

**Before the
MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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Case No. 6 of 2017

Dated: 15 June, 2017

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

**In the matter of
Petition of Aurangabad Municipal Corporation for 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, Advocate of the Respondent and the Consumer Representative.
2. In reply to a query of the Commission, both the Parties clarified that there is no dispute regarding the applicability of the Public Water Works (PWW) tariff category stipulated in Multi Year Tariff (MYT) Order dated 3 November, 2016. The dispute relates to the earlier period.
3. Aurangabad Municipal Corporation (AMC) stated that:
 - i. The Petition seeks clarification regarding the applicability of the tariff category for the Water Supply Scheme owned by AMC but operated and maintained by a private company. The period of dispute is from 2014 to 2016.

- ii. As directed during the last hearing, a copy of the Agreement signed for operation and maintenance of its Water Supply Scheme with the private company was provided to MSEDCL.
 - iii. During the disputed period, the ownership of the Water Supply Scheme was with AMC. The private company was appointed only for the purpose of operating the Scheme. Hence, instead of Commercial tariff levied by MSEDCL, the PWW tariff should have been applied during that period.
4. MSEDCL stated that:
- i. It has filed its detailed written submission dated 11 May, 2017 covering the issues relating to the relevant clauses in the Agreement between AMC and the private company. As per that Agreement, AMC is not authorized to agitate the issue before this Commission.
 - ii. MSEDCL has interpreted the Commission's Tariff Order dated 16 August, 2012 as stipulating that the PWW category is applicable to Public Water Supply Schemes owned as well as operated and managed by Local Bodies. As the Water Supply Scheme was being operated by a private company, the benefit of PWW category was denied. However, the tariff applicability being part of the Commission's Order, the Commission may clarify the position and MSEDCL will abide by it.
 - iii. The benefit of PWW tariff to the Municipal Water Supply Schemes run along with private companies had not been denied in other parts of MSEDCL's area. M/s Orange City Water, which is supplying water to Nagpur City, is being billed under PWW tariff category, however MSEDCL could not peruse the Agreement of OCW with NMC as it could not obtain a copy.
5. Shri. Hemant Kapadia, Authorised Consumer Representative made a presentation and circulated a written submission. He stated that:
- i. Before formation of the AMC in 1982, the Water Supply Scheme of Aurangabad city was run by the Maharashtra Jeevan Pradhikaran (a State Government agency). Now AMC, as per its obligations as the Local Body, is running the Scheme for Aurangabad City.
 - ii. The Agreement between AMC and the private company was only for installation, operation and maintenance of the Public Water Supply Scheme. The ownership was with AMC only.
 - iii. Many Local Bodies are outsourcing works relating to operation and maintenance of water supply and sewage schemes to private agencies for economic and administrative reasons. MSEDCL itself is appointing private agencies as Distribution Franchisees, which does not mean that MSEDCL has lost its ownership in such area.

- iv. Nowhere except Aurangabad has the Commercial Tariff been applied to Water Supply Schemes of Local Bodies. Further, out of total 22 connections of AMC, MSEDCL has levied Commercial tariff to only 11 connections, and the remaining are billed at the PWW tariff.
- v. If MSEDCL had some doubt about the applicability of tariff, it should have approached the Commission for clarification instead of levying wrong tariff which has lead to unnecessary litigation and waste of time of all including the Commission. Moreover both agencies are public utilities. .

The Case is reserved for Order

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

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