

**MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED  
(MePDCL)**

**Request for Proposal**

FOR

**Appointment of Input Based Distribution Franchisee**

FOR

**Mawsynram, Nangalbibra, Phulbari Distribution Sub-Division**

Notice No: MePDCL/CE(COMM)/TECH-69(Pt-V)/2024-25/58 dated: 05<sup>th</sup> May 2025

**May, 2025**

**Issued by**

**Chief Engineer (Commercial), MePDCL**



Meghalaya Power Distribution Corporation Ltd.

LumJingshai, Short Round Road, Shillong- 793 001

MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED (MePDCL)

## **RFP Specifications for Appointment of Input based Distribution Franchisee under MePDCL**

This bid document pursuant to Tender Notice, containing Request for Proposal (RFP) along with Exhibits / Annexure as per index is issued to –

M/s

\_Notes / Disclaimer:

- 1) This document is not transferable.
- 2) Though adequate care has been taken while preparing and issuing the RFP, the Bidder should satisfy himself that document is complete in all respect.
- 3) Intimation of any discrepancy shall be given to this office immediately. If no intimation is received by this office, from any Bidder within ten days from the date of issue of this document, it shall be considered that the issued document is complete in all respect and have been received by the bidder.
- 4) Neither MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED (herein after referred to as MePDCL or Distribution Licensee), nor its employee, consultant, advisor accept any liability or responsibility for the accuracy or completeness of, nor make any representations or warranty, express or implied, with respect to the information contained in this Request for Proposal (herein after referred to as RFP) document, or on which the RFP is based, or any other information or representations supplied or made in connection with the selection process.
- 5) The RFP is not intended to provide the basis of any investment decision and each prospective Bidder must make its own independent assessment of the project, baseline parameters and ground conditions at his own cost. No person has been authorized by MePDCL to give any information or to make any representation not contained in the RFP.
- 6) Nothing contained in the RFP should be relied on as a promise or representation as to the future.
- 7) MePDCL or its authorized officers reserve the right, without prior notice, to change the procedure for the identification of the Selected Bidder or terminate discussion and the delivery of information. MePDCL at any time before the signing of any agreement for the Project without assigning reasons thereof.
- 8) Neither MePDCL nor its employees will have any liability to any prospective Bidder or any other person under law, equity or contract, or otherwise for any alleged loss, expenses or damage which may arise from or be incurred in connection with anything contained in the RFP, any matter deemed to form part of the RFP, award of the Project, the project information and any other information supplied on behalf

of MePDCL or their employees, any consultant or otherwise arising in any way from the selection process for the Project.

9) MePDCL reserves the right to change, modify, add to or alter the selection process including inclusion of additional evaluation criteria.

10) Any change would be intimated to all parties procuring this document.

11) MePDCL reserves the right to change, modify or alter any of the provisions of this document. It reserves the right to reject any or all of the Bids submitted in response to the RFP at any stage without assigning any reason whatsoever.

**Confidentiality:**

The parties agree that this RFP document is not confidential but meant for the Party to whom it is issued.

Issued By,

The Chief Engineer (Commercial)

Meghalaya Power Distribution Corporation Ltd., Lumjingshai, Short Round Road,  
Shillong - 793001.

Email:

Date: 05<sup>th</sup> May, 2025

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# 1 Definitions and Abbreviations

For the purpose of this Request for Proposal (including all its annexures), the following terms, phrase and their derivations shall have the meaning given below unless the content clearly mandates a different interpretation Where the content so indicate ,the present tense shall imply the future tense, words in plural include the singular and words in the singular include the plural. The definitions are applicable regardless of whether the term is written in capital letters.

1.1.1 Pursuant to provisions of the Electricity Act 2003 (hereinafter referred to as the "Electricity Act") MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED (MePDCL) was formed and given electricity distribution license for distributing electricity to around 6 lakhs consumers in the State of Meghalaya.

## 1.2 Definitions

In the RFP Document the capitalized terms shall have the meaning ascribed to them herein:

### 1.2.1 **Act.**

Means the Electricity Act, 2003, as amended from time to time.

### 1.2.2 **Affiliate**

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

### 1.2.3 **Average Billing Rate (ABR)**

Average billing rate of the designated Distribution Franchise area calculated by dividing the billed revenue arrived by including Energy Charge and Fixed Charge / Demand Charge as per the tariff order for the period for all categories put together with the total billed units for the designated Distribution Franchise area for all categories. The unit of ABR is Rs. / Kwh. The same shall be computed as-

$$ABR = \frac{(Energy\ Charges + Fixed\ Charges)}{Total\ Billed\ Units}$$

### 1.2.4 **Agreement**

Shall mean the Franchisee Agreement including Schedules and Annexures hereto, and amendments thereto made in accordance with the provisions of Franchisee Agreement.

### 1.2.5 **AT & C Loss**

Shall mean Aggregate Technical and Commercial (AT&C) Loss, and it shall be expressed in percentage and be computed as follows: -

$$AT\&C\ Loss\ (\%) = 100 - (Billing\ Efficiency \times Collection\ Efficiency) / 100$$

### 1.2.6 **Applicable Laws**

Shall mean all laws, promulgated or brought into force and effect by Government of India or Government of Meghalaya, as may be in force and effect from time to time.

#### **1.2.7 Approvals**

Shall mean all approvals, permissions, authorizations, consents and notifications from any Governmental Authority, regulatory or departmental authority including, but not limited to, the approvals of the MePDCL.

#### **1.2.8 Authority**

Shall mean, unless the context otherwise so, specifies MePDCL

#### **1.2.9 Base Year**

Shall mean Financial Year 2024-25 (refers to April 1 to March 31)

#### **1.2.10 Bid**

Shall mean the proposals (Cover 1 – Qualification Proposal, Cover 2 – Financial Proposal) along with the clarifications if any submitted by the bidders in response to the RFP document issued to them.

#### **1.2.11 Bidder**

Shall mean the Bidding Company / Entity to whom this RFP Document is issued and has submitted response to this Document.

#### **1.2.12 Bid Security**

Shall have a meaning of security to be furnished by means of **Demand Draft (DD)** or unconditional and irrevocable Bank Guarantee from any Nationalized Bank / Scheduled Commercial banks, referred in this RFP Document.

#### **1.2.13 Bid Validity Period**

Shall mean a period of not less than six months from the last date for submission of the Proposal, for which the Proposal submitted, is valid.

#### **1.2.14 Bidding Company**

Means single legal entity submitting the bid.

#### **1.2.15 Billing Efficiency**

Shall mean the ratio of energy units sold to consumers and energy billed to Consumers in percentage terms for a particular period and shall be calculated as below:

Billing Efficiency (%) = (Total Units Sold / Total Input Energy) x 100

#### **1.2.16 Commercial Offer**

Shall mean Cover 3 submitted by the Bidder as part of RFP submissions.

#### **1.2.17 Companies Act**

Shall mean The Companies Act, 2013 of India including amendments from time to time.

#### **1.2.18 Capex**

Shall mean Capital Expenditure.

#### **1.2.19 Contractual Agreements**

Shall mean Franchisee Agreement to be signed between MePDCL and the selected Bidder and other documents required as per the terms of this RFP Document.

#### **1.2.20 Consumers**

Shall mean as defined under the Act and the Meghalaya Electricity Supply Code, 2012, as amended from time to time for the purpose of this agreement "Consumer".

#### **1.2.21 Collection Efficiency**

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

Collection Efficiency (%) = (Revenue realized from Consumers / Energy Amount Billed to Consumers) x 100

**1.2.22 Complaint**

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

**1.2.23 Contract year**

Shall mean each successive period of one year beginning from the effective date of the Agreement during the total contract period of ten years.

**1.2.24 Distribution**

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

**1.2.25 Distribution Franchisee (DF)**

Shall mean a successful bidder appointed by MePDCL to act as an authorized representative of MePDCL to distribute electricity in the franchisee area.

**1.2.26 Distribution Licensee**

Shall mean the **MEGHALAYA POWER DISTRIBUTION CORPORATION LIMITED (MePDCL)**.

**1.2.27 Distribution System**

Shall mean 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 in the licensee area. It means the supply and conveyance of the electricity by means of distribution system.

**1.2.28 Effective Date**

Shall mean the date of handing over of the business operation of the franchisee area by MePDCL to the Distribution Franchisee (DF) pursuant to an agreement after the conditions precedents are satisfied. Such date shall be indicated by the Distribution Franchisee and accepted by MePDCL which shall not be later than 60 days from the date of signing of DF agreement unless mutually agreed otherwise. Such date typically shall be the 1st day of the English calendar month.

**1.2.29 Engineer In-Charge**

The parties shall establish formal communication means for purposes of exercising their respective rights and performing or complying with their respective obligations 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 the rank of Executive Engineer or equivalent and above from MePDCL and rank of Sr. Manager and above from the Distribution Franchisee.

**1.2.30 Expiry date**

Shall mean the tenth anniversary of the effective date.

**1.2.31 Extra High Voltage or EHV**

Shall mean any voltage above 33,000 volts subject to permissible variations.

**1.2.32 EHT Consumers**

Shall mean any consumer connected to EHV Network.

#### **1.2.33 Financial Proposal**

Shall mean the proposal of the Bidder for the franchisee area setting out the revenue share and other details set out in the RFP document.

#### **1.2.34 Franchisee**

Shall mean the rights granted by the MePDCL to the Distribution Franchisee (DF) to act as a franchisee of MePDCL to distribute electricity in the Franchisee area and all the rights, powers and authorities available to MePDCL 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.

#### **1.2.35 Franchisee Area**

Shall mean the area as mentioned in the RFP document in respect to which Distribution Franchisee shall act as an agent of MePDCL.

#### **1.2.36 GoM**

Shall mean the Government of Meghalaya and any department or any other authority of the Government of Meghalaya.

#### **1.2.37 Good Industry Practices**

Shall mean collectively, those practices, methods, techniques, standards, skills, diligence and prudence which are expected of a reasonably skilled and experienced operator engaged in the same type of activities as are envisaged under Franchisee Agreement, and includes good industry practices in the design and project management which are reasonably expected to result in performance by the Bidder of its obligations in accordance with Agreement, Applicable Law.

#### **1.2.38 HT Consumer**

Shall mean any consumer connected to HT network i.e 33 kV and 11 kV

#### **1.2.39 Input Energy**

Shall mean the input energy as recorded in input feeder meters installed in MePDCL input point to the franchisee less +/- of imports / exports from interdivision and / or any other sources like CGP/PP/PP or renewable sources connected at 11 kV line or below.

#### **1.2.40 Input Point**

Shall mean the supply point at MePDCL meter installed in 11 kV side of 33/11 kV substations (or 33 kV side of 132 kV substations in case the complete 33 kV feeder supplies to the required area) which feed power to the franchisee area. In case the franchisee area has a customer connected to 33 kV or above (which is above the voltage level of the input points to the area), the consumer meter of such consumer shall also be the input meter of such franchisee. The Franchisee and MePDCL shall update any change in export or import point after joint verification.

#### **1.2.41 Indian Rupees, "Rupees" or "Rs" or ₹**

Shall mean the lawful currency of the Republic of India.

#### **1.2.42 Information**

Shall mean all information contained in the RFP Document or subsequently provided to the Bidders in documentary form by or on behalf of MePDCL.

#### **1.2.43 Law**

Shall mean, 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 Government 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 Meghalaya State Electricity regulatory commission.

**1.2.44 Low tension (LT consumers)**

Shall mean as defined in the Meghalaya Electricity Supply Code, 2012 and as amended from time to time.

**1.2.45 Letter of Award**

Shall mean Letter of Award issued by MePDCL to the Successful Bidder conveying the in-principle decision to Award the Work, subject to certain terms and conditions to be specified by MePDCL.

**1.2.46 Letter of Acceptance**

Shall mean the letter submitted by the Successful Bidder accepting the Letter of Award issued by MePDCL as per Exhibit 7.

**1.2.47 MSERC**

Shall mean the Meghalaya State Electricity Regularity Commission.

**1.2.48 Parties**

Shall mean a reference to selected bidder and MePDCL collectively and "Party" shall mean an individual reference to either one of them.

**1.2.49 Prudent Utility Practices**

Shall mean the practices, methods and standards that are generally accepted notionally 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 and collection of distributed power etc.

**1.2.50 Project**

Shall mean the distribution of electricity and related activities in the Franchisee Area as a Distribution Franchisee of MePDCL in accordance with the requirements set forth in the RFP.

**1.2.51 Project or Work**

Shall mean Operation & Management of Sub-Divisions of MePDCL on Input Based Distribution Franchisee Model.

**1.2.52 Request for Proposal "RFP" Document**

Shall mean this 'Request for Proposal Document', as shall be issued to the Bidder, as may be amended and modified from time to time together with all Annexure, Schedules, along with such corrigendum, addendum, amendments, clarifications etc., which may be issued from time to time by MePDCL.

**1.2.53 Revenue per Unit "RPU"**

Shall mean the total revenue collected per unit energy supplied by MePDCL at input points, on annualized / monthly basis. The same shall be computed as per the provisions of the DFA.

**1.2.54 Supply Code**

Shall mean the Meghalaya Electricity Supply Code, 2012, as amended from time to time.

**1.2.55 Technical Proposal**

Shall mean the proposal of the Bidder setting out details as set forth in this RFP document.

**1.2.56 Technical qualified**

Shall mean the bidder who has qualified after the evaluation of Technical proposal.

### 1.2.57 **Quoted Price**

Shall mean the Quoted Price by the Bidder and approved by MePDCL.

## 1.3 Abbreviations

RFP Document : Request for Proposal Document

GOM : Government of Meghalaya

LOA : Letter of Award

Crone : Number equivalent to 10 million or 100 lakh

DF : Distribution Franchisee

EHV : Extra High Voltage

EMD : Earnest Money Deposit

EoI : Expression of Interest

FA : Franchisee Area

FY : Financial Year

HT : High Tension

IT : Information Technology

KM : Kilometer

KV : Kilo Volt

LoA : Letter of Award

LT : Low Tension

MSERC: Meghalaya State Electricity Regulatory Commission MOU :  
Memorandum of understanding

MUs : Million Units

PD : Permanently Disconnected

RFP : Request for proposal

T/F : Transformer

T&D : Transmission & Distribution

STU : State Transmission Utility

## 2 Introduction

### 2.1 The Electricity Act 2003

2.1.1 MePDCL, in an endeavor to improve operational efficiency and quality of services provided to its consumers seeks to bring in management expertise through public private participation, in the distribution of electricity.

#### Relevant provisions of Electricity Act

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

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

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

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

### 2.2 Brief description about the Franchisee Area

2.2.1 The franchisee Area shall operate in the three (3) nos. of Subdivision as identified by MePDCL. These areas include:

| Sl. | Sub-division/ Area | Division          | Circle          |
|-----|--------------------|-------------------|-----------------|
| 1.  | Mawsynram          | South Khasi Hills | Khasi Hills     |
| 2.  | Nangalbibra        | South Garo Hills  | East Garo Hills |
| 3.  | Phulbari           | West Garo Hills   | West Garo Hills |

2.2.2 Franchisee Area at present contains Input Points as detailed in **Annexure 3**.

However, in case the details provided above are different from the joint Audit report, the findings of the joint audit report shall be final and the above statement shall stand amended accordingly. The joint Audit shall be concluded with the findings of the report within one month of the issue of Letter of Award (LoA) and before signing of the Distribution Franchisee Agreement.

2.2.3 The consumer mix as well as the baseline data related to energy input at Input Point, units and Revenue Billed, and Revenue Collected in respect of the Proposed Franchisee Area for last financial years is given in the **Annexure-1**.

- 2.2.4 The Meter reading and billing activity for few clusters is outsourced to external agencies based on “Billing Based Franchisee Model” in Mawkyrwat Revenue Section, Mawsynram Revenue Section and Phulbari Revenue Sub-Division, which are operational since April 2016. However, for collection, the payment is made through registered CSC’s or payment counters at respective revenue offices of MePDCL. Details of the operational billing based franchisees is given in **Annexure-1**.

## **Project Description**

### **2.3 Objectives, Salient Features & Framework of Franchisee Proposal**

- 2.3.1 The Meghalaya Power Distribution Corporation Limited (MePDCL) is a State Distribution Utility involved in the business of power distribution in the State of Meghalaya. At present, need has been felt to engage experienced firm to take over the services of Power Distribution activities of Phulbari, Nangalbibra and Mawsynram Subdivision area. Presently, a Distribution Franchisee is already in operation in the aforesaid subdivisions. The MePDCL is exploring the possibilities to identify a competent firm(s) to take over the aforesaid areas as Distribution Franchisee at stipulated terms and conditions.
- 2.3.2 The Distribution Franchisee (DF) Model proposal has four following major objectives from the MePDCL ’s stand point –
- i. Selection of competent firm having experience and track record of successful execution and ongoing works of input base Distribution Franchisees without any material deviation/ default with the terms of the agreement.
  - ii. Reduction of AT&C Losses to 15% or less in the DF area within 10 years’ time horizon on a sustainable basis.
  - iii. The Franchisee is committed to deliver improved performance in view of the guaranteed performance trajectory assured in the Franchisee Agreement as well as improved level of consumer services.
  - iv. The efforts of the Distribution Franchisee will yield increased cash-flows and cost savings to MePDCL in terms of savings from additional Power Purchase Costs and expenses to external agencies.
- 2.3.3 The Input-based Distribution Franchisee Model with distinct and defined responsibilities and reward to both MePDCL & Distribution Franchisee along with a framework of constituent responsibilities / obligations against the performance parameters.

| <b>Parameters</b> | <b>Input Based DF Model</b>                                                                                                                                                                                                                                           |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| DF Responsibility | Metering, Billing, Collection, Energy Purchase at quoted annualized input rate trajectory and O&M of the distribution network in the franchisee area starting from 11kV feeder input points to LT consumer level, installation/replacement of consumer and DT meters. |
| Award Criteria    | Rate for Input Energy & Guaranteed Performance                                                                                                                                                                                                                        |

|                                  |                                                                                                                                                                                                                                                                               |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Compensation Structure for D     | Right on Revenue, Incentive on Arrears, Subsidy (if any), Incentive on Penalty Collection                                                                                                                                                                                     |
| Term of contract                 | 10-Years (120 months) with commitment of performance                                                                                                                                                                                                                          |
| Benefits to the DISCOM / UTILITY | Reduction of AT & C Losses, Reliability of Supply, Saving in High Input Energy Cost, Improved Consumer Satisfaction                                                                                                                                                           |
| DISCOM / UTILITY Responsibility  | All capital expenditure (except DT metering and consumer metering) for system strengthening and improvement, Feeder Metering, Providing DTs for O&M in the first year of franchisee operations, co- ordination of DF with external agencies like MSERC, State Government etc. |

2.3.4 Here, under the Public-Private-Partnership (PPP) framework, the Distribution Franchisee (DF) will manage an identified and clearly demarcated Electricity Distribution Area on behalf of the Licensee. The Franchisee shall pay the Distribution Licensee an input price that is competitively at the best value for the Licensee. The DF would need to guarantee achievement of performance benchmarks and face penalties for not meeting pre-specified performance trajectories in a ten-year (120 Months) time period. Further, the DF is also responsible for the meeting all regulatory standards and mandates as prescribed in the DF Agreement, under the State Electricity Regulatory Commission.

## 2.4 Responsibilities of Licensee (MePDCL)

- A. **Supply of energy:** The Utility is responsible by the agreement to supply energy to the DF area as per the pre-determined schedule of supply on a non-discriminatory basis.
- B. **Grant of Right to Use Assets:** Grant of Right to use of distribution assets in the area and the Network assets in the field from the start of outgoing feeders of 33/11 KV S/s to franchisee.
- C. **Metering Input Energy:** Supply of power at Input points and installation of feeder meters to ensure the measurement of input energy to the DF area.
- D. **Arrear:** Past arrear settlements, (prior to appointment of DF). The same can be collected by DF on an incentive for collection basis as provided in this document.
- E. **Regulatory Approval:** Approval of capital investment plan of the distribution franchisee from the regulatory authority and submission of all regulatory information for the concerned area with the support of the franchisee.
- F. **Settlement:** Settlement of old commercial issues with the consumers - Resolution of outstanding and current disputes.
- G. Help the franchisee get required **administrative support** as needed for carrying out the roles of the distribution franchisee.
- H. **Allow Deputation** of its employees working in the Franchisee Area 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 the DFA.

- I. Undertake **capital investment** for system strengthening works and system improvement works (except the consumer metering and DT metering part) as per requirement and as felt necessary by the licensee.
- J. Supply Distribution Transformers at own cost to the DF for the first year of operation of DF for replacement of damaged DTs which get damaged in the first year of operation.

## 2.5 Responsibilities of Distribution Franchisee

- A. **Power Purchase:** Purchase the input energy at an annualised input rate quoted by the successful bidder as per the input feeder meter reading and pay the bill to the licensee on a regular basis.
- B. **Network related activities like:**
  - a. Distribution Assets maintenance
- C. **Consumer Related activities like:**
  - a. Installation of consumer meters at defective and no meter consumers' premises and replacement of slow meters with accurate meters. Also, installation of DT meters as required by the DF. The DF has the freedom to install appropriate type of meters and chose meter specifications subject to compliance with relevant technical standards and CEA regulations.
  - b. Meter reading
  - c. Billing
  - d. Collection - current revenues and arrears (on an agreed revenue sharing arrangement)
  - e. Theft control through vigilance activities
  - f. New connections for LT/HT/EHT consumers & regularisation of illegal connections
  - g. Adherence to all relevant Regulations of MSERC including Distribution Supply Code/ SOPs
  - h. Resolution of consumer grievances
- D. **Support for Planning / MIS and regulatory information**
- E. The DF is responsible and duty bound to file returns, reports as required by the Licensee.
- F. It may be noted that handover of franchisee area to the successful bidder shall be on as-is basis & that all terms and conditions agreed by the Distribution Franchisee through successful bidding shall be binding to the bidder after execution of LoA irrespective of the condition of the network at that point of time.

## 2.6 Term of the Franchisee

The term of the franchisee shall be for a period of ten years (One Hundred and Twenty months) from the effective date.

## 2.7 Distribution Franchisee Agreement ("DFA")

MePDCL shall enter into an agreement with the selected DF. This agreement shall govern all transactions under such arrangement between the successful bidder and MePDCL. The DFA has been attached along with the RFP document as **Annexure 4**.

### 3 Selection Process

#### 3.1 The bidding process would mainly consist of the following stages.

- a) Notice Inviting Request for Proposal (RFP) through open advertisement and Issue of RfP
  - b) Pre-Bid conference
  - c) Due diligence of the area by the Prospective Bidders
  - d) Submission of Qualification Proposal and Financial Bid Proposals (two separate envelopes)
- 3.1.1 Bid evaluation and award of contract: MePDCL shall publish an advertisement in newspapers, i.e. Notice inviting Request for Proposal (RFP) for implementing the Project for appointment of Distribution Franchisee in the Project Area. RFP document shall be issued to all interested Parties, who are hopeful of satisfying the qualifying requirements of this RFP and confident of successfully managing the Project. The bidding process shall be deemed to commence from the date of Publication of the Notice Inviting RFP in the newspapers. The purpose of this RFP document is to provide the Bidders with complete information regarding the proposed franchisee arrangement in order to assist them in formulation of their Bids for the proposed Project Area.
- 3.1.2 A pre-bid conference shall be held by MePDCL on the date as indicated in the time table, the purpose of which shall be to address the concerns of the Bidders with respect to RFP. The Bidders are required to submit their queries minimum three working days prior to the pre-bid conference.
- 3.1.3 The bidder shall submit Qualification Proposal (Envelope-1),) and Financial Proposal (Envelope-2) for the Project Area (division/sub-division) in response to the RFP document on the date as indicated in the Time Table mentioned in the RFP.
- 3.1.4 As part of selection process, Qualification & Financial Proposal submitted by interested bidder is 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 Qualification and Financial Proposal in the formats of placed in the RFP document.
- 3.1.5 Financial proposal of qualified bidders only shall be evaluated based on the methodology and evaluation criteria as detailed in this bid document. The information required to be provided by the bidders submitting their financial proposal is placed as **Exhibit-5** in the RFP Document. -
- 3.1.6 Based on the evaluation Criteria mentioned below, MePDCL will evaluate "Envelope-1" and "Envelope-2" proposals through a franchisee committee consisting of members from techno- commercial and legal background.
- 3.1.7 The Bidders would be checked for responsiveness and any proposal received from non-responsive Bidders will not be considered.
- 3.1.8 Based on the evaluation criteria mentioned in this document, MePDCL will evaluate and rank the Bidders and will notify all the responsive Bidders of their rankings.
- 3.1.9 In the event of two or more Bidders found equal points at the end of evaluation process, MePDCL reserves the right to select and declare any of such Bidders as the selected Bidder or take any such measure as may be deemed fit in its sole discretion including annulment of the bidding process.
- 3.1.10 The bidder need to submit its Qualification Proposal and Financial Proposal to MePDCL. The Qualification Proposal must cover the approach and methodologies of the operation of the franchisee in the Project Area.

- 3.1.11 Final award of the project shall be made by MePDCL to the bidder short-listed after evaluation of the Financial Proposal. MePDCL shall issue Letter of Award (LOA) to the first ranked Bidder to finalize the Franchisee Agreement. In the event that the Agreement cannot be finalized, the second and subsequently ranked Bidders will be given the LOA.
- 3.1.12 MePDCL reserves the right to accept or reject any proposal, to waive minor informalities in proposal received, and to annul the RFP process and reject all proposals at any time prior to the award of the project without thereby incurring any liability to the affected bidders or any obligation to inform the bidders of the grounds for the MePDCL's action.
- 3.1.13 MePDCL reserves the right to decide the minimum cut-off as a benchmark to evaluate the Bids. The Bids achieving a minimum cut-off in both the parameters (Qualification and Financial) shall be qualified for selection.
- 3.1.14 If for this franchisee only single bid is received, MePDCL can grant the bidder such franchisee area or can opt for rerun of RFP process. Grant of Franchisee shall be contingent upon the Bidder achieving a minimum cut-off in both the parameters (Qualification and Financial).

## 4 Evaluation

### 4.1 Qualification criteria:

| S. No          | Bid Parameter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Documentary Proof to be furnished                                                                                                                                                                                                                                                          |
|----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>General</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                            |
| <b>1</b>       | <p>The bidder must be a company registered under the companies Act or a Partnership registered under Partnership Act or a Proprietor.</p> <p>The bidder should also have a valid trade license of the concerned District Council.</p> <p>In case the Trading license from the respective Autonomous District Council of Meghalaya for non-tribal firms is not available at the time of Bidding, the bidder shall be required to submit an undertaking in respect of the same mentioning that the same shall be acquired within a period of 30 days from the date of issuance of Letter of Award (LOA), if contract is awarded to the bidder.</p> | <p>Self-attested copy of the certificate of incorporation / registration certificate</p> <p>Self Attested copy of the valid trade license</p> <p>Or</p> <p>Undertaking in in respect to submission of Trade license from the respective district council.</p> <p>( As the case may be)</p> |
| <b>2</b>       | <p>The Bidder shall not be blacklisted by any Department / Undertaking of Government of Meghalaya or any State Government or Government of India or debarred by court of law.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Affidavit that the firm is not blacklisted                                                                                                                                                                                                                                                 |
| <b>2.1</b>     | <p>The bidder shall not be declared Insolvent or shall not be under the process of insolvency proceedings under the relevant Laws.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |
| <b>3</b>       | <p>The bidder should have valid registration as,</p> <p>Electrical Contract License (of any state)</p> <p>Valid GST registration certificate</p> <p>Income tax Registration (PAN)</p> <p>GST registration</p>                                                                                                                                                                                                                                                                                                                                                                                                                                    | Self-attested Copies of these certificates                                                                                                                                                                                                                                                 |

|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                             |
|------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                             |
| <b>Financial</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                             |
| <b>4</b>         | The bidder should have a minimum average annual turnover of Rs. 60 Crore during the 3 financial years i.e., 2021-22, 2022-23 and 2023-24.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Auditors certificate including copy of Balance sheet & P&L records for the last three years.                                                                                                                |
| <b>5</b>         | The Bidder should deposit the Tender fee, bid processing fee and Earnest Money along with the technical bid as per RFP.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Demand Drafts                                                                                                                                                                                               |
| <b>Technical</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                             |
| <b>6</b>         | The bidder should have executed minimum 1 similar contract of input base electricity distribution franchisee in the last 3 financial years (FY 2022-23, FY 2023-24 & FY 2024-25) with minimum duration of individual contract being not less than 3 years as an input base Electricity Distribution Franchisee with any DISCOM or experience as a distribution licensee. The running contracts will only be considered for meeting the above criteria. The firms having experience of working in Eastern and/ or North-East region of India in similar assignment in Power Distribution sector for at least 2 years will be Preferred. | Work Order copy / Agreement copy/Client Citation<br>And<br><br>Satisfactory Performance Certificate from the owner relating to successful / satisfactory performance as Input base Distribution Franchisee. |

- 4.1.1 The bidder can submit his bid for one or more than one areas/sub-divisions as specified in this bid.
- 4.1.2 The Qualification and Financial criteria can be met by the Bidder.
- 4.1.3 Bidder shall furnish details, in support of its meeting the financial criteria as specified in Clause 5.1 of this RFP, in the prescribed format as per Exhibit-3 (Financial capability) and documentary evidence duly certified by any full time director on the Board of the Company and the statutory auditor of the bidder, if applicable.
- 4.1.4 Authorization for use of financial criteria shall have to be provided from the bidder as per **Exhibit-4**, in cases where the Bidder has used the financial credentials of its Affiliate(s). The financial credentials of a particular Company shall not be used by more than one Bidder.

- 4.1.5 The determination of the relationship of the Affiliate(s) with the Bidder shall be on the day seven (7) days prior to the Bid Deadline. Documentary evidence to establish such relationship shall be furnished by the Bidder along with the Technical Bid.
- 4.1.6 The Bidder shall have to provide information and documents establishing its relationship with such Affiliate, if applicable, including details about the equity shareholding between them as per Exhibit-5.
- 4.1.7 Strict adherence to the formats wherever specified, is required. Wherever information has been sought in specified formats, the Bidder shall refrain from referring to brochures/ pamphlets. Non- adherence to formats and/ or submission of incomplete information may be grounds for declaring the Bid non- responsive. Each format has to be duly signed and sealed by the Bidder.
- 4.1.8 The qualified Bidder will be required to continue to maintain compliance with the Qualification Requirements throughout the Bidding Process and till the execution of the DFA. In case the financials (Net Worth and Gross Cash Accruals) of an Affiliate have been provided to meet-out the eligibility criteria the Bidder shall continue to maintain the relationship with such Affiliate till the execution of the DFA. Failure to comply with the aforesaid provisions shall make the Bid liable for rejection at any stage.
- 4.1.9 A Bidder shall submit only one Bid in response to the RFP issued by MePDCL for a Franchisee Area, as Bidder. It is further clarified that any of the Affiliate(s) of the Bidder shall not separately participate directly or indirectly in the Bidding Process for the same RFP. Further, if any Bidder is having a Conflict of Interest with other Bidders participating in the Bidding Process against a particular RFP or due to an ongoing engagement, the Bids of all such Bidders shall be rejected.
- 4.1.10 For meeting the pre-qualifying criteria through the affiliate(s), the equity stake of the bidder as on seven (7) days prior to the Bid Deadline shall be more than 50% in the affiliates company.
- 4.1.11 For meeting the financial criteria through the affiliates, the equity stake of the affiliate as on seven(7) days prior to the Bid Deadline shall be more than 50% in the bidder.

## 4.2 Financial Criteria

### 4.2.1 Responsiveness of Bid

- 4.2.1.1 The Bids submitted by Bidders shall be initially scrutinized to establish responsiveness. A Bid may be deemed "Non-responsive" if it does not satisfy any of the following conditions:
- It is not received by the due time and date as specified
  - It is not submitted as per the requirements specified in this Document
  - It does not include sufficient information for it to be evaluated and/or is not in the formats specified
  - It is not signed and / or sealed in the manner and to the extent indicated in this RFP Document
  - It is not accompanied by a valid Bid Security Deposit
- 4.2.1.2 The Bids of "Responsive" Bidders shall be evaluated as per section 5.2.1.

### 4.2.2 Evaluation of Qualification Proposal and Financial Proposal Offer

- 4.2.2.1 STEP 1 (COVER 1): The Evaluation parameters for the Qualification Proposal is based on the documents submitted by the bidder. The evaluation of Qualification Proposal is on pass/fail basis. The Bidders, whose Qualification Proposal are found acceptable shall be eligible for the next stage of the selection process i.e. opening of Financial Proposal (Cover 2).
- 4.2.2.2 MePDCL will return unopened the Financial Proposal (Cover 2) to the Bidders, whose Qualification Proposals are found not acceptable.
- 4.2.2.3 STEP 2 (COVER 2): On Evaluation of the parameters for the Financial Proposal submitted, MePDCL score the marking as described in the RFP Document. The Bidders, whose score is maximum amongst the bidders in terms of the Net Present value of the revenue derived based on the annualized input rate at a discounted factor of 11 % and the estimated energy input for the period of 10 years provided in the **Exhibit 5**, shall be selected as per the calculation given in the table below.

| Time line                         | Estimated Energy Input (kWh) | Min Benchmark Input Rate Trajectory (INR/ Unit) | Annualised Input Rate (INR/ Unit) quoted by Bidder | Total Annual Revenue (INR) | Discounting Factor @ 11 % | Present Value of Revenue Assured (INR)         |
|-----------------------------------|------------------------------|-------------------------------------------------|----------------------------------------------------|----------------------------|---------------------------|------------------------------------------------|
| <i>A</i>                          | <i>B</i>                     | <i>c</i>                                        | <i>D</i>                                           | <i>e=b*d</i>               | <i>f</i>                  | <i>g=e*f</i>                                   |
| Year 1                            | b 1                          | c 1                                             | d1                                                 | e1                         | 0.90                      | g1                                             |
| Year 2                            | b 2                          | c 2                                             | d2                                                 | e2                         | 0.81                      | g2                                             |
| Year 3                            | b 3                          | c 3                                             | d3                                                 | e3                         | 0.73                      | g3                                             |
| Year 4                            | b 4                          | c 4                                             | d4                                                 | e4                         | 0.66                      | g4                                             |
| Year 5                            | b 5                          | c 5                                             | d5                                                 | e5                         | 0.59                      | g5                                             |
| Year 6                            | b.6                          | c 6                                             | d6                                                 | e6                         | 0.53                      | g6                                             |
| Year 7                            | b 7                          | c 7                                             | d7                                                 | e7                         | 0.48                      | g7                                             |
| Year 8                            | b 8                          | c 8                                             | d8                                                 | e8                         | 0.43                      | g8                                             |
| Year 9                            | b 9                          | c 9                                             | d9                                                 | e9                         | 0.39                      | g9                                             |
| Year 10                           | b 10                         | c 10                                            | d10                                                | e10                        | 0.35                      | g10                                            |
| NPV of Total Revenue in 10 years= |                              |                                                 |                                                    |                            |                           | g1+g2<br>+g3+g4+g5+<br>g6+g7<br>+g8+g9<br>+g10 |

- 4.2.2.4 In order to enable MePDCL meet the target dates, Bidders are expected to respond expeditiously to clarifications, if any, requested during the evaluation process. Intimation to this effect shall be given to all the Bidders.
- 4.2.2.5 Enquiries & Clarifications In case, the Bidder whose offer is accepted by MePDCL and issued Letter of Award (LOA), fails to consent to the terms and conditions of LOA within the specified date as specified in this Document unless extended by

MePDCL, the LOA shall be withdrawn / cancelled by MePDCL by forfeiting the Bid Security Deposit for the Work. MePDCL may adopt such procedure as it may deem fit for deciding the award of Work to any other bidder or for re-tender. The decision of MePDCL in this regard is final and binding on all the bidders.

Enquiries, if any, can be addressed to:

To,

**The Chief Engineer (Commercial), MePDCL**

**Lumjingshai, Short Round Road, Shillong - 793001.**

**Email: [cecommercial.mepdcl@meghalaya.gov.in](mailto:cecommercial.mepdcl@meghalaya.gov.in)**

## 5 Instruction to Bidders

The Bidders shall submit the Qualification and Financial Proposals in separate sealed envelopes.

### 5.1 Submission of Qualification Proposal

5.1.1 The Qualification Proposal, one original and one copy, organized in a manner as specified in Exhibit 1, 2, 3, 6 and 7, should be delivered in a sealed envelope or a box, with the following inscription:

“Qualification Proposal for Distribution Franchisee for \_\_\_\_Area”

Name of the Bidder: M/s .....

To,

The Chief Engineer (Commercial)  
Meghalaya Power Distribution Corporation Ltd.,  
Lumjingshai, Short Round Road,  
Shillong - 793001.  
Email: [cecommercial.mepdcl@meghalaya.gov.in](mailto:cecommercial.mepdcl@meghalaya.gov.in)

5.1.2 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.

### 5.2 Submission of Financial Proposal

5.2.1 The Financial Proposal, one original and one copy, organized in a manner as specified in Exhibit 4 and 5 should be delivered in a sealed envelope or a box, with the following inscription:

“Financial Proposal for Appointment of Distribution Franchisee for \_\_\_\_Area”

Name of the Bidder: \_

To,

The Chief Engineer (Commercial)  
Meghalaya Power Distribution Corporation Ltd., Lumjingshai, Short Round Road,  
Shillong - 793001.  
Email: [cecommercial.mepdcl@meghalaya.gov.in](mailto:cecommercial.mepdcl@meghalaya.gov.in)

- 5.2.2 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. 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 MePDCL. MePDCL shall not be responsible for any delay in receipt of the Proposal. Any Proposal received by MePDCL after the deadline for submission of the Proposal stipulated by MePDCL, 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 **dd/mm/yyyy** up to **xx:00 PM**. However, MePDCL reserves the right to extend the last date before the time of opening of proposals, if deemed necessary.

### 5.3 Fees and Deposits Tender Document Fee

- 5.3.1 The Bidder shall pay MePDCL a non-refundable amount of **Rs 25,000/- (Twenty Five Thousand Only)** [inclusive of applicable tax, if any], towards document fee, by way of Crossed Demand Draft/ Pay Order, drawn on a Nationalized/ Scheduled bank, in favour of "Principal Accounts, MeECL" payable at "Shillong".
- 5.3.2 The document fee or the receipt in the case the bidder has already made payment towards the tender document fee shall be placed in a separate envelope clearly marked as Document Fee on it, as non-responsive.
- 5.3.3 The Bidder shall submit the tender document fees along with the Qualifying Proposal.
- 5.3.4 Bids, which are not accompanied by the above document fee/ receipt, shall be rejected by MePDCL be responsible for all the costs associated with the preparation of the proposal and participation in discussions and negotiations. MePDCL shall not be responsible in any way for such costs, regardless of the conduct or outcome of this process.

#### **Earnest Money Deposit (EMD)**

- 5.3.5 Each Bidder shall submit an Earnest Money Deposit (EMD) of an amount **5,00,000/- (five lakhs)** in the form of a **Bank Guarantee or Demand Draft** drawn on a Nationalized/Scheduled bank, in favour of "Principal Accounts, MeECL" payable at "Shillong". EMD shall be placed in a separate envelope clearly marked as Earnest Money Deposit on it, along with the Qualification Proposal.
- 5.3.6 MePDCL shall reject proposals, which is not accompanied by the above EMD, as non-responsive.
- 5.3.7 For unsuccessful Bidders, the EMD shall be refunded within 30 days signing the DFA with the selected Bidder
- 5.3.8 For successful Bidder, EMD shall be released on the payment of the security deposit and performance guarantee.
- 5.3.9 The following shall cause the forfeiture of EMD. If the Bidder modifies/ withdraws it's Proposal except as per the provisions specified in the RFP;

- If the Bidder withdraws its proposal before the expiry of the validity period of the Proposal;
- 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 MePDCL;
- If any information or document furnished by the Bidder turns out to be misleading or untrue in any material respect.
- If the selected Bidder does not accept the Letter of Award unconditionally within fifteen (15) days of issue of Letter of Award or the period as extended by MePDCL;

### **Bid Processing Fee**

5.3.10 The Bidder shall pay Bid Processing Fees as a non-refundable amount of **Rs 1,00,000/-**, exclusive of service tax towards processing fee, by way of Demand Draft or Pay Order, drawn on a Nationalised Bank or any Scheduled Banks as contained in second schedule of the Reserve Bank of India Act, 1934, in favour of the " Principal Accounts, MePDCL " payable at "Shillong". The processing fee shall be placed in a separate envelope clearly marked as Processing Fee on it, along with the Qualification Proposal. Bids, which are not accompanied by the above processing fee, shall be rejected by as non-responsive. The Bidder shall be responsible for all the costs associated with the preparation of the proposal and participation in discussions and negotiations. MePDCL shall not be responsible in any way for such costs, regardless of the conduct or outcome of this process.

## **5.4 Time Table and Milestones**

| <b>Activities</b>                  | <b>Date</b>                         |
|------------------------------------|-------------------------------------|
| Issue of RfP document              | 5 <sup>th</sup> May, 2025           |
| Pre-bid Meeting                    | 12 <sup>th</sup> May, 2025          |
| Revised RfP document               | 15 <sup>th</sup> May, 2025          |
| Last date for sale of Bid document | 25 <sup>th</sup> May, 2025          |
| Last date of submission of Bid     | 26 <sup>th</sup> May, 2025 12:00 PM |
| Opening of Technical proposal      | 26 <sup>th</sup> May, 2025 03:00 PM |

## **5.5 Opening of Qualification Proposal**

The Technical Proposal shall be opened on **26<sup>th</sup> May, 2025**, at the address to be intimated at a later stage, in the presence of one representative from each Bidder, who wish to participate. The details regarding the Qualification Proposal, as provided in the **Exhibit 3** would be read out.

## **5.6 Opening of Financial Proposal**

5.6.1 The Financial Proposal shall be opened in the presence of one representative from each of the technically qualified Bidder, who chose to be present. Date, Time and Place for the same shall be notified by MePDCL in due course of time. The details regarding the Financial Proposal, as provided in the Exhibit 5 would be read out.

- 5.6.2 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. MePDCL 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. MePDCL 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.

## 5.7 Validity of terms of bids

- 5.7.1 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, MePDCL may solicit the Bidder's consent for extension of the period of validity. A Bidder accepting MePDCL request for extending the period of validity shall not be permitted to modify its Proposal.

## 5.8 Language of the Bid

- 5.8.1 The bid and all associated documents shall be English. The person authorized to act on behalf of the Bidder shall sign the completed Bid and all related documentation at each page. A power of attorney (in the attached format as per Annexure 9) covering authorization of the present bidding shall be attached along with a certified copy of the Board Resolution shall be attached with the proposal.

## 5.9 Sealing of Bids

- 5.9.1 The Qualification/ Financial Proposal form shall be delivered in a sealed envelope or package clearly marked as "Confidential Technical/ Financial Proposal".
- 5.9.2 The Financial and Qualification Proposals shall be enclosed in two separate envelopes.
- 5.9.3 If the envelopes and /or the packages are not sealed, MePDCL shall not be responsible for the Bid's misplacement, premature opening or confidentiality.

## 5.10 Other Instructions

The following may please be noted:

- 5.10.1 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.
- 5.10.2 The Bids, that are not accompanied by a signed copy of the RFP document including Distribution Franchisee Agreement would be considered nonresponsive and would be liable for rejection. **The bidder shall sign each and every page of the RFP document including the Annexure 4 i.e. DFA issued to them on plain paper and shall submit it along with their proposal.**

- 5.10.3 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.
- 5.10.4 All communication and information should be provided in writing and in the English language only.
- 5.10.5 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.
- 5.10.6 No change in, or supplementary information to a Proposal shall be accepted after its submission. However, MePDCL 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 MePDCL, may be a ground for rejecting the Proposal.
- 5.10.7 The Bids shall be evaluated as per the criteria as specified in this RFP.
- 5.10.8 The Bidder should designate one person ("Contact Person" and "Authorised Signatory") to represent the Bidder in his dealings with MePDCL. 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.
- 5.10.9 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 MePDCL, is found to be incorrect or is a material misrepresentation of facts, then the Proposal may be liable for rejection.
- 5.10.10 MePDCL reserves the right to reject any or all the Proposal without assigning any reasons whatsoever.

## 6 Formats for Bid Submission

### 6.1 Qualification Proposal

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

- a) Covering Letter as per the format specified in Exhibit 1.
- b) Letter of Commitment as per the format specified in Exhibit 2
- c) Information Requirements as per the formats specified in Exhibit 3
- d) Demand Draft for RFP Document fee and Bid Processing Fee
- e) Earnest Money Deposit
- f) Undertaking towards Blacklisting as per the format specified in Exhibit 6.
- g) Letter of Acceptance specified in Exhibit 7
- h) Audited Annual Reports for the last three years for all the corporate entities that are desired to be considered for evaluation of the Proposal.
- i) Power of Attorney as per Annexure 9

### 6.2 Financial Proposal

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

- 1) Information required as per Exhibit 4
- 2) Financial Proposal as per the format specified in Exhibit 5.

## **Exhibit 1: Covering Letter for Qualification Proposal**

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

To,

The Chief Engineer (Commercial) MePDCL  
Lumjingshai, Short Round Road, Shillong - 793001.

Dear Sir/Madam,

Sub: Distribution Franchisee for "Name of Distribution Sub-division"

Please find enclosed one (1) original + One (1) copy of our Qualification Proposal in respect of the Distribution Franchisee for " Name of the Distribution Sub-division", in response to the Request for Proposal ("RFP") document issued by the MePDCL 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 MEPCDL and in any subsequent communication sent by MEPCDL. Our Qualification Proposal is consistent with all the requirements of submission as stated in the RFP or in any of the subsequent communications from MEPCDL.
3. We desire / do not desire to get credited for the financial strength of our Promoter(s), and/or experience & track record of our Promoter(s). Our Qualification 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 Qualification Proposal includes Letters of Acceptance, consistent with the format as specified in the RFP.
5. The information submitted in our Qualification 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 :

## **Exhibit 2: Letter of Commitment**

**(The letter of Commitment to be submitted, along with the Qualification Proposal, shall be from the Promoter(s) if any, the strengths of which are desired to be considered for the purpose of evaluation of the Qualification Proposal)**

To,  
The Chief Engineer (Commercial) MePDCL  
Lumjingshai, Short Round Road, Shillong - 793001.

Dear Sir,  
Sub: Distribution Franchisee for "Name of Distribution Sub-division"

This has reference to the Qualification Proposal being submitted by M/s<Name of the Bidding Company>, in respect of Distribution Franchisee for "Name of Distribution Sub-division", in response to the Request for Proposal ("RFP") document issued by the MePDCL on DD/MM/YYYY.

1. We hereby confirm the following:
  - The Request for Proposal document issued by MePDCL;
  - All subsequent communications between MePDCL and the Bidder, represented by.....(name of the Bidding Company);
  - 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 Qualification Proposal being submitted by.....(name of the Bidding Company).
3. We therefore request MEPDCL 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 Qualification Proposal.

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

Note: The Bidder shall also attach the Board resolution to be passed by the promoter (s) of the Bidder where credentials of such Promoter(s) have been used to meet the qualification requirements prescribed in RFP document.

### Exhibit 3: Information Requirement for Qualification 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 Qualification Evaluation in accordance with the information submitted by the Bidder.

Note: The statutory auditor and the authorized signatory of the Bidder should duly sign all the information required under Exhibit-3. Bidders shall also provide, in a separate sheet, the details of computation of Net- worth, Turn-over and Gross Cash Accrual duly signed by the statutory auditor and the authorized signatory of the Bidder.

#### FINANCIAL CAPABILITY

Under this head, the financial strength of the Bidding Company or the consolidated financial strength of any one of the Promoter(s) of the Bidding Company is evaluated. In the following table, the corporate entity that is to be considered for evaluation of Financial Capability should be mentioned clearly.

| Name of the Company to be considered for Evaluation of Financial Capability | Tick only one of the following |
|-----------------------------------------------------------------------------|--------------------------------|
| Bidding Company                                                             |                                |
| Promoter of the Bidding Company                                             |                                |

If the Bidding Company requires that the consolidated strength of the Promoter be considered, then details regarding such a Promoter should be furnished in the following table. In the absence of any information regarding the Promoter, the financial strength of the Bidding Company only would be evaluated.

| S. No | Name of the Promoter | Relationship with the Bidding Company |
|-------|----------------------|---------------------------------------|
|       |                      |                                       |

#### 1. Evaluation of Profit After Tax

Under this head, the average PAT of past three years as on March 31, 2024 of the Bidding Company or the consolidated financial strength of any one of the Promoter(s) of the Bidding Company would be considered.

| Particulars of the company | Name of the Company to be considered for Evaluation of | Average PAT of the past three years |
|----------------------------|--------------------------------------------------------|-------------------------------------|
| Financial Capability       |                                                        |                                     |

|                                        |  |  |
|----------------------------------------|--|--|
| <b>Bidding Company</b>                 |  |  |
| <b>Promoter of the Bidding Company</b> |  |  |

## 2. Annual Turnover

Under this head, the annual turnover (i.e. Sales from core activities) in the past three years of the Bidding Company or the consolidated financial strength of any one of the Promoter(s) 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.

| <b>Particulars of the company</b>      | <b>Name of the Company to be considered for Evaluation of Financial Capability</b> | <b>Annual Audited turnover (Rs. Crores) Y-1</b> | <b>Annual Audited turnover (Rs. Crores) Y-2</b> | <b>Annual Audited turnover (Rs. Crores) Y-3</b> |
|----------------------------------------|------------------------------------------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| <b>Bidding Company</b>                 |                                                                                    |                                                 |                                                 |                                                 |
| <b>Promoter of the Bidding Company</b> |                                                                                    |                                                 |                                                 |                                                 |

## 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 or the consolidated financial strength of any one of the Promoter(s) 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.

| <b>Particulars of the company</b> | <b>Name of the Company to be considered for Evaluation of Financial Capability</b> | <b>Gross Cash Accruals (Rs. Crores) Y-1</b> | <b>Gross Cash Accruals (Rs. Crores) Y-2</b> | <b>Gross Cash Accruals (Rs. Crores) Y-3</b> |
|-----------------------------------|------------------------------------------------------------------------------------|---------------------------------------------|---------------------------------------------|---------------------------------------------|
| <b>Bidding Company</b>            |                                                                                    |                                             |                                             |                                             |
| <b>Promoter of the Bidding</b>    |                                                                                    |                                             |                                             |                                             |

4. Stock Exchange Listing Information (In case Applicable)

Under this head the scrip code and the scrip name, as on March 31, 2025, of the Bombay Stock Exchange/ the National Stock Exchange or any recognised stock exchange should be mentioned.

| <b>Name of the Exchange</b>                       | <b>Scrip Code</b> | <b>Scrip Name</b> |
|---------------------------------------------------|-------------------|-------------------|
| <b>The Bombay Stock Exchange</b>                  |                   |                   |
| <b>The National Stock Exchange</b>                |                   |                   |
| <b>Any other please specify the Exchange name</b> |                   |                   |

**EXPERIENCE AND TRACK RECORD**

The bidder should include the following in this section:

- The Bidder should provide proof of registration/certificate of incorporation as applicable.
- 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.
- 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.

5. Technical Capability

Under this head, the bidders experience on operating a distribution franchisee or execution of 11KV and LT works (whichever applicable) should be mentioned.

| <b>a) Experience in Franchisee/Distribution Licensee</b>         |                      |                                             |                                                      |
|------------------------------------------------------------------|----------------------|---------------------------------------------|------------------------------------------------------|
| <b>Franchisee Name</b>                                           | <b>Name/Licensee</b> | <b>Period of Operation (mm/yy to mm/yy)</b> | <b>No.of Consumers served</b>                        |
| <b>Name of Assignment 1</b>                                      |                      |                                             |                                                      |
| <b>Name of Assignment 2</b>                                      |                      |                                             |                                                      |
| <b>b) Experience in 11KV and LT Execution works in Meghalaya</b> |                      |                                             |                                                      |
| <b>Work details</b>                                              |                      | <b>Period of Execution (mm/yy to mm/yy)</b> | <b>Total Execution of 11 KV and LT works in Ckms</b> |
|                                                                  |                      |                                             |                                                      |

|                     |  |  |
|---------------------|--|--|
| <b>Assignment 1</b> |  |  |
| <b>Assignment 2</b> |  |  |

#### **Exhibit 4: Information Requirement for Financial Proposal**

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

To,

The Chief Engineer (Commercial) MePDCL

Lumjingshai, Short Round Road, Shillong - 793001.

Dear Sir,

Sub: Distribution Franchisee for "Name of Distribution Sub -division" and adjoining areas falling under MEPDCL

Please find enclosed one (1) original + one (1) copy of our Financial Proposal in respect of the Distribution Franchisee for "Name of Distribution Sub -division", in response to the Request for Proposal ("RFP") document issued by the MePDCL 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 MePDCL and in any subsequent communication sent by MePDCL.
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 MePDCL.
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 :

| Mawsynram |                                    |                                        |                                                            |
|-----------|------------------------------------|----------------------------------------|------------------------------------------------------------|
| Year      | Estimated Annual Energy Input (MU) | Minimum Benchmark Input Rates (Rs/kWh) | Annualised Input Rate (Rs/kWh) (Up to three decimal place) |
| 1         | 20.133                             | 5.302                                  |                                                            |
| 2         | 21.096                             | 6.054                                  |                                                            |
| 3         | 22.104                             | 6.605                                  |                                                            |
| 4         | 23.161                             | 7.108                                  |                                                            |
| 5         | 24.268                             | 7.646                                  |                                                            |
| 6         | 25.428                             | 8.123                                  |                                                            |
| 7         | 26.644                             | 8.630                                  |                                                            |
| 8         | 27.917                             | 9.167                                  |                                                            |
| 9         | 29.252                             | 9.625                                  |                                                            |

|    |        |        |  |
|----|--------|--------|--|
| 10 | 30.650 | 10.223 |  |
|----|--------|--------|--|

| Nangalbibra |                                    |                                        |                                                            |
|-------------|------------------------------------|----------------------------------------|------------------------------------------------------------|
| Year        | Estimated Annual Energy Input (MU) | Minimum Benchmark Input Rates (Rs/kWh) | Annualised Input Rate (Rs/kWh) (Up to three decimal place) |
| 1           | 31.073                             | 3.195                                  |                                                            |
| 2           | 32.299                             | 4.184                                  |                                                            |
| 3           | 33.572                             | 5.194                                  |                                                            |
| 4           | 34.896                             | 5.977                                  |                                                            |
| 5           | 36.273                             | 6.433                                  |                                                            |
| 6           | 37.703                             | 6.919                                  |                                                            |
| 7           | 39.190                             | 7.351                                  |                                                            |
| 8           | 40.735                             | 7.810                                  |                                                            |
| 9           | 42.342                             | 8.296                                  |                                                            |
| 10          | 44.011                             | 8.810                                  |                                                            |

| Phulbari |                                    |                                        |                                                            |
|----------|------------------------------------|----------------------------------------|------------------------------------------------------------|
| Year     | Estimated Annual Energy Input (MU) | Minimum Benchmark Input Rates (Rs/kWh) | Annualised Input Rate (Rs/kWh) (Up to three decimal place) |
| 1        | 82.048                             | 3.429                                  |                                                            |
| 2        | 87.211                             | 4.385                                  |                                                            |
| 3        | 92.699                             | 5.412                                  |                                                            |
| 4        | 98.533                             | 6.107                                  |                                                            |
| 5        | 104.733                            | 6.858                                  |                                                            |
| 6        | 111.324                            | 7.668                                  |                                                            |
| 7        | 118.330                            | 8.248                                  |                                                            |
| 8        | 125.776                            | 8.867                                  |                                                            |
| 9        | 133.691                            | 9.418                                  |                                                            |
| 10       | 142.105                            | 10.003                                 |                                                            |

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 MePDCL in Exhibit 5.
- 3) The bidders can chose to quote for any number of selected areas out of the 6 areas specified above subject to bidding for at least one area.

For and on behalf of : Signature :

(Authorised Signatory):

Name of the Person :

Designation :

**Exhibit 6: Undertaking regarding Blacklisting to be attached with the Qualification proposal**

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

To,

The Chief Engineer (Commercial) MePDCL

Lumjingshai, Short Round Road, Shillong - 793001.

Dear Sir,

Sub: Distribution Franchisee for "Name of Distribution Sub -division"

This undertaking is being submitted in respect of the Distribution Franchisee for "Name of Distribution Sub -division", in response to the Request for Proposal ("RFP") document issued by the MePDCL on 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 :

## **Exhibit 7: Letter of Acceptance**

(The Letter of Acceptance is to be submitted by the Bidding Company along with the Qualification Proposal. This should be on the company's letterhead.)

To,

The Chief Engineer (Commercial) MePDCL  
Lumjingshai, Short Round Road, Shillong - 793001.

Dear Sir,

Sub: Letter of Acceptance

1. With reference to Request for Proposal ("RFP") document issued by the MEPDCL on DD/MM/YYYY, I/we, having examined the Bidding Documents and understood their contents, hereby submit my/our Bid for the aforesaid Project.
2. I/We acknowledge the receipt of RFP Documents together with its Amendments/Errata/Clarifications issued from time to time by MePDCL and agree and undertake to abide by all the terms and conditions of the RFP documents read in conjunction with its amendment(s) /errata/clarification(s)
3. I/We agree and understand that our Bid is subject to the provisions of the RFP Documents / addenda / errata / corrigenda and in case of any deviation(s)/ exception(s)/ variation(s) observed in our Bid with respect to any provision(s) of RFP Documents / addenda / errata / corrigenda, the provisions of RFP documents / addenda / errata / corrigenda shall prevail.
4. I/ We certify that all information provided herein is true and correct; nothing has been omitted and concede; and all documents accompanying the Bid are true copies of their respective originals.
5. I/ We undertake to make available to the MePDCL any /all additional information found necessary or required to supplement or authenticate the Bid.
6. I/ We acknowledge the right of the MePDCL to reject our Bid without assigning any reason or otherwise.
7. I/ We declare that:
  - a) I/ We have examined and have no reservations to the Bidding Documents, including any Addendum /Corrigenda issued by the MePDCL; and
  - b) I/ We do not have any conflict of interest in accordance with the RFP document; and
  - c) I/We have not directly or indirectly or through any agent engaged or indulged in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice, as defined in the RFP document, in respect of any tender or request for proposal issued by or any agreement entered into with the MePDCL or any other public sector enterprise or any government, any agency of Central or State; and
  - d) I/ We hereby certify that we have taken steps to ensure that in conformity with the provisions of the RFP, no person acting for us or on our behalf has

engaged or will engage in any corrupt practice, fraudulent practice, coercive practice, undesirable practice or restrictive practice; and

8. I/ We understand that MePDCL may cancel the Bidding Process at any time without assigning any reason and that MePDCL is neither bound to accept any Bid that it may receive nor to invite the Bidders to Bid for the Project.
9. I/ We hereby undertake not to challenge or question any decision taken by the MePDCL in connection with the selection of the Bidder through this Bidding Process itself, in respect of the above mentioned Project and the terms and implementation thereof.
10. In the event of my/ our being declared as the Successful Bidder, I/We agree to execute Distribution Franchisee Agreement in accordance with the draft agreement furnished to me/us on or prior to the Bid Due Date and shall abide by the terms and conditions of Distribution Franchisee Agreement. We agree to accept draft Distribution Franchisee Agreement unconditionally within the prescribed period and to abide by the terms and conditions of the same.
11. I/We have studied the RFP document / addenda / errata/ corrigenda carefully and also surveyed the Franchisee Area. We understand that as set forth in the Distribution Franchisee Agreement, we shall have no claim, right or title arising out of any document or information provided to us by anyone in respect of any matter arising out of or relating to the Bidding Process including the award of the Project.
12. I/We agree and understand that the Bid is subject to the provisions of the RFP Documents. In no case, I/We shall have any claim or right of whatsoever nature if the Project is not awarded to me/us or our Bid is not opened or rejected.
13. I/ We shall keep our Bid valid for at least 180 (one hundred and eighty) days from the last date of the submission of bid specified in the RFP document / addenda / errata / corrigenda or for the period extended by MePDCL.

In witness thereof, I/we submit this Bid under and in accordance with the terms of the RFP document. Date:

Place:

Signature :

(Authorised Signatory)

Name of the Person :

Designation

## ANNEXURE-1: Franchisee Area Details

Table 1: Commercial Details of the Franchisee Area for FY 2024-25

| Sub-division       | Connected Load (KVA) | Injection (KWH) | Units Billed (KWH) | Amount Billed (INR) | Amount Collected (INR) |
|--------------------|----------------------|-----------------|--------------------|---------------------|------------------------|
| <b>MAWSYNRAM</b>   | 16109                | 19214840        | 13100114           | 91624308            | 87280356               |
| <b>NANGALBIBRA</b> | 12534                | 29894411        | 12254507           | 66297410            | 52157692               |
| <b>PHULBARI</b>    | 24482                | 77189948        | 30206439           | 187638348           | 137759542              |

Table 2: Category wise Number of consumers

| SUB_DIV            | DLT   | BPLM  | BPLU | KJ | CLT  | GP | CP | ILT | WSLT | PL | AP | CRM | CTV | DHT | CHT | IHT | WSHT | BS | IEHT | Total |
|--------------------|-------|-------|------|----|------|----|----|-----|------|----|----|-----|-----|-----|-----|-----|------|----|------|-------|
| <b>NANGALBIBRA</b> | 3462  | 6512  | 6290 | 0  | 623  | 49 | 0  | 0   | 0    | 0  | 0  | 0   | 0   | 0   | 0   | 1   | 0    | 0  | 0    | 16937 |
| <b>PHULBARI</b>    | 10460 | 25358 | 5472 | 0  | 1390 | 63 | 0  | 68  | 10   | 0  | 1  | 0   | 0   | 2   | 4   | 3   | 0    | 0  | 0    | 42832 |
| <b>MAWSYNRAM</b>   | 8955  | 9214  | 532  | 0  | 525  | 53 | 0  | 19  | 6    | 0  | 0  | 0   | 0   | 1   | 0   | 0   | 1    | 7  | 0    | 19313 |

Table 3: Category wise Load (KVA)

| SUB_DIV            | DLT      | CLT  | GP      | ILT    | WSLT   | KJ     | PL       | CHT   | DHT    | IHTB   | IHTA   | WSHT  | BS    | EHT  | ASEB | TOTAL    |
|--------------------|----------|------|---------|--------|--------|--------|----------|-------|--------|--------|--------|-------|-------|------|------|----------|
| <b>MAWSYNRAM</b>   | 10292.26 | 0.00 | 1657.04 | 940.71 | 343.29 | 151.98 | 3735.38  | 0.00  | 0.00   | 129.00 | 0.00   | 66.00 | 505.0 | 0.00 | 0.00 | 17820.66 |
| <b>NANGALBIBRA</b> | 3499.00  | 0.00 | 1628.24 | 331.41 | 0.00   | 0.00   | 8379.61  | 0.00  | 0.00   | 0.00   | 80.00  | 0.00  | 0.00  | 0.00 | 0.00 | 13918.26 |
| <b>PHULBARI</b>    | 8722.12  | 0.00 | 4336.99 | 301.64 | 649.81 | 150.19 | 11476.22 | 16.67 | 771.00 | 165.00 | 391.88 | 66.00 | 0.00  | 0.00 | 0.00 | 27047.52 |

DLT: Domestic Low Tension; CLT: Commercial Low Tension; GP: General Public; ILT: Industrial Low Tension; WSLT: Water Supply Low Tension; KJ: Kuti Jyoti; PL: Public Lighting; AP: Agricultural Pump set ; CRM: Crematorium ; CHT: Commercial High Tension; DHT: Domestic High Tension; IHTB: Industrial High Tension Category B ; IHTA: Industrial High Tension Category A ; WSHT: Public Water Supply High Tension; BS: Bulk Supply/General Purpose ; EHT: Extra High Tension; ASEB: Assam State Electric Board

Table 4: Asset Details

| Items                | Unit | Maysynram SD | Nangalbibra SD | Phulbari SD |
|----------------------|------|--------------|----------------|-------------|
| 33/11 KV Substations | Nos  | 4            | 3              | 2           |
| 33/11 KV Substations | MVA  | 13           | 14.1           | 12.5        |
| 11 KV Feeders        | Nos  | 15           | 10             | 7           |
| 11 KV Line Length    | CKMs | 722.40       | 288.36         | 491.04      |
| LT Line Length       |      |              |                |             |
| 1Ph-2Wire            | CKms | 556.046      | 715.825        | 802.99      |
| 2Ph-3Wire            | CKms | 0.75         | 223.20         | 5.91        |
| 3Ph-4Wire            | CKms | 241.39       | 331.564        | 210.44      |
| 11/0. 4 KV DTS       | Nos  | 440          | 458            | 508         |
| 11/0. 4 KV DTS       | KVA  | 22852        | 15252          | 23796       |

Table 5: DT Details Nongolbibra

| Sub Division | From 33/11 KV S/S | Capacity  | Name of 11KV feeder       | Distribution in (KVA) |    |     |     |     |     |     |     |             |
|--------------|-------------------|-----------|---------------------------|-----------------------|----|-----|-----|-----|-----|-----|-----|-------------|
|              |                   |           |                           | 10                    | 16 | 25  | 63  | 100 | 200 | 250 | 630 | Grand Total |
| Nongolbibra  | NONGALBIBRA       | 2 X5 MVA  | COAL INDIA LTD            | 0                     | 0  | 4   |     | 1   | 0   | 0   | 0   | 6           |
|              |                   |           | COLONY                    | 0                     | 0  | 1   | 1   | 1   | 0   | 1   | 0   | 4           |
|              |                   |           | DARANG BOLDAK             | 0                     | 1  | 6   | 2   | 0   | 0   | 0   | 0   | 8           |
|              |                   |           | DOBU                      | 0                     | 4  | 39  | 4   | 5   | 0   | 0   | 0   | 54          |
|              |                   |           | SIJU                      | 3                     | 4  | 44  | 14  | 8   | 0   |     | 0   | 66          |
|              |                   |           | TOWN                      | 0                     | 0  | 0   | 1   | 2   | 0   |     | 0   | 5           |
|              | DARUGRE           | 1x1.6MVA  | SAW MILL                  | 0                     | 7  | 36  | 3   | 1   | 0   | 0   | 0   | 45          |
|              |                   |           | DARUGRE-RONGJENG-MANGSANG | 1                     | 8  | 131 | 22  | 3   | 0   | 1   | 0   | 191         |
|              | SONGSAK           | 1x2.5 MVA | KERA                      | 1                     | 12 | 23  | 2   | 2   | 0   | 0   | 0   | 42          |
|              |                   |           | KOKSI NENG SAT            | 0                     | 11 | 44  | 1   | 3   | 0   | 0   | 0   | 55          |
|              | Grand Total       |           |                           |                       | 4  | 24  | 261 | 47  | 21  | 0   | 2   | 0           |

Table 6: DT Details Mawsynram

| Franchi<br>see<br>Area | From<br>33/11<br>KV S/S | Capacity                   | Name of<br>11KV Feeder | Distribution in (KVA) |           |           |           |           |            |            |            |            | Total |
|------------------------|-------------------------|----------------------------|------------------------|-----------------------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|-------|
|                        |                         |                            |                        | 5 KVA                 | 10<br>KVA | 16<br>KVA | 25<br>KVA | 63<br>KVA | 100<br>KVA | 200<br>KVA | 250<br>KVA | 500<br>KVA |       |
| MAWSYNRAM              | WEILOI                  | 1.6 MVA                    | TYRSAD                 | 0                     | 0         | 1         | 24        | 23        | 4          | 0          | 1          | 0          | 53    |
|                        |                         |                            | WEILOI                 | 0                     | 0         | 0         | 6         | 1         | 2          | 0          | 1          | 0          | 10    |
|                        |                         |                            | PONGKUNG               | 0                     | 0         | 0         | 5         | 5         | 5          | 1          | 0          | 1          | 17    |
|                        | MAWSYN-<br>RAM          | 2.5 MVA                    | MAWSYNRAM-I            | 0                     | 0         | 0         | 1         | 1         | 0          | 1          | 1          | 0          | 4     |
|                        |                         |                            | MAWSYNRAM-II           | 0                     | 0         | 0         | 8         | 4         | 2          | 1          | 1          | 1          | 17    |
|                        |                         |                            | LAWBAH                 | 0                     | 0         | 1         | 42        | 18        | 9          | 5          | 1          | 0          | 76    |
|                        |                         |                            | THIEDDIENG             | 0                     | 0         | 0         | 3         | 0         | 0          | 0          | 0          | 0          | 3     |
|                        | LAITUMS-<br>AW          | 1 X 1.6 MVA<br>1 x 2.5 MVA | BALAT                  | 0                     | 1         | 2         | 67        | 8         | 2          | 1          | 2          | 0          | 83    |
|                        |                         |                            | PHUDKROH               | 0                     | 1         | 2         | 52        | 5         | 4          | 0          | 0          | 0          | 64    |
|                        |                         |                            | BALAT IBBFL            | 0                     | 0         | 0         | 0         | 0         | 3          | 5          | 0          | 0          | 8     |
|                        | RANIKOR                 | 3 X 1.6 MVA                | RANIKOR                | 1                     | 0         | 1         | 8         | 3         | 1          | 1          | 0          | 0          | 15    |
|                        |                         |                            | NONGHYLLAM             | 0                     | 0         | 0         | 11        | 3         | 4          | 0          | 0          | 0          | 18    |
|                        |                         |                            | GUMAGHAT               | 0                     | 0         | 8         | 49        | 3         | 1          | 0          | 0          | 0          | 61    |
|                        |                         |                            | CHIKONBARI<br>IBBFL    | 0                     | 0         | 0         | 0         | 0         | 1          | 3          | 0          | 0          | 4     |
|                        |                         |                            | RAJAI IBBFL            | 0                     | 0         | 0         | 1         | 0         | 4          | 1          | 1          | 0          | 7     |
| Grand-Total            |                         |                            |                        | 1                     | 2         | 15        | 277       | 74        | 42         | 19         | 8          | 2          | 440   |

Table 7: DT Details Phulbari

| Sub Division | From 33/11 KV S/S | Capacity (MVA) | Name of 11KV Feeder   | Distribution in (KVA) |        |        |        |        |         |         |         |         | Total |
|--------------|-------------------|----------------|-----------------------|-----------------------|--------|--------|--------|--------|---------|---------|---------|---------|-------|
|              |                   |                |                       | 5 KVA                 | 10 KVA | 16 KVA | 25 KVA | 63 KVA | 100 KVA | 200 KVA | 250 KVA | 500 KVA |       |
| Phulbari     | Phulbari          | 10.0           | Phulbari Bazar Feeder | 0                     | 0      | 0      | 2      | 1      | 1       | 1       | 2       | 0       | 7     |
|              |                   |                | Bhaitbari Feeder      | 0                     | 10     | 18     | 52     | 13     | 12      | 0       | 6       | 0       | 111   |
|              |                   |                | Ginning Mill Feeder   | 0                     | 0      | 1      | 2      | 1      | 0       | 1       | 1       | 0       | 6     |
|              |                   |                | Chibinang Feeder      | 0                     | 1      | 9      | 59     | 10     | 19      | 0       | 3       | 0       | 101   |
|              | Tikrikilla        | 2.5            | Nagargaon Feeder      | 0                     | 0      | 54     | 24     | 11     | 1       | 0       | 0       | 0       | 90    |
|              |                   |                | Tikrikilla Feeder     | 1                     | 30     | 13     | 114    | 24     | 8       | 0       | 3       | 0       | 193   |
|              |                   |                | Dadengre Feeder       |                       | 8      | 32     | 77     | 3      | 8       | 0       | 0       | 0       | 128   |
| Grand Total  |                   |                |                       | 1                     | 49     | 127    | 330    | 63     | 49      | 2       | 15      | 0       | 508   |

## ANNEXURE 2: Minimum benchmark for baseline RPU trajectory

*Table 8: Minimum benchmark for baseline RPU trajectory*

| <b>Baseline RPU Trajectory</b> |                                  |               |               |               |               |               |               |               |               |               |                |
|--------------------------------|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| <b>Sub-division</b>            | <b>Base<br/>(March<br/>2025)</b> | <b>year 1</b> | <b>year 2</b> | <b>year 3</b> | <b>year 4</b> | <b>year 5</b> | <b>year 6</b> | <b>year 7</b> | <b>year 8</b> | <b>year 9</b> | <b>year 10</b> |
| <b>MAWSYNRAM</b>               | 5.233                            | 5.302         | 6.054         | 6.605         | 7.108         | 7.646         | 8.123         | 8.630         | 9.167         | 9.625         | 10.223         |
| <b>NANGALBIBRA</b>             | 2.557                            | 3.195         | 4.184         | 5.194         | 5.977         | 6.433         | 6.919         | 7.351         | 7.810         | 8.296         | 8.810          |
| <b>PHULBARI</b>                | 3.083                            | 3.429         | 4.385         | 5.412         | 6.107         | 6.858         | 7.668         | 8.248         | 8.867         | 9.418         | 10.003         |

## ANNEXURE 3: List on Input Points for each Subdivision

Table 9: List on Input Points for each Subdivision

| Sl. | Name of Distribution Sub Division | Name of feeder /DT supplying power to Sub division area only | Import/ Export (whether energy is incoming or outgoing from the Sub-division) | Full/ Partial* Supply | Feeder Voltage Level | Meter Installed (Yes/No) | Meter No  |
|-----|-----------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------------------|-----------------------|----------------------|--------------------------|-----------|
| 1   | Mawsynram                         | 11 KV Weiloi                                                 | Import                                                                        | Full                  | 11KV                 | Yes                      | X0952438  |
|     |                                   | 33KV Mawsynram                                               | Import                                                                        | Full                  | 33KV                 | Yes                      | X0952231  |
|     |                                   | 11kV Tyrsad                                                  | Import                                                                        | Full                  | 11kV                 | Yes                      | X0952436  |
|     |                                   | 11kV Pongkung                                                | Import                                                                        | Full                  | 11KV                 | Yes                      | X0952439  |
|     |                                   | 11KV Madan Mawsaw – Nonglwai                                 | Export                                                                        | Full                  | 11KV                 | Yes                      | MEB95956  |
| 2   | Nangalbibra                       | 33KV Nangalbibra                                             | Import                                                                        | Full                  | 33KV                 | Yes                      | MEB00119  |
|     |                                   | 33KV Rongjeng                                                | Import                                                                        | Full                  | 33KV                 | Yes                      | 18129761  |
|     |                                   | 11KV Khera                                                   | Export                                                                        | Full                  | 11KV                 | Yes                      | MEB96328  |
|     |                                   | 11KV Koksi Nengsat                                           | Export                                                                        | Full                  | 11KV                 | Yes                      | MEB96326  |
|     |                                   | 11KV Williamnagar                                            | Export                                                                        | Full                  | 11KV                 | Yes                      | MS5000113 |
| 3   | Phulbari                          | 11KV Rongkhon-Dadenggre                                      | Import                                                                        | Full                  | 11KV                 | Yes                      | MeCL0125  |
|     |                                   | 33KV Rongkhon-Dadenggre                                      | Import                                                                        | Full                  | 33KV                 | Yes                      | X1683464  |
|     |                                   | 33KV Incomer Phulbari                                        | Import                                                                        | Full                  | 33KV                 | Yes                      | XD448082  |
|     |                                   | 33KV Tikrikilla                                              | Import                                                                        | Full                  | 33KV                 | Yes                      | XC415080  |
|     |                                   | 33KV Incomer Chibinang                                       | Import                                                                        | Full                  | 33KV                 | Yes                      | XD448085  |
|     |                                   | 33KV Lalmati                                                 | Import                                                                        | Full                  | 33KV                 | Yes                      | X1620166  |
|     |                                   | 11KV Rongkhon-Dadenggre                                      | Export                                                                        | Full                  | 11KV                 | Yes                      | MeCL0125  |
|     |                                   | 11KV Dadenggre                                               | Import                                                                        | Full                  | 11KV                 | Yes                      | MeCL0125  |

## ANNEXURE 4: Distribution Franchisee Agreement

### **Distribution Franchisee Agreement between MePDCL and M/s .....**

This Agreement made at [Name of the Place] this th day of [Month], [Year] between Meghalaya

Power Distribution Company Limited (MePDCL), a company registered under the Companies Act, 1956 having its registered office at hereinafter referred to as "MePDCL" or "Board" (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. MePDCL is a Distribution Licensee under the provisions of the Electricity Act, 2003 (the "Act") having license to supply electricity in the state of Meghalaya.
- B. Under the provisions of the Act, MePDCL 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 [Name of the Franchise Area] Urban Distribution Divisions of MePDCL as more particularly described hereinafter, MePDCL selected M/s Limited through the competitive bidding process.
- D. MePDCL issues Letter of Award No ..... dated ..... to the said M/s. .... Ltd. and that M/s..... had accepted the same.
- 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 person nominated by the Parties as set forth in Article- 19.3.

**"Base Year"** means the Financial Year 2024-25.

## **Collection Efficiency**

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

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

## **Consumer**

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 MePDCL / Distribution Franchisee in the Franchise Area for distribution of electricity.

## **MePDCL Distribution Assets**

Shall mean the assets created and employed by MePDCL 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 MePDCL for distribution of electricity including Complaint Centers, Billing/IT Centres, Collection Centers, Stores (except major Stores – to be specified by the MePDCL), Transformer Repair Workshops/Test Labs dedicated to the Franchise Area, Division/Sub-

division Offices together with furniture, fixtures, IT hardware/software and communication equipment's. It shall include vacant land owned by MePDCL identified for creation of sub-stations. It will also include residential accommodations which are presently occupied by MePDCL 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 MePDCL after handing over to the DF subject to an undertaking from the DF that the property owned by MePDCL shall not in any way be sold, transferred, disposed off, alienated, mortgaged or sub-let by it. No rent shall be charged by the MePDCL for the assets handed over to the franchisee.

### **Franchisee Distribution Assets**

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

### **Distribution Losses**

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

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

The above calculation excludes power purchased from any source other than MePDCL.

### **Effective Date**

Shall mean the date of handing over of the business operations of Franchise Area by MePDCL to the Distribution Franchisee pursuant to this Agreement after the conditions precedent are satisfied. MePDCL and the Distribution Franchisee shall mutually decide such date.

### **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 10th (tenth) 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 MePDCL to the Distribution Franchisee to act as a franchisee of MePDCL to purchase and distribute electricity in the Franchise Area and all the rights, powers and authorities available to MePDCL as a distribution licensee necessary to fulfill

the obligations and responsibilities as contemplated under this Agreement and which can be conferred upon the Distribution Franchisee under the Act.

### **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 MePDCL.

### **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.

### **GoMe**

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

### **Input Energy**

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

### **Input Points**

Shall mean the 11 KV side of the 33/11 KV Substation or 33 KV side of 220 KV and 132KV Substations as applicable specified in Annexure 3 and shall include such other EHV/HV substations or feeders, which may feed energy to the Franchise Area at the Effective date or during the term of the Agreement.

### **Input Rate**

Shall mean Rupees per unit of electricity supplied by the MePDCL at the Input Points as quoted by successful bidder in the Financial Proposal of the Distribution Franchisee given in Annexure 8.

### **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 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 MePDCL 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. Orders of MSERC.

### **MSERC**

Shall mean the Meghalaya Electricity Regulatory Commission, Shillong, or its successor(s). Interpretations;

In this Agreement, unless the context otherwise requires:

- i. A reference to the singular shall include a reference to the plural and viceversa; 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

### 2.1 CONDITIONS PRECEDENT TO BE SATISFIED BY THE DISTRIBUTION FRANCHISEE & MePDCL

#### 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 MePDCL from any nationalized bank or Scheduled Bank for an amount equivalent to 2 months' estimated amount payable to MePDCL 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. MePDCL and [Name of the Franchisee] shall also sign a Default Escrow Agreements 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 MePDCL from any nationalized bank or Scheduled Bank for an amount equivalent to 1/10th (i.e.10%) 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- 11.9 to 11.15.

#### 2.1.3 Completion of Audit of Various Parameters

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

#### 2.1.4 Past energy input and amount collected;

2.1.4.1 Opening level of Inventory;

2.1.4.2 Ongoing Contracts as on Effective Date; and

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

#### 2.1.5 Calibration of Meters

The authorized representatives of MePDCL, MePTCL 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:

“AT&C Losses”, defined as the sum total of technical losses, commercial losses and shortage due to non - realization of total billed energy expressed in percentage, shall be computed as follows:

#### 2.1.6 Formula for AT&C losses

$$\text{AT\&C Losses} = [1 - (\text{Billing Efficiency} \times \text{Collection Efficiency})] \times 100$$

Where,

Billing Efficiency = Total Units Sold (MU)/ Total Input (MU) Collection Efficiency = Revenue Collected (Rs.) / Amount Billed (Rs.) Illustration:

AT&C Losses for the Franchisee Area (Sample computation)

Illustration:

AT&C Losses for the Franchisee Area (Sample computation)

| Sl.   | Description                                           | Unit    | Symbol                                  | Base line |
|-------|-------------------------------------------------------|---------|-----------------------------------------|-----------|
|       |                                                       | LUs     |                                         | 100       |
| 1.    | Input Energy (Import-Export) 33/ 11kV                 |         | E <sub>i</sub>                          |           |
| 2.(a) | Energy Billed (Metered)                               | LUs     | E <sub>1</sub>                          | 60        |
| 2.(b) | Energy Billed (Un-metered)                            | LUs     | E <sub>2</sub>                          | 10        |
| 2.(c) | Total Energy Billed (E <sub>1</sub> +E <sub>2</sub> ) | LUs     | E <sub>B</sub>                          | 70        |
| 3.    | Amount Billed                                         | Rs. Lac | AB                                      | 400       |
| 4.(a) | Gross Amount Collected                                | Rs. Lac | AG                                      | 410       |
| 4.(b) | Arrears Collected                                     | Rs. Lac | AR                                      | 40        |
| 4.(c) | Amount Collected without Arrears#                     | Rs. Lac | AC = AG - AR                            | 370       |
| 5.    | Billing Efficiency                                    | %       | $\Phi = (E_B / E_i) \times 100$         | 70%       |
| 6.    | Collection Efficiency                                 | %       | $\omega = (AC / AB) \times 100$         | 93%       |
| 7.    | AT&C Loss                                             | %       | $[1 - (\Phi \times \omega)] \times 100$ | 35%       |

# The amount collected shall exclude the arrears. However, in case figures of arrears are not available separately, there is a possibility of having collection efficiency of more than 100%. In such cases efficiency shall be restricted to 100% considering arrears. Thus, revenue collection in excess of revenue billed shall be treated as arrears and the same shall be excluded in computation of AT&C Losses for any financial year or part thereof.

#### 2.1.7 Authorisation to DF to Represent

- 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 MePDCL 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 MePDCL to have the officers of the Distribution Franchisee designated as such by the State Government.
- Sufficient number of officers of the Distribution Franchisee should be authorized by MePDCL for representing before the MSERC, Consumer Grievance Redressal Forums, Ombudsman, Consumer Courts, etc.

- c) The Franchisee should also be allowed to represent to the State Transmission Utility for
  - i. augmenting the transmission capacity matching with the growth in distribution network
  - ii. metering of input points including calibration of meters
  - iii. matters relating to load dispatch and grid discipline
- 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, MePDCL shall be entitled to terminate this Agreement and forfeit the earnest money deposit of the Distribution Franchisee at its discretion

## 2.2 CONDITIONS SUBSEQUENT TO BE SATISFIED BY THE DISTRIBUTION FRANCHISEE AND MePDCL

### 2.2.1 Arrear Determination

The Joint Audit Team of MePDCL and the Distribution Franchisee shall complete an audit of:

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

### 2.2.2 Methodology to compute Average Billing Rate (ABR) tariff for each billing period for the purpose of Article-7 during the term of this Agreement

- 2.2.3 MePDCL 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 MePDCL 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 10 (ten) years i.e. one hundred and twenty months from the Effective Date.

### 3.2 Early Termination

This agreement can be terminated before the expiration of the Franchisee Period as per the provisions of Article-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 MePDCL, then MePDCL 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 MePDCL 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 MePDCL harmless against the same as provided in Articles 14.1.2. The Distribution Franchisee shall compensate MePDCL for the losses suffered by MePDCL, if any, as provided in Article 14.1.2.

### 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, MePDCL 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 MePDCL 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 MePDCL Distribution Assets and all other rights, powers and authorities available to MePDCL as a Distribution Licensee to perform its obligation under this Agreement. Distribution Franchisee however shall not be the owner of MePDCL Distribution Assets.

## 4.2 Legal Status of Distribution Franchisee

The Distribution Franchisee shall be a franchisee of the MePDCL 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 MePDCL 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 MePDCL. However the Distribution Franchisee may appoint sub-contractor(s) for outsourcing some of its activities with a prior three days written intimation to MePDCL. It is however clarified that the Distribution Franchisee alone shall be liable and responsible to MePDCL for the due performance of this Agreement and any default / breach of any of the terms and conditions of this Agreement by any such subcontractor shall be deemed to be a default / breach by the Distribution Franchisee.

## 4.4 Franchisee Area

The Franchise Area at present contains input points as detailed in Annexure - 3. In case the details provided in the Annexure-3 is different from the Joint Audit report, the conclusions of the Joint Audit report shall be final and Annexure-3 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 MePDCL 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 MePDCL directives issued for compliance of the Laws, Regulations, Orders and Directives of MSERC.

## 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 a

# ARTICLE 5. ACTIVITIES OF DISTRIBUTION FRANCHISEE

## 5.1 'Right of Use' to MePDCL Distribution Assets

- 5.1.1 The Distribution Franchisee shall be entitled to use the MePDCL Distribution Assets to perform its obligation under this Agreement. MePDCL 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. However, it is agreed that MePDCL shall provide DTs in the first year of operation for replacement of DTs which are damaged/need replacement in the first year of operation of DF. Except this, all cost to be incurred for O&M, including replacement of defective materials, shall be borne by the DF.

- 5.1.3 Distribution Franchisee shall not dispose off or alienate or in any way encumber such assets of MePDCL.
- 5.1.4 If any such asset is scrapped, the same shall be deposited at the major store [to be specified by the MePDCL] of the MePDCL at the Franchise Area by the Distribution Franchisee at its cost. MePDCL shall duly identify the scrap against its Asset register for Transformers & accessories and HT network.
- 5.1.5 [Name of the Franchisee Area] Asset Register of the Franchise Area, which 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 MePDCL Distribution Assets in same condition, subject to normal wear and tear and Article 5.1.4.
- 5.1.7 Any shortfall in the quantity of MePDCL 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 MePDCL assets that have not been transferred as a part of MePDCL Distribution Assets, separate charges for the use of the same shall be payable to MePDCL.
- 5.1.9 If the Distribution Franchisee intends to utilize other services of MePDCL 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 MePDCL and to the extent any provisions have continuing effect, after its expiration.

## **5.2 New Capital Expenditure**

- 5.2.1 The Distribution Franchisee shall plan and implement capital expenditure for consumer metering and DT metering (if required) only to improve efficiencies etc. as is deemed necessary by MePDCL and Distribution Franchisee.
- 5.2.2 Distribution Franchisee shall provide for capital expenditure for consumer and DT metering only to improve efficiencies, augment and upgrade infrastructure, reduction in Distribution Losses and improvement in quality of supply in the Franchise Area.
- 5.2.3 Such capital expenditure implemented by the Distribution Franchisee would only include installation and replacement of consumer meters and DT meters.
- 5.2.4 The cost of all such capital investment shall be borne by the Distribution Franchisee. The input energy rates quoted by the Distribution Franchisee shall be deemed to have taken into account the cost of finance and depreciation on account of these investments.
- 5.2.5 The Distribution Franchisee shall arrange the funds required for meeting its capital expenditure as stated above. However, for capital expenditure beyond this, in case there is any capital investment funding scheme like R-APDRP/DDUGJY/IPDS/SAUBHAGYA/RDSS, National Electricity Fund etc. proposed from Government of India or the State Government or any Department or Undertakings thereof or any multilateral funding organizations which is available to MePDCL as Distribution Licensee at terms and conditions, the same shall be implemented in the franchisee area at the discretion of the MePDCL for overall improvement of the distribution infrastructure in the state. The Franchisee shall be responsible for proper maintenance of the asset created under the said Schemes and the ownership of the Assets will remain with the MePDCL. The Franchisee shall provide all necessary support to execute the scheme timely and successfully. An

agreement containing the details of the terms and condition shall be executed between MePDCL and Franchisee in this regard.

- 5.2.6 The Distribution Franchisee shall also maintain a separate record of the Distribution Assets purchased by it with all details and particulars. It shall also make entries of these assets in the asset register.
- 5.2.7 Upon expiry/termination of this Agreement, Distribution Franchisee shall hand over all the MePDCL and Franchisee Distribution Assets of Franchise Area, to MePDCL in working condition subject to normal wear and tear. The Distribution Franchisee shall not have a right whatsoever to take back these assets, if the same are to be compensated by MePDCL in terms of the Agreement.
- 5.2.8 On the expiry/termination of this Agreement, MePDCL shall compensate Distribution Franchisee for the Distribution Assets added by Distribution Franchisee, to the extent funded by the Distribution Franchisee, at the depreciated value of such assets.
- 5.2.9 Such assets in normal working condition shall be transferred to MePDCL at the depreciated value in the audited books of accounts of the Distribution Franchisee based on an average rate of depreciation rate
- 5.2.10 The Distribution Franchisee shall submit details of the assets added by it on a quarterly basis, and the value of such assets shall be certified by MePDCL as acceptable. Such certification shall be done within a period of 90 (ninety) days from the date of creation of such asset.
- 5.2.11 Notwithstanding anything stated above, all investments shall be planned and implemented keeping in view the distribution license conditions of MePDCL and following the procedures as prescribed therein.
- 5.2.12 All capital expenditure to be made by the DF in the contract period will require prior approval from MSERC.
- 5.2.13 All the capital expenditure requiring approval from MSERC shall be submitted by the Distribution Franchisee to the MePDCL and MePDCL will facilitate its approval from MSERC. Any capital expenditure made in violation of these conditions which is rejected by the MSERC/ MePDCL, shall not be compensated, as provided for in 5.2.9 above, by MePDCL.

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

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

### **5.4 Supply of Energy**

- 5.4.1 MePDCL shall supply minimum energy at Input Points as per Exhibit 5. However, this supply may vary subject to SLDC Directives on load shedding. In case, due to the power supply policy of MePDCL in vogue, the hours of supply depends on loss level of that area, the franchisee area will also be entitled to get higher quantum of energy at the franchisee's quoted input rates, to meet the consumers' demand.
- 5.4.2 In case MePDCL is unable to provide sufficient energy to meet the requirement of the franchise area, the franchisee may request MePDCL to source the energy, that is in deficit, from the open market. As regards the mechanism, while the franchisee will identify and procure power from diverse sources, the agreements for purchase of power shall be executed by the MePDCL as the principal Party. MePDCL will have to comply with Section 86(1)(b) of the Electricity Act, 2003 by making necessary applications to the MSERC for scrutiny and approval even if the power is procured

specifically for the Franchisee area. The MePDCL shall be responsible for justifying the need for power, its price, its contractual arrangement under power purchase agreements, for scrutiny and approval of the MSERC. The DF will identify the additional sources of power purchase and the rate for the same, and MePDCL will enter into Power Purchase Agreements (PPAs) with contracted parties for power purchase. MePDCL will enter into tri-partite PPAs with the Franchisee as one of the Parties to the PPA. Such electricity purchase (including price) and power procurement process of the MePDCL will be subject to regulation by the MSERC under the provisions of Section 86(1)(b) of the Act. The required quantum of additional power shall be allocated to the franchisee area.

- 5.4.3 MePDCL shall also assist the Franchisee in obtaining information from [Name of the State
- 5.4.4 Transmission Company] about the transmission capacity for power purchase.
- 5.4.5 5.4.15. Such scheme will be implemented only after approval of MSERC. MePDCL will have no responsibility or liability if such scheme is not approved/ rejected by MSERC.
- 5.4.6 5.4.16. In case of procurement of power from sources other than MePDCL, the wheeling charges shall be payable by Distribution Franchisee for using the network other than that of the distribution network of the MePDCL for distribution of power in the Franchise Area and shall be recoverable by the Distribution Franchisee from the tariffs as levied by the MePDCL.
- 5.4.7 The Distribution Franchisee shall not sell the Input Energy to anyone outside the Franchise Area.
- 5.4.8 The Distribution Franchisee shall strictly adhere to the planned load shedding schedule of MePDCL based on directives issued by SLDC.
- 5.4.9 The Distribution Franchisee shall also follow the instructions of [Name of the State Transmission Company] / State Load Dispatch Centre for grid discipline.
- 5.4.10 In order to fully recover the cost of energy to meet such deficit, the franchisee may charge the consumers in the form of a Reliability Charge per unit. The MePDCL shall obtain prior approval of the MSERC for the levy of such charge

## **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 MePDCL, in compliance with the Law, Regulations and Directives of MSERC issued from time to time as if they were to apply to licensee and directives of MePDCL for compliance of laws, regulations, orders and directives of MePDCL.

### **5.5.1 Treatment of Ongoing Contracts**

- 5.5.1.1 Distribution Franchisee (DF) shall be responsible for administering and maintaining the ongoing contracts entered into by MePDCL.
- 5.5.1.2 For the activities outsourced by MePDCL to any agencies prior to appointment of Distribution Franchisee, if the Distribution Franchisee does not agree to continue with such outsourced activities, MePDCL will cancel such outsourced agreements with the concerned agencies and termination cost; as specified in the contract between the MePDCL and concerned agencies; shall be borne by the MePDCL.
- 5.5.1.3 Work in progress for Capital Investments already in pipeline shall be continued by the MePDCL. In case of an ongoing capital expenditure contract involving a contractor appointed by MePDCL, if such contractor fails to complete the said works as per the prescribed time schedule, the DF will request MePDCL to take

necessary action including cancellation of such contract for which MePDCL shall bear all the liabilities and third party claims accrued there from, if any. In case of an ongoing capital expenditure contract being undertaken by the MePDCL, in case the MePDCL fails to complete the said works as per the time schedule prescribed, the franchisee may carry out the remaining work on behalf of MePDCL and deduct the investments from the input energy amount payable to MePDCL.

- 5.5.1.4 Any legal liability or any other such liability on completed contracts shall be borne by MePDCL and MePDCL shall keep the DF completely indemnified in this regard.

## **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 MePDCL] and apprise the same to MePDCL.

### **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 MePDCL. The methodology for the same has been enclosed as shall be notified by MePDCL to the franchisee.

### **5.6.3 Operation, Repair & Maintenance and Up gradation**

The Distribution Franchisee shall at its own cost perform:

- 5.6.3.1 Operation and maintenance of Distribution Assets from the start of input feeders of Franchise Area
- 5.6.3.2 Operation and maintenance of DTs and distribution network below the input points
- 5.6.3.3 Installation of Smart consumer meters and Smart DT meters and carry out meter reading, monitoring all feeders and distribution transformers
- 5.6.3.4 Maintain a minimum level of rolling stock of transformers and other necessary material which shall not be less than 5% of total distribution assets as indicated in **Annexure – 10**.
- 5.6.3.5 For carrying out day-to-day maintenance work, if shutdown is required from EHV station on any feeder, the Distribution Franchisee shall apply for proper permit from the concerned [Name of the Transmission Company] EHV substation. Such permit shall be returned to concerned EHV substation immediately after the work is completed. The Distribution Franchisee shall also intimate schedule of planned outages to the concerned EHV substation and maintain day-to-day coordination for smooth operation of transmission network
- 5.6.3.6 Maintain a minimum power factor of 0.90 at the input points.
- 5.6.3.7 Distribution Transformer to be utilized in the network shall be BIS marked & BEE certified.
- 5.6.3.8 Upgradation, renovation and maintenance of the existing distribution network/ systems/ IT assets and systems as per Prudent Utility Practices and the standards that may be prescribed by MSERC

### **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 MSERC.
- 5.6.4.2 The Distribution Franchisee shall be responsible for complying with all Indian Electricity Rules, MSERC Standards, Regulations and other Directives as issued and modified from time to time and as applicable to any distribution licensee. Any penalty imposed on MePDCL by MSERC 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 MSERC from time to time. Any penalty imposed on MePDCL by MSERC for noncompliance 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 MSERC 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 MSERC from time to time) revised from time to time, for inspection by the public during normal working hours; and
- d) Provide free of charge a copy of the Supply Code (and conditions of supply) as revised from time to time to each new Consumer, and to any other person who requests it at a price not exceeding the cost of duplicating it.

##### **(B) Consumer Complaint Handling**

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

- a) Establish within a period of six months from the Effective Date, at least one Internal Grievance Redressal cell / Consumer Service Centre and one Consumer Grievance Redressal Forum as per minimum specifications placed at Annexure-6 and under the Meghalaya State Electricity Regulatory Commission (Redressal of Consumer Grievances & Electricity Ombudsman) Regulations, 2017 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 free of charge a copy of the procedure revised from time to time to each new Consumer, and to any other person who requests for it at a price not exceeding the cost of duplicating it.

- 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 MSERC (Redressal of Consumer Grievance & Electricity Ombudsman) Regulations, 2017.

### **(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 MSERC.
- b) Distribution Franchisee shall be responsible for incurring capital expenditure in order to provide new connections in the Franchise Area. The expenditure involved in providing new connection, net of Service Connection Charges and any other contributions / charges received from the Consumer towards capital cost of providing new connection as per applicable Regulations shall be deemed to form part of the Franchisee Distribution Assets to be compensated in terms of **Article-5.2.9.****
- c) Subject to the provisions of the Electricity Act 2003, the Distribution Franchisee may refuse to supply, or may disconnect the supply of electricity to any premises.
- d) The Distribution Franchisee shall retain the Service Connection Charges (SCC) collected from the Consumers for giving new connections levied as prescribed by MSERC.
- e) The Distribution Franchisee shall collect the Security Deposit and System Loading Charges from the Consumers for giving new connections, which shall be transferred to MePDCL.
- f) The applicable interest on these deposits shall be borne by MePDCL and shall be transferred to the Distribution Franchisee to meet its obligations as per applicable regulations.
- g) The adjustment against arrears on account of Consumers who are permanently disconnected by the Distribution Franchisee after the Effective Date shall be allowed from the Security Deposit of the respective Consumer after following applicable regulations. However, in case of Consumers existing on the Effective Date, MePDCL shall have the first right on the security deposit.
- h) The Distribution Franchisee shall not grant new connections to Permanently Disconnected (PD) Consumers as on Effective Date without the written consent of MePDCL unless arrears have been recovered from them and remitted to MePDCL.

MePDCL 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 MSERC from time to time.
- 5.7.2 Collections from the Consumers as per the billing.
- 5.7.3 Collection of arrears on behalf of MePDCL.
- 5.7.4 Make timely payments to MePDCL as per the terms and conditions of this Agreement.
- 5.7.5 Installation of new smart meters for unmetered consumers within six months from the commencement of agreement and consumers with defective meters shall be replaced with new smart meter within specified timeline as per the Supply Code and relevant regulations of MSERC.
- 5.7.6 Maintain Consumer database and billing records.
- 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 MePDCL Regulations and Directives.
- 5.7.8 Discharge all duties and responsibilities of MePDCL as the distribution licensee as required by the License Regulations of the MSERC except such of the conditions, which cannot be complied with by the Distribution Franchisee alone.
- 5.7.9 Undertake any other activity as may be notified from time to time by MSERC to the distribution licensee.

## **5.8 Duties and Responsibilities of MePDCL**

The broad duties and responsibilities of MePDCL would include the following activities:

- 5.8.1 MePDCL shall ensure the supply of power to Distribution Franchisee of acceptable quality standards as per Article 5.4.
- 5.8.2 MePDCL shall communicate to Distribution Franchisee any shortfall or inability to supply, the power requirements of the Distribution Franchisee.
- 5.8.3 MePDCL shall carry out meter reading jointly with Distribution Franchisee on a monthly basis at Input Points of the Franchise Area.
- 5.8.4 MePDCL shall support the Distribution Franchisee initiatives to adopt innovative practices to bring about effectiveness and efficiency in electricity distribution business.
- 5.8.5 MePDCL will recommend setting up Special Courts and facilitate administrative and police support for smooth functioning of the Distribution Franchisee.

## ARTICLE 6. METERING AND MEASUREMENT

### 6.1 Metering System

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

### 6.2 Inspection and Testing of Meters

- 6.2.1 MePDCL /MePTCL] 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 MePDCL, Distribution Franchisee and MePTCL], and shall not be opened, tested or calibrated except in the presence of all the parties.

### 6.3 Inaccuracy of Meters

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

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

- a) Calibration of interface meters at site with reference standard meter of accuracy class higher than the meter under test.
- b) On carrying out the re-calibration of the main meter, if it is discovered that either the percentage of inaccuracy exceeds  $\pm 0.5\%$  or that the main meter is not working, the following procedure in order of priority, whichever is feasible, for arriving at the computation of quantity of energy during the period between the last calibration and the present, shall be followed:
  - i) On the basis of the readings of the check meter if installed and functioned accurately; or
  - ii) By correcting the error if the percentage of error is ascertainable of calibration, tests or mathematical calculation; or
  - iii) By estimating the volume of energy delivered based on the meter reading on the upstream of the network i.e. energy reading of meters installed on LV side of the power transformers or HV side of the transformer.
- c) The correction to the quantity of energy injected shall apply to the following periods (hereinafter referred to as the "Correction Period"):
  - i) To any period of time during which the main meter was known to be malfunctioning or to which the parties mutually agree;
  - ii) If the period during which the main meter was 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.

## 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 MePDCL 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 1800 Hrs w.e.f the Effective Date. Adjustments, if any, shall be carried out for monthly payments as mentioned in Article 7 based on the aforementioned meter reading.
- 6.4.4 MePDCL shall raise invoices as mentioned in Article 7 based on input units measured by Distribution Franchisee as specified in previous Article.
- 6.4.5 The Metering and Measurement System stated in this Article shall also be applicable to payments on account of Wheeled Electricity.
- 6.4.6 Until 0.2 Class meters are installed as main meters, the reading of check meter shall be used for billing provided the check meters are of 0.2 accuracy class.

## ARTICLE 7. BILLING AND PAYMENT

### 7.1 Billing

The billing and reporting of the franchisee has to be arranged by the franchisee but may need to be integrated with the existing hardware and software of MePDCL already functioning on day-to-day basis for MePDCL. Any changes or modifications to existing format for billing and reporting has to have prior approval from the MePDCL before final deployment.

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

#### 7.1.1 Monthly Invoice

The First Invoice raised by MePDCL on the Distribution Franchisee shall correspond to the energy input between first day and thirtieth day from the Effective Date plus for the no. of days remaining in the calendar month after thirtieth day from the effective date. All subsequent invoices shall be raised by the MePDCL for period starting 1st day of the calendar month and last day of calendar month. Invoice shall be computed as below:

$$\mathbf{MI = (RIEM + WCM + TOSEM + SDNM + P) - (CARPDARM + CARCLRM)}$$

RIEM = Revenue for Input Energy as per Joint Measurement  $RIEM = EIM * (AIRN + TAN)$

Where,

EIM = Actual Energy Input in the Franchisee Area during the month, which shall be the energy purchased from MePDCL.

AIRN = Annualized Input Rate applicable for the year as quoted by the successful bidder in ANNEXURE 8.

TAN = Tariff Adjustment (TA) applicable to the billing period, which shall be

In case of any increase in revenue due to increase in Average Billing Rate ( i.e. Average Billing Rate of the current period minus Average Billing Rate of the Base Year), (+)75% of such increase. However, in case of any decrease in revenue due to decrease in Average Billing Rate (i.e. Average Billing Rate of the current period minus Average Billing Rate of the Base Year), it would be (-) 100%.

ABR shall be computed as sum product of total billed units and approved tariff in each Consumer category divided by total billed units in all Consumer categories. The Tariff Adjustment shall be computed for every month and the same shall be used for computation of the revenue for Input Energy for units supplied to the Distribution Franchisee in the respective calendar month. Approved Tariff for this purpose shall mean the tariff and the applicable Fuel Surcharge Adjustment (FSA) approved by MSERC.

The Tariff adjustment shall be based on the change Average Billing Rate on account of change in tariff or consumer mix as applicable to all the MePDCL consumers in the Distribution Franchisee Area.

For the purpose of computation of Tariff Adjustment, ABR as applicable to all MePDCL Consumers in Distribution Franchisee area for the Base Year i.e. FY 2024-25 shall be applicable based on the MePDCL audited certificate of commercial parameters as provided by MePDCL in ANNEXURE-1.

WCM = Wheeling Charges applicable to energy procured over and above the quantity purchased from MePDCL for the Month computed as per MSERC regulations.

TOSEM is the Tax on Sale of Electricity collected during the billing period

DNM is the Security Deposit and System Loading Charges collected for new connections issued during the period and for which information has been received as per **Article-13.1**.

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

CARPDRM is the Credit available to the Distribution Franchisee for incentive on account of arrears from the HT/ LT permanently disconnected Consumers collected and remitted to MePDCL during this billing cycle and shall be computed as below:

$$\text{CARPDRM} = 0.2 * \text{ARPDRM}$$

Where ARPDRM is the amount of arrears on account of permanently disconnected Consumers prior to the Effective Date collected and remitted by the Distribution Franchisee to MePDCL during this billing cycle.

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

$$\text{CARCLRM} = 0.1 * \text{ARCLRM}$$

Where ARCLRM is the amount of arrears on account of HT/ LT current live Consumers, accrued one month prior to the Effective Date collected and remitted by the Distribution Franchisee to MePDCL during this billing cycle.

## 7.2 Payment

Distribution Franchisee shall make the payment to MePDCL 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 MePDCL as per Article 13.1.1.
- 7.2.2 MePDCL shall raise monthly invoices as mentioned in clause 7.1.1 and Distribution Franchisee shall make the payments within a 15 days of receipt of such invoice.
- 7.2.3 If any of the due dates is a public holiday, the payment shall be remitted on the next working day of MePDCL.
- 7.2.4 The Distribution Franchisee may be required to provide credit to some HT/ LT Consumers under relevant Directives/ Orders/ Policies of MSERC e.g. Employees, Weavers, BPL, etc. The amount (in Rupees) of the credit given by the Distribution Franchisee to such Consumers shall be adjusted from the payment due towards revenue for input energy.
- 7.2.5 In the event that any HT/ LT Consumer in the Franchise Area avails Open Access under the relevant Regulations issued by MSERC, the Distribution Franchisee shall retain the cross-subsidy surcharge paid, and adjustment for Distribution Losses of such Consumer. The wheeling charges for using the Distribution System shall be apportioned between MePDCL and the Distribution Franchisee on the basis of a mutually agreed formula. However, additional surcharges, if any, shall be remitted to MePDCL along with the regular payments.
- 7.2.6 Distribution Franchisee shall collect and remit to MePDCL, 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 and any applicable meter rent related to meters installed prior to the handover, Distribution Franchisee shall, within 7 (seven) days, provide the details of collection and make such payment to MePDCL.
- 7.2.8 MePDCL shall give credit to Distribution Franchisee towards the incentive on collection of arrears after receipt of such amount and documentary details from Distribution Franchisee. This credit shall be provided in the subsequent invoice raised as per Article 7.1.
- 7.2.9 The Distribution Franchisee shall also timely remit to MePDCL any other charges arising from the execution of the contract such as charges towards use of MePDCL 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 MePDCL 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 MePDCL and shall be subject to appropriate documentation.

- 7.2.12 Any delay in payment to MePDCL after due date shall attract a penal interest of 18% per annum quarterly compounded. Any early payment within seven days of receipt of invoice. by the franchisee shall also carry a rebate @ 1.5% on the amount payable to MePDCL by the Distribution Franchisee.
- 7.2.13 In case of a shortfall or default in payment by Distribution Franchisee against the payment obligation as per earlier Article, MePDCL may recover such amount by invocation of Performance Guarantee given by the Distribution Franchisee.
- 7.2.14 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 MePDCL 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 MePDCL 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 MePDCL.
- 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 MePDCL.

## ARTICLE 8. ARREARS

### 8.1 Arrears are 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. MePDCL shall transfer the right to collect the arrears to Distribution Franchisee on the Effective Date and the Distribution Franchisee and MePDCL 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 MePDCL 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 endeavor to collect arrears other than those specified in 8.4 from current live Consumers on account of charges for usage of electricity. MePDCL shall offer an incentive to Distribution Franchisee on the amount of arrear collected (i.e. arrear as determined under clause 2.2.1.2 plus delayed payment surcharge (DPS) thereon accrued after Effective Date as per Regulation norms till the time of realization) from Connected Consumer @ 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. MePDCL 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 MePDCL.
- 8.7 Distribution Franchisee shall make best endeavour to collect the arrears accrued prior to Effective Date from PD Consumers. MePDCL shall offer an incentive to Distribution Franchisee towards collection of such arrears @ 20% of total amount net of taxes and duties recovered from Consumers. MePDCL 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, MePDCL 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 Arrears realized from the forfeiture or adjustment against security deposit from Consumers shall not be eligible for the incentives stated in this Article.
- 8.9 Upon recovery of the arrears, Distribution Franchisee shall, within 7 (seven) days, provide the detail of collection and make such payment to MePDCL.
- 8.10 Upon expiry / termination, Distribution Franchisee shall not transfer to MePDCL any arrears accrued during the term except the arrears accrued in last one month prior to the expiry / termination date of this agreement benchmarked to the prevailing level of Collection Efficiency. These arrears shall be jointly determined and agreed by MePDCL and the Distribution Franchisee. These arrears shall be collected and remitted by MePDCL to the Distribution Franchisee within three months of Expiry / Termination Date.
- 8.11 8.11. Arrears accrued during the term of Agreement prior to one month of Expiry/ Termination shall also be passed on to the Distribution Franchisee as and when collected by MePDCL. However, MePDCL shall not be under any obligation to collect such arrears. The Distribution Franchisee shall also give @ 10% of arrears recovered net of taxes and duties for the period three months prior to the Expiry Date from current live Consumers and @ 20% of arrears recovered net of taxes and duties from permanently disconnected Consumers.
- 8.12 The Distribution Franchisee shall not grant new connections to permanently disconnected Consumers without the consent of MePDCL unless arrears have been fully recovered from them and remitted to MePDCL. 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 MePDCL, the Distribution Franchisee shall immediately disconnect the Consumer. MePDCL 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 MePDCL to recover the outstanding arrears from the Franchise Area shall also survive the Term of this Agreement.

8.14 Notwithstanding anything contained herein, the legal rights of Distribution Franchisee to recover the outstanding arrears accrued during the term of the Agreement from the Franchise Area shall also survive the Term of this Agreement.

## ARTICLE 9. PROVISION FOR SUBSIDY

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

9.1 The Government of Meghalaya presently offers subsidy on electricity tariff in certain Consumer categories, as approved by MSERC, which is paid to MePDCL on account of electricity supplied to those Consumers in Franchise Area. Any subsidy offered by Government of Meghalaya or Government of India or any other agency which has an impact on reducing the tariff shall continue to be paid to MePDCL as the Franchisee has quoted the input energy rates net of subsidy.

9.2 However, if due to any new tariff after the effective date declared by the State Government/GoI and approved by MSERC, the DF is required to abide by the same, the subsidy on account of the same shall be retained with the MePDCL. Any loss of revenue on this account to the franchisee shall be taken care of through tariff sharing ratio mechanism.

## ARTICLE 10. TREATMENT OF TAXES, DUTIES & LEVIES

The following clauses governs the applicable taxes, duties and levies:

10.1 Both parties agree, that the input rates are exclusive of the Electricity Duty (ED), Tax on Sale of Electricity

10.2 (ToSE), Municipal Taxes (MT) and any other taxes/ levies/ duties that are levied by the State Government, but the MePDCL has been directed to collect on behalf of the Government.

10.3 The liability for making payment of the duties, taxes and levies to the State Government of Meghalaya shall rest on the MePDCL. The franchisee shall deposit the amount collected from the consumers on realized basis to the MePDCL. 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.

- 10.4 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.
- 10.5 Any new ruling from the State or Central Government on Taxation or introduction of new tax on this Distribution Franchisee arrangement shall be borne by the franchisee (in case of Direct Tax) or MePDCL (in case of Indirect Tax) as the case may be.

## ARTICLE 11. 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 MePDCL 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 MePDCL by Distribution Franchisee based on two months average energy input at Input Points in the Franchise Area during Financial Year [Base Year] 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 MePDCL 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 MePDCL, failing which MePDCL 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 quoted by the successful bidder for the year as per Exhibit 5. 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 MePDCL 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 MePDCL, restore the same to the level prior to invocation.
- 11.7 MePDCL 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 MePDCL, 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 MePDCL, through which the revenues of [Name of the Franchisee] shall be routed and used as per the terms of the Default Escrow Agreement. [Name of the Franchisee] and MePDCL shall also enter into a separate Agreement to Hypothecate Cum Deed of Hypothecation, whereby [Name of the Franchisee] shall agree to hypothecate, to MePDCL, 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 MePDCL has first ranking charge on the revenues routed through the Default Escrow Account. However, such first ranking charge

shall be on the amounts, in excess of amounts, which have already been charged or agreed to be charged prior to the date of the execution of the Default Escrow Agreement.

#### **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 MePDCL in the form of an irrevocable and unconditional Performance Guarantee from any nationalized bank or Scheduled Bank for an amount equivalent to 1/10th of the total annual revenue billed in the [base year].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 MePDCL 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 MePDCL, failing which MePDCL shall have the right to invoke the Performance Guarantee.
- 11.12 The Performance Guarantee shall be valid for the term of the agreement and shall remain locked with MePDCL throughout the term of the agreement.
- 11.13 MePDCL has the right to invoke the unreleased portion of the Performance Guarantee in case of non-compliance to Standards of Performance.
- 11.14 In case of non-adherence of the supply code/standards of performance, any penalty levied by the MSERC on the MePDCL 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 MSERC or any other judicial or quasi judicial body.
- 11.15 Distribution Franchisee shall, within two weeks of invocation of the Performance Guarantee by MePDCL, restore the same to the level prior to invocation.

## **ARTICLE 12. DEPUTATION OF MePDCL EMPLOYEES**

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

- 12.1 MePDCL's employees may provide handholding support to the franchisee for the first 3 months based on the request of DF for which the franchisee shall bear the cost of salary & allowances payable to the MePDCL's employees who are engaged in the handholding support involved therein.
- 12.2 MePDCL will make a list of such employees who wish to be on deputation to DF for the period of the agreement. 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 MePDCL 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 by MePDCL on over all basis. The terms and conditions shall be made available to the concerned willing employees upfront. The DF shall have to follow MePDCL 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 MePDCL employee on deputation with the Franchisee towards all the benefits available to him/ her as per his/her employment terms of MePDCL 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 MePDCL employee on deputation with the Franchisee.
- 12.5 At the end of the period of deputation which shall be initially for 10 years or the Franchisee Agreement whichever is earlier, the employees on deputation will return to MePDCL. Such employees will not lose their seniority in MePDCL 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 MePDCL 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 MePDCL 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. MePDCL will not be responsible or liable for the claims raised by the employees of the Distribution Franchisee and the Distribution Franchisee shall indemnify MePDCL in respect thereof.

## ARTICLE 13. REPORTING AND AUDIT

### 13.1 Reporting

The Distribution Franchisee shall furnish to MePDCL 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 MePDCL detailing the billing, collection and all related information on a monthly basis every month by a mutually agreed date. Such information shall be kept confidential by MePDCL and shall be used only under conditions of default by Distribution Franchisee under the Distribution Franchisee Agreement.

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

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

13.1.3 After the initial stabilization period, the above information shall be submitted as per the respective billing cycle and shall be submitted to MePDCL not later than three days after the end of the billing cycle as per Article-7.1.

13.1.4 Distribution Franchisee shall be required to update the asset register and submit the same to MePDCL 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 MePDCL and MSERC in the formats to be prescribed by MePDCL/ MSERC from time to time after execution of the

Distribution Franchisee Agreement and communicate them to MePDCL 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 MePDCL upon Expiry/termination subject to applicable permissions. MePDCL 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 MePDCL 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 MePDCL from the date of such Major Incident. Distribution Franchisee shall also submit a report to MePDCL 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 MePDCL within reasonable time such further particulars and information as may be required by MePDCL relating to the implementation of this Agreement for providing the same to the Government of Meghalaya 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 MePDCL. 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 MePDCL 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 MePDCL reserves the right to conduct the physical verification of the Distribution Assets belonging to MePDCL 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 MePDCL harmless against:

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

14.1.2 Claims against MePDCL made by any third party for any act of commission or omission by Distribution Franchisee or as a result of the operations of the DF, Distribution Franchisee shall indemnify and hold MePDCL harmless and compensate all the losses so caused to MePDCL. MePDCL 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. MePDCL/ 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 MePDCL 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 MSERC 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 MePDCL shall indemnify, defend and hold the Distribution Franchisee harmless against:

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

14.2.2 Third party claims on account of MePDCL 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 MePDCL 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

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.

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 defense 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 defense, 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 may insure the Distribution Franchisee Assets during the Term of Agreement.

15.2 The Distribution Franchisee shall also obtain and keep in effect all insurances required under the Laws of India.

## ARTICLE 16. EVENTS OF DEFAULT AND TERMINATION

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

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

#### 16.1.1 Critical Event of Default

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

- a. Failure on account of Distribution Franchisee to make payments as per Article-7 of this Agreement;
- b. Failure to submit in time the Information Report as per Article 13.1.1, 13.1.2 and 13.1.3;
- c. Failure to maintain a security deposit and performance guarantee as per the Article 11 of this Agreement.
- d. Failure to maintain minimum service quality
- e. Failure to maintain minimum inventory as per article 5.6.3.4
- f. Failure to maintain proper System and Consumer metering as per article 5.7.5

16.1.1.2. The other Critical Events of Default are:

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

- f. The Distribution Franchisee is indulging in any malpractice or corrupt practice or fraudulent practice(s).
- g. Sale of Input energy in the Franchise Area to any party outside the Franchise Area.
- h. Failure to comply with non-critical events of default within the specified period

#### 16.1.2 Non-critical Event of Default

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

- 16.1.2.1. Failure to submit periodic performance report (Billing and Collection report, updation of Assets Register on monthly basis, Energy audit report) to MePDCL 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 MSERC 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 MSERC "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 MSERC "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 MePDCL Deputationist 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 MePDCL Deputationist employees.

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

## 16.2 MePDCL 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 MePDCL Event of Default:

- a. Critical Event of Default

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

- b. Non-Critical Event of Default

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 MePDCL, MePDCL 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 MePDCL to the Distribution Franchisee, elaborating the event of default by Distribution Franchisee.
- 16.3.4 If the default is not cured within a period of thirty days from the date of issue of the preliminary notice of termination as provided in Article 16.3.3, this Agreement may be terminated after serving the final termination notice to the Distribution Franchisee.
- 16.3.5 It is expressly agreed that both the parties shall continue to perform their respective obligations until the serving of final termination notice, whereupon this Agreement shall terminate on date of such notice.
- 16.3.6 MePDCL shall exercise its Step-in rights after serving the final termination notice. The Distribution Franchisee shall be obliged to extend transition assistance for a period of 30 days from the serving of such Final termination notice, failing which the costs and expenses incurred by MePDCL 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 MePDCL Event of Default

- 16.4.1 On the occurrence of Event of Default by MePDCL, the Distribution Franchisee shall issue an Event of Default notice to MePDCL.
- 16.4.2 MePDCL shall eliminate/ mitigate consequences of such Event of Default within a period of 60 days.
- 16.4.3 In case MePDCL is unable to eliminate/ mitigate the consequences of Event of Default, a preliminary notice of termination may be served by the Distribution Franchisee to MePDCL, elaborating the Event of Default by MePDCL.
- 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 MePDCL shall exercise its Step-in rights after receiving the final termination notice. The Distribution Franchisee shall be obliged to extend transition assistance for a period of 30 days from the serving of such Final termination notice, failing which the costs and expenses incurred by MePDCL 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 MePDCL in case of termination, Distribution Franchisee shall pay all the dues payable to MePDCL on the date of termination. Distribution Franchisee shall pay dues to third parties only after the payment of all MePDCL dues.
- b. MePDCL has right to make good any shortfall from the performance guarantee.
- c. MePDCL 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 MePDCL all papers including the forms used, partially used and unused receipts books, all promotional materials and documents which may have come into its possession or custody under the terms of this Agreement or otherwise.
- e. The Distribution Franchisee shall furnish a certificate of Non encumbrance to claim the amount due to him as per provisions of Article-5.2.

### **16.5.2 Consequences of Termination for MePDCL Event of Default Without prejudice to the other rights of Distribution Franchisee in case of termination, MePDCL shall pay all the dues payable to Distribution Franchisee on the date of termination.**

## **16.6 Step In Rights of MePDCL**

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

- a. MePDCL 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. MePDCL shall have the right to invoke the Bank Guarantee against the Security Deposit furnished by the Distribution Franchisee to recover all its dues and outstanding amounts.
- c. The Distribution Franchisee shall transfer all the Fixed Assets brought in as a part of the New Capital Expenditure in the Franchise Area in accordance with the Article-5.2.

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

- a. MePDCL or its Designate(s) shall be entitled to immediately enter any and/or all of the Site(s) and operate the Distribution System.

- b. MePDCL 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 MePDCL.
- c. MePDCL shall invoke the Performance Guarantee and LC against the security deposit furnished by the Distribution Franchisee.
- d. All Current Assets of the Distribution Franchisee in the Franchise Area shall stand transferred to MePDCL.
- e. All Capital (Moveable and Immoveable) Assets of the Distribution Franchisee brought in the Franchise Area in accordance with Article 5.2 shall stand transferred to MePDCL.
- f. However, the liability of meeting the repayment obligations because of financing arrangements for such assets shall lie with the Distribution Franchisee.

#### 16.6.3 Step-in Rights of MePDCL 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, MePDCL shall have a right to step-in the Franchise Area and restore electric supply services. The costs and expenses incurred for restoration by MePDCL 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. Depreciated Value of capital assets worked out as per Article-5.2;
- b. Value of current assets worked out as per Article-5.3;
- c. Arrears accrued in the last one-month prior to Expiry as per Article-8.11.

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

16.7.3 The balance payment on account of capital assets after accounting for deviations shall be released on completion of physical verification and auditing but not later than 60 days from expiry subject to fulfillment of all of the following:

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

- 16.7.4 The payment for current assets due to the Distribution Franchisee shall be released not later than 60 days from Expiry date.
- 16.7.5 MePDCL shall make payment towards arrears accrued one month prior to the Expiry after such an amount has been jointly determined and agreed by MePDCL and Distribution Franchisee. The liability of MePDCL shall be limited to making payment of 90% of such amount within 60 days of such joint determination.
- 16.7.6 All the above payments shall be released after deductions on account of any outstanding amount towards MePDCL, if any.

## **16.8 Mode of Termination Payment in case of MePDCL Event of Default**

- 16.8.1 The Termination payment to the Distribution Franchisee shall consist of the following:
- i. Depreciated Value of capital assets worked out as per Article-5.2;
  - ii. Value of current assets worked out as per Article-5.3;
  - iii. Arrears accrued in the last one-month prior to termination as per Article-8.11
- 16.8.2 An amount equal to 50% of the depreciated value of capital assets on Termination date worked out as per the audit conducted at the end of last contract year shall be released to the Distribution Franchisee not later than 15 days from the Termination Date upon furnishing of a certificate of non-encumbrance by the Distribution Franchisee and from the bankers of the Franchisee.
- 16.8.3 The balance payment on account of capital assets after accounting for deviations shall be released on completion of physical verification and auditing but not later than 60 days from Termination Date subject to fulfillment of all of the following:
- i) Such Assets have been physically verified by the Joint Audit Team of MePDCL and the Distribution Franchisee and have been found to be in working order. The verification shall be completed within one month after Termination of the agreement. In case of shortfalls, the non-disputed amount shall be released promptly.
  - ii) The Distribution Franchisee has furnished a Certificate of Non-encumbrance issued both by the Franchisee as well as its bankers in respect of such Distribution Assets.
  - iii) The title and possession of such assets has been transferred to MePDCL.
- 16.8.4 The payment for current assets due to the Distribution Franchisee shall be released not later than 60 days from Termination date.
- 16.8.5 MePDCL shall make payment towards arrears accrued one month prior to such Termination after such an amount has been jointly determined and agreed by MePDCL and Distribution Franchisee. The liability of MePDCL shall be limited to making payment of 90% of such amount within 60 days of such joint determination.
- 16.8.6 All the above payments shall be released after deductions on account of any outstanding amount towards MePDCL, if any

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

- 16.9.1 The Termination payment to the Distribution Franchisee shall consist of the following:
- a) Depreciated Value of capital assets worked out as per Article-5.2;
  - b) Value of current assets worked out as per Article-5.3;
  - c) Arrears accrued in the last one-month prior to Expiry as per Article-8.11.

- 16.9.2 An amount equal to 50% of the depreciated value of capital assets on Termination date worked out as per the audit conducted at the end of last contract year shall be released to the Distribution Franchisee not later than 15 days from the Termination Date upon furnishing of a certificate of non-encumbrance by the Distribution Franchisee.
- 16.9.3 The balance payment on account of capital assets after accounting for deviations shall be released on completion of physical verification and auditing but not later than 60 days from Termination Date.
- 16.9.4 The payment for current assets due to the Distribution Franchisee shall be released not later than 60 days from Termination date.
- 16.9.5 The payment for arrears accrued in the last one month prior to expiry shall be released not later than 90 days from the Termination date.
- 16.9.6 All the above payments shall be released after deductions on account of any outstanding amount towards MePDCL, if any.

## **ARTICLE 17. GOVERNING LAW AND DISPUTE RESOLUTION**

### **17.1 Governing Law**

- 17.1.1 This Agreement has been executed and delivered in India and its interpretations, validity and performance shall be construed and enforced in accordance with the laws of India and also the laws applicable to the State of Meghalaya.
- 17.1.2 Any dispute arising out of compliance/ non-compliance of this Agreement shall be exclusively under the jurisdiction of court at Shillong.
- 17.1.3 Disputes between the Consumers in the Franchise Area and the Distribution Licensee shall be referred to the existing relevant Consumer Grievance Redressal Forums.

### **17.2 Amicable Settlement**

- 17.2.1 Either Party shall be entitled to raise any dispute or differences of whatever nature arising under, out of or in connection with this Agreement including its existence or validity by giving a written notice to the other Party, which shall contain:
- i) The details of the Dispute;
  - ii) The grounds for such Dispute; and
  - iii) All documentary evidence in support of its claim.
- 17.2.2 The other Party shall, within thirty (30) days of receipt of dispute notice issued under Article 17.2.1, furnish:
- i) Counter-claim and defences if any regarding the Dispute; and
  - ii) All documentary evidence in support of its defences and counter-claim.
- 17.2.3 Both the parties shall constitute a permanent dispute resolution body having equal representation from each of the parties. The disputes or differences arising under this Agreement shall be referred for resolution to this body, which shall communicate its decision within Thirty (30) days.
- 17.2.4 In case of non-settlement of dispute by the permanent dispute resolution body, such dispute or differences shall be referred for decision to a body constituted by Chairman/ Managing Director of the Distribution Licensee and Head, Distribution

Franchisee which shall communicate its decision preferably within a period of fifteen (15) 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 nonperformance of any obligation hereunder, which cannot be resolved by negotiation between the Parties and the Dispute Resolution procedure as stated in the foregoing Articles, shall be exclusively submitted to arbitration at the request of either party upon written notice to that effect to the other party and. The proceedings shall be conducted subject to the provisions of the Arbitration and Conciliation Act, 1996 (the Arbitration Act) by a panel consisting of three arbitrators.
- 17.2.6 While submitting the dispute or difference to arbitration in accordance with this Article the Party so submitting shall, in its notice, specify the name of one arbitrator appointed by it. Within thirty (30) days of the receipt of notice, the other Party shall appoint an arbitrator. The third arbitrator (who will act as the chairman) shall be nominated by the two arbitrators appointed as aforesaid or, failing such nomination within thirty (30) days of the appointment of the second arbitrator, shall be appointed in accordance with the Arbitration and Conciliation Act, 1996.
- 17.2.7 The language of the arbitration shall be English. The venue of Arbitration shall be Shillong.
- 17.2.8 The arbitration award shall be in writing. The arbitrators shall also decide on the costs of the arbitration proceedings.
- 17.2.9 The Parties agree that the award of the arbitrators shall be final and binding upon the Parties.
- 17.2.10 Notwithstanding anything to the contrary contained in this Agreement, the provisions of this Article 17 shall survive the Termination of this Agreement.
- 17.2.11 Both the parties shall continue to perform their respective obligations during the conduct of the Dispute Settlement Procedure.

### **17.3 Disputed Payments**

- 17.3.1 An invoice raised by MePDCL 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 MePDCL within the stipulated time. Cases of excessive billing, if any, during the last three months shall be jointly identified by the MePDCL and DF and shall be referred to the high level committee envisaged under Annexure – 5 'Procedure for recovery of arrears' in the Distribution Franchisee Agreement. Such excessive amount shall be excluded from the payment responsibility within three months
- 17.3.2 In case the dispute is resolved in the favour of the Distribution Franchisee, MePDCL 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 MePDCL.
- 17.3.4 In case the dispute is resolved in the favour of MePDCL, 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 MePDCL 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.

MePDCL 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 the rank of Chief Engineer or equivalent and above from MePDCL 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 of the rank of Executive Director or equivalent and above from both the sides.
- 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 MePDCL. All these systems must be in compliance with Regulatory and Licensee conditions. MePDCL, 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 MePDCL 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 MePDCL 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 MePDCL assets for any other use except for distribution of electricity and activities concerned with the subject of this Franchisee
- 19.10 MePDCL 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 MePDCL shall mark a copy of the Directives received by it under applicable laws, Regulations and Directives of MSERC, 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 on the address given below (To be filled up at the time of execution of DFA):

For Distribution Licensee  
Engineer In Charge:  
Phone: Fax:  
E-Mail:

Franchisee Representative:  
General Manager Phone: Fax:  
E-Mail:

For Disputes & their Resolution For Distribution Licensee Chairman/ Managing Director/  
Member:

Phone: Fax:  
E-Mail:

Franchisee Representative:  
Executive Director (Operations) Phone: Fax:  
E-Mail:

### **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.

Annexure attached hereto form part of the Agreement.

The Distribution Licensee and the Distribution Franchisee hereby represent and warranty that:

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

IN WITNESS WHEREOF the Parties have caused the Agreement to be executed through their duly authorized representatives as of the date and place set forth above.

## ANNEXURE 5: PROCEDURE FOR RECOVERY OF ARREAR

1. A committee comprising independent external legal, financial and technical experts mutually agreed by both the parties shall be constituted by MePDCL for determination of arrears. The Chairman of the committee shall be the nominee of MePDCL or its successor companies.
2. The broad scope of work of the committee would be as under:
  - a) Determining and validating the quantum of arrears in the franchisee area.
  - b) The Committee shall follow a methodology for the above arrears with the approval of MePDCL.
3. The process of recovery of arrears shall be as per applicable provisions of Meghalaya Electricity Supply Code 2012, and subsequent amendments thereafter, Electricity Act 2003 and other applicable provisions of law.
4. The Distribution Franchisee shall continue to show the old arrears of MePDCL in the Consumers' bill so as to effectively continue the claim of MePDCL on these arrears.
5. The Distribution Franchisee shall make available suitable office and secretarial help to the committee within Franchise Area.
6. The expenses incurred for the committee in this respect shall be borne by distribution franchisee.

## ANNEXURE 6: Specifications of consumer service center

The Consumer Service Centre (CSC) is an initiative for providing information and service to the consumers. The CSC shall act as an interface between the customer and the Distribution Franchisee operations in the entire customer facing process. Each franchisee area to establish adequate number of CSC's in its area to facilitate the consumer avail services at ease.

The services to be rendered by the CSC shall include, but not limited to:

- a) Connection services: relates to customer acquisition including temporary connection, load change, category change, name/ address change and closure of connection
- b) Billing- duplicate bill generation and billing related compliant handling.
- c) Collection Management- collection facilitation
- d) Recording and redressal of supply related complaints
- e) Help desk: The CSC shall be in the shape of physical infrastructure and shall be manned by persons of the Distribution Franchisee.

The channels of interface at the CSC shall be as under:

### **Help desk services**

User self-use kiosks (optional) – Touch screen kiosks to be kept at the sub divisional offices, which will guide the customer through graphical user interface. These kiosks shall also act as collection boxes, which will help in collecting the payment of the electricity bills and issue a receipt once the cheque/ cash is received.

Notice Boards disseminating information regarding:

- Power outages schedule;
- Standards of Performance;
- Emergency numbers in case of accidents;
- General information regarding saving of power;
- Contact numbers of concerned officials;
- Performance graphs.

### **Operations of the CSC New Connection process**

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

### **Duplicate Bill**

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

### **Collection of Payments**

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

#### Complaint Handling

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

Note: The Distribution franchisee shall arrange adequate hardware and Software for ensuring smooth operations of the cell.

## ANNEXURE 6: Performance Guarantee

Bank Guarantee No.....

1. In accordance with the tender specification No. of Meghalaya Power Distribution Company Limited (hereinafter referred to as the "MePDCL") for the work of selection of Distribution Franchisee for Distribution of Electricity along with meter reading, billing, collection, Energy Purchase, metering and operation maintenance etc. for " Name of the Distribution Sub -division" ,

M/s (Company Name) .....

Address.....(hereinafter referred to as "Bidder") wished to participate in the said tender and as a Bank Guarantee for the sum of Rs... (in words) valid for a period of 270 days from the date of

opening of financial bid as required to be submitted by the Bidder, we the ...(Name of the Bank).....(hereinafter referred to as "The Bank") do hereby unequivocally and unconditionally guarantee and undertake to pay during the above said period, on written request by MePDCL, an amount not exceeding Rs. .... Only (in words) to MePDCL without any reservation. The guarantee would remain valid up to 5.00 P.M. of (date) and if any further extension to this

is required, the same will be extended on receiving instructions from the Bidder on whose behalf this guarantee has been issued.

2. We, the ..... (Indicate the name of the Bank) do hereby further undertake to pay the amounts due and payable under this guarantee without any demur, merely on demand from MePDCL stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by the MePDCL by reason of any breach by the said Bidder(s) of any of the terms of conditions and failure to perform said tender. Any such demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee. However, our liability under this guarantee shall be restricted to an amount not exceeding Rs... Only (in words).

3. We, the ..... (Indicate the name of the Bank) undertake to pay to MePDCL any money so demanded notwithstanding any dispute or disputes raised by the Bidder(s) in any suit or proceeding instituted/ pending before any court of tribunal relating thereto, our liability under this present being absolute and unequivocal. The payment so made by us under this bond shall be a valid discharge of our liability for payment there under and the Bidder(s) shall have no claim against us for making such payment.

4. We, the (Indicate the name of the Bank) further agree that the guarantee herein contained shall remain in full force and effect during the aforesaid period of.... days and it shall continue to be so enforceable till all the dues of the MePDCL under or by virtue of the said tender have been fully paid and its claims satisfied or discharges or till MEPDCL certifies

that the terms and conditions of the said tender have been fully and properly carried out by the said Bidder(s) and accordingly discharges this guarantee. Unless a demand or claim

under this guarantee is made on us in writing on or before the We shall be discharged from all liability under this guarantee thereafter.

5. We, the ..... (Indicate the name of the Bank) further agree with MePDCL that the MePDCL shall have the fullest liberty without our consent and without effecting in any manner our obligations hereunder to vary any of the terms and conditions of the said tender or to extend time of performance by the said Bidder(s) from time to time or to postpone for any times or from time to time only of the powers exercisable by the MePDCL against the tender Bidder(s) and to forebear or enforce any of the terms and conditions relating to the said tender and we shall not be relieved from our liability by reason of any such variation, postponement or extension being granted to the said Bidder(s) or for any forbearance act or omission on the part of the MePDCL or any indulgence by the MePDCL to the said Bidder(s) or by any such matter or thing what-so-ever which under the law relating to sureties would, but for this provision, have effect of so relieving us.

6. This guarantee will not be discharged due to the change in the name, style and constitution of the Bank or the Bidder(s).

7. We, the (Indicate the name of the Bank) lastly undertake not to revoke this guarantee during its currency except with the previous consent of the MePDCL in writing. Dated, the ..... day of .....

Witness:

1.

2.

For ..... (Indicate name of Bank)

## ANNEXURE 8: Schedule of Annualized Input Rate

Name of Sub-Division

| Year | Commencing Year from the Effective Date) | Energy Input (kWh) | Annualised Input Rate (Rs/ kWh)<br>(Up to three decimal place) |
|------|------------------------------------------|--------------------|----------------------------------------------------------------|
| 1    | 1                                        |                    |                                                                |
| 2    | 2                                        |                    |                                                                |
| 3    | 3                                        |                    |                                                                |
| 4    | 4                                        |                    |                                                                |
| 5    | 5                                        |                    |                                                                |
| 6    | 6                                        |                    |                                                                |
| 7    | 7                                        |                    |                                                                |
| 8    | 8                                        |                    |                                                                |
| 9    | 9                                        |                    |                                                                |
| 10   | 10                                       |                    |                                                                |

## ANNEXURE 9: Power of Attorney Format

### **Power of Attorney**

We,        having our office at       , authorise and empower       , to sign and conclude the proposal to be submitted to Meghalaya Power Distribution Company Limited, in response to its Tender Specification Number: MePDCL/CE(COMM)/TECH-xxx/2024-25/xx dated dd/mm/YYYY for the proposed assignment titled "Appointment of Input Based Distribution Franchisee in selected areas of MePDCL" and we, hereby, agree to abide by and ratify and act upon such proposal in terms of what is stated therein.

Name:

Designation:

Firm:

Accepted by me,

Name:

Designation:

Firm:

## ANNEXURE 10: MINIMUM LEVEL OF INVENTORY

| Sl No | Material Description                                            |
|-------|-----------------------------------------------------------------|
| 1     | Distribution Transformer 11/0.4 kV of various capacities        |
| 2     | LT PVC armoured Cable                                           |
| 3     | Conductor(of various sizes (each size)                          |
| 4     | HT Poles                                                        |
| 5     | LT Poles                                                        |
| 6     | Hardware Set suitable for Conductor                             |
| 7     | HRC Fuse base of various capacities                             |
| 8     | Aluminum Lugs of various sizes                                  |
| 9     | 11 kV End termination kits suitable for various sizes           |
| 10    | Single phase electronic meters                                  |
| 11    | Three phase meters                                              |
| 12    | kit kats of various sizes(each)                                 |
| 13    | Fuse wires of assorted sizes                                    |
| 14    | Any other items ( as the list is inclusive but not exhaustive). |