



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

**Order No. 5 of 2024, dated 24 -06-2024**

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<b>Present :</b>	<b>Thiru M. Chandrasekar</b>	<b>.... Chairman</b>
	<b>Thiru K. Venkatesan</b>	<b>.... Member</b>
	<b>Thiru B. Mohan</b>	<b>.... Member (Legal)</b>

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**In the matter of : Final Tariff Subsidy Order for FY 2023-24 by the Government of Tamil Nadu.**

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The Government of Tamil Nadu (GoTN) had issued policy directions under sub-section (1) of section 108 of the Electricity Act, 2003, for extension of free supply / concessional tariff to different categories of consumers like Hut consumers, Agricultural consumers, Domestic consumers, Actual Places of Public Worship, Powerloom Consumers, Handloom Consumers and Lift Irrigation Co-operative Societies for Agriculture from 2004 onwards. The Government has also committed to

provide subsidy to meet the shortfall in revenue to TANGEDCO u/s 65 of the Electricity Act, 2003.

(2) The Commission has determined the provisional tariff subsidy payable for FY 2023-24 by the Government of Tamil Nadu as follows:

		<b>(Rs. in Crores)</b>
<b>Sr. No.</b>	<b>Categories of Consumers</b>	<b>Subsidy (Rs. in Crores)</b>
1	Domestic (Free supply/Reduction in tariff)	6787.47
2	Agricultural consumers under normal category (Free supply)	5584.62
3	Agricultural consumers under SFS category (Free supply)	1003.08
4	Hut consumers (Free supply)	300.59
5	Actual Place of Public Worship (Reduction in tariff)	16.55
6	Power loom weavers (Free Supply / Reduction in tariff)	531.30
7	Hand Loom Weavers (Free supply)	13.89
8	Lift Irrigation Co-operative Societies (Free supply)	57.11
9	LT Industries	135.76
<b>Total</b>		<b>14,430.37</b>

3) The Commission has issued an amendment in Regulation 5(ii) & (vii) of the Procedure for payment of subsidy by the State Government Regulations, 2008 to adhere to the Standard Operating Procedure framed by the Ministry of Power, GoI which has been launched to ensure the compliance of pre-qualifying criteria to avail funds under Revamped Distribution Sector Scheme. The aforesaid amendment directs the TANGEDCO to reconcile the actual subsidy received with the actual consumption within 60 days from the closure of quarterly accounts and send the proposal for adjustment of subsidy.

4) Complying with the aforesaid regulation, TANGEDCO has submitted the actual consumptions data for all the subsidized categories periodically and reconciliations of all quarters have been intimated to TANGEDCO and Government. The consolidated subsidy reconciliation for the 1<sup>st</sup> quarter of FY 2023-24 has been narrated as follows:

(Rs. in Crs.)

Sl. No.	Tariff Category	Provisional subsidy		Actual Subsidy for 1 <sup>st</sup> quarter	Additional subsidy payable/Excess subsidy recoverable
		Claimed	Approved	Approved	
<b>Additional subsidy payable</b>					
<b>1</b>	<b>Public Worship</b>	<b>4.14</b>	<b>4.14</b>	<b>4.23</b>	<b>0.09</b>
<b>2</b>	<b>Hut Consumers</b>	<b>75.15</b>	<b>75.15</b>	<b>84.87</b>	<b>9.72</b>

<b>3</b>	<b>Power Loom</b>	<b>132.83</b>	<b>132.83</b>	<b>133.80</b>	<b>0.97</b>
<b>4</b>	<b>HT Lift Irrigation</b>	<b>14.28</b>	<b>14.28</b>	<b>14.77</b>	<b>0.49</b>
<b>Total A</b>					<b>11.27</b>
<b>Excess subsidy recoverable</b>					
<b>5</b>	<b>Domestic</b>	<b>1696.87</b>	<b>1696.87</b>	<b>1671.81</b>	<b>25.06</b>
<b>6</b>	<b>Agri. Normal</b>	<b>1396.16</b>	<b>1396.16</b>	<b>1372.63</b>	<b>23.53</b>
<b>7</b>	<b>Agricultural SFS</b>	<b>250.77</b>	<b>250.77</b>	<b>239.48</b>	<b>11.29</b>
<b>8</b>	<b>Handloom</b>	<b>3.47</b>	<b>3.47</b>	<b>3.31</b>	<b>0.16</b>
<b>9</b>	<b>Reduction in ToD charges</b>	<b>33.94</b>	<b>33.94</b>	<b>30.75</b>	<b>3.19</b>
<b>Total B</b>			<b>3607.61</b>	<b>3555.65</b>	<b>63.23</b>
<b>Excess subsidy</b>			<b>51.96 Crs.</b>		
<b>(A-B) : Rs.63.23 Cr. – Rs.11.27 Cr. = Rs.51.96 Crore</b>					
<b>The excess subsidy in respect of 1<sup>st</sup> quarter</b>					

5) The Government of Tamil Nadu has reduced the time of day charges from 25% to 15% i.e granted 10% of subsidy for LT (III-B) Industrial categories and the energy tariff has been determined as Rs.7.50/unit for the aforesaid category. Further, the Government of Tamil Nadu, vide its letter No.6129/C2/2023-1 dated 23-11-2023 has notified the subsidy for all the category of consumers in which the table for LT Industries (III-B) has been shown as Rs.0.80/unit. As GoTN provides subsidy of Rs.0.80/unit for reduction of ToD charges from 25% to 15% for LT (III-B) Industrial categories, the subsidy reconciliation carried out during the break

up period i.e from the date of G.O (08-11-2022 to 31-03-2023) and 1<sup>st</sup> quarter of FY 2023-24 have to be recalculated for the compliance of the aforesaid per unit tariff subsidy fixed by the Government.

6) The actual consumption for the period from 08-11-2022 to 31-03-2023 and 1<sup>st</sup> quarter of FY 2023-24 i.e from 01-04-2023 to 30-06-2023 were 3064.39 MUs and 2050.33 Mus respectively. As per para 5.30.18 of the tariff order, the ToD charges had been calculated on 20% of total consumptions.

<b>Break up Period</b>	<b>Consumption (Mus)</b>	<b>Subsidy Approved by the GoTN</b>	<b>Subsidy Approved by the Commission</b>	<b>Difference (Rs.)</b>	<b>Addl. Subsidy (Rs.in Crs)</b>
08-11-2022 to 31-03-2023	3064.39 x 20% = 612.88	0.80/unit	0.75/unit	0.05/unit	3.06
1 <sup>st</sup> quarter of FY 2023-24	2050.33 x 20% =410.07	0.80/unit	0.75/unit	0.05/unit	2.05
<b>Total</b>					<b>5.11</b>

7) The subsidy reconciliation for the 2<sup>nd</sup> quarter of FY 2023-24 has been narrated as follows:

**Subsidy Reconciliation for the 2<sup>nd</sup> Quarter of Financial Year 2023-24**

(Rs. in Crs.)

<b>Sl. No.</b>	<b>Tariff Category</b>	<b>Provisional subsidy</b>	<b>Additional subsidy</b>	<b>Total Provisional subsidy approved</b>	<b>Actual Subsidy for 2<sup>nd</sup> quarter</b>	<b>Additional subsidy payable/Excess subsidy recoverable</b>
<b>Additional subsidy payable</b>						
<b>1</b>	<b>Domestic</b>	<b>1696.87</b>	<b>89.35</b>	<b>1786.22</b>	<b>1793.70</b>	<b>7.48</b>
<b>2</b>	<b>Public Worship</b>	<b>4.14</b>	<b>0.14</b>	<b>4.28</b>	<b>4.40</b>	<b>0.12</b>
<b>3</b>	<b>Hut Consumers</b>	<b>75.15</b>	<b>1.75</b>	<b>76.90</b>	<b>86.57</b>	<b>9.67</b>
<b>4</b>	<b>Handloom</b>	<b>3.47</b>	<b>0.00</b>	<b>3.47</b>	<b>3.57</b>	<b>0.10</b>
<b>5</b>	<b>HT Lift Irrigation</b>	<b>14.28</b>	<b>0.31</b>	<b>14.59</b>	<b>18.47</b>	<b>3.88</b>
<b>6</b>	<b>Reduction in ToD charges</b>	<b>33.94</b>	<b>0.00</b>	<b>33.94</b>	<b>34.25</b>	<b>0.31</b>
<b>Total A</b>						<b>21.56</b>
<b>Excess subsidy recoverable</b>						
<b>7</b>	<b>Agri. Normal</b>	<b>1396.16</b>	<b>31.46</b>	<b>1427.62</b>	<b>1404.15</b>	<b>23.47</b>
<b>8</b>	<b>Agricultural SFS</b>	<b>250.77</b>	<b>5.65</b>	<b>256.42</b>	<b>249.41</b>	<b>7.01</b>

<b>9</b>	<b>Powerloom</b>	<b>132.83</b>	<b>2.84</b>	<b>135.67</b>	<b>135.07</b>	<b>0.60</b>
<b>Total</b>				<b>3739.11</b>	<b>3729.59</b>	<b>31.08</b>
<b>Excess subsidy</b>				<b>9.52 Crs.</b>		
<b>(A-B) : Rs.21.56 Crs.-Rs.31.08 Crs. = Rs.9.52 Crores</b>						
<b>The excess subsidy in respect of 2<sup>nd</sup> quarter</b>						

8) The subsidy reconciliation for the 3<sup>rd</sup> quarter of FY 2023-24 has been narrated as follows:

**Consolidation of Subsidy Reconciliation for the 3<sup>rd</sup> Quarter of Financial Year 2023-24**

(Rs. in Crs.)

<b>Sl. No.</b>	<b>Tariff Category</b>	<b>Provisional subsidy</b>	<b>Additional subsidy</b>	<b>Total Provisional subsidy approved</b>	<b>Actual subsidy for 3<sup>rd</sup> quarter</b>	<b>Additional subsidy payable/Excess subsidy recoverable</b>
<b>Additional subsidy payable</b>						
<b>1</b>	<b>Domestic</b>	<b>1696.87</b>	<b>89.35</b>	<b>1786.22</b>	<b>1793.96</b>	<b>7.74</b>
<b>2</b>	<b>Hut</b>	<b>75.15</b>	<b>1.75</b>	<b>76.90</b>	<b>86.38</b>	<b>9.48</b>
<b>3</b>	<b>Public Worship</b>	<b>4.14</b>	<b>0.14</b>	<b>4.28</b>	<b>4.42</b>	<b>0.14</b>
<b>4</b>	<b>Network charges</b>	<b>1.04</b>	<b>0.00</b>	<b>1.04</b>	<b>1.09</b>	<b>0.05</b>
<b>Total A</b>						<b>17.41</b>
<b>Excess subsidy recoverable</b>						
<b>5</b>	<b>Com.Supply</b>	<b>6.18</b>	<b>0.00</b>	<b>6.18</b>	<b>0.56</b>	<b>5.62</b>
<b>6</b>	<b>Agri.</b>	<b>1396.16</b>	<b>31.46</b>	<b>1427.62</b>	<b>1404.75</b>	<b>22.87</b>

	<b>Normal</b>					
<b>7</b>	<b>Agri. SFS</b>	<b>250.77</b>	<b>5.65</b>	<b>256.42</b>	<b>252.24</b>	<b>4.18</b>
<b>8</b>	<b>Powerloom</b>	<b>132.83</b>	<b>2.84</b>	<b>135.67</b>	<b>134.87</b>	<b>0.80</b>
<b>9</b>	<b>Handloom</b>	<b>3.47</b>	<b>0.00</b>	<b>3.47</b>	<b>3.41</b>	<b>0.06</b>
<b>10</b>	<b>Lift Irg</b>	<b>14.28</b>	<b>0.31</b>	<b>14.59</b>	<b>10.43</b>	<b>4.16</b>
<b>11</b>	<b>ToD charge</b>	<b>33.94</b>	<b>26.82</b>	<b>60.76</b>	<b>53.70</b>	<b>7.06</b>
<b>Total</b>				<b>3773.15</b>	<b>3745.81</b>	<b>44.75</b>
<b>Excess subsidy</b>				<b>27.34 Crs.</b>		
<b>(A-B) (Rs.17.41-Rs.44.75) The Excess subsidy in respect of 3<sup>rd</sup> quarter.</b>						<b>27.34</b>

9) The subsidy reconciliation for the 4<sup>th</sup> quarter of FY 2023-24 has been narrated as follows:

**Consolidation of Subsidy Reconciliation for the 4<sup>th</sup> Quarter of Financial Year 2023-24**

(Rs. in Crs.)

<b>Sl. No.</b>	<b>Tariff Category</b>	<b>Provisional subsidy</b>	<b>Additional subsidy</b>	<b>Total Provisional subsidy approved</b>	<b>Actual subsidy for 4<sup>th</sup> quarter</b>	<b>Additional subsidy payable/Excess subsidy recoverable</b>
<b>Additional subsidy payable</b>						
<b>1</b>	<b>Hut Consumers</b>	<b>75.14</b>	<b>1.76</b>	<b>76.90</b>	<b>86.34</b>	<b>9.44</b>
<b>2</b>	<b>Public Worship</b>	<b>4.13</b>	<b>0.15</b>	<b>4.28</b>	<b>4.62</b>	<b>0.34</b>
<b>3</b>	<b>Lift Irrigation</b>	<b>14.27</b>	<b>0.30</b>	<b>14.57</b>	<b>15.07</b>	<b>0.50</b>



<b>4</b>	<b>Network charges</b>	<b>1.82</b>	<b>0.00</b>	<b>1.82</b>	<b>2.05</b>	<b>0.23</b>
<b>Total A</b>						<b>10.51</b>
<b>Excess subsidy recoverable</b>						
<b>5</b>	<b>Domestic</b>	<b>1696.86</b>	<b>89.34</b>	<b>1786.20</b>	<b>1754.73</b>	<b>31.47</b>
<b>6</b>	<b>Common Supply</b>	<b>9.23</b>	<b>0.00</b>	<b>9.23</b>	<b>5.52</b>	<b>3.71</b>
<b>7</b>	<b>Agri. Normal</b>	<b>1396.14</b>	<b>31.47</b>	<b>1427.61</b>	<b>1405.64</b>	<b>21.97</b>
<b>8</b>	<b>Agricultural SFS</b>	<b>250.77</b>	<b>5.65</b>	<b>256.42</b>	<b>254.97</b>	<b>1.45</b>
<b>9</b>	<b>Powerloom</b>	<b>132.81</b>	<b>2.83</b>	<b>135.64</b>	<b>130.05</b>	<b>5.59</b>
<b>10</b>	<b>Handloom</b>	<b>3.48</b>	<b>0.00</b>	<b>3.48</b>	<b>2.97</b>	<b>0.51</b>
<b>11</b>	<b>ToD charges</b>	<b>33.94</b>	<b>46.94</b>	<b>80.88</b>	<b>73.25</b>	<b>7.63</b>
<b>Total</b>				<b>3797.03</b>	<b>3735.21</b>	<b>72.33</b>
<b>Excess subsidy</b>				<b>61.82 Crs.</b>		
<b>(A-B) (Rs.10.51-Rs.72.33)</b>						<b>61.82</b>
<b>The excess subsidy in respect of 4<sup>th</sup> quarter</b>						

10) The details of excess / additional subsidy to be payable by the Government relating to four quarters are as follows :

<b>Sl. No.</b>	<b>Tariff Category</b>	<b>Actual subsidy for 1<sup>st</sup> quarter</b>	<b>Actual subsidy for 2<sup>nd</sup> quarter</b>	<b>Actual subsidy for 3<sup>rd</sup> quarter</b>	<b>Actual subsidy for 4<sup>th</sup> quarter</b>	<b>Total quarter-wise actual subsidy</b>

1	Domestic	<b>1671.81</b>	<b>1793.70</b>	<b>1793.96</b>	<b>1754.73</b>	<b>7014.20</b>
2	Common Supply	<b>0.00</b>	<b>0.00</b>	<b>0.56</b>	<b>5.52</b>	<b>6.08</b>
3	Agri. Normal	<b>1372.63</b>	<b>1404.15</b>	<b>1404.75</b>	<b>1405.64</b>	<b>5587.17</b>
4	Agri. SFS	<b>239.48</b>	<b>249.41</b>	<b>252.24</b>	<b>254.97</b>	<b>996.10</b>
5	Hut	<b>84.87</b>	<b>86.57</b>	<b>86.38</b>	<b>86.34</b>	<b>344.16</b>
6	Public Worship	<b>4.23</b>	<b>4.40</b>	<b>4.42</b>	<b>4.62</b>	<b>17.67</b>
7	Power loom	<b>133.80</b>	<b>135.07</b>	<b>134.87</b>	<b>130.05</b>	<b>533.79</b>
8	Hand Loom	<b>3.31</b>	<b>3.57</b>	<b>3.41</b>	<b>2.97</b>	<b>13.26</b>
9	Lift Irrigation	<b>14.77</b>	<b>18.47</b>	<b>10.43</b>	<b>15.07</b>	<b>58.74</b>
10	LT Industries	<b>30.75</b>	<b>34.25</b>	<b>53.70</b>	<b>73.25</b>	<b>191.95</b>
11	Network charges	<b>0.00</b>	<b>0.00</b>	<b>1.09</b>	<b>2.05</b>	<b>3.14</b>
Total		<b>3555.65</b>	<b>3729.59</b>	<b>3745.81</b>	<b>3735.21</b>	<b>14766.26</b>
Provisional subsidy received		<b>3607.61</b>	<b>3739.11</b>	<b>3773.15</b>	<b>3797.03</b>	<b>*14916.90</b>
Excess subsidy		<b>51.96</b>	<b>9.52</b>	<b>27.34</b>	<b>61.82</b>	

\*Provisional subsidy included additional subsidy due to revision of tariff and as per Order No.10 of 2023, the further provisional subsidy has been issued due to lifting of ToD charges till installation of smart meters, Reduction in tariff rate to certain categories of Multi-tenements consumers

under LT Tariff ID as LT IE and Reduction in Solar Roof Top Network Charges by 50% for MSME Industries i.e Rs.14,430.37+394.50+73.76+15.41+2.86.

11) TANGEDCO has submitted their quarterly accounts periodically and reconciliations have also been carried out by stating to adjust the excess / additional subsidy in the ensuing quarters i.e 1<sup>st</sup> quarter's excess / additional subsidy in the 3<sup>rd</sup> quarter of the same financial year likewise the 2<sup>nd</sup> quarter's excess / additional subsidy in the 4<sup>th</sup> quarter of the same financial year.

12) The Ministry of Power, Government of India has framed the Standard Operating Procedure (SOP) to ensure the compliance of pre-qualifying criteria to avail funds under Revamped Distribution Sector Scheme. The clause 3.1.3 (xviii) of the Standard Operating Procedure (SOP) states as follows:

"An annual reconciliation activity shall be carried out at the end of financial year by the DISCOMs and the State Finance Department for all the claims during the year, which shall be completed within a period of 2 months of the expiry of the relevant financial year."

By complying with the clause contained in the Standard Operating Procedure (SOP), the Final Subsidy Order for the FY 2023-24 has been issued based on the actual consumptions data relating to all the four quarters furnished by TANGEDCO.

**FINAL TARIFF SUBSIDY ORDER FOR FY 2023-24**

(Rs. in Crs)

<b>Category</b>	<b>Provisio nal subsidy</b>	<b>Addl. Subsidy Due to revision</b>	<b>Total Provisio nal subsidy</b>	<b>Actual subsidy from four quarter</b>	<b>Excess subsidy to be adjusted</b>	<b>Addl. Subsidy to be received</b>
Domestic	6787.47	268.04	7055.51	7014.20	41.31	
Common supply	0.00	0.00	15.41	6.08	9.33	
Agri. Normal	5584.62	94.39	5679.01	5587.17	91.84	
Agri. SFS	1003.08	16.95	1020.03	996.10	23.93	
Hut	300.59	5.26	305.85	344.16		38.31
Actual Place of Public Worship	16.55	0.43	16.98	17.67		0.69
Power loom	531.30	8.51	539.81	533.79	6.02	
Hand Loom	13.89	0.00	13.89	13.26	0.63	
Lift Irrigation	57.11	0.92	58.03	58.74		0.71
LT Industries	135.76	0.00	(135.76+ 73.76) = 209.52	191.95	17.57	
Network charges	0.00	0.00	2.86	3.14		0.28
<b>Total</b>	<b>14430.37</b>	<b>394.50</b>	<b>14916.90</b>	<b>14766.26</b>	<b>190.63</b>	<b>39.99</b>
Break up period – Due to rounded of Rs.0.80/unit of ToD charges as stated in para 5 above.						5.11
<b>Total</b>					<b>190.63</b>	<b>45.10</b>
<b>Excess subsidy to be adjusted in the 2<sup>nd</sup> quarter of FY 2024-25</b>						<b>145.53</b>

<p><b>If TANGEDCO and GoTN have already adjusted the excess / additional subsidy relating to 1<sup>st</sup> quarter, 2<sup>nd</sup> quarter and 3<sup>rd</sup> quarter of FY 2023-24. (51.96+9.52+27.34)=88.82 Crores, the balance subsidy to be adjusted has been quantified as below.</b></p>	<p><b>88.82</b></p>
<p><b>Balance Excess Subsidy relating to 4<sup>th</sup> quarter of FY 2023-24 to be adjusted in the 2<sup>nd</sup> quarter of FY 2024-25</b></p>	<p><b>56.71</b></p>

Therefore, the Commission directs the TANGEDCO and GoTN to adjust the excess subsidy as stated supra pertaining to FY 2023-24 in the 2<sup>nd</sup> quarter of Financial Year 2024-25.

(By Order of the Commission)

**Secretary  
Tamil Nadu Electricity Regulatory Commission**