

Ref. No. 03/ITP-19/15-16/OGPTL/RfP

January 06, 2016

To,

Sh. T. Amarendranath Reddy, Manager
Sterlite Grid 3 Limited
C-2, The Mira Corporate Suite,
1 & 2 Ishwar Nagar, Okhla Crossing,
Mathura Nagar,
New Delhi-110065.

FAX : 011 – 49962288

E-mail:

tan.reddy@sterlite.com

Kind Attn.: Sh. T. Amarendranath Reddy, Manager

Sub: Independent Transmission Project for “Common Transmission System for Phase-II Generation Projects in Odisha and Immediate Evacuation System for OPGC (1320 MW) Project in Odisha” – Letter of Intent.

Sir,

We refer to:

- 1) The Request for Proposal document dated October 08, 2015 issued to ‘Sterlite Grid 3 Limited’ as regards participation in the international competitive bidding process for Transmission Scheme for “Common Transmission System for Phase-II Generation Projects in Odisha and Immediate Evacuation System for OPGC (1320 MW) Project in Odisha”, and as amended till the Bid Deadline including all correspondence / clarifications / amendments exchanged between ‘Sterlite Grid 3 Limited’ and PFC Consulting Limited in regard thereto (hereinafter collectively referred to as the “**Final RFP**”);
- 2) ‘Sterlite Grid 3 Limited’ offer by way of a Non-Financial Bid (Envelope 1) pursuant to (1) above submitted on December 15, 2015 in response to the Final RFP.
- 3) ‘Sterlite Grid 3 Limited’ offer, by way of a Financial Bid (Envelope 2) as submitted on December 15, 2015 in response to the Final RFP.
- 4) The Non-Financial Bid as in (2) above and the Financial Bid as in (3) above, hereinafter collectively referred to as the “**Bid**”.

This is to inform you that the process of evaluating bids received pursuant to the Final RfP, including the Bid, has been concluded. We are pleased to inform you that your proposal and offer received by way of the “**Bid**” has been accepted and ‘Sterlite Grid 3 Limited’ is

Acknowledged and Accepted

Authorized Signatory

hereby declared as the Successful Bidder as per clause 3.4.1.1 of the Final RfP for the above project and consequently, this Letter of Intent (hereinafter referred to as the "LoI") is being issued.

This LoI is based on the Final RFP and you are requested to please comply with the following:

- a) Acknowledging its issuance and unconditionally accepting its contents and recording "Accepted unconditionally" under the signature of your authorized signatory on each page of the duplicate copy of this letter attached herewith at the place indicated for the same, and returning the same to PFC Consulting Limited within seven (7) days of the date of issuance of LoI;
- b) Completion of various activities as stipulated in the Final RFP including in particular Clause 2.4, Clause 2.5 and Clause 2.6 of the Final RFP, within the timelines as prescribed therein.

It may be noted that PFC Consulting Limited has the rights available to them under the Final RfP, including rights under clause 3.4.1.3 thereof, upon your failure to comply with the aforementioned conditions.

As you are aware, the issuance and contents of this LoI are based on the Bid submitted by you as per the Final RFP including the Transmission charges and other details regarding the Scheduled COD as contained therein. The Quoted Transmission Charges as submitted by you and the Scheduled COD of each transmission Element and the Project as agreed by you in your Bid, as per Annexure 4 and Format-1 of Annexure 6 respectively of the Final RFP is annexed herewith as Schedule A and incorporated herein by way of reference.

Yours sincerely,

For PFC Consulting Limited



(H.K. Das)
Sr. Vice President

Enclosures: Schedule A – Quoted Transmission Charges and the Scheduled COD of each Transmission Element and the Project submitted in your Bid, as per Annexure 4 and Format-1 of Annexure 6 respectively of the Final RFP.

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SCHEDULE – A

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1. Quoted Annual Transmission Charges as per Annexure-4 of the RfP

Year (Term of License)	Commencement Date of Contract Year	End Date of Contract Year	Non-Escalable Transmission Charges (Rs.in Millions)	Escalable Transmission Charges (Rs.in Millions)
1	21-May-19	31-Mar-20	1587.20	16.01
2	01-Apr-20	31-Mar-21	1587.20	Same as Above
3	01-Apr-21	31-Mar-22	1549.91	Same as Above
4	01-Apr-22	31-Mar-23	1513.49	Same as Above
5	01-Apr-23	31-Mar-24	1477.93	Same as Above
6	01-Apr-24	31-Mar-25	1443.20	Same as Above
7	01-Apr-25	31-Mar-26	1409.28	Same as Above
8	01-Apr-26	31-Mar-27	1376.17	Same as Above
9	01-Apr-27	31-Mar-28	1343.83	Same as Above
10	01-Apr-28	31-Mar-29	1312.26	Same as Above
11	01-Apr-29	31-Mar-30	1281.42	Same as Above
12	01-Apr-30	31-Mar-31	1251.31	Same as Above
13	01-Apr-31	31-Mar-32	1221.91	Same as Above
14	01-Apr-32	31-Mar-33	1193.19	Same as Above
15	01-Apr-33	31-Mar-34	1165.16	Same as Above
16	01-Apr-34	31-Mar-35	1137.78	Same as Above
17	01-Apr-35	31-Mar-36	1126.91	Same as Above
18	01-Apr-36	31-Mar-37	1126.91	Same as Above
19	01-Apr-37	31-Mar-38	1126.91	Same as Above
20	01-Apr-38	31-Mar-39	1126.91	Same as Above
21	01-Apr-39	31-Mar-40	1126.91	Same as Above
22	01-Apr-40	31-Mar-41	1126.91	Same as Above
23	01-Apr-41	31-Mar-42	1126.91	Same as Above
24	01-Apr-42	31-Mar-43	1126.91	Same as Above
25	01-Apr-43	31-Mar-44	1126.91	Same as Above
26	01-Apr-44	31-Mar-45	1126.91	Same as Above
27	01-Apr-45	31-Mar-46	1126.91	Same as Above
28	01-Apr-46	31-Mar-47	1126.91	Same as Above
29	01-Apr-47	31-Mar-48	1126.91	Same as Above
30	01-Apr-48	31-Mar-49	1126.91	Same as Above
31	01-Apr-49	31-Mar-50	1126.91	Same as Above
32	01-Apr-50	31-Mar-51	1126.91	Same as Above
33	01-Apr-51	31-Mar-52	1126.91	Same as Above
34	01-Apr-52	31-Mar-53	1126.91	Same as Above
35	01-Apr-53	31-Mar-54	1126.91	Same as Above
36	01-Apr-54	May-2054 (35th anniversary of the Schedule COD)	1126.91	Same as Above

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SCHEDULE – A

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2. Scheduled COD of each transmission Element and the Project as per Annexure 6 Format 1 of the RFP

Sr. No.	Name of the Transmission Element	Scheduled COD in months from Effective Date	Percentage of Quoted Transmission Charges recoverable on Scheduled COD of the Element of the Project	Sequence of commissioning of Element(s)
1	Jharsuguda (Sundargarh) – Raipur Pool 765kV D/c line (Hexa Zebra Conductor)	40 months	94%	NIL
2	OPGC – Jharsuguda (Sundargarh) 400kV D/c (Triple Snowbird Conductor)	July-2017	6%	NIL

Scheduled COD for the Project: 40 months from Effective Date

CC:

- (1) Chairman and Managing Director, Power Finance Corporation, "Urjanidhi", 1, Barakhamba Lane, Connaught Lane, New Delhi – 110 001.
- (2) Joint Secretary (Transmission), Ministry of Power, Shram Shakti Bhawan, Rafi Marg, New Delhi- 110001.
- (3) Member Secretary, Empowered Committee / Chairperson, Central Electricity Authority, Sewa Bhawan, R.K. Puram, New Delhi - 110 066.
- (4) Secretary, Central Electricity Regulatory Commission, 3rd & 4th Floor, Chanderlok Building, 36, Janpath, New Delhi – 110 001.
- (5) CEO, PFC Consulting Limited, First Floor, "Urjanidhi", 1, Barakhamba Lane, Connaught Lane, New Delhi – 110 001.

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Authorized Signatory