



PUBLIC AWARENESS BULLETIN-I

How is

207
10/4/11

ELECTRICITY TARIFF determined?

Electricity Tariff is fixed based on reasonable costs determined by the Commission after prudence check in respect of the following components:

Costs Components	Approx. % in the Tariff
Power Purchase Cost	80%
Operations & Maintenance Expenses - Employee Expenses - Administration & General Expenses - Repair & Maintenance Expenses	9%-10%
Depreciation	3%-4%
Return on Capital Employed	6%-7%
Income Tax	0.5%-1%

Average Tariff = Total Cost (in Rs.) / Total units sold (in kwh)

The Commission determines the Tariff for various consumer categories based upon its Tariff Regulations and guidelines contained in the Electricity Act 2003 and the Tariff Policy 2006. The Commission undertakes extensive public consultation with all stakeholders including consumers before finalizing the Tariff.

Issued In Public Interest by

DELHI ELECTRICITY REGULATORY COMMISSION

(A Statutory Body of Govt. of NCT of Delhi)

Viniyamak Bhawan, C-Block, Shivalik, Malviya Nagar, New Delhi - 110 017

Telefax: 26673608, Website: www.derc.gov.in