



## INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

### e-Stamp

**Certificate No.**

: IN-DL86445249811723Q

**Certificate Issued Date**

: 09-Feb-2018 04:08 PM

**Account Reference**

: IMPACC (IV)/ dl889403/ DELHI/ DL-DLH

**Unique Doc. Reference**

: SUBIN-DLL88940376239769580823Q

**Purchased by**

: MINISTRY OF POWER GOI

**Description of Document**

: Article 5 General Agreement

**Property Description**

: Not Applicable

**Consideration Price (Rs.)**

: 0  
(Zero)

**First Party**

: MINISTRY OF POWER GOI

**Second Party**

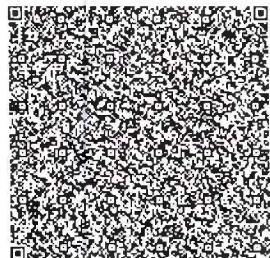
: ADMINISTRATION OF UT OF LAKSHADWEEP

**Stamp Duty Paid By**

: MINISTRY OF POWER GOI

**Stamp Duty Amount(Rs.)**

: 150  
(One Hundred And Fifty only)



Please write or type below this line.....

This e-stamp paper forms an integral part of Memorandum of Understanding dt. 28/02/2018 between Ministry of Power, GoI and Administration of UT of Lakshadweep for operational improvement of Power Department under Ujwal DISCOM Assurance Yojana (UDAY).

**Statutory Alert:**

1. The authenticity of this Stamp Certificate should be verified at "[www.shcilestamp.com](http://www.shcilestamp.com)". Any discrepancy in the details on this Certificate and as available on the website renders it invalid.
2. The onus of checking the legitimacy is on the users of the certificate.
3. In case of any discrepancy please inform the Competent Authority.



**Draft Bipartite MoU for Operational improvements of Power Departments**

**BIPARTITE MEMORANDUM OF UNDERSTANDING**

**AMONGST**

**Ministry of Power, Government of India**

**AND**

**U T of Lakshadweep**

**For achieving improvement in operational efficiencies in Distribution of Power**

This **BIPARTITE MEMORANDUM OF UNDERSTANDING** (hereinafter referred to as the "Bipartite MOU" is made this 28<sup>th</sup> day of February, 2018.

**BY AND AMONGST**

Ministry of Power, Government of India, having its Office at Rafi Marg, Sansad Marg Area, New Delhi – 110001 which expression shall unless it be repugnant to the subject or context thereof, include its successors and assigns, of the **FIRST PART:**

**AND**

Administration of UT of Lakshadweep (hereinafter referred to as "UT of Lakshadweep") which expression shall unless it be repugnant to the subject or context thereof, include its successors and assigns, of the **SECOND PART**

Government of India and UT of Lakshadweep is hereinafter also referred to collectively as the "**Parties**" and individually as the "**Party**"

**Definitions:**

"Effective Date" means the date of signing of the MOU

**Preamble:**

The Power department of Lakshadweep Electricity Department has outstanding liabilities of Rs. 93.31crore at the end of March 2015. The ACS and ARR gap stands at Rs. 21.23 per unit and the AT&C losses stands at 13.75% as on 30<sup>th</sup> September, 2015.

The Government of India and the UT of Lakshadweep have entered into a bipartite MoU in order to improve the operational parameters.

NOW IT IS HEREBY AGREED BY AND AMONG THE PARTIES HERETO as follows:

**1. Obligations / Commitments:**

**1.1 The Government of India to take following measures:**

- a) Additional / Priority Funding through Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme (IPDS), Power Sector Development Fund (PSDF) or other such schemes of Ministry of Power and

Ministry of New and Renewable Energy, will be extended to the UT Administration in meeting the operational milestones outlined in the scheme.

## 1.2 The UT of Lakshadweep to take the following measures:

- a) All outstanding dues from the Government departments for supply of electricity shall be paid by 31<sup>st</sup> March, 2018.
- b) Replacement of street lights with LEDs in all Lakshadweep Islands.
- c) Improving the efficiency of UT Generating Units.
- d) The UT of Lakshadweep shall endeavour to ensure that tariff hikes as reflected in Annexure-B are undertaken.
- e) The UT of Lakshadweep shall endeavour to ensure that all operational targets as enumerated in Clause 1.2(j) are achieved.
- f) UT of Lakshadweep shall endeavour to reduce AT&C losses from 17.48 % in FY16 to 10.00% by FY19 as per the following trajectory:

Year	2015-16	2016-17	2017-18	2018-19
AT&C Loss	17.48 %	13.90 %	10.32 %	10.00 %

However, if the target in a particular year is not met, then the UT of Lakshadweep shall strive to achieve the targets in the subsequent years so as to achieve the desired target of 10.00 % AT&C losses by FY19. The Division wise targets have been finalized as indicated in **Annexure- A**.

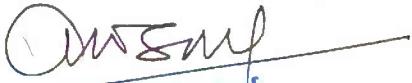
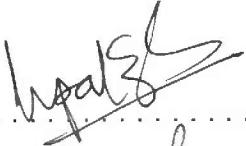
- g) UT of Lakshadweep shall eliminate (after Government support) the gap between ACS and ARR by FY19. Detailed computation of year wise ACS-ARR gap along with financial projections has been attached as **Annexure-B**.
- h) UT of Lakshadweep shall submit the detailed action plan by March, 2018 to achieve the projected trajectory for AT&C loss and ACS-ARR gap.
- i) UT of Lakshadweep shall achieve operational milestones as specified in DDUGJY & IPDS, in any;
- j) UT of Lakshadweep shall take the following measures for Loss Reduction;

- i) Undertaking name and shame campaign to control power theft from time to time.
  - ii) Preparing loss reduction targets at Sections/ sub-divisions and making concerned officers responsible for achieving the loss reduction targets; the loss reduction targets at the Division level have been attached as **Annexure-A** of MOU.
  - iii) Implementing performance monitoring and management system MIS for tracking the meter replacement, loss reduction and day to day progress for reporting to top management.
  - iv) Achieving 100% Distribution Transformer (DT) Metering by 31<sup>st</sup> Dec, 2018.
  - v) Achieving 100% feeder metering by 30<sup>th</sup> June, 2018.
  - vi) Undertaking energy audit up-to 11 KV level in rural areas by 31<sup>st</sup> Dec, 2018.
  - vii) Undertaking Feeder Improvement Program for network strengthening and optimization, to be completed by March 2019;
  - viii) Installation of Smart Meters for all consumers other than agricultural consumers consuming above 500 units / month by 31<sup>st</sup> December, 2019 and consumers consuming above 200 units/ month by 31<sup>st</sup> December, 2019.
  - ix) Providing electricity access to all unconnected households, if any, as per trajectory finalized in the 24x7 power for all document by FY19.
  - x) Implementing ERP system for better and effective inventory management, personnel management, accounts management etc. to reduce costs and increase efficiencies by March 2020.
- k) UT of Lakshadweep shall undertake the following measures for Demand Side Management and Energy Efficiency:
- i) Providing LED for domestic and other category consumers under DEEP program through EESL:
  - ii) Undertaking consumer awareness programs for optimum utilization of resources and to foster long term behavioural changes:
    - a) Implementing Performance Achieve & Trade (PAT) scheme of BEE for improving energy efficiency in Industries.
  - iii) U T of Lakshadweep shall undertake the following tariff measures:
    - a) Quarterly tariff revision particularly to offset fuel price increase – May be exempted as this may not be feasible.
    - b) Timely filing of Tariff Petition before the JERC so that Tariff Order may be issued for the year as early as possible.
    - c) Timely preparation of annual accounts of the U T of Lakshadweep which shall also enable timely filing of the Tariff Petition.
- l) UT of Lakshadweep shall undertake the following measures to increase employee engagement:

- i) Initiating capacity building of employees to enhance technical, managerial and professional capabilities at induction level and in subsequent refresher trainings;
  - ii) Devising Key Performance Indicators (KPIs) for each officer in-charge on areas of AT&C loss reduction and improvement in metering / billing / collection efficiency. The performance of officer in-charge shall be linked to KPIs achieved and will attract incentive / penalty.
- m) U T of Lakshadweep shall implement the following Consumer Service Strategy:
- i) Setting up of Centralized Customer Call Centre for timely resolution of complaints related to no current and other technical complaints, harassment by official, reporting of theft and safety related complaints;
  - ii) Introducing more avenues to consumers for bill payment, which could be in terms of e-payment through net banking, credit/ debit card, kiosks at banks and post offices, village panchayats, mobile collection vans, etc.
- n) U T of Lakshadweep shall identify the key personnel for implementing the scheme (UDAY).
- o) U T of Lakshadweep shall devise the mechanism to motivate and encourage the staff.
- p) Review of performance of **UT** Power department shall be done on a monthly basis at **UT** Government level in the presence of **UT** finance representative.
- q) Base year data in the UDAY Web-portal and updation of Monthly/Quarterly Progress data shall be submitted w.e.f. 31<sup>st</sup> December, 2017
- r) Detailed action plan for implementation of the targeted activities is attached as **Annexure-C** of the MOU.

The Parties agree for making this MoU available in the public domain.

IN WITNESS whereof the Parties hereto have executed these presents the day, month and year first herein above written.

<p><b>SIGNED AND DELIVERED BY</b> (On behalf of MOP, Govt. Of India)</p> <p></p> <p><b>Dr. अरुण कुमार वर्मा</b> Dr. ARUN KUMAR VERMA संयुक्त सचिव / Joint Secretary विद्युत भवानम् / Ministry of Power भारत सरकार / Government of India नई दिल्ली-110001 / New Delhi-110001</p> <p><b>Dr. A.K. Verma, Joint Secretary (Distribution), Ministry of Power</b></p> <p><b>Address :</b> Ministry of Power, Shram Shakti Bhawan, Rafi Marg, Sansad Marg, New Delhi-110001.</p>	<p>In the presence of . . . . .</p> <p></p> <p><b>Signature . . . . .</b></p> <p><b>Name &amp; Designation (S. Venkateshwari)</b> Under Secretary Government of India Ministry of Power Shram Shakti Bhawan Rafi Marg, New Delhi-110001</p>
<p><b>SIGNED AND DELIVERED BY</b> (On behalf of State Govt.)</p> <p></p> <p><b>Mr. Vivek Panday, IAS, Secretary (Power)</b></p> <p><b>Address :</b> Secretariat, Administration of U.T. of Lakshadweep, Kavaratti.</p>	<p>In the presence of . . . . .</p> <p></p> <p><b>Signature . . . . .</b></p> <p><b>Name &amp; Designation</b> Asar Lal Singh Resident Commissioner, U.T. of Lakshadweep</p> <p><b>Address . . . . .</b></p> <p>Lakshadweep House, 16, State Guest House Area Chanakyapuri, N. Delhi - 110021.</p>

**Division wise Loss Trajectory**

Name of Division	AT&C Losses			
	FY 15-16	FY16-17	FY17-18	FY18-19
Lakshadweep	17.48%	13.90%	10.32%	10.00%

## Annexure B

### Financial Projections

#### Key Assumptions:

- Tariff Hike:

FY 15-16*	FY 16-17*	FY 16-18*	FY 17-18*	FY 18-19	FY 19-20
11.74%	10.45%	10.06%	5.00%	5.00%	5.00%

\*Actual as per TO dated \_05-04-2017

- AT&C Loss Trajectory:

FY 16*	FY 17	FY 18	FY 19
17.48%	13.90%	10.32%	10.00%
Billing Efficiency:	FY 16	FY 17	FY 18
		95.62%	95.90%
Collection Efficiency:	FY 16	FY 17	FY 18
		90.04%	93.51%
			93.45%

## Income Statement- Summary

<b>Amount in Rs. Crore</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY 19</b>
Total Income without subsidy (A)	13.69	17.33	18.69	20.17
Total Costs (B)	107.24	135.2	143.21	152.12
<b>Net Income (Without Support) (A-B)</b>	<b>-93.55</b>	<b>-117.87</b>	<b>-124.52</b>	<b>-131.95</b>
Committed Govt. Support	93.55	117.87	124.52	131.95
<b>Net Income (With Govt. Support)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

## Income Statement- Detailed

	<b>Amount in Rs. Crore</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
<b>INCOME</b>					
Revenue from Sale of Power	13.26	16.9	18.24	19.7	
Other receipts	0.43	0.43	0.45	0.47	
Other Income (Including Revenue from trading)					
<b>TOTAL INCOME</b>	<b>13.69</b>	<b>17.33</b>	<b>18.69</b>	<b>20.17</b>	
<b>COSTS</b>					
Cost of fuel	77.16	79.34	83.4	88.58	
R & M Costs	2.47	11.47	11.69	11.93	
Employees Costs	11.2	12.44	12.69	12.94	
Administration & General Costs	1.09	1.41	1.44	1.47	
Depreciation	4.6	7.85	8.85	9.77	
Interest & Finance Costs	6.54	19.24	21.32	23.24	
Other debits	4.18	3.45	3.82	4.19	
Sub-total costs	107.24	135.2	143.21	152.12	
Less: Incidental expenses					

<b>Amount in Rs. Crore</b>	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>FY19</b>
<b>TOTAL COSTS</b>	107.24	135.2	143.21	152.12
<b>NET INCOME</b>	-93.55	-117.87	-124.52	-131.95
<b>Committed UT Govt.</b>				
<b>Support to Power</b>				
<b>Department</b>				
Electricity Duty Retention/ Stamp Duty	-	-	-	-
Interest Subsidy on IBRD loan	-	-	-	-
Cash support	93.55	117.87	124.52	131.95
Others (Compounding charges)	-	-	-	-
<b>Total support available</b>	<b>93.55</b>	<b>117.87</b>	<b>124.52</b>	<b>131.95</b>
<b>NET INCOME after Support</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

ACS- ARR Gap	Amount in Rs. Crore	FY16*	FY17	FY18	FY19
<b>Cost Components</b>					
Cost of fuel	13.23	12.62	11.99	11.51	
O&M and Est. Cost	2.53	4.03	3.71	3.42	
Depreciation Cost	0.79	1.25	1.27	1.27	
Interest Cost	1.12	3.06	3.07	3.02	
Other Debits	0.72	0.55	0.55	0.54	
<b>ACS</b>	<b>18.39</b>	<b>21.50</b>	<b>20.60</b>	<b>19.77</b>	
 <b>ARR</b>	 2.35	 2.76	 2.69	 2.62	
<b>Input Units / Gross Units Generated (MUs)</b>	<b>58.3</b>	<b>62.9</b>	<b>69.5</b>	<b>76.9</b>	
<b>Gap (Before Govt. Support)</b>	<b>16.04</b>	<b>18.75</b>	<b>17.91</b>	<b>17.15</b>	
<b>UT Govt. Support</b>	<b>16.04</b>	<b>18.75</b>	<b>17.91</b>	<b>17.15</b>	
<b>Gap (After Govt. Support)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

\*As per JERC Order for FY15-16. Rest as per projections submitted by department in MYT

**Detailed Action Plan for implementation of targeted activities**

**Annexure C**

Clause no	Activity	Unit	Status/ pending at the end of FY 16	FY-17		FY-18		FY-19		FY-20		Officer Responsible	Resources in INR	Remarks
				H 1	H 2	H 1	H 2	H 1	H 2	H1	H2			
1.2 (g)	AT&C loss reduction trajectory	%	17.48%	13.90%	10.32%	10.00%	-	-	-	-	-	-	-	-
1.2 (k-v)	11 KV Feeder metering functional <i>Feeders(Total)-29 Feeders(Metered)-18</i>	Nos.	11	0	5	6	-	-	-	-	-	-	-	-
1.2 (k-vi)	DT Metering in Urban area (Dist. HQ)	%	Nil	-	-	-	-	-	-	-	-	-	-	-
1.2 (k-iv)	DT Metering in Rural area (Other municipal town) <i>DT (Total)- 106 DT (Metered)- 67</i>	Nos.	39	-	5	34	-	-	-	-	-	-	-	-
1.2 (k-vi)	11 KV feeder audit in Rural area <i>Feeders(Audited)-11</i>	Nos.	7	0	2	5	-	-	-	-	-	-	-	-

Clause no	Activity	Unit	Status/ pending at the end of FY 16	FY-17		FY-18		FY-19		FY-20		Officer Responsible	Resources in INR	Remarks
				H 1	H 2	H 1	H 2	H 1	H 2	H 1	H 2			
1.2 (k-vii)	Feeder Improvement Program on Feeders	Nos	10	Nil		2		8						
1.2 (k-viii)	Feeder separation (separation of Ag load )on feeders	%	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil			
1.2 (k-ix)	Installation of Smart meters/ other than Ag. (Above. 500 Units)	%.	3,837					5%	20%	25%	50%			
	Installation of Smart meters/ other than Ag. (Below 500 Units)	%	19,278					5%	20%	25%	50%			
1.2 (k-x)	Domestic connections (in lakhs) under 24X7 PFA	Nos (in Lakhs )	0.00283	0.00287	0.00291									

Clause no	Activity	Unit	Status/ pending at the end of FY 16	FY-17		FY-18		FY-19		FY-20		Officer Responsible	Resources in INR	Remarks
				H 1	H 2	H 1	H 2	H 1	H 2	H 1	H 2			
1.2 (k-xi)	Implementation of ERP System		100%							50%		50%		
1.2 (l-i)	Providing LED bulbs under DELP	Lakhs	1.0	1.0										

## **Monthly monitoring format for States participating in UDAY**

Name of the State:

Status as on:

### **A Financial Parameters**

1	Total outstanding debt of DISCOMs as on 30.09.2015 (Rs crore)
2	Amount of unpaid overdue interest and penal interest waived off by Banks / FIs (Rs Crore)
3	Eligible outstanding debt of DISCOMs as on 30.09.2015 (Rs crore)
4	50% of the outstanding debt to be taken over in 2015-16 (Rs Crore)
5	25% of the outstanding debt to be taken over in 2016-17 (Rs crore)
6	Bonds Issued by the State (Rs crore)
7	Bonds issue date
8	Rate of Interest on bonds (%)
9	Debt taken over by State transferred to DISCOMs in form of Grant (Rs crore)
10	Debt taken over by State transferred to DISCOMs in form of Loan (Rs crore)
11	Debt taken over by State transferred to DISCOMs in form of equity (Rs crore)
12	Operational(CRORE) Funding Requirement (OFR) support provided to DISCOMs (Rs
13	Outstanding electricity dues from the State Government departments to DISCOMs (Rs Crore)
14	Outstanding(DATE) electricity dues from the State Government departments paid on
15	Previous Year's DISCOM losses taken over by State (Rs crore)

## **Monthly monitoring format for States participating in UDAY**

Name of the State:  
Status as on:

### **B Operational Parameters**

1 AT&C loss (%)	Target	Actual
2 Billing efficiency (%)	Target	Actual
3 Collection Efficiency (%)	Target	Actual
4 Gap ACS - ARR (Rs per unit)	Target	Actual
5 Distribution loss (%)	Target	Actual
6 Total number of un metered Feeders		
7 Number of Feeders metered in the current month		
8 Total number of un metered Distribution Transformers (DTs)		
9 Number of Distribution Transformers (DTs) metered in the current month		
10 Total Number of Smart Meters to be installed		
11 Number of Smart Meters installed in the current month		
12 Total number of LED Lamps to be replaced		

- 13 Number of LED Lamps replaced in the current month
- 14 Total number of Ag pumps to be replaced
- 15 Number of Ag pumps replaced in the current month

### **Monthly monitoring format for States participating in UDAY**

Name of the State:

Status as on:

#### **C Other Managerial / monitoring activities**

1	Detailed action plan achieve the projected trajectory for AT&C loss and ACS-ARR gap submitted or not?
2	Energy audit at 11 KV level started or not?
3	Key person for implementing UDAY identified or not?
4	No of awareness campaigns done for energy efficiency and theft prevention
5	Date of Review taken by CMS / MD of DISCOMs
6	Date of Review taken at State level