Ref. no. MERC/TEC/REG/10/2006/2010/ 20th Sept. 2010

Subject: Practice Directions to the CGRFs

The Commission, under Regulation 26 of the MERC(CGRF&EO) Regulations, 2006, issued new Practice Directions to the CGRFs, at sub-para (iii) of para 23 of its orders in two cases, no. 10 of 2010 and no. 11 of 2010 dated 8th Sept. 2010, reproduced below.

> "Following the Commission's Order dated 15th October, 2009 in Case No. 50 of 2009, there is a strong possibility that there would be many more of such cases and instances where consumers would be aggrieved with the demand of a distribution licensee that their distribution system must be used in order to receive supply from another distribution licensee in the same area even if the consumer is ready to bear the cost of dedicated distribution line to receive supply from the distribution licensee of its choice, as well as the consumer is willing to bear the cost towards the stranded assets of their existing distribution licensee. The CGRFs should ensure that then such consumers should not be prevented from enjoying their statutory right to connect to the distribution system of a distribution licensee of its choice. While deciding these matters, the CGRFs should ensure that consumers of both distribution licensees are not prejudicially affected on account of the stranding of distribution assets, if any, due to changeover / switching over of some consumers of one distribution licensee to another distribution licensee and also that the distribution system of the existing distribution licensee remains economical due to such changeover / switching over.
>
> While deciding these types of cases, CGRFs would also need to bear in mind that "*promoting competition"* is one of the stated objectives in the preamble to the Electricity Act, 2003. Similarly, "*taking measures conducive to development of electricity industry" and "protecting interest of consumers"* are also the stated objectives in the preamble to the said enactment."

Yours faithfully,

Sd/-
(P. B. Patil)
Registrar, MERC