

# *Rural Electrification Corporation*

(A Govt. of India Undertaking)

## Evaluation of Franchisee System: Report on Bongaigaon (Assam)



Dated: 28<sup>th</sup> Feb' 2007

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## Evaluation of Franchisee System: Report on Bongaigaon (Assam)



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 **IRADE** Integrated Research and  
Action for Development

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## **Executive Summary**

Rural Electrification Corporation Ltd. (A Govt. of India Undertaking), Ministry of Power, GOI have desired to evaluate the Franchisee system in operation in the State of Assam through study of Sample villages in the Bongaigaon(District) Distribution Circle.

The Franchisee system have been deployed for management of rural electricity distribution system and these have been made mandatory to avail the subsidies in projects of Rural Electricity Distribution backbone and Village Electrification Infrastructure being routed through REC under RGGVY. Rajib Gandhi Grameen Vidyutikaran Yojna(RGGVY) is being implemented through REC provides grants funds for rural electrification.

1. The franchisee system was studied with reference to the field survey of randomly selected sixteen villages out of thirty-eight villages in Bongaigaon District, which Franchisees are operating. Survey has been completed in all sixteen villages.
2. The franchisees in Assam are individual entrepreneurs and started working in 2003, prior to the introduction of RGGVY scheme. Under Single Point Power Supply(SPPS) scheme, measured electrical energy at the LT side of Distribution transformers is given to franchisee(Agents), for revenue collection in the command areas of Distribution Transformer.
3. The responsibility of franchisees include Meter reading and billing, Revenue collections and remittance to the utility redressal of commercial and billing complaints, feed back to utility on status of electrical network and facilitate release of new service connections.
4. Franchisees fall in the Model 'B' of REC guidelines and are seen to be working in consonance with the Ministry of Power, GOI, OM dated 18.03.06
5. Franchisees are selected through a laid down procedure and guidelines of Assam State Electricity Board/LAEDCL. Franchisees are in the initial stages of development. Willingness and endeavour shown by the franchisee plays a substantial role in their selection because the selection is on the basis of the qualitative criteria from amongst those willing to work in a particular subdivision or block. The selection procedure is seen as transparent, but improvements are feasible by introducing competition and quantitative parameters.

6. The service expenses of the franchisee are provided through a commission of 15% on the total bill amount for domestic/non domestic consumers after allowing a technical loss of 10% in the total supplied at Distribution transformer out let.
7. There are demands from some of the franchisees to enhance the rate of commission and ways of compensation seen from the point of view of revenue sustainability for the franchisee and the utility and also to reduce the burden of subsidy on the states, the commission given to franchisee is considered reasonable. However each franchisee must have adequate volume of business to make their operations commercially sustainable.
8. Significant numbers of franchisees are operating in Assam. These franchisees, are all SPPS scheme. Same agent/franchisee is working on a number of Distribution transformers, thus making his operations sustainable.
9. The franchisees normally have a two-year contract. Their services could be discontinued or they themselves may decide to discontinue. Some franchisees had a tendency to default and some of them had left the field, with ASEB taking over the village or DTR again. However in most of the cases franchisees are working reasonably well. Consumers could be encouraged to form consumer cooperatives and few of the consumers could provide franchisee services. This could further stabilize the system.
10. The same franchisee/agent working in sample villages are seen to work on a number of Distribution Transformers. This is seen as a healthy trend to improve the financial viability of the franchise. Larger scale of operations could be given to efficiently performing franchisees to improve their revenue sustainability. One aspect which needs to be given consideration is, whether distribution network could be improved on sound development principles so as to reduce the technical losses. For this purpose, Distribution transformers should be so located that these should be nearer to the loads.
11. Most of the franchisees complain of the power interruptions and shortage in power supply. The average hours of power supply is only fifteen(15) hours daily. Ways have to be found to increase the supply of power from the state Grid to increase the volume of business of the franchisees.
12. Franchises in Assam were basically encouraged by ASEB to take over the business of electricity distribution in remote and rural areas. Rural areas don't have proper

technical and commercial understandings to work as an arm of ASEB/LAEDCL to manage the Distribution System in a healthy manner. ASEB has yet to organized comprehensive training programme for franchisees so that they could be more effective. It would be desirable to design a desirable Training capsule and train the Franchisees operating in Assam.

13. The field survey of sample villages in Bongaigaon Distribution Circle suggest that average billing out of the total units supplied is about 87-90%, which is a very good showing. Franchisees in the rural areas have definitely shown very good results in terms of improvement in revenue collections.
14. The RGGVY scheme is yet to be implemented in Assam. This had been delayed because the villages in Assam were mostly electrified and hence de-electrified villages are being included under RGGVY projects. Perhaps it is due to this reason and also due to better economic status of villages in Bongaigaon District in Assam that only in two villages few BPL connections are reported. Franchisees started operating in Assam due to village electrification prior to RGGVY and good performance of Franchisees is reflected in significantly satisfied consumers in the villages.
15. Among the sample villages it was seen that almost 100% of the villages were fully electrified with the electrification certificate issued by Gram Panchayat and access to electricity was available to 34% of the households who were having domestic connections. If shortage of power supply is overcome, further intensification of consumers is feasible.
16. The induction of Bulk Supply Tariff (BST) and the electricity sale based franchisee system is still to take shape in Assam. This will be feasible only when franchisees develop into technically and commercially sound entities.
17. Franchisees have started demanding allowance for more losses and higher rate of commission to establish their commercial viability. There is need to develop effective models of franchisee operations so that ASEB can sustain the benefits of franchisee operations.
18. The impact of franchisee in generating employment for themselves and also for the economic development of villages is seen as stimulating in a total population of 18600 in the sample villages. The per capita consumption is estimated to have from 10 units to 20 units per annum.

19. **Suitable Franchisee Model:** the Single Point Power Supply (SPPS) scheme is practiced throughout Assam as a franchisee Model for villages. In the present form out of the 100 units at DTR outlet 90 units are expected to be billed and 15% of the total billed amount i.e. 13.5 units are given as a commission to the franchisee. The franchisee thus accounts for a loss of 23.5% to the utility on the energy supplied at SPPS. Out of this loss the gain to the utility is the savings in the manpower costs and if routine maintenance is included in the franchisee scope, then it saves the routine O & M costs as well. In state DISCOMs in India Employee + O & M costs, range between 5.4% to 9.6% of the minimum amounts to be billed. Even in this existing inefficient scenario the expenditure on Employee + O & M costs is less than 90%. The estimated technical loss of 10% down stream of DTR is also adequate to cover losses even in quite inefficient system. Assam Franchisee model has sufficient margin for revenue sustainability of the franchisees in rural areas. The scale of operations should however be expanded to give a reasonable economy of scale. Quantum of Electricity to be supplied under SPPS scheme could be linked either to an 11KV feeder or to a cluster of village/DTRs.
20. **New Technologies:** ASEB is utilizing the services of Price Watercoopers to develop Franchisee billing Tools(FBT) for rural franchisees to standardize revenue management process. This is being integrated with Franchisee performance Management System(FPMS). Intelligent Broad band Power Lines(BPL)/Power Line Communication(PLC) systems are feasible to provide completely integrated smart grid applications and commercial broad band communications services over existing medium and low voltage electric grids. BPL does not need power on power grid network, but it would need some back up power (solar or UPS) to keep them functioning. E-mail services, IP based telephony and data connectivity are feasible through BPL/PLC systems. Even though presently rural areas do not possess adequate knowledge and skills to make use of this technological feasibility, communications linked to Distribution of electricity can form an integrated business opportunity for franchisee in villages in the long run.
21. **Improvement in quality of supply:** Franchisees were willing to expand their business network in general. They strongly felt the necessity of mobilizing new domestic consumers and commercial and industrial consumers in the village. To make it feasible

they have contributed significantly in reducing hooking and theft of electricity. Unauthorized consumption has been reduced to below 5% in most of the villages. Sharp and effective support of law and order authorized can eliminate the theft. Almost all the franchisee feel that if they were given full authority to provide new connections, they could reduce theft more effectively. Reduction in theft and timely attention to faults and interruptions has improved the quality of supply considerably. In spite of this, power cuts and interruptions in supply are quite evident every day due to shortage of supply. Thus in spite of franchisee contribution in improving quality of supply, increased generation capacity is needed to improve quality of supply.

22. **Impact of Franchisee:** Franchisees employ local persons. They remarkably improved billing and revenue collections. They are willing to expand their operations. Further planning by franchisee to cater to increasing demand by strengthening the network is impracticable network. Considerable improvements are noticed in attending to faults and repairs in the network, and time of reporting faults as well as attending to faults has been substantially reduced.

## **1. Electricity Distribution System- Assam:**

Assam State Electricity Board (ASEB) was set up under the Electricity (Supply) Act 1948 in the year 1958 in the composite state of Assam. Assam has an area of about 78500 sq. kms and population of 27 million. Assam is divided in 28 districts comprising of 87 towns and 26247 villages (2001 census)

ASEB continued to manage the entire electricity sector in the Assam state, including generation, transmission, and Distribution till recently (2004). ASEB has been recently restructured into five companies, separately Generation, Transmission and Distribution functions of electricity business.

- 1) Assam Power Generation corporation Ltd.(GENCO)
- 2) Assam Electricity Transmission Corporation Ltd.(TRANSCO)
- 3) Upper Assam Electricity Distribution Company Ltd.(DISCOM)
- 4) Lower Assam Electricity Distribution Company Ltd.(DISCOM)
- 5) Central Assam Electricity Distribution Company Ltd.(DISCOM)

The three DISCOM each for Upper Assam, Lower Assam and Central Assam manage Distribution system in the state.

ASEB serves over one million consumers and provides electricity to all the major population centres in Assam as well as about 70% of rural villages. Presently it is estimated that only 20% of rural households are electrified(2005).

In Assam, the rural Electrification(RE) programme was started by ASEB in 1966-67 with a cell headed by an Executive Engineer. RE programme is now headed by a chief Engineer.

National Rural Electrification policy 2004 and the state Rural Electrification Policy 2005 aims at achieving electrification of all villages by 2007 and to provide access to electricity to all households by 2012.

## **2. Electricity Distribution in Villages:**

Rural Electrification and electrification of villages involves feeding small loads which may or may not be much dispersed geographically. Consequently infrastructure costs tends to be high compared to the returns expected. Commercial operation of the village distribution system are therefore in question. Flat rate highly subsidized electric supply to irrigation pumpsets in the rural areas together with extended distribution network to villages with hardly any domestic load , became the main source for leakage of valuation electric energy leading to bankruptcy of

most State Electricity Boards. Commercially sustainable Rural Electrification Programme has thus become a necessity after the enforcement of the EA-2003 when SEBs are unbundled and GOI has announced a policy to provide access to electricity to all households by 2012. GOI policy targets:

- Electricity to all village and habitations by 2007
- Access to electricity to all households(including rural) within 5 years i.e. by 2010
- Electricity connection(free of charge) to all Below Poverty Line(BPL)- say latest by 2012

Rajiv Gandhi Grameen Vidyutikaran Yojna(RGGVY) was thus launched by GOI in April 2005 with Rural Electrification Corporation(REC) of India as the nodal agency. The ongoing programmes of rural electrification under implementation by REC i.e.

- Accelerated Electrification of one lakh villages and one crore households, and
- Minimum Needs Programme(MNP) for villages

Were merged into RGGVY with a view to develop electricity infrastructure in the villages.

Ministry of Power, GOI thus provided grants of a substantial order to the states under RGGVY through REC to create village Electricity infrastructure in each village. Grants were focused to be used for setting up:

- a) Rural Electricity Distribution backbone(REDB) with at least one 33/11 KV (or 66/11 KV) sub station in each block.
- b) Village Electrification Infrastructure(VEI) with at least one distribution transformer in each village/habitation.
- c) Decentralized Distributed Generation(DDG) systems where grid supply is not feasible or cost effective.

The rural electricity infrastructure(REI) is the prerequisite for operating the electricity distribution in the village and RGGVY initiative is meant to bring better quality of life to the villages. Thus it is meant to bring economic activity to the villages in such a manner that it is commercially sustainable. Village electricity infrastructure is meant to be created to facilitate:

- Rural Development
- Irrigation to agriculture
- Promoting small scale industries

- Support education and information technology
- Give incentive to health care
- Cold storage and preserve agricultural produce
- Generate employment
- Alleviate poverty
- Drinking water availability

The sustainability of the REI is essential for growth and development of villages to facilitate the economic activities stated above. This sustainability is crucial from the following angles:

- 1) REI should well maintained to deliver electricity and it should be feasible to strengthen it over time to more consumers and to fulfill growing demand for electricity
- 2) Electricity supplied should be paid for so as to create a revenue stream which will maintain the generation and supply of electricity to the village.
- 3) Distribution management system introduced villages should be commercially viable. Expenses of utilities should be fully met the revenues realized in each village

Even though rural electrification programme in India was started in 1966-67 and electricity infrastructure was created in large number of villages constituting about 80% of the total villages, the absence of commercial sustainability resulted in very minimal achievements in the past; RGGVY conceived after the enactment of the EA-2003 is intended to result in effective rural electrification.

### **3.0. Introduction of the Franchisee System:**

The franchisee system in the state of Assam emerged from the Digboi Division in Upper Assam. A preliminary study in the Digboi Division indicated that in every sub-division of this division, more than 70% of the receivable revenue pertained to rural areas.

To reduce the receivables and to improve the revenue collection within the ASEB system, Single Print Power Supply Scheme (SPPS) was conceived by ASEB long back in 2001. The poor collection in Digboi Division provided the incentive to introduce SPPS in Margherita Electrical Subdivision during 2003. in the “Pilot Project” to introduce SPPS, meters were

installed at the Distribution transformers ranging from 16 KVA to 100 KVA supplying electricity to 22 villages.

### **3.1. Definition of Franchisee:**

Franchisee as an individual or an entity is seen as an assistant to the parent entity in conducting a business and can be defined as: “ An individual, group, or business entity, who is granted a special right or privilege to conduct a business in distributing electricity, exercising power of another empowered ENTITY to market its goods and services in a particular territory under the ENTITY’s trade mark, and involves the use of rules and procedures designed by the parent ENTITY. Services and facilities are provided by parent ENTITY in return for fees, royalties, or other suitable compensations”

ASEB introduced the system of Franchisee by the name “Agent” in the scheme of Single Point Power Supply. A circular dated 3.11.2004 sent by additional chief engineer (commercial) ASEB to all chief executive officers, State Engineers of the Electrical Circle of ASEB named the scheme as “Revenue Collection in rural Areas through Agent”. The scheme was approved by ASEB vide resolution no 19 Dated 16.10.04

### **3.2. Benefits of Appointing Agents/Franchisee in SPPS:**

From the point of view of ASEB the system of “Agent”/ “Franchisee” was introduced to implement Single Point Supply Scheme(SPPS) for better consumer satisfaction and better revenue collection through the following rational:

- Consumers had to deal with the Agent present in their village. Consumers had to move small distances compared to far flung Utility offices (upto 30 kms) to make payments.
- Meter reading / Billing were made much faster with introduction of 30 days billing cycle and timely distribution of bills.
- “Agent” was available at door steps to take care of fuse call service and fast restoration of supply.
- Consumers were getting speedy response to maintenance and billing problems.
- Employment was generated and there was much better understanding between the “Agent” and consumers when compared to utility

### **3.3. SPPS Scheme of ASEB to set up ‘Agents’/Franchisee’:**

In the SPPS scheme ASEB engages a local agent as a franchisee for taking full responsibility of billing and collection of revenues against power supplied through a distribution transformer to the village or to villages. A meter is installed at the LT side of the distribution transformer which measures the quantum of energy supplied to the ‘Agent’ and becomes the basis of revenue to be paid to ASEB after deducting the agents commission.

#### **3.3.1. Criteria for Selecting DTRs under SPPS:**

SPPS scheme was introduced on selected distribution transformers under the following criteria:

- Distribution transformers in rural areas not covered by any municipality or town committee were included
- Initially transformers up to 100KVA size were considered which is now raised to 250 KVA
- Only such distribution transformers(DTs) are included in SPPS where minimum 80% of connected load is domestic.
- For the time being only 25% of total DTs in each field subdivision in rural areas are covered in the scheme.

#### **3.3.2. Selection Criteria for agents/ Franchisee:**

Agents/ Agencies for SPPS are selected on the basis of following criteria:

Agents to serve as ASEB’s franchisee’s can be

- Users association
  - NGO
  - A village body(Panchayat or Gram cooperative)
  - An individual
- Preference is given to users associations registered as societies
- Selection is based on capability and first come first serve basis
- Number of agencies per sub division are restricted to ten(10) in phase I

### **3.3.3. Procedure for appointing Agents/franchisee:**

The procedure for appointing agents involves:

- Location of probable sites/DTs by sub divisional engineer(SDE)
- Proposal with relevant data worked out by SDE
- News paper advertisements are issued inviting interested parties to apply
- Proposal of appointment given by SDE is examined by EE and sent to CEO of the circle for approval
- On approval EE notifies the site and agent to all stake holders
- Selected agency has to deposit security and execute agreement with EE within one month

Security to be deposited by the agency is equal to the value of 2 months assessed consumption at the lowest slab of domestic tariff on total connected load of consumers.

The agreement executed between ASEB and the agency is for a minimum period of 2 years in first instance and extendable by mutual consent. The agreement may be terminated with two months notice from either side.

### **3.3.4. The commencement of agents work and the agreement necessitates:**

- Three phase static meters to be installed by ASEB on LT side of DT with proper metering cabinet
- Necessary renovation work on lines and sub-station to be completed
- Proper guidelines are given to the agency on nature of duties and responsibilities
- ASEB issues necessary certificate to the agency to carry out work within stipulated area and period
- ASEB arranges for due notification among local residents and concerned parties about the Agency's rights in the area.

### **3.3.5. Agent/Franchisees responsibilities:**

The following responsibilities are discharged by the franchisee when operating the SPPS scheme for the utility

- Statement of list of consumers with name/address are submitted to ASEB
- Receives electricity in bulk at one or more points on the LT side of DTs
- Prepare service bills to consumers as per ASEB tariffs on monthly basis within due date
- The franchisee is authorized to disconnect supply on non-payment with 15 days notice in consultation with ASEB
- Franchisee/Agent maintains consumer ledgers and copy of monthly ledger sheet to sub-division of SEB within first week of every month.
- Agency attends to all fuse calls from the consumers
- Agency is responsible to prevent unauthorized use of electricity within the area of its jurisdiction

### **3.3.6. ASEB's responsibilities towards Agent/Franchisee:**

During the operations of the Franchisee, following responsibilities are discharged by ASEB

- Supply of electricity to the agency's area at defined points
- Issue of single point supply bill to the agency within the 10<sup>th</sup> of every month
- Receiving monthly revenue from the agency within due date
- Providing service connection to new applicant consumers and to give details of new connections to agency
- Maintenance of distribution lines and sub-station

### **3.4. Growth of Agents/Franchisee in Assam under SPPS scheme:**

Since the programmed introduction of the scheme in Assam since November 2004, Assam has made substantial progress

- 815 DTs handed over to 226 franchisees with 29915 consumers till June 2006
- 1252 DTs handed over to 307 franchisees with 52514 consumers till Oct. 2006

In Bongaigaon circle, in which evaluation study of the franchisee system has to be conducted through 16 sample villages; the status is as below:

Number of transformers(DTRs) selected = NA

Number of DTRs handed over = 73

Number of franchisee agencies = 16

Number of consumers under the DTRs = 4750

#### **4.0. Ministry of Power Guidelines on RGGVY:**

MOP,GOI issued on dated 18<sup>th</sup> March 2005 covering the presidents approval to “Rajiv Gandhi Gramin Vidyutikaran Yojna(RGGVY) scheme of Rural Electricity infrastructure and Household electrification”

The scheme to be implemented through the rural Electrification Corporation(REC) envisages 90% capital subsidy for the projects under the scheme

#### **4.1 Responsibilities of States:**

For utilizing the subsidy the states are required to meet certain conditions as below:

- States must make adequate arrangements for supply of electricity
- There should be no disconnections in the hours of supply between rural and urban households.
- Prior commitment of the states for the deployment of franchisees for the management of rural distribution in projects under RGGVY
- Commitments of the states to provide requisite revenue subsidies to stat utilities as required under the EA-2003

#### **4.2. Projects included in RGGVY scheme:**

The capital subsidy would be available for provision of

- Rural Electricity Distribution Backbone(REDB)
- Village Electrification Infrastructure(VEI)
- Decentralized Distributed Generation(DDG)
- Electrification of BPL households

The OM included, overall cost estimates of different components of all villages and households, unelectrified villages and households having access to electricity as per census 2001.

#### **4.3. Franchisees:**

The OM stated “In the management of rural distribution through Franchisees who could be NGOs, Users Association, Corporation or Individual entrepreneurs, the Panchayat institutions would be associated.” The franchisee arrangement could be for system beyond and including feeders from substations or from and including Distribution Transformers.

#### **4.4. Revenue Sustainability:**

The OM stated that based on the consumer mix and the prevailing consumer tariff and likely load Bulk Supply Tariff(BST) for the franchisee would be determined after ensuring commercial viability of the franchisee

Wherever feasible, bidding may be attempted for determining the BST. BSTs would be fully factored into submissions by state utilities to the SERCs.

#### **4.5. Services of Central PSUs:**

Services of NTPC, Power Grid, NHPC and DVC have been offered to the states to provide their project management expertise and capabilities. REC has entered into an MOU with these CPSUs.

#### **5.0. REC Guidelines:**

The main objective of the REC guidelines is to facilitate induction of franchisees, especially covering the following aspects:

- a) Who could be a franchisee(FCSe)
- b) What would be the minimum technical/financial/expertise of the franchisee
- c) How would a franchisee be selected?
- d) For different sizes of franchisee, what would be their responsibilities and their rights including mode of tariff fixation
- e) What would be the duties/responsibilities and rights of the utility
- f) What would be the interface with Panchayat Raj Institutions(PRIs)

#### **5.1. Role of FCSe in Rural Distribution Management:**

Franchisee may be an entity empowered by the State (distribution ENTITY/IES)

- Either develop/operate generation & distribution system or
- Ready to distribute electricity within an identified area & collect revenues directly from rural consumers.
- FCSe may have option to generate its own electricity or off take supplies from power utility or do both
- FCSe will have the option to expand its own sub-transmission network based on
  - Approval of the State Government

- Approval of the State Utility
- Load growth in the area

## **5.2. Franchisee Models:**

Even though FCSe may also be involved in Decentralized Distributed Generation(DDG) the REC guidelines presently focus on Distribution of Electricity.

The basic models of Franchisee operations could be four.

- 1) Revenue collection franchisee
- 2) Energy purchase sell and collection FCSe
- 3) Energy purchase, sell collection and O & M FCSe

In this model FCSe is permitted to use the existing distribution infrastructure and could add to the infrastructure within FCSe area.

- 4) Electricity co-operative as FCSe created under co-operative societies Act, as owner of the distribution infrastructure.

The franchisee models defined in REC guidelines could be defined in the following paragraphs:

### **Model-1:**

RC-(i) A- Revenue Collection based- Role limited to billing, collection, new service connections, redressal of complaints, keeping vigil on net work

- Target for revenue collections to be given every month
- FCSe given margin as percentage of collection on achievement of target
- Penalty levied on FCSe for not achieving target
- Incentive given to FCSe for exceeding the target

### **Model-2:**

RC-(i) B- Input Energy Based- In this model the energy input into the FCSe's area is measured by the Utility and the target for collection are based on the percentage of input energy supplied beyond the point of metering in the previous month. FCSe's may be decided for:

- Input energy based on 11 KV feeders
- Input energy based on Distribution Transformer

**Model-3:**Energy Purchase and Seth FCSe-

The FCSe shall purchase energy from the Utility and sell to the consumers. The model is similar to the input Energy based Revenue Collection Model (i) B expect that the input energy purchased by the FCSe at a predetermined rate and he is fully accountable for it.

**Model-4:**Energy Purchased & sale and O & M FCSe

In this model apart from purchase and sale of electrical energy; the FCSe is given the responsibility of O & M of the 11 KV feeders including distribution transformers(DTs). O & M could be given on monthly retainer basis or at an adjusted energy purchase price.

The FCSe is permitted to use the existing infrastructure of the utility with the permission of the State and the State Power utility but shall not be the owner of the electricity distribution infrastructure not created by it in the course of its operation.

**Model-5:**Rural Electric Cooperative Societies as FCSeS:

In this approach the state would authorize the creation of traditional “Electric Cooperative Society” that is organized, owned and operated by the members of the cooperative. The society would own all cooperative assets and would be a mini Distribution utility. Society would be formed through MOA with following key features:

- All households in the area are members of the society
- Board of Directors of Society are elected by members
- Net profit of the society is shared among members
- Cooperatives are distribution licensees
- Society carries equity from members and debt from the market
- Society responsible for full operation of the licensee
- Society would purchase power from the state power utility or set up own generation capacity

**Model-6:**Electric Cooperative Society operations management through contracting:

The 'Cooperative Society' in this model gives the management of the society to an external experienced agency on a contract fee with the concurrence of the State and State utility. This would need an appropriate 'operations contract'.

#### **6.0. Status of Franchisee system operation in the state:**

ASEB has Distribution companies with the following consumer strength in August 2006

Lower Assam Electricity Distribution Company Ltd. - 5,28,000 consumers

Upper Assam Electricity Distribution Company Ltd. – 3,60,000 Consumers

Central Assam Electricity Distribution Company Ltd. – 3,99,000 Consumers

#### **Distribution organization of selected State/ District:**

The basic structure of Franchisees in the states covered under this evaluation study i.e. Assam, is summarized below:

#### **Assam:**

Assam State Electricity Board (ASEB) is the parent organization, covering Generation, Transmission and Distribution of Electricity.

Distribution Companies have been formed

District/ Distribution Circle 'Bongaigaon' in Assam selected for the evaluation of Franchisee schemes is located in Lower Assam Electricity Distribution Company Ltd. (LAEDCL)

Franchisees in Assam are mostly Revenue Collection based covering (i) Distribution Transformers or (ii) Cluster of Distribution Transformers. The franchisees are Agents appointed to collect revenue against the Single Point power Supply(SPPS) metered at the low voltage side of the Distribution transformers. The Agents receive commission in the form of 15% cut in the total bill amount served by ASEB to Agency. The amount payable by Agency to ASEB (DISCOM) is 85% of the total bill amount served. The actual commission earned by the Franchisee depends on the efficiency of its collection efforts.

#### **In the present State the Duties of 'Agents/ Franchisees includes:**

- Meter reading
- Bill preparation and distribution
- Revenue Collection

- Maintain consumer ledger
- Attend minor consumer complaint
- Report Electricity Theft

The employed Agents/Franchisees belong mostly to the following categories:

- Individuals
- Consumer Associates
- Gram Panchayat

A review by ASEB showed that large amount of Distribution transformers identified for handling over to the Agents/ Franchisees were handed over to them during June to September 2006. The overall position was stated as below:

Table A: Distribution Transformers in various circles, no. of consumers and Franchisees:

DISCOM/Circle	Number of DTRs		No of Franchisee/ Agency		No of Consumers	No of Circles
	June-06	Sept-06	June-06	Sept-06	Sept-06	
	Under SPPS				Under DTRs	
	June-06	Sept-06	June-06	Sept-06	Sept-06	
LAEDCL	162	403	37	71	17000	6
UAEDCL	293	541	82	118	18900	4
Bongaigaon Circle		73		16	4750	1
CAEDCL	55	308	32	118	16600	4
Total		1325		323	57250	

Employment generation by the Agent/ Franchisees within themselves is also significant. The reported numbers of persons employed by Agent/franchisees at macro level are summarized below:

Table B: Nos. of Franchisees in various circles with nos. of employee

DISCOM	No. of Agents/Franchisees (Sept-06)	No. of persons employed(June-06)
LAEDCL	71	548
UAEDCL	118	564
CAEDCL	118	349
Total	307	1461

**From the above it is seen that in Assam on an average 42 consumers are served by a Distribution Transformer and about 171 consumers are served by one Agent/Franchisee. This suggests that each Franchisee on an average works on four (4) Distribution transformers. Further each Franchisee employs about 4 to 5 persons on an average (Refer to Annexure table)**

The benefits derived in terms of the assessment of the state utility after introducing franchisees includes:

- Timely receipt of bills by consumers
- Timely collection of revenues
- Areas in revenue realization reduced
- Improve power quality due to better coordination with utility
- Grater consumer satisfaction
- Reduction in theft

Incentive structure for the franchisee is:

- 15% on billed amount after allowing 10% T & D losses(This is not related with revenue collection)

Contracts are initially given for one year. Bank guarantee is taken for two months bill at lowest slag of domestic tariff as security.

Union Monister of Power, Honorable Sushil Kumar Shinde had felicitated the high performing Agency/Franchisee in Assam and the services of the following were recognized during

launching of National Programme on Franchisee under RGGVY on May 22, 2006 at New Delhi

1. Mr. Panna Das, Franchisee UAEDCL
2. Mr. Nurul Islam, Franchisee CAEDCL
3. Mr. Kumud Medhi, Franchisee LAEDCL

In overall assessment of the progress on franchisee system in ASEB it can be said that:

- Single Point Power Supply(SPPS) at Distribution Transformer level is being practiced in Assam for Agent/Franchisee development
- Franchisee system is thus based on DTRs and not on village as a unit
- Franchisees are working under Model-2 RC(ii) B of the REC guidelines where 'Input Energy' is the basis of transaction between utility and Franchisee
- Input Energy based franchisee in Assam are working within the framework of an incentive in the form of a percentage of metered/ billed energy
- Commercial viability of this model has yet to be established
- Collection of bills Non-Domestic consumers is yet not fully handled by the franchisee.

#### **7.0. Selection of Villages Sample:**

It was indicated in the meeting held in REC on January 12, 2007 with GM, REC, RGGVY that there are 881 villages in the Bongaigaon Circle of Assam in which sample survey has to be conducted for studying the Franchisee system. List of these villages was obtained from REC.

TOR, REC initially required 10% of the villages to be covered in the sample. During the meeting at REC held on Jan 12, 2007 it was decided to cover about 30 villages in each District for the sample survey.

Keeping 30 villages in mind villages were randomly selected to conduct the sample survey in Bongaigaon, Assam from the list of villages obtained from ASEB HQs. Because of time limitations initially 16 villages selected and included in the inception report.

In this arrangement, the sample villages which were finally selected to conduct field survey in Bongaigaon, Assam are indicated in the enclosed list. Thus the field survey was conducted in 16 villages in comparison to the list of 141 i.e. about 20% villages included in the sample field survey of villages.

#### **8.0. Methodology for conducting Field Survey:**

Letter of Award dated 16<sup>th</sup> Jan' 2007 to conduct the study was received from Rural Electrification Corporation on 16<sup>th</sup> Jan' 2007. Letter was issued by REC to chairman ASEB, on 16<sup>th</sup> Jan' 2007, introducing IRADe to conduct the study. Nodal officers have been named by chairman ASEB at the HQ and at the Distribution Circle HQ. The TOR of the study are very comprehensive and cover the entire range of issues connected with the efficient and effective functioning of the Franchisee system.

#### **8.1. Preparation of Survey formats:**

IRADe team had indepth discussions with the nodal officer at ASEB head quarters and also interacted with the CEO of the Bongaigaon Circle. The feed back received on the working of the Franchisee system in the state through SPPS system gave significant feed back to conduct the field survey in villages. The evaluation study would depend on the working of the franchisee system in the selected about 16 villages in Bongaigaon circle during the field survey various stakeholders connected with the working of the Franchisee system were contacted. Questionnaire through which the information was obtained during the field survey addressed the following issues:

- How franchisee system introduced in the state and manner in which these are appointed? Whether competition could be made a basis of selection?
- What kind of franchisee systems are in operation and whether these are operating in this REC/GOI guidelines?
- Experience about performance of the franchisee and the franchisee system to bring financial viability in electricity distribution to villages?
- What are the optimal manners of operating in the franchisee system?
- Trainings and the other ways to ensure required skill information in franchisees?
- Socio-economic impact of franchisee operations in the villages and the impact consumer of electricity?

- Growth of development of the franchisee system to approach revenue sustainability and financial viability in village distribution management?

## **8.2. Organization System to Conduct the Study:**

Integrated Research and Action for Development (IRADe) is an institution with multidisciplinary teams to conduct research which can be converted into action. IRADe provides an appropriate platform to conduct this evaluation study.

The study would be conducted under overall supervision of the Executive Director (IRADe). The study team shall be provided leadership by a senior advisor having multidisciplinary working experience in various components of the power sector, Design, Engineering, Construction, Management, Policy Making, Reforms and Financing the Power sector. He is being assisted by a senior advisor and two research assistants at the head quarters.

The team at the head quarter shall develop detailed methodology, strategy and the blue print to conduct the study at the field level.

During the village survey at the field level, IRADe staff shall be guided by the retired utility experts in Distribution. The field team shall be assisted by research assistants for the relevant information needed through regular review and feed back on the field interactions.

## **8.3. Field Survey in Villages:**

Formats have been prepared detailing the information to be obtained on the working and feed back of the franchisee system with respect to-

- Village
- Distribution Network
- Franchisees
- Gram Panchayat
- Village Families
- Consumers
- Financial operations between utility and franchisee

During the field visit to the survey formats were discussed with the field groups to finalize the strategy of visiting the villages and to reach all intended groups. Field surveys were conducted in the villages by the IRADe teams who visited the village during February 2007. Interaction

between field groups and QH teams were to review the progress of field work and to adjust the formats to the limitations on the available information.

#### **8.4. Data Assimilation and Conclusion:**

Data collected for the state / district/villages was assimilated and the information was systematized. Data was discussed in a small group and brainstorming was conducted to reach conclusions. The study has been conducted with a frame of mind that is looking for making the village as a unit for conducting business of electricity distribution, through franchisee. Surveys were conducted in a friendly atmosphere of mutual trust. Questions posed to the individuals were without prejudice to the performance of an individual or an institution, and focused on facts and possibilities of making the Franchisee system successful.

#### **9.0. Data and Information on Surveyed Villages:**

The list of 16 villages was included in the inception report, randomly selected out of 145 villages listed in the RGGVY scheme for Bongaigaon Circle received from ASEB. The informations sought could be divided into:

- a) Status of Electrification in District
- b) Energy supplied and billed
- c) Revenue collections
- d) Franchisee characteristics
- e) Type and model of Franchisee
- f) Process of selection of Franchisee
- g) Jobs handled and problems faced by Franchisee
- h) Tariff structure
- i) Consumer profile in village
- j) Billing mechanism
- k) Revenue collection mechanism
- l) Electrical network in the village
- m) Household characteristics
- n) Feed back from consumers
- o) Fed back from franchisee
- p) Feed back from gram panchayat

The total number of parameters under which the information was recorded run into about 290. the information on the 16 villages surveyed has been recorded under these 290 parameters and is enclosed at the Annexure I for reference.

It is seen that the information obtained is not complete but it is substantially obtained for the purpose of this study. The Franchisee system was working in some of the Bongaigaon (Assam) villages even before the RGGVY; as Single Point Power Supply(SPPS) scheme, and therefore information was more purposeful.

#### **10.0 Interpretation of sample survey results:**

The sample survey of the villages has been conducted mainly to study and analyse the performance of the Franchisee system to serve as a sustainable model for Distribution system management. Such a study is being concurrently under implementation. The data and information obtained during the survey need to be studied from the following perspective

- a) What kind of a Franchisee system is in operation and whether it follows the guidelines of MOP/GOI and REC
- b) What is the effectiveness of the Franchisee system in terms of
  - Improvements in revenue collections
  - Access of more consumers to electricity in the villages
  - Redressal of consumer grievances and reliable supply of electricity
- c) Whether the Franchisee model is commercially sustainable in the long run

Interpretation of the data/information from the above perspective has also to take into account that the grant element of 90%, which the GOI is investing in creating electricity infrastructure in the rural India through RGGVY, has to be effectively utilized for common good of rural consumers.

The data obtained during the survey have limitations both from the point of view of the comprehensiveness of the survey format and also the kind of information and data, which could be made available by the respondents. In spite of these limitations the conclusions drawn after analysis of sample survey results are expected to be reasonably reliable.

### **11.0. Operations of the Franchisee system:**

Operation of the Franchisee system includes all such aspects, which are seen to generate capabilities and confidence in the system. These aspects include type of Franchisee & model, method of appointment, transparency in selection, type of agreement, security provisions and operating experience.

When conceiving the RGGVY, GOI desired that the Panchayat institutions would be associated with Franchisees.

### **11.1. Method of Appointment:**

In Assam, the Users Associations or NGO or Individual Agents/ Franchisees are selected from those who have shown their willingness to undertake “billing and revenue collection” under single point power supply scheme (SPPS). Probable sites of the location of Distribution Transformers where SPPS scheme is to be implemented are identified by Sub-divisional Engineer(SDE) and a notification inviting interests from willing agents are invited by the concerned Executive Engineer. The Agents/Franchisee are selected from those showing willingness based on their capability to undertake the work.

### **11.2. Transparency of selection:**

It had been found that not many Individual/NGO show willingness or capability to undertake the work. Keeping in view the nature of work, CEO and Executive Engineer concerned in the respective circles select the agent for a particular DTR site based on their capability. An effective transparent competitive manner is slowly emerging.

### **11.3. Documentation/Agreement:**

ASEB, Lower Assam Electricity Distribution Company have evolved an Agreement format to be entered into between ASEB/LAEDCL and the Franchisee Agency to define the scope of work of Agency/ASEB and their respective duties and rights etc. The agreement defines the procedure of calculations of Energy bill by ASEB to the Agency and the profit allowed to Agency.

#### **11.4. Security Deposit:**

The Agency/Franchisee is required to deposit to ASEB security amounting to 2 months assessed consumption calculated at the lowest slab of domestic tariff on the total connected load of consumers. This security is to be deposited in cash/bank draft before handing over the work to the Agency. Additional security on the additional connected load due to new connections has to be deposited by the Agency within the 1<sup>st</sup> week of the next month.

#### **11.5. Operating Experience/Problems:**

Even though ASEB is open to NGOs/Consumer Association/Cooperative/Franchisee work on SPPs at DTRs; such agencies are not coming forward. Most of the Agency/Franchisee are individuals with the participation of local youths.

The franchisees performance in Assam are mixed. Some of them are very good, others require training in record keeping and operation & maintenance of the system. The Distribution network in many villages at DTRs down system has become old and uses old electronic meters. It would be desirable to renovate the network and upgrade it so that it is not overloaded. Installation of electronic meters would also help as these are not very costly any more.

#### **12.0. Impact of Franchisee system:**

The assessment of the impact of the Franchisee system on various stakeholders and in general is based on the feedback received for the consumers and gram panchayat representatives.

#### **12.1. Billing:**

It is noted that the consumers have been given distribution number and are coded with reference to the distribution transformer. Billing cycle is reduced to 1 month. Franchisee office is well located in most of the villages.

Franchisees are using handwritten bill only and bills are distributed to consumers. Meters installed are mostly electronic and in the process of replacing mechanical meters.

#### **12.2. Revenue collections:**

Revenue collections by the Franchisee from consumers are considered very effective. The Franchisees are providing bill collection facilities,

Home to home 69%

In Franchisee office 100%

The collections are deposited in bank accounts in 100% of villages. Account in computer database is yet to be initiated in 100% of villages.

Average monthly receipts of the Franchisees from the consumer per village for the sample villages was Rs.13, 085/

### **12.3. Consumer Satisfaction:**

The feedback was received from about 150 consumers. There was dissatisfaction among the consumers on:

- Hours of supply (daily)
- Quality of supply
- System maintenance

The responses in village survey indicated that hour of supply on an average were about 17 hours a day and there were interruption in supply. Consumers were generally satisfied in respect of billing, collection, metering and consumer complaints

### **12.4. Distribution system Management:**

In Assam Single Point Power Supply (SPPS) system is being predominantly being used to tone up the billing and collection of revenue in the rural areas. Franchisee system has emerged out of this system SPPS is applied at the outlet of Distribution Transformers and Franchisee/Agents appointed by ASEB/DISCOMS are made responsible for the maximization of revenue from the electrical energy fed at the outlet of the Distribution Transformer.

The Franchisee is responsible for the entire input electrical energy, allowing for the predetermined losses. This Franchisee system is operating in Assam falls in the REC Model2- “Input Energy Based on Distribution Transformer”.

Franchisee attends to fuse calls, maintains consumer problems and is responsible to prevent unauthorized use of electricity within the area of its jurisdiction.

Consumer feed back from the sample villages suggests that 38% of the villages (consumers) are not satisfied with the quality of supply in their areas. Please refer the tables on “Consumer Feed Back”, “Consumer Satisfaction”; “Village Panchayat” and “Opinion on

Management:Village Panchayat” . This shows that there is acute shortage of power supply in the village.

On other parameters of Franchisee performance there is a positive feedback in Distribution Management

Relation between Utility & Franchisee-Good	(100% Villages)
Attention to Consumer Complaint-	is given (100% villages)
Consumer Satisfaction-	satisfied (85% villages)
Metering Satisfaction-	Yes (80% villages)
100% metering is required-	Required (80% villages)

On the “Invited Suggestions” and “Hours of supply daily” the following responses emerged from the villages

Required better power supply-	Required (100% villages)
Regularity of supply-	Required (100% villages)
Good maintenance of lines-	Required (100% villages)
Less interruption-	Required (100% villages)
Increase in power production-	Required (100% villages)
Average Hours of power supply-	15 hours daily

### **12.5. Distribution Network:**

Sample villages showed that provision of meters was made in different villages at the possible metering points; with the following distribution as shown in Table”provision of Meters at”

11 KV feeder inlet to DT-	80% Yes
Output of DT-	60% Yes
At electric pole-	37% Yes
At Consumer Premises-	100% Yes

The fact that many villages reported no information regarding metering at output of Distribution Transformers, indicates that many villages were fed from Distribution transformers located outside these villages. Further it is seen that in some villages metering is still required at consumer premises.

On an average one (1) 33/11 KV Substation Transformer capacity feeding a village was provided out of seven villages. Average Distribution Transformer capacity feeding a village

was 63 KVA among the sample villages. Further on an average 35 Electric Poles or Distribution Points were provided in each village to give electric connections.

#### **12.6. Connections released by Franchisee:**

After the involvement of Franchisee System new connections release has increased in both Above Poverty Line (APL) and Below Poverty Line (BPL) consumers. On an average it could be said that 11 connections per village were released by Franchisee. All these connections i.e. total 154 nos. were concentrated in fourteen villages.

Panchayat certified to the effect that village has been electrified to 100% of sample villages, even though in most of these villages large percentage of household has domestic connections. Overall weighted average percentage of the households having domestic connections in the sample villages is of the order of 68%. All these villages should therefore be considered as electrified.

#### **12.7. Employment Generation:**

In the sixteen sample villages twelve (12) different enterprises are working in these villages. Most of these enterprises are working in more than one village even in the sample villages. On an average each of these Franchisees are working in 7 villages. These Franchisee organizations employ on an average 5 persons per franchisee.

On an average in the sample villages employment is generated for 3 persons per village.

#### **13.0. Training Needs & Franchisee:**

According to village panchayat sources it is revealed in 88% sample villages that consumer complaints are attended by the Franchisee. Further consumers were satisfied in 88% of the villages.

The feed back from Franchisee is the sample villages indicate that power interruption is a regular problem in 100% of the villages. Line failure is manageable in 100% of the villages. Improvement of Network is considered necessary by Franchisee in 76% of sample villages. Quality of joints at Distribution Transformers and at electric poles were not seen to be of good quality in 67% of sample villages.

In 56% of the villages it was admitted that Training is needed by the Franchisee for maintenance of the distribution network and to reduce the interruption in power supply. There

was also a visible demand for checking of network by ASEB/LAEDCL and for the supervision of ASEB.

Considering the overall situation in the Sample villages and also the fact that network needs improvement in most of the villages Training of Franchisee is considered an important need to improve the quality of supply in the villages. Franchisees are mostly local youths and individuals, who are doing a good job of attending to consumers. Their performance could be significantly improved if comprehensive training programme could be organized for them by the ASEB to cover the entire Distribution management system including metering, record keeping, computer database and accounting. Training should also cover load management and management of short supply of power while maintaining consumer satisfaction.

#### **14.0. Model and type of Franchisee system:**

The office memorandum OM of MOP/GOI on RGGVY scheme of Rural Electricity infrastructure that projects eligible for capital subsidy require commitment of states:

- I. For deployment of Franchisees for the management of rural distribution in RGGVY
- II. Provision of revenue subsidies to the state utilities as required under the EA-2003

The Franchisees operating in Assam have to be seen under above two requirements of MOP; and should also fall under the guidelines of REC. REC guidelines define the Models of Franchisee and also who could be Franchisee. Out of the four basic models defined in REC guidelines the model practiced in Assam is nearest to model(i) B

“Model B: Revenue Franchisee input based”. The input based franchisee practiced in rural areas of Assam is based on the input metered at the LT side of Distribution transformer feed the village area.

The Franchisee in Assam fall in the category of “Individual Entrepreneurs” However REC guidelines state:

“In the management of rural distribution through franchisee who could be non-governmental organization (NGOs), users Association, Cooperative or individual entrepreneurs, the panchayat institutions would be associated”

The guidelines are silent about the manner in which the Panchayat institutions would be associated. However considering the satisfaction level of consumers and feed back from Gram Panchayats it could be stated that REC guidelines are being followed in Assam

The responsibilities discharged by the individual entrepreneurs as franchisees in Assam match with the REC guidelines para 8 applicable to Models 'A' 'B' and 'C' i.e.

- a) Meter reading and billing
- b) Revenue collection and remittance to the utility on intervals prescribed by utility
- c) Redressal of commercial and billing complaints
- d) Feed back on status of electrical connections

### **15.0. Revenue sustainability:**

The OM of MOP/GOI as well as the REC guidelines require the revenue sustainability of Franchisees. The guiding principles to ensure the revenue sustainability defined by GOI are:

### **15.1. Bulk Supply Tariff:**

1. based on the consumer mix and prevailing consumer tariff and likely load, the bulk supply tariff(BST) for the franchisee would be determined after ensuring commercial viability of the Franchisee

In Assam BST is not fixed for the Franchisee. However the commission (profit) allowed to FCSe is 15% of D, where D is the total bill amount for 'domestic' and 'non-domestic' consumers served by the Franchisee excluding electricity duty and meter rent.

If 'A' is the total connected load of Domestic consumers

Fc is the fixed charge for domestic category Rs/kw

Ec is the energy charge for domestic category (lowest slab) Rs./kwh

B is the total energy supplied at Distribution Transformer

C is the bill of non-domestic consumers

Then amount payable by FCSe to ASEB

$$= 0.85 \times [(0.9B-C) \times Ec + A \times Fc] + 0.85 \times C$$

The earnings of FCSe are thus depending on the following factors

- Savings from 10% loss allowed in total energy supplied
- 15% of the total bills served for consumption
- Tariff (Applicable rate-lowest slab)  $\times 0.9B$

It is therefore natural that the earnings of the FCSe are directly proportional to the Total energy supplied at the DTRs

- Distribution loss allowed
- Difference between lowest and higher tariff slabs
- Profit allowed on billed amounts

In one of the recent presentations(Oct 2006), FCSe “K Medhi” had made following demands

- Enhance allowable losses to 15%
- Allow tariff concession by Rs.0.50/unit
- Allow maintenance charges per DTR for maintaining DTR, HT, LT lines
- Ensure less power interruption

The above demands were justified by FCSe on the basis of readings of August 2006

Total DTRs = 10 Nos.

Total Units (supplied) consumed = 107462

Total Units billed = 83216

Loss based on (consumed- billed) = 22.5%

However when seen in the perspective of average monthly collection, payments to utility and expenses of Franchisee the savings of FCSe are too small or even ‘-ve’ in many cases. It is a clear indication that the scale of operations per village/DTRs is too small for its financial viability.

### **15.2. Complete Bidding:**

The guidelines propose that:

“Whenever feasible, bidding may be attempted for determining bulk supply tariff”

In Assam BST itself has not been determined so far and there is no purchase of power by the franchisee. In future also the competitive bidding for BST could be attempted only when the Franchisee system in the villages stabilizes and size of operations become sustainable

### **15.3. Revenue subsidy by the States:**

The guidelines provide that BST would be fully factored into the submissions of the state utilities to the State Electricity Regulatory Commission (SERC) for their revenue requirements and tariff determinations

The results of the survey of sample villages suggest that there is need for increasing the margin of service charge given to the FCSE to make their operations sustainable. If these margins have to make FCSE sustainable the tariffs in rural areas are kept at par with other urban consumers; the utilities would require some subsidies from the state govts to make up the losses they would suffer on account of maintaining good Distribution Services in the rural areas.

### **16. RGGVY in Assam:**

In Assam Rural Electrification had made significant progress before RGGVY has been conceived. Franchisee system was also in operation.

REC gives priority to virgin non-electrified villages for including under RGGVY scheme. However to take benefits of the scheme, ASEB desires to include strengthening of distribution network in electrified villages in RGGVY.

There are 25 Districts in Assam. Out of these ASEB would implement RGGVY in fourteen(14) Districts and seven(7) Districts have been given to PGCL for implementation. Bongaigaon Distribution Circle includes some portion of Goalpara District and Barpeta District also. The RGGVY shall be implemented by PGCL in Bongaigaon and by ASEB. Bids were invited by PGCL and ASEB. Orders are yet to be placed and implementation of works has yet to start. However input based franchisee system is already in place in Assam; and this is a positive indication. In Assam RGGVY investments are likely to yield better results.

### **17. Improvements Due to Franchisee System:**

In Assam FCSE/Agents were appointed to manage revenue collections in villages, which was very poor. The Single Point Power Supply (SPPS) through FCSE has resulted in definite improvement in revenue collections from rural areas.

In the sample villages the revenue collections have increased after the appointment of Franchisees. This statement was obtained from Electricity Divisions and for reference the tables “Monthly receipts from consumers” and “Payment to utility” are provided in Annexure.

Therefore it can be said that there had been increase in electricity consumption in the amounts billed and also in revenue collections in the villages after the introduction of Franchisee system in Assam.

It is also to noted that in almost all the Sample villages it was felt by village panchayat that theft has been reduced to almost nil (less than 5%) in 100% of the villages. Franchisees have succeeded in persuading illegal consumers to regularize their connections with assistance of ASEB employees. Board has also simplified procedure for giving new connections in rural areas. Regular and legal consumers of electricity have also helped FCSe to be vigilant against theft pilferage of electricity.

The Board has also authorized the FCSe to disconnect and reconnect the consumers in the meters of default in payments and on clearance of dues. ASEB staff is coordinating with in these meters. Board has also authorized the Franchisee to collect the arrears from the defaulting consumers on the basis of list prepared by ASEB officials. The response is still not good.

#### **18. Technology Improvements:**

Franchisees have taken action to reduce technical losses and revenue loss by technology inputs with the help of ASEB officials.

There had been efforts in changing location of DTRs to load centres, there by reducing the length of LT lines and reduction in technical losses. Capacity of DTRs is also being reduced to bring these nearer to consumers. Conductor sizes are also being looked into based on loads served. Earthing is being improved. Clearing of 11KV feeders from trees and vegetation is being done. The quality of cable lting and cable joints are being improved.

There is emphasis on replacing old meters with new good quality meters. In the sample villages surveyed 80% are provided with electronic meters, 20% provided with Mechanical type of meters. In village of Assam, the electric meters are owned by consumers. The fact that the consumers are opting electronic meters is a healthy sign for Distribution system improvements.

#### **19. Access of Electricity to All and BPL Connections:**

Among the sample villages it was found that all villages are electrified but not all families have electricity connections. On an aggregated basis out of the overall 4656 households, 1564

households enjoyed domestic electricity connections. In these villages there were 62 commercial connections as well.

Thus there was access to electricity available to 34% of the household and there is a possibility of its penetration to 100% households if they opt for electricity.

Unfortunately at the present stage of electrification in the villages in Assam, there were less electric connections reported in the BPL families. It is expected that during the implementation of RGGVY scheme, BPL families would also get electric connections.

## **20. Monitoring Mechanism for FCSe System:**

In ASEB-HQ; GM(Commission-Revenue) is presently responsible to overview the progress of SPPS system in the rural areas based on Franchisee/Agents. The franchisee system is presently growing with the objective of improvement of revenue collections. Slowly the franchisees operating in different districts are organizing themselves and demanding favourable commercial terms.

The basic objective of the franchisee system is to make the distribution management in rural areas commercially sustainable. To achieve this objective, operating parameters of the existing and developing individuals/cooperative entrepreneurs should be carefully monitored and analyzed by ASEB/DISCOM to establish healthy models of franchisee operations.

Consumer cooperations and Grampanchayat sponsored franchisee groups have yet to emerge in the state. Scope of franchisee works can also enlarge. It is not to suggest that existing model of franchisee in the state can not be made revenue sustainable, but evolution of better models would require continuous study and feedback.

Some of the franchisees had a tendency to default and some of them have already given up their operations. It is obvious that franchisees have to become the interface between Utility and the consumers; and they have to handle the entire cash generated in rural areas in the business of electricity. The behaviour of franchisee could create unpleasant and unhealthy situation in the long run if effective instruments of maintaining discipline are not evolve by the utilities at the initial atages.

In the present set up the franchisees have to send a copy of the consumer ledger sheet maintained by them (including new connections) to Board at field level on monthly basis. It is gathered that many franchisees/agents fails to do so regularly. Regular updating og the ledger sheet is also not carried out in many cases.

Keeping the experience in mind there is a necessity in ASEB/DISCOMs to set up effective monitoring system for the franchisees so that discipline could be maintained, unwanted entrepreneurs be weeded out, and system of operations could be gradually improved.

### **21. Alternatives to Franchisee System:**

Franchisees could be seen a process out sourcing for the utilities. There can be many alternative ways in the manner of outsourcing and the characteristics of franchisee selected. This is also elaborated in the REC guidelines, which provide large range of choices.

The MOP/GOI is fundamentally interested in the franchisee system to ensure that rural electricity infrastructure created under RGGVY scheme through almost 90% grant funds are effectively utilized. The local involvement and the participation of local community is considered an effective operations.

At the same time entrepreneurial nature of the franchisees and creation of a commercially viable model for sustained operations is a challenge. The consumer interface for cash collection against the electricity supplied is a sensitive areas for outsourcing. The Distribution system in SEBs underwent deterioration overtime and pilferage of electricity and cash became quite common because it handled the entire cash of SEBs. Distribution system and the cash interface with the consumer is the most sensitive part of the electricity industry. The EA-2003 has already recognized Distribution of Electricity and Trading of Electricity as separate activities in business of electricity. Franchisee system for the rural areas was conceived because there were substantial losses suffered in collection of revenue from villages. After separation of DISCOM from SEBs, it would be desirable to avoid rural and urban divide. DISCOMs could be given a free hand in designing the franchisee model or 'Process outsourcing Models' which given them a better and effective control over the revenue collections.

### **22. Success of Franchisee System:**

The success of franchisee system could be seen in Assam in the context of MOP/GOI and REC guidelines. The success of the franchisee system can be judged by:

- Adherence to the guidelines
- Success in achieving the objectives

### **22.1. Adherence to Guidelines:**

The franchisees in Assam, Bongaigaon Distribution circle are operating through:

- Individual entrepreneurs
- Under model 'B' - Revenue franchisee-input based at Distribution Transformers

The franchisees are appointed based on invitation through advertisement, but criteria for their selection has yet to be evolved. It can be classified into semi-transparent procedure.

Franchisees are individual entrepreneurs and not an organized group. Local youths under the banner of youth care have organized to participate as franchisees. Most of the appointed franchisees are operating, however from the utility there is a feed back that some of the franchisees had a tendency to default. Some of them have also given up their operations. More or less the franchisee system in Assam can be considered to be operating within the GOI/REC guidelines on Franchisees.

### **22.2. Success in Achieving Objectives:**

Franchisee system operating in villages in Assam has succeeded in improving:

- Meter reading and billing
- Collection of revenue
- Consumer satisfaction
- Attending to consumer complaints
- Theft reduction
- Maintenance of consumer ledgers
- Providing new connections
- Reporting weakness in distribution system
- Metering for electricity accounting
- Reducing accumulated arrears

The problem which were faced by rural consumers in getting new connections and in setting their electricity bills have substantially improved. Greater access to electricity is promised in rural areas due to the franchisee system introduced on SPPs based in Assam.

### **23. Conclusions:**

The revenue collections in rural areas of Assam have considerably improved with the introduction of Franchisee/Agents. Rural electrification has also considerably improved and AT & C losses are getting controlled. Consumer records in villages have been systematized. Defective meter replacements are in process and electronic meters owned by consumers are in use. Regular meter reading and billing on monthly basis is in progress and improvements in Distribution network to reduce technical losses are being attended. The real problem facing the rural network is the shortage in availability of power supply, interruptions in supply of power and affected quality of power. The other issue facing the franchisee system is the commercial viability of the operation of franchisees to sustain quality of services. Further security of revenue realized and the subsidy requirements from state Govt. to maintain the system have yet to be worked out. Proper monitoring of the franchisee system at the DISCOM level to evolve it into an effective out sourcing of services to be provided to the rural consumers is necessary to create a win-win situation both for the Utility and the Franchisee.

**Table 1: Monthly Expenditure of Franchisee (in Rs.)**

	<b>Village</b>	<b>Month 1</b>	<b>Month 2</b>	<b>Month 3</b>	<b>Month 4</b>	<b>Month 5</b>	<b>Month 6</b>
1	Ulubari	800/	1000/	750/	900/	800/	1000/
2	Borobazar	2000/	1000/	1500/	1050/	1500/	2000/
3	Dohlapara	3000/	4000/	3500/	3500/	4000/	4500/
4	Goroimary	7500/	10500/	12000/	9500/	10000/	
5	Nowapara I	550/	600/	750/	500/	650/	550/
6	Nowapara II	600/	650/	600/	590/	700/	650/
7	Kawatika	7500/	10500/	12000/	9500/	10000/	
8	Sialmary	8000/	3000/	4000/	2500/	3000/	3000/
9	Satipur	900/	800/	750/	600/	1000/	700/
10	Mulagaon Bazar	1000/	800/				
11	Haripur	1500/	1000/	1200/	1200/	1000/	1000/
12	Chalantapara	1500/	1000/	950/	750/	800/	1100/
13	Balapara	1250/	1200/	1000/	950/	800/	1000/
14	Bortolowa	1200/	800/	950/	1000/	1100/	950/
15	Tapatary	1500/	2000/	1500/	1500/	1200/	1200/
16	Piradhara	1500/	2000/	1500/	1500/	1200/	1200/

**Table 2: Monthly Receipts of Franchisee from Consumers(Rs.)**

	<b>Village</b>	<b>Month 1</b>	<b>Month 2</b>	<b>Month 3</b>	<b>Month 4</b>	<b>Month 5</b>	<b>Month 6</b>
1	Ulubari	10,200/	12,000/	11,000/	13,500/	10,000/	NA
2	Borobazar	19,193/	20,500/	22,300/	19,800/	21,000/	18,000/
3	Dohlapara	15,500/	14,320/	15,200/	12,400/	11,500/	11,543/
4	Goroimary	93,291/	129600/	197089/	11764/	121390/	NA
5	Nowapara I	10,864/	11,500/	10,700/	10,860/	11,290/	10,800/
6	Nowapara II	9,255/	10,973/	10,900/	10,950/	9,850/	10,973/
7	Kawatika	93,291/	129600/	197089/	11764/	121390/	NA
8	Sialmary	12,162/	15,000/	12,900/	14,200/	14,800/	15,200/
9	Satipur	17,465/	9,620/	13,268/	15,021/	13,603/	9,987/
10	Mulagaon Bazar	4,900/	NA	NA	NA	NA	NA
11	Haripur	6,121/	6,235/	8,881/	6,072/	7,902/	7,111/
12	Chalantapara	15,559/	23,514/	15,681/	15,472/	NA	NA
13	Balapara Bazar	18,552/	15,784/	16,266/	13,239/	13,398/	13,050/
14	Bortolowa	17,016/	16,934/	17,182/	13,236/	15,244/	15,479/
15	Tapatary	7,336/	6,374/	5815/	5,800/	NA	NA
16	Piradhara	3,671/	3,388/	3,581/	3,500/	NA	NA

**Table 3: Monthly Payment of Franchisee to Utility(In Rs.)**

	<b>Village</b>	<b>Month 1</b>	<b>Month 2</b>	<b>Month 3</b>	<b>Month 4</b>	<b>Month 5</b>	<b>Month 6</b>
1	Ulubari	10,200/	14,000/	13,800/	15,000/	12,500/	NA
2	Borobazar	18,900/	20,100/	21,100/	18,500/	19,000/	16,200/
3	Dohlapara	13,175/	12,172/	12,920/	10,540/	9,775/	9,812/
4	Goroimary	60,000/	85,400/	120,000/	100,000/	85,000/	NA
5	Nowapara I	9,234/	9,775/	9,095/	9,180/	9,597/	9,180/
6	Nowapara II	7,866/	9,327/	9,265/	9,308/	8,372/	9,327/
7	Kawatika	60,000/	85,200/	120,000/	100,000/	85,000/	NA
8	Sialmary	10,500/	12,800/	11,000/	13,200/	12,200/	13,000/
9	Satipur	14,846/	8,177/	11,278/	12,168/	11,563/	8,489/
10	Mulagaon Bazar	4,165/	NA	NA	NA	NA	NA
11	Haripur	5,202/	5,299/	7,548/	5,162/	6,716/	6,044/
12	Chalantapara	13,225/	19,986/	13,328/	13,151/	NA	NA
13	Balapara Bazar	15,769/	13,416/	13,826/	11,253/	11,388/	11,092/
14	Bortolowa	14,463/	14,393/	14,604/	11,250/	12,957/	13,157/
15	Tapatary	6,235/	5,417/	4,942/	4,930/	NA	NA
16	Piradhara	3,120/	2,879/	3,043/	2,975/	NA	NA

**Table 4: Electric Appliances Used in Villages**

	<b>Villages</b>	<b>Bulbs/ Tubes</b>	<b>CFL</b>	<b>Fans</b>	<b>Radio/ Record Player</b>	<b>TV</b>	<b>Electric Pump &amp; Motor</b>	<b>Refrigerator</b>	<b>Washing machine</b>	<b>Cloth ironing electric</b>
1	Ulubari	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes
2	Borobazar	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes
3	Dohlapara	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes
4	Goroimary	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
5	Nowapara I	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes
6	Nowapara II	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes
7	Kawatika	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
8	Sialmary	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
9	Satipur	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes
10	Mulagaon Bazar	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes
11	Haripur	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes
12	Chalantapara	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes
13	Balapara	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes
14	Bortolowa	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes
15	Tapatary	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes
16	Piradhara	Yes	Yes	Yes	Yes	Yes	No	Yes	No	Yes
		Yes=100%	Yes=100%	Yes=100%	Yes=100%	Yes=100%	No=100%	Yes=62%, No=37%	Yes=25%, No=75%	Yes=100%

**Table 5: Job handled by Franchisee**

	<b>Village</b>	<b>New connections</b>	<b>Consumer Complaints (supply)</b>	<b>Fuse replacements</b>	<b>0.44/0.23kv feeder faults</b>	<b>Consumer Premises faults</b>
1	Ulubari	Yes	Yes	Yes	No	Yes
2	Borobazar	Yes	Yes	Yes	No	Yes
3	Dohlapara	Yes	Yes	Yes	No	Yes
4	Goroimary	Yes	Yes	Yes	No	Yes
5	Nowapara I	Yes	Yes	Yes	No	Yes
6	Nowapara II	Yes	Yes	Yes	No	Yes
7	Kawatika	Yes	Yes	Yes	No	Yes
8	Sialmary	Yes	Yes	Yes	No	Yes
9	Satipur	Yes	Yes	Yes	No	Yes
10	Mulagaon Bazar	Yes	Yes	Yes	No	Yes
11	Haripur	Yes	Yes	Yes	No	Yes
12	Chalantapara	yes	yes	yes	No	yes
13	Balapara Bazar	Yes	Yes	Yes	No	Yes
14	Bortolowa	Yes	Yes	Yes	No	Yes
15	Tapatary	Yes	Yes	Yes	No	Yes
16	Piradhara	Yes	Yes	Yes	No	Yes
		Yes=100%	Yes=100%	Yes=100%	No=100%	Yes=100%

**Table 6: Franchisee-Feed back**

	<b>Village</b>	<b>Voltage Drop</b>	<b>Line failure</b>	<b>Power Availability</b>
1	Ulubari	Manageable	Manageable	Manageable
2	Borobazar	Manageable	Manageable	Manageable
3	Dohlapara	Manageable	Manageable	Manageable
4	Goroimary	Serious prob	Manageable	Manageable
5	Nowapara I	Manageable	Manageable	Manageable
6	Nowapara II	Manageable	Manageable	Manageable
7	Kawatika	Serious prob	Manageable	Manageable
8	Sialmary	Manageable	Manageable	Manageable
9	Satipur	Manageable	Manageable	Manageable
10	Mulagaon Bazar	Manageable	Manageable	Manageable
11	Haripur	Manageable	Manageable	Manageable
12	Chalantapara	Manageable	Manageable	Manageable
13	Balapara	Manageable	Manageable	Manageable
14	Bortolowa	Manageable	Manageable	Manageable
15	Tapatary	Manageable	Manageable	Manageable
16	Piradhara	Manageable	Manageable	Manageable

**Table 7: Impact of Franchisee-Survey**

	<b>Village</b>	<b>Employment Generated</b>	<b>Daily hours of Supply</b>
1	Ulubari	4	12-18 hours
2	Borobazar	7	12-18 hours
3	Dohlapara	5	12-18 hours
4	Goroimary	5	12-18 hours
5	Nowapara I	4	12-18 hours
6	Nowapara II	4	12-18 hours
7	Kawatika	5	12-18 hours
8	Sialmary	4	12-18 hours
9	Satipur	2	12-18 hours
10	Mulagaon Bazar	8	12-18 hours
11	Haripur	4	12-18 hours
12	Chalantapara	4	12-18 hours
13	Balapara Bazar	5	12-18 hours
14	Bortolowa	6	12-18 hours
15	Tapatary	5	12-18 hours
16	Piradhara	5	12-18 hours

**Table 8: Meter Reading & Billing**

	<b>Village</b>	<b>Education level Meter Reader</b>	<b>Franchisee office</b>	<b>Billing Cycle</b>
1	Ulubari	Above X	well located	Monthly
2	Borobazar	Above X	well located	Monthly
3	Dohlapara	Above X	well located	Monthly
4	Goroimary	Above X	well located	Monthly
5	Nowapara I	Above X	well located	Monthly
6	Nowapara II	Above X	well located	Monthly
7	Kawatika	Above X	well located	Monthly
8	Sialmary	Above X	well located	monthly
9	Satipur	Above X	well located	Monthly
10	Mulagaon Bazar	Above X	well located	monthly
11	Haripur	Above X	well located	monthly
12	Chalantapara	Above X	well located	Monthly
13	Balapara Bazar	Above X	well located	monthly
14	Bortolowa	Above X	well located	monthly
15	Tapatary	Above X	well located	monthly
16	Piradhara	Above X	Well located	monthly

**Table 9: Metering of Consumers**

	Village	Consumer identification no.	Computer database exists	bill distribution & collection clubbed
1	Ulubari	Yes	No	No
2	Borobazar	Yes	No	Yes
3	Dohlapara	Yes	No	Sometimes
4	Goroimary	Yes	No	Sometimes
5	Nowapara I	Yes	No	
6	Nowapara II	Yes	No	Sometimes
7	Kawatika	Yes	No	Sometimes
8	Sialmary	Yes	No	Yes
9	Satipur	Yes	No	No
10	Mulagaon Bazar	Yes	No	Sometimes
11	Haripur	Yes	No	Sometimes
12	Chalantapara	Yes	No	No
13	Balapara Bazar	Yes	No	No
14	Bortolowa	Yes	No	No
15	Tapatary	Yes	No	No
16	Piradhara	Yes	No	No

**Table 10: Meters provided for Consumers**

	Village	BPL	Domestic	Commercial	Industrial	Meter Owner	Types of Meter
1	Ulubari	Yes	Yes	Yes	Yes	Consumer	Electronic, Electro-mechanical
2	Borobazar	Yes	Yes	Yes	No	Consumer	Electronic
3	Dohlapara	Yes	Yes	Yes	NA	Consumer	Electronic, Mechanical
4	Goroimary	Yes	Yes	Yes	100%	Consumer	Mechanical
5	Nowapara I	Yes	Yes	Yes	Yes	Consumer	Electronic
6	Nowapara II	Yes	Yes	Yes	Yes	Consumer	Electronic
7	Kawatika	Yes	Yes	Yes	Yes	Consumer	Electronic
8	Sialmary	Yes	Yes	Yes	Yes	Consumer	Electronic
9	Satipur	Yes	Yes	Yes	Yes	Consumer	Electronic, Mechanical
10	Mulagaon Bazar	Yes	Yes	Yes	Yes	Consumer	Mechanical
11	Haripur	Yes	Yes	Yes	Yes	Consumer	Mechanical
12	Chalantapara	Yes	Yes	Yes	Yes	Consumer	Mechanical
13	Balapara Bazar	Yes	Yes	Yes	Yes	consumer	Mechanical
14	Bortolowa	Yes	Yes	Yes	Yes	Consumer	Mechanical
15	Tapatary	Yes	Yes	Yes	Yes	Consumer	Electrical(80%) Mechanical(20%)
16	Piradhara	Yes	Yes	Yes	Yes	Cosumer	Electronic

**Table 11: Electric Infrastructure in Village**

	<b>Village</b>	<b>33/11 KV s/s feeding village</b>	<b>Distrn. Capacity available to Village</b>	<b>DTs in village/Capacity</b>	<b>No. of Electric poles /dist points in village</b>
1	Ulubari	63KVA	1 Nos	63KVA	52
2	Borobazar	100KVA	1 Nos	100KVA	52
3	Dohlapara	63KVA	1 nos	63KVA	35
4	Goroimary	100KVA	1 Nos	100KVA	45
5	Nowapara I	100KVA	1 nos	100KVA	42
6	Nowapara II	63KVA	1 Nos	63KVA	25
7	Kawatika	63KVA	1 nos	63KVA	22
8	Sialmary	63KVA	1 nos	63KVA	45
9	Satipur	100KVA	1 nos	100KVA	25
10	Mulagaon Bazar	100KVA	1 nos	100KVA	27
11	Haripur	63KVA	1 nos	63KVA	42
12	Chalantapara	100KVA	1 nos	100KVA	50
13	Balapara	63KVA	1 nos	63KVA	20
14	Bortolowa	63KVA	1 nos	63KVA	25
15	Tapatary	63KVA	1 nos	63KVA	32
16	Piradhara	63KVA	1 Nos	63KVA	20

**Table 12: Problem of Franchisee**

	<b>Village</b>	<b>Improvement proposed</b>	<b>Power Interruption</b>
1	Ulubari	Training required	Regular Problem
2	Borobazar	Tariff structure should be revised	Regular Problem
3	Dohlapara	Tariff structure should be revised	Regular Problem
4	Goroimary	Checking of network required by ASEB	Regular Problem
5	Nowapara I	improve the supply of power	Regular Problem
6	Nowapara II	Checking of network by ASEB	Regular Problem
7	Kawatika	Metering system need to improve	Regular Problem
8	Sialmary	Training required for maintainance	Regular Problem
9	Satipur	SEB help to upgrade DTRs	Regular Problem
10	Mulagaon Bazar	Network improvement	Regular Problem
11	Haripur	Network improvement required	Regular Problem
12	Chalantapara	Maintanance of network and power availability	Regular Problem
13	Balapara	Maintanance of network required	Regular Problem
14	Bortolowa	Network maintainance	Regular Problem
15	Tapatary	Cooperation of ASEB required	Regular Problem
16	Piradhara	To improve L.T. Network	Regular Problem

**Table 13: Provisions of Metering**

	<b>Village</b>	<b>11Kv feeder inlet to DT</b>	<b>Output DT</b>	<b>At electric pole</b>	<b>Consumer premises</b>
1	Ulubari	Yes	Yes	Yes	Yes
2	Borobazar	Yes	Yes	No	Yes
3	Dohlapara	Yes	Yes	No	Yes
4	Goroimary	No	No	No	Yes
5	Nowapara I	Yes	Yes	No	Yes
6	Nowapara II	Yes	Yes	No	Yes
7	Kawatika	No	No	No	Yes
8	Sialmary	Yes	Yes	Yes	Yes
9	Satipur	No	No	No	Yes
10	Mulagaon Bazar	No	No	No	Yes
11	Haripur	Yes	No	Yes	Yes
12	Chalantapara	Yes	No	No	Yes
13	Balapara	Yes	Yes	Yes	Yes
14	Bortolowa	Yes	Yes	Yes	Yes
15	Tapatary	No	No	No	Yes
16	Piradhara	Yes	Yes	No	Yes

**Table 14: Electrification Certificate-Franchisee**

	<b>Village</b>	<b>BPL Families</b>	<b>APL Families</b>	<b>SC &amp; ST.</b>	<b>Electrification Certified</b>	<b>New Connections</b>
1	Ulubari	NA	129	NA	Yes	4
2	Borobazar	3	57	NA	Yes	8
3	Dohlapara	NA	90	NA	Yes	5
4	Goroimary	NA	180	NA	Yes	NA
5	Nowapara I	2	94	NA	Yes	10
6	Nowapara II	NA	80	NA	Yes	7
7	Kawatika	NA	58	NA	Yes	NA
8	Sialmary	NA	129	NA	Yes	12
9	Satipur	NA	108	NA	Yes	20
10	Mulagaon Bazar	NA	31	NA	Yes	11
11	Haripur	NA	66	NA	Yes	14
12	Chalantapara	NA	205	NA	Yes	9
13	Balapara	NA	100	NA	Yes	18
14	Bortolowa	NA	90	NA	Yes	30
15	Tapatary	NA	54	NA	Yes	4
16	Piradhara	NA	28	NA	Yes	2

**Table 15: Facility for Collection**

	Village	Home to Home	Few Locations /drop box	In Franchisee Office	Deposit In Bank A/C	Computer database
1	Ulubari	Yes	No	Yes	Yes	No
2	Borobazar	No	No	Yes	Yes	No
3	Dohlapara	Yes	No	Yes	Yes	No
4	Goroimary	No	No	Yes	Yes	No
5	Nowapara I	NA	No	Yes	yes	No
6	Nowapara II	Yes	No	Yes	Yes	No
7	Kawatika	Yes	No	Yes	Yes	No
8	Sialmary	Yes	No	Yes	Yes	No
9	Satipur	Yes	No	Yes	Yes	No
10	Mulagaon Bazar	Yes	No	Yes	Yes	No
11	Haripur	Yes	No	Yes	Yes	No
12	Chalantapara	Yes	No	Yes	yes	No
13	Balapara	No	No	Yes	Yes	No
14	Bortolowa	Yes	No	Yes	Yes	No
15	Tapatary	No	No	Yes	Yes	No
16	Piradhara	Yes	No	Yes	Yes	No

**Table 16: Consumer Feed back**

	Village	Quality of supply	Redressal of consumer complaints	Relation between Utility & Francisees	Suggestion to improve
1	Ulubari	O.K.	Yes	O.K.	Power supply to improve
2	Borobazar	low voltage	Yes	Good	Improve in production
3	Dohlapara	O.K.	Yes	Satisfactory	Improve in production
4	Goroimary	low voltage	No	Good	Less interruption
5	Nowapara I	O.K.	Yes	Good	Improve the production
6	Nowapara II	O.K.	Yes	Good	Load shedding need to be reduced
7	Kawatika	low voltage	No	Satisfactory	Regular power supply, less interruption,good maintainance
8	Sialmary	O.K.	Yes	Good	Power supply should be upgraded
9	Satipur	low voltage	Yes	Good	24 hour supply & good voltage
10	Mulagaon Bazar	low voltage	Yes	Good	Maintanance of lines
11	Haripur	O.K.	Yes	Satisfactory	power supply to be improved
12	Chalantapara	low voltage	Yes	Satisfactory	power4 availability
13	Balapara	O.K.	Yes	Good	Improvement in supply
14	Bortolowa	O.K.	Yes	Satisfactory	Regularity in supply
15	Tapatary	O.K.	Yes	Good	Regularity in supply
16	Piradhara	O.K.	Yes	Good	Improve L.T. Network system

**Table 17: Opinion on Management-Village Panchayat**

	<b>Village</b>	<b>Consumer satisfaction</b>	<b>Increase in tariffs</b>	<b>Metering satisfaction</b>	<b>If 100% metering</b>
1	Ulubari	Satisfied	Yes	Yes	Required
2	Borobazar	Satisfied	Yes	Yes	Required
3	Dohlapara	Satisfied	Yes	Yes	Required
4	Goroimary	Not Satisfied	Yes	No	Required
5	Nowapara I	Satisfied	Yes	Yes	Required
6	Nowapara II	Satisfied	Yes	Yes	Required
7	Kawatika	Not Satisfied	Yes	No	Required
8	Sialmary	Satisfied	Yes	Yes	Required
9	Satipur	Satisfied	Yes	Yes	Required
10	Mulagaon Bazar	Satisfied	Yes	Yes	Required
11	Haripur	Satisfied	Yes	Yes	Required
12	Chalantapara	Satisfied	Yes	Yes	Required
13	Balapara	Satisfied	Yes	Yes	Required
14	Bortolowa	Satisfied	Yes	Yes	Required
15	Tapatary	Satisfied	Yes	Yes	Required
16	Piradhara	Satisfied	Yes	Yes	Required

**Table 18: Franchisee name versus nos. of employees.**

	<b>Village</b>	<b>Franchisee name</b>	<b>Total No of employees</b>	<b>No. of working villages</b>
1	Ulubari	M/S Jwongblow Enterprise	4	9
2	Borobazar	Jougakhang Farm Pvt.	7	7
3	Kawatika	Dotury Juba Kallyan Agency	5	8
4	Goroimary			
5	Nowapara I	M/S Manas Enterprise	4	9
6	Nowapara II			
7	Dohlapara	M/S Mayuri Enterprise	5	8
8	Sialmary			
9	Satipur	Satipur Electricity Sub-committee	2	1
10	Mulagaon Bazar	Mulagaon SPPS Agency	8	3
11	Haripur	Shivam Enterprise	4	6
12	Chalantapara	Chalantapara SPPS Agent	4	3
13	Balapara	Balapara SPPS Agency	5	3
14	Bortolowa	Advance Electrical Power Agency	6	2
15	Tapatary	Amin Group	5	9
16	Piradhara			



63 KVA Transformer, Village: Tapattary



63 KVA Transformer, Village: Haripur



ASEB Staff Bijni, Franchisee workers, IRADe team.



Meeting with Villagers(consumers) in Franchisee office