



TELANGANA STATE ELECTRICITY REGULATORY COMMISSION

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

I. A. No. 40 of 2022

in

O. P. No. 18 of 2020

Dated 22.10.2022

Present

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

Between:

Hyderabad Metropolitan Water Supply & Sewerage Board,
Administration Building, Khairatabad,
Hyderabad 500 004.

... Applicant.

AND

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

... Respondents.

This interlocutory application came up for hearing on 18.08.2022. Sri. Satyalingam, OSD along with Sri. M. Satyanarayana, Executive Director for petitioner and Sri. Mohammad Bande Ali, Law Attaché for respondent Nos.1 and 2 have

appeared on 18.08.2022 and there is no representation for respondent Nos.3 and 4. The matter having been heard and having stood over for consideration to this day, the Commission passed the following:

ORDER

The Managing Director, Hyderabad Metropolitan Water Supply & Sewerage Board (applicant) (HMWSSB) has filed an interlocutory application under Section 94 (1) & (2) of the Electricity Act, 2003 (Act, 2003) seeking extension of the concessional tariff allowed pursuant to Government communication in the year 2022 and continued in the year 2021-22. The averments in the application are extracted below:

- a. It is stated that the Government of Telangana (GoTS), Municipal Administration and Urban Development (MAUD - E. 2) Department has sanctioned to applicant 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 GoTS u/s 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 (extended upto FY 2021-22) 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. 18/2020 (*Suo-Moto*). Now this petition is filed for extension of the facility from FY 2022-23 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) 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) was constituted.
- c. It is stated that the board's main duties are that (a) for supply of potable water, including, planning, design, construction, maintenance, operation and management of water supply system; and (b) sewerage, 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 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 Ranga Reddy 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 would like to submit that GoTS has recently introduced free drinking water supply scheme to provide drinking water at free of cost to all households upto 20,000 liters 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 crore per year when the scheme is fully implemented. Thus, subsidized tariff is being replaced with free water which is a huge financial burden on the applicant.
- e. It is stated that HMWSSB is providing drinking water supply to the citizens of Greater Hyderabad Municipal Corporation (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 HMWSSB. 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.

f. It is stated that HMWSSB has completed the major projects for the last 5 years as follows:

(i) The Board has completed major projects namely, Krishna Drinking Water Phase-III and Godavari Drinking Water Phase-I with a total outlay of Rs. 5395 crore, with the sources of Krishna and Godavari rivers respectively.

(ii) Rs. 3500 crore is availed as a loan from financial institutions / banks; Rs. 1950 crore under JnNURM and Rs. 338 crore from the World Bank.

(iv) Water Supply Projects under Urban Mission Bhagiratha:

(a) Peripheral Circle Water Supply Project (HUDCO project): The water supply system of Peripheral Circles was taken over by HMWSSB during 2007, but adequate infrastructure was not developed.

(b) 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 and commissioned during 2017-2019 and put into operation.

(v) Water supply projects under rural Mission Bhagiratha:

(a) ORR villages water supply project: The water supply to the villages within the ORR was under operation with bore well system through single village and multi-village water supply schemes by the RWS Department.

g. After 2014, the Government has entrusted to HMWSSB and sanctioned a water supply project at a cost of Rs. 756 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.

(i) The Board has taken up projects for improvement of sewerage network systems in the GHMC area, treatment and disposal of

sewage to ensure clean environment as directed by the Hon'ble Supreme Court and the Hon'ble National Green Tribunal (NGT).

- (ii) In compliance of the NGT orders, HMWSSB 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. 3866 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.
- (iii) One of the major components of operational cost is power charges, which constitute more than 70% of Board's revenue. The current consumption of power is to the order of 200 MW.
- (iv) The Board is supplying 95% of the water through pumping system and hardly 5% through gravity system.
- (v) HMWSSB is supplying water to its consumer @ Rs. 10/- per KL (average) much lower than the cost of production of Rs. 48.65 per KL.
- (vi) 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. It is stated that HMWSSB's financial position may be seen from the summary of the financial results for the last 3 years as given below:

Rs. in crore

Type	S. No.	Particulars	2018-19	2019-20	2020-21	2021-22 Tentative amount as on Jan-2021
Income	I	Water & Sewarage Cess	1170.57	1110.94	1062.53	648.38
	II	New Connections	232.14	281.75	214.29	178.54
		Income Total (A)	1402.71	1392.69	1276.82	826.91

Type	S. No.	Particulars	2018-19	2019-20	2020-21	2021-22 Tentative amount as on Jan-2021
Expenditure	1	Establishment Expenses	443.82	454.48	470.28	419.98
	2	Loan Repayments	43.90	42.86	42.86	7.14
	3	Power Charges	991.94	1143.56	1029.03	874.16
	4	Operations & Maintenance	96.82	170.92	198.17	170.67
	5	LOC to Divisions	38.69	36.58	38.27	34.96
	6	Administrative Expenses	63.64	68.68	77.07	78.22
	7	Interest & Finance Charges	10.62	6.61	2.77	0.11
	8	Store Purchases	13.23	46.49	32.84	26.17
		Expenditure Total (B)	1702.66	1970.18	1891.29	1611.42
		Surplus/Deficit (A-B)	(299.95)	(577.49)	(614.47)	(784.50)

- 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. HMWSSB has constraints in increasing the water tariff leviable to the consumers. Hence, we are not able to compensate our financial deficit. This deficit is likely to increase steeply with implementation of 20 KL free water scheme. It is also submitted that the power bill paid/being paid every month to DISCOMs out of our total earnings, is to the extent of above 80%.
- j. It is stated that on vigorous persuasion of HMWSSB, the State Government has finally sanctioned vide G. O. Ms. No. 148, MAUD (E-2) Department dated 03.08.2018 to levy reduced tariff at HT-V (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. It is stated that 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 / 2020, for which the hearing was held on 18.02.2021. However, the Commission has passed an order dated 18.07.2020 in O. P. No. 18 / 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 sanctioned the revised power tariff to the petitioner u/s 108 of the Act, 2003 to all the water supply and pumping stations of HMWSSB for 4 years from FY 2018-19, FY 2019-20, FY 2020-21 and FY 2021-22.

I. It is stated that 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 Act, 2003, did not traverse the aspect of subvention amount to compensate the distribution licensee by the Government u/s 65 of the Act, 2003, The Commission is required to safeguard the interest of the licensee having been licensed and regulated by the Commission.

(ii) The Commission directed 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.

m. It is stated that further, HMWSSB has filed two I. As. before Commission for extension of the facility of concession power tariff. The Commission has passed the following interim orders in the above two I. As.

Sl. No.	Order date	O. P. / I. A. No.	Order in brief
1	18.07.2020	O. P. No. 18 / 2020	Concessional power has sanctioned @ Rs.3.95 per unit giving effect from FY 2018-19 to FY 2020-21. Subvention amount to be compensated to DISCOMs by Government under Section 65 of Act, 2003.

Sl. No.	Order date	O. P. / I. A. No.	Order in brief
2	25.02.2021	I. A. No. 16 / 2020 in O. P. No. 18 / 2020	DISCOM has filed this application for subvention (Financial Assistance) for implementation of the above orders of the Commission. The Commission has directed both DISCOMs and HMWSSB to pursue the matter to get the subvention from the State Government.
3	17.11.2021	I. A. No .9 of 2021 in O. P. No. 18 / 2020	HMWSSB requested the Commission for extending concessional power @ Rs.3.95 per unit on perpetual basis starting from 01.04.2021. The Commission has passed the order that the tariff would continue for FY 2021-22 on interim basis as per the original order dated 18.07.2020 and 25.07.2021. 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.

- n. It is stated that to comply with the directions of the Commission as above, the petitioner has taken up the matter for subvention by way of budget allocation from the State Government every financial year, and we are hopeful of getting the sanction for the amount towards difference amount between the actual tariff and revised tariff including late payment charges of the power bills.
- o. It is stated that the petitioner has requested (a) the MAUD (E) Department; (b) Department of Energy; and (c) Department of Finance, GoTS; in April, 2022 that is immediately on receipt of tariff notification for extension of the facility of revised/concessional power tariff for extension from FY 2022-23 onwards.

- p. It is stated that Commission have passed the retail supply tariff orders / notification for FY 2022-23 effective from 01.04.2022, the extract of the relevant Order is given below:

"6.11.3 The Commission finds that the 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 Charge for HMWSSB was equated to that of HT-V(B) category pursuant to the directions issued by GoTS under Section 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 have been no such directions from GOTS for determining the Energy Charge 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."

- q. It is stated that the above notification is against the G. O. Ms. No. 148, MAUD (E 2) dated 03.08.2018 and HMWSSB's name has not been appearing in any category. However, the concessional tariff was sanctioned in line with HMRL under HT-V (B) @ Rs. 4.95, increased by Re. 1/- per unit against Rs. 3.95 per unit, with the result, HMWSSB will not be able to get the facility of concessional power tariff from 01.04.2022.
- r. It is stated that in view of the circumstances explained as above and as per G. O. No. 148 MAUD (Q) dated 03.08.2018 and the *Suo Moto* order dated 18.07.2020 in O. P. No. 18 / 2020, the petitioner requests the Commission for extending the revised power tariff @ Rs. 4.95 per unit on perpetual basis and continue to supply the power starting from FY 2022-23 to water pumping stations, STPs and office buildings. Hence, this petition is filed for kind consideration of the Commission.

2. The applicant has sought the following prayer in the application:
“It is requested that the Commission may be pleased of 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. 4.95 / kWh on par with Hyderabad Metro Rail Limited (HMRL) towards energy charge for (a) All Water Supply Pumping Stations; (b) Sewerage Treatment Plants (STP); and (c) Offices Buildings of the Hyderabad Metropolitan Water Supply and Sewerage Board (HMWSSB); from the financial year 2022-23 onwards, on perpetual basis and also continue to supply the power.”
3. The respondent has filed counter affidavit and the averments are extracted 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 2018-19 to FY 2020-21, in terms of the directions of the GoTS under Section 108 of 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 directions of the GoTS and order of the Commission and the same is reiterated in the order dated 25.02.2021 of the Commission in the review petition filed by these respondents / licensees in respect of reimbursement of revenue loss incurred by these respondents 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 these respondents/ licensees.
 - d. It is stated that the 1st respondent/TSSPDCL and 2nd respondent / TSNPDCL filed a petition under Section 64 of the Act, 2003 for determination of the ARR for retail supply business and filing of proposed tariffs (FPT) for FY 2022-23 on 30.11.2021 and 27.12.2021

- e. It is stated that in this regard, the Commission has issued a tariff order for FY 2022-23. The relevant order is extracted below:

"The Commission finds that the DISCOMs have proposed the Energy Charge for HMWSSB under HT-I (A) at the same level that of HT-V (B) category. In the current tariffs, the Energy Charge for HMWSSB was equated to that of HT-V(B) category pursuant to the directions issued by GoTS under Section 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 have been no such directions from GoTS for determining the Energy Charge 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."

- f. It is stated that as per the tariff order for FY 2022-23 issued by the Commission, the following tariff is applicable:

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

- g. It is stated that as per Section 62 of Act, 2003, the Commission is vested with the power for determination of tariff for retail sale of electricity. As per Regulation No. 5 of 2004 (Electricity Supply Code) issued by the Commission, the licensees / respondents are obliged to charge the consumers as per the tariff determined by the Commission. The relevant regulation is extracted below:

"3.1 The distribution licensee shall recover the electricity charges for the electricity supplied to the consumer as per the tariff determined by the Commission from time to time in accordance with the provisions of the Electricity Act 2003."

h. It is stated that in view of the above, these respondents / licensees are bound to act in accordance and as per the tariff order issued by the Commission. In these circumstances it is not possible for these respondents to implement the G. O. Ms. No. 148, Dt: 03.08.2018 of MA & UD Department regarding tariff to be charged to HMWSSB without any direction from the Commission.

4. Therefore, it is prayed that the Commission may be pleased to dismiss the petition 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 these respondents.

5. The Commission has heard the parties to the application and also considered the material available to it. The submissions are noticed below, which are extracted for ready reference.

Record of proceedings dated 18.08.2022:

“The representative of the petitioner stated that the present application is filed for directions to the respondents to extend the concessional tariff for FY 2022-23 as was done for earlier years, such tariff being inline with the tariff extended to HMRL. He stated that the Government of Telangana through Energy Department had sent a letter dated 30.06.2022 invoking Section 108 of the Act, 2003 and requiring the Commission to extend concessional tariff for FY 2022-23. In doing so, the GoTS has committed itself to provide the past and future subventions required by the TSDISCOMs towards concessional tariff extended to HMWSSB. It is his case that the board has been pursuing with the Government through its administrative department that is Municipal Administration for release of subvention in a timely manner.

The representative of the respondents stated that the matter arose in the year 2018 and since then the Government has been insisting on concessional tariff. The Commission had already extended the concessional tariff for FY 2018-19, 2019-20 and 2020-21 apart from extending the same for FY 2021-22 by separate orders. He stated that the subvention part that is to be released from the GoTS is factored into the total subsidy component and the same is being

released to the TSDISCOMs. However, he has pointed out that the applicant in this application failed to comply with the Commission's tariff order for FY 2018-19 to 2021-22 regarding payment of regular tariff bills, which stood at an arrears of more than Rs. 2,500 crore approximately. In the absence of payment, the licensees will be constrained to extend the concessional tariff to the applicant.

The Commission at this stage sought to emphasize that the Commission has not extended the concessional tariff in its regular retail supply tariff order for FY 2022-23 in the absence of any information about payment of regular tariff by the applicant. Even now, the applicant shall ensure payment of regular tariff and thereupon, the Commission will consider the directions of the Government for extending the concessional tariff.”

6. At this stage, it is appropriate to recollect that this Commission, *Suo Moto* had been honouring the directions of the Government, gave effect to the same by the orders earlier fixing the tariff in favour of the HMWSSB and also observed that the licensee shall ensure recovery of subvention from the Government, the relevant orders are also noticed.

Order dated 18.07.2020 in O. P. No. 18 of 2020 on 18.07.2020 (Suo Moto):

“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

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

Category	Voltage	Demand Charge (Rs. / kVA / month)	Energy Charges (Rs. / kVAh)
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."*

Order dated 25.02.2021 in I. A. No. 16 of 2020 in O. P. No. 18 of 2020:

- “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.”*

Order dated 17.11.2021 in I. A. No. 9 of 2021 dated 17.11.2021:

- “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.”*

7. The licensees have subsequently filed the retails supply tariff proposals for FY 2022-23. The same were taken on record as O. P. Nos. 58 & 59 of 2021 and through public consultation process passed an order on 23.03.2022 determining the retail supply tariffs 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. 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 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.

... ..

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.”

8. Thereupon, the HMWSSB had made the instant application, seeking directions to the respondents to extend the concessional tariff for FY 2022-23 as was done for

earlier years, such tariff being inline with the tariff extended to HMRL, which had been taken on file of the Commission as I. A. No. 40 of 2022 in O. P. No. 18 of 2020. The respondents while replying to the contention of the applicant in their counter affidavit stated that the subvention part that is to be released from GoTS is factored into the total subsidy component and the same is being released to TSDISCOMs but, HMWSSB has failed to comply with the Commission's tariff order for FY 2018-19 to 2021-22 regarding payment of regular tariff bills, which stood at an arrears of more than Rs.2,500 crore approximately and in the absence of payment, it is difficult to the respondents to extend the concessional tariff to HMWSSB. The respondents further stated that the retails supply tariffs were already determined for FY 2022-23 including the tariff applicable to the HMWSSB. It is their case that they are bound to implement the decision of the Commission on tariff.

9. It is appropriate to notice that the GoTS has been releasing subsidy to the licensees every month whilst its orders. The Commission is in the knowledge of the fact that the GoTS has been from time to time releasing the subventions to the licensees. In order to appreciate this fact the latest order of the GoTS dated 01.10.2022 is extracted below:

"In the reference G.O. 2nd to 6th read above, administrative sanctions were accorded for an amount of Rs.875.00 crore per each month to TSTRANSCO under the scheme Assistance to Transmission Corporation of Telangana Ltd., for Agriculture and allied subsidy towards meeting the expenditure for Agriculture Tariff Subsidy and HTCC Charges of various Irrigation Projects, electricity charges of HMWSSB and mission Bhagiratha for the period from April, 2022 to September, 2022. In the letter 8th read above, the Joint Managing Director, (Fin, Comml & HRD), TSTRANSCO has requested for sanction of Rs.875 crore towards Tariff subsidy for the month of October, 2022.

2. *In the reference 7th read above, BRO has been issued for an amount of Rs.5250,00,00,000/- (Rupees Five Thousand Two Hundred and Fifty Crores Only) Scheme from the BE Provision 2022-23 towards meeting the expenditure of tariff subsidy in relaxation of monthly restrictions and treasury control orders under the Scheme Assistance to Transmission Corporation of Telangana Ltd., for Agriculture and allied Subsidy and under the following head of accounts:*

S. No.	Head of Account	BRO Amount
1	"2801-05-190-25-06-330-000"	3832,50.00
2	"2801-05-789-25-06-310-312"	892,50.00
3	"2801-05-796-25-06-310-312"	525,00.00
Total		5250,00.00

3. In pursuance of available amount in the BRO issued in the 7th 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 under the scheme Assistance to Transmission Corporation of Telangana Ltd. for Agriculture and allied subsidy 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 October, 2022.

4. The expenditure sanctioned at para (3) above, shall be debited to the following Heads of Accounts:

S. No.	Head of Account	Amount (in Rupees)
1	"2801-05-190-25-06-330-000"	638,75,00,000/-
2	"2801-05-789-25-06-310-312"	148,75,00,000/-
3	"2801-05-796-25-06-310-312"	87,50,00,000/-
TOTAL		875,00,00,000/-

5. 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, Gunfoundry Branch, Abids, Hyderabad.

6. The Dy. CCA, Telangana Power Coordination Committee shall submit the Utilization Certificate for the amount sanctioned in para (3) above in form 19-A of GFR Rules."

10. Further, the Commission also notices that the HMWSSB is lagging behind in paying the regular tariff as contended by the respondents.

11. Meanwhile the GoTS on its part through letter dated 30.06.2022 (actually received on 05.08.2022) had invoked Section 108 of the Act, 2003, has given directions to the Commission, and sought to provide subvention to the applicant. 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 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 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 FY 2018-19, FY 2019-20 and FY 2021-22 on par with HMRL.*

3. *The 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 to the above orders 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 Government is sanctioning Rs.875,00,00,000/- every month in 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 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 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.”

12. It has to be stated that the tariff in case of the applicant is being regulated by the orders of the Commission along with subsidy component being released by the Government from time to time.

13. As noticed above, the Commission is in receipt of GoTS letter dated 30.06.2022, actually received on 05.08.2022, giving directions under Section 108 of Act, 2003 to extend concessional tariff on par with HMRL in favour of HMWSSB for FY 2022-23. The Commission, in its separate proceedings in I. A. No. 54 of 2022 (*Suo Moto*) in O. P. Nos. 58 and 59 of 2021, had considered the above directions and allowed TSDISCOMs to extend the tariff as applicable to HMRL to HMWSSB for FY 2022-23 by order dated 22.10.2022.

14. Therefore, this interlocutory application is not required to be considered in detail. Accordingly, the application stands disposed of. No costs. In the circumstances the *Suo Moto* initiated in O. P. No. 18 of 2020 stands closed.

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

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