



SOUTH BIHAR POWER DISTRIBUTION COMPANY LIMITED

Registered Office: Vidyut Bhawan, Bailey Road, Patna – 21.

A Govt. Of Bihar Undertaking
(Department of Commercial)

CIN. U40109BR2012SGC018890

Letter No. :- 15
SBC/312/2024

Dated :- 29/1/25

From,

Purushottam Prasad,
Chief Engineer (Com.)

To,

The Secretary,
Bihar Electricity Regulatory Commission,
Patna

Sub. :- **Regarding additional submission on treatment of prior period Revenue Gap/(Surplus) as approved in Tariff Order for FY 2023-24.**

Ref. :- (i) BERC letter no. 1039 dated 24.12.2024.
(ii) This office letter no. 2112 dated 27.12.2024.

Sir,

With reference to above subject, it is to inform that the Petitioner/SBPDCL had filed True Up Petition for FY 2023-24, APR for FY 2024-25, MYT for FY 2025-26 to FY 2027-28 and Tariff for FY 2025-26 on 15th November 2024 along with its Business Plan for the said period. The Hon'ble Commission had issued certain queries in respect to the Tariff Petition through letter No. 1039 dated. 24th December 2024. The Petitioner had responded back to the said queries of the Hon'ble Commission through letter no. 2112 dated. 27.12.2024. The admission hearing was held on 02nd January 2025, post which the petition was admitted. However it was observed that, due to paucity of time a deeper analysis could not be performed which led to inadvertent error while submitting the reply letter dated 27.12.2024. Later, a detailed analysis was done along with the required scrutiny, checking, analysis of several previous years Tariff Order of Hon'ble BERC as well as of other States and discussion from several departments, said error was surfaced and which caused inadvertent delay in submission of detailed reply for which petitioner is regretted.

The Hon'ble Commission in its Tariff order for FY 2023-24 dated 23rd March 2023, while approving the Revenue Gap/(Surplus) for FY 2023-24, had approved a revenue gap of Rs 4,927.28 Crores at Bihar level on account of true up of previous FYs as presented below:

Table 1: True Up of Previous FYs – Revenue Gap

Sr. No	Particulars (Rs Crores)	(Rs. in Cr.)		
		NBPDCL	SBPDCL	Bihar (Total)
1	Add: Impact of Order (review) dated 07.11.2022 in Case no.7/2022 (NBPDCL) and 8/2022 (SBPDCL) relating to truing up for FY 2020-21 along with carrying cost	574.16	1,032.73	1,606.89
2	Carried forward trued up revenue gap/(Surplus) of FY 2021-22 along with carrying cost	(195.02)	3,515.41	3,320.39
3	Total	379.14	4,548.14	4,927.28

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(BERC) 7/2025
SU/DHR (DEO)

It was found that due to inadvertent error, the Petitioner overlooked and did not consider the Revenue gap of Rs 4,548.14 Crores while preparing the True up of FY 2023-24 and ARR for FY 2025-26. This Revenue Gap at Bihar level amounts to Rs. 4,927.28 Crores. Accordingly, the Petitioner hereby requests the Hon'ble Commission to consider the same while approving the True up of FY 2023-24 and ARR for the FY 2025-26. The Petitioner has considered the aforesaid revenue gap and appropriate treatment of controllable factors. The same is represented below:

Table 2: Petitioner (SBPDCL) ARR - Now Proposed

(Rs. in Cr.)							
Sr. No.	Particulars	FY 2023-24 (Approved)	FY 2023-24 (Actuals)	FY 2024-25 (Revised Estimate)	FY 2025-26 (Projections)	FY 2026-27 (Projections)	FY 2027-28 (Projections)
1	Purchase of power	10419	12288	11,614	12,079	13,850	16,204
2	Transmission charges	1806	1925	2,044	2,248	2,473	2,720
3	O & M Expenses (A+B+C+D)	1166	1270	1,481	1,801	2,036	2,168
A	Employee expenses	710	706	758	790	848	911
B	R&M expenses	274	274	290	308	357	397
	A&G expenses	155	162	174	210	233	259
	Rent Charges for Smart Prepaid Meter	0	94	221	451	551	551
C	Total A&G expenses	155	256	395	661	784	810
D	Holding company expenses	27	35	38	42	46	51
4	Depreciation	365	360	424	505	572	595
5	Interest on loan	444	394	474	623	776	845
6	Other finance charges	71	147	162	178	196	216
7	Return on equity	379	341	422	516	646	725
8	Interest on SD	41	18	56	60	64	67
9	Interest on working capital	0	0	-	18	23	26
10	Energy Savings Certificate (ESCerts)		35	-	-	-	-
11	Demand Side Management		0	30	33	36	40
12	Bad & doubtful debts	0	1	1	1	1	1
13	Total Revenue requirement	14690	16780	16,708	18,063	20,672	23,607
14	Less:: Non-tariff income	758	323	195	263	263	263
15	Net Revenue requirement	13932	16456	16,513	17,800	20,410	23,344
16	Revenue from Existing tariff	16610	16736	17,356	18,593		
17	Gap / (Surplus)	(2,678)	-280	(843)	(792)		
18	Add: (Gains)/Loss on account of controllable factors absorbed by licensee	-	-182	-	-		
19	Less: Treatment of AT&C loss subsidy considered as pass through	-	0	-	-		
20	Add: Revenue Gap/ (Surplus) of previous FY	3,515	3515	-	4,908		
21	Add: Impact of Order (review) dated 07.11.2022 in Case no.7/2022 (NBPDC) and 8/2022 (SBPDCL)	1,033	1033				
22	Net Gap / (Surplus)	1,870	4087	(843)	4,116		

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It is to be noted that as the Uniform Retail Tariff is prevalent in the State of Bihar, any Revenue Gap/(Surplus) is to be adjusted at Bihar level. Accordingly, The Revenue Gap at Bihar level is shown below:

Table 3: Bihar Level ARR (NBPDCCL + SBPDCL) - Now Proposed

(Rs. in Cr.)

Sr. No	Particulars	FY 2023-24 (Approved)	FY 2023-24 (Actuals)	FY 2024-25 (RE)	FY 2025-26 (Projections)	FY 2026-27 (Projections)	FY 2027-28 (Projections)
1	Purchase of power	19,400	22,160	21,508	22,368	25,648	30,008
2	PGCIL & Other transmission charges	3,344	3,441	3,785	4,163	4,579	5,037
3	O & M Expenses (A+B+C+D)	2,156	2,374	2,864	3,711	4,372	4,638
A	Employee expenses	1,192	1,190	1,277	1,311	1,408	1,511
B	R&M expenses	539	540	568	589	678	744
	A&G expenses	374	377	407	495	552	614
	Rent Charges for Smart Prepaid Meter	-	198	537	1,232	1,642	1,669
C	Total A&G expenses	374	576	944	1,728	2,194	2,283
D	Holding company expenses	52	69	76	83	92	101
4	Depreciation	727	874	1,103	1,284	1,409	1,460
5	Interest on loan	991	925	1,064	1,392	1,674	1,761
6	Other finance charges	128	224	246	271	298	328
7	Return on equity	792	762	947	1,155	1,418	1,560
8	Interest on SD	64	22	89	95	101	108
9	Interest on working capital	-	-	-	34	41	44
10	Energy Savings Certificate (ESCerts)		45	-	-	-	-
11	Demand Side Management		-	60	66	73	80
12	Bad & doubtful debts	-	1	1	1	1	1
13	Total Revenue requirement	27,602	30,828	31,667	34,540	39,614	45,025
14	Less: Non-tariff income	1,928	1,055	607	746	745	745
15	Net Revenue requirement	25,674	29,773	31,060	33,794	38,869	44,280
16	Revenue from Existing tariff	30,606	30,739	31,412	33,219		
17	Gap / (Surplus)	(4,932)	(966)	(352)	575		
18	Add: (Gains)/Loss on account of controllable factors absorbed by licensee	-	(415)	-	-		
19	Less: Treatment of AT&C loss subsidy considered as pass through	-	-	-	-		
20	Add: Revenue Gap/ (Surplus) of previous FY	3,320	3,320	-	4,258		
21	Add: Impact of Order (review) dated 07.11.2022 in Case no.7/2022 (NBPDCCL) and 8/2022 (SBPDCL)	1,607	1,607				
22	Net Gap / (Surplus)	(5)	3,546	(352)	4,833		
23	Gap/ (surplus) based on restructuring of tariff				87		
24	Net Gap / (Surplus) post restructuring of tariff				4,920		


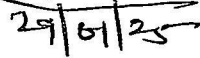
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Further, the petitioner is praying before the Hon'ble Commission to condone the delay in revising and filing corrected data incorporating the prior period Gap/(Surplus) as asked by the Hon'ble Commission vide aforesaid letter.

In view of the above, it is humbly prayed before Hon'ble Commission to include the impact of aforesaid revenue gap (as approved by the Hon'ble Commission in tariff order for FY 2023-24), the net Gap / (Surplus) for FY 2023-24 and FY 2025-26 and subsequent changes as deemed fit and approved by the Hon'ble Commission. Accordingly, the Petitioner respectfully requests the Hon'ble Commission to please consider appropriately while issuing the Tariff Order for FY 2025-26. A notarized affidavit is also enclosed herewith in this regard.

Encl. :- Notarized Affidavit.

Yours faithfully,

(Purushottam Prasad)
Chief Engineer (Com.)