



TAMIL NADU ELECTRICITY CONSUMERS' ASSOCIATION

Regd. No. 181-8524/1998 – **CIN.No.** U37102TZ1998GAP008524

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June 11, 2024

Press Release

Immediate Release: June 11, 2024

Subject: Revision of Electricity Tariff under Multi-Year Tariff Framework

The Tamil Nadu Electricity Regulatory Commission (TNERC) has updated the Multi-Year Tariff (MYT) Framework.. This framework sets a control period of five years, which the Commission may extend. The base year is the year before the first year of the control period.

Under the MYT framework, the Commission can set tariffs using a formula based on the Consumer Price Index (CPI), Wholesale Price Index (WPI), or a specific percentage needed to meet the licensee's revenue requirements.

The first Tariff Order under this framework was issued on September 9, 2022, and came into effect on September 10, 2022. Following a policy directive from the Government of Tamil Nadu, the Commission compared the General CPI Index of April 2023 with that of August 2022. This resulted in a 2.18% increase in both energy and fixed charges, effective from July 1, 2023.

Data from the Ministry of Statistics and Programme Implementation show that the country's retail inflation stood at 4.83% (provisional) in April this year. The power tariff hike will be based on this. The power utility's total income was Rs 56,994.48 crore in 2021-22. Following the tariff revision, the total revenue increased to Rs 80,857.77 crore in 2022-23. For the financial year 2023-24, the utility is yet to finalize the accounts. However, an additional Rs 25,000 crore in revenue is expected every year through the tariff revision.

As the next tariff revision is anticipated on July 1, 2024, TECA strongly urges the Tamil Nadu Government to consider the current market conditions, which are under significant stress, and to avoid any further tariff hikes. A stable tariff structure would provide substantial relief to the industry during these challenging times. Few reports in social media reports suggesting no increase in tariffs are accurate, TECA welcomes the government's stance. We anticipate a positive response from the state government and request the Tamil Nadu Government to clarify its position on the power tariff hike.



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HT		Tariff as per TO FY 2022-23	Tariff as per TO FY 2023-24
MD	Per KVA	550	562
Energy	Per Unit	6.75	6.90

The upcoming power tariff revision is a critical issue for both the industry and consumers in Tamil Nadu. With inflationary pressures and significant revenue implications, the Tamil Nadu Government's decision will have a profound impact on the economic stability of the region. TECA's appeal highlights the urgent need for a balanced approach that considers the current market stress and the importance of a stable tariff structure. Clarity from the government on this matter is essential to ensure transparency and confidence among all stakeholders. Media outlets are encouraged to spotlight this issue, emphasizing the need for a fair and considered decision by the Tamil Nadu Government.

TECA remains committed to working closely with the Government and the Commission to ensure that the interests of electricity consumers are adequately represented and protected.

For further information, please contact:

TECA Office

About TECA:

TAMIL NADU ELECTRICITY CONSUMERS' ASSOCIATION (TECA) is a legally constituted State level Body and is registered with Registrar of Companies, Ministry of Company Affairs and has been functioning from the year 1998 to promote the welfare and safeguards the rights and interests of electricity consumers. TECA represents consumers from all over Tamil Nadu, mainly; large, medium and small industries from the Textiles, Engineering, Chemicals and Fertilizers, Pharmaceuticals, Automobiles and Auto-Components, Building Materials sectors. We are having 708 industrial members, accounting for a sanctioned load of 1394 MVA, about 12% of the HT Load in Tamil Nadu.

This press release can be found on our website [www.tecaonline.in/circulars/] and is available for immediate dissemination.