

BEFORE
THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION
LUCKNOW

Petition No.1332/2018

PRESENT:

1. Hon'ble Sri Raj Pratap Singh, Chairman
2. Hon'ble Sri Suresh Kumar Agarwal, Member
3. Hon'ble Sri Kaushal Kishor Sharma, Member

IN THE MATTER OF: Application under section 63 of the Electricity Act, 2003 for Adoption of Transmission Charges with respect to the Transmission System being established by Ghatampur Transmission Limited.

Petitioner

Ghatampur Transmission Ltd., C-105, Anand Niketan, New Delhi-110021

Versus

Respondents

1. Managing Director, Paschimanchal Vidyut Vitran Nigam Ltd., Victoria Park, Meerut-250001
2. Managing Director, Madhyanchal Vidyut Vitran Nigam Ltd., 4 Gokhale Marg, Lucknow
3. Managing Director, Poorvanchal Vidyut Vitran Nigam Ltd., Purvanchal Vidyut Bhawan, P.O. Vidyut Nagar, DLW, Varanasi.
4. Managing Director, Dakshinanchal Vidyut Vitran Nigam Ltd., Urja Bhawan 220, K.V. Up-Sansthan Bypass Road Agra – 282007
5. Neyveli Uttar Pradesh Power Limited (NUPPL), 8-111, 2nd Floor, Eldeco Elegance Apartment, Gomti Nagar, Lucknow, UP - 226010

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6. REC Transmission Projects Company Limited, ECE House, 3rd Floor, Annexe-II,
28 A, KG Marg, New Delhi - 110001

In the Presence of

1. Shri Pinkesh Kumar, Ghatampur Transmission Ltd.
2. Shri Bhavesh Kundulia, General Manager – Ghatampur Transmission Ltd.
3. Shri Rama Shanker Awasthi
4. Shri Avadhesh Kumar Verma, President, Uttar Pradesh Rajya Vidyut
Upbhokta Parishad.

Order

(Hearing on 11.12.2018)

The Petitioner, Ghatampur Transmission Ltd., has filed the present petition under section 63 of the Indian Electricity Act 2003 for adoption of transmission charges in respect of Transmission system associated with 1980 MW TPA of 3x360 Ghatampur Thermal Power Stations on built, own, operate and maintain basis comprising of the following elements:

S.No.	Name of Elements	Completion Targets
1	400 kV Ghatampur TPS-Kanpur (PG) D/C line. 765 kV Ghatampur TPS-Agra (UP) S/C line (including 189 MVAR Line Reactor at Agra end). 765kV Agra (UP)-Gr. Noida (WUPPTCL) S/C line (including 240MVAR Line Reactor at Agra end).	22 months#(i.e. February' 2020)
2	765 kV Feeder "Bay" at following substation locations a) Greater Noida (1No.) b) Agra (2 Nos)	29 months# (i.e. Sept.' 2020)
3	765 kV Ghatampur TPS Hapur (WUPPTC) S/C line (including 330MV AR Line Reactor at Hapur end) a) 765 kV Feeder'Bay' at Hapur (1 No.)	35 months # (i.e. March 2021)

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2. The petitioner has made the following prayers:-
 - (a) To adopt transmission charges for the aforesaid project discovered through Competitive Bidding Process.
 - (b) Grant of transmission tariff from actual date of commercial operation, if the elements of the project are commissioned before original SCOD.
 - (c) Pass any such order as may be deemed fit and proper in the facts and circumstances of the case.

3. The Petitioner has submitted that the Energy Department, Govt. of UP vide its letter no. 1874/24-P-1-2016-2595/2008 T.C. dated 22nd August 2016 appointed REC Transmission Projects Company Limited to be the Bid Process Coordinator (BPC) for the purpose of selection of Bidder as Transmission Service Provider (TSP) to establish Transmission System for Evacuation of Power from 3x660MW Ghatampur Thermal Power Project through tariff based competitive bidding process.

4. Further a Company under the Companies Act 2013 by the name "Ghatampur Transmission Limited" having its registered office at C-105, Anand Niketan, New Delhi-110 021 has been incorporated on 02.12.2016 by RECTPCL (Bid Process Coordinator) as its 100% wholly owned subsidiary to initiate the activities for execution of the Project and subsequently to act as Transmission Service Provider after being acquired by the successful bidder, selected through Tariff Based Competitive Bidding process.

5. The Govt. of UP vide letter no. 1874/24-P-1-2016-2595/2008 T.C dated 22 August, 2016 directed M/s REC Transmission Projects Company Ltd. to provide his services as BPC to the satisfaction of UPPTCL/Govt. of UP till the signing of TSA with the successful bidder adoption of Tariff & issue of Transmission License by UPERC to Developer. The activity wise break up was given as below.

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Sl. No.	Particular	Important Date (from date of LOI) issued vide letter no.
1	Issue of NIT for RFQ through ICB	Zero Date
2	Preparation, submission and opening of RFQ documents	45 days (from zero date)
3	Submission of Evaluation Report and Recommendations on RFQ and Issuance of RFP documents	15 days (60 days from zero date)
4	Participation in Pre-Bid Conference for RFP, final clarification and issue of revised RFP.	11 days (71 days from zero date)
5	Submission of RFP (Technical and Price Bid)	60 days (131 days from zero date)
6	Submission of Bid Evaluation Report and Recommendations based on RFP received from developers and issue of LOI to selected Developer	15 days (146 days from zero date)
7	Signing of Share Purchase Agreement	15 days (161 days from zero date)
8	Signing of TSA	-----Do-----
9	Adoption of Tariff by Uttar Pradesh Electricity Regulatory Commission (UPERC)	As per the decision of UPERC
10	Issue of Transmission License by Uttar Pradesh Electricity Regulatory Commission (UPERC)	-----Do-----

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6. The actual dates of the events in the bidding process were as under :-

Sl.No	Particulars	Date
1	Publication of RFQ	03.09.2016
2	Submission of Response to RFQ	03.10.2016
3	Issuance of RFP	19.01.2018
4	Technical & Price Bid (on line) Submission	01.05.2018
5	Technical Bid Opening	01.05.2018
6	Initial Offer-Opening	08.05.2018
7	e-Reverse Auction and Final Offer	09.05.2018
8	Final Bid Evaluation Committee Meeting	29.05.2018
9	Issuance of Lol	12.06.2018
10	Signing of Agreements & Transfer of SPV	19.06.2018

In response to RFQ notification issued by RECTPCL total four (4) responses were received from the following:

1. Adani Power Ltd.
2. Power Grid Corporation of India Ltd.
3. Kalpataru Power Transmission Ltd.
4. Sterlite Grid 4 Ltd

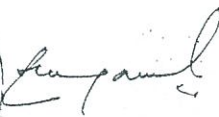
7. The Bid Evaluation Committee in its meeting dated 14.12.16 for shortlisting of bidders to participate in RFP stage of bidding decided the qualification status of the bidders for RFP stage as follows:-

1. Adani Power Ltd.
2. Power Grid Corporation of India Ltd.
3. Kalpataru Power Transmission Ltd.

8. After running the bid process as mentioned above the levelized tariff proposals submitted by the qualified bidders as evaluated by the BPC are as under :-







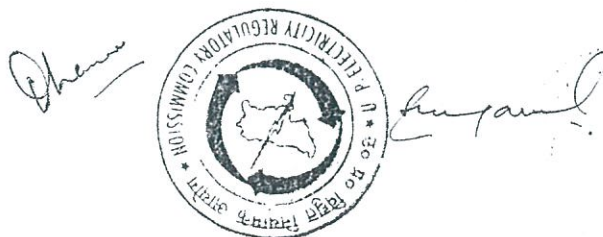


S.No.	Bidder	Levellised Transmission Charges (In Rs.Million/annum)	Ranking
1.	Adani Transmission Ltd.	2969.98	L2
2.	Power Grid Corporation of India Ltd	2850.93	L1
3.	Kalpataru Power Transmission Ltd.	3050.18	L3

9. The Bid Process consultants adopted the reverse billing process on 9.5.2018 and during the period from 11:44:11 to 12:05:57 hours on 10.5.2018 the reverse auctyon closed. The prices discovered after close of reverse auction, are given in the following table:

S.No.	Bidder	Levellised Transmission Charges (In Rs.Million/annum)	Ranking
1.	Adani Transmission Ltd.	1960.46	L1
2.	Power Grid Corporation of India Ltd	1965.47	L2
3.	Kalpataru Power Transmission Ltd.	2700.50	L3

10. The BPC after obtaining approval of the Bid Evaluation Committee, on 12.06.2018 declared the bidder M/s Adani Transmission Ltd. as the successful bidder and issued the LOI. On 18.6.2018 M/s Adani Transmission Ltd. furnished the Contract Performance Guarantees (CPG) for an aggregate value of Rs.121.50 crores divided into multiple CPGs in proportion to the ratio of allocated project capacity, as per the provisions of clause 2.21 of the RFP document.



9. The BPC vide its letter Ref No: RECTPCL/FIN/GTL/2018-19 dated 18.6.2018 had intimated the acquisition price for acquisition of one hundred percent of equity shareholding of the Petitioner along with all its related assets and liabilities. M/s Adani Transmission Limited paid the acquisition price and acquired Ghatampur Transmission Limited on 19.06.2018 after execution of the Share Purchase Agreement and completing all procedural requirements as specified in the bid documents.
10. The Petitioner, Ghatampur Transmission Limited, incorporated under Companies Act, 2013 is a 100% wholly owned subsidiary of Adani Transmission Limited who has been selected on the basis of the tariff Based Competitive Bidding as per the Tariff Based Bidding Guidelines for Transmission Service issued by the Government of India, Ministry of Power.
11. In the Petition it is submitted that the Ministry of Power GoI has issued a Policy dated 15.07.2015 incentivizing early commission of transmission element before Scheduled date of Commercial Operation (SCOD) by way of commencement of transmission charges from actual COD before SCOD. In the said Policy, it is clarified that such incentive shall be applicable to transmission project(s)/elements(s) which are under implementation/yet to be bid out under TBCB.
12. The petitioner submitted that the aforesaid policy is also applicable for the Petitioner's transmission system. Therefore, the Petitioner will take steps to avail the said incentives by commissioning the transmission elements before SCOD. The Petitioner requested the Commission to take note of the said policy and allow recovery of transmission charges from the actual COD in accordance with the same.
13. The Petitioner further submitted that this application under Section-63 of Electricity Act 2003 is for Adoption of Transmission Charges determined through competitive bidding process in accordance with the guidelines issued by the Central

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Government. Therefore in accordance with Section-63 of the Electricity Act, 2003 and also in the terms of RFP documents, this Hon'ble commission may be pleased to adopt the Levelized Transmission Charges quoted by the selected bidder, with respect to the subject transmission project.

14. The Commission heard the case on 15.11.2018. The representative of the Petitioner submitted that the transmission charges payable to the petitioner, discovered through process of competitive bidding and after the reverse auction these prices are most competitive. He requested the Commission to adopt the transmission charges under Section 63 of the Electricity Act 2003. The Commission issued an order on 15.11.2018 for publication of Public Notice in one English and one Hindi newspaper in order to move forward for adoption of tariff. The public notice was published in Hindi Newspaper Hindustan and English Newspaper Hindustan Times on 28.11.2018. The Commission had also ordered on 15.11.2018 to publish the entire information on the website of the Petitioner and decided to hold a public hearing on the matter on 11.12.2018.
15. After the publication of the public notice the Commission organized a public hearing to know the opinion of various stakeholders on 11.12.2018 in the office of the Commission. In the public hearing Sri Avadhesh Kumar Verma, President, UP Rajya Vidhut Upbhokta Parishad submitted that the original certificate of the Bid Evaluation Committee has not been filed with the Petition and some of the members of the Bid Evaluation Committee like Principle Secretary (Finance), MD, UPPCL and one member of the Regional Power Committee have not signed the minutes of Bid Evaluation Committee Meeting. Sri Rama Shanker Awasthi, a consumer submitted that the original certificate of the Bid Evaluation Committee has not been submitted and instead of the original members some of the nominees of the members have signed the Bid Evaluation Committee minutes. He also mentioned that the rate of the return of the project is 9.5% whereas the interest rate on the debts is around 12%. Sri Awasthi also raised the issue that the information regarding the bidding has not been published on the website of the Petitioner. On the observations of the public representative, the Commission

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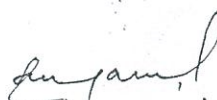
directed the petitioner that if the website of the SPV is not available then the information can be published on the website of the bidder who has been declared successful and necessary documents can be provided to Sri Awasthi in hard copy also. Regarding non availability of certain members of the Bid Evaluation Committee, the bid process consultants clarified that as per the decision taken in the meeting of the 'Empowered Committee on transmission' of CERC, it has been decided that the quorum for BEC shall be 50% of the total strength of the Bid Evaluation Committee rounded off to the next higher whole number, subject to minimum of 3 members. He also clarified that there are total 13 members in the BEC and the quorum was of 7 members and the following seven members have personally signed the Bid Evaluation Committee Report and these members were personally present in the BEC:

- a. Infrastructure and Industrial Development Commissioner, Govt. of UP.
- b. Principal Secretary (Energy), Govt. of UP
- c. Managing Director, UPPTCL
- d. Director (Finance), UPPCL
- e. Director (Central Electricity Authority)
- f. Director (Works & Projects), UPPCL
- g. Director (Operation), UPPTCL, NRPC, Representative

16. Regarding submission of original BEC report the representative of BPC informed that they have certified the photocopy of the minutes of the BEC report which should be acceptable.

17. The Commission had also sought the following documents from the BPC:

- a. The copy of the minutes of 22nd meeting of the 'Empowered Committee on Transmission' of CERC.
- b. Minutes of Bid Evaluation Committee regarding seeking additional information in response to RFQ submitted by bidders.
- c. Recommendations of Bid Evaluation Committee for shortlisting of bidders for RFP stage.



- d. Recommendations of Bid Evaluation Committee for shortlisting the bidders for financial bid opening.
- e. Bid Evaluation Committee report for selection of Transmission Service Provider.

18. The BPC submitted the required documents vide letter no RECTPCL/Ghatampur TPP/UPERC/2018-19/1058 dated 18.12.2018

19. The Bid Evaluation Committee has furnished the following certificate:

“Date: 29.05.2018

CERTIFICATE BY BID EVALUATION COMMITTEE

Subject: Selection of Transmission Service Provider for Evacuation of Power from 3x660 MW Ghatampur Thermal Power Project through tariff based competitive bidding process

It is certified that:

- a. 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.
- b. M/s Adani Transmission Limited has emerged as the successful bidder with the lowest levelized transmission charges of Rs. 1,960.46 million for the above project.
- c. The rates quoted by the successful bidder are in line with the prevailing prices.

Sd
Director (Works & Projects)
UPPTCL

Sd
Director (Finance)
UPPCL

Sd
Managing Director
UPPTCL

Sd
Director

Sd
Director (Operation)

Sd
Addl. General Manager



Central Electricity Authority

UPPTCL, NRPC
Representative

Power Finance Corporation

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Deputy Secretary (Law),
Govt of UP (Representative)
and on behalf of Principal
Secretary (law)}

Sd
Joint Director (Planning),
Govt of UP (Representative)
and on behalf of Principal
Secretary (Planning)}

Sd
Principal Secretary (Energy),
Govt. of UP

Sd
Infrastructure and Industrial Development
Commissioner, Govt. of UP"

20. Based on the certification of the Bid Evaluation Committee we adopt the year wise transmission charges for this project as per Annexure-1 to this order under Section 63 of the Electricity Act 2003. The sharing of transmission charges among the Long Term Transmission Customer shall be governed by the Transmission Service Agreement. The tariff is adopted for 35 years but as per the provisions of the Electricity Act 2003 the term of the transmission License granted to the Petitioner is 25 years. The adoption of tariff beyond 25 years is subject to renewal of transmission license after a period of 25 years.

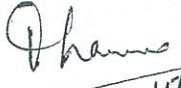
21. The Petitioner has also prayed for granting of incentive by way of applicability of transmission charges from the actual date of Commissioning in case of early commissioning of the project. The Commission has gone through the order dated 15.7.2015 of Ministry of Power, Gol which allows transmission charges from the actual date of COD prior to the original scheduled COD only for the **transmission system strengthening schemes** under tariff based competitive bidding. This order intends to provide incentive only for **transmission system strengthening projects** and not for the new transmission system projects. Further this order was issued in 2015 and has not been incorporated in the RFP or the Transmission Service Agreement. The Commission therefore decides that the Transmission charges shall be paid strictly as per the terms of RFP and the Transmission Service Agreement. The only incentive available is for availability of the system which shall be governed as per the TSA.



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22. The TSP shall abide by the system specifications as provided and agreed in the bidding document and also incorporated in the Transmission Service Agreement. No deviation shall be permitted at any stage.


15/1/2019

(Kaushal Kishore Sharma)

Member



(Suresh Kumar Agrawal)

Member



(Raj Pratap Singh)

Chairman

Place: Lucknow

Dated: 15.01.2019



Year wise Transmission charges for Transmission System for Evacuation of Power from 3x660 MW Ghatampur Thermal Power Project - Implementing Agency Ghatampur Transmission Ltd.

Contract Year	Commencement date of contract year	End date of contract year	Non - Escalable Transmission Charges (Rs. in Lakhs)
1	28-Mar-21	31-Mar-21	2,576.80
2	1-Apr-21	31-Mar-22	2,576.80
3	1-Apr-22	31-Mar-23	2,576.80
4	1-Apr-23	31-Mar-24	2,576.80
5	1-Apr-24	31-Mar-25	2,576.80
6	1-Apr-25	31-Mar-26	2,576.80
7	1-Apr-26	31-Mar-27	2,576.80
8	1-Apr-27	31-Mar-28	1,806.34
9	1-Apr-28	31-Mar-29	1,806.34
10	1-Apr-29	31-Mar-30	1,806.34
11	1-Apr-30	31-Mar-31	1,806.34
12	1-Apr-31	31-Mar-32	1,806.34
13	1-Apr-32	31-Mar-33	1,806.34
14	1-Apr-33	31-Mar-34	1,806.34
15	1-Apr-34	31-Mar-35	1,806.34
16	1-Apr-35	31-Mar-36	1,806.34
17	1-Apr-36	31-Mar-37	1,806.34
18	1-Apr-37	31-Mar-38	1,806.34
19	1-Apr-38	31-Mar-39	1,806.34
20	1-Apr-39	31-Mar-40	1,806.34
21	1-Apr-40	31-Mar-41	1,806.34
22	1-Apr-41	31-Mar-42	1,806.34
23	1-Apr-42	31-Mar-43	1,806.34
24	1-Apr-43	31-Mar-44	1,806.34
25	1-Apr-44	31-Mar-45	1,806.34
26	1-Apr-45	31-Mar-46	1,806.34
27	1-Apr-46	31-Mar-47	1,806.34
28	1-Apr-47	31-Mar-48	1,806.34
29	1-Apr-48	31-Mar-49	1,806.34
30	1-Apr-49	31-Mar-50	1,806.34
31	1-Apr-50	31-Mar-51	1,806.34
32	1-Apr-51	31-Mar-52	1,806.34
33	1-Apr-52	31-Mar-53	1,806.34
34	1-Apr-53	31-Mar-54	1,806.34
35	1-Apr-54	31-Mar-55	1,806.34
36	1-Apr-55	25-Mar-56	1,806.34

(Signature)
 (Koushal Kishore Sharma)
 Member

(Signature)
 (Suresh Kumar Agrawal)
 Member

(Signature)
 (Raj Prakash Singh)
 Chairman



