



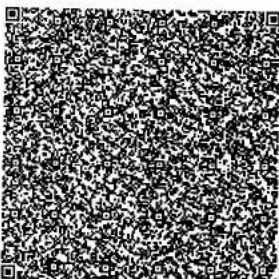
सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

Certificate No. : IN-DL753159432909660
Certificate Issued Date : 25-Jul-2016 03:15 PM
Account Reference : IMPACC (IV)/ dl780003/ DELHI/ DL-DLH
Unique Doc. Reference : SUBIN-DL780003500980750231430
Purchased by : MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED
Description of Document : Article 5 General Agreement
Property Description : Not Applicable
Consideration Price (Rs.) : 0
(Zero)
First Party : MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED
Second Party : GOVERNMENT OF MANIPUR AND OTHERS
Stamp Duty Paid By : MANIPUR STATE POWER DISTRIBUTION COMPANY LIMITED
Stamp Duty Amount(Rs.) : 150
(One Hundred And Fifty only)



-----Please write or type below this line-----

This e-Stamp forms an integral part of the Tripartite Memorandum of Understanding dated 26th July, 2016 executed amongst Ministry of Power, Government of India, Government of Manipur and Manipur State Power Distribution Company Limited (MSPDCL) at New Delhi.

**TRIPARTITE MEMORANDUM OF UNDERSTANDING
AMONGST**

Ministry of Power, Government of India

AND

Government of Manipur

AND

Manipur State Power Distribution Company Ltd. (MSPDCL), (DISCOM)

For achieving operational turnaround of MSPDCL (DISCOM)

This **TRIPARTITE MEMORANDUM OF UNDERSTANDING** (hereinafter referred to as the "Tripartite MOU" is made this 26th day of July 2016.

BY AND AMONGST

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

AND

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

AND

Manipur State Power Distribution Company Ltd. (herein after referred as to "MSPDCL") which expression shall unless repugnant to the context or meaning thereof includes its successors and assigns) of the **THIRD PART**

The Government of India, the Government of Manipur, and MSPDCL is hereinafter also referred to collectively as the "**Parties**" and individually as the "**Party**"

Definitions:

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

"**MSPDCL (DISCOM)**" means Manipur State Power Distribution Company Ltd.

Preamble:

The Government of India, The Government of Manipur and MSPDCL, have entered into a tripartite MOU in order to improve the operational efficiency of the MSPDCL (DISCOM) to enable the operational turnaround of the DISCOM.

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

1. Obligations / Commitments:

1.1 The Government of India to take following measures:

- a) Faster completion of ISTN lines:

- b) Allocating linkages to State at notified price based on which the State will go for tariff based bidding. This help in getting cheaper power and revive stressed assets;

1.2. The Govt. of Manipur to take the following measures:

- a) All outstanding dues from the State Government department to MSPDCL for supply of electricity shall be paid by 31.03.17
- b) Henceforth, Banks / FIs shall not advance short term debt to MSPDCL for financing losses.
- c) Replacement of street lights with LEDs in all municipal towns through Nagar Nigam / Municipal Corporations.
- d) Improving the efficiency of State Generating Units.
- e) The Government of Manipur shall endeavour to ensure that tariff hikes as reflected in Annexure-B are undertaken.
- f) The Government of Manipur shall endeavour to ensure that all operational targets as enumerated in Section 1.3 are achieved.
- g) The Government of Manipur will endeavour to reduce the transmission losses from 3.60% in 2014-15 to 3.20% by FY 2018-19.
- h) Review of MSPDCL (DISCOM) performance shall be done on a monthly basis at State Government level in the presence of State finance representative.
- i) In terms of Manipur State Electricity Reforms Transfer Scheme, Government of Manipur agrees to provide support to MSPDCL in the form of revenue, equity, capital subsidies, loans, interest subsidies and such other financial assistance as may be necessary for effective performance and commercial viability.

1.3 MSPDCL (DISCOM) to take the following measures:

- a) MSPDCL shall endeavour to reduce AT&C losses from 44.20% in FY 2015-16 to 15.00% by FY 2018-19 as per the following trajectory:

Year	2016-17	2017-18	2018-19
AT&C Loss	25.15%	18.70%	15.00%

However, if the target in a particular year is not met, then MSPDCL shall strive to achieve the targets in the subsequent years so as to achieve the desired target of 15.00% AT&C losses by FY 2018-19. The Division wise targets have been finalized as indicated in **Annexure- A**.

The DISCOMs shall increase hours of power supply in areas showing reduction in AT&C losses.

- b) MSPDCL shall eliminate the gap between ACS and ARR by FY 2018-19. Detailed computation of year wise ACS-ARR gap along with financial projections has been attached as **Annexure-B**.
- c) MSPDCL shall submit the detailed action plan by 31st August 2016 to achieve the projected trajectory for AT&C loss and ACS-ARR gap.
- d) MSPDCL shall achieve operational milestones as specified in DDUGJY & IPDS:
- e) MSPDCL shall take the following measures for Loss Reduction;
- Undertaking name and shame campaign to control power theft from time to time.
 - Preparing loss reduction targets at sub-divisions / divisions / circle/ zonal level and making concerned officers responsible for achieving the loss reduction targets; the loss reduction targets at the Division level have been attached as **Annexure-A** of MOU.
 - Implementing performance monitoring and management system MIS for tracking the meter replacement, loss reduction and day to day progress for reporting to top management.
 - Achieving 100% Distribution Transformer (DT) Metering by 30 June 2017.

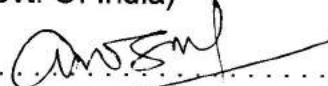
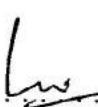
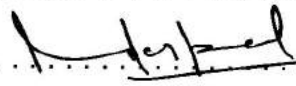

- v) Achieving 100% feeder metering by 30 June 2016.
- vi) Undertaking energy audit up-to 11 KV level in rural areas by 30 June 2017 (Date to be mentioned by the State).
- vii) Undertaking Feeder Improvement Program for network strengthening and optimization, to be completed by March 2017;
- viii) Since agricultural connections are less than 0.6%, which is very meagre and supply is not a constraint, requirement of physical feeder segregation is not required.
- ix) Installation of Smart Meters for all consumers other than agricultural consumers consuming above 500 units / month by 31st December 2017 and consumers consuming above 200 units/ month by 31st December 2019.
- x) Providing electricity access to 2,43,000/- (figure to be indicated by State) unconnected households as per trajectory finalized in the 24x7 power for all document by FY19.
- xi) Implementing ERP system for better and effective inventory management, personnel management, accounts management etc. to reduce costs and increase efficiencies by March 2017.
- f) MSPDCL shall undertake the following measures for Demand Side Management and Energy Efficiency:
 - i) Providing LED for domestic and other category consumers under DELP program through EESL;
 - ii) Undertaking consumer awareness programs for optimum utilization of resources and to foster long term behavioural changes;
 - iii) Replacing at least 10% of existing agriculture pumps with energy efficient pumps by March 2019.
 - iv) Implementing PAT scheme of BEE for improving energy efficiency in Industries.

- g) MSPDCL shall undertake the following tariff measures:
- i) Quarterly tariff revision particularly to offset fuel price increase;
 - ii) Timely filing of Tariff Petition before the JERC so that Tariff Order may be issued for the year as early as possible.
 - iii) Timely preparation of annual accounts of MSPDCL which shall also enable timely filing of the Tariff Petition.
- h) MSPDCL shall undertake the following measures to increase employee engagement:
- i) Initiating capacity building of employees to enhance technical, managerial and professional capabilities at induction level and in subsequent refresher trainings;
 - ii) Devising Key Performance Indicators (KPIs) for each officer in-charge on areas of AT&C loss reduction and improvement in metering / billing / collection efficiency. The performance of officer in-charge shall be linked to KPIs achieved and will attract incentive / penalty.
- i) MSPDCL shall implement the following Consumer Service Strategy:
- i) Setting up of Centralized Customer Call Centre for timely resolution of complaints related to no current and other technical complaints, harassment by official, reporting of theft and safety related complaints;
 - ii) Introducing more avenues to consumers for bill payment, which could be in terms of e-payment through net banking, credit/ debit card, kiosks at banks and post offices, village panchayats, mobile collection vans, etc.
- j) MSPDCL shall procure power through the transparent process of competitive bidding.
- k) MSPDCL shall identify the key personnel for implementing the scheme (UDAY)
- l) MSPDCL shall devise the mechanism to motivate and encourage the staff.
- m) CMD/MD of MSPDCL shall monitor the performance of MSPDCL on monthly basis.

- n) Monthly monitoring formats along with the targets shall be provided by MSPDCL by 31st August 2016
- o) It is hereby agreed that this MoU can be placed in public domain by any of the parties.

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

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

<p>SIGNED AND DELIVERED BY (on behalf of MOP, Govt. Of India)</p> <p>Signature </p> <p>Name & Designation: <u>Shri Arun Kumar Verma</u> <u>Joint Secretary, Ministry of Power</u> <u>Government of India</u> <u>New Delhi 110003 / New Delhi 110003</u></p> <p>Address: <u>Ministry of Power, New Delhi</u></p>	<p>In the presence of</p> <p>Signature</p> <p>Name & Designation</p> <p>Address</p>
<p>SIGNED AND DELIVERED BY (on behalf of State Govt.)</p> <p>Signature </p> <p>Name & Designation: <u>Shri Vineet Joshi</u> <u>Commissioner (Power), Government of Manipur</u> <u>(VINEET JOSHI)</u> <u>Commissioner (Power)</u> <u>Government of Manipur</u></p> <p>Address: <u>Imphal, Manipur</u></p>	<p>In the presence of</p> <p>Signature </p> <p>Name & Designation: <u>IN. PER. M.</u> <u>Mo</u></p> <p>Address: <u>Govt. of Manipur</u> <u>New Delhi</u></p>
<p>SIGNED AND DELIVERED BY (on behalf of DISCOM)</p> <p>Signature  Managing Director MSPDCL</p> <p>Name & Designation: <u>Shri R. Sudhan</u> <u>Managing Director, Manipur State Power Distribution Company Ltd.</u></p> <p>Address: <u>Imphal, Manipur</u></p>	<p>In the presence of</p> <p>Signature</p> <p>Name & Designation</p> <p>Address</p>

Annexure-A

Division wise Loss Trajectory

DISCOM	Name of Division	AT&C Losses		
		FY 2017	FY 2018	FY 2019
MSPDCL	IED – I	20.82%	17.19%	13.24%
	IED – II	21.92%	17.24%	13.32%
	IED – III	22.30%	17.64%	13.68%
	IED – IV	22.52%	17.54%	13.89%
	Bishnupur	23.88%	17.69%	14.31%
	Kakching	25.52%	18.75%	14.26%
	Chandel	25.85%	18.46%	15.94%
	Churachandpur	25.21%	18.15%	14.56%
	Thoubal	23.41%	17.78%	14.31%
	Jiribam	27.15%	19.43%	16.34%
	Kangpokpi	26.69%	19.12%	16.16%
	Senapati	26.35%	19.85%	16.59%
	Tamenglong	29.27%	20.58%	16.85%
	Ukhrul	31.15%	21.51%	17.22%
Average AT&C Losses		25.15%	18.70%	15.00%



Financial Projections of MSPDCL DISCOM

Annexure B

Key Assumptions:

• Tariff Hike:

FY16*	FY17	FY18	FY19
Rs. 4.12 / KWH	Rs. 4.46 / KWH	Rs. 5.13 / KWH	Rs. 6.00 / KWH

* Actual as per TO dated 29-02-2016

• AT&C Loss Trajectory:

FY17	FY18	FY19
25.15%	18.70%	15.00%

• Billing Efficiency:

FY17	FY18	FY19
74.85%	81.30%	85.00%

• Collection Efficiency:

FY17	FY18	FY19
95%	98%	99%

Income Statement- Summary

Amount in Rs. Crore	FY 17	FY 18	FY 19
Total Income	265	360	460
Total Cost	429	447	452
Net Income (Without Subsidy)	-164	-87	8
Committed State Govt. Subsidy	164	87	Nil
Net Income (With Subsidy)	0	0	8

Income Statement- Detailed

Amount in Rs. In Crore	FY17	FY18	FY19
INCOME			
Revenue from Sale of Power	210	290	360
Other receipts	-	-	-
Other Income (Including Revenue from trading)	55	70	100
TOTAL INCOME	265	360	460
COSTS			
Power Purchase Costs	275	278	280
R & M Costs	3	3	3
Employees Costs	80	82	85
Administration & General Costs	3	3	3
Depreciation	2	3	3
Interest & Finance Costs	6	8	8
Other debits (Transmission	60	70	80
Sub-total costs	429	447	452
Less: Incidental expenses	-	-	-
TOTAL COSTS	429	447	452
NET INCOME w/o Subsidy	-164	-87	8

Amount in Rs. Crore	FY17	FY18	FY19
Committed State Govt. Subsidy			
Electricity Duty Retention/ Stamp Duty	NA		
Interest Subsidy on IBRD loan	MSPDCL (DISCOM) not taking any		
Cash subsidy	MSPDCL (DISCOM) not taking any		
Subsidy on Power Purchase Cost	114	52	-
Subsidy on Employee Cost	50	35	-
Subsidy on R&M Cost	-	-	-
Subsidy on A&G Cost	-	-	-
Others (Compounding charges)	-	-	-
Total subsidy available	164	87	-
NET INCOME with Subsidy	0	0	8

ACS- ARR Gap

Amount in Rs.	FY17	FY18	FY19
Cost Components			
<i>Power Purchase Cost</i>	4.39/KWH	4.44/KWH	4.54/KWH
<i>Cost of Energy Lost</i>	1.47/KWH	1.02/KWH	0.80/KWH
PP per unit sold	5.86/KWH	5.46/KWH	5.33/KWH
O&M and Estt Cost	0.13/KWH	0.13/KWH	0.13/KWH
Depreciation Cost	0.02/KWH	0.03/KWH	0.03/KWH
Interest Cost	0.13/KWH	0.15/KWH	0.15/KWH
Other Debits	-	-	-
ACS	6.14/KWH	5.77/KWH	5.64/KWH
ARR	4.46/KWH	5.13/KWH	6.00/KWH
Gap	1.68/KWH	0.64/KWH	-0.36/KWH

Detailed Action Plan for implementation of targeted activities

Annexure C

Clause no	Activity	Unit	Status/ pending at the end of FY 16	FY-17		FY-18		FY-19		Officer Respon sible	Resources in INR
				H1	H2	H1	H2	H1	H2		
1.3 (a)	AT&C loss reduction trajectory	%	44.20%	25.15%		18.70%		15.00%		Manager (Power Purchase and Supply)	Yet to be prepared and furnished
1.3 (e-iii)	11 KV Feeder metering functional (21,993)	%	90%	100%					Manager (Power Purchase and Supply)		
1.3 (e-iv)	DT Metering in Urban area (Distt. HQ)	%	85%	90%	95%	100%			Manager (commercial)		
	DT Metering in Urban area (Other municipal town)	%									
1.3 (e-v)	11 KV feeder audit in Rural area	%	80%	90%	95%	100%			Manager (Power Purchase and Supply)		
1.3 (e-vi)	Feeder Improvement Program on Feeders	%	85%	95%	100%				Manager (Power Purchase and Supply)		

Clause no	Activity	Unit	Status/ pending at the end of FY 16	FY-17		FY-18		FY-19		Officer Responsible	Resource es in INR
				H 1	H 2	H 1	H 2	H 1	H 2		
1.3 (e-vii)	Feeder separation (separation of Ag load)on feeders	%	NA								Yet to be prepared and furnished
1.3 (e-viii)	Installation of Smart meters/ other than Ag. (Abv. 500 Units)	%	(75%)	80%	90%	100%				Manager (Commercial)	
	Installation of Smart meters/ other than Ag. (Below 500 Units)	%	(75%)	80%	85 %	90%	95%	100%		Manager (Commercial)	
1.3 (e-ix)	Domestic connections (in lakhs) under 24X7 PFA	Nos (in Lacs)	2.43 Lacs	85 %	90%	95%	98%	100%		Manager (Commercial)	
1.3 (e-x)	Implementation of ERP System	-	70%	90%	100%					Manager (Commercial)	
1.3 (f-i)	Providing LED bulbs under DELP	Lacs	1 Lac	40%	60%	75%	90%	100%		Manager (Commercial)	

Monthly monitoring format for States participating in UDAY

Name of the State:

Status as on

A. Financial parameters

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

Monthly monitoring format for States participating in UDAY

Name of the State:

Status as on:

B Operational Parameters

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

13 Number of LED Lamps replaced in the current month

14 Total number of Ag pumps to be replaced

15 Number of Ag pumps replaced in the current month

Monthly monitoring format for States participating in UDAY

Name of the State:

Status as on:

C Other Managerial / monitoring activities

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