

# CENTRAL ELECTRICITY REGULATORY COMMISSION

NEW DELHI

## Petition No. 170/2010

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

**Date of Hearing:** 19.10.2010

**Date of Order:** 13.9.2011

### **In the matter of:**

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 bidding in accordance with guidelines issued by Ministry of Power, Govt. of India.

**And**

### **In the matter of:**

North Karanpura Transmission Company Ltd, New Delhi

.....**Applicant**

**Vs**

1. Gujarat Urja Vikas Nigam Limited, Vadodara
2. Maharashtra State Electricity Distribution Company Limited, Mumbai
3. Madhya Pradesh Power Distribution Company Limited, Jabalpur
4. Madhya Pradesh Audyokik Kendra Vikas Nigam Limited, Indore
5. Chhatisgarh State Power Distribution Company Limited, Raipur
6. Goa State Electricity Department, Govt. of Goa, Panaji
7. Electricity Department, Union Territory of Daman & Diu, Daman
8. Electricity Department, Administration of Dadra Nagar Haveli, Silvassa
9. Power Grid Corporation of India Ltd., New Delhi
10. Heavy Water Project, Mumbai
11. Jindal Power Ltd., Chhattisgarh
12. Torrent Power Ltd., Ahmedabad
13. PTC India Ltd., New Delhi
14. Adani Power Ltd., Gurgaon
15. Rajasthan Power Procurement Centre, Jaipur
16. BSES Yamuna Power Ltd., Delhi
17. BSES Rajdhani Power Ltd., New Delhi
18. North Delhi Power Ltd., Delhi
19. New Delhi Municipal Council, New Delhi
20. Uttarakhand Power Corporation Ltd., Dehradun
21. Paschimachal Vidyut Vitran Nigam Ltd., Meerut
22. Poorvanchal Vidyut Vitran Nigam Ltd., Varanasi
23. Dakshinanchal Vidyut Vitran Nigam Ltd., Agra
24. Madhyanchal Vidyut Vitran Nigam Ltd., Lucknow
25. Kanpur Electricity Supply Company Ltd., Kanpur
26. North Central Railway, Allahabad
27. Haryana Power Purchase Centre, Panchkula



28. Punjab State Electricity Board, Patiala
29. Power Development Department, Jammu
30. Himachal Pradesh State Electricity Board, Shimla
31. Electricity Department, Chandigarh
32. REC Transmission Projects Company, New Delhi

...Respondents

**Counsels/Representatives of Parties Present:**

1. Shri L. N. Mishra, RPTL
2. Shri Kiran Alla, RPTL
3. Shri V. K. Singh, RPTL
4. Shri V. Thyagarajan, PGCIL
5. Shri Vijay Kumar, PGCIL
6. Shri Mukesh Khanna, PGCIL
7. Shri Padamjit Singh, HPPC
8. Shri TPS Bawa, HPPC

**ORDER**

The Applicant, North Karanpura Transmission Company Limited 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-System Strengthening in Northern Region for import of power from North Kanarpura and other projects outside the Northern Region and System Strengthening in Western Region for import of power from North Karanpura and other projects outside the Western Region and also for power evacuation from projects within Western Region (hereinafter referred to as “the project”) consisting of the following elements:

**(a) Transmission Lines:-**

S. No.	Name (End-point Location)	Voltage class (kV)	Length (Km)	Type (S/C or D/C)
1	Sipat/Korba (Pooling)-Seoni	765 kV	334	S/C
2	Lucknow – Bareilly	765 kV	220	S/C
3	Bareilly- Meerut	765 kV	240	S/C
4	Agra- Gurgaon (ITP)	400 kV	220	D/C
5	Gurgaon- Gurgaon	400 kV	20	D/C

## (b) Sub-stations

S. No.	Name (Location)	Voltage Level (kV)	Transformer (Nos. and MVA capacity)	Reactive/capacitive compensation (device with MVAR capacity)	No. of bays
1	Gurgaon	400/220 kV	2 Nos X 500 MVA	2 Nos Switchable Reactors X 50 MVAR	10

## (c) Commissioning Schedule

S. No.	Scope of Work	Completion Target
1	Sipat/Korba(Pooling)-Seoni 765 kV S/C Line	36 months
2	Lucknow-Bareilly 765 kV S/C Line	42 months
3	Bareilly-Meerut 765 kV S/C Line	42 months
4	Agra-Gurgaon(ITP)-400 kV Quad D/C line	30 months
5	Gurgaon(ITP)-Gurgaon(PG) 400 kV Quad D/C Line	30 months
6	Gurgaon(ITP) 400/220 kV GIS Substation	30 months

2. The applicant has submitted that the Central Government in exercise of 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 No. F.No.11/12/2006-PG dated 26.6.2007 as the Bid Process Coordinator (BPC) for the purpose of selection of a Transmission Service Provider (TSP) for the project. North Karanpura Transmission Company Ltd having its registered office at New Delhi was incorporated on 23.4.2007 by RECTPCL as its wholly owned subsidiary to initiate the work on the project and subsequently to act as Transmission Service Provider (TSP) after being acquired by the successful bidder. The Applicant has submitted that subsequent to the process of competitive bidding conducted by the Bid

Process Coordinator, Reliance Power Transmission Limited (RPTL) has emerged as the successful bidder with the lowest levelised transmission charge and the Letter of Intent was issued to it by the BPC on 18.12.2009. Subsequently the applicant has been acquired by the successful bidder on 20.5.2010 after execution of the Share Purchase Agreement (SPA) and completing all procedural requirements specified in the bid documents. Accordingly, the applicant as the TSP has approached the Commission for adoption of tariff. The applicant has made the following prayers:

- “(a) Adopt the transmission charges payable to the applicant under TSA including other terms and conditions;
- (b) Pass such other order as the Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.”

3. The applicant has served copies of the application on the all Long Term Transmission Customers (LTTCs). Reply to the petition has been filed by Respondent No. 27, Haryana Power Purchase Centre.

4. The matter was heard on 23.9.2010 and 19.10.2010. In compliance with the directions of the Commission, Respondent No. 27 has submitted its comments vide affidavit dated 27.9.2010 and the applicant has filed its reply thereto in its affidavit dated 13.10.2010.

5. The present application has been filed under section 63 of the Act for adoption of tariff in respect of the transmission elements mentioned in para 1 of this order. 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.”*

6. The salient features of 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 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 Organisation 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 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 alongwith the certification of BPC shall be forwarded to the Appropriate Commission for adoption of tariff in terms of section 63 of the Act.

7. In the light of the above provisions of the Guidelines, we have examined in the succeeding paragraphs the transparent process of competitive bidding adopted in the present case for selection of the successful bidder and for arriving at the lowest levelised transmission charges, after taking into account the submissions of the applicant, the Bid Process Coordinator and HPPC.



8. North Karanpura Transmission Company Ltd (NKTCL) was incorporated on 23.4.2007 under the Companies Act, 1956 as a wholly owned subsidiary of RECPTCL to initiate the activities of the Project and subsequently to act as the Transmission Service Provider after being acquired by the successful bidder. The main objectives of NKTCL were to “plan, promote and develop an integrated and efficient power transmission system network in all its respects including planning, investigation, 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 turnkey 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”.

9. 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 successful bidder as Transmission Service Provider (TSP) to establish the project through tariff based competitive bidding process on Build, Own, Operate and Maintain(BOOM) basis in accordance with the Guidelines issued under section 63 of the Act. 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

6.10.2008 for selection of developer on 'build, own, operate and maintain' basis for the project. The BPC invited Request for Qualification(RFQ) to qualify/shortlist the bids for participation in the next stage of bidding i.e. Request for Proposal (RFP) as per the process for selection of TSP. Intimation regarding the initiation of the bid process was given to the Commission in accordance with para 4.2 of the Guidelines vide its letter Ref No.RECTPCL/CO/2008 dated 6.10.2008.

10. The key milestones in the bidding process were as under:

<b>Event</b>	<b>Date</b>
Submission of RFQ bid	11.12.2008
Issuance of RfP	8.5.2009
Issue of signed RfP documents	10.9.2009
Submission of bids	28.10.2009
Opening of Financial bids	11.12.2009
Issue of LOI	18.12.2009

11. The Bid Evaluation Committee constituted by the BPC consisted of the following:

- (a) Sh. Rajan Srinivasan, GM (Project Finance), SBI Mumbai- Chairman
- (b) Sh. R. K. Sharma, Member, Bihar SEB-Member
- (c) Sh. N. C. Jain, Chief Engineer (F&CA), CEA-Member
- (d) Sh. Karnail Singh, Chief Engineer (SE&TD), CEA-Member
- (e) Sh. Niraj Gulati, Director (Tech), HVPNL-Member
- (f) Sh. Ashok Kumar Singh, Chief Engineer (C&M unit), Transmission UPPTCL-Member
- (g) Sh. Subodh Garg, CEO, REC TPCL-Convener

12. On evaluation of the responses received, the following six bidders were found qualified at the RFQ stage:

- (1) Lanco Deepak Consortium
- (2) L&T Transco Pvt. Ltd.
- (3) JSW Energy Ltd.
- (4) Essar Power Ltd.
- (5) Sterlite Technology Ltd.
- (6) Reliance Power Transmission Ltd.

13. RFP bids comprising of Non-Financial Bids and Financial Bids were submitted by four bidders such as (1) Reliance Power Transmission Limited; (2) Sterlite Technologies Limited; (3) Lanco Deepak Consortium and (4) L & T Transco Private Limited. The RFP bids were opened on 11.12.2009 in the presence of Bid Evaluation Committee and the representatives of the bidders. Based on the evaluation of the levelised transmission charges quoted in the RFP bids, the Bid Evaluation Committee recommended Reliance Power Transmission Limited as the successful bidder with the lowest evaluated annual levelised transmission charges of ₹ 2580.0051 million per annum. The Bid Evaluation Committee recommended the following:

“It is hereby certified that:

- (a) M/s Reliance Power Transmission Ltd. has emerged as the Successful Bidder with the lowest Levelised Transmission Charges of ₹ 2580.0051 Million per annum for the above project.
- (b) The rates quoted by the Successful Bidder are in the 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 “Guidelines for Encouraging Competition in Development of 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.”

14. In accordance with para 12.3 of the Guidelines, the BPC has posted on the website of Rural Electrification Corporation the final results of the evaluation of the bids, indicating the lowest levelised transmission charges of ₹ 2580.0051 Million per annum quoted by the successful bidder and anonymous comparison of the other bids.

15. Letter of Intent (LOI) was issued by the BPC to the successful bidder i.e. Reliance Power Transmission Ltd. (RPTL) on 18.12.2009 which was unconditionally accepted by RPTL. Under the terms of the RFP and Letter of Intent dated 18.12.2009, the successful bidder is required to accomplish the following tasks within the time set out in the LOI or within the extended period as the BPC may allow in terms of proviso to clause 2.4 of the RFP of proviso to clause 2.4 of the RFP:

- (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 ENCIL alongwith all its related assets and liabilities;
- (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;
- (f) Apply to Central Electricity Regulatory Commission for grant of transmission licence.

16. The BPC in its letter dated 1.1.2010 intimated the break-up of allotted capacities among the Long Term Transmission Customers for the purpose of issue of Contract Performance Guarantee. The break-up details of allotted capacities are as under:

Sl. No.	Name of the Long Term Transmission Customer	Allocated Project Capacity (in MW)
<b>A</b>	<b><u>WESTERN REGION</u></b>	
	<b><u>GUJARAT</u></b>	
1	Gujarat Urja Vikas Nigam Ltd. (GUVNL)- (GUVNL sign the TSA on behalf of following Discoms)	2401.88
(i)	Uttar Gujarat Vij Co. Ltd.	
(ii)	Dakshin Gujarat Vij. Co. Ltd.	
(iii)	Madhya Gujarat Vij. Co. Ltd.	
(iv)	Paschim Gujarat Vij. Co. Ltd.	
	<b><u>MAHARASHTRA</u></b>	
2	Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL)	3252.31
	<b><u>MADHYA PRADESH</u></b>	
3	Madhya Pradesh Power Trading Company Ltd., (MPPTCL)-(MPPTCL sign the TSA on behalf of following Discoms)	2321.61
(i)	M. P. Poorva Keshtra Vidyut Vitran company	
(ii)	M. P. Paschim Keshtra Vidyut Vitran company	
(iii)	M. P. Madhya Keshtra Vidyut Vitran company	
4	Madhya Pradesh Audyokik Kendra Vikas Nigam Ltd., (MPAKVNL), Indore	12.96

	<b><u>CHHATTISGARH</u></b>	
5	Chhattisgarh State Power Distribution Company Ltd.	637.45
	<b><u>GOA</u></b>	
6	Goa State Electricity Department, Govt. of Goa	303.00
	<b><u>DAMAN &amp; DIU</u></b>	
7	Secretary (Power), UT of Daman & Diu Daman and Diu Electricity Department	289.91
	<b><u>DADRA NAGAR HAVELI</u></b>	
8	Secretary (Power), Administration of Dadra Nagar Haveli	545.31
9	<b><u>POWER GRID CORPORATION OF INDIA LTD.</u></b>	3.28
10	Heavy Water Project, Dept. of Atomic Energy	18.00
11	Jindal Power Ltd.	500.00
12	Torrent Power Ltd.	500.00
13	PTC India Ltd.	300.00
14	Adani Power Ltd.	200.00
	Total of WR	11285.71
<b>B</b>	<b><u>NORTHERN REGION</u></b>	
	<b><u>RAJASTHAN</u></b>	
1	Rajasthan Power Procurement Centre (RPPC)-(RPPC sign the TSA on behalf of following Discoms)	1794
(i)	Jodhpur Vidyut Vitran Nigam Ltd. (JDVNL)	
(ii)	Jaipur Vidyut Vitran Nigam Ltd. (JVVNL)	
(iii)	Ajmer Vidyut Vitran Nigam Ltd. (AVVNL)	
	<b><u>DELHI</u></b>	
2	BSES Yamuna Power Ltd. (BYPL)	722.80
3	BSES Rajdhani Power Ltd. (BRPL)	1101.23
4	North Delhi Power Ltd. (NDPL)	751.76
5	New Delhi Municipal Council (NDMC)	106.21
	<b><u>UTTARAKHAND</u></b>	
6	Uttarakhand Power Corporation Ltd.	605
	<b><u>UTTAR PRADESH</u></b>	

7	Uttar Pradesh Power Coporation Ltd. (UPPCL)	
(i)	Paschimachal Vidyut Vitran Nigam Ltd.	1504
(ii)	Poorvanchal Vidyut Vitran Nigam Ltd.	1092
(iii)	Dakshinanchal Vidyut Vitran Nigam Ltd.	1034
(iv)	Madhyanchal Vidyut Vitran Nigam Ltd.	749
(v)	Kanpur Electricity Supply Company Ltd. (KESCO)	218
8	North Central Railway	100
	<b><u>HARYANA</u></b>	
9	Haryana Power Purchase Centre (HPPC)-(HPPC signed the TSA on behalf of following Discoms)	1481
(i)	Uttar Haryana Bijli Vitran Nigam Ltd.	
(ii)	Dakshin Haryana Bijli Vitran Nigam Ltd.	
	<b><u>PUNJAB</u></b>	
10	Punjab State Electricity Board	2291
	<b><u>JAMMU &amp; KASHMIR</u></b>	
11	Power Development Department (PDD)	1267
	<b><u>HIMACHAL PRADESH</u></b>	
12	Himachal Pradesh State Electricity Board	1244
	<b><u>UT CHANDIGARH</u></b>	
13	Electricity Department, UT Chandigar	171
14	Power Grid Corporation of India Ltd.	1.63
	Total of NR	16233.63
	Grand Total of WR+NR	27519.34

17. The BPC in its letter dated 11.9.2009 had intimated to the bidder that the Acquisition Price payable by the Selected Bidder for acquisition of one hundred percent of equity shareholding of North Karanpura Transmission Company Ltd. alongwith its related assets and liabilities was ₹ 1879.57 lakh. The BPC in its letter dated 19.5.2010 intimated to RPTL that the Acquisition Price in terms of Share Purchase Agreement and

Clause 2.4 (c) of the Final RFP has been finalized as ₹ 19,20,93,863.00 (Rupees Nineteen Crore Twenty Lakh Ninety Three Thousand Eight Hundred Sixty Three only) as per the account of North Karanpura Transmission Company Ltd. closed on the mutually agreed closing date of 20.5.2010.

18. RPTL has paid the Acquisition Price and has acquired NKTCL as its 100% subsidiary on 20.5.2010 after execution of the Share Purchase Agreement on 20.5.2010 and completion of all procedural requirements.

19. As per Article 12.2.1 of the Transmission Service Agreement (TSA), during the construction period, the impact of increase/decrease in the cost of the Project in the Transmission Charges shall be governed by the formula given below:

*“For every cumulative increase/decrease of each Rupees Eight Crores Fifty Lacs(₹ 8.50 Crores) in the cost of the Project upto the Scheduled COD of the Project, the increase/decrease in non-Escalable Transmission Charges shall be an amount equal to Zero Point Three One Three percent (0.313%) of the Non-Escalable Transmission Charges.”*

Accordingly, the amount of increase in acquisition price (i.e. ₹ 41 lakh approximately) will be admissible to the Applicant only when the cumulative impact reaches ₹ 8.50 Crores in terms of Article 12.2.1 of the TSA.

20. HPPC, Respondent No. 27 herein, in its affidavit dated 22.7.2010 and 27.9.2010 has submitted the following:



- a) The Bid Process Coordinator is required to furnish a certificate that in carrying out the competitive bidding process, the guidelines issued by the Central Government have been correctly and strictly followed.
- b) Referring to last para in the LOI that “M/s Reliance Power Transmission Limited’s contractual relationship with the Long Term Transmission Customers will be governed solely on the basis of final RFP”, HPPC has submitted that BPC should certify that the Transmission Service Agreement (TSA) dated 10.09.2009 strictly complies with the Request for Proposal (RFP) as stipulated in the Letter of Intent.
- c) There is some cutting and overwriting at page 143 of the TSA wherein the word ‘Moose’ has been deleted and replaced by the word ‘Bersimis’. However, the overwriting has not been attested/initialed.
- d) Certain handwritten additions have been made to the technical specifications of the 400/220 kV Gurgaon sub-station which has not been attested/initialed by the signatories and this matter is required to be clarified by the BPC.
- e) In the Schedule to the TSA, against the transmission elements Lucknow-Bareilly 765 kV SC line and Bareilly-Meerut 765 kV SC line, there is a condition that the commissioning of these lines are “to be matched with N.Karampura generation”. Since North Karanpura generation of NTPC is

likely to be delayed on account of possible shifting of the project site, the transmission line may not be linked with the commissioning of North Karanpura STPS.

- f) Confirmation from Powergrid should be obtained for timely upgradation of the sub-stations at Lucknow, Bareilly and Meerut sub-station from 400 kV to 765 kV to avoid mismatch with the commissioning of 765 kV Locknow-Bareilly-Meerut section to be executed by NKTPCL.
- g) Sr. No.4 of the Memorandum of Association of the applicant company provides “to carry on the business of purchasing, importing, exporting and trading of power”. Since a transmission licensee is debarred under the Act from trading, this clause in the MOA is required to be deleted. Further, the Transmission Service Provider should give an undertaking that it will not carry out trading/import/export/purchase of power over the transmission assets covered in the agreement.

21. The applicant in its affidavit dated 12.10.2010 has submitted as under:

- (a) The Bid Evaluation Committee constituted by the Bid Process Coordinator has given a certificate dated 14.12.2009 that 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 Transmission Projects” issued by the Ministry

of Power, Govt. of India under Section 63 of the Electricity Act, 2003 and as amended from time to time. A copy of the said certificate has been placed on record.

- (b) The definition of RFP in TSA and in RFP itself is that “RFP shall mean Request for Proposal dated 8.5.2009 alongwith all schedules, annexures and RFP Project Documents attached thereto, issued by the BPC, including any modifications, amendments or alterations thereto”. The TSA submitted by the applicant as part of the main petition forms part of the RFP documents. The TSA was executed on 10.9.2009 and was duly signed by the Long Term Transmission Customers including Respondent No. 27 i.e. HPCC. As the TSA was part of the bid documents, there was no deviation with respect to the final RFP.
- (c) The change in conductor for Sipat-Seoni line from Moose to Bersimis was part of the amendment to the RFP documents issued by the BPC vide its letter dated 6.10.2009.
- (d) As regards delinking the commissioning of Lucknow-Bareilly 765 kV SC line and Bareilly-Meerut 765 kV SC line from the commissioning schedule of North Karanpura STPS, the applicant is in agreement with the proposal and intends to subsequently take up amendment of TSA in terms of Article 18.17 of the TSA. The applicant proposes to approach the Commission separately after seeking consent of all parties to the TSA including Respondent No. 27.

- (e) As regards coordination with PGCIL to match the timeframe for construction, the applicant has submitted that Article 4.1(c) of TSA puts an obligation on the Transmission Service Provider to enter into Connection Agreement with CTU in accordance with Grid Code. However, Article 6 of TSA provides for detailed procedure on Connection and Commissioning of the project. The issue of coordination with CTU and beneficiaries has already been given due attention while evolving the scheme and further shall be reinforced at the time of connection and commissioning of the project.
- (f) The applicant has submitted that it has given an affidavit on 6.9.2010 for not engaging in the business of trading in electricity. The applicant has also amended the MOA by deleting the said provision and has placed a copy of the amended MOA on record.

22. We have considered the objections raised by the HPPC and the reply of the applicant. We are of the view that the replies of the applicant satisfactorily meet the objections raised by HPPC. As regards the concern expressed by HPPC regarding delinking the commissioning of Lucknow-Bareilly 765 kV SC line and Bareilly-Meerut 765 kV SC line from the commissioning of North Karanpura STPS and the coordination with PGCIL for upgradation of its sub-stations at Lucknow, Bareilly and Meerut, the applicant is willing to consider these in accordance with the provisions of TSA after consultation with the LTTCs and approach the Commission for approval. It is clarified

that if the applicant approaches the Commission for approval on any issue relating to the TSA, the same will be considered in accordance with law.

23. In the light of the discussion in the preceding paragraphs, we are satisfied that selection of the successful bidder and the process of arriving at levelised tariff of the project mentioned in para 1 of this order has been carried out by the Bid Process Coordinator through a transparent process of competitive bidding in accordance with the Guidelines and Standard Bid Documents. Accordingly, we approve and adopt the transmission charges of the project as given in **Appendix** to this order which shall be charged by the applicant company from the Long Term Transmission Customers in terms of the provisions of Transmission Service Agreement. The sharing of the transmission charges by the LTTCS shall be governed by the relevant regulations of the Commission issued from time to time.

24. The tariff adopted for the project is valid for a period of 25 years. The tariff of the project beyond the period of 25 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. Petition No. 170/2010 is disposed of 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

(Para 23 of the order in Petition No. 170/2010)

### North Karanpur Transmission Systems

#### Bidder A : Reliance Power Transmission Limited (L1)

Year (Term of License)	Commencement Date of Contract Year	End Date of Contract Year	Non-Escalable Transmission Charges (Rs. in Millions)	Escalable Transmission Charges (Rs. in Millions)
1	(9-June-10)#	31-Mar-11		
2	01-Apr-11	31-Mar-12		
3	01-Apr-12	31-Mar-13		
4	Scheduled COD	31-Mar-14	3249.15	0.00
5	01-Apr-14	31-Mar-15	3249.15	Same as Above
6	01-Apr-15	31-Mar-16	3249.15	Same as Above
7	01-Apr-16	31-Mar-17	3249.15	Same as Above
8	01-Apr-17	31-Mar-18	3249.15	Same as Above
9	01-Apr-18	31-Mar-19	2274.41	Same as Above
10	01-Apr-19	31-Mar-20	2274.41	Same as Above
11	01-Apr-20	31-Mar-21	2274.41	Same as Above
12	01-Apr-21	31-Mar-22	2274.41	Same as Above
13	01-Apr-22	31-Mar-23	2274.41	Same as Above
14	01-Apr-23	31-Mar-24	2274.41	Same as Above
15	01-Apr-24	31-Mar-25	2274.41	Same as Above
16	01-Apr-25	31-Mar-26	2274.41	Same as Above
17	01-Apr-26	31-Mar-27	2274.41	Same as Above
18	01-Apr-27	31-Mar-28	2274.41	Same as Above
19	01-Apr-28	31-Mar-29	2274.41	Same as Above
20	01-Apr-29	31-Mar-30	2274.41	Same as Above
21	01-Apr-30	31-Mar-31	2274.41	Same as Above
22	01-Apr-31	31-Mar-32	2274.41	Same as Above
23	01-Apr-32	31-Mar-33	2274.41	Same as Above
24	01-Apr-33	31-Mar-34	2274.41	Same as Above
25	01-Apr-34	31-Mar-35	2274.41	Same as Above
26	01-Apr-35	25th Anniversary of the issue of licence	2274.41	Same as Above

**Levelised Tariff (₹ in millions): 2580.0051**