



TELANGANA STATE ELECTRICITY REGULATORY COMMISSION
5th Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad 500 004

O.P.No.6 of 2024

Dated 16.03.2024

Present

Sri. T. Sriranga Rao, Chairman
Sri. M. D. Manohar Raju, Member (Technical)
Sri. Bandaru Krishnaiah, Member (Finance)

Suo Motu proceedings initiated pursuant to the directions of the Government of Telangana under Section 108 of the Electricity Act, 2003 for extending free electricity under 'Gruha Jyothi Scheme' up to 200 units per month for eligible domestic households in the State of Telangana by issuing zero bill.

ORDER

The Commission is in receipt of a letter No.309 / Power. I / 2024 dated 14.03.2024 from the Energy Department, Government of Telangana (GoTS) for extending free electricity up to 200 units per month to eligible domestic households in the State of Telangana under 'Gruha Jyothi Scheme' by issuing zero bill by invoking the powers under Section 108 of the Electricity Act, 2003 (Act, 2003). The contents of the said letter are extracted below:

"Kind attention is invited to the reference cited, wherein orders have been issued for implementation of the "Gruha Jyothi Scheme" to provide free electricity to eligible domestic consumers. Under this scheme, each eligible household whose consumption for a particular month is up to 200 units will receive a zero bill for that month starting from March 2024.

2. *In view of the above and in exercise of it's power under section 108 of the Electricity Act, 2003, Government hereby directs TSERC to make provisions to enable the DISCOMs to issue zero bills to eligible beneficiaries of Gruha Jyothi within the Retail Supply Tariff Schedule.*
3. *Government of Telangana will release the requisite subsidy to the DISCOMs for the amount corresponding to zero bills generated for Gruha Jyothi beneficiaries, as stipulated under Section 65 of Electricity Act, 2003.*

4. *Secretary, TSERC, is requested to place the matter before the Commission for necessary orders.”*

2. In the reference mentioned in the above directions, the GoTS had earlier notified the Scheme of ‘Gruha Jyothi’ vide G.O.Ms.No.7 Energy (Power.I) Department dated 26.02.2024 and provided the eligibility criteria and other modalities. The same are extracted below.

“2. Eligibility Criteria:

- i. *Each household covered under this scheme will be eligible for free electricity of up to 200 units of domestic consumption per month for one service connection.*
- ii. *Gruha Jyothi applications received through Praja Palana or through approved channel and entered in Praja Palana portal having details of valid Food Security Card (white ration card) and linked with Aadhaar card together with a domestic service connection number will be covered under this scheme.*
3. Monthly Billing: *Each eligible household whose consumption for a particular month is up to 200 units will receive a zero bill for that month.*
4. *Discoms will not change the name of the consumer in their electronic billing system on account of linkage with a Food Security Card (white ration card) for the purpose of this scheme. Bills will continue to be generated in the name of recorded service connection holder only.*
5. Release of subsidy amount to DISCOMs:
 - i. *DISCOMS will send to Government, the details of subsidy to be received against Gruha Jyothi scheme by 20th of the month immediately following the month of consumption.*
 - ii. *Government will release the subsidy amount to DISCOMS.*
6. *Any consumer covered under the scheme found using the benefits for non-domestic purposes will be liable for action under relevant sections of Electricity Act, 2003 and Indian Penal Code.*
7. *The scheme will come into effect immediately. DISCOMs shall ensure that bills to be issued from March 2024 onwards are in accordance with provisions of this scheme.”*

3. The Commission has examined the directions given by GoTS under Section 108 of the Act, 2003. In this regard, reference has been made to Section 65 of the Act, 2003. The relevant provision is extracted below:

- “65. *Provision of subsidy by State Government: If the State Government requires the grant of any subsidy to any consumer or class of consumers in the tariff determined by the State Commission under section 62, the State Government shall, notwithstanding any direction which may be given under section 108, pay, within in advance in the manner as may be specified , by the State Commission the amount to compensate the person affected by the grant of subsidy in the manner the State Commission may direct, as a condition for the licence or any other*

person concerned to implement the subsidy provided for by the State Government: Provided that no such direction of the 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 State Commission shall be applicable from the date of issue of orders by the Commission in this regard.”

Further, it is appropriate to notice Section 108 of the Act, 2003, which is extracted below.

“108. Directions by State Government:- (1) In the discharge of its functions, the State Commission shall be guided by such directions in matters of policy involving public interest as the State Government may give to it in writing.

(2) If any question arises as to whether any such direction relates to a matter of policy involving public interest, the decision of the State Government thereon shall be final.”

4. The Commission notices that the GoTS for implementation of ‘Gruha Jyothi Scheme’ for extending free electricity upto 200 units per month for eligible domestic households in Telangana, by issuing zero bill, has committed in its letter dated 14.03.2024 that it will release the requisite subsidy to the distribution licensees under Section 65 of the Act, 2003 for the amount corresponding to zero bill generated. The Commission notices that the scheme is designed to benefit the public at large and that therefore accepts the directions issued by the GoTS.

5. Under the provisions of the Act, 2003, the GoTS can extend subsidy to provide relief to the power consumers. The subsidy could be either front loaded or back loaded. In the scheme of front loading, the GoTS has to extend subsidy even before the billing is done by the distribution licensee by undertaking supply in its area of operation. On the other hand, back loading of subsidy would mean that the consumer, who avails power supply, pays the bill at the first instance and later is subsidized by the GoTS and gets refunded. In the matter of zero bill, the electricity bill cannot be a zero unless the Government has released to the distribution company, the electricity charges payable by the consumers in advance.

6. Further, as per Section 65 of the Act, 2003, as committed by the GoTS in its letter dated 14.03.2024, the GoTS has to release the subsidy to the distribution licensees in advance for implementation of “Gruha Jyothi Scheme”. Hence, the distribution licensees are directed to ensure timely and advance release of subsidy

amounts for beneficiaries under “*Gruha Jyothi Scheme*” from GoTS and issue zero bills accordingly.

7. Subject to the observations and directions given above, the directive issued by the GoTS for extending free electricity under “*Gruha Jyothi Scheme*” upto 200 units per month for eligible domestic households in the State of Telangana is accepted and the distribution companies that is Southern Power Distribution Company of Telangana Limited (TSSPDCL), Northern Power Distribution Company of Telangana Limited (TSNPDCL) and Cooperative Electricity Supply Society, Sircilla (CESS) have to give effect to the same and file a report with the Commission along with tariff proposals.

This order is corrected and signed on this the 16th day of March, 2024.

Sd/- (BANDARU KRISHNAIAH) MEMBER	Sd/- (M.D.MANO HAR RAJU) MEMBER	Sd/- (T.SRIRANGA RAO) CHAIRMAN
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