

TRANSMISSION SERVICE AGREEMENT

BETWEEN

CHHATTISGARH STATE POWER TRANSMISSION COMPANY LIMITED

AND

..... [[NAME OF MEDIUM TERM OPEN ACCESS CUSTOMER, CGP]

THIS TRANSMISSION SERVICE AGREEMENT (hereinafter referred to as "TSA" or "Medium-term open access agreement" or "Agreement" or "the Agreement" or "this Agreement") is made on the..... [Insert day] of..... [Insert month] of Two Thousand and..... [Insert Year] for access and exclusive use of intra-state transmission system in the State of Chhattisgarh.

Between:

Chhattisgarh State Power Transmission Company Limited, Government of Chhattisgarh undertaking and a company incorporated under the Companies Act, 1956 (State Transmission Utility and deemed Transmission Licensee u/s 39 of the Electricity Act 2003 in the State of Chhattisgarh) having its office at Dangania, Raipur (hereinafter referred to as "CSPTCL" which expression shall unless repugnant to the context or meaning thereof include its successors, and permitted assigns) as party of the first part;

AND

-----, a company registered under the Companies Act, 1956 having its registered office at -----(hereinafter referred to as "Company" or MTOAC ,which expression shall unless repugnant to the context or meaning thereof, include its successors and assigns) as party of the second part;

AND WHEREAS:

- A CSPTCL, pursuant to grant of license by the Chhattisgarh State Electricity Regulatory Commission, is engaged in the business of transmission of electricity in the State of Chhattisgarh
- B. Open Access Customer is a captive generating plant engaged in the business of ----- and is desirous of availing the Transmission Services offered by CSPTCL for a period of Ten years.
- C. The Open Access Customer has filed an application dated ----- with the CSPTCL for grant of Open Access for a contracted capacity of ---- --- MW and the same has been accepted, in the manner provided under the Chhattisgarh State Electricity Regulatory Commission (Connectivity & Intra-State open access) Regulation, 2011, and its amendments made thereof from time to time; hereinafter referred to as the Regulation.
- D. The medium term open access is required by the medium -term open access customer as per the details mentioned in Schedule 1.
- E. The Medium -term open access customer agree, on the terms and conditions of this Agreement, to use the available transmission capacity and pay CSPTCL the transmission charges and other applicable charges as determined by the Commission and revised from time to time.

NOW, THEREFORE, IN CONSIDERATION OF THE PREMISES AND MUTUAL AGREEMENTS, COVENANTS AND CONDITIONS SETFORTH HEREIN, IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATIONS

The words / expressions used in this Agreement, unless as defined below or repugnant to the context, shall have the same meaning as assigned to them by the Electricity Act, 2003 and the Rules or Regulations framed there under including those issued/framed by the Commission (as defined hereunder), as amended or re-enacted from time to time, failing which it shall bear its ordinary English meaning.

The words / expressions when used in this Agreement shall have the respective meanings as specified below:

- 1.1 **"Act"** or **"Electricity Act"** or **"Electricity Act 2003"** shall mean the Electricity Act, 2003 and any amendments made to the same or any succeeding enactment thereof;
- 1.2 **"Balancing and Settlement Code"** means such code as may be specified by the Commission for the balancing of energy/demand accounts and settlement of differences between schedule and actual energy/demand among the users of the grid in the State.
- 1.3 **"CEA"** shall mean the Central Electricity Authority constituted under Section 70 of the Electricity Act;
- 1.4 **"Commission" or "CSERC"** means the Chhattisgarh State Electricity Regulatory Commission.
- 1.5 **"Effective Date"** for the purposes of this Agreement, shall mean the date as specified in Schedule I of this agreement.
- 1.6 **"Event"** means an unscheduled or unplanned occurrence in the intra-State Transmission system including faults, incidents and breakdowns.
- 1.7 **"Grid Code" / "IEGC" or "State Grid Code"** shall mean the Grid Code specified by the Central Commission under Clause (h) of sub-section (1) of Section 79 of the Electricity Act and/or the State Grid Code as specified by the Commission, referred under Clause (h) of sub-section (1) of Section 86 of the Electricity Act 2003, as applicable;
- 1.8 **"Intra State Transmission System" or "State Transmission System" or "STS"** means any system for conveyance of electricity by transmission lines within the area of the state and includes all transmission lines, substations and associated equipments of transmission licensee in the State.

Provided that the point of separation between a transmission system and distribution system shall be the outgoing point of feeder emanating from substation of transmission licensee feeding to the distribution system.
- 1.9 **"Meter"** means a device suitable for measuring, indicating and recording consumption of electricity or any other quantity related with electrical system and shall include, wherever applicable, other equipment such as Current Transformer (CT), Voltage Transformer (VT) or Capacitor Voltage Transformer (CVT) necessary for such purpose.

- 1.10 **"Transmission Service"** shall mean provision, supply or conveyance of electricity by means of cables and / or overhead lines, together with any step-up and step-down transformers, switch-gear and other works necessary to and used for the control of such cables or overhead lines, and such buildings or part thereof as may be required to accommodate such transformers, switch-gear and other works and such other related services as may be provided by CSPTCL from time to time.
- 1.11 **"Regulation"** means the Chhattisgarh State Electricity Regulatory Commission (Intra-State Open Access in Chhattisgarh) Regulation 2005 and other relevant Regulations and any amendments made to the same or any succeeding enactment thereof;
- 1.12 **"State Grid"** means the synchronously connected entire electric network of the Chhattisgarh State comprising of STS, SSGS, generating plants and user.
- 1.13 **"State Load Despatch Centre" or "SLDC"** means the centre established under Section 31 of the Act.
- 1.14 **"STU"** means the State Transmission Utility as per Section 39 of the Act, which is presently the CSPTCL (Chhattisgarh State Power Transmission Company Limited)
- 1.15 **"Medium Term Open Access Customer" or "MTOAC"** means a person, other than a short-term open Access customer, as defined in the Regulation, availing or intending to avail open access to the State transmission system for receiving supply of electricity from a person other than the distribution licensee of his area of supply, and the expression includes a generating company or a captive generating plant or a captive user or a licensee.

Words and expressions used and not defined in this Agreement but defined in the Act shall have the meanings as assigned to them in the Act, and in the absence thereof, shall have the same meaning as commonly understood in the electricity supply industry.

2. Compliance with Act, Rules and Regulations

All parties to this agreement shall comply with the provisions of the Act, Grid Code and the Rules and Regulations laid down there under. Where any provision of this agreement is inconsistent with the provisions of the

Act and/ or the Grid Code or Rules or Regulations laid down there under, the provisions of the Act, Grid Code or Rules or Regulations, as the case may be, shall take precedence to the extent of such inconsistency.

3. Obligations of parties

3.1 Obligations of MTOAC

3.1.1 The MTOAC agrees and undertakes to follow and comply with the procedures for availing Transmission Services specified in the applicable State Grid Code and Regulation.

3.1.2 The Medium-term Open Access Customer further agrees and undertakes inter alia, to comply with:

(i) The technical requirements and infrastructure / equipment standards / meters etc. - specified by the relevant Regulations notified by CEA, including applicable provisions of the Grid Code, the, Supply Code, and any other applicable Regulations or guidelines, as may be specified by the Commission from time to time and as may be necessary in order to entitle the open Access customer to avail Transmission Services.

(ii) Such payment security mechanism / instrument for availing Transmission Services as specified by the Commission from time to time:

(iii) Any other technical, commercial, operational or financial criteria (including any credit rating or certification of creditworthiness) prescribed by CSPTCL and as approved by the Commission from time to time:

(iv) Any requirement to furnish evidence to the effect that the MTOAC has the requisite approvals and clearances from the competent authority, Nodal Agency or otherwise, that are necessary to avail Transmission Services.

3.1.3 Subject to conditions specified in the Regulation, the MTOAC agrees not to transfer his contracted capacity to any other open access customer.

3.1.4 The MTOAC shall pay the charges payable under this Agreement from the date of commencement of open access specified in the Schedule I, regardless of the fact whether or not such open access is used on and from that date, except if the failure to use such open access is due to the default of the CSPTCL.

- 3.1.5 In the event of MTOAC surrender of whole or part of contracted capacity, or reduction/cancellation of the capacity allotted to the MTOAC as per the Regulation, the MTOAC shall pay all charges, including compensatory charges in the manner specified in the Regulation.
- 3.1.6 Misuse of the transmission corridor booked for open access or any other deliberate attempt to generate over or under the schedules for undue financial gains shall be considered as gaming which may disqualify MTOAC for seeking open access in future under the directions of the Commission. The SLDC/STU/CSPDCL shall investigate so as to ensure that there is no gaming, and if gaming is found by the STU/SLDC/CSPDCL the matter shall be referred to the Commission.
- 3.1.7 In case the MTOAC is a generator/CGP located within the State of Chhattisgarh, the MTOAC may avail start-up power, for which it shall enter into a separate agreement with the State distribution utility i.e. CSPDCL.

3.2 **Obligation of CSPTCL**

- 3.2.1 Subject to the provisions of the Regulation and on such terms and conditions herein agreed, CSPTCL agree and undertake to provide Transmission Service to the MTOAC, as described and arranged in Schedule I hereto, on payment of transmission and other applicable charges, as specified by the Commission.
- 3.2.2 The criteria for allotment of capacity shall be as specified in the Regulation.
- 3.2.3 Non utilization of reserved capacity by MTOAC shall be governed by manner specified by the Commission in Regulation.
- 3.2.4 Excess utilization than the reserved transmission capacity by MTOAC shall be governed by the manner specified by the Commission.
- 3.2.5 In the event of underutilization of the capacity contracted by the Open Access Customer, which, if made available, could be used to meet requirements of other applicant (s), the CSPTCL may consider reduction or cancellation of the capacity allocated to the MTOAC after taking approval from the Commission.

However, the CSPTCL shall not undertake such action for reduction / cancellation of the capacity allocated without issuing a notice in writing of

at least 15 days, in advance to the concerned MTOAC, to enable the concerned MTOAC to file the reply.

4. EFFECTIVENESS AND TERM OF AGREEMENT

4.1 Effective Date

This Agreement shall be effective from ----- as ordered by CSERC.

4.2 Term

The Agreement shall be valid from the Effective Date up to the ----- years unless mutually extended by both Parties on mutually agreed terms and conditions, at least ninety (90) days prior to the Expiry Date, subject to the approval of the Commission.

4.3 Survival

The expiry or termination of this Agreement shall not affect any accrued rights, obligations and liabilities of the Parties under this Agreement, including the right to receive liquidated damages as per the terms of this Agreement, nor shall it effect any continuing obligations for which this Agreement provides, either expressly or by necessary implication, the survival of, post its expiry or termination.

5. DETERMINATION, BILLING AND PAYMENT OF OPEN ACCESS CHARGES

5.1. Charges for Transmission Service

5.1.1 Subject to the other provisions of this section, the MTOAC shall pay to CSPTCL, on a monthly basis, the transmission charges and other applicable charges. Transmission charges shall be as determined by the Commission from time to time.

5.1.2 Scheduling and system operation charges (also called as SLDC charges) shall be payable by the MTOAC for using the services of SLDC. Such

charges shall be governed by the relevant Regulations or orders issued by the Commission from time to time.

5.1.3 Subject to the Regulation, the MTOAC agrees to comply with the procedures for availing Transmission Services in the matter of scheduling as specified by the Commission in the State Grid Code and Balancing and Settlement Code as amended from time to time. UI charges as specified by the Commission from time to time shall be applicable to MTOAC availing Transmission Services.

5.1.4 Any other applicable charges in cash or kind as specified by the Commission from time to time.

5.2. **Billing**

The charges for the access and use of the intra-State transmission system shall be determined and settled on a monthly basis. The bill with respect to these charges shall be raised by CSPTCL by the tenth (10) day of each month and shall reflect the charges determined for the preceding month. The MTOAC shall make payment of bills within a period of 15 days of receipt of bills, failing which delayed payment surcharge at the rate of 1.5% per month calculated for each day beyond 15 days shall be payable by MTOAC.

5.3:- **Payment Security Mechanism:-**

(i) Bank Guarantee towards Security Deposit:-

Medium Open Access Customer shall furnish a Bank Guarantee in the prescribed form and manner from any Government/ Nationalized Bank valid for the duration of open access period towards the payment security guarantee.

MTOAC shall have to submit Bank Guarantee equal to three months charges towards full intra-state transmission charges, scheduling and system operation charges in respect of the said reserved transmission capacity.

This security mechanism shall be valid for a period of One years initially and shall be renewed by MTOAC every year for the further period on the prevailing rates applicable towards aforesaid charges at that time as desired by CSPTCL & this process shall continue till the completion of MTOA period.

The Transmission Open Access Customer shall furnish the Bank Guarantee towards security deposits at the time of executing this MTOA agreement.

(ii) Establishment of Letter of Credit:

MTOAC shall establish an open letter of credit (LC) for 105% of estimated average monthly billing towards transmission charges, SLDC scheduling & system operation charges in favour of CSPTCL. The Letter of Credit shall be opened with any Government/ Nationalized Bank within one month of signing of this MTOA. In case failure of MTOAC to make payments of bills within 15 days, The CSPTCL has option to operate the Letter of Credit to recover the payments of its bills besides levying surcharge towards delayed payment.

6. Metering

- 6.1 Both the parties agree that the meters at the point of injection and draws shall be Special Energy Meters in a protective enclosure and shall maintain the same in good working conditions. The Special Energy Meters shall conform to the specification specified by the CEA and Commission.
- 6.2 The MTOAC shall allow STU and/or SLDC for meter reading, inspection and testing of Special Energy Meter. Both the parties agree that all other provisions relating to metering shall be as specified in the Metering Code for Transmission System approved by the Commission and in absence of such approved code in accordance with CEA Regulations on "Installation and Operation of Meters" issued under section 177 of the Electricity Act 2003 as amended from time to time.

7. Energy losses

The MTOAC shall bear the energy losses in intra-state transmission system proportion to capacity contracted by/allotted to him in the intra-State transmission system. The loss percentage determined by the CSPTCL or State Load Despatch Centre for intra-state transmission system and approved by the Commission shall be applied for charging energy losses to the MTOAC.

8. Transmission Constraints

SLDC subject to any technical constraint in operation of the State Grid may apply curtailment of transmission capacity in whole or in part at its absolute discretions. The MTOAC shall abide by the instructions and directions of the SLDC in accordance with Section 32 of the Electricity Act 2003. In the event of persistent non-compliance of SLDC instructions for Grid Operation and scheduling by the MTOAC, the CSPTCL on the basis of report from SLDC may revoke the capacity allocation in terms of Regulations as amendment from time to time..

9. Compliance of Grid Code

The MTOAC agrees to comply with the Grid Code as specified by the Commission. In the event of failure of MTOAC to comply with the provisions of the Grid Code, the CSPTCL has right to revoke the transmission capacity rights so reserved for him after serving show cause notice of 21 days and after taking requisite approval of the Commission.

The MTOAC shall abide the SLDC schedule and shall comply with all directions issued by SLDC.

10. Unscheduled Exchange and Balancing of Power

MTOA consumer shall make arrangement for back-up power requirement in the event of failure or force outage of captive generator. Any deviation between schedule drawal & actual drawal shall be governed by the balancing and settlement code to be issued by CSERC. In the absence of balancing and settlement code the same shall be as per prevailing orders of CSERC in force.

11. Transmission Performance Standards

Both the parties agree that all equipment connected at the inter-connection point with the intra-State Transmission System shall be of such design and construction to enable the CSPTCL to meet the requirement of Performance Standards specified by the Commission. The MTOAC connected to intra-State Transmission System shall ensure that their loads do not cause violation of these standards.

12. Unforeseen Circumstances

The use of intra-state transmission system shall be subject to any technical constraints in the operation of the State Grid and SLDC may impose curtailment or suspend whole or part of the use of the intra-state transmission system at its absolute discretion on transmission system constraints. The provision of open access shall remain suspended during such period at the absolute discretion of SLDC and/ CSPTCL.

13. Omission

In case during the validity period of this agreement, it is noticed that any of the condition(s) have been omitted , a supplementary agreement shall be entered into.

14. Disputes

All differences or disputes between the parties arising out of or in connection with this Agreement shall be endeavored to be settled amicably through negotiation by the parties failing which the same shall be referred to the Commission.

For and on behalf of

Chhattisgarh State power Transmission Company Limited

(-----)

Name:

In the presence of

1

2

For and on behalf of

MTOAC

(-----)

Authorized Signatory

In the presence of

1

2

Schedule I

Medium term open access shall be from the date -----
----- in the following manner:

Entry Point (Injection Utility)

Name: -----

Location: -----

Region: -----

Status: CGP

Contracted Capacity (MW): -----

Voltage Level (kV):-----

Exit Point (Drawee Utility)

Name: -----

Location: -----

Region: -----

Status: -----

Service connection numbers (in case of consumers of distribution licensee)

Note: - The date of completion of the usage mentioned above shall be subject to the provision of Articles 4 of the agreement.