



## TAMIL NADU ELECTRICITY REGULATORY COMMISSION

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PR. No. 4 /2013  
21-06-2013

### Press Release

TANGEDCO and TANTRANSCO filed Tariff Petitions for Retail Tariff and Intra State Transmission Tariff on 19<sup>th</sup> February 2013. The petitions were admitted on 21<sup>st</sup> February 2013.

TANGEDCO proposed that *“Considering the deficit situation of power supply faced by TANGEDCO and the current economic situation of the State , a nominal tariff hike of Rs. 973 Crores which would be met by Subsidy from the State Government and there would be no additional tariff hike on the consumers. “*

The proposal of TANGEDCO is as below :

- a) LT 1 B - Hut category : Increase in fixed charges from Rs 60 / month to Rs 125 / month
- b) LT IV - Agriculture category : Increase in fixed charges from Rs 1750 / HP / annum to Rs 2500 / HP / annum

The Commission heard the stake holders in May 2013 at Chennai, Coimbatore, Trichy and Madurai. Required clarifications were obtained from TANGEDCO and TANTRANSCO for further processing the petitions.

Subsequently, Government of Tamil Nadu has communicated that they will provide for additional subsidy for the increase in tariff for Agriculture and Huts and also to continue the existing subsidy for other consumers.

In view of the above, the Commission agrees to the above hike in tariff . Additional revenue to TANGEDCO on account of the tariff revision is Rs.964 crores.

The Commission passed the Tariff Orders on both the petitions on 20<sup>th</sup> June 2013.

Salient features of the two Orders are as follows:-

*TANGEDCO Petition for Retail Tariff*

In the new tariff order issued by the Commission on 20-06-2013, the Commission favorably considered many of the genuine grievances expressed by the electricity consumers in the public hearing conducted by the Commission and as well as by representation to the Commission through letters. Many of the farmers have represented that they have been booked under power theft for using electricity for their livelihood related activities such as chaff cutting, crushing of sugarcane etc. Similarly the residential consumers have complained that they have been booked under theft for the bonafide use of electricity for small constructions in the existing house and for using electricity for their common facilities used only by their residents of the colonies. Many of the consumers wanted to impose higher tariff for lavish illumination / consumption to conserve energy.

As requested by the domestic / residential consumers, the Commission allowed to use electricity for their additional construction in their premises and make payment in the same domestic tariff. In the residential colonies, the Commission ordered that the use of electricity for all common facilities meant only for their residents can be charged under the existing tariff. In the new tariff order, the Commission also extended the facilities hitherto enjoyed only by the professionals like Doctors, Lawyers to the potters, goldsmith etc to use their house /residence for their livelihood by allowing a motive load of 1 kilowatt.

Similarly, as requested by the farmers , the Commission in its new tariff order facilitated the farmers to use electricity for their allied activities of agriculture such as milking, sugarcane crushing, harvesting, chaff cutting, thrashing and cleaning of agriculturist produces, etc. by having a change over switch

In case of lavish illumination, the Commission has included some of the new categories who consume more electricity into the fold of Lavish Illumination including the use of electricity in hoardings and advertisement boards, etc. and charge them with the highest energy charges.

*TANTRANSCO Petition for Intra State Transmission Tariff and other charges*

The Commission's order for TANTRANSCO determines annual transmission charges for use of Intra State Transmission system. The annual transmission charges are to be shared by TANGEDCO and other users of the system. Open access charges are also fixed in this Order. Scheduling Charges and reactive power charges are also specified.

Both these Orders will come into force with effect from 21-06-2013 and shall remain in force till 31-3-2014.

The Commission hopes that with the issue of these Orders, with the commissioning of new projects and with the Government's support for amortization of Regulatory Asset, TANGEDCO and TANTRANSCO should turn around and provide better service to the electricity consumers of Tamil Nadu.

Sd/-  
**(S. Gunasekaran)**  
**Secretary**