

Additional submission in Tariff Petition for FY 2017-18

A. Open Access charges

1. Wheeling charges

SBPDCL and NBPDCCL would request the Hon'ble Commission to consider the below mentioned wheeling charging for open access consumers. The proposed figures are determined on the basis of relevant regulations and the projections made by Discoms

Allocation Matrix for Segregation of Wires & Supply Business

S. No.	Particulars	Wire Business (%)	Retail Supply Business (%)
1	Power purchase expenses	0.0%	100.0%
2	Transmission charges Inter-state	0.0%	100.0%
3	Employee expenses	60.0%	40.0%
4	Administration and General expenses	50.0%	50.0%
5	Repair and Maintenance expenses	90.0%	10.0%
6	Depreciation	90.0%	10.0%
7	Interest on long-term loan capital	90.0%	10.0%
8	Interest on working capital and consumer security deposits	10.0%	90.0%
9	Bad debts written off	0.0%	100.0%
10	Income tax	90.0%	10.0%
11	Transmission charges Intra-state	0.0%	100.0%
12	Contribution to contingency reserves, if any	100.0%	0.0%
13	Return on equity	90.0%	10.0%
14	Non-tariff income	10.0%	90.0%

The total fixed cost (not ARR) excluding power purchase cost is segregated into wire business and retail supply business as per the above matrix.

Segregation of Wires & Supply Costs

S. No.	Particulars	Total Fixed Cost (INR Crore)	Wire Cost (INR Crore)	Retail Supply (INR Crore)
1	Employee expenses	642.83	385.7	257.13
2	Administration and General expenses	139.85	69.93	69.93
3	Repair and Maintenance expenses	309.59	278.63	30.96
4	Depreciation	705.34	634.81	70.53

S. No.	Particulars	Total Fixed Cost (INR Crore)	Wire Cost (INR Crore)	Retail Supply (INR Crore)
5	Interest and Finance charges	1226.03	1103.43	122.6
6	Interest on working capital	140.35	14.04	126.32
7	Interest on consumer security deposits	49.95	4.99	44.95
8	Return on equity	726.57	653.92	72.66
9	Less: Non-tariff income	349.47	34.94	314.51
10	TOTAL	3591.06	3110.49	480.57

The wheeling charges have been computed on the basis of proposed cost of NBPDCCL and SBPDCL for its distribution wire business and total energy expected to be wheeled through the distribution network. The wheeling charges worked out for 33 kV voltage level are given in the table below:

Wheeling Charges at 33 kV Voltage Level

Particulars	Units	Amount
Energy input into 33 kV system	MU	30,098
Total distribution cost	Rs. Cr	3,110.49
Distribution cost for 33 kV voltage levels (assuming 50% of item 2)	Rs. Cr	1555.28
Wheeling charges for 33 kV voltage level	Ps./kWh	51.67387

Wheeling Charges at 11 kV Voltage Level

Particulars	Units	Wheeling charges
Energy input into 33 kV system	MU	30,098
Losses in 33 KV	%	6%
Energy sales in 33 kV system as approved by the Commission	MU	1071.26
Energy input into 11 kV system	MU	27220.86
Total distribution cost	Rs. Cr	3,110.49
Distribution cost for 11 kV voltage levels (assuming 50% of item above)	Rs. Cr	1555.24
Wheeling charges for 11 kV voltage level	Ps/ kWh	57.13

2. Cross subsidy surcharge

The surcharge payable by the consumers permitted for open access shall be computed as per following formula:

$$S=T-[C/(1-L/100)+D+R];$$

Where

S is the surcharge

T is the tariff payable by the relevant category of consumers, including reflecting the Renewable Purchase Obligation

C is the per unit weighted average cost of power purchase by the Licensee, including the cost of meeting the Renewable Purchase Obligation

D is the aggregate of transmission, distribution and wheeling charge applicable to the relevant voltage level

L is the aggregate of transmission (including CTU), distribution and commercial losses, expressed as a percentage applicable to the relevant voltage level

R is the per unit cost of carrying regulatory assets

For 132 kV consumers- $8.59 - \{3.85 / (1 - 0.0392) + 0.10 + 2.88\} = 1.60/\text{kWh}$

For 33 kV consumers- $9.25 - \{3.85 / (1 - 0.0860) + 0.52 + 2.88\} = 1.64/\text{kWh}$

For 11 kV consumers- $9.48 - \{3.85 / (1 - 0.017) + 0.58 + 2.88\} = 1.38/\text{kWh}$

For HTSS kV consumers- $8.59 - \{3.85 / (1 - 0.0860) + 0.52 + 2.88\} = 0.98/\text{kWh}$

3. Reactive charges

The reactive charges applicable currently in Bihar is 4paise/KVAr. Discoms proposes to increase the rate of reactive charges w.e.f. 1.04.2017.

The Discom would request the Hon'ble Commission to increase the rate towards reactive charges to 11paise/KVAr.

B. Revision of Miscellaneous & General Charges

Miscellaneous and General charges in the Bihar state are static since 2006. In the span of 10 years the cost of meter, labor charges, material charged etc. have increased to a large extent, therefore Bihar Discoms requests the Hon'ble Commission to amend the miscellaneous and general charges.

Meter rent is taken from the consumer on monthly basis and is based on the cost of the meter procured. Meter rent charges were determined initially for the Licensees in the year 2006 based on the cost and effective life of the meters.

With the growing inflation rates and emerging technology, the cost of meters have increased at a high pace. Therefore with the increase in the cost of meter, it is justifiable to increase the meter rent of the consumers.

The execution of the services mentioned involves technical people and they are to be paid at existing pay scale. The rates determined for execution of services are based on estimates in the year 2006. From 2006 to 2016 there has been increase in pay scale of the employees. Therefore in order to match the increase Discoms proposes to increase these charges related to services provided to the consumers.

It is also to mention that installation of smart meters in the premises of all consumers having monthly consumptions 200 units and above have to be envisaged under UDAY Scheme and the cost of such smart meters are substantially high in the range of 6-8 thousand per meter per single phase and 10-12 thousand per meter per three phase.

Therefore, the petitioner requests the Hon'ble Commission to increase the charges.

1. Meter Rent

The below table depicts the rates proposed by the Discoms for meter rent:-

Particulars	Existing Charges Applicable w.e.f. 2006	Proposed charges
Kutir Jyoti	Rs. 10/month	Rs. 15/month
a) Single Phase LT except Kutir Jyoti	Rs. 20/month	Rs. 25/month
b) Three Phase LT up to 100 Amps	Rs. 50/month	Rs. 55/month
c) LT meter with CT	Rs. 500 / month	Rs. 550 / month
d) 11 kV HTS-I		
(i) Metering at low voltage	Rs. 500 / month	Rs. 550 / month
(ii) Metering at 11 kV	Rs. 700 / month	Rs. 750 / month
e) 33 kV HT metering equipment for HTS-II and HTSS	Rs. 3000 / month	Rs. 4000 / month
f) 132 kV EHT metering equipment for HTS-III	Rs. 15000 / month	Rs. 18000 /
g) 25 kV RTS	Rs.3000/month	Rs.3500/month
h) 132 kV RTS	Rs.15000/month	Rs.17000/month
i)Single phase prepaid meter	NA	Rs 60/month
j)Three phase prepaid meter	NA	Rs 80/month
k) Single phase smart meter	NA	Rs. 150/month
l) Three phase smart meter	NA	Rs. 200/month

2. Application fee for new connection / reduction of load / enhancement of load / request for permanent disconnection / request for Tatkal connection:

Category / class	Existing Charges Applicable w.e.f. 2006	Proposed charges
Kutir Jyoti	Rs.20.00	Rs.30.00
LT Single phase except Kutir Jyoti	Rs. 75.00	Rs. 100.00
LT Three phase	Rs. 200.00	Rs. 300.00
LT Industrial	Rs. 300.00	Rs. 400.00
HT Connection	Rs. 750.00	Rs. 850.00
For Tatkal connection	Two (2) times the normal rate	Two (2) times the normal rate

For enhancement/reduction of Load/Demand and change of existing category, consumer shall pay development charges and service line charges as per the rules.

3. Testing / Inspection of consumer's Installation:

Category / class	Existing Charges Applicable w.e.f. 2006	Proposed charges
Initial Test / Inspection	Free of cost	Rs 50
Subsequent test and inspection necessitated by fault in installation or by not complying with terms and conditions of supply	Rs. 100.00 for single phase connection Rs. 200.00 for three phase LT connection Rs.800 for HT connection.	Rs. 150.00 for single phase connection Rs. 300.00 for three phase LT connection Rs.850 for HT connection.

4. Meter Testing Fee:

The meter testing fee at the following rates will be charged from the consumers opting to provide their own meters

Category / class	Existing Charges Applicable w.e.f. 2006	Proposed charges
Single Phase meter (L.T.)	Rs. 100.00	Rs. 150.00
Three Phase meter (L.T.)	Rs. 200.00	Rs. 300.00
Three Phase meter with CT	Rs. 300.00	Rs. 400.00
Tri-vector and special type meter	Rs. 1800.00	Rs. 2200.00
33 kV or 11 kV metering equipment	Rs. 5000.00	Rs. 5500.00
132 kV/220 kV metering equipment	Rs. 8000.00	Rs. 8500.00

Note:

- 1) No meter testing fee shall be charged from the consumers if the meter has been provided by the

licensee.

- 2) If the meter is tested at third party testing laboratory at the request of the consumer then the fees charged by the testing laboratory will be payable by the consumer.

5. Removing / Re-fixing / Changing of Meter / Meter Licensee at consumer's request:

Category / class	Existing Charges Applicable w.e.f. 2006*	Proposed charges*
Single Phase meter	Rs. 200.00	Rs. 300.00
Three Phase meter	Rs. 400.00	Rs. 550.00
Three Phase meter with CT	Rs. 500.00	Rs. 600.00
Trivector and special type meter	Rs. 600.00	Rs. 800.00
High tension metering equipment	Rs. 1200.00	Rs. 1500.00

***Cost of material as required shall be borne by the Consumer.**

6. Reconnection charge:

Category/class	Existing Charges Applicable w.e.f. 2006	Proposed charges
Single Phase supply, LT	Rs. 100.00	Rs. 150.00
Three Phase supply other than LT industrial	Rs. 200.00	Rs. 300.00
Three Phase LT industrial supply	Rs. 900.00	Rs. 1000.00
HT supply	Rs. 3000.00	Rs. 3500.00

7. Supervision, Labor and Establishment charge for service connection:

Category/class	Existing Charges Applicable w.e.f. 2006	Proposed charges
Single Phase LT	Rs. 400.00	Rs. 500.00
Three Phase LT other than industrial	Rs. 900.00	Rs. 1000.00
Three Phase industrial	Rs. 1500.00	Rs. 1800.00
HT	As per approved estimate	As per approved estimate
For Tatkal connection	Two (2) times the normal rate	Two (2) times the normal rate

C. Development charges

NBPDCL and SBPDCL proposes to levy development charges w.e.f 1.04.2017. The details of the same are hereunder:-

Extract from electricity Act, 2003 (as amended)

The Electricity Act, 2003, came into force on 10.06.2003.

Section 46 of the said Act provides that The State Commission may, by regulations, authorize a distribution licensee to charge from a person requiring a supply of electricity in pursuance of section 43 any expenses reasonably incurred in providing any electric line or electrical plant used for the purpose of giving that supply.

As per Section 43 (2) it shall be the duty of every distribution licensee to provide if required, electric plant or electric line for giving electric supply to the premises specified in sub-section (1).

Interpretation of the Act

From the above reference of Act, it is clear that the Distribution licensee is entitled to charge only expenses incurred for providing electricity supply specifically to that consumer as approved by the Commission. Cost of equipment required for development of the system is to be borne by the licensee. Such expenditure incurred is recovered by way of interest and depreciation included in the ARR approved by the Commission.

Meaning of development charges

The development charges is meant to meet out the cost of infra structure and system development for additional load of the prospective consumer. This charge is being fixed on the basis of average investment required for serving every additional load / demand. The development requirement imposed on the system varies for each category, depending on the type of load, location etc.

Proposed regulations for Development charges

1. The Distribution Licensee shall collect development charges subject to the provisions of Act and this Regulation and subject to such directions, orders or guidelines, the Commission may issue from time to time. The Distribution Licensee is authorized to recover from an applicant, requiring supply of electricity, expenses on normative basis towards part of upstream network cost that the Distribution Licensee has already incurred or to be incurred in extending power supply to the applicant.
2. The development charges on normative basis are arrived using shallow approach limiting the network cost to the next immediate higher voltage level. The Distribution Licensee shall levy development charges on per kVA/kW basis as per the schedule approved.
3. The Distribution Licensee shall recover full cost of transformer in case of commercial complexes, apartments and multi storied buildings where a dedicated transformer is provided while extending new LT service connections. In such cases, the Distribution Licensee is not entitled to collect development charges and shall own the transformer and maintain it. The Distribution Licensee shall not extend power supply to any other consumer from the dedicated transformer other than the consumer who has borne the full cost of Transformer.

4. In case of LT supply, the responsibility of erection of distribution transformer lies with the Distribution Licensee and shall not charge cost of transformer to any consumer except those consumers mentioned in para 3 above and levy only development charges.
5. The Distribution Licensee shall not charge development charges to a consumer who seek temporary supply.
6. The Distribution Licensee is entitled to collect difference cost of development charges, in case of change of category from lower development charges category to higher development charges category. The Distribution Licensee is not entitled to collect development charges for restoring the de-rated capacity to the original level.
7. If any existing consumer requests for splitting of service into two different categories, the Distribution Licensee is not entitled to collect full development charges. The DISCOM is entitled to collect short fall amount if any resulting out of splitting. For example, a 50 kW commercial service may require splitting of his service into two categories, viz., 20 kW commercial category and 30 kW industrial category.
8. Subject to the provisions of Act and this Regulation and subject to such directions, orders or guidelines issued by the Commission, the Distribution Licensees shall file revised development charges, if required, for approval, once in five years along with MYT proposals.

Schedule of rates

Tariff category	Category of service	Development charges
.	HT Services	11 kV - Rs.1,200/- per kVA or part thereof, of the Contracted Demand 33 kV - Rs.1,200/- per kVA or part thereof, of the Contracted Demand Above 33 kV - Rs 1,000/- per kVA or part thereof, of the Contracted Demand
	Domestic Services i) Upto 500 watts Contracted load ii) 501 watts to 1000 watts iii) Above 1000 watts	Rs.600/- per Service Rs.1,200/- per Service Rs.1,200/- + Rs.1,200/- per kW or part thereof of Contracted Load
	Non-Domestic/Commercial Services i) Upto 250 watts Contracted Load ii) 251 watts to 500 watts iii) 500 to 1000 watts iv) Above 1000 watts	Rs.300/- Rs.600/- Rs.1,200/- Rs.1,200/- + Rs.1,200/- per kW or part thereof of Contracted Load
All other LT categories		Rs.1,200/- per kW or part thereof of Contracted Load