# *Rural Electrification Corporation*

**(A Govt. of India Undertaking)**

**Evaluation of Franchisee System:**
**Report on JODHPUR & PALI (Rajasthan)**


IRADe Integrated Research and Action for Development

Dated: 28th Feb' 2007

**C-50, Chotta Singh Block, Asian Games Village Complex, Khelgaon**
**New Delhi-110049, INDIA, Tel No.-91 11 26495522/Telefax-91 11 26495523**
**(www.irade.org)**

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## Evaluation of Franchisee System:
## Report on JODHPUR & PALI (Rajasthan)


IRADe Integrated Research and Action for Development

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## Executive Summary

The Ministry of Power, Govt. of India has initiated the process of Franchisee System under RGGVY scheme, bring implemented through rural electrification corporation starting April 2005. Appointment of franchisees for distribution system management in the villages has been made mandatory in the RGGVY scheme to avail 90% grant for rural electricity infrastructure projects.

REC awarded the study of the franchisee system to IRADe in the state of Rajasthan through sample villages in the districts of Jodhpur and Pali. This is an attempt to evaluate the franchisee system in Rajasthan through the study of sample villages in Jodhpur district and Pali districts of Rajasthan, where the franchises were selected by Jodhpur VVNL. No villages in the Pali district have yet been handed over to the franchises. ( Bali Panchayat samiti-20 villages), 9 villages out of 31 in Balesar Panchayat samiti in jodhpur district have so far been handed over (end February 2007) to the franchisees. This report is based on the extensive field survey of these 9 villages in Balesar PS.

The salient results of the field survey of villages are summarized below-

- **Selection of franchisee**

  Franchisee was selected through a laid dawn procedure and guidelines on RGGVY and in consonance with Ministry of Power GOI.

  DISCOM Jodhpur had invited tenders through advertisement in newspapers in March 2006 for electricity supply, repairs, maintenance, revenue collection, meter reading and billing etc for 31 villages of Balesar Panchayat Samiti of Jodhpur district. One franchisee was selected after negotiations on 10.02.06 for 31 villages.

  Initially franchisee has been given 7 villages in which Feeder Renovation Programme (FRP) was completed. Lately 2 more villages have been sanctioned to franchisee. Work is in progress under the FRP in the remaining villages which would be then handed over to the franchisee under RGGVY.

- **Responsibility of the franchisee**

  The responsibility of franchisee includes meter reading, billing distribution, revenue collections, feedback to utility on status of electrical network and facilitation of the release of new service connections.

- **Type of Franchisee and Franchisee Model**

  Franchisee model adopted in this case is **input energy based recovery mechanism and incentives model**. The Selected franchisee is owned by an individual in the name of M/S Basant kumar S/o Shri Chhote lal. It is an 'A Grade' license electric contractor.

  Franchisee has deposited security of amount 50,000/- in cash and has agreed to pay the rest of Rs 50,000/- in installments of Rs 5000/- p.m. for ten months.
  The Franchisee has a team of 6 people working in this franchisee. One of them is ITI Qualified. It intends to increase the manpower as soon as more number of villages is handed over to the franchisee.

- **Impact of the Franchisee System**

  A lot of improvement can be seen in terms of reduction in the revenue losses as well as consumer satisfaction level after the appointment of the franchisee. The figures estimate a reduction of losses to a level of 7.5 % as compared to 41% in two months of working of the franchisee.

  Discussions with the villagers reveal that there has been a satisfactory improvement in electricity supply and billing in the villages where the franchisee is operating. The reported complains are readily attended to and more than 85% of consumer reported to be satisfied with the service of franchisee.

  The incidence of theft has reduced after the franchisee has taken up the responsibility of meter reading. The workers visit village regularly (twice a month) and assess the recordings.

  Even though the franchisee system has started very recently in Rajasthan it is showing good results in 9 villages.

- **Problems faced by the Franchisee**

  At present the franchisee is operating in only 9 out of the sanctioned 31 villages in PS Balesar. This makes the operation of the franchisee inefficient and costly. It is estimated that as soon as the franchisee is handed over the operations in all the 31 sanctioned villages it would become financially viable for the franchisee as well.

- **Billing Procedure**

  Now the billing procedure is more convenient as franchisee ensures regular and timely bill distribution in the area. The revenue is collected by the franchisee from each consumer at Agolai Discom office which is then deposited by the franchisee to the DISCOM office at Panchayat Samiti Balaser.

The revenue collection has gone up from Rs 2.622 to 3.064 lakh ( 16.85 % increase) for these villages after appointment to franchisee.

- **Training**

DISCOM had oriented the workers of the franchisee. The franchisee at this point denied any need of technical training.

- **Supply**

Before the franchisee took over there was an irregular supply of 6-7 hours a day in these villages. After the appointment of the franchisee there is supply of single phase for 12 hours in night and 3 phase for about six hours in day.

- **Meter Reading**

Previously the meter reading was taken every 2-3 months. Even sometimes the billing was done on average consumption basis. The deployment of franchisee has ensured meter reading twice a month and the bills are generated regularly once in two months. The franchisee and DISCOM are also working on billing once a month.

- **Consumer Feedback**

Previously there was long time taken for action on consumer complaints. Now the Franchisee workers are present in villages and attend to the complaints in the shortest possible time.

This is improvement in supply & quality of electricity. Line failure, voltage drop and interruption has been minimized

Due to increase in supply & voltage of electricity there is increase in use of electric machines and appliances. It is perceived that it would result in economic efficiency of the villagers of the area.

- **Release of new connections**

In last two months 17 new Domestic connections (to APLs) have been given by the Franchisee. The process followed for release of new connection is through Discom. After approval of DISCOM franchise releases new connections. It was seen that there were pending demands for new connections but in absence of supply of material it could not be catered to.

- **BST is found unviable by Discom.**

- **Panchayat Feed Back**

About 80-90% consumers reported to be satisfied with the franchisee system. Consumers are satisfied after the installation of electronic meter. They feel that the electricity losses are minimized with these meters.

Consumers do not agree with pre paid metering system. Almost all consumers felt that there should not be any hike in the tariff.

- **New Technologies-** 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 posses adequate knowledge and skills to make use of this technological feasibility, communications linked to Distribution of electricity can form on integrated business opportunity for franchisee in villages in the long run.
- **Sustainability** - The franchisee system in Rajasthan seems to be quiet sustainable as it is financially strong in structure.

**1. Electricity Distribution System-Rajasthan:**

Rajasthan State electricity board (RSEB) was set up under the Electricity (Supply) Act 1948 in around 1960. Land area wise. Rajasthan is one of the largest state in India. Large part of the state is a desert and it suffers from scarcity of water, however agriculture potential in Rajasthan is substantial if irrigation water could be managed. Waster table is low in habitated areas of Rajsthan. Deep tube wells are used here to irrigate agriculture land.

RSEV continued to manage the entire electricity sector in Rajasthan state including generation, transmission and distribution till recently (2000). RSEV was unbundled recently and was reconstructed in to five companies separating the generation, transmission and distribution function of the electricity business.

The existing utility in Rajasthan include

1. Rajasthan Rajya Viduyt Utpadan Nigam Limitd.(RRVUNL)- The generation company
2. Rajasthan Rajya Viduyt Prasaran Nigam Limitd.(RRVPNL)- The transmission Utility of Rajstahan
3. Jaipur Viduyt Vitaran Nigam Limitd.(JVVNL)- Distribution Utility
4. Jodhpur Viduyt Vitaran Nigam Limitd.(Jd.VVNL)- Distribution Utility
5. Ajmer Viduyt Vitaran Nigam Limitd.(AVVNL)- Distribution Utility

The three distribution companies, in the state of Rajasthan are responsible to Manage distribution system in the respective areas of their operation including rural electrification and providing access to all house holds including villages by March 2012 as per National electricity policing.

The three DISCOM's of Rajasthan provide electricity to all the major population centers in Rajasthan as well as about 90% of the rural villages. Electrical energy is largely users in the state for tube well irrigation and increase demands on power.

In Rajasthan the rural electrification (RE), Programme was started by RSEB long time back. In 1996-1997 due to larger land areas the distribution network in the state is larger and involves technical losses and the higher employee and O&M cost.

National Rural Electrification Policy 2004 aims at electrification of all villages by 2009 and to [provide access to electricity to all households by 2012.

RSEB had been historically sound in financial matters but subsidy needs of the state were higher due to large water irrigation requirements. Rajasthan is largely served by thermal power generation and hence there power purchase costs are high. An efficient distribution management system backed by efficient billing and collection mechanism for electricity supplied is much needed by the state. Franchisee systems in rural; area may become useful for distribution systems management in this perspective.

**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 2005with 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 Government of India under the RGGVY had made the deployment of Franchisees mandatory to ensure the revenue sustainability for the rural distribution system. An attempt has been made through this system to initiate new partnerships among the stakeholders and the distribution companies. It is also envisaged that this system would lead to the economic empowerment of women, war widows, and unemployed youths. Under the Franchisees system besides Non-Governmental Organizations (NGOs), Users Associations, Cooperatives or individual entrepreneurs, the panchayat institutions would also be associated.

### 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"

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

From the point of view of RSEB 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 RSEB to set up 'Agents'/Franchisee':

The responsibility of franchisee includes meter reading, billing distribution, revenue collections, feedback to utility on status of electrical network and facilitation of the release of new service connections.

#### 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:

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.

**3.3.3. <u>Procedure for appointing Agents/franchisee</u>:**

Bids were invited by the utility through open advertisement in news papers .The bid specification defined rules and conditions under which the bids wrer to be given and defined the scope of work of franchisee .The bidders could be NGOs ,panchayat,retired electricity worker ,indivisuals or group of indivisuals or a firm or company.Indivisuals or workers of the bidders were required to be educated minimum X pass (T) trained persons were to be given preference.Prior expereince was not necessery .However franchisee workers doing electricians job are required to have license from electric inspection ,registered with jodhpur.

The competion was based on franchisee service fees in rupees for each village in the defined franchisee area.

The security to be deposited by the franchisee with DISCOM as per terms of agreement is ,equivalent to 07 days average of three months revenue realization of related villages,in cash ,and the balance of three months average revenue realization to be deposited in the form of bank guarentee.

The franchisee has been made responsible for depositing every day cash collection in jodhpur VVNL account with Jalori gate branch of SBBJ at jodhpur.

Employees contributing provident fund and employees state insurence are made compulsary for the franchisee ,service tax if applicable is liability of the franchisee.

The jodhpur franchisee for gram panchayat Balesar is thus based on Remraneration with an incentive and disincentive for complete billing.Where as meter reading would be done by franchisee ,preparation of computerized billing is being done by an appointed agency.

**3.3.4. <u>The commencement of agents work and the agreement necessitates</u>:**

- Three phase static meters to be installed by RSEB 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
- RSEB issues necessary certificate to the agency to carry out work within stipulated area and period
- RSEB 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 franchisses have been given the following rights and obligations by the utility in jodhpur balesar G P. The franchisee operations started in november 2006.

i) Maintainence of electric lines beyond the metering point
ii) Replacement of Transformers.
iii) Meter reading of the consumers.
iv) Distribution of electric bills.
v) Recover billed amount & disposit in Jodhpur Discom Account.
vi) Replacement of stop/burnt/defective meters &service lines.
vii) Rederessal of consumers grievences & complain attaindents.
viii) Facilities release on new service connection.
ix) Feed back on status of electric network in the area franchised to become a partner in loss reduction ,for this the franchisee may develop a system for periodical checking as the franchisee is responsible for billing of at least 90% of energy supplied beyond the point of measurement of energy supplied to the franchisee area.

**3.3.6. RSEB's responsibilities towards Agent/Franchisee:**

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

- Supply of electricity to the agency's area at defined points
- Issue of single point supply bill to the agency within the $10^{th}$ 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. Introduction of Franchisee System in the State of Rajasthan:**

Franchisee system in Rajsthan has been initiated based on the RGGVY scheme under which the appointment of Franchisee was made mandatory to avail the 90% grant element in the RGGVY projects for creating distribution system infrastructure in the villages. The Jodhpur Vidyut Vitaran Nigam Ltd.(JVVNL) are the front runners among the three DISCOMs in Rajasthan to introduce Franchisee system.

The innovative part of introducing Franchisee in Rajasthan have the following agreements:

- Bids were invited in a transparent manner through open advertesement
- Block of villages in Panchayat Samitiwise were considered for awarding to a single Franchisee to ensure their financial viability and adequate size of operations.
- Bids were invited on competitive basis on the basis of service charges per village.
- The single point metering for the power supplied to the Franchisee was kept flexible and copuld have been linked through to-
    i. Powere fed to a 33/11 KV sub station
    ii. A 11 KV feeder or a group of feeder
    iii. A distribution transformer or group of transformer
    iv. A village or a group of villages.
    v. Any other defined way of supplying metered energy to 5he Franchisee.

Bids were invited in March 2006 by Jodhpur VVNL and the letters of award were issued to two individual Franchisees (i) in the Pali District, in Bali Division Bali Panchayat Samiti having 20 villages connected to an 11 KV feeder was to be given to M/S kKamal Electrical Engineering Cooperation. (ii) in the Jodhpur District, Balesar Division, Balesar Panchayat Samiti containing 31 villages was decided to be handed over to M/S Basant Kumar S/O Chotelal Suthar.

Till date by the end of Feb' 2007, 9 out of 31 villages in the Balesar Panchayat Samiti have been handed over to the Franchisee. The remaining villages would be handed over by the end of March 2007, after strengthening the distribution system network under RGGVY.

The Utility would provide the Franchisee proper network and metering arrangement at DTR outlets. After two months of the take over the Franchisee shall be responsible for 85% of the energy supplied at distribution transformer. After four months of operations he would be responsible for 905 of energy supplied. Incentive would be given to the Franchisee if the billed amount is more than 90% of the energy supplied. The incentive would be equal to 50% of the excess energy billed above the limit of 90%( last two months average selling rate penalty would be imposed on the unbilled energy if the billed energy is less than 90% of the energy supplied.

The franchisee system started operating in Jodhpur in Nov' 2006 after the handing over of 67 villages. The responsibilities of the franchisees cover the entire responsibility of meter reading, billing, collection, redressal of consumer grievers, facilitate new connections and feed back to utility on status of electric network in his area to become a partner in loss reduction. Normal maintenance of the distribution network is also the responsibility of the Franchisee.

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

MOP, GOI issued on dated 18th 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 acess 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 Franchusee 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**:

Franchisee system operations have been started recently in the state of Rajasthan, starting in the Districts of Jodhpur and Pali. The franchisees are proposed to be given either villages in a Panchayat Samiti or Metered Energy in a suitable manner at 33/11KV sub station, or 11KV feeder, or at Distributiojn transformer.

The franchisees are being appointed through competitive bids based on remunerations per village. They are being given incentives and these incentives for billing and collection for entire energy supplied allowing a reasonable loss at distribution network.

The Rajasthan utilities have been seriously considering the necessasity of securitizing the receivables by the franchisees. The franchisees are finding difficult adequate security covering two months collections in villages. During the visit of IRADe to the office of pioneer office of franchisee in Jodhpur, Agolai village, it was seen that all the stakleholders including the consumers, the utility officers and the franchisee work apprehensive about the new system but at the same time they are equally optimistic about the success of the system. Some of the consumers were worried about the increase in electricity consumption due to electronic meters. Their worries were however explained and it was found that mostly it was an arithmetical error in recoprding the meter reading.

The fact that the franchisees are proposed to be given measured electrical energy amnd full, resoponsuibility on the normal maintamnanc of the distribution network the franchisee model in Rajasthan seems to mbe quite promising.

**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 30 villages in the Jodhpur Circle of Rajasthan 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 Ian 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 Jodhpur, Rajasthan from the list of villages obtained from RSEB 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 jodhpur ,Rajasthan are indicated in the enclosed list. Thus the field survey was conducted in 9 villages i.e. about 20% villages included in the sample field survey of villages.

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

Letter of Award dated 16th Jan' 2007 to conduct the study was received from Rural Electrification Corporation on 16th Jan' 2007. Letter was issued by REC to chairman RSEB, on 16th Jan' 2007, introducing IRADe to conduct the study. Nodal officers have been named by chairman RSEB 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 RSEB head quarters and also interacted with the CEO of the Jodhpur 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 15 villages was included in the inception report, randomly selected out of 145 villages listed in the RGGVY scheme for Jodhpur Circle received from RSEB. 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 9 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 Jodhpur(Rajasthan) 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 Rajasthan , the franchisee could be NGOs ,panchayat,retired electricity worker ,indivisuals or group of indivisuals or a firm or company.Indivisuals or workers of the bidders were required to be educated minimum X pass (T) trained persons were to be given preference.Prior expereince was not necessery .However franchisee workers doing electricians job are required to have license from electric inspection ,registered with jodhpur 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**:

One franchisee each for Balesar Gram panchayat in Jodhpur and one for Bali Gram panchayat for Pali were selected by Jodhpur VVNL through competitive bidding against open advertisement. For Balesar Gram panchayat agreement has been reached between the utility and the franchisee regarding security arrangement and etc. The agreement consists of three portions the franchisee agreement, security bank guarantee and the performance guarantee. Rajasthan utilities have develop a format each for Bank

Guarantee, performance guarantee and franchisee agreement. And elaborate performance measurement format for the franchisee have been evolve to regularly monitor their performance.

**11.4. Security Deposit**:

The security package for the Bali Gram Panchayat in Pali District has yet to be evolved to the agreement of both sides. In the case of Balesar GP in Jodhpur district, the franchisee has depositred security amount of Rs.50,000 in cash and has agreed to pay the balance amount of Rs. 50,000 in ten installments at the rate of Rs.5000 per month.

Normally the utility demands a bank guarantee equal into two months estimated recovery from each village. This has been suggested keeping in view the two months billing cycle.

**11.5. Operating Experience/Problems:**

At present the franchisee is operating in only 9 out of the sanctioned 31 villages in PS Balesar. This makes the operation of the franchisee inefficient and costly. It is estimated that as soon as the franchisee is handed over the operations in all the 31 sanctioned villages it would become financially viable for the franchisee as well

**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**:

Now the billing procedure is more convenient as franchisee ensures regular and timely bill distribution in the area. The revenue is collected by the franchisee from each consumer at Agolai Discom office which is then deposited by the franchisee to the DISCOM office at Panchayat Samiti Balaser.

The revenue collection has gone up from Rs 2.622 to 3.064 lakh ( 16.85 % increase) for these villages after appointment to franchisee.

**12.2. Revenue collections**:

Table 2 depicts the growth of total energy supplied and the revenue collections, based on the performance of the franchisee in the first two months of its operations in seven villages for the period Dec'2006 and Jan'2007. the growth is seen in comparison to the energy supplied in the previous two months (Oct'-Nov'2006) and the revenue collection during the same period. Most important part of the change over from the utility to franchisee is seen in the from of substantially higher billing in each of the seven villages. The increase in energy billed in two months(Dec'06-Jan'07) over the previous two months(Oct'-Nov'06) varied from around from 58% to 148%, even though the energy supplied increased only upto 555 and the revenue collected increased maximum upto 15%.

Such a sharp increase in billing is attributed to the installation at the consumer primises and the collection from the consumers based on average billing without serving the bills in previous months.
It can there for be stated that billing and collections are expected to increase significantly after the appointment of Franchisee.

**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 18 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 Rajasthan Single Point Power Supply (SPPS) system is being predominantly used under the RGGVY Scheme 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 RSEB/DISCOMS are made responsible for the maximization of revenue from the electrical energy fed at the outlet of the Distribution Transformer. Franchisee system under the RGGVY scheme resulted electrification in unelectrified villages and already electrified villages which ultimately improved the village electric infrastructure and distribution network.

The Franchisee is responsible for the entire input electrical energy, allowing for the predetermined losses. This Franchisee system is operating in Rajasthan 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.

Power availability in the sample villages shows about 18 hours daily. 80% Consumers are satisfied with the Franchisee system as quality of supply has increased with the minimization of theft or hooking in the villages. Dissatisfaction is in terms of installation of electronic meters which is actually very sensitive with reference to the mechanical meters. The relation between franchisee and utility is good and they are getting good cooperation from consumers.

**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 Table11: "provision of Meters at"

| | |
|---|---|
| 11 KV feeder inlet to DT- | 100% No |
| Output of DT- | 100% Yes |
| At electric pole- | 100% No |
| At Consumer Premises- | 100% Yes |

One (1) 33/11 KV Substation Transformer capacity is feeding more than one village. 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**:

In last two months 17 new Domestic connections (to APLs) have been given by the Franchisee. The process followed for release of new connection is through Discom. After approval of DISCOM franchise releases new connections. It was seen that there were pending demands for new connections but in absence of supply of material it could not be catered to.

**12.7. Employment Generation**:

In the nine sample village's one enterprise (M/S Basant Kumar, Chhote Lal, Agolai, Jodhpur) is working. The Franchisee organization employed 6 persons per franchisee. in which 5 of them are studied above X th and one of them studied above graduation. It is expected that with increase in consumer connections and responsibility the employment generation will increase and also no of Franchisee.

**13.0.Training Needs & Franchisee**:

The franchisee working in the villages is well trained as Balesar Utility organized some kind of training regarding the village electric distribution system management. Though there is no need for regular training to franchisee people, yet some inputs on bill generation and attention to consumer complaints is welcomed from SEB. According to village panchayat sources it is revealed in 100% sample villages that consumer complaints are attended by the Franchisee. Further consumers were satisfied in 80% of the villages.

The feed back from Franchisee is the sample villages indicate that power interruption and line failure is not a problem in 100% of the villages. Voltage drop is manageable in 100% of the villages.

**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 Rajasthan have been 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 Rajasthan is nearest to model(i) B
"Model B: Revenue Franchisee input based". The input based franchisee practiced in rural areas of Rajasthan is based on the input metered at the LT side of Distribution transformer feed the village area.

The Franchisee in Rajasthan 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 assocated"

The guidelines are silent about the manner I which the Panchayat institutions would be associated. However considering the satisfaction level of consumers and feed back from Gram Panchayat it could be stated that REC guidelines are being followed in Rajasthan
The responsibilities discharged by the individual entrepreneurs as franchisees in Rajasthan 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**:
In Rajasthan the Bulk Supply Tariff(BST) is not implemented under the franchisee system. Therefore no information in the sample villages was found about BST.

**15.2. Complete Bidding**:
The guidelines propose that:
"Whenever feasible, biding may be attempted for determining bulk supply tariff"
In Rajasthan 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 serge 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 per 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 Rajasthan**

In Rajasthan 230 villages were selected under RGGVY scheme. The RGGVY scheme includes both electrified and unelectrified villages.the franchisee model is "Input Based" and about to cover 1350 villages in Rajasthan. The franchisees are working under REC guidelines. REC gives priority to virgin non-electrified villages for including under RGGVY scheme. However to take benefits of the scheme, RSEB desires to include strengthening of distribution network in electrified villages in RGGVY. Jodhpur Vidyut Vitran Nigam Ltd.(JVVNL) is the pioneer in creation of Franchisee system in Rajasthan.

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

In Rajasthan 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 Rajasthan.

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 RSEB 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. RSEB 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 RSEB 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 RSEB 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 qualities of cable lying 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 Rajasthan, the electric meters are owned by DISCOM / Utility. 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 1299 households, 555 households enjoyed domestic electricity connections. In these villages there were 82 commercial connections as well.

Thus there was access to electricity available to 42 % of the household and there is a possibility of its penetration to 100% households if they opt for electricity.

In Rajasthan , there were sufficient 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 I
## Income level of house holds (Per annum)

| Village | Having pan nos | Income 1.5 to 2.0 lacs nos | Income 1.0 to 1.5 lacs nos | Income 60k to 1.0 lacs nos | 30k to 60k nos | 10k to 20k nos | Below 10k |
|---|---|---|---|---|---|---|---|
| Ajeet Nagar | - | - | - | - | 7 | 2 | 1 |
| Tolesar Charnan | - | - | - | 1 | 5 | 3 | 1 |
| Tolesar Parohitan | - | - | | 2 | 4 | 2 | 2 |
| Bhatelai Charnan | 1 | - | 4 | 3 | 2 | - | - |
| Bhatelai Purohitan | - | - | 3 | 5 | 2 | - | - |
| Dugar | 1 | - | - | 1 | 3 | 3 | 2 |
| Agolai | 2 | 1 | 3 | 2 | 1 | 1 | - |
| Viahnu Nagar | 2 | - | 3 | 4 | 1 | - | - |
| Surani | - | - | 2 | 4 | 4 | - | - |

## Table 2

**Growth in total energy supplied and Revenue Collection**

| **Village** | **% Growth in total energy supplied to Village 2006-07 (Dec.-Jan) over (oct-nov)** | % Growth in revenue collections **(Dec.-Jan) over (oct-nov)** |
|---|---|---|
| **Ajeet Nagar** | **-** | **7** |
| **Tolesar Charnan** | **22%** | **15** |
| **Tolesar Parohitan** | **38%** | **11** |
| **Bhatelai Charnan** | **55%** | **02** |
| **Bhatelai Purohitan** | **23%** | **07** |
| **Dugar** | **-** | **09** |
| **Agolai** | **0.35%** | **-0.17** |
| **Viahnu Nagar** | **14%** | **1.2** |
| **Surani** | **0.08%** | **9** |

## Table 3
## Families/Consumers in villages

| ge | Total no of famili es | Total popu latio n | No of Domest ic connec tions | No of BPL connectio ns | No of commerc ial connectio ns | No of indust rial conne ctions | No of families having pump sets | Pum p set 5hp | Pump set 10hp and above | Public facilitie s | No. of Schools | Health Center s | O |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 91 | 724 | 70 | - | - | - | - | - | - | - | 2 | - | - |
| r an | 127 | 885 | 31 | 8 | 1 | - | 1 | 1 | - | - | 2 | - | - |
| r ita | 187 | 1390 | 54 | 4 | 2 | - | - | - | - | - | 1 | - | - |
| lai an | 66 | 430 | 16 | 1 | 1 | - | - | - | - | - | 2 | - | - |
| lai ita | 148 | 910 | 74 | 6 | - | - | - | - | - | - | 1 | - | - |
| | 168 | 1164 | 50 | 2 | 8 | - | - | - | - | - | 1 | - | - |
| | 306 | 1975 | 160 | 6 | 62 | 7 | 1 | - | - | - | 1 | 1 | 3 |
| u | 120 | 1027 | 20 | - | - | - | - | - | - | - | 1 | - | - |
| i | 85 | 595 | 80 | 4 | 6 | - | - | - | - | - | 1 | - | - |

## *Table 4*

## *Household Characteristics in village*

| | Families with large land holding | Small Holdings | Doing Teaching/ other services Nos. | Providing M/C, skilled services | Doing Small business | Doing good business | Identified below BPL Nos. | Providing Engineering/ services | Wor Field Labo |
|---|---|---|---|---|---|---|---|---|---|
| gar | 5 | 25 | 5 | - | 5 | - | 30 | 1 | 515 |
| Charnan | 5 | 20 | 6 | - | 3 | 2 | 39 | - | 525 |
| Parohitan | 7 | 50 | 10 | - | 20 | 2 | 20 | - | 870 |
| i Charnan | 15 | 35 | 10 | - | 2 | 1 | 22 | - | 128 |
| i Purohitan | 40 | 108 | 4 | 3 | 7 | 2 | 23 | - | 615 |
| | 10 | 25 | 10 | | 3 | - | 18 | - | - |
| | 5 | 55 | 18 | 1 | 25 | 3 | 22 | - | 1675 |
| Nagar | 50 | 30 | 20 | - | 15 | - | 28 | - | 635 |
| | 60 | 25 | 2 | - | - | 4 | 45 | - | 330 |

## Table 5

## Economic Activities in Villages

| | Families living on Agriculture | Skilled labour | Unskilled labour | Food processing | Teaching | Machine production | Equipment repair | Supply of M/Cs/ Equipment | Grocery/ Garment shops | Horticulture | Furniture | Food shop | Servic shop |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| r | 75 | 5 | 5 | 1 | 1 | - | 1 | - | 2 | - | - | - | 1 |
| | 80 | 20 | 10 | 2 | 1 | - | - | - | - | - | - | - | 1 |
| | 130 | 15 | 30 | 2 | 1 | 2 | - | - | - | - | 2 | - | - |
| | 35 | 10 | 5 | - | 2 | - | - | - | 1 | - | 1 | - | - |
| | 90 | 20 | 25 | - | 2 | - | 3 | - | - | - | - | - | 3 |
| | 108 | 25 | 30 | 2 | 1 | - | | - | - | - | - | 2 | - |
| | 225 | 40 | 30 | 2 | 2 | - | 2 | - | - | - | 2 | 3 | - |
| | 90 | 10 | 20 | - | - | - | - | - | - | - | - | - | - |
| | 75 | 5 | 5 | - | 1 | - | - | - | 2 | - | 2 | - | - |

# Table 6
## Type of construction of houses

| Village | Census code | Pucca Construction | Tin/Wood/bamboo & bricks | Kaccha cinstn. With proper roof | Kaccha constn. With temp. Roofing | Temp. constn with straw, wood, plastics |
|---|---|---|---|---|---|---|
| **Ajet Nagar** | **927** | **75** | **25** | **-** | **-** | **-** |
| **Tolesar Charnan** | **928** | **25** | **8** | **63** | **30** | **-** |
| **Tolesar Parohitan** | **929** | **75** | **25** | **24** | **26** | **-** |
| **Bhatelai Charnan** | **930** | **45** | **25** | **-** | **10** | **-** |
| **Bhatelai Purohitan** | **932** | **160** | **15** | **-** | **15** | **-** |
| **Dugar** | **933** | **102** | **32** | **28** | **6** | **-** |
| **Agolai** | **934** | **215** | **10** | **25** | **50** | **-** |
| **Viahnu Nagar** | **936** | **70** | **10** | **-** | **-** | **-** |
| **Surani** | **937** | **50** | **35** | **15** | **-** | **-** |

## Table 7
## Electric Appliances used in village

| Village | Bullbs/ Tubes/ Fans | Compact fluorescent lamps | Radio/Record Player / Television | Electric Pump & Motor | Electric power M/Cs | Dessert cooler | Refrigerator | Air conditioning / Electric Cooker | Washing machine / Factory Machines | Cloth ironing electric | Electric Lathe M/s | Power saw drill | Other |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Ajeet Nagar | Yes | No | Yes | Yes | No | Yes | No | No | No | Yes | No | No | No |
| Tolesar Charnan | Yes | No | Yes | Yes | No | Yes | Yes | No | No | Yes | No | No | No |
| Tolesar Parohitan | Yes | No | Yes | Yes | No | No | Yes | No | No | Yes | No | Yes | No |
| Bhatelai Charnan | Yes | No | Yes | Yes | No | Yes | No | No | No | Yes | No | No | No |
| Bhatelai Purohitan | Yes | No | Yes | Yes | No | Yes | No | No | No | Yes | No | No | No |
| Dugar | Yes | No | Yes | Yes | No | No | Yes | No | No | Yes | No | No | No |
| Agolai | Yes | | Yes | Yes | Yes | Yes | Yes | No | No | Yes | Yes | Yes | No |
| Viahnu Nagar | Yes | Yes | Yes | No | No | No | No | No | No | No | No | No | No |
| Surani | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | No | Yes | No | Yes | No |

**Table 8**

**Energy sources used**

| Village | Dung Coal/ Wood | Wax | Gas | Kerosene Diesel/ Petrol | Battery | Electricity | Animal/manual | Sun |
|---|---|---|---|---|---|---|---|---|
| Ajeet Nagar | Yes | No | Yes | Yes | No | Yes | No | No |
| Tolesar Charnan | Yes | No | Yes | Yes | Yes | Yes | No | No |
| Tolesar Parohitan | Yes | No | Yes | Yes | Yes | Yes | No | No |
| Bhatelai Charnan | Yes | No | No | Yes | No | Yes | Yes | Yes |
| Bhatelai Purohitan | Yes | Yes | No | Yes | No | Yes | No | Yes |
| Dugar | Yes | No | Yes | Yes | Yes | Yes | No | No |
| Agolai | Yes | No | Yes | Yes | Yes | Yes | No | No |
| Viahnu Nagar | Yes | Yes | No | Yes | No | Yes | Yes | Yes |
| Surani | Yes | Yes | No | Yes | No | Yes | Yes | No |

# Table 9
## Connected load per consumer

| Village | Census Code | Upto 0.5 kw nos | 0.5 to 1 kw nos | 1 to 2 kw nos. | 2 to 5 kw nos. | 5 kw to above nos. |
|---|---|---|---|---|---|---|
| Ajeet Nagar | 927 | - | 70 | - | - | - |
| Tolesar Charnan | 928 | 8 | 31 | 1 | - | - |
| Tolesar Parohitan | 929 | 4 | 54 | 2 | - | - |
| Bhatelai Charnan | 930 | 1 | 16 | 1 | - | - |
| Bhatelai Purohitan | 932 | 6 | 74 | - | - | - |
| Dugar | 933 | 2 | 50 | 8 | - | - |
| Agolai | 934 | 6 | 160 | 62 | - | 7 |
| Viahnu Nagar | 936 | - | 20 | | - | - |
| Surani | 937 | 4 | 80 | 6 | - | - |

**Table 10**
**Electrical Network in Village**

| Village | 33/11 Kv/s feeding village | Capacity-MVA | Whether s/s feeding other village | Distrn. Capacity available to Village | DTs in village /Copacity | No. of Electric poles/ dist points in village | No. and size of DG sets in village |
|---|---|---|---|---|---|---|---|
| Ajeet Nagar | Yes | 1.6 MVA | Yes | 50 KVA | 2 (25 +25) | 45 | No |
| Tolesar Charnan | Yes | 1.6 MVA | Yes | 40 KVA | 1 (40) | 30 | No |
| Tolesar Parohitan | Yes | 1.6 MVA | Yes | 40 KVA | 1 (40) | 25 | No |
| Bhatelai Charnan | Yes | 1.6 MVA | Yes | 25 KVA | 1 (25) | 10 | No |
| Bhatelai Purohitan | Yes | 1.6 MVA | Yes | 63 KVA | 1 (63) | 32 | No |
| Dugar | Yes | 1.6 MVA | Yes | 63 KVA | 1 (63) | 40 | No |
| Agolai | Yes | 1.6 MVA | Yes | 163 KVA | 1 (100+63) | 60 | No |
| Viahnu Nagar | Yes | 1.6 MVA | Yes | 25 KVA | 1 (25) | 12 | No |
| Surani | Yes | 1.6 MVA | Yes | 126 KVA | 2 (63 + 63) | 36 | No |

**Table 11**
**Metering provided at**

| Village | 11 kv feeder inlet to DT | Output of DT | At electric pole | At consumer premises | Location of DT s is optimal | Make/ Quality Of DTs | Quality of joints | Cable laying quality |
|---|---|---|---|---|---|---|---|---|
| Ajeet Nagar | No | Yes | No | Yes | Yes | N.A. | Good | Good |
| Tolesar Charnan | No | Yes | No | Yes | Yes | N.A. | Good | Good |
| Tolesar Parohitan | No | Yes | No | Yes | Yes | N.A. | Good | Good |
| Bhatelai Charnan | No | Yes | No | Yes | Yes | N.A. | Good | Good |
| Bhatelai Purohitan | No | Yes | No | Yes | Yes | N.A. | Good | Good |
| Dugar | No | Yes | No | Yes | Yes | N.A. | Good | Good |
| Agolai | No | Yes | No | Yes | Yes | N.A. | Good | Good |
| Viahnu Nagar | No | Yes | No | Yes | Yes | N.A. | Good | Good |
| Surani | No | Yes | No | Yes | Yes | N.A. | Good | Good |

**Table 12**
**Length of Network in village in Kms**

| Village | 33kv feeders | 11kv feeders | 0.44kv feeders(3phase) | 0.23kv feeders(1phase) |
|---|---|---|---|---|
| Ajeet Nagar | - | 4 kms | - | 3 Kms |
| Tolesar Charnan | - | 2 kms | - | 1.8 Kms |
| Tolesar Parohitan | - | 6 kms | 0.4 Kms | 5 Kms |
| Bhatelai Charnan | * | 5 kms | - | 1.8 Kms |
| Bhatelai Purohitan | - | 2 kms | 0.3 Kms | 0.7 Kms |
| Dugar | - | 3 kms | - | 2.4 Kms |
| Agolai | 22 Kms | 3 Kms | 1.2 Kms | 2.5 Kms |
| Viahnu Nagar | - | 2 kms | - | 0.7 Kms |
| Surani | - | 7 kms | 0.5 Kms | 2.2 Kms |

**Table 13**
**Jobs handle by franchisee**

| Village | Release of New Connections | Attend Consumer complaints (supply) | Correct meter faults | Fuse replacements | Distrbn. Transformer Repair / Replacement | 11 KV feeder faults/ Consumer Premises faults | 0.44/0.23 kv feeder faults | To improve reliability of supply/ Help load balancing |
|---|---|---|---|---|---|---|---|---|
| Ajeet Nagar | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes |
| Tolesar Charnan | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes |
| Tolesar Parohitan | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes |
| Bhatelai Charnan | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes |
| Bhatelai Purohitan | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes |
| Dugar | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes |
| Agolai | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes |
| Viahnu Nagar | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes |
| Surani | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes |

**Table 14**
**Connection Released by Franchisee**

| Village | To BPL families (Dom) Nos | To APL families( Dom) Nos | SC & ST Nos. | Agricultural/ Commercial | Industrial LT/HT | Institutional Nos |
|---|---|---|---|---|---|---|
| **Ajeet Nagar** | **No** | **No** | **No** | **No** | **No** | **No** |
| **Tolesar Charnan** | **No** | **3** | **No** | **No** | **No** | **No** |
| **Tolesar Parohitan** | **No** | **6** | **No** | **No** | **No** | **No** |
| **Bhatelai Charnan** | **No** | **No** | **No** | **No** | **No** | **No** |
| **Bhatelai Purohitan** | **No** | **2** | **No** | **No** | **No** | **No** |
| **Dugar** | **No** | **No** | **No** | **No** | **No** | **No** |
| **Agolai** | **No** | **3** | **No** | **No** | **No** | **No** |
| **Viahnu Nagar** | **No** | **No** | **No** | **No** | **No** | **No** |
| **Surani** | **No** | **3** | **No** | **No** | **No** | **No** |

## Table 15
## Franchisee- Basant Kumar & Chhote Lal Agolai, Jodhpur
Reciepts and expenditure

| **Franchisee** | December 2006 | January 2007 |
|---|---|---|
| Monthly expenditure of Franchisee | 96000 | 40500 |
| Monthly Receipts of Franchisee from consumers | - | 240789 |
| Monthly Payments by Franchisee to Utility | - | 240789 |

**Table 16**
**Employees of franchisee**

| | |
|---|---|
| **Total no of employees** | **6** |
| **Nos studied below Xth** | **-** |
| **Nos studied between Xth & graduation** | **5** |
| **Nos studied above BA/BSc** | **-** |
| **Nos studied Engg.** | **1** |
| **Security provided by franchisee** | **RS. 50000 + Rs.5000/- per month for ten months** |
| **No: of village same franchisee working** | **9** |
| **Basis of compensation received by franchisee** | **-** |

**Table 17**
**Growth in no. of consumers in 2006-07**

| Village | Domestic/ Industrial/ Agricultural | Commercial | Gap between total supply & billed |
|---|---|---|---|
| Ajeet Nagar | Nil | - | - |
| Tolesar Charnan | Nil | 3 | 10% |
| Tolesar Parohitan | Nil | 6 | 2% |
| Bhatelai Charnan | Nil | - | 10% |
| Bhatelai Purohitan | Nil | 2 | 2.5% |
| Dugar | Nil | - | - |
| Agolai | Nil | 2 | 4% |
| Viahnu Nagar | Nil | - | 4% |
| Surani | | 2 | 7% |

## Table 18
# Consumer Feedback on

| Village | Quality of supply | Hours of supply | Billing and Collection | Redress of consumer complaints | Relation between SEB/Discom & franchisee | Suggestion to improve | Meter system | Meter reading |
|---|---|---|---|---|---|---|---|---|
| Ajeet Nagar | Improved | 6 hrs 3-phase in day time & 12 hrs single phase in night | Billing is ok Collection should be from home to home | Quick action on complaints | Good | 3-phase supply required in the night | Electronics meter are faster | Regular twice in a month |
| Tolesar Charnan | Improved | 6 hrs 3-phase in day time & 12 hrs single phase in night | Billing by discom & collection by franchisee | satisfactory | Good | Hours of supply should increase | OK | Regular twice in a month |
| Tolesar Parohitan | Break down in day time | 6 hrs 3-phase in day time & 12 hrs single phase in night | Collection should be from villages | satisfactory | Good | 3-phase time supply time increase | Ok | Regular twice in a month |
| Bhatelai Charnan | Improved | 6 hrs 3-phase in day time & 12 hrs single phase in night | Collection should be from villages | satisfactory | Good | Domestic Tariff should decrees | OK | Regular twice in a month |
| Bhatelai Purohitan | Supply regular no interruption | 6 hrs 3-phase in day time & 12 hrs single phase in night | Collection should be from villages | satisfactory | Good | Process of new conceptions should improved | OK | Regular twice in a month |
| Dugar | Voltage are not constant | 6 hrs 3-phase in day time & 12 hrs single phase in night | Collection should be from villages | satisfactory | Good | Domestic Tariff should not increase | OK | Regular twice in a month |
| Agolai | Voltage remains constant | 6 hrs 3-phase in day time & 12 hrs single phase in night | Collection should be from villages | satisfactory | Good | 3-phase supply required in the night | OK | Regular twice in a month |
| Viahnu Nagar | Voltage remains constant | 6 hrs 3-phase in day time & 12 hrs single phase in night | Collection should be from villages | satisfactory | Good | Supply time is increased | OK | Regular twice in a month |
| Surani | Improved | 6 hrs 3-phase in day time & 12 hrs single phase in night | Collection should be from villages | satisfactory | Good | Supply time is increased | OK | Regular twice in a month |

Table 19

## Tariff structure

| | |
|---|---|
| **Whether BST to franchisee exists** | **No** |
| **BST Rs /Kwh** | **N.A.** |
| **Tariff to consumers determined by** | **Discom /Utility** |
| **BST to franchisee determined by** | **N.A.** |

Table 20

## Retail Tariff to consumer (Rs/Kwh)

| | |
|---|---|
| **To BPL domestic** | **N.A.** |
| **To agriculture** | **N.A.** |
| **To domestics** | **Rs. 2.35 up fifty unit Rs. 3.90 for above 50 unit** |
| **To commercial** | **Rs. 4.90 upto 100 unit and Rs. 5.30 above 100 unit** |
| **To industrial LT** | **Rs. 3.90** |
| **To industrial HT** | **N.A.** |
| **To street light** | **N.A.** |
| **To public services, School, hospital** | **50% of commercial rate** |
| **To other** | **N.A** |

**Table 21**
**Meter reading & Billing**

| | |
|---|---|
| **Whether consumers are coded** | **Yes** |
| **Education level Meter Reader** | **10th pass to under graduate** |
| **Bill Maker** | **By discom** |
| **Bill generation** | **By discom** |
| **Bill distribution** | **By Franchisee home to home** |
| **Franchisee office** | **Agolai** |
| **Billing Cycle** | **2 months** |

**Table 22**
## Metering of Consumers

| | |
|---|---|
| **Meter Owner** | **Discom/utility** |
| **Types of Meter** | **Electronics** |
| **Consumers have identification no.** | **Yes** |
| **Computer database exists** | **Yes with discom** |
| **Bill distribution & revenue collection clubbed** | **No** |
| | |

**Table 23**
**Whether meters are provided for**

| | |
|---|---|
| **BPL Consumers** | **Yes by discom** |
| **Agricultural consumers** | **No** |
| **Domestic Consumers having own meter** | **No** |
| **Commercial Consumers** | **Yes by discom** |
| **Industrial Consumers** | **No** |
| **Village Institutions** | **No** |
| **Street lighting** | **No** |
| **Panchayat/Public Water** | **By discom** |

Table 24

## Method of Bill Collection

| | |
|---|---|
| **Home to Home** | **No** |
| **Few locations/drop box** | **No** |
| **In Franchisee office** | **No** |
| **Panchayat** | **No** |
| **Electricity office of utility** | **Bill collection by franchisee at utility office** |

Table 25

## Collections by Franchisee

| | |
|---|---|
| **In Bank A/C** | **No** |
| **In Cash** | **Yes in Jodhpur VVNL office Balesar** |
| **Manner of payment to Utility** | **In cash by franchise** |
| **Whether computer database** | **Yes in Jodhpur VVNL office Balesar** |

**Table 26**
**Franchisee**

| | |
|---|---|
| **Manner of selecting franchisee** | **By open tender method** |
| **Franchisee appointed(date)** | **1.12.2006** |
| **Franchisee operator** | **Sh Chhote Lal Suthar** |
| **Type of Franchisee operator** | **Individual** |
| **Franchisee name** | **M/s. Basant Kumar, Chhote lal, Agolai, Jodhpur** |
| **Franchisee address** | **Dev Marg Chandsa Bharkar, Jodhpur** |
| **Contact Name** | **Sh. Chhote Lal Suthar** |
| **Phone** | **94133199196** |
| **Net worth of Franchisee** | **NA** |

**Table 27**
**Village Panchayat – Feed back**

| Village | Type of panchayat | Name of panchayat | Consumer satisfaction | Increase in tariffs | Satisfaction with metering | Views on 100% metering | Views on Time and day metering | Views on prepaid metering |
|---|---|---|---|---|---|---|---|---|
| Ajeet Nagar | Elected | Same | No satisfaction | Traffic should not increase | No satisfaction with electronic meter | Agree with 100% metering | NA | Not required |
| Tolesar Charnan | Elected | Same | 90% peoples satisfy | Traffic should not increase | Yes | Agree with 100% metering | NA | Not required |
| Tolesar Parohitan | Elected | Same | 85% peoples satisfy | Traffic should not increase | Yes | Agree with 100% metering | NA | Not required |
| Bhatelai Charnan | Elected | Same | 85% peoples satisfy | Traffic for rural should be less | Yes | Agree with 100% metering | NA | Not required |
| Bhatelai Purohitan | Elected | Same | 90% peoples satisfy | Traffic should not increase | 75% people satisfaction | Agree with 100% metering | NA | Not required |
| Dugar | Elected | Same | 90% peoples satisfy | Traffic should not increase | 75% people satisfaction | Agree with 100% metering | NA | Not required |
| Agolai | Elected | Same | 90% peoples satisfy | Traffic should not increase | Yes | Agree with 100% metering | NA | Not required |
| Viahnu Nagar | Elected | Same | 75% peoples satisfy | Traffic should not increase | Yes | Agree with 100% metering | NA | Not required |
| Surani | Elected | Same | 85% peoples satisfy | No problem | Yes | Agree with 100% metering | NA | Not required |

**Table 28**

## Certificate on village Electrification issued

| | |
|---|---|
| **Impact of Franchisee** | **Loss reduces services improved** |
| **Billed amount/collection of Department** | **Increased** |
| **Equipment supplied increased** | **Increased by discom** |
| **Employment generated in franchisee** | **Six** |
| **Repairs improved** | **Yes** |
| **Quality of electrical works** | **Good** |
| **No. of hrs of supply in a day currently** | **18 hours** |

**Table 29**

**Training of franchisee**

| | |
|---|---|
| **By Filed staff of utility** | **Yes** |
| **By organized Training Circle HQ** | **No** |
| **Utility HQ** | **Balesar** |
| **Agreement of franchisee** | **Yes** |

**Table 30**

**Franchisee Operation in electrified village**

| | |
|---|---|
| **No of village** | **9** |
| **Type of meters** | **Electronics** |
| **No of households** | **1298** |
| **No of domestic connections** | **555** |

**Table 31**

## Problems of franchisee-feed back

| | |
|---|---|
| Power interruption | No problem |
| Voltage Drop | Manageable |
| Line failure | No problem |
| Power Availability | Only for 18 hours, 3-phase 6 hours, single phase hours |
| Tariff setting | By discom |
| Billing | By discom |
| Collection | By franchisee at Agoali utility office and deposited Balesar 40 km away. |
| Consumer Complaint | Reduced |
| Data Base | Only with discom |
| Other | |

**Table 32Training problems of Franchisee**

| | |
|---|---|
| **Role of Franchisee** | **Clear** |
| **Training programme done** | **Once by discom** |
| **Training Planned** | **No** |
| **Improvement proposed by franchisee** | **No** |
| **Issue between SEB and franchisee** | **Payments to franchisee should be regular in time** |
| Theft | **Cases reduced** |
| **Billing** | **By discom. No problem** |
| **Collections** | **By Franchisee. No Problem** |
| **Grievance by SEB** | **NA** |
| **Grievance by Consumers** | **Reduce by Franchisee** |