

PUBLIC NOTICE

MERC Case No. 13 of 2010

Reliance Infrastructure Limited (“RInfra”) made representations to the Government of Maharashtra (“GOM”) regarding supply of electricity from the generating stations of Tata Power Company Limited (“TPC”) to RInfra for distribution to its consumers. Consequently, the GOM appointed a five member committee (“Committee”) to examine the issues in regard to the above. The said Committee issued a report after considering representations made by both RInfra and TPC. The said report forms part of a “Memorandum” dated 7th May 2010 issued by the Government of Maharashtra to TPC, RInfra, BEST and to the Commission.

In the “Memorandum” dated 7th May 2010, the GOM has taken the view that in public interest the Commission should take suitable measures at the earliest taking into the account the said report of the Committee on *inter alia* the following broad principles:-

- (i) TPC’s obligation to supply electricity from its generating stations at regulated / reasonable rates to distribution licensees of Mumbai on priority and not to take advantage of its dominant position in the absence of a PPA with RInfra to trade electricity, divert electricity to TPC (distribution) or to offer electricity to RInfra at higher rates, thereby adversely affecting the consumers of RInfra;
- (ii) RInfra’s obligation to ensure (subject to suitable penalties to be specified by the Commission) that its consumers do not have to suffer any increase in tariff only on account of its failure to procure electricity at reasonable costs over and above the quantum of electricity that TPC can be reasonably expected to supply to it after taking care of its commitments under the PPA with BEST and requirement of TPC (distribution);

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- (iii) The need to put in place a mechanism to ensure that subsidized consumers of RInfra do not have to suffer abnormal tariff rise only on account of the effect of migration of its cross-subsidizing consumers to TPC which is in a dominant position.

The Electricity Act, 2003 mandates the Commission to protect the interests of consumers. At the same time, sub-section (3) of Section 86 requires the Commission to ensure transparency while exercising its powers and discharging its functions.

In line with the above requirement, the Commission will hold a public hearing at Rangsharda Natya Mandir, Bandra Reclamation, Bandra (W), Mumbai 400050 on 28th June, 2010, at 11:00 hours to consider suggestions and objections on the following broad areas:-

- (i) The role of the Commission to take measures in regard to the broad principles indicated in the “Memorandum” dated 7th May 2010 alongwith the report of the Committee;
- (ii) The statutory provisions under which the Commission can take measures, if any;
- (iii) The measures that the Commission can take which would be suitable in public interest.

The said “Memorandum” dated 7th May 2010 alongwith the report of the said Committee is available on the website of Commission <www.mercindia.org.in>. The same may also be obtained from the office of the Commission during office hours, on request and on payment of nominal reproduction charges of Re. 1 per page.

Any person who intends to file suggestions or objections may submit the same to the Secretary, Maharashtra Electricity Regulatory Commission, 13th Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai-400 005 [Fax: 22163976 E-Mail:

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mercindia@mercindia.org.in] by 21.06.2010. Suggestions and objections can be submitted in English or in Marathi, in six copies, and should carry the full name, postal address and e-mail address, if any, of the sender. It should be indicated whether the suggestion/objection is being filed on behalf of any organization or category of consumers. It should also be mentioned if the sender wants to be heard in person, in which case opportunity would be given by the Commission at the aforesaid public hearing, for which no separate notice will be given.

(P.B. Patil)
Registrar

Dated: May 18, 2010

Place: Mumbai.

No. MERC/LEG/Case No. 13 of 2010/

May 18, 2010

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Subject: Public Hearing to be held by the Commission pursuant to the Memorandum dated 7th May, 2010, issued by the Government of Maharashtra regarding representations made by Reliance Infrastructure Ltd. to the Government of Maharashtra for supply of electricity from the generating stations of The Tata Power Company Ltd. to Reliance Infrastructure Ltd. for distribution to its consumers.

- **Case No. 13 of 2010**

Sirs,

I am directed to refer to the above mentioned subject and to inform you that the Commission has issued a Public Notice on 17.05.2010, fixing a public hearing in the aforesaid matter at **Rangsharda Natya Mandir, Bandra Reclamation, Bandra (W), Mumbai 400 050, on 28th June, 2010, at 11:00 hrs.**, to consider the suggestions and objections on the broad areas more particularly mentioned in the said Public Notice.

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I am directed to further inform you that the Commission has been pleased to authorize you to represent the interest of the consumers for this case. The aforesaid Public Notice, the aforesaid Memorandum dated 7th May, 2010, issued by the Government of Maharashtra and the report of the five Member Committee are available on our website www.mercindia.org.in.

Yours faithfully,

(P.B. Patil)
Registrar, MERC