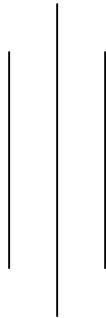


**GUIDE LINES AND PROCEDURES  
OF  
OPEN ACCESS  
FOR  
LONG TERM OPEN ACCESS  
CUSTOMERS**



**M.P. POWER TRANSMISSION COMPANY LTD.  
JABALPUR.**

**MADHYA PRADESH POWER TRANSMISSION COMPANY LIMITED  
JABALPUR.**

**GUIDE LINES AND PROCEDURES OF OPEN ACCESS FOR  
LONG TERM OPEN ACCESS CUSTOMERS:**

**1. OUT LINE**

1.1 The Electricity Act 2003 stipulates for providing Open Access through the Transmission and Distribution system. Accordingly, the Hon'ble State Commission has notified the Regulations for Intra-State Open Access in Madhya Pradesh vide their order No. 1431-MPERC-2005 dtd. 16<sup>th</sup> June 2005 .

1.2 The Intra-State Open Access has been made applicable in the State in phases from the date of coming into effect of the Regulations. The Regulations have come into force from the date of their publication in official Gazette i.e. 24<sup>th</sup> June 2005.

1.3 Regulation 8.1 of the Regulations provides that the "Nodal Agency" for arranging all types of Long Term Open Access shall be the State Transmission Utility (STU), who shall nominate an officer to process the Open Access applications.

1.4 The schedule of providing Open Access is prescribed as hereunder (refer Regulation 3.3).

Subject to operational constraints and other relevant factors, Open Access shall be allowed in the following phases;

i. For Non-Conventional Energy Sources :

The Non-conventional energy generators and users shall be provided with Open Access with immediate effect and they shall be governed by the existing policy of State Government.

ii. For Captive Generating Plants of Conventional Energy:

Open Access for the Captive Power Plants shall be provided with immediate effect.

iii. For all other Open Access customers :

Open Access to users other than at S. No. 1.4(i) and 1.4(ii) shall be provided as per the time table below;

<b>S. No.</b>	<b>Phases</b>	<b>Customer with contracted power under Open Access for Transmission and Wheeling and at Voltage</b>	<b>Date from which Open Access is to be granted.</b>
1.	I	Users requiring 10 MW or above at Voltage 132 KV or above situated any where in the State	From the date of coming into effect of Regulations for Intra-State Open Access.

<b>S. No.</b>	<b>Phases</b>	<b>Customer with contracted power under Open Access for Transmission and Wheeling and at Voltage</b>	<b>Date from which Open Access is to be granted.</b>
2.	II	Users requiring 5 MW or above at 33 KV or above and situated in industrial growth centres notified by the State Government or having independent 33 KV feeders from EHV Sub-station.	From the date of coming into effect of Regulations for Intra-State Open Access.
3.	III	Users requiring 2 MW or above at 33 KV or above and situated in industrial growth centres notified by the State Government.	October 1, 2005.
4.	IV	Users requiring 5 MW or above and situated any where in the State	April 1, 2006.
5.	V	Users requiring 1 MW or above and situated in industrial growth centres notified by the State Government.	October 1, 2006.
6	VI	Users requiring 2 MW or above and situated any where in the State	April 1, 2007.
7	VII	Users requiring 1 MW or above and situated any where in the State	October 1, 2007.

1.5 These guidelines and procedures are being issued in compliance of the provisions of the MP Electricity Regulatory Commission (Terms and Conditions for Intra - State Open Access in Madhya Pradesh) Regulations, 2005 dtd. 16.6.2005, notified on 24<sup>th</sup> June 2005.

1.6 In terms of provisions under Para 8.6 of the MPERC's Regulation 2005 on open access, all long term open access transactions shall comply with these guidelines/procedures.

1.7 These guide lines/procedures have been prepared pragmatically considering the avenues available and the intricacies involved. However, some teething problems may still be experienced. In order to resolve the same these procedures would be reviewed, if necessary in due course, and modified with the approval of the Hon'ble State Commission.

## **2. CRITERIA FOR BECOMING LONG TERM OPEN ACCESS CUSTOMER**

An Open Access customer availing open Access for a period of Ten (10) years or more shall be a Long Term Open Access customer (refer Regulation 5.1).

Provided that the existing beneficiaries of State Transmission System owned or operated by the State Transmission Utility (STU) shall be deemed to be the Long Term customers of the system owned or operated by STU for the purpose of these guidelines/procedures.

## **3. APPLICATION AND ITS ENCLOSURES**

3.1 The request for availing "Long Term Open Access" shall be made to the Nodal Agency of M.P. Power Transmission Co. Ltd., (State Transmission Utility- STU) in

the prescribed application format (Appendix-I) alongwith confirmation of acceptance of terms and conditions enclosed with application format as **Annexure - I**. The application may be submitted in triplicate.

3.2 The application should be addressed to the following Nodal Officer;

Chief Engineer (Planing & Design)  
MPPTCL, Block No. 3, Shakti Bhawan,  
Rampur - **JABALPUR** – 482 008.  
**Phone No. – (0761) 270-2240.**

3.3 A copy of the application should also be submitted to the concerned Distribution Licensee(s) in whose area point of injection or drawal is situated.

3.4 The following shall be enclosed with the application:

- i. Non-Refundable application fees amounting to Rs. 50,000/- (Fifty Thousand only) in the form of Demand Draft payable at Jabalpur and Drawn in favour of “**M.P. Power Transmission Co. Ltd.**”.
- ii. A copy of MOU/Agreement entered between buyer/seller/trader, clearly stating the details of allocation of power from each generator/beneficiary.
- iii. In case open access is desired for power generated from new generation project, then the technical details as indicated in the application format should be furnished.
- iv. Scheme of injection and drawal of electricity alongwith a schematic diagram.
- v. Confirmation of acceptance of terms and conditions (As per Annexure-I).

3.5 The application should be complete in all respect. The Nodal Agency shall acknowledge the receipt of completed application alongwith requisite fee payable, within one working day of receipt. Incomplete application shall not be processed and shall be returned. The resubmission of such applications shall be treated afresh.

3.6 The Nodal Agency shall also forward a copy of application to the distribution licensee who is supplying electricity or in whose area of supply the point of drawal lies.

3.7 The following time schedule shall be adhered to by the Nodal Agency for processing of the application for grant of long term Open Access (refer Regulation 9.1).

- |     |   |   |  |
|-----|---|---|--|
| i.  | Intimation regarding feasibility of access without system strengthening                               | - | Processing time 30 days from date of receipt of application                        |
| ii. | Intimation of result of studies for system strengthening with cost estimates and completion schedule. | - | Processing time 45 days from the date of request by OA customer to conduct studies |

#### 4. **ALLOTMENT PRIORITY**

4.1 The priority for allowing open access shall be decided on the following criteria (refer Regulation 6.1):

- i. Distribution licensee for long term
- ii. Other open access customers for long term.
- iii. Distribution licensee for short term.
- iv. Other open access customers for short term.

Subject to above, the decision for allowing long term open access shall be based on the basis of first come first serve.

4.2 In case more than one long term open access customer applies for capacity allocation on the same date and if the capacity sought to be allocated to the customers is more than the available capacity at that point of time, the Nodal Agency may offer to allocate the capacity in the ratio of capacity sought by the customers till the time the capacity is augmented.

4.3 The allotment of transmission capacity to a long term customer shall not be relinquished or transferred to any other customer without the prior approval of the Hon'ble Commission. The long term customer relinquishing or transferring the capacity shall be liable to pay such charges as may be determined by the Hon'ble Commission for the purpose. The Open Access customer will make an application for relinquishment to the Nodal officer giving justification. The Nodal officer will examine the application and send it to the Hon'ble Commission with recommendations

## **5. PROCEDURE FOR LONG TERM OPEN ACCESS:**

5.1 The Nodal Officer after ascertaining that the application is complete in all respect will forward a copy of the application to the System Study Cell of the Transmission as well as Distribution licensee, within 3 days of the receipt of application. The System Study Cell of the Transmission and Distribution licensee will examine the technical feasibility of Open Access transaction alongwith the requirement of the System strengthening. They will send their recommendations to the Nodal Officer within 15 days of the receipt of the application's copy by them. The Distribution Licensee will also intimate feasibility of wheeling where distribution system is also involved from time to time.

5.2 Based on system studies conducted and in consultation with other agencies involved including other Transmission and Distribution Licensee, the Nodal Agency i.e. STU shall within 30 days of receipt of the application, intimate to the applicant whether or not the long term access can be allowed without further system strengthening.

5.3 Where system strengthening is not required, the Long Term Open Access shall be allowed on execution of applicable Bulk Power Transmission Agreement (BPTA) by the applicant for sharing of transmission charges and other charges, as may be determined by the Hon'ble MPERC from time to time.

5.4 If further system strengthening is essential before providing the Long Term Open Access, the applicant may request the STU to carryout the system studies and preliminary investigation for the purpose of cost estimate and completion schedule for system strengthening.

5.5 The STU in consultation with other agencies involved including other transmission and distribution licensee shall carryout the studies immediately on receipt of request from the applicant and intimate results of the studies to the applicant within 45 days of receipt of request. The applicant may request the STU for appropriate action based on the result of the study and execute BPTA alongwith deposit of necessary charges as per demand note issued by Licensee(s) within 30 days, otherwise, the studies

shall be treated as null and void and fresh application shall be required to be made for the system studies which inter-alia would take into consideration the development that would take place in the intervening period. The applicant will be required to pay expenditure on system strengthening as per estimate given by the Nodal Agency.

5.6 The applicant shall reimburse the actual expenditure incurred by the STU for system strengthening studies. The expenses on system studies will be payable alongwith the request from the applicant. A sample estimate for such charges is enclosed for reference (**Annexure- II**)

Provided the Non-refundable fee of Rupees 50,000/- paid by the applicant shall be adjusted against the actual expenditure to be reimbursed by the applicant.

5.7 Any person aggrieved by a decision of the Nodal Agency and may upon the discovery of new and important material or evidence or otherwise which, after the exercise of due diligence, was not within his knowledge or could not be produced by him at the time when the decision was passed or on account of some mistake or error apparent from the face of the record, or for any other sufficient reason may apply for a review of such decision within 45 (forty five) days of the date of decision, to the Open Access Monitoring, Dispute Resolution and Decision Review Committee formed by the Hon'ble MPERC.

The applications in this regard may be addressed to;

**The Coordinator,**  
Open Access Monitoring,  
Dispute Resolution & Decision Review Committee,  
C/o MP Electricity Regulatory Commission,  
Urja Bhawan, Shivaji Nagar,  
**BHOPAL (M.P.)**

5.8 The customer may file a petition with the Hon'ble Commission for seeking the order if he is not satisfied with the decision of Open Access Monitoring, Dispute Resolution and Decision Review Committee.

5.9 Once the Open Access is sanctioned to a person, he will submit an application to the Transmission Licensee for connectivity to state transmission system as per connection conditions mentioned in section- 5 of the MP electricity Grid Code.

## 6. **OPEN ACCESS AGREEMENTS**

6.1 Long term open access customer using transmission system shall enter into Bulk Power Transmission Agreement (BPTA) with the transmission licensee for use of Intra - State Transmission System. The draft of BPTA is enclosed as Appendix – II.

6.2 The Agreement should be executed on non-judicial stamp paper worth Rs. 100/- (Rs. Hundred only) with affixing a Revenue Stamp worth Re. 1/-.

6.3 The open access customer shall enter into separate Agreement with the concerned distribution licensee(s) on terms and conditions of settlement of energy overdrawal/ underdrawal as per balancing and settlement code, payment of surcharge/ additional

surcharge, wheeling charges( if distribution system is involved),sub transmission/distribution losses and allied matters. Draft of this agreement and terms and conditions will be intimated to the open access customer separately by the concerned distribution licensee.

6.4 Within three days of furnishing the executed agreements, - STU shall inform the date of commencement to the open access customer, subject to completion of infrastructure, metering, protection and operating system.

## 7. **CURTAILMENT ORDER**

7.1 When because of constraints, or otherwise, it becomes necessary to curtail the capacity allocated to the Open Access customers (refer Regulation 12.1), the following order shall be adhered to:-

- i. Short term Open Access customers (excluding distribution licensees)
- ii. Short term Open Access capacity allotted to distribution licensees.
- iii. Long term Open Access customers (excluding distribution licensees)
- iv. Long term Open Access capacity allotted to distribution licensees.

7.2 Within a category, power curtailment shall be carried out on a pro-rata basis.

## 8. **SUPPLY ARRANGEMENT AND OPERATION AND MAINTENANCE OF SUPPLY SYSTEM**

8.1 The power shall be fed into Intra – State Transmission System at the injection point technically feasible and the same shall be transmitted to the drawal point through licensee’s transmission system. Dedicated feeders shall be constructed at the cost of open access customer to connect injection as well as drawal points to the nearest feasible EHV substation.

8.2 The Open Access customer shall obtain all statutory and non-statutory permissions required under the Electricity Act 2003 or any other enactment in force, for the time being, from the appropriate Electricity Regulatory Commission or any other statutory body, for the purpose of availing Open Access, or matters related thereto.

8.3 The Open Access customer shall make foolproof arrangement to ensure automatic isolation of its system from the system of licensee, in the event of any fault on any of the two systems.

8.4 The licensee shall provide adequate protection at its end at the cost of Open Access customer to ensure that no damage is done to its system by fault in the the system of open access customer. The repair/ replacement/maintenance of such protection equipment shall be at the cost of Open Access Customer. The licensee shall not be responsible for any damage, whatsoever, that may be caused to any equipment installed in the area of drawal by Open Access customer on account of any fault in the system and shall not be responsible to pay any compensation for any such damage.

9. **CHARGES FOR OPEN ACCESS**

[A] **PAYABLE TO TRANSMISSION LICENSEE**

- 9.1 **Transmission Charges** - The annual Transmission Service Charges (TSC) as determined by the Hon'ble Commission from time to time shall be shared by the long term Open Access customers, as per the allotted transmission capacity.
- 9.2 **Reactive Energy Charges:-** The Open Access customer shall adopt all possible measures to provide compensation for reactive energy at their end. The reactive energy charges as approved by the commission from time to time shall be payable by the long term Open Access customer, to TRANSCO.
- 9.3 **Connectivity Charges:-** The actual interconnection expenses incurred by licensee at the time of interconnection of generator and load with the grid or as may be prescribed by Hon'ble Commission shall be payable by the long term Open Access customer.

[B] **PAYABLE TO SLDC**

- 9.4 **Operating Charges:-** The long term Open Access customer shall pay to the State Load Despatch Centre the scheduling and system operation charges as determined by the Hon'ble Commission in accordance with MPERC (Levy and collection of fee and charges of State Load Despatch Centre) Regulation 2004.

[C] **PAYABLE TO DISTRIBUTION LICENSEE**

- 9.5 **Imbalance Charges:-** The mismatch between the scheduled and actual drawal at drawal point(s) and scheduled and the actual injection at injection point(s) shall be governed by Balancing and Settlement Code applicable to intra – state transaction, for which separate bill shall be issued to the Open Access customers, by the concerned distribution licensee .
- 9.6 **Cross Subsidy Surcharge :-** Payable by open access customer to the distribution licensee under section 38(2-d), 39(2-d) & 42(2) of the Electricity Act 2003, as determined by the Hon'ble state Commission.
- 9.7 **Additional Surcharges:-** Additional surcharge shall be payable by the Open Access customer to the distribution licensee as per section 42(4) of the Electricity Act 2003 as may be determined by the Hon'ble state Commission.
- 9.8 **Wheeling Charges** - As approved by Hon'ble MPERC for use of Sub-transmission/Distribution system.

[D] **ANY OTHER CHARGES**

Any other charges in cash or kind as may be specified by the Hon'ble Commission shall be payable by the Open Access customer.



9.9 The charges payable as per Hon'ble Commission's order dtd. 30.6.05 is shown in Appendix-III. These are however subject to change from time to time with the approval of Hon'ble Commission.

## 10. **ENERGY ACCOUNTING**

10.1 The energy accounting shall be done in accordance with the Balancing and settlement Mechanism as approved by the Commission from time to time. These shall be as approved by the Commission from time to time. The accounts of energy will also be settled monthly.

10.2 The transmission charges shall be on the capacity allocation, as may be approved by the Hon'ble Commission from time to time. In case the capacity is over utilized by the Open Access customer in any period during a month, the capacity utilized in excess of allotted capacity shall be billed at 1.5 times, the normal rate, for the full month.

## 11. **ENERGY LOSSES**

11.1 The Open Access customer shall bear energy losses of Transmission System and Distribution System as approved by the Commission in accordance with the Regulation framed by the Commission under Section 61 of Electricity Act, 2003 i.e. MPERC (Terms & Conditions for determination of tariff) Regulations, 2005. The energy losses in the Transmission and Distribution System shall be deducted from injection to compute drawal schedule.

11.2 The information regarding average energy losses for the previous twelve months shall be available on the website of the State Load Despatch Centre and the MPPTCL.

## 12. **BILLING AND PAYMENT OF CHARGES**

12.1 Upon receipt of energy account, the Director(Finance) MPPTCL, Jabalpur will issue a bill of transmission charges and allied charges every month as per the tariff approved by the Hon'ble MPERC. The bill shall be issued by 7<sup>th</sup> of each month for the transmission charges and allied charges for the preceding month. The bill shall be payable within 15 days from the date of invoicing i.e. by 22<sup>nd</sup> day of each month. The bill of charges payable to the distribution licensee, as per para 9 above, shall be issued separately by the concerned distribution licensee.

12.2 In case of payment of monthly invoice is made beyond due date specified in the said invoice, a surcharge at the rate of 1.5% per month or part thereof shall be charged on the amount remained unpaid after the said date.

12.3 If for certain reason any of the charges could not be included in the monthly tariff invoice, such charges shall be billed in subsequent invoices as soon as possible or by a supplementary bill.

12.4 If for any reason monthly energy account is not available timely, the SLDC shall prepare the provisional energy account and accordingly, the Director (Finance) MPPTCL,

Jabalpur shall issue a provisional bill. The adjustment of the same shall be given in subsequent bill on receipt of actual energy account.

12.5 The long term Open Access customer shall make the payment of Transmission Charges and other allied charges through Cheque/Demand Draft drawn in favour of “MP Power Transmission Co. Ltd., Jabalpur” payable at Jabalpur or through electronic transfer within 15 days of issue of bill to the Director (Finance), MPPTCL, Jabalpur.

12.6 In case payment is not made on the specified dates during the month, the licensee shall on the next day obtain payment due, through invocation of letter of credit for the equivalent amount.

12.7 In the event of non-payment of the dues, the licensees shall have the right of discontinuance of Open Access in accordance with Section 56 of Electricity Act 2003.

### 13. **PAYMENT SECURITY**

13.1 The long term Open Access customer shall have to maintain security in the form of irrevocable unconditional monthly revolving Letter of Credit (L/C) having minimum validity of one year, to be extended each year well before expiry till the entire duration of transaction, in favour of the licensee for transmission and other charges. The L/C shall be equal to 1/12<sup>th</sup> of the last year’s bill amount (excluding the cost of power) on the basis of agreed schedule with the licensee. The value of initial L/C shall be based on the determination of expected monthly tariff payment for the allocated capacity.

13.2 The L/C should be opened in a bank mutually agreed between the Open Access customer and licensee.

13.3 The L/C shall be opened within 10 days of the date of acceptance of Open Access.

13.4 The L/C shall be reinstated within three banking days of their devolvement. Inability to reinstate the L/C following its devolvement, as aforesaid as also failure to extend its validity before expiry shall constitute a default. The L/C shall be without any limitation or restriction with regard to the manner and dates on which the bills can be presented to the concern bank by the licensee.

13.5 All types of L/C charges shall be born by the Open Access Customer.

13.6 There shall be no restrictions on the number of time the L/C will be utilized so long as sum utilized is not in excess of the sum payable to the licensee including any delayed payment surcharge.

### 14. **RIGHT TO REFUSE TRANSMISSION FACILITY ON DEFAULT**

14.1 If an open access customer does not pay the monthly bill for transmission or allied charges by the due date, and does not reinstate the L/C within three banking days of its devolvement or fails to extend the validity of L/C before expiry of the same, the open access shall be discontinued, after giving fifteen clear days notice in writing to the open access customer.

- 14.2 The action as mentioned under 14.1 shall be without prejudice to the right of the transmission licensee to recover such charges or other sum by suit or other remedies available under law.
- 14.3 The discontinuance of open access shall exist until, such charges or other sum together with any expenses incurred by transmission licensee in discontinuing open access and its resumption, are paid by the open access customer.
- 14.4 The open access customer shall be liable to pay the transmission charges even for the period transmission facility is kept suspended under payment default. These deemed transmission charges shall be equal to transmission charges billed to open access customer on the basis of allotted transmission capacity.
- 14.5 The distribution licensee shall provide for action in case of default under the agreement mentioned in Para 6.3 above. However, as the charges mentioned in Para 9.5 to 9.8 above are the charges for the combined activity of Open Access, the default in case of the agreement executed by the Open Access customer with distribution licensee (Para 6.3) shall result into discontinuance of Open Access as a whole.

15. **METERING**

15.1 The long term Open Access customer shall provide ABT compatible special energy meters as main meter as specified by the Hon'ble Commission in metering code for such consumers based on voltage, point and period of supply and tariff category. The licensee shall certify the meters, metering equipments and the installation of the meter.

15.2 The main meter at injection as well as at drawal point shall be installed at interface point in the EHV substation of the transmission licensee.

15.3 The licensee shall provide check meters of the same specification as main meters at the cost of Open Access customer.

15.4 The main and check meters shall be sealed by both parties. Defective meter shall be replaced immediately.

15.5 The reading of main and check meters shall be taken periodically at appointed day and time by authorized officer of licensee, the generator and the customer or his representative as the case may be. The meter reading shall be communicated to SLDC, for the Open Access customer and the generating company or trader, as the case may be by the Transmission and Distribution licensee in whose system Inter-face point is situated, within 24 hours of meter reading.

15.6 The readings of check meters shall be considered for billing when main meters are found to be defective or stopped.

15.7 If an Open Access customer requires the licensee to provide main meters, he shall provide security deposit to the licensee and shall pay its rent. The meter shall be maintained by the licensee.

15.8 If both the main meter and check meter fails to record or if any of the potential transformer fuses are blown out, then the energy will be computed on a mutually agreeable basis for that period of defect. In case of dispute and its continuance beyond billing date, provisional billing will be done by the licensee, which shall be payable by the Open Access customer.

15.9 For the purpose of calibration of meter error, the meter shall be tested as per applicable standard. For the purpose of test and calibration the sub-standard (SS) meter calibrated and sealed by Government Authorized Meter Testing House/ Laboratory shall be utilized. This SS meter shall be calibrated once every two years at the above mentioned Meter Testing House/Laboratory.

#### 16. **FLEXIBILITY TO CHANGE POINTS OF INJECTION AND DRAWAL**

16.1 The long term users shall have the flexibility to change point of injection and/or point of drawal once a year subject to the results of system impact studies to be carried out by the concerned licensees at the behest of such users, provided that the rights of existing users shall not be adversely affected. All expenses incurred by the licensee to carryout such studies shall be reimbursed in full by such users. The open access customer will submit the changed details in the format given in Appendix –I again for studies.

#### 17. **COMMUNICATION FACILITY**

17.1 The Open Access customer shall have to provide communication facility as may be specified by State Load Despatch Centre on a case to case basis.

17.2 For proper and prompt co-ordination and efficient operation, licensee shall provide and maintain two-way power line carrier communication (PLCC) link between the open access customer's premises (control room) and licensee's EHV sub-station, at the cost of Open Access customer

17.3 The Open Access customer shall have the facilities of Telephone, Fax and E-mail. The details of their communication systems shall be provided to the SLDC and Nodal Agency.

17.4 A Co-ordination committee consisting of following members shall be constituted to co-ordinate in respect of various matters regarding transmission of power-

- a. One representative from transmission licensee.
- b. One representative from SLDC.
- c. One representative from distribution licensee
- d. One representative from open access customer

The committee, among other matters shall,

- i. Check and ensure parameters of the equipments, meters, relay setting etc.
- ii. Monitor grid discipline to be abided by the Open Access customer.
- iii. Monitor monthly schedule of quantum of electricity to be transmitted.

18. **REDRESSAL MECHANISM**

18.1 Any dispute (other than that referred in para 5.7) shall be first referred to the Coordination Committee, referred in the above Clause 17.4. The Committee shall give a settlement within 30 days, to be agreed by parties under dispute. In case dispute is not settled by this process or the parties do not accept above Committee's settlement, then the dispute would be referred to the Hon'ble Commission, by the parties not satisfied by the settlement.

19. **GRID DISCIPLINE**

19.1 The Open Access customer shall abide by the Indian Electricity Grid Code, the M.P. Electricity Grid Code and the instructions given from time to time by the STU and SLDC

20. **GENERAL:-**

20.1 The Open Access customer shall keep the STU/SLDC indemnified at all times and shall undertake to indemnify, defend and save the STU/SLDC harmless from any all damages, losses, claims and actions including those relating to injury to or death of any person or damage to property, demands, suits, recoveries, costs and expenses, court costs, attorney fees and all other obligations by or to third parties, arising out of or resulting from the transactions.

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