



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

Order No.5 of 2017, dated 06-11-2017

Present : Thiru S. Akshaya Kumar, Chairman
Thiru G. Rajagopal, Member
Dr. T. Prabhakara Rao, Member

**In the matter of : Provision of Tariff subsidy for FY 2017-18
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 25-09-2017 stated that the Government of Tamil Nadu has provided Rs.8,538.138 Crores in the Budget Estimate for FY 2017-18 towards tariff subsidy payable to TANGEDCO. The

Government has also provisionally released tariff subsidy totaling to Rs.4,240.71 Crores so far in advance for the FY 2017-18 based on the subsidy approved by the Commission for FY 2016-17, pending order of the Commission on the Tariff Subsidy payable for the FY 2017-18.

(3) Further, TANGEDCO has also stated that the Government of Tamil Nadu, vide G.O.(Ms.) No.36/Energy (A1) Dept., dated 23-05-2016, GoTN Lr. (Ms.) No.37/ Energy (A1) Dept., dated 23-05-2016 and G.O.(Ms)No.102/Handloom, Handicraft, Textiles and Khadi (D2) Department, dated 23-05-2016 has issued policy directives to Tamil Nadu Electricity Regulatory Commission for provision of free electricity of 100 units bimonthly to all domestic consumers in all slabs, for provision of free electricity of 200 units bimonthly to all handloom consumers and for provision of free electricity of 750 units bimonthly to all powerloom consumers from 23-05-2016. GoTN has issued commitment letters for the provision of tariff subsidy for the same to compensate the revenue shortfall due to those policy directives.

(4) In order to compensate the above free supply / reduction in rate stated in para 3, the Government of Tamil Nadu in its Budget Estimate has provided a sum of Rs.8,538.138 Crores for the FY 2017-18 for provision of free electricity to Domestic, Powerloom and Handloom Consumers towards tariff subsidy payable to TANGEDCO.

(5) TANGEDCO in its letter dated 25-09-2017 has requested the Commission to approve the subsidy for FY 2017-18 as under:

Sr. No.	Categories of Consumers	Subsidy (Rs. in Crores)
1	Domestic (Free supply/Reduction in tariff)	3686.97
2	Agricultural consumers under normal category (Free supply)	2677.30
3	Agricultural consumers under SFS category (Free supply)	754.16
4	Hut consumers (Free supply)	196.70
5	Actual Place of Public Worship (Reduction in tariff)	16.74
6	Power loom weavers (Free Supply / Reduction in tariff)	381.74
7	Hand Loom Weavers (Free supply)	5.61
8	Lift Irrigation Co-operative Societies (Free supply)	5.08
	Total	7724.30

(6) The Tariff subsidy payable by GoTN to TANGEDCO for different category of consumers is detailed below:

I. Domestic Consumers

a) The subsidy for domestic consumers claimed by TANGEDCO for FY 2017-18 is Rs.3,686.97 Crores and the subsidy approved by the Commission for FY 2015-16 and FY 2016-17 are as below respectively:

Year	Subsidy approved by Commission (Rs. in Crores)
2015-16 (Reconciled)	2,964.37
2016-17 (Provisional)	4,563.90

b) In this context, the Commission considered the following facts while determining the Subsidy payable by GoTN:

- (i) The TANGEDCO has requested to allow subsidy of Rs.3686.97 Crores for FY 2017-18 for Domestic consumers.
- (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 – 100 units (bimonthly)	Rs.2.00 / unit and Fixed Charges Rs.5.00/Service.
0 – 200 units (bimonthly)	Rs.1.75/unit and Fixed Charges Rs.5.00/Service
First 200 units of 201 – 500 units (bimonthly)	Rs.1.50/unit and Fixed Charges of Rs.5.00/Service
201 – 500 units (bimonthly)	Rs.1.60/unit and Fixed Charges Rs.5.00/Service/.

- (iii) Further, GoTN in Government's letter, Letter No. (Ms) No.37, dated 23-05-2016 of Energy (A1) Department, GoTN has provided free electricity of 100 units bimonthly to all domestic consumers in all slabs in the existing assessment system and issued a commitment letter for providing tariff subsidy.

c) The details of approved tariff, subsidy payable by the Government as per above revised directive and the tariff payable by consumers with effect from 11-08-2017 (date of last tariff order) in respect of Domestic consumers are as follows:

Tariff for LT Tariff I-A - Domestic Category:

Consumption slabs – Range in kWh (units) and billing period (one or two months)	Approved Tariff Rate		Subsidy payable by GoTN		Payable by consumer	
	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
a) For consumers who consume up to 50 units per month (or) 100 units for two months						
From 0 to 50 units per month (or) 0 to 100 units for two months	Rs.15 / month / service	250 paise / kWh	Rs.15 / month / service	250 paise / kWh	Nil	Nil
b) For consumers who consume from 51 units to 100 units per month (or) 101 to 200 units for two months						
From 0 to 50 units per month (or) 0 to 100 units for two months	Rs.15 / month / service	250 paise / kWh	Rs.5 / month / service	250 paise / kWh	Rs.10 / month / service	Nil
From 51 to 100 units per month (or) 101 to 200 units for two months.		250 paise / kWh		100 paise / kWh		150 paise / kWh
c) For consumers who consume from 101 units to 250 units per month (or) 201 to 500 units for two months						
From 0 to 50 units per month (or) 0 to 100 units for two months	Rs.20/ month / service	250 paise / kWh	Rs.5 / month / service	250 paise / kWh	Rs.15/ month / service	Nil

From 51 to 100 units per month (or) 101 to 200 units for two months.		250 paise / kWh		50 paise / kWh		200 paise / kWh
From 101 to 250 units per month (or) 201 units to 500 units for two months		300 paise / kWh		Nil		300 paise / kWh
d) For consumers who consume 251 units and above per month (or) 501 units and above per month						
From 0 to 50 units per month (or) 0 to 100 units for two months		250 paise / kWh		250 paise / kWh		Nil
From 51 to 100 units per month (or) 101 to 200 units for two months.	Rs.25/ month / service	350 paise / kWh	Nil	Nil	Rs.25/ month / service	350 paise / kWh
From 101 to 250 units per month (or) 201 to 500 units for two months		460 paise / kWh		Nil		460 paise / kWh
From 251 units and above per month (or) 501 units and above for two months		660 paise / kWh		Nil		660 paise / kWh

d) **True-up of subsidy of 2015-16:** A provisional subsidy of Rs.3,028.06 Crores was sanctioned for TANGEDCO for FY 2015-16 vide Commission's Order No. 5 of 2015, dated 14-10-2015. Subsequently, TANGEDCO submitted their actual slab-wise consumption and reconciliation statements for FY 2015-16 and claimed a revised subsidy of Rs.2,964.37 Crores. The Commission has approved the same and the balance subsidy of

Rs.63.69 Crores for FY 2015-16 is to be recovered while providing the Provisional Subsidy for FY 2017-18.

e) The tariff subsidy payable by the Government for the FY 2017 -18 has been calculated by TANGEDCO on the estimated energy consumption for the year 2016-17 with 0.11% growth on the Average No. of consumers and 6.83% growth on annual consumption over the previous year.

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

Slab	Consumption (in MU)/ No. of services (in lakhs)	Subsidy payable by the Government	Estimated tariff subsidy (Rs. in Crs.)
I. Bi-Monthly Consumption upto 100 units			
From 01.04.2017 to 10.08.2017			
0-100 units	928	Rs.3.00/unit	278.39
Fixed Charges	79.62	Rs.15/month/service	51.83
From 11.08.2017 to 31.03.2018			
0-100 units	1638	Rs.2.50/unit	409.51
Fixed Charges	79.62	Rs.15/month/service	91.49
Sub Total	2566/79.60		831.21
II. Bi-Monthly Consumption above 100 units and upto 200 units			
From 01.04.2017 to 10.08.2017			
0-100 units	1215	Rs.3.25/unit	394.92
101-200 units	855	Rs.1.75/unit	149.55
Fixed Charges	56.00	Rs.5/month/service	12.15
From 11.08.2017 to 31.03.2018			
0-100 units	2145	Rs.2.50/unit	536.22
101-200 units	1508	Rs.1.00/unit	150.84
Fixed Charges	56.00	Rs.5/month/service	21.45

Sub Total	5723/56.00		1265.13
III. Bi-Monthly Consumption above 200 units and upto 500 units			
From 01.04.2017 to 10.08.2017			
0-100 units	1087	Rs.3.50/unit	380.56
101-200 units	1087	Rs.1.50/unit	163.10
201-500 units	1958	Rs.1.60/unit	313.20
Fixed Charges	50.11	Rs.5/month/service	10.87
From 11.08.2017 to 31.03.2018			
0-100 units	1919	Rs.2.50/unit	479.82
101-200 units	1919	Rs.0.50/unit	95.96
201-500 units	3455	0.00	0.00
Fixed Charges	50.11	Rs.5/month/service	19.19
Sub Total	11426/50.11		1462.71
IV. Bi-Monthly Consumption above 500 units			
From 01.04.2017 to 10.08.2017			
0-100 units	162	Rs.3.50/unit	56.58
101-200 units	162	0.00	0.00
201-500 units	485	0.00	0.00
Above 500 units	1597	0.00	0.00
Fixed Charges	7.45	0.00	0.00
From 11.08.2017 to 31.03.2018			
0-100 units	285	Rs.2.50/unit	71.34
101-200 units	285	0.00	0.00
201-500 units	856	0.00	0.00
Above 500 units	2820	0.00	0.00
Fixed Charges	7.45	0.00	0.00
Sub Total	6652/7.45		127.92
Grand Total	26367/193.18		3686.97

Hence, a subsidy of Rs.3686.97 Crores is provisionally approved for FY 2017-18 for reduction in tariff to Domestic Consumers based on the above commitment letters of GoTN.

II. Agricultural consumers under normal category:

(a) True up of subsidy for FY 2015-16: The Commission has approved a provisional subsidy of Rs.2,589.01 Crores for FY 2015-16. TANGEDCO has subsequently submitted the actual load details as 89,46,257 HP for reconciling the subsidy for FY 2015-16. Therefore, the Commission approved a subsidy of Rs.2,572.05 Crores for FY 2015-16 at the rate of Rs.2,875/HP/per annum. Hence, the excess subsidy of Rs.16.96 Crores paid has to be adjusted against the Provisional Subsidy for FY 2017-18.

Agriculture – Normal :

Year	Subsidy approved by Commission (Rs. in Crores)
2015-16 (Reconciled)	2,572.05
2016-17 (Provisional)	2,618.17

(b) TANGEDCO has estimated the connected load for FY 2017-18 at 93,12,358 HP. Therefore the estimated subsidy for 93,12,358 HP for FY 2017-18 works out as under:

Connected Load (in HP)	Subsidy payable by the Government	Estimated Subsidy (Rs. in Crs.)
93,12,358	Rs.2875/HP/ Annum	2,677.30
	Total	2,677.30

(c) Therefore, a subsidy of Rs. 2,677.30 Crores for FY 2017-18 in respect of agricultural consumers under normal category is provisionally approved.

III. Agricultural consumers under SFS category:

(a) True up of subsidy of FY 2015-16 : The Commission had approved a provisional subsidy of Rs.719.02 Crores for FY 2015-16. TANGEDCO has subsequently submitted the actual load details as 24,35,104 HP for reconciling the subsidy for FY 2015-16. Therefore, the Commission approved a subsidy of Rs.700.09 Crores for 2015-16 and the excess subsidy of Rs.18.93 Crores paid has to be adjusted against the Provisional Subsidy for FY 2017-18.

(b) TANGEDCO has estimated the connected load for FY 2017-18 at 26,23,178 HP. Therefore, the estimated subsidy for 26,23,178 HP works out as under:

Connected Load (in HP)	Subsidy payable by the Government (Rs./HP)	Estimated Subsidy (Rs. in Crs.)
26,23,178	Rs.2875/HP/ Annum	754.16
	Total	754.16

Therefore, a subsidy of Rs.754.16 Crores for FY 2017-18 for agricultural consumers under SFS category is provisionally approved.

IV. Hut Consumers

a) True up of subsidy of FY 2015-16: The Commission had approved a provisional subsidy of Rs.199.73 Crores for FY 2015-16.

Subsequently, the TANGEDCO furnished the average number of Hut consumers for FY 2015-16 as 11,40,937 nos.

Based on this, the Commission approved a subsidy of Rs.198.52 Crores and ordered recovery of Rs.1.21 Crores while releasing the provisional subsidy for FY 2017-18.

b) The details of approved tariff, subsidy payable by the Government and the tariff payable by consumers in respect of Hut consumers are as under:

Description	TNERC approved New Tariff Rate		Subsidy payable by GoTN		Tariff Rate payable by Consumer	
	Fixed Charges (Rupees /Service / Month)	Energy Charges (Paise / kWh)	Fixed Charges (Rupees /Service /Month)	Energy Charges (Paise / kWh)	Fixed Charges (Rs./ month)	Energy Charges (paise / kWh)
Till installation of Energy Meters	145	Nil	Rs.145 /Service/ Month	Nil	Nil	Nil
On installation of Energy Meters	Nil	495	Nil	495 paise / KWh	Nil	Nil

c) Based on the actual number of hut consumers as on 31-03-2017, the no. of hut consumers for FY 2017-18 has been estimated as 11,30,482 nos.

No. of consumers	Subsidy payable by the Government (Rs./Service/Month)	Estimated Subsidy (Rs. in Crs.)
11,30,482	Rs.145/Month/Service	196.70
	Total	196.70

d) The subsidy for the FY 2015-16 to FY 2017-18 is as follows:

Year ending	Subsidy
2015-16 (Reconciled)	Rs. 198.52 Crores
2016-17 (Estimates)	Rs. 198.28 Crores
2017-18 (Provisional)	Rs. 196.70 Crores

e) Therefore, a subsidy of Rs.196.70 Crores for FY 2017-18 in respect of Hut consumers is provisionally approved.

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

a) True up of subsidy of FY 2015-16: The Commission had approved a provisional subsidy of Rs.15.62 Crores. Subsequently, the TANGEDCO furnished the actual consumption units details of Actual Places of Public Worship consumers for FY 2015-16 as 12,26,58,785 units and claimed the actual subsidy of Rs.15.20 Crores for FY 2015-16. The final subsidy determined by the Commission is Rs.15.20 Crores. The Commission has approved the reconciled subsidy and ordered recovery of balance subsidy of Rs.0.42 Crores while releasing the provisional subsidy for FY 2017-18.

b) The tariff subsidy payable by the Government for the FY 2017-18 has been calculated on the estimated energy consumption for the year 2016-17 with 3.41 growth on the average number of consumers and 8.28% growth on annual consumption over the previous year. TANGEDCO has now claimed a subsidy of Rs.16.74 Crores.

c) The details of approved tariff, subsidy payable by the Government and the tariff payable by the consumers in respect of Actual Places of Public Worship are as under:

Description	TNERC approved New Tariff Rate		Subsidy payable by GoTN		Tariff Rate payable by Consumer	
	Fixed Charges (Rs./kW /month)	Energy Charges (paise / KWh)	Fixed Charges (Rs./kW /month)	Energy Charges (paise / KWh)	Fixed Charges (Rs./kW /month)	Energy Charges (paise / KWh)
0 to 120 units for two months	60	575	Nil	290	60	285
Above 120 units for two months		575		Nil		575

d) The subsidy estimated for FY 2017-18 is as follows:

Slab	Consumption (in MU)	Subsidy payable by the Government (Rs./unit)	Estimated tariff subsidy (Rs. in Crs.)
<i>I. Bi-Monthly Consumption upto 120 units</i>			
0-120 units	35	2.90	10.15
<i>II. Bi-Monthly Consumption above 120 units</i>			
First 120 Units	23	2.90	6.59
Above 120 units	82	Nil	Nil
Total	140		16.74

e) Summarization of subsidy is as follows:

Year	Subsidy approved by Commission
2015-16 (Reconciled)	Rs.15.20 Crores
2016-17 (Estimates)	Rs.16.55 Crores
2017-18 (Provisional)	Rs.16.74 Crores

f) Therefore, subsidy of Rs.16.74 Crores is approved for FY 2017-18 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 for FY 2015-16:

i) Extension of free supply to power loom consumers:

For FY 2015-16, Commission has provisionally approved a subsidy of Rs.289.26 Crores towards extension of free supply to power loom consumers. However, on reconciliation, the amount of subsidy determined is Rs.295.86 Crores. Hence, the Commission has ordered payment of Rs.6.60 Crores while releasing the provisional subsidy for FY 2017-18.

ii) Reduction in fixed charges to power loom consumers:

For FY 2015-16, Commission has provisionally approved a subsidy of Rs.26.89 Crores towards reduction in fixed charges to power loom consumers. However, on reconciliation, the amount of subsidy determined is Rs.25.64 Crores. Hence, the Commission has ordered recovery of Rs.1.25 Crores while releasing the provisional subsidy for FY 2017-18.

b) The tariff subsidy payable by the Government for the FY 2017-18 has been calculated on the estimated energy consumption for the year 2016-17 with an annual growth rate of 1.36%, -3.48% and 17.78% on No. of Consumers, Connected Load and Consumption Units respectively over the previous year.

c) The details of approved tariff, subsidy payable by the Government and the tariff payable by consumers in respect of Powerloom consumers are as follows:

Consumption slabs – Range in KWH (units) and billing period two months	TNERC approved Tariff Rate		Subsidy payable by GoTN		Tariff payable by consumer	
	Fixed Charges (Rs. / KW / month)	Energy Charges (paise / KWh)	Fixed Charges (Rs. / KW / month)	Energy Charges (paise / KWh)	Fixed Charges (Rs. / KW / month)	Energy Charges (paise / KWh)
a) For consumers who consume up to 500 units for two months						
0 to 500 units for two months	Rs.60 per KW/ month	520	Rs.60 per KW/ month	520	Nil	Nil
b) For consumers who consume 501 units and above for two months						
First 500 units	Rs.60 per KW/ month	520	Rs.60 per KW/ month	520	Nil	Nil
501 units to 750 units		575		575		Nil
751 units to 1000 units		575	Rs.25 per KW/ month	345	Rs.35 per KW/ month	230
1001 units to 1500 units		575		230		345
1501 units and above		575		115		460

d) Now, TANGEDCO has sought a tariff subsidy of Rs.381.74 Crores for FY 2017-18 as under:

Slab	Consumption (in MU)/ Connected load (in kW)	Subsidy payable by the Government (Rs./unit)	Estimated tariff subsidy (Rs. in Crs.)
I. Consumption upto 500 units for two months			
0-500 units	137 MU	5.20	71.24
Fixed Charges	2,17,304 kW	Rs.60 per KW/month	15.65
II. Consumption above 500 units and upto 750 units for two months			
First 500 units	14.40 MU	5.20	7.49

501-750 units	7.20 MU	5.75	4.14
Fixed Charges	17,280 kW	Rs.60 per KW/month	1.24
III. Consumption above 750 units for two months			
First 500 units	192.96 MU	5.20	100.34
501-750 units	96.48 MU	5.75	55.48
751-1000 units	96.28 MU	3.45	33.22
1001-1500 units	129.20 MU	2.30	29.72
1501 units & above	465.48 MU	1.15	53.53
Fixed Charges	3,23,315 kW	Rs.25 per KW/month	9.70
Total	1139 MU / 5,57,899 kW		381.74

e) Summarization of subsidy is as follows:

2015-16 (Reconciled)	Rs.321.50 Crores
2016-17 (Estimates)	Rs.360.48 Crores
2017-18 (Provisional)	Rs.381.74 Crores

f) Therefore, subsidy of Rs.381.74 Crores is provisionally approved for FY 2017-18 towards free supply, reduction in tariff and Fixed charges to powerloom consumers.

VII. Free supply to Handloom consumers upto 200 units bi-monthly

a) The Handloom consumers are categorized under Domestic category. All the Handloom weavers are to be extended with free electricity of 200 units (bi-monthly) in addition to reduction in tariff rate applicable to domestic consumers. The Government has committed to provide tariff subsidy for the consumption of first 200 units at entire tariff rate in respective slabs by Handloom weavers. The Government also has committed to provide tariff subsidy of Rs.10 per service/month towards fixed charges for the handloom weavers who consume upto 200 units/bimonthly only.

b) True up of subsidy for FY 2015-16: The subsidy approved by the Commission for 2015-16 was Rs.6.66 Crores based on the estimated consumption of this category of consumers. Subsequently, based on the actual consumption of handloom consumers, the subsidy for FY 2015-16 has been reconciled at Rs.5.66 Crores. Hence, the Commission has ordered recovery of Rs.1.00 Crores from TANGEDCO while providing for the subsidy of FY 2017-18.

c) Now, TANGEDCO has sought for a subsidy of Rs.5.61 Crores towards subsidy for energy consumption in respect of 1,09,397 consumers for FY 2017-18.

d) The approved tariff issued by the Commission, subsidy payable by the Government and the Tariff payable by the consumer is as follows:

Tariff for LT Tariff I-A – Hand Loom Weavers in Domestic Category

Consumption slabs – Range in kWh (units) and billing period (one or two months)	Approved Tariff Rate		Subsidy payable by GoTN		Payable by consumer	
	Fixed Charges (Rs./month)	Energy Charges (in paise/kWh)	Fixed Charges (Rs./month)	Energy Charges (in paise/kWh)	Fixed Charges (Rs./month)	Energy Charges (in paise/kWh)
i) For consumers who consume up to 50 units per month (or) 100 units for two months						
From 0 to 50 units per month (or) 0 to 100 units for two months	15	250	Domestic 15 + Handloom 0	Domestic 250 + Handloom 0	Nil	Nil
ii) For consumers who consume from 51 units to 100 units per month (or) 101 to 200 units for two months						
From 0 to 50 units per month (or) 0 to 100 units for two months.	15	250	Domestic 5 + Handloom 10	Domestic 250 + Handloom 0	Nil	Nil
From 51 to 100 units per month (or) 101 to 200 units for two months.		250		Domestic 100 + Handloom 150	Nil	Nil
iii) For consumers who consume from 101 units to 250 units per month (or) 201 to 500 units for two months						
From 0 to 50 units per month (or) 0 to 100 units for two months.	20	250	Domestic 5 + Handloom 0	Domestic 250 + Handloom 0	15	Nil
From 51 to 100 units per month (or) 101 to 200 units for two months.		250		Domestic 100 + Handloom 150		Nil

From 101 to 250 units per month (or) 201 units to 500 units for two months		300		Nil		300
iv) For consumers who consume 251 units and above per month (or) 501 units and above for two months						
From 0 to 50 units per month (or) 0 to 100 units for two months.	25	250	Nil	Domestic 250 + Handloom 0	25	Nil
From 51 to 100 units per month (or) 101 to 200 units for two months.		350		Domestic 0 + Handloom 350		Nil
From 101 to 250 units per month (or) 201 units to 500 units for two months		460		Nil		460
From 251 units and above per month (or) 501 units and above for two months		660		Nil		660

f) Hence, based on the above, the tariff subsidy payable by the Government for free supply of electricity to Hand loom weaver consumers for the FY 2017-18 has been arrived at as below:

Slab	Consumption (in MU) / No. of services	Subsidy payable by the Government	Estimated tariff subsidy (Rs. in Crs.)
I. Bi-Monthly Consumption upto 100 units			
From 01.04.2017 to 10.08.2017			
0-100 units	3.65	Rs.0.00/unit	0.00
Fixed Charges	44,608	Rs.0 / month / service	0.00

From 11.08.2017 to 31.03.2018			
0-100 units	6.44	Rs.0.00/unit	0.00
Fixed Charges	44,608	Rs.0 / month / service	0.00
Sub Total	10.09/44,608		0.00
II. Bi-Monthly Consumption above 100 units and upto 200 units			
From 01.04.2017 to 10.08.2017			
0-100 units	6.77	Rs.0.00/unit	0.00
101-200 units	1.84	Rs.1.50/unit	0.28
Fixed Charges	31,195	Rs.10 / month / service	0.14
From 11.08.2017 to 31.03.2018			
0-100 units	11.95	Rs.0.00/unit	0.00
101-200 units	3.24	Rs.1.50/unit	0.49
Fixed Charges	31,195	Rs.10 / month / service	0.24
Sub Total	23.79/31,195		1.14
III. Bi-Monthly Consumption above 200 units and upto 500 units			
From 01.04.2017 to 10.08.2017			
0-100 units	6.23	Rs.0.00/unit	0.00
101-200 units	6.23	Rs.2.00/unit	1.25
201-500 units	4.90	Rs.0.00/unit	0.00
Fixed Charges	28,721	Rs.0 / month / service	0.00
From 11.08.2017 to 31.03.2018			
0-100 units	11.00	Rs.0.00/unit	0.00
101-200 units	11.00	Rs.2.00/unit	2.20
201-500 units	8.65	Rs.0.00/unit	0.00
Fixed Charges	28,721	Rs.0 / month / service	0.00
Sub Total	48.01/28,721		3.45

IV. Bi-Monthly Consumption above 500 units			
From 01.04.2017 to 10.08.2017			
0-100 units	1.06	0.00	0.00
101-200 units	1.06	3.50	0.37
201-500 units	3.17	0.00	0.00
Above 500 units	5.55	0.00	0.00
Fixed Charges	4873	0.00	0.00
From 11.08.2017 to 31.03.2018			
0-100 units	1.87	0.00	0.00
101-200 units	1.87	3.50	0.65
201-500 units	5.60	0.00	0.00
Above 500 units	9.80	0.00	0.00
Fixed Charges	4873	0.00	0.00
Sub Total	29.98/4873		1.02
Grand Total	111.87/109397		5.61

g) Summarization of subsidy is as follows:

Year	Subsidy approved by the Commission (Rs. in Crores)
2015-16 (Reconciled)	5.66
2016-17 (Estimates)	4.67
2017-18 (Provisional)	5.61

h) Therefore, subsidy of Rs.5.61 Crores is provisionally approved for FY 2017-18 towards free supply to handloom consumers.

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

a) True up of subsidy for 2015-16: The Commission has provisionally approved subsidy for 2015-16 as Rs.5.08 Crores. Subsequently, TANGEDCO submitted the actual consumption for FY 2015-16 as 6.45 MUs based on which the Commission approved a total subsidy of Rs.4.10 Crores. Therefore, the Commission ordered recovery of excess subsidy of Rs.0.98 Crores while releasing the provisional subsidy for FY 2017-18.

b) Now, TANGEDCO has sought for a subsidy of Rs.5.08 Crores for a consumption of 8.0 MUs for FY 2017-18. The subsidy working are as under:

$$\mathbf{8.0\ MU * Rs.6.35/kWh = Rs.5.08\ Crores.}$$

c) Summarization of subsidy is as follows:

Year	Subsidy approved by the Commission (Rs. in Crores)
2015-16 (Reconciled)	5.08
2016-17 (Estimates)	4.70
2017-18 (Provisional)	5.08

d) Hence, subsidy of Rs.5.08 Crores is provisionally approved for Lift Irrigation Co-operative Societies for FY 2017-18.

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

(a) The TANGEDCO has filed details of actual consumption and other load details for FY 2015-16. The Commission has approved payment of

additional subsidy / adjustment of excess subsidy after due reconciliation based on details relating to actual slab-wise consumption/connected load/number of consumers and other details obtained from TANGEDCO as below:

Consolidation of Subsidy Reconciliation for FY 2015-16

(Rs. in Crores)

Sl. No.	Tariff Category	Provisional subsidy		Final Subsidy	Additional subsidy payable/Excess subsidy recoverable
		Claimed	Approved	Approved	
Additional subsidy payable					
1	Power Loom (Reduction in Energy Charges)	289.26	289.26	295.86	6.60
Total A		289.26	289.26	295.86	6.60
Excess subsidy recoverable					
2	Domestic	3028.06	3028.06	2964.37	63.69
3	Power Loom (Fixed Charges)	26.89	26.89	25.64	1.25
4	Agricultural Normal	2589.01	2589.01	2572.05	16.96
5	Agricultural SFS	719.02	719.02	700.09	18.93
6	Hut Consumers	199.73	199.73	198.52	1.21
7	Handloom	6.66	6.66	5.66	1.00
8	Public Worship	15.62	15.62	15.20	0.42
9	Lift Irrigation	5.08	5.08	4.10	0.98
Total B		6590.07	6590.07	6485.63	104.44
Net subsidy Adjustable from Provisional Subsidy for FY 2017-18 (B-A) : Rs.104.44 Crores - Rs.6.60 Crores = Rs.97.84 Crs.					

(b) The provisional subsidy payable for FY 2017-18 by the Government of Tamil Nadu will be as under:

Sl. No.	Category of consumers	Provisional Subsidy Approved by the Commission (Rs. in Crores)
I	Domestic (Free Supply/ Reduction in tariff)	3,686.97
II	Agricultural consumers under normal category (Free supply)	2,677.30
III	Agricultural consumers under SFS category (Free supply)	754.16
IV	Hut consumers (Free supply)	196.70
V	Actual Places of Public Worship (Reduction in Tariff)	16.74
VI	Powerloom consumers (Free Supply/ Reduction in tariff)	381.74
VII	Handloom Weavers (Free supply)	5.61
VIII	Lift Irrigation - Cooperative Societies (Free supply)	5.08
IX	Total	7,724.30
X	Less: Excess subsidy recoverable for FY 2015-16	97.84
XI	Net amount payable by GoTN to TANGEDCO during FY 2017-18	7,626.46

(c) TANGEDCO has filed details of actual consumption and other load details for FY 2015-16 and reconciled the same against the provisional subsidy sanctioned for FY 2015-16. The payment of additional subsidy / recovery of excess subsidy paid are adjusted in this provisional subsidy order for FY 2017-18 in clause IX (a) of this Order.

(d) As regards reconciliation of subsidy for FY 2016-17, TANGEDCO is yet to submit the actual details of energy consumption 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

6. 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 FY 2017-18 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 as 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 provisions 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 2016-17 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 01-04-2017 immediately and the connected load as on 01-10-2017 before 31-12-2017.
- viii) TANGEDCO shall furnish the circle-wise No. of Hut consumers as on 01-04-2017 immediately and number of consumers as on 01-10-2017 before 31-12-2017.

(By Order of the Commission)

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Secretary
Tamil Nadu Electricity Regulatory Commission

Encl. : Annexure

Subsidy Payable by Government for FY 2017-18

Sl. No.	Category	Subsidy period	Subsidy (Rs. in Crores)	Payable on or before
1	Domestic	01-04-2017 to 30-09-2017	1843.48	Immediate
2	Agriculture - Normal Category	01-04-2017 to 30-09-2017	1338.65	Immediate
3	Agriculture - SFS Category	01-04-2017 to 30-09-2017	377.08	Immediate
4	Lift Irrigation Co-operative societies	01-04-2017 to 30-09-2017	2.54	Immediate
5	Hut	01-04-2017 to 30-09-2017	98.35	Immediate
6	Actual places of Public worship	01-04-2017 to 30-09-2017	8.37	Immediate
7	Powerloom	01-04-2017 to 30-09-2017	190.87	Immediate
8	Handloom	01-04-2017 to 30-09-2017	2.81	Immediate
9	Excess subsidy recoverable relating to FY 2015-16 as in clause (IX a) of this Order		(-)97.84	Immediate
10	Domestic	October 2017	307.25	Immediate
11	Actual place of public worship	01-10-2017 to 31-12-2017	4.19	Immediate
12	Agriculture - Normal	01-10-2017 to 31-03-2018	1338.65	Immediate
13	Agriculture - SFS Category	01-10-2017 to 31-03-2018	377.08	Immediate
14	Lift Irrigation Co-operative Societies	01-10-2017 to 31-03-2018	2.54	Immediate
15	Hut	01-10-2017 to 31-03-2018	98.35	Immediate

16	Powerloom	01-10-2017 to 31-03-2018	190.87	Immediate
17	Handloom	01-10-2017 to 31-03-2018	2.80	Immediate
18	Domestic	November 2017	307.25	Immediate
19	Domestic	December 2017	307.25	30-11-2017
20	Domestic	January 2018	307.25	31-12-2017
21	Actual Places of public worship	01-01-2018 to 31-03-2018	4.18	31-12-2017
22	Domestic	February 2018	307.25	31-01-2018
23	Domestic	March 2018	307.24	28-02-2018
	TOTAL		7626.46	