

PUBLIC NOTICE

Comments / Suggestions on REL Annual Revenue Requirement (ARR) and Electricity Tariff Proposal

1. RELIANCE ENERGY LIMITED has filed the Petitions for Approval of Aggregate Revenue Requirement (ARR) for FY 2006-07 and determination of tariffs before the Maharashtra Electricity Regulatory Commission under the Electricity Act, 2003. The Commission has admitted the Petition on 18th May, 2006 and directed REL to publish a Public Notice under Section 64 (2) of the Act.
2. The salient features of the Petition are provided below:

Summary of ARR and Revenues of REL-Generation Business

Particulars	Unit	2005-06	2006-07
A. Gross Generation	MU	4323	4128
B. Auxiliary Consumption	%	7.59	8.5
C. Net Energy Supply to Licensees	MU	3995	3777
D. Capital Investment	Rs. Crore	14	185
E. Estimated Revenue based on existing Tariff	Rs. Crore		*
F. Annual Fixed Charges including Return	Rs. Crore	216	238
G. Fuel Cost	Rs. Crore	511	590
H. Fuel Cost per unit (Variable Cost of Generation)	Rs./kWh	1.28	1.57
I. Aggregate Revenue Requirement (F+G)	Rs. Crore	727	828

* As per norms provided in MERC (Terms and Conditions of Tariff) Regulation, 2005

Summary of ARR of REL 220 kV Transmission Business

Particulars	Unit	2005-06	2006-07
A. Gross Energy	MU	4950	5005
B. Transmission Losses	%	2.06*	2.11*
C. Net Energy	MU	4848	4899
D. Capital Investment	Rs. Crore	4	10
E. Total Expenses	Rs. Crore	42	39
F. Return	Rs. Crore	17	21
G. Non Tariff Income	Rs. Crore	1	1
H. Aggregate Revenue Requirement (E+F-G)	Rs. Crore	58	59

Note: These dedicated lines from DTPS are essential part of REL's Distribution System

* Transmission lines & Transformation losses for energy drawn from DTPS & TPC 220 kV Tie line.

Summary of ARR and Revenues of REL-Distribution Business at existing tariffs

Particulars	Unit	2005-06	2006-07
A. Energy Input (Units Purchased)	MU	7821	8246
B. Distribution Losses	%	12	12.1
C. Projected Sales	MU	6881	7248
D. Capital Investment	Rs. Crore	366	684
E. Estimated Revenue based on existing			
Retail Supply Tariff	Rs. Crore	2585	2709
F. Power Purchase Cost	Rs. Crore	1873	2164
G. All other expenses	Rs. Crore	643	696
H. Total Expenditure	Rs. Crore	2516	2860
I. Return	Rs. Crore	118	171
J. Non Tariff Income	Rs. Crore	44	28
K. Aggregate Revenue Requirement (H+I-J)	Rs. Crore	2590	3003
L. Revenue Gap at Existing Tariffs (K-E)	Rs. Crore	5	294

Tariff Proposal by REL for FY 2006-07

The existing and proposed tariff for supply to Distribution Licensees by REL-Generation business are as follows:

S. No.	Licensee	Fixed Charge		Energy Charge	
		Existing	Proposed	Existing	Proposed (FY 07)
	REL Distribution Licensee				

Note: No separate tariff existing. All details provided in 2 I above.

REL tariff proposal

- Apply uniform tariff to consumers of Mumbai [BEST & REL distribution areas]
- In case slab structure retained as per existing tariff order then proposed tariff is:

The existing Energy Charges, and those proposed by REL-Distribution Business are as follows:

Consumer Category	Sub Category/Consumption Slab	Existing Tariff	Existing	Proposed Tariff (FY 07)
		Energy Charge	Fuel Adjustment Charges	Energy Charge
			Rs./unit	
Lights & Fans-Residential	0-100 Units	1.15	0.30	1.60
	101-300 Units	3.20	0.30	3.80
	>300 Units	4.40	0.30	4.70
Lights & Fans-Commercial	3 Phase			
	0-300 Units	4.00	0.30	5.00
	301-1000 Units	4.50	0.30	5.00
	Above 1000 units (balance units)	5.50	0.30	5.80
Temporary Supplies		6.00	0.30	6.30

Consumer Category	Sub Category/Consumption Slab	Existing Tariff	Existing	Proposed Tariff (FY 07)
		Energy Charge	Fuel Adjustment Charges	Energy Charge
			Rs./unit	
Agricultural	LTP 1	1.10		No change
	LTP 2	4.00	0.30	4.80
	HT Housing	3.00	0.30	3.50
	HT Supply	1.15	0.30	3.55
	Street Light Energy Charge	2.85	0.30	3.30
		2.85	0.30	3.30
New Categories				
	Railways			2.90
	Festivals			3.70
	HT Public Supply			2.90

The existing Fixed Charges, and those proposed by REL-Distribution Business are as follows:

Consumer Category	Sub Category/Consumption Slab	Existing Tariff	Proposed Tariff (FY 07)	
		Fixed Charges	Fixed Charges	
		(Rs./kVA/months) or (Rs./month)	(Rs./kVA/months) or (Rs./month)	
Lights & Fans-Residential	0-100 Units	25	40	
	101-300 Units	40	70	
	>300 Units	40	100	
	3 Phase	100	No change	
Lights & Fans-Commercial	0-300 Units	150	250	
	301-1000 Units	150	250	
	Above 1000 units (balance units)	150	250	
Temporary Supplies		150	No change	
Agricultural		15	No change	
LTP 1		150	250	
LTP 2		374	410	
HT Housing		374	410	
HT Supply		374	410	
Street Light Energy Charge		374	410	
New Categories				
	Railways		410	
	Festivals		150	
	HT Public Supply		410	

3. Copies of the following documents can be obtained on written request from the Offices of REL mentioned below:

- Summary of the proposals (free of cost, in Marathi or English)
- Detailed Petition documents along with CD (in English) (on payment of Rs. 150/- by DD/Cheque/Cash drawn on Reliance Energy Limited).
- Detailed Petition documents (in English) (on payment of Rs. 100/-).
- CD of detailed Petition document (in English) (on payment of Rs. 50/-).

Head Office:

Reliance Energy Limited, Reliance Energy Center, Santacruz (East), Mumbai 400 055

Other Offices: Consumer Centre

- **South Division:** Electricity House, Santacruz (E), Mumbai 400 055
- **East Division:** Near Sahakar Cinema, Tilak Nagar Road No. 3, Chembur, Mumbai 400 089
- **South Central Division:** Plot No. E-4 (i) & (ii) MIDC Area, Marol, Andheri (E), Mumbai 400 093
- **North Division:** Jn. of Shankar Lane & S.V. Road, Kandivali (W), Mumbai 400 067
- **Central Division:** Western Express Highway, Dindoshi, Goregaon (E), Mumbai 400 097

4. The Commission has directed REL to invite objections and comments/suggestions from the public on the above Petition through this Notice. Objections and comments/suggestions may be sent to the Secretary, Maharashtra Electricity Regulatory Commission, 13th Floor, Centre No.1, World Trade Centre, Cuffe Parade, Mumbai 400 005 (Fax: 22163976, Email: mercindia@mercindia.org.in) by 9th June, 2006, along with proof of service on the Company Secretary, Reliance Energy Limited.

5. The objections and comments/suggestions shall be filed in English or in Marathi, in six copies, and should carry the full name, postal address and e-mail address, if any, of the sender. It should be indicated whether the objection is being filed on behalf of any organization of category of consumers. It should also be mentioned if the sender wants **to be heard in person, in which case opportunity would be given by the Commission at the Public Hearing to be held at Centrum Hall, 1st Floor, World Trade Centre No.1, Cuffe Parade, Mumbai on 12th June, 2006 at 3 p.m.**, for which no separate notice will be given.

6. REL will submit the replies to the objections and comments/suggestions raised within one week from the date of receipt of suggestions or comments but not later than 11th June, 2006 for all the objections and comments/suggestions received till 9th June, 2006. The stakeholders can submit their rejoinders on replies provided by REL either during the public hearing or latest by 18th June, 2006.

7. The detailed Petition document and the summary is available on REL's website www.rel.co.in, and the web-site of the Commission (<http://www.mercindia.org.in>) in downloadable format (free of cost).

Place: Mumbai
Date: 19th May, 2006

Registered Office
Reliance Energy Centre
Santa Cruz (E)
Mumbai 400 055

Sd/-
Ramesh Shenoy
Company Secretary



Reliance Energy
A Dhirubhai Ambani Enterprise