

2 METHODOLOGY ADOPTED FOR TARIFF REVISION

2.1 BACKGROUND

2.1.1 In the previous Tariff Order for TANGEDCO, the Commission has stated the following methodology for revision of tariff for the remaining years of the Control Period:

*“5.1.2 An inflation indexed approach is approved for the tariff, considering the annual increases in Average Cost of Supply. Looking at past trends, the **general Consumer Price Inflation (CPI) index** seems to be a convenient fit, as the past annual CPI inflation rates are in the range of 4.9-6.3%, between 2018 and 2022. It is also to be noted that irrespective of CPI inflation, **actual annual increase is capped to 6%.**”*

*5.1.3 The Commission shall adopt **CPI index of April 2023** compared with **CPI index of April 2022** to arrive at the escalation rate **OR 6% whichever is lower** and revise the tariff schedule. Similar process shall be continued for the remaining years of control period. ”*

2.1.2 Though it was decided to adopt the escalation rate comparing with the April 2023 and April 2022, for the revision of tariff to take effect it from 1st of July 2023, as per the policy directive of the Government of Tamil Nadu vide Lt.No.4660/C2/2023 dt.30-06-2023, the Commission decided to compare the General CPI Index of April 2023 with the index for the month of August 2022. Accordingly the prevailing tariff has been escalated to the extent of such percentage comparing the Index rate prevailing in August 2022. However, the inflation of tariff for the ensuing years shall be based on formula stipulated under para 6.1.1.13 and para 6.2.1 (m) of the Tariff Order No.7 of 2022 dated 09.09.2022.

2.1.3 The above methodology has been implemented in this order.

2.1.4 EV Charging Infrastructure

2.1.4.1 The Commission has determined the tariff for EV charging, vide para 6.1.7 and 6.2.16 of the T.O.No.7 of 2022 initially for the FY 2023-24 enabling to adopt the emerging scenario in tariff and revise according to the prevailing policy of Government in future. Now in accordance with the Para 5.1.2 of the Tamil Nadu Electric Vehicle Policy 2023, Commission, re-determines the tariff for the supply to EV charging facility in this Tariff Order such a way to incentivize the EV usage and to decrease the cost of operation.

2.1.4.2 The tariff in respect of EV charging is re-determined in line with the revised guidelines in Para 7 of the of the Ministry of Power vide No.12/2/2018-EV

dt.14.01.2022 that the total electricity charges to the users shall not exceed the ‘Average Cost of Supply’.

2.1.4.3 The GoTN, vide its letter No.1633/D1/2023,Dated 19.06.2023, on the Tariff for Public EV Charging Stations, requested to take into consideration the revised guidelines issued by the Ministry of Power and the concession granted under the Tamil Nadu e-Vehicle Policy,2023 while exercising the tariff redetermination.

2.1.4.4 Taking into consideration of all the above policies, guidelines and standards, suggestions on the EV Charging Tariff, the Commission decided the following methodology to fix the tariff for EV Charging under HT Tariff V and LT Tariff VII

- a. To fix the tariff which shall not exceed the Average Cost of Supply(ACoS) as per the guideline given by the MoP, GoI.
- b. To continue with two part tariff, and to give effect for reduction in demand charges by 75% as per the GoTN EV Policy, 2023 and the policy directive.

2.2 APPLICABLE RATE OF INFLATION

2.2.1 The Commission hereby applies the following rate of escalation, based on CPI and cap of 6%:

Table 1: Applicable rate of tariff escalation

Particulars	Unit	Number	Reference
CPI (General) Index for August 2022	-	174.3	Ministry of Statistics and Programme Implementation (MoSPI, Govt. of India) - Consumer Price Index Numbers on Base 2012 =100 for Rural, Urban and Combined for the months of August 2022 and April 2023
CPI (General) Index for April 2023	-	178.1	
CPI Inflation from August 2022 to April 2023	%	2.18%	
Maximum allowed escalation	%	6%	TANGEDCO Tariff Order 2022
Escalation applied on tariff for FY 2023-24	%	2.18%	MIN (CPI Inflation, 6%)

2.2.2 Thus, the rate of 2.18 % is applied to both energy charges and fixed charges, to arrive at the new Tariff Schedule.

2.3 EXISTING AND NEW TARIFF

Consumer category	Slabs for Energy Charges	Slabs for Fixed Charge	Existing Tariff - FY 2022-23 (T.O.7 / 2022)		Slabs	Unit of Fixed Charge	Approved Tariff (@ CPI) from 1 st July, 2023	
			Energy Charges	Fixed Charges			Energy Charges	Fixed Charges
			(Rs./unit)	(Rs. / kW / month)			(Rs./unit)	(Rs. / kW / month)
LOW TENSION								
LT - IA	Domestic , Hand Loom etc.*							
	Bi-monthly				Bi-monthly			
	0-400 kWh		4.50	-	0-400 kWh		4.60	-
	401-500 kWh		6.00	-	401-500 kWh		6.15	-
	501-600 kWh		8.00	-	501-600 kWh		8.15	-
	601-800 kWh		9.00	-	601-800 kWh		9.20	-
	801-1000 kWh		10.00	-	801-1000 kWh		10.20	-
	above 1000 kWh		11.00	-	above 1000 kWh		11.25	-
*	Note: The present hike is not applicable to the domestic consumers as GoTN has issued policy direction under section 108 of the Electricity Act, 2003 vide Lr.No. 4660/C2/2023 dt.30.06.2023.							
LT - IB	Huts in Village panchayats, TAHDCO etc.							
	Single Slab Tariff		9.13	300.00		/Service	9.35	307.00
LT - IC	LT Bulk supply for railway, defence colonies etc.							
	Single Slab Tariff		8.00	100.00		/kW/month	8.15	102.00

Consumer category	Slabs for Energy Charges	Slabs for Fixed Charge	Existing Tariff - FY 2022-23 (T.O.7 / 2022)		Slabs	Unit of Fixed Charge	Approved Tariff (@ CPI) from 1 st July, 2023	
			Energy Charges	Fixed Charges			Energy Charges	Fixed Charges
			(Rs./unit)	(Rs. / kW / month)			(Rs./unit)	(Rs. / kW / month)
LT - ID	Common facilities in Multi-tenements							
	Single Slab Tariff		8.00	100.00	Single Slab Tariff	/kW/month	8.15	102.00
LT - IIA	Public Lighting and Public Water Supply & Sewerage							
	Single Slab Tariff		8.00	100.00	Single Slab Tariff	/kW/month	8.15	102.00
LT - IIB (1)	Government and aided Educational Instn., Government Hospitals etc.							
		0-50 kW	8.00	100.00	0-50 kW	/kW/month	8.15	102.00
		Above 50-112 kW	8.00	325.00	Above 50-112 kW	/kW/month	8.15	332.00
		Above 112 kW	8.00	550.00	Above 112 kW	/kW/month	8.15	562.00
LT - IIB (2)	Private Educational Instn., Hostels							
		0-50 kW	8.50	100.00	0-50 kW	/kW/month	8.70	102.00
		Above 50-112 kW	8.50	325.00	Above 50-112 kW	/kW/month	8.70	332.00

Consumer category	Slabs for Energy Charges	Slabs for Fixed Charge	Existing Tariff - FY 2022-23 (T.O.7 / 2022)		Slabs	Unit of Fixed Charge	Approved Tariff (@ CPI) from 1 st July, 2023	
			Energy Charges	Fixed Charges			Energy Charges	Fixed Charges
			(Rs./unit)	(Rs. / kW / month)			(Rs./unit)	(Rs. / kW / month)
		Above 112 kW	8.50	550.00	Above 112 kW	/kW/month	8.70	562.00
LT - IIC	Actual place of public worship							
	0-120kWh		5.75	100.00	0-120kWh	/kW/month	5.90	102.00
	Above 120kWh		7.00		Above 120kWh	/kW/month	7.15	
LT - IIIA(1)	Cottage & Micro Industries							
	0-500kWh		4.50	70.00	0-500kWh	/kW/month	4.60	72.00
	Above 500kWh		6.50		Above 500kWh	/kW/month	6.65	
LT - IIIA(2)	Powerlooms							
	0-500kWh		6.50	100.00	0-500kWh	/kW/month	6.65	102.00
	501-750kWh		7.50		501-750kWh	/kW/month	7.65	
	751-1000kWh		7.50		751-1000kWh	/kW/month	7.65	
	1001-1500kWh		7.50		1001-1500kWh	/kW/month	7.65	
	above 1500kWh		7.50		above 1500kWh	/kW/month	7.65	

Consumer category	Slabs for Energy Charges	Slabs for Fixed Charge	Existing Tariff - FY 2022-23 (T.O.7 / 2022)		Slabs	Unit of Fixed Charge	Approved Tariff (@ CPI) from 1 st July, 2023	
			Energy Charges	Fixed Charges			Energy Charges	Fixed Charges
			(Rs./unit)	(Rs. / kW / month)			(Rs./unit)	(Rs. / kW / month)
LT - IIIB	Industries and IT services							
		0-50 kW	7.50	75.00	0-50 kW	/kW/month	7.65	77.00
		Above 50-112 kW	7.50	150.00	Above 50-112 kW	/kW/month	7.65	153.00
		Above 112 kW	7.50	550.00	Above 112 kW	/kW/month	7.65	562.00
LT - IV	Agriculture and Govt.seed farm etc.							
	Single Slab Tariff	Load in HP	4.46	3,550.00	Single Slab Tariff	/HP/annum	4.60	3,630.00
LT - V	Miscellaneous & General purpose							
	0-100 units		6.00	100.00	0-100 units	/kW/month	6.15	102.00
	Above 100 units	0-50 kW	9.50	100.00	Above 100 units	/kW/month	9.70	102.00
		Above 50-112 kW	9.50	300.00		/kW/month	9.70	307.00
		Above 112 kW	9.50	550.00		/kW/month	9.70	562.00

Consumer category	Slabs for Energy Charges	Slabs for Fixed Charge	Existing Tariff - FY 2022-23 (T.O.7 / 2022)		Slabs	Unit of Fixed Charge	Approved Tariff (@ CPI) from 1 st July, 2023	
			Energy Charges	Fixed Charges			Energy Charges	Fixed Charges
			(Rs./unit)	(Rs. / kW / month)			(Rs./unit)	(Rs. / kW / month)
LT – VI	Temp.supply other than Domestic and Lavish illuminations							
	Single Slab Tariff		12.00	550.00	Single Slab Tariff	/kW	12.25	562.00
LT – VII	EV Charging Stations							
	Time Slot in Hours	Energy Charges	Fixed Chage in Rs./kW/month		Time Slot in Hours	Energy Charges	Fixed Chage in Rs./kW/month	
	05:00 to 10:00 hrs. and 14:00 to 18:00 hrs	10.00	0-50 kW	100.00	06:00 to 09:00 hrs. and 18:00 to 22:00 hrs	9.00	0-50 kW	25.00
	18:00 to 23:00 hrs	12.00	Above 50-112 kW	300.00	09.00 to 16.00 hrs	6.00	Above 50-112 kW	75.00
	10:00 to 14:00 hrs and 23.00 to 05.00 hrs	8.00	Above 112 kW	550.00	16:00 to 18:00 hrs and 22.00 to 06.00 hrs	7.50	Above 112 kW	138.00

Consumer category	Slabs		Existing Tariff - FY 2022-23 (T.O.7 / 2022)		Slabs	Unit of Demand Charge	Approved Tariff (@ CPI) from 1 st July, 2023	
			Energy Charges	Demand Charges			Energy Charges	Demand Charges
			(Rs./kWh)	(Rs. / kVA / month)			(Rs./kWh)	(Rs. / kVA / month)
HIGH TENSION								
HT – I	Industries, Factories, IT services							
	Tariff		6.75	550.00		Rs/kVA /month	6.90	562.00
HT – IIA	Govt. Edu. Institutions/Hospital/Railway Traction/CMRL/Lift Irrigation etc.,							
	Tariff		7.00	550.00		Rs/kVA /month	7.15	562.00
HT – IIB	Private Edu.Institutions& its hostels							
	Tariff		7.50	550.00		Rs/kVA /month	7.65	562.00
HT – III	Commercial and Misc. categories							
	Tariff		8.50	550.00		Rs/kVA /month	8.70	562.00
HT – IV	Construction activities and other Temp. purposes							
	Tariff		12.00	550.00		Rs/kVA /month	12.25	562.00
HT – V	EV Charging Stations							
	Time Slot in Hours	Energy Charges	Fixed Charge in Rs./kW/month		Time Slot in Hours	Energy Charges	Fixed Charge in Rs./kW/month	
	05:00 to 10:00 hrs. and 14:00 to 18:00 hrs	10.00	Rs/kVA /month	550.00	06:00 to 09:00 hrs. and 18:00 to 22:00 hrs	9.00	Rs/kVA /month	138.00
	18:00 to 23:00 hrs	12.00			09:00 to 16.00 hrs	6.00		
	10:00 to 14:00 hrs and 23.00 to 05.00 hrs	8.00			16:00 to 18:00 hrs and 22.00 to 06.00 hrs	7.50		

2.4 OTHER CHARGES

2.4.1 All other charges such as Wheeling / Network charges, Cross Subsidy Surcharge, etc., shall be as determined under Para 5.24 & 5.26 for FY 2023-24 values specified in the previous Tariff Order No.7 of 2022 dated 09-09-2022, effective from 01 July 2023.

2.4.2 The details of approved Wheeling/Network charges, Cross Subsidy Surcharges are as below-.

Approved Wheeling / Network charges:-

Particulars	Unit	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Apportioned network cost						
HT	Rs. Crore	8,294.94	8,965.17	9,718.38	10,210.46	10,513.47
LT	Rs. Crore	3,554.97	3,842.22	4,165.02	4,375.91	4,505.77
Total	Rs. Crore	11,849.92	12,807.39	13,883.39	14,586.37	15,019.24
HT Sales ratio		19.81%	19.92%	20.03%	20.11%	20.18%
Proportionate network cost for HT	Rs. Crore	1,643.37	1,785.42	1,946.26	2,052.82	2,121.87
Remaining network cost for LT	Rs. Crore	10,206.55	11,021.97	11,937.13	12,533.55	12,897.37
Energy sent through						
HT	MU	17,071.00	17,900.00	18,773.00	19,690.00	20,655.00
LT	MU	69,095.30	71,981.56	74,967.11	78,245.53	81,686.52
Total	MU	86,166.30	89,881.56	93,740.11	97,935.53	102,341.52
Wheeling/Network Charges						
HT	Rs./kWh	0.96	1.00	1.04	1.04	1.03
LT	Rs./kWh	1.48	1.53	1.59	1.60	1.58
Overall		1.38	1.42	1.48	1.49	1.47

Approved Cross subsidy surcharge for FY 2023-24:-

Particulars	ABR	C	C / (1-L%)	D	R	CSS*
	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh
HT Sales						
HT IA: HT-Industry	9.28	5.01	5.41	1.00		1.86
HT IIA: Govt. educational institute	10.12	5.01	5.41	1.00		2.02
HT IIB: Pvt Educational Institute	11.36	5.01	5.41	1.00		2.27
HT III - HT commercial	12.06	5.01	5.41	1.00		2.41
HT IV - Temporary Supply	16.20	5.01	5.41	1.00		3.24