

**(WESCO Utility)**

**WESCO**

**Request for Proposal (RFP)**

**For**

**Appointment of Input Based Distribution Franchisee**

**Bolangir Electrical Distribution Circle comprising of Bolangir Electrical Division,  
Titlagarh Electrical Division and Sonepur Electrical Division**

**Tender Specification No. 2/WES/2017**

**Last date of tender Submission: 17.07.2017**

**Issued by:**

**CMD,GRIDCO-Cum-Administrator, WESCO Utility**

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**RFP Specifications for Appointment of Input Based Distribution Franchisee for [Electrical Circle,Bolangir] falling under [WESCO Utility]**

This “RFP document” along with Schedules & Annexure is issued to

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M/s.....

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**Please note:-**

1. This document is non-transferable.
2. The Distribution Franchisee Agreement shall be entered into between WESCO Utility and the successful bidder selected by WESCO Utility through a transparent competitive bidding process.
3. Although WESCO Utility has taken adequate care while preparing the RFP documents, the Bidders shall satisfy himself that document is complete in all respects. The Bidders shall intimate any discrepancy in the RFP document to this office within 7 days from the date of issue of the document to the Bidder. If no intimation is received by this office from the Bidder within that period from the date of issue of tender document, it shall be assumed that the RFP document, as issued to the Bidder, is complete in all respects.
4. WESCO Utility may modify, amend or supplement this RFP document including selection process and evaluation criteria, if deemed necessary by it or the same is required under law. Further, WESCO Utility or its authorized officers reserve the right, without prior notice, to change the selection procedure and the delivery of information at any time before the submission of bid without assigning any reasons thereof. However, such change shall be intimated to all parties who have procured this document.
5. This document is not intended to provide basis of any investment decision to be made by any Bidder. Each prospective Bidder must make his own independent assessment of the project, baseline parameters and ground conditions at his own cost.[WESCO Utility], nor its employees, consultants, advisors accept any liability or responsibility for the accuracy or completeness of, nor make any

representation or warranty, express, or implied, with respect to the information contained in the RFP, or on which the RFP is based, or any other information or representations supplied or made in connection with the Selection Process.

6. Nothing in the RFP should be relied on, as a promise or representation as to the future.
7. [WESCO Utility] reserves the right to reject any or all of the Bids submitted in response to this tender document at any stage without assigning any reasons whatsoever.
8. It is also agreed that the document is not confidential.

**Head (DMU),  
GRIDCO**

**Bhubaneswar:**

**GRIDCO Ltd, Janpath, Bhubaneswar, Dist.  
Khurda, Odisha  
PIN-751 022  
E-mail: [dmu\\_gridco@optcl.co.in](mailto:dmu_gridco@optcl.co.in)  
Phone No. 0674-2540877  
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## 1. Summary Sheet

<b>Project Summary</b>	Appointment of Input Based Distribution Franchisee
<b>Specified Area</b>	[Electrical Circle, Bolangir comprising of Bolangir Electrical Division, Titlagarh Electrical Division and Sonepur Electrical Division] falling under <u>WESCO Utility</u> as per details contained in Clause 2.5 of this RFP document
<b>Pre-Bid Meeting</b>	21/06/2017 at 15.30 Hours at DMU, GRIDCO Ltd, Janpath, Bhubaneswar
<b>Last Date and Time of Receipt of Bids</b>	17/07/2017 at 15.00 Hours
<b>Due date of Opening</b>	Part - I - Technical Bid 17/07/2017 at 16.00 Hours Part - II – Price Bid of the technically qualified bidders on a date and time to be intimated after the technical bid Evaluation
<b>Place of Opening</b>	DMU, GRIDCO Ltd, Janpath, Bhubaneswar
<b>Bid to be Addressed to</b>	Head (DMU), GRIDCO Ltd, Janpath, Bhubaneswar
<b>Telephone No.</b>	0674-2540877
<b>Fax No.</b>	0674-2543031
<b>Email</b>	wesco@wescoodisha.com, dmu_gridco@optcl.co.in,
<b>Website</b>	www.wescoodisha.com, www.odishadiscoms.com, www.gridco.co.in
<b>Earnest Money Deposit</b>	Rs. 7.60 Cr and In favour of Administrator, WESCO Utility payable at Sambalpur

## 2. General

### 2.1. Background of [WESCO Utility]

WESCO Utility has been engaged in distribution of electricity in the Western part of the State of Odisha comprising of nine districts namely Sundargarh, Jharsuguda, Deogarh, Sambalpur, Bargarh, Sonepur, Balangir, Kalahandi & Nuapada. The Distribution Franchisee Agreement shall be entered into between WESCO UTILITY and the successful Bidder selected by WESCO UTILITY through an open and transparent competitive bidding process.

### 2.2. Objectives of the Project

**2.2.1.** In an endeavour to improve operational efficiency of the distribution system and quality of service to its consumers, [WESCO Utility] seeks to bring in management expertise through private participation, in distribution of electricity.

**2.2.2.** [WESCO Utility] intends to appoint an Input Based Distribution Franchisee, to be selected by [WESCO Utility], through a bidding process for [Bolangir Electrical Distribution Circle comprising of Bolangir Electrical Division, Titlagarh Electrical Division and Sonepur Electrical Division comprising of revenue district of Bolangir & Sonepur of Odisha falling under [WESCO Utility].

**2.2.3.** [WESCO Utility] objectives of appointing a distribution franchisee, inter alia, are:

- i. To minimise Aggregate Distribution and Commercial losses
- ii. To bring improvement in Metering, Billing and Revenue Collection
- iii. To minimise Current Assets on account of arrears
- iv. To enhance customer satisfaction level by improving quality of service

**2.2.4.** The selection of the franchisee parties shall be through a transparent bidding process and within the provisions of the Electricity Act, 2003.

### 2.3. Relevant Provisions of the Electricity Act, 2003

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

**2.3.2.** The 7<sup>th</sup> proviso to Section 14 of the Electricity Act, 2003 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 licence from the concerned State Commission and such distribution licensee shall be responsible for distribution of electricity in his area of supply”

- 2.3.3.** 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 separate license from the concerned State Electricity Regulatory Commission.

## **2.4. Definitions & Abbreviations**

### **2.4.1. Definitions**

**Base Year** – Shall mean the Financial Year April 2016 to March 2017

**Bid** - Shall mean the Technical Bid and Price Bid submitted in response to this RFP document issued by [WESCO Utility].

**Bidder** - Shall mean the Bidding Company.

**Bidding Company** - Shall mean the single corporate entity bidding for the Project.

**Consumer** - Shall be as defined under the Electricity Act, 2003

**Note:** A consumer would be either referred to as “Low Tension Consumer (LT consumer)” meaning person who has been supplied power by the licensee at low voltage or “High Tension Consumer (HT consumer)” meaning person who has been supplied power by the licensee at high voltage, until and unless specified otherwise.

#### **Collection Efficiency**

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

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

Consumers in rupees)\*100

**Distribution** – Shall mean the supply and conveyance of electricity by means of distribution system.

**Distribution Franchisee / Franchisee** - Shall mean the Successful Bidding Company appointed by [WESCO Utility] to act as an agent of [WESCO Utility] to purchase and distribute electricity in the Franchise Area as per details mentioned in RFP

**Distribution Franchisee Agreement “DFA”** - Shall mean the Agreement to be entered into by the [WESCO Utility] and the successful bidder for Distribution Franchisee for undertaking distribution of electricity through the Franchisee in a specified area.

**Distribution Assets** - Shall mean the assets employed by [WESCO Utility]/ Distribution Franchisee in the Franchise Area for distribution of electricity.

**Distribution Licensee** - Shall mean the WESCO Utility

**Expiry Date** - Shall mean the fifteenth (15<sup>th</sup>) anniversary of the effective date.

**Effective Date** - Shall mean the date of handing over of the business operations of Franchise Area by [WESCO Utility] to the Distribution Franchisee pursuant to the Distribution Franchisee Agreement after the conditions precedents are satisfied.

**Financial Proposal** - Shall mean the proposal of the Bidder setting out the Input Rate for the Energy injected by [WESCO Utility] at the Inputs Points in the Franchise Area and other details as set out in **Clause 5.4** of this Document.

**Franchise Area** - Shall mean the area as mentioned in this Section of the RFP in respect of which Distribution Franchisee shall act as an agent of [WESCO Utility].

**Input Points** - Shall mean 33 KV side of 220 KV and 132 KV Sub-stations specified in Clause 2.5 and shall include such other HV substations or feeders, which may feed energy to the Franchise Area at the Effective date or during the term of the Agreement.

**Input Energy Rate** - Shall mean Rupees per unit of electricity supplied by [WESCO Utility] at the Input Points, and shall be quoted by the Bidder.

**Parties** - Shall mean a reference to selected Bidder and [WESCO Utility] collectively and “Party” shall mean an individual reference to either one of them.

**Prudent Utility Practices** - Shall mean the practices, methods and standards that are generally accepted nationally from time to time by electric utilities for the purpose of ensuring the safe, efficient distribution of electricity, operation and maintenance of Distribution Assets, billing & collection of distributed power, etc, and as may be specifically specified in the Standards of Performance Regulations and / or the Electricity Supply Code Regulations of the [OERC].

**Project** - Shall mean the purchase and distribution of electricity and related activities in the Franchise Area as a Distribution Franchisee of [WESCO Utility] in accordance with the requirements set forth in the RFP.

**Request for Proposal (RFP) document** - Shall mean this document, issued to the Bidders seeking Technical and Financial Proposals.

**Technical Proposal** - Shall mean the proposal of the Bidder setting out details as set forth in **Clause 5.3** of this Document.

**OERC** – Shall mean Odisha Electricity Regulatory Commission.

### 2.4.2. Abbreviations

<b>Cr</b>	: Number equivalent to 10 million or 100 lacs
<b>D/B</b>	: Distribution Box
<b>DF</b>	: Distribution Franchisee
<b>EHV</b>	: Extra High Voltage
<b>EMD</b>	: Earnest Money Deposit
<b>Eoi</b>	: Expression of Interest
<b>FA</b>	: Franchise Area
<b>FY</b>	: Financial Year
<b>HP</b>	: Horse Power
<b>HT</b>	: High Tension
<b>IST</b>	: Indian Standard Time
<b>IT</b>	: Information Technology
<b>Abbreviation of the Utility</b>	: <u>WESCO Utility</u>
<b>KM</b>	: Kilometer
<b>Kv</b>	: Kilo Volt
<b>LoI</b>	: Letter of Intent
<b>LT</b>	: Low Tension
<b>MCB</b>	: Miniature Circuit Breaker
<b>MUs</b>	: Million Units
<b>O &amp; M</b>	: Operations & Maintenance
<b>PD</b>	: Permanently Disconnected
<b>RFP</b>	: Request for Proposal
<b>Rs.</b>	: Indian Rupees
<b>SCC</b>	: Service Connection Charge
<b>SD</b>	: Security Deposit
<b>SLC</b>	: Service Line Charge
<b>T&amp;D</b>	: Transmission & Distribution
<b>T/F</b>	: Transformer
<b>OERC</b>	: Odisha Electricity Regulatory Commission

## 2.5. Brief description about the Franchise Area

**2.5.1.** The Franchise Area shall be the Bolangir Electrical Distribution Circle comprising of Bolangir Electrical Division, Titlagarh Electrical Division and Sonapur Electrical Division comprising of revenue district of Bolangir & Sonapur of Odisha. The Franchise Area will be the sum total of areas of individual Electrical sections / sub-divisions coming under the franchise area. In case, of expansion of any area, then the Franchise area may be extended accordingly.

**2.5.2.** A brief description of the existing distribution network in the Franchise Area is given herewith. The Organisation Structure of Bolangir Electrical Circle along with Divisions and sub-divisions is as outlined in Table 1.

**Table 1: Organisational Structure**

SL NO	SECTIONS	UNDER SUB-DIVISION	UNDER DIVISION
1	Section-I	Sub-Division-I Bolangir	Bolangir Electrical Division
2	Section-II		
3	Section-III		
4	Section-IV		
5	REC	Sub-Division-II Bolangir	
6	Chatamakhna		
7	Chudapali		
8	Tusura	Sub-Division Tusura	
9	Deogaon	Sub-Division Loisingha	
10	Loisingha		
11	Salevata		
12	Agalpur		
13	Sonepur	Sdo Sonepur	Sonepur Electrical Division
14	Tarva		
15	Khari		
16	Binka	SDO Binka	
17	Mahadevpali		
18	Rampur		
19	Cherupali		
20	B.M Pur	SDO B.M Pur	
21	Ulunda		
22	Subalaya		
23	Titlagarh-I	SDO Titlagarh	Titlagarh Electrical Division
24	Titlagarh-II		
25	Sindhkela		
26	Saintala	SDO Titlagarh-II	
27	Belgaon		
28	Kantabanji		
29	Turiekela	SDO Kantabanji	
30	Murbahal		
31	Patnagarh-I		
32	Patnagarh-II		
33	Patnagarh-III		
34	Belpada		
35	Khaprakhol		

**2.5.3.** The distribution infrastructure in the Franchise Area is given below:

**Table 2: Distribution Infrastructure Summary**

Particulars	Units	Measurement
132/33 KV Grid substations	Nos	
No. Of 33 KV feeders	Nos	19
Cross input points	Nos	
No. of 33/11KV Sub-Stations		36
No. of Power Transformers		75
33 KV lines		
Overhead lines	KMs	1217.8
Underground lines	KMs	
TOTAL	KMs	1217.8
11 KV Lines		
Overhead lines	KMs	6462
Underground lines	KMs	
TOTAL	KMs	6462
LT Lines		
Overhead lines	KMs	6668
AB Cables	KMs	
Underground lines	KMs	
TOTAL	KMs	
11/ 0.4 KV Distribution		
750KVA	Nos	5
315KVA	Nos	55
500 KVA	Nos	46
250 kVA	Nos	90
200 kVA	Nos	14
160 KVA	Nos	0
150 KVA	Nos	27
100 kVA	Nos	1392
63 kVA	Nos	1877
50 kVA	Nos	13
25 kVA	Nos	2786
16 kVA	Nos	2221
10 kVA	Nos	957
TOTAL	Nos	9483

2.5.4. The details of 33KV as well as 11kv feeders of the Franchisee Area are as mentioned in Table below. Further any feeders supplying power from non-project area (Import) and power supplied from project area (Export) has also been specified. These are the input points for the power injected to the project area.

Table 3: Details of Import &amp; export Points of the Franchise Area

SI No.	Input Points	Location
1	Balangir Transformer-I	132/33 KV Balangir Grid Substation
2	Balangir Transformer-II	132/33 KV Balangir Grid Substation
3	Balangir Transformer-III	132/33 KV Balangir Grid Substation
4	33KV Pandkital Feeder	132/33 KV Barpali Grid Substation
5	33KV Agalpur Feeder	132/33 KV Barpali Grid Substation
6	33 KV Titlagarh Feeder	132/33 KV Kesinga Grid Substation
7	33KV Belgaon Feeder	132/33 KV Kesinga Grid Substation
8	Patnagarh Transformer-I	132/33KV Patnagarh Grid Substation
9	Patnagarh Transformer-II	132/33KV Patnagarh Grid Substation
10	Patnagarh Transformer-III	132/33KV Patnagarh Grid Substation
11	33KV Muribahal Feeder	33/11KV Khariar Grid Substation( Inter Grid Point)
12	33KV Sindhekela Feeder	33/11KV Kesinga Substation( Inter Grid Point)
13	REHPL	At 11 KV Bus, Laltikra 33/11 KV SS
14	GEDCO Solar	33 KV Bus, Sonapur, 132/33 KV SS
15	ABACUS Solar(Ulunda)	At ABACUS Power plant
16	Alex Solar Patnagarh	33 KV Bus,Patnagarh 132/33 KV SS

	Name of Export Point	Location
1	33KV Melchhamunda Feeder	33/11KV Agalpur Grid Substation
2	33KV Karlamunda Feeder(Export-Inter Grid Point)	Inter Circle Point at 33 KV Belgaon Feeder
3	33KV Gayatri Agro Industries(Export)	Consumer Gayatri Agro Industries

**2.5.5.** The loss and collection efficiency for the Franchise Area is given below:

Table 5: Losses and Revenue Realization

Year	Input	Billing (MU)	T&D Loss	Billing (Rs in Crs)	Collection (Rs in crs)	Coll Eff	AT & C Loss	Avg. Revenue Realisation (Rs./KWH)
12-13	748.62	272.54	63.59%	109.65	84.45	77.02%	71.96%	1.13
13-14	795.65	306.27	61.51%	135.19	90.00	66.57%	74.37%	1.13
14-15	869.56	369.40	57.52%	150.38	97.67	64.95%	72.41%	1.12
15-16	915.50	411.14	55.09%	167.91	114.22	68.02%	69.45%	1.25
16-17	946.93	440.14	53.52%	189.05	134.72	71.26%	66.88%	1.42

**Note:** the data for Base year (FY 2016-17) is based on the report submitted before the OERC through affidavit / Audited report and data for remaining period is based on report submitted before the OERC through affidavit / Audited reports.

**2.5.6.** Category wise consumer detail, Connected Load, Sales, Revenue Details for previous five years ending at the base year are as under

**Table 6: Category wise Consumer details.**

<b>2012-13</b>					
Category	No of Cons	Load (KW)	Billing (MU)	Amount Billed (Rs Crs)	Amount Collected (Rs Crs)
>110 KVA (HT)	80	22474	34.61	20.82	20.70
Domestic	147122	107870	147.93	48.76	29.47
Kutir Jyoti	36545	1271	15.01	3.86	0.91
L.T. General (Commercial)	8829	14243	28.65	17.57	16.71
Irrigation	3757	13175	19.73	2.34	1.19
Allied-Agro	5	232	0.25	0.10	0.07
Agro Industries	33	190	1.13	0.12	0.13
Public Lighting (Street lighting)	67	188	2.85	2.06	1.10
L.T. industrial (S) (Small industry)	898	3978	5.78	3.31	3.45
L.T. industrial (M) (Medium industry)	166	6533	8.81	6.22	6.56
Special Public Purpose	868	1042	2.87	1.57	1.39
Public Water Works	631	1593	4.91	2.91	2.76
Total	199001	172789	272.54	109.65	84.45

<b>2013-14</b>					
Category	No of Cons	Load (KW)	Billing (MU)	Amount Billed (Rs Crs)	Amount Collected (Rs Crs)
>110 KVA (HT)	86	24359	36.98	23.01	23.09
Domestic	163685	114298	173.72	64.63	31.32
Kutir Jyoti	48610	1606	17.34	7.28	1.11
L.T. General (Commercial)	9198	15142	29.68	19.13	17.37
Irrigation	3841	14578	19.69	3.14	1.15
Allied-Agro	36	167	0.29	0.13	0.13
Agro Industries	10	215	1.39	0.17	0.14
Public Lighting (Street lighting)	91	224	4.74	2.57	1.63
L.T. industrial (S) (Small industry)	904	3893	5.26	3.52	3.63
L.T. industrial (M) (Medium industry)	166	6318	9.57	6.65	6.71
Special Public Purpose	913	1094	3.11	1.84	1.53
Public Water Works	673	1653	4.49	3.12	2.18
Total	228213	183546	306.27	135.19	90.00

<b>2014-15</b>					
Category	No of Cons	Load (KW)	Billing (MU)	Amount Billed (Rs Crs)	Amount Collected (Rs Crs)
>110 KVA (HT)	94	26600	38.94	24.99	24.76
Domestic	172519	117970	202.55	70.07	33.22
Kutir Jyoti	76324	2626	40.90	13.72	2.21
L.T. General (Commercial)	9779	16734	33.18	20.49	19.07
Irrigation	4860	17484	22.71	2.61	1.47
Allied-Agro	8	189	0.28	0.12	0.12
Agro Industries	40	254	2.26	0.29	0.23
Public Lighting (Street lighting)	91	302	5.35	2.91	1.94
L.T. industrial (S) (Small industry)	874	3674	5.28	3.23	3.27
L.T. industrial (M) (Medium industry)	174	6359	9.53	6.86	7.00
Special Public Purpose	973	984	3.61	2.07	1.73
Public Water Works	720	1801	4.83	3.02	2.67
Total	266456	194978	369.40	150.38	97.67

<b>2015-16</b>					
Category	No of Cons	Load (KW)	Billing (MU)	Amount Billed (Rs Crs)	Amount Collected (Rs Crs)
>110 KVA (HT)	98	28154	39.21	25.69	26.31
Domestic	193516	124330	225.79	78.86	42.32
Kutir Jyoti	67736	2464	43.60	16.55	2.74
L.T. General (Commercial)	10247	19122	37.08	22.42	22.12
Irrigation	7215	20900	31.52	4.81	1.84
Allied-Agro	19	234	0.42	0.16	0.20
Agro Industries	42	360	2.09	0.28	0.32
Public Lighting (Street lighting)	149	376	7.45	4.12	2.19
L.T. industrial (S) (Small industry)	787	3679	4.90	2.94	3.29
L.T. industrial (M) (Medium industry)	172	6233	8.98	6.38	7.03
Special Public Purpose	1045	1112	4.22	2.43	2.48
Public Water Works	739	1932	5.88	3.26	3.38
Total	281765	208896	411.14	167.91	114.22

<b>2016-17</b>					
Category	No of Cons	Load (KW)	Billing (MU)	Amount Billed (Rs Crs)	Amount Collected (Rs Crs)
>110 KVA (HT)	108	31838	42.13	28.33	29.96
Domestic	237822	225783	266.66	102.15	52.30
Kutir Jyoti	37013	2706	14.00	5.40	1.87
L.T. General (Commercial)	11012	22534	40.99	26.29	25.82
Irrigation	9375	26853	42.13	6.51	2.82
Allied-Agro	14	257	0.37	0.16	0.16
Agro Industries	52	399	2.22	0.32	0.39
Public Lighting (Street lighting)	204	284	6.52	3.42	2.44
L.T. industrial (S) (Small industry)	795	3545	4.87	2.79	3.24
L.T. industrial (M) (Medium industry)	187	5825	9.42	7.05	7.63
Special Public Purpose	1125	1363	4.44	2.63	3.04
Public Water Works	803	2194	6.37	3.99	5.07
Total	298510	323580	440.13	189.05	134.72

Table 6: Details of Outsourcing Activities

S. No.	Scope of Work	Name of the Outsourcing Agency	Contract Value (Rs.)	Period of Contract	Liability for early Termination (Rs.)
1	Mobile Phone Based	Sai computers ltd	2,20,000 Consumers @Rs 7.20	31.05.2017	
2	Photo billing	Softech System	18,000 @ 6.42	31.05.2017	
3	Vigilance Agencies	Amanullah Khan	4 Squads @ Rs 1,00,000 per squad	30.09.2017	
4	Revenue Collection Agencies	As per list	on achivement of Collection Base Urban 7% & Rural 8%	30.06.2017	

Table 6: Details of Outsourcing

## Activities

Sl No.	Scope Work	Deployment Nos.	Name of the Outsourcing Agencies	Contract Value( Rs.)	Period of Contract
1	Operation & maintenance	0	M/s ROEX Security Services		01.01.2017 to 30.06.2017
2	Disconnection & Dehooking squad	0			
3	Computer Operator	1		6760	
4	Data Entry Operator	2		13520	
5	Watch & Ward	33		188760	
6	Ex-Serviceman	8		45760	
7	IT Personnel	6		37440	
8	Customer Care Executives	2		13520	
9	Helper( Unskilled)	139		722800	

**2.5.7.** Details of employees in the area are as below:

**Table 7: Details of Utility Employees in the Area**

SI No	Employee Category	No. of Employees	Details of Pay Scale and Applicable Perks
1	JE( Elect.)	3	9300-34800/-(PB-2)
2	JM(Elect.)	24	9300-34800/-(PB-2)
3	JM(Finance)	1	9300-34800/-(PB-2)
4	AM(Elect.)	35	15600-39100/-(PB-3)
5	AM(Finance)	5	15600-39100/-(PB-3)
6	AM(Legal)	1	15600-39100/-(PB-3)
7	DM(Elect.)	11	15600-39100/-(PB-3)
8	DM(Finance)	2	15600-39100/-(PB-3)
9	Manager(Elect.)	5	15600-39100/-(PB-3)
10	Manager(Com)	0	15600-39100/-(PB-3)
11	SE LEVEL-II	1	15600-39100/-(PB-3)
12	SE LEVEL-I	1	15600-39100/-(PB-3)
13	Accountant	2	9300-34800/-(PB-2)
14	Draughtsman-A	1	9300-34800/-(PB-2)
15	Stenographer-I	0	9300-34800/-(PB-2)
16	Junior Accountant	15	5200-20200/-(PB-1)
17	Clerk-A	16	5200-20200/-(PB-1)
18	Clerk-B	46	5200-20200/-(PB-1)
19	Driver-A	1	5200-20200/-(PB-1)
20	Lineman-A	25	5200-20200/-(PB-1)
21	Operator-A	0	5200-20200/-(PB-1)
22	Stenographer-III	1	5200-20200/-(PB-1)
23	Junior Store Keeper	4	5200-20200/-(PB-1)
24	Driver-B	1	5200-20200/-(PB-1)
25	Lineman-B	43	5200-20200/-(PB-1)
26	Lineman-B(JT)	19	5200-20200/-(PB-1)
27	Lineman-C	77	5200-20200/-(PB-1)
28	Lineman-C(JT)	95	5200-20200/-(PB-1)
29	Junior Technician	44	5200-20200/-(PB-1)
30	Line Helper	118	4440-14680/-(S-1)
31	Peon	3	4440-14680/-(S-1)

**2.5.8.** Bidders requiring further details on any of the above mentioned heads may contact the issuing authority or the concerned field offices.

**3.1. Salient Features of the Project**

- 3.1.1 The project encompasses all the activities relating to purchase and distribution of power to the existing / future LT & HT (Except EHT and consumers fed through dedicated 33KV feeders) consumers in the Franchise Area, maintenance of the Distribution Assets 11kv & DOWN LINE and all the related activities subject to the terms and conditions as stipulated from time to time by [WESCO Utility] and [Odisha Electricity Regulatory Commission].

**3.2. Brief Roles and Responsibilities of Distribution Franchisee in the Franchisee Area**

- 3.2.1 Undertaking all the liabilities and obligations of the Distribution Licensee in the Franchisee Area as stipulated in Electricity Act, 2003 and corresponding regulations as if they were to apply to the Distribution Licensee;
- 3.2.2 Discharging all duties and responsibilities on behalf of [WESCO Utility] as per the terms and conditions of the License given by Odisha Electricity Regulatory Commission;
- 3.2.3 Undertaking any other activity as may be notified from time to time by Odisha Electricity Regulatory Commission to Distribution Licensee;
- 3.2.4 Complying with all the directives issued from time to time by Odisha Electricity Regulatory Commission and [WESCO Utility] for implementation of directives of Odisha Electricity Regulatory Commission;
- 3.2.5 Undertaking the distribution and supply of power to the consumers of [WESCO Utility] in the Franchise Area except dedicated 33kv consumers;
- 3.2.6 Undertaking all Operations and Maintenance, 11kv and below related activities in the Franchise Area;
- 3.2.7 Maintaining the existing distribution network including new installation and replacement of failed distribution transformer. .
- 3.2.8 The defective meters shall also be replaced by DF within the time frame.
- 3.2.9 Undertaking reading of meters, generation of the bills, distribution of the same and payment collection from the consumers in the Franchise Area, as per the retail tariff structure determined by Odisha Electricity Regulatory Commission and abiding by the OERC(Condition of Supply Code) ,2004 and OERC (Standards of Performance) Code ,2004 and license conditions. thereof;

- 3.2.10 Making payments to [WESCO Utility] as per the terms and conditions of the clause on Payment and Collection in the Distribution Franchisee Agreement (DFA);
- 3.2.11 Collection of arrears as an agent of [WESCO Utility], and remittance of the same as per the terms and conditions of the DFA;
- 3.2.12 Establishing internal grievance cells /consumer service centre in accordance with the requirements laid down in the regulations made by the [OERC];
- 3.2.13 Redressal of Commercial and Billing Complaints;
- 3.2.14 Allotting new connections to all LT consumers (both single-phase consumers & three-phase) and carrying out all necessary activities for release of the same;
- 3.2.15 Maintaining consumer database and billing records as per the format prescribed by [WESCO Utility] and share the same through Application Program Interface (API) with WESCO Utility on monthly basis;
- 3.2.16 Generating Management Information System (MIS) periodically and monitoring reports in prescribed formats and online communication of the same to [WESCO Utility];
- 3.2.17 Installing metering devices and carrying out energy audit on monthly basis and submit the report of the same to [WESCO Utility];
- 3.2.18 Carrying out periodical demand estimation / load forecasting and apprising [WESCO Utility] of the same;
- 3.2.19 Maintaining the existing distribution network/ systems/ assets as per Prudent Utility Practices and the standards that may be prescribed by Odisha Electricity Regulatory Commission;

**Rights and Authorities of a Franchisee**

- 3.2.20 Initiating necessary action, in accordance with the Electricity Act, to prevent the theft of power, interference with meters and, theft of electric lines and material etc;
- 3.2.21 For the activities outsourced by WESCO to any agencies prior to appointment of Distribution Franchisee as indicated in Table-6 above, if the Distribution Franchisee does not agree to continue with such outsourced activities, WESCO will cancel such outsourced agreements.

**3.3. Brief Roles and Responsibilities of [WESCO Utility]**

- 3.3.1 **[WESCO Utility]** shall communicate to DF any shortfall or inability to supply the scheduled power requirements of the DF.
- 3.3.2 **[WESCO Utility]** shall carry out the meter reading jointly with DF on a monthly basis at import and export points of the Franchise Area.
- 3.3.3 Utility employees should provide handholding support to the franchisee for the first 3 months for which the DF shall have to bear the cost of salary & allowances payable to the Utility employees involved therein.
- 3.3.4 **[WESCO Utility]** may permit deputation of its employees (on mutual consent) working in the Franchise Area as on the Effective Date to the Distribution Franchisee. DF shall complete the entire selection process within 3 months of Effective Date and offer terms and conditions which are not inferior to the terms and conditions of the deputation as provided in the DFA.

**3.4. Term of Franchisee**

The term of the Distribution Franchisee shall be for a period of Fifteen (15) years from the Effective Date with possible extension of ten (10) years in instalments of five (5) years each depending upon the performance of DF.

**3.5. Distribution Franchisee Agreement “DFA”**

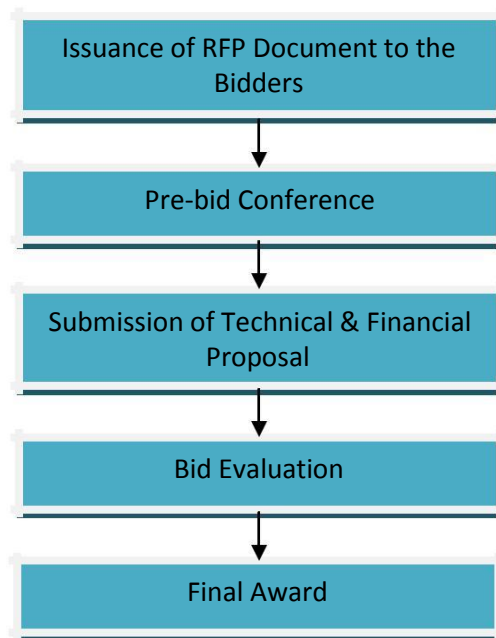
**[WESCO Utility]** shall enter into an agreement with the DF. This agreement shall govern all transactions under such arrangement between the successful bidder and **[WESCO Utility]**. The DFA has been annexed herewith and marked as **Annexure 1**. However, **[WESCO Utility]** reserves the right to make any amendments to the Agreement in Annexure 1 before the DFA is signed by the Parties provided that such amendments shall not be in the nature of post bid financial benefit to the Distribution Franchisee.

#### 4.1 Bidding Process

The bidding process would mainly consist of the following stages.

- I. Issuance of RFP document
- II. Pre-bid conference
- III. Submission of the Technical and Financial Proposal
- IV. Bid Evaluation & Award of Contract

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



- 4.1.1 [WESCO Utility] shall issue the RFP document to all the interested bidders. The bidding process shall be deemed to commence from the time of issue of the RFP document. The purpose of this RFP is to provide Bidders with information regarding the proposed franchisee arrangement in order to assist them in formulation of their proposals.
- 4.1.2 A Pre-Bid Conference shall be held at Conference Hall, GRIDCO Ltd. for the three Utilities (WESCO, SOUTHCO & NESCO) together on the date as indicated in the Time Table as per clause 6.4, the purpose of which shall be to address the concerns of the bidders with respect to RFP.
- 4.1.3 The bidders shall submit a Technical and Financial Proposals in response to the RFP document on the date as indicated in the Time Table mentioned in clause 6.4.
- 4.1.4 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 Exhibit 1 to 3 of this document.
- 4.1.5 Financial Proposal of the bidders satisfying the technical evaluation criteria shall be evaluated based on the methodology and evaluation criteria as detailed in this RFP. The information required to be provided by the Bidders submitting their Financial Proposal is placed as Exhibit 4 and 5 of this document.
- 4.1.6 The final award of the Project shall be made by [WESCO Utility] to the successful Bidder after evaluation of the Financial Proposal. Any single bidder will be awarded franchisee contract for maximum of four (4) Circles in three Utilities (WESCO, SOUTHCO & NESCO) together. Because of this provision for awarding franchisee contract for maximum of four (4) circles to any single Bidder and to maintain the uniformity in evaluation among the Utilities, the pre-bid meeting & evaluation will be made centrally at DMU, GRIDCO. The price-bids will be opened sequentially in the order of WESCO, SOUTHCO and NESCO. If any Bidder is found H1 in four (4) circles his Bid for the subsequent Circles will not be opened. Before price bid opening, it has to be ensured that the bidder fulfils the qualifying criteria cumulatively for circles for which the bidder is already H1 and the circle for which the price bid will be opened.
- 4.1.7 In the event of two or more Bidders are found equal after evaluation of Financial Proposal, DMU, GRIDCO reserves the right to select and declare a bidder through any such measure as may be deemed fit in its sole discretion including annulment of the bidding process.
- 4.1.8 The selected Bidder shall be issued the Letter of Intent (LoI) by [WESCO Utility].

## **5. Evaluation**

### **5.1 Responsiveness**

The bids submitted by Bidders shall be initially examined to establish “Responsiveness”. A Bid may be deemed “Non-Responsive” by DMU, GRIDCO / [WESCO UTILITY] if it does not satisfy any of the following conditions.

- 5.1.1 It is not received by the Due Date and time specified in the RFP. DMU, GRIDCO / [WESCO Utility] does not take any responsibility for postal / other delays in receiving the required documents by the Due Date and time.
- 5.1.2 It does not include sufficient information including documentary proof towards the eligibility criteria for it to be evaluated and/ or it does not comply strictly with the formats specified.
- 5.1.3 Annualised Input Rate for any of the year quoted by the bidders is lower than the Minimum Benchmark Input Rate of the same year specified by the [WESCO UTILITY].
- 5.1.4 It is not signed and/ or sealed in the manner and to the extent indicated in this RFP.
- 5.1.5 It is not accompanied by the required RFP document fee, if applicable.
- 5.1.6 It is not accompanied by a valid Earnest Money Deposit.
- 5.1.7 It is not accompanied by a signed copy of the RFP document including Distribution Franchisee Agreement on plain paper.
- 5.1.8 The bidder seeks deviations on the RFP and/or draft DFA.
- 5.1.8 If the bidder fails to submit the undertaking regarding blacklisting or is black-listed in the format mentioned at Exhibit 6.
- 5.1.9 Bidders having disputes with the Utility shall be debarred from participation.

### **5.2 Proposals by a Bidding Consortium**

- 5.2.1 Consortium Bidding is not allowed.

### **5.3 Technical Proposal**

5.3.1 For the purpose of technical evaluation, the bidder should satisfy the following prequalification criteria:

- I. The bidder should be a limited company meeting the conditions of Code of Conduct for grant of Distribution Business License
- II. The Minimum Average Annual Turn Over of the Bidder during last 3 financial years should be Rs 100 Crs.
- III. The minimum Net worth of the Bidder should be Rs.95.0 Crs (Rupees Ninety Five Crs only ). [Equivalent to 50% Annual Revenue Billed in the franchisee area for the year preceding the year in which the bidding is done].
- IV. The Internal Resource Generation of the Bidder should be Rs 47.5 Crs (Rupees Forty Seven Crs. fifty lakhs only ). [Equivalent to 25% of the Annual Revenue Billed in the franchisee area for the year preceding the year in which the bidding is done].
- V. The bidder should have experience of handing at least 1.2 lacs consumers in organised retail sector. [40 % of the total number of consumers in the franchisee areas for the year preceding the year in which the bidding is done]

The bidder should necessarily submit the documentary evidence in regard to the above failing which the bidder may be considered disqualified on account of non-responsiveness. All bidders, who qualify to the prequalification criteria as mentioned above, shall be treated at par while evaluating the financial bid. No preference on account of better technical qualification shall be given to any of the bidders in any manner.

### **5.4 Financial Proposal**

5.4.1 The Bidders are required to bid for annualized Input Rate for power to be injected by [WESCO Utility] at Input Points in the Franchise Area for the entire term of DFA. The bidders are required to submit a detailed Financial Proposal as per the **Exhibit 4 and 5**.

5.4.2 The annualised Input Rate, as quoted by the Bidders shall be exclusive of Electricity Duty (ED) and any other taxes/levies/duties that have been levied by the State Government and also subsidy on electricity tariff offered by the State Government.

The bidders are not allowed to quote annualised input rate below the minimum benchmark input rate specified for each of the year by the WESCO Utility in **Exhibit 5**.

The rates in Exhibit 5 shall be quoted up to 3 decimal places and the same shall be non-decreasing for each year of the contract period.

5.4.3 The Evaluation of Financial Proposals submitted by the technically qualified Bidders shall be carried out by comparing the present value of the revenue derived on the basis of the annualised Input Rate for entire term of DFA, computed at a discounting factor @ 10% and the estimated energy input as mentioned in the **Exhibit 5**.

5.4.4 The methodology for computation of present value of revenue is explained with the help of an exhibit below:

Year	Estimated Energy Input (Million Unit)	Annualised Input Rate (To be Quoted by the Bidder) – Rs./kwh
1		
2		
...		
...		
15		

Assuming the discounting factor as 10%, the present value shall be calculated as:

Year (A)	Discounting Factor (B)	Estimated Energy Input (MU) (C)	Annualised Input Rate (To be Quoted by the Bidder) – Rs./kwh (D)	Present Value of the Revenue (B * C * D * 1000000) (E)
Base Year	1	946.93		
1	0.90			
2	0.81			
3	0.73			
4	0.66			
5	0.59			
...	...			
...	...			
15				
Total				

5.4.5 The objective of the evaluation of the Financial Proposal is to shortlist a Bidder who has offered the maximum present value for the power to be injected by [WESCO Utility] at Input Points in the Franchisee Area.

5.4.6 The Bidders may note that Input Rates to be quoted by them shall be exclusive of Electricity Duty which shall be payable by the Distribution Franchisee to the Government of Odisha.

- 5.4.7 The Bidder short-listed after evaluation of Technical Proposal, quoting the maximum present value, for the power injected by [WESCO Utility] at Input Points, in the Financial Proposal will ordinarily be selected for awarding the Project. However, [WESCO Utility] decision in the matter shall be final and binding on the bidder.
- 5.4.8 Any conditional Financial Proposal is liable for rejection.

**6. Instructions to Bidders**

The Bidders shall submit the Technical and Financial Proposals **CIRCLE WISE** in separate sealed envelopes.

**6.1 Submission of Technical Proposal**

- 6.1.1 The Technical Proposal, one original and one copy, organized in a manner as specified in Exhibit 1 to 5, should be delivered in a sealed envelope or a box, with the following inscription:

“Technical Proposal for Distribution Franchisee for [Bolangir Electrical Distribution Circle comprising of Bolangir Electrical Division, Titlagarh Electrical Division and Sonepur Electrical Division of WESCO Utility]”

Name of the Bidder: \_\_\_\_\_

To,

**Head (DMU), GRIDCO Ltd, Janpath, Bhubaneswar, Odisha – 751 022**

- 6.1.2 The original of the 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.

**6.2 Submission of Financial Proposal**

- 6.2.1 The Financial Proposal, one original and one copy, organized in a manner as specified in Exhibit 6 and 7 should be delivered in a sealed envelope or a box, with the following inscription:

“Financial Proposal for Appointment of Distribution Franchisee for Boalngir Electrical Circle”

Name of the Bidder: \_\_\_\_\_

To,

**Head (DMU), GRIDCO Ltd, Janpath, Bhubaneswar, Odisha – 751 022**

- 6.2.2 The original of the 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.
- 6.2.3 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 [WESCO Utility]. DMU, GRIDCO / [WESCO Utility] shall not be responsible for any delay in receipt of the Proposal. Any Proposal received by DMU, GRIDCO / [WESCO Utility] after the deadline for submission of the Proposal stipulated by [WESCO Utility], shall not be opened. Each page of the Proposal should be initialled by the authorized signatory of the Bidder and the bid should be accompanied by the letter of authorization in the name of the person who has signed the bid. The last date of submission of proposals shall be 17.07.2017 up to 15.00 Hrs (as Para 6.4). However, DMU, GRIDCO / [WESCO Utility] reserves the right to extend the last date before the time of opening of proposals, if deemed necessary.

### **6.3 Fees and Deposits**

#### **Tender Document Fee**

- 6.3.1 The Bid Document (RFP) can be downloaded from the above mentioned websites free of cost. The Bidder shall pay [WESCO Utility] a non-refundable amount of Rs 30,000/- [inclusive of applicable tax, if any] Circle wise, towards document fee, by way of Crossed Demand Draft/ Pay Order, drawn on a Nationalised/ Scheduled bank, in favour of Administrator WESCO Utility Payable at Sambalpur.
- 6.3.2 The Demand Draft/ Pay Order mentioned above towards the tender document fee shall be placed in a separate envelope clearly marked as Document Fee on it, along with the Technical Proposal.
- 6.3.3 Bids, which are not accompanied by the above document fee, shall be rejected by DMU, GRIDCO / [WESCO Utility] as non-responsive.
- 6.3.4 The Bidder shall be responsible for all the costs associated with the preparation of the proposal and participation in discussions and negotiations. DMU, GRIDCO / [WESCO Utility] shall not be responsible in any way for such costs, regardless of the conduct or outcome of this process.

### Earnest Money Deposit (EMD)

Each Bidder shall submit an Earnest Money Deposit (EMD) of an amount Rs.7.60 Crs [Should be equivalent to ~ 4% of the Annual Revenue Billed in the Franchisee Area (Circle wise) in the form of a Bank Guarantee or Demand Draft drawn on a Nationalised /Scheduled bank, in favour of Administrator WESCO Utility Payable at Sambalpur.

- 6.3.5 EMD shall be placed in a separate envelope clearly marked as Earnest Money Deposit on it, along with the Technical Proposal.
- 6.3.6 Proposals, which are not accompanied by the above EMD, shall be rejected by DMU, GRIDCO / [WESCO Utility] as non-responsive.
- 6.3.7 For unsuccessful Bidders, the EMD shall be refunded within 30 days of signing the DFA with the selected Bidder
- 6.3.8 For successful Bidder, EMD shall be released on the payment of the security deposit and performance guarantee.
- 6.3.9 The following shall cause the forfeiture of EMD.
- I. If the Bidder modifies/ withdraws it's Proposal except as per the provisions specified in the RFP;
  - II. If the Bidder withdraws it's proposal before the expiry of the validity period of the Proposal;
  - III. If the successful Bidder fails to provide the performance guarantee and security deposit and execute the DFA within the stipulated time or any extension thereof provided by [WESCO Utility];
  - IV. If any information or document furnished by the Bidder turns out to be misleading or untrue in any material respect.

### 6.4 Time Table and Milestones

Milestone	Date
Last date for deposit of cost of Bid Document	<b>17.07.2017, 15.00 Hrs</b>
Last date of submission of bids	<b>17.07.2017, 15.00 Hrs</b>
Opening of Technical Proposal	<b>17.07.2017, 16.00 Hrs</b>

**6.5 Opening of Technical Proposal**

The Technical Proposal shall be opened on 17.07.2017 at 16.00 Hrs, at the address to be intimated at a later stage, in the presence of one representative from each Bidder. The details regarding the Technical Proposal, as provided in the Exhibit 3 would be read out.

**6.6 Opening of Financial Proposal**

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

6.6.2 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. [WESCO Utility] 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. [WESCO Utility] 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.

**6.7 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. Non-adherence to this requirement will be a ground for declaring the Proposal as non-responsive. In exceptional circumstances, DMU, GRIDCO / [WESCO Utility] may solicit the Bidder's consent for extension of the period of validity. A Bidder accepting [WESCO Utility] request for extending the period of validity shall not be permitted to modify its Proposal.

**6.8 Language of the Bid**

The bid and all associated documents shall be in English

**6.9 Signature of Bid**

The person authorised to act on behalf of the Bidder shall sign the completed Bid and all related documentation at each page. In case an existing power of attorney already covers the authorisation for the present bidding then such Power of Attorney along with a certified copy of the Board Resolution shall be attached. Otherwise a proper Power of Attorney authorising to take all necessary action covering the present bid process shall have to be attached with the bid document along with a certified copy of the Board Resolution.

**6.10 Sealing of Bids**

- 6.10.1 The Technical/ Financial Proposal form shall be delivered in a sealed envelope or package clearly marked as “Confidential Technical/ Financial Proposal”.
- 6.10.2 The Financial and Technical Proposals shall be enclosed in two separate envelopes.
- 6.10.3 If the envelopes and /or the packages are not sealed, DMU, GRIDCO / [WESCO Utility] shall not be responsible for the Bid’s misplacement, premature opening or confidentiality.

**6.11 Other Instructions**

The following may please be noted:

- 6.11.1 The Bids, that are incomplete in any respect and/or are not consistent with the requirements as specified in this RFP; and/or do not contain the Covering Letter, Letter of Commitment, and Letters of Acceptance as per the specified formats; would be considered non-responsive and would be liable for rejection.
- 6.11.2 The Bids, that are not accompanied by a signed copy of the RFP document including Distribution Franchisee Agreement would be considered non-responsive and would be liable for rejection. The bidder shall sign each and every page of the RFP document including the Annexure i.e. DFA issued to them on plain paper and shall submit it along with their proposal.
- 6.11.3 Strict adherence to formats, wherever specified, is required. Non-adherence to formats may be a ground for declaring the Proposal non-responsive. However, in case of Exhibit 2, if a bidder is unable to provide a letter of commitment as prescribed along with the proposal, the bidders shall have to provide an undertaking on a non-judicial stamp paper of requisite value that if awarded the work, they will produce the letter of commitment before the signing of the DFA.
- 6.11.4 All communication and information should be provided in writing and in the English language only.
- 6.11.5 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.
- 6.11.6 No change in, or supplementary information to a Proposal shall be accepted after its submission. However, DMU, GRIDCO / [WESCO Utility] reserves the right to seek additional information from the Bidders, if found necessary, during the

course of evaluation of the Proposal. Non-submission, incomplete submission or delayed submission of such additional information or clarifications sought by [WESCO Utility], may be a ground for rejecting the Proposal.

6.11.7 The Bids shall be evaluated as per the criteria as specified in this RFP.

6.11.8 The Bidder should designate one person (“Contact Person” and “Authorised Signatory”) to represent the Bidder in his dealings with DMU, GRIDCO / [WESCO Utility]. 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.

6.11.9 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 [WESCO Utility], is found to be incorrect or is a material misrepresentation of facts, then the Proposal may be liable for rejection.

6.11.10 DMU, GRIDCO / [WESCO Utility] reserves the right to reject any or all the Proposal without assigning any reasons whatsoever.

## **7. Formats for Bid Submission**

### **7.1 Technical Proposal**

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

- 1) Section 1:
  - a. Covering Letter as per the format specified in Exhibit 1.
  - b. Demand Draft for RFP Document fee, if applicable
  - c. Earnest Money Deposit
  - d. Undertaking towards Blacklisting as per the format specified in Exhibit 6.
- 2) Section 2:
  - a. Letter of Commitment as per the format specified in Exhibit 2
- 3) Section 3:
  - a. Information Requirements as per the formats specified in Exhibit 3
  - b. Audited Annual Reports for the last three years of the Bidder as desired to be considered for evaluation of the Proposal.

### **7.2 Financial Proposal**

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

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

**8. Exhibit 1: Covering Letter for Technical Proposal**

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

Date:

Place:

[Address of the issuing authority]

Dear Sir,

**Sub: Distribution Franchisee for Bolangir Electrical Circle.**

Please find enclosed **one (1) original** + One(1) **copy** of our Technical Proposal in respect of the Distribution Franchisee for Bolangir Electrical Circle ("**Project**"), in response to the Request for Proposal ("RFP") document issued by the [WESCO Utility], on DD/MM/YYYY.

We hereby confirm the following:

1. The Proposal is being submitted by \_\_\_\_\_ (name of the Bidding Company) in accordance with the conditions stipulated in the RFP.
2. We have examined in detail and have understood and agree to abide by all the terms and conditions stipulated in the RFP issued by [WESCO Utility] and in any subsequent communication sent by [WESCO Utility]. Our Technical Proposal is consistent with all the requirements of submission as stated in the RFP or in any of the subsequent communications from [WESCO Utility].
3. Our Technical Proposal includes (only if desired to be credited for Promoter(s)' strength) the Letter(s) of Commitment in the format specified in RFP, from \_\_\_\_\_ (mention name of the corporate entities that are Promoter(s) /, who is/are the Promoter(s) / as per the conditions stipulated in the RFP, of \_\_\_\_\_ (mention name(s) of the Bidding Company / respective Member Companies).
4. Our Technical Proposal includes Letters of Acceptance, consistent with the format as specified in the RFP.
5. The information submitted in our Technical Proposal is complete, is strictly as per the requirements as stipulated in the RFP, and is correct to the best of our

knowledge and understanding. We would be solely responsible for any errors or omissions in our Technical Proposal.

6. We as the Bidding Company, designate Mr./Ms. \_\_\_\_\_ (mention name, designation, contact address, phone no., fax no. etc) as our representative who is authorized to perform all tasks including, but not limited to providing information, responding to enquiries, entering into contractual commitments on behalf of the Bidder, etc. in respect of the Project.

For and on behalf of :

Signature :  
(Authorised Signatory)

Name of the Person :

Designation :

## 9. Exhibit 2: Letter of Commitment

*(The letter of Commitment to be submitted, along with the Technical Proposal, shall be from the Bidder, the strengths of which are desired to be considered for the purpose of evaluation of the Technical Proposal)*

Date:

Place:

[Address of the issuing authority]

Dear Sir,

### **Sub: Distribution Franchisee for Bolangir Electrical Circle**

This has reference to the Technical Proposal being submitted by \_\_\_\_\_ (name of the Bidding Company), in respect of Distribution Franchisee for ..... (**"Project"**), in response to the Request for Proposal ("RFP") document issued by the [WESCO Utility], on \*\*DD/MM/YYYY.

We hereby confirm the following:

1. We \_\_\_\_\_ (**name of Bidder**), have examined in detail and have understood and satisfied ourselves regarding the contents mainly in respect of the following :
  - I. The Request for Proposal document issued by [WESCO Utility];
  - II. All subsequent communications between [WESCO Utility] and the Bidder, represented by \_\_\_\_\_ (name of the Bidding Company) ;
  - III. The Technical Proposal being submitted by \_\_\_\_\_ (name of the Bidding Company).
2. We undertake to support \_\_\_\_\_ (name of the Bidding Company for which the Letter of Commitment is being furnished) as detailed in the Technical Proposal being submitted by \_\_\_\_\_ (name of the Bidding Company).
3. We therefore request [WESCO Utility] to consider our strengths, our experience, and our track record as specified in the Proposal pursuant to the conditions specified in the RFP, for the purposes of evaluation of the Technical Proposal.

For and on behalf of :

Signature :  
 (Authorised Signatory) :  
 Name of the Person :  
 Designation :

## 10. Exhibit 3: Information Requirement for Technical Proposal

- a) This section specifies information to be provided in respect of all the relevant corporate entities as stated by the Bidder; and only such entities would be considered for evaluation.
- b) Bidders should attach the **Audited Annual Reports for the last three years of all the corporate entities which would be evaluated under Technical Evaluation** in accordance with the information submitted by the Bidder.

### FINANCIAL CAPABILITY

Under this head the financial strength of the Bidding Company is evaluated.

#### 1. Evaluation of Financial Net Worth

Under this head, the financial net worth as on 31<sup>st</sup> **March 2017** of the Bidding Company would be considered.

Particulars of the Company	Financial Capability	Tangible Financial Net worth as on 31st March 2017 (Rs. in Crs.)
Bidding Company		

## Request for Proposal

## Appointment of Input Based Distribution Franchisee

**2. Annual Turnover**

Under this head, the annual turnover (i.e. Sales from core activities) in the past three years of the Bidding Company would be considered. In the following table, the corporate entity that is to be considered for evaluation of Financial Capability should be mentioned clearly.

Particulars of the Company	Name of the Company to be considered for Evaluation of Financial Capability	Annual turnover (Rs. Crores) Y1	Annual turnover (Rs. Crores) Y2	Annual turnover (Rs. Crores) Y3
Bidding Company				

**3. Gross Cash Accruals**

Under this head, gross cash accruals (i.e. Profit after Tax plus Depreciation and other non-cash expenses) for the past three years of the Bidding Company would be considered. In the following table, the corporate entity that is to be considered for evaluation of Financial Capability should be mentioned clearly.

Particulars of the company	Name of the Company to be considered for Evaluation of Financial Capability	Gross Cash Accruals (Rs. Crores) Y1	Gross Cash Accruals (Rs. Crores) Y2	Gross Cash Accruals (Rs. Crores) Y3
Bidding Company				

**4. Stock Exchange Listing Information (In case Applicable)**

**Under this head the scrip code and the scrip name, as on March 31, 2017, of the**

Bombay Stock Exchange/ the National Stock Exchange or any recognised stock exchange should be mentioned.

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

**EXPERIENCE AND TRACK RECORD**

The bidder should include the following in this section:

1. The Bidder should provide proof of being a public/private limited company and details of incorporation.
2. The Bidder should give an undertaking that it satisfies and shall all the times comply with the conditions of Code of Conduct for grant of Distribution Business License
3. In this section the bidder should clearly mention about its company profile including core business activities, clientele, number of employees, and any other detail the bidder feel necessary to provide.

**11. Exhibit 4: Covering Letter for Financial Proposal**

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

Date:

Place:

**Head (DMU), GRIDCO Ltd, Janpath, Bhubaneswar, Odisha – 751 022**

Dear Sir,

**Sub: Distribution Franchisee for Bolangir Electrical Circle falling under WESCO Utility\_\_\_\_\_**

Please find enclosed **one (1) original + one (1) copy** of our Financial Proposal in respect of the Distribution Franchisee for **Bolangir Electrical Circle (“Project”)**, in response to the Request for Proposal (“RFP”) document issued by the [WESCO Utility] on \_\_\_\*\*\*DD/MM/YYYY.

We hereby confirm the following:

1. The Proposal is being submitted by \_\_\_\_\_ (name of the Bidding Company) who is the Bidding Company in accordance with the conditions stipulated in the RFP.
2. We have examined in detail and have understood, and abide by; all the terms and conditions stipulated in the RFP document issued by [WESCO Utility] and in any subsequent communication sent by [WESCO Utility].
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 [WESCO Utility].
4. We would be solely responsible for any errors or omissions in our Financial Proposal.

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

**12. Exhibit 5: Format for Financial Proposal**

Year	Estimated Annual Energy Input (MUs)	Minimum Benchmark Input Rates (Rs/kWh)	Annualised Input Rate (Rs/ kWh) (Up to three decimal place)
1	To Be Provided by the Utility	To Be Provided by the Utility	
2	To Be Provided by the Utility	To Be Provided by the Utility	
3	To Be Provided by the Utility	To Be Provided by the Utility	
4	To Be Provided by the Utility	To Be Provided by the Utility	
5	To Be Provided by the Utility	To Be Provided by the Utility	
15			

**(Will be uploaded within seven (7) Days)**

Note :

- (1) The annualised Input Rate to be quoted by the Bidders shall be exclusive of Electricity Duty (ED), Tax on Sale of Electricity (ToSE), Municipal Taxes (MT) and any other taxes/levies/duties that have been levied by the State Government and also subsidy on electricity tariff offered by the State Government.
- (2) The bidders are not allowed to quote annualised input rate below the minimum benchmark input rate specified for each of the year by the WESCO Utility in Exhibit 5. The quoted rate shall be non decreasing for each year of the contract period.

For and on behalf of :

Signature :

(Authorised Signatory)

Name of the Person :

Designation :

### 13. Exhibit 6: Undertaking regarding Blacklisting to be attached with the Technical Proposal

(This undertaking is to be submitted by the Bidding Company and promoter, if applicable along with the Technical Proposal. This should be on a non-judicial stamp paper of requisite value)

Date:

Place :

**Head (DMU), GRIDCO Ltd, Janpath, Bhubaneswar, Odisha – 751 022**

Dear Sir,

#### **Sub: Distribution Franchisee for Bolangir Electrical Circle.**

This undertaking is being submitted in respect of the Distribution Franchisee for **Boalngir Electrical Circle.**, in response to the Request for Proposal (“RFP”) document issued by the [WESCO Utility] DD/MM/YYYY.

We hereby confirm the following:

1. We have never been blacklisted by any Government Department or Public Sector Undertaking of any State Government in India or the Government of India.
2. We understand and agree that if this information is found to be incorrect at any stage before technical and financial evaluation; our proposal will be considered as non-responsive and rejected accordingly.
3. We further understand and agree that if the project is awarded to us on the strength of this undertaking and this undertaking is found to be incorrect post award of project, this will be treated as Event of Default in terms of Article 16.1 of the Distribution Franchisee Agreement and dealt with as provided for in that article.

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

## Annexure 1: Distribution Franchise Agreement

### DISTRIBUTION FRANCHISE AGREEMENT BETWEEN WESCO Utility AND M/s

This Agreement made at [Name of the Place] this \_\_\_ th day of [Month], [Year] between [WESCO Utility], having its Head office at Burla, Odisha hereinafter referred to as “[WESCO Utility]” (which expression unless repugnant to the context or meaning thereof shall include its successors and assigns) of the ONE PART

And

[Name of the Company] 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. [WESCO Utility] is a Distribution Licensee under the provisions of the Electricity Act, 2003 (the “Act”) having license to supply electricity in [Bolangir Electrical Distribution Circle comprising of Bolangir Electrical Division, Titlagarh Electrical Division and Sonapur Electrical Division of WESCO Utility in the State of Odisha.
- B. Under the provisions of the Act, [WESCO Utility] is entitled to distribute electricity in 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 **Bolangir Electrical Distribution Circle comprising of Bolangir Electrical Division, Titlagarh Electrical Division and Sonapur Electrical Division of WESCO Utility** as more particularly described hereinafter, [WESCO Utility] selected \_\_\_\_\_ Limited through the competitive bidding process.
- D. [WESCO Utility] issued a Letter of Intent No.....dated .....to the said M/s.....Limited and the same had been accepted by M/s.\_\_\_\_\_ Ltd.

- E. The parties have agreed to record the terms and conditions for sale, purchase and distribution of the electricity and services within the Franchise Area by executing this Distribution Franchisee Agreement.
- F. The parties are fully aware that this Agreement is for sale and purchase of electricity for distribution in Franchise Area through the Distribution Franchisee as contemplated under the Electricity Act 2003.

NOW, THEREFORE, IN VIEW OF THE FOREGOING PREMISES AND IN CONSIDERATION OF THE

MUTUAL COVENANTS, PREMISES AND AGREEMENTS CONTAINED HEREIN, THE PARTIES AGREE

AS FOLLOWS:

#### **ARTICLE 1: DEFINITIONS AND INTERPRETATION:**

##### **Definitions**

In this Agreement, unless the context otherwise requires,

**“Agreement Representative”** means the persons nominated by the Parties as set forth in

Article- 19.3.

##### **“Base Year”**

means the financial year April 2016-March2017.

##### **Collection Efficiency**

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

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

##### **Consumer**

Shall mean as defined under the Electricity Act, 2003.

##### **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 [WESCO Utility] / Distribution Franchisee in the Franchise Area for distribution of electricity.

**[WESCO Utility] Distribution Assets**

Shall mean the assets created and employed by [WESCO Utility] in the Franchise Area, beyond the input points, for distribution of electricity including 33 KV, 11 KV and LT Lines, both overhead and underground, 33/11 KV Sub-stations, 11/0.4KV Sub-stations, underground cables, electrical plant, control switch gear, meters having design voltage 33 kV and below, service lines and other similar assets at the consumer end and other assets employed by [WESCO Utility] for distribution of electricity including Complaint Centres, Billing/IT Centres, Collection Centres, Stores (except major Stores – to be specified by the utility), Transformer Repair Workshops/Test Labs dedicated to the Franchise Area, Division/Sub-division Offices together with furniture, fixtures, IT hardware/software and communication equipments. It shall include vacant land owned by [WESCO Utility] identified for creation of sub-stations. It will also include residential accommodations which are presently occupied by [WESCO Utility] Staff who may choose to go on deputation with the DF or are lying vacant and other offices spaces which may not be required by [WESCO Utility] after handing over to the DF subject to an undertaking from the DF that the property owned by [WESCO Utility] shall not in any way be sold, transferred, disposed off, alienated, mortgaged or sub-let by it. No rent shall be charged by the [WESCO Utility] for the assets handed over to the franchisee.

**Franchisee Distribution Assets**

Shall mean the assets created and put to use by Distribution Franchisee in the Franchise Area for distribution of electricity with the consent of [WESCO Utility].

**Distribution Losses**

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

Distribution Losses= (Energy Intake at Input Points less Energy Billed to Consumers in kWh)/ Energy Intake at Input Points in kWh\*100

**Effective Date**

Shall mean the date of handing over of the business operations of Franchise Area by [WESCO Utility] to the Distribution Franchisee pursuant to this Agreement after the conditions precedent are satisfied. Such date shall be mutually decided by [WESCO Utility] and the Distribution Franchisee.

**Engineer-in-Charge**

Shall mean any person, nominated by each of the Parties as set forth in Article-19.2.

**Expiry Date**

Shall mean the 15<sup>th</sup> (Fifteenth) anniversary of the Effective Date.

**Expiry Payment**

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

**Termination Payment**

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

**Extra High Voltage or EHV**

Shall mean any voltage equal to & above 132,000 Volts subject to permissible variations.

**Franchise**

Means the rights granted by [WESCO Utility] to the Distribution Franchisee to act as a franchisee of [WESCO Utility] to purchase and distribute electricity in the Franchise Area and all the rights, powers and authorities available to [WESCO Utility] as a distribution licensee necessary to fulfil the obligations and responsibilities as contemplated under this Agreement and which can be conferred upon the Distribution Franchisee under the Act.

**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 [WESCO Utility].

**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.

**Go [Odisha]**

Means the Government of [Odisha] and any Ministry, Department, or any other Authority of the Government of [Odisha].

**Input Energy**

Shall mean sum total of energy supplied through all Input Points.

**Input Points**

Shall mean the 33 KV side of 220 KV and 132KV Substations specified in Annexure 1 and shall include such other HV substations or feeders, which may feed energy to the Franchise Area at the Effective date or during the term of the Agreement.

**Input Rate**

Shall mean Rupees per unit of electricity supplied by the [WESCO Utility] at the Input Points as quoted in the accepted Financial Proposal of the Distribution Franchisee in Annexure-4.

**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 [Name of the State Regulatory Commission].

**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 [WESCO Utility] expressly declares to be a major incident. Significant interruption of service for this purpose shall mean interruption impacting more than 10,000 Consumers continuously for a period of more than 24 hours and substantial damage to equipment shall mean damage to Distribution Assets exceeding Rs 50 Lacs in gross value.

**Open Access**

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

**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.

**OERC**

Shall mean the Odisha Electricity regulatory Commission

**OPTCL**

Shall mean the Odisha Power Transmission Corporation Limited.

**Interpretations;**

In this Agreement, unless the context otherwise requires:

(i) A reference to the singular shall include a reference to the plural and vice versa; and a reference to any gender shall include a reference to the other gender.

(ii) A reference to any Article, Clause, Appendix, Schedule, Attachment or Annex shall be to an Article, Clause, Appendix, Schedule, Attachment or Annex of this Agreement.

(iii) The Appendices, Schedules, Attachments and Annexes form an integral part of this Agreement. In the event of any conflict between any provision of the Articles and any provision of the Appendices, Schedules, Attachments or Annexes, the provision of the Articles shall prevail.

(iv) Reference to any law or regulation having the force of law includes a reference to that law or regulation as from time to time amended, modified, supplemented extended or re-enacted.

(v) Any reference to time shall, except where the context otherwise requires, be construed as a reference to the time in India. Any reference to the calendar shall be construed as reference to the Gregorian calendar.

(vi) The headings of the Articles, Clauses, Appendices, Schedules, Attachments and Annexes in this Agreement are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Agreement.

(vii) The words “include” or “including” shall be deemed to be followed by “without limitation” or “but not limited to” whether or not they are followed by such phrases.

(viii) Unless the context otherwise requires, any period of time referred to shall be deemed to expire at the end of the last date of such period.

(ix) If any provision in Article 1 is a substantive provision conferring rights or imposing obligations on any Party, effect shall be given to it as if it were a substantive provision in the body of this Agreement;

(x) The rule of construction, if any, that a contract should be interpreted against the parties responsible for the drafting and preparation thereof, shall not apply;

(xi) All references to agreements, documents or other instruments include (subject to all relevant approvals) a reference to that agreement, document or instrument as amended, supplemented, modified, substituted, novated or assigned from time to time.

## **ARTICLE 2: CONDITIONS PRECEDENT & CONDITIONS SUBSEQUENT TO THE AGREEMENT**

### **ARTICLE 2.1: CONDITIONS PRECEDENT TO BE SATISFIED BY THE DISTRIBUTION FRANCHISEE & [WESCO Utility]**

#### **2.1.1 Submission of Payment Security Deposit**

The Distribution Franchisee shall secure the payment security deposit by providing Letter of Credit to the satisfaction of [WESCO Utility] from any nationalized bank or Scheduled Bank for an amount equivalent to two months' estimated amount payable to

[WESCO Utility] by Distribution Franchisee based on energy input at Input Points in Franchise Area and Input Energy Rate quoted by the Distribution Franchisee for first year of Franchisee term. [WESCO Utility] and [Name of the Franchisee] shall also sign a Default Escrow Agreement and the Agreement to Hypothecate Cum Deed of Hypothecation for the purpose of collateral arrangement. This payment security mechanism shall be governed as per conditions stipulated in Article-11.

**2.1.2 Submission of Performance Guarantee**

The Distribution Franchisee shall secure the guarantee to perform by providing Performance Guarantee to the satisfaction of [WESCO Utility] from any nationalized bank or Scheduled Bank for an amount equivalent to 1/5<sup>th</sup> of the total annual revenue billed in the base year. This Performance Guarantee shall be governed as per conditions stipulated in Article-11

The Earnest Money Deposit shall be refunded on submission of Performance Guarantee.

This Performance Guarantee shall be governed as per conditions stipulated in Article-11.

**2.1.3 Completion of Audit of Various Parameters**

The Joint Audit Team of [WESCO Utility] and the Distribution Franchisee shall complete an audit of the parameters listed below:

2.1.4.1 Past energy input and amount collected;

2.1.4.2 Opening level of Inventory;

2.1.4.3 Ongoing Contracts as on Effective Date; and

2.1.4.4 Determination of Average Billing Rate for the base year for the purpose of Article-7.

Since the baseline parameters of the preceding financial year have already been audited by an independent third party auditor the Average Billing Rate (net of Subsidy) for the Base Year at Rs 4.30 per unit shall be treated as frozen for the purpose of this agreement for entire period.

**2.1.5 Calibration of Meters**

The authorized representatives of [WESCO Utility], OPTCL and the Distribution Franchisee shall conduct a joint Calibration of the interface meters at the Input points.

**2.1.6** Methodology to compute Distribution Losses and Collection Efficiency for each year during the term of this Agreement will be as per the prevalent practise of WESCO Utility.].

**2.1.7 Authorisation to DF to Represent**

- (a) Sufficient number of officers of the Distribution Franchisee should be authorized under Section 126, Section 135(1A) and Section 135 (2) 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 the utility about the categories of officers and the relevant sections of the Electricity Act, 2003 for which authorization is needed. It shall be the responsibility of the [WESCO Utility] to have the officers of the Distribution Franchisee designated as such by the State Government.

- (b) Sufficient number of officers of the Distribution Franchisee should be authorized by [WESCO Utility] for representing before the OERC, Consumer Grievance Redressal Forums, Ombudsman, Consumer Courts, etc

**2.1.8** All the conditions precedent stated herein above shall be satisfied within 60 (sixty) days of signing of this Agreement or such further period as may be extended by the parties mutually. If, the Distribution Franchisee fails to satisfy Article 2.1 above, within the stipulated duration, [WESCO Utility] shall be entitled to terminate this Agreement and forfeit the earnest money deposit of the Distribution Franchisee at its discretion.

## **ARTICLE 2.2: CONDITIONS SUBSEQUENT TO BE SATISFIED BY THE DISTRIBUTION FRANCHISEE AND [WESCO UTILITY]**

### **2.2.1 Opening Assets & Arrears Determination:**

The Joint Audit Team of [WESCO Utility] and the Distribution Franchisee shall complete an audit of:

- 2.2.1.1 Opening Asset Register,
- 2.2.1.2 Opening level of arrears;
- 2.2.1.3 Segregation into permanently disconnected and current live arrears;
- 2.2.1.4 Ageing analysis of current live arrears up to a period of three months;
- 2.2.1.5 Credit Balance from Consumers; and
- 2.2.1.6 Joint verification of permanently disconnected Consumers.

**2.2.2** Methodology to compute Average Billing Rate (ABR) tariff for each billing period shall be as per Article-7 during the term of this Agreement.

**2.2.3** [WESCO Utility] shall identify the Consumers for which Service Connection Charges (SCC) have been received by it, but connections have not been provided. The DF shall be required to take necessary action for release of all those connections which have been applied for but not released as on the date of hand over. For this purpose, either the Service Connection Charges already deposited by the consumer shall be transferred to the DF or the installation material for such connections shall be issued by [WESCO Utility] to the Distribution

Franchisee and further supervision charges received from the Consumers, if any, towards such connections shall be remitted to the Distribution Franchisee.

- 2.2.4** All the conditions subsequent stated above shall be satisfied within thirty (30) days except for condition mentioned in Article 2.2.1.5 which shall be completed within six months time, from the Effective Date or such further time as may be mutually extended by the Parties.

### **ARTICLE 3: TERM OF AGREEMENT**

#### **3.1 Term of Agreement**

The term of this Agreement shall be for a period of Fifteen (15) years from the Effective Date. The performance of the DF will be reviewed in each 5 year.

#### **3.2 Early Termination**

This agreement can be terminated before the expiration of the Franchisee Period as per the provisions of Article-16 and Article-3.3 of this Agreement.

#### **3.3 Event of Abandonment**

If the Distribution Franchisee ceases to operate all and/or any substantial part of the Distribution System for a period of forty-eight (48) consecutive hours without the prior written consent of [WESCO Utility], then [WESCO Utility] or its designates shall be entitled to immediately enter any and/or all of the site(s) and operate the Distribution System, provided however that:

An event of abandonment shall not have been set to occur, if the cessation of operation has resulted from –

- (i) an event of Force Majeure; or
- (ii) a scheduled outage; or
- (iii) non-supply of power by [WESCO Utility] as per Article 16.2(a) over a period of one year.

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

It is hereby expressly agreed that all third party liabilities arising out of the event of abandonment shall be borne by the Distribution Franchisee alone. The Distribution Franchisee shall indemnify and hold [WESCO Utility] harmless against the same as provided in Articles 14.1.2. The Distribution Franchisee shall compensate [WESCO Utility] for the losses suffered by [WESCO Utility], if any, as provided in Article 14.1.3.

### **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 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, [WESCO Utility] agrees to sell/supply electricity to the Distribution Franchisee at annual Input Energy Rates for further distribution in the Franchise Area and the Distribution Franchisee hereby agrees that it shall perform all the obligations and accept all the liabilities of [WESCO Utility] 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 [WESCO Utility] Distribution Assets and all other rights, powers and authorities available to [WESCO Utility] as a Distribution Licensee to perform its obligation under this Agreement. Distribution Franchisee however shall not be the owner of [WESCO Utility] Distribution Assets.

### **4.2 Legal Status of Distribution Franchisee**

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

It is however clarified that the Distribution Franchisee alone shall be liable and responsible to [WESCO Utility] 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**

The Franchise Area at present contains input points as detailed in Annexure - 1. In case the details provided in the Annexure-1 is different from the Joint Audit report, the conclusions of the Joint Audit report shall be final and Annexure-1 shall stand amended accordingly. Notwithstanding this Joint Audit Report, the Input Energy Rates quoted by the Distribution Franchisee with the Financial Proposal and accepted by the WESCO Utility for the contract period shall remain unchanged.

**4.5 Effect of Acceptance**

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

**4.6 Directions**

Distribution Franchisee shall comply with [WESCO Utility] directives issued for compliance of the Laws, Regulations, Orders and Directives of OERC.

**4.7 Intent**

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

**ARTICLE 5: ACTIVITIES OF DISTRIBUTION FRANCHISEE****5.1 'Right of Use' to [WESCO Utility] Distribution Assets**

- 5.1.1 The Distribution Franchisee shall be entitled to use the [WESCO Utility] Distribution Assets to perform its obligation under this Agreement. [WESCO Utility] 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 of [WESCO Utility].
- 5.1.4 If any such asset is scrapped, the same shall be deposited at the major store of the [WESCO Utility] by the Distribution Franchisee at its cost. [WESCO Utility] shall duly identify the scrap against its Asset register for Transformers & accessories and HT network etc.

- 5.1.5 Asset Register of the Franchise Area i.e. [Bolangir Electrical Circle] shall be verified and signed by both the parties in compliance of the provisions of Article 2.2.1.1.
- 5.1.6 On termination/ expiry of this agreement, the Distribution Franchisee shall without demur hand over physical possession/ custody of [WESCO Utility] Distribution Assets in same condition, subject to normal wear and tear as mentioned at Article 5.1.4.
- 5.1.7 Any shortfall in the quantity of [WESCO Utility] Distribution Assets verified and recorded in the joint audit report shall be recovered from the Distribution Franchisee at the cost of replacement of such asset. The Distribution Franchisee has the option to replace such missing or lost equipment (shortfall) with comparable equipment.
- 5.1.8 If the Distribution Franchisee uses [WESCO Utility] assets that have not been transferred as a part of [WESCO Utility] Distribution Assets, separate charges for the use of the same shall be payable to [WESCO Utility].
- 5.1.9 If the Distribution Franchisee intends to utilize other services of [WESCO Utility] such as Testing facilities for HT/LT metering, switching/substations and Distribution transformers or any other technical assistance, the charges for the same shall be payable to [WESCO Utility].

### **5.3 Supply of O&M Spares**

- 5.3.1 For the period of first three months from Effective Date, [WESCO Utility] may arrange to issue O&M spares to the Distribution Franchisee at its request, subject to availability, and at rates decided by [WESCO Utility]. Distribution Franchisee shall be required to pay the cost of such O&M spares to [WESCO Utility].

### **5.4 Supply of Energy**

- 5.4.1 [WESCO Utility] shall supply energy as per the requirements at Input Points.. The franchisee area will however be entitled to get higher quantum of energy, to meet the consumers' demand subject to availability of power.
- 5.4.4 The Distribution Franchisee shall not sell the Input Energy to anyone outside the Franchise Area.
- 5.4.5 The Distribution Franchisee shall strictly adhere to the planned load regulation of [WESCO Utility] based on directives issued by SLDC if situation so arises.
- 5.4.6 The Distribution Franchisee shall also follow the instructions of OPTCL / State Load Dispatch Centre for grid discipline.

**5.5 Liabilities and Obligations**

The Distribution Franchisee shall accept all liabilities and perform all obligations of the distribution licensee in the Franchise Area as a franchisee of [WESCO Utility], in compliance with the Law, Regulations and Directives of OERC issued from time to time as if they were to apply to licensee and directives of [WESCO Utility] for compliance of laws, regulations, orders and directives of [WESCO Utility]. The broad scope of work would be as follows:

5.5.1 Undertake distribution & supply of power to the Consumers of [WESCO Utility] in the Franchise Area.

5.5.2 Undertake all Operation & Maintenance related activities in Franchise Area.

**5.5.3 Treatment of Ongoing Contracts**

5.5.3.1 For the activities outsourced by [WESCO Utility] to any agencies prior to appointment of Distribution Franchisee, if the Distribution Franchisee does not agree to continue with such outsourced activities, WESCO Utility will cancel such outsourced agreements.

5.5.3.2 New and Other existing Work in progress for Capital Investments shall be continued by the [WESCO Utility].

**5.6 Technical Duties and Responsibilities of the Distribution Franchisee**

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

**5.6.1 Load Forecast**

The Distribution Franchisee shall carry out demand estimation / load forecast of the Franchise Area periodically [periodicity may be specified by utility] and apprise the same to [WESCO Utility].

**5.6.2 Energy Audit**

The Distribution Franchisee shall carry out energy audit on a monthly basis and submit a report of the same to [WESCO Utility].

**5.6.3 Operation & Maintenance**

**The Distribution Franchisee shall at its own cost perform:**

5.6.3.1 Operation and maintenance of Distribution Assets from the start of 11KV feeders of Franchise Area

5.6.3.2 Operation and maintenance of distribution sub-stations.

- 5.6.3.3 Installation of metering devices and carry out meter reading, monitoring all feeders and distribution transformers
- 5.6.3.4 Repair and maintenance of distribution transformers as per OERC Supply Code and Standards of Performance.
- 5.6.3.5 Maintain a minimum level of rolling stock of necessary material.
- 5.6.3.6 Maintain the existing distribution network/ systems/ IT assets and systems as per Prudent Utility Practices and the standards that may be prescribed by OERC.
- 5.6.3.7 For carrying out day-to-day maintenance work, if shutdown is required from 33/11 KV station on any 11KVfeeder, the Distribution Franchisee shall apply for proper permit from the concerned 33/11KV substation. Such permit shall be returned to concerned 33/11KV substation immediately after the work is completed. The Distribution Franchisee shall also intimate schedule of planned outages to the concerned 33/11KV substation and maintain day-to-day coordination for smooth operation of network.

#### **5.6.4 Compliance with standards**

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

#### **5.6.5 Consumer Service**

##### **(A) Electricity Supply Code**

The Distribution Franchisee shall:

- a) Comply with Electricity Supply Code and other conditions of supply as approved and modified by OERC from time to time. Any penalty imposed

on [WESCO Utility] by OERC for non-compliance shall be borne by the Distribution Franchisee;

- b) Bring to the notice of the Consumers the existence of the Supply Code (and conditions of supply as approved and modified by OERC from time to time), including its substantive revision and their right to inspect or obtain a copy in its latest form;
- c) Make available a copy of the Supply Code (and conditions of supply as approved and modified by OERC from time to time) revised from time to time, for inspection by the public during normal working hours; and
- d) Provide a copy of the Supply Code (and conditions of supply) as revised from time to time to each new Consumer, and to any other person who requests it at a price not exceeding the cost of duplicating it.

**(B) Consumer Complaint Handling**

The Distribution Franchisee shall comply with the complaint handling procedure approved by [OERC]. The Distribution Franchisee shall:

- a) Establish within a period of one year from the Effective Date, at least one Internal Grievance Redressal cell / Consumer Service Centre as per minimum specifications placed at Annexure-2 for Consumer Complaints and redressal system.
- b) Redress commercial, billing, all other Complaints of Consumers.
- 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) Provide a copy of the procedure revised from time to time to each new Consumer, and to any other person who requests for it at a price not exceeding the cost of duplicating it.
- e) To comply with the Orders and Directions, if given by court or forum under Consumer Protection Act 1986 or Consumer Grievance Redressal Forum and Electricity Ombudsman under the OERC (Consumer Grievance Redressal Forum & Electricity Ombudsman) Regulations, 2003 subject to appeal.

**(C) Consumer Services**

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

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

#### **5.6.6 Obligation to Connect Consumers**

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

- a) Subject to the provisions of the Electricity Act 2003, 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 as per Distribution Code issued by OERC].
- b) 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.
- c) The Distribution Franchisee shall retain the Service Connection Charges (SCC) collected from the LT (both single-phase & three-phase) Consumers for giving new connections levied as prescribed by OERC].
- e) The Distribution Franchisee shall collect the Security Deposit from the Consumers for giving new connections, which shall be transferred to [WESCO Utility].
- f) The DF is to provide new service connection only to LT consumers (both single-phase & three-phase) as per the Regulation. The service connection charge is to be retained by DF for meeting the expenditure for the purpose. WESCO Utility is to provide new service connection for all HT consumers.
- g) The applicable interest on Security Deposits shall be borne by [WESCO Utility]..
- h) The adjustment against arrears on account of Consumers who are permanently disconnected by the Distribution Franchisee after the Effective Date shall be allowed from the Security Deposit of the respective Consumer after following applicable regulations. However, in case of Consumers existing on the Effective Date, [WESCO Utility] shall have the first right on the security deposit.
- i) The Distribution Franchisee shall not grant new connections to Permanently Disconnected (PD) Consumers as on Effective Date without the written consent of [WESCO Utility] unless arrears have been recovered

from them and remitted to [WESCO Utility]. [WESCO Utility] shall take responsibility for such cases and defend the legal cases, at its own cost, arising out of such an action by the Distribution Franchisee.

## **5.7 Commercial Duties and Responsibilities of the Distribution Franchisee**

The Distribution Franchisee shall perform in the Franchise Area:

- 5.7.1 Meter reading and billing to the Consumers as per the retail tariffs approved by OERC from time to time.
- 5.7.2 Collection from consumers in electronic / cashless mode. In an event, collection from the Consumers is made on manual mode, it shall be made only by using money receipt books issued from [WESCO Utility].
- 5.7.3 Collection of arrears on behalf of [WESCO Utility].
- 5.7.4 Make timely payments to [WESCO Utility] as per the terms and conditions of this Agreement.
- 5.7.5 Maintain Consumer database and billing records.
- 5.7.6 Submit the billing and collection database to [WESCO Utility] on monthly basis through API.
- 5.7.7 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 [WESCO Utility] Regulations and Directives.
- 5.7.8 Discharge all duties and responsibilities of [WESCO Utility] as the distribution licensee as required by the License Regulations of the OERC except such of the conditions, which cannot be complied with by the Distribution Franchisee alone.
- 5.7.9 The DF shall strictly abide by all safety rules, regulations & guidelines. The DF shall be responsible for all accidents arising during their course of operation and compensation thereof.
- 5.7.10 Undertake any other activity as may be notified from time to time by OERC to the distribution licensee.

## **5.8 Duties and Responsibilities of [WESCO Utility]**

The broad duties and responsibilities of [WESCO Utility] would include the following activities:

- 5.8.1 [WESCO Utility] shall ensure the supply of power to Distribution Franchisee of acceptable quality standards as per Article 5.4.
- 5.8.2 [WESCO Utility] shall communicate to Distribution Franchisee any shortfall or inability to supply, the power requirements of the Distribution Franchisee.

- 5.8.3 [WESCO Utility] shall carry out meter reading jointly with Distribution Franchisee on a monthly basis at Input Points of the Franchise Area.
- 5.8.4 [WESCO Utility] shall support the Distribution Franchisee initiatives to adopt innovative practices to bring about effectiveness and efficiency in electricity distribution business.
- 5.8.5 WESCO Utility is to provide new service connection for all HT consumers.

## **ARTICLE 6: METERING AND MEASUREMENT**

### **6.1 Metering System:**

- 6.1.1 Billing to DF shall be as per the Apex meter reading installed by STU at EHV Grid Sub-stations. In case there is any import or export of energy to the franchisee area from a non-franchisee area, separate metering arrangement shall be done at the import and export points.
- 6.1.2 Installation and timely replacement of main meters as required to directly measure energy input in the Franchise Area shall be the responsibility of [WESCO Utility]/ OPTCL as the case may be.

### **6.2 Inspection and Testing of Meters**

- 6.2.1 [WESCO Utility] / OPTCL shall inspect and if necessary, recalibrate the metering system on a regular basis but in any event, at least once every three (3) months or at a shorter interval at the request of either party.
- 6.2.2 Each Meter comprising the metering system shall be sealed by [WESCO Utility], Distribution Franchisee and OPTCL, and shall not be opened, tested or calibrated except in the presence of all the parties.

### **6.3 Inaccuracy of Meters**

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

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

- a) Calibration of interface meters at site with reference standard meter of accuracy class higher than the meter under test.
- b) On carrying out the re-calibration of the main meter, if it is discovered that either the percentage of inaccuracy exceeds  $\pm 0.5\%$  or that the main meter is not working, the following procedure in order of priority, whichever is feasible, for arriving at the computation of quantity of energy during the period between the last calibration and the present, shall be followed:
  - i) On the basis of the readings of the check meter if installed and functioned accurately; or
  - ii) By correcting the error if the percentage of error is ascertainable of calibration, tests or mathematical calculation; or
  - iii) By estimating the volume of energy delivered based on the meter reading on the upstream of the network i.e. energy reading of meters installed on LV side of the power transformers or HV side of the transformer.
- c) The correction to the quantity of energy injected shall apply to the following periods (hereinafter referred to as the "Correction Period"):
  - i) To any period of time during which the main meter was known to be malfunctioning or to which the parties mutually agree;
  - ii) If the period during which the main meter was malfunctioning is not known or is not agreed to between the parties, the correction shall be applicable for a period equal to half the time elapsed since the date of the preceding calibration test, provided that under no circumstance shall the Correction Period exceed one month.
- d) If the difference exists even after such checking or testing, then the defective meter shall be replaced with a correct meter.
- e) In case of conspicuous failures like burning of meter and erratic display of metered parameters and when the error found in testing of meter is beyond the permissible limit of error provided in the relevant standard, the meter shall be immediately replaced with a correct meter.
- f) In case where both the Main meter and Check meter fail, at least one of the meters shall be immediately replaced by a correct meter.
- g) In case where both the Main meter and Check meter fail and until replacement of a correct meter at either side, the energy input during the intervening period will be calculated based on GRIDCO bills to Utility during the period the meters are defective.

## 6.4 Measurement

- 6.4.1 Distribution Franchisee shall carry out weekly meter readings at Input Points at 18.00 hours on 7th, 14th, and 21st day of each calendar month and intimate the same to [WESCO Utility] by 10.00 Hrs on the next business day.
- 6.4.2 A joint meter reading by both the parties shall be carried out on the 0.00 Hrs on the Effective Date.
- 6.4.3 A joint meter reading by both the parties shall be carried out on the last day of every calendar month at 18.00 Hrs w.e.f the Effective Date.
- 6.4.4 [WESCO Utility] shall raise invoices as per Article 7 based on input units measured through joint meter reading as mentioned above.
- 6.4.5 Until 0.2 Class meters are installed as main meters, the reading of check meter shall be used for billing provided the check meters are of 0.2 accuracy class.

## ARTICLE 7: BILLING AND PAYMENT

### 7.1 Billing

The billing mentioned in this Article shall be done as follows:

#### 7.1.1 Monthly Invoice

The First Invoice raised by [WESCO Utility] on the Distribution Franchisee shall correspond to the energy input between effective date and last day of the calendar month . All subsequent invoices shall be raised by the [WESCO Utility] for period starting 1<sup>st</sup> day of the calendar month and last day of calendar month. Invoice shall be computed as below:

**Monthly Invoice towards supply of Energy= [Energy Input \* (Annualise Input rate \* Tariff Adjustment factor)]**

Annualised Input Rate:

FY	Year 1	Year 2						...	Year 15
Annualised Input Rate / KWH									

Tariff adjustment factor will arise in case of any change in the tariff structure by the OERC during the distribution franchisee period and will be effective from the date of such change in tariff structure.

In case of any change in the tariff structure by the OERC during the Distribution Franchisee period, the Tariff adjustment factor will be calculated as below.

$$\begin{aligned} \text{Tariff Adjustment Factor} = & \{(D_2/D_1 * BA_D)/BA_D+BA_A+BA_{ND}+BA_I\} \\ & + (A_2/A_1 * BA_A/BA_D+BA_A+BA_{ND}+BA_I) \\ & + (ND_2/ND_1 * BA_{ND}/BA_D+BA_A+BA_{ND}+BA_I) \\ & + (I_2/I_1 * BA_I/BA_D+BA_A+BA_{ND}+BA_I)\} \end{aligned}$$

**Where;**

**D<sub>1</sub>** = Base year tariff for domestic category (for the sub-category with the maximum number of consumers in the last one year).

**D<sub>2</sub>** = Revised tariff for domestic category (for the same category as considered for D<sub>1</sub>).

**A<sub>1</sub>** = Base year tariff for agriculture category (for the sub-category with the maximum number of consumers in the last one year).

**A<sub>2</sub>** = Revised tariff for agriculture category (for the same category as considered for A<sub>1</sub>).

**ND<sub>1</sub>** = Base Year Tariff for Non Domestic Category (for the sub-category with the maximum number of consumers in the last one year).

**ND<sub>2</sub>** = Revised Tariff for Non Domestic Category (for the same category as considered for ND<sub>1</sub>).

**I<sub>1</sub>** = Base Year Tariff for Industrial Category (for the sub-category with the maximum number of consumers in the last one year).

**I<sub>2</sub>** = Revised Tariff for Industrial Category (for the same category as considered for I<sub>1</sub>).

**BA<sub>D</sub>** = Total Invoiced amount for the last one year for domestic category (for all the sub-categories under domestic).

**BA<sub>A</sub>** = Total Invoiced amount for the last one year for agricultural category (for all the sub-categories under agriculture).

**BA<sub>ND</sub>** = Total Invoiced amount for last one year for Non Domestic Category (for all sub-categories under non-domestic).

**BA<sub>I</sub>** = Total Invoiced Amount for the last one year for Industrial Category (for all the sub-categories under industrial).

The tariff for all consumer categories in the above formula is net of subsidy.

The above formula proportionately adjusts the pre-agreed Input Rate for the change in tariff for domestic, non-domestic, industrial and agriculture categories. As other categories form an insignificant percentage of the total consumption, they have not been considered in the adjustment shown above.

Both parties agree that in case other categories have significant percentage in the total consumption, then the above formula shall incorporate such categories as well.

7.1.2 Separate invoices will be raised by [WESCO Utility] on monthly basis in line with Article 7.1.1. towards Taxes & Duties, Meter rent, Penalty (if any), Security Deposit for New Connections and pre-franchisee arrear amount.

**7.2 Payment**

Distribution Franchisee shall make the payment to [WESCO Utility] in the following manner:

- 7.2.1 Distribution Franchisee shall maintain a record of total amount collected from Consumers against HT/ LT energy billed, security deposit and taxes & duties levied as applicable and intimate the same to [WESCO Utility] as per Article 13.1.1.
- 7.2.2 [WESCO Utility] shall raise monthly invoices as mentioned in clause 7.1.1 and Distribution Franchisee shall make the payments within 15 days of receipt of such invoice after adjustment of any direct payments by the Consumers to WESCO UTILITY; MIS of such adjustments to be provided by DF to WESCO UTILITY.
- 7.2.3 [WESCO Utility] shall raise monthly invoices as mentioned in clause 7.1.2 and Distribution Franchisee shall make the payments within 7 days of receipt of such invoice.
- 7.2.4 If any of the due dates is a public holiday, the payment shall be remitted on the next working day of [WESCO Utility].
- 7.2.5 In the event that any HT Consumer in the Franchise Area avails Open Access under the relevant Regulations issued by OERC, the Distribution Franchisee shall retain the cross-subsidy surcharge paid and adjustment for Distribution Losses of such Consumer. The wheeling charges for using the Distribution System shall be remitted to the [WESCO Utility] by the Distribution Franchisee. Further additional surcharges, if any, also shall be remitted to [WESCO Utility] along with the regular payments.
- 7.2.6 Distribution Franchisee shall collect and remit to [WESCO Utility], the arrears from current live Consumers accrued in last one month prior to Effective Date within three months of Effective Date in accordance with Article-8.4.
- 7.2.7 Upon recovery of the arrears, Distribution Franchisee shall, within 7 (seven) days, provide the details of collection and make such payment to [WESCO Utility].
- 7.2.8 [WESCO Utility] shall give credit to Distribution Franchisee towards the incentive on collection of arrears after receipt of such amount and documentary details

- from Distribution Franchisee. This credit shall be provided in the subsequent invoice raised as per Article 7.1.2.
- 7.2.9 The Distribution Franchisee shall also timely remit to [WESCO Utility] any other charges arising from the execution of the contract such as charges towards use of [WESCO Utility] billing facilities, testing facilities, etc. and the adjustments on account of reconciliation as per Article-9 and 10.
- 7.2.10 The payment to be made by Distribution Franchisee against invoice as mentioned in Article 7.1 shall not take into account any subsidy which shall be governed by Article 9.
- 7.2.11 [WESCO Utility] shall give credit to the Distribution Franchisee for the outstanding credit balance of Consumers as determined in the joint audit process, upon the Distribution Franchisee providing such credit to Consumers. The credit shall be provided in the subsequent invoice raised by [WESCO Utility] and shall be subject to appropriate documentation. Similarly, at the time of expiry / termination of the agreement, the DF shall give credit to the [WESCO Utility] for the outstanding credit balance of Consumers as determined.
- 7.2.12 Full Payment made against the monthly invoice towards energy bill within 2 working days (NI Act) of the date of invoice shall carry a rebate @ 1%.
- 7.2.13 Any delay in payment to [WESCO Utility] towards any invoice after due date shall attract a penal interest of 15% per annum.
- 7.2.14 In case of a shortfall or default in payment by Distribution Franchisee against the payment obligation as per earlier Article, [WESCO Utility] may recover such amount by invocation of Performance Guarantee given by the Distribution Franchisee.
- 7.2.15 The money collected by the Distribution Franchisee shall be adjusted against the current billing of Distribution Franchisee, Distribution Franchisee arrears (which refer to arrears that arose during the term of the Franchise Agreement) and [WESCO Utility] arrears (which refers to arrears that arose prior to the Effective date) in that order. However, the Distribution Franchisee shall not be permitted to keep any advance amount without adjusting against all pending [WESCO Utility] arrears, if any. It is hereby clarified that if the amount paid by the consumer against a bill is more than his current bill amount and the arrears of the Distribution Franchisee, then the balance amount, after adjusting the current dues and DF arrears, shall be adjusted against the arrears of [WESCO Utility].

- 7.2.15 Distribution Franchisee shall be responsible for payment of all taxes, duties (other than Electricity Duty), and statutory /local levies arising out of this sale & purchase of electricity of input energy applicable at the time of bidding. Any change in the prevailing taxes /duties/statutory levies and any new taxes/duties/statutory levies arising out of this sale & purchase of electricity, becoming applicable after bidding, which cannot be passed on to consumers by the DF will be borne by [WESCO Utility].
- 7.2.16 The DF shall be paid 25% of penal collection amount as incentive which is collected under section 126 of EA 2003, rest amount shall be refunded to WESCO Utility.

**ARTICLE 8: ARREARS****8.1 Arrears have been classified in two categories:**

- a) Arrears from connected live Consumers and
- b) Arrears from Permanently Disconnected (PD) Consumers

**8.2** The connected live Consumers are those, which are currently legally connected to the distribution network of the Franchise Area whereas permanently disconnected Consumers are no longer connected with the distribution network.

**8.3** Distribution Franchisee shall maintain separate accounts for collection from arrears and collection on account of demand to Consumers for electricity supplied from the Effective Date. [WESCO Utility] shall transfer the right to collect the arrears to Distribution Franchisee on the Effective Date and the Distribution Franchisee and [WESCO Utility] shall unfailingly follow the procedure attached at Annexure 5 for collection of arrears.

**8.4** Distribution Franchisee shall be liable to collect the arrears from current live consumers accrued in last one month prior to Effective Date on account of charges for usage of electricity. These arrears shall be collected and remitted to [WESCO Utility] by DF. The DF shall collect and remit amount at least equivalent to the prevailing collection efficiency taking into account the collection efficiency in the corresponding month of last year including the amount already recovered.

**8.5** Distribution Franchisee shall make best endeavour to collect arrears other than those specified in 8.4 from current live Consumers on account of charges for usage of electricity. [WESCO Utility] shall offer an incentive to Distribution Franchisee towards collection of such arrears @ 10% of total amount net of taxes and duties recovered from Consumers. However, the collection from current live Consumers may first be appropriated towards current bill and then towards the arrears. [WESCO Utility] shall not share any expenses, costs incurred by the Distribution Franchisee for such recovery.

- 8.6 Arrears on account of connected live Consumers, which are currently under any dispute or in the process of litigation on Effective Date, shall not to be transferred to Distribution Franchisee for recovery. The responsibility to recover such arrear shall rest with [WESCO Utility].
- 8.7 Distribution Franchisee shall make best endeavour to collect the arrears accrued prior to Effective Date from PD Consumers. [WESCO Utility] shall offer an incentive to Distribution Franchisee towards collection of such arrears @ 20% of total amount net of taxes and duties recovered from Consumers. [WESCO Utility] shall not share any expenses, costs incurred by the Distribution Franchisee for such recovery. However, for recovery of arrears from permanently disconnected consumers under the provisions of Land Revenue Act, [WESCO Utility] shall nominate a Nodal Officer not below the rank of Executive Engineer for facilitating the recovery from such permanently disconnected consumers occurring before or after the Effective Date.
- 8.8 In case of approval for any settlement scheme towards arrear outstanding by OERC, the DF shall be entitled to 50% of the incentive as per Article 8.5 & 8.7.
- 8.9 Arrears realized from the forfeiture or adjustment against security deposit from Consumers shall not be eligible for the incentives stated in this Article.
- 8.10 Upon recovery of the arrears, Distribution Franchisee shall, within 7 (seven) days, provide the detail of collection and make such payment to [WESCO Utility].
- 8.11 Upon expiry / termination of the agreement, WESCO Utility & DF shall jointly determine the arrear accrued during the one month prior to the expiry / termination date of this agreement. The liability of [WESCO Utility] shall be limited to amount collected against the above arrear during two months after expiry / termination of the agreement.
- 8.12 The DF has no rights on any arrears except 8.11 above after termination/expiry of the agreement, which shall be reverted back to WESCO Utility.
- 8.13 The Distribution Franchisee shall not grant new connections to permanently disconnected Consumers without the consent of [WESCO Utility] unless arrears have been fully recovered from them and remitted to [WESCO Utility]. Distribution Franchisee shall provide periodic information on status of permanently disconnected Consumers. Further, there shall be a joint inspection of permanently disconnected Consumers at quarterly intervals with a methodology which shall be jointly decided. If at any stage, such a connection comes to the notice of [WESCO Utility], the Distribution Franchisee shall immediately disconnect the Consumer and the DF is liable to pay all the arrear amount of the consumers at time of PDC to WESCO utility. [WESCO Utility] and Distribution

Franchisee shall jointly defend the legal cases arising out of such an action by the Distribution Franchisee. Distribution Franchisee shall bear the associated costs.

8.13 Notwithstanding anything contained herein, the legal rights of [WESCO Utility] to recover the outstanding arrears from the Franchise Area shall also survive the Term of this Agreement.

8.14 On receipt of complaint by the DF from the consumers regarding Billing dispute, The DF shall intimate WESCO utility. The DF shall have no right to withdraw any arrear from consumer account without approval from WESCO Utility. WESCO Utility shall depute its Authorized representative as per its rules & procedures for resolving such complaints wherever it is so warranted.

#### **ARTICLE 9: PROVISION FOR SUBSIDY**

In addition to the provisions stated in Article 7, the Subsidy shall be governed by the following:

9.1 If any subsidy or grant is notified during the course of Franchisee operation in specified category or group of consumer by Government for specified area, the same shall be passed on to the DF by [WESCO utility] to the extent the subsidy / grant is availed by the consumer and received from Govt.

#### **ARTICLE 10: TREATMENT OF TAXES, DUTIES & LEVIES**

The applicable taxes, duties and levies shall be governed as below:

10.1 Both parties agree that the input rates are exclusive of the Electricity Duty (ED), Tax on Sale of Electricity (ToSE), Municipal Taxes (MT) and any other taxes/levies/duties that have been levied by the State Government but the utility has been directed to collect on behalf of the Government.

10.2 The liability for making payment of the duties, taxes and levies to the Govt. Of Odisha shall rest on the [WESCO Utility]. The DF shall deposit the amount collected from the consumers on realized basis to [WESCO Utility]. The Distribution Franchisee shall establish separate accounting for Electricity Duty liability as per provisions of applicable Electricity Duty Act as also for Taxes and other levies. Since, the billing amount and amount realized includes Electricity Duty, a scanned copy each of the notifications regarding rates of electricity duty, taxes and levies is attached as Annexure - 5.

10.3 Notwithstanding the above, Distribution Franchisee shall allow the Government Auditors to verify the particulars or details provided for payment of Electricity Duty, Taxes and levies. The amount determined by the Government Auditor shall be final and binding.

**ARTICLE 11: PAYMENT SECURITY DEPOSIT AND PERFORMANCE GUARANTEE****Payment Security Deposit**

- 11.1** 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 security deposit to the satisfaction of [WESCO UTILITY] in the form of an irrevocable and unconditional Letter of Credit from any nationalized bank or Scheduled Bank for an amount equivalent to two months' estimated amount payable to [WESCO UTILITY] by Distribution Franchisee based on two months average energy input at Input Points in the Franchise Area during Financial Year [FY 2016-17] and Rates quoted by the Distribution Franchisee for first year of Franchisee term. The Letter of Credit shall be provided from the bank which is appointed as Default Escrow Agent under the Default Escrow Agreement. The Security Deposit shall be governed in the manner described in this Article.
- 11.2** The Letter of Credit shall be in the format prescribed by [WESCO Utility] initially valid for a period of one year from the Effective Date.
- 11.3** The Distribution Franchisee shall renew the Letter of Credit 15 (fifteen) days before its expiry date and furnish the same to [WESCO Utility], failing which [WESCO Utility] shall have the right to invoke the Letter of Credit.
- 11.4** Within one week of beginning of each quarter, the amount of the Letter of Credit shall be upgraded, based on average energy input in previous quarter and applicable Input Energy Rates for the year as per Annexure-3. The said input rates shall be subjected to Tariff Adjustment for the last quarter as indicated in Article 7.1.1 However, under no circumstances shall the amount of Letter of credit be revised downwards.
- 11.5** [WESCO Utility] may recover the outstanding payment after payment due date by invoking the Letter of Credit.
- 11.6** Distribution Franchisee shall, within two weeks of invocation of the Letter of Credit by [WESCO Utility], restore the same to the level prior to invocation.
- 11.7** [WESCO Utility] may review the amount of the Letter of Credit after one year of the contract depending on the payment record of the Distribution Franchisee.

**Collateral Arrangement**

**11.8** As an additional measure to ensure compliance of [Name of the Franchisee] obligations under this Agreement, [Name of the Franchisee] and the [WESCO Utility], on or prior to the Effective Date, shall execute a separate Default Escrow Agreement

(referred as “Default Escrow Agreement”) for the establishment and operation of the

Default Escrow Account in favour of [WESCO Utility], through which the entire collection of [Name of the Franchisee] shall be routed and used as per the terms of the Default Escrow Agreement. [Name of the Franchisee] and [WESCO Utility] shall also enter into a separate Agreement to Hypothecate Cum Deed of Hypothecation, whereby [Name of the Franchisee] shall agree to hypothecate to [WESCO Utility], the amounts to the extent as required for the Letter of Credit as per Article 11.1 and Article 11.4 routed through the Default Escrow Account and the Receivables in accordance with the terms of the Agreement to Hypothecate Cum Deed of Hypothecation. The Default Escrow Agreement and the Agreement to Hypothecate Cum Deed of Hypothecation are collectively referred to as the “Collateral Arrangement”.

Provided further that the Franchisee shall ensure that [WESCO Utility] has first ranking charge on the revenues routed through the Default Escrow Account except for charges assigned ranking above WESCO Utility’s charge by means of any statutory authority / court order.

**Performance Guarantee**

**11.9** As provisioned in the Article-2.1.2 of this Agreement, the Distribution Franchisee shall submit and maintain valid for the term of this Agreement, a performance guarantee to the satisfaction of [WESCO UTILITY] in the form of an irrevocable and unconditional Performance Guarantee from any nationalized bank or Scheduled Bank for an amount equivalent to 1/5<sup>th</sup> of the total annual revenue billed in the [FY 2016-17]. The Performance Guarantee shall be governed in the manner described in this Article.

**11.10** The Performance Guarantee shall be in the format prescribed by [WESCO Utility] initially valid for a period of one year from the Effective Date.

**11.11** The Distribution Franchisee shall renew the Performance Guarantee 15 (fifteen) days before its expiry date and furnish the same to [WESCO Utility], failing which [WESCO Utility] shall have the right to invoke the Performance Guarantee.

- 11.12** [WESCO Utility] has the right to invoke the Performance Guarantee in case of non-compliance to Standards of Performance.
- 11.13** In case of non-adherence of the supply code/standards of performance, any penalty levied by the [OERC] on the utility shall be recoverable from the franchisee against the Performance Guarantee on a back to back basis for which the franchisee shall have the authority to represent its case before the [OERC] or any other judicial or quasi judicial body.
- 11.14** Distribution Franchisee shall, within two weeks of invocation of the Performance Guarantee by [WESCO Utility], restore the same to the level prior to invocation.

#### **ARTICLE 12: DEPUTATION OF [WESCO UTILITY] EMPLOYEES**

The existing employees in [WESCO Utility] will be given an option to join the Distribution Franchisee on deputation.

- 12.1** [WESCO Utility]'s employees shall provide handholding support to the franchisee for the first 3 months for which the franchisee shall bear the cost of salary & allowances payable to the [WESCO Utility]'s employees involved therein.
- 12.2** [WESCO Utility] will make a list of such employees who wish to be on deputation. Thereafter, the Distribution Franchisee shall have freedom to choose from the list of willing employees. The Distribution Franchisee will have a right to accept/reject without assigning any reason thereof.
- 12.3** [WESCO Utility] shall permit deputation of its employees working in the Franchise Area as on the Effective Date to the Distribution Franchisee subject to the DF completing the entire selection process within 3 months of Effective Date and offer terms and conditions which are not inferior to the terms and conditions of the deputation as provided in Annexure-6 of the DFA on over all basis. The terms and conditions shall be made available to the concerned willing employees upfront. The DF shall have to follow [WESCO Utility] rules regarding contribution to PF, Pension, Gratuity, etc.
- 12.4** The cost of employees on deputation would be borne by Distribution Franchisee. The Distribution Franchisee will at least compensate the [WESCO Utility] employee on deputation with the Franchisee towards all the benefits available to him/ her as per his/ her employment terms of [WESCO Utility] such as monthly salary, statutory contributions like provident fund and pension funds etc. Distribution Franchisee will also be responsible for any liability arising on account

of fringe benefit tax and any other tax applicable on benefits of [WESCO Utility] employee on deputation with the Franchisee.

- 12.5** At the end of the period of deputation which shall be initially for 5 years extendable till the expiry of the franchisee agreement, the employees on deputation will return to [WESCO Utility]. Such employees will not lose their seniority in [WESCO Utility] due to deputation with the Distribution Franchisee.
- 12.6** The Distribution Franchisee shall have the right to employ any number of personnel on any terms and conditions (Distribution Franchisee's Employees) to discharge the day-to day functions relating to distribution of power in Franchise Area.
- 12.7** However, Distribution Franchisee's employees shall not become either permanent or contract employees of [WESCO Utility] at any point in time during and after expiry of this agreement. The Distribution Franchisee shall expressly clarify at the time of the appointment of an employee that he/she shall not have a right to claim employment with [WESCO Utility] during the subsistence or even after the expiry of this Agreement. Only the persons expressly agreeing to these conditions shall be employed by the Distribution Franchisee. [WESCO Utility] will not be responsible or liable for the claims raised by the employees of the Distribution Franchisee and the Distribution Franchisee shall indemnify [WESCO Utility] in respect thereof.

## **ARTICLE 13: REPORTING AND AUDIT**

### **13.1 Reporting**

The Distribution Franchisee shall furnish to [WESCO Utility] the following information as per schedule stated therein:

- 13.1.1** Distribution Franchisee shall be required to submit data regarding billing, collection, electricity duty and Security Deposit collected on account of new connections. Distribution Franchisee shall provide consumer-wise information in the format specified by [WESCO Utility] detailing the billing, collection and all related information on a monthly basis every month by a mutually agreed date.
- 13.1.2** For the initial stabilization period, Such data shall be submitted as per schedule below:

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

- 13.1.3 After the initial stabilization period, the above information shall be submitted as per the respective billing cycle and shall be submitted to [WESCO Utility] not later than three days after the end of the billing cycle.
- 13.1.4 Distribution Franchisee shall be required to update the asset register and submit the same to [WESCO Utility] on a quarterly basis for the first year and thereafter on a monthly basis within 30 days after the end of respective periods.
- 13.1.5 Distribution Franchisee shall generate periodic Management Information System (MIS) and Monitoring Reports as required by [WESCO Utility] and OERC in the formats to be prescribed by [WESCO Utility]/ OERC from time to time after execution of the Distribution Franchisee Agreement and communicate them to [WESCO Utility] through email.
- 13.1.6 Distribution Franchisee shall submit detailed inventory status reports on an annual basis for all inventories within the Franchise Area.
- 13.1.7 All correspondence, records, reports, presentations and other forms of information developed by the Distribution Franchisee whether electronic or physical, and required by the Licensee to continue operations, shall become the property of [WESCO Utility] upon Expiry/termination subject to applicable permissions. [WESCO Utility] reserves, without limitation, the right to use procedures, forms and productivity enhancement methods developed under this Agreement elsewhere subject to applicable permissions. Notwithstanding the above, the Distribution Franchisee shall have the right to retain copies of information, reports, correspondence, presentations mentioned above.
- 13.1.8 Distribution Franchisee shall notify [WESCO Utility] of any Major Incident affecting any part of the Distribution System that has occurred and shall at the

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

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

## **13.2 Audit**

13.2.1 Distribution Franchisee will allow for yearly audit of assets, inventories, billing data including the system, database and consumer service centres operated within the scope of the Franchise area by [WESCO Utility]. The scope of the audit shall also include the following:

- a) Auditing the average billing rate for the various consumer categories for the current period as well as overall average billing rate for the current period. (On quarterly basis)
- b) Auditing the energy input and category-wise and sub-category wise amount collected for each year of the contract along with distribution and collection losses and thereby AT&C Losses. (On Annual basis)
- c) Auditing the revenue collected, ED and taxes collected from each category of the consumers. (On quarterly basis)
- d) Auditing the tariff sharing computations carried out by the Discom to arrive at the revenue for input energy for the invoices raised on the Franchisee. (On quarterly basis)
- e) Reviewing the asset register at the end of the quarter preceding the previous quarter and audit the quantity and value of the assets added/discarded or declared redundant during the previous quarter based on the accounts/information/data provided by the Franchisee including review of the procedure followed and reasons given for procurement/discarding the assets. (On quarterly basis)

- f) The auditor will audit the consumer category-wise opening level of arrears belonging to Discom for live and permanently disconnected consumers as on the date of take over for freezing the same and thereafter audit the consumer category-wise arrears at the end of each quarter. (At the time of take over and thereafter on quarterly basis)
- g) The auditor shall review the inventories handed over to the Franchisee at the time of take over along with the book value thereof and thereafter review the opening and closing level of inventories and its book value at the end of each year for the term of the agreement based on the information provided by the Franchisee. (At the time of take over and thereafter on quarterly basis)

13.2.2 [WESCO Utility] may, at anytime during the subsistence of this agreement, authorize any person(s) to inspect, verify and audit the required data and records for the purpose of verifying information received from the franchisee under this provisions of this Agreement, and the Distribution Franchisee shall be obliged to extend all cooperation, assistance and facilities, as may be required, to such authorized person(s).

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

13.2.4 [WESCO Utility] reserves the right to conduct the physical verification of the Distribution Assets belonging to [WESCO Utility] at any time during the term of this Agreement.

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

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

**ARTICLE 14: INDEMNIFICATION****Indemnity**

14.1 The Distribution Franchisee during the term of this Agreement shall indemnify, defend and hold [WESCO Utility] harmless against:

14.1.1 Any acts of omissions/commission of Distribution Franchisee with regard to the input electricity and/or services, if any, under the agreement provided by [WESCO Utility]. In such event Distribution Franchisee shall have no claim for compensation, incentive or any other claim against [WESCO Utility].

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

14.1.3 All monetary obligations or losses or implications arising out of such action of Distribution Franchisee in the nature of costs, expenses or damages. [WESCO Utility]/ shall have no liability in respect of loss of profit, loss of income, loss of agreement or any other losses or damages suffered or arising out of or in connection with existence of any defects whether latent or apparent in electricity network and the obligation of Distribution Franchisee to provide support services shall remain unaffected thereby.

14.1.4 Claims on all the employees of [WESCO Utility] on deputation against any loss/implication arising out of the actions of Distribution Franchisee.

14.1.5 Non-payment of all taxes, duties, and statutory /local levies arising as a result of this commercial transaction as required under Article 7.2.15

14.1.6 Non-compliance of the Laws, Regulations, Orders and Directives of OERC by the Distribution Franchisee.

14.1.7 Any penalty imposed on account of non-compliance as stated hereinabove.

14.1.8 This Indemnification shall survive the term of this Agreement.

14.2 [WESCO Utility] shall indemnify, defend and hold the Distribution Franchisee harmless against:

14.2.1 Acts of commission or omission in the Franchise Area by [WESCO Utility] prior to the Effective Date of this Agreement.

14.2.2 Third party claims on account of [WESCO Utility] Distribution Assets as on Effective Date, for a period of six months from the Effective Date provided the Distribution Franchisee has taken all reasonable care of the Distribution Assets. The aggregate amount of the liabilities to be compensated by [WESCO Utility] during the said period of six months in respect of all such claims shall be limited to Rs. 50 Lakhs. However such indemnity shall be limited only to legally established claims.

#### **14.3 Procedure for claiming indemnity**

##### **Third party claims**

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

Provided however that, if:

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

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

(b) The Indemnified Party may in consultation with the Indemnifying Party, contest, defend and litigate a claim, action, suit or proceeding for which it is entitled to be indemnified under Article 14.1 or Article 14.2 and the indemnifying Party shall reimburse to the indemnified Party all reasonable costs and expenses incurred in

this respect. However, the indemnified Party shall not settle or compromise such claim, action, suit or proceedings without first getting the consent of the indemnifying Party, which consent shall not be unreasonably withheld or delayed.

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

#### **14.4 Indemnifiable Losses**

Where either party is entitled to Indemnifiable Losses from the indemnifying party pursuant to Article 14.1 or Article 14.2, it shall promptly notify the indemnifying party of the Indemnifiable Losses. The indemnifying party shall pay the Indemnifiable Losses within [30] thirty days of receipt of the notice seeking Indemnifiable Losses by indemnified party. It is expressly agreed herein that the Indemnifiable Losses of either party shall be restricted to costs and expenses for all claims except for the Indemnifiable Losses for third party claims, wherein consequential damages shall also be included, if applicable.

### **ARTICLE 15: INSURANCE**

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

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

### **ARTICLE 16: EVENT OF DEFAULT AND TERMINATION**

#### **16.1 Distribution Franchisee Event of Default**

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

**16.1.1 Critical Event of Default**

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

- a) Failure on account of Distribution Franchisee to make payments as per Article- 7 of this Agreement;
- b) Failure to submit in time the Information Report as per Article 13.1.1, 13.1.2 and 13.1.3;
- c) Failure to maintain a security deposit and performance guarantee as per the Article 11 of this Agreement.
- d) Failure to maintain minimum service quality as per OERC regulations.
- e) The other Critical Events of Default are:
  - a. The Distribution Franchisee has engaged in a corrupt practice or/and fraudulent practice in competing for executing the contract.
  - b. A resolution for winding up has been passed by the majority shareholders of the Distribution Franchisee.
  - c. The Distribution Franchisee is declared insolvent or bankrupt.
  - d. The Distribution Franchisee has unlawfully repudiated this Agreement or has otherwise expressed an intention not to be bound by this agreement.
  - e. Any representation or warranty made by the Distribution Franchisee during the term of the agreement is found to be false and misleading.
  - f. The Distribution Franchisee is indulging in any malpractice or corrupt practice or fraudulent practice(s).
  - g. Sale of Input energy in the Franchise Area to any party outside the Franchise Area.
  - h. Failure to comply with non-critical events of default within the specified period.

**16.1.2 Non-critical Event of Default**

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

16.1.2.1 Failure to submit periodic performance report (Billing and Collection report, updation of Assets Register on monthly basis, Energy audit report) to [WESCO Utility] after a stabilization period of two months from Effective Date.

- 16.1.2.2 Reporting inconsistencies in energy/ revenue accounting, if observed during periodic/ unscheduled inspection.
- 16.1.2.3 Failure to comply with any other material terms and conditions, as applicable under this Agreement for a consecutive period of thirty (30) days.
- 16.1.2.4 Persistent non-compliance of Standards of Performance laid down by OERC after the first Contract Year. Persistent would mean noncompliance of any of terms of Standards of Performance in all similar cases for a continuous period of three months.
- 16.1.2.5 Persistent non-compliance of OERC “Electricity Supply Code and Other Conditions of Supply” as approved and modified from time to time after the first Contract Year. Persistent would mean repeated non-compliance of any of terms of OERC “Electricity Supply Code and Other Conditions of Supply for a continuous period of three months.
- 16.1.2.6 Failure to deposit statutory payments of [WESCO Utility] Deputation list employees within the stipulated period.
- 16.1.2.7 Failure on account of Distribution Franchisee to comply with all the relevant labour laws applicable to [WESCO Utility] Deputation list employees.

If any of the above is in default for a period of more than 60 days, it shall become a Critical Event of Default and shall be deemed to be included in Article 16.1.1.1.

## **16.2 [WESCO Utility] 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 [WESCO Utility] Event of Default:

### **a) Critical Event of Default**

[WESCO Utility] does not ensure the supply of power to Distribution Franchisee for a continuous period of six days in a calendar month.

**b) Non-Critical Event of Default**

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.

**16.3 Termination Procedure for Event of Default by Distribution Franchisee**

16.3.1 On the occurrence of any Event of Default, or its coming to notice of [WESCO Utility], [WESCO Utility] shall issue an Event of Default notice to the Distribution Franchisee.

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

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

16.3.4 If the default is not cured within a period of thirty (30) days from the date of issue of the preliminary notice of termination as provided in Article 16.3.3, this Agreement may be terminated after serving the final termination notice to the Distribution Franchisee.

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

16.3.6 [WESCO Utility] 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 thirty (30) days from the serving of such Final termination notice, failing which the costs and expenses incurred by [WESCO Utility] on the account of non-provision of such assistance by the Distribution Franchisee shall be recovered from the Termination payment of the Distribution Franchisee.

**16.4 Termination Procedure for Event of Default by [WESCO Utility]**

16.4.1 On the occurrence of Event of Default by [WESCO Utility], the Distribution Franchisee shall issue an Event of Default notice to [WESCO Utility].

16.4.2 [WESCO Utility] shall eliminate/ mitigate consequences of such Event of Default within a period of 60 days.

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

16.4.4 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.

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

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

**16.5 Consequences of Termination****16.5.1 Consequences of Termination for Distribution Franchisee Event of Default**

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

- c) [WESCO Utility] unconditionally reserves the right to claim from Distribution Franchisee any costs, expenses or loss that it may have incurred by reason of breach of failure on the part of Distribution Franchisee to observe and perform any of the terms and conditions of the agreement.
- d) On termination of this Agreement however occasioned, the Distribution Franchisee shall forth with deliver to [WESCO Utility] all papers including the forms used, partially used and unused receipts books, all promotional materials and documents which may have come into its possession or custody under the terms of this Agreement or otherwise.

16.5.2 Consequences of Termination for [WESCO Utility] Event of Default Without prejudice to the other rights of Distribution Franchisee in case of termination, [WESCO Utility] shall pay all the dues payable to Distribution Franchisee on the date of termination.

## **16.6 Step In Rights of [WESCO Utility]**

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

- a) [WESCO Utility] 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.
- b) [WESCO Utility] shall have the right to invoke the Bank Guarantee and Letter of Credit (LC) against the Security Deposit furnished by the Distribution Franchisee to recover all its dues and outstanding amounts.

### **16.6.2 Step-in Rights in the Event of Abandonment by the Distribution Franchisee**

- a) [WESCO Utility] or its Designate(s) shall be entitled to immediately enter any and/or all of the Site(s) and operate the Distribution System.
- b) [WESCO Utility] 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 [WESCO Utility].
- c) [WESCO Utility] shall invoke the Performance Guarantee and Letter of Credit (LC) against the security deposit furnished by the Distribution Franchisee.

- d) All Assets of the Distribution Franchisee in the Franchise Area shall stand transferred to [WESCO Utility].
- f) However, the liability of meeting the repayment obligations on account of financing arrangements for such assets shall lie with the Distribution Franchisee.

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

**16.7 Mode of Expiry Payment**

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

- a) Arrears accrued in the last one-month prior to Expiry as per Article-8.11.

16.7.2 **[WESCO Utility]** shall make payment towards arrears accrued one month prior to the Expiry after such an amount has been jointly determined and agreed by [WESCO Utility] and Distribution Franchisee. The liability of **[WESCO Utility]** shall be limited to amount collected against above arrears during two months after expiry of the agreement.

16.7.3 All the above payments shall be released after deductions on account of any outstanding amount towards **[WESCO Utility]**, if any.

**16.8. Mode of Termination Payment in case of [Name of the Utility] Event of Default**

16.8.1 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 Article-8.11

16.8.2 **[WESCO Utility]** shall make payment towards arrears accrued one month prior to such Termination after such an amount has been jointly determined and agreed by [Name of the Utility] and Distribution Franchisee. The liability of **[WESCO Utility]** shall be limited to amount collected against above arrears during two months after termination of the agreement .

16.8.3 All the above payments shall be released after deductions on account of any outstanding amount towards **[WESCO Utility]**, if any

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

- 16.9.1 The Termination payment to the Distribution Franchisee shall consist of
- a) Arrears accrued in the last one-month prior to Expiry as per Article-8.11.
- 16.9.2 The payment for arrears accrued in the last one month prior to expiry shall be released not later than 120 days from the Termination date.
- 16.9.3 All the above payments shall be released after deductions on account of any outstanding amount towards [**WESCO Utility**], if any.

**ARTICLE 17: GOVERNING LAW AND DISPUTE RESOLUTION****17.1 Governing Law**

- 17.1.1 This Agreement has been executed and delivered in India and its interpretations, validity and performance shall be construed and enforced in accordance with the laws of India and also the laws applicable to the State Odisha].
- 17.1.2 Any dispute arising out of compliance/ non-compliance of this Agreement shall be exclusively under the jurisdiction of court at [Sambalpur / Cuttack].
- 17.1.3 The jurisdiction to decide disputes between the consumers in the Franchise Area and the Distribution Franchisee shall be with the relevant Consumer Grievance Redressal Forum/s.

**17.2 Amicable Settlement**

- 17.2.1 Either Party shall be entitled to raise any dispute or differences of whatever nature arising under, out of or in connection with this Agreement including its existence or validity by giving a written notice to the other Party, which shall contain:
- (i) The details of the Dispute;
  - (ii) The grounds for such Dispute; and
  - (iii) All documentary evidence in support of its claim.
- 17.2.2 The other Party shall, within thirty (30) days of receipt of dispute notice issued under Article 17.2.1, furnish:

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

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

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

17.2.5 Any dispute arising out of, in connection with or with respect to this agreement, the subject matter hereof, the performance or non performance of any obligation hereunder, which cannot be resolved by negotiation between the Parties and the Dispute Resolution procedure as stated in the foregoing Articles, the parties can go to OERC for mediation.

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

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

### **17.3 Disputed Payments**

17.3.1 An invoice raised by [WESCO Utility] in terms of Article-7 can be disputed by the Distribution Franchisee; however, the Distribution Franchisee shall remit the payment under protest against the same to [WESCO Utility] within the stipulated time. Request for resolving of dispute shall be taken up as per clause 17.2 of the agreement.

17.3.2 In case the dispute is resolved in favour of the Distribution Franchisee, [WESCO Utility] shall within 7 days of settlement of such dispute refund the excess amount.

17.3.3 The information submitted by Distribution Franchisee and forming a basis for the Invoice can also be disputed by [WESCO Utility].

17.3.4 In case the dispute is resolved in the favour of [WESCO Utility], the Distribution Franchisee shall within 7 days of settlement of such dispute refund the additional amount.

#### **17.4 Severability**

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

### **ARTICLE 18: FORCE MAJEURE**

18.1 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 beyond the parties control, which cannot be reasonably forecast or prevented, thereby, hindering the performance by the parties of any of their obligations hereunder. The Party claiming an event of force majeure shall promptly notify the other Parties in writing, and provide full particulars of the cause or event and the date of first occurrence thereof as soon as possible after the event and also keep the other Parties informed of any further developments. The Party so affected shall use its best efforts to remove the cause of non-performance, and the Parties shall resume performance hereunder with the utmost dispatch when such cause is removed. For the purpose of clarity, the Parties agree that the failure of a Party to adhere to any statutory or regulatory requirement or to obtain necessary approvals shall not be deemed to be a force majeure situation. A condition of force majeure shall not relieve any Party of any obligation due under this Agreement prior to the event of force majeure.

In the event of a prolonged event of Force Majeure (continuing for a period of more than 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-16.7.

**ARTICLE 19: MISCELLANEOUS PROVISIONS**

- 19.1 [WESCO Utility] 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.

[WESCO Utility] shall make all reasonable efforts to ensure that its staff (whether assigned to the Franchise Area or not) does not impede the Distribution Franchisee from exercising its rights or performing its obligations under this Agreement.

- 19.2 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 authorized 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 Head of commerce or equivalent and above from [WESCO Utility] and a rank of General Manager and above from Distribution Franchisee.

- 19.3 Both the parties shall duly appoint their respective Agreement Representatives and the Disputes or differences arising out of the execution of this Agreement shall be dealt by them. The Agreement Representative shall be Authorized officer or equivalent and above from WESCO Utility and of Executive Director or equivalent and above from franchisee .

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

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

- 19.6 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.
- 19.7 The Distribution Franchisee may create charge on its gross margin i.e. the revenue realizations less the amount payable to [WESCO Utility] as per the regular invoices. Notwithstanding the foregoing, the repayment obligations in all cases shall lie with the Distribution Franchisee.
- 19.8 The language of communication between two parties shall be English only.
- 19.9 The Distribution Franchisee shall not use the [WESCO Utility] assets for any other use except for distribution of electricity and activities concerned with the subject of this Franchisee
- 19.10 [WESCO Utility] at the request of the Distribution Franchisee shall pursue with the relevant agencies for the augmentation of EHV line and transformer capacity for Franchise Area.
- 19.11 [WESCO Utility] shall mark a copy of the Directives received by it under applicable laws, Regulations and Directives of [OERC], which are not in the public domain.

**19.12 Notices**

Notices to be given under this Agreement shall be in writing and in the English language. All notices must be delivered personally, by registered or certified mail or by facsimile transmission to the address given below:

**For [WESCO Utility]**

Engineer in Charge:

Chief Operating

Officer Phone: Fax:

E-Mail:

Agreement

Representative: Phone:

Fax: E-

Mail:

**For Distribution Franchisee:**

Engineer-in-charge:

**19.13 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.

**19.14 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.

**19.15 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.

**19.16 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.**

[WESCO Utility] and the Distribution Franchisee hereby represents and warranties 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 [Name of the Place].

**For and on behalf of**

[WESCO Utility]  
Franchisee]]

\_\_\_\_\_  
Signature with seal

**For and on behalf**

*[M/s (Insert name of Distribution*

\_\_\_\_\_  
Signature with seal

**Witness:**

1.

2.

**Witness**

:

1.

2.

20.	List of Annexure (1-5)	
A.	Annexure 1: Brief description of Franchisee Area	
B.	Annexure 2: Specifications of consumer service center	
C.	Annexure 3: Schedule of Annualized Energy Input Rates	
D.	Annexure 4: Format of Performance Bank Guarantee	
F	Annexure-5: Prevailing Notification Of Electricity Duty	

**A. ANNEXURE-1: BRIEF DESCRIPTION OF FRANCHISE AREA**

SL NO	SECTIONS	UNDER SUB-DIVISION	UNDER DIVISION		
1	Section-I	Sub-Division-I Boalngir	Bolangir Electrical Division		
2	Section-II				
3	Section-III				
4	Section-IV				
5	REC	Sub-Division-II Bolangir		Bolangir Electrical Division	
6	Chatamakhna				
7	Chudapali				
8	Tusura	Sub-Division Tusura			Bolangir Electrical Division
9	Deogaon	Sub-Division Loisingha			
10	Loisingha				
11	Salevata				
12	Agalpur				
13	Sonepur	Sdo Sonepur	Sonepur Electrical Division		
14	Tarva				
15	Khari				
16	Binka	SDO Binka			
17	Mahadevpali				
18	Rampur				
19	Cherupali				
20	B.M Pur	SDO B.M Pur		Sonepur Electrical Division	
21	Ulunda				
22	Subalaya				
23	Titlagarh-I	SDO Titlagarh	Titlagarh Electrical Division		
24	Titlagarh-II				
25	Sindhkela				
26	Saintala	SDO Titlagarh-II			Titlagarh Electrical Division
27	Belgaon				
28	Kantabanji				
29	Turiekela				
30	Murbahal				
31	Patnagarh-I	SDO Patnagarh		Titlagarh Electrical Division	
32	Patnagarh-II				
33	Patnagarh-III				
34	Belpada				
35	Khaprakhol				

Particulars	Units	Measurement
132/33 KV Grid substations	Nos	
No. Of 33 KV feeders	Nos	19
Cross input points	Nos	
No. of 33/11KV Sub-Stations		36
No. of Power Transformers		75
33 KV lines		
Overhead lines	KMs	1217.8
Underground lines	KMs	
TOTAL	KMs	1217.8
11 KV Lines		
Overhead lines	KMs	6462
Underground lines	KMs	
TOTAL	KMs	6462
LT Lines		
Overhead lines	KMs	6668
AB Cables	KMs	
Underground lines	KMs	
TOTAL	KMs	
11/ 0.4 KV Distribution		
750KVA	Nos	5
315KVA	Nos	55
500 KVA	Nos	46
250 kVA	Nos	90
200 kVA	Nos	14
160 KVA	Nos	0
150 KVA	Nos	27
100 kVA	Nos	1392
63 kVA	Nos	1877
50 kVA	Nos	13
25 kVA	Nos	2786
16 kVA	Nos	2221
10 kVA	Nos	957
TOTAL	Nos	9483

**B. ANNEXURE-2: SPECIFICATIONS OF CONSUMER SERVICE CENTER****A. Mode / Channel of Reach**

Customers shall be required to come to these centers in person. For availing fuse of call services, customers shall be required to make a call through telephone on a centralized number. Centralized toll free number to be provided by client.

**B. Software:**

The bidder will provide, install and maintain software for facilitating the process of handle fuse of calls, compliant/request registrations, new services connections from customers

**C. Team Strength**

Manpower will be placed at Centralized Customer Care Centers, Customer Service Centers & Collections Counters. The seating capacity for the entire Customer Management Center operations in each center is proposed as detailed below:

**Working Hours: 24/7 basis**

Centralized Customer Care Center - Manpower details:

Sl.No	Position Titles	Number of Counters / Manpower
1.	Shift A (ECC,CSC & CCC)	06
2.	Shift B (ECC,CSC & CCC)	06
3.	Shift C (ECC)	02
4.	Incharge & Supervisor (General)	02
5.	Relievers	03
6.	Route rider (General)	02
7.	Office boy (for 2 shifts)	02
8.	Security (General)	02
<b>Total Manpower</b>		<b>25</b>

**Working Hours: 12/7 basis (8AM – 8PM)**

Manpower details at Customer Service Center:

Sl.No	Position Titles	Number of Counters / Manpower
1.	Shift A (ECC,CSC & CCC)	05
2.	Shift B (ECC,CSC & CCC)	05
3.	In charge & Supervisor (General)	02
4.	Relievers	02
5.	Route rider (General)	01
6.	Office boy (for 2 shifts)	02
7.	Security (General)	01
<b>Total Manpower</b>		<b>18</b>

**D. Procurement of Hardware**

Providing and maintaining Hardware for Electricity Call Center, Customer Service Center and Computerized Collection Center by the Agency.

**E. Infrastructure**

- The space with basic amenities like electricity, water, telephone lines and communication arrangement for data transfer shall provide by the Discom.
- Modern good design furniture and counters including furniture to be used by cashier irrespective of his place of sitting shall provide by the Discom.

**F. Customer Service Center Set Up**

The customer service center would have sufficient number of telephone lines to facility easy accessibility to the customers.

The Customer Service Center operations can be broadly classified into:

- A. Electricity Call Center (ECC) operations
- B. Customer Service Center (CSC) operations
- C. Computerized Collection Centre (CCC) operations

**G. Customer Service Center (CSC)**

The following activities are managed by the Agency in Customer service center:

- Customer Information
- New Service Connection
- Metering Related Complaints
- Billing Related Complaints / Requests
- Disconnection & Dismantlement related Complaints / Requests
- Other Customer related requests

**H. Electricity Call Center (ECC)**

The activities performed under Electricity call center operation include:

- Handling power supply related complaints
- Providing information on status enquiry
- Answering various queries raised by the customers

**I. Computerized Collection Centre (CCC)**

- Acceptance of Bill Remittances
- Quality and Financial Audit

**C. ANNEXURE-3: SCHEDULE OF ANNUALISED INPUT RATES**

<b>S No</b>	<b>Commencing Year from effective Date</b>	<b>Energy Input (MUs)</b>	<b>Input Energy Rate (Rs/ Unit)</b>
<b>1</b>	<b>1</b>	<b>(To be inserted by Utility)</b>	<b>(To be inserted by Utility)</b>
<b>2</b>	<b>2</b>	<b>(To be inserted by Utility)</b>	<b>(To be inserted by Utility)</b>
<b>3</b>	<b>3</b>	<b>(To be inserted by Utility)</b>	<b>(To be inserted by Utility)</b>
<b>4</b>	<b>4</b>	<b>(To be inserted by Utility)</b>	<b>(To be inserted by Utility)</b>
<b>5</b>	<b>5</b>	<b>(To be inserted by Utility)</b>	<b>(To be inserted by Utility)</b>
<b>6</b>	<b>6</b>	<b>(To be inserted by Utility)</b>	<b>(To be inserted by Utility)</b>
<b>8</b>	<b>8</b>	<b>(To be inserted by Utility)</b>	<b>(To be inserted by Utility)</b>
<b>9</b>	<b>9</b>	<b>(To be inserted by Utility)</b>	<b>(To be inserted by Utility)</b>
<b>10</b>	<b>10</b>	<b>(To be inserted by Utility)</b>	<b>(To be inserted by Utility)</b>
<b>11</b>	<b>11</b>	<b>(To be inserted by Utility)</b>	<b>(To be inserted by Utility)</b>
<b>12</b>	<b>12</b>	<b>(To be inserted by Utility)</b>	<b>(To be inserted by Utility)</b>
<b>13</b>	<b>13</b>	<b>(To be inserted by Utility)</b>	<b>(To be inserted by Utility)</b>
<b>14</b>	<b>14</b>	<b>(To be inserted by Utility)</b>	<b>(To be inserted by Utility)</b>
<b>15</b>	<b>15</b>	<b>(To be inserted by Utility)</b>	<b>(To be inserted by Utility)</b>

**D. ANNEXURE-4: PERFORMANCE GUARANTEE**

(To be on non-judicial stamp paper of appropriate value as per Stamp Act relevant to place of execution. Foreign entities submitting Bids are required to follow the applicable law in their country)

In consideration of the (insert name of the Selected Bidder) (hereinafter referred to as "Distribution Franchisee or DF) agreeing to undertake the obligations under the Distribution Franchisee Agreement (DFA) dated\_\_\_\_\_ and the other RFP Project Documents and (WESCO Utility), agreeing to execute the DFA to execute and the other RFP Project Documents, inter alia with the DF, regarding sale, purchase and distribute power and services as a DF in the Franchise Area, the (Name of the Bank) (hereinafter referred to as

"Guarantor Bank") hereby agrees unequivocally, irrevocably and unconditionally to pay to (WESCO Utility) at (Place) forthwith on demand in writing from (WESCO Utility) or any Officer authorized by it in this behalf, any amount up to and no exceeding Rupees \_\_\_\_\_ only, on behalf of M/s (Name of the DF)

This guarantee shall be valid and binding on this Bank up to and including \_\_\_\_\_ and 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 alternations made, given, or agreed with or without our knowledge or consent, by or between parties to the respective DFA.

Our liability under this Guarantee is restricted to Rs. \_\_\_\_\_ (Rs. \_\_\_\_\_ only). Our Guarantee shall remain in force until \_\_\_\_\_. The (WESCO Utility) shall be entitled to invoke this Guarantee till (insert a date which is 30 days after the date in the preceding sentence).

The Guarantor Bank hereby agrees and acknowledges that the (WESCO Utility) 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 the (WESCO Utility), made in any format, raised at the above mentioned address of the Guarantor Bank, in order to make the said payment to the (WESCO Utility).

The Guarantor Bank shall make payment hereunder on first demand without restriction or conditions and notwithstanding any objection by (WESCO Utility)/Authorized Representative and [Insert name of the DF] and/or any other person. The Guarantor Bank shall not require the (WESCO Utility) to justify the invocation of this BANK GUARANTEE, nor shall the Guarantor Bank have any recourse against the (WESCO Utility) 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 the (WESCO Utility) shall not be obliged before enforcing this BANK GUARANTEE to take any action in any court or arbitral proceedings against the [Insert name of DF] , to make any claim against or any demand on [Insert name of DF] or to give any notice to [Insert name of DF] or to enforce any security held by the (WESCO Utility) or to exercise, levy or enforce any distress, diligence or other process against [Insert name of DF].

The Guarantor Bank acknowledges that this BANK GUARANTEE is not personal to the (WESCO Utility) and may be assigned, in whole or in part, (whether absolutely or by way of security) by (WESCO Utility) to any entity to whom the (WESCO Utility) is entitled to assign its rights and obligations under the DFA.

Notwithstanding anything contained hereinabove, our liability under this Guarantee is restricted to Rs. \_\_\_\_\_ (Rs. \_\_\_\_\_ only) and it shall remain in force until \_\_\_\_\_ [Date to be inserted on the basis of Contract Period i.e. 15 Years) with an additional claim period of thirty (30) days thereafter. We are liable to pay the guaranteed amount or any part thereof under this Bank Guarantee only if the (WESCO Utility) 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 \_\_\_\_, 20\_\_

**E. ANNEXURE-5: NOTIFICATION OF ELECTRICITY DUTY**