

**Model Agreement for Single Point Supply to Residential Colonies/Multi-Storey
Residential Complexes/Co-operative Group Housing Society/Commercial
Complexes/Malls, IT Parks and Industrial Parks/Estates**

***MODEL AGREEMENT BETWEEN
Punjab State Power Corporation Limited
And
(Name of the Distribution Franchisee)***

This agreement is made on the ____ day of the month of ____, Two Thousand and ____, by and between (Name and Designation of the Official), representing Punjab State Power Corporation Limited (PSPCL), the Distribution Licensee, a company established by the Government of Punjab and duly registered under the Companies Act, 1956 having its Registered Office at _____.

(Hereinafter referred to as "distribution licensee," and is referred to as the "One party")

AND

(M/s _____ Name of the promoter/developer/Co-operative Group Housing Society/Resident Welfare Association registered under the Appropriate Act, having its registered office at _____, (hereinafter referred as the Distribution Franchisee as defined in the Act and the Supply Code, 2024 and referred to as the second party) which expression shall unless excluded by or repugnant to the context be deemed to include (Name-----Distribution Franchisee) and its successors and permitted assigns of the other part.

Each individually known as a party and together as parties

WHEREAS :-

1. Punjab State Power Corporation Limited (PSPCL) is a company constituted by the State Govt. of Punjab under the Companies Act-1956 having license to supply electricity in the State of Punjab and a Distribution Licensee under the provisions of Section 14 of the Electricity Act-2003,
2. M/s_____ (Distribution Franchisee), is the *Promoter/Developer/Co-operative Group Housing Society/Resident Welfare Association* of the colony/complex namely _____, spread over _____ Sq.yard/ Acres of land and situated at _____ and duly registered under the applicable Act. The Distribution Franchisee has undertaken the development of the Local distribution System in its lawful control, for which a No Objection Certificate (NOC) along with the electrical layout plan approved by the distribution licensee, as per Memo No. _____, dated _____ has been issued. This NOC, along with the electrical layout plan, shall be considered an integral part of this agreement for all purposes.
3. The Distribution franchisee i.e. the promoter/developer of the colony/complex as per applicable bye-laws of the State Government or a Co-operative Group Housing Society

(hereinafter referred to as Society) which owns the premises as specified in The Electricity (Removal of Difficulties) Eight Order, 2005 or Resident Welfare Association as per Rule 4(14) of Electricity (Rights of Consumers) Rules, 2020, as amended from time to time (hereinafter referred to as Association)) has submitted a proposal to the distribution licensee to become a Single Point Supply Franchisee of the distribution licensee as per 7th proviso to section 14 of the Act read with Regulation 13, 14 or 15 of the Supply Code, 2024 to supply electricity for residential/Commercial/Industrial purposes, as the case may be, including common services to the residents/occupiers falling within the project area specified in Annexure-1

NOW, THEREFORE, IN VIEW OF THE FOREGOING PREMISE AND IN CONSIDERATION OF THE MUTUAL CONVENANTS AND CONDITIONS HEREINAFTER SET FORTH, PSPCL AND THE DISTRIBUTION FRANCHISEE, HEREBY AGREE AS FOLLOWS

4. DEFINITIONS

In this Agreement, unless the context otherwise requires:-

- (1) **“Act”** means the Electricity Act, 2003 as amended from time to time;
- (2) **“A & A form”** means the Application & Agreement form prescribed by the distribution licensee under Regulation 6 of the Supply Code, 2024;
- (3) **“Area of Supply”** means the area within which a distribution licensee is authorised by his licence to supply electricity;
- (4) **“Billing Cycle or Billing period”** means the period for which regular electricity bills as provided in this agreement, are issued for different categories of consumers;
- (5) **“Commission”** means the Punjab State Electricity Regulatory Commission;
- (6) **“Connected load”** means the sum of the manufacturer’s rated capacities of all the energy consuming devices in a consumer's premises connected with distribution licensee’s service line which may be connected simultaneously and determined as per procedure laid down in the Supply Code regulations. This shall not include the standby or spare energy consuming apparatus installed through a changeover-switch;
- (7) **“Connection”** means provision for supply of electricity to an applicant;
- (8) **“Consumer”** means any person who is supplied with electricity for his own use by a distribution licensee or the Government or by any other person engaged in the business of supplying electricity to the public under the Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a licensee, the Government or such other person, as the case may be;
- (9) **“Consumer Meter”** means a meter used for accounting and billing of electricity supplied to or from the consumer but excluding those consumers covered under Interface Meters;

- (10) **“Consumption”** means utilization of electricity in kilowatt-hours (units) or kilo volt ampere hours;
- (11) **“Contract Demand”** means the maximum demand in kVA sanctioned to the consumer and computed in the manner as approved by the Commission;
- (12) **“Contracted Load”** means the load in kW (kilo Watt) or BHP which the Licensee has agreed to supply to a consumer from time to time as per the applicable terms and conditions indicated in the agreement signed between the licensee and the consumer in accordance with Regulation 8 of this Code. The BHP shall be converted to kW by multiplying it by 0.746;
- (13) **“Days”** means clear working days;
- (14) **"Default"** means non-compliance or violation of Supply Code and/or agreement entered between the consumer and Distribution Licensee ;
- (15) **"Designated Franchisee Area"** means the area for the distribution and supply of electricity, serving as the boundary within which the Distribution Franchisee is authorized to operate on behalf of the Distribution Licensee;
- (16) **“Disconnection”** means the physical separation or remote disconnection of a distribution franchisee or the consumer, as the case may be, from the distribution system of the distribution licensee;
- (17) **“Distribution Licensee”** means a licensee authorized to operate and maintain a distribution system for supplying electricity to consumers in its area of supply;
- (18) **“Distribution main”** means the portion of any main with which a service line is, or is intended to be, immediately connected;
- (19) **“Distribution System”** means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers. It shall also include electric line, substation and electrical plant that are primarily maintained for the purpose of distributing electricity in the area of supply of such distribution licensee notwithstanding that such line, sub-station or electrical plant are high pressure cables or overhead lines or associated with such high pressure cables or overhead lines; or used incidentally for the purposes of transmitting electricity for others;
- (20) **“Earthing system”** means an electrical system in which all the conductors and appliances are earthed;
- (21) **“Employer”** means a person having control over the employment of persons and the payment of their wages;
- (22) **“Energy charges”** means the charges for quantity of electricity actually supplied to the consumer in terms of kWh/kVAh in any billing period as approved by the Commission in the Tariff Order for the relevant year;
- (23) **“Extra High Tension (EHT) Consumer”** means a consumer who is supplied electricity at a voltage exceeding 33000 volts;

- (24) **“Fixed Charges”** for a billing period means the charges payable by the consumer on the basis of his sanctioned load/contracted load/contract demand as approved by the Commission in the Tariff Order for the relevant year;
- (25) **“Forum”** means the Forum constituted by the distribution licensee for redressal of grievances of the consumers under sub-section (5) of Section 42 of the Act;
- (26) **“Franchisee”** means a person authorised by a distribution licensee to distribute electricity on its behalf in a particular area within his area of supply;
- (27) **“General Conditions of Tariff”** and **“Schedules of Tariff”** means the General Conditions of Tariff and Schedules of Tariff as approved by the Commission for the relevant year;
- (28) **“Housing Society”** means a Co-operative Group Housing Society registered with the Registrar Co-operative Societies Punjab;
- (29) **“High Tension (HT) consumer”** means a consumer who is supplied electricity at a voltage higher than 650 volts but not exceeding 33000 volts;
- (30) **“Industrial supply”** means supply of electricity for Industrial and pumping purposes (excluding Agricultural Pump sets) as per Schedule of Industrial Tariff approved by the Commission;
- (31) **“Installation”** means any composite electrical unit used for the purpose of generating, transforming, transmitting, converting, distributing or utilizing electricity;
- (32) **“Low Tension (LT) consumer”** means a consumer who is supplied electricity at a voltage not exceeding 650 volts;
- (33) **“Main”** means any electric supply-line through which electricity is, or is intended to be, supplied;
- (34) **“Meter”** means a device suitable for measuring, indicating and recording the conveyance of electricity or any other quantity related with electrical system and shall include, wherever applicable, other equipment such as Instrument Transformer i.e. ‘Current Transformer’ (CT) or ‘Current Transformer’ (CT) and ‘Capacitor Voltage Transformer’ (CVT) or ‘Current Transformer’ (CT) and ‘Inductive Voltage Transformer’ (IVT), necessary for the purpose of measurement;”
- (35) **“Occupier”** means the owner, tenant or person in occupation of the premises where electricity is used or proposed to be used;
- (36) **“Ombudsman”** means an authority appointed or designated by the Commission under sub-section (6) of Section 42 of the Act;
- (37) **“owner”** means the person who is having absolute right over the property and the expression owner includes the legal heirs;
- (38) **“Person”** means any person/persons or occupier or possessor of a premises or place who may or may not be a consumer and shall include any company or body

corporate or association or body of individuals, whether incorporated or not, or an artificial juridical person;

- (39) **"Point of supply"** means the point, as may be specified by the State Commission, at which a consumer is supplied electricity;
- (40) **"Premises"** includes any land, building or structure or part or combination thereof which is appropriately partitioned electrically from the neighbouring premises and in respect of which a meter or metering arrangements have been made for supply of electricity by the distribution licensee. In case of AP supply, the premises means the place of source of water in respect of which connection has been given or intended to be given by the licensee to irrigate a piece of land;
- (41) **"Prosumer"** means a person who consumes electricity from the grid and can also inject electricity into the grid for distribution licensee, using same point of supply;
- (42) **"Resident Welfare Association"** (here in after referred to as the Association) means an association comprising all the property owners within a Co-operative Group Housing Society, Multi storied Building, Residential Colony, or a similar body registered with the State Government;
- (43) **"Sanctioned Load"** means the load in kW (kilo Watt) or BHP which the Licensee has agreed to supply to a consumer from time to time as per the applicable terms and conditions indicated in the agreement signed between the licensee and the consumer The BHP shall be converted to kW by multiplying it by 0.746;
- (44) **"Sanctioned Load of the Project"** means the total estimated load of the project as specified in the NOC;
- (45) **"Service Connection Charges"** means per kW/kVA/BHP charges and variable charges, wherever applicable, on normative basis approved by the Commission in the Standard Cost Data;
- (46) **'Smart Meter'** means a meter as specified in IS 16444 and as amended from time to time;
- (47) **"State"** means the State of Punjab;
- (48) **"State Government"** means the Government of Punjab;
- (49) **"Temporary Connection"** means an electricity connection required by a person for meeting with his temporary needs such as-
 - (i) for construction of residential, commercial and industrial complexes including pumps for dewatering;
 - (ii) for illumination during festivals/family functions;
 - (iii) for threshers or other such machinery excluding AP pump sets;
 - (iv) for touring cinemas/theatres/circuses/fairs/exhibitions/ melas /congregations;
- (50) **"Theft of Electricity"** has the meaning assigned to it under Section 135 of the Act;

(51) **“Unauthorized use of Electricity”** has the meaning assigned to it under Section 126 of the Act.

Unless the context otherwise requires, the words and expressions used in this agreement and not specifically defined herein but defined in the Act or Rules framed under section 176 of the Act or Regulations framed under section 177 or under section 181 of the Act or the Tariff Order issued by the Commission shall bear the same meanings as ascribed therein.

5. INTERPRETATION

This agreement shall be interpreted and implemented in a manner not inconsistent with the provisions of the Act and the Rules and Regulations framed thereunder. In case of any inconsistency, the provisions of the Act, Rules and the Regulations including Supply Code, 2024 shall prevail.

6. PREQUISITES

- (i) The distribution franchisee shall submit its requisition for getting single point supply for the residential colony along with complete electrical layout plan of the project approved by the competent licensing authority i.e. LD system for the colony in accordance with Regulation 12(1) of this Supply Code, 2024, as amended from time to time, for the total estimated load along with the processing fee as per the Schedule of General Charges.
- (ii) The promoter/developer/Society/Association shall obtain an NOC from the distribution licensee as per Regulation 13 and 15 of the Supply Code, 2024 and execute the project in accordance with the provisions of the Supply Code, 2024, as amended from time to time.
- (iii) For planning of the LD system of the colony/complex colony, the estimated load shall be computed as per the norms specified in Regulation 12(2) of Supply Code, 2024, as amended from time to time.
- (iv) The Distribution Franchisee shall furnish a bank guarantee valid for the period of NoC or an amount equivalent to 35% of the estimated cost as specified in Regulation 12(4) of the Supply Code, 2024, as amended from time to time which shall be extended for each block of 3 years by increasing the base value as approved by the Commission in the Standard Cost Data to take care of the increase in the cost of material & labour till the completion of the LD system and deposit of all remaining charges including connectivity charges/ system loading charges for the total sanctioned demand.
- (v) The temporary connection to the Distribution Franchisee shall be governed as per Regulation 12(5) of the Supply Code, 2024.
- (vi) The Distribution Franchisee may deposit the cost of the LD system as per the approved electrical layout plan by the distribution licensee as per terms and conditions specified in Regulation 12(6) of the Supply Code, 2024 and get it executed from the distribution licensee or execute the work at its level as per the terms and conditions specified in Regulation 12(7) of the Supply Code, 2024.

- (vii) The distribution franchisee shall submit detail of the estimated load, estimate of LD system and Electrical layout plan up to the last mile connectivity to downstream consumers corresponding to the complete electrified area and details of the proposed electrified area (in case of phase wise development of the LD system) accepting all liabilities and performing all obligations of the Distribution Licensee, in compliance with all the applicable Laws, Regulations, directions of the Commission and as per the provisions of this agreement.
- (viii) In case more than 50% of the owners of the plots/flats/dwelling in the residential colony covered under Regulation 12 opt to avail of the supply of electricity at a single point in the name of the Resident Welfare Association (hereinafter referred to as “Association”), the same shall be provided by the Distribution Licensee on the terms and conditions specified in Regulation 14 of the Supply Code, 2024 and such Association shall act as a distribution franchisee of the distribution licensee in the designated area.
- (ix) For the purpose of this Agreement, the distribution franchisee shall provide to the distribution licensee a list of all the separately identified downstream consumers to whom the distribution franchisee proposes to supply electricity containing details of the load and tariff classification (in accordance with the relevant tariff order issued by the Commission applicable to the distribution licensee) of each downstream consumers. The list is part of this agreement.
- (x) It shall be the responsibility of the distribution franchisee to enter into separate electricity supply agreements (A&A form) as approved by Commission/ Distribution Licensee with the downstream consumers, the terms of which shall not contravene any of the provisions of this Agreement and the distribution licensee has agreed to supply electricity to the distribution franchisee for the period and upon the terms and subject to the conditions and stipulations hereinafter contained.
- (xi) For all intent and purposes, the distribution franchisee shall work on behalf of the Distribution Licensee. All provisions of Supply Code/Standards of Performance/Regulations notified by the Commission or the instructions/directions issued by distribution licensee shall be applicable to the Distribution Franchisee. However, action under section 126, 135 and 138 of the Electricity Act, 2003 shall be taken by the Distribution Licensee.
- (xii) The distribution franchisee only acts as an agent of the distribution licensee in terms of the Seventh Proviso to Section 14 of the Electricity Act and that the distribution franchisee does not purchase electricity and supply the same to the consumers on a principal to principal basis. Consequently, the provision of electricity through an open access mechanisms is not permitted under this arrangement.

7. Designated franchisee area, Sanctioned Load and Contract Demand

- (i) Designated franchisee area for the distribution and supply of electricity is the specific area as per the electrical layout plan approved by the distribution

licensee in the NOC. This designated area is detailed in Annexure-I and serves as the boundary within which the Distribution Franchisee is authorized to operate on behalf of the distribution licensee. The Distribution Franchisee shall also provide an undertaking affirming its agreement not to supply electricity beyond the boundaries of the designated franchisee area.

(ii) Sanctioned load of the Project

Total Sanctioned load of the project is _____kW _____kVA (the total estimated load of the project as specified in the NOC issued vide memo no. _____ dated _____).

(iii) Contract Demand

The contract demand for the colony/complex is _____ kVA for residential load, _____ kVA for commercial load and _____kVA for Industrial Load (as applicable) within the designated franchisee area, calculated as per the applicable provisions of the Supply Code, 2024. Further, the approvals provided by the Distribution Licensee at various times concerning the contract demand form an integral part of the agreement.

Note- *The determination of the sanctioned contract demand shall be as follows:-*

- a) For Complete LD System :- *In case the entire Local Distribution (LD) system has been energized, the contract demand shall not be less than 70% of the total estimated load for the colony/complex as specified in the NOC.*
- b) For Partially Electrified LD System :- *In case connectivity is requested for a partially completed LD system, contract demand shall not be less than 70% of the estimated partial load requested for electrification by the applicant for the phase-wise electrified area.*
- c) For energisation of additional area, *the estimated load shall be revised and revised contract demand shall be sanctioned subject to the conditions as mentioned in para b) above, on payment of requisite charges i.e system loading charges and security (consumption) for additional demand at the prevailing rates. When contract demand is revised due to the energization of additional areas, the approval given by competent authority of Distribution Licensee is integral part of this agreement for all intent and purposes.*
- d) Existing Franchisee:- *For existing franchisee agreements signed between the distribution licensee and the distribution franchisee where connectivity at specified supply voltage/single-point supply had already been released by the distribution licensee prior to the commencement of the Supply Code-2024, the contract demand already sanctioned, irrespective of the estimated load of the colony/complex shall be allowed to continue till the Distribution Franchisee/RWA, as the case may be applies for revision of the NOC due to changes in the layout plan or contract demand or energization of additional areas in cases of partial connectivity.*

- (iv) A separate connection for EV charging station under relevant Schedule of Tariff as per Regulation 12(9) of the Supply Code, 2024 shall be released by the distribution licensee.
- (v) The distribution franchisee shall procure all electrical supply required for its operations exclusively from the distribution licensee for the designated franchisee area located at _____. This supply shall be limited to a quantum of "Sanctioned Contract Demand" corresponding to the sanctioned load of the project _____kVA. The supply and consumption shall be governed by the terms, conditions, and provisions set forth in this agreement.

8. Conditions for release of connectivity

- i) Before the release of a Single-Point Supply connectivity by the distribution licensee, the distribution franchisee shall complete the Local Distribution (LD) system as approved by the distribution licensee and fulfill all financial obligations as per the provisions of the Supply Code, 2024. This includes payment of 11 kV Connectivity Charges, System Loading Charges (SLC) as per Regulation 12(3) of the Supply Code, 2024, and other applicable charges, as well as the submission of all bank guarantees specified in the NoC, in compliance with the provisions of the Supply Code, 2024.
- ii) The expenditure for providing 11 kV connectivity shall include cost likely to be incurred by the distribution licensee for providing the individual 11kV service line(s) to the colony/complex and proportionate cost of the common portion of the distribution main including the breaker from the nearest feeding grid sub-station having power transformer of 33-66/11kV or 132-220 /11kV, as the case may be, which is feeding the 11kV line(s) connected to the colony/complex on a normative basis as per the Standard Cost Data approved by the Commission.

Provided that if the contract demand for the distribution franchisee area necessitates supply through an 11 kV 150/300mm² XLPE cable, then the 11 kV XLPE cable to be laid to cater to this sanctioned contract demand shall be considered as a 'service line' and full cost of this line along with cost of the 11 kV breaker shall be payable by the distribution franchisee.

- iii) The distribution franchisee shall deposit Security (consumption) against the sanctioned contract demand and security (meter) before release of the Single Point Supply and maintain thereafter also as per the provisions of the Supply Code, 2024. The distribution franchisee shall be eligible for interest on Security (consumption) and security (meter) as per Regulation 43 of the Supply Code, 2024.

iv) Provision of land for a new 66 kV Grid Substation

If the estimated load of the colony/complex as per the NOC exceeds 10 MVA, then the applicant shall also provide land measuring 1500 square yards with suitable dimensions to the distribution licensee at collector rates for the construction of a grid substation alongwith the right of way within the project area for feeding lines. As per the provision of the Supply Code, 2024, this provision shall be applicable in cases where the NOC is issued on or after commencement of the Supply Code, 2024

i.e on or after 14.11.2024.

As per the 3rd proviso to Regulation 12(3) of the Supply Code, 2024, in case the cost of grid sub-station (including land) and HT/EHT line including bay/breaker or the connectivity charges including System Loading Charges have been deposited or have been undertaken to be deposited, by an authority under the State Act viz. PUDA/GMADA/GLADA etc., with the distribution licensee, the connectivity charges including System Loading Charges for the same or the land for the grid sub-station shall not be recovered from the developer of such colony/complex. In case the authority fails to deposit necessary charges with the distribution licensee or provide the land as per this regulation within the stipulated time, the undertaking shall be treated as null and void *ab initio* and the authority or the promoter, as the case may be, shall have to deposit the necessary charges including provision of land as per this regulation.

v) **Bank Guarantees**

a) **Performance Guarantee**

The distribution franchisee shall deposit a “performance guarantee” in the form of a bank guarantee for an amount equivalent to 20% of the estimated cost of the complete LD system (as per NOC issued vide memo no. _____ dated _____) for a period of this Agreement for performance of various duties in designated Franchisee areas as per the terms and conditions mentioned in this Agreement. Performance guarantee shall be furnished at the time of release of connectivity.

- b) The 35% BG furnished by the promoter as per Regulation 12(4) at the time of NOC shall continue and shall be extended for each block of 3 years by increasing the base value as approved by the Commission in the Standard Cost Data to take care of the increase in the cost of material & labour till the completion of the LD system and deposit of all remaining charges including system loading charges against the total sanctioned contract demand. At present the %age annual compound rate of increase as approved by the Commission in the standard cost data is 6%. This BG shall be returned to the distribution franchisee after completion of the project and deposit of all applicable charges as per Regulation 12(7)(ii) of the Supply Code, 2024.

9. **Metering of Distribution Franchisee and the Consumers**

A. **Distribution Franchisee**

- i. **Installation of Main Meter:** The Distribution Licensee shall install a bi-directional main meter at the Point of Supply conforming to CEA metering regulations read with Regulation 39 of the Supply Code, 2024 as per the applicable tariff category of the distribution franchisee. The Distribution Franchisee will be responsible for providing the metering room in accordance with the instructions issued by the Distribution Licensee. This meter shall record the total energy consumption (import & export), Maximum Demand and other applicable parameters required for billing of the Distribution

Franchisee (DF) and will serve as the primary measurement point for all energy supplied.

- ii. In case, the Distribution Franchisee (DF) is supplied through multiple 11kV feeders due to the contract demand exceeding the capacity of a single feeder, the distribution franchisee shall be responsible for establishing the necessary 11 kV supply arrangement as specified by the Distribution Licensee. This setup must comply with the metering and infrastructure requirements determined by the Distribution Licensee to ensure accurate energy measurement and efficient power distribution.
- iii. The cases where an NOC has already been issued to the distribution franchisee at 66 kV or higher voltage level as per the provisions existing before the commencement of the Supply Code, 2024, the supply arrangement shall be governed by the following conditions:
 - a) For those cases where the existing franchisee has already deposited connectivity charges for the specified supply voltage as per the NOC before 14.11.2024 (before commencement of Supply Code, 2024), the developer/distribution franchisee shall be liable to erect a 66 kV or higher voltage grid and get connectivity at 66 kV or higher supply voltage.
 - b) In case where the distribution franchisee has availed connectivity at 11 kV for the partial load by paying the cost of an 11 kV line and by providing a bank guarantee against the grid substation and feeding higher voltage line, may opt for getting connectivity at 11 kV as per the provisions of Supply Code, 2024 for which the distribution franchisee shall be liable to pay 11 kV connectivity charges and System Loading Charges against full sanctioned contract demand to the distribution licensee.

Provided that, as per Regulation 13(1)(ix), 15(1)(x) of the Supply Code, 2024, the System Loading Charges shall be recoverable corresponding to the sanctioned contract demand against partial load availed. With the electrification of additional area and revision of contract demand, the distribution franchisee shall deposit requisite charges including System loading charges for the additional demand at prevailing rates.

- c) In case, connectivity charges against specified supply voltage have not been deposited before 14.11.2024, connectivity at 11 kV supply voltage shall be provided as per Supply Code, 2024 and connectivity charges i.e. 11 kV connectivity charges and System loading charges as per Regulation 12(3) of the Supply Code, 2024 shall be recovered from the developer as per the estimated load of the project against the NOC issued.
- d) In a case where the 66 kV grid has already been constructed by the the developer and developer has deposited connectivity charges as per the NOC before commencement of Supply Code, 2024 i.e before 14.11.2024, connectivity at 66 kV supply voltage shall be provided.

- e) In cases where the developer voluntarily wants to take supply at 66 kV or at a higher voltage level, the same shall be allowed subject to erection of the grid by the franchisee and payment of connectivity charges to the distribution licensee.
- f) In case the supply voltage is 66 kV or above, the metering shall be at the supply voltage and such distribution franchisee shall be eligible for voltage rebate, as approved by the Commission in the tariff order for the relevant year. No System Loading Charges shall be payable by such distribution franchisee.
- iv. In case of a defective/inoperative/inaccurate main meter, the provisions of Regulation 39(3) & 39(4) of the Supply Code, 2024 shall apply ipso facto in such cases.

B. CONSUMER METERING

- i. All consumer meters shall conform to CEA (Installation and operation of Meters) Regulations 2006, as amended from time to time.
- ii. Energy meters used for providing electricity connections to individual consumers must meet the specifications approved by the Distribution Licensee, including compatibility with Meter Data Management (MDM) systems of the licensee.
- iii. All new connections shall be released with smart meters working in prepayment mode. The tested and sealed smart meters shall be supplied by the distribution licensee to the franchisee for installation in the franchisee area. The cost of such meters shall be borne by the distribution licensee. The distribution franchisee shall recover the meter rental from the consumers, as approved by the Commission, and transfer the amount so collected to the distribution licensee.

The meters of the existing consumers (other than dual energy meters) in the designated franchisee areas shall be replaced with smart meters working in prepayment mode by the distribution licensee under the scheme approved by the Commission for the consumers of the distribution licensee as per the time lines fixed by the Commission and such cost shall be allowed as pass through in the ARR. The meter rental collected from these consumers shall be credited to the account of the distribution licensee by the distribution franchisee.

- iv. Regarding recording of back up supply, if provided by the franchisee, a separate meter shall be installed by the distribution franchisee at its cost and dual meters shall not be allowed. However, the dual meters already installed by the existing franchisee may continue provided conditions mentioned in para 13(v) of this model agreement are met with by the distribution franchisee failing which metering arrangement shall have to be replaced by the distribution franchisee at its cost.
- v. In the case of multi storey buildings/apartments, meter may be installed near

the entrance of the complex/apartment or at any other convenient common space provided that the common space is borne by the owner/promoter or an association/society of occupants/owners that may be formed in the complex.

- vi. The Distribution franchisee shall install separate meter(s) for recording the consumption of common area commercial load within the residential project.

10. Release of New Connections/Additional Load by Distribution Franchisee in designated franchisee area

The following procedure shall be adopted for release of new connections to consumers in the DF area:

- a) The owner or occupier of a premises located within the area of DF requiring new connection or additional load/demand shall submit the Application & Agreement (A&A) form prescribed by the Distribution Licensee alongwith with requisite documents and processing fee to the distribution franchisee as per Supply Code, 2024. The distribution franchisee shall sign the A&A form on behalf of the Distribution Licensee. Distribution Franchisee shall release the new individual connection/additional load/demand within the timelines as specified in Regulation 21 of the Supply Code, 2024. DF shall also maintain the a copy of the A&A forms.
- b) Distribution Franchisee may get Security (consumption) and Security (meter) as approved by Commission deposited from the individual consumers and transfer the security (meter) amount so collected to the distribution licensee since meters are to be provided by the licensee at its cost. The consumers shall be eligible for interest on Security (Consumption) and Security (Meter) as per Regulation 43 of the Supply Code, 2024. The interest on Security (Consumption) shall be paid to the consumer by the distribution franchisee. The interest on Security (Meter) shall be paid to the consumer by the distribution licensee.
- c) As it is the responsibility of the franchisee to provide the last mile service cable upto the metering point of the consumer, no service connection charges or Security(works), as applicable, shall be recoverable from the individual consumers.
- d) The DF shall submit the copies of the A&A form signed by the DF with the consumer on behalf of the distribution licensee to the concerned sub-division of the distribution licensee every month by the 7th of the succeeding month. This submission shall include details of the Energy Meter installed for each released connection. The concerned distribution sub-division shall promptly assign an account number to each consumer for record-keeping and updating the licensee system. This will ensure the seamless processing of subsidy claims, concessions, and other benefits in accordance with the State Government's policy and notified Regulations.
- e) Rooftop solar installations set up by individual consumers within the distribution franchisee area shall be governed by the PSERC (Grid-Interactive Rooftop Solar Photovoltaic Systems) Regulations, 2021, as amended from time to time. The

electricity generated from these rooftop solar systems shall be accounted for either through net metering or net billing, as per the applicable regulatory framework.

- f) The DF shall be responsible for informing the distribution licensee about any meter replacements or changes in the consumer base on a monthly basis. It must ensure that all individual connections are provided at the specified voltage level as per the Supply Code, 2024, as amended from time to time.

Provided that in case of any constraint(s) in releasing the connection at the specified voltage, the supply may be given at a lower voltage subject to technical feasibility. The distribution franchisee may recover voltage surcharge, as approved by the Commission from the consumer but any loss arising from supply at a lower voltage shall be borne by the distribution franchisee.

- g) The temporary connections for DS/NRS category to the individual occupants of such colonies/complexes for their temporary needs during the period of construction etc. shall be released by the DF as per the provisions of the Supply Code, 2024.
- h) The DF shall be responsible for the release of individual connections to the residents/occupiers of such colonies/complexes through meters as specified in Regulation-39 of the Supply Code, 2024 and as per the timelines as specified in the Supply Code, 2024.
- i) The existing Franchisee must submit the A&A forms to the concerned sub-division of the Distribution Licensee, if not already submitted to the distribution licensee. The concerned distribution sub-division shall promptly assign an account number to each occupier for record-keeping and updating the PSPCL system.
- j) Save as provided in this model agreement, the Distribution Franchisee (DF) is responsible for metering, billing, and collecting charges from individual users in the colony/complex.
- k) Release of connection for common services inside the distribution franchisee area shall be as under:

Category	Type of Services	Tariff Schedule	Remarks
Residential Colonies/Complexes	Common services for basic amenities (e.g., lifts, school, dispensary, club, community hall, water supply & sewerage etc.)	Bulk Supply (Domestic) Tariff	Covers only basic amenities for residents. Consumption shall be recorded only through the main meter.
	Other commercial establishments (e.g. shops, multiplexes etc.)	NRS Tariff	Separate connection(s)/metering shall be provided for commercial establishments.
	EV charging	Relevant	Separate

	station	tariff	connection/metering shall be provided
Commercial Complexes	All common services for basic amenities	NRS Tariff	Applies to all common services. Consumption shall be recorded only through the main meter.
	EV charging station	Relevant tariff	Separate connection/metering shall be provided
Industrial Parks/Estates & IT parks	All common services for basic amenities	NRS Tariff	Applies to all common services. Separate connection(s)/metering shall be provided for the common services.
	EV charging station	Relevant tariff	Separate connection/metering shall be provided

11. Billing of Distribution Franchisee and the consumers

- i) The account number for the Distribution Franchisee billing at the Single Supply/Main meter shall be assigned based on the Distribution Franchisee Agreement between the Distribution Franchisee and the Distribution licensee. Since the Distribution Franchisee is not a consumer of the Distribution Licensee but serves as its agent, an A&A form will not be executed between the DF and PSPCL. The Distribution Franchisee will function as an intermediary between PSPCL and electricity consumers within the distribution franchisee area.
- ii) The distribution licensee shall install a bi-directional main meter at the point of supply to record import and export of energy.
- iii) The Distribution Franchisee shall receive electricity bills on a monthly basis as per the applicable tariff and billing cycle set by the Distribution Licensee. Further, late payment surcharge will be applicable as per the tariff order issued by the Commission.
- iv) In case the recorded maximum demand exceeds the contract demand (as approved by the distribution licensee in accordance with the provision of the Supply Code, 2024) action shall be taken as per the provisions of the General Conditions of Tariff issued by the Commission. In case the recorded maximum demand (MD) exceeds the sanctioned contract demand by 10% twice in a financial year then the highest of the recorded MD during the year shall be deemed to be the revised CD of the colony/complex from the billing month immediately succeeding the billing month during which second default occurs. The Distribution Franchisee (DF) shall be liable to pay System Loading Charges and Security (consumption) for the additional demand at the prevailing rates.
- v) The consumer in the designated franchisee area shall be entitled to install Rooftop SPV systems as per the provisions of PSERC (Grid-Interactive Rooftop Solar Photovoltaic Systems) Regulations, 2021, as amended from time to time.

The Distribution Franchisee may install Rooftop SPV systems for meeting the demand of the common services load. The maximum capacity of such SPV plant (rated inverter capacity on AC side) shall not increase the load of the common services sanctioned by the distribution licensee. The distribution franchisee shall install a generation meter to record the generation from the SPV plant.

- vi) No voltage rebate to the distribution franchisee shall be admissible in case the colony/complex is fed at 11 kV. However, for colonies/complexes fed at 66 kV or higher voltage, voltage rebate corresponding to the supply voltage, as approved by the Commission in the tariff order for the relevant year shall be admissible.
- vii) The distribution franchisee shall not recover from any consumer in his distribution franchisee area any tariff/charges exceeding the tariff/charges approved by the Commission for the relevant category of consumers.
- viii) All the consumers in the designated Franchisee area shall also be billed on a monthly basis, as per the applicable tariff.
- ix) The DF shall ensure the proper categorization of consumers and accurate revenue recovery in accordance with the applicable Tariff Schedules.
- x) The distribution franchisee shall recover bills from individual consumers after allowing the benefits/concessions/subsidy in accordance with the policy of the State Government.
- xi) In case the distribution franchisee submits incorrect energy readings to manipulate subsidy units or rebate, the distribution franchisee shall be liable to reimburse the excess amount along with interest at the bank rate and with a penalty of ₹5,000 per incorrect reading/claim. Any subsequent default within a financial year, shall result in doubling of the penalty amount for each subsequent violation and may also be treated as an event of default resulting in subsequent penal action against the distribution franchisee.
- xii) **In case of residential colony covered under Regulation 13 & 14 of the Supply Code, 2024:**
 - a) The Distribution Franchisee (DF) shall be liable to pay fixed charges for the sanctioned contract demand and energy charges for the meter consumption recorded at the main meter for import of energy from the distribution licensee against the residential load of the colony including common services such as street light, lifts, schools, dispensary etc. (except commercial load) in accordance with the Bulk Supply (Domestic) Tariff approved by the Commission for the relevant year. For the export of energy due to Rooftop SPV plants installed in the distribution franchisee area during a billing cycle, the distribution franchisee shall be reimbursed the energy charges at feed in tariff determined by the Commission for the relevant year and a single invoice shall be issued by the licensee.
 - b) The commercial establishments such as shops, multiplex etc. and EV charging station shall be metered separately. The consumption recorded by

the main meter shall be reduced by the aggregate consumption of commercial establishments and the EV charging station. The billing of commercial establishments shall be billed as per NRS tariff and EV charging station at EV tariff approved by the Commission for the relevant year. The balance consumption of the main meter shall be billed as per Bulk Supply (Domestic) tariff.

- c) The DF, in lieu of his obligation to maintain the LD system and to carry out other assigned functions including but not limited to billing and collection of energy bills from consumers, shall be allowed 5% rebate on energy charges payable to the distribution licensee for residential colony/multistory complex/co-operative society covered under Regulation 13 & 14 of the Supply Code, 2024.
- d) While calculating the rebate, the amount of subsidy paid to the consumers of the distribution franchisee area by the distribution franchisee as per Punjab Government policy in a billing cycle shall be determined. After verification by the concerned officer of the distribution licensee the subsidy amount shall be reimbursed to the distribution franchisee in the next bill payable by the distribution franchisee to the distribution licensee.
- e) For the purpose of calculating rebate, the total generation from Rooftop SPV system set up by the prosumers in the distribution franchisee area shall be lower of the aggregate generation of all prosumers in the distribution franchisee area recorded by the generation meters and the normative generation @ 3.5 units per kW of the installed capacity. The normative energy charges corresponding to this generation shall be added to the main meter energy charges to calculate the amount of rebate admissible to the distribution franchisee.
- f) An existing distribution franchisee, who has signed the franchisee agreement with distribution licensee before the commencement of Supply Code, 2024, shall not recover any tariff/charges exceeding the tariff/charges approved by the Commission for the relevant category of consumers from any consumer in his distribution franchisee area.

The franchisee/RWA/Society, as the case may be, signing the franchisee agreement with the distribution licensee after the commencement of the Supply Code, 2024, for supplying electricity to residents or the members of the society in the residential colony/ multi story complex through a single point supply arrangement, the supply of the electricity to residents shall be on “No Profit No Loss” basis as per Rule 4(14)(d) of Electricity (Rights of Consumers) Amendment Rules, 2024. The total billing done by the Franchisee/RWA/Society in the residential colony/multi story complex for the electricity supplied by the distribution licensee for the consumers of the distribution franchisee area shall not exceed the overall tariff paid to the distribution licensee.

xiii) In case of Commercial Complexes/malls/IT parks covered under Regulation 15 of the Supply Code, 2024

- a) The Distribution Franchisee (DF) shall be liable to pay fixed charges for the sanctioned contract demand and energy charges for the meter consumption recorded at the main meter for import of energy from the distribution licensee against the total load of the complex including common services in accordance with the NRS Tariff approved by the Commission for the relevant year. For the export of energy due to Rooftop SPV plants installed in the distribution franchisee area during a billing cycle, the distribution franchisee shall be reimbursed the energy charges at feed in tariff determined by the Commission for the relevant year and a single invoice shall be issued by the licensee.
- b) The DF, in lieu of his obligation to maintain the LD system and to carry out other assigned functions including but not limited to billing and collection of energy bills from consumers, shall be allowed a 3% rebate on energy charges payable to the distribution licensee.
- c) The distribution franchisee shall not charge from the consumers of the commercial complex falling in the franchisee area tariff/charges exceeding the tariff/charges determined/approved by the Commission for the NRS category of consumers in the tariff order for the relevant year.
- d) For the purpose of calculating the rebate, the total generation from the Rooftop SPV system set up by the prosumers in the distribution franchisee area shall be lower of the aggregate generation of all prosumers in the distribution franchisee area recorded by the generation meters and the normative generation @ 3.5 units per kW of the installed capacity. The normative energy charges corresponding to this generation shall be added to the main meter energy charges to calculate the amount of rebate admissible to the distribution franchisee.

xiv) In case of Industrial estate/park covered under Regulation 15 of the Supply Code, 2024

- a) The Distribution Franchisee (DF) shall be liable to pay fixed charges for the sanctioned contract demand and energy charges for the meter consumption recorded at the main meter for import of energy from the distribution licensee against the industrial load of the industrial estate (except common services) in accordance with the Large Supply (LS) Industrial Tariff (General) approved by the Commission for the relevant year. For the export of energy due to Rooftop SPV plants installed in the distribution franchisee area during a billing cycle, the distribution franchisee shall be reimbursed the energy charges at feed in tariff determined by the Commission for the relevant year and a single invoice shall be issued by the licensee.
- b) The entire common area and EV charging station load shall be metered separately. The common area load shall be billed as per NRS tariff and EV

station at tariff approved by the Commission for the relevant year. The meter consumption of the main meter shall be reduced by the sum total of consumption of the common area load and EV charging station load recorded during a billing cycle and billed accordingly.

- c) The consumers of the distribution franchisee area with specified supply voltage of 66 kV and above shall be fed directly from the distribution mains of the licensee and metered/billed under the relevant schedule of tariff.
- d) The DF, in lieu of his obligation to maintain the LD system and to carry out other assigned functions including but not limited to billing and collection of energy bills from consumers, shall be allowed a 3% rebate on energy charges payable to the distribution licensee.
- e) The distribution franchisee shall not charge from the consumers of Industrial Estate/park falling in the franchisee tariff/charges exceeding the tariff/charges determined/approved by the Commission for the concerned industrial category of consumers in the tariff order for the relevant year.
- f) For the purpose of calculating rebate, the total generation from the Rooftop SPV system set up by the prosumers in the distribution franchisee area shall be lower of the aggregate generation of all prosumers in the distribution franchisee area recorded by the generation meters and the normative generation @ 3.5 units per kW of the installed capacity. The normative energy charges corresponding to this generation shall be added to the main meter energy charges to calculate the amount of rebate admissible to the distribution franchisee.

12. Rights, Obligations, and Applicability of Regulations for distribution franchisee, Residents/occupier

- (i) Save as provided in this agreement, the occupier/residents of the colony/complex shall have the same rights and obligations as are available to other consumers of the Distribution Licensee including but not limited to any benefits/concessions/subsidy granted to the consumers by the State Government.
- (ii) The consumers of the colony/complex shall have the right to approach the Appropriate Forum for redressal of their grievances as specified in PSERC (Forum & Ombudsman) Regulations, 2016, as amended from time to time.
- (iii) Save as provided in this agreement, all the provisions of the Act, the Rules and the regulations including but not limited to the Supply Code, 2024 shall be applicable ipso facto to the distribution franchisee as well as the consumers of such colonies/complexes.

13. Duties and responsibilities of the Distribution Franchisee

- (i) It shall be ensured that the installation of the LD system conforms to the provisions of CEA (Measures Relating to Safety & Electricity Supply) Regulations, 2023 as amended from time to time.
- (ii) The provisions of distribution transformers (DTs) in the colony/complex shall

be in accordance with Regulation 46(2) of CEA (Measures Relating to Safety & Electricity Supply) Regulations, 2023, which inter alia provides that only the dry type of transformer shall be used inside the residential and commercial buildings.

- (iii) It shall be the responsibility of the DF to provide the complete electrical infrastructure including the provision of the last-mile service cable up to the metering point or MCB for an individual consumer.
- (iv) The distribution franchisee shall be responsible for ensuring the continuous and reliable supply of electricity to consumers within its designated franchisee area subject to the regulatory measures approved by the Commission, recovering charges in accordance with the Schedules of General Charges and applicable Tariff as approved by the Commission, and collecting electricity bill payments from the consumers. Additionally, the DF must promptly address and resolve any electricity breakdown complaints to maintain reliable service and consumer satisfaction.
- (v) If the DF arranges a backup power supply for the consumers or occupiers of the distribution franchisee area, it shall be ensured that such backup supply is recorded separately and such supply shall not intermingle with the supply of the distribution licensee. The backup supply system along with dual energy meters installed by the existing distribution franchisees conforming to the above provisions of the Supply Code, 2024 may continue provided no right of the consumers of the distribution franchisee area including but not limited to grant of subsidy and/or setting up of Rooftop SPV system is infringed due to this supply/metering arrangement, failing which the distribution franchisee shall change the supply system/metering arrangement at its cost as may be directed by the distribution licensee.

In case the distribution franchisee to whom an NOC is issued by the licensee after date of issue of this order, intends to arrange backup supply, such supply shall be delivered through a completely separate feeding arrangement. The backup supply consumption shall be recorded through a separate meter whereas the main supply shall be recorded through a meter supplied by the distribution licensee. Under no circumstances should the backup supply intermingle or integrate with the main supply system which is distributed through the Distribution Licensee supply source. A strict separation between the backup supply and the main supply must always be maintained to prevent any mishaps and to ensure safety. In case a revised NOC is issued due to the addition of a new area, these conditions shall apply for the new area also.

Provided that failure of the distribution franchisee to implement the above provisions of the agreement shall be treated as a critical event of default.

- (vi) The DF shall be responsible to operate & maintain all electrical infrastructure, including transformers, required for distribution of electricity within the designated Franchisee area, at his own cost.

- (vii) The DF shall not to use the power in a manner prejudicial to the distribution licensee.
- (viii) The Distribution Franchisee must strictly adhere to the approved methods and locations for energy usage as specified by the distribution licensee. Furthermore, the Distribution Franchisee shall ensure that any further distribution of electrical energy to downstream consumers is conducted in full compliance with PSERC's guidelines and pre-approved terms.
- (ix) The DF shall ensure compliance of the relevant provisions of the Supply Code, 2024, as amended from time to time as well as other rules/regulations/standards applicable to the licensee for distribution and supply of electricity, issued by the Commission or other Statutory Authorities.
- (x) The DF shall provide 24 x 7 service to his downstream consumers for attending to various complaints reported in its designated franchisee area and shall ensure adherence to the Minimum Standards of Performance specified by the Commission. The distribution franchise shall be liable to pay compensation to the consumers in the distribution franchisee area for its failure to meet the Standards of performance in accordance with the Supply Code, 2024 & PSERC (Power Quality) Regulation, 2023.
- (xi) The DF shall facilitate distribution licensee's officials/officers for inspection/testing of consumer's installation & meters, meter reading or any other activities that the distribution licensee desires to carry out in the designated franchisee area to fulfill its responsibility as a Distribution Licensee.
- (xii) The DF shall follow the mutually agreed procedures for carrying out duties and responsibilities as distribution franchisee of the distribution licensee.
- (xiii) The DF should keep updated billing records, including the details of existing and the prospective consumers into the billing data base as per the requirements of the distribution licensee and the same should be provided as and when required by the concerned office/official of the distribution licensee.
- (xiv) The DF should be vigilant for activities such as the collection of bills and proper categorization of the consumer's as this affects the revenue of the distribution licensee. Any discrepancies should be intimated to the distribution licensee for further action. At all times, distribution licensee's employee & staff should be given access to enter/check in the DF area. DF should detect unauthorized consumption and should report the same to the licensee. For all legal and practical purposes, the consumers in the Distribution Franchisee area are the consumers of the distribution licensee and hence the distribution licensee at all times will have overriding powers, when it comes to billing, applicability of norms, standards, consumer grievances and directions/orders of the Commission etc.

- (xv) The Distribution Franchisee (DF) is required to establish a dedicated complaint resolution center to handle consumer grievances. This center will be responsible for addressing and resolving complaints in a prompt and efficient manner. Further, the consumers of the DF shall also have the right to approach the distribution licensee for resolution of their complaints by approaching distribution licensee's consumer grievance redressal forum. The DF shall co-ordinate with the distribution licensee to resolve his consumer complaints. The DF shall comply with the Orders/directions, given by the Commission, Consumer grievance redressal forum, Electricity Ombudsman or any other statutory authorities.
- (xvi) In case of any penalties levied on the distribution licensee by the Competent Authority / Forum or compensation to be paid to the consumers for non-compliance of the provisions of Regulations /Act, due to the default on the part of the DF, the same shall be passed on to the Distribution Franchisee. Such penalties shall be recovered from the Distribution Franchisee.
- (xvii) The power to disconnect the supply of any consumer located in the designated franchisee area by the distribution franchisee shall only be in case of default/violation of the terms and condition specified in the Supply Code, 2024.
- (xviii) The Distribution Franchisee shall be responsible for 100% metering and collection of the billed amount. Unbilled energy inside the Distribution Franchisee area and Non-payment by the consumers within the distribution franchisee area shall not be a reason for non-deposit of any charges/bill by the DF.
- (xix) In case more than 50% of the owners of plots/flats/dwelling units in the colony/complex opt to avail of the supply of electricity directly from the distribution licensee as individual consumers of the licensee, the same shall be facilitated by the distribution franchisee as specified in Regulation 14(2) and 15(2) of the Supply Code, 2024.
- (xx) The DF shall be responsible for meter reading, billing and collection of the Consumers as per the retail tariffs approved by the Commission from time to time.
- (xxi) The DF shall be responsible for collection of arrears on behalf of the Distribution Licensee
- (xxii) The DF shall be responsible for making timely payments to the Distribution Licensee as per the terms and conditions of this Agreement.
- (xxiii) The DF shall be responsible for replacing defective meters with new meters provided by the distribution licensee as per the timelines specified in the Supply Code, 2024.
- (xxiv) The DF shall be responsible for maintaining a Consumer database and billing records.

- (xxv) Discharge all duties and responsibilities of the Distribution Licensee as required by the License Regulations of the Commission, except such of the conditions which cannot be complied with by the Distribution Franchisee alone.
- (xxvi) Undertake any other activity as may be notified from time to time by the Commission to the distribution licensee.

14. Duties and responsibilities of the Distribution licensee

- a. The distribution licensee shall ensure reliable and quality supply as per the standards to the distribution franchisee which shall be subject to load shedding and other regulatory measures as approved by the Commission.
- b. The Distribution licensee shall communicate in advance to the distribution franchisee any planned shut down or any other regulatory measure taken by the distribution licensee for the safety of the electrical system.
- c. The Distribution licensee shall provide all assistance to the distribution franchisee in installation/testing of metering equipment for proper accounting of energy.
- d. The Distribution licensee shall support the distribution franchisee in adopting innovative measures to bring efficiency and better consumer service.
- e. The Distribution licensee shall create a conducive environment and procedures to promote adoption of renewable energy sources by the residents/occupiers of the colony/complex.

15. Event of default and Termination of the Model Agreement

1) Distribution Franchisee's Event of Default

The occurrence and continuation of any of the following events, unless any such event occurs as a result of a Force Majeure event under this Agreement, shall constitute a Distribution Franchisee event of default:

a. Critical Event of Default

Critical Event of Default by the Distribution Franchisee shall mean failure or refusal by Distribution Franchisee to perform its following obligations under the Agreement:

- i) Failure of the existing franchisee to sign the Model agreement as approved by the Commission within a period of three months in accordance with the provisions of the Supply Code, 2024.
- ii) Failure on account of the Distribution Franchisee to make payments as stipulated in the Model Agreement.
- iii) Failure to deposit the System Loading Charges, Security (Consumption), and Security (Metering).
- iv) Failure to submit, in time, the Information Report to the distribution licensee regarding data of consumers inside the distribution franchisee area.

- v) Failure to maintain a security (consumption) and performance guarantee as per the provisions of the Supply Code, 2024.
- vi) If the Distribution Franchisee is declared insolvent or bankrupt.
- vii) The Distribution Franchisee has unlawfully repudiated this Agreement or has otherwise expressed an intention not to be bound by this agreement.
- viii) Any representation or warranty made by the Distribution Franchisee during the term of the agreement is found to be false and misleading.
- ix) The Distribution Franchisee is indulging in any malpractice or corrupt practice or fraudulent practice(s).
- x) Recovery of any charges including energy bills from the consumers in excess of the tariff/charges approved by the Commission.
- xi) Sale of Input energy in the Franchise Area to any party outside the Franchise Area.
- xii) In the event that the Distribution Franchisee submits an incorrect meter reading for the occupier while claiming the subsidy.
- xiii) Failure to comply with non-critical events of default within the specified period.

b. Non-critical Event of Default

Non-critical Event of Default by the Distribution Franchisee shall mean failure or refusal by Distribution Franchisee to perform its following obligations under the Agreement:

- i) Failure to submit the periodic performance report (Billing and Collection report, updation of consumer data base including replaced energy Meters on a Fortnightly basis, Energy audit report) to the Distribution Licensee.
- ii) Reporting inconsistencies in energy/ revenue accounting, if observed during periodic/ unscheduled inspections.
- iii) Failure to comply with any other material terms and conditions, as applicable under this Agreement for a consecutive period of thirty (30) days.
- iv) Non-compliance of Standards of Performance laid down by PSERC.
- v) The release of connection(s) in violation of the provisions of the Supply Code-2024 or any other applicable regulations/act shall be considered a breach of compliance, subject to penalties and legal action as per the prescribed rules.
- vi) If any of the above is in default for a period of more than 60 days, it shall become a Critical Event of Default.

2) Procedure in case of Event of Default by Distribution Franchisee

- i. On the occurrence of any Event of Default, or its coming to the notice of the distribution licensee, Distribution licensee shall issue an Event of Default

notice to the Distribution Franchisee.

- ii. The Distribution Franchisee shall eliminate/mitigate the consequences of such an Event of Default within a period of 15 days for a critical event of Default and 30 days for a non-critical events of Default.
- iii. In case the Distribution Franchisee is unable to or fails to eliminate/ mitigate the consequences of the Event of Default within the period stipulated above, he shall be liable for a penalty of Rs 5000/- per day till the default is removed. In case the Distribution Licensee is constrained to correct the said default, the DF will be liable to bear the cost thereof in addition to the penalty. In case of any default by the DF and for recovery of any dues outstanding against the DF, the Distribution Licensee shall be entitled to invoking the performance guarantee and 35% BG without any notice, without prejudice to its rights to recover the balance by following all or any modes of recovery available as per law.
- iv. If the default is not cured within a period of sixty days from the date of issue of the preliminary notice of termination of the Model agreement, this Agreement may be terminated after serving the final termination notice to the Distribution Franchisee.
- v. It is expressly agreed that both the parties shall continue to perform their respective obligations until the serving of the final termination notice, whereupon this Agreement shall terminate on the date of such notice.
- vi. Distribution Licensee shall exercise its Step-in rights after serving the final termination notice. The Distribution Franchisee shall be obliged to extend transition assistance for a period of 30 days from the serving of such Final termination notice, failing which the costs and expenses incurred by distribution Licensee on the account of non-provision of such assistance by the Distribution Franchisee shall be recovered from the Termination payment of the Distribution Franchisee by invoking the performance guarantee and the 35% BG without any notice; without prejudice to its rights to recover the balance by following all or any modes of recovery available as per law.

3) Consequences of Termination

- i) Without prejudice to the other rights of the distribution Licensee in case of termination, the Distribution Franchisee shall pay all the dues payable to distribution licensee on the date of termination.
- ii) The Distribution Licensee has the right to recover any shortfall from the performance guarantee and the 35% bank guarantee.
- iii) The Distribution Licensee unconditionally reserves the right to claim from the Distribution Franchisee any costs, expenses or loss that it may have incurred by reason of a breach or failure on the part of Distribution Franchisee to observe and perform any of the terms and conditions of the agreement.
- iv) On termination of this Agreement, however occasioned, the Distribution

Franchisee shall forth with deliver to the distribution licensee all data/documents which may have come into its possession or custody under the terms of this Agreement or otherwise.

4) Step In Rights of the distribution Licensee in case of an Event of Default after serving of Final Termination Notice

- i) The Distribution Licensee or its Designate(s) shall be entitled to immediately enter any and/or all of the Site(s) and operate the Distribution System and collect revenues due from the Consumers.
- ii) The Distribution licensee shall have the right to invoke the performance Bank Guarantee and the Security (consumption) furnished by the Distribution Franchisee to recover all its dues and outstanding amounts.
- iii) The electrical assets of the distribution franchisee along with the space for the same shall be transferred to the distribution licensee without any liability for acquisition of such distribution network developed by the Distribution Franchisee in the event of termination of this agreement due to a default on the part of the Distribution Franchisee. Further, the Distribution Franchisee shall not have any right on such assets.

5) Step-in Rights in the Event of Abandonment by the Distribution Franchisee

The failure of the distribution franchisee to perform its functions or any function listed in this agreement read with Supply Code, 2024 for a continuous period of 72 hours shall be treated as an Event of Abandonment by the distribution franchisee and the following actions shall be taken by the distribution licensee to mitigate the hardship of the consumers of the distribution franchisee area;

- i) Distribution or its Designate(s) shall be entitled to immediately enter any and/or all of the Site(s) and operate the Distribution System.
- ii) The Distribution Licensee shall issue a take-over notice to the Agreement Representative and serving of such notice shall be treated as a deemed takeover of operations by the Distribution Licensee.
- iii) The Distribution Licensee shall invoke the Performance Guarantee and amount against the Security (consumption) furnished by the Distribution Franchisee.
- iv) All current electrical assets along with space of the Distribution Franchisee in the Franchise Area shall stand transferred to the Distribution Licensee.
- v) However, the liability of meeting the repayment obligations on account of any financing arrangements for such assets shall lie with the Distribution Franchisee.

6) Step-in Rights of the Distribution Licensee in the Events of Partial Disruption of electric supply services

In case of disruption of electric supply services in any part of the Franchise Area, leading to severe public inconvenience, the Distribution Licensee shall have a right to step-in the Franchise Area and restore electric supply services. The costs

and expenses incurred for restoration by the distribution Licensee shall be borne by the Distribution Franchisee.

16. Dispute Resolution/Amicable Settlement

- i) The dispute between the distribution franchisee and the consumer of the distribution licensee shall be adjudicated by the Appropriate Forum for redressal of the grievances as specified in PSERC (Forum & Ombudsman) Regulations, 2016, as amended from time to time.
- ii) In case of any dispute between the distribution licensee and the distribution franchisee, the matter shall be attempted to be resolved by means of mutual negotiation and amicable resolution. Upon failure of such resolution within a period of 30 days, all such disputes and differences shall be adjudicated by means of arbitration by a sole arbitrator to be mutually agreed to by the parties, failing which, arbitrator may be appointed by the competent court. The arbitration proceedings shall be governed by the Arbitration and Conciliation Act, 1996. The place of arbitration shall be Chandigarh/Patiala and the language of Arbitration shall be English.

17. FORCE MAJEURE

No Party shall be liable to the other Parties if, and to the extent, that the performance or delay in performance of any of its obligations under this Agreement is prevented, restricted, delayed or interfered with due to occurrence of any event of force Majeure beyond the parties control, which cannot be reasonably forecast or prevented, thereby, hindering the performance by the parties of any of their obligations hereunder. The Party claiming an event of force majeure shall promptly notify the other Parties in writing, and provide full particulars of the cause or event and the date of first occurrence thereof as soon as possible after the event and also keep the other Parties informed of any further developments. The Party so affected shall use its best efforts to remove the cause of non-performance, and the Parties shall resume performance hereunder with the utmost dispatch when such cause is removed. For the purpose of clarity, the Parties agree that the failure of a Party to adhere to any statutory or regulatory requirement or to obtain necessary approvals shall not be deemed to be a force majeure situation. A condition of force majeure shall not relieve any Party of any obligation due under this Agreement prior to the event of force majeure.

18. Commencement of Agreement:

The commencement of this Agreement shall be from the date of signing of the agreement.

In cases where the Distribution Franchisee (DF) has been receiving supply from the distribution licensee under the terms of a distribution franchisee agreement signed before the commencement of the Supply Code, 2024, the existing franchisee shall sign this model agreement within 3 months of the issue of this order. The existing agreement between the Distribution Licensee and the existing franchisee shall be substituted with this Model Agreement. The date of commencement shall be deemed to be the date of execution of this Agreement.

Provided that in case the existing franchisee refuses to sign this model agreement approved by the Commission as per the provisions of Supply Code, 2024 regulations, within the stipulated time, the existing franchisee agreement shall be deemed to have been terminated. The distribution licensee, without prejudice to its right to take appropriate action as per law, may exercise its power to Step-in to protect the interests of the consumers.

- 19.** Any deviation from the model agreement shall only be with the approval of the Commission.

20. Period and procedure for amendment of the Agreement

This Agreement shall be valid for a period of ten (10) years from the date of execution, unless terminated earlier as per the provisions outlined in the Termination Clause. This agreement may be extended for a further period on mutually agreed terms and conditions between the parties subject to adherence to the provisions of the Model Agreement and/or other directions in this regard issued by the Commission.

All terms and conditions of this Agreement shall continue to remain in force, unless amended in writing by mutual consent of both parties, with the approval of the Commission or due to amendments in the Act or the Rules or the Regulations or orders of the Commission.

21. Exclusivity

The Distribution Franchisee will be the exclusive distribution franchisee of distribution licensee in the Franchise Area. The Distribution Franchisee shall not be entitled to assign or transfer in any manner its rights and obligations under this Agreement to its affiliate or any other third party without the approval of the distribution licensee.

22. Indemnity

In case of any false representation on the Distribution Franchisee's part or in case the documents produced by the Distribution Franchisee are found to be false, forged or fake, the Distribution Franchisee shall be solely and exclusively responsible for the criminal or any other corresponding action. The Distribution Franchisee shall keep the distribution licensee indemnified against any loss, claim, damages, action on account of such false representation or false, forged, fake documents. In case any statutory authority directs Licensee to disconnect the electric supply, the distribution licensee is authorized and empowered to disconnect the supply and remove the meters without any notice. The distribution licensee would not be responsible for any damages, compensation etc.

The Distribution Franchisee shall indemnify, defend and hold the distribution licensee harmless at all times against:

- a) Any acts of omissions/commission of the Distribution Franchisee with regard to the electricity services. In such an event Distribution Franchisee shall have no claim for compensation, incentive or any other claim against the Discom.
- b) Claims against the distribution licensee made by any third party for any act of commission or omission by the Distribution Franchisee, Distribution Franchisee

shall indemnify and hold the distribution licensee harmless and compensate all the losses so caused to the distribution licensee. The distribution licensee shall also be entitled to defend any action with third parties at the cost and expenses of Distribution Franchisee.

c) All monetary obligations or losses or implications arising out of such action of the Distribution Franchisee in the nature of costs, expenses or damages shall be borne by the Distribution Franchisee. The distribution licensee shall have no liability in respect of loss of profit, loss of income, loss of agreement or any other losses or damages suffered or arising out of or in connection with the existence of any defects whether latent or apparent in the electricity network. The obligation of the Distribution Franchisee to provide support services shall remain unaffected thereby.

d) This Indemnification shall survive the term of this Agreement.

In witness where of the parties have executed this Agreement through their authorized representative at _____.

For and on behalf of Distribution
Licensee.

For and on behalf of
Distribution Franchisee

(_____)

Signature with seal

(SE/Dy.CE (DS) DISTRIBUTION
LICENSEE

Witness:

1. _____

2. _____