

**BEFORE THE
HON'BLE BIHAR ELECTRICITY REGULATORY COMMISSION
VIDYUT BHAWAN -II, PATNA**

**Petition
For
True - up for FY 2024-25,
Annual Performance Review (APR) for FY 2025-26,
and
Determination of Annual Revenue Requirement (ARR) along with
Transmission Tariff for the FY 2026-27
For
Bihar Grid Company Limited
(BGCL)
Patna**



Bihar Grid

**2nd Floor, Alankar Place,
Boring Road,
Patna - 800 001**

November 13, 2025

BEFORE, THE BIHAR ELECTRICITY REGULATORY COMMISSION,

IN THE MATTER OF

Filing of the Petition for True-up of FY 2024-25 under Bihar Electricity Regulatory Commission (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2021 and Annual Performance Review (APR) for FY 2025-26 & Determination of Annual Revenue Requirement (ARR) along with Transmission Tariff for the FY 2026-27 under Bihar Electricity Regulatory Commission (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2024 along with the other guidelines and directions issued by the Bihar Electricity Regulatory Commission from time to time and under Section 61, 62, 64 and 86 of the Electricity Act, 2003 read with the relevant guidelines.

AND

IN THE MATTER OF

BIHAR GRID COMPANY LIMITED (hereinafter referred to as "BGCL" or "Petitioner" which shall mean for the purpose of this Petition, the Licensee), having its registered office at 2nd Floor, Alankar Place, Boxing Road, Patna - 800001.

The Petitioner respectfully submits as under:

1. BGCL is filing the Petition for True-up of FY 2024-25 under Bihar Electricity Regulatory Commission (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2021 and Annual Performance Review (APR) for FY 2025-26 & Determination of Annual Revenue Requirement (ARR) along with Transmission Tariff for the FY 2026-27 under Bihar Electricity Regulatory Commission (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2024 along with procedures outlined in the respective governing Regulations thereof.



2. This Petition has been prepared in accordance with the Section 61, 62 and 64 of the Electricity Act, 2003 along with provisions contained in Bihar Electricity Regulatory Commission (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2021, Bihar Electricity Regulatory Commission (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2024, and Bihar Electricity Regulatory Commission (Conduct of Business) Regulations 2005.
3. BGCL along with this Petition is submitting the Tariff Formats (Annexure A of the Petition) with relevant data and information to the extent applicable and would make available any further information/additional data required by the Bihar Electricity Regulatory Commission during the course of the proceedings.



Date: November __, 2025

Rajesh
Sr.GM (O&M/Commercial)

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1 Background

1.1 Development of Intra State Transmission Network

Considering the rapid load growth and the upcoming generating stations in the State of Bihar, a comprehensive study was carried out by POWERGRID in 2011-12 in association with the then Bihar State Electricity Board (BSEB) and Central Electricity Authority (CEA). As per the study, transmission and system strengthening schemes were planned and categorised in following three parts:

Table 1 • Development of Intra State Transmission Network

Part	Scheme Details
1	Bihar Sub-Transmission Phase-II extension scheme
2a	Strengthening scheme: Phase-1: Schemes identified for year 2012-13, 2013-14 and 2014-15 under Phase-III
2b	Strengthening Scheme: Phase-2: Schemes identified for year 2015-16 & additional strengthening for year 2016-17 under Phase-IV
3	Generation Linked Scheme: Transmission System for evacuation of power from Lakhisarai, Pirpainti and Buxar generation projects (identified for year 2016-17) under Phase-V

1.2 Formation of BGCL

In order to develop the aforesaid Intra-State Transmission System in the State of Bihar, Bihar State Power Holding Company Limited (BSP(H)CL) and Power Grid Corporation of India Limited (POWERGRID) formed a 50:50 Joint Venture Company in the name of Bihar Grid Company Limited (BGCL) on January 4, 2013 under the provisions of the Companies Act, 1956.

1.3 Transmission License for BGCL

The Transmission Licence was issued to BGCL on June 21, 2013 vide Letter No. BERC/Case No.7/2013-792-01-Tr.L. The Hon'ble Commission while granting the approval of transmission license in Case No. 7 of 2013 directed as follows:

"Therefore, the application of the Bihar Grid Company Limited for grant of licence to the applicant BGCL for transmission of electricity as a transmission licensee in the State of Bihar is approved. After compliance of conditions laid down in the Regulations 13, 14 and 15 of BERC (Licencing for Transmission of Electricity) Regulations, 2007 by the Bihar Grid Company Limited, the Commission would issue the Licence. The BGCL shall pay the initial and annual licence fee to the Bihar Electricity Regulatory Commission in accordance with BERC (Fees, Fines and Charges) Regulations, 2006.

The licence shall be issued for 25 (twenty five) years with effect from the date of issue of the licence. Bihar Grid Company Limited shall submit requisite documents as specified in Regulations 13, 15 and 16 of the BERC (Licencing for Transmission of Electricity) Regulations, 2007. Bihar Grid Company Limited shall abide by all terms and conditions of the licence and any other terms and conditions which Commission considers necessary to remove the difficulty in giving effect to any of the provision of the BERC (Licencing for Transmission of Electricity) Regulations, 2007."

1.4 Current Projects entrusted with BGCL

While it was initially envisaged that BGCL should undertake the development of transmission and system strengthening schemes as identified above, however, works under Part-1 and Part-2 (a) were undertaken by BSPTCL on priority basis. Therefore, BGCL is implementing works under Part-2 (b) of the above-mentioned schemes and Detailed Project Report (DPR) for the same has been approved by the Hon'ble Commission vide Order dated January 4, 2014 and July 22, 2015 in Case No. 20 of 2013 and Case No. 14 of 2015, respectively.

1.5 Main Functions and Duties of BGCL

The main functions and duties of BGCL are as follows:



- a) To undertake planning and coordination activities in regard to Intra-State Transmission, works connected with the inter-State Transmission System in the State of Bihar, to introduce open access in transmission on payment of transmission charges. To ensure development of an efficient, coordinated and economical system of Intra-State Transmission lines for smooth flow of electricity from a generating station to load centres and to provide non-discriminatory open access as per requirement. Other functions as may be assigned to the company by law or otherwise by Government or Government Authority concerning the operation of the Power System
- b) To plan, acquire, develop, establish, built, take over, erect, lay, operate, run, manage, renovate, modernize, electrical transmission lines and/or networks through various voltage lines and associated sub-stations, including cables, wires, meters, computers and materials connected with transmission, ancillary services, telecommunication and tele-metering equipment etc.
- c) To make available the entire transmission capacity of the Project to BSP(H)CL on a commercial basis subject to the conditions laid down in the Inter-State Transmission Services Agreement (ITSA).
- d) To derive its revenue by recovery of transmission charges from transmission system users. The Company shall be primarily in the business of transmission of electricity and it shall be vested with the transmission assets, interest in property, rights and liabilities. The Company shall act as a Transmission Licensee under the Provisions of Section 14 of the Electricity Act, 2003.
- e) To define its own 'Safety policy' keeping in view the motto of 'ZERO ACCIDENT GOAL'.

2 Regulatory Background

- Based on the study carried out jointly by CEA, Power Grid, and the then BSEB, business plan for suitable transmission network to meet load growth as estimated in 18th EPS, had been prepared under phase-IV part-2 scheme comprising of Part 1 of 2 and Part 2 of 2.
- Accordingly, BGCL had filed its Business plan of Rs. 1699.36 Crore under phase IV (part 1 of 2) of the projects under 12th five-year plan under domestic funding. Vide Order dated 04.01.2014, the Hon'ble Commission in Case No. 20/ 2013 has accorded approval to the Business Plan filed by the Petitioner for Part 1 of 2. The approved project cost was Rs. 1699.36 Crore with debt equity ratio of 70:30.
- Further, BGCL sought approval of the Revised Cost Estimate (RCE - 1) pertaining to Part 1 of 2 by way of ARR Petition for the FY 2017-18. Hon'ble Commission vide Order dated 09.03.2017 in Case No. 49 of 2016 approved the RCE-1 to the extent of Rs. 1833.23 Crore (from Rs. 1699.36 Crore).
- Further, BGCL sought approval of cost estimate pertaining to Part 2 of 2 by way of Petition for Approval in Business plan of BGCL for control period from FY 2015-16 to FY 2017-18. Hon'ble Commission vide Order dated 28.07.2017 in Case No. 05 of 2016 approved the cost estimate to the extent of Rs.1688.36 Crore.
- Further, BGCL sought approval of the Revised Cost Estimate (RCE - 2) pertaining to Part 1 of 2 by way of Petition for Approval of REC-2 of Capital Investment Plan of Phase-IV Part-1 Scheme of BGCL. Hon'ble Commission vide Order dated 28.01.2020 gave in-principal approval to the RCE -2 of Part 1 of 2 to the tune of Rs. 2091.89 Crore, subject to furnishing the following information during the true up:

- The actual cost incurred, actual date of start of work, actual COD and scheduled completion period
 - Detailed justification along-with supporting documents for change in cost with comparison to original project cost Rs. 1699.36 crore showing deviation amount attributable to each factor contributing into deviation i.e Government Taxes & duties, change in scope of work etc.
 - Calculation sheet of IDC from the date of infusion of debt fund upto Scheduled Date / Actual Date of Commercial operation showing amount of loan & amount of capex actually attributed/allocated to each substations & transmission lines
 - Details of IEDC from the zero date to Scheduled Date / Actual Date of Commercial operation.
- ◆ Further, BGCL had filed petition for determination of Tariff for FY 2021-22 however, during the course of proceedings, due to want of certain documents, Hon'ble Commission restricted the Capex for part 1 of 2 to Rs. 1459.97 Cr. (hard cost) based on the LOA awarded hard cost at that time. BGCL, aggrieved by the said order of Hon'ble Commission preferred a Review of the said Order however, BGCL's plea was not accepted before the Hon'ble Commission. Thereafter, BGCL preferred an Appeal before the Hon'ble APTEL against the Hon'ble Commission's Order dated 12.03.2021, which is pending adjudication before the Hon'ble APTEL bearing Appeal No. 382 of 2023.
 - ◆ Further, BGCL filed a Review Petition against the Hon'ble Commission's Order dated 25.03.2022 in regard to disallowance of Capex and Capitalization of Part 1 of 2 in the truing up of 2019-20 and FY 2020-21. BGCL provided all the information sought by the Hon'ble Commission vide Order dated 28.01.2020. Hon'ble Commission vide Order dated 11.11.2022 in Case No. 15 of 2022 directed that the requisite information as above be submitted by the Petitioner during the time of Tariff proceedings for the FY 2023-24.

- By virtue of said observation, the Petitioner was of the firm view that the deviation in Capital Cost pertaining to Part 1 of 2 would be admitted at the time of Tariff determination during the FY 2023-24. Under such apprehension, the Petitioner by way of Additional Submissions placed on record the requisite documents/ justification during the course of Tariff proceedings for the FY 2023-24. However, the Hon'ble Commission has not admitted the variation in Capital Cost owing to the matter being sub-judice before APTEL (against Tariff Order dated 12.03.2021 for FY 2021-22 bearing Appeal ref. DFR No. 145 of 2022, IA No. 1755 of 2022 and IA No. 603 of 2022).
- Owing to the financial injury on the Licensee due to the disallowance in Capital Cost add to the fact significant pending dues from the Holding Company amounting to Rs. 499 Crore as of 31.03.2024, and aggrieved by the observations made by the Hon'ble Commission in the Tariff Order dated 25.3.2023 for FY 2023-24, the Petitioner filed an Appeal before APTEL (appeal DFR No. 145 of 2022 & IA No.1755 of 2022 and IA No.603 of 2022).
- The Petitioner further filed a separate Review Petition bearing Case No. 01 of 2025 inter alia, challenging the disallowance of the capex, O&M and NATAF etc. before the Hon'ble Commission. However, the Hon'ble Commission vide the Order dated 25.02.2025 rejected the said Review Petition bearing Case No. 01 of 2025 on grounds of limitation. Pursuant to the above, the Appellant has filed an Appeal bearing DFR No. 137 of 2025 before the Hon'ble Tribunal challenging the disallowances of the capex and the same is pending before this Hon'ble Tribunal bearing Appeal No. 237 of 2025.
- Appeal against Hon'ble Commissions Order dated 28.03.2025 in Case No. 31 of 2024 was filled before the Hon'ble APTEL along with IA seeking remand of the matter pertaining to consideration of details and justification provided by BGCL pertaining to disallowance in Part 1 of 2. The Hon'ble APTEL vide its

Judgment dated 27.10.2025 in Appeal No. 198 of 2025 & IA No. 840 of 2025 (filed against the BERC Tariff Order dated 28.03.2025 in Case No. 31 of 2024) has set aside the impugned order and remanded the case back to the Hon'ble BERC for passing a fresh order after providing an opportunity of hearing to BGCL's submission. Relevant extract of the judgement is reproduced below:

"In the light of the submissions made by Learned Counsel on either side, and as Mrs. Swapna Seshadri, Learned Counsel for the Appellant states that this is the only issue with respect to which the present appeal is filed, we set aside the impugned order to the extent applicable to the matter at hand and remand the matter to the Commission to pass a fresh order, after hearing the parties on either side, regarding the relevance or otherwise of the documents filed by the Appellant with respect to sub paras (a) to (d)."

- BGCL, vide its letter dated 04.11.2025 has requested this Hon'ble Commission to execute the Hon'ble APTEL's Judgment dated 27.10.2025, so that the Capital Cost — which forms the fundamental basis for all pending Appeals — may be finally settled in a comprehensive manner. It is respectfully submitted that the balances pertaining to GFA, IoL, RoE, and CWIP may be considered in line with the findings of the remand proceedings.
- It is further prayed that the consequential impact on ARR due to the revision in Capital Cost be allowed from FY 2019-20 (along with carrying cost), as the related disallowances pertain to FY 2019-20 and FY 2020-21.

Pending adjudication on the remand proceedings, BGCL has worked out the Capital Cost and other balances based on the past submissions made by BGCL. The Hon'ble Commission is sincerely requested to consider the Capital Cost as claimed by the Petitioner pertaining to Part 1 of 2 based on the information/ documents provided while determining the True up of FY 2024-25, APR for FY 2025-26 and ARR for FY 2026-27.

TRUE-UP of ARR
for the FY 2024-25

3 True - Up for 2024-25

3.1 Background

The Hon'ble Commission in the Order dated 01.03.2024 has approved ARR for FY 2024-25 to the tune of Rs. 517.82 Crore. Further, in the Order dated 28.03.2025, the Hon'ble Commission has approved Rs. 422.05 Crore while conducting the Review of Annual Performance for the FY 2024-25. The Petitioner herein, submits the claim towards each and every item of the ARR before this Hon'ble Commission for conducting the True-up for the period FY 2024-25 in accordance with the Regulatory provisions and the principles. The following considerations have been made by the Petitioner for the True up for FY 2024-25:

- a. Opening Value of GFA for FY 2024-25 are considered as respective closing values for FY 2023-24 (as claimed by the Petitioner in the Tariff Petition for FY 2025-26).
- b. As far as the Additions to GFA is concerned, it is submitted that the claim of Capitalization during the FY 2024-25 is more than the Capitalization as per the Books of Accounts. This is owing to the fact that one asset having attained capitalization in FY 2024-25 could not be capitalized in the Books of Accounts.
- c. Expense items of ARR are calculated based on the normative parameters in line with the principles of Tariff Regulations, 2021.

Details of the claims under various elements of the Annual Revenue Requirement (ARR) for the True-up for FY 2024-25 is explained in the subsequent sections.

3.2 Performance of Transmission System - Transmission Availability Factor (TAF) and Transmission Loss

The Tariff Regulations 2021 stipulate the Normative Transmission System Availability Factor (NATAF) of 98% for the control period FY 2022-23 to FY 2024-25. The Petitioner submits that the Annual Transmission Availability of the BGCL system for the FY 2024-25 is 99.57%.

The Hon'ble Commission as per the Order dated 25.03.2022 has approved Transmission Loss trajectory to be 1.80% for the control period of FY 2022-23 to FY

2024-25. The Petitioner submits that the actual Annual Transmission Losses in the BGCL network for the FY 2024-25 is 0.84%.

The Month-wise Transmission Availability and Transmission Loss along with the incentives allowable in accordance with the Tariff Regulations 2021 is detailed out in the upcoming sections.

3.3 Capital Expenditure and Capitalisation

As explained in the preceding sections, the Hon'ble Commission vide Order dated 28.01.2020 had accorded in-principle approval of the Capital Investment Plan of Rs. 2091.88 Crore (in accordance with the Revised Cost Estimate - II proposed by the Petitioner) for Phase IV Part 1 of 2.

Furthermore, the Hon'ble Commission vide Order dated 28.07.2017 and further vide Order dated 20.03.2020 had approved Capital Investment Plan of Rs. 1688.36 Crore for Phase IV Part 2 of 2. In addition, the Hon'ble Commission vide Order dated 15.02.2019 also gave in-principle approval of the Supplementary works proposed along with Phase IV Part 2 of 2 amounting to Rs. 111.14 Crore.

The Capital Investment Plan as approved by the Hon'ble Commission w.r.t. BGCL Network is summarized below:

Table 2 - Scheme wise Capital Expenditure and Capitalisation

Particulars	Approved Cost	Remarks
Phase IV Part 1 of 2	2,091.88	Order dated 28.01.2020
Phase IV Part 2 of 2	1,688.36	Order dated 28.07.2017
Phase IV Supplementary works	111.14	Order dated 15.02.2019
Total	3,891.39	

It is submitted that the Capital expenditure along with the details of capitalisation for FY 2024-25 as per books of accounts is summarised in the CWIP statement that shall follow in subsequent paras.

Further, Petitioner submits that in addition to the Capitalization booked in the Audited Accounts, one more transmission elements, namely "220/132 kV Transformer-2 at Goradih", have attained DOCO in FY 2024-25.

The Capitalization pertaining to above asset is Rs. 9.86 Crore, which is over and above the Capitalization reflected in the books of accounts. It is imperative to point out that such assets as indicated above have been put under Commercial operation and are therefore "Put to Use", therefore, the claim made by the Petitioner is in line with the provisions of the Tariff Regulations 2021 which provide that the Expense items of ARR are recoverable after the start of commercial operation and after put to use. The relevant abstract from the Tariff Regulations 2021 are reproduced below:

"22. Return on Equity

- (a) The return on the equity invested shall be allowed from the date of start of commercial operation and after put to use;

23. Depreciation

- (iii) Depreciation shall be calculated annually on the basis of assets capitalised and put to use based on the straight line method over the useful life of the asset and at the rate not exceeding the rate specified by the Central Electricity Regulatory Commission from time to time.

24. Interest and finance charges on loan capital

- (j) Addition to loan during the year for interest purpose will be restricted to the quantum of assets capitalized and put to use."

The breakup of the hard cost and soft cost towards such asset is shown in the table below:

Table 3: Detail of Asset made operation during the FY 2024-25 but not capitalized in the Books of accounts of FY 2024-25

(in Rs Crore)

Assets	CWIP	IDC	IEDC	Total
220/132 kV Transformer-2 at Goradih	7.81	0.55	1.50	9.86

Auditor Certificate pertaining to aforesaid asset (220/132 kV Transformer-2 at Goradih) has been attached as Annexure B.

In light of the aforesaid, the Petitioner humbly requests the Hon'ble Commission to allow Capitalization and recovery of Transmission Charges towards the asset as

mentioned in the Table no. 3. The Petitioner emphasizes that these assets were duly capitalized during FY 2024-25 and have been put to use.

The Petitioner further submits that the Hon'ble Commission while approving Capitalization during the True up for FY 2019-20 observed as follows:

"4.4.25 However, considering that BGCL has already undertaken the capital cost of Rs.2,091.89 Crore, the Commission is inclined to provide BGCL a final opportunity to provide justification of each factor of cost escalation of the works undertaken in Phase IV Part 1. Hence, the Commission directs BGCL to submit detailed information and justification along with supporting documents to substantiate the amount actually incurred on each factor of deviation as elaborated in earlier section of this Order in next Trueing up in which Project get completed."

The said information has been duly submitted by BGCL since earlier years; however, the corresponding impact has not been considered as part of the approved Capital Cost, resulting in significant financial injury to the petitioner. In light of the Hon'ble APTEL's Judgment dated 27.10.2025, BGCL respectfully requests that the impact on ARR arising from the capital cost disallowances be allowed in entirety from FY 2019-20. BGCL further humbly undertakes to provide any additional information or clarification as may be required for the kind consideration and convenience of the Hon'ble Commission.

Furthermore, as the remand proceedings is yet to attain finality, the Petitioner has claimed the opening Capital Cost for the FY 2024-25 based on the closing Capital Cost claimed by the Petitioner for the True up of FY 2023-24.

Summary of the CWIP statement for the FY 2024-25 is provided in the table below:

Table 4 - CWIP statement for the FY 2024-25

(in Rs Crore)

S.No.	Particulars	Approved by the Hon'ble Commission in the Order dated 01.03.2024	BGCL claim
1	Opening CWIP without IEDC and IDC		137.57

S.No.	Particulars	Approved by the Hon'ble Commission in the Order dated 01.03.2024	BGCL claim
2	Opening IDC		123.13
3	Opening IEDC		16.26
4	Opening CWIP (1+2+3)	141.02	276.96
5	Capital investment during the year (without IDC and IEDC)		72.45
6	IDC addition		5.74
7	IEDC addition		3.51
8	Total (5+6+7)	-	81.70
9	Asset capitalisation without IDC & IEDC		101.93
10	IDC capitalised		16.26
11	IEDC capitalised		11.12
12	Total Capitalisation (9+10+11)	-	129.32
13	Closing CWIP without IDC and IEDC (1+5-9)		108.09
14	Closing IDC (2+6-10)		112.61
15	Closing IEDC (3+7-11)		8.54
16	Closing CWIP (13+14+15)	141.02	229.34

The Audited Accounts of BGCL for the FY 2024-25 is annexed as Annexure C.

Following table shows the Head-wise capitalization sought by the Petitioner:

Table 3 - Head-wise Capitalization claim

(in Rs Crore)

SN	Heads	Amount
1	Audited Capitalization	
A	Plant and Machinery	118.42
B	Furniture and Fixtures	0.19
C	Office Equipment	0.85
2	Assets put under commercial operations but not Capitalized in the Books of Accounts	9.86
3	Total Capitalization	129.32

The Petitioner thereby submits before the Hon'ble Commission to approve the CWIP and Capitalization for the FY 2024-25 as per the tables above.

3.4 Schedule of Capitalization

The Petitioner submits that the Assets capitalized during FY 2024-25 in accordance with the Audited Accounts for the FY 2023-24 have been listed along with the Date of Commercial Operation in the table below:

Table 6 - Details of Assets Capitalized during the FY 2024-25 (Part 1 of 2)

S. No.	Transmission Element (Part 1 of 2)	Date of Commercial Operation
Sub Station		
1.	220/132 kV Transformer-2 at Goradih	29.06.2024
2.	220/132/33 kV Transformer-1 at Mokama	24.04.2024
3.	132/33 kV Transformer-1 at Mokama	29.04.2024

Table 7 - Details of Assets Capitalized during the FY 2024-25 (Part 2 of 2)

S. No.	Transmission Element (Part 2 of 2)	Date of Commercial Operation
Sub Station		
1.	220/132 kV Transformer -2 at Jakkanpur	30.04.2024
2.	220/132 kV Transformer -3 at Jakkanpur	23.05.2024
3.	220/132 kV Transformer-3 at Annour	17.06.2025

Table 8: BGCL estimate of Asset Capitalization for the FY 2024-25 Phase IV (Supplementary)

S. No.	Transmission Element	Date of Commissioning/ Likely Commissioning
New 220/132/33 kV GIS substations		
1.	400kV, 125MVAR Bus- Reactor-01 at Naubatpur	16.09.2024
2.	400kV, 125MVAR Bus- Reactor-02 at Naubatpur	16.09.2024
3.	400kV, 125MVAR Bus- Reactor-01 at Jakkanpur	20.03.2025
4.	400kV, 125MVAR Bus- Reactor-02 at Jakkanpur	20.03.2025

The Petitioner submits that few assets planned to be capitalized during the FY 2024-25 as per the submissions made for the Annual Performance Review of FY 2024-25 could not attain Capitalization in actual on account of reasons beyond the control of

the Petitioner. The key reasons attributable to such delay include the time required for land acquisition, local law and order issues, severe ROW constraints, contractual and technical issues/suitability, unavailability of spares, unprecedented rainfall/floods in certain areas, spillover of works owing to Covid-induced lockdowns during FY 2020-21 and FY 2021-22, and delays due to shutdown requirements (uncontrollable) and pending shutdowns for charging. BGCL is making all efforts to get the remaining works completed on priority. In view of the same, the Petitioner requests the Hon'ble Commission to approve the capitalisation of the projects.

3.5 Gross Fixed Assets

The Petitioner has considered the Opening GFA as per the Closing GFA submitted by the Petitioner in the True up Petition for FY 2023-24. As illustrated in preceding sections, the additions to GFA is summarized under the following heads:

1. Additions to the GFA based on the Audited Accounts
2. Asset put under commercial operation and put to use but not booked in the Audited Accounts.

Accordingly, the Petitioner requests the Hon'ble Commission to approve the GFA for FY 2024-25 as depicted in the table below:

Table 9 - Gross Fixed Assets for the FY 2024-25

(in Rs Crores)

S.No	Particulars	FY 2024-25	
		Approved by Hon'ble BERC in the Order dated 01.03.2024	BGCL claim
1	Opening GFA	3,412.18	3,008.09
2	Additions	-	129.32
A	Capex Addition	-	101.93
B	IDC Addition	-	16.26
C	IEDC addition	-	11.12
3	Closing GFA	3,412.18	3,137.40

3.6 Depreciation

Regulation 23 of Tariff Regulations, 2021 stipulates the following:

“

- i. Depreciation shall be calculated for each year of the control period on the original cost of the fixed assets of the corresponding year. No advance shall be granted against depreciation.
- ii. Depreciation shall not be allowed on assets funded by capital subsidies, beneficiary contributions or grants.
- iii. Depreciation shall be calculated annually on the basis of assets capitalised and put to use based on the straight line method over the useful life of the asset and at the rate not exceeding the rate specified by the Central Electricity Regulatory Commission from time to time as provided in Appendix-III of these Regulations.
The residual value of assets shall be considered as 10% and depreciation shall be allowed to a maximum of 90% of the original cost of the asset. The Transmission Licensee or SLDC, as the case may be, shall submit separate detail of fully depreciated asset along with year of commissioning and year of attaining ninety percent depreciation with the tariff petition.
Provided that freehold land shall not be treated as a depreciable asset and its cost shall be excluded while computing 90% of the original cost of the asset.
Provided further that the cost of lease hold land shall be amortised evenly within the leased period.
- iv. The original capital cost of the asset shall include Additional Capitalisation on account of Foreign Exchange Rate Variation as allowed by the Government / Bihar Electricity Regulatory Commission.
- v. Depreciation shall be chargeable from the first year of operation of the asset. For part of the year, depreciation shall be charged on pro rata basis.
- vi. A provision of replacement of assets shall be made in the capital investment plan."
- vii. The licensee(s) shall submit certified copy of the Asset Register with the list of fully depreciated Transmission lines, substation, transformers, etc. along with the details of disposed off assets and amount received therefore with the tariff petition."

In consonance with the above and methodology adopted by the Hon'ble Commission in previous years, the Petitioner has computed the weighted average rate of depreciation in 2 parts:

1. for the assets capitalized on/ before 31.03.2024 - Rate of depreciation is 5.11%
2. for the assets commissioned during the FY 2024-25 - Rate of depreciation is computed on a pro rata basis (i.e. based upon the actual DOCO of the capitalized asset) which comes out to be 2.58%.

Accordingly, the computation of the Weighted Average Rate of depreciation is illustrated in the table below:

Table 10 - Computation of Weighted average Rate of Depreciation
(in Rs. Crores)

S.No.	Particulars	Value
1	Opening GFA as per Audited Accounts	3,008.07
2	Opening land	58.10

S.No.	Particulars	Value
3	Net opening depreciable assets (1-2)	2,949.98
4	Depreciation of opening depreciable assets	150.69
5	Weighted average rate of depreciation on opening assets (4/3)	5.11%
6	Addition to Depreciable GFA (excluding land) as per Audited Accounts	119.46
7	Depreciation on asset additions during the year	3.09
8	Weighted average prorata depreciation on asset additions during the year (7/6)	2.58%

in accordance with the Rate of Depreciation computed as above, the Depreciation claimed by the Petitioner is Rs. 154.03 Crore as shown in the table below:

Table 11 - BGCL claim of Depreciation for the FY 2024-25

(in Rs. Crore)

S.No.	Particulars	Approved by Hon'ble BERC in the Order dated 01.03.2024	BGCL claim
1	Net Opening GFA (without land)	3,354.53	2,949.99
2	Additions during the year	-	129.32
3	Less: land during the year	-	0
4	Net Additions (2-3)	-	129.32
5	Closing GFA (1+4)	3,354.53	3,079.30
6	Average GFA (1+5)/2	3,354.53	3,014.65
7	Weighted average Rate of depreciation on opening assets	4.66%	5.11%
8	Weighted average Rate of depreciation on asset additions during the year	3.41%	2.58%
9	Depreciation (1*7+4*8)	172.09	154.03

3.7 Interest on Loan Capital and Finance Charges

Regulation 24 of Tariff Regulations 2021 stipulates the provisions in the matter of Interest and Finance charges on Loan Capital.

The Petitioner has considered Gross Operating Loan as the Normative Closing loan as claimed by the Petitioner in the True up Petition for the FY 2023-24.

Further, the debt: equity ratio for the Capital Expenditure for the projects under Part 1 of 2, Part 2 of 2 shall be 80:20 in accordance with the Business Plan approved by the

Hon'ble Commission vide respective Orders. As such, the normative loan addition shall be 80% of the Capitalization claimed for the FY 2024-25.

The overall weighted average rate of Interest on Actual Loans for assets capitalized through REC and PFC loans for the FY 2024-25 comes out to be 9.47%. The detailed working of the same is annexed as Annexure D.

In view of the above submissions, the Interest on Loan Capital claimed for the FY 2024-25 is Rs. 163.44 Crore, the working of which is explained below:

Table 12 - BGCL claim of Interest on Loan for the FY 2024-25

(in Rs. Crore)

S.No	Particulars	Approved by Hon'ble BERC in the Order dated 01.03.2024	BGCL claim
1	Opening Loan (Normative)	2,112.60	1,751.37
2	Additions (@80% of GFA additions)	-	103.45
3	Repayment	172.09	154.03
4	Net Closing Loan (Normative) (1+2-3)	1,940.52	1,700.79
5	Average Loan (1+4)/2	2,026.56	1726.08
6	Weighted average rate of Interest (%)	9.73%	9.47%
7	Interest on Loan (5x6)	197.18	163.44

3.8 Operations and Maintenance Expenses

The Petitioner has claimed the O&M expenses in line with the methodology adopted by the Hon'ble Commission in its past orders, wherein Employee Expenses and Administrative & General (A&G) Expenses have been allowed on an actual basis, while Repair & Maintenance (R&M) Expenses have been allowed on a normative basis. As the norms for Employee and A&G Expenses have not been specified and the same are being claimed on actuals, the sharing of Gain/Loss on these components may not be considered.

In light of the above, the Petitioner respectfully requests the Hon'ble Commission to approve the Employee Expenses and Administrative & General expenses as per the audited accounts for FY 2024-25. Additionally, it is humbly submitted that the Hon'ble

Commission may not apply the sharing of Losses/(Gains) in this case, as there would be no instance of Gain/Loss since the expenses are being allowed at actuals.

3.8.1 Employee Expenses

The employee expenses primarily include costs towards salaries, dearness allowances, bonus, staff welfare and medical benefits, leave travel and earned leave encashment, and the terminal benefits in the form of pension, gratuity etc.

In continuation to the arguments placed in the preceding sections and approved by Hon'ble Commission, the Petitioner claim towards Employee Expenses for the FY 2024-25 as per the Books of Accounts is depicted below for the kind consideration of the Hon'ble Commission:

Table 13 - BGCL claim of Employee Expenses for the FY 2024-25
(in Rs. Crore)

Particulars	Approved by Hon'ble BERC in the Order dated 01.03.2024	BGCL claim
Base Employee Expenses	6.17	
Indexation %	6.90%	
Inflationary increase	0.43	
Employee expenses	6.59	14.55

In line with the arguments under Para 3.8, it is kindly requested that the Hon'ble Commission does not apply the sharing of Losses/(Gains) in this case, as the increase in Employee expenses is a result of the growth in total assets.

3.8.2 Repairs & Maintenance (R&M) Expenses

The Repair and Maintenance Activities are primarily directed towards the upkeep of the transmission system and related office works.

The Petitioner claim towards Repair and Maintenance Expenses for the FY 2024-25 is in line with the methodology approved by the Hon'ble Commission and is depicted below for the kind consideration of the Hon'ble Commission:

Table 14 - BGCL claim of Repairs & Maintenance (R&M) Expenses for FY 2024-25
(in Rs. Crore)

Particulars	Approved by Hon'ble BERC in the Order dated 01.03.2024	BGCL claim
R&M expenses	25.49	22.42
Average GFA (Net of Land)	3,354.53	2,949.99
Average % of R&M expenses to average GFA	0.76%	0.76%

3.8.3 Administration and General (A&G) Expenses

Administration and General expenses mainly comprise costs towards rent charges, telephone and other communication expenses, professional charges, conveyance and travelling allowances and other debits.

In continuation to the arguments placed in the preceding sections, the Petitioner claim towards Administration and General Expenses for the FY 2024-25 as per the Books of Accounts is depicted below for the kind consideration of the Hon'ble Commission:

Table 15 - BGCL claim of Administration and General (A&G) Expenses for the FY 2024-25
(in Rs. Crore)

Particulars	Approved by Hon'ble BERC in the Order dated 01.03.2024	BGCL claim
Base A & G Expenses	4.47	-
WPI Inflationary index %	5.55%	-
Add: Inflationary increase	0.25	-
Gross A & G Expenses (as per Note-28 of Audited Books of account, excluding R&M and CSR expenses)	-	16.03

Particulars	Approved by Hon'ble BERC in the Order dated 01.03.2024	BGCL claim
Expenditure Capitalized (Note-30 of Audited Books of account, excluding R&M)	-	1.27
A&G expenses	4.72	14.77

In line with the arguments under Para 3.8, it is kindly requested that the Hon'ble Commission does not apply the sharing of Losses/(Gains) in this case, as the increase in A&G expenses is a result of the growth in total assets.

3.9 Return on Equity

As per Regulation 22 of Tariff Regulations 2021, Return on Equity is to be computed as follows:

"

- a) Return on equity shall be computed on 30% of the capital cost or actual equity, whichever is lower:
Provided that assets funded by beneficiary contribution, capital subsidies/ grants and corresponding depreciation shall not form part of the capital cost. Actual equity invested in the Transmission Licensee or SLDC, as the case may be, as per book value shall be considered as perpetual and shall be used for computation in this Regulation. Provided further that the premium if any raised by the Licensee while issuing share capital and investment of internal resources created out of its free reserves, for the funding of the Scheme, shall be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilized for meeting the capital expenditure of the distribution system, and are within the ceiling of 30% of capital cost approved by the Commission.
- b) The return on the equity invested shall be allowed from the date of start of commercial operation and after put to use;
- c) Return on equity shall be computed at the rate of 15.5% for the project which is commissioned w.e.f. 01.04.2015 and further incentive equivalent to 0.5% will be allowed in the form of RoE, if the project is completed within schedule as per the Annexure A or original schedule period as the case may be. However, Return on Equity for the project commissioned prior to 01.04.2015 shall be allowed at the rate of 14%."

In view of the above, for the computation of RoE, the Petitioner has considered Normative Opening Equity as the Normative Closing Equity for the True up Petition for the FY 2023-24.

Accordingly, the Return on Equity claimed by the Petitioner for the FY 2024-25 is shown in the table below:

Table 16 - BGCL claim of Return on Equity for the FY 2024-25
(in Rs. Crore)

S.No.	Particulars	Approved by Hon'ble BERG in the Order dated 01.03.2024	BGCL claim
1	Opening Equity	532.39	600.78
2	Additions during the year	149.22	25.86
3	Closing Equity (1+2)	681.61	626.64
4	Average Equity (1+3)/2	607.00	613.71
5	Base Rate of Return on Equity%	15.50%	15.50%
6	Effective Rate of RoE	17.47%	17.16%
7	Pre-tax Rate of RoE	18.78%	18.71%
8	Return on Equity (4*5)	114.00	114.83

3.10 Interest on Working Capital

Regulation 26 of Tariff Regulations 2021, stipulates the following methodology for computing the Interest on Working Capital:

- "
- a. The Transmission Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:
- Receivables equivalent to two (2) month of transmission charges calculated on target availability level.
 - O&M Expenses of one (01) month.
 - Maintenance spares @ 15% of O&M expenses for one month.
- Less:
- Return on equity and contribution to contingency reserves equivalent to two months.
 - Amount of security deposits from Transmission System users, if any, held during the year except the security deposits held in the form of Bank Guarantee from Transmission System Users.
- b. Interest on working capital shall be on normative basis and rate of interest shall be equal to the State Bank one-year Marginal Cost of Funds-based Lending Rate ('MCLR') as of the date on which petition for determination of tariff is filed plus 150 basis points. The rate of interest for the purpose of Trueing-up shall be the weighted average MCLR of the concern Financial Year plus 150 basis points.
- c. Interest shall be allowed on the amount held as security deposit from Transmission System Users at the Bank Rate as at the date on which the application for determination of tariff is filed. The interest allowed shall be subject to true up at weighted average Bank Rate of the concern Financial Year.

- d. If the State Government is providing resource gap grant and/or subsidy, the working capital shall be reduced by two months equivalent of that amount. "

In line with the provisions of the Tariff Regulations 2021, for the True-up of FY 2024-25, the Rate of Interest claimed is the weighted average MCLR plus 150 basis points. The computation of the Rate of Interest is demonstrated below:

Table 17 – Computation of Rate of Interest on Working Capital for the FY 2024-25

S.N o.	Date applicable from	Date applicable to	Applicable no of days	SBI MCLR Rates*
1	01-04-2024	14-04-2024	14	8.65%
2	15-04-2024	14-05-2024	30	8.65%
3	15-05-2024	14-06-2024	31	8.65%
4	15-06-2024	14-07-2024	30	8.75%
5	15-07-2024	14-08-2024	31	8.85%
6	15-08-2024	14-09-2024	31	8.95%
7	15-09-2024	14-10-2024	30	8.95%
8	15-10-2024	14-11-2024	31	8.95%
9	15-11-2024	14-12-2024	30	9.00%
10	15-12-2024	14-01-2025	31	9.00%
11	15-01-2025	14-02-2025	31	9.00%
12	15-02-2025	14-03-2025	28	9.00%
13	15-03-2025	31-03-2025	17	9.00%
13	Weighted Average MCLR			8.88%
14	Rate of interest on Working Capital			10.38%

*Source: <https://sbi.co.in/web/interest-rules/interest-rules/mclr-historical-data>

Based upon the Working capital requirements as envisaged in the provisions of the Tariff Regulations 2021 and the Rate of Interest as above, the Petitioner's claim towards Interest on Working Capital is worked out as depicted in the table below:

Table 18 - BGCL claim of Interest on Working Capital for the FY 2024-25
(In Rs. Crore)

S.No.	Particulars	Approved by Hon'ble BEREC in the Order dated 01.03.2024	BGCL claim
1	O&M expenses (1 month)	3.54	4.31
2	Maintenance spares @15% of 1 month of O&M Exp	0.66	0.75
3	Receivables - 2 months	76.21	78.62

S.No.	Particulars	Approved by Hon'ble BEREC in the Order dated 01.03.2024	BGCL claim
4	Less: Dep, RoE and contribution to contingency reserve (for 2 months)	19.00	19.14
5	Total working capital (1+2+3-4)	61.41	64.54
6	Rate of interest	10.05%	10.38%
7	Interest on working capital (6x5)	6.17	6.70

The Petitioner requests the Hon'ble Commission to approve the Interest on Working Capital amounting to Rs. 6.70 Crore as above.

3.11 Gain/Loss Sharing

Regulation 10 of the Tariff Regulations 2018 establish a mechanism for pass through of Gains/ Losses on account of controllable factor as follows:

"10. Mechanism for sharing of gains or losses on account of controllable factors

10.1 The approved aggregate gain or loss to the Licensee or SLDC, as the case may be, on account of controllable factors shall be dealt with separately for aggregate gain and aggregate loss in the following manner:

(a) Aggregate gain:

(i) Two-third of the amount of such gain shall be a pass through as an adjustment in the tariff of the Licensee or SLDC, as the case may be, as specified in these Regulations and as may be determined in the Order of the Commission passed under these Regulations;

(ii) The balance one-third of the amount of such gain shall be on account of Licensee or SLDC, as the case may be, and such amount shall be utilized at the discretion of Licensee or SLDC, as the case may be.

(b) Aggregate Loss:

(i) One-third of the amount of such loss shall normally be a pass through as an adjustment in the tariff of the Licensee or SLDC, as the case may be, as specified in these Regulations and as may be determined in the Order of the Commission passed under these Regulations, provided the Commission is satisfied that such loss is not on account of deliberate action of the Licensee or SLDC, as the case may be;

(ii) The balance two-third of the amount of such loss shall be on account of Licensee or SLDC and shall be absorbed by the Licensee or SLDC, as the case may be."

The Petitioner submits that it has considered Working Capital as a controllable factor. Furthermore, R&M expenses under O&M expenses has been claimed based on

normative basis. Therefore, as per the above Regulations, the Petitioner computes the Gain to be shared as shown in the table below:

Table 19 • Gain/ Loss Sharing for the FY 2024-25

(in Rs. Crore)

Particulars	Formula	Value
Normative Interest on Working Capital	A	6.73
Actual Interest on Working Capital	B	-
Interest on Working Capital gains/ (losses)	$C=A-B$	6.73
50% of Gains to be passed through as an adjustment in Tariff on account of Interest on Working Capital	$D=50\%*C$	3.36
Normative R&M Expenses	E	22.41
Actual R&M Expenses	F	19.27
R&M Expenses gains/ (losses)	G	3.15
50% of Gains to be passed through as an adjustment in Tariff on account of R&M Expenses	$H=50\%*G$	1.57
Total Gain/(Loss) sharing	$I = D + H$	4.92

3.12 Non- Tariff Income

The Petitioner submits that the actual Non-Tariff Income accounted in books of accounts stands at Rs 80.10 Crores for FY 2024-25 which includes Delayed Payment Surcharge of Rs 60.41 Crore and Interest from Bank of Rs. 19.12 Crore.

The Petitioner further submits that while computing the actual Non-Tariff Income of BGCL for FY 2024-25 following has been considered:

- The financing cost for corresponding receivables has to be reduced as accrued DPS is considered as NTI. The Petitioner has already incurred Expenses on such outstanding receivables and DPS is levied as financing cost of such receivables, however, the Petitioner is allowed only 2 months of receivables in allowance of Working Capital. For the receivables beyond the period, DPS is applicable and as DPS is considered to be additional income for the Petitioner financing cost of such receivables are allowed in line with the Judgment of Hon'ble APTEL dated July 12, 2011 in case No. 142 & 147 of 2009.

The Petitioner submitted that the Hon'ble Commission vide its previous Order, has also considered the above approach which is in line with the Judgment dated 12.07.2011 of the Hon'ble APTEL in Appeal no. 142 & 147 of 2009.

- The interest income from bank deposits has been excluded from the total NTI in accordance with the provisions of the BERC Regulations, 2021. As per the said Regulations, interest earned on investments made from the Return on Equity of the regulated business is not to be treated as Non-Tariff Income:

Regulation 31: Non-Tariff Income

(i)

Provided that the interest earned from investments made out of Return on Equity corresponding to the regulated Business shall not be included in Non-Tariff Income.

In line with the above, it is submitted that the interest earned from bank deposits is attributable to the investments made out of the Return on Equity portion of tariff revenue. Accordingly, such interest income has not been considered as part of Non-Tariff Income for the purpose of tariff determination.

The Non-Tariff Income submitted by the Petitioner is summarised below:

Table 20 - BGCL submission of Non- Tariff Income for the FY 2024-25
(in Rs. Crore)

S.No.	Particulars	Approved by Hon'ble BERC in the Order dated 01.03.2024	BGCL claim
1	Surcharge on transmission charges		60.41
2	Interest from Others		0.0004
3	Interest on Income Tax Refund		0.46
4	Liquidated Damages Recovered		0.0006
5	Sale of Tender Paper		0.003
6	Assets Bought Back		0.002
7	Total Non-Tariff Income (1+2+3+4+5)		60.87
8	Principal amount on which DPS is charged (1/15%)		402.71
9	Rate of Interest for funding Principal of DPS		10.38%

S.No.	Particulars	Approved by Hon'ble BERC in the Order dated 01.03.2024	BGCL claim
10	Less: Interest on funding of Principal DPS (8x9)		41.81
11	Net Non-Tariff Income (6-9)	34.95	19.06

3.13 Income from Other Business

The Petitioner submits that it has leased out Dark Fiber of OPGW Network laid on its Transmission Lines of BGCL's transmission network.

The Hon'ble Commission vide order dated 09.07.2024 (Case No. 01 of 2024) has given its regulatory Approval for leasing of Fibers of OPGW Network of BGCL and has also specified the sharing mechanism of the revenue derived from the business. Relevant extract of the Order is reproduced below:

"26. Considering the facts mentioned above, Commission accords its Regulatory approval of Leasing of Dark Fiber of OPGW Network of BGCL subject to adherence of relevant provisions of BERC (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2021 & BERC(Treatment of Income of Other Businesses of Transmission Licensees and Distribution Licensees)Regulations, 2013 and any other rules and regulations applicable in connection therewith. Further, Commission allows 50% (Fifty Percent) of the amount of gain from the other Business to pass through as an adjustment in the tariff of the petitioner and the balance 50% (Fifty Percent) of the amount of such gain shall be on account of the petitioner and shall be liable to be utilized at the discretion of the petitioner, BGCL"

In light of the above, the Petitioner humbly submits before the Hon'ble Commission that towards the OPGW leasing business, it shall incur Operational and Maintenance Expenses which are essential and directly associated with the OPGW leasing business. The Petitioner further submits that it is currently under process of arranging these O&M services and no expenses have yet been incurred for the OPGW cable leasing business for FY 2024-25.

In accordance with the Hon'ble Commission's Order dated 09.07.2024 (Case No. 01 of 2024) provides for the sharing of gains from other business activities. As in FY 2024-25 no expense has been incurred towards the OPGW cable leasing business, the Petitioner has claimed the sharing of gain as shown in the table below:

Table 21: Sharing of Gain of Other Business for FY 2024-25

(in Rs. Crore)

Sr. No.	Particular	FY 2024-25
1	Income during the year	0.11
2	Expense during the year	0
3	Net Gain from Other Business	0.11
4	Sharing of Gain (50%) - Amount to be pass through in Tariff	0.06

The Petitioner further submits that it will calculate gains from the OPGW business after accounting for related expenses from FY 2024-25 onward and include the share of these gains in the true-up filings for the respective financial years.

The Petitioner respectfully submits before the Hon'ble Commission to approve Rs. 0.06 Crore towards Sharing of Gain of Other Business for FY 2024-25

3.14 Transmission Availability Incentive

According to Regulation 16.1 of Tariff Regulations 2021, the Normative Annual Transmission System Availability Factor is 98%. The Petitioner submits that the System has achieved 99.57% Annual Transmission Availability. Month-wise Transmission Availability of the BCCL system is depicted in the table below:

Table 22 - Transmission Availability for the FY 2024-25

Month	No. of days	Transmission Availability (in %)
Apr'24	30	98.41
May'24	31	99.73
June'24	30	98.61
July'24	31	99.32
Aug'24	31	99.71
Sep'24	30	99.20
Oct'24	31	99.99
Nov'24	30	99.94
Dec'24	31	99.96
Jan'25	31	99.99

Month	No. of days	Transmission Availability (in %)
Feb'25	28	99.95
Mar'25	31	99.98
Annual Transmission Availability		99.57

The Regulation 16.3 defines the incentive allowable to the Petitioner. The extract of the same is reproduced below:

"16.3 The Transmission Licensee shall be entitled to incentive on achieving annual availability beyond the target availability, in accordance with the following formula: -

Incentive = Annual Transmission Charges x (Annual availability achieved - Target Availability) / Target Availability;

Where,

Annual transmission Charges shall correspond to Aggregate Revenue Requirement for each year of the Control Period for the particular Transmission Licensee within the State;

Provided that no incentive shall be payable above the availability of 99.75 % for AC system and 98.5 % for HVDC system."

In accordance with the above provisions, since the Petitioner has achieved Availability greater than 99.57%, the incentive claimed for the FY 2024-25 is as shown in the table below:

Table 23 - BGCL claim of Transmission Availability Incentive for the FY 2024-25
(in Rs. Crore)

Particulars	FY 2024-25
Normative Transmission Availability for incentive (%)	98.50%
Actual Transmission Availability (%)	99.75%
Ceiling limit for Incentive Consideration	99.57%
Annual Transmission charges (in Rs. Cr)	471.72
Incentive (in Rs. Cr.)	5.03

Further, the Petitioner respectfully submits that Section 62 of the Electricity Act 2003 allows for Regulated tariff which is based on the Cost plus principles. The "Cost plus" approach involves companies and licensees being allowed to recover their operating and capital costs while also earning a specified Return on Equity (RoE) set by regulatory authorities. RoE serves as an incentive for companies to invest in

infrastructure and provide reliable services. Furthermore, performance incentives, both positive and negative are there to encourage efficiency and cost control, aligning the interests of the company with consumers and the public. This regulatory mechanism aims to strike a balance between ensuring a reasonable return on investment for energy companies and safeguarding consumers from unfair pricing, with variations based on jurisdiction and market conditions, typically applied in monopolistic or natural monopoly situations to maintain oversight and quality control.

In view of the above, gain/ (loss) sharing of the Incentive on Transmission Availability is not in the spirit of Cost plus principles. The Availability incentive are given to the licensee to encourage efficiency; application of sharing over the incentive would essentially nullify the purpose of incentive.

Therefore, the Petitioner humbly requests the Hon'ble Commission to not apply the sharing of Losses/(Gains) on Transmission Availability Incentive.

3.15 Annual Transmission Charges/ ARR for True up of 2024-25

The Petitioner submits that the Annual Transmission Charges have been arrived by aggregating all the expenses as illustrated in the previous sections i.e. Depreciation, Interest on Loan, O&M expenses, Return on Equity, and Interest on Working Capital. The Total Expenses Less Non-Tariff Income comprise Annual Transmission Charges or Annual Revenue Requirement. The Petitioner herein has claimed ARR for the True-up of FY 2024-25 as detailed in the table below. For the sake of comparative analysis, the ARR approved by the Hon'ble Commission in Order dated 01.03.2024 is also illustrated in the table below.

Table 24 – BGCL claim of ARR for True up of FY 2024-25

(in Rs. Crore)

S.No	Particulars	Approved by Hon'ble BERC in the Order dated 01.03.2024	BGCL claim
1	O&M expenses (a+b+c)	49.44	51.73
a.	Employee Expenses	17.36	14.55
b.	R&M expenses	25.49	22.42
c.	A&G Expenses	6.59	14.77

S.No	Particulars	Approved by Hon'ble BEREC in the Order dated 01.03.2024	BGCL claim
2	Depreciation	172.09	154.03
3	Interest and finance charges	197.18	163.44
4	Interest on working capital	7.03	6.70
5	Return on equity	128.02	114.83
6	Incentive on TAF	-	5.04
7	Gain/ (Loss) Sharing	-	(4.92)
8	Gross Annual Revenue Requirement	553.77	490.84
9	Less: Non-Tariff Income	35.97	19.06
	Less: Income from Other Business	-	0.06
10	Net Annual Revenue Requirement	517.82	471.72
11	Revenue billed during the year		517.82
12	Gap/ (Surplus) (12-13)		(46.10)
13	Gap/ (Surplus) Adjustment of FY 2024-25 (ref Order dated 01.03.2024)		(109.14)
14	Net Gap/ (Surplus) (14-15)		(155.24)

The Petitioner respectfully submits before the Hon'ble Commission to approve Rs. 471.72 Crore towards ARK for the True-up of FY 2024-25.

ANNUAL PERFORMANCE
REVIEW (APR) for the FY 2025-26

4 Annual Performance Review for FY 2025-26

4.1 Introduction

The Hon'ble Commission approved the Annual Revenue Requirement of Rs. 474.78 Crore for the FY 2025-26 in the Tariff Order dated 28.03.2025. In the instant petition, the Petitioner submits the revised estimates of the expenses for the Annual Performance Review for the FY 2025-26 as per the Bihar Electricity Regulatory Commission (Multi Year Transmission Tariff and SLDC Charges) Regulations, 2024 (hereinafter referred to as "Tariff Regulations 2024") for the kind consideration of the Hon'ble Commission.

4.2 Performance of Transmission System

4.2.1 Transmission System Availability

Regulation 16 of Tariff Regulations 2024 stipulates the following:

"Normative Annual Transmission System Availability Factor (NATAF):

16.1 The Normative Annual Transmission System Availability Factor for recovery of full transmission charges shall be as under:

For full recovery of Annual Transmission Charges-		
(i)	AC System	98%
(ii)	HVDC System	95%

..

Accordingly, the Petitioner submits that Transmission System Availability is considered at 98% as per the Tariff Regulations 2024 for FY 2025-26.

4.2.2 Transmission Losses

The Hon'ble Commission has approved Transmission Loss trajectory at 1.5% for the FY 2025-26 vide Order dated 28.03.2025. The relevant extracts of the said Order is reproduced below:

"It has been observed that BGCL's actual loss as per SLDC data is 0.94% for FY 2023-24. Hence, the 2% target proposed by the Petitioner cannot be accepted, as already BGCL actual loss is lower than what has been proposed by the Petitioner. Further, almost all assets have been capitalised in BGCL system, and remaining asset is proposed to be capitalised in FY 2025-26. Considering no further addition in the asset base, the transmission loss level of 1.5% is approved for next control period. The actual performance shall be reviewed by the Commission during the true-up process.."

Accordingly, the Petitioner submits that Transmission Loss target is considered at 1.5% for the FY 2025-26.

4.2.3 Transformer Failure Rate

The Petitioner submits that it would be able to maintain its operational efficiency through proactive measures. Therefore, the transformer failure rate is assumed to be Nil..

4.3 Schedule of Capitalization

The Petitioner submits that it had earlier envisaged to capitalize of certain assets in FY 2024-25, however, due to reasons beyond the control of the Petitioner, such as delay include the time required for land acquisition, local law and order issues, severe ROW constraints, contractual and technical issues/suitability, unavailability of spares, unprecedented rainfall/floods in certain areas, spillover of works owing to Covid-induced lockdowns during FY 2020-21 and FY 2021-22, and delays due to shutdown requirements (uncontrollable) and pending shutdowns for charging. BGCL is making all efforts to get the remaining works completed on priority, however, certain items of the Capital works planned to be capitalized during the FY 2024-25 could not attain Capitalization which has led to a no. of works being spilled into the FY 2025-26. The Hon'ble Commission is requested to take cognizance of this fact and approve the projected Capitalization as depicted below for the FY 2025-26:

Table 25 - BGCL estimate of Asset Capitalization for the FY 2025-26 Phase IV (Part 1 of 2)

S. No.	Transmission Element	Date of Commissioning/ Likely Commissioning
New 220/132/33 kV GIS substations		
1.	220/132 kV Transformer at Kufirsarai	FY 2025-26

Table 26 - BGCL estimate of Asset Capitalization for the FY 2025-26 Phase IV (Part 2 of 2)

S. No.	Transmission Element	Date of Commissioning/ Likely Commissioning
Transmission Lines		
1.	132 kV LILO of Purnea - Naugachiya line at Katihar	FY 2025-26
2.	132 kV D/C Naubatpur - Paliganj D/C Line	FY 2025-26
New 220/132/33 kV GIS substations		
3.	220/132 kV Transformer-3 at Amnour	30.06.2025
Bay Extension Works		
4.	132 kV Bay Extension at Katihar	FY 2025-26

Table 27 - BGCL estimate of Asset Capitalization for the FY 2025-26 Phase IV (Supplementary)

S. No.	Transmission Element	Date of Commissioning/ Likely Commissioning
New 220/132/33 kV GIS substations		
<i>(100% capitalization completed in FY 2024-25)</i>		

The Petitioner respectfully submits that this Hon'ble Commission, through its Order dated 28.07.2017, previously approved Capital Expenditure and Capitalization for the Scheme titled 'Phase IV Part 2 of 2' amounting to Rs. 1,688.36 Crore and the Hon'ble Commission vide Order dated 15.02.2019 also gave in-principle approval of the Supplementary works proposed along with Phase IV Part 2 of 2 amounting to Rs. 111.14 Crore. In light of this, the Petitioner submits that majority of the assets under Part 2 of 2 have been capitalized, with the remaining assets expected to be commissioned by FY 2025-26 and FY 2026-27.

Furthermore, the Petitioner is pleased to report that the anticipated total expenditure for Part 2 of 2 (including Supplementary Works) is lower than the approved amount of Rs. 1,799.50 Crore (Rs. 1,688.36 Crore plus Rs. 111.14 Crore), amounting to, around Rs. 1,445.29 Crore, highlighting the Petitioner's commitment to prudent management practices and operational efficiency. To ensure that these cost efficiencies directly benefit the consumers of the state, the Petitioner has considered the anticipated

expenditure/capitalization rather than the previously approved amount. It is important to highlight that this revised cost estimate is provisional, as the cost estimation process is currently underway and subject to necessary approvals.

Accordingly, the Petitioner will approach this Hon'ble Commission once requisite approvals and the final revised cost for Part 2 of 2 is available. The Hon'ble Commission is kindly requested to take note of this submission and consider granting approval to facilitate the transfer of cost savings directly to consumers.

4.4 Capitalization

The Petitioner submits that the capitalization for FY 2025-26 as per the following table:

Table 28 - BGCL claim of CWIP Statement for the FY 2025-26

(in Rs. Crore)

S.No.	Particulars	Approved by Hon'ble BERC in the Order dated 28.03.2025	BGCL claim
1	Opening Balance	214.15	229.34
2	Additions	46.14	5.70
3	Capitalisation during the year	140.44	97.36
4	Closing Balance	120.85	137.69

4.5 Funding of Capitalization

The Petitioner submits that the Capital Expenditure is being funded with a Debt - Equity ratio of 80:20. While Phase IV (part 1 of 2) has loan agreement with REC, Phase IV (Part 2 of 2) has loan agreement with PFC.

4.6 Gross Fixed Assets

The Petitioner submits the estimated Gross Fixed Assets for the FY 2025-26 follows:

Table 29 - BGCL claim of Gross Fixed Assets for the FY 2025-26

(in Rs. Crore)

S.No.	Particulars	Approved by Hon'ble BERC in the Order dated 28.03.2025	BGCL claim
1	Opening GFA	2,970.58	3,137.40
2	Additions to GFA	140.44	97.36

S.No.	Particulars	Approved by Hon'ble BERC in the Order dated 28.03.2025	BGCL claim
3	Closing GFA (1+2)	3,111.02	3,234.76

4.7 Depreciation

Regulation 23 of Tariff Regulations, 2024 stipulates the following:

"23. Depreciation

i. Depreciation shall be calculated for each year of the control period on the original cost of the fixed assets of the corresponding year. No advance shall be granted against depreciation.

ii. Depreciation shall not be allowed on assets funded by capital subsidies, beneficiary contributions or grants.

iii. Depreciation shall be calculated annually on the basis of assets capitalised and put to use based on the straight-line method over the useful life of the asset and at the rate not exceeding the rate specified by the Central Electricity Regulatory Commission from time to time.

The residual value of assets shall be considered as 10% and depreciation shall be allowed to a maximum of 90% of the original cost of the asset. The Transmission Licensee or SLDC, as the case may be, shall submit separate detail of fully depreciated asset along with year of commissioning and year of attaining ninety percent depreciation with the tariff petition. Provided that freehold land shall not be treated as a depreciable asset and its cost shall be excluded while computing 90% of the original cost of the asset.

Provided also that the cost of lease hold land shall be amortised evenly within the leased period.

iv. The original capital cost of the asset shall include Additional Capitalisation on account of Foreign Exchange Rate Variation as allowed by the appropriate Government / Bihar Electricity Regulatory Commission.

v. Depreciation shall be chargeable from the first year of operation of the asset.

For part of the year, depreciation shall be charged on pro-rata basis.

vi. A provision of replacement of assets shall be made in the capital investment plan.

vii. The licensee(s)/ SLDC shall submit certified copy of the Asset Register with the list of fully depreciated Transmission lines, substations, transformers, etc. along with the details of disposed off assets and amount received therefore with the tariff petition."

The Petitioner submits that depreciation is based on the capitalisation schedule of the assets. The Weighted average rate of depreciation for the opening GFA and for the Additions is considered to be 5.11% and 2.58% respectively which is considered for the True up for the FY 2024-25. Accordingly, the overall depreciation worked out for FY 2025-26 is summarised in the table below:

Table 30 - BGCL claim of Depreciation for the FY 2025-26
(in Rs. Crore)

Sl. No.	Particulars	Approved by Hon'ble BERC in the Order dated 28.03.2025	BGCL claim
1	Opening GFA (without land)	2,912.93	3,079.30
2	Additions during the year	140.44	97.36
3	Less: land during the year	-	-
4	Closing GFA (1+2-3)	3,053.37	3,176.66
5	Average GFA (1+4)/2	2,983.15	3,127.98
6	Weighted average Rate of depreciation on opening assets	5.26%	5.11%
7	Weighted average Rate of depreciation on asset additions during the year	2.64%	2.58%
8	Depreciation (1*6+(2-3)*7)	156.93	159.81

4.8 Interest on Loan Capital and Finance Charges

According to Regulation 24 of Tariff Regulations 2024, Interest and Finance Charges is to be computed as follows:

" 24. Interest and finance charges on loan capital

a) The Transmission Licensee or SLDC, as the case may be, shall provide detailed loan-wise, project-wise and utilization-wise details of all the loans.

b) If the equity actually deployed is more than 30 % of the capital cost, equity in excess of 30 % shall be treated as normative loan.

Provided that where equity actually deployed is less than 30% of the capital cost, the actual loan shall be considered for determination of interest on loan:

c) Actual loan or normative loan, if any, shall be referred as gross normative loan in this Regulation.

d) The normative loan outstanding as of 1st April of control period shall be computed by deducting the cumulative repayment as approved by the Commission up to 31st March of current period (a year before control period) from the gross normative loan.

e) The repayment for the control period shall be deemed to be equal to the depreciation allowed for the year.

f) Notwithstanding any moratorium period availed by the Transmission Licensee or SLDC, as the case may be, the repayment of the loan shall be considered from the first year of the control period as per annual depreciation allowed.

g) The rate of interest shall be the weighted average rate of interest calculated on the basis of actual loan portfolio at the beginning of each year of the control period, in accordance with terms and conditions of relevant loan agreements, or bonds or non-convertible debentures.

Provided that if no actual loan is outstanding but normative loan is still outstanding, the last available weighted average rate of interest shall be applicable.

Provided also that if no actual loan is outstanding but normative loan is still outstanding and the last available weighted average rate of interest is also not available, rate of interest equal to the State Bank (one-year tenor) Marginal Cost of Funds-based Lending Rate ('MCLR') shall be applicable.

Provided further that the interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

Provided also that exception shall be made for the existing loans which may have different terms as per the agreements already executed, if the Commission is satisfied that the loan has been contracted for and applied to identifiable and approved projects.

h) The Transmission Licensee or SLDC, as the case may be, shall make every effort to refinance the loan as long as it results in net benefit to the beneficiaries.

Provided that the cost associated with such refinancing shall be eligible to be passed through in tariffs and the benefit on account of refinancing of loan and interest on loan shall be shared in the ratio of 50:50 between the Transmission Licensee or SLDC and the beneficiaries.

Provided also that the Transmission Licensee and/or SLDC shall submit the calculation of such benefit to the Commission for its approval

i) The Transmission Licensee and/or SLDC shall enable tracking of the loans converted into grants under schemes like BRGF, PSDF, APDRP, R-APDRP, RCGVY, DDUGVY etc. or any other loan from the Central or State Government by providing information and data regularly to the Commission, for enabling the Commission to recover from Transmission Licensee or SLDC, as the case may be, the amount of interest on loans which have been passed on to the beneficiaries in the earlier years and have been converted into grant subsequently so that the recovered amount is passed on to the beneficiaries.

j) Addition to loan during the year for interest purpose will be restricted to the quantum of assets capitalized and put to use.

k) The excess interest during construction on account of time and/or cost overrun as compared to the approved completion schedule and capital cost or on account of excess drawal of the debt funds disproportionate to the actual requirement based on Scheme completion status, shall be allowed or disallowed partly or fully on a case-to-case basis, after prudence check by the Commission. The transmission licensee and/or SLDC shall endeavour to adhere to the time schedule for various transmission system in accordance with Annexure-A appended for these regulations or original schedule period as the case may be, whichever is lower.

Provided that where the excess interest during construction is on account of delay attributable to an agency or contractor or supplier engaged by the Transmission Licensee and/or SLDC, any liquidated damages recovered from such agency or contractor or supplier shall be taken into account for computation of capital cost.

Provided also that the extent of liquidated damages to be considered shall depend on the amount of excess interest during construction that has been allowed by the Commission.

The above interest computation shall exclude interest on loan amount, normative or otherwise, to the extent of capital cost funded by Consumer Contribution, Deposit Works, Grants or Capital Subsidy.

Accordingly, the Petitioner submits rate of Interest has been considered as per the actual long term Loan portfolio as on 31.03.2025. As such, the Rate of Interest considered for True-up of FY 2024-25 i.e. 9.47% has been considered for the Review for FY 2025-26. Accordingly, The Petitioner has claimed Interest and Finance charges for the FY 2025-26 as summarised in the table below:

Table 31 - BGCL claim of Interest on Loan for the FY 2025-26

(in Rs. Crore)

S.No.	Particulars	Approved by Hon'ble BERG in the Order dated 28.03.2025	BGCL claim
1	Opening Loan	1,626.38	1,700.79
2	Additions (@80% of GFA additions)	112.35	77.88
3	Repayment	156.93	159.81
4	Net Closing Loan (1+2-3)	1,581.80	1,618.86
5	Average Loan (1+4)/2	1,604.09	1659.83
6	Weighted average rate of Interest (%)	9.87%	9.47%
7	Interest on Loan (5x6)	158.32	157.16

4.9 Operations and Maintenance Expenses

As per Regulation 21 of Tariff Regulations 2024,

"21. Operation and Maintenance Expenses

a) The Commission shall stipulate a separate trajectory of norms for each of the components of O&M expenses viz., Employer cost, Repair and Maintenance (R&M) expense and Administrative and General (A&G) expense.

Provided that such norms may be specified for a specific Transmission Licensee or a class of Transmission Licensees.

b) Norms shall be defined in terms of number of personnel per ckt/km (for different categories of transmission lines for e.g. 400 KV, 220 KV, 132 KV etc. Lines) and number of personal per bay (for different categories of bay for e.g. 400 KV, 220 KV, 132 KV etc. Bays) along with annual expenses per personnel for Employee expenses; combination of A&G expense per personnel and A&G expense per substitution for A&G expenses and R&M expense as percentage of gross fixed assets for estimation of R&M expenses.

c) One-time expenses such as expense due to change in accounting policy and arrears paid due to pay commission recommendation shall be excluded from the norms in the trajectory.

d) The unforeseen expenses beyond the control of the Transmission Licensee such as pay revision, shall be excluded from the norms in the trajectory.

e) The One-time expenses and the expenses beyond the control of the Transmission Licensee shall be allowed by the Commission over and above normative Operation & Maintenance Expenses subject to prudence check.

f) The norms in the trajectory shall be specified over the control period with due consideration to improvement in productivity of the Licensee or SLDC as the case may be.

g) The norms shall be determined at constant prices of base year and escalation on account of inflation shall be over and above the baseline.

Provided that for the purpose of escalation based on Wholesale Price Index(WPI) and Consumer Price Index(CPI), WPI is to be computed based on the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past three financial years (including the year of Truing-up) as per the Office of Economic Advisor Ministry of Commerce & Industry Government of India and CPI is to be computed based on the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the respective past three financial years (including the year of Truing-up) as per the Labour Bureau Government of India, at the time of filing of Petition.

Provided that in case the average yearly inflation derived based on the monthly CPI and WPI indices is negative for a particular year, the same will be excluded from the computation of yearly inflation.

h) The Transmission Licensee specific trajectory of norms shall be identified by the Commission on the basis of absolute and relative analysis.

i) In absolute analysis, Transmission Licensee's audited accounts of operations for last three years, expenses claimed for control period, historically approved cost, and prudence check shall be used by the Commission to estimate values of norms.

j) In relative analysis, performance parameters of other Transmission Licensees within the same state or in other states, shall be considered by the Commission to estimate norms.

Provided that other Transmission Licensees so chosen will have similar profile as that of the Transmission Licensee under consideration in terms of consumer mix, type of license area (city, state, etc.) type of substation, transmission networks, etc.

Suitable average of outcomes of absolute and relative analysis shall be taken by the Commission to fix the norms over the control period for the Transmission Licensee."

In light of the above, the Hon'ble Commission vide its Order dated 28.03.2025 has approved the norms for computation of O&M Expenses. Based on the same, the Petitioner has claimed the O&M Expenses based on the norms approved by the Hon'ble Commission.

4.9.1 Employee Expenses

The employee expenses primarily include costs towards salaries, dearness allowances, bonus, staff welfare and medical benefits, leave travel and earned leave encashment, and the terminal benefits in the form of pension, gratuity etc.

As per the Regulation 21.1 of Tariff Regulations 2024, the Employee Costs are to be considered as follows:

"21.1 Employee Cost

Employer cost shall be computed as per the approved norm escalated by consumer price index (CPI), adjusted by provisions for expenses beyond the control of the Transmission Licensee and one-off expected expenses, such as recovery/adjustment of terminal

benefits, implications of pay commission, arrears and Interim Relief, governed by the following formula:

$$EMP_n = (EMP_b * CPI \text{ inflation}) + Provision$$

Where:

EMP_n : Employee expense for the year n

EMP_b : Employee expense as per the norm

CPI inflation : is the average increase in the Consumer Price Index (CPI) for immediately preceding three years

Provision : Provision for expenses beyond control of the Transmission Licensee and/or SLDC and expected one-off expenses as specified above.

Provided that till the norms are specified by the Commission the employee cost shall be determined on the basis of actual historical cost."

As per the aforesaid regulations, the CPI index for the preceding three years has been shown in the table below:

CPI index

Table 32 - Computation of Average CPI (past 3 years)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Annual Average CPI Index	356.06	377.62	397.20	410.64
CPI Inflation (YOY)		6.05%	5.19%	3.38%
Average			4.87%	

Further, the Hon'ble Commission vide its Order dated 28.03.2025 has approved the norms for Employee Expenses as below:

Table 7-11: Employee Norm Approved for the Control Period of FY2025-26 to FY 2027-28

SL No	Particulars	Base Value
1	No. of personnel per ckt-km	0.0075
2	No. of personnel per Bay	0.3272
3	Annual expenses per personnel (Rs. crore)	0.2282

In light of the Regulation 21 and norms for Employee Expense approved by the Hon'ble Commission, the Petitioner submits the revised employee expenses for the FY 2025-26 based upon the Average CPI Inflation Index (preceding 3 years) as shown in the table below:

Table 33 – BGCL claim of Employee Expenses for the FY 2025-26
(in Rs Crore)

Particulars	Norms	Approved by Hon'ble BERC in the Order dated 28.03.2025	BGCL claim
Average annual CPI Index		5.46%	4.87%
Norms-Number of personnel per Ckt/Km	0.0075	0.0075	0.0075
Norms-Number of personnel per Bay	0.3272	0.3272	0.3272
Transmission line in Ckt km		2376.95	2377.25
No. of Bays		216	232
Norms-Annual Expenses per personnel	0.2282	0.241	0.2393
Employee cost - for transmission line		4.28	4.27
Employee cost - for substation		17.01	18.17
Total Employee Cost		21.29	22.43

4.9.2 Repair and Maintenance Expenses

The Repair and Maintenance Activities are primarily directed towards the upkeep of the transmission system and related office works.

As per Regulation 21.2 of the Tariff Regulations 2024, R&M will be calculated as follows

"21.2 Repairs and Maintenance (R&M) Expense

Repairs and Maintenance expense shall be calculated as percentage (as per the norm determined) of Opening Gross Fixed Assets excluding land cost for the year governed by following formula:

$$R\&M_n = K_b \times GFAn$$

Where;

R&M_n : Repairs & Maintenance expense for nth year

GFAn : Opening Gross Fixed Assets for nth year

K_b : Percentage point as per the norm"

The Hon'ble Commission vide its Order dated 28.03.2025 has approved the "k" factor for Repairs and Maintenance Expenses as below:

"The Regulation 21.2 of the Transmission Tariff Regulations 2024 specify R&M expenses as percentage (%) of opening gross fixed assets (excluding land cost) for estimation of R&M expenses. The Commission, in its Business Plan chapter has determined the R&M norm, i.e. "K" factor at 1.13% for the Control period FY 2025-26 to FY 2027-28"

The Petitioner submits the claim towards R&M expenses on the basis of the "k" factor approved by the Hon'ble Commission as shown in the following table:

Table 34 - BGCL claim of Repair and Maintenance Expenses for the FY 2025-26
(in Rs Crore)

S.No.	Particulars	Approved by Hon'ble BERC in the Order dated 28.03.2025	BGCL claim
1	Average GFA (excluding land)	2,912.93	3,079.30
2	% Factor on GFA	1.13%	1.13%
3	R&M Expenses (1x2)	32.92	34.80

4.9.3 Administrative and General Expenses

Administration and General expenses mainly comprise costs towards rent charges, telephone and other communication expenses, professional charges, conveyance and travelling allowances and other debits.

As per Regulation 21.3 of the Tariff Regulations 2024, A&G Expenses shall be computed as follows:

"21.3 Administrative and General (A&G) Expense

A&G expense shall be computed as per the norm escalated by wholesale price index (WPI) and Consumer Price Index (CPI) in the ratio 60:40 and adjusted by provisions for confirmed initiatives (IT etc. initiatives as proposed by the Transmission Licensee and/or SLDC and validated by the Commission) or other expected one-off expenses, and shall be governed by following formula:

$$A\&G_n = (A\&G_b \times WPI \text{ inflation}) + Provision$$

Where:

A&G_n: A&G expense for the year *n*

A&G_b: A&G expense as per the norm

WPI inflation: is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years.

Provision: Cost for initiatives or other one-off expenses as proposed by the Transmission Licensee and/or SLDC and validated by the Commission.

Provided that till the norms of A&G expenses is specified by the Commission, the actual historical cost will be considered for determination of A&G expenses."

As per the aforesaid regulations, the Average WPI and CPI index in the ratio of 60:40 for the preceding three years has been shown in the table below.

Table 35 - Computation of Average WPI and CPI in 60:40 ratio (past 3 years)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Annual Average CPI	356.06	377.62	397.20	410.64
CPI Inflation (YOY)		6.05%	5.19%	3.38%
Past 3 Year Average		4.87%		
Annual Average WPI	139.41	152.53	151.42	154.86
WPI Inflation (YOY)	13.00%	9.41%	-	2.27%
Past 3 Year Average		3.89%		
Weighted Average WPI-CPI Inflation Rate (WPI:CPI = 60:40)		4.29%		

*WPI Inflation works out to be -0.73%, hence 0 is considered for the concerned year

Further, the Hon'ble Commission vide its Order dated 28.03.2025 has approved the norms for A&G Expenses as below:

Table 7.15: A&G Expenses Norm Approved for FY 2025-26 to FY 2027-28	
Particulars	Base Value
Norm - A&G expense per personnel (Rs.Cr)	0.0245
Norm - A&G expense per Bay (Rs.Cr)	0.0387

In light of the Regulation 21 and norms for A&G Expense approved by the Hon'ble Commission, the Petitioner submits the revised employee expenses for the FY 2025-26 based upon the Weighted Average WPI-CPI Inflation Rate (preceding 3 years) as shown in the table below:

**Table 36 - BGCL claim of Administrative and General Expenses for the FY 2025-26
(in Rs Crore)**

Sl. No.	Particulars	Norms	Approved by Hon'ble BERC in the Order dated 28.03.2025	BGCL claim
1	Average annual CPI Index		6.66%	4.29%
2	Norms-A&G Expenses per personal	0.0245	0.0261	0.0256
3	Norms-A&G Expenses per Bay	0.0387	0.0413	0.0404
4	No. of Employees		75	57
5	No. of Bays		216	232
6	A&G Expenses (on Employees)		1.96	1.44
7	A&G Expenses (on Bays)		8.92	9.36
8	Total A&G Expenses		10.88	10.81

Further, it is imperative to mention that the A&G norms were determined by the Hon'ble Commission based on the actual historical expenses, which, inter alia, included the tariff petition filing fee of Rs. 10 lakh as applicable at the time under the then-prevailing Regulations of the Commission. However, it is pertinent to mention that subsequent to the determination of these norms, an amendment has been issued in the Bihar Electricity Regulatory Commission (Fees and Fines) Regulations, wherein the tariff petition filing fee has been substantially increased to Rs. 25 lakh. Accordingly, in view of this regulatory change, it is respectfully submitted that the Hon'ble Commission may consider allowing the differential amount of Rs. 15 lakh as an additional provision under A&G expenses during the truing-up of the respective years.

4.10 Return on Equity

As per Regulation 22 of Tariff Regulations 2041, Return on Equity is to be computed as follows:

"22. Return on Equity

a) Return on equity shall be computed on 30% of the capital base or actual equity, whichever is lower.

Provided that assets funded by beneficiary contribution, capital subsidies/ grants and corresponding depreciation shall not form part of the capital base.

Actual equity invested in the Transmission Licensee or SLDC, as the case may be, as per book value shall be considered as perpetual and shall be used for computation in this Regulation.

Provided further that the premium, if any, raised by the Licensee while issuing share capital and investment of internal resources created out of its free reserves, for the funding of the Scheme, shall be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilized for meeting the capital expenditure of the transmission system, and are within the ceiling of 30% of capital cost approved by the Commission.

b) The return on the equity invested shall be allowed from the date of start of commercial operation and after put to use.

c) Rate of return on equity shall be not more than 14.0% for all the projects.

Provided that, the Capital base attributable to assets Commissioned prior to commencement of control period covered under this regulation shall fetch ROE as per the rate applicable during the period in which the assets got Commissioned."

Accordingly, the Petitioner has worked out the Return on Equity as per Regulation 22 of Tariff Regulations 2024. The Petitioner submits that the asset base has been divided into two parts; (a) assets that have attained COD on or before 31.03.2025 and (b) assets that have attained COD on or after 01.04.2025. The rate of return on equity has been considered 15.50% for assets that have attained COD on or before 31.03.2025 and 14% for assets that have attained COD on or after 01.04.2025.

The Petitioner also submits that the effective MAT rate inclusive of surcharge and cess has been considered at 25.168%. Therefore, the overall Return on Equity has been worked out for FY 2025-26 as summarised in the table below:

Table 37 - BGCL claim of Return on Equity for the FY 2025-26*(in Rs Crores)*

Sl. No.	Particulars	Approved by Hon'ble BERG in the Order dated 28.03.2025	BGCL claim
For assets that have attained COD on or before 31.03.2025			
1	Opening Equity	593.29	626.64
2	Add: Equity During the year	-	-
3	Closing equity balance (1+2)	593.29	626.64
4	Average equity $\{(1+3)/2\}$	593.29	626.64
5	Base Rate of Return on equity %	15.50%	15.50%
6	Tax Rate	25.17%	25.17%
7	Pretax Rate of Return on equity % $\{(5)/(1-(6))\}$	20.71%	20.71%
8	Return on Equity (4*7)	122.89	129.80
For assets that have attained COD on or after 01.04.2025			
9	Opening Equity	-	-
10	Add: Equity During the year	29.09	19.47
11	Closing equity balance (9+10)	29.09	19.47
12	Average equity $\{(9+11)/2\}$	14.04	9.74
13	Base Rate of Return on equity %	14.00%	14.00%
14	Tax Rate	25.17%	25.17%
15	Pretax Rate of Return on equity % $\{(13)/(1-(14))\}$	18.71%	18.71%
16	Return on Equity (12*14)	2.63	1.82
17	Total Return on Equity	125.52	131.62

4.11 Interest on Working Capital

Regulation 26 of Tariff Regulations 2024, stipulates the following methodology for computing the Interest on Working Capital:

"26. Interest on working capital

a. The Transmission Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:

- i. Receivables equivalent to 45 days of annual transmission charges calculated on target availability level.*
- ii. O&M Expenses of one (01) month.*
- iii. Maintenance spares @ 40% of R&M expenses for one month.*

Provided that for the purpose of Truing-up for any year, the working capital requirement shall be re-computed on the basis of the values of revised normative Operation & Maintenance expenses and actual Revenue from Transmission Charges as reflected in the Audited Accounts, and other components of working capital approved by the Commission in the Truing-up before sharing of gains and losses.

Less:

- i. Return on equity and contribution to contingency reserves equivalent to 45 days.*
- ii. Amount of security deposits from Transmission System users, if any, held during the year except the security deposits held in the form of Bank Guarantee from Transmission System Users.*

b. Interest on working capital shall be on normative basis, notwithstanding that the transmission licensee and/or SLDC has not taken a loan for working capital from any outside agency and rate of interest shall be equal to the State Bank (one-year tenor) Marginal Cost of Funds-based Lending Rate ('MCLR') as of the date on which petition for determination of tariff is filed plus 100 basis points. The rate of interest for the purpose of Truing-up shall be the weighted average MCLR of the concern Financial Year plus 100 basis points.

c. Interest shall be allowed on the amount held as security deposit (except the security deposit held in the form of Bank Guarantee) from Transmission System Users at the Bank Rate (RBI Base Rate) as at the date on which the application for determination of tariff is filed. The interest allowed shall be subject to true up at weighted average Bank Rate of the concern Financial Year.

d. If the State Government is providing resource gap grant and/or subsidy, the working capital shall be reduced by 45 days equivalent of that amount."

The Petitioner submits that one year SBI MCLR as on 15th September, 2025 was 8.75% as per Annexure E. Accordingly, the Interest on Working Capital has been considered as 9.75% (SBI MCLR: 8.95% +100 basis points)

Table 38 – BGCL claim of Interest on Working Capital for the FY 2025-26
(in Rs Crores)

S. No.	Particulars	Approved by Hon'ble BERG in the Order dated 28.03.2025	BGCL claim
1	O&M expenses (1 month)	5.42	5.67
2	Maintenance spares @15% of 1 month O&M expenses (1x15%)	1.10	1.16
3	Receivables - 2 months	59.35	61.97
4	Less: RoE and contribution to contingency reserve for 2 months	15.69	16.23
5	Less: Amount of sec deposit held from consumers during the year	-	-
6	Working capital requirement (1+2+3-4-5)	50.18	52.57
7	Rate of interest	10.00%	9.75%
8	Interest on working capital (6x7)	5.02	5.13

4.12 Non-Tariff Income

The Petitioner submits that for the FY 2025-26, it has considered the Non-Tariff Income as per the Non-Tariff Income claimed in the True up for FY 2024-25 as per the methodology adopted by the Hon'ble Commission in previous orders.

4.13 Income from Other Business

The Petitioner submits that for the FY 2025-26, it has considered the Income from Other Business as per the Income from Other Business claimed in the True up for FY 2024-25, owing to the uncertainty of gains from OPCW leasing business which cannot be quantified at this stage. The Petitioner shall approach the Hon'ble Commission with the audited figures during the truing up of the respective year.

4.14 Annual Revenue Requirement for the FY 2025-26

Accordingly, the Petitioner submits the Annual Fixed Charges for the FY 2025-26 as follows:

Table 39 - BGCL claim of ARR for the APR of FY 2025-26*(in Rs. Crores)*

S. No.	Particulars	Approved by Hon'ble BERC in the Order dated 28.03.2025	BGCL claim
1	O&M expenses (a+b+c)	65.08	68.04
a.	Employee cost	21.29	22.43
b.	R&M expenses	32.92	34.80
c.	A&G Expenses	10.88	10.81
2	Depreciation	156.93	159.81
3	Interest and finance charges	158.32	157.16
4	Interest on working capital	5.02	5.13
5	Return on Equity	125.52	131.62
6	Gross Annual Revenue Requirement	510.87	521.76
7	Less: Non-Tariff income	36.04	19.06
	Less: Income from Other Business	0.05	0.06
8	Net ARR (1+2+3+4+5-7)	474.78	502.64

The Petitioner requests the Hon'ble Commission to kindly approve the ARR of Rs. 502.64 Crore for the Review of FY 2025-26.

ANNUAL REVENUE
REQUIREMENT (ARR)

And

TRANSMISSION CHARGES FOR
THE FY 2026-27

5 Annual Revenue Requirement for the FY 2026-27

5.1 Introduction

The Hon'ble Commission approved the Annual Revenue Requirement of Rs. 474.43 Crore for the FY 2026-27 in the Tariff Order dated 28.03.2025. In the instant petition, the Petitioner submits the revised estimates of the expenses for the approval of Annual Revenue Requirement for the FY 2026-25 as per the Tariff Regulations 2024 for the kind consideration of the Hon'ble Commission.

5.2 Performance of Transmission System

5.2.1 Transmission System Availability

Regulation 16 of Tariff Regulations 2024 stipulates the following:

"Normative Annual Transmission System Availability Factor (NATAF):

16.1 The Normative Annual Transmission System Availability Factor for recovery of full transmission charges shall be as under:

For full recovery of Annual Transmission Charges-		
(i)	AC System	98%
(ii)	HVDC System	95%

"

Accordingly, the Petitioner submits that Transmission System Availability is considered at 98% as per the Tariff Regulations 2024 for FY 2026-27.

5.2.2 Transmission Losses

The Hon'ble Commission has approved Transmission Loss trajectory at 1.5% for the FY 2026-27 vide Order dated 28.03.2025. The relevant extract of the said Order is reproduced below:

"It has been observed that BGCL's actual loss as per SLDC data is 0.94% for FY 2023-24. Hence, the 2% target proposed by the Petitioner cannot be accepted, as already BGCL's actual loss is lower than what has been proposed by the Petitioner. Further, almost all assets have been capitalised in BGCL's system, and the remaining asset is proposed to be capitalised in FY 2025-26. Considering no further addition in the asset base, the transmission loss level of 1.5% is approved for the next control period. The actual performance shall be reviewed by the Commission during the true-up process."

Accordingly, the Petitioner submits that Transmission Loss target is considered at 1.5% for the FY 2026-27.

5.2.3 Transformer Failure Rate

The Petitioner submits that it would be able to maintain its operational efficiency through proactive measures. Therefore, the transformer failure rate is assumed to be NIL.

5.3 Schedule of Capitalization

The Petitioner submits that it had earlier envisaged to capitalize of certain assets in FY 2024-25 and FY 2025-26, however, due to reasons beyond the control of the Petitioner, such as delay include the time required for land acquisition, local law and order issues, severe ROW constraints, contractual and technical issues/suitability, unavailability of spares, unprecedented rainfall/floods in certain areas, spillover of works owing to Covid-induced lockdowns during FY 2020-21 and FY 2021-22, and delays due to shutdown requirements (uncontrollable) and pending shutdowns for charging. BGCL is making all efforts to get the remaining works completed on priority, however, certain items of the Capital works planned to be capitalized during the FY 2024-25 and FY 2025-26 could not attain Capitalization which has led to a no. of works being spilled into the FY 2026-27. The Hon'ble Commission is requested to take cognizance of this fact and approve the projected Capitalization as depicted below for the FY 2026-27:

Table 40 – BGCL estimate of Asset Capitalization for the FY 2026-27 Phase IV (Part 1 of 2)

S. No.	Transmission Element	Date of Commissioning/ Likely Commissioning

Table 41 - BGCL estimate of Asset Capitalization for the FY 2026-27 Phase IV (Part 2 of 2)

S. No.	Transmission Element	Date of Commissioning/ Likely Commissioning
Transmission Lines		
1.	200 kV LILO of Sipara - Bihta D/C at Jakkampur	FY 2026-27

S. No.	Transmission Element	Date of Commissioning/ Likely Commissioning
2.	132 kV LLO of Sipara - Jakkampur D/C at Jakkampur (BGCL)	FY 2026-27
New 220/132/33 kV GIS substations		
Bay Extension Works		
3.	132 kV Bay Extension at Paliganj	FY 2026-27

In addition to above Capital works, during the FY 2026-27, the Petitioner shall also undertake implementation of ABT meters pertaining to Part 2 of 2 projects. Accordingly, ABT meters are to be commissioned with an overall outlay of Rs. 21.74 Crore for the FY 2026-27. The Petitioner requests the Hon'ble Commission to approve the same.

5.4 Capitalization

The Petitioner submits that the capitalization for FY 2026-27 as per the following table:

Table 42 - BGCL claim of CWIP Statement for the FY 2026-27
(in Rs. Crore)

S.No.	Particulars	Approved by Hon'ble BEEC in the Order dated 28.03.2025	BGCL claim
1	Opening Balance	120.85	137.69
2	Additions	-	-
3	Capitalisation during the year	-	137.69
4	Closing Balance	120.85	-

5.5 Funding of Capitalization

The Petitioner submits that the Capital Expenditure is being funded with a Debt - Equity ratio of 80:20. While Phase IV (part I of 2) has loan agreement with REC, Phase IV (Part 2 of 2) has loan agreement with PFC.

5.6 Gross Fixed Assets

The Petitioner submits the estimated Gross Fixed Assets for the FY 2026-27 follows:

Table 43 – BGCL claim of Gross Fixed Assets for the FY 2026-27
(in Rs. Crore)

S.No.	Particulars	Approved by Hon'ble BERC in the Order dated 28.03.2025	BGCL claim
1	Opening GFA	3,111.02	3,234.76
2	Additions to GFA	-	137.69
3	Closing GFA (1+2)	3,111.02	3,372.45

5.7 Depreciation

Regulation 23 of Tariff Regulations, 2024 stipulates the following:

"23. Depreciation

i. Depreciation shall be calculated for each year of the control period on the original cost of the fixed assets of the corresponding year. No advance shall be granted against depreciation.

ii. Depreciation shall not be allowed on assets funded by capital subsidies, beneficiary contributions or grants.

iii. Depreciation shall be calculated annually on the basis of assets capitalised and put to use based on the straight-line method over the useful life of the asset and at the rate not exceeding the rate specified by the Central Electricity Regulatory Commission from time to time.

The residual value of assets shall be considered as 10% and depreciation shall be allowed to a maximum of 90% of the original cost of the asset. The Transmission Licensee or SLDC, as the case may be, shall submit separate detail of fully depreciated asset along with year of commissioning and year of attaining ninety percent depreciation with the tariff petition. Provided that freehold land shall not be treated as a depreciable asset and its cost shall be excluded while computing 90% of the original cost of the asset.

Provided also that the cost of lease hold land shall be amortised evenly within the leased period.

iv. The original capital cost of the asset shall include Additional Capitalisation on account of Foreign Exchange Rate Variation as allowed by the appropriate Government / Bihar Electricity Regulatory Commission.

v. Depreciation shall be chargeable from the first year of operation of the asset.

For part of the year, depreciation shall be charged on pro-rata basis.

vi. A provision of replacement of assets shall be made in the capital investment plan.

vii. The licensee(s)/ SLDC shall submit certified copy of the Asset Register with the list of fully depreciated Transmission lines, substations, transformers, etc. along with the details of disposed off assets and amount received therefore with the tariff petition."

The Petitioner submits that depreciation is based on the capitalisation schedule of the assets. The Weighted average rate of depreciation for the opening GFA and for the Additions is considered to be 5.11% and 2.58% respectively which is considered for the True up for the FY 2024-25. Accordingly, the overall depreciation worked out for FY 2026-27 is summarised in the table below:

Table 44 - BGCL claim of Depreciation for the FY 2026-27
(in Rs. Crore)

Sl. No.	Particulars	Approved by Hon'ble BERC in the Order dated 28.03.2025	BGCL claim
1	Opening GFA (without land)	3,053.37	3,176.66
2	Additions during the year	-	137.69
3	Less: land during the year	-	-
4	Closing GFA (1+2-3)	3,053.37	3,314.35
5	Average GFA (1+4)/2	3,053.37	3,245.50
6	Weighted average Rate of depreciation on opening assets	5.26%	5.11%
7	Weighted average Rate of depreciation on asset additions during the year	2.64%	2.58%
8	Depreciation (1*6+(2-3)*7)	160.61	165.93

5.8 Interest on Loan Capital and Finance Charges

According to Regulation 24 of Tariff Regulations 2024, Interest and Finance Charges is to be computed as follows:

" 24. Interest and finance charges on loan capital

a) The Transmission Licensee or SLDC, as the case may be, shall provide detailed loan-wise, project-wise and utilization-wise details of all the loans.

b) If the equity actually deployed is more than 30 % of the capital cost, equity in excess of 30 % shall be treated as normative loan.

Provided that where equity actually deployed is less than 30% of the capital cost, the actual loan shall be considered for determination of interest on loan:

c) Actual loan or normative loan, if any, shall be referred as gross normative loan in this Regulation

d) The normative loan outstanding as of 1st April of control period shall be computed by deducting the cumulative repayment as approved by the Commission up to 31st March of current period (a year before control period) from the gross normative loan.

e) The repayment for the control period shall be deemed to be equal to the depreciation allowed for the year.

f) Notwithstanding any moratorium period availed by the Transmission Licensee or SLDC, as the case may be, the repayment of the loan shall be considered from the first year of the control period as per annual depreciation allowed.

g) The rate of interest shall be the weighted average rate of interest calculated on the basis of actual loan portfolio at the beginning of each year of the control period, in accordance with terms and conditions of relevant loan agreements, or bonds or non-convertible debentures.

Provided that if no actual loan is outstanding but normative loan is still outstanding, the last available weighted average rate of interest shall be applicable.

Provided also that if no actual loan is outstanding but normative loan is still outstanding and the last available weighted average rate of interest is also not available, rate of interest equal to the State Bank (one-year tenor) Marginal Cost of Funds-based Lending Rate (MCLR) shall be applicable.

Provided further that the interest on loan shall be calculated on the normative average loan of the year by applying the weighted average rate of interest.

Provided also that exception shall be made for the existing loans which may have different terms as per the agreements already executed, if the Commission is satisfied that the loan has been contracted for and applied to identifiable and approved projects.

h) The Transmission Licensee or SLDC, as the case may be, shall make every effort to refinance the loan as long as it results in net benefit to the beneficiaries.

Provided that the cost associated with such refinancing shall be eligible to be passed through in tariffs and the benefit on account of refinancing of loan and interest on loan shall be shared in the ratio of 50:50 between the Transmission Licensee or SLDC and the beneficiaries.

Provided also that the Transmission Licensee and/or SLDC shall submit the calculation of such benefit to the Commission for its approval.

i) The Transmission Licensee and/or SLDC shall enable tracking of the loans converted into grants under schemes like BRGF, PSDF, APDRP, R-APDRP, RGGVY, DDUGVY etc. or any other loan from the Central or State Government by providing information and data regularly to the Commission, for enabling the Commission to recover from Transmission Licensee or SLDC, as the case may be, the amount of interest on loans which have been passed on to the beneficiaries in the earlier years and have been converted into grant subsequently so that the recovered amount is passed on to the beneficiaries.

j) Addition to loan during the year for interest purpose will be restricted to the quantum of assets capitalized and put to use.

k) The excess interest during construction on account of time and/or cost overrun as compared to the approved completion schedule and capital cost or on account of excess drawal of the debt funds disproportionate to the actual requirement based on Scheme completion status, shall be allowed or disallowed partly or fully on a case-to-case basis, after prudence check by the Commission. The transmission licensee and/or SLDC shall endeavour to adhere to the time schedule for various transmission system in accordance

with Annexure-A appended for these regulations or original schedule period as the case may be, whichever is lower.

Provided that where the excess interest during construction is on account of delay attributable to an agency or contractor or supplier engaged by the Transmission Licensee and/or SLDC, any liquidated damages recovered from such agency or contractor or supplier shall be taken into account for computation of capital cost.

Provided also that the extent of liquidated damages to be considered shall depend on the amount of excess interest during construction that has been allowed by the Commission.

The above interest computation shall exclude interest on loan amount, normative or otherwise, to the extent of capital cost funded by Consumer Contribution, Deposit Works, Grants or Capital Subsidy.

Accordingly, the Petitioner submits rate of Interest has been considered as per the actual long term Loan portfolio as on 31.03.2025. As such, the Rate of Interest considered for True-up of FY 2024-25 i.e. 9.47% has been considered for FY 2026-27. Accordingly, The Petitioner has claimed Interest and Finance charges for the FY 2026-27 as summarised in the table below:

Table 45 - BGCL claim of Interest on Loan for the FY 2026-27

(in Rs. Crore)

S.No.	Particulars	Approved by Hon'ble BERC in the Order dated 28.03.2025	BGCL claim
1	Opening Loan	1,581.80	1,618.86
2	Additions (@80% of GFA additions)	-	110.15
3	Repayment	160.61	165.83
4	Net Closing Loan (1+2-3)	1,421.20	1,563.19
5	Average Loan (1+4)/2	1,501.50	1591.02
6	Weighted average rate of Interest (%)	9.87%	9.47%
7	Interest on Loan (5x6)	148.20	150.65

5.9 Operations and Maintenance Expenses

As per Regulation 21 of Tariff Regulations 2024,

"21. Operation and Maintenance Expenses

a) The Commission shall stipulate a separate trajectory of norms for each of the components of O&M expenses viz., Employee cost, Repair and Maintenance (R&M) expense and Administrative and General (A&G) expense.

Provided that such norms may be specified for a specific Transmission Licensee or a class of Transmission Licensees.

b) Norms shall be defined in terms of number of personnel per ckt/km (for different categories of transmission lines for e.g. 400 KV, 220 KV, 132 KV etc. Lines) and number of personnel per bay (for different categories of bay for e.g. 400 KV, 220 KV, 132 KV etc. Bays) along with annual expenses per personnel for Employee expenses; combination of A&G expense per personnel and A&C expense per substation for A&C expenses and R&M expense as percentage of gross fixed assets for estimation of R&M expenses.

c) One-time expenses such as expense due to change in accounting policy and arrears paid due to pay commission recommendation shall be excluded from the norms in the trajectory.

d) The unforeseen expenses beyond the control of the Transmission Licensee such as pay revision, shall be excluded from the norms in the trajectory.

e) The One-time expenses and the expenses beyond the control of the Transmission Licensee shall be allowed by the Commission over and above normative Operation & Maintenance Expenses subject to prudence check.

f) The norms in the trajectory shall be specified over the control period with due consideration to improvement in productivity of the Licensee or SLDC as the case may be.

g) The norms shall be determined at constant prices of base year and escalation on account of inflation shall be over and above the baseline.

Provided that for the purpose of escalation based on Wholesale Price Index(WPI) and Consumer Price Index(CPI), WPI is to be computed based on the average yearly inflation derived based on the monthly Wholesale Price Index of the respective past three financial years (including the year of Truing-up) as per the Office of Economic Advisor Ministry of Commerce & Industry Government of India and CPI is to be computed based on the average yearly inflation derived based on the monthly Consumer Price Index for Industrial Workers (all-India) of the respective past three financial years

(including the year of Truing-up) as per the Labour Bureau Government of India, at the time of filing of Petition.

Provided that in case the average yearly inflation derived based on the monthly CPI and WPI indices is negative for a particular year, the same will be excluded from the computation of yearly inflation.

h) The Transmission Licensee specific trajectory of norms shall be identified by the Commission on the basis of absolute and relative analysis.

i) In absolute analysis, Transmission Licensee's audited accounts of operations for last three years, expenses claimed for control period, historically approved cost, and prudence check shall be used by the Commission to estimate values of norms.

j) In relative analysis, performance parameters of other Transmission Licensees within the same state or in other states, shall be considered by the Commission to estimate norms.

Provided that other Transmission Licensees so chosen will have similar profile as that of the Transmission Licensee under consideration in terms of consumer mix, type of license area (city, state, etc.) type of substation, transmission networks, etc.

Suitable average of outcomes of absolute and relative analysis shall be taken by the Commission to fix the norms over the control period for the Transmission Licensee."

In light of the above, the Hon'ble Commission vide its Order dated 28.03.2025 has approved the norms for computation of O&M Expenses. Based on the same, the Petitioner has claimed the O&M Expenses based on the norms approved by the Hon'ble Commission.

5.9.1 Employee Expenses

The employee expenses primarily include costs towards salaries, dearness allowances, bonus, staff welfare and medical benefits, leave travel and earned leave encashment, and the terminal benefits in the form of pension, gratuity etc.

As per the Regulation 21.1 of Tariff Regulations 2024, the Employee Costs are to be considered as follows:

"21.1 Employee Cost

Employee cost shall be computed as per the approved norm escalated by consumer price index (CPI), adjusted by provisions for expenses beyond the control of the Transmission

Licensee and one-off expected expenses, such as recovery/adjustment of terminal benefits, implications of pay commission, arrears and Interim Relief, governed by the following formula:

$$EMP_n = (EMP_b * CPI \text{ inflation}) + Provision$$

Where:

EMP_n : Employee expense for the year n

EMP_b : Employee expense as per the norm

CPI inflation : is the average increase in the Consumer Price Index (CPI) for immediately preceding three years

Provision : Provision for expenses beyond control of the Transmission Licensee and/or SLDC and expected one-off expenses as specified above.

Provided that till the norms are specified by the Commission the employee cost shall be determined on the basis of actual historical cost."

As per the aforesaid regulations, the CPI index for the preceding three years has been shown in the table below:

CPI index

Table 46 - Computation of Average CPI (past 3 years)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Annual Average CPI Index	356.06	377.62	397.20	410.64
CPI Inflation (YOY)		6.05%	5.19%	3.38%
Average			4.87%	

Further, the Hon'ble Commission vide its Order dated 28.03.2025 has approved the norms for Employee Expenses as below:

Table 7-11: Employee Norm Approved for the Control Period of FY2025-26 to FY 2027-28

Sl. No	Particulars	Base Value
1	No. of personnel per ckt-km	0.0075
2	No. of personnel per Bay	0.3272
3	Annual expenses per personnel (Rs. crore)	0.2282

In light of the Regulation 21 and norms for Employee Expense approved by the Hon'ble Commission, the Petitioner submits the revised employee expenses for the FY 2026-27 based upon the Average CPI Inflation Index (preceding 3 years) as shown in the table below:

Table 47 - BGCL claim of Employee Expenses for the FY 2026-27
(in Rs Crore)

Particulars	Norms	Approved by Hon'ble BERC in the Order dated 28.03.2025	BGCL claim
Average annual CPI Index		5.46%	4.87%
Norms-Number of personnel per Ckt/Km	0.0075	0.0075	0.0075
Norms-Number of personnel per Bay	0.3272	0.3272	0.3272
Transmission line in Ckt km		2376.95	2377.25
No. of Bays		216	238
Norms-Annual Expenses per personnel	0.2282	0.254	0.2310
Employee cost - for transmission line		4.51	4.47
Employee cost - for substation		17.93	19.55
Total Employee Cost		22.45	24.02

5.9.2 Repair and Maintenance Expenses

The Repair and Maintenance Activities are primarily directed towards the upkeep of the transmission system and related office works.

As per Regulation 21.2 of the Tariff Regulations 2024, R&M will be calculated as follows

"21.2 Repairs and Maintenance (R&M) Expense

Repairs and Maintenance expense shall be calculated as percentage (as per the norm determined) of Opening Gross Fixed Assets excluding land cost for the year governed by following formula:

$$R\&M_n = K_b * GFAn$$

Where:

R&M_n : Repairs & Maintenance expense for nth year

GFAn : Opening Gross Fixed Assets for nth year

K_b : Percentage point as per the norm"

The Hon'ble Commission vide its Order dated 28.03.2025 has approved the "k" factor for Repairs and Maintenance Expenses as below:

"The Regulation 21.2 of the Transmission Tariff Regulations 2024 specify R&M expenses as percentage (%) of opening gross fixed assets (excluding land cost) for estimation of R&M expenses. The Commission, in its Business Plan chapter has determined the R&M norm, i.e. "K" factor at 1.13% for the Control period FY 2025-26 to FY 2027-28"

The Petitioner submits the claim towards R&M expenses on the basis of the "k" factor approved by the Hon'ble Commission as shown in the following table:

Table 48 - BGCL claim of Repair and Maintenance Expenses for the FY 2026-27
(in Rs Crore)

S.No.	Particulars	Approved by Hon'ble BERC in the Order dated 28.03.2025	BGCL claim
1	Average GFA (excluding land)	3,053.37	3,176.66
2	% Factor on GFA	1.13%	1.130%
3	R&M Expenses (1x2)	34.50	35.90

5.9.3 Administrative and General Expenses

Administration and General expenses mainly comprise costs towards rent charges, telephone and other communication expenses, professional charges, conveyance and travelling allowances and other debits.

As per Regulation 21.3 of the Tariff Regulations 2024, A&G Expenses shall be computed as follows:

"21.3 Administrative and General (A&G) Expense

A&G expense shall be computed as per the norm escalated by wholesale price index (WPI) and Consumer Price Index (CPI) in the ratio 60:40 and adjusted by provisions for confirmed initiatives (IT etc. initiatives as proposed by the Transmission Licensee and/or SLDC and validated by the Commission) or other expected one-off expenses, and shall be governed by following formula:

$$A\&G_n = (A\&G_b * WPI \text{ inflation}) + Provision$$

Where:

A&G_n: A&G expense for the year *n*

A&G_b: A&G expense as per the norm

WPI inflation: is the average increase in the Wholesale Price Index (WPI) for immediately preceding three years.

Provision: Cost for initiatives or other one-off expenses as proposed by the Transmission Licensee and/or SLDC and validated by the Commission.

Provided that till the norms of A&G expenses is specified by the Commission, the actual historical cost will be considered for determination of A&G expenses."

As per the aforesaid regulations, the Average WPI and CPI index in the ratio of 60:40 for the preceding three years has been shown in the table below:

Table 49 - Computation of Average WPI and CPI in 60:40 ratio (past 3 years)

Particulars	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Annual Average CPI	356.06	377.62	397.20	410.64
CPI Inflation (YOY)		6.05%	5.19%	3.38%
Past 3 Year Average		4.87%		
Annual Average WPI	139.41	152.53	151.42	154.86
WPI Inflation (YOY)	13.00%	9.41%	-.*	2.27%
Past 3 Year Average		3.89%		
Weighted Average WPI-CPI Inflation Rate (WPI:CPI = 60:40)		4.29%		

*WPI Inflation works out to be -0.73%, hence 0 is considered for the concerned year

Further, the Hon'ble Commission vide its Order dated 28.03.2025 has approved the norms for A&G Expenses as below:

Table 7.15: A&G Expenses Norm Approved for FY 2025-26 to FY 2027-28	
Particulars	Base Value
Norm - A&G expense per personnel (Rs.Cr)	0.0245
Norm - A&G expense per Bay (Rs.Cr)	0.0387

In light of the Regulation 21 and norms for A&G Expense approved by the Hon'ble Commission, the Petitioner submits the revised employee expenses for the FY 2026-27 based upon the Weighted Average WPI-CPI Inflation Rate (preceding 3 years) as shown in the table below:

**Table 50 – BGCL claim of Administrative and General Expenses for the FY 2026-27
(in Rs Crore)**

Sl. No.	Particulars	Norms	Approved by Hon'ble BERC in the Order dated 28.03.2025	BGCL claim
1	Average annual CPI Index		6.66%	4.29%
2	Norms-A&G Expenses per personal	0.0245	0.0278	0.0266
3	Norms-A&G Expenses per Bay	0.0387	0.0441	0.0421
4	No. of Employees		75	68
5	No. of Bays		216	238
6	A&G Expenses (on Employees)		2.09	1.80
7	A&G Expenses (on Bays)		9.52	10.02
8	Total A&G Expenses		11.60	11.82

Further, it is imperative to mention that the A&G norms were determined by the Hon'ble Commission based on the actual historical expenses, which, inter alia, included the tariff petition filing fee of Rs. 10 lakh as applicable at the time under the then-prevailing Regulations of the Commission. However, it is pertinent to mention that subsequent to the determination of these norms, an amendment has been issued in the Bihar Electricity Regulatory Commission (Fees and Fines) Regulations, wherein the tariff petition filing fee has been substantially increased to Rs. 25 lakh. Accordingly, in view of this regulatory change, it is respectfully submitted that the Hon'ble Commission may consider allowing the differential amount of Rs. 15 lakh as an additional provision under A&G expenses during the truing-up of the respective years.

3.10 Return on Equity

As per Regulation 22 of Tariff Regulations 2041, Return on Equity is to be computed as follows:

"22. Return on Equity

a) Return on equity shall be computed on 30% of the capital base or actual equity, whichever is lower.

Provided that assets funded by beneficiary contribution, capital subsidies/ grants and corresponding depreciation shall not form part of the capital base.

Actual equity invested in the Transmission Licensee or SLDC, as the case may be, as per book value shall be considered as perpetual and shall be used for computation in this Regulation.

Provided further that the premium, if any, raised by the Licensee while issuing share capital and investment of internal resources created out of its free reserves, for the funding of the Scheme, shall be reckoned as paid up capital for the purpose of computing return on equity, provided such premium amount and internal resources are actually utilized for meeting the capital expenditure of the transmission system, and are within the ceiling of 30% of capital cost approved by the Commission.

b) The return on the equity invested shall be allowed from the date of start of commercial operation and after put to use.

c) Rate of return on equity shall be not more than 14.0% for all the projects.

Provided that, the Capital base attributable to assets Commissioned prior to commencement of control period covered under this regulation shall fetch ROE as per the rate applicable during the period in which the assets got Commissioned."

Accordingly, the Petitioner has worked out the Return on Equity as per Regulation 22 of Tariff Regulations 2024. The Petitioner submits that the asset base has been divided into two parts; (a) assets that have attained COD on or before 31.03.2025 and (b) assets that have attained COD on or after 01.04.2025. The rate of return on equity has been considered 15.50% for assets that have attained COD on or before 31.03.2025 and 14% for assets that have attained COD on or after 01.04.2025.

The Petitioner also submits that the effective MAT rate inclusive of surcharge and cess has been considered at 25.168%. Therefore, the overall Return on Equity has been worked out for FY 2026-27 as summarised in the table below:

Table 51 – BGCL claim of Return on Equity for the FY 2026-27

(in Rs Crores)

Sl. No.	Particulars	Approved by Hon'ble BERC in the Order dated 28.03.2025	BGCL claim
For assets that have attained COD on or before 31.03.2025			
1	Opening Equity	593.29	626.64
2	Add: Equity During the year	-	-
3	Closing equity balance (1+2)	593.29	626.64
4	Average equity $\{(1+3)/2\}$	593.29	626.64
5	Base Rate of Return on equity %	15.50%	15.50%
6	Tax Rate	25.17%	25.17%
7	Pretax Rate of Return on equity % $\{(5)/(1-(6))\}$	20.71%	20.71%
8	Return on Equity (4*7)	122.89	129.80
For assets that have attained COD on or after 01.04.2025			
9	Opening Equity	28.09	19.47
10	Add: Equity During the year	-	27.54
11	Closing equity balance (9+10)	28.09	47.01
12	Average equity $\{(9+11)/2\}$	28.09	33.24
13	Base Rate of Return on equity %	14.00%	14.00%
14	Tax Rate	25.17%	25.17%
15	Pretax Rate of Return on equity % $\{(13)/(1-(14))\}$	18.71%	18.71%
16	Return on Equity (12*14)	5.26	6.22
17	Total Return on Equity	128.15	136.02

5.11 Interest on Working Capital

Regulation 26 of Tariff Regulations 2024, stipulates the following methodology for computing the Interest on Working Capital:

“26. Interest on working capital

a. The Transmission Licensee shall be allowed interest on the estimated level of working capital for the financial year, computed as follows:

- i. Recatables equivalent to 45 days of annual transmission charges calculated on target availability level.*
- ii. O&M Expenses of one (01) month.*
- iii. Maintenance spares @ 40% of R&M expenses for one month.*

Provided that for the purpose of Truing-up for any year, the working capital requirement shall be re-computed on the basis of the values of revised normative Operation & Maintenance expenses and actual Revenue from Transmission Charges as reflected in the Audited Accounts, and other components of working capital approved by the Commission in the Truing-up before sharing of gains and losses.

Less:

- i. Return on equity and contribution to contingency reserves equivalent to 45 days.*
 - ii. Amount of security deposits from Transmission System users, if any, held during the year except the security deposits held in the form of Bank Guarantee from Transmission System Users.*
- b. Interest on working capital shall be on normative basis, notwithstanding that the transmission licensee and/or SLDC has not taken a loan for working capital from any outside agency and rate of interest shall be equal to the State Bank (one-year tenor) Marginal Cost of Funds-based Lending Rate ('MCLR') as of the date on which petition for determination of tariff is filed plus 100 basis points. The rate of interest for the purpose of Truing-up shall be the weighted average MCLR of the concern Financial Year plus 100 basis points.*
- c. Interest shall be allowed on the amount held as security deposit (except the security deposit held in the form of Bank Guarantee) from Transmission System Users at the Bank Rate (RBI Base Rate) as at the date on which the application for determination of tariff is filed. The interest allowed shall be subject to true up at weighted average Bank Rate of the concern Financial Year.*
- d. If the State Government is providing resource gap grant and/or subsidy, the working capital shall be reduced by 45 days equivalent of that amount."*

The Petitioner submits that one year SBI MCLR as on 15th September, 2023 was 8.75% as per Annexure E. Accordingly, the Interest on Working Capital has been considered as 9.75% (SBI MCLR: 8.95% +100 basis points)

Table 52 – BGCL claim of Interest on Working Capital for the FY 2026-27
(in Rs Crores)

S. No.	Particulars	Approved by Hon'ble BERG in the Order dated 28.03.2025	BGCL claim
1	O&M expenses (1 month)	5.71	5.98
2	Maintenance spares @15% of 1 month O&M expenses (1x15%)	1.15	1.20
3	Receivables - 2 months	59.30	62.91
4	Less: RoE and contribution to contingency reserve for 2 months	16.02	16.77
5	Less: Amount of sec deposit held from consumers during the year	-	-
6	Working capital requirement (1+2+3-4-5)	50.15	53.32
7	Rate of interest	10.00%	9.75%
8	Interest on working capital (6x7)	5.01	5.20

5.12 Non-Tariff Income

The Petitioner submits that for the FY 2026-27, it has considered the Non-Tariff Income as per the Non-Tariff Income claimed in the True up for FY 2024-25 as per the methodology adopted by the Hon'ble Commission in previous orders.

5.13 Income from Other Business

The Petitioner submits that for the FY 2026-27, it has considered the Income from Other Business as per the Income from Other Business claimed in the True up for FY 2024-25, owing to the uncertainty of gains from OPGW leasing business which cannot be quantified at this stage. The Petitioner shall approach the Hon'ble Commission with the audited figures during the truing up of the respective year.

5.14 Annual Revenue Requirement for the FY 2026-27

Accordingly, the Petitioner submits the Annual Fixed Charges for the FY 2026-27 as follows:

Table 53 - BGCL claim of ARR for the APR of FY 2026-27*(in Rs. Crores)*

S. No.	Particulars	Approved by Hon'ble BERCL in the Order dated 28.03.2025	BGCL claim
1	O&M expenses (a+b+c)	68.55	71.73
a.	Employee cost	22.45	24.02
b.	R&M expenses	34.50	35.90
c.	A&G Expenses	11.60	11.82
2	Depreciation	160.61	165.83
3	Interest and finance charges	148.20	150.65
4	Interest on working capital	5.01	5.20
5	Return on Equity	128.15	136.02
6	Gross Annual Revenue Requirement	510.52	529.42
7	Less: Non-Tariff income	36.04	19.06
	Less: Income from Other Business	0.05	0.06
8	Net ARR (1+2+3+4+5-7)	474.43	510.31

The Petitioner submits that the above mentioned ARR Charges are projected figures. The actual ARR for the relevant year will be submitted in accordance with applicable Regulations at the time of True-up. The Petitioner prays that the Hon'ble Commission may kindly approve the ARR of Rs. 510.31 for FY 2026-27.

5.15 Revenue Gap/Surplus and Transmission Tariff determination for FY 2026-27

The Petitioner submits before the Hon'ble Commission to pass the impact of the Revenue Surplus accrued during the True-up for FY 2024-25 in the Tariff for FY 2026-27 along with applicable Carrying Cost in accordance with the Regulation 13 of the Tariff Regulations 2024. The relevant extracts of the said Regulation are reproduced below:

"13. True-Up and Annual Performance Review

The Commission shall True-Up expenses of the previous year either as part of the Tariff order or issue Order/s for True-Up of expenses preceding the Tariff order of ensuing year as:,"

.....

(f) Notwithstanding anything contained in regulation 4 of these Regulations, the Revenue gap/surplus arising out of Truing up shall be considered by the Commission

while determining the ARR of ensuing year(s). While approving adjustments towards revenue/expenses in future years, arising out of True up exercises, the Commission may allow the carrying costs as determined by the Commission of such expenses/revenues. However, the revised estimated gap/surplus as a result of APR may or may not be passed in the ARR of ensuing year."

The Petitioner therefore proposes Surplus adjustment pertaining to the True up of FY 2024-25 along with the applicable Carrying cost considering the prevailing Interest Rate. The working of the Surplus computation is illustrated in the table below:

Table 54 - True up Revenue Surplus including Carrying Cost
(in Rs. Crore)

S.No.	Particulars	BGCL claim
1	Surplus / (Gap) of the True-up of ARR for the FY 2024-25	46.10
2	Interest for FY 2024-25 @ 10.38% (half year)	2.39
3	Interest for FY 2025-26 @ 9.75%	4.49
4	Interest for FY 2026-27 @ 9.75% (half year)	2.25
5	Total Carrying Cost (2+3+4)	9.14
5	Total Surplus along with carrying cost to be considered for adjustment (1+5)	55.23

Accordingly, the Annual Transmission Charges claimed by the Petitioner for the period FY 2026-27 is shown in the table below:

(in Rs. Crore)

Table 55 - BGCL claim of Transmission Charges for the FY 2026-27

S.No.	Particulars	BGCL claim
1	Net Annual Revenue Requirement	510.31
2	Add: Total Surplus along with carrying cost to be considered for adjustment	(55.23)
3	Annual Transmission Charges (1+2)	455.07
4	Monthly Transmission Charges	37.92

The Petitioner respectfully submits before the Hon'ble Commission to approve Annual Transmission Charges amounting to Rs. 455.07 Crore and Monthly Transmission Charges amounting to Rs. 37.92 Crore for the FY 2026-27.

6 Compliance of Directives

The Hon'ble Commission vide Order dated 28.03.2025 had issued certain Directives to the Petitioner in respect of Operational and Financial performance. In the said regard, the Petitioner submits the compliance status of the said Directives as indicated in the table below:

Table 56 - BGCL submission to Directives

S.No.	Directive as per Order dated 28.03.2025	Petitioner's submission	Compliance status
1	<p>Details of Capitalization</p> <p>The Commission has directed BGCL to submit the scheme-wise details of actual capitalization showing the details of:</p> <ul style="list-style-type: none"> i. Actual cost incurred, actual date of start of work, actual COD and scheduled li. completion period iii. Detailed justification along-with supporting documents for change in cost with comparison to original project cost Rs. 1699.36 crore showing deviation amount attributable to each factor contributing into deviation i.e Government Taxes & duties, change in scope of work etc. iv. Calculation sheet of IDC from the date of infusion of 	<p>It is important to mention that the Hon'ble BEREC has modified its directive in the latest Tariff Order dated 28.03.2025. These directive were earlier issued by the Hon'ble Commission vide Order dated 28.01.2020 in Petition No. 25/2019. Subsequently these directive were modified in Case No. 29 of 2020, Order dated 12.03.2021, as reproduced below:</p> <p>"i. Final cost of project versus approved DPR cost versus awarded cost of project.</p> <p>ii. Break up of scheme wise actual BoQ quantity vs LoABOQ quantity (along with supporting</p>	Complied

S.No.	Directive as per Order dated 28.03.2025	Petitioner's submission	Compliance status
	<p>debt fund upto Scheduled Date / Actual Date of Commercial operation showing amount of loan & amount of capex actually attributed/allocated to each substations & transmission lines</p> <p>v. Details of IEDC from the zero date to Scheduled Date / Actual Date of completion.</p>	<p>reasons for change in quantity)</p> <p>iii. Breakup of scheme wise actual hard cost in consonance with audited values versus LOA hard cost</p> <p>iv. Calculation of interest from the planned date of infusion of debt fund up to planned date of commercial operation versus calculation of interest from the date of infusion of debt fund upto actual date of commercial operation.</p> <p>v. Detailed working of approved variation due to impact of entry tax, other taxes, foreign exchange rate variation and miscellaneous expenses in MoM of BoD versus these expenses as approved in DPR.</p> <p>vi. Reconciliation with audited value along with supporting documents, of the above mentioned expenses (as mentioned in point v above) separately for each item of deviation."</p>	

S.No.	Directive as per Order dated 28.03.2025	Petitioner's submission	Compliance status
		<p>The same directive, provided in Order dated 12.03.2021, continued to be reiterated by the Hon'ble Commission in all subsequent orders up to the last one.</p> <p>In the latest order, however, the Hon'ble Commission has revised its earlier directive issued in Order dated 12.03.2021 and have referred to the directive issued in 28.01.2020.</p> <p>BGCL has accordingly furnished its justification and supporting documents in line with the directive contained in Case No. 29 of 2020 - Order dated 12.03.2021. While the objective of both the earlier and revised directives remains the same – to undertake prudence check of the increased capital cost –</p>	

S.No.	Directive as per Order dated 28.03.2025	Petitioner's submission	Compliance status
		BGCL has complied based on the directions issued in the earlier case. BGCL further humbly undertakes to provide any additional information or clarification as may be required for the kind consideration and convenience of the Hon'ble Commission.	
2	Summary report BGCL is directed to submit summary report on scheme wise capital expenditure and capitalization based on actual physical progress on yearly basis.	BGCL respectfully submits that asset-wise details are already being provided to the Hon'ble Commission during the True-up process for the respective years, duly supported with relevant documentation and physical progress details.	Complied
3	Adherence to Bihar Electricity Regulatory Commission (Power Regulatory Accounting) Regulations, 2018 Commission directs the Petitioner to submit the Regulatory Accounts for FY	BGCL during the last tariff proceeding has already submitted the Regulatory Accounts for FY 2023-24 by way of additional submission. A copy of the said accounts is being reproduced	Complied

S.No.	Directive as per Order dated 28.03.2025	Petitioner's submission	Compliance status
	2023-24 in accordance with BERC (Power Regulatory Accounting) Regulations, 2018.	herewith as Annexure F	
4	Peak and Average Loading of Transmission Elements BGCL should submit month wise peak and average loading of its Transmission elements to the Commission on quarterly basis.	Peak and average loading month wise is enclosed as Annexure G.	Complied
5	Metering & Energy Audit The Commission direct the petitioner to furnish the information showing the element-wise energy input/received and energy outgo for FY 2024-25 and also to submit quarterly report for FY 2025-26.	Element-wise energy input/received and energy outgo has been attached as Annexure H.	Complied
6	Reporting of Capex and Capitalization claim The Commission has accorded its approval for the Capital Investment Plan for Phase IV (Part 1 of 2) and Phase IV (Part 2 of 2) through separate orders in Case No 20/2013 dated 4.01.2014 and Case No 05/2017, dated 28.07.2017	The petitioner respectfully submits that it shall adhere to the directives of the Hon'ble Commission and ensure that all future submissions of capex and capitalization claims are made in accordance with the works/schemes	Complied

S.No.	Directive as per Order dated 28.03.2025	Petitioner's submission	Compliance status
	<p>respectively. It has been noted by the Commission that scheme/ work wise capex and capitalization claim submitted by the petitioner is not in line with the approval accorded by the Commission. Henceforth, the petitioner is directed to submit the claim for capex and capitalization of works / schemes strictly as per the schemes/ works approved by the Commission under Phase IV (part 1 of 2) and Phase IV (part 2 of 2). Inter-changing the works from Part 2 to Part 1 and vis vis is not allowed.</p>	<p>approved under Phase IV (Part 1 of 2) and Phase IV (Part 2 of 2), without any interchanging of works between the two parts.</p>	

7 Prayers to the Hon'ble Commission

The Petitioner respectfully prays that the Hon'ble Commission may:

- a) Examine the proposal submitted by the Petitioner in the enclosed Petition for a favourable dispensation;
- b) Pass suitable orders with respect to the True Up of FY 2024-25, APR of FY 2025-26 and ARR for FY 2026-27 along with Annual Transmission Charges for the FY 2026-27 as submitted in this petition.
- c) Condone any inadvertent omissions, errors, short comings and permit BGCL to add/ change/ modify/ alter this filing and make further submissions as may be required at a future date; and
- d) Condone delay in filing of the Petition in regards to the filing due date prescribed in the Regulations; and
- e) Pass such Order as the Hon'ble Commission may deem fit and appropriate keeping in view the facts and circumstances of the case