

Final

**MAHARASHTRA STATE
CRITERIA FOR DETERMINATION
OF BULK WATER TARIFF
FOR CONTROL PERIOD JULY 2022 TO JUNE 2025.**



**MAHARASHTRA WATER RESOURCES
REGULATORY AUTHORITY**

March 2022

CRITERIA FOR BULK WATER TARIFF SYSTEM FOR THE CONTROL PERIOD (2022-25)

1. BACKGROUND

1.1. The Maharashtra Water Resources Regulatory Authority (MWRRA) Act, 2005, (hereinafter referred to as the Act) was enacted inter-alia for the purpose of regulating the water resources within the State of Maharashtra and for facilitating and ensuring judicious, equitable and sustainable management and allocation of water resources in the State. The Act was brought into force by the State government by Gazette notification no. Committee-2005/ (72/05)/1/WRI dated 08/06/2005. Subsequently, vide notification no. MWRRA Selection 2005/78/05 dated 12/08/2005 the MWRRA (hereinafter referred to as the Authority) was established to carry out the tasks specified in the Act.

1.2. One of the powers, duties and functions of the Authority (under Section 11 (d) of the Act) is to fix the Criteria for water charges at sub-basin, river basin and State level and to establish a water tariff system after ascertaining the views of the beneficiary public based on the principle that water charges shall reflect the full recovery of the cost of irrigation management, administration, operation and maintenance of water resources project.

The provision u/s 11(d) of the Act mandates to fix the Criteria for water charges at sub-basin, river basin and State level, the Authority has decided to fix the criteria for water charges at State Level only, to ensure the uniformity of tariff across the state.

1.3. Vide Section 11 (u) of the Act, the Authority is required to review and revise the water charges after every three years.

1.4. In exercise of the powers conferred by Sub-Section 1 of Section 31 read with Sub-Sections (d) and (u) of Section 11 of the Act, the Authority had notified Maharashtra Water Resources Regulatory Authority (Fixing

Criteria for and Issuance of Tariff Orders for Bulk Water) Regulations, 2013 dated 15/10/2013 after approval by the Water Resources Department (WRD).

- 1.5 Thereafter, after issuance of Second tariff order in January 2018, based on past experience the regulations of tariff fixation have been repealed by separate Notification published in the Gazette Part 4 (c) dated 24/05/2019. The Authority, with an objective to set out a transparent and consistent procedure for fixing bulk water tariff system and also undertake its periodic review and revision, has notified "MWRRA (Fixing Criteria For and Issuance Of Tariff Orders For Bulk Water) Guidelines, 2019" on 14/11/2019.
- 1.6. The prevailing tariff is applicable up to June 2020. Therefore, the Authority has initiated the tariff review process. After receiving the draft tariff proposal with supporting data from service provider in October 2021, the Authority has prepared draft criteria for Bulk Water Tariff (CBWT) and as stipulated in the Approach Paper (October 2019) carried out first phase consultation process with Focus Group in December 2021. Taking into consideration comments/ suggestions received from various experts in the Focus Group, the draft CBWT has been revised for Public consultation in second phase.
- 1.7. After revising the Draft Tariff Criteria in view of the comments received from the Focus Group, the Revised Draft Tariff Criteria and Draft Tariff Proposal have been approved by the Authority in its meeting held on 19th January 2022, both the draft had been hosted on the mwrro website www.mwrro.org on 25th January 2022 for ascertaining the views of the beneficiary public as provided in section 11 (d) of the Act. The notices to that effect were published in two Marathi (Lokmat and Punyanagari) and one English (Times of India) State level daily newspapers. The beneficiary public was suggested to offer their comments on the drafts within 30 days i.e. on or before 24th February 2022. The copies of the drafts were also

provided to the Executive Directors of all five Irrigation Development Corporations with a request to make available the copies of the Drafts in their divisional and sub-divisional offices for the information of Stakeholders. The copies of the drafts were also circulated to concerned line departments. The beneficiary public was given options to submit their comments through e-mail or by post or on the Google link provided on the Authority's website.

- 1.8. In response to the public notice issued in state level newspapers, approximately 60 Stakeholders offered their comments within the stipulated time line.
- 1.9. After the careful consideration of the comments received from the Stakeholders, the Criteria for Bulk Water Tariff (CBWT) have been finalized by the Authority, in the meeting held on 25th March 2022.

2. Legal & other support documents:

This draft criteria is formulated as per the provisions in:

- a) MWRRRA Act, 2005 as amended from time to time.
- b) Maharashtra Irrigation Act, 1976 (MIA, 1976).
- c) Maharashtra Regional & Town Planning Act, 1966 (MRTP Act, 1966).
- d) Maharashtra Management of Irrigation System by Farmers Act, 2005. (MMISF Act, 2005).
- e) Maharashtra Ground Water (Development & Management) Act, 2009.
- f) Approach Paper on Determination of Bulk Water Tariff 2020-23 (October 2019)
- g) MWRRRA (Fixing Criteria for and Issuance of Tariff Orders for Bulk Water) Guidelines, 2019 ("Guidelines" for short).

3. Applicability of the Tariff Order :

The Tariff Orders issued by the Authority shall be applicable to all Bulk Water Supply Entities (BWSE) and Bulk Water User Entities (BWUE) of the State sector including individual farmer as bulk water user in the respective jurisdiction or any Entity connected thereto in the State for the control period, including any extension/extensions given by the Authority, if any, with or without the annual increase in tariff.

Further, the Tariff Order so issued, on the basis of the methodology prescribed in the approach paper for the State sector, shall be applicable to all categories of users to whom bulk water is supplied by water resources project owned and/or managed by any other BWSE or any other entity either in Public or Private Sector.

4. Validity of the Criteria:

This criteria will be valid for 3 years of the control period from 01/07/2022 to 30/06/2025. The Authority reviewed existing tariff as per provisions under section 11(u) & taking into consideration actual O & M cost in the period of July 2020 to March 2022 as well as effect of Covid-19 Pandemic situation have decided to continue the existing tariff for this period till revised tariff order is made applicable.

This Criteria is valid for three water accounting years starting from the year in which tariff order is issued as per provisions in Para 2(14) for the control period of 01/07/2022 to 30/06/2025. For any review and revision of the Criteria, the Authority shall follow the procedure stipulated in Para 3 of the Guidelines.

5. Bulk Water Tariff Proposal from Service Provider :

As per the Clause 3 (2) of the Guidelines, BWSE has submitted the Draft Bulk Water Tariff proposal with supporting data in October 2021 .

6. Admitted Operation & Maintenance Cost :

6.1 Admitted Operation and Maintenance (O & M) Cost shall include cost of irrigation management, administration, operation and maintenance of water resources projects in the State as per Section 11(d) of the Act. These terms defined in the Guidelines are as under;

2(15) "Cost of Administration" means the expenses of offices at division level and above on items such as, but not limited to, salaries and allowances of staff actually engaged in administration of irrigation management and other expenses as admissible under the head of Administrative Charges as per the accounting standards adopted by the respective agencies or entities.

2(16) "Cost of Irrigation Management" means the expenses of the irrigation management sections and irrigation sub-divisions such as, but not limited to, salaries and allowances of staff, expenses on contingent field staff appointed during rotation period, office expenses, stationary, advertisements, vehicles, purchase of miscellaneous material, formation of Water User Associations, their training and capacity building activities, crop measurement, assessment and recovery of water charges etc. including such other expenses as may be necessary in the opinion of the Authority.

2(17) "Cost of Maintenance" means expenses on both Preventive Maintenance and Operative Maintenance.

2(18) "Cost of Operations" means expenses on items such as, but not limited to, energy charges of lift irrigation schemes, spares, consumables, etc., including such other expenses as may be necessary in the opinion of the Authority.

2(19) "Cost of Operative Maintenance" means expenses on items such as, but not limited to, pumping out of water from the drainage galleries, restoring discharge carrying capacity of canals by removing silt, weeds, shrubs, restoring breeched sections of canals, repairs to canal structures to prevent water losses, replacing damaged rubber seals/stem rods, repairs of residential and non-residential buildings for operating staff etc., including such other expenses as may be necessary in the opinion of the Authority.

2(20)“Cost of Preventive Maintenance” means expenses on painting, lubrication of moving parts in electro-mechanical equipment’s in head works, lift irrigation schemes and canal control structures, treating the leakage paths and arresting the leakages through bank-work to avoid piping failures, remedial measures to prevent progress of retrogression in spillway channels, restoring damaged pointing in stone masonry etc., including such other expenses as may be necessary in the opinion of the Authority.

6.2. The aggregate of above cost elements are put to consultation in two phases as stipulated in the Approach Paper (October 2019). The Authority after taking cognizance of inputs received through consultation process, shall finalize the full O&M cost which shall be considered as “Admitted O&M cost”

7. Review of User Categories :

In the earlier tariff order, only three user categories were considered i.e. Domestic, Industrial and Agricultural. In Municipal Corporations, under Domestic Category “Commercial Subcategory” is introduced as per Hon. High Court Order .

After assessing the impact on Municipal Corporations , commercial sub category may be introduced Municipal Councils for next control period.

The commercial use as defined in the Guidelines, 2019 is as under-

“Commercial use” means water used by any entity to which water is made available for commercial use such as, but not limited to restaurants, lodges & hotels, water sports/resorts, swimming pools, clubs, malls, hospitals, stadiums, construction activities etc. and any other activity as may be identified by the Authority as commercial activity from time to time.

The Authority also recognises new sub-category under Industry, as the

“Domestic use in industrial units” means water used for domestic purpose by industries for the employees staying in Residential colonies developed / provided by the industries.

BWSE shall quantify and sanction such use and make such provision in the Agreement on compliance of relevant infrastructure and installation of separate water meters etc. as applicable.

8. Government Subsidy :

The State government shall make the required budget provision for meeting the estimated O & M cost. Revenue gap, if any, between the estimated O & M cost and estimated tariff realization from tariff levied as per the tariff order, will be treated as State Government subsidy.

9. Apportionment of O & M Cost :

Rationalized tariff order based on criteria that involved parameter based apportionment of O & M cost within three user categories was issued by the Authority after carrying out Stakeholder Consultation process on CBWT as well as Tariff Proposal for Control Period of 2017 - 2020.

The O & M cost was apportioned among each of the three category of users' viz. agriculture, domestic and industry based on four fundamental parameters viz. (a) Affordability, (b) Quantity & Accessibility (c) Timeliness of Supply and (d) Impact on Water Quality. Following percentage weightages were assigned to these parameters;

<u>Parameter</u>	<u>Weightage assigned</u>
(i) Affordability	- 60%
(ii) Quantity & Accessibility	- 10%
(iii) Timeliness	- 10%
(iv) Impact on water quality	- 20%

The above percentage weightages of parameters were assigned to each category of use and has resulted into the allocation of O&M cost to the three categories. It is now proposed to keep the cost apportionment same as per the Tariff Order for control period 2017-20i.e. 19% for Agriculture, 22% for Domestic and 59% for Industry.

The O & M cost for the control period of 2022-25, will be based on data of 2020-21. An increase is proposed every year on the basis of cost projections (Cost Inflation Index, Wholesale Price Index etc.) for the control period available at the time of preparation of the Tariff Proposal. The O & M Cost as per this will be apportioned accordingly to the three categories of users to fix the basic rate and also source-wise applicable rates. Concessions/penalties will not be accounted for in fixation of basic rate.

10. Principles and Methodology for fixing Tariff :

10.1 Agriculture

- (1) The Basic Rate (BR) for flow irrigation will be based upon 19% of the O & M cost excluding expenditure (electricity charges, M&R cost and operation cost of the head works of Lift Irrigation Schemes) for Government Operated Lift Irrigation Schemes (LIS)& will be applicable to Registered Water User Associations (WUAs) registered under Maharashtra Co-operative Societies Act, 1960 and Maharashtra Management of Irrigation Systems by Farmers Act, 2005.
- (2) The BR for flow irrigation volumetric tariff will be fixed for Rabi season, 50% of it in Kharif season and 150% of it in Hot-weather season shall be applicable.
- (3) Period of Kharif, Rabi and Hot Weather seasons for Konkan & Vidarbha regions, and rest of the Maharashtra for purpose of levying water charges, shall be as under:

Season	Period (excluding Konkan & Vidarbha regions)	Period (for Konkan and Vidarbha regions)
Kharif	1 July to 14 October	1 July to 14 November
Rabi	15 October to 28 February	15 November to 31 March
Hot Weather	1 March to 30 June	1 April to 30 June

- (4) Tariff for area under Government LIS in the State will be the Basic Rate for flow irrigation plus 19% of expenditure towards electricity charges, M&R cost and operation cost of the head works of LIS.(Balance 81% of such expenditure shall be added to other category of users as per apportionment in para 9 above). The scheme-wise tariff for Government Operated LIS shall be fixed by the respective RBA as per practice according to past Tariff Order.
- (5) Water charges for irrigation of cash crops(e.g. Sugarcane, Cotton, Banana & Horticulture etc.) on the wells within influence zone of canals (“Canal” as defined in Sec. 2(3) of Maharashtra Irrigation Act, 1976) i.e. 35 Mts. as stated in Section 55 of Maharashtra Irrigation Act, 1976 will be charged at the rate of 50% of BR.
- (6) In order to promote WUA formation, the BR of flow irrigation for individuals will be 125% of the BR.
- (7) The Applicable Rate (AR) for Private LIS will be 65% of BR as follows;

Source wise Applicable Rates for Private LIS (Individual user)

Sr. No.	Classification	Source of Water Supply	Rate (65 % of BR)
(1)	(2)	(3)	(4)
1	Assured Water Supply	Reservoirs of major projects	125%of AR
2		Reservoirs of medium & minor projects, canals of major and medium projects, storage tanks	AR
3	Regulated Water Supply including transmission losses	Regulated river reach downstream of dam / K.T. weirs with back up reservoirs on upstream/tail race water of hydropower stations	AR
4	Partly assured water	Canals of minor projects, K.T.	50%of AR

Sr. No.	Classification	Source of Water Supply	Rate (65 % of BR)
(1)	(2)	(3)	(4)
	supply	weirs without back up of reservoirs & arrangement without any regulation in absence of bandhara	
5	Infrastructure constructed & maintained by water user entity	Reservoir constructed at own cost by water user entity & also maintained at its own cost	16% of AR

- (8) The registered WUAs formed under Private LIS will be given 25% concession in the above rate.
- (9) The beneficiaries of Private LIS should install the water meter at the source on delivery pipeline at its own cost. During transition period before installation of water meter, the water charges shall be levied on the basis of crop wise & season wise area based tariff. This concession will be applicable for a period of 1 year from the date of this Order. After this, if water meter is not installed, water charges shall be levied at 2 times applicable rate for flow irrigation.
- (10) If Private LIS, fails to install water meter / water meter is not working / water meter is tampered, the assessment will be done at the rate, 2 times applicable water rate for flow irrigation with quantity calculated as per crop wise & season wise area based tariff.
- (11) If the water is supplied by BWSE up to the decentralized storages as provided in Government Resolution dated 02/05/2017 then the water rates as prescribed in Sub-Paras (1), (4) & (6) of Para 10.1 above corresponding to the conveyance system viz. flow or lift will be applicable. If water is taken to decentralized storage by means of pipe line from canals then conveyance

losses shall not be levied. However, if the beneficiary takes the water to its decentralized storages through regulated source of natural stream, then these conveyance losses @ 10 % shall be applicable.

- (12) Water rates for fishery shall be the same as volumetric rates applicable to individual beneficiaries of Agriculture.
- (13) Project affected farmers, having been allotted compensatory land in the command area, shall be entitled to get water at 75% of the applicable water rates. Further, if project affected farmer has resorted to Lift Irrigation at his/her own cost 50% of the applicable rates shall be charged.
- (14) If the water is taken for an extended Kharif crop in Rabi season or for an extended Rabi crop in Hot Weather, relevant Kharif / Rabi rates will be charged for such water taken in the extended irrigation rotation.
- (15) In the absence of measuring devices, water supply to beneficiaries shall be charged on area based tariff. For this purpose two crop groups be taken into consideration - 1. Cash crop (e.g. Sugarcane, Banana, Horticulture & Cotton) 2. Food grains & other crops. For charging prescribed area based tariff, following principles will be taken into consideration while fixing area-based tariff -
 - a) Water tariff shall be crop wise for above crop groups & season wise.
 - b) It shall be ensured that water rates for food grains & other crops are within 3-5 % of value of crop produce and for cash crops 8-10% of value of crop produce determined on the basis of Minimum Support Price (MSP).
 - c) Area based tariff shall be made applicable after conducting 'Geographical Information System (GIS)' survey to ascertain the area and crops.
 - d) Both the volumetric and area-based rates shall be fixed so as to reflect full recovery of O&M cost allocated for Agriculture Sector.

- e) Total water use for volumetric tariff & total crop wise area for area-based tariff will be based on data from Irrigation Status Report of 2019-20 and data supplied by WRD, GoM with tariff proposal.
- (16) Water charges should not be levied for the irrigation in the first year of irrigation (trial irrigation) of the project.
- (17) If the individual farmer takes metered water supply for modern irrigation system (micro-irrigation) then the rates applicable shall be 75% of the rates prescribed for individual farmer practicing flow irrigation. (If registered WUA takes the metered water supply for micro irrigation then the rates applicable shall be 75% of the rates prescribed for registered WUA practicing flow irrigation).
- (18) If water charges for a season is paid in advance i.e. before commencement of that season then rebate @ 10% shall be given in applicable water charges for that season.
- (19) Water rates in case of ex-malgujari tanks shall be governed by the decision already given by the Supreme Court in case No. CIVIL Appeal No 2475 of 1968 dated 16/08/1978.
- (20) Penal interest on arrears at the rate of 10% per year will be charged for delayed payment/ part thereof, beyond permissible time limit, given by BWSE.
- (21) If water supplied for irrigation use is found to be used for industrial purpose without prior permission of BWSE, then assessment will be done at 2 times the rate applicable for industrial use.

10.2 Domestic :

- (1) The Basic Rate (BR) will be based upon 22% of the O & M cost.
- (2) The BR for volumetric tariff will be same for all seasons and will be linked to source of supply.

- (3) The Applicable Rate (AR) will be 125% of BR for Municipal Corporations, 90% of BR for other Urban Local Bodies and 75% of BR for Grampanchayats.
- (4) The source of supply wise AR will be as follows;

Source wise Applicable Rates for Domestic Supply

	Category	Source of supply	Rate
a)	Assured water supply	Reservoir/storage tank without canal	AR
b)	Regulated water supply with transmission loss	Regulated river portion below dam/KT weir with back up reservoir/tail race from hydro plant	Two times of AR
c)	Partly assured water supply	KT weir without back up reservoir/ unregulated river without any KT weir or bandhara	50% of AR
d)	Water user entity has shared proportionate cost of infrastructure	Water user entity (Gram Panchayat/ Nagar Palika/ Municipal Corporation and such other utilities/ has shared proportionate cost of dam/bandhara/KT weir	See note below.
e)	Infrastructure constructed & maintained by water user entity	Water user entity (Gram Panchayat/ Nagar Palika/ Municipal Corporation and such other utilities) has constructed dam/bandhara/KT weir at own cost	16% of AR

Note: 1) Transmission losses proportionate to the allocation or actual use whichever is to be borne by water users. Evaporation losses at storage to be borne by BWSE.

2) For past agreements on sharing in total / proportionate cost of infrastructure or where shared cost of infrastructure is agreed to at planning stage in new projects or where weir / bandhara for the capacity equal to annual water demand is constructed by entity below a dam to use its share, the water rate will be 16% of applicable rate in proportion to the cost shared. However, in case of new agreements for water allocation to an entity from a completed dam, any payment in share cost will be treated only as advance water tariff to be adjusted against concessional water tariff of 16% applicable rate, the number of years the concessional tariff will be operative will be calculated by NPV method with 10% rate of interest. On full adjustment of the advance tariff, the appropriate basic rate will become applicable.

- (5) While deciding annual demand in continuation with existing agreement with Municipal Corporation, Commercial use, will be separately quantified and charged appropriate Commercial rate i.e. five times the AR of Municipal Corporations.
- (6) The “Integrated Townships project”, means an Integrated Township Project declared under section 18 or 44 of Maharashtra Regional and Town Planning Act,1966 to which water is supplied by BWSE, will be charged at the rate for Municipal Corporation linked with source of supply.
- (7) During the construction phase of commercial entity, private colonies, townships; the water use will be charged at commercial rate (i.e. 5 times AR of Municipal Corporation) and after completion of the construction (i.e. after receipt of completion of work certificate and Occupation Certificate), water use will be charged at AR of Municipal Corporations . If both uses are concurrent, different meters are to be installed and assessments be done accordingly.
- (8) Water charges for BWUE, dependent on the wells within influence zone or distance as per sec 26 of Maharashtra Groundwater Act, 2009 from the boundary of the canals (‘Canal’ as defined in Sec. 2(3) of MIA, 1976), will be charged at the rate of 50% of BR.
- (9) Water charges for Annual Quantities drawn upto 100% of sanctioned quota will be at AR, for more than 100% & less than 125% of sanctioned quota, water charges will be 1.50 times AR and beyond 125% of sanctioned quantity, water charges will be 3.0 times AR.
- (10) “Polluter pays” principle - ULBs are expected to treat sewage to the standard specified by Maharashtra Pollution Control Board (MPCB) before its release into a natural water course or an irrigation canal. ULBs, who have not installed Sewage Treatment Plant (STPs) based upon their water allocation & STPs not working to its full capacity, will be charged 2 times applicable rate for the sanctioned quota or actual water use whichever is higher.

- (11) ULBs are entitled to use treated sewage provided such use is by way of conveyance through closed pipe or tankers from treatment plant (without discharging it into river /nalla). If such water is supplied for irrigation, its rates shall not be more than 60% of rates specified for irrigation by fresh water. Similarly, they shall submit details of such water use to BWSE. Treated sewage water if discharged into natural stream will be regulated by BWSE.
- (12) Water used without signing the agreement, will be charged at 2 times AR.
- (13) If ULBs are found to be supplying water from its drinking water entitlement to industrial users without prior approval of BWSE, such water use will be charged at 3 times the applicable industrial water rates retrospectively.
- (14) Where meter is installed but is found not functioning/removed/ tampered / faulty , one months notice shall be given for repairing & commissioning of the meter. Water meter shall be repaired within 60 days. Water charges for this period will be at the AR on the sanctioned quantity of water or recent water use whichever is higher. Extension of one month can be given for repairing the water meter depending on specific local situation. If this defect is not rectified within stipulated period, water charges will be 2 times AR.
- (15) Penal interest on arrears at the rate of 10% per year will be charged for delayed payment/ part thereof, beyond permissible time limit, given by BWSE.

10.3 Industrial :

- (1) The Basic Rate (BR) will be based upon 59% of the O & M cost.
- (2) The BR for volumetric tariff will be same for all seasons & will be linked to source of supply.
- (3) Basic Rate (BR) will be linked to source of supply as categorized below and subject to the condition that the effluent will be treated to the required MPCB standards before its release into a natural water course or an irrigation canal.

(4) Water Use for Processing and Manufacturing:

- 4.1. Water used for processing industries means the industries using water for cooling , washing and such other purposes where the water used in final product is not consumptive use , these will be charged at rates linked with source of supply as per following table.
- 4.2. Water used by the industries in manufacturing as raw material means water used in final product as consumptive use such as e.g. mineral water plants, cold drinks, Alcohol, Ethanol, Breweries & Distilleries or similar industries that will be charged at 15 times BR linked with source of supply.
- 4.3. Domestic use in industrial category as defined in para.-7 will be charged at the BR of Municipal Corporations linked with source of supply.

Source wise Applicable Rates for Industrial Supply

	Category	Source of supply	Applicable Rate (AR)
a)	Assured water supply	Reservoir/ storage tank without canal	BR
b)	Regulated water supply with transmission loss	Regulated river portion below dam/KT weir with back up reservoir/tail race from hydropower plant	Two times BR
c)	Partly assured water supply	reservoir with canal/KT weir without back up reservoir / unregulated river without any KT weir	50% of BR
d)	Water user entity has shared proportionate cost of infrastructure	Water user entity (process industry or industry using water as raw material) / has shared proportionate cost of dam/ bandhara / KT weir	See note below.

Note : 1) Transmission losses proportionate to the allocation or actual use whichever is more be borne by water users. Evaporation losses at storage to be borne by BWSE.

2) For past agreements on sharing in total / proportionate cost of infrastructure or where shared cost of infrastructure is agreed to at planning stage in new projects or where weir / bandhara for the capacity equal to annual water demand is constructed by entity below a dam to use its share, the water rate will be 16% of applicable rate in proportion to the cost shared. However, in case of new agreements for water allocation to an entity from a completed dam, any payment in share cost will be treated only as advance water tariff to be adjusted against concessional water tariff of 16% on applicable rate, the number of years the concessional tariff will be operative will be calculated by NPV method with 10% rate of interest. On full adjustment of the advance tariff, the appropriate basic rate will become applicable.

- (5) While entering into agreement with Industries, "Domestic use in industrial units" will be separately quantified and charged as per AR of Municipal Corporation. BWSE shall sanction such use & make such provision in the agreement on compliance of relevant infrastructure & installation of separate water meters etc. as applicable.
- (6) Water charges for BWUE, dependent on the wells within influence zone or distance as per sec 26 of Maharashtra Groundwater Act, 2009 from the boundary of the canals ('Canal' as defined in Sec. 2(3) of MIA, 1976), will be charged at the rate of 50% of BR.
- (7) Water charges for Annual Quantities drawn up to 100% of sanctioned quota will be at Applicable Rate (AR), for water use more than 100% & less than 125% of sanctioned quota, water charges will be 1.50 times of AR and beyond 125% of sanctioned quota, water charges will be 3.0 times of AR.
- (8) Water rates applicable for Agro-Industries like Sugar Industry with its cogeneration plant, Food grains and Fruits processing, Poultry, Rice Mill, Dairy, Vegetable Oil & Ghee etc., @ 75% of the AR. However, this

concession will not be applicable for industries manufacturing alcohol/ ethanol from sugarcane or corn and similar crops, food grains, fruits etc. as well as for winery, breweries distilleries & Perfume industries.

- (9) "Polluter pays" principle - Every industry is expected to treat effluent to the standard specified by Maharashtra Pollution Control Board (MPCB) before its release into a natural water course or an irrigation canal. Industries, who have not installed Effluent Treatment Plant (ETPs) based upon their water allocation & ETPs not working to its full capacity, will be charged 2 times of Applicable Rate for the sanctioned quota or actual water use whichever is higher.
- (10) If any industry reduces its requirement by recycling (reducing its net demand of water up to minimum 75% or less than that), it shall be charged at 75% of applicable rate, provided, officers of BWSE not below the rank of Executive Engineer have confirmed the reduction made in water use by recycling.
- (11) Industries are entitled to reuse treated effluent provided such use is by way of conveyance through closed pipe from treatment plant (without discharging it into river /nalla). If such water is supplied for irrigation, its rates shall not be more than 60% of rates specified for irrigation by fresh water. Similarly, they shall submit details of such water use to BWSE.
- (12) Water used without signing the agreement, will be charged at 2 times AR.
- (13) If an industry adopts Zero Liquid Discharge (ZLD) technology and draws only upto 25% of its allocation to cover line loss, evaporation and process consumption, it will be charged only @ 25% of the AR for the water drawn. However, this concession shall be applicable only if that industry is reducing its demand by 75% or less. The concerned Executive Engineer shall ensure this and accordingly certify it.
- (14) Where meter is installed but is found not functioning / removed / tampered, one months' notice shall be given for repairing & commissioning

of the meter .Water charges for this period will be at the AR on the sanctioned quantity of water or recent water use whichever is higher. Extension of one month can be given for repairing the water meter depending on specific local situation. If this defect is not rectified within stipulated time limit days, water charges will be 2 times AR.

- (15) Penal interest on arrears at the rate of 10% per year will be charged for delayed payment/ part thereof, beyond permissible time limit, given by BWSE.

11. Commitment charges and Penalties:

In order to ensure that water reserved for non-irrigation purpose shall not remain unutilized and available water shall be utilized optimally, non-irrigation water utilities are permitted to give phase-wise plan of utilization. In case, non-irrigation utility wants to use allocated water in phased manner, it has to plan so, prior to execution of agreement. Such phase-wise planned water use shall be incorporated in the agreement. The levy of water charges shall be based on such phase-wise planning. But, balance water quantity (total allocated quantity - phase-wise planned water use) should be charged at the rate of 5% towards commitment charges.

In case, actual water use happens to be less than 90% of the phase-wise planned quantity of water, the billing shall be done on the 90% of the quantity of water specified in the agreement. If the actual water use is between 90% to 100% of the corresponding phase-wise water use , billing shall be made as per the applicable rate. However, if the actual water use is more than 100% of the planned quantity of water corresponding to that particular phase, the billing of such excess quantity up to 125% shall be charged at 1.5 times and if it exceeds beyond 125% it shall be charged at 3 times of the applicable rate (AR).

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