

**ANNEXURE II: CONNECTION AGREEMENT**

This Agreement is made on the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ between,-

- (i) \_\_\_\_\_ (Name) \_\_\_\_\_ of \_\_\_\_\_ (Address) \_\_\_\_\_ (hereinafter referred to as the "Distribution Licensee");
- (ii) \_\_\_\_\_ (Name) \_\_\_\_\_ of \_\_\_\_\_ (Address) \_\_\_\_\_ (hereinafter referred to as the "Applicant");

Whereas the Distribution Licensee is the holder of a Licence to operate and maintain a Distribution System for supplying electricity to Consumers in the area of supply specified in his Licence:

Whereas the Applicant is a [Generating Station/ Licensee] eligible to connect to the Distribution System of the Distribution Licensee in accordance with the provisions of the Act and the Distribution Open Access Regulations:

This Agreement sets out the rights and obligations of the parties in respect of:

- a) The provision of connection to the Distribution System by the Distribution Licensee to the Applicant and the payment for such connection by the Applicant;
- b) the obligations of the Applicant in respect of such connection to the Distribution System of the Distribution Licensee;

The parties agree as follows:

## **Part A: General**

### **I. Definitions**

In this Agreement, unless the context otherwise requires-

- a) **“Act”** means the Electricity Act, 2003 (36 of 2003);
- b) **“Applicant”** means such person who has made an application for Grant of Connectivity and/or Open Access to the Distribution System of a Distribution Licensee in accordance with these Regulations;
- c) **“Authorised Representative”** means all officers, staff or representatives of the Distribution Licensees or the Supplier, discharging functions under the general or specific authority of the Distribution Licensees or the Supplier, as the case may be;
- d) **“Balancing and Settlement Code”** means such code as may be developed by the State Load Despatch Centre and approved by the Commission for the balancing of energy accounts and settlement of differences between energy scheduled and actual energy among the users of the grid in the State of Maharashtra;
- e) **“Commission”** means the Maharashtra Electricity Regulatory Commission;
- f) **“Connection”** means the joining of the premises of the Applicant with the Distribution System of the Distribution Licensee so as to enable the transfer of electricity between such premises and the distribution system;
- g) **“Connection Point”** means the physical point at which the premises of the Applicant is connected to the Distribution System;
- h) **“Connection Agreement”** means an agreement as defined in the Distribution Open Access Regulation;
- i) **“Contract Demand”** means demand in kilowatt (kW) or horse power (HP) or kilovolt ampere (KVA) or megavolt ampere (MVA), mutually agreed between the Distribution Licensee and the Consumer as entered into:
  - a. in the agreement for supply of electricity; or
  - b. in the Open Access Agreement; or
  - c. as agreed through other written communication;

Provided that unity power factor shall be considered for the purpose of unit conversion from MVA/kVA to MW/kW,

- j) **“Distribution Open Access Regulations”** means the Maharashtra Electricity Regulatory Commission (Distribution Open Access) Regulations, 2016 as amended from time to time;
- k) **“Electricity Supply Code”** means the Regulations specified by the Commission under clause (u), clause (v), clause (w), clause (x) and clause (zp) of sub-section (2) of Section 181 of the Electricity Act, 2003 read with Section 50 of the Act;
- l) **“Energise”** means the movement of any isolator, breaker or switch or the addition of any fuse or meter whereby active power or reactive power can be imported into or exported from the Applicant’s premises through the Connection Point and the terms **“De-Energise”** and **“Re-Energise”** shall be construed accordingly;
- m) **“Licensed Electrical Contractor”** means an electrical contractor licensed by the State Government for the purpose of carrying out electrical works;
- n) **“Meter”** means a set of integrating instruments used to measure, record and store the amount of electrical energy supplied or the quantity of electrical energy contained in the supply, in a given time, which include whole current meter and metering equipment, such as current transformer, capacitor voltage transformer or potential or voltage transformer with necessary wiring and accessories and also includes prepayment meters;
- o) **“Partial Open Access Consumer”** means an Open Access Consumer who maintains any demand with the Distribution Licensee in whose area of supply he is located in order to cater to his load requirement;
- p) **“Point of Supply”** means the point at the outgoing terminals of the cutouts fixed in the premises of the Consumer:

Provided that, in case of a Consumer with HT installation, the point of supply means the point at the outgoing terminals of the Distribution Licensee’s metering cubicle placed before such Consumer’s apparatus:

Provided further that, in the absence of any metering cubicle or where the metering is on the LT side of the HT installation, the Point of Supply shall be the incoming terminals of such Consumer’s main switchgear;

- q) **“Rules”** means the rules, as may be prescribed, under Section 178 and Section 180 of the Act and the Regulations, as may be specified, under Section 177 of the Act;
- r) **“Supplier”** means a Generating Company or Licensee, as the case may be, giving supply of electricity to a Consumer or a person situated in the area of supply of the other Distribution Licensee by using the Distribution System of the other Distribution Licensee in his area of supply, pursuant to an Open Access Agreement or giving supply by laying dedicated Transmission lines;
- s) **“Supply Agreement”** means the agreement for supply of electricity between Supplier(s) and Consumer(s) or person(s) on such terms and conditions (including tariff) as may be agreed between the parties;

Words or expressions used herein and not defined shall have the meanings assigned to them under the Act, the Rules or the Regulations.

## **2. Compliance with Act, Rules and Regulations**

All parties to this Agreement shall comply with the provisions of the Act and the rules and Regulations laid down there under. Where any provision of this Agreement is inconsistent with the provisions of the Act and/ or the rules or Regulations laid down there under, the provisions of the Act, rules or Regulations, as the case may be, shall take precedence to the extent of such inconsistency.

## **3. Compliance with Distribution & Transmission Open Access Regulations, State Grid Code and Balancing and Settlement Code and as amended from time to time**

All parties to this Agreement shall comply with the provisions of the Distribution and Transmission Open Access Regulations, the State Grid Code and the Balancing and Settlement Code, to the extent applicable to them.

## **4. Term of Agreement**

This Agreement shall commence from the date and time of commencement, as provided in the Agreement and shall continue for such duration as may be agreed between the parties, unless terminated in accordance with clause 5 herein.

## **5. Termination of Agreement**

5.1. Any party intending to terminate this Agreement shall give the other parties not less than thirty days prior written notice of termination of this Agreement:

Provided, that termination shall be subject to settlement of all dues of the Distribution Licensees in accordance with the Act, the Regulations and this Agreement.

5.2. The Distribution Licensees may terminate this Agreement and disconnect the Applicant in the following circumstances, in accordance with the provisions of the Act:-

- a) the Applicant defaults in the payment of any charge or any other sum due from him as provided under Section 56 of the Act; or
- b) any breach of Contract in an Open Access transaction where the Applicant is a party and which is affecting the Distribution Licensee or the Supply Distribution Licensee; or
- c) the Applicant does an act referred to in sub-section (3) of Section 163 of the Act; or
- d) the disconnection is authorized under any other provision of the Act, the Rules and Regulations made there under and/ or any other law for the time being in force.

5.3. The Applicant shall, within the notice period under clause 5.1 above, remedy or remove the cause or causes stated in the notice failing which the Distribution Licensee may terminate this Agreement from the date stated in the notice.

5.4. The reconnection of a disconnected Applicant shall be in accordance with the provisions of the Act and the Regulations.

## **6. Dispute resolution**

- 6.1. Each party shall use all reasonable endeavors to resolve any disputes through bilateral mechanisms that may be mutually agreed upon.
- 6.2. Where any dispute between the Distribution Licensee and the Applicant under this Agreement cannot be bilaterally resolved, it shall be resolved in accordance with the Distribution Open Access Regulations

## **7. Force Majeure**

- 7.1. If either party is unable wholly or partly to perform on time any obligation under this Agreement by reason of occurrence of a Force Majeure Event, that obligation shall be suspended, without liability, so far as the party's ability to perform is affected by the Force Majeure Event.
- 7.2. A party affected by a Force Majeure Event shall use all reasonable endeavours to remove the effect of each Force Majeure Event affecting its performance of this Agreement.
- 7.3. Subject to clause 7.2, if a party considers that a circumstance has arisen which constitutes or is likely to constitute or result in a Force Majeure Event, it shall as soon as reasonably practicable thereafter give to the other party, notice containing particulars of the Force Majeure Event including-
  - a) its nature and likely duration,
  - b) the obligations affected by it and the nature and extent of its effect on those obligations; and
  - c) the steps taken to remove, overcome or minimize its effect:

Provided the Force Majeure conditions shall be implemented in accordance with Distribution Open Access Regulations.

## **8. Changes to Agreement**

- 8.1. The parties agree to negotiate in good faith any amendments to this Agreement that may be reasonably required as a result of experience gained in the introduction of Open Access in the State.

## **9. Agreement to Connect**

- 9.1. Subject to the terms and conditions of this Agreement, the Distribution Licensee agrees to the Applicant's premises being connected and remaining connected to the Distribution System at the Connection Point and to the Connection Point remaining Energised for the term of this Agreement, except where authorized under the Act or the Distribution Open Access Regulations.
- 9.2. The Applicant shall take all reasonable precautions as regards his Connection to the Distribution System of the Distribution Licensee to prevent any adverse effect on the:
- Use of the Distribution System of the Distribution Licensee;
  - Quality and reliability of supply of electricity through the Distribution System of the Distribution Licensee; and
  - Safety of the Distribution Licensee's works and personnel, as may be required of the Applicant's in accordance with the Regulations specified under Section 53 of the Act.

## **10. Wiring of Applicant's Premises**

The work of wiring at the premises of the Applicant beyond the point of Connection shall be carried out by the Applicant and shall conform to the standards specified in the Indian Electricity Rules, 1956 until the introduction of any rules or Regulations for the same under the provisions of the Act.

## **11. Processing of applications**

- 11.1. Upon receipt of an application, the Distribution Licensee send his Authorised Representative to:

11.1.1. study the technical requirements of making Connection to the Distribution System; and

11.1.2. inspect the premises which is to be connected, with prior intimation to the Applicant

11.2. The Authorised Representative shall, in agreement with the applicant, fix the position of the mains, cut-outs or circuit breakers and meters and sanction the load for the premises:

Provided that the service position shall normally be at an accessible location and the meter shall be fixed at a height so as to enable convenient reading of meter and to protect the meter from any adverse weather conditions.

11.3. After an inspection referred to in clause 11.1 above is carried out, the Distribution Licensee shall intimate the Applicant of the details of any works that are required to be undertaken for giving Connection, the charges to be borne by the Applicant thereon in accordance with clause 13 below and list of outstanding documents and consents/ statutory permissions required to be obtained by the Applicant.

11.4. Upon receipt of a duly complete application accompanied with the required charges, and availability of suitable piece of land or room and all other consents and permissions as may be required in accordance with clause 12 below, the Distribution Licensee shall sanction and carry out or may also permit to be carried out the works required to Energise the Connection Point.

11.5. The Distribution Licensee shall give, the Applicant, not less than 2 days prior notice of any tests for energising the Connection and shall, immediately after energising the Connection, notify the Applicant of the time and date of Connection of the facility.



- 11.6. The Applicant shall not, prior to receipt of such notification under clause 11.5 above, perform any act so as to import electricity from or export electricity to the distribution system through the Connection Point.
- 11.7. The works undertaken to provide the Connection to the Distribution System shall be maintained by the Distribution Licensee over the term of this Agreement.
- 11.8. The Distribution Licensee shall be entitled to use such works to provide a Connection to any other eligible person or to provide supply to any Consumer of such Distribution Licensee, except if such use is detrimental to the Connection to the Applicant or to the use of distribution system in relation to such Consumer.

## **12. Rights of Way and Access Conditions**

- 12.1. The Applicant shall grant to the Distribution Licensee all consents that the Applicant is empowered to give as are required by the Distribution Licensees for carrying out of works to give access to the Distribution System.
- 12.2. Where, in the opinion of the Distribution Licensee, the connection requires the installation of a distribution transformer on the Applicant's premises, the Applicant shall make available to the Distribution Licensee, by way of lease, for the term of this Agreement, a suitable piece of land or a suitable room within such premises for such works:

Provided that this provision shall apply only where the quantum of electricity sought to be transferred through Open Access exceeds 1 MW:

Provided that the aforesaid lease, shall be in accordance with Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Other Conditions of Supply) Regulations, as amended from time to time.

- 12.3. Notwithstanding anything contained in clause 12.2 above, where the provision of land or room is required under the Development Control Rules of the local authority or by any appropriate authority of the State Government, the terms and conditions for use of such land or room shall be as determined under the said Rules or by the said authority.

### **13. Principles for levy of charges**

- 13.1. Where the Connection entails works of laying a service-line from the distributing main to the Applicant's premises, the Distribution Licensee shall be authorized to recover all expenses incurred on such works from the Applicant based on the schedule of charges approved by the Commission under the Electricity Supply Code.
- 13.2. Where the Connection entails works of installation of dedicated facilities, the Distribution Licensee shall be authorized to recover all expenses reasonably incurred on such works from the Applicant based on the approved schedule of charges.
- 13.3. Where such facilities have been provided by the Applicant, then such facilities may be retained by the Applicant upon termination of this Agreement:

Provided however that where the termination of this Agreement is due to the Applicant's failure to pay any sum under Section 56 of the Act, the Distribution Licensee, in addition to the rights available under that Section, shall be entitled to adjust such sums due from the recoverable amount of facilities to which the Applicant

is connected or to retain facilities of such recoverable amount as to cover such sums due from such Applicant to the Distribution Licensee.

Explanation – for the purpose of this Regulation, the term “recoverable amount” shall have the same meaning as provided in Accounting Standard (AS) 28: “Impairment of Assets” of the Institute of Chartered Accountants of India.

- 13.4. Where the Distribution Licensee permits an Applicant to carry out works for the Connection through a Licensed Electrical Contractor, the Distribution Licensee shall be entitled to only recover charges for supervision undertaken by the Distribution Licensee up to a maximum of 15 per cent of the cost of labour that would have been employed by the Distribution Licensee in carrying out such works.
- 13.5. On completion of all works under this clause, the Distribution Licensee shall notify the Supply Distribution Licensee about completeness of work.

#### **14. Change of name**

- 14.1. A Connection may be transferred in the name of another person upon death of the Applicant or in case of transfer of ownership or occupancy of the premises, upon application for change of name by the new owner or occupier:

Provided that such change of name shall not entitle the Applicant to require shifting of the Connection to a new premises.

- 14.2. The application for change of name shall be accompanied by such charges of the Distribution Licensee, as are approved under the Electricity Supply Code.
- 14.3. The application under clause 14.1 shall be accompanied by:

- (i) consent letter of the transferor for transfer of Connection in the name of transferee;
- (ii) in the absence of a consent letter, any one of the following documents in respect of the premises; (a) proof of ownership of premises; (b) in case of partition, the partition deed; (c) registered deed; or (d) succession certificate;
- (iii) photocopy of licence / clearance with respect to the purpose for which electricity is being supplied to the premises, if required by statute;
- (iv) Processing fee or receipt thereof.

14.4. The Distribution Licensee shall communicate the decision on change of name to the Applicant, within 2 months from the date of application for change of name:

Provided where the Distribution Licensees disallows or refuses to the change of name, it shall do so after affording the applicant for change of name a reasonable opportunity of being heard in the matter:

Provided further that the Distribution Licensees shall communicate the reasons of refusal in writing through letter, including by electronic means to the Applicant for change of name.

14.5. Any charge or any sum other than a charge due to the Distribution Licensee which remains unpaid by a deceased Consumer or erstwhile owner / occupier of premises, as the case may be, shall be a charge on the premises transmitted to the legal representatives / successors-in-law or transferred to the new owner / occupier of premises, as the case may be, and the same shall be recoverable by the Distribution Licensees as due from such legal representatives or successors-in law or new owner / occupier of the premises, as the case may be:

Provided that, except in the case of transfer of connection to a legal heir, the liabilities transferred under this clause 14.5 shall be restricted to maximum period of six months of the unpaid charges due to the Distribution Licensees in accordance with Section 56 of the Act and this Agreement.

#### **15. Limitation on Demand and Export**

- 15.1. The Applicant shall not import or export electricity through the Connection Point beyond that is technically feasible and permitted by the Distribution Licensee.
- 15.2. If the Import or Export, as applicable is exceeded, the Distribution Licensee may give notice to the Applicant setting out details and requesting the Applicant to remedy the situation within seven days of receipt of the notice, failing which the Distribution Licensee shall have the right to impose such penalty as may be stipulated by the Commission, in addition to any other right available to the Distribution Licensees under the Act.

#### **16. Power Factor / Harmonics**

- 16.1. It shall be obligatory for the Applicant to maintain the average power factor of his load at levels prescribed by the Indian Electricity Rules, 1956 with such variations, if any, adopted both by the Distribution Licensee, in accordance with Rule 27 of the Indian Electricity Rules, 1956 and in accordance with the relevant orders of the Commission.
- 16.2. It shall be obligatory for the Applicant to control harmonics of his load at levels prescribed by the IEEE STD 519-1992, and in accordance with the relevant orders of the Commission.
- 16.3. The Distribution Licensee, may require the Applicant, within a reasonable time period, which shall not be less than 3 months, to take such effective measures so as to raise the average power factor or control harmonics of his installation to a value not less than the prescribed norm:

Provided that the Supply Distribution Licensee may charge penalty or provide incentive for low / high power factor and for harmonics, in accordance with relevant orders of the Commission.

## **17. Access to premises**

- 17.1. No person other than an Authorised Representative of the Distribution Licensee or any other person authorised under the Act and the rules and Regulations made there under shall be authorised to operate, handle or remove any electrical plant, electric lines or meter or break, remove, erase or otherwise interfere with the seals, name plates and distinguishing numbers or marks affixed on such property of the Distribution Licensee placed in the Applicant's premises:

Provided that such Authorised Representative of both the Distribution Licensee shall not perform any of the acts under this clause 17 except in the presence of the Applicant or his representative:

Provided further that the Distribution Licensees shall provide prior intimation to the Applicant of the visit of the Authorised Representative to the Applicant's premises, except where the Distribution Licensee has reason to believe that any person is indulging in unauthorized use of electricity and/ or is committing an offence of the nature provided for in Part XIV of the Act on such premises.

- 17.2. The Applicant shall permit entry into his premises for the authorized representatives of the Distribution Licensee to read, inspect, test, install, remove or replace the meters or to Energies or De-Energies the Connection Point.

## **18. Meters**

- 18.1. Meter specifications

18.1.1. The Applicant shall install or have installed a correct meter in accordance with the Regulations made in this behalf by the Authority under Section 55 of the Act:

Provided that the Applicant under MERC (Distribution Open Access) Regulations, shall install or have installed a Special Energy Meter.

## 18.2. Supply and Cost of Meter

18.2.1. The Applicant may opt to purchase a meter from the Distribution Licensee or from any supplier with specification made in compliance with Central Electricity Authority (Installation and Operation of Meters) Regulation, 2006 and its amendment from time to time.

Provided that the specification should be compatible with MSLDC's requirement for energy accounting.

Provided further that such meters procured by the Applicant shall be tested by the Distribution Licensee within sixty days from date of the Application.

Provided, that an Applicant who opt to purchase a meter from the Distribution Licensee shall purchase such meter from the Distribution Licensee at such price as may be approved by the Commission under the Electricity Supply Code.

## 18.3. Lost / burnt meters

18.3.1. Any complaint to the Distribution Licensee regarding a lost meter shall be accompanied by a copy of the First Information Report (FIR) lodged with the concerned police station

18.3.2. The Connection Point shall be Re-Energised after installation of a new meter, and after payment of the price of the meter, the cost of other apparatus, and any other approved charges of the Distribution Licensee.

18.3.3. Where, upon a complaint by the Applicant or inspection by the Authorised Representative of the Distribution Licensee, the meter is found to be burnt, it

shall be replaced and the Connection Point shall be Re-Energised as soon as possible:

18.3.4. Provided that the Distribution Licensee may recover the price of the meter from the Applicant.

18.3.5. Except in the case of a burnt meter or a lost meter, the Distribution Licensee shall not be authorized to recover the cost of the meter more than once during the term of this Agreement.

18.4. Testing of meter

18.4.1. The Distribution Licensee shall be responsible for periodic testing of the meter

18.4.2. The Applicant may, upon payment of the approved testing charges, request the Distribution Licensee to test the accuracy of the meter

Provided that the Applicant may require the Distribution Licensee to get the meter tested at such facility as may be approved by the Commission

18.4.3. The Distribution Licensee, shall provide a copy of the meter test report to the Applicant within a period of 2 months from the date of request for testing of the meter by the Applicant

18.4.4. In the event of the meter being tested and found to be beyond the limits of accuracy prescribed in the Regulations specified by the Authority under Section 55 of the Act, the Distribution Licensee shall refund the testing charges paid by the Applicant and intimate the Supplier of the results of the test to enable adjustment in the bill of the Applicant:



Provided that the amount of any such excess or short billing shall be adjusted between the Distribution Licensee and the Supplier, as the case may be.

#### **19. Information exchange**

- 19.1. The Distribution Licensee and the Applicant agree to use their reasonable endeavours to provide each other, in a timely manner, such information in respect of the Open Access Consumers and their connection to and use of distribution system as either of them may possess and as the other may reasonably require to carry out their obligations under the Act, the Rules, the Distribution Open Access Regulations or this Agreement:

Provided further that the provision of information under this clause shall be subject to the obligations of both parties to maintain confidentiality of such information being requested for, under the Act or any other law for the time being in force.

- 19.2. The Distribution Licensee and the Applicant agree to take reasonable steps to ensure that all information provided by either of them to the other under this Agreement is accurate and complete.

#### **20. Governing Laws and Jurisdiction**

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

#### **21. 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 Distribution Licensee and the Applicant have caused this Agreement to be executed by duly authorized representative on date above first herein written.

Name & Signature  
Applicant

Name & Signature  
Distribution Licensee