



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

**Order No. 1 of 2015, dated 16-02-2015**

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**Present: Thiru.S.Akshayakumar, Chairman**  
**Thiru.G.Rajagopal, Member**

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**In the matter of: Provision of Tariff subsidy for the year  
2014-15 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 Domestic consumers, Hut consumers, Agricultural consumers (Normal, SFS and LT CT consumers), Actual places of public worship, Power loom Weavers, Handloom consumers, and HT Lift Irrigation consumers 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) GoTN, in concurrence with the proposal of TANGEDCO has committed for payment of subsidy for various categories of consumers

vide their letter (Ms.) No.01, dated 05-02-2015, Energy (A1) Department.

(3) TANGEDCO in their letter dated 10-10-2014, have requested the Commission to approve the subsidy for 2014-15 as under:

<b>Sl. No.</b>	<b>Categories of Consumers</b>	<b>Subsidy (Rs. in Crores)</b>
I	Domestic	2059.32
II	Agricultural consumers under normal category	2369.64
III	Agricultural consumers under SFS category	623.37
IV	Hut consumers	192.45
V	Places of Worship (Reduced Tariff)	13.69
VI	Powerloom Weavers	273.34
VII	Handloom weavers	8.33
VIII	HT Lift Irrigation - Co-operative Societies	3.32
	<b>Total</b>	<b>5543.46</b>

(4) The Commission in its SMT Order No.9 of 2014, dated 11-12-2014 has determined the tariff payable by the consumers for FY 2014-15 with effect from 12-12-2014 without factoring the subsidy payable by the Government of Tamil Nadu.

(5) When the process of finalizing the Subsidy Order for 2014-15 is taken up by the Commission, Thiru.S.Nagalsamy, Member expressed that since he did not approve the tariff hike in SMT Order No.9 of 2014, dated 11-12-2014, he is not a party to the process of

arriving the subsidy also. Therefore, the Commission with the above quorum makes the Subsidy Order.

(6) The Tariff subsidy payable by GoTN to TANGEDCO for different categories of consumers are detailed as below :

**I. Domestic Consumers**

a) The subsidy for domestic consumers claimed by TANGEDCO for 2014-15 is as follows:

<b>Year</b>	<b>Subsidy claimed by TANGEDCO (Rs. in Crores)</b>
2014-15	2059.32

b) In this context, the Commission has considered the following facts :

(i) The TANGEDCO has requested to allow subsidy of Rs.2059.32 Crores for 2014-15 for Domestic consumers as per the tariff proposed by the Commission vide its Public Notice dated 23-09-2014 and 24-09-2014.

The new subsidy rates as issued in the Government’s letter, Letter (Ms.) No.01, dated 05-02-2015 of Energy (A1) Department, GoTN and the existing subsidy are as follows:

<b>Slab</b>	<b>New Subsidy/ Unit</b>	<b>Existing subsidy/Unit</b>
0-100units (bimonthly)	Rs 2.00 / unit	Rs.1.60/ unit
0-200 units(bimonthly)	Rs 1.75 / unit	Rs.1.30/ unit
First 200 units of 201-500 units(bimonthly)	Rs 1.50 / unit	Rs.1.00 / unit
201-500 units (bimonthly)	Rs 1.60 / unit	Rs.1.00 / unit

(ii) The Commission in its SMT Order No.9 of 2014, dated 11-12-2014 has approved total sales of 22,837 MUs and a Revenue of Rs.9,133.00 Crores for Domestic category. Hence, the subsidy payable based on the approved sales is as follows :

<b>Slab</b>	<b>Consumption ( MU)</b>	<b>No. of days</b>	<b>Per unit subsidy committed by GoTN (Rs. / unit)</b>	<b>Estimated subsidy (Rs. in Crores)</b>
<b>I. Bi-monthly Consumption upto 100 units</b>				
0-100 units (w.e.f.1-4-2014 to 11-12-2014)	3343	255	1.60	373.68
0-100 units (w.e.f.12-12-2014 to 31-03-2015)		110	2.00	201.50
<b>II. Bi-monthly Consumption above 100 units and upto 200 units</b>				
0-200 units (w.e.f.1-4-2014 to 11-12-2014)	5132	255	1.30	466.10
0-200 units (w.e.f.12-12-2014 to 31-03-2015)		110	1.75	270.66
<b>III. Bi-monthly Consumption above 200 units and upto 500 units</b>				
0-200 units (w.e.f.1-4-2014 to 11-12-2014)	5446	255	1.00	380.47
0-200 units (w.e.f.12-12-2014 to 31-03-2015)		110	1.50	246.19
201 – 500 Units (w.e.f.1.4.2014 to 11-12-	4091	255	1.00	285.81

2014)				
201 – 500 units(w.e.f.12-12-2014 to 31-03-2015)		110	1.60	197.26
<b>Total</b>	<b>18012</b>			<b>2421.67</b>

In addition to the above, the GoTN has also announced subsidy towards Fixed Charges as given below:

<b>Slab</b>	<b>No. of consumers</b>	<b>Subsidy committed by GoTN (Rs. /month/ service)</b>	<b>No. of months</b>	<b>Estimated subsidy (Rs. in Crores)</b>
<b>I. Bi-monthly Consumption upto 100 units</b> (w.e.f.12-12-2014 to 31-03-2015)	9215573	Rs.5/-	3.65	16.82
<b>II. Bi-monthly Consumption above 100 units and upto 200 units</b> (w.e.f.12-12-2014 to 31-03-2015)	4567767	Rs.5/-	3.65	8.34
<b>III. Bi-monthly Consumption above 200 units and upto 500 units</b> (w.e.f.12-12-2014 to 31-03-2015)	3895419	Rs.5/-	3.65	7.11
<b>Total</b>				<b>32.27</b>

Hence, a subsidy of **Rs.2453.94 Crores (2421.67 Crs. + 32.27Crs.)** has been approved for 2014-15 for reduction in tariff to Domestic consumers.

## II. Agricultural consumers under normal category

(a)The tariff for agricultural consumers was Rs.2500/-/HP/per annum and it was fully subsidized by GoTN. The Commission in its SMT Order No.9 of 2014, dated 11-12-2014 has revised the same to Rs.2,875/-/HP/per annum.

(b) The Commission in its SMT Order No.9 of 2014, dated 11-12-2014 has approved a total Connected load of 1,14,26,008 HP out of which 91,40,806 HP pertains to Agriculture under Normal category and the balance 22,85,202 HP pertains to Agriculture under SFS category.

(c )Therefore, the estimated subsidy in respect of Agriculture under normal category in respect of the connected load of 91,40,806 HP works out as under:

<b>Year ending</b>	<b>Revised Charges @ Rs.2875/HP/annum (Rs. in Crores) w.e.f. 12-12-2014</b>
<b><u>2014-15</u> (Estimates)</b>	
1. From 01-04-2014 to 11-12-2014	$91,40,806 \text{ HP} \times \text{Rs.}2500/\text{HP} \times \frac{255\text{days}}{365 \text{ days}} = \text{Rs.}1596.51 \text{ Crores}$
2. From 12-12-2014 to 31-03-2015 (As per SMT Order No.9 of 2014, dated 11-12-2014 w.e.f. 12-12-2014)	$91,40,806\text{HP} \times \frac{110\text{days}}{365\text{days}} \times \text{Rs.}2875/\text{HP} = \text{Rs.}791.99 \text{ Crores}$
<b>Total (for 2014-15)</b>	<b>Rs.2,388.51 Crores</b>

(d)Therefore, a subsidy of **Rs.2,388.51 Crores** for 2014-15 for agricultural consumers under normal category has been approved.

### III. Agricultural consumers under SFS category

a) The Commission in its SMT Order No.9 of 2014, dated 11-12-2014 has approved a total Connected load of 1,14,26,008 HP out of which 91,40,806 HP pertains to Agriculture under Normal category and the balance 22,85,202 HP pertains to Agriculture under SFS category.

b) Therefore, the estimated subsidy for 22,85,202 HP works out as under:

<b>2014-15 (Estimates)</b>	<b>Revised Charges @ Rs.2875/HP/annum w.e.f. 12-12-2014 (Rs. in Crores)</b>
1. From 01-04-2014 to 11-12-2014	$22,85,202\text{HP} \times \frac{255\text{days}}{365\text{days}} \times \text{Rs.}2500/\text{HP} = \text{Rs.}399.13\text{Crores}$
2. From 12-12-2014 to 31-03-2015	$22,85,202\text{HP} \times \frac{110\text{days}}{365\text{days}} \times \text{Rs.}2875/\text{HP} = \text{Rs.}198.00\text{ Crores}$
<b>Total (For 2014-15 )</b>	<b>Rs.597.13 Crores</b>

c) Therefore, a subsidy of **Rs.597.13 Crores** for 2014-15 for agricultural consumers under SFS category has been approved.

### IV. Hut consumers

(a) The Tariff for Hut consumers was Rs.125/month/service and it was fully subsidized by GoTN. The Commission in its SMT Order No.9 of 2014, dated 11-12-2014 has revised the same to Rs.145/-/month/service.

(b) GoTN vide its Letter dated 05-02-2015 has communicated its acceptance for payment of subsidy to hut consumers.

(c ) For 2014-15, the Commission in its SMT Order No.9 of 2014, dated 11-12-2014 has approved 14,99,199 hut consumers, based on which revenue has been approved for 2014-15. The estimated subsidy for 14,99,199 consumers for 2014-15 works out as under:

<b>2014-15 (Estimates)</b>	
1. From 01-04-2014 to 11-12-2014	(14,99,199no.of consumers x 8.35 month x Rs. 125/month/service ) = Rs.156.48 Crores
2. From 12-12-2014 to 31-03-2015	(14,99,199 no. of consumers x 3.65month x Rs.145/month/service)= Rs.79.34 Crores
<b>Total (For 2014-15)</b>	<b>Rs.235.82 Crores</b>

(d) Therefore, a subsidy of **Rs.235.82 Crores** for 2014-15 for Hut consumers has been approved.

#### **V. Reduction in Tariff rate to Actual Places of Public Worship**

(a) GoTN in its letter cited has communicated its acceptance for payment of subsidy of Rs.2.90/- per unit from 12-12-2014 in respect of consumption upto 120 units bimonthly against the existing subsidy of Rs.2.50/- per unit.

(b) The Commission in its SMT Order No.9 of 2014, dated 11-12-2014, has approved total sales of 36 MUs for Places of Public Worship. Hence, the subsidy payable based on the approved sales is as follows:



<b>Slab</b>	<b>Consumption (MU)</b>	<b>No. of days</b>	<b>Per unit subsidy as per GoTN (Rs./unit)</b>	<b>Estimated subsidy (Rs. Crs )</b>
0-120 units (from 01-04-2014 to 11-12-2014)	36	255	2.50	6.28
(from 12-12-2014 to 31-3-2015)	36	110	2.90	3.15
<b>Total</b>				<b>9.43</b>

(c ) Therefore, subsidy of **Rs.9.43 Crores** has been approved by the Commission for FY 2014-15 for reduction in tariff rate to actual places of public worship.

#### **VI. Reduction in tariff and Fixed Charges to Power loom consumers.**

(a) The Commission in its SMT Order No. 9 of 2014, dated 11-12-2014 has approved total sales of 881 MUs for a load of 6,59,710 KW. The corresponding value is Rs.497.43 Crores in respect of energy consumption and Rs.47.50 Crores in respect of fixed charges, totalling Rs.545 Crores. The subsidy estimated in respect of Power loom weavers are as under:

<b>Slab</b>	<b>Consumption in MU</b>	<b>No. of days</b>	<b>Subsidy payable by GoTN (Rs./unit)</b>	<b>Total Subsidy (Rs. in Crores)</b>
<b>i) Subsidy for Energy consumption by Power Loom Weavers(up to 250 units per month (or) 500 units for two months</b>				
From 1-4-2014 to 11-12-2014	165	255	4.50	51.87
From 12-12-2014 to 31-3-2015	165	110	5.20	25.86
<b>ii) Subsidy for Energy consumption by Power Loom Weavers who</b>				

<b>consume 251 units and above per month or 501 units and above for two months</b>				
0-500 units bimonthly (from 1-4-2014 to 11-12-2014)	85.92	255	4.50	27.01
From 12-12-2014 to 31-3-2015	85.92	110	5.20	13.46
501 to 1000 units bimonthly (from 1-4-2014 to 11-12-2014)	128.88	255	3.00	27.01
From 12-12-2014 to 31-3-2015	128.88	110	3.45	13.40
1001 units to 1500 units bimonthly (from 1-4-2014 to 11-12-2014)	107.40	255	2.00	15.00
From 12-12-2014 to 31-3-2015	107.40	110	2.30	7.44
1501 Units and above bimonthly (from 1-4-2014 to 11-12-2014)	393.80	255	1.00	27.51
From 12-12-2014 to 31-3-2015	393.80	110	1.15	13.65
<b>Total</b>	<b>881</b>		<b>(A)</b>	<b>222.21</b>
<b>ii) Subsidy for Fixed charges payable by Power Loom Weavers</b>				
<b>Slab</b>	<b>KW</b>	<b>month</b>	<b>Subsidy payable by GoTN</b>	<b>Total Subsidy (Rs. in Crores)</b>
0-500 units/bimonthly (from 1-4-2014 to 11-12-2014)	4,61,797kw	8.35	Rs.50/kW/month	19.28
From 12-12-2014 to 31-3-2015	4,61,797kw	3.65	Rs.60/kW/month	10.11

For consumers who consume 251 units and above per month or 501 units and above for two months (from 1-4-2014 to 11-12-2014)	197913kw	8.35	Rs.20/kw/pm	3.31
From 12-12-2014 to 31-3-2015	197913kw	3.65	Rs.25/kw/pm	1.81
			<b>Total (B)</b>	34.51
<b>Total [(A)+(B)] (For 2014-15)</b>				<b>256.73</b>

(b) Therefore, subsidy of **Rs.256.73 Crores** has been approved for 2014-15 towards reduction in energy charges and Fixed charges to powerloom consumers.

**VII. Free supply to Handloom consumers upto 100 units bimonthly**

a) Now, TANGEDCO has sought for a subsidy of Rs.7.62 Crores towards reduction in energy charges in respect of 1,21,500 consumers @ Rs.100/Service/bimonthly and Rs.0.68 Crores towards fixed charges @ Rs.10/per month/per service(from 1-4-2014 to 11-12-2014) and at Rs.115/Service/bimonthly Rs.15/Service/per month (from 12-12-2014 to 31-03-2015) in respect of 49,194 consumers, totaling Rs.8.30 Crores for FY 2014-15, which the Commission has approved.

(b) The subsidy for FY 2014-15 is as follows:

<b>Year</b>	<b>Subsidy approved by the Commission ( Rs. in Crores)</b>
2014-15 (Provisional)	8.30

(c) Hence, subsidy of **Rs.8.30 Crores** has been approved for free supply to handloom consumers upto 100 units bi-monthly for 2014-15.

### **VIII. Free supply for HT - Lift Irrigation**

(a) The tariff for this category of consumers was Rs.3.50 per unit and it was fully subsidized by GoTN. This was revised to Rs.6.35/- per unit from 12-12-2014 and the GoTN in its letter cited has communicated its acceptance for payment of subsidy of Rs.6.35 per unit from 12-12-2014.

(b) TANGEDCO has sought for a subsidy of Rs.3.32 Crores for a consumption of 7 MUs for 2014-15.

(c) The Commission in its SMT Order No.9 of 2014, dated 11-12-2014 has approved total sales of 7.2 MU for HT Lift Irrigation with a tariff of Rs. 6.35 / unit. The subsidy for the period from 1-4-2014 to 11-12-2014 is Rs.1.76 Crores at Rs.3.50 per unit and for the period from 12-12-2014 to 31-3-2015 is Rs.1.38 Crores at Rs.6.35 per unit. This tariff is fully subsidised by GoTN. Therefore, a total subsidy of Rs.3.14 Crores has been approved for FY 2014-15.

( d) The subsidy for FY 2014-15 is as follows:

<b>Year</b>	<b>Subsidy approved by the Commission ( Rs. in Crores)</b>
2014-15 (Provisional)	3.14

(e) Hence, subsidy of **Rs.3.14 Crores** has been approved for Lift Irrigation for 2014-15.

**IX Payment of additional subsidy / adjustment of excess subsidy:**

- a) The Commission has approved payment of additional subsidy / adjustment of excess subsidy after due reconciliation based on actual slab wise consumption/connected load details and other details obtained from TANGEDCO as below:

(Rs. in Crores)

Year	Tariff category	Provisional subsidy		Revised subsidy	Additional subsidy payable / Excess subsidy recoverable
		Claimed	Approved	Approved	
<b><i>Additional subsidy payable</i></b>					
2012-13	Agri SFS	392.23	392.23	410.39	18.16
2012-13	Free Supply-Power loom	155.90	117.10	140.73	23.63
2012-13	Domestic	1771.00	1767.72	1795.58	27.86
<b>(A)</b>		<b>2319.13</b>	<b>2277.05</b>	<b>2346.70</b>	<b>69.65</b>
<b><i>Excess subsidy recoverable</i></b>					
2012-13	Huts	107.00	108.24	102.24	6.00
2012-13	Agri Normal	1577.00	1577.38	1560.05	17.33
2012-13	Lift Irrigation	3.00	2.10	1.76	0.34
2012-13	Power loom (Reduction)	121.99	95.54	84.28	11.26
2012-13	Places of worship	13.50	12.12	11.22	0.90
2012-13	Handloom	14.02	9.80	7.14	2.66
<b>Total (B)</b>		<b>1836.51</b>	<b>1805.18</b>	<b>1766.69</b>	<b>38.49</b>

**Net Subsidy Payable (A-B) :**

**Rs.69.65 Crores – Rs.38.49 Crores = Rs.31.16 Crores**

(7) The provisional subsidy payable for 2014-15 by the Government will be as below:

<b>Sl. No.</b>	<b>Category of consumers</b>	<b>Subsidy to be approved by the Commission (Rs. in Crores)</b>
I	Domestic (Reduction in tariff)	2453.94
II	Agricultural consumers under normal category (Free supply )	2388.51
III	Agricultural consumers under SFS category (Free supply )	597.13
IV	Hut consumers (Free supply )	235.82
V	Actual place of public worship (Reduction in tariff)	9.43
VI	Powerloom consumers	256.73
VII	Handloom weavers (free supply)	8.30
VIII	Lift Irrigation (Free supply)	3.14
<b>IX</b>	<b>Total</b>	<b>5953.00</b>
<b>X</b>	<b>Add: Additional subsidy payable for the year 2012-13</b>	<b>31.16</b>
<b>XI</b>	<b>Total subsidy payable now by GoTN</b>	<b>5984.16</b>

(8) GoTN is advised to release the advance subsidy immediately for FY 2014-15 after adjusting the Adhoc Subsidy already released to TANGEDCO as we are in the fag end of the financial year. Further, the additional subsidy payable (due after reconciliation) for the year 2012-13 amounting to Rs.31.16 Crores may also be released.

(9) **Directives**

- i) The Government of Tamil Nadu shall provide the above subsidy immediately for the year 2014-15 to compensate the short fall in revenue to TANGEDCO consequent to the extension of free supply / reduction of tariff as per the policy direction.
- ii) The TANGEDCO shall extend free supply / collect reduced tariff as per the policy directives of the Government of Tamil Nadu.
- iii) The Government of Tamil Nadu as well the TANGEDCO will have to 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."*

- iv) The TANGEDCO shall reconcile the subsidy allowed with the actual consumption and revenue assessed for 2014-15 and to furnish the report before 30-09-2015.
- v) While furnishing the actual consumption details it should be ensured that slab wise consumption are furnished correctly.
- vi) It should be ensured that the details are furnished by the CEs uniformly in the same format.

vii) The TANGEDCO shall furnish the actual connected load of Agricultural consumers as on 01-04-2013, 01-10-2013, 01-04-2014 and 01-10-2014 by 31-03-2015.

viii) TANGEDCO shall furnish the circle wise No. of Hut consumers as on 01-04-2013, 01-10-2013, 01-04-2014 and 01-10-2014 early by 31-03-2015.

(By Order of the Commission)

**Sd/-  
Secretary  
Tamil Nadu Electricity Regulatory Commission**

To

1. The Chairman cum Managing Director, Tamil Nadu Generation & Distribution Corporation Ltd, Chennai 600 002.
2. The Principal Secretary to Government, Energy Department, Chennai 600 009.

CC: 1. The Principal Secretary to Government, Finance Department, Chennai-9.