

PRESS NOTE

Tariff Order for the four State Owned Distribution Companies (DISCOMs)

- *Tariff for residential consumers reduced by 10 Paise/unit*
- *Residential Consumers of the villages located within the geographical jurisdiction of Urban Development Authority shall be billed 25 Paise/unit less compared to present energy charge*
- *Tariff for LTMD and HT category consumers reduced by 10 Paise/unit and 14 Paise/unit respectively after rationalization*
- *Various conditions related to night time consumption of electricity relaxed*

The four State Owned Distribution Companies filed their petitions before the Gujarat Electricity Regulatory Commission (GERC) for true-up of their financials for FY 2014-15 and determination of tariff for FY 2016-17 under the GERC Multi-Year Tariff (MYT) Regulations.

The GERC examined the petitions by following the procedure prescribed for the purpose in the Electricity Act, 2003. An elaborate exercise was undertaken by inviting comments/ suggestions from the general public and stakeholders. The commission held public hearing on 12th February, 2016 at Gandhinagar. Various stakeholders including individuals and organizations participated in the hearing.

The Commission (comprising Shri K.M. Shringarpure, Member and Shri P. J. Thakkar, Member) issued the Orders on these petitions on 31st March, 2016.

The distribution losses in the distribution networks of the four State Owned distribution companies for the year 2014-15 except MGVL and PGVL are lower compared to the target levels as given below;

Distribution loss for FY 2014-15

	Approved	Actual
DGVCL	11.50%	9.11%
MGVL	12.00%	12.27%
PGVL	24.00%	24.61%
UGVL	12.25%	9.20%

The Commission approved the consolidated revenue surplus of the four DISCOMs for FY 2014-15 at Rs. 115.55 Crore against the consolidated revenue gap of Rs. 234.77 Crore claimed by the DISCOMs. The Commission has worked out net revenue surplus of Rs. 656.55 Crore after adjusting the estimate based on approved ARR and Revenue for FY 2016-17.

DISCOMs had not asked for any tariff revision considering the ARR of FY 2016-17 as provisionally approved by the Commission. However, the Commission has decided to pass on the benefit of the surplus to the consumers by reducing energy charge for all the slabs of residential consumers by 10 Paise/unit.

The residential consumers of the villages located within the geographical jurisdiction of Urban Development Authority are being billed as per the urban category tariff. The Commission decided to bill all such consumers as

per rural category tariff which is lower by 25 Paise/unit than the urban category tariff.

Further, in order to promote the night time usage and harnessing the benefit of such usage the Commission decided to remove the conditionality of 1/3rd usage. Now the entire night time consumption during 10:00 PM to 6:00 AM shall be eligible for concessional energy charge. To keep this change revenue neutral for distribution licensees, the night time concession is changed from 85 Paise/unit to 40 Paise/unit for HTP-I tariff category.

Further, in order to incentivise and promote the night consumption with ample clarity to both the stakeholders i.e. consumers and licensees, the Commission has decided to relax the conditionalities of Non-RGP Night, LTMD Night and HTP-IV tariff categories.

To reduce the level of cross subsidization and compensate the fixed cost through fixed charges, the Commission has rationalized the tariffs of LTMD and HT category in such a way that there is overall reduction of 14 Paise/unit for HT and 10 Paise/unit for LTMD category.

With this modification, rationalization in the tariff structure and revision in the tariff rates, there will be gross benefit of Rs. 414.03 Crore to the consumers of the State Owned DISCOMs.

This order shall come into force with effect from the 1st April, 2016. The revised tariff shall be applicable for the electricity consumption from 1st April, 2016 onwards.

-Sd-
(Roopwant Singh, IAS)
Secretary
Gujarat Electricity Regulatory Commission
Gandhinagar