

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 89/TT/2014

Coram:

Shri Gireesh B. Pradhan, Chairperson

Shri M. Deena Dayalan, Member

Shri A.K.Singhal, Member

Date of Hearing : 24.6.2014

Date of Order : 07.8.2014

In the matter of

Application under Section 63 of the Electricity Act, 2003 for the adoption of Tariff (Transmission Charges) in respect of the Transmission System being established by NRSS XXXI (B) Transmission Limited (NTL), New Delhi (A wholly owned subsidiary of Essel Infraprojects Limited) under Tariff Based Competitive Bidding process.

And

In the matter of

NRSS XXXI (B) Transmission Limited
Essel House, B-10, Lawrence Road,
Industrial Area,
New Delhi 110 035

..... **Petitioner**

Vs

1. Ad Hydro Power Limited
Bhilwara Towers, A-12, Sector-1,
Noida - 201 301
2. Haryana Power Purchase Centre
Shakti Bhavan Energy Exchange Room No. 446,
Top Floor, Sector - 6, Panchkula - 134 109
3. Punjab State Power Corporation Limited,
Thermal Sheds, T 1-A, Patiala, Punjab
4. Himachal Sorang Power Pvt. Ltd.,
901 B, 9th Floor, Time Tower,
M. G. Road, Gurgaon - 122 009
5. Adani Power Limited,
Mundra Achalraj, Opp Mayor Bunglow,
Law Garden, Ahmedabad - 380 006



6. Jaipur Vidyut Vitran Nigam Limited,
Vidyut Bhawan, Janpath,
Jaipur - 302 005
7. Ajmer Vidyut Vitran Nigam Limited,
Vidyut Bhawan, Panchsheel Nagar,
Makarwali Road, Ajmer- 305004
8. Jodhpur Vidyut Vitran Nigam Limited,
New Power House, Industrial Area,
Jodhpur - 342 003
9. Lanco Anpara Power limited,
Plot no. 397, Udyog Vihar, Phase 3,
Gurgaon – 122 016
10. Lanco Budhil Hydro Power Pvt. Ltd.
Plot no. 397, Udyog Vihar, Phase 3,
Gurgaon – 122 016
11. Power Development Deptt., Govt. of J&K,
Govt. of Jammu & Kashmir, SLDC Building,
1st Floor, Gladani Power House, Narwal, Jammu
12. North Central Railway, DRM Office
Nawab Yusuf Road, Allahabad
13. Jaiprakash Power Ventures Limited
Sector -128, Noida - 201 304
14. BSES Yamuna Power Limited,
BSES Yamuna Power Ltd. 2nd Floor,
Shakti Kiran Bldg., Karkardooma, New Delhi – 110092
15. BSES Rajdhani Power Limited
BSES Rajdhani Power Limited, BSES Bhawan,
Nehru Place, New Delhi - 110 019
16. TATA Power Delhi Distribution Limited
NDPL House, Hudson Lines,
Kingsway Camp, Delhi - 110 009
17. New Delhi Municipal Corporation
NDMC, New Delhi
18. Electricity Wing of Engineering Department
Union Territory of Chandigarh,
Electricity OP Circle, UT – Chandigarh
19. Power Grid Corporation of India Limited

HVDC Dadri and HVDC Rihand,
“Saudamini”, Plot No. 2, Sector 29,
Near IFFCO Chowk, Gurgaon - 122 001

20. U.P. Power Corporation Limited
14th Floor, Shakti Bhawan Extension,
14 - Ashok Marg, Lucknow
21. PTC India Limited, PTC (Budhil) and PTC (Everest)
2nd Floor, NBCC Tower,
15, Bhikaji Cama Place, New Delhi
22. Uttarakhand Power Corporation Limited
UPCL, Urja Bhawan, Dehradun
23. Himachal Pradesh State Electricity Board Limited
HPSEB Ltd. , Vidyut Bhawan,
Shimla - 171 004

...Respondents

Additional CEO,
REC Transmission Projects Company Limited
Upper Ground Floor, Antriksh Bhawan,
22 K G Marg, New Delhi-110 001

.Proforma Respondents

The following were present:

1. Shri Mohit Jain, NTL
2. Shri Amit Kumar, NTL
3. Shri Debasish Das, NTL
4. Shri Arun Chaturvedi, RECTPCL

ORDER

The petitioner, NRSS XXXI (B) Transmission Limited, has filed the present petition under Section 63 of the Electricity Act, 2003 (hereinafter referred to as the 'Act') for adoption of tariff in respect of transmission system for “Northern Region System Strengthening Scheme NRSS-XXXI (Part B)” (hereinafter referred to as 'the Project') comprising of the following elements:

S. No.	Name of the Transmission Element	Completion Target	Conductor per phase
1	Kurukshetra- Malerkotla 400 kV D/C transmission	28 months from the effective	Twin Moose or ACSR



	line(125 km, revised to 135 km after survey)	date	equivalent AAAC
2	Malerkota-Amritsar 400 kV D/C transmission line (180 km revised to 147 km after survey)	28 months from the effective date	Twin Moose ACSR or equivalent AAAC

2. The petitioner 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 referred to as “the Guidelines”) vide Government of India Ministry of Power Resolution No.11/5/2005-PG(i) dated 17.4.2006. The petitioner has further submitted that Ministry of Power vide its vide Gazette Notification No. 15/1/2013-Trans. dated 20.5.2013 notified REC Transmission Projects Company Ltd. (RECTPCL) as the Bid Process Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider (TSP) to establish the “Northern Region System Strengthening Scheme, NRSS-XXXI (Part-B) on Build, Own, Operate and Maintain (BOOM) basis through competitive bidding in accordance with Guidelines.

3. On 29.7.2013, the BPC incorporated the NRSS XXXI (B) Transmission Limited (NTL) as its wholly owned subsidiary to take steps for execution of the transmission project and subsequently to act as the Transmission Service Provider after being acquired by the successful bidder.

4. The petitioner has submitted that RECTPCL as BPC had initiated the process for selection of successful bidder in accordance with the “Guidelines for

encouraging competition in development of Transmission Projects and competitive bidding for Transmission Service” and Guidelines issued by Ministry of Power, Government of India. The petitioner has submitted that the key milestones in the bidding process were as under:

S. No.	Events	Date
1.	Global Invitation for Tender	31.7.2013
2.	Date of submission of Request for Qualification	16.9.2013
3.	Date of execution of TSA	2.1.2014
4.	Notification of list of bidders qualified for submission of Request for Proposal	17.5.2013
5.	Issuance of Request for Proposal documents	31.7.2013
6.	Pre-bid meeting	26.12.2013
7.	Issuance of written clarifications/ amendments by BPC	23.1.2014
8.	Submission of Request for Proposal documents	7.2.2014
9.	Opening of Non-financial Bid	7.2.2014
10.	Opening of financial bids	14.2.2014
11.	Issuance of Letter of Intent to successful bidder	26.2.2014
12.	Submission of Contract Performance Guarantee in favour of LTTCs	24.3.2014
13.	Signing of Share Purchase Agreement and acquisition of NRSS-XXXI (B) Transmission Ltd.	12.5.2014

5. The petitioner has submitted that BPC started the process with the publication of Global Invitation for qualification on 31.7.2013 for selection of a TSP for the project and to provide transmission service on long-term basis to the Long Term Transmission Customers (LTTCs). Intimation regarding the initiation of the bidding process was given by the BPC to the Commission vide its letter dated 6.8.2013. A total of seven bidders had submitted their Request for Qualification

(RfQ) by 16.9.2013 amongst which seven bidders were qualified for participation in the next stage of bidding i.e Request for Proposal (RfP). On 7.2.2014, RfPs were submitted by the following three bidders, whose financial bids were opened on 14.2.2014:

- (i) Power Grid Corporation of India Limited;
- (ii) Sterlite Grid Limited.
- (iii) Essel Infraprojects Limited.

6. The petitioner has submitted that the bidding process concluded on 18.2.2014 when the Board of the BPC resolved that M/s Essel Infraprojects Limited (EIL) has quoted the lowest levelized transmission charges and was declared successful bidder. The Letter of Intent (LOI) dated 26.2.2014 was issued by the BPC to the successful bidder on 26.2.2014 which has been accepted by the successful bidder unconditionally. In keeping with the conditions stipulated in the bid documents, the petitioner on 12.5.2014 acquired the NRSS XXXI (B) Transmission Limited as its wholly owned subsidiary after executing the Share Purchase Agreement and also furnished the Contract Performance Guarantee of ₹27,45,000/- in favour of LTTCs on 25.3.2014.

7. The petitioner has submitted that BPC, vide its clarifications issued on 24.1.2014, has clarified that the transmission charges shall be shared and recovered as per the applicable CERC Regulation which is at present the PoC Mechanism under Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010.

8. The petitioner has submitted that as per the executed Transmission Service Agreement (TSA) the transmission assets are to be developed by the TSP in line with the Scheduled Commercial Operation Date (COD) of each element of the project. Further, the quoted transmission charges shall be payable based on the percentage of the transmission charges that are recoverable on achieving scheduled COD of each element of the project given as under:

S. No	Transmission elements	Scheduled COD months from effective date	Percentage quoted transmission charges recoverable on scheduled COD of the element of the project	Elements which are pre-required for declaring the commercial operation of the respective transmission element
1	Kurukshetra– Malerkotla 400 kV D/C transmission line	28 Months from the effective date	40.5%	-
2	Malerkotla–Amritsar 400 kV D/C transmission line	28 Months from the effective date	59.5%	-

9. In accordance with the provision of the bid documents and LOI issued in its favour, the petitioner has prayed for adoption of the transmission charges for the project which has been discovered through the process of competitive bidding as under.

“(a) Adoption of Transmission Charges for the Project discovered through competitive bidding process;

(b) Allow Transmission System “Northern Region System Strengthening Scheme NRSS XXXI (Part-B)” to be part of the Transmission Service Agreement approved by the Hon’ble Commission under POC Charges Regulations CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010;

(c) Pass such other order/orders, as may be deemed fit and proper in the facts & circumstances of the case;”

10. On receipt of the present petition, the Commission vide its letter dated 28.5.2014 directed the BPC to submit the relevant documents regarding complete process of competitive bidding, through affidavit. The necessary details have been filed by the BPC under affidavit dated 11.6.2014.

11. Notices were issued to all the respondents who are the Long Term Transmission Customers of the project. In response to the petition, AJmer Vidyut Vitran Nigam Ltd., Jaipur Vidyut Vitran Nigam Ltd. and Jodhpur Vidyut Vitran Nigam Ltd in their common reply has submitted that the petitioner shall ensure execution of the project as per timelines specified in the TSA and shall remain bound by the provisions of the TSA. They have requested the Commission that charges as quoted by the petitioner should remain non-escalable throughout the TSA.

12. Notice was also issued to RECTPCL in its capacity as Bid Process Coordinator. RECTPCL has filed the copies of all relevant documents pertaining to the bidding process.

13. The petition was heard on 24.6.2014. None was appeared on behalf of the respondents. The representative of the petitioner submitted that tariff of the petitioner company has been discovered through the process of competitive bidding conducted in accordance with section 63 of the Act and the same may be adopted by the Commission. The representative of the BPC submitted that all the provisions of the competitive bidding guidelines have been complied with in this case.

14. The petitioner, vide its affidavit dated 1.7.2014, has submitted that it shall not approach the Commission for extension of time for execution of the project or for increase in the transmission charges, except for the extension of time and increase the transmission charges which are permissible and allowed under the TSA. The petitioner has further submitted that the execution of the project shall not be delayed due to time taken in obtaining statutory clearances required under the provisions of RfP and the TSA. We direct that the petitioner shall remain bound by the commitment given by it under affidavit dated 1.7.2014.

15. We heard the representatives of the petitioner and learned counsel for the RECTPCL and perused the documents on record. We now proceed to examine whether the transmission charges have been discovered through a transparent process of competitive bidding in accordance with Section 63 of the Electricity Act, 2003.

16. Section 63 of the Act provides as under:

“Section 63 (Determination of tariff by bidding process):

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.”

17. 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 Undertakings 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 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 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 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 shall 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.

18. 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 levelized transmission charges and for selection of the successful bidder.

19. RECTPCL was notified by Ministry of Power, Government of India vide its vide Gazette Notification no 15/1/2013-Trans dated 20.5.2013 as the BPC for the purpose of selection of bidder as TSP to establish the project on Build, Own, Operate and Maintain (BOOM) basis through tariff based competitive bidding process.

20. NRSS XXXI (B) Transmission Limited was incorporated on 29.07.2013 under the Companies Act, 1956 as a wholly owned subsidiary of RECTPCL with the objective to establish the transmission system for "Northern Region System Strengthening Scheme NRSS-XXXI (Part B)" on BOOM basis and to act as the Transmission Service Provider after being acquired by the successful bidder. The main objective of the petitioner company in its Memorandum of Associations are as under:

"to Plan, promote and develop an integrated and efficient power transmission system network in all its aspects including planning,

investigation, research, design and engineering, preparation of preliminary, feasibility and definite project reports, construction, operation and maintenance of transmission lines, sub-stations, load dispatch stations and communication facilities and appurtenant works, coordination of integrated operation of regional and national grid system, execution of turn-key jobs for other utilities/organizations and wheeling of power in accordance with the policies, guidelines and objectives laid down by the Central Government from time to time”.

21. 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. The BPC started the process of selection of TSP with the publication of Global Invitation for Qualification on 31.7.2013 for selection of developer on BOOM basis for the project. The RfQ notice was published on 31.7.2013 in all the editions of The Economic Times, The Nav Bharat Times, The Times of India and The Financial Times (Worldwide) with the last date of submission of response to RFQ as 16.9.2013. 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. RECPTCL/P-1/NRSS-XXXI-B/RFQ/2013-14/1643, dated 6.8.2013.

22 The scope of the Project as per the Request for Proposal (RfP) and the Transmission Service Agreement is as under:

S.No.	Name of the Transmission Element	Completion Target	Conductor per phase
1	Kurukshetra-Malerkotla 400 kV D/c transmission line-135 km (revised after survey)	28 months from the effective Date	Twin Moose ACSR or equivalent AAAC
2.	Malerkotla-Amritsar 400 kV D/C transmission line-147 km (revised after survey)	28 months from the effective Date	Twin Moose ACSR or equivalent AAAC

23. The following identified Long Term Transmission Customers (LTTCs) of the project were identified at the time of bidding:

S. No.	Name of the Long Term Transmission Customers
1.	Ad Hydro Power Limited
2.	Haryana Power Purchase Centre
3.	Punjab State Power Corporation Limited
4.	Himachal Sorang Power Pvt. Ltd.
5.	Adani Power Limited
6.	Jaipur Vidyut Vitran Nigam Limited
7.	Ajmer Vidyut Vitran Nigam Limited
8.	Jodhpur Vidyut Vitran Nigam Limited
9.	Lanco Anpara Power Limited
10.	Lanco Budhil Hydro Power Pvt. limited
11.	Power Development Deptt., Govt. of Jammu & Kashmir
12.	North Central Railway
13.	Jaiprakash Power Ventures Limited
14.	BSES Yamuna Power Limited
15.	BSES Rajdhani Power Limited
16.	TATA Power Delhi Distribution Limited
17.	New Delhi Municipal Corporation
18.	Electricity Wing of Engineering Department, Union Territory of Chandigarh
19.	Power Grid Corporation of India Limited, HVDC Dadri and HVDC Rihand
20.	U.P. Power Corporation Limited
21.	PTC (Budhil), PTC India Limited
22.	PTC (Everest), PTC India Limited
23.	Uttarakhand Power Corporation Limited
24.	Himachal Pradesh State Electricity Board Limited

24. Responses to RfQ were received from seven Bidders on 16.9.2013, as per the details given below:

S.No.	Name of Bidders
1.	Tata Projects Limited
2.	Power Grid Corporation of India Limited
3.	Sterlite Grid Limited
4.	Gammon Infrastructure Projects limited
5.	Isolux Corsan Power Concessions India Pvt. Ltd.
6.	Essel Infraprojects Limited
7.	Ind Barath Power Gencom Limited and Megha Engineering & Infrastructure Limited

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

- (a) Shri Vinod Pande, GM, SBI Capital Markets Ltd. ...**Chairman**
- (b) Smt Shashi Prabha, Chief Engineer (TS), Punjab State Transmission Corporation Limited**Member**
- (c) Shri S.B.Moudgil, Chief Engineer (SO & Commercial), Haryana Vidyut Prasaran Nigam Ltd. ...**Member**
- (d) Shri Pankaj Barta, Chief Engineer (Regulatory Affairs), CEA ...**Member**
- (e) Shri Ravinder Gupta, Chief Engineer (SP & PA), CEA ...**Member**
- (f) Shri Sunil Kumar, Chairman, UTL, GM, REC**Convenor-Member**

26. The responses to RfQ were opened on 16.9.2013 in the presence of Bid Evaluation Committee and the representative of the bidders. Evaluation was undertaken by Bid Process Consultant, namely, Deloitte Touche Tohmatsu India Ltd. in consortium with M/s Sanghania & Partners appointed by BPC and presented to the Bid Evaluation Committee which recommended all the six bidders as qualified at RfP stage, namely :

S.No.	Name of Bidders
1.	Tata Projects Limited
2.	Power Grid Corporation of India Limited
3.	Sterlite Grid Limited
4.	Gammon Infrastructure Projects limited
5.	Isolux Corsan Power Concessions India Pvt. Ltd.
6.	Essel Infraprojects Limited
7.	Ind Barath Power Gencom Limited and Megha Engineering & Infrastructure Limited

27. Out of the qualified seven bidders, RFP responses were received from the following three bidders:

- (i) Power Grid Corporation of India Limited;

- (ii) Sterlite Grid Limited;
- (iii) Essel Infraprojects Limited.

28. In line with provision of RfP, on 26.12.2013 a pre-bid conference was organized by the BPC to address the queries of the bidders with respect to the RfP documents. Subsequently, on 24.1.2014 clarifications to the queries raised by the bidders were issued. RfP (Non-Financial) Bids were opened on 7.2.2014 in the presence of Bid Evaluation Committee and the representatives of the bidders. Subsequently, on 11.2.2014 RfP (Non-Financial) bids were reviewed by the Bid Process Consultant and recommended all the following three bidders as responsive for opening of financial bids.

- (i) Power Grid Corporation of India Limited;
- (ii) Sterlite Grid Limited;
- (iii) Essel Infraprojects Limited.

29. The RfP (Financial) bids were opened on 14.2.2014 in the presence of Bid Process Consultant and the representatives of the bidders. The evaluation of the RfP (Financial) bids was carried out by Bid Process Consultant and presented to the Bid Evaluation Committee on 18.2.2014. The levelized transmission charges for each bidder, as per the bid evaluation model and the methodology specified in the RfP, were found to be in order. Based on the evaluation of the RfP, the levelized transmission charges were worked out as under:

S No.	Name of the Bidder	Levelised Transmission Tariff In Indian Rupees (Millions/annum)
1	Power Grid Corporation of India Limited	963.47

2	Sterlite Grid Limited	986.80
3.	Essel Infraprojects Limited	886.50

30. Based on the evaluated levelised transmission charges, the Bid Evaluation Committee recommended Essel Infraprojects Limited with the lowest evaluated annual levelised transmission charges of 886.50million/annum as the successful bidder. Paras 10, 12 and 13 of the Minutes of the Bid Evaluation Committee dated 18.2.2014 which are relevant, are extracted as under:

"10. Levelised Transmission Charges: The levelised Transmission Charges for each Bidder (in ascending order) as per the Bid Evaluation model and the methodology specified in RFP Documents is as under:

S. No.	Name of the Bidders	Levelized Tariff (Rs. In million)
1.	Essel Infraprojects Limited	886.50
2.	Power Grid Corporation of India Limited	963.47
4.	Sterlite Grid Limited	986.80

11. As per the above table M/s Essel Infraprojects Limited emerges as the successful bidder with the lowest Levelised Transmission Charges of Rs. 886.50 millions.

12. After detailed discussions on the evaluation report and verification of the bids, wherever required, the Bid Evaluation Committee took the following decision:

(a) Essel Infraprojects Ltd. Emerges as the successful Bidder with the lowest levelized Transmission Charges of Rs. 886.50 million.

(b) The levelized tariff for this project based on CERC norms for the same period works out to Rs. 923 million, which has been computed based on the estimated cost as communicated by CEA/CTU and methodology for calculation of tariff adopted by CERC.

(c) Thus, in the light of the above, the levelized tariff computed on the basis of rates quoted by the successful Bidder is reasonable.

(d) The entire bidprocess 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) and (d) above, M/s Essel Infraprojects Ltd. May. Be issued Letter of Intent (LOI)"

31. Bid Evaluation Committee vide its certificate dated 18.2.2014 has certified as under:

'It is hereby certified that:

a. M/s. Essel Infraprojects Limited has emerged as the successful bidder with the lowest levelised transmission charges of Rs. 886.50 millions for the above project.

b. The rates quoted by the successful bidder are in line with the prevailing 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 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.'

32. Letter of Intent was issued by the BPC on 26.2.2014 to the successful bidder i.e. Essel Infraprojects 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 TSP for the project.

33. In accordance with the terms of the RFP and Lol issued, 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 shareholdings of NRSS XXXI (B) Transmission Limited from RECTPCL, along with all its related assets and liabilities;

(d) Make an Application to the Central Electricity Regulatory Commission for adoption of charges under Section 63 of the Electricity Act, 2003;

(e) Apply to Central Electricity Regulatory Commission for grant of transmission licence.

34. The successful bidder has furnished the Performance Guarantee to each of the identified Long Term Transmission Customers of the project for an amount of ₹27,45,000 and has acquired hundred percent equity holding in the applicant company on 12.5.2014 after execution of the Share Purchase Agreement. The successful bidder is required to file the application for grant of transmission licence and adoption of tariff within six months from the effective date. Accordingly, the petitioner who was acquired by the successful bidder has filed the application for grant of transmission licence and present petition for adoption of tariff on 13.5.2014. Therefore, the petitioner has complied with all procedural requirements specified in the tariff based bidding guidelines issued by Central Government.

35. 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 levelised 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 levelised transmission charges for the project as per the **Appendix** to this order.

36. The petitioner has also prayed that the transmission system be allowed to be treated as part of the Transmission Service Agreement approved under the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses), Regulations 2010. It is noted that at the pre-bid conference BPC had clarified that TSA signed between the successful bidder and the identified LTTCs would merge with the TSA as notified by this Commission under the Sharing Regulations. Prior to acquisition of the NRSS XXXI (B) Transmission Limited by EIL, TSA was entered into on 2.1.2014 by the petitioner with the identified LTTCs. BPC vide its clarification dated 23.1.2014 has clarified that the transmission charges shall be shared and recovered as per the Sharing Regulations. Merger of the TSA signed by the parties with the TSA notified by this Commission is a condition of the bid and is binding on all concerned. The Sharing of transmission charges shall be governed in accordance with the provisions of the Sharing Regulations

37. The Petition No.89/TT/2014 is disposed in terms of the above. We direct that copies of this order shall be endorsed to all Long Term Transmission Customers of the transmission system.

Sd/-
(A.K.Singhal)
Member

sd/-
(M. Deena Dayalan)
Member

sd/-
(Gireesh B.Pradhan)
Chairperson



APPENDIX

Year (Term of License)	Commencement Date of Contract Year	End Date of Contract Year	Quoted Non- Escalable Transmission Charges (₹ in Millions)	Quoted Escalable Transmission Charges (₹ in Millions)
1	4-Jul-16 (scheduled COD)	31-March	1243.72	0.00
2	01-April	31- March	883.04	Same as above
3	01- April	31- March	883.04	Same as above
4	01- April	30- March	883.04	Same as above
5	01- April	31- March	883.04	Same as above
6	01- April	31- March	883.04	Same as above
7	01- April	31- March	883.04	Same as above
8	01- April	30- March	883.04	Same as above
9	01- April	31- March	883.04	Same as above
10	01- April	31- March	883.04	Same as above
11	01- April	31- March	883.04	Same as above
12	01- April	30- March	883.04	Same as above
13	01- April	31- March	883.04	Same as above
14	01- April	31- March	883.04	Same as above
15	01- April	31- March	883.04	Same as above
16	01- April	30- March	883.04	Same as above
17	01- April	31- March	883.04	Same as above
18	01- April	31- March	883.04	Same as above
19	01- April	31- March	883.04	Same as above
20	01- April	30- March	883.04	Same as above
21	01- April	31- March	883.04	Same as above
22	01- April	31- March	883.04	Same as above
23	01- April	31- March	883.04	Same as above
24	01- April	30- March	883.04	Same as above
25	01- April	31- March	883.04	Same as above
26	01- April	31- March	883.04	Same as above
27	01- April	31- March	883.04	Same as above
28	01 April	30- March	883.04	Same as above
29	01- April	31- March	883.04	Same as above
30	01- April	31- March	883.04	Same as above
31	01- April	31- March	883.04	Same as above
32	01- April	30- March	883.04	Same as above
33	01- April	31- March	883.04	Same as above
34	01- April	31- March	883.04	Same as above
35	01- April	31- March	883.04	Same as above
36	01-April	35th anniversary of the Scheduled COD	883.04	Same as above