



Tata Power says yes to uniform tariffs, for some

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Tata Power, Mumbai's third largest power distributor, has come out in favour of uniform tariffs for those who consume up to 100 units per month. Mumbai legislators had demanded uniform tariffs across Mumbai during the state assembly's budget session and the minister of energy Chandrashekhar Bawankule announced that a consultant would study how tariffs for customers who consumed up to 500 units per month could be made uniform across all power providers. The government has appointed the consultancy firm Deloitte to prepare a report.

The power charges vary greatly in Mumbai and its suburbs as different companies supply electricity to residents. For example, in the 0-100 unit slab, Tata Power charges its 6.75 lakh users Rs 2.05 per unit, Reliance Infrastructure bills its 3 million customers Rs 4.79 per unit, BEST charges its 1 million consumers Rs 4.12 per unit, and the state run MahaVitaran, which distributes power in Eastern suburbs, charges Rs 3.76 per unit.

Ashok Sethi, chief operating officer (COO) and executive director of Tata Power said, "We feel uniform power tariff is achievable for low-end consumers. This will offer them stability and they won't have to worry about whether or not they need to change over from one utility provider to the other." However, Sethi added that the framework needs to be based on solid economic principles.

However, consumer activist Ashok Pendse dismissed the uniform tariff as a utopian concept that could not be implemented in Mumbai. "Either the government subsidises these companies to keep tariffs at one artificial price or the companies will have to cross subsidise each other. Will they agree to do so?" Pendse said. A Reliance Infrastructure spokesman said that the company would like to wait for the Deloitte report before commenting on the issue. Ultimately, tariff determination is the prerogative of the Maharashtra Electricity Regulatory Commission (MERC). The government can only make suggestions after reading the consultant's report.