



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

Order No T.O : - 1-3 dated 05 - 12 - 2012

**Present : Thiru K. Venugopal , Member and
 Thiru S . Nagalsamy , Member**

**In the matter of : Provision of additional tariff subsidy for the year
 2012 - 13 for powerloom weavers by the Government
 of Tamil Nadu.**

The Government of Tamil Nadu (GoTN) had issued policy directions under sub-section (1) of section 108 of the Electricity Act, 2003, for reduction in energy charges and reduction in fixed charges for powerloom weavers . 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. GOTN , in concurrence with the proposal of TANGEDCO has committed for payment of additional subsidy for powerloom and handloom weavers vide their Letter MS No 123 dated 25-10-2012

3. Subsequently, in their letter dt 08-11-2012 , TANGEDCO have requested the Commission to approve the subsidy and schedule of payment of subsidy for powerloom weavers for 2012-13 as follows :

Rs. in Crores		
Sl. No.	Category of consumers	Subsidy for which approval sought for 2012 -13
I	Powerloom weavers (reduction in energy charges)	47.05
II	Powerloom weavers (reduction in fixed charges)	12.64
Total		59.69

4. The claims made by TANGEDCO for the powerloom weavers are as below :

I) Reduction in energy charges to Powerloom weavers

a) TANGEDCO vide their letter dated 08th November 2012 has forwarded a copy of letter No : MS No 123 dated 25th October 2012 (addressed to the Commission) conveying the approval of additional subsidy u/s 108 and a commitment letter u/s 65 of the Electricity Act 2003 by GoTN for providing tariff subsidy for reduction in energy charges payable by the powerloom weavers who consume above 500 units bi monthly as detailed below :

Category	Tariff approved by Commission	rate by GoTN	(Paise/ unit)	
			Revised subsidy rate payable by GoTN	Tariff payable by consumer
0-500 units	450		450	Nil
501-1000 units	500		300	200
1001-1500 units	500		200	300
Above 1500 units	500		100	400

b) Accordingly, TANGEDCO has claimed the following subsidy :

Category	Estimated consumption (MUs)	Subsidy rate payable by GOTN (Rs/unit)	Total subsidy (Rs Crores)	Already approved by Commission (Rs Crores)	Balance subsidy payable (Rs Crores)
501-1000 units	197	3.00	59.10	19.70	39.40
1001-1500 units	77	2.00	15.30	7.65	7.65
TOTAL	274		74.40	27.35	47.05

- c) The Commission in Tariff Order 1-1 dated 02-05-2012 has already approved a subsidy of Rs 107.10 Crores towards free supply for those who consume 0-500 units and a subsidy of Rs 49.20 Crores towards a subsidy of Rs 1/ unit for consumption above 500 units. The same is based on the consumption approved in the Tariff Order 1 of 2012 dated 30-03-2012 for TANGEDCO. Considering the consumption approved in the Tariff Order, the following would be the additional subsidy payable

Category	Approved consumption (MUs) (A)	Subsidy rate payable by GOTN (Rs/unit) (B)	Total subsidy (Rs Crores) (C = A *B)	Already approved by Commission @ Rs 1 / unit (Rs Crores) (D = A * Rs 1/ unit)	Balance subsidy payable (Rs Crores) (E=C-D)
501-1000 units	126	3.00	37.80	12.60	25.20
1001-1500 units	85	2.00	17.00	8.50	8.50
TOTAL	211		54.80	21.10	33.70

- d) Hence, the Commission approves the **additional subsidy of Rs 33.70 Crores** for FY 2012-13

II) Reduction in fixed charges from Rs 50 / KW to Rs 30 / KW for powerloom weavers

- a) TANGEDCO has claimed the following subsidy :

Estimated connected load (KW)	Subsidy rate payable by GOTN (Rs/KW)	Total subsidy (Rs Crores)	Already approved by Commission (Rs Crores)	Balance subsidy payable (Rs Crores)
526667	20	12.64	Nil	12.64

- b) The Commission in Tariff Order 1-1 dated 02-05-2012 has approved the connected load of 526516 KW for powerloom weavers. Therefore, the following would be the subsidy payable

Approved connected load (KW)	Subsidy rate payable by GOTN (Rs/KW)	Total subsidy (Rs Crores)	Already approved by Commission (Rs Crores)	Balance subsidy payable (Rs Crores)
526516	20	12.64	Nil	12.64

- c) Therefore, the Commission approves the **subsidy of Rs 12.64 Crores** as claimed by TANGEDCO

5. Accordingly, the Commission orders the subsidy payable by the Government of Tamil Nadu for 2012-13 to compensate the revenue loss to TANGEDCO for extending reduction in energy rates and fixed charges for powerloom weavers as follows

The additional subsidy payable for 2012-13 by the Government will be as below:

Sl. No.	Category of consumers	Approved by the Commission (Rs. in Crores)
I	Powerloom weavers (Reduction in energy charges for consumption Above 500 units)	33.70
II	Powerloom weavers (Reduction in fixed charges)	12.64
		46.34

6. The advance subsidy for powerloom weavers is to be released on half yearly basis. Since the due date for payment has already lapsed , i.e April 2012 and September 2012, GoTN may release the subsidy immediately

7. All the provisions and directives contained in the earlier Subsidy Order T.O 1-1 dated 02-05-2012 and T.O No 1-2 dated 24-09-2012 will hold good for this Order too.

(By Order of the Commission)

Sd/-

**Secretary
Tamil Nadu Electricity Regulatory Commission**

To

The CMD, Tamil Nadu Generation & Distribution Corporation Ltd, Chennai 600 002.

The Principal Secretary to Government, Energy Department, Chennai 600 009.

Copy to: The Principal Secretary to Government, Finance Department, Chennai-9.