

# बिहार ग्रिड कम्पनी लिमिटेड

(संयुक्त उपक्रम बिहार स्टेट पावर (होल्डिंग) कं० लि० एवं पावरग्रिड)

## BIHAR GRID COMPANY LIMITED

(Joint Venture of Bihar State Power (Holding) Co. Ltd. & POWERGRID)



बिहार ग्रिड

द्वितीय तल, अलंकार प्लेस, बोरिंग रोड, पटना-800 001, दूरभाष : 0612-2530477 (कार्यालय)

2nd Floor, Alankar Place, Boring Road, Patna- 800 001, Tel. : 0612-2530477 (Off.), E-mail : bihargrid@gmail.com

CIN : U40100BR2013PLC019722

Ref: JV/PT/BG/Comml/BERC/TP/Case-19/2021 | 192

Date: 07/02/2022

To,

The Secretary,  
Bihar Electricity Regulatory Commission,  
Vidyut Bhavan – II, Bailey Road,  
Patna - 800021

Ref: BERC-Case No. 19/2021

Letter no. BERC Tariff Case No.- 15, 16, 18, 19 & 20/2021-103 Patna, dated 31-01-2022

**Sub: Submission of response on comments of BCCI & BIA under SAC in case no. 19-2021 Tariff Petition for True-up Petition for FY 2020-21, APR for FY 2021-22, ARR for FY 2022-23 to FY 2024-25 and Transmission Charges for FY 2022-23.**

Dear Sir,

This is in reference to the aforementioned case no. 19/2021 for assessment of Tariff Petition filed by BGCL for True-up for FY 2020-21, APR for FY 2021-22, ARR for FY 2022-23 to FY 2024-25 and Transmission Charges for FY 2022-23.

BGCL response has been sought by Hon'ble Commission vide above referred letter dtd 31.01.2022 based on comments/suggestion/objection received from BCCI & BIA under SAC meeting vide letter dtd 29.01.2022 & 31.01.2022 respectively.

In this matter petitioner submits that the comments/suggestion/objection mentioned in the above letter are pertaining to the DISCOMs (NBPDC & SBPDCL). As such petitioner is unable to submit the response for the same.

This is for your kind information

Thanking you,

Yours faithfully,

(Rajesh)

GM (O&M, Commercial)  
BGCL, Patna



**बिहार विद्युत विनियामक आयोग**  
**Bihar Electricity Regulatory Commission**

Vidyut Bhawan-II, Bailey Road, Patna – 800 021

Tel No.: 0612-2505280/2504489 Fax : 0612-2950376

Website : www.berc.co.in E-mail : bercpat@berc.co.in

Letter No.-BERC-Tariff Case No.- 15,16,18,19 & 20/2021 – Patna, dated 31-01-2022

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To,

**The Chief Engineer (Commercial)**

South Bihar Power Distribution Company Ltd.

Vidyut Bhawan, J.L. Nehru Marg, Patna.

**The Chief Engineer (Commercial)**

North Bihar Power Distribution Company Ltd.

Vidyut Bhawan, J.L. Nehru Marg, Patna.

**The Chief Engineer (STU)**

Bihar State Power Transmission Co. Ltd.

Vidyut Bhawan, J.L. Nehru Marg, Patna.

**The Chief Engineer (System Operation)**

Bihar State Power Transmission Co. Ltd. (BSPTCL)

Vidyut Bhawan, J.L. Nehru Marg, Patna.

**The Sr. G.M (O & M/Comm.)**

Bihar Grid Company Ltd. (BGCL)

2nd Floor, Alankar Place, Boring Road, Patna-800001

**Sub: Submission for response on comments/suggestion/objections received from Stakeholders during State Advisory Committee (SAC) meeting held on 28.01.2022**

**Ref.:** BERC Case No-15,16,18,19/2021 & 20/2021

Sir,

With reference to the subject noted above, I am directed to enclose a copy of the comments/suggestion/objections submitted by the following :-

Sl. No	Name of Persons & Stakeholders	Name of Organization & Address
1.	Secretary General	Bihar Chamber of Commerce & Industries (BCCI), Patna.
2.	President	Bihar Industries Association (BIA), Patna.

It is therefore, requested to submit your response by 07.02.2022 positively.

**Encl:** As above

Yours faithfully,

Secretary

31/01/2022

Copy forwarded with a copy of the all enclosure to ASCI for information and needful.





# बिहार चैम्बर ऑफ कॉमर्स एण्ड इण्डस्ट्रीज BIHAR CHAMBER OF COMMERCE & INDUSTRIES

खेम चन्द चौधरी मार्ग,  
पटना - 800 001

KHEMCHAND CHAUDHARY MARG  
PATNA - 800 001

Ref. No.- 33

January 29, 2022

To,  
**The Hon'ble Chairman**  
Bihar Electricity Regulatory Commission,  
Vidyut Bhawan - II  
Patna 800021

Respected Sir,

**Subject :- Points raised by BCCI in SAC meeting on 28.01.2022 & some addl suggestions**

The Bihar Chamber of Commerce & Industries ( BCCI ) is an association of the individuals employed in commercial business and industries in Bihar and is responsible for safeguarding the interest of its members in particulars and of general public of the state in general. We all are aware that due to covid restrictions, physical meetings, discussions, etc are not possible. However, we thank the Hon'ble Commission for holding the State Advisory Committee (SAC) meeting on 28<sup>th</sup> January by Video conferencing.

The time for submission of suggestions/ objections on the tariff petition is limited and the state is facing the problem of covid-19 and intense cold wave. Completing hearing on the Tariff petition of the two DISCOMS and two Transco by mid February and issue tariff order in February - March specially during covid period does not provide adequate time and more time should have been provided. Also the present tariff rates are higher compared to other states and require downward revision instead of upward.

BCCI submitted the following suggestions during SAC meeting and the same may kindly be taken into consideration while issuing the tariff order for all electric companies for FY 2022-23 :

- \* Collection efficiency of South Bihar Power Distribution Company Limited in 2018-19 was 99.53% which came down to 73.74% in 2019-20 and 85.33% in 2020-21 which has lead to a very high Aggregate Transmission and Commercial (AT & C) loss.
- \* Collection efficiency is a controllable factor. Collection efficiency should be improved on priority basis.
- \* Power supply should be made available 24x7 which will result in increased revenue from sale of Power.
- \* Distribution loss should be considered as approved by BERC at 15% and not as claimed by DISCOMS.
- \* Cross subsidy should be reduced to +- 10%.

Contd.....2

**2. Surplus Power and its Utilization**

It is now well established that the power availability as per share allocation of Bihar is surplus and on some occasions, excess power has to be surrendered and the DISCOMS have to pay the fixed cost of surrendered power. Further the surrendered power is transferred to other states on prices as low as Rs 3/- per unit. In the above scenario, we suggest that whenever power becomes surplus, the same may be allowed to be availed by the consumers of Bihar at the rate at which the power is sold to other states. This will encourage the consumers to avail more and more power and the occasion for surrendering of power may not occur. In a recent step the BSPHCL has recognised the adverse affect of surrendering power and has cancelled the power purchase Agreement (PPA) with KBUNL by the permission of the State Regulatory Commission.

Therefore we suggest that adequate rebate should be given for higher consumption to the High Tension Industrial Consumers similar to that being allowed by OERC and JERC.

**3. Government Subsidy :-**

Hon'ble BERC is aware of the fact that to make the rate of electricity viable, the state Govt of Bihar has come to the rescue of the consumers and more than Rs 6000 Crs is being provided to give subsidy to consumers every year. The proposal for allowing subsidy to different categories of consumers is prepared by the DISCOMS and after approval of the Energy Department Govt of Bihar, it comes into effect.

In the above context, we suggest that to encourage the commercial and industrial activity in the state, some amount of subsidy may also be proposed by the DISCOMS to be given to the Industrial sector.

**4. Truing-up Exercise of ARR for Fy 2020-21 :-**

The tariff of ensuing year is fixed on the basis of estimation of total Expenditure (in technical term Aggregate Revenue Requirement) which may vary in actual expenditure. Therefore, estimation of ARR for ensuing year is done on normative basis to fix the Tariff, and for any surplus or revenue gap the Truing up exercise is carried out when the actual expenditure after audit is made available just like the Budget of the Central and State Govt.

The State Govt and Central Govt prepares and sanctions the Budget for ensuing year in the following format :-

Previous year	Current year	Ensuing year
Fy 2020-21	Fy 2021-22	Fy 2022-23
Actual Expenditure (Actual)	Revised Expenditure on the basis of six month Actual (RE)	Budget Estimate (BE)

From our above submissions, Hon'ble BERC would agree that in the Truing-up exercise that is approving the Expenditure on the basis of actual expenses; any normative expenditure should not be allowed. However, the DISCOMS have claimed some of the expenditures on normative basis.

We therefore suggest that no normative expenditure should be allowed for the previous year's ARR as being followed by the state and central Govt while approving the budget of ensuing year.

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**10. Un Metered Connection :-**

As per the tariff petitions, about six (6) to eight (8) lakhs consumers are running without meter. This fact is very surprising. However, instead of installing meters at such consumers, the DISCOMS are giving their full attention to replace the working meter by a prepaid meter in Patna and some other towns of Bihar.

Hon'ble BEREC would realise that the unmetered connection and its tariff fixation are violation of the provision of section 55 of The Act, and so the DISCOMS should have provided meter to all unmetered consumers on priority basis.

**11. AT&C Losses :-**

The distribution losses are not coming down to normative levels in spite of best efforts of BEREC. The BCCI understands that hundred percent billing and collection are not being done by the DISCOM and as a result the Arrear Revenue is increasing. Whereas the Employees are increasing in numbers and the Employee cost and A&G cost has increased. Reportedly dues of Rs 11000 Crs to Rs 12000 Crs are likely to accumulate by the end of Fy 2021-22.

Therefore we suggest that the burden of losses of extra T&D losses and the inefficiency in hundred percent billing and collection should not be passed on to the consumer.

**12. Localisation of Losses :-**

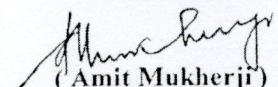
BCCI is aware that since the year 2006 i.e start of APDRP, the meter has been installed on Distribution Transformer. Recently executed schemes like IPDS, DDUGJY, RGGVY etc has provided considerable amount on installation of meter on Distribution Transformer (DTR). The main purpose was to recognise the particular DTR on which line loss was more. However, it would be well known to the Hon'ble Commission that whether the DISCOMS have carried such exercise to utilise the cost on DTR Metering ?

We therefore suggest that Hon'ble BEREC should examine the utility of the installation of meter on DTR, and if there is no use of DTR metering, the whole project which has been taken by DISCOMS will be a wastage of public money.

With regards, BCCI once again prays the Hon'ble commission to consider our suggestions. We also request for a copy of the response of the licensees to the above suggestions and crave leave of the Hon'ble Regulator to submit detailed objections/suggestions at the time of public hearing.

And for that we shall ever pray.

Yours faithfully

  
(Amit Mukherji)  
Secretary General



# Bihar Industries Association

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CIN-U91200BR1947NPL000317

No.V-15/72

January 31, 2022

To,

The Hon'ble Chairman & Member,  
Bihar Electricity Regulatory Commission (BERC),  
Vidyut Bhawan - II,  
Patna 800021

*Sub: Some suggestions by BIA submitted during SAC meeting*

Respected Sir,

BERC has started the process of fixing Electricity tariff for F/y 2022-23 and in this process, a meeting of the State Advisory Committee (SAC) was held on 28<sup>th</sup> January through videoconferencing mode. We thank you for allowing us to place some suggestions during the same. We are submitting the suggestions as below and request you to take these into your kind consideration while determining the ARR and electricity tariff for F/y 2022-23.

1. Collection efficiency of South Bihar Power Distribution Company Limited in 2018-19 was 99.53% which come down to 73.74% in 2019-20 and 85.33% in 2020-21. This has led to very high Aggregate Transmission and Commercial (AT&C) losses. As Collection efficiency is a controllable factor, this should be improved on priority basis to prevent wastage of a valuable national resource.
2. Power supply should be made available 24x7, mainly to HT industrial units, which will result in increased revenue from sale of Power.

7. To incentive increased unit consumption by HT consumers, the present TOD structure should be revised. The penal slab of 120% for 6hrs every day should be abolished. Also, the discounted slab of 85% should be allowed for 12 hrs from 11 PM to 11 AM.
8. The tariff structure and different rates for different slabs are complicating the tariff for the general public. Tariff structure and rates similar to that of Jharkhand, Orissa and DVC may be implemented in Bihar so that consumption can increase here.
9. HTSS tariff should also be allowed to oxygen producing plants as already suggested by Industries Dept as the major cost of production in oxygen plant is energy charges only which constitute about 75% of total cost of production. This sector is critical to covid crisis management as it supplies life saving vital medical oxygen to all hospitals and health services.
10. In pre-payment system of power supply, we have to suggest that
  - i. It should be optional
  - ii. To encourage the installation of pre-payment system, at least three (3) percent rebate in addition to the rebate of 1.5% for timely payment and 1.00% for online payment ie total 5.5% should be allowed.

In the above context of rebate, Hon'ble BEREC may like to revisit the study conducted for Forum of regulators (FOR) by Deloitte in which they have suggested to give a rebate of 5 to 6 percent in addition to the rebate being given to the post paid consumers.

- iii. Further to remove the confusion of consumer regarding fast running of pre paid meters, the meter


Commission that whether the DISCOMS have carried such exercise to utilise the cost on DTR Metering.

We therefore suggest that Hon'ble BERC should examine the utility of the installation of meter on DTR, and if there is no use of DTR metering, the whole project has been taken by DISCOMS will be a wastage of public money.

Lastly, we crave leave of the Hon'ble Commission to submit detailed written and verbal suggestions/objections during public hearings scheduled to be held shortly.

Thanking you,

Yours faithfully,



(Arun Agarwal)

President

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