



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 Krishnaiah, 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 TSDiscoms 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 TSDiscoms 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 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."

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