



# **Bihar State Power Transmission Company Limited (BSPTCL)**

## **Petition**

**For**

**Truing up for FY 2023-24,  
Annual Performance Review for FY 2024-25,  
Business Plan and Multi Year Tariff Aggregate  
Revenue Requirement (MYT ARR) for the Control  
Period of FY 2025-26 to FY 2027-28  
&  
Transmission Charges for FY 2025-26**

**Submitted to**

**Bihar Electricity Regulatory Commission**

**Submitted By,**

**Bihar State Power Transmission Company Limited (BSPTCL)**

**4<sup>th</sup> Floor, Vidyut Bhawan - I,**

**Jawaharlal Nehru Marg,**

**Patna - 800 021**

**15<sup>th</sup> November 2024**



**Before the Hon'ble Bihar Electricity Regulatory Commission,**

**Patna, Bihar**

**Filing No.:**

**Case No.:**

IN THE MATTER OF:

**Filing of the Petition for approval of True-up of FY 2023-24, Annual Performance Review (APR) for FY 2024-25, Business Plan and Multi Year Aggregate Revenue Requirement (ARR) for the Control Period of FY 2025-26 to FY 2027-28 & Transmission Tariff for FY 2025-26 under BERC (Multi-Year Transmission Tariff and SLDC Charges) Regulations, 2021, BERC (Multi-Year Transmission Tariff and SLDC Charges) Regulations, 2024 & BERC (Procedure for filing Capital investment and Capitalisation plan) Regulations, 2018 along with the other guidelines and directions issued by the Hon'ble BERC from time to time and under Sections 45, 46, 47, 61, 62, 64 and 86 of the Electricity Act, 2003 read with the relevant guidelines.**

**AND**

IN THE MATTER OF THE APPLICANT

**Bihar State Power Transmission Company Limited (herein after referred to as 'BSPTCL' or 'The Petitioner'), which shall mean for the purpose of this Petition the Licensee, having its registered office at Vidyut Bhawan -I, Jawaharlal Nehru Marg, Patna - 800 021.**



**The Petitioner respectfully submits as under:**

1. Bihar State Power Company Limited (herein after referred to as “BSPTCL” or “Petitioner”) is responsible to build, maintain and operate an efficient, co-ordinated and economical intra-State transmission system for smooth flow of electricity from a generating station to the load centres under section 39 of the Electricity Act, 2003.
2. Pursuant to the enactment of Electricity Act, 2003, Bihar State Power Transmission Company Limited is filing this Petition, under Sections 61, 62 and 64 of the Electricity Act, 2003 and the governing Regulations thereof, for approval of Business Plan and Multi Year Tariff ARR for the Control Period of FY 2025-26 to FY 2027-28 along with Truing-up of FY 2023-24, Annual Performance Review (APR) for FY 2024-25 & Transmission Tariff Petition for FY 2025-26.
3. The Multi-Year Tariff (MYT) Petition for the Control Period from FY 2013-14 to FY 2015-16 was filed by BSPHCL on behalf of all successor Companies on 14<sup>th</sup> November 2012 and accordingly, the Hon’ble Commission had issued common Order for all entities (Tariff Order dated 15<sup>th</sup> March 2013).
4. Thereafter, BSPTCL has been filing separate Tariff Petition for subsequent years. Following is the list of Tariff Petitions filed by BSPTCL and the corresponding Tariff Orders issued by the Hon’ble Commission till date.

Particulars	Petition filed on	Tariff Order issued on
Petition for APR for FY 2013-14 and Revised ARR for FY 2014-15	14 <sup>th</sup> November 2013	28 <sup>th</sup> February 2014
True-up for FY 2013-14, APR for FY 2014-15, Revised ARR for FY 2015-16	3 <sup>rd</sup> December 2014	12 <sup>th</sup> March 2015
True-up for FY 2014-15, APR for FY 2015-16 and approval of ARR for the period FY 2016-17 and Determination of Multi-Year Transmission Tariff for FY 2016-17, 2017-18 and 2018-19	28 <sup>th</sup> December 2015	21 <sup>st</sup> March 2016
True-up for FY 2015-16, APR for FY 2016-17 and Determination of ARR and Tariff for FY 2017-18	30 <sup>th</sup> November 2016	9 <sup>th</sup> March 2017
True-up for FY 2016-17, APR for FY 2017-18 and Determination of ARR and Tariff for FY 2018-19	24 <sup>th</sup> November 2017	24 <sup>th</sup> April 2018

*Truing up for FY 2023-24, Annual Performance Review for FY 2024-25,  
Business Plan and Multi Year Tariff Aggregate Revenue Requirement (MYT ARR)  
for the Control Period of FY 2025-26 to FY 2027-28 & Transmission Charges for FY 2025-26*



Particulars	Petition filed on	Tariff Order issued on
True-up for FY 2017-18, APR for FY 2018-19 and approval of ARR for the Multi-Year Tariff period from FY 2019-20 to FY 2021-22 and Determination of Transmission Tariff for FY 2019-20	30 <sup>th</sup> November 2018	15 <sup>th</sup> February 2019
True-up for FY 2018-19, APR for FY 2019-20 and approval of ARR and Tariff for FY 2020-21	15 <sup>th</sup> November 2019	20 <sup>th</sup> March 2020
True-up for FY 2019-20, APR for FY 2020-21 and approval of ARR and Tariff for FY 2021-22	24 <sup>th</sup> December 2020	19 <sup>th</sup> March 2021
True-up for FY 2020-21, APR for FY 2021-22 and approval of ARR for the Multi-Year Tariff period from FY 2022-23 to FY 2024-25 and Determination of Transmission Tariff for FY 2022-23	14 <sup>th</sup> December 2021	25 <sup>th</sup> March 2022
True-up for FY 2021-22, APR for FY 2022-23 and approval of ARR and Tariff for FY 2023-24	15 <sup>th</sup> November 2022	21 <sup>st</sup> March 2023
True-up for FY 2022-23, APR for FY 2023-24 and approval of ARR and Tariff for FY 2024-25	13 <sup>th</sup> November 2023	01 <sup>st</sup> March 2024

5. BSPTCL has filed appeals before the Hon'ble APTEL against certain Tariff Orders issued by the Hon'ble Commission. Following is the list of appeals pending before Hon'ble APTEL:

Appeal No.	Appeal Against Tariff Order dated	Date of Filing	Current Status
<b>APL 383/2019</b>	The Appellant has filed the Appeal under Section 111 of EA 2003 praying for the modification of Tariff Order dated 07.03.2018 drawn on the grounds of the appeal and setting aside of impugned Order dated 20.11.2018 passed in Review Petition No. 15 of 2018.	12.02.2019	Matter was heard on 18.10.2022 and Next date of hearing is to be announced.



Appeal No.	Appeal Against Tariff Order dated	Date of Filing	Current Status
<b>APL 59/2022</b>	The Appellant, in the Appeal, has challenged the legality, validity and propriety of the impugned Tariff Order dated 15.02.2019 in Case No. 51 of 2018 and impugned Order dated 25.07.2019 passed in Review Case No. 12 of 2019.	14.10.2019	Matter was heard on 24.10.2024 and next hearing on 21.11.2024
<b>APL 169/2024</b>	Composite Appeal under Section 111 of the Electricity Act, 2003 challenging the legality, validity and propriety of the orders dated 21.03.2023 passed by the Ld. Bihar Electricity Regulatory Commission in case No.20 of 2022 and the order dated 03.01.2024 in Review Petition No. 08 of 2023.	16.02.2024	Matter was heard on 09.04.2024 and next hearing is to be announced.

6. It is submitted that in case the Judgment of the Hon'ble APTEL in the above-mentioned Appeals is in favour of BSPTCL, the Hon'ble Commission may kindly provide the impact of the desired relief on all the issues raised by BSPTCL in these Appeals, entirely for the Control Period where the same Regulations were applicable, along with carrying cost in subsequent Tariff Order(s).
7. It is further submitted that in the instant petition, BSPTCL has considered the norms for calculation of O&M in line with the BERC (Multi-Year Transmission Tariff and SLDC charges) Regulation, 2021 and BERC (Multi-Year Transmission Tariff and SLDC charges) Regulation, 2024 and further revised norms as approved in the Tariff Order dated 21<sup>st</sup> March 2023. Further, BSPTCL has also projected norms for the upcoming Control Period of FY 2025-26 to FY 2027-28 in line with the methodology as adopted by the Hon'ble Commission.
8. This present petition being filed by the BSPTCL has been prepared in accordance with the provisions of BERC (Multi-Year Transmission Tariff and SLDC charges) Regulation, 2021 and BERC (Multi-Year Transmission Tariff and SLDC charges) Regulation, 2024 along with the other guidelines and directions issued by the Hon'ble Commission from time to time and under Sections 61, 62 and 64, of the Electricity Act 2003 read with relevant guidelines as amended from time to time by the Hon'ble BERC for approval of:



- Truing-up of FY 2023-24
  - Annual Performance Review of FY 2024-25
  - Business Plan and Multi Year Aggregate Revenue Requirement for the Control Period of FY 2025-26 to FY 2027-28 and
  - Transmission Charges for the FY 2025-26
9. The regulatory formats with data and information to the extent applicable is being submitted along with this petition and the petitioner would make available any further information/additional data required by the Hon'ble Commission during the course of the proceedings.
10. In order to align the thoughts and principles behind the petition of ARR and Tariff Proposal, BSPTCL respectfully seeks an opportunity to present their case prior to the approval of the same. BSPTCL believes that such an approach would go a long way towards providing a fair treatment to all the stakeholders and may eliminate the need for a review or clarification.
11. BSPTCL may also be permitted to propose suitable changes to the petition and the mechanism of meeting the revenue requirement on further analysis, prior to the final approval by the Hon'ble Commission.





12. In view of the above, BSPTCL respectfully prays that the Hon'ble Commission may be pleased to consider and approve the following:
- a. Admit this Petition;
  - b. Examine the proposal submitted by the Petitioner in the enclosed Petition for a favourable dispensation;
  - c. Pass suitable Orders with respect to the Business Plan and Multi Year Tariff for the Control Period of FY 2025-26 to FY 2027-28 along with True-up for FY 2023-24, APR for FY 2024-25, Transmission Tariff Proposal for FY 2025-26 according to applicable provisions under BERC (Multi-Year Transmission Tariff and SLDC Charges) Regulations, 2021 and BERC (Multi-Year Transmission Tariff and SLDC Charges) Regulations, 2024;
  - d. To kindly grant prior Regulatory approval for works to be carried out during upcoming Control Period as submitted in this Petition and approve the estimated cost for proposed capital investment and capitalization and approve the proposed funding for these projects under BERC (Procedure for filing Capital investment and Capitalisation plan) Regulations, 2018.
  - e. To kindly pass through the difference in the cost estimates submitted in this Petition and actual Awarded cost discovered after the tender processing through competitive bidding, as the variation is beyond the control of BSPTCL.
  - f. Approve Open Access Charges in Tariff Order of BSPTCL which is to be recovered from open access consumers.
  - g. Permit to propose suitable changes to the respective True-up/APR/Business Plan & MYT ARR's, prior to the final approval by the Hon'ble Commission;
  - h. Condone any inadvertent omission/errors/short comings and permit the petitioner to add/change/modify/alter this filing and make further submissions as may be required at a future date;



- i. Pass desired impact of issues raised by BSPTCL in appeals & review along with carrying cost in ensuing Tariff Order in case the appeals & review are ruled in favour of BSPTCL;
- j. Pass such Order as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case.

**Bihar State Power Transmission Company Limited (BSPTCL)  
Patna, Bihar**

Dated: \_\_\_\_\_ November 2024.

Perwez Alam  
Chief Engineer (STU)  
Bihar State Power Transmission Company Limited





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## LIST OF ABBREVIATIONS

<b>ADB</b>	Asian Development Bank
<b>A&amp;G</b>	Administrative & General
<b>APR</b>	Annual Performance Review
<b>ARR</b>	Aggregate Revenue Requirement
<b>ATC</b>	Annual Transmission Charges
<b>BERC</b>	Bihar Electricity Regulatory Commission
<b>BRGF</b>	Backward Regions Grant Fund
<b>BSEB</b>	Bihar State Electricity Board
<b>BSPHCL</b>	Bihar State Power (Holding) Company Limited
<b>BSPTCL</b>	Bihar State Power Transmission Company Limited
<b>CAGR</b>	Compounded Aggregate Growth Rate
<b>CEA</b>	Central Electricity Authority
<b>CPI</b>	Consumer Price Index
<b>CWIP</b>	Capital Work in Progress
<b>EA</b>	Electricity Act
<b>FY</b>	Financial Year
<b>GFA</b>	Gross Fixed Asset
<b>GoB</b>	Government of Bihar
<b>GSS</b>	Grid Sub-station
<b>IDC</b>	Interest During Construction
<b>IRF</b>	Internal Resource Fund
<b>IoWC</b>	Interest on Working Capital
<b>kV</b>	kilo Volt
<b>MAT</b>	Minimum Alternate Tax
<b>MCLR</b>	Marginal Cost of Funds based Lending Rate
<b>MU</b>	Million Units
<b>MVA</b>	Mega Volt Ampere
<b>MW</b>	Mega Watt
<b>MYT</b>	Multi Year Tariff
<b>NBPDCL</b>	North Bihar Power Distribution Company Limited
<b>O&amp;M</b>	Operation & Maintenance
<b>PSDF</b>	Power System Development Fund
<b>R&amp;M</b>	Repair & Maintenance
<b>RoE</b>	Return on Equity
<b>SBPDCL</b>	South Bihar Power Distribution Company Limited
<b>SLDC</b>	State Load Despatch Centre

*Truing up for FY 2023-24, Annual Performance Review for FY 2024-25,  
Business Plan and Multi Year Tariff Aggregate Revenue Requirement (MYT ARR)  
for the Control Period of FY 2025-26 to FY 2027-28 & Transmission Charges for FY 2025-26*



<b>SBI</b>	State Bank of India
<b>STOA</b>	Short Term Open Access
<b>STU</b>	State Transmission Utility
<b>TAF</b>	Transmission Availability Factor
<b>TSU</b>	Transmission System User
<b>WPI</b>	Wholesale Price Index



## (1) Introduction

### 1.1 Historical Background of Bihar State Power Transmission Company Limited (BSPTCL)

The erstwhile Bihar State Electricity Board (hereinafter referred to as 'Board' or 'BSEB') was originally constituted on 1<sup>st</sup> April 1958 under Section 5 of the Electricity (Supply) Act, 1948 and was engaged in the management of electricity generation, transmission, distribution, and related activities in the State of Bihar.

Under the 'Bihar State Electricity Reforms Transfer Scheme, 2012', the BESB was unbundled into five Companies, viz., Bihar State Power (Holding) Company Limited (BSPHCL), Bihar State Power Transmission Company Limited (BSPTCL), Bihar State Power Generation Company Limited (BSPGCL), South Bihar Power Distribution Company Limited (SBPDCL), and North Bihar Power Distribution Company Limited (NBPDC), with effect from 1st November 2012 vide Notification No. 17 dated 30<sup>th</sup> October 2012.

- **“Bihar State Power (Holding) Company Limited” or “BSP(H)CL”**

BSP(H)CL is the Apex Holding Company that owns the share of the other four companies i.e., Bihar State Power Generation Company Limited, Bihar State Power Transmission Company Limited, South Bihar Power Distribution Company Limited and North Bihar Power Distribution Company Limited.

- **“Bihar State Power Generation Company Limited” or “BSPGCL”**

BSPGCL is the Generating Company to which the Generating Undertakings of the Board have been transferred in accordance with this scheme.

- **“Bihar State Power Transmission Company Limited” or “BSPTCL”**

BSPTCL is the Transmission Company to which the Transmission Undertakings of the Board have been transferred in accordance with this scheme.

- **“South Bihar Power Distribution Company Limited” or “SBPDCL” and “North Bihar Power Distribution Company Limited” or “NBPDC”**



SBPDCL and NBPDCCL are the Distribution Companies to which the Distribution Undertakings of the Board have been transferred in accordance with this scheme.

## 1.2 Approach to Filing of Current Petition

Section 62 of the Electricity Act, 2003 requires the Licensee to furnish details as may be specified by the Hon'ble Commission for determination of tariff.

Further, Regulation 11.1 of MYT Regulations, 2024, requires BSPTCL to file an application before the Hon'ble Commission for approval of Business Plan and Multi Year Tariff for upcoming Control Period prior to the commencement of the Control Period.

Regulation 11.1 of MYT Regulations, 2024 stipulates as follows:

*"11.1 An application (alongwith soft copy) for approval of the Business Plan shall be made by 15th September of the year prior to the commencement of the Control Period, in accordance with the BERC (Conduct of Business) Regulations, 2005 and its amendments from time to time, and accompanied by such fee payable, as specified in the BERC (Fees, Fines and Charges) Regulations, 2019 as amended from time to time."*

Further, Regulation 11.3 of the BERC MYT Tariff Regulations, 2021 and BERC MYT Tariff Regulations, 2024 also provides that the BSPTCL needs to file an application before the Hon'ble Commission for approval of its Truing up for previous years based on annual accounts of the respective year and Performance Review for Current year based on actual expenses of 06 months and estimates for balance 06 months. The extracts of the same is as follows:

*"11.3 An application (along with soft copy) for determination of tariff and charges shall be made by 15th November every year, for Truing up of expenses of previous years, for Annual Performance Review (APR) of the Aggregate Revenue Requirement (ARR) for the current year and determination of ARR and transmission tariff or SLDC charges for the ensuing years of the control period. The application should contain the data relating to each item of the ARR supported with the information/data in the formats Form no- SI to Form no-P12 appended to these Regulations and accompanied by such fees as may be specified under the BERC (Fees, Fines and Charges) Regulations, 2019 as amended from time to time. All the information as required in the formats appended to these Regulations along with justification shall be provided in the main petition.*

*Provided that the Commission may require submission of additional information/data required for determination of ARR and tariff."*



The Hon'ble Commission vide Tariff Order dated 01<sup>st</sup> March 2024 approved the Truing-up of FY 2022-23, Annual Performance Review (APR) of FY 2023-24 and ARR & Transmission Tariff for FY 2024-25 as per the provisions of MYT Regulations, 2021.

The Hon'ble Commission has notified its BERC MYT Tariff Regulations, 2024 applicable from 01<sup>st</sup> March 2025 remain applicable for the entire Control Period of FY 2025-26 to FY 2027-28.

This present petition contains Truing-up of FY 2023-24 based on the audited annual accounts of FY 2023-24, Annual Performance Review of FY 2024-25 based on estimates for the current year as per provisions of BERC MYT Regulations, 2021 and Business Plan & Multi Year Aggregate Revenue Requirement for the Control Period of FY 2025-26 to FY 2027-28 & transmission charges for the FY 2025-26 based on projections for the ensuing years of the control period as per provisions of BERC MYT Regulations, 2024.

BSPTCL has made genuine efforts for compiling all relevant information relating to the True-up/APR/Business Plan & MYT ARR as required in the Regulations issued by the Hon'ble Commission and has also made every effort to ensure that the information provided to the Hon'ble Commission are accurate and free from material errors.

However, there may be certain deficiencies/infirmities in the Petitions owing to the different aspects related with the operations of Transmission Company on independent basis. Hence, BSPTCL prays to the Hon'ble Commission that the information provided be accepted for the current filing and deficiencies, if any, may please be condoned. BSPTCL assures the Hon'ble Commission that appropriate measures have been taken to improve the management information system for improved data collection.

### **1.3 Contents of the Petition**

The current Petition consist of the following main sections namely:

**Chapter 1:** Introduction of the Present Petition (Present Chapter);

**Chapter 2:** Summary of the Present Petition;

**Chapter 3:** Truing-up of FY 2023-24;

**Chapter 4:** Annual Performance Review (APR) of FY 2024-25;

**Chapter 5:** Business Plan for the Control Period of FY 2025-26 to FY 2027-28;



**Chapter 6:** Multi Year Aggregate Revenue Requirement for the Control Period of FY 2025-26 to FY 2027-28;

**Chapter 7:** Transmission Charges for FY 2025-26; and

**Chapter 8:** Prayers

**Chapter 9:** Compliance to Directives.



## (2) Overview of the Present Petition:

### 2.1 Transmission Infrastructure of BSPTCL:

BSPTCL likes to submit that the power supply position in the State of Bihar is improving and the Petitioner is taking all the required steps to strengthen and develop the electricity infrastructure for end-to-end transmission of power within the State.

The number of Grid Sub-Stations (GSS) and transformation capacity at 220 kV and 132 kV voltage levels in MVA as on 31<sup>st</sup> March 2024 are provided in the table below:

**Table 2-1: Summary of GSS and Power Transformer Capacity (in MVA)**

Sub-Station	FY 2023-24 (Upto March, 2024)	
	No. of GSS	Capacity (MVA)
220/132 KV	25	10,540
132/33 KV	130	16,210
<b>Total</b>	155	26,750

Further, transmission line in Ckt. Km. at 220 kV and 132 kV voltage levels as on 31<sup>st</sup> March 2024 are provided in the table below:

**Table 2-2: Summary of Transmission Line length (in Ckt. Km.)**

Transmission Line	FY 2023-24 (Upto March, 2024)
	220 KV
132 KV Double Circuit	12,294.98

### 2.2 Transmission Loss:

BSPTCL likes to submit that it is undertaking all efforts to reduce transmission loss in the system. Improvement in actual Transmission Losses for past few years is as follows:





**Table 2-3: Transmission Losses over past years**



\* Note: Transmission Loss of FY 2023-24 as proposed by BSPTCL for Truing-up in this Petition.

### 2.3 Multi-Year Aggregate Revenue Requirement (MYT ARR):

BSPTCL submits that it has prepared the true up for the FY 2023-24 based on audited accounts for the FY 2023-24 and APR for the FY 2024-25 in accordance with BERC MYT Regulations 2021 and MYT ARR for the Control Period of FY 2025-26 to FY 2027-28 & Transmission Charges for the FY 2025-26 in accordance with BERC MYT Regulations 2024. The summary of the petition is as follows:

**Table 2-4: Summary of Aggregate Revenue Requirements (Rs. Cr.)**

Particulars	True up of FY 2023-24	Review of FY 2024-25	ARR of FY 2025-26	ARR of FY 2026-27	ARR of FY 2027-28
Employee Expenses	238.68	257.33	311.40	328.39	346.30
R&M Expenses	73.97	84.11	67.19	76.52	84.88
A&G Expenses	46.52	50.68	70.97	79.42	88.69
Share of Holding Company Expenses	24.50	24.50	24.50	24.50	24.50
Return on Equity	238.41	269.10	531.85	593.14	664.82
Depreciation	478.41	553.29	639.44	730.12	840.08
Interest on Loan Capital and Finance Charges	429.16	485.36	548.94	612.22	694.39
Interest on Working Capital	24.26	27.76	24.56	27.28	30.52
Incentive for Transmission Availability	11.65	0.00	0.00	0.00	0.00

*Truing up for FY 2023-24, Annual Performance Review for FY 2024-25,  
Business Plan and Multi Year Tariff Aggregate Revenue Requirement (MYT ARR)  
for the Control Period of FY 2025-26 to FY 2027-28 & Transmission Charges for FY 2025-26*



<b>Particulars</b>	<b>True up of FY 2023-24</b>	<b>Review of FY 2024- 25</b>	<b>ARR of FY 2025- 26</b>	<b>ARR of FY 2026- 27</b>	<b>ARR of FY 2027- 28</b>
Sharing of Losses/(Gains) on O&M expenses	38.97	-	-	-	-
Sharing of Losses/(Gains) on Interest on Working Capital	(12.13)	-	-	-	-
Sharing of Losses/(Gains) on Incentives on Transmission Availability Factor	(5.82)	-	-	-	-
Non-Tariff Income	104.17	109.38	114.85	120.59	126.62
Income From Other Business (OPGW Cable)	4.72	4.72	4.72	4.72	4.72
<b>Net ARR</b>	<b>1,477.67</b>	<b>1,638.03</b>	<b>2,099.26</b>	<b>2,346.28</b>	<b>2,642.85</b>

Further, BSPTCL submits that, all the details, computation along with applicable Regulations and norms considered for the preparation of the petition are discussed in the subsequent sections.



### (3) True up for FY 2023-24

#### 3.1. Introduction

BSPTCL is filing the current petition for the true-up of FY 2023-24 based on the actual technical & financial details. Audited accounts of FY 2023-24 are available in the consolidated accounts for the BSPTCL which is inclusive of SLDC function. Accordingly, the financial data has been allocated and expenditures of SLDC & Transmission function have been identified for the purpose of truing up for the FY 2023-24. BSPTCL has considered the values approved in the ARR of FY 2023-24 vide Tariff Order dated 21<sup>st</sup> March 2023 vis-à-vis values as per financial statement of FY 2023-24 for Truing up. It is further submitted that the Hon'ble Commission had approved the revised estimates of ARR for FY 2023-24 in the APR vide Tariff Order dated 01<sup>st</sup> March 2024. However, the Hon'ble Commission had not passed through the computed Revenue Gap/(Surplus) for FY 2023-24 in the ARR order of FY 2024-25. Hence, the true-up for FY 2023-24 has been claimed with respect to the values approved in the Tariff Order for FY 2023-24 dated 21<sup>st</sup> March 2023.

The True-up of FY 2023-24 is carried out in accordance with Regulation 7 and Regulation 13 (a) to (e) of the BEREC (Multi-Year Transmission Tariff and SLDC Charges) Regulations, 2021, which are as follows:

#### ***"7. Annual Review of Performance and True-up***

*7.1 Where the Aggregate Revenue Requirement and expected revenue from tariff and charges of a Transmission Licensee or SLDC, as the case may be, are covered under a Multi-Year Tariff framework, such Transmission Licensee or SLDC shall be subject to an annual review of performance and True-up during the Control Period in accordance with these Regulations."*

#### ***"13. True-Up and Annual Performance Review***

*The Commission shall True-Up expenses of the previous year either as part of the Tariff order or issue Order/s for True-Up of expenses preceding the Tariff order of ensuing year.*

*(a) An order for True-Up of expenses shall be issued on annual basis.*

*(b) An order for True-Up of expenses shall be on the basis of expense estimates made in the beginning of the year under consideration, actual expenses booked in the audited books of accounts of the Transmission Licensee or SLDC, as the case may be, for the year, and after prudence check of data by the Commission.*

*(c) Where audited books of account are not available at the time of true-up, provisional books of annual (regulatory) accounts duly approved by the Board of Directors of the applicant company shall be used for the provisional True-up process.*



(d) The Commission shall undertake review of estimates of expenses for the current year as a part of the tariff order on the basis of the actual expenses incurred during the period April – September of the current year and corresponding figures in the order for Annual Revenue Requirement (ARR) of the current year approved by the Commission.

(e) Estimates of expenses for the ensuing year shall be on the basis of corresponding figures in the order for True-up of expenses of the previous year and Annual Performance Review or Tariff Order of the current year, as the Commission may consider reasonable and deem fit .....

As submitted previously, since the separate accounts for Transmission and SLDC functions are not maintained, BSPTCL has submitted the Truing-up of FY 2023-24 based on the financial statement and allocation statement for Transmission function & SLDC of FY 2023-24. A copy of audited financial statement of BSPTCL along with allocation statement of SLDC and Transmission function for FY 2023-24 is attached as **Annexure I**. It is submitted that all the Income and Expenses considered under SLDC function have been deducted from the total expenses as per the audited accounts for proposed claims of BSPTCL Transmission Utility, in the True-up for FY 2023-24.

### 3.2. Transmission Losses

It is submitted that the Hon'ble Commission had approved transmission loss of 3.00% for the FY 2023-24 in the Tariff Order dated 21<sup>st</sup> March 2023. BSPTCL further submits that it has been able to restrict transmission losses of FY 2023-24, at the level lower than that approved by the Hon'ble BERC.

It is submitted that the actual transmission loss of BSPTCL during FY 2023-24 was 2.58%. Accordingly, BSPTCL has claimed the transmission loss as actual based on SLDC Certification for truing up of FY 2023-24.

The following table shows actual transmission loss in BSPTCL system for the FY 2023-24:

**Table 3-1: Actual Transmission Loss for the FY 2023-24 (in %)**

Particulars	Approved in Tariff Order dated 21st March 2023	Claimed in Truing-up of FY 2023-24
Energy Input (in MU)		41,089.61
Energy Output (in MU)		40,029.63
Transmission Loss (in MU)		1,059.98
Transmission Loss (%)	3.00%	2.58%

Accordingly, BSPTCL requests the Hon'ble Commission to consider and approve the actual transmission loss for the FY 2023-24 as claimed.



Further, Voltage level wise Transmission Loss for FY 2023-24, i.e., from April 2023 to March 2024 with details of energy input and energy output, as certified by SLDC, is attached as **Annexure II**.

### 3.3. Capital Work in Progress (CWIP)

The Hon'ble Commission has approved the closing CWIP balance for the FY 2022-23 vide Tariff Order dated 01<sup>st</sup> March 2024. BSPTCL has considered the same as opening balance of CWIP for truing up the FY 2023-24.

Further, BSPTCL had filed its investment plan Petition for the Control Period of FY 2022-23 to FY 2024-25. The Hon'ble Commission has also given its Order on 05.02.2024 (Case No. 17/2023). BSPTCL now submits that it has undertaken those schemes and other schemes as approved by the Hon'ble Commission vide its MYT Tariff Order dated 25<sup>th</sup> March 2022 (Case No. 20of 2021) as per their scheduled timeline.

BSPTCL has provided the work-wise break-up of Capex and capitalization for FY 2023-24 as **Annexure III**.

Further, it is also submitted that the Hon'ble Commission has kept the Capital Expenditure towards "220 KV D/C Transmission Line from PGCIL Banka to BGCL Goradiah with ACSR Zebra Conductor (Line Length - 39 KM) against NIT No. 49/PR/BSPTCL/2022" vide Investment Plan Order dated 05.02.2024 on hold. The observation of the Hon'ble Commission is as follows:

*"So far as the prayer for approval of construction of 220 KV D/C Transmission Line from PGCIL Banka to BGCL Goradiah with ACSR Zebra Conductor (Line Length - 39 KM) against NIT No. 49/PR/BSPTCL/2022, is concerned, the Commission notes that rationale for the proposed work to be done by BSPTCL may be given especially in view of the fact that Grid substation of both ends are being owned, operated and maintained by two different entities namely PGCIL, the central PSU and BGCL, the State Transmission Licensee. In view of the above, the approval of the aforementioned work amounting to Rs. 55.20 Cr. is kept on hold. The petitioner may approach the Commission separately with the above compliance for orders of the Commission."*

BSPTCL respectfully submits that the Project for "220 KV D/C Transmission Line from PGCIL Banka to BGCL Goradiah with ACSR Zebra Conductor (Line Length - 39 KM) against NIT No. 49/PR/BSPTCL/2022" was approved in 2<sup>nd</sup> meeting of Eastern Region power Committee dated 30.09.2020. Further, the GoB has also approved the project for execution by the BSPTCL vide letter no. BSPTCL/03/2021-900, dated 10.03.2022. Therefore, BSPTCL respectfully prays to the Hon'ble Commission to kindly consider and approve the same. BSPTCL submits the letter as **Annexure - IV**.



Further, BSPTCL respectfully submits that it has also undertaken several schemes for augmentation & strengthening of the existing transmission system. Therefore, addition to CWIP during the FY 2023-24 has been considered as per actual based on its annual accounts of FY 2023-24.

BSPTCL has also deducted the Capex and Capitalisation towards SLDC assets as per annual accounts of FY 2023-24 for computation of closing CWIP for the FY 2023-24.

The summary of the approved and actual capital expenditure & capitalization of FY 2023-24 are tabulated below:

**Table 3-2: Capital Expenditure for the FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	Approved in Tariff Order dated 21st March 2023	Claimed in Truing-up of FY 2023-24
1	Opening CWIP (A)	2,980.06	3,426.34
2	Capital Investment during the Year (B)	803.63	1,015.24
3	Less: Capitalization (C)	2,311.51	1,337.13
4	Less: IDC Capitalized (D)	0.00	134.22
5	Closing CWIP (A+B-C-D)	1,472.18	2,970.23

Accordingly, BSPTCL requests the Hon'ble Commission to consider and allow the capital work in progress (CWIP) as claimed above.

### 3.4. Gross Fixed Asset (GFA)

BSPTCL has arrived at the net capitalization during the year by deducting disposal/sale/transfer of assets based on audited accounts of FY 2023-24. BSPTCL has claimed the capitalization for Transmission function only and capitalization pertaining to SLDC function has been claimed separately in the True-up petition for SLDC. The following Table shows the scheme-wise capitalisation during the year.

**Table 3-3: Scheme Wise Net GFA addition of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	Claimed in Truing-up of FY 2023-24
1	Schemes under State Plan	998.05
2	Schemes under BRGF	3.10
3	Schemes under IRF	39.31
4	Schemes under ADB	0.00





Sl. No.	Particulars	Claimed in Truing-up of FY 2023-24
5	Schemes under Deposit Works	103.07
6	Schemes under PSDF	0.00
7	Schemes under Special Central Fund	193.60
	<b>Total Scheme-wise Capitalization</b>	<b>1,337.13</b>
8	Interest during Construction (IDC)	134.22
	<b>Total Capitalization transferred from CWIP</b>	<b>1,471.35</b>

Further, The Hon'ble Commission has approved the closing GFA balance for the FY 2022-23 vide Tariff Order dated 01<sup>st</sup> March 2024. BSPTCL has considered the same as opening balance of Gross Fixed Assets for truing up the FY 2023-24. Further, addition to GFA during the year as detailed above has been considered. Accordingly, BSPTCL has arrived at the Closing GFA for FY 2023-24 as shown below:

**Table 3-4: Gross Fixed Assets of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	FY 2023-24	
		Approved in Tariff Order dated 21st March 2023	Claimed in Truing-up of FY 2023-24
1	Opening GFA (A)	12,429.21	12,101.28
2	Add: Addition to GFA (excluding Land & IDC) (B)	2,311.51	1,319.49
3	Add: Direct Addition to GFA ('C)	0.00	0.00
4	Add: Net Value of Land (D)	0.00	17.64
5	Less: Disposal/Sale/Transfer of Asset ('E)	0.00	5.64
6	Add: Interest During Construction (F)	0.00	134.22
7	<b>Closing GFA (A+B+C+D-E+F)</b>	<b>14,740.72</b>	<b>13,566.98</b>

Therefore, BSPTCL requests the Hon'ble Commission to consider and approve the GFA for the FY 2023-24 as claimed.

### 3.5. Depreciation

BSPTCL has computed depreciation of FY 2023-24 in accordance with Regulation 23 of the MYT Regulations, 2021. The relevant provisions are as follows:

*"23 Depreciation*



*Truing up for FY 2023-24, Annual Performance Review for FY 2024-25,  
Business Plan and Multi Year Tariff Aggregate Revenue Requirement (MYT ARR)  
for the Control Period of FY 2025-26 to FY 2027-28 & Transmission Charges for FY 2025-26*



(i) Depreciation shall be calculated for each year of the control period on the original cost of the fixed assets of the corresponding year.....

(ii) Depreciation shall not be allowed on assets funded by capital subsidies, beneficiary contributions or grants.

(iii) Depreciation shall be calculated annually on the basis of assets capitalised and put to use based on the straight-line method over the useful life of the asset and at the rate not exceeding the rate specified by the Central Electricity Regulatory Commission from time to time as provided in Appendix-III of these Regulations.....

.....Provided that freehold land shall not be treated as a depreciable asset and its cost shall be excluded while computing 90% of the original cost of the asset.....

BSPTCL submits that it has considered the approved closing GFA balance for the FY 2022-23 vide Tariff Order dated 01<sup>st</sup> March 2024 as opening balance and GFA addition as per audited accounts of FY 2023-24 for computation of weighted average rate of Depreciation. Further, Rate of Depreciation has been considered in line with the Clause 23 (iii) of BERC MYT Regulations, 2021. The computation of weighted average rate of Depreciation is provided below:

**Table 3-5: Calculation of Weighted Average Rate of Depreciation on opening GFA**

Sl. No	Particulars	Rate of Depreciation	Opening Balance FY 2023-24	Depreciation for the year
1	Land & Land Rights	0.00%	1,533.57	0.00
2	Buildings	3.34%	71.32	2.38
3	Hydraulic Works	5.28%	0.06	0.00
4	Other Civil Works	3.34%	316.06	10.56
5	Plant and Machinery	5.28%	5,047.56	266.51
6	Lines and Cable Network	5.28%	5,236.80	276.50
7	Vehicles	6.33%	0.45	0.03
8	Furniture and Fixtures	6.33%	11.27	0.71
9	Office Equipment	6.33%	5.36	0.34
10	Computers & Accessories	15.00%	33.73	5.06
11	Intangible Assets	15.00%	-	0.00
12	<b>Total other than Land &amp; Land Rights</b>		<b>10,722.61</b>	<b>562.10</b>
13	<b>Average rate of Depreciation in (%)</b>			<b>5.24%</b>

Further, Regulation 23 (v) of the BERC MYT Regulations, 2021 provides:



(v) Depreciation shall be chargeable from the first year of operation of the asset. For part of the year, depreciation shall be charged on pro rata basis....."

Accordingly, BSPTCL has computed weighted average rate of Depreciation on pro-rata basis for GFA addition of FY 2023-24. Detailed computation of weighted average rate of depreciation on GFA addition are as follows:

**Table 3-6: Calculation of Weighted Average Rate of Depreciation on GFA addition**

Sl. No.	Particulars	Rate of Depreciation	Addition during the year	Depreciation charged on addition
1	Land & Land Rights	0.00%	17.64	0.00
2	Buildings	3.34%	0.47	0.01
3	Hydraulic Works	5.28%	0.00	0.00
4	Other Civil Works	3.34%	13.97	0.23
5	Plant and Machinery	5.28%	288.51	7.62
6	Lines and Cable Network	5.28%	1,148.11	30.31
7	Vehicles	6.33%	0.00	0.00
8	Furniture and Fixtures	6.33%	0.50	0.02
9	Office Equipment	6.33%	1.27	0.04
10	Computers & Accessories	15.00%	0.46	0.03
11	Intangible Assets	15.00%	0.42	0.03
12	Total other than Land & Land Rights		<b>1,453.70</b>	<b>38.29</b>
13	<b>Weighted average rate of Depreciation on GFA addition (in %)</b>			<b>2.63%</b>

BSPTCL submits that it has reduced the net amount of land from the opening balance approved by the Hon'ble Commission to arrive at the depreciable GFA.

Further, BSPTCL has separately computed depreciation on assets created out of Grants/Consumer Contribution/deposit works and adjusted the same from the gross depreciation to arrive at net depreciation for truing up of FY 2023-24. Details of depreciation along with the approved figures for FY 2023-24 are as shown in table below:



**Table 3-7: Depreciation for the FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	Approved in Tariff Order dated 21st March 2023	Claimed in Truing-up of FY 2023-24
1	Opening GFA	12,429.21	12,101.28
2	Less: Value of Land	1,468.52	1,533.57
3	Value of GFA net of Land (1-2)	10,960.69	10,567.71
4	Addition during the Year (excluding land and IDC)	2,311.51	1,319.49
5	Add: IDC	0.00	134.22
6	Less: Adjustment for assets sold/disposed	0.00	5.64
7	Closing GFA (3+4+5-6)	13,272.20	12,015.77
8	Average GFA	12,116.45	11,291.74
9	Weighted average rate of depreciation on opening GFA	4.55%	5.24%
10	Weighted average rate of depreciation on addition during the year	2.77%	2.63%
11	Depreciation $((3*9)+((4+5-6)*10))$	562.79	592.12
12	Opening Grants**	2,105.33	2,117.35
13	Assets capitalised funded through grants	469.21	0.00
14	Assets capitalised through deposit works	0.00	103.07
15	Total Grants**	2,574.54	2,220.42
16	Average Grants**	2,339.94	2,168.88
17	Weighted average rate of depreciation on opening GFA	4.55%	5.24%
18	Weighted average rate of depreciation on addition during the year	2.77%	2.63%
19	Depreciation on Grants $((12*17) + (13+14) *18))$	108.80	113.71
20	<b>Net Depreciation considered in ARR (11-19)</b>	<b>453.99</b>	<b>478.41</b>

\* Grants include consumer contribution and deposit works.

Accordingly, BSPTCL requests the Hon'ble Commission to consider and approve the Depreciation of FY 2023-24.



### 3.6. Operation and Maintenance Expenses

BSPTCL submits that it has claimed Operation and Maintenance Expenses on Normative Basis for the FY 2023-24 in line with BERC MYT Regulation 2021.

Further, BSPTCL submits that the audited annual accounts of BSPTCL for the FY 2023-24 has been prepared. However, annual accounts of FY 2023-24 are consolidated accounts for the BSPTCL which is inclusive of SLDC function. Therefore, BSPTCL has arrived at the actual O&M expenses for the FY 2023-24 pertaining to transmission function based on Annual accounts and allocation of expenses for Transmission and SLDC functions as certified by the statutory auditor.

Details of O&M Expenses on Normative and actual basis are provided below for consideration of the Hon'ble Commission.

#### 3.6.1. Normative Operation and Maintenance (O&M) Expenses

Regulation 21.1 of BERC MYT Regulations, 2021, specifies that the Hon'ble Commission shall stipulate a separate trajectory of norms for each of the components. The relevant extracts are as follows:

*"21. Operation and Maintenance Expenses*

*a) The Commission shall stipulate a separate trajectory of norms for each of the components of O&M expenses viz., Employee cost, Repair and Maintenance (R&M) expense and Administrative and General (A&G) expense.*

*Provided that such norms may be specified for a specific Transmission Licensee or a class of Transmission Licensees.*

*(b) Norms shall be defined in terms of number of personnel per ckt/km (for different categories of transmission lines for e.g. 400 KV, 220 KV, 132 KV etc. Lines) and number of personal per bay (for different categories of bay for e.g. 400 KV, 220 KV, 132 KV etc. Bays) along with annual expenses per personnel for Employee expenses; combination of A&G expense per personnel and A&G expense per substation for A&G expenses and R&M expense as percentage of gross fixed assets for estimation of R&M expenses....."*

##### 3.6.1.a. Normative Employee Expenses

The Hon'ble Commission adopted a ratio of 45% of the total no. of the employees as a part of norms for substation and 55% personnel as a part of norms per CKt-Km for the purpose of calculation of norms. The Hon'ble Commission has revised the norms for Employee Expenses of FY 2023-24 vide its Tariff Order dated 21<sup>st</sup> March, 2023. Accordingly, BSPTCL has considered the same for computing the Normative Employee Expenses of FY 2023-24.



The following Table shows the revised base value of norms computed by the Hon'ble Commission in Tariff Order dated 21<sup>st</sup> March 2023 for FY 2023-24:

**Table 3-8: Base Value considered for Normative Employee Expenses of FY 2023-24**

Sl. No.	Particulars	FY 2023-24
1	Number of personnel per Ckt-Km (55%)	0.0823
2	Number of personnel per substation (45%)	7.2218
3	Annual expenses per personnel (Rs. Lakh)	8.8320

Regulation 21.1 of BERC MYT Regulations, 2021 provides for an escalation of base value norms for consideration of employee expenses. The relevant extracts are as follows:

***“21.1 Employee Cost***

*Employee cost shall be computed as per the approved norm escalated by consumer price index (CPI), adjusted by provisions for expenses beyond the control of the Transmission Licensee and one-time expected expenses, such as recovery/adjustment of terminal benefits, implications of pay commission, arrears and Interim Relief, governed by the following formula:*

$$EMP_n = (EMP_b * CPI \text{ inflation}) + Provision$$

Where:

*EMP<sub>n</sub> : Employee expense for the year n*

*EMP<sub>b</sub> : Employee expense as per the norm*

*CPI inflation: is the average increase in the Consumer Price Index (CPI) for immediately preceding three years.....”*

In accordance with the MYT Regulations 2021, BSPTCL has considered average of CPI inflation of preceding three years (i.e., FY 2020-21, FY 2021-22 and FY 2022-23) for escalating the base norms of employee expenses. The following Table shows the escalation considered on base norms for computation of employee expenses:



**Table 3-9: Computation of CPI inflation considered for FY 2023-24**

Particulars	Actual				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Annual Average CPI	323	339	356	378	397
CPI Inflation		5.02%	5.13%	6.05%	
Average CPI Inflation for last three years					5.40%

The following table shows the employee expenses considered in Truing-up of FY 2023-24 on normative basis.

**Table 3-10: Normative Employee Expenses of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	Base Norm	FY 2023-24	
			Approved in Tariff Order dated 21st March 2023	Claimed in Truing-up of FY 2023-24
1	Average annual CPI index		5.89%	5.40%
2	Norms-Number of personnel per Ckt/Km	0.0823	0.0823	0.0823
3	Norms-Number of personnel per substation	7.2218	7.2218	7.2218
4	Transmission line in Ckt Km		16,608	17,552
5	No. of Substations		150	155
6	Norms-Annual expenses per personnel (Rs. Lakh)	8.8320	9.90	9.3090
7	Employee Cost (Number of personnel per Ckt/Km basis) (2*4*6)/100 (Rs. Crore)		135.36	134.47
8	Employee Cost (Number of personnel per substation basis) (3*5*6)/100 (Rs. Crore)		107.28	104.20
9	<b>Total Employee cost for the year (7+8) (Rs. Crore)</b>		<b>242.64</b>	<b>238.68</b>

Accordingly, BSPTCL requests the Hon'ble Commission to consider and approve Normative Employee Cost in Truing-up of FY 2023-24 as shown in the above Table.





### 3.6.1.b. Normative Repairs and Maintenance (R&M) Expenses

Regulation 21.2 of the MYT Regulations, 2021 specifies R&M expenses as percentage of opening gross fixed assets (excluding land cost) for estimation of R&M expenses. Regulation 21 (i) specifies that the norms shall be determined based on audited accounts of last three years.

The Hon'ble Commission in MYT Order dated 25<sup>th</sup> March 2022 considered 'K factor' of 0.70% for the Control Period from FY 2022-23 to FY 2024-25. BSPTCL has applied the same principle for arriving at the normative R&M Expenses for the FY 2023-24. The following table shows the R&M expenses considered in Truing-up of FY 2023-24 in line with the above approach.

**Table 3-11: Normative R&M Expenses of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	FY 2023-24	
		Approved in Tariff Order dated 21st March 2023	Claimed in Truing-up of FY 2023-24
1	Opening GFA (Net of Land)	10,960.69	10,567.71
2	% of GFA	0.70%	0.70%
3	<b>R&amp;M Expenses for the Year</b>	<b>76.72</b>	<b>73.97</b>

Therefore, Hon'ble Commission is requested to consider and approve the Normative R&M Expenses for Truing-up of FY 2023-24 as claimed by BSPTCL.

### 3.6.1.c. Normative Administration and General (A&G) Expenses

The Hon'ble Commission in MYT Tariff Order dated 25<sup>th</sup> March 2022 has computed norms for A&G expenses in terms of A&G expense per personnel and A&G expense per substation and escalated the same as per the regulations to arrive at the norms applicable for the control period of FY 2022-23 to FY 2024-25. The following Table shows the norms stipulated by the Hon'ble Commission for the FY 2023-24 in the MYT Tariff Order dated 25<sup>th</sup> March 2022.

**Table 3-12: Base Value considered for Normative A&G Expenses (Rs. Cr.)**

Sl. No.	Particulars	FY 2023-24
1	A&G Expenses per personnel (Rs. Lakh)	1.0104
2	A&G Expenses per substation (Rs. Lakh)	13.6600



BSPTCL has considered the above norms as base values for computation of A&G expenses for FY 2023-24. Further, Regulation 21.3 of MYT Regulations, 2021 provides for escalation of base value norms for consideration of A&G expenses. The relevant extracts are as follows:

**“21.3 Administrative and General (A&G) Expense**

*A&G expense shall be computed as per the norm escalated by wholesale price index (WPI) and Consumer Price Index (CPI) in the ratio 60:40 and adjusted by provisions for confirmed initiatives (IT etc. initiatives as proposed by the Transmission Licensee and validated by the Commission) or other expected one-time expenses, and shall be governed by following formula:*

$$A\&G_n = (A\&G_b * WPI \text{ inflation}) + Provision$$

Where:

*A&G<sub>n</sub>: A&G expense for the year n*

*A&G<sub>b</sub>: A&G expense as per the norm*

*WPI inflation: is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years.....”*

BSPTCL has considered average escalation of CPI and WPI indices with weightage of 40:60 respectively for immediately preceding three years (i.e., FY 2020-21, FY 2021-22 and FY 2022-23) on base norm of A&G expenses to compute Normative A&G Expenses of FY 2023-24, as shown in the Table below:

**Table 3-13: WPI: CPI inflation considered for A&G Expenses of FY 2023-24**

Particulars	Actual				
	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
<b>Annual Average CPI Index</b>	323	339	356	378	
<b>CPI Inflation</b>		5.02%	5.13%	6.05%	5.40%
<b>Annual Average WPI Index</b>	122	123	139	153	
<b>WPI Inflation</b>		1.29%	13.00%	9.41%	7.90%
<b>Average WPI : CPI (60:40) Inflation for preceding three years</b>					<b>6.90%</b>

The following table shows the Normative A&G Expenses considered in Truing-up of FY 2023-24 in line with the methodology specified in Regulation 21.3 of MYT Regulations, 2021:



**Table 3-14: Normative A&G Expenses of FY 2023-24 (Rs. Crore)**

Sl. No.	Particulars	Base Norms	FY 2023-24	
			Approved in Tariff Order dated 21st March 2023	Claimed in Truing-up of FY 2023-24
1	Average annual CPI&WPI index		5.89%	6.90%
2	Norms-A&G Expenses per personnel (Rs. Lakh)	1.0104	1.1590	1.0801
3	Norms-A&G Expenses per substation (Rs. Lakh)	13.6600	15.2180	14.6025
4	No. of Employees		2,200.00	2,211.00
5	No. of Substations		150.00	155.00
6	A&G Expenses (No. of employees basis) (2*4) (Rs. Crore)		25.49	23.88
7	A&G Expenses (No. of substations basis) (3*5) (Rs. Crore)		22.83	22.63
8	<b>Total A&amp;G Expenses for the year (Rs. Crore) (6+7)</b>		<b>48.32</b>	<b>46.52</b>

Therefore, BSPTCL requests the Hon'ble Commission to consider the Normative A&G Expenses for Truing-up of FY 2023-24 as claimed in table above.

### 3.6.1.d. Normative O&M Expenses

Based on above paras, BSPTCL has summarised Normative O&M Expenses as tabulated below:

**Table 3-15: Normative O&M Expenses of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	FY 2023-24 Actual
1	Employee Expenses	238.68
2	R&M Expenses	73.97
3	A&G Expenses	46.52
4	Holding Cost Expenses	24.50
	<b>Total O&amp;M Expenses</b>	<b>383.66</b>

Therefore, BSPTCL requests the Hon'ble Commission to consider and approve the Normative O&M Expenses for Truing-up of FY 2023-24 as claimed.



### 3.6.2. Actual Operation and Maintenance (O&M) Expenses

BSPTCL submits that the Annual Accounts of BSPTCL for the FY 2023-24 has been prepared & audited. Therefore, BSPTCL has computed Operation and Maintenance Expenses of FY 2023-24 based on audited annual accounts for consideration of Hon'ble Commission.

Further, BSPTCL has deducted the expenses pertaining to SLDC function based on Allocation statement for the FY 2023-24 certified by the statutory auditor for arriving at the actual O&M Expenses of the Transmission function.

#### 3.6.2.a. Actual Employee Expenses

BSPTCL submits that employee expenses comprise costs towards salaries, dearness allowances, medical expense reimbursement, other allowances, staff welfare expenses and terminal benefits. Details of actual Employee Cost incurred by BSPTCL for the FY 2023-24 are as shown in the table below:

**Table 3-16: Actual Employee Expenses of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	FY 2023-24 Actual
1	Salaries	134.40
2	Overtime	6.79
3	Dearness Allowance	61.46
4	Other Allowance	21.30
5	Medical Expenses Re-imburement	1.36
6	Staff welfare Expenses	0.30
7	Terminal Benefit	93.77
	<b>Total Other Employee Cost</b>	<b>319.37</b>
8	Less: Employee cost of SLDC	6.36
	<b>Total Actual Employee Cost of BSPTCL</b>	<b>313.01</b>

#### 3.6.2.b. Actual R&M Expenses

Repair & Maintenance Expenses include expenses on repair and maintenance of Plant and Machinery, Transformers, Lines, cable network, etc. It is important for BSPTCL to incur the R&M expenses in order to maintain and strengthen the transmission system for maintaining the quality of power supply in the region and achieve system availability as specified in BERC MYT Regulations, 2021. The actual R&M expense for the FY 2023-24 incurred by BSPTCL is tabulated below:



**Table 3-17: Actual R&M Expenses of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	FY 2023-24 Actual
1	Plant and Machinery	28.25
2	Building	7.82
3	Civil Works	6.13
4	Hydraulic Works	0.00
5	Line Cable Networks	9.99
6	Vehicles	0.00
7	Furniture & Fixture	0.10
8	Office Equipment	4.64
9	<b>Total R&amp;M Expenses</b>	<b>56.93</b>
10	Less: R&M Cost of SLDC	2.83
11	<b>Total R&amp;M Expenses of BSPTCL</b>	<b>54.10</b>

### 3.6.2.c. Actual A&G Expenses

A&G Expenses comprise expense towards Conveyance and Travelling, Electricity Charges, Miscellaneous Expenses, Telephone Expenses, Fees and Subscriptions, Legal Charges, and Printing and Stationery. Following table shows Actual A&G expenses claimed by the BSPTCL based on annual accounts for the FY 2023-24:

**Table 3-18: Actual A&G Expenses of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	FY 2023-24 Actual
1	Rent, rates & taxes	0.13
2	Insurance	5.24
3	Telephone, postage & Telegrams	0.55
4	Legal Charges	0.00
5	Audit Charges	0.08
6	Consultancy fees	1.01
7	Director's Sitting Fee	0.00
8	Interest on Statutory Dues	0.00
9	Holding Charges	0.00
10	Other professional charges	0.01
11	Conveyance & travel expenses	14.93
12	Fees & Subscription	1.80
13	Books & Periodicals	0.02
14	Printing & Stationary	0.42
15	Advertisement	1.02
16	Expenditure on CSR	6.16
17	Electricity & Water charges	15.61



Sl. No.	Particulars	FY 2023-24 Actual
18	Freight	0.00
19	Entertainment Charges	0.36
20	Commission for sale of scrap	0.19
21	Home Guard/ Security Guard	11.07
22	Miscellaneous Expenses	1.45
23	Contribution to CM Relief Fund-Company	10.00
24	Compensation/Injuries/Dath/Damages	1.01
25	Loss Due to Cyclone/Flood/Theft	0.00
26	Store Handling Exp.	0.00
27	Loss on sale of Scrap	0.00
28	CST/VAT on demand	0.00
29	<b>Total expenses</b>	<b>71.04</b>
30	<b>Less SLDC Expenses</b>	<b>1.04</b>
31	<b>Total Actual A&amp;G Expenses</b>	<b>70.00</b>

### 3.6.2.d. Actual O&M Expenses

Based on above submission, BSPTCL has summarised actual O&M Expenses of FY 2023-24 as provided below:

**Table 3-19: Actual O&M Expenses of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	FY 2023-24 Actual
1	Employee Expenses	313.01
2	R&M Expenses	54.10
3	A&G Expenses	70.00
	<b>Total O&amp;M Expenses</b>	<b>437.11</b>

Therefore, BSPTCL requests the Hon'ble Commission to consider Actual O&M Expenses in Truing-up of FY 2023-24 as shown in the above Table.

### 3.7. Holding Company Expenses

BSPTCL submits that expenses of BSP(H)CL, which is the Holding Company of all the State Utilities and Generating Company, is recovered from its subsidiary Companies. The cost sharing between the subsidiary Companies including BSPTCL is as per the amount of equity shares issued by the Holding Company to the Subsidiary Company.

In light of the above, all the Utilities have to bear the cost of the Holding Company. BSPTCL is claiming Holding Company expenses separately in line with the methodology adopted in previous Tariff Orders. BSPTCL has claimed the Holding





Company Expenses as per the actual amount reflecting in annual accounts of FY 2023-24, as shown in the Table below:

**Table 3-20: Actual Holding Company Expenses of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	Approved in Tariff Order dated 21st March 2023	Claimed in Truing-up of FY 2023-24
1	Holding Company Expenses	16.40	24.50

Accordingly, BSPTCL requests the Hon'ble Commission to consider and approve the Holding Company Expenses on actual basis for Truing-up of FY 2023-24 as shown in the table above.

### 3.8. Means of Finance

Regulation 22 (a) of BERC MYT Regulations, 2021, provides as follows:

**"22. Return on Equity**

(a) Return on equity shall be computed on 30% of the capital cost or actual equity, whichever is lower....."

Further, Regulation 24 (b) of MYT Regulations, 2021 specifies provisions for computing the interest on loan. The relevant extracts are as follows:

**"24. Interest and finance charges on loan capital**

.....(b) If the equity actually deployed is more than 30 % of the capital cost, equity in excess of 30 % shall be treated as normative loan:

Provided that where equity actually deployed is less than 30% of the capital cost, the actual loan shall be considered for determination of interest on loan."

BSPTCL submits that for the purpose of arriving at the means of finance for the year, it has computed Net Asset capitalized during FY 2023-24 as per annual accounts after deducting disposal/sale/transfer of asset and has further reduced the amount capitalised on account of grant received from PSDF and Deposit works.

Further, BSPTCL has considered capitalization under the category Special Central Assistance funded schemes for computing normative debt- equity addition because the same has been received by BSPTCL as Equity addition from GoB.



Further, BSPTCL has considered the Debt Equity ratio in line with the approach adopted by the Hon'ble Commission in previous Tariff Orders. The details of Debt-Equity of capitalised projects of FY 2023-24 for the purpose of Loan and Equity addition is shown in the Table below:

**Table 3-21: Means of Finance of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	FY 2023-24 Actual
1	Capitalization during FY 2021-22	1,471.35
2	Less: Grant & Deposit Works	103.07
3	Net Capitalization	1,368.28
4	<b>12th Plan Projects</b>	
5	Equity Considered	1.74
6	Debt Considered	4.05
7	<b>13th Plan Projects</b>	
8	Equity Considered	291.86
9	Debt Considered	1,070.63
10	<b>Total Equity addition considered</b>	<b>293.59</b>
11	<b>Total Debt addition considered</b>	<b>1,074.68</b>

Therefore, BSPTCL requests the Hon'ble BERC to consider and approve the above calculation for Equity and Loan addition for Truing up of FY 2023-24.

### 3.9. Interest and Finance Charges

BSPTCL has computed the interest and finance charges of FY 2023-24 in accordance with the Regulation 24 of BERC MYT Regulations, 2021. The relevant extracts are as follows:

*"24. Interest and finance charges on loan capital*

*.....(e) The repayment for the control period shall be deemed to be equal to the depreciation allowed for the year.*

*.....(g) The rate of interest shall be the weighted average rate of interest calculated on the basis of actual loan portfolio at the beginning of each year of the control period, in accordance with terms and conditions of relevant loan agreements, or bonds or nonconvertible debentures:....."*

The Hon'ble Commission vide Tariff Order dated 21<sup>st</sup> March 2023 has computed Rate of Interest based on actual outstanding and applicable MCLR during the year. BSPTCL submits that it has adopted the same methodology for computing the applicable Rate of Interest for truing up of FY 2023-24. The detail computation of the applicable Rate of Interest is as follows:



**Table 3-22: Weighted Average Rate of Interest for FY 2023-24**

Sl. No.	Particulars	Amount Outstanding (Rs. Crore)	Applicable Interest
1	Loans from Financial Institutions	3,200.00	8.72%
2	Loans from ADB	464.13	13.00%
Weighted Average Interest Rate			<b>9.25%</b>

BSPTCL further submits that it has considered the closing loan of FY 2022-23 approved by the Hon'ble BERC vide order dated 01<sup>st</sup> March 2024 as normative opening loan balance for the FY 2023-24. In accordance with Regulation 24 of BERC MYT Regulations, 2021, repayment of loans equivalent to Depreciation worked out in Truing-up of FY 2023-24 has been considered and Loan addition has been considered as per means of finance for the FY 2023-24 discussed in the previous para. Based on above submissions, BSPTCL submits detail computation of interest on loan as below:

**Table 3-23: Interest and Finance Charges of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	FY 2023-24	
		Approved in Tariff Order dated 21st March 2023	Claimed in Truing-up of FY 2023-24
1	Opening Loan	4,670.62	4,339.92
2	Addition during the year	1,482.56	1,074.68
3	Normative Repayment (Equal to Depreciation)	453.99	478.41
4	Closing Loan (1+2-3)	5,699.19	4,936.20
5	Average Loan	5,184.90	4,638.06
6	Interest Rate (%)	7.87%	9.25%
7	Interest on Loan	408.05	429.16
8	Other Finance Charges	0.16	0.01
9	<b>Interest and Finance Charges (7+8)</b>	<b>408.21</b>	<b>429.16</b>

Therefore, BSPTCL requests the Hon'ble Commission to consider and approve the Interest on Loan and Finance Charges for truing-up of FY 2022-23 as submitted above.

### 3.10. Return on Equity

Regulation 22 of BERC MYT Regulations, 2021, provides as follows:

*"22. Return on Equity*



.....(b) The return on the equity invested shall be allowed from the date of start of commercial operation and after put to use:

(c) Return on equity shall be computed at the rate of 15.5% for the project which is commissioned w.e.f. 01.04.2015 and further incentive equivalent to 0.5% will be allowed in the form of RoE, if the project is completed within schedule as per the Annexure A or original schedule period as the case may be. However, Return on Equity for the project commissioned prior to 01.04.2015 shall be allowed at the rate of 14%."

Further, Regulation 27 (2) of the BERC MYT Regulations, 2021, specifies as under:

**"27. Tax on Return on Equity**

.....(2) Rate of return on equity shall be rounded off to two decimal places and shall be computed as per the formula given below:

$$\text{Rate of pre-tax return on equity} = \text{Base rate} / (1-t)$$

Where "t" is the effective tax rate in accordance with Clause (1) of this regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of licensee/SLDC paying Minimum Alternate Tax (MAT), "t" shall be considered as MAT rate including surcharge and cess."

BSPTCL has considered the closing equity balance of FY 2022-23 as approved by the Hon'ble BERC vide Order dated 01<sup>st</sup> March 2024 as opening equity base for the FY 2023-24. Further, BSPTCL had already proposed lower Rate of Return of 8% in its Tariff Petition for FY 2024-25 against the approved rate of 15.5%, the Hon'ble Commission has also approved the same vide Tariff Order dated 01<sup>st</sup> March 2024. Therefore, in line with the above, BSPTCL has claimed Rate of Return at 8% for truing up. Further, BSPTCL has considered the MAT rate of 17.47% in line with the actual MAT rate applicable for FY 2023-24 as per annual accounts. The details of RoE claimed by BSPTCL for the FY 2023-24 are tabulated as follows:

**Table 3-24: Return on Equity of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	FY 2023-24	
		Approved in Tariff Order dated 21st March 2023	Claimed in Truing-up of FY 2023-24
1	Equity as on 31.03.2015	375.41	375.41



Sl. No.	Particulars	FY 2023-24	
		Approved in Tariff Order dated 21st March 2023	Claimed in Truing-up of FY 2023-24
2	Rate of Return on Equity	10.00%	8.00%
3	Tax/MAT Rate %	17.47%	17.47%
4	Pre-tax Rate of Return on Equity (2/(1-3))	12.12%	9.69%
5	Return on Equity (1*4)	45.49	36.39
6	Opening Equity	1,974.55	1,937.20
7	Addition during the year	359.74	293.59
8	Closing Equity (6+7)	2,334.29	2,230.79
9	Average Equity (6+8)/2	2,154.42	2,084.00
10	Rate of Return on Equity	10.00%	8.00%
11	Tax/MAT Rate %	17.47%	17.47%
12	Pre-tax Rate of Return on Equity (10/(1-11))	12.12%	9.69%
13	Return on Equity (9*12)	261.12	202.02
14	<b>Total Return on Equity (5+13)</b>	<b>306.61</b>	<b>238.41</b>

Accordingly, BSPTCL requests the Hon'ble Commission to consider and approve Return on Equity for Truing-up of FY 2023-24 as claimed in the table above.

### 3.11. Interest on Working Capital

Regulation 26 of the MYT Regulations, 2021 specifies the method for computation of Interest on Working Capital for the Control Period. The relevant extracts are as follows:

**"26. Interest on working capital**

(a) The Transmission Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:

(i) Receivables equivalent to two (2) month of transmission charges calculated on target availability level.

(ii) O&M Expenses of one (01) month.

(iii) Maintenance spares @ 40% of R&M expenses for one month.

**Less:**

(iv) Return on equity and contribution to contingency reserves equivalent to two months.

*Truing up for FY 2023-24, Annual Performance Review for FY 2024-25,  
Business Plan and Multi Year Tariff Aggregate Revenue Requirement (MYT ARR)  
for the Control Period of FY 2025-26 to FY 2027-28 & Transmission Charges for FY 2025-26*



(v) Amount of security deposits from Transmission System users, if any, held during the year except the security deposits held in the form of Bank Guarantee from Transmission System Users.

(b) Interest on working capital shall be on normative basis and rate of interest shall be equal to the State Bank (one-year tenor) Marginal Cost of Funds-based Lending Rate ('MCLR') as of the date on which petition for determination of tariff is filed plus 150 basis points. The rate of interest for the purpose of Truing-up shall be the weighted average MCLR of the concern Financial Year plus 150 basis points.

(c) Interest shall be allowed on the amount held as security deposit (except the security deposit held in the form of Bank Guarantee) from Transmission System Users at the Bank Rate (RBI Base Rate) as at the date on which the application for determination of tariff is filed. The interest allowed shall be subject to true up at weighted average Bank Rate of the concern Financial Year.

(d) If the State Government is providing resource gap grant and/or subsidy, the working capital shall be reduced by two months equivalent of that amount."

In accordance with the above provisions, BSPTCL has considered the weighted average rate of interest based on State Bank of India (SBI) one-year MCLR for FY 2023-24 and added 150 basis point to compute interest rate for Working Capital. The weighted average of SBI 01-year MCLR for the FY 2023-24 is 7.07%. Accordingly, interest rate has been considered as 10.07% (08.57%+1.50%). The calculation of interest rate as per the principles discussed above is detailed below for the FY 2023-24.

**Table 3-25: Weighted Average Rate of SBI MCLR One Year Tenure**

Sl. No.	From Date	To Date	No. of Days	Base Rate	Amount
1	01-04-2023	14-04-2023	13	8.50%	1.11
2	14-04-2023	14-05-2023	31	8.50%	2.64
3	15-05-2023	14-06-2023	31	8.50%	2.64
4	15-06-2023	14-07-2023	30	8.50%	2.55
5	15-07-2023	14-08-2023	31	8.55%	2.65
6	15-08-2023	14-09-2023	31	8.55%	2.65
7	15-09-2023	14-10-2023	30	8.55%	2.57
8	15-10-2023	14-11-2023	31	8.55%	2.65
9	15-11-2023	14-12-2023	30	8.55%	2.57
10	15-12-2023	14-01-2024	31	8.65%	2.68
11	15-01-2024	14-02-2024	31	8.65%	2.68
12	15-02-2024	14-03-2024	29	8.65%	2.51
13	15-03-2024	31-03-2024	17	8.65%	1.47
14	Weighted Average Rate of Interest				8.57%
15	<b>Add: 150 Basis Point for computing of Interest rate of Working Capital</b>				<b>10.07%</b>





The calculation of interest on Working Capital as per the applicable interest rate & principles discussed above is detailed below along with the approved figures for the FY 2023-24.

**Table 3-26: Interest on Working Capital of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	FY 2023-24	
		Approved in Tariff Order dated 21st March 2023	Claimed in Truing-up of FY 2023-24
1	Receivables equivalent to two (2) months of Transmission Charges	252.66	246.28
2	O&M Expenses of one month	32.01	31.97
3	Maintenance spares@ 40% of R&M Expenses for one month	2.56	2.47
4	Less: RoE, and Contribution to Contingency Reserves for 2 months	51.10	39.73
5	<b>Total Working Capital</b>	<b>236.11</b>	<b>240.98</b>
6	Rate of Interest on working Capital (%)	9.55%	10.07%
7	<b>Interest on Working Capital to be claimed</b>	<b>22.55</b>	<b>24.26</b>

Therefore, BSPTCL requests the Hon'ble Commission to consider and approve the Interest on Working Capital for truing-up of FY 2023-24 as shown in the table above.

### 3.12. Incentive/Disincentive

Regulation 38 of the BERC MYT Regulations, 2021 provides that BSPTCL is entitled to incentive/disincentive on account of deviation from target availability set by the Hon'ble Commission. The relevant extracts are as follows:

*"38. Incentive/Disincentive*

*38.1 The Transmission Licensee shall be entitled to incentive/disincentive on account of deviation from target availability set by commission. The transmission charges referred to in Regulation 33 of these Regulations are inclusive of such incentives and disincentives on account of availability of system."*

In line with above Regulations, BSPTCL has computed Incentive/Disincentive on account of Transmission Availability Factor for the FY 2023-24.



### 3.12.1. Incentive on Transmission Availability Factor

BSPTCL has claimed incentive on Transmission Availability Factor (TAF) for FY 2023-24 as per Regulation 16 of the MYT Regulations, 2021. The incentive computation is as per the Formula prescribed in Regulation 16.3 of MYT Regulations, 2021 for FY 2023-24. The following table shows the month-wise Transmission availability achieved by BSPTCL during FY 2023-24:

**Table 3-27: Month-wise Transmission Availability of FY 2023-24**

Sl. No.	Particulars	Transmission Availability
1	Apr-23	99.24%
2	May-23	99.43%
3	Jun-23	98.66%
4	Jul-23	98.59%
5	Aug-23	99.51%
6	Sep-23	99.48%
7	Oct-23	99.53%
8	Nov-23	99.60%
9	Dec-23	99.20%
10	Jan-24	99.30%
11	Feb-24	99.24%
12	Mar-24	99.68%
13	<b>Average Actual Transmission Availability</b>	<b>99.29%</b>

BSPTCL submits that it has achieved the actual TAF higher than the target availability for incentive of 98.50% as prescribed in Regulation 16 (1) of BERC MYT Regulations, 2021. The SLDC Certificate for actual TAF achieved by BSPTCL in FY 2023-24 is annexed as **Annexure - V**.

Accordingly, BSPTCL has computed Incentive on account of achieving TAF higher than target availability in FY 2023-24, as shown in table below:

**Table 3-28: Incentive on Transmission Availability of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	Claimed in Truing-up of FY 2023-24
1	Transmission Availability for FY 2023-24	99.29%
2	Target Availability	98.50%
3	Additional Achievement	0.79%
4	Annual Transmission Charges	1,477.67



Sl. No.	Particulars	Claimed in Truing-up of FY 2023-24
5	Incentive for Target Availability	11.65

Therefore, BSPTCL requests the Hon'ble Commission to approve Incentive on Target availability for truing-up of FY 2023-24 as shown in the table above.

### 3.13. Non-Tariff Income

The Hon'ble Commission vide Order dated 20<sup>th</sup> March 2020 had excluded the Deferred Income from the total Non-Tariff Income. In line with the approach, BSPTCL has not considered Deferred Income for computing Non-Tariff Income of FY 2023-24. Further, BSPTCL has also deducted Non-Tariff Income of SLDC. The following Table shows the break-up of Non-Tariff Income based on annual accounts of FY 2023-24.

**Table 3-29: Non-Tariff Income of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	FY 2023-24	
		Approved in Tariff Order dated 21st March 2023	Claimed in Truing-up of FY 2023-24
1	Income from sale of Scrap		7.18
2	Lease Rental Income		0.00
3	Deferred Income		0.00
4	Interest Income		68.94
5	Other Transmission/Open Access Charges		9.08
6	Income from Tax Refund		0.80
7	Supervision Charges		13.71
8	Interest on Loan and Advances to Staff		0.00
9	STU Charges		0.43
10	Miscellaneous Receipts		2.74
11	Application fee Received		0.04
12	Administrative Charges - Deposit Head		1.26
	<b>Total Non-Tariff Income</b>	<b>59.46</b>	<b>104.17</b>

Accordingly, BSPTCL requests the Hon'ble Commission to consider and approve Non-Tariff Income for truing up of FY 2023-24 as shown in the table above.



### 3.14. Income from Other Business (OPGW Cable)

BSPTCL submits that it has leased out Dark Fiber of OPGW Network laid on EHV Line of BSPTCL transmission network of existing link.

The Hon'ble Commission vide order dated 20.10.2023 (Case No. 11 of 2023) has given its regulatory Approval for the OPGW Cable business and has also specified the sharing mechanism of the revenue derived from the business.

The relevant extract is as follows:

*"..... and accordingly it is decided that "Two third of the amount of Gain from the other business as proposed in the instant petition be allowed to pass through as an adjustment in the tariff of the petitioner and the balance one third of the amount of such gain shall be on account of the petitioner and shall be liable to be utilised at the discretion of the petitioner, BSPTCL."*

Further, the Hon'ble BERG has revised its revenue sharing mechanism as 50% vide Order dated 05.03.2024 (Case No. 27/2023).

Therefore, BSPTCL has claimed sharing of income derived from other business for the True-up of FY 2023-24 on the basis of actual receipt during the year and share 50% of such income in line with the above order. The detail computation of net sharing of the gains derived from the other business is as follows:

**Table 3-30: Sharing of Gain of Other Business for the FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	FY 2023-24	
		Approved in Tariff Order dated 21st March 2023	Claimed in Truing-up of FY 2023-24
1	Income From Other Business		9.45
2	Expenses of Other Business		0.00
3	Net Gain/(Loss) from Other Business (1-2)	0.00	9.45
4	Sharing of Gain (50% of Gain) as per Order dated 05.03.2024 (Case No. 27/2023)		4.72
5	<b>Net Amount pass through Tariff</b>	<b>0.00</b>	<b>4.72</b>

Accordingly, BSPTCL requests the Hon'ble Commission to consider and approve the sharing of gains derived from other business for truing up of FY 2023-24 as shown in the table above.



### 3.15. Sharing of Gains and Losses

Regulation 10 of BERC MYT Regulations, 2021 specifies the mechanism for sharing of gains and losses on account of controllable factors. The relevant extracts are as follows:

*“10.1 The approved aggregate gain or loss to the Licensee or SLDC, as the case may be, on account of controllable factors shall be dealt with separately for aggregate gain and aggregate loss in the following manner:*

*(a) Aggregate gain:*

*(i) 50% of the amount of such gain shall be a pass through as an adjustment in the tariff of the Licensee or SLDC, as the case may be, as specified in these Regulations and as may be determined in the Order of the Commission passed under these Regulations;*

*(ii) The balance 50% of the amount of such gain shall be on account of Licensee or SLDC, as the case may be, and such amount shall be utilized at the discretion of Licensee or SLDC, as the case may be.*

*(b) Aggregate Loss:*

*(i) 50% of the amount of such loss shall normally be a pass through as an adjustment in the tariff of the Licensee or SLDC, as the case may be, as specified in these Regulations and as may be determined in the Order of the Commission passed under these Regulations, provided the Commission is satisfied that such loss is not on account of deliberate action of the Licensee or SLDC, as the case may be;*

*(ii) The balance 50% of the amount of such loss shall be on account of Licensee or SLDC and shall be absorbed by the Licensee or SLDC, as the case may be.....”*

In accordance with the above Regulations, BSPTCL has claimed sharing of gains and losses on account of O&M expenses, Interest on Working Capital and Incentive on Transmission Availability Factor in True-up of FY 2023-24 as discussed below:

#### 3.15.1. Sharing of Losses/(Gains) on account of variation in O&M expenses

BSPTCL has claimed the sharing of Losses/(Gains) on O&M expenses with respect to the difference between the actual and normative O&M expenses as shown in the Table below:

**Table 3-31: Sharing of Losses/(Gains) on account of O&M Expenses (Rs. Cr.)**

Sl. No.	Particulars	Basis	Claimed in True up
1	Normative Expenses	A	359.17
2	Actual Expenses	B	437.11



Sl. No.	Particulars	Basis	Claimed in True up
3	Losses/(Gains)	C=B-A	77.95
4	Losses/(Gains) to be passed on as adjustment in Tariff	D=50% of C	38.97
5	<b>Net sharing Losses/(Gains) on O&amp;M Expenses</b>	<b>E=D</b>	<b>38.97</b>

Accordingly, BSPTCL requests the Hon'ble Commission to allow Losses/(Gains) on account of O&M Expenses as an adjustment in truing up of FY 2023-24.

### 3.15.2. Sharing of Losses/(Gains) on account of variation in Working Capital Requirement

BSPTCL submits that there is no actual working capital for FY 2023-24. Therefore, the **actual working capital has been considered as Nil** and the sharing of Losses/(Gains) has been worked out accordingly. Detail computation of sharing of gains and losses on account of variation in Interest on Working Capital for FY 2023-24 is shown in the Table below:

**Table 3-32: Sharing of Losses/(Gains) on account of variation in Interest on Working Capital (Rs. Cr.)**

Sl. No.	Particulars	Basis	Claimed in True up
1	Normative Interest on Working Capital	A	24.26
2	Actual Interest on Working Capital	B	0.00
3	Interest on Working Capital Losses/(Gains)	C=B-A	(24.26)
4	50% of gains to be retained by the Licensee	D=50% of C	(12.13)
5	<b>50% of gain to be passed through as an adjustment in Tariff</b>	<b>E=50% of C</b>	<b>(12.13)</b>

Accordingly, BSPTCL requests the Hon'ble Commission to allow losses/(Gains) on account of variation in Interest on Working Capital as an adjustment in truing up of FY 2023-24.

### 3.15.3. Sharing of Losses/(Gains) on account of Incentives on Transmission Availability Factor

BSPTCL has computed incentives on Transmission Availability for Truing-up of FY 2023-24 earlier in the petition. Accordingly, BSPTCL has computed the sharing of Losses/(Gains) towards incentives on Transmission Availability as shown in the Table below:





**Table 3-33: Sharing of Losses/(Gains) on Incentives on Transmission Availability Factor for FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	Basis	Claimed in True up
1	Incentives on Transmission Availability Factor	A	11.65
2	50% of gains to be on account of Licensee	B=50% of A	5.82
3	50% of gains to be passed-on as adjustment through Tariff	C=50% of A	5.82

Accordingly, BSPTCL requests the Hon'ble Commission to consider the Losses/(Gains) on account of Transmission Availability Factor for truing up of FY 2023-24 as shown in the table above.

### 3.16. Revenue from Transmission Charges

The Hon'ble Commission has approved Annual Transmission Charges of FY 2023-24 vide Tariff Order dated 21<sup>st</sup> March 2023. Accordingly, BSPTCL earned revenue on account of Transmission Charges from DISCOM's and Railway during FY 2023-24. The following table shows Revenue earned by BSPTCL as Transmission Charges based on annual accounts of FY 2023-24:

**Table 3-34: Revenue from Transmission Charges of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	FY 2023-24	
		Approved in Tariff Order dated 21st March 2023	Claimed in Truing-up of FY 2023-24
1	Revenue from NBPDC		532.71
2	Revenue from SBPDCL		625.35
3	Revenue from Railways		18.56
4	<b>Total Revenue from Transmission Charges</b>	<b>1,176.62</b>	<b>1,176.62</b>

Accordingly, BSPTCL requests the Hon'ble Commission to approve Revenue from Transmission charges based on annual accounts for Truing-up of FY 2023-24 as shown in the table above.

### 3.17. Annual Revenue Requirement of FY 2023-24

Based on above paras, BSPTCL submits the summary of Aggregate Revenue Requirement for truing up of FY 2023-24.



**Table 3-35: Aggregate Revenue Requirement of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	FY 2023-24	
		Approved in Tariff Order dated 21st March 2023	Claimed in Truing-up of FY 2023-24
1	Employee Expenses	242.64	238.68
2	R&M Expenses	76.72	73.97
3	A&G Expenses	48.32	46.52
4	Share of Holding Company Expenses	16.40	24.50
5	<b>Total O&amp;M Expenses</b>	<b>384.08</b>	<b>383.66</b>
6	Return on Equity	306.61	238.41
7	Depreciation	453.99	478.41
8	Interest on Loan Capital and Finance Charges	408.21	429.16
9	Interest on Working Capital	22.55	24.26
10	Incentive for Transmission Availability	0.00	11.65
11	Add: Sharing of Losses/ (Gains) on O&M expenses	0.00	38.97
12	Add: Sharing of Losses/ (Gains) on Interest on Working Capital	0.00	(12.13)
13	Add: Sharing of Losses/ (Gains) on Incentives on Transmission Availability Factor	0.00	(5.82)
14	<b>Total Expenditure</b>	<b>1,575.45</b>	<b>1,586.57</b>
15	Less: Non-Tariff Income	59.46	104.17
16	Less: Income From Other Business (OPGW Cable)	0.00	4.72
17	<b>Net ARR for Transmission</b>	<b>1,515.98</b>	<b>1,477.67</b>

Accordingly, BSPTCL requests the Hon'ble Commission to consider and approve the Annual Revenue Requirement for Truing-up of FY 2023-24 as shown in the table above.

### 3.18. Revenue Gap / (Surplus) for FY 2023-24

The Hon'ble Commission vide Tariff Order dated 21<sup>st</sup> March 2023 approved the ARR for FY 2023-24 as Rs. 1,515.98 Crore and revenue surplus for FY 2021-22 along with carrying cost as Rs. 339.36 Crore, which was carried forward to FY 2023-24. Accordingly, the Hon'ble Commission approved Annual Transmission Charges for FY 2023-24 as Rs. 1,176.62 Crore. BSPTCL submits that during FY 2023-24, it has booked revenue of Rs. 1,176.62 Crore as approved by the Hon'ble Commission. Further, based



on above submission, BSPTCL has computed the Revenue Gap/ (Surplus) for FY 2023-24 as summarised below.

**Table 3-36: Revenue Gap/(Surplus) of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	Approved in Tariff Order dated 21st March 2023	Claimed in Truing-up of FY 2023-24
1	Net ARR for Transmission	1,515.98	1,477.67
2	Add: Revenue Gap/ (Surplus) of FY 2021-22 as approved by BERC Tariff Order dated: 21st March 2023	(339.36)	(339.36)
3	Revenue earned from Transmission Charges	1,176.62	1,176.62
4	<b>Revenue (Surplus)</b>	<b>(0.00)</b>	<b>(38.31)</b>

Therefore, BSPTCL requests the Hon'ble Commission to approve Revenue Surplus as shown in the table above for Truing-up of FY 2023-24.

Further, BSPTCL submits that the Revenue (Surplus) is to be passed on in the ARR and Tariff of FY 2025-26 along with holding cost/ carrying cost.



## (4) Annual Performance Review (APR) for FY 2024-25

### 4.1 Background

BSPTCL has filed Annual Performance Review (APR) for FY 2024-25 as compared to the ARR approved for FY 2024-25 vide Tariff Order dated 01<sup>st</sup> March 2024. The APR is filed in accordance with relevant provisions of MYT Regulations, 2021. Regulation 7 and Regulation 13 of the BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2021 provides for the Annual Performance Review to be undertaken under MYT framework. The relevant extracts are as follows:

#### *"7 Annual Review of Performance and True-up*

*7.1 Where the Aggregate Revenue Requirement and expected revenue from tariff and charges of a Transmission Licensee or SLDC, as the case may be, are covered under a Multi-Year Tariff framework, such Transmission Licensee or SLDC shall be subject to an annual review of performance and True-up during the Control Period in accordance with these Regulations....*

#### *13 True-Up and Annual Performance Review*

*..... (d) The Commission shall undertake review of estimates of expenses for the current year as a part of the tariff order on the basis of the actual expenses incurred during the period April – September of the current year and corresponding figures in the order for Annual Revenue Requirement (ARR) of the current year approved by the Commission.*

*(e) Estimates of expenses for the ensuing year shall be on the basis of corresponding figures in the order for True-up of expenses of the previous year and Annual Performance Review or Tariff Order of the current year, as the Commission may consider reasonable and deem fit....."*

BSPTCL has estimated the APR for FY 2024-25 as per the above principles provided in the MYT Regulations, 2021 and the same is detailed in the following sections.

### 4.2 Transmission Losses

The Hon'ble Commission vide Tariff order dated 01<sup>st</sup> March 2024 has approved Transmission Loss in the BSPTCL system at 3% for FY 2024-25. BSPTCL submits that it has made best efforts to restrict the Transmission loss within the range approved by the Hon'ble Commission. The following table shows the Transmission Losses for first half of FY 2024-25:



**Table 4-1: Actual Transmission Loss for H1 of FY 2023-24**

Sl. No.	Total Losses in the Transmission system	Current Year FY 2024-25 (upto Aug'24)
1	Total Energy delivered by generating Stations and Inter State / Intra State tie - links at the interface points of the Intra State Transmission system -As received from Energy Accounting	21,586.48
2	Sum of all the energy delivered to the state Distribution System- From energy meter readings in GSS	20,996.30
3	Transmission loss in System (1-2)	590.18
4	Transmission loss in (Transco) system (%) (3/1) x100	2.73%

The voltage level wise Transmission Losses from April 2024 to August 2024 is attached as **Annexure VI**.

Accordingly, BSPTCL requests the Hon'ble Commission to consider and approve transmission loss in line with the loss approved for the year in the Tariff order. It is further submitted that BSPTCL shall submit the actual Transmission Losses for FY 2024-25 at the time of Truing-up.

#### 4.3 Capital Work in Progress (CWIP) and Capitalization

BSPTCL submits that it has taken up new projects during FY 2023-24 as approved by the Hon'ble BEREC vide Case No. 17 of 2023. BSPTCL has also considered all the ongoing projects as approved in the MYT Tariff Order for the Control Period of FY 2022-23 to FY 2024-25.

Further, BSPTCL has projected capital expenditure and capitalization for FY 2024-25 based on the current status of all ongoing projects. The following Table shows the approved and estimated capital expenditure and capitalization considered in APR of FY 2024-25:

**Table 4-2: Capital Expenditure and Capitalization of FY 2024-25 (Rs. Cr.)**

Sl. No.	Particulars	FY 2024-25	
		Approved in Tariff Order dated 1st March 2024	Claimed in APR FY 2024-25
1	Opening CWIP (A)	1,886.13	2,970.23
2	Investment during the Year (B)	645.17	791.82



Sl. No.	Particulars	FY 2024-25	
		Approved in Tariff Order dated 1st March 2024	Claimed in APR FY 2024-25
3	Less: Capitalization ('C)	1,696.10	1,530.79
4	Less: IDC (D)	0.00	0.00
5	Closing CWIP (A+B-C-D)	835.20	2,231.26

The detailed list of projects, which are expected to be completed & capitalized by March 2025 is provided as **Annexure III**.

Accordingly, BSPTCL requests the Hon'ble Commission to consider and approve the Capex and Capitalization for Review of FY 2024-25 as shown in the table above.

#### 4.4 Gross Fixed Asset (GFA)

BSPTCL has considered the closing balance of FY 2023-24 as the opening balance of GFA for FY 2024-25. The following table shows the details of GFA addition estimated for FY 2024-25 and approved GFA vide Tariff Order dated 01<sup>st</sup> March 2024.

**Table 4-3: Gross Fixed Assets (GFA) of FY 2024-25 (Rs. Cr.)**

Sl. No.	Particulars	FY 2024-25	
		Approved in Tariff Order dated 1st March 2024	Claimed in APR FY 2024-25
1	Opening GFA	14,889.18	13,566.98
2	Add: Addition to GFA from CWIP (excluding IDC)	1,696.10	1,530.79
3	Add: IDC	0.00	0.00
4	Add: Land Cost	0.00	0.00
5	Closing GFA	16,585.28	15,097.77

Therefore, BSPTCL requests the Hon'ble Commission to consider and approve the asset addition & closing GFA in revised APR for FY 2024-25.

#### 4.5 Depreciation

BSPTCL submits that it has calculated Depreciation in accordance with Regulation 23 of BERC MYT Regulations, 2021. The relevant extract of the Regulation is as follows:

*"23. Depreciation*





(i) Depreciation shall be calculated for each year of the control period on the original cost of the fixed assets of the corresponding year. No advance shall be granted against depreciation.

(ii) Depreciation shall not be allowed on assets funded by capital subsidies, beneficiary contributions or grants.

(iii) Depreciation shall be calculated annually on the basis of assets capitalised and put to use based on the straight-line method over the useful life of the asset and at the rate not exceeding the rate specified by the **Central Electricity Regulatory Commission** from time to time as provided in Appendix-III of these Regulations. The residual value of assets shall be considered as 10% and depreciation shall be allowed to a maximum of 90% of the original cost of the asset.

..... (iv) .....

(v) Depreciation shall be chargeable from the first year of operation of the asset. For part of the year, depreciation shall be charged on pro rata basis.....”

Above Regulation provides that the rate of depreciation should be considered as specified by the Central Electricity Regulatory Commission. BSPTCL has calculated the weighted average rate of depreciation for truing up of FY 2023-24 considering the depreciation rates specified by the Central Electricity Regulatory Commission and detailed in the True-up section of the instant petition.

Accordingly, BSPTCL has considered the weighted average rate of depreciation considered in the truing up of FY 2023-24 for calculating the depreciation for the FY 2024-25.

Further, BSPTCL has also separately computed depreciation on assets created out of Grants/Consumer Contribution/deposit works and adjusted the same in the gross depreciation to arrive at net depreciation for review of FY 2024-25. Details of depreciation along with the approved figures for FY 2024-25 are as shown in table below:

**Table 4-4: Depreciation for the FY 2024-25 (Rs. Cr.)**

Sl. No.	Particulars	Approved in Tariff Order dated 1st March 2024	Claimed in APR FY 2024-25
1	Depreciable GFA net of Land	13,410.18	12,015.77
2	Addition during the year (excluding IDC)	1,696.10	1,530.79
3	Add: IDC	0.00	0.00
4	Closing GFA	15,106.28	13,546.56
5	Average GFA	14,258.23	12,781.16



Sl. No.	Particulars	Approved in Tariff Order dated 1st March 2024	Claimed in APR FY 2024-25
6	Weighted average rate of depreciation on opening depreciable GFA	5.09%	5.24%
7	Weighted average rate of depreciation on addition to depreciable GFA	2.65%	2.63%
8	Depreciation	727.52	670.21
9	Opening Grants	2,234.39	2,220.42
10	Grants during the year including deposit works	9.60	19.52
11	Total Grants	2,243.99	2,239.94
12	Weighted average rate of depreciation on opening Grants	5.09%	5.24%
13	Weighted average rate of depreciation on additional Grants	2.65%	2.63%
14	Depreciation on Asset created out of Grants	113.98	116.91
15	<b>Net Depreciation considered for Review</b>	<b>613.54</b>	<b>553.29</b>

Accordingly, BSPTCL requests the Hon'ble Commission to consider and approve Depreciation for review of FY 2024-25 as claimed.

#### 4.6 Operation and Maintenance Expenses

Regulation 21 of the BERC (Multi-Year Transmission Tariff and SLDC Charges) Regulations, 2021 provides that the Operation and Maintenance (O&M) Expenses shall comprise of the following elements:

- Employee Expenses
- Repair and Maintenance (R&M) Expenses
- Administrative and General (A&G) Expenses

The relevant extracts are as follows:

*"21. Operation and Maintenance Expenses*

*(a) The Commission shall stipulate a separate trajectory of norms for each of the components of O&M expenses viz., Employee cost, Repair and Maintenance (R&M) expense and Administrative and General (A&G) expense.*

*Provided that such norms may be specified for a specific Transmission Licensee or a class of Transmission Licensees.*



*(b) Norms shall be defined in terms of number of personnel per ckt/km (for different categories of transmission lines for e.g. 400 KV, 220 KV, 132 KV etc. Lines) and number of personal per bay (for different categories of bay for e.g. 400 KV, 220 KV, 132 KV etc. Bays) along with annual expenses per personnel for Employee expenses; combination of A&G expense per personnel and A&G expense per substation for A&G expenses and R&M expense as percentage of gross fixed assets for estimation of R&M expenses."*

In line with the above provisions, BSPTCL submits the details of O&M expenses under the above heads based on the norms approved by the Hon'ble Commission in the MYT Order Dt. 25<sup>th</sup> March 2022 and as specified in BERC MYT Regulations, 2021 for consideration & approval of the Hon'ble Commission.

Further, the Hon'ble Commission has revised the Base Norms for Employee Expenses vide Tariff Order dated 21<sup>st</sup> March 2023. Therefore, BSPTCL has considered the same for computing the Normative Employee Expenses of FY 2024-25.

#### 4.6.1. Employee Expenses

The Hon'ble Commission has approved base norms for the control period of FY 2022-23 to FY 2024-25 vide MYT Tariff Order dated 25<sup>th</sup> March 2022.

Further, the Hon'ble Commission has revised the Base Norms for Employee Expenses of FY 2023-24 and FY 2024-25 vide Tariff Order dated 21<sup>st</sup> March 2023. Therefore, BSPTCL has considered the same as base norms during FY 2023-24 and escalated it in accordance with the Regulations & methodology adopted by Hon'ble BERC in the past orders to compute Normative Employee Expenses for Review of FY 2024-25. The following Table shows the norms considered for projecting Employee Expenses of FY 2024-25:

**Table 4-5: Base Value considered for Normative Employee Expenses of FY 2024-25**

Sl. No.	Particulars	FY 2024-25 Estimate
1	Number of personnel per Ckt-Km (55%)	0.0823
2	Number of personnel per substation (45%)	7.2218
3	Annual expenses per personnel (Rs. Lakh)	9.3090

Further, BSPTCL has estimated transmission lines (Ckt-Km) and number of sub-stations based on actuals and lines/sub-stations projected to be commissioned during the FY 2024-25.



**Table 4-6: Estimated Transmission Lines, No. of Substations and No. of Employee of FY 2024-25**

Sl. No.	Particulars	As on Sept. 2024 (Actual)
1	Transmission Line in Ckt. Km	17,986
2	No. of Sub-stations	158
3	Number of Employees	2,263

Further, Regulation 21.1 of MYT Regulations, 2021 provides for escalation of base value norms for consideration of employee expenses. The relevant extracts are as follows:

**“21.1 Employee Cost**

*Employee cost shall be computed as per the approved norm escalated by consumer price index (CPI), adjusted by provisions for expenses beyond the control of the Transmission Licensee and one-time expected expenses, such as recovery/adjustment of terminal benefits, implications of pay commission, arrears and Interim Relief, governed by the following formula:*

$$EMP_n = (EMP_b * CPI \text{ inflation}) + Provision$$

Where:

*EMP<sub>n</sub> : Employee expense for the year n*

*EMP<sub>b</sub> : Employee expense as per the norm*

*CPI inflation: is the average increase in the Consumer Price Index (CPI) for immediately preceding three years*

*Provision: Provision for expenses beyond control of the Transmission Licensee and expected one-time expenses as specified above.*

*Till the norms are specified by the Commission the employee cost shall be determined on the basis of actual historical cost.”*

In accordance with the above Regulations, BSPTCL has considered the escalation of CPI indices up to March 2024 and accordingly computed rate of escalation of base year employee expenses. The detail computation are as follows:

**Table 4-7: Computation of CPI inflation considered for FY 2024-25**

Particulars	Actuals				Estimate FY 2024- 25
	FY 2020- 21	FY 2021- 22	FY 2022- 23	FY 2023- 24	
<b>Annual Average CPI Index</b>	339	356	378	397	



Particulars	Actuals				Estimate FY 2024- 25
	FY 2020- 21	FY 2021- 22	FY 2022- 23	FY 2023- 24	
<b>CPI Inflation</b>		5.13%	6.05%	5.19%	<b>5.46%</b>

Based on above submissions, BSPTCL has computed Normative Employee Expenses for FY 2024-25 as tabulated below:

**Table 4-8: Employee Expenses of FY 2024-25 (Rs. Cr.)**

Sl. No.	Particulars	Base Norms	FY 2024-25	
			Approved in Tariff Order dated 1st March 2024	Claimed in APR FY 2024-25
1	CPI Inflation		5.89%	5.46%
2	Norms-Number of personnel per ckt. Km	0.082	0.0823	0.0823
3	Norms-Number of personnel per substation	7.222	7.222	7.2218
4	Transmission line length in ckt. Km		17,312	17,986
5	No. of Sub-stations		153	158
6	Norms-Annual expenses per personnel (Rs. lakh)	9.309	10.390	9.817
7	Employee cost (Number of personnel per Ckt. Km (2*4*6)/100 (Rs. Crore)		148.03	145.32
8	Employee cost (Number of personnel per substation (3*5*6)/100 (Rs. Crore)		114.80	112.02
9	<b>Total Employee cost for the year (7+8)(Rs. Crore)</b>		<b>262.83</b>	<b>257.33</b>

Accordingly, BSPTCL requests the Hon'ble Commission to consider and approve Employee Cost for review of FY 2024-25 as shown in the table above.

#### 4.6.2. Repairs and Maintenance Expenses (R&M)

Regulation 21.2 of BERG MYT Regulations, 2021 specifies provisions for computation of R&M expenses. The relevant extract of the Regulation is as follows:

"21.2 Repairs and Maintenance (R&M) Expense



Repairs and Maintenance expense shall be calculated as percentage (as per the norm determined) of Opening Gross Fixed Assets excluding land cost for the year governed by following formula:

$$R\&M_n = K_b * GFA_n$$

Where:

$R\&M_n$  : Repairs & Maintenance expense for nth year

$GFA_n$  : Opening Gross Fixed Assets for nth year

$K_b$  : Percentage point as per the norm."

The Hon'ble Commission vide MYT Tariff Order dated 25<sup>th</sup> March 2022 has approved "K Factor" at 0.70% for each year of the Control Period of FY 2022-23 to FY 2024-25. The R&M expenses for the FY 2024-25 has been computed based on the approved "K Factor" and opening GFA (Net of Land) for the year. The computation of R&M Expenses for review of FY 2024-25 is shown in the table below:

**Table 4-9: R&M Expenses of FY 2024-25 (Rs. Cr.)**

Sl. No.	Particulars	Approved in Tariff Order dated 1st March 2024	Claimed in APR FY 2024-25
1	Opening GFA (Net of Land)	13,410.18	12,015.77
2	% of GFA	0.70%	0.70%
3	<b>R&amp;M Expenses on Opening GFA (1*2)</b>	<b>93.87</b>	<b>84.11</b>

Accordingly, the Hon'ble Commission is requested to consider and approve R&M Expenses in APR of FY 2024-25 as claimed by BSPTCL.

#### 4.6.3. Administration and General Expenses (A&G)

The Hon'ble Commission has approved base norms of A&G for the control period of FY 2022-23 to FY 2024-25 vide MYT Tariff Order dated 25<sup>th</sup> March 2022. Accordingly, the applicable norms as considered in the True up for the FY 2023-24 has been escalated further as per provisions stipulated in the BERC MYT Regulations 2021 to arrive at the applicable norm for the FY 2024-25.

The following Table shows the norms considered for projecting A&G Expenses of FY 2024-25:





**Table 4-10: Norms considered for Normative A&G Expenses of FY 2024-25**

Sl. No.	Particulars	FY 2024-25
1	A&G Expenses per Personnel (Rs. Lakh)	1.0801
2	A&G Expenses per Sub-station (Rs. Lakh)	14.6025

Regulation 21.3 of BERC MYT Regulations, 2021 provides for escalation of base value norms for consideration of A&G Expenses. The relevant extracts are as follows:

**"21.3 Administration and General (A&G) Expense**

*A&G expense shall be computed as per the norm escalated by wholesale price index (WPI) and Consumer Price Index (CPI) in the ratio 60:40 and adjusted by provisions for confirmed initiatives (IT etc. initiatives as proposed by the Transmission Licensee and validated by the Commission) or other expected one-time expenses, and shall be governed by following formula:*

$$A\&G_n = (A\&G_b * WPI \text{ inflation}) + \text{Provision}$$

Where:

*A&G<sub>n</sub>: A&G expense for the year n*

*A&G<sub>b</sub>: A&G expense as per the norm*

*WPI inflation: is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years....."*

In line with the above provisions, BSPTCL has considered average escalation of CPI and WPI indices with weightage of 40:60 respectively for immediately preceding three years (i.e., FY 2021-22, FY 2022-23 and FY 2023-24) on base norm of A&G expenses to compute Normative A&G Expenses of FY 2024-25.

Further, BSPTCL submits that the change in the WPI during FY 2023-24 was negative. In this regard, Regulation 21 (g) of BERC MYT Tariff Regulations, 2021 provides as follows:

*"Provided that in case the average yearly inflation derived based on the monthly CPI and WPI indices is negative for a particular year, the same will be excluded from the computation of yearly inflation"*

Based on the above regulation, BSPTCL has considered the average WPI inflation during FY 2023-24 at same level as computed during FY 2022-23. The details of the same is shown in the Table below:



**Table 4-11: WPI: CPI inflation considered for A&G Expenses of FY 2024-25**

Particulars	Actual				Estimate
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Annual Average CPI Index	339	356	378	397	
CPI Inflation		5.13%	6.05%	5.19%	5.46%
Annual Average WPI Index	123	139	153	153	
WPI Inflation		13.00%	9.41%	0.00%	7.47%
WPI : CPI (60:40)					6.66%

Based on above, the following Table shows the computation of A&G expenses for review of FY 2024-25.

**Table 4-12: A&G Expenses of FY 2024-25 (Rs. Cr.)**

Sl. No.	Particulars	Base Value	FY 2024-25	
			Approved in Tariff Order dated 1st March 2024	Claimed in APR FY 2024-25
1	Average annual WPI & CPI Index		6.90%	6.66%
2	Norms-A&G Expenses per personnel	1.0801	1.2540	1.1521
3	Norms-A&G Expenses per substation (Rs. Lakh)	14.6025	16.4765	15.5755
4	No. of Employees		2,172.00	2,263.00
5	No. of Sub-stations		153.00	158.00
6	A&G Expenses (No. of employees) (2*4) (Rs. Crore)		27.25	26.07
7	A&G Expenses (No of substations) (3*5) (Rs. Crore)		25.21	24.61
8	<b>Total A&amp;G Expenses for the year (Rs. Crore) (6+7)</b>		<b>52.46</b>	<b>50.68</b>

Accordingly, BSPTCL requests the Hon'ble Commission to consider and approve the A&G Expenses for review of FY 2024-25 as claimed.



#### 4.6.4. Holding Company Expenses

BSPTCL submits that expenses of BSP(H)CL, which is the Holding Company of all the State Utilities and Generating Company, is recovered from its subsidiary Companies. In line with the methodology adopted in Tariff Order dated 25<sup>th</sup> March 2022, BSPTCL has claimed Holding Company expenses for review of FY 2024-25 on the basis of actual expenses of FY 2023-24. However, BSPTCL also submits that any variation with respect to the submitted expenses shall be claimed in True-up for the year.

**Table 4-13: Holding Company Expenses of FY 2024-25 (Rs. Cr.)**

Sl. No.	Particulars	Approved in Tariff Order dated 1st March 2024	Claimed in APR FY 2024-25
1	Holding Company Expenses	16.08	24.50

Therefore, BSPTCL requests the Hon'ble Commission to consider and approve Holding Company Expenses for APR of FY 2024-25 as shown in the table above.

#### 4.6.5. Summary of O&M Expenses of FY 2024-25

Based on above paras, BSPTCL has summarised O&M Expenses for review of FY 2024-25 as follows:

**Table 4-14: Summary of O&M Expenses of FY 2024-25 (Rs. Cr.)**

Sl. No.	Particulars	FY 2024-25	
		Approved in Tariff Order dated 1st March 2024	Claimed in APR FY 2024-25
1	Employee Expenses	262.83	257.33
2	Repairs and Maintenance Expenses	93.87	84.11
3	Administration and General Expenses	52.46	50.68
4	Holding Company Expenses	16.08	24.50
5	<b>Total Operation and Maintenance Expenses</b>	<b>425.24</b>	<b>416.62</b>

Accordingly, the Hon'ble Commission is requested to approve O&M Expenses in APR of FY 2024-25 as claimed by BSPTCL.



## 4.7 Means of Finance

Regulation 22 (a) of BERC MYT Regulations, 2021, provides as follows:

### "22. Return on Equity

(a) Return on equity shall be computed on 30% of the capital cost or actual equity, whichever is lower....."

Further, Regulation 24 (b) of BERC MYT Regulations, 2021 specifies provisions for loan addition of Normative Loan. The relevant extracts are as follows:

### "24. Interest and finance charges on loan capital

.....(b) If the equity actually deployed is more than 30 % of the capital cost, equity in excess of 30 % shall be treated as normative loan: Provided that where equity actually deployed is less than 30% of the capital cost, the actual loan shall be considered for determination of interest on loan...."

BSPTCL has arrived at the means of finance for the projects in accordance with the above Regulations. Accordingly, BSPTCL submits that for the purpose of funding, it has computed Net Asset expected to be capitalized during FY 2024-25 after deducting the amount estimated to be capitalised on account of grant received from PSDF and Deposit works. Further, BSPTCL has considered the Debt Equity ratio in line with the approach adopted by the Hon'ble Commission in previous Tariff Orders. The scheme wise Debt Equity of capitalised projects of FY 2024-25 for the purpose of Loan and Equity addition is shown in the Table below:

**Table 4-15: Scheme-wise Means of Finance of FY 2024-25 (Rs. Cr.)**

Sl. No.	Particulars	FY 2024-25 Estimate
1	Capitalization during FY 2024-25	1,530.79
2	Less: Grant and Deposit Works	19.52
3	Net Capitalization (A)	1,511.28
4	<b>12th Plan Projects</b>	
5	Equity Considered	0.27
6	Debt Considered	0.62
7	<b>13th Plan &amp; Other Projects</b>	
8	Equity Considered	339.35
9	Debt Considered	1,171.04
10	<b>Total Equity addition considered</b>	<b>339.62</b>
11	<b>Total Debt addition considered</b>	<b>1,171.66</b>



Accordingly, BSPTCL requests the Hon'ble BERC to consider and approve the above calculation for Normative Equity and Loan addition for Review of FY 2024-25.

#### 4.8 Interest and Finance Charges

BSPTCL has considered the closing balance of normative loan in Truing-up of FY 2023-24 as the normative opening balance of loan for FY 2024-25 and Normative loan addition has been claimed as per the Means of Finance discussed above.

Further, in accordance with Regulation 24(e) of MYT Regulations, 2021 normative repayment of loans has been considered equivalent to Depreciation of FY 2024-25.

The Hon'ble Commission has considered Rate of Interest based on applicable MCLR and actual Loan Portfolio for approval of Truing up of expenses and further considered the same for approval of APR and ARR of the respective years vide its previous Tariff Orders. BSPTCL has considered the same methodology to arrive at the applicable weighted average rate of interest for the FY 2024-25. The details of actual loans outstanding at the beginning of FY 2024-25 and applicable interest rates are as shown in the Table below:

**Table 4-16: Weighted Average Rate of Interest for FY 2024-25**

Sl. No.	Particulars	Amount Outstanding (Rs. Crore)	Applicable Interest Rate
1	Loans from Financial Institution	3,326.00	8.72%
2	Loans from ADB	464.13	13.00%
<b>Weighted Average Interest Rate</b>			<b>9.25%</b>

BSPTCL has considered the weighted average rate of interest as shown in the table above for computing Normative Interest on Loans for review of FY 2024-25 as tabulated below. Further, estimated finance charges for the year are also included to arrive at the total interest & finance charges for the year.

**Table 4-17: Interest and Finance Charges of FY 2024-25 (Rs. Cr.)**

Sl. No.	Particulars	FY 2024-25	
		Approved in Tariff Order dated 1st March 2024	Claimed in APR FY 2024-25
1	Opening Loan (A)	6,001.76	4,936.20
2	Addition during the year	1,336.64	1,171.66



Sl. No.	Particulars	FY 2024-25	
		Approved in Tariff Order dated 1st March 2024	Claimed in APR FY 2024-25
3	Normative Repayment (Equal to Depreciation)	613.54	553.29
4	Closing Loan	6,724.86	5,554.56
5	Average Loan	6,363.31	5,245.38
6	Interest Rate (%)	8.22%	9.25%
7	Interest on Loan	522.79	485.35
8	Other Finance Charges	1.04	0.01
9	<b>Interest and Finance Charges (7+8)</b>	<b>523.83</b>	<b>485.36</b>

Accordingly, the Hon'ble Commission is requested to consider and approve the Interest and Finance Charges in APR of FY 2024-25 as claimed by BSPTCL.

#### 4.9 Return on Equity

BSPTCL submits that it has calculated RoE in accordance with Regulation 22 and 27 of BERC MYT Regulations, 2021, as reproduced below:

##### "22. Return on Equity

...(b) The return on the equity invested shall be allowed from the date of start of commercial operation and after put to use:

(c) Return on equity shall be computed at the rate of 15.5% for the project which is commissioned w.e.f. 01.04.2015 and further incentive equivalent to 0.5% will be allowed in the form of RoE, if the project is completed within schedule as per the Annexure A or original schedule period as the case may be. However, Return on Equity for the project commissioned prior to 01.04.2015 shall be allowed at the rate of 14%."

##### 27. Tax on Return on Equity

.....(2) Rate of return on equity shall be rounded off to two decimal places and shall be computed as per the formula given below:

Rate of pre-tax return on equity = Base rate / (1-t)

Where "t" is the effective tax rate in accordance with Clause (1) of this regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of licensee/SLDC paying





Minimum Alternate Tax (MAT), "t" shall be considered as MAT rate including surcharge and cess."

BSPTCL submits that it has considered closing equity balance of FY 2023-24 as opening equity base for FY 2024-25. The addition of equity is in line with normative means of finance computed for FY 2024-25 and detailed above in this section. BSPTCL proposes to claim RoE at 8% as approved in the Tariff order for the year. It is submitted that claiming lower ROE at 8% for the FY 2024-25 shall not imply that BSPTCL shall continue to claim ROE at 8% in perpetuity. At the time of filing the next Tariff Petition, BSPTCL shall be at liberty to claim ROE either at the reduced rate of 8% or 15.5% as per MYT Regulations, 2021. Further, BSPTCL has considered the MAT rate of 17.47% in line with the actual MAT rate applicable for FY 2023-24. RoE for the FY 2024-25 calculated in line with the above principles is summarised in the table below:

**Table 4-18: Return on Equity of FY 2024-25 (Rs. Cr.)**

Sl. No.	Particulars	FY 2024-25	
		Approved in Tariff Order dated 1st March 2024	Claimed in APR FY 2024-25
1	Opening Equity as on 1.4.2015	375.41	375.41
2	Rate of Return on Equity	8.00%	8.00%
3	Tax/MAT rate %	17.47%	17.47%
4	Rate of Return on Equity (Pre-tax)	9.69%	9.69%
5	Return on Equity (1*4)	36.38	36.39
	<b>Equity on projects commissioned w.e.f. 01.4.2015</b>		
6	Opening Equity	2,442.53	2,230.79
7	Addition during the year	349.86	339.62
8	Closing Equity (6+7)	2,792.39	2,570.41
9	Average Equity	2,617.46	2,400.60
10	Rate of Return on Equity	8.00%	8.00%
11	Tax/MAT rate %	17.47%	17.47%
12	Rate of Return on Equity (Pre-tax)	9.69%	9.69%
13	Return on Equity (9*12)	253.63	232.71
14	<b>Total Return on Equity (5+13)</b>	<b>290.01</b>	<b>269.10</b>

Therefore, BSPTCL requests the Hon'ble Commission to approve the pre-tax Return on Equity for review of FY 2024-25 as shown in the table above.



## 4.10 Interest on Working Capital

BSPTCL has arrived at the working capital requirement in accordance with Regulation 26 of BERC MYT Regulations, 2021. The relevant extracts are as follows:

### *"26 Interest on working Capital*

*(a) The Transmission Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:*

*(i) Receivables equivalent to two (2) month of transmission charges calculated on target availability level.*

*(ii) O&M Expenses of one (01) month.*

*(iii) Maintenance spares @ 40% of R&M expenses for one month.*

*Less:*

*(iv) Return on equity and contribution to contingency reserves equivalent to two months.*

*.....(b) Interest on working capital shall be on normative basis and rate of interest shall be equal to the State Bank one-year Marginal Cost of Funds-based Lending Rate ('MCLR') as of the date on which petition for determination of tariff is filed plus 150 basis points. The rate of interest for the purpose of Truing-up shall be the weighted average MCLR of the concern Financial Year plus 150 basis points....."*

BSPTCL has arrived at the normative working capital requirement in accordance with the above regulation. Further, BSPTCL has considered the State Bank of India (SBI) one-year MCLR as on 15.09.2024 and added 150 basis point to compute interest rate for Working Capital. The SBI 01-year (tenure) MCLR as on 15.09.2024 is 8.95%. Accordingly, interest rate has been considered as 10.45% (8.95%+1.50%). The computation of weighted average rate of interest is shown in the Table below:

**Table 4-19: Weighted Average Rate of SBI MCLR One Year Tenure**

Particulars	Rate of Interest
SBI MCLR effective from 15 <sup>th</sup> September 2024	8.95%
ADD: 150 Basis Point	1.50%
<b>Interest Rate for Working Capital</b>	<b>10.45%</b>

The calculation of interest on Working Capital as per the principles discussed above is detailed below along with the approved figures for the FY 2024-25.



**Table 4-20: Interest on Working Capital of FY 2024-25 (Rs. Cr.)**

Sl. No.	Particulars	FY 2024-25	
		Approved in Tariff Order dated 1st March 2024	Claimed in APR FY 2024-25
1	Receivables equivalent to two (2) months of Transmission Charges	300.26	273.01
2	O&M Expenses of one month	35.44	34.72
3	Maintenance spares @ 40% of 1-month R&M expenses	3.13	2.80
4	Less: RoE and Contribution to Contingency Reserve for 2 months	48.34	44.85
	<b>Total Working Capital</b>	<b>290.49</b>	<b>265.68</b>
5	Interest on Working Capital (%)	10.05%	10.45%
6	<b>Interest on Working Capital</b>	<b>29.19</b>	<b>27.76</b>

Therefore, BSPTCL requests the Hon'ble Commission to approve the Interest on Working Capital in APR of FY 2024-25 as shown in the table above.

#### 4.11 Non-Tariff Income

BSPTCL submits that it has considered Non-Tariff Income for FY 2024-25 after escalating 5% on actual NTI of FY 2023-24 as per methodology adopted by Hon'ble Commission in the MYT Order. Any variation in Non-Tariff Income shall be submitted at the time of true-up for FY 2024-25.

The calculation of Non-Tariff Income claimed for review of FY 2024-25 is shown below:

**Table 4-21: Non-Tariff Income of FY 2024-25 (Rs. Cr.)**

Sl. No.	Particulars	FY 2024-25	
		Approved in Tariff Order dated 1st March 2024	Claimed in APR FY 2024-25
1	Non-Tariff Income of FY 2022-23	75.47	104.17
2	Escalation (%)	5.00%	5.00%
3	Increase	3.77	5.21
4	<b>Non-Tariff Income for the Year</b>	<b>79.25</b>	<b>109.38</b>



Therefore, BSPTCL requests the Hon'ble Commission to consider and approve the Non-Tariff Income in review of FY 2024-25 as claimed.

#### 4.12 Income from Other Business (OPGW Cable)

BSPTCL respectfully submits that it has considered the revenue from OPGW Cable at the same level as claimed during truing up of FY 2023-24. However, it will claim any variation in respect of the same based on the audited figures during Truing-up exercise.

**Table 4-22: Sharing of gain from Other Business for the FY 2024-25 (Rs. Cr.)**

Sl. No.	Particulars	FY 2024-25	
		Approved in Tariff Order dated 1st March 2024	Claimed in APR FY 2024-25
1	Sharing of Gain (50%) from Other Business (OPGW Cable)	0.00	4.72

Therefore, BSPTCL requests the Hon'ble Commission to consider and approve the sharing of revenue from other business in review of FY 2024-25 as claimed.

#### 4.13 Aggregate Revenue Requirement of FY 2024-25

Based on the above paras, BSPTCL has summarised Aggregate Revenue Requirement along with approved figures for review of FY 2024-25 as follows.

**Table 4-23: Aggregate Revenue Requirement of FY 2024-25 (Rs. Cr.)**

Sl. No.	Particulars	FY 2024-25	
		Approved in Tariff Order dated 1st March 2024	Claimed in APR FY 2024-25
1	<b>O&amp;M expenses (a+ b+ c+ d)</b>	<b>425.24</b>	<b>416.62</b>
	a. Employee cost	262.83	257.33
	b. R&M expenses	93.87	84.11
	c. A&G Expenses	52.46	50.68
	d. Holding Company expenses	16.08	24.50
2	Depreciation	613.54	553.29
3	Interest on Loan Capital	523.83	485.36
4	Interest on Working Capital	29.19	27.76
5	Return on Equity	290.01	269.10
6	Less: Non-Tariff Income	79.25	109.38



Sl. No.	Particulars	FY 2024-25	
		Approved in Tariff Order dated 1st March 2024	Claimed in APR FY 2024-25
7	Less: Income From Other Business (OPGW Cable)	1.03	4.72
8	<b>ARR for Transmission</b>	<b>1,801.54</b>	<b>1,638.03</b>

Accordingly, BSPTCL requests the Hon'ble Commission to consider and approve the Annual Revenue Requirement for review of FY 2024-25 as shown in the table above.

#### 4.14 Revenue Gap/(Surplus) for FY 2024-25

The Hon'ble Commission vide Tariff Order dated 01<sup>st</sup> March 2024 approved Annual Transmission Charges of Rs. 1,801.54 Crore for FY 2024-25 and surplus of FY 2022-23 along with holding cost as Rs. 80.70 Cr. Accordingly, the Hon'ble Commission approved Annual Transmission Charges for FY 2024-25 as Rs. 1,720.84 Cr. Therefore, BSPTCL has considered the approved transmission charges as above as revenue in APR of FY 2024-25.

**Table 4-24: Revenue Gap/(Surplus) of FY 2024-25 (Rs. Cr.)**

Sl. No.	Particulars	Approved in Tariff Order dated 1st March 2024	Claimed in APR FY 2024-25
1	<b>Revised ARR for Transmission</b>	1,801.54	1,638.03
2	<b>Add: Revenue Gap/(Surplus) of FY 2022-23 along with Holding Cost</b>	(80.70)	(80.70)
3	Revenue approved in Tariff Order of FY 2024-25	1,720.84	1,720.84
4	<b>Revenue Gap/(Surplus)</b>	<b>0.00</b>	<b>(163.51)</b>

Accordingly, BSPTCL requests the Hon'ble Commission to consider and approve the Revenue surplus in review of FY 2024-25 as shown in the table above.

In regards to the carry forward/passing of gap/surplus for the year under review, Regulation 13 (f) stipulates that,

*"13. True-Up and Annual Performance Review..."*



*... (f) Notwithstanding anything contained in regulation 4 of these Regulations, the Revenue gap/surplus arising out of Truing up shall be considered by the Commission while determining the ARR of ensuing year(s). While approving adjustments towards revenue/expenses in future years, arising out of Truing up exercises, the Commission may allow the carrying costs as determined by the Commission of such expenses/revenues. However, the **revised estimated gap/surplus as a result of APR may or may not be passed in the ARR of ensuing year.***

**In view of the above regulation and principle adopted by the Hon'ble BERC in previous tariff orders, the Revenue surplus worked out in the APR of FY 2024-25 is not proposed to be passed through in the Tariff for FY 2025-26.**





## (5) Business Plan for the Control Period of FY 2025-26 to FY 2027-28

### 5.1. Background

Regulation 5 of the BERC MYT Tariff Regulations, 2024 provides that the licensee needs to file an application for approval of Business Plan prior commencement of the Control Period. The relevant extract of the Regulation is as follows:

#### *"5. Business Plan*

*5.1 The Transmission Licensee or SLDC, as the case may be, shall file a Business Plan, for the Control Period by a Petition in accordance with BERC (Conduct of Business) Regulations, 2005 as amended from time to time, by 15th September of the year prior to the commencement of the Control Period and accompanied by such fee payable, as specified in the BERC (Fees, Fines and Charges) Regulations, 2019 as amended from time to time."*

Based on the above regulation BSPTCL has prepared its Business Plan for the Control Period from FY 2025-26 to FY 2027-28.

In accordance with the provision of the MYT Tariff Framework and regulation 5.2 of the BERC MYT Tariff Regulations, 2024, Transmission Licensee is required to incorporate the components of the Business Plan in the MYT Petition for the each year of the Control Period. The relevant extracts are as follows:

*"5.2 Such Business Plan shall comprise but not be limited to infrastructure requirement commensurate with load growth forecast and demand projections, capital investment plan, financing plan and physical targets.*

*Provided that the Business Plan shall take into account schemes costing below the threshold limit to be notified separately that are to be developed by the State Transmission Utility on cost plus basis in accordance with the Tariff Policy notified by Govt. of India."*

Accordingly, BSPTCL has incorporated the broad framework of the Business Plan in this MYT Petition, as detailed in the following paragraphs:

### 5.2. Business Scope

Considering the duties and functions of Transmission Licensees illustrated in the Electricity Act, 2003, the business scope for BSPTCL essentially covers the following:

- ❑ Planning and development of a properly co-ordinated intra-State transmission system in its Capital Investment Plan;



- ❑ Provide access to Transmission facilities to the State distribution utilities and any other user of the Transmission system, on payment of transmission charges;
- ❑ Provide long-term and short-term open access to consumers on payment of requisite transmission and other charges approved by the State Commission;
- ❑ Explore and develop the new dimensions of business from growth perspective and enhance value.

### **5.3. Approach to Development of Business Plan**

The Business Plan comprises the infrastructure requirement commensurate with load growth forecast and demand projections, capital investment plan, financing plan and physical targets. The capital investment is determined based on the analysis of projected demand growth in electricity distribution sector commensurate with the economic growth in the State, and generation capacity additions/ increased evacuation requirement vis-à-vis the available transmission capacity. Also, transmission infrastructure has been planned considering the DISCOM's infrastructure requirement. Transmission infrastructure requirement planning is done in conjunction with DISCOMs and considering the following:

- ❑ Increasing integration of renewable energy in the system,
- ❑ In order to avoid source outage, BSPTCL has to keep ready infrastructure to accommodate power from multiple sources,
- ❑ To meet increasing demand due to various initiatives of Central as well as State Government, i.e., 24&7 power for all, Smart Grid, SAUBHAGYA, etc.

Further, based on these growth projections, requirement of additional transmission lines and substations or augmentation of existing transmission capacity are planned. A rational approach has been followed for ascertaining various data points using practical assumptions wherever required.

The components of Business Plan depend upon various factors such as historical data, current and future financial estimates, growth estimates, economic, financial and business-related assumptions, current operational requirements, other foreseeable changes/requirements in future, etc. Any deviations due to a number of



uncontrollable externalities shall be brought to the notice of the Hon'ble Commission in accordance with the provisions of MYT Regulations. The Business Plan may need to be updated periodically in accordance with various schemes/ policy initiatives of the Government and in order to comply the directions of the Government/ Hon'ble Commission, as the case may be. Thus, BSPTCL would like to submit that the Business Plan is a dynamic document, which may need to be updated at various intervals in order to align it with the goals and objectives of the company and various schemes/ directions of the Central and State Government. Further, due to changing electricity market trends and various internal and external factors, the Business Plan may need to be updated.

#### **5.4. Key Objectives of the Business Plan**

The primary objectives for developing the Business Plan are as follows:

- ❑ Providing a tool for Strategic Planning: The Business Plan is intended to chart the Company's way forward. The key objective for developing the Business Plan is to analyse and anticipate the major requirements of transmission infrastructure commensurate with the expected demand growth of electricity. The Business Plan may prove to be a tool to strategically plan for capital investments and its financing. Further, it may help in timely execution and monitoring of the work.
- ❑ For the regulatory compliance of incorporation of requirements of Business Plan in the MYT Petition as mandated by MYT Regulations, 2024.
- ❑ The Business Plan may aid in decision making while planning and execution of the project. Further, proactive actions may be taken during the execution of the project in order to achieve the Company's goal of supplying quality power to all. This may help in improving the operational efficiency by running the transmission network in accordance with the set performance target.

#### **5.5. Business Plan**

The Business Plan of BSPTCL covers the following for the Control Period.

- ❑ Performance targets
- ❑ Norms for O&M Expenses
- ❑ Capital expenditure and Capitalisation



- ❑ Source of Funding of capital investment

The details of the same are discussed in the following sections:

## 5.6. Performance Targets

BSPTCL has projected each component of its performance Targets for the Control Period of FY 2025-26 to FY 2027-28 in line with the BERC MYT Tariff regulations, 2024. The details of the same discussed in the following paragraphs:

### 5.6.1 Transmission Availability

It is submitted that the BSPTCL is consistently trying to ensure a transmission system availability of above 98% as specified in the MYT Regulations, 2024. During the Control Period from FY 2022-23 to FY 2024-25, BSPTCL had also achieved Transmission System Availability above 98.50% and ensure its Incentives for better performance.

BSPTCL submits that it shall continue to ensure a transmission system availability of at-least 98% despite the increasing network loading. The projected Transmission system availability for the Control Period of FY 2025-26 to FY 2027-28 proposed by BSPTCL is as follows:

**Table 5-1: Transmission System Availability proposed for the Control Period**

Particulars	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
Transmission System Availability (%) For full recovery of the ARR	98%	98%	98%
Transmission System Availability (%) For entitlement of Incentives	98.50%	98.50%	98.50%

BSPTCL respectfully prays to the Hon'ble Commission to kindly consider the same in line with the BERC MYT Tariff regulations, 2024 for full recovery of the ARR for ensuing years and for entitlement of Incentive during its Truing up Exercise.

### 5.6.2 Transmission Loss

The Hon'ble Commission had approved transmission losses at 3% for the last Control Period of FY 2022-23 to FY 2024-25. Over the period, BSPTCL has taken various initiatives like installation of ABT meter, routine maintenance, etc to reduce transmission losses . BSPTCL has been able to reduce the transmission losses in



comparison of loss level approved by the Hon'ble Commission in the last Control Period. BSPTCL has achieved the actual transmission losses of 2.57% and 2.58% for FY 2022-23 and FY 2023-24, respectively.

However, BSPTCL expects the transmission losses of 3% for the period from FY 2025-26 to FY 2027-28 due to ongoing network expansion as well as system loading. The transmission loss trajectory proposed for the ensuing Control Period is shown in the table below:

**Table 5-2: Transmission Loss for the FY 2025-26 to FY 2027-28**

Particulars	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
Transmission Loss (%)	3.00%	3.00%	3.00%

BSPTCL respectfully prays to the Hon'ble Commission to kindly consider the Transmission Loss for the Control Period of FY 2025-26 to FY 2027-28 as projected by the BSPTCL.

## 5.7. Norms for O&M Expenses

Regulations 21 of BERC MYT Regulations 2024 specify that the Hon'ble Commission shall stipulate a separate trajectory of norms for each of the components of O&M expenses. The relevant extract of the Regulations is reproduced as below:

### *"21. Operation and Maintenance Expenses*

*(a) The Commission shall stipulate a separate trajectory of norms for each of the components of O&M expenses viz., Employee cost, Repair and Maintenance (R&M) expense and Administrative and General (A&G) expense.*

*Provided that such norms may be specified for a specific Transmission Licensee or a class of Transmission Licensees.*

*(b) Norms shall be defined in terms of number of personnel per ckt/km (for different categories of transmission lines for e.g. 400 KV, 220 KV, 132 KV etc. Lines) and number of personal per bay (for different categories of bay for e.g. 400 KV, 220 KV, 132 KV etc. Bays) along with annual expenses per personnel for Employee expenses; combination of A&G expense per personnel and A&G expense per substation for A&G expenses and R&M expense as percentage of gross fixed assets for estimation of R&M expenses.*

*(c) One-time expenses such as expense due to change in accounting policy and arrears paid due to pay commission recommendation shall be excluded from the norms in the trajectory."*



**In view of the above Regulations, BSPTCL has proposed the norms applicable for the Control Period from FY 2025-26 to FY 2027-28 for each of the components of O&M expenses as discussed below:**

### 5.7.1. Norms for Employee Expenses

The Hon'ble Commission in Tariff Order dated 25<sup>th</sup> March 2022 had stipulated a separate trajectory of norms for Employee Expenses applicable for the Control Period from FY 2022-23 to FY 2024-25.

Further, the Hon'ble Commission has revised its base norm for Employee Expenses vide Tariff Order dated 21<sup>st</sup> March 2023.

It is submitted that the BSPTCL has worked out norms based on the approach adopted by the Hon'ble Commission for computation of norms of Employee Expenses for the entire Control Period.

BSPTCL has considered the number of employees, transmission line in Ckt km, no. of substations and actual employee cost for the past years, i.e., for FY 2021-22 to FY 2023-24. BSPTCL has adopted a ratio of 45% of the total no. of employees as a part of norms for substation and 55% personnel as a part of norms for Ckt km for the purpose of calculation of norms in line with the methodology adopted by the Hon'ble Commission. Since, the Employee expenses of BSPTCL includes the SLDC cost also, SLDC cost has been deducted from the total Employee expenses of BSPTCL for computation of base norm for the control period of FY 2025-26 to FY 2027-28. The details of Base Norms for computation of Employee Expenses for the control Period of FY 2025-26 to FY 2027-28 is as tabulated below:

**Table 5-3: Base Norm for Employee Expenses for the Control Period of FY 2025-26 to FY 2027-28**

Sl. No.	Particulars	FY 2021-22	FY 2022-23	FY 2023-24	Average
1	No. of Employee	2,243.00	2,230.00	2,211.00	
2	No. of Ckt Km	15,778.00	16,653.00	17,552.22	
3	No. of Sub Stations	148.00	149.00	155.00	
4	Number of personnel per Ckt Km (55%)	0.0782	0.0737	0.0693	0.0737
5	Number of personnel per Sub Station (45%)	6.8199	6.7349	6.4190	6.6580





Sl. No.	Particulars	FY 2021-22	FY 2022-23	FY 2023-24	Average
6	Employee Cost Including SLDC	280.11	249.04	319.37	
7	Less: SLDC Cost	6.17	6.24	6.36	
8	Employee Cost for Transmission Utility	273.94	242.8	313.007	
9	<b>Annual Expenses per Personnel (Rs. Cr.)</b>	<b>0.1221</b>	<b>0.1089</b>	<b>0.1416</b>	<b>0.1242</b>

BSPTCL respectfully prays to the Hon'ble Commission to kindly consider the same as base Norms for Employee Expenses for the Control Period of FY 2025-26 to FY 2027-28 as computed in the table above.

### 5.7.2. Norms for R&M Expenses

The Regulation 21.2 of the MYT Regulations, 2024 specify R&M expenses as percentage of opening gross fixed assets (excluding land cost) for estimation of R&M expenses. Regulation 21 (i) specifies that the norms shall be determined based on audited accounts of operations of last three years. BSPTCL has accordingly computed the 'K' factor (i.e., R&M norm) based on the audited annual accounts for FY 2021-22 to FY 2023-24 as given below:

**Table 5-4: Base Norm for R&M Expenses for the Control Period of FY 2025-26 to FY 2027-28**

Sl. No.	Particulars	FY 2021-22	FY 2022-23	FY 2023-24
1	Opening GFA	10,156.28	10,785.97	12,101.28
2	Less: Opening Value of Land	1,503.07	1,523.09	1,533.57
3	Net Opening GFA (1-2)	8,653.21	9,262.88	10,567.71
4	R&M Expenses	35.67	52.22	54.10
5	% of R&M Expenses to GFA $((4/3)*100)$	0.41%	0.56%	0.51%
6	<b>Average % of R&amp;M expenses to GFA- "K" Factor</b>			<b>0.50%</b>

BSPTCL respectfully prays to the Hon'ble Commission to kindly consider the same as base Norms for R&M Expenses for the Control Period of FY 2025-26 to FY 2027-28 as computed in the table above.



### 5.7.3. Norms for A&G Expenses

The Hon'ble Commission in Tariff Order dated 25<sup>th</sup> March 2022 had stipulated a separate trajectory of norms for A&G Expenses applicable for the Control Period from FY 2022-23 to FY 2024-25.

It is submitted that the BSPTCL has worked out norms based on the approach adopted by the Hon'ble Commission for computation of norms of A&G Expenses for the entire Control Period.

BSPTCL has considered the number of employees, no. of substations and actual A&G cost for the past years, i.e., for FY 2021-22 to FY 2023-24. BSPTCL has adopted a ratio of 45% of the expenses as a part of norms for substation and 55% of the expenses as a part of norms for per-Personnel for the purpose of calculation of norms in line with the methodology adopted by the Hon'ble Commission. Since, the A&G expenses of BSPTCL includes the SLDC cost also, SLDC cost has been deducted from the total A&G expenses of BSPTCL for computation of base norm for the control period of FY 2025-26 to FY 2027-28. The details of Base Norms for computation of A&G Expenses for the control Period of FY 2025-26 to FY 2027-28 is as tabulated below:

**Table 5-5: Base Norm for A&G Expenses for the Control Period of FY 2025-26 to FY 2027-28**

Sl. No.	Particulars	FY 2021-22	FY 2022-23	FY 2023-24	Average
1	No. of Employee	2,243.00	2,230.00	2,211.00	
2	No. of Sub Stations	148.00	149.00	155.00	
3	A&G Expenses (Including SLDC)	42.87	54.63	71.04	
4	Less: SLDC	0.63	0.58	1.04	
5	A&G Expenses for Transmission Utility	42.24	54.05	70.00	
6	A&G Expenses per Personnel (55%)	0.0104	0.0133	0.0174	1.3700
7	A&G Expenses per Sub-Station (45%)	0.1284	0.1632	0.2032	16.4966

BSPTCL respectfully prays to the Hon'ble Commission to kindly consider the same as base Norms for A&G Expenses for the Control Period of FY 2025-26 to FY 2027-28 as computed in the table above.

### 5.8. Capital Investment Plan

BSPTCL submits that due to changing business environment and the Regulations governing the Transmission Business, the Capital Investment Plan may need to be updated at various intervals in accordance with the policy initiatives of the



Government and to align the growth path of the Company with the external business environment and internal factors affecting the business / operations of the Company.

BSPTCL has submitted Capital Investment Plan in accordance with the provisions specified in the MYT Regulations, 2024 and BERC (Procedure for filing Capital investment and Capitalisation plan) Regulations, 2018. While preparing the Capital Investment Plan, BSPTCL follows policy initiatives of the Government of Bihar (GoB). The Capital Investment Plan mainly comprises two categories of projects, viz., ongoing projects, which are spilled over from previous Control Period, and new projects.

BSPTCL proposes to undertake new projects during the Control Period of FY 2025-26 to FY 2027-28.

Further, it has also undertaken new projects based on its requirements during FY 2024-25. Therefore, BSPTCL now seeks Regulatory approval of the same vide this instant petition.

The details of the projects i.e. Name of projects, tentative project cost and tentative completion date and mode of finance proposed by BSPTCL are as given below:

**Table 5-6: Details of the new projects for the Control Period of FY 2025-26 to FY 2027-28**

Sl. No.	Name of the Project	Details of approval of GoB	Total Project Cost (Rs. Crore)	Year of Capitalisation	Status	Funding of Works
1	Construction of (i)2x500 MVA + 2x200 MVA, 400/220/132 KV AIS Sub-Station at Chhapra (New), (ii) 132 kV Chhapra(New) - Raghunathpur DCDS with Single Moose conductor. (line length- 80 km) & (iii) 132 kV Chhapra(New) - Maharajganj DCDS (45 km) with Single	GoB Letter No. BSPTCL-01/2020-24, dated 15.03.2023	482.89	FY 2026-27	Awarded through 06/PR/B SPTCL/2024	State Plan

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Sl. No.	Name of the Project	Details of approval of GoB	Total Project Cost (Rs. Crore)	Year of Capitalisation	Status	Funding of Works
	Moose conductor. (line length- 45 km)					
2	Construction of 03 nos. MD+6 tower with pile foundation for shifting the existing 33KV Baruar line, 33KV Nepal (Sirha) line & 11KV Hanuman Nagar line on turnkey basis under deposit head of NBPDCCL.	Letter received from NBPDCCL	7.04	FY 2025-26	Awarded through 16/PR/B SPTCL/2024	Deposit head of NBPDCCL
3	Construction of newly proposed 2x50MVA, 132/33 KV GSS Sarairanjan (Sarairanjan Block in Samastipur District) with Construction of associated 02 nos. 132KV Line bays at 220/132/33 KV GSS Tajpur & Construction of 132KV D/C Tajpur - Sarairanjan Tr. Line with ACSR Panther Conductor (Line length- 25 RKM) on Turnkey basis under State Plan	GoB Letter No. BSPTCL-13/2023-4546, dated 29.11.2023	74.43	FY 2026-27	Awarded through 34/PR/B SPTCL/2023	State Plan
4	Construction of 400 KV, 220 KV transmission line associated to 400/220/132 KV Chhapra (New) & Construction of 220 KV GIS Bays & 132	GoB Letter No. BSPTCL-01/2020-24, dated 15.03.2023	452.49	FY 2026-27	Awarded through 23PR/BSPTCL/2023	State plan

Truing up for FY 2023-24, Annual Performance Review for FY 2024-25,  
Business Plan and Multi Year Tariff Aggregate Revenue Requirement (MYT ARR)  
for the Control Period of FY 2025-26 to FY 2027-28 & Transmission Charges for FY 2025-26



Sl. No.	Name of the Project	Details of approval of GoB	Total Project Cost (Rs. Crore)	Year of Capitalisation	Status	Funding of Works
	KV AIS Bays for power evacuation from 400/220/132 KV Chhapra (New)					
5	Construction of 02 nos. of 400KV GIS bays at GSS Naubatpur (BGCL)	GoB Letter No. BSPTCL - 02/2021-1021, dated 31.03.2021	34.74	FY 2025-26	Awarded through 40/PR/B SPTCL/2023	State plan
6	2nd circuit stringing of 12 nos. of 132 KV transmission line of BSPTCL along with construction of 12 nos. of 132 KV line bays in connecting GSSs	GoB Letter No. BSPTCL-02/2023-2993, dated 16.08.2024	146.03	FY 2025-26	Awarded through 24/PR/B SPTCL/2024	Special assistance to States for Capital Investment for FY-2024-25.
7	(i) Construction of (2x160MVA+3x50 MVA), 220/132/33KV GSS, Tajpur (Dist.- Samastipur) with SAS including Residential Quarters under turnkey basis. (ii) Construction of (2x160MVA+3x50 MVA), 220/132/33KV GSS, Thakurganj (Dist.- Kishanganj) with SAS including Residential Quarters	GoB Letter No. BSPTCL-03/2018.2028, dated 24.07.2018	241.85	FY 2025-26	Awarded through 49/PR/B SPTCL/2022	State plan
8	132/33kV GSS Bagha, West Champaran	NITI Aayog Memo No. M-	67.90	FY 2026-27	Approved in SLSC and by CEA	BRGF Special Plan

Truing up for FY 2023-24, Annual Performance Review for FY 2024-25,  
Business Plan and Multi Year Tariff Aggregate Revenue Requirement (MYT ARR)  
for the Control Period of FY 2025-26 to FY 2027-28 & Transmission Charges for FY 2025-26



Sl. No.	Name of the Project	Details of approval of GoB	Total Project Cost (Rs. Crore)	Year of Capitalisation	Status	Funding of Works
		13099/3/1/2016-MLP dtd 20.01.2022				
9	132/33kV GSS Maithi, Muzaffarpur	Submitted to Energy Dept. vide letter no. 705 dated 14.08.2024	134.42	FY 2026-27	Approved in SLSC and by CEA	State Plan
10	132/33kV GSS Roh, Nawada	Yet to be approved	138.00	FY 2026-27	Approved by CEA	Yet to be decided
11	132/33kV GSS Mahua, Vaishali	Yet to be approved	164.00	FY 2026-27	Approved by CEA	Yet to be decided
12	132/33kV GSS Halsi, Lakhisarai	Yet to be approved	172.00	FY 2026-27	Approved in SLSC and by CEA	Yet to be decided
13	132/33kV GSS Barari, Bhagalpur	2319 dated 07.07.2022	156.32	FY 2027-28	Approved in SLSC and by CEA	State Plan
14	220/132/33kV GSS Korha, Katihar	Rajyadesh No. 2561 dated 29.08.2015 & 3489 dated 20.11.2027	118.10	FY 2027-28	Approved in SLSC and by CEA	State Plan
15	2nd Sorce Connectivity of existing GSS of BSPTCL	Submitted to Energy Dept. vide letter no. 777 dated 12.09.2025	442.82	FY 2027-28	Approved in SLSC and by CEA	State Plan
16	33kV bay extension in existing GSS of BSPTCL	Submitted to Energy Dept. vide letter no.	88.99	FY 2027-28	Approved in SLSC	State Plan



Truing up for FY 2023-24, Annual Performance Review for FY 2024-25,  
Business Plan and Multi Year Tariff Aggregate Revenue Requirement (MYT ARR)  
for the Control Period of FY 2025-26 to FY 2027-28 & Transmission Charges for FY 2025-26



Sl. No.	Name of the Project	Details of approval of GoB	Total Project Cost (Rs. Crore)	Year of Capitalisation	Status	Funding of Works
		801 dated 19.09.2024				
17	220/132/33kV GSS Shobhan, Darbhanga	Yet to be approved	305.00	FY 2027-28	Approved in SLSC and by CEA	Yet to be decided
18	132/33kV GSS Bhawanipur, Purnea	Yet to be approved	142.00	FY 2027-28	Approved in SLSC	Yet to be decided
19	132/33kV GSS Akhgaon, Bhojpur	Yet to be approved	150.00	FY 2027-28	Approved in SLSC	Yet to be decided
20	132/33kV GSS Warisnagar, Samastipur	Yet to be approved	132.00	FY 2027-28	Approved in SLSC	Yet to be decided
21	220/33kV GSS Bairiya, Patna	Yet to be approved	175.00	FY 2027-28	Approved in SLSC	Yet to be decided
22	220/132/33kV GSS Amarapur, Banka	Yet to be approved	340.00	FY 2027-28	New Proposal	Yet to be decided
23	220/132/33kV GSS Begusarai	Yet to be approved	325.00	FY 2027-28	New Proposal	Yet to be decided
24	Augmentation of 50MVA & 80MVA Power Transformer	Yet to be approved	130.00	FY 2027-28	Approved in SLSC	Yet to be decided
25	<b>Total</b>		<b>4,621.02</b>			

It is respectfully submitted that the BSPTCL has received the approval of the concerned authority for few of the projects while for the remaining projects, BSPTCL is in the process to get approval of the concern authority.

Based on the above and by considering all ongoing projects, the Summary of capex and Capitalisation during FY 2025-26 to FY 2027-28 are tabulated below:

**Table 5-7: Summary of the Capex and Capitalisation of new projects during FY 2025-26 to FY 2027-28 (Rs. Cr.)**

Sl. No.	Particulars	Claimed for FY 2025-26	Claimed for FY 2026-27	Claimed for FY 2027-28
1	Capex during the year	1,682.18	1,691.75	1,213.75



Sl. No.	Particulars	Claimed for FY 2025-26	Claimed for FY 2026-27	Claimed for FY 2027-28
2	Capitalisation	1,880.67	1,686.13	2,505.23

Further, it is submitted that the BSPTCL has estimated the project cost by considering the historical cost and the same may vary at the time of awarding the contracts.

Therefore, BSPTCL at this stage, seeks the regulatory approval for the above projects before the Hon'ble Commission. Further, any variations will be submitted to the Hon'ble Commission at the time of truing up of the respective projects.

### 5.9. Mode of Finance for the New Projects

BSPTCL has received approval for mode of finance for few of the proposed projects and accordingly considered the same to compute the normative debt and equity addition during the control period of FY 2025-26 to FY 2027-28 in line with the BERC MYT Tariff Regulations, 2024.

Further, it is respectfully submitted that the BSPTCL is in the process to receive approval for mode of finance for the remaining projects. Therefore, at this stage BSPTCL considered the normative debt: Equity ratio of 80:20 for the upcoming projects of Control Period of FY 2025-26 to FY 2027-28. However, any variations regarding mode of finance as approved by the GoB will be submitted to the Hon'ble Commission during truing of exercise of the respective year.

The details of Mode of Finance for the new Projects is as tabulated below:

**Table 5-8: Details of mode of Finance for the Control Period of FY 2025-26 to FY 2027-28 (Rs. Cr.)**

Sl. No.	Particulars	FY 2025-26 Projections	FY 2026-27 Projections	FY 2027-28 Projections
1	Gross Capitalization	1,880.67	1,686.13	2,505.23
2	Less: Deposit Work and Grants	106.65	0.00	0.00
3	Net Capitalization	1,774.02	1,686.13	2,505.23
4	<b>Total Equity addition Considered</b>	<b>378.67</b>	<b>344.02</b>	<b>501.05</b>
5	<b>Total Debt addition Considered</b>	<b>1,395.35</b>	<b>1,342.11</b>	<b>2,004.18</b>

Therefore, BSPTCL respectfully prays to the Hon'ble Commission to kindly consider the same and approve the mode of finance for the new projects proposed during Control Period of FY 2025-26 to FY 2027-28.



## (6) Multi Year Annual Revenue Requirement for the Control Period of FY 2025-26 to FY 2027-28

### 6.1. Background

The Hon'ble BERC has notified its BERC MYT Tariff Regulations, 2024 w.e.f. from 01.04.2025 and shall remain applicable during Control Period of FY 2025-26 to FY 2027-28.

Regulation 11.3 of BERC MYT Regulations, 2024 requires the Transmission Licensee to file an application for approval of Annual Revenue Requirement for the entire Control Period under MYT Tariff Framework. The relevant extracts are as follows:

*"11.3 An application (alongwith soft copy) for determination of tariff and charges shall be made by 15th November every year, for Truing up of expenses of previous years, for Annual Performance Review (APR) of the Aggregate Revenue Requirement (ARR) for the current year and determination of ARR and transmission tariff or SLDC charges for the ensuing years of the control period. ... (Emphasis Added)."*

Accordingly, BSPTCL has computed the ARR for each of the year of the upcoming Control Period of FY 2025-26 to FY 2027-28, in line with the BERC MYT Tariff Regulations, 2024.

### 6.2. Transmission Losses

BSPTCL respectfully submits that, it has projected transmission loss trajectory at 3% for each year of the Control Period, i.e., for FY 2025-26 to FY 2027-28 as discussed in the previous Chapter of Business Plan.

**Table 6-1: Transmission Loss of FY 2025-26 to FY 2027-28**

Particulars	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
Transmission Loss (%)	3.00%	3.00%	3.00%

Therefore, it is requested to kindly approve transmission loss of FY 2025-26 to FY 2027-28 as projected by the BSPTCL. It is further submitted that the BSPTCL shall claim the actual transmission loss at the time of Truing-up exercise for the respective years.



### 6.3. Capital Work in Progress (CWIP) and Capitalization

BSPTCL has projected capital expenditure and capitalization as projected in the Business Plan chapter. Further, it has also considered all the ongoing Projects for computation of Closing CWIP and Capitalisation during each year of the Control Period of FY 2025-26 to FY 2027-28. The detailed list of projects expected to be commissioned & capitalized during each year of the control Period of FY 2025-26 to FY 2027-28 is attached as **Annexure III**.

BSPTCL has considered the estimated closing CWIP of FY 2024-25 as the opening CWIP for FY 2025-26 and so on. The following Table shows the projected capital expenditure and capitalization of FY 2025-26 to FY 2027-28:

**Table 6-2: Capital Expenditure and Capitalization of FY 2025-26 to FY 2027-28 (Rs. Cr.)**

Sl. No.	Particulars	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
1	Opening CWIP (A)	2,231.26	2,032.77	2,038.39
2	Investment during the Year (B)	1,682.18	1,691.75	1,213.75
3	Less: Capitalization ('C)	1,880.67	1,686.13	2,505.23
4	Less: IDC (D)	0.00	0.00	0.00
5	<b>Closing CWIP (A+B-C-D)</b>	<b>2,032.77</b>	<b>2,038.39</b>	<b>746.91</b>

Accordingly, BSPTCL requests the Hon'ble Commission to approve the Capital Expenditure and Capitalization for the control period of FY 2025-26 to FY 2027-28 as projected above.

### 6.4. Gross Fixed Asset (GFA)

BSPTCL has considered the opening GFA for FY 2025-26 equal to the closing GFA estimated in APR of FY 2024-25 and so on. The addition to GFA is considered based on the estimated capitalisation for each year of the Control Period of FY 2025-26 to FY 2027-28 as discussed in the above para. The following Table shows the schedule of Gross Fixed Asset as projected for ARR of FY 2025-26 to FY 2027-28:

**Table 6-3: Gross Fixed Assets (GFA) of FY 2025-26 to FY 2027-28 (Rs. Cr.)**

Sl. No.	Particulars	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
1	Opening GFA	15,097.77	16,978.45	18,664.58



Sl. No.	Particulars	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
2	Add: Additions to GFA from CWIP (excl. IDC)	1,880.67	1,686.13	2,505.23
3	Add: IDC	0.00	0.00	0.00
4	Add: Land Cost	0.00	0.00	0.00
5	<b>Closing GFA</b>	<b>16,978.45</b>	<b>18,664.58</b>	<b>21,169.81</b>

Therefore, it is requested that the Hon'ble Commission may consider and approve the addition and Closing GFA as projected for the control period of FY 2025-26 to FY 2027-28.

## 6.5. Depreciation

Regulation 23 (ii) of the BERC MYT Tariff Regulations, 2024 provides as follows:

*".....Depreciation shall be calculated annually on the basis of assets capitalised and put to use based on the straight-line method over the useful life of the asset, provided that remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the transmission system and/or SLDC asset shall be spread over the balance useful life of the assets at the rate not exceeding the rate specified by the Central Electricity Regulatory Commission from time to time or as provided in Appendix-III of these Regulations.*

*The residual value of assets shall be considered as 10% and depreciation shall be allowed to a maximum of 90% of the original cost of the asset. The Transmission Licensee or SLDC, as the case may be, shall submit separate detail of fully depreciated asset along with year of commissioning and year of attaining ninety percent depreciation with the tariff petition.*

*Provided that freehold land shall not be treated as a depreciable asset and its cost shall be excluded while computing 90% of the original cost of the asset. Provided further that the cost of lease hold land shall be amortised evenly within the leased period."*

It is respectfully submitted that the BSPTCL is in the pre-tendering stage for preparation of Fixed Assets Register. Further, in absence of the proper Fixed Assets Register BSPTCL is not in the position to comply with the above regulation.

Therefore, it is requested to the Hon'ble Commission to kindly consider the same and allow time to the BSPTCL for complying with the above regulation.

In view of the above submissions, BSPTCL has projected depreciation for the FY 2025-26 to FY 2027-28 in accordance with the principle and methodology as adopted by the Hon'ble Commission during control period of FY 2022-23 to FY 2024-25.





BSPTCL has considered opening depreciable GFA equal to the closing depreciable GFA considered in APR of FY 2024-25. Further, BSPTCL has considered additions to GFA equal to projected capitalisation for each year of the control period as discussed in above para. The rate of depreciation has been considered same as the weighted average rate of Depreciation considered for truing up of FY 2023-24. The following Table shows the Depreciation projected by BSPTCL for each year of the control period of FY 2025-26 to FY 2027-28:

**Table 6-4: Depreciation for the FY 2025-26 to FY 2027-28 (Rs. Cr.)**

Sl. No.	Particulars	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
1	Value of GFA net of Land	13,546.56	15,427.23	17,113.36
2	Addition during the year (excluding land and IDC)	1,880.67	1,686.13	2,505.23
3	Add: IDC	0.00	0.00	0.00
4	Closing GFA	15,427.23	17,113.36	19,618.59
5	Average GFA	14,486.90	16,270.30	18,365.98
6	Weighted average rate of depreciation on opening depreciable GFA	5.24%	5.24%	5.24%
7	Weighted average rate of depreciation on addition to depreciable GFA	2.63%	2.63%	2.63%
8	Depreciation	759.67	853.13	963.10
9	Opening Grants	2,239.94	2,346.59	2,346.59
10	Grants during the year	106.65	0.00	0.00
11	Total Grants	2,346.59	2,346.59	2,346.59
12	Average Grants	2,293.26	2,346.59	2,346.59
13	Weighted average rate of depreciation on opening Grants	5.24%	5.24%	5.24%
14	Weighted average rate of depreciation on additional Grants	2.63%	2.63%	2.63%
15	Depreciation on Asset created out of Grants	120.23	123.01	123.01
16	<b>Net Depreciation considered in ARR (9-15)</b>	<b>639.44</b>	<b>730.12</b>	<b>840.08</b>

Therefore, BSPTCL requests the Hon'ble Commission to consider and approve the Depreciation for the FY 2025-26 to FY 2027-28 as shown in the above table.





## 6.6. Operation and Maintenance Expenses

BSPTCL submits that it has projected each of the heads under Operation and Maintenance Expenses for each year of the Control Period of FY 2025-26 to FY 2027-28 as per provisions of the BEREC MYT Regulations, 2024. The detail computations of each of the heads of O&M Expenses is discussed below:

### 6.6.1. Employee Expenses

BSPTCL has computed the base norm for the Control Period of FY 2025-26 to FY 2027-28 in line with the principle and methodology adopted by the Hon'ble Commission in its MYT Tariff Order dated 25<sup>th</sup> March, 2022, Tariff Order dated 21<sup>st</sup> March 2023 and provisions provided in the BEREC MYT Tariff Regulations, 2024. The detailed computation of the same was provided in the previous chapter of Business Plan for the Control Period of FY 2025-26 to FY 2027-28.

BSPTCL has also considered the escalation factor as provided in the BEREC MYT Tariff Regulations, 2024 for computing the Employee Expenses of FY 2025-26 to FY 2027-28. The following Table shows the base value of norms considered for Normative Employee Expenses of FY 2025-26 to FY 2027-28.

**Table 6-5: Base Value considered for Normative Employee Expenses of FY 2025-26 to FY 2027-28**

Sl. No.	Particulars	FY 2025-26 Projections
1	Number of personnel per ckt. km (55%)	0.0737
2	Number of personnel per substation (45%)	6.6580
3	Annual expenses per personnel (Rs. Lakh)	12.4193

BSPTCL has considered the escalation on the above base value norms for computing Normative Employee Expenses of FY 2025-26 to FY 2027-28. Further, BSPTCL has considered Transmission Line in Ckt. Km & number of sub-stations as actuals as on Sept. 2024. The number of employees for FY 2025-26 has been considered based on retirements & planned recruitments during the year. The details of these parameters are provided in the following Table:

**Table 6-6: Projected Transmission Lines, No. of Substations and No. of Employee of FY 2025-26 to FY 2027-28**

Sl. No.	Particulars	As on Mar, 2026 (Projected)	As on Mar, 2027 (Projected)	As on Mar, 2028 (Projected)
1	Transmission Line in ckt. Km	17,986	17,986	17,986



Sl. No.	Particulars	As on Mar, 2026 (Projected)	As on Mar, 2027 (Projected)	As on Mar, 2028 (Projected)
2	No. of sub-stations	158	158	158
3	No. of employees	2,954	3,193	3,432

Further, Regulation 21.1 of BERC MYT Regulations, 2024 specifies that the employee cost shall be computed as per the approved norms escalated by average increase in CPI for immediately preceding three years. The relevant excerpt of the regulation is as follows:

*“21.1 Employee Cost Employee cost shall be computed as per the approved norm escalated by consumer price index (CPI), adjusted by provisions for expenses beyond the control of the Transmission Licensee and one-time expected expenses, such as recovery/adjustment of terminal benefits, implications of pay commission, arrears and Interim Relief, governed by the following formula:*

$$EMP_n = (EMP_b * CPI \text{ inflation}) + Provision$$

Where:

*EMP<sub>n</sub> : Employee expense for the year n*

*EMP<sub>b</sub> : Employee expense as per the norm*

*CPI inflation: is the average increase in the Consumer Price Index (CPI) for immediately preceding three years.....”*

In accordance with the above Regulations, BSPTCL has considered the increase in the CPI indices up to March 2024 and accordingly computed rate of escalation of base year employee expenses. The detail computation are as follows:

**Table 6-7: Computation of CPI Inflation considered for FY 2025-26 to FY 2027-28**

Particulars	Actual				Projected FY 2025-26 to FY 2027- 28
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	
Annual Average CPI Index	339	356	378	397	
CPI Inflation		5.13%	6.05%	5.19%	<b>5.46%</b>

BSPTCL has considered the escalation on the base value norms of Annual expenses per personnel as per methodology adopted by the Hon'ble Commission in its previous tariff orders.



In line with above submissions, the following Table shows the computation of Normative Employee Expenses of FY 2025-26 to FY 2027-28:

**Table 6-8: Employee Expenses of FY 2025-26 to FY 2027-28 (Rs. Cr.)**

Sl. No.	Particulars	Base Norms considered for FY 2025-26 to FY 2027-28	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
1	Average annual CPI Inflation		5.46%	5.46%	5.46%
2	Norms-Number of personnel per ckt. Km	0.074	0.0737	0.0737	0.0737
3	Norms-Number of personnel per substation	6.6580	6.6580	6.6580	6.6580
4	Transmission line length in ckt. Km		17,986	17,986	17,986
5	No. of Sub-stations		158	158	158
6	Norms-Annual expenses per personnel (Rs. lakh)	12.4193	13.0968	13.8114	14.5649
7	Employee cost (Number of personnel per ckt. Km (2*4*6)/100 (Rs. Crore)		173.63	183.10	193.09
8	Employee cost (Number of personnel per substation (3*5*6)/100 (Rs. Crore)		137.77	145.29	153.22
9	<b>Total Employee cost for the year (7+8) (Rs. Crore)</b>		<b>311.40</b>	<b>328.39</b>	<b>346.30</b>

Accordingly, the Hon'ble Commission is requested to consider and approve the Normative Employee Expenses as claimed in the above table for MYT ARR of FY 2025-26 to FY 2027-28.

### 6.6.2. Repairs and Maintenance Expenses (R&M)

Regulation 21.2 of MYT Regulations, 2024 specifies provisions for computation of R&M expenses, the relevant extract of the Regulation is as follows:

*"21.2 Repairs and Maintenance (R&M) Expense*



Repairs and Maintenance expense shall be calculated as percentage (as per the norm determined) of Opening Gross Fixed Assets excluding land cost for the year governed by following formula:  
 $R\&M_n = K_b * GFA_n$

Where:

$R\&M_n$  : Repairs & Maintenance expense for nth year

$GFA_n$  : Opening Gross Fixed Assets for nth year

$K_b$  : Percentage point as per the norm."

BSPTCL has computed the "K" factor for the control period of FY 2025-26 to FY 2027-28 in line with the methodology adopted by the Hon'ble Commission in the Control Period of FY 2022-23 to FY 2024-25 and provisions of BERC MYT Tariff Regulations, 2024. The details computation of "k" factor was discussed in the Business Plan chapter.

Based the above submissions, the computation of R&M expenses for the FY 2025-26 to FY 2027-28 is shown in the following Table:

**Table 6-9: R&M Expenses of FY 2025-26 to FY 2027-28 (Rs. Cr.)**

Sl. No.	Particulars	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
1	Opening GFA (net of Land)	13,546.56	15,427.23	17,113.36
2	% on GFA	0.50%	0.50%	0.50%
3	<b>R&amp;M Expenses on Opening GFA (1*2)</b>	<b>67.19</b>	<b>76.52</b>	<b>84.88</b>

Therefore, BSPTCL requests the Hon'ble Commission to approve the R&M Expenses of FY 2025-26 to FY 2027-28 as claimed in the table above.

### 6.6.3. Administration and General Expenses (A&G)

A&G Expenses mainly comprise of rent charges, telephone and other communication expenses, professional charges, conveyance and travelling allowances and other debits.

The BSPTCL has computed the base norm for Normative A&G Expenses for the Control Period of FY 2025-26 to FY 2027-28 in line with the methodology adopted by the Hon'ble Commission in the control period of FY 2022-23 to FY 2024-25 and



provisions provided in the MYT Tariff regulations, 2024. The detailed computation of the same is provided in the chapter for Business Plan of FY 2025-26 to FY 2027-28.

The following table shows the norms considered by BSPTCL for computing Normative A&G Expenses.

**Table 6-10: Base Value considered for Normative A&G Expenses of FY 2025-26 to FY 2027-28**

Sl. No.	Particulars	FY 2025-26 Projection
1	A&G Expenses per personnel (Rs. Lakh)	1.3700
2	A&G Expenses per sub-station (Rs. Lakh)	16.4966

BSPTCL has considered the escalation on the above base value norms for computing A&G expenses for FY 2025-26 to FY 2027-28. Regulation 21.3 of the BERC MYT Regulations, 2024 provides for escalation of base value norms for consideration of A&G Expenses. The relevant extracts are as follows:

***“21.3 Administrative and General (A&G) Expense***

*A&G expense shall be computed as per the norm escalated by wholesale price index (WPI) and Consumer Price Index (CPI) in the ratio 60:40 and adjusted by provisions for confirmed initiatives (IT etc. initiatives as proposed by the Transmission Licensee and validated by the Commission) or other expected one-time expenses, and shall be governed by following formula:*

$$A\&G_n = (A\&G_b * WPI \text{ inflation}) + Provision$$

*Where:*

*A&G<sub>n</sub>: A&G expense for the year n*

*A&G<sub>b</sub>: A&G expense as per the norm*

*WPI inflation: is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years ...”*

Further, it is submitted that the WPI Inflation during FY 2023-24 was on negative side. Regulation 21 (g) of BERC MYT Tariff Regulations, 2021 provides as follows:

*“Provided that in case the average yearly inflation derived based on the monthly CPI and WPI indices is negative for a particular year, the same will be excluded from the computation of yearly inflation”*



Based on the above regulation BSPTCL has considered the average WPI inflation during FY 2023-24 as on same level as computed during FY 2022-23. The details of the same is shown in the Table below:

**Table 6-11: WPI: CPI inflation considered for A&G Expenses of FY 2025-26 to FY 2027-28**

Particulars	Actual				Projected FY 2025- 26 to FY 2027-28
	FY 2020- 21	FY 2021- 22	FY 2022- 23	FY 2023- 24	
Annual Average CPI Index	339	356	378	397	
CPI Inflation		5.13%	6.05%	5.19%	5.46%
Annual Average WPI Index	123	139	153	153	
WPI Inflation		13.00%	9.41%	0.00%	7.47%
WPI : CPI (60:40)					6.66%

BSPTCL has computed A&G expenses in accordance with Regulation 21.3 of BERC MYT Tariff Regulations, 2024 considering the base norms & escalation factor as discussed above. The calculation of A&G expenses is provided in the following table:

**Table 6-12: A&G Expenses of FY 2025-26 to FY 2027-28 (Rs. Cr.)**

Sl. No.	Particulars	Base Norms considered in FY 2025-26 to FY 2027-28	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
1	Average annual WPI & CPI Index		6.66%	6.66%	6.66%
2	Norms-A&G Expenses per personnel	1.3700	1.4613	1.5587	1.6626
3	Norms-A&G Expenses per substation (Rs. Lakh)	16.4966	17.5958	18.7683	20.0189
4	No. of Employees		2,954	3,193	3,432
5	No. of Sub-stations		158	158	158
6	A&G Expenses (No. of employees) (2*4) (Rs. Crore)		43.17	49.77	57.06
7	A&G Expenses (No of substations) (3*5) (Rs. Crore)		27.80	29.65	31.63





Sl. No.	Particulars	Base Norms considered in FY 2025-26 to FY 2027-28	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
8	Total A&G Expenses for the year (Rs. Crore) (6+7)		70.97	79.42	88.69

Therefore, BSPTCL requests the Hon'ble Commission to consider and approve the A&G Expenses for the ensuing years as claimed.

#### 6.6.4. Holding Company Expenses

BSPTCL submits that BSP(H)CL, which is the Holding Company of all the State Utilities and Generating Company, recovers its expenses from its subsidiary Companies. BSPTCL is claiming holding expenses separately in line with the methodology adopted by the Hon'ble Commission.

In absence of Norms, BSPTCL has claimed Holding Company expenses of FY 2025-26 to FY 2027-28 on the basis of actual expenses incurred in FY 2023-24 and has not claimed any escalation in Holding Expenses. Further, any variation with respect to the Holding Company Expenses shall be claimed in Truing up of the respective years.

**Table 6-13: Holding Company Expenses of FY 2025-26 to FY 2027-28 (Rs. Cr.)**

Sl. No.	Particulars	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
1	Holding Company Expenses for FY 2023-24	24.50	24.50	24.50
2	Inflationary Increase	0.00	0.00	0.00
3	<b>Holding Company Expenses</b>	<b>24.50</b>	<b>24.50</b>	<b>24.50</b>

Therefore, BSPTCL requests the Hon'ble Commission to approve the Holding Company Expenses as claimed in the above table for MYT ARR of FY 2025-26 to FY 2027-28.

#### 6.6.5. Summary of O&M Expenses

Based on above details, BSPTCL has summarised the O&M expenses claimed in MYT ARR of FY 2025-26 to FY 2027-28 as shown in the Table below:



**Table 6-14: Summary of O&M Expenses of FY 2025-26 to FY 2027-28 (Rs. Cr.)**

Sl. No.	Particulars	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
1	Employee Expenses	311.40	328.39	346.30
2	Repairs and Maintenance Expenses	67.19	76.52	84.88
3	Administration and General Expenses	70.97	79.42	88.69
4	Holding Company Expenses	24.50	24.50	24.50
5	<b>Total Operation and Maintenance Expenses</b>	<b>474.06</b>	<b>508.83</b>	<b>544.37</b>

Therefore, BSPTCL requests the Hon'ble Commission to approve the Operation and Maintenance Expenses as claimed in the above table for MYT ARR of FY 2025-26 to FY 2027-28.

## 6.7. Means of Finance

Regulation 22 (a) of MYT Regulations, 2024, provides that:

### *"22. Return on Equity*

*(a) Return on equity shall be computed on 30% of the capital cost or actual equity, whichever is lower:"*

Further, Regulation 24 (b) specifies as under:

*"(b) If the equity actually deployed is more than 30 % of the capital cost, equity in excess of 30 % shall be treated as normative loan: Provided that where equity actually deployed is less than 30% of the capital cost, the actual loan shall be considered for determination of interest on loan...."*

BSPTCL has arrived at the means of finance for the projects in accordance with the above Regulations. Accordingly, BSPTCL submits that for the purpose of funding, it has computed Net Asset expected to be capitalized during FY 2025-26 to FY 2027-28 after deducting the amount estimated to be capitalised on account of grant received from PSDF and Deposit works. Further, BSPTCL has considered the Debt Equity ratio in line with the approach adopted by the Hon'ble Commission in previous Tariff Orders.

BSPTCL also submits that it has also considered the means of finance for the Capitalisation projected in the business plan chapter.

The details of the Debt Equity addition for the FY 2025-26 to FY 2027-28 is shown in the Table below:



**Table 6-15: Means of Finance of FY 2025-26 to FY 2027-28 (Rs. Cr.)**

Sl. No.	Particulars	FY 2025-26 Projections	FY 2026-27 Projections	FY 2027-28 Projections
1	Gross Capitalization	1,880.67	1,686.13	2,505.23
2	Less: Deposit Work and Grants	106.65	0.00	0.00
3	Net Capitalization	1,774.02	1,686.13	2,505.23
4	<b>Total Equity addition Considered</b>	<b>378.67</b>	<b>344.02</b>	<b>501.05</b>
5	<b>Total Debt addition Considered</b>	<b>1,395.35</b>	<b>1,342.11</b>	<b>2,004.18</b>

Accordingly, The Hon'ble Commission is requested to consider and approve the Normative Equity and Loan addition of FY 2025-26 to FY 2027-28.

### 6.8. Interest and Finance Charges

BSPTCL has considered normative opening balance of loan for FY 2025-26 equal to the closing balance of normative loan considered in APR of FY 2024-25 and so on. Normative Loan addition has been considered as the per means of finance computed above. Further, the rate of interest has been considered same as that claimed for the Truing up of Expenses for the FY 2023-24 and Review of FY 2024-25. Accordingly, BSPTCL has computed Interest and Finance Charges of FY 2025-26 to FY 2027-28 as shown in the following Table:

**Table 6-16: Interest and Finance Charges of FY 2025-26 to FY 2027-28 (Rs. Cr.)**

Sl. No.	Particulars	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
1	Opening Loan	5,554.56	6,310.47	6,922.47
2	Addition during the year	1,395.35	1,342.11	2,004.18
3	Normative Repayment (Equal to Depreciation)	639.44	730.12	840.08
4	Closing Loan	6,310.47	6,922.47	8,086.57
5	Average Loan	5,932.52	6,616.47	7,504.52
6	Interest Rate (%)	9.25%	9.25%	9.25%
7	Interest on Loan	548.93	612.22	694.39
8	Other Finance Charges	0.01	0.01	0.01
9	<b>Interest and Finance Charges (7+8)</b>	<b>548.94</b>	<b>612.22</b>	<b>694.39</b>

Therefore, BSPTCL requests the Hon'ble Commission to consider and approve the Normative Interest on Loan and Finance Charges for the MYT ARR of FY 2025-26 to FY 2027-28 as shown in the table above.



## 6.9. Return on Equity

BSPTCL has calculated RoE in accordance with Regulation 22 of MYT Regulations, 2024, as reproduced below:

### *"22. Return on Equity*

*.....(c) Rate of return on equity shall be not more than 14.0% for all the projects."*

Further Clause 2 of Regulation 27 specifies the formula for computation of RoE. The relevant extract of the Regulation is as follows:

### *"27. Tax on Return on Equity*

*..... 2) Rate of return on equity shall be rounded off to two decimal places and shall be computed as per the formula given below:*

*Rate of pre-tax return on equity = Base rate / (1-t)*

*Where "t" is the effective tax rate in accordance with Clause (1) of this regulation and shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the company on pro-rata basis by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon. In case of licensee/SLDC paying Minimum Alternate Tax (MAT), "t" shall be considered as MAT rate including surcharge and cess."*

BSPTCL has considered the opening balance of equity for FY 2025-26 same as the closing balance of equity of FY 2024-25. Equity addition has been considered as per the means of finance computed in above para.

BSPTCL proposes to claim RoE at 14% in line with the BERC MYT Tariff Regulations, 2024. Further, BSPTCL has considered the MAT rate of 17.47% in line with the actual MAT rate applicable for FY 2023-24. The detail computation of RoE for the FY 2025-26 to FY 2027-28 calculated in line with the above principles is summarised in the table below:

**Table 6-17: Return on Equity of FY 2025-26 to FY 2027-28 (Rs. Cr.)**

Sl. No.	Particulars	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
1	Opening Equity as on 1.4.2015	375.41	375.41	375.41
2	Rate of Return on Equity	14.00%	14.00%	14.00%
3	Tax/MAT rate %	17.47%	17.47%	17.47%



Sl. No.	Particulars	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
4	Rate of Return on Equity (Pre-tax)	16.96%	16.96%	16.96%
5	Return on Equity (1*4)	63.68	63.68	63.68
	Equity on projects commissioned w.e.f.1.4.2015			
6	Opening Equity	2,570.41	2,949.08	3,293.10
7	Addition during the year	378.67	344.02	501.05
8	Closing Equity (6+7)	2,949.08	3,293.10	3,794.14
9	Average Equity	2,759.75	3,121.09	3,543.62
10	Rate of Return on Equity	14.00%	14.00%	14.00%
11	Tax/MAT rate %	17.47%	17.47%	17.47%
12	Rate of Return on Equity (Pre-tax)	16.96%	16.96%	16.96%
13	Return on Equity (9*12)	468.16	529.46	601.14
14	<b>Total Return on Equity (5+13)</b>	<b>531.85</b>	<b>593.14</b>	<b>664.82</b>

Therefore, the Hon'ble Commission is requested to approve the Return on Equity as shown in the above table for MYT ARR of FY 2025-26 to FY 2027-28.

## 6.10. Interest on Working Capital

BSPTCL has computed the working capital requirement in accordance with Regulation 26 of MYT Regulations, 2024, as follows:

### *"26. Interest on working capital*

*(a) The Transmission Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:*

- (i) Receivables equivalent to 45 days of annual transmission charges calculated on target availability level.*
- (ii) O&M Expenses of one (01) month.*
- (iii) Maintenance spares @ 40% of R&M expenses for one month.*

*Provided that for the purpose of Truing-up for any year, the working capital requirement shall be re-computed on the basis of the values of revised normative Operation & Maintenance expenses and actual Revenue from Transmission Charges as reflected in the Audited Accounts excluding incentive, if any, and other components of working capital approved by the Commission in the Truing-up before sharing of gains and losses.*

Less:





(iv) Return on equity and contribution to contingency reserves equivalent to 45 days.

(v) Amount of security deposits from Transmission System users, if any, held during the year except the security deposits held in the form of Bank Guarantee from Transmission System Users

(b) Interest on working capital shall be on normative basis, notwithstanding that the transmission licensee and/or SLDC has not taken a loan for working capital from any outside agency and rate of interest shall be equal to the State Bank (one-year tenor) Marginal Cost of Funds-based Lending Rate (‘MCLR’) as of the date on which petition for determination of tariff is filed plus 150 basis points. The rate of interest for the purpose of Truing-up shall be the weighted average MCLR of the concern Financial Year plus 150 basis points.....”

In accordance with above provisions, BSPTCL has considered State Bank of India (SBI) one-year MCLR as on 15<sup>th</sup> September, 2024 and added 150 basis point to compute the applicable interest rate for Working Capital. The SBI 01-year (tenure) MCLR as on 15<sup>th</sup> September 2024 is 8.95%. Accordingly, interest rate has been considered as 10.45% (8.95%+1.50%).

Accordingly, BSPTCL has projected the interest on working capital for MYT ARR of FY 2025-26 to FY 2027-28, as tabulated below:

**Table 6-18: Interest on Working Capital of FY 2025-26 to FY 2027-28 (Rs. Cr.)**

Sl. No.	Particulars	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
1	Receivables equivalent to two (2) month of transmission charges	258.81	289.27	325.83
2	O&M Expenses of one month	39.50	42.40	45.36
3	Maintenance spares @ 40% of 1-month R&M expenses	2.24	2.55	2.83
4	Less: RoE and Contribution to Contingency Reserve for 2 months	65.57	73.13	81.96
5	<b>Total Working Capital</b>	<b>234.99</b>	<b>261.09</b>	<b>292.06</b>
6	Interest on Working Capital (%)	10.45%	10.45%	10.45%
7	<b>Interest on Working Capital</b>	<b>24.56</b>	<b>27.28</b>	<b>30.52</b>

Therefore, BSPTCL requests the Hon’ble Commission to consider and approve the Interest on Working Capital for MYT ARR of FY 2025-26 to FY 2027-28 as projected.





## 6.11. Non-Tariff Income

BSPTCL submits that it has considered the Non-Tariff Income for FY 2025-26 to FY 2027-28 by escalating estimated NTI of FY 2024-25 by 5% as per the methodology adopted by Hon'ble Commission in the MYT Order for the Control Period of FY 2022-23 to FY 2024-25. Any variation in Non-Tariff Income shall be submitted at the time of truing up exercise of the respective year. The calculation of Non-Tariff Income claimed for FY 2025-26 to FY 2027-28 is shown below:

**Table 6-19: Non-Tariff Income of FY 2025-26 to FY 2027-28 (Rs. Cr.)**

Sl. No.	Particulars	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
1	Non-Tariff Income of FY 2023-24	109.38	114.85	120.59
2	Escalation (in %)	5%	5%	5%
3	Increase (in Rs. Cr.)	5.47	5.74	6.03
4	<b>Non-Tariff Income for the Year</b>	<b>114.85</b>	<b>120.59</b>	<b>126.62</b>

Therefore, BSPTCL requests the Hon'ble Commission to consider and approve the Non-Tariff Income as computed in the table above for MYT ARR of FY 2025-26 to FY 2027-28.

## 6.12. Income from Other Business (OPGW Cable)

BSPTCL submits that it has considered the sharing of Income from OPGW Cable for FY 2025-26 to FY 2027-28 at the same level of truing up of FY 2023-24. However, any variation in Income from other business shall be submitted at the time of truing up exercise of the respective year. The details of sharing of Income from Other Business claimed for FY 2025-26 to FY 2027-28 is shown below:

**Table 6-20: Sharing of gain from Other Business for the FY 2025-26 to FY 2027-28 (Rs. Cr.)**

Sl. No.	Particulars	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
1	Sharing of Gain (50%) from Other Business (OPGW Cable)	4.72	4.72	4.72

Therefore, BSPTCL requests the Hon'ble Commission to consider and approve the sharing of gain derived from other business as computed in the table above for MYT ARR of FY 2025-26 to FY 2027-28.



### 6.13. Aggregate Revenue Requirement

Based on the discussions made in previous sections of this Chapter, BSPTCL has summarised the Aggregate Revenue Requirement for Transmission Business for each year of the Control Period of FY 2025-26 to FY 2027-28, as shown in the Table below:

**Table 6-21: Aggregate Revenue Requirement of FY 2025-26 to FY 2027-28 (Rs. Cr.)**

Sl. No.	Particulars	Projected in MYT ARR FY 2025-26	Projected in MYT ARR FY 2026-27	Projected in MYT ARR FY 2027-28
1	<b>O&amp;M expenses (a+ b+ c+ d)</b>	<b>474.06</b>	<b>508.83</b>	<b>544.37</b>
	a. Employee cost	311.40	328.39	346.30
	b. R&M expenses	67.19	76.52	84.88
	c. A&G Expenses	70.97	79.42	88.69
	d. Holding Company expenses	24.50	24.50	24.50
2	Depreciation	639.44	730.12	840.08
3	Interest on Loan Capital	548.94	612.22	694.39
4	Interest on Working Capital	24.56	27.28	30.52
5	Return on Equity	531.85	593.14	664.82
6	Less: Non-Tariff Income	114.85	120.59	126.62
7	Less: Income From Other Business (OPGW Cable)	4.72	4.72	4.72
8	<b>Net ARR</b>	<b>2,099.26</b>	<b>2,346.28</b>	<b>2,642.85</b>

Accordingly, the Hon'ble Commission is requested to consider and approve the ARR as claimed by BSPTCL for each year of the control period of FY 2025-26 to FY 2027-28.



## (7) Annual Transmission Charges

### 7.1. Trued-up Revenue Gap/ (Surplus) of FY 2023-24

BSPTCL had computed Net Revenue Gap/(Surplus) in the previous section of truing up of FY 2023-24. In accordance with the BERC MYT Regulations, 2024, BSPTCL has adjusted the Trued-up (Surplus) of FY 2023-24 along with holding cost to the ARR of FY 2025-26. The following table shows the Revenue (Surplus) considered by BSPTCL after computing the carrying cost as per the methodology adopted by the Hon'ble Commission in previous Tariff orders:

**Table 7-1: Revenue Gap/(Surplus) of FY 2023-24 (Rs. Cr.)**

Sl. No.	Particulars	Amount (Rs. Crore)
1	Revenue Surplus in True Up of 2023-24	(38.31)
2	Interest for FY 2023-24 [(SBI MCLR +1.50%) @ 10.07%] for 6 months	(1.93)
3	Interest for FY 2024-25 [(SBI MCLR +1.50%) @10.45%]] for 1 year	(4.00)
4	Interest for FY 2025-26 [(SBI MCLR +1.5%) @10.45%] for 6 months	(2.00)
5	Total Interest to be adjusted in ARR of FY 2025-26	(7.93)
6	<b>Total Revenue Surplus to be adjusted in ARR of FY 2025-26</b>	<b>(46.24)</b>

Therefore, BSPTCL requests the Hon'ble Commission to consider and approve the Revenue (Surplus) along with Holding Cost as computed above.

Further, BSPTCL submits that it has also computed Revenue Surplus in APR of FY 2024-25 as detailed in the previous section of the instant petition. However, in accordance with the provisions of MYT Regulations, 2024 and principle adopted by the Hon'ble BERC in previous tariff orders, BSPTCL has not adjusted the same in the ARR of FY 2025-26.

### 7.2. Net Aggregate Revenue Requirement

Based on above submission, BSPTCL has computed Net Aggregate Revenue Requirement for FY 2025-26. The details of Net ARR for FY 2025-26 are as follows:



**Table 7-2: Net Aggregate Revenue Requirement of FY 2025-26 (Rs. Cr.)**

Sl. No.	Particulars	FY 2025-26 Projection
1	Net ARR considered for FY 2025-26	2,099.26
2	Less: Revenue Surplus of FY 2023-24 along with Holding cost	(46.24)
3	<b>Annual Transmission Charges for FY 2025-26 (1+2)</b>	<b>2,053.02</b>

Accordingly, BSPTCL requests the Hon'ble Commission to allow the proposed Annual Transmission Charges for the FY 2025-26 and pass such orders for recovery of the same.

### 7.3. Methodology of Recovery of ARR

Regulation 33 and 34 specifies the procedure for recovery of Annual Transmission Charges, as reproduced below:

#### **“33. Annual Transmission Charges (ATC)**

33.1 The annual Transmission charges of the transmission system shall be computed on annual basis, in accordance with norms contained in these regulations, aggregated as appropriate, and recovered on monthly basis as transmission charge from the users.

33.2 The Transmission charge (inclusive of incentive/29disincentive) for AC system payable for a calendar month shall be:

$$ARR \times (NDM/NDY) \times (TAFM/NATAF)$$

Where;

$$NATAF = 98\%$$

NDM = Number of days in the month

NDY = Number of days in the year

TAFM = Transmission System availability factor for the month, in percent computed in accordance with Appendix-II.

#### **34. Sharing of charges for Intra-State Transmission Network**

34.1 The Aggregate Revenue Requirement of the Transmission Licensee, as approved by the Commission, shall be shared by all long-term users and medium-term users of the transmission system on monthly basis in the ratio of their respective contracted transmission capacities to the total contracted transmission capacity, in accordance with the following formula:

*Truing up for FY 2023-24, Annual Performance Review for FY 2024-25,  
Business Plan and Multi Year Tariff Aggregate Revenue Requirement (MYT ARR)  
for the Control Period of FY 2025-26 to FY 2027-28 & Transmission Charges for FY 2025-26*



$$TC_n = (\text{Transmission ARR net of incentive/disincentive}) \times (\text{NDM/NDY}) \times CC_n / SCC$$

Where,

$TC_n$  = transmission charges for the month payable by the  $n$ th long-term user or medium-term user of the transmission system;

Transmission ARR = Aggregate Revenue Requirement of the Transmission Licensee, determined in accordance with Regulation 68 of these Regulations;

$CC_n$  = capacity contracted in MW by the  $n$ th long-term user or medium-term user of the transmission system during the month;

SCC = sum of capacities contracted in MW by all long-term users and medium-term users of the transmission system during the month;

NDM=Number of days in the month

NDY=Number of days in the year

*Provided that the  $TC_n$  shall be payable on monthly basis by each long-term user or medium-term user of the transmission system and shall be collected by the State Transmission Utility (STU)."*

In accordance with the above Regulation, BSPTCL requests the Hon'ble Commission to permit BSPTCL to recover the Annual Transmission Charges in 12 monthly instalments, subject to achievement of normative transmission availability of 98%.

For the purpose of determination of Transmission Charges, BSPTCL has allocated the proposed Annual Transmission Charges between NBPDC/ SBPDC and Railways based on the Maximum Projected Load during FY 2025-26. The Details of expected maximum projected load of NBPDC, SBPDC and Railways during FY 2025-26 are provided in the following table:

**Table 7-3: Maximum Projected Load during FY 2025-26 (in MW)**

Sl. No.	Particulars	Contracted Capacity (MW)
1	North Bihar Power Distribution Company Limited	4,037.88
2	South Bihar Power Distribution Company Limited	4,740.12
3	<b>Total DISCOMs</b>	<b>8,778.00</b>
4	Railway	100.00
5	<b>Total DISCOMs+ Railway</b>	<b>8,878.00</b>

**BSPTCL submits that it has considered the Maximum Projected load for computation of Transmission Charges of the FY 2025-26.**



#### 7.4. Transmission Charges for NBPDC and SBPDCL

BSPTCL has bifurcated the total ARR based on the maximum projected load of individual long-term consumers. The combined maximum load of NBPDC and SBPDCL is considered as detailed in above para. Accordingly, the Monthly Transmission Charges of BSPTCL is proposed to be recovered from both the Distribution Companies is as follows:

**Table 7-4: Transmission Charges for NBPDC and SBPDCL (Rs. Cr.)**

Sl. No.	Particulars	FY 2025-26 Projection
1	Annual Transmission Charges for FY 2025-26 (Rs. Crore)	2,053.02
2	Total Maximum Projected Load (in MW)	8,878.00
3	Total Maximum Load of NBPDC and SBPDCL	8,778.00
4	Annual Transmission Charges to be levied to NBPDC and SBPDCL (Rs. Crore)	2,029.90
5	<b>Monthly Transmission Charges to be levied to NBPDC and SBPDCL (Rs. Crore)</b>	<b>169.16</b>

Accordingly, the Hon'ble Commission is requested to allow BSPTCL to recover monthly Transmission Charges from NBPDC and SBPDCL as computed in the table above in proportion to the power sharing ratio, subject to target availability.

#### 7.5. Transmission Charges for Railways

BSPTCL has bifurcated the total ARR based on the maximum projected load of individual long-term open access consumers. The maximum load of Railway is considered at 100 MW based on contracted capacity. Accordingly, the Monthly Transmission Charges of BSPTCL to be recovered from Railways is as follows:

**Table 7-5: Transmission Charges for Railways (Rs. Cr.)**

Sl. No.	Particulars	FY 2025-26 Projection
1	Annual Transmission Charges for FY 2025-26 (Rs. Crore)	2,053.02
2	Total Maximum Projected Load (in MW)	8,878.00
3	Total Contracted Capacity of Railways	100.00
4	Annual Transmission Charges to be levied to Railways (Rs. Crore)	23.12
5	<b>Monthly Transmission Charges to be levied to Railways (Rs. Crore)</b>	<b>1.93</b>





Therefore, the Hon'ble Commission is requested to allow BSPTCL to recover monthly Transmission Charges from Railways as computed in the table above, subject to target availability.

## 7.6. Transmission Charges for Short Term Open Access Consumers

BSPTCL has determined Short Term Open Access charges in accordance with the methodology adopted by the Hon'ble Commission in the previous Tariff Order.

Transmission Charges payable by Short Term Open Access Consumer shall be determined by the following formula.

$$\text{Transmission Charges} = \text{ATC} / (\text{PLST} \times 8760)$$

Where,

ATC = Annual Transmission Charges arrived for FY 2025-26 for BSPTCL in Rs. Crore

PLST = Peak Load Projected to be served by the State Transmission System. "

Accordingly, BSPTCL has computed Transmission Charges for Short Term Open Access Consumers as follows:

**Table 7-6: Transmission Charges for Short Term Open Access Consumers (Rs./MWh)**

Sl. No.	Particulars	FY 2025-26 Projection
1	Annual Transmission Charges for FY 2025-26 (Rs. Crore)	2,053.02
2	Total Maximum Projected Load (in MW)	8,878.00
3	<b>Transmission Charges for Short Term Open Access Consumer (Rs./MWh)</b>	<b>263.98</b>

Further, BSPTCL submits that the Transmission Charges for Short Term Open Access consumers shall be payable on the basis of energy actually scheduled for short-term transactions.



## **(8) Prayers**

BSPTCL respectfully prays that the Hon'ble Commission may be pleased to consider and approve the following:

- a. Admit this Petition;
- b. Examine the proposal submitted by the Petitioner in the enclosed Petition for a favourable dispensation;
- c. Pass suitable Orders with respect to the True-up of ARR for FY 2023-24, APR for FY 2024-25 under BERC (Multi-Year Transmission Tariff and SLDC Charges) Regulations, 2021, Business Plan and Multi-Year Annual Revenue Requirement (MYT ARR) for the Control Period of FY 2025-26 to FY 2027-28 and Tariff Proposal for FY 2025-26 according to applicable provisions under BERC (Multi-Year Transmission Tariff and SLDC Charges) Regulations, 2024;
- d. To kindly grant prior Regulatory approval for works to be carried out during upcoming Control Period as submitted in this Petition and approve the estimated cost for proposed capital investment and capitalization and approve the proposed funding for these projects under BERC (Procedure for filing Capital investment and Capitalisation plan) Regulations, 2018.
- e. To kindly pass through the difference in the cost estimates submitted in this Petition and actual Awarded cost discovered after the tender processing through competitive bidding, as the variation is beyond the control of BSPTCL.
- f. Approve Open Access Charges in Tariff Order of BSPTCL which is to be recovered from open access consumers.
- g. Permit to propose suitable changes to the respective True-up/APR/Business Plan & MYT ARRs, prior to the final approval by the Hon'ble Commission;
- h. Condone any inadvertent omission/errors/short comings and permit the petitioner to add/change/modify/alter this filing and make further submissions as may be required at a future date;



- i. Pass desired impact of issues raised by BSPTCL in appeals & review along with carrying cost in ensuing Tariff Order in case the appeals & review are ruled in favour of BSPTCL;
- j. Pass such Order as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case.



## (9) Compliance to Directives

The Hon'ble Commission in Tariff Order dated 01<sup>st</sup> March 2024, had issued certain directives to BSPTCL. This Chapter deals with the compliance status of directives for compliance and implementation by the Petitioner.

### Directive 1: Energy Auditing and Transmission Loss

a) **Hon'ble Commission's direction:**

*"..... The audited accounts depict quantitative details of transmission loss for the year; however, the month-wise energy account details are not incorporated. The Commission directs the petitioner to incorporate the same for certification by the auditor."*

b) **Compliance Status and Actions**

BSPTCL submits that it has maintained the month-wise State Energy Account and the same has been annexed as **Annexure VII**. Further, BSPTCL also submits that it has incorporated State Energy Accounting details in Annual Accounts.

### Directive 2: Maintenance of Asset / Property Register

a) **Hon'ble Commission's direction:**

*".....The Commission again directs the BSPTCL to submit the property register showing all the particulars along with subsequent tariff petition for truing up for FY 2022-23 without fail. Failing which, the Commission shall deduct 0.01% of revised ARR (true up) for FY 2022-23 as a penalty."*

b) **Compliance Status and Actions**

BSPTCL submits that the tender for Engagement of the Agency for Identification, Historical Cost Determination, Preparation of Fixed Assets Register and Tagging of Fixed Assets of BSPTCL has been finalised through the Steering Committee and E-tendering is likely to be done shortly.

In view of the above, it is humbly requested to the Hon'ble Commission to kindly consider & allow appropriate time for finalization & submission of FAR of BSPTCL.

### Directive 3: Meters at interface points of BSPTCL & BGCL

a) **Hon'ble Commission's direction:**

*".....The Commission again directs the petitioner to take joint meter readings at the interface points of BGCL/BSPTCL/DISCOMs and authenticated monthly report shall be submitted to the Commission every month."*



**b) Compliance Status and Actions**

BSPTCL had earlier submitted that the representatives of BSPTCL and BGCL have agreed on joint meter readings and any issues/discrepancies arising from the same would be resolved by senior officers of BGCL and BSPTCL jointly. In this regard, regular meetings between representatives of BSPTCL and BGCL are being held.

Accordingly, BSPTCL submits the month-wise report of State Energy Account as **Annexure - VII**.

**Directive 4: Auxiliary Consumption and Electricity Charges**

**a) Hon'ble Commission's direction:**

*".....The Commission directs the petitioner to regularly monitor the auxiliary consumption is within the specified limit/level."*

**b) Compliance Status and Actions**

BSPTCL submits that as on 30.09.2023, BSPTCL has obtained 203 No. of meters from DISCOM for auxiliary consumption of the Grid Sub-stations. Further, BSPTCL has also applied for new meter connection for newly constructed 03 No. of GSS and 03 No. of existing GSS.

Further, BSPTCL submits that, out of 150 No. of GSS, only 72 No. of GSS have colonies for BSPTCL employees. However, all individual houses of the colonies have obtained separate meters from DISCOMs for metering own consumption.

**Directive 6: Standalone Accounting Statement**

**a) Hon'ble Commission's direction:**

*".....BSPTCL is directed to prepare separate books of accounts for Transmission Business and SLDC Business and submit for tariff proceedings of subsequent year onwards duly audited and certified by the Statutory auditor....."*

*The Commission has noted the compliance and reiterates the directive"*

**b) Compliance Status and Actions:**

BSPTCL submits that it has prepared joint annual accounts for BSPTCL and SLDC for the FY 2022-23. However, Allocation Statement of expenses and income of SLDC duly certified by the Statutory Auditor is submitted as **Annexure - I**.

Previously, the Hon'ble Commission has determined tariff/charges for SLDC considering the allocation statement of expenses and income.



Accordingly, BSPTCL requests the Hon'ble Commission to consider allocation statement for truing up.

## **Directive 7: Submission of Peak and Average Loading of Transmission Elements**

### **a) Hon'ble Commission's direction:**

*"BSPTCL was directed to submit details of peak and average loading of transmission lines and substations on quarterly basis....."*

*.....The Commission has noted the compliance and reiterates the directive"*

### **b) Compliance Status and Actions:**

BSPTCL submits that the required information on average as well as peak loading of various 220 kV, 132 kV and 33 kV sub-stations in BSPTCL network has already been submitted to the Hon'ble Commission on quarterly basis. Further, information regarding FY 2023-24 & 1<sup>st</sup> half of FY 2024-25 has been submitted as **Annexure - VIII** of this Petition.

## **Directive 8: Direct Capitalization**

### **a) Hon'ble Commission's direction:**

*"BSPTCL was directed to strictly adhere to Regulation 6.6 of the BERC (Procedure for filing Capital investment and capitalization plan), 2018 and obtain approval for assets capitalized directly....."*

*.....The Commission has noted the compliance and reiterates the directive."*

### **b) Compliance Status and Actions:**

BSPTCL submits that it has not capitalized any asset directly. BSPTCL has taken regulatory approval from the Hon'ble Commission for all ongoing projects in the past. The list of projects approved by the Hon'ble Commission in past Tariff Order have been enlisted in **Annexure - III** of this Petition.

## **Directive 9: Regulatory Accounting**

### **a) Hon'ble Commission's direction:**

*"BSPTCL was directed was directed to prepare and submit the Regulatory Accounts as per BERC (Power Regulatory Accounting) Regulations 2018 in the next tariff proceeding....."*





..... The reply furnished by the utility is not tenable. No action is taken by the utility till to date from the date of notification of regulations, which is highly objectionable. The Commission reiterates the directive”

**b) Compliance Status and Actions:**

BSPTCL submits that the process of preparation of Regulatory Accounts for BSPTCL shall be taken up after full implementation of SAP/ERP system.

**Directive 12: Transmission losses reporting/computation:**

**a) Hon’ble Commission’s direction:**

“Transmission loss is calculated by SLDC considering the data from ABT meters installed on LV side of 33 kV transformers. Whereas the Discoms considers the data from feeder meters. It was reported, meters for more than half the feeders are yet to be installed and BSPTCL is in the process of installation of meters on un-metered feeders. In the absence of complete feeder metering and meter readings on LV side of transformers there are errors in computation transmission losses. The Commission directs the BSPTCL to prepare and maintain the energy account on monthly basis depicting the following details;

1. Energy input in to the state transmission system/network of BSPTCL.
2. Energy input in to the state transmission system/network of BGCL.
3. Energy input in to the transmission network of BSPTCL from BGCL network.
4. Energy input in to the transmission network of BSPTCL at 220kV (source-wise).
5. Energy input in to the transmission network of BSPTCL at 132kV (source-wise).
6. Energy input into the BSPTCL network before the Discoms input/interface metering point.
7. Transmission losses in the BSPTCL transmission network.
8. Joint meter readings of all interface points relating to input of BSPTCL network and output at BSPTCL and input interface points of Discoms network shall be furnished duly authenticated by the BSPTCL, BGCL and Discoms as the case may be.
9. The metering arrangement shall be made as per the CEA installation and operation of meters regulations 2006 and its amendments thereof.”

**b) Compliance Status and Actions**

BSPTCL submits the required information as **Annexure – IX**.

**Truing-up for FY 2023-24, Annual Performance Review (APR) for FY  
2024-25, Business Plan & Multi-Year Aggregate Revenue  
Requirement (ARR) for the Control Period of FY 2025-26 to FY 2027-  
28 and Transmission Tariff Proposal for the FY 2025-26 For Bihar  
State Power Transmission Company Limited**

## **PETITION FORMATS**

## INDEX OF FORMATS S1 TO P12 FOR ARR & TARIFF FILING

<b>Summary Formats</b>			
1	Sheet	S1	Profit & Loss Account
2	Sheet	S2	Balance Sheet
3	Sheet	S3	Cash flow statement
<b>Financial Formats</b>			
4	Sheet	F1	Annual Revenue Requirement
5	Sheet	F2	Alloted Transmission Capacity and Charges to be paid by Long Term Transmission Customers
6	Sheet	F3	Projection of Sales, Connected Load and Demand
7	Sheet	F4	Revenue at current tariif rates and at proposed tariif rates
8	Sheet	F5	Details of Transmission Lines and Substations including Investment plan
9	Sheet	F6	Normative Parameters Considered for Tariff Computations
10	Sheet	F7	Gross Fixed Assets(GFA) and Depreciation
11	Sheet	F8	User contributions and grants towards cost of capital assets
12	Sheet	F9	Details of Loans
13	Sheet	F10	Details of Equity
14	Sheet	F11	Interest, IDC & Financing Charges
15	Sheet	F12	Details of Lease
16	Sheet	F13	Operations & Maintenance Cost
17	Sheet	F14	Employee expenses
18	Sheet	F15	R&M Expenses
19	Sheet	F16	Administrative & General Expenses
20	Sheet	F17	Short Term Open access consumers
21	Sheet	F18	Details of Non-tariff Income
22	Sheet	F19	Working Capital Interest
23	Sheet	F20	Details of Income from Other Business
24	Sheet	F21	Details of Expenses Capitalised
25	Sheet	F22	Net Prior Period Expenses/Income & Extraordinary Items
26	Sheet	F23	Contribution to Contingency Reserve, details of grant
27	Sheet	F24	Allocation Statement of Expenses of SLDC

## INDEX OF FORMATS S1 TO P12 FOR ARR & TARIFF FILING

<b>Performance Formats</b>			
28	Sheet	P1	Transmission Losses (For Transmission Licensee)
29	Sheet	P2	Energy Delivered by Transmission licensee to the distribution Distribution Licensees/ Bulk consumers at interface points
30	Sheet	P3	Details of Electrical Accidents
31	Sheet	P4	Abstract of Outages due to feeder tripping
32	Sheet	P5	Major System Disturbances
33	Sheet	P6	Frequency Variation
34	Sheet	P7	Voltage Fluctuation
35	Sheet	P8	Licensee wise Load shedding carried out during the year
36	Sheet	P9	Detailss of Overloaded Feeders
37	Sheet	P10	Details of over loaded Transformers
38	Sheet	P11	Failure of Transformers
39	Sheet	P12	Key Ratios

**BIHAR STATE POWER TRANSMISSION COMPANY LIMITED**

Statement of Projected Profit and Loss		Form No: S1				
		Rs Crores				
Particulars		Previous Year	Current Year	Ensuing Year	Ensuing Year	Ensuing Year
		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
<b>A</b>	<b>Revenue/Income</b>					
1	Revenue from operations					
	a)Revenue from Transmission/Wheeling charges -NBPDCCL	532.71	781.88	954.78	1,068.05	1,203.98
	SBPDCL	625.35	917.86	1,120.83	1,253.80	1,413.37
	Railway	18.56	21.10	23.65	24.44	25.50
2	Non-tariff income	104.17	114.11	119.57	125.32	131.35
3	Revenues through subsidies & grants (If any)					
4	Any other Income					
	<b>Total Revenue*</b>	<b>1,280.79</b>	<b>1,834.95</b>	<b>2,218.84</b>	<b>2,471.60</b>	<b>2,774.19</b>
<b>B</b>	<b>Expenditure</b>					
1	Repair and Maintenance Cost	73.97	84.11	67.19	76.52	84.88
2	Employee costs	238.68	257.33	311.40	328.39	346.30
3	Administration expenses	46.52	50.68	70.97	79.42	88.69
4	Other Expenses	24.50	24.50	24.50	24.50	24.50
6	Less: Expenses Capitalized	0.00	0.00	0.00	0.00	0.00
7	Interest on Working Capital	24.26	27.76	24.56	27.28	30.52
8	Incentive on Transmission Availability	11.65				
9	Incentive on Transmission Losses	0.00				
10	Sharing of Losses/(Gains)	21.02				
11	Income Tax	0.00				
<b>C</b>	<b>Depreciation and Related debits</b>	<b>478.41</b>	<b>553.29</b>	<b>639.44</b>	<b>730.12</b>	<b>840.08</b>
<b>D</b>	Interest & Finance Charges	429.16	485.36	548.94	612.22	694.39
	Less: Interest Capitalized					
<b>E</b>	Return on Equity	238.41	269.10	531.85	593.14	664.82
<b>G</b>	<b>TOTAL EXPENDITURE (B+C+D)*</b>	<b>1,586.57</b>	<b>1,752.14</b>	<b>2,218.84</b>	<b>2,471.60</b>	<b>2,774.19</b>
<b>I</b>	<b>Add: Previous Year Gap</b>	<b>(339.36)</b>	<b>(80.70)</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>J</b>	<b>Profit/Loss (A-G)</b>	<b>33.58</b>	<b>163.51</b>	<b>0.00</b>	<b>(0.00)</b>	<b>0.00</b>

\* Pertaining to Transmission Business Only, SLDC shall file seperately

Signature of Petitioner

**BIHAR STATE POWER TRANSMISSION COMPANY LIMITED**

**Projected Balance Sheet**

**Form No: S2**

Rs Crores

Particulars	Previous Year	Current Year	Ensuing Year	Ensuing Year	Ensuing Year
	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
<b>Assets</b>					
Non-current assets					
₹-----					
₹-----					
₹-----					
Current assets					
₹-----					
₹-----					
₹-----					
<b>Total Assets</b>					
<b>EQUITY AND LIABILITIES</b>					
Equity					
₹-----					
₹-----					
₹-----					
<b>LIABILITIES</b>					
₹-----					
₹-----					
₹-----					
<b>Total Equity and Liabilities</b>					

Regulatory Account for the purpose of calculation of Normative Loan , Equity etc as per prescribed regulation is under progress

Signature of Petitioner



**BIHAR STATE POWER TRANSMISSION COMPANY LIMITED****Projected Cash Flow Statement**

Form No: S3

Rs Crores

Particulars		Previous Year	Current Year	Ensuing Year	Ensuing Year	Ensuing Year
		FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28
A		<b>Cash flows from operating activities</b>				
	i	Net (loss) / Profit				
		Adjustments For				
	ii	₹-----				
	iii	₹-----				
	iv	₹-----				
B		<b>Net Cash flows from operating activities</b>				
		<b>Cash Flow from Investing Activities</b>				
	i	₹-----				
	ii	₹-----				
	iii	₹-----				
		<b>Net Cash used in Investing Activities</b>				
C		<b>Cash Flow from Financing Activities</b>				
	i	₹-----				
	ii	₹-----				
	iii	₹-----				
		<b>Net Cash generated from Financing Activities</b>				
D		<b>Total Cash generated/(lost)</b>				
E		Cash & Cash Equivalants as at beginning of the Financial Year				
F		Cash & Cash Equivalants as at end of the Financial Year				

Regulatory Account for the purpose of calculation of Normative Loan , Equity etc as per prescribed regulation is under progress

Signature of Petitioner

**BIHAR STATE POWER TRANSMISSION COMPANY LIMITED**  
**Annual Revenue Requirement**

(Rs. Crore)

	Particulars	Forms	FY 2023-24 (Actual)		FY 2024-25 (Revised)		FY 2025-26 (Projections)	FY 2026-27 (Projections)	FY 2027-28 (Projections)
			Approved in TO	Audited	Approved in TO	Revised			
I.	Energy Available (MU)								
II.	Energy Transmitted/Wheeled (MU)	F2							
III.	Loss %								
IV.	Transmission Cost per unit (Rs/U)								
V	Total Transmission System Capacity (in MW)								
VI.	Transmission Cost per MW								
VII.	Max Demand handled by the transmission system (in MW)								
A.	<b>Income from Transmission Function</b>								
1	<b>Receipts</b>								
a	Transmission/Wheeling Charges at current tariff rates	F4	1,176.62	1,176.62	1,720.84	1,720.84	2,099.26	2,346.28	2,642.85
b	Subsidy from Govt. (If any)		0.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>Total Receipts ( A )</b>		<b>1,176.62</b>	<b>1,176.62</b>	<b>1,720.84</b>	<b>1,720.84</b>	<b>2,099.26</b>	<b>2,346.28</b>	<b>2,642.85</b>
B	<b>Expenditure</b>								
1	<b>O&amp;M Expenses</b>								
i	Employee Expenses		242.64	238.68	262.83	257.33	311.40	328.39	346.30
ii	R&M Expense		76.72	73.97	93.87	84.11	67.19	76.52	84.88
iii	A&G Expense		48.32	46.52	52.46	50.68	70.97	79.42	88.69
iv.	Share of Holding Company Expenses		16.40	24.50	16.08	24.50	24.50	24.50	24.50
	<b>Total O&amp;M expenses ( i+ii+iii+iv )</b>		<b>384.08</b>	<b>383.66</b>	<b>425.24</b>	<b>416.62</b>	<b>474.06</b>	<b>508.83</b>	<b>544.37</b>
2	Return on Equity		306.61	238.41	290.01	269.10	531.85	593.14	664.82
3	Depreciation		453.99	478.41	613.54	553.29	639.44	730.12	840.08
4	Interest and finance charges on Loan Capital		408.21	429.16	523.83	485.36	548.94	612.22	694.39
5	Interest on Working Capital		22.55	24.26	29.19	27.76	24.56	27.28	30.52
8	Incentive for Transmission Availability			11.65					
9	Sharing of Losses/(Gains) on O&M expenses			38.97					
10	Sharing of Losses/(Gains) on Interest on Working Capital			(12.13)					
11	Sharing of Losses/(Gains) on Incentives on Transmission Availability Factor			(5.82)					
	<b>Total Expenditure ( B )</b>		<b>1,575.45</b>	<b>1,586.57</b>	<b>1,881.82</b>	<b>1,752.14</b>	<b>2,218.84</b>	<b>2,471.60</b>	<b>2,774.19</b>

<b>C</b>	<b>Other Deductions</b>								
<b>1</b>	Income from other Business (OPGW Cable)	0.00	4.72	1.03	4.72	4.72	4.72	4.72	4.72
<b>2</b>	Non-Tariff Income	59.46	104.17	79.25	109.38	114.85	120.59	126.62	
<b>3</b>	Revenue from Short Term transmission charges								
	<b>Total Other Deductions ( C)</b>	<b>59.46</b>	<b>108.90</b>	<b>80.28</b>	<b>114.11</b>	<b>119.57</b>	<b>125.32</b>	<b>131.35</b>	
<b>D</b>	<b>Net ARR for Transmission Function ( B-C)</b>	<b>1,515.98</b>	<b>1477.67</b>	<b>1,801.54</b>	<b>1,638.03</b>	<b>2,099.26</b>	<b>2,346.28</b>	<b>2,642.85</b>	
	Add: Revenue Gap /(Surplus) of Previous Year	(339.36)	(339.36)	(80.70)	(80.70)	0.00	0.00	0.00	
<b>E</b>	<b>Gap/(Surplus) before tariff revision impact (A-D)</b>	<b>(0.00)</b>	<b>(38.31)</b>	<b>0.00</b>	<b>(163.51)</b>				
<b>F</b>	<b>Tariff Revision Impact</b>								
<b>G</b>	<b>(Shortfall)/Excess after tariff revision impact (E-F)</b>					<b>2053.02</b>			

*Note: The ARR of SLDC shall be filed separately by SLDC. Expenses will be net of Expenditure capitalized.*

	1,176.62	1,138.31	1,720.84	1,557.33	2,099.26	2,346.28	2,642.85
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Signature of Petitioner

**BIHAR STATE POWER TRANSMISSION COMPANY LIMITED**

**Carrying cost of Revenue Gap**

Sl. No.	Particulars	FY 2023-24
		Rs. Crore
1	Revenue Surplus in True Up of 2023-24	(38.31)
2	Interest for FY 2023-24 [(SBI MCLR +1.50%) @ 10.07%] for 6 months	(1.93)
3	Interest for FY 2024-25 [(SBI MCLR +1.50%) @10.45%]] for 1 year	(4.00)
4	Interest for FY 2025-26 [(SBI MCLR +1.5%) @10.45%] for 6 months	(2.00)
5	Total (shortfall)/surplus with carrying cost/interest	(46.24)
6	<b>Total Gap/(Surplus) to be adjusted in ARR of FY 2025-26</b>	<b>(46.24)</b>

Signature of Petitioner

**BIHAR STATE POWER TRANSMISSION COMPANY LIMITED**

Form No: F2

**Alloted Transmission Capacity and Charges to be paid by Long Term Transmission Customers**

**Alloted Transmission Capacity of Long Term Transmission Customers (CL)**

In MW

	Particulars	FY 2023-24		FY 2024-25		FY 2025-26	FY 2026-27	FY 2027-28
		Approved in MYT/RE	Actual	Approved in MYT/RE	Apr-Mar (Revised)	Projections	Projections	Projections
<b>A</b>	<b>Distribution Licensees</b>							
1	North Bihar Power Distribution Company Limited		3,439		3,706	4,038	4,371	4,722
2	South Bihar Power Distribution Company Limited		4,037		4,351	4,740	5,131	5,544
3								
	i.							
	ii.							
<b>B</b>	<b>Bulk Consumers/Long Term Open Access Customers (If any)</b>							
1	Railway		100		100	100	100	100
2								
	<b>Sum of Total Alloted Transmission Capacity to all the long term Transmission system customers (SCL)</b>		<b>7,576</b>		<b>8,157</b>	<b>8,878</b>	<b>9,602</b>	<b>10,366</b>

**Charges to be paid by Long Term Transmission Customers/month**

<b>A</b>	<b>Distribution Licensees</b>							
1	North Bihar Power Distribution Company Limited	534.61	532.71	781.88	781.88	954.78	1,068.05	1,203.98
2	South Bihar Power Distribution Company Limited	627.59	625.35	917.86	917.86	1,120.83	1,253.80	1,413.37
3	Others							
	i. Transmission Charges							
	ii.							
<b>B</b>	<b>Bulk Consumers/Long Term Open Access Consumers (If any)</b>							
1	Railway	14.42	18.56	21.10	21.10	23.65	24.44	25.50
2								
	<b>Total</b>	<b>1,176.62</b>	<b>1,176.62</b>	<b>1,720.84</b>	<b>1,720.84</b>	<b>2,099.26</b>	<b>2,346.28</b>	<b>2,642.85</b>

Signature of Petitioner