Distribution Franchise in India

In recent years, the distribution franchise (DF) model has emerged as an attractive option. A number of private players have won DF bids recently issued by states or expressed their interest in obtaining more franchises. With the UDAY scheme mandating stringent loss reduction targets, the DF model comes as an opportunity to bring down the spiralling losses, while also providing business opportunities to private players and enhanced services to consumers. Also, unlike outright privatisation, the DF model offers the best of both worlds - public ownership of assets and private management of operations. Further, it also brings in the much-needed investment in the distribution segment.

Table of Contents

1. Overview
   - Key Trends in Power Distribution Segment
   - Needs and Requirements for DF
   - PPP Experience in Power Distribution
   - Evolution of DF model
   - Policy and Regulatory Environment
   - Current Scenario
   - Recent Initiatives/Developments
   - NEP's Recommendations on DF
   - Key Players

2. DF Contracts and Strategies for Bidding
   - Types of DF contracts
     - Collection-based
     - Input-based
     - Input-based Franchisee-Incremental Revenue Sharing
     - Input plus Investment-based
     - Others
   - Key Features
   - Responsibilities of Franchisee and Utility
   - Advantages and Limitations
   - Bidding Criteria and Considerations
     - SBD for IBF-IRS by MoP
     - Analysis of RFPs for Appointment of DF

3. Experience So Far
   - Operational/Awarded Franchises
   - Terminated Franchises
   - Recently Awarded Franchises
   - Recent Bids

4. Future Outlook
   - Growth Drivers
   - Key Success Factors
   - Upcoming Opportunities
   - Evolving DF Models
   - Issues and Challenges

5. Profiles of Distribution Franchises
   - Year of Award
   - Area and Number of Consumers Served
   - Term of Franchise Validity
   - Bid Details
   - Key Issues and Challenges
   - Current Infrastructure in DF area
   - Performance Review (AT&C loss reduction, revenue gap, energy deficit, revenue realised)
   - Major Initiatives undertaken by DF

The franchises covered include

- Bhiwandi (Torrent Power Limited)
- Nagpur (Spanco Nagpur Discom Limited)
- Agra (Torrent Power Limited)
- Muzaffarpur (Essel Vidyut Vitaran (Muzaffarpur) Limited)
- Gaya (India Power Corporation Limited)
- Kendrapara Division I and II, Jagatasinghpur, Dhenkanal, Talcher and Angul (Enzen Global Solutions Private Limited)
- Khurda, Balugaon, Puri and Nayagarh (Feedback Electricity Distribution Company Limited)
- City Electrical Division (Cuttack), Athagarh and Salipur (Riverside Utilities Private Limited)
- Nimapara (Seaside Utilities Private Limited)
- Kota, Bharatpur and Bikaner (CESC Limited)
- Ajmer (Tata Power Company Limited)
### List of Tables

- Improvement in performance since takeover in 2002
- Performance of Odisha discoms between 2014-15 and 2016-17
- Key Players in DF Space
- DF models - Advantages and Limitations
- Illustration of AT&C loss trajectories and revenue sharing plan
- Operational Distribution Franchises
- Distribution Franchises - Terminated/Anulled
- Performance of Aurangabad and Jalgaon Distribution Franchisee
- Performance of Gaya, Ujjain and Sagar prior to announcement of bids
- Key parameters of Bhagalpur DF
- Description and baseline parameters
- Bhiwandi’s annualised input rates as per the RRA
- Bhiwandi’s Performance review
- Nagpur’s Infrastructure at the time of handover
- Nagpur’s Performance Review
- Agra’s Customer Base and Key Performance Indicators (As of March 2017)
- Muzaffarpur’s Current Infrastructure and Key Performance Indicators (As of October 2016)
- Muzaffarpur’s Customer Base and Key Indicators for 2016-17
- Muzaffarpur’s Performance Review
- Gaya’s Current Infrastructure (As of March 2018)
- Gaya’s Category-wise details (2016-17)
- Gaya’s Performance Review
- Enzen’s Division-wise Customer Base
- Enzen’s Revenue realisation per unit (Rs/unit)
- Enzen’s AT&C loss (%)
- Enzen’s Billing and collection efficiency (%)
- Enzen’s Initiatives Undertaken
- FEDCO’s Current Infrastructure
- FEDCO’s Performance Review
- FEDCO’s Revenue Realisation (Rs/kWh)
- SUPL and RUPL’s Division-wise Customer Base
- SUPL and RUPL’s Revenue realisation per unit (Rs/unit)
- SUPL and RUPL’s AT&C loss reduction (%)
- SUPL and RUPL’s Billing and Collection efficiency (%)
- SUPL and RUPL’s Major Initiatives undertaken
- CESC’s Current Infrastructure in DF areas (As of March 2017)
- Category-wise consumer details for BESL (2016-17)
- Category-wise consumer details for KEDL (2016-17)
- CESC’s Key Statistics (2015-16)
- CESC’s Circle-wise Reliability Indices
- CESC’s new connection execution and outage management performance for Kota
- CESC’s new connection execution and outage management performance for Bharatpur
- CESC’s new connection execution and outage management performance for Bikaner

### List of Figures

- Distribution Line Length
- Transformer Capacity
- Category-wise Consumer Mix (As of March 2017)
- Growth in No. of Consumers (2012-13 to 2016-17)
- Growth in Energy Sales by category (2012-13 to 2016-17)
- Trend in AT&C Losses (2012-13 to 2016-17)
- Bhiwandi’s Performance review
- Nagpur’s benchmark input rates during the 15-year term (Rs/kWh)
- Nagpur’s Trend in distribution losses (%)
- Agra’s Performance Review Since Take-over in 2010-11
- Kota’s reduction in T&D losses
- Bharatpur’s reduction in T&D losses
- Ajmer’s minimum benchmark input rates for the DFA period (Rs/kWh)
- Ajmer’s Distribution Infrastructure of Ajmer DF area (As of March 2016)
- Ajmer’s Year-wise Operational Parameters
I would like to purchase the “Distribution Franchise in India” report:

<table>
<thead>
<tr>
<th>Report</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site Licence (Single Location)</td>
<td>Rs 50,000</td>
</tr>
<tr>
<td>GST (18%)</td>
<td>Rs 9,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>Rs 59,000</strong></td>
</tr>
<tr>
<td>Enterprise Licence (Multiple Locations)</td>
<td>Rs 75,000</td>
</tr>
<tr>
<td>GST @ 18%</td>
<td>Rs 13,500</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>Rs 88,500</strong></td>
</tr>
</tbody>
</table>

I am enclosing a cheque/demand draft for Rs ________________________, vide cheque/demand draft no. ______________________ drawn on ________________________ dated ________________ in favour of “India Infrastructure Publishing Pvt. Ltd.”

Signature

Name (Block Letters) __________________________________________

Designation __________________________________________

Company __________________________________________

Company GST No. __________________________________________

Mailing Address __________________________________________

Telephone __________________________________________

Mobile __________________________________________

E-mail __________________________________________

**Wire transfer details:**

<table>
<thead>
<tr>
<th>Beneficiary</th>
<th>India Infrastructure Publishing Pvt. Ltd.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Name</td>
<td>The Hongkong and Shanghai Banking Corporation Ltd</td>
</tr>
<tr>
<td>Bank Address</td>
<td>R-47, Greater Kailash-1, New Delhi - 110048</td>
</tr>
<tr>
<td>Account No.</td>
<td>094179587002</td>
</tr>
<tr>
<td>Swift Code</td>
<td>HSBCINBB</td>
</tr>
<tr>
<td>IFSC Code</td>
<td>HSBC0110006</td>
</tr>
<tr>
<td>GSTIN</td>
<td>07AAACI5880R1ZV</td>
</tr>
</tbody>
</table>

**Contact details:**

Sumita Kanjilal

Information Products

India Infrastructure Publishing Pvt. Ltd.

B-17, Qutab Institutional Area, New Delhi  110016, India

Tel: + 91-11-46560421, 41034600, 41034601; Fax: + 91-11-26531196

Mobile: + 91-9958299609

Email: sumita.kanjilal@indiainfrastructure.com