

FORUM OF REGULATORS (FOR)
Secretariat: C/O. CENTRAL ELECTRICITY REGULATORY COMMISSION
Core-3, 6th & 7th Floor, SCOPE Complex, Lodhi Road, New Delhi-110 003.
Tel. : 2436 1145 Extn.210 / Fax : 2436 0010

Ref. No.: 15/2(7)/2008-FOR/STUDY/SOP

Dated : 15th September, 2008

Sir/Madam,

Sub : Quotation for Study on “Model Regulation on Standards of Performance”.

Sir,

Forum of Regulators (FOR) constituted in pursuance of the provision of the Electricity Act, 2003 consists of Chairperson of Central Electricity Regulatory Commission (CERC) and Chairpersons of State Electricity Regulatory Commissions (SERCs). The Chairperson of CERC is the Chairperson of the Forum.

2. The FOR proposes to commission study on the aforementioned subject. The Terms of Reference (TOR) of the proposed study including format of application are **enclosed**.

3. Sealed quotations are invited from the reputed Consultants for the aforesaid purposes. Two separate sealed bids clearly marked as “**Technical**” and “**Financial**” are required to be submitted which may be placed in one outer envelop clearly mentioning in bold letters on top of the envelope “**QUOTATION FOR STUDY ON MODEL REGULATION ON SOP**”. The bids may be addressed to **Secretary, CERC/FOR** so as to reach by 1500 hours on 10th October, 2008. “**Technical**” bids will be opened by the FOR Secretariat on 10th October, 2008 at 1545 hours for preparing the list of bidders. Bidders may send their authorized representative to note the name and number of bidders.

4. It may kindly be noted that the proposal would be evaluated by “FOR GROUP”. Selection of the Consultant will be based on two-stage-evaluation process. In the first stage, “**Technical**” evaluation will be done by “FOR GROUP” based on the parameters as mentioned in the TOR. The “**Financial**” bids of only those bidders who qualify in “**Technical**” evaluation will be opened for final evaluation.

Yours faithfully,

Encl : as stated.

Sd/-

(Sushanta K. Chatterjee)
Deputy Chief (Regulatory Affairs)

TERMS OF REFERENCE (TOR)

Model Regulation on Standards of Performance

1.0 Introduction :

The Forum of Regulators (FOR) has been constituted by the Government of India in terms of section 166 (2) of the Electricity Act, 2003. The Forum consists of Chairperson of the Central Commission and the Chairpersons of the State Commissions. Chairperson of the Central Commission is the Chairperson of the Forum of Regulators and secretarial assistance to the Forum is provided by the Central Commission. The Forum is responsible for harmonization, coordination and ensuring uniformity of approach amongst the Electricity Regulatory Commissions across the country, in order to achieve greater regulatory certainty in the electricity sector.

1.1 The functions of the Forum of Regulators as provided in the rules framed in this regard are as follows:

The Forum shall discharge the following functions, namely:-

- (i) analysis of the tariff orders and other orders of Central Commission and State Commissions and compilation of data arising out of the said orders, highlighting, especially the efficiency improvements of the utilities;
- (ii) harmonization of regulation in power sector;
- (iii) laying of standards of performance of licensees as required under the Act.
- (iv) sharing of information among the members of the Forum on various issues of common interest and also of common approach.
- (v) undertaking research work in-house or through outsourcing on issues relevant to power sector regulation;
- (vi) evolving measures for protection of interest of consumers and promotion of efficiency, economy and competition in power sector; and
- (vii) such other functions as the Central Government may assign to it, from time to time.

1.2 As is evident, laying of Standards of Performance of distribution licensees is also one of the important responsibilities entrusted on the Forum.

1.3 Section 57 of the Electricity Act 2003 requires the Appropriate Commission to specify Standards of Performance of a distribution licensee:

“Section 57. (Consumer Protection: Standards of performance of licensee): (1) *The Appropriate Commission may, after consultation with the licensees and persons likely to be affected, specify standards of performance of a licensee or a class of licensees.*

(2) *If a licensee fails to meet the standards specified under sub-section (1), without prejudice to any penalty which may be imposed or prosecution be initiated, he shall be liable to pay such compensation to the person affected as may be determined by the Appropriate Commission:*

Provided that before determination of compensation, the concerned licensee shall be given a reasonable opportunity of being heard.

(3) *The compensation determined under sub-section (2) shall be paid by the concerned licensee within ninety days of such determination.*

Section 58. (Different standards of performance by licensee):

The Appropriate Commission may specify different standards under subsection (1) of section 57 for a class or classes of licensee.

Section 59. (Information with respect to levels of performance): --- (1) *Every licensee shall, within the period specified by the Appropriate Commission, furnish to the Commission the following information, namely:-*

- (a) *the level of performance achieved under sub-section (1) of the section 57;*
- (b) *the number of cases in which compensation was made under subsection (2) of section 57 and the aggregate amount of the compensation.*

(2) *The Appropriate Commission shall at least once in every year arrange for the publication, in such form and manner as it considers appropriate, of such of the information furnished to it under sub-section (1).”*

1.4 As required under the Act, most SERCs have specified regulations in this regard. The Forum of Regulators has felt the need for evolving a model regulation on Standards of Performance by incorporating the best practices in terms of performance standards as observed in different states in the country as also by including the best international practices in this regard.

2.0 Objective :

The objective of the study is to develop a model regulation of Standards of Performance by the Regulatory Commissions which could serve as a template for consideration of SERCs in discharge of their responsibilities under section 57 of the Act.

3.0 Scope of work :

In order to achieve these objectives, the consulting firm shall undertake the following:

- a) Study the regulations issued by various State Commissions under section 57 of the Electricity Act 2003.
- b) Identify core areas to be covered under model Standards of Performance for distribution licensees, also including a consumer friendly mechanism for providing compensation.
- c) Identify best practices in India against each of the aforesaid core areas with appropriate differentiation for urban and rural areas in accordance with Section 57 of the EA 2003. The Consultant is required to interact with Distribution Licensees in selected States as well as selected Consumer Representatives, in order to understand the limitations and practical difficulties in implementing the SOP.
- d) Collect information on international best practices against the above mentioned core areas.
- e) Evolve model regulation on Standards of Performance of distribution licensees (including suitable phasing for transition).

4.0 Deliverables and Duration of Assignments :

The following are the deliverables:

- a) The study shall be completed within a period of 3 months from the date of award of consultancy;
- b) The consultant will be required to interact with the FOR Working Group and FOR Secretariat during the assignment and would submit the draft report at the end of two months from the date of assignment and incorporate the suggestions of the Group and the Secretariat before finalizing the report at the end of the period of consultancy.
- c) The draft Model Regulation of the SOP Regulations to be circulated for comments as well as the finalized version to be issued by FOR would also be required to be prepared

5.0 Qualification Criteria :

The consultant should have experience in advising on regulating service standards of public utilities. Experience in working with Electricity Regulatory Commission(s) in India on quality of service and regulation making would be desirable.

6.0 Application and Evaluation Criteria:

6.1 The format of application is at Annexure-I and Annexure-II

6.2 The Consultant is required **to submit separate bids for Technical and Financial Offers, duly sealed in separate envelopes.**

6.3 Technical component will carry 70% weightage and **Financial** component 30% weightage.

- Within the Technical component, weights will be assigned in the following manner for different technical parameters :-

Technical Parameters	Weights
The Consultants relevant experience for the assignment	0.3
The quality of the methodology proposed	0.3
The qualifications and experience of the key staff proposed	0.4

- Weight for Financial parameters :- Proposal with the lowest cost will be given a financial score of 100 and other proposals given financial scores that are inversely proportional to their prices.

- **The total score will be obtained by weighting the Technical and Financial scores and adding them.**

DETAILED PROPOSAL FOR STUDY

(TECHNICAL)

Four copies of the proposal along with project summary to be submitted to Secretary, CERC/FOR.

I. GENERAL INFORMATION :

01. Title of the Proposed Study :
02. Name and address of the Organization/
Institution :
03. Name & Designation of the Key Person :
04. Contact address of the Key Person :
(e-mail/fax/telephone)
05. Net-worth/Turnover of the Organization/
Institution :

II. TECHNICAL SPECIFICATIONS :

06. i. Department(s) of the organization/Institution(s) where the study will be carried out

ii. Other department(s), if any, which will collaborate in this study
07. Brief review of the state-of-art in the field (National and International)
08. Detailed Approach & Methodology for undertaking the assignment

09. Facilities available for the proposed work in the applicant's organization/institution

10. Previous experience of the proposer in this or related field

11. Biographical sketch of the Study Team

(i) Name

(ii) Designation

(iii) Date of Birth

(iv) Education and Experience

(a) Academic Qualifications

Degree	University	Field(s)	Year

(b) Experience

Institution	Topic of work done	Period

(v) Field of major interest

(vi) Additional information (if any)

12. Capacity to impart training/transfer of knowledge

DETAILED PROPOSAL FOR STUDY

(FINANCIAL)

I. GENERAL INFORMATION :

01. Title of the Proposed Study :

02. Name and address of the Organization/
Institution :

03. Name & Designation of the Key Person :

04. Contact address of the Key Person :
(e-mail/fax/telephone)

05. Net-worth/Turnover of the Organization/
Institution :

06. Certificate of authorization in case of Institutes/other organizations (Format enclosed at **Appendix-‘A’**).

II. FINANCIAL SUPPORT :

07. Amount of grant proposed for _____ :

Components	Basis	Amount (in Rs.)
(I) Consultant Charges -		
(a) Consulting services fees		
(b) Consultants' Travel & Per Diem		
(c) Publication Costs		
(II) Misc./Others (if any)		
Total		

(RUPEES _____)

Signature of the Principal Investigator/
Head of the Study Team

CERTIFICATE

The undersigned agree to abide by the conditions of the grants and certify that available facilities for proposed work shall be extended to the investigator/study team.

Signature of Executive Authority
of the Organisation

Signature of the Principal Investigator/
Head of the Study Team

Name and Designation
Date

Name and Designation
Date

Signature of Co-investigator
Name and Designation
Date

Official stamp of University/
Organization/Institution