

A8: TARIFF RELATED OTHER ISSUES

Tariff Rationalization

Petitioner's submission

- 8.1 The petitioner has submitted that, the average cost of supply for TSL is Rs.3.83 per unit in FY 2009-10, without taking into account past recoveries on account of revenue gap in the years 2007-08 and 2008-09. Against the same, the average realization from the domestic and domestic-HT consumer categories is very low at Rs. 2.60 per unit and Rs. 2.70 per unit respectively.
- 8.2 The petitioner has further submitted the comparison of the effective tariff vs. the Average Cost of Supply, as shown under

Table 83 Effective Tariff vs. Average Cost of Supply as submitted by petitioner

S No.	Consumer Categories	% of Avg CoS @ Rs. 3.63 per unit (FY 2008-09)	% of Avg CoS @ Rs. 3.83 per unit (FY 2009-10)	% of Avg CoS @ Rs. 3.83 per unit (FY 2009-10)	FY 08-09 (Prov)	FY 09-10 (Existing)	FY 09-10 (Proposed)
		Existing	Existing	Proposed	Rs/unit	Rs/unit	Rs/unit
1.	Domestic	72%	68%	77%	2.60	2.60	2.96
2.	Domestic HT	74%	71%	77%	2.70	2.70	2.96
3.	Commercial supply	120%	114%	124%	4.36	4.35	4.75
4.	High Tension						
a	HT-1	131%	126%	138%	4.73	4.81	5.29
B	HT-2	107%	101%	114%	3.90	3.88	4.36
C	HT-3	99%	94%	104%	3.60	3.61	4.00
5.	Street light	80%	76%	77%	2.90	2.90	2.95
6.	Temporary supply	138%	131%	131%	5.00	5.00	5.00
7.	Sale to other licensees*	100%	92%	100%	2.88	2.76	2.97

* Note: Cost of Supply from sale to other licensee has been taken at power purchase cost

- 8.3 The petitioner submitted that, as shown in the table, there are variations in the Average Cost of Supply and average realization of different consumer categories- domestic, domestic HT and street light being the subsidized categories; commercial and HT being the subsidizing categories.

Commission's Analysis

- 8.4 The Commission has computed the average cost of supply for FY 2009-10 at Rs. 3.64 per unit, without taking into account the revenue surplus from the years FY 2007-08 and FY 2008-09.
- 8.5 The overall average realization from various consumer categories is at Rs. 3.61 per unit, which is almost 99% of the average cost of supply, without considering the surplus revenues from previous years. This clearly suggests that there is no requirement of increase in tariffs. Meanwhile, the average realization from each consumer vis-à-vis the average cost of supply is shown below

Table 84 Effective Tariff Vs Average Cost of Supply as per the Commission analysis

S No.	Consumer Categories	% of Avg CoS @ Rs. 3.53 per unit (FY 2008-09)	% of Avg CoS @ Rs. 3.63 per unit (FY 2009-10)	FY 2008-09 (Provisional)	FY 2009-10 (Existing)
		Existing	Existing	Rs/unit	Rs/unit
1.	Domestic	74%	72%	2.60	2.61
2.	Domestic HT	76%	74%	2.70	2.70
3.	Commercial supply	124%	120%	4.36	4.37
4.	High Tension				
a	HT-1	134%	141%	4.74	5.14
B	HT-2	110%	112%	3.90	4.06
C	HT-3	102%	102%	3.60	3.70
5.	Street light	82%	80%	2.90	2.90
6.	Temporary supply	142%	137%	5.00	5.00
7.	Sale to other licensees	82%	66%	2.88	2.76

- 8.6 As also submitted by the petitioner, there are variations in the average Cost of Supply and average realization of different consumer categories. However, it is pertinent to mention that except the domestic and domestic HT categories, the average realization for all the other categories is in line with the provisions of the National Tariff Policy which guides towards a tariff regime within a range of $\pm 20\%$ of the average Cost of Supply.