

| PRAYAS

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Amrita Clinic, Athawale Corner, Karve Road Corner, Deccan Gymkhana, Pune -411 004, INDIA.
Tel.: (020) 544 1230 Tel./Fax: (020) 542 0337. E-mail: prayas@vsnl.com Web-site: www.prayas-pune.org

December 1, 2000

To,
The Secretary,
MERC
Mumbai

Subject: Request for early decision regarding our petition dated 7th October 2000 in relation to power purchase by MSEB

Dear Sir,

1. We have filed a petition before the commission on 7th October 2000. The petition is to request MERC to seek status and copies of various contracts, commitments, clearances etc. related to IPP projects of MSEB, and to make available the same to the petitioner and the consumers.
2. Unfortunately, even after seven weeks, we have not received any communication from the MERC, regarding the status of our petition.
3. As pointed out in the said petition, power purchase forms a significant part of MSEB's total revenue requirement. Power purchase affects overall economy and efficiency of the MSEB and has direct implications for consumer tariff. Further, our studies indicate that unless urgent actions are taken, consumers of MSEB will be forced to bear large unjustified tariff increase in near future. In order to judge appropriateness and reasonableness of the power purchase planned by MSEB it is essential to undertake a detailed study of various contracts and clearances related to power purchase.
4. Our petition only requests the commission to obtain relevant documents (described in the petition) from MSEB and to make available the same for the public. Here we wish to point out that all documents listed in the petition are crucial and access to all these documents is essential. Making only a part of documents available would severely hamper the utility of these documents. MERC has demonstrated its commitment to undertake a transparent and participatory decision making and regulatory process during the first tariff revision case of MSEB. Early decision on our petition, which essentially seeks nothing more than transparency in the crucial aspect of power purchase, is critical to further demonstrate commissions' commitment to transparency and participation.
5. Further, as mentioned in the said petition, proper analysis and study of these documents requires considerable time and effort. As such unless these documents are made public well in advance, it would not be prudent and in public interest to go ahead with the next tariff revision proposal of

MSEB. Initiating proceedings on MSEB's next tariff revision proposal without giving public sufficient opportunity to study and analyse the documents mentioned in the said petition would deny public an opportunity to make informed comments on MSEB's proposal and would violate the basic tenet of regulatory process i.e. giving fair opportunity for every affected party to make informed comments and objections. If however, any of these PPAs are no longer valid or binding and do not affect the tariffs of diverse bodies (especially MSEB), we will, of course not insist on their disclosure. We do however feel that, whether or not these PPAs or other arrangements are justifiable, they will certainly affect future tariffs. It will be against all principles of natural justice if the public is asked to make representations on tariff issues without adequate information. In any event, secrecy and suppression itself gives rise to serious doubts and suspicion in the minds of the public as to the decision making processes and the best thing would be to eliminate this completely. We have always been amazed at the extreme secrecy that surrounds simple commercial arrangements, especially those affecting the public at large.

6. In this context, considering the importance of issues raised in the petition, we request MERC to consider our petition on priority basis and expedite the proceedings in this case. We request the commission to admit our petition and fix up an early date for hearing. Please acknowledge the receipt of this application and communicate your decision as soon as possible.

With regards,

Girish Sant
For PRAYAS

CC:

1. Members of the MERC
2. Members of the CAC, MERC