

State Level Empowered Committee for Public Private Partnership Projects

10th Meeting

2nd January 2012

Venue: CS ante-chamber

Minutes

1. The Tenth meeting of the State Level Empowered Committee (SLEC) for Public Private Partnership projects was held on 2nd January 2012.
2. The list of participants is at Annexure A.
3. The Committee discussed the agenda items in detail and the following decisions were taken:

Agenda Item No. 1 : Final project approval for development of Input based Electricity Distribution System by appointment of Distribution Franchisee in Franchisee areas on Operation, Maintenance and Transfer basis-The Department of Energy has proposed selection and appointment of Distribution Franchisee in the cities of Sagar, Ujjain and Gwalior for providing improved services to the consumers in terms of quality, reliability, consistency and reduction of losses in supply of electricity in Franchisee areas on OMT (Operation, Maintenance and Transfer basis) of PPP mode.

The Committee considered the proposals and the following issues were discussed:

i) Regarding the criteria for short listing of prospective distribution franchisees, Principal Secretary, Finance asked whether the proposed Net Worth and Turnover criteria is reasonable, as it appeared to be higher than what is stipulated in the guidelines and may limit the participation / competition.

Secretary, Energy commented that since these projects are basically on revenue collection models and the initial capital investment is low, hence, the Net Worth and Turnover criteria have been decided on the basis of revenue generation rather than capital cost. It was also stated that since this is a public service, the competent and experienced

parties only should come for bidding, therefore the above criteria have been decided by the Department on the basis of meetings held by them with prospective bidders and based on feedback / inputs from these meetings the criteria have been fixed.

ii) Principal Secretary, Finance wanted to know as to why in this particular case Two Stage Bidding is not being resorted to since Two Stage Bidding process is recommended in cases where the Project Cost is more than ₹50.00 crores.

Secretary, Energy commented that, it has to bid out the projects soon and hence due to paucity of time, it has been decided to go in for single stage bidding.

iii) The Committee also decided to modify the proposed RFPs for all the three projects as follows:

(a) Clause 22.3 (iii) - last line: Substitute the existing words 'Clause 17.1(iii)' by the words "Clause 17.5(iii)"

(b) Clause 23.2 - last line: Substitute the existing words 'Clause 17.1(v) by the words "Clause 17.5(v)".

On the basis of the above submission by the Department and deliberations, the Committee accorded approval for the above three projects.

Agenda Item No. 2 : Final Project approval for Development of Transmission System by construction of 400 KV (DCDS) Transmission Line between Satpura (Sarni) and Ashta for evacuation of power from 2x250 MW extension unit at Satpura Thermal Power Station on Design- Build -Finance-Operate -Transfer basis:- The Department of Energy has proposed development of a 400 KV,DCDS Satpura-Astha Transmission Line Project for evacuation of power from 2x250 MW extension unit at Satpura Thermal Power Station under PPP mode.

The Committee considered the proposal and the following points were discussed-

i) The Department has adopted the Planning Commission model for this project as this model is more suited to the State Power Transmission Projects and also since this model qualifies for VGF and is unitary charge (Annuity) based.

ii) The RfQ Clause 2.2.6(g)(v) states that members of the consortium shall collectively hold at least 51% of the subscribed and paid-up equity at all times until the 2nd anniversary of COD. The issue of inclusion of this clause in the Transaction Agreement was also discussed. The Department stated that the RfQ and RFP are part of the Transmission Agreement and also that the model document does not have this clause, therefore ,the same has not been included in the Transmission Agreement.

iii) The Committee also directed to modify the proposed RFQ Clause 2.17.8 - line 7 as follows:-

the existing word 'representation' be substituted by the word "mis-representation".

On the basis of the above submission by the Department and deliberation, the Committee accorded approval for the project along with proposed Viability Gap Funding (VGF : 20% GoI and 15% GoMP).

The meeting ended with a vote of thanks to the Chair.

Sd/-
Joint Director
Institutional Finance

Annexure A

**List of Participants in the 10th Meeting of the State Level Empowered Committee
of Public Private Partnership Projects**

1.	Shri Avani Vaish	Chief Secretary, in the Chair
2.	Shri Ajay Nath	Principal Secretary, Finance Department
3.	Shri K.D.Khan	Principal Secretary, Law Department
4.	Shri S.R.Mohanty	Secretary, Economics Statistics & Planning
5.	Shri Mohd Suleman	Secretary, Energy
6.	Shri D.P.Ahuja	CMD, Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd. Indore.
7.	Shri Nitesh Vyas	CMD, Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Ltd. Bhopal
8.	Shri.Umesh Rautji	MD, Madhya Pradesh Power Transmission Company Ltd. Jabalpur.
9.	Shri P.K.Singh	Chief Engineer (Comml) Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Ltd. Jabalpur.



**Directorate of Institutional
Finance**
(Public Private Partnership Cell)
Government of Madhya Pradesh

No. DIF/PPP/SLEC-10/2012/ 47

9 January, 2012

To,

1. Principal Secretary, Govt. of M.P, Finance Department, Mantralaya, Bhopal
2. Principal Secretary, Govt. of M.P, Economics, Statistics & Planning , Mantralaya, Bhopal
3. Principal Secretary, Govt. of M.P, Law Department, Vindhyachal Bhawan, Bhopal
4. Secretary, Govt. of M.P, Energy Department, Mantralaya, Bhopal
5. Chairman & Managing Director, Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Ltd. Indore.
6. Chairman & Managing Director, Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Ltd. Bhopal
7. Chairman & Managing Director, Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Ltd. Jabalpur.
8. Managing Director, Madhya Pradesh Power Transmission Company Ltd. Jabalpur.

Sub: Minutes of 10th meeting of the State Level Empowered Committee (SLEC) for Public Private Partnership (PPP) Projects in Madhya Pradesh.

The 10th meeting of the SLEC was held on 2nd January 2012 under the Chairmanship of the Chief Secretary. As directed, a copy of the minutes of the said meeting is attached herewith for information and necessary action .

Encl: as above

Sd/-
Joint Director
Institutional Finance

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9 January, 2012

Staff Officer to the Chief Secretary, Government of Madhya Pradesh, Mantralaya, Bhopal for information.

Sd/-
Joint Director
Institutional Finance