

Before the Tamil Nadu Electricity Regulatory Commission, Chennai.

Order No. T.O.1-106, dated 28.9.2007

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| Present: Thiru S. Kabilan | Chairman. |
| Thiru B. Jeyaraman | Member. |
| Thiru R. Rajupandi | Member. |

In the matter of: Tariff applicable to Laundry Works.

As per the Tariff Order dated 15.3.2003 of the Commission and also as per the previous Tariff order issued by the Government of Tamil Nadu, Tariff III A is applicable to **Cottage and Tiny Industries,** Small Gem cutting units, Sericulture and Floriculture, if the connected load does not exceed 10 HP.

2. The TNEB in Memo No.SE/IEMC/ EET/AEE1/AE2/Powerloom/CR-05217/95-1(Tech. Br) dated 23.8.95 had issued guidelines for classification of **Cottage and Tiny Industries** for the purpose of applying this tariff.

3. The Commission in its Order No.T.1-36, dated 10.02.05 directed that the guidelines on the classification of cottage and Tiny Industries issued by the Board in 1995 shall hold good for the Tariff order issued by the Commission on 15.3.2003 and that the TNEB shall allow LT Tariff III A, as per the guidelines.

4. The crafts "Laundry and Cleaning clothes" and "Laundry work" figure in the list of cottage industries (as item 26 and 49) communicated in letter dated 23.08.95 and therefore these units with connected load less than 10 HP shall be classified under LT Tariff III A(1).

5. However the TNEB in letter No.CFC/Rev/Dir/ Tf. Cell/ F/ AEE/F/Laundry/D.636/07, dated 13.03.07, ordered change of tariff for Laundry work from LT Tariff III A(1) to LT Tariff V in **Erode Region.**

6. The TNEB have ordered change of tariff for Laundry work from LT Tariff III A(1) to LT Tariff V for the following reasons.

- i) Within the same circle (i.e.) Erode EDC, when the Laundry works in Kangeyam Division was charged under LT Tariff III A(1) based on the guidelines issued in memo dated 23.8.95, in Perundurai Division such services were charged under LT Tariff V.
- ii) In Mettur EDC, the services for Laundry work, classified under LT Tariff V prior to 23.8.95 continue to be charged under LT Tariff V and services extended after 23.8.95 are charged under LT Tariff III A.
- iii) In Salem EDC, all the laundry works are charged under LT Tariff III A(i).
- iv) When the Erode District Dry Cleaning & Laundry Association requested change of Tariff to LT Tariff III A(1) to the services which were being charged under LT Tariff V on per with the services in Erode and Mettur EDC, Laundry units in all the circles in Erode Region were ordered to be charged under LT Tariff V to have uniformity. Besides the Dry Cleaning and laundry work have been classified under SSSBE category.

7. The Consumer council of Salem Region, Erode District Dry Cleaning and Laundry Association and some of the Washer men Welfare Association, brought this fact to the notice of the Commission pleading for intervention of the Commission.

8. The Commission in Letter No. TNERC/DT/F. Tariff Change/C 119 & 120/D.380/07, dated 30.05.07 communicated the following to TNEB:

- i) The Commission alone is vested with power to determine tariff and consequently the action of the TNEB in having ordered change of Tariff is a violation of the Electricity Act 2003.
- ii) The TNEB should restore Tariff III A(1) to Laundry work

immediately.

- iii) The TNEB may explain as to how they effected change of tariff without the Commission's approval.

9. The TNEB have stated that the change of Tariff was effected in order to achieve uniformity. Further, Dry Cleaning and Laundry were under SSSBE. The TNEB have gone to the extent of directing the SEs of Erode Region in Memo No.CFC/ Rev/ Dir. Tf. Cell/ AEE/F. Laundry/D.636-7/07,dated 21.07.07) to continue the status as on 15.03.03 in respect of all laundry units.

10. The directions of the TNEB in memo dated 21.07.07 would lead to classification of Laundry Work as LT Tariff V by some of the Divisions in Erode EDC which is in violation of the guidelines issued in memo dated 23.8.95 and Commission's order TO 1-36 dated 10.02.2005.

11. In the circumstances the Commission directs as follows:-

- i) The instruction of the TNEB on change of tariff issued in LetterNo.CFC/Rev/Dir.Tariffcell/F.AEE/ Laundry/ D.636/07, dated 13.03.07 and in memo No.CFC. /Rev/ Dir. Tariff cell/AEE/F. Laundry/D.636-7/07, dated 21.07.07 **are set aside.**

- ii) Consequently, the tariff to Laundry units changed as per the TNEB, letter dated 13.03.07 shall be restored to LT Tariff III A(1) respectively from the date of their change.

- iii) The Laundry units, which are being changed under LT Tariff V, even after the guidelines of 23.08.95, shall be charged under LT Tariff III A(1) from the date of Commission's order dated 10.02.05.

- iv) The above order shall be enforced forthwith and compliance report sent by 20.10.2007.

**Secretary,
Tamil Nadu Electricity Regulatory Commission.**