TARIFF CALCULATION

# Introduction :

Under the Electricity Act 2003, the tariff for the distribution licensees is determined by state commission. The tariff is determined on a Cost Plus basis by the State Commission as per tariff regulations. Cost Plus determination of tariff implies that the tariff determined under this process recovers all the cost of Distribution Licensee & adds a specific amount as a return. The Electricity Act also provides for public information, public hearings, and stakeholder consultations before determining tariffs.

# Tariff Regulation :

The State Commissions specify the regulatory framework for the determination of tariff in accordance with Section 61 of the Electricity Act. The regulatory framework also forms the

guiding principles under which a tariff petition is drafted and filed before the commission. The State Commission considers the propositions made in the petition from the regulations, view, compliance of earlier orders and directives, safeguarding of consumer interest, and

determines tariff so that cost of electricity is recovered reasonably.

# Advantages and Disadvantages of Tariff calculation :

# Advantages

\* Less initial cost and we do not need to install metering equipment

\* Poor people will be benefited in flat tariff

\* Easy to understand

\* Proper return

\* Reasonable profit

# Disadvantages

\* Every consumer have to pay fixed charges irrespective of load variation.

SWOT Analysis :

# WHO :

Consumers of different types will consume the electricity.

# When :

It can be used every time and world is nothing without electrical power.

# Where :

It is used all over the world.

# How :

From conventional energy sources the energy is converted into useful form of electrical energy and it is generated, transmitted and distributed to consumers. And hence along with the units multiplied with rate of charge ,the maintenance nothing but fixed and consumer charges are also added

# Low level requirements:

[No of units consumed by the consumer]

High level requirement---

Units will be recorded from the

difference of prev reading and current reading.

|LLR01 | |select Group |

|HLR01| Implemented----

| LLR02 |

The group will be selected like A or B or C

| HLR01 | | Implemented |

| LLR03 | If it not belongs to first group it will be directly switch into other group

| HLR01| | Implemented |

| LLR04 | After the selected. The rate of charge belongs to that particular group will be multiplied with no. of units to get energy charges.

| HLR02 | | Implemented |

| LLR05 | The bill amount will be calculated by adding energy charges to fixed charges, customer charges and electrical duty charges.

| LLR06 | And hence the total amount will be noted

|HLR01 HLR02 | | Implemented |

## Defining Our System

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![DOS](Defining\_our\_system.jpg)

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