**Commercial Terms & Conditions for the use of Intra State Transmission System (InSTS) by Long Term Open Access Consumers**

1. ***Governing regulations for allotment of transmission capacity in intra-state transmission system through Long Term Open Access.***
2. Maharashtra Electricity Regulatory Commission (Transmission Open Access) Regulations, 2016 and the procedure specified by STU there under shall govern the allotment of transmission capacity in intra-state transmission system through Long Term Open Access.
3. ***Charges for access and use of intra-state transmission system***
4. The charges for the use and access of the Intra-State transmission system shall be as per “Base Transmission Tariff” for each financial year determined by MERC in the tariff order.
5. The reactive energy exchange (import/export) shall be payable by TSU as may be determined by the MERC/CERC from time to time. The reactive energy exchange shall be accounted both at the point of injection and at point of drawal.
6. A TSU shall not be entitled to a refund of the transmission charges for the capacity not utilized by such user.
7. The charges for the access and use of the Intra-State transmission system shall be determined and settled on a monthly basis as per MERC order for determination of transmission tariff for the pertinent year. The bill with respect to such charges shall be dispatched by the first (01) day of each month (i.e. 1st day of month or next working day in event of 1st day being weekly off or public holiday) and shall reflect the charges determined for the preceding month.
8. ***Fees and Charges of SLDC***

TSU shall also be required to pay for SLDC System Operation Charges proportion to the capacity allotted to such TSU.

1. ***Scheduling and drawal by TSU***

The TSU shall abide by the Scheduling & Despatch Procedure in accordance with the Grid Code. Any un-scheduled interchange and mismatch from schedule shall be priced as specified by the Commission.

1. ***Unscheduled Exchange and balancing power pricing***
2. TSU shall agree unscheduled interchange during in the event of failure or forced outage of captive generator will be settled as per existing procedure of settlement code. Any deviation between scheduled drawal and actual drawal shall be subject to payment per Maharashtra Electricity Regulatory Commission (Transmission Open Access) Regulations, 2016 and MERC (State Grid Code) Regulations, 2006 / CERC ( Indian Electricity Grid Code) Regulations, 2010 by the parties concerned.
3. ***Surcharge***
4. TSU, if it is an existing consumer of the Distribution Licensee, shall also be required to pay to the Distribution Licensee, a surcharge as applicable from time to time.
5. Surcharge shall also be required to be paid by the TSU if it is an existing consumer of the Distribution Licensee availing open access exclusively on the inter-state transmission system without involving intra-state transmission system.
6. ***Assessment of available transmission capacity***

Whether the existing transmission system possesses the spare transmission capacity or is required to strengthen its transmission system, STU shall carry out requisite system studies in accordance with prescribed procedure specified by the STU under the regulations. The TSU shall accept the results of such system studies.Such studies shall be completed within 30 days from the receipt of application and the TSU shall be intimated whether Long Term Open Access is possible with/without system strengthening.

1. ***Non-Utilization of Long Term Open Access Capacity***
2. The TSU may surrender the capacity allotted to him as per provision in MERC ( Transmission Open Access) Regulations, 2016 to STU and State Load Despatch Centre in prescribed form, if he is unable or not in position to utilize the full or substantial part of the capacity allotted to him.
3. The TSU shall make payment for un-utilized contracted open access capacity as determined by STU from time to time based on MERC (Transmission Open Access) Regulations, 2016 and Regulations for Tariff determination prescribed by the Commission.
4. The TSU shall also pay the Scheduling, System Operation and Load Despatch charges for un-utilized contracted open access capacity surrendered by him for the remaining period of allocation.
5. ***Surrender of Transmission Capacity***
6. The TSU if he so desires may surrender the whole or any part of his transmission capacity back to the STU subject to terms and conditions as may be mutually agreed upon between the TSU and the transmission licensee. However in case any transmission system has been laid or transmission system strengthening has been done to facilitate the open access, the TSU/Generator will require to pay un-recovered cost of such transmission system or transmission system strengthening as may be determined by STU.
7. In case the TSU who is neither in position to use nor assign his allotted transmission capacity either in full or in part, the State Load Despatch Centre may re-allocate the said unutilized allotted capacity to any other person who is eligible for open access, but only if the TSU consistently fails to schedule his drawal or dispatch schedule in accordance with the State Grid Code.
8. Continuous non-use of allotted transmission capacity by TSU for a period of one year or more shall be deemed as automatic surrender of un-utilized and un-assigned capacity back to STU without any further action. The re-allocation of transmission capacity not utilized does not absolve the TSU of his obligation to pay the transmission charges pertaining to such un-utilized capacity.

**10.*Metering***

1. The meters at the point of injection and drawals shall be Special Energy Meters conforming to the specification prescribed under Maharashtra Metering Code for InSTS of Maharashtra published by STU / CEA regulation for regulating the installation and Operation of meters further metering interface point not defined in the Metering Code shall be defined by SLDC for facilitating Energy Accounting.
2. The TSU/buyer shall allow full access to the Transmission Licensee and/or the State Load Despatch Centre for meter reading, inspection and testing of Meters.

**11. *Energy losses***

1. The energy losses in intra-state transmission system proportion to capacity contracted by / allotted shall be borne by the TSU. The loss percentage determined by the Commission in MYT / APR / Tariff Orders for intra-state transmission system for the applicable years and approved by the Commission shall be apportioned in proportion to the actual energy drawal by the Open Access consumers and shall be payable in kind (adjusted in energy drawal/injected in kWh terms).
2. The monthly state energy account prepared and issued by the State Load Despatch Centre shall be binding on both parties.

**12. *Letter of Credit and Bank Guarantee towards Security Deposit***

The Letter of Credit and the Bank Guarantee to be opened by Long Term Transmission Customer to MSETCL/STU shall be issued by

* + 1. A Public Sector Bank or
    2. Scheduled Indian Bank having paid up capital(net of accumulated losses) of Rs.100 crore or above(duly supported by latest annual report) and also satisfying the minimum capital adequacy requirement

or

* + 1. Any foreign Bank with overall International corporate rating or rating of long term debt not less than A – (A minus) or equivalent by reputed rating agency.

1. TSU shall furnish a Letter of Credit / Bank Guarantee in the prescribed form and manner valid for the duration of open access towards the payment security guarantee. The amount of the security deposit shall be computed on the basis of average billing to cover the full intra-state transmission charges, for a period of 2 months and shall be valid for the term of OpenAccess granted by STU or the time period specified by STU.
2. TSU shall arrange for extension of validity and/or enhance the value of the bank guarantee from time to time as may be required by STU.
3. The TSU shall furnish the Letter of Credit / Bank Guarantee towards security deposits at the time of executing this BPTA but in any case before connecting to the transmission system.

**13. *Transmission Constraints***

SLDC, subject to any technical constraint in operation of the State Grid may apply curtailment of transmission capacity in whole or part at its absolute discretions. The TSU shall abide by the instructions and directions of the SLDC in accordance with Section 32 of the Electricity Act 2003. In the event of persistent non-compliance of SLDC instructions for Grid Operation and scheduling by the TSU, the STU has the rights to revoke the capacity allotted to him in terms of MERC (Transmission Open Access) Regulations 2016

**14. *Compliance of Grid Code***

1. TSU agrees to comply with the State Grid Code Regulation 2006 as specified by the Commission amended from time to time. In the event of failure of TSU to comply with the provisions of the Grid Code, the Transmission Licensee has right to revoke the transmission capacity so reserved for him after serving show cause notice of 21 days and after taking requisite approval of the Commission.
2. The TSU shall abide by the SLDC schedule and shall comply with all directions issued by SLDC.

**15. *Transmission Performance Standards***

1. All the equipment connected at the inter-connection point with the Intra-State Transmission System shall meet the requirement of Performance Standards specified as in clause No. 16 of State Grid Code.
2. The TSU connected to Intra-State Transmission System shall ensure that their loads do not cause violation of these standards.

**16. *Curtailment Policy***

The use of intra-state transmission system shall be subject to any technical constraints in the operation of the State Grid. The State Load Despatch Centre may impose curtailment as per Regulations 29 of MERC (Transmission Open Access) Regulations, 2016 or suspend whole or part of the use of the intra-state transmission system in emergency condition for maintaining the grid security at its absolute discretion because of transmission system constraints.

**17. *Disputes***

All differences or disputes between the parties arising out of or in connection with this agreement shall be endeavored to be settled amicably through negotiation by the STU. Failing which the same shall be referred to the MERC.