

Bihar State Electricity Board, Patna Tariff, 2006-2007

BIHAR

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Rule

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Bihar State Electricity Board, Patna Tariff, 2006-2007[Dated 1.11.2006]Tariff Principles and Design

1.

1. Background

1.1.1The provisions of Electricity Act, 2003 (EA 03), National Electricity Policy (NEP) and National Tariff Philosophy have been discussed in Chapter-3 of this order. The Commission has been broadly guided by the tariff principles enshrined in the EA 03 and the policies in determination of retail tariff. These principles are that the tariff should "Progressively reflect cost of supply of Electricity" and also "reduce the element of cross subsidies" within the time specified in the Tariff Policy. The EA 03 lays special emphasis on safeguarding consumer's interest and also requires that the cost should be recovered in a reasonable manner. The EA 03 mandates that tariff determination should be guided by factors, which "encourage competition, efficiency, economical use of resource, good performance and optimum investment". The NTP, notified by Government of India in January, 2006 provided comprehensive guidelines for determination of tariff as also working out the revenue requirement of power utilities. The Commission to the best of its capacity has endeavoured to follow these guidelines as far as possible :1.1.2The NTP mandates that multi-year tariff (MYT) framework be adopted for determination of tariff from April, 2006. However, the Commission is not in a position to introduce MYT regime in the State at present mainly due to lack of requisite and reliable data. The present MIS and regulatory reporting system of the Board is inadequate for any such exercise. The audited accounts of the Board from 2002-03 onwards are not available, there has been no study to assess voltage-wise losses in the absence of meters on all feeders, distribution transformers and consumer, premises. Technical and Commercial losses are yet to be segregated and quantified voltage-wise. Under these conditions it would not be practicable to implement MYT

frame work this year. The Commission taking into account all these factors, has decided to introduce MYT no sooner the audited accounts of BSEB and required reliable data are available.1.1.3The mandate of NTP that tariff should be within plus/minus 20% of the average cost of supply by the year 2010-11 has been the guiding principle. In this effort, however, the Commission could not lay down the road map for reduction of cross subsidy mainly due to lack of data regarding cost of supply at various voltage levels.1.1.4In working out the cost of supply, the Commission has followed on the basis of average cost of supply in the absence of relevant data for working out consumer category-wise cost of supply. With regard to method of price regulation the Commission has broadly followed, as already mentioned in Chapter-3, the Rate of Return regulation (RoR) method. However, in this tariff order an element of performance target has been indicated. The Commission has set a loss reduction target for the years 2007-08 and 2008-09, as better performance will result in substantial efficiency gains to the Board and conversely shortfall in performance levels will result in losses.1.2Tariff proposed by the Board and Approved by the Commission1.2.1The retail tariff proposed by the Board is on the basis of a net revenue gap of Rs. 1553.83 crore out of which the proposal for revision of tariff is designed to earn an additional revenue of Rs. 1447.67 crore leaving a gap of Rs. 106.16 crore. However, on a detailed scrutiny of the revenue requirement filed by the Board, the Commission has arrived at a more realistic revenue requirement, which requires only an additional revenue of Rs. 184.78 crore. The Commission has therefore, proceeded to rationalize the tariff with marginal increase for different categories. The average cost of supply has been worked out at Rs. 5.00 per unit against Rs. 5.37 per unit, most of the categories of consumers are. being supplied electricity at below the cost of supply, some marginally above, and some far below the cost of supply, hence the task of the Commission and the Board is to reduce the average cost of supply by reducing the losses and to improve efficiency before making an attempt to rationalize the tariff to reduce cross subsidy.1.2.2The Board proposed to bring the tariffs of certain categories of consumers, particularly domestic and agriculture who have been paying far below the average cost of supply, at par with average cost of supply. This resulted in substantial increase in proposed tariff rates of these categories and marginal increase in the case of non-domestic and industrial consumers. Since the revenue gap has been reduced to Rs. 184.78 crores, against Rs. 1553.83 crores projected by the Board, the Commission has not envisaged any major changes in the tariff structure except making some marginal increase. A number of non-domestic and industrial consumers have represented that the existing tariff for these two categories have been high compared to neighbouring States and requested reduction in the tariffs. While attempting the rationalization, the Commission has kept in view the guidelines of the NTP to provide concessional tariff for BPL consumers.1.3Tariff CategoriesThe Commission approves the following tariff categories:LT Categories : LT tariff shall be applicable for connections upto a maximum connected load of 60 KW except for tariff categories LTIS-II and III, Irrigation and Agriculture categories who are allowed upto 99 HP and 100 HP respectively.

1. Domestic-light, fans and power-single phase and three phase connections.

(a)Kutir Jyoti-BPL consumers is newly introduced.(i)Kutir Jyoti-BPL (Rural)UnmeteredConnected load : upto 60 Watt andEnergy consumption upto 30 units/month(ii)Kutir Jyoti-BPL (Urban)MeteredConnected load; upto 100 Watt andEnergy consumption upto 30 units per month 0-30 units/month(b)Domestic-I-RuralUnmeteredConnected load ; Upto 2 KWMeteredConnected

load: upto 2 KW

0.

-50 units/month

51.

-100 units/month Above 100 units/month (c) Domestic-II-Urban-metered Connected load: Single phase-upto 4 KW Three phase-above 4 KW Urban connections Rural connection above 2 KW

1.

-100 units/month

101.

-200 units/month

201.

-300 units/month Above 300 units/month (d) Domestic-III-Urban-metered-residential societies etc. All units

2. Non-Domestic (Commercial)-Lights,fans and power-Single phase & three phase connections

(a) Non-Domestic-I: Rural Unmetered Connected load: Upto 2 KW Metered Connected load: Upto 2 KW

1.

-100 units/month

101.

-200 units/month Above 200 units/month (b) Non-Domestic-II: Urban Metered Connected load: upto 60 KW for urban consumers Above 2 KW for Rural consumers

1.

-100 units/month

101.

-200 units/month Above 200 units/month (c) Non-Domestic-III: Metered (Places of worship etc.) Connected Load : Upto 30 KW

0.

-100 units/month

101.

-200 units/month Above 200 units/month

3. Irrigation and Agricultural Pumpsets-For Bonafide Agricultural Operations

(a) IAS-I: Private Tube wells-IAS-I (i) Unmetered-Rural feeder-Urban feeder (ii) Metered All units - Rural feeder All units - Urban feeder (b) IAS-II: State Tube Wells/State Lift Irrigation Pumps/State Irrigation Pumps Connected Load : Upto 100 HP (i) Unmetered-Rural feeder-Urban feeder (ii) Metered All units-Rural feeder-Urban feeder

4. Low Tension Industry

Metered (a) LTIS-I: Upto 25 HP All units (b) LTIS-II 26-99 HP (c) LTIS-III: Public Water works Upto 99 HP

5. Street Light, Mast Light and Traffic Light

(a) SSI: Metered All units - Gram Panchayats- Nagar Palika/NAC/Municipality- Municipal Corporation (b) SS-II: Unmetered (i) Gram Panchayats (ii) Nagar Palika/NAC/Municipality (iii) Municipal Corporation (c) SS-III: Unmetered (Mast Lighting) (i) Gram Panchayats (ii) Nagar Palika/NAC/Municipality (iii) Municipal Corporation

6. High Tension Supply

(a) HTS-I-11 KV supply Connected Load: for installations having contract demand of 75-1500 KVA.-Demand charges-Energy charges (b) HTS-II-33 KV supply Connected Load: for installations having contract demand of 1000-10,000 KVA.-Demand charges-Energy charges (c) HTS-III-132 KV supply-industrial consumers Connected Load: for installations having contract demand of 7.5 mVA and above-Demand charges-Energy charges (d) HTSS-Specified Services-Induction

furnaces-Demand charges-Energy charges

7. Railway Traction

(a)RTS-I: 25 KV supply-Demand charges-Energy charges(b)RTS-II: 132 KV supply-Demand charges-Energy charges

8. Temporary Supply

-LT-HT1.4TariffThe following changes have been introduced in the LT categories for application of tariffs.1.4.1Domestic(a)Kutir Jyoti-BPL ConsumersKutir Jyoti Scheme has been extended for BPL families in urban areas also which was hitherto limited to rural areas. Only metered supply will be provided to this new category-Kutir Jyoti (Urban).(b)Domestic (Rural) DS-I(i)UnmeteredTwo slabs are introduced in the connected load.Upto 1 kWAbove 1 kW upto 2 kW(ii)MeteredThree slabs are introduced as below:

0.

-50 units/month

51.

-100 units/monthAbove 100 units/month(c)Domestic-DS-IISecond slab of 101-300 units is split into two slabs.

101.

-200 units/month

201.

-300 units/month1.4.2Non Domestic(a)Non-domestic (Rural)-NDS-I(i)UnmeteredThree slabs are introduced as below:Connected load -upto 500 watts-501 Watts to 1.0 KW-Above 1.0 KW upto 2.0 KW(ii)MeteredThree slabs are introduced as below:

0.

-100 units/month

101.

-200 units/monthAbove 200 units/month(b)Non-Domestic (Urban)-Metered-NDS-IIThree slabs are introduced as below :

0.

-100 units/month

101.

-200 units/month Above 200 units/month (c) Non-Domestic-III and IV are merged with NDS-II (d) Non-Domestic-III is introduced in place of NDS-V The approved tariff schedule is annexed as Annexure-7.1.