

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 220/ADPT/2014**

**Coram:**

**Shri. Gireesh B. Pradhan, Chairman**

**Shri M. Deena Dayalan, Member**

**Shri A.K. Singhal, Member**

**Shri A.S. Bakshi, Member**

**Date of Hearing : 11.11.2014**

**Date of Order : 10.12.2014**

**In the matter of**

Application under Section 63 of the Electricity Act, 2003 for the adoption of transmission charges in respect of the Transmission System being established by NRSS XXIX Transmission Limited.

**And**

**In the matter of**

NRSS XXIX Transmission Limited  
C-2, 2<sup>nd</sup> Floor, The Mira Corporate Suites1 & 2,  
Ishwar Nagar, Okhla Crossing,  
Mathura Road, New Delhi-110065.

..... **Petitioner**

**Vs**

1. U.P. Power corporation Limited  
14th Floor, Import Export & Payment Circle,  
Shakti Bhawan Extn. Building,  
14, Ashok Marg, Lucknow-226 001, U.P.

2. AD Hydro Power Limited  
Bhilwara Towers, A-12, Sector 1,  
Noida 201301, Uttar Pradesh.

3. Haryana Power Purchase Centre  
Shakti Bhawan, Energy Exchange,  
Room No.446, Top Floor, Sector 6,  
Panchkula- 134109, Haryana

4. Punjab State Power Corporation Ltd.  
Thermal Sheds, T 1-A, Thermal design,  
Near 22 No. Phatak, Patiala -147001, Punjab

5. Himachal Sorang Power Pvt. Limited



901 B,9<sup>th</sup> Floor, Time Tower, M.G.Road,  
Gurgaon-122 009, Haryana

6. Adani Power Limited  
3rd Floor, Achalaraj,Opp. Mayor Bunglow,  
Law Garden,Ahemdabad-380 006

7. Rajasthan Discoms Power Procurement Centre  
Shed No. 5/4, Vidyut Bhawan, Janpath,  
Jyoti Nagar Jaipur - 302 005.

8. Jaipur Vidyut Vitran Nigam Limited  
Vidyut Bhawan,Janpath, Jyoti Nagar,  
Jaipur-302 005.

9. Ajmer Vidyut Vitran Nigam Limited  
Vidyut Bhawan, Panchsheel Nagar,  
Makarwali Road, Ajmer-305004.

10. Jodhpur Vidyut Vitran Nigam Limited  
New Power House, Industrial Area,  
Jodhpur-342 003.

11. Lanco Anpara Power Limited  
Plot No 397, Udyog Vihar, Phase 3,  
Gurgaon-122 016 ,Haryana.

12. Lanco Budhil Hydro Power Pvt. Limited  
Plot No. 397, Udyog Vihar, Phase-III,  
Gurgaon-122016,Haryana.

13. Power Development Department  
Govt. of J&K, Srinagar, Room No. 1/27,  
Mini Block,Civil Secretariat, Jammu.

14. North Central Railway  
Allahabad, DRM office, Nawab Yusuf Road,  
Subedarganj, Allahabad-211 001, U.P.

15. Jaiprakash Power Ventures Limited  
A Block, Sector-128, Noida-201304, U.P

16. BSES Yamuna Power Limited  
2nd Floor, B Block, Shakti Kiran Building,  
Near Karkadooma Court, New Delhi-110092.



17. BSES Rajdhani Power Limited  
2<sup>nd</sup> Floor, B-Block, Behind Nehru Place Bus Terminal,  
Nehru Place, New Delhi-110019.

18. Tata Power Delhi Distribution Limited  
33 KV sub-station Building, Hudson Lane,  
Kingsway Camp, New Delhi-110009.

19. New Delhi Municipal Corporation  
NDMC, Palika Kendra, Sansad Marg,  
New Delhi-110001.

20. Electricity Wing of Engineering Department  
Union Territory of Chandigarh,  
Electricity OP Circle, Chandigarh- 160011.

21. PTC (Budhil), PTC India Limited  
2nd Floor, NBCC Tower, 15, Bhikaji Cama Place,  
New Delhi- 110 066.

22. PTC (Everest), PTC India Limited,  
2nd Floor, NBCC Tower, 15, Bhikaji Cama Place,  
New Delhi-110 066.

23. Uttarakhand Power Corporation Limited  
Urja Bhawan, Kanwali Road, Near Balli Wali Chowk,  
Dehradun-248001.

24. Himachal Pradesh State Electricity Board  
Vidyut Bhawan, Kumar House Complex Building II,  
Shimla- 171 004.

25. Power Grid Corporation of India Limited  
HVDC Dadri & HVDC Rihand,  
“Saudamini” Plot No-2, Sector-29, Gurgaon -122 001, Haryana ..... **Respondents**

**The following were present:**

1. Shri T.A. Reddy, NRSS-XXIX Transmission Limited
2. Shri Pulkit Sharma, Advocate, NRSS-XXIX Transmission Limited
3. Shri Aryaman Saxena, PGCIL
4. Shri B.L.Sharma, Rajasthan Discoms
5. Shri Tarun Ahush, Rajasthan Discoms



## ORDER

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

<b>S. N o.</b>	<b>Transmission elements</b>	<b>Conductors per Phase</b>	<b>Completion Target</b>
1.	Jullandhar-Samba 400 kV D/C	Twin Moose ACSR or or equivalent AAAC	34 months from effective date
2.	LILO of both circuits of Uri-Wagoora 400 kV D/C line at Amargarh (on multi-circuit towers)	Twin Moose ACSR or or equivalent AAAC	50 months from effective date
3.	Samba-Amargarh 400 kV D/C routed through Akhnoor/ Rajouri	Twin Moose ACSR or or equivalent AAAC	50 months from effective date
4.	II. Sub-station Establishment of 7x105 MVA (1 ph units), with 400/220 kV GIS sub-station at Amargarh  400 kV - Line Bays: 6 No. - 400/220 kV ICT: 7 x 105 (1-ph Units) - ICT bays: 2 no. - Line Reactor (50 MVAR): 2 no. (for Amargarh Lines) - Bus Reactor (63 MVAR): 2 no. - Bus Reactor Bay: 1 no. (Two bus reactors on one bay)	-	50 months from effective date



	<ul style="list-style-type: none"> <li>- Space for line/ICT bays: 4 no.</li> <li>- Space for ICT: 1 no.</li> </ul>		
	<p>220 kV</p> <ul style="list-style-type: none"> <li>- Line Bays: 6 no.</li> <li>- ICT bays: 2 no.</li> <li>- Space for line/ICT bays: 4 no</li> </ul>		

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 Notification No. 15/1/2013-Trans. dated 20.5.2013 notified REC Transmission Projects Company Limited (hereinafter referred to as RECTPCL) as the Bid Process Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider (TSP) to establish the transmission system for “Northern Region System Strengthening Scheme NRSS-XXIX” 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-XXIX Transmission Limited 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 “Tariff based competitive bidding guidelines for Transmission Service” ('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	2.8.2013
2.	Submission of Request for Qualification	17.9.2013
3.	Issuance of Request for Proposal documents	6.12.2013
4.	Submission of Request for Proposal documents	9.5.2014
5.	Opening of financial bid	21.5.2014
6.	Issuance of Letter of Intent to successful bidder	23.5.2014

5. The petitioner has submitted that BPC started the process with the publication of Global Invitation for qualification on 2.8.2013 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 six bidders had submitted their Request for Qualification (RfQ) by 17.9.2013 and all six bidders were qualified for participation in the next stage of bidding i.e Request for Proposal (RfP). RfPs were submitted by the following two bidders by 9.5.2014, whose financial bids were opened on 16.5.2014:

- (i) Power Grid Corporation of India Limited; and
- (ii) Sterlite Grid Limited.



6. The petitioner has submitted that the bidding process concluded on 21.5.2014 when the Board of the BPC resolved that M/s Sterlite Grid Limited (SGL) has quoted the lowest levelized transmission charges and was declared successful bidder. The Letter of Intent (LoI) dated 23.5.2014 was issued by the BPC to the successful bidder on 23.5.2014 which has been accepted by the successful bidder unconditionally. In keeping with the conditions stipulated in the bid documents, the petitioner on 4.8.2014 acquired the NRSS-XXIX Transmission Limited as its wholly owned subsidiary after executing the Share Purchase Agreement and also furnished the Contract Performance Guarantee of ₹ 442,125,000.00/- in favour of LTTCs.

7. 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) Allow the Application and adopt the Transmission Charges (which is discovered through competitive bidding process) as quoted by M/s Sterlite Grid Limited for NRSS XXIX Transmission Limited; and*

*(b) Pass such other order(s) as this Hon`ble Commission may deem fit and proper in the facts and circumstances of the case."*

8. On receipt of the present petition, the staff of the Commission vide its letter dated 28.8.2014 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 15.9.2014.

9. 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 dated 7.11.2014 have 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. The respondents have requested the Commission that charges as quoted by the petitioner should remain non-escalable throughout the TSA. 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.

10. The petition was heard on 11.11.2014. Learned counsel for the petitioner submitted that Ministry of Power and Power Development Department of Jammu and Kashmir have requested for early commissioning of the project, as it will strengthen the power transfer capability and increase the reliability of the National Grid. He further submitted that even though, it is a difficult project which involves wild life, forest and is about 500 meters away at many locations from the international border, the petitioner is working to complete the project before schedule COD as requested by using advance technology and additional resources. Learned counsel for the petitioner requested for allowing commencement of tariff from the actual commissioning date of the project.

11. We heard the learned counsel for the petitioner 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 Act.



12. The Section 63 of the Electricity Act, 2003 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.”*

13. Government of India, Ministry of Power has notified the Guideline 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 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 RFQ notice. The bidding shall be by way of International Competitive Bidding.

(f) Standard documentations 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 (Grid Code).

(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 ten days from the date of issue of LOI subject to further extension of time as provided under para 2.4 of the RFP. 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.

14. 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.

15. RECTPCL was notified by Ministry of Power, Government of India vide its 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.

16. NRSS-XXIX Transmission Limited was incorporated on 29.7.2013 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-XXIX" on BOOM basis and to act as the Transmission Service Provider after being acquired by the successful bidder. The main objectives of the petitioner company in its Memorandum of Associations are as under:

"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".

17. 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 2.8.2013 for selection of developer on BOOM basis for the project. The notice for RfQ was published on 6.8.2013 in all the editions of Financial Times (Global Editions), Economic Times, Navbharat Times and Times of India with the last date of submission of response to RFQ as 17.9.2013. Intimation regarding the initiation of the bid process was given to the Central Commission in accordance with para 4.2 of the Guidelines vide letter No. RECPTCL/P-12/NRSS-XXIX/2013-14, dated 6.8.21013.

18. The scope of the Project as per the Request for Proposal (RfP) and the Transmission Service Agreement is given in para 1 of the order.



19. The identified Long Term Transmission Customers (LTTCs) of the project are as under:

<b>S. No.</b>	<b>Name of Long Term Transmission Customers</b>
1.	AD Hydro Power Limited
2.	Haryana Power Purchase Centre
3.	Punjab State Power Corporation Ltd
4.	Himachal Sorang Power Pvt Limited
5.	Adani Power Limited, Mundra
6.	Rajasthan Discoms Power Procurement Centre (on behalf of following Discoms)
	(i) Jaipur Vidyut Vitran Nigam Limited
	(ii) Ajmer Vidyut Vitran Nigam Limited
	(iii) Jodhpur Vidyut Vitran Nigam Limited
7.	Lanco Anpara Power Limited
8.	Lanco Green Power Pvt. Limited
9.	Power Development Department, Govt. of J&K
10.	North Central Railway, Allahabad
11.	Jaiprakash Power Ventures Limited
12.	BSES Yamuna Power Limited
13.	BSES Rajdhani Power Limited
14.	Tata Power Delhi Distribution Limited
15.	New Delhi Municipal Corporation
16.	Electricity Wing of Engineering Department, Union Territory of Chandigarh
17.	Power Grid Corporation of India Limited (HVDC Rihand & HVDC Dadri)
18.	U.P. Power corporation Limited
19.	PTC (Budhil), PTC India Limited
20.	PTC (Everest), PTC India Limited
21.	Uttarakhand Power Corporation Limited
22.	Himachal Pradesh State Electricity Board

20. As per the decision of the Empowered Committee on Transmission, the Bid Evaluation Committee (BEC) comprising of the following was constituted:

- (a) Shri Vinod Pande, Head, SBI Capital Markets – Chairman
- (b) Smt. Shashi Prabha, Chief Engineer (TS), Punjab State Transmission Corporation Limited – Member
- (c) Shri Sheikh Gul Ayaz, Chief Engineer, Power Development Department, Jammu and Kashmir - Member
- (d) Shri Pankaj Batra, Chief Engineer (Regulatory Affairs), CEA - Member



- (e) Shri Ravinder Gupta Director (SP& PA), CEA – Member  
(f) Shri Sunil Kumar, Chairman NRSS-XXIX Transmission Ltd.– Convenor

21. BPC appointed Consultants, namely Delotte Touche Tohmatsu India Pvt. Ltd., Gurgaon in consortium with Singhania & Partners, LLP, New Delhi, who were selected on the basis of competitive tender process, for providing consultancy services in the process of selection of the developer for the project through tariff based competitive bidding process.

22. In response to the notice for RfQ issued on 2.8.2013, the BPC received the responses from six participants indicated as under, consisting of both national and international bidders by 17.9.2013:

<b>S.No.</b>	<b>Name of Bidders</b>
1.	Power Grid Corporation of India Limited
2.	Isolux Corsan Power Concessionaire India Pvt. Ltd.
3.	Tala Projects Ltd.
4.	Essel Infracorps Limited
5.	Sterlite Grid Ltd.
6.	Gammon Infrastructure Projects Ltd.

23. The responses to RfQ were opened on 17.9.2013 in the presence of representatives of bidders. The responses to RfQ were evaluated by the Consultants and presented to the BEC on 25.9.2013. The BPC, in its meeting held on 25.9.2013, noted that the responses to RfQ submitted by Power Grid Corporation of India Ltd., Gammon Infrastructure Projects Ltd. and Tata Projects Limited met all the requirements specified in the RfQ. Bid Evaluation Committee also approved seeking clarifications and/or compliance from the remaining three bidders on various

infirmities/deficiencies/inconsistencies as identified in the evaluation report. BPC, vide its letter dated 26.9.2013 sought necessary clarification and additional information from three bidders by 1.10.2013. The report on evaluation of the clarification submitted by the three bidders was presented to the BEC in the meeting held on 4.10.2013. The BEC, after perusal of the evaluation report, recommended all the six bidders indicated in para 22 above as qualified for the RfP stage based on the their submissions of response to RfQ and subsequent clarifications submitted by them.

24. The BPC issued the notification to all the qualified bidders for sale of RfP from 9.12.2013. The last date of submission of bids was 7.2.2014. However, on the request of bidders, the date of submission of bid was extended five times with final submission date as 9.5.2014. Out of the qualified six bidders, three bidders purchased the RfP. However, RfP responses were received from the following two bidders:

<b>S.No.</b>	<b>Name of Bidders</b>
1.	Power Grid Corporation of India Limited
2.	Sterlite Grid Limited

25. Non-Financial Bids were opened on 9.5.2014 in the presence of the representatives of the bidders. The BEC, in its meeting held on 13.5.2014, decided that the Non-financial Bids submitted by Power Grid Corporation of India Limited and Sterlite Grid Limited met all the requirements specified in the RfP document and directed the BPC N to open the financial bids on 16.5.2014.

26. The Financial bids were opened on 16.5.2014 in the presence of the representatives of the bidders. On 21.5.2014, Bid Evaluation Committee discussed

the report of the Consultants on the evaluation of the Financial Bids and decided that Financial Bids submitted by M/s Sterlite Grid Limited and Power Grid Corporation of India Ltd. met all the requirements specified in the RfP documents. 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:

<b>S. No.</b>	<b>Name of the Bidder</b>	<b>Levelised Transmission Tariff In Indian Rupees (Millions/annum)</b>
1.	Sterlite Grid Limited	4377.05
2.	Power Grid Corporation of India Limited	4615.10

27. Based on the evaluated levelised transmission charges, the Bid Evaluation Committee recommended Sterlite Grid Limited with the lowest evaluated annual levelised transmission charges of ₹4377.05 million/annum as the successful bidder. Para 16 of the Minutes of the Bid Evaluation Committee dated 21.5.2014 which are relevant, are extracted as under:

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

(a) Sterlite Grid Limited emerges as the successful Bidder with the lowest Levelized Transmission Charges of Rs. 4377.05 million.

(b) The levelised tariff for this project based on CERC norm for the same period works out to Rs.4175.34 million, which has been computed based on the estimated cost (for May, 2014) as communicated by CEA/CTU and methodology for calculation of tariff adopted by CERC.

(c) Thus, in the light of the above lowest tariff quoted by Sterlite Grid Ltd. is not significantly deviating from the tariff derived based on CERC assumptions, it may be implied that the levelized transmission charges as quoted by the successful Bidder M/s Sterlite Grid Ltd. 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 Sterlite Grid Limited may be issued Letter of Intent (LOI)"

28. Bid Evaluation Committee vide its certificate dated 21.5.2014 has certified as under:

"It is hereby certified that:

- a. M/s. Sterlite Grid Limited has emerged as the successful bidder with the lowest levelised transmission charges of Rs. 4377.05 million for the above project.
- b. The rates quoted by the successful bidder are in line with the prevalent market prices.
- c. The entire bid process has been carried out in accordance with the "Tariff based Competitive Bidding Guidelines for Transmission Service" and "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."

29. Consequent to the bidding process, Letter of Intent was issued by the BPC on 23.5.2014 to the successful bidder. In accordance with para 12.3 of the Guidelines, the BPC has hosted on the website of RECTPCL the final results of the evaluation of the bids for selection of developer for the project.

30. In accordance with para 2.4 of RfP, the selected bidder shall within 10 days of issue of the Letter of Intent 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-XXIX 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.

31. The proviso to para 2.4 of the RfP further provides that "if for any reason attributable to the BPC, the above activities are not completed by the Selected Bidder within the above period of ten (10) days as mentioned in this clause, such period of 10 days shall be extended, on a day for day basis till the end of the Bid validity period ". Though LOI was issued on 23.5.2014, the application for adoption of transmission charges has been filed on 11.8.2014. The petitioner, vide letter dated 28.8.2014, was directed to explain the reasons for not filing the petition within stipulated time. In this regard, the petitioner vide its affidavit dated 9.9.2014 has submitted that in terms of proviso to para 2.4 of the RfP, the Bid Process Coordinator extended the last date for completion of various activities from time to time and the last date was finally extended till 11.8.2014 vide letter No. RECTPCL/P-12/NRSS-29/2014-15/379 dated 5.8.2013. Accordingly, the petitioner has filed petition for adoption of transmission charges on 11.8.2014.

32. 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 21.5.2014 has certified that the rates quoted by the successful bidder are in line with the prevalent market prices. The Commission is not required to go into the cost details of the bids as per the bidding guidelines and has to adopt the tariff if the same has been discovered in accordance with the Guidelines. Based on the certification of the BEC, 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.

33. The petitioner has submitted that in keeping with the requests of the Ministry of Power and Govt of Jammu and Kashmir, the petitioner has been making efforts to complete the project earlier than the scheduled date of commissioning and has requested to allow the tariff from the actual date of commissioning. It is clarified that the request of the petitioner shall be considered in accordance with the relevant provisions of the TSA after the actual commissioning of transmission project.

34. The Petition No.220/ADPT/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.S. Bakshi)  
Member**

**sd/-  
(A.K. Singhal)  
Member**

**sd/-  
(M. Deena Dayalan)  
Member**

**sd/-  
(Gireesh B. Pradhan)  
Chairperson**



## Appendix

Contract Year	Commencement Date of Contract Year	End Date of Contract Year	Quoted Non-Escalable Transmission Charges (In Rupees Millions)	Quoted Escalable Transmission Charges (In Rupees Millions)
(1)	(2)	(3)	(4)	(5)
1.	5-August- 2018	31-March	4817.97	47.28
2.	1-April	31-March	4814.38	Nil
3.	1- April	31-March	4811.06	Nil
4.	1- April	31-March	4807.52	Nil
5.	1- April	31-March	4803.75	Nil
6.	1- April	31-March	4799.74	Nil
7.	1- April	31-March	4795.46	Nil
8.	1- April	31-March	4790.90	Nil
9.	1- April	31-March	4786.05	Nil
10.	1- April	31-March	4780.88	Nil
11.	1- April	31-March	4775.37	Nil
12.	1- April	31-March	4769.50	Nil
13.	1- April	31-March	4763.25	Nil
14.	1- April	31-March	4756.59	Nil
15.	1- April	31-March	3314.24	Nil
16.	1- April	31-March	3306.68	Nil
17.	1- April	31-March	3298.63	Nil
18.	1- April	31-March	3290.05	Nil
19.	1-April	31-March	3280.91	Nil
20.	1-April	31-March	3271.18	Nil
21.	1-April	31-March	3260.81	Nil
22.	1-April	31-March	3249.76	Nil
23.	1-April	31-March	3237.99	Nil
24.	1-April	31-March	3225.45	Nil
25.	1-April	31-March	3212.09	Nil
26.	1-April	31-March	3197.86	Nil
27.	1-April	31-March	3182.71	Nil
28.	1-April	31-March	3166.56	Nil
29.	1-April	31-March	3149.35	Nil
30.	1-April	31-March	3131.03	Nil
31.	1-April	31-March	3111.50	Nil
32.	1-April	31-March	3090.71	Nil
33.	1-April	31-March	3068.55	Nil
34.	1-April	31-March	3044.95	Nil
35.	1-April	31-March	3019.80	Nil
36.	1-April	4-August i.e. 35th anniversary of the Scheduled COD	2993.02	Nil