

MAHARASHTRA STATE ELECTRICITY DISTRIBUTION CO. LTD



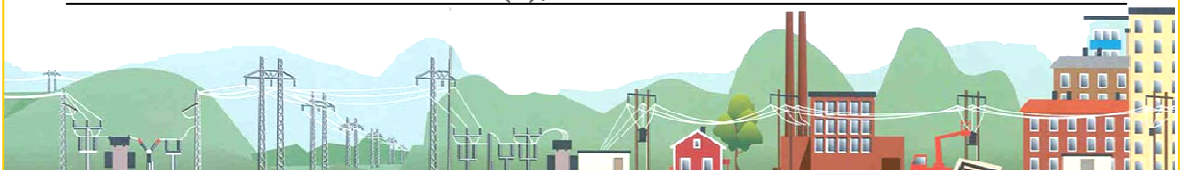
Request For Proposal Appointment of Distribution Franchise JALGAON Urban Division

Bid Specification No. :- DF- 1/2009-10

Issued By:-

Principal Consultant (Distribution Franchise)

Maharashtra State Electricity Distribution Co. Ltd.
Prakashgad, Plot No. G-9, Anant Kanekar Marg,
Bandra (E), Mumbai 400 051



Bid specification for Appointment of Distribution Franchisee for distribution of electricity within designated DF area of Jalgaon Urban Division.

This bid document, containing **Request for Proposal** “RFP” along with Exhibits/ Annexures 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. The bidder is further requested to apply his/her own means to verify all data. MSEDCL shall provide all possible help on request from bidder, to enable the bidder to have access of data at either corporate office or field office. It is also to mention that, no request will be entertained once the bid is submitted by the bidder.
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 document issued to the bidder is complete in all respects.
4. Neither MSEDCL, nor its employees, 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 MSEDCL 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. MSEDCL 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 MSEDCL nor its employees 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 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 MSEDCL or their employees or otherwise arising in any way from the selection process for the Project.
9. MSEDCL reserves the right to change, modify, add to or alter the Selection Process including inclusion of additional evaluation criteria.
10. MSEDCL 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. MSEDCL 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. MSEDCL also reserves the right to reject any bid that it deems as unreasonable and impracticable.
12. MSEDCL has taken due care and diligence in providing the information in the RFP and the data room to allow bidders to make an informed decision. However, bidders are expected to exercise their own judgment and conduct due diligence on the same. MSEDCL shall not be held responsible for errors or omissions therein

Confidentiality:

The parties agree that this RFP document is not confidential.

Issued By:

Principal Consultant (Distribution Franchise)

Maharashtra State Electricity Distribution Company Ltd.

Place: Mumbai

Date: ,December, 09

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1. Definitions and Abbreviations

Definitions

Act

Shall mean the Indian Electricity Act 2003

Affiliate

Shall mean in relation to any party, a person that controls, is controlled by or is under the common control with such party. As used in this definition the term “Control” means, with respect to a person that is a corporation, the ownership, directly or indirectly, of more than 50% of the voting securities of such person, and, with respect to a person that is not a corporation, the power to direct the management or policies of such person, whether by operation of law, contract, or otherwise.

Aggregate Technical and Commercial Losses (ATC Losses)

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

$$ATC\ Losses = \frac{\{Total\ energy\ input\ (Kwh) - Energy\ Realised\ (Kwh)\}}{Total\ energy\ Input\ (Kwh)}$$

Where, Energy realised is equal to the sale of energy (Kwh) multiplied by Collection Efficiency

Average Billing Rate (ABR)

Average billing rate of the division calculated by dividing the billed revenue arrived by including all components that forms part of the revenue as per the tariff order for the period for all categories put together with the total billed units for the division for all categories.

Revenue for this purpose shall include all those components which are billed against the units consumed to consumers and on collection it is retained as revenue of the distribution franchisee/ licensee, e.g. Energy charges, Fixed/Demand charges, Fuel and Other Cost Adjustment Charges (FOCA), Regulatory Liability Charges (RLC), Power Factor (PF) Penalty/Incentive and shall exclude all components which are billed to consumers and remitted to Government/Other agencies e.g. Electricity duty (ED)/ Tax on Sale of Electricity (TOSE). The unit of ABR is Rs. / Kwh. The same shall be computed as:-

ABR =

$$\frac{\{(Total Demand + Subsidy + FOCA) - (ED + TOSE + Any other taxes payable to Govt.)\}}{Total Billed Units}$$

N.B:- All components in numerator are to be measured in rupees

Amount Refundable to DF post adjustment (ARF)

This is the gross amount in rupees, which includes net revenue collection plus subsidy (if any) minus payable assured revenue due to MSEDCL. This shall be calculated as follows:-

$$ARF = NRC + Subsidy (If any) - PAR$$

Average Revenue Realisation (ARR)

Shall mean the total revenue collected per unit energy supplied by MSEDCL at Input Points on annualised basis. Average Revenue Realisation of the division calculated by dividing the revenue collected, arrived by including all components that forms part of the revenue as per the tariff order for the period for all categories put together with the total input units for the division for all categories. Revenue for this purpose shall include all those components which are collected against the units consumed to consumers and on collection it is retained as revenue for the Distribution franchisee/Licensee and shall exclude all components which are remitted to the Government/ other agencies. The unit of ARR will be Rs. /Kwh. The same shall be computed as:-

$$ARR = \frac{(Total Revenue Collected - electricity duty - tax on sale of electricity + Total Subsidy Amount)}{Total Energy Input}$$

Base Year (B.Y.)

Shall mean the period from April 1, 08 to March 31, 09

Bid

Shall mean the Technical Proposal and Financial Proposal submitted in response to the RFP issued by MSEDCL

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 two or more corporate entities bidding for the Project

Distribution Franchisee/ Franchisee (DF)

Shall mean the Successful Bidding Company appointed by MSEDCL to act as an agent of MSEDCL to carry out the operations of distribution of electricity and its related technical and commercial activities within the designated distribution franchise area on behalf of MSEDCL

Distribution Franchise Agreement (DFA)

Shall mean the agreement to be entered into by the successful bidder and MSEDCL. The Franchise Agreement shall be an agreement for the distribution of power to the consumers, and for any other services, such as right to use the existing distribution network within the designated distribution franchise area. However the Equity of distribution assets shall not be transferred to the appointed Distribution Franchisee. Under this agreement, franchisor does not render any service to the franchisee except right to use the existing distribution assets.

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 Maharashtra State Electricity Distribution Company Limited “MSEDCL”

Effective Date

Shall mean the date of handing over of the business operations of Franchise Area by MSEDCL to the Distribution Franchisee pursuant to the Distribution Franchise Agreement after the conditions precedents are satisfied. Such date shall be indicated by the Distribution Franchisee and accepted by MSEDCL which shall not be later than forty six calendar days from the date of signing of the DFA.

Expiry Date

Shall mean the completion of Two years of operation post Effective date.

Expected Energy Supply by DTC per month (at full capacity)

It is the quantum of energy supplied by an individual DTC to the consumers of designated area. It is computed as the product of capacity of individual DTC, applicable power factor, DTC loading factor, no of hour's power available per day with diversity factor and average no of days in a month. It is measured in KWH per month.

$$\begin{aligned} &\text{Expected Energy Supply by the DTC per month} \\ &= \text{Capacity of DTC in KVA} \times \text{PF} \times \text{Loading Factor} \times \text{No. of hours power} \\ &\quad \text{available per day} \times \text{diversity factor} \times \text{average no of days.} \end{aligned}$$

Fixed Fee (FF)

This is the amount in rupees, which shall be payable to DF on achieving MBRC for a respective DTC.

Financial Proposal

Shall mean the proposal of the Bidder setting out the **Minimum Base Line Revenue Collection in Rs. Per month** for specific capacity of DTCs for supply of energy through the respective DTCs (i. e. cost of energy injected by MSEDCL at the Input Points of LT side of respective DTCs) in the Franchise Area and other details are as set out in Clause 5.3 of this Document.

Franchise Area

Shall mean the area as mentioned in Clause 2.3 of the RFP in respect of which Distribution Franchisee shall act as an agent of MSEDCL

Gross Revenue Collection (GRC)

This is hundred percent collection in rupees, against the demand raised by MSEDCL to an individual consumer against consumption of energy with applicable taxes.

Lead Partner

Shall mean a member company of the bidding consortium which is in charge of developing the project and has an equity stake not less than twenty five percent in the bidding consortium

Letter of Intent

Documentary evidence indicating the award of the franchise to the selected bidder for acceptance.

Member Company

Shall mean each corporate company entity in the bidding consortium

Minimum Base Line Revenue Collection Per month (MBRC)

It is the Target that the appointed Distribution Franchisee is expected to achieve against the supply of energy to authorised consumers through the individual DTC. It indicates the cost of energy against expected energy supply by DTC at full capacity per month multiply by base year ABR of respective division with weightage, collection efficiency with weightage and sales multiplying factor of the respective month. This amount should be exclusive of applicable taxes and duties. However, for qualifying purpose subsidy shall be taken into account, if any. It is measured in rupees per month. It is computed as follows:

MBRC per month

$$= \text{Expected Energy Supply by the DTC per month} \times \text{ABR of respective Division} \\ \times 0.8 \times 0.9 \times \text{Sales Multiplying Factor}$$

N.B.:- Bidders are expected to quote either equal or above the Minimum Base Line Revenue collection/ month for each group of DTCs (capacity wise), as well overall. The highest offer under “Minimum Baseline Revenue Collection per month” shall be considered as minimum baseline revenue collection for calculation of all revenues in future, in all commercial transaction with successful bidder (i. e. appointed Distribution Franchisee).

Net Payable Amount to DF (NPF)

This is the amount in rupees, which is equal to amount refundable to DF post adjustment plus fixed fee plus incentives minus applicable TDS. This is calculated as follows:-

$$NPF = (ARF + FF + INC) - TDS$$

Net Revenue Collection (NRC)

This is the amount in rupees, which is equal to Gross Revenue Collection by DF minus ED minus TOSE minus other taxes as applicable by Govt. order from time to time. It is calculated as follows:-

$$NRC = GRC - (ED + TOSE + Taxes)$$

Parties

Shall mean a reference to selected Bidder and MSEDCL collectively and “Party” shall mean an individual reference to either one of them

Payable Assured Revenue to MSEDCL by DF (PAR)

Shall mean seventy five percent of the highest offer (under Minimum Baseline Revenue Collection) by the successful bidder (i.e. appointed DF). It is measured in rupees per month. It is computed as follows:-

$$PAR \text{ to MSEDCL by DF} = 0.75 \times MBRC \text{ as highest offer}$$

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 MSEDCL in accordance with the requirements set forth in the RFP

Promoters

Shall mean only those corporate entities holding not less than fifteen percentage of voting securities in the bidding company, either directly or indirectly, In the event of an indirect holding company in bidding company through a chain of company/ companies, the percentage of holding would be consider on proportionate terms. In bank or financial institution would not be a promoter.

Request for Proposal “RFP” Document

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

Sales Multiplying factor

Shall mean the sales target in terms of percentage or alternately it is defined as increase sales trajectory. It is computed as sales in percentage divided by hundred. It is important financial indicator which is used as multiplying factor with expected energy supply by a DTC, in order to decide minimum base line revenue collection per month.

N.B.:- Numerical values of Sales Multiplying Factor annexed at Annexure A.

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.

Abbreviations

ABR	:	Average Billing Rate
AMR	:	Automatic Meter Reading
ARR	:	Average Revenue Realisation
ATC	:	Aggregate Technical and Commercial losses
B.Y.	:	Base Year
C.E.	:	Collection Efficiency
CP	:	Corporate Planning
CPF	:	Contributory Provident Fund
Crore	:	Number equivalent to 10 million or 100 lakhs
D/B	:	Distribution Box
DF	:	Distribution Franchisee
DFA	:	Distribution Franchise Agreement
DTC	:	Distribution Transformer Center
EHV	:	Extra High Voltage
EMD	:	Earnest Money Deposit
EoI	:	Expression of Interest
FA	:	Franchise Area
FY	:	Financial Year
HP	:	Horse Power
IST	:	Indian Standard Time
IT	:	Information Technology
KM	:	Kilometer
KPI	:	Key Performance Indicator
kV	:	Kilo Volt

Lakh	:	Number equivalent to hundred thousand
LF	:	Loading Factor
LoI	:	Letter of Intent
LT	:	Low Tension
MBRC	:	Minimum Baseline Revenue Collection
MCB	:	Miniature Circuit Breaker
MERC	:	Maharashtra Electricity Regulatory Commission
MOU	:	Memorandum of Understanding
MSEB	:	Maharashtra State Electricity Board
MSEDCL	:	Maharashtra State Electricity Distribution Company Limited
MUs	:	Million Units
MW	:	Mega Watt
O & M	:	Operations & Maintenance
PAR	:	Payable Assured Revenue
PD	:	Permanently Disconnected
PF	:	Power Factor
RFP	:	Request for Proposal
Rs.	:	Indian Rupees
SCC	:	Service Connection Charge
SD	:	Security Deposit
SLC	:	Service Line Charge
SMF	:	Sales Multiplying Factor
SOP	:	Standard of Performance
STU	:	State Transmission Utility
T&D	:	Transmission & Distribution

2. Introduction

2.1 The Electricity Act 2003

- 2.1.1 Pursuant to Section 14 of the Electricity Act 2003 (hereinafter referred to as the “Electricity Act”) the Government of Maharashtra by a Notification dated 4th June 05, (Ref no. Reform 1005/CR 9061/NRG-5) formulated a Transfer Scheme where under Maharashtra State Electricity Board (MSEB) was trifurcated into separate generation, transmission, distribution companies. As per the Transfer Scheme, the Maharashtra State Electricity Distribution Company Limited (MSEDCL) was designated as the Distribution Licensee.
- 2.1.2 MSEDCL, 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 7 to Section 14 of the Electricity Act states that:

“...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 license 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 of the Franchise Area

2.3.1 The Franchise Area shall be the distribution division of Jalgaon Urban comprising the following areas as identified by MSEDCL:-

Sr.No.	Name of S/S	Name of Unit	Name of Feeder	No. DTC
1	33/11kv Pimprala	Shivaji Nagar	Shivaji nagar	6
			Mamurabad	5
			Kandesh Mill	9
2	132/11kv Old MIDC	Joshi Peth & Shani Peth	Baliram Peth	10
			Vitthal Peth	12
3	33/11kv Nimkhedi	Pimprala II	Silk Mill	8
4	33/11kv Girna pumping	Pimprala II	Shiv Colony	7
5	33/11kv Girna pumping	Mahabal	Sharada	3
6	33/11kv New MIDC	MIDC I	Chincholi	2
				62

This is spread over approximately 68.78 square kilometers. The geographical location of the Franchise Area is annexed as Annexure 6 of DFA



2.3.2 The details of DTCs of the Franchise Area as mentioned in Table 2 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. MSEDCL 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 by their own means at their end. MSEDCL shall provide all possible help on request from bidders, to enable them to have access of data at either corporate office or field office. It is also to mention that, no request will be entertained once the bid is submitted by the bidder. MSEDCL shall not be held responsible for errors or omissions therein.

TABLE 1 :- Organisation Structure of Franchise Area

Zone	Circle	Division
Jalgaon	Jalgaon	Jalgaon (Urban)

The distribution infrastructure summary is given below:

TABLE 2:- Details of DTCs of designated DF area

Sr.No.	Name of DTC	DTC CODE	DTC Capacity
Pimparala II			
1	Khanderao Nagar(Nala no.1)	4237771	200
2	Khanderao Nagar(Nala no.2)	4237804	100
3	Khaderaao Nagar	4237770	100
4	Hudco Pimparala-I	4237772	250
5	Hudco Pimparala-II	4237773	315
6	Hudco Pimparala-III	4237801	100
7	Hudco Pimparala-IV	4237802	100
8	Madhi Pimparala	4237767	200
9	Hari Vithal Nagar(Maruti Mandir)	4237778	200
10	Hari Vithal Nagar(Bakar DP)	4237779	100
11	Hari Vithal Nagar(Bus stand))	4237781	200
12	Hari Vithal Nagar(Raghubari)	4237777	100
13	Hari Vithal Nagar(NavanathDP)	4237796	100
14	Rukmini Nagar	4237776	100
15	Arjun Nagar	4237793	100
Shivaji Nagar			
16	Dandekar Nagar	4236451	200
17	Raja Tractor	4236456	200
18	Jain Mandir (C.O.Bangla)	4236514	100
19	Gendalal Mill II	4236469	500

20	Gendalal Mill III	4236525	63
21	Laxmi Nagar	4236470	315
22	Prajapati Nagar	4236515	100
23	Bhure Mamledar II	4236521	200
24	Marathwada	4236480	200
25	Satya Narayan Mill	4236519	200
26	Gharkul I	4236495	200
27	Gharkul II	4236496	315
28	Shankar Patil	4236500	100
29	Koble D.P. (AG)	4236497	100
30	C.O.Bangla old	4237465	63
31	Ankush Koli	4237463	63
32	Joglekar	4236473	100
33	Gendalal Mill I	4237464	200
34	Jain Nagar, Rly. Cabin	4237513	100
35	City Colony	4236516	63
Shani Peth			
36	Gurudatta Colony	4237200	100
37	Dinkar Nagar	4237180	315
38	Hariom Nagar	4237198	200
39	Wani Mangal Karyala	4237197	200
40	Kanchan Nagar Gardan	4237178	200
41	Kanchan Nagar Police Station	4237179	200
42	Kalikamata	4237196	100
43	Chaugule Plot	4237168	200
44	Khatik	4237175	100
45	Asoda Road Gharkul	4237199	200
46	Balaji Mandir	4237176	500
47	Gopal Pura	4237182	100
48	Pandit Ukha	4237181	200
49	Walmik Nagar	4237177	315
50	Walmik Nagar Garden	4237201	100

51	Chandanwadi	4237195	100
52	Gurunanak Nagar	4237193	100
53	Mohan Talkies	4237183	100
M.I.D.C 1			
54	Suprime Colony	4236877	200
55	Indraprasta	4236608	200
Mahabal			
56	Samta Nagar-I	4236056	200
57	Samta Nagar-II	4236053	100
58	Samta Nagar-III	4236059	100
Joshi Peth			
59	Khedi old	4237304	200
60	Khedi New	4237305	200
61	Dapadu Member	4237326	100
62	Khedi(BK)	4237333	100

The load data as on 25th September 09 for the Franchise Area is given below:

Table 3: Details of Peak Load Current of DTCs feeding to Franchise Area

Sr. No	Name of DTC	DTC CODE	DTC Capacity	LT LOAD CURRENT			
				R	Y	B	N
	Pimparala II						
1	Khanderao Nagar(Nala no.1)	4237771	200	236	208	171	1.5
2	Khanderao Nagar(Nala no.2)	4237804	100	44.6	120	71	35
3	Khaderao Nagar	4237770	100	176	168	180	17
4	Hudco Pimparala-I	4237772	250	285	260	275	20
5	Hudco Pimparala-II	4237773	315	168	158	140	135
6	Hudco Pimparala-III	4237801	100	175	134	130	5
7	Hudco Pimparala-IV	4237802	100	175	83	82	76
8	Madhi Pimparala	4237767	200	210	153	157	3.5

9	Hari Vithal Nagar(Maruti Mandir)	4237778	200	240	292	387	61
10	Hari Vithal Nagar(Bakar DP)	4237779	100	184	99	117	70
11	Hari Vithal Nagar(Bus stand))	4237781	200	322	255	86	168
12	Hari Vithal Nagar(Raghubari)	4237777	100	143	113	184	45
13	Hari Vithal Nagar(Navanath DP)	4237796	100	136	175	135	71
14	Rukmini Nagar	4237776	100	127	148	72	55.8
15	Arjun Nagar	4237793	100	175	136	188	33.3
Shivaji Nagar							
16	Dandekar Nagar	4236451	100	218	153	173	58
17	Raja Tractor	4236456	200	209	145	195	32.1
18	Jain Mandir (C.O.Bangla)	4236514	100	142	55	162	126
19	Gendalal Mill II	4236469	500	432	371	446	28
20	Gendalal Mill III	4236525	63	75	91	62	1.8
21	Laxmi Nagar	4236470	315	297	277	242	52
22	Prajapati Nagar	4236515	100	123	154	117	39
23	Bhure Mamledar II	4236521	200	122	124	158	25
24	Marathwada	4236480	200	150	245	195	85
25	Satya Narayan Mill	4236519	200	252	228	42	159
26	Gharkul I	4236495	200	304	211	196	1.6
27	Gharkul II	4236496	315	156	218	305	1.8
28	Shankar Patil	4236500	100	124	99	121	60
29	Koble D.P. (AG)	4236497	100	110	125	114	7
30	C.O.Bangla old	4237465	63	70	65	62	5.6
31	Ankush Koli	4237463	63	35	39	32	2.7
32	Joglekar	4236473	100	105	165	95	17.8
33	Gendalal Mill I	4237464	200	201	167	180	70.2
34	Jain Nagar, Rly. Cabin	4237513	100	117	130	119	26
35	City Colony	4236516	100	155	169	177	21
Shani Peth							
36	Gurudatta Colony	4237200	100	192	147	115	66
37	Dinkar Nagar	4237180	315	205	326	285	16
38	Hariom Nagar	4237198	200	215	207	291	17.3
39	Wani Mangal Karyala	4237197	200	198	201	182	48
40	Kanchan Nagar Gardan	4237178	200	370	311	315	43
41	Kanchan Nagar Police Station	4237179	200	222	156	135	29
42	Kalikamata	4237196	100	163	194	198	30
43	Chaugule Plot	4237168	200	215	287	320	95
44	Khatik	4237175	100	121	94	105	33
45	Asoda Road Gharkul	4237199	200	264	160	100	112

46	Balaji Mandir	4237176	500	399	320	491	150
47	Gopal Pura	4237182	100	123	167	154	17
48	Pandit Ukha	4237181	200	135	175	295	67
49	Walmik Nagar	4237177	315	198	315	285	57
50	Walmik Nagar Garden	4237201	100	265	85	139	3.5
51	Chandanwadi	4237195	100	141	118	142	19
52	Gurunanak Nagar	4237193	100	131	167	138	42
53	Mohan Talkies	4237183	100	143	167	187	18
MIDC I							
54	Suprime Colony	4236877	200	345	295	305	8.9
55	Indraprasta	4236608	200	215	209	192	17.5
Mahabal							
56	Samta Nagar-I	4236056	200	219	250	195	37.5
57	Samta Nagar-II	4236053	100	125	140	145	5.7
58	Samta Nagar-III	4236059	100	132	127	118	10.2
Joshi Peth							
59	Khedi old	4237304	200	287	115	263	21
60	Khedi New	4237305	200	190	205	262	23
61	Dapadu Member	4237326	100	170	155	147	14
62	Khedi(BK)	4237333	100	128	145	165	17

N.B.:- Readings of current indicates above, were taken at instant of time

Table 4: Calculation of Base Year Average Billing Rate for Jalgaon Urban Division

The provisional Base Year (08-09) Overall Average Billing Rate (ABR) including HT & LT together of Jalgaon Urban Division is as follows:-

CALCULATION OF Overall ABR for Jalgaon	
B.Y. 08-09	
COMPONENT	AMOUNT in RS.
I	
Energy Charges*	841,070,465.00
Demand Charges	66,646,956.00
Fixed Charges	45,583,356.00
FOCA	47,014,033.00
Electricity Duty	82,746,629.00
RLC(-)	-3,837,596.00

TDL	0.00
TOSE	10,826,355.00
Bulk Incentive(-)	-34,975,801.00
PF / CL Penalty	2,045,708.00
Capacitor Penalty	0.00
L M charges	0.00
L M Rebate	0.00
B 80 Adjustment(-)/ Interest on SD	-2,268,738.00
Reconnection fees	0.00
Other Charges-ASC(pls specify if any)	42,719,049.00
Other Charges-	40,338,355.00
I Sub-total	1,137,908,771.00
Less Contra Entries II	
Electricity Duty	82,746,629.00
TOSE	10,826,355.00
L M charges	0.00
L M Rebate	0.00
II Total	93,572,984.00
Metered Units in Kwh	267,734,999
Unmetered units in Kwh	0
Total Units	267,734,999
*NOTE: 1. * Energy charges is included subsidy amount	
2. All data is presumed to be audited	
3. Subsidy is applicable for LT	
Difference = I - II =	1,045,164,464.00
ABR = Difference/Total Units	3.90
= Rs. / Kwh	

N.B. - The above figures calculated based on Trial Balance and IT report of B.Y. 08-09.
This figure shall be treated as final for the period of engagement.

Table 5: Details of DTC wise consumers

Sr.No	Name of DTC	DTC CODE	DTC Capacity	No of Consumers
<i>Pimparala II</i>				
1	Khanderao Nagar(Nala no.1)	4237771	200	338
2	Khanderao Nagar(Nala no.2)	4237804	100	44
3	Khaderao Nagar	4237770	100	142
4	Hudco Pimparala-I	4237772	250	370
5	Hudco Pimparala-II	4237773	315	283
6	Hudco Pimparala-III	4237801	100	314
7	Hudco Pimparala-IV	4237802	100	46
8	Madhi Pimparala	4237767	200	252
9	Hari Vithal Nagar(Maruti Mandir)	4237778	200	391
10	Hari Vithal Nagar(Bakar DP)	4237779	100	51
11	Hari Vithal Nagar(Bus stand))	4237781	200	217
12	Hari Vithal Nagar(Raghubari)	4237777	100	147
13	Hari Vithal Nagar(NavanathDP)	4237796	100	83
14	Rukmini Nagar	4237776	100	149
15	Arjun Nagar	4237793	100	206
<i>Shivaji Nagar</i>				
16	Dandekar Nagar	4236451	200	78
17	Raja Tractor	4236456	200	70
18	Jain Mandir (C.O.Bangla)	4236514	100	128
19	Gendalal Mill II	4236469	500	1048
20	Gendalal Mill III	4236525	63	2
21	Laxmi Nagar	4236470	315	207
22	Prajapati Nagar	4236515	100	22
23	Bhure Mamledar II	4236521	200	100
24	Marathwada	4236480	200	343
25	Satya Narayan Mill	4236519	200	55
26	Gharkul I	4236495	200	195
27	Gharkul II	4236496	315	91

28	Shankar Patil	4236500	100	33
29	Koble D.P. (AG)	4236497	100	37
30	C.O.Bangla old	4237465	63	7
31	Ankush Koli	4237463	63	3
32	Joglekar	4236473	100	8
33	Gendalal Mill I	4237464	200	264
34	Jain Nagar, Rly. Cabin	4237513	100	269
35	City Colony	4236516	63	38
Shani Peth				
36	Gurudatta Colony	4237200	100	32
37	Dinkar Nagar	4237180	315	200
38	Hariom Nagar	4237198	200	127
39	Wani Mangal Karyala	4237197	200	45
40	Kanchan Nagar Gardan	4237178	200	230
41	Kanchan Nagar Police Station	4237179	200	303
42	Kalikamata	4237196	100	192
43	Chaugule Plot	4237168	200	368
44	Khatik	4237175	100	9
45	Asoda Road Gharkul	4237199	200	86
46	Balaji Mandir	4237176	500	179
47	Gopal Pura	4237182	100	108
48	Pandit Ukha	4237181	200	251
49	Walmik Nagar	4237177	315	248
50	Walmik Nagar Garden	4237201	100	54
51	Chandanwadi	4237195	100	158
52	Gurunanak Nagar	4237193	100	104
53	Mohan Talkies	4237183	100	47
M.I.D.C 1				
54	Suprime Colony	4236877	200	404
55	Indraprasta	4236608	200	120
Mahabal				
56	Samta Nagar-I	4236056	200	78

57	Samta Nagar-II	4236053	100	34
58	Samta Nagar-III	4236059	100	10
Joshi Peth				
59	Khedi old	4237304	200	244
60	Khedi New	4237305	200	152
61	Dapadu Member	4237326	100	148
62	Khedi(BK)	4237333	100	84

Additional information on the Franchise Area can be found in the data room that shall be arranged by MSEDCL

2.4 Objectives of the Project

2.4.1 MSEDCL's objective of appointing a Distribution Franchisee in the Franchise Area are:

- 2.4.1.1 Bring down the loss level
- 2.4.1.2 Improve collection efficiency
- 2.4.1.3 Regularisation of illegal connection and curbing theft
- 2.4.1.4 Revamping the network on LT side
- 2.4.1.5 Facilitation for energy audit
- 2.4.1.6 Meeting one of the objectives of National Electricity Policy of per capita consumption of 1000 Kwh / Year
- 2.4.1.7 Achieve effective demand side management and energy conservation
- 2.4.1.8 Elimination of fatal electrical accident

2.4.2 The selection of interested parties shall be through a transparent bidding process.

3. Project Description

3.1 Salient Features of the Project

- 3.1.1 The project encompasses all the activities relating to the distribution of power to the existing/future consumers within the designated Franchise Area, maintenance of the Distribution Assets on LT sides of DTCs and all related activities subject to the terms and conditions as stipulated from time to time by MSEDCL and MERC

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 MSEDCL as per the terms and conditions of the License given by MERC.
- 3.2.3 Undertaking any other activity as may be notified from time to time by MERC to Distribution Licensee.
- 3.2.4 Complying with all the directives issued from time to time by MERC, MSEDCL and GoM / GoI.
- 3.2.5 Undertaking the distribution and supply of power to the consumers of MSEDCL in the Franchise Area.
- 3.2.6 Undertaking all Operations and Maintenance related activities in the Franchise Area.
- 3.2.7 Maintaining the existing LT distribution network and replacing failed/ defective meters within the prescribed time frame as per MERC SOP/ directive as amended from time to time, including repair of the same. All major required spares shall be supplied by MSEDCL on demand by DF after joint verification as per spares mentioned at Annexure 1. However, regular O&M spares as per Annexure 1A shall be managed by DF within his own resource.
- 3.2.8 The list of regular O&M spares as mentioned in Annexure 1A shall be supplied by MSEDCL to DF for the one week requirement only, thereafter DF shall replenish the same and maintain the level accordingly to carryout day to day maintenance and emergency breakdown.

- 3.2.9 Administering and maintaining the ongoing contracts, if required by Distribution Franchisee, entered into by MSEDCL. Alternatively, Distribution Franchisee may cancel the ongoing contract as per the terms and conditions of the contracts entered into by MSEDCL, with the exception of contracts for capital expenditure. Any cancellation of ongoing contracts would require written consent from MSEDCL.
- 3.2.10 Undertaking photo meter readings, distribution of the bills and payment collection from the consumers in the Franchise Area, as per the retail tariff structure determined by MERC and abiding by the Conditions of Supply laid down under the license conditions thereof.
- 3.2.11 Making payments to MSEDCL as per the terms and conditions of the Distribution Franchise Agreement.
- 3.2.12 Collection of arrears as an agent of MSEDCL, and remittance of the same as per the terms and conditions of the DFA.
- 3.2.13 The DF shall setup a Consumer Service Centre (CSC) as per guidelines/specification given in Annexure 3 of DFA and the same has to be manned round the clock (24X7) to get the complaints/ fault registered and attend the same to make it good. The expenditure towards setting up CSC and maintenance thereafter shall be borne by DF.
- 3.2.14 Preliminary redressal of Commercial Complaints such as those relating to security deposit, change of load category, interest, arrears, penalty, etc. and Billing Complaints in accordance with MERC regulations. The distribution franchisee has to setup the IGRC (Internal Grievance Redressal Cell) as per MERC (Consumer Grievance Redressal Forum and Electricity Ombudsman) regulations 2006 and Subsection 5 of Section 42 of Electricity Act 2003
- 3.2.15 Allotting new connections and carrying out all necessary activities for release of the same as per applicable Law.
- 3.2.16 Acquiring information regarding existing and future consumers as well obtaining meter reading of consumers of designated franchise area are to be carried out by DF and same has to be submitted to MSEDCL as per prescribed format to facilitate and maintaining consumer database, generation of bill and billing records by MSEDCL.
- 3.2.17 Generating monthly Management Information System (MIS) and monitoring reports in prescribed formats at annexed at Annexure 4 of DFA and online communication of the same to MSEDCL.

- 3.2.18 Carrying out periodical demand estimation/ load forecasting and apprising MSEDCL of the same.
- 3.2.19 Upgrading and renovating the existing distribution network/ systems/ assets under capital expenditure (CAPEX) as per Prudent Utility Practices and the standards that may be prescribed by MERC, However, spares will be supplied by MSEDCL after joint verification and demand by DF. DF shall engage his manpower for erection and commissioning of network assets.
- 3.2.20 Maintaining the existing distribution network/ systems/ assets under O&M as per Prudent Utility Practices and the standards that may be prescribed by MERC, However, DF shall manage spares from own resources as per Annexure 1A.
- 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. including the proceedings under Section 126, Section 135 (2) and Section 152 of the Electricity Act 2003, although the Franchisee shall not be responsible for the operations and maintenance of street lights in the proposed Franchise Area.
- 3.2.22 Supplying electricity to all categories of consumers in the Franchise Area and temporary connections.
- 3.2.23 DF shall collect the bill amount from the consumers against the bill generated by the MSEDCL and the amount collected so shall be remitted to MSEDCL by DF on daily basis.
- 3.2.24 DF shall strive to achieve cent percent collection and to ensure that Net Revenue Collection (NRC) should be atleast above MBRC. If DF fails then, the Bank Guarantee (BG) shall be invoked by MSEDCL to recover PAR due to MSEDCL from DF.

The adjustment shall be done as per commercial arrangement as mentioned at Article 6 of DFA and DF shall be required to submit fresh Bank Guarantee of equivalent amount as per Article 10 of DFA.

3.3 Support given by MSEDCL

- 3.3.1 MSEDCL shall supply the power at DTC level LT sides as per its aggregated power supply and load shedding schedule planned periodically, based on directives issued by MERC on load shedding and availability of EHV transmission capacity.

- 3.3.2 MSEDCL shall communicate to DF any shortfall or inability to supply the scheduled power requirements of the DF.
- 3.3.3 O&M on LT network shall be carried out by DF by engaging his own trained/ competent manpower. However, major O&M spares as mentioned in Annexure 1, shall be supplied by MSEDCL subject to joint verification of MSEDCL and DF. In addition, DF shall manage O&M spares as mentioned in Annexure 1A from his own source to undertake regular O&M on LT network. The concern Executive Engineer of MSEDCL has to keep these inventories of Annexure 1 as earmarked. In case of shortfall, Executive Engineer has to replenish the same on priority.
- 3.3.4 The concern Executive Engineer of the division shall be responsible to keep one DTC of each capacity as earmarked for DF. The earmarked DTCs shall be used during emergency breakdown to ensure the restoration of supply to the consumers in a shortest possible time. The modality for the same will be decided mutually between concerned Executive Engineer and DF.
- 3.3.5 MSEDCL shall provide facility for generation of bills against submission of meter reading.
- 3.3.6 MSEDCL shall settle the account of debit/ credit between MSEDCL and DF within seven working days of subsequent month.
- 3.3.7 At no circumstances MSEDCL shall draw energy from any point / feeder/ transformer of franchisee's designated area.
- 3.3.8 MSEDCL shall make the designated DF area technically isolated and all crossover points shall be removed.

3.4 Term of Franchisee

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

3.5 Distribution Franchise Agreement "DFA"

- 3.5.1 MSEDCL shall enter into an agreement with the DF. This agreement shall govern all transactions under such arrangement between the successful bidder and MSEDCL. The DFA has been annexed herewith and marked as Annexure B. However, MSEDCL reserves the right to make any changes

to the Agreement in Annexure B before the DFA is signed by the Parties.
In case of any contradictions, the DFA shall override the RFP.

- 3.5.2 The bidder must submit accepted model DFA, including all Annexures signed and stamped on all pages. No negotiations on the same shall be allowed, once such an accepted DFA is submitted.

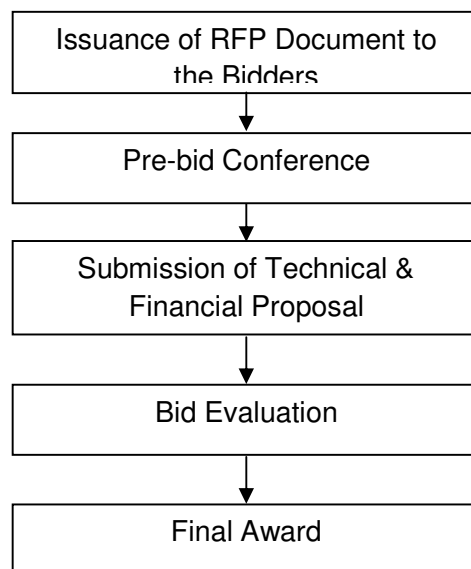
4. Selection Process

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 Pre- Bid Conference
- 4.1.1.3 Submission of the Technical and Financial Proposal
- 4.1.1.4 Bid Evaluation and Award of Contract

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



4.1.3 MSEDCL shall issue the RFP document to all the interested bidders against receipt of requisite tender document fee of rupees twenty thousand (20,000/-) in the form of Demand Draft as Clause 6.5 of RFP refers. 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 A Pre-Bid Conference shall be held by MSEDCL on the date as indicated in the Time Table as per Clause 6.7 of RFP. The purpose of which shall be to address the concerns of the bidders with respect to RFP.

- 4.1.5 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 of RFP.
- 4.1.6 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 3 and Exhibits 6 to 7 of this document.
- 4.1.7 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 MSEDCL 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, the bidder offering higher Net present value (NPV) to MSEDCL shall be selected. MSEDCL 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 of the bidding process.
- 4.1.10 The selected Bidder shall be issued the Letter of Intent (LoI) by MSEDCL, which must be accepted by the Selected Bidder within 15 calendar days from the date of issue. The selected bidder (i.e. DF) shall issue acceptance of LoI in writing along with Bank Guarantee (BG) as per format placed at Exhibit 8 of RFP. The value of Bank Guarantee shall be equivalent to one month estimated amount payable to MSEDCL by DF based on the monthly average of first year Minimum Baseline Revenue Collection as highest bid offer by DF. The validity of the Bank Guarantee (BG) should be up to thirty (30) calendar months from the date of issue or the effective date, whichever is later.

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. MSEDCL 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 original purchase fee receipt of tender document.
- 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 model DFA signed and accepted by the bidder.
- 5.1.1.8 If the bid is not accompanied by the Information requirement as laid down in Exhibit 3 of the RFP
- 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 Minimum Baseline Revenue Collection as laid down in Exhibit 7 of the RFP
- 5.1.1.11 If the validity of the bid is less than six months from the last date of submission of the bids.

5.2 Technical Proposal

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

- 5.2.1 The experience to undertake the distribution of electricity and related activities in the Franchise Area
- 5.2.2 The financial capability to undertake O&M and other required expenditure to perform its obligation under DFA
- 5.2.3 The ability to implement the future 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 on following parameters:

Sr.No.	Parameter
1.	Experience
2.	Financial capability

5.2.5 Experience

The Bidding Company shall be evaluated as follows:

The Bidder Company has to qualify for (A) or (B) and (C) criteria as listed below.

5.2.5.1 A) Experience in handling consumer base

The Bidder Company must have a minimum of 2 (two) years of experience in serving at least 5 thousand consumers. A consumer is defined as any entity that acquires goods or services for direct use or ownership as well as for resale or use in production and manufacturing.

OR

B) Experience in employee handling

The Bidder Company should have a minimum 2 (two) years of experience in employing and managing a workforce of more than 50 (Fifty) employees. For this purpose, the employees should be engaged with the bidder company on a full time basis, whether on the rolls of the company, on contract basis or as advisors.

AND

C) Electrical Contractor License

The Bidders Company should have electrical contractor licence from the Competent Authority of GoM. In addition the bidding company should have minimum five competent employees with power distribution sector experience is defined in Clause 5.2.11 of the RFP.

5.2.6 Financial Capability Criteria

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

a) Net worth

Net worth as on March 31, 09 should be at least Rs 50 (Fifty) Lacs.

b) Cash Accruals

Average Cash Accruals, (defined as the sum of Profit after Tax plus depreciation) for F.Y 08-09, should be at least Rs. 10 (Ten) Lacs.

c) Turnover

Average annual turnover in the F.Y. 08-09 should be at least Rs. 100 (one hundred) Lacs.

- 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 experience, only the credentials of the Bidding Company shall be considered.
- 5.2.9 The experience for a particular project can be claimed by only the Bidding Company

- 5.2.10 Any suggestions or conditions for change in the DFA submitted as part of the bid may be construed as deviations from the DFA and may result in non responsiveness.
- 5.2.11 The term distribution sector is understood as the business of O&M of a distribution system for supplying electricity to consumer. For the purpose of bid evaluation, experience if any of the following activities of electricity business may generally be considered as distribution sector experience:
- a. Meter reading services.
 - b. Billing and Collection services.
 - c. Repair and maintenance of distribution lines, substations, electrical switchgears and facilities.
 - d. Construction and erection of distribution lines and facilities.
 - e. Experience of using telecommunications services for electricity distribution (e.g. Supervisory control and Data Acquisition (SCADA), Automated Meter Reading (AMR), Global Positioning System (GPS).
 - f. Experience in manufacturing, operation and maintenance , erection and commissioning of equipment used primarily in electricity distribution
 - g. Other service(s) those are essential for the conveyance of electricity.

MSEDCL shall use its judgement as regards what constitutes relevant distribution sector experience and such decision shall be final and binding on all parties.

5.3 Financial Proposal

- 5.3.1 The bidders are required to bid for total no. of DTCs of each group of DTCs capacity wise for all twenty four months (i.e. period of contract). The bidders are required to submit detail financial proposal as per Exhibits 4 and 5
- 5.3.2 The bidder has to quote either equal or above the Minimum Baseline Revenue Collection against each group of DTCs capacity wise for twenty four months as indicated in Exhibit 5. The Minimum Baseline Revenue

indicated in Exhibit 5, is based on multivariate econometric model as mentioned in Article 6 of Annexure B.

- 5.3.3 The bidder must reduce the distribution loss level to at least 10.50% by the end of the second year from the estimated existing loss level (i.e. 50% applicable for all DTCs).
- 5.3.4 Bidders may take help of the data given in Annexure A and Table 4 of this document, for calculation of their offer.
- 5.3.5 MSEDCL, based on its assessment of improvement of various network parameters, has projected monthly internal benchmarks under heading minimum baseline revenue collection in rupees consolidated for the duration of franchise agreement and same is annexed at Annexure 2 of DFA. These projections would serve as benchmark to evaluate the financial proposals. If any proposals failed to meet these benchmarks in any of the month(s) or at the overall level for each financial year, MSEDCL reserves the right to reject the proposal without assigning any reason whatsoever. MSEDCL also reserves the right to reject any bid that it deems as unreasonable and impracticable.
- 5.3.6 The minimum baseline revenue collection is calculated by factoring the distribution loss trajectory and sales multiplying factor (SMF) as annexed at Annexure A of this document, as follows: -
 - 5.3.6.1 Reduction in loss level by 0.25 % each month from 7th month to 12th month of the period of agreement
 - 5.3.6.2 Reduction in loss by 0.50 % each month from 13th month to 18th month of the period of agreement
 - 5.3.6.3 Reduction in loss level by 1.00 % each month from 19th month to 24th month of the period of agreement
- 5.3.7 The bidders must achieve and maintain minimum 90% collection efficiency throughout duration of the distribution franchise agreement.
- 5.3.8 The evaluation of the financial proposal submitted by bidders, committing minimum improvement in performance level, shall be based on summation of total offer given against each capacity of DTCs (consolidated) year wise by the individual bidder separately. Similar methodology shall be applied for the second year; however, the consolidated amount for second year will be calculated on NPV (Net

Present Value) basis with discount rate of 10.19%, as promulgated by CERC. The offers given as consolidated for the first and second year together, by the bidders shall be compared and the highest total of both the years shall be declared as successful bidder.

- 5.3.9 The bidder with highest NPV (Net Present Value) shall be selected for awarding the project.
- 5.3.10 The Bidder short-listed after evaluation as stated in Clause 5.3.8 above, shall be selected for awarding the Project.
- 5.3.11 Any conditional Financial Proposal may be liable for rejection. Any financial proposal that MSEDCL deems as unreasonable and impracticable may also be liable for rejection
- 5.3.12 A bid must be submitted by a Bidding company in its individual capacity only, without relying on the credentials of promoters or affiliates.
- 5.3.13 Quoted rate (offered by the bidder under minimum baseline revenue collection) shall be not be adjusted for any purpose whatsoever. The quoted rate of the Bidders is expected to take into account relevant business risks.
- 5.3.14 According to the DFA, the Franchisee shall have to collect electricity duty, tax on sale of electricity, security deposit for new connections and penalty for late payments from consumers and pay to MSEDCL. Such payment shall be apart from the minimum baseline revenue collection (Benchmark amount) against the supply of energy. Hence the Benchmark amount shall not include the above components. Tariff components such as Fuel Adjustment charge, additional supply charge and any other charge as tariff component, (if promulgated by MERC in future) shall be billed to consumers and any change in the same shall be reflected in the bills payable to MSEDCL through distribution franchise. Accounting of subsidy, if any, shall be maintained by MSEDCL & claimed by MSEDCL accordingly from GoM. However, the subsidy component shall be taken into account for qualifying purpose of minimum baseline revenue collection. The subsidy amount shall be credited to DF as it is considered as a part of tariff subject to full payment made by an individual consumer for that particular month against MSEDCL's monthly bill. Hence the Bidder must factor in the same during bid submission.
- 5.3.15 The submission of signed and accepted model DFA is required along with the bid submission.

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 3 and Exhibits 6 to 7 , should be delivered in a sealed envelope or a box, with the following inscription:

“Technical Proposal for DTC capacity based Distribution Franchisee for Jalgaon Urban division”

Name of the Bidding Company: _____

To

[The Principal Consultant (Distribution Franchise)]

Maharashtra State Electricity Distribution Company Ltd.

Plot No G-9, Anant Kanekar Marg,

4th Floor, Prakshgad,

Bandra (East),

Mumbai 400 051

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:

“Financial Proposal for Appointment of DTC capacity based Distribution Franchisee for Jalgaon Urban division”

Name of the Bidding Company: _____

To

[The Principal Consultant (Distribution Franchise)]

Maharashtra State Electricity Distribution Company Ltd,

Plot No G-9, Anant Kanekar Marg,

4th Floor, Prakshgad,

Bandra (East),

Mumbai 400 051

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 MSEDCL. MSEDCL shall not be responsible for any delay in receipt of the Proposal. Any Proposal received by MSEDCL after the deadline for submission of the Proposal stipulated by MSEDCL, shall not be opened. Each page of the Proposal should be initialed by the authorized signatory of the Bidder.

6.5 Fees and Deposits

6.5.1 Fees for purchase of Tender Document

6.5.1.1 The Bidder shall pay MSEDCL a non-refundable amount of Rs 20,000 [Rupees Twenty thousand], towards purchase of tender document, by way of Demand Draft/ Pay Order, drawn on a scheduled bank, in favor of the “Maharashtra State Electricity Distribution Company Limited”, payable at Mumbai.

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 MSEDCL 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. MSEDCL shall not be responsible in any way for such costs, regardless of the conduct or outcome of this process.

6.5.2 Earnest Money Deposit (EMD)

- 6.5.2.1 Each Bidder shall submit an Earnest Money Deposit (EMD) of an amount Rs. 1.00 Lac [Rupees One Lac] in the form of a Demand Draft drawn on a Nationalised Public Sector Bank in favour of the “Maharashtra State Electricity Distribution Company Limited”, payable at Mumbai.
- 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 MSEDCL as non-responsive.
- 6.5.2.4 For successful Bidder, EMD shall be released after the execution of the Distribution Franchise Agreement (i.e. effective date or start of operation by DF) and submission of Bank Guarantee (BG) whichever is later. Clause 4.1.10 and 6.7 of this document refer.
- 6.5.2.5 The following shall cause the invoking of EMD and forfeit the amount of EMD
- 6.5.2.5.1 If the Bidder modifies/ withdraws it's Proposal except as per the provisions specified in the RFP.
- 6.5.2.5.2 If the Bidder withdraws its proposal before the expiry of the validity period of the Proposal.
- 6.5.2.5.3 If the successful Bidder fails to provide the bank guarantee as provided in the RFP within the stipulated time or any extension thereof provided by MSEDCL. Clause 4.1.10 and 6.7 of this document refer.
- 6.5.2.5.4 If the successful Bidder fails to accept the letter of intent within 15 calendar days from date of issue of letter of intent.
- 6.5.2.5.5 If the successful Bidder fails to sign the DFA within 30 days of issuance of LoI or any extension thereof provided by MSEDCL.
- 6.5.2.5.6 If any information or document furnished by the Bidder turns out to be misleading or untrue in any material respect.

- 6.5.2.5.7 If the successful bidder fails to take over the designated franchise area or express inability to take over under any pretext within stipulated time period as indicated by MSEDCL.
- 6.5.2.6 For unsuccessful Bidder, EMD shall be released after the furnishing of the Bank Guarantee (BG) by the Successful Bidder as per Article 10 of the DFA or within six months of the last date of submission of bids, whichever is earlier.
- 6.5.2.7 However the EMD amount of successful bidder shall be retained with MSEDCL till execution of DFA (i.e. effective date or after start of operation by DF).

6.5.3 Bank Guarantee

- 6.5.3.1 The Selected Bidder shall submit a performance guarantee to the satisfaction of MSEDCL in the form of a bank guarantee from any Nationalised bank or ICICI bank, IDBI bank, Axis bank, HDFC bank for an amount equivalent to one month's (avg.) of first year minimum baseline revenue collection amount by Distribution Franchisee for consolidated 62 DTCs. The amount shall be decided after finalization of financial proposal, as highest offer shall be considered as MBRC for all further commercial transactions between MSEDCL and DF.
- 6.5.3.2 The Bank Guarantee must be furnished in the format provided in Exhibit 8 of the RFP along with acceptance of the letter of intent, failing which acceptance of the letter of intent shall be invalid.
- 6.5.3.3 The Bank Guarantee shall be valid for thirty calendar month from the date of issue or the Effective Date whichever is later.
- 6.5.3.4 The Bank Guarantee shall be encashed in case the Selected Bidder does not take over operations in the Franchise Area within two months of the acceptance of the letter of intent

6.6 Model Distribution Franchise Agreement

The model Distribution Franchise Agreement must be signed and accepted by the bidder and such signed DFA should be delivered as part of the bid. The bidder must submit accepted model DFA, including all annexure, signed and stamped on all pages. No negotiations on the same shall be allowed, once such an accepted DFA is submitted. Any suggestions or conditions for change in the DFA submitted as part of the bid may be construed as deviations from the DFA and may result in non-responsiveness.

6.7 Time Table and Milestones

Milestone	Date
Commencement of Sale of Bid Document	D (Probable Dt. 15 Dec.09) 1100 Hrs to 1700 Hrs on working days except Sat., Sun. and Holidays
Last date for sale of bid doc.	D plus 20 days up to 1700 Hrs
Pre- Bid Conference	D plus 30 days
Last date of submission of bids	D plus 45 days up to 1300 Hrs
Opening of Technical Bids	D plus 45 days at 1500 Hrs
Opening of Financial Bids	To be notified
Completion of Bid Evaluation	D plus 90 days or earlier
Issue of LoI	D plus 105 days
Acceptance of LoI along with Bank Guarantee	D plus 120 days
Signing of DFA	D plus 135 days
Conditions precedent to be satisfied	D plus 150 days
Last date of parallel operation	D plus 180 days
Effective Date	D plus 181 days
Conditions subsequent to be satisfied	D plus 241 days

- “D” denotes the date of commencement of sale of bid document.

6.8 Opening of Technical Proposal

The Technical Proposal shall be opened at MSEDCL in the presence of one representative from each Bidder who wishes to be present. The details regarding the Technical Proposal, as provided in Exhibit 2 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 Bidders who wish to be present. Date, Time and Place for the same shall be notified by MSEDCL in due course of time. The details regarding the Financial Proposal, as provided in 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. MSEDCL 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. MSEDCL 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 six months from the last date for submission of the Bids. In exceptional circumstances, MSEDCL may solicit the Bidder's consent for extension of the period of validity. A Bidder accepting MSEDCL's request for extending the period of validity shall not be permitted to modify its Proposal.

6.12 Language of the Bid

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 forms 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 sealed envelopes.

6.14.3 If the envelopes and/or the packages are not sealed MSEDCL 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 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 Any change in proposal or supplementary information to a Proposal will not be accepted after its submission. However, MSEDCL reserves the right to seek additional information/ clarification from the Bidders, if found necessary, during the course of evaluation of the Proposal. MSEDCL reserves the right of accepting and using such additional information/ clarification. Non-submission, incomplete submission or delayed submission of such additional information or clarifications as sought by MSEDCL, may be grounds for rejection of 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, MSEDCL reserves the right to make modifications to the stated Evaluation Criteria, which would be uniformly applied to all the Bidders.
- 6.15.7 The Bidder should designate one person ("Contact Person" and "Authorised Signatory") to represent the Bidder in his dealings with MSEDCL. 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. Communication to such person shall be deemed to be effective communication from MSEDCL's side.
- 6.15.8 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 MSEDCL, is found to be incorrect or is a material misrepresentation of facts, then the Proposal may be liable for rejection.
- 6.15.9 The Bidder shall be responsible for all the costs associated with the preparation of the proposal. MSEDCL shall not be responsible in any way for such costs, regardless of the conduct or outcome of this process.

6.15.10 MSEDCL reserves the right to reject any or all the Proposals without assigning any reasons whatsoever.

6.15.11 All queries and suggestions on the RFP should be as per the format provided in Annexure C and must be provided in soft copy via spreadsheet software (such as Microsoft Excel, etc.) to the address provided in Clause 6.16, in addition to hard copies, if any.

6.16 Pre-bid Conference

6.16.1 The official representative of the Bidders may attend the pre-bid conference which will take place at the following address:

The Principal Consultant (Distribution Franchise),
Maharashtra State Electricity Distribution Company Ltd.,
Plot No G- 9, Anant Kanekar Marg,
4th Floor, Prakshgad, Bandra (East),
Mumbai 400 051
Phone: 022 – 26581476, 26474211 ext. 2221
Fax: 022 – 26581476
Email: pcdf@mahadiscom.in

6.16.2 The purpose of the meeting will be to clarify any issues regarding the bid process.

6.16.3 The Bidder must submit questions if any in writing by post/fax in addition to email to reach MSEDCL at the address indicated above at least one week prior to the pre-bid conference as per the format provided in Annexure C.

6.16.4 If any query is not clarified during the pre bid conference, then reply to such query will be communicated separately to all the bidders.

6.16.5 Non attendance at the pre-bid meeting will not be a cause for rejection of a Bidder.

6.17 Enquiries:

Clarifications, if any, can be sought from the contact details provided in Clause 6.16.1. The Format for the same is provided in Annexure C and must be strictly followed. All requests for clarifications, if any, must be provided in soft copy, via spreadsheet software (such as Microsoft Excel, etc.) In addition to hard copies.

7. Formats for Submission of Bids

(a). Technical Proposal

The Technical Proposal to be submitted by the Bidders shall be submitted in a spirally bound manner (except for the Demand Draft) and 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 as the EMD
 - iv) Signed and accepted Model DFA
- 2 Section 2 :
 - i) Description of the Bidding Company as per the format specified in Exhibit 2
 - ii) Information Requirements as per the formats specified in Exhibit 3.
 - 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 Exhibit 6.
 - 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 submitted in a spirally bound manner and 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

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:

To

Principal Consultant (Distribution Franchise)

Maharashtra State Electricity Distribution Company Ltd.,

Plot No G-9, Anant Kanekar Marg,

4th floor, Prakashgad,

Bandra (East),

Mumbai 400 051

Dear Sir,

Sub: DTC capacity based Distribution Franchise for Jalgaon Urban Division

Please find enclosed one (1) original + two (2) copies of our Technical Proposal in respect of the DTC capacity based Distribution Franchise for Jalgaon Urban division ("Project"), in response to the Request for Proposal ("RFP") document issued by the Maharashtra State Electricity Distribution Company Limited, ("MSEDCL") on _____

We hereby confirm the following:

1. The Proposal is being submitted by _____ (name of the Bidding Company).
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 MSEDCL and in any subsequent communication sent by MSEDCL. Our Technical Proposal is consistent with all the requirements of submission as stated in the RFP or in any of the subsequent communications from MSEDCL.
3. The information submitted in our Technical Proposal is complete and it 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 Mr. /Ms. _____ (mention (1) name, (2) designation, (3) contact address, (4) phone no. including mobile no. , (5) fax no. as well as (6) e-mail) 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.
5. This proposal is a firm and irrevocable offer, and shall remain valid and open for a period of not less than six months from the last date for submission of the Bids

For and on behalf of :

Signature :

(Authorised Signatory)

Name of the Person :

Designation :

Exhibit 2: Description of the Bidding Company

Name of the Bidding Company	
Registered Office	
Corporate Office (if different from the registered office)	

For and on behalf of :

Signature :

(Authorised Signatory)

Name of the Person :

Designation :

Exhibit 3: Information Requirement for Technical Proposal

Instructions:

- a) This section specifies information to be provided in respect of the Bidding Company.
- b) Bidders should attach the Consolidated Audited Annual Reports for the F.Y. 08-09 of the Bidding Company.
- c) Definitions of relevant criteria shall be as per Clause 5 of the RFP

FINANCIAL CAPABILITY

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

Sr. No.	Description	Data as on	Amount in Rs
1	Net Worth	31 Mar. 09	
2	Annual Turnover	31 Mar. 09	
3	Cash Accruals	31 Mar. 09	

EXPERIENCE AND TRACK RECORD

Sr. No.	Experience	Data as on	Nos.
1	In handling consumer base	31 Mar. 09	
2	Employee handling	31 Mar. 09	
3	Power Distribution Sector Personnel Experience	31 Mar. 09	

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:

To

The Principal Consultant (Distribution Franchise)

Maharashtra State Electricity Distribution Company Ltd,

Plot No G-9, Anant Kanekar Marg,

4th Floor, Prakashgad,

Bandra (East),

Mumbai 400 051

Dear Sir,

Sub: DTC capacity based Distribution Franchise for Jalgaon Urban Division

Please find enclosed one (1) original + two (2) copies of our Financial Proposal in respect of the DTC capacity based Distribution Franchise for Jalgaon Urban division ("Project"), in response to the Request for Proposal ("RFP") document issued by the Maharashtra State Electricity Distribution Company Limited, ("MSEDCL") on _____.

We hereby confirm the following:

1. The Proposal is being submitted by _____ (name of the Bidding Company).
2. We have examined in detail and have understood, and abide by; all the terms and conditions stipulated in the RFP document issued by MSEDCL and in any subsequent communication sent by MSEDCL.

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 MSEDCL.
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 :

Exhibit 5: Format for Financial Proposal

No. of DTC		4		27	
DTC Capacity		63		100	
Period	Contract Month	MBRC in Rs per month		MBRC in Rs per month	
		Expected	Offered by Bidder	Expected	Offered by Bidder
1st SIX MONTH	1	1,17,691		12,60,972	
	2	1,17,691		12,60,972	
	3	1,17,691		12,60,972	
	4	1,17,691		12,60,972	
	5	1,17,691		12,60,972	
	6	1,17,691		12,60,972	
2nd SIX MONTH	7	1,18,279		12,67,277	
	8	1,18,868		12,73,581	
	9	1,19,456		12,79,886	
	10	1,20,045		12,86,191	
	11	1,20,633		12,92,496	
	12	1,21,221		12,98,801	
1 st Yr. Total		14,24,646		1,52,64,063	
3rd SIX MONTH	13	1,22,398		13,11,411	
	14	1,23,575		13,24,020	
	15	1,24,752		13,36,630	
	16	1,25,929		13,49,240	
	17	1,27,106		13,61,849	
	18	1,28,283		13,74,459	
4th SIX MONTH	19	1,30,637		13,99,679	
	20	1,32,990		14,24,898	
	21	1,35,344		14,50,117	
	22	1,37,698		14,75,337	
	23	1,40,052		15,00,556	
	24	1,42,406		15,25,776	
2 nd Yr. Total		15,71,171		1,68,33,972	
Total Expected Rev. for 2 Years		29,95,817		3,20,98,035	

For and on behalf of :

Signature :

(Authorised Signatory)

Name of the Person :

Designation :

Instructions: The offered amount should be in rupees only as round figure.

No. of DTC		23		1	
DTC Capacity		200		250	
Period	Contract Month	MBRC in Rs per month		MBRC in Rs per month	
		Expected	Offered by Bidder	Expected	Offered by Bidder
1st SIX MONTH	1	21,48,322		1,16,757	
	2	21,48,322		1,16,757	
	3	21,48,322		1,16,757	
	4	21,48,322		1,16,757	
	5	21,48,322		1,16,757	
	6	21,48,322		1,16,757	
2nd SIX MONTH	7	21,59,064		1,17,340	
	8	21,69,805		1,17,924	
	9	21,80,547		1,18,508	
	10	21,91,289		1,19,092	
	11	22,02,030		1,19,676	
	12	22,12,772		1,20,259	
1 st Yr. Total		2,60,05,440		14,13,339	
3rd SIX MONTH	13	22,34,255		1,21,427	
	14	22,55,738		1,22,594	
	15	22,77,222		1,23,762	
	16	22,98,705		1,24,930	
	17	23,20,188		1,26,097	
	18	23,41,671		1,27,265	
4th SIX MONTH	19	23,84,638		1,29,600	
	20	24,27,604		1,31,935	
	21	24,70,571		1,34,270	
	22	25,13,537		1,36,605	
	23	25,56,503		1,38,940	
	24	25,99,470		1,41,276	
2 nd Yr. Total		2,86,80,101		15,58,701	
Total Expected Rev. for 2 Years		5,46,85,541		29,72,040	

For and on behalf of :
 Signature :
 (Authorised Signatory)
 Name of the Person :
 Designation :

Instructions: The offered amount should be in rupees only as round figure.

No. of DTC		5		2	
DTC Capacity		315		500	
Period	Contract Month	MBRC in Rs per month		MBRC in Rs per month	
		Expected	Offered by Bidder	Expected	Offered by Bidder
1st SIX MONTH	1	7,35,567		4,67,027	
	2	7,35,567		4,67,027	
	3	7,35,567		4,67,027	
	4	7,35,567		4,67,027	
	5	7,35,567		4,67,027	
	6	7,35,567		4,67,027	
2nd SIX MONTH	7	7,39,245		4,69,362	
	8	7,42,923		4,71,697	
	9	7,46,600		4,74,032	
	10	7,50,278		4,76,367	
	11	7,53,956		4,78,702	
	12	7,57,634		4,81,037	
1 st Yr. Total		89,04,037		56,53,357	
3rd SIX MONTH	13	7,64,990		4,85,708	
	14	7,72,345		4,90,378	
	15	7,79,701		4,95,048	
	16	7,87,057		4,99,718	
	17	7,94,412		5,04,389	
	18	8,01,768		5,09,059	
4th SIX MONTH	19	8,16,479		5,18,399	
	20	8,31,191		5,27,740	
	21	8,45,902		5,37,081	
	22	8,60,613		5,46,421	
	23	8,75,325		5,55,762	
	24	8,90,036		5,65,102	
2 nd Yr. Total		98,19,817		62,34,805	
Total Expected Rev. for 2 Years		1,87,23,854		1,18,88,161	

For and on behalf of :
Signature :
(Authorised Signatory)

Name of the Person :
Designation :

Instructions:

The offered amount should be in rupees only as round figure.

Exhibit 6: Format of Power of Attorney

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 favor 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. (mention (1) name, (2) designation, (3) contact address, (4) phone no. including mobile no. , (5) fax no. as well as (6) e-mail) 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 (RFP) dated _____ issued by Maharashtra State Electricity Distribution Company Limited (referred to as MSEDCL), 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 MSEDCL and providing information / responses to MSEDCL, representing us in all matters before MSEDCL named in the RFP, and generally dealing with MSEDCL in all matters in connection with our Bid for the appointment of DTC capacity based distribution franchise in the MSEDCL division of Jalgaon Urban including execution of the Distribution Franchise Agreement.

.....(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. _____

Duly authorised signatory

Dated this ____ day of 2010

Accepted

Signature of Attorney

(Name, designation and address of the Attorney)

Attested

(Signature of Executants)

(Name, designation and Address of the Executants)

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.

Exhibit 7: Certificate of bidding above Minimum Baseline Revenue Collection.

Date:

Place:

To

The Principal Consultant (Distribution Franchise),

Maharashtra State Electricity Distribution Company Ltd,

Plot No G-9, Anant Kanekar Marg,

4th Floor, Prakashgad,

Bandra (East), Mumbai 400 051

Dear Sir,

Sub: DTC capacity based Distribution Franchise for Jalgaon Urban Division

_____ (name of the Bidding Company) hereby submits its Financial Proposal, for the duration of the Franchise Agreement, in response to the Request for Proposal issued by MSEDCL with regard to the DTC capacity based Distribution Franchise for Jalgaon Urban division. Please find enclosed the same.

1. _____ (name of the Bidding Company) confirms that the Financial Proposal conforms to all the terms and conditions stipulated in the Request for Proposal Document.
2. _____ (name of the Bidding Company) confirms that the Financial Proposal is final in all respects and contains no conditions.
3. _____ (name of the Bidding Company) confirms that the Financial 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 Financial Proposal in the event that it is finally selected.
5. _____ (name of the Bidding Company) confirms that the Financial Proposal for minimum baseline revenue collection either matches or exceeds the value given in Exhibit 5 for each capacity of DTC month wise.

Caution: - The offer indicated in the Exhibit 5 of RFP as financial proposal should not be disclosed and not to be mentioned in annexure 2 of DFA by the bidders. The blanks of annexure 2 of DFA shall be filled up on completion of selection process and prior to signing the DFA.

Thanking you,
Yours sincerely,

For and on behalf of :

Signature :

(Authorised Signatory)

Name of the Person :

Designation :

Company rubber stamp/ common seal:

Exhibit 8: Bank Guarantee format

(To be on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution and shall be accompanied with acceptance of LoI)

In consideration of _____ [Insert name of the Bidding Company] agreeing to undertake the obligations under the Distribution Franchise Agreement in response to the tender dated _____ issued by Maharashtra State Electricity Distribution Company Ltd (MSEDCL) for the appointment of DTC capacity based distribution franchise in the MSEDCL division of Jalgaon Urban, the _____ (insert name of bank] (hereinafter referred to as "Guarantor Bank") hereby agrees unequivocally, irrevocably and unconditionally to pay to Maharashtra State Electricity Distribution Company Limited at Plot G-9, Anant Kanekar Marg, Prakashgad, Bandra (East), Mumbai 400 051 [forthwith on demand in writing from MSEDCL or any Officer authorised by it in this behalf, any amount upto and not exceeding Rupees _____ [Insert the amount of the bank guarantee in respect of MSEDCL as per the terms of the tender], on behalf of M/s. _____ [Insert name of the Bidding Company].

This guarantee shall be valid and binding on this Bank for thirty months from the date of issue of the Guarantee. This guarantee shall not be terminable by notice or any change in the constitution of the Bank or the term of contract or by any other reasons whatsoever and our liability hereunder shall not be impaired or discharged by any extension of time or variations or alterations made, given, or agreed with or without our knowledge or consent, by or between parties to the respective agreement. Our liability under this Guarantee is restricted to Rupees. _____ (Rs. _____ only).

The Guarantor Bank hereby agrees and acknowledges that MSEDCL shall have a right to invoke this BANK GUARANTEE in part or in full, as it may deem fit .

The Guarantor Bank hereby expressly agrees that it shall not require any proof in addition to the written demand by MSEDCL, made in any format, raised at the above mentioned address of the Guarantor Bank, in order to make the said payment to MSEDCL.

The Guarantor Bank shall make payment hereunder on first demand without restriction or conditions and notwithstanding any objection by MSEDCL and [Insert name of the Selected Bidder] and/or any other person. The Guarantor Bank shall not require MSEDCL to justify the invocation of this BANK GUARANTEE, nor shall the Guarantor Bank have any recourse against MSEDCL in respect of any payment made hereunder

This BANK GUARANTEE shall be interpreted in accordance with the laws of India.

The Guarantor Bank represents that this BANK GUARANTEE has been established in such form and with such content that it is fully enforceable in accordance with its terms as against the Guarantor Bank in the manner provided herein.

This BANK GUARANTEE shall not be affected in any manner by reason of merger, amalgamation, restructuring or any other change in the constitution of the Guarantor Bank.

This BANK GUARANTEE shall be a primary obligation of the Guarantor Bank and accordingly MSEDCL shall not be obliged before enforcing this BANK GUARANTEE to take any action in any court or arbitral proceedings against the Selected Bidder, to make any claim against or any demand on the Selected Bidder or to give any notice to the Selected Bidder or to enforce any security held by MSEDCL or to exercise, levy or enforce any distress, diligence or other process against the Selected Bidder.

Notwithstanding anything contained hereinabove, our liability under this Guarantee is restricted to Rupees _____ (Rs. _____ only) and it shall remain in force for thirty months from the date of issue of the Guarantee. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only if MSEDCL serves upon us a written claim or demand.

Signature _____

Name_____

Power of Attorney No._____

For

_____ [Insert Name of the Bank] ____

Banker's Stamp and Full Address.

Dated this ____ day of ____, 2010

Annexure A: Improvement trajectory and demand side energy management

Period		Reduction in Loss Level	PARAMETER		Sales Multiplying Factor (SMF)
Month			Loss Level %	Sales %	
1st SIX MONTH	1	IN PROGRESS TRANSATION PHASE	50.00	50.00	0.5
	2				
	3				
	4				
	5				
	6				
2nd SIX MONTH	7	By 0.25% each month for next six months Total loss level brought down = $0.25 \times 6 = 1.5\%$	49.75	50.25	0.5025
	8		49.50	50.50	0.505
	9		49.25	50.75	0.5075
	10		49.00	51.00	0.51
	11		48.75	51.25	0.5125
	12		48.50	51.50	0.515
3rd SIX MONTH	13	By 0.50% each month for next six months Total loss level brought down = $0.50 \times 6 = 3.0\%$	48.00	52.00	0.52
	14		47.50	52.50	0.525
	15		47.00	53.00	0.53
	16		46.50	53.50	0.535
	17		46.00	54.00	0.54
	18		45.50	54.50	0.545
4th SIX MONTH	19	By 1% each month for next six months Total loss level brought down = $1.00 \times 6 = 6.0\%$	44.50	55.50	0.555
	20		43.50	56.50	0.565
	21		42.50	57.50	0.575
	22		41.50	58.50	0.585
	23		40.50	59.50	0.595
	24		39.50	60.50	0.605

N.B. :- Initial loss level assumed 50%
Initial Sales level assumed 50%
Final loss level after improvement (2Yrs) = 39.50%
Final Sale level after improvement(2Yrs) = 60.50%
Achievement in bringing loss level by 10.50% in 2 years
Increasing Sales by capturing loss = 10.50%

Annexure B: Model Distribution Franchise Agreement

MSEDCL reserves the right to amend any of the terms of the Distribution Franchise Agreement thereof.

DTC CAPACITY BASED DISTRIBUTION FRANCHISE AGREEMENT FOR JALGAON URBAN DIVISION

This Agreement made at Mumbai this day of 2010 between Maharashtra State Electricity Distribution Company Ltd., a company registered under the Companies Act, 1956 having its registered office at Prakashgad, G-9, Prof. Anant Kanekar Marg, Bandra (East), Mumbai-400 051, hereinafter referred to as “MSEDCL” (which expression unless repugnant to the context or meaning thereof shall include its successors and assigns) of the ONE PART

And

Ltd., a company registered under the Companies Act, 1956 having its registered office at , 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. MSEDCL is a Distribution Licensee under the provisions of the Electricity Act, 2003 (the “Act”) having license to supply electricity in certain areas of the State of Maharashtra.
- B. Under the provisions of the Act, MSEDCL 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 Jalgaon Urban division as more particularly described hereinafter, MSEDCL selectedLimited through the competitive bidding process.
- D. MSEDCL issued a Letter of Intent No. _____ dated _____ to the said Ltd. and the same had been accepted by _____ Ltd.
- E. The parties have agreed to record the terms and conditions for sale, distribution of the electricity and collection thereof from the consumers against supply, within the Franchise Area by executing this indivisible Distribution Franchise Agreement.
- F. The parties are fully aware that this Agreement is for sale, distribution of electricity and collection thereof against supply of electricity, from consumers of designated Distribution 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:

1. ARTICLE 1: DEFINITION OF TERMS

Definition of Terms

For the purpose of this Distribution Franchise Agreement (including all its annexure), 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 17.4

Aggregate Technical and Commercial Losses (ATC Losses)

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

$$ATC\ Losses = \frac{\{Total\ energy\ input\ (Kwh) - Energy\ Realised\ (Kwh)\}}{Total\ energy\ Input\ (Kwh)}$$

Where, Energy Realised is the sale of energy (Kwh) multiplied by Collection Efficiency

Average Billing Rate (ABR)

Average billing rate of the division calculated by dividing the billed revenue arrived by including all components that forms part of the revenue as per the tariff order for the period for all categories put together with the total billed units for the division for all categories.

Revenue for this purpose shall include all those components which are billed against the units consumed to consumers and on collection it is retained as revenue of the distribution franchisee / licensee, e.g. Energy charges, Fixed / Demand charges, Fuel and Other Cost Adjustment Charges (FOCA), Regulatory Liability Charges (RLC), Power Factor (PF) Penalty / Incentive and shall exclude all components which are billed to consumers and remitted to Government / Other agencies e.g. Electricity duty (ED) / Tax on Sale of Electricity (TOSE). The unit of ABR is Rs. / Kwh. The same shall be computed as:-

ABR =

$$\frac{\{(Total\ Demand + Subsidy + FOCA) - \left(\frac{ED + TOSE +}{Any\ other\ taxes\ payable\ to\ Govt.} \right)\}}{Total\ Billed\ Units}$$

N.B.:- All components in numerator are to be measured in rupees

Average Revenue Realisation (ARR)

Shall mean the total revenue collected per unit energy supplied by MSEDCL at Input Points on annualised basis. Average Revenue Realisation of the division calculated by dividing the revenue collected, arrived by including all components that forms part of the revenue as per the tariff order for the period for all categories put together with the total input units for the division for all categories. Revenue for this purpose shall include all those components which are collected against the units consumed to consumers and

on collection it is retained as revenue for the Distribution franchisee / Licensee and shall exclude all components which are remitted to the Government / other agencies. The unit of ARR will be Rs. / Kwh. The same shall be computed as:

$$ARR = \frac{(Total\ Revenue\ Collected - electricity\ duty - tax\ on\ sale\ of\ electricity + Total\ Subsidy\ Amount)}{Total\ Energy\ Input}$$

Amount Refundable to DF post adjustment (ARF)

This is the gross amount in rupees, which includes net revenue collection plus subsidy (if any) minus payable assured revenue (due to MSEDCL). This shall be calculated as follows:-

$$ARF = NRC + Subsidy\ (If\ any) - PAR$$

Base Year (B.Y.)

Shall mean the period from April 1, 08 to March 31, 09.

Collection Efficiency

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

$$C E (\%) = \frac{Revenue\ realized\ from\ consumer\ in\ rupees}{Energy\ Billed\ to\ Consumers\ in\ rupees} \times 100$$

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 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.

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:

$$\text{Dist. Loss (\%)} = \frac{(\text{Energy Intake at DTC Input Points} - \text{Energy Billed to Consumers}) \text{ in kWh}}{\text{Energy Intake at DTC Input Points in kWh}} \times 100$$

Effective Date

Shall mean the date of handing over of the business operations of Franchise Area by MSEDCL to the Distribution Franchisee pursuant to this Agreement after the conditions precedents are satisfied. Such date shall be indicated by the Distribution Franchisee and accepted by MSEDCL which shall not be later than forty six (46) calendar days from the date of signing of this Agreement. Preferably the effective date may be selected as first day of calendar month to facilitate the smooth calculation of revenue.

Engineer-in-Charge

Shall mean any person, nominated by each of the Parties as set forth in Article-17.3

Expected Energy Supply by DTC per month (at full capacity)

It is the quantum of energy supplied by an individual DTC to the consumers of designated area. It is computed as the product of capacity of individual DTC, applicable power factor, DTC loading factor, no of hour's power available per day with diversity factor and average no of days in a month. It is measured in KWH per month.

$$\begin{aligned} & \text{Expected Energy Supply by the DTC per month} \\ &= \text{Capacity of DTC in KVA} \times \text{PF} \times \text{Loading Factor} \times \text{No. of hours power} \\ & \quad \text{available per day} \times \text{diversity factor} \times \text{average no of days.} \end{aligned}$$

Expiry Date

Shall mean the completion of twenty four calendar months from 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-14.7

Franchise

Means the rights granted by MSEDCL to the Distribution Franchisee to act as a franchisee of MSEDCL to distribute the electricity in the Franchise Area and all the rights, powers and authorities available to MSEDCL as a distribution licensee necessary to fulfill the obligations and responsibilities as contemplated under this Agreement and which can be conferred upon the Distribution Franchisee under the Act. The Franchise 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. However the Equity of distribution assets shall not be transferred to the appointed Distribution Franchisee. Under this agreement, franchisor does not render any service to franchise except right to use the distribution assets.

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 MSEDCL.

Fixed Fee (FF)

This is the amount in rupees, which shall be payable to DF on achieving MBRC for a respective DTC.

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.

GoM

Means the Government of Maharashtra and any Ministry, Department, or any other Authority of the Government of Maharashtra

Gross Revenue Collection (GRC)

This is hundred percent collection in rupees, against the demand raised by MSEDCL to an individual consumer against consumption of energy with applicable taxes.

Independent Auditor

Shall mean a group of accountancy and professional services firms that handles the vast majority of audits for publicly traded companies, as well as many private companies. These groups may be engaged for auditing the commercial and accounting data related with the transaction depending on the circumstances and if the situation warrants in future.

Input Point

Shall mean LV side of DTCs, which may feed energy to the Franchise Area at the Effective date or during the term of the Agreement.

Letter of Intent

Documentary evidence indicating the award of the Franchise to the Selected Bidder for acceptance.

Law

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

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 MSEDCL expressly declares to be a major incident.

MERC

Shall mean the Maharashtra Electricity Regulatory Commission, or its successors.

Minimum Base Line Revenue Collection Per month (MBRC)

It is the Target that the appointed Distribution Franchisee is expected to achieve against the supply of energy to authorised consumers through the individual DTC. It indicates the cost of energy against expected energy supply by DTC at full capacity per month multiply by base year ABR of respective division with weightage, collection efficiency with weightage and sales multiplying factor of the respective month. This amount should be exclusive of applicable taxes and duties. However, for qualifying purpose subsidy shall be taken into account, if any. It is measured in rupees per month. It is computed as follows:

MBRC per month

$$= \text{Expected Energy Supply by the DTC per month} \times \text{ABR of respective Division} \\ \times 0.8 \times 0.9 \times \text{Sales Multiplying Factor}$$

N.B.:- Bidders are expected to quote equal or more than Minimum Base Line Revenue collection/ month for each DTC, as well overall. The highest offer under “Minimum Baseline Revenue Collection per month” shall be considered as minimum baseline revenue collection for calculation of all revenues in future, in all commercial transaction with successful bidder (i. e. appointed Distribution Franchisee).

MSEDCL Distribution Assets

Shall mean the assets created and employed by MSEDCL 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 MSEDCL and MSETCL staff. These assets shall also exclude transformer repair and maintenance workshops in the divisions.

Net Payable Amount to DF (NPF)

This is the amount in rupees, which is equal to amount refundable to DF post adjustment plus fixed fee plus incentives minus applicable TDS. This is calculated as follows:-

$$NPF = (ARF + FF + INC) - TDS$$

Net Revenue Collection (NRC)

This is the amount in rupees, which is equal to gross revenue collection by DF minus ED minus TOSE minus other taxes as applicable by Govt. order from time to time. It is calculated as follows:-

$$NRC = GRC - (ED + TOSE + Taxes)$$

Payable Assured Revenue to MSEDCL by DF (PAR)

Shall mean seventy five percent of the highest offer (under Minimum Baseline Revenue Collection) by the successful bidder (i.e. appointed DF). It is measured in rupees per month. It is computed as follows:-

$$PAR \text{ to MSEDCL by DF} = 0.75 \times MBRC \text{ as highest offer}$$

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 MSEDCL 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 MSEDCL and as the MSEDCL may have the right and power to give.

Sales Multiplying factor

Shall mean the sales target in terms of percentage or alternately it is defined as increase sales trajectory. It is computed as sales in percentage divided by hundred. It is

important financial indicator which is used as multiplying factor with expected energy supply by a DTC, in order to decide minimum base line revenue collection per month.

N.B. Numerical values of Sales Multiplying Factor are annexed at Annexure A

Termination Payment

Shall mean the payment to be made on Termination of the Agreement by either Party to the other Party as per Article-14.8 and 14.9

ARTICLE 2.1: CONDITIONS PRECEDENT TO BE SATISFIED BY THE DISTRIBUTION FRANCHISEE & MSEDCL

2.1.1 Submission of Performance Guarantee

The Distribution Franchisee shall secure the performance guarantee by providing a Bank Guarantee (B.G.) to the satisfaction of MSEDCL from any nationalized bank or ICICI Bank, IDBI Bank, Axis Bank or HDFC Bank for an amount equivalent to one month (avg.) Minimum Baseline Revenue Collection (as highest offer by DF) payable to MSEDCL by Distribution Franchisee. The Earnest Money Deposit shall be returned on submission of Bank Guarantee (B.G.) or up to commencement of operations by DF (i.e. effective date) whichever is later.

2.1.2 Completion of Audit of Various Parameters

The Joint Audit Team of MSEDCL and the Distribution Franchisee shall complete an audit of the parameters listed below:

- 2.1.2.1 Opening Asset Register;
- 2.1.2.2 Opening level of Inventory;
- 2.1.2.3 Ongoing Contracts as on Effective Date; and
- 2.1.2.4 Demarcation of geographical boundary.

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

2.1.3 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 for taking necessary action to prevent the unauthorized use, theft and pilferage of electricity in Franchise Area. The Franchisee must inform MSEDCL about the

categories of officers and the relevant sections of the Electricity Act, 2003 for which authorization is needed. MSEDCL shall recommend the same to the State Government.

- 2.1.4** The Joint Audit Team of MSEDCL and Distribution Franchisee shall demarcate the geographical boundary of all the designated Distribution Franchise areas within the Jalgaon Urban Division and identify the consumers and establish their dwelling in the demarcated area, who are eligible to get supply from the designated DTCs.
- 2.1.5** All the conditions precedent stated herein above shall be satisfied within 15 (fifteen) days of signing of this Agreement or such further period as may be extended by the parties mutually, except submission of Bank Guarantee which is otherwise required to be submitted along with acceptance of LoI as stated in Article 10 of this document. The timeline for satisfying the condition stated in Article 2.1.1 shall be governed by Article 10 of this Agreement. If, the Distribution Franchisee fails to satisfy Article 2.1.1 above, within the stipulated duration, MSEDCL shall be entitled to terminate this Agreement and encash the bank guarantee of the Distribution Franchisee at its discretion.

ARTICLE 2.2: CONDITIONS SUBSEQUENT TO BE SATISFIED BY THE DISTRIBUTION FRANCHISEE AND MSEDCL

2.2.1 Arrears Determination:

The Joint Audit Team of MSEDCL and the Distribution Franchisee shall complete an audit of outstanding arrears from the consumers of designated DF area, if any:

- 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 up to a period of three months;
- 2.2.1.4 Credit Balance from Consumers; and
- 2.2.1.5 Joint verification of permanently disconnected Consumers.

A separate methodology for recovery of arrears may be developed considering the quantum of outstanding arrears post handing over to DF. However, the responsibility of recovery of arrears lies with MSEDCL and DF will only facilitate in recovery, if any.

- 2.2.2** MSEDCL shall identify the Consumers for which Service Connection Charges (SCC) has 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 MSEDCL to the Distribution Franchisee and further supervision charges received from the Consumers, if any, towards such connections shall be remitted to the Distribution Franchisee.
- 2.2.3** The handing over/ taking over process shall be completed within 45 calendar days from the date signing of Agreement (DFA), however a joint/ parallel operation shall be carried out for a period of 30 calendar days post completion of conditions precedent as per article 2.1 of DFA. During the joint operation period, the MSEDCL shall be responsible for entire operations. All the conditions subsequent stated above shall be satisfied within sixty days (60) from the effective date or such further time as may be mutually extended by the parties. The following schedule shall be adhered by MSEDCL and DF

Schedule:-

Date of signing the DFA	:	D (Date)
Completion date of conditions precedent	:	D + 15 Days
Joint/ parallel operation period (maximum permissible days for parallel/ joint operation is 30 calendar days)	:	D + 45 Days
Effective Date	:	D + 46 Days
Date for completion of condition subsequent	:	D + 106 Days

ARTICLE 3: TERM OF AGREEMENT

3.1 Term of Agreement

The term of this Agreement shall be for a period of twenty four (24) calendar months from the Effective Date.

3.2 Early Termination

This agreement can be terminated before the expiration of the Franchisee Period as per the provisions of Article-14 and Article-3.4 of this Agreement.

3.3 Event Of Abandonment

3.3.1 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 MSEDCL, such an event would be termed as an event of abandonment and then MSEDCL 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:-

3.3.1.1 An event of Force Majeure or

3.3.1.2 A scheduled outage or

3.3.1.3 Non-supply of power by MSEDCL

3.3.2 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.

3.3.3 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 MSEDCL harmless against the same as provided in Articles 12.1.1. The Distribution Franchisee shall compensate MSEDCL for the losses suffered by MSEDCL, if any, as provided in Article 12.1.3.

3.4 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

4.1 Grant of Franchise

Subject to the terms and conditions of this Agreement and the Act, MSEDCL agrees to supply electricity from the designated DTCs to the Distribution Franchisee 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 MSEDCL 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 MSEDCL Distribution Assets and all other rights, powers and authorities available to MSEDCL as a Distribution Licensee to perform its obligation under this Agreement. Distribution Franchisee however shall not be the owner of MSEDCL Distribution Assets.

4.2 Legal Status of Distribution Franchisee

The Distribution Franchisee shall be a franchisee of the MSEDCL 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 MSEDCL 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. However the Distribution Franchisee may appoint the sub-contractor(s) for outsourcing some of its activities with a prior three days written intimation to MSEDCL.

It is however clarified that the Distribution Franchisee alone shall be liable and responsible to MSEDCL 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 division of Jalgaon Urban comprising the following areas as identified by MSEDCL:-

Sr.No	Name of Area	No. DTC
1	Shivaji Nagar	6
		5
		9
2	Joshi Peth & Shani Peth	10
		12
3	Pimprala II	8
4	Pimprala II	7
5	Mahabal	3
6	MIDC I	2
Total DTCs		62

This is spread over approximately 68.78 square kilometers. The geographical location of the Franchise Area is annexed as Annexure 6 of DFA. The supply is fed to the consumers, from the designated DTCs as mentioned in article 4.4.2.

- 4.4.2 The designated Franchise Area at present are fed from the following DTCs, whose details are given below:

Sr. No	Name of DTC	DTC CODE	DTC Capacity	Make of DTC	Date of Manufacture	Date of Installation	No. of LT Circuits	No. of Pole on Each LT Circuits	category wise No. of Consumers
Pimprala II									
1	Khanderao Nagar(Nala no.1)	4237771	200	Ramkrishna Electricals	1992	16-07-09	2	44+15=59	338
2	Khanderao Nagar(Nala no.2)	4237804	100	Rajesh	2004	09-12-09	2	12+15=27	44
3	Khaderao Nagar	4237770	100	Prajakta Electricals	2002	18-07-09	2	17+06=23	142
4	Hudco Pimprala-I	4237772	250	Pactil	1974	03-09-09	2	45+29=74	370
5	Hudco Pimprala-II	4237773	315	Vyankateshan	1988	18-09-04	2	27+29=56	283
6	Hudco Pimprala-III	4237801	100	East-India	2004	04-03-09	2	44+09=53	314
7	Hudco Pimprala-IV	4237802	100	Patsar.	2004	04-03-09	1	50	46

8	Madhi Pimparala	4237767	200		1993	06-11-01	2	45+9=54	252
9	Hari Vithal Nagar(Maruti Mandir)	4237778	200	G.E	1986	10-09-09	2	27+25=52	391
10	Hari Vithal Nagar(Bakar DP)	4237779	100	Vijay Electricals	1985	28-08-09	2	9+6=15	51
11	Hari Vithal Nagar(Bus stand))	4237781	200	Fatepuria	2004	12-05-05	2	33+10=43	217
12	Hari Vithal Nagar(Raghubari)	4237777	100	East-India	1993	04-04-08	2	22+7=29	147
13	Hari Vithal Nagar(NavanathDP)	4237796	100	Archana	1992	03-12-09	2	13+28=41	83
14	Rukmini Nagar	4237776	100	IACL	1973	25-02-09	2	02+19=21	149
15	Arjun Nagar	4237793	100	East-India	2004	26-01-09	2	37+7=44	206
	Shivaji Nagar								
16	Dandekar Nagar	4236451	200		1989	02-10-09	2	13+19=32	78
17	Raja Tractor	4236456	200		2008	07-11-09	2	13+15=28	70
18	Jain Mandir (C.O.Bangla)	4236514	100		1996	14-07-09	1	18	128
19	Gendalal Mill II	4236469	500		1962	09-03-08	2	8+28=36	1048
20	Gendalal Mill III	4236525	63						
21	Laxmi Nagar	4236470	315		1996	02-05-08	2	7+18=25	207
22	Prajapati Nagar	4236515	100		2004	26-06-05	2	72+21=93	22
23	Bhure Mamledar II	4236521	200		2008	22-06-09	2	1+39=40	100
24	Marathwada	4236480	200		1999	06-10-99	3	4+16+25=43	343
25	Satya Narayan Mill	4236519	200		1987	09-03-08	1	7	55
26	Gharkul I	4236495	200		2008	24/11/2008	2	8+15=23	195
27	Gharkul II	4236496	315		2005	28-09-09	2	9+15=24	91
28	Shankar Patil	4236500	100		1993	22/06/2006	2	21+29=50	33
29	Koble D.P. (AG)	4236497	100		1985	16/12/2006	2	11+14=25	37
30	C.O.Bangla old	4237465	63	A.R.K. Bhopal	2003	28-03-09	1	5	11
31	Ankush Koli	4237463	63	Ramkrishna Electricals	1991	04-09-97	1	2	3
32	Joglekar	4236473	100	Sonali Electricals	2001	25/07/2007	2	2+2=4	15
33	Gendalal Mill I	4237464	200		1967	09-04-09	1	16	264
34	Jain Nagar,Rly. Cabin	4237513	100		1999	09-04-09	1	15	269
35	City Colony	4236516	63		2001	21-02-09	1	10	38

Shani Peth									
36	Gurudatta Colony	4237200	100	Advance	1979	10-09-09	2	9+10=19	32
37	Dinkar Nagar	4237180	315	Vidharbha Electricals	1999	09-09-99	2	4+23=27	200
38	Hariom Nagar	4237198	200	Jain Electricals	1996	23/03/2007	2	10+30=40	127
39	Wani Mangal Karyala	4237197	200	Vijay Electricals	2008	21-03-09	2	13+14=27	45
40	Kanchan Nagar Gardan	4237178	200	E.C.E	1990	22-02-09	2	7+22=29	230
41	Kanchan Nagar Police Station	4237179	200	Vijay Electricals	2007	23/09/2008	2	6+20=26	303
42	Kalikamata	4237196	100	Dwaraka	2004	25-02-09	2	12+15=27	192
43	Chaugule Plot	4237168	200	Pactil	1969	11-11-07	2	10+30=40	368
44	Khatik	4237175	100	East-India	1993	25-02-09	2	5+3=08	9
45	Asoda Road Gharkul	4237199	200	Vijay Electricals	2008	27/12/2008	2	16+37=53	86
46	Balaji Mandir	4237176	500	S.D.E	1978	12-11-07	2	16+16=32	179
47	Gopal Pura	4237182	100	Nippon	1994	07-06-09	2	4+13=17	108
48	Pandit Ukha	4237181	200	M&B	1990	12-12-08	2	19+08=27	251
49	Walmik Nagar	4237177	315	RTS	1989	21-03-09	1	30	248
50	Walmik Nagar Garden	4237201	100		1995	10-09-09	2	6+11=17	54
51	Chandanwadi	4237195	100	N.N.P	1999	26-06-05	1	17	260
52	Gururanak Nagar	4237193	100	N.N.P	2004	26-06-05	1	23	149
53	Mohan Talkies	4237183	100	NNP	N.A	N.A	2	4+13=17	47
M.I.D.C 1									
54	Suprime Colony	4236877	200	Ashok	N.A	13-10-09	4	57	404
55	Indraprasta	4236608	200	Ashish	N.A	13-07-09	1	35	120
Mahabal									
56	Samta Nagar-I	4236056	200	Vijay Electricals	N.A	14/10/2008	2	27+17=44	78
57	Samta Nagar-II	4236053	100	Vijay Electricals	N.A	08-12-09	2	13+04=17	34
58	Samta Nagar-III	4236059	100	Alpha Electricals	N.A	10-07-09	1	11	10
Joshi Peth									
59	Khedi old	4237304	200	Argus	1988	14/05/2004	2	27+37=64	291
60	Khedi New	4237305	200	Pactil.	1974	08-05-09	2	17+27=44	170
61	Dapadu Member	4237326	100	Electra	1988	15-09-09	2	04+18=22	176
62	Khedi(BK)	4237333	100	Pactil.	1974	08-05-09	2	06+29=35	83

The Franchise Area as on Effective Date shall be as mentioned in the map demarcating the Franchise Area within MSEDCL area, the map indicating various areas for the purpose of tariff & duty classification and the DTC location map of designated DF area is annexed as Annexure-8 hereto.

In case the details provided in the Annexure-8 is different from the Joint Audit report, the conclusions of the Joint Audit report shall be final and Annexure -8 shall stand amended accordingly.

4.5 Effect of Acceptance

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

4.6 Directions

Distribution Franchisee shall comply with MSEDCL directives issued for compliance of the Laws, Regulations, Orders and Directives of MERC. However, the Distribution Franchisee shall have option of following alternative methods for complying with the applicable Laws, Regulations, Orders and Directives of MERC.

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 Franchise 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 MSEDCL Distribution Assets & responsibility of DF

5.1.1 The Distribution Franchisee shall be entitled to use the MSEDCL Distribution Assets to perform its obligation under this Agreement. MSEDCL 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 MSEDCL.
- 5.1.4 If any such asset is scrapped, the same shall be deposited at the major store of the MSEDCL at Jalgaon by the Distribution Franchisee at its own cost. MSEDCL shall duly identify the scrap against its Asset register.
- 5.1.5 MSEDCL has to prepare an Asset Register of the Franchise Area, which shall be verified and signed by both the parties in compliance to the provisions of this Agreement.
- 5.1.6 On termination/ expiry of this agreement, the Distribution Franchisee shall without demur hand over physical possession/ custody of MSEDCL Distribution Assets in same condition, subject to normal wear and tear and also subject to Article 5.1.4.
- 5.1.7 Any shortfall in the quantity of MSEDCL 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. Replacement cost shall be equal to the market value of new assets at the time of Expiry/ Termination of the Agreement.
- 5.1.8 The Distribution Franchisee shall take the photo meter reading of the consumers on monthly basis and submit the same to MSEDCL as per prescribed format. The necessary software will be provided by MSEDCL to DF. However, the necessary hardwares are to be arranged by DF.
- 5.1.9 On generation of monthly consumers bill against the reading submitted by DF, the DF has to make an arrangement for collection of bills from MSEDCL and distribute the same to the consumers.
- 5.1.10 The DF has to collect the amount payable thereof as per bill and the same has to be remitted by DF to MSEDCL on daily basis during working hours. If the day falls as holiday/ or Sundays then the same should be remitted on next working day. In case DF fails to comply, then penalty of 0.1 % of the amount due per day shall be charge from DF.

- 5.1.11 DF has to carry out the O & M of the LT distribution network system, which is used to provide supply to the consumers of designated Distribution Franchise area. Any spares required under list annexed at Annexure 1 of DFA, shall be supplied by MSEDCL and spares under list at Annexure 1A shall be arranged by DF from his own resource.
- 5.1.12 The DF has to remove all the illegal/ unauthorised connections and arrange the metering for all consumers who do not have proper energy meter (i.e. Faulty, stop and no meter). The Energy Meters and associated spares will be supplied by MSEDCL against demand by DF and joint verification. The DF shall be eligible for Rs.100/- against removal of each unauthorized connection and regularization.
- 5.1.13 The DF has to attend all the consumer complaints and resolve it as per SoP within the stipulated time.
- 5.1.14 The DF has to maintain a minimum inventory to carry out O&M and to attend the fault/ emergencies to restore the supply to the consumers as per Annexure 1A.
- 5.1.15 The DF has to take the responsibility to ensure the safety, security and the serviceability of consumers' energy meters and all LT network assets of the designated Distribution Franchise area.
- 5.1.16 The DF has to carryout frequent surprise check of serviceability of consumers' energy meter to ensure that the consumers are drawing energy through the energy meter.
- 5.1.17 The DF shall prepare the plan for up gradation and revamping of LT network to ensure reliability of supply to the consumers. The plan shall be submitted well in advance so that joint verification and formalities can be accomplished by MSEDCL. The material required for the same will be supplied by MSEDCL. However, the plan has to be executed by the DF at their own means/ cost.
- 5.1.18 The DF shall arrange the insurance of their own employees against accidents (Fatal/ Non fatal) or any injuries, MSEDCL shall not be held responsible for any injuries inflicted to the DF's employees while performing the duties within the designated franchisee area.
- 5.1.19 The DF shall ensure the safety of the network used by the consumers and shall take corrective measures to avoid accident (Fatal/ Non fatal) within

the designated franchisee area, where lives of human being or animal are involved.

5.1.20 The DF has to carry out the vigilance activity to detect the theft & unauthorised use. However, the officers of DF will be authorized as per the provision of section 126, Section 135 (2) and Section 152 of Electricity Act 2003.

5.1.21 The DF shall follow the SoP/ MSEDCL's circulars & orders/ MERC's order & the Government orders which will be issued time to time in future.

5.1.22 The DF will be subjected to RTI & will have to furnish the information against the queries raised by the applicant to the respective applicant as per RTI Act.

5.1.23 The DF should strive to arrange cent percent collection from the consumers against the demand raised by MSEDCL through monthly Energy bill. In case DF fails to remit (NRC) amount equal or above 75% of MBRC consolidated for 62 DTCs of any particular month then MSEDCL shall have right to invoke the Bank Guarantee and entire amount will be forfeited to MSEDCL and the adjustment shall be done as per commercial arrangement of Article 6 and 10 of DFA.

5.1.24 The DF has to set up an ICGRC (Internal Consumer Grievances & Redressal Committee) to resolve all the disputes. If it cannot be resolved then the same should be referred to ICGRC MSEDCL.

5.1.25 The DF shall setup a Consumer Service Centre (CSC) as per guidelines/ specification given in Annexure 3 of DFA and the same has to be manned round the clock (24X7) to get the complaints/ fault registered and attend the same to make it good. The expenditure towards setting up CSC and maintenance thereafter shall be borne by DF.

5.2 Inventory of O&M Spares

5.2.1 MSEDCL will hand over the inventory of O&M spares in the Franchise Area to the Distribution Franchisee on the Effective Date of this Agreement.

5.2.2 The MSEDCL shall provide regular O&M inventory as mentioned in Annexure 1A of this document, for the one week only, thereafter the DF

has to arrange through his own means at his cost to undertake the day to day O&M activity as per agreement for the period of engagement.

- 5.2.3 Upon termination/ expiration of this Agreement, Distribution Franchisee shall return the inventory of O&M spares to MSEDCL in the same form and quantity as specified in previous article. The Franchisee is free to take back any excess O&M spares, which are not taken over by MSEDCL at the time of termination/ expiry of the Agreement.
- 5.2.4 Distribution Franchisee shall compensate MSEDCL 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.
- 5.2.5 MSEDCL 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 MSEDCL shall not be more than the minimum inventory norms specified in Annexure-1A.

5.3 Supply of Energy

- 5.3.1 MSEDCL shall supply at LT side of all designated DTCs, the energy corresponding to 110% capacity of the respective DTCs subject to Load Shedding protocol. However, this supply may vary subject to MERC Directives on load shedding. Without prejudice to the foregoing, MSEDCL shall not discriminate in the supply of power between the Franchise Area and its other Distribution Divisions. Supply of power to the Franchise Area by MSEDCL shall be as per availability of power and MERC directives on load shedding.
- 5.3.2 The Distribution Franchisee shall not sell the Energy to anyone outside the Franchise Area.
- 5.3.3 The Distribution Franchisee shall strictly adhere to the planned load shedding schedule of MSEDCL based on directives issued by MERC.

5.4 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 MSEDCL, in compliance with the Law, Regulations and Directives of MERC issued from time to time as if they were to apply to licensee and directives of MSEDCL for compliance

of laws, regulations, orders and directives of MERC. The broad scope of work would be as follows:

- 5.4.1 Undertake distribution & supply of power to the existing Consumers and new consumers of MSEDCL in the Franchise Area.
- 5.4.2 Undertake all Operation & Maintenance related activities in Franchise Area.
- 5.4.3 MSEDCL shall cancel or may authorise the Distribution Franchisee to cancel the ongoing contracts as per the terms and conditions of the contracts entered into by MSEDCL, if requested by the Distribution Franchisee. Any cancellation of ongoing contracts would require written consent from MSEDCL. In such an event, MSEDCL will bear all the liabilities and third party claims accrued prior to Effective Date. Any penalty arising from the cancellation of such contracts would have to be borne by the Distribution Franchisee.

5.5 Technical Duties and Responsibilities of the Distribution Franchisee

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

5.5.1 Load Forecast

The Distribution Franchisee shall carry out demand estimation/ load forecast of the Franchise Area periodically and apprise the same to MSEDCL.

5.5.2 Operation, Repair & Maintenance and Up gradation

The Distribution Franchisee shall at its own cost perform:

- 5.5.2.1 Operation and maintenance of Distribution Assets from the start of LT side of respective DTCs feeding to the designated Franchise Area.
- 5.5.2.2 Installation/ replacement of metering devices and carry out meter reading at consumers premises. However, energy meter at consumers end shall be supplied by MSEDCL after joint verification by MSEDCL and DF.

5.5.2.3 Upgrade, renovate and maintain the existing LT side distribution network/ systems as per Prudent Utility Practices and the standards that may be prescribed by MERC.

5.5.2.4 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 MSEDCL's section In-charge. Such permit shall be returned to concerned MSEDCL's section In-charge immediately after the work is completed. The Distribution Franchisee shall also intimate schedule of planned outages to the concerned MSEDCL's section In-charge, to maintain day-to-day coordination for smooth operation of transmission network. The Distribution Franchisee shall also intimate the schedule plan load shedding to the consumer in advance.

5.5.3 Compliance with standards

5.5.3.1 The Distribution Franchisee shall take all reasonable steps to ensure that all Consumers within the Franchise Area receive a safe and reliable supply of electricity as defined by MERC.

5.5.3.2 The Distribution Franchisee shall be responsible for complying with all Indian Electricity Rules, MERC/ CERC Standards, Regulations and other Directives as issued and modified from time to time and as applicable to any distribution licensee. Any penalty imposed by MERC or any other Government Authority on account of failure of the Distribution Franchisee in compliance shall be borne by the Distribution Franchisee. However, this shall be applicable for DF, subject to the problem associated with LV side of DTC.

5.5.3.3 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.

5.5.3.4 Any consequence or penalty imposed by MERC for non-compliance of Maharashtra Electricity Regulatory Commission

(Standards of Performance of Distribution Licensees, Period for Giving Supply and Determination of Compensation) Regulations and the Maharashtra Electricity Regulatory Commission (Electricity Supply Code and Other Conditions of Supply) Regulations, shall be borne by the Distribution Franchisee. However, this shall be applicable for DF, subject to the problem associated with LV side of DTC.

5.5.4 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 MERC from time to time. Any penalty imposed by MERC for non-compliance shall be borne by the Distribution Franchisee; however, this shall be applicable to DF, subject to the problem associated with LV side of DTC.
- b) Bring to the notice of the Consumers the existence of the Supply Code (and conditions of supply as approved and modified by MERC from time to time), including its substantive revision and their right to inspect or obtain a copy in its latest form;

(B) Consumer Complaint Handling

The Distribution Franchisee shall comply with the complaint handling procedure approved by MERC. The Distribution Franchisee shall:

- a) Establish within a period of one month from the Effective Date, a Consumer service centre as per minimum specifications placed at Annexure-3 for Consumer Complaints and redressal system.
- b) Redress commercial complaints such as those relating to security deposit, change of load category, interest, arrears, penalty, etc. and billing Complaints.
- c) 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
- d) To comply with the Orders and Directions, if given by High Court, any other Court or Consumer courts, etc.
- e) The DF has to set up an ICGRC (Internal Consumer Grievances & Redressal Committee) as per MERC (Consumer Grievance Redressal

Forum and Electricity Ombudsman) regulations 2006 and Subsection 5 of Section 42 of Electricity Act 2003 to resolve all the disputes. If it cannot be resolved then the same should be referred to ICGRC MSEDCL.

(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.

5.5.5 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, 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 and applicable Regulations.
- b) Distribution Franchisee shall be responsible for incurring expenditure in order to provide new connections in the Franchise Area. However, the charges received from the consumers towards SCC, Security Deposit and any other associated charge for providing new connection shall be credited to MSEDCL by DF. In this regard, the material required for providing new connection shall be supplied by MSEDCL & DF has to execute the task by their own means.
- c) Subject to the provisions of the Electricity Act 2003, the Distribution Franchisee may refuse to supply, or may disconnect the supply of electricity to any premises.
- d) The Distribution Franchisee shall collect all the applicable charges against providing the new connection, & the same shall be remitted to MSEDCLs' account.

- e) The applicable interest on security deposits shall be borne by MSEDCL.

5.6 Commercial Duties and Responsibilities of the Distribution Franchisee

The Distribution Franchisee shall perform in the Franchise Area:

- 5.6.1 Meter reading by DF and billing through MSEDCL to the Consumers as per the retail tariffs approved by MERC from time to time. Distribution of bills and Collection from the Consumers as per the billing.
- 5.6.2 The Distribution Franchisee shall collect all the applicable charges against providing the new connection, & the same shall be remitted to MSEDCL's account.
- 5.6.3 Make timely payments to MSEDCL as per the terms and conditions of this Agreement.
- 5.6.4 Replace defective meters with new meters.
- 5.6.5 Maintain Consumer database.
- 5.6.6 Initiate necessary action, in accordance with the procedure for anti theft, disconnection and control of commercial losses as defined in Electricity Act 2003 and applicable MERC Regulations and Directives.
- 5.6.7 Discharge all duties and responsibilities of MSEDCL as the distribution licensee as required by the License Regulations of the MERC except such of the conditions, which cannot be complied with by the Distribution Franchisee alone.
- 5.6.8 Undertake any other activity as may be notified from time to time by MERC to the distribution licensee.

5.7 Duties and Responsibilities of MSEDCL

The broad duties and responsibilities of MSEDCL would include, but not limited to, the following activities:

- 5.7.1 MSEDCL shall ensure the supply of power to Distribution Franchisee of acceptable quality standards as per Article 5.3.
- 5.7.2 MSEDCL shall communicate to Distribution Franchisee any shortfall or inability to supply, the power requirements of the Distribution Franchisee.
- 5.7.3 MSEDCL shall support the Distribution Franchisee initiatives to adopt innovative practices to bring about effectiveness and efficiency in electricity distribution business.
- 5.7.4 Repair, maintain and replace failed distribution transformers as per MERC Supply Code and Standards of Performance.
- 5.7.5 MSEDCL shall supply the power at DTC level LT sides as per its aggregated power supply and load shedding schedule planned periodically, based on directives issued by MERC on load shedding and availability of EHV transmission capacity.
- 5.7.6 O&M on LT network shall be carried out by DF by engaging his own trained/ competent manpower. However, major O&M spares as mentioned in Annexure 1, shall be supplied by MSEDCL throughout the period of engagement, subject to joint verification of MSEDCL and DF. In addition, DF shall manage O&M spares as mentioned in Annexure 1A from his own source to undertake regular O&M on LT network. The concern Executive Engineer of MSEDCL has to keep these inventories listed in Annexure 1 as earmarked. In case of shortfall, Executive Engineer has to replenish the same on priority.
- 5.7.7 The concern Executive Engineer of the division shall be responsible to keep one DTC of each capacity as earmarked for DF. The earmarked DTCs shall be used during emergency breakdown to ensure the restoration of supply to the consumers in a shortest possible time. The modality for the same will be decided mutually between concerned Executive Engineer and DF.
- 5.7.8 MSEDCL shall provide facility for generation of bills against submission of meter reading by DF.
- 5.7.9 MSEDCL shall settle the account of debit/ credit between MSEDCL and DF within seven working days of subsequent month as per Article 6 of this document.

5.7.10 At no circumstances MSEDCL shall draw energy from any point / feeder/ transformer of franchisee's designated area.

5.7.11 MSEDCL shall make the designated DF area technically isolated and all crossover points shall be removed. This activity should be completed prior to effective date as per Article 2.1.2.5 and 2.1.4 of this document.

ARTICLE 6: COMMERCIAL ARRANGEMENT

6.1 The Distribution Franchisee shall take the photo meter reading of consumers Energy Meter on monthly basis and submit the same to MSEDCL as per prescribed format. The necessary software will be provided by MSEDCL to DF, however the DF has to make necessary arrangement for required hardware. On generation of monthly consumers' bill against reading submitted, the DF shall make an arrangement for collection of bills from MSEDCL & distribute the same to the respective consumers. The DF shall collect the amount payable thereof as per bill from the consumers and the same shall be remitted by DF to MSEDCL on daily basis during working hours. If the day falls on holiday or Sunday, then the same should be remitted on next working day. In case DF fails to comply, then penalty of 0.1 % of the amount due per day shall be charged from DF. In addition DF shall be responsible for removing all illegal/ and unauthorised connections and provide metering for all the consumers, who do not have proper Energy Meters (i.e. faulty/ stop/ no meter). The Energy Meters and associated spares shall be supplied by MSEDCL against demand by DF and joint verification as per Annexure 1 of this document. The DF shall be eligible for Rs. 100 only against removal of each unauthorised connections and regularisation (i.e. replacement of faulty/ stop/ no meter). The DF shall strive to arrange cent percent collection from the consumers against the demand raised by MSEDCL through monthly energy bill. Distribution Franchisee shall be eligible for fixed fee of rupees 5000/- per DTC per month, when DF achieves collection level either equal or above MBRC against individual DTC. However, for qualifying purpose subsidy shall be taken into account, if any. However, MSEDCL shall be custodian of daily cash collected and remitted by DF from consumers against monthly energy bills. After generation of monthly invoice post adjustment, the remaining amount shall be refunded to DF according to terms and conditions of DFA. Article 6.2.3 refers. DF shall remit Net Revenue Collection (NRC) which should be minimum, equal to or above 75% of MBRC for consolidated for 62 DTCs per month. In case DF fails to remit this mandatory amount as NRC for any particular month then, MSEDCL shall have right to invoke the BG and entire amount will be forfeited to MSEDCL and

the adjustment will be done as per commercial arrangement mentioned in DFA. However, for qualifying purpose NRC shall be considered inclusive of subsidy if any (subject to full payment made by an individual consumer for that particular month against MSEDCL's monthly bill). On invoking of BG, DF shall be required to submit a fresh BG of same amount to MSEDCL immediately as per Article 10 of DFA. This practice shall be followed throughout, as and when DF fails to remit this mandatory NRC.

6.2 Under the commercial arrangement the following shall comprise:-

6.2.1 **Multivariate Econometric Model (MEM):**

It is based on capacity of an individual DTC. The following parameters in respect of individual DTC for a period of a month shall be calculated as follows:-

6.2.1.1 Expected Energy Supplied by DTC per month

$$\text{Expected energy supplied by DTC per month in Kwh} = \frac{\text{Capacity of DTC (in KVA)} \times \text{Power Factor} \times \text{Loading Factor} \times \text{No. of hours power available per day} \times \text{Diversity factor} \times \text{avg. no. of days per month}}{\text{no. of days per month}}$$

The following assumption shall be made:

Power Factor	=	0.8
Loading Factor	=	1.1
Power available/day	=	18 hours
Diversity factor	=	0.7
Average no. of days in a month	=	30

6.2.1.2 Minimum Baseline Revenue Collection

$$\text{Minimum Baseline Revenue collection per month in rupees (MBRC)}^{\wedge} = \frac{\text{Expected energy supplied by DTC per month in Kwh} \times \text{Average Billing Rate in Rs per Kwh of Division} \times \text{weightage for ABR} \times \text{Collection Efficiency} \times \text{weightage for C.E.} \times \text{sales multiplying factor}}{\text{sales multiplying factor}}$$

[^] MBRC shall be equal to the offered amount by DF and same shall be considered for invoicing

[#] The sales multiplying factor for 24 month is as per annexure 9 of this document

The following assumption shall be made:

Weightage for ABR	=	0.8
Weightage for C.E.	=	0.9

6.2.1.3 Payable Assured Revenue (PAR)

Payable Assured Revenue to MSEDCL by DF per month in rupees (PAR) =
0.75 X Minimum Baseline Revenue Collection per month in rupees

6.2.2 Invoicing and Payment Methodology between DF and MSEDCL

6.2.2.1 MSEDCL shall be custodian of daily cash collected and remitted by DF from consumers against monthly energy bills. After generation of monthly invoice post adjustment, the remaining amount shall be refunded to DF according to terms and conditions of DFA. Article 6.2.3 refers.

6.2.2.2 The periodicity of invoice shall be monthly. On completion of a calendar month, the MSEDCL shall prepare monthly invoice as per annexure 7.

6.2.2.3 The monthly invoice for each DTC, shall consist the following parameters : -

6.2.2.3.1 Demand in rupees raised by MSEDCL as per MERC tariff.

6.2.2.3.2 Minimum Baseline Revenue Collection per month or offered amount by bidder per month (exclusive of ED, TOSE and any other taxes payable to Government), whichever is higher and considered as benchmark amount.

6.2.2.3.3 Amount due to Government under ED, TOSE or any other tax as applicable, which is collected and remitted along with monthly bill by DF to MSEDCL

6.2.2.3.4 The amount of subsidy, if any.

6.2.2.3.5 The Gross Revenue (inclusive of ED, TOSE and other applicable taxes and in turn payable to Government) collected by DF and remitted to MSEDCL per month (in rupees)

6.2.2.3.6 Payable Assured Revenue to MSEDCL by DF (Amount deductible from monthly remittance by DF).

- 6.2.2.3.7 The amount refundable (after deduction from monthly remittance by DF) to DF in the first week of subsequent month.
- 6.2.2.3.8 The DTC qualifies for fixed fee of Rs. 5000/- per month as per article 6.1.
- 6.2.2.3.9 Incentives for removal and regularization of illegal connections as per article 6.1.
- 6.2.2.3.10 Net Revenue Collection in rupees, which is equal to gross revenue collection by DF minus ED minus TOSE minus other taxes as applicable by Govt. order from time to time.
- 6.2.2.3.11 Net Payable Amount to DF in rupees, which is equal to amount refundable to DF post adjustment plus fixed fee plus incentives minus applicable TDS.

Monthly Invoice –

Dem	:	Demand in rupees
MBRC	:	Minimum Baseline Revenue Collection in rupees
ED	:	Electricity Duty
TOSE	:	Tax on Sale of Electricity
Tax	:	Taxes payable to Government, if any
SUB	:	Subsidy receivable from Government, if any
GRC	:	Gross Revenue Collection by DF against bill
NRC	:	Net Revenue Collection by DF against bill
PAR	:	Payable Assured Revenue to DF
ARF	:	Amount Refundable to DF post adjustment
FF	:	Fixed Fee
INC	:	Incentives given to DF against removal and regularizing illegal connection
NPF	:	Net Payable amount to DF

$$NRC = GRC - (ED + TOSE + Tax) +$$

$$Subsidy (if any)$$

$$PAR = 0.75 \times MBRC$$

$$ARF = NRC - PAR$$

$$NPF = ARF + FF + INC - TDS$$

* NPF shall be applicable only, when DF qualifies as per article

6.2.3

6.2.3 **Applicable Conditions:**

The DF shall put all possible effort to accomplish cent percent metering and regularization of all illegal connections within the period of parallel operation with MSEDCL (i.e. thirty days prior to effective date)

The following conditions shall be applicable for deciding the eligibility of amount refundable to DF post adjustment (ARF) and Net payable amount to DF (NPF)

- 6.2.3.1 If the demand minus ED minus TOSE minus Taxes is less than MBRC then there will be no ARF. The entire GRC will be retained by MSEDCL and shortfall shall be recovered by invoking Bank Guarantee as per Article 10 of DFA. However incentives will be payable as per qualifying criteria of DFA.

If the demand minus ED minus TOSE minus Taxes (Net demand) is more than MBRC then: -

- 6.2.3.2 If the Net Revenue Collection (NRC) falls below 75 % of MBRC, then the entire GRC will be retained by MSEDCL, however incentives will be payable as per qualifying criteria of DFA. In this case the Bank Guarantee shall be invoked and entire amount shall be forfeited to MSEDCL and adjustment shall be done as per Article 6 of this document.
- 6.2.3.3 If Net Revenue Collection (NRC) falls between 75% to 100 % of MBRC then the amount against PAR will be retained by MSEDCL and balance will be refunded to DF. In this case Fixed Fee (FF) will not be payable to DF, however incentives will be payable as per qualifying criteria of DFA.
- 6.2.3.4 If Net Revenue Collection (NRC) is equal or above 100 % of MBRC, then the amount against PAR will be retained by MSEDCL and balance will be refunded to DF. In addition the Fixed Fee (FF) will

be payable to DF, however incentives will be payable as per qualifying criteria of DFA. In this case NPF will be calculated through invoice and payable to DF.

- 6.2.3.5 Commercial components such as ED, TOSE and taxes if any shall be assessed provisionally every month and include in monthly invoice accordingly. However on receipt of actual value, the same shall be adjusted in the subsequent monthly invoice.
- 6.2.3.6 Subsidy amount shall be taken into account of MBRC for qualifying purpose, if any as per Article 6 of this document.
- 6.2.3.7 PAR shall be considered as Minimum Assured Revenue of MSEDCL and the same shall be retained by MSEDCL from DF's collection or adjusted from Bank Guarantee in case of shortfall.

6.3 Additional Charges

- 6.3.1 All additional charges a mentioned below, shall be collected by the DF (as per prevailing procedures of MSEDCL) and the same shall be remitted to MSEDCL on daily basis as per terms and condition of DFA. : -

CC	=	Compounding Charges, If any
SD	=	Security Deposit
SCC	=	Service Connection Charges
MIC	=	Miscellaneous Charges (such as burnt meter cost, reconnection charges and any other charges a specified in schedule of charges Promulgated by MERC)
ASS	=	Assessment against section 126 and 135 of E.A. 2003, faulty meter (Regulation No. 15.4.1 of supply code)

- 6.3.2 All additional charges shall be accounted in separate pro forma as annexed at Annexure 10

ARTICLE 7: PROVISION FOR SUBSIDY

In addition to the provisions stated in Article 6, the Subsidy shall be governed by the following:

-
- 7.1** The Government of Maharashtra (GoM) presently offers subsidy on electricity tariff in certain Consumer categories, as approved by MERC, which is directly collected by MSEDCL on account of electricity supplied to those Consumers in Franchise Area.
- 7.2** The Distribution Franchisee shall facilitate MSEDCL in raising the claim on account of electricity supplied to subsidized consumers in designated franchise area of subsidy from GoM by way of assisting in furnishing information & necessary documentation.
- 7.3** 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.
- 7.4** MSEDCL shall provide credit to Distribution Franchisee for subsidy claim towards supply of power to subsidized Consumer category if any in Franchise Area, in the respective Invoices as per Article-6. Credit against subsidy shall be applicable only for those consumers who shall be paying the current bill in time. In case of delayed payment the same shall be adjusted accordingly in the invoice of that particular month. However, a reconciliation of accounts shall be carried out every three months.
- 7.5** An Independent Auditor may be appointed by the mutual consent of MSEDCL and the Distribution Franchisee, if necessary, to undertake the audit for Subsidy raised by the Distribution Franchisee as mentioned in 7.4 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.
- 7.6** In the event of partial or complete withdrawal of subsidy by GoM on subsidized Consumer categories during the term of this Agreement, Distribution Franchisee shall be responsible for collection of such subsidy amount withdrawn by the GoM from the subsidised Consumers through modified tariff as specified by MERC.
- 7.7** In the event of subsidy defaults by the GoM, the Distribution Franchisee shall comply with MSEDCL policy directives for such events. Such MSEDCL policy directives shall be with prospective effect and shall be applicable across the MSEDCL license area.

ARTICLE 8: ELECTRICITY DUTY

In addition to the provisions of Article 6, the Electricity Duty shall be governed as below:

- 8.1** The Distribution Franchisee shall establish separate accounting for Electricity Duty liability as per provisions of Bombay Electricity Duty Act' 1958.
- 8.2** The Distribution Franchisee shall collect and remit the amount leviable on account of Electricity Duties to MSEDCL as per Article-6
- 8.3** Any change in taxes and duties as notified by GoM, shall be adjusted appropriately and paid to MSEDCL in addition to the Distribution Franchisee's payment obligation computed as Article 6

ARTICLE 9: TAX ON SALE OF ELECTRICITY (TOSE)

In addition to the provisions of Article 6, the TOSE shall be governed as below:

- 9.1** The Distribution Franchisee shall establish separate accounting for TOSE liability as per provisions of Sale Tax Act.
- 9.2** The Distribution Franchisee shall collect and remit the amount leviable on account of TOSE to MSEDCL as per Article-6
- 9.3** Any change in taxes and duties as notified by GoM, shall be adjusted appropriately and paid to MSEDCL in addition to the Distribution Franchisee's payment obligation computed as Article 6

ARTICLE 10: 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 MSEDCL in the form of a bank guarantee from any nationalized bank or ICICI bank, IDBI bank, Axis bank, HDFC bank for an amount equivalent to one month Minimum Baseline Revenue Collection (as highest offer by selected DF). The Bank Guarantee must state that the Bank shall not require any proof in addition to the written

demand by MSEDCL in order to make the payment and that payment will be made immediately in accordance with the remittance instructions specified in such demand to such account in Jalgaon as may be specified by the holder at the time a demand for payment is made.

The Bank Guarantee shall be governed as below:

- 10.1** The DF shall submit a performance guarantee to the satisfaction of MSEDCL in the form of a bank guarantee from any nationalised bank or ICICI bank, IDBI bank, Axis bank, HDFC bank for an amount equivalent to one month's (avg.) of first year Minimum Baseline Revenue Collection amount (as highest offer by DF).
- 10.2** The Bank Guarantee must be furnished in the format provided in Exhibit 8 of the RFP along with acceptance of the letter of intent.
- 10.3** The Bank Guarantee shall be valid for thirty calendar month from the date of issue or the Effective Date whichever is later.
- 10.4** The Bank Guarantee shall be encashed in case the Distribution Franchisee does not take over operations in the Franchise Area within two months of the acceptance of the letter of intent.
- 10.5** MSEDCL may recover the outstanding GRC from DF by invoking the Bank Guarantee if, DF fails to remit daily collection to MSEDCL on daily basis for complete one month as per Article 6 of DFA.
- 10.6** Distribution Franchisee shall, within one week of invocation of the Bank Guarantee by MSEDCL, restore the same to the level prior to invocation.
- 10.7** If DF fails to remit minimum 75% of MBRC as Net Revenue Collection (NRC) for any particular month then MSEDCL shall have right to invoke the BG as per Article 6.1 and 6.2.3 of DFA.

ARTICLE 11: REPORTING AND AUDIT

11.1 Reporting

The Distribution Franchisee shall furnish to MSEDCL the following information as per schedule stated therein:

- 11.1.1** 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 MSEDCL 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 MSEDCL to the extent possible and shall be used only under conditions of default by Distribution Franchisee under the Distribution Franchise Agreement

- 11.1.2 Distribution Franchisee shall be required to update the asset register and submit the same to MSEDCL on a quarterly basis for the first year and thereafter on a monthly basis within 30 days after the end of respective periods.
- 11.1.3 Distribution Franchisee shall generate periodic Management Information System (MIS) and Monitoring Reports as required by MSEDCL and MERC in formats enclosed at Annexure-4 and communicate them to MSEDCL.
- 11.1.4 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 MSEDCL upon Expiry/ termination subject to applicable permissions. MSEDCL 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.
- 11.1.5 Distribution Franchisee shall notify MSEDCL of any Major Incident affecting any part of the Distribution System that has occurred at the earliest possible instant and in any event, by no later than fifteen (15) days or such period as may be extended by MSEDCL from the date of such Major Incident. Distribution Franchisee shall also submit a report to MSEDCL giving full details of the facts within the knowledge of the Distribution Franchisee regarding the incident and its cause.
- 11.1.6 Distribution Franchisee shall provide to the MSEDCL within reasonable time such further particulars and information as may be required by MSEDCL (e.g. political and social unrest, natural calamities, events of force majeure, etc) relating to the implementation of this Agreement for providing the same to the GoM or any other statutory authorities entitled to the same under the provisions of the law.

11.1.7 MSEDCL reserves the rights to modify the existing MIS report or addition / alteration in future, depending on the future development and requirement.

11.1.8 MSEDCL reserves the rights to introduce new KPIs (Key Performance Indicators) for monitoring the performance of Distribution Franchisee

11.2 Audit

11.2.1 Distribution Franchisee will allow for yearly audit of assets and inventories within the Franchise Area by MSEDCL.

11.2.2 Distribution Franchisee will also allow a yearly audit of the billing data including the system and database and Consumer service centers operated within the scope of the Franchise Area.

11.2.3 MSEDCL may, at anytime during the subsistence of this agreement, authorise 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 authorised person(s).

11.2.4 The audit of subsidy, electricity duty and tax on sale of electricity shall be carried out as mentioned in Article 7, 8 and Article 9 respectively.

11.2.5 MSEDCL reserves the right to conduct the physical verification of the Distribution Assets belonging to MSEDCL at any time during the term of this Agreement.

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

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

ARTICLE 12: INDEMNIFICATION

Indemnity

12.1 The Distribution Franchisee during the term of this Agreement shall indemnify, defend and hold MSEDCL harmless against the following:

12.1.1 Any acts of omissions/commission of Distribution Franchisee with regard to the electricity services provided by MSEDCL. In such event Distribution Franchisee shall have no claim for compensation, incentive or any other claim against MSEDCL.

12.1.2 Claims against MSEDCL made by any third party for any act of commission or omission by Distribution Franchisee, Distribution Franchisee shall indemnify and hold MSEDCL harmless and compensate all the losses so caused to MSEDCL. MSEDCL shall also be entitled to defend any action with third parties at the cost and expenses of Franchisee.

12.1.3 All monetary obligations or losses or implications arising out of such action of Distribution Franchisee in the nature of costs, expenses or damages. MSEDCL 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.

12.1.4 Non-payment of all taxes, duties, and statutory/ local levies arising as a result of this commercial transaction as required under Article 6.

12.1.5 Non-compliance of the Laws, Regulations, Orders and Directives of MERC by the Distribution Franchisee.

12.1.6 Any penalty imposed on account of non-compliance as stated herein above.

This Indemnification shall survive the term of this Agreement.

12.2 MSEDCL shall indemnify, defend and hold the Distribution Franchisee harmless against:

12.2.1 Acts of commission or omission in the Franchise Area by MSEDCL prior to the Effective Date of this Agreement.

12.2.2 Third party claims on account of MSEDCL Distribution Assets provided the Distribution Franchisee has taken all reasonable care of the Distribution Assets. The aggregate amount of the liabilities to be compensated by MSEDCL during the said period. Provided, however that such indemnity shall be limited only to legally established claims only as per MSEDCL's prevailing norms.

Procedure for claiming indemnity

Third party claims

12.2.2 (a) Where either party is entitled to indemnification from the other party pursuant to Article 12.1 or Article 12.2, it shall promptly notify the other party of such claim, proceeding, action or suit referred to in Article 12.1 or Article 12.2 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 12.2.2(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.

12.2.2 (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 12.1 or Article 12.2 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.

12.3 Indemnifiable Losses

Where either party is entitled to Indemnifiable Losses from the indemnifying party pursuant to Article 12.1 or Article 12.2, 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 13: INSURANCE

13.1 The Distribution Franchisee at its own discretion shall insure the assets purchased during the term of this Agreement in its own name.

13.2 The Distribution Franchisee shall also obtain and keep in effect all Insurances required under laws of India.

ARTICLE 14: EVENT OF DEFAULT AND TERMINATION**14.1 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 MSEDCL its substantial obligations under this Agreement, shall constitute a Distribution Franchisee event of default. Substantial obligations would include all such obligations as envisaged in the Distribution Franchise Agreement.

14.1.1 Critical Event of Default

14.1.1.1 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 to achieve MBRC as consolidated for 62 DTCs for continuous period of Three months. This shall be applicable after completion of initial mandatory period of Six months of operation (i.e after completion of six months from effective date).
- b Failure on account of Distribution Franchisee to remit the collection to MSEDCL as per Article- 6 of this Agreement;
- c Failure to maintain a performance guarantee as per the Article 10 of this Agreement.
- d Failure to maintain minimum service quality/ safety standards.

14.1.1.2 The other Critical Events of Default are:

- a. The Distribution Franchisee is indulging in any malpractice or corrupt practice or fraudulent practice(s).
- b. In case of winding up the company 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. Sale of energy to any party who is residing beyond the demarcation of designated Distribution Franchise Area.
- g. Failure to comply with non-critical events of default within the specified period, then non critical event shall be treated as critical event.

14.1.2 Non-critical Event of Default

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

- 14.1.2.1 Failure to submit periodic performance report (comprising Billing and Collection report, updating of Assets Register) to MSEDCL after a stabilization period of two months from Effective Date.
- 14.1.2.2 Reporting inconsistencies in revenue accounting, if observed during periodic/ unscheduled inspection.
- 14.1.2.3 Failure to comply with any terms and conditions, as applicable under this Agreement for a consecutive period of thirty (30) days.
- 14.1.2.4 Persistent non-compliance of Standards of Performance laid down by MERC. Persistent would mean non-compliance of any of terms of Standards of Performance in all similar cases for a continuous period of three months.
- 14.1.2.5 Persistent non-compliance of MERC's "Electricity Supply Code and Other Conditions of Supply" as approved and modified from time to

time. Persistent would mean repeated non-compliance of any of terms of MERC's "Electricity Supply Code and Other Conditions of Supply for a continuous period of three months as applicable.

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 14.1.1.2 (g)

14.2 MSEDCL 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 MSEDCL Event of Default:

a) Critical Event of Default

i) If MSEDCL fails to provide energy at HT side of the DTC during normal circumstances of operations, which does not include planned load shedding (PLS), distressed load shedding (DLS) and under frequency relay operation (UFR) or scheduled/ emergency outages on feeders, supplying to HT side of DTC for a period of three (3) 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 days, it shall become a Critical Event of Default.

14.3 Termination Procedure for Event of Default by Distribution Franchisee

14.3.1 On the occurrence of any Event of Default, or its coming to notice of MSEDCL, MSEDCL shall issue an Event of Default notice to the Distribution Franchisee.

14.3.2 The Distribution Franchisee shall eliminate such Event of Default and mitigate consequences of such Event of Default within a period of 15 days for Event of Default cited at 14.1.1.1 and 30 days for other critical Events of Default cited at 14.1.1.2.

14.3.3 In case the Distribution Franchisee is unable to eliminate/ mitigate the consequences of Event of Default within the period stipulated at 14.3.2 a **preliminary notice of termination** may be served by MSEDCL to the Distribution Franchisee, elaborating the event of default by Distribution Franchisee.

14.3.4 If the default is not cured within a period of **ten days** from the date of issue of the preliminary notice of termination as provided in Article 14.3.3, this **Agreement shall stand terminated after serving the final termination notice** to the Distribution Franchisee.

14.3.5 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.

14.3.6 MSEDCL 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 MSEDCL on the account of non-provision of such assistance by the Distribution Franchisee shall be recovered from the Termination payment of the Distribution Franchisee.

14.4 Termination Procedure for MSEDCL Event of Default

14.4.1 On the occurrence of Event of Default by MSEDCL, the Distribution Franchisee shall issue an Event of Default notice to MSEDCL.

14.4.2 MSEDCL shall eliminate/ mitigate consequences of such critical Event of Default within a period of 15 days for Event of Default cited at 14.2 (a) and 30 days for non critical Events of Default as cited at 14.2 (b)

14.4.3 In case MSEDCL is unable to eliminate/ mitigate the consequences of Event of Default, a preliminary notice of termination may be served by the Distribution Franchisee to MSEDCL, elaborating the Event of Default by MSEDCL.

14.4.4 If the default is not cured within a period of thirty 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.

14.4.5 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.

14.4.6 MSEDCL 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 30 days from the serving of such Final termination notice, failing which the costs and expenses incurred by MSEDCL on the account of non-provision of such assistance by the Distribution Franchisee shall be recovered from the Termination payment of the Distribution Franchisee.

14.5 Consequences of Termination

14.5.1 Consequences of Termination for Distribution Franchisee Event of Default

- a) Without prejudice to the other rights of MSEDCL in case of termination, Distribution Franchisee shall pay all the dues payable to MSEDCL on the date of termination. Distribution Franchisee shall pay dues to third parties only after the payment of all MSEDCL dues.
- b) MSEDCL has right to make good any shortfall from the performance guarantee.
- c) MSEDCL 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.

14.5.2 Consequences of Termination for MSEDCL Event of Default

Without prejudice to the other rights of Distribution Franchisee in case of termination, MSEDCL shall pay all the dues payable to Distribution Franchisee on the date of termination.

14.6 Step In Rights of MSEDCL

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

1. MSEDCL 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. MSEDCL shall have the right to invoke the Bank Guarantee furnished by the Distribution Franchisee to recover all its dues and outstanding amounts.

14.6.2 Step-in Rights in the Event of Abandonment and Event of Major Incident by the Distribution Franchisee

1. MSEDCL or its Designate(s) shall be entitled to immediately enter any and/or all of the Site(s) and operate the Distribution System.
2. MSEDCL shall have a right to terminate the Agreement.
3. MSEDCL 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 MSEDCL.
4. MSEDCL shall invoke the Bank Guarantee furnished by the Distribution Franchisee to recover all its dues and outstanding amounts.

5. All Current Assets of the Distribution Franchisee in the Franchise Area shall stand transferred to MSEDCL
6. All Capital (Moveable and Immoveable) Assets of the Distribution Franchisee brought in the Franchise Area shall stand transferred to MSEDCL
7. However, the liability of meeting the repayment obligations on account of financing arrangements for such assets shall lie with the Distribution Franchisee.

14.6.3 Step-in Rights of MSEDCL 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, MSEDCL shall have a right to step-in the Franchise Area and restore electric supply services. The costs and expenses incurred for restoration by MSEDCL shall be borne by the Distribution Franchisee.

14.6.4 Step-in Rights of MSEDCL in the Event of Major Incident

In case of an event of Major Incident as defined under the Agreement, MSEDCL shall have a right to step-in the Franchise Area and take appropriate action. The costs and expenses incurred by MSEDCL in connection with the same shall be borne by the Distribution Franchisee. If the major incident is due to the willful negligence or deliberate actions of the Franchisee, MSEDCL shall have a right to terminate the Agreement in accordance with Article 14.6.2.

14.7 Mode of Expiry Payment

- 14.7.1 The expiry payment to the Distribution Franchisee shall consist
Of the following:

- i) Arrears accrued in the last one month prior to expiry as per terms and condition of the agreement cited as Article 6.

- 14.7.2 MSEDCL 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 MSEDCL 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.

14.7.3 All the above payments shall be released after deductions on account of any outstanding amount towards MSEDCL/ or GoM, if any.

14.8 Mode of Termination Payment in case of MSEDCL Event of Default

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

- i) Arrears accrued in the last one-month prior to termination as per terms and condition of the agreement cited as Article 6.

14.8.2 MSEDCL 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 MSEDCL 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.

14.8.3 All the above payments shall be released after deductions on account of any outstanding amount towards MSEDCL/ or GoM, if any

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

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

- i) Arrears accrued in the last one-month prior to Expiry as per terms and condition of the agreement cited as Article 6.

14.9.2 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.

- 14.9.3 All the above payments shall be released after deductions on account of any outstanding amount towards MSEDCL/ or GoM, if any.

ARTICLE 15: GOVERNING LAW AND DISPUTE RESOLUTION

15.1 Governing Law

15.1.1 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 Maharashtra. The laws applicable to the Agreement shall be the laws in force in India.

15.1.2 Any dispute arising out of compliance/ non-compliance of this Agreement shall be exclusively under the jurisdiction of court at Jalgaon

15.1.3 Disputes between the consumers in the Franchise Area and MSEDCL shall be referred to the existing relevant Consumer Grievance Redressal Forums or to the appropriate authority/ Forum/ Court as per the law.

15.2 Amicable Settlement

15.2.1 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.

15.2.2 The other Party shall, within thirty (30) days of receipt of dispute notice issued under Article 15.2.1, furnish:

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

- 15.2.3 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.
- 15.2.4 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 Principal Consultant (DF) of MSEDCL and Head of Distribution Franchisee (by whatever name called) which shall communicate its decision within a period of 15 (fifteen) days.
- 15.2.5 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. The proceedings shall be conducted subject to the provisions of the Arbitration and Conciliation Act, 1996 by a panel consisting of three arbitrators.
- 15.2.6 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.
- 15.2.7 The language of the arbitration shall be English. The venue of Arbitration shall be Mumbai.
- 15.2.8 The arbitration award shall be in writing. The arbitrators shall also decide on the costs of the arbitration proceedings.
- 15.2.9 The Parties agree that the award of the arbitrators shall be final and binding upon the Parties.

15.2.10 Notwithstanding anything to the contrary contained in this Agreement, the provisions of this Article 15 shall survive the termination of this Agreement.

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

15.3 Disputed Payments

15.3.1 An invoice raised by MSEDCL in terms of Article-6 can be disputed by the Distribution Franchisee; however, the Distribution Franchisee shall remit the payment under protest against the same to MSEDCL within the stipulated time.

15.3.2 In case the dispute is resolved in the favour of the Distribution Franchisee, MSEDCL shall within 7 days of settlement of such dispute refund the excess amount along with an interest of 12% per annum on this amount, for a period from the date of amount due to Distribution Franchisee.

15.3.3 The information submitted by Distribution Franchisee and forming a basis for the Invoice can also be disputed by MSEDCL.

15.3.4 In case the dispute is resolved in the favour of MSEDCL, the Distribution Franchisee shall within 7 days of settlement of such dispute refund the additional amount along with an interest of 12% 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.

15.4 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 16: FORCE MAJEURE

- 16.1** 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.
- 16.2** In the event of a prolonged event of Force Majeure (continuing for a period of more than 30 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-14.7.

ARTICLE 17: MISCELLANEOUS PROVISIONS

- 17.1** MSEDCL 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.
- 17.2** MSEDCL 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.
- 17.3** 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 Executive Engineer or equivalent and above from MSEDCL and a rank of Senior Manager and above from Distribution Franchisee.

- 17.4** 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.
- 17.5** Distribution Franchisee may consider the use of innovative operating systems and technical solutions for loss reduction, theft prevention, credit control, etc.
- 17.6** In the event the Distribution Franchisee undergoes merger/ acquisition/ amalgamation, it will duly seek approval from MSEDCL for assignment of this agreement to the new entity. This would facilitate better coordination with the new entity.
- 17.7** 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.
- 17.8** The language of communication between two parties shall be English only.
- 17.9** The Distribution Franchisee shall not use the MSEDCL assets for any other use except for distribution of electricity and activities concerned with the subject of this Franchisee.
- 17.10** MSEDCL shall mark a copy of the Directives received by it under applicable laws, Regulations and Directives of MERC, which are not in the public domain.

- 17.11** Land and public right-of-way for Utility works shall be provided by the local Municipal Body. MSEDCL shall not be responsible for applying/ facilitating in approval of the same.

Notices

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

A notice shall be effective when delivered or on the notice effective date, whichever is later.

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

For MSEDCL:

The Executive Engineer, (Jalgaon Urban Division)/ Nodal Office

Maharashtra State Electricity Distribution Company Ltd.,

-----,

-----1

Phone: -----ext. =====

Fax: --- - -----

Email: -----

Agreement Representative:

Chief Engineer, (Jalgaon)

MSEDCL

Jalgaon-

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.

17.12 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.

17.13 Non-Waiver

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

17.14 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.

MSEDCL 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 [Mumbai].

For and on behalf of [M/s Maharashtra State Electricity Distribution Company Limited]	For and on behalf [M/s (Insert name of distribution Franchisee)]
Signature with Seal	Signature with Seal
Mr.----- Executive Director II, (Pune) Maharashtra State Electricity Distribution Company Ltd.	Mr. _____, (Designation), (Name Of Company)
Witness:- 1. Mr. _____ -----, MSEDCL	Witness:- 1. Mr. _____ (_____)

<p>2.</p> <p>Mr. -----</p> <p>-----, MSEDCL</p>	<p>2.</p> <p>Mr. _____</p> <p>(_____)</p>
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List of Annexures

- Annexure- 1 : Minimum level of Inventory to be supplied by MSEDCL**
- Annexure- 1A : Minimum level of inventory to be maintained by DF**
- Annexure- 2 : Minimum Baseline Revenue Collection per month (Benchmark) offered by DF**
- Annexure- 3 : Specifications of Consumer Service Centre**
- Annexure- 4 : MIS, Monitoring Reports and KPIs**
- Annexure- 5 : Format for Calculation of Average Billing Rate (ABR)**
- Annexure- 6 : Geographical map of Franchise Area with demarcation of franchisee area**
- Annexure- 7 : Monthly Invoice**

Annexure- 8 : DTC location map of designated DF area**Annexure- 9 : Sales Multiplying Factor****Annexure- 10 : Pro forma for additional charges****Annexure-1: - Minimum level of Inventory to be supplied by MSEDCL**

Sr. No.	Material Description	Unit	Quantity	Nature of Material
1	LT PVC armoured Cable (Various Sizes)	Km	1*	O&M
2	LT Conductor	Mtr.	100	O&M
3	RSJ for LT of various sizes	Nos.	10*	O&M
4	MCCBs of various categories	Nos.	50	O&M
5	Meters			
5.1	Single phase electronic meters	Nos.	100*	O&M
5.2	Three phase meters	Nos.	25*	O&M
6	L.T. Stay Set	Set	*	O&M
7	L.T. Stay Wire 7/10	Kg.	*	O&M

*As and when required by DF

Annexure 1A: Minimum level of inventory to be maintained by DF

SR. No.	NAME OF MATERIAL	UNIT	Quantity	Nature of Material
1	L.T.Shackle Insulator	Nos.	50	O & M
2	L.T.Shackle hardware	Pair	50	O & M
3	Stay Insulators	No	50	O & M
4	Earthling Sets L.T.	Set	25	O & M
5	Black bituminus paint	Ltr.	20.00	O & M
6	Aluminium Bobbins for neutral	No.	25.00	O & M
7	G.I.Nut Bolts of various sizes	Kg	5.00	O & M
8	G.I.Nut Boltss Washer & Misc Material	L.S	L.S	O & M
9	L.T.Spacers	Nos.	200.00	O & M
10	All other bill of materials/various types of fuses, kitkats, Dist./ Junction Box and any other material used in LV side	L.S	L.S	O & M

**ANNEXURE-2: Minimum Baseline Revenue Collection per month (Benchmark)
offered by Distribution Franchisee**

No. of DTC		4		27	
DTC Capacity		63		100	
Period	Contract Month	MBRC in Rs per month		MBRC in Rs per month	
		Expected	Offered by Bidder	Expected	Offered by Bidder
1st SIX MONTH	1	1,17,691		12,60,972	
	2	1,17,691		12,60,972	
	3	1,17,691		12,60,972	
	4	1,17,691		12,60,972	
	5	1,17,691		12,60,972	
	6	1,17,691		12,60,972	
2nd SIX MONTH	7	1,18,279		12,67,277	
	8	1,18,868		12,73,581	
	9	1,19,456		12,79,886	
	10	1,20,045		12,86,191	
	11	1,20,633		12,92,496	
	12	1,21,221		12,98,801	
1 st Yr. Total		14,24,646		1,52,64,063	
3rd SIX MONTH	13	1,22,398		13,11,411	
	14	1,23,575		13,24,020	
	15	1,24,752		13,36,630	
	16	1,25,929		13,49,240	
	17	1,27,106		13,61,849	
	18	1,28,283		13,74,459	
4th SIX MONTH	19	1,30,637		13,99,679	
	20	1,32,990		14,24,898	
	21	1,35,344		14,50,117	
	22	1,37,698		14,75,337	
	23	1,40,052		15,00,556	
	24	1,42,406		15,25,776	
2 nd Yr. Total		15,71,171		1,68,33,972	
Total Expected Rev. for 2 Years		29,95,817		3,20,98,035	

For and on behalf of :
Signature :
(Authorised Signatory)
Name of the Person :

Designation :

Instructions: The offered amount should be in rupees only as round figure.

No. of DTC		23		1	
DTC Capacity		200		250	
Period	Contract Month	MBRC in Rs per month		MBRC in Rs per month	
		Expected	Offered by Bidder	Expected	Offered by Bidder
1st SIX MONTH	1	21,48,322		1,16,757	
	2	21,48,322		1,16,757	
	3	21,48,322		1,16,757	
	4	21,48,322		1,16,757	
	5	21,48,322		1,16,757	
	6	21,48,322		1,16,757	
2nd SIX MONTH	7	21,59,064		1,17,340	
	8	21,69,805		1,17,924	
	9	21,80,547		1,18,508	
	10	21,91,289		1,19,092	
	11	22,02,030		1,19,676	
	12	22,12,772		1,20,259	
1 st Yr. Total		2,60,05,440		14,13,339	
3rd SIX MONTH	13	22,34,255		1,21,427	
	14	22,55,738		1,22,594	
	15	22,77,222		1,23,762	
	16	22,98,705		1,24,930	
	17	23,20,188		1,26,097	
	18	23,41,671		1,27,265	
4th SIX MONTH	19	23,84,638		1,29,600	
	20	24,27,604		1,31,935	
	21	24,70,571		1,34,270	
	22	25,13,537		1,36,605	
	23	25,56,503		1,38,940	
	24	25,99,470		1,41,276	
2 nd Yr. Total		2,86,80,101		15,58,701	
Total Expected Rev. for 2 Years		5,46,85,541		29,72,040	

For and on behalf of :

Signature :

(Authorised Signatory)

Name of the Person :

Designation :

Instructions: The offered amount should be in rupees only as round figure.

No. of DTC		5		2	
DTC Capacity		315		500	
Period	Contract Month	MBRC in Rs per month		MBRC in Rs per month	
		Expected	Offered by Bidder	Expected	Offered by Bidder
1st SIX MONTH	1	7,35,567		4,67,027	
	2	7,35,567		4,67,027	
	3	7,35,567		4,67,027	
	4	7,35,567		4,67,027	
	5	7,35,567		4,67,027	
	6	7,35,567		4,67,027	
2nd SIX MONTH	7	7,39,245		4,69,362	
	8	7,42,923		4,71,697	
	9	7,46,600		4,74,032	
	10	7,50,278		4,76,367	
	11	7,53,956		4,78,702	
	12	7,57,634		4,81,037	
1 st Yr. Total		89,04,037		56,53,357	
3rd SIX MONTH	13	7,64,990		4,85,708	
	14	7,72,345		4,90,378	
	15	7,79,701		4,95,048	
	16	7,87,057		4,99,718	
	17	7,94,412		5,04,389	
	18	8,01,768		5,09,059	
4th SIX MONTH	19	8,16,479		5,18,399	
	20	8,31,191		5,27,740	
	21	8,45,902		5,37,081	
	22	8,60,613		5,46,421	
	23	8,75,325		5,55,762	
	24	8,90,036		5,65,102	
2 nd Yr. Total		98,19,817		62,34,805	
Total Expected Rev. for 2 Years		1,87,23,854		1,18,88,161	

For and on behalf of :
 Signature :
 (Authorised Signatory)
 Name of the Person :
 Designation :

Instructions: The offered amount should be in rupees only as round figure

ANNEXURE-3:- 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
- 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:

1) Help desk services

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.

2) 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 co-ordinate to get a duplicate bill from MSEDCL for the customers.

Collection of Payments

The CSC shall be equipped to handle collection of bills from the consumers. The CSC shall collect the payment against bills and issue a prompt receipt to the consumer.

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.

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 date
		Customer number assignment
		Contract not provided
		Temporary Connection
		Other new connections request

2	Meter Related	Meter Running-fast
		Meter Running-slow/ sluggish
		Meter Stuck 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
4	Disconnections and Dismantlement related	Reporting of theft/ malpractice
		Disconnection dispute
		Disconnection request
		Temporary disconnection request
		Dismantlement dispute
		Termination request

		Other disconnection and dismantlement requests
		Reconnection requests
5	Supply Related	Fuse-off call
		Supply failed-total area
		Supply failed-individual
		Supply failed-one phase out
		Dim supply
		Voltage fluctuation
		Blinking
		Transformer-smoke/ flames
		Transformer-cable/ lugs burnt
		Transformer-sparking at the poles
		Transformer-leaking
		Voltage-High/Low
		Line-snapped/ bunched/twisted/ tree branches touching
		Pole-shock
		Pole-Leaning/ fell down
		Pole- Rushed/ damaged
		SC- Wire broken/ damaged/ loose connection
		Street Light-not glowing

		Other supply related requests
6	Other Customer Related Requests	Name Change
		Title transfer
		Category Change
		Address 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

N.B: DF shall co-ordinate with MSEDCL to resolve the complaints which are not in the purview of DF

Annexure-4

MIS REPORTS

The following information shall have to be furnished by the Franchisee to MSEDCL for each DTC of the Franchise Area separately

MERC SOP NOT FOLLOWED

Sr. No.	DTC Detail	No. of SOP cases	Remarks

New Connection Details

Sr. No.	DTC Detail	New Connections released		First bill issued		Remarks
		In month	Upto	In month	Upto	

No. of pending consumer grievances

Sr. No.	DTC Details	Pending	Remarks

No. of pending RCI Connections

Sr. No.	DTC Details	Residential R	Commercial C	Industrial I	Remarks

Pending Agricultural Connections

Sr. No.	DTC Details	Paid Pending	Test report Submitted	Pending Under KVV	Remarks

Pending Power Loom Connections

Sr. No.	DTC Details	Paid Pending	Test report Submitted	Remarks

Pending Connections other than above

Sr. No.	DTC Details	Paid Pending	Test report Submitted	Remarks

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	Cumulative	During month	Cumulative		During month	Cumulative	During month	Cumulative

Details of Failure of Distribution Transformers

Month	Details	Capacity in KVA					Total	
		63	100	150	200	315	500	Nos. KVA
	Transformers in operation							
	Transformers failed							
	Percentage of failure (%)							

Details of LT Consumers addition during the month

Month`	No. LT Consumers added during the month							Date of Release	Remarks / Purpose
	Name of LT Cons.	Cons. No.	Category	Conn. Load CL (KW)	LT meter box provided	Meter Details Make	Meter No.	Initial Reading	

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		
	<u>MERC</u>		
1	No. of Complaints /Grievance received		
2	No. of Complaints /Grievance solved		
3	Balance complaints at the end of month to be resolved		

Infrastructure Augmentation

Sr. No.	Description	Unit	Up-to-date Progress
	<u>TECHNICAL</u>		
1	As per 2001 Census		
	Villages	Nos.	
	Towns	Nos.	
	Villages – Electrified	Nos.	
	Towns – Electrified	Nos.	
	Balance to be Electricified - Villages	Nos.	
	Balance to be Electricified – Towns	Nos.	
2	WADIES		
	Electrified during the month	Nos.	
	Balance to be Electricified	Nos.	
	Total Electrified – Cumulative	Nos.	
9	LT Line – Overhead		
	As on	KM	
	Added during the month	KM	
	Added during the year	KM	
	Upto date	KM	
10	LT Line – Underground		
	As on	KM	

Sr. No.	Description	Unit	Up-to-date Progress
	Added during the month	KM	
	Added during the year	KM	
	Upto date	KM	
11	22/0.4 KV DTC		
	Transformers in operation	Nos.	
	Added during the month	Nos.	
	Augmented during the month	Nos.	
	Failed during the month	Nos.	
	% Failure	%	
12	11/0.4 KV DTC		
	Transformers in operation	Nos.	
	Added during the month	Nos.	
	Augmented during the month	Nos.	
	Failed during the month	Nos.	
	% Failure	%	

ANNEXURE 5: COMPUTATION OF AVERAGE BILLING RATE (ABR)

CALCULATION OF ABR for LT / HT	
ABR for LT and HT to be calculated separately	
COMPONENT	AMOUNT in RS.
I	
Energy Charges*	-
Demand Charges	-
Fixed Charges	-
FOCA	-
Electricity Duty	-
RLC(-)	-
TDL	-
TOSE	-
Bulk Incentive(-)	-
PF / CL Penalty	-
Capacitor Penalty	-
L M charges	-
L M Rebate	-
B 80 Adjustment(-)	-
Reconnection fees	-
Other Charges-ASC(pals specify if any)	-
Sub-total	
Less Contra Entries II	
Electricity Duty	-
TOSE	-
L M charges	-
L M Rebate	-
Total	

Metered Units in Kwh	-
Unmetered units in Kwh	-
Total Units	-
*NOTE: 1. * Energy charges is included subsidy amount Rs.----- /-	
2. All data is presumed tube audited	
3. If any tariff component is either included or excluded by MERC in future then the same should be taken into account in the format	
Difference = (I - II) =	-
ABR (LT) = Difference (I - II)/ Total Units	-
= Rs. / Kwh	

**ANNEXURE 6: GEOGRAPHICAL MAP WITH DEMARKATION OF
FRANCHISE AREA**



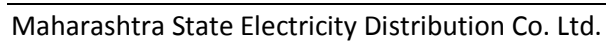
Annexure 7: Monthly Invoice DTC wise

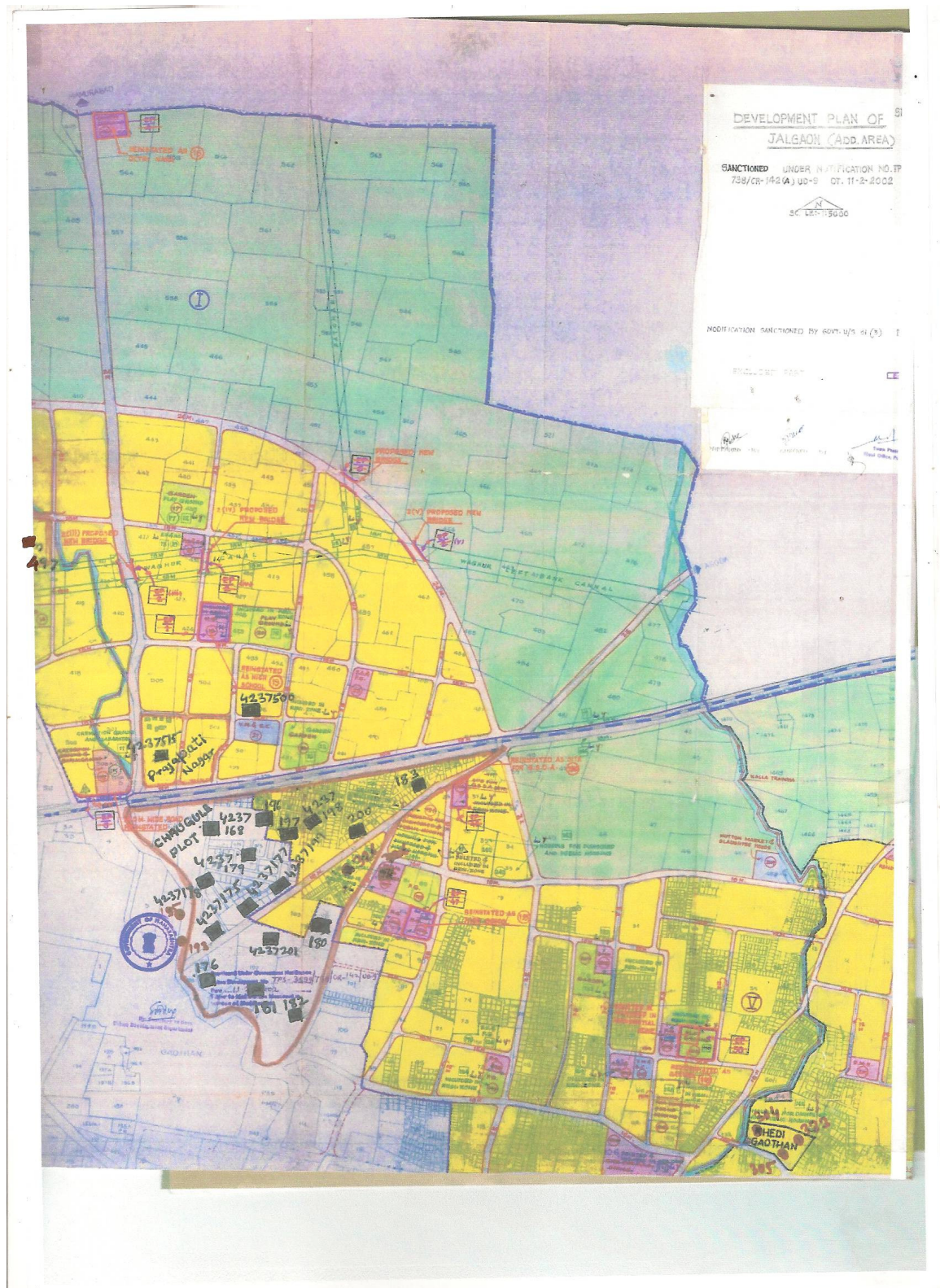
Maharashtra State Electricity Distribution Company Limited			
O & M Division Jalgaon Urban Division		DTC Code:	DTC Capacity:
INVOICE FOR DTC BASED DF AT.....		Month:	Input units:
Up-to-date Number of consumers on DTC:		Sales Multiplying factor:	

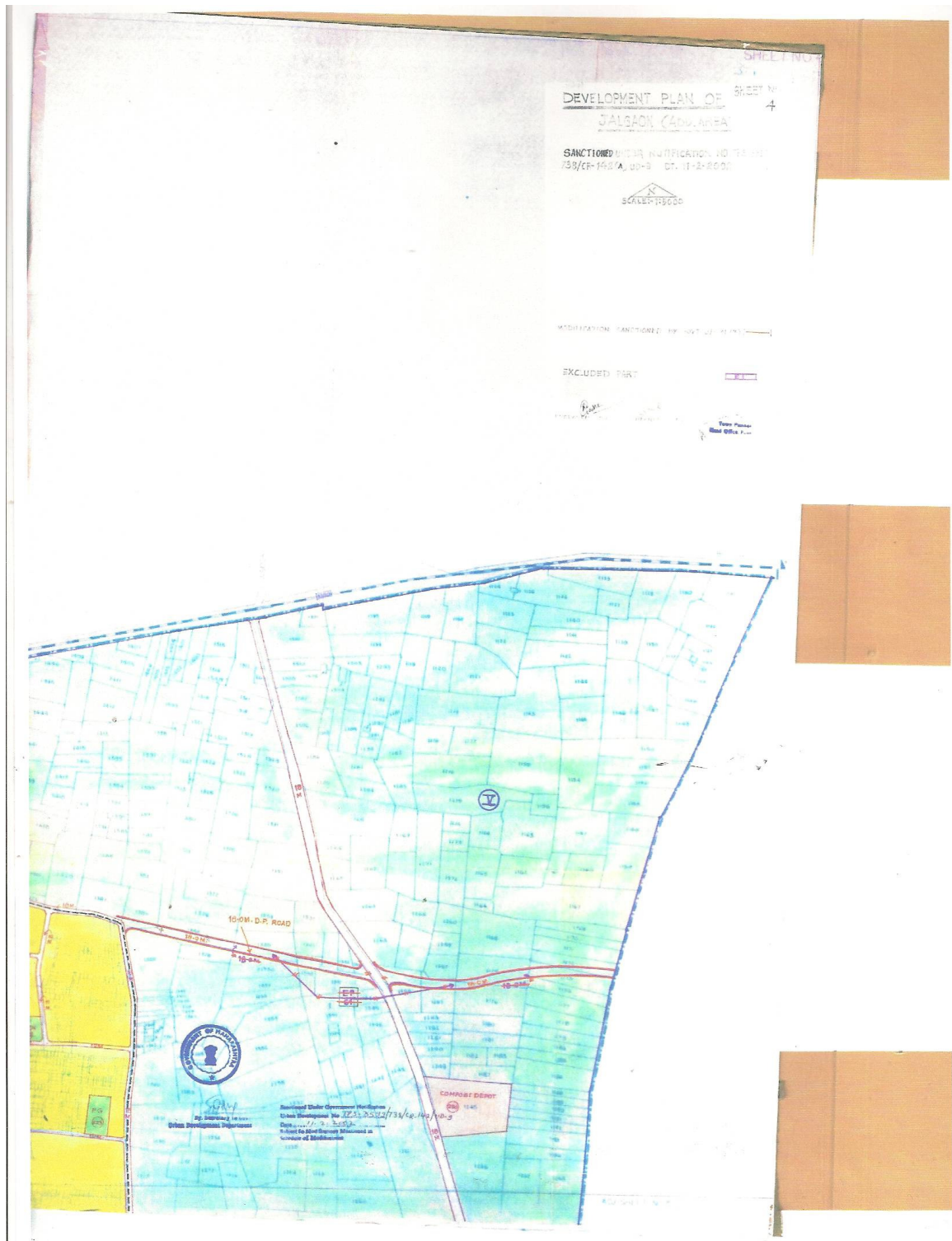
Sr. No.	Particulars	Amount in rupees	Remark
1	Minimum Baseline Revenue Collection (MBRC) per Math or offered Amt. by DF		
2	Payable Assured Revenue (PAR) to MSEDCL per Mth (75% of 1)		
3	Demand (w/o ED+TOSE+TAXES)		
4	Gross Revenue Collection (GRC) by DF		
5	Subsidy from GOM, if any		
6	E.D		
7	TOSE		
8	Other taxes		
9	Total taxes payable to Govt. =6+7+8		
10	Net Revenue Collection (NRC) by DF = (4-9)+ 5		
11	Amount Refundable to DF (ARF) # = 10 – 2		
12	Fixed fee Rs 5000 if 10 > 1		
13	Incentive for regularity of illegal connection		
14	Adjustment for the month of.....		
15	Amount payable to DF = 11+12+13±14		
16	Less TDS		
17	Net Payable to DF (NPF) = 15-16		

N.B. Payment is subject to fulfillment of conditions mentioned at Article 6.2.3 of DFA.

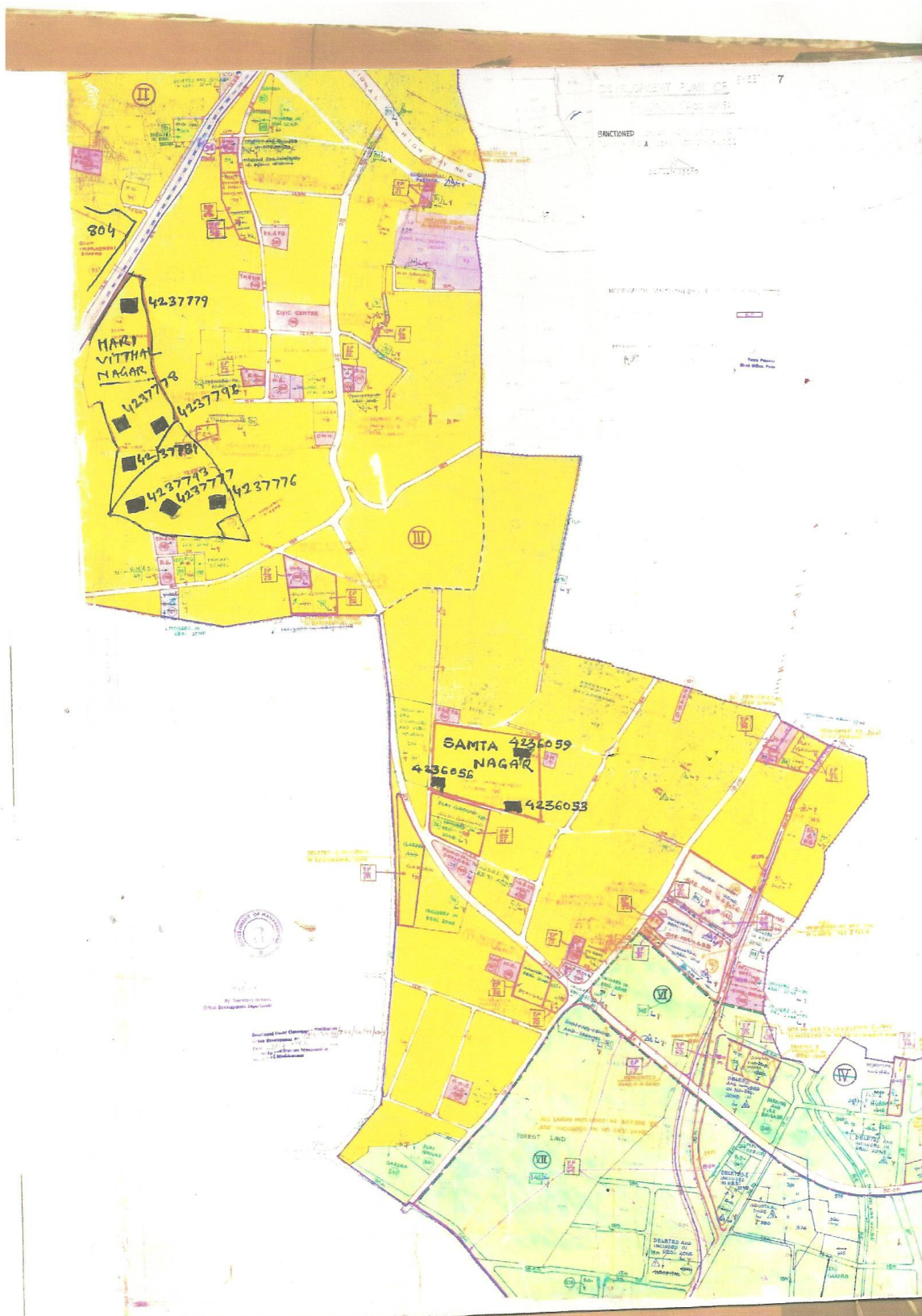
Annexure 8: DTC Location map of designated DF area.

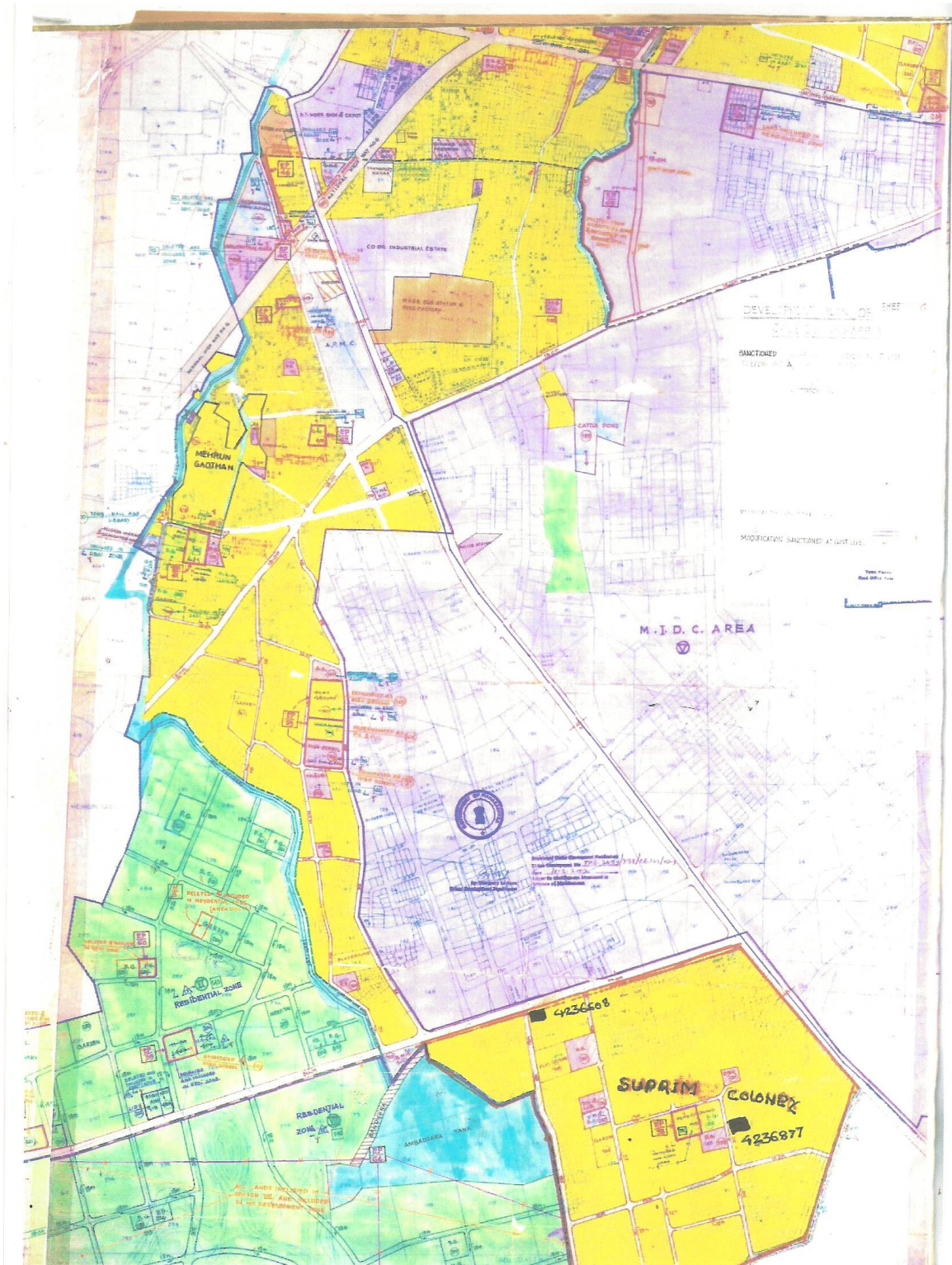


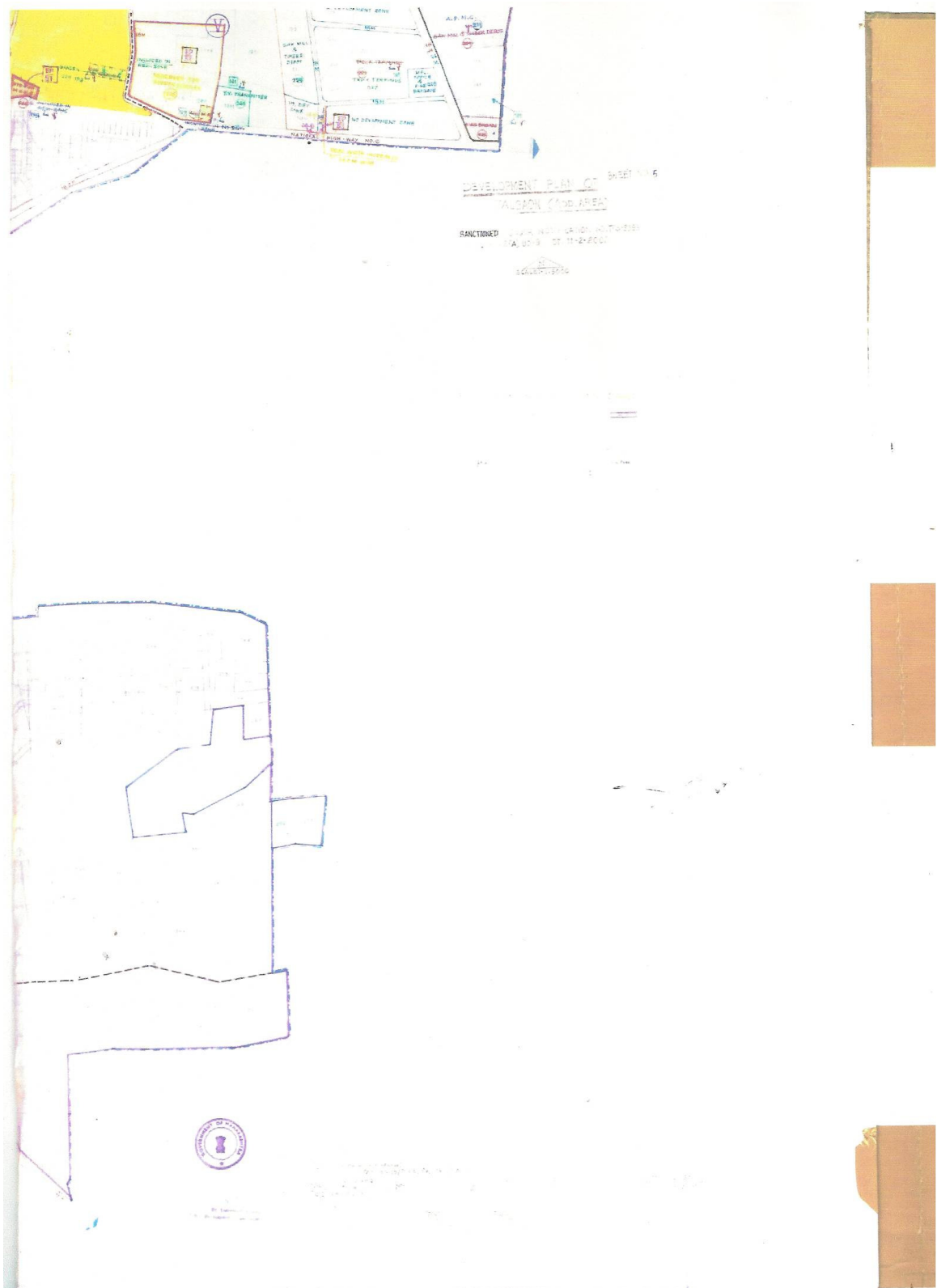












Annexure 9: Sales Multiplying Factor

Period		Reduction in Loss Level	PARAMETER		Sales Multiplying Factor (SMF)
Month			Loss Level %	Sales %	
1st SIX MONTH	1	IN PROGRESS TRANSATION PHASE	50.00	50.00	0.5
	2				
	3				
	4				
	5				
	6				
2nd SIX MONTH	7	By 0.25% each month for next six months Total loss level brought down = $0.25 \times 6 = 1.5\%$	49.75	50.25	0.5025
	8		49.50	50.50	0.505
	9		49.25	50.75	0.5075
	10		49.00	51.00	0.51
	11		48.75	51.25	0.5125
	12		48.50	51.50	0.515
3rd SIX MONTH	13	By 0.50% each month for next six months Total loss level brought down = $0.50 \times 6 = 3.0\%$	48.00	52.00	0.52
	14		47.50	52.50	0.525
	15		47.00	53.00	0.53
	16		46.50	53.50	0.535
	17		46.00	54.00	0.54
	18		45.50	54.50	0.545
4th SIX MONTH	19	By 1% each month for next six months Total loss level brought down = $1.00 \times 6 = 6.0\%$	44.50	55.50	0.555
	20		43.50	56.50	0.565
	21		42.50	57.50	0.575
	22		41.50	58.50	0.585
	23		40.50	59.50	0.595
	24		39.50	60.50	0.605

N.B. :- Initial loss level assumed **50%**
Initial Sales level assumed **50%**
Final loss level after improvement (2Yrs) = **39.50%**
Final Sale level after improvement(2Yrs) = **60.50%**
Achievement in bringing loss level by **10.50%** in 2 years
Increasing Sales by capturing loss = **10.50%**

Annexure 10: Pro forma for additional charges

O & M Division Jalgaon Urban Division	DTC Code:.....	DTC Capacity:
INVOICE FOR DTC BASED DF AT.....	Month:	Input units:

Sr. No.	Particulars	Amount in rupees	Remark
1	Compounding Charges, If any		
2	Security Deposit		
3	Service Connection Charges		
4	Miscellaneous Charges (such as burnt meter cost, reconnection charges, and any other charges as specified in Schedule of charges promulgated by MERC		
5	Assessment against 126 and 135 of E.A. 2003, faulty meter (Regulation No. 15.4.1 of supply code)		
6	Any other charges recovered by DF		
	Total		

Annexure C: Format for Clarifications/ Amendments on the RFP

Sir No.	Document (whether RFP/ DFA)	Clause No. and Existing provision	Clarification required	Suggested text for the amendment	Rationale for the Clarification or Amendment

For and on behalf of :

Signature :

(Authorised Signatory)

Name of the Person :

Designation :

Bidder's Rubber Stamp/ Common Seal and Full Address.

(Note: This format shall be used for submission of requests for clarifications/amendments on the RFP. All queries and suggestions on the RFP should be as per the format provided in Annexure F and must be provided in soft copy via spreadsheet software (such as Microsoft Excel, etc.) to the address provided in Clause 6.16, in addition to hard copies, if any.)