

Electricity Bills for the temple. This puts the temples in a precarious position.

- Usually these low income category temples consume just one or two units only per day. But, the amount if used otherwise can add a few more Naivedhyams or a few more Parivattams or a few more litres of oil to light the sanctum sanctorum or a few more garlands for the presiding deity.
 - The Tariff rate fixed for the place of public worship is very high compared to domestic rates where slab wise tariff has been fixed and the lowest slab rate is Rs.0.65 per unit.
 - A quick survey conducted by them has revealed that the average electricity consumption per month is about 35 units. Assuming that 30,000 Temples come under this category the total electricity expenditure per annum would be Rs.3.78 crores at the rate of Rs.3/- per unit.
 - In the context of the above, a concessional tariff of Rs 1.50 per unit may be ordered for the electricity consumed by the temples having an income of Rs 10000 and below per annum.
2. The request of the Commissioner / HR & CE was forwarded to TNEB for their remarks. TNEB was specifically asked to look into the financial impact, Government's commitment for compensating the loss etc.,
3. TNEB , in their reply had submitted the following :
- Tariff II-C is applicable to places of public worship. In order to have uniformity in application , concessions if any may be made applicable to all places of public worship.
 - Tariff rate fixed by the Commission as per the tariff order dated 15-3-2003 for LT Tariff II-C is Rs 3.00 per unit. Reduction of this rate from Rs 3.00 to Rs 1.50 per unit will result in loss of revenue for TNEB, to the tune of Rs 1.89 crores per annum. The loss has been estimated on the assumption that , there are around 30000 temples whose income is Rs 10000 or below and the electricity consumption will be in the order of 35 units per month.

- As the quantum of amount will be negligible for covering the concession to all places of public worship (whose income is below Rs 10000 per annum) other than the temples, the compensation of Rs 1.89 crores per annum will hold good to apply this concession to all places of public worship with income below Rs 10000/-
 - Necessary commitment letter for providing adequate subsidy will be obtained from the Government of Tamil Nadu and submitted to the Commission separately.
 - The Commission may consider the proposal and order the concession for the LT tariff II-C for places of public worship and direct the payment of compensation as per section 65 of the Act by the Government of Tamil Nadu.
4. Subsequently, the TNEB in their letter No. X/CFC/Dir/T.Cell/Places of Worship/D.037/2006-01, dated 24.01.2006 have informed the following:
- a. The Government of Tamil Nadu have announced that the power tariff for places of worship with an annual income above Rs.1000/- be reduced from Rs.3.00 per unit to Rs. 1.50 per unit upto the consumption of first 60 units per month.
 - b. The existing free power for places of worship with an annual income below Rs.1000/- will continue.
 - c. Consequent to the reduction in tariff as above there will be a shortfall in revenue to the Board to the extent of Rs.3.64 cr. per annum as detailed below:
 - d. There are about 30000 places of worship with an annual income of Rs.10000/- and below with monthly consumption of 35 units per month. The loss will be Rs.1.89 cr. per annum as below:

$30000 \times 35 \times 12$	= 12.60 MU
12600×1.50	= 1.89 cr.
 - e. There are about 16256 number of places of worship with an income of more than Rs.10000/- and having consumption of more than 60

units per month and the loss would be Rs.1.79 cr. per annum as detailed below:

$$\begin{aligned} 16256 \times 60 \text{ units} \times 12 \text{ months} &= 11.70 \text{ MU} \\ 11.70 \times 1.50 &= 1.75 \text{ cr.} \end{aligned}$$

- f. Total $1.89 + 1.75 = \mathbf{3.64 \text{ cr.}}$
5. The TNEB have requested the Commission to issue the following direction.
- a. TNEB to charge at Rs.1.50 per unit under **LT Tariff II C** for all places of worship for the first 60 units per month and at Rs.3.00 per unit for the balance units per month.
 - b. The Government of Tamil Nadu to provide subsidy of Rs. 3.64 cr. per annum to the Board to compensate the loss in revenue to Board consequent to the above reduction in tariff.
 - c. The order may be given effect from **01.01.2006**
6. The Government of Tamil Nadu through Letter No. 601/C3/2006-1 dt.23.1.2006 of the Special Commissioner & Secretary to Government of Tamil Nadu, have intimated that the Government requires that the tariff to the places of worship having an income more than Rs.1000/- per annum be reduced from Rs.3/- per unit to Rs.1.50 per unit for the consumption upto 60 units per month and that the Government shall provide a subsidy to compensate the loss to TNEB consequent to the above reduction in tariff
7. The Government of Tamil Nadu in Letter Ms.No.15 / 2005, dated 31.1.2006 Energy Department have also issued the following policy directive under section 108 (1) of the Electricity Act 2003 in the interest of public of the State of Tamil Nadu.
- a. Reduction of tariff rates to all actual places of public worship having an annual income of more than Rs.1000/- with effect from **1.1.2006** as follows:

Electricity consumption (in units per month)	Revised rate proposed Rs. / unit
0 – 60 units	1.50
Above 60 units	3.00

- b. The Government of Tamil Nadu will provide Rs.3.64 crores for full year towards subsidy for reduced rates for all places of public worship as per section 65 of the Electricity Act 2003.
- c. The subsidy amount will be paid direct to TNEB in advance in quarterly instalments so as to implement the Government's decision from **1.1.2006**.
8. Section 65 of the Electricity Act 2003, which provides for subsidy by State Government is extracted below:
 "If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, notwithstanding any direction which may be given under section 108, pay, in advance in the manner as may be specified , by the State Commission the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the licence or any other person concerned to implement the subsidy provided for by the State Government:"
 Provided that no such direction of the State Government shall be operative if the payment is not made in accordance with the provisions contained in this section and the tariff fixed by State Commission shall be applicable from the date of issue of orders by the Commission in this regard.
9. Hence the Commission has to specify the amount and manner of payment of subsidy to compensate the revenue short fall.
10. The Commission, therefore, issues the following order:

- a) The tariff fixed in the Tariff Order dated 15.3.2003 for places of worship under LT Tariff II C shall continue to be in force until it is revised by the Commission.
- b) The TNEB shall collect charges from the places of public worship with income of more than Rs.1000/- at the following rate from **01.01.2006**.

1. Consumption upto 60 units / per month	Rs.1.50 per unit
2. Consumption beyond 60 units per month	Rs.3.00 per unit

- c) The concession already extended to the places of worship with an annual- income of less than Rs.1000/- shall continue
- d) The subsidy payable by the Government to compensate the shortfall in revenue to TNEB due to reduction of rate for consumption upto 60 units per month by places of worship having annual income of more than Rs. 1000/- shall be regulated as below:

S No.	Period	Subsidy Rs.in crores	Payable by (Date)
1	For the qr. ended 31.3.2006	0.91	17.02.2006

- e) The TNEB shall send proposals for issue of orders on payment of subsidy for the FY 06 – 07 separately along with the proposals for issue of orders on subsidy for Agriculture and other hut consumers.
- f) The shortfall in revenue due to the Government directive has been computed with the assumption that 30000 no. of places of worship in an average consume 35 units per month. The TNEB shall furnish the actual consumption by these places of worship including those public places of worship whose income is less than Rs.1000/- and covered under free supply and come up before the Commission for adjustment of

subsidy if any required within six months after the close of financial year 2005 – 06.

- g) The attention of the TNEB is invited to the provision under section 65 of the Electricity Act 2003 which reads as follows: "Provided that no such direction of the State Government shall be operative if the payment is not made in accordance with the provision contained in this section and the tariff fixed by the State Commission shall be applicable from the date of issue of orders by the Commission in this regard."

(By Order of the Commission)

**R.Balasubramanian
Secretary**

To

The Chairman, Tamil Nadu Electricity Board, Chennai 600 002.

The Special Commissioner & Secretary to Government,
Energy Department, Chennai 600 009.

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c.c.to: Legal Procedure Consultant