



## **THE TAMIL NADU ELECTRICITY REGULATORY COMMISSION**

**(Constituted under Section 82(1) of the Electricity Act 2003)**

**(Central Act 36 of 2003)**

### **PRESENT**

**Thiru. S. Kabilan** - **Chairman**  
**Thiru. B. Jeyaraman** - **Member**  
**and**  
**Thiru. R. Rajupandi** - **Member**

### **M.P. No.36 of 2008**

The Secretary  
Tamil Nadu Electricity Board,  
144 Anna Salai  
Chennai 600 002

.. Petitioner

In the matter of restriction and control of power supply to HT & LT consumers and surcharge.

The above MP No.36 of 2008 came up for final hearing before the Commission on this day the 24<sup>th</sup> October 2008 and the Commission upon perusing the petition and the connected records and after hearing the learned counsel for the petitioner Thiru. K. Surendranath, Chairman, Member (Accounts), Member (Generation) and Member (Distribution) of TNEB and Secretary to Government of Tamil Nadu, Energy Department hereby pronounces the following order namely:-

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## **ORDER DATED 24<sup>TH</sup> OCTOBER 2008**

The Commission considered the Petition No.36 of 2008 filed by Tamil Nadu Electricity Board on October 23, 2008. The petition seeks the approval of the Commission for levy of 50% additional charges on LT industrial and commercial consumers, who exceed the ceiling of 80% of their average bi-monthly consumption during the previous year subject to a minimum ceiling of 2000 units. The petitioner has enclosed Lr. Ms. No.121, dated 22.10.2008 of the Energy Department, Government of Tamil Nadu. A copy of this letter has been addressed by the Energy Department to Tamil Nadu Electricity Regulatory Commission. The directions of the Government to the Tamil Nadu Electricity Board are based on clause 38 of the Tamil Nadu Electricity Distribution Code 2004 of the Commission.

2. During the last two weeks, the Commission has received a number of representations from consumer organizations and activists pointing out that clause 38 of the Tamil Nadu Electricity Distribution Code 2004 is violative of Electricity Act 2003. The Commission is seized of the matter.

3. Although the petition of the Tamil Nadu Electricity Board is limited to levy of 50% additional charges on LT industrial and commercial consumers, the Commission is constrained to refer to two other clauses of the government letter which calls for the scrutiny of the Commission. Para 6 (vi) of the letter directs TNEB to disconnect the service connection of a consumer for violation of the restriction of consumption during evening peak hours. This direction is violative of Section 56 of the Electricity Act 2003 (Central Act 36 of 2003), which authorizes the licensee to disconnect electricity supply only in the event of default in payment of electricity charges.

4. Para 6 (iii) which prescribes proportionate reduction of the maximum demand charges is inconsistent with the Tariff Order 2003 of the Commission. In terms of the tariff order, either the sanctioned demand will have to be scaled down or the tariff order will have to be modified. Tamil Nadu Electricity Board agrees to submit an appropriate proposal in this regard.

5. TNEB indicates that the proposal for levy of 50% additional charges is estimated to affect 77,000 consumers. Section 62 of the Electricity Act 2003

empowers the Commission to determine the tariff for retail sale of electricity. Section 64(3) mandates the Commission to consider the suggestions and objections of the public for any tariff proposal. Section 88 of the Act obliges the Commission to consult the State Advisory Committee on matters concerning protection of consumer interest. Therefore, the Commission is mandated to consult the State Advisory Committee and hold public hearing on the proposals submitted by the Tamil Nadu Electricity Board. TNEB is well aware of this procedure which was adopted in their Miscellaneous Petition No.41 of 2003 filed before the Commission for determination of service connection charges for metering, meter rent, meter caution deposit, reconnection charges, service charges for dishonoured cheques, charges for name transfer of service, development charges, registration charges, earned money deposit, current consumption deposit and erection charges. The Commission fixed these charges in exercise of the powers vested in Sections 45, 46, 47 and 50 of the Electricity Act 2003 on 31-8-2004 on the basis of the petition of the TNEB after consulting the State Advisory Committee and after holding a public hearing.

6. Tamil Nadu Electricity Board states that they would like to come up shortly with a separate proposal in regard to reduction of maximum demand charges and they submit that the two proposals of levy of 50% additional charges and reduction in maximum demand charges could be taken up together by the Commission. Therefore, the Commission decides to hold the meeting of the State Advisory Committee and the public hearing after considering the proposal of the Tamil Nadu Electricity Board for reduction of the maximum demand charges.

7. A copy of this order may be sent to the Chief Secretary to Government of Tamil Nadu.

Pronounced in the open court by this Commission on the twenty fourth day of October 2008.

**(Sd.....)**  
**(R. RAJUPANDI)**  
**Member**

**(Sd.....)**  
**(B. JEYARAMAN)**  
**Member**

**(Sd.....)**  
**(S. KABILAN)**  
**Chairman**

/ True Copy /

Assistant Secretary  
Tamil Nadu Electricity  
Regulatory Commission