



HARAT SANCHAR NIGAM LIMITED

(A Government of India Enterprise)

O/o Sr.Chief Engineer (E) BSNL Electrical Zone

6th floor, BSNL Bhavan Adarsh Nagar, Hyderabad - 500 063.Fax: (+91) 040 2322 3306

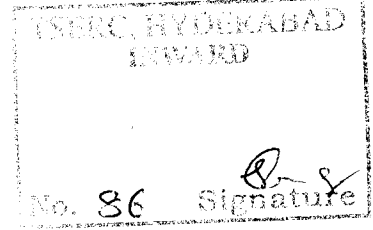
Lr No: 92/Electricity Tariff/BEZH/2017-18/ 71

Dated: 22/01/2018

To,

✓ The Chairman

Telangana State Electricity Regulatory Commission
11-4-660, 5th Floor, Singareni Bhavan
Red hills, Hyderabad 500 004.



Sir,

Sub: - Conversion of Electricity Tariff classification of BSNL Buildings from Commercial (LT) & Others (HT) to Industrial category - Reg.

Ref: - 1) Publication of notice in your website seeking Objections/Suggestions on Tariff proposals.

2) This Office Lr.No: 92/Electricity Tariff/BEZH/2017-18/661 Dated: 17/08/2017

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With reference to above subject, as per this office letter under reference-2, it was submitted that the Industrial tariff ie., LT-III Industry (Industries) & HT-I (A) Industry General categories may be made applicable to BSNL in place of the existing tariff categories ie., LT- II B Non Domestic/Commercial & HT II (Others) respectively. Necessary clauses that support the BSNL to be categorized as Industry were also illustrated in detail in the said submission.

It is to inform that BSNL Telangana Circle is one of the largest consumers of TSSPDCL & TSNPDCL, paying Rs.90.00 Crores (approx.) per annum towards electricity charges and is the only telecom service provider serving in interior rural areas also providing telecommunication services at affordable prices to all.

As per the notice in your website seeking Objections/Suggestions on Tariff proposals we hereby take the opportunity to submit our submission once again, for extending Industrial Tariff to BSNL. Copy of our original submission (letter under reference-2) for Conversion of Electricity Tariff classification of BSNL Buildings from Commercial (LT) & Others (HT) to Industrial category is enclosed herewith for favourable consideration please.

Encl: As above.

Thanking you

Yours Sincerely,

Asul

Sr. Chief Engineer (E)
BSNL Electrical Zone
Hyderabad.

Copy to:-

1) The CGMT, BSNL, Telangana Telecom Circle, Hyderabad for kind information.

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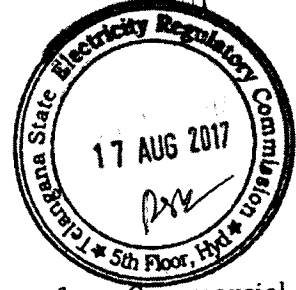
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The Chairman
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The Telephone Exchanges/ Admin Buildings of BSNL are classified under LT- II B Non Domestic/Commercial) & HT II (Others) categories for LT and HT service connections respectively.

In this connection, the following few points are submitted for your kind consideration:-

BSNL is a Public Limited Company, fully owned by Govt. of India, formed on 1/10/2000 by Corporatization of erstwhile Department of Telecom Services. Department of Telecom Services (DTS)/ Department of Telecom Operations (DTO) is an Industry under ID Act.

Section 2 (j) of Industrial Disputes Act 1947 gives the definition for Industry is as under:

“Industry” means any systematic activity carried on by co-operation between any employer and his workmen for the production, supply or distribution of goods or services with a view to satisfy human wants or wishes, whether or not-any capital has been vested in for the purpose of carrying on such activity; or such activity is carried on with a motive to make any gain or profit.

Therefore BSNL formed by Corporatization of DTS/DTO, also comes within the purview of Industry as defined under the act.

Finance Act 2002 has accorded the status of Industrial Undertaking to the Telecommunication service providers w.e.f 01/04/2003, by insertion of Sub clause iii (a) after sub clause (iii) in clause (aa) of Subsection (7) of Section 72 A. Accordingly,

“Industrial Undertaking “means any undertaking which is engaged in-

- i) the manufacture or processing of goods; or
- ii) the manufacture of computer software; or
- iii) the business of generation or distribution of electricity or any other form of power; or
- iii.a) the business of providing telecommunication services, whether basic or cellular, including radio paging, domestic satellite service, network of trunking, broadband network and internet services or
- iv) mining; or
- v) the construction of ships, aircrafts or rail systems

BSNL is the only company providing telecommunication services, fully on behalf of Govt. of India and the main objective is to extend the services to the entire length and breadth of the country, including rural areas. BSNL continues this practice as in the earlier days of Dept. of Telecom, with a mission to provide telecommunication services at affordable cost to all and also to fulfill the social obligation.

As per the Schedule of Retail Supply Tariff for the year 2016-17 issued by Telangana State Electricity Board, the following categories of tariff comes into effect for BSNL installations:-

1) LT-II B: Non Domestic/ Commercial Category for LT service connections

Particulars	Tariff
Demand Charge (Rs./ kW per month)	60.00
Energy Charge (Rs.per uint)	10.00

2) HT-II:(Others) Category for HT service connections

Particulars	Tariff
Demand Charge (Rs. / kVA per month)	390.00
Energy Charge (Rs.per uint)	7.80

Generally, the higher tariff mentioned above shall be imposed on the high - end consumer groups such as Shops, Business Houses, Hotels, Restaurants, Clubs, Theatres etc., with an intention to provide more cross subsidy for other weaker sections of consumers.

Unfortunately, Telephone Exchanges of BSNL are also categorized along with the businesses groups. It may not be out of place to say that BSNL contributes for the social cause of providing telecom infrastructure to the country including rural areas, far flung villages, high lands and interior locations. BSNL is serving the nation, by doing a business which is entirely different from that of the above mentioned high end group. Telephone connections are being provided in rural areas at highly subsidized rates and in turn BSNL incurs huge operational cost in this sector. Thus BSNL is already providing cross subsidy for weaker sections in the community. It is not fair to impose more burden on BSNL in the form of higher energy-tariff, by making BSNL also one among the high-end consumer group.

It is also brought to your kind notice that BSNL Telangana Circle, one of the largest consumers of TSSPDCL & TSNPDCL, pays Rs.90.00 Crores approx. per annum towards electricity charges.

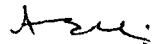
Therefore, BSNL, being the only telecom service provider, owned by Govt of India and the corporation formed from the DTS/ DTO, it is humbly requested that the following points may kindly be considered and favourable amendments may be issued.

- 1) BSNL shall not be categorized along with the high - end consumer groups.
- 2) BSNL may be given the Industrial classification in Electricity tariff, as per the amendment of Finance Act 2002.
- 3) Industrial tariff ie., LT-III Industry(Industries) & HT-I(A) Industry General, categories for LT & HT service connections respectively may be made applicable to BSNL.

This issues with the approval of CGMT, BSNL, Telangana Telecom Circle.

Thanking you

Yours Sincerely,


Sr. Chief Engineer(E)