



Bihar Electricity Regulatory Commission

Vidyut Bhawan-II, J.L. Nehru Marg, Patna-800 021

PRESS RELEASE

Dated: 1st March, 2024

1. North Bihar power Distribution Company limited (NBPDCCL) and South Bihar Power Distribution Company limited (SBPDCL) came into existence on 01.11.2012 as distribution Companies of the State after unbundling of the erstwhile Bihar State Electricity Board. The Commission has been issuing Annual Tariff Orders of these two Distribution Companies (Discoms) since 2013-14.
2. The Distribution Companies of Bihar i.e. North Bihar Power Distribution Company Ltd. (NBPDCCL) and South Bihar Power Distribution Company Ltd. (SBPDCL) had filed Tariff petitions on 14.11.2023 before the Commission. Since the principles, norms and issues are identical, the Commission after prudence check and after following required procedures under relevant Regulations has issued a common tariff order for both the Discoms for FY 2024-25.
3. After admission of the petitions on 19.12.2023, the BERC in terms of BERC (Multi Year Distribution Tariff) Regulations, 2021 and in order to have a wider consultation, caused the abridged version of the petitions to be placed in public domain through newspapers and websites inviting comments, objections and suggestions of the stakeholders and general public. BERC held public hearings for NBPDCCL and SBPDCL at Motihari, Purnea, Biharsharif, Sasaram and BERC Court room, Patna to solicit the comments, objections and

suggestions of the public and stakeholders on the petitions. Large number of people participated during these hearings and offered wide range of written and oral comments. Replies of the Discoms on the comments, objections and suggestions so received were also obtained from the Discoms.

4. The BERC taking into consideration the proposals of the Discoms in their tariff petitions and comments/objections/suggestions of stakeholders as well as general public, submissions made by Discoms and their replies on the Stakeholders comments and having done prudence check on the proposals has issued a common tariff order for both the Discoms on this day i.e. on 1st March, 2024 in terms of relevant provisions of the Electricity Act, 2003 and BERC (Multi Year Distribution Tariff) Regulations 2021.
5. A summary of the financial details of tariff orders is as under:
 - As per the petitions submitted by the Discoms, there were approximately 1.90 crore no. of consumers in Bihar as on 31.03.2023. The projected number of consumers for FY 2023-24 and FY 2024-25 are 1.99 crore and 2.08 crore respectively.
 - As per audited accounts, the Discoms had sold total 29709.49 MU of energy during FY 2022-23. Discoms have proposed to sell 33436.98 MU and 36614.14 MU during FY 2023-24 and FY 2024-25 respectively.
 - The NBPDCCL and SBPDCL had proposed net ARR of Rs.17405.11 crore and Rs.17898.56 crore respectively for FY 2024-25 with a revenue gap of Rs.1661.46 for the NBPDCCL and revenue surplus of Rs.624.74 crore for the SBPDCL (including revenue gap with carrying cost of FY 2022-23). Thus, they had proposed total net ARR of Rs.35303.67 crore (17405.11+17898.56) and total revenue gap of Rs.1036.72

crore (1661.46-624.74) for FY 2024-25. Discoms have proposed recovery of Revenue gap by increasing energy tariff in FY 2024-25.

- The Commission, after thorough examination and prudence check of their proposals has approved the net ARR of Rs.16079.30 crore with revenue Gap of Rs.246.82 crore for NBPDCCL and net ARR of Rs.16661.84 crore with Revenue surplus of Rs.1860.94 crore for SBPDCL after considering the revenue from proposed sale of power in FY 2024-25 and trued up gap/surplus of FY 2022-23 including carrying cost. Thus, the combined net ARR approved by the BEREC for both Discoms for FY 2024-25 is Rs.32741.14 crores and combined surplus is Rs.1614.12 crore.
- The average power purchase cost of Discoms (NBPDCCL and SBPDCL) is Rs.6.09/kWh including transmission cost. Whereas the Average Cost of Supply for Discoms is Rs.9.04/kWh.
- The distribution loss trajectory fixed for NBPDCCL is 14.55% and that for SBPDCL is 17.49% for FY 2024-25.
- The Commission has set renewable power purchase obligation (RPO) target of 29.91% of the total energy sales for the FY 2024-25.

SALIENT FEATURES OF THE TARIFF ORDER OF DISTRIBUTION COMPANIES:

The Commission, while determining the tariff is guided by the provisions of Electricity Act -2003 and other relevant provisions/directions/guidelines issued by the Ministry of Power, Government of India issued from time to time mandating determination of Cost reflective Tariff.

- (i) The Discoms had proposed an increase in the tariff at the rate of 3.03% for FY 2024-25. However, keeping in view the revenue surplus, as determined in the ARR of FY 2024-25 this has not been accepted and **the Commission has decided to reduce tariff for all consumer categories.**
The Commission on request of petitioners has also reduced fixed charge for Street Lights Un-metered category to Rs.4250/kW/per month from existing Rs.7500/kW/per month. The fixed charge in respect of other category of consumers is retained unchanged for FY 2024-25.
- (ii) Agreeing with the proposal of Discoms, the Commission has created new consumer category under HTSS-132kV/220kV, HTIS-400kV and HTS-400kV
- (iii) In view of importance of Oxygen for human life in general, the Commission has reduced the limit of load factor incentive to 70% from existing 75% for Oxygen Gas Manufacturers.
- (iv) The Commission has modified the ToD structure duly aligning the Peak/off-peak period for certain category of consumers as per the Electricity (Rights of Consumers) Amendment Rules 2023.
- (v) Discoms proposal for implementation of kVAh based tariff for NDS and IAS-I category of consumers is not accepted.
- (vi) The proposal for increase in contract demand for billing from existing 75% to 85% is not accepted.
- (vii) Withdrawal of load factor incentive for HTSS consumers is not accepted.
- (viii) At present consumers making online payment of Bills are allowed a rebate of 1% of billed amount. The Discoms had proposed to impose a maximum limit of this rebate at Rs. 20000/- which has not been accepted.

- (ix) Proposal for change in due date for payment of bills for Government departments/establishment/local bodies has not been accepted so as to keep it as per the other category of consumers.
- (x) The proposal for including Homestay Establishment in Domestic Category is accepted.
- (xi) The proposal for Rationalizing the Billing cycle as per the Harvesting season for Agriculture consumers has been accepted

The tariff shall be effective from 1st April 2024 and shall remain in force till 31st March 2025 or the next tariff order of the Commission.
