

PRESS NOTE

Tariff Order for the Torrent Power Limited

- ***No permanent tariff increase in tariffs of Ahmedabad, Gandhinagar and Surat area consumers***
- ***Regulatory Charge @ 45 Paise/unit shall be recovered from the consumers during FY 2016-17 till the past periods gaps get recovered. Once these past periods gaps get recovered, the Regulatory Charge recovery shall be stopped***
- ***The FPPPA charge recovery is capped at Rs. 1.35/Unit against present FPPPA of Rs. 1.98/unit***
- ***With this, effectively there will be 18 Paise/unit reduction in all the categories of consumers of Ahmedabad, Gandhinagar and Surat area***

The Torrent Power Limited (TPL) filed their petitions for its Ahmedabad Generation, Ahmedabad Distribution and Surat Distribution businesses before the Gujarat Electricity Regulatory Commission (GERC) for truing-up of their financials for FY 2014-15 and determination of tariff for FY 2016-17 under the GERC Multi-Year Tariff (MYT) Regulations.

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 15th 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.

In the Multi-Year Tariff (MYT) order, the Commission had given targets of distribution losses of 5.15% for Surat distribution area and 8.50% for Ahmedabad-Gandhinagar distribution area. However, the actual distribution losses achieved by TPL are 4.09% in Surat area and 7.34% in Ahmedabad-Gandhinagar area for the FY 2014-15 which is commendable.

The Commission approved the consolidated revenue gap of TPL-D for FY 2014-15 at Rs. 664.58 Crore against the consolidated revenue gap of Rs. 708.80 Crore claimed by the TPL-D. The Commission has worked out net revenue gap of Rs. 560.50 Crore against the net revenue gap of Rs. 638.51 Crore claimed by TPL-D after adjusting the estimated surplus of the approved ARR and Revenue for FY 2016-17.

TPL had proposed to recover the past periods gaps of Rs. 638.51 Crore by introducing “Regulatory Charge” at 60 Paise/unit. However, the Commission approved to recover the final past periods gaps of Rs. 470.50 Crore after adjusting revenue surplus of FY 2016-17 by way of “Regulatory Charge” at 45 Paise/unit. The Commission has to allow recovery of past periods gaps based on the Judgments given by Hon’ble Appellate Tribunal of Electricity. While allowing such “Regulatory Charge”, the Commission has endeavoured to reduce the electricity bill of consumers by 18 Paise/unit by capping the recovery of FPPPA during FY 2016-17 at Rs. 1.35/unit

compared to the present FPPPA of Rs. 1.98/unit, in view of the recent trend of reduction in fuel price, particularly gas price. The “Regulatory Charge” shall be shown in the electricity bills of consumers as a separate line item. Recovery of “Regulatory Charge” shall be stopped once it is recovered in full during the year. TPL has been directed to share the details of recovery of “Regulatory Charge” with consumers by hosting the same on their website. The Commission introduced the “Regulatory Charge” instead of merging it with the regular tariff to protect the consumers from a perennial tariff hike on account of past period gaps. Further, in order to promote usage of electricity during night hours, various restrictions related to that have been relaxed.

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