

Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 18 of 2013

In the matter of
Petition of M/s. Reliance Infrastructure Ltd – Distribution Business for review of the
Commission’s Order in Case No. 73 of 2012 for approval of Schedule of Charges

Shri. Vijay L. Sonavane, Member/Chairman

Petitioner : RInfra-D
Representative of the Petitioner : Shri Kishor Patil

ORDER

Dated: 21 March, 2013

Reliance Infrastructure Limited – Distribution Business (RInfra-D) filed a Petition for review of the Commission’s Order dated December 28, 2012 in Case No. 73 of 2012 in the matter of Petition filed by RInfra-D for approval of Schedule of Charges, under Regulation 85 (a) of the MERC (Conduct of Business) Regulations, 2004. In its Petition, RInfra-D prayed as under:

“

- a. *Review the order dated 28.12.2012 in Petition No. 73 of 2012 in so far as issue of Shifting of service on Consumer’s request (Paragraph 3.2) is concerned and clarify the ruling considering the issue addressed by the Petitioner in the instant petition;*
- b. *That this Hon’ble Tribunal may be pleased to reconsider the charges applicable for shifting of services ‘at actual’ as proposed in the petition;*
- c. *Pass any Order(s) as this Hon’ble Commission may deem fit in the facts and circumstances of the present case”*

2. In its Petition, RInfra-D submitted as under:
- a. The Review Petition has been necessitated in view of certain discrepancies/inconsistencies in the above-said Order sought to be reviewed.
 - b. Paragraph 3.2 of the above-said Order deals with ‘Shifting of Service on Consumer’s Request’, as reproduced below:

“3.2.2 Commission’s Ruling

The Commission observed that the Licensees have considered different sub-heads for the services provided by RInfra-D, BEST, and TPC-D. The Commission is of the view that though the nomenclature may be different, activities carried out in the field are more or less the same in nature. In order to remove the ambiguities, the Commission has rationalised the activities to be charged.

In accordance with the rationale stated in the initial paragraphs of this Section, the approved normative Charges for shifting of services are indicated in the table below. It is clarified that such charges will be applicable only in cases where the shifting is to be done at the request of the consumer. However, when RInfra-D desires to get the service shifted, then the cost of such shifting shall be entirely borne by RInfra-D.

Particulars	Existing Charges (Case No. 25 of 2006) (Rs.)	Proposed Charges by RInfra-D (Rs.)	Approved by the Commission (Rs.)
<i>Shifting of services/Meter, if carried out only on consumer’s request</i>	<i>At actual</i>	<i>At actual</i>	-
<i>Single Phase</i>	-	-	100
<i>Three Phase</i>	-	-	200

”

- c. With reference to the above ruling, the Commission has erred in arriving at the conclusion that different sub-heads for services provided by BEST/TPC-D and RInfra Including the activities carried out in the field are more or less of the same nature, on account of the following reasons:

- i. In its Petition in Case No. 90 of 2012, BEST (in paragraph 10.3) has sought approval for charges for 'shifting of position of meter' rather than shifting of service, which requires cable, jointing material, excavation labour, re-instatement charges, etc, which is also clear from the workings submitted by BEST in Annexure-2, which includes only manpower for meter shifting.
- ii. In its Petition in Case No. 47 of 2012, TPC-D (in paragraph 5.5) has also sought approval for charges towards 'shifting of meter' at actual keeping into consideration that the requirement may vary from consumer to consumer. In the event of meter shifting, cost would be minimal, whereas if meter shifting also requires service cable shifting, then the cost incurred would be quite substantial.
- iii. Shifting of Services entails various underlying activities. The scope of Shifting of Services considering the specific requirement and request of consumer is bound to result in additional manpower and additional resources. Shifting of Service would also involve partial/complete removal of existing service cable (if feasible) and relocation of the said service cable to alternate proposed location together with installation of fuse unit, fuses and meter/s ensuring earthing and other safety arrangements. Generally, shifting of services is carried out pursuant to request from consumer. There are also instances where the consumer chooses to separate out his own meter from common meter box of the premises, in which case too, the consumer requests for shifting of service together with meter, hence, the material requirement varies from one job to another as per consumer requirement and site conditions. The job may or may not require excavation, the excavation may fall on private property or on public road thus attracting respective reinstatement charges, may require single-phase or three-phase cable, quantity may differ depending on the distance between existing service position to new service position, etc. Hence, it is good if the charges for shifting of service are recovered at 'actual'.
- iv. Analysis of the actual expenditure incurred for service shifting jobs during the period from April 2011 to September 2012 shows that for 1424 jobs undertaken during this period, the average cost per shifting job was Rs. 10,300, ranging from a minimum cost of Rs. 137 to a maximum cost of Rs. 1.52 lakh. Hence, the standard rate of Rs. 100 and Rs. 200 approved by the Commission in the above-said Order for shifting of

single phase and three phase services, respectively, is inadequate, and also does not address the wide variation between the costs incurred for different jobs.

3. The Commission scheduled a hearing in the matter on 6 March, 2013. Shri. Kishor Patil represented RInfra-D, and made a brief presentation on the issues raised in the Review Petition. Though notices were issued, no authorised Consumer Representatives were present for the hearing. In addition to the points made in the Review Petition, RInfra-D submitted as under:

- a. The Commission, in an earlier Order dated 2 November, 2006 on Reliance Energy Limited's Petition for approval of Schedule of Charges, ruled as under:

“ii) Shifting of Services

For the licensee, ‘shifting of service’ inside consumer premises, is like a dedicated activity meant for that particular consumer. In view of above, the Commission rejects REL-D’s proposal for shifting of service and directs REL-D to charge actual cost involved in shifting of service.”

- b. RInfra-D, in its Petition in Case No. 73 of 2012, had requested as under:

“Shifting of Service on Consumer’s Request

...As such shifting of service is not a routine service of a distributor / connector, but is required to be carried out at the behest of the consumer, all such (i.e. LT or HT) service shifting expenses are proposed to be charged at ‘actual’ as per existing practice.”

- c. However, TPC-D and BEST, in their respective Petitions, sought approval for charges for ‘Shifting of Meter’ rather than ‘Shifting of Services’, with TPC-D requesting for approval for charging the expenses at actual and BEST requesting for approval for charging Rs. 300 to Rs. 1000 per activity as per meter category, for changing the position of the meter at the consumer’s request.
- d. Meter shifting involves shifting of only single meter in the same meter box or other meter box where space and service line is available, whereas service shifting involves shifting of entire meter box along with meter and service cable. The process and steps involved in service shifting was explained pictorially with the help of diagrams under three different illustrations, i.e., shifting of service from one place to another, raising of service on account of increase in the road

levels, and shifting in case of redevelopment of existing chawls requiring shifting of feeder pillar, cable, etc.

- e. Consumers request for shifting of service for the following reasons:
 - i. To use existing space for some other purpose and service position is becoming an obstruction
 - ii. Partial demolition of existing structure for redevelopment
 - iii. To shift his meter to convenient/safe place
 - iv. To extend existing structure
 - v. Dispute about the structure on which service is terminated.

4. Having heard the Petitioner and after considering the material placed on record, the Commission is of the view that the Review Petition needs to be tested against the requirements laid down in Regulation 85(a) of the MERC (Conduct of Business) Regulations, 2004, which provide as under:-

“Review of decisions, directions, and orders:

85. (a) Any person aggrieved by a direction, decision or order of the Commission, from which (i) no appeal has been preferred or (ii) from which no appeal is allowed, may, upon the discovery of new and important matter or evidence which, after the exercise of due diligence, was not within his knowledge or could not be produced by him at the time when the direction, decision or order was passed or on account of some mistake or error apparent from the face of the record, or for any other sufficient reasons, may apply for a review of such order, within forty-five (45) days of the date of the direction, decision or order, as the case may be, to the Commission.”

5. The Commission is of the view that RInfra-D has made out a case of review, since, if the Commission’s Order in Case No. 73 of 2012 is implemented as directed, then there could be unintended consequences, and any under-recovery of the cost of shifting the service would effectively be passed on the pooled Revenue Requirement and thereby, passed on to all the consumers, though the cost incidence is on account of a requirement of a particular consumer. Moreover, RInfra-D, in its Petition in Case No. 73 of 2012 had specifically asked for approval for shifting of service rather than shifting of meter, and the anomaly has occurred on account of rationalising the charges across the Licensees, though BEST and TPC-D had not asked for approval for charges for shifting of service. Accordingly, the Commission hereby rules that RInfra-D shall levy the actual costs

involved for shifting of service at the request of the consumer, and amends Para 3.2.2 of the Order in Case No. 73 of 2012 to that extent as under:

Particulars	Existing Charges (Case No. 25 of 2006) (Rs.)	Proposed Charges by RInfra-D (Rs.)	Approved by the Commission (Rs.)
Shifting of Meter, if carried out only on consumer's request			
Single Phase		-	100
Three Phase		-	200
Shifting of Service, if carried out only on consumer's request	At actual	At actual	At actual

Since, the Commission has reviewed the Order, this amendment to the approved Schedule of Charges shall be applicable with effect from 1 January, 2013 and will continue to remain in force till further Orders.

Sd/-
(Vijay L. Sonavane)
Member/Chairman

Annexure 1

List of Persons who attended the Hearing held on March 6, 2013

1. Shri P.S. Panjua, RInfra
2. Shri Kishor Patil, RInfra
3. Shri S.N. Rao, RInfra
4. Shri Palaniappan, ABPS
5. Shri S. S. Patil, BEST
6. Shri Abhijit Dhamdhere, BEST