

**MINUTES OF PRE-BID MEETING HELD ON  
4<sup>th</sup> JANUARY 2010**

**FOR**

**APPOINTMENT OF DISTRIBUTION FRANCHISEE IN**

**ROORKEE URBAN AREA  
RUDRAPUR URBAN AREA**

**UTTARAKHAND POWER CORPORATION LIMITED  
DEHRADUN, UTTARAKHAND**

**MINUTES OF PRE-BID MEETING HELD ON 4<sup>th</sup> JANUARY 2010 FOR APPOINTMENT OF DISTRIBUTION FRANCHISEE IN ROORKEE & RUDRAPUR**

The pre-bid meeting for Appointment of Distribution Franchisee in Roorkee & Rudrapur Towns was organized on 4<sup>th</sup> January 2010, at the UPCL office, Dehradun, Uttarakhand. A team of representatives from UPCL, IL&FS Energy Development Co. Ltd (IEDCL), responded to the queries from the bidders. The list of participants of the pre-bid meeting is enclosed at Annexure –I.

After the welcome and introductory remarks from Mr. R.M.Agrawal, CGM (Commercial), the floor was opened for discussions / clarifications for queries from the bidders and responses from the panel.

The queries raised and clarifications furnished are given hereunder, which may be read in conjunction with RFP document and shall be part of RFP:

Sl. No.	Clause No. (RFP) / Article No. (DFA) and existing provision	Clarification /Suggestion sought	UPCL Response
1	Clause 2.4.1 of RFP/Article 1 of DFA: The definition of Expiry date – 20 <sup>th</sup> years from the Effective Date.	The term of the Distribution Franchisee is not consistent in the RFP document. In the definition of Expiry date, it is 20 years and in other places it is 15 years – the correct term to be clarified. <i>(Secure meters)</i>	The term of the Agreement would be 15 years.
2	Clause 3.2.8 of RFP: Ongoing contract	List of ongoing contracts to be provided. <i>(Secure meters)</i>	The list of ongoing contracts would be provided at the time of handing over of the Roorkee & Rudrapur towns to DF.
3	Clause 3.3.5 of the RFP: Capital Investment schemes	Whether DF can plan Capital Investment schemes with better standards than that of UPCL's? If yes, it may be clarified how DF would be compensated for the same. <i>(Secure meters)</i>	As long as the Capital Investment schemes planned by DF are approved by UERC, DF would be compensated with the depreciated value of the assets at the end of the term.
4	Clause 5.5.3 of the RFP: Minimum Reserve Price	Energy Growth rate considered for computation of Reserve Price may be indicated.	The past trends available have been considered, however the quoted input price would not be

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		<i>(Secure meters)</i>	adjusted based on actual growth rate.
5	Article 5.4.1 of DFA: Supply of Energy	For DF, procurement of power from outside may not be possible in case of shortage in supply from UPCL. Whether DF is guaranteed for minimum energy supply? Whether DF gets rewarded for better load management?  <i>(Secure meters, Indo Asian Fusegear)</i>	DF Obligation to supply power to the consumer will be limited to the supply available from UPCL. However, DF is free to source power from outside, if DF so desires. In such case, approval of UERC would be required & direction of UERC would be binding on DF.  For load management, DF shall have to adhere to UPCL/UERC directives.
6	Table 4 of RFP for Roorkee: Maximum Demand	Maximum Demand of 97 MW provided seems erroneous, may be confirmed.  <i>(Secure meters)</i>	It's a typographical error, the RFP has been rectified with correct Maximum Demand.
7	Table 2.4.1 of RFP for Roorkee: Definition of Input point	The metering of input points for 33 KV feeder and 11 KV feeders may be confirmed.  <i>(Secure meters)</i>	The metering for input point for 33 KV feeder would be the 33 KV side of 132/33 KV s/s in case of Roorkee. In case of 11 KV input points, the metering would be done at 11 KV feeders at the 33/11 KV s/s
8	Clause 5.2.5 of DFA: Funding under R-APDRP	GoI is funding the R-APDRP projects across the states for improvement in the Distribution sector. Whether such funding could be available to DF?  <i>(Secure meters, Indo Asian Fusegear)</i>	No.
9	Article 7.1.2 of DFA: Fortnightly invoice.	The philosophy behind raising invoices on a fortnightly basis for payments against the power purchased by the DF may be clarified.  <i>(Secure meters)</i>	To ensure adequate cash management for UPCL.

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10	Clause 5.3.3: Experience and Track Record	As per the RFP, only 2-3 companies qualify under Experience and Track Record. Distribution Franchisee is a new concept. In order to encourage new players to enter this sector, this criteria needs to be relooked and relaxed. <i>(Secure meters, Vexcel Computers, IndoAsian Fusegear)</i>	Necessary modifications have been incorporated in the RFP to encourage new players.
11	Clause 5.4 of RFP: Financial capability criteria	As per the RFP, the set criteria are stiff. Distribution Franchisee is a new concept. In order to encourage new players to enter this sector, this criteria needs to be relooked and relaxed, particularly sl.3 under clause 5.4.1 may be dispensed with. <i>(Secure meters, Vexcel Computers, IndoAsian Fusegear)</i>	Necessary modifications have been incorporated in the RFP to encourage new players.
12	Consortium bidding	In case of consortium bidding, whether strength of the promoter can be availed for qualifying. <i>(IndoAsian Fusegear)</i>	Clause no. 5.4.5 & 5.4.6 of RFP may be referred.
13	Capital Investment	UPCL may specify a minimum capital investment level on annual basis. <i>(IndoAsian Fusegear)</i>	Regarding Capital Investment, Article 5.2 of DFA may be referred.
14	Penalty on AT & C loss targets	UPCL may withdraw the penalty to be imposed on DF for failure to achieve AT & C loss targets. <i>(IndoAsian Fusegear)</i>	It is a non-negotiable clause.
15	Subsidy	List of categories where subsidy is available may be intimated.	Currently, no consumer category in proposed Franchisee area is subsidized.

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		<i>(IndoAsian Fusegear)</i>	
16	Insurance on UPCL's existing assets	Insurance payment for new assets to be created by DF are to be borne by DF, but it may be clarified as to who will bear the insurance payment to be made for UPCL's existing asset.  <i>(IndoAsian Fusegear)</i>	All matters relating insurance payments shall have to be borne by DF.
17	Earnest Money Deposit	Option for submitting Earnest Money Deposit in form of Bank Guarantee instead of Demand Draft shall be permitted.  <i>(IndoAsian Fusegear)</i>	Not acceptable.
18	Meter Replacement	Whether all meters can be replaced at one go?  <i>(Reliance Infrastructure)</i>	As referred in Article 5.2.11 of DFA, meters can be replaced subject to approval of Capital Investment plan by UERC.
19	Visit to Roorkee & Rudrapur	For field visit to the Roorkee & Rudrapur towns, contact person details may be provided.  <i>(Reliance Infrastructure)</i>	For Roorkee, contact person is Mr Rahul Jain, EE, Roorkee Div. Contact no. 9412053257  For Rudrapur, contact person is Mr Pradeep Chaudhary, EE, Rudrapur Div. Contact no. 9412091260
20	Establishing a consumer service centre for handling consumer complaints;	What is the minimum no. of seats required to be maintained in the consumer service centers?  <i>(A2Z Powertech)</i>	DF can assess the requirement to the satisfaction of consumer and ensure adherence to supply code approved by UERC.
21	Redressal of Commercial and Billing Complaints	Will Franchisee be able to revise/ correct the billing errors (if any) of pre franchisee period also?	Yes.

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22	DPR under Part B program of R-APDRP	Whether DPR under Part B program of R-APDRP is finalised. If yes, then the Capex required may be indicated.  <i>(A2Z Powertech)</i>	DPR under Part B program of R-APDRP is not yet finalised.
23	Power procurement from outside UPCL	As DF may not be a licensee, whether it requires a trading license to procure power from outside UPCL to meet shortfall?  <i>(A2Z Powertech)</i>	As referred in Article 5.4.2 & 5.4.4 of DFA, DF may procure power subject to approval of UERC.
24	Article 7 of DFA: Audit of Average Tariff for FY 08-09 by Big Three Accounting firms	As per Article 7 of DFA, the expenses for audit by Big Three Accounting firms are to be borne equally by DF & UPCL. The fees charged by these firms for such audit may be indicated.  <i>(A2Z Powertech)</i>	DF shall have to assess such costs by themselves.
25	Article 5.2.8: Depreciated value of assets added by DF	DF will be compensated the depreciated value of assets added by it on expiry of agreement. It may be clarified whether the rate of depreciation would be applied itemwise or on average.  <i>(A2Z Powertech)</i>	As mentioned in Article 5.2.9, the rate of depreciation as approved by UERC would be applicable.
26	Electromechanical meters	Number of electromechanical meters may be intimated.  <i>(A2Z Powertech)</i>	Majority of electro-mechanical meters have been replaced with electronic meters.
27	Legal action against defaulters	Can DF initiate legal proceedings against defaulters immediately?	Yes, as per the provisions of Electricity Act 03. But all legal expenses shall be borne by DF.

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28	Franchisee Area	In future if the municipality area of Roorkee & Rudrapur towns is increased, whether the new areas would be handed over to DF? <i>(Reliance Infrastructure)</i>	May be considered at an appropriate stage.

The meeting ended with thanks to all the participants.

**R.M.Agrawal**  
**CGM (Commercial)**  
**UPCL, Dehradun**

**ANNEXURE -I**

**LIST OF PARTICIPANTS - PRE-BID MEETING**

**Venue:** Conference Hall, UPCL, Dehradun  
**Date :** 4<sup>th</sup> January 2010 **Time :** 11.00 AM

**A. Participation from Bidders :**

1. Representative from M/s Secure Meters Ltd.
2. Representative from M/s Vexcel Computers Pvt. Ltd.
3. Representative from M/s Reliance Infrastructure Ltd.
4. Representative from M/s Indo Asian Fusegear Ltd.
5. Representative from M/s A2Z Power Tech Pvt. Ltd.

**B. Panel Members :**

1. Mr. R. M. Agrawal, CGM (Commercial), UPCL
2. Mr. H. M. Singh, Advisor, UPCL
3. Mr. M. S. Chandola, DGM, Roorkee Circle, UPCL
4. Mr. Pradeep Choudhary, Executive Engineer, Rudrapur Division, UPCL
5. Mr. Rahul Jain, Consultant, Executive Engineer, Roorkee Division, UPCL
6. Mr. Bibhu Biswal, Asst. VP, IL&FS EDC Ltd.