



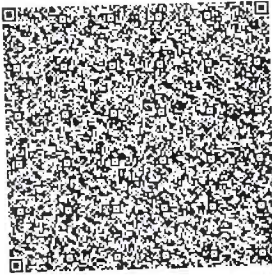
सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

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Certificate Issued Date	: 27-Mar-2017 01:14 PM
Account Reference	: IMPACC (IV)/ dl712203/ DELHI/ DL-DLH
Unique Doc. Reference	: SUBIN-DL71220326892435258682P
Purchased by	: GOVERNMENT OF TRIPURA
Description of Document	: Article 5 General Agreement
Property Description	: Not Applicable
Consideration Price (Rs.)	: 0 (Zero)
First Party	: GOVERNMENT OF TRIPURA
Second Party	: GOVERNMENT OF INDIA
Stamp Duty Paid By	: GOVERNMENT OF TRIPURA
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This e-stamp forms an integral part of the Tripartite memorandum of Understanding dated 29th March, 2017 executed amongst Ministry of Power, Government of India, Government of Tripura and Tripura State Electricity Corporation Limited (TSECL) at New Delhi.

Statutory Alert:

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TRIPARTITE MEMORANDUM OF UNDERSTANDING

AMONGST

Ministry of Power, Government of India

AND

Government of Tripura

AND

Tripura State Electricity Corporation Limited (TSECL)

**For achieving operational turnaround of Tripura State Electricity Corporation
Limited (TSECL)**

This **TRIPARTITE MEMORANDUM OF UNDERSTANDING** (hereinafter referred to as the "Tripartite MOU" is made this 29th day of March 2017.

BY AND AMONGST

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

AND

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

AND

Tripura State Electricity Corporation Limited (herein after referred as to "TSECL") 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 Tripura, and the **Tripura State Electricity Corporation Limited** is hereinafter also referred to collectively as the "Parties" and individually as the "Party"

Definitions:

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

"Tripura DISCOM means TSECL

Preamble:

The Government of India, The Government of Tripura and the **Tripura State Electricity Corporation Limited**, have entered into a tripartite MOU in order to improve the operational efficiency of the **Tripura State Electricity Corporation Limited** 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) Facilitating through Ministry of Coal, increase in supply of domestic coal to Tripura Power Generating Company:

- b) Ensuring rationalization of coal linkages.
- c) Liberally allowing coal swaps from inefficient plants to efficient plants and from plant situated away from mines to pithead plants;
- d) Rationalizing coal prices based on Gross Calorific Value (GCV);
- e) Ensuring correction of coal grade slippages through re-assessment of each mine;
- f) Directing Coal India to supply 100% washed coal for G10 Grade and above by 1st October 2018.
- g) Ensuring supply of 100% crushed coal from Coal India by 1st April 2016.
- h) Faster completion of ISTN lines:
- i) 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 Tripura to take the following measures:

- a) All outstanding dues from the State Government department to TSECL (amounting around INR 31 crores) for supply of electricity shall be paid by 31.03.17.
- b) Henceforth, Banks / FIs shall not advance short term debt to TSECL 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 Tripura shall endeavour to ensure that tariff hikes as reflected in Annexure-B are undertaken.
- f) The Government of Tripura shall endeavour to ensure that all operational targets as enumerated in Section 1.3 are achieved.

- g) The Government of Tripura will endeavour to reduce the transmission losses from 5.0 % in 2015-16 to 4.0% by 2019-20.
- h) Review of TSECL's performance shall be done on a monthly basis at State Government level in the presence of State finance representative.

1.3 The Tripura State Electricity Corporation Limited to take the following measures:

- a) As per the UDAY scheme, all DISCOMs have to reduce AT&C losses to 15% by FY 2018-19. Considering the current level of AT&C losses of 33.80%, TSECL has proposed to reduce it to 15 % by FY 2019-20 as per the following trajectory:

Year	2015-16	2016-17	2017-18	2018-19	2019-20
AT&C Loss	33.80 %	30 %	25 %	20 %	15 %

However, the State will make efforts to ensure that DISCOM reduce AT&C losses to 15% by FY 2018-19. If the target in a particular year is not met, then the TSECL 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 2019-20. 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) As per the UDAY scheme, all DISCOMs have to eliminate gap between ACS & ARR by FY 2018-19. Considering the current level of the gap, TSECL has proposed to eliminate it by FY 2019-20. However, the State will make efforts to ensure that DISCOM eliminate the Gap by 2018-19 and if not achieved, positively by FY 2019-20. Detailed computations of year wise ACS-ARR gap along with financial projections have been attached as **Annexure-B**.
- c) TSECL shall submit the detailed action plan by 30-06-2017 to achieve the projected trajectory for AT&C loss and ACS-ARR gap.
- d) The TSECL shall achieve operational milestones as specified in DDUGJY & IPDS:
- e) The TSECL shall take the following measures for Loss Reduction;
- i) Undertaking name and shame campaign to control power theft from time to time.

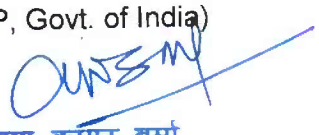
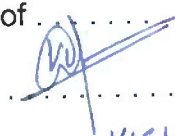
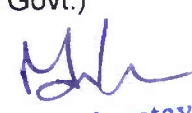
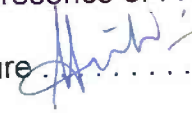

- ii) Preparing loss reduction targets at sub-divisions / divisions / circle/ zonal level and making concerned officers responsible for achieving the loss reduction targets; the loss reduction targets at the Division level have been attached as **Annexure-A** of MOU.
- iii) Implementing performance monitoring and management system MIS for tracking the meter replacement, loss reduction and day to day progress for reporting to top management.
- iv) Achieving 100% Distribution Transformer (DT) Metering by 30th June 2018.
- v) Achieving 100% feeder metering by 31st December 2017.
- vi) Undertaking energy audit up-to 11 KV level in rural areas by 30th September 2018.
- vii) Undertaking Feeder Improvement Program for network strengthening and optimization, to be completed by 31st March 2018;
- viii) Physical Feeder Segregation not applicable for Tripura.
- ix) Installation of Smart Meters for all consumers other than agricultural consumers consuming above 500 units / month by 31st December 2018 and consumers consuming above 200 units/ month by 31st December 2020.
- x) Providing electricity access to 1,88,045 Nos. (Balance position as on 31-03-2016) 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 31st March 2019.
- f) The TSECL shall undertake the following measures for Demand Side Management and Energy Efficiency:
 - i) Providing LED for domestic and other category consumers under DELP program through EESL:

- ii) Undertaking consumer awareness programs for optimum utilization of resources and to foster long term behavioural changes:
 - iii) Replacing at least 10% of existing agriculture pumps with energy efficient pumps by March 2019.
 - iv) Implementing PAT scheme of BEE for improving energy efficiency in Industries.
- g) The TSECL shall undertake the following tariff measures:
- i) Quarterly tariff revision particularly to offset fuel price increase;
 - ii) Timely filing of Tariff Petition before the TERC so that Tariff Order may be issued for the year as early as possible.
 - iii) Timely preparation of annual accounts of the TSECL which shall also enable timely filing of the Tariff Petition.
- h) The TSECL shall undertake the following measures to increase employee engagement:
- i) Initiating capacity building of employees to enhance technical, managerial and professional capabilities at induction level and in subsequent refresher trainings;
 - ii) Devising Key Performance Indicators (KPIs) for each officer in-charge on areas of AT&C loss reduction and improvement in metering / billing / collection efficiency. The performance of officer in-charge shall be linked to KPIs achieved and will attract incentive / penalty.
- i) The TSECL shall implement the following Consumer Service Strategy:
- i) Setting up of Centralized Customer Call Centre for timely resolution of complaints related to no current and other technical complaints, harassment by official, reporting of theft and safety related complaints;
 - ii) Introducing more avenues to consumers for bill payment, which could be in terms of e-payment through net banking, credit/ debit card, kiosks at banks and post offices, village panchayats, mobile collection vans, etc.
- j) The TSECL shall procure power through the transparent process of competitive bidding.

- k) TSECL shall identify the key personnel for implementing the scheme (UDAY).
- l) TSECL shall devise the mechanism to motivate and encourage the staff.
- m) CMD of TSECL shall monitor the performance of TSECL on monthly basis.
- n) Monthly monitoring formats along with the targets shall be provided by TSECL.
- o) It is hereby agreed that this signed MOU can be put in the public domain by any of the signatory.

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

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

<p>SIGNED BY DELIVERED BY (On behalf of MOP, Govt. of India)</p> <p>Signature: </p> <p>डा. अरुण कुमार वर्मा Dr. ARUN KUMAR VERMA संयुक्त सचिव / Joint Secretary विद्युत मंत्रालय / Ministry of Power भारत सरकार / Government of India नई दिल्ली-110001 / New Delhi-110001</p> <p>Name & Designation: Dr. A.K. Verma Joint Secretary (Distribution) Address: Ministry of Power, Shram Shakti Bhawan, Rafi Marg, Sansad Marg, New Delhi-110001.</p>	<p>In the presence of</p> <p>Signature </p> <p>Name & Designation VISHAL KAPOOR DIRECTOR (DIST) MOP GOVT. OF INDIA</p> <p>Address</p>
<p>SIGNED AND DELIVERED BY (on behalf of State Govt.)</p> <p>Signature </p> <p>Pravin Srivastava, IAS Chief Resident Commissioner Tripura Bhawan, New Delhi</p> <p>Name & Designation: Sh. Pravin Srivastava, IAS, Chief Resident Commissioner, Address: Tripura Bhawan, Kautilya Marg, Chanakyaपुरी, New Delhi.</p>	<p>In the presence of SUBRATA AICH</p> <p>Signature </p> <p>Name & Designation DGM (FAA)/NEF RECLD, New Delhi</p> <p>Address</p>
<p>SIGNED AND DELIVERED BY (On behalf of TSECL)</p> <p>Signature </p> <p>(Er. N. C. Das) General Manager (Tech) TSECL, Bidyut Bhawan, Agartala, Tripura.</p> <p>Name & Designation: Sh. Naresh Chandra Das, General Manager (Technical) Address Tripura State Electricity Corporation Ltd.,</p>	<p>In the presence of</p> <p>Signature</p> <p>Name & Designation</p> <p>Address</p>

Annexure-A

TSECL- Division wise Loss Trajectory

Circle	Division	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
EC-I, AGT	ED-I	25.93%	23.01%	19.18%	15.34%	11.50%
	ED-CC	25.23%	22.39%	18.66%	14.93%	11.50%
	ED-II	17.41%	15.46%	13.00%	12.50%	11.50%
EC-II, AGT	ED-JRN	20.80%	18.46%	15.38%	12.50%	11.50%
	ED-MNP	41.54%	36.87%	30.73%	24.58%	18.00%
	ED-KHW	19.63%	17.43%	14.52%	12.50%	11.50%
EC-Khowai	ED-TLM	31.41%	27.88%	23.23%	18.58%	13.00%
	ED-BSL	28.29%	25.11%	20.93%	16.74%	12.56%
	ED-JPJL	41.39%	36.74%	30.61%	24.49%	18.00%
EC-Sepahijala	ED-SNM	45.45%	40.34%	33.61%	26.89%	20.00%
	ED-UDP	36.55%	32.44%	27.04%	21.63%	16.22%
	ED-AMP	42.76%	37.95%	31.62%	25.30%	18.00%
EC-Gomati	ED-SNTBZ	41.03%	36.42%	30.35%	24.28%	18.00%
	ED-BLN	30.43%	27.01%	22.51%	18.01%	13.51%
	ED-SBM	42.46%	37.69%	31.41%	25.13%	18.00%
EC-BELONIA	ED-DMR	39.04%	34.65%	28.88%	23.10%	17.33%
	ED-Pnsgr	29.31%	26.01%	21.68%	18.00%	13.50%
	ED-KCP	40.96%	36.36%	30.30%	24.24%	18.00%
EC-Dharmanagar	ED-KLS	37.20%	33.02%	27.51%	22.01%	16.51%
	ED-KGT	36.22%	32.14%	26.79%	21.43%	16.07%
	ED-AMB	48.65%	42.00%	36.00%	28.80%	21.60%
EC-Dhalai	ED-KMP	27.59%	24.49%	20.41%	16.33%	12.25%
	ED-MANU	54.31%	47.00%	41.00%	32.00%	23.00%
TOTAL		33.80%	30.00%	25.00%	20.00%	15.00%

Annexure B

Financial Projections of Tripura State Electricity Corporation Limited

Tariff Hike:

	FY16	FY17	FY18	FY19	FY20
FY 15*					
6.5%	0%	0%	4.5%	7.0%	0%

* Actual as per TO dated 22nd November 2014

AT&C Loss Trajectory:

	FY17	FY18	FY19	FY20
FY 16				
33.8%	30.0%	25.0%	20.0%	15.0%

Billing Efficiency:

	FY17	FY18	FY19	FY20
FY 16				
70.3%	73.7%	77.7%	81.2%	85.4%

Collection Efficiency:

	FY17	FY18	FY19	FY20
FY 16				
94.2%	95.0%	96.5%	98.5%	99.5%

Income Statement- Summary

Amount in Rs. Crore	FY17	FY18	FY 19	FY 20
Total Income	1054.79	1192.00	1323.91	1434.97
Total Costs	1100.38	1236.82	1367.26	1474.19
Net Income (Without Subsidy)	-45.59	-44.82	-43.35	-39.22
Committed State Govt. Subsidy	40.00	40.00	40.00	40.00
Net Income (With Subsidy)	-5.59	-4.82	-3.35	0.78

Income Statement- Detailed

Amount in Rs. Crore	FY17	FY18	FY19	FY 20
INCOME				
Revenue from Sale of Power (ex/c Subsidy)	498.40	562.12	651.38	742.99
Other receipts	24.08	24.08	24.08	24.08
Other Income (Including Revenue from trading)	532.31	605.79	648.45	667.90
TOTAL INCOME	1,054.79	1,192.00	1,323.91	1434.97
COSTS				
Power Purchase Costs	826.54	984.69	1095.35	1182.98
R & M Costs	10.99	13.85	18.83	19.96
Employees Costs	129.99	139.36	149.40	161.35
Administration & General Costs	16.77	17.08	17.39	18.44
Depreciation	12.80	16.96	19.23	20.38
Interest & Finance Costs	17.41	19.14	21.33	22.61

Amount in Rs. Crore	FY17	FY18	FY19	FY 20
Other debits/ Prior Period Gaps	85.88	45.74	45.74	48.48
Sub-total costs	1100.38	1236.82	1367.26	1474.19
Less: Incidental expenses				
TOTAL COSTS	1100.38	1236.82	1367.26	1474.19
NET INCOME w/o Subsidy	(45.59)	(44.82)	(43.35)	(39.22)
Committed State Govt. Subsidy				
Revenue Subsidy	40.00	40.00	40.00	40.00
Other Subsidy	0.00	0.00	0.00	0.00
Total subsidy available	40.00	40.00	40.00	40.00
NET INCOME with Subsidy	(5.59)	(4.82)	(3.35)	0.78

ACS- ARR Gap

Amount in Rs. Crore	FY17	FY18	FY19	FY 20
Net Power Purchase Cost*	2.48	3.12	3.55	4.04
Cost of Energy Lost	0.88	0.89	0.82	0.71
Net PP per unit sold	3.36	4.01	4.37	4.75
O&M and Estt Cost	1.33	1.40	1.47	1.57
Depreciation Cost	0.11	0.14	0.15	0.16
Interest Cost	0.15	0.16	0.17	0.18
Other Debits	0.52	0.18	0.17	0.19
ACS	4.58	4.99	5.52	6.13
ARR	4.53	4.95	5.49	6.14
Gap	0.05	0.04	0.03	-0.01

Per Unit Cost and Revenue Calculated on Input Energy

*Net Power Purchase Cost has been calculated after subtracting revenue from inter-state sales (including Sale to Bangladesh)

Detailed Action Plan for implementation of targeted activities

Annexure C

Action Plan for TSECL													
Clause No.	Activity	Unit	Status Pending	FY 2017		FY 2018		FY 2019		FY 2020		Responsibility	Resources (INR Cr)
				H2		H1	H2	H1	H2	H1	H2		
1.3 (b)	AT&C loss reduction trajectory	%	33.80%	30.00%		28.00%	25.00%	23.00%	20.00%	17.00%	15.00%	All AGM(Dist.)	-
1.3 (g) (i)	Consumer awareness programs and other actions	-	-									All AGM(Dist.)	To be submitted later
1.3 (g) (ii)	Preparing loss reduction targets at sub-divisions / divisions / circle/ zonal level and making concerned officers responsible	-	-									GM (Technical)	-
1.3 (g) (iii)	Implementing performance monitoring and management system MIS	-	-									GM (Technical)	0.75
1.3 (e) (iv)	Distribution Transformer metering	Nos	10,100	-		3,600	4,500	2,000	-	-	-	All AGM(Dist.)	50.50
1.3 (e) (v)	Feeder metering	Nos	350	-		150	200					All AGM(Dist.)	0.53
1.3 (e) (vi)	Energy audit up to 11kV level in rural areas (consumer indexing, GIS mapping)	Nos	4.5 lakh consumers									All AGM(Dist.)	20.00
1.3 (e) (vii)	Feeder improvement programme and network strengthening and upgradation (Important infrastructure will be completed by 31.03.2018)												

Action Plan for TSECL												
Clause No.	Activity	Unit	Status Pending	FY 2017		FY 2018		FY 2019		FY 2020		Resources (INR Cr)
				H2		H1	H2	H1	H2	H1	H2	
1	Construction of new power substations	Nos	26	3		2	2	19 more S/S will be taken up later				58.90
2	Augmentation of power substations	Nos	5		-	2	3		-		-	12.60
3	Construction of new High Tension feeders	Nos	130	15		10	10	95 more HT feeder will be taken up later				194.30
4	Augmentation of High Tension feeders	Nos	7	1		3	3		-		-	10.00
5	Installation of Distribution Transformers	Nos	810	200		350	260		-		-	40.30
6	Construction of LT Lines	Ckt Km	1240	120		100	100	920 Ckt Kms will be taken up later				163.90
1.3 (e) (ix)	Installation of Smart meters for all consumers with associated infrastructure	Nos	530,000		10,000	40,000	80,000	100,000	100,000	100,000	100,000	636.80
1.3 (e) (x)	Domestic connections (in lakhs) under 24X7 PFA	Lakhs	1.88	1.88 lakh urban and rural households to be connected by FY 2019 as per 24x7 Power for All document								
1.3 (e) (xi)	Implementation of ERP System	-	-	Implementation Stage								15.00
1.3 (f) (i)	Providing LEDs under DELP	Lacs	5	1		2	2		-		-	-
Total (INR Crores)												1,203.58

Annexure - D

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