

Transcript of the Bidders' Conference

December 2nd, 2013

Almaty Kazakhstan

[Tom Breuer – IGC Secretariat] Let me introduce myself. I am Tom Breuer. I am the Executive Director of the CASA-1000 Secretariat... And we appreciate your interest in project, certainly. I am joined here by representatives of the IFC: Joseph Mik, Martin Sobek and I am sorry, the ladies' names again, are?

[Aknur Jumatova - IFC] Aknur Jumatova from IFC Almaty.

[Adeliya Zhunossova - IFC] Adeliya Zhunossova.

[Tom Breuer – IGC Secretariat] Who have been retained by the four countries as their advisor in the transaction and through them they have retained Power Grid Company of India, Mr. Gupta and Mr. Kumar, who here. They are prepared the bidding document, the prequalification document. They are preparing of bidding documents. We are here as indicated in the prequalification document for a pre-pre-qualification submission meeting, for the opportunity clarifications, questions. Ah, let's see. Shall we as for introduction of people present?

[Nurlan Sadykov - Alstom] My name is Nurlan Sadykov. I am from Alstom, from Alstom, from Alstom Greek company, representing Tajikistan and Kyrgyzstan. So we also will be interested to get familiar about the content of the project and we will see in the future how are the things will be developed. As Alstom, I just want to mention that we executing several projects in Tajikistan for the while: the big hydro power station which is two hundred two five hundred [inaudible] and we actually ten years on the market of Tajikistan.

[Rakesh Gaur - KEC] Myself: Rakesh Kumar Gaur. And I am representing KEC. I am Vice President operating from Almaty for Central Asian Operations. We are already executing transmission lines, service station jobs in bigger part of the Central Asia including Kazakhstan, Afghanistan, Kyrgyz as well as Kazakhstan.

[Nandan Mahinkar - ABB] Good morning everyone. My name is Nandan Mahinkar. I represent ABB and I work with business development for HVDC for the group in Sweden. I am located in Delhi.

[Tom Breuer – IGC Secretariat] Would you like to help us introduce...

[Yao Yuan – State Grid of China] Good morning my name is Yao Yuan. I am the chief representative of the Chinese power grid Company in the CIS market. Our company is responsible for electrical power supplies including the supplies for electrical equipment. Right now, we have representative offices in Kazakhstan, Tajikistan, Kyrgyzstan and even in Moscow.

[Tom Breuer – IGC Secretariat] Thank you. Please...

[Andrey Brovkin - Siemens] Andrey Brovkin, Head of Power transmission division, Siemens company in Kazakhstan. We are official representative of Siemens AG company on the territory of Kazakhstan. We also responsible for Tajikistan, Kyrgyzstan, Uzbekistan markets.

[Tom Breuer – IGC Secretariat] Thank you. Very well! Shall we begin by going through the document: the prequalification document for turnkey constructions? Would the Power Grid representatives like to say anything further on this point?

[Rakesh Kumar – Power Grid of India] I think we can ask the queries directly instead of going one by one through document.

[Tom Breuer – IGC Secretariat] Very good! So you are saying in the same order as introduce?

[Rakesh Kumar – Power Grid of India] Yes.

[Tom Breuer – IGC Secretariat] OK. Do we have queries from Alstom?

[Nurlan Sadykov - Alstom] Actually, we are studying from document, the prequalification documents, and we have... the most important issue for us is a safety of our workers which will be dedicated for the part of Afghanistan and Pakistan as well because we should follow carefully the... there is Alstom policy rules. This means there are two main questions, which is, let's say, making for the moment for us part, kind of clarifications: this is a call a safety rules and safety issues and also maintains and operation time for fifteen years of the transmission lines which is kind of also the subject for us. Our service department evaluated shortly this documentation and actually it is not in line with our policy for operating the lines for fifteen years. This is the two questions which I would like to highlight.

[Joseph Mik - IFC] Tom would you like to sure the outcome of the previous IGC working group meeting during which the security issues were discussed in which four countries committed to providing security within their territory.

[Tom Breuer – IGC Secretariat] The four countries had committed the providing the security each in their separate territory and are in the process the preparing of security plans. We expect those to be finalized by the end of this year... and they will be incorporated in some fashion in the ultimate request for proposal. The question of exactly where the operations center will be, I'd say, is still open. That concerns the place where the operating personnel will be for fifteen years. So that's unclear. The original thinking had been that it would be in Kabul. Honestly, it's not clear whether that's the appropriate place. So that is still open. The security plans as concern for construction and operation will be attached on the RfP itself. Would you like to add anything, gentlemen?

[Martin Sobek – IFC] Just a little comment on top of that: as you have correctly pointed out there will be some details of those security management plans reflected in the RfP after the prequalification stage. Just a side note: you know there are several new projects which have been built in the area of work for CASA. There is a hundred and five Megawatt diesel plant in Kabul, a two hundred and twenty kV line from Sangtuda to Kabul with several two hundred kV substations on the way and those have been going on without any substantial problems. Just to add a little bit of comfort...

[Tom Breuer – IGC Secretariat] Further to that, there has been the extension of 110 kV line from this Robi area to Jalal-Abad. I think it's worth noting these lines basically trace the route that the DC line will take. How close they will be is yet to be determined. But their origin, destination, constrained points like the Salang Pass are all set.

[Nurlan Sadykov - Alstom] That means the security plan which is going to be adopted or implemented will be... The security plan which will be implemented does include... Shall the bidder include the costs for safety along the route, I mean, for the security plan?

[Tom Breuer – IGC Secretariat] Ok, each country is going to put forth its own security plan. There has been some question as to whether there will be during the construction period be an umbrella security contractor. Let's say, that is to be determined. The individual bidders would need to review the security plans being put forth by the countries, and then would have to decide what further security they would need and that would be part of the bid. Yes. Can I ask for clarification? One question: you mentioned in the course of talking about security your concern about the fifteen years of operation. Is that purely a security concern?

[Nurlan Sadykov - Alstom] It is linked with question one, I mean... Yes. Because, normally, it is not our business to operate the line. Of course, there should be some warranty time, maintenance period. But how we discussed preliminarily this project with our division for HVDC, so, and of course the maintenance of lines – it is the issue of our service department. Actually our service department for the moment says “no go” because of tradition that, normally we considering that construction of DC lines will be done by contractor because we as Alstom are just making the substations, HVDC substations. Maintaining the line which was built by the third party is kind of subject for us.

[Tom Breuer – IGC Secretariat] Right.

[D.C. Joshi – Power Grid of India] Can we add something to this, on this maintenance contract?

[Tom Breuer – IGC Secretariat] Please.

[D.C. Joshi – Power Grid of India] See, primarily, the entire issue of operation and maintenance of HVDC terminals as well as the transmission lines on one agency is being, is envisaged because – you know – to make the entire system available on the single point responsibility. We understand that Alstom or for that matter ABB or Siemens or other such agencies working on their HVDC business may not be in the transmission line area. But we foresee, we envisage in the documents that you can always can hire subcontractor for this purpose. So you can engage subcontractors and we also like – you know – to discuss these details with regard to the spheres that we like to procure up front, and things like that, during the first stage evaluation of the HVDC berths. What is come out with the RfP. So, I mean that provides a lot of lee-way to the bidders for arranging this kind of – you know – manpower or agency for the purpose of maintaining the transmission lines. So the mike should be open on that. And we feel that once if we are into the discussion more during the process stage of evaluation which is come out with RfPs, probably, we will reach a very kind of concrete shape before we really ask for prices. Thank you.

[Tom Breuer – IGC Secretariat] Thank you. And again, we have coffee for anyone who wants it. OK. Continuing around the table...

[Rakesh Gaur - KEC] Yes, actually our question is that this prequalification document has been basically released for HVDC part but same time it is also telling the O&M part for transmission line. So what our suggestion was that at this stage we don't know which phases these tender will come: when the transmission vendor will come or when the tender for HVDC will get finalized. So this O&M part can be left to a respective agency for fifteen years because they are the people who can visualize better what kind of spare parts required, what kind of resources are required to maintain the transmission line. Or if it would have been a combined package of HVDC plus transmission line, then it would have be better that we would club even the O&M part of that. So our suggestion, just a question, is that because there is a different agency, we are going to execute transmission line part, the different agencies we are going to do the main active part of HVDC , it is better that their obligations in terms of after-sale service and spares can also be de-linked.

[Tom Breuer – IGC Secretariat] I am sorry, delayed until when?

[Rakesh Gaur - KEC] No. De-linked, not delayed.

[Tom Breuer – IGC Secretariat] Oh, de-linked.

[Rakesh Gaur - KEC] If it is the same package, then both the specialty of HVDC, there is a specialty of transmission line, they can club together, come out as a joint venture or somebody. Because they are two different specialties: people who are operating transmission line and are not operating in HVDC and the people who are operating HVDC are not operating in transmission line, in general.

[Rakesh Kumar – Power Grid of India] Are you suggesting two...

[D.C. Joshi – Power Grid of India] Please, Rakesh, continue...

[Rakesh Kumar – Power Grid of India] Yes. Are you suggesting two maintenance contracts: like one for HVDC services and one for line probably then?

[Rakesh Gaur - KEC] Yes. Yes. Basically, that de-link... Ultimately, it is going to be the agency of the country who is going to manage the complete link whether it is HVDC or transmission line. This is going to be single agency which will maintain. So there can be two different contractors: one HVDC one and one for transmission line who are ultimately reporting and getting guidance from one agency but totally de-linked from each other because the specialties are totally different. That was our suggestion.

[D.C. Joshi – Power Grid of India] Yes. I just add, you know, because, see, ultimately what we foresee is: because there will be a number of transmission line packages and there will be a number of transmission line contractors. If we try to club in each contract, for an O&M contract for each transmission line that is – you know – what kind of unwieldy kind of situation. What we foresee is primarily in the maintenance, see, see, it's the HVDC terminal which requires more of the technical expertise so far as we foresee for the operation and maintenance part. So the operation of HVDC terminal in the entire set-up is extremely critical. We feel that the HVDC agencies – you know, I mean – that will be the major part of the entire endeavor: the HVDC operations. As such, the transmission line operation is not that kind of complex as will be the HVDC operations. Primarily transmission line would be mainly the maintenance part so we are trying to – you know – package the entire thing in such a manner... HVDC contractor, let us add, will be the same across all countries. So – you know – if one single package, the contract would be for the same agency for all three terminals, which is – you know – in Peshawar, Sangtuda and Kabul. So this is one contractor. Whereas transmission line packages would be [inaudible] packages. We would like to request the bidders to explore the possibility if they could have some – you know – tie-ups, whatever feasible, either with local agencies or with international agencies, for the transmission line part what we foresee would be the relatively smaller of the entire O&M contract. This is how you – you know – we are presently proceeding. We will have to see but this is the present methodology we have come up with. And presently we are moving in this direction.

[Rakesh Gaur - KEC] Yes, sir. Just a suggestion on that line: that, what we felt, we have just expressed. Ultimately you can take a decision based off total cost which you are confident in.

[D.C. Joshi – Power Grid of India] Yes, point is well taken. We definitely – you know – would like to consider it after consultations. Thank you

[Rakesh Gaur - KEC] Thank you.

[Nandan Mahinkar - ABB] I have sent a list to Thomas here early today. Should I go through the list? How should we do it?

[Tom Breuer – IGC Secretariat] Yes.

[Nandan Mahinkar - ABB] The first question which I have on the list is: Does a prequalification imply an obligation to bid or any other obligation?

[C.S. Gupta – Power Grid of India] There is no obligation as such. So the answer to that is “No”.

[Nandan Mahinkar - ABB] The next question is.... Yes, Mr. Joshi? Can you hear us?

[Martin Sobek – IFC] I think your microphone is on mute.

[D.C. Joshi – Power Grid of India] Oh sorry. Now is it audible?

[Various] Yes.

[D.C. Joshi – Power Grid of India] So, see definitely, legally or – you know – contractually speaking there is definitely no obligation to bid. But definitely – you know – we would like more and more bidders to participate. This is what we are trying to see. And you know there will be much more opportunity during the first stage of bidding process to sort of issues that may perchance be in the mind of bidders. So we request that bidders definitely bid though the answer to this question is “No”.

[Nandan Mahinkar - ABB] I understand that, Mr. Joshi. I just wanted to clarify this so we are very clear about it... The second question is a very general one. It is pertaining to several parts of ITA. And this is basically... I will read what I have said here. Can one legal entity of the global corporation prequalify and then in the bid, acting as a lead partner, bring on other group companies or external partners. I hope my question is clear?

[D.C. Joshi – Power Grid of India] Sorry? The question as we understand is... You are trying to say that can one legal entity of global corporation pre-qualified and then, in the bid, acting as lead partner, bring on other group companies. I think that’s what you question is, right?

[Nandan Mahinkar - ABB] Correct

[D.C. Joshi – Power Grid of India] See, you know, the way steer this project, we prefer that if you come up right now with a joint venture... See the other partner is also required to meet certain qualification requirements... Probably your intent is the legal entity of that global corporation which is initially qualified will become the lead partner. And then there would be other partners. But those partners have to again meet the qualifications requirements. So, though, you know, there is provision in the document under which this will largely get covered. If you see, you know, clause thirty of the instruction will apply.

[Nandan Mahinkar - ABB] Yes. That is what I have looked at: thirty point one. I think. Is it not?

[D.C. Joshi – Power Grid of India] Yes, correct. It says any change in the structure of an applicant after pre-qualified in accordance with item twenty-seven and invited to bid shall be subject to the written approval of the employer prior to submission of bids. But – you know – though there is a provision, we foresee that operating this provision will delay the exercise because we will go once again to pre-qualification. This can be taken as a last resort if there is some unforeseen situation. If there is some unforeseen situation then a resort to this particular clause is taken. We, we, we

request that, and you know, and we expect that if you come up with a JV in the beginning itself and then maybe operate this particular provision only as an exception. This is our request.

[Nandan Mahinkar - ABB] Mr. Joshi and gentlemen, I understand your predicament here, but also understand our situation where we have, just a month ago, received the pre-qualification documents. There is, there are several factors of uncertainty in this project at this moment. We have several other questions. You will see. We have concerns. So at this moment it looks almost impossible to come with a defined JV structure to pre-qualify. But what we can do as pre-qualify may be as, as ABB in general where we have the competence, the base competence for this project and then bring on suitable JV partners later, because we don't know who they are today.

[D.C. Joshi – Power Grid of India] See, my suggestion would also, I mean, if it is feasible, at least for the purpose of pre-qualification, you can include, though we have specified up to three partners of JV. So I foresee that – you know – at least two or three partners can help you and you can introduce another one and it can be taken up under this provision thirty point one. But at least, for the purpose of pre-qualification, because it is primarily requiring certain documentation to be submitted and other details to be submitted, so at least – you know – up to three partners, if you submit their details proposing them to be a JV partner and then later on – you know – if you so think appropriate, opt out any one of those if they are not coming on board. You know, this kind of thing could help facilitate the examination of the qualification and finalize [inaudible], right? Thank you.

[Nandan Mahinkar - ABB] OK, I think I understand what you are trying to say but basically, I read point thirty point one gives this opening. Yes. So we leave it there, I guess. Otherwise we will keep discussing it. Next item was basically just to clarify that they have understood ITA fifteen point two correctly, as to what is expected to go in the pre-qualification application: one paper original, five paper copies and one electronic copy. Is that correct? OK, that's clear.

[C.S. Gupta – Power Grid of India] Bilingual. Both languages...

[Nandan Mahinkar - ABB] And also, yes, we have noted that it has to be in English plus Russian, excepting the printed documents. That's all.

[Various] Yes, yes, yes.

[Nandan Mahinkar - ABB] Going back to a question that I missed and that is the next one: ITA four point nine. Can any government or entity of the borrower be subcontracted to the bid? And if so, does the ITA apply to these entities?

[D.C. Joshi – Power Grid of India] Let us clarify the whole set – you know – that for the subcontractor – you know – only the eligibility conditions that should be amongst the – you know – the member countries of the [World] Bank and things like that are relevant. I mean that the services have to be sourced from the member countries of the World Bank. I mean the eligible countries. But then again so far as government-owned entity are concerned, so far as it meets the requirement specified right there – you know – four point nine. We don't think that there is any restriction on the government entity being a subcontractor. There is no such restriction so far as it meets the requirement of four point nine – you know – that they are legally and financially autonomous and things like that. So far this is concerned, it is OK. Thanks.

[Nandan Mahinkar - ABB] Fine! Thank you. Next question! ITA twenty-three point one refers to a margin of preference. My question is: does this apply for words "subcontracted locally"? And if so, what is the margin? Is that known today?

[C.S. Gupta – Power Grid of India] As per the documents, specify – no margin.

[Nandan Mahinkar - ABB] There is no margin?

[C.S. Gupta – Power Grid of India] No margin.

[Martin Sobek - IFC] It's in the first part, but then in the form, it says "not applicable".

[Nandan Mahinkar - ABB] In the form it says that? OK. So there is no margin. OK. The question becomes irrelevant, then. Next question is also clarification sought on, basically, subcontracting. As I have understood it, there is no limit on how much you can subcontract. Subcontractor qualification will not be considered for evaluation of the application and finally if there is a subcontract in volume of ten percent or more then we have to specify what of the work to be subcontracted. Is that correctly understood?

[C.S. Gupta – Power Grid of India] I think it is so.

[Martin Sobek - IFC] Yes, it is.

[D.C. Joshi – Power Grid of India] I think that understanding is OK. That is correct.

[Nandan Mahinkar - ABB] Then we go to the next question. Section three. Qualification criteria and requirements. Item four point two. The question is like this: if an applicant fulfills alternative two of this, I read it that this applicant must also have collaboration as a part of the application with someone who is fulfilling alternative one. Is that correctly understood?

[Rakesh Kumar – Power Grid of India] Yes.

[D.C. Joshi – Power Grid of India] That's the text of that requirement says that he should be in collaboration with party fulfilling alternative one.

[Nandan Mahinkar - ABB] And collaboration should be part of that...

[D.C. Joshi – Power Grid of India] See, in alternative two... and would Rakesh like to add to what I say? But primarily under alternative two, what we are, we envisage the bidder to be a manufacturer or HVDC is concerned, we need a support on that so that's why the collaboration requirement for party meeting alternative one has been stipulated. Rakesh, you want to add something?

[Rakesh Kumar – Power Grid of India] Yes, the interpretation is correct. Like, bidder coming, applicant coming through alternative two will have a collaboration with alternative one.

[Nandan Mahinkar - ABB] Let me just explain why I ask this question so specifically. I am reading this "collaboration" word has to do with the application, not generally somewhere in the past. Understand my point?

[D.C. Joshi – Power Grid of India] Sorry, come again.

[Nandan Mahinkar - ABB] My question is: why I am asking this question specifically is to make it very clear that, when you make an application under alternative two, you necessarily have to have a collaborator with you in the application, not a collaborator somewhere in the past, in some previous project.

[Rakesh Kumar – Power Grid of India] No, in the application.

[Nandan Mahinkar - ABB] I am just making it clear.

[D.C. Joshi – Power Grid of India] That's right.

[Nandan Mahinkar - ABB] OK. Next question is section seven – scope of work. And this is very pertinent question. I think it goes down to what was discussed earlier. My question is: will an application that essentially intends to qualify only for a part of the scope, either part A or part B, be considered as a valid application?

[C.S. Gupta – Power Grid of India] As for qualification criteria, there is definitely one thing, dealing with this scope of work, scope of work of this pre-qualification application... It is not relevant to here.

[Nandan Mahinkar - ABB] So that is something in the future?

[C.S. Gupta – Power Grid of India] Yes, but anyway the applicant completes scope of work. It will depend on what happens in future.

[D.C. Joshi – Power Grid of India] Yes. I think that what, what Mr. Gupta is saying is that, because primarily there is no qualification requirement or qualification criteria for the O&M – you know – for the O&M issue at present. I mean, it is just a primary qualification is for the HVDC. Because we foresee that – you know – if you meet that criteria, you are qualified to bid. Now, the scope of work as he has rightly – you know – explained is, during the first step, I mean during the bidding for the package, as foreseen, includes the HVDC construction as well as the O&M actually plus the transmission lines. So this criterion when it is bid out, the question that you raise would be more relevant so far as the scope at that time is concerned whether a particular bidder chooses to go only for the part of this scope would be considered responsive or not – you know – that question will fall there. I think this is what is Mr. Gupta is also trying to explain.

[Nandan Mahinkar - ABB] Essentially, a pre-qualification is one thing and what happens in the bid process is a question which is probably a little bit pre-mature now.

[D.C. Joshi – Power Grid of India] Yes. See, what we are trying to say is as things move on – you know – the thinking of this would evolve. What we foresee is that parties will be gathering more and more confidence as we discuss further. So what we are trying to do here in the pre-qualification is primarily qualified someone who is – you know – for the HVDC terminal and we foresee that many of things, so far scope is concerned, that could be subcontracted, and there could be specific approvals that HVDC contactors could take from the employer for engaging that subcontractor. So that thinking can be more in the bidding stage. We – you know – we are trying to resolve [inaudible]. Again, in the bidding stage, there will be discussions. More confidence will come as the project evolves – you know – confidence so far as this bidding is concerned. So right now we are very simple track, that is, pre-qualified parties who meet the specified qualification requirements. Thank you.

[Nandan Mahinkar - ABB] Then I think my next question is already answered. But I am raising an issue here and that is period for construction. It has been noted here in the documents that it is 36 months. We feel it is too short. And this has to be addressed also in the bidding process. But it does not affect the pre-qualification.

[D.C. Joshi – Power Grid of India] That does not affect the pre-qualification, and... let us... let us... what we would like to mention here that this requirement here of thirty-six months had been kept after lot of deliberations in the countries and IFC and Power Grid consultants. So, so, we think that – you know – all of us are trying to gear up to kind of follow this schedule that is the request that we have. But as you rightly say it has nothing to do with pre-qualification.

[Nandan Mahinkar - ABB] OK. Then I have one more question which I have not listed here or, rather, it is an elaboration on what we have discussed earlier. That has to do with operations and maintenance issue. You see, you have to look at it this way. You have now specified a period of fifteen years. This is typically a period which is going to make the party who is finally going to take over after fifteen years comfortable with taking over because the life, the life, the lifespan of this equipment is going to be substantially more than fifteen years. So you have to look at what will happen after fifteen years. So you have to bring in someone to take over after this period whichever it is. And I think you should consider from this point of view what is a relevant period where whoever is going to run this in long term will feel comfortable taking over and then look at the operation and maintenance from that aspect rather than a fifteen year period, which is very long. It is a comment I am making.

[D.C. Joshi – Power Grid of India] Yes, I think – you know – ultimately what in reality, what, what is being foreseen is that slowly there will be capacities that would get developed in the countries itself so that – you know – so that they can operate and maintain the plant, that is, the HVDC terminals as well as transmission lines. And presently that kind of period you know when the contractor who wins the contract would be undertaking the O&M phase, and during that process it is expected that there would be some kind of hand-holding, so that – you know – this capability is slowly developed over the period of time. A lot of developments are expected to take place. Fifteen years is a long period. So, you know, within that period, slowly the countries will become competent or would have the capacity to take over operations and maintenance themselves. But then again, as you see, on the face of it, presently fifteen years is looking to be a long period. Probably you can engage during the O&M phase – you know – certain agencies from the countries itself who can support the O&M thing, who may be subcontractors or you know. And then slowly they take over and things like that. So it is that evolving phase. So we have to build from this these capacities where we need support of the bidders too. Thank you.

[Nandan Mahinkar - ABB] And one more point... you mentioned about the security report which will be coming. I hope it is also addressing the requirement that it is not only the stations, but it is also along the line that we require to have access and security.

[Tom Breuer – IGC Secretariat] It will. Yes.

[Nandan Mahinkar - ABB] Thank you. That's all I had. Thank you.

[D.C. Joshi – Power Grid of India] Just if you permit me – you know – one small clarification. This thing, I would like to say you know. We will try to make certain provisions in the bidding documents that you know kind of provision or something you know, which takes care of some – you know – unforeseen expenses that may have to be incurred for the O&M. Something getting the transmission line stretched coming down. Those kind of things which are unforeseen. We'll try to build in some provision that such expenses are met – you know – the risk is not entire on the contractor during the O&M for such unforeseen situation which may lead to huge costs during the operation and maintenance, particularly for transmission line. You know, this is what we'll discuss and when we are in the process stage, these kind of issues and will arrive some kind of solution so that there is a confidence among the contractors also and they feel protected so far as cost are concerned. Thank you.

[Tom Breuer – IGC Secretariat] Let me note one thing here: a lot of the thinking on the fifteen year operation and maintenance is based... is not really so much technical as it is commercial. The initial term of the power purchase agreement will be fifteen years, and there a number of commercial functions that DC operator will be performing. So a lot of the focus has been on that and secondarily on assuring proper integrated and consistent maintenance of the

converter stations. So this is primarily the focus on these that has pushed the fifteen years. Do you have any other questions?

[Yao Yuan – State Grid Power Corp. of China] I have a question. I've heard about CASA-1000 project for a while and recently we got the notification that possibly we might participate in this project. So far we do not have tender documents or pre-qualification documents, so my next question is – would you mind just defining at what stage the project is at the moment right now what is the state of progress for us to be able to grasp, for us to be able to bid? Are we still eligible to participate in the tender and bidding? When is the sort of a deadline for us to be able to join in? Would you mind providing us with packages of documents to prepare still to be able to bid? Or may some other background information? And just one more point, if you can provide us with pre-qualification documents? Is it possible if we decide to participate will you be able to slightly delay the deadline to be able to accommodate us? And how should we structure this whole process just for you to be able to accommodate us if you wish to do so?

[Tom Breuer – IGC Secretariat] OK. The documents are on the procurement tab of the website.

[Joseph Mik – IFC] Tom, can Martin answer?

[Martin Sobek – IFC] I met with the Director for Business Development of State Grid Power Corporation of China in person about two weeks ago. And I gave him all the documents. And...

[Yao Yuan – State Grid Power Corp. of China] Did you meet with him here in Almaty?

[Martin Sobek – IFC] No, no. he is based in Frankfurt, but I met him in Belgrade. He was attending a conference, a power conference that was taking place in Belgrade.

[Yao Yuan – State Grid Power Corp. of China] Is this his business card?

[Martin Sobek – IFC] No, but I can give you his name and contact details. And then within a couple of days he got back to me saying that he had circulated the documents within the State Grid Power Corporations of China and its affiliates. And that – you know – the respective people were already working on it... But I can provide you with contact details of that person, let me just find his email address on my blackberry and his name, and then perhaps you may perhaps communicate directly with him.

[Yao Yuan – State Grid Power Corp. of China] Thank you very much. Actually this is probably the whole reason why we are here, to be able to participate in this.

[Martin Sobek – IFC] OK. Very good. Very good. Because, honestly, I sent him an email last week asking him about the progress and whether or not they were sending someone to the bidders' conference. And I haven't received any reply so I am very happy to see you here.

[Tom Breuer – IGC Secretariat] We have Lahore with us!

[Martin Sobek – IFC] Better late than never. Very good.

[Tom Breuer – IGC Secretariat] Good morning!

[Joseph Mik – IFC] Shall we ask the four participants what they require for time?

[Martin Sobek – IFC] On the second part of your question, if we may, and that's also a question to all of you. As it stands now the prequalification application deadline is the twenty-third of December. And the venue for pre-

qualification submission and the opening is Almaty. So the question is two-fold – do you feel comfortable with the deadline? Do you think you can make it by then? And also would it be more convenient for you to have the submission and the opening in a different location than Almaty, say, for example Dubai? Because we have, we have encountered some visa related issues. Some people couldn't make it here on time. And we want to avoid a situation when you know the Board of Directors of Company A approves the submission on Wednesday and the submission is on Friday and people can't get here on time. That's a question to all of you.

[Nandan Mahinkar - ABB] Can I ask you supplementary question to your question? The location, is it possible to consider location in Europe?

[Joseph Mik – IFC] That would create visa problems for the representatives of the four countries. So Dubai is proposed because probably none of us require visas to go there.

[Nandan Mahinkar - ABB] OK.

[Martin Sobek – IFC] We have discussed three alternatives with the countries, in addition to Almaty. One was New Delhi, another one was Istanbul. Both of them were rejected for visa issues. Dubai was proposed as the most convenient location for all of them.

[C.S. Gupta – Power Grid of India] I think it is better clarify with the timings also, although an extension will be issued as an amendment. Deadline for submission of applications: what is it?

[Martin Sobek – IFC] Twenty-third.

[C.S. Gupta – Power Grid of India] Twenty-third of December at fifteen hundred. The deadline for submissions would be at fifteen hundred hours. And the deadline for opening would be a fifteen hundred thirty hours. Am I correct?

[Martin Sobek – IFC] Yes. So, there will be an addendum to pre-qualification documents because as a minimum there is a mistake. There is no hour for opening indicated in the submission form. So it will be as Mr. Gupta has just said half an hour after the submission. But we are giving you the opportunity to comment on the venue, right?. Whether Dubai would be more convenient, because then we can do it in one addendum?

[Joseph Mik – IFC] And the timing... whether you require additional two weeks or one month to compile documentation.

[Nurlan Sadykov - Alstom] Actually we received some comments from our unit... We receive comments from our French department, the division is involved for HVDC. Actually, due to the fact that we have to prepare the tender documents in both languages, we need some time to... for... Because now our colleagues are in a position to prepare documentation, but we need some time to translate it into Russian, to make the packages, whatever. So the question is how to make it. So if submission of pre-qualification document will be in Almaty, is it possible to send it by mail or should there be a physical person should submit this documents. What is the method?

[C.S. Gupta – Power Grid of India] Electronic submission is not permitted. If you are forwarding it through the courier, it is at your risk. If it is not received before due date, due time, it stands rejected. Decision is up to you.

[Martin Sobek – IFC] There is no obligation for you to participate at the opening. If you don't want to be there, you don't have to be there.

[Rakesh Gaur - KEC] Considering that we can submit our request for extension of deadline, if we feel appropriate.

[Martin Sobek – IFC] If you feel that it's absolutely needed, I mean, we would preferably stick to the original deadline because of time constraints we are facing. But if you really can't make it that I would strongly recommend that you send us a request as soon as possible. Preferably within the next couple of days.

[Joseph Mik – IFC] Within the next couple of days...

[C.S. Gupta – Power Grid of India] By day after tomorrow... But we left decide a venue after all. If immediately after that there is distinctive holiday, Christmas holiday, we should see that all the aligned parties are coming out.

[Martin Sobek – IFC] But again there is strong preference to have it on 23rd because...

[Joseph Mik – IFC] Are there any comments from State Grid or Siemens on the deadline?

[Andrey Brovkin – Siemens] I think our colleagues will send a request for a prolongation of the deadline. Maybe we will be on time. Also the problems with the languages... If it can be done in English in Pakistan only here in Kazakhstan or maybe in Russia then we will need additional time.

[Yao Yuan – State Grid of China] We are also in favor of delaying this deadline because it will be difficult. Probably the point is to get it to get it translated into Russian. Preparing documents might be no problem, but the actual translation might take a little while longer.

[Tom Breuer – IGC Secretariat] Good morning again, gentlemen in Lahore. Can you hear us?

[Muhammad Daud – Ministry of Water and Power] Yes, we can hear.

[Tom Breuer – IGC Secretariat] OK. Let me catch you up here. We have basically been going around the room asking for queries from each of the vendors present. We have representatives of Alstom, representatives from KEC, representative of ABB, representative of State Power Grid of China. We've just finished hear from all of them. We've yet to hear from the gentlemen from Siemens. And in Lahore we have... could you introduce yourselves please?

[Muhammad Daud – Ministry of Water and Power] Can you explain ACC? I am not aware of this company.

[Tom Breuer – IGC Secretariat] ABB. No, KEC. KEC, yes.

[Muhammad Daud – Ministry of Water and Power] What is the full name? Is it an abbreviation?

[Tom Breuer – IGC Secretariat] Can you elaborate on your company, here?

[Rakesh Gaur - KEC] I am from KEC. My name is Rakesh Gaur. We are operating in Central Asia for transmission lines, substations, and electrification projects. I am based at Almaty. And we are already operating in the countries like Kazakhstan, Afghanistan, and Kazakhstan and Kyrgyzstan.

[Muhammad Daud – Ministry of Water and Power] So this ABC is an Indian company?

[Rakesh Gaur - KEC] No, it is KEC. KEC is an Indian company.

[Tom Breuer – IGC Secretariat] Thank you Mr. Daud, and can you introduce people with you there? With me are Mr. Abdulreza Kima of the design department of MTDC, Mr. Mumtaz Raza, he is assisting him. The head of the delegation from Pakistan Mr. Ziad, is busy, somewhere else. [Inaudible]

[Tom Breuer – IGC Secretariat] OK, thank you very much, we appreciate your presence. OK. With that we go to enquiries from Siemens.

[Andrey Brovkin – Siemens] Basically we have the same questions what our colleagues from Alstom already asked. It is a question about the safety on site and the question about fifteen years of operation. But we already have answers from your side. At present moment no questions from our side.

[Tom Breuer – IGC Secretariat] Very well! So everyone had opportunity to present their questions. And we have responded or absorbed them for reply later. Further Joe...

[Joseph Mik – IFC] What we will do at IFC is that if there are further questions, we'd asked that you send them to us in writing by email in the shortest possible time. We have recorded the conversation that we've had over the past hour. We'll prepare a transcript that will be sent to the four countries, and they in effect will formalize the answers given to you. Without disclosing any names, we will post the content of those answers on CASA-1000 web-page. And it is likely that the four countries will post the same answers in English and Russian once translated on their web-pages. We request that you make sure to copy Martin and I and Tom on emails with us and we'll help manage the document flow between your five companies and four countries and of course Power Grid is available on a technical front to answer questions you may have.

[Nandan Mahinkar - ABB] Sorry, you should send to Thomas with copies to you, gentlemen?

[Joseph Mik – IFC] Correct.

[Andrey Brovkin – Siemens] The deadline for question submission is usually 15 days before the bid submission.

[Joseph Mik – IFC] Yes, I think there is...

[C.S. Gupta – Power Grid of India] Fourteen days.

[Joseph Mik – IFC] There is such a deadline in this document from memory. But the most important issue from our standpoint is of course the December 23 deadline and your ability to meet that time frame. We really do need to know in the next couple of days whether that's feasible, because we are organizing the venue, and speaking to the four countries about flying people to one place or another is a monumental task.

[Tom Breuer – IGC Secretariat] Very well! Yes. If there are no further questions I think we are done. We certainly appreciate your getting on the line in Pakistan, we appreciate having the customer. Indeed. OK.

[Muhammad Daud – Ministry of Water and Power] Sorry.

[Tom Breuer – IGC Secretariat] Yes, sir?

[Muhammad Daud – Ministry of Water and Power] In order to have [inaudible] from the prospective applicants I understand that the questions which they raise should be given to Power Grid India. Let Power Grid India follow the correct lines and send those replies to the countries. If the countries have any comments, they should give them to Power Grid India, otherwise they endorse it. I believe that will simplify the procedure and cut down the time.

[Tom Breuer – IGC Secretariat] Thank you. That is in fact what we are planning to do. I believe that is what Joseph Mik articulated. We may have a less than perfect microphone here. But thank you, yes. You are absolutely right. That is the way we are need to do it.

[Muhammad Daud – Ministry of Water and Power] OK, thank you.

[Tom Breuer – IGC Secretariat] OK. Well, thank you all.