



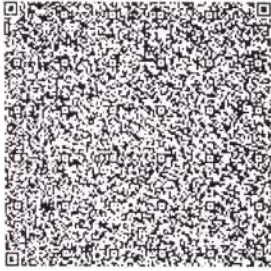
सत्यमेव जयते

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Certificate Issued Date	: 31-Oct-2017 12:03 PM
Account Reference	: IMPACC (IV)/ dl889403/ DELHI/ DL-DLH
Unique Doc. Reference	: SUBIN-DL47364014955848P
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	: UT OF DADRA AND NAGAR HAVELI AND OTHERS
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This e-stamp paper forms an integral part of Tripartite Memorandum of understanding amongst Ministry of Power, Government of India, Administration of UT of Dadra & Nagar Haveli (DNH) and DNH Power Distribution Corporation Limited (DNHPDCL) executed on 20th November, 2017 for achieving operational turn around of DNHPDCL.

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**TRIPARTITE MEMORANDUM OF UNDERTANDING
AMONGST**

Ministry of Power, Government of India

AND

Administration of UT of Dadra & Nagar Haveli (DNH)

AND

DNH Power Distribution Corporation Limited (DNHPDCL)

**For achieving operational turnaround of DNH Power Distribution
Corporation Limited (DNHPDCL)**

This **TRIPARTITE MEMORANDUM OF UNDERSTANDING** (hereinafter referred to as the "Tripartite MOU" is made this on 10th day of November 2017.

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

AND

DNH Power Distribution Corporation Limited (herein after referred as to "DNHPDCL") which expression shall unless repugnant to the context or meaning thereof includes its successors and assigns) of the **THIRD PART**

The Government of India, the Administration of Dadra and Nagar Haveli, and the **DNH Power Distribution Corporation Limited** 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

"**DNH DISCOM**" means **DNHPDCL**

Preamble:

The Government of India, The Administration of Dadra and Nagar Haveli and the **DNH Power Distribution Corporation Limited**, have entered into a tripartite MOU in order to improve the operational efficiency of the **DNH Power Distribution Corporation Limited** to enable the operational turnaround of the DISCOM.

DNHPDCL has outstanding liabilities of Rs. 47 Cr. at the end of March 2017. There is no gap between ACS-ARR. DNHPDCL shall strive to maintain the same till FY 2018-19. The AT&C losses in the UT stands at 7.95% in at the end of March 2017.

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) Priority allocation of firm power from central generating stations
- b) Faster completion of ISTN lines:
- c) 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 DNH Administration in meeting the operational milestones outlined in the scheme.

1.2 The Administration of DNH to take the following measures:

- a) All outstanding dues from the Government department to DNHPDCL for supply of electricity shall be paid by 31.12.17 (except litigation and criminal investigations)
- b) Replacement of street lights with LEDs in all municipal towns through Nagar Nigam / Municipal Corporations / UT Administration
- c) The Administration of Dadra and Nagar Haveli shall endeavour to ensure that tariff hikes as reflected in Annexure-B are undertaken, if required.
- d) The Administration of Dadra and Nagar Haveli shall endeavour to ensure that all operational targets as enumerated in Section 1.3 are achieved.
- e) The Administration of Dadra and Nagar Haveli will endeavour to reduce the transmission losses from 4.7 % in 2016-17 to 4.5% by 2018-19
- f) Review of DNHPDCL's performance shall be done on a monthly basis at Government level in the presence of State finance representative.

1.3 The DNH Power Distribution Corporation Limited to take the following measures:

- a) As per the UDAY scheme, all DISCOMs have to reduce AT&C losses to 15% by FY 2018-19. Considering the current level of AT&C losses of 7.95% of DNHPDCL, the DISCOM has proposed to reduce it to 7% by FY 2018-19 as per the following trajectory:

Year	2016-17	2017-18	2018-19
AT&C Loss	7.95%	7.50%	7.00%

However, the UT will make efforts to ensure that DISCOM reduce AT&C losses to 6.50% by FY 2018-19. If the target in a particular year is not met, then the DNHPDCL shall strive to achieve the targets in the subsequent years so as to achieve the desired target of 6.50% AT&C losses by FY 2018-19. Year wise targets have been finalized as indicated in **Annexure- A**.

- b) As per the UDAY scheme, all DISCOMs have to eliminate gap between ACS & ARR by FY 2018-19. Currently, the gap is zero. DNHPDCL shall strive to maintain the same till FY 2018-19. Detailed computations of year wise ACS-ARR gap along with financial projections have been attached as **Annexure-B**.
- c) DNHPDCL shall submit the detailed action plan by 31-12-2017 to achieve the projected trajectory for AT&C loss and ACS-ARR gap.
- d) The DNHPDCL shall achieve operational milestones as specified in DDUGJY & IPDS:
- e) The DNHPDCL shall take the following measures for Loss Reduction:
- Undertaking name and shame campaign to control power theft from time to time.
 - Preparing loss reduction targets at sub-divisions level and making concerned officers responsible for achieving the loss reduction targets; the yearly loss reduction targets have been finalized as indicated in Annexure- A of MOU.
 - 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 **31st March 2018.**
- v) Already achieved 100% feeder metering
- vi) Undertaking energy audit up-to 11 KV level in rural areas by **30th September 2018.**
- vii) Undertaking Feeder Improvement Program for network strengthening and optimization, to be completed by **31st September 2018;**
- viii) Physical Feeder Segregation not applicable for DNH.
- ix) Installation of Smart Meters for all consumers other than agricultural consumers consuming above 500 units / month by 31st December 2018 and consumers consuming above 200 units/ month by 31st March 2019.
- x) There is access to 100% household electrification in DNH as per trajectory finalized in the 24x7 power for all document.
- xi) Implementing ERP system for better and effective inventory management, personnel management, accounts management etc. to reduce costs and increase efficiencies by 31st March 2019.
- f) The DNHPDCL shall undertake the following measures for Demand Side Management and Energy Efficiency:
 - i) Providing LED for domestic and other category consumers under DELP program through EESL:
 - ii) Undertaking consumer awareness programs for optimum utilization of resources and to foster long term behavioural changes:
 - iii) Replacing at least 10% of existing agriculture pumps with energy efficient pumps by March 2019
 - iv) Implementing PAT scheme of BEE for improving energy efficiency in Industries.
- g) The DNHPDCL shall undertake the following tariff measures:

- i) Quarterly tariff revision particularly to offset fuel price increase;
 - ii) Timely filing of Tariff Petition before the JERC so that Tariff Order may be issued for the year as early as possible.
 - iii) Timely preparation of annual accounts of the DNHPDCL which shall also enable timely filing of the Tariff Petition.
- h) The DNHPDCL 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.
- i) The DNHPDCL 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.
- j) The DNHPDCL shall procure power through the transparent process of competitive bidding.
- k) DNHPDCL shall identify the key personnel for implementing the scheme (UDAY).
- l) DNHPDCL shall devise the mechanism to motivate and encourage the staff.
- m) Base year data in the UDAY Web-Portal and up-dation of Monthly/Quarterly Progress data shall be submitted w.e.f. January, 2018

- n) It is hereby agreed that this signed MOU can be put in the public domain by any of the signatory.

Details action plan for implementation of the targeted activities is attached as **Annexure-C** of the MOU.

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

<p>SIGNED BY DELIVERED BY (On behalf of MOP, Govt. of India)</p> <p>Signature :</p>  <p>Name & Designation : Dr. A.K. Verma Joint Secretary (Distribution) Address : Ministry of Power, Shram Shakti Bhawan, Rafi Marg, Sansad Marg, New Delhi-110001.</p>	<p>In the presence of</p> <p>Signature</p> <p>Name & Designation</p> <p>.....</p> <p>Address</p> <p>.....</p>
<p>SIGNED AND DELIVERED BY (on behalf of State Govt.)</p> <p>Signature</p>  <p>S.S. Yadav, IAS, Secretary (Power), Administration of DNH Address: Secretariat Building, Silvassa, Dadra and Nagar Haveli (UT)</p>	<p>In the presence of</p> <p>Signature</p> <p>Name & Designation</p> <p>.....</p> <p>Address</p> <p>.....</p>
<p>SIGNED AND DELIVERED BY (On behalf of DNHPDCL)</p> <p>Signature</p>  <p>Kannan Gopinathan, IAS, Managing Director (DNHPDCL) Address: Vidyut Bhawan, Near Secretariat Building, Silvassa, Dadra and Nagar Haveli (UT)</p>	<p>In the presence of</p> <p>Signature</p> <p>Name & Designation</p> <p>.....</p> <p>Address</p> <p>.....</p>

Annexure-A

DNHPDCL- Division wise Loss Trajectory

Name of Division	AT&C Losses		
	FY 2016-17	FY 2017-18	FY 2018-19
DNHPDCL	7.95%	7.50%	7.00%

Annexure B

Financial Projections of DNH Power Distribution Corporation Limited

- Tariff Hike:**

FY17	FY18	FY19
4.14	5.04	5.30

- AT&C Loss Trajectory:**

FY17	FY18	FY19
7.95%	7.50%	7.00%

- Billing Efficiency:**

FY17	FY18	FY19
93.90%	94.40%	94.90%

- Collection Efficiency:**

FY17	FY18	FY19
98%	98%	98%

Income Statement- Summary

Amount in Rs. Crore	FY17	FY18	FY 19
Total Income	2007.11	1929.00	1850.97
Total Costs	2075.22	2129.78	2237.33
Net Income (Without Subsidy)	-68.13	-200.78	-386.36
Committed State Govt. Subsidy	0.00	0.00	0.00
Net Income (With Subsidy)	-68.11*	-200.78**	-386.36***
Remarks	JERC has approved of these costs and revenue. However, losses would be compensated through accumulated surplus from previous years		

*As per actuals

**As per JERC tariff order

***Projections as per JERC present order

Income Statement- Detailed

Amount in Rs. Crore	FY17*	FY18**	FY19***
INCOME			
Revenue from Sale of Power (ex/c Subsidy)	1894.94	1761.99	1850.97
Other receipts	112.17	0.00	0.00
Other Income (Including Revenue from trading)	0	167.01	0.00
TOTAL INCOME	2007.11	1929.00	1850.97
COSTS			
Power Purchase Costs	2031.70	2067.96	2172.39
R & M Costs	1.07	8.71	9.15
Employees Costs	12.50	10.84	11.39
Administration & General Costs	6.44	5.10	5.36
Depreciation	13.91	28.04	29.46
Interest & Finance Costs	9.33	16.18	17.00
Other debits/ Prior Period Gaps	0.29	75.22	79.02
Provision for Taxes	3.13	-	-
TOTAL COSTS	2078.37	2129.78	2237.33
NET INCOME w/o Subsidy	-71.26	-200.78	-386.36
Committed State Govt. Subsidy			
Revenue Subsidy	0.00	0.00	0.00
Other Subsidy	0.00	0.00	0.00
Total subsidy available	-71.26	-200.78	-386.36
NET INCOME with Subsidy			

Note: Rs. 4 Cr. has been received as capital grant

*As per actuals; **As per JERC tariff order; ***Projections as per JERC present order

ACS- ARR Gap			
Amount in Rs. Crore	FY17*	FY18**	FY19***
<i>Net Power Purchase Cost*</i>	3.82	4.54	4.77
<i>Cost of Energy Lost</i>			
Net PP per unit sold	0.50	0.50	0.50
	4.32	5.04	5.27
O&M and Estt Cost	0.00	0.00	0.00
Depreciation Cost	0.00	0.00	0.00
Interest Cost	0.00	0.00	0.00
Other Debits	4.32	5.04	5.29
ACS			
ARR	4.32	5.04	5.29
Gap	0.00	0.00	0.00

Per Unit Cost and Revenue Calculated on Input Energy

**As per actuals*

***As per JERC tariff order*

****Projections as per JERC present order*

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		Officer Responsible	Resources in INR	Remarks
				H 1	H 2	H 1	H 2	H 1	H 2			
1.3 (a)	AT&C loss reduction trajectory	%	8.00	7.80	7.95	7.60	7.50	7.25	7.00		-	
1.3 (e-iii)	11 KV Feeder metering functional (21,993)	%	100%	-	-	-	-	-	-			
1.3	DT Metering in Urban area (Distt. HQ)	%	100%	-	-	-	-	-	-			
(e-iv)	DT Metering in Urban area (Other municipal town)	%	80%	85%	90%	95%	100%	-	-			
1.3 (e-v)	11 KV feeder audit in Rural area	%	10%	10%	20%	40%	60%	80%	100%			
1.3 (e-vi)	Feeder Improvement Program on Feeders	%	20%	40%	70%	100%	100%	100%	100%			
1.3 (e-vii)	Feeder separation (separation of Ag load) on feeders	%	0%	0%	0%	0%	0%	0%	0%			
1.3	Installation of Smart meters/ other than Ag. (Abv. 500 Units)	%	0%	0%	0%	10%	40%	80%	100%			
(e-viii)	Installation of Smart meters/ other than Ag. (Below 500 Units)	%	0%	0%	0%	0%	0%	20%	40%			
1.3 (e-ix)	Domestic connections (in lakhs) under 24X7 PFA	Nos (in Lacs)	57438	100%	100%	100%	100%	100%	100%			
1.3 (e-x)	Implementation of ERP System	-	0%	0%	0%	10%	30%	90%	100%			
1.3 (f-i)	Providing LED bulbs under DELP	Lacs	100%	-	-	-	-	-	-			