



MADHON TREASURY
Stamp used Mark/No Mark

श्रीमान् रत्नमणि कावरे
स्टम्प नं. 1/2995
जबलपुर
9340C 231872008
1002 1015 9/2/2007
डा. 31824 16-1-2007

AGREEMENT NO. WR/MPSEB/06

AGREEMENT FOR UNIFIED LOAD DESPATCH AND COMMUNICATION PROJECT
BETWEEN
POWER GRID CORPORATION OF INDIA LIMITED
AND
MADHYA PRADESH STATE ELECTRICITY BOARD

THIS AGREEMENT for Unified Load Despatch Communication Project is entered into at Jabalpur on this 3rd day of January two thousand four (03. 01. 2004) five

BETWEEN -

POWER GRID CORPORATION OF INDIA LIMITED, a company incorporated under the Companies Act, 1956 and wholly owned by Government of India having its registered office at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi - 110 016 (hereinafter called "POWERGRID" which expression shall unless repugnant to the context or meaning thereof include its successors and assigns) as party of the first part.

AND -

Madhya Pradesh State Electricity Board having its office at Shakti Bhawan, Jabalpur-482 008; (hereinafter referred to as "MPSEB" which expressions shall unless repugnant to the context or meaning thereof include its successors and assigns) as party of the Second part.

Electricity Laws : shall mean the Electricity Act, 2003 along with amendments, revisions, modifications, replacements made from time to time.

GOI : shall mean Government of India.

LC : shall mean irrevocable and revolving Letter(s) of Credit.

Month : shall mean a calendar month (i.e. each of the month from January to December).

Notification : shall mean any notification issued by Government of India/CERC.

POWERGRID : shall mean Power Grid Corporation of India Ltd.

Regional Energy Account: shall mean monthly or periodic Energy Account including revisions, amendments thereof prepared/issued by the Commercial committee of WREB.

WR : All SEBs/Power Departments/ Transmission Utilities in Western Region.

WREB : Western Regional Electricity Board as existing under the E (S) Act 1948 including its successors and its assigns if constituted under the Electricity Act, 2003.

WRLDC : shall mean Western Regional Load Despatch Centre at Mumbai.

ULDC : Unified Load Despatch and Communication.

Unified Scheme Charges: shall mean charges payable to POWERGRID for Unified Scheme.

SLDC : State Load Despatch Centres.

RLDC : Regional Load Despatch Centres.

RTU : Remote Terminal Units

2.0 SCOPE OF WORK

- 2.1 POWERGRID shall install unified scheme and associated facilities including communication network under MPSEB detailed in Clause 2.2 (b) of this Agreement in a most efficient and cost effective manner and also as per the guidelines mutually agreed between MPSEB and POWERGRID and also as per the policy guidelines/ directives of WREB/ CEA/CERC from time to time.



2.2 For the services described under the Agreement, MPSEB shall regularly pay to POWERGRID the monthly charges as per clause 3.0 of this agreement in respect of the following equipment/system under Unified Scheme associated with SLDC/ULDC.

- (a) Central Sector- SCADA/EMS, Overhead and underground Fibre Optic cable, Telecommunication Equipments Power Supply, PLCC & PABX and Associated infrastructural facilities.
- (b) MPSEB - SCADA/ EMS, Overhead and underground Fibre optic cable, Telecommunication Equipments and Power Supply

2.3 OPERATION AND MAINTENANCE

- (i) POWERGRID shall operate and maintain the Unified Scheme and associated facilities including communication network under Central Sector detailed in Clause 2.2(a) of this Agreement in a most efficient and cost-effective manner and also as per the guidelines mutually agreed between MPSEB and POWERGRID and the policy guidelines/directives of WREB/CEA/CERC from time to time
- (ii) In all cases of breakdown of WRLDC equipment, POWERGRID shall arrange to attend the breakdown and restore normal conditions at the quickest possible time at its own cost.
- (iii) MPSEB shall be responsible for operation & maintenance of unified scheme detailed in Clause 2.2(b).

2.4 APPORTIONMENT OF COST OF COMMON FACILITIES

At the time of tariff petition to the CERC for provisional tariff order, POWERGRID shall submit the segregated cost and other details of equipments and facilities common to ULDC project and POWERGRID's communication business functions for apportionment of cost between ULDC and POWERGRID's telecom setup. Any decision of CERC or order of High Court in respect of apportionment of cost of common equipment facilities between ULDC project and POWERGRID at later date would form a part of this commercial agreement.

3.0 TARIFF

- 3.1 The tariff and terms and conditions for the Unified Load Despatch & Communication Scheme shall be as per the norms notified/tariff notified by CERC from time to time.





- 3.2 With effect from the date of commercial operation of the system the provisional tariff based on actual completion cost of the project, subject to adjustment after issue of notification by CERC shall be payable as per the POWERGRID calculations subject to verification by MPSEB and in case of dispute as determined by CERC.

4 0 **BILLING AND PAYMENTS**

All charges under this Agreement shall be billed by POWERGRID and shall be paid by MPSEB in accordance with the provision stated as under

- 4.1 POWERGRID shall present a bill for Unified Scheme to MPSEB as per procedure notified by GOI/CERC from time to time.
- 4.2 Billing Centres of POWERGRID shall carry out billing and associated functions and would submit the bills to the nominated authority of the constituents.
- 4.3 The charges for the Unified Scheme under Central Sector mentioned at 2.2(a) above shall be shared by MPSEB in the ratio of central generating capacity allocation, including the allocation from unallocated capacity from the Central Generating stations only. Inter-regional export/import of power, whether bilateral or multilateral, would not affect the sharing of charges for Unified Scheme.

In case of Notification of procedure for sharing the charges for Unified Scheme by CERC, the same shall prevail over the procedure given above.

- 4.4 The billing to MPSEB for monthly charges for the equipments installed for SLDCs mentioned at 2.2(b) shall also be as per the tariff and terms and conditions notified by CERC from time to time for a period of 15 years from the date of commercial operation. On completion of 15 years, the SLDC and associated equipment will be transferred to MPSEB free from any lien or charge over the assets. The transfer of assets shall be subject to final settlement/ recovery of dues by POWERGRID.
- 4.5 The monthly bill of POWERGRID shall be aggregate of charges in accordance with the provisions of the Agreement. If for certain reasons some of the charges cannot be included in the monthly main bills, such charges shall be billed as soon as possible through supplementary bill(s).
- 4.6 The bills of POWERGRID shall be paid in full subject to the condition that :



- i) There are no errors in the bill (s) and
- ii) The bill(s) is/are claimed as per the agreed tariff and as per the Notification(s) of the CERC and provisions referred to in clause 4.0.

In case of any dispute, MPSEB shall file a written objection with POWERGRID within 45 (forty five) days of presentation of the bill, giving following particulars:

- i) Items disputed, with full details/data and reasons of dispute, and
- ii) Amount disputed against each item.

POWERGRID shall resolve the above dispute(s) with MPSEB as soon as possible, preferably within 45 (forty-five) days from the date of written objections by MPSEB.

- 4.7 In the event of any clerical errors or mistakes in the amount levied/ demanded or charged by POWERGRID, it shall have the right to demand an additional amount in the case of under charging and MPSEB shall have the right to get adjustment or refund in case of excess charging.
- 4.8 All provisions in respect to rebate, late payment surcharge, extra Rupee liability, Income tax and other taxes and duties shall be as per GOI/CERC notification issued during the period of Agreement.
- 4.9 Rebate shall not be applicable for FERV, incentive and levies, taxes, duties, cess bills or any reimbursement bills

4.10 FOREIGN EXCHANGE RATE VARIATION

The effect of foreign exchange variations, to be paid to/by POWERGRID or by/to MPSEB would be determined by the CERC at the end of each financial year based on actual as certified by the statutory auditors of POWERGRID. POWERGRID shall raise adhoc bills on account of FERV based on actual expenditure as and when incurred, subject to the final adjustment at the end of the financial year and as certified by the statutory Auditors of POWERGRID.

4.11 SURCHARGE DUE ON LATE PAYMENT

In case payment is made beyond a period of 1 (one) month from the date of billing a surcharge shall be charged on the amounts remained unpaid, after the said date in proportion to the number of days of delay after the said date. Provision for late payment Surcharge shall be as per CERC notification from time to time.

RLC

[Handwritten mark]

4.12 LEVIES, TAXES, DUTIES, CESS ETC.

- 4.12.1 The tariff is exclusive of any statutory taxes, levy duties cess or any other kind of imposition (s) whatsoever imposed/ charged by any Government (Central/State) and or any other local bodies/authorities in respect of its installations associated with Unified System.
- 4.12.2 The amount of such taxes/duties/cess etc. payable by POWERGRID to the authorities concerned in any month on account of the said taxes/duties/cess etc. as referred to above shall be borne and additionally paid by MPSEB to POWERGRID, on prorata basis.
- 4.12.3 Incidence of tax liability on POWERGRID as per Income Tax Act and Rules in force, from time to time, read with the CERC Notification issued from time to time, shall be recovered from MPSEB as duly certified by Statutory auditors of POWERGRID subject to condition that any decision of CERC or order of High Court in respect of tax liabilities including income Tax at later date would form a part of this agreement.

5.0 ESTABLISHMENT OF LC AND PAYMENT OF BILLS

- 5.1 One month prior to the scheduled date of commercial operation of Unified Scheme, MPSEB will open an irrevocable revolving Letter of Credit (LC), with any nationalised bank in favour of POWERGRID for an amount equivalent to 105 (one hundred five) percent of expected monthly bills based on the indicative tariff of the project for the initial period of one year. Value of LC shall be reviewed quarterly, after one year based on average bills of last 12 (twelve months). For payment of bills through letter of credit on presentation, or otherwise, but within a period of one month of presentation of bills by POWERGRID, provision for rebate shall be as per CERC notification from time to time.

6.0 SETTLEMENT OF ARREARS

- 6.1 For arrears resulting due to the CERC Notification being applicable for the retrospective period, no surcharge is leviable on arrears for the past period. However, surcharge shall be applicable in case the payment of bills by MPSEB is delayed beyond a period of 1 (one) month from the date of billing. Similarly, in case, the amount is receivable by MPSEB, the credit will be passed on by POWERGRID to MPSEB and will be adjusted with other debit bills promptly.

[Handwritten signature]

7.0 ARBITRATION

7.1 All differences or disputes between the parties shall be settled through mutual discussion amongst parties concerned and/or at WREB forum. If the disputes are not settled at WREB forum within 3 months, any party may by a written notice to the other party request for appointment of sole Arbitrator to be mutually decided by the parties within 30 days of receipt of such notice and in case of disagreement, to be decided by Chairman, CEA/CERC. In the event Chairman, CEA/CERC fails to nominate the Sole Arbitrator, the Arbitrator shall be appointed in accordance with the Arbitration and Conciliation Act 1996. The Arbitration shall be conducted in accordance with the provisions of Arbitration and Conciliation Act 1996 and any statutory modifications thereto. The Arbitrator shall give a speaking and reasoned Award. The fee of the Arbitrator and cost of arbitration proceedings shall be equally borne by the parties. The venue of the Arbitration shall be at New Delhi.

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

8.0 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 fire, rebellion, mutiny, civil commotion, riot, strike, lock-out, forces of nature, accident, act of God and any other reason beyond the reasonable 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 a period of 10 days from the date of occurrence of the event to the other party. The services shall be started as soon as practicable by the parties concerned after such eventuality has come to an end or ceased to exist.

In case the Force Majeure condition exists for a period of six months then the parties herein shall mutually decide the future course of action.

9.0 IMPLEMENTATION OF THE AGREEMENT

All discretion to be exercised and directions, approvals, consents and notices to be given and actions to be taken under these presents, unless otherwise expressly provided herein, shall be exercised and given by the signatories to this Agreement or by the authorized representative(s) that each party may nominate in this behalf and notify in writing to the other party by Registered Post. Any other nomination of authorized representative(s) and/or changes in designation shall be informed likewise

in writing to/by MPSEB within one month of signing of the Agreement. Notwithstanding any nomination, the Executive Director (WR), POWERGRID or his authorized representatives at its Registered Office first above mentioned, shall be authorized to act for and on behalf of POWERGRID similarly Chief Engineer (LD) of MPSEB in respect of their Board or an officer equivalent thereto. Any changes in designations/ registered office address shall be intimated in writing to all concerned parties.

10.0 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 above, unless other-wise notified. Each such notice shall be deemed to have been duly given if delivered or served by E-mail, registered mail, speed post of Department of Posts or by Courier service with an acknowledgement due to the other parties in terms of Clause 9.0 above.

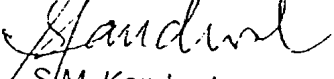
11.0 EFFECTIVE DATE AND DURATION OF AGREEMENT

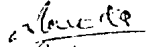
Without prejudice to clause 4.0 of this Agreement, the Agreement shall be deemed to have come into force with effect from the date of signing for all purposes and intents and shall remain operative for 15 years from the date of Commercial operation, subject to revision provided that this Agreement may be mutually extended, renewed or replaced by another Agreement on such terms and for such further period as the parties may mutually agree. In case MPSEB continue to get services from the POWERGRID even after expiry of this Agreement without further renewal or formal extension thereof, then all the provisions of this Agreement shall continue to operate till this Agreement is formally renewed, extended or replaced and the constituents shall continue to pay the charges as applicable.

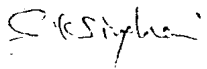
IN WITNESS WHEREOF the parties have executed these presents through their duly Authorized Representatives at Jabalpur.


WITNESSES

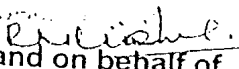
1. 
Upendra Pande
Chief Manager (Commercial)
POWERGRID, NAGPUR

2. 
S.M. Kandwal
Manager (Commercial)
POWERGRID, NAGPUR

1. 
(Rajiv Shrivastava)
Asstt Secretary
MPSEB, Jabalpur

2. 
(SUNIL K. SINGH)
EE of Secy, MPSEB, Jab.


For and on behalf of
Power Grid Corporation of India Ltd.


For and on behalf of
Madhya Pradesh State Electricity Board
SECRETARY
M.P. State Electricity Board
JABALPUR

2008
1
b
at Ja
er
its
16
he
ur-
ant
the