

Orissa DISCOMs

INVITATION FOR APPLICATION AS ELECTRICITY DISTRIBUTION FRANCHISEE

The State of Orissa has got funds of Rs 3,600 Crores sanctioned under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) scheme and it aims to provide electricity supply to more than 31 lakh BPL consumers under the scheme. The objective of the scheme is to ensure sustainability of electricity supply, qualitative transformation of the electricity distribution system to facilitate better social and economic outcomes by appointing franchisees in all four utilities in Orissa viz; CESU, NESCO, WESCO and SOUTHCO.

As per the provisions of Section 14 of the Electricity Act, 2003, a franchisee appointed and duly authorized to act on behalf of an electricity distribution utility to perform the obligations of the utility in the franchised area, will not require a license to carry out such activities and the utility continues to be responsible for the acts of the franchisee.

NESCO, WESCO and SOUTHCO are the 3 Electricity Distribution Companies, distributing electricity to approximately 16 lakh consumers as per the license granted by the Orissa Electricity Regulatory Commission under the Electricity Act, 2003. To improve operational & commercial efficiencies of the utilities and to raise the standard of services for increased customer satisfaction, especially in rural and hilly areas, the utilities envisage involvement of franchisees who can be local NGOs, Users Association, Cooperatives, registered Companies, individual entrepreneurs, Trusts, SHGs or the Panchayati Raj Institutions. Franchisees ensure community participation in managing power distribution, thereby generating employment opportunity as well.

Pursuant to these, the Utilities invite "Expression of Interest" from individual/organizations from the above categories for appointment as a Collection based distribution franchisee for a period of 6 to 9 months. Based on the due assessment of franchisee performance and capabilities, the scope of this franchisee will be enhanced to Input Based Distribution Franchisee for a period of about three years thereafter.

Identified Areas for Franchising:

| | Area Name | District | Utility |
|-------------------|------------------|-----------------|----------------|
| Bargarh-3 | Sub Division | Bargarh | WESCO |
| Paikmal | Sub Division | Bargarh | WESCO |
| Bhatli | Sub Division | Bargarh | WESCO |
| Sohela | Sub Division | Bargarh | WESCO |
| Basta | Sub Division | Balasore | NESCO |
| Jamsuli | Sub Division | Balasore | NESCO |
| Bhandaripokhari-1 | Section | Bhadrak | NESCO |
| Bhanjanagar-2 | Sub Division | Ganjam | SOUTHCO |
| Bellaguntha | Sub Division | Ganjam | SOUTHCO |
| Buguda | Sub Division | Ganjam | SOUTHCO |
| Mohana | Sub Division | Gajapati | SOUTHCO |

Scope of Work – Collection Based Franchisee (Phase-I):

- Reading consumers' meters
- Operating spot billing machine for bill generation
- Revenue realization
- Disconnection/Re-connection as required
- Surveillance to curb theft of electricity, equipment or appliance
- Revenue Management including AT&C loss reduction
- Complaints Management
- Customer Management and service

Scope of Work – Input Based Franchisee (Phase-II):

During Phase-II, apart from the activities to be carried out in Phase-I the franchisee shall be billed for energy injected in the project area at pre determined Input Rate and consequently, the scope of this contract will be expanded to include revenue ownership and operation and maintenance responsibilities of project area.

The scope of work mentioned is indicative only and the Utilities reserve the right to modify the scope of work at its sole discretion.

The draft of franchisee agreement and Franchisee Application Form are available on the website of the Utilities i.e. www.orissadiscoms.com and in the offices of GM (Commerce) of NESCO, WESCO and SOUTHCO. Interested parties should submit the Letter of Expression of Interest and a duly filled 'Franchisee Application Form' along with the mentioned supporting documents. These documents shall be submitted in duplicate to the address given below by 4:00 PM on 15th May, 2010. An interactive session/meeting/Interview will be conducted by the Utilities thereafter.

The applications will be evaluated based on following...

| <u>Broad Criteria</u> | <u>Weight</u> |
|------------------------|---------------|
| Institutional Vibrancy | 20% |
| Work Experience | 20% |
| Financial Position | 25% |
| Local area presence | 20% |
| Interaction | 15% |

Utilities reserves the right for short listing/rejecting any firm without providing any reason thereof, and the firm shall have no cause of action or claim against the Utilities or its officers, employees, successors or assignees for rejection of any application.

Chief Executive Officer (Commerce) (NESCO, WESCO and SOUTHCO)

Registered Office: Plot - N-1/22, Nayapalli,
Bhubaneswar, Orissa – 751015
Phone – 0674-2558677

Contact Persons of DISCOMs

NESCO: Shri S. K. Singha Sr. G.M. (Commerce) 9337611127
WESCO: Shri G. C. Mohanty DGM (Commerce) 9437057189
SOUTHCO: Shri S. K. Choudhury Sr. G.M. (Commerce) 9437959900

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