



Tamil Nadu Electricity Regulatory Commission

No 19A, Rukmini Lakshmipathy Salai, Egmore, Chennai - 600 008.

Phone:044-28411376, Website:<http://www.tnerc.tn.nic.in/>

Public Notice

1. The Tamil Nadu Generation and Distribution Corporation Ltd. (TANGEDCO) had last year filed its application before the Commission for final true-up and approval of Aggregate Revenue Requirement (ARR) for the year 2010-11, provisional true-up and approval of ARR for the year 2011-12, Annual Performance Review (APR) for the year 2012-13 based on estimates and its Multi Year Tariff petition for 2013-14 to 2015-16 along with tariff revision for 2013-14. Based on this petition and after considering views of the State Advisory Committee, the public and other stakeholders, Tamil Nadu Electricity Regulatory Commission had passed the Order in which the Aggregate Revenue Requirement for the 2nd Control Period i.e. 2013-14 to 2015-16 was determined and revenue gap and tariff determination for 2013-14 was carried out.
2. As per provisions of Section 64 of the Electricity Act 2003, it is incumbent upon the Licensee to make an application to the State Regulatory Commission for determination of tariff in such manner as may be determined by Regulations framed by the Commission. Regulation 5 of the Tamil Nadu Electricity Regulatory Commission (Terms and Conditions for Determination of Tariff) Regulations, 2005 lays down that licensee is required to file tariff application on or before 30th November each year, with the Commission. Accordingly TANGEDCO was expected to file a petition for the final true up and approval of ARR for 2011-12, provisional true up for 2012-13, APR for 2013-14 and ARR and Tariff petition for 2014-15 by 30th November 2013. However TANGEDCO failed to file the petition before the said deadline.
3. Hon'ble APTEL vide it's judgement dated 11th November, 2011 in the matter OP No. 1 of 2011, has directed the State Commissions that

“In the event of delay in filing of the ARR, truing-up and Annual Performance Review, one month beyond the scheduled date of submission of the petition, the State Commission must initiate suo-motu proceedings for tariff determination in accordance with Section 64 of the Act read with clause 8.1 (7) of the Tariff Policy.”
4. TNERC Tariff Regulations 2005 under Regulation 6 stipulates that

“(8) In case the licensee does not initiate tariff filings in time, the Commission shall initiate tariff determination and regulatory scrutiny on suo motu basis.”
5. Considering the directives of the Hon'ble APTEL, the National Tariff Policy and in exercise of the powers vested in it under the Section 62 and Section 64 of the Electricity Act, 2003 (Act) and the Tariff Regulations 2005, TNERC has decided to take up the matter of Determination of ARR and Tariff for 2014-15 by initiating suo-motu proceedings.

6. As per Financial Restructuring Plan (FRP) requirement, the tariff is to be revised every year covering the ARR. Under such circumstances TNERC has decided to proceed with the suo-motu determination of ARR and Tariff for FY 2014-15 on the basis of information available from TANGEDCO's submissions to the Commission. With the available information with the Commission, the following decisions have been taken by the Commission:
- The 2011-12 and 2012-13 expenses will be provisionally trued up based on the audited accounts.
 - The APR for 2013-14 and ARR for FY 2014-15 will be taken up based on available information and audited accounts for FY 2011-12 and 2012-13.
 - The revenue gap and regulatory asset determined will be provisional in nature and will be trued-up in the next year.
7. Hence, notice is hereby given to all that TNERC now has decided to proceed on suo-motu basis on the provisional true up for 2011-12 and 2012-13, APR for 2013-14 and ARR and Tariff determination for 2014-15.
8. Based on the information available, Commission has provisionally determined Aggregate Revenue Requirement of Rs.39,818 Cr and total revenue of Rs. 32,964Cr at existing tariff (revenue from sales and Non Tariff Income) for 2014-15. Componentwise details of the ARR and revenue at existing tariff for FY 2014-15 are as below and the Commission has arrived at a revenue gap of Rs.6854 Crores for FY 2014-15.

Table 1: Componentwise ARR and determination of revenue gap for 2014-15 - in Rs. Crore

Particulars	Approved in June 2013 Tariff Order	Provisionally Determined by the Commission
Expenses in respect of Generation	8,851	12,687
Power Purchase Cost	17,949	17,946
Annual Transmission Charges payable to TANTRANSCO	2,850	2,259
Operation and Maintenance Expenses	4,068	4,304
Depreciation	435	661
Interest on Long term loan	1,740	1,956
Other Debits & extra ordinary items	26	6
Reasonable Return / Return on Equity	0	-
Interest on Working Capital	0	-
Gross Aggregate Revenue requirement	35,918	39,818
Revenue		
Revenue from sale of power (including		32,238

Particulars	Approved in June 2013 Tariff Order	Provisionally Determined by the Commission
subsidy)		
NTI and Other Income	1,021	726
Total Revenue		32,964
Revenue Gap		6,854

Considering the above revenue gap of Rs. 6,854 Cr, Commission proposes to bridge this gap through tariff hike across all consumer categories. The following table summarizes the incremental revenue and the revised gap for FY 2014-15. The proposed tariff schedule for FY 2014-15 is appended as Annexure I.

Table 2: Revised revenue gap after tariff revision for FY 2014-15 - in Rs. Crore

Particulars	Provisionally Determined by the Commission
Gross Aggregate Revenue requirement	39,818
Less: Other income and Non-Tariff Income	726
Net Revenue Requirement	39,092
Revenue from Tariffs including subsidy (at existing tariff)	32,238
Revenue Gap (at existing tariff)	6,854
Incremental revenue through tariff revision	6,805
Revised Revenue Gap (at revised tariff)	49

9. The summary of the ARR for 2014-15 is available on the website of the Commission www.tnecr.tn.nic.in. Any person who intends to file objections / suggestions on the above ARR determination, may file so with the Secretary, Tamil Nadu Electricity Regulatory Commission (TNERC), 19-A, Rukmini Lakshmiipathy Salai, Egmore, Chennai 600 008 in person or through post so as to reach by **23-10-2014**.
10. The objections/suggestions should be filed with the Hon'ble Commission in three copies and should carry full name and postal address of the person sending the objection. If the objections/suggestions are filed on behalf of an organisation / association / category of consumers etc., it should be so mentioned. The person intending to file objections/suggestions should also mention if they want to be heard in person. TNERC, after perusing the objections/suggestions received to this notice may invite such persons / organisations as it considers appropriate for the public hearing on the dates to be notified by the Commission.

Secretary
Tamil Nadu Electricity
Regulatory Commission

ANNEXURE - I						
TARIFF FOR HIGH TENSION CONSUMERS FOR FY 2014-15						
Sl.No	Category	Tariff	EXISTING TARIFF		PROPOSED TARIFF	
			Demand Charges	Energy Charges	Demand Charges	Energy Charges
			(Rs / kVA / Month)	(Ps / Unit)	(Rs / kVA / Month)	(Ps / Unit)
1	Industries	I A	300	550	350	722
2	Railway Traction	I B	250	550	300	722
3	Govt. and Govt. aided educational institution	II A	300	450	350	722
4	Private educational institutions and hostels run by them	II B	300	550	350	722
5	Commercial	III	300	700	350	805
6	Lift Irrigation (*)	IV	0	350	0	722
7	Temporary Supply	V	300	950	350	1100
(*) Tariff charges are to be borne by the Government of Tamil Nadu as per the existing policy						

ANNEXURE - I						
TARIFF FOR LOW TENSION CONSUMERS FOR FY 2014-15						
Sl.No	Category	Tariff	EXISTING TARIFF		PROPOSED TARIFF	
			Fixed Charges	Energy Charges	Fixed Charges	Energy Charges
			(Rs / bi monthly)	(Ps / Unit)	(Rs / bi monthly)	(Ps / Unit)
1	Domestic /Residential	I A				
Consumption upto 50 units monthly or 100 units bi-monthly						
	0-100 units bi monthly		20	260	30	300
Consumption from 51 units to 100 units per month or 101 units to 200 units for two months						
	0-200 units bi monthly		20	280	30	325
Consumption of 101 units to 250 units per month (or) 201 units to 500 units for two months						
	0-200 units bi monthly		30	300	40	350
	201-500 units bi monthly			400		460
Consumption of 251 units and above per month (or) 501 units and above for two months						
	0-200 units bi monthly		40	300	50	350
	201-500 units bi monthly			400		460
	501 and above bi monthly			575		660
2	Huts (Till Installation of Energy Meters) (*)	I B	Rs.250/Service /bi-monthly (borne by the Govt fully as subsidy)		Rs.290/Service/bi-monthly (to be borne by Govt fully as subsidy)	
	Huts (On Installation of Energy Meters) (*)		0	430	0	495
3	Bulk supply	I C	100	400	120	460
4	Public Lighting and Water Supply	II A	0	550	120/Kw	635
5	Govt. and Govt. aided Educational Institutions	II B (1)	100 /kW	500	120/Kw	575
6	Private educational Institutions	II B (2)	100 /kW	650	120/Kw	750
7	Places of Pub. Worship	II C				
	Upto 120 units bi-monthly		100 / kW	500	120/kW	575
	above 120 units bi-monthly			500		575
8	Cottage and Tiny Industries	III A (1)				
	0-500 units bi monthly		30 / kW	350	40/kW	400
	501 units and above bi monthly			400		460
9	Power Looms	III A (2)				
(i) Consumers who consume upto 250 units per month (or) 500 units for two months						
	0 to 250 units per month or 0 to 500 units bimonthly (*)		100/kW	450	120/kW	520
(ii) For consumers who consume 251 units and above per month (or) 501 units and above for two months						
	0 to 250 units per month or 0 to 500 units bimonthly (*)		100/kW	450	120/kW	520
	251 to 500 units per month or 501-1000 units bi monthly			500		575
	501 to 750 units per month or 1001-1500 units bi monthly			500		
	From 751 units and above per month or 1501 units and above bi monthly			500		
10	Industries	III B				
	(for all units)		60 /kW	550	70/kW	722
11	Agriculture (Till Installation of Energy Meters) (*)	IV	Rs 2500 / HP / Annum (borne by the Govt fully as subsidy)		Rs.2875/HP/Annum (to be borne by the Govt fully as subsidy)	
	Agriculture (On installation of Energy Meters) (*)		0	280	0	322
12	Commercial	V				
	For consumer with consumption 50 units per month or 100 units bimonthly		120 /kW	430	140/kW	495
	For consumers with consumption above 50 units per month or above 100 units bimonthly (for all units)			700		805
13	Temporary supply for temporary activities, construction of buildings and lavish illumination	VI	Rs.300/kW/ per month	1050	Rs.345/kW /per month	1210
(*) Tariff charges are to be borne by the Government of Tamil Nadu as per the existing policy						