of Atomic Energy, Mumbai	18.00
14	Power Grid Corporation of India Ltd. (POWERGRID-HVDC-VIN)	0.76
15	Power Grid Corporation of India Ltd. (POWERGRID-HDC-BHD)	2.52
16	Kerala State Electricity Board, Trivandrum	1012.17
17	Tamil Nadu State Electricity Board, Chennai	2364.35
18	Electricity Department, Govt. of Puducherry	310.27
19	Electricity Department, Govt. of Goa	99.96
20	Andhra Pradesh	1963.48
(i)	Northern Power Distribution Company of Andhra Pradesh Ltd. Wrangal	
(ii)	Eastern Power Distribution company of Andhra Pradesh Ltd. Vishakhapatnam	
(iii)	Southern Power Distribution Company of Andhra Pradesh Limited, Triputi	
(iv)	Central Power Distribution Company of Andhra Pradesh Limited, Hyderabad	
21	Power Company of Karnataka Limited, Karnataka	1533.46
(i)	Bangalore Electricity Supply Company Limited	
(ii)	Gulbarga Electricity Supply Company Limited	
(iii)	Hubli Electricity Supply Company Limited	
(iv)	Mangalore Electricity Supply Company Limited	
(v)	Chamundeshwari Electricity Supply Company Limited	
22	Power Grid Corporation of India Ltd. (POWERGRID-HVDC)	6.31
23	Lanco Kondapali Power Ltd., Hyderabad	350

14. Responses to the RFQ were received from thirty five bidders on 26.4.2010 as per the details given below:

- (1) (i) Ashoka Buildcon Limited, Nasik
(ii) ICOMM Tele Limited, Hyderabad
- (2) (i) Corba Instalacionesy Serviccios, S.A. Spain

- (ii) Ketan Construction Limited, Rajkot
- (iii) AMR Construction Limited, Hyderabad
- (3) CESC Limited, Kolkata
- (4) EMCO Limited, Thane
- (5) Era Infra Engineering Limited, Noida
- (6) Gammon Infrastructure Projects Limited, Mumbai
- (7) G.E.T. Power Pvt. Limited, Chennai
- (8) GMR Energy Limited, Bangalore
- (9) GTL Limited, Pune
- (10) GVK Development Projects Private Limited, Secundarabad
- (11) Instalaciones Inabensa, S.A.Spain
- (12) IVRCL Infrastructures & Projects Limited, Hyderabad
- (13) Consortium of:
 - (i) JSW Energy Limited
 - (ii) ISOLUX Corsan Consesiones, S.A.Spain
- (14) Jyoti Energy Limited, Mumbai
- (15) Kalpataru Power Transmission Limited, Mumbai
- (16) Consortium of:
 - (i) Konaseema Gas Power Limited, Hyderabad
 - (ii) Indu Projects Limited, Hyderabad
 - (iii) Hythro Power Corporation Limited, Gurgaon
- (17) L & T Transco Private Limited, Chennai
- (18) Lanco Infratch Limited, Gurgaon
- (19) (i) Madhucon Projects Limited, Hyderabad
- (20) (ii) Sujana Towers Limited, Hyderabad
- (21) Consortium of:
 - (i) Meenakshi Infrastructures Private Limited, Hyderabad
 - (ii) ECI Engineering & Construction Company Ltd., Hyderabad
- (22) Megha Engineering & Infrastructure Limited, Hyderabad
- (23) Consortium of :
 - (i) Navayuga Engineering Co. Limited, Hyderabad
 - (ii) SEW Infrastructure Limited, Hyderabad
- (24) NCC Infrastructure Holdings Limited, Hyderabad
- (25) Consortium of:
 - (i) Patel Engineering Limited, Mumbai
 - (ii) Simplex Infrastructure Limited, Kolkata
 - (iii) BS Trans comm Limited, Hyderabad
- (26) Consortium of:
 - (i) Ramky Infrastructure Limited, Hyderabad
 - (ii) Aster Tele Services Private Limited
- (27) Reliance Power Transmission Limited, Gurgaon
- (28) Consortium of:
 - (i) Sadbha Engineering Limited, Hyderabad
 - (ii) A2Z Maintenance and Engineering Services Ltd., Gurgaon
 - (iii) Srei Infrastructure Finance Limited, Kolkata
- (29) Consortium of:
 - (i) Shiva Shankar Minerals Limited, Hyderabad

- (ii) GVPR Engineers Limited, Hyderabad
- (30) Skipper Limited, Kolkata
- (31) SMS Infrastructure Limited, Nagpur
- (32) Soma Enterprise Limited, Hyderabad
- (33) Sterlite Transmission Projects Private Limited, Pune
- (34) Tata Power Company Limited, Mumbai
- (35) Torrent Power Limited, Surat

15. As per the decision of the Empowered Committee on Transmission, the Bid Evaluation Committee comprising of the following was constituted:

- | | |
|--|---------------------|
| (a) Shri Ashwani Mehra, GM, SBI capital Markets | ... Chairman |
| (b) Shri S.B.Khyalia, ED (Finance) GUVNL | ... Member |
| (c) Shri P. Srirama Rao, Director (Grid operation),
APTRANSCO | Member |
| (d) Shri N.C.Jain, Chief Engineer (F&CA) | Member |
| (e) Shri S.K.Ray Mohapatra, Director (SETD) | Member |
| (f) CEO of the RECTPCL | ... Convenor |

16. The consortium consisting of Deloitte Touche Tohmatus India (P) Limited (DTIPL) as the lead member and Hemant Sahai Associates, Advocates (hereinafter referred to as "the consultants") was engaged by the BPC for providing consultancy services for the selection of the Transmission Service Provider for the project. The consultants carried out evaluation of the response to RFQ based on the qualification, technical and financial requirements laid down in the RFQ documents and subsequent clarifications issued by the BPC to the bidders and submitted their report to the BPC on 17.5.2010. Out of 35 bidders, three did not meet the technical requirements and further clarification was not required from one bidder. The consultant recommended for seeking clarifications from remaining 31 bidders. Accordingly, the BPC sought clarifications from the bidders. Based

on the clarifications received, the consultants recommended 25 bidders as qualified at RFQ stage as per the details given below:

- (1) Consortium of:
 - (i) Ashoka Buildcon Limited, Nasik
 - (ii) ICOMM Tele Limited, Hyderabad
- (2) CESC Limited, Kolkata
- (3) EMCO Limited, Thane
- (4) Era Infra Engineering Limited, Noida
- (5) Gammon Infrastructure Projects Limited, Mumbai
- (6) GMR Energy Limited, Bangalore
- (7) Instalaciones Inabensa, S.A.Spain
- (8) IVRCL Infrastructures & Projects Limited, Hyderabad
- (9) Consortium of:
 - (i) JSW Energy Limited
 - (ii) ISOLUX Corsan Consesiones, S.A.Spain
- (10) Jyoti Energy Limited, Mumbai
- (11) L & T Transco Private Limited, Chennai
- (12) Lanco Infratch Limited, Gurgaon
- (13) Consortium of:
 - (i) Madhucon Projects Limited, Hyderabad
 - (ii) Sujana Towers Limited, Hyderabad
- (14) Malaxmi Omkareshwar Power Private Limited
- (15) Consortium of:
 - (i) Navayuga Engineering Co. Limited, Hyderabad
 - (ii) SEW Infrastructure Limited, Hyderabad
- (16) NCC Infrastructure Holdings Limited, Hyderabad
- (17) Consortium of:
 - (i) Patel Engineering Limited, Mumbai
 - (ii) Simplex Infrastructure Limited, Kolkata
 - (iii) BS TransComm Limited, Hyderabad
- (18) Consortium of:
 - (i) Ramky Infrastructure Limited, Hyderabad
 - (ii) Aster Teleservices Private Limited
- (19) Reliance Power Transmission Limited
- (20) Consortium of:
 - (i) Sadbha Engineering Limited, Hyderabad
 - (ii) A2Z Maintenance and Engineering Services Ltd., Gurgaon
 - (iii) Srei Infrastructure Finance Limited, Kolkata
- (21) SMS Infrastructure Limited, Nagpur
- (22) Soma Enterprise Limited, Hyderabad
- (23) Sterlite Transmission Projects Private Limited, Pune
- (24) Tata Power Company Limited, Mumbai
- (25) Torrent Power Limited, Surat

17. The BPC issued the RFP documents to the qualified bidders on 12.7.2010 for inviting bids. BPC also issued clarifications and amendment to the RFP documents on 11.8.2010, 12.8.2010, 15.9.2010 and 20.10.2010. The date of submission of bids was 11.10.2010 which was extended by the BPC up to 10.11.2010. The RFP bids comprising of Non-Financial Bids and Financial Bids were submitted by twenty bidders. The non-financial bids were opened on 10.11.2010. The consultants reviewed the non-financial bids and submitted their evaluation report to the Bid Evaluation Committee (BEC) on 19.11.2010 and made a presentation to the BEC on 20.11.2010. The BEC decided that the non-financial bid of one bidder was non-responsive, non-financial bids of three bidders met the requirements of the RFP and directed the BPC to seek clarifications from 16 bidders. BPC sought clarifications from 16 bidders which were received on 29.11.2010. Considering the clarifications, the non-financial bids of 19 bidders were found to be responsive. The non-financial bids were opened on 9.12.2010 in the presence of the representatives of the bidders. The details of quoted non-escalable transmission charges for each contract year and quoted escalable transmission charges for the first contract year were read out for the each bidder. The consultants carried out the evaluation of the financial bids of 19 bidders and submitted their report on 13.12.2010. The annual escalation rate of 5.99% for the quoted escalable transmission charges and the discount rate of 9.35% for the purpose of levelised transmission charges as per the rates notified by the Commission were considered. The levelised transmission charges for each bidder as per the bid evaluation model and

the methodology specified in the RFP were prepared as per the details given below:

S.No.	Name of the Bidder	Levelised Tariff (₹ in millions)
1.	Patel Engineering Limited/ Simplex Infrastructure Limited/ BS Transcomm Limited	293.9569
2.	Lanco Infratech Limited	315.8940
3.	Ashoka Buildcon Limited/ICOMM Tele Limited	316.7983
4.	Navayuga Engineering Co. Limited/ SEW Infrastructure Limited	365.5719
5.	Sterlite Transmission Projects Private Limited	367.1799 (Rejected as per clause 3.3.1.1 of RFP)
6.	Era Infra Engineering Limited	379.8829
7.	Joyti Energy Limited	380.6792
8.	Ramky Infrastructure Limited/ Aster Teleservices Private Limited	397.2687
9.	Gammon Infrastructure Projects Limited	398.0001
10.	Malaxmi Omkraeshwar Power Private Limited	399.7457
11.	CESC Limited/KEC International Limited	408.1263
12.	Soma Enterprise Limited	428.2000
13.	NCC Infrastructures Holding Limited	442.8178
14.	Torrent Power Limited	454.1706
15.	Reliance Power Transmission Limited	479.8793
16.	IVRCL Infrastructures & Projects Limited	484.6840
17.	EMCO Limited	523.3054
18.	SMS Infrastructure Limited	650.0988
19.	Sadbha Engineering Limited/A2Z Maintenance and Engineering Services Ltd/ Srei Infrastructure Finance Limited	750.3718

18. After detailed discussions on the evaluation report and verification of the bids in the meeting dated 14.12.2010, the Bid Evaluation Committee took the following decisions:

“(a) M/s Patel Engineering Limited in Consortium with Simplex Infrastructure Limited and BS TransComm Limited emerges as the successful Bidder with the lowest Levelised Transmission Charges of ₹ 293.9569 millions per annum.

(b) The levelised tariff for this project based on CERC norm for the same period works out to ₹ 536.7540 million per annum, which has been computed based

on the estimated completion cost furnished by CEA and methodology for calculation of tariff adopted by CERC.

(c) Thus, the rates quoted by the successful Bidder are reasonable.

(d) The entire bid process has been carried out in accordance with the "Tariff based Competitive-bidding Guidelines for Transmission Service" and "Guidelines for encouraging competition in development of the Transmission Projects" issued by Ministry of Power, Govt. of India under Section 63 of the Electricity Act, 2003 and as amended from time to time.

(e) In view of (a) to (d) above, M/s Patel Engineering Limited in Consortium with Simplex Infrastructure Limited and BS TransComm Limited may be issued Letter of Intent (LOI)."

19. The Bid Evaluation Committee vide its letter dated 14.12.2010 has certified the bid process carried out to select the Transmission Service Provider as under:

"a. M/s Patel Engineering Ltd. in Consortium with Simplex Infrastructure limited and BS Transcomm Limited has emerged as the successful bidder with the lowest levelled transmission charges of ₹ 293.9569 millions per annum for the above project.

b. The rates quoted by the successful Bidder are in line with the prevalent market prices.

c. The entire bid process has been carried out in accordance with the "Tariff based Competitive Bidding Guidelines for Transmission Service" and "the Guidelines for encouraging competition in development of the Transmission Projects" issued by Ministry of Power, Govt. of India under Section 63 of the Electricity Act 2003 as amended from time to time."

20. Letter of Intent was issued by the BPC on 16.12.2010 to the successful bidder i.e. the consortium of Patel Engineering Limited (Lead Member), Simplex Infrastructure Limited and BS Transcomm Limited (hereinafter "the successful bidder"). In accordance with para 12.3 of the Guidelines, the BPC has hosted on the website of RECTPCL the final results of the evaluation of the bids for selection of developer for the project.

21. In accordance with the terms of the RFP and Letter of Intent, the successful bidder is required to accomplish the following tasks:

- (a) Provide Contract Performance Guarantee in favour of the LTTCs;
- (b) Execute the Share Purchase Agreement;
- (c) Acquire for the acquisition price one hundred percent equity shareholding of RSTCL from REC Transmission Projects Company Ltd.;
- (d) Execute the RFP project Documents including the Transmission Service Agreement with LTTCs;
- (e) Make an application to the Central Electricity Regulatory Commission for adoption of charges;
- (g) Apply to Central Electricity Regulatory Commission for grant of transmission licence.

22. The successful bidder has furnished the Performance Guarantee to each of the Long Term Transmission Customers of the project as per the details given in para 13 of this order and has acquired hundred percent equity holding in the petitioner company on 7.1.2011 after execution of the Share Purchase Agreement and completing all procedural requirements specified in the bid documents.

23. In the light of the discussions in the preceding paragraphs, we are satisfied that selection of the successful bidder and the process of arriving at the levellised tariff of the project through competitive bidding has been

carried out by the Bid Process Coordinator through a transparent process in accordance with the Guidelines and Standard Bid Documents. The Bid Evaluation Committee has certified that the process is in conformity with the MOP Guidelines. Accordingly, we approve and adopt the levelled transmission charges for the project as per the **Appendix** to this order. The sharing of the transmission charges by the LTTCs shall be governed by the provisions of Transmission Service Agreement and the provisions of Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010 as amended from time to time.

24. The tariff adopted for the transmission system is valid for a period of 35 years. The tariff of the transmission assets beyond the period of 35 years shall be governed in accordance with the provisions of clause (4) of Regulation 13 of Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 as amended from time to time.

25. The Petition No.6/2011 is disposed in terms of the above.

Sd/-
(M. DEENA DAYALAN)
MEMBER

sd/-
(V.S.VERMA)
MEMBER

sd/-
(S. JAYARAMAN)
MEMBER

sd/-
(DR. PRAMOD DEO)
CHAIRPERSON



Appendix

Levelised Transmission Charges				
Year (Term of License)	Commencement Date of Contract Year	End Date of Contract Year	Non-Escalable Transmission Charges (₹ in Millions)	Escalable Transmission Charges (₹ in Millions)
1	24-Jan-14	31-Mar-14	352.00	0
2	01-Apr-14	31-Mar-15	352.00	Same as Above
3	13-Oct-15	31-Mar-16	352.00	Same as Above
4	01-Apr-16	31-Mar-17	352.00	Same as Above
5	01-Apr-17	31-Mar-18	352.00	Same as Above
6	01-Apr-18	31-Mar-19	352.00	Same as Above
7	01-Apr-19	31-Mar-20	352.00	Same as Above
8	01-Apr-20	31-Mar-21	352.00	Same as Above
9	01-Apr-21	31-Mar-22	352.00	Same as Above
10	01-Apr-22	31-Mar-23	352.00	Same as Above
11	01-Apr-23	31-Mar-24	352.00	Same as Above
12	01-Apr-24	31-Mar-25	257.00	Same as Above
13	01-Apr-25	31-Mar-26	257.00	Same as Above
14	01-Apr-26	31-Mar-27	257.00	Same as Above
15	01-Apr-27	31-Mar-28	257.00	Same as Above
16	01-Apr-28	31-Mar-29	257.00	Same as Above
17	01-Apr-29	31-Mar-30	257.00	Same as Above
18	01-Apr-30	31-Mar-31	257.00	Same as Above
19	01-Apr-31	31-Mar-32	257.00	Same as Above
20	01-Apr-32	31-Mar-33	257.00	Same as Above
21	01-Apr-33	31-Mar-34	257.00	Same as Above
22	01-Apr-34	31-Mar-35	257.00	Same as Above
23	01-Apr-35	31-Mar-36	257.00	Same as Above
24	01-Apr-36	31-Mar-37	257.00	Same as Above
25	01-Apr-37	31-Mar-38	257.00	Same as Above
26	01-Apr-38	31-Mar-39	257.00	Same as Above
27	01-Apr-39	31-Mar-40	257.00	Same as Above
28	01-Apr-40	31-Mar-41	257.00	Same as Above
29	01-Apr-41	31-Mar-42	257.00	Same as Above
30	01-Apr-42	31-Mar-43	257.00	Same as Above

31	01-Apr-43	31-Mar-44	257.00	Same as Above
32	01-Apr-44	31-Mar-45	257.00	Same as Above
33	01-Apr-45	31-Mar-46	257.00	Same as Above
34	01-Apr-46	31-Mar-47	257.00	Same as Above
35	01-Apr-47	31-Mar-48	257.00	Same as Above
36	01-Apr-48	35th Anniversary of the scheduled date of commercial operation	257.00	Same as Above