



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

**Order No. T.O: 3 of 2022, dated 23-03-2022**

**(Additional Tariff Subsidy in respect of Agriculture Normal and  
SFS category for FY 2018-19 & 2019-20)**

**Present : Thiru M. Chandrasekar .... Chairman**

**and**

**Thiru K. Venkatasamy .... Member (Legal)**

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**In the matter of : Provision of additional tariff subsidy in respect of  
Agriculture Normal and SFS category for the FY  
2018-19 and 2019-20.**

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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 to Agricultural consumers. 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) The Commission in its Order No.7 of 2018 dated 30-11-2018 has, interalia, given direction to TANGEDCO to furnish the actual connected load of Agriculture consumers as on 01-04-2018 immediately and the connected load as on 01-10-2018 before 31-12-2018 as farmers are replacing their pumps load with higher capacity motors due to depletion of ground water level. TANGEDCO claimed the tariff subsidy based on the contracted load available in their records instead of actual consumption. Therefore, TANGEDCO was directed to expedite the process of load updation to avoid financial loss to TANGEDCO.

3) TANGEDCO has in its letter dated 13-11-2019 stated that a committee has been formed to finalize the actual connected load in respect of agriculture services for the financial year 2018-19 and 2019-20 as farmers are using lighting load upto 150 watts inside and outside of pump room and its usage hours is also more than usage of motors. These lighting loads are being used for illumination during night hours also. Since there is no meter in most of the agriculture services, subsidy is being claimed based on the Horse Power only and the usage of electricity for this lighting load consumption could not be claimed so far. Therefore, TANGEDCO has prayed time for completion of this load updation.

4) In the Legislative Assembly, the Government of Tamil Nadu announced 24x7 three phase power supply to agriculture consumers. As the Commission reposed faith on the capability of TANGEDCO officials to carry out the verification of agriculture load, the Commission vide its letter dated 19-01-2021 has directed TANGEDCO to verify the load on its own properly instead of a Third party verification and submit the monthly progress report to the Commission on 15<sup>th</sup> of every month.

5) The Commission has in its Order No.7 of 2020 dated 20-06-2020 approved the preliminary true up for the financial year 2018-19 based on the data furnished by TANGEDCO. The details of connected load furnished by TANGEDCO in respect of Agriculture Normal category and SFS category for the FY 2018-19 are as follows:

(Rs. in Crs)

<b>Sl.No.</b>	<b>Category</b>	<b>Connected Load based on data furnished by TANGEDCO</b>	<b>Subsidy payable by the Government</b>	<b>Subsidy Amount</b>
1.	Normal	1,14,58,107.02	Rs.2875/HP/pa	3,294.21
2.	Self Financing Scheme (SFS)	27,72,317.60	Rs.2875/HP/pa	797.04
Total				4,091.25

6) TANGEDCO has in its letter dated 03-10-2020 stated that due to Covid-19 pandemic, the identification of actual number of agriculture services could not be completed. Therefore, TANGEDCO prayed time till 31-12-2020 for submission of actual connected load of agriculture consumers for the FY 2018-19 and 2019-20. Considering the aforesaid reasons, the Commission extended the time as prayed by TANGEDCO.

7) Due to second wave of Covid-19 pandemic, the progress in load updation was further delayed. In the mean time, the preliminary true up in respect of all subsidy categories including Agriculture Normal and SFS category has been completed for the financial year 2019-20. The details of connected load furnished by TANGEDCO in respect of Agriculture Normal and SFS for the FY 2019-20 are as follows:

(Rs. in Crs)

<b>Sl.No.</b>	<b>Category</b>	<b>Connected Load based on data furnished by TANGEDCO</b>	<b>Subsidy payable by the Government</b>	<b>Subsidy Amount</b>
1.	Normal	1,29,78,571	Rs.2875/HP/pa	3,731.34
2.	Self Financing Scheme (SFS)	18,29,170	Rs.2875/HP/pa	525.89
Total				4,257.23

8) TANGEDCO has in its letter dated 16-11-2021 furnished the details of actual connected load and number of service connections of agriculture consumers under Normal and SFS categories for the FY 2018-19 and 2019-20 and claimed the additional subsidy as follows:

**Financial Year 2018-19**

(Rs. in Crs)

<b>Sl.No.</b>	<b>Category</b>	<b>Connected Load</b>	<b>Subsidy</b>	<b>Subsidy to be realised as per actual connected load</b>
1.	Normal	1,46,41,040.10	Rs.2875/HP/pa	4,209.30
2.	Self Financing Scheme (SFS)	18,84,424.44	Rs.2875/HP/pa	541.77
Total				4,751.07

**Financial Year 2019-20**

(Rs. in Crs)

<b>Sl.No.</b>	<b>Category</b>	<b>Connected Load</b>	<b>Subsidy</b>	<b>Subsidy to be realised as per actual connected load</b>
1.	Normal	1,46,88,019.61	Rs.2875/HP/pa	4,222.81
2.	Self Financing Scheme (SFS)	20,70,909.28	Rs.2875/HP/pa	595.39

Total	4,818.20
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9) The Commission has already passed an order for realisation of the preliminary subsidy amount in respect of all subsidy categories including Agriculture Normal and SFS category for the FY 2018-19 and 2019-20 vide Order No.7 of 2020 dated 20-06-2020 and Order No.7 of 2021 dated 30-09-2021 respectively.

10) To authenticate the updation of actual connected load in respect of Agriculture Normal and SFS category for the financial year 2018-19 and 2019-20, the Commission vide its letter dated 29-11-2021 directed TANGEDCO to submit a detailed report containing the methodology adopted circle wise for load measurement and updation along with two samples in each circle to substantiate their claim. Accordingly, TANGEDCO has vide their reply letter dated 13-12-2021 submitted the methodology adopted for load measurement and updation as follows:

- 1) Due to depletion of ground water level, the farmers are forced to replace their pumps load with higher capacity motors.
- 2) The computed consumption thus arrived based on the contracted load as per records is much lesser than the actual consumption. Tariff

subsidy claimed by TANGEDCO and provided to TANGEDCO is less than actual tariff subsidy.

- 3) The input power of the motor was assessed using clamp on power meter. The clamp on power meter is preferable for the practical purpose. New clamp on power meters were procured wherever the same are not available.
- 4) The kW MD on the actual load, by dividing the same by 0.746 for arriving in terms of HP and the same was updated in LT billing.
- 5) TANGEDCO has created a exclusive software for entering voltage, current and power factor and that measured data were entered by the concerned section officer which was cross checked by Assistant Executive Engineer and Executive Engineer and handed over to Assistant Accounts Offices/Revenue branch of each division for verification of measurement with existing data and confirmed load were updated in LT Billing software.

TANGEDCO stated the reasons for a huge variation between the contracted load and the actual connected load as below:-

a) The numbers in agriculture services differed between tariff subsidy data and LT billing data.

b) Due to want of records/approval, the Agriculture service connections are not updated in LT billing.

c) Multiple loads are connected in single service. Now it has been segregated properly based on the actual load.

d) Some of the agriculture service connections are permanently dismantled and not updated in LT billing data.

e) Water potential area loads are not updated.

f) Load of bifurcated / new sections formulated / added from nearby circle are not verified.

g) Some of the Agriculture services are running and old LT service nos. was identified and could not be included in LT billing due to assignment of new nos.

h) Agriculture services are classified under domestic tariff.

i) Agriculture services were effected under LT tariff III A (1) and converted to LT tariff IV after reaching seniority are not accounted properly.

j) Agriculture loads could not be updated due to non availability of provision in LT billing.

11) The Commission scrutinized two samples in each circle and also called for the report in respect of agriculture normal and SFS category for Nilgris circle. The Commission convinced the agriculture power check inspection report dated 15-02-2022 pertaining to Salem East Division and appreciates the process of verification done by Assistant Engineer and cross checked by Assistant Executive Engineer and Executive Engineer.

12) TANGEDCO in its letter dated 17-02-2022 addressed to the Chief Electrical Inspector to Government with a copy to the Deputy Secretaries of Energy and Finance Department, have included the aforesaid additional claim in the Final Modified Appropriation for the current Financial Year 2021-22.

13) TANGEDCO has stated that if there is no Covid-19 pandemic in Tamil Nadu, the updation of actual connected load in respect of Agriculture Normal and SFS category for the financial year 2018-19 and 2019-20 might have been completed during the relevant financial year.

14) Considering the reasons and strenuous efforts put forth by TANGEDCO, the Commission decides to approve the additional subsidy as claimed by TANGEDCO. The additional subsidy payable by the GoTN for the

Agriculture Normal and Agriculture SFS categories for the FY 2018-19 and 2019-20 will be as follows:

**Subsidy reconciliation for FY 2018-19 and 2019-20**

(Rs. in Crs.)

Sl. No.	Tariff Category	Subsidy Received based on Preliminary data		Subsidy to be received based on actual data		Final True up	Final True up
		2018-19 (1)	2019-20 (2)	2018-19 (3)	2019-20 (4)	2018-19 (5)=3-1	2019-20 (6)=4-2
1.	Agricultural Normal	3,294.21	3,731.34	4,209.30	4,222.81	915.09	491.47
2.	Self Financing Scheme (SFS)	797.04	525.89	541.77	595.39	-255.27	69.50
<b>Grand Total</b>		<b>4091.25</b>	<b>4257.23</b>	<b>4751.07</b>	<b>4818.20</b>	<b>659.82</b>	<b>560.97</b>
<b>Total (2018-19 &amp; 2019-20)</b>						<b>659.82</b>	<b>560.97</b>
<b>Additional subsidy payable by the Government of Tamil Nadu in respect of Agriculture Normal and SFS category for FY 2018-19 &amp; 2019-20</b>						<b>1220.79</b>	

Therefore, the Commission approves the additional subsidy of Rs.1220.79 Crores in respect of Agriculture Normal and SFS Categories for the FY 2018-19 and 2019-20 to compensate the revenue loss to TANGEDCO.

The Government of Tamil Nadu may release the subsidy immediately.

All the provisions and directives contained in the earlier Subsidy Orders No.7 of 2020 dated 20-06-2020 and No.7 of 2021 dated 30-09-2021 will hold good for this Order too.

**/ By Order of the Commission /**

**Secretary  
Tamil Nadu Electricity  
Regulatory Commission**

**To**

**1) The CMD, Tamil Nadu Generation & Distribution Corporation Ltd.,  
Chennai – 600 002.**

**2) The Principal Secretary to Government, Energy Department,  
Chennai – 600 009.**

**3) The Principal Secretary to Government, Finance Department,  
Chennai – 600 009.**