

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION,

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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

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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);

- (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 held 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 hearing went on up to 21:45 hours. However, some consumers did not get an opportunity to submit their say till that time. The Commission, therefore, adjourned the hearing due to shortage of time. The said adjourned hearing will now resume on **Saturday, 3rd July 2010 at 10:30 hours at Rangsharada Natya Mandir,**

Bandra Reclamation, Bandra (West), Mumbai 400050. All concerned are requested to submit their say at the said hearing.

(P.B. Patil)
Registrar

Dated: June 29, 2010

Place: Mumbai.