

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 66/TT/2014

Coram:

Shri Gireesh B.Pradhan, Chairperson

Shri M. Deena Dayalan, Member

Shri A.K Singhal, Member

Date of Hearing : 15.7.2014

Date of Order : 23.7.2014

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 RAPP Transmission Company Limited (A wholly owned subsidiary of Sterlite Grid Limited) under Tariff Based Competitive Bidding process.

And

In the matter of

RAPP Transmission Company Limited
C-2, 2nd Floor, The Mira Corporate Suites”1 & 2 Ishwar Nagar,
Okhla Crossing, Mathura Road,
New Delhi-110065

..... **Petitioner**

Vs

1. U.P. Power corporation Limited
14th Floor, Shakti Bhawan Extension Building,
14, Ashok Marg, Lucknow-226 001. U.P.
2. AD Hydro Power Limited
Bhilwara Towers,
A-12, Sector-1,Noida-201301, U.P.
3. Haryana Power Purchase Centre
Shakti Bhawan, Energy Exchange,
Room No 302, 2nd Floor, Sector 06,
Panchkula- 134109.
4. Punjab State Power Corporation Ltd.
D-3 Shakti Vihar, PSPCL Patiala -147001.
5. Himachal Sorang Power Pvt. Limited
Ashirwad Building, D-7, Sector- I,
Lane-1, 2nd Floor, New Shimla,
Shimla- 171009, Himachal Pradesh.
6. Adani Power Limited
4thFloor,Achalaraj, Opposite to mayor’s Banglow,
Law Garden, Ahemdabad, Gujarat-380006.
7. Jaipur Vidyut Vitran Nigam Limited
Shed No. 5/5, Vidyut Bhawan,
Janpath, Jyoti Nagar, Jaipur-302 005.

8. Ajmer Vidyut Vitran Nigam Limited
Shed No.5/5,Vidhyut Bhawan, Janpath,
Jyoti Nagar, Jaipur-302 005.
9. Jodhpur Vidyut Vitran Nigam Limited,
Shed No.5/5, Vidhyut Bhawan,
Janpath, Jyoti Nagar, Jaipur-302 005.
10. Lanco Anpara Power Limited
Plot No 397, Udyog Vihar, Phase 3,
Gurgaon-122016 (Haryana).
11. Lanco Green Power Pvt. Limited
Plot No. 397, Udyog Vihar, Phase-III,
Gurgaon-122016 (Haryana).
12. Power Development Department, Govt. of J&K,
Srinagar, Bemina Complex Srinagar-190018.
13. North Central Railway
Allahabad, DRM office, Nawab Yusuf Road,
Allahabad-211 001.
14. Jaiprakash Power Ventures Limited
A Block, Sector-128,
Noida-201304,Uttar Pradesh.
15. BSES Yamuna Power Limited
2nd Floor, B Block, Shakti Kiran Building,
Near Karkadooma Court, New Delhi-110092.
16. BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place,
New Delhi-110019.
17. Tata Power Delhi Distribution Limited
33 KV S/station Building, Hudson Lane,
Kingsway Camp, New Delhi-110009.
18. New Delhi Municipal Corporation
Room No.-1706, Palika Kendra, Sansad Marg,
New Delhi-110001.
19. UTC-Chandigarh
Div-11, Opposite Transport Nagar,
Industrial Ph-I, Chandigarh-160011.
20. PTC (Budhil), PTC India Limited
2nd Floor, NBCC Tower,
15, Bhikaji Cama Place, New Delhi- 110 066.
21. PTC (Everest), PTC India Limited
2nd Floor, NBCC Tower, 15, Bhikaji Cama Place,
New Delhi-110 066.
22. Uttaranchal Power Corporation Limited,
Urja Bhawan,

Kanwali Road, Near Balli Wali Chowk,
Dehradun-248001.

23. Himachal Pradesh State Electricity Board
Vidyut Bhawan, Kumar House Complex Building II,
Shimla-171 001.

24. Power Grid Corporation of India Limited
HVDC Dadri, "Saudamini" Plot No-2,
Sector-29, Gurgaon 122 001 (Haryana)

25. Power Grid Corporation of India Limited
HVDC Rihand, "Saudamini" Plot No-2,
Sector-29, Gurgaon 122 001 (Haryana)

..Respondents

The following were present:

1. Ms. Meenakshi Arora, Senior Advocate for the petitioner
2. Shri T.A. Reddy, RTCL
3. Shri Sandesh Mishra, RTCL
4. Shri R K Shahi, PFCCL
5. Shri Sanjay, PFCCL

ORDER

The petitioner, RAPP Transmission Company 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 "Part ATS of RAPP U-7 & 8 in Rajasthan" (hereinafter referred to as 'the Project') comprising the following elements:

| Name of the Transmission Element | Completion Target | Conductor per phase |
|---|--------------------------|---|
| RAPP- Shujalpur 400 kV D/C line | February 2016 | Twin Moose ACSR Conductor or equivalent AAAC. Transmission line should have to be designed for a maximum operating conductor temperature of 85°C for both ACSR as well as 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 Notification No.15/1/2011-Trans, dated 8.10.2012 notified PFC Consulting Limited (hereinafter referred to as PFCCL) as the Bid Process Coordinator (BPC) for

the purpose of selection of bidder as Transmission Service Provider (TSP) to establish the transmission system for “Part ATS of RAPP U-7 & 8 in Rajasthan” on Build, Own, Operate and Maintain (BOOM) basis through competitive bidding in accordance with Guidelines.

3. The petitioner company was incorporated on 20.12.2012, by BPC 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 PFCCL 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 | 10.1.2013 |
| 2. | Submission of Request for Qualification | 25.2.2013 |
| 3. | Notification of list of bidders qualified for submission of Request for Proposal | 25.4.2013 |
| 4. | Issuance of Request for Proposal documents | 7.5.2013 |
| 5. | Pre-bid meeting | 6.6.2013 |
| 6. | Issuance of written clarifications/ amendments by BPC | 17.6.2013 |
| 7. | Submission of Request for Proposal documents | 9.9.2013 |
| 8. | Opening of Non-financial Bid | 9.9.2013 |
| 9. | Opening of Financial Bid | 16.9.2013 |
| 10. | Issuance of Letter of Intent to successful bidder | 17.9.2013 |

5. The petitioner has submitted that BPC started the process with the publication of Global Invitation for qualification on 10.1.2013 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 BPC to the Commission vide its letter dated 10.1.2013. A total of ten bidders had submitted their Request for Qualification (RfQ) on 25.2.2013 and all ten bidders were qualified for participation in the next stage of bidding i.e Request for Proposal (RfP). RfPs were submitted by the following three bidders by 9.9.2013, whose financial bids were opened on 16.9.2013:

- (i) Sterlite Grid Limited;
- (ii) Power Grid Corporation of India Limited; and
- (iii) Consortium of Techno Electric and Engineering Company Limited and Kalptaru Power Transmission Limited.

6. The petitioner has submitted that the bidding process concluded on 16.9.2013 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) was issued by the BPC to the successful bidder on 17.9.2013 which has been accepted by the successful bidder unconditionally. In keeping with the conditions stipulated in the bid documents, the petitioner on 12.3.2014 acquired the RAPP Transmission Company Limited as its wholly owned subsidiary after executing the Share Purchase Agreement and also furnished the Contract Performance Guarantees of ₹ 23,40,00,0000 in favour of LTTCs.

7. The petitioner has submitted that BPC, vide its clarifications issued on 17.6.2013, 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. In accordance with the provisions 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) Approve the adoption of Tariff (Transmission Charges) for the Project awarded through competitive bidding process.

(b) Approve the above Tariff (Transmission Charges) which are recoverable on achieving the scheduled COD for the Element of the Project.

(c) Allow the "Transmission system for "Part ATS of RAPP U-7 & 8 in Rajasthan" to be part of Transmission Service Agreement approved by the Hon'ble Commission under PoC Charges Regulation (Sharing of Inter-State Transmission Charges and Losses Regulations, 2010).

(d) Pass such other order as may be deemed fit and proper in the facts and circumstances of the case."

9. On receipt of the present petition, the Commission vide its letter dated 16.4.2014 directed the BPC to submit the complete process of competitive bidding supported documents, through affidavit. The necessary details have been filed by the BPC under affidavit dated 29.4.2014.

10. Notices were issued to all the respondents who are the Long Term Transmission Customers of the project. Ajmer Vidyut Vitran Nigam Limited, Jaipur Vidyut Vitran Nigam Limited and Jodhpur Vidyut Vitran Nigam Limited have filed their joint reply. Notice was also issued to PFCCL in its capacity as Bid Process Coordinator. PFCCL has filed the copies of all relevant documents pertaining to the bidding process.

11. The petitioner has submitted that in terms of clause 1.5 (g) of the RfP, BPC is required to provide duly executed TSA entered between the petitioner company and LTTCs, seven days prior to the bid deadline to the bidding company. However, duly executed TSA has not been provided to the petitioner company which has resulted in delay in SPV acquisition and effective date has been shifted by more than seven months resulting in time and cost over-run.

12. During the course of hearing on 10.6.2014, learned senior counsel of the petitioner submitted that effective date of the project was 30.10.2013. However, due to non-signing of the TSA by North Central Railway, the effective date has been shifted, which has resulted in time and cost over-run. Learned senior counsel submitted that on 5.4.2014, the petitioner informed the BPC that since the Bid validity period is coming to an end and the petitioner is required to acquire SPV before that

date, the petitioner is going ahead with the process of acquisition of SPV. She further submitted that BPC vide its letter dated 6.3.2014 informed the petitioner to take up the issue of delay in achieving the effective date with the Commission. The representative of PFCCL submitted that all the provisions of the competitive bidding guidelines have been complied with in this case and requested to adopt the transmission charges accordingly.

13. The Commission vide Record of Proceedings of hearing dated 10.6.2014 directed to issue notice to LTTCs and directed LTTCs to file their replies. The Commission directed the petitioner to file copy of the TSA duly signed by LTTCs before the next date of hearing. The Commission also directed BPC to file comparison of levelized tariff quoted by the successful bidder and tariff worked out as per CERC Tariff Regulations.

14. BPC, vide its affidavit dated 24.6.2014, has filed comparison of levelized tariff quoted by the successful bidder and tariff worked out as per CERC Tariff Regulations. The petitioner has also filed copy of the TSA duly signed by LTTCs.

15. Ajmer Vidyut Vitran Nigam Limited, Jaipur Vidyut Vitran Nigam Limited and Jodhpur Vidyut Vitran Nigam Limited in their joint reply dated 30.5.2014 have submitted that LTTC who have signed on the agreement should be made liable to bear the cost implications of the delay.

16. The petition was last heard on 15.7.2014. Learned senior counsel for the petitioner submitted that despite service of notice, no reply has been filed by LTTCs. Learned senior counsel for the petitioner submitted that the petitioner was issued the Lol on 17.9.2013. As per the terms of the RfP, the signing of the Share Purchase Agreement and transfer of SPV 'RAPP Transmission Pvt. Ltd.' was to take place by 30.10.2013. She submitted that as per Clause 1.5 (g) of the RfP, the duly executed TSA entered into between the petitioner and the 25 LTTC's was to be provided by

BPC to the bidder 7 days prior to the bid deadline. However, there has been considerable delay on part of LTTCs in signing the Transfer Share Agreement and the fully signed TSA by all LTTCs was received on 15.5.2014, i.e. after a delay of more than 7 months. Learned counsel further submitted that as per the prescribed schedule, the scheduled COD for the overall project was February 2016, however, due to non-signing of the TSA within the envisaged time period, the effective date has been shifted, resulting in time and cost overrun. She further submitted that the petitioner has commenced work towards designs. etc of the project .

17. The representative of BPC submitted that there has been a delay in obtaining the signatures of all 25 LTTC's on the TSA, and the last signature of North Central Railway, Allahabad (LTTC) was obtained on 15.5.2014.

18. The Commission directed BPC to provide the petitioner with the various dates on which the LTTCs signed the TSA and the petitioner was directed to file the same within one week.

19. The petitioner, vide its affidavit dated 18.7.2014, has submitted various dates on which the LTTCs signed the TSA as under:

| Name of LTTCs | Signing date/Signed up to |
|--|---|
| 1. Haryana Power Purchase Centre 2. Himachal Sorang Power Pvt. Limited 3. Adani Power Limited 4. BSES Rajdhani Power Limited 5. New Delhi Municipal Council 6. Power Grid Corporation of India Limited, HVDC Dadri 7. Power Grid Corporation of India Limited, HVDC Rihand | 7 LTTCs signed by 2.9.2013 |
| 8. Jaiprakash Power Ventures Limited 9. PTC (Budhil), PTC India Limited 10. PTC (Everest), PTC India Limited 11. BSES Yamuna Power Limited 12. Tata Power Delhi Distribution Limited 13. Lanco Anpara Power Limited 14. Lanco Green Power Pvt. Limited 15. Jaipur Vidyut Vitran Nigam Limited 16. Ajmer Vidyut Vitran Nigam Limited 17. Jodhpur Vidyut Vitran Nigam Limited | Additional 12 LTTC's signed by 13.9.2013 (prior to issuance of Letter of Intent to Sterlite Grid Limited, the Successful Bidder on 17.9.2013) |

| | | |
|-----|--|----------------------|
| 18. | Uttaranchal Power Corporation Limited | |
| 19. | Himachal Pradesh State Electricity Board | |
| 20. | Power Development Department, Govt. of J&K | Signed on 25.9.2013 |
| 21. | U.P. Power Corporation Ltd. | Signed on 11.10.2013 |
| 22. | UTC- Chandigarh, Chandigarh | Signed on 9.1.2014 |
| 23. | Punjab State Power Corporation Limited | Signed on 13.2.2014 |
| 24. | AD Hydro Power Limited | Signed on 17.2.2014 |
| 25. | North Central Railway, Allahabad | Signed on 5.5.2014 |

20. We heard the learned counsel of the petitioner and representative of BPC and perused the documents on record. We now proceed to examine whether the transmission charges have been arrived at in accordance with Section 63 of the Electricity Act, 2003.

21. 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.”

22. 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 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 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 240days 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.

23. 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.

24. PFCCCL was notified by Ministry of Power, Government of India vide its Notification No. 15/1/2011-Trans dated 8.10.2012 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.

25. RAPP Transmission Company Limited was incorporated on 20.12.2012 under the Companies Act, 1956 as a wholly owned subsidiary of PFCCCL with the objective to establish the Transmission System for 'Part ATS of RAPP U 7 & 8' in Rajasthan 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:

“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”.

26. PFCCL 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 10.01.2013 for selection of developer on BOOM basis for the project. The RfQ notice was published on 10.1.2013 in all the editions of Financial Times, Economic Times, Nav Bharat Times and The Times of India with the last date of submission of response to RFQ as 25.2.2013. 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. 03/New/ITP/12-13/RTCL/11-RFQ, dated 10.1.2013.

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

| Name of the Transmission Element | Completion Target | Conductor per phase |
|---|--------------------------|--|
| RAPP- Shujalpur 400 kV D/C line | February 2016 | Twin Moose ACSR Conductor equivalent AAAC. Transmission line should have to be designed for a maximum operating conductor temperature of 85°C for both ACSR as well as AAAC. |

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

| S. No. | Name of LTTCs | Allocated Project Capacity (in %) |
|---------------|------------------------------------|--|
| 1 | AD Hydro Power Limited | 0.728 |
| 2 | Haryana Power Purchase Centre | 10.736 |
| 3 | Punjab State Power Corporation Ltd | 11.831 |
| 4 | Himachal Sorang Power Pvt Limited | 0.378 |
| 5 | Adani Power Limited, Mundra | 1.297 |
| 6 | Jaipur VidyutVitrان Nigam Limited | 4.568 |
| 7 | Ajmer VidyutVitrان Nigam Limited | 3.397 |
| 8 | Jodhpur VidyutVitrان Nigam Limited | 3.748 |
| 9 | LancoAnpara Power Limited | 0.414 |
| 10 | Lanco Green Power Pvt. Limited | 0.032 |

| | | |
|----|---|--------|
| 11 | Power Development Department, Govt. of J&K | 7.461 |
| 12 | North Central Railway, Allahabad | 0.448 |
| 13 | Jaiprakash Power Ventures Limited | 3.336 |
| 14 | BSES Yamuna Power Limited | 4.799 |
| 15 | BSES Rajdhani Power Limited | 5.218 |
| 16 | Tata Power Delhi Distribution Limited | 6.649 |
| 17 | New Delhi Municipal Corporation | 0.383 |
| 18 | UTC-Chandigarh | 0.690 |
| 19 | Power Grid Corporation of India Limited, HVDC Dadri | 0.004 |
| 20 | Power Grid Corporation of India Limited, HVDC Rihand | 0.004 |
| 21 | U.P. Power corporation Limited | 24.176 |
| 22 | PTC (Budhil), PTC India Limited | 0.233 |
| 23 | PTC (Everest), PTC India Limited | 0.326 |
| 24 | Uttaranchal Power Corporation Limited | 3.464 |
| 25 | Himachal Pradesh State Electricity Board | 5.680 |

29. Responses to RfQ were received from ten Bidders on 25.2.2013, as per the details given below:

| S.No. | Name of Bidders |
|-------|---|
| 1. | Sterlite Grid Limited |
| 2. | Power Grid Corporation of India Limited |
| 3. | L & T Infrastructure Development Projects Limited |
| 4. | Techno Electric & Engineering Company Limited and Kalpataru Power Transmission Limited Consortium |
| 5. | Gammon Infrastructure Projects Limited. |
| 6. | Jyoti Energy Limited |
| 7. | Reliance Power Transmission Limited |
| 8. | OPG Power Generation Pvt. Ltd. |
| 9. | PEL-KCL Consortium |
| 10. | Ashoka Buildcon Ltd. |

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

- | | |
|--|------------|
| (a) Shri. Vinod Pande, Head, SBI Capital Markets | – Chairman |
| (b) Shri Y. K. Raizada, Director (Technical) | -Member |
| (c) Shri S.K. Nagesh, Director (Technical) | -Member |
| (d) Shri N.C. Jain, Chief Engineer (F &CA) | – Member |
| (e) Shri Ravinder Gupta, Director (SP & PA) | – Member |
| (f) Shri Yogesh Juneja, Chairman of SPV of PFC | – Convenor |

31. The responses to RfQ was opened on 25.2.2013 in the presence of Bid Evaluation Committee and the representative of the bidders. Evaluation was

undertaken by PFCCL and presented to the Bid Evaluation Committee which recommended the following ten bidders as qualified at RfQ stage, namely:

| S. No. | Name of Bidders |
|---------------|---|
| 1. | Sterlite Grid Limited |
| 2. | Power Grid Corporation of India Limited |
| 3. | L & T Infrastructure Development Projects Limited |
| 4. | Techno Electric & Engineering Company Limited and Kalpataru Power Transmission Limited Consortium |
| 5. | Gammon Infrastructure Projects Limited. |
| 6. | Jyoti Energy Limited |
| 7. | Reliance Power Transmission Limited |
| 8. | OPG Power Generation Pvt. Ltd. |
| 9. | PEL-KCL Consortium |
| 10. | Ashoka Buildcon Ltd. |

32. Out of the qualified ten bidders, following three bidders submitted their offers at RfP stage:

| S.No. | Name of Bidders |
|--------------|---|
| 1. | Sterlite Grid Limited |
| 2. | Power Grid Corporation of India Limited |
| 3. | Techno Electric & Engineering Company Limited & Kalpataru Power Transmission Limited Consortium |

33. RfP (Non-Financial) Bids were opened on 9.9.2013 in the presence of Bid Evaluation Committee and the representatives of the bidders. The Bid Evaluation Committee reviewed the non-financial bids and declared the bids of three bidders as responsive and recommended for opening of their RfP (Financial) Bids. RfP (Financial) bids were opened on 16.9.2013 in the presence of Bid Process Consultant and the representatives of the bidders. The evaluation of the RfP (Financial) bids was carried out by PFCCL and presented to the Bid Evaluation Committee on 16.9.2013. 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 Bidders | Levelised Transmission Tariff In Indian Rupees (Millions/annum) |
|--------------|---|--|
| 1. | Sterlite Grid Limited | 365.00 |
| 2. | Power Grid Corporation of India Limited | 523.63 |

| | | |
|----|---|--------|
| 3. | Techno Electric & Engineering Company Limited and Kalpataru Power Transmission Limited Consortium | 385.27 |
|----|---|--------|

34. Based on the evaluated levelised transmission charges, the Bid Evaluation Committee recommended M/s Sterlite Grid Limited with the lowest evaluated annual levelised transmission charges of ₹ 365.00 million/annum as the successful bidder. Paras 5 to 7 of the Minutes of the Bid Evaluation Committee dated 16.9.2013 which are relevant, are extracted as under:

"5. Based on the evaluation of the RfP (Financial) Bids carried out, the levelised Transmission Charges are as follows:

| S No. | Name of the Bidder | Levelised Transmission Tariff In Indian Rupees (Millions/annum) |
|-------|---|---|
| 1. | Power Grid Corporation of India Limited | 523.63 |
| 2. | Sterlite Grid Limited | 365.00 |
| 3. | Techno Electric & Engineering Company Limited and Kalpataru Power Transmission Limited Consortium | 385.27 |

6. As per the above and based on the evaluation carried out, the computed levelised Transmission Charges of Sterlite Grid Limited is the lowest and accordingly based on the ranking given below, is declared as the successful bidder, and the BPC, PFC Consulting Limited, may issue the Letter of Intent (LoI) to Sterlite Grid Limited (L-1 Bidder).

| S No. | Name of the Bidder | Levelised Transmission Tariff In Indian Rupees (Millions/annum) | Ranking of Bidders based on Levelized Tariffs |
|-------|---|---|---|
| 1. | Sterlite Grid Limited | 365.00 | L-1 |
| 2. | Power Grid Corporation of India Limited | 523.63 | L-2 |
| 3. | Techno Electric & Engineering Company Limited and Kalpataru Power Transmission Limited Consortium | 385.27 | L-3 |

7. The Bid Evaluation Committee also certifies and confirms that the evaluation of the Responses to RFQ and RFP Bids has been carried out in accordance with the provisions of the Guidelines and the Standard Bid Documents (RFQ & RFP)."

35. Bid Evaluation Committee vide its certificate dated 16.9.2013 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. 365.00 million per annum for the above project.

b. The rates quoted by the Successful Bidder are in line with the prevailing 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 and the Standard Bid Documents (RfQ, RfP & TSA) notified by Ministry of Power, Govt. of India.'

36. Letter of Intent was issued by the BPC on 17.9.2013 to the successful bidder i.e. Sterlite Grid Limited (hereinafter "the successful bidder"). In accordance with para 12.3 of the Guidelines, the BPC has hosted on the website of PFCCCL the final results of the evaluation of the bids for selection of developer for the project.

37. In accordance with the terms of the RFP and LOI 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 RAPP Transmission Company Limited from PFCCCL, 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.

38. The successful bidder has furnished the Performance Guarantee to each of the Long Term Transmission Customers of the project for an amount of ₹ 23,40,00,000 and has acquired hundred percent equity holding in the applicant company on 12.3.2014 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. The petitioner has filed the application for grant of transmission licence and present petition for adoption of tariff on 7.4.2014. Therefore, the petitioner has complied with all procedural requirements specified in the bid documents.

39. 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 16.9.2013 has certified that the rates quoted by the successful bidder are in line with the prevailing market prices. 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.

40. The petitioner has also prayed for appropriate relief regarding time and cost overrun of the project due to shifting of effective date by more than seven months owing to non signing of TSA. Noting the prayer of the petitioner, we are of the view that the petitioner should go ahead with the execution of the transmission project and the petitioner is at liberty to approach the Commission after completion of the project in accordance with law.

41. The Petition No.66/TT/2014 is disposed of 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/-

sd/-

sd/-

A.K.Singhal)
Member

(M. Deena Dayalan)
Member

(Gireesh B.Pradhan)
Chairperson

Annexure

| Year (Term License) | 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. | 1-March-16 | 31-March-2016 | 304.61 | 5.39 |
| 2. | 1-April-2016 | 31-March-2017 | 304.43 | Same as Above |
| 3. | 1-April-2017 | 31-March-2018 | 304.10 | Same as Above |
| 4. | 1-April-2018 | 31-March-2019 | 433.47 | Same as Above |
| 5. | 1-April-2019 | 31-March-2020 | 433.10 | Same as Above |
| 6. | 1-April-2020 | 31-March-2021 | 432.70 | Same as Above |
| 7. | 1-April-2021 | 31-March-2022 | 432.29 | Same as Above |
| 8. | 1-April-2022 | 31-March-2023 | 431.85 | Same as Above |
| 9. | 1-April-2023 | 31-March-2024 | 431.38 | Same as Above |
| 10. | 1-April-2024 | 31-March-2025 | 430.88 | Same as Above |
| 11. | 1-April-2025 | 31-March-2026 | 430.36 | Same as Above |
| 12. | 1-April-2026 | 31-March-2027 | 429.81 | Same as Above |
| 13. | 1-April-2027 | 31-March-2028 | 429.22 | Same as Above |
| 14. | 1-April-2028 | 31-March-2029 | 428.60 | Same as Above |
| 15. | 1-April-2029 | 31-March-2030 | 427.94 | Same as Above |
| 16. | 1-April-2030 | 31-March-2031 | 427.24 | Same as Above |
| 17. | 1-April-2031 | 31-March-2032 | 426.50 | Same as Above |
| 18. | 1-April-2032 | 31-March-2033 | 425.71 | Same as Above |
| 19. | 1-April-2033 | 31-March-2034 | 424.88 | Same as Above |
| 20. | 1-April-2034 | 31-March-2035 | 424.00 | Same as Above |
| 21. | 1-April-2035 | 31-March-2036 | 423.07 | Same as Above |
| 22. | 1-April-2036 | 31-March-2037 | 422.09 | Same as Above |
| 23. | 1-April-2037 | 31-March-2038 | 421.04 | Same as Above |
| 24. | 1-April-2038 | 31-March-2039 | 419.93 | Same as Above |
| 25. | 1-April-2039 | 31-March-2040 | 418.76 | Same as Above |
| 26. | 1-April-2040 | 31-March-2041 | 417.52 | Same as Above |
| 27. | 1-April-2041 | 31-March-2042 | 416.20 | Same as Above |
| 28. | 1-April-2042 | 31-March-2043 | 322.09 | Same as Above |
| 29. | 1-April-2043 | 31-March-2044 | 283.61 | Same as Above |
| 30. | 1-April-2044 | 31-March-2045 | 282.05 | Same as Above |
| 31. | 1-April-2045 | 31-March-2046 | 280.39 | Same as Above |
| 32. | 1-April-2046 | 31-March-2047 | 278.63 | Same as Above |
| 33. | 1-April-2047 | 31-March-2048 | 276.77 | Same as Above |
| 34. | 1-April-2048 | 31-March-2049 | 274.80 | Same as Above |
| 35. | 1-April-2049 | 31-March-2050 | 272.72 | Same as Above |
| 36. | 1-April-2050 | 31-March-2051 35th Anniversary of the Scheduled COD | 270.51 | Same as Above |