

1 SCOPE OF WORK

The Scope of Work for the assignment, as identified in the ITB, envisages development of Regulations in two parts, viz.,

1. Terms and Conditions of Tariff Regulations, which will clearly specify the principles to be adopted by the MWRRRA while determining tariff.
2. Conduct of Business Regulations, which will specify the process to be adopted by MWRRRA while preparing the Regulations and disposing tariff related matters before the Authority.

The Scope of Work has been further elaborated in the ITB, as detailed below, and as modified under the Corrigendum issued by MWRRRA to the ITB, from time to time:

Terms and Conditions of Tariff Regulations

- (1) Review International best practices on water tariff (bulk & on area basis) and analyze their relevance and applicability in the context of the situation in Maharashtra.
- (2) Review the tariff structure in some of the States in India where there are substantial areas under irrigation from Government sources eg. Andhra Pradesh, UP, Punjab, Haryana, and Tamil Nadu.
- (3) Review and assess the provisions relating to water tariff in the MWRRRA Act and State Water Policy
- (4) Review and assess the progressive increase in tariff structure in the State for irrigation and non irrigation uses.
- (5) Review and assess the O&M norms for irrigation in the State and the allocations made for O&M, separately for works and establishment, for last five years.
- (6) Review and assess the establishment norms in the State for irrigation management.
- (7) Review the water use and water tariff levy and collection in last five years in the State separately for agriculture, industry and drinking water.
- (8) Review and assess inter-sectoral cross subsidy and government subsidy as reflected in water tariff assessment vis-à-vis actual O&M expenditure in the last 5 years.
- (9) Review and assess existing tariff structure vis-à-vis paying capacity and productive usage by each user category.
- (10) The consultant may plan to visit 6 irrigation projects (2 major, 2 medium & 2 minor), 6 water supply schemes (3 urban, 3 rural) and 6 typical industries

consuming water for realistic assessment of ground conditions at his own costs.

- (11) Review and assess how the provision in Section 12 (11) of the Act linking family size to water tariff should be dealt in volumetric and area based tariff for agriculture and how Water User Association should be advised to fix water charges from Members keeping the provisions in view.
- (12) Study the water audit, benchmarking and irrigation status reports brought out annually by Water Resources Department (WRD) and assess the applicability of the data/conclusions made in these reports for tariff Regulations.
- (13) Study and assess as to how reliability and timeliness of supplies to the agriculture sector should have a bearing on the tariff structure.
- (14) Suggest 4-5 modern technologies for recycling by industries, the adoption of which will qualify the industry for rebate in water tariff. Quantum of rebate to be suggested. Similar suggestion for WUA, drinking water agencies adopting water conservation measures.
- (15) Suggest extent of rebate in water tariff for industries adopting effluent treatment and discharging effluent into water courses as per standards prescribed by State Pollution Control Board.
- (16) Review and assess the provisions relating to water tariff in other Acts like CP & Berar Act 1931, Maharashtra Irrigation Act 1976, Municipal Act, various River Valley Corporations Act.
- (17) Examine whether a two part tariff system comprising a fixed charge for assets created irrespective of water use and a variable charge depending on actual use should be introduced.
- (18) Examine whether rebate in tariff should be given for advance/timely payment.
- (19) Based on (i) international & national practices, (ii) provisions in the MWRRA Act and State Water Policy, (iii) O&M requirements of irrigation systems, (iv) cross subsidy and subsidy regimes, paying capacity of users and productivity of various usages listed above, the Consultant will prepare first an Approach Paper of about 10 pages each in two parts:
 - a. The first part will present the tariff philosophy or principles and various options available, and
 - b. The second part presenting the methodology for tariff determination based on the chosen option.
 - c. The Consultant should get the first part of the Approach paper approved before finalizing the second part. On approval of first part, the consultant shall prepare & submit the Terms & Conditions of

Tariff Regulations giving detailed step-by-step procedure with illustrative examples.

- (20) Based on the Regulations suggested draft of model tariff proposal for the State as a whole for various uses, viz., Bulk Water Tariff for WUAs (irrigation/industries and domestic use) and on area basis for irrigation to be issued by the Authority as a Tariff Order on approval of Regulations.

Conduct of Business Regulations

- (1) The Consultant will along with the preparation of Terms and Conditions of Bulk Water Tariff Regulations, prepare the Conduct of Business Regulations specifying the process to be adopted by the Authority, including stakeholder consultation while preparing Regulations and before issue of tariff orders.
- (2) The Consultant will review international and national practices of Conduct of Business Regulations in various sectors.
- (3) The stakeholder consultation shall be at all important & relevant stages of developing Regulations starting with the Approach Paper and at stage of tariff proposal.
- (4) The Consultant should weigh and consider various options for stakeholder consultation like display in web site, paper advertisement, public hearing, etc., and suggest a suitable procedure keeping in view how this issue is handled in other regulatory process.