

The ELECTRICITY ACT, 2003

Section 39 - State Transmission Utility and functions.–

1) The State Government may notify the Board or a Government company as the State Transmission Utility: Provided that the State Transmission Utility shall not engage in the business of trading in electricity: Provided further that the State Government may transfer, and vest any property, interest in property, rights and liabilities connected with, and personnel involved in transmission of electricity, of such State Transmission Utility, to a company or companies to be incorporated under the Companies Act, 1956 (1 of 1956) to function as transmission licensee through a transfer scheme to be effected in the manner specified under Part XIII and such company or companies shall be deemed 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 (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 centers; (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