



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

Order No T.O : - 1-2 dated 24 - 09 - 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 consumers and handloom
consumers 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 extension of free supply / concessional tariff to different categories of consumers like Powerloom consumers and Handloom consumers 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. 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 74 dated 25-06-2012

3. Subsequently, in their letter dt 25-07-2012 , TANGEDCO have requested the Commission to approve the subsidy and schedule of payment of subsidy for powerloom and handloom weavers for 2012-13 as follows :

Rs. in Crores

Sl. No.	Category of consumers	Subsidy for which approval sought for 2012 -13
I	Powerloom consumers (free supply)	10.00
II	Handloom consumers (free supply)	0.93
Total		10.93

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

I) Free supply to Powerloom consumers

- a) While representing to the Commission for release of subsidy to powerloom consumers, TANGEDCO on 17th April 2012, had sought an additional subsidy of Rs 10 Crores towards reimbursing the fixed charges of Rs 100 / KW for 2 months based on the estimated connected load of 171900 KW by the power loom consumers who consume 500 units bi monthly .
- b) Accordingly, the estimated revenue = $171900 \times 6 \times 100 = \text{Rs } 103140000$ or Rs 10 Crores
- c) TANGEDCO have sought for the subsidy on the presumption that as the powerloom weavers do not pay any energy charges, they would not come forward to pay even the fixed charges To this effect, they have also written to GoTN for sanction of additional subsidy . However as no policy direction had been received from the GoTN then, the Commission did not approve the request for additional subsidy of Rs 10 Crores .
- d) Now TANGEDCO vide their letter dated 25th July 2012 has forwarded a copy of letter No : MS No 74 dated 25th June 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 fixed charges payable by the powerloom weavers who consume upto 500 units bi monthly.

e) Hence, the Commission approves the **additional subsidy of Rs 10 Crores** as claimed by TANGEDCO for FY 2012-13

II) Free supply to Handloom consumers upto 100 units bimonthly.

a) In their submissions before the Commission on 17th April 2012 , TANGEDCO had sought an additional subsidy of Rs 93.22 lacs towards reimbursing the fixed charges of Rs 20 / service for 2 months based on 77684 consumers who consume upto 100 units bi monthly.

b) Therefore, the estimated revenue = $77684 \times 6 \times 20 = \text{Rs } 93,22,080$ or Rs 93.22 lacs

c) They have sought for the subsidy on the presumption that as the handloom weavers do not pay any energy charges, they would not pay the fixed charges too.. To this effect, they had written to GoTN for sanction of additional subsidy . However, as no policy direction had been received from the GoTN , the Commission did not approve the request for additional subsidy of Rs 9.5 lacs .

d) Now TANGEDCO vide their letter dated 25th July 2012 has forwarded a copy of letter No : MS No 74 dated 25th June 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 fixed charges payable by the handloom weavers who consume upto 100 units bi monthly.

e) Therefore, the Commission approves the **additional subsidy of Rs 93.22 lacs** as claimed by TANGEDCO

5. 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 consumers (Free supply)	10.00
II	Handloom weavers (free supply)	0.93
		10.93

6. GoTN shall provide the above subsidy in advance in the manner specified in the Annexure to this Order on Schedule of Payment for the year 2012-13 to compensate the shortfall in revenue to TANGEDCO consequent to the extension of free supply as per the policy direction.

7. All the provisions and directives contained in the earlier Subsidy Order T.O 1-1 dated 02-05-2012 will hold good for this Order too.

(By Order of the Commission)

sd/-

Encl.: Annexure

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.

Annexure

Schedule of Payment

Additional Subsidy for powerloom consumers and handloom consumers payable by Government for 2012-13

Sl. No.	Category	Subsidy period	Subsidy Rs. in Crores.	Payable on or before
1	Powerloom consumers (Free supply)	01-04-2012 to 30-09-2012	5.00	Immediate
2	Handloom weavers (free supply)	01-04-2012 to 30-09-2012	0.465	Immediate
3	Powerloom consumers (Free supply)	01-10-2012 to 31-03-2013	5.00	30-09-2012
4	Handloom weavers (free supply)	1.10.2012 to 31-03-2013	0.465	30-09-2012
	TOTAL		10.93	