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APPLICATION

TRANSMISSIONS
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**BEFORE THE HON'BLE CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Application No.....

Case No.....

IN THE MATTER OF

Application under Section 14 of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 in respect of Grant of Transmission Licence to Kudgi Transmission Limited (a wholly owned subsidiary of L&T Infrastructure Development Projects Limited).

Kudgi Transmission Limited, A company incorporated under the provisions of the Companies Act, 1956 having its registered office at CORE 4, SCOPE Complex, 7, Lodhi Road, New Delhi – 110003, duly represented by its Authorised Signatory Mr. Satyanarayana Sunkari vide Board Resolution dated 30th August 2013.

.....**APPLICANT**

AND

1. Bangalore Electricity Supply Company Limited (BESCOM), Bangalore
2. Gulbarga Electricity Supply Company Limited (GESCOM), Gulbarga
3. Hubli Electricity Supply Company Limited (HESCOM), Hubli
4. Mangalore Electricity Supply Company Limited (MESCOM), Mangalore
5. Chamundeshwari Electricity Supply Company Limited (CESCOM), Mysore
6. Northern Power Distribution Company of Andhra Pradesh Limited (APNPDCL), Warangal
7. Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL), Visakhapatnam
8. Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL), Tirupati
9. Central Power Distribution Company of Andhra Pradesh Limited (APCPDCL), Hyderabad
10. Kerala State Electricity Board (KSEB), Trivandrum
11. Tamil Nadu Generation And Distribution Corporation Limited (TANGEDCO), Chennai

.....**RESPONDENTS**



APPLICATION

The Applicant respectfully submits as under:

1. Ministry of Power, Government of India vide **Notification No.:15/1/2011-Trans Dated 08.10.2012** (A Copy of notification is enclosed as **Annexure – I**) has notified REC Transmission Projects Company Limited to be the Bid Process Coordinator (hereinafter referred to as BPC) for the purpose of selection of Bidder as Transmission Service Provider (hereinafter referred to as TSP) for "Transmission system required for evacuation of power from Kudgi TPS (3 x 800 MW in Phase – I) of NTPC Limited (hereinafter referred to as the Project)" through tariff based competitive bidding process on Build, Own, Operate and Maintain (hereinafter referred to as BOOM) basis. The Project consists of the following elements:

Sl. No	Name of Transmission Element	Conductors per Phase	Completion Target
a	Kudgi TPS - Narendra (New) 400kV 2xD/C quad Lines	Quad Moose ACSR or Quad AAAC (equivalent to Quad ACSR Conductor) and Transmission line design should be corresponding to 85°C conductor temperature operation.	18 Months from Effective Date
b	Narendra (New) – Madhugiri 765kV D/C line	Hex Zebra ACSR or equivalent AAAC conductor and Transmission line design should be corresponding to 85°C conductor temperature operation.	28 Months from Effective Date
c	Madhugiri –Bidadi 400kV D/C (quad) line	Quad Moose ACSR or equivalent AAAC Conductor and Transmission line design should be corresponding to 85°C conductor temperature operation.	28 Months from Effective Date



2. That a company under the Companies Act, 1956 by the name "**Kudgi Transmission Limited**" having its registered office at CORE 4, SCOPE Complex, 7, Lodhi Road, New Delhi – 110003, has been Incorporated on **27.11.2012** by REC Transmission Projects Company Limited as its wholly owned subsidiary to initiate the activities for execution of the Project and subsequently to act as TSP after being acquired by the successful Bidder selected through Tariff Based Competitive Bidding Process. Copy of Certificate of Incorporation along with Memorandum of Association and Article of Association of Kudgi Transmission Limited is enclosed as **Annexure II**
3. BPC has 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" issued by Ministry of Power, Government of India. Following are the activities undertaken by BPC in chronological order:

S NO.	Activity	Date	Remarks
1.	Global Invitation for Tender	05.12.2012	Copy of NIT attached as Annexure III
2.	Due date for Submission of Request for Qualification	22.01.2013	-
3.	Notification of list of Bidders qualified for submission of Request for Proposal	07.03.2013	Enclosed as Annexure IV
4.	Notification for issuance of Request for Proposal document	12.03.2013	-
5.	Pre-bid meeting	10.04.2013	-
6.	Issuance of written clarifications / amendments/ errata by BPC	30.04.2013	-
7.	Due date for Submission of Request for Proposal document	02.07.2013	-
8.	Opening of Non-Financial Bid	02.07.2013	-
9.	Opening of Financial bid	24.07.2013	-



10.	Issuance of Letter of Intent to Successful Bidder	31.07.2013	Copy of Letter of Intent enclosed as Annexure VI Copy of Bid Evaluation Committee Report enclosed as Annexure VII
11.	Signing of Share Purchase Agreement and Acquisition of Kudgi Transmission limited	30.08.2013	Copy of Share Purchase Agreement enclosed as Annexure IX

- 3.1. Global invitation for qualification for selection of Transmission Service Provider for the Project was published in the Newspapers. Copy of the same is enclosed as **Annexure - III**.
- 3.2. Total of Eleven Bidders have submitted their Request for Qualification (hereinafter referred to as RFQ) and the list of Bidders participated in the RFQ is provided below:

SNO.	Name of Bidder
1.	Balfour Beatty Infrastructure Investments Ltd. and TATA Projects (Consortium)
2.	Gammon Infrastructure Projects Limited
3.	L&T Infrastructure Development Projects Limited
4.	Navyuga Engineering Company Limited
5.	NCC Limited
6.	Power Grid Corporation of India Limited
7.	Reliance Power Transmission Limited
8.	Sterlite Grid Limited
9.	Techno Electric and Engineering Company Limited and Kalpataru Power Transmission Limited (Consortium)
10.	SREI India Power Corporation Limited
11.	Instalaciones Inabensa



- 3.3. BPC has issued Notification on the list of Bidders qualified for further participation in next stage of Bidding i.e Request for Proposal (Hereinafter referred to as RFP) copy of the same is enclosed as **Annexure IV**.

SNO.	Name of Bidder
1.	Balfour Beatty Infrastructure Investments Ltd. and TATA Projects (Consortium)
2.	Gammon Infrastructure Projects Limited
3.	L&T Infrastructure Development Projects Limited
4.	Navyuga Engineering Company Limited
5.	NCC Limited
6.	Power Grid Corporation of India Limited
7.	Reliance Power Transmission Limited
8.	Sterlite Grid Limited
9.	Techno Electric and Engineering Company Limited and Kalpataru Power Transmission Limited (Consortium)

- 3.4. Copy of RFP document is enclosed as **Annexure V**
- 3.5. BPC has conducted a Pre-Bid meeting on **10.04.2013** to clarify the queries raised by various Bidders.
- 3.6. BPC has issued written clarifications against the queries raised by various Bidders. Copy of the clarifications is attached as part of RFP document under **Annexure V** above.
- 3.7. The following Bidders have submitted the RFP on **02.07.2013**.

SNO.	Name of Bidder
1.	L&T Infrastructure Development Projects Limited
2.	Power Grid Corporation of India Limited
3.	Gammon Infrastructure Projects Limited
4.	Sterlite Grid Limited



3.8. The BPC has opened the Non-Financial Bids in presence of the Bidders' representative on **02.07.2013**. The BPC has verified and found the same complying with the requirements of RFP document.

3.9. The BPC has opened Financial Bids on **24.07.2013** in presence of the Bidders' representatives. Subsequently, **L&T Infrastructure Development Projects Limited** has been declared as the successful Bidder.

Accordingly, BPC has issued Letter of Intent dated **31.07.2013** to L&T Infrastructure Development Projects Limited (copy of Letter of Intent along with extension of validity is enclosed as **Annexure VI**).

Further, the Bid evaluation committee report dated **29.07.2013** was issued by BPC after signing of Share Purchase Agreement (Copy of Bid evaluation committee report is enclosed as **Annexure VII**).

4. Clause 3.1.1 of the Transmission Service Agreement (hereinafter Referred to as TSA) stipulates that :

"Within Thirty (30) days from the date of issue of Letter of Intent, the selected bidder, on behalf of the TSP shall provide the Contract Performance Guarantee, acquire for the Acquisition Price, one hundred percent (100%) equity shareholding of Kudgi Transmission Limited from REC Transmission Projects Company Ltd., who shall sell to the Selected Bidder, the equity shareholding of Kudgi Transmission Limited along with all its related assets and liabilities, and apply to the Appropriate Commission for grant of Transmission Licence"

5. Accordingly, L&T Infrastructure Development Projects Limited has performed the following activities:

5.1. Executed the Contract Performance Guarantee of Rs. 41,40,00,000 /- (Rupees Forty One Crores and Forty Lakhs Only) in favour of Eleven Long Term Transmission Customers (Hereinafter collectively referred to as LTTCs), as per the details enclosed at **Annexure – VIII**

5.2. Acquired One Hundred Percent (100%) of the equity shareholdings of "Kudgi Transmission Limited" on **30.08.2013**, for an acquisition price of Rs.15,19,97,101 (Rupees Fifteen Crores Nineteen Lakhs Ninety Seven

Thousand One Hundred and One Only) by executing the Share Purchase Agreement (hereinafter referred to as SPA). Copy of SPA is enclosed as **Annexure – IX**

- 5.3. Executed the TSA (in the capacity of Transmission Service Provider) with LTTCs.

It may be noted that Power Company of Karnataka Limited (PCKL) has executed the TSA on behalf of:

1. Bangalore Electricity Supply Company Limited,
2. Gulbarga Electricity Supply Company Limited,
3. Hubli Electricity Supply Company Limited,
4. Mangalore Electricity Supply Company Limited, and
5. Chamundeshwari Electricity Supply Company Limited.

A copy of the signed TSA is enclosed as **Annexure– X**.

- 5.4. And submitting this Application before The Hon'ble Central Electricity Regulatory Commission under Section 14 of the Electricity Act, 2003 and complying with all the procedures as stipulated in the CERC (Procedure, Terms and Conditions for Grant of Transmission Licence and other related matters) Regulations, 2009.

6. Section 14 of the Electricity Act, 2003 (the Act) provides that the Appropriate Commission may, on an Application made under Section 15 of the Electricity Act, 2003, grant Licence to any person to transmit electricity as a Transmission Licensee in any area as may be specified in the Licence. The word 'person' has been defined in Section 2(49) of the Act to include any Company or body corporate or Association or body of individuals, whether incorporated or not, or artificial juridical person.

- 6.1. Section 15(1) of the Electricity Act, 2003 provides that every Application Under Section 14 shall be made in such a manner and in such form as may be specified by the Appropriate Commission and shall be accompanied by such fees as may be prescribed. Central Electricity Regulatory Commission has notified CERC (Procedure, Terms and Conditions for Grant of Transmission Licence and other related matters)



Regulations, 2009 As per Regulation 6, Eligibility for Grant of Licence, of the aforementioned Regulations:

"No person shall be eligible for grant of licence unless it is –

- (a) Selected through the process under the guidelines for competitive bidding, or*
- (b) a state owned or controlled company identified as a project developer on or before 5.1.2011, or*
- (c) a generating company which has established the dedicated transmission line, and intends to use such dedicated transmission line as the main transmission line and part of the Inter-State transmission system"*

6.2. That the Applicant – **Kudgi Transmission Limited** incorporated under the Companies Act 1956, is a wholly owned subsidiary of L&T Infrastructure Development Projects Limited who has been selected on the basis of 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"; issued by Ministry of Power, Government Of India, and thus eligible for Grant of Transmission Licence.

6.3. **Form 1** for Transmission Licence in compliance with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission License and other related matters) Regulations, 2009 has been duly filled and enclosed herewith.

7. It is submitted that Section 14 of the Electricity Act, 2003 empowers the Hon'ble Commission to Grant Transmission Licence.

8. **PRAYER**

It is respectfully prayed that the Hon'ble Commission may be pleased to:

- a. Issue Transmission Licence to the Applicant to establish "Transmission system required for evacuation of power from Kudgi TPS (3 x 800 MW in Phase – I) of NTPC Limited" on BOOM basis;



- b. Pass such orders as may deem fit and appropriate in the facts and circumstances of the case.



Applicant

Represented by Satyanarayana Sunkari

(Authorised Signatory)

Place: Chennai

Date: 1ST September 2013



Application Form for Grant of Transmission Licence**1 Particulars of the Applicant**

- i) Name of the Applicant : Kudgi Transmission Limited
- ii) Status : Public Limited Company
- iii) Address : Registered Office -
Core - 4, Scope Complex, 7, Lodhi Road,
New Delhi - 110003
- iv) Name, Designation & Address of the Contact Person : Satyanarayana Sunkari
JGM - Business Development (Power Transmission)
1ST Floor, TCTC Building
Mount Poonamallee Road,
Manapakkam, Chennai - 600089
- v) Contact Tel. No. : Tel: +91 44 49408690
Mobile: +91 9940543477
- vi) Fax No. : +91 44 22528724
- vii) Email ID : sunkari@Lntidpl.com
- viii) Place of Incorporation/Registration : Core - 4, Scope Complex, 7, Lodhi Road,
New Delhi - 110003
- ix) Year of Incorporation/Registration : 2012
- x) Following documents are to be enclosed :
- (a) Certificate of registration : Enclosed as Annexure II
- (b) Original Power of Attorney of the signatory to commit the Applicant or its promoter : Enclosed as Annexure IV

2 Particulars of the Project for which licence is being sought:**(a) Transmission Lines:**

S.No.	Name (end-points location)	Voltage Class (kV)	Length (Km)	Type (S/C or D/C)
1	Kudgi - Narendra (New) (Line 1 & Line 2)	Line 1 - 400 Line 2 - 400	Line 1 - 6.76 Line 2 - 6.76	Line 1 - D/C Line 2 - D/C
2	Narendra (New) - Madhugiri	765	383.99	D/C
3	Madhugiri - Bidadi	400	99.32	D/C



(b) Sub-stations : NIL

(c) Commissioning schedule :

S.No.	Name of Transmission Element	Scheduled Date of Commissioning
1	400kV D/C Kudgi - Narendra (New)	18 Months from effective date
2	765kV D/C Narendra (New) - Madhugiri	28 Months from effective date
3	400kV D/C Madhugiri - Bidadi	28 Months from effective date

(d) Identified Long-term transmission customers of the Project (Agreements or status of discussion on Agreements to be submitted along with application) : Signed Transmission Service Agreement between Long Term Transmission Customers (LTTCS) & Kudgi Transmission Limited Is enclosed as Annexure X

List of Long Term Transmission Customers -


S.No	NAME	ADDRESS
1)	Northern Power Distribution Company of Andhra Pradesh Limited(APNPDCL)	H No.2-5-3 1/2, Vidyut Bhawan, APNPDCL, Corporate Office, Nakkal Gutta, Hanamkonda, Warrangal - 506001
2)	Eastern Power Distribution Company of Andhra Pradesh Limited(APEPDCL)	APEPDCL, P&T Colony, Seethamadhara, Vishakhapatnam
3)	Southern Power Distribution Company of Andhra Pradesh Limited(APSPDCL)	Srinivasasa Kalyana Mandapam Backside, Tiruchanoor Road, KesavayanaGunta, Tirupati - 517501
4)	Central Power Distribution Company of Andhra Pradesh Limited(APCPDCL)	6-1-50, Corporate Office, Mint Compound, Hyderabad - 500063
5)	Bangalore Electricity Supply Company Limited (BESCOM)	K.R. Circle, Bangalore - 560001
6)	Gulbarga Electricity Supply Company Limited (GESCOM)	Station Main Road, Gulbarga - 585102 Karnataka
7)	Hubli Electricity Supply Company Limited (HESCOM)	Navanagar, PB Road, Hubli - 580025, Karnataka
8)	Mangalore Electricity Supply Company Limited (MESCOM)	Paradigm Plaza, AB Shetty Circle, Mangalore - 575001
9)	Chamundeshwari Electricity Supply Company Limited (CESCOM)	#927, LJ Avenue, Ground Floor, New Kantharajurs Road, Saraswatipuram, Mysore - 570009
10)	Kerala State Electricity Board (KSEB)	Vaidyuthi Bhavanam, Pattom, Trivandrum - 695004
11)	Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO)	NPKRR Malligai, 144, Anna Salai, Chennai - 600002

- 3) Any other relevant information :NIL
- 3 Levelised transmission charges in case of project selected through the transparent process of competitive bidding and estimated completion cost of the project in other cases
(The levelised transmission charges estimated cost should be indicated in INR, along with the base month and year in case of the estimated cost) : Levelised Transmission Charges
INR 1795.8652 Mn. Per Annum
- 4 In case applicant has been selected in accordance with the guidelines for competitive bidding, enclose:
- (a) Evaluation report made public by the Bid Process Coordinator : Bid Evaluation Committee as provided by Bid Process Coordinator is enclosed as **Annexure VII**
- 5 List of documents enclosed:

Name of document

a)	Annexure II	Certificate of Registration for Kudgi Transmission Limited
b)	Annexure IV	Original power of attorney of the signatory to commit the applicant
c)	Annexure X	Copy of Signed TSA between LTTCs and Kudgi Transmission Limited
d)	Annexure VII	Bid Evaluation Committee Report as provided by Bid Process Coordinator

Dated : 1st September 2013
Place: Chennai


Satyanarayana Sunkari
(Authorised Signatory)

