

**ENERGY BANKING AGREEMENT  
BETWEEN  
HIMACHAL PRADESH STATE ELECTRICITY BOARD  
AND  
PUNJAB STATE ELECTRICITY BOARD**

This Agreement is entered into on this \_\_\_\_\_ day of .....Two Thousand Eight (2008) between **Himachal Pradesh State Electricity Board**, having its registered office at Vidyut Bhawan, Shimla-171004 (hereinafter referred to as "HPSEB", which expression, unless repugnant to the context or meaning thereof shall be deemed to include its successors and permitted assigns) of the **First Part** and **Punjab State Electricity Board** having its registered office at The Mall, Patiala (hereinafter referred to as "**PSEB**", which expression, unless repugnant to the context or meaning thereof shall be deemed to include its successors and permitted assigns) as of the **Second Part**.

- 1.0 WHEREAS, HPSEB is in a position to offer 150 MW power herein after referred to as "**Contracted Power**" from 00.00 hrs. of 1<sup>st</sup> July `2008 to 24.00 hrs. of 31<sup>st</sup> August` 2008 on round the clock basis, and
- 2.0 WHEREAS, PSEB is in a position to return the energy referred to in Clause No. 1.0 above banked by HPSEB from 00.00 hrs. of 1<sup>st</sup> Dec.`2008 to 24.00 hrs. of 31<sup>st</sup> Jan.`2009 on round the clock basis, and
- 3.0 **NOW, THEREFORE**, it is hereby agreed by and between the parties hereto as under:
  - 3.1.1 HPSEB will supply the power as per Clause 1.0 above to PSEB and draw the same as per Clause 2.0 above under this Agreement on the following general terms and conditions:
  - 3.1.2 The power shall be delivered by HPSEB and drawn by PSEB at HPSEB's periphery.
  - 3.1.3 The power shall be delivered by PSEB and drawn by HPSEB at PSEB's periphery.
  - 3.1.4 **Scheduling:** MW schedule shall be given as per Clause 1.0 and Clause No.2.0 above respectively by HPSEB and PSEB through their respective SLDCs to NRLDC as per scheduling

procedure prevailing at the time of transaction(s). The PSEB and HPSEB shall apply for open access for exchange of quantum of power as mentioned in Clause 1.0 & 2.0 respectively.

**Supplying utility shall schedule a minimum of 85% of the “Contracted power on round the clock basis during the period of Contract. Similarly the recipient utility shall have to accept a minimum of 85% of the “Contracted Power” on round the clock basis during the period of contract.**

The recipient utility shall apply to NRLDC for grant of Short Term Open Access three months in advance from the scheduled date of commencement of power by the supplying utility for 85% of the Contracted Power; and For remaining 15% of the Contracted Power, the supplying utility shall schedule the same to the recipient utility to the extent available with it on day ahead basis with the consent of recipient utility. For this purpose the recipient utility shall apply for the Short Term Open Access as per the prevailing scheduling procedure on day ahead basis.

Further, scheduling and dispatch of the power shall be coordinated by recipient utility with RLDC, PSEB’s SLDC & HPSEB’s SLDC as per the relevant provisions of Indian Electricity Grid Code (IEGC) & framework of Availability Based Tariff (ABT) read with the decisions of Northern Regional Load Despatch Centre (NRLDC) and the Northern Regional Power Committee (NRPC), if any. Any instructions(s) issued/ to be issued by the Central Electricity Regulatory Commission (CERC) and/or under any other statutory provision(s) shall also apply to Scheduling & Despatch of power.

4.0 Other commercial terms and conditions shall be as detailed below:

4.1 The total quantum of energy banked by HPSEB with PSEB as per Clause 1.0 read with Clause 3.0 above shall be returned by the PSEB as per Clause 2.0 read with Clause 3.0 above.

4.2 Final energy account shall be done on the basis of final Regional Energy Accounts issued by NRPC on monthly basis from time to time. For power supplied by the supplying utility during a month,

the supplying utility shall furnish an energy statement to the recipient utility as per REA issued by NRPC, which shall be verified and corresponding "Certificate of Banked Energy" shall be issued by recipient utility. The contract for exchange of power shall be for the energy scheduled/accepted and subsequent revision(s) thereof during real time operations made available by supplying/recipient utility.

#### **4.3 Transmission Losses and charges:**

4.3.1 For banking of power by HPSEB with PSEB, the transmission charges & Regional Load Despatch Centre (RLDC) scheduling charges (short-term open access charges) or any other charges beyond the delivery point as may be applicable, alongwith the transmission losses shall be borne by PSEB. For return of the banked power by PSEB, the transmission charges & Regional Load Despatch Centre (RLDC), scheduling charges (short-term open access charges) or any other charges beyond the delivery point as may be applicable, alongwith the transmission losses shall be borne by HPSEB.

4.3.2 This exchange of power between PSEB & HPSEB is supposed to be a cashless transaction. However, if at all, after expiry of the contract period (1<sup>st</sup> July `2008 to 31<sup>st</sup> January `2009), the energy received in excess is noticed after accounting for provisions contained in Clause 4.2 above, even may be due to Force Majeure condition, PSEB may return the same to HPSEB during the grace period between 01.02.2009 to 20.02.2009. This transaction shall be subject to all the terms and also conditions of this Agreement. Even after this grace period, if any excess is noticed, even may be due to Force Majeure conditions, HPSEB shall be at liberty to exercise the option of claiming the payment against unadjusted energy (as on 20.02.2009) at the rate of Rs. 7.50 per unit. The energy accounts to this effect shall be based on final REAs for the contract period issued by NRPC and for this unadjusted energy PSEB shall have to make the payment within seven days from the date of receipt of the bill to such an effect failing which, surcharge @ 18% per annum calculated on the day-to-day basis, on the outstanding amount after expiry of 30 days period shall be levied and paid for by the PSEB. Such payment shall be released without making reference to and/or linking to any other pending dispute between the parties and/or the payment. A rebate of 2% on billed amount shall be

allowed if payment is deposited in scheduled bank account within seven days of receipt of bill.

Similarly in the event of receipt of excess energy by HPSEB at the end of exchange cycle, is noticed, PSEB shall be at liberty to exercise the option of claiming the payment against such excess energy @ Rs. 7.50 per unit. HPSEB shall have to make the payment within seven days from the date of receipt of the bill to such an effect; failing which, surcharge @18% per annum calculated on the day-to-day basis, on the outstanding amount after expiry of 30 days period shall be levied and paid for by the HPSEB. Such payment shall be released without making reference to and/or linking to any other pending dispute between the parties and/ or the payment. A rebate of 2% on billed amount shall be allowed if payment is deposited in scheduled bank account within seven days of receipt of bill.

- 5.0 Supply of power by HPSEB to PSEB or by PSEB to HPSEB can be restricted/ curtailed/eliminated on two hours advance notice under force majeure conditions such as non availability of open access granted by RLDC/SLDC, any restrictions imposed by POWERGRID (CTU)/STU/RLDC/SLDC on scheduling of power and other unforeseen conditions like rebellion, mutiny, civil commotion, riots, strike, lockout, epidemic, fire, explosion, flood, cyclone, malicious act, landslide, earth quake, war accident or act of god, sabotage, communal violence etc. To give effect to such a situation, the schedule in force shall be got cancelled by the recipient utility by scheduling equal quantum of power to the supplying utility for the period for which force majeure conditions are in force.
- 6.0 Any dispute arising out of this Agreement shall be referred to the Member Secretary, Northern Regional Power Committee, New Delhi and his decision in the matter shall be binding on both the parties. Both the parties shall furnish a copy of this Agreement to the Member Secretary, NRPC.
- 7.0 For execution and implementation of this Agreement, General Manager, Northern Regional Load Despatch Centre, New Delhi is authorized to do the necessary scheduling.
- 8.0 In case of change in law or restriction imposed by Regulators (Central or State) or Government (Central or State) or Appellate Tribunal for Electricity or Courts on any aspect of

exchange of power, the same shall be binding on both the parties.

9.0 This agreement can be amended, altered and/or modified with mutual consent of both the parties.

10.0 All notices to HPSEB & PSEB for load despatch must be delivered personally or by courier or certified mail or the facsimile at the following address:

**For PSEB:**

Address: Punjab State Electricity Board,  
220kV Grid Sub-Station,  
Ablowal, Patiala-175 001.  
Attention: Chief Engineer (SO&C)  
Facsimile No. 0175-2367490  
Telephone No. 0175-2366007

**For HPSEB:**

Address: SLDC Complex, HPSEB, Totu  
Shimla-171 011.  
Attention: Director (PR&CERC)  
Telephone No. 0177-2838398 (24 Hrs.)  
0177-2837543  
Facsimile No. 0177-2837543 (24 Hrs.)

All the correspondence relating to an arising out of this agreement including the billing must be delivered personally or by courier or certified mail or the facsimile at the following address:

**For PSEB:**

Address: Punjab State Electricity Board,  
220kV Grid Sub-Station,  
Ablowal, Patiala-175 001.  
Attention: Chief Engineer (SO&C)  
Facsimile No. 0175-2367490  
Telephone No. 0175-2366007

**For HPSEB**

Address HPSEB ,Vidyut Bhawan,  
Shimla-171 004.  
Attention: Chief Engineer (SO)

Telephone No. 0177-2653119  
Facsimile No. 0177-2653119  
11.0 This agreement shall come into force with effect from 1<sup>st</sup> July, 2008.

In WITNESSETH whereof, the duly authorized representatives of the parties have signed on the date first herein before written.

**For & on behalf of PSEB  
HPSEB**

Chief Engineer (SO&C),  
PSEB, SLDC Building,  
220kV Grid Sub-Station,  
Ablawal, Patiala-147001.

**For & on behalf of**

Chief Engineer (SO),  
HPSEB, Vidyut Bhawan,  
Shimla-171004.