

**Before the  
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION  
World Trade Centre, Centre No.1, 13th Floor, Cuffe Parade, Mumbai 400005  
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**Case No. 6 of 2017**

**Dated: 6 April, 2017**

**CORAM: Shri Azeez M. Khan, Member  
Shri. Deepak Lad, Member**

**In the matter of  
Petition of Aurangabad Municipal Corporation for providing clarification  
regarding applicability of tariff for Public Water Supply scheme.**

Aurangabad Municipal Corporation (AMC) .....Petitioner

Maharashtra State Electricity Distribution Co. Ltd. (MSEDCL) .....Respondent

**Appearance:**

For the Petitioner: Shri. Nilesh Patil (Adv.)

For the Respondent: Shri. Ashish Singh (Adv.)

Consumer Representative: Shri. Hemant Kapadia (Individual CR)

**Daily Order**

1. Heard the Advocates of the Petitioner and the Respondent.
2. Aurangabad Municipal Corporation (AMC) stated that:
  - i. The Petition seeks clarification regarding applicability of Tariff category for the Public Water Supply Scheme owned by AMC but operated and maintained by a private company. Period of dispute is between 2014 to 2016.
  - ii. The Public Water Supply Scheme of AMC was handed over to a private company for the purpose of laying new water supply lines and maintain the existing water supply scheme for a period of 20 years. The contract with the private company was under a Public Private Partnership model.
  - iii. As per MERC's Tariff Orders dated 16 August, 2012 and 26 June, 2015, Tariff of 'Public Water Works (PWW)' is applicable for Public Water Supply Schemes owned, operated and managed by Local Bodies.

- iv. On the ground that AMC has outsourced the operation of its Public Water Supply Scheme to a private company, MSEDCL has denied tariff under the PWW category to AMC and levied commercial tariff.
- v. The contract of operation and maintenance with the private company was terminated in October, 2016. Thereafter, the PWW tariff category is made applicable. However, during the disputed period, the ownership and management of the Public Water Supply Scheme was with AMC, and AMC was issuing bills to the consumers for water usage. Therefore, the PWW tariff should have been applied during that period.

3. MSEDCL stated that:

- i. The Petition is in the nature of billing dispute. For this billing dispute, AMC had already approached IGRC and thereafter the CGRF. However, AMC withdrew its grievance application from CGRF and filed the present clarificatory Petition. The Commission ought not to entertain the Petition, and may direct the Petitioner to approach the CGRF which is the appropriate forum for billing disputes.
- ii. The billing dispute arose after spot inspection of AMC's Public Water Supply Scheme by MSEDCL's vigilance staff.
- iii. MSEDCL has filed its preliminary objection on the maintainability of the Petition, and requested time for filing additional submission in the matter.

4. Shri. Hemant Kapadia, Authorised Consumer Representative stated that:

- i. Before formation of the AMC in 1982, the Public Water Supply Scheme of Aurangabad city was run by the Maharashtra Jeevan Pradhikaran. Now AMC, as per its obligations as the Local Body, is running the Scheme for Aurangabad City.
- ii. In its Tariff Orders dated 16 August, 2012 and 26 June, 2015, the Commission had categorized Public Water Supply Schemes, 'owned, operated and managed by Local self Government Bodies' under the PWW tariff category. In its recent MYT Order dated 3 November, 2016, the Commission has reworded this to 'owned or operated or managed by Local self Government Bodies'. Thus, the intent of the Commission is to categorize Public Water Supply Schemes of Local Bodies under PWW category, although the operation may be done by the Local Body through some other entity.
- iii. The dispute of tariff categorization of AMC's Water Supply Scheme has arisen out of spot inspection report of MSEDCL's Vigilance Officer, who has recorded that AMC has handed over the Public Water Supply Scheme to a private agency and hence recommended application of Commercial Tariff.
- iv. Many Local Bodies are outsourcing works relating to operation and maintenance of water supply and sewage scheme to private agencies for economics and administrative reasons. However, nowhere except in Aurangabad, the Commercial Tariff has been applied to Public Water Supply Schemes of Local Bodies.

5. The Commission directed as follows:

- i. AMC may file a copy of the Agreement signed for operation and maintenance of its Water Supply Scheme with the private company within a week with copy to MSEDCL and the CR.
- ii. Shri. Hemant Kapadia to file his written submission, if any, within a week with copy to AMC and MSEDCL.
- iii. Thereafter, MSEDCL shall file its detailed Reply within 2 weeks with copies to all parties. With its Reply, MSEDCL shall give details of the tariff category applied to M/s Orange City Water, which is supplying water to Nagpur City after examining its model of operation.

**After filing of the above submissions, the Secretariat of the Commission will communicate the next date of hearing.**

**Sd/-  
(Deepak Lad)  
Member**

**Sd/-  
(Azeez M. Khan)  
Member**