

## PRESS NOTE

### RETAIL ELECTRICITY TARIFF OF THE TATA POWER COMPANY LTD. - DISTRIBUTION (TPC-D)] APPLICABLE FROM 1 SEPTEMBER, 2018

The Tata Power Company Ltd. – Distribution (TPC-D) is a Licensee for electricity distribution in most of Mumbai city, and some area outside it. TPC-D's Petition for approval of true-up for FY 2015-16, FY 2016-17, provisional true-up for FY 2017-18, and revised Aggregate Revenue Requirement (ARR) and Tariff for FY 2018-19 and FY 2019-20 was admitted by the Maharashtra Electricity Regulatory Commission (MERC or Commission) on 6 July, 2018.

The Commission invited written suggestions on the Petition from the public, and also held a Public Hearing on 3 August, 2018. After this public consultation process, the Commission has revised the ARR and Tariff of TPC-D for FY 2018-19 and FY 2019-20 through its Order dated **12 September, 2018**. The revised tariffs are effective from **1 September, 2018**.

The salient features of the Commission's Order are as follows:

1. The Commission has worked out the revised ARR for FY 2018-19 and FY 2019-20 as shown below:

	Particulars	UoM	FY 2018-19	FY 2019-20
1	ARR estimated by TPC-D	Rs. Crore	3,437	3,873
2	ARR approved by the Commission	Rs. Crore	3,310	3,462
3	Gap/(Surplus)	Rs. Crore	131	696
4	Average Cost of Supply approved by MERC	Rs/kWh	7.39	7.51

2. The consumers of TPC-D will have an overall increase of 4% over existing tariff and a further overall increase of 2% in tariff in FY 2019-20. The tariff increase will wipe out the entire past Gaps including the balance Regulatory Asset Charge (RAC) recovery.
3. There are around 5.63 lakh change-over consumers, including 5.49 lakh LT residential consumers, who are getting supply from TPC-D through the Wires of Reliance Infrastructure Ltd. – Distribution (RInfra-D), which is another Distribution Licensee in part of TPC-D's area. The Commission has also issued the Tariff Order for RInfra-D on **12 September, 2018**.
4. The Commission has endeavoured to determine the tariffs of TPC-D and RInfra-D for the 0-100 units residential category such that they are not widely different, as shown in the Table below:

Residential Consumer	Licensee	Number of Consumers	Average Billing Rate (Rs/kWh)		
			Existing Tariff	FY 18-19	FY 19-20
For consumption of 100 Units	RInfra-D	6.36 Lakh	4.58	5.10	5.42
	TPC-D (Change-over)	1.01 Lakh	4.70	4.95	5.20
	TPC-D (Own)	0.49 Lakh	4.22	4.93	5.18

5. For promotion of Electric Vehicles in the State, the Commission has created a new category for Electric Vehicle (EV) Charging Stations at HT and LT Voltage levels, with effective variable charge of Rs.6 per unit and demand charges of Rs.70 per kVA per month. Additionally, they will also be eligible for Load Factor (LF) and Power Factor (PF) incentives/penalties, besides Time-of-Day (ToD) tariffs.
6. In continuation with existing Orders, Wheeling Charges shall continue to be not applicable to Railways, Metro, Monorail and other consumers taking supply on EHV (110/132 kV) voltage level.
7. Further, considering the importance of Waste Disposal processing facilities, dedicated waste processing / disposal facility shall be categorised as Public Service (Govt.) and Public Services (others) as the case may be, instead of Commercial category, which will give a relief of around Rs. 2 per kWh. In case of Waste processing/disposal facility exclusively for processing the waste generated located within a premise, the tariff applicable to such premise / consumer / housing society shall be applicable to such facility. Example – Facility in Housing Societies will be levied Residential Tariff.
8. In line with the Government’s initiative of encouraging digitization across areas including monetary transactions, the Commission has introduced a discount of 0.25% of the monthly bill (excluding taxes and duties), subject to a cap of Rs. 500/- per month per bill for LT category consumers for payment of electricity bills through various modes of digital payment such as credit cards, debit cards, UPI, BHIM, internet banking, mobile banking, mobile wallets, etc. This will further benefit consumers who are making prompt payment of their bills, as they will also be eligible for the prompt payment discount of 0.5% of their monthly bill.
9. As a special dispensation, the tariff applicable to ‘Temporary Supply – Religious’, shall also be made applicable to Circuses.
10. The laundry/ ironing services done in separate premises will now be categorised under LT III (Industry) as earlier it was under commercial category, and will benefit by a tariff reduction of around Rs. 2 per unit.

11. Fixed/Demand Charges have continued to be gradually increased, to increase the recovery of fixed costs from fixed charges.
12. The Load Factor incentive and Power Factor incentive have been rationalised.
13. The Commission has continued its efforts to contain or reduce the cross-subsidy levels, i.e., the extent to which one category of consumers cross-subsidises or is subsidised by others, as envisaged under the Electricity Act, 2003 and in accordance with the Tariff Policy.
14. The comparison of existing and revised category-wise Tariffs for FY 2018-19 and FY 2019-20 are given at **Annexure 1** and **Annexure 2**, respectively. The category-wise increase/(decrease) in tariff and reduction in cross-subsidy levels are shown in **Annexure 3**.
15. The Commission's detailed Order can be seen and downloaded from the Commission's websites [www.mercindia.org.in](http://www.mercindia.org.in) and [merc.gov.in](http://merc.gov.in).