



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

Order No.11 of 2022, dated 30-09-2022

Present : Thiru. M. Chandrasekar, Chairman
and
Thiru. K. Venkatesan, Member

**In the matter of : Provisional Tariff subsidy for FY 2022-23
by the Government of Tamil Nadu.**

The Government of Tamil Nadu (GoTN) had issued policy directions under sub-section (1) of section 108 of the Electricity Act, 2003, for extension of free supply / concessional tariff to different categories of consumers like Hut consumers, Agricultural consumers, Domestic consumers, Actual Places of Public Worship, Powerloom Consumers, Handloom Consumers and Lift Irrigation Co-operative Societies for Agriculture from 2004 onwards. The Government has also committed to provide subsidy to meet the shortfall in revenue to TANGEDCO u/s 65 of the Electricity Act, 2003.

(2) TANGEDCO in their letter dated 20-09-2022 stated that the Government of Tamil Nadu has provided Rs.9379.07 Crores in the Budget Estimate for FY 2022-23 towards tariff subsidy payable to TANGEDCO. The TANGEDCO has requested the Government to sanction and release subsidy for the 1st & 2nd quarters and 1st half year of FY 2022-23 for a total amount of Rs.4438.20 crores based on the subsidy approved by the Commission for FY 2021-22, pending order of the Commission on the Tariff Subsidy payable for the FY 2022-23.

(3) Further, TANGEDCO has also stated that the Government of Tamil Nadu, vide G.O.(Ms.) No.36/Energy (A1) Dept., dated 23-05-2016, GoTN Lr. (Ms.) No.37/ Energy (A1) Dept., dated 23-05-2016 and G.O.(Ms)No.102/Handloom, Handicraft, Textiles and Khadi (D2) Department, dated 23-05-2016 has issued policy directives to Tamil Nadu Electricity Regulatory Commission for provision of free electricity of 100 units bimonthly to all domestic consumers in all slabs, for provision of free electricity of 200 units bimonthly to all handloom consumers and for provision of free electricity of 750 units bimonthly to all power loom consumers from 23-05-2016. GoTN has issued commitment letters for the provision of tariff subsidy for the same to compensate the revenue shortfall due to those policy directives. The Govt. of Tamil Nadu is also continuing the extension of subsidy schemes for free supply/reduction in tariff for other

categories such as, LT services of Agriculture Normal and SFS, Huts, Actual Places of Public Worship categories and HT service of Lift Irrigation Co-operative Societies.

(4) TANGEDCO in its letter dated 20-09-2022 has requested the Commission to approve the subsidy for FY 2022-23 as under:

Sr. No.	Categories of Consumers	Subsidy (Rs. in Crores)
1	Domestic (Free supply/Reduction in tariff)	5284.32
2	Agricultural consumers under normal category (Free supply)	5046.04
3	Agricultural consumers under SFS category (Free supply)	880.91
4	Hut consumers (Free supply)	288.45
5	Actual Place of Public Worship (Reduction in tariff)	15.56
6	Power loom weavers (Free Supply / Reduction in tariff)	430.88
7	Hand Loom Weavers (Free supply)	6.40
8	HT Lift Irrigation Co-operative Societies (Free supply)	55.30
	Total	12,007.86

(5) The Tariff subsidy payable by GoTN to TANGEDCO for different category of consumers is detailed below:

I. Domestic Consumers

a) The subsidy for domestic consumers claimed by TANGEDCO for FY 2022-23 is Rs.5,284.32 Crores and the subsidy approved by the Commission for FY 2020-21 and FY 2021-22 are as below respectively:

Year	Subsidy approved by Commission (Rs. in Crores)
2020-21 (Reconciled)	3339.91
2021-22 (Provisional)	3469.02

b) In this context, the Commission has considered the following facts while determining the Subsidy payable by GoTN:

- (i) The TANGEDCO has requested to allow subsidy of Rs.5,284.32 Crores for FY 2022-23 for Domestic consumers.
- (ii) The subsidy rates as issued in the Government's Letter (Ms.) No. 6329/C2/2022-1, dated 07-09-2022 of Energy (C2) Department, GoTN are as follows:

Slab	Subsidy/Unit
<u>Upto 500 units</u> 0 – 100 units (bimonthly)	Rs.4.50/unit.
101 – 200 units (bimonthly)	Rs.2.25/unit.
<u>Above 500 units</u> 0-100 units (bimonthly)	Rs.4.50/unit.

- (iii) Further, GoTN vide its Letter No. (Ms) No.37, dated 23-05-2016 of Energy (A1) Department, has provided free electricity of 100

units bimonthly to all domestic consumers in all slabs in the existing assessment system and issued a commitment letter for providing tariff subsidy.

c) The details of approved tariff, subsidy payable by the Government as per above revised directive and the tariff payable by consumers with effect from 10-09-2022 (date of latest tariff order) in respect of Domestic consumers are as follows:

Tariff for LT Tariff I-A - Domestic Category:

Consumption slabs – Range in kWh (units) and billing period (one or two months)	Approved Tariff Rate		Subsidy payable by GoTN		Payable by consumer	
	Fixed Charges (Rs.per month/ service)	Energy Charges in paise per kWh	Fixed Charges (Rs.per month/ service)	Energy Charges in paise per kWh	Fixed Charges (Rs.per month/ service)	Energy Charges in paise per kWh
a) For consumers who consume up to 50 units per month (or) 100 units for two months						
From 0 to 50 units per month (or) 0 to 100 units for two months	Nil	450	Nil	450	Nil	450
b) For consumers who consume from 51 units to 100 units per month (or) 101 to 200 units for two months						
From 0 to 50 units per month (or) 0 to 100 units for two months	Nil	450	Nil	450	Nil	Nil

Consumption slabs – Range in kWh (units) and billing period (one or two months)	Approved Tariff Rate		Subsidy payable by GoTN		Payable by consumer	
	Fixed Charges (Rs.per month/ service)	Energy Charges in paise per kWh	Fixed Charges (Rs.per month/ service)	Energy Charges in paise per kWh	Fixed Charges (Rs.per month/ service)	Energy Charges in paise per kWh
From 51 to 100 units per month (or) 101 to 200 units for two months.		450		225		225
c) For consumers who consume from 101 units to 250 units per month (or) 201 to 500 units for two months						
From 0 to 50 units per month (or) 0 to 100 units for two months	Nil	450	Ni	450	Nil	Nil
From 51 to 100 units per month (or) 101 to 200 units for two months.		450		225		225
From 101 to 200 units per month (or) 201 units to 400 units for two months		450		Nil		450
From 201 to 250 units per month (or) 401 units to 500 units for two months		600		Nil		600
d) For consumers who consume 251 units and above per month (or) 501 units and above per month						
From 0 to 50 units per month (or) 0 to 100 units for two months	Nil	450	Nil	450	Nil	Nil
From 51 to 100 units per month (or) 101 to 200 units for two months.		450		Nil		450

Consumption slabs – Range in kWh (units) and billing period (one or two months)	Approved Tariff Rate		Subsidy payable by GoTN		Payable by consumer	
	Fixed Charges (Rs.per month/ service)	Energy Charges in paise per kWh	Fixed Charges (Rs.per month/ service)	Energy Charges in paise per kWh	Fixed Charges (Rs.per month/ service)	Energy Charges in paise per kWh
From 101 to 200 units per month (or) 201 to 400 units for two months		450		Nil		450
From 201 units to 250 units per month (or) 401 units to 500 units for two months		600		Nil		600
From 251 to 300 units per month (or) 501 to 600 units for two months		800		Nil		800
From 301 units to 400 units per month (or) 601 units to 800 units for two months		900		Nil		900
From 401 to 500 units per month (or) 801 to 1000 units for two months		1000		Nil		1000
From 501 units and above per month (or) from 1001 units and above for two months		1100		Nil		1100

d) True-up of subsidy of 2020-21:

A provisional subsidy of Rs.3377.37 Crores was sanctioned for TANGEDCO for FY 2020-21 vide Commission's Order No. 7 of 2020, dated 20-06-2020. Subsequently, TANGEDCO submitted their actual slab-wise

consumption and reconciliation statements for FY 2020-21 and claimed a revised subsidy of Rs.3339.91 Crores. **The Commission has approved the same and the excess subsidy of Rs.37.46 Crores has to be adjusted while approving the Provisional Subsidy for FY 2022-23.**

The tariff subsidy payable by the Government for the FY 2022-23 has been calculated for 162 days i.e from 01-04-2022 to 09-09-2022 based on the previous tariff order dated 11-08-2017 and the estimated sales of TANGEDCO for the aforesaid period is as follows:

Slab	Consumption (in MU)/ No. of services (in lakhs)	Subsidy payable by the Government	Estimated tariff subsidy (Rs. in Crs.)
I. Bi-Monthly Consumption upto 100 units			
0-100 units	2059.75	Rs.2.50/unit	228.55
Fixed Charges	76.35	Rs.15/month/service	60.99
Sub Total	2059.75/76.35		289.54
II. Bi-Monthly Consumption above 100 units and upto 200 units			
0-100 units	3562.94	Rs.2.50/unit	395.34
101-200 units	2104.64	Rs.1.00/unit	93.41
Fixed Charges	59.38	Rs.5/month/service	15.81
Sub Total	5667.58/59.38		504.56
III. Bi-Monthly Consumption above 200 units and upto 500 units			
0-100 units	4743.32	Rs.2.50/unit	526.31
101-200 units	4743.32	Rs.0.50/unit	105.26
201-500 units	5859.41	0	0
Fixed Charges	79.06	Rs.5/month/service	21.05
Sub Total	15346.05/79.06		652.62

Slab	Consumption (in MU)/ No. of services (in lakhs)	Subsidy payable by the Government	Estimated tariff subsidy (Rs. in Crs.)
IV. Bi-Monthly Consumption above 500 units			
0-100 units	1069.42	Rs.2.50/unit	118.66
101-200 units	1069.42	0.00	0.00
201-500 units	3208.25	0.00	0.00
Above 500 units	3651.15	0.00	0.00
Fixed Charges	17.82	0.00	0.00
Sub Total	8998.24/17.82		118.66
Total (A)	32071.62/232.61		1565.38

The tariff subsidy for remaining 203 days i.e from 10-09-2022 to 31-03-2023 based on the latest tariff order No.7 of 2022 dated 09-09-2022:

Slab	Consumption (in MU)/ No. of services (in lakhs)	Subsidy payable by the Government	Estimated tariff subsidy (Rs. in Crs.)
I. Bi-Monthly Consumption upto 100 units			
0-100 units	2059.75	Rs.4.50/unit	515.50
Fixed Charges	76.35	0.00	0.00
Sub Total	2059.75/76.35		515.50
II. Bi-Monthly Consumption above 100 units and upto 200 units			
0-100 units	3562.94	Rs.4.50/unit	891.71
101-200 units	2104.64	Rs.2.25/unit	263.37
Fixed Charges	59.38	0.00	0.00
Sub Total	5667.58/59.38		1155.08
III. Bi-Monthly Consumption above 200 units and upto 500 units			
0-100 units	4743.32	Rs.4.50/unit	1187.13
101-200 units	4743.32	Rs.2.25/unit	593.56
201-400 units	3906.27	0.00	0.00
401-500 units	1953.14	0.00	0.00

Slab	Consumption (in MU)/ No. of services (in lakhs)	Subsidy payable by the Government	Estimated tariff subsidy (Rs. in Crs.)
Fixed Charges	79.06	0.00	0.00
Sub Total	15346.05/79.06		1780.69
IV. Bi-Monthly Consumption above 500 units			
0-100 units	1069.42	Rs.4.50/unit	267.65
101-200 units	1069.42	0.00	0.00
201-400 units	2138.83	0.00	0.00
401-500 units	1069.42	0.00	0.00
501-600 units	608.52	0.00	0.00
601-800 units	1217.05	0.00	0.00
801-1000 units	1217.05	0.00	0.00
Above 1000 units	608.52	0.00	0.00
Fixed Charges	17.82	0.00	0.00
Sub Total	8998.24/17.82		267.65
Total (B)	32071.62/232.61		3718.92
Total (A)+(B)			5284.30

Hence, a subsidy of Rs.5284.30 Crores is provisionally approved for FY 2022-23 for reduction in tariff to Domestic Consumers based on the above commitment letters of GoTN.

II. Agricultural consumers under normal category:

(a) True up of subsidy for FY 2020-21: The Commission has approved a provisional subsidy of Rs.3309.93 Crores for FY 2020-21. TANGEDCO has subsequently submitted the actual load details as 1,47,90,002.23 HP for reconciling the subsidy for FY 2020-21. Therefore,

the Commission approved a subsidy of Rs.4252.13 Crores for FY 2020-21 at the rate of Rs.2,875/HP/per annum. **Hence, the additional subsidy of Rs.942.20 Crores has to be provided while approving the Provisional Subsidy for FY 2022-23.**

Agriculture – Normal :

Year	Subsidy approved by Commission (Rs. in Crores)
2020-21 (Reconciled)	4252.13
2021-22 (Provisional)	4019.00

(b) TANGEDCO has estimated the connected load for FY 2022-23 at 1,55,24,305 HP. Therefore the estimated subsidy for 1,55,24,305 HP for FY 2022-23 works out as under:

The tariff subsidy for 162 days i.e from 01-04-2022 to 09-09-2022 based on the previous tariff order dated 11-08-2017:

Connected Load (in HP)	Subsidy payable by the Government	Estimated Subsidy (Rs. in Crs.)
1,55,24,305	Rs.2875/HP/ Annum	1980.94
	Total (A)	1980.94

The tariff subsidy for remaining 203 days i.e from 10-09-2022 to 31-03-2023 based on the latest tariff order No.7 of 2022 dated 09-09-2022:

Connected Load (in HP)	Subsidy payable by the Government	Estimated Subsidy (Rs. in Crs.)
1,55,24,305	Rs.3550/HP/ Annum	3065.09
	Total (B)	3065.09
Total (A) + (B)		5046.03

The Government of Tamil Nadu has, in its letter dated 07-09-2022, granted subsidy of Rs.3250/HP/Annum in respect of Agriculture consumers. However, as it is fully subsidized category, the Government of Tamil Nadu has to pay the tariff as fixed by the Commission.

(c) Therefore, a subsidy of Rs. 5,046.03 Crores for FY 2022-23 in respect of agricultural consumers under normal category is provisionally approved.

III. Agricultural consumers under SFS category:

(a) True up of subsidy of FY 2020-21 : The Commission had approved a provisional subsidy of Rs.965.93 Crores for FY 2020-21. TANGEDCO has subsequently submitted the actual load details as 23,67,891.18 HP for reconciling the subsidy for FY 2020-21. Therefore, the Commission approved a subsidy of Rs.680.77 Crores for FY 2020-21. **Hence, the excess subsidy of Rs.285.16 Crores has to be adjusted while approving the Provisional Subsidy for FY 2022-23.**

(b) TANGEDCO has estimated the connected load for FY 2022-23 at 27,10,162 HP. Therefore, the estimated subsidy for 27,10,162 HP works out as under:

The tariff subsidy for 162 days i.e from 01-04-2022 to 09-09-2022 based on the previous tariff order dated 11-08-2017:

Connected Load (in HP)	Subsidy payable by the Government (Rs./HP)	Estimated Subsidy (Rs. in Crs.)
27,10,162	Rs.2875/HP/ Annum	345.82
	Total (A)	345.82

The tariff subsidy for remaining 203 days i.e from 10-09-2022 to 31-03-2023 based on latest tariff order No.7 of 2022 dated 09-09-2022:

Connected Load (in HP)	Subsidy payable by the Government (Rs./HP)	Estimated Subsidy (Rs. in Crs.)
27,10,162	Rs.3550/HP/ Annum	535.09
	Total (B)	535.09
Total (A) + (B)		880.91

The Government of Tamil Nadu has, in its letter dated 07-09-2022, granted subsidy of Rs.3250/HP/Annum in respect of Agriculture consumers. However, as it is fully subsidized category, the Government of Tamil Nadu has to pay the tariff as fixed by the Commission.

Therefore, a subsidy of Rs. 880.91 Crores for FY 2022-23 for agricultural consumers under SFS category is provisionally approved.

IV. Hut Consumers

(a) True up of subsidy of FY 2020-21: The Commission had approved a provisional subsidy of Rs.194.03 Crores for FY 2020-21. Subsequently, the TANGEDCO furnished the average number of Hut consumers for FY 2020-21 as 10,87,774. Based on this, the Commission approved a subsidy of