

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 103/ADP/2015**

**Coram:**

**Shri Gireesh B. Pradhan, Chairperson  
Shri A.K Singhal, Member  
Shri A.S. Bakshi, Member**

**Date of Order : 10.6.2015**

**In the matter of**

Application for Adoption of Transmission Charges under Section 63 of the Electricity Act, 2003 to establish 'Transmission System associated with DGEN TPS (1200 MW) of Torrent Power Limited' on build, own, operate and maintain basis.

**And**

**In the matter of**

DGEN Transmission Company Limited  
305-306, 3<sup>rd</sup> Floor, Eros Corporate Tower,  
Nehru Place,  
New Delhi-110 019

**...Petitioner**

**Vs**

Torrent Energy Limited  
Off Ashram Road,  
Ahmedabad-380 009

**...Respondent**

**The following were present:**

Shri Sachin Gupta, DTCL  
Shri Lalit Kumar, TEL  
Shri S.Negi, TEL  
Shri Rajash Shahi, PFC  
Shri Sanjay Nayak, PFC

**ORDER**

The petitioner, DGEN Transmission Company Limited (DTCL), 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 associated with DGEN TPS (1200 MW) of Torrent Power Limited' on Build, Own,



Operate and Maintain basis (hereinafter referred to as 'the Project') comprising of the following element:

<b>S.No.</b>	<b>Scheme/ Transmission Works</b>	<b>Completion Target</b>	<b>Conductors per Phase</b>
1.	DGEN TPS-Vadodara 400 kV D/C line-114 kms	38 months from the effective date	Twin ACSR Moose or equivalent AAAC be designed for a maximum operating conductor temperature of 85 <sup>0</sup> C
2.	Navsari-Bhestan 220 kV D/C line-21 kms	38 months from the effective date	ACSR Zebra or equivalent AAAC be designed for a maximum operating conductor temperature of 85 <sup>0</sup> C

2. The petitioner has made the following prayers:

“(a) Allow the application and adopt the Transmission Charges (which is discovered through competitive bidding process) as quoted by Instalaciones Inabensa S.A. for DGEN Transmission Company;

(b) Revise the applicable Transmission Tariff due to increase in Acquisition Price of the SPV; and

(c) Pass such other order (s) as this Hon`ble Commission may be deemed fit and proper in the facts and circumstances of the case.”

3. The petitioner has submitted that Ministry of Power, Government of India initiated a scheme for development of Independent Transmission Projects through private sector participation for evacuation of power from the generating stations and transmission of power from pooling station to other grid stations up to load centers and system strengthening in India. The said projects were to be awarded to developers selected on the basis of tariff based competitive bidding process. Government of India, Ministry of Power, vide its Resolution No.11/5/2005-PG(i)

dated 17.4.2006 notified 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" (hereinafter referred to as "the Guidelines") under Section 63 of the Act. In accordance with Guidelines, PFC Consulting Limited (hereinafter referred to as PFCCL) was notified by Government of India, Ministry of Power vide Notification No. 15/1/2011-Trans dated 29.8.2011 and 16.10.2012 as the Bid Process Coordinator (hereinafter referred to as "BPC") for the purpose of selection of bidder as Transmission Service Provider (TSP) to establish the 'Transmission System associated with DGEN TPS (1200 MW) of Torrent Power Limited' (hereinafter referred to as 'Project') through tariff based competitive bidding process.

4. On 15.9.2011, the BPC incorporated DTCL 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 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:

<b>S. No.</b>	<b>Events</b>	<b>Date</b>
1.	Global Invitation for Tender	30.10.2012
2.	Submission of Request for Qualification	15.10.2013

3.	Issuance of Request for Proposal documents	28.11.2013
4.	Submission of Request for Proposal documents	25.3.2014
5.	Opening of financial bid	25.4.2014
6.	Issuance of Letter of Intent to successful bidder	19.5.2014
7.	Acceptance of Lol	19.5.2014
8.	Submission of Contract Performance Guarantee in favour of LTTCs	13.3.2015
9.	Signing of Share Purchase Agreement	17.3.2015

6. The petitioner has submitted that BPC started the process with the publication of Global Invitation for qualification on 30.10.2012 for selection of a TSP for the project and to provide transmission service on long term basis to the Long Term Transmission Customer (LTTC). Intimation regarding the initiation of the bidding process was given by the BPC to the Commission vide its letter dated 30.10.2012. A total of seven bidders had submitted their Request for Qualification (RfQ) by 15.10.2013 and all seven 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 25.3.2015, whose financial bids were opened on 25.4.2014:

- (a) Power Grid Corporation of India Ltd.
- (b) Instalaciones Inabensa, S.A.Spain.

7. The petitioner has submitted that the bidding process concluded on 13.5.2014 when the Board of the BPC resolved that M/s Instalaciones Inabensa, S.A.Spain has quoted the lowest levelized transmission charges and was declared successful bidder. The Letter of Intent (Lol) dated 19.5.2014 was issued by the BPC to the successful bidder which has been accepted by the successful bidder unconditionally. In keeping with the conditions stipulated in the bid documents, the petitioner on 17.3.2015 acquired the DTCL as its wholly owned subsidiary after

executing the Share Purchase Agreement and also furnished the Contract Performance Guarantee of ₹ 10.35 crore in favour of LTTC.

8. 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.

9. On receipt of the present petition, the Commission vide its letter dated 30.3.2015 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 16.4.2015.

10. Notice was issued to the respondent who is the Long Term Transmission Customer of the project. No reply has been filed by the respondent.

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

12. The petition was heard on 12.5.2015. None appeared on behalf of the respondent. The representative of the petitioner submitted that tariff of the petitioner company has been discovered through the process of competitive bidding conducted in accordance with Section 63 of the Act and same may be adopted by the Commission. The representative of the BPC submitted that rates all the provisions of the competitive bidding guidelines have been complied with in this case and rates quoted by the successful bidder are line with the prevalent market price. BPC vide Record of Proceedings for the hearing dated 12.5.2015 was directed to file the basis



of arriving prevalent market price by the Evaluation Committee. BPC vide its affidavit dated 21.5.2015 has submitted the information called for.

13. We heard the representatives of the petitioner and PFCCCL 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.

14. 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.”*

15. 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.

16. 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.

17. PFCCCL was notified by Ministry of Power, Government of India vide its notification No. 15/1/2011-Trans dated 29.8.2011 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.

18. DTCL was incorporated on 15.11.2011 under the Companies Act, 2013 as a wholly owned subsidiary of PFCCCL with the objective to establish the transmission system for "Transmission System associated with DGEN TPS (1200 MW) of Torrent Power Ltd." 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:

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

19. PFCCCL 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 for selection of developer on BOOM basis for the project. The notice for RfQ was published on 30.10.2012 in all the editions of Economic Times, Times of India (English) and Nav Bharat Times (Hindi) and Financial Times (Global Editions) with the last date of submission of response to RFQ as 14.12.2012. 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. 03/IT07/11-12/DTCL/11-RFQ dated 30.10.2012.

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

<b>S.No.</b>	<b>Scheme/ Transmission Works</b>	<b>Completion Target</b>	<b>Conductors per Phase</b>
1.	DGEN TPS-Vadodara 400 kV D/C line	38 months from the effective date	Twin ACSR Moose or equivalent AAAC be designed for a maximum operating conductor temperature of 85 <sup>0</sup> C
2.	Navsari-Bhestan 220 kV D/C line	38 months from the effective date	ACSR Zebra or equivalent AAAC be designed for a maximum operating conductor temperature of 85 <sup>0</sup> C

21. The identified Long Term Transmission Customers (LTTC) of the project is Torrent Energy Limited.

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

- (a) Shri Padmakumar M. Nair, Head, SBI Capital Markets Ltd. .Chairman
- (b) Shri Vijay Singh, Managing Director, CSP Transmission Company Limited ..Member
- (c) Director (Projects), Power Transmission Corporation of Uttarakhand Ltd. .Member
- (d) Shri Pankaj Batra, Chief Engineer (Regulatory Affairs), CEA .Member
- (e) Shri Ravinder Gupta, Director (SP & PA), CEA .Member
- (e) Shri Yogesh Juneja, Chairman, DGEN Transmission Company Ltd. . convener-Member

23. Responses to RFQ were received from seven bidders by 15.10.2013 as per details given below:

<b>S.No</b>	<b>Name of the Bidder</b>
1	Power Grid Corporation of India Ltd.
2	Essel Infraprojects Ltd.
3	Instalaciones Inabensa S.A.Spain
4	Torrent Power Limited
5	Sterlite Grid Limited
6	Ashoka Buildcon Limited
7	Gammon Infrastructure Projects Limited

24. The responses to the RfQ were opened on 15.10.2013 in the presence of Bid Evaluation Committee and the representatives of the bidders.

25. Out of the qualified seven bidders, RfP response was received from the following two bidders:

<b>S.No.</b>	<b>Name of the bidder</b>
1.	Power Grid Corporation of India Ltd
2.	Instalaciones Inabensa S.A.Spain

26. RfP (Financial) were opened on 25.4.2014 in the presence of Bid Evaluation Committee and the representatives of the bidders. The levelised 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 levelised transmission charges were worked out as under:

<b>S.No</b>	<b>Name of the Bidder</b>	<b>Levellised Transmission charges in Indian Rupees (Millions/annum)</b>
1	Power Grid Corporation of India Ltd.,	623.54
2	Instalaciones Inabensa, S.A. Spain	584.01

27. Based on the evaluated levelised transmission charges, the Bid Evaluation Committee recommended Instalacionies Inabensa, S.A.Spain with the lowest evaluated annual levelised transmission charges of ₹584.01 million/annum as the successful bidder. Para 2 and 3 of the Minutes of the Bid Evaluation Committee dated 13.5.2014 which are relevant, are extracted as under:

“2. Based on the evaluation carried out, the Bid Evaluation Committee observed that the computed levelised Transmission Charges of Rs. 584.01 million per annum for the Bidder Instalaciones Inabensa, S.A, Spain was found to be the lowest. However, the Bid Evaluation Committee opined that as the transmission project was notified in August 2011, the latest estimated cost of the transmission project may be obtained from CEA in order that final recommendation on the successful Bidder and certification on the rates discovered are aligned to prevailing market price may be given.

CEA vide letter No. 100/11/PFC-7/2013-SP&PA dated May 06, 2014 intimated that the estimated cost of the transmission project is Rs. 275 crore(Copy of the letter isenclosed as Annexure-I). Based on the thumb rule that the annual transmission charges is about 20% of the estimated project cost, the annual transmission charge of the project considering estimated project as provided by CEA works out to about Rs. 55 crore (i.e. Rs. 550 million).

3. Considering the above, the Bid Evaluation Committee recommends the following:

1. Instalaciones Inabensa, S.A.Spain with the lowest computed levelised Transmission Charge of Rs. 584.01 million per Annum id declared as the successful bidder, and the BPC, PFC Consulting Limited, may issue the Letter of Intent (Lol) to Instalaciones Inabensa, S.A, Spain.
2. The rates quoted by the Successful Bidder, Instalaciones Inabensa, S.A, Spain are in line with the prevalent market prices.

28. Bid Evaluation Committee vide its certificate dated 13.5.2014 has certified as under:

“It is hereby certified that:

1. Instalaciones Inabensa, S.A.Spain has emerged the Successful Bidder with the lowest levelised Transmission Charges of Rs. 584.01 Million per annum for the subject project.

2. The rates quoted by the Successful Bidder, Instalaciones Inabensa, S.A.Spain are in line with the prevalent market prices.

3. 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."

29. Letter of Intent was issued by the BPC on 19.5.2014 to the successful bidder i.e Instalaciones Inabensa, S.A.Spain. In accordance with para 12.3 of the Guidelines, the BPC has hosted on the website of PFCCL 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 Vindhyachal Jabalpur 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". LOI was issued on 19.5.2014. However, the selected bidder furnished the Performance Guarantee to the Long Term Transmission Customer of the project for an amount of ₹ 10.35 crore on 13.3.2015 and has acquired hundred percent equity holding in the applicant company on 17.3.2015 after execution of the Share Purchase Agreement. The TSP on behalf of the selected bidder filed the application for adoption of tariff on 27.3.2015.

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 BEC in its certificate dated 13.5.2014 has certified that the rates quoted by the successful bidder are in line with the prevalent market prices.

33. BPC, vide Record of Proceedings dated 12.5.2015, was directed to submit the basis of arriving market prevalent price by the Evaluation Committee while recommending the rates quoted by the successful bidder are in line with the prevalent market price. BPC vide its affidavit dated 21.5.2015 has submitted as under:

"A. The entire bid process for the selection of Transmission Service Provider (TSP) has been carried out through International Competitive Bidding (ICB) in accordance with the Guidelines "Tariff Based Competitive Bidding Guidelines of Transmission Service" and "Guidelines for Encouraging Competition in Development of Transmission Projects" issued by Ministry of Power, Govt. of

India under Section 63 of the Electricity Act, 2003 as amended from time to time and the Standard Bid Documents (RfQ), RfP) & TSA) notified by Ministry of Power, Govt of India.

B. The tariff i.e. lowest levelised annual transmission charges has been discovered through the bid process as mentioned above.

C. The Bid Evaluation Committee while recommending the rates quoted by the successful bidder are in line with the prevalent market prices, has deliberated during its meeting held on 13.5.2014 and the same is quoted as below:

“Based on the evaluation carried out, the Bid Evaluation Committee observed that the computed levelised Transmission Charges of Rs. 584.01 million per Annul for the Bidder, Instalaciones Inabensa, S.A., Spain was found to be the lowest. However, the Bid Evaluation Committee opine that as the transmission project was notified in August, 2011, the latest estimated cost of the transmission project may be obtained from CEA in order that final recommendation on the Successful Bidder and certification on the rates discovered are aligned to prevailing market price may be given.

CEA vide letter No. 100/11/PFC-7/2013-SP&PA dated May 06, 2013 intimated that the estimated cost of the transmission project is Rs. 275 crore.

Based on the thumb rule that the annual transmission charges is about 20% of the estimated project cost, the annual transmission charge of the project considering estimated project cost as provided by CEA works out to about Rs. 55 crore (i.e. Rs. 550 million).”

D. Further, it may be mentioned that as per para 7.6 “Reasonableness of Transmission Charges” of Guidelines, stipulates the following:

“The bidder who has quoted the lowest levelised tariff as per evaluation procedure, shall be considered for the award. The Evaluation Committee shall have the right to reject all price bids if the rates quoted are not aligned to the prevailing market prices.”

D. Considering the above deliberation and Reasonableness of Transmission Charges, the Bid Evaluation Committee has certified that the rates quoted by the successful bidder are in line with the prevalent market price.”

From the above, it is noted that Bid Evaluation Committee has relied on the cost estimate furnished by CEA with regard to the transmission assets covered under the



scope of the project. CEA has used the 'Capital Cost Benchmarking' of CERC for ascertaining the estimated cost.

34. BPC has also placed on record a copy of the letter dated 6.5.2014 issued by CEA with regard to the estimated cost of the project at the current price level. CEA letter dated 6.5.2014 is extracted as under:

"Please refer to your letter No.03/IT07/11-12/DTCL/II-RFQ dated 1.5.2014, wherein, you have requested to provide updated cost estimate of the project with the following scope of work:

- a. DGEN TPS-Vadodara 400 kV D/C,Twin Moose line (Length-Approx.100 kms including 400 kV underground cable of 3 kms (Seven (7) runs of single core, Aluminium conductor/Copper conductor, XLPE insulated cables)
- b. Navsari-Bhestan 220 kV D/C line (Length-Approx. 15 kms)

The estimated hard cost of the 400 kV D/C line has been calculated based on the CERC model "Capital Cost Benchmarking" wherein , the input data required by the model pertaining to no. of angle towers, line length, wind zone, terrain category etc. has been fed. This input data is taken from the preliminary survey report provided by the PFC. The work sheet for calculating estimated hard cost of the 400 kV D/C line is enclosed. As the CERC model bench mark costs are based on December 2009 price level, the hard cost of the line is escalated by 20% to arrive at current price level hard cost. The current price hard cost is escalated by 30% to cover a financing, IDC, Row etc cost. Thus, the cost of the 400 kV line works out to be Rs. 230 crore.

Thus the estimated cost of the project at current price level is given below:

- 1) Cost of 400 kV DGEN TPS-Vadodara 400 kV D/C line (114 km)- Rs. 230 cr.
- 2) Cost of 3 km. 400 kV XPLE cable (21km) and termination (12) cost-Rs. 33 cr.  
(cable @Rs. 15,000/- per meter and Rs. 15 lakh per termination)
- 3) Cost of 220 kV Navsari-Bhestan D/C line (15 km) -12 cr.

Total Cost- Rs. 275.cr

It is requested that the same may be intimated to the Bid Evaluation Committee."

The Bid Evaluation Committee based on the recommendation of CEA has worked out the annual transmission charges at ₹ 550 million, and considering the quote of ₹ 584.01 million of the lowest bidder, has recommended the same as aligned to prevalent market price. We are satisfied that the BPC has undertaken an objective exercise to arrive at the prevalent market price. Based on the certification of the BEC as approved by BPC, we adopt the levelised transmission charges for the project as per the *Appendix* to this order. The sharing of the transmission charges by the LTTC 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.

35. The petitioner has also prayed to revise the applicable transmission tariff due to increase in acquisition price of the SPV. The petitioner has submitted that Lol was issued to Instalaciones Inabensa S.A. on 19.5.2014. However, the SPV was transferred by BPC on 10.3.2015 due to delay in obtaining necessary approval. Therefore, acquisition price has been changed from ₹ 538 lakh to ₹ 763.78 lakh and has requested to allow increase in acquisition price under 'Change in Law' clause under the TSA. Article 12.1 of the TSA provides as under:

“Change in Law

12.1.1 Change in Law means the occurrence of any of the following after the date which is seven (7) days prior to the Bid Deadline resulting into to any additional recurring/non-recurring expenditure by the TSP or any income to the TSP

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-Any change in the Acquisition Price.”

Based on the above, change in acquisition price falls within the definition of Change in Law. Accordingly, TSP is entitled to the increase in transmission charges on account of acquisition price in accordance with Article 12.2.1 of the TSA after following due procedure as provided in the TSA.

36. The Petition No.103/ADP/2015 is disposed in terms of the above. We direct that copy of this order shall be endorsed to Long Term Transmission Customer of the transmission system.

Sd/-  
**(A.S. Bakshi)**  
Member

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

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

**Appendix**

Year (Term of License)	Commencement Date of Contract Year	End Date of Contract Year	Quoted Non- Escalable Transmission Charges (Rs. millions)	Quoted Escalable Transmission Charges (Rs. Millions)
1	12 Jul-17	31-March-18	631.38	0.00
2	01-April -18	31-March-19	631.38	Nil
3	01-April -19	31-March-20	631.38	Nil
4	01-April -20	31-March -21	631.38	Nil
5	01-April -21	31-March-22	631.38	Nil
6	01-April -22	31-March-23	631.38	Nil
7	01-April -23	31-March-24	631.38	Nil
8	01-April -24	31-March-25	631.38	Nil
9	01-April -25	31-March-26	631.38	Nil
10	01-April -26	31-March-27	631.38	Nil
11	01-April -27	31-March-28	631.38	Nil
12	01-April -28	31-March-29	631.38	Nil
13	01-April-29	31-March-30	631.38	Nil
14	01-April -30	31-March-31	442.28	Nil
15	01-April-31	31-March-32	450.87	Nil
16	01-April-32	31-March-33	459.47	Nil
17	01-April-33	31-March-34	468.07	Nil
18	01-April-34	31-March-35	476.66	Nil
19	01-April-35	31-March-36	485.26	Nil
20	01-April-36	31-March-37	493.85	Nil
21	01-April -37	31-March-38	502.45	Nil
22	01-April-38	31-March-39	511.04	Nil
23	01-April-39	31-March-40	519.64	Nil
24	01-April-40	31-March-41	528.23	Nil
25	01-April -41	31-March-42	536.83	Nil
26	01-April-42	31-March-43	545.42	Nil
27	01-April-43	31-March-44	554.02	Nil
28	01-April-44	31-March-45	562.61	Nil
29	01-April -45	31-March-46	571.21	Nil
30	01-April-46	31-March-47	579.80	Nil
31	01-April-47	31-March-48	588.40	Nil
32	01-April-48	31-March-49	597.00	Nil
33	01-April-49	31-March-50	605.59	Nil
34	01-April -50	31-March -51	614.19	Nil
35	01-April-51	31-March-52	622.78	Nil
36	01-April-52	35th anniversary of Scheduled COD	631.38	Nil