

DIPA/2023/009

January 30, 2023

To

Shri Tanneru Sriranga Rao,

Hon'ble Chairman

Telangana Electricity Regulatory Commission (TSERC)

Email: chairman@tserc.gov.in

**Subject: Request to put Telecom Services in Industrial/ Special Tariff Category-
Telangana**

Reference:

**Retail Supply Business and Tariff proposal for the entire control period i.e., for
the period FY2019-20 to FY2023-24 and G.O. Ms. No. 32. Dated 21-12-2022**

Respected Sir,

1. DIPA (Digital Infrastructure Providers Association) is an apex representative body of telecom infrastructure providers (IPs-1) in India dedicated to accelerating the success of Indian telecom evolution & represent the interest of >7lac telecom towers Pan-India, serving ~1.2 Bn mobile subscribers across the country.
2. Apropos the above references, wherein TSERC has asked for comments of stakeholders on electricity tariffs for FY 2023-24, we wish to thank you for giving us the opportunity to raise our request on electricity tariffs for the telecom industry. **Presently, the telecom industry is being charged commercial rates as against Industrial rates, resulting in undue financial burden on the telecom industry which works round the clock like any other industry.**
3. As you are aware, Telecommunications is vital to the development of India and played a crucial role in the country's GDP during the COVID-19 lockdown, accounting for about 35% of GDP and directly contributing about 6%. As the nation moves towards 5G deployment, it will require the densification of networks, including the deployment of several-distance distance small cells, and enhanced fiberization to support 5G services and meet National Broadband Mission targets. This will require significant capital expenditure, increasing the cost of telecom infrastructure.
4. To ensure uninterrupted service, telecom operators are required by their license to maintain a network availability of over 99.5% of the time. Reliable, affordable power around the clock at all urban, semi-urban, and rural locations is therefore necessary to power telecom installations. The Indian government has recognized the importance

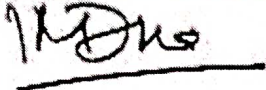
of telecom infrastructure and has given it infrastructure status. Additionally, telecom towers are included on the "Updated Harmonized Master List of Infrastructure Sub-Sectors" in the Gazette of India dated October 7, 2013.

5. High electricity tariffs are one of the biggest challenges faced by the rapidly growing telecom tower industry in India. It's estimated that almost 30 percent of the tower's OPEX accounted for are related to electricity tariffs, which is a significant amount.
6. The Electricity (Rights of Consumers) Rules, 2020 and the 2022 amendment from the Ministry of Power, as well as the Recommendations of the Working Group to the FOIR on "Cross-Sector Collaborative Regulation between Telecom Regulators and Electricity Regulators," outline that agencies and distribution companies should provide timely electricity connections with smart meters and industrial/utility category tariffs to the telecom industry.
7. The Telecom Regulatory Authority of India has acknowledged the important role that telecom and broadband services play in the economic development of connected regions and has suggested in a report that telecom sites should be given access to electricity at industrial or utility tariffs. The report, titled "Recommendations on Use of Street Furniture for Small Cell and Aerial Fiber Deployment" and dated November 29, 2022, cites the current high charges for providing electricity to telecom sites as justification for this recommendation.
8. We would like to inform the Honorable Commission that the working group's additional Recommendations on "Cross Sector Collaborative Regulation Between Telecom Regulators and Electricity Regulators" (enclosed) recommend that telecom sites should be provided with electricity connections under the Utility/Industrial tariff. The State Electricity Regulatory Commissions (SERCs) may be asked to include this in their tariff orders
9. Further, It may be kindly noted that the Government of Maharashtra, as part of their IT/ITES policy notified the applicability of industrial tariff to the telecommunication towers instead of commercial tariff. It is submitted that the Maharashtra State Electricity Regulatory Commission (MSERC) after taking into consideration the IT/ITeS policy of the Government of Maharashtra specifically categorized Telecommunication Towers in the Industry Tariff vide its order dated 30.03.2020 in Case No. 322 of 2019. In furtherance to the same the Maharashtra State Electricity Distribution Company Ltd. vide Commercial Circular No. 323 dated 03.04.2020 has revised the electricity tariff for telecommunication towers by placing them in the Industrial Category.
10. In view of the above, we earnestly request that in the State EB Tariff Order, Telecom Industry electricity tariff may kindly be placed under Industrial/ Special rates rather than the commercial rates.
11. We believe that enabling industrial rates for the telecom industry in Telangana will help propel telecom and data services in the progressive State, whereby crucial services such as e-governance, m-banking, m-health, m- education and the likes could be delivered, while facilitating the march towards the vision of achieving a Digital Telangana.

We hope to receive your support for these reforms, which will further boost the state's economy.

Thanking you.

For Digital Infrastructure Providers Association (DIPA)



Tilak Raj Dua
Director General
+91 – 98101 50000

Copy to:

1. Shri K. Rajaraman, IAS, Hon'ble Secretary Telecom, Government of India.
2. Smt. A. Santhi Kumari, IAS, Chief Secretary, Government of Telangana.
3. Shri G. Raghuma Reddy, Chairman & Managing Director, Southern Power Distribution Company of Telangana (TSSPDCL)
4. Shri A. Gopal Rao, Chairman & Managing Director, The Northern Power Distribution Company of Telangana Limited (TSNPDCL).