RECORD OF PROCEEDINGS

DATE OF HEARING	:	July 3, 2007 at 12.10 hrs
CASE No.	:	14 of 2007
PETITIONERS	:	Mula Pravara Electric Co-operative Society Limited ("MPECS")
RESPONDENTS	:	None
MATTER	:	Petition filed by MPECS seeking modifications in the MERC (Standards of Performance of Distribution Licensees, Period for Giving Supply and Determination of Compensation) Regulations, 2005.
QUORUM	:	Chairman, Member (T) and Member (F).

MPECS filed a Petition on May 16, 2007 seeking relaxation in certain Standards of Performance stipulated under the MERC (Standards of Performance of Distribution Licensees, Period for Giving Supply and Determination of Compensation) Regulations, 2005, ("SOP Regulations") and approval of proposed modifications. The Commission directed MPECS to serve a copy of their Petition to all distribution licensees in Maharashtra (MSEDCL, TPC, REL, and BEST) and scheduled the hearing of the matter for July 3, 2007 in the presence of consumer representatives authorised on a standing basis under the Electricity Act, 2003 ("EA 2003"). Notices were issued accordingly.

2. At the hearing held in the matter on July 3, 2007, Shri. Deokar Bhausaheb Laksman, Deputy Executive Engineer-MPECS, submitted that since the distribution area of MPECS is predominantly agricultural load, the Commission is requested to grant relaxation from the SoP Regulations and approve the modification to the same, as prayed for. Shri. Yogesh Salunke, Consultant to MPECS, submitted that MPECS is a rural distribution company and thereby should be allotted relaxation from the general standards stipulated in the SoP Regulations. Shri. Salunke stressed that MPECS should be particularly exempted under second proviso to Section 43 of the EA 2003 considering the number of hamlets that comprises the distribution area of MPECS. That apart, MPECS faces enough operational difficulty and enabling provision of supply within three months from date of requisition is not possible. It was further argued that due to the consumer mix situation in the distribution area of MPECS, which mostly comprises of rural consumers, MPECS is incapacitated to obtain loans from financiers, unlike other distribution licensees in Maharashtra.

3. The Commission observed so far as relaxation under second proviso to Section 43 of the EA 2003 is concerned, MPECS needs to submit details showing to what extent the distribution area of MPECS are comprised of hamlets. On the issue of relaxation of the obligation to provide supply within the statutory period of three months from requisition, the Commission is not the appropriate forum for amendment of the EA 2003. On the

issue of MPECS not being in a convenient position to obtain loans, it was observed by the Commission that the failure of the management of a distribution licensee to obtain finances is not a valid ground for relaxation of the SoP Regulations.

4. Shri. Deokar sought further time for submitting a detailed Petition with the details as aforesaid.

5. The Commission adjourned the matter for allowing one-month's time to MPECS to submit the aforesaid details and further detailed submissions, if any.

The hearing in the matter was adjourned thereafter.

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List of Persons present at the hearing on July 3, 2007

1. Shri. S.J. Tandon, CE, BEST.
2. Shri. N.V. Bhandari, Suptd., BEST.
3. Shri. Deokar Bhausaheb Laksman, Dy EE, MPECS.
4. Shri. V.D. Pangavhane, JE, MPECS.
5. Shri. Yogesh Salunke, Consultant, Deloitte Touche.