

**Maharashtra State Electricity Transmission Company
Limited
(State Transmission Utility)**

BULK POWER TRANSMISSION AGREEMENT

For

THE USE OF

**Intra-State Transmission System (InSTS)
In
Maharashtra State**

Between

***MAHARASHTRA STATE ELECTRICITY DISTRIBUTION
COMPANY LIMITED***

And

***MAHARASHTRA STATE ELECTRICITY TRANSMISSION
COMPANY LIMITED***

And

JAIGAD POWERTRANSCO LIMITED

ABBREVIATIONS

ARR	Annual Revenue Requirement
BPTA	Bulk Power Transmission Agreement
CERC	Central Electricity Regulatory Commission
CTU	Central Transmission Utility
EHV	Extra High Voltage
kV	Kilo Volt
MERC	Maharashtra Electricity Regulatory Commission
MVA	Mega Volt Ampere
MW	Mega Watt
SLDC	State Load Despatch Centre
STU	State Transmission Utility
TSU	Transmission System User

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THIS BULK POWER TRANSMISSION AGREEMENT (hereinafter referred to as "BPTA" or "Agreement" or "the Agreement" or "this Agreement") is made on the _____ of September Two Thousand Ten.

Between:

MAHARASHTRA STATE ELECTRICITY DISTRIBUTION COMPANY LIMITED, a company incorporated under the companies Act, 1956 having its registered office at Plot G-9, Dr. Anant Kanekar Marg, 'Prakshgad', Bandra (East), Mumbai – 400 051 (hereinafter called "**MSEDCL**" which expression shall unless repugnant to the context or meaning thereof include its successors and assignees)

And

MAHARAHTRA STATE ELECTRICITY TRANSMISSION COMPANY LIMITED, a company incorporated under the Companies Act, 1956, having its registered office at ‘Prakashganga’, Plot No. C-19, E-Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 (hereinafter called “**MSETCL**” which expression shall unless repugnant to the context or meaning thereof include its successors and assignees);

And

JAIGAD POWERTRANSCO LIMITED, a company incorporated under the companies Act, 1956 having its registered office at Jindal Mansion, 5A. Dr. G. Deshmukh Marg, Mumbai – 400 026 (hereinafter called “**JPTL**” which expression shall unless repugnant to the context or meaning thereof include its successors and assignees)

AND WHEREAS:

- a) “MSEDCL” is a distribution licensee (already a TSU of MSETCL having executed BPTA *with* MSETCL on 12/01/2009) having Power Purchase Agreement (PPA) of 300 MW with M/s JSW Energy (Ratnagiri) Limited (JSWERL) for supplying power to its consumer within Maharashtra through transmission network of M/s JPTL & MSETCL.
- b) MSEDCL agrees to pay the transmission charges for 300 MW of power evacuation of M/s JSW Energy (Ratnagiri) Limited as per tariff order issued by MERC from time to time.
- c) “MSETCL” is a transmission licensee having transmission network within Maharashtra State.
- d) “JPTL” is a transmission licensee having granted transmission license by MERC for evacuation arrangement of power from M/s JSW Energy (Ratnagiri) Limited plant through 400 KV Jaigad – Karad D/C (Quad Conductor) & 400 KV Jaigad – New Koyna D/C (Quad Conductor)
- e) In view of commissioning of 400 KV Jaigad – New Koyna Quad D/C only (Planned transmission system for evacuation of M/s JSWERL power consists of 400 kv Jaigad – New Koyna D/C & 400 kv Jaigad – Karad D/C), only that much power will be scheduled (out of 300 MW) by SLDC Kalwa to MSEDCL which will not endanger the system security. Normal scheduling of 300 MW to MSEDCL from JSW Energy (Ratnagiri) Limited shall be started after commissioning of 400 KV Jaigad Karad D/C
- f) It is necessary to have construction/completion of 400 KV Jaigad – Karad Quad D/C link by M/s JPTL in order to transmit requisite power of M/s JSW Energy (Ratnagiri) Limited in addition to 400 KV Jaigad – New Koyna Quad D/C line (which is already in existence) as per planned evacuation system.
- g) The terms and conditions of MERC Transmission License Conditions, Regulations 2004 and/or those stipulated in the Transmission License issued to *Transmission licensee* shall also be applicable to this Agreement.

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

1. DEFINITIONS AND INTERPRETATIONS

1.1 Definitions

Terms shall bear those meanings when used in this Agreement as defined in Schedule-1 (Definitions) unless the context requires otherwise.

1.2 Interpretations

This Agreement shall be interpreted in accordance with Schedule-2 (Interpretation) unless the context requires otherwise.

1.3 Agreement Document

All documents forming part of the Agreement (and all parts thereof) are intended to be correlative, complementary and mutually explanatory. The Agreement shall be read as a whole.

1.4 Save where the contrary is indicated, any reference in this Agreement to words importing the singular shall include the plural and vice versa;

1.4.1 A person shall be construed as including a reference to its successors, permitted transferees and permitted assignees in accordance with their respective interests. Words importing persons or parties shall include firms, corporations and government entities;

1.4.2 this Agreement or any other agreement or document shall be construed as a reference to that agreement or document as it may have been, or may from time to time be, amended, varied, notated, replaced or supplemented;

1.4.3 a statute or enactment shall be construed as a reference to such statute as it may have been or may from time to time be modified, amended or re-enacted;

1.4.4 References to Clauses shall be to Clauses of this Agreement.

1.5 Table of Contents and Headings

The table of contents and any headings in this Agreement are for ease of reference only and shall not affect the interpretation of this Agreement.

1.6 Language

All agreements, all correspondence and communications to be given and all other documentation to be prepared and supplied under this Agreement shall be written in English, and the Agreement shall be construed and interpreted in accordance with that language.

If any of agreements, correspondence or communication is prepared in any language other than English, the English translation of such documents, correspondence or communications shall prevail in matters of interpretation.

1.7 Discretion

Except where this Agreement expressly requires a party to act fairly or reasonably, a party may exercise any discretion given to it under this Agreement in any way it deems fit.

1.8 Discrepancy

In case of discrepancy between terms and conditions stipulated in MERC Transmission License Conditions, Regulations 2004 and/or those of *Transmission License* issued to Transmission Licensees and the agreement(s) executed between *Generating Company/Distribution Licensee/Power Procurer (transmission system user)* and *Transmission licensees*, the terms and conditions of MERC Transmission License Conditions, Regulations 2004 and/or those of Transmission License shall prevail.

2. EFFECTIVE DATE AND DURATION OF AGREEMENT

2.1 Effective Date

This Agreement shall be effective from 01/09/2010. CoD of Ist unit of 4 X 300 MW of M/s. JSWERL was declared on 01/09/2010 by M/s. JSWERL.

2.2 Duration of the Agreement

The Agreement shall be deemed to have come into force with effect from Effective Date for all purposes and intents and shall remain operative for the period of 25 [Twenty Five] years & after expiry period the duration may be extended mutually as per provision of MERC (Transmission Open Access) Regulations, 2005.

2.3 Term and Conditions of Termination

- 2.3.1 This Agreement shall continue to be effective, until the Expiry Date subject to Clause 2.4.
- 2.3.2 If a Termination Notice is served in accordance with clause 17 by
- a. *Generating Company/ Distribution Licensee/ Power Procurer (Transmission System User)*, following a *Transmission licensee* in Event of Default; or
 - b. the *Transmission licensee* following *Generating Company/ Distribution Licensee/ Power Procurer (Transmission System User)*, in Event of Default;
 - c. If *Generating Company/ Distribution Licensee/ Power Procurer (Transmission System User)*, the *Transmission licensee* serves a notice to terminate in accordance with Clause 17.5.

2.4 Survival

The expiry or termination of this Agreement shall not affect any accrued rights, obligations and liabilities of the parties under this Agreement including but not limited to those specifically provided in this Agreement nor shall it affect any

continuing obligations which this Agreement provides either expressly or by necessary implication, which are to survive its expiry or termination.

3. OPERATION & MAINTENANCE OF TRANSMISSION SYSTEM

3.1 *Transmission licensee's obligations in operation and maintenance of the transmission System*

Subject to the terms and conditions of this Agreement, M/s JPTL & MSETCL at their own cost and expense shall observe, comply with, perform, undertake and be responsible:

- i) For procuring and maintaining in full force and effect the Consents, required by it pursuant to this Agreement and in accordance with Law.
- ii) To maintain and repair the Transmission System as set out in this Agreement and in accordance with the provision in Section 40 of Electricity Act 2003.
- iii) For owning the Transmission System throughout the term of this Agreement free and clear of encumbrance except those permitted under this Agreement.
- iv) To make available **300 MW** of Transmission Capacity under normal circumstances to MSEDCL through 400 kV Jaigad – New Koyna D/C & from 400 kV New Koyna S/S via MSETCL transmission network to the distribution network of MSEDCL in Maharashtra subject to clearance from SLDC Kalwa in view of partial completion of planned evacuation system for power of M/s JSWERL by M/s JPTL into the transmission network of MSETCL.
- v) For providing all assistance to the MERC (in case of dispute) as may be required for the performance of their duties and services; and to comply with its obligations under this Agreement,
- vi) to comply with its obligations under this agreement, AND
- vii) To provide any other service/assistance as may be mutually agreed upon by all the parties.

4. OPERATING PROCEDURES

4.1 The *transmission licensees* shall provide to the *Generating Company/ Distribution Licensee/ Power Procurer (Transmission System User)* and *STU* with a draft of the operating procedures (the "Operating Procedures") dealing with all operational interfaces between the *Transmission Licensees* and

Generating Company/Distribution Licensee/Power Procurer (Transmission System User) including, but not limited to;

- i) Methods of round the clock communication between the **Transmission Licensees** and *Generating Company/ Distribution Licensee/ Power Procurer (Transmission System User)*, SLDC Kalwa and STU;
- ii) Safety co-ordination;
- iii) Seeking permits to work for attending to outages;
- iv) Contingency planning in the event of a partial or total shutdown of the grid;
- v) Incident reporting;
- vi) Testing, inspection and monitoring of the Transmission System;
- vii) Maintenance & repair during Scheduled Outages, Unscheduled Outages, Forced Outages and during Force Majeure Events;

5. SUPERVISION OF OPERATION & MAINTAINANCE

The Transmission Licensees shall provide all necessary superintendence for maintenance and repair of the Transmission System and their supervisory personnel shall be constantly available to provide full time superintendence. The Transmission Licensees shall provide and employ skilled personnel who are experienced in their respective fields.

6. AVAILABILITY OF SYSTEM

6.1 Availability of Elements of the Transmission System

6.1.1 For the purpose of calculating Availability, each circuit of the transmission lines shall be considered as an “element” of the Transmission System and shall be considered to be “Available” when it is capable or deemed capable of transmitting electricity at its rated capacity from the supply point to the delivery point.

6.1.2 The availability of the Transmission System shall be calculated as per the rules/regulations/codes/methodology as may be made/prescribed by MERC, from time to time.

6.2 Normative Availability

6.2.1 The normative availability will be as per the norms specified by the MERC (terms and conditions of tariff) Regulations 2005.

6.2.2 Notwithstanding anything contained herein before, definitions, interpretations and the methods of calculations of Availability given

above, shall not conflict with any orders of the Maharashtra Electricity Regulatory Commission (MERC) issued from time to time in this regard. In case there is any discrepancy between the provisions of this Agreement and any orders of MERC issued from time to time, the provisions of MERC orders shall prevail.

7. TARIFF, BILLING, PAYMENT AND PAYMENT SECURITY MECHANISM

7.1 State Transmission Utility (STU) has prepared procedure and rules for settlement of Intra-State Transmission Charges in consultation with Transmission Licensees and Transmission System Users approved by Grid Co-ordination Committee (GCC) and all its constituents and MERC. Tariff, Billing, Payment and Payment Security Mechanism shall be governed as per these procedures.

7.1.1 MSEDCL shall pay the transmission charges as per the tariff orders of MERC issued from time to time.

7.2 Tariff

7.2.1 The transmission tariff and terms shall be as per the tariff orders issued by MERC from time to time.

7.2.2 Transmission charges and other related charges mentioned in the various MERC orders are to be paid to the State Transmission Utility (STU) and State Load Dispatch centre (SLDC).

7.3 Billing

7.3.1 The charges for the access and use of the Intra-State Transmission System shall be determined and settled on a monthly basis.

7.3.2 State Transmission Utility (STU) shall raise monthly bill for Intra-State Transmission Charges on every Transmission System User (TSU) on 1st working day of the month. (i.e. 1st day of month or next working day in event of 1st day being weekly off or public holiday) for the Transmission charges of preceding month.

7.3.3 Monthly transmission charges bill shall comprise of the following components:-

- a. Monthly share of total Transmission System cost (TTSC) approved by the commission for the billing period as per the tariff order of the commission OR Transmission charges calculated as per transmission tariff determined by Commission for Long Term Open Access Consumer;
- b. Late payment surcharge;

- c. Outstanding amounts (Arrears);
- d. Any other charges as may be specified by MERC from time to time.

7.4 Payment

7.4.1 All the payments related to transmission charges for a particular month shall be due for payment on 14th day of subsequent calendar month as per MERC orders issued from time to time.

7.4.2 In case due date falls on Bank holiday, the payment shall be made on next working day.

7.5 Late Payment Surcharge

7.5.1 All transmission system users shall ensure timely payment of Transmission Tariff to **STU** so as to enable **STU** to make timely settlement of claims raised by transmission licensees. In case there is delay in payment by any TSU, late payment surcharge at the rate of 1.25% per month or part thereof shall be applicable.

7.5.2 The Penal charge of 1.25% per month shall be levied proportionately to the number of days of delay in making the payment after due date of monthly TTSC bill, inclusive the date of payment and same shall be computed in the following manner:

$$\text{Late Payment Surcharge} = \text{Bill Amount} \times 1.25\% \times \text{No. of days of Delay} \div \text{No. of days in the month}$$

7.5.3 The charges related to the late payment surcharge in any month shall be recovered from the TSUs from the immediate next month bill i.e. late payment surcharge for M0 month shall be included in the monthly bill for the M1 month.

7.6 Payment disbursement of Intra-State Transmission charges

7.6.1 The State Transmission Utility (STU) shall be responsible for collection of the monthly charges from the Transmission System Users (TSUs) and the onward disbursement of the same to the individual transmission licensees.

7.6.2 Each transmission licensee shall raise the invoice to the State Transmission Utility (STU) for the recovery of the Transmission charges due from the *TSUs* of Intra State Transmission System (InSTS) in line with MERC approval within three working days from the last day of the billing month.

7.6.3 The payment received from the *TSUs* shall be disbursed amongst the transmission licensees as per the procedure through RTGS. Individual transmission Licensees shall be intimated about the transfer.

7.6.4 The settlement of Intra-State Transmission System charges shall be governed as per procedure and rules for settlement of Intra-State Transmission Charges approved by GCC and Commission.

7.7 Payment Security Mechanism

7.7.1 Letter of Credit:

7.7.1.1 The Transmission System User (TSU) shall provide an Irrevocable Revolving Letter of Credit (LC) for the full amount equivalent to one month Total Transmission Charge (TTSC) payable by the Transmission System User (TSU), preferably an average of last three months bill paid in favour of the State Transmission Utility (STU) with a term of one year but revolving for the full term of this arrangement. The terms and conditions of LC shall be as decided by the State Transmission Utility (STU) from time to time. Later the amount of LC shall be enhanced or reduced based on the average monthly billing for the Transmission System User (TSU).

7.7.1.2 The Letter of Credit shall be generally valid for the period starting from 1st July of the year to 30th June of next year.

7.7.1.3 In case of non-payment of monthly Transmission charges on or before due date by any Transmission system user, the letter of credit provided by him shall be encashed after 7 (seven) clear days from due date of payment. (i.e. if due date of payment is 14th of a month, the letter of credit shall be operated on 21st of that month in case of non-payment of bill and so)

7.7.1.4 The late payment surcharge as per Clause No.7.5 above for the delay in payment shall be included in the next month bill.

7.7.1.5 The Transmission System User (TSU) shall ensure to renew/re-establish the letter of credit (LC) before the date of its expiry.

7.7.1.6 In case of the encashment the letter of credit (LC) by the State Transmission Utility (STU) in instances of default by Transmission System User (TSU), it shall be the responsibility of the Transmission System User (TSU) to replenish/reinstate the letter of credit (LC) to the original level within 15 days of such encashment.

- 7.7.1.7 The letter of credit (LC) shall be opened in a scheduled Commercial Bank mutually agreed between the Transmission System User (TSU) and the State Transmission Utility (STU).
- 7.7.1.8 The amount for the letter of credit (LC) shall be reviewed periodically in the monthly Grid Coordination Committee (GCC) meeting by State Transmission Utility (STU) and changed in case of revision in the charges by MERC or change in the average billing of the State Transmission Utility (STU).
- 7.7.1.9 The above activity has to be completed by the Transmission System User (TSU) within seven days of intimation of the need for change in the amount of LC by the State Transmission Utility (STU).
- 7.7.1.10 All the costs associated with establishing, maintaining, operating and extension of validity, etc. of the LC shall be borne by the Transmission System User (TSU).

7.7.2 Bank Guarantee

The Open Access Consumer/Transmission System User shall be required to furnish a Security Deposit equivalent to 3 months average billing of the Transmission System usage corresponding to his capacity which includes full Intra-State Transmission charges in the form of permanent Bank Guarantee of a Scheduled Commercial Bank. The permanent Bank Guarantee shall remain valid for the period of Open Access with grace period of 3 months after completion of BG period.

8. HANDLING DEFAULT AND DISPUTES

The default in payment of monthly Transmission Charges bill by any of Transmission System User (TSU) and dispute if any in this regard shall be referred to Grid Co-ordination Committee (GCC) in the meeting held every month and shall be dealt with as per decision of Grid Co-ordination Committee (GCC).

9. OPEN ACCESS TRANSMISSION CAPACITY

Subject to existing allotted transmission capacity, the State Transmission Utility (STU) shall be free to allocate capacity in intra-State transmission system through open access to other Transmission System Users eligible for Open access as per Section 4 under the provisions of Maharashtra Electricity Regulatory Commission (Transmission Open Access) Regulations, 2005.

10. SAFETY RULES & PROCEDURES

- 10.1 Safety standards and procedures** shall be governed as per terms of Connection Agreement.

10.2 Emergency Work

10.2.1 If, by reason of an emergency arising in connection with and during the execution of the Agreement, any protective or remedial work is necessary as a matter of urgency to prevent damage to the Transmission System, the Transmission Licensee shall immediately carry out such work.

10.3 Watching and Lighting

10.3.1 The Transmission Licensee shall provide and maintain at its own expense all lighting, fencing, and watching when and where necessary for the proper maintenance/repair of the Transmission System, or for the safety of the owners and occupiers of adjacent property and for the safety of the public, during such maintenance/repair.

11. FORCE MAJEURE

11.1 A force majeure means any event or circumstance or combination of both including those stated below and on which the Affected Party has no control, that wholly or partly prevents or incapacitates the Affected Party in performing its obligations under this Agreement, even after the affected party having taken all reasonable care or it having complied with Acts and Regulations in force:-

11.1.1 act of God, including, but not limited to lightning, drought, fire and explosion, accident, terrorist activities like sabotage, explosion or criminal damage, strike at National or State level, earthquake, volcanic eruption, landslide, flood, cyclone, typhoon, tornado, war embargo, or exceptionally adverse weather conditions which are in excess of the statistical measures for the last hundred (100) years, or

11.1.2 Any act of war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy, blockade, embargo; or

11.1.3 Any event or circumstance of a nature analogous to any of the above.

11.2 The Affected Party shall give notice to the other Party of any event of force majeure as soon as reasonably practicable, but not later than seven (7) days after the date on which such Party knew or should reasonably have known of the commencement of the event of force majeure. If an event of force majeure results in a breakdown of communications rendering it not reasonable to give notice within the applicable time limit specified herein, then the Party claiming Force majeure shall give such notice as soon as reasonably practicable after reinstatement of communications, but not later than one (1) day after

such reinstatement. Such notice shall include full particulars of the event of force majeure, its effects on the Party claiming relief and the remedial measures proposed, and the Affected Party shall give the other Party regular (and not less than monthly) reports on the progress of those remedial measures and such other information as the other Party may reasonably request about the situation.

- 11.3** The Affected Party shall give notice to the other Party of (i) the cessation of the relevant event of force majeure; and (ii) the cessation of the effects of such event of force majeure on the performance of its rights or obligations under this Agreement, as soon as practicable after becoming aware of each of these cessations.
- 11.4** In case of force majeure conditions prevails more than 100 days both the parties may mutually agree to rescind/ defer the agreement or portion thereof which have been affected due to such force majeure conditions on such terms and conditions between the parties.
- 11.5** Available Relief for a force majeure event shall be limited to and extent that no Party shall be in breach of its obligations pursuant to this Agreement to the extent that the performance of its obligations was prevented hindered or delayed due to a force majeure event.

12. STATE ENERGY ACCOUNT

- 12.1** SLDC under Section 32 of the Electricity Act, 2003 is required to maintain the records of quantity of energy flowing through the State grid and shall issue monthly State Energy Account under MERC (Terms & Conditions of Tariff) Regulations, 2005 as well as the Balancing and Settlement code to be issued by the MSPC/SLDC as per the MERC order dated May 17, 2007 regarding implementation of the Intra-state Availability Based Tariff Framework in the state. All the parties agree to abide by the Monthly State Energy Account issued by SLDC for accounting losses and billing.
- 12.2** All the parties agree to furnish metering and other information for energy accounting, billing, settlement, loss determination purpose etc.

13. COMPLIANCE OF STATE GRID CODE AND SLDC DIRECTIONS

- 13.1** All the parties shall comply with the provisions of the State Grid Code approved by the Commission.
- 13.2** All the parties shall comply with the directions of the SLDC for ensuring integrated grid operations and for achieving the maximum economy and efficiency in the operation of the power system in the State. Scheduling procedure as given in the State Grid Code shall be complied with by TSU. All directions of the SLDC ensuring integrated

grid operations and for achieving the maximum economy and efficiency in the operation of the power system in the State shall be binding upon transmission system users (TSUs).

- 13.3 If any dispute arises with reference to the quality of electricity or safe and integrated operations of the State Grid or in relation to the directions of the SLDC, it shall be referred to the Commission for decision and pending decision of the Commission, the directions of the State Load Despatch Centre shall be complied with by Transmission Licensees and the TSU.

14. STATE TRANSMISSION LOSSES

- 14.1 The transmission losses for intra-State transmission system, as determined by SLDC and approved by the Commission are required to be borne by the Transmission System User pro-rata to their usage of intra- State transmission system.
- 14.2 The Transmission Licensee will make all attempts to maintain transmission losses in the transmission system close to the level specified by the Commission from time to time while approving its ARR/Tariff Orders.

15. CHANGE IN LAW

- 15.1 "Change in Law" means the occurrence of any of the following after the date of effectiveness of this agreement:
- 15.1.1 The enactment, bringing into effect, adoption, promulgation, amendment, modification or repeal, of any statute, decree, ordinance or other law, regulation, notice, circular, code, rule or direction by any Governmental Instrumentality or a change in its interpretation by a Competent Court of law, tribunal, government or statutory authority or any of the above regulations, taxes, duties charges, levies, etc., or
- 15.1.2 The imposition by any Governmental Instrumentality of any material condition in connection with the issuance, renewal, modification, revocation or non-renewal (other than for cause) of any Consent after the date of this Agreement. that in either of the above cases results in any change with respect to any tax or surcharge or cess levied or similar charges by the Competent Government on the generation or sale of electricity;
- 15.2 In the event of change in law as defined above, which affects Transmission Licensees then Transmission Licensees shall send a notice in writing to TSU regarding such event and all parties shall meet and endeavour to agree to an amendment to this agreement to pass on

the impact of such an event which shall be settled through a supplementary bill.

15.3 In the event of change in law as defined above, which affects TSU then TSU shall send a notice in writing to Transmission Licensees regarding such event and all parties shall meet and endeavour to agree to an amendment to this agreement to pass on the impact of such an event which shall be settled through a supplementary bill.

15.4 If within 90 (ninety) days after such notification, the parties are unable to reach agreement on such amendment, or in the event that an agreement to amend has been reached but no amendment has been executed within 30 (thirty) days after reaching of such agreement to amend, either party shall have the right to commence the dispute resolution procedures set forth in Clause 16 to determine or implement the appropriate amendment to this agreement.

16. DISPUTE RESOLUTION

All disputes between the parties herein arising out of or in connection with this Agreement shall be endeavored to be settled amicably through mutual discussions between the parties, failing which, the matter shall be referred to MERC.

17. TERMINATION

17.1 Transmission Licensee Events of Default

17.1.1 The occurrence and continuation of any of the following events shall constitute a Transmission Licensee Event of Default, unless any such Transmission Licensee Event of Default occurs as a result of a breach by *Generating Company/Distribution Licensee/Power Procurer (Transmission System User)*, of its obligation under this Agreement, a *Generating Company/Distribution Licensee/Power Procurer (Transmission System User)* Events of Default, a Force Majeure Event:

- i) The Material failure of Transmission Licensee to maintain the Transmission System in accordance with Act and Regulations in force;
- ii) If Transmission Licensee transfers or novates any of its obligations pursuant to this Agreement, in a manner contrary to the provisions of this Agreement;
- iii) The dissolution, pursuant to law, of the Transmission Licensee except for the purpose of a merger, consolidation or re-organisation that does not affect the ability of the resulting entity to perform its obligations under this Agreement and provided that such resulting entity expressly assumes such obligations;

- iv) Violation of any of the terms & conditions of Transmission License or revocation of Transmission License of the Transmission Licensee;

17.2 *Generating Company/Distribution Licensee/Power Procurer (Transmission System User), Events of Default*

17.2.1 The occurrence and continuation of any of the following events shall constitute a *Generating Company/Distribution Licensee/Power Procurer (Transmission System User)*, Event of Default, unless any such *Generating Company/Distribution Licensee/Power Procurer (Transmission System User)*, Event of Default occurs as a result of a breach by the Transmission Licensee of its obligations under this Agreement, a Transmission Licensee Event of Default or a Force Majeure Event;

- i) The dissolution, pursuant to Law, of *Generating Company/Distribution Licensee/Power Procurer (Transmission System User)*, or all, or a substantial portion of the assets or undertakings of *Generating Company/Distribution Licensee/Power Procurer (Transmission System User)*, unless such dissolution is in connection with the reorganization or restructuring and provided that (a) *Generating Company/Distribution Licensee/Power Procurer's (Transmission System User)*, successor expressly assumes the obligations under this Agreement and (b) is otherwise capable of performing the obligations of *Generating Company/Distribution Licensee/Power Procurer (Transmission System User)*, under this Agreement;
- ii) The transfer pursuant to Law of either the rights and/or obligations of *Generating Company/Distribution Licensee/Power Procurer (Transmission System User)*, hereunder or all, or a substantial portion of the assets or undertakings of *Generating Company/Distribution Licensee/Power Procurer (Transmission System User)*, unless such transfer is in connection with the reorganization or restructuring and the conditions set out in paragraphs (a) and (b) in i) above are satisfied;
- iii) *Generating Company/Distribution Licensee/Power Procurer (Transmission System User)*, is in breach of any of its Material obligations pursuant to this Agreement;
- iv) Non-payment of any amount due to Transmission Licensee; and
- v) *Generating Company/Distribution Licensee/ Power Procurer (Transmission System User)*, transfers or novates any of its obligations pursuant to this Agreement, in a manner contrary to the provisions of this Agreement.

17.3 Termination Procedure for Transmission Licensee Events of Default

- i) Upon the occurrence of a Transmission Licensee Event of Default, *Generating Company/Distribution Licensee/Power Procurer (Transmission System User)*, may serve notice on Transmission Licensee of its intention to terminate this Agreement (a "*Generating Company/Distribution Licensee/Power Procurer (transmission system user) Preliminary Termination Notice*") which notice shall specify in reasonable detail, the circumstances giving rise to such *Generating Company/Distribution Licensee/Power Procurer (Transmission System User)*, Preliminary Termination Notice.
- ii) Following the issue of a *Generating Company/Distribution Licensee/Power Procurer (Transmission System User)*, Preliminary Termination Notice, the parties shall consult for a period of up to two months (or such period as they may agree) (the "Notice Period") as to what steps shall be taken with a view to mitigating the consequences of the relevant event having regard to all the circumstances. Provided that during such period, the Transmission Licensee shall not remove any equipment or any part of the Project, without the prior written consent of *Generating Company/Distribution Licensee/Power Procurer (Transmission System User)*.
- iii) During any Notice Period, both parties shall, save as otherwise provided in this Agreement, continue to perform their respective obligations under this Agreement.
- iv) Within the period of fifteen days following the expiry of the Notice Period and unless the parties shall have otherwise agreed or the circumstances giving rise to *Generating Company/Distribution Licensee/Power Procurer (transmission system user) Preliminary Termination Notice* shall have ceased to exist or shall have been remedied, *Generating Company/Distribution Licensee/Power Procurer (transmission system user)* may terminate this Agreement by giving written notice ("*Generating Company/Distribution Licensee/Power Procurer (transmission system user) Termination Notice*") to the Transmission Licensee (with a copy to the STU) whereupon the STU is authorized to arrange for transfer of operating rights to any other licensee by a suitable competitive process.

17.4 Termination Procedure for *Generating Company/Distribution Licensee/Power Procurer (Transmission System User)*, Events of Default

- 17.4.1 Upon the occurrence of a *Generating Company/Distribution Licensee/Power Procurer (Transmission System User)*, Event

of default, the Transmission Licensee may serve notice on *Generating Company/ Distribution Licensee/Power Procurer (Transmission System User)*, of its intention to terminate this Agreement (a "Transmission Licensee Preliminary Termination Notice") which notice shall specify in reasonable detail the circumstances giving rise to such Transmission Licensee Preliminary Termination Notice.

17.4.2 Following the giving of a Transmission Licensee Preliminary Termination Notice, the parties shall consult for a period of up to two months (or such period as they may agree) (the "Notice Period") as to what steps shall be taken with a view to mitigating the consequences of the relevant event having regard to all the circumstances. Provided that in case of a Preliminary Termination Notice served under Clause 17.2.1, iii); the Notice Period shall be reduced to one month.

17.4.3 During any Notice Period, both parties shall, save as otherwise provided in this Agreement, continue to perform their respective obligations under this Agreement.

17.4.4 Within the period of fifteen days following the expiry of the Notice Period and unless the parties shall have otherwise agreed or the circumstances giving rise to the Transmission Licensee Preliminary Termination Notice shall have ceased to exist or shall have been remedied, Transmission Licensee may terminate this Agreement by giving written notice ("Transmission Licensee Termination Notice") to *Generating Company/Distribution Licensee/Power Procurer (Transmission System User)*, with a copy to STU. The STU is authorized to arrange for transfer of operating rights to any other licensee by a suitable competitive process.

17.5 Termination due to Force Majeure

17.5.1 In case the parties could not reach an agreement pursuant to Clause of this Agreement and the Force Majeure Event or its effects continue to be present, *Generating Company/Distribution Licensee/Power Procurer (Transmission System User)*, shall have the right to cause termination of the Agreement by giving a *Generating Company/Distribution Licensee/Power Procurer (Transmission System User)*, Termination Notice to the Transmission Licensee with a copy to STU in this regard. The Transmission Licensee shall also have the right to cause termination of the Agreement by giving a Transmission Licensee Termination Notice to *Generating Company/Distribution Licensee/Power Procurer (transmission system user)* with a copy to STU in this regard.

18. CONNECTION AGREEMENT

- 18.1 All the parties shall enter into a Connection Agreement for access and use of intra-state transmission system with Transmission Licensee pursuant to State Grid Code Connection Conditions.
- 18.2 Connection Agreement among other shall include the following terms and conditions relating to the connection of TSU Point of injection and Point of drawl with Transmission System of Transmission Licensee.
- (a) Provisions relating to compliance of the State Grid Code;
 - (b) Inter-Connection Points, details of connections, equipment at connection point of all the parties;
 - (c) Technical requirements for connected equipment and commercial arrangements;
 - (d) Details of any capital expenditure arising from necessary reinforcement or extension of the Transmission system, data communication etc and demarcation of the same between the Transmission Licensee and TSU ;
 - (e) Site Responsibility Schedule(s);
 - (f) General philosophy and guidelines on protection;
 - (g) Protection systems;
 - (h) System recording instruments;
 - (i) Communication facilities; and
 - (j) Any other information considered appropriate by the parties or directed by the STU or the Commission.

All the parties agree to sign the Connection Agreement in the format of Model Connection Agreement specified by STU as per requirement of SGC Regulation 2006.

19. MISCELLANEOUS PROVISIONS

19.1 Amendments

This agreement after execution will be forwarded to MERC for approval. All the parties shall agree to amend this executed agreement as per the additions / deletions / modifications recommended by MERC.

19.2 Successors and Assignees

This Agreement shall be binding upon, and inure to the benefit of the parties and their respective successors and permitted assignees.

19.3 Notices

19.3.1 Save as otherwise expressly provided in this Agreement, all notices, or other communications which are required or permitted under this agreement shall be in writing and shall be deemed to have been duly served if delivered personally or sent by registered post or certified mail, fax or E-mail (if, followed by written confirmation) at the usual business address of the parties herein as follows,

1) Maharashtra State Electricity Distribution Company Limited

Address : Plot G-9, Dr. Anant Kanekar Marg, 'Prakshgad',
Bandra (East), Mumbai – 400 051
Attention : Shri. A. S. Chavan, Chief Engineer (Power Purchase)
Fax No : 022 2658 0645
Telephone No : 022 2647 4211

2) Maharashtra State Electricity Transmission Company Limited

Address : 'Prakashganga', Plot No. C-19, E-Block, Bandra Kurla
Complex, Bandra (East), Mumbai – 400 051
Attention : Shri. Shrikant. Rajurkar, Chief Engineer (Trans O&M)
Fax No : 022 2659 8587
Telephone No : 022 2659 0808

3) Jaigad PowerTransco limited :

Address : Jindal Mansion, 5A. Dr. G. Deshmukh Marg,
Mumbai – 400 026
Attention : Shri. Navraj Singh, Managing Director
Fax. No. : 022 43437675
Telephone No. : 022 43437671

19.3.2 All notices or communications given by fax shall be confirmed by depositing a copy of the same in the post office in an envelope properly addressed to the appropriate party for delivery by registered or certified mail. All Notices shall be deemed delivered upon receipt.

19.3.3 Any party may by notice of at least fifteen (15) days to the other party change the address and/or addresses to which such notices and communications to it are to be delivered or mailed.

19.4 Compliance and Notification

If any provision of this Agreement shall be in deviation of, inconsistent with or repugnant to the provisions contained in the Electricity Act, 2003, such provision shall be deemed to be amended to the extent required to bring it into compliance with the relevant provisions of the Electricity Act, 2003 as amended from time to time.

IN WITNESS WHEREOF, THE PARTIES HAVE CAUSED THIS AGREEMENT TO BE EXECUTED BY THEIR REPRESENTATIVE / DULY AUTHORISED OFFICERS AS OF THE DATE SET FORTH ABOVE.

Signed on behalf of
MSEDCL

Signed on behalf of
MSETCL

Signed on behalf of
JPTL

WITNESSES:

1.

2.

3.

SCHEDULE 1: DEFINITIONS

In this Agreement, unless the context otherwise requires:

"Availability" shall have the meaning as in Clause 7 of this Agreement;

"Commission" or **"MERC"** means Maharashtra Electricity Regulatory Commission of India constituted under "The Electricity Regulatory Commissions Act, 1998 and operating under the Electricity Act, 2003, and any successors which fulfill the same role;

"Connection Agreement" means Connection Agreement as described in MERC Grid Code and IEGC.

"STU" means State Transmission Utility as referred to in the Electricity Act, 2003 which is MSETCL as specified by Government of Maharashtra.

"Day" means Calendar day of Gregorian calendar;

"Effective Date" means 1st September 2010.

"Act" or **"Electricity Act"** means the Electricity Act, 2003 as amended from time to time;

"Rules" or **"Electricity Rules"** means the rules and regulations pursuant to Electricity Act as amended from time to time;

"Equipment" means all plants, facilities, equipment, machinery, tools, apparatus, appliances or things of every kind required in or for installation, completion and maintenance of Project that are to be arranged by the Transmission Licensee, but does not include equipment, or other things intended to form or forming part of the Project;

"Event of Default" means the event as defined in clause 18;

"Financial year" means period of 12 (twelve) months at midnight Indian Standard Time (IST) between first April and thirty first March;

"Force Majeure" this term has the meaning assigned hereto in clause 12

"Force Majeure Event" this term has the meaning assigned hereto in clause 12

"Law or Laws" shall mean and include laws, ordinances, statutes, rules, Notifications & directives, regulations, judgements, decrees, injunctions, orders and stipulations enacted or issued by any Indian Governmental Instrumentality;

"Month" means calendar month of Gregorian Calendar;

"Notification" means any notification, issued in the Gazette of India;

“**Site**” means the land and other places upon which the Project is to be established and such other land or places as may be required to set up the Project;

“**Tariff**” means the transmission tariff payable to Transmission Licensee as may be determined by MERC from time to time;

“**Tariff Order**” shall mean the order of Maharashtra Electricity Regulatory Commission to determine the transmission tariff based on (Terms and Conditions of Tariff) Regulations, 2005;

“**Tax**” means any Indian tax, duty, surcharge, cess, octroi, impost or levy of any nature (whether central, state or local) whatsoever and wherever and whenever charged, levied or imposed by any Indian Governmental Instrumentality together with interest and penalties in relation thereto;

“**Termination Notice**” means a *Generating Company/Distribution Licensee/Power Procurer (transmission system user)* Termination Notice or *Transmission Licensee* Termination Notice, as the case may be;

“**Transmission Development Agreement**” means the Agreement so entitled entered into, or to be entered into, between *Generating Company/Distribution Licensee/Power Procurer (transmission system user)* and the Transmission Licensee in the Agreed Form;

“**Transmission License**” or “**License**” means the authority to be granted by MERC to act as licensee for the Transmission System;

“**Transmission Licensee**” or “**Licensee**” means the entity to whom the Transmission License is granted by MERC;

“**Transmission system**” means the ownership, development, design, financing, procuring, engineering, insuring, construction and commissioning of all phases of the transmission line in Intra-State Transmission System;

“**Transmission capacity rights**” means the right of a transmission system user to power transfer in MW, under normal circumstances, between such points of injection and drawal as may be set out in Bulk Power Transmission Agreement;

“**Transmission system user**” or “**TSU**” means a person who has been allotted transmission capacity rights to access an intra-state transmission system pursuant to a Bulk Power Transmission Agreement, except as provided in Regulation 5.1 of MERC (transmission open access) regulations, 2005;

SCHEDULE 2: INTERPRETATION

Any reference in this Agreement to:

“Agreement” shall be construed as including a reference to its Schedules, Appendices and Annexure;

a **"person"** shall be construed as a reference to any person, firm, company, corporation, society, trust, government, state or agency of a state or any association or partnership (whether or not having separate legal personality);