

DRAFT
Connection Agreement

THIS AGREEMENT is made the [] day of [] 200[]

BETWEEN:

[Name and registered address of the CTU] (hereinafter called the "CTU") which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include its successors or permitted assigns and for the purposes of this Connection Agreement the CTU shall act through its _____ ***[address of the regional head quarter where connection shall be located]*** Unit;
and

[Name and registered address of the applicant Company] (herein after called "**the Applicant**") which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include its successors or permitted assigns;

Or

[Name and registered address of the inter-State transmission licensee] (herein after called "**the inter-State transmission licensee**") which expression shall unless repugnant to the context or meaning thereof be deemed to mean and include its successors or permitted assigns;

CTU, applicant and inter-State transmission licensee are hereinafter collectively referred to as "Parties" and individually as "Party".

WHEREAS:

- (A) The Applicant has applied to the CTU for connection of the [***mention generating station including a captive generating plant or Bulk consumer as appropriate***] facility to the CTU's Transmission System and use of the CTU's Transmission System to transmit electricity to and or from the Facility through the Inter-State Transmission System.
- (B) The CTU has agreed to the connection of the [***mention generating station including a captive generating plant or Bulk consumer as appropriate***] Facility to the CTU's Transmission and Communication System (via the applicant's Site-Related Connection Equipment) at the Connection Point (..... Mention details of the connection point, the name of sub-station, name of line which is to be made LILO, etc.....) and to the applicant using the¹ Transmission and Communication System of the CTU or inter-state transmission licensee other than the CTU, as the case may be, to transmit electricity as well as real time data to and or from the Facility through the CTU's Transmission and Communication System.
- (C) An application for connectivity is not required to be made by any transmission licensee, since transmission system planning is carried out in a coordinated manner by the Central Transmission Utility and the Central Electricity Authority. An inter-State transmission licensee other than Central Transmission Utility, nevertheless, shall sign a connection agreement with the Central Transmission Utility, as provided for in the Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-state Transmission and related matters) Regulations, 2009.
- (D) The Parties require to enter into this connection agreement to record the terms and conditions upon which the Parties will carry out their respective Connection Works, in addition to the estimated cost required to be carried out by the CTU for works related to the interconnection, in accordance with

¹ Please define "Owner".

the Connection Agreement. In the case of a generating plant seeking connection to the inter-state transmission system not owned by the CTU, a tripartite Connection Agreement would be signed between the CTU, the inter-State transmission licensee and the applicant, since the planning of the inter-State transmission system, insulation coordination, system studies, etc. are the responsibility of the CTU. The responsibilities of the three parties would be defined accordingly in the tripartite Agreement.

- (E) The parties shall separately take up modalities for implementation of the works on mutually agreed terms and conditions. The scope of works, time schedule for completion of works, including the timelines for the various milestones to be reached for completion of works (PERT chart), shall form an appendix to this agreement, and shall form the basis for evaluating if the works by the parties is being executed in time. Penalties for non-completion of works in time by one party resulting in financial losses to the other party may be appropriately priced, as per mutual agreement, for indemnification of each other against losses incurred in this regard, and form a part of this Agreement. Similarly, for the regular O&M of the connection equipments owned by the applicants and located in the CTU's premises/switchyard, the parties shall separately take up the O&M agreement on mutually agreed terms and conditions.
- (F) Further, a signed copy of the agreement along with all the Annexures, and amendments when ever made, shall be submitted to RLDC/NLDC.

IT IS HEREBY AGREED as follows:

1. General Conditions For Connectivity

1.1 The Parties agree to the following General Conditions :

- (a) The parties shall abide by the Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and

Medium-term Open Access in inter-state Transmission and related matters) Regulations, 2009, in respect of procedure of grant of connectivity and other matters.

(b) The applicant or inter-State transmission licensee, as the case may be, shall be responsible for planning, design, construction, and safe and reliable operation of its own equipments in accordance with the Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2007, Central Electricity Authority (Technical Standards for Construction of electrical plants and electric lines) Regulations, Central Electricity Authority (Grid Standards) Regulations, Indian Electricity Grid Code (IEGC) and other statutory provisions.

(c) The applicant or inter-State transmission licensee shall provide necessary facilities for voice & data communication for transfer of real time operational data such as voltage, frequency, real and reactive power flow, energy, status of circuit breaker & isolators positions, transformer taps and other parameters from their station to Data Collection Point(DCP) of CTU as per IEGC. CTU may provide access to applicant's data transfer through communication network in case spare channels are available on mutually agreed terms. The location of DCP of CTU shall be the nearest station connected electrically where wideband communication capacity of POWERGRID is available. Additional communication system from DCP to the concerned RLDC shall be the responsibility of CTU; however its cost shall be borne by the applicant. The responsibility of data transfer shall be that of the applicant.

1.2 The following documents and their schedules which have been initialed by the parties and annexed herewith shall be deemed to form an integral part of this Agreement in the order of precedence listed below :-

(a) Application for seeking connection to the inter-State transmission system.

- (b) Offer Letter of this Agreement attached hereto;
- (c) This Agreement;

1.3 Availability of Statutory/Regulatory Approval

Notwithstanding anything in the Agreement to the contrary, the applicant or inter-State transmission licensee shall be responsible for obtaining the statutory clearances/approval including transmission license (if required) for carrying out the works requiring connection to the ISTS. Accordingly, the provisions of the Agreement dealing with the carrying out of the Works, either by the applicant or inter-State transmission licensee or the CTU (unless otherwise agreed mutually) in all respects would be conditional on and subject to the CTU being satisfied that the necessary approvals/clearances are available with the applicant or inter-State transmission licensee, as the case may be .

2 Agreement To Pay Charges And Costs

2.1 Agreement to pay Monthly Transmission Tariff

The applicant declares that it shall pay the Monthly Transmission Tariff including ULDC/NLDC charges, FERV, income tax or other taxes, cess, duties etc., for use of Inter-State Transmission System, as and when Long term access , Medium-term open access or short-term open access is availed by the applicant, in accordance with the relevant regulations of CERC in this regard.

2.2 Agreement to pay additional costs

The applicant declares that it shall pay the cost towards modification/alterations to the infrastructure of the CTU or inter-state transmission licensee other than the CTU, as the case may be, for accommodating the proposed connection as specified in the offer letter.

2.3 Agreement to pay damages

The applicant declares that it shall pay/ make good damages², if any, caused to the property of the CTU or inter-state transmission licensee other than the CTU, as the case may be,, which has been notified by the CTU or inter-state transmission licensee other than the CTU, as the case may be, within reasonable time of its occurrence, during the course of control, operation and maintenance of the equipment.

2.4 Agreement to pay Charges for construction of Bays:

The applicant or inter-State transmission licensee will execute an agreement with CTU for the Erection of equipment of applicant or inter-State transmission licensee in the substation premises of the CTU for construction of bays, if required. For this purpose the applicant or inter-State transmission licensee shall pay charges to the CTU on mutually agreed terms.

2.5 Agreement to pay O&M Charges:

The applicant or inter-State transmission licensee shall pay O&M charges to the CTU on mutually agreed terms for the bay equipment of applicant or inter-State transmission licensee being operated & maintained by the CTU in their substation. These O&M charges will be governed time to time as per the mutually agreed terms.

3. Conditions Precedent to the implementation of the Commissioning Instructions

The applicant or inter-State transmission licensee shall have to get appropriate "Commissioning Instruction" prior to actually first charging of

² Can we have a formula by which damages could be ascertained. In Law, liquidated damages are to be provided in the agreement as a genuine pre-estimate.

the equipment through the grid. The charging instruction shall be issued only when the CTU is satisfied (by acting reasonably) that:

- (a) the Connection Works have been completed;
- (b) the applicant has complied with all its obligations as set out in the Offer Letter;
- (c) the applicant or inter-State transmission licensee has demonstrated the voice & data communication facilities to concerned RLDC;
- (d) the applicant or inter-State transmission licensee has obtained necessary approvals like PTCC, Electrical Inspectorate of CEA etc. from competent authority;
- (e) the applicant or inter-State transmission licensee has complied with its obligations under the Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2007;

4. Metering

The applicant or inter-State transmission licensee shall provide and maintain the Metering equipment, in accordance with the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 and IEGC.

5.1 Site Access

Being restricted area the CTU may give permission or allow access to the employees and/or agents and/or subcontractors and/or invitees of the applicant or inter-State transmission licensee in the it's premises to carry out preliminary site investigation works, the Connection Works, modification works, inspections, etc , based on a written request made by the applicant

or inter-State transmission licensee giving reasonable advance notice. All such actions are to be carried out under the strict supervision of the CTU's authorized representative to safeguard the safety and security requirements of CTU's installations and safety of the representatives of the applicant or inter-State transmission licensee.

Similarly the applicant or inter-State transmission licensee may also allow, on prior permission, site access to the CTU's employees and/or agents and/or invitees to carry out preliminary site investigation works, inspections, etc in the connection site of the applicant or inter-State transmission licensee, provided that a written request has been made giving reasonable advance notice.

5.2 Conditions of access

Site access for the CTU/applicant or inter-State transmission licensee shall include the right to bring such vehicles, plant, machinery and construction materials as shall be reasonably necessary to carry out the functions in respect of which the permission of access is granted. Being a restricted area, any individual to whom access is given under the Agreement shall comply with all reasonable directions given by the applicant or inter-State transmission licensee/CTU and its duly authorized employees and agents to safe guard the interest of safety and security requirements of personnel and equipment. All such access shall be exercisable without payment of any kind.

6. Transfer Assignment And Pledge

The applicant or inter-State transmission licensee shall not transfer, assign or pledge its rights and obligations under this connection agreement to any other person.

7. Notice

All notices required or referred to under this Agreement shall be in writing and signed by the respective authorized signatories of the parties mentioned herein, unless otherwise notified. Each such notice shall be deemed to have been duly given if delivered or served by registered mail/speed post of the department of post with an acknowledgment due to other party (ies) as per authorization by parties.

The authorities of the parties who shall issue/receive notices etc. in connection with this agreement shall be informed in advance.

8. Settlement Of Disputes And Arbitration

All differences and/or disputes between the parties arising out of or in connection with these presents shall at first instance be settled through amicable settlement at the level of CEO/CMD.

In the event of unresolved disputes or differences as covered under the statutory arbitration provided under The Electricity Act, 2003, the same shall be resolved accordingly.

Notwithstanding the existence of any disputes and differences referred to arbitration, the parties herein shall continue to perform their respective obligations under this Agreement.

9. Force Majeure

Force Majeure herein is defined as any cause which is beyond the control of the CTU or the applicant or inter-State transmission licensee as the case may be, which could not be foreseen or with a reasonable amount of diligence could not have been foreseen and which substantially affects the performance of the agreement. Force Majeure events would include :

- Natural phenomenon including but not limited to floods, droughts, earthquake and epidemics;

- war (whether declared or undeclared), invasion, armed conflict or act of foreign enemy in each case involving or directly affecting India, revolution, riot, insurrection or other civil commotion, act of terrorism or sabotage in each case within India;
- nuclear explosion, radioactive or chemical contamination or ionizing radiation directly affecting the generating station, captive generating plant or Bulk consumer, Inter-State Transmission System of the CTU or inter-State transmission licensee other than the CTU, or any facility or system that is integral to and substantial for the performance of this Agreement.
- any event or circumstances of a nature analogous to any events set forth above within India.

Provided either party shall within fifteen (10) days from the occurrence of such a Force Majeure event notify the other in writing of such cause(s).

Neither of the parties shall be liable for delays in performing obligations on account of any force majeure causes as referred to and/or defined above.

10 Confidentiality

The parties shall keep in confidence any information obtained under this Connection Agreement and shall not divulge the same to any third party without the prior written consent of the other party, unless such information is

- a) In the public domain.
- b) Already in the possession of the receiving party.
- c) Required by the Govt. Ministries/Agencies/Court of competent jurisdiction.

The information exchanged herein between the parties shall be used only for the purpose of, and in accordance with, this Agreement and for the purpose stated herein. This clause shall remain in force even after termination of Connection Agreement.

11 Governing Laws And Jurisdiction

The agreement shall be governed by Indian Laws and Rules made there under.

12 Amendment To The Connection Agreement

In case of Modification to point of connection like re-allocation of bays, upgradation of voltage level etc. by either of the parties, if mutually agreed, an amendment to the Connection Agreement shall be executed between the parties within 30 days of implementing such modification.

IN WITNESS WHEREOF the CTU and the applicant or inter-State transmission licensee have caused this Agreement to be executed by duly authorized representative on the date above first herein written.

Signed for and on behalf of: -

[CTU Details]

Signed for and on behalf of: -

[Applicant or ISTS licensee Details as the case may be]