



BEFORE TAMIL NADU ELECTRICITY REGULATORY COMMISSION, CHENNAI.

Order No. T.O.110, dated 20-03-2008

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

In the matter of: Subsidy for reduction in Demand Charges and waiver of peak hour extra charges to HT consumers with Captive Power Plants for reducing period from 2 / 2008 to 5 / 2008.

In Letter (Ms.) No.22 dated 17.3.2008, the Government of Tamil Nadu have issued the following directions under section 108 (1) of the Electricity Act 2003.

- (i) In order to overcome the power shortage during the summer 2008, the Government have decided to extend reduced demand charges and waiver of peak hour extra charges to the HT consumers who have Captive Power Plants so as to harness the power from Captive Power Plants as below:
- (a) If the actual demand is reduced atleast by 30% of the average demand recorded during July 2007 to December 2007, then the demand charges may be payable only for the actual recorded demand.
- (b) If the consumption recorded in peak hours is less than 50% of the average peak hour consumption recorded during July 2007 to December 2007, then peak hour charges may be waived.
- (ii) The implementation of the decision will result in a revenue loss of Rs.29 crores (Rupees twenty nine crores only) to TNEB.

	Rs. in Crores
Reduction in Demand Charges	24.00
Waiver of peak hour charges	5.00

	29.00

(iii) The Government will provide subsidy amount of Rs.29 crores (Rupees twenty nine crores only) to TNEB to compensate the revenue loss as per section 65 of the Electricity Act 2003 subject to adjustment of subsidy against actuals.

(2) The TNEB in letter No. CE/Comml./EE/AEE1/FSIMA/D 36/2008 dated 17.03.2008 have requested the Commission to issue directions to TNEB and the Government respectively to extend the concession and to pay the subsidy.

(3) The Commission approves the proposal of TNEB and issues the following directions.

- (i) The TNEB shall extend the following concession to **HT Industrial consumers with Captive Power Plants** for the period from 2 / 2008 to 5 / 2008.
 - a. If the actual demand during the period from 2 / 2008 to 5 / 2008 is reduced atleast by 30% of the average demand recorded during July 2007 to December 2007, then the demand charges may be payable only for the actual recorded demand.
 - b. If the consumption recorded in peak hours during the period from 2 / 2008 to 5 / 2008 is less than 50% of the average peak hour consumption recorded during July 2007 to December 2007, then peak hour charges may be waived.
- (ii) The Government of Tamil Nadu will pay a subsidy of Rs.29 crores immediately.
- (iii) The TNEB shall furnish the following details with regard to the concessions extended to the HT consumers with Captive Power Plants before **31.07.2008**.
 - (a) Average demand of the HT consumers having Captive Power Plants during the period from 7 / 2007 to 12 / 2007.
 - (b) Recorded demand in each month during the period from 2 / 2008 to 5 / 2008.
 - (c) Average peak hour consumption by the HT consumers with Captive Power Plants during the period from July 07 to December 07 and actual peak hour consumption ;during the period from 2 / 08 to 5 / 08.
 - (d) The subsidy receivable for reduction in demand and waiver of peak hour charges receivable as per actuals may be reconciled with the subsidy allowed and proposals for balance subsidy or recovery of subsidy sent by **31.07.2008** along with the above details.

- (iv) Both the TNEB and the Government of Tamil Nadu will abide by the provision under section 65 of the Electricity Act 2003 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**