



**GRID CORPORATION OF ORISSA LIMITED**  
**OFFICE OF THE SENIOR GENERAL MANAGER (POWER PROCUREMENT)**  
**4 TH FLOOR, BIDYUT BHAVAN, JANAPATH, BHUBANESWAR-751 022**  
**PHONE: 0674-2545308, FAX:0674-2547180**

**BY FAX / SPEED POST**

No.Sr.G.M)(PP)/TRADING/ 102/2004\_\_638\_\_ /dated\_\_\_\_\_11.07.2006\_\_\_\_\_

**To**

Sub: Sale of surplus power of GRIDCO - Request for offers.

Dear Sir,

Grid Corporation of Orissa Ltd. (GRIDCO), intends to sell its surplus power to the Traders having valid "F" Category 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. **Quantum of power proposed for sale:**

**(I) October-2006 to December-2006**

Round the clock (00.00 to 24.00 = 24 hrs)	200 MW
Evening peak power (17.00 to 23.00=6 hrs) Additional quantity	100 MW

The above quantity may vary either way depending on the availability with due notice by GRIDCO.

- a) The average off-take during the Morning Peak hours (06.00 to 11.00=5 hrs) should not be more than the average off-take during the balance off-peak hours (23.00 to 06.00 and 11.00 to 17.00 =13 hrs).

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b) The tender shall be evaluated taking into account, the total expected revenue to be received by GRIDCO based on volume and rate offered from October to December , 2006.

2. **Period of Sale:- 01.10.2006 to 31.12.2006.**

3. **Delivery point for sale-** The delivery point for sale of GRIDCO power shall be at Ex-bus of any of the substations such as Meramundali, Jayanagar , Trakera , Budhipadar etc.

4. **Transmission charge & loss-** The transmission charges and losses up to the delivery point for sale of GRIDCO Power shall be borne by GRIDCO.

5. **Open access charges:-**The Open Access charges (including CTU charges , STU charges ,RLDC & SLDC Charges & Transmission losses as applicable as per CERC regulation ) after delivery point shall be borne by Trader.

6. **Quantum of off-take-** The Power Trading licensee shall offer month wise quantum of off-take from October,2006 to December,2006.

7. **Rate per Kwh-** The Power Trading licensee shall offer the price for sale of energy at the delivery point in Rupees per Kwh net (excluding trading margin) payable to GRIDCO. The rates are to be offered separately month wise from October, 2006 to December-2006 for Round the Clock (24 hours) Off –Peak (18 hours ) and Evening Peak (6 hours) separately.

- a) Round the Clock 00.00 to 24.00 =(24 hrs)
- b) Off – Peak 00.00 to 17.00 & 23.00 to 24.00 = (18 Hrs)
- c) Evening Peak 17.00 to 23.00=( 6 hrs)

8. **Billing Cycle-** For supply of power during a month, GRIDCO will raise weekly bill on provisional basis, for the period 1<sup>st</sup> –8<sup>th</sup>, 9<sup>th</sup> –15<sup>th</sup>, 16<sup>th</sup>-23<sup>rd</sup> and 24<sup>th</sup>– 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 EREB.

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9. **Payment-** Payment shall have to be made to GRIDCO towards trading of power for the 1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup> weeks on 18<sup>th</sup>, 25<sup>th</sup>, 3<sup>rd</sup> (next month) and 15<sup>th</sup> (next month) or 10 days after issue of REA whichever is earlier (for 4<sup>th</sup> week) respectively irrespective of date of raising bills by GRIDCO through the mutually agreed Banker at Bhubaneswar.
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 to the successful bidder in the format to be furnished by GRIDCO. The LC opening negotiation & all other charges shall be fully borne by the Power Trading entity. The LC value shall be periodically reviewed and changed with each increase or decrease in quantum of power. Gridco shall have full authority to adjust any default amount under the Agreement from the LC.
11. **Prompt payment Incentive-** Prompt payment incentive @ 2% of the billed amount will be allowed by GRIDCO only if payment of weekly/monthly bills are remitted to Gridco account within the stipulated due date mentioned under Para-(9). In case any revision of bill due to revision of REA the rebate will be allowed only on revised bill amount.
12. **Late payment surcharge-** The surcharge @ 15% per annum shall be applied to all payments that remains outstanding after the 20<sup>th</sup> day of due date of weekly/monthly bills raised by Gridco. The surcharge shall be calculated for each day of delay beyond such 20<sup>th</sup> day.
13. **Past Experience :-** The Power Trading licensees 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 three years (2003 to 2006) The rate to be indicated should be exclusive of trading margin.
  - (iii) Copy of orders from buying utilities for trading of power at hand.

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14. **Submission and Opening of Offer-** The offer should reach this office in duplicate in double sealed cover containing EMD and Offer in separate sealed envelope addressed to the Senior General Manager (Power Procurement), Grid Corporation of Orissa Limited, 4<sup>th</sup> Floor, Bidyut Bhawan, Janapath, Bhubaneswar-751022 on or before **17<sup>th</sup> July ' 06** by **12.00 NOON** . Offers submitted after the stipulated time will be rejected. Offers submitted through Fax, e-mail etc. will not be entertained. The Offers will be opened for evaluation on the same day at **1.00 PM**. Authorized representatives of the bidder are free to attend the opening of offers if they so like.
15. a) **Compensation for low off-take/supply-** Without prejudice to the provision of force majeure if Gridco fails to supply 80% of the contracted power as per agreement Gridco shall pay a compensation @ 50 (fifty) 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 a compensation @ 48 paise (Forty eight 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 bill (S) to claim such compensation which shall be paid within 15 days from the date of issue of the bill.
16. **Termination of Contract-** GRIDCO reserves full right to terminate the contract in case the trader fails to abide by the terms and conditions for trading stipulated above.
17. **Earnest Money-** The offer shall be accompanied with earnest money deposit in shape of Bank Draft drawn in favour of Director (Finance) Grid corporation of Orissa Ltd. amounting to **Rupees one Crore 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

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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.

18. **Important Documents to be submitted** - The offer shall be accompanied with the following important documents:
  - (i) Copy of any new Trading License issued by Hon'ble CERC.
  - (ii) Last Year Annual Report of the Company ..
19. **Jurisdiction of Court:-** The Orissa Electricity Regulatory Commission (OERC) shall have exclusive jurisdiction in all matter of disputes.
20. **Acceptance of offer:-**The undersigned reserves the right to accept or reject or split any or all offers without assigning any reason there of.

Yours faithfully,

**SENIOR GENERAL MANAGER (PP)**