



REVISED TRUE-UP PETITION FOR THE YEAR 2009-10

Hon'ble

BIHAR ELECTRICITY REGULATORY COMMISSION

6th October 2020

BIHAR STATE HYDROELECTRIC POWER CORPORATION LTD.

Sone Bhawan, Patna

BEFORE THE BIHAR ELECTRICITY REGULATORY COMMISSION

VIDYUT BHAWAN- II, BAILEY ROAD PATNA- 800001

In the matter of

Application for approval of truing-up of Annual Revenue Requirement (ARR) and determination of tariff for sale of energy generated by various small hydro-electric power stations of Bihar State Hydroelectric Power Corporation Ltd. for the financial year 2009-10 in terms of section 62 read along with section 86 (e) of the electricity act 2003.

AND

in the matter of

Bihar State Hydroelectric Power Corporation Ltd.

Regd office: 2nd floor, Sone Bhawan, Birchand Patel Marg,
Patna 800001.

THE HUMBLE APPLICANT ABOVE NAMED

Most respectfully sheweth the petition as follows:-

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A. Introduction

1. Brief

- 1.1. Bihar State Hydroelectric Power Corporation Limited (BHPC) is a company of Government of Bihar registered under Companies Act 1956. It is responsible for exploring all possibilities of hydroelectric potential and its development in the Bihar state.

2. BHPC responsibilities

- 2.1. It is engaged in following activities to explore hydro potential.
 - To plan, promote, organize, co-ordinate, finance, establish, develop and engage in the business of setting up electrical power projects particularly hydroelectric power in all its aspect including planning, investigation, research, design and preparation of preliminary feasibility and detailed project report, construction, generation, operation and maintenance of Hydroelectric Power stations and other projects, transmission, distribution and sale of power and to carry on all activities connected with power projects such as manufacture, inspection, supply, erection commissioning, running and maintaining the hydro power projects.
 - To carry out the business of purchasing, selling, importing, producing, Trading, manufacturing and otherwise dealing in all aspects of planning, investigation, research, design and preparation of preliminary feasibility and detailed project report, construction, generation, operation and maintenance of Hydroelectric Power stations and other projects, transmission, distribution and sale of power, hydroelectric power development, ancillary and other allied industries and for that purpose to install, operate and manage all necessary plants establishments and works.
 - To undertake and render services of all and every kind of buying, selling, exchanging, alternating, importing, exporting, producing and trading any equipment for establishing Hydroelectric Power and other projects required for civil, commercial and military purposes.
 - To operate and maintain economically and efficiently the generating stations, tie lines, sub stations and main transmission lines, assigned to it by the State Government in accordance with the provision of section 39 of the Electricity (Supply) Act, 1948 and Electricity Act 2003.
 - To take-up connection with power projects multipurpose programme like construction of embankments, dams, canals, sub canals, distributaries, reservoirs, facilities, drinking water and take all necessary steps for soil conservation, afforestation and rehabilitation of displaced persons.

3. BEREC roles as per the Electricity Act, 2003

- 3.1. Bihar Electricity Regulatory Commission (BERC) has been established by the Government of Bihar under Section 17 of the Electricity Regulatory Commissions Act, 1998 vide Government of Bihar Notification no. 1284 dated 15th April 2002. And the first proviso of Section 82 (1) which ensured the continuity of the Commission along with that of State Electricity Regulatory Commissions under Section 17 of Electricity Regulatory Commissions Act, 1998, and functioning as such immediately before the appointed date

shall be the State Commission for the purpose of the Electricity Act, 2003.

3.2. Functions of the State Commission

The State Commission, having the powers under Section 61 and 62 of the Electricity Act 2003 and the powers entitled under Bihar State Electricity Commission (Determination of Tariff) Regulation 2007 and amendments issued from time to time shall discharge the following functions, namely:

- a. Determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within that State: Provided that where open access has been permitted to a category of consumers under section 42, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;
- b. Regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- c. Facilitate intra-state transmission and wheeling of electricity;
- d. Issue licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- e. Promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licence;
- f. Adjudicate upon the disputes between the licensees, and generating companies and to refer any dispute for arbitration;
- g. Levy fee for the purposes of this Act;
- h. Specify State Grid Code consistent with the Indian Electricity Grid Code specified with regard to grid standards;
- i. Specify or enforce standards with respect to quality, continuity and reliability of service by licensees;
- j. Fix the trading margin in the intra-State trading of electricity, if considered, necessary; and
- k. discharge such other functions as may be assigned to it under this Act.
- l. The State Commission shall advise the State Government on all or any of the following matters, namely:
 - (1) Promotion of competition, efficiency and economy in activities of the electricity industry;
 - (2) Promotion of investment in electricity industry;
 - (3) Reorganization and restructuring of electricity industry in the State;
 - (4) Matters concerning generation, transmission, distribution and trading of electricity or any other matter referred to the State Commission by State Government.

4. Regulatory provision for filing of True-up petition

- 4.1. Clause 22 Para (4) of BERC (Terms and conditions for determination of Tariff) Regulations, 2007 deals with the true-up and review mechanism and in this regard provides as follows-

“The Commission shall undertake a review along with next Tariff Order, of the expenses and revenues approved by the Commission in the current year Tariff Order. While doing so, the Commission shall consider variations between approvals and revised estimates / pre-actuals of the sale of electricity, income and expenditure for the relevant year and permit necessary adjustments / changes in case such variations are for adequate and justifiable reasons. Such an exercise shall be called ‘Review’.

After audited accounts of the year are made available, the Commission shall undertake a similar exercise as in sub-clause (1) above based on the final actual figures as per the audited accounts. This exercise based on the audited accounts shall be called ‘Truing up’. The truing up exercise for any year shall not ordinarily be considered after more than one-year gap after ‘Review’.”

- 4.2. It is evident from the above that maximum time period allowed for truing up exercise is one year from the review exercise. Herein the petitioner would like to request the Hon’ble Commission to take note of the following in admitting this true up petition.
- 4.3. While the regulations as mentioned above allow for a maximum time period, they also mention that ‘The truing up exercise for any year shall not ordinarily be considered after more than one-year gap after ‘Review’. It is an agreed position that BHPC was not able to file any review or tariff petition for want of Audited Accounts which could not be completed for a long period of time i.e. more than 10 years. The petitioner would hence like to submit that it was not in an ordinary situation and the same could only be rectified very recently with the initiation of audit process of the Company’s Accounts. As soon as audited accounts were available for FY 2009-10, the petitioner has filed up this true-up petition for FY 2009-10.
- 4.4. In light of the above, petitioner requests the Hon’ble Commission to kindly consider and admit the current true-up petition.

5. Prayers to the Hon’ble Commission (BERC)

- 5.1. In the light of submission here by made, BHPC pleads before the Hon’ble Commission to:
- Approve the True-up of Annual Revenue Requirement for the financial year 2009-10 for the Bihar State Hydro Electric Power Corporation
 - Approve the proposed tariff for sale of power by Bihar Hydro Electric Power Corporation based on revised ARR for FY 2009-10 considering this True-up Petition
 - Approve the revenue gap as estimated in the petition and pass suitable order for recovery of the same

B. History of Tariff methodology

6. Before FY 2010

For the determination of tariff before FY 2009-10, Energy Department, Government of

Bihar (GoB) used to organize a committee which was entrusted with the task of tariff fixation. There was a provision of regular review of such fixed tariff as well.

7. For FY 2010

- 7.1. Before separation of Jharkhand & Bihar, tariff setting of plants were done on cumulative basis. No order was received by BSHPCCL from Govt. of Bihar / Govt. of Jharkhand regarding transfer of assets as on 31.03.2010. In due course of time, Hon'ble High Court of Jharkhand vide case no. WP(PIL-3118/2014) dated 28.08.2017 ordered for transfer of assets. In receipt of the order, Energy Department, Govt. Of Bihar, accorded approval of transfer of 8 projects on as is where is basis vide letter No. 456 dated 13.02.2018. Subsequently, the assets were handed over in FY 2019-20 due to which it continued to be a part of BSHPCCL balance sheet till then. In this true-up petition, plants with Jharkhand are excluded and are not considered in it.

C. BHPC plants

8. Overview

- 8.1. The petitioner had considered 9 plants in its tariff petition filed on 31st March 2009 for FY 2009-10. The details of all the 9 plants are as follows:

Table 1: Plant overview

S. No.	Plant name	Installed Cap (MW)	Date of Commissioning (CoD)	CoD as per bills
1	Agnoor	1	Unit 1- June-2006 Unit 2- June-2006	Jan-2006
2	Barun	3.3	Unit 1- June-96 Unit 2- Mar-96	Unit 1- July-96 Unit 2- Mar-96
3	Dehri-on-sone	6.6	Unit 1- Jan-93 Unit 2- Mar-93 Unit 3- Aug-93 Unit 4- Apr-93	Unit 1- Jan-93 Unit 2- Mar-93 Unit 3- Aug-93 Unit 4- Apr-93
4	Dhelabagh	1	Unit 1- Aug-2006 Unit 2- Aug-2006	Unit 1- Aug-2006 Unit 2- Aug-2006
5	Jainagara	1	Unit 1- Dec-2008 Unit 2- Dec-2008	Mar-09
6	Koshi-Kataiya	19.2	1970-75	Unit 1 – Nov 70 Unit 2 - Mar 71 Unit 3 - Oct 73 Unit 4 – Oct 78
7	Nasriganj	1	Unit 1- July-2007 Unit 2- July-2007	Unit 1- July-2007 Unit 2- July-2007
8	Triveni	3	Feb-09	