



TRANSMISSION COMPANY BIHAR STATE POWER LIMITED

(Reg. Office: 4th Floor, Vidyut Bhawan, Bailey Road, Patna-800021)

(GST No. - 10AAFCB2393H1Z1, CIN- U74110BR2012SGC018889)

(Department of STU)

dated 17/01/25

Letter No. 03 Patna
T/STU-Tariff Petition-07/2024

From

Perwez Alam
Chief Engineer (STU)
Bihar State Power Transmission Co. Ltd

To

The Secretary
Bihar Electricity Regulatory Commission
Vidyut Bhawan-II,
Jawaharlal Nehru Marg, Patna-800021

Sub:- Tariff Petition for 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.

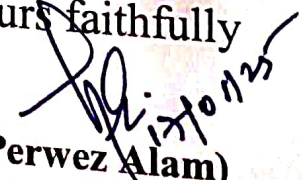
Ref:- BERC – Case No. – 27/2024-49, dated 15.01.2025

Sir,

Please find enclosed herewith reply to the additional information/ clarification sought vide BERC letter no Case No. – 27/2024-49, dated 15.01.2025 for evaluation of the Tariff Petition filed by BSPTCL 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.

Enclosure: 6 copies of petition (01 in original & 05 photocopy)

Yours faithfully


(Perwez Alam)
Chief Engineer (STU)

Reply to 2nd set of Data Gaps raised by the Hon'ble Commission vide Letter No. BEREC - Case No. - 27/2024-49, dated 15.01.2025 on Business Plan & MYT Tariff Petition filed by BSPTCL for the Control Period of FY 2025-26 to FY 2027-28 along with Truing Up of FY 2023-24 and Annual Performance Review of FY 2024-25 and Transmission Tariff for the FY 2025-26

True Up FY 2023-24

1. *Table 3-35 on page no 55 of the petition: The petitioner has shown Incentive for Transmission Availability Factor as part/component of ARR. The petitioner shall explain the rationale for the same.*

Reply:

BSPTCL respectfully submits that the Regulation 2.1 of the BEREC MYT Tariff Regulations, 2021 provides the applicability of the Regulations. The relevant para is as follows:

"2.1 These Regulations shall be applicable for determination of tariff in all cases covered under these Regulations from 1st April 2022 and onwards up to FY 2024-25 or till these Regulations are amended."

Based on the above provisions, BSPTCL has filed its True up Petition for FY 2023-24 under BEREC MYT Tariff Regulations, 2021.

Further, BSPTCL respectfully submits the Regulation 38 of the BEREC MYT Tariff Regulations 2021 provides that the Transmission Licensee shall be entitled to receive Incentive/Disincentive on account of deviation from target availability set by commission. The relevant para is 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....."

Further, Regulation 16 of the BEREC MYT Tariff Regulations, 2021 provides the target availability to receive incentives for Transmission Availability factor. The extract of the Regulation is as follows:

"16. Normative Annual Transmission System Availability Factor (NATAF):



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16.1 The Normative Annual Transmission System Availability Factor for recovery of full transmission charges shall be as under:

<i>(a) For full recovery of Annual Transmission Charges-</i>	
<i>(i) AC System</i>	98%
<i>(ii) HVDC System</i>	95%
<i>(b) For Incentive consideration-</i>	
<i>(iii) AC System</i>	98.5%
<i>(iv) HVDC System</i>	97.5%

Provided that recovery of full annual transmission charges below the target availability shall be on a pro rata basis. At zero availability, no transmission charges shall be payable.

16.2 The actual availability shall be calculated in accordance with the procedure provided in Appendix-II to these Regulations and shall be certified by the State Load Despatch Centre (SLDC) as per the format specified in Appendix -I of these Regulations.

16.3 The Transmission Licensee shall be entitled to incentive on achieving annual availability beyond the target availability, in accordance with the following formula :-

$$\text{Incentive} = \text{Annual Transmission Charges} \times (\text{Annual availability achieved} - \text{Target Availability}) / \text{Target Availability};$$

Where,

Annual transmission Charges shall correspond to Aggregate Revenue Requirement for each year of the Control Period for the particular Transmission Licensee within the State:

Provided that no incentive shall be payable above the availability of 99.75 % for AC system and 98.5 % for HVDC system:"

BSPTCL respectfully submits that based on the above provisions of BERCL MYT Tariff Regulations, 2021 it has claimed its Incentive on account of Transmission System Availability of FY 2023-24.

Therefore, BSPTCL requests the Hon'ble Commission to kindly consider the same and approve the incentive on account of Transmission System Availability as claimed in its true up Petition.

2. Table 3-2 on page no 28 of the petition: The petitioner claimed Capital expenses during FY 2023-24 amounting to Rs. 1015.24 as against the approved value of Rs. 803.63 Cr. as per Tariff Order dated 21st March 2023. The petitioner should submit justification for higher expenses during FY 2023-24.

Reply:

BSPTCL respectfully submits that the Hon'ble Commission has approved Rs. 803.63 Cr. towards Capex during FY 2023-24 vide its Tariff Order dated 21st March 2023. Further, the Hon'ble Commission has also approved total 21 new schemes/ projects



for the FY 2023-24 and FY 2024-25 vide its investment Plan order dated 05.02.2024 (Case No. 17/2023). Accordingly, BSPTCL has also incurred capex towards the new schemes/ projects as approved by the Hon'ble Commission vide its investment plan Order dated 05.02.2024 in addition to the capex on the existing schemes.

Therefore, BSPTCL respectfully prays to the Hon'ble Commission to kindly consider the same and approve the Capital Expenditure as claimed by the BSPTCL.

3. *Table 3-20 on page no 42 of the petition: The petitioner has claimed Actual holding company expenses of Rs. 24.50 Cr. as against the Commission's approved value of Rs. 16.40 Cr. as per Tariff Order dated 21st March 2023. The Petitioner should submit reasons for higher level of expenses during FY 2023-24.*

Reply:

BSPTCL respectfully submits that as per 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 30th October 2012.

Further, BSPTCL respectfully submits that as per the 'Bihar State Electricity Reforms Transfer Scheme, 2012', all expenses of Bihar State Power (Holding) Company Limited (BSPHCL) shall be borne by its subsidiary companies based on the allocation of shares. BSPTCL submits the 'Bihar State Electricity Reforms Transfer Scheme, 2012' as **Annexure - 1** for kind consideration of the Hon'ble Commission.

In view of the above provision of the Bihar State Electricity Reforms Transfer Scheme, 2012, BSPTCL has to bear the allocated share of the actual audited expenditure of the holding company for the respective year. Accordingly, BSPTCL has incurred Rs. 24.50 Cr. towards Holding Company Expenses during FY 2023-24. The detail computation of the same is attached herewith as **Annexure - 2**.

Therefore, BSPTCL requests the Hon'ble Commission to kindly consider the same and approve the Holding Company Expenses as claimed by the BSPTCL.

4. *In response to Data Gap - I query on Capex and capitalisation: during FY 2023-24, the petitioner has furnished Annexure - 2 providing details of the projects as approved by the Hon'ble Commission for FY 2022-23 to FY 2024-25 vide MYT Tariff Order dated 25.03.2022 as well as schemes/works approved vide order dated 05.02.2024 (Case No. 17/2023). It is submitted that the BSPTCL has capitalised Rs. 61.54 Cr. during FY 2023-24 towards schemes named : Capacity Augmentation of different GSS by addition/ replacement by 200 MVA Power Transformer alongwith associated bays on Turnkey basis at GSS Khagaul & Sipara vide NIT No. 49/PR/BSPTCL/2018" as per audited annual accounts of BSPTCL.*



- i. The Commission has approved the Petitioner's Investment Plan vide MYT tariff order dated 25.03.2022, wherein the Commission has approved the capital cost and year-wise capitalisation schedule for various schemes. It has been noted that as per the Capex and Capitalisation scheduled approved by the Commission for FY 2022-23 to FY 2024-25 (Appendix - II), the above mentioned scheme costing Rs. 61.54 Cr. was supposed to be fully capitalised during FY 2021-22. The petitioner should submit the reasons and justification for delay caused in completion of the scheme.

Reply:

BSPTCL respectfully submits that the entire project was completed during FY 2021-22 as per its schedule date of Completion. The Certificate of Technical Closure of the project is attached herewith as **Annexure - 3**.

Further, BSPTCL submits that there was an inadvertent error during capitalisation of the assets in FY 2021-22. Therefore, the BSPTCL has capitalised the same during FY 2023-24 as per the audited annual accounts of FY 2023-24. Therefore, BSPTCL requests the Hon'ble Commission to kindly consider the same and allow the capitalisation of Rs. 61.54 Cr. as claimed by the BSPTCL.

- ii. It has been noticed that the petitioner has not sought prior approval of the Commission before undertaking following scheme/work as mentioned in Annexure - 2 submitted in response to Data Gap - I query.

Ref No in Annexure - 2	Particulars
S No 395	Construction of 132 KV D/C transmission line with 05 Nos of pile foundation for river crossing (Koshi) (Route length 03 KM) require for 33 KV feeder from 132/33 KV Simri Bakhtiyarpur GSS to U/G Alani PSS (Block - Salkhua) at Saharsa district on turnkey basis under Deposit Scheme (Capitalization in FY 2023-24 - 18.75 Cr.)
S No 430	Furniture & Fixture (Capitalisation in FY 2023-24 - 0.50 Cr.)
S No. 429	IB Guest House at 132/33 KV GSS Phulparas (Capitalisation in FY 2023-24 0.43 Cr.)
S No. 430	Roof top Solar Power Plant (Capitalization in FY 2023-24 - 8.44 Cr.)
S No 433	Office Equipment (Capitalisation in FY 2023-24 - 1.43 Cr.)
S No 434	Other Misc. Civil Works (Capitalisation in FY 2023-24 - 0.81 Cr.)
S No 434	Reconductoring of 132 KV Tr. Lines (ADB & IRF) (Capitalisation in FY 2023-24 - 0.14 Cr.)
S No 432	Other Office Equipment (Capitalisation in FY 2023-24 - 0.76 Cr.)
S No 434	Irrigation Canal bridge (Culvert) for 2X50 MVA, 132/33 KV GSS Daudnagar (Capitalisation in FY 2023-24 - 0.28 Cr.)
S no 435	Plant & Machinery (Capitalisation in FY 2023-24 - 03 Cr.)

Reply:

BSPTCL respectfully submits as follows:

Ref No in Annexure - 2	Particulars	BSPTCL Submission
S No 395	Construction of 132 KV D/C transmission line with 05 Nos of pile foundation for river crossing (Koshi) (Route length 03 KM) require for 33 KV feeder from 132/33 KV Simri Bakhtiyarpur GSS to U/G Alani PSS (Block - Salkhua) at Saharsa district on turnkey basis under Deposit Scheme (Capitalization in FY 2023-24 - 18.75 Cr.)	<p>BSPTCL respectfully submits that the scheme was inadvertently missed while seeking prior regulatory approval of the Hon'ble Commission.</p> <p>BSPTCL respectfully prays to the Hon'ble Commission to kindly condone the same & and approve the Capitalisation of the scheme as claimed.</p>
S No 430	Furniture & Fixture (Capitalisation in FY 2023-24 - 0.50 Cr.)	<p>It is submitted that these are assets which are usually procured as per the requisition of the user departments on as & when basis and it may hardly possible to pre-plan such procurements at the beginning of the control period.</p> <p>It is submitted that while BSPTCL makes every effort to take prior approval for its capex, it was unable to take prior approval in the instant case due to the constraints explained above.</p> <p>It is further submitted that the Hon'ble Commission has been allowing capitalisation of these type of assets/procurements in previous periods in the year of capitalisation based on audited accounts of the respective year.</p> <p>BSPTCL respectfully prays to the Hon'ble Commission to kindly condone the same & and approve the Capitalisation of the assets as claimed.</p>

