

**BEFORE THE TAMIL NADU ELECTRICITY REGULATORY COMMISSION
CHENNAI**

Order No. 1 – 104, dated 02-08-2007

Present:

Thiru S. Kabilan,	:	Chairman
Thiru B. Jeyaraman	:	Member
Thiru R. Rajupandi	:	Member

**In the matter of: Reduction of tariff applicable to the consumers under
LT Tariff II A.**

1. The Government of Tamil Nadu in Letter (Ms.) No.70 dated 24.7.2007 have issued policy directive to Tamil Nadu Electricity Regulatory Commission under Section 108 (i) of the Electricity Act 2003 for extension of reduced tariff to Local Bodies, TWAD Board and Chennai Metropolitan Water Supply and Sewerage Board, **under LT Tariff II A** as below with effect from **12.04.2007**.

Category	Energy Charges as per the Commission's Tariff Order dated 15.3.2003 Rs./unit	Energy charges to be collected at reduced rates as per Government's directive Rs./unit
Village Panchayat	3.40	3.00
Town Panchayat	3.40	3.30
Municipality / Corporations	3.50	3.30

2. Section 65 of the Electricity Act 2003, stipulates that if the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission, under section 62, the State Government shall, notwithstanding any direction which may be given under section 108, pay, in advance and in such manner as may be specified, the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct to implement the subsidy provided for by the State Government.

3. The Government have committed to provide subsidy for 2007-08 direct to the TNEB to compensate the reduction in revenue in implementing the policy direction.
4. The Government have also stated that the policy directive has been issued in the interest of public of the State of Tamil Nadu.
5. The TNEB have estimated a consumption of 1331 MU by the consumers under LT Tariff II A for the entire year 2007-08. Also, when the Government have ordered the reduced tariff to take effect from **12-04-2007**, the TNEB have proposed subsidy for the entire year 2007-08. The Government have also committed to pay the quantum of subsidy proposed by the TNEB.
6. As the reduction is to take effect from **12-04-2007** the Commission, decides to allow subsidy proportionately i.e. for the period from **12.04.2007 to 31.03.2008**.
7. Accordingly, the Commission, orders the following:
 - (i) The TNEB shall collect energy charges at the following rates from the consumers under **LT Tariff II A** (i.e.) public lighting and water supply services of Local Bodies, TWAD Board and CMWSSB from **12-04-2007**.

S.No.	Category	Rate of energy charges ordered by the Commission Rs./unit	Rate of energy charges to be collected from consumers from 12-04-2007 Rs./unit
1.	Village Panchayats	3.40	3.00
2.	Town Panchayats	3.40	3.30
3.	Municipalities/ Corporations	3.50	3.30

- (ii) The Government shall provide the subsidy for 2007-08 in the following manner direct to TNEB to compensate the reduction in revenue.

S.No.	Subsidy period	Subsidy Amount Rs.in crore	Payable on or before
1.	12.4.2007 to 30.9.2007	21.52	Immediate
2.	1.10.2007 to 31.3.2008	22.92	30.09.2007

- (iii) The TNEB shall furnish the actual consumption by consumers under **LT Tariff II A** during the period from **12.04.2007 to 31.03.2008** before **30.6.2008** and get the excess / shortage subsidy adjusted.
- (iv) The TNEB and the Government shall note the provision under section 65 which reads as below:

“Provided that no such direction of the State Government shall be operative if the payment is not made in accordance with the provision contained in this section and the tariff fixed by the State Commission shall be applicable from the date of issue of orders by the Commission in this regard.”

(By order of the Commission)

**R. Balasubramanian
Secretary**

To

The Chairman / Tamil Nadu Electricity Board, Chennai 600 002.
The Principal Secretary to Govt., Energy Department, Chennai 600 009.