



**ALL INDIA
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No.AIBSNLOA/CHQ/2010/9

Dated: 5th February 2010

To

Shri Kuldeep Goyal,
Chairman & Managing Director,
BSNL, New Delhi

Subject: Payment of Electricity charges under Industrial tariff instead of commercial tariff as at present to save thousands of crores of rupees.

Sir,

We would like to draw your kind attention towards a very important issue which if resolved would result in saving of thousands of crores of rupees for BSNL every year.

2. At present BSNL is being charged under Commercial tariff by various State Electricity Boards for consumption of electricity. Only in Rajasthan, as reported, BSNL is making payment under “Mixed Load Bulk Supply Category” which is almost equal to Industrial tariff in that state.

3. It is pertinent to mention here that throughout the country, the rates under the commercial tariff pattern is much higher than the industrial tariff. A rough calculation worked out in Trichy SSA in Tamilnadu showed that there will be 50% savings if we are charged under Industrial Tariff pattern. Chennai Telephone District is known to have fought a battle for nearly two years now for switching over to Industrial Tariff. Prolonged negotiations so far with the Tamilnadu Electricity Regulatory Commission are reported to have ended without any fruitful results.

4. Our claim for change over to Industrial tariff is based on strong reasons:

1. **The Finance Act 2002 of Union of India w.e.f., 1.4.2003** [under sub clause “(iii a) below item No.(iii) clause (aa) of section 72A sub section (7)] states that ‘the business of providing Telecommunication Service, whether basic or cellular, including radio paging, domestic satellite services, network trunking, broadband network and Internet Services’ comes within the ambit of Industrial Undertakings.

2. The Govt. of Tamilnadu Information Technology Policy 2002 defines Private Communications Providers (PCP). Internet Service Providers, Basic service providers under IT companies states that Government will provide low tension units as per LT tariff III-C (now III-B) and the high tension tariff 1-a to IT industries and also ensure quality power as required by the industry. It clearly states that for the purpose of power tariff, IT industries will be treated as industrial and not commercial consumers and electricity tariff as applicable to industry consumers will be charged.
3. The Supreme Court has also upheld that the Dept. of Telecommunication Services and Dept. of Telecom Operations are **"Industries" under Industrial Disputes Act.**
4. Telecommunication is the backbone of the IT industries as all the data required for this industry is transmitted through the telecommunication network. Convergence bill proposes to bring IT sectors and the Telecommunication sector under the Convergence Commission of India. The BSNL and the information Technology Industry are in the same Ministry i.e., Ministry of Telecommunications and information Technology.
5. The reluctance of Tamilnadu Electricity Regulatory Commission to agree to the request for change over to Industrial tariff pattern appears to be on the grounds that any such decision has to be taken by the Central Electricity Regulatory Commission at New Delhi.
6. We would therefore request that the issue be taken up with the Central Electricity Regulatory Commission at New Delhi immediately with a view to bringing the most wanted financial relief to BSNL which alone, as a service provider, is making focused efforts and planned initiatives to bridge the rural-urban digital divide.

With kind regards,

Yours sincerely,



(V.P.Arya)
General Secretary

Copy to:

1. Shri V.P.Gupta,
PGM (ELEC), BSNL
2. Shri R.K.Mishra,
GM (Pers), BSNL