



GRIDCO Limited

OFFICE OF THE CHIEF GENERAL MANAGER (POWER PROCUREMENT)

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No.Sr.G.M (PP)/121/2012/1095

dated.17.11.12

To,

As per List.

Sub: Tender Enquiry for sale of power (short term sale) on firm basis by GRIDCO for the period from 1st December'12 to 31st March'13.

Dear Sirs,

GRIDCO Ltd. intends to sell power to the Category-I traders having valid Inter-state trading license from the Central Electricity Regulatory Commission (CERC).

The details of quantum of sale of power and terms & conditions thereof are as under:

1. **Proposed Quantum of power & period of sale:**

Period	Duration	Quantum in MW
1 st Dec'12 to 31 st Mar'13	Morning Peak (05:00 to 10:00 Hrs)	150
1 st Dec'12 to 31 st Mar'13	Evening Peak (19:00 to 24:00 Hrs)	150

2. **Delivery Point:** The delivery point shall be the Odisha Periphery i.e. point of interconnection between OPTCL system and CTU (PGCIL) in the State of Odisha.
3. **Tariff:-**The interested buyer shall quote the rate in Rs/kwh at delivery point The quoted rates should be limited upto two decimal points. The rates at the delivery point shall be exclusive of trading margin, all taxes & duties etc.In other words, the net price payable to GRIDCO at delivery point shall be quoted by the bidder.

4. **Earnest Money Deposit:-** The offer shall be accompanied with earnest money deposit in shape of Bank Draft drawn in favour of Director (Finance) GRIDCO Ltd. amounting to Rs.20,00,000/-(Twenty Lakh Only).Offers will be summararily rejected if the earnest money of the stipulated amount is not accompanied with the offer. The earnest money deposited by the bidder will be forfeited if the bidder cannot off-take at least 80% of the contracted power within 15 days of the order placed with them. Thereafter the earnest money deposited by the successful buyer will be converted to Performance Guarantee which is liable for forfeiture in case of unsatisfactory performance in trading with reference to the stipulated terms and conditions of contract. No interest shall be paid on the same. The same will be refunded to successful buyer after receipt of the final bill. The earnest money deposit of the unsuccessful bidders will be refunded after finalization of contract for sale of power.
5. **Transmission charges and losses:-** All POC charges i.e. injection & withdrawal charges and all POC losses (i.e. injection & withdrawal losses) will be borne by receiving utility except Open Access Charges, transmission charges & transmission losses of Odisha STU.
6. **Billing cycle:** - For supply of power during a month, GRIDCO will raise weekly bill on provisional basis, for the period 1st –8th, 9th –15th, 16th-23rd and 24th– end of the month. The bills for first three weeks will be raised based on energy data released by ERLDC in their web site whereas the bill for the fourth week will be raised after release of monthly REA by ERPC.
7. **Payment:-** Payment will be deposited by the buyer in the designated account of GRIDCO within 7 (Seven) days(due date) from the date of receipt of the bill

through fax/e-mail. The RTGS details shall be indicated by the Finance & Accounts wing of GRIDCO while issuing the bills.

8. **Rebate:** For timely payment of full amount of the bill on or before due date, a rebate of 2% shall be allowed by GRIDCO. If the payment is made in full within 7 (seven) days from the due date of payment then 1% rebate shall be allowed. This rebate could be adjusted in the amount of weekly bills.
9. **Surcharge:** - A surcharge of 1.25% per month shall be applied to all the payments outstanding after the 30th day from the date of issue of the bill. Surcharge shall be calculated on day-to-day basis & the surcharge bill will be raised monthly.
10. **Payment Security Mechanism:** - Weekly revolving irrevocable Letter of Credit (LC) for an amount equivalent to cost of 22 days contracted power shall be established in favour of GRIDCO prior to commencement of sale of power as stipulated in the order by the successful bidder in the format to be furnished by GRIDCO. The LC opening, negotiation & all other charges shall be borne by the Trader. Gridco shall have full authority to adjust any default amount under the Agreement from the LC.

GRIDCO will not commence flow of power in absence of adequate payment security mechanism. In the event of failure to provide "payment security mechanism" before the start of flow of power, GRIDCO shall reserve the right to cancel the award or not to schedule the power at its sole discretion. The LC will be used only as a back-up mechanism.

11. **Compensation for default:** - a) Compensation for low off-take/supply-subject to the provisions of force majeure, as mentioned below, if Gridco fails to supply 80% of the contracted power as per agreement, Gridco shall pay compensation @ 100 paise per Kwh to the trader for the quantum of power that falls short of 80% of contracted power. On the other hand if the trader fails to draw 80% of the contracted power as per the agreement, the trader shall pay compensation @ 100 paise per Kwh to Gridco for the quantum of off take that fall short of 80% of contracted power.

- b) If the Open Access approval is less than 80 % of the contracted power, the compensation will be applicable on the shortfall in drawal/ Supply from the quantum of Open Access Approval. However in such case the trader has to furnish documentary evidence to the effect that the Open Access is sought for the contacted quantum of Power from respective RLDCs in due time and the approval is granted for lower quantity.
- c) Either party will raise separate bills to claim such compensation which shall be paid within 15 days from the date of issue of the bill. A surcharge of 1.25% per month shall be applied to all the payment of compensation outstanding beyond 15th day from the date of issue of bill. Surcharge shall be calculated on day-to-day basis.

GRIDCO / SLDC shall have the right to surrender the corridor already booked. The buyer shall have to accept the request of GRIDCO for surrender of corridor, if any. However, in case of surrender of corridor the Open access charges and other charges as per CERC Regulations in force, shall be payable by the party who has requested for cancellation of corridor.

12. **Open Access:-** The power shall be scheduled and dispatched as per the relevant provisions of CERC (Open Access in Inter-state Transmission) Regulation 2008 and "Procedure for Reservation of Transmission Capacity to Short Term Open Access" dated 28.01.2008 and as amended from time to time (Regulations). GRIDCO shall not be responsible for any Unscheduled Interchange (UI) liability if any.

The buyer shall apply for open access to the nodal agency for transaction of above power.

GRIDCO shall have the right to cancel Open Access at any time due to any unforeseen circumstances. The buyer shall have to respond immediately and arrange to cancel Open access on request of GRIDCO.

13. **Past Experience** :- The Power Trader shall furnish the following information in the offer failing which the offer will not be accepted:

- (i) Copy of recent License issued by Central Electricity Regulatory Commission for inter state trading.
- (ii) Name of buyers and Quantum of power traded with rate during the last year.

14. GRIDCO may reject any or all offer or accept any offer in part or full as considered advantageous to GRIDCO whether it is the highest offer or not. GRIDCO may split the quantities amongst more than one bidder. GRIDCO may also increase or decrease the ordered quantity depending upon the availability. The decision of GRIDCO shall be final and binding on the bidder.

15. **Force Majeure and technical constraints/transmission constraints:-**

Neither Party shall be responsible or liable for any delay or failure in the performance of its obligations, if such delay or failure is on account of occurrence of any of the following:

- (i) Acts of God;
- (ii) Typhoons, floods, lightening, cyclone, hurricane, drought, famine, epidemic, plague Earthquakes, explosions, accidents; landslides or other natural calamities;
- (iii) Strikes, work stoppages, work slowdowns or any other labour dispute which affects a Party's ability to perform under this Agreement;
- (iv) Acts of war (whether declared or undeclared), invasion or civil unrest;
- (v) Any legal or regulatory intervention pursuant to a judgment or order of any court of judicial authority in India which makes this agreement fully or partially unworkable or which makes the transaction at the contracted rate unimpermeable .
- (vi) Denial of Open Access by NLDC will be considered as Force Majeure.

16. **Dispute resolution:-** All differences or disputes between the parties arising out of or in connection with this matter shall be referred to the Appropriate Commission under Electricity Act, 2003.
17. In case of change in law or restriction imposed by Regulator (Central/State) or Government or Appellate Tribunal/ High Court/ Supreme Court, on any aspect for sale or purchase of power, the same shall be binding on both the parties.
18. **Validity of offer: -**The offer shall be valid for a period of 15 days from the date of opening of the Bid and the bidders shall have no right to withdraw the offer or alter any terms and conditions during the period of validity.
19. Any delay in submission of offers due to any reason including postal delay shall be the responsibility of the bidder.
20. Subsequent to issue of LoI an agreement between GRIDCO and successful bidder(s) for sale of power shall also be executed.

It is requested to kindly quote your rate at the delivery point mentioned in Clause-1 above for purchase of above said power (in the prescribed format attached as **Annexure-A**). Your offer must reach this office latest by **24.11.12, 11 A..M.** through post or personally. The envelope must be sealed and superscripted with the **“Offer for sale of power by GRIDCO for the period from 1st Dec’12 to 31st Mar’13, tender enquiry number and its date”**. The Offers will be opened for evaluation immediately after the closing time in presence of the bidders or their authorized representatives whosoever may be present at the time of opening.

Thanking you,

Yours faithfully,

Chief General Manager (PP)

ANNEXURE – A

OFFER FORM

FOR POWER ON FIRM BASIS

Period	Duration	Quantum in MW	Rate in Rs/Kwh
1 st Dec'12 to 31 st Mar'13	Morning Peak (05:00 to 10:00 Hrs)	150	
1 st Dec'12 to 31 st Mar'13	Evening Peak (19:00 to 24:00 Hrs)	150	

- Note: i) The minimum quantum of quoted power should not be less than 50 MW
ii) The rates quoted should be limited to two places after the decimal points.

PLACE:

DATE:

SEAL/SIGNATURE:

NAME:

DESIGNATION:

WHETHER AUTHORIZED – YES/NO

NAME OF BIDDING COMPANY: