

**[Name of State Electricity Distribution Company Ltd]/
[Name of Distribution Utility]**

[Logo of Company]

Request for Proposal

for

Appointment of Distribution Franchisee

for

[Name of Distribution Circle]

Bid Specification No.

Issued by

[Name and address of Distribution Company]

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Bid specification for Appointment of Distribution Franchisee for
[Name of Distribution Circle]

This [modified] bid document [pursuant to pre-bid conference], containing **Request for Proposal** "RFP" along with Exhibits/ Annexure as per index is issued to -

M/s. _____

Notes/ Disclaimer:

1. This document is not transferable.
2. Though adequate care has been taken while preparing and issuing the RFP, the Bidder should satisfy himself that documents are complete in all respects.
3. Intimation of any discrepancy shall be given to this office immediately. If no intimation is received by this office, from any Bidder within ten days from the date of issue of this document, it shall be considered that the issued document is complete in all respects have been received by the Bidder.
4. Neither [NAME OF DISTRIBUTION COMPANY], nor its employees, consultants, advisors accept any liability or responsibility for the accuracy or completeness of, nor make any representation or warranty, express, or implied, with respect to the information contained in the RFP, or on which the RFP is based, or any other information or representations supplied or made in connection with the Selection Process.
5. The RFP is not intended to provide the basis of any investment decision and each prospective Bidder must make its own independent assessment in respect of the Project. No person has been authorised by [NAME OF DISTRIBUTION COMPANY] to give any information or to make any representation not contained in the RFP.
6. Nothing in the RFP should be relied on, as a promise or representation as to the future.
7. [NAME OF DISTRIBUTION COMPANY] or its authorised officers reserve the right, without prior notice, to change the procedure for the identification of the Selected Bidder or terminate discussions and the delivery of information at any time before the signing of any agreement for the Project without assigning reasons thereof.
8. Neither [NAME OF DISTRIBUTION COMPANY] nor its employees or consultants will have any liability to any prospective Bidder or any other person under law, equity or contract, or otherwise for any alleged loss, expense or damage which may arise from or

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be incurred or suffered in connection with anything contained in the RFP, any matter deemed to form part of the RFP, the award of the Project, the project information and any other information supplied by or on behalf of [NAME OF DISTRIBUTION COMPANY] or their employees, any consultants or otherwise arising in any way from the selection process for the Project.

9. [NAME OF DISTRIBUTION COMPANY] reserves the right to change, modify, add to or alter the Selection Process including inclusion of additional evaluation criteria.
10. [NAME OF DISTRIBUTION COMPANY] reserves the right to change, modify or alter any or all the provisions of this document. Such a change would be intimated to all parties procuring this document.
11. [NAME OF DISTRIBUTION COMPANY] reserves the right to reject any or all of the Bids submitted in response to the RFP at any stage without assigning any reasons whatsoever.

Confidentiality:

The parties agree that this RFP document is not confidential.

Issued By:

[Signature & Designation of the Issuing Authority]
[Name & Address of the Distribution Company]

Place:

Date:

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1. Definitions and Abbreviations

1.(a). Definitions

Aggregate Technical and Commercial Losses (ATC Losses)

Shall mean the sum total of technical loss, commercial losses and shortage due to non-realisation of total billed demand.

ATC Losses = {Total energy input (MUs) less Energy Realised (MUs)} / Total energy Input (MUs) * 100

Where, Energy Realised is the sale of energy (MUs) * Collection Efficiency

Average Revenue Realisation

Shall mean the total revenue collected per unit energy supplied by [NAME OF DISTRIBUTION COMPANY] at Input Points on annualised basis. The same shall be computed as:

Average Revenue Realisation=(Total Revenue Collected+ Total Subsidy Amount) / Total energy input

Base Year

Shall mean the financial year FY [Financial year]

Bid

Shall mean the Technical Proposal and Financial Proposal submitted in response to the RFP issued by [NAME OF DISTRIBUTION COMPANY]

Bidder

Shall mean the Bidding Company

Bidding Company

Shall mean a single corporate entity bidding for the Project

Bidding Consortium

Shall mean a group of corporate entities bidding for the Project

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Distribution Franchisee/ Franchisee

Shall mean the Successful Bidding Company appointed by [NAME OF DISTRIBUTION COMPANY] to act as an agent of [NAME OF DISTRIBUTION COMPANY] to purchase and distribute electricity in the Franchise Area

Distribution Franchisee Agreement “DFA”

Shall mean the agreement to be entered into by the successful bidder and [NAME OF DISTRIBUTION COMPANY]. The Franchisee Agreement shall be an agreement for the sale of power to the Franchisee and for any other services, such as right to use the existing distribution network. Ninety percent of the High Tension and Low Tension Input Rates are deemed to be compensation for the sale of power and balance ten percent for the services component of the transaction

Distribution Assets

Shall mean all the assets employed by Distribution Licensee/ Distribution Franchisee in the Franchise Area for distribution of electricity.

Distribution Licensee

Shall mean the [Name of Distribution Company]

Expiry Date

Shall mean the fifteenth anniversary of the Effective date.

Effective Date

Shall mean the date of handing over of the business operations of Franchise Area by [NAME OF DISTRIBUTION COMPANY] to the Distribution Franchisee pursuant to the Distribution Franchisee Agreement after the conditions precedent is satisfied. Such date shall be indicated by the Distribution Franchisee and accepted by [NAME OF DISTRIBUTION COMPANY] which shall not be later than [agreed date] unless mutually agreed.

Financial Proposal

Shall mean the proposal of the Bidder setting out the High Tension and Low

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Tension Input Rate for energy injected by [NAME OF DISTRIBUTION COMPANY] at the Inputs Points in the Franchise Area and other details as set out in **Clause 5.3** of this Document

Franchise Area

Shall mean the area as mentioned in Section 2 of the RFP in respect of which Distribution Franchisee shall act as an agent of [NAME OF DISTRIBUTION COMPANY]

Input Point

Shall mean EHV/HV Substations as specified in Clause 2.3.2 and shall include such other EHV/HV substations or feeders, which may feed energy to the Franchise Area at the Effective date or during the term of the Agreement

Input Rate

Shall mean Rupees per unit of electricity supplied by [NAME OF DISTRIBUTION COMPANY] at the Input Point, and shall be quoted by the Bidder for High Tension and Low Tension power separately.

Parties

Shall mean a reference to selected Bidder and [NAME OF DISTRIBUTION COMPANY] collectively and “Party” shall mean an individual reference to either one of them

Prudent Utility Practices

Shall mean the practices, methods and standards that are generally accepted nationally from time to time by electric utilities for the purpose of ensuring safe, efficient distribution of electricity, operation and maintenance of Distribution Assets, billing and collection of distributed power etc.

Project

Shall mean the purchase and distribution of electricity and related activities in the Franchise Area as a Distribution Franchisee of [NAME OF DISTRIBUTION COMPANY] in accordance with the requirements set forth in the RFP.

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Request for Proposal “RFP”/ Document

Shall mean this document, issued to the Bidders seeking Technical and Financial Proposals.

Technical Proposal

Shall mean the proposal of the Bidder setting out details as set forth in **Clause 5.2** of this Document.

The words used in this document shall carry the same meaning as defined herein. Any word or phrase not defined here shall carry the meaning as is usually connoted in trade parlance or as is defined under the prevalent electricity laws.

1.(b). Abbreviations

ACSR	Aluminium Conductor Steel Reinforced
CP	Corporate Planning
CPF/GPF	Contributory/General Provident Fund
Crore	Number equivalent to 10 million or 100 lakhs
D/B	Distribution Box
DF	Distribution Franchisee
DFA	Distribution Franchisee Agreement
EHV	Extra High Voltage
EMD	Earnest Money Deposit
Eoi	Expression of Interest
FA	Franchise Area
FY	Financial Year
HP	Horse Power
HT	High Tension
IST	Indian Standard Time
IT	Information Technology
KM	Kilometer
kV	Kilo Volt
LoI	Letter of Intent
LT	Low Tension
MCB	Miniature Circuit Breaker
MOU	Memorandum of Understanding
MUs:	Million Units
[Short name of Regulatory Commission]	[Name of State Electricity Regulatory Commission]

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[Name in short of State Electricity Board/ DISCOM]	[State Electricity Board]/[NAME OF DISTRIBUTION COMPANY]
O & M	Operations & Maintenance
PD	Permanently Disconnected
RFP	Request for Proposal
Rs.	Indian Rupees
SCC	Service Connection Charge
SD	Security Deposit
SEB	State Electricity Board
SLC	Service Line Charge
STU	State Transmission Utility
T&D	Transmission & Distribution
T/F	Transformer
Y0	base Financial Year as Reference for Franchisee
Y0-n:	n th Financial Year before the base Financial Year as Reference for Franchisee
Y0+n	n th financial Year after base Financial Year as Reference for Franchisee.

2. Introduction

2.1 The Electricity Act 2003

2.1.1 Pursuant to Section 14 of the Electricity Act 2003(updated) (hereinafter referred to as the “Electricity Act”) the Government of [Name of the State] by a Notification dated [date], [Reference No] formulated a Transfer Scheme where under the [Name of the State Electricity Board], [Short Name] was trifurcated into separate generation, transmission, distribution companies. As per the Transfer Scheme, the [NAME OF DISTRIBUTION COMPANY] was designated as the Distribution Licensee-

2.1.2 [NAME OF DISTRIBUTION COMPANY], in an endeavor to improve operational efficiencies and quality of services provided to its consumers, seeks to bring in management expertise through public-private participation, in the distribution of electricity.

2.2 Relevant provision of the Electricity Act

2.2.1 The Electricity Act has opened new avenues for bringing in private participation in the distribution sector.

The proviso to Section 14 of the Electricity Act states that:

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"...in a case where a distribution licensee proposes to undertake distribution of electricity for a specified area within his area of supply through another person, that person shall not be required to obtain any separate licence from the concerned State Commission and such distribution licensee shall be responsible for distribution of electricity in his area of supply"

2.2.2 Accordingly, a person who undertakes the distribution of electricity for a specified area on behalf of the Distribution Licensee will not be required to obtain any separate license from the concerned State Commission.

2.3 Brief description about the Franchise Area

2.3.1 The Franchise Area shall be the [Name of proposed Franchisee area of Distribution Circle] as identified by [NAME OF DISTRIBUTION COMPANY]. This is spread over approximately [Area in Figure] square kilometres. The geographical location of the Franchise Area is shown in the picture below:

[Map of proposed Area for Distribution franchisee of Distribution Circle]

2.3.2 The EHV/HV substations/ feeders of the Franchise Area as mention in Table 3 shall form the Input Points for injection of electricity in the Franchise Area. A brief description of the existing distribution network in the Franchise Area is given herewith. [NAME OF DISTRIBUTION COMPANY] has compiled the technical and revenue information regarding the Franchise Area on a best efforts basis. Interested parties are requested to independently verify the data. [NAME OF DISTRIBUTION COMPANY] shall not be held responsible for errors or omissions therein.

Table 1: Organisation Structure of [Name of Distribution Circle]

Name of the Division	Particulars of Sub Divisions
----------------------	------------------------------

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[Division Name-1]	[Names of Sub divisions]
[Division Name-2]	[Names of Sub divisions]

The distribution infrastructure summary is given below:

Table 2: Distribution Infrastructure Summary for [Name of Distribution Circle]

Particulars	[Division1]	[Division2]	[.....]	[.....]
Number of EHV Sub-station from where energy is input-Nos				
33/22 kV Input Points,				
11 kV Input Points				
11 kV Input Points [Cross over]				
Total Input Points				
Nos of Substations and Capacity, Nos Switching Stations, Nos Feeders				
33/22 kV Substations				
33/22 kV Substation Capacity-MVA				
11 kV Switching Stations				
33/22 kV Feeders				
11 kV Feeders				
33/22 KV Lines/Cables-Kms				
Over head Line				
Under Ground cables				
Total				
11 KV Lines/Cables-Kms				
Over head Line				
Under Ground Cable				
Total				
L.T. Lines				
Over head Line				
Under Ground Cable				
Total				

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Poles-Nos				
33/22 KV Lines				
11 KV Lines				
L.T. Lines				
Total				
Ditribution Tranformer Centres-Nos				
33,22/433V				
11KV/433 V				

Details of EHV sub stations (Input Points) are as under:

Table 3: Details of EHV/HV Substations of [Name of Distribution Circle]

Name of the Division	Name of EHV Sub- station from where energy is input	Capacity Installed (MVA)	Maximum Demand (MVA)	Connected load (MVA)	No. of Input feeders
[Division-1]					
[Division-2]					
[Division-3]					
....					

The distribution losses of the divisions are given below

Table 4: Details of Distribution Losses of [Name of Distribution Circle]

Financial Year	Distribution Loss (%)							
	[Division1]		[Division2]		[.....]		Total	
	HT*	LT	HT*	LT	HT*	LT	HT*	LT
[Y0-4]								
[Y0-3]								
[Y0-2]								
[Y0-1]								

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[Y0]								
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* HT losses are assumed to be 3%)

The collection efficiency of the divisions are as under:

Table 5: Details of Collection Efficiency of [Name of Distribution Circle]
Collection Efficiency (%)

Financial Year	[Division1]		[Division2]		[.....]		Total	
	HT*	LT	HT*	LT	HT*	LT	HT*	LT
[Y0-4]								
[Y0-3]								
[Y0-2]								
[Y0-1]								
[Y0]								

The schematic diagram of the distribution network of the Franchise Area is attached as **Annexure 1**.

The load data for the period [Year] for the Franchise Area is given below:

Table 6: Details of Current Load of [Name of Distribution Circle]

Data Head	[Division1]	[Division2]	[.....]	Total
	(MVA)	(MVA)	(MVA)	(MVA)
Total connected load				
Maximum demand				
Existing load capacity				
Demand from new connections				
Current demand shortfall				

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Financial data related to energy input at Input Point, units and revenue billed, revenue collected and subsidy amount for last five financial years till [period] is given in the table below:

Table 7: Energy and Revenue data of [Name of Distribution Circle]

Financial Year	Units Received (Mus)		Units Billed (Mus)		Revenue Billed(Cr.)		Revenue collected(Cr.)		Subsidy	
	HT	LT	HT	LT	HT	LT	HT	LT	HT	LT
[Y0-5]										
[Y0-4]										
[Y0-3]										
[Y0-2]										
[Y0-1]										
[Y0 -Apr to month]										

Financial Year	Average Billing Rate (Rs / kWh)		Average Revenue Realisation (Rs / kWh)	
	HT	LT	HT	LT
[Y0-5]				
[Y0-4]				
[Y0-3]				
[Y0-2]				
[Y0-1]				
[Y0 -Apr to month]				

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Table 8: Energy and Revenue data of the Franchise Area, [Name of the Distribution Circle]

Financial Year	Energy Input(MUs)		Energy Billed (MUs)		Revenue Billed (Rs Cr.)		Revenue Collected (Rs Cr.)		Subsidy (Rs Cr.)
	HT	LT	HT	LT	HT	LT	HT	LT	LT
[Y0-5]									
[Y0-4]									
[Y0-3]									
[Y0-2]									
[Y0-1]									
[Y0-Apr to month]									

Financial Year	Average Billing Rate (Rs / kWh)		Average Revenue Realisation (Rs / kWh)	
	HT	LT	HT	LT
[Y0-5]				
[Y0-4]				
[Y0-3]				
[Y0-2]				
[Y0-1]				
[Y0-Apr to month]				

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Table 9: Energy and Revenue data of the Franchisee Area, [Name of the Distribution Circle]

Financial Year	Energy Input (MUs)		Energy Billed (MUs)		Revenue Billed (Rs Cr.)		Revenue Collected (Rs Cr.)		Subsidy (Rs Cr.)
	HT	LT	HT	LT	HT	LT	HT	LT	LT
[Y0-5]									
[Y0-4]									
[Y0-3]									
[Y0-2]									
[Y0-1]									
[Y0 -Apr to month]									

Financial Year	Average Billing Rate (Rs / kWh)		Average Revenue Realisation (Rs / kWh)	
	HT	LT	HT	LT
[Y0-5]				
[Y0-4]				
[Y0-3]				
[Y0-2]				
[Y0-1]				
[Y0-Apr to month]				

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Table 10: Energy and Revenue data of the Franchisee Area, [Name of the Distribution Circle]

Financial Year	Energy Input (MUs)		Energy Billed (MUs)		Revenue Billed (Rs Cr.)		Revenue Collected (Rs Cr.)		Subsidy (Rs Cr.)
	HT	LT	HT	LT	HT	LT	HT	LT	
[Y0-5]									
[Y0-4]									
[Y0-3]									
[Y0-2]									
[Y0-1]									
[Y0-Apr to month]									

Financial Year	Average Billing Rate (Rs / kWh)		Average Revenue Realisation (Rs / kWh)	
	HT	LT	HT	LT
[Y0-5]				
[Y0-4]				
[Y0-3]				
[Y0-2]				
[Y0-1]				
[Y0-Apr to month]				

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Information on Energy, demand and collection for each division of [Name of Distribution Circle] for the last five years and till [Month-year] is submitted below:

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Table 11: Summary Wise Information of [Name of the Division1] division, [Name of Distribution Circle]

Total (HT plus LT)	[Y-5]	[Y-4]	[Y-3]	[Y-2]	[Y-1]	[Y0-Apr- to month]
Input (MUs)						
Metered Sale (MUs)						
Unmetered Sale (MUs)						
Total Sale (MUs)						
Distribution Losses (%)						
Demand (Rs Crores)						
Collection (Rs. Crores)						
Collection Efficiency (%)						

Table 12: Summary Wise Information of [Name of the Division-2] division, [Name of Distribution Circle]

Total (HT plus LT)	[Y-5]	[Y-4]	[Y-3]	[Y-2]	[Y-1]	[Y0-Apr- to month]
Input (MUs)						
Metered Sale (MUs)						
Unmetered Sale (MUs)						
Total Sale (MUs)						
Distribution Losses (%)						
Demand (Rs Crores)						
Collection (Rs. Crores)						
Collection Efficiency (%)						

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Table 13: Summary Wise Information of [Name of the Division-3] division, [Name of Distribution Circle]

Total (HT plus LT)	[Y-5]	[Y-4]	[Y-3]	[Y-2]	[Y-1]	[Y0-Apr- to month]
Input (MUs)						
Metered Sale (MUs)						
Unmetered Sale (MUs)						
Total Sale (MUs)						
Distribution Losses (%)						
Demand (Rs Crores)						
Collection (Rs. Crores)						
Collection Efficiency (%)						

Information on Energy, demand and collection for the Franchise Area is submitted below:

Table 14: Summary Wise Information of the Franchise Area

Total (HT plus LT)	[Y-5]	[Y-4]	[Y-3]	[Y-2]	[Y-1]	[Y0-Apr- to month]
Input (MUs)						
Metered Sale (MUs)						
Unmetered Sale (MUs)						
Total Sale (MUs)						
Distribution Losses (%)						
Demand (Rs Crores)						
Collection (Rs. Crores)						
Collection Efficiency (%)						
Subsidy (LT)(Rs.Crores)						

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The Franchise Area had [Number in Figures] [(Number in words)] consumers as on [Date] and the Category wise break up of the consumers is given underneath:

Category wise break up of the consumers of the Franchise Area as on [Date]

a) No of Consumers

Category of Consumers	Distribution Circle-1	Distribution Circle-2	Distribution Circle-....	Total(Nos)
Residential	[Nos]	[Nos]	[Nos]	[Nos]
Commercial	[Nos]	[Nos]	[Nos]	[Nos]
IP/Powerloom	[Nos]	[Nos]	[Nos]	[Nos]
Street light	[Nos]	[Nos]	[Nos]	[Nos]
PWW	[Nos]	[Nos]	[Nos]	[Nos]
Agriculture	[Nos]	[Nos]	[Nos]	[Nos]
HT	[Nos]	[Nos]	[Nos]	[Nos]
Total	[Nos]	[Nos]	[Nos]	[Nos]

b) [Pie Chart on Category wise Nos of Consumers]

Table 15: Category wise consumption data for [Period in Financial Year] of the Circles of Franchise Area

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Sales in [Period]	Distribution Circle-1 in MUs	Distribution Circle-2 in MUs	Distribution Circle-..... in MUs	Total (MUs)
Residential	[MUs]	[MUs]	[MUs]	[MUs]
Commercial	[MUs]	[MUs]	[MUs]	[MUs]
IP/Powerloom	[MUs]	[MUs]	[MUs]	[MUs]
St light	[MUs]	[MUs]	[MUs]	[MUs]
PWW	[MUs]	[MUs]	[MUs]	[MUs]
Agriculture	[MUs]	[MUs]	[MUs]	[MUs]
HT	[MUs]	[MUs]	[MUs]	[MUs]
Total	[MUs]	[MUs]	[MUs]	[Nos]

Additional information on the Franchise Area can be found in the data room that shall be arranged by [NAME OF DISTRIBUTION COMPANY]

2.4 Objectives of the Project

2.4.1 [NAME OF DISTRIBUTION COMPANY]'s objective of appointing a Distribution Franchisee in the Franchise Area is:

- 2.4.1.1 To minimise aggregate Distribution and commercial losses.
- 2.4.1.2 To bring improvement in Metering, Billing and Revenue_Collection
- 2.4.1.3 To minimise Current Assets on account of arrears
- 2.4.1.4 To enhance customer satisfaction level by improving quality of service
- 2.4.2 The selection of interested parties shall be through a transparent bidding process.

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3. Project Description

3.1 Salient Features of the Project

3.1.1 The project encompasses all the activities relating to purchase and distribution of power to the existing/ future consumers in the Franchise Area, maintenance of the Distribution Assets and all related activities subject to the terms and conditions as stipulated from time to time by [NAME OF DISTRIBUTION COMPANY] and [State Electricity Regulatory Commission]

3.2 Brief Roles and Responsibilities of Distribution Franchisee

3.2.1 Undertaking all the liabilities and obligations of the Distribution Licensee in the Franchise Area as stipulated in Electricity Act, 2003 and corresponding regulations as if they were to apply to the Distribution Franchisee;

3.2.2 Discharging all duties and responsibilities on behalf of as per the terms and conditions of the License given by [STATE ELECTRICITY REGULATORY COMMISSION];

3.2.3 Undertaking any other activity as may be notified from time to time by [STATE ELECTRICITY REGULATORY COMMISSION] to Distribution Licensee;

3.2.4 Complying with all the directives issued from time to time by [STATE ELECTRICITY REGULATORY COMMISSION] and [NAME OF DISTRIBUTION COMPANY];

3.2.5 Undertaking the distribution and supply of power to the consumers of [NAME OF DISTRIBUTION COMPANY] in the Franchise Area;

3.2.6 Undertaking all Operations and Maintenance related activities in the Franchise Area;

3.2.7 Maintaining the existing distribution network and replacing failed distribution transformers and defective meters within the prescribed time frame including repair of the same;

3.2.8 Administering and maintaining the ongoing contracts, if required by Distribution Franchisee, entered into by [NAME OF DISTRIBUTION COMPANY]. [Alternatively, Distribution Franchisee may cancel the ongoing contract and enter into new contracts, with the exception of contracts for capital expenditure];

3.2.9 Undertaking reading of meters, generating of bills, distribution of the same and

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payment collection from the consumers in the Franchise Area, as per the retail tariff structure determined by [STATE ELECTRICITY REGULATORY COMMISSION] and abiding by the Conditions of Supply laid down under the license conditions thereof;

- 3.2.10 Making payments to [NAME OF DISTRIBUTION COMPANY] as per the terms and conditions of the clause on Payment and Collection in the Distribution Franchisee Agreement;
- 3.2.11 Collection of arrears as an agent of [NAME OF DISTRIBUTION COMPANY], and remittance of the same as per the terms and conditions of the DFA;
- 3.2.12 Establishing a consumer service centre as per [NAME OF DISTRIBUTION COMPANY]'s specifications (to be supplied later) for handling consumer complaints;
- 3.2.13 Redressal of Commercial and Billing Complaints;
- 3.2.14 Allotting new connections and carrying out all necessary activities for release of the same;
- 3.2.15 Maintaining consumer database and billing records as per the format prescribed by [NAME OF DISTRIBUTION COMPANY];
- 3.2.16 Generating Management Information System [MIS] periodically and monitoring reports in prescribed formats and online communication of the same to [NAME OF DISTRIBUTION COMPANY];
- 3.2.17 Installing metering devices and carrying out energy audit on monthly basis and submitting the report of the same to [NAME OF DISTRIBUTION COMPANY].
- 3.2.18 Carrying out periodical demand estimation / load forecasting and apprising [NAME OF DISTRIBUTION COMPANY] of the same;
- 3.2.19 Maintaining rolling stock of transformers and other necessary material as per the norms prescribed [to be given later] by [NAME OF DISTRIBUTION COMPANY];
- 3.2.20 Upgrading, renovating and maintaining the existing distribution network/ systems/ assets as per Prudent Utility Practices and the standards that may be prescribed by [NAME OF THE REGULATORY COMMISSION];
- 3.2.21 Initiating necessary action, in accordance with the Electricity Act, to prevent the theft of power, interference with meters and extinguishing public lamps, theft of electric lines and material etc;
- 3.2.22 Paying wheeling charges to [NAME OF DISTRIBUTION COMPANY] in case

power is brought into the Franchise Area by purchasing the same from sources other than [NAME OF DISTRIBUTION COMPANY];

3.3 Support given by [NAME OF DISTRIBUTION COMPANY]

3.3.1 [NAME OF DISTRIBUTION COMPANY] shall supply the power at Input Points as per its aggregated power supply and load shedding schedule planned periodically, based on directives issued by [NAME OF THE REGULATORY COMMISSION] on load shedding and availability of EHV transmission capacity at Input Points.

3.3.2 [NAME OF DISTRIBUTION COMPANY] shall communicate to DF any shortfall or inability to supply the scheduled power requirements of the DF.

3.3.3 [NAME OF DISTRIBUTION COMPANY] shall carry out the meter reading jointly with DF on a monthly basis at input point of the Franchise Area.

3.4 Term of Franchisee

3.4.1 The term of the Distribution Franchisee shall be for a period of fifteen years from the Effective Date.

3.5 Distribution Franchisee Agreement “DFA”

3.5.1 [NAME OF DISTRIBUTION COMPANY] shall enter into an agreement with the DF. This agreement shall govern all transactions under such arrangement between the successful bidder and [NAME OF DISTRIBUTION COMPANY]. The DFA has been annexed herewith and marked as **Annexure 3**. However, [NAME OF DISTRIBUTION COMPANY] reserves the right to make any changes to the Agreement in Annexure 3 before the DFA is signed by the Parties.

4. Selection Process

4.1 Bidding Process

4.1.1 The bidding process would mainly consist of the following stages:

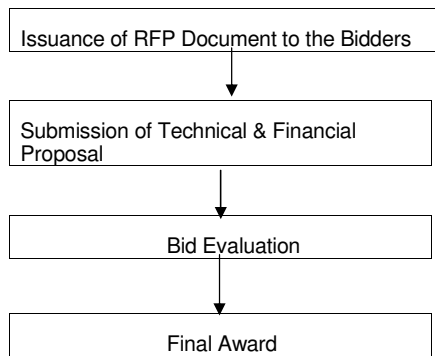
4.1.1.1 Issuance of RFP document.

4.1.1.2 Submission of the Technical and Financial Proposal

4.1.1.3 Bid Evaluation and Award of Contract

4.1.2 A diagrammatic representation of the bidding process is as shown below;

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- 4.1.3 [NAME OF DISTRIBUTION COMPANY] shall issue the RFP document to all the interested bidders. The bidding process shall be deemed to commence from the time of issue of the RFP document. The purpose of this RFP is to provide Bidders with information regarding the proposed franchisee arrangement in order to assist them in formulation of their Bids.
- 4.1.4 The bidders shall submit a Technical and Financial Proposal in response to the RFP document on the date as indicated in the Time Table mentioned in Clause 6.7.
- 4.1.5 As a part of the selection process, Technical Proposal submitted by interested Bidders in response to RFP, shall be evaluated based on the methodology and evaluation criteria as detailed in the RFP. The Bidders are required to submit their Technical Proposal in the formats placed as **Exhibits 1 to 5** and **Exhibits 6 and 7** of this document.
- 4.1.6 Financial Proposal of Technically qualified bidders shall be evaluated based on the methodology and evaluation criteria as detailed in this bid document. The information required to be provided by the Bidders submitting their Financial Proposal is placed as **Exhibits 4** and **5** of this document.
- 4.1.8 The final award of the Project shall be made by [NAME OF DISTRIBUTION COMPANY] to the Bidder short-listed after evaluation of the Financial Proposal.
- 4.1.9 In the event of two or more Bidders found equal after evaluation of Financial Proposal, [NAME OF DISTRIBUTION COMPANY] reserves the right to select and declare any of such Bidders as the selected Bidder or take any such measure as may be deemed fit in its sole discretion including annulment

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of the bidding process.

4.1.10 The selected Bidder shall be issued the Letter of Intent [LoI] by [NAME OF DISTRIBUTION COMPANY]

5. Evaluation

5.1 Responsiveness

5.1.1 The bids submitted by Bidders shall be initially examined to establish "Responsiveness". A Bid may be deemed "Non-Responsive" if it does not satisfy any of the following conditions:

5.1.1.1 It is not received by the due date and time specified in the RFP. [NAME OF DISTRIBUTION COMPANY] does not take any responsibility for postal/ other delays in receiving the required documents by the due date and time.

5.1.1.2 It does not include sufficient information for it to be evaluated and/ or it does not comply strictly with the formats specified.

5.1.1.3 It is not signed and/ or sealed in the manner and to the extent indicated in this RFP.

5.1.1.4 It is not accompanied by the required copy of tender document purchase fee receipt.

5.1.1.5 It is not accompanied by a valid Earnest Money Deposit.

5.1.1.6 The bidder seeks deviations on the DFA.

5.1.1.7 It is not accompanied by the draft DFA signed and accepted by the bidder.

5.1.1.8 If the bid is not accompanied by a proposed network roll- out plan

5.1.1.9 If the response does not contain the applicable Power of Attorney as laid down in **Exhibit 6** of the RFP

5.1.1.10 If the bid is not accompanied by a Certificate of Bidding Above Benchmark Input Rate as laid down in **Exhibit 7** of the RFP

5.2 Technical Proposal

The objective of Technical Proposal evaluation is to select Bidders with:

5.2.1 The experience and track record to undertake the distribution of electricity and related activities in the Franchise Area .

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- 5.2.2 The financial capability to undertake O&M and other required expenditure to perform its obligation under DFA .
- 5.2.3 The proposed network roll-out plan of the Bidder for the Franchisee Tenure .
- 5.2.4 Technical Proposal would be evaluated based on Experience and Financial capabilities of the Bidders as below emtioned process .

S.No	Parameter
1.	Experience and Track Record
2.	Financial capability

5.2.5 Experience and Track Record

The Bidding Company shall be evaluated as follows:

The Bidder Company has to qualify for either (A) or (B) criteria along with criterion (C) listed below.

A) Experience in handling consumer base

The Bidder Company must have a minimum of [(Number in Figure)] [Number in words] years of experience in handling at least [Number in Lakhs in Figure] [Number in words in Lakh] of retail consumers.

OR

B) Experience in employee handling

The Bidder Company should have a minimum [(Number in Figure)] [Number in words] years of experience in employing and managing a workforce of more than [(Number in Figure)] [Number in words] employees.

C) Proposal of key Personnel

Further, the Bidder Company should have at least [(Number in Figure)] [Number in words] individuals on a full time basis, each having experience of more than [(Number in Figure)] [Number in words] years in power distribution sector on the rolls of the company as on [Date]

5.2.6 Financial Capability Criteria

This parameter evaluates the capability of the Bidder Company to manage finances required to run the operation and to make necessary capital investments to perform its obligation and commitment under DFA. In this regard, the Bidder shall be evaluated on the basis of audited financial statements as

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follows:

a) Net worth

Net worth as on [Date] should be at least Rs. [Number in Crore in Figure] [(Number in words)] Crores. Networth is to be understood as equity shareholders' residual interest in the assets of the enterprise after deducting all its liabilities

b) Cash Accruals [Profit after Tax+ Depreciation]

Average Gross Cash Accruals, (calculated as Profit after Tax plus depreciation) in the last two years should be at least Rs. [Number in Crore in Figure] [(Number in words)] Crores.

c) Turnover

Average annual turnover (i.e. Sales from core activity) in the last two years should be at least Rs.[Number in Crore in Figure] [(Number in words)] Crores.

d) Listed Company

The Bidder Company should be a company listed on either the National Stock Exchange (NSE) or the Bombay Stock Exchange (BSE) or any recognised international stock exchange as on the date of submission of the bids.

5.2.7 The Bid must satisfy all the above mentioned criteria to be qualified for evaluation of Financial Proposal.

5.2.8 For evaluation of Bids submitted by Bidding Company under the financial capability criteria, only the credentials of the Bidding Company shall be considered.

5.2.9 For evaluation of Bids submitted by Bidding Company under the experience and track record criteria, only the credentials of the Bidding Company shall be considered.

5.2.10 The experience for a particular project can be claimed by only one of the following:

5.2.10.1 Bidding Company .

5.3 Financial Proposal

5.3.1 The Bidders are required to bid for annualized High Tension and Low Tension

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Input Rates separately for power injected by [NAME OF DISTRIBUTION COMPANY] at Input Points in the Franchise Area for the entire term of DFA. The bidders are required to submit a detailed Financial Proposal as per **Exhibits 4 and 5**.

- 5.3.2 The annualised High Tension and Low Tension Input Rate, as quoted by the Bidders shall factor minimum and absolute [amount in number] % reduction in overall distribution losses in the first year from the Effective Date, [amount in number] % in the second year, [amount in number] % in the third year, [amount in number] % in the fourth, fifth and sixth year, [amount in number] % in the seventh, eighth, and ninth year and [amount in number] % in the tenth year and [amount in number] % in the eleventh, twelfth, thirteenth, fourteenth and fifteenth year from the Effective Date. The Bidder shall consider the distribution losses of (a complete financial year before the effective date) as base for estimating the improvement in performance during the term of DFA. The bidder must achieve overall distribution loss of [amount in number] % by the end of the fifteenth year of the term of the Distribution Franchise.
- 5.3.3 The Bidders shall consider the Average Revenue Realisation per unit in Base Year as base High Tension and Low Tension Input Rate for quoting annualised Input Rates for entire term of DFA as stipulated in Clause 5.3.1.
- 5.3.4 [NAME OF DISTRIBUTION COMPANY], based on its assessment of improvements of various network parameters, has projected annual internal benchmarks for revenue per unit HT/ LT input for the duration of the Franchisee Agreement in Annexure 7. These projections would serve as a benchmark to evaluate the Financial Proposals. If any proposals fail to meet these benchmarks in any of the year (s) or at the overall level for the Franchisee period, [NAME OF DISTRIBUTION COMPANY] reserves the right to reject the proposal without assigning reasons whatsoever.
- 5.3.5 [NAME OF DISTRIBUTION COMPANY] has estimated the load growth and the Input energy in the Franchise Area for each year in the Franchisee period for both High Tension and Low Tension consumers separately as specified in Annexure 5 of the RFP. The HT Input energy is derived from the HT load growth by assuming a loss of 3%. The Total input energy is calculated by factoring the distribution loss reduction trajectory outlined above. The Bidder must achieve and maintain 99.50% collection efficiency throughout the term of the Distribution Franchise Agreement
- 5.3.6 The Evaluation of Financial Proposals submitted by the Bidders, committing minimum improvement in performance level as stipulated in clause 5.3.2, shall be carried out by comparing the combined Net Present Value of the High Tension and Low Tension Input Rates multiplied by the HT and LT Input energy as specified in Annexure 5 for entire term of DFA, computed at a discount rate of 11.10%, which is the discount rate to be used for bid evaluation as per the notification issued by Central Electricity Regulatory Commission as on April 4, 2007. in pursuance of Clause 5.6(vi) of Ministry of Power (MOP) Notification dated January 19, 2005.

- 5.3.7 The Bidder short-listed after evaluation as stated in Clause above, will be selected for awarding the Project. Although the bidders are required to quote separate HT and LT Input rates, only one bidder shall be selected as the Distribution Franchisee for both HT and LT power distribution in the Franchise Area.
- 5.3.8 Any conditional Financial Proposal may be liable for rejection.
- 5.3.9 A Bidding company must submit a bid in its individual capacity only. Bids cannot be submitted through Special Purpose Vehicles. Bidding Consortiums cannot submit bids.

6. Instructions to Bidders

- 6.1 The Bidders shall submit the Technical and Financial Proposals in separate sealed envelopes.

6.2 Submission of Technical Proposal

- 6.2.1 The Technical Proposal, one original and two copies, organized in a manner as specified in **Exhibits 1 to 5** and **Exhibits 6 to 7**, should be delivered in a sealed envelope or a box, with the following inscription:

“Technical Proposal for Distribution Franchisee for [Name of the Distribution Circle].”

Name of the Bidder: [Name of Bidding Company]

To

[The Designation of the Issuing Authority]

[Name & Address of the Distribution Company]

- 6.2.2 The original Technical Proposal shall be clearly marked “**ORIGINAL**” and copy of the Technical Proposal shall be clearly marked “**Copy**”. In the event of any discrepancy between the original and the copy, the original shall prevail.

6.3 Submission of Financial Proposal

- 6.3.1 The Financial Proposal, one original and two copies, organized in a manner as specified in **Exhibits 4** and **5** should be delivered in a sealed envelope or a box, with the following inscription:

Note : This is not a Standard Bidding Document

“Financial Proposal for Appointment of Distribution Franchisee for [Name of the Distribution Circle]”

Name of the Bidder: -[Name of Bidding Company]

To

[Designation of the Issuing Authority]

[Name & Address of the Distribution Company]

6.3.2 The original Financial Proposal shall be clearly marked “**ORIGINAL**” and copy of the Financial Proposal shall be clearly marked “**Copy**”. In the event of any discrepancy between the original and the copy, the original shall prevail.

6.4 The Bidder has the option of sending his Bids i.e. Technical Proposal and Financial Proposal, by registered post or submitting the Proposal in person so as to reach the designated address by the [time] and [date] stipulated by [NAME OF DISTRIBUTION COMPANY]. [NAME OF DISTRIBUTION COMPANY] shall not be responsible for any delay in receipt of the Proposal. Any Proposal received by [NAME OF DISTRIBUTION COMPANY] after the deadline for submission of the Proposal stipulated by [NAME OF DISTRIBUTION COMPANY], shall not be opened. Each page of the Proposal should be initialled by the authorized signatory of the Bidder. The last date of submission of Bids shall be [Date & time]

6.5 Fees and Deposits

6.5.1 Fees for purchase of Tender Document

6.5.1.1 The Bidder shall pay [NAME OF DISTRIBUTION COMPANY] a non-refundable amount of Rs [Number in Figure] [(Number in words)], towards purchase of tender document, by way of Demand Draft/ Pay Order, drawn on a scheduled bank, in favour of the by [NAME OF DISTRIBUTION COMPANY]

6.5.1.2 A copy of the tender document purchase fee receipt shall be placed in a separate envelope clearly marked as “Tender Document Purchase Fee Receipt” on it, along with the Technical Proposal.

6.5.1.3 Bids, which are not accompanied by the above fee receipt, shall be rejected by [NAME OF DISTRIBUTION COMPANY] as non-responsive.

6.5.1.4 The Bidder shall be responsible for all the costs associated with the preparation of the proposal and participation in discussions and negotiations. [NAME OF DISTRIBUTION COMPANY] shall not be responsible in any way for such costs, regardless of the conduct or outcome of this process.

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6.5.2 Earnest Money Deposit (EMD)

6.5.2.1 Each Bidder shall submit an Earnest Money Deposit (EMD) of an amount Rs. [Amount in Figure in Lakhs] [Rupees in words in Lakhs] in the form of a demand Draft drawn on a Nationalised Public Sector Bank in favour of the [Name of the Distribution Company].

6.5.2.2 EMD shall be placed in a separate envelope clearly marked as EMD on it, along with the Technical Proposal.

6.5.2.3 Bids, which are not accompanied by the above EMD, shall be rejected by [NAME OF DISTRIBUTION COMPANY] as non-responsive.

6.5.2.4 For unsuccessful Bidders, the EMD shall be refunded within 30 days of issuance of Lol to the selected Bidder.

6.5.2.5 For successful Bidder, EMD shall be released on the furnishing of the letter of credit by the Bidder.

6.5.2.6 The following shall cause the forfeiture of EMD:

6.5.2.6.1 If the Bidder modifies/ withdraws its Proposal except as per the provisions specified in the RFP;

6.5.2.6.2 If the Bidder withdraws its proposal before the expiry of the validity period of the Proposal;

6.5.2.6.3 If the successful Bidder fails to provide the performance guarantee and execute the DFA within the stipulated time or any extension thereof provided by [NAME OF DISTRIBUTION COMPANY];

6.5.2.6.4 If the successful Bidder fails to sign the DFA within 30 (thirty) days of issuance of Lol by [NAME OF DISTRIBUTION COMPANY];

6.5.2.6.5 If any information or document furnished by the Bidder turns out to be misleading or untrue in any material respect.

6.6 Draft Distribution Franchise Agreement

The draft Distribution Franchise Agreement must be signed and accepted by the bidder and such signed DFA should be delivered as part of the bid.

6.7 Time Table and Milestones

Milestone	Date
-----------	------

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Commencement of Sale of bid Document	[Date]
Last date for sale of the bid Document	[Date]
Last date of submission of technical and financial bids	[Date]
Opening of Technical Proposal/Bids	[Date]
Completion of Bid Evaluation	[Date]

6.8 Opening of Technical Proposal

The Technical Proposal shall be opened at [time] on [Date] at [Place] of [NAME OF DISTRIBUTION COMPANY] at the address to be intimated at the time of pre-bid conference, in the presence of one representative from each Bidder. The details regarding the Technical Proposal, as provided in the **Exhibit 3** would be read out.

6.9 Opening of Financial Proposal

The Financial Proposal shall be opened in the presence of one representative from each of the technically qualified Bidder. Date, Time and Place for the same shall be notified by [NAME OF DISTRIBUTION COMPANY] in due course of time. The details regarding the Financial Proposal, as provided in the **Exhibit 5** would be read out.

6.10 Information relating to the examination, clarification, evaluation and recommendation for the short listed Bidders shall not be disclosed to any person, not officially concerned with the process. [NAME OF DISTRIBUTION COMPANY] would treat all information submitted as part of the proposal in confidence and will ensure that all who have access to such material treat it in confidence. [NAME OF DISTRIBUTION COMPANY] would not divulge any such information unless ordered to do so by any Government authority that has the power under law to require its disclosure.

6.11 Validity of terms of bids

Each Proposal shall indicate that it is a firm and irrevocable offer, and shall remain valid and open for a period of not less than [(month in number) month in words] months from the last date for submission of the Bids. Non-adherence to this requirement will be a ground for declaring the Proposal as nonresponsive. In exceptional circumstances, [NAME OF DISTRIBUTION COMPANY] may solicit the Bidder's consent for extension of the period of validity. A Bidder accepting [NAME OF DISTRIBUTION COMPANY]'s request for extending the period of validity shall not be permitted to modify its Proposal.

6.12 Language of the Bid

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The bid and all associated documents shall be in English.

6.13 Signature on Bid

The person authorised to act on behalf of the Bidder shall sign the completed Bid and all related documentation at each page.

6.14 Sealing of Bids

6.14.1 The Technical/ Financial Proposal form shall be delivered in a sealed envelope or package clearly marked as “**Confidential Technical/ Financial Proposal**”.

6.14.2 The Financial and Technical Proposals shall be enclosed in two separate envelopes.

6.14.3 If the envelopes and /or the packages are not sealed [NAME OF DISTRIBUTION COMPANY] shall not be responsible for the Bid's misplacement, premature opening or confidentiality.

6.15 Other Instructions

The following may please be noted:

6.15.1 The Bids, that are incomplete in any respect and/or are not consistent with the requirements as specified in this RFP; and/or do not contain the Covering Letter, Letter of Commitment, and Letters of Acceptance as per the specified formats; would be considered non-responsive and would be liable for rejection.

6.15.2 Strict adherence to formats, wherever specified, is required. Non-adherence to formats may be a ground for declaring the Proposal non-responsive.

6.15.3 All communication and information should be provided in writing and in the English language only.

6.15.4 All the communication and information provided should be legible, and wherever the information is given in figures, the same should also be mentioned in words.

6.15.5 No change in, or supplementary information to a Proposal shall be accepted after its submission. However, [NAME OF DISTRIBUTION COMPANY] reserves the right to seek additional information from the Bidders, if found necessary, during the course of evaluation of the Proposal. Nonsubmission, incomplete submission or delayed submission of such additional information or clarifications sought by [NAME OF DISTRIBUTION COMPANY], may be a ground for rejecting the Proposal.

6.15.6 The Bids shall be evaluated as per the criteria as specified in this RFP. However, within the broad framework of the evaluation parameters as stated in this RFP, [NAME OF DISTRIBUTION COMPANY] reserves the right to make

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modifications to the stated Evaluation Criteria, which would be uniformly applied to all the Bidders.

- 6.15.11 The Bidder should designate one person ["Contact Person" and "Authorised Signatory"] to represent the Bidder in his dealings with [NAME OF DISTRIBUTION COMPANY]. This designated person should be authorized to perform all tasks including, but not limited to providing information, responding to enquiries, entering into contractual commitments on behalf of the Bidder, etc. The Bidding Company should submit a Power of Attorney, authorising the signatory of the Bid to commit the Bidder as per format provided in **Exhibit 6**
- 6.15.12 If any claim made or information provided by the Bidder in the Proposal or any information provided by the Bidder in response to any subsequent query of [NAME OF DISTRIBUTION COMPANY], is found to be incorrect or is a material misrepresentation of facts, then the Proposal may be liable for rejection.
- 6.15.13 The Bidder shall be responsible for all the costs associated with the preparation of the proposal. [NAME OF DISTRIBUTION COMPANY] shall not be responsible in any way for such costs, regardless of the conduct or outcome of this process.
- 6.15.14 [NAME OF DISTRIBUTION COMPANY] reserves the right to reject any or all the Proposals without assigning any reasons whatsoever.

6.16 Enquiries:

Clarifications, if any, can be sought from:

[Designation of the Issuing Authority]

[Name, Address & telephone no. of the Distribution Company]

7. Formats for Submission of Bids.

(a). Technical Proposal

The Technical Proposal to be submitted by the Bidders shall be organized in the manner specified below:

1. **Section 1** : I) Covering Letter as per the format specified in **Exhibit 1**.
 - ii) Copy of receipt for purchase of tender document.
 - iii) Demand draft for EMD

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- 2 **Section 2 :** i) Description of the Bidding Company as per the format specified in **Exhibit 2.**
- 3 **Section 3:** i) Information Requirements as per the formats specified in **Exhibit 3** including network roll-out plan.
 - ii) Consolidated Audited Annual Reports for the last two years for the Bidding Company.
 - iii) Original Power of Attorney issued by the Bidding Company as the case may be, in favour of the person signing the Bid, in the form attached hereto as **Format 1 of Exhibit 6.** . Provided that in the event the Bidding Company is a foreign entity, it may issue Board Resolutions in place of Power of Attorney for the purpose of fulfilling the requirements under this clause.

Provided further that such Board Resolutions shall be supported by an unqualified opinion issued by the Legal Counsel of such foreign entity stating that the Board Resolutions are in compliance with the applicable laws of the respective jurisdictions of the issuing company and the authorizations granted therein are true and valid.
 - iv) Certificate of Bidding above benchmark input rate as specified in **Exhibit 7.**

(b). Financial Proposal

The Financial Proposal to be submitted by the Bidders shall be organized in the manner specified below:

- 1 **Section 1 :** Covering Letter as per the format specified in **Exhibit 4.**
- 2 **Section 2 :** Financial Proposal as per the format specified in **Exhibit 5.**

8. Exhibit 1: Covering Letter for Technical Proposal

(The covering letter is to be submitted by the Bidding Company along with the Technical Proposal. This should be on the company's letterhead.)

Date :

Place :

[Designation of the Issuing Authority]

[Name & Address of the Distribution Company]

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Dear Sir,

Sub: Distribution Franchisee for [Name of the Distribution Circle]

Please find enclosed one (1) original + two (2) copies of our Technical Proposal in respect of the Distribution Franchisee for [Name of the Distribution Circle], in response to the Request for Proposal ("RFP") document issued by the [Name of Distribution Company] , [NAME OF DISTRIBUTION COMPANY]" on [date]

We hereby confirm the following:

1. The Proposal is being submitted by [Name of the Bidding Company] who is the Bidding Company/, in accordance with the conditions stipulated in the RFP.
2. We have examined in detail and have understood and agree to abide by all the terms and conditions stipulated in the RFP issued by [NAME OF DISTRIBUTION COMPANY] and in any subsequent communication sent by [NAME OF DISTRIBUTION COMPANY]. Our Technical Proposal is consistent with all the requirements of submission as stated in the RFP or in any of the subsequent communications from [NAME OF DISTRIBUTION COMPANY].
3. The information submitted in our Technical Proposal is complete, is strictly as per the requirements as stipulated in the RFP, and is correct to the best of our knowledge and understanding. We would be solely responsible for any errors or omissions in our Technical Proposal.
4. We as the Bidding Company, designate [Name, designation, contact address, phone no., fax no. etc] as our representative who is authorized to perform all tasks including, but not limited to providing information, responding to enquiries, entering into contractual commitments on behalf of the Bidder, etc. in respect of the Project

For and on behalf of:

Signature :

(Authorised Signatory) :

Name of the Person :

Designation :

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9. Exhibit 2: Description of the Bidding Company

[Name of the Bidding Company]

Signature and Name of Authorised Person in whose name Power of Attorney/ Board Resolution has been issued

10. Exhibit 3: Information Requirement for Technical Proposal

- a) This section specifies information to be provided in respect of the Bidding company.
- b) Bidders should attach the Audited Annual Reports for the last two years of the Bidding company.

FINANCIAL CAPABILITY

Under this head, the financial strength of the Bidding Company would be considered from its accounts consolidated with its subsidiaries, if any.

1. Evaluation of Financial Net Worth

Under this head, the consolidated audited financial net worth as on [Date] of the Bidding Company would be considered.	Name of the Bidding Company	Tangible Financial net worth as on [Date] (Rs. Crores)
Particulars of the company		

[Bidding Company]

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2. Annual Turnover

Under this head, the consolidated annual turnover (i.e. Sales from core activity) in the Financial Year, [Yo-1] and Financial Year, [Yo-2] of the Bidding Company would be considered.

Particulars of the Company	Name of the Bidding company	Annual turnover(Rs. Crores)	Annual turnover(Rs. Crores)
[Bidding Company]			

Bidding Company

3. Gross Cash Accruals

Under this head, gross consolidated cash accruals (i.e. Profit after Tax plus Depreciation) in the [Financial Year, Yo-1] and [Financial Year, Y0-2] of the Bidding Company would be considered.

Particulars of the Company	Name of the Bidding company	Gross Cash (Rs. Crores)	Gross Cash Accruals (Rs. Crores)
[Bidding Company]			

In case Bidders have financial years ending on December 31, they shall provide financial details for the above three criteria based on audited financial statements for Calendar Year[Y0-1] and Calendar Year[Y0-2], respectively, and the date for computing Networth shall be December 31, of Calendar Year [Y0-2].

4. Evidence of Listing

Under this head the scrip code and the scrip name of the Bidding company, as on December 31, of Calendar Year [Y0-2], of either the Bombay

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Stock Exchange/ the National Stock Exchange or any recognised international stock exchange must be mentioned.

Name of the Exchange	Scrip Code	Scrip Name
The Bombay Stock Exchange		
The National Stock Exchange		
Any other (please specify the name of the Stock Exchange)		

EXPERIENCE AND TRACK RECORD

5. Experience in handling retail consumer base

The Bidding Company must have a minimum of [number in Figure] [(Number in words)] years of experience in handling at least [number in Figure] [(Number in words)] Lakh retail consumers.

Name of the Bidding company	Number of consumers as on March 31, [Y0-1]	Number of consumers as on March 31, [Y0-2]

6. Experience in employee handling

The Bidding Company should have a minimum two years of experience in employing and managing a workforce of more than [number in Figure] [(Number in words)] employees.

Name of the Bidding company	Number of employees as on March 31 of [Y0-1]	Number of employees as on March 31 of [Y0-2]

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7. Proposal of Key Personnel

Further, they should have at least five individuals on a full time basis each having experience of more than [number in Figure] [(Number in words)] years in power sector on the rolls of the company as on March 31 of, [Y0-2]

Name of the Bidding company	Number of individuals on a full time basis each having experience of more than [Number] years in power distribution sector as on March 31, of [Y0-2]

(Details of personnel employed with bio-data/ curriculum vitae (limited to 2 pages) highlighting distribution experience. The bio-data should be jointly signed by the person concerned and the Bidder.)

11. Exhibit 4: Covering Letter for Financial Proposal

(This covering letter for Financial Proposal is to be submitted by the Bidding Company along with the Financial Proposal.)

Date :

Place :

[The Designation of the Issuing Authority Engineer [Internal Reforms]]

[Name & Address of the Distribution Company]

Dear Sir,

Sub : Distribution Franchisee for [Name of the Distribution Circle]

Please find enclosed one (1) original + two (2) copies of our Financial Proposal in respect of the Distribution Franchisee for [Name of the Distribution Circle], in response to the Request for Proposal (“RFP”) document issued by the [Name of Distribution Company] , “[NAME OF DISTRIBUTION COMPANY]” on [Date].

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We hereby confirm the following:

1. The Proposal is being submitted by [Name of the Bidding Company] who is the Bidding Company, in accordance with the conditions stipulated in the RFP.
2. We have examined in detail and have understood, and abide by; all the terms and conditions stipulated in the RFP document issued by [NAME OF DISTRIBUTION COMPANY] and in any subsequent communication sent by [NAME OF DISTRIBUTION COMPANY].
3. Our Financial Proposal is consistent with all the requirements of submission as stated in the RFP or in any of the subsequent communications from [NAME OF DISTRIBUTION COMPANY].
4. We would be solely responsible for any errors or omissions in our Financial Proposal.

For and on behalf of:

Signature:

(Authorised Signatory) :

Name of the Person:

Designation :

12. Exhibit 5: Format for Financial Proposal

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Year	Low Tension Input Rate (Rs/kWh)	High Tension Input Rate (Rs/kWh)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		

The HT/ LT Input Rates in Rs/ kWh shall be provided up to two (2) decimal points

For and on behalf of :

Signature :

(Authorised Signatory) :

Name of the Person :

Designation :

13. Exhibit 6: Format of Power of Attorney

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(To be on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution.)

Power of Attorney to be provided by the Bidding Company in favour of its representative.

Know all men by these presents,
..... (Name of the Bidding Company and address of the registered office) does hereby constitute, appoint and authorise Mr. / Ms.....(Name and residential address) as our true and lawful attorney, to do in our name and on our behalf, all such acts, deeds and things necessary in connection with or incidental to submission of its Bid for the Project in response to the Request For Proposal dated [Date] issued by [Name of Distribution Company] [referred to as [NAME OF DISTRIBUTION COMPANY]] ('RFP'), including signing and submission of the Bid and all documents specified in the RFP, including, undertakings, letters, certificates, acceptances, clarifications, guarantees, etc, making representations to [NAME OF DISTRIBUTION COMPANY] and providing information / responses to [NAME OF DISTRIBUTION COMPANY] , representing us in all matters before [NAME OF DISTRIBUTION COMPANY] named in the RFP, and generally dealing with [NAME OF DISTRIBUTION COMPANY] in all matters in connection with our Bid for the appointment of distribution franchisee in the [NAME OF DISTRIBUTION COMPANY] , [Name of Distribution Circle]

[Name of the Bidding Company] hereby agrees to ratify all acts, deeds and things done by our said attorney pursuant to this Power of Attorney and that all acts, deeds and things done by the aforesaid attorney shall and shall always be deemed to have been done by [Name of the Bidding Company]

All the terms used herein but not defined shall have the meaning ascribed to such terms under the RFP.

Signed by the within named [Insert the name of the executant] through the hand of Mr [Name]

duly authorised signatory

Dated this [Number of date] day of [month], [year]

Accepted

Signature of Attorney

(Name, designation and address of the Attorney)

Attested

(signature of Executant)

(Name, designation and Address of the Executant)

Signature and stamp of

Notary of the place of execution

Note:

The mode of execution of the Power of Attorney should be in accordance with the procedure, if any, laid down by the applicable law and the charter documents of the executant(s) and the same should be under common seal of the executant affixed in accordance with the applicable procedure. Further, the person whose signatures are to be provided on the Power of Attorney shall be duly authorized by the executant(s) in this regard.

14. Exhibit 7: Certificate of Bidding Above Benchmark Input Rate

Date :

Place :

[The Designation of the Issuing Authority Engineer [Internal Reforms]]

[Name & Address of the Distribution Company]

Dear Sir,

Sub: Distribution Franchisee for [Name of the Distribution Circle]

[Name of the Bidding Company] hereby submits its Commercial Proposal, consisting of High Tension and Low Tension Input Rates for the duration of the Franchise Agreement, in response to the Request For Proposal issued by [NAME OF DISTRIBUTION COMPANY] with regard to the Distribution Franchisee for [Name of the proposed Circle]. Please find enclosed the same.

1. [Name of the Bidding Company] confirms that the Commercial Proposal conforms to all the terms and conditions stipulated in the Request for Proposal Document.
2. [Name of the Bidding Company] confirms that the Commercial Proposal is final in all respects and contains no conditions.
3. [Name of the Bidding Company] confirms that the Commercial Proposal is complete and is correct to the best of the knowledge and understanding of [Name of the Bidding Company]. [Name of the Bidding Company] would be solely responsible for any errors or omissions in the Bid.
4. [Name of the Bidding Company] confirms that it has studied the provisions of relevant Indian laws and regulations required to enable preparation of this Commercial Proposal in the event that it is finally selected.
5. [Name of the Bidding Company] confirms that the Commercial Proposal either matches or exceeds the Minimum Benchmark High Tension and Low

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Tension Input Rates as provided Annexure 7 of the RFP, failing which the bid shall be liable for rejection.

Thanking you,

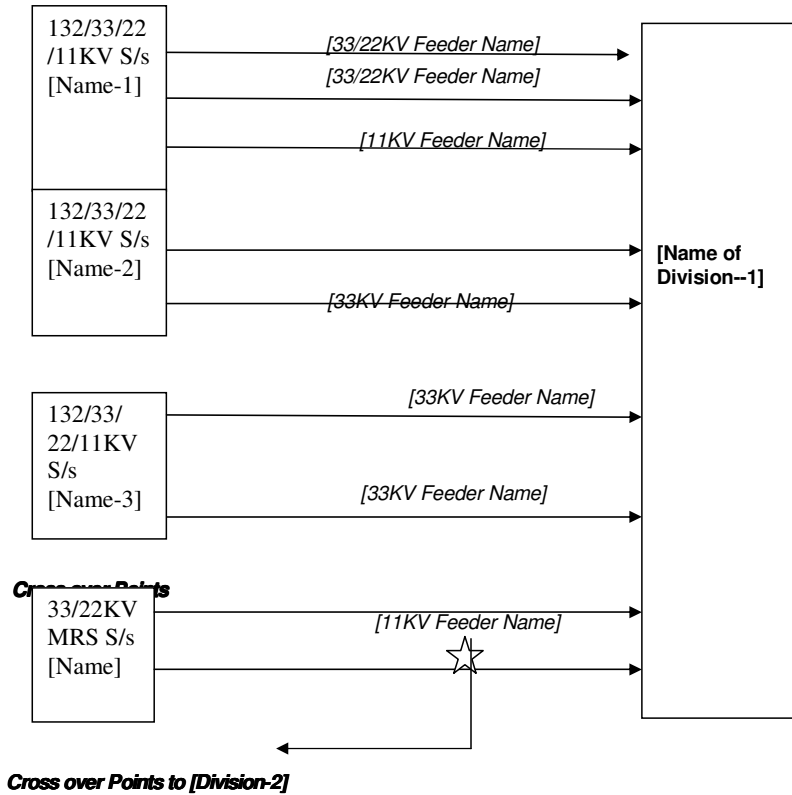
Yours sincerely,

[Signature and Name of the Authorised representative of the Company]

[Company rubber stamp/ common seal]

15. Annexure 1 :Schematic of Franchise Area (Division wise)

- a) Schematic of Each division of proposed Franchisee area , showing Substations, Feeders, Input Points, Cros over Points,etc . Typical Schematic of Input Feeders of [Name of Division- 1] shown below



- b) Summary of Sub-station wise feeders of each Divisions and Sub-divisions thereof

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Sr No	Name of Sub stations	Nos of 33/22KV feeders	Nos of 11KV feeders	Total
1	132KV S/s [Name-1]			
2	132KV S/s [Name-2]			
3	132KV S/s [Name-3]			
4	Cross over [Division-2]			
5				
	Total-Nos			

16. Annexure 2:[NAME OF DISTRIBUTION COMPANY]'s Rules of Employee Deputation

1. Period of deputation:

The period of deputation shall be co-terminus with the period of contract with the Borrowing Organisation.

Provided, in case the services of Deputee is required by the [NAME OF DISTRIBUTION COMPANY], the Company has a right to recall the Deputationist prior to the completion of deputation period, by serving due notice of two months.

2. Pay and Allowances:

During the period of deputation, the Deputationist shall draw the pay in the pay scale which he as holding prior to the deputation, with all other allowances or any increase in the pay and allowances from time to time for whatsoever reasons, had he been continued with the [NAME OF DISTRIBUTION COMPANY]. The expenditure on this account shall be borne

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by the Borrower.

3. Travelling Allowance:

The Deputationist shall be entitled to Travelling Allowance and Daily Allowance for journey while on Tour as per the rules of the Borrower OR as per the rules applicable to the employees in [NAME OF DISTRIBUTION COMPANY] for which the Deputationist shall have to intimate to the Borrower within one month otherwise he shall be governed under [NAME OF DISTRIBUTION COMPANY] rules.

4. Leave Travel Concession:

The deputationist shall opt either for the Leave Travel Concession rules pertaining to the Borrowing Organisation OR [NAME OF DISTRIBUTION COMPANY] within one month. Otherwise he shall be governed under [NAME OF DISTRIBUTION COMPANY] rules. The expenditure on this account shall be borne by the Borrower.

5. Medical Reimbursement :

The Deputationist shall have liberty to opt for the Medical Reimbursement Scheme, pertaining to the Borrowing Organisation OR of the scheme prevailing in [NAME OF DISTRIBUTION COMPANY] as per [Govt. Order Reference]. The expenditure on this account shall be borne by the Borrower.

6. Contributions:

(A) Leave Salary Contribution

During the period of deputation, the leave salary contribution @ [rate in Number %] of the emoluments of the Deputationist shall be borne by the Borrowing Organisation and remitted to [NAME OF DISTRIBUTION COMPANY]. For this purpose, emoluments are defined as the total of Basic Pay, Dearness Allowances, Fringe Benefits and CLA.

(B) Contributory/General Provident Fund Contribution

During the period of deputation, the CPF/GPF Subscription @ [Rate in number %] of the monthly emoluments shall be recovered from the emoluments of the Deputationist as per the Contributory/General Provident Fund Regulations of the [NAME OF DISTRIBUTION COMPANY] and remitted

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to the [NAME OF DISTRIBUTION COMPANY] every month by the Borrower along with additional equal matching amount of contribution, as a Employer's share. For this purpose, emoluments are defined as the total of Basic Pay and Dearness Allowances.

(C) Gratuity Contribution

The Gratuity Contribution pertaining to the period of deputation shall be borne by the Borrower as per the existing regulations of the [NAME OF DISTRIBUTION COMPANY] as amended from time to time.

The terms shown at (A) to (C) above towards various contributions shall be sent by the Borrower by separate Demand Draft for each item in favour of [NAME OF DISTRIBUTION COMPANY] every month. In case of default in remittance on the part of the Borrower, the interest @ [rate in number %] shall be levied by the [NAME OF DISTRIBUTION COMPANY].

7. Leave:

During the period of deputation, the Deputationist shall be governed by the leave rules of the [NAME OF DISTRIBUTION COMPANY], except casual leave for which the Deputationist shall be at liberty to opt for the rules prevailing with Borrower or of [NAME OF DISTRIBUTION COMPANY].

The Borrower shall also be liable to pay leave salary and allowances in respect of special Disability Leave, if any, granted to the Deputationist on account of any disability incurred in and through the service under the borrowing Organisation, even if such disability manifests itself, after termination of the service with the Borrowing Organisation.

8. Vehicle Facility:

The Deputationist, during the period of deputation, may be provided suitable vehicle by the Borrower for official use, if he is entitled for the same under [NAME OF DISTRIBUTION COMPANY].

9. Substitute arrangement against Leave and Training period during the Deputation:

If the Deputationist proceeds on leave or deputed for training or as per the rules of [NAME OF DISTRIBUTION COMPANY] and if the substitute is arranged against such vacancy, the expenditure towards salary, additional charge etc. shall be borne by the Borrower.

10. Travel in India or Abroad while on Deputation:

The Deputationist may travel anywhere in India on tour for the works of Borrower without intimation to [NAME OF DISTRIBUTION COMPANY]. If, however, he is required to travel abroad, the permission of the [NAME OF DISTRIBUTION COMPANY] shall be obtained in advance.

11. Recoveries:

a) Accommodation/Quarter

If Residential Accommodation /Quarter is provided by the [NAME OF DISTRIBUTION COMPANY], the rent under the rules of [NAME OF DISTRIBUTION COMPANY] towards the Accommodation /Quarter shall be recovered from the Deputationist from his monthly salary and remitted to the [NAME OF DISTRIBUTION COMPANY] every month.

b) Loan and Advances

The Borrower may grant any loan or advance to the Deputationist. However, the recovery towards the same shall be made by the Borrower, only during the deputation period of the concerned Deputationist. The [NAME OF DISTRIBUTION COMPANY] shall not be liable for any unrecovered portion of any loan or advance or interest, granted to the Deputationist by the Borrower.

c) General Recoveries

The amount towards recoveries from the Deputationist such as Life Insurance Premium, Loan from Credit Societies, Housing Loans, Vehicle Loans from [NAME OF DISTRIBUTION COMPANY] or any Bank etc, shall be remitted by the Borrower after its recovery from the salary of the Deputationist, directly to the concerned Organisation i.e [NAME OF DISTRIBUTION COMPANY], Bank, LIC or Credit Society etc, as the case may be.

12. Insurance Coverage:

During the period of deputation, the Deputationist shall be covered under insurance policy. The risk coverage and other facilities under the policy shall be in line with the provisions of Workmen's Compensation act, 1923 and any other Labour Law, if any, in force or coming in existence in future. The amount of premium paid towards the policy to be borne by the borrower.

13. Retirement Benefits:

The Deputationist shall continue to be governed for retirement benefits as per the rules applicable to the employees in [NAME OF DISTRIBUTION COMPANY]

14. General:

1. The Borrowing Organisation shall furnish the Confidential Reports in respect of the Deputationist in the State-wise Seniority, to the [NAME OF DISTRIBUTION COMPANY] in the prescribed form every year.
2. The Deputationist shall be entitled for the benefits of the next higher scale/post as per the rules of [NAME OF DISTRIBUTION COMPANY] under General Order No. [Order No and Date] OR promotion as per due turn according to the rules under [NAME OF DISTRIBUTION COMPANY]
3. If departmental enquiry is to be instituted against the Deputationist for major acts of misconduct, he shall be repatriated to the [NAME OF DISTRIBUTION COMPANY] and the departmental action will be taken by the concerned Competent Authority in [NAME OF DISTRIBUTION COMPANY]
4. If the Deputationist submits resignation or seeks voluntary retirement then such application shall be forwarded by the Borrower to [NAME OF DISTRIBUTION COMPANY] for taking decision in the matter.
5. The Borrower may frame/ revise the rules/regulations regarding the service conditions, financial matters and other pecuniary benefits pertaining to its organization. However, the same shall not in anyway,

be inferior to those applicable to the Deputationist, immediately before his deputation.

17. Annexure 3: Distribution Franchisee Agreement

[NAME OF DISTRIBUTION COMPANY] reserves the right to amend any of the terms of the Distribution Franchisee Agreement thereof .

DISTRIBUTION FRANCHISEE AGREEMENT FOR [Name of the Distribution Circle]

This Agreement made at [Name of the Place] this [Number of date] th day of [Year] between [Name of the Distribution company]., a company registered under the Companies Act, 1956 having its registered office at [Registered Address of the Distribution Company], hereinafter referred to as "[NAME OF DISTRIBUTION COMPANY]" (which expression unless repugnant to the context or meaning thereof shall include its successors and assigns) of the ONE PART

And

[Name of the Distribuion Franchisee], a company registered under the Companies Act, 1956 having its registered office at [Registered Address of the Distribution Company], hereinafter referred to as "the Distribution Franchisee" (which expression unless repugnant to the context or meaning thereof shall include its successors and permitted assigns) of the OTHER PART.

WHEREAS:

- A. [NAME OF DISTRIBUTION COMPANY] is a Distribution Licensee under the provisions of the Electricity Act, 2003 [the "Act"] having license to supply electricity in certain areas of the [Name of the State].
- B. Under the provisions of the Act, [NAME OF DISTRIBUTION COMPANY] is entitled to distribute electricity to a specified area within its area of supply through another person referred to as Franchisee.
- C. For the purpose of sale and supply of electricity in the [Name of the Distribution Circle] particularly described hereinafter, [NAME OF DISTRIBUTION COMPANY] selected Limited through the competitive bidding process.
- D. [NAME OF DISTRIBUTION COMPANY] issued a Letter of Intent No.[Letter Number] dated [date in dd/mm/yyyy] to the said [Name of the company selected for Distribution Franchisee]. and the same had been accepted by [Name of the company selected for Distribution Franchisee].
- E. The parties have agreed to record the terms and conditions for sale, purchase and distribution of the electricity within the Franchise Area

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by executing this indivisible Distribution Franchisee Agreement.

- F. The parties are fully aware that this Agreement is for sale and purchase of electricity for distribution in Franchise Area through the Distribution Franchisee as contemplated under the Act.

NOW, THEREFORE, IN VIEW OF THE FOREGOING PREMISES AND IN CONSIDERATION OF THE MUTUAL COVENANTS, PREMISES AND AGREEMENTS CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

ARTICLE 1: DEFINITION OF TERMS

Definition of Terms

For the purpose of this Distribution Franchisee Agreement (including all its annexures), the following terms, phrases and their derivations shall have the meanings given below unless the context clearly mandates a different interpretation. Where the context so indicates, the present tense shall imply the future tense, words in plural include the singular, and words in the singular include the plural. The word 'shall' is always mandatory and not merely directory. The definitions are applicable regardless of whether the term is written in capital letters.

Agreement Representative

Shall mean the persons, nominated by the Parties as set forth in Article-19.4.

Average Revenue Realisation

Shall mean the total revenue collected per unit energy supplied by [NAME OF DISTRIBUTION COMPANY] at Input Points on annualised basis. The same shall be computed as:

Average Revenue Realisation = (Total Revenue Collected + Total Subsidy Amount) / Total energy input

Base Year

Shall mean the financial year [Starting Year for Distribution Franchisee]

Collection Efficiency

Shall mean the ratio of revenue actually realized from consumers (excluding the subsidy amount, if any) and energy billed to Consumers (excluding the subsidy amount, if any), in percentage terms for a particular period and shall be calculated as below:

Collection Efficiency= (Revenue realized from Consumers in rupees / Energy Billed to Consumers in rupees)*100

Consumer

Means any person who is supplied with electricity for his own use by a licensee or the Government or by any other person engaged in the business of supplying electricity to the public under the Act or any other

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law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a licensee, the Government or such other person, as the case may be.

Complaint

Means any written or electronic correspondence by a Consumer expressing dissatisfaction with the products services, or customer service of the Distribution Franchisee.

Contract Year

Shall mean each successive period of one year beginning from the Effective Date of this Agreement.

Distribution System

Means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the Consumers.

Distribution

Means the supply and conveyance of electricity by means of distribution system.

Distribution Assets

Shall mean the assets employed by the Distribution Licensee/ Distribution Franchisee in the Franchise Area for distribution of electricity.

[NAME OF DISTRIBUTION COMPANY] Distribution Assets

Shall mean the assets created and employed by [NAME OF DISTRIBUTION COMPANY] in the Franchise Area for distribution of electricity. These exclude all residential colonies, rest houses, freehold land, Circle offices, Zonal offices, Division offices of Divisions other than those included in the Franchise Area and other similar assets, which are currently in use by [NAME OF DISTRIBUTION COMPANY] and [Name of the Distribution Company] staff.

Franchisee Distribution Assets

Shall mean the assets created and employed by Distribution Franchisee in the Franchise Area for distribution of electricity.

Distribution Losses

Shall mean the difference between energy supplied at the Input Points and Energy Billed to Consumers in percentage terms for a particular period and shall be computed as below:

Distribution Losses= [Energy Intake at Input Points less Energy Billed to Consumers in kWh]/ Energy Intake at Input Points in kWh*100

The above calculation excludes power purchased from any source other than [NAME OF DISTRIBUTION COMPANY].

Effective Date

Shall mean the date of handing over of the business operations of Franchise Area by [NAME OF DISTRIBUTION COMPANY] to the Distribution Franchisee pursuant to this Agreement after the conditions precedent are satisfied. Such date shall be indicated by the Distribution Franchisee and accepted by [NAME OF DISTRIBUTION COMPANY] which shall not be later than [date in dd/mm/yyyy form] unless mutually agreed.

Engineer-in-Charge

Shall mean any person, nominated by each of the Parties as set forth in Article-19.3.

Expiry Date

Shall mean the fifteenth (15th) anniversary of the Effective Date.

Expiry Payment

Shall mean the payment to be made on expiry of the Agreement by either Party to the other Party as per Article-16.

Termination Payment

Shall mean the payment to be made on Termination of the Agreement by either Party to the other Party as per Article-16.

Extra High Voltage or EHV

Shall mean any voltage above 33,000 Volts subject to permissible Variations as defined in Indian Electricity Rules-1956 (amemnded)

Francisee

Means the rights granted by [NAME OF DISTRIBUTION COMPANY] to the Distribution Franchisee to act as a franchisee of [NAME OF DISTRIBUTION COMPANY] to purchase and distribute electricity in the Franchise Area and all the rights, powers and authorities available to [NAME OF DISTRIBUTION COMPANY] as a distribution licensee necessary to fulfil the obligations and responsibilities as contemplated under this Agreement and which can be conferred upon the Distribution Franchisee under the Act. The Franchisee Agreement shall be an agreement for the sale of power to the Franchisee and for any other services, such as right to use the existing distribution network. Ninety percent of the High Tension and Low Tension Input Rates is deemed to be compensation for the sale of power and balance ten percent for the services component of the transaction.

Franchise Area

Shall mean the area as mentioned in the Article- 4.4 in respect of which the Distribution Franchisee shall act as a franchisee of [NAME OF DISTRIBUTION COMPANY].

Force Majeure

Without limiting the general limitations of liability in any way arising under this Agreement neither party is responsible for failure or delay in

performance of services or obligations hereby undertaken due to occurrence of any event of force Majeure including acts of God, acts of any Government [de jure or de facto] or regulatory body or public enemy, war, riots, embargoes, industry-wide strikes, the reduction in supply due to outage of generation facilities / transmission lines or any other causes, circumstances, or contingencies, whether of a similar or dissimilar nature to the foregoing, beyond the parties control, which cannot be reasonably forecast or prevented, thereby, hindering the performance by the parties of any of their obligations hereunder.

Government of [NAME OF THE STATE]

Means the Government of [Name of the State] and any Ministry, Department, or any other Authority of the Government of [Name of the State]

Input Energy

Shall mean electricity purchased from and supplied by the [NAME OF DISTRIBUTION COMPANY] at the Input Points

Input Point

Shall mean EHV/HV Substations as specified in Article- 4.4 and shall include such other EHV/HV substations or feeders, which may feed energy to the Franchise Area at the Effective date or during the term of the Agreement.

Input Rate

Shall mean Rupees per unit of electricity supplied by the [NAME OF DISTRIBUTION COMPANY] at the Input Points as quoted in the accepted Financial Proposal of the bidder for both High Tension and Low Tension separately and attached as Annexure-7.

Major Incident

Means an incident associated with the Distribution and retail supply of electricity in the Franchise Area, which results in a significant interruption of service, substantial damage to equipment, or loss of life or significant injury to human beings and shall include any other incident, which [NAME OF DISTRIBUTION COMPANY] expressly declares to be a major incident. Significant interruption of service for this purpose shall mean interruption impacting more than 10,000 Consumers continuously for a period of more than 24 hours and substantial damage to equipment shall mean damage to Distribution Assets exceeding Rs 500 Lacs in gross value.

[SHORT NAME OF THE REGULATORY COMMISSION]

Shall mean the [State Electricity Regulatory Commission], or its successors.

[Short Name of the State Electricity Transmission Company]

shall mean the [Name of the State Electricity Transmission Company Ltd.] and its successors and assigns.

Law

Means, in relation to this agreement, all laws in force in India and would

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include any statute, ordinance, regulation, notice, circular, code, rule or direction, or any interpretation of any of them by a Governmental instrumentality and also includes all applicable Rules, Regulations, Orders, Directions, Notifications by a Governmental instrumentality pursuant to or under any of them and shall include all Rules, Regulations, Decisions, Directions and Orders of [STATE ELECTRICITY REGULATORY COMMISSION].

Open Access

Shall mean open access as defined in the Electricity Act 2003(updated).

Person

Shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person.

Prudent Utility Practices

Shall mean the practices, methods and standards that are generally accepted nationally from time to time by electric utilities for the purpose of ensuring the safe and efficient distribution of electricity, operation and maintenance of Distribution Assets, billing and collection of distributed power etc.

Public Right of Way

Shall mean the surface, the air space above the surface, and the area below the surface of any public street, highway, lane, path, alley, sidewalk, bridge, tunnel, parkway, waterway, easement, or similar property within the Franchise Area, which, consistent with the purposes for which it was dedicated, may be used for the purpose of installing and maintaining the system. No reference herein to a "Public Right-of-Way" shall be deemed to be a representation or guarantee by [NAME OF DISTRIBUTION COMPANY] that its interest or other right to control the use of such property is sufficient to permit its use for such purposes, and the Distribution Franchisee shall be deemed to gain only those rights to use as are vested in [NAME OF DISTRIBUTION COMPANY] and as the [NAME OF DISTRIBUTION COMPANY] may have the right and power to give.

ARTICLE 2.1: CONDITIONS PRECEDENT TO BE SATISFIED BY THE DISTRIBUTION FRANCHISEE & [NAME OF DISTRIBUTION COMPANY]

2.1.1 Submission of Performance Guarantee

The Distribution Franchisee shall secure the performance guarantee by providing an unconditional and irrevocable Letter of Credit (L/C) to the satisfaction of [NAME OF DISTRIBUTION COMPANY] from any nationalized bank or ICICI Bank, IDBI Bank, UTI Bank or HDFC Bank for an amount equivalent to two months' estimated amount payable to [NAME OF DISTRIBUTION COMPANY] by Distribution Franchisee based on energy input at Input Points in Franchise Area in FY-[base year] and High Tension and Low Tension Input Rate quoted by the Distribution Franchisee for first year of Franchisee term. The Earnest Money Deposit shall be refunded on submission of Letter of Credit.

This Letter of Credit shall be governed as per conditions stipulated in

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Article- 11.

2.1.2 Infrastructure Roll-out Plan

The Distribution Franchisee shall submit an Infrastructure Roll-out plan to [NAME OF DISTRIBUTION COMPANY] stating the investments to be carried out by in the Franchise Area to lower the Distribution Losses and improve the quality of supply. However, such investments by the Franchisee shall be subject to [STATE ELECTRICITY REGULATORY COMMISSION] approval. [NAME OF DISTRIBUTION COMPANY] shall facilitate the Distribution Franchisee in approaching the [STATE ELECTRICITY REGULATORY COMMISSION] for approval of the Infrastructure Roll Out Plan. Any investment by the Distribution Franchisee which is not approved by the [STATE ELECTRICITY REGULATORY COMMISSION] shall not be compensated by [NAME OF DISTRIBUTION COMPANY] at the expiry / termination of the Franchisee.

2.1.3 Completion of Audit of Various Parameters

The Joint Audit Team of [NAME OF DISTRIBUTION COMPANY] and the Distribution Franchisee shall complete an audit of the parameters listed below:

- 2.1.3.1 Opening level of Distribution Losses and Collection Efficiency;
- 2.1.3.2 Opening Asset Register;
- 2.1.3.3 Opening level of Inventory;
- 2.1.3.4 Ongoing Contracts as on Effective Date; and
- 2.1.3.5 Determination of average tariff for the base year for the purpose of Article-7.

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In the cases where the opening levels cannot be ascertained, suitable mutually agreed procedures should be laid out to compute the same.

2.1.4 Calibration of Meters

The authorized representatives of [NAME OF DISTRIBUTION COMPANY] and the Distribution Franchisee shall conduct a joint Calibration of the interface meters at the Input points.

2.1.5 Methodology for application of price variation clause for Article 5.2.7 shall be jointly finalised.

2.1.6 Methodology to compute Distribution Losses and Collection Efficiency for each year during the term of this Agreement shall be jointly finalised.

2.1.7 Sufficient number of officers of the Distribution Franchisee has been authorized under Section 126, Section 135 (2) and Section 152 of the Electricity Act 2003(updated) for taking necessary action to prevent the unauthorized use, theft and pilferage of electricity in Franchise Area.

The Franchisee must inform [NAME OF DISTRIBUTION COMPANY] about the categories of officers and the relevant sections of the Electricity Act, 2003(updated) for which authorization is needed. [NAME OF DISTRIBUTION COMPANY] shall recommend the same to

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- 2.1.8 All the conditions precedent stated herein above shall be satisfied within 60 (sixty) days of signing of this Agreement or such further period as may be extended by the parties mutually. If, the Distribution Franchisee fails to satisfy Article 2.1.1 above, within the stipulated duration, [NAME OF DISTRIBUTION COMPANY] shall be entitled to terminate this Agreement and forfeit the earnest money deposit of the Distribution Franchisee at its discretion.

ARTICLE 2.2: CONDITIONS SUBSEQUENT TO BE SATISFIED BY THE DISTRIBUTION FRANCHISEE AND [NAME OF DISTRIBUTION COMPANY]

2.2.1 Arrears Determination:

The Joint Audit Team of [NAME OF DISTRIBUTION COMPANY] and the Distribution Franchisee shall complete an audit of:

- 2.2.1.1 Opening level of arrears;
2.2.1.2 Segregation into permanently disconnected and current live arrears;
2.2.1.3 Ageing analysis of current live arrears upto a period of three months;
2.2.1.4 Credit Balance from Consumers; and
2.2.1.5 Joint verification of permanently disconnected Consumers.
- 2.2.2** Methodology to compute average tariff for each billing period for the purpose of Article-7 during the term of this Agreement shall be jointly finalised.
- 2.2.3** [NAME OF DISTRIBUTION COMPANY] shall identify the Consumers for which Service Connection Charges [SCC] have been received by it, but connections have not been provided. The Distribution Franchisee shall be responsible for providing connection to these Consumers. The installation material for such connections shall be issued by [NAME OF DISTRIBUTION COMPANY] to the Distribution Franchisee and further supervision charges received from the Consumers, if any, towards such connections shall be remitted to the Distribution Franchisee.
- 2.2.4** All the conditions subsequent stated above shall be satisfied within thirty [30] days except for condition mentioned in Article 2.2.1.5 which shall be completed within six months time, from the Effective Date or such further time as may be mutually extended by the Parties.

ARTICLE 3: TERM OF AGREEMENT

3.1 Term of Agreement

The term of this Agreement shall be for a period of fifteen [15] years from the Effective Date.

3.2 Renewal of Agreement

At the instance of the Distribution Franchisee, [NAME OF DISTRIBUTION COMPANY] may consider renewing the duration of

Franchisee at its discretion for such period or periods as may be considered appropriate by [NAME OF DISTRIBUTION COMPANY], provided the Distribution Franchisee applies formally in writing for renewal one year prior to the expiry of the Franchisee. [NAME OF DISTRIBUTION COMPANY] shall communicate its decision in this respect within a period of [six months] of such application by the Distribution Franchisee.

The terms and conditions of such Renewal shall be decided with mutual consent.

3.3 Early Termination

This agreement can be terminated before the expiration of the Franchisee Period as per the provisions of Article-16 and Article-3.4 of this Agreement.

3.4 Event Of Abandonment

If the Distribution Franchisee ceases to operate all and/or any substantial part of the Distribution System for a period of forty-eight (48) consecutive hours without the prior written consent of [NAME OF DISTRIBUTION COMPANY], then [NAME OF DISTRIBUTION COMPANY] or its designates shall be entitled to immediately enter any and/or all of the site(s) and operate the Distribution System, provided however that An event of abandonment shall not have been set to occur, if the cessation of operation has resulted from -

- (i) an event of Force Majeure; or
- (ii) a scheduled outage; or
- (iii) non-supply of power by [NAME OF DISTRIBUTION COMPANY]

It is however expressly agreed that if the Distribution Franchisee is proceeding with diligence and good faith to overcome or remedy such event and such event is overcome or remedied within a further period of forty-eight (48) hours, then such an event shall not be treated as an event of abandonment.

It is hereby expressly agreed that all third party liabilities arising out of the event of abandonment shall be borne by the Distribution Franchisee alone. The Distribution Franchisee shall indemnify and hold [NAME OF DISTRIBUTION COMPANY] harmless against the same as provided in Articles 14.1.1.2. The Distribution Franchisee shall compensate [NAME OF DISTRIBUTION COMPANY] for the losses suffered by [NAME OF DISTRIBUTION COMPANY], if any, as provided in Article 14.1.1.3.

3.5 Survival

The expiry or termination of this Agreement shall not affect accrued rights and obligations of the parties under this Agreement, nor shall it affect any continuing obligations for which this Agreement provides, either expressly or by necessary implication, the survival of, post its expiry or termination.

ARTICLE 4: GRANT OF DISTRIBUTION FRANCHISE

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4.1 Grant of Franchise

Subject to the terms and conditions of this Agreement and the Act, [NAME OF DISTRIBUTION COMPANY] agrees to sell/supply electricity to the Distribution Franchisee at annual Input Rates for further distribution in the Franchise Area and the Distribution Franchisee hereby agrees that it shall perform all the obligations and accept all the liabilities of [NAME OF DISTRIBUTION COMPANY] as the Distribution Licensee for the Franchise Area as stipulated in the Law, as if they were to apply to the Distribution Licensee and other activities as stipulated in this Agreement. In consideration of the above, the Distribution Franchisee shall have "Right to Use" the [NAME OF DISTRIBUTION COMPANY] Distribution Assets and all other rights, powers and authorities available to [NAME OF DISTRIBUTION COMPANY] as a Distribution Licensee to perform its obligation under this Agreement. Distribution Franchisee however shall not be the owner of [NAME OF DISTRIBUTION COMPANY] Distribution Assets.

4.2 Legal Status of Distribution Franchisee

The Distribution Franchisee shall be a franchisee of the [NAME OF DISTRIBUTION COMPANY] as defined under the Act and it shall not be a licensee under Section 14 of the Act.

4.3 Exclusivity

The Distribution Franchisee will be the exclusive franchisee of [NAME OF DISTRIBUTION COMPANY] in the Franchise Area. The Distribution Franchisee shall not be entitled to assign or transfer in any manner its rights and obligations under this Agreement to its affiliate or any other third party without the prior approval of [NAME OF DISTRIBUTION COMPANY]. However the Distribution Franchisee may appoint the sub-contractor [s] for outsourcing some of its activities with a prior three (03) days written intimation to [NAME OF DISTRIBUTION COMPANY].

It is however clarified that the Distribution Franchisee alone shall be liable and responsible to [NAME OF DISTRIBUTION COMPANY] for the due performance of this Agreement and any default / breach of any of the terms and conditions of this Agreement by any such sub-contractor shall be deemed to be a default / breach by the Distribution Franchisee.

4.4 Franchise Area

4.4.1 The Franchise Area shall be the Distribution Divisions of [NAME OF DISTRIBUTION COMPANY] at [Name of Distribution Circle] spread over approximately [Area in figure] , [(Area in words)] square kilometres as defined in Article-4.4.2

4.4.2 The Franchise Area at present contains the following feeders from its 4 EHV substations as given below:

Name of the Division	Name of EHV Sub station/ Cross Over Points where where Energy is Input	Capacity Installed (MVA) with Voltage Ratio	Maximum Demand (MVA)	Connected Load (MVA)	No of Input Feeder
[Division-1]	132 KV S/s –1 [Name]	[MVA in figure], 132/33/22 KV	[MVA in figure],	[MVA in figure],	[Nos in figure],
	132 KV S/s –2 [Name]	[MVA in figure], 132/22/11 KV	[MVA in figure],	[MVA in figure],	[Nos in figure],
	132 KV S/s-3 [Name]		[MVA in figure],	[MVA in figure],	[Nos in figure],
	33/22KV cross over from [Division-2]	[MVA in figure], 132/22/11 KV	-	-	[Nos in figure],
[Division-2]	132 KV S/s –1 [Name]	[MVA in figure], 132/33/22 KV	[MVA in figure],	[MVA in figure],	[Nos in figure],
	132 KV S/s –2 [Name]	[MVA in figure], 132/22/11 KV	[MVA in figure],	[MVA in figure],	[Nos in figure],
	132 KV S/s-3 [Name]		[MVA in figure],	[MVA in figure],	[Nos in figure],
	33/22KV cross over from [Division-1]	[MVA in figure], 132/22/11 KV	-	-	[Nos in figure],
[Division-3]	132 KV S/s –1 [Name]	[MVA in figure], 132/33/22 KV	[MVA in figure],	[MVA in figure],	[Nos in figure],
	132 KV S/s –2 [Name]	[MVA in figure], 132/22/11 KV	[MVA in figure],	[MVA in figure],	[Nos in figure],
	132 KV S/s-3 [Name]		[MVA in figure],	[MVA in figure],	[Nos in figure],
	33/22KV cross over from [Division-2]	[MVA in figure], 132/22/11 KV	-	-	[Nos in figure],

The substations mentioned above currently form the Input Points for injection of electricity in the Franchise Area.

The Franchise Area as on Effective Date shall be as mentioned in the

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map demarcating the Franchise Area within [NAME OF DISTRIBUTION COMPANY] area, the map indicating various areas for the purpose of tariff & duty classification and the electrical map of existing distribution network annexed as Annexure-1 hereto.

In case the details provided in the Annexure-1 is different from the Joint Audit report, the conclusions of the Joint Audit report shall be final and Annexure -1 shall stand amended accordingly.

4.5 Effect of Acceptance

By accepting this Franchisee and executing this Distribution Franchisee Agreement, the Distribution Franchisee accepts and agrees to comply with the provisions of this Distribution Franchisee Agreement and the Act.

4.6 Directions

Distribution Franchisee shall comply with [NAME OF DISTRIBUTION COMPANY] directives issued for compliance of the Laws, Regulations, Orders and Directives of [STATE ELECTRICITY REGULATORY COMMISSION]. However, the Distribution Franchisee shall have option of following alternative methods for complying with the applicable Laws, Regulations, Orders and Directives of [STATE ELECTRICITY REGULATORY COMMISSION].

4.7 Intent

It is the intent of both the parties that each party shall enjoy all rights and be subject to all obligations of this Distribution Franchisee Agreement for the entire term of the Agreement and to the extent any provisions have continuing effect, after its expiration.

ARTICLE 5: ACTIVITIES OF DISTRIBUTION FRANCHISEE

5.1 'Right of Use' to [NAME OF DISTRIBUTION COMPANY] Distribution Assets

5.1.1 The Distribution Franchisee shall be entitled to use the [NAME OF DISTRIBUTION COMPANY]_Distribution Assets to perform its obligation under this Agreement. [NAME OF DISTRIBUTION COMPANY] shall however, continue to be the owner of such assets.

5.1.2 Distribution Franchisee shall use and maintain such assets at its own cost to keep them in good working condition as per Prudent Utility Practices.

5.1.3 Distribution Franchisee shall not dispose off or alienate or in any way encumber such assets without prior written approval of [NAME OF DISTRIBUTION COMPANY].

5.1.4 If any such asset is scrapped, the same shall be deposited at the major store of the [NAME OF DISTRIBUTION COMPANY] at [Name of the Location] by the Distribution Franchisee at its cost. [NAME OF DISTRIBUTION COMPANY] shall duly identify the scrap against its Asset register for Transformers & accessories and HT network.

- 5.1.5 [NAME OF DISTRIBUTION COMPANY] has prepared an Asset Register of the Franchisee Area, which shall be verified and signed by both the parties in compliance to the provisions of Article 2.1.2.2.
- 5.1.6 On termination/ expiry of this agreement, the Distribution Franchisee shall without demur hand over physical possession/ custody of [NAME OF DISTRIBUTION COMPANY] Distribution Assets in same condition, subject to normal wear and tear and Article 5.1.4.
- 5.1.7 Any shortfall in the quantity of [NAME OF DISTRIBUTION COMPANY] Distribution Assets verified and recorded in the joint audit report shall be recovered from the Distribution Franchisee at the cost of replacement of such asset. The Distribution Franchisee has the option to replace such missing or lost equipment [shortfall] with comparable equipment.
- 5.1.8 If the Distribution Franchisee uses [NAME OF DISTRIBUTION COMPANY]'s IT systems for billing the Consumers, separate charges for the same shall be payable to [NAME OF DISTRIBUTION COMPANY].
- 5.1.9 If the Distribution Franchisee intends to utilise other services of [NAME OF DISTRIBUTION COMPANY] such as Testing facilities for HT/LT metering, switching/ substations and Distribution transformers or any other technical assistance, the charges for the same shall be payable to [NAME OF DISTRIBUTION COMPANY].

5.2 New Capital Expenditure

- 5.2.1 The Distribution Franchisee shall plan and implement capital expenditure to improve efficiencies, upgrade infrastructure etc. as is deemed necessary by it.
- 5.2.2 Such capital expenditure implemented by the Distribution Franchisee would include replacement of Distribution Assets.
- 5.2.3 The cost of all such capital investment shall be borne by the Distribution Franchisee.
- 5.2.4 The Distribution Franchisee shall also maintain a separate record of the Distribution Assets purchased by it with all details and particulars. It shall also make entries of these assets in the asset register.
- 5.2.5 Upon expiry/ termination of this Agreement, Distribution Franchisee shall hand over all the [NAME OF DISTRIBUTION COMPANY] and Franchisee Distribution Assets of Franchise Area, to [NAME OF DISTRIBUTION COMPANY] in working condition subject to normal wear and tear. The Distribution Franchisee shall not have a right to take back these assets, if the same are to be compensated by [NAME OF DISTRIBUTION COMPANY] in terms of the Agreement.

- 5.2.6 On the Expiry/ Termination of this Agreement, [NAME OF DISTRIBUTION COMPANY] shall compensate Distribution Franchisee for the Distribution Assets added by Distribution Franchisee, to the extent funded by the Distribution Franchisee, at the depreciated value of such assets.
- 5.2.7 Such assets in normal working condition shall be transferred to [NAME OF DISTRIBUTION COMPANY] at the depreciated value, computed as per the costs and depreciation rates annexed as **Annexures- 2 & 3** hereto respectively. The applicable revision of the schedule of costs shall be used for calculating the transfer value. The schedule of costs shall be adjusted for the price variation clause as per [NAME OF DISTRIBUTION COMPANY] procurement contracts for the relevant period.
- 5.2.8 If any new asset added by the Distribution Franchisee is not featuring in the **Annexure- 2**, the cost of the same shall be ascertained quarterly by an independent agency mutually appointed for the purpose. The independent agency shall be a combination of one of the big four accounting firms and an internationally reputed asset valuation expert. The cost of such an agency shall be shared equally by both the parties. The depreciation rate for such asset, if not appearing in Annexure-3, shall be taken as per the prevailing [NAME OF DISTRIBUTION COMPANY] regulations or [STATE ELECTRICITY REGULATORY COMMISSION] regulations or as per the Companies Act, 1956 in that sequence.
- 5.2.9 The Distribution Franchisee shall submit details of the assets added by it on a quarterly basis, and the value of such assets shall be certified by [NAME OF DISTRIBUTION COMPANY] as acceptable in terms of Article 5.2.7 and Article 5.2.8. Such certification shall be done within a period of 90 (ninety) days.

5.3 Inventory of O&M Spares

- 5.3.1 [NAME OF DISTRIBUTION COMPANY] will hand over the inventory of O&M spares in the Franchise Area to the Distribution Franchisee on the Effective Date of this Agreement.
- 5.3.2 Upon termination/expiry of this Agreement, Distribution Franchisee shall return the inventory of O&M spares to [NAME OF DISTRIBUTION COMPANY] in the same form and quantity as specified in previous article.
- 5.3.3 Distribution Franchisee shall compensate [NAME OF DISTRIBUTION COMPANY] for the difference between the inventory levels in quantity terms on Effective Date and that on date of termination/ expiration, to eliminate any risk with respect to inflation.
- 5.3.4 [NAME OF DISTRIBUTION COMPANY] shall compensate the Distribution Franchisee for the inventory of O&M spares at termination/ Expiry of Agreement at latest acquisition price as may be applicable provided that, the maximum inventory that shall be taken

over by [NAME OF DISTRIBUTION COMPANY] shall not be more than the minimum inventory norms specified in **Annexure 5**.

- 5.3.5 Further, for the period of first three months from Effective Date, [NAME OF DISTRIBUTION COMPANY] may issue O&M spares to the Distribution Franchisee at its request, subject to availability, and at rates decided by [NAME OF DISTRIBUTION COMPANY].

5.4 Supply of Energy

- 5.4.1 [NAME OF DISTRIBUTION COMPANY] shall supply at Input Points the energy corresponding to input units of [Base year] i.e. [Amount of Energy in number] MUs. However, this supply may vary subject to [STATE ELECTRICITY REGULATORY COMMISSION] directives on load shedding. Without prejudice to the foregoing, [NAME OF DISTRIBUTION COMPANY] shall not discriminate in the supply of power between the Franchise Area and its other Distribution Divisions.
- 5.4.2 The Distribution Franchisee may procure the power from other sources for expected shortfall in supply with the concurrence of [NAME OF DISTRIBUTION COMPANY] and [STATE ELECTRICITY REGULATORY COMMISSION] and subject to the regulatory provisions.
- 5.4.3 [NAME OF DISTRIBUTION COMPANY] will facilitate the Distribution Franchisee to approach [STATE ELECTRICITY REGULATORY COMMISSION] for approval of such procurement scheme. [NAME OF DISTRIBUTION COMPANY] shall also assist the Franchisee in obtaining information from [Name of the Transmission Company] about the transmission capacity for power purchase.
- 5.4.4 Such scheme will be implemented only after approval of [STATE ELECTRICITY REGULATORY COMMISSION]. [NAME OF DISTRIBUTION COMPANY] will have no responsibility or liability if such scheme is not approved/ rejected by [STATE ELECTRICITY REGULATORY COMMISSION].
- 5.4.5 In case any cross-subsidy surcharge is applicable on purchase of power from such scheme, [NAME OF DISTRIBUTION COMPANY] shall represent the matter at appropriate forum for abolishment of the same at Distribution Franchisee's cost.
- 5.4.6 In case of procurement of power from sources other than [NAME OF DISTRIBUTION COMPANY], the wheeling charges shall be payable by Distribution Franchisee for using the distribution network of [NAME OF DISTRIBUTION COMPANY] for distribution of power in the Franchise Area and shall be levied as per [STATE ELECTRICITY REGULATORY COMMISSION] regulations.
- 5.4.7 The Distribution Franchisee shall not sell the Input Energy to anyone outside the Franchise Area.
- 5.4.8 The Distribution Franchisee shall strictly adhere to the planned load

shedding schedule of [NAME OF DISTRIBUTION COMPANY] based on directives issued by [STATE ELECTRICITY REGULATORY COMMISSION]. The Distribution Franchisee shall also follow the instructions of [Name of Transmission Company] / State Load Dispatch Centres for grid discipline .

5.5 Liabilities and Obligations

The Distribution Franchisee shall accept all liabilities and perform all obligations of the distribution licensee in the Franchise Area as a franchisee of [NAME OF DISTRIBUTION COMPANY], in compliance with the Law, Regulations and Directives of [STATE ELECTRICITY REGULATORY COMMISSION] issued from time to time as if they were to apply to licensee and directives of [NAME OF DISTRIBUTION COMPANY] [STATE ELECTRICITY REGULATORY COMMISSION]. The broad scope of work would be as follows:

- 5.5.1 Undertake distribution & supply of power to the Consumers of [NAME OF DISTRIBUTION COMPANY] in the Franchise Area.
- 5.5.2 Undertake all Operation & Maintenance related activities in Franchise Area.
- 5.5.3 [NAME OF DISTRIBUTION COMPANY] shall cancel or may authorize the Distribution Franchisee to cancel the ongoing contracts, except the contracts for capital expenditure, if requested by the Distribution Franchisee. In such an event, [NAME OF DISTRIBUTION COMPANY] will bear all the liabilities and third party claims accrued prior to Effective Date.

5.6 Technical Duties and Responsibilities of the Distribution Franchisee

The broad duties and responsibilities would include, but not limited to, the following activities.

5.6.1 Load Forecast

The Distribution Franchisee shall carry out demand estimation/ load forecast of the Franchise Area periodically and apprise the same to [NAME OF DISTRIBUTION COMPANY].

5.6.2 Energy Audit

The Distribution Franchisee shall carry out energy audit on a monthly basis and submit a report of the same to [NAME OF DISTRIBUTION COMPANY]. The methodology for the same has been enclosed at Annexure -4.

**5.6.3 Operation, Repair & Maintenance and Up gradation
The Distribution Franchisee shall at its own cost perform:**

- 5.6.3.1 Operation and maintenance of Distribution Assets from the

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start of input feeders of Franchise Area

- 5.6.3.2 Operation and maintenance of sub-stations and transformer stations.
- 5.6.3.3 Installation of metering devices and carry out meter reading, monitoring all feeders and distribution transformers
- 5.6.3.4 Repair, maintain and replace failed distribution transformers as per [STATE ELECTRICITY REGULATORY COMMISSION] Supply Code and Standards of Performance.
- 5.6.3.5 Maintain a minimum level of rolling stock of transformers and other necessary material as per Annexure-5 enclosed.
- 5.6.3.6 Upgrade, renovate and maintain the existing distribution network/ systems/ IT assets and systems as per Prudent Utility Practices and the standards that may be prescribed by [STATE ELECTRICITY REGULATORY COMMISSION].
- 5.6.3.7 For carrying out day-to-day maintenance work, if shutdown is required from EHV station on any feeder, the Distribution Franchisee shall apply for proper permit from the concerned [Name of Transmission Company] EHV substation. Such permit shall be returned to concerned EHV substation immediately after the work is completed. The Distribution Franchisee shall also intimate schedule of planned outages to the concerned EHV substation and maintain day-to-day coordination for smooth operation of transmission network.

5.6.4 Compliance with standards

- 5.6.4.1 The Distribution Franchisee shall take all reasonable steps to ensure that all Consumers within the Franchises Area receive a safe and reliable supply of electricity as defined by [STATE ELECTRICITY REGULATORY COMMISSION].
- 5.6.4.2 The Distribution Franchisee shall be responsible for complying with all Indian Electricity Rules-1956(updated), [STATE ELECTRICITY REGULATORY COMMISSION], Indian Standards, Regulations and other Directives as issued and modified from time to time and as applicable to any distribution licensee. Any penalty imposed by [STATE ELECTRICITY REGULATORY COMMISSION] or any other Government Authority on account of failure of the Distribution Franchisee in compliance shall be borne by the Distribution Franchisee.
- 5.6.4.3 The Distribution Franchisee shall conduct its franchised business in the manner, which it considers to be best calculated to achieve the Overall Performance Standards for provision of Supply of services and the promotion of the efficient use of electricity by Consumers pursuant to Electricity Act 2003(updated)

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5.6.4.4 The Distribution Franchisee must ensure continuous supply of power, without any load shedding, for those feeders which have less than [Rate in number]% distribution loss for three continuous months at any time during the term of the Franchise Agreement by purchasing the additional power from sources other than [NAME OF DISTRIBUTION COMPANY]. [NAME OF DISTRIBUTION COMPANY] shall facilitate the purchase including regulatory approval involved.

5.6.5 **Consumer Service**

(A) Electricity Supply Code

The Distribution Franchisee shall:

- a) Comply with Electricity Supply Code and other conditions of supply as approved and modified by [STATE ELECTRICITY REGULATORY COMMISSION] from time to time. Any penalty imposed by [STATE ELECTRICITY REGULATORY COMMISSION) for non-compliance shall be borne by the Distribution Franchisee;
- b) Bring to the notice of the Consumers the existence of the Supply Code [and conditions of supply as approved and modified by [STATE ELECTRICITY REGULATORY COMMISSION] from time to time), including its substantive revision and their right to inspect or obtain a copy in its latest form;
- c) Make available a copy of the Supply Code [and conditions of supply as approved and modified by [STATE ELECTRICITY REGULATORY COMMISSION] from time to time) revised from time to time, for inspection by the public during normal working hours; and
- d) Provide free of charge a copy of the Supply Code [and conditions of supply) as revised from time to time to each new Consumer, and to any other person who requests it at a price not exceeding the cost of duplicating it.

(B) Consumer Complaint Handling

The Distribution Franchisee shall comply with the complaint handling procedure approved by [STATE ELECTRICITY REGULATORY COMMISSION] .

The Distribution Franchisee shall:

- a) Establish within a period of one year from the Effective Date, a Consumer service centre as per minimum specifications placed at Annexure-6 for Consumer Complaints and redressal system.
- c) Redress commercial and billing Complaints.
- d) Make available, on demand, a copy of the complaint handling procedure, revised from time to time, for inspection by the public at each of the relevant premises during normal working hours; and

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- e) Provide free of charge a copy of the procedure revised from time to time to each new Consumer, and to any other person who requests for it at a price not exceeding the cost of duplicating it.
- f) To comply with the Orders and Directions, if given by Consumer courts under Consumer Protection Act'1986.

(C) Consumer Services

The Distribution Franchisee, on request of the Consumer, to the extent that is reasonably available to the Distribution Franchisee, shall provide:

- a) Information on all services provided by the Distribution Franchisee including information on the charges, which may be available to the Consumers;
- b) Information on meter readings for the electricity services provided to the Consumer premises by the Distribution Franchisee in the Franchise Area; and
- c) Information on the status of the Consumer's account with the Distribution Franchisee.

5.6.6 Obligation to Connect Consumers

Subject to the provisions of this Agreement, the Distribution Franchisee shall have the following obligations:

- a) Subject to the provisions of the Electricity Act 2003(updated), the Distribution Franchisee shall, on the application of the owner or occupier of any premises within the Franchise Area, give supply of electricity to such premises within one month of the application requiring such supply subject to provisions of Electricity Act 2003(updated) and applicable Regulations.
- b) Distribution Franchisee shall be responsible for incurring capital expenditure in order to provide new connections in the Franchise Area. The expenditure involved in providing new connection, net of Service Connection Charges and any other contributions / charges received from the Consumer towards capital cost of providing new connection as per applicable Regulations, shall form a part of the Franchisee Distribution Assets to be compensated in terms of Article-5.2.6.
- c) Subject to the provisions of the Electricity Act 2003(updated), the Distribution Franchisee may refuse to supply, or may disconnect the supply of electricity to any premises.
- d) The Distribution Franchisee shall retain the Service Connection Charges(SCC) collected from the Consumers for giving new connections levied as prescribed by [NAME OF DISTRIBUTION COMPANY].
- e) The Distribution Franchisee shall collect the Security Deposit from

the Consumers for giving new connections, which shall be transferred to [NAME OF DISTRIBUTION COMPANY].

- f) The applicable interest on these deposits shall be borne by [NAME OF DISTRIBUTION COMPANY] and shall be transferred to the Distribution Franchisee to meet its obligations as per applicable regulations.
- g) The adjustment against arrears on account of Consumers who are permanently disconnected by the Distribution Franchisee after the Effective Date shall be allowed from the Security Deposit of the respective Consumer after following applicable regulations. However, in case of Consumers existing on the Effective Date, [NAME OF DISTRIBUTION COMPANY] shall have the first right on the security deposit.
- h) The Distribution Franchisee shall not grant new connections to Permanently Disconnected (PD) Consumers as on Effective Date without the written consent of [NAME OF DISTRIBUTION COMPANY] unless arrears have been recovered from them and remitted to [NAME OF DISTRIBUTION COMPANY]. [NAME OF DISTRIBUTION COMPANY] shall take responsibility for such cases and defend the legal cases, at its own cost, arising out of such an action by the Distribution Franchisee.
- i) The Distribution Franchisee shall grant new connections with a connected load equal to or more than 1.5 MVA and above only after obtaining approval from [NAME OF DISTRIBUTION COMPANY], at the corporate level.

5.7 Commercial Duties and Responsibilities of the Distribution Franchisee

The Distribution Franchisee shall perform in the Franchise Area:

- 5.7.1 Meter reading and billing to the Consumers as per the retail tariffs approved by [STATE ELECTRICITY REGULATORY COMMISSION] from time to time. All HT meter reading and billing shall be jointly performed by the Distribution Franchisee and [NAME OF DISTRIBUTION COMPANY].
- 5.7.2 Collections from the Consumers as per the billing.
- 5.7.3 Collection of arrears on behalf of [NAME OF DISTRIBUTION COMPANY].
- 5.7.4 Make timely payments to [NAME OF DISTRIBUTION COMPANY] as per the terms and conditions of this Agreement.
- 5.7.5 Replace defective meters with new meters.
- 5.7.6 Maintain Consumer database and billing records.
- 5.7.7 Initiate necessary action, in accordance with the procedure for

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anti theft, disconnection and control of commercial losses as defined in Electricity Act 2003(updated) and applicable [STATE ELECTRICITY REGULATORY COMMISSION] Regulations and Directives.

- 5.7.8 Discharge all duties and responsibilities of [NAME OF DISTRIBUTION COMPANY] as the distribution licensee as required by the License Regulations of the [STATE ELECTRICITY REGULATORY COMMISSION] except such of the conditions, which cannot be complied with by the Distribution Franchisee alone.
- 5.7.9 Undertake any other activity as may be notified from time to time by [STATE ELECTRICITY REGULATORY COMMISSION] to the distribution licensee.

5.8 Duties and Responsibilities of [NAME OF DISTRIBUTION COMPANY]

The broad duties and responsibilities of [NAME OF DISTRIBUTION COMPANY] would include, but not limited to, the following activities:

- 5.8.1 [NAME OF DISTRIBUTION COMPANY] shall ensure the supply of power to Distribution Franchisee of acceptable quality standards as per Article 5.4.
- 5.8.2 [NAME OF DISTRIBUTION COMPANY] shall communicate to Distribution Franchisee any shortfall or inability to supply, the power requirements of the Distribution Franchisee.
- 5.8.3 [NAME OF DISTRIBUTION COMPANY] shall carry out meter reading jointly with Distribution Franchisee on a monthly basis at Input Points of the Franchise Area.
- 5.8.4 [NAME OF DISTRIBUTION COMPANY] shall support the Distribution Franchisee initiatives to adopt innovative practices to bring about effectiveness and efficiency in electricity distribution business.

ARTICLE 6: METERING AND MEASUREMENT

6.1 Metering System:

- 6.1.1 The Distribution Franchisee shall install and operate the Check Metering system in accordance with this Article 6 and Central Electricity Authority [Installation and Operations of Meters] Regulations, 2006. In addition to the existing Main Meters at each of the Input Points, the Distribution Franchisee shall also provide a check meter at each of them.
- 6.1.2 Installation and timely replacement of main meters as required to directly measure energy input in the Franchise Area shall be the responsibility of [NAME OF DISTRIBUTION COMPANY]/ STU/ CTU as the case may be.

6.2 Inspection and Testing of Meters

- 6.2.1 [NAME OF DISTRIBUTION COMPANY] shall inspect and if

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necessary, recalibrate the metering system on a regular basis but in any event, at least once every three (3) months or at a shorter interval at the request of either party.

- 6.2.2 Each Meter comprising the metering system shall be sealed by [NAME OF DISTRIBUTION COMPANY], Distribution Franchisee and [Name of Transmission Company], and shall not be opened, tested or calibrated except in the presence of all the parties.

6.3 Inaccuracy of Meters

In case the difference between the readings of the main meter and the check meter for any calendar month is within 0.5%, the reading of the main meter shall be taken as final. If however, the variation exceeds $\pm 0.5\%$, the final value shall be arrived at as per the procedure, laid down as below.

Whenever difference between the readings of the Main meter and the Check meter for any month is more than 0.5%, the following steps shall be taken Checking of CT and VT connections

- a) Calibration of interface meters at site with reference standard meter of accuracy class higher than the meter under test.
- b) On carrying out the re-calibration of the main meter, if it is discovered that either the percentage of inaccuracy exceeds $\pm 0.5\%$ or that the main meter is not working, the following procedure in order of priority, whichever is feasible, for arriving at the computation of quantity of energy during the period between the last calibration and the present, shall be followed:
 - i) on the basis of the readings of the check meter if installed and functioned accurately; or
 - ii) by correcting the error if the percentage of error is ascertainable of calibration, tests or mathematical calculation; or
 - iii) By estimating the volume of energy delivered based on the meter reading on the upstream of the network i.e. energy reading of meters installed on LV side of the power transformers or HV side of the transformer.
- c) The correction to the quantity of energy injected shall apply to the following periods (hereinafter referred to as the "Correction Period"):
 - i) to any period of time during which the main meter was known to be malfunctioning or to which the parties mutually agree;
 - ii) if the period during which the main meter was malfunctioni is not known or is not agreed to between the parties, the correction shall be applicable for a period equal to half the time elapsed since the date of the preceding calibration test, provided that under no circumstance shall the Correction Period exceed one month.
- d) If the difference exists even after such checking or testing, then the

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defective meter shall be replaced with a correct meter.

- e) In case of conspicuous failures like burning of meter and erratic display of metered parameters and when the error found in testing of meter is beyond the permissible limit of error provided in the relevant standard, the meter shall be immediately replaced with a correct meter.
- f) In case where both the Main meter and Check meter fail, at least one of the meters shall be immediately replaced by a correct meter.

6.4 Measurement

- 6.4.1 Distribution Franchisee shall carry out weekly meter readings at Input Points at 18.00 hours on 7th, 14th, and 21st day of each calendar month and intimate the same to [NAME OF DISTRIBUTION COMPANY] by 10.00 Hrs on the next business day.
- 6.4.2 A joint meter reading by both the parties shall be carried out on the 00.00 Hrs on the Effective Date.
- 6.4.3 A joint meter reading by both the parties shall be carried out on the last day of every calendar month at 1800 Hrs w.e.f the Effective Date Adjustments, if any, shall be carried out for weekly payments as mentioned in Article 7 based on the aforementioned meter reading.
- 6.4.4 [NAME OF DISTRIBUTION COMPANY] shall raise invoices as mentioned in Article 7 based on input units measured by Distribution Franchisee as specified in previous Article.
- 6.4.5 The Metering and Measurement System stated in this Article shall also be applicable to payments on account of Wheeled Electricity.
- 6.4.6 Until 0.2 Class meters are installed as main meters, the reading of check meter shall be used for billing provided the check meters are of 0.2 accuracy class.

ARTICLE 7: BILLING AND PAYMENT

7.1 Billing

The billing mentioned in this Article shall be made separately for both High Tension and Low Tension consumer categories

7.1.1 HT/ LT Monthly Invoice

The First Invoice raised by [NAME OF DISTRIBUTION COMPANY] on the Distribution Franchisee shall correspond to the HT/ LT energy input between first day and thirtieth day from the Effective Date and shall be computed as below:

$$MI = [RIE_M + WC_M + ED_{RM} + TOSE_M + SDN_M + P] - [S_M + CARPD_{RM} + CARCL_{RM}]$$

Where

RIE_M = Revenue for Input Energy as per Joint Measurement It shall be computed as below:

$$RIE_M = EI_M * AIR_N * TIR_N$$

Where, EI_M = HT/ LT Energy input in the Franchise Area during the month, which shall be the energy purchased from [NAME OF DISTRIBUTION COMPANY].

AIR_N = Annualized HT/ LT Input Rate applicable for the year as per Annexure-7.

$$TIR_N = AT_N / AT_{Base\ Year}$$

Tariff Indexing Ratio applicable to the billing period, calculated as ratio of prevailing HT/ LT average tariff for that billing period as applicable to all Consumers in the Franchise Area (AT_N) and average tariff as applicable to all HT/ LT Consumers in the Franchise Area in Base Year). Average tariff shall be computed as sum product of total HT/ LT billed units and approved tariff in each HT/ LT Consumer category divided by total billed units in all HT/ LT Consumer categories. The Tariff Indexing Ratio shall be computed for every month and the same shall be used for computation of the HT/ LT revenue for Input Energy for units supplied to the Distribution Franchisee in the respective calendar month. Approved Tariff for this purpose shall mean the HT/ LT tariff and the applicable FOCA approved by [STATE ELECTRICITY REGULATORY COMMISSION]

The indexation shall be based on the change of tariff as applicable to all the HT/LT [NAME OF DISTRIBUTION COMPANY] consumers in the Distribution Franchisee Area. The indexation shall be weighted average of HT/ LT units billed for each category in the relevant period and the applicable average tariffs considering all the elements of tariff, except those in the nature of taxes / duties, interest income and delayed payment charges. The detailed procedure for computation of average billing rate is given in Annexure 13

For the purpose of computation of indexation ratio, average tariff as applicable to all [NAME OF DISTRIBUTION COMPANY] Consumers in Distribution Franchisee area for FY[Base year] shall be Rs [amount in Figure] per HT unit and Rs [amount in Figure] per LT unit based on the accounts information available. However, this figure shall be audited by one of the Audit firms approved by Govt of [name of the State] for finalization. The fees for such audit shall be shared equally by the Distribution Franchisee and [NAME OF DISTRIBUTION COMPANY]

WC_M = Wheeling Charges applicable to HT/ LT energy procured over and above the quantity purchased from [NAME OF DISTRIBUTION COMPANY] for the Month computed as per [STATE ELECTRICITY REGULATORY COMMISSION] regulations

ED_{RM} is the Electricity Duty leviable as per applicable Law during the billing period

TOSE_M is the Tax on Sale of Electricity leviable as per applicable Law during the billing period

SDN_M is the Security Deposit collected for new connections issued during the period and for which information has been received as per Article-13.1

P is the penalty leviable on the Distribution Franchisee for delay on account of previous payments and shall be computed @18% per annum quarterly compounded on the outstanding amount.

CARPD_{RM} is the Credit available to the Distribution Franchisee for incentive on account of arrears from the HT/ LT permanently disconnected Consumers collected and remitted to [NAME OF DISTRIBUTION COMPANY] during this billing cycle and shall be computed as below:

$$\mathbf{CARPD_{RM} = 0.2 * ARPD_{RM}}$$

Where **ARPD_{RM}** is the amount of arrears on account of permanently disconnected Consumers prior to the Effective Date collected and remitted by the Distribution Franchisee to [NAME OF DISTRIBUTION COMPANY] during this billing cycle.

CARCL_{RM} is the Credit Available to the Distribution Franchisee for incentive on account of arrears from the HT/ LT current live Consumers collected and remitted during this billing cycle and shall be computed as below:

$$\mathbf{CARCL_{RM} = 0.1 * ARCL_{RM}}$$

Where **ARCL_{RM}** is the amount of arrears on account of HT/ LT current live Consumers, accrued three months prior to the Effective Date collected and remitted by the Distribution Franchisee to [NAME OF DISTRIBUTION COMPANY] during this billing cycle.

S_M is the subsidy provided to subsidised Consumers in the Franchise Area for which energy bills have been raised to Consumers during this period. However, if the processing cycles which are overlapping the period before Effective Date and after Effective Date, such subsidy amount shall be adjusted on a pro-rata basis.

7.1.2 HT/ LT Fortnightly Invoice

The second and third invoice raised by [NAME OF DISTRIBUTION COMPANY] on the Distribution Franchisee shall correspond to the HT/ LT energy input between 31st and 45th day from the Effective Date and 46th and 60th day from the Effective Date and shall be computed as below:

$$\mathbf{FI = [RIE_F + WC_F + ED_{RF} + TOSE_F + SDN_F + P] - [S_F + CARPD_{RF} + CARCL_{RF}]}$$

Where:

RIE_F = Revenue for Input Energy for the fortnight

It shall be computed as below:

$$\mathbf{RIE_F = EI_F * AIR_N * TIR_N}$$

Where, EI_F= HT/ LT Energy input in the Franchise Area during the fortnight, which shall be the energy purchased from [NAME OF DISTRIBUTION COMPANY].

AIR_N= Annualized Input Rate applicable for the year as per Annexure-7

$$\mathbf{TIR_N = AT_N / AT_{Base\ Year}}$$

Tariff Indexing Ratio applicable to the billing period, calculated as Ratio of prevailing average tariff for that billing period as applicable to all Consumers

in the Franchise Area (AT_{Nj} and average tariff as applicable to all HT/ LT Consumers in the Franchise Area in Base Year) Average tariff shall be computed as sum product of total billed units and approved tariff in each Consumer category divided by total billed units in all Consumer categories. The Tariff Indexing Ratio shall be computed for every month and the same shall be used for computation of the Revenue for Input Energy for units supplied to the Distribution Franchisee in the respective calendar month. Approved Tariff for this purpose shall mean the tariff and the applicable FOCA approved by [STATE ELECTRICITY REGULATORY COMMISSION]

The indexation shall be based on the change of tariff as applicable to all the HT/LT [NAME OF DISTRIBUTION COMPANY] consumers in the Distribution Franchisee Area. The indexation shall be weighted average of HT/ LT units billed for each category in the relevant period and the applicable average tariffs considering all the elements of tariff except those in the nature of taxes / duties, interest income and delayed payment charges. The detailed procedure for computation of average billing rate is given in Annexure 13

For the purpose of computation of indexation ratio, average tariff as applicable to all [NAME OF DISTRIBUTION COMPANY] Consumers in Distribution Franchisee area for FY [Base year] shall be Rs. [amount in Figure] per HT unit and Rs [amount in Figure] per LT unit based on the accounts information available. However, this figure shall be audited by one of the Audit firms approved by Govt of [name of the State] for finalization. The fees for such audit shall be shared equally by the Distribution Franchisee and [NAME OF DISTRIBUTION COMPANY]

WC_F = Wheeling Charges applicable to HT/ LT energy procured over and above the quantity purchased from [NAME OF DISTRIBUTION COMPANY] for the fortnight computed as per [STATE ELECTRICITY REGULATORY COMMISSION] regulations .

ED_{RF} is the Electricity Duty leviable as per applicable Law during the billing period

TOSE_F is the Tax on Sale of Electricity leviable as per applicable Law during the billing period

SDN_F is the Security Deposit collected for new connections issued during the period and for which information has been received as per Article-13.1.

P is the penalty leviable on the Distribution Franchisee for delay on account of previous payments and shall be computed @ [rate in number %] per annum quarterly compounded on the outstanding amount.

CARPD_{RF} is the Credit available to the Distribution Franchisee for Incentive on account of arrears from the HT/ LT permanently disconnected Consumers collected and remitted to [NAME OF DISTRIBUTION COMPANY] during this billing cycle and shall be computed as below:

$$\mathbf{CARPD_{RF} = 0.2 * ARPD_{RF}}$$

Where ARPD_{RF} is the amount of arrears on account of HT/ LT permanently disconnected Consumers prior to the Effective Date collected and remitted by the Distribution Franchisee to [NAME OF DISTRIBUTION COMPANY] during this billing cycle.

CARCL_{RF} is the Credit available to the Distribution Franchisee for Incentive on account of arrears from the current live HT/ LT Consumers collected and remitted during this billing cycle and shall be computed as below:

$$\mathbf{CARCL_{RF} = 0.1 * ARCL_{RF}}$$

Where ARCL_{RF} is the amount of Arrears on account of current live HT/ LT Consumers, accrued three months prior to the Effective Date collected and remitted by the Distribution Franchisee to [NAME OF DISTRIBUTION COMPANY] during this billing cycle.

S_F is the subsidy provided to subsidised Consumers in the Franchise Area for which energy bills have been raised to Consumers during this period. However, if the processing cycles which are overlapping the period before Effective Date and after Effective Date, such subsidy amount shall be adjusted on a pro-rata basis.

7.1.3 HT/ LT Weekly Invoice

Subsequent to the third invoice, [NAME OF DISTRIBUTION COMPANY] shall raise weekly HT/ LT invoices commencing from the first of every calendar month and for the remaining period in the calendar month for which the third invoice has been issued. However, the invoice for the fourth week of the month shall be issued for the charges of the remaining days in the calendar month as illustrated below:

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No. of days in the month	Duration of the last Invoice	No. of days billed
31	22 nd Day-31 st Day	10
30	22 nd Day-30 th Day	9
29	22 nd Day- 29 th Day	8
28	22 nd Day-28 th Day	7

The HT/ LT Weekly Invoice to be raised by [NAME OF DISTRIBUTION COMPANY] on the Distribution Franchisee shall be calculated as below:

$$WI = [RIE_W + WC_W + ED_{RW} + TOSE_W + SDN_W + P] - [S_W + CARPD_{RW} + CARCL_{RW}]$$

Where:

RIE_W = Revenue for HT/ LT Input Energy for the week It shall be computed as below:

$$RIE_W = EI_W * AIR_N * TIR_N$$

Where, EI_W= Energy input in the Franchise Area during the week, which shall be the HT/ LT energy purchased from [NAME OF DISTRIBUTION COMPANY].

AIR_N= Annualized Input Rate applicable for the year as per Annexure-7

$$TIR_N = AT_N / AT_{Base Year}$$

Tariff Indexing Ratio applicable to the billing period, calculated as Ratio of prevailing average tariff for that billing period as applicable to all HT/ LT Consumers in the Franchise Area (AT_N) and average tariff as applicable to all HT/ LT Consumers in the Franchise Area in the Base Year) . Average tariff shall be computed as sum product of total billed units and approved tariff in each HT/ LT Consumer category divided by total billed units in all HT/ LT Consumer categories. The Tariff Indexing Ratio shall be computed for every month and the same shall be used for computation of the Revenue for Input Energy for units supplied to the Distribution Franchisee in the respective calendar month. Approved Tariff for this purpose shall mean the HT/ LT tariff and the applicable FOCA approved by [STATE ELECTRICITY REGULATORY COMMISSION]

The indexation shall be based on the change of tariff as applicable to all the HT/LT [NAME OF DISTRIBUTION COMPANY] consumers in the Distribution Franchisee Area The indexation shall be weighted average of HT/ LT units billed for each category in the relevant period and the applicable average tariffs considering all the elements of tariff.

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except those in the nature of taxes / duties, interest income and delayed payment charges. The detailed procedure for computation of average billing rate is given in Annexure 13

For the purpose of computation of indexation ratio, average tariff as applicable to all [NAME OF DISTRIBUTION COMPANY] Consumers in Distribution Franchisee area for FY [Base year] shall be Rs. [amount in Figure] per HT unit and Rs[amount in Figure] per LT unit based on the accounts information available. However, this figure shall be audited by one of the Audit firms approved by Govt of [State] frms for finalization. The fees for such audit shall be shared equally by the Distribution Franchisee and [NAME OF DISTRIBUTION COMPANY]

WC_w = Wheeling Charges applicable to HT/ LT energy procured over and above the quantity purchased from [NAME OF DISTRIBUTION COMPANY] for the week computed as per [STATE ELECTRICITY REGULATORY COMMISSION] regulations

ED_{RW} is the Electricity Duty leviable as per applicable Law during the billing period

TOSE_w is the Tax on Sale of Electricity leviable as per applicable Law during the billing period

SDN_w is the Security Deposit collected for new connections issued during the previous billing cycle and for which information has been received as per Article-13.1

P is the penalty leviable on the Distribution Franchisee for delay on account of previous payments and shall be computed @[rate in number %] per annum quarterly compounded on the outstanding amount.

CARPD_{RW} is the Credit available to the Distribution Franchisee for Incentive on account of arrears from the permanently disconnected HT/ LT Consumers collected and remitted to [NAME OF DISTRIBUTION COMPANY] during this billing cycle and shall be computed as below:

$$\mathbf{CARPD_{RW} = 0.2 * ARPD_{RW}}$$

Where ARPD_{RW} is the amount of arrears on account of permanently disconnected HT/ LT Consumers prior to the Effective Date collected and remitted by the Distribution Franchisee to [NAME OF DISTRIBUTION COMPANY] during this billing cycle.

CARCL_{RW} is the Credit available to the Distribution Franchisee for Incentive on account of arrears from the current live HT/ LT Consumers collected and remitted during this billing cycle and shall be computed as below:

$$\mathbf{CARCL_{RW} = 0.1 * ARCL_{RW}}$$

Where ARCL_{RW} is the amount of arrears on account of current live HT/

LT Consumers, accrued three months prior to the Effective Date collected and remitted by the Distribution Franchisee to [NAME OF DISTRIBUTION COMPANY] during this billing cycle.

Sw is the subsidy provided to subsidised Consumers in the Franchise Area for which Energy Bills have been raised to Consumers during this period. However, if the processing cycles which are overlapping the period before Effective Date and after Effective Date, such subsidy amount shall be adjusted on a pro-rata basis.

The consumer bill proposed to be distributed by the Distribution Franchisee shall provide the information to the consumers on arrears in the main bill as (a) arrears before the effective date and (b) arrears after the effective date

7.2 Payment.

Distribution Franchisee shall make the payment to [NAME OF DISTRIBUTION COMPANY] in the following manner:

- 7.2.1 Distribution Franchisee shall maintain a record of total amount collected from Consumers against HT/ LT energy billed, security deposit, and taxes & duties levied as applicable and intimate the same to [NAME OF DISTRIBUTION COMPANY] as per Article 13.1.1.
- 7.2.2 Distribution Franchisee shall make the first payment within a week of first HT/ LT invoice raised on 31st day from the Effective Date corresponding to the energy input between first day and thirtieth day from Effective Date.
- 7.2.3 Distribution Franchisee shall make the second payment within a week of second HT/ LT invoice raised on 46th day of operation from the Effective Date corresponding to the energy input between 31st day and 45th day from Effective Date.
- 7.2.4 Distribution Franchisee shall make the third payment within a week of third HT/ LT invoice raised on 61st day of operation from the Effective Date corresponding to the energy input between 46th day and 60th day from Effective Date.
- 7.2.5 Thereafter, [NAME OF DISTRIBUTION COMPANY] shall raise weekly HT/ LT invoices as above and Distribution Franchisee shall make the payments within a week of receipt of such invoice.
- 7.2.6 If any of the due dates is a public holiday, the payment shall be remitted on the next working day of [NAME OF DISTRIBUTION COMPANY]
- 7.2.7 The Distribution Franchisee may be required to provide credit to some HT/ LT Consumers under relevant Directives/ Orders/ Policies of

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[STATE ELECTRICITY REGULATORY COMMISSION] e.g. wind farm etc. The amount of the credit given by the Distribution Franchisee to such Consumer shall be adjusted from the payment due towards revenue for input energy.

- 7.2.8 In the event that any HT/ LT Consumer in the Franchise Area avails Open Access under the extant Regulations, the Distribution Franchisee shall retain the cross-subsidy surcharge paid, and adjustment for Distribution Losses of such Consumer. The wheeling charges for using the Distribution System shall be apportioned between [NAME OF DISTRIBUTION COMPANY] and the Distribution Franchisee on the basis of a mutually agreed formula. However additional sur-charges, if any, shall be remitted to [NAME OF DISTRIBUTION COMPANY] along with the regular payments.
- 7.2.9 Distribution Franchisee shall collect and remit to [NAME OF DISTRIBUTION COMPANY], the arrears from current live Consumers accrued in last one month prior to Effective Date within three months of Effective Date in accordance with Article-8.4.
- 7.2.10 Distribution Franchisee shall collect and remit to [NAME OF DISTRIBUTION COMPANY], the arrears from current live Consumers accrued for the duration between three months and one month prior to Effective Date within six months of Effective Date in accordance with Article-8.5.
- 7.2.11 Upon recovery of the arrears, Distribution Franchisee shall, within 7 (seven) days, provide the details of collection and make such payment to [NAME OF DISTRIBUTION COMPANY].
- 7.2.12 [NAME OF DISTRIBUTION COMPANY] shall give credit to Distribution Franchisee towards the incentive on collection of arrears after receipt of such amount and documentary details from Distribution Franchisee. This credit shall be provided in the subsequent invoice raised as per Article 7.1.
- 7.2.13 The Distribution Franchisee shall also timely remit to [NAME OF DISTRIBUTION COMPANY] any other charges arising from the execution of the contract such as charges towards use of [NAME OF DISTRIBUTION COMPANY] billing facilities, testing facilities, etc. and the adjustments on account of reconciliation as per Article-9 and 10.
- 7.2.14 The payment to be made by Distribution Franchisee against invoice as mentioned in Article 7.1 shall be net of subsidy amount. The subsidy amount shall commensurate with the documentation provided by Distribution Franchisee for subsidy claim for the invoice period and shall be governed by Article 9.
- 7.2.15 [NAME OF DISTRIBUTION COMPANY] shall give credit to the Distribution Franchisee for the outstanding credit balance of Consumers as determined in the joint audit process, upon the Distribution Franchisee providing such credit to Consumers. The credit shall be provided in the subsequent invoice raised by [NAME OF

DISTRIBUTION COMPANY] and shall be subject to appropriate documentation.

- 7.2.16 Any delay in payment to [NAME OF DISTRIBUTION COMPANY] after due date shall attract a penal interest of @[rate in number %] per annum quarterly compounded.
- 7.2.17 In case of a shortfall or default in payment by Distribution Franchisee against the payment obligation as per earlier Article, [NAME OF DISTRIBUTION COMPANY] may recover such amount by invocation of L/C given by the Distribution Franchisee to secure performance guarantee.
- 7.2.18 Distribution Franchisee shall be responsible for payment of all taxes, duties, and statutory /local levies arising as a result of com[merc]ial transaction under this contract, such as service tax, sales tax etc. [NAME OF DISTRIBUTION COMPANY] shall not be responsible for any tax related liability. However, any change in taxes/ duties/ statutory levies can be collected from Consumers through change in tariff subject to [STATE ELECTRICITY REGULATORY COMMISSION]'s approval.
- 7.2.19 The money collected by the Distribution Franchisee shall be adjusted against the current billing of Distribution Franchisee, Distribution Franchisee arrears [which refers to arrears that arose during the term of the Franchise Agreement] and [NAME OF DISTRIBUTION COMPANY] arrears [which refers to arrears that arose prior to the Effective date] in that order. However, the Distribution Franchisee shall not be permitted to keep any advance amount without adjusting against all pending [NAME OF DISTRIBUTION COMPANY] arrears, if any. It is hereby clarified that if the amount paid by the consumer against a bill is more than his current bill amount and the arrears of the Distribution Franchisee, then the balance amount, after adjusting the current dues and DF arrears, shall be adjusted against the arrears of [NAME OF DISTRIBUTION COMPANY]

ARTICLE 8: ARREARS

- 8.1 Arrears have been classified in two categories:
- a) Arrears from connected live Consumers and
 - b) Arrears from Permanently Disconnected (PD) Consumers
- 8.2 The connected live Consumers are those, which are currently legally connected to the distribution network of the Franchise Area. Whereas permanently disconnected Consumers are no longer connected with the distribution network.
- 8.3 Distribution Franchisee should maintain separate accounts for collection from arrears and collection on account of demand to Consumers for electricity supplied from the Effective Date. [NAME OF DISTRIBUTION COMPANY] shall transfer the right to collect the arrears to Distribution Franchisee on the Effective Date and the

Distribution Franchisee and [NAME OF DISTRIBUTION COMPANY] shall unfailingly follow the procedure attached at Annexure 8 for collection of arrears.

- 8.4 Distribution Franchisee shall be liable to collect the arrears from current live consumers accrued in last one month on account of charges for usage of electricity prior to Effective Date. These arrears shall be collected and remitted to [NAME OF DISTRIBUTION COMPANY] by Distribution Franchisee within three months of Effective Date. The Distribution Franchisee shall collect and remit amount at least equivalent to 100% Collection Efficiency including the amount already recovered.
- 8.5 Distribution Franchisee shall also be liable to collect the arrears from current live Consumers accrued for the duration between three months and one month prior to Effective Date on account of charges for usage of electricity prior to Effective Date. These arrears shall be collected and remitted to [NAME OF DISTRIBUTION COMPANY] by Distribution Franchisee within six months of Effective Date. The Distribution Franchisee shall collect and remit amount at least equivalent to 100% Collection Efficiency including the amount already recovered.
- 8.6 Distribution Franchisee shall make best endeavour to collect the arrears from current live Consumers accrued before three months on account of charges for usage of electricity prior to Effective Date. [NAME OF DISTRIBUTION COMPANY] shall offer an incentive to Distribution Franchisee towards collection of such arrears @ [rate in number %] of total amount net of taxes and duties recovered from Consumers. However, the collection from current live Consumers may first be appropriated towards current bill and then towards the arrears. [NAME OF DISTRIBUTION COMPANY] shall not share any expenses, costs incurred by the Distribution Franchisee for such recovery.
- 8.7 Arrears on account of connected live Consumers, which are currently under any dispute or in the process of litigation on Effective Date, shall not to be transferred to Distribution Franchisee for recovery. The responsibility to recover such arrear shall rest with [NAME OF DISTRIBUTION COMPANY].
- 8.8 Distribution Franchisee shall make best endeavour to collect the arrears accrued prior to Effective Date from PD Consumers. [NAME OF DISTRIBUTION COMPANY] shall offer an incentive to Distribution Franchisee towards collection of such arrears @ [rate in number %] of total amount net of taxes and duties recovered from Consumers. [NAME OF DISTRIBUTION COMPANY] shall not share any expenses, costs incurred by the Distribution Franchisee for such recovery.
- 8.9 Arrears realized from the forfeiture or adjustment against security deposit from Consumers shall not be eligible for the incentives stated in this Article.

- 8.10 Upon recovery of the arrears, Distribution Franchisee shall, within 7 (Seven) days, provide the detail of collection and make such payment to [NAME OF DISTRIBUTION COMPANY].
- 8.11 Upon expiry / termination, Distribution Franchisee shall not transfer to [NAME OF DISTRIBUTION COMPANY] any arrears accrued during the term except the arrears accrued in last one month prior to the expiry / termination date of this agreement benchmarked to the prevailing level of Collection Efficiency. These arrears shall be jointly determined and agreed by [NAME OF DISTRIBUTION COMPANY] and the Distribution Franchisee. These arrears shall be collected and remitted by [NAME OF DISTRIBUTION COMPANY] to the Distribution Franchisee within three months of Expiry / Termination Date.
- 8.12 Arrears accrued during the term of Agreement prior to one month of Expiry/ Termination shall also be passed on to the Distribution Franchisee as and when collected by [NAME OF DISTRIBUTION COMPANY]. However, [NAME OF DISTRIBUTION COMPANY] shall not be under any obligation to collect such arrears. The Distribution Franchisee shall also give @ [rate in number %] of arrears recovered net of taxes and duties for the period three months prior to the Expiry Date from current live Consumers and @ [rate in number %] of arrears recovered net of taxes and duties from permanently disconnected Consumers.
- 8.13 The Distribution Franchisee shall not grant new connections to permanently disconnected Consumers without the consent of [NAME OF DISTRIBUTION COMPANY] unless arrears have been fully recovered from them and remitted to [NAME OF DISTRIBUTION COMPANY]. Distribution Franchisee shall provide periodic information on status of permanently disconnected Consumers. Further, there shall be a joint inspection of permanently disconnected Consumers at quarterly intervals with a methodology, which shall be jointly decided. If at any stage, such a connection comes to the notice of [NAME OF DISTRIBUTION COMPANY], the Distribution Franchisee shall immediately disconnect the Consumer. [NAME OF DISTRIBUTION COMPANY] and Distribution Franchisee shall jointly defend the legal cases arising out of such an action by the Distribution Franchisee. Distribution Franchisee shall bear the associated costs.
- 8.14 Notwithstanding anything contained herein, the legal rights of [NAME OF DISTRIBUTION COMPANY] to recover the outstanding arrears from the Franchise Area shall also survive the Term of this Agreement.
- 8.15 Notwithstanding anything contained herein, the legal rights of Distribution Franchisee to recover the outstanding arrears accrued during the term of the Agreement from the Franchise Area shall also survive the Term of this Agreement.

ARTICLE 9: PROVISION FOR SUBSIDY

In addition to the provisions stated in Article 7, the Subsidy shall be

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governed by the following:

- 9.1 The Government of [Name of the State] presently offers subsidy on electricity tariff in certain Consumer categories, as approved by [STATE ELECTRICITY REGULATORY COMMISSION], which is directly collected by [NAME OF DISTRIBUTION COMPANY] on account of electricity supplied to those Consumers in Franchise Area.
- 9.2 The Distribution Franchisee shall facilitate [NAME OF DISTRIBUTION COMPANY] in raising the claim on account of electricity supplied to subsidized Consumers in Franchise Area of subsidy from [Name of the State Govt] by way of assisting in furnishing information and necessary documentation.
- 9.3 The Distribution Franchisee shall submit the statement of subsidy claims with the detailed records of the Consumers eligible for subsidy after verifying the accuracy and admissibility of each Consumer included in the same.
- 9.4 [NAME OF DISTRIBUTION COMPANY] shall provide credit to Distribution Franchisee for subsidy claim towards supply of power to subsidized Consumer category in Franchise Area in the respective Invoices as per Article-7. However, a reconciliation of accounts shall be carried out every three months.
- 9.5 An Independent Auditor, preferably one of the Audit firms approved by Govt of [Name of the State], appointed by the mutual consent of [NAME OF DISTRIBUTION COMPANY] and the Distribution Franchisee, shall audit the claim for Subsidy raised by the Distribution Franchisee on a quarterly basis as mentioned in 9.4 above. The fees for this Audit shall be shared equally by both the parties. Notwithstanding the above, Distribution Franchisee shall allow the Government Auditors to verify the particulars or details provided for determining the claim for subsidy. The amount of subsidy determined by the Government Auditor shall be final and binding.
- 9.6 In the event of partial or complete withdrawal of subsidy by [Name of the State Government] on subsidized Consumer categories during the term of this Agreement, Distribution Franchisee shall be responsible for collection of such subsidy amount withdrawn by the [Name of the State Government] from the subsidized Consumers through modified tariff.
- 9.7 In the event of subsidy defaults by the [Name of the State Government], the Distribution Franchisee shall comply with [NAME OF DISTRIBUTION COMPANY]'s policy directives for such events. Such [NAME OF DISTRIBUTION COMPANY]'s policy directives shall be with prospective effect and shall be applicable across the [NAME OF DISTRIBUTION COMPANY]'s licence area.

ARTICLE 10: ELECTRICITY DUTY

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In addition to the provisions of Article 7, the Electricity Duty shall be governed as below:

- 10.1 The Distribution Franchisee shall establish separate accounting for Electricity Duty liability as per provisions of Electricity Duty Act of Government of [Name of the State]. An Independent Auditor, one of the Audit firms approved by Govt of [Name of the State], appointed by the mutual consent of [NAME OF DISTRIBUTION COMPANY] and the Distribution Franchisee shall audit the Electricity Duty leviable by the Distribution Franchisee. The fees for this Audit shall be shared equally by both the parties.
- 10.2 Notwithstanding the above, Distribution Franchisee shall allow the Government Auditors to verify the particulars or details provided for payment of Electricity Duty. The amount of Electricity Duty determined by the Government Auditor shall be final and binding.
- 10.3 The Distribution Franchisee shall remit the amount leviable on account of Electricity Duties to [NAME OF DISTRIBUTION COMPANY] as per Article-7
- 10.4 Any change in taxes and duties as notified by [Name of the State Government], shall be adjusted appropriately and paid to [NAME OF DISTRIBUTION COMPANY] in addition to the Distribution Franchisee's payment obligation computed as Article 7.1

ARTICLE 11: PERFORMANCE GUARANTEE

As provisioned in the Article-2.1.1 of this Agreement, the Distribution Franchisee shall submit and maintain valid for the term of this Agreement, a performance guarantee to the satisfaction of [NAME OF DISTRIBUTION COMPANY] in the form of an irrevocable and unconditional Letter of Credit [L/C] from any nationalized bank or [ICICI bank, IDBI bank, UTI bank, HDFC bank] for an amount equivalent to two months' estimated amount payable to [NAME OF DISTRIBUTION COMPANY] by Distribution Franchisee based on two months average energy input at Input Points in Franchise Area in FY [Base year] and High Tension and Low Tension Input Rates quoted by the Distribution Franchisee for first year of Franchisee term.

The Letter of Credit shall be governed as below:

- 11.1 The L/C shall be initially valid for a period of one year from the Effective Date.
- 11.2 The Distribution Franchisee shall renew the L/C 15 (fifteen) days before its expiry date and furnish the same to [NAME OF DISTRIBUTION COMPANY], failing which [NAME OF DISTRIBUTION COMPANY] shall have the right to invoke the L/C.
- 11.3 Within one week of beginning of each quarter, the amount of the L/C shall be upgraded, based on average energy input in previous quarter

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and applicable High Tension and Low Tension Input Rates for the year as per Annexure-7. The said input rates shall be indexed as per the Tariff Indexing Ratio, calculated as Ratio of prevailing average tariff for the last quarter as applicable to all consumers in the Franchise Area and average tariff as applicable to all consumers in the Franchise Area in the Base Year. Average tariff shall be computed as sum product of total billed units and approved tariff in each consumer category divided by total billed units in all consumer categories. Approved Tariff for this purpose shall mean the tariff and the applicable FOCA approved by [STATE ELECTRICITY REGULATORY COMMISSION]. However, under no circumstances shall the amount of L/C be revised downwards.

- 11.4 [NAME OF DISTRIBUTION COMPANY] may recover the outstanding payment after payment due date by invoking the L/C.
- 11.5 Distribution Franchisee shall, within one week of invocation of the L/C by [NAME OF DISTRIBUTION COMPANY], restore the same to the level prior to invocation. .
- 11.6 [NAME OF DISTRIBUTION COMPANY] shall review the amount of the Letter of Credit after one Contract Year depending on the payment record of the Distribution Franchisee.

ARTICLE 12: DEPUTATION OF [NAME OF DISTRIBUTION COMPANY] EMPLOYEES

The existing employees in the Franchise Area will be given an option to join the Distribution Franchisee on deputation.

- 12.1 [NAME OF DISTRIBUTION COMPANY] will make a list of such employees who wish to be on deputation. Thereafter, the Distribution Franchisee shall have freedom to choose from the list of willing employees. The Distribution Franchisee will have a right to accept/ reject without assigning any reason thereof.
- 12.2 [NAME OF DISTRIBUTION COMPANY] employees on deputation with the Distribution Franchisee shall be governed by the Distribution Franchisee's working terms and conditions. However, the Distribution Franchisee shall make those terms and conditions available upfront to all willing employees opting for deputation. For employees on deputation from [NAME OF DISTRIBUTION COMPANY], the employment terms and conditions shall be [NAME OF DISTRIBUTION COMPANY]'s terms & conditions of deputation as attached in Annexure 9 would be applicable. Distribution Franchisee would have the right to send any [NAME OF DISTRIBUTION COMPANY] employee on deputation with the Franchisee back to [NAME OF DISTRIBUTION COMPANY] with one month's notice to the [NAME OF DISTRIBUTION COMPANY] without assigning any reasons.

- 12.3 The cost of employees on deputation would be borne by Distribution Franchisee. The Distribution Franchisee will compensate the [NAME OF DISTRIBUTION COMPANY] employee on deputation with the Franchisee towards all the benefits available to him/ her as per his/ her employment terms of [NAME OF DISTRIBUTION COMPANY] such as monthly salary, statutory contributions like provident fund and pension funds etc. Distribution Franchisee will also be responsible for any liability arising on account of fringe benefit tax and any other tax applicable on benefits of [NAME OF DISTRIBUTION COMPANY] employee on deputation with the Franchisee.
- 12.4 At the end of the period of deputation or the Franchisee Agreement whichever is earlier, the employees on deputation will return to [NAME OF DISTRIBUTION COMPANY]. Such employees will not lose their seniority in [NAME OF DISTRIBUTION COMPANY] due to deputation with the Distribution Franchisee.
- 12.5 The Distribution Franchisee shall have the right to employ any number of personnel on any terms and conditions , to discharge the day-to-day functions relating to distribution of power in Franchise Area.
- 12.6 However, Distribution Franchisee's employees shall not become either Permanent or contract employees of [NAME OF DISTRIBUTION COMPANY] at any point in time during and after expiry of this agreement. The Distribution Franchisee shall expressly clarify at the time of the appointment of an employee that he/she shall not have a right to claim employment with [NAME OF DISTRIBUTION COMPANY] during the subsistence or even after the expiry of this Agreement. Only the persons expressly agreeing to these conditions shall be employed by the Distribution Franchisee. [NAME OF DISTRIBUTION COMPANY] will not be responsible or liable for the claims raised by the employees of the Distribution Franchisee and the Distribution Franchisee shall indemnify [NAME OF DISTRIBUTION COMPANY] in respect thereof.

ARTICLE 13: REPORTING AND AUDIT

13.1 Reporting

The Distribution Franchisee shall furnish to [NAME OF DISTRIBUTION COMPANY] the following information as per schedule stated therein:

- 13.1.1 Distribution Franchisee shall be required to submit data regarding billing and collection inclusive of Electricity Duty, Security Deposit collected on account of new connections. Distribution Franchisee shall provide consumer-wise information in the format specified by [NAME OF DISTRIBUTION COMPANY] detailing the billing, collection and all related information on a monthly basis every month by a mutually agreed date. Such information shall be kept confidential by [NAME OF DISTRIBUTION COMPANY] and shall be used only under conditions of default by Distribution Franchisee under the Distribution Franchisee Agreement

13.1.2 For the initial stabilization period, Such data shall be submitted as per schedule below:

Days from Effective Date	Information to be submitted on Day
1-27	30
28-42	45
43-57	60
58-60	63

13.1.3 After the initial stabilization period, the above information shall be submitted as per the respective billing cycle and shall be submitted to [NAME OF DISTRIBUTION COMPANY] not later than three (03) days after the end of the billing cycle as per Article-7.1.

13.1.4 Distribution Franchisee shall be required to update the asset register and submit the same to [NAME OF DISTRIBUTION COMPANY] on a quarterly basis for the first year and thereafter on a monthly basis within thirty(30) days after the end of respective periods.

13.1.5 Distribution Franchisee shall generate periodic Management Information System (MIS) and Monitoring Reports as required by [NAME OF DISTRIBUTION COMPANY] and [STATE ELECTRICITY REGULATORY COMMISSION] in formats enclosed at Annexure-10 and also communicate them to [NAME OF DISTRIBUTION COMPANY] through email.

13.1.6 Distribution Franchisee shall submit detailed inventory status reports on an annual basis for all inventories within the Franchise Area.

13.1.7 All correspondence, records, reports, presentations and other forms of information developed by the Distribution Franchisee whether electronic or physical, and required by the Licensee to continue operations, shall become the property of [NAME OF DISTRIBUTION COMPANY] upon Expiry/ termination subject to applicable permissions. [NAME OF DISTRIBUTION COMPANY] reserves, without limitation, the right to use procedures, forms and productivity enhancement methods developed under this Agreement elsewhere subject to applicable permissions. Notwithstanding the above, the Distribution Franchisee shall have the right to retain copies of information, reports, correspondence, presentations mentioned above.

13.1.8 Distribution Franchisee shall notify [NAME OF DISTRIBUTION COMPANY] of any major incident that has occurred affecting any part of the Distribution System and shall at the earliest possible and

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in any event, by no later than fifteen (15) days or such period as may be extended by [NAME OF DISTRIBUTION COMPANY] from the date of such Major Incident. Distribution Franchisee shall also submit a report to [NAME OF DISTRIBUTION COMPANY] giving full details of the facts within the knowledge of the Distribution Franchisee regarding the incident and its cause.

13.1.9 Distribution Franchisee shall provide to the [NAME OF DISTRIBUTION COMPANY] within reasonable time such further particulars and information as may be required by [NAME OF DISTRIBUTION COMPANY] relating to the implementation of this Agreement for providing the same to the Govt of [name of the state] or any other statutory authorities entitled to the same under the provisions of the law.

13.2 Audit

13.2.1 Distribution Franchisee will allow for yearly audit of assets and inventories within the Franchise Area by [NAME OF DISTRIBUTION COMPANY].

13.2.2 Distribution Franchisee will also allow an yearly audit of the billing data including the system and database and Consumer service centres operated within the scope of the Franchise Area.

13.2.3 [NAME OF DISTRIBUTION COMPANY] may, at anytime during the subsistence of this agreement, authorize any person(s) to inspect, verify and audit the required data and records for the purpose of verifying information received under this contract, and the Distribution Franchisee shall be obliged to extend all cooperation, assistance and facilities, as may be required, to such authorized person(s).

13.2.4 The audit of electricity duty and claims for subsidy shall be carried out as mentioned in Article 9 and Article 10.

13.2.5 [NAME OF DISTRIBUTION COMPANY] reserves the right to conduct the physical verification of the Distribution Assets belonging to [NAME OF DISTRIBUTION COMPANY] at any time during the term of this Agreement.

13.2.6 All the aforesaid audits/verifications shall be conducted by person(s) duly authorized for the specific purpose by the Agreement Representative.

13.2.7 The Distribution Franchisee shall comply with all reporting formats and data requirements prescribed by the Auditors.

ARTICLE 14: INDEMNIFICATION

Indemnity

14.1 The Distribution Franchisee during the term of this Agreement shall indemnify, defend and hold [NAME OF DISTRIBUTION COMPANY]

harmless against:

- 14.1.1 Any acts of omissions/commission of Distribution Franchisee with regard to the electricity services provided by [NAME OF DISTRIBUTION COMPANY]. In such event Distribution Franchisee shall have no claim for compensation, incentive or any other claim against [NAME OF DISTRIBUTION COMPANY].
- 14.1.2 Claims against [NAME OF DISTRIBUTION COMPANY] made by any third party for any act of commission or omission by Distribution Franchisee, Distribution Franchisee shall indemnify and hold [NAME OF DISTRIBUTION COMPANY] harmless and compensate all the losses so caused to [NAME OF DISTRIBUTION COMPANY]. [NAME OF DISTRIBUTION COMPANY] shall also be entitled to defend any action with third parties at the cost and expenses of Franchisee.
- 14.1.3 All monetary obligations or losses or implications arising out of such action of Distribution Franchisee in the nature of costs, expenses or damages. [NAME OF DISTRIBUTION COMPANY] shall have no liability in respect of loss of profit, loss of income, loss of agreement or any other losses or damages suffered or arising out of or in connection with existence of any defects whether latent or apparent in electricity network and the obligation of Distribution Franchisee to provide support services shall remain unaffected thereby.
- 14.1.4 Claims on all the employees of [NAME OF DISTRIBUTION COMPANY] on deputation against any loss/implication arising out of the actions of Distribution Franchisee.
- 14.1.5 Non-payment of all taxes, duties, and statutory /local levies arising as a result of this commercial transaction as required under Article 7.2.18
- 14.1.6 Non-compliance of the Laws, Regulations, Orders and Directives of [STATE ELECTRICITY REGULATORY COMMISSION] by the Distribution Franchisee.
- 14.1.7 Any penalty imposed on account of non-compliance as stated hereinabove.
- 14.1.8 This Indemnification shall survive the term of this Agreement.
- 14.2 [NAME OF DISTRIBUTION COMPANY] shall indemnify, defend and hold the Distribution Franchisee harmless against:
 - 14.2.1 Acts of commission or omission in the Franchise Area by [NAME OF DISTRIBUTION COMPANY] prior to the Effective Date of this Agreement.
 - 14.2.2 Third party claims on account of [NAME OF DISTRIBUTION COMPANY] Distribution Assets as on Effective Date, for a period of six months from the Effective Date provided the Distribution Franchisee has taken all reasonable care of the Distribution Assets. The aggregate amount of the liabilities to be compensated by [NAME

OF DISTRIBUTION COMPANY] during the said period of six months in respect of all such claims shall be limited to Rs. [amount in number] Lakhs. Provided, however that such indemnity shall be limited only to legally established claims.

Procedure for claiming indemnity Third party claims

- (a) Where either party is entitled to indemnification from the other party pursuant to Article 14.1 or Article 14.2, it shall promptly notify the other party of such claim, proceeding, action or suit referred to in Article 14.1 or Article 14.2 in respect of which it is entitled to be indemnified. Such notice shall be given as soon as reasonably practicable after the Indemnified party becomes aware of such claim, proceeding, action or suit. The indemnifying party shall be liable to settle the indemnification claim within thirty (30) days) of receipt of the above notice.

Provided however that, if:

- (i) the Parties choose to contest, defend or litigate such claim, action, suit or proceedings in accordance with Article 14.2.1(b) below; and
- (ii) the claim amount is not required to be paid/deposited to such third party pending the resolution of the dispute,

The indemnifying party shall become liable to pay the claim amount to indemnified party or to the third party, as the case may be, promptly following the resolution of the dispute, if such dispute is not settled in favour of the indemnifying party.

- (b) The Indemnified Party may in consultation with the Indemnifying Party, contest, defend and litigate a claim, action, suit or proceeding for which it is entitled to be indemnified under Article 14.1 or Article 14.2 and the indemnifying Party shall reimburse to the indemnified Party all reasonable costs and expenses incurred in this respect. However, the indemnified Party shall not settle or compromise such claim, action, suit or proceedings without first getting the consent of the indemnifying Party, which consent shall not be unreasonably withheld or delayed.

The indemnifying Party may, at its own expense, assume control of the defence of any proceedings brought against the indemnified Party, if it acknowledges its obligation to indemnify, gives prompt notice of its intention to assume control of the defence, and employs an independent legal counsel at its own cost.

Indemnifiable Losses

Where either party is entitled to Indemnifiable Losses from the indemnifying party pursuant to Article 14.1 or Article 14.2, it shall promptly notify the indemnifying party of the Indemnifiable Losses. The indemnifying party shall pay the Indemnifiable Losses within (30) thirty days of receipt of the notice seeking Indemnifiable Losses by

indemnified party. It is expressly agreed herein that the Indemnifiable Losses of either party shall be restricted to costs and expenses for all claims except for the Indemnifiable Losses for third party claims, wherein consequential damages shall also be included, if applicable.

ARTICLE 15: INSURANCE

- 15.1 The Distribution Franchisee at its own discretion shall insure the assets purchased during the term of this Agreement in its own name.
- 15.2 The Distribution Franchisee shall also obtain and keep in effect all Insurances required under laws of India.

ARTICLE 16: EVENT OF DEFAULT AND TERMINATION

16.1 Distribution Franchisee Event of Default

The occurrence and continuation of any of the following events, unless any such event occurs as a result of a Force Majeure event or a breach by [NAME OF DISTRIBUTION COMPANY] its substantial obligations under this Agreement, shall constitute a Distribution Franchisee event of default:

16.1.1 Critical Event of Default

16.1.1.1 Critical Event of Default by the Distribution Franchisee shall mean failure or refusal by Distribution Franchisee to perform its following obligations under the Agreement:

- a Failure on account of Distribution Franchisee to make payments as per Article- 7 of this Agreement;
- b Failure to submit in time the Information Report as per Article 13.1.1,13.1.2 and 13.1.3;
- c Failure to maintain a performance guarantee as per the Article 11 of this Agreement.
- d Failure to maintain minimum service quality due to inadequate network investments

16.1.1.2 The other Critical Events of Default are:

- a. The Distribution Franchisee has engaged in a corrupt practice or/ and fraudulent practice in competing for executing the contract.
- b. A resolution for winding up has been passed by the majority shareholders of the Distribution Franchisee.
- c. The Distribution Franchisee is declared insolvent or bankrupt.
- d. The Distribution Franchisee has unlawfully repudiated this Agreement or has otherwise expressed an intention not to be

bound by this agreement.

- e. Any representation or warranty made by the Distribution Franchisee during the term of the agreement is found to be false and misleading.
- f. The Distribution Franchisee is indulging in any malpractice or corrupt practice or fraudulent practice(s).
- g. Sale of Input energy in the Franchise Area to any party outside the Franchise Area.
- h. Failure to comply with non-critical events of default within the specified period.

16.1.2 Non-critical Event of Default

Non-critical Event of Default by the Distribution Franchisee shall mean failure or refusal by Distribution Franchisee to perform its following obligations under the Agreement:

- 16.1.2.1 Failure to submit periodic performance report (Billing and Collection report, updation of Assets Register on monthly basis, Energy audit report) to [NAME OF DISTRIBUTION COMPANY] after a stabilization period of two months from Effective Date.
- 16.1.2.2 Reporting inconsistencies in energy/ revenue accounting, if observed during periodic/ unscheduled inspection.
- 16.1.2.3 Failure to comply with any other material terms and conditions, as applicable under this Agreement for a consecutive period of thirty (30) days.
- 16.1.2.4 Persistent non-compliance of Standards of Performance laid down by [STATE ELECTRICITY REGULATORY COMMISSION] after the first Contract Year. Persistent would mean non-compliance of any of terms of Standards of Performance in all similar cases for a continuous period of three months.
- 16.1.2.5 Persistent non-compliance of [STATE ELECTRICITY REGULATORY COMMISSION]'s "Electricity Supply Code and Other Conditions of Supply" as approved and modified from time to time after the first Contract Year. Persistent would mean repeated non-compliance of any of terms of [STATE ELECTRICITY REGULATORY COMMISSION]'s "Electricity Supply Code and Other Conditions of Supply for a continuous period of three months.
- 16.1.2.6 Failure to deposit statutory payments of [NAME OF DISTRIBUTION COMPANY]'s Deputationist employees within the stipulated period.
- 16.1.2.7 Failure on account of Distribution Franchisee to comply with all the

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relevant labour laws applicable to [NAME OF DISTRIBUTION COMPANY]'s Deputationist employees.

If any of the above is in default for a period of more than 60 days, it shall become a Critical Event of Default as per Article 16.1.1.2 (h)

16.2 [NAME OF DISTRIBUTION COMPANY]'s Event of Default

The occurrence and continuation of any of the following events, unless any such event occurs as a result of a Force Majeure Event or a breach by Distribution Franchisee of its substantial obligations under this Agreement, shall constitute a [NAME OF DISTRIBUTION COMPANY] Event of Default:

a) Critical Event of Default

i) [NAME OF DISTRIBUTION COMPANY] does not ensure the supply of power to Distribution Franchisee of acceptable quality standards as per Article 5.4 above 90% of entitled pro-rata quantity as per article 5.4.1 for a period of six days in a calendar month.

b) Non-Critical Event of Default

i) Breach of Any other material terms and conditions, as applicable under this Agreement for a consecutive period of thirty (30) days. If the default continues for a period of more than 60(sixty) days, it shall become a Critical Event of Default.

16.3 Termination Procedure for Event of Default by Distribution Franchisee

16.3.1 On the occurrence of any Event of Default, or its coming to notice of [NAME OF DISTRIBUTION COMPANY], [NAME OF DISTRIBUTION COMPANY] shall issue an Event of Default notice to the Distribution Franchisee.

16.3.2 The Distribution Franchisee shall eliminate/ mitigate consequences of such Event of Default within a period of 15 days for Event of Default cited at 16.1.1.1 and 60 days for Events of Default cited at 16.1.1.2.

16.3.3 In case the Distribution Franchisee is unable to eliminate/ mitigate the consequences of Event of Default within the period stipulated at 16.3.2 a preliminary notice of termination may be served by [NAME OF DISTRIBUTION COMPANY] to the Distribution Franchisee, elaborating the event of default by Distribution Franchisee.

16.3.4 If the default is not cured within a period of thirty days from the date of issue of the preliminary notice of termination as provided in Article 16.3.3, this Agreement may be terminated after serving the final termination notice to the Distribution Franchisee.

16.3.5 It is expressly agreed that both the parties shall continue to perform their respective obligations until the serving of final termination notice, whereupon this Agreement shall terminate on date of such notice.

16.3.6 [NAME OF DISTRIBUTION COMPANY] shall exercise its Step-in rights after serving the final termination notice. The Distribution Franchisee shall be obliged to extend transition assistance for a period of 30 days from the serving of such Final termination notice, failing which the costs and expenses incurred by [NAME OF DISTRIBUTION COMPANY] on the account of non-provision of such assistance by the Distribution Franchisee shall be recovered from the Termination payment of the Distribution Franchisee.

16.4 Termination Procedure for [NAME OF DISTRIBUTION COMPANY] Event of Default

16.4.1 On the occurrence of Event of Default by [NAME OF DISTRIBUTION COMPANY], the Distribution Franchisee shall issue an Event of Default notice to [NAME OF DISTRIBUTION COMPANY].

16.4.2 [NAME OF DISTRIBUTION COMPANY] shall eliminate/ mitigate consequences of such Event of Default within a period of 60 days.

16.4.3 In case [NAME OF DISTRIBUTION COMPANY] is unable to eliminate/ mitigate the consequences of Event of Default, a preliminary notice of termination may be served by the Distribution Franchisee to [NAME OF DISTRIBUTION COMPANY], elaborating the Event of Default by [NAME OF DISTRIBUTION COMPANY].

16.4.4 If the default is not cured within a period of thirty (30) days from the date of serving of preliminary termination notice, this Agreement may be terminated after serving the final termination notice to the defaulting Party.

16.4.5 It is expressly agreed that both the parties shall continue to perform their respective obligations until the serving of final termination notice, whereupon this Agreement shall terminate on date of such notice.

16.4.6 [NAME OF DISTRIBUTION COMPANY] shall exercise its Step-in rights after receiving the final termination notice. The Distribution Franchisee shall be obliged to extend transition assistance for a period of thirty (30) days from the serving of such Final termination notice, failing which the costs and expenses incurred by [NAME OF DISTRIBUTION COMPANY] on the account of non-provision of such assistance by the Distribution Franchisee shall be recovered from the Termination payment of the Distribution Franchisee.

16.5 Consequences of Termination

16.5.1 Consequences of Termination for Distribution Franchisee Event of Default

a) Without prejudice to the other rights of [NAME OF DISTRIBUTION COMPANY] in case of termination, Distribution Franchisee shall pay all the dues payable to [NAME OF DISTRIBUTION COMPANY] on the date of termination. Distribution Franchisee shall pay dues to third parties only after the payment of all [NAME OF DISTRIBUTION

- b) [NAME OF DISTRIBUTION COMPANY] has right to make good any shortfall from the performance guarantee.
- c) [NAME OF DISTRIBUTION COMPANY] unconditionally reserves the right to claim from Distribution Franchisee any costs, expenses or loss that it may have incurred by reason of breach of failure on the part of Distribution Franchisee to observe and perform any of the terms and conditions of the agreement.
- d) On termination of this Agreement however occasioned, the Distribution Franchisee shall forth with deliver to [NAME OF DISTRIBUTION COMPANY] all papers including the forms used, partially used and unused receipts books, all promotional materials and documents which may have come into its possession or custody under the terms of this Agreement or otherwise.
- e) The Distribution Franchisee shall furnish a certificate of Non-encumbrance to claim the amount due to him as per provisions of Article-5.2.

16.5.2 Consequences of Termination for [NAME OF DISTRIBUTION COMPANY] Event of Default without prejudice to the other rights of Distribution Franchisee in case of termination, [NAME OF DISTRIBUTION COMPANY] shall pay all the dues payable to Distribution Franchisee on the date of termination.

16.6 Step In Rights of [NAME OF DISTRIBUTION COMPANY]

16.6.1 Step-in Rights in case of Event of Default after serving of Final Termination Notice

- 1. [NAME OF DISTRIBUTION COMPANY] or its Designate(s) shall be entitled to immediately enter any and/or all of the Site(s) and operate the Distribution System and collect revenues due from Consumers.
- 2. [NAME OF DISTRIBUTION COMPANY] shall have the right to invoke the Letter of Credit furnished by the Distribution Franchisee to recover all its dues and outstanding amounts.
- 3. The Distribution Franchisee shall transfer all the Fixed Assets brought in as a part of the New Capital Expenditure in the Franchise Area in accordance with the Article-5.2.

Step-in Rights in the Event of Abandonment by the Distribution Franchisee .

- 1. [NAME OF DISTRIBUTION COMPANY] or its Designate(s) shall be entitled to immediately enter any and/or all of the Site(s) and operate the Distribution System.
- 2. [NAME OF DISTRIBUTION COMPANY] shall issue a take-over

notice to the Agreement Representative and serving of such notice shall be treated as a deemed takeover of operations by [NAME OF DISTRIBUTION COMPANY].

3. [NAME OF DISTRIBUTION COMPANY] shall invoke the Letter of Credit furnished by the Distribution Franchisee.
4. All Current Assets of the Distribution Franchisee in the Franchise Area shall stand transferred to [NAME OF DISTRIBUTION COMPANY] .
5. All Capital (Moveable and Immoveable) Assets of the Distribution Franchisee brought in the Franchise Area in accordance with Article 5.2 shall stand transferred to [NAME OF DISTRIBUTION COMPANY].
6. However, the liability of meeting the repayment obligations on account of financing arrangements for such assets shall lie with the Distribution Franchisee.

Step-in Rights of [NAME OF DISTRIBUTION COMPANY] in the Events of Partial Disruption of electric supply services.

In case of disruption of electric supply services in any part of the Franchise Area, leading to severe public inconvenience, [NAME OF DISTRIBUTION COMPANY] shall have a right to step-in the Franchise Area and restore electric supply services. The costs and expenses incurred for restoration by [NAME OF DISTRIBUTION COMPANY] shall be borne by the Distribution Franchisee

16.7 Mode of Expiry Payment

6.7.1 The expiry payment to the Distribution Franchisee shall consist of the following:

- a) Depreciated Value of capital assets worked out as per Article-5.2;
- b) Value of current assets worked out as per Article-5.3;
- c) Arrears accrued in the last one-month prior to Expiry as per Article-8.12.

16.7.2 An amount equal to 70% of the depreciated value of capital assets on Expiry Date worked out as per the audit conducted at the end of **ninth** contract year shall be released to the Distribution Franchisee not later than 15 days from the Expiry Date upon furnishing of a certificate of non-encumbrance by the Distribution Franchisee and from the bankers of the Franchisee.

16.7.3 The balance payment on account of capital assets after accounting for deviations shall be released on completion of physical verification

and auditing but not later than 60 days from expiry.

16.7.4 [NAME OF DISTRIBUTION COMPANY] shall furnish to the Distribution Franchisee a bank guarantee for an amount equivalent to the depreciated value on the expiry date, of Distribution Assets added by the Distribution Franchisee. Such value shall be based on the capital assets audit conducted at the end of ninth year. The bank guarantee shall be furnished six months prior to expiry and shall be encashable to the extent dues established under (i) below and subject to 16.7.2 above, if the payment computed as per Article 5.2.7 & 5.2.8 is not released within a period of 60 (sixty) days on the fulfilment of all of the following:

- (i) Such Assets have been physically verified by the Joint Audit Team of [NAME OF DISTRIBUTION COMPANY] and the Distribution Franchisee and have been found to be in working order. The verification shall be completed within one month after Expiry of the agreement. In case of shortfalls, the non-disputed amount shall be released promptly.
- (ii) The Distribution Franchisee has furnished a Certificate of Non-encumbrance issued both by the Franchisee as well as its bankers in respect of such Distribution Assets.
- (iii) The title and possession of such assets has been transferred to [NAME OF DISTRIBUTION COMPANY].

16.7.5 The payment for current assets due to the Distribution Franchisee shall be released not later than 60 days from Expiry date.

16.7.6 [NAME OF DISTRIBUTION COMPANY] shall also establish a bank guarantee for payment towards arrears accrued one month prior to the Expiry after such an amount has been jointly determined and agreed by [NAME OF DISTRIBUTION COMPANY] and Distribution Franchisee. The bank guarantee shall be encashable by Distribution Franchisee, if such jointly agreed payment is not released within a period of 90 days from Expiry.

16.7.7 All the above payments shall be released after deductions on account of any outstanding amount towards [NAME OF DISTRIBUTION COMPANY], if any.

16.8 Mode of Termination Payment in case of [NAME OF DISTRIBUTION COMPANY] Event of Default

16.8.1 The Termination payment to the Distribution Franchisee shall consist of the following:

- a) Depreciated Value of capital assets worked out as per Article-5.2;
- b) Value of current assets worked out as per Article-5.3;

c) Arrears accrued in the last one-month prior to termination as per Article-8.12

16.8.2 An amount equal to 50% of the depreciated value of capital assets on Termination date worked out as per the audit conducted at the end of last contract year shall be released to the Distribution Franchisee not later than fifteen (15) days from the Termination Date upon furnishing of a certificate of non-encumbrance by the Distribution Franchisee and from the bankers of the Franchisee.

16.8.3 The balance payment on account of capital assets after accounting for deviations shall be released on completion of physical verification and auditing but not later than sixty (60) days from Termination Date.

16.8.4 [NAME OF DISTRIBUTION COMPANY] shall furnish to the Distribution Franchisee a bank guarantee for an amount equivalent to the depreciated value on the Termination date, of Distribution Assets added by the Distribution Franchisee. Such value shall be based on the capital assets audit conducted at the end of last contract year. The bank guarantee shall be furnished within a period of fifteen (15) days from Termination and shall be encashable to the extent dues established under (i) below and subject to 16.8.2 above, if the payment computed as per Article 5.2.7 & 5.2.8 is not released within a period of 60 (sixty) days on the fulfilment of all of the following:

(i) Such Assets have been physically verified by the Joint Audit Team of [NAME OF DISTRIBUTION COMPANY] and the Distribution Franchisee and have been found to be in working order. The verification shall be completed within one month after Termination of the agreement. In case of shortfalls, the non-disputed amount shall be released promptly.

(ii) The Distribution Franchisee has furnished a Certificate of Non-encumbrance issued both by the Franchisee as well as its bankers in respect of such Distribution Assets.

(iii) The title and possession of such assets has been transferred to [NAME OF DISTRIBUTION COMPANY].

16.8.5 The payment for current assets due to the Distribution Franchisee shall be released not later than sixty (60) days from Termination date.

16.8.6 [NAME OF DISTRIBUTION COMPANY] shall also establish a bank guarantee for payment towards arrears accrued one month prior to such Termination after such an amount has been jointly determined and agreed by [NAME OF DISTRIBUTION COMPANY] and Distribution Franchisee. The bank guarantee shall be encashable by Distribution Franchisee, if such jointly agreed payment is not released within a period of 90 days from Termination.

16.8.7 All the above payments shall be released after deductions on account

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of any outstanding amount towards [NAME OF DISTRIBUTION COMPANY], if any .

16.9 Mode of Termination Payment in case of Distribution Franchisee Event of Default

16.9.1 The Termination payment to the Distribution Franchisee shall consist of the following:

- a) Depreciated Value of capital assets worked out as per Article-5.2;
- b) Value of current assets worked out as per Article-5.3;
- c) Arrears accrued in the last one-month prior to Expiry as per Article-8.12.

16.9.2 An amount equal to 50% of the depreciated value of capital assets on Termination date worked out as per the audit conducted at the end of last contract year shall be released to the Distribution Franchisee not later than 15 days from the Termination Date upon furnishing of a certificate of non-encumbrance by the Distribution Franchisee.

16.9.3 The balance payment on account of capital assets after accounting for deviations shall be released on completion of physical verification and auditing but not later than 60 days from Termination Date.

16.9.4 The payment for current assets due to the Distribution Franchisee shall be released not later than 60 days from Termination date.

16.9.5 The payment for arrears accrued in the last one month prior to expiry shall be released not later than 90 days from the Termination date.

16.9.6 All the above payments shall be released after deductions on account of any outstanding amount towards [NAME OF DISTRIBUTION COMPANY], if any.

ARTICLE 17: GOVERNING LAW AND DISPUTE RESOLUTION

17.1. Governing Law

17.1.1 This Agreement has been executed and delivered in India and its interpretations, validity and performance shall be construed and enforced in accordance with the laws of India and also the laws applicable to the state of [Name of the State].

17.1.2 Any dispute arising out of compliance/ non-compliance of this Agreement shall be exclusively under the jurisdiction of court at [Name of the Place]

17.1.3 Disputes between the consumers in the Franchise Area and [NAME OF DISTRIBUTION COMPANY] shall be referred to the existing relevant Consumer Grievance Redressal Forums.

17.2 Amicable Settlement

17.2.1 Either Party shall be entitled to raise any dispute or differences of whatever nature arising under, out of or in connection with this Agreement including its existence or validity by giving a written notice to the other Party, which shall contain:

- (i) The details of the Dispute;
- (ii) The grounds for such Dispute; and
- (iii) All documentary evidence in support of its claim.

17.2.2 The other Party shall, within thirty (30) days of receipt of dispute notice issued under Article 17.2.1, furnish:

- (i) Counter-claim and defences if any regarding the Dispute; and
- (ii) All documentary evidence in support of its defences and counter-claim.

17.2.3 Both the parties shall constitute a Permanent Dispute Resolution Body having equal representation from each of the parties. The disputes or differences arising under this Agreement shall be referred for resolution to this body, which shall communicate its decision within Thirty (30) days.

17.2.4 In case of non-settlement of dispute by the Permanent Dispute Resolution body, such dispute or differences shall be referred for decision to a body constituted of Head of [NAME OF DISTRIBUTION COMPANY] and Head, Distribution Franchisee (by whatever name called) which shall communicate its decision within a period of (15) fifteen days.

17.2.5 Any dispute arising out of, in connection with or with respect to this agreement, the subject matter hereof, the performance or non-performance of any obligation hereunder, which cannot be resolved by negotiation between the Parties and the Dispute Resolution procedure as stated in the foregoing Articles, shall be exclusively submitted to arbitration at the request of either party upon written notice to that effect to the other party and. The proceedings shall be conducted subject to the provisions of the Arbitration and Conciliation Act, 1996 (the Arbitration Act) by a panel consisting of three arbitrators.

17.2.6 While submitting the dispute or difference to arbitration in accordance with this Article the Party so submitting shall, in its notice, specify the name of one arbitrator appointed by it. Within 30 (thirty) days of the receipt of notice, the other Party shall appoint an arbitrator. The third arbitrator (who will act as the chairman) shall be nominated by the two arbitrators appointed as aforesaid or, failing such nomination within 30 (thirty) days of the appointment of the second arbitrator, shall be appointed in accordance with the Arbitration Act.

17.2.7 The language of the arbitration shall be English. The venue of Arbitration shall be at [name of the Place]

17.2.8 The arbitration award shall be in writing. The arbitrators shall also decide on the costs of the arbitration proceedings.

17.2.9 The Parties agree that the award of the arbitrators shall be final and

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binding upon the Parties.

17.2.10 Notwithstanding anything to the contrary contained in this Agreement, the provisions of this Article-17 shall survive the termination of this Agreement.

17.2.11 Both the parties shall continue to perform their respective obligations during the conduct of the Dispute Settlement Procedure.

17.3 Disputed Payments

17.3.1 An invoice raised by [NAME OF DISTRIBUTION COMPANY] in terms of Article-7 can be disputed by the Distribution Franchisee; however, the Distribution Franchisee shall remit the payment under protest against the same to [NAME OF DISTRIBUTION COMPANY] within the stipulated time. Cases of excessive billing, if any, during the last three months shall be jointly identified by the [NAME OF DISTRIBUTION COMPANY] and DF and shall be referred to the high level committee envisaged under Annexure -8: 'Procedure for recovery of arrears' in the Distribution Franchisee Agreement. Such excessive amount shall be excluded from the payment responsibility within three months

17.3.2 In case the dispute is resolved in the favour of the Distribution Franchisee, [NAME OF DISTRIBUTION COMPANY] shall within 7 (seven) days of settlement of such dispute refund the excess amount along with an interest of @[rate in number %] per annum on this amount, for a period from the date of remission of payment by the Distribution Franchisee and the date of refund of the excess amount.

17.3.3 The information submitted by Distribution Franchisee and forming a basis for the Invoice can also be disputed by [NAME OF DISTRIBUTION COMPANY].

17.3.4 In case the dispute is resolved in the favour of [NAME OF DISTRIBUTION COMPANY], the Distribution Franchisee shall within 7 days of settlement of such dispute refund the additional amount along with an interest of @[rate in number %] per annum on this amount, for a period from the date of remission of corresponding payment by the Distribution Franchisee and the date of remittance of the additional amount.

17.4 Severability

If any section, provision or Article of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, or is pre-empted by central or state laws, regulations or regulatory agencies, the remainder of this Agreement shall not be affected, except as is otherwise provided in this agreement. However if the implication of such a situation is significant, both the parties may mutually decide the future course of action.

ARTICLE 18: FORCE MAJEURE

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No Party shall be liable to the other Parties if, and to the extent, that the performance or delay in performance of any of its obligations under this Agreement is prevented, restricted, delayed or interfered with due to occurrence of any event of force Majeure including acts of God, acts of any Government (de jure or de facto) or regulatory body or public enemy, war, riots, embargoes, industry-wide strikes, the reduction in supply due to outage of generation facilities / transmission lines or any other causes, circumstances, or contingencies, whether of a similar or dissimilar nature to the foregoing, beyond the parties control, which cannot be reasonably forecast or prevented, thereby, hindering the performance by the parties of any of their obligations hereunder. The Party claiming an event of force majeure shall promptly notify the other Parties in writing, and provide full particulars of the cause or event and the date of first occurrence thereof as soon as possible after the event and also keep the other Parties informed of any further developments. The Party so affected shall use its best efforts to remove the cause of non-performance, and the Parties shall resume performance hereunder with the utmost dispatch when such cause is removed. For the purpose of clarity, the Parties agree that the failure of a Party to adhere to any statutory or regulatory requirement or to obtain necessary approvals shall not be deemed to be a force majeure situation. A condition of force majeure shall not relieve any Party of any obligation due under this Agreement prior to the event of force majeure.

In the event of a prolonged event of Force Majeure (continuing for a period of more than 180 days) a preliminary notice of termination may also be issued by either Party leading to the termination of the Agreement. The payment mechanism for this case shall be the same as described in Article-16.7.

ARTICLE 19: MISCELLANEOUS PROVISIONS

[NAME OF DISTRIBUTION COMPANY] shall refrain from unreasonably interfering with the Distribution Franchisee in exercising of its rights or the performance of or compliance with its obligations under this Agreement.

[NAME OF DISTRIBUTION COMPANY] shall make all reasonable efforts to ensure that its staff not assigned to the Franchise Area does not impede the Distribution Franchisee from exercising its rights or performing its obligations under this Agreement.

The Parties shall establish formal communication means for purposes of exercising their respective rights and performing or complying with their respective obligations under this Agreement. Each of the Parties shall designate an Engineer-in-charge who is duly authorised to act on behalf of the respective Parties, to liaise for purposes of and carry out Agreement Management pertaining to the management of all matters related to the compliance with the requirements of this Agreement. The Engineer-in-charge shall be of the rank of Designation of the Issuing Authority Engineer or equivalent and above from [NAME OF DISTRIBUTION COMPANY] and a rank of General Manager and above from Distribution Franchisee.

Both the parties shall duly appoint their respective Agreement Representative and the Disputes or differences arising out of the execution of this Agreement shall be dealt by them. The Agreement Representative shall be of the rank of

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Executive Director or equivalent and above from both the sides.

Distribution Franchisee may consider the use of innovative operating systems and technical solutions for loss reduction, theft prevention, credit control, etc. If such a system is being implemented then the Distribution Franchisee will submit information about such plans, processes and procedures to [NAME OF DISTRIBUTION COMPANY]. All these systems must be in compliance with Regulatory and Licensee conditions. [NAME OF DISTRIBUTION COMPANY], in consultation with the Distribution Franchisee may depute a reasonable number of its employees to be trained on such new systems and processes.

In the event the Distribution Franchisee undergoes merger/ acquisition/ amalgamation, it will duly seek approval from [NAME OF DISTRIBUTION COMPANY] for assignment of this agreement to the new entity. This would facilitate better coordination with the new entity.

The necessary approvals/consents under this agreement shall not be withheld or delayed unreasonably by any of the party. Any approval or consent given under this Agreement shall be valid only if given in writing.

The Distribution Franchisee may create charge on its gross margin i.e. the revenue realizations less the amount payable to [NAME OF DISTRIBUTION COMPANY] as per the regular invoices. Notwithstanding the foregoing, the repayment obligations in all cases shall lie with the Distribution Franchisee.

The language of communication between two parties shall be English only. The Distribution Franchisee shall not use the [NAME OF DISTRIBUTION COMPANY] assets for any other use except for distribution of electricity and activities concerned with the subject of this Franchisee

[NAME OF DISTRIBUTION COMPANY] at the request of the Distribution Franchisee shall pursue with the relevant agencies for the augmentation of EHV line and transformer capacity for Franchise Area.

Infrastructure Roll-out Plan: The Distribution Franchisee shall submit an Infrastructure Roll-out plan to [NAME OF DISTRIBUTION COMPANY] stating the tentative investments to be carried out by in the Franchise Area to lower the Distribution Losses and improve the quality of supply. The same may be submitted before Effective Date. The plan shall be indicative and the actuals may differ. [NAME OF DISTRIBUTION COMPANY] shall facilitate the Distribution Franchisee in approaching the [STATE ELECTRICITY REGULATORY COMMISSION] for approval of the Infrastructure Roll Out Plan. Any investment by the Distribution Franchisee which is not approved by the [STATE ELECTRICITY REGULATORY COMMISSION] shall not be compensated by [NAME OF DISTRIBUTION COMPANY] at the expiry/ termination of the Franchise.

[NAME OF DISTRIBUTION COMPANY] shall mark a copy of the Directives received by it under applicable laws, Regulations and Directives of [STATE ELECTRICITY REGULATORY COMMISSION], which are not in the public domain.

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Notices

All notices to be given under this Agreement shall be in writing and in the English language.

All notices must be delivered personally, by registered or certified mail or by facsimile transmission to the address given below:

For [NAME OF DISTRIBUTION COMPANY]:

Engineer In Charge :

Phone:

Fax:

E-Mail:

Agreement Representative:

[Director [Operations]]

[NAME OF DISTRIBUTION COMPANY]

[Place]

Phone:

Fax:

E-Mail:

For Distribution Franchisee:

Engineer-in-charge:

Agreement Representative:

All notices shall be effective: (i) if sent by facsimile transmission, when sent (on receipt of confirmation of the correct number or address); (ii) if sent by registered post or certified mail, within 5 days of dispatch; and (iii) if delivered personally, on receipt by intended recipient. Provided that all notices given by facsimile transmission shall be confirmed by registered or certified mail. Each party shall forthwith notify the other party of any change in its address to which notices under this Agreement are to be delivered, mailed or facsimiled.

Amendment:

This Agreement may be amended only by written agreement of the Parties hereto, duly executed by an authorized representative of each of the Parties hereto.

Non-Waiver

The failure in any one or more instances of a Party to insist upon performance

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of any of the terms, covenants or conditions of this Agreement, to exercise any right or privilege in this Agreement conferred or the waiver by said party of any breach of any of the terms, covenants or conditions of this Agreement shall not be construed as a subsequent waiver of any such terms, covenants, conditions, rights or privileges, but the same shall continue and remain in full force and effect.

Binding Effect

This Agreement and the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns.

Annexures attached hereto form part of the Agreement.

[NAME OF DISTRIBUTION COMPANY] and the Distribution Franchisee hereby represent and warranty that:

- a) They are not prevented under the applicable Laws and Regulations to enter into this Agreement;
- b) They have obtained the required authorizations/ permits to sign this Agreement.

IN WITNESS WHEREOF the Parties have executed these presents through their authorized representatives at

[Place].

For and on behalf of

For and on behalf

[Name of Distribution
Distribution Company]

[Name of Distribution
Franchisee]

Signature with seal

Signature with seal

Witness:

1.

2.

Witness:

1.

2.

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List of Annexures

Annexure-1:	Brief Description of Franchise Area
Annexure-2:	Schedule of costs for Distribution Assets for FY [Base year]
Annexure-3:	Depreciation Rates for Distribution Assets
Annexure-4:	Methodology for Energy Audit
Annexure-5:	Minimum level of inventory
Annexure-6:	Specifications of Consumer Service Centre
Annexure-7:	Schedule of Annualized High Tension and Low Tension Input Rates
Annexure-8:	Procedure for Recovery of Arrears
Annexure-9:	Deputation Rules of [NAME OF DISTRIBUTION COMPANY]
Annexure-10:	MIS Report and Monitoring Report
Annexure-11:	Load Growth Estimate in the Franchise Area
Annexure-12:	Average Annual Realization in the Franchise Area
Annexure-13:	Procedure for calculation and application of tariff indexation

Annexure- 1 (a)

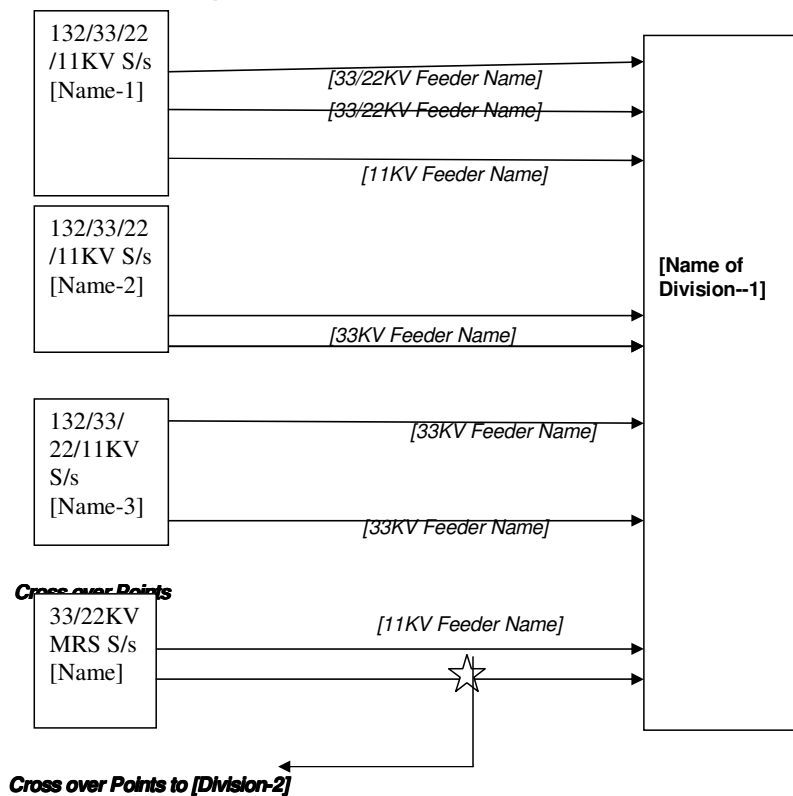
Brief Description of Franchisee Area (Division-wise)

[Name of the Distribution Circle]					
Particulars	Units	[Division-1]	[Division-2]	[Division-...]	Total
Number of EHV Sub-station from where energy is input-Nos					
33/22 kV Input Points,	Nos.				
11 kV Input Points	Nos.				
11 kV Input Points [Cross over]	Nos.				
Total Input Points	Nos.				
33/22 kV Substations					
33/22 kV Substation Capacity-MVA	Nos.				
11 kV Switching Stations	Nos.				
33/22 kV Feeders	Nos.				
11 kV Feeders	Nos.				
33/22 KV Lines					
Over head Lines	Nos.				
Under Ground cables	Nos.				
Total	Nos.				
11 KV Lines					
Over head Lines	Nos.				
Under Ground Cable	Nos.				
Total	Nos.				
L.T. Lines					
Over head Lines	Nos.				
Under Ground Cable	Nos.				
Total	Nos.				
Poles-Nos					
33/22 KV Lines	Nos.				
11 KV Lines	Nos.				
L.T. Lines	Nos.				
Total	Nos.				
11KV/433 V DTCs	Nos.				

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Annexure-1(b) Category wise numbers of Consumers				
[Name of the Distribution Circle]				
Nos of Consumers as on [Date]	[Division-1]	[Division-2]	[Division-...]	Total
Residential				
Commercial				
IP/Powerloom				
Street Light				
PWW				
High Tension				
Agricultural				
Total				

Annexure-1(c): Schematic of Each division of proposed Franchisee area , showing Substations, Feeders, Input Points, Cros over Points,etc . Typical Schematic of Input Feeders of [Name of Division- 1] shown below



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Summary of Input Points of [Division-1]			
Sr No	Name of Sub stations	Nos of 33/22KV feeders	Nos of 11KV feeders
1	132KV S/s [Name-1]		
2	132KV S/s [Name-2]		
3	132KV S/s [Name-3]		
4	Cross over [Division-2]		
	Total-Nos		

Annexure-2

Schedule of costs for Distribution Assets for FY [Base year]					
Cost of various items under Distribution Asset, as applicable in FY [Base year]					
[in Rs per unit]					
I.	High Tension Lines				
Sr. No.	Wind Pressure	50kg/m²	75kg/m²	100kg/m²	150kg/m²
1	11 kV Lines with 30 mm² ACSR [Weasel]				
	Conventional Line Fittings				
2	22/33 kV Lines with 30 mm² ACSR [Weasel]				
	Conventional Line Fittings				
3	22/33 kV Line with 100 mm² ACSR of 3 kms				
	Conventional Line Fittings				
4	Double Pole Structure per every 1.6 kms of 11kV/22/33kV Lines with 30 mm² ACSR [Weasel]				
a.	Conventional Line Fittings 11kV				
b.	Conventional Line Fittings 22/33kV				
5	Tapping Structure				

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a.	11kV line with isolator				
b.	11kV line without isolator				
c.	22/33kV line with isolator				
d.	22/33kV line without isolator				
II.	Distribution Transformer Centre				
Sr. No.	Wind Pressure	50kg/m²	75kg/m²	100kg/m²	150kg/m²
1	11/0.433 kV T/F				
a.	63 kVA with D/B				
b.	100 kVA with D/B				
2	33/22/0.433 kV T/F				
a.	63 kVA with D/B				
b.	100 kVA with D/B				
III.	Low Tension Lines				
Sr. No.	Wind Pressure	50kg/m²	75kg/m²	100kg/m²	150kg/m²
1	3ph. 5 wire				
a.	With Phase ANT neutral GNAT				
b.	With all GNAT				
2	3ph. 4 wire				
a.	With Phase ANT neutral GNAT				
b.	With all GNAT				
3	1ph 3 wire				
a.	With all GNAT				
4	1ph 2 wire				
a.	With all GNAT				
IV	Service Connections				
1	Three Phase [LT. Connections	With MCB with Meter	without MCB with Meter		
a.	Upto 5 H.P.				
b.	Above 5 H.P. [upto 20 H.P.]				
2	Single Phase [L&F] Connections				

Circle

Annexure-3	
Depreciation Rates for Distribution Assets	
Description of Asset	Depreciation Rate on Straight Line
A. Land owned under Full Title	
B. Land held under Lease	
a) for investment in the land	
b) for cost of clearing site	
Assets purchased	
A) Plant and machinery in generating stations included plant foundations;-	
i) Hydro-electric	
ii) Steam electric & NHRS waste heat recovery boilers plants.	
iii) Diesel - electric & gas plant	
B) Cooling towers and circulating water systems.	
C) Hydraulic works forming part of hydro-electric item including	
i) Dams, spillways, weirs, canals, reinforced concrete, flumes & siphons.	
ii) Reinforced concrete pipelines and surge tanks steel pipelines sluice gates, steel surge [tanks] hydraulic control valves and other hydraulic works	
D) Building & civil Engineering works of permanent character, not mentioned above:	
i) Offices & showrooms	
ii) Containing thermo electric generating plant	
iii) Containing hydroelectric generating plant	
iv) Temporary erection such as wooden structures.	
v) Roads other than kutcha roads	
vi) Others	
E) Transformers transformer (kiosk) substation equipment and other fixed apparatus (including plant foundations)	
i) Transformers [including foundations] having a rating of 100 kilo volt amperes and over	
F) Others	
G) Switchgear including cable connections.	
i) Lighting arrestors Station type	
ii) Lighting arrestors Pole type	
iii) Synchronous condenser	
H) Batteries	
i) Underground cable including joint boxes and disconnected boxes.	
ii) Cable duct systems	

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Circle

I) overhead lines including supports;	
i) Lines on fabricated steel operating at nominal voltage higher than 66kv	
ii) Lines on steel supports operating at nominal voltage higher than 13.2 kilo volts but not exceeding 66 kilo volts	
iii) Lines on steel or reinforced concrete supports.	
iv) Lines on treated wood supports.	
J) Meters	
K) Self propelled vehicles	
L) Air conditioning plants;	
i) Static	
ii) Portable	
M) i) Office furniture and fittings	
ii) Office equipments	
iii) Internal wiring including fittings and apparatus	
iv) Street light fittings.	
N) Apparatus let on hire:	
i) Other than motors	
ii) Motors	
O) Communication equipment;	
i) Radio and high frequency carrier system	
ii) Telephone lines and telephones	

Annexure – 4					
Methodology For Energy Audit					
	Sr. No.	Column Name	Description	Source of Data	Remarks
Energy input	1	Distribution	Energy sent to O&M division from EHV substations on 33 kV, 22kV, 11kV feeders as applicable	Joint meter Readings by (NAME OF DISTRIBUTION COMPANY) and the Distribution Franchisee	
	2	EHV Consumers	Energy sent to EHV Consumers under O&M division from EHV feeders	Substantionwise import/export energy transactions of concerned EHVsubstations from SE (EHV O&M) Distribution Franchisee	
	3	Other input at Distribution level	Energy input other than non-EHV source like CPPs, IPPs, NCE generation sources, small hydro etc	Distribution Franchisee	
	4	Cross-over, if applicable	Energy exchange between adjacent circles/divisions	Distribution Franchisee	Only mutually agreed transctions considered. Every import must have corresponding export and vice-versa
	5	Sum of 1-4			
	6	HT	Energy Sales to High Tension Consumers	Distribution Franchisee	
	7	LT	Energy sSales to Low Tension Consumers	Distribution Franchisee	
	8	Metered LT-AG apportioned unit	Apportioned energy sales to low tension Ag Consumers	Distribution franchisee	Due to quarterly billing cycle metered Ag sales appears inbilling data once in three months at the end of every quarter. To avoid this

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					apportioned to remove fluctuation in total sales and thus losses.
	9	Credit Billing	Credit units not appearing in HT sales at (6) above to HT Consumers	Distribution Franchisee	
	10	Other Billing	Miscellaneous metered billing not appearing in (6) to (9) above	Distribution Franchisee	
	11	Total metered Energy	Sum of Sr no-6 to sr no-10		
	12	Percentage of Metered Billing W.r.t Input Energy	$=(\text{Sr no-11}/\text{Sr no-5}) \times 100$		
	13	LT-AG Load in HP as on [Date]	Connected Load of Unmetered Ag consumers in HP for the Franchisee Area as on end of latest quarter	Distribution Franchisee	
	14	KWh/HP/Month	Index derived from metered LT agriculture consumption for the zone		
	15	Consumption	Multiplication of sr no-13 & 14.	Distribution Franchisee	
	16	Other	Other Miscellaneous billing not appearing in sr no-14-15	Distribution Franchisee	
	17	Total Unmetered Energy	Summation of sr no-15 and 16		
	18	% Unmetered energy w.r.t. Input Energy	$=(\text{Sr no-17}/\text{Sr no-5}) \times 100$		
Total Energy sales	19		Summation of sr no- 11 and 17		
Losses	20		Difference of Energy at sr no 5 and 19.		
Losses in Percentage	21		$=(\text{Sr no-21}/\text{Sr no-5}) \times 100$		

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MINIMUM LEVEL OF INVENTORY			
Sr. No.	Material Description	Unit	Quantity
1	Distribution Transformer 11/0.4 kV of various capacities Nos	Nos.	
2(a)	11kV XLPE Cable of following sizes	Km	
2(b)	33/22kVXLPE Cable of following sizes	Km	
3	LT PVC armopured Cable	Km	
4	Conductor	Km	
5	RSJ Poles of following sizes		
6	Hardware Set suitable for Conductor	Set	
6.1	RSJ for HT	Nos	
6.2	RSJ for HT	Nos.	
7	HRC fuse base of different capacities	Nos	
8	Aliminium Lugs of different sizes	Nos.	
9	11/22/33kV End termination kits suitable for various sizes	Sets	
10	Meters	Nos	
11	Single phase electronic meters	Nos	
12	Three phase meters	Nos	
13	Current Transformers 11/22/33kV	Nos	
14	Potential Transformers 11/22/33kV/110 V	Nos	

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SPECIFICATIONS OF CONSUMER SERVICE CENTRE

The Consumer Service Centre (CSC) is an initiative for providing information and service to the consumers. The CSC shall act as an interface between the customer and the Distribution Franchisee operations in the entire customer facing process. The services to be rendered by the CSC shall be as below:
Connection services - relates to customer acquisition including temporary connection, load change, category change, name/ address change and closure of connection
Billing- duplicate bill generation and billing related compliant handling
Collection Management- collection facilitation
Recording and redressal of supply related complaints
Help desk

The CSC shall be in the shape of physical infrastructure and shall be manned by persons of the Distribution Franchisee.

The channels of interface at the CSC shall be as under: Help desk services
User self-use kiosks [optional] - Touch screen kiosks to be kept at the sub divisional offices, which will guide the customer through graphical user interface. These kiosks shall also act as collection boxes, which will help in collecting the payment of the electricity bills and issue a receipt once the cheque/ cash is received.

Notice Boards disseminating information regarding: Power outages schedule; Standards of Performance; Emergency numbers in case of accidents; General information regarding saving of power; Contact numbers of concerned officials;

Performance graphs.

Operations of the CSC

New Connection process

The CSC agent shall explain to the Customer, the details of filling up of the forms and shall also inform the customer about the required documents, fees and other charges. The CSC agent shall check the adequacy of the form and document and shall issue a receipt to the consumer. The form shall be promptly forwarded for further action to connect the customer.

Duplicate Bill

The CSC shall issue a duplicate bill to the customer upon payment of a nominal fee.

Collection of Payments

The CSC shall be equipped to handle collection of bills from the consumers. The

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Complaint Handling

The CSC shall register the commercial and supply related complaints of consumers and issue a complaint number to the customer. The complaints so registered shall be promptly forwarded for taking necessary action for redressal.

SPECIFICATIONS :Minimum Hardware

Sr. No.	Particulars	Quantity	Description
1	Personal Computers		
2	External modem		
3	Line Matrix Printer		
4	Printer		
5	RDBMS 6 Phone Lines		

Functionality of Software

- 1.Logging, tracking and managing complaints
- 2.Analysis and Reporting
- 3.Identify trends
- 4.Recurring electrical equipment problem identification
- 5.Time to resolve
- 6.First contact resolution rate
- 7.Complaint tickets issued reports and MIS reports
- 8.Daily Collection report
- 9.E-mail Interface
- 10.Web based solution
- 11.Collection management
- 12.Complaint/ query handling-billing, new connection

ILLUSTRATIVE LIST OF THE COMPLAINTS/ SERVICES TO BE HANDLED BY THE CSC

Sr. No	Service Segment	Service Details
1.	New Connection Related	Request for application form
		Query on time taken for new connections
		Security Deposit queries
		Application status
		Expected Date of meter installation
		Capital works expected completion data
		Customer number assignment
		Contract not provided
		Temporary Connection
		Other new connections request
2.	Meter Related	Meter Running-fast
		Meter Running-slow/sluggish
		Meter Struck up
		Meter burnt
		Shifting of meter
		Other meter related requests
3	Billing Related	Billing Correction request
		Wrong Billing
		Duplicate Billing request
		On demand bill request
		Late bill receipt
		Meter Reading-correction request
		Meter Reading not taken
		Arrears dispute
		Additional charges dispute
		Surcharge dispute
		Back billing dispute
		Other billing requests
		Reporting of theft/malpractice
4	Disconnections and dismantlement related	Disconnection dispute
		Disconnection request
		Temporary disconnection request
		Dismantlement dispute
		Termination request
		Other disconnection and dismantlement requests.
		Reconnection requests
		Fuse-off call
5	Supply Related	Supply failed-total area
		Supply failed-individual
		Supply failed-one phase out
		Dim supply
		Voltage fluctuation Blinking
		Blinking
		Transformer-smoke/ flames
		Transformer-cable/ lugs burnt
		Transformer-sparking at the poles
		Transformer-leaking

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		Poleshock
		Pole-leaning/ fell down
		Pole-Rushed/damaged
		SC-Wire broken/ damaged/ loose connection
		Street Ligh-not glowing
		Other supply related requests
		Name change
6	Other Customer Related Requests	Title tranfer
		Category Change
		Telephone Number change
		Shifting of service
		Connected Load Query
		Change of connected load
		Conversion from single phase to three phase
		Delay in release of additional load
		Exception status query
		Replacement of service wire
		Requirement of additional poles
		Line shifting/DTC shifting
		Additional streetlight reqd
		Status of complaints
		Other customer requests

Annexure-7		
Schedule of Annualised High Tension and Low Tension Input Rates		
Serial No.	Year commencing from effective date	Annualized HT Input Rate [Rs per KWh]
1	1	
2	2	
3	3	
4	4	
5	5	
6	6	
7	7	
8	8	
9	9	
10	10	
11	11	
12	12	
13	13	
14	14	
15	15	

Serial No.	Year commencing from effective date	Annualized LT Input Rate [Rs per KWh]
1	1	
2	2	
3	3	
4	4	
5	5	
6	6	
7	7	
8	8	
9	9	
10	10	
11	11	
12	12	
13	13	
14	14	
15	15	

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ANNEXURE-8

PROCEDURE FOR RECOVERY OF ARREARS

- 1) A high level committee comprising independent external legal, financial and technical experts shall be constituted by [NAME OF DISTRIBUTION COMPANY] for this purpose. The legal expert of the committee shall be the Chairman.
- 2) The broad scope of work of the committee would be as under:
 - a. Recommending the validity and quantum of arrears.
 - b. Recommending waiver of interest and/ or principal of the arrears depending on the merits of the case and applicable [NAME OF DISTRIBUTION COMPANY] policies.
 - c. Recommending suitable instalments for payment of finally settled amount.
 - d. The arrears shall be divided into three broad areas:
 - i. Arrears for theft assessments
 - ii. Arrears for energy billed (Based on actual meter reading, Based on assessment)
 - iii. Arrears for miscellaneous charges, security deposits, etc.
 - e. The Committee shall follow a methodology for the above arrears with the approval of [NAME OF DISTRIBUTION COMPANY].
- 3) The broad process to be followed would be as under:
 - a. The Consumers shall be notified of the formation and the working of the committee through mass media.
 - b. Notices would be sent to Consumers with arrears
 - c. If the customer has not heeded the notice or paid his dues, he would then be called by the Committee for settlement of his case
 - d. If he does not appear before the Committee then the Committee shall take ex-parte decision as per merit of the case.
 - e. In case of disputed dues of billing, actual meter reading or actual assessment depending on load would be carried out and a fresh demand notice be served on the Consumer.
 - f. After a particular Consumer's arrears have been mutually finalized and recommended by the committee, a schedule of payment would be drawn up.

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- g. Such a payment schedule with reasons and recommendations shall be put for the approval of the competent authority to be nominated by [NAME OF DISTRIBUTION COMPANY]
 - h. Upon final decision of the competent authority for each defaulting Consumer, the Distribution Franchisee shall follow the due process of disconnection as stipulated by Electricity Act 2003(updated).
- 4) The Distribution Franchisee shall continue to show the old arrears of [NAME OF DISTRIBUTION COMPANY] in the Consumers' bill so as to effectively continue the claim of [NAME OF DISTRIBUTION COMPANY] on these arrears.
 - 5) The Distribution Franchisee shall make available suitable office and secretarial help to the committee at the Franchise Area.
 - 6) The expenses incurred for the high level committee in this respect shall be borne by [NAME OF DISTRIBUTION COMPANY].

Annexure-9

Deputation Rules of [NAME OF DISTRIBUTION COMPANY]

1. Period of deputation:

The period of deputation shall not exceed the term of this Agreement.

[NAME OF DISTRIBUTION COMPANY] shall have the right to recall the employees on deputation in case of vigilance enquiries or departmental proceedings are pending against him or are initiated any time during the tenure of his deputation.

Also, in case the services of the Deputationist are required by [NAME OF DISTRIBUTION COMPANY], [NAME OF DISTRIBUTION COMPANY] has a right to recall the Deputationist prior to the completion of deputation period with the consent of the Distribution Franchisee with due notice of two months.

Distribution Franchisee would have the right to send any Deputationist back to [NAME OF DISTRIBUTION COMPANY] with one month's notice to the [NAME OF DISTRIBUTION COMPANY] without assigning any reasons.

2. Pay and Allowances :

During the period of deputation, the Deputationist shall draw the pay in the pay scale which he as holding prior to the deputation, with all other allowances or any increase in the pay and allowances from time to time for whatsoever reasons, had he been continued with the [NAME OF DISTRIBUTION COMPANY]. The expenditure on this account shall be borne

by the Distribution Franchisee.

3. Travelling Allowance :

The Deputationist shall be entitled to Travelling Allowance and Daily Allowance for journey while on Tour as per the rules of the Distribution Franchisee OR as per the rules applicable to the employees in [NAME OF DISTRIBUTION COMPANY] for which the Deputationist shall have to intimate to the Distribution Franchisee within one month otherwise he shall be governed under [NAME OF DISTRIBUTION COMPANY] rules.

4. Leave Travel Concession :

The deputationist shall opt either for the Leave Travel Concession rules pertaining to the Distribution Franchisee OR [NAME OF DISTRIBUTION COMPANY] within one month. Otherwise he shall be governed under [NAME OF DISTRIBUTION COMPANY] rules. The expenditure on this account shall be borne by the Distribution Franchisee.

5. Medical Reimbursement :

The Deputationist shall have liberty to opt for the Medical Reimbursement Scheme, pertaining to the Distribution Franchisee OR of the scheme prevailing in [NAME OF DISTRIBUTION COMPANY] as per [Reference of Govt order]. The expenditure on this account shall be borne by the Distribution Franchisee.

6. Contributions

a. Leave Salary Contribution

During the period of deputation, the leave salary contribution @ [Rate in number %] of the emoluments after adjusting for leaves actually earned and availed by the Deputationist shall be borne by the Distribution Franchisee and remitted to [NAME OF DISTRIBUTION COMPANY]. For this purpose, emoluments are defined as the total of Basic Pay, Dearness Allowances, Fringe Benefits and CLA.

b. Contributory Provident Fund Contribution

During the period of deputation, the CPF/GPF Subscription @ [Rate in number %] of the monthly emoluments shall be recovered from the emoluments of the Deputationist as per the Contributory Provident Fund Regulations of the [NAME OF DISTRIBUTION COMPANY] and remitted to the [NAME OF DISTRIBUTION COMPANY] every month by the Distribution Franchisee along with additional equal matching amount of contribution, as a Employer's share. For this purpose, emoluments are defined as the total of Basic Pay and Dearness Allowances.

The due date of remittance of the payment of contribution of contributory provident fund of the Deputationist [both contributions] shall be adhered by the Distribution Franchisee to [NAME OF DISTRIBUTION COMPANY]. The Payments towards CPF/GPF Advance and 90% of CPF/GPF amount and final settlement of CPF/GPF which is payable on superannuation to the concerned Deputationist, shall be made by [NAME OF DISTRIBUTION COMPANY].

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c. Gratuity Contribution

The Gratuity Contribution pertaining to the period of deputation shall be borne by the Distribution Franchisee as per the existing regulations of the [NAME OF DISTRIBUTION COMPANY] as amended from time to time.

The Payment towards final settlement of Gratuity including the eligible advance shall be made by [NAME OF DISTRIBUTION COMPANY].

The payments towards leave salary contribution, CPF/GPF and Gratuity contribution shall be sent by the Distribution Franchisee by separate Demand Draft for each item in favor of [NAME OF DISTRIBUTION COMPANY] every month. In case of default in remittance on the part of the Distribution Franchisee, the interest @ [Rate in number %] shall be levied by the [NAME OF DISTRIBUTION COMPANY].

7. Leave

During the period of deputation, the Deputationist shall be governed by the leave rules of the [NAME OF DISTRIBUTION COMPANY], except casual leave for which the Deputationist shall be at liberty to opt for the rules prevailing with Distribution Franchisee or of [NAME OF DISTRIBUTION COMPANY].

The Distribution Franchisee shall also be liable to pay leave salary and allowances in respect of special Disability Leave, if any, granted to the Deputationist on account of any disability incurred in and through the service under the Distribution Franchisee, even if such disability manifests itself, after termination of the service with the Distribution Franchisee.

8. Vehicle Facility :

The Deputationist, during the period of deputation, may be provided suitable vehicle by the Distribution Franchisee for official use, if he is entitled for the same under [NAME OF DISTRIBUTION COMPANY].

9. Travel in India or Abroad while on Deputation :

The Deputationist may travel anywhere in India on tour for the works of Distribution Franchisee without intimation to [NAME OF DISTRIBUTION COMPANY]. If, however, he is required to travel abroad, the permission of the [NAME OF DISTRIBUTION COMPANY] shall be obtained in advance.

10. Recoveries :

a) Accommodation/Quarter

If Residential Accommodation /Quarter is provided by the [NAME OF DISTRIBUTION COMPANY] in Franchise Area, the rent under the rules

of [NAME OF DISTRIBUTION COMPANY] towards the Accommodation /Quarter shall be recovered from the Deputationist from his monthly salary and remitted to the [NAME OF DISTRIBUTION COMPANY] every month.

b) Loan and Advances

Deputationist. However, the recovery towards the same shall be made by The Distribution Franchisee may grant any loan or advance to the the Distribution Franchisee, only during the deputation period of the concerned Deputationist. The [NAME OF DISTRIBUTION COMPANY] shall not be liable for any un-recovered portion of any loan or advance or interest, granted to the Deputationist by the Distribution Franchisee.

c) General Recoveries

The amount towards recoveries from the Deputationist such as Life Insurance Premium, Loan from Credit Societies, Housing Loans, Vehicle Loans from [NAME OF DISTRIBUTION COMPANY] or any Bank etc, shall be remitted by the Distribution Franchisee after its recovery from the salary of the Deputationist, directly to the concerned Organisation i.e. [NAME OF DISTRIBUTION COMPANY], Bank, LIC or Credit Society etc, as the case may be.

11. Insurance Coverage

During the period of deputation, the Deputationist shall be covered under insurance policy. The risk coverage and other facilities under the policy shall be in line with the provisions of Workmen's Compensation act, 1923 and any other Labour Law, if any, in force or coming in existence in future. The amount of premium paid towards the policy to be borne by the Distribution Franchisee.

12. Retirement Benefits

The Deputationist shall continue to be governed for retirement benefits as per the rules applicable to the employees in [NAME OF DISTRIBUTION COMPANY].

13. General

- a) The Distribution Franchisee shall furnish the Confidential Reports in respect of the Deputationist in the State-wise Seniority, to the [NAME OF DISTRIBUTION COMPANY] in the prescribed form every year.
- b) The Deputationist shall be entitled for the benefits of the next higher scale/post as per the rules of [NAME OF DISTRIBUTION COMPANY] under General Order No. [order number with date] OR promotion as per due turn according to the rules under [NAME OF DISTRIBUTION COMPANY].
- c) If departmental enquiry is to be instituted against the Deputationist for major acts of misconduct he shall be repatriated to the [NAME OF DISTRIBUTION COMPANY] and the departmental action will be taken by

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the concerned Competent Authority in [NAME OF DISTRIBUTION COMPANY].

- d) If the Deputationist submits resignation or seeks voluntary retirement then such application shall be forwarded by the Distribution Franchisee to [NAME OF DISTRIBUTION COMPANY] for taking decision in the matter.
- e) The Distribution Franchisee may revise the rules /regulations after the initial deputation period regarding the service conditions, financial matters and other pecuniary benefits pertaining to its organization. No such revision shall be made by the Distribution Franchisee without the consent of the Deputationist.

ANNEXURE-10:MIS REPORTS

The following information shall have to be furnished by the Franchisee to [NAME OF DISTRIBUTION COMPANY] for each division of [Name of Distribution Franchisee] respectively

PERFORMANCE INDICATORS

a) CONSUMER AVERAGE INTERRUPTION DURATION INDEX - (CAIDI)

Month	Total duration of sustained interruptions during the month Minutes=C	Total No. of sustained interruptions during the month= A	CAIDI = C/A CAIDI = SAIDI/ SAIFI

b) SYSTEM AVERAGE INTERRUPTION FREQUENCY INDEX -(SAIFI)

Month	Total No. of sustained interruptions during the month Minutes =A	Total no. of consumers =B	SAIFI = A/B

c) SYSTEM AVERAGE INTERRUPTION DURATION INDEX -(SAIDI)

Month	Total No. of sustained interruptions during the month Minutes =C	Total no. of consumers =B	SAIDI = C/B

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d) No. of pending RCI Connections

Sr. No.	Division/Franchise Area	Residential =R	Commercial =C	Industrial=I	Remarks
1					
2					

e) [STATE ELECTRICITY REGULATORY COMMISSION] SOP NOT FOLLOWED

Sr. No.	Division/ Franchise Area	No.of SOP cases		Remarks
		Nos.	Fine Rs	
1				
2				

f) No. of pending consumer grievances

Sr. No.	Division/ Franchise Area	Grievances Pending	Remarks
1			
2			

g) Lossess.

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Sr. No.	Division/ Franchise Area	Distribution Losses			Remarks
		Monthly	Six Monthly	Yearly	

h) New Connection Details

Sr. No.	Division/Franchise Area	New Connections released		First bill issued		Remarks
		In month	Upto	In month	Upto	

i) Collection Efficiency (CE)

Sr. No.	Division/Franchise Area	Month			Remarks
		Demand	Collection	%CE	

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j) Reduction in PD Arrears

Sr. No.	PD Arrears -Effective Date		PD Arrears -Every Month end		Remarks
	Consumer No.	Rs. Crores	Consumer No.	Rs. Crores	

k) Pending Agricultural Connections

Sr. No.	Division/ Franchise Area	Paid pending	Test report submitted	Pending Under KVV	Remarks

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l) Details of Accidents in the Franchise Area

Sr. No.	No. of Fatal Accidents						No. of Non Fatal Accidents						Remarks
	DF Employees		Other Persons		Animals		DF Employees		Other Persons		Animals		
	During month	Cumulative	During month	Cumulative	during month	Cummulative	during month	Cumulative	during month	Cumulative	during month	Cumulative	

m) Energy Audit of Express Feeders

Sr. No	Name of S/stn	Name of Feeder/ Consumer & Cosumer No	Month	Energy Consupcion recoreded by S/stn Meter	Energy Consupcion recoreded by Consumer Meter	Difference in Meter readings	% loss	Remarks
1	400/220/132 KV							
2	132/33/22/11 KV							
3							
							

n) Details of Failure of Distribution Transformers

Month	Capacity in KVA	Transformers Failed																	Total			
		25	50	63	100	150	200	250	300	315	400	500	600	630	750	830	1250	1000	1600	No.s	KVA	

o) Details of HT Consumers addition during the month

Month	No. HT Consumers added during the month									Meter Details				Date of Release	Remarks /Purpose
	Name	Consumer NO.	Category	Connected Load =CL (KW))	Contract Demand =CD (KVA)	Meter on HT/L T	CT Ratio	PT Ratio	HT Cubicle provided	Make	Meter no.	Meter CT Ratio	Initial Reading		

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p) Complaints

Sr. No.	Particulars	During the Month	Upto date progress
	Consumer Grievance Redressal Forum		
1.	No. of Complaints/Grievance received		
2.	No. of Complaints/Grievance solved		
3.	Balance Complaints at the end of month to be resolved		
	[STATE ELECTRICITY REGULATORY COMMISSION]		
1.	No. of Complaints/Grievance received		
2.	No. of Complaints/Grievance solved		
3.	Balance Complaints at the end of month to be resolved		

q) Infrastructure Augmentation

	Technical	Unit	Upto date Progress
1.	As per [census Year] Census		
	Villages-	Nos.	
	Towns-	Nos.	
	Villages-Electrified-	Nos.	
	Towns-Electrified-	Nos.	
	Towns-Electrified-	Nos.	
	Balance to be Electrified-Villages-	Nos.	
	Balance to be Electrified-Towns-	Nos.	
2.	Wadies		
	Electrified during the month-	Nos.	
	Balance to be Electrified-	Nos.	
	Total Electrified- Cumulative-	Nos.	

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3.	33,22 & 11 KV Lines –Overhead		
	As on [Date]	KM	
	Added during the month-	KM	
	Added during the year-	KM	
	Upto date	KM	
4.	33,22 & 11 KV Lines- Underground		
	As On[Date]	KM	
	Added during the month	KM	
	Added during the year	KM	
	Upto date[Date]	KM	
5.	LT Line- Over head		
	As on[Date]	KM	
	Added during the month	KM	
	Added during the year	KM	
	Upto date [Date]	KM	
6.	LT Line- Underground		
	As on [Date]	KM	
	Added during the month	KM	
	Added during the year	KM	
	Upto date [Date]	KM	
7.	11/0.4 KV DTC		
	Xmers in operation-	Nos.	
	Added during the month-	Nos.	
	Augmented during the month-	Nos.	
	Failed during the month-	Nos.	
	% Failure-	%	

ANNEXURE 11 : LOAD GROWTH ESTIMATE

Year--->	HT Energy Input	LT Energy Input	Total Energy Input	HT Energy Sales	LT Energy Sales	Total Energy Sales
[Year...]						
[Year...]						
[Year...]						

ANNEXURE 12: AVERAGE ANNUAL REALISATION IN THE FRANCHISE AREA

Year -->	[Y0-4]	[Y0-3]	[Y0-2]	[Y0-1]	[Y0]
High Tension (Rs / kWh)					
Low Tension (Rs / kWh)					

ANNEXURE 13: PROCEDURE FOR CALCULATION AND APPLICATION OF TARIFF INDEXATION

1. For raising the first bill for the Franchise agreement, [NAME OF DISTRIBUTION COMPANY] will consider the average HT/ LT billing rate of [Rate prevailing on the first month of base Year] for tariff indexation under

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Article 7 of DFA on a provisional basis. The actual HT/ LT rate of the first month of the Distribution Franchisee Agreement will be calculated by PC wise pro-rating the HT/ LT sales of first and second months of the Franchise Agreement which will be made available by the Franchisee by first week of third month. The truing up of tariff indexation will be done based on this actual rate provided by the Franchisee and the differential amount will be adjusted in the first weekly invoice of fourth month (as detailed below)

- 2. For all months starting from a month, e.g. month 'n', all the fortnightly/ weekly bills raised during the month 'n' will be indexed based on the provisional HT/ LT average billing rate determined in first week of month 'n' (considering sales recorded for previous month 'n-1'). The actual rate of month 'n' will be calculated by PC wise pro-rating the HT/ LT sales of month 'n' and 'n+1' which will be made available by the Franchisee by first week of month 'n+2'. The truing up of tariff indexation will be done based on this actual rate provided by the Franchisee and the differential amount will be adjusted in the first weekly invoice of month 'n+2'. An illustration of the same is provided herewith.

Illustrative Example

Applicable HT/ LT rate for respective month

	February	March
Energy Charges	2.00	2.00
FOCA	0.10	0.25
Total	2.10	2.25

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PC [billed on 4th of each month]

Date of billing	Units	Revenue units	Pro- rata	Pro- rata revenue	Remarks
4th Feb	200	420	26.67	56.00	Pro rata for 4 days
4th March	300	675	257.14	578.57	Pro rata for 24 days
Total	500	1095	283.81	634.57	Total for 28 days

PC [billed on 12th of each month]

Date of billing	Units	Revenue	Pro - rata units	Pro -rata revenue	
12th Feb	200	420	80.00	168.00	Pro rata for 12 days
12th March	300	675	171.43	385.71	Pro rata for 16 days
Total	500	695	251.43	553.71	Total for 28 days

Date of billing	Pro-rata units	Pro-rata revenue	Rate applicable for trueing up February input energy

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PC billed on 4 th	283.81	634.57	
PC billed on 12 th	251.43	553.71	
Total	535.24	1188.29	2.22

- For calculating the actual HT/ LT average billing rate in (1) and (2) above, the components of billing like Electricity Duty, Tax on sale of electricity, delayed payment interest, penal rate for theft assessment shall be excluded.
- The actual HT/ LT average billing rate computed in (1) and (2) above will be audited by the independent auditor of the Audit firms approved by Govt of [State] annually (including next year's April pro-rata period and excluding current year's April pro-rata period)

18. Annexure 4: Distribution Asset Prices and Useful Life

Table 1: Schedule of costs for Distribution Assets for FY [base Year]

Cost of various items under Distribution Asset, as applicable in [FY - base Year] in Rs per unit

I. High Tension Lines

Sr. No.	Wind Pressure	50kg/m ²	75kg/m ²	100kg/m ²	150kg/m ²
1	11 kV Lines with 30 mm ² ACSR [Weasel] Conventional- Line Fittings-				
2	33/22 kV Lines with 30 mm ² ACSR [Weasel] Conventional- Line Fittings-				

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3	33/22 kV Line with 100 mm² ACSR of 3 kms Conventional Line Fittings-				
4	Double Pole Structure per every 1.6 kms of 11kV/22kV Lines with 30 mm² ACSR [Weasel]				
	a. Conventional Line Fittings 11kV- b. Conventional Line Fittings 33/22kV-				
5	Tapping Structure a. 11kV line with isolator- b. 11kV line without isolator c. 33/22kV line with isolator d. 33/22kV line without isolator-				
II.	Distribution Transformer Centre				
	1 11/0.433 kV T/F a. 63 kVA with D/B b. 100 kVA with D/B				
	2. 33/22/0.433 kV T/F a. 63 kVA with D/B b. 100 kVA with D/B				
III.	Low Tension Lines				
	1 3ph. 5 wire a. With Phase ANT neutral GNAT b. With all GNAT				
	2 3ph. 4 wire a. With Phase ANT neutral GNAT b. With all GNAT				
	3 1ph 3 wire a. With all GNAT				
	4 1ph 2 wire a. With all GNAT				
IV	Service Connections				

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1	Three Phase [LT. Connections]	Meter With MCB	Meter without MCB		
	a. Upto 5 H.P.				
	b. Above 5 H.P. [upto 20 H.P.]				
2	Single Phase (L&F) Connections				

Table 2: Depreciation Rates

Description of Asset	Depreciation Rate[%]
<p>A. Land owned under Full Title</p> <p>B. Land held under Lease</p> <p>a) for investment in the land</p> <p>b) for cost of clearing site</p> <p>Assets purchased</p> <p>A) Plant and machinery in generating stations included plant foundations;-</p> <p>i) Hydro-electric</p> <p>ii) Steam electric & NHRS waste heat recovery boilers plants.</p> <p>iii) Diesel - electric & gas plant.</p> <p>B) Cooling towers and circulating water systems.</p> <p>C) Hydraulic works forming part of hydro electric item including</p> <p>i) Dams, spillways, weirs, canals, reinforced concrete, flumes & siphons.</p> <p>ii) Reinforced concrete pipelines and surge tanks steel pipelines sluice gates, steel surge [tanks] hydraulic control valves and other hydraulic works</p> <p>D) Building & civil Engineering works of</p>	

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<p>permanent charecer, not mentioned above:</p> <ul style="list-style-type: none">i) Offices & showroomsii) Containing thermo electric generating plantiii) Containing hydroelectric generating plantiv) Temporary erection such as wooden structures.v) Roads other than kutcha roadsvi) Others <p>E) Transformers transformer[kiosk] substation equipment and other fixed apparatus (including plant foundations)</p> <ul style="list-style-type: none">i) Transformers [including foundations] having a rating of 100 kilo volt amperes and over <p>F) Others</p> <p>G) Switchgear including cable connections.</p> <p>Lighting arrestors;</p> <ul style="list-style-type: none">i) Station typeii) Pole typeiii) Synchronous condenser <p>H) Batteries</p> <ul style="list-style-type: none">i) Underground cable including joint boxes and dis-connected boxes.ii) Cable duct systems <p>I) overhead lines including supports;</p> <ul style="list-style-type: none">i) Lines on fabricated steel operating at nominal voltage higher than 66kvii) Lines on steel supports operating at nominal voltage higher than 13.2 kilo volts but not exceeding 66 kilo voltsiii) Lines on steel or reinforced concrete supports.iv) Lines on treated wood supports.	
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<p>J) Meters</p> <p>K) Self propelled vehicles</p> <p>L) Air conditioning plants;</p> <p>i) Static</p> <p>ii) Portable</p> <p>M) Office equipments, furnitures and fittings</p> <p>i) Office furniture and fittings</p> <p>ii) Office equipments</p> <p>iii) Internal wiring including fittings and apparatus</p> <p>iv) Street light fittings.</p> <p>N) Apparatus let on hire:</p> <p>i) Other than motors</p> <p>ii) Motors</p> <p>O) Communication equipment;</p> <p>i) Radio and high frequency carrier system</p> <p>ii) Telephone lines and telephones</p>	
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19. Annexure 5: Load Growth Estimate in the Franchise Area

Year-->	HT Energy Input	LT Energy Input	Total Energy Input	HT Energy Sales	LT Energy Sales	Total Energy Sales

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20. Annexure 6: Average Revenue Realization per unit in the Franchise Area

Year -->	[Y0-4]	[Y0-3]	[Y0-2]	[Y0-1]	[Y0]
High Tension [Rs / kWh]					
Low Tension [Rs / kWh]					

21. Annexure 7: Minimum High Tension and Low Tension Rates for the term of the Distribution Franchise Agreement

Year	High Tension Input Rate [Rs / kWh]	Low Tension Input Rate [Rs / kWh]
Y0+1		
Y0+2		
Y0+3		
Y0+4		
Y0+5		
Y0+6		

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Y0+7		
Y0+8		
Y0+9		
Y0+10		
Y0+11		
Y0+12		
Y0+13		
Y0+14		

22. Annexure 8:Illustration of the Price Bid Evaluation

Following illustration presents the methodology that will be used to evaluate the Price Bids of Bidders. For the purpose of this illustration following assumptions have been made:

- ⌚ Discount Rate has been assumed at 11.10%
- ⌚ Effective Date of the agreement has been assumed as April 1, [year of base year] and the Expiry Date of the agreement has been assumed as March 31, [on anniversary of 15th year of base year]
- ⌚ Evaluation is described of the price bids of two bidders whose technical criteria qualify them for the price bids

Evaluation Result: The Discounted Price Bid for Overall Discounted Input energy payment to [NAME OF DISTRIBUTION COMPANY] of Bidder A is higher than that of Bidder B. Therefore Bidder A is short-listed

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Price Bid Evaluation –[No-2 Bidder’s Name]

Year	HT Input Rate [Rs/kWh]	LT Input Rate [Rs/kWh]	HT Input Energy [Mus]	LT Input Energy [Mus]	HT Input Energy Payment to[X] [Rs Crores]	LT Input Energy Payment to[X] [Rs Crores]	Discount factor at11.10%	Discounted HT Input Energy Payment to [x] [Rs Crores]	Discounted LT Input Energy Payment to [x] [Rs Crores]	Discounted Total Input Energy Payment to [x] [Rs Crores]
	A	B	C	D	E=[A*C]	F=[B*D]	G	H=[E*G]	I=[F*G]	J=[H+I]
Y0+1										
Y0+2										
Y0+3										
Y0+4										
Y0+5										
Y0+6										
Y0+7										
Y0+8										
Y0+9										
Y0+10										
Y0+11										
Y0+12										
Y0+13										
Yo+14										
Total										

Note : This is not a Standard Bidding Document

Price Bid Evaluation –[No-1 Bidder’s Name]

Year	HT Input Rate [Rs/kWh]	LT Input Rate [Rs/kWh]	HT Input Energy [Mus]	LT Input Energy [Mus]	HT Input Energy Payment to[X] [Rs Crores]	LT Input Energy Payment to[X] [Rs Crores]	Discount factor at11.10%	Discounted HT Input Energy Payment to [x] [Rs Crores]	Discounted LT Input Energy Payment to [x] [Rs Crores]	Discounted Total Input Energy Payment to [x] [Rs Crores]
	A	B	C	D	E=[A*C]	F=[B*D]	G	H=[E*G]	I=[F*G]	J=[H+I]
Y0+1										
Y0+2										
Y0+3										
Y0+4										
Y0+5										
Y0+6										
Y0+7										
Y0+8										
Y0+9										
Y0+10										
Y0+11										
Y0+12										
Y0+13										
Y0+14										
Total										

Note : This is not a Standard Bidding Document