

HYDERABAD METROPOLITAN WATER SUPPLY AND SEWERAGE BOARD

ABSTRACT

Hyderabad Metropolitan Water Supply & Sewerage Board – Restructuring and Revision of Water & Sewerage Tariff of Hyderabad Metropolitan Water Supply and Sewerage Board– Notified.

ADMINISTRATIVE WING

Board Proceedings No:136

Dated:10.11.2011

1. Board Proceedings No: 13, Dt:31.07.1991
2. Board Proceedings No: 15, Dt:26.12.1991
3. Board Proceedings No: 34, Dt:27.03.1993
4. Board Proceedings No: 88, Dt:29.01.1997
5. Board Proceedings No: 91, Dt:09.12.1997
6. Board Proceedings No: 114, Dt:29.05.2002
7. Board Proceedings No: 116, Dt:23.09.2004
8. Board Proceedings No: 117 Dt:27.01.2005
9. Board Proceedings No.121, Dt:14.12.2006
- 10.Prl.Secretary, MA&UD Letter No.25407/K1/2011-1,
Dt:10-11-2011
11. Circular Resolution No.539

ORDER :-

1. The Hyderabad Metropolitan Water Supply & Sewerage Board (HMWSSB), constituted by an Act of AP Legislature viz Hyderabad Metropolitan Water Supply & Sewerage Act 1989 (Act 15 of 1989), came into existence from 1.11.1989 and has been servicing the Twin Cities since then and later expanded its operations to Greater Hyderabad Municipal Area as well as some major institutions outside GHMC like RGIA, Shamshabad Airport to name only one.
2. As per Section 8 read with Section 22 of the HMWSS Act, Act No: 15 of 1989 and the water supply rules issued there under the Board is empowered to levy tariffs in order to provide sufficient revenues to cover its operating expenses, debt servicing, depreciation, capital works, etc.
3. However, despite exponential increase of its serviced consumers and geographical expansion of its service area, the last Comprehensive revision of water tariff was effected on 1st June, 2002. Subsequently, it was rationalized in the year 2004 by introducing different consumption slabs for below 200 KL consumption. During the period from 2002 to 2010, the Board has taken up several capital works for providing improved water supply and sewerage system in G.H.M.C like Krishna Project Phase I & II, JnNURM projects, NRCD Phase-I and on-going Godavari Drinking Water Supply Project Phase-I. The increased length of capital assets requires O&M expenditure substantially. Maintenance of huge assets of the Board has become burdensome and there is monthly net revenue deficit of Rs.16 crores

apart from accumulated revenue deficit Rs.357.39 crores as on 31.03.2011. It has become very difficult to efficiently and effectively maintain the system with low tariff rates with increasing incidence of consumer-related concerns requiring major investments and improvements.

4. The Board has, therefore, reviewed this mismatch position in the Board of Directors meeting held on 26.08.2011. After detailed discussions on the various alternatives, it was decided by the Hon'ble Chairman that the proposed tariff structure needs to be considered and hence may be examined closely at the Government level by the MAUD and Finance Departments before being implemented, as Government is the major stakeholder in the Board.
5. Accordingly as per the decision taken in the Board meeting the matter was discussed in the meeting held on 02.09.2011 by Committee of Secretaries to Government of Finance and MAUD Departments which made recommendations on revision of Water Tariff and submitted to the Government for consideration.
6. The following points necessitating the proposal are especially considered by the Government.
 - i) Last tariff revision was done in 2002- production cost has increased from Rs 14.40 per KL (2002) to Rs 25.50 per KL (2011).
 - ii) Power charges increased from Rs.51 crores per annum(2002) to Rs.260 crores per annum (2011) increase by 412%.
 - iii) Power charges alone constitute 45% of total operational expenditure of the Board as the majority of supply is pumping dependant in the distribution network.
 - iv) Power charges are levied for the Board at Rs.3.90/unit under Industrial category and also levy of peak rate demand added further burden.
 - v) Category wise restructuring of tariff, necessary between domestic, commercial and industrial categories on a differential matrix.
 - vi) Lowest rates comparing to Bangalore(revision in 2006), Delhi (revision in 2010).
 - vii) Like Delhi annual revision of 10% may be considered for the Board also at 5%/10%.
 - viii) Regular increase by other public utilities like APSRTC, Electricity Charges etc.
 - x) Staff cost increased from Rs.60 crores (2002) per annum to Rs.155.30 crores(2011) increase by 155%. Staff cost constitute 30% of total operational expenditure.

- ix) Operational deficit has also increased due to merger of surrounding municipalities as operational area has increased from 337 sq.kms to 688 sq.kms.
 - x) Monthly operational deficit of Rs.16 crores faced by Board with average expenditure about Rs.53 crores but revenue only Rs.37 crores. Accumulated revenue deficit about Rs.357 crores as on 31.03.2011.
 - xii) 25% share of property tax collected by GHMC not released to the Board as per G O Ms.No.461 MAUD dt.16.7.2009.
 - xiii) Rs.172 crores water cess payable by the Government Departments remains to be resolved by the respective departments/agencies despite repeated persuasion.
7. Hence, Government after careful examination of the matter in detail accorded permission to HMWS&SB for Restructuring & Revision of Water & Sewerage Tariff Vide reference 10th cited above.
8. Further the matter was placed before the Board of Directors through circulation vide resolution No.539. The Board of Directors approved the proposals for revision of tariff and to adopt the resolution vide reference 11th cited.
9. Therefore, in exercise of powers conferred by Section 8, read with Section 22 of the Hyderabad Metropolitan Water Supply and Sewerage Act (Act XV) of 1989, Hyderabad Metropolitan Water Supply Rules, 1990 and the Hyderabad Metropolitan Sewerage Rules, 1990, the Board hereby revise water rates, tariff, sewerage and other charges as specified in the **Annexure** appended herewith.
10. The water supply and sewerage tariff and rates as per the Annexure come into force with effect from **1st December 2011**.

The Chief General Managers (Engg/Fin/Rev) & The General Managers (Engg/Fin/Rev) shall take necessary action accordingly.

**BY ORDER AND IN THE NAME OF
THE HYDERABAD METROPOLITAN WATER SUPPLY AND SEWAREGE BOARD**

ADHAR SINHA
MANAGING DIRECTOR

ANNEXURE TO THE BOARD PROCEEDINGS NO.136, DT: -11-2011

I. Tariff policy in HMWS&SB, Hyderabad w.e.f. 01.12.2011

- 1) Restructuring of existing tariff structure is approved so that the existing common rates of different categories will be replaced by a differential category-wise tariff structure for each category i.e., Domestic, Commercial and Industrial with differential structures for Bulk connections and Multi-Storied Building (MSB) separately within GHMC and outside GHMC area respectively.

2.) Domestic:

- i) The existing common rate of slums and base rate of 0-15 slab is separated. However a concessional rate of 30% less for slums on the minimum slab of 15 KL per CAN is approved.
- ii) The Slab using higher than base slab (0-15 KL) will be charged proportionately higher rate while continuing telescopic benefit upto 200 KL only.
- iii) The highest slab of 201 KL & above will continue to be charged entire quantity (EQ) of water used at flat rate.
- iv) Additional pumping charges including operational and maintenance charges will continue to be levied from time to time and on case to case basis as per norms for this subset of consumers for whom special supply is being provided.

3) Commercial:

- i) For the base slab (0-15) KL the minimum rate will be charged.
- ii) The existing three (3) higher slabs of 16-30, 31-50 and 51-100 KL will be merged into one slab of 16-100 KL, as the commercial sector has now grown into a large sector. Thus there will be (4) slabs only now i.e.,
0 - 15 KL
16 - 100 KL
101 - 200 KL and
201 KL & above
- iii) The Slabs using higher than base slab will be charged proportionately higher rate while continuing telescopic benefit up to 200 KL only.

- iv) The highest slab of 201 KL & above will be continued to be charged entire quantity (EQ) of water used at flat rate.
- v) For all Commercial connections outside GHMC area entire quantity (EQ) will be charged at flat rate on per KL basis with out any sewerage cess. Minimum charges will be considered based on pipe size dia in case monthly consumption is less than minimum as per pipe size.

4) Industrial:

- i) For the base slab of (0-15) KL the minimum rate for 15 KL per CAN will be charged at the production cost of water.
- ii) The existing higher slabs of 16-30, 31-50 and 51-100 KL will be merged into one slab of 16-100 KL.
- iii) The Slab using higher than the base slab i.e., 16-100 KL and 101-200 KL will be charged proportionately higher rate while continuing telescopic benefit up to 200 KL only.
- iv) The highest slab of 201 KL & above will be continued to be charged entire quantity (EQ) of water at flat rate.
- v) However, for water-based industries entire quantity (EQ) will be charged at flat fate per KL within GHMC area without any sewerage cess.
- vi) For all Industrial connections outside GHMC area entire quantity (EQ) will be charged at flat rate on per KL basis with out any sewerage cess with differential flat rates for water based and other industries respectively. Minimum charges will be considered based on pipe size dia in case monthly consumption is less than minimum as per pipe size.

5) Bulk & MSB:

- i) Differential rates will be charged for Bulk & MSB within GHMC area and outside GHMC area respectively.
- ii) For Housing Colonies, Gated Communities (within GHMC area) having bulk water connection will be charged @ base rate per KL up to agreed quantity of water supply and highest slab rate per KL will be charged beyond agreed quantity and sewerage cess will be charged @ 35% of water consumption charges.

- iii) For Multistoried Residential Apartment Complex/Complex's (Domestic) within GHMC area the minimum of 9 KL per flat per month shall be continued to be chargeable at the base rate per flat multiplied by total number of flats for total water charge of the MSB and sewerage cess @ 35% will be charged on above water charges per Month and the total monthly bill will be issued to the MSB to be paid collectively in full by the Association of apartments / flats therein.
- iv) For Housing Colonies, Gated Communities out side GHMC having bulk connection as pumping and O&M costs are higher hence differential rate will be charged @ 135% per KL for upto agreed quantity of water supply and beyond agreed quantity highest slab as per 2(iii) above @ 135% per KL but no sewerage cess will be levied.
- v) For Bulk supply to Grampanchayats/Municipalities, upto agreed quantity the base domestic rate per KL will be charged. Beyond agreed quantity the charges as per highest slab rate will be levied on par with Domestic tariff but no sewerage cess will be levied.
- vi) Request for new connections / Increase of supplies beyond agreed quantity outside GHMC area will be at the sole discretion of the Board / Government of Andhra Pradesh depending on the first priority of supply to consumers within GHMC area as per the primary mandate of HMWS&SB.
- vii) For Cantonment Board which is having bulk connection the same policy as 5(iv) will be applied and no sewerage cess will be levied hereafter.

6) General:

- i) For each category i.e., in GHMC area Domestic, Commercial, & Industrial, the minimum charge as prescribed by the Board based on pipe-size diameter will continue to be collected in case monthly tariff / consumption as per slab rate is less than minimum charge for that category / slab. In addition to this, 35% sewerage cess will be levied.
- ii) To provide incentive to Bulk consumers in GHMC area only and encourage them to set up sewerage treatment plant rebate will be given upto a maximum of 50% (i.e., 17.50%) in sewerage cess provided the entire quantity of water consumed including the bore well water is treated and recycled for other usages. However, as ultimately all flows go into Musi River where HMWSSB is maintaining 4 STPs under NRCD Phase-I and proposing 8 more STPs under NRCD Phase-II with heavy expenditure on O&M especially power charges.

hence minimum charge @ 17.5% will be levied on all such consumers hereafter.

- iii) Tanker supplies for Domestic purpose and supplies for non-domestic (commercial, Industrial) purpose are continued to be charged differentially.
- iv) HMWSSB will focus on supplying piped water and other sources like tankers, borewells, PSPs will be replaced by piped supply to the maximum extent possible, save in exceptional circumstances. Towards this end, HMWSSB will also work out and put in place a Water Safety Plan with participatory approach of consumers so as to ensure both protective as well as pro-active measures for the welfare of citizens.
- v) It is also decided to set up a dispute redressal mechanism for the benefit of resolving issues raised by consumers for which detailed structure and provisions will be issued separately.
- vi) The detailed tariff structure 2011 is now given below;

II. Tariff structure 2011 in HMWSSB with effect from 01-12-2011

1) DOMESTIC CATEGORY:

Existing		Revised		
Slab (in Kilo Liters per month)	Water Charges (in Rs)	Slab (in Kilo Liters per Month)	Water Charges (in Rs)	Sewerage Cess Charges
0-15 (slums)	6.00	0-15	7.00	35% Over water demand
0-15	6.00	0-15	10.00	
16-30	8.00	16-30	12.00	
31-50	15.00	31-50	22.00	
51-100	20.00	51-100	27.00	
101-200	25.00	101-200	35.00	
Above 200 Entire quantity	35.00	Above 200 (Entire quantity)	40.00	

The following minimum charge based on pipe size diameter will be collected in case monthly tariff/consumption as shown above is less than minimum charges for Domestic consumers.

½"dia (slum)	Rs.105.00
½"dia	Rs.150.00
¾"dia	Rs.418.00
1" dia	Rs.905.00
1 ½"dia	Rs.2120.00
2" dia and above	Rs.4500.00

In addition to the above minimum water charges, sewerage cess charges will be levied at 35%.

2) COMMERCIAL CATEGORY:

Existing		Revised			
Slab (in Kilo Liters per month)	Water Charges (in Rs)	Slab (in Kilo Liters per Month)	Water Charges (in Rs)	Sewerage Cess Charges	
0-15	6.00	0.15	20.00	35%	Over water demand
16-30	8.00	16-100	35.00		
31-50	15.00				
51-100	20.00				
101-200	25.00	101-200	50.00		
Above 200 Entire quantity	35.00	Above 200 (entire quantity)			

The following minimum charges based on pipe size diameter will be collected in case monthly tariff/consumption as shown above is less than minimum charges for commercial consumers.

½"dia	Rs.300.00
¾"dia	Rs.965.00
1" dia	Rs.1700.00
1 ½"dia	Rs.3275.00
2" dia and above	Rs.6675.00

In addition to the above minimum water rates, sewerage cess will be levied at 35% on water charges.

3) INDUSTRIAL CATEGORY:

Existing		Revised			
Slab (in Kilo Liters per month)	Water Charges (in Rs)	Slab (in Kilo Liters per Month)	Water Charges (in Rs)	Sewerage Cess Charges	
0-15	6.00	0 – 15	25.00	35%	Over water demand
16-30	8.00	16-100 (with in GHMC)	40.00		
31-50	15.00				
51-100	20.00				
101-200	25.00	101-200 (with in GHMC)	60.00		
Above 200 Entire quantity	35.00	Above 200 (with in GHMC) (entire quantity)			
Water Based Units (Entire Quantity)	60.00	Water Based Units with in GHMC (Entire Quantity)	100.00	-	-
	60.00	Water Based Units Out side GHMC area (Entire Quantity)	120.00	-	

The following minimum charges based on pipe size diameter will be collected in case monthly tariff/Consumption as shown above is less than minimum charges for Industrial consumers. In addition to below rates 35% sewerage cess will be charged for all such consumers who are located within the GHMC limits.

1/2" dia	Rs. 375.00
3/4" dia	Rs.1135.00
1" dia	Rs.1975.00
1 1/2" dia	Rs.3775.00
2" dia and above	Rs.7855.00

4) BULK & MSB CATEGORY :

S.No.	Category	Water Charges		Sewerage cess	Remarks
		Up to Agreed quantity	Beyond Agreed quantity		
I	Within GHMC				
a)	Housing colonies / Gated Communicates	Rs.10/- per KL	Rs.40/- per KL	35% on water demand	-
II	Out side GHMC area				
a)	Housing colonies / Gated community	Rs.13.50 per KL	Rs.54/- per KL	No sewerage charges	-
b)	Contonment Board	Rs.13.50 per KL	Rs.54/- per KL	No sewerage charges	-
c)	Commercial / Industrial connections	Rs.90/- per KL for entire quantity		No sewerage charges	Minimum charges as per pipe size
III	Tanker Supplies				
a)	Tanker supplies for domestic purpose (including hire chares)	Rs.400/- per 5 KL		-	-
b)	Tanker supplies for non-domestic purpose (including hire charges)	Rs.515/- per 5 KL		-	-
IV	Grampanchayats/ Municipalities				
a)	Grampanchayats / Municipalities	Rs.10/- per KL		Rs.40/- per KL	No sewerage charges

For Multistoried Residential Apartment Complex(s) (Domestic) the minimum of 9 KL per flat per month shall be chargeable at the lowest rate of Rs.10/- per KL and thus workout to Rs.90/- per month for water charges per flat and sewerage cess @ 35% will be charged on water charges minimum monthly charges per flat will be Rs.121.50/- per month.

To provide incentive to those customers and encourage them to set up sewerage treatment plant rebate will be given upto a maximum of 50% (i.e., 17.50%) in sewerage cess provide the entire quantity of water consumed including the bore well water is treated and recycled for other usage.

III. Saving Provision :

In the course of implementation of the above restructured and revised tariff structure with effect from 01-12-2011, the provisions enumerated in Board Proceedings cited in the reference 1st to 9th above shall, wherever they are not contradictory to the policy and structure enumerated above, continue to be mutatis mutandis applicable as and where necessary at the sole discretion of the Board and any decision taken in pursuance thereof shall be deemed to be final and binding on all concerned.

All other tariffs, fees, rates, connection charges, sewerage cess and charges for others and penalties including surcharges shall remain unaltered including the notes appended thereto as published in the Gazette Notifications No. 99, 213, 23 and 429 dated 29th May, 2002, 28th September, 2004, 28th Jan., 2005 and 29th December 2006 respectively,

ADHAR SINHA
MANAGING DIRECTOR