



## **TAMIL NADU ELECTRICITY REGULATORY COMMISSION**

### **Draft Notification No.TNERC/PPS/17-1 dated 22-02-2023 (Comments invited by 09-03-2023)**

The following draft of amendment to the TNERC (Procedure for payment of subsidy by the State Government) Regulations, 2008, which it is proposed to make in exercise of the powers conferred by Section 65 of the said Electricity Act, 2003, read with clause (zp) of sub-section (2) of Section 181 thereof and all other powers enabling it in this behalf, is hereby published for information of all persons likely to be affected thereby, as required by sub-section (3) of section 181 of the said Act.

2. Notice is hereby given that the draft amendment will be taken into consideration after the expiry of 15 days time from the date of publication of this Notification in the TNERC website and that any objection or suggestion, which may be received from any person before the expiry of the aforesaid period will be considered by the Commission.

3. Objection or suggestion, if any, should be addressed in duplicate to the Secretary, Tamil Nadu Electricity Regulatory Commission, 4th Floor, SIDCO Corporate Office Building, Thiru.Vi.Ka. Industrial Estate, Guindy, Chennai 600 032.

## **DRAFT AMENDMENT**

**In the said Regulation, in Regulation 5, for sub-regulation (ii), the following sub-regulation shall be substituted, namely:-**

(ii) The subsidy shall be payable by the GOTN to the distribution licensee in advance as below as per the following schedule of payment ordered by the Commission :—

All category of consumers : Quarterly

**In the said Regulation, in Regulation 5, for sub-regulation (vii), the following sub-regulation shall be substituted, namely:-**

(vii) The distribution licensee shall reconcile the actual subsidy received with actual consumption within 60 days from the closure of quarterly accounts and send proposal for adjustment of subsidy. The Commission may approve the actual subsidy.

/By order of the Commission/



Secretary  
Tamil Nadu Electricity Regulatory Commission

## **EXPLANATORY STATEMENT**

TANGEDCO in their letter has, inter alia, stated that the Ministry of Power, Govt. of India, has given Standard Operating Procedure (SOP) under Revamped Distribution Sector Scheme (RDSS), which seeks to improve the operational efficiencies and financial sustainability of DISCOMs. The Scheme envisages submission of subsidy bills quarterly to the State Government alongwith the reconciliation / true-up of the subsidy claim of previous quarter, which is pre-qualification condition for release for admissibility of claims.

1. As per Policy Directives, GoTN is extending free supply / concessional tariff to different category of consumers like Domestic, Places of Public Worship, Handloom, Powerlooms, Hut Service, Agriculture (Normal and Self-Financing Scheme), HT Lift Irrigation.
2. GoTN has committed to provide subsidy for the same to meet the shortfall in revenue of TANGEDCO. Necessary budget provision is made in the Budget and the subsidy is released to TANGEDCO upfront based on TNERC Orders on assessment of subsidy.
3. The Commission has hitherto issues Provisional Subsidy Order every year alongwith True-up of subsidy for the year prior to previous year based on the proposal submitted by TANGEDCO.

4. The subsidy is released by GoTN monthly/quarterly/half-yearly as stated in the Provisional Subsidy Order issued by TNERC.
5. The periodicity of release of subsidy is based on the TNERC (Procedure for payment of subsidy by the State Government) Regulations, 2008.

Now, TANGEDCO is seeking amendment in the Subsidy Regulation 5, in sub-regulation (ii) and (vii). The amendment seeks to achieve the above object.

/By order of the Commission/

(Sd.....)  
Secretary  
Tamil Nadu Electricity Regulatory Commission

**STATEMENT SHOWING THE EXISTING PROVISION AND  
THE PROVISION EMBODYING AMENDMENT**

<b>Existing provision (1)</b>	<b>Provision embodying amendment (2)</b>
<p><b>Sub-regulation (ii) in Regulation 5</b></p> <p>(ii) The subsidy shall be payable by the GOTN to the distribution licensee in advance as below as per the following schedule of payment ordered by the Commission :—</p> <p>Domestic consumers : Monthly</p> <p>Agricultural &amp; Hut consumers : Half Yearly</p> <p>Other consumers : Quarterly</p>	<p><b>Sub-regulation (ii) in Regulation 5</b></p> <p>(ii) The subsidy shall be payable by the GOTN to the distribution licensee in advance as below as per the following schedule of payment ordered by the Commission :—</p> <p>All category of consumers : Quarterly</p>
<p><b>Sub-regulation (vii) in Regulation 5</b></p> <p>(vii) The distribution licensee shall reconcile the actual subsidy received with actual consumption within six months from the close</p>	<p><b>Sub-regulation (vii) in Regulation 5</b></p> <p>(vii) The distribution licensee shall reconcile the actual subsidy received with actual consumption within 60 days from the closure of quarterly accounts and send</p>

of the financial year and send proposal for adjustment of subsidy. The Commission may approve the final subsidy.	proposal for adjustment of subsidy. The Commission may approve the actual subsidy.
--	---

/By order of the Commission/

(Sd.....)  
Secretary  
Tamil Nadu Electricity Regulatory Commission