

# GRAMIN VIDYUT PRATINIDHI SCHEME

## Introduction

A customized pilot project (**GRAMIN VIDYUT PRATINIDHI SCHEME**) is proposed in areas under the jurisdiction of DHBVN to manage the meter reading activities, bill distribution and cash collection in villages as well as to generate employment for the village youths who have completed ITI vocational training in Electrical discipline.

Considering our socio-economic factors the proposed scheme has following salient features:

### The basic scheme is:

1. ITI trained person – resident of village is chosen to be GVP/MFF
2. Recovery linked Incentive of minimum Rs. 2500/- per month to GVP for three activities subject to maximum of Rs. 8000/- per month.
3. 10 % extra for every achievement of Rs. 10,000/- above baseline
4. Complaint registration and handling by GVP

### Salient features

1. MOU will be executed between the Nigam and the ITI trained person – need not be of same village
2. Revenue will be shared @10 % of the average monthly revenue collected subject to a minimum of Rs. 2500/- and a maximum of Rs. 8000/- per month for Meter Reading, Bill Distribution, Collection and some rudimentary maintenance of LD System of the village including the complaint handling.
3. In addition to the above, the revenue will be shared @ 5 % of the penalty recovered in case of detection of theft and unauthorized extension of load.
4. He shall also register complaints and attend to minor complaints. For major faults he shall call in the DHBVN.

5. He will facilitate as interface between the Sub-Division of the Nigam and the Village customer for all such activities like New Connection, Extension of Load, Correction of Electricity Bill etc.
6. The franchisee will also carry out the consumer indexing activities, load survey work, mapping of village, maintaining consumer pass books, etc.
7. He shall file returns as per formats prescribed for the scheme.
8. Monthly billing shall be started at SE/sub-division level for all such pilot villages.
9. The franchisee will procure and maintain his own T&P. For communications Nigam shall join him to mobile CUG of Nigam. Mobile Phone instrument will be arranged by GVP himself.
10. SE will be the nodal officer for the scheme and MoU will be signed by him.

Proper induction training will be imparted to the franchisee with regard to all the above activities.

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN**  
**DHBVN**  
**AND**  
**MICRO FEEDER FRANCHISEE (MFF)**

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This Memorandum of Understanding made on this \_\_\_\_\_ day of the month of \_\_\_\_\_ 2006 between

- I) DAKSHIN HARYANA BIJLI VITRAN NIGAM LTD., HARYANA hereafter called DHBVN, represented by its Superintending Engineer/Operations, DHBVN, ..... of the ONE PART and
- II) Shri. \_\_\_\_\_ son of Shri \_\_\_\_\_ residing at \_\_\_\_\_ and selected as MICRO FEEDER FRANCHISEE, hereafter called as MFF of the \_\_\_\_\_ Gram Panchayat of the OTHER PART.

Whereas DHBVN desires to improve its service to the customers as well as its commercial and technical performance and for this purpose intends to engage the services of the MFF. The main objective of the contract is to engage the MFF (generally to be known as GVP) for revenue collection, bill distribution and meter reading of all LT customers in the allotted area. It is also intended that the MFF will be able to make an all round improvement in the financial parameters of the company in the assigned area.

Whereas DHBVN has invited offers from the persons interested to take on contract the meter reading, billing and revenue collection subject to the specified conditions.

Whereas MFF has agreed to undertake the contract vide his consent letter dated. ....subject to the terms and conditions specified below :

In consideration of the above the following is agreed to between the parties:

**ARTICLE – 1**  
**AREA OF OPERATON**

- 1.1 The area of operation of the MFF shall be all the consumers coming under the categories of DS, NDS, AP & Industrial in the villages falling under the jurisdiction of———— Gram Panchayat of the ————— Tehsil of the ————district for the purposes of revenue collection, bill distribution and meter reading and minor complaint handling.

**ARTICLE – 2**  
**CONTRACT DURATION**

- 2.1 The agreement shall be valid for a period of one year from the date of signing the agreement.
- 2.2 The performance terms are set out in Annexure-2 and shall be binding on MFF when modified in writing by DHBVN.

**ARTICLE – 3**  
**LEGAL STATUS OF MFF**

- 3.1 The MFF will only act an agent of DHBVN with in his area of operation and not an employee of DHBVN. The relationship between DHBVN and MFF is not of an employer and employee relation, but purely of the parties to a contract.
- 3.2 The MFF shall not appoint any sub-agents/sub-dealers in the designated area of operation without prior consent of DHBVN.

**ARTICLE-4**  
**UNDERTAKINGS**

- 4.1 The rights and obligations of DHBVN are set out here below: DHBVN;
- 4.1.1 Will ensure non-discriminatory behavior towards the MFF in case of power supply shortage.
- 4.1.2 Is responsible for all O&M activities in the gram panchayat area.
- 4.1.3 Will adequately support the MFF with the necessary hardware required for metering.

**4.2 The rights and obligations of MFF are set out here below: MFF;**

- 4.2.1 Will be responsible for collection of revenue from all the DS, NDS, AP & Industrial consumers in the gram panchayat area.
- 4.2.2 The MFF should deposit the money collected from the consumers on the same day or the next working day to the designated office of the DHBVN or bank post office without any excuse.
- 4.2.3 Will do the meter reading and bill distribution for the assigned consumers along with revenue collection.
- 4.2.4 Will coordinate with DHBVN for metering of consumers, feeders and distribution transformers.
- 4.2.5 Will play a pivotal role in checking power theft and help DHBVN in taking appropriate action.
- 4.2.6 Will record all consumer complaints with time and solve the complaint. In case, the nature of complaint is such that it can not be handled at his end he will pass them on to DHBVN and will coordinate in resolving of the complaint.
- 4.2.7 Will also coordinate in release of new connections.
- 4.2.8 Will act as a facilitator between DHBVN and customers.
- 4.2.9 MFF may be assigned additional responsibilities from time to time by DHBVN, depending on the requirement of the place.

**ARTICLE-5**

**OPERATIONAL ASPECTS**

- 5.1 MFF will be given training and orientation for a limited period by DHBVN prior to signing of the contract. The contract comes in to effect immediately after signing of the contract.
- 5.2 All assets of DHBVN continue to be with the utility. The MFF has no right what so over these assets or any responsibility towards the same.

- 5.3 DHBVN shall designate a nodal officer who shall liaise with the MFF during the period of the contract. Any clarifications by the MFF regarding the interpretation of the contract will have to be addressed to the nodal officer. The nodal officer shall communicate to the MFF the appropriate interpretations and decisions relating to the issues relating to the contract.
- 5.4 However the nodal officer shall not deal with any day-to-day issues of MFF area management. The MFF shall discuss such issues with the reporting officer appointed for the MFF.

## **ARTICLE-6 COMMERCIAL TERMS**

- 6.1 Security Deposit for Revenue Collected / Due performance of Contract:** MFF shall provide DHBVN a Bank Guarantee (BG) for Rs. \_\_\_\_\_. The Guarantee shall be valid for a period of 12 months from the date of issue of Bank Guarantee. The Bank guarantee is equal to monthly average revenue from the assigned customers of the DHBVN. DHBVN shall be entitled to invoke this guarantee in case MFF fails to pay any amount collected by him or for breach of contract.
- 6.2 Performance measurement methodology:** As per this agreement, the incentive to MFF is with reference to the cash collected by DHBVN in case of revenue and penalties on the consumers against theft of energy and unauthorized extension of load. The performance contract terms and conditions are set out in Annexure-2.
- 6.3 Change in performance measurement methodology:** Currently, DHBVN is in the process of fixing meters to the DTCs. In the event of DHBVN providing meters to DTCs, the performance measurement methodology could change from incentivizing the collections to input energy reduction. DHBVN may then devise a suitable performance measurement and incentive/penalty structure to the MFF.
- 6.4 Payment to the MFF:** will be made on the basis of performance achieved by the MFF with reference to the collections and contract terms appended in Annexure 2 of this contract.

**6.5 Settlement of accounts:** The accounts with the MFF will be settled at the end of the each calendar month, by which time he shall render all accounts properly.

**6.6 Restrictions to appoint sub-agents/dealers:** MFF shall be the exclusive agent of DHBVN in the defined area of operation for commercial operations. The MFF shall not appoint any sub-agents or dealers in the same area without prior consent of the DHBVN.

## **ARTICLE-7**

### **TERMINATION OF CONTRACT**

**7.1 Termination of contract for non-performance:** The term of the Contract would be for one year. However the Contract is liable to be terminated by DHBVN prior to the period of contract in case of Material Breach of any of the terms of the Contract or unsatisfactory performance. The decision of DHBVN shall be final in this regard and binding on MFF. No compensation shall be paid to the MFF for premature termination of the Contract.

**7.2 Termination of contract in the event of DHBVN deciding to out source its operations in a larger area:** In the event of DHBVN deciding to out source its operations in a larger area that covers the designated MFF area also, the contract shall be deemed to have been terminated from the date of DHBVN entering in to an agreement with another franchisee/ operator. No compensation shall be paid to the MFF for premature termination of contract in such an event.

**7.3 Other events qualifying for termination of contract:** DHBVN, at its discretion, may terminate the Contract with immediate effect by giving a notice in writing to the MFF in the following events.

**7.3.1** If MFF fails to deposit the collections made from consumers within the stipulated time.

If the collections fall below the minimum agreed to by the MFF. The minimum agreed target is mentioned as a part of the performance contract given in the Annexure 2 to this agreement.

**7.3.3** If in the opinion of DHBVN, MFF has failed to perform or observe any of the

terms and conditions of this Contract, provided that DHBVN shall give notice to MFF to remedy such failure within 30 days failing which DHBVN shall be free to terminate the Contract forth with.

- 7.3.4** If MFF goes into liquidation, bankruptcy or is/are in the process of winding up his business operations.
- 7.3.5** During currency of this Contract, if DHBVN discovers that MFF has misrepresented or engaged in any activity prejudicial to the interests of DHBVN or misused either DHBVN services or DHBVN or its consumers in any way whatsoever then DHBVN shall at its discretion terminate the Contract with immediate effect, without any notice.
- 7.3.6** Without prejudice to the other rights of DHBVN in case of termination, DHBVN shall forfeit whatever commission MFF has earned on such business and all the dues payable shall be given only after the settlement of DHBVN accounts.
- 7.3.7** DHBVN unconditionally reserves the right to claim from MFF any costs, expenses or loss that it may have incurred by reason of breach of failure on the part of MFF to observe and perform any of the terms and conditions of the Contracts or the provisions of the service support as detailed in the commercial service support plan.
- 7.3.8** On termination of this Contract however occasioned, MFF shall forth with deliver to DHBVN all papers including the forms used, partially used and unused receipts books, all promotional materials and documents which may have come into its position or custody under the terms of this Contract or otherwise.

## **ARTICLE-8**

### **REPORTING SYSTEMS**

- 8.1** DHBVN shall designate an officer to whom the MFF shall report on a regular basis.
- 8.2** Proforma of reporting formats (1 to 6) is provided in the Annexure 1 to this agreement.



- 8.3 Additional reporting and information formats can be notified by DHBVN from time to time and are subject to change.
- 8.4 DHBVN shall provide all the necessary consumer records to the MFF for proper discharge of his duties.
- 8.5 The MFF will only be custodian of such records and any alteration, mutilation of the same will constitute material breach of the contract
- 8.6 All correspondence, records, reports, presentations and other forms of information developed by the MFF under this Contract, whether electronic or physical, shall become the property of DHBVN. DHBVN reserves, without limitation, the right to use procedures, forms and productivity enhancement methods developed under this Contract elsewhere.

## **ARTICLE-9 INDEMNITY**

- 9.1 DHBVN shall not be responsible for any acts of omissions/commission of MFF with regard to the DHBVN electricity services, which were not specially authorized by DHBVN. In such event MFF shall have no claim for compensation, incentive or any other claim against DHBVN. In case any claim against DHBVN is made by any third party for any act of commission or omission by MFF, MFF shall indemnify and hold DHBVN harmless and compensate all the losses so caused to DHBVN. DHBVN shall also be entitled to defend any action with third parties at the cost and expenses of MFF and also adjust any amount held by it towards any of its claims.
- 9.2 In the event described above, MFF agrees and undertakes to keep DHBVN indemnified at all times against all monetary obligations or losses or implications arising out of such action of MFF in the nature of costs, expenses or damages. DHBVN will not have any liability towards the staff employed by the MFF.

The MFF shall provide for adequate security and insurance cover for the employees (in case of accidents and other events) as per the statutory norms.

**ARTICLE-10  
FORCE MAJEURE**

10.1 Without limiting the general limitations of liability in any way arising under this Contract neither party is responsible for failure or delay in performance of services or obligations hereby undertaken due to occurrence of any event of force majeure including acts of God, acts of any Government body (de jure or de facto) or public enemy, war, riots, embargoes, or strikes or other concerned acts of workmen whether of parties or others, casualties or accidents, shortage of power, labour or materials or any other causes, circumstances, or contingencies, whether of a similar or dissimilar nature to the foregoing, beyond the parties control for which cannot be reasonably forecast or prevented thereby hindering the performance by the parties of any of its obligations hereunder.

**ARTICLE-11  
DISPUTE RESOLUTION**

- 11.1 Dispute or breach, termination or validity of the contract between the DHBVN and the MFF shall be first endeavored to be settled through negotiations between the parties
- 11.2 However both parties agree that the concerned Chief Engineer/Operation, DHBVN shall act as the sole arbitrator in case the dispute cannot be resolved by the parties themselves amicably and the decision of the arbitrator shall be final and binding.

**ARTICLE-12  
GOVERNING LAW**

12.1 Interpretations, validity and performance of the contract shall be construed and enforced in accordance with the laws of India and shall be subject to the jurisdiction of courts in the area under the jurisdiction of DHBVNL in Haryana only.

Annexure (1) and Annexure (2) form part of this contract.

Signed on behalf of DHBVN:

Signed on behalf  
of MFF

Witness:

Witness:

# ANNEXURE 1

## REPORTING FORMATS FOR MFF/GVP

FORMS NUMBERING 1 TO 6 ARE ATTACHED SEPARATELY.

## LIST OF DOCUMENTS TO BE HANDED OVER TO GVP:

1. Complaint Register
2. Receipt Books
3. Consumer meter reading pass books
4. Consumer Indexing register
5. Transformer maintenance log book

## NODAL AND REPORTING OFFICERS

NODAL OFFICER = **S.E .OPERATIONS**

REPORTING OFFICER = **S.D.O. OPERATIONS**

## **ANNEXURE 2**

### **PERFORMANCE CONTRACT TERMS FOR THE MFF**

#### **1. Date of commencement of contract**

- 1.1 This performance contract will come into effect immediately after signing of the MFF agreement. The terms shall be valid during the duration of the contract unless otherwise amended.

#### **2. Monthly Baseline Collection Target**

- 2.1 The monthly baseline collection target for the MFF in the selected Gram Panchayat is Rs. ———. It is calculated based on the billing in the Panchayat as well as the collections already achieved by the DHBVN staff during the last one year. The target includes all current collections from the assigned DS, NDS, AP & Industrial category consumers.

#### **3. Billing Cycle**

- 3.1 The billing cycle will be as determined by DHBVN from time to time.

#### **4. Commercial terms**

##### **4.1 Incentive:**

- 4.1.1 Incentive fee will be 10% of collected amount from the assigned consumers, subject to a minimum of Rs. 2500/- and a maximum Rs. 8000/- per month for Meter Reading, Bill Distribution, Collection and Maintenance of LD System of the village including the complaint handling.
- 4.1.2 In addition, in case of detection of theft through help of MFF and unauthorized extension of load, the MFF will be given a sum of 5% of the penalty recovered.
- 4.1.3 Once meters are fixed to DTs (Distribution Transformers) that input would become a basis of assessing the performance. Detailed mechanism would be put in place and would be binding on MFF. Incentives / Disincentives would be devised accordingly.

#### **4.2 Penalty:**

The MFF will be levied a penalty of 2% of the Incentive fee payable for every Rs. 10,000/- of the shortfall in collections from the baseline target.

#### **4.3 Other fee payable:**

4.3.1 A flat sum of Rs.100/-per consumer will be paid to the MFF for every conversion of unauthorized connection to authorized installations.

#### **4.4 Settlement of Accounts:**

4.4.1 The designated authority of DHBVN will certify the incentive fee payable every calendar month. DHBVN shall pay the fee payable within 7 days of such certification.

#### **4.5 Change in performance measurement methodology:**

4.5.1 Currently, DHBVN is the process of fixing meters to the DTCs. In the event of DHBVN providing meters to DTCs, the performance measurement methodology could change from incentivizing the collections to input energy reduction. DHBVN may then devise a suitable performance measurement and incentive/penalty structure to the MFF.

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ANNEXURE - 3

**MFF/GVP LEGAL DOCUMENTS - CHECKLIST**

<b>Sr. No.</b>	<b>Description</b>	<b>Check (√ /X)</b>
1.	Written request for the award of MFF	
2.	Detailed personal Bio-Data/Resume of MFF	
3.	Photograph	
4.	ITI Training Certificate (Electrical Discipline)	
5.	Work Experience Certificate (if any)	
6.	Copy of MOU duly signed by both parties	
7.	Bank Guarantee of amount Rs._____/-	
8.	Indemnity Bond	
9.	Collateral Security (if any)	



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GVP-F1

GVP OPERATION-FORMAT 1 (Triplicate)

ISSUE OF RO-4 BOOKS TO MICRO FEEDER FRANCHISEES (MFFs) FOR THE MONTH OF.....

Section

Sub-division:

Division:

Circle:

Sr. No.	Name of MFF	MFF ID No.	Name of Gram Panchayat	Name of Block/Tehsil	RO-4 Book No. of DHBVN	No. of Pages in RO-4 Book	Signature of MFF	Remark

Signature of Money Receipt Book Issuing Officer

Designation





GVP OPERATION-FORMAT 3 (Triplicate)

REVENUE COLLECTION REPORT OF MICRO FEEDER FRANCHISEES (MFFs) FOR THE MONTH OF.....

Section

Sub-division:

Division:

Circle:

Sr. No.	Name of MFF	MFF ID No.	Name of Gram Panchayat	Name of Block/Tehsil	No. of RO-4 Receipts issued	No. of Money Receipts destroyed	Total money receipts used	RO-4 Book No.	Total Collected Amount (in Rs.)	Remarks

Signature of Money Receipt Book Issuing Officer  
Designation



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GVP-F4

GVP OPERATION-FORMAT 4 (Triplicate)

MFF CLAIM STATEMENT FOR THE MONTH OF.....

Bill No.

Date:

Name of MFF	MFF ID NO:	Gram Panchayat Name	Block/Tehsil

Bill Submission Office:	
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1	Collection Target For the Month	
2	Actual Collection for the Month (Excluding ED)	
3	Excess/ (Short Fall) for the Month	
4	Incentive/Penalty @2% per excess/shortfall of the target (if applicable)	
5	Remuneration @ 10% of the Actual collection (A) subject to a minimum of Rs. 2500/- and a maximum of Rs. 8000/ per month	
6	Incentive/Penalty for exceeding/failing the set target (+/-B)	
7	Net remuneration to be paid for the service rendered ( A+/-B)	
8	Any other claim:	
	(i) Meter Installation Charges @	
	(ii) Regularization of Unauthorized Installation (@ Rs. 100/- per Connection)	
	(iii) Loss Reduction Incentive @ 2% of extra revenue collected)	
	(iv) Incentive against Detection of Theft and Unauthorized Extension of Load (@ 5% of penalty recovered)	
9	Total remuneration to be paid for the month of.....	

(Rupees.....and Paise.....only)

Signature of MFF



MONTHLY PERFORMANCE REPORT OF MICRO FEEDER FRANCHISEE (MFF) FOR THE MONTH OF.....

Reporting Office of MFF:

Sl.No.	ACTIVITIES	Target	Actual	Cumulative Target for the FY	Cumulative Actual for The FY	Comments/Remarks
1	<b>POLE DIAGRAM</b>					
(i)	No. of Villages under the Gram Panchayat					
(ii)	No. of poles covered during the survey work					
2	<b>Revenue Performance (Collection)</b>					
(i)	DS					
(ii)	NDS					
(iii)	AP Metered					
(iv)	AP Un-Metered					
(v)	LT Industrial					
	<b>Total Collection</b>					
3	<b>Revenue Performance (No. of Customers paid)</b>					
(i)	DS					
(ii)	NDS					
(iii)	AP Metered					
(iv)	AP Un-Metered					
(v)	LT Industrial					
	<b>Total Customers</b>					
4	<b>Meter Reading</b>					
(i)	DS					
(ii)	NDS					
(iii)	AP Metered					
(iv)	LT Industrial					
	<b>Total</b>					
5	<b>Meter Installation</b>					
(i)	DS					
(ii)	NDS					
(iii)	AP Metered					
(iv)	AP Un-Metered					
(v)	LT Industrial					
(vi)	<b>Total Meters Installed</b>					
(vii)	<b>Total No. of Metered Transformers</b>					
(viii)	<b>Total No. of Metered Feeders</b>					

Customer Satisfaction	Outstanding	Received	Resolved	Pending
No. of Billing Complaints				
No. of minor System complaints				
No. of major System Complaints				
<b>Total</b>				

Total Demand Raised	No. of Customers	Amount of Demand (Rs.)	Closing Balance (Rs.)
DS			
NDS			
AP Metered			
AP Un-Metered			
LT Industrial			
<b>Total</b>			

Bill Distribution	Total No. of Bills	No. of Bills distributed	No. of bills not distributed
DS			
NDS			
AP Metered			
AP Un-Metered			
LT Industrial			
<b>Total</b>			

REGULARISATION	
No. of Regularisation Customers	
No. of New Customers	

SENSITISATION PROGRAMS	
No. of meetings with Gram Panchayat	
No. of meeting with village community	
No. of other interaction sessions	
<b>Total</b>	

Signature of MFF



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GVP-F6

GVP OPERATION-FORMAT 6 (Triplicate)

FEEDBACK REPORT ON THE OPERATION OF MICRO FEEDER FRANCHISEES (MFFs) FOR THE MONTH OF.....

Division:	Sub-Division/ Section		Block/ Tehsil		No. of MFFs	
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Collection

	Target	Actual	Remarks
Total Collection			
No. of Receipts			

Regularisation

	Target	Actual	Remarks
Defective Meter Replacement			
New Application			
New Connection			
Kundi Regularisation			

Complaints

	Target	Actual	Remarks
Recorded			
Solved			
Outstanding			

System Improvement (Feedback)

Item of Improvement	Status

Billing, Bill Distribution

	Target	Actual	Remarks
Total No. of Bills Received			
Bills Distributed			
Undistributed bills			

Meter Reading

	Target	Actual	Remarks
Total No. of Meters to be read			
Meters Read			
House lock			

Loss Reduction

	Target	Actual	Remarks
Kundi Regularisation			
Transformer Metering			
Unmetered Consumers			

Credit Control

	Target	Actual	Remarks
Arrear Reduction			
Disconnections			
Reconnections			