

1) **ASSIGNMENT: ADVICE TO GOVT. OF MAHARASHTRA ON RURAL ELECTRIFICATION.**

2) Terms of reference/ Scope of work:

I. The consultant would advise MERC on the following issues of Rural Electrification in Maharashtra.

(a) Present status of rural electrification in Maharashtra, impediments in and measures for achieving targets.

(b) Definition of rural area for notifying rural areas for setting up standalone systems

(c) Study of options available for ensuring supply to rural area : whether the rural and urban areas be separated for electricity supply or should there be bundling of urban and rural areas(mixed zone configuration).

(d) Criteria for carving out rural areas within the area of the licensee based on parameters like consumer mix, economic background, geography, viability etc.

(e) Suggest a transparent mechanism with eligibility, qualifying criteria for selection of agencies/persons/Cooperatives/ Panchayats/Franchisee for rural electrification and local distribution.

(f) Suggest a mechanism for award of area without SERC's approval.

(g) Identification of need for bench marking and monitoring performance of the appointed agency and devise bench marks for parameters such as distribution losses, collection efficiency, average billing rates, consumer receivables, operation & maintenance costs, and distribution transmission failure rates etc.

(h) The methodology for calculating bulk supply tariffs to rural areas.

(i) Whether there should be a parity of retail tariff for the rural areas. If yes how can it be achieved.

(j) Whether retail tariff should be based on factors like availability of supply in rural area, quality of supply, etc.

(k) Development of transparent method of subsidy mechanism, factors governing subsidy, incentive/penalty for better /under performance.

(l) Options to attract investment to the rural electrification.

(m) Undertake detailed techno-economic analysis of the issues so as to bring out the impacts and implications of various alternatives.

(n) Track the developments in the sector especially in rural electrification and preparation of draft theme paper inter-alia, the above issues for inviting comments from various stake holders.

II. Assisting the Commission to conduct public hearing process in a transparent manner and provide analytical support to the Commission

III. Presentation to the Commission to seek the Commission's views before and after (2) above.

IV. Final submission of report to the Commission.

V. Assisting Commission to submit its recommendations to the GoM

3) Period of assignment: 4 months

4) Consultants engaged : M/s. KPMG Advisory Services Pvt. Ltd.

5) Date of award : 27th August, 2004.

6) Selection modality : From short list of 13 organizations from whom offers were invited. 8 offers were received

7) Cost : Rs 7.86 lakhs (all inclusive).