

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 93/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: 22.8.2014

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 the NRSS XXXI (A) Transmission Limited (a 100% wholly owned subsidiary of Power Grid Corporation of India Limited).

And

In the matter of

NRSS XXXI (A) Transmission Limited
B-9, Qutab Institutional Area, Katwaria Sarai,
New Delhi 110 016

.....**Petitioner**

Vs

1. U.P. Power Corporation Limited (UPPCL)
Import Export Payment Circle, 14th Floor,
Shakti Bhawan Extn. Building,
14 , Ashok Marg, Lucknow, UP
2. AD Hydro Power Limited
Bhilwara Towers, A-12,
Sector-1, Noida - 201 301
3. Haryana Power Purchase Centre
Shakti Bhawan Energy Exchange Room No. 446,



- Top Floor, Sector - 6,
Panchkula - 134 109, Haryana
4. Punjab State Power Corporation Limited
Shed No. T-1 A, Thermal Design,
Near 22 No. Phatak, Patiala, Punjab
 5. Himachal Sorang Power Pvt. Ltd.
901 B, 9th Floor, Time Tower,
M. G. Road, Gurgaon – 122009, Haryana
 6. Adani Power Limited,
Mundra, 3rd Floor, Achalraj, Opp. Mayors Bungalow,
Law Garden, Ahmedabad - 380006
 7. Jaipur Vidyut Vitran Nigam Limited
Vidyut Bhawan, Janpath,
Jaipur - 302 005
 8. Ajmer Vidyut Vitran Nigam Limited
Vidyut Bhawan, Panchsheel Nagar,
Makarwali Road, Ajmer – 305004
 9. Jodhpur Vidyut Vitran Nigam Limited
New Power House, Industrial Area,
Jodhpur – 342003
 10. Lanco Anpara Power Limited
Plot No. 397, Udyog Vihar, Phase 3,
Gurgaon – 122016
 11. Power Development Deptt., Govt. of Jammu and Kashmir
SLDC Building, 1st Floor, Gladani Power House,
Narwal, Jammu
 12. North Central Railway
Subedar Ganj, Allahabad
 13. Jaiprakash Power Ventures Limited
A Block, Sector -128, Noida - 201 304, UP
 14. BSES Yamuna Power Limited
2nd Floor, B Block, Shakti Kiran Building,
Karkardooma, New Delhi – 110092
 15. BSES Rajdhani Power Limited



BSES Bhawan, 2nd Floor, B Block,
Nehru Place, New Delhi - 110 019

16. Tata Power Delhi Distribution Limited
NDPL House, Hudson Lines, Kingsway Camp,
Delhi - 110 009
17. New Delhi Municipal Corporation
NDMC, Palika Kendra, Sansad Marg,
New Delhi – 110 001
18. Electricity Wing of Engineering Department
Union Territory of Chandigarh,
Electricity OP Circle, UT, Chandigarh
19. Power Grid Corporation of India Limited
“Saudamini”, Plot No. 2, Sector 29, Near IFFCO Chowk,
Gurgaon - 122 001, Haryana
20. PTC India Limited
2nd Floor, NBCC Tower,
15, Bhikaji Cama Place,
New Delhi
21. Uttarakhand Power Corporation Limited
UPCL, Urja Bhawan, Dehradun, Uttarakhand
22. Lanco Budhil Hydro Power Pvt. Limited
Plot No. 397, Udyog Vihar, Phase 3,
Gurgaon – 122016, Haryana
23. Himachal Pradesh State Electricity Board Limited
Vidyut Bhawan, Kumar House Complex Building II,
Shimla - 171 004,
Himachal Pradesh

.....Respondents

1. CEO
REC Transmission Projects Company Limited
Core-4, SCOPE Complex, 7, Lodi Road,
New Delhi 110003
2. CEO, CTU
Power Grid Corporation of India Limited.
Saudamini, Plot No.2, Sector -29,
Gurgaon 122001

...Performa Respondents



The following were present:

Shri V. Vamsi, PGCIL
Shri S.T.Thomas, PGCIL
Shri A.M.Pagvi, PGCIL
Shri Vivek Agarwal, RECTPL

ORDER

The petitioner, NRSS XXXI (A) 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 with respect to the Transmission System for "Northern Region System Strengthening Scheme, NRSS-XXXI (Part-A)" (hereinafter referred to as "the Project") comprising of the following elements:

S.N.	Scheme/ Transmission Works	Conductors per Phase	Completion Target
1.	Establishment of a 7 x 105 MVA (1- ph.), 400/220 kV GIS sub-station at Kala Amb 400 kV - Line Bays: 4 No. - 400/220 kV ICT: 7 x 105 (1-ph) - ICT bays: 2 no. - Bus Reactor (80 MVAR): 2 no. - Bus Reactor Bay: 2 no. - Space for line/ICT bays: 4 no. - Space for ICT: 1 no. 220 kV - Line Bays: 6 no. - ICT bays: 2 no. - Space for line/ICT bays: 4 no.		38 months from the effective date (12.5.2014)
2.	LILO of both circuits of Karcham Wangtoo – Abdullapur 400 kV D/C (Quad Moose) line at Kala Amb (on multi Ckt towers)	Quad Moose or equivalent AAAC	
3.	40% Series Compensation on 400 kV Karcham Wangtoo – Kala Amb quad D/C line at Kala Amb ends		



2. The petitioner has made the following prayers:

“(a) Adoption of Transmission Charges for the Project which has been discovered through competitive bidding process.

(b) Allow the Transmission system for Northern Region System Strengthening Scheme, NRSS-XXXI (Part-A) 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 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 (hereinafter referred to as "the 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-XXXI (Part A)' on Build, Own, Operate and Maintain (BOOM) basis (the project) through tariff based competitive bidding in accordance with the Guidelines.

4. On 29.7.2013, the BPC incorporated the NRSS XXXI (A) Transmission Limited (NTL) as its wholly owned subsidiary to take steps for execution of the transmission



project and subsequently to act as the Transmission Service Provider after being acquired by the successful bidder.

5. 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	1.8.2013
2	Submission of Request for Qualification	16.9.2013
3	Submission of Request for Proposal documents	7.2.2014
4	Opening of Non-financial Bid	7.2.2014
5	Opening of financial bid	14.2.2014
6	Issuance of Letter of Intent to successful bidder	26.2.2014
7.	Submission of Contract Performance Guarantee in favour of LTTCs	9.5.2014
8.	Signing of Share Purchase Agreement	12.5.2014

6. The petitioner has submitted that BPC started the process with the publication of Global Invitation for qualification on 1.8.2013 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 seven bidders had submitted their Request for Qualification (RfQ) by 16.9.2013 and all seven bidders were qualified for participation in the next stage of bidding i.e Request for Proposal (RfP). On 7.2.2014, RfPs were submitted by the following four bidders, whose financial bids were opened on 14.2.2014:

- (i) Power Grid Corporation of India Limited;
- (ii) Techno Electric & Engineering Company Limited
- (iii) Sterlite Grid Limited.
- (iv) Essel Infraprojects Limited.

7. The petitioner has submitted that the bidding process concluded on 18.2.2014 when the Board of the BPC resolved that M/s Power Grid Corporation of India Limited (PGCIL) has quoted the lowest levelized transmission charges and was declared successful bidder. The Letter of Intent (LoI) dated 26.2.2014 was issued by the BPC to the successful bidder on 26.2.2014 which has been accepted by the successful bidder unconditionally. In keeping with the conditions stipulated in the bid documents, the petitioner on 12.5.2014 acquired the NRSS XXXI (A) Transmission Limited as its wholly owned subsidiary after executing the Share Purchase Agreement and also furnished the Contract Performance Guarantee of ₹ 5.9625 crore in favour of LTTCs.

8. The petitioner has submitted that BPC, vide its clarifications issued on 23.1.2014, has clarified that the transmission charges shall be shared and recovered as per the applicable CERC Regulation which is at present the PoC Mechanism under Central



Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010.

9. In accordance with the provisions of the bid documents and Lol 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.

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

11. Notices were issued to all the respondents who are the Long Term Transmission Customers of the project. In response to the petition, Ajmer Vidyut Vitran Nigam Ltd., Jaipur Vidyut Vitran Nigam Ltd. and Jodhpur Vidyut Vitran Nigam Ltd in their common reply has submitted that the petitioner shall ensure execution of the project as per timelines specified in the TSA and shall remain bound by the provisions of the TSA. The respondents have requested the Commission that charges as quoted by the petitioner should remain non-escalable throughout the TSA. U. P. Power Corporation Limited (UPPCL) in its reply dated 25.6.2014 has submitted that the present petition has not been filed in appropriate time. The petitioner in its rejoinder dated 11.7.2014 has submitted that the petition for grant of transmission licence has already been filed on 15.5.2014 which is within the timeline as extended by the BPC.



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

13. The petition was heard on 15.7.2014. None appeared on behalf of the respondents. The representative of the petitioner submitted that tariff of the petitioner company has been discovered through a transparent process of competitive bidding conducted in accordance with Section 63 of the Act and same may be adopted by the Commission. Learned counsel for the BPC submitted that all the provisions of the competitive bidding guidelines have been complied with in this case.

14. The petitioner, vide its affidavit dated 11.7.2014, has submitted that it would implement the transmission system as per the provisions of the Article 16.4 of the TSA which is extracted as under:

“16.4. Parties to perform obligation: Notwithstanding the existence of any dispute and difference referred to the Appropriate Commission or the Arbitration Tribunal as provided in Article 16.3 and save as the Appropriate Commission or the Arbitration Tribunal may otherwise direct by final or interim order, the Parties hereto shall continue to perform their respective obligation (which are not in dispute) under this Agreement.”

15. The petitioner has further submitted that the time and cost over-run shall be claimed in accordance with the applicable provisions of the Act, the bidding documents, the TSA and relevant Regulations.



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

17. Section 63 of the Act provides as under:

*“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.”*

18. Government of India, Ministry of Power has notified the Guidelines issued by the Central Government under Section 63 of the Act vide Resolution No. 11/5/2005-PG(i) dated 17.4.2006. The salient features of the Guidelines are discussed in brief as under:

(a) The Guidelines are applicable for procurement of transmission services for transmission of electricity through tariff based competitive bidding and for selection of transmission service provider for new transmission lines and to build, own, maintain and operate the specified transmission system elements.

(b) For procurement of transmission services, required for inter-State transmission, the Central Government shall notify any Central Government Organization or any Central Public Sector Undertakings 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 (IEGC).

(g) Standard documentations to be provided by BPC in the RFP shall include specified target dates/months for commissioning and commercial operations and start of providing transmission services. TSA proposed to be entered with the selected bidder; bid evaluation methodology to be adopted by the BPC; Discount Factor to be used for evaluation of the bids; specification regarding the bid bond and project completion guarantee to be furnished by the bidders, proposed indemnification agreement between the TSP and the utilities, amount of contract performance guarantee as percentage of the project cost; and the liquidated damages that would apply in the case of delay in start of providing the transmission services.

(h) To ensure competitiveness, the minimum number of qualified bidders shall be two. The BPC shall constitute a committee for evaluation of the bids with at least one member from Central Electricity Authority (CEA) and the concerned Regional Power Committees. The member from CEA shall have expertise in the cost engineering of transmission projects. The bids shall be opened in public and the representative of the bidders shall be allowed to remain present. The technical bids shall be scored to ensure that only the bids that meet the minimum technical criteria set out in the RFQ shall be considered for further evaluation on the transmission charge bids. The transmission charge bid shall be rejected if it contains any deviation from the tender conditions for submission of the same.



The bidder who has quoted the lowest transmission charge as per the evaluation procedure shall be considered for the award.

(i) The Guidelines provide for suggested time tables for the bid process. The timeline suggested for a two stage bid process is 240 days and single stage two envelope bid process is 180 days. The BPC is empowered to give extended time-frame based on the prevailing circumstances and such alterations shall not be construed as the deviation from the Guidelines.

(j) The selected bidder shall make an Application for grant of transmission licence to the Appropriate Commission within ten days of issuance of LOI or signing of TSA, whichever is later. 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.

19. 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.



20. RECTPCL was notified by Government of India, Ministry of Power vide Notification No. 15/1/2013-PG dated 20.5.2013 as the Bid Process Coordinator 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.

21. NRSS XXXI (A) 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-XXXI (Part A)" on Build, Own, Operate and Maintain 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 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”.

22. 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 the publication of Global Invitation for Qualification on 31.7.2013 for selection of developer on BOOM basis for the project. The notice for RfQ was published on 1.8.2013 in the Economic



Times with the last date of submission of response to RfQ 16.9.2013. 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. RECPTCL/P-11/NRSS-31A/RFQ/2013-14/1624, dated 6.8.2013.

23. 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
4.	<p>Establishment of a 7 x 105 MVA (1- ph.), 400/220 kV GIS substation at Kala Amb</p> <p>400 kV</p> <ul style="list-style-type: none"> - Line Bays: 4 No. - 400/220 kV ICT: 7 x 105 (1-ph) - ICT bays: 2 no. - Bus Reactor (80 MVAR): 2 no. - Bus Reactor Bay: 2 no. - Space for line/ICT bays: 4 no. - Space for ICT: 1 no. <p>220 kV</p> <ul style="list-style-type: none"> - Line Bays: 6 no. - ICT bays: 2 no. - Space for line/ICT bays: 4 no. 		38 months from the effective date (12.5.2014)
5.	LILO of both circuits of Karcham Wangtoo – Abdullapur 400 kV D/C (Quad Moose) line at Kala Amb (on multi Ckt towers)	Quad Moose or equivalent AAAC	
6.	40% Series Compensation on 400 kV Karcham Wangtoo – Kala Amb quad D/C line at Kala Amb ends		



24. 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 the Long Term Transmission Customers
1	Ad Hydro Power Limited
2	Haryana Power Purchase Centre
3	Punjab State Power Corporation Limited
4	Himachal Sorang Power Pvt. Ltd.
5	Adani Power Limited, Mundra
6	Jaipur Vidyut Vitran Nigam Limited
7	Ajmer Vidyut Vitran Nigam Limited
8	Jodhpur Vidyut Vitran Nigam Limited
9	Lanco Anpara Power limited
10	Lanco Green Power Pvt. Limited
11	Power Development Deptt., Govt. of J&K
12	North Central Railway
13	Jaiprakash Power Ventures Limited
14	BSES Yamuna Power Limited
15	BSES Rajdhani Power Limited
16	TATA Power Delhi Distribution Limited
17	New Delhi Municipal Corporation
18	UTC - Chandigarh
19	HVDC Dadri Rihand, Power Grid Corporation of India Limited
20	HVDC Rihand, Power Grid Corporation of India Limited
21	U.P. Power Corporation Limited
22	PTC (Budhil), PTC India Limited
23	PTC (Everest), PTC India Limited
24	Uttarakhand Power Corporation Limited
25	Himachal Pradesh State Electricity Board Limited

25. Responses to RfQ were received from seven bidders on 7.2.2014 as per details given below:

S. No.	Name of Bidders
1	Sterlite Grid Limited



2	Power Grid Corporation of India Limited
3	Techno Electric and Engineering Company Limited
4	Consortium of Ind Barath Power Gencom Limited Megha Engineering & Infrastructure Limited
5	Isolux Corsan Power Concessions India Pvt. Ltd.
6	Essel Infraprojects Limited
7	Ashoka Buildcon Limited

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

- (a) Shri Vinod Pande, GM, SBI Capital Markets Ltd. **...Chairman**
- (b) Shri Ashok Kumar Sharma, GM (Contracts & Design), HP Power Transmission Corporation Limited **..... Member**
- (c) Shri S.B.Moudgil, Chief Engineer (SO & Commercial), Haryana Vidyut Prasaran Nigam Ltd. **..Member**
- (d) Shri Pankaj Barta, Chief Engineer (Regulatory Affairs), CEA **...Member**
- (e) Shri Ravinder Gupta, Chief Engineer (SP & PA), CEA **...Member**
- (f) Shri Dinesh Kumar, Chairman, NRSS XXXI (A) Transmission Ltd. **Convenor-Member**

27. The responses to the RfQ were opened on 7.2.2014 in the presence of Bid Evaluation Committee and the representative of the bidders. Evaluation was undertaken by Bid Process Consultant, namely, Deloitte Touche Tohmatsu India Ltd. in consortium with Singhania & Partners, LLP, New Delhi (Bid Process Consultant) and presented to the Bid Evaluation Committee which recommended all the seven bidders as qualified at RfP stage, namely:

S. No.	Name of Bidders
1	Sterlite Grid Limited
2	Power Grid Corporation of India Limited
3	Techno Electric and Engineering Company Limited



4	Consortium of Ind Barath Power Gencom Limited Megha Engineering & Infrastructure Limited
5	Isolux Corsan Power Concessions India Pvt. Ltd.
6	Essel Infraprojects Limited
7	Ashoka Buildcon Limited

28. Out of the qualified seven bidders, RfP responses were received from the following four bidders:

1	Power Grid Corporation of India Limited
2	Essel Infraprojects Limited
3	Sterlite Grid Limited
4	Techno Electric and Engineering Company Limited

29. In line with requirement of RfP, on 26.12.2013 a pre-bid conference was organized by the BPC to address the queries of the bidders with respect to the RfP documents. Subsequently, on 23.1.2014 clarifications to the queries raised by the bidders were issued. RfP (Non-Financial) Bids were opened on 7.2.2014 in the presence of Bid Evaluation Committee and the representatives of the bidders. Subsequently, on 11.2.2014 RfP (Non-Financial) bids were reviewed by the Bid Process Consultant who recommended all the following three bidders as responsive for opening of financial bids.

- (i) Power Grid Corporation of India Limited;
- (ii) Sterlite Grid Limited;
- (iii) Essel Infraprojects Limited
- (iv) Techno Electric and Engineering Company Limited

30. RfP (Financial) bids were opened on 14.2.2014 in the presence of Bid Evaluation Committee and the representatives of the bidders. The evaluation of the RfP (Financial)



bids was carried out by Bid Process Consultant and presented to the Bid Evaluation Committee on 18.2.2014. The levelised transmission charges for each bidder, as per the bid evaluation model and the methodology specified in 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 Bidders	Levelised Transmission Tariff In Indian Rupees (Millions/annum)
1	Essel Infraprojects Limited	818.10
2	Power Grid Corporation of India Limited	594.34
3	Sterlite Grid Limited	974.00
4	Techno Electric and Engineering Company limited	598.00

31. Based on the evaluated levelised transmission charges, the Bid Evaluation Committee recommended Power Grid Corporation of India Limited with the lowest evaluated annual levelised transmission charges of ₹ 594.34 million/annum as the successful bidder. Paras 9, 11 and 12 of the Minutes of the Bid Evaluation Committee dated 18.2.2014, which are relevant, are extracted as under:

" 9. Levelized Transmission Charges: The levelised transmission charges for each Bidder (in ascending order) as per the Bid Evaluation model and the methodology specified in RFP documents is as under:

S No	Name of Bidders	Levelised Tariff (Rs. in Millions)
1	Power Grid Corporation of India Limited	594.34
2	Techno Electric and Engineering Company limited	598.00
3	Essel Infraprojects Limited	818.10
4	Sterlite Grid Limited	974.00



10. As per the above table, M/s Power Grid Corporation of India Limited emerged as the successful Bidder with the lowest Levelised Transmission Charges of Rs. 594.34 million.

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

(a) Power Grid Corporation of India Limited emerges as the successful Bidder with the lowest Levelised Transmission Charges of Rs. 594.34 million.

(b) The levelised tariff for this project based on CERC norms for the same period works out to Rs. 696 million, which has been computed based on the estimated cost as communicated by CEA/CTU and methodology for calculation of tariff adopted by CERC.

(c) Thus, in light of the above, the levelised tariff computed on the basis of rates quoted by the successful Bidder is 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 (a) to (d) above, M/s Power Grid Corporation of India Limited may be issued Letter of Intent (LOI)."

32. Bid Evaluation Committee vide its certificate dated 18.2.2014 has certified 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. 594.34 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.'

33. Letter of Intent was issued by the BPC on 26.2.2014 to the successful bidder i.e. 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.

34. In accordance with para 2.4 of RfP, the selected bidder shall within 10 days of the issue of 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 shareholding of NRSS XXXI (A) 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;



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

35. 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 ". The Lol was issued on 26.2.2014. However, 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 15.5.2014 vide letter No. RECTPCL/P-11/NRSS-31A/2014-15 dated 9.5.2014. Accordingly, the last date of filing the petition for adoption of tariff stands extended till 15.5.2014. The selected bidder furnished the Performance Guarantee to the Long Term Transmission Customers of the project for an amount of ₹ 5.9625 crore and has acquired hundred percent equity holding in the applicant company on 12.5.2014 after execution of the Share Purchase Agreement. The TSP on behalf of the selected bidder filed the application for adoption of tariff on 15.5.2014.

36. 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 18.2.2014 has



certified that the rates quoted by the successful bidder are in line with the prevalent 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.

37. 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 (Sharing Regulations). At the pre-bid conference, it was clarified by the BPC that TSA signed by the parties would merge with the TSA as notified by this Commission under Sharing 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.

38. The Petition No.93/TT/2014 is disposed in terms of the above. We direct that copies of this order shall be endorsed to all Long Term Transmission Customers of the transmission system.

Sd/-
(A.K.Singhal)
Member

Sd/-
(M. Deena Dayalan)
Member

Sd/-
(Gireesh B.Pradhan)
Chairperson



Year (Term of License)	Commencement Date of Contract Year	End Date of Contract Year	Quoted Non- Escalable Transmission Charges (Rs. millions)	Quoted Escalable Transmission Charges (Rs. Millions)
1	Scheduled COD 4.5.2017	31-March	521.5	0.00
2	01-April	31-March	578.16	Nil
3	01-April	31-March	730.64	Nil
4	01-April	31-March	725.15	Nil
5	01-April	31-March	705.78	Nil
6	01-April	31-March	686.56	Nil
7	01-April	31-March	668.22	Nil
8	01-April	31-March	648.56	Nil
9	01-April	31-March	569.39	Nil
10	01-April	31-March	513.27	Nil
11	01-April	31-March	513.27	Nil
12	01-April	31-March	513.27	Nil
13	01-April	31-March	513.27	Nil
14	01-April	31-March	513.27	Nil
15	01-April	31-March	513.27	Nil
16	01-April	31-March	513.27	Nil
17	01-April	31-March	513.27	Nil
18	01-April	31-March	513.27	Nil
19	01-April	31-March	513.27	Nil
20	01-April	31-March	513.27	Nil
21	01-April	31-March	513.27	Nil
22	01-April	31-March	513.27	Nil
23	01-April	31-March	513.27	Nil
24	01-April	31-March	513.27	Nil
25	01-April	31-March	513.27	Nil
26	01-April	31-March	513.27	Nil
27	01-April	31-March	513.27	Nil
28	01-April	31-March	513.27	Nil
29	01-April	31-March	513.27	Nil
30	01-April	31-March	513.27	Nil
31	01-April	31-March	513.27	Nil
32	01-April	31-March	513.27	Nil
33	01-April	31-March	513.27	Nil
34	01-April	31-March	513.27	Nil
35	01-April	31-March	513.27	Nil
36	01-April	35th anniversary of Scheduled COD	513.27	Nil