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KARNATAKA POWER TRANSMISSION CORPORATION LIMITED
Corporate Identity Number (CIN): U40109KA1999SGC025521

No: KPTCL/B28(a)/32543/2012-13

Corporate Office,
Kaveri Bhavan,
Bengaluru -560 009.
Dated: 16.02.2021

Encl: 1 no. of Standard format of agreement.

To,

The Chief Engineer Electy.,
Transmission Zone, KPTCL,
Bagalakote/Bengaluru/Kalaburagi/
Hassan/Mysuru/Tumakuru.

Sir,

Sub: Agreement format to be entered between KPTCL and HT/EHT consumer/Railways/IPPs for sparing of idle/spare KPTCL assets -reg.

- EE (IT-1)
S S
16/02/21*
- Ref:**
1. Proceedings of 82nd Board of Directors Meeting held on 23.06.2012.
 2. Corporate order No. KPTCL/B28(a)/32543/12-13 Dtd: 17.08.2012 & 02.08.2019.
 3. Proceedings of 119th Board of Directors Meeting held on 11.03.2020 vide subject No. 119/29.
 4. Corporate Order no. KPTCL/B28(a)/32543/12-13 dated 23.09.2020.
 5. Draft Agreement approved by the Managing Director, KPTCL on 29.01.2021.

Anent to the above subject, Board vide Order cited under reference (4) has accorded approval for sparing idle/Spare KPTCL assets such as Transmission lines/Cross arms/Terminal Bays/Equipments/11kV Switchgear etc., for terminating the lines of HT/EHT/Railways/IPP installations subject to certain conditions based on the recommendation of the respective Chief Engineers of Transmission Zones.

As per the clause-11 of the order, a separate Agreement indicating the terms and conditions for sparing the KPTCL Asset/Equipment needs to be entered with the concerned HT/EHT consumer/Railways/IPPs.

Hence, I am hereby directed to inform to arrange for execution of a separate Agreement with the concerned HT/EHT consumer/Railways/IPPs for sparing of idle/spare KPTCL assets as per the standard format enclosed.

Yours' faithfully


General Manager (Tech)
KPTCL

Copy to:

1. The Chief Engineer Electy., P&C, KPTCL.
2. The Financial Advisor, RA / A&R / IA, KPTCL.
3. All the Superintending Engineer (EI), Transmission (Works/Works & Maintenance/Maintenance) Circle, KPTCL.
4. All the Controllers, Transmission zone, KPTCL.
5. All the Executive Engineer (EI), Major Works Division / TL&SS Divisions, KPTCL.
6. All the Deputy Controller of Accounts, Works / W&M Circles / Internal Audit, KPTCL.
7. The Company Secretary, KPTCL.
8. SPS to Managing Director / Director (Transmission) / Director (Finance), KPTCL for information.

Copy to:

The Superintending Engineer (EI), IT, KPTCL with a request to arrange to upload the order in KPTCL website.

STANDARD FORMAT OF AGREEMENT

FOR SPARING KPTCL ASSETS

**TERMINAL BAY / TRANSMISSION LINE / EQUIPMENTS
LOCATED AT**

BETWEEN

**KARNATAKA POWER TRANSMISSION COMPANY LIMITED
REPRESENTED BY EXECUTIVE ENGINEER (ELe),TL SS/
MAJOR WORKS DIVISION**

AND

..... HT/EHT Consumers/ Railways/Generator

DATED : _____

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AGREEMENT

THIS AGREEMENT hereinafter referred to as "Sparing of KPTCL Asset Agreement" made at _____ (place) on this the ____day ____ month ____ Year.....

BETWEEN:

Karnataka Power Transmission Corporation Limited, (KPTCL) a Company incorporated under the Companies Act, 1956 and continue to function under the Companies Act, 2013 having its Registered Office at Kaveri Bhavan, K.G. Road, Bengaluru, represented by Executive Engineer (Ele) Division. (hereinafter referred to as "KPTCL", which expression shall unless repugnant to the context or meaning thereof include its successors, and permitted assigns) as party of the one part;

AND

(1) **Generation Company Limited**, a Company incorporated under the Companies Act, 1956 / Companies Act 2013 having its registered office at (hereinafter referred to as "Generator", which expression shall unless repugnant to the context or meaning thereof include its successors, and permitted assigns)

OR

..... **HT/EHT Consumer** withESCOM having RR No..... or prospective EHT consumer having applied for supply of Electricity with ESCOM (hereinafter referred to as "EHT Consumer", which expression shall unless repugnant to the context or meaning thereof include its successors, and permitted assigns)

OR

..... **Railways (Deemed Licensee)** connected to KPTCL Grid (hereinafter referred to as "Railways", which expression shall unless repugnant to the context or meaning thereof include its successors, and permitted assigns)

WHEREAS KPTCL, a 'State Transmission Utility' in terms of Section 39 and other provisions of the Electricity Act, 2003, is engaged in the business of transmission of electricity in the State of Karnataka;

WHEREAS is a 'Electricity Generation Company' under the provisions of the Electricity Act, 2003 and is engaged in the business of Generation of Electricity either for self-consumption and / or for supply under open access as per the provisions of the Electricity Act, 2003.

WHEREAS Is an HT/EHT Consumer with ESCOM and is receiving electricity supply or intends to receive electricity supply from ESCOM

WHEREAS Is an Railways is receiving electricity supply or intends to receive electricity supply from National Grid on Open Access mode.

WHEREAS the 'Generator'; or the 'HT/EHT Consumer' or the "Railways" intends to use KPTCL spare asset on payment of One time Non-refundable charges to KPTCL as per Corporate Order No: KPTCL/B28 (a)/32543/12-13 dated 23-09-2020

WHEREAS KPTCL is willing to spare the KPTCL asset in as is where is basis to HT/EHT Consumer/ Railways/ Generators.

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

ARTICLE - 1 DEFINITIONS

1.1 Definitions

In this Agreement, the following words and expressions shall, unless repugnant to the context or meaning thereof, have the meaning hereinafter respectively ascribed to them:

"Act" or **"Electricity Act"** means the Electricity Act, 2003 (36 of 2003), as amended from time to time;

"Asset", means Terminal Bay and / or Dedicated Transmission line / Spare Cross arms of Towers/ Line Corridor/ Equipments etc., owned by KPTCL.

"Commission" means Karnataka Electricity Regulatory Commission (KERC) constituted under the Karnataka Electricity Reforms Act, 1999 and continue to function under the Electricity Act, 2003, and its successors, delegate or administrator;

"Dedicated Transmission Line", means any electric supply-line for point to point transmission which are required for the purpose of connecting electric lines or electric plants of captive generating plant referred to in Section 9 of Electricity Act 2003 or generating station referred to in Section 10 Electricity Act 2003 to any transmission lines or sub-stations or generating stations or the load center as the case may be.

“Equipment” means all plants, facilities, equipment, machinery, tools, apparatus, appliances or things of every kind required in or for installation, completion, Operation and maintenance of Terminal Bay and / or Dedicated Transmission line/ Spare Cross Arms of Towers being maintained by KPTCL.

“Generating Company” means any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person, who owns or operates or maintains a generating station;

“HT/EHT consumer” means a consumer who has availed power supply from an Electric Supply Company in the State of Karnataka having R R No or a prospective consumer who has applied for power supply from an Electricity supply company of the state under EHT voltage

“KPTCL” means State Transmission Utility (STU) as per the provisions of Section 39(1) of the Electricity Act 2003.

“Law or Laws” shall mean and include Laws, Ordinances, Statutes, Rules, Notifications & Directives, Regulations, Judgments, Decrees, Injunctions, Orders and Stipulations enacted or issued by any Indian Governmental Instrumentality;

“Railways” means a deemed licensee under 3rd Proviso of Section-14 of the Electricity Act 2003 who has availed connectivity with KPTCL Grid in the State of Karnataka /who has applied for Grid connectivity from KPTCL under EHT voltage

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

“Regulations” means the regulations issued by the Commission under the Electricity Act, 2003;

“State Grid Code” means the State Grid Code specified by the Commission under Section 86(1) of the Act;

“Sub-Station” means a station for transforming or converting electricity for the transmission or distribution thereof and includes transformers, converters, switchgears, capacitors, synchronous condensers, structures, cable and other appurtenant equipment and any buildings used for that purpose and the site thereof

“Terminal Bay”, means a point in KPTCL Sub-station at which a plant (generating station or a sub-station of a Company) and associated equipment is connected to the transmission system of KPTCL.

“Transmission System” means a system of Transmission lines and sub-stations built, owned, operated and maintained by KPTCL in the State of Karnataka.

ARTICLE - 2 OBLIGATIONS OF PARTIES

2.1 Transmission Licensee's (KPTCL) obligations in sparing of KPTCL assets of the Terminal Bay and / or Dedicated Transmission Line/ or Spare Cross arms of Towers/ or Equipment's/ Transmission line corridor

2.1.1 Subject to the provisions of the Electricity Act, 2003, and Rules and Regulations made thereunder, and the terms and conditions of this Agreement, the KPTCL shall

- i) Inform the HT/EHT consumer/Railways/ Generator to pay amount of One time Non-refundable charges as per Corporate Circular issued from time to time.
- ii) Take over the asset spared to HT/EHT consumer/Railways/ Generator for Operation & Maintenance.
- iii) Have rights and control over the leased/spared asset/ equipment/corridor

2.2 HT /EHT Consumer/Railways/ Generator obligations with respect to spared KPTCL asset Terminal Bay and / or Dedicated Transmission Line /or Spare Cross arms of Towers/ or Equipment's/ Transmission line corridor

2.2.1 Subject to the provisions of the Electricity Act, 2003, and Rules and Regulations made thereunder, and the terms and conditions of this Agreement, the HT/EHT Consumer/ Railways/ Generator shall:

- i) Agree for enabling KPTCL to carry out any maintenance/capital works on its lines as and when required.
- ii) Bear all applicable charges & statutory payments if any
- iii) Not sublet spared asset/ equipment / corridor to any other person.

2.3 Other General Conditions:

- i) Breach of conditions of agreement shall result in termination of agreement and KPTCL can take back spared asset/ equipment / corridor without any refund.

- ii).....(Name of Asset) would be spared for a maximum period of 30 years and can be renewed on similar basis for further period by collecting non-refundable charges based on the then prevailing Regulations as determined by sparing committee / appropriate Authority of KPTCL.
- iii) In subsequent years, if KPTCL requires the services of spared asset, necessary modifications to spared assets can be made so that such assets can be used by KPTCL as well as HT/EHT Consumers / Railways/Generator. Cost incurred for such modifications/additions to spared assets have to be borne by KPTCL. HT/EHT Consumers/ Railways/ Generator are not eligible for any type of compensation during the period of modification/addition to spared asset.
- iv) If Assets constructed by HT/EHT Consumers/ Railways/ Generator in the spared corridor, necessitates any augmentation, modifications to suit requirement of KPTCL that may arise subsequent to sparing of corridor, in such cases, cost incurred for such modifications/additions to assets in the spared corridor shall be borne by KPTCL. The HT/EHT Consumers/ Railways/ Generator are not eligible for any type of compensation during the period of modification/addition to asset constructed in spared corridor.
- v) Utilisation, modification, augmentation, deviation of leased / Spared asset/equipment, deviation in already agreed utilization pattern shall be carried out by HT/EHT Consumers/ Railways/ Generator with prior permission of KPTCL at their own cost. The HT/EHT Consumers/ Railways/ Generator shall not sublet the leased/spared assets/equipment. Violation of any agreed lease condition shall result in termination of lease and forfeiture of lease amount.

ARTICLE -3

DISPUTE RESOLUTION

- 3.1** Any dispute or difference arising out of the agreement shall be amicably settled between the parties hereto.

3.2 If the parties fail to resolve the dispute(s) as above, the same shall be referred to KERC for adjudication.

3.3 Notwithstanding the existence of any question, disputes and differences referred to KERC, the parties hereto shall continue to perform their respective obligation under this agreement and the payment of any bill preferred shall not be withheld by HT/EHT Consumers/ Railways/ Generator for any reason whatsoever including the pendency of arbitration proceedings.

ARTICLE -4

FORCE MAJEURE

The parties shall ensure due compliance with the terms of this agreement. However, no party shall be liable for any claim for any loss or damage whatsoever arising out of failure to carry out the terms of the agreement to the extent that such a failure is due to force majeure events such as war, rebellion, mutiny, civil commotion, riot, strike, lockout, force of nature, accident, act of God, act of Govt. and any other reason beyond the control of concerned party. But any party claiming the benefit of this clause shall satisfy the other party of the existence of such an event and give written notice within 60 days on occurrence of any of the above events to the events to the other party to this effect.

ARTICLE -5

VALIDITY OF AGREEMENT

This agreement shall be valid with effect from for EHT/EHT Consumers/ Railways/ Generator for a period of 30 years thereafter the agreement may be extended, renewed or replaced by another agreements on such terms and for such further period as the parties may mutually agree.

Even after expiry of this agreement without further renewal or formal extension thereof, all the provisions of this agreement shall continue to operate till this agreement is formally renewed, extended or replaced.

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

FOR AND ON BEHALF OF KPTCL

(
Executive Engineer,
KPTCL, TL & SS Division
.....

WITNESSES:

- 1.
- 2.

**FOR AND ON BEHALF OF
HT/ EHT consumer/ Railways/Generator**

(
Authorized Representative,
.....

WITNESSES:

- 1.
- 2.

