

**Before the**  
**MAHARASHTRA ELECTRICITY REGULATORY COMMISSION**  
**World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005**  
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**Case No. 9 of 2017**

**Date: 6 April, 2017**

**CORAM: Shri. Azeez M. Khan, Member**  
**Shri. Deepak Lad, Member**

Petition filed by Reliance Infrastructure Limited – Distribution (RInfra-D) for amendment of and removal of difficulty in implementing Regulation 72 and 81 of MERC (MYT) Regulations, 2015 filed under Regulation 101 and 102 respectively of the said Regulations.

**Reliance Infrastructure Limited – Distribution (RInfra-D) ...Petitioner**

**V/s.**

Representative for the Petitioner: Shri. Vivek Mishra

Representative for the Consumer Representative: Shri. Ashok Pendse, TBIA

**Daily Order**

Representative of RInfra-D made a detailed presentation with regards to amendment and removal of difficulty in implementing Regulation 72 and 81 of MERC (Multi Year Tariff) Regulations, 2015 .

He stated that the Petition is for review and modification to the norms of O&M for Distribution Wires and Supply Business and for correction to the norms before the Mid-Term Review so that true-up can be carried out with reference to the modified normative allowance.

He stated that RInfra-D's distribution business has been severally constrained by the Commission by introducing more stringent O&M norms, increasing the loss reduction trajectory to 0.25% per year compared to 0.05% per year earlier, while also expecting high performance in terms of service provision and Standards of Performance. In addition, external factors like Service Tax, Reinstatement charges, Property Tax, Wage Revision, etc. Also impact RInfra-D, and the combined effect is to make it increasingly difficult to discharge its responsibilities towards consumers.

During FY 2016-17, RInfra-D has taken various actions/initiatives to reduce the O&M expenses by reducing overtime of employees, revising meter reading cycles, optimising manpower and shift timings, introducing new technologies and promotions for e-transactions, managing complaints through updated GIS so as to reduce travelling times of the staff, etc which have reduced the costs to the extent possible.

For FY 2017-18 and 2018-19, RInfra-D has planned various activities to reduce the O&M expenses such as Meter Reading books reshuffling, introduction of Mobile apps for field force, fuse men optimization, shifting partially from own Cash Collection Centres to Post Offices and digital avenues, reductions in incoming LT faults through current controllers and sensors, introduction of new technologies for online application, implementation of Automated Metering Infrastructure, etc. As a part of Smart Grid implementation, RInfra-D will establish a RF Communication Canopy and will install Smart Meters for consumers having consumption of more than 500 Units/ Month

Further, he elaborated the following issues and proposed amendments accordingly.

1. Growth based cost increase - Inclusion of business growth drivers as escalation parameters
2. Measure of Inflation - Inflation factor to reflect composition of O&M expenses
3. Base O&M expenses for determining normative allowance - Correction of Base O&M expenses at the time of MTR
4. Uncontrollable costs – Identify and allow changes separately

**The Case is reserved for Order.**

**Sd/-  
(Deepak Lad)  
Member**

**Sd/-  
(Azeez M. Khan)  
Member**