



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

Order No. 2 of 2023, dated 13-02-2023

Present : Thiru M. Chandrasekar Chairman
Thiru K. Venkatesan Member
Thiru B. Mohan Member (Legal)

In the matter of : Provisional Tariff Subsidy for Reduction in Time of Day charges for Low Tension Industries (IIIB) during peak hours from 25% to 15% for the period from 08-11-2022 to 31-03-2023 by the GoTN.

1) The Government of Tamil Nadu, in Letter G.O.(Ms.) No.79, Micro, Small and Medium Enterprises (D2) Department, dated 08-11-2022, has stated that the MSME Organizations / Associations have made the request to the Government to reduce the Time of Day (ToD) charges as the revised tariff issued by the Commission, vide Tariff Order No.7 of 2022 dated 09-09-2022 is high. After considering the request of the MSME Organizations / Associations and the recommendations of the CMD, TANGEDCO, the GoTN has issued the following orders:-

a) Time of Day (ToD) charges for Low Tension Industries (III-B) during peak hours can be reduced from 25% to 15%.

b) The Energy Department is directed to issue necessary policy directive to the Commission under section 108 of the Electricity Act, 2003 to provide subsidy to the Tamil Nadu Generation and Distribution Corporation Ltd., (TANGEDCO) to compensate for the reduced Time of Day (ToD) charges for LT Industries (III-B) during peak hours from 25% to 15%.

c) Tamil Nadu Generation and Distribution Corporation Ltd., (TANGEDCO) is directed to adopt a proper methodology (verifiable and audit worthy) of calculation of the subsidy due to reduction of Time of Day (ToD) charges for LT Industries (III-B) during peak hours from 25% to 15% while claiming the subsidy from the Government.

2) Based on the aforesaid orders of the Government, Energy Department, GoTN, in its letter No.9863/C2/2022 dated 06-02-2023, has issued a commitment letter under section 65 of the Electricity Act, 2003 for reduction in Time of Day charges for LT Industries (IIIB) category during peak hours from 25% to 15%. The GoTN has further stated that the budget provision for the aforesaid subsidy amount have to be included in the Final Modified Appropriation for the Financial Year 2022-23.

3) TANGEDCO in their letter No.CFC/RC/FC/DFC/RC/F.ARR/D.No.44/2023 dated 20-01-2023 & letter dated 07-02-2023 have requested the Commission to issue the provisional subsidy order to compensate the revenue loss to

TANGEDCO as the Government of Tamil Nadu has issued the commitment letter to provide the subsidy for the reduction in Time of Day (ToD) charges for LT (III-B) during peak hours from 25% to 15%.

TANGEDCO has claimed the provisional subsidy for reduction of Time of Day (ToD) charges for LT (III-B) category during peak hours from 25% to 15% for the period from 08-11-2022 (i.e from the date of issue of G.O.No.79 dated 08-11-2022 to 31-03-2023) (144 days) is as follows:

Tariff Category	Slab	Consumption in MUs	T.O.No.7 of 2022 dated 09-09-22	Reduction in ToD from 25% to 15% as per G.O.		Subsidy to be provided by the GoTN (Paise/unit)	Subsidy (Rs.in cr)
			Energy Charges (Rs./unit)	25%	15%		
LT (III-B)	All slab	5640	7.50	0.00	0.00	0.00	0.00
	ToD	1812	7.50	9.40	8.60	0.80	144.96
	ToD for 144 days	144/365x1812 = 714.87	7.50	9.40	8.60	080	57.18

4) The implementation of the reduction in Time of Day (ToD) charges for LT (III-B) during peak hours from 25% to 15% will result in a revenue loss of Rs.57.18 crores (Rupees Fifty Seven Crores and Eighteen Lakhs) for 144 days

i.e 08-11-2022 to 31-03-2023. Therefore, TANGEDCO has requested to issue the orders for release of the aforesaid subsidy amount immediately.

5) The Commission after considering all approves the provisional subsidy of Rs.57.18 Crores for reduction in Time of Day (ToD) charges for Low Tension Industries (III-B) category during peak hours from 25% to 15% as claimed by the TANGEDCO. The Government of Tamil Nadu may release the aforesaid subsidy immediately.

b) The subsidy approved is only a provisional subsidy and shall be reconciled later based on the actuals. TANGEDCO shall reconcile and submit the report to the Commission.

(By Order of the Commission)

Sd/-
Secretary
Tamil Nadu Electricity Regulatory Commission.

To
The Chairman and Managing Director, Tamil Nadu Generation and Distribution Corporation Ltd.,

The Principal Secretary to Government, Energy Department, Secretariat, Chennai – 9.

The Principal Secretary to Government, Finance Department, Secretariat, Chennai – 9.

The Secretary to Government, Micro Small and Medium Enterprises Department, Secretariat, Chennai – 9.