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The Electricity Act, 2003

Section 38 - (Central Transmission Utility and functions)

1) The CentralGovernment may notify any Government company as the Central TransmissionUtility: Provided that the Central Transmission Utility shall not engage in thebusiness of generation of electricity or trading in electricity: Provided further that the Central Government may transfer, and vest anyproperty, interest in property, rights and liabilities connected with, andpersonnel involved in transmission of electricity of such Central TransmissionUtility, to a company or companies to be incorporated under the Companies Act,1956 to function as a transmission licensee, through a transfer scheme to be - 32 -The Electricity Act, 2003_____effected in the manner specified under Part XIII and such company or companiesshall be deemed to be transmission licensees under this Act.(2) The functions of the Central Transmission Utility shall be - (a) to undertake transmission of electricity through inter-State transmission system; (b) to discharge all functions of planning and co-ordination relating to inter-State transmission system with - (i) State Transmission Utilities; (ii) Central Government; (iii) State Governments; (iv) generating companies; (v) Regional Power Committees; (vi) Authority; (vii) licensees; (viii) any other person notified by the Central Government in this behalf; (c) to ensure development of an efficient, co-ordinated and economical system of inter-State transmission lines for smooth flow of electricity from generating stations to the load centres; (d) to provide non-discriminatory open access to its transmission system for use by- (i) any licensee or generating company on payment of the transmission charges; or (ii) any consumer as and when such open access is provided by the State Commission under sub-section (2) of section 42, on payment of the transmission charges and a surcharge thereon, as may be specified by the Central Commission: - 33 -The Electricity Act, 2003_____ Provided that such surcharge shall be utilised for the purpose of meetingthe requirement of current level cross-subsidy: Provided further that such surcharge and cross subsidies shall beprogressively reduced 1[***] in the manner as may be specified by the CentralCommission: 2[***] Provided also that the manner of payment and utilisation of thesurcharge shall be specified by the Central Commission: Provided also that such surcharge shall not be leviable in case openaccess is provided to a person who has established a captive generating plantfor carrying the electricity to the destination of his own use.Section

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