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CERC order: Power tariff in 5 states likely to go up

Compensatory Tariff Hike To Hit Gujarat Too



New Delhi: Consumers in five states, including Gujarat, will have to foot higher electricity bills once the CERC order providing relief for Tata Power and Adani group's Mundra projects gets implemented.

The regulator has ruled for a compensatory tariff of Rs 0.524 per kWh for the project from the period beyond April 1, 2013, which has to be borne by the five states — Gujarat, Maharashtra, Rajasthan, Haryana and Punjab.

“Despite facing huge financial losses, the Mundra power plant has been supplying power to the states of Gujarat and Haryana. This order will facilitate in sustaining operations at Mundra and enable us to continue honouring PPA commit-

ments,” said Devendra Amin of Adani Group.

When asked about the CERC ruling, a Mahavitaran spokesperson said, “We are studying the order after which we will decide the future course of action.” Mahavitaran is Maharashtra's power distribution company (discom). Sources at the discom said if the order is implemented, it would have to bear an additional burden of about 45 to 50 paise per unit of electricity.

₹1,100cr damages

In a much awaited ruling, Central Electricity Regulatory Commission (CERC) has allowed higher tariff as well as compensation of Rs 329.45 crore for Tata Power's 4,000-MW project. In a separate order, CERC granted nearly Rs 830 crore compensation for Adani Power's 4,620 MW plant. Gujarat has to pay Rs 420.24 crore while Haryana has to shell out Rs 409.51 crore as compensation from the commissioning date till March 31, 2013, the order said. A formula for compensatory tariff for period starting from April 1, 2013 has been decided by CERC.

Coastal Gujarat Power Ltd (CGPL), which is implementing the Mundra Project, has agreements with the five states for selling power from the plant at a price of Rs 2.26 per unit. ■

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CERC order will help sustain ops at Mundra: Adani power

New Delhi: Welcoming the order of granting nearly Rs 830 crore in compensation by CERC, Adani Power on Sunday said the move by the sectoral regulator will help sustain operations at Mundra project in Gujarat and revive investor confidence.

The amount is to make up for the losses incurred by the project due to higher cost of imported Indonesian coal.

“Despite facing huge financial losses, Mundra power plant has been supplying power to the states of Gujarat and Haryana. This order will facilitate in sustaining operations at Mundra and enable us to

continue honouring PPA commitments,” Adani Power said.

The order shall mitigate hardships to some extent on account of impact of enactment of Indonesian regulation and shortage of domestic coal supplies from Coal India Ltd (CIL), it added.

“When the power sector is facing a multitude of issues, this order shall go a long way in reviving investor confidence and will provide sustainable energy security for the country,” the statement said.

In a 133-page order, the Central Electricity Regulatory Commission has said that

Gujarat has to pay Rs 420.24 crore, while Haryana has to shell out Rs 409.51 crore as compensation from the commissioning date till March 31, 2013.

For the Mundra plant, Adani Power has inked two power purchase agreements (PPAs) with Gujarat — each for 1,000 MW — and PPAs with two Haryana utilities for total capacity of 1,424 MW.

Rest of the electricity generated from Mundra plant is sold on merchant basis. Besides, the regulator has allowed compensatory tariff for the period from April 1, 2013 on the basis of a formula. **PTI**