

The basic facts on Tariff Revision in the form of Questions and answer:

Q 1 :

“The proposed tariff hike is very high and should not be allowed”.

Ans:

- i. The tariff has been marginally increased during the year 2010-11 for certain categories of consumers i.e Domestic consumers consuming more than 600 units bi-monthly, Industrial and Commercial consumers after a gap of seven years (previous Tariff Order issued w.e.f.16.3.2003). However, the operating cost (68%), the coal and oil cost (229%) and power purchase cost (235%) have increased drastically whereas the tariff for the industrial consumers remains almost the same as that of 2003.
- ii. The average cost of supply and the average rate of realization from the year 2005-06 to 2011-12 are detailed below:

year	average cost of supply Rs./unit	average rate of realization Rs./unit	Loss per unit
2005-06	3.52	3.07	(-) 0.45
2006-07	3.55	3.10	(-) 0.45
2007-08	4.00	3.19	(-) 0.81
2008-09	4.86	3.13	(-) 1.73
2009-10	5.09	3.11	(-) 1.98
2010-11	5.55	3.43	(-) 2.12
2011-12	6.12	3.73	(-) 2.39
2012-13	5.98	3.79	(-) 2.19

- iii) From the above, it is obvious that the TANGEDCO is making loss for every unit of sale.
- iv) In order to complete the on going power projects and subsequent reduction in the quantum of power cut and for day to day operation of TANGEDCO, the tariff increase proposed is very essential.
- v. However, as per Electricity Act, 2003, the Hon'ble TNERC is only vested with power to categorise and fix the tariff for all the electricity consumers.

Q 2:

The tariff for Agriculture and Hut consumers has been proposed to increase drastically. "Is it the first step to introduce tariff for this category and withdrawal of Free Electricity to this category"?

Ans:

Free supply to Agriculture and Hut consumers will be continued and electricity charges will be paid by the Government of Tamil Nadu as subsidy.

Q 3:

"The domestic subsidy for the consumption 0-200 units for those who consume under the bracket 200 units to 500 units bimonthly, has been withdrawn. Whether the provision of subsidy will be continued?"

Answer:

S.No.	Category	Tariff rate in Rs/unit	Subsidy in Rs/unit	Payable by consumer in Rs/unit	% of subsidy of tariff rate
1.	Below Poverty line Consumer who consumes below 100 units bi-monthly.	3.00	1.50	1.50	50%
2.	Lower income Consumer who consumes above 100 units bimonthly and below 200 units.	3.00	1.00	2.00	33%
3.	Middle income Consumer who consumes above 200 units and below 500 units				
	0-200 units	3.00	0	3.00	Nil
	200-500 units	4.00	0.50	3.50	12.5%

From the above it can be seen that the below poverty line consumers are provided with more subsidy and subsidy is being decreased for others according to the income and capacity of the consumer to pay.

The subsidy for high income group consumer who consumes above 500 units alone has been proposed for withdrawal, since they can able to pay their Current Consumption charges.

Q 4:

The tariff for HT Industrial consumers should not be raised.

Ans:

As per National Tariff Policy, tariff has to be fixed +20 % of cost of Supply. The tariff details for HT Industrial Consumers after proposed tariff revision are as follows:

S.no	Category	Estimated Rate of Realisation for the proposed tariff rate (2012-13) in Rs/unit	Estimated Average Cost of supply in Rs/unit for 2012-13	% of cost of supply
1.	HT Industrial	6.38	5.98	6.69

From this it can be seen that tariff for HT Industrial consumers even after considering the proposed tariff is well below $\pm 20\%$ of cost of supply.

Q 5:

The tariff for LT Commercial & LT Industrial consumers has been proposed to raise heavily and the same should not be done?

Ans:

As per National Tariff Policy, tariff has to be fixed $\pm 20\%$ of cost of Supply. The tariff details for commercial Consumers and LT Industrial after proposed tariff revision are as follows:

S.no	Category	Estimated Rate of Realisation for the proposed tariff rate (2012-13) in Rs/unit	Estimated Average Cost of supply in Rs/unit for 2012-13	% of cost of supply
1.	HT Commercial	7.59	5.98	26.92
2.	LT Commercial	8.36	5.98	39.80
3.	LT Industrial	8.72	5.98	45.82

At present the tariff for Hut has been increased 400% and tariff for Agriculture has been increased as 589 % . The tariff details of Agriculture and Hut consumers after proposed tariff revision are as follows:

S.no	Category	Estimated Rate of Realisation for the proposed tariff rate (2012-13) in Rs/unit	Estimated Average Cost of supply in Rs/unit for 2012-13	% of cost of supply
1.	LT Agriculture	1.75	5.98	-70.74
2.	LT Hut	2.76	5.98	-53.85

From this it can be seen that the proposed tariff for Agriculture and Hut consumers is well below the $\pm 20\%$ of cost of supply. It has been proposed to reduce the tariff for Commercial and LT Industrial categories and increase the tariff for Agriculture and Hut category in phased manner.

Q6: How Solar Power Generating Plants are being promoted in Tamil Nadu.

Ans: Generation Based Incentive scheme (GBI) was announced by MNRE for Grid Interactive Solar power generation projects during the year 2009.

The power purchase price fixed under the above scheme is Rs.15 per unit. TANGEDCO will pay Rs. 4.50/- and Rs.10.50/- will be paid by MNRE as GBI to the company. M/s. Sapphire Industrial Infrastructures Private Limited have established 5 MW SPV power plant at Rettai Pillai Iynarkulam village, New Kallatthur , Sivagangai Tk, Sivganga district. M/s B & G Solar Pvt. Limited is the first solar power developer to establish 1 MW solar PV power plant at Nagapattinam. Only one developer from Tamil Nadu (i.e) M/s. CCCL Infrastructure Ltd has been selected for establishment of 5 MW Solar PV power plant at Tuticorin District and erection is under process.

Q7: Connected load limit of 10 HP has to be increased to 20 Hp or 25 HP under LT tariff III A (1) and (2)

Ans: In order to encourage small industries and for economically weaker section, separate category has been introduced (LT tariff III A (1) and (2)) with lesser tariff rate than the other industrial consumers with a load restriction of 10HP. If they can able to install 20 HP or more, they will be treated as that of Industrial consumers and they will be charged under higher tariff (Industrial tariff). Moreover, as per EA, 2003, the Hon'ble TNERC is only vested with power to categorize and fix the tariff for all the electricity consumers.

Q8: To stop free electricity to all the consumers and to fix the reasonable rate for all consumers.

Ans: As per the policy direction of GOTN and orders of TNERC, the free electricity is being extended to certain categories of consumers for which GOTN is providing tariff subsidy in order to compensate the revenue loss due to the above policy direction. In the proposed tariff revision petition, the tariff rate for the hut consumers has been increased from Rs.10/Month/service to Rs.60/Service/Month (400%) and the rate for the agriculture consumers has been increased from Rs.250/HP/annum to Rs.1750/HP/annum (589%) and power loom consumers tariff hike is proposed from Rs.1.00 / to Rs.4.50/unit. For any change, policy decision has to be taken by the GOTN.

Q9: Street light SCs to be maintained by the TANGEDCO instead of local bodies.

Ans: Previously, the street light SCs are maintained by the Board. Now, as per the GOTN's direction, the SCs are being effected by the TANGEDCO and maintained by the local bodies. For any change, policy decision has to be taken by the GOTN.

Q10: Assessment may be made Monthly.

Ans: Since different slabs are available for monthly and bi-monthly consumption, the consumption charge will not vary whether it is monyhhly or bi-monthly assessment. Hence, there is no difference in the cc charges payable by the consumers.

Q11: There will be a huge revenue leakage due to theft of energy. What are all the action taken to curb the theft.

Ans: In Tamil Nadu Generation and Distribution Corporation Limited, 17 Enforcement Squads and 1 Flying squad/Chennai are functioning under the direct control of Inspector General of Police/Vigilance to curtail theft of energy.

Activities carried out to curb misuse and theft of Electricity:-

- 1) Frequent inspections are being carried out in industries availing HT supply.
- 2) Surprise inspections on suspected Industries are being carried out during night hours and on holidays.
- 3) If the consumption pattern suddenly drops or boosts by 20%, then the respective service connections are being inspected.
- 4) Routine inspections are being carried out in HT & LT service connections.
- 5) Inspections are also being conducted based on petitions and secret information received.
- 6) Wide publicity on theft of energy is being carried out to create awareness on theft/misuse of Electricity among the public through bills pasted on the notice boards in all the section/sub-division/division offices etc., and through advertisements in leading news papers.
- 7) To detect un-accounted energy, studies are being carried out on the HT feeders.

A target of Rs.200 crores has been fixed for the year 2011-12. To achieve this target, intensive inspections have been carried out and 19 Nos. of power thefts in HT service connections and 3015 Nos. of power thefts in LT service connections have been detected as on 31.08.2011, and a sum of Rs.19.42 crores has been levied as provisional assessment and Rs.2.22 crores has been collected as compounding charges.

Q12: New power projects are to be completed as early possible.

Ans: All efforts are being taken to complete and commission the ongoing power projects in time.

Q 13: what are all the actions taken to increase the generating capacity of the TNEB?

Ans: It is proposed to add additional capacity of 799.5 MW and 3869.5 MW during the year 2011-12 and 2012-13.

Q 14: Previously assessment of meter reading was made from 16 th to 30 th of every month and payment from 1 st to 15 th preceding month. Now due to 30 days assessment, it is very difficult to remember and pay the CC charges.

Ans: The 30 days assessment and collection facility has been introduced to facilitate the consumers by giving 20 days time period for making their payments so as to reduce the peak days crowd at the collection counters by evenly distributing due dates for making payment throughout the month.

Q 15: What are the total amount of TANGEDCO borrowing?

Ans: Total borrowing of the Board is Rs.45,000/- Crs.

Q16: How the TANGEDCO is managing with the huge deficit?

Ans: Previously, when the loss level of the Board was less, TNEB was managing by borrowing the fund from the Financial institutions and with State Government guarantee for some loans. After bifurcation of TNEB into TANGEDCO and TANTRANSCO, the financial institutions are refusing to provide loans since the revenue loss becomes huge. Hence, in order to smooth and further operation of the TANGEDCO, tariff revision is vital.

Q17 : Whether the Segregation of Asset for each function Transmission and Distribution has been completed?

Ans: The GOTN has issued necessary orders for one more year of time extension to finalise the assets transfer i.e. 31.10.2012.

Q 18 : Whether Merit of Order has been followed for the purchase of power?

Ans: Considering demand basis, merit Order is being followed to the extent possible.

Q. 19. it is noted that the service connections are not disconnected for the non payment of CC charges within the due date in entire state. Due to this, there is a revenue leakage. Whether, the disconnection is being made for non payment of CC charges within due date.

Ans: All the field officers are strictly instructed to disconnect the services immediately for non payment after the due date.

Q 20: TANGEDCO to create awareness among the consumers about Energy Conservation – Use of Star Labelled appliances, CFL etc.

Ans: DSM Activities:

- ❖ For adoption of BEE star labeled domestic appliances, BEE is creating awareness among public. TANGEDCO is also emphasizing the need for use of the star labeled appliances in all its seminars / training programmes.
- ❖ The Govt. of Tamil Nadu has issued G.O.126 dt 10.11.08 on the energy conservation in Govt./PSU departments. All heads of department have been addressed to follow the guidelines given in the GO and monitored by TANGEDCO.
- ❖ Regular meetings are conducted with Public Works Department, Chennai Metropolitan Water Supply & Sewerage Board and Chennai Corporation and other Corporations for review of implementation of Demand side management measures in their departments.

- ❖ The Govt. of Tamil Nadu has issued another G.O 75 dt. 20.08.10 to ban the usage of Incandescent Bulbs (ICBs) in all Govt. Departments, Public Sector Undertakings, Boards, Societies and Local Bodies. All District collectors have been addressed for issuance of instructions to their officers for adherence of the G.O.
- ❖ The energy conservation reports in respect of Govt./PSU buildings are collected from the Regions/Circles and reviewed/monitored periodically at Head Quarters to assess the energy savings.
- ❖ The energy conservation measures in respect of TANGEDCO buildings are also monitored periodically and savings assessed.
- ❖ Energy conservation day is celebrated every year on 14th December and Energy conservation week during 14th December to 20th December.
- ❖ Energy conservation awareness programmes are conducted for schools, Colleges and Public regularly through training wing of TANGEDCO.
- ❖ The Ministry of Power, Government of India through the Bureau of Energy Efficiency (BEE) has formulated "Bachat Lamp Yojana" (BLY) scheme in domestic sector.
- ❖ The Energy Department has also issued G.O. Ms. No. 87 Energy (C2) Department dated 14.09.2010 for the implementation of this scheme in TamilNadu.
- ❖ Implementation of the BLY scheme in Tamil Nadu may account to the peak load relief of approx. 500-600 MW.
- ❖ TANGEDCO has awarded the contract for implementing the BLY scheme in Tamil Nadu with 60% of the project areas in 22 Electricity Distribution Circle (EDCs).
- ❖ The Government of Tamil Nadu has issued GO NO.7 dt 04.02.2011 for the replacement of existing inefficient pumpsets by Energy Efficient pumpsets to save energy and 242 nos of Energy Efficient pumpsets have been issued to the willing farmers.