



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

**Order No T.O.3-3/2010 dated 23-12-2010**

<b>Present :</b>	<b>Thiru S. Kabilan</b>	<b>Chairman</b>
	<b>Thiru K. Venugopal</b>	<b>Member</b>
	<b>Thiru S. Nagalsamy</b>	<b>Member</b>

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**In the matter of: Provision of Tariff subsidy for HT Service - Lift Irrigation Cooperative Societies for Agriculture for the year 2010-11 by the Government of Tamil Nadu.**

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(1) The Government of Tamil Nadu (GoTN) has issued policy directions to the Commission in their letter No 116 Dt. 01-12-2010 under sub-section (1) of section 108 of the Electricity Act, 2003, for extension of free supply to Lift Irrigation Co-operative Societies for Agriculture w.e.f. 01-12-2010.

(2) GoTN has committed to provide subsidy to meet the shortfall in revenue to Tamil Nadu Generation & Distribution Corporation Ltd (TANGEDCO) u/s 65 of the Electricity Act, 2003 in the letter No : 116 Dt. 01-12-2010.

(3) TANGEDCO in their letter No : Dir/F/FC/Rec/F.Subsidy/D.295/2010 Dt. 13-12-2010 have requested the Commission to

- a) Issue necessary orders to TANGEDCO for not to charge Energy charges for the HT Tariff IV category w.e.f. 01-12-2010.

- b) Direct the GoTN to provide a tariff subsidy of 0.15 Cr for the period 01-12-2010 to 31-03-2011 for 11 SCs at an estimated consumption of 2.70 MU by adopting the tariff of 50 paise/unit.

(4) In this connection, the following are stated :-

a) The Commission, in its Tariff Order No 3 Dt 31-07-2010 has approved sales of 9 MU for each year of the control period for the HT Lift Irrigation societies. Therefore, pro rata consumption for 4 months works out to 3 MU. Hence, at the tariff rate of 50 paise/unit for HT Tariff IV, the revenue to be earned by TANGDECO would be Rs 0.15 Crores.

b) Therefore subsidy for 2010-11 for free supply for the HT Lift Irrigation societies for Agriculture may be of the order of **Rs 0.15 Crores**.

(5) In the light of the above, the Commission Orders the following:

a) The tariff fixed under the Tariff Order 3 of 2010 of the Commission dated 31-07-2010 shall continue to be in force until the Commission revises it.

b) The TANGEDCO shall not charge any amount towards energy charges for the Lift Irrigation Agriculture societies with effect from 01-12-2010.

c) The subsidy approved now is only a provisional subsidy which will be reconciled later based on actuals. TANGEDCO shall reconcile the revenue as foreseen now with the actuals and report to the Commission.

d) The attention of TANGEDCO / GoTN may be drawn to the provision under Section 65 of the Electricity Act 2003, which reads as follows to deal with the non payment of subsidy "**Provided that no such direction of 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 the State Commission shall be applicable from the date of issue of orders by the Commission in this regard“.***

(By Order of the Commission)

Secretary  
Tamil Nadu Electricity Regulatory Commission

To

The Chairman, Tamil Nadu Generation & Distribution Corporation Ltd, Chennai 600 002.

The Secretary to Government, Energy Department, Chennai 600 009.

Copy to: The Principal Secretary to Government, Finance Department, Chennai-9.