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The Electricity Act, 2003

Section 39 - (State Transmission Utility and functions)

(1) The State Government may notify the Board or a Government company asthe State Transmission Utility: Provided that the State Transmission Utility shall not engage in thebusiness of trading in electricity: Provided further that the State Government may transfer, and vest anyproperty, interest in property, rights and liabilities connected with, andpersonnel involved in transmission of electricity, of such State TransmissionUtility, to a company or companies to be incorporated under the Companies Act,1956 to function as transmission licensee through a transfer scheme to be effectedin the manner specified under Part XIII and such company or companies shall bedeemed to be transmission licensees under this Act.(2) The functions of the State Transmission Utility shall be - (a) to undertake transmission of electricity through intra-State transmission system; (b) to discharge all functions of planning and co-ordination relating to intra-State transmission system with -1 The words and eliminated omitted by Act 26 of 2007, Sec.4 [w.e.f. 15th June 2007].2 The words Provided also that such surcharge may be levied till such time the cross subsidies are noteliminated: omitted by Act 26 of 2007, Sec.4 [w.e.f. 15th June 2007]. - 34 -The Electricity Act, 2003_____ (i) Central Transmission Utility; (ii) State Governments; (iii) generating companies; (iv) Regional Power Committees; (v) Authority; (vi) licensees; (vii) any other person notified by the State Government in this behalf; (c) to ensure development of an efficient, co-ordinated and economical system of intra-State transmission lines for smooth flow of electricity from a generating station 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 State Commission: Provided that such surcharge shall be utilised for the purpose ofmeeting the 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 StateCommission: 2[***]1 The words and eliminated omitted by Act 26 of 2007, Sec.5 [w.e.f. 15th June 2007]2 The words Provided also that such surcharge may be levied till such time the cross subsidies are noteliminated: omitted by Act 26 of 2007, Sec.5 [w.e.f. 15th June 2007]. - 35 -The Electricity Act, 2003_____ Provided also that the manner of payment and utilisation of thesurcharge shall be specified by the State 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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