

**JAMMU & KASHMIR STATE ELECTRICITY REGULATORY
COMMISSION**

OPEN ACCESS REGULATION

Notification

No.6/JKSERC/2006 Jammu dated January 25, 2006

In exercise of the powers conferred by Sections 8(1) (d) and 36 of the Jammu and Kashmir State Electricity Regulatory Commission Act 2000, the Jammu and Kashmir State Electricity Regulatory Commission, makes the following Regulations:-

1. Short Title, Commencement and extent of application

- (i) These Regulations may be called the Jammu and Kashmir State Electricity Regulatory Commission (Open Access in Intra-state Transmission and Distribution) Regulations, 2006
- (ii) These Regulations shall come into force from the date of their publication in the Official Gazette.
- (iii) These Regulations shall apply to Open Access Customers for use of intra-State transmission system and/ or the distribution systems of utilities/licensees in the State, including when such system is used in conjunction with inter-State transmission system.

2. Definitions and Interpretations

(i) Definitions

In these Regulations, unless the context otherwise requires, -

- (i) "Act" means the Jammu and Kashmir State Electricity Regulatory Commission Act, 2000.

- (ii) "Commission" means Jammu and Kashmir State Electricity Regulatory Commission.
- (iii) "consumer" means any person who is supplied with electricity for his own use by a licensee or a utility or by any other person engaged in the business of supplying electricity to the public under the Jammu and Kashmir State Electricity Act Svt 1997 or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a licensee, the utility or such other person, as the case may be.
- (iv) "Captive generating plant" means a power plant set up by any person to generate electricity primarily for his own use and includes a power plant set up by any co-operative society or association of persons for generating electricity primarily for use of members of such co-operative society or association;
- (v) "Distribution licensee" means a licensee authorized to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply;
- (vi) "Distribution system" means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumer;
- (vii) "Existing beneficiary" means a person who is a user of the transmission / distribution network on the date of coming into force of these Regulations either as a generator or transmission licensee or distribution licensee or deemed licensee or other wise permitted to its use.
- (viii) "Electricity trader" means a person who has been granted a licence to undertake trading in electricity.
- (ix) "Electricity" means electrical energy;

- (a) generated, transmitted, supplied or traded for any purpose; or
 - (b) used for any purpose except the transmission of a message;
- (x) “Grid Code” means the Jammu and Kashmir State Electricity Grid Code specified by the Commission and the expression includes the Indian Electricity Grid Code specified by the Central Electricity Regulatory Commission.
- (xi) “Generating company” means any company or body corporate association or body of individuals, whether incorporated or not, or artificial juridical person, which owns or operates or maintains a generating station;
- (xii) “Inter-State transmission system” includes—
- (a). Any system for the conveyance of electricity by means of main transmission line from the territory of one State to another State;
 - (b). The conveyance of electricity across the territory of an intervening State as well as conveyance within the State which is incidental to such inter-State transmission of electricity;
 - (c). The transmission of electricity within the territory of a State on a system built, owned, operated, maintained or controlled by a Central Transmission Utility;

- (xiii) "Intra- State transmission system" means any system for transmission of electricity other than an inter- State transmission system;
- (xiv) "Nodal agency" means the nodal agency defined in Regulation 9(a) of these Regulations.
- (xv) "Open access" means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any utility/licensee or consumer or a person engaged in generation in accordance with the Regulations specified by the Commission;
- (xvi) "Open access user" or open access customer means anyone permitted by the Commission to receive supply of electricity from a person other than distribution utility/licensee of his area of supply, or a generating company (including captive generating plant) or and a utility/licensee, who has availed of or intends to avail of open access.
- (xvii) "Premises" includes any land, building or structure;
- (xviii) "State" means the Jammu and Kashmir State.
- (xix) "State Transmission Utility" means the utility or any Government company specified as such by the State Government .
- (xx) "Supply" in relation to electricity, means the sale of electricity to a utility, a licensee or consumer;
- (xxi) "Trading" means purchase of electricity for resale thereof and the expression "trade" shall be constructed accordingly;
- (xxii) "Transmission lines" means all high pressure cables and overhead lines (not being an essential part of the distribution system of a utility/licensee) transmitting

electricity from a generating station to another generating station or a sub-station, 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;

- (xxiii) “Transmission licensee” means a licensee authorized to establish or operate transmission lines;
- (xxiv) “Transmit” means conveyance of electricity by means of transmission lines and the expression “transmission” shall be constructed accordingly;
- (xxv) “Utility” means any person or entity engaged in the generation, transmission, sale, distribution or supply as the case may be, of energy.
- (xxvi) “Wheeling” means the operation whereby the distribution system and associated facilities of a transmission utility/licensee or distribution utility/licensee, as the case may be, are used by another person for the conveyance of electricity on payment of charges.
- (xxvii) “Works” includes electric supply line(s) and any building, plant machinery, apparatus and any other thing of whatever description required to transmit, distribute or supply electricity and to carry into effect the objects of a utility/licensee or sanction granted under this Act or J & K Elect. Act Svt. 1997 or any other law for the time being in force.

Words and expression used and not defined in these Regulations shall have meaning respectively assigned to them in the Jammu and Kashmir Electricity Act Svt. 1997, or the Jammu and Kashmir Electricity Duty Act 1963 or the Jammu and Kashmir State Electricity Regulatory Commission Act. 2000. Expressions used herein but not

specifically defined in these Regulations or in these Acts but defined under any law passed by the State legislature and applicable to the electricity industry in the State shall have the meaning assigned to them in such law. Expressions used herein but not specifically defined in the Regulations or in these Acts or any law passed by the State legislature shall have the meaning as is generally assigned in the electricity industry.

(ii) Interpretation

In the interpretation of these Regulations, unless the context otherwise requires:

- a) words in the singular or plural term, as the case may be, shall also be deemed to include the plural or the singular term, respectively;
- b) the terms “include” or “including” shall be deemed to be followed by “without limitation” or “but not limited to” regardless of whether such terms are followed by such phrases or words of like import;
- c) references herein to the “Regulations” shall be construed as a reference to these Regulations as amended or modified by the Commission from time to time in accordance with the applicable laws in force;
- d) the headings are inserted for convenience and may not be taken into account for the purpose of interpretation of these Regulations;
- e) references to the statutes, Regulations or guidelines shall be construed as including all statutory provisions consolidating, amending or replacing such statutes, Regulations or guidelines, as the case may be, referred to.

3. ELIGIBILITY FOR OPEN ACCESS AND CONDITIONS TO BE SATISFIED.

- i. Subject to the provisions of these Regulations, open access customers/users shall be eligible for open access to the intra-State transmission of the State Transmission Utility or any other transmission utility/licensee and intra-State distribution system of the State Distribution Utility/Licensee or any other distribution licensee.
- ii. Such open access shall be available for use by an open access customer/user on payment of such charges as may be determined by the Commission in accordance with regulations framed for the purpose.
- iii. A person having been declared insolvent or bankrupt or having outstanding dues against him for more than two months billing of transmission or distribution utility/licensee at the time of application shall not be eligible for open access.
- iv. In the case of a person, to whom open access has already been allowed, is declared insolvent or bankrupt or is having outstanding dues for more than two months billing of transmission or distribution utility/licensee, he shall not be eligible for open access from the day he is adjudged as insolvent or bankrupt or failed to clear the amount outstanding for more than two months billing.

4. Categorisation of Transmission / Distribution Open Access Users

- (i) The transmission / distribution open access users shall be divided into two categories, namely: -
 - (a) Long-term open access users, and
 - (b) Short-term open access users.

- (ii) The persons availing or intending to avail access in case of intra-state transmission or distribution system for a period of five (5) years or more shall be the long-term open access users.

Provided that the existing beneficiaries of an intra-State transmission and distribution system owned or operated by the State Transmission Utility and distribution utility/licensee respectively shall be deemed to be the long-term open access users of the particular system and the application fee schedule according to Regulation 11 (a) (iii) shall not apply for them.

- (iii) The open access users other than the long-term open access users shall be the short-term open access users.

Provided that the maximum duration for which the short-term access is allowed at a time shall not exceed one year.

Provided further that the short-term open access user shall be eligible and re-eligible to obtain fresh reservation after expiry of his term.

5 Special provision for existing transmission open access customers.

- i. The existing beneficiaries of the intra-State transmission /distribution system in the State under an existing agreement, or arrangement, shall be entitled to continue to avail the open access on the terms and conditions applicable to them as before for the period of the existing agreement or arrangement, subject to the payment of the transmission charges, wheeling charges and the

applicable surcharges and such other charges as may be determined by the Commission from time to time;

Provided that the existing beneficiaries availing open access shall submit to the nodal agency, the details of capacity utilized, point of injection, point of drawal, duration of availing open access, peak load, average load or such other information as the nodal agency may require, within 270 days from the notification of these Regulations.

- ii. The nodal agency shall ensure continued availability of transmission and /or distribution capacity as applicable to the existing beneficiaries under the existing agreement:

Provided that the issues not forming the part of the existing agreement shall be regulated by these Regulations.

6. Criteria for Allowing Long-term and Short-term Open Access

- (i) Long-term open access shall be allowed in accordance with the transmission-planning criterion stipulated in the Grid Code.
- (ii) Short-term open access shall be allowed, if the request for open access can be accommodated by utilizing: -
 - a) Inherent design margins
 - b) Margins available due to variation in power flows; and
 - c) Margins available due to in-built spare transmission capacity created to cater to future load growth.

7. Allotment priority

- (i) Allotment priority of a long-term open access user shall be higher than reservation priority of a short term open access user. The priority for allowing long term open access shall be decided on the following criteria:
 - a. Distribution licensee for long term.
 - b. Other open access customers for long term

Subject to the above clauses the decision for allowing long term open access shall be based on the basis of first cum first served. Two or more applications received on the same day shall be treated equally as if received at the same time.

- (ii) The decision for allowing short term open access shall be based on the basis on first-cum-first served method at a given point of time, if the capacity sought to be reserved by the open access users is less than the available capacity at that point of time and each short-term open access user shall pay the transmission or wheeling charges in accordance with Regulation 12.

- (a) In case of short term access, if the capacity sought to be reserved by the open access users is more than the available capacity at that point of time, the State Load Dispatch Center (SLDC) concerned shall invite snap bids through fax/e-mail.
- (b) The floor price for the bidding shall be the price determined in accordance with Regulation 12.
- (c) The bidders shall quote price in terms of percentage points above the floor price.

- (d) The reservation of capacity will be made in decreasing order of the price quoted.
- (e) In case of equal price, (capacity being short), the reservation of capacity shall be made pro-rata to the capacity sought.
- (f) The open access user getting reservation for a capacity less than the capacity sought by him shall pay charges for the capacity allotted at the rate quoted by him.
- (g) The State Load Dispatch Center shall, within 90 days, formulate a detailed procedure for reservation of transmission and distribution capacity to short-term open access users, including the detailed procedure for bidding.

8. Declaration of existing Long Term Transmission and Distribution Open Access Customers.

- i. Within a category (long-term or short-term), there shall be no discrimination between open access users and self-use by an integrated entity.
- ii. The transmission/distribution utilities/licensees shall declare existing long-term open access users using their system (including self-use and use by unbundled agencies which were previously integrated) either on their own website or on the website of the State Load Dispatch Centre within 270 days from the date of notification of these Regulations. All future requests for use of the transmission and distribution system shall be handled in accordance with these Regulations.

- 9. (a) Nodal Agency for arranging open access.**
- (i) The nodal agency for arranging the long-term open access within the State shall be the State Transmission Utility (STU).
 - (ii) The nodal agency for the short-term open access within the State shall be the State Load Despatch Centre.
 - (iii) The nodal agencies i.e. STU and SLDC shall be responsible for the implementation of these Regulations and shall act under the supervision and control of the Commission for the purpose.

10. Guidelines

The State Transmission Utility in consultation with State Load Dispatch Center, transmission utility/licensee and distribution utility/licensee shall draft and submit to the Commission for approval within 90 days of notification, the guidelines and procedures for un-scheduled interchange and other matters that, according to these Regulations, require guidelines.

11. Procedure to avail open access.

(a) Procedure for Long-Term Open Access User

- (i) An application for long-term open access shall be submitted to the concerned nodal agency in the format prescribed in Annexure-I along with commitment letter from the supplier, details of terminal beneficiary and the agreement etc.
- (ii) The application shall contain the details, such as capacity needed, point(s) of injection, point(s) of drawal, duration of availing open access, peak load, average load and such other additional information that may be specified by the nodal agency:

- (iii) The application shall be accompanied by a non-refundable application fee of fifty thousand rupees payable in the name and in the manner laid down in the guidelines and procedures for open access in transmission and distribution.
- (iv) Based on system studies conducted in consultation with other agencies involved, including other transmission and distribution licensees, the nodal agency shall, within 30 days of receipt of the application, intimate to the applicant whether or not the long-term access can be allowed without further system strengthening:

Provided that where the long-term open access can be allowed without further system strengthening, this shall be allowed immediately after entering into commercial agreements.

- (v) If, in the opinion of the nodal agency, further system strengthening is essential before providing the long-term access, the applicant may request the nodal agency to carry out the system studies and preliminary investigation for the purpose of cost estimates and completion schedule for system strengthening;
- (vi) The nodal agency shall carry out the studies immediately on receipt of request from the applicant under clause (v) and intimate results of the studies within 90 days of receipt of request from the applicant. The applicant may request the STU for appropriate action on the result of the study.
- (vii) The applicant shall reimburse the actual expenditure incurred by the nodal agency for carrying out the system studies and preliminary investigation for the purpose of

cost estimates and completion schedule for system strengthening.

Provided that the fee of rupees fifty thousand paid by the applicant shall be adjusted against the actual expenditure to be reimbursed by the applicant

- (viii) The Commission may, at its own discretion or on the recommendation of the nodal agency, under take such other studies as it may consider necessary for the development of the open access at a cost to be incurred by the transmission utility/licensee, which may be allowed as a pass through while determining their ARR.

(b) Exit Option

- (i) A long-term open access user shall not relinquish or transfer his rights and obligations specified in the open access Transmission / Distribution Agreement, without prior approval of the Commission.
- (ii) The relinquishment or transfer of rights and obligations by a long-term open access user shall be subject to payment of compensation, as may be determined by the Commission.

(c) Procedure for Short-Term Open Access User

- (i) A short-term open access user shall submit an application for transmission/distribution access to the State Load Despatch Centre in

the format prescribed in Annexure-I along with commitment letter from the supplier, details of terminal beneficiary and the agreement etc.

- (ii) The application shall contain the details such as capacity needed, point(s) of injection, point(s) of drawal, duration of availing open access, peak load, average load and such other additional information that may be specified by the State Load Despatch Centre;
- (iii) The application shall be accompanied by a non-refundable application fee of five thousand rupees payable in the name and in the manner (to be laid down in guidelines and procedures for open access in transmission and in distribution)
- (iv) The reserved capacity shall not be transferred by a short-term open access user to any other open access user.

(d) Determination of capacity availability for open access.

- (i) The availability of capacity in the intra-State transmission/distribution system including existence or absence of operational constraints affecting open access being allowed shall be determined by the nodal agency in consultation with other agencies involved and also after considering the submissions laid by the transmission utility/licensees and the person seeking the open access.
- (ii) In the event of any dispute in the matter of operational constraints in transmission /

distribution system on the determination of the capacity under (i) above, the same shall be referred by the nodal agency to the Commission for its decision.

- (a) The Commission may, while deciding the dispute under sub-regulation(ii) or otherwise, by a general or special order made from time to time, lay down the conditions to be complied with by the person seeking open access and the open access shall be allowed only subject to the due satisfaction of such conditions.
- (b) The conditions to be satisfied may include construction, operation or maintenance of dedicated electric lines or works from the sub-stations or feeder lines or undertaking such other works as the Commission may decide as necessary to allow open access without operational constraints

(e) Non-Utilisation of Reserved Transmission Capacity by Short-Term Open Access User

- (i) In case a short-term open access user is unable to utilise, full or substantial part of the reserved capacity, it shall inform the State Load Despatch Centre along with reasons for his inability to utilise the reserved capacity and may surrender the reserved capacity;
- (ii) The State Load Despatch Centre may reduce or cancel the reserved capacity of a short-term open access user when such a short-

term open access user frequently under-utilises the reserved capacity:

Provided that the reserved capacity shall not be reduced or cancelled without a prior notice to the short term open access customer whose reserved transmission/distribution capacity is to be reduced or cancelled.

(iii) The short-term user, who has surrendered the reserved capacity under clause (i) or whose reserved capacity has been reduced or cancelled under clause (ii), shall bear the transmission / wheeling charges and the scheduling and system operation charge based on the original reserved transmission capacity for seven days or the period of reservation surrendered or reduced or cancelled, as the case may be, whichever period is shorter.

(iv) The capacity available as a result of surrender or reduction or cancellation of the reserved capacity by the State Load Despatch Centre under clause (i) or clause (ii) above, may be reserved for any other short-term open access user in accordance with these Regulations.

(f) Open Access Agreement

(i) An open access customer shall enter into an agreement with the transmission utility/licensee, distribution utility/licensee, generator, traders and others, as applicable and fulfill other conditions as laid down under these Regulations.

- (ii) The agreement shall provide, amongst other things for the eventuality of premature termination of agreement and its consequences on the contracting parties.
- (iii) After agreements have been entered into and copies furnished to State Load Dispatch Centre, the State Load Dispatch Centre shall inform the open access user the date from which open access will be available which will not be later than 3 days from the date of furnishing of agreements.
(Model form of agreement is as per Annexure-II.

12. Open Access Charges

The following open access charges shall be payable by open access users. These charges will be determined and notified by Commission from time to time through separate orders.

The charges for open access shall consist of one or more of the following charges:

(A) Transmission / Distribution (Wheeling) Charges

The charges for use of the system of the licensee for intra-state transmission or distribution except intervening transmission facilities shall be regulated as under, namely:-

- (i) The annual charges shall be determined by the Commission in accordance with the terms and conditions of tariff notified by the Commission from time to time and after deducting the adjustable revenue from the short-term users, these charges shall be shared by the long-term users;

- (ii) (a) The charges payable by a short-term users shall be calculated in accordance with the following methodology:

$$\text{ST RATE} = 0.25 \times [\text{TSC} / \text{Av CAP}] / 365$$

Where:

ST RATE is the rate for short-term open access user in Rs per MW per day.

"TSC" means the Annual Transmission / Distribution Charges of the transmission or distribution utility/licensee for the previous financial year as determined by the Commission.

"Av CAP" means the average capacity in MW served by the system

The capacity of the transmission utility/licensee in the previous financial year and shall be the sum of the generating capacities connected to the transmission system and contracted capacities of other transactions handled by the system of the transmission licensee.

The capacity of the distribution utility/licensee in the previous financial year shall be the sum of the distributed load for the licensee.

- (b) The transmission/distribution (wheeling) charges payable by a short-term open access user in case of un-congested transmission corridor shall be levied as under, namely:-

(1) Up to 6 hours in a day in one block: 1/4th of ST RATE

(2) More than 6 hours and up to 12 hours in a day in one block: 1/2 of ST RATE

(3) More than 12 hours and upto 24 hours in a day in one block: equal to ST RATE

(c) Every utility/licensee shall declare rate in Rs per MW per day, which shall remain fixed for a period of one year:

Provided further that where reservation of capacity has been done consequent to bidding in the manner specified in Regulation 7, the ST RATE shall be taken as the floor price for bidding.

(iii) 25% of the charges collected from the short-term open access user shall be retained by the utility/licensee and the balance 75% shall be adjusted towards reduction in the charges payable by the long-term open access users.

(iv) The rates, charges and terms and conditions for providing the use of intervening transmission facilities would be mutually decided by the utilities/licensees. Provided that any dispute on the extent of surplus capacity available or disagreement on the rates, charges and terms and conditions, shall be adjudicated upon by the Commission. However the rates, charges and terms and conditions shall be fair and reasonable and may be allocated in proportion to the use of such facilities.

(B) Cross-Subsidy Surcharge

In addition to transmission charges and wheeling charges, a consumer availing open access to the transmission system/distribution system shall pay a cross-subsidy surcharge.

The open access users, except those availing open access facility to transfer power from their captive generating plants to the destination of own use, shall pay the cross-subsidy surcharge to the distribution utility/licensee of their area, as determined by the Commission from time to time.

The amount of surcharge shall be so calculated as to meet the current level of cross subsidy from that category of consumers and shall be paid to the distribution utility/licensee of area of supply where the consumer is located.

Such surcharge and cross subsidies shall be progressively reduced and eliminated by the Commission.

(C) Additional Surcharge

- (i) A consumer availing open access and receiving supply of electricity from a person other than the distribution utility/licensee of his area of supply shall pay to the distribution utility/licensee an additional surcharge, in addition to wheeling charges and surcharge, to meet the fixed cost of such distribution utility/licensee arising out of his obligation to supply.
- (ii) Such additional surcharge shall be as specified by Regulations by the Commission. Each distribution

utility/licensee shall submit to the Commission details of fixed costs, which the utility/licensee is incurring towards his obligations to supply within 30 days.

- (iii) The Commission shall scrutinize the statement of account submitted by the utility/licensee and obtain objections, if any, of the consumer and determine the amount of additional surcharge payable by the consumer.
- (iv) The additional surcharge shall be leviable for such period as the Commission may determine but not normally exceeding one year.

(D) Scheduling and System Operation Charges

- (i) The scheduling and system operation charges payable to State Load Despatch Centre by long-term open access users shall be same as determined by the Commission.
- (ii) The scheduling and system operation charges of rupees one thousand per day or part of the day shall be paid by a short-term open access user to State Load Despatch Centre
- (iii) The scheduling and system operation charges collected by the State Load Despatch Centre in accordance with clause (b) above shall be in addition to charges determined by the Commission. These will be however adjusted in the subsequent ARR of SLDC.

Explanation

Scheduling and system operation charges shall be payable by a supplier as well as his consumer availing open access under these Regulations.

(E) Reactive Energy Charges

The payment for the reactive energy charges for the open access user shall be calculated in accordance with the scheme approved by the Commission from time to time.

Reactive energy drawals and injections by the open access customers shall be governed by the Regulations applicable within the state.

(F) Restoration Charges.

Any default in payment of the various charges within the time stipulated by the Commission will result in the discontinuance of the open access to the customer. Restoration of such discontinuance shall be subject to the payment of restoration charges and other restoration conditions to be determined by the Commission separately and from time to time.

(G) Any other charges as may be specified by the Commission from time to time shall be payable by the open access user.

13. UI Charges under Intra-State Availability Based Tariff (ABT)

The commercial settlement of Unscheduled Interchange charges (UI charges) under Intra-State ABT shall be done according to the Inter-State ABT being followed for inter-State transactions with the following, additions/variation.

(i) A consumer opting for open access shall continue to be treated according to the rules applicable to a normal consumer in the equivalent category of the distribution utility/licensee. Thus he will be penalized for deviating from his scheduled drawl which may be detrimental to the grid either by way of frequency or voltage of the grid. At the same time he will not be paid any UI charges for changing his schedule even if it be helpful to the grid.

- (ii) Generating Stations with a total capacity above 15 MW shall be regulated as follows according to CERC stipulations to avoid gaming.:
 - (a) Any generation up to 105% of the declared capacity in any time block of 15 minutes and aggregated averaging up to 101% of the average declared capacity over a day shall not be construed as gaming, and the generator shall be entitled to UI charges for such excess generation above the declared capacity scheduled generation (SG).
 - (b) For any generation beyond the prescribed limits, the State Load Despatch Centre shall investigate so as to ensure that there is no gaming, and if gaming is found by the State Load Despatch Centre, the corresponding UI charges due to the generating station on account of such extra generation shall be reduced to zero and the amount shall be adjusted in UI account of beneficiaries in the ratio of their capacity share in the generating station.

14. Security Deposit and Other Commercial Conditions

- (i) As a payment security towards charges for open access of more than 3 months, a deposit equal to 3 months of the average billing on the basis of agreed contract demand or scheduled drawal shall be maintained with the State Transmission Utility.
- (ii) As a payment security towards SLDC charges for open access of more than 3 months, a deposit equal to 3 months of the SLDC charges shall be maintained with the State Load Dispatch Centre.
- (iii) As a payment security for open access of more than 3 months towards wheeling charges, surcharge and

additional surcharge, a deposit equal to 3 months of average billing for these charges shall be maintained with the distribution utility/licensee of the area of supply.

Provided that for open access less than 3 months, payment security shall be advance payment for the duration of the open access.

In the case of Day-ahead/Same-day transaction, the advance payment of transmission charges, wheeling charges, operating charges, other charges (if any) and the application fee shall not be insisted upon and these payments can be made within three (3) working days of making application.

- (iv) Such security could be in form of cash deposit, letter of credit etc. However for open access less than 3 months, such security shall be only in form of cash deposit.
- (v) Other commercial conditions for transmission & wheeling charges and scheduling and system operation charges, such as, terms of payment, creditworthiness, indemnification, and force majeure conditions shall be standardised within 60 days by the State Transmission Utility for long-term open access user and by the State Load Despatch Centre for the short-term open access users.
- (vi) The collection and disbursement of the UI charges and the reactive energy charges shall be governed in accordance with the procedure and methodology to be specified by the Commission from time to time.

15. Energy losses

The open access user shall bear average energy losses in the transmission and / or distribution system in proportion to its drawal as specified by the Commission.

The loss in the transmission and / or distribution system shall be compensated by additional injection at the injection point(s). The information regarding average energy losses for the previous fifty two weeks shall be posted on the web-site of the State Load Despatch Centre. Fortnightly average transmission losses in the system on all open access customers would need to be monitored by the SLDC. In case of distribution open access the utility/licensee shall estimate the losses in the HT system. These losses as approved by the Commission shall be borne by the open access customer. Progressively these losses shall be calculated using scientific method and the same shall be borne by the open access customer after it is approved by the Commission.

16. Special Energy Meter

- (i) The open access user shall provide ABT compatible Special Energy Meter as Main Meter capable of time differentiated measurements (15 minutes) of active energy and voltage differentiated measurement of reactive energy as may be specified by the STU or SLDC which shall be according to the Metering Code as may be specified by Central Electricity Authority based on voltage, point and period of supply and tariff category.

The term 'meter' shall include current transformer, voltage/potential transformers, wiring between them and meter box/panel.

- (ii) Main meters shall always be maintained in good condition and shall be open for inspection by any person authorised by the nodal agency.

- (iii) The concerned utility/licensee may provide check meters of the same specifications as main meters.
- (iv) The main and check meters shall be periodically tested and calibrated by the concerned utility/licensee in the presence of other party involved. Main and check meters shall be sealed by both parties. Defective meter shall be replaced immediately.
- (v) Reading of main and check meters shall be taken periodically at appointed day and hour jointly by authorized officer(s) of the concerned utility/licensee, the generator and the open access user or his representative, as the case may be. Meter reading shall be communicated to SLDC, the open access user and the generating company or trader, as the case may be, by the utility/licensee, within 12 hours of meter reading.

In case of any of the concerned parties is not available for joint meter readings at the specified time, the meter reading taken by other party shall be considered valid.
- (vi) Readings of the check meters shall be considered when main meters are found to be defective or stopped. Both the main meter and check meter shall be tested for accuracy if difference between the readings of main and check meters vis-à-vis main meter reading exceed twice the percentage errors permissible for relevant accuracy class. The meter found defective shall be replaced immediately.
- (vii) If during the test checks or otherwise, both the main meters and the corresponding check meters are found to be beyond permissible limits of error as per the IS specifications, both the meters shall be immediately calibrated and the correction applied to the generation of energy registered by the main meter to arrive at the correct generation of energy registered by the main meter

to arrive at the correct generation of energy for billing purposes for the period of the month up to the time of such test check. Billing for the period thereafter until the next monthly meter reading shall be as per the calibrated main meter.

- (viii) Main and Check Meters shall have facility to communicate its reading to State Load Despatch Centre on real time basis or otherwise as may be specified by the Commission. Such special energy meters (conforming to the requirements to be specified by Central Electricity Authority in this regard) shall be installed by the direct customers to the STU and if required, also by the embedded customers as found necessary by the STU/SLDC (nodal agency).

“Direct Customer” means a person who is directly connected to the system owned or operated by the State Transmission utility/transmission licensee and /or distribution utility/licensee in the State.

“ Embedded Customer” means a person who is not a direct customer.

- (ix) If an open access user requires the utility/licensee to provide main meter it shall provide security to the utility/licensee and shall pay for its rent. The meter shall be maintained by the utility/licensee.

17. Time-schedule for Processing Application

As far as practicable, the following time schedule shall be adhered to by the respective nodal agency for processing of the application for grant of open access:

i. Long Term service.

Intimation regarding feasibility of access without system strengthening - thirty days

Intimation of results of studies for system strengthening with cost estimates and completion schedule – ninety days.

ii. Short-term Service (for the period to be treated on First-come-first-served basis)

Up to one week 2 days

More than a week 3 days

iii. Day ahead transactions:

(a) In the case of the day ahead transaction, the advance payment of transmission charges, wheeling charges, operating charges, other charges (if any) and application fee shall not be insisted upon and these payments can be made within three working days of making of application

(b) A composite request for open access and scheduling shall be sent to the SLDC latest by 3 P.M. The SLDC shall take steps to incorporate the request for open access if the request can be accommodated without causing congestion.

(c) A composite request for open access and scheduling to utilize surpluses known after issuance of the first dispatch schedule by the SLDC at 5 P.M., must be submitted to the SLDC latest by 10 P.M.. The SLDC shall endeavor to incorporate the same in the revised depatch schedule to be issued by it, if the request can be accommodated without causing congestion.

(iv) Same day transaction

(a) In the case of the same day transaction , the advance payment of transmission charges, wheeling charges, operating charges, other charges (if any) and the application fee shall not be insisted upon and these

payments can be made within three working days of making of application

- (b) In the event of emergency, the beneficiary/buying utility may locate a source of power to meet short term emergency requirement on the same day and forward request for open access to the SLDC. The SLDC shall endeavour to accommodate such emergency requests as soon as and to be extent practically feasible.

18. Curtailment Priority

When because of transmission or distribution capacity constraints, force majeure events or otherwise, it becomes necessary to curtail the service of the open access users, the short-term open access users shall be curtailed first followed by the long-term open access users, the following orders shall be adhered to:-

- i. Short term open access customers (excluding distribution utilities/licensees)
- ii. Short term open access capacity allotted to distribution utilities/licensees.
- iii. Long term open access customers (excluding distribution utilities/licensees)
- iv. Long term open access capacity allotted to distribution utilities /licensees.

Provided that within a category, all users shall have same curtailment priority and shall be curtailed pro-rata to the allotted capacity in the case of long term open access users and the reserved capacity in the case of short-term open access users.

In case of curtailment of more than 25% of the reserved transmission capacity by the nodal agency on any particular day on account of operating constraints, the transmission charges for that day payable by the open access user on prorata

basis shall be in accordance with transmission capacity actually provided.

19. Grid discipline and quality of supply

- i. The utility/licensee must use all reasonable endeavours to ensure that the quality of supply standards as prescribed by the Commission are met in respect of all open access users of its network, to the extent these quality parameters are applicable to such users.
- ii. Open access customer shall abide by the Indian Electricity Grid Code, J & K State Electricity Grid Code and the instructions given from time to time by the state transmission utility and SLDC.

20. Collection and Disbursement of Charges

Unless notified otherwise by the Commission, the collection and disbursement of various charges as specified in these Regulations shall be governed as follows:-

- (a) The application fee shall be paid to the respective nodal agency.
- (b) The transmission charges for the intra-State transmission and wheeling charges in respect of open access customer shall be payable by the open access customer directly to the respective utility/licensees.
- (c) The scheduling and system operation charges in respect of open access customer shall be paid to the State Load Despatch Center.
- (d) The surcharge and additional surcharge shall be paid by the open access customer to the distribution utility/licensee in his area of supply.

(e) The UI charges and reactive energy charges shall be paid by the open access customer as notified by the Commission from time to time.

21. FLEXIBILITY TO CHANGE POINTS OF INJECTION AND DRAWAL.

- i. The Long term users shall have the flexibility to change point of injection and/or the point of drawal once a year subject to the results of system impact studies to be carried by the concerned utilities/licensees at the behest of such users, provided that the rights of the existing users shall not be adversely affected. All expenses to carry out such studies shall be reimbursed in full to the utilities/licensees by such users.
- ii. The SLDC may allow a short-term customer to change point or points of injection in case of any contingency arising from outage of generation or the associated transmission, provided it is feasible.
- iii. The reservation of transmission capacity on additional or new transmission corridor, if any, consequent to the change in point of injection allowed by SLDC shall be processed in accordance with these Regulations.
- iv. When the application for change of point or points of injection is granted by the SLDC, the transmission charges and service charge already paid shall be adjusted against the transmission charges and the service charge becoming payable in accordance with the reserved transmission capacity as revised.

22. Phasing of open access.

(a) Open access shall be allowed to consumers in the following phases subject to the satisfaction of the conditions contained in these Regulations:

Phase	Load Level	Time Frame
1	Load of 5MW and above	After Intra-State ABT is put in place or 1 st January, 2007 whichever is later.
2	Load of 1MW and above up to 5 MW	2 years after introduction of 1 above

(b) Based on the experience of operation of open access in phase-I, the Commission may revise the schedule for allowing open access in subsequent phases.

(c) The Commission may allow open access to consumers with less than 1 MW contract demand at such time as it may consider feasible having regard to operational constraints and other factors.

23. Information System

The State Load Despatch Centre shall post following information on their websites in a separate web-page titled “Open access information”:

- (i) Floor rate in rupees per MW per day for the short-term open access users (ST_RATE) with detailed calculation in support of such rate.
- (ii) A status report on the current short-term open access users indicating:-

- (a) Name of open access user;
- (b) Period of the access granted (start date and end date);
- (c) Point(s) of injection;
- (d) Point(s) of drawal;
- (e) Transmission / Distribution systems used (in terms of region and ownership);
- (f) Reserved capacity; and
- (g) Applicable rate (Rs per MW per day).

Note

The status report shall be updated upon every change in status.

(iii) Month-wise and year-wise report on past short-term open access users indicating:

- (a) Name of the open access user;
- (b) Period of the access granted (start date and end date);
- (c) Point(s) of injection;
- (d) Point(s) of drawal;
- (e) Transmission / Distribution systems used;
- (f) Reserved capacity;
- (g) Applicable rate (Rs per MW per day); and
- (h) Actual load factor.

Note

All previous reports shall also be available in the web-archives.

(iv) Information regarding usage of the links between various State utilities/licensees indicating:

- (a) Time of updating;
- (b) Name of the link;
- (c) Total capacity of the link;
- (d) Scheduled capacity use (giving open access user-wise break-up); and

(e) Current capacity of the link in use.

Note

This information should be updated at least on hourly basis, and where ever feasible on 15 minute basis.

(v) The information regarding average energy losses for the previous 52 weeks.

Provided that publication of web-based information system shall commence within 270 days. Each transmission / distribution utility/licensee shall make available the above information to the SLDC.

All utilities/licensees shall declare current long-term open access using their system (including self-use and use by unbundled entities which were previously integrated) with details thereof either on their own websites or on the website of the State Load Despatch Centre concerned, within 270 days.

Note

This list shall be updated as and when change in status takes place.

24. Communicating facility

The open access users shall meet the communication requirements as the nodal agency may direct from time to time.

25. Redressal Mechanism

(i) All disputes and complaints regarding unfair practices , delays, discrimination, lack of information, supply of wrong information or any other matter relating to open access shall be made to the nodal agency , which shall investigate and endeavour to resolve the grievances within 45 days:

Provided that where the open access customer is not satisfied with the redressal of grievance by the nodal agency, it may approach the Commission whose decision shall be final and binding.

- (ii) The Commission may, while deciding the dispute under (i) above or otherwise, by a general or special order made from time to time, laid down the condition to be complied with by the transmission and distribution licensees and the persons seeking open access in regard to operational constraints and the open access shall be allowed only subject to the due satisfaction of such conditions.

26. Issue of orders and practice directions

Subject to the provision of the act and these Regulations, the Commission may from time to time, issue orders and practice directions with regard to the implementation of the Regulations and procedure to be followed.

27. Coordination

For the success of open access implementation, it is imperative that the utilities/licensees and the SLDC carry out information exchange among themselves on a daily basis to determine the level of open access transaction in their respective areas of supply, with emphasis on energy flows, load on transmission and distribution lines and equipments to determine system stability, available capacity, congestions in the networks, etc.

28. Powers to Remove Difficulties

If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may by general or special order, direct the State Transmission Utility, State Load Dispatch Centre, utilities/licensees and the open access user, to take such action, as may appear to the Commission to be necessary or expedient for the purpose of removing difficulties.

29. Operationalization of Open Access

Open Access will require implementation of the Intra-State Availability Based Tariff (ABT) System. Installation of ABT compliant metering system, Distribution Utility/Licensee-wise Area Load Dispatch Centres and procedure for energy accounting and commercial settlement.

For operationalisation of open access, the STU and SLDC shall furnish report on these matters to the Commission within 180 days from the date of notification.

30. Savings.

Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary to meet the ends of justice or to prevent abuses of the process of the Commission.

Nothing in these Regulations shall bar the Commission from adopting in conformity with the provisions of the Act a procedure, which is at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.

Nothing in these Regulations shall , expressly or impliedly, bar the Commission dealing with any matter or exercising any power under the Act for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.

By Order of the Commission

(Sd/-)
K.B. Pillai
Chairperson,
Jammu and Kashmir
State Electricity Regulatory Commission.

APPLICATION FOR GRANT OF OPEN ACCESS

(To be submitted by an Open Access Customer)

To

The

STU/SLDC, Jammu.

Sub. Open Access in J & K intra-State transmission and/or distribution.

Sir,

Applicant submits as under, that

- A
- i. Applicant M/s. _____ is engaged in the business of _____ and wants to avail of transmission/distribution services for transfer of electricity.
 - ii. _____ MW/MUs power has been arranged. M/s. _____ has agreed to supply to the applicant _____ MW/MUs electricity for _____ (duration) from _____ to _____ and their letter of commitment/PPA to supply _____ MW/MUs through _____ no(s). of injection points is attached
 - iii. _____ MW/MUs, of electricity less the losses shall be drawn through _____ no(s) drawal points.
 - iv. Transfer of this power shall involve intra-State transmission network and /or distribution network.

B. Details of Open Access required are as under.

1. Name of the Open Access Customer :
2. Type of open access required (Tick the appropriate option) : Long term _____
Short term _____
3. Net works involved : Transmission network and/or distribution network.
4. Address for correspondence :
5. Contact address
- Prime contact person :
 - a. Name :
 - b. Designation :
 - c. Phone No. :
 - d. Fax :
 - e. E-mail :
- Alternate contact person :
 - a. Name :
 - b. Designation :
 - c. Phone No. :
 - d. Fax :
 - e. E-mail :
6. Details of power transfer requirement :
 - a. Quantum of power to be transmitted (MW) :
 - b. Peak load to be transferred :
 - c. Average load to be transferred :
 - d. Name(s) of the injecting utility :
 - Point(s) of injection of power :
 - Quantum of power, point wise :
 - Voltage level at which power will be injected, point wise. :
 - e. Name(s) of drawee :
 - Point(s) of drawal of power :
 - Quantum of power, point wise :
 - Voltage level at which power will be drawn point wise. :

Note:- In case of mismatch between quantum of power injected and drawl then details of balance power should be furnished to other beneficiaries.
7. Expected date of commencement of open access :
8. Duration of availing open access :

9. In case of generating station
 - a. Name of the promoter :
 - b. Generation capacity :
 - c. Location of the generation plant :
 - d. No. of units and capacity of each unit :
 - e. Type of fuel :
 - f. Base load station or peaking load station :
 - g. If peaking load station, then what is the estimated hours of running :
 - h. If it is a hydro plant, then whether it is – Run of the river /Reservoir/ Multipurpose / Pump storage :
 - i. MU generation in an year in case of hydro plant :
 - j. Specify the step-up generation voltage – 400kV or 220kV or any other voltage :
 - k. Whether it is an identified project of CEA/competent authority :
 - l. Is it a Captive Power Plant (Yes/No) :
 - m. If Yes, details of utilization :
 - n. Status of the Project: existing/ extension of existing project/ new project :
10. In case of a new generation station-

	Capacity (MW)	Commissioning schedule
a. Unit wise capacity and commissioning schedule- <ul style="list-style-type: none"> • Unit – I • Unit – II • Unit – III • Unit – IV 		
b. Name(s) of the beneficiaries and their allocation of power		
c. Status of various clearances for the generation project- <ul style="list-style-type: none"> • Land acquisition • Fuel agreement • Environment and forest clearance • TEC clearance, wherever required • Power purchase agreement with beneficiaries 		
11. Details of the Bank Draft
 - Name of the issuing bank
 - Draft number
 - Date of issue
 - Amount

All utilities (including buyer, seller, trader) to the transaction shall abide by the Jammu and Kashmir State Electricity Regulatory Commission (Terms and Conditions for Open Access) Regulations, 2006 as amended from time to time, the J & K State Electricity Grid Code as notified by Jammu and Kashmir State Electricity Regulatory Commission.

The Applicant hereby agrees to keep the Commission, the nodal agency and the State Transmission Utility indemnified at all times and undertakes to indemnify, defend and save the Commission, the nodal agency and the State Transmission Utility harmless from any and all damages, losses, claims and actions relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the transactions under this Approval.

The provisions of the Guidelines and Procedures for Open Access in transmission and distribution issued by the nodal agency are hereby agreed.

Authorized Signatory
of the Open Access Customer

Name :
Designation :

Seal :

Place :
Date :

TRANSMISSION SERVICES AGREEMENT

BETWEEN

**(DISTRIBUTION/TRANSMISSION/TRADING
UTILITY/LICENSEE)**

AND

(TRANSMISSION OPEN ACCESS CUSTOMER)

TRANSMISSION SERVICES AGREEMENT

THIS AGREEMENT is entered into as of this ____ day of _____, 2006.

BETWEEN:

a distribution/transmission/trading utility/licensee, (hereinafter referred to as utility/licensee) which expression shall unless repugnant to its subject or context, mean and include its successors in interest and permitted assigns) of the First Part;

AND

_____, a company incorporated and existing under the laws of _____ having its principal office at _____ (hereinafter referred to as the "open access customer" which expression shall unless repugnant to its subject or context, mean and include its successors in interest and permitted assigns) of the Second Part,

(Collectively referred to as "Parties")

WHEREAS:

A. Utility/Licensee is engaged in the business of distribution/transmission/trading of electricity within the Jammu and Kashmir State;

B. _____ is engaged in the business of _____ and is desirous of availing the Distribution/Transmission Services and other related services offered by the utility/licensee;

C. Under the applicable Regulations framed by the Commission, utility/licensee is obligated to provide non-discriminatory open access to its distribution system/ transmission system to utilities/licensees and the open access customers, on the terms and conditions specified in the Regulations;

D. Whereas the open access has been granted by the nodal agency STU/SLDC in favour of open access customer (namely)-----vide STU/SLDC order No.-----dated----- which forms a part of this agreement.

E. The Regulations prescribe execution of a Transmission Services Agreement with the person availing of the open access.

NOW, THEREFORE IN CONSIDERATION OF THE PREMISES AND MUTUAL PROMISES, COVENANTS SET FORTH HEREINAFTER THE PARTIES HERETO AGREE AS FOLLOWS: -

1. DEFINITIONS

In addition to terms defined elsewhere in this Agreement, the following definitions shall apply hereunder:-

“**Act**” shall mean the Jammu and Kashmir State Electricity Regulatory Commission Act, 2000 including any rules and regulations framed hereunder as may be amended from time to time;

“**Effective date**” shall mean the date upon which the Parties execute this Agreement;

“**Government**” shall mean the Government of Jammu and Kashmir State, and shall include any department, agency or instrumentality thereof including any autonomous entity whether incorporated or not;

“**Regulations**” shall, unless the context otherwise requires, includes bye-laws, guidelines and procedures laid for Open Access and such other regulations as may be notified by the Commission from time to time.

“**Transmission Services**” shall mean provision of services for the supply or conveyance of electricity by means of cables and 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 shall include such other services related and/or incidental thereto.

2. OBJECT AND SCOPE OF THE AGREEMENT

Utility/Licensee agrees and undertakes to provide the Transmission Services to the open access customer in accordance with the terms of this agreement and Regulations.

3 OPEN ACCESS CUSTOMER'S OBLIGATIONS

3.1 The open access customer agrees and undertakes to comply with the Regulations.

3.2 The open access customer agrees and undertakes to furnish and maintain the payment security mechanism / instrument for availing the Transmission Services as prescribed in this Agreement.

4 UTILITY'S/LICENSEE'S DUTIES AND OBLIGATIONS

4.1 Utility/Licensee shall provide the Transmission Services in an efficient manner and in accordance with the terms of this Agreement.

4.2 Utility/Licensee shall allow all facilities required by the open access customer including access to its facilities on its land as may be required by the open access customer.

4.3 Where due to technical constraints or break down, utility's/licensee's capability to undertake transmission of electricity is disrupted for any period of time, utility/licensee shall, as far as practicable, provide prior notice to the consumer of such disruption in transmission of electricity and the estimated time period for rectification thereof.

5 . SCHEDULING

5.1 The open access customer shall procure Transmission Services, in accordance with the terms and conditions of this Agreement. Prior to scheduling energy on utility's/licensee's transmission system, the open access customer shall follow the existing procedures. Subsequent to scheduling of energy, requests for transmission of additional quantum of energy will be accepted only for bona fide emergencies. Energy and any ancillary services must be scheduled on approved transmission requests not later than 12 noon IST on the day prior to the beginning of such schedule or on the last common business day of the week, as the case may be, before all weekend days and holidays for all transactions except hourly non-firm. Hourly non-firm energy and/or any associated ancillary services must be scheduled not less than ---- minutes prior to the beginning of such schedule. The open access customer may initiate a new schedule or change an existing schedule submitted pursuant to this paragraph.

5.2 Notwithstanding any other provision of this Agreement, after 12 noon IST of any day, utility/licensee shall have the right to utilize and/or sell, on a non-firm basis, any non-scheduled transmission service, excluding hourly non-firm, for transactions up to and including the following business day.

5.3 The open access customer shall communicate with utility/licensee to facilitate daily scheduling of energy and any ancillary services required under this agreement. Schedules crossing utility's/licensee's control area boundaries shall be in whole megawatt increments. Schedules entirely within utility/licensee control area shall be scheduled in tenths of megawatt increments (000.0 MWs/MVA).

6. Transmission System

The transmission system/project as per details attached as Annexure -'A' has been envisaged to transmit power. The list includes existing transmission system and such other system which is yet to be commissioned and is under execution or to be executed.

Any other transmission line, substation and or equipment that may be added to the transmission system detailed in annexure-'A' in accordance with approval of Jammu and Kashmir State Electricity Regulatory Commission shall form a part this agreement.

Utility/Licensee shall build operate and maintain the transmission system belonging to it in the State.

While Utility/Licensee namely----- shall endeavour for best possible reliability of power supply to open access customer namely----- and maintenance of system parameters, however, for occurrences and situations beyond its control, Utility/Licensee shall not be held responsible.

For the above services open access customer shall regularly pay to the Utility/Licensee/SLDC the monthly open access charges as per Regulations.

Utility/Licensee/SLDC shall duly inform open access customer regarding all charges in transmission system/ asset ownership and any other relevant development/changes as also the consequent changes in transmission charges to be paid by the open access customer as mutually agreed or notified.

7. Tariff

The open access charges viz transmission/distribution/wheelingG and other charges shall be as per Regulations as notified by JKSERC from time to time.

8. Metering and Reconciliation

- ..
- (i) Metering installation shall be provided as per stipulations in Regulations and shall comply with statutory and Regulatory requirements
- (ii) Special energy meters shall be installed and commissioned at locations identified as per the guidelines provided by the CEA/or the authority notified by the Commission. The responsibility for downloading and onward transmission of the meter data shall be as per the provisions of the J & K State Electricity Grid Code as amended from time to time.
- (iii) The periodicity for testing of the accuracy of the SEMs shall be as provided in the Sate Electricity Grid Code.
- (iv) Joint Meter Reading of the main as well as check meters (wherever installed) shall be taken by Utility/Licensee and the concerned open access customer at 12 noon on the 1st day of each month. In case of any of the concerned parties is not available for joint meter readings at the specified time, the meter reading taken by the other party (ies) shall be submitted to SLDC for preparation of energy accounts.
- (v) The Main and check meters shall be jointly inspected and sealed by both the parties and shall not be interfered with by either party except in the presence of other parties or its authorized representatives.
- (vi) The main and check meter shall be test checked for accuracy at least every year by the concerned parties. Meter shall be deemed to be working satisfactorily if the error is within the limit specified in BIS/BS/IEC.
- (vii) During the period of calibration for which a meter need to be removed from its location, another such duly calibrated meter would be installed by the concerned parties in the presence of both parties and jointly sealed.
- (viii) If at any time there is a doubt that a meter is not recording correctly, the concerned parties shall inform the same to the owner of the meter for joint testing.
- (ix) The authorized representatives of open access customer can have access to Utility/Licensee owned sub-stations to inspect the energy metering system and Utility/Licensee shall cooperate with open access customer for maintenance of meters in best possible way.
- (x) Metering system, calibration procedure and procedure of taking meter readings could be modified from time to time as may be decided by the JKSERC.

9. Losses

The losses would be shared as per the methodology decided by SLDC and or in line with guidelines issued by JKSERC from time to time.

10. Energy accounting

The intra-State energy account shall be prepared in compliance of provision of the Jammu and Kashmir State Electricity Grid Code as amended from time to time and shall also comply with any other direction issued by Jammu and Kashmir State Electricity Regulatory Commission on the subject from time to time.

Energy accounts shall be prepared by State Load Despatch Centre latest by 6th day of the month.(if sixth day is a holiday the next working day will be applicable)based on the monthly joint energy meter readings. In the event of delay in receiving meter readings SLDC shall issue provisional energy accounts by sixth day of the month indicating the beneficiaries wise draws. The energy accounts including amendments if any issued by SLDC shall form the basis of billings and binding on all the parties.

11. BILLINGS

11.1 For any service provided to the open access customer pursuant to this Agreement, utility/licensee will charge and bill the open access customer and the open access customer will pay utility/licensee the rate and charge in accordance with the provisions of the regulations.

11.2 All billing shall be delivered daily/weekly/monthly by the utility/licensee to the open access customer as soon as reasonably practical after the end of the billing period, it being recognized that partial billing may be submitted in the event that portions of the billings may require additional time to prepare. All such billings, including partial billings, shall be due and payable by the open access customer within fifteen (15) calendar days from the date the billing is rendered, whether or not a party disputes all or any portion of the billing. If such due date falls on a Saturday, Sunday or a holiday observed by either Party, the payment shall be due and payable on the next following business day. In the event the open access customer fails to make a payment of a billing when due and payable for any reason the open access customer shall pay interest @ _____thereon to utility/licensee. Each such daily interest calculation shall be on

the basis of actual days and a three hundred sixty-five (365) day calendar year. The Parties agree that this paragraph shall not be a defence to any action to compel payment of a billing or for a determination of default or termination.

11.3 The open access customer shall be required to pay the open access charges and other charges (as applicable) in accordance with the regulations framed by the Commission. The billing amount as raised by utility/licensee may include any such additional taxes, levies or surcharges as may be imposed by the Government.

11.4 Any dispute between the Parties relating to any apparent discrepancy in billing and/or regarding incorrect calculation of the price adopted for billings by utility/licensee (“Invoice Discrepancy”) shall be referred to and resolved by the dispute resolution mechanism prescribed in Clause 28. All other disputes shall be referred to the Commission which shall deal with the same. The open access customer shall not be entitled to withhold any payments to the utility/licensee in respect of the Invoice Amount, except in the event of an Invoice Discrepancy the open access customer shall be entitled to withhold the disputed amounts.

11.5 Any failure on the part of the open access customer to pay all or any portion of an invoice issued by utility/licensee, shall constitute a valid ground for the utility/licensee to discontinue provision of further Transmission Services, as also, to take such measures as may be prescribed under this Agreement.

11.6 Upon failure on the part of the open access customer to pay all or any portion of an invoice issued by the utility/licensee, other than under clause 11.4 to the extent of disputed amounts, the open access customer will not be entitled to make any additional reservations for Transmission Services and the utility/licensee shall be entitled to withhold the Transmission Services till such time the undisputed amounts are paid in full and credit re-established.

12 . MEETINGS

12.1 The Parties shall meet at least once in every calendar quarter at a location determined by the Parties, or if no such determination is made, then as determined by the utility/licensee. Parties may meet more often from time to time as it deems necessary.

12.2 At least twenty-one (21) days written notice of every meeting shall be given to each party or their authorized representatives at their registered address, provided always that a meeting may be convened by a shorter notice than twenty one (21) days with consent of both Parties.

12.3 The notice of each meeting shall include an agenda setting out the business proposed to be transacted at the meeting. Unless waived in writing by both Parties, any item not included in the agenda of a meeting shall not be considered at that meeting.

13. INSPECTION OF RECORDS OF THE OPEN ACCESS CUSTOMER

13.1 During office hours of the open access customer, the utility/licensee shall have full access to, and right to make copies of, all books of account, records and the like of the open access customer. Any information obtained by the utility/licensee through exercise of this right of access shall be used by the utility/licensee only for purposes which are consistent with the terms of this Agreement and be subject to the confidentiality provisions contained herein.

14 . REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PARTIES

14.1 The open access customer represents, warrants and covenants to the utility/licensee as follows :

- (a) The open access customer is a person duly organized, validly existing and in good standing under the laws of Jammu and Kashmir State and has the corporate power and authority to enter into this Agreement and to perform its obligations hereunder.
- (b) All corporate actions on the part of the officers and directors of the open access customer (if applicable) necessary for the authorisation, execution and delivery of this Agreement by the open access customer and for the performance of all of its obligations hereunder have been taken.
- (c) This Agreement constitutes valid, legally binding and enforceable obligations of the open access customer.
- (d) The open access customer shall use its best efforts to assist the utility/licensee to obtain and maintain all necessary approvals from the Government for the establishment and operation of the Company as contemplated by this Agreement and for the transfer of technology and payment of fees and royalties as contemplated by the ancillary Agreements.

- (e) The open access customer shall not take any action or cause the utility/licensee to take any actions on behalf of the utility/licensee or binding upon the utility/licensee, except with the utility/licensee's specific consent in writing.
- (f) The open access customer shall take such further such actions, execute and deliver such further instruments and documents, and generally do all such other things as may be reasonably necessary to accomplish the transactions contemplated in this Agreement.
- (g) Execution, delivery or performance of this Agreement by the open access customer does not and will not conflict with, or result in a default, right to accelerate or loss of rights under, or result in the creation of any lien, charge or encumbrance, pursuant to the open access customer's Charter documents (if applicable), or any agreement or other document, law, rule, regulation, order, judgment or decree to which the open access customer is a party or by which it may be bound or affected.
- (h) The open access customer has delivered to the utility/licensee copies of financial statements, including the respective notes to such financial statements, all of which are true, complete and correct in accordance with the books and records of the open access customer, and the open access customer certifies that such financial statements have been prepared from the books and records of open access customer in accordance with generally accepted accounting principles consistently applied and maintained throughout the period indicated and present fairly the financial condition, assets and liabilities and the income and operations of the open access customer as their respective dates for the periods covered thereby.

14.2 The utility/licensee represents, warrants and covenants to the open access customer as follows:

- (a) The utility/licensee is duly organized, validly existing and in good standing under the laws of the Jammu and Kashmir State and has the power and authority to engage in this Agreement and to perform its obligations hereunder.
- (b) All actions on the part of the utility/licensee and its officers and directors necessary for the authorisation, execution and delivery of this Agreement and for the performance of all of its obligations hereunder has been taken.
- (c) This Agreement constitutes valid, legally binding and enforceable obligations of the utility/licensee.

- (d) The utility/licensee shall not take any action or cause to be taken any action on behalf of the open access customer or binding upon the open access customer, except with the open access customer's specific consent in writing.
- (e) The utility/licensee shall take such further acts, execute and deliver such further instruments and documents, and generally do all such other things as may be reasonably necessary to accomplish the transactions contemplated in this Agreement.
- (g) Execution, delivery or performance of this Agreement by the utility/licensee does not and will not conflict with, or result in a default, right to accelerate or loss of rights under, or result in the creation of any lien, charge or encumbrance, pursuant to the licensee's certificate of incorporation or bylaws, or any agreement or other document, law, rule, regulation, order, judgment or decree to which the licensee is a party or by which it may be bound or affected.

15. ACCOUNTING AND FINANCE

15.1 The open access customer shall keep true and accurate accounting records of all operations, and such records shall be open for inspection by each Party or by its duly authorized representatives at all times during normal business hours and with sufficient notice so as not to disrupt the open access customer's operations.

15.2 The financial statements of the open access customer shall be audited at the open access customer expense by an independent accounting firm selected by mutual agreement between the Parties.

15.3 The utility/licensee shall submit to the Parties monthly accounting reports in a form to be mutually agreed upon between the Parties.

16 - Indemnity; Limited Liability

16.1 The open access customer agrees to indemnify the utility/licensee and hold it harmless from and all against any and all claims, other than those ultimately determined to be founded on gross negligence or willful misconduct of utility/licensee in a judicial proceeding, from and against any damages penalties, judgments, liabilities, losses or expenses (including reasonable attorney's fees and court costs and disbursements) (hereinafter also collectively "**Loss**") incurred as a result of the assertion of any claim by any person or entity, arising out of or in connection with this Agreement, including in respect of any loss or damage arising from performance of system operator functions.

17 - DEFAULT BY PARTIES AND CONSEQUENCES THEREOF

17.1 The following shall constitute the defaults by Parties and the consequences thereof:

(i) Failure of the open access customer to pay an invoice without raising a dispute

Notwithstanding anything contained in clause 11, in the event of the failure by the open access customer to pay an invoice unless there occurs an Invoice Discrepancy, the utility/licensee shall issue a notice to the open access customer (“Default Notice”), specifying that the open access customer has defaulted in its payment obligations towards utility/licensee and that it shall be afforded an opportunity to pay the unpaid invoice amount, with interest thereon, within a prescribed time frame. If the open access customer does not comply with the terms of the Default Notice, the utility/licensee shall be entitled without further recourse to unilaterally de-energise the connection granted to the open access customer and/or terminate this Agreement forthwith. The open access customer shall be required to raise any Invoice Discrepancy in writing within ten days of receipt of the Invoice.

(ii) Failure of the open access customer to adhere to the prescribed technical requirements;

In the event of failure of the open access customer to comply with any technical requirements as may be prescribed and/or approved by the Commission from time to time, which adversely affects the power quality or security of the grid, performance or management of grid assets, the utility/licensee shall be entitled to de-energise the connection granted to the open access customer forthwith.

18 - NON-COMPLIANCE WITH OTHER REQUIREMENTS

18.1 In the case of any non-compliance of any requirements (other than those specifically mentioned in this Agreement) by any Party (“Defaulting party”), the non-Defaulting Party shall serve a notice to the Defaulting party, indicating the details of the non-compliance and requiring it to remedy such non-compliance within 15 days. The Parties may also, if they mutually agree, meet and hold discussions on the aforesaid issue.

18.2 If the Defaulting Party fails to remedy its non-compliance or provide the non-Defaulting party with a remedial plan within the notice period, the non-Defaulting party shall be entitled to seek termination of this Agreement in terms of this Agreement.

18.3 The Utility/Licensee recognizes that it is in a monopoly position as regards the Transmission Services. Therefore, in the event the utility/licensee fails to comply with the

provisions of this Agreement and/or fulfill its obligations hereunder, the open access customer shall be entitled to approach the Commission and seek specific performance of the terms of this Agreement. This right shall be without prejudice to any other rights that the open access customer may have under law.

19 - TERM AND TERMINATION

19.1 This Agreement is intended to be of enduring nature having regard to the mutual objectives and stipulations in this Agreement and shall take effect as of its execution and shall continue in force until terminated in accordance with the provisions of this Agreement.

19.2 Without prejudice to any claim for any antecedent breach, any Party shall be entitled at its option, on the happening of any of the following events, to terminate this Agreement:

- (a) by giving to the other Party thirty (30) days written notice if any other Party becomes or is declared bankrupt or goes into voluntary or compulsory liquidation, except for the purpose of amalgamation or reconstruction; or
- (b) by giving to the other Party sixty (60) days written notice if any distress or attachment is levied, or any receiver is appointed in respect of the business or a substantial part of the property or assets of any other Party, or if it takes any similar action in consequences of debt; or
- (c) by giving to the other Parties sixty (60) days written notice if possible, in the event that there is a Government expropriation, nationalization or condemnation of all or substantial part of the assets or capital stock of any other Party; or
- (d) by giving to the open access customer a notice issued by the utility/licensee, indicating that the open access customer has failed to pay its dues as raised under an Invoice issued to it despite the issuance of a notice of default as referred to in Clause 17.
- (e) by notice in writing to the other Parties (effect upon dispatch) if any other Party is in breach of any provision of this Agreement and such breach has not been remedied (to the reasonable satisfaction of the Parties not in breach) within sixty (60) days of notice of such breach having been served on that Party by any other Party; or
- (f) by notice in writing to the other Party if any direction or order from any authority in Jammu and Kashmir or any change in applicable statutes, rules and regulations or the Government policy is made which prevents or significantly impairs the implementation of this Agreement or directly or

indirectly so restricts the scope and exercise of the right of either of Party as concerns the Company so as to render its objectives effectively impossible.

- (g) by giving to the other Parties an advance notice of at least one eighty days to the effect that one party desires that this Agreement be terminated.

19.3 The termination of this Agreement shall not relieve any Party of any obligation or liability accrued prior to the date of termination.

19.4 The Parties shall promptly provide required information and documents in obtaining the requisite Governmental or statutory approvals to implement the provisions of this agreement.

19.5 The foregoing shall not limit the ability of either Party to seek legal and equitable remedies related to a material Breach by the other Party or the failure of the other Party to perform any other duty or obligation under this Agreement.

20. CONFIDENTIALITY

20.1 The Parties undertake to keep the nature of the Transaction confidential and also agree that the disclosure of such information without the approval of other Party, except when such disclosure is essential for the purpose of obtaining any permission of the Governmental Authority and/or to its legal advisors, shall result in material damage to the other Party.

20.2 Any confidential information provided to a Party or its representatives in writing and identified as being confidential ("**Confidential Information**") shall be held in confidence and shall not be disclosed to any third party, except as reasonably required in the fulfillment of this Agreement or in connection with obtaining any necessary consents in connection with this Agreement. Notwithstanding the foregoing, the obligation of confidentiality shall not apply to any disclosure (i) of information that is in or enters the public domain through no fault of the receiving Party, (ii) of information that was in the possession of the receiving Party prior to receipt under this Agreement, or (iii) required by law, regulation, legal process or order of any court or governmental body having jurisdiction, but the receiving Party shall notify, in advance, the disclosing Party/ies as soon as reasonably possible, to the extent lawful, so that the disclosing Party/ies can seek protections or exceptions to the disclosure.

21 . WAIVER OF CLAIMS

21.1 In no event shall a Party be liable to the other Party for any indirect, consequential, economic, punitive or similar damages arising from or in any way connected with this Agreement.

21.2 Any waiver at any time by the other Party of its rights with respect to a default or breach under this Agreement shall not be deemed a waiver with respect to any other default or breach or other matter arising in connection herewith. Any delay short of the statutory period of limitation in asserting or enforcing any right shall not be deemed a waiver of such right.

21.3 The Parties will exercise reasonable diligence and care to meet their respective contract obligations and duties.

22. NO ASSIGNMENT

22.1 The open access customer shall not assign, sell, convey or otherwise transfer this Agreement or any Confirmation Agreement, or any of its rights or obligations thereunder, without prior express written consent of the seller (other party). The assignee or other transferee shall assume all duties and obligations arising from and after the time of the consent to transfer by the seller (other party), but such assignment or transfer shall not release the assigning or transferring open access customer from its duties and obligations unless specifically provided in the written consent and in the assignment, conveyance or transfer document. All duties and obligations arising prior to the assignment or transfer shall remain the duty and obligation of the Party unless the Parties specifically agree otherwise.

23. FORCE MAJEURE

23.1 If either Party is prevented from performing its obligation under this Agreement from causes which are beyond its reasonable control, such as, but not limited to, any condition or event beyond the control of the Party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, explosion, lightning, epidemic, war, riot, civil disturbance or disobedience, labour dispute, labour or material shortage, sabotage, restraint by court order or public authority and action or non-action by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of reasonable diligence such Party could not reasonably have been expected to avoid and which by exercise of reasonable diligence it shall be unable to overcome; the Party is excused from non-performance of its obligation during the period while such cause continues to exist, but if such cause continues to exist and prevent performance by the Party of the obligation for more than one month, the other Party may terminate this Agreement effective upon delivery to the non-performing Party of written notice of such termination.

23.2 Either Party rendered unable to fulfill any of its obligations under the Agreement by reason of a Force Majeure shall provide notice of said Force Majeure to the other Party within 24 hours of the occurrence giving rise to the claim of the Force Majeure, provide

written notice within 3 working days thereafter and use reasonable diligence to remove such Force Majeure with all reasonable dispatch.

23.3 Should the Force Majeure exist for a period of three consecutive months, the Party not claiming the Force Majeure may cancel the Transmission Service by providing a thirty-day written notice at the conclusion of the three month period.

24. NOTICES

24.1 All notices, billings, payments and other communications shall be given in writing signed by (or by some person duly authorised by) the person giving it and may be served by sending it by facsimile, prepaid recorded delivery as registered post, speed post of department of posts or by courier service with an acknowledgement due addressed as follows (or to such other address as shall have been duly notified in accordance with this Clause):

If to the open access customer:

If to the utility/licensee :

24.2 All notices given in accordance with (24.1 above) shall be deemed to have been served as follows:

- (a) if delivered by hand, at the time of delivery;
- (b) if posted, at the expiration of seven (7) days after the envelop containing the same was delivered into the custody of the postal authorities;
- (c) if communicated by facsimile, on receipt of confirmation of successful transmission.

25. SEVERABILITY

25.1 Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement should be prohibited or invalid under applicable law, such provision shall be

ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement. In such event, the Parties shall negotiate, in good faith, a valid, legal and enforceable substitute provision, which most nearly effects the Parties' intent in entering into this Agreement.

26. ENTIRE AGREEMENT

26.1 This Agreement, and all attachments set forth the entire agreement of the Parties with respect to the subject matter of this Agreement and supersede all prior and contemporaneous agreements, understandings and representations, written and oral. In case of any inconsistency between this Agreement and any Schedule or any attachment, this Agreement shall prevail.

27. JURISDICTION

Except as specifically provided for otherwise, in this Agreement, the Parties submit to the exclusive jurisdiction of the courts in the State of Jammu and Kashmir.

28 . DISPUTE RESOLUTION

28.1 Except as specifically provided for otherwise, in this Agreement, the Parties shall seek to resolve any dispute, controversy, claim or breach arising out of or in relation to this Agreement including any dispute as to the existence or validity of this Agreement, by amicable arrangement and compromise, and only if the Parties fail to resolve the same by amicable arrangement and compromise within a period of sixty (60) days of receipt of written notice of the same by the other Party, either Party may resort to arbitration as provided for in Clause 28.2 hereof.

28.2 In the event of any question, dispute or difference arising under this agreement or in connection therewith except as to matters for which the manner of dispute resolution is specifically provided under this agreement, or Regulations, the same shall be finally settled through arbitration proceedings by a sole arbitrator to be appointed by the Commission.

28.3 The place of arbitration shall be Jammu/Srinagar. The language of arbitration shall be English.

28.4 The Parties shall bear their own costs for conduct of arbitration proceedings, subject to the final award.

29. ASSUMPTION OF RISK

29.1 Each Party hereto acknowledges (i) the risks of its undertakings hereunder, (ii) the uncertainty of the benefits and obligations hereunder, and (iii) in assumption of such risks and

uncertainty. Each Party has conducted its own due diligence and requested and reviewed any contracts, business plans, financial documents and other written material as in such Party's opinion shall be the basis of that Party's decision to enter into this Agreement.

30. MODIFICATION

30.1 No provisions of this Agreement may be modified or amended unless the Parties adopt the procedure contained herein. Where any Party is of the view that the terms of this Agreement require any modification or amendment, to ensure that it is in consonance with the relevant regulatory and statutory provisions, the Parties shall initiate a consultative process, whereby the Parties shall meet and hold discussions on the aforesaid issues. In the event that the Parties cannot agree on whether this Agreement requires modification or amendment, they shall refer such difference to an independent expert, who shall decide the said issue. However, the Parties may modify this Agreement if they mutually agree to do so, in writing.

31. HEADINGS

31.1 The article, paragraph and other headings in this Agreement are provided for convenience only and in no way define or limit the scope or the intent of this Agreement.

32. COUNTERPARTS

32.1 This Agreement may be executed in any number of counterparts. The counterparts shall be deemed to constitute one instrument.

IN WITNESS WHEREOF, the Parties by their duly authorised representatives have executed this Agreement on the day ---- above written.

Open Access Customer

By :

Name :

Title:

Date:

Witness:

Utility/Licensee

By :

Name :

Title :

Date:

Witness:

Annexure-A
Transmission- Services Agreement

Details of Transmission System (Clause-6)

Annexure-II
Form-II
[See Regulation-11(a)(i),(c)(i),(f)]

DISTRIBUTION SERVICES AGREEMENT

BETWEEN

**(DISTRIBUTION/TRANSMISSION/TRADING
UTILITY/LICENSEE)**

AND

(DISTRIBUTION OPEN ACCESS CUSTOMER)

DISTRIBUTION SERVICES AGREEMENT

THIS AGREEMENT is entered into as of this ____ day of _____, 200-.

BETWEEN:

a distribution/transmission/trading utility/licensee (hereinafter referred to as the Utility/Licensee) which expression shall unless repugnant to its subject or context, mean and include its successors in interest and permitted assigns) of the First Part;

AND

_____, a company incorporated and existing under the laws of _____ having its principal office at _____ (hereinafter referred to as " Open Access Customer" which expression shall unless repugnant to its subject or context, mean and include its successors in interest and permitted assigns) of the Second Part,

(Collectively referred to as "Parties")

WHEREAS:

A. Utility/Licensee is engaged in the business of inter alia distribution of electricity within the State of Jammu and Kashmir;

B. _____ is engaged in the business of _____ and is desirous of availing the Distribution Services and other related services offered by the utility/licensee;

C. Under the applicable Regulations framed by the Commission, utility/licensee is obligated to provide non-discriminatory open access to its distribution system to utility/licensees and the open access customers, on the terms and conditions specified in the Regulations;

D. Whereas the open access has been granted by the nodal agency STU/SLDC in favour of open access customer (namely)-----vide STU/SLDC order No.-----dated----- which forms a part of this agreement.

E. The Regulations prescribe execution of a Distribution Services Agreement with the person availing of the open access.

NOW, THEREFORE IN CONSIDERATION OF THE PREMISES AND MUTUAL PROMISES, COVENANTS SET FORTH HEREINAFTER THE PARTIES HERETO AGREE AS FOLLOWS:

1. DEFINITIONS

In addition to terms defined elsewhere in this Agreement, the following definitions shall apply hereunder:-

“**Act**” shall mean the Jammu and Kashmir State Electricity Regulatory Commission Act, 2000 including any rules and regulations framed thereunder as may be amended from time to time;

“**Effective date**” shall mean the date upon which the parties execute this Agreement;

"**Government**" shall mean the Government of Jammu and Kashmir State, and shall include any department, agency or instrumentality thereof including any autonomous entity whether incorporated or not;

"**regulations**" shall, unless the context indicates otherwise, include business byelaws, guidelines and procedures for open access and such other regulations as may be notified by the Commission from time to time.

“**Distribution services**” shall mean provision of services for the supply or conveyance of electricity by means of system of wires and associated facilities between delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers.

2. OBJECT AND SCOPE OF THE AGREEMENT

Utility/Licensee agrees and undertakes to provide the distribution services to the open access customer in accordance with the terms of this agreement, and Regulations.

3. OPEN ACCESS CUSTOMERS OBLIGATIONS

3.1 The open access customer agrees and undertakes to comply with the Regulations.

3.2 The open access customer agrees and undertakes to furnish and maintain the payment security mechanism / instrument for availing the Distribution Services as prescribed in this Agreement.

4. UTILITY/LICENSEE'S DUTIES AND OBLIGATIONS

4.1 Utility/Licensee shall provide the Distribution Services in an efficient manner and in accordance with the terms of this Agreement.

4.2 Utility/Licensee shall allow all facilities required by the open access customer including access to its facilities on it's land as may be required by the open access customer.

4.3 Where due to technical constraints or break down, the utility/licensee's capability to undertake distribution of electricity is disrupted for any period of time, utility/licensee shall, as far as practicable, provide prior notice to the open access customer of such disruption in distribution of electricity and the estimated time period for rectification thereof.

5 SCHEDULING

5.1 The open access customer shall procure distribution services, in accordance with the terms and conditions of this Agreement. Prior to scheduling energy on the utility's/licensee's distribution system, the open access customer shall follow the existing procedures. Subsequent to scheduling of energy, requests for injection /drawal of additional quantum of energy will be accepted only for bona fide emergencies. Energy and any ancillary services must be scheduled on the basis of approved requests not later than 12 noon IST on the day prior to the beginning of such schedule or on the last common business day

of the week, as the case may be, before all weekend days and holidays for all transactions except hourly non-firm. Hourly non-firm energy and/or any associated ancillary services must be scheduled not less than _____ minutes prior to the beginning of such schedule. The open access customer may initiate a new schedule or change an existing schedule submitted pursuant to this paragraph.

5.2 Notwithstanding any other provision of this Agreement, after 12 noon IST of any day, utility/licensee shall have the right to utilize and/or sell, on a non-firm basis, any non-scheduled transmission service, excluding hourly non-firm, for transactions up to and including the following business day.

5.3 The open access customer shall communicate with utility/licensee to facilitate daily scheduling of energy and any ancillary services required under this agreement. Schedules crossing utility's/licensee's control area boundaries shall be in whole megawatt increments. Schedules entirely within utility's/licensee control area shall be scheduled in tenths of megawatt increments (000.0 MWs/MVA).

6. Distribution System

The distribution system/transmission system/ project as per details in Annexure –‘A’ has been envisaged to transmit power. The list includes existing distribution system and such other system which is yet to be commissioned and is under execution or to be executed .

Any other transmission/distribution line, substation and or equipment that may be added to the transmission/distribution system detailed in annexure-‘A’ in accordance with approval of Jammu and Kashmir State Electricity Regulatory Commission shall form a part of this agreement.

Utility/Licensee shall build operate and maintain the transmission system belonging to it in the State.

While Utility/Licensee namely----- shall endeavour for best possible reliability of power supply to open access customer namely----- and maintenance of system parameters, however, for occurrences and situations beyond its control, Utility/Licensee shall not be held responsible.

For the above services open access customer shall regularly pay to the Utility/Licensee/SLDC the monthly open access charges as per Regulations.

Utility/Licensee/SLDC shall duly inform open access customer regarding all charges in transmission system/distribution system/ asset ownership and any other relevant development/changes as also the consequent changes in transmission/distribution charges to be paid by the open access customer as mutually agreed or notified.

7. Tariff

The open access charges i.e .transmission/distribution/wheeling and other charges shall be as per Regulations as notified by Jammu and Kashmir State Electricity Regulatory Commission from time to time.

8. Metering and Reconciliation

..

- (i) Metering installation shall be provided as per stipulations in Regulations and shall comply with statutory and Regulatory requirement.
- (ii) Special energy meters shall be installed and commissioned at locations identified as per the guidelines provided by the CEA/or the authority as notified by the Commission. The responsibility for downloading and onward transmission of the meter data shall be as per the provisions of the J & K State Electricity Grid Code as amended from time to time.
- (iii) The periodicity for testing of the accuracy of the SEMs shall be as provided in the Sate Electricity Grid Code.
- (iv) Joint Meter Reading of the main as well as check meters (wherever installed) shall be taken by Utility/Licensee and the concerned open access customer at 12 noon on the 1st day of each month. In case of any of the concerned parties is not available for joint meter readings at the specified time, the meter reading taken by the other party (ies) shall be submitted to SLDC for preparation of energy accounts.
- (v) The Main and check meters shall be jointly inspected and sealed by both the parties and shall not be interfered with by either party expect in the presence of other parties or its authorized representatives.
- (vi) The main and check meter shall be test checked for accuracy at least every year by the concerned parties. Meter shall be deemed to be working satisfactorily if the error is within the limit specified in BIS/BS/IEC.
- (vii) During the period of calibration for which a meter need to be removed from its location, another such duly calibrated meter would be installed by the concerned parties in the presence of both parties and jointly sealed.
- (viii) If at any time there is a doubt that a meter is not recording correctly, the concerned parties shall inform the same to the owner of the meter for joint testing.
- (ix) The authorized representatives of open access customer can have access to Utility/Licensee owned sub-stations to inspect the energy metering system and Utility/Licensee shall cooperate with open access customer for maintenance of meters in best possible way.
- (x) Metering system, calibration procedure and procedure of taking meter readings could be modified from time to time as may be decided by the Jammu and Kashmir State Electricity Regulatory Commission.

9. Losses

The losses would be shared as per the methodology decided by SLDC and or in line with guidelines issued by Jammu & Kashmir State Electricity Regulatory Commission from time to time.

10. Energy accounting

The intra-State energy account shall be prepared in compliance of provision of the Jammu and Kashmir State Electricity Grid Code as amended from time to time and shall also comply with any other direction issued by Jammu & Kashmir State Electricity Regulatory Commission on the subject from time to time.

Energy accounts shall be prepared by SLDC latest by 6th day of the month.(if sixth day is a holiday the next working day will be applicable)based on the monthly joint energy meter readings. In the event of delay in receiving meter readings SLDC shall issue provisional energy accounts by sixth day of the month indicating the beneficiaries wise draws. The energy accounts including amendments if any issued by SLDC shall form the basis of billings and be winding on all the parties.

11 BILLINGS

11.1 For any service provided to the open access customer pursuant to this Agreement, utility/licensee will charge and bill the open access customer and the open access customer will pay the rates and charges the utility/licensee in accordance with the provisions of the regulations.

11.2 All billing shall be delivered daily/weekly/monthly by the utility/licensee to the open access customer as soon as reasonably practical after the end of the billing period, it being recognized that partial billing may be submitted in the event that portions of the billings may require additional time to prepare. All such billings, including partial billings, shall be due and payable by the open access customer within fifteen (15) calendar days from the date the billing is rendered, whether or not a party disputes all or any portion of the billing. If such due date falls on a Saturday, Sunday or a holiday observed by either Party, the payment shall be due and payable on the next following business day. In the event the open access customer fails to make a payment of a billing when due and payable for any reason the open access customer shall pay interest @ _____thereon to the utility/licensee. Each such daily interest calculation shall be on the basis of actual days and a three hundred sixty-five (365) day calendar

year. The Parties agree that this paragraph shall not be a defence to any action to compel payment of a billing or for a determination of default or termination.

11.3 The open access customer shall be required to pay the wheeling charges and surcharge and additional surcharge in accordance with the regulations framed by the Commission. The billing amount as raised by the utility/licensee may include any such additional taxes, levies as may be imposed by the Government.

11.4 Any dispute between the Parties relating to any apparent discrepancy in billing and/or regarding incorrect calculation of the price adopted for billings by the utility/licensee ("Invoice Discrepancy") shall be referred to and resolved by the dispute resolution mechanism prescribed in Clause 28. The open access customer shall not be entitled to withhold any payments to the utility/licensee in respect of the Invoice Amount, except in the event of any Invoice Discrepancy, the open access customer shall be entitled to withhold the disputed amounts.

11.5 Any failure on the part of the open access customer to pay all or any portion of an invoice issued by the utility/licensee, shall constitute a valid ground for the utility/licensee to discontinue provision of further Distribution Services, as also, to take such measures as may be prescribed under this Agreement.

11.6 Upon failure on the part of the open access customer to pay all or any portion of an invoice issued by the utility/licensee, the open access customer will not be entitled to make any additional reservations for Distribution Services and the utility/licensee shall be entitled to withhold the distribution services till such time the undisputed amounts are paid in full and credit re-established.

12. MEETINGS

12.1 The Parties shall meet at least once in every calendar quarter at a location determined by the Parties, or if no such determination is made, then as determined by the utility/licensee. Parties may meet more often from time to time as it deems necessary.

12.2 At least twenty-one (21) days written notice of every meeting shall be given to each Party or their authorized representatives at their registered address, provided always that a meeting may be convened by a shorter notice than twenty-one (21) days with consent of both Parties.

12.3 The notice of each meeting shall include an agenda setting out the business proposed to be transacted at the meeting. Unless waived in writing by both Parties, any item not included in the agenda of a meeting shall not be considered at that meeting.

13. INSPECTION OF RECORDS OF THE OPEN ACCESS CUSTOMER

13.1 During office hours of the open access customer, the utility/licensee shall have full access to, and right to make copies of, all books of account, records and the like of the open access customer. Any information obtained by the utility/licensee through exercise of this right of access shall be used by the utility/licensee only for purposes which are consistent with the terms of this Agreement and be subject to the confidentiality provisions contained herein.

14. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PARTIES

14.1 The open access customer represents, warrants and covenants to the utility/licensee as follows:-

- (a) The open access customer is a person duly organized, validly existing and in good standing under the laws of Jammu and Kashmir State and has the corporate power and authority to enter into this Agreement and to perform its obligations hereunder.
- (b) All corporate actions on the part of the officers and the directors of the open access customer (if applicable) necessary for the authorization, execution and delivery of this Agreement by the open access customer and for the performance of all of its obligations hereunder have been taken.
- (c) This Agreement constitutes valid, legally binding and enforceable obligations of the open access customer.
- (d) The open access customer shall use its best efforts to assist the utility/licensee to obtain and maintain all necessary approvals from the Government for the establishment and operation of the Company as contemplated by this Agreement and for the transfer of technology and payment of fees and royalties as contemplated by the ancillary Agreements.
- (e) The open access customer shall not take any action or cause the utility/licensee to take any action on behalf of the utility/licensee or binding upon the utility/licensee, except with the utility's/licensee's specific consent in writing.
- (f) The open access customer shall take such further such actions, execute and deliver such further instruments and documents, and generally do all such other things as may be reasonably necessary to accomplish the transactions contemplated in this Agreement.

- (g) Execution, delivery or performance of this Agreement by the open access customer does not and will not conflict with, or result in a default, right to accelerate or loss of rights under, or result in the creation of any lien, charge or encumbrance, pursuant to the open access customer's Charter documents (if applicable), or any agreement or other document, law, rule, regulation, order, judgment or decree to which the open access customer is a party or by which it may be bound or affected.
 - (h) The open access customer has delivered to the utility/licensee copies of financial statements, including the respective notes to such financial statements, all of which are true, complete and correct in accordance with the books and records of the open access customer, and the open access customer certifies that such financial statements have been prepared from the books and records of the open access customer in accordance with generally accepted accounting principles consistently applied and maintained throughout the period indicated and present fairly the financial condition, assets and liabilities and the income and operations of the open access customer as their respective dates for the periods covered thereby.
- 14.2 The utility/licensee represents, warrants and covenants to the open access customer as follows:
- (a) The utility/licensee is duly organized, validly existing and in good standing under the laws of the Jammu and Kashmir State and has the power and authority to engage in this Agreement and to perform its obligations hereunder.
 - (b) All actions on the part of the utility/licensee and its officers and the directors necessary for the authorization, execution and delivery of this Agreement and for the performance of all of its obligations hereunder has been taken.
 - (c) This Agreement constitutes valid, legally binding and enforceable obligations of the utility/licensee.
 - (d) The utility/licensee shall not take any action or cause to be taken any action on behalf of the open access customer or binding upon the open access customer, except with the open access customer's specific consent in writing.
 - (e) The utility/licensee shall take such further acts, execute and deliver such further instruments and documents, and generally do all such other things as may be reasonably necessary to accomplish the transactions contemplated in this Agreement.
 - (f) Execution, delivery or performance of this Agreement by the utility/licensee does not and will not conflict with, or result in a default, right to accelerate or

loss of rights under, or result in the creation of any lien, charge or encumbrance, pursuant to the utility's/licensee's certificate of incorporation or bylaws, or any agreement or other document, law, rule, regulation, order, judgment or decree to which the utility/licensee is a party or by which it may be bound or affected.

15. ACCOUNTING AND FINANCE

15.1 The open access customer shall keep true and accurate accounting records of all operations, and such records shall be open for inspection by each party or by its duly authorized representatives at all times during normal business hours and with sufficient notice so as not to disrupt the open access customer's operations.

15.2 The financial statements of the open access customer shall be audited at the open access customer expense by an independent accounting firm selected by mutual agreement between the parties.

15.3 The utility/licensee shall submit to the parties monthly accounting reports in a form to be mutually agreed upon between the parties.

16. Indemnity; Limited Liability

16.1 The open access customer agrees to indemnify the utility/licensee and hold it harmless from and against any and all claims, other than those ultimately determined to be founded on gross negligence or willful misconduct of the utility/licensee in a judicial proceeding, from and against any damages penalties, judgments, liabilities, losses or expenses (including reasonable attorney's fees and court costs and disbursements) (hereinafter also collectively "Loss") incurred as a result of the assertion of any claim by any person or entity, arising out of or in connection with this Agreement, including in respect of any loss or damage arising from performance of system operator functions.

17. DEFAULT BY PARTIES AND CONSEQUENCES THEREOF

17.1 The following shall constitute the defaults by the parties and the consequences thereof:

- (i) Failure of the open access customer to pay an invoice without raising a dispute**

Notwithstanding anything contained in Clause 11, in the event of the failure by the open access customer to pay an invoice unless there occurs an Invoice Discrepancy, the utility/licensee shall issue a notice to the open access customer (“Default Notice”), specifying that the open access customer has defaulted in its payment obligations towards the utility/licensee and that it shall be afforded an opportunity to pay the unpaid invoice amount, with interest thereon, within a prescribed time frame. If the open access customer does not comply with the terms of the Default Notice, the utility/licensee shall be entitled without further recourse to unilaterally de-energise the connection granted to the open access customer and/or terminate this Agreement forthwith. The open access customer shall be required to raise any Invoice Discrepancy in writing within _____ days of receipt of the Invoice.

(ii) Failure of the open access customer to adhere to the prescribed technical requirements;

In the event of failure of the open access customer to comply with any technical requirements as may be prescribed and/or approved by the Commission from time to time, which adversely affects the power quality or security of the grid, performance or management of grid assets, the utility/licensee shall be entitled to de-energise the connection granted to the open access customer forthwith.

18. NON-COMPLIANCE WITH OTHER REQUIREMENTS

18.1 In the case of any non-compliance of any requirements (other than those specifically mentioned in this Agreement) by any Party (“Defaulting party”), the non-Defaulting Party shall serve a notice to the Defaulting party, indicating the details of the non-compliance and requiring it to remedy such non-compliance within 15 days. The Parties may also, if they mutually agree, meet and hold discussions on the aforesaid issue.

18.2 If the Defaulting Party fails to remedy its non-compliance or provide the non-Defaulting party with a remedial plan within the notice period, the non-Defaulting party shall be entitled to seek termination of this Agreement in terms of this Agreement.

18.3 The Utility/Licensee recognises that it is in a monopoly position as regards the Distribution Services. Therefore, in the event the utility/licensee fails to comply with the provisions of this Agreement and/or fulfill its obligations hereunder, the open access customer shall be entitled to approach the Commission and seek specific performance of the terms of this Agreement. This right shall be without prejudice to any other rights that the open access customer may have under law.

19. TERM AND TERMINATION

19.1 This Agreement is intended to be of enduring nature having regard to the mutual objectives and stipulations in this Agreement and shall take effect as of its execution and shall continue in force until terminated in accordance with the provisions of this Agreement.

19.2 Without prejudice to any claim for any antecedent breach, any Party shall be entitled at its option, on the happening of any of the following events, to terminate this Agreement:

- (a) by giving to the other Party thirty (30) days written notice if any other Party becomes or is declared bankrupt or goes into voluntary or compulsory liquidation, except for the purpose of amalgamation or reconstruction; or
- (b) by giving to the other Party sixty (60) days written notice if any distress or attachment is levied, or any receiver is appointed in respect of the business or a substantial part of the property or assets of any other Party, or if it takes any similar action in consequences of debt; or
- (c) by giving to the other Parties sixty (60) days written notice if possible, in the event that there is a Government expropriation, nationalization or condemnation of all or substantial part of the assets or capital stock of any other Party; or
- (d) by giving to the open access customer a notice issued by the utility/licensee, indicating that the open access customer has failed to pay its dues as raised under an Invoice issued to it despite the issuance of a notice of default as referred to in Clause 17.
- (e) by notice in writing to the other Parties (effect upon dispatch) if any other Party is in breach of any provision of this Agreement and such breach has not been remedied (to the reasonable satisfaction of the Parties not in breach) within sixty (60) days of notice of such breach having been served on that Party by any other Party; or
- (f) by notice in writing to the other Party if any direction or order from any authority in Jammu and Kashmir or any change in applicable statutes, rules and regulations or the Government policy is made which prevents or significantly impairs the implementation of this Agreement or directly or indirectly so restricts the scope and exercise of the right of either of Party as concerns the Company so as to render its objectives effectively impossible.
- (g) by giving to the other Parties an advance notice of at least one eighty days to the effect that one party desires that this Agreement be terminated

19.3 The termination of this Agreement shall not relieve any Party of any obligation or liability accrued prior to the date of termination.

19.4 The Parties shall promptly provide required information and documents in obtaining the requisite Governmental or statutory approvals to implement the provisions of this agreement.

19.5 The foregoing shall not limit the ability of either Party to seek legal and equitable remedies related to a material Breach by the other Party or the failure of the other Party to perform any other duty or obligation under this Agreement.

20. CONFIDENTIALITY

20.1 The Parties undertake to keep the nature of the Transaction confidential and also agree that the disclosure of such information without the approval of other Party, except when such disclosure is essential for the purpose of obtaining any permission of the Governmental Authority and/or to its legal advisors, shall result in material damage to the other Party.

20.2 Any confidential information provided to a Party or its representatives in writing and identified as being confidential ("**Confidential Information**") shall be held in confidence and shall not be disclosed to any third party, except as reasonably required in the fulfillment of this Agreement or in connection with obtaining any necessary consents in connection with this Agreement. Notwithstanding the foregoing, the obligation of confidentiality shall not apply to any disclosure (i) of information that is in or enters the public domain through no fault of the receiving Party, (ii) of information that was in the possession of the receiving Party prior to receipt under this Agreement, or (iii) required by law, regulation, legal process or order of any court or governmental body having jurisdiction, but the receiving Party shall notify, in advance, the disclosing Party/ies as soon as reasonably possible, to the extent lawful, so that the disclosing Party/ies can seek protections or exceptions to the disclosure.

21. WAIVER OF CLAIMS

21.1 In no event shall a Party be liable to the other Party for any indirect, consequential, economic, punitive or similar damages arising from or in any way connected with this Agreement.

21.2 Any waiver at any time by the other Party of its rights with respect to a default or breach under this Agreement shall not be deemed a waiver with respect to any other default or breach or other matter arising in connection herewith. Any delay short of the statutory period of limitation in asserting or enforcing any right shall not be deemed a waiver of such right.

21.3 The Parties will exercise reasonable diligence and care to meet their respective contract obligations and duties.

22. NO ASSIGNMENT

21.1 The open access customer shall not assign, sell, convey or otherwise transfer this Agreement or any Confirmation Agreement, or any of its rights or obligations there under, without prior express written consent of the seller (other party). The assignee or other transferee shall assume all duties and obligations arising from and after the time of the consent to transfer by the Seller(other party), but such assignment or transfer shall not release the assigning or transferring open access customer from its duties and obligations unless specifically provided in the written consent and in the assignment, conveyance or transfer document. All duties and obligations arising prior to the assignment or transfer shall remain the duty and obligation of the Party unless the Parties specifically agree otherwise.

23. FORCE MAJEURE

23.1 If either Party is prevented from performing its obligation under this Agreement from causes which are beyond its reasonable control, such as, but not limited to, any condition or event beyond the control of the Party affected, including but not restricted to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, explosion, lightning, epidemic, war, riot, civil disturbance or disobedience, labour dispute, labour or material shortage, sabotage, restraint by court order or public authority and action or non-action by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of reasonable diligence such Party could not reasonably have been expected to avoid and which by exercise of reasonable diligence it shall be unable to overcome; the Party is excused from non-performance of its obligation during the period while such cause continues to exist, but if such cause continues to exist and prevent performance by the Party of the obligation for more than one month, the other Party may terminate this Agreement effective upon delivery to the non-performing Party of written notice of such termination.

23.2 Either Party rendered unable to fulfill any of its obligations under the Agreement by reason of a Force Majeure shall provide notice of said Force Majeure to the other Party within 24 hours of the occurrence giving rise to the claim of the Force Majeure, provide

written notice within 3 working days thereafter and use reasonable diligence to remove such Force Majeure with all reasonable dispatch.

23.3 Should the Force Majeure exist for a period of three consecutive months, the Party not claiming the Force Majeure may cancel the Distribution Service by providing a thirty-day written notice at the conclusion of the three month period.

24. NOTICES

24.1 All notices, billings, payments and other communications shall be given in writing signed by (or by some person duly authorised by) the person giving it and may be served by sending it by facsimile, prepaid recorded delivery as registered post, speed post of department of posts or by courier service with an acknowledgement due addressed as follows (or to such other address as shall have been duly notified in accordance with this Article):

If to the open access customer:

If to the utility/licensee:

24.2 All notices given in accordance with Clause 24.1 shall be deemed to have been served as follows:

- (a) if delivered by hand, at the time of delivery;
- (b) if posted, at the expiration of six (6) days after the envelop containing the same was delivered into the custody of the postal authorities;
- (c) if communicated by facsimile, on receipt of confirmation of successful transmission.

25. SEVERABILITY

25.1 Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this

Agreement should be prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Agreement. In such event, the Parties shall negotiate, in good faith, a valid, legal and enforceable substitute provision, which most nearly effects the Parties' intent in entering into this Agreement.

26 - ENTIRE AGREEMENT

26.1 This Agreement, the Exhibits and all attachments set forth the entire agreement of the Parties with respect to the subject matter of this Agreement and supersede all prior and contemporaneous agreements, understandings and representations, written and oral. In case of any inconsistency between this Agreement and any Schedule or any attachment, this Agreement shall prevail.

27. JURISDICTION

Except as specifically provided for otherwise, in this Agreement, the Parties submit to the exclusive jurisdiction of the courts in the State of Jammu and Kashmir.

28. DISPUTE RESOLUTION

28.1 Except as specifically provided for otherwise, in this Agreement, the Parties shall seek to resolve any dispute, controversy, claim or breach arising out of or in relation to this Agreement including any dispute as to the existence or validity of this Agreement, by amicable arrangement and compromise, and only if the Parties fail to resolve the same by amicable arrangement and compromise within a period of sixty (60) days of receipt of written notice of the same by the other Party, either Party may resort to arbitration as provided for in Clause 28.2 hereof.

28.2 In the event of any question, dispute or difference arising under this agreement or in connection therewith except as to matters for which the manner of dispute resolution is specifically provided under this agreement, Act or Regulations, the same shall be finally settled through arbitration proceedings by a sole arbitrator to be appointed by the Commission.

28.3 The place of arbitration shall be Jammu/Srinagar. The language of arbitration shall be English.

28.4 The Parties shall bear their own costs for conduct of arbitration proceedings, subject to the final award.

29. ASSUMPTION OF RISK

29.1 Each Party hereto acknowledges (i) the risks of its undertakings hereunder, (ii) the uncertainty of the benefits and obligations hereunder, and (iii) its assumption of such risks and uncertainty. Each Party has conducted its own due diligence and requested and reviewed any contracts, business plans, financial documents and other written material as in such Party's opinion shall be the basis of that Party's decision to enter into this Agreement.

30. MODIFICATION

30.1 No provisions of this Agreement may be modified or amended unless the Parties adopt the procedure contained herein. Where any Party is of the view that the terms of this Agreement require any modification or amendment, to ensure that it is in consonance with the relevant regulatory and statutory provisions, the Parties shall initiate a consultative process, whereby the Parties shall meet and hold discussions on the aforesaid issues. In the event that the Parties cannot agree on whether this Agreement requires modification or amendment, they shall refer such difference to an independent expert, who shall decide the said issue. However, the Parties may modify this Agreement if they mutually agree to do so, in writing.

31. HEADINGS

31.1 The article, paragraph and other headings in this Agreement are provided for convenience only and in no way define or limit the scope or the intent of this Agreement.

32 - COUNTERPARTS

32.1 This Agreement may be executed in any number of counterparts. The counterparts shall be deemed to constitute one instrument.

IN WITNESS WHEREOF, the Parties by their duly authorized representatives have executed this Agreement on the day first above written.

Open access customer

By :

Name :

Title:

Date:

Witness:

Utility/Licensee

By :

Name :

Title :

Date:

Witness:

Annexure-A Distribution - Services Agreement

Details of Distribution (Clause-6)

