
MERC told to study Reliance tariff hike in Mumbai suburbs

Monday, 29 Jun, 2009

BL reported that the state government has directed the Maharashtra Electricity Regulatory Commission to look into Reliance Infrastructure's recent electricity tariff hike in Mumbai's suburbs. Over the last 2 days, customers have protested against the hike by burning and destroying the company's property.

Mr Sunil Tatkare the energy minister said that Sections 86 and 108 of the Electricity Act 2003 had been invoked and directives issued to the commission to investigate all aspects of the hike in 15 days.

Mr Tatkare said that the commission would examine if Reliance had been carrying out its business efficiently and economically. Its annual revenue needs would also be studied. We are also ready for any court battle arising out of our actions. We feel something is wrong somewhere and have asked the commission to step into the picture.

Mr Subrat Ratho the energy secretary said that Section 86 empowers the commission to regulate electricity purchases and the procurement process of power distribution companies. As we have asked for an investigation, the commission will look into all aspects of Reliance's tariff. Indications are that the invocation of Section 108 is unprecedented.

(Sourced from Business Line)

For more news visit at www.steelguru.com