

**CHECKLIST OF REFORMS
USER CHARGES**

DESIRED OBJECTIVES:

Note: JNNURM requires certain reforms to be undertaken by states/ cities in the levy of User Charges on different municipal services, with an objective of securing effective linkages between asset creation and asset maintenance and ultimately leading to self-sustaining delivery of urban services.

1. **CURRENT STATUS**

- a. Please provide a list of services being delivered by municipalities/ parastatals and the status of user charges being levied for each.

Type of Service	Service Provider	Tariff Structure	Last Revision of Tariff
Water Supply & Sewerage	ULB	Tariff structure as detailed below	2004
Solid Waste Management	ULB	No service charge for ordinary dwelling houses. Quantity based administration charges at different slabs basing on expected garbage generation	
Public Transport Agencies			
Others (please specify)			

- b. Please furnish the costs for providing the following services (total cost as well as per unit cost) and the total and per unit user charges collected in 2004-05

Service	Total O&M Cost (Please specify the unit)		Total User charges collected (Please specify the unit)		Revenue loss due to	
	Per Unit Cost	Total Cost	Per Unit recovery	Total Recovery	Leakage / theft	Free supply
Water Supply	Rs. 3.50/KL	Rs.7.05 Crores	Rs.4.18/KL	8.377 Crores	40 – 45%	12 MLD
Solid Waste	Rs. 77/- Month	Rs.18.38 Crores	Rs.10/- month /	1.00 Crores	---	---

Management	/ family		family			
Public Transport Services	---	---	---	---	---	---
Sewarage	360 per house / WC	90 Lakhs	Rs.25/- per WC per month	1.50 Crores	---	2.0 Lakhs

Percentage of households covered by municipal/ parastatal water supply	70 %
Per capital domestic water supply	190 lpcd
Average number of hours of water supply	4 hr/day
Percentage of non-revenue water to total water released	60 %
Percentage of water supplied free	6 %
Percentage of water lost due to leakages and thefts	40 %

Total cost (Operation & Maintenance and debt repayment) incurred in delivering water.

2003/2004 - **Rs.667 Lakhs**

2004/2005 - **Rs.705 Lakhs**

Total recoveries from the sale of water

2003/2004 - **Rs.761.7 Lakhs**

2004/2005 - **Rs.837.7 Lakhs**

Sl. No.	Category of Connection	Connection Charges (Rs.)	Monthly Tariff (Rs.)
1 a	For Residential houses	5,525/-	80/-
b	Residential houses under NSDP	2,525/-	40/-
c	Residential houses under BPL	1,200/-	40/-
d	Residential houses (Apartments)	¾” – 45,000/- 1” – 60,000/- 1 ¼” – 80,000/- 1 ½” – 1,00,000/-	Rs.100/- + Rs.8.25/- per every additional 1000 litres
2	For Shops, Restaurants, Clinics etc.,	12,000/-	<ul style="list-style-type: none"> • Up to 25,000 ltrs – Rs.100/- + Rs. 15.75/- per additional 1000 ltrs. • Up to 50,000 ltrs – Rs. 100/- + Rs. 18.40/- per 1000 ltrs. • Above 50,000 ltrs – Rs.100/- + Rs.21.00/- per additional 1000 ltrs
3	For Corporate Office, Hostels, Kalyanamandapam, Cinema theatres, Educational Institutions and other commercial establishments and factories , Pharma companies etc.	¾” – 45,000/- 1” – 60,000/- 1 ¼” – 80,000/- 1 ½” – 1,00,000/-	

2. TIMELINE FOR ACTION ON REFORMS

- a. The State/ULB must formulate and adopt a policy on user charges which should include proper targeting of subsidies, if any, for all services; ensuring the full realization of O&M cost by the end of the Mission period. (Note: This resolution should be passed within 6 months of signing of MOA under JNNURM and a copy submitted to MOUD.)

b. Establishment of proper accounting system for each service so as to determine the O&M cost separately. Please specify the timeline for each service separately

i. Water Supply and Sewerage

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

ii. Solid Waste Management

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

iii. Public Transport Services

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

iv. Other (please specify)

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

c. The State/ULB should define service standards and timelines for achieving these

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

d. The State/ULB should define user charge structure and timelines for achieving these

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

e. The State should set up a body for recommending a user charge structure.

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

f. The State should quantify/study the impact of subsidies for each service on a periodic basis.

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

g. Time table to achieve full recovery of O&M costs from user charges .
(Please indicate proposed recovery level for each year)

Year1	Year2	Year3	Year4	Year5	Year6	Year7
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

h. Any other reform steps being undertaken (please use additional space to specify)

Reforms implemented:

- The UGD and water supply services are ring fenced. Action Plan prepared to rationalize the water supply and UGD system.

Reforms proposed:

- Improve efficiency by outsourcing the operation and maintenance (O & M) of water supply, UGD, street lighting, and vehicle operations.
- Energy saving devices are proposed to be installed in street lighting and water and UGD systems.
- It is also proposed to recover, in a phased manner, the cost of water and UGD services provided.