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Lr.No.TNERC/D(T)/DD(T1)/F.LT Tariff Change /D.No.1325/2023,Dt.29.09.2023

Sir,

Sub: TANGEDCO- Clarification in regard to classification of Micro Industries with contracted load of not exceeding 12kW under LT Tariff IIIA1 – Reg.

Ref: (1) Lr.No. CFC/Reg.Cell/FC/RC/EE/AEE/F.Tariff /D.No. 723/23, Dated: 25.09.2023

I am directed to communicate the following:

In the reference cited, TANGEDCO has requested clarification on classification of tariff for certain category of micro industries with contracted load of not exceeding 12kW, presently classified under LT III B. The clarification is sought based on the representation received from M/s. Federation of Coimbatore Industrial Association (FOCIA) dated 19.08.2023, requesting to classify the registered micro industries with contracted load of not exceeding 12kW , under IIIA1.

2. TANGEDCO has also furnished field report of Chief Engineer / Distribution / Coimbatore Region, explaining that the service connections with usages of activities like casting, forging, milling etc., are now classified under tariff III-B, citing the reason that these usages are not specifically mentioned under to III A(1) category of Tariff Order. It is further stated that the consumers' request of tariff change from III-B to IIIA-(1) is complied, only for the activities explicitly mentioned in the Tariff Order.

3. In this regard it is clarified as follows:

The relevant portion of Tariff Order in '6.2.10 –Low Tension Tariff 111 –A(1)' is extracted:

“ The contracted load for supply under this tariff category shall not exceed 12kW. This tariff is applicable to Cottage industries, Micro enterprises engaged in the manufacture or production of goods pertaining to any industries specified in the first schedule to Industries (Development and Regulations) Act 1951 (Central Act 65 of 1951) and enterprises engaged in manufacturing or production of goods as categorized under MSMED Act 2006.

The intending consumers applying for service connection under LT Tariff III A (1) claiming to have established the micro enterprise engaged in the manufacture or production of goods shall produce the Udayam Registration certificates from the industrial department / District Industries Centre under the Micro Small and Medium Enterprises Development Act, 2006 (Act 27 of 2006) for setting up of Micro Enterprises for manufacture or production of goods with District Industries Centre under whose jurisdiction the Enterprise is located.”

Thus the tariff LT IIIA(1) is statutorily eligible to the registered Cottage and Micro enterprises/ industries with contracted load of not exceeding 12kW , engaged in manufacturing or production of goods specified in the First Schedule to Industries (Development and Regulation) Act 1951 and the enterprises engaged in the manufacture or production of goods as categorized under MSMED Act 2006.

The First schedule of Industries (Development and Regulations) Act,1951, covers “other products of Iron and Steel” specified vide serial no 1A(7) among various types of other products of industries engaged in the manufacture or production of goods.

Conjoint reading of the above mandates clarify that the statutorily categorized and duly registered Cottage and Micro enterprises/ industries with contracted load of not exceeding 12KW engaged in manufacture or in production of Iron & Steel related products/goods/ articles/ components are eligible to be classified under IIIA1. Such products/goods/ articles/ components can be end product or ancillary parts/ products/ components to the various final products of other industries.

The usages of activities involving casting, forging, milling, various lathe and grill works etc., fall in this category.

4. The request to convert tariff from IIIB to IIIA1 for any statutorily categorized and duly registered Cottage and Micro industry/enterprise engaged in manufacture or production of goods as explained above can therefore be complied with.

5. Such tariff conversion from IIIB to IIIA1 takes prospective effect from the date of effect as specified in sub-regulation 9(2) of the Supply Code on application by the concerned consumer with production of necessary documents as mandated in the tariff order.

6. It is also to be ensured that if the demand exceeded the limit of 12kW at any point of time the eligibility of IIIA1 tariff would automatically cease to exist and in result, the tariff shall be changed to IIIB instantly. This shall be made clear to the consumer by exclusive condition in the sanction order of tariff conversion.



(Dr.C.Veeramani)
Secretary