



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

Order No.10 of 2023, dated 17-11-2023

Present : Thiru M. Chandrasekar Chairman
Thiru B. Mohan Member (Legal)

In the matter of : Acceptance of Government's directive and Provisional Tariff Subsidy for Non-Collection of Peak hour charges (ToD Charges) from LT-IIIB Industries till the installation of smart meters by TANGEDCO - Reduction of Solar Roof Top network charges to 50% for MSME Industries – Reduction in tariff rate to certain categories of Multi-tenements consumers under LT Tariff ID as LT Tariff IE consumers.

1) The Government of Tamil Nadu has announced the reduction in tariff rate to certain categories of Multi-tenements consumers under LT Tariff ID from Rs.8.15/unit to Rs.5.50/unit for common supply in Multi-tenements without lift facility i.e less than or equal to 10 residents and less than or equal to three floors for common lighting and water supply and issued a policy directive under section 108 of the Electricity Act, 2003, vide its letter No.8303/C2/2023 dated 30-10-2023 in this regard.

2) Based on the aforesaid commitment letter of the Government, the Commission has issued an order, vide Order No.9 of 2023 dated 31-10-2023 by

reducing the tariff from Rs.8.15/unit to 5.50/unit for the period from 01-11-2023 to 31-03-2024.

3) Further, the Commission had issued an order, vide Order No. 2 of 2023 dated 13-02-2023 following the policy directives of the Government of Tamil Nadu, in Letter G.O.(Ms.) No.79, Micro, Small and Medium Enterprises (D2) Department, dated 08-11-22 under section 108 of the Electricity Act, 2003 for reducing the Time of Day (ToD) charges from 25% to 15% for Low Tension Industries (III-B) during peak hours, with due compensation of subsidy to the TANGEDCO.

4) The Government of Tamil Nadu, in Letter G.O.(Ms.) No.75, Micro, Small and Medium Enterprises (D2) Department, dated 10-11-2023, has stated that the Hon'ble Minister for MS&ME has made the following announcement on the floor of the Assembly on 10-10-2023:

a) Non-collection of peak hour charges from LT-IIIB Industries till the installation of smart meters by the Tamil Nadu Generation and Distribution Corporation Ltd., (TANGEDCO).

b) Reduction of Solar Roof Top network charges to 50% for MSME Industries.

5) In the aforesaid G.O (Ms.) No.75, it has been further stated that the Additional Chief Secretary / Chairman cum Managing Director, TANGEDCO has requested the Government to sanction and release a sum of Rs.196.10 Crore to TANGEDCO to compensate for non collection of peak hour charges and reduction of Solar Roof Top network charges by way of subsidy under section 65 of the Electricity Act, 2003.

6) It is further stated that the Government, after careful examination of the request of the Additional Chief Secretary / Chairman cum Managing Director, TANGEDCO, have decided to accept and sanction for payment of sum

of Rs. 196,10,00,000/- (Rupees One Hundred Ninety Six Crores and Ten Lakhs only) to compensate the revenue shortfall of TANGEDCO for non-collection of peak hour charges (ToD charges) from LT-IIIB Industries till the installation of smart meters by TANGEDCO and reduction of Solar Roof Top network charges to 50% for MSME Industries by way of subsidy under section 65 of the Electricity Act, 2003 and further stated that the necessary policy directive will be issued by the Energy Department to the Commission in this regard.

7) Based on the aforesaid orders of the Government, Energy Department, GoTN, in its letter No.8901/C2/2023 dated 11-11-2023, has issued the policy direction under section 108 of the Electricity Act, 2003 and commits to provide the compensation due to non-collection of peak hour charges (ToD charges) from LT-IIIB Industries till the installation of smart meters by TANGEDCO and reduction of Solar Roof Top network charges to 50% for MSME Industries as follows:

Category	Approved Tariff	Payable by Consumer	Compensated by GoTN (Subsidy)
Non-collection of peak hours charges till installation of smart meters for LT IIIB Industries	Rs.1.9125/unit	0.00	Rs.1.9125/unit
Reduction in Solar Roof Top Network charges by 50% for MSME Industries	Rs.1.53/unit	Rs.0.765/unit	Rs.0.765/unit

8) Under the circumstance, the Commission after careful consideration, accepts the Government's directive issued vide Lr.No.8901/C2/2023 dated 11-11-2023.

9) TANGEDCO, in their letter No.CFC/RC/FC/DFC/RC/F.Subsidy/D.No.819 /23 dated 16-11-2023 have requested the Commission to issue the provisional

tariff subsidy order to compensate the revenue shortfall to TANGEDCO as the Government of Tamil Nadu have issued the commitment letters to provide the compensation for the following categories:

a) Reduction in tariff rate to certain categories of Multi-tenements consumers under LT Tariff ID which have been classified as LT Tariff IE for the period from 01-11-2023 to 31-03-2024 i.e 152 days is as follows:

Tariff	Estimated consumption (in MUs) (A)	Energy Charges as per T.O. No. 6 of 2023 (Rs./unit)	Energy charges reduced as per G.O. (Rs./unit)	Subsidy (Rs./unit) (B)	Total Subsidy /annum (Rs.in Crs)	Subsidy for 152 days (Rs.in Crs) (C= AxB/366x152)
LT Tariff IE	140	8.15	5.50	2.65	37.10	15.41

b) Non-collection of peak hour charges for LT IIIB Industries for the period from 10-11-2023 to 31-03-2024 i.e 143 days is as follows:

Tariff	Estimated peak hours consumption (in MUs) (A)	Energy Charges as per T.O. No. 6 of 2023 (Rs./unit)	Lifting of 25% Peak hour charges (Rs./unit)	Provisional Subsidy 10% Claimed (Rs./unit)	Additional Subsidy 15% due to lifting (Rs./unit) (B)	Subsidy for 143 days (Rs.in Crs) (C= AxB/366x 143)
LT IIIB	1697	7.65	1.9125	0.80	1.1125	73.76

c) Reduction of Solar Roof Top network charges for the period from 10-11-2023 to 31-03-2024 i.e 143 days is as follows:

Tariff	Solar Generation (in MUs) (A)	Tariff Rate (Rs./unit)	Payable by Consumer 50% (Rs./unit)	Subsidy 50% (Rs./unit) (B)	Subsidy/annum for 50% Network charges (Rs.in Crs)	Subsidy for 143 days (Rs.in Crs) (C= AxB/366 x143)
LT IIIB	95.61	1.53	0.765	0.765	7.31	2.86

10) TANGEDCO has claimed the provisional tariff subsidy of Rs. 92.03 Crores due to Reduction in tariff rate to certain categories of Multi-tenements consumers under LT Tariff ID, Non-collection of peak hour charges (ToD charges) from LT-IIIB Industries till the installation of smart meters by TANGEDCO and reduction of Solar Roof Top network charges to 50% for MSME Industries as follows:

Sl.No.	Tariff Category	Subsidy / Annum (Rs.in Crs)	Subsidy for Break days claimed by TANGEDCO (Rs.in Crs)
1	Reduction in tariff rate to certain categories of Multi-tenements consumers under LT Tariff ID as LT IE	37.10	15.41
2	Non-collection of peak hours charges till installation of smart meters for LT IIIB Industries	188.79	73.76
3	Reduction in Solar Roof Top Network charges by 50% for MSME Industries	7.31	2.86
Total			92.03

11) Implementation due to Reduction in tariff rate to certain categories of Multi-tenements consumers under LT Tariff ID, Non-collection of peak hour charges (ToD charges) from LT-IIIB Industries till the installation of smart meters by TANGEDCO and reduction of Solar Roof Top network charges to 50% for MSME Industries will result in a revenue shortfall of Rs.92.03 crores (Rupees

Ninety Two Crore and Three Lakh only) for the aforesaid break days. Therefore, TANGEDCO has requested to issue the orders for release of the aforesaid subsidy amount immediately.

Directives:

i) The Commission, after considering all approves the provisional subsidy of Rs.92.03 crores (Rupees Ninety Two Crore and Three Lakh only) due to Reduction in tariff rate to certain categories of Multi-tenements consumers under LT Tariff ID, Non-collection of peak hour charges (ToD charges) from LT-IIIB Industries till the installation of smart meters by TANGEDCO and reduction of Solar Roof Top network charges to 50% for MSME Industries as claimed by the TANGEDCO. The Government of Tamil Nadu may release the aforesaid subsidy as stipulated in section 65 of the Electricity Act, 2003.

ii) The subsidy approved is provisional and shall be reconciled later based on the actuals.

iii) The TANGEDCO shall reconcile the subsidy allowed with the actual consumption and revenue assessed during every quarter and furnish the report within stipulated period of 60 days.

(By Order of the Commission)



Secretary,
Tamil Nadu Electricity Regulatory Commission.

To
The Chairman and Managing Director, Tamil Nadu Generation and Distribution Corporation Ltd.,
The Principal Secretary to Government, Energy Department, Secretariat, Chennai – 9.
The Principal Secretary to Government, Finance Department, Secretariat, Chennai – 9.
The Secretary to Government, Micro Small and Medium Enterprises Department, Secretariat, Chennai – 9.