

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 84/AT/2017

Coram:

Shri Gireesh B. Pradhan, Chairperson

Shri A. K. Singhal, Member

Shri A. S. Bakshi, Member

Dr. M. K. Iyer, Member

Date of Order: 12th June, 2017

In the matter of

Application under Section 63 of the Electricity Act, 2003 for adoption of transmission charges with respect to the Transmission System established by Medinipur-Jeerat Transmission Limited.

And

In the matter of

Medinipur-Jeerat Transmission Limited

B-9, Qutab Institutional Area,
Katwaria Sarai, New Delhi- 110 016

..... **Petitioner**

Vs

1. Chief Engineer (PTP),
West Bengal State Electricity Distribution Company Ltd.,
Vidyut Bhawan, A-Block, 3rd Floor, Bidhammagar,
Kolkata-700 091

2. Chief Engineer,
North Bihar Power Distribution Company Ltd.
3rd Floor, Vidyut Bhawan, Bailey Road,
Patna-800 001

3. Chief Engineer (Commercial),
South Bihar Power Distribution Company Ltd.
2nd Floor, Vidyut Bhawan, Bailey Road,
Patna-800 001.

4. Chief General Manager (PP)
GRIDCO Limited,
Grid Corporation of India Ltd., Janpath,
Bhubaneshwar-751 022

5. Chief Engineer (C&R),
Jharkhand Bijli Vitran Nigam Limited
Engineer`s Building, Dhurwa,
Ranchi-834 001

6. Chief Engineer (Commercial)
Damodar Valley Corporation
DVC Headquarters, DVC Towers, VIP Road,
Kolkata-700 054.

7. Chief Engineer
Energy and Power Department, Govt. of Sikkim,
House No. 1, Power Secretariat,
Sonam Gyatso Marg, Gangtok,
Sikkim-737 101.

.....**Respondents**

The following were present:

Shri B. Vamsi, MJTL
Shri N.C.Gupta, PFCCL
Shri Kumar Ritu Raj, PFCCL

ORDER

The Petitioner, Medinipur-Jeerat Transmission Limited (MJTL), 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 “765 kV Strengthening in Eastern Region (ERSS- XVIII)” on Build, Own, Operate and Maintain (BOOM) basis (hereinafter referred to as "Transmission System").

2. 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.”

3. Government of India, Ministry of Power has notified the Guidelines 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 documentations 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 Lol 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.

4. Therefore, we have to examine whether process as per provisions of the Guidelines has been followed in the present case for arriving at the lowest levelized transmission charges and for selection of the successful bidder.

5. Ministry of Power, Government of India, vide its Notification No. 2454, dated 17.11.2015, notified the 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 “765 kV

Strengthening in Eastern Region (ERSS- XVIII)” through tariff based competitive bidding process.

6. Medinipur-Jeerat Transmission Limited was incorporated on 22.1.2016 under the Companies Act, 2013 as a wholly owned subsidiary of PFCCL with the objective to establish the “765 kV Strengthening in Eastern Region (ERSS- XVIII)” 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”.

7. 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. BPC issued the RfQ on 12.1.2016. Subsequently, the Central Electricity Authority vide its letter dated 6.4.2016 and minutes of meeting dated 29.3.2016 modified the scope of the transmission scheme by deleting the elements, namely Medinipur-Haldia New (NIZ) (WBSETCL) 400 kV D/C line and 2 nos 400 kV line bays at Haldia New (NIZ) (WBSETCL). The revised scope of work was agreed in 36th Empowered Committee meeting on Transmission held on 26.7.2016. Accordingly, the BPC started the process of selection of TSP with the publication of Global Invitation for Qualification on 14.6.2016 for selection of developer on BOOM basis for the project.

The notice for RfQ was published on 14.6.2016 in all the editions of Times of India, Hindustan (Hindi), Mint (English) and Financial Times (Global Editions) with the last date of submission of response to RfQ as 13.7.2016. 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/ITP-23/16-17/MJTL/RFQ, dated 14.6.2016.

8. The key milestones in the bidding process were as under:

S. No.	Events	Date
1.	Publication of RFQ	14.6.2016
2.	Submission of Request for Qualification	13.7.2016
3.	Issuance of Request for Proposal	6.10.2016
4.	Technical and Price bid (on line) submission	3.1.2017
5.	Technical bid opening (on line)	3.1.2017
6.	Financial Bid opening	14.2.2017
7.	Issuance of Letter of Intent to successful bidder	21.2.2017
8.	Signing of Share Purchase Agreement and transfer of Special Purpose Vehicle	28.3.2017

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

S. No.	Name of the Transmission Element	Scheduled COD from effective date	Conductor per phase
1	Establishment of 765/400 kV, 2x1500MVA substation at Medinipur 765kV •ICT: 7x500 MVA, 765/400 kV (1 spare unit) • ICT bays: 2 no. • Line bays: 4 no. • Bus reactor: 7x110 MVAR single phase units including one (1) spare unit • Bus reactor bay: 2 no. • Space for future line bays (along with space for switchable line reactor): 4 no. • Space for future ICT bays: 2 no. • Space for future 765/400 kV ICT:	40 months	

	<p>6x500MVA single phase units 400kV</p> <ul style="list-style-type: none"> • ICT bays: 2 no. • Line bays: 4 no. • Bus reactor: 2×125 MVAR • Bus reactor bay: 2 no. • Space for future line bays (alongwith space for switchable line reactor): 6 no. • Space for future ICT bays: 2 no. 		
2	<p>Establishment of 765/400kV, 2x1500MVA substations at Jeerat (New) 765kV</p> <ul style="list-style-type: none"> • ICT :7×500MVA, 765/400kV (1 spare unit) • ICT bays: 2 no. • Line bays: 2 no. • Bus reactor: 7×110 MVAR single phase unit including one (1) spare unit • Bus reactor bay: 2 no. • Space for future line bays (along with space for switchable line reactor): 4 no. • Space for future ICT bays: 2 no. • Space for future 765/400 kV ICT: 6x500MVA single phase units <p>400kV</p> <ul style="list-style-type: none"> • ICT bays: 2 no. • Line bays: 4 no. • Bus reactor: 2×125 MVAR • Bus reactor bay: 2 no. • Space for future line bays (along with space for switchable line reactor): 4 no. • Space for future ICT bays: 2 no. 	40 months	
3	<p>Ranchi (New) – Medinipur 765kV D/c line with Hexa ACSR Zebra conductor along with 240MVAR, 765kV (765kV, 3x80 MVAR single phase units) switchable line reactor with 750 Ω NGR in each circuit at Medinipur end</p> <p>(Total: 765 kV, 7x80 MVAR single phase units, 1 unit as spare)</p>	40 months	<p>Hexa Zebra ACSR</p> <p>The transmission line has to be designed for a maximum operating conductor temperature of 85 deg C for ACSR.</p>
4	<p>Medinipur-Jeerat (New) 765kV D/C line with Hexa ACSR Zebra conductor along with 240MVAR, 765 kV (76 5kV, 3x80 MVAR single phase units) switchable line reactor with 600 Ω NGR in each circuit at Jeerat (New) end (total: 765kV,</p>	40 months	<p>Hexa Zebra ACSR</p> <p>The transmission line has to be designed for a maximum operating conductor</p>

	7x80 MVAR single phase units, 1 unit as spare)		temperature of 85 deg C for ACSR.
5	LILO of both circuits of Chandithala-Kharagpur 400 kV D/C line at Medinipur	40 months	Twin Moose ACSR The transmission line has to be designed for a maximum operating conductor temperature of 85 deg C for ACSR.
6	Jeerat (New) – Subhasgram 400kV D/c line with ACSR Quad Moose	40 months	Quad Moose ACSR The transmission line has to be designed for a maximum operating conductor temperature of 85 deg C for ACSR.
7	Jeerat (New) – Jeerat (WB) 400kV D/c line with ACSR Quad Moose	40 months	Quad Moose ACSR The transmission line has to be designed for a maximum operating conductor temperature of 85 deg C for ACSR.
8	LILO of Jeerat (WB) – Subhasgram (PG) 400kV S/c section at Rajarhat (PG)	34 months	Twin Moose ACSR The transmission line has to be designed for a maximum operating conductor temperature of 85 deg C for ACSR.
9	2 no. 400kV GIS line bays at Jeerat (WBSETCL)	40 months	

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

S No.	Name of the Long Term Transmission Customer
1.	North Bihar Power Distribution Company Limited
2.	South Bihar Power Distribution Company Limited
3.	GRIDCO Limited
4.	Jharkhand Bijli Vitran Nigam Limited
5.	Damodar Valley Corporation Limited

6.	West Bengal State Electricity Distribution Company Limited
7.	Energy and Power Department, Govt. of Sikkim

11. 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, Sr. Vice President and Head, SBI Capital Markets .Chairman
- (b) Shri M.C. Rakshit, Dy Chief Engineer (Electrical), DVC .Member
- (c) Shri Partha Sarathi De, Chief Engineer (Procurement), WBSETCL .Member
- (d) Shri S.K.Ray Mohapatra, Chief Engineer (PSETD) , CEA .Member
- (e) Shri Ravinder Gupta, Chief Engineer (PSP&PA-I), CEA .Member
- (f) Shri Hemant Kumar Das, Chairman, Khargone Transmission Limited Convener- Member

12. Responses to RfQ were received from six bidders as per details given below:

S.No.	Name of Bidders
1.	Power Grid Corporation of India Ltd.
2.	Sterlite Grid 4 Limited
3.	Essel Infraprojects Limited
4.	Adani Transmission Limited
5.	Kalpataru Power Transmission Limited
6.	Tata Power Company Limited

13. The responses to the RfQ were opened 25.7.2016 in the presence of the representatives of the bidders. Bid Evaluation Committee recommended all six bidders as qualified at RfP stage.

14. The following three bidders submitted RfP online through MSTC portal :

S.No.	Name of Bidders
1.	Power Grid Corporation of India Limited
2.	Sterlite Grid 4 Limited
3.	Adani Transmission Limited

15. Bid Evaluation Committee opened online RfP (Financial) bids Initial Price Offer (IPO) on 14.2.2017. The lowest IPO discovered (Best Deal) at MSTC Portal was Rs. 4,986.52 million per annum which was communicated to the above three bidders for participating in the e-reverse bidding process. The e-reverse bidding was carried out at MSTC Portal on 15.2.2017. However, no bid was received during the r-reverse bidding. Accordingly, Bid Evaluation Committee recommended Power Grid Corporation of India Limited with the lowest levelised transmission charges of Rs.4986.52 million/annum as the successful bidder.

16. Letter of Intent was issued by the BPC on 21.2.2017 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 PFCCCL the final results of the evaluation of the bids for selection of developer for the project.

17. 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.

18. 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 Medinipur-Jeerat Transmission 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.

19. The proviso to para 2.4 of the RfP further provides that "if for any reason attributable to the BPC, the above activities are not completed by the Selected Bidder within the above period of ten (10) days as mentioned in this clause, such period of 10 days shall be extended, on a day for day basis till the end of the Bid validity period". Though Lol was issued on 21.2.2017, BPC, vide its letter dated 28.3.2017, in terms of proviso to clause 2.4 of RfP extended the date upto 7.4.2017 for completion of all activities by the successful bidder. The selected bidder furnished the Contract Performance Guarantee to the Long Term Transmission Customers of the project for an amount of Rs. 141.89 crore and has acquired hundred percent equity-holding in the applicant company on 28.3.2017 after execution of the Share Purchase Agreement. The TSP on behalf of the selected bidder filed the application for adoption of tariff on 31.3.2017.

20. On receipt of the present petition, the staff of the Commission vide its letter dated 10.4.2017 directed the BPC to submit the relevant documents regarding complete process of competitive bidding through affidavit. The necessary details have been filed by the BPC under affidavit dated 24.4.2017.

21. Notices were issued to all the respondents who are the Long Term Transmission Customers of the project. No reply has been filed by the respondents. 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.

22. The petition was heard on 16.5.2017. During the course of hearing, it was observed that Bid Evaluation Committee (BEC) in its minutes of meeting dated 15.2.2017 has not mentioned any comments on the model tariff worked out based on estimated cost communicated by CEA. However, Bid Processing Co-ordinator (BPC) i.e. PFCCL has submitted a model tariff computation showing the model tariff computed as per CERC norms as Rs. 5068.10 million. It was further observed that the successful bidder has made bid for Rs. 4986.52 million which is lesser than the model tariff. Accordingly, BPC was directed to submit comments of BEC on the model tariff worked out as per CERC tariff norms based on the estimated cost communicated by CEA and documentary proof for the estimated cost of the project communicated by CEA.

23. BPC, vide its affidavit dated 26.5.2017, has submitted as under:

“Subsequent to ROP of CERC, a BEC meeting was convened on 24.5.2017 to deliberate on the issue and BEC noted the following:

- (i) The estimated cost of the project as communicated by CEA vide its letter dated September 6, 2016 is Rs. 3246 crore.
- (ii) As per CERC Tariff norms and cost provided by CEA, the levelised transmission charges worked out to be Rs. 5068.10 million per annum which is 15.6% of the estimated project cost.
- (iii) The lowest transmission charge discovered through the e-reverse bidding process is Rs. 4986.52 Million per annum.
- (iv) BEC observed that the levelised transmission charge discovered through the bidding process is Rs. 4986.52 million per annum vis-a-vis levelised tariff worked out as per CERC Tariff Regulations of Rs. 5068.10 million per annum is 1.6% lower.
- (v) BEC has also noted during its meeting held on February 15, 2017 it had also certified that the rates quoted by the Successful Bidder, M/s Power Grid Corporation of India Limited, are in line with the prevalent market prices.”

24. PFCCL has submitted that a meeting of BEC was convened on 24.5.2017 to deliberate on the issue. BEC in the said meeting explained that the levelised transmission charges discovered through the bidding process is Rs. 4986.52 million/annum which is 1.6% lower than the levelised tariff of Rs. 5068.10 million/annum worked out as per CERC Tariff Regulations. In said meeting dated 24.5.2017, BEC has clarified that the rates quoted by the Successful Bidder, M/s Power Grid Corporation of India Limited, are in line with the prevalent market prices. Taking into consideration the certification of the BEC that the rates quoted by the successful bidder are aligned with the prevalent market price, the Commission is of the view that the price discovery satisfies the Guidelines issued by the Government of India under Section 63 of the Act.

25. Power Grid Corporation of India Ltd, vide Record of Proceedings for the hearing dated 16.5.2017, was directed to submit the status of upstream and downstream system, to whom it has been awarded and the Scheduled Date of Commissioning. Power Grid Corporation of India Ltd. vide its affidavit dated 26.5.2017 has submitted that the following upstream and downstream systems associated with Transmission Scheme being implemented by M/s Medinipur-Jeerat Transmission Limited and the said transmission assets are being implemented by PGCIL and West Bengal State Electricity Transmission Company Ltd.(WBSETCL) with the expected commissioning schedule as mentioned against each :

“ (a) By **POWERGRID** : The status of the scope under POWERGRID is as given below:

Sl. No.	Transmission Element	Expected Commissioning Schedule
1.	2 no. of 765 kV line bays along with line reactors at Ranchi (New) [for termination of Ranchi (New) Medinipur 765 kV D/C line (line under TBCB)]	July 2020
2.	2 no. of 400 kV line bays at Subhashgram [for termination of Jeerat (New) –Subhashgram 400 kV D/c (Quad) line (line under TBCB)]	July 2020
3.	2 no. of 400 kV line bays at Rajarhat [for termination of LILO of Jeerat (WB)-Subhashgram (POWERGRID) 400 kV S/C line at Rajarhat (line under TBCB)	Jan 2020

(b) By **WBSETCL** : As per the information available with POWERGRID, the status of scope under WBSETCL is as follows:

Transmission Element	Expected Commissioning Schedule
Kharagpur-Chanditala 400 kV D/C line	June 2017

26. The Commission is of the view that the transmission assets being executed by Medinipur-Jeerat Transmission Limited should be aligned with the upstream/downstream assets being implemented by PGCIL and WBSETCL in such manner to ensure optimum utilization of the assets. CTU should coordinate with all concerned parties to ensure that transmission assets are executed within the expected timeframe.

27. Under the Guidelines, BPC has to certify that the tariff has been discovered through a transparent process of bidding and the tariff discovered is in line with prevailing market prices. The Bid Evaluation Committee, in the minutes of meeting held on 15.2.2017, has recorded as under:

1. The RFP (Financial) Bids Initial Price offer was opened online on February 14, 2017 at MSTC portal for the following three (03) Bidders for **“765 KV System Strengthening in Eastern region (ERSS-XVIII)”**:
 - (i) Sterlite Grid 4 Limited
 - (ii) Power Grid Corporation of India Limited
 - (iii) Adani Transmission Limited
2. The lowest Initial Price Offer (IPO) at MSTC Portal was **Rs. 4986.52 Million per annum** which was communicated to the following qualified bidders for participating in the e-reverse bidding process to be held on MSTC Portal on February 15, 2017 at 11:00 Hrs.
 - (i) Sterlite Grid 4 Limited
 - (ii) Power Grid Corporation of India Limited
 - (iii) Adani Transmission Limited
3. The e-reverse bidding was carried out at MSTC Portal on February 15, 2017 at 11:00 Hrs which closed on February 15, 2017 at 13:00. No bid was received during the e-reverse bidding. The Evaluation report is attached as **Annexure-I.”**

4. The para 2 of clause 3.4.1.1 of the RFP stipulates that “If no bid is received during the e-reverse bidding stage then the bidder with lowest quoted initial Levelised transmission charges (“Initial Offer”) during e-bidding stage shall be declared as the Successful Bidder.”

As no bid was received during the e-reverse bidding stage the lowest initial offer of **Rs. 4986.52 million per annum of M/s Power Grid Corporation of India Limited was considered as Final Offer.** The ranking of the bidders as per initial offer is given below.

S. No.	Name of the Bidder	Levelised Transmission Charges (In Indian Rupees Million per annum)	Ranking of Bidders based on Levelised Tariffs
1.	Power Grid Corporation of India Ltd.	4986.52	L-1
2.	Sterlite Grid 4 Limited	5827.67	L-2
3.	Adani Transmission Limited	5967.45	L-3

5. In view of above, the lowest initial offer (levelised Transmission Charge) of **M/s Power Grid Corporation of India Limited of Rs. 4986.52 Million per annum,** may be declared as the successful bidder and the BPC, PFC Consulting Limited, may issue the Letter of Intent (LOI) to **M/s Power Grid Corporation of India Limited (L-1 Bidder).**
6. 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).”

28. Bid Evaluation Committee vide its certificate dated 15.2.2017 has certified as under:

“It is hereby certified that:

1. **M/s Power Grid Corporation of India Limited** has emerged as the Successful Bidder with the lowest levelised transmission charge of **Rs. 4986.52 Million per annum** for the subject project after completion of e-reverse bidding at MSTC portal.

2. The rates quoted by the Successful Bidder **M/s Power Grid Corporation of India Limited** are in the 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 as amended from time to time and the Standard Bid Documents (RFQ, RFP & TSA) notified by Ministry of Power, Govt. of India.”

29. 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 15.2.2017 has certified that the rates quoted by the successful bidder are in line with the prevailing prices. The Commission is not required to go into the cost details of the bids as per the bidding guidelines and has to adopt the tariff if the same has been discovered in accordance with the Guidelines. Based on the certification of the BEC, we approve and adopt the levelised transmission charges for the project as per the **Appendix** to this order. The sharing of the transmission charges by the LTTCs shall be governed by the provisions of the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010 as amended from time to time.

30. A copy of this order shall be sent to CTU and Long Term Transmission Customers of the transmission system.

31. The Petition No. 84/AT/2017 is disposed of in terms of the above.

Sd/-
(Dr. M. K. Iyer)
Member

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	Scheduled COD June 2020	31-March	5812.69	0.00
2	1-April	31-March	5812.69	Same as Above
3	1-April	31-March	5812.69	Same as Above
4	1-April	31-March	5812.69	Same as Above
5	1-April	31-March	5812.69	Same as Above
6	1-April	31-March	5812.69	Same as Above
7	1-April	31-March	5812.69	Same as Above
8	1-April	31-March	5812.69	Same as Above
9	1-April	31-March	5812.69	Same as Above
10	1-April	31-March	4083.42	Same as Above
11	1-April	31-March	4083.42	Same as Above
12	1-April	31-March	4083.42	Same as Above
13	1-April	31-March	4083.42	Same as Above
14	1-April	31-March	4083.42	Same as Above
15	1-April	31-March	4083.42	Same as Above
16	1-April	31-March	4083.42	Same as Above
17	1-April	31-March	4083.42	Same as Above
18	1-April	31-March	4083.42	Same as Above
19	1-April	31-March	4083.42	Same as Above
20	1-April	31-March	4083.42	Same as Above
21	1-April	31-March	4083.42	Same as Above
22	1-April	31-March	4083.42	Same as Above
23	1-April	31-March	4083.42	Same as Above
24	1-April	31-March	4083.42	Same as Above
25	1-April	31-March	4083.42	Same as Above
26	1-April	31-March	4083.42	Same as Above
27	1-April	31-March	4083.42	Same as Above
28	1-April	31-March	4083.42	Same as Above
29	1-April	31-March	4083.42	Same as Above
30	1-April	31-March	4083.42	Same as Above
31	1-April	31-March	4083.42	Same as Above
32	1-April	31-March	4083.42	Same as Above
33	1-April	31-March	4083.42	Same as Above
34	1-April	31-March	4083.42	Same as Above
35	1-April	31-March	4083.42	Same as Above
36	1-April	35 th anniversary of scheduled COD	4083.42	Same as Above