

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 192/TT/2013

Coram:

**Shri M.Deena Dayalan, Member
Shri A.K.Singhal , Member**

Date of Hearing: 15.10.2013

Date of Order: 23.01.2014

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 Vizag Transmission Limited, New Delhi.

And

In the matter of

Vizag Transmission Limited

c/o GM I/C (TBCB & RC),

Power Grid Corporation of India Limited, Saudamini, Plot No. 2, Sector-29

Gurgaon-122 001

.....**Petitioner**

Vs

1. Tamil Nadu Generation and Distribution Company Limited (TANGEDCO),
NPKRR Malligai, 144, Anna Salai, Chennai 600 002
2. Northern Power Distribution Company of Andhra Pradesh Limited (APNPDCL),
H.No. 2-5-3 1/2, Vidyut Bhawan, APNPDCL, Corporate Office, Nakkal Gutta,
Hanamkonda, Warangal-506 001
3. Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL),
3rd Floor, Corporation Office P & T Colony, Seethmmadhara, Vishakhapatnam-
530 013
4. Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL),
Srinivassa Kalyana Mandapam Backside, Tiruchanoor Road, Kesavayan Gunta
Tirupati-517 501
5. Central Power Distribution Company of Andhra Pradesh Limited (APCPDCL),



6-1-50, Corporate Office, Mint Compound, Hyderabad- 500 063

6. Bangalore Electricity Supply Company Limited (BESCOM),
K.R.Circle, Bangalore-560 001
 7. Gulbarga Electricity Supply Company Limited (GESCOM),
Station Main Road, Gulbarga
 8. Hubli Electricity Supply Company Limited (HESCOM),
Navanagar, PB Road, Hubli
 9. Mangalore Electricity Supply Company Limited (MESCOM),
Paradigm Plaza, AB Shetty Circle, Mangalore-575 001
 10. Chamundeshwari Electricity Supply Company Limited (CESCOM),
927, LJ Avenue, Ground Floor, New Kantharaj Urs Road,
Saraswatipuram, Mysore-570 009
 11. Kerala State Electricity Board (KSEB),
Vaidyuthi Bhavanam, Pattom, Trivandrum-695 004
 12. Electricity Department, Govt. of Puducherry (PED), Puducherry-695 004
 13. Electricity Department, Govt. of Goa (GED), Vidyut Bhawan, Panaji,
Goa-403 001
 14. Lanco Kondapalli Power Limited (LKPL),
Plot No. 4 Software Units layout, HITEC City, Madhapur, Hyderabad-500 081
 15. Central Transmission Utility (CTU),
Saudamini, Plot No. 2, Sector 29, Gurgaon
 16. Power Company of Karnataka Limited,
5th Floor, KPTCL Building, Kaveri Bhawan, Bangalore-560 009 .**Respondents**
- REC Transmission Projects Company Limited,
Core-4, SCOPE Complex, 7 Lodhi Road,
New Delhi-110 003
- Proforma Respondents**

The following were present:

Shri U.K.Tyagi, VTL
Shri B. Vamsi, VTL
Shri S. Ravi, VTL
Shri Debasish Das, Advocate, RECTPCL



Shri S. Vallinayagam, Advocate, TANGEDCO
Shri A.M. Pavgi, PGCIL
Shri Sumod Thomas, PGCIL

ORDER

The petitioner, Vizag 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 System Strengthening in Southern Region for import of power from the Eastern Region comprising Srikakulam PP-Vemagiri-II Pooling Station 765 kV D/C line and Khammam (Existing) -Nagarjuna Sagar 400 kV D/C line

2. The petitioner has made the following prayers:

"(a) Adoption of Transmission Charges for the Project discovered through competitive bidding process.

(b) Allow the Transmission system for System Strengthening in Southern Region for import of power from Eastern Region to be part of Transmission Service Agreement approved by the Hon'ble Commission under PoC Charges Regulations (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 and circumstances of the case."

3. 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 REC



Transmission Projects Company Limited (hereinafter referred to as RECTPCL) was notified by Government of India Ministry of Power vide notification F. No. 15/1/2011-Trans dated 4.1.2013 as the Bid Process Coordinator (hereinafter referred to as " the BPC") for the purpose of selection of bidder as Transmission Service Provider (TSP) to establish the transmission system for System Strengthening in Southern Region for import of power from Eastern Region on Build, Own, Operate and Maintain (BOOM) basis through competitive bidding in accordance with the Guidelines. The petitioner was incorporated on 30.11.2011 by RECTPCL as its wholly owned subsidiary to initiate work on the project to Build, Own, Operate and Maintain the transmission system for System Strengthening in Southern Region for import of power from Eastern Region and to act as the Transmission Service Provider (TSP) after being acquired by the successful bidder.

4. The petitioner has submitted that RECTPCL in its capacity as the BPC invited bids from the prospective bidders for issue of Request for Qualification (RfQ) to qualify/shortlist the bidders for participation in the next stage of bidding i.e Request for Proposal (RfP) as part of the process for selection of Transmission Service Provider (TSP) in accordance with the Guidelines. The bidder selected in accordance with the bidding process was required to acquire one hundred percent of equity shares in the Vizag Transmission System Limited, New Delhi and then assume the responsibility of the TSP to establish the transmission project and to

provide service on long term basis to the Long Term Transmission Customers (LTTCs).

5. The petitioner has furnished the key milestones in the bidding process as under:

Event	Date
Submission of RfQ bids	12.12.2012
Issuance of RfP	6.3.2013
Issue of Signed RfP documents	6.3.2013
Submission of RfP	4.7.2013
Opening of non-financial bids	4.7.2013
Opening of financial bids	24.7.2013
Issue of Letter of Intent to successful Bidder	31.7.2013
Taking over of Vizag Transmission Limited from the BPC	30.8.2013

6. The petitioner has submitted that the BPC started the process with the publication of Global Invitation for Qualification on 26.10.2012 for selection of a TSP for the project and to provide transmission service on long term basis to the Long Term Transmission Customers (LTTTC). Intimation regarding the initiation of the bidding process was given by the BPC to the Commission vide its letter dated 26.10.2012. On conclusion of the bidding process on 29.7.2013, M/s Power Grid Corporation of India Limited was declared as the successful bidder having quoted the lowest levelized transmission charges. The Letter of Intent (LOI) was issued to the successful bidder on 31.7.2013 which has been accepted unconditionally. The petitioner has further submitted that hundred percent equity shares of Vizag Transmission System Ltd has been acquired by M/s Power Grid Corporation of India Limited (PGCIL) and a contract performance guarantee for an aggregate

amount of ₹ 45 crore in favour of the LTTCs has been furnished to the BPC and a share purchase agreement to this effect has been executed on 30.8.2013 by PGCIL. The petitioner has prayed for adoption of the transmission charges of the project under Section 63 of the Act which has been discovered through the process of competitive bidding.

7. Notices were issued to all the respondents who are the Long Term Transmission Customers of the project. 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.

8. One of the Long-term Transmission customers, Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO) in its reply dated 13.11.2013 has submitted that the transmission projects should not be delayed due to time taken in obtaining statutory clearances required under RfP and TSA. TANGEDCO has submitted that the petitioner may be directed to furnish the project execution plan and bring into notice of the respondents immediately upon happening of any force majeure event as stipulated in the TSA. TANGEDCO has requested the Commission to direct the petitioner to execute and complete the transmission system within the time schedule and without any slippage. TANGEDCO has further submitted that the respondents should not be burdened with any increase in tariff charges due to delay in commissioning of the transmission system.

9. The petitioner, in its rejoinder dated 27.11.2013 has submitted that the pre-signed TSA between the TSP and LTTCs has been provided by BPC as part of RfP project documents. Any escalation in transmission charges and extension of time shall be dealt in accordance with the TSA. The project execution plan is under preparation and shall be submitted to the Lead LTTC within 120 days period from the effective date as stipulated in the TSA. The petitioner has submitted that notification of force majeure event shall be done by the TSP in accordance with the provisions of the TSA.

10. We have heard the representatives of the petitioner and learned counsels for TANGEDCO and RECPTL and perused the documents on record. We now proceed to examine whether the transmission charges have been discovered at in accordance with section 63 of the Act.

11. 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.”

12. 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, operate and maintain 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 definition 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 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 as 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 standard 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 bids 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.

13. 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 as the Transmission Service Provider.

14. RECTPCL was notified by Government of India, Ministry of Power vide Notification No. 15/1/2011-PG dated 4.1.2013 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.

15. Vizag Transmission System Limited (VTSL) was incorporated on 30.11.2011 under the Companies Act, 1956 as a wholly owned subsidiary of RECTPCL with the objective to establish the transmission system on Build, Own, Operate and Maintain basis 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”.

16. 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 26.10.2010 for selection of developer on 'Build, Own, Operate and Maintain (BOOM) basis' for the project. The notice for RfQ was published on 26.10.2012 in all editions of Economic Times, Times of India (New Delhi), Times of India (Patna) and Times of India (Chennai) with the last date of submission of response to RfQ as 12.12.2012. Intimation regarding the initiation of the bid process was given to the Central Commission in accordance with clause 4.2 of the Guidelines vide its letter No. RECTPCL/P5/SS/SR/RFQ, dated 26.10.2012.

17. The scope of the project as per the Request for Proposal (RfP) and the Transmission Service Agreement is as under:

S.N.	Scheme/ Transmission Works	Conductors per phase	Completion Target
	Transmission System for System Strengthening in Southern Region for import of power from Eastern Region		
I.	Transmission Lines:		
	(i) Srikakulam PP-Vemagiri-II Pooling Station 765kV D/C line	Hexa Zebra ACSR or equivalent AAAC conductor and Transmission line design should be corresponding to 85o C conductor temperature operation.	36 months
	(ii) Khammam (existing) – Nagarjuna Sagar 400 kV D/C line.	Twin Moose ACSR or equivalent AAAC conductor and Transmission line design should be corresponding to 85o C conductor temperature operation.	28 months

18. The identified Long Term Transmission Customers (LTTCs) of the project along with the allocated capacity in the project are as under, namely:-

S.No.	Name of Long Term Transmission Customers	Allocated Capacity (in MW)
Andhra Pradesh		
1	Northern Power Distribution Company of Andhra Pradesh Limited (APNPDCL), Warangal	2098.00
2	Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL), Vishakhapatnam	
3	Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL), Tirupati	
4	Central Power Distribution Company of Andhra Pradesh Limited (APCPDCL), Hyderabad	
Karnataka		
5.	Bangalore Electricity Supply Company Limited (BESCOM), Bangalore	1542.97
6.	Gulbarga Electricity Supply Company Limited (GESCOM), Gulbarga	
7.	Hubli Electricity Supply Company Limited (HESCOM), Hubli	
8.	Mangalore Electricity Supply Company Limited (MESCOM), Mangalore	
9.	Chamundeshwari Electricity Supply Company Limited (CESCOM), Mysore	
Kerala		
10.	Kerala State Electricity Board (KSEB), Trivandrum	958.33
Tamil Nadu		
11.	Tamil Nadu Generation and Distribution Company Limited (TANGEDCO), Chennai	2766.77
Puducherry		
12	Electricity Department, Govt. of Puducherry (PED), Puducherry	238.43
Goa		
13	Electricity Department, Govt. of Goa (GED), Panaji	100.00
LKPL		
14	Lanco Kondapalli Power Limited (LKPL), Hyderabad	250.00

19. Responses to the RfQ were received from fourteen bidders on 12.12.2012 as per the details given below:

S. No.	Name of Bidders
1.	Sterlite Grid Ltd., New Delhi
2.	Instalaciones Inabensa, Spain
3.	Consortium of : i. Tata Projects Limited ii. Balfour Betty Infrastructure Investment Ltd. UK
4.	Power Grid Corporation of India Ltd., Gurgaon
5.	L&T Infrastructure Development Projects Ltd., Chennai
6.	Isolux Corsan Power Concession India Pvt Ltd., Gurgaon
7.	Adani Power Ltd.
8.	NCC Limited
9.	Navayuga Engineering Company Ltd
10.	Consortium of: i. GKC Projects Ltd., Hyderabad ii. Patel Engineering Ltd.
11.	Gammon Infrastructure Projects Ltd., Mumbai
12.	IVRCL Ltd., Hyderabad
13.	Consortium of: i. Techno Electric & Engineering Ltd., ii. Kalpataru Power Transmission Ltd.
14.	Reliance Power Transmission Ltd. , Gurgaon

20. 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 Limited ...**Chairman**
(b) Shri K Vikraman Nair, Member, (Transmission & System Operation), KSEB ...**Member**
(c) Shri N.C.Jain, Chief Engineer, (Legal), CEA ...**Member**
(d) Shri Ravinder Gupta, Director (SP and PA), CEA ...**Member**
(e) Shri Mohammad Anwaruddin, Director (Grid and Transmission Management), APTRANSCO **Member**
(d) Shri Sunil Kumar, Chariman, VTL (GM-REC) ...**Convener**

21. The responses to the RfQ were opened on 12.12.2012 in the presence of Bid Evaluation Committee and the representative of the bidders. Evaluation was undertaken by Bid Process Consultant, namely, PricewaterhouseCoopers Pvt. Ltd., Gurgaon in consortium with Singhania & Partners, LLP, New Delhi and presented to the Bid Evaluation Committee which recommended the following thirteen bidders as qualified at RfP stage:

S No.	Name of Bidders
1.	L&T Infrastructure Development Projects Ltd., Chennai
2.	Power Grid Corporation of India Ltd., Gurgaon
3.	Sterlite Grid Ltd., New Delhi
4.	NCC Limited
5.	IVRCL Ltd., Hyderabad
6.	Reliance Power Transmission Ltd. , Gurgaon
7.	Adani Power Ltd.
8.	Navayuga Engineering Company Ltd.
9.	Gammon Infrastructure Projects Ltd., Mumbai
10.	Consortium of: i. Patel Engineering Ltd. ii. GKC Projects Ltd.
11	Consortium of: i. Techno Electric & Engineering Ltd., ii. KPTL, Gandhinagar
12	Consortium of : i. Balfour Betty Infrastructure Investment Ltd. UK ii. Tata Projects
13	Isolux Corsan Power Concession India Pvt Ltd., Gurgaon

22. Out of the qualified lot of thirteen bidders, only three bidders submitted their offers at RfP stage as per the details given below:

S No.	Name of Bidders
1	Power Grid Corporation of India Ltd., Gurgaon
2	Sterlite Grid Ltd., New Delhi
3	Gammon Infrastructure Projects Ltd., Mumbai

23. The RfP (Non-Financial) bids of the above mentioned three bidders were opened on 4.7.2013 in the presence of the Bid Process Consultant and the representatives of the bidders. The Bid Process Consultant carried out the responsiveness check of the non-financial bids submitted by the bidders in accordance with the conditions of RfP, which was reviewed by the Bid Evaluation Committee and all three bids were recommended as responsive for opening of financial bids.

24. RfP (Financial) bids were opened on 24.7.2013 in the presence of Bid Process Consultant and the representatives of the bidders. The evaluation of the RfP bids was carried out by Bid Process Consultant . The evaluation report along with the Bid was submitted to the Bid Evaluation Committee on 26.7.2013. The levelised transmission charges for each bidder as per the bid evaluation model and the methodology specified in RfP were prepared by Bid Process Consultant. Based on the evaluation of 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	2311.34
2	Sterlite Grid Limited	2590.00
3	Gammon Infrastructure Projects Limited	3888.91

25. Based on the evaluated levelised transmission charges, the Bid Evaluation Committee recommended M/s Power Grid Corporation of India Limited

as the successful bidder with the lowest evaluated annual levelised transmission charges of ₹ 2311.34 million/annum. Relevant portion of the minutes of the Bid Evaluation Committee dated 29.7.2013 is extracted as under:

"XIII. Levelised Transmission charges: The levelised Transmission Charges for the Bidders whose Financial Bids has been found responsive as per the Bid Evaluation model and the methodology specified in RFP documents is as under:

S No.	Name of the Bidder	Levelised Transmission Tariff In Indian Rupees (Millions/annum)
1	Power Grid Corporation of India Limited	2311.34
2	Sterlite Grid Limited	2590.00
3	Gammon Infrastructure Projects Limited	3888.91

XIV. The calculation sheet for the levelised Transmission Charge for each Bidder as per the Bid Evaluation model is annexed at Annexure-C.

XV. As per the above table, M/s. Power Grid Corporation of India Limited qualifies as the Successful Bidder with the lowest Levelised Transmission Charges of Rs. 2,311.34 million.

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

a) M/s Power Grid Corporation of India Limited emerges as the Successful Bidder with the lowest Levelised Transmission Charges of Rs. 2311.34 million for the above project.

b) The levelised tariff for this project based on CERC norms for the same period works out to Rs. 2,369.72, which has been computed based on the estimated cost notified in MON of Empowered Committee held on 15 June 2012 escalated till May 2013 Plus IDC and methodology for calculation of tariff adopted by CERC.

c) Thus, in the light of the above, 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 the (a) to (d) above, Ms/ Power Grid Corporation of India Limited may be issued Letter of Intent (LOI,"

26. Bid Evaluation Committee has also issued the following certificate dated 29.7.2013 regarding selection of the successful bidder as under:

" it is hereby certified that:

a. M/s Power Grid Corporation of India Limited has emerged as the successful bidder with the lowest levelised transmission charges of Rs. 2,311.34 million for the above project.

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

27. Letter of Intent was issued by the BPC on 31.7.2013 to the successful bidder i.e. M/s Power Grid Corporation of India Limited. 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.

28. In accordance with the terms of RfP and Letter of Intent, PGCIL as the successful bidder was 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 Vizag Transmission Limited from RECTPCL, along with 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 under Section 63 of the Electricity Act, 2003;
- (g) Apply to Central Electricity Regulatory Commission for grant of transmission licence.

29. PGCIL has furnished the Performance Guarantee to each of the Long Term Transmission Customers of the project for an amount of ₹ 45 crore and has acquired hundred percent equity holding in the applicant company on 30.8.2013 after execution of the Share Purchase Agreement. The TSP on behalf of 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 has filed the application for grant of transmission licence and present petition for adoption of tariff on 2.9.2013. Therefore, the petitioner has complied with all procedural requirements specified in the bid documents.

30. In the light of the discussions in the preceding paragraphs, it emerges 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. The BPC in its certificate dated 29.7.2013 has certified that the rates quoted by the successful bidder are in line with the prevailing prices. We are satisfied that the bidding has been carried out by the BPC as per the Guidelines in a transparent process. Accordingly, we approve and adopt the levelised 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 the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010 as amended from time to time

31. 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 (2010 Regulations). Prior to acquisition of the Vizag Transmission Limited by PGCIL, TSA has been entered into on 14.5.2013 with the respondents. At the pre-bid conference, it was clarified by the BPC that TSA would merge with the TSA as notified by this Commission under

2010 Regulations. Thus, merger of the TSA signed by the parties with the TSA notified by this Commission is a condition of the bid and binding on all concerned. Further, the Commission in its order dated 13.12.2011 in Petition No. 154/2011 has already clarified that since the scheme under the High Capacity Transmission is part of the coordinated planning of the transmission system by CTU and CEA, they are part of the TSA approved by this Commission under 2010 Regulations.

32. The Petition No.192/TT/2013 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

Appendix

Contract Year	Commencement date of Contract year	End Date of Contract Year	Non-Escalable Transmission Charges (₹ in Millions)	Escalable Transmission Charges (₹ in Millions)
1	4.9.2016 (Scheduled COD)	31.3.2017	2,096.14	37.00
2	1.4.2017	31.3.2018	2,330.32	(To be escalated as per the provisions of the TSA)
3	1.4.2018	31.3.2019	2,843.96	-do-
4	1.4.2019	31.3.2020	2,992.33	-do-
5	1.4.2020	31.3.2021	2,901.36	-do-
6	1.4.2021	31.3.2022	2,810.85	-do-
7	1.4.2022	31.3.2023	2,296.53	-do-
8	1.4.2023	31.3.2024	2,077.52	-do-
9	1.4.2024	31.3.2025	2,074.22	-do-
10	1.4.2025	31.3.2026	2,070.73	-do-
11	1.4.2026	31.3.2027	2,067.03	-do-
12	1.4.2027	31.3.2028	2,063.11	-do-
13	1.4.2028	31.3.2029	2,058.96	-do-
14	1.4.2029	31.3.2030	2,054.56	-do-
15	1.4.2030	31.3.2031	2,049.90	-do-
16	1.4.2031	31.3.2032	2,044.96	-do-
17	1.4.2032	31.3.2033	2,039.73	-do-
18	1.4.2033	31.3.2034	2,034.19	-do-
19	1.4.2034	31.3.2035	2,028.33	-do-
20	1.4.2035	31.3.2036	2,022.11	-do-
21	1.4.2036	31.3.2037	2,015.53	-do-
22	1.4.2037	31.3.2038	2,008.55	-do-
23	1.4.2038	31.3.2040	2,001.16	-do-
24	1.4.2039	31.3.2041	1,993.34	-do-
25	1.4.2040	31.3.2042	1,985.05	-do-
26	1.4.2041	31.3.2043	1,976.27	-do-
27	1.4.2042	31.3.2044	1,966.96	-do-
28	1.4.2043	31.3.2045	1,957.11	-do-
29	1.4.2044	31.3.2046	1,946.67	-do-
30	1.5.2045	31.3.2047	1,935.61	-do-
31	1.4.2046	31.3.2048	1,923.90	-do-
32	1.4.2047	31.3.2049	1,911.49	-do-
33	1.4.2048	31.3.2050	1,898.35	-do-
34	1.4.2049	31.3.2051	1,884.42	-do-
35	1.4.2050	31.3.2052	1,869.67	-do-
36	1.4.2051	31.3.2053	1,855.30	-do-