

## **PRESS NOTE**

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Tamil Nadu Electricity Regulatory Commission has determined the quantum of subsidy payable by the Government of Tamil Nadu to the Tamil Nadu Electricity Board for the financial year 2010-11 at Rs 1652.43 Crores.

Subsidy is payable by the Government to the TNEB in terms of section 65 of the Electricity Act, 2003, if the Government decides to adopt a lower tariff than what is determined by the Regulatory Commission.

Domestic consumers are being partially subsidized in the range of 35 paise to Rs 1.75 per unit, whereas hut dwellers and agriculturists are fully subsidized.

Bulk of the subsidy, (nearly 76%) totalling to Rs 1249 crores is earmarked for domestic consumers. Rs 219 crores constituting 13% of the total subsidy is meant for agricultural consumers. The balance 11% ( Rs 184 crores ) is allotted to hut consumers, handloom weavers, powerloom weavers, street lights, public water supply and for places of public worship.

Section 65 of the Electricity Act , 2003 mandates the State Government to pay the subsidy in advance , failing which the tariff fixed by the State Commission would be applicable . The subsidy calculation is based on existing tariff.

Tamil Nadu Electricity Board has since filed a tariff petition for revision of tariff.

**(M VELAYUDHAPERUMAL )**  
Assistant Secretary