

21 FEB 2026

No.

Sign



HYDERABAD METROPOLITAN WATER SUPPLY & SEWERAGE BOARD

Admn. Building, Khairatabad, Hyderabad-500 004.

Lr.No.HMWSSB/DT/CGM(Elec)/ARR/2025-26/2262

dt. 20.02.2026

FROM THE DIRECTOR (TECHNICAL) HMWS&SB KHAIRTABAD HYDERABAD-500004	TO THE HON'BLE CHAIRMAN TGERC VIDYUT NIYANTRAN BHAVAN, SY.NO.145-P, G.T.S. COLONY, KALYAN NAGAR, HYDERABAD 500 045.
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Sub:- HMWS&SB - Submitting Objections/Suggestions filed by HMWSSB in respect of ARR for the FY 2026-27 and FPT and CSS for the FY2026-27, to Hon'ble TSERC - Reg.

Ref:- News Paper Notification dt.08.01.2026.

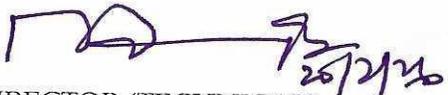
This has reference to the paper Notification cited above, wherein Hon'ble TGERC has invited comments and suggestions on the filings made by TG Discoms in the matter of Retail Supply business for approval of ARR & FPT and CSS for FY 2026-27.

In this regard, Objections/suggestions in respect of ARR for the FY 2026-27 together with supporting documents are herewith submitting in prescribed proforma.

Encl:-

- 1) Objections/Suggestions filed by HMWSSB in respect of ARR for TGSPDCL & TGNPDCL
- 2) Annexures (1 to 6)

Yours faithfully,


DIRECTOR (TECHNICAL)
HMWS&SB

HYDERABAD METROPOLITAN WATER SUPPLY & SEWERAGE BOARD

Admn. Building, Khairatabad, Hyderabad-500 004.

PUBLIC HEARING SCHEDULED FOR 07.03.2026

(Ref: News Papers dated 08.01.2026)

Objections/Suggestions filed by HMWSSB in respect of ARR for the FY 2026-27,
submitted to TGSPDCL & TGERC.

Name & full address of the Objector along with e-mail id and contact number	Brief details of objections(s) / suggestion(s) against ARR, FPT, CSS and True-up proposals of (TSSPDCL)	Whether copy of objection/ suggestion & proof of delivery at Licensee's office enclosed (Yes/No)	Whether Objector wants to be heard in person (Yes/No)
(1)	(2)	(3)	(4)
D.Sudharshan Director(Technical), Hyderabad Metropolitan Water Supply and Sewerage Board, Administrative Office, Khairatabad, Hyderabad - 500 004 Phone/Mobile No.:9989995594	Please see Annexure (enclosed)	Yes	Yes

Place: Hyderabad

Date: - 02-2026

Signature:



Director(Technical)

HYDERABAD METROPOLITAN WATER SUPPLY & SEWERAGE BOARD

Admn. Building, Khairatabad, Hyderabad-500 004.

**Objections/Suggestions filed by HMWSSB in respect of ARR
for the FY 2025-26, submitted to TGSPDCL & TGERC.**

1. Objections/Suggestions for the FY 2026-27:

The Hon'ble TGERC has sanctioned concessional Power Tariff vide its Order dated 24.03.2024 in I. A. No. 7 of 2024 And I. A. No. 4 of 2024 in O. P. Nos. 80 and 81 of 2022 Dated: 15.03.2024 to HMWSSB. The above sanction is in line with the G.O.Ms.No.148, MAUD(E-2), dated 03-08-2018 (Copy enclosed as Annexure - 1).

2. The concessional Power Tariff has been sanctioned vide above Order to HMWSSB under category HT-I(A) on par with HMRL (HT-V(B)-HMR) in accordance with the directions under Section 108 of the Electricity Act, 2003 issued by the Government of Telangana (Energy Department) to the Hon'ble ERC vide Letter No.630/Power.1/2022, dated 06.03.2023.

3. HMWSSB has been receiving in the past, the concessional Power Tariff vide Hon'ble TSERC's Orders as follows:-

Sl.No.	Date	I.A/O.P.No.	Subject
1.	18-07-2020	O.P.No.18/2020	Concessional Power has been sanctioned @3.95 per unit giving effect from the FY 2018-19 to FY 2020-2021. Subvention amount to be compensated to DISCOMs by Government U/s-65 of the Electricity Act, 2003. (Annexure - 2)
2.	25-02-2021	I.A.No.16/2020 in O.P.No.18/2020 (Suo Moto)	DISCOM has filed this Application for subvention (Financial Assistance) for implementation of the above Orders of the Hon'ble Commission. The Hon'ble Commission has directed both DISCOMs & HMWSSB to pursue the matter to get the subvention from the State Government. (Annexure - 3)

3.	17-11-2021	I.A.No.9/2021 in O.P.No.18/2020	HMWSSB requested the Hon'ble Commission for extending Concessional Power @3.95 per unit on perpetual basis starting from 01-04-2021. The Hon'ble Commission has passed the Order that the Tariff would continue for the FY 2021-2022 on interim basis as per the Original Orders dated 18-07-2020 and 25-02-2021. (Annexure - 4)
4.	22-10-2022	I.A.No.4/2022 in O.P.No.18/2020	The Hon'ble TSERC sanctioned Power Tariff @Rs.4.95/kWh applicable for HMRL under category HT-V(B)-HMR as decided in the Order dated 23-03-2022 in O.P.No.58/2021 and O.P.No.59/2021 for FY 2022-2023 and is made applicable to HMWSSB irrespective of voltage supply, subject to GoTS making necessary subventions in timely manner. (Annexure - 5)
5	22-10-2022	I.A.No.54/2022 (Suo Moto) in O.P.No.58/2021 & O.P.No.59/2021	--do--
6	24-03-2024	I. A. No. 7 of 2024 And I. A. No. 4 of 2024 in O. P. Nos. 80 and 81 of 2022 Dated: 15.03.2024	The Hon'ble TGERC sanctioned Power Tariff @Rs.4.95/kWh applicable for HMRL under category HT-V(B)-HMR as decided in the Order dated 23-03-2024 in O.P.No.80 and 81/2022 for FY 2023-2024 and is made applicable to HMWSSB irrespective of voltage supply, subject to GoTS making necessary subventions in timely manner. (Annexure - 6)
7	28.10.2024	O.P.Nos.16 & 17 of 2024	The Hon'ble TGERC has not sanctioned concessional power tariff to the HMWS&SB in revised tariff orders/Notifications with effect from 01.11.2024 duly stating that as the Commission has not received comfort letter from TG Govt.

4. The Hon'ble TGERC sanctioned Power Tariff @Rs.4.95/kWh applicable for HMRL under category HT-V(B)-HMR as decided in the Order dated 23-03-2024 in O.P.No.80 and 81/2022 for FY 2023-2024 and is made applicable to HMWSSB irrespective of voltage supply, subject to GoTS making necessary subventions in timely manner. (Annexure - 6)
5. However, as per the above Order at Sl. No.6 in line with TGERC orders, TGSPDCL have raised power bills for HMWSSB as per Cat 1(E) (Normal) instead of Cat V(B) (Concessional). In spite of Govt assurance and TGERC orders, HMWSSB has not being extended the Concessional Power Tariff due to non -allocation of subvention amount by the State Government.
6. The Hon'ble TGERC has not sanctioned concessional Power Tariff for the year 2024-25 vide its Order dated.28.10.2025 effective from dt.01.11.2024 to 31.03.2025 duly stating that as the Commission has not received Comfort letter from TG Govt, HMWS&SB was not extended the concessional power tariff.

II. Objections / Suggestions for the FY 2025-26:

(i) **Sanction:** HMWSSB requests the Hon'ble TGERC to continue to sanction concessional Power Tariff at the rate of Rs.4.95 paise per kVAH for the FY 2025-26 onwards on perpetual basis.

(ii) **Special Category:** As was observed by the Hon'ble TSERC in its Orders passed on the earlier occasions, we request to allot a Special Category for sanction of concessional Power Tariff for HMWSSB exclusively in line with HMRL.

(iii) The facility of concessional Power Tariff may also be extended to (a) Pump House (b) all STP stations, and (c) all Office Buildings.

(iv) **Subvention:** Since financial year 2022-23, TG Govt has sanctioned subvention amounts to HMWSSB payable to TS DISCOMs. In line with TGERC orders, TSSPDCL have raised power bills for HMWSSB as per Cat-1(E) (Normal) instead of Cat-V(B) (Concessional), due to non - release of subvention amount by the State Government.

The Hon'ble TGERC's kind attention is drawn to the letter of GoTS, Energy Department vide letters dated 30.06.2022 & 06.03.2023, wherein GoTS has invoked Section-108 of the Electricity Act, 2003 while assuring that it would take care of payment of Subvention amount for the past and future period and compensate DISCOMs suitably.

(v) Time of Day: Earlier TOD tariff provided rebate of ₹1.50/unit for power consumption during off-peak hours (10 PM to 6 AM). The same has been removed in the present tariff, increasing power cost for HMWSSB. As HMWSSB performs essential public water supply operations mainly during night hours, it is requested to kindly restore / provide suitable off-peak TOD concession for HMWSSB.

(vi) HMWSSB has already requested vide letter dt.01.01.2026 the GoTS for issue of Comfort Letter by Energy Department as restoration of concessional power tariff is critically dependent on provision of subvention budget of Rs.300Cr per annum and issuance of Letter of Comfort by the Energy Department, Govt of Telangana.

Signature:



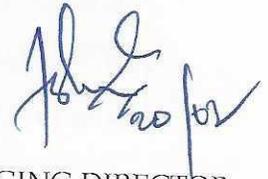
Director (Technical)

Place: Hyderabad

Date: .02.2026

Encl.:6 Nos.

For perusal and approval please.



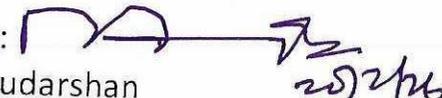
MANAGING DIRECTOR

HYDERABAD METROPOLITAN WATER SUPPLY & SEWERAGE BOARD
Admn. Building, Khairatabad, Hyderabad-500 004.

PUBLIC HEARING SCHEDULED FOR 05.03.2026
(Ref: News Papers dated 01.08.2026)
Objections/Suggestions filed by HMWSSB in respect of ARR for the FY 2026-27,
submitted to TGNPDCL & TGERC.

Name & full address of the Objector along with e-mail id and contact number	Brief details of objections(s) / suggestion(s) against ARR, FPT, CSS and True-up proposals of (TGNPDCL)	Whether copy of objection/ suggestion & proof of delivery at Licensee's office enclosed (Yes/No)	Whether Objector wants to be heard in person (Yes/No)
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D D.Sudharshan Director(Technical), Hyderabad Metropolitan Water Supply and Sewerage Board, Administrative Office, Khairatabad, Hyderabad - 500 004 Phone/Mobile No.:9989995594	Please see Annexure (enclosed)	Yes	Yes

Place: Hyderabad
Date: -02-2026

Signature: 
D.Sudarshan
Director(Technical)

HYDERABAD METROPOLITAN WATER SUPPLY & SEWERAGE BOARD

Admn. Building, Khairatabad, Hyderabad-500 004.

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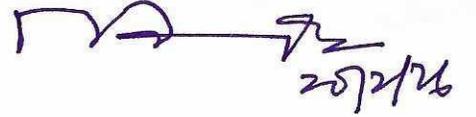
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Signature:



Director (Technical)

Place: Hyderabad

Date: .02.2026

Encl.:6 Nos.

For perusal and approval please.



MANAGING DIRECTOR

Annexure
GOVERNMENT OF TELANGANA
ABSTRACT

AUG 2018

MA & UD - HMWSSB - Levy the tariff at the HT V(B) commercial category @ Rs.3.95/- per kWh on par with HMRL (Metro) towards energy charges for all water supply pumping stations of HMWSSB, for 2018-2019 onwards with immediate effect - Orders - Issued.

MUNICIPAL ADMINISTRATION & URBAN DEVELOPMENT (Engg. 2) DEPARTMENT

G.O.Ms.No.148.

Date: 03.08.2018.

Read:

From the MD, HMWSSB, Hyderabad, Lt.No.HMWSSB/MD/2018-19/178, dt:23.04.2018.

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ORDER:

The Managing Director, Hyderabad Metropolitan Water Supply & Sewerage Board, Hyderabad vide reference read above has submitted that in the review meeting held on 16.04.2018, HMWSSB appraised that TSSPDCL & TSNPDCL are levying the power tariff under the High Tension, HT (A) Industrial category at Rs.5.65/- to Rs.6.65/- per each kWh towards energy consumption units for various pumping stations of Manjira, Singur, Krishna and Godavari schemes and the total power bill is about Rs.70 Crores per month.

2. The Managing Director, Hyderabad Metropolitan Water Supply & Sewerage Board, Hyderabad has submitted that, it costs Rs.46/- per KL of water to treat and supply to Hyderabad citizens whereas HMWSSB is levying a tariff upto less than Rs.12/- per KL for all domestic consumers. HMWSSB provides free supplies to most of the slums through public stand posts, tankers and also free supplies to charitable institutions, temples, mosques and churches. In addition, the HMWSSB also provides free supplies for festivals occasions such as Ganesh festivals, Bonalu festival, Ramzaan festivals etc. The public representatives on many occasions demands to provide the free tankers to pollution prone areas, ill-served areas etc.

3. The Managing Director, Hyderabad Metropolitan Water Supply & Sewerage Board, Hyderabad has also submitted that, during the review meeting on 16.04.2018, it was advised to the officials of the TSSPDCL & TSNPDCL to examine the tariff to be levied to HMWSSB pumping stations keeping in view of mandate to provide safe water to the BPL families and for other general domestic consumption and also taking into consideration of preferential tariff given to other water utilities in other states like Karnataka and Delhi that the TSSPDCL & TSNPDCL may consider the requests of the HMWSSB to levy @ Rs.3.95/- per kWh towards energy charges on par with Hyderabad Metro Rail, HT V(B) which is a commercial entity or create a special category of tariff to HMWSSB at such lower rates.

4. The Managing Director, Hyderabad Metropolitan Water Supply & Sewerage Board, Hyderabad has submitted that earlier on several occasions HMWSSB has made an appeals to TRANSCO / GENCO and also to the regulatory commission to levy the lower tariff to HMWSSB being it is providing the service to the customers mostly for the drinking water purpose which is a mandate of the State Government to provide safe drinking water to the citizens of the state and requested the Government to take up with the TSSPDCL & TSNPDCL to levy the tariff @ Rs.3.95/- per kWh towards energy charges for its all water supply pumping stations which works round the clock to enable HMWSSB to provide improved services to the customers.

5. Government, after careful examination hereby consider levy the tariff at the HT. V(B) commercial category @ Rs.3.95/- per kWh on par with HMRL (Metro) towards energy charges for all water supply pumping stations of HMWSSB, for 2018-2019 onwards with immediate effect.

6. The Chairman & Managing Director, TRANSCO & GENCO / Managing Director, HMWSSB, Hyderabad shall take further action, accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF TELANGANA)

ARVIND KUMAR
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Chairman & Managing Director, TRANSCO & GENCO.
The Managing Director, HMWSSB, Hyderabad.

Copy to:
The Energy Department.
The OSD to Minister (MA&UD) Department.
The P.S. to Principal Secretary to Government, MA & UD-Department.
Sc/Sf.

// FORWARDED BY ORDER //

SECTION OFFICER

Government of
every year. This
Special Power
category

శ్రీ. ఎం. దాన కిషోర్, ఐఏఎస్

హైదరాబాద్ సామాన్య సేవ కార్యాలయం

GOVERNMENT OF TELANGANA
ENERGY DEPARTMENT

Letter No. 630/Power.I/2022

Dated: 30.06.2022

From
The Special Chief Secretary to Government
Energy Department,
TS Secretariat, Hyderabad.

To
The Secretary,
Telangana Electricity Regulatory Commission,
Hyderabad.

Sir,

Sub: Energy Department -Concessional Power Tariff facility to
HMWSSB on par with HMRL (Metro) in accordance with orders
issued in G.O.Ms.No.148, MA&UD Department, Dated.
03.08.2018 - Extension of the revised tariff facility at
Rs.4.95/Kwh for the FY 2022-23 on par with HMRL, till separate
category of tariff decided by TSERC for HMWSSB which ever is
earlier - Directions under Section 108 of the Electricity Act, 2003
Issued - Reg.

Handwritten signature and initials.

- Ref: 1) G.O.Ms.No.148, MA&UD Department, Dated. 03.08.2018
2) Govt.Letter.No.402/Power.I/2020, Dated 25.06.2020.
3) TSERC Tariff Order Dated. 23.03.2022
4) From the MD, HMWSSB, D.O.Lr.No.HMWSSB/FW-DT/ Con.
Power Tariff/2022-23/177, Dated.12.04.2022, 20.05.2022, and
07.06.2022.
5) Notice from TSERC in I.A.No.40 of 2022 in O.P.No.18 of 2020
filed by HMWSSB
6) From the CGM, TSSPDCL, Lr.No.CGM(RAC)/SE (RAC) /DE
(RAC)/F.No./D.No.103/22, Dated. 30.05.2022
7) From the CGM, TSNPDCL, Lr.No.CGM/IPC&RAC/ TSNPDCL
/HMK/F.3/D.No.98/22, Dated. 04.06.2022.
8) Note from the Hon'ble Minister (IT, MA&UD, I&C), C.No.827/ H
M(IT,MA&UD,I&C)/2022, Dated. 21.06.2022.

&&&

I am to invite attention to the subject and reference cited and to state
that, Government consequent to the orders issued in the reference 1st cited,
have issued directions vide letter 2nd cited, under Section 108 of Electricity
Act, 2003 to the Hon'ble Commission, for levying the tariff at the HT V(B)
commercial category at Rs.3.95/ per kWh on par with HMRL (Metro) towards
Energy charges for all Water supply pumping stations of HMWSSB with
immediate effect for FY 2020-21 by issuing an amendment to the existing
Tariff Order for the FY 2020-21.

2. The Hon'ble Commission was pleased to revise the tariff applicable to
HMWSSB on par with HMRL @ Rs.3.95/kwh for the 03 consecutive years i.e.,
from the FY 2018-19, FY 2019-20 and FY 2021-2022 on par with HMRL.

(p.t.o)

123
The Hon'ble TSERC while issuing Tariff Notification on 21.01.2022 have not extended the above concessional facility to HMWSSB effective from 01.01.2022 which speaks as follows:

The Commission finds that DISCOMs have proposed the Energy charge for HMWSSB under HT-I(A) at the same level that HT-V(B) category. In the current tariffs, the Energy Charges for HMWSSB was equated to that of HT V(B) category pursuant to the directions issued by GoTs u/s 108 of the act followed by the Commission's directions to the DISCOMs to pursue with HMWSSB and GoTs in obtaining necessary subvention to that effect due to implementation of the GoTs directions. For FY 2022-23, there has been no such directions from GoTs for determining the Energy Charges for HMWSSB different and lower than that of normal HT-I(A) category. Therefore the commission does not deem it prudent to differentiate HMWSSB within HT-I(A) category and determine a different tariff."

4. TSDISCOMs consequent to the above orders of the Commission have raised power bills of HMWSSB, from April, 2022 as per HT-1A category (Normal Tariff). TSSPDCL charged HMWSSB @ Rs.7.65 per unit instead of HT-V(B) @ Rs.4.95/- and TSDISCOMs have informed that in the absence of any direction from TSERC regarding the applicable Tariff for HMWSSB, it is not possible to implement the G.O.Ms.No.148, Dated. 03.08.2018 of MABUD Department regarding tariff to be charged to HMWSSB from 01.01.2022.

5. It is further to state that Government is sanctioning Rs.875,00,00,000/- every month in the FY 2022-2023 to TSTRANSCO towards meeting the expenditure for Agriculture Tariff subsidy and HTCC charges of various irrigation projects, Electricity Charges of HMWS & SB and Mission Bhagiratha.

6. I am also to state that, the Government will take care of the subvention amount for the past and future period to compensate the DISCOMs.

7. In the light of the above, Government after careful consideration of the matter have decided and accordingly issue directions under Section 108 of the Electricity Act, 2003 to the Hon'ble Commission to extend the revised tariff @ Rs.4.95/KVH under Category V(B) (Tariff for HMRL) for this FY 2022-2023 also, as was extended in the earlier years on par with the concessional tariff extended to HMRL, till separate category of tariff is decided by TSERC for HMWSSB which ever is earlier.

8. Therefore it is requested to appraise the above direction of the Government to the Hon'ble Commission to extend the revised tariff @ Rs.4.95/KVH under Category V (B) (Tariff for HMRL) for this FY 2022-2023 also, as was extended in the earlier years on par with the concessional tariff extended to HMRL, till separate category of tariff is decided by TSERC for HMWSSB which ever is earlier.

Yours faithfully

G.S. Reddy
for SPECIAL CHIEF SECRETARY TO GOVERNMENT

COPY TO:

The Finance Department

The MABUD Department, TS Secretariat, Hyderabad

The Chairman & Managing Director, TSSPDCL, Hyderabad

The Chairman & Managing Director, TSNPDCL, Warangal.

The Managing Director, HMWSSB, Hyderabad

P.S. to Hon'ble Minister for (IT, MABUD, IRC).

OSD to Hon'ble Minister for Energy.

etc.

GOVERNMENT OF TELANGANA
ENERGY DEPARTMENT

Letter No.630/Power.I/2022

Dated.06.03.2023

From
The Special Chief Secretary to the Government
Energy Department
TS Secretariat
Hyderabad.

To
The Secretary,
TSERC, Hyderabad

Sir,



Sub: Energy Department - Concessional Power Tariff facility to HMWSSB on par with HMRL (Metro) in accordance with orders issued in G.O.Ms.No.148, MA&UD Department, Dated. 03.08.2018 - Extension of the revised tariff facility for the FY 2023-24 on par with HMRL, till separate category of tariff decided by TSERC to HMWSSB which ever is earlier - Directions under Section 108 of the Electricity Act, 2003 - Issued - Reg.

DP,
CGM (Electrical)

- Ref: 1) G.O.Ms.No.148, MA&UD Department, Dated. 03.08.2018
2) Govt.Letter.No.402/Power.I/2020, Dated. 26.06.2020.
3) TSERC O.P.No.18 of 2020, Dated. 18.07.2020, I.A.No.16/2020, IA.No.9/2021, Dated.25.02.2011 & 17.11.2021.
4) Note from the Hon'ble Minister (IT, MA&UD, I&C), C.No.827/N/M(IT,MA&UD,I&C)/2022, Dated. 21.06.2022.
5) Govt.Letter.No.630/Power.I/2022, Dated. 30.06.2022
6) TSERC I.A.No.54 of 2022 in O.P.No.58 of 2021 & O.P.No.59 of 2021, Date. 22.10.2022
7) From the Managing Director, HMWSSB, Lr.No.HMWSSB/FW-DT/Con.Power tariff/2022-23/25, Dated. 27.01.2023 received through MA&UD Department vide file C.No.1491/Engg.(2)/2022)

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I am to invite your attention to the subject and references cited and to inform that as per the directions issued vide reference 5th cited, the Hon'ble TSERC vide reference 6th cited, has extended the applicability of the tariff determined for HMRL for FY 2022-23 to HMWSSB subject to the subvention commitment being agreed to and extended from time to time by the Government.

2. In the reference 7th cited, the MA&UD Dept., have requested the Energy Department to issue directions to the Hon'ble TSERC for extending the concessional tariff to HMWSSB under Category V(B) (Tariff for HMRL) on par with HMRL, as was extended in the earlier years.

3. Government after careful consideration of the matter, hereby issue directions under Section 108 of the Electricity Act, 2003, to the Hon'ble Commission to extend the concessional tariff under Category V (B) to all the pumping stations of HMWSSB, as was extended in the earlier years on par with the concessional tariff extended to HMRL whichever is earlier.

DP
Wor to CGM (Electrical)
27/3/23

DP (Electrical)
28/3/23

p.t.o

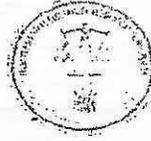
4. Therefore you are requested to appraise the above directions of the Government to the Hon'ble Commission to extend the concessional tariff under Category V (B) (Tariff for HMRL) for this FY 2023-2024 also, as was extended in the earlier years on par with the concessional tariff extended to HMRL.

Yours faithfully

T. Venkateshwarlu
for SPECIAL CHIEF SECRETARY TO GOVERNMENT

Copy to:

The Managing Director, HMWSSB, Hyderabad
The MA&UD Department, TS Secretariat, Hyderabad
The Finance Department
The Chairman & Managing Director, TSTRANSCO, Hyderabad.
The Chairman & Managing Director, TSSPDCL, Hyderabad
The Chairman & Managing Director, TSNPDCL, Warangal.
OSD to Hon'ble Minister for Energy
P.S., to Principal Secretary to Hon'ble Minister (IT, MA&UD, I & C)
P.S., to Principal Secretary to Hon'ble Chief Minister
sf/scs



TELANGANA STATE ELECTRICITY REGULATORY COMMISSION
5th Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad 500004

O.P.No.18 of 2020

Dated 18.07.2020

Present

Sri T.Sriranga Rao, Chairman

Sri M.D.Manohar Raju, Member (Technical)

Sri Bandaru Krishnaiah, Member (Finance)

Suo-Moto Order on tariff to be applicable to Hyderabad Metropolitan Water Supply & Sewerage Board in terms of the directions of the Government under Section 108 of the Electricity Act, 2003

The Commission by exercising powers under Sections 62 and 64 read with Section 86 (1) (a) of the Electricity Act, 2003 (Act, 2003) had determined tariff through public consultation for retail supply of electricity applicable to various category of consumers for FY 2018-19 by order dated 27.03.2018 in O.P.No.21 of 2017 filed by the Southern Power Distribution Company of Telangana Limited (TSSPDCL) and O.P.No.22 of 2017 filed by Northern Power Distribution Company of Telangana Limited (TSNPDCL). The different categories of consumers have been identified according to the usage, load, voltage, etc. The Consumers are broadly classified into high tension (HT) and low tension (LT) categories based on usage. Each of the categories have several sub-categories and slabs based on the total consumption of electricity by the consumers. One of the consumers is Hyderabad Metropolitan Water Supply & Sewerage Board (HMWSSB) availing power supply under HT-I (A) – Industry General and HT-IV (B) - Composite Protected Water Supply schemes (CPWS) categories for their water supply pumping stations. The relevant tariffs applicable to HMWSSB under respective sub-categories as per retail supply tariff for FY 2018-19 is as given below:

Category	Voltage	Demand Charge (Rs./kVA/month)	Energy Charges (Rs./kVAh)
HT-I (A)*	11 kV	390	6.65
	33 kV	390	6.15
	132 kV and above	390	5.65
HT-IV (B)	11 kV	-	5.10
	33 kV	-	5.10
	132 kV and above	-	5.10

*TOD Tariff is applicable: extra @ Rs.1/- per unit for 8 hours (6 AM to 10 AM) & (6 PM to 10 PM) and incentive @ Rs.1/- per unit for 8 hours (10 PM to 6 AM)

2. The Commission has received several letters from Hyderabad Metropolitan Water Supply & Sewerage Board (HMWSSB) and the Government of Telangana (GoTS) through the Municipal Administration & Urban Development Department and the Energy Department requesting for levy of tariff towards energy charges for all water supply pumping stations of HMWSSB on par with HT-V (B) HMR [Hyderabad Metro Rail] category i.e., @ Rs.3.95 per unit (kVAh) from FY 2018-19 onwards. The correspondence, the minutes and the Government Order connected to this issue are extracted below.

A) Managing Director, HMWSSB letter No.MD/HMWSSB/Power Tariff/Rev/2018-/311, dated 19.09.2018

"Please refer to the meeting had with the Hon'ble Chairman of the TSERC on the 3rd August, 2018 by our Managing Director and the Director (Revenue) requesting to extend the special category of power tariff @ Rs.3.95 per kWh towards energy charges for HMWSSB on par with HMRL, in terms of the G.O.Ms.No.148, dated 03.08.2018 issued by the Municipal Administration & Urban Development (Engg.2) Department, Government of Telangana, a copy of the same is enclosed for your ready reference.

In this connection, we have also met the chairman of TSSPDCL / TSTRANSCO / TSGENCO, who advised us to approach TSERC for a special hearing to be conducted, so as to enable HMWSSB to put forth their request before the Tariff Committee. Accordingly, we request you to kindly arrange a Special Hearing for us at your earlier convenience.

We enclose a brief Note of the activities of HMWSSB for your kind information."

Note

1. Introduction:

The HMWSSB is a Local Authority as defined under Section 3 (1)(c) of HMWSS Act, 1989 came into operation on 1st November 1989, is mandated to supply potable water including planning, design, construction, maintenance, operation & management of water supply system and sewerage treatment/disposal system. The jurisdiction extends to the GHMC area of Hyderabad besides supply of water to Gram Panchayats, industries, commercial establishments, enroute villages, MES, etc., upto ORR and surrounding Municipalities. The

HMWSSB is fully vested with the Government of Telangana and is an extended arm of the Government.

ii. Public Utility Organization:

- HMWSSB is a public utility organization engaged in supply of safe drinking water and disposal of sewerage as prime functions of the Board.
- At present, HMWSSB serves about 9.59 lakh water supply connections out of which 95% are Domestic including 1.60 lakh slum consumers.
- HMWSSB draws 448 MGD/day water from different sources mostly through pumping for which there is power requirement of about 11 crore units/month.
- The Board is handling 1800 MLD sewerage management and 20 STPs are in operation.
- Out of the total revenues of the Board, about 75% to 80% accounts for O&M expenditure towards power charges, which is about Rs.900 crore per annum.
- The Board's efforts are to make it self-sufficient and generate surplus revenues, so as

- to make water distribution facility world class;
 - technology upgradation including census to prevent loss of water;
 - reduce NRW;
 - there is a need to invest huge funds in the projects to make the Board efficient and self-sufficient.
- Loss of water is estimated to be about 40%, which is a financial burden on the Board and affects the overall revenue.

iii. Implementation of Projects:

- The growing requirement for water from the city and the surroundings, the Board has been operating major projects, namely 3 phases of Krishna Drinking Water and Godavari Drinking Water Phase-I with a total outlay of about Rs.6000 crore.
- Further, the Board has undertaken Water Supply Distribution Metropolitan Project for Peripheral Circles of GHMC in 199 Villages / Habitants covering 13 Municipalities/GP of Hyderabad and Medak District with construction of 56 Reservoirs with an investment of Rs.1900 crore (loan from HUDCO) to meet the demand of next 20 years including the proposal to supply daily water.
- The total outlay of the ongoing projects is to the extent of Rs.6,000 crore under various schemes.

iv. Future Projects:

- The Board has undertaken the ORR villages into the present Scheme of providing Drinking Water to all.
- The day-by-day increase in population of the city and surroundings, has become a burden on the Board to meet the demand for sewerage disposal, for which the Board proposed additional STPs at a cost of Rs.900 crore.
- The estimated investment on Drinking Water and Sewerage System is about Rs.15,000 crore in the next 2-3 years.

V. Debt Service:

- The Board is required to service the debt out of its own resources, while a part of debt is being serviced by the Government for certain projects.
- However for the loans availed in past for various projects, the Board is unable to meet the high operational cost, thus there is no surplus left to meet these debt service commitments. Thus, the Government is extending from time to time, the need-based financial assistance to overcome the crisis, failing which it would have serious impact on the service/delivery to the citizens.
- The major concern of the Board is, and has been high debt cost resulting in high debt servicing which is more burden on the financial position of the Board. The standard parameter for debt servicing should not, normally exceed 25% of the revenues; whereas the current situation itself is much more than the standards set and would progressively likely to exceed in future.
- The Board has been putting its all efforts and its endeavour to reduce the cost of debt by working out various financial models for its existing and future Schemes.

VI. Cost of Power:

- One of the major components of operational cost is power charges which constitute more than 75% of the basic operating cost, which includes 90% of Krishna Phase III and Godavari Phase I as both the schemes are power intensive, warranting heavy pumping from long distance (140 / 170 km).
- During summer season; we have to go for emergency pumping of water due to depletion of water-levels in Water Bodies/Nagarjuna Sagar Dam.
- Apparently power charges will be the single cost component which determines the sustainability of the Board.

VII. Water Tariff vs. Power Tariff:

- Out of the total water supply, 100% of the water supply is through pumping system.
- The current consumption of power is to the order of 180 MW and the cost is to the tune of Rs.75 crore/month, which is likely to increase to Rs.105 crore/month.
- Unlike Power Tariff, water tariff cannot be revised whenever there is an increase in power charges, as the issue of hike in water tariff leads to commotion among the public as well as polity in view of the general perception that the water is a God given gift and should be supplied at free of cost.

VIII. HMWSSB is being treated as 'Industry':

- The Board has been treated on par with other industries. The misapplication of the definition of "Industry" consequent to wrongful import of the definition from irrelevant Statute and thereby incorrect categorization has been unduly taxing the Board Revenues while depriving it of rightful concessional payment terms and rates.

- The concessional power tariff will go a long way for financial sustenance of the Board.

IX. Tariff Concessions enjoyed by other Water Boards and Utilities:

- The table given below, comparing the tariff levied in Bengaluru and Hyderabad clarifies the needs for re-classification:-

Sl. No.	Name of the Charges / Tariff	Bengaluru	Hyderabad for HMWSSB	Hyderabad for CP Water Supply Schemes	Hyderabad Metro Rail Limited
1	Category of Billing	Separate category Created for BWSSB Installations	Industry General HT-I (A)	HT-IV (B)	HT-V (B)
2	Demand charges per kVA	Rs.200/kVA/PM	Rs.390/kVA/PM	-	Rs.390/kVA/PM
	11 kV	-	Rs.6.65 / unit	Rs.5.10 / unit	-
	33 kV	-	Rs.6.15 / unit	Rs.5.10 / unit	-
	132 kV and above	-	Rs.5.65 / unit	Rs.5.10 / unit	-
3	Rate per unit	Rs.5.00 / unit	Rs.6.15 / unit (Avg)	Rs.5.10 / unit	Rs.3.95 / unit

X. State Government's approval for Special/Concessional Tariff for HMWSSB:

- HMWSSB has been continuously following up with the State Government for Special/Concessional Power Tariff for long, particularly from 2014 onwards from the date of formation of the Telangana State, so that the financials of the Board could be sustained.
- The State Government has been kind enough to agree to our request and conveyed the approval vide G.O.Ms.No.148 MAUD (Engg.2) department dated 03.08.2018 to levy the Power Tariff at HT-V (B) – Commercial Category @ Rs.3.95 per kWh on par with M/s Hyderabad Metro Rail Corporation Ltd., towards energy charges for all water supply pumping stations of HMWSSB from 2018-19 onwards.

HMWSSB's Request:

- HMWSSB appeals TSERC for implementing the above G.O. effective from 1st April, 2018 onwards.
- We request for 'Amendment of Clause HT-I (A) – Industry General' and to include "HMWSSB under Clause HT-V (B)" – 'A Special Category of Concessional Tariff to HMWSSB on par with HMRL' to the Tariff Schedule.
- We also request the Commission to inform the above amendment to TSSPDCL / TSTRANSCO / TSGENCO suitably.
- For implementing the above proposal, a Special Hearing may be fixed for HMWSSB, to enable us to present the case for Special Category of Concessional Tariff."

B. The contents of the referred G.O.Ms.No.148, Municipal Administration & Urban Development (Engg. 2) Department, dated 03.08.2018 are as below.

1. The Managing Director, Hyderabad Metropolitan Water Supply & Sewerage Board, Hyderabad vide reference read above [letter No.HMWSSB/MD/2018-19/178, dated 23.04.2018] has submitted that in the review meeting held on 16.04.2018, HMWSSB appraised that TSSPDCL & TSNPDCL are levying the power tariff under the High Tension, HT-I (A): Industrial category at Rs.5.65 to Rs.6.65 per kWh towards energy consumption units for various pumping stations of Manjira, Singur, Krishna and Godavari schemes and the total power bill is about Rs.70 crore per month.

2. The Managing Director, Hyderabad Metropolitan Water Supply & Sewerage Board, Hyderabad has submitted that, it costs Rs.46/- per KL of water to treat and supply to Hyderabad citizens whereas HMWSSB is levying a tariff upto less than Rs.12/- per KL for all domestic consumers. HMWSSB provides free supplies to most of the slums through public stand posts, tankers and also free supplies to charitable institutions, temples, mosques and churches. In addition, the HMWSSB also provides free supplies for festivals occasions such as Ganesh festivals, Bonalu festival, Ramzaan festivals etc. The public representatives on many occasions demands to provide the free tankers to pollution prone areas, ill-served areas, etc.

3. The Managing Director, Hyderabad Metropolitan Water Supply & Sewerage Board, Hyderabad has also submitted that, during the review meeting on 16.04.2018, it was advised to the officials of the TSSPDCL & TSNPDCL to examine the tariff to be levied to HMWSSB pumping stations keeping in view of mandate to provide safe water to the BPL families and for other general domestic consumption and also taking into consideration of preferential tariff given to other water utilities in other states like Karnataka and Delhi that the TSSPDCL & TSNPDCL may consider the requests of the HMWSSB to levy @ Rs.3.95 per kWh towards energy charges on par with Hyderabad Metro Rail, HT-V (B) which is a commercial entity or create a special category of tariff to HMWSSB at such lower rates.

4. The Managing Director, Hyderabad Metropolitan Water Supply & Sewerage Board, Hyderabad has submitted that earlier on several occasions HMWSSB has made an appeals to TRANSCO/GENCO and also to the regulatory Commission to levy the lower tariff to HMWSSB being it is providing the service to the customers mostly for the drinking water purpose which is a mandate of the State Government to provide safe drinking water to the citizens of the State and requested the Government to take up with the TSSPDCL & TSNPDCL to levy the tariff @ Rs.3.95 per kWh towards energy charges for its all water supply pumping stations which works round the clock to enable HMWSSB to provide improved services to the customers.

5. Government, after careful examination hereby consider levy the tariff at the HT-V (B) commercial category @ Rs.3.95 per kWh on par with HMRL (Metro) towards energy charges for all water supply pumping stations of HMWSSB, for 2018-2019 onwards with immediate effect.

6. The Chairman & Managing Director, TRANSCO & GENCO/ Managing Director, HMWSSB, Hyderabad shall take further action, accordingly."

C The Government through the Principal Secretary, Municipal Administration & Urban Development Department had addressed a letter to the Commission vide Letter No.5295/Engg.(2)/2018, dated 25.01.2019 stated as below.

"The Cabinet in its meeting held on 27.7.2018 has approved the proposal of the MA & UD "to consider levy the tariff @ Rs.3.95/- per kWh towards energy charges for its all water supply pumping stations; consider the power tariff charges to HMWSSB as HT-V (B) on par with Hyderabad Metro Rail for this year and from the next year onwards consider to provide separate category power charges to all HMWSSB installations, as agreed by the Hon'ble Chief Minister".

2. Accordingly, the MA & UD (Engg.2) Dept., have issued G.O.Ms.No.148, dt.03.08.2018 levying the tariff at the HT V (B) category @ Rs. 3.95 per kWh on par with HMRL (Metro Rail) towards energy charges for all water supply pumping stations of HMWSSB for 2018-19 onwards with immediate effect.

3. A meeting was held on 14.08.2018 in the chambers of the Chief Secretary to the Government of Telangana under the Chairmanship of Sri.Shailendra Kumar Joshi, Chief Secretary to Government, Telangana to discuss on levying the tariff of HMR (Metro Rail) to the pumping stations of HMWSSB as per the above G.O. In the minutes of the meeting it was stated as follows:

All water supply pumping stations of HMWSSB, in particular HT Services of HMWSSB are being billed under category HT-I (A) (Industry) and HT-IV (B) (CPWS) at tariffs rates shown below as approved by Hon'ble TSERC.

Category	Voltage	Demand Charge (Rs./kVA/month)	Energy Charges (Rs./unit)
HT-I (A)*	11 kV	390	6.65
	33 kV	390	6.15
	132 kV and above	390	5.65
HT-IV (B)	11 kV	-	5.10
	33 kV	-	5.10
	132 kV and above	-	5.10

*TOD Tariff is applicable: extra @ Rs.1/- per units for 8 hours (6 AM to 10 AM) & (6 PM to 10 PM) and incentive @ Rs.1/- per unit for 8 hours (10 PM to 6 AM)

The proposed tariff structure by HMWSSB as per the G.O.Ms.No.148, MAUD (Engg.2) dated 03.08.2018 is as below:

Category	Voltage	Demand Charge (Rs./kVA/month)	Energy Charges (Rs./unit)
HT-I (A)*	11 kV	390	3.95
	33 kV	390	3.95
	132 kV and above	390	3.95
HT-IV (B)	11 kV	-	3.95
	33 kV	-	3.95
	132 kV and above	-	3.95

4. In the minutes of the meeting it was stated that as per Section 62 of the Electricity Act, 2003, Hon'ble TSERC is vested with power for determination of tariff for retail sale of electricity in accordance with the provisions of the Act.

5. In the meeting it was decided that HMWSSB has to file a petition before the Hon'ble TSERC to take consent for reduction of tariff as mentioned in the G.O.Ms.No.148, MA&UD (Engg.2) dated 03.08.2018. It was also decided that to continue being in category HT-V (B) on par with HMRL for the next financial year, HMWSSB shall file a petition before the Hon'ble TSERC during the process of Tariff determination to be placed in that category as approved by the Cabinet.

6. Therefore, the Hon'ble TSERC is requested to consider for reduction of tariff as mentioned in the G.O.Ms.No.148, MA&UD (Engg.2), dated 03.08.2018 and also consider to continue being in category HT-V (B) on par with HMRL for the next financial year, during the process of tariff determination to be placed in that category as approved by the cabinet."

D The GoTS through the Energy Department had addressed letter No.1201/Budget.A1/2018, dated 31.01.2019 to the CMD, TSSPDCL with a copy to the Commission enclosing letter of MD, HMWSSB, who forwarded copy of the minutes held on 14.08.2018 as extracted above.

"I am to enclose herewith the minutes of the meeting held on 14.08.2018 under the Chairmanship of Sri Shailendra Kumar Joshi, IAS, Chief Secretary to Government, Secretariat, Hyderabad on Levying of tariff at the HT-V (B) commercial category @ Rs.3.95 per kWh on par with HMRL (Metro) towards energy charges for all water supply pumping stations of HMWSSB from 2018-19 onwards and request you to take necessary action in the matter."

3. At this juncture, it must be stated that no action was taken in the matter, due to various reasons for delay in submission of Aggregate Revenue Requirement (ARR) and Filings for Proposed Tariff (FPT) by the Discoms for their retail supply business for FY 2019-20 and FY 2020-21 besides the position of Commission Members had become vacant. Later after appointment of Chairman and two Members in G.O.Ms.No.16, Energy (HR), 23rd October, 2019 and assumption of office in October, 2019, the matter was taken up by the Commission and the Commission felt appropriate that the matter needs to be resolved. Accordingly, the Commission had addressed two letters where specific action was required from TSSPDCL and HMWSSB.

The specific directions issued to TSSPDCL and HMWSSB are extracted below.

TSSPDCL [vide letter No.L-67/Secy/JD (Law)-1/D.No.210, dated 03.12.2019]

".....

4. In this context, the Commission requires and directs you that if the tariff requested by HMWSSB is to be considered for subsequent years, the TSDISCOMs shall include the same in the petitions for approval of ARR and tariff for retail supply business for FY 2020-21 along with the amount that is required as subvention to be given by GoTS for providing tariff concession to HMWSSB."

HMWSSB [vide letter No.L-67/Secy/JD (Law)-1/D.No.211, dated 03.12.2019]

4. In this context, the Commission requires and directs you to file an appropriate petition in the matter of fixing tariff for the power drawn and consumed by you from TSSPDCL. Such petition shall be filed in accordance with the Conduct of Business Regulation No.2 of 2015 duly accompanied by applicable fee under Regulation No.2 of 2016."

4. Pursuant thereto the HMWSSB had filed the necessary petition on 13.01.2020 the same is taken into record and assigned O.P.No.10 of 2020.

5. In the meantime, the Government had issued directions to the Commission under Section 108 of the Electricity Act, 2003 through a letter No.402/PR.I/2020, dated 26.06.2020 from the Special Chief Secretary to Government, Energy Department to the Commission Secretary, stating the following:

~~"I am to invite attention to the references cited and inform that Government have decided and issued orders accordingly in the reference 1st cited [G.O.Ms.No.148, MA&UD Department, dated 03.08.2018] for considering levying the tariff at the HT V (B) commercial category at Rs.3.95 per kWh on par with HMRL (Metro) towards Energy charges for all Water supply pumping stations of HMWSSB for 2018-19 onwards.~~

2. I am to further inform that the C&MD, TSSPDCL in the reference 5th cited [Lr.No.CMD/TSSPDCL/CGM(IPC&RAC)/SE(RAC)/DE(RAC)/D.No.38, dated 20.05.2020] while referring to the continuation of Tariff Order of FY 2018-19 issued by the TSERC for FY 2019-20 and FY 2020-21 till the issue of new order, requested to examine the matter at Govt. level for issuing appropriate orders to the TSERC in the matter for amendment of Tariff Order in respect of the Tariff applicable for HMWSSB services in order to implement the orders of the Government issued in G.O.Ms.No.148, dated 03.08.2018.

3. In light of the above, I am to inform that Government have examined the matter and decided and accordingly issue directions under Section 108 of the Electricity Act, 2003 to the Commission, for levying the tariff at the HT-V (B) commercial category at Rs.3.95 per kWh on par with HMRL (Metro) towards Energy charges for all Water supply pumping stations of HMWSSB with immediate effect for FY.2020-21 by issuing an amendment to the existing Tariff Order for the FY 2020-21.

4. I am therefore request you to appraise the above direction of the Government, under Section 108 of the Electricity Act, 2003 to the Hon'ble Commission for issuing amendment to the existing Tariff order applicable for FY 2020-21 for levying the tariff at the HT-V (B) commercial category at Rs.3.95 per kWh on par with HMRL (Metro) towards Energy charges for all Water supply pumping stations of HMWSSB for FY 2020-21 with immediate effect."

6. The Commission examined the issue by taking into consideration the earlier Government Order, the petition filed by HMWSSB and the directions now issued by the Government under Section 108 of the Electricity Act, 2003.

7. The Commission has extended the application of the retail supply tariff of FY 2018-19 as an ad-interim measure in interlocutory application filed by TSSPDCL and TSNPDCL (I.A.No.3 of 2019 and I.A.No.8 of 2020 in O.P.Nos.21 and 22 of 2017) for the years 2019-20 and 2020-21, till the Commission determines the same upon proposals being filed by the TSDiscoms. The directions of the Government under Section 108 of the Electricity Act, 2003 stands for amending the retail supply tariff and facilitating a tariff of energy charges @ Rs.3.95 per unit from FY 2018-19 to FY 2020-21 for all water supply pumping station of HMWSSB, a local authority which supplies potable water to general public at large.

8. It is relevant to point out that there is no *pari materia* to the Hyderabad Metro Rail Limited (HMR) (a consumer under HT-V (B) category) and HMWSSB (a consumer under HT-I (A) and HT-IV (B) categories), except that both shall provide public utility services. The letter addressed to the Commission communicating the directions by the Government under Section 108 of Electricity Act, 2003, did not traverse the aspect of subvention amount to compensate the distribution licensee by the Government under Section 65 of the Electricity Act, 2003. The Commission is required to safeguard the interest of the licensee having been licensed and regulated by the Commission. However, with due reverence to the directions of the Government, the Commission is inclined to give effect to the same as an ad-interim measure by considering the following action points of Principal Secretary, Finance Department, mentioned in the minutes of meeting held on 14.08.2018 in the chambers of Chief Secretary, Government of Telangana.

".....

9. *Since the Tariff order for FY 2018-19 has already been issued by Hon'ble TSERC, the financial support may be extended directly to the beneficiary, HMWSSB, towards reduction of energy charges for all the water supply pumping stations of HMWSSB as mentioned in the G.O. for FY 2018-19.*

10. *In view of the above, a separate Head may be created by the Finance department, to allocate funds to HMSSB as additional budget towards reduction of energy charges for all water supply pumping stations of HMWSSB for 2018-19."*

9. Thus, the Commission hereby consents to the licensee undertaking supply of power for all water supply pumping stations of HMWSSB at a tariff given below as decided by the Government in G.O.Ms.No.148 dated 03.08.2018 and the directions given to the Commission in letter dated 26.06.2020, from FY 2018-19 onwards and continue to do so till a final view is taken by the Commission on determination of tariff for retail supply for FY 2019-20 and FY 2020-21 and also in true-up of retail supply tariff for FY 2018-19.

Revised tariff applicable for all water supply pumping stations of HMWSSB *CA 3**

Category	Voltage	Demand Charge (Rs./kVA/month)	Energy Charges (Rs./kVAh)
HT-I (A)*	11 kV	390	3.95
	33 kV	390	3.95
	132 kV and above	390	3.95
HT-IV (B)	11 kV	-	3.95
	33 kV	-	3.95
	132 kV and above	-	3.95

*** TOD charges not applicable.*

10. However, the Commission directs the licensee to pursue with the HMWSSB and the Government in obtaining necessary subvention to that effect due to implementation of the directions of the Government as well as this Order of the Commission. It shall also place before the Commission along the aggregate revenue requirement proposals for the FY 2019-20 and FY 2020-21 with the above stated tariff applicable for all water supply pumping station of HMWSSB and true-up filings for FY 2018-19 along with the details of subvention amounts received in respect of their retail supply business.

11. The licensee shall give immediate effect to the directions given in paragraphs 9 and 10.

12. This order is passed by the Commission as an ad interim measure only to give effect to the directions of the Government for the above said years and the same will be decided finally as and when the retail supply true-up, ARR and FPT petitions are filed by the licensees, duly following the law in respect of the above said financial years.

13. The Commission is of the view that though the proceedings are initiated in original petition form as the decision to be taken involved multiple years pursuant to

directions by the Government under Section 108 of the Electricity Act, 2003, any order made herein above constitutes an amendment to the tariff fixed in so far as for all water supply pumping stations of HMWSSB in O.P.Nos.21 and 22 of 2017 which has been continued for the FYs 2019-20 and 2020-21 by the orders of this Commission dated 06.11.2019 and 20.03.2020.

14. The Commission makes it clear that this order is specifically made in the circumstances and the factual position obtained hereinabove and there is no relevance to any other consumer/organisation.

This order is corrected and signed on this the 18th day of July, 2020.

Sd/-
(BANDARU KRISHNAIAH)
MEMBER

Sd/-
(M.D.MANO HAR RAJU)
MEMBER

Sd/-
(T.SRIRANGA RAO)
CHAIRMAN

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

I. A. No. 16 of 2020

in

O. P. No. 18 of 2020
(Suo Moto Petition)

Dated 25.02.2021

Present

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

Between:

1. Southern Power Distribution Company of Telangana Limited,
Mint Compound, Hyderabad-500 034.
2. Northern Power Distribution Company of Telangana Limited,
H.No.2-5-31/2, Corporate Office, Vidyut Bhavan,
Nakkalgutta, Hanamkonda, Warangal-506 001. ... Applicants

AND

None- ... Respondent
M/s Hyderabad Metropolitan Water Supply & Sewerage Board,
Khairatabad, Hyderabad-500 004. ... Respondent/(Added by the Commission)

This application has come up for hearing on 11.12.2020. Sri Mohammad Bande Ali, Law Attaché of TSSPDCL for applicants and Sri Satya Lingam, OSD (Finance & legal) on behalf of Managing Director for respondent appeared through virtual hearing on 11.12.2020. This application having been heard and having stood over for consideration to this day, the Commission passed the following:

ORDER

TSDISCOMs have filed an interlocutory application filed under clause 32 of TSERC Conduct of Business Regulations, 2015 read with section 94 (f) of the Electricity Act, 2003, seeking modification of the order of tariff to be applicable to

Hyderabad Metropolitan Water Supply & Sewerage Board (HMWSSB) as per the Suo Moto order dated 18.07.2020 in O.P.No.18 of 2020 in terms of the directions of the Government under section 108 of the Electricity Act, 2003. The facts of the case as submitted by the Applicants is as under:

a. The Commission in para 9 of the order has issued consent to supply power to all water supply pumping stations of HMWSSB at a tariff with energy charges at Rs.3.95/unit as decided by the Government in G.O.Ms.No.148 dated 03.08.2018 and the directions given to the Commission in the letter dated 26.06.2020 from FY 2018-19 onwards and continue to do so till a final view is taken by the Commission on determination of tariff for retail supply for FY 2019-20 and FY 2020-21 and also in true up of retail supply tariff for FY 2018-19.

b. The following contentions of the DISCOMs are put up before the Commission on implementation of the order.

i. Revision of tariffs for FY 2018-19 without any subvention in accordance with section 65 read with section 62 (4) of the Electricity Act, 2003.

ii. Extension of revised tariffs for HMWSSB services covered under HT-IV (B) category.

A. Revision of tariffs for FY 2018-19 without any subvention to DISCOMs.

i. As per section 65 of the Act, *"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, in advance in such manner as may be specified, 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."*

ii. While pronouncing the order for determination of tariff order for FY 2018-19 in O.P.No.21 and 22 of 2017 dated 27.03.2018, the Commission in para 1.1.2 has mentioned as follows:

"...This Commission having been established u/s 82 (1) of the Act, 2003 is required to exercise the powers and functions vested in it in terms of section 86 and section 62 (1) of the Act, 2003 to determine the tariff for

(1) supply of electricity by a generating company to a distribution licensee; (2) transmission of electricity; (3) wheeling of electricity; and (4) retail sale of electricity as the case may be within the State of Telangana.”

iii. As per section 62 (1) of Electricity Act, 2003, no tariff determined can be amended except in case of changes through fuel surcharge adjustment formula [Section 62 (4)]. Hence, if the tariffs for FY 2018-19 is amended in extra-ordinary circumstances under the directions of the GoTS under section 108 of the Act, the order shall explicitly provide subvention to the DISCOMs for revenue loss to be incurred on such differential tariffs. Section 65 of Act categorically lays that “...notwithstanding any direction which may be given under section 108, the State Government shall grant subsidy to any consumer or class of consumers in the tariff determined under section 62.”

iv. There is no revision of tariff in TSDISCOMs since FY-2017-18. If the orders dated 18.07.2020 of the Commission are to be implemented with effect from FY 2018-19, TSDISCOMs are bound to incur a revenue loss of Rs.244.57 crore (TSSPDCL–Rs.200.92 crore and TSNPDCL–Rs.43.65 crore) for FY 2018-19, Rs.257.38 crore (TSSPDCL–Rs.204.60 crore and TSNPDCL–Rs.52.78 crore) for FY 2019-20, Rs.63.59 crore (TSSPDCL–Rs.50.08 crore and TSNPDCL–Rs.13.51 crore) for the 1st quarter of FY 2020-21 and further an amount of Rs.21.19 crore (TSSPDCL–Rs.16.69 crore and TSNPDCL–Rs.4.50 crore) per month till revised tariff orders are approved due to tariff revision and withdrawal of revenue. Hence, the total impact on revenue is Rs.538.95 crore upto June, 2020 for TSDISCOMs including Rs.83.35 crore towards surcharge to be withdrawn.

v. Hence, it is prayed that the Commission may be pleased to review the orders passed in O.P.No.18 of 2020 in respect of tariff order for FY 2018-19 and pray the Commission to address a letter to the GoTS in order to obtain necessary financial assistance to the DISCOMs for implementation of the orders of Commission.

B. Extension of revised tariffs for HMWSSB services covered under HT-IV (B) category.

i. The Commission has revised the tariffs of two categories that is HMWSSB services being billed in HT-I (A) industrial and HT-IV (B) CPWS with energy charges limiting to HT-V (B) HMR tariff. It is stated that the category HT-IV (B) tariff is not applicable to HMWSSB as they supply water to GHMC area only and hence there is no need to revise the tariff in respect of HT-IV (B) category. It is also pertinent to note that as per G.O.Ms.No.148 dated 03.08.2018 issued by MA&UD, GoTS, HT-I (A) industrial category tariff is applicable to HMWSSB and the same shall be made equivalent to HMR tariff. Nothing is mentioned about HT-IV (B) category tariff in the said G.O.

ii. Further two HMWSSB services under TSSPDCL area which were wrongly categorized under HT-IV (B) earlier has been rightly categorized under HT-I (A) category as per the existing conditions of the tariff order from the date of supply of June, 2020. Hence, there are no services under HT-IV B category relating to HMWSSB in TSSPDCL and TSNPDCL supply areas.

iii. Hence, in view of the above, the licensees request the Commission to withdraw the tariff that is made applicable to HMWSSB services covered under HT-IV (B) category.

c. The DISCOMs pray the Commission to consider the above submissions –

i. To withdraw the revised tariff made applicable to HT-IV (B) category and

ii. To advise the GoTS to reimburse the revenue loss to be incurred by the DISCOMs on account of implementation of the revised tariffs duly considering the plight of the DISCOMs and financial hardships faced by the DISCOMs.

2. The respondent has filed counter affidavit and the contents of it as below:

a. In the year 1989, the then Legislature of the State of Andhra Pradesh made an enactment called the Hyderabad Metropolitan Water Supply and Sewerage Act, 1989 (Act 15 of 1989) and came into force from 01.11.1989. Under section-3 of the Act, the Board by the name Hyderabad Metropolitan Water Supply and Sewerage Board (HMWSSB/Board) was constituted. The Board's main duties

are that (a) supply of potable water, including, planning, design, construction, maintenance, operation and management of water supply system; and (b) sewage disposal and sewage treatment works including planning, design, construction, maintenance, operation and management of all sewerage and sewage treatment works in and around the twin cities of Hyderabad and Secunderabad and surrounding Municipalities and upto Outer Ring Road (ORR). The Board has also been implementing several schemes in its jurisdiction meant for all categories of people, viz, generally poor, below poverty line, slum dwellers, cluster hutments, public taps, etc., and also undertaken several developmental Schemes, laying of new pipelines, etc., keeping in view the future demand of the twin cities and surrounding municipalities and upto ORR.

- b. The respondent herein is very grateful to the Commission for issuing orders in O.P.No.18 of 2020 (Suo Moto) on 18.07.2020 fixing Tariff (Energy Charges) at concessional rate to all water supply pumping stations of HMWSSB at the rate Rs.3.95 per unit as decided by the State Government, Telangana, vide G.O.Ms.No.148 MAUD (E-2) Department dated 03.08.2018, (on the basis of the Special Chief Secretary, Energy Department of Telangana Government, Hyderabad, vide letter dated 26.06.2020 for extending the power tariff at the concessional tariff from FY 2018-19 (on true-up basis) onwards and continue the same facility till final view is taken by the Hon'ble Commission for the FY 2019-20 and FY 2020-2021).
- c. In terms of Section 65 of the Electricity Act, 2003 the respondent/HMWSSB has been continuously following up with the State Government for subvention as required. However, there is a delay in getting the subvention by way of direct financial assistance and/or budget allocation, which is explained in detail in the following paragraphs.
- d. The State Government has given assurance to extend the same at the earliest, when the G.O.No.148 dated 03.08.2018 was issued. The respondent/HMWSSB has been continuously following up with the State Government for budget support, but due to some or other reasons the same has been delayed. As stated by the applicant that a gross amount of Rs.588.67 (Rs.538.95) crore upto June, 2020 is required to be granted by the State Government as subvention.

- e. Further, in terms of Section 62 (4) of the Electricity Act, 2003 it urges upon the Commission that the orders issued by the Commission fixing up concessional power tariff to HMWSSB may please be continued and further request that the same order may please be extended for FY 2021-22 onwards.
- f. The power tariff has been extended to the respondent/HMWSSB vide Commission's order dated 18.07.2020 under HT-IV (B) category may be changed as may deem fit by the Commission.
- g. The energy services extended to the respondent/HMWSSB under the categories of HT-I Industrial category was revised and now supplied under the category of HT-V(B) HMRL be continued.
- h. The Original Application No.10 of 2020 filed before the Commission and also O.P.No.18 of 2020 (Suo Moto) may please be treated as part of this counter affidavit. The respondent/HMWSSB has explained in detail, the pursuance of its unstint efforts with the Government to get the concessional power tariff for more than a decade, which the respondent could succeed to get the sanction in 2018.
- i. The respondent/HMWSSB has no other source of income except the recovery by way of tariff from the consumers which has been meeting its day-to-day operations of HMWSSB, while the capital expenditure for the expansion schemes have been funded by the Government, from time-to-time. A scenario of financial position is given below for the last 4½ years.

Statement Showing Board Operational Collection & Expenditure as on 31st October, 2020.

(Rs.in crore)

Type	Sl. No.	Particulars	2016-17	2017-18	2018-19	2019-20	2020-21 (Oct-2020)
INCOME	I	Water & Sewerage Cess	1075.18	1083.24	1170.57	1110.94	705.00
	II	New Connections	193.76	185.47	232.14	281.75	112.85
	Income Total (A)		1268.94	1268.72	1402.71	1392.69	817.85
EXPEN DITUR	1	Establishment Expenses	412.08	452.01	443.82	454.48	273.41

Type	Sl. No.	Particulars	2016-17	2017-18	2018-19	2019-20	2020-21 (Oct-2020)
	2	Loan Repayments	87.42	55.00	43.90	42.86	25.00
	3	Power Charges	805.62	885.53	991.94	1143.56	599.16
	4	Operations & Maintenance	53.36	81.09	96.82	170.92	110.27
	5	LOC to Divisions	52.94	39.94	38.69	36.58	22.14
	6	Administrative Expenses	48.46	51.59	6.64	68.68	38.89
	7	Interest & Finance Charges	27.51	19.87	10.62	6.61	2.10
	8	Stores Purchases	13.88	13.68	13.23	46.49	12.75
	9	Hudco Repayments	-	-	-	-	-
	10	TSM DP Margin share	-	-	-	-	-
		Expenditure Total (B)	1501.27	1598.72	1702.66	1970.18	1083.72
		Surplus/Deficit (A-B)	(232.33)	(330.01)	(299.95)	(577.49)	(265.86)

j. The respondent/HMWSSB has been incurring net loss @ Rs.232.33 crore for FY 2016-17, Rs.330.01 crore for FY.2017-18, Rs.299.95 crore for FY 2018-19, Rs.577.49 crore for FY 2019-20 and Rs.265.86 crore for FY 2020-21 (upto October, 2020). The above deficit is only on account of operations of the Board which does not include the capital expenditure.

k. There is vast urbanization of the City of Hyderabad and it has become challenging job to supply potable water to all the citizens in and around the Hyderabad. The maintenance of sewerage system has also become a challenging job for the respondent Board. The present operational area is about 1,570 sq.km includes GHMC and upto ORR. The supply of drinking water to the Citizens in its jurisdiction has become a challenge job with Concessional Tariff with an average recovery of Rs.10/- per kL against its cost of production at Rs.47 per kL.

1. The proposed concessional power tariff as sanctioned to the respondent/HMWSSB, it will be a great help in respect of sustenance of its operations financially, and it would help to achieve self-sufficiency over a period; otherwise, the operations would get suffered to a greater extent. It is further submitted that the cost of production is increasing day by day, while tariff has been retained at old rates for the last 9 years without burdening the citizens of Hyderabad in general. HMWSSB has been maintaining uninterrupted supply of potable water to all the Citizens in its jurisdiction.

m. The respondent/HMWSSB has been continuously following up with the Department of Energy, Department of Finance through our parent department, MAUD for getting subvention by way of budgetary support which is under consideration by the State Government. The delay is also due to COVID-19 pandemic situation prevailing from March, 2020, local body election, etc.

n. It is understood that the State Government is at the verge of presenting its budget for the FY 2021-22, expected to be during the month of February-March, 2021, for which the budget exercise is in progress in the State Government from the months of November/December, 2020. The respondent/ HMWSSB has been continuously following up with the State Government for providing subvention by way of budgetary support in the proposed budget, and we are hopeful of getting the financial support. Any adverse decision by the Commission would be a great suffering to the respondent/HMWSSB and it would greatly hamper the operations of the Board.

o. In view of the submissions made as above, the Commission may grant –

- (i) time for a period of 3 months, i.e., till the budget is placed before the Legislative Assembly by the State Government and/or till the subvention is granted by the State Government; and
- (ii) the sanction of concessional power tariff may please be extended from the FY 2021 onwards on perpetual basis.

3. The Commission had heard the representative of the DISCOMs and the representative of the respondent in this interlocutory application. The Commission took note of the background for this application as it has initiated the original proceedings pursuant to communication received from the Government under section 108 of the

Act, 2003. The submissions of the representatives on the date of hearing are reproduced below:

"The representative of the respondent in this interlocutory application stated and explained in detail the steps being taken by the board for ensuring water supply to Hyderabad city and its peripheral area falling within the outer ring road. The representative gave the details of the financial expenditure as also the amount of water being supplied at present to the consumers of Hyderabad city. The licensee has requested it to part with the difference of amount that is the result of the tariff fixed by the Commission and the actual tariff applicable to them. The board had taken steps to make available the subvention directly from the government and has been corresponding with its parent department that is Municipal Administration and Urban Development as also Energy Department of the government. They need three months' time to ensure subvention for the next year also as the budget exercise has already began in the government. As for the present, the Commission may continue the tariff upto 31st March, 2021. The total subvention likely to be committed by the government to the licensee is about Rs.580 crore.

As the licensee is required to comply with the directions of the government, the representative of the respondent requests that no order may be passed considering the public interest involved in undertaking water supply, as any order would jeopardize the revenues earned towards water supply for undertaking development activities. If the order of the Commission is modified, the entire revenues will be lost in paying electricity charges only.

The representative of the licensee stated that the licensee is constrained to seek orders for the release of subsidy by the government as it is undertaking 24 hours power supply to all consumers and is involved in serving the consumers at large. The Commission had passed this order for implementing the orders of the government in the suo moto proceedings. The licensee prays the Commission to safeguard its interest in the matter of revenue and tariff and ensure grant of subvention from the government to facilitate extending the tariff as directed by the government as ordered by the Commission. The Commission may consider the request of the parties."

4. The Commission noticed that the applicant in this I.A. has sought two-fold prayer as extracted above at para 1 (c). With regard to the first point of the prayer viz., to withdraw the revised tariff made applicable to HT-IV (B) category, the Commission in its order dated 18.07.2020 in O.P.No.18 of 2020 at paragraph 5 extracted the relevant notice that the Government in its letter dated 26.06.2020 had stated which is reproduced below:

“3. In light of the above, I am to inform that Government have examined the matter and decided and accordingly issue directions under Section 108 of the Electricity Act, 2003 to the Commission, for levying the tariff at the HT-V (B) commercial category at Rs.3.95 per kWh on par with HMRL (Metro) towards Energy charges for all Water supply pumping stations of HMWSSB with immediate effect for FY 2020-21 by issuing an amendment to the existing Tariff order for the FY 2020-21.”

5. The Commission considers that the issue of tariff is with reference to public utilities, one of the parties is supplier and other is the consumer who consumes it for the purpose of providing public utility service of water supply. The reasoning has been discussed elaborately while passing the ad interim order why the tariff needs to be considered at par with the tariff of HMRL and what are the categories of consumption that are brought on par with category under HT-V (B) insofar as the consumption under HT-I (A) and HT-IV (B) of HMWSSB. As observed earlier, the tariff now being allowed is only made applicable as an interim measure and is subject to the final outcome of the pending proceedings in the original petition as also the tariff filing that may be made by the applicant herein. This Commission had accepted directions of the Government under section 108 of the Act, 2003 and had passed an ad interim order to provide concessional tariff to the respondent in this application. The Commission while doing so was giving effect to the decision of the Government more particularly the policy adopted to facilitate concessional tariff to water supply service as had been decided and communicated in G.O.Ms.No.148 MA&UD Department dated 03.08.2018, furtherance letter of the Government dated 26.06.2020. On the one hand the applicants do not chose to file the necessary petitions for determination for retail supply tariff so that the tariff for the other public utility service is crystalised as directed by the Government in the year 2018 itself, on the other hand seeking to roll back the tariff without there being any statement as to the withdrawal of the decision by the

Government, is neither appropriate at this stage of the proceedings nor correct for this Commission to review its own order in the guise of this application. Thus the first point of the prayer of the application is refused.

6. With regard to second point of the prayer in the application viz., GoTS to reimburse the revenue loss to be incurred by the DISCOMs on account of implementation of the revised tariffs, the Government in its decision was clear that the applicant herein is entitled to subvention for the revenue loss incurred by them.

7. The Commission had passed orders dated 18.07.2020 in present O.P.No.18 of 2020 and observed as below:

"13. The Commission is of the view that though the proceedings are initiated in original petition form as the decision to be taken involved multiple years pursuant to directions by the Government under Section 108 of the Electricity Act, 2003, any order made herein above constitutes an amendment to the tariff fixed in so far as for all water supply pumping stations of HMWSSB in O.P.Nos.21 and 22 of 2017 which has been continued for the FYs 2019-20 and 2020-21 by the orders of this Commission dated 06.11.2019 and 20.03.2020.

14. The Commission makes it clear that this order is specifically made in the circumstances and the factual position obtained hereinabove and there is no relevance to any other consumer/organisation."

8. The Commission had emphatically made it clear as to the aspect of subvention that the applicants herein shall pursue the matter with the Government and HMWSSB in order to give effect to the order passed by this Commission. It was clearly worded that the order is being passed as ad interim measure.

9. The Commission at this stage would seek to recall its observations in so far as subvention is concerned as observed in its order dated 18.07.2020 which is reproduced below:

"10. However, the Commission directs the licensee to pursue with the HMWSSB and the Government in obtaining necessary subvention to that effect due to implementation of the directions of the Government as well as this Order of the Commission. It shall also place before the Commission along the aggregate revenue requirement proposals for the FY 2019-20 and FY 2020-21

with the above stated tariff applicable for all water supply pumping station of HMWSSB and true-up filings for FY 2018-19 along with the details of subvention amounts received in respect of their retail supply business."

10. The Commission notices that there is no pleading in the application as to their efforts that have been made pursuant to order of the Commission in so far as subvention is concerned. Also, the applicants have not completed the statutory mandate of filing proposed retail supply tariff for the FYs 2019-20 and 2020-21, the present application appears to be lopsided.

11. This Commission is of the view that having been considerate to the licensees and also ensuring compliance of the directions of the Government, had only passed an ad interim order and left the issue open to be decided finally as and when retail supply true up ARR and FPT are filed by the licensees. Such being the case, and in view of the submissions of the representative of the respondents that the issue of the subsidy is being vigorously pursued with the Government, the licensee have filed this application contrary to the stand of the Government and the actions taken by themselves.

12. Nothing prevented the applicants in this application from pursuing with the Government for the necessary subvention as it is related to another public utility service and the respondent being a sister public utility as also both being owned by the Government. In fact as noticed above, the Government on its part had taken a decision at the highest level as to the action to be taken on their part, now what remains is the final action by the respective departments which the applicant should as well coordinate so that they get the necessary subvention.

13. No whisper is made in the application or by way of any documents as to the action taken by them in ensuring compliance of the directions of the Commission which were the culmination of the directions of the Government to it under the statutory provisions of the Act, 2003. It is also appropriate to reiterate that the Commission has in no uncertain terms had directed them to pursue the matter to get the subvention with the Government as also left the applicability of the tariff open to be finally decided at the time of determination of retail supply tariff.

14. In the light of the observation made in the ad-interim order as also herein above, this Commission is of the considered view that the present application cannot be entertained and it fails. Accordingly, the application for directions is refused. The original petition stands tagged to the retail supply tariff petitions as and when they are filed.

15. Before parting with this application, the Commission records the undertaking given by the licensee that it will not disconnect the power supply to the water board till the issue is finally decided by this Commission.

This order is corrected and signed on this the 25th day of February, 2021.

Sd/-
(BANDARU KRISHNAIAH)
MEMBER

Sd/-
(M.D. MANOHAR RAJU)
MEMBER

Sd/-
(T. SRIRANGA RAO)
CHAIRMAN

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

I. A. No. 9 of 2021
in
O. P. No: 18 of 2020
Dated 17.11.2021.

Present

Sri T. Srilanga Rao, Chairman
Sri M. D. Manohar Rao, Member (Technical)
Sri Bandaru Krishniah, Member (Finance)

Between:

Managing Director,
Hyderabad Metropolitan Water Supply & Sewerage Board
(HMWSSB), Administrative Building, Khairatabad,
Hyderabad – 500 004

Applicant in this I.A.

AND

1. Sothern Power Distribution Company of Telangana Limited,
H.No.6-1-50, 5th Floor, Mint Compound,
Hyderabad – 500 063.
2. Northern Power Distribution Company of Telangana Limited,
H.No.# 2-5-31/2, Corporate Office, Vidyut Bhavan, Nakkalgutta,
Hanamkonda, Warangal – 506 001.
3. Special Chief Secretary, Energy Department,
Government of Telangana, Secretariat,
Hyderabad – 500 029.
4. Special Chief Secretary, Finance Department,
Government of Telangana, Secretariat,
Hyderabad – 500 029.

... Respondents in this I.A.

The application came up for hearing on 11.08.2021. Sri R. Sathyalingam, OSD (Fin. & Legal) for applicant and Sri Mohammad Bande Ali, Law Attaché for the respondents appeared on 11.08.2021. The matter having been heard through video



conference and having stood over for consideration to this day, the Commission passed the following:

ORDER

The applicant has filed this application under section 94(1) and (2) of the Electricity Act, 2003 (Act, 2003), seeking extension of benefit in the tariff as ordered in the order dated 18.07.2020 in O.P.No.18 of 2020 for FY 2021-22 and may be continued further thereof. The averments made in the application are as follows:

- a. It is stated that the Government of Telangana State (GoTS) through Municipal Administration and Urban Development (MAUD) Department has allowed to HMWSSB revised / concessional power tariff @ Rs.3.95 per kWh vide G.O.Ms.No.148 dated 03.08.2018 from 2018-19 onwards. The Commission has approved the concessional power facility as per directions of the Government vide 108 of the Act, 2003 amending the Retail Supply Tariff and facilitating of levying tariff at the HT-V(B) commercial category of energy charges @ Rs.3.95 per unit at par with HMRL (Metro) from FY 2018-19 to FY 2020-21 for all water supply pumping stations of HMWSSB, a local authority which supplies potable water to general public at large vide Commission's order dated 18.07.2020 in O.P.No.18 of 2020 (Suo Moto). Now this application is filed for extension of the facility from the FY 2021-22 onwards on perpetual basis.
- b. It is stated that in the year 1989, the then Legislature of the State of Andhra Pradesh made an enactment called the Hyderabad Metropolitan Water Supply and Sewerage Act, 1989 (Act 15 of 1989) which came into force from 01.11.1989. Under section 3 of the said Act, the Board by the name, Hyderabad Metropolitan Water Supply and Sewerage Board (HMWSSB) was constituted.
- c. It is also stated that the Board's main duties are that (i) for supply of potable water, including, planning, design, construction, maintenance, operation and management of water supply system; and (ii) sewerage, sewage disposal and sewage treatment works in and around the twin cities of Hyderabad and Secunderabad and surrounding Municipalities and upto Outer Ring Road (ORR). For the purpose, the Board has also been implementing several Schemes meant for the people who are living



in twin cities and surrounding municipalities of Rangareddy District, general, poor, below poverty line, slum dwellers, cluster hutments, public taps, etc. At the same time, the Board also has several other Schemes, laying of new pipelines and replacing old ones phase-wise keeping in view the future demand of the twin cities and surrounding municipalities and upto ORR.

- d. It is stated that the concessional tariff has been extended based on the then operational deficit on account of industrial tariff being levied, while the water supply is mainly domestic in nature, which is heavily subsidized. The applicant stated that GoTS has recently introduced Free Drinking Water Supply Scheme to provide drinking water at free of cost to all households upto 20,000 litres per month within the jurisdiction of the applicant effective from 01.12.2020. The liability on this account alone works out to be nearly Rs.360.00 crore per year when the scheme is fully implemented. Thus, subsidized tariff is being replaced with free water which is huge financial burden on the applicant.
- e. The applicant is providing drinking water supply to the citizens of GHMC area and upto ORR for the domestic and non-domestic purposes. The sources of HMWSSB is far from the city at a distance of 110 km for Krishna Scheme and 186 km of Godavari Scheme with 3-stage and 4-stage pumping, incurring huge expenditure on power consumption. Further for distribution of water in the city, certain secondary and tertiary pumping is also required, for which additional power consumption is utilized. Power is also consumed for treatment of sewage water generated at various STPs. All this requires huge work force who work round the clock at various offices of the applicant.
- f. The present gross power bill is about Rs.87.16 crore per month under normal tariff, while Rs.63.10 crore under concessional / revised tariff. DISCOMs have started extending the revised tariff facility from July, 2020 onwards.
- g. The applicant has completed the major projects for the last 5 years as follows:
- * The Board has completed major projects, namely, Krishna Drinking Water Phase-III and Godavari Drinking Water Phase-I



with a total outlay of Rs. 5,395 crore, with the sources of Krishna and Godavari rivers respectively.

Rs. 3,500/- crore is availed as a loan from financial institutions / banks; Rs. 1,950.00 crore under JnNURM and Rs. 338.00 crore from the World Bank.

Water Supply Projects under Urban Mission Bhagiratha:

Peripheral Circle Water Supply Project (HUDCO Project): the water supply system of peripheral circles was taken over by the Board during 2007, but adequate infrastructure was not developed.

After 2014, Government / HMWSSB has taken up a Project at a cost of Rs.1900 crore and built 61 Reservoirs of 279 ML capacity with 2100 km length of Pipeline in all Peripheral Circles and completed & commissioned during 2017-2019 and put into operation.

ORR Villages Water Supply Project: The water supply to the villages within the ORR was under operation with borewell system through single village and multi-village water supply schemes by the RWS Department.

After 2014, the Government has entrusted to the applicant and sanctioned a water supply project at a cost of Rs.756.00 crore under Annuity Mode (PPP) of contract. Under this project, 164 Nos. of reservoirs of 70 ML capacity with 1600 km length pipeline covering all villages within ORR is taken up and completed during 2017-19 and put into operation.

The Board has taken up projects for improvement of sewerage network systems in the GHMC area, treatment & disposal of sewage to ensure clean environment as directed by the Hon'ble Supreme Court and the Hon'ble National Green Tribunal.

In compliance of the NGT orders, the applicant has taken up the Comprehensive Master Sewerage Plan (CMSP) covering the gap of treatment of sewage to the extent of 1260 MLD (out of total generation of 2032 MLD) by proposing to set up of 31 STPs, surrounding the Hyderabad city and peripheral at a cost of

Rs. 3,866 crore with the funding support of the State Government and / or PPP model. The above CSMP will be implemented in phase-wise manner over a period of 5 years divided into 3 packages, which covers Musi river along with other major lakes of the city.

One of the major components of operational cost is power charges, which constitute more than 70% of applicant's revenue. The current consumption of power is to the order of 200 MW.

The Board is supplying 95% of the water through pumping system and hardly 5% through gravity system.

The applicant is supplying water to its consumer @ Rs.10/- per kl (average) much lower than the cost of production of Rs.48.65 per KL.

The State Government has also introduced very recently free drinking water supply scheme to all households' upto 20,000 litres per month effective from 01-12-2020. There will be 10.50 lakh beneficiaries out of 11 lakh total consumers, leaving only 50,000 paying consumers.

h. The applicant's financial position may be seen from the summary of the financial results for the last 3 years as given below.

Type	Sl. No	Particulars	2018-19	2019-20	2020-21(*)
Income	I	Water & sewerage cess	1170.57	1110.94	1127.06
	II	New connections	232.14	281.75	198.05
		Income Total (A)	1402.71	1392.7	1325.11
Expenditure	I	Establishment expenses	443.82	454.48	467.35
	II	Loan repayments	43.90	42.86	42.86
	III	Power charges	991.94	1143.56	1029.07
	IV	Operations & Maintenance	96.82	170.92	184.32
	V	LOC to divisions	38.69	36.58	39.41
	VI	Administrative expenses	63.64	68.68	73.42
	VII	Interest & finance charges	10.62	6.61	3.11
	VIII	Stores Purchases	13.23	46.49	29.41
		Expenditure Total (B)	1702.66	1970.18	1868.95



Type	Sl. No.	Particulars	2018-19	2019-20	2020-21(**)
		Surplus/deficit (A-B)	(299.95)	(577.49)	(543.84)

(*) Note: Figures on actual basis upto January-2021 & tentative for February & March, 2021.

i. It is stated that it may be observed from the above table that the working of the Board is in deficit as the revenues are less than the expenditure. The applicant has constraints in increasing the water tariff leviable to the consumers. Hence, the applicant is not able to compensate its financial deficit. This deficit is likely to increase steeply with implementation of 20 KL free water scheme. It is also stated that the power bill paid/being paid every month to DISCOMs out of its total earnings, is to the extent of 70%.

j. On vigorous persuasion of the applicant, the State Government has finally allowed vide G.O.Ms.No. 148, MAUD (E-2) Department dated 03.08.2018 to levy reduced tariff at the HTV(B) commercial category @ Rs. 3.95 per kWh on par with HMRL for all water supply pumping stations of HMWSSB from the year 2018-19 onwards.

k. On the basis of the above G.O. dated 03.08.2018 and also advice of the following departments.

1. Chairman, Telangana State Electricity Regulatory Commission.*
2. The Principal Secretary to Government Municipal Administration & Urban Development Department.
3. Chairman and Managing Director, TSSPDCL
4. The Special Chief Secretary to Government, Department of Energy.
5. The Principal Secretary to Government, Department of Finance.

The applicant has filed O.P.No.10 of 2020, for which the hearing was held on 18.02.2021. (* Commission cannot said to be part of an advisory committee)

l. However, the Commission has passed an order dated 18.07.2020 in O.P.No.18 of 2020 (Suo Moto) on the basis of the letter No. 402 / PR. I / 2020, dated 26.06.2020 written by the Department of Energy, GoTS treating the above letter as Suo Moto and allowed the revised power tariff to the applicant u/s 108 of the Act, 2003 to all the water supply and



pumping stations of the applicant for 3 years from FY 2018-19, FY 2019-20 and FY 2020-21.

m. The above Suo Moto order dated 18.07.2020 passed by the Commission has made the following directions:

(i) "The letter addressed to the Commission communicating the directions by the Government U/s 108 of the Electricity Act, 2003, did not traverse the aspect of subvention amount to compensate the distribution licensee by the Government U/s 65 of the Electricity Act, 2003. The Commission is required to safeguard the interest of the Licensee having been licensed and regulated by the Commission.

(ii) The Commission directs the Licensee to pursue with HMWSSB and the Government in obtaining necessary subvention to that effect due to implementation of the directions of the Government as well as this order of the Commission.

n. To comply with the directions of the Commission as above, the applicant has taken up the matter for subvention by way of budget allocation from the State Government in the ensuing financial bill for 2021-22 being passed by the State Legislature of Telangana and is hopeful of getting the sanction for a total amount of Rs.1269 crore towards difference amount between the actual tariff and revised tariff including late payment charges of the power bills.

o. The applicant has requested the MAUD (E) Department, GoTS in November and December, 2020 for extension of the facility of revised power tariff for the FY 2021-22 onwards on perpetual basis. Accordingly, the MAUD (E) Department has advised HMWSSB to request the Commission for extension of power tariff from 01.04.2021 onwards on perpetual basis vide their Memo No.9198/E-2/2020 dated 18.01.2021.

p. In view of the circumstances explained as above and as per G.O.No,148 - MAUD (E-2) dated 03.08.2018 and the Suo Moto order dated 18.07.2020 in O.P.No.18 of 2020, the petitioner requests the Commission for extending the revised power tariff @Rs.3.95 per unit on perpetual basis and continue to supply the power starting from the FY 01.04.2021 to water pumping stations, STPs and office buildings.



2. The applicant prayed the following relief in the application.
"Revised (Concessional) Power Tariff extended to HMWSSB as ordered in the order dated 18.07.2020 (Suo Moto) in O.P.No.18 of 2020 by allowing revision/reduction of the power tariff and levying the tariff at HT-V(B) @ Rs.3.95/kWh on par with Hyderabad Metro Rail Limited (HMRL) towards energy charges for (a) all water supply pumping stations, (b) Sewerage treatment plants (STPs) and (c) offices buildings of the Hyderabad Metropolitan Water Supply and Sewerage Board (HMWSSB) in the FY 2021-22 onwards, on perpetual basis and also continue to supply the power."

3. The respondents have filed counter affidavit and stated as below:

a. It is stated that the Commission vide its Suo Moto order dated 18.07.2020 has revised the tariffs applicable to HMWSSB on par with HMRL @ Rs.3.95/kWh for 3 years from FY 18-19 to FY 2021, in terms of the directions of the GoTS under section 108 of the Act, 2003.

b. It is stated that the Commission has directed the licensee to pursue with the HMWSSB and the Government in obtaining necessary subvention due to implementation of the GoTS directions and order of the Commission and the same was reiterated in the Commission's order dated 25.02.2021 issued with reference to the application filed by the licensees regarding reimbursement of revenue loss incurred by the DISCOMs on account of implementation of the revised tariffs.

c. It is stated that the order also states that the Commission had only passed an ad.interim order being considerate to the licensees and for ensuring compliance of the directions of the Government and left the issue open to be decided finally as and when retail supply true-up, ARR and FPT are filed by the licensees.

d. It is stated that subsequently, the Commission has issued an Interim Order in I.A.No.4 of 2021 in O.P.Nos.21 & 22 of 2017 dated 27.03.2021 stating that the retail supply tariffs, cross subsidy surcharge and additional surcharge as per the tariff order 2018-19 shall be continued and made applicable from 01.04.2021 onwards till the issuance of new Tariff Order for FY 2021-22. The tariff determined in respect of electric vehicle charging stations / battery swap as also in respect of



concessional tariff to HMWSSB shall also stand continue from 01.04.2021 till the issuance of new Tariff Order for FY 2021-22.

- e. It is stated that in view of the categorical interim order dated 27.03.2021 of the Commission to continue the tariff order 2018-19 till the issuance of new Tariff Order for FY 2021-22, the relief sought by the petitioner for extension of concessional tariff from FY 2021-22 becomes premature and highly insignificant.
- f. It is stated that the licensee had addressed a letter to the Secretary to Govt., Energy Department, GoTS vide Lr. No. CGM (Rev.1) / GM(Rec) / SAO(Rev) / AO / AAO / HT / D. No. 43 / 21 Dated 05.04.2021 submitting the financial impact on the DISCOMs for implementation of the concessional tariff to the applicant for FY2018-19 to FY 2021-22 and the same is presented below.

Financial Year	Tariff Subsidy amount to be reimbursed by GoTS (Cr.)
2018-19	197.77
2019-20	201.32
2020-21	196.95
2021-22*	202
Total	798.04

* Estimated based on previous year consumption.

- g. It is stated that the DISCOM has not received any Tariff Subsidy amount from GoTS towards concessional tariff to the applicant till date which is in contravention to Section 65 of the Act, 2003. The continuation of concessional tariffs to the applicant will seriously affect the cash flows of the DISCOM which is already reeling under huge financial losses.
- h. It is stated that further the licensee also prays before the Commission to direct the GoTS to recoup the revenue gap of the DISCOMs formed due to implementation of concessional tariff to the applicant from FY 2018-19 onwards.
- i. It is therefore prayed before the Commission to dismiss the aforesaid application and may also be pleased to direct the GoTS to reimburse the revenue loss incurred by the DISCOMs on account of implementation of



the revised tariffs for the aforementioned period considering the plight of the DISCOMs and financial hardship being faced by the DISCOMs.

4. The respondents have also filed the following additional Counter:

a. It is stated that the licensees had submitted the financial impact on TSSPDCL for implementation of the concessional tariff to the applicant for FY 2018-19 to FY 2021-22:

Financial Year	Tariff Subsidy amount to be reimbursed by GoTS (Crs.)
2018-19	197.77
2019-20	201.32
2020-21	196.95
2021-22*	202
Total	798.04

* Estimated based on previous year consumption.

b. It is stated that inadvertently the information of the financial impact on TSNPDCL for implementation of the concessional tariff to the applicant for FY 18-19 to FY 21-22 could not be submitted in the counter. Hence, the same is now being submitted as below:

Financial Year	Tariff Subsidy amount to be reimbursed by GoTS (Crs.)
2018-19	43.65
2019-20	52.78
2020-21	51.02
2021-22*	54.04
Total	201.49

* Estimated based on previous year consumption

c. It is stated that the financial impact on the licensees i.e., at the state level is presented below:

Financial Year	Tariff Subsidy amount to be reimbursed by GoTS (Crs.)
2018-19	241.42
2019-20	254.10
2020-21	247.97
2021-22*	256.04
Total	999.53

* Estimated based on previous year consumption



d. It is, therefore, prayed the Commission:

- i. Consider the above facts in addition to the facts mentioned in the counter filed by these respondents,
- ii. dismiss the petition filed by the petitioner, and
- iii. may also be pleased to direct the GoTS to reimburse the revenue loss incurred by the DISCOMs as mentioned above on account of implementation of the revised tariffs for the aforementioned period considering the plight of the DISCOMs and financial hardship being faced by the DISCOMs.

5. The Commission has heard the submissions of the representatives of the parties. It has considered the attendant circumstances in filing the present application.

The submissions made by the representatives is as below:

Record of proceedings dated 11.08.2021

"... .. The representative of the applicant stated that the present application is filed for continuation of the tariff fixed by the Commission that is payable by the applicant towards power charges to the respondents for FY 2021-22 and further eternal period. The Commission had determined the tariff for the applicant on the lines of metro rail project. Though the Commission had already extended the benefit of concessional tariff for FY 2018-19, 2019-20 and 2020-21 in terms of the directions of the government under section 108 of the Act, 2003, the same may be further extended for the present financial year as also eternally. The representative of the respondents stated that the application is premature and may be refused. It is his case that the Commission had already passed orders on 28.03.2021 extending the tariff applicable for FY 2018-19 along with amendment until the Commission passes a fresh order for tariff insofar as FY 2021-22 is concerned. Therefore, the interest of the applicant is already protected. He also stated that the present application is uncalled for due to the reason that the Commission had itself in its original order made it conditional that the tariff will be applicable only upon receipt of subvention from the government towards loss sustained by the DISCOM. At present, the DISCOM is yet to receive subvention for the earlier period, as such, it is not in a position to extend the concessional tariff to the applicant, unless, the government fulfills its obligation. He sought rejection of the application filed by the applicant.

The representative of the applicant stated that the efforts are being made to get the subvention released by the government to the respondents. In the light of the submissions, the application is reserved for orders."

6. It is appropriate to recollect that this Commission had, suo motu honouring the directions of the Government, passed orders on 18.07.2020 fixing the tariff in favour of the applicant and also observed that the licensee shall ensure recovery of subvention from the Government. Further, the Commission had also passed orders dated 25.02.2021 in I.A.No.16 of 2020 directing the licensee as follows:

12. Nothing prevented the applicants in this application from pursuing with the Government for the necessary subvention as it is related to another public utility service and the respondent being a sister public utility as also both being owned by the Government. In fact as noticed above, the Government on its part had taken a decision at the highest level as to the action to be taken on their part, now what remains is the final action by the respective departments which the applicant should as well coordinate so that they get the necessary subvention.

13. No whisper is made in the application or by way of any documents as to the action taken by them in ensuring compliance of the directions of the Commission which were the culmination of the directions of the Government to it under the statutory provisions of the Act, 2003. It is also appropriate to reiterate that the Commission has in no uncertain terms had directed them to pursue the matter to get the subvention with the Government as also left the applicability of the tariff open to be finally decided at the time of determination of retail supply tariff.

14. In the light of the observation made in the ad-interim order as also herein above, this Commission is of the considered view that the present application cannot be entertained and it fails. Accordingly, the application for directions is refused. The original petition stands tagged to the retail supply tariff petitions as and when they are filed.

15. Before parting with this application, the Commission records the undertaking given by the licensee that it will not disconnect the power



supply to the water Board till the issue is finally decided by this Commission."

7. Thereupon this application came to be filed by the applicant seeking extension of tariff for FY 2021-22, the licensee while replying to the contention in the application stated that the tariffs were already extended for FY 2021-22 including tariff applicable to the applicant. It is their case that this application is premature and insignificant. It is also stated that in the counter affidavit of the licensee that the financial impact of concessional tariff to the applicant has been placed before the Government. However, this submission would not throw light on the action taken by the licensees as directed by the Commission earlier.

8. It is appropriate to notice that the Government has been releasing subsidy to the licensees every month whilst orders. The present application, even if allowed, would only add to the compliance that is required to be carried out in terms of the policy directions given by the Government to this Commission. In this regard, it may be appropriate to notice the latest G.O. Rt.No.62 of Energy Department dated 01.11.2021 on subvention, which is extracted below:

"In the reference 9th read above BRC has been issued for an amount of Rs. 2623,42,01,000/- (Two Thousand Six Hundred Twenty Three Crores Forty Two Lacks One thousand only) Scheme from the BE Provision 2021-22 towards meeting the tariff subsidy HTCC charges of Irrigation projects, electricity charges of HMWS & SB and mission Bhagiratha for installments in relaxation of quarterly regulation orders under the following schemes:

(...Table...)

2. In the G.Os 2nd, 3rd, 4th, 5th, 6th 7th & 8th read above, administrative sanctions was accorded for the month of April, May, June, July, August, September and October-2021 to TSTRANSCO towards meeting the expenditure for Agriculture Tariff Subsidy and HTCC Charges of various Irrigation Projects, electricity charges of HMWS & SB and Mission Bhagiratha.

3. The Joint Managing Director, (Fin, Comml &HRD), TSTRANSCO vide his letter 10th read above, has requested for sanction of Rs.875 Crores towards Tariff subsidy for the month of November, 2021 as allotted in the Budget Estimates 2021-22.



4. In pursuance of the BRO issued in the 9th read above, Government hereby accord administrative sanction for an amount of Rs.875,00,00,000/- (Rupees Eight Hundred and Seventy Five Crores Only) to TSTRANSCO towards meeting the expenditure for Agriculture Tariff Subsidy and HTCC Charges of various Irrigation Projects; electricity charges of HMWS & SB and Mission Bhagiratha for the month of November, 2021.

5. The expenditure sanctioned at para (4) above, shall be debited to the following Heads of Accounts:

(...Table...)

6. The Assistant Secretary to Government, Energy Department, Hyderabad shall draw and disburse the amount and arrange to credit the amount in favour of "TG Power Distribution Companies Pool Account", Account No.62344459665, (IFSC Code: SBIN0020066, and MICR Code: 500004019) maintained with SBI, Gunroundry Branch, Abids, Hyderabad." (emphasis supplied)

9. It is clear from the above order of the Government that tariff in case of the applicant is being governed by the orders of the Commission along with subsidy component being released by the Government from time to time. Therefore, there is no necessity of specific directions extending the tariff as set out in the order of the Commission dated 18.07.2020, as it is deemed to apply to the applicant for the FY 2021-22 and further from time to time, inasmuch as the Commission itself had extended the application of the tariff as applicable for the FY 2018-19 to 2021-22 till it passes a regular order on the tariff determination after filing of retail supply tariff proposals including but not limited to the applicant. The Commission gainfully refers to the observations made by it in its order dated 27.03.2021 on extension of retail supply tariff in I.A.No.4 of 2021 in O.P.Nos.21 & 22 of 2017:

"Accordingly, the retail supply tariffs, cross subsidy surcharge and additional surcharge as applicable on 31.03.2019 as per order dated 27.03.2018 are continued and made applicable and can be levied from 01.04.2021 pending disposal of this application finally subject to the communication of the State Government conveying the commitment of subsidy as stated in paragraph 5 above. The tariff determined in respect of electric vehicle charging stations/ battery swap as also in respect of concessional tariff to HMWSSB shall also

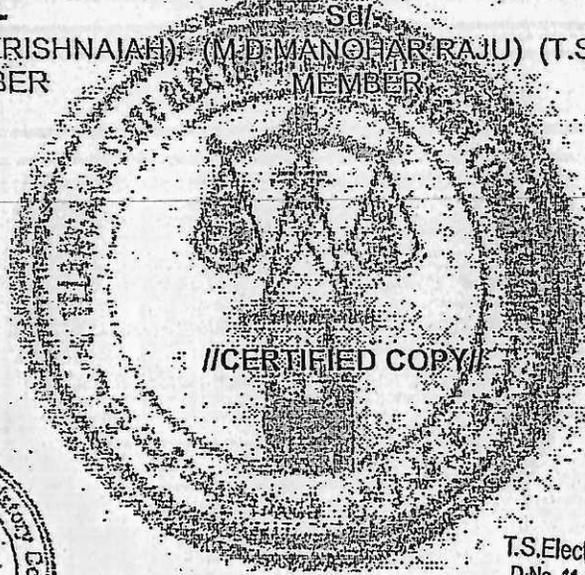


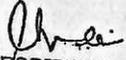
stand continue from 01.04.2021 till the TSDISCOMs file their regular proposals. The TSDISCOMs are directed to file the regular petition for determination of fresh retail supply tariffs, cross subsidy surcharge and additional surcharge for FY 2021-22 immediately."

10. In these circumstances, the Commission would reiterate the orders passed by it on 18.07.2020 and 25.02.2021. The licensee shall give effect to the tariff for FY 2021-22 also. As regards future application, the same will be decided while determining the retail supply tariff as and when the Commission undertakes the determination of the same on filing the proposals by the licensees. With these observations, this application is disposed of. No costs.

This order is corrected and signed on this the 17th day of November, 2021.

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




SECRETARY
T.S. Electricity Regulatory Commission
D.No. 11-4-660, 5th Floor, Singareni Bhavan,
Red Hills, Hyderabad-500 004.

From
23/10/22



TELANGANA STATE ELECTRICITY REGULATORY COMMISSION

5th Floor, Singareni Bhavan, Red Hills, Lakdi-ka-pul, Hyderabad 500 004

I. A.No.54 of 2022

(Suo Moto)

in

O. P. No. 58 of 2021

&

O. P. No. 59 of 2021

Dated 22.10.2022

Present..

Sri T: Sriranga Rao, Chairman.

Sri M. D. Manohar Raju, Member (Technical)

Sri Bandaru Krishniah, Member (Finance)

In the matter of extension of retail supply tariff to HMWSSB [HT-I (A)] on par with HMRL (Metro) [HT-V (B) HMR] for FY 2022-23 in accordance with the directions under Section 108 of the Electricity Act, 2003 issued by Government of Telangana to the Commission in letter No.630 / Power. I / 2022 dated 30.06.2022.

The Commission by order dated 23.03.2022 in O. P. Nos.58 & 59 of 2021 filed by TSDiscs had determined the retail supply tariffs through public consultation process applicable to various category of consumers for FY 2022-23. The different categories of consumers have been identified according to the usage, load, voltage, etc., while the consumers are broadly classified into High tension (HT) and Low tension (LT) categories based on usage, each of the categories have several sub-categories and slabs based on the total consumption of electricity by the consumers.

2. Hyderabad Metropolitan Water Supply & Sewerage Board (HMWSSB) is a consumer of both TSDiscs and consumes the electricity for its water pumping stations and treatment of sewage water generated at various STPs. The relevant tariff

applicable to HMWSSB under category HT-I(A) and Hyderabad Metro Rail Limited (HMRL or HMR) under category HT-V(B) HMR along with the Commission's view as stated in retail supply tariff order for FY 2022-23 is extracted below:

"HT-I(A): Industry General

HT-I(A)	Fixed/Demand Charges		Energy Charge
	Unit	Rs. / Unit / month	(Rs. / kWh / Rs. / kVAh)
11 kV	kVA	475	7.65
33 kV	kVA	475	7.15
132 kV and above	kVA	475	6.65

Commission's view

The Commission finds that DISCOMs have proposed the Energy charge for HMWSSB under HT-I (A) at the same level that HT-V (B) category. In the current tariffs, the Energy Charges for HMWSSB was equated to that of HT-V (B) category pursuant to the directions issued by GoTS u/s 108 of the Act followed by the Commission's directions to the DISCOMs to pursue with HMWSSB and GoTS in obtaining necessary subvention to that effect due to implementation of the GoTS directions. For FY 2022-23 there has been no such directions from GoTS for determining the Energy Charges for HMWSSB different and lower than that of normal HT-I (A) category. Therefore the Commission does not deem it prudent to differentiate HMWSSB within HT-I (A) category and determine a different tariff.

HT-V: Railway Traction and HMR

HT-V(B): HMR	Fixed/Demand Charges		Energy Charge
	Unit	Rs. / Unit / month	(Rs. / kWh / Rs. / kVAh)
132 kV and above	kVA	475	4.95

Commission's view

One stakeholder has opposed the tariff proposed by the DISCOMs for HT-V(B) category stating that the tariff for the category cannot be more than the CoS of the category due to the undertaking by the parties to the Concession Agreement executed for the HMR project. The stakeholder also submitted that the Commission had taken this into consideration in determination of tariff for

HT-V(B) category in the Retail Supply Tariff Order for FY 2016-17 and a different approach cannot be taken now.

The stakeholder's contention that the Commission had earlier taken into consideration the Concession Agreement for determination of tariff for HT-V(B) category is misplaced. The Commission had merely observed that CoS for HMR could not be ascertained at that stage and hence, created a sub-category with tariff lower than that of HT-V(A) category. The Concession Agreement as stated by the stakeholder has no bearing whatsoever on the tariff determination by the Commission. The tariff determination by the Commission shall be governed by the provisions of the Act. If the stakeholder is subjected to any financial difficulty due to the tariffs determined by the Commission and can take recourse to the Concession Agreement for mitigation of the same, such relief shall have to be sought from the concerned party to the Concession Agreement."

3. The Commission emphasizes that though TSDISCOMs in their retail supply tariffs filings for FY 2022-23 proposed a separate sub-category for HMWSSB under category 'HT-I (A): HMWSSB' for all voltage supplies with that of tariff of HMRL under category 'HT-V (B) HMR', the Commission has not extended the tariff of HMRL to HMWSSB mainly for the reason that the Commission felt that it is not prudent to differentiate HMWSSB within the category of HT-I(A) and to determine a different tariff. The tariff determination by the Commission shall be regulated purely by the provisions of the Act, 2003. Further, in tariff determined by the Commission for the category HT-V (B) HMR, the concession agreement has no bearing whatsoever, hence, it cannot be treated as concessional tariff extended to HMRL.

4. The Commission is now in receipt of letter from the Energy Department, Government of Telangana (GoTS) vide letter No.630 / Power. 1 / 2022 dated 30.06.2022 actually received on 05.08.2022. The GoTS had invoked Section 108 of the Act, 2003 and sought to provide subvention to the HMWSSB. It is stated as below:

"I am to invite attention to the subject and reference cited and to state that, Government consequent to the orders issued in the reference 1st cited, have issued directions vide letter 2nd cited, under Section 108 of Electricity Act, 2003 to the Hon'ble Commission, for levying the tariff at the HT-V (B)

commercial category at Rs. 3.95/per kWh on par with HMRL (Metro) towards Energy charges for all Water supply pumping stations of HMWSSB with immediate effect for FY 2020-21 by issuing an amendment to the existing Tariff Order for the FY 2020-21.

2. The Hon'ble Commission was pleased to revise the tariff applicable to HMWSSB on par with HMRL @ Rs. 3.95/kwh for the 3 consecutive years i.e., from the FY 2018-19, FY 2019-20 and FY 2021-22 on par with HMRL.

3. The Hon'ble TSERC while issuing Tariff Notification on 23.03.2022 have not extended the above concessional facility to HMWSSB effective from 01.04.2022 which speaks as follows:

'The Commission finds that DISCOMs have proposed the Energy charge for HMWSSB under HT-I(A) at the same level that HT-V(B) category. In the current tariffs, the Energy Charges for HMWSSB was equated to that of HT-V(B) category pursuant to the directions issued by GoTS u/s 108 of the act followed by the Commissions directions to the DISCOMs to pursue with HMWSSB and GoTS in obtaining necessary subvention to that effect due to implementation of the GoTS directions. For FY 2022-23 there has been no such directions from GoTS for determining the Energy Charges for HMWSSB different and lower than that of normal HT-I(A) category. Therefore the Commission does not deem it prudent to differentiate HMWSSB within HT-I(A) category and determine a different tariff.'

4. TSDISCOMs consequent upon the orders dated 23.03.2022 of the Commission have raised power bills of HMWSSB, from April, 2022 as per HT-I(A) category (normal tariff). TSSPDCL charged HMWSSB @ Rs. 7.65 per unit instead of HT-V (B) @ Rs. 4.95/- and TSDISCOMs have informed that in the absence of any direction from TSERC regarding the applicable tariff for HMWSSB, it is not possible to implement the G. O. Ms. No. 148, Dated. 03.08.2018 of MA & UD Department regarding tariff to be charged to HMWSSB from 01.04.2022.

5. It is further to state that the Government is sanctioning Rs. 875,00,00,000/- every month in the FY 2022-23 to TSTRANSCO towards meeting the expenditure for Agriculture Tariff subsidy and HTCC charges of

various irrigation projects, Electricity Charges of HMWSSB and Mission Bhagiratha.

6. I am also to state that, the Government will take care of the subvention amount for the past and future period to compensate the DISCOMs.

7. In the light of the above, Government after careful consideration of the matter have decided and accordingly issue directions under Section 108 of the Electricity Act, 2003 to the Hon'ble Commission to extend the revised tariff @ Rs. 4.95/kWh under Category HT-V-(B) (Tariff for HMRL) for this FY 2022-23 also, as was extended in the earlier years on par with the concessional tariff extended to HMRL, till separate category of tariff is decided by TSERC for HMWSSB whichever is earlier.

8. Therefore, it is requested to appraise the above, direction of the Government to the Hon'ble Commission to extend the revised tariff @ Rs. 4.95/kWh under Category HT-V(B) (Tariff for HMRL) for this FY 2022-23 also, as was extended in the earlier years on par with the concessional tariff extended to HMRL, till separate category of tariff is decided by TSERC for HMWSSB whichever is earlier."

5. The Commission has examined the directions issued by the Government of Telangana under Section 108 of the Act, 2003. The said provision states as below:

"Section 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."

6. The letter addressed by GoTS to the Commission has been treated as *Suo Moto* Interlocutory Application by assigning I. A. No: 54 of 2022 in O. P. No. 58 of 2021 & O. P. No: 59 of 2021.

7. In view of the directions from GoTS by its letter dated 30.06.2022 under Section 108 of the Act, 2003 i.e., by invoking the power of giving policy directions in the interest of public at large for extension of retail supply tariff to HMWSSB on par

with HMRL for FY 2022-23 and by specifically stating that the Government will take care of the subvention amount for the past and future period to compensate the DISCOMs, the Commission is inclined to accept the said directions from GoTS and accordingly to extend the tariff applicable in respect HMRL for FY 2022-23 to HMWSSB.

8. Accordingly, the tariff determined and applicable for HMRL i.e., category HT-V (B) HMR, as decided in the order dated 23.03.2022 in O. P. No. 58 of 2021 & O. P. No. 59 of 2021 for FY 2022-23 is made applicable to HMWSSB irrespective of voltage of supply, subject to GoTS making the necessary subventions in a timely manner. Thus, the extended and applicable retail supply tariff to HMWSSB for FY 2022-23 shall be as under:

HT-I(A): HMWSSB	Fixed/Demand Charges		Energy Charge
	Unit	Rs. /Unit / month.	(Rs. / kWh / Rs. / kVAh)
11 kV	kVA	475	4.95
33 kV	kVA	475	4.95
132 kV and above	kVA	475	4.95

9. The Commission also takes note that in the above referred letter of the Government to the Commission it is mentioned that – 'till separate category of tariff is decided by TSERC for HMWSSB whichever is earlier.' In fact, the Commission has already determined the retail supply tariffs for various categories of consumers including the HMWSSB for FY 2022-23 in the order dated 23.03.2022 in O. P. No. 58 of 2021 & O. P. No. 59 of 2021 through public consultation process by considering the objections / suggestions / comments submitted of various stakeholders. Therefore, there shall be no further determination or decision or creation of a separate category of tariff for HMWSSB for FY 2022-23 except extending the applicability of the tariff determined for HMRL for FY 2022-23 to HMWSSB and such extension and applicability of the tariff is subject to the subvention commitment being agreed to and extended from time to time by the Government.

10. The Commission further emphasize that HMWSSB should endeavour for timely payment of regular tariff bills in view of the GoTS making commitment for extending necessary amount for the past and future period to compensate the TSDISCOMs for extension of retail supply tariff to HMWSSB on par with HMRL for FY 2022-23.

11. In view of the above, the Commission directs TSDiscoms to extend the applicability of the tariff determined for HMRL for FY 2022-23 to HMWSSB subject to the subvention commitment being agreed to and extended from time to time by the Government.

12. The TSDiscoms and HMWSSB shall give effect to the observations made in paragraphs 7 to 10 herein above. Thus, the directions of GoTS stands complied with and the interlocutory application taken by *Suo Moto* stands disposed of.

This order is corrected and signed on this the 22nd day of October, 2022.

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

//CERTIFIED COPY//



...the ... of ...

...the ... of ...

MEMBER
SIR
CHAIRMAN

CONFIDENTIAL COPY



TELANGANA ELECTRICITY REGULATORY COMMISSION
Vidyut Niyamtran Bhavan, G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045

ORDER

ON

**AGGREGATE REVENUE REQUIREMENT (ARR) OF
RETAIL SUPPLY BUSINESS**

FOR

**5TH CONTROL PERIOD
(FY 2024-25 TO FY 2028-29)**

AND

RETAIL SUPPLY TARIFFS for FY 2024-25

IN THE SUPPLY AREAS OF

**SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED
(TGSPDCL)**

AND

**NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED
(TGMPDCL)**

28.10.2024

- 3.12.5 The TGTRANSCO and TGDISCOMs have invested Rs.35000 crore for enhancement of electrical network to make electricity accessible to their consumers and the recovery of such cost is inevitable to run its operations.

Commission's View

- 3.12.6 The Commission has revised only Fixed/Demand Charges, after taking into consideration the submissions made in the Petition, objections/suggestions made by the stakeholders, and replies by TGDISCOMs. The Commission has ensured that TGDISCOMs are able to recover their legitimate expenses and at the same time, the interest of the consumer is also protected.

3.13 HMWSSB Tariff

Stakeholders' Submissions

- 3.13.1 HMWSSB requested the Commission to continue to sanction concessional Power Tariff at the rate of Rs.4.95 paise per kWh for FY 2023-24 onwards on perpetual basis. They further requested the Commission to create a Special Category for sanction of concessional Power Tariff for HMWSSB exclusively in line with HMRL.
- 3.13.2 The facility of concessional Power Tariff may also be extended to (a) all STP stations, and (b) all Office Buildings.
- 3.13.3 Since FY 2022-23, the State Government has not released subvention amounts of HMWSSB payable to TGDISCOMs. In line with TGERC Orders, TGSPDCL has raised power bills for HMWSSB as per Cat-1(E) (Normal) instead of Cat-V(B) (Concessional). In spite of Government assurance and TGERC Orders, HMWSSB has not been extended the Concessional Power Tariff due to non-release of subvention amount by the State Government.

TGDISCOMs Replies

- 3.13.4 Without extending the subvention amount from the State Government to DISCOMs, it is not possible to provide concessional tariff to HMWSSB. The DISCOMs are not getting the subvention amount from State Government regularly. Hence, the Commission is requested to retain the tariff for HMWSSB under industrial category. Alternatively, the Commission is requested to direct HMWSSB to receive the subvention amount directly and pay the bills to the Licensee as per the Tariff Order to avoid any disputes.

- 3.13.5 The concessional power tariff for STP stations and office buildings under industrial category is against the terms of the Tariff Order applicable for the relevant categories.

Commission's View

- 3.13.6 The Commission has taken note of the suggestions/objections of the stakeholder. The Commission has not received any communication from GoTG regarding extending the concessional tariff to HMWSSB.

3.14 AIRPORT

Stakeholders' Submissions

- 3.14.1 The GMR Airport opposes the tariff hike for HT-III category making it at par with Commercial HT-II. The proposed increase in energy charges for consumers having energy meters at 220 kV, 33 kV and accounting for all transformer and distribution losses, applying the 11 kV voltage level tariff is not justified and disregards the technical differences. This discrepancy may lead to unfair pricing and affect consumer interests as a common tariff might not accurately reflect the actual energy costs and losses associated with different voltage levels.

TGDISCOMs Replies

- 3.14.2 The tariff for HT-III category at 11 kV was increased by ~3.5% (30 paise / unit) to INR 8.8 per unit and subsequently the tariff was rationalized across the various voltages. The tariffs for both HT-II and HTIII were not made same by design, and was arrived at independently. Further, the future trajectories of the HT-II and HT-III are not expected to be the same and will be determined independently based on Average Cost of Supply for the licensee determined every year.
- 3.14.3 The DISCOMs are proposing to migrate to uniform wheeling charges and losses across all voltage levels similar to the practice followed for Inter-State and Intra State transmission systems. Similarly on the retail supply side, tariffs are being rationalized across all voltage levels.

Commission's View

- 3.14.4 The Commission has revised only Fixed/Demand Charges for some of the categories, after taking into consideration the submissions made in the Petition, objections/suggestions made by the stakeholders, and replies by TGDISCOMS.

Subvention amount allotted by Government to HMWS&SB

S. No	Financial year	G.O.Rt.No, dt:	Bro No,dt.	Head of accounts	Amount adjusted (in Cr)	Allocation for HMWS&SB (in Cr) through TGSPDCL	Allocation for HMWS&SB (in Cr) through TGNPDCL
1	2020-21	174, dt.23.02.2021	280, dt.23.02.2021	6215 - 01 - 190 - 00 - 07 - 001 - 000	350	350	
2		25, dt.22.04.2021	496, dt.19.04.2021	2801-05-789-25-06-310-312 2801-05-796-25-06-310-312 2801-05-800-25-06-330-000	892.5 525.00 3832.50 Total 5250.00		
3		27, dt.06.05.2021	496, dt.19.04.2021	2801-05-789-25-06-310-312 2801-05-796-25-06-310-312 2801-05-800-25-06-330-000	892.5 525.00 3832.50 Total 5250.00		
4		30, dt.03.06.2021	496, dt.19.04.2021	2801-05-789-25-06-310-312 2801-05-796-25-06-310-312 2801-05-800-25-06-330-000	892.5 525.00 3832.50 Total 5250.00		
5		38, dt.05.07.2021	496, dt.19.04.2021	2801-05-789-25-06-310-312 2801-05-796-25-06-310-312 2801-05-800-25-06-330-000	892.5 525.00 3832.50 Total 5250.00		
6		43, dt.09.08.2021	496, dt.19.04.2021	2801-05-789-25-06-310-312 2801-05-796-25-06-310-312 2801-05-800-25-06-330-000	892.5 525.00 3832.50 Total 5250.00		
7		49, dt.01.09.2021	496, dt.19.04.2021	2801-05-789-25-06-310-312 2801-05-796-25-06-310-312 2801-05-800-25-06-330-000	892.5 525.00 3832.50 Total 5250.00		
8	2021-22	58, dt.11.10.2021	496, dt.19.04.2021	2801-05-800-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	1914.67 446.25 262.50 Total 2623.42	1034	191.47
9		62, dt.1.11.2021	496, dt.19.04.2021	2801-05-800-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	1914.67 446.25 262.50 Total 2623.42		
10		68, dt.1.12.2021	496, dt.19.04.2021	2801-05-800-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	1914.67 446.25 262.50 Total 2623.42		
11		1, dt.05.01.2022	496, dt.19.04.2021	2801-05-800-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	1914.67 446.25 262.50 Total 2623.42		
12		5, DT.01.02.2022	496, dt.19.04.2021	2801-05-800-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	1914.67 446.25 262.50 Total 2623.42		
13		11, dt.04.03.2022	496, dt.19.04.2021	2801-05-800-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	1914.67 446.25 262.50 Total 2623.42		
14		16, dt.31.03.2022	455, dt.31.03.2022	2801-05-789-25-06-310-312 2801-05-796-25-06-310-312 2801-05-800-25-06-330-000	81.70 48.02 399.09 Total 528.81		
15		19, dt.13.04.2022	916, dt.08.04.2022	2801-05-800-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	1916.25 446.25 262.50 Total 2625.00		
16	2022-23	22, dt.02.05.2022	916, dt.08.04.2022	2801-05-190-25-06-310-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	1916.25 446.25 262.50 Total 2625.00	Not yet allotted to HMWS&SB	Not yet allotted to HMWS&SB
17		26, dt.03.06.2022	916, dt.08.04.2022	2801-05-190-25-06-310-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	1916.25 446.25 262.50 Total 2625.00		

S. No	Financial year	G.O.Rt.No, dt:	Bro No,dt.	Head of accounts	Amount adjusted (in Cr)	Allocation for HMWS&SB (in Cr) through TGSPDCL	Allocation for HMWS&SB (in Cr) through TGNPDCL
18	2022-23	36, dt.02.07.2022	471, dt.12.04.2022	2801-05-190-25-06-310-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	1916.25 446.25 262.50 Total 2625.00	Not yet allotted to HMWS&SB	Not yet allotted to HMWS&SB
19		41, dt.01.08.2022	471, dt.12.04.2022	2801-05-190-25-06-310-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	1916.25 446.25 262.50 Total 2625.00		
20		53, dt.01.09.2022	471, dt.12.04.2022	2801-05-190-25-06-310-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	1916.25 446.25 262.50 Total 2625.00		
21		59, dt.03.10.2022	1173, dt.12.09.2022	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	3832.50 892.50 525.00 Total 5250.00		
22		61, dt.01.11.2022	1173, dt.12.09.2022	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	3832.50 892.50 525.00 Total 5250.00		
23		65, dt.01.12.2022	1173, dt.12.09.2022	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	3832.50 892.50 525.00 Total 5250.00		
24	2023-24	01, dt.01.01.2023	1173, dt.12.09.2022	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	3832.50 892.50 525.00 Total 5250.00	500 Cr allotted vide BRO No.993 dt.19.07.2023.	36Cr allotted towards CC arrears and adjusted by TGNPDCL
25		08, dt.01.02.2023	1173, dt.12.09.2022	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	3832.50 892.50 525.00 Total 5250.00		
26		12, dt.01.03.2023	1173, dt.12.09.2022	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	3832.50 892.50 525.00 Total 5250.00		
27		14, dt.13.04.2023	472, dt.11.04.2023	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	4130.00 1020.00 600.00 Total 5750.00		
28		16, dt.01.05.2023	472, dt.11.04.2023	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	4130.00 1020.00 600.00 Total 5750.00		
29		23, dt.01.06.2023	472, dt.11.04.2023	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	4130.00 1020.00 600.00 Total 5750.00		
30	30, dt.01.07.2023	472, dt.11.04.2023	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	4130.00 1020.00 600.00 Total 5750.00			
31		G.O.Ms.No.					
32		59, dt.30.03.2001	993, dt.19.07.2023				
33		24, dt.22.02.2023			500 Cr		
34		37, dt.02.08.2023	472, dt.11.04.2023	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	4130.00 1020.00 600.00 Total 5750.00		
35		42, dt.02.09.2023	472, dt.11.04.2023	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	4130.00 1020.00 600.00 Total 5750.00		
36		42, dt.02.10.2023	472, dt.11.04.2023	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	4130.00 1020.00 600.00 Total 5750.00		

S. No	Financial year	G.O.Rt.No, dt:	Bro No,dt.	Head of accounts	Amount adjusted (in Cr)	Allocation for HMWS&SB (in Cr) through TGSPDCL	Allocation for HMWS&SB (in Cr) through TGNPDCL
37	2023-24	47, dt.02.10.2023	1402, dt.10.10.2023	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	759.00 1020.00 600.00 Total 2379.00	125Cr allotted towards CC arrears and adjusted by TGSPDCL	
38		51, dt.18.11.2023	1402, dt.10.10.2023	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	759.00 1020.00 600.00 Total 2379.00		
39		56, dt.16.12.2023	1588, dt.14.12.2023	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	759.00 1020.00 600.00 Total 2379.00		
40		01, dt.04.01.2024	1588, dt.14.12.2023	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	307.66 170.00 100.00 Total 577.66		
41		12, dt.22.02.2024	187, dt.22.02.2024	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	1686.67 170.00 100.00 Total 1956.67		
					688.32		
42		13, dt.02.03.2024	187, dt.22.02.2024	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	170.00 100.00 Total 958.32		
43	2024-25	18, dt.15.04.2024	460, dt.15.04.2024	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	716.33 148.00 94.00 Total 958.33	HMWS&SB name not included as tariff order for 2024-25 is awaiting	
44		22, dt.01.05.2024	474, dt.16.04.2024	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	716.33 148.00 94.00 Total 958.33		
45		26, dt.01.06.2024	474, dt.16.04.2024	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	632.33 214.00 112.00 Total 958.33		
46		31, dt.02.07.2024	474, dt.16.04.2024	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	688.33 170.00 100.00 Total 958.33		
47		38, dt.14.08.2024	474, dt.16.04.2024	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	688.33 170.00 100.00 Total 958.33		
48		45, dt. 04.09.2024	972, dt.08.08.2024	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	688.33 170.00 100.00 Total 958.33		
49		51, dt. 05.10.2024	972, dt.08.08.2024	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	688.33 170.00 100.00 Total 958.33		
50		58, dt. 09.11.2024	972, dt.08.08.2024	2801-05-190-25-06-330-000 2801-05-789-25-06-310-312 2801-05-796-25-06-310-312	3441.65 850.00 500.00 Total 4791.65		
					Grand Total		2236.47

Note:- Amount released to Discom's vide letter dt.08.05.2023 Towards payment of HTCC charges of LIS project, HMWS&SB and mission bhagiratha amounts (i.e., Rs.28.17cr &Rs.29.96 cr) allocated to HMWSSB through Discom's has been reverted vide Ir dt.23.08.2023

Subvention Dues as on December-2025

S.No.	Description	Amount in (Cr.)
1	TGSPDCL	860.33
2	TGNPDCL	200.67
	Total	1060.99

28/11

Table: Approved applicable Time of Day (TOD) Tariffs

2/12

Description	During the period	ToD Tariff over Retail Supply Energy Charges for FY 2025-26 from 01.04.2025 to 30.11.2025	ToD Tariff over Retail Supply Energy Charges for FY 2025-26 from 01.12.2025 to 31.03.2026
Time of Day (ToD) Tariff	6 am to 10 am and 6 pm to 10 pm	Plus Re. 1/unit	Plus Re. 1/unit
Time of Day (ToD) Tariff	10 pm to 6 am	Less Rs. 1.50/unit	Less Rs. 0.00/unit

The Soft copy of the order issued by the Hon'ble TGERC is placed in ://202 /corporate office/DE RAC/Order on amendments to the ToD tariffs approved in RST order for FY 2025-26 pdf. The order is also available in the website of TGSPDCL <https://www.tgsouthernpower.org/Tariffs & Regulations/Order on Amendments to the ToD tariffs approved in RST order for FY 2025-26>.

News paper
Notification

THE NEW
INDIAN
EXPRESS

BEFORE THE HONOURABLE TELANGANA ELECTRICITY REGULATORY COMMISSION
Vidyut Niyantran Bhavan, G.T.S. Colony, Kalyan Nagar, Hyderabad 500 045

SOUTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGSPOCL) **NORTHERN POWER DISTRIBUTION COMPANY OF TELANGANA LIMITED (TGNPDCL)**

PUBLIC NOTICE **PUBLIC NOTICE**

1. The Commission has received the application of Southern Power Distribution Company of Telangana Limited (TGSPOCL) for the revision of the tariff for FY 2026-27. The Commission has also received the application of Northern Power Distribution Company of Telangana Limited (TGNPDCL) for the revision of the tariff for FY 2026-27. The Commission has considered the applications and has decided to allow the revision of the tariff for FY 2026-27. The Commission has also decided to allow the revision of the tariff for FY 2026-27. The Commission has also decided to allow the revision of the tariff for FY 2026-27.

Sl. No.	Particulars	Proposed for FY 2026-27	Revised for FY 2026-27
1	Electricity supply to the public	100.00	100.00
2	Electricity supply to the industry	100.00	100.00
3	Electricity supply to the agriculture	100.00	100.00
4	Electricity supply to the commercial	100.00	100.00
5	Electricity supply to the residential	100.00	100.00

34/- CHAIRMAN & MANAGING DIRECTOR **34/- CHAIRMAN & MANAGING DIRECTOR**

SCHEDULE - I

A) Revised Aggregate Revenue Requirement (ARR) for FY 2026-27 of TGSPOCL

Expenditure Item	ARR for FY 2026-27	ARR for FY 2025-26
1. Fuel	100.00	100.00
2. Depreciation	100.00	100.00
3. Interest	100.00	100.00
4. Maintenance	100.00	100.00
5. Other	100.00	100.00
Total	500.00	500.00

B) Filing of Proposed Tariff (PT) for FY 2026-27 of TGSPOCL

The Tariff Commission has decided to allow the revision of the tariff for FY 2026-27. The Commission has also decided to allow the revision of the tariff for FY 2026-27. The Commission has also decided to allow the revision of the tariff for FY 2026-27.

Sl. No.	Particulars	Proposed for FY 2026-27	Revised for FY 2026-27
1	Electricity supply to the public	100.00	100.00
2	Electricity supply to the industry	100.00	100.00
3	Electricity supply to the agriculture	100.00	100.00
4	Electricity supply to the commercial	100.00	100.00
5	Electricity supply to the residential	100.00	100.00

C) Proposed Tariff (PT) for FY 2026-27 of TGNPDCL

The Tariff Commission has decided to allow the revision of the tariff for FY 2026-27. The Commission has also decided to allow the revision of the tariff for FY 2026-27. The Commission has also decided to allow the revision of the tariff for FY 2026-27.

Sl. No.	Particulars	Proposed for FY 2026-27	Revised for FY 2026-27
1	Electricity supply to the public	100.00	100.00
2	Electricity supply to the industry	100.00	100.00
3	Electricity supply to the agriculture	100.00	100.00
4	Electricity supply to the commercial	100.00	100.00
5	Electricity supply to the residential	100.00	100.00



Lr.No.HMWSSB/FW-DT/Con.Power Tariff/2025-26/01

dt. 01.01.2026

To,
The Special Chief Secretary to Government
MAUD Department,
3rd Floor Secretariat, Govt of Telangana,
Hyderabad.

Sir,

Sub:- HMWS&SB - Concessional Power Tariff sanctioned to HMWSSB, in line with HMRL @ per Rs.4.95 per KVAH (Original @ RS. 3.95/kWh), to all Water Supply Pumping Stations of HMWSSB - Sanction of Subvention Budget Allocation for subvention for the FY 2026-27 - Request - Reg.

Ref:

1. GO.No. 148 MAUD(E-2) dt. 03.08.2018.
2. Letter No. 630/Power. 1/2022 Dated: 30.06.2022.
3. Lr.No HMWSSB/FW-DT/Con.Power tariff/2022-23/25, dt. 27.01.2023
4. Letter No. 630/Power. 1/2022 Dated: 06.03.2023.
5. Lr.No.HMWSSB/DT/Con.Power tariff/2023-24/80, dt.14.03.2023
6. TSERC orders dated: 24.03.2023
7. Lr.No. HMWSSB/DT/Con.Power tariff/2023-24/109, dt. 06.04.2023
8. Lr.No.HMWSSB/DT/CGM(ELEC)/TSSPDCL/2023-24/D.No.133,dt.28.04.2023
9. Lr.No.HMWSSB/DT/CGM(ELEC)/TSNPDCI./2023-24/D.No. 161, dt. 24.05.2023
10. Lr.No.HMWSSB/DT/CGM(ELEC)/TSSPDCL./2023-24/D.No. 162, dt. 24.05.2023
11. Lr.No.HMWS&SB/FW-DT/Con.Power tariff/2023-24/38, dt. 05.01.2024
12. Lr.No. HMWSSB/FW-DT/Con.Power tariff/2023-24/183 , dt. 14.06.2023
13. Memo. No. 1606/Engg (2)/2024, dt: 21.09.2024
14. Lr. No. HMWS&SB/CGM(Elec.)/ARR/2024-25/746, dt: 08.10.2024(TGSPDCL)
15. Lr. No. HMWS&SB/CGM(Elec.)/ARR/2024-25/746(a), dt: 08.10.2024(TGNPDCL)
16. News Paper Notification dt: 20.09.2024
17. Lr.No. HMWS&SB/CGM(Elec.)/Con power Tariff/2024-25/343, dt 24.10.2024
18. Do. No. HMWSSB/CGM(Elec.)/Con power Tariff/2024-25/344, dt: 24.10.2024
19. Tariff order for the year 2024-25 w.e.f 01.11.2024, dt: 28.10.2024
20. Lr.No. HMWS&SB/FW-DT/Con power Tariff/2024-25/438, dt 06.12.2024
21. Memo.No.1606/Engg.(2)/2024, Dt. 01.12.2025.

Kind attention is invited to the G.o Ms. No. 148, MAUD dated:03.08.2018 vide reference cited (10 above and subsequent Letters of comfort issued by the Department of Energy cited at 2 & 4 above according sanction of Subvention in connection with concession Power Tariff, sanctioned by the Government of Telangana and TGERC @ Rs.4.95 for the FY 2022-23, 2023-24 and 2024-25 (till 31.10.2024).

Further, for the FY 2024-25, HMWS&SB officials have attended the above hearing in the matter of Retail Supply business for approval of ARR for FY 2024-25 to FY2028-29 & FPT and CSS for FY 2024-25 and submitted our request personally. The Chairman and other members have noted our submissions and suggested that Letter of Comfort from the Energy Department extending the Subvention in connection with Concessional Power tariff should be submitted immediately before issue of the Tariff Order by TGERC against the ARR (2024-25 to 2028-29).

Accordingly, a letter dt.24.10.2024 addressed to MAUD requesting to recommend to issue the Letter of Comfort from the Department of Energy to sanction the subvention to HMWS5B from the year 2024-25 to 2028-29 onwards, in terms of the Section-105(read with Section 65) of the Electricity Act 2003. Also, a letter dt.24.10.2024 addressed to Energy Department duly requesting to extend the Concessional power Tariff facility to (a) all STP Sations & buildings (b) all Buildings of HMWS&SB along with the pump houses.

Meanwhile, vide ref cited (10) TGERC has not sanctioned concessional power tariff to the HMWS&SB in revised tariff orders/Notifications with effect from 01.11.2024 duly stating that as the Commission has not received comfort letter from TG Govt.

On perusing the matter with MAUD and Energy Department, it was informed that due to non allocation of budget for subvention amounts for concessional power tariff for HMWS&SB, Comfort Letter was not issued to TGERC by Energy Department. Sanction of subvention involves a budget of Rs.300.00 crore per annum and such budget provision was not done in the past by the Govt. without allocation of budget towards subvention to HMWS&SB, there is no possibility of getting Concessional Power Tariff to HMWSSB for the FY 2024-25 and onwards.

In this connection, vide Memo cited (21) above, The Deputy Secretary to Govt, MA&UD has conveyed that The Managing Director, HMWS&SB that "since the BE 2025-26 period has been completed about (09) months. Hence, it is requested to propose the said expenditure at the BE.2026-27 discussions to be conveyed by the Hon'ble Deputy Chief Minister.

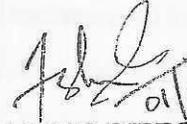
Since, restoration of concessional power tariff is critically dependent on provision of subvention budget and issuance of Letter of Comfort by the Energy Department. The annual subvention requirement works out to approximately ₹300.00 Cr.

METR
Memo
REGULATED INDC

In view of the above, it is hereby requested for the following

- i) Seek the budget provision for Rs.300Cr in BE 2026-27 from the department of Finance towards subvention for concessional power tariff payable to the DISCOMs.
- ii) Enable issuance of Letter of Comfort by the Energy Department for restoration of concessional tariff to HMWS&SB.

Yours faithfully,



01/01/2026

MANAGING DIRECTOR
HMWS&SB

Copy to :

The Special Chief Secretary to Government Energy Department, Govt of Telangana Hyderabad.
The Special Chief Secretary to Government Finance Department , Govt of Telangana Hyderabad.

①

Managing Director Office
GOVERNMENT OF TELANGANA
METROPOLITAN AREA AND URBAN DEVELOPMENT (ENGG.) DEPARTMENT

04 DEC 2025

Memo.No.1606/Engg.(2)/2024

CC No: 7034

Dated:01.12.2025



Sub: MA&UD Department - Engineering - HMWSSB - Concessional Power tariff sanctioned to HMWSSB in line with HMRL @ Rs.4.95 per KVAH (original @ Rs.3.95/KWH) to all Water Supply Pumping Stations of HMWS&SB - Sanction of Budget allocation for subvention - Reg.

Ref: From the MD., HMWSSB, Hyderabad, Lr.No. HMWSSB/FW-DT/Con. Power Tariff/2024-25/438, dated: 06.12.2024.

The attention of the Managing Director, Hyderabad Metropolitan Water Supply and Sewerage Board, is invited to the reference cited and he is informed that, since the BE 2025-26 period has been completed about (09) months hence he is requested to propose the said expenditure at the BE.2026-2027 discussions to be conveyed by the Hon'ble Deputy Chief Minister.

2. This Memo is issued with the concurrence of Finance (DCM) Department vide their U.O.No.3183072/212/A2/DCM/2025, dated:20.11.2025.

R.SHOBHAN BABU
DEPUTY SECRETARY TO GOVERNMENT

To
The Managing Director, Hyderabad Metropolitan Water Supply and Sewerage Board, Hyderabad.
Sc/Sf.

//FORWARDED :: BY ORDER//

SECTION OFFICER

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C.M. (BU)
A. Prudh
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25/12/25

Section
12



HYDERABAD METROPOLITAN WATER SUPPLY AND SEWERAGE BOARD

Lr.No.HMWSSB/FW-DT/Con.Power Tariff/2025-26/01

dt. 01-09.2025

To,

The Principal Secretary to Government
MAUD Department,
Secretariat, Govt of Telangana,
Hyderabad.

Sir,

Sub:- HMWS&SB - Concessional Power Tariff sanctioned to HMWSSB, in line with HMRL @ per Rs.4.95 per KVAH (Original @ RS. 3.95/kWh), to all Water Supply Pumping Stations of HMWSSB - Sanction of Subvention Budget Allocation for subvention for the FY 2026-27 - Request - Reg.

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 9. Lr.No.HMWSSB/DT/CGM(ELEC)/TSNPDCL/2023-24/D.No. 161, dt. 24.05.2023
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 15. Lr. No. HMWS&SB/CGM(Elec.)/ ARR/2024-25/746(a), dt: 08.10.2024(TGNPDCL)
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 19. Tariff order for the year 2024-25 w.e.f 01.11.2024, dt: 28.10.2024
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Further, for the FY 2024-25, HMWS&SB officials have attended the above hearing in the matter of Retail Supply business for approval of ARR for FY 2024-25 to FY2028-29 & FPT and CSS for FY 2024-25 and submitted our request personally. The Chairman and other members have noted our submissions and suggested that Letter of Comfort from the Energy Department extending the Subvention in connection with Concessional Power tariff should be submitted immediately before issue of the Tariff Order by TGERC against the ARR (2024-25 to 2028-29).

Accordingly, a letter dt.24.10.2024 addressed to MAUD requesting to recommend to issue the Letter of Comfort from the Department of Energy to sanction the subvention to HMWS&SB from the year 2024-25 to 2028-29 onwards, in terms of the Section-105(read with Section 65) of the Electricity Act 2003. Also, a letter dt.24.10.2024 addressed to Energy Department duly requesting to extend the Concessional power Tariff facility to (a) all STP Sations & buildings (b) all Buildings of HMWS&SB along with the pump houses.

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On perusing the matter with MAUD and Energy Department, it was informed that due to non allocation of budget for subvention amounts for concessional power tariff for HMWS&SB, Comfort Letter was not issued to TGERC by Energy Department. Sanction of subvention involves a budget of Rs.300.00 crore per annum and such budget provision was not done in the past by the Govt. without allocation of budget towards subvention to HMWS&SB, there is no possibility of getting Concessional Power Tariff to HMWS&SB for the FY 2024-25 and onwards.

In this connection, vide Memo cited (21) above, The Deputy Secretary to Govt, MA&UD has conveyed that The Managing Director, HMWS&SB that "since the BE 2025-26 period has been completed about (09) months. Hence, it is requested to propose the said expenditure at the BE.2026-27 discussions to be conveyed by the Hon'ble Deputy Chief Minister.

Since, restoration of concessional power tariff is critically dependent on provision of subvention budget and issuance of Letter of Comfort by the Energy Department. The annual subvention requirement works out to approximately ₹300.00 Cr.

In view of the above, it is hereby requested for the following

- i) Seek the budget provision for Rs.300Cr in BE 2026-27 from the department of Finance towards subvention for concessional power tariff payable to the DISCOMs.
- ii) Enable issuance of Letter of Comfort by the Energy Department for restoration of concessional tariff to HMWS&SB.

Yours faithfully,

21/12/25
21/12/25
21/12/25
MANAGING DIRECTOR
HMWS&SB
21/12/25

Copy to :

The Special Chief Secretary to Government Energy Department, Govt of Telangana Hyderabad.

The Special Chief Secretary to Government Finance Department , Govt of Telangana Hyderabad.



Lr.No.HMWSSB/FW-DT/Con.Power tariff/2024-25/ 438 dt:06.12.2024

The Principal Secretary to Government
MA&UD Department
Secretariat, Govt. of Telanagana,
Hyderabad.

Sir,

Sub: HMWS&SB - Concessional Power Tariff sanctioned to HMWSSB, in line with HMRL @ Rs.4.95 per KVAH (Original @ RS. 3.95/kWh), to all Water Supply Pumping Stations of HMWSSB - Sanction of Budget Allocation for subvention for the FY 2024-25 - Requested - Regarding.



Ref

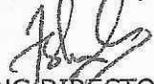
- 1) G.O.No.148, MAUD(E-2) dt.03.08.2018
- 2) Lr.No.630/Power.II2o22,Energy Department dated:30.06.2022
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- 11) Tariff order for the year 2024-25 w.e.f 01.11.2024, dt: 28.10.2024

- 1) Kind attention is invited to the G.o Ms. No. 148, MAUD dated 03'08'2018 referred 1st above and subsequent Letters of comfort issued by the Department of Energy cited at 2 & 3 above' according sanction of Subvention in connection with concession Power Tariff, sanctioned by the Government of 'Telangana and TGERC @ Rs.4.95 for the FY 2022-23 and 2023-24.
- 2) Further, for the FY 2024-25, TGERC has issued news paper notification cited (8) above, TGERC has invited comments and suggestions on the petitions made by TG Discoms in the matter of Retail Supply business for approval of ARR for FY 2024-25 to FY2028-29 & FPT and CSS for FY 2024-25 on or before 11.10.2024. HMWSSB has filed our request/suggestions.
- 3) In response HMWS&SB officials have attended the above hearing and submitted our request personally. The Chairman and other members have noted our submissions and suggested that Letter of Comfort from the Energy Department extending the Subvention in connection with Concessional Power tariff should be submitted immediately before issue of the Tariff Order by TGERC against the ARR (2024-25 to 2028-29).
- 4) Accordingly, a letter dt.24.10.2024 addressed to MAUD requesting to recommend to issue the letter of Comfort from the Department of Energy to sanction the subvention to HMWSSB from the year 2024-25 to 2028-29 onwards, in terms of the Section-105(read with Section - 65) of the Electricity Act 2003. Also, a letter dt.24.10.2024 addressed to Energy Department duly requesting to extend the Concessional power Tariff facility to (a) all STP Stations &

buildings (b) all Buildings of HMWS&SB along with the pump houses. At present the file is with Energy Department.

- 5) Meanwhile, Retail supply Tariff Order for FY2024-25 is released on 28.10.2024 effecting from 01.11.2024 duly stating that as the Commission has not received comfort letter from TG Govt. HMWSSB was not extended the concessional power tariff.
- 6) On persuing the matter with MAUD and Energy Department, it was informed that due to non allocation of budget for subvention amounts for concessional power tariff for HMWS&SB, Comfort Letter was not issued to TGERC by Energy Department. Sanction of subvention involves a budget of Rs.300.00 crore per annum and such budget provision was not done in the past by the Govt. without allocation of budget towards subvention to HMWS&SB, there is no possibility of getting Concessional Power Tariff to HMWSSB for the FY 2024-25 and onwards.
- 7) In view of the above and also to get Comfort Letter from Energy Department, it is hereby requested to kindly seek budget allocation for Rs.300.00 crore from the Department of Finance towards payment of Subvention to the DISCOMs for the FY 2024-25.

Yours faithfully


MANAGING DIRECTOR
HMWS&SB

Copy to

The Principal Secretary, Energy Department, Government of Telangana,
Dr. B.R. Ambedkar Secretariat, Hyderabad, Telangana - 500 004.