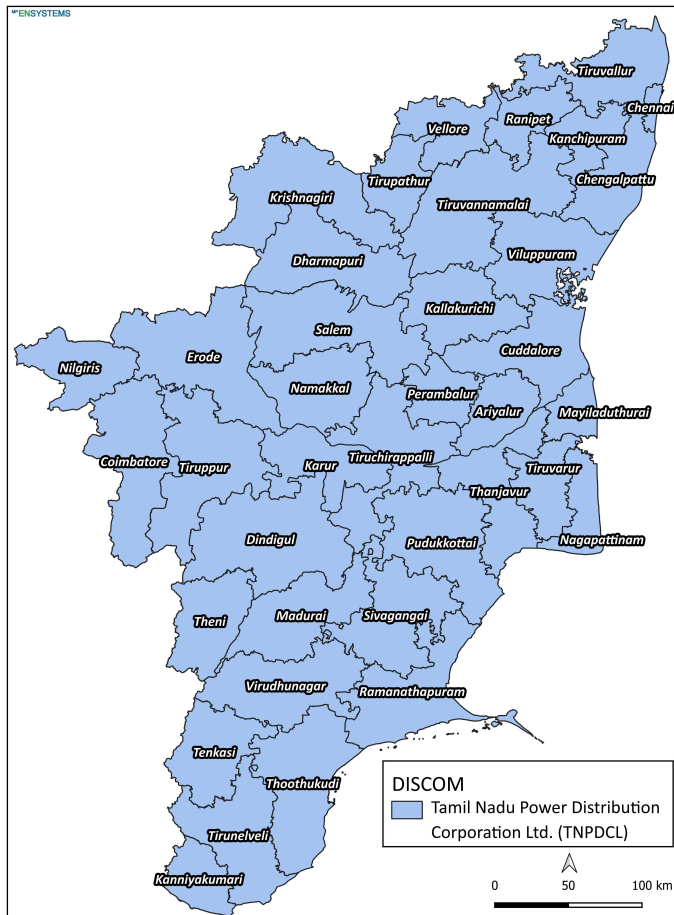


Tariff Analysis Series, 19th July 2025

Tamil Nadu for FY 2025-26

Tamil Nadu district-wise DISCOM map and Key Highlights



Effective Date: July 1, 2025

Tariff Revision:

- Average CPI-based increase: 3.16%
- Maximum tariff hike: 6%

Network & Wheeling Charges:

- Low Tension (LT): ₹1.60 per kW`h
- High Tension (HT): ₹1.04 per kWh

Apportioned Network Cost:

- LT: ₹4,375.91 crore
- HT: ₹10,210.46 crore
- Total: ₹14,586.37 crore

Projected Energy Distribution:

- Total: 97,935.53 MU
- LT: 78,245.53 MU
- HT: 19,690.00 MU

Domestic (LT IA) Energy Charges:

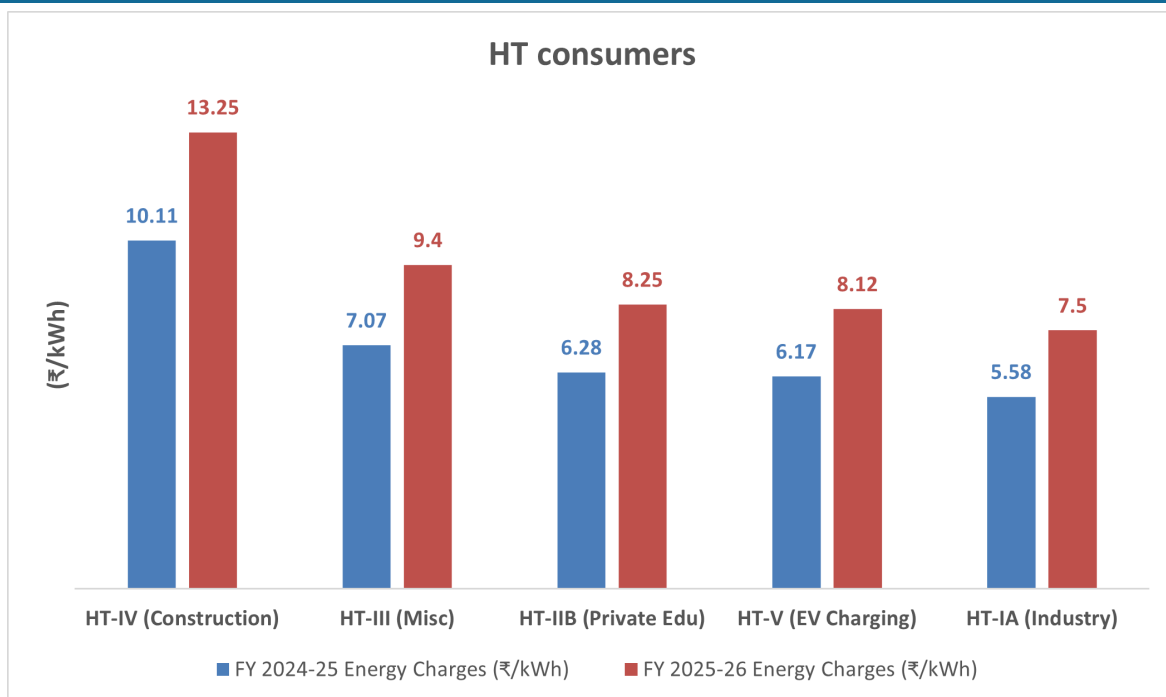
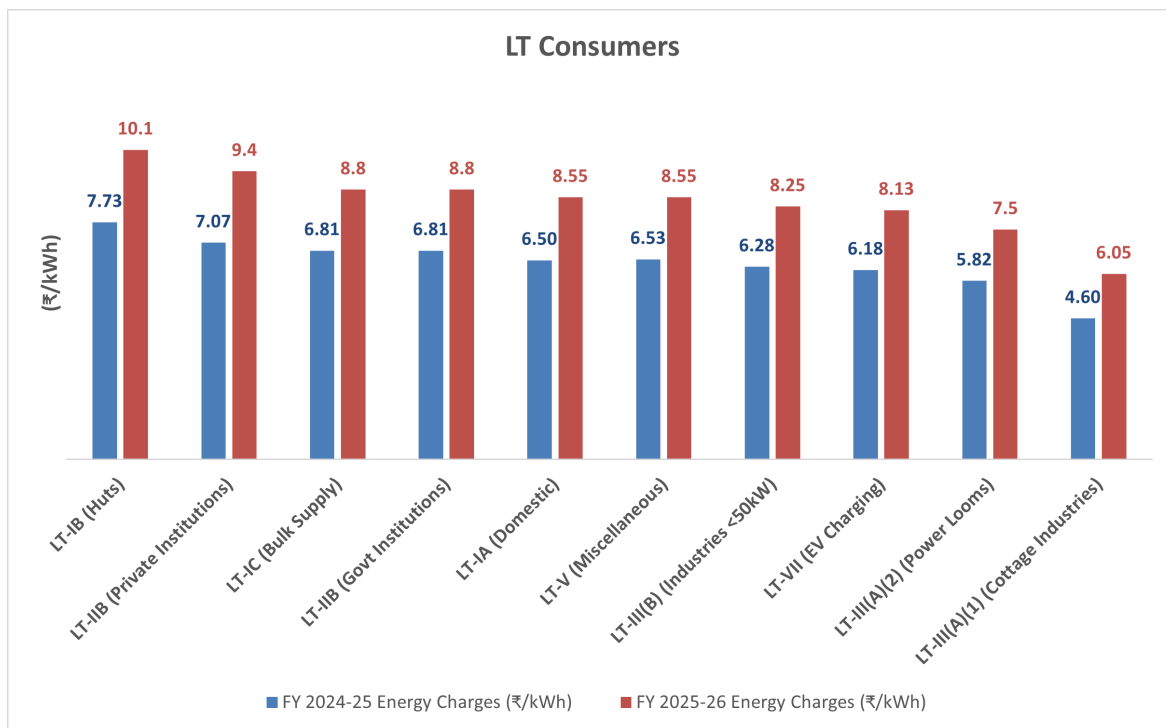
- ₹4.95/unit for first 400 kWh (bi-monthly)
- Up to ₹12.15/unit above 1,000 kWh

Subsidies:

Continue for LT IA (Domestic), LT IIIA (1) (Cottage Industries), LT IIIA (2) (Power Looms), and LT IV (Agriculture)

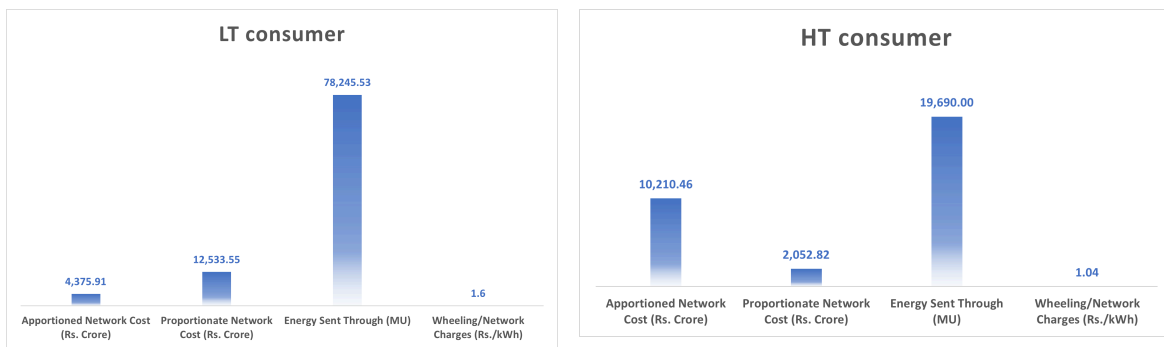
Currently, Tamil Nadu Power Distribution Corporation Ltd. is the sole DISCOM operating in the state.

Tariff Structure & Changes for FY 2025–26



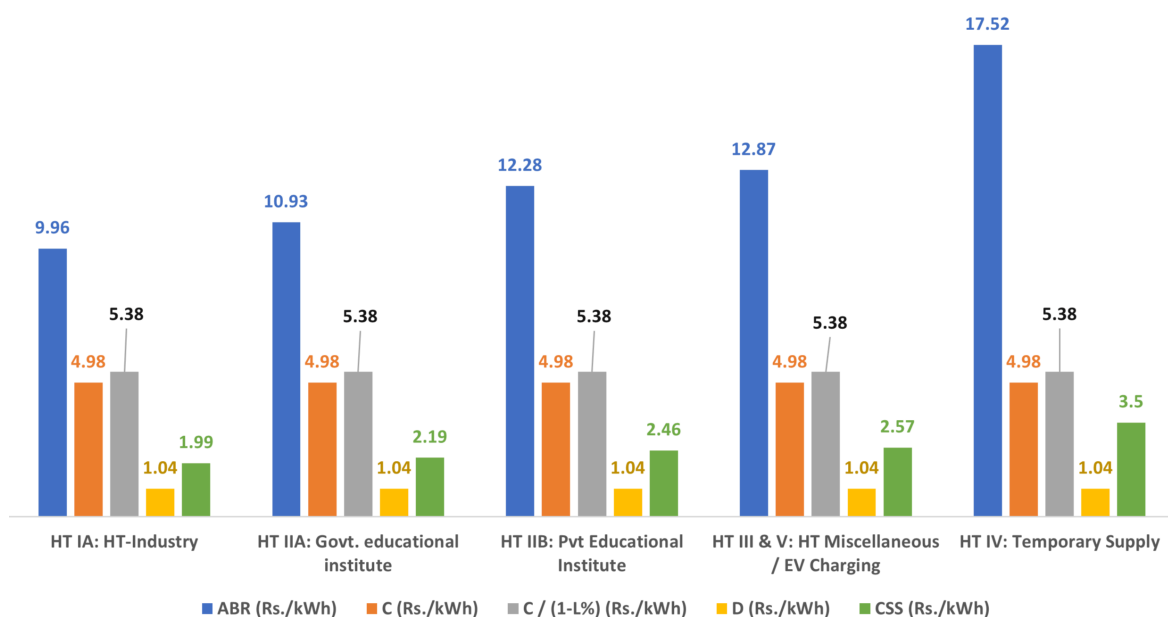
The Tamil Nadu Electricity Regulatory Commission (TNERC) has revised tariffs for FY 2025–26, in the High Tension (HT) segment, energy charges for industrial and IT consumers (HT-I) rose from ₹7.25 to ₹7.50/kWh, with fixed charges increasing to ₹608/kVA/month. Similar adjustments were made for public institutions (HT-IIA), commercial users (HT-III), and temporary connections (HT-IV). For EV charging (HT-V), time-of-day tariffs were retained with a peak rate of ₹9.75/kWh and reduced off-peak rates, alongside a 50% cut in demand charges in line with the Tamil Nadu EV Policy 2023. In the Low Tension (LT) category, domestic consumers (LT-IA) saw energy charges rise to ₹4.95/unit for the first 400 units (bimonthly), with no fixed charges. Notably, agriculture, cottage, and tiny industries were exempted from the hike, with the Government of Tamil Nadu committed to offsetting the cost through subsidies.

Network cost and wheeling/network charges for FY 2025-26 (Classified by HT and LT)



The graph details the allocation of network (wheeling) charges for Tamil Nadu in FY 2025–26. It shows that High Tension (HT) consumers are apportioned a network cost of ₹10,210.46 crore and Low Tension (LT) consumers ₹4,375.91 crore, totaling ₹14,586.37 crore. Based on a 20.11% HT sales ratio, the proportionate network cost for HT is ₹2,052.82 crore, with the remaining ₹12,533.55 crore assigned to LT. Energy sent through the HT and LT networks is 19,690 MU and 78,245.53 MU, respectively. The wheeling charges are ₹1.04/kWh for HT, ₹1.60/kWh for LT, and ₹1.49/kWh overall.

Approved Cross subsidy surcharge (₹/kWh)



The table outlines the approved Cross Subsidy Surcharge (CSS) for various High Tension (HT) consumer categories in Tamil Nadu for FY 2025–26. The CSS is an additional charge levied on consumers opting for open access, compensating the utility for lost cross-subsidy revenue. It is calculated as the difference between the Average Billing Rate (ABR) and the sum of the adjusted cost of supply (accounting for system losses), wheeling charges, and other applicable charges, with a cap at 20% of the tariff as per policy. The surcharge varies by consumer type, reflecting differences in tariffs and cost structures, and ensures the financial sustainability of the distribution utility while allowing consumer choice. This mechanism aligns with regulatory guidelines and maintains sectoral balance CSS is calculated as:

$$CSS = ABR - [C / (1 - L\%) + D + R]$$

where:

ABR: Average Billing Rate (category-wise tariff)

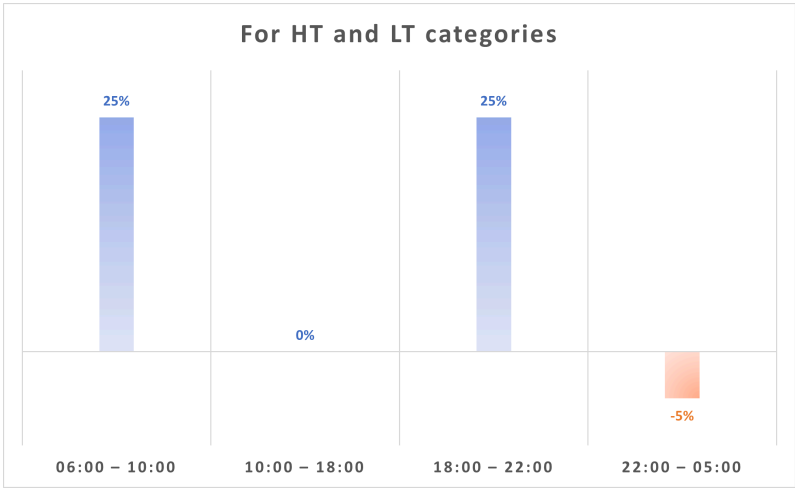
C/(1-L%): Cost of supply adjusted for system losses

D: Wheeling/network charges

R: Additional charges (currently zero)

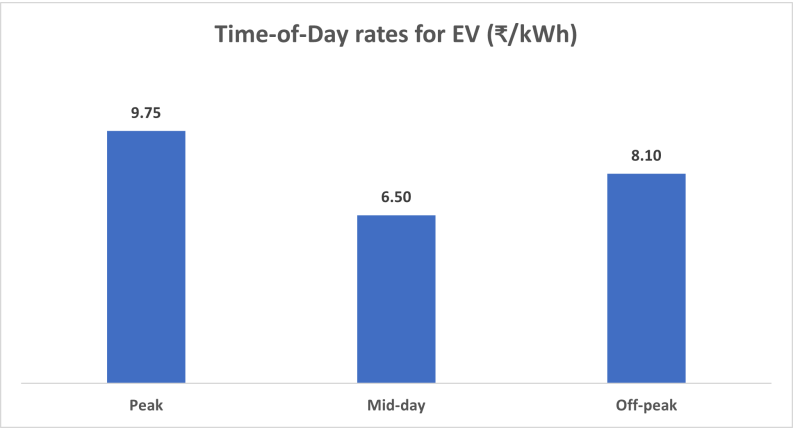
Time of Day evaluation

The Time-of-Day (ToD) tariff structure under TNERC's 2025–26 order applies to select High Tension (HT) and Low Tension (LT) consumer categories. Eligible HT consumers include all except HT-IIA, HT-IV, and



HT-V (EV charging), while for LT, it applies to categories II-B(1), II-B(2), III-B, and V, provided ToD meters are installed. Until ToD meters are in place, the surcharge is provisionally applied to 20% of the total consumption.

For EV charging under HT and LT-VII categories, TNERC has defined time-of-day hours: during peak hours (6–9 AM, 6–10 PM), mid-day (9 AM–4 PM), and during off-peak (4–6 PM, 10 PM–6 AM). Smart meters with ToD and AMR functionality are mandatory for all EV charging connections.



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