



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

Order No.5 of 2015, dated 14-10-2015

Present : Thiru S. Akshaya Kumar, Chairman
Thiru G. Rajagopal, Member

**In the matter of : Provision of Tariff subsidy for FY2015-16
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 Hut consumers, Agricultural consumers, Domestic consumers, Actual Places of Public Worship, Powerloom Consumers, Handloom Consumers and Lift Irrigation Co-operative Societies 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) TANGEDCO in their letter dated 20-07-2015 have stated that the Government of Tamil Nadu has provided Rs.7,136.78 Crores in the Budget Estimate for FY 2015-16 towards tariff subsidy payable to TANGEDCO and the GoTN has also provisionally released tariff subsidy totalling to Rs.2,972.61 Crores so far in advance for

the FY 2015-16 based on the subsidy approved by the Commission for FY 2014-15, pending order of the Commission on the Tariff Subsidy payable for the FY 2015-16.

(3) TANGEDCO in their letter dated 20-07-2015 has requested the Commission to approve the subsidy for FY 2015-16 as under:

Sl. No.	Categories of Consumers	Subsidy (Rs. in Crores)
I	Domestic (Reduction in tariff)	3,028.06
II	Agricultural consumers under normal category (Free supply)	2,589.01
III	Agricultural consumers under SFS category (Free supply)	719.02
IV	Hut consumers (Free supply)	199.73
V	Actual Places of Public Worship (Reduction in Tariff)	15.62
VI	Powerloom Consumers	316.15
VII	Handloom weavers (Free supply)	6.66
VIII	Lift Irrigation - Co-operative Societies (Free supply)	5.08
	Total	6,879.33

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

I. Domestic Consumers

(a) The subsidy for domestic consumers claimed by TANGEDCO for 2015-16 and the subsidy approved by the Commission for 2013-14 and 2014-15 are as below respectively:

Year	Subsidy claimed by TANGEDCO (Rs. in Crores)	Subsidy approved by Commission (Rs. in Crores)
2013-14	1,727.71	1,745.37

(Reconciled)		
2014-15 (Provisional)	2,059.32	2,453.94

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

(i) The TANGEDCO has requested to allow subsidy of Rs.3,028.06 Crores for FY 2015-16 for Domestic consumers.

(ii) The tariff subsidy is projected on the following basis :

(ii-i) No subsidy is payable by the GoTN for the consumers who consume above 500 units (bi-monthly).

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

Slab	Subsidy/ Unit
0-100units (bi-monthly)	Rs. 2.00 / unit and Fixed Cost Rs.5.00/Service
0-200 units(bi-monthly)	Rs. 1.75 / unit and Fixed Cost Rs.5.00/Service
First 200 units of 201-500 units (bi-monthly)	Rs. 1.50 / unit and Fixed Cost Rs.5.00/Service
201-500 units (bi-monthly)	Rs. 1.60 / unit and Fixed Cost Rs.5.00/Service

(c) True up of subsidy of 2013-14 : A provisional subsidy of Rs. 1,888.13 Crores was sanctioned for TANGEDCO for FY 2013-14 vide the Commission's Order No. T.O. 2 dated 24-07-2013. Subsequently, TANGEDCO in their revised submissions have furnished slab-wise consumption and reconciliation statements for FY 2013-14 and claimed a revised subsidy of Rs.1,745.37 Crores.

The Commission has since approved the same and the balance subsidy of Rs.142.76 Crores for FY 2013-14 is to be recovered while providing the Provisional Subsidy for FY 2015-16.

(d) The tariff subsidy payable by the Government of Tamil Nadu for the FY 2015 -16 has been calculated by TANGEDCO based on the estimated energy consumption for the year 2015-16 with 8.33% growth on annual consumption and 5.26% growth on the No. of consumers over FY 2014-15.

Hence, the subsidy payable based on the above sales is as follows :

Slab	Consumption (in MU/ No. of services)	Subsidy per unit payable by the Government (Rs./unit)	Estimated tariff subsidy (Rs. in Crs.)
I. Bi-Monthly Consumption upto 100 units			
0-100 units	2,286	2.00	457.22
Fixed Charges	81,56,225	Rs.5 per month / service	48.94
II. Bi-Monthly Consumption above 100 units and upto 200 units			
0-200 units	5,097	1.75	892.05
Fixed Charges	57,49,229	Rs.5 per month / service	34.50
III. Bi-Monthly Consumption above 200 units and upto 500 units			
0-200 units	6,370	1.50	955.46
200-500 units	3,806	1.60	608.94
Fixed Charges	51,57,841	Rs.5 per month / service	30.95
IV. Bi-Monthly Consumption above 500 units			
0-200 units	953	Nil	Nil
200-500 units	1,430	Nil	Nil
Above 500 units	3,880	Nil	Nil
Total	23,822 MU		3,028.06

Hence, a subsidy of **Rs.3,028.06 Crores** is provisionally approved for 2015-16 for reduction in tariff to Domestic consumers.

II. Agricultural consumers under normal category

(a) True up of subsidy for FY 2013-14 : The Commission had approved a provisional subsidy of Rs.2,084.42 Crores for FY 2013-14. TANGEDCO has subsequently submitted the actual load details as 89,61,219 HP for reconciling the subsidy for FY 2013-14. Therefore, the Commission approved a subsidy of Rs.2,091.15 Crores for 2013-14 at the rate of Rs.1750/HP/annum (From 01-04-2013 to 20-06-2013) and Rs.2500/HP/annum (From 21-06-2013 to 31-03-2014) and the balance subsidy of Rs.6.73 Crores is to be provided while providing the Provisional Subsidy for FY 2015-16.

(b) TANGEDCO has estimated the connected load for FY 2015-16 at 90,05,248 HP. Therefore, the estimated subsidy for 90,05,248 HP for FY 2015-16 works out as under:

Year ending	Subsidy
2013-14 (Reconciled) From 01-04-2013 to 20-06-2013	$89,61,219\text{HP} \times \frac{81}{365} \times 1750$ = Rs.348.01 Crs.
From 21-06-2013 to 31-03-2014	$89,61,219\text{HP} \times \frac{284}{365} \times 2500$ = Rs.1743.14 Crs
Total (for 2013-14)	Rs.2091.15 Crs.
2014-15 (Estimates)	
From 01-04-2014 to 11-12-2014	$91,40,806\text{HP} \times \frac{255}{365} \times 2500$ = Rs.1,596.51 Crs.
From 12-12-2014 to 31-03-2015 (As per SMT Order No.9 of 2014 dt. 11-12-2014 (w.e.f. 12-12-2014)	$91,40,806\text{HP} \times \frac{110}{365} \times 2875$ = Rs.791.99 Crs.
Total (for 2014-15)	Rs.2,388.51 Crores
2015-16 (Provisional)	$90,05,248\text{HP} \times 2875$ = Rs.2,589.01 Crs.

(c) Therefore, a subsidy of **Rs.2,589.01 Crs.** for FY 2015-16 for agricultural consumers under normal category is approved.

III. Agricultural consumers under SFS category

a) True up of subsidy of 2013-14 : The Commission had approved a provisional subsidy of Rs.556.48 Crores for 2013-14. TANGEDCO has subsequently submitted the actual load details as 23,81,163 HP for reconciling the subsidy for FY 2013-14. Therefore, the Commission approved a subsidy of Rs.555.66 Crores for 2013-14 and ordered recovery of Rs.0.82 Crores from TANGEDCO while providing subsidy for FY 2015-16.

b) TANGEDCO has estimated the connected load for FY 2015-16 at 25,00,936 HP. Therefore, the estimated subsidy for 25,00,936 HP works out as under:

Year ending	Subsidy
2013-14 (Reconciled)	Rs.555.66 Crs.
2014-15 (Estimates)	Rs.597.13 Crs.
FY 2015-16 (Provisional)	25,00,936HP x 2,875 = Rs.719.02 Crs.

c) Therefore, a subsidy of **Rs.719.02 Crores** for FY 2015-16 for agricultural consumers under SFS category is provisionally approved.

IV. Hut consumers

a) True up of subsidy of 2013-14 : The Commission had approved a provisional subsidy of Rs. 196.15 Crores for 2013-14. Subsequently, the TANGEDCO furnished the actual number of Hut consumers as 11,82,835 for 2013-14. Based on this, the Commission approved a subsidy of Rs.156.95 Crores and ordered that the excess subsidy of Rs.39.20 Crores to be recovered while releasing the provisional subsidy of FY 2015-16.

b) Based on the actual no. of hut consumers as on 31.03.2015, the no. of consumers for the FY 2015-16 has been estimated as 11,47,898. The estimated subsidy for 11,47,898 consumers for 2015-16 works out as under:

Year ending	Subsidy
2013-14 (Reconciled)	Rs.156.95 Crores
2014-15 (Estimates)	Rs.235.82 Crores
2015-14 (Provisional)	11,47,898 x 145 x 12 = Rs.199.73 Crs.

c) Therefore, a subsidy of **Rs.199.73 Crores** for FY 2015-16 for Hut consumers is provisionally approved.

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

a) True up of subsidy of 2013-14 : The TANGEDCO has furnished actual consumption and reconciliation statements and claimed a revised subsidy of Rs.11.89 Crores for 2013-14 as against the provisional subsidy of Rs.9.75 Crores. The Commission has approved the reconciled subsidy and ordered payment of balance subsidy of Rs.2.14 Crores while releasing the provisional subsidy for FY 2015-16.

b) The tariff subsidy payable by the Government for the FY 2015 -16 has been calculated on the estimated energy consumption for the year 2015-16 with 3.20% growth on annual consumption and 6.29% growth on the No. of consumers over the previous year. TANGEDCO has now claimed a subsidy of Rs.15.62 Crores as under:

Slab	Consumption in MU	Subsidy payable by the Government (Rs./unit)	Estimated tariff subsidy (Rs. in Crs.)
I. Bi-Monthly Consumption upto 120 units			
0-120 units	28	2.90	8.14

II. Bi-Monthly Consumption above 120 units			
First 120 Units	26	2.90	7.48
Above 120 units	64	Nil	Nil
Total	118		15.62

c) Summarization of subsidy is as follows:

Year	Subsidy approved by Commission (Rs. in Crores)
2013-14 (Reconciled)	11.89
2014-15 (Estimates)	9.43
FY 2015-16 (Provisional)	15.62

d) Therefore, subsidy of **Rs.15.62 Crores** is approved for FY 2015-16 for reduction in tariff rate to actual places of public worship.

VI. Reduction in tariff and Fixed Charges to powerloom consumers

a) True up of subsidy of 2013-14 : For FY 2013-14, the Commission has provisionally approved a subsidy of Rs.208.45 Crs. towards extension of free supply and Rs.29.93 Crs. towards the reduction in fixed charges. However, on reconciliation, the amount of subsidy was increased to Rs.214.90 Crs. in respect of extension of free supply and Rs.19.30 Crs. towards the reduction in fixed charges. Hence, the Commission has ordered payment of excess subsidy of Rs. 6.45 Crores in respect of extension of free supply and recovery of Rs. 10.63 Crores in respect of the reduction in fixed charges, while releasing the provisional subsidy for FY 2015-16.

b) The tariff subsidy payable by the Government for the FY 2015-16 has been calculated on the estimated energy consumption for the year 2015-16 with annual growth rate of

3.73%, 3.53% and 4.38% on No. of Consumers, Connected Load and Consumption Units respectively over the previous year.

c) Now, TANGEDCO has sought for a subsidy of Rs.316.15 Crs. for FY 2015-16 towards as under:

Slab	Consumption in MU/ No. of services	Subsidy payable by the Government (Rs./unit)	Estimated tariff subsidy (Rs. in Crs.)
I. Consumption upto 500 units for two months			
0-500 units	106	5.20	54.92
Fixed Charges	2,20,002	Rs.60 per KW/month	15.84
II. Consumption above 500 units for two months			
First 500 units	216	5.20	112.34
501-1000 units	154	3.45	53.13
1001-1500 units	108	2.30	24.95
1501 & above units	382	1.15	43.92
Fixed Charges	3,68,433	Rs.25 per KW/month	11.05
Total	966		316.15

d) Summarization of subsidy is as follows:

Year	Subsidy approved by Commission
2013-14 (Reconciled)	Rs.214.90 Crs. (subsidy in energy charges) Rs.19.30 Crs. (reduction in fixed charges)
2014-15 (Estimates)	Rs.222.21 Crs.(subsidy in energy charges) Rs.34.51 Crs. (reduction in fixed charges)
FY2015-16 (Provisional)	Rs.289.26 Crs. (Reduction in energy charges & free supply) Rs. 26.89 (Fixed charges) Total Rs. 316.15 Crs.

e) Therefore, subsidy of **Rs. 316.15 Crs.** is provisionally

approved for FY 2015 -16 towards free supply and reduction in tariff and Fixed charges to powerloom consumers.

VII. Free supply to Handloom consumers upto 100 units bi-monthly

a) True up of subsidy of 2013-14 : The subsidy approved by the Commission for 2013-14 was Rs.10.03 Crs. based on the estimated consumption of this category of consumers. Subsequently, based on the actual consumption of handloom consumers, the subsidy for FY 2013-14 has been reconciled at Rs.6.71 Crores. Hence, the Commission has ordered recovery of Rs.3.32 Crores from TANGEDCO while providing for the subsidy of FY 2015-16.

b) For 2014-15, the Commission had provisionally approved subsidy of Rs.8.30 Crores.

c) Now, TANGEDCO has sought for a subsidy of Rs.6.14 Crores towards subsidy for energy consumption in respect of 1,02,278 consumers @ Rs.100/Service/Bi-monthly and Rs.0.52 Crores towards fixed charges @ Rs.10/Service/month in respect of 42,982 consumers, totalling Rs.6.66 Crs. for FY 2015-16.

d) Summarization of subsidy is as follows:

Year	Subsidy approved by the Commission (Rs. in Crores)
2013-14 (Reconciled)	6.71
2014-15 (Estimates)	8.30
FY 2015-16 (Provisional)	6.66

e) Subsidy of **Rs.6.66 Crores** is provisionally approved for free supply to handloom consumers' upto 100 units bi-monthly for FY 2015-16.

VIII. Free supply for HT - Lift Irrigation Co-operative Societies

a) True up of subsidy of 2013-14 : The Commission has approved the subsidy for 2013-14 at Rs.1.75 Crores. Subsequently, TANGEDCO submitted the actual consumption for FY 2013-14 as 5.79 MUs, based on which the Commission approved a total subsidy of Rs.2.03 Crores. Therefore, the Commission has ordered payment of the balance subsidy of Rs.0.28 Crores while releasing the provisional subsidy for FY 2015-16.

b) Now, TANGEDCO has sought for a subsidy of Rs.5.08 Crores for a consumption of 8 MUs for FY 2015-16. The subsidy workings are as under:

$$8 \text{ MU} \times \text{Rs.6.35/kwh} = \text{Rs.5.08 Crores}$$

c) Summarization of subsidy is as follows :

Year	Subsidy approved by the Commission (Rs. in Crores)
2013-14 (Reconciled)	2.03
2014-15 (Estimates)	3.14
FY 2015-16 (Provisional)	5.08

d) Hence, subsidy of **Rs.5.08 Crores** is provisionally approved for Lift Irrigation Co-operative Societies for FY 2015-16.

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

a) The TANGEDCO has filed details of actual consumption and other load details for 2013-14. 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	
Additional subsidy payable					
2013-14	Agri. Normal	2267.56	2084.42	2,091.15	6.73
2013-14	Places of worship	27.25	9.75	11.89	2.14
2013-14	Powerloom (Energy Charges)	294.19	208.45	214.90	6.45
2013-14	Lift Irrigation	2.45	1.75	2.03	0.28
(A)		2591.45	2304.37	2319.97	15.60
Excess subsidy recoverable					
2013-14	Domestic (Reduction)	1727.71	1888.13	1745.37	142.76
2013-14	Agri. SFS	596.17	556.48	555.66	0.82
2013-14	Huts	219.73	196.15	156.95	39.20
2013-14	Powerloom (Fixed Charges)	25.25	29.93	19.30	10.63
2013-14	Handloom	10.03	10.03	6.71	3.32
Total (B)		2578.89	2680.72	2483.99	196.73

Net Subsidy Recoverable (B-A) : Rs.196.73 Crores – Rs.15.60 Crores = Rs.181.13 Crores

(b) The subsidy payable for FY 2015-16 by the Government of Tamil Nadu will be as below:

Sl. No.	Category of consumers	Approved by the Commission (Rs. in Crores)
I	Domestic (Reduction in tariff)	3,028.06
II	Agricultural consumers under normal category (Free supply)	2,589.01
III	Agricultural consumers under SFS category (Free supply)	719.02
IV	Hut consumers (Free supply)	199.73
V	Actual place of public worship (Reduction in tariff)	15.62
VI	Powerloom consumers	316.15
VII	Handloom weavers (free supply)	6.66
VIII	Lift Irrigation Co-operative Societies (Free supply)	5.08
IX	Total	6879.33
X	Less : Excess Subsidy Recoverable for 2013-14	(-)181.13
XI	Net Amount Payable by the GoTN	6698.20

(c) TANGEDCO has filed details of actual consumption and other load details for 2013-14 and reconciled the same against provisional subsidy sanctioned for 2013-14. The payment of additional subsidy / recovery of excess subsidy paid is made in this provisional subsidy order for 2013-14 in Clause IX (a) of this Order.

(d) As regards reconciliation of subsidy for 2014-15, TANGEDCO is yet to submit the actual details of energy and other load details. As and when it is submitted, this will be reconciled and appropriate action for payment of additional subsidy / recovery of excess subsidy will be initiated.

(e) GoTN is advised to release the advance subsidy as follows:

Sl. No.	Category	Schedule of payment
I	Domestic	Monthly
II, III & VIII	Agriculture & Lift Irrigation	Half yearly
IV	Hut	Half yearly
V	Places of public worship	Quarterly
VI	Powerloom consumers	Half yearly
VII	Handloom weavers	Half yearly

(5) **Directives**

- i) The Government of Tamil Nadu shall provide the above subsidy in advance in the manner specified in the annexure to this order for the year 2015-16 to compensate the shortfall 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 immediately.
- v) While furnishing the actual consumption details, it should be ensured that slab-wise consumption is furnished correctly.
- vi) It should be ensured that the details are furnished by the Chief Engineers uniformly in the same format.
- vii) The TANGEDCO shall furnish the actual connected load of Agricultural consumers as on 01-04-2015 immediately and the connected load as on 01-10-2015 before 31-12-2015.
- viii) TANGEDCO shall furnish the circle-wise No. of Hut consumers as on 01-04-2015 immediately and number of consumers as on 01-10-2015 before 31-12-2015.

(By Order of the Commission)

Sd/-
Secretary
Tamil Nadu Electricity Regulatory Commission

Encl.: Annexure

To

1. The CMD, 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.

Annexure**Subsidy Payable by Government for FY 2015-16**

Sl. No.	Category	Subsidy period	Subsidy Rs. in Crores.	Payable on or before
1	Domestic	01-04-2015 to 30-09-2015	1514.03	Immediate
2	Agriculture - Normal Category	01-04-2015 to 30-09-2015	1294.51	Immediate
3	Agriculture - SFS Category	01-04-2015 to 30-09-2015	359.51	Immediate
4	Lift Irrigation Co-operative societies	01-04-2015 to 30-09-2015	2.54	Immediate
5	Hut	01-04-2015 to 30-09-2015	99.87	Immediate
6	Actual places of Public worship	01-04-2015 to 30-09-2015	7.81	Immediate
7	Powerloom	01-04-2015 to 30-09-2015	158.08	Immediate
8	Handloom	01-04-2015 to 30-09-2015	3.33	Immediate
9	Excess subsidy recoverable relating to FY 2013-14 as in clause (IX a) of this Order		(-)181.13	Immediate
10	Domestic	October 2015	252.34	Immediate
11	Actual place of public worship	01-10-2015 to 31-12-2015	3.91	Immediate
12	Agriculture - Normal	01-10-2015 to 31-03-2016	1294.50	Immediate
13	Agriculture - SFS Category	01-10-2015 to 31-03-2016	359.51	Immediate
14	Lift Irrigation Co-operative Societies	01-10-2015 to 31-03-2016	2.54	Immediate
15	Hut	01-10-2015 to 31-03-2016	99.86	Immediate
16	Powerloom	01-10-2015 to 31-03-2016	158.07	Immediate
17	Handloom	01-10-2015 to	3.33	Immediate

Sl. No.	Category	Subsidy period	Subsidy Rs. in Crores.	Payable on or before
		31-03-2016		
18	Domestic	November 2015	252.34	31-10-2015
19	Domestic	December 2015	252.34	30-11-2015
20	Domestic	January 2016	252.34	31-12-2015
21	Actual Places of public worship	01-01-2016 to 31-03-2016	3.90	31-12-2015
22	Domestic	February 2016	252.34	31-01-2016
23	Domestic	March 2016	252.33	29-02-2016
	TOTAL		6698.20	