

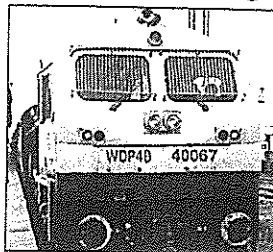
## Rlys' fuel bill to be down by 10% on Dabhol plant supply

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**New Delhi:** When a part of Dabhol power plant in Maharashtra resumed supply at 8.47 on Thursday morning, there was probably a loud cheer in Rail Bhavan here.

After all, power production at the controversial facility in Maharashtra's Ratnagiri district will reduce the public transporter's fuel bill by Rs 1,000 crore a year — a shade under 10% of what railways spends on buying electricity. The plant, which is not working at full capacity for want of gas, is supplying 350 mega watt to Maharashtra government utilities, while railways, which recently received a deemed discom licence, is buying 500 MW at Rs 4.70 a unit. The tariff is almost half the cost in Maharashtra, where it spent up to Rs 8.90 a unit to buy power, said an official. The fall in tariff may also mean that Tata Power, which supplies around 50 MW, reduces the price that it currently offers, sources said.

Compared to the average cost of Rs 6.80 a unit for the 4,000 MW that railways buys annually, the tariff from Dabhol would translate into a savings of over 30% per unit. They said that of the power being purchased from Dabhol, 250-300 MW would be used by the railways to run its operations in Maharashtra, while 100 MW each would be made available in Madhya Pradesh and Jharkhand, while 50 MW may be



routed to Gujarat.

More than augmenting supply, the tie-up for electricity from the problem child of the power sector is seen as a major boost for railway minister Suresh Prabhu's plan to reduce the fuel bill by Rs 3,000 crore by 2018. Dabhol is the second plant which has been tapped. Railways has already started sourcing 50 MW from an Adani unit at Rs 3.70 a unit (adding the cost of transmission it will work out to around Rs 4.40 a unit). In the pipeline is a tender for supply of 585 MW, which is expected to start flowing something around June 2016.

By that time the first unit of railways own power plant in Nabinagar in Bihar will also go on stream. By the summer of 2017, the 1,000 MW plant is scheduled to be fully operational, of which 90% electricity will flow to the railways. "We will be able to reduce the cost for over 2,000 MW power that we will purchase by June 2017 which will be a major gain for us. Through greater efficiency we have already reduced the consumption by around Rs 400 crore a year," said a senior officer, adding that the target is to reduce the cost by around Rs 1.50 a unit through these measures.