



## TAMIL NADU ELECTRICITY REGULATORY COMMISSION

No. 19A, Rukmini Lakshmiipathy Road, (TIDCO Complex),  
Egmore, Chennai 600 008

Phone: ++91-44-28411376 / 28411378 / 28411379 Fax: ++91-44-2841137

email: [tnercmail@gmail.com](mailto:tnercmail@gmail.com)

Website: [www.tnerc.gov.in](http://www.tnerc.gov.in)

### PRESS RELEASE

NO. : 1/2010

Date : 07.01.2010

**In the matter of determination of the reliability charge to be collected from HT consumers who opt for the relaxation of 20% power cut and evening peak hour restriction from 6.00 p.m. to 10.00 p.m. by availing power to the tune of 200 MW during the period from January 2010 to May 2010.**

In exercise of the powers conferred by Sections 62 and 64 of the Electricity Act, 2003 and all other powers enabling it in this behalf, the Tamil Nadu Electricity Regulatory Commission (Commission) after consulting the State Advisory Committee as per Section 88 of the said Act on the 23<sup>rd</sup> December 2009 and after considering suggestions and objections received during the public hearing held on the 30<sup>th</sup> December 2009 passes this order. This order shall come into force with immediate effect and shall be in force up to 31<sup>st</sup> May 2010. This order shall apply to all HT consumers, who opt to come within the purview of this order.

### ORDER

The Tamil Nadu Electricity Board (TNEB) has filed a petition M.P. No.21/2009 on 14<sup>th</sup> December 2009 and I.A. No.19/2009 on 16<sup>th</sup> December 2009 proposing a reliability charge not exceeding Rs.7/- per unit for such of those HT consumers who opt for relaxation of power restrictions between 6.00 p.m and 10.00 p.m and for relaxation of 20% power cut during the rest of the day during the period from January 2010 to May 2010. TNEB was directed to publish the abridged version of the above proposal at least in two Tamil and two English dailies on 18<sup>th</sup> December 2009. The advertisement specified that objection and suggestions would be received by Tamil Nadu Electricity Regulatory Commission upto 24<sup>th</sup> December 2009. However, the Commission considered the objections received even beyond that date.

2. The proposal was considered by the State Advisory Committee on 23<sup>rd</sup> December 2009 in accordance with Section 88 of the Electricity Act 2003. A view was expressed in the Advisory Committee that public hearing could be dispensed with in view of the fact that the tariff hike applies only to

selected consumers on voluntary basis. We do not subscribe to this view as any tariff related proposal has to be considered by the State Advisory Committee and subjected to public hearing in accordance with Sections 88 and 64 of the Electricity Act 2003 respectively. The broad consensus in the Advisory Committee was that all HT consumers should be given the option of availing the additional power and that the additional power should be equitably shared among all willing consumers. The proceedings of the State Advisory Committee is placed at Annexure I.

3. The proposal of the TNEB was subjected to public hearing on 30<sup>th</sup> December 2009. A total of 41 persons participated in the public hearing. The proceedings of the public hearing is placed at Annexure II. The points that emerged in the public hearing particularly centered around the equitable distribution of additional power amongst all willing HT consumers. Further a plea was made for distribution of the additional power amongst all categories of consumers at the current level of tariff. A large number of speakers dwelt on the need for clarity in the billing procedure for this additional power.

4. After taking into account the suggestions and objections that emerged from various representations, from the State Advisory Committee and from the public hearing, the Commission in exercise of the powers conferred by Sections 62 and 64 of the Electricity Act 2003, directs as follows:-

(a) the enhanced tariff applies only to such of those HT consumers who opt for it; there is no legal impediment in prescribing differential charges.

(b) currently HT industrial consumers are subjected to demand and energy cut of 95% between 6.00 p.m. and 10.00 p.m. and demand and energy cut of 20% during the rest of the day,

(c) the TNEB shall address all HT industrial consumers, who are currently subjected to R&C measures to ascertain their willingness for supply of additional power at a total energy cost not exceeding Rs.7/- per unit; the consumers may indicate their requirement of additional power between 6.p.m. and 10.00 p.m. as well as the remaining hours.

(d) If the additional power procured by the TNEB is less than the total requirement as consented by the HT industrial consumers, the additional power shall be distributed amongst all the consenting consumers proportionate to the requisitioned additional power.

(e) the additional power supplied between 6.00 p.m. and 10.00 p.m. by the TNEB over and above the present 5% quota shall be reckoned as the additional power during this period.

(f) during the remaining hours any relief from 20% power cut will be treated as additional supply of power.

(g) the supply of additional power shall be limited to the base demand and base energy.

(h) the additional demand and additional energy supplied by TNEB during this arrangement shall not be treated as excess demand or excess energy for the purpose of penal charges; demand and energy consumption over and above the power supplied by the TNEB pursuant to this arrangement shall be reckoned for penal charges.

(i) for the additional quantum of demand supplied in this process, the TNEB is entitled to recover demand charges at the rates prescribed by the Commission in Tariff Order of 2003. An illustrative case is displayed at Annexure III.

(j) the Board shall ensure a monthly schedule for all the HT consumers both for the 6.00 p.m. to 10.00 p.m. slot as well as the remaining hours; any variation in the monthly schedule should be communicated to the consumers at least one week before the change.

(k) the TNEB should ascertain from each consumer the additional demand and energy requirement for every month limited to the base demand and base energy; the TNEB should confirm to the indenting consumer one week prior to the commencement of the month the additional available demand and energy; both for the 6.00 p.m. to 10.00 p.m. slot as well as the remaining hours; having confirmed the additional demand and energy the TNEB is bound by the promise; the consumer is entitled to consume the additional demand at the normal rate and additional energy at the higher rate; penal charges should not be levied for that committed quantity; similarly, if the consumer does not off take the committed demand and energy, he is liable to pay the higher charge for the committed quantum of energy.

(l) the energy supplied to a consumer shall be separated into two parts; the first part would be the additional energy supplied on the basis of the requisition of the consumer; and the second part would be the balance;

the first part will be billed at the higher rate and the second part will be billed at the normal rate.

(By order of the Commission)

**Annexure III**

**Illustration**

1.	Base demand of HT industrial consumer	1000 KVA
2.	Base energy of HT industrial consumer	5,00,000 units
3.	Quantum of power cut between 6.00 p.m and 10.00 p.m.	95%
4.	Quantum of power cut during the remaining time	20%
5.	Demand quota	800 KVA (80% of 1000 KVA)
6.	Energy quota	4,00,000 units (80% of 5,00,000 units)
7.	Demand quota between 6.00 p.m. and 10.00 p.m.	40 KVA (equal to 5% of 800 KVA)
8.	Demand quota during the remaining hours	800 KVA
9.	Energy quota between 6.00 p.m. and 10.00 p.m.	20,000 units (5% of 4,00,000 units)
10.	Energy quota during the remaining hours	3,80,000 units (4,00,000 units minus 20,000)
11.	Additional demand supplied by the TNEB pursuant to the present arrangement between 6.00 p.m. and 10.00 p.m. (for example)	860 KVA
12.	Total demand supplied by the TNEB pursuant to the present arrangement between 6.00 p.m. and 10.00 p.m.	40 KVA + 860 KVA = 900 KVA
13.	Additional demand supplied during the remaining hours by TNEB pursuant to the present arrangement (for example)	150 KVA
14.	Total demand supplied by the TNEB during the remaining hours pursuant to the present arrangement	950 KVA (800 KVA + 150 KVA)
15.	Billable demand prior to supply of additional power @ Rs.300 per KVA	90% of 800 KVA = 720 KVA or actual recorded demand whichever is higher
16.	Demand reckoned for billing consequent to supply of additional power	Higher of Sl. No.12 or Sl. No.14 i.e. 950 KVA
17.	Billable demand consequent to supply of additional power @ Rs.300 per KVA	90% of 950 KVA or actual recorded demand whichever is higher
18.	Billable energy consequent to supply of additional power	Out of total consumption, a) additional energy requisitioned by the consumer shall be charged at the higher rate b) the balance shall be charged at the normal rate

**R.Balasubramanian**  
Secretary