

PI POWER INSIDER

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Armed with experience of supplying water in regions of Delhi, infrastructure development company, SPML Infra Ltd, has bagged the power distribution franchisee license for Bihar's Bhagalpur region. This is one of the first regions in Bihar that the state government has decided to hand over to private companies for a 15-year period. Bihar is plagued with high distribution losses due to poor conditions of transformers, huge pilferages, substantial billing and collection losses.

Losses are as high as 68%, meaning, that much of the power supplied does not yield any returns. "We have recently floated a special purpose vehicle – Bhagalpur Electricity Distribution Company Ltd that will undertake an investment of about Rs 50 crore in revamping the network, installing meters, improve billing and collection infrastructure, and set up an information technology platform," said SC Sethi, chairman SPML Engineering Ltd, the holding company of the group.

The Bihar government has asked the company to distribute power to Bhagalpur town and adjoining areas including Bhagalpur Urban which includes Tilkamanjhi, Mujahidpur, Nathnagar and two rural subdivisions Aliganj and Kahalgaon for 15 years after which the area goes back to the state.

"Our mandate is to provide power to all households in the region which includes 1.15 million population and 1.25 lakh households. We will be supplied power at a fixed cost and it will be on us to distribute the power in the region, raise bills and collect them," said Sethi.

The Bhagalpur area has a large silk cluster and bulk of the power supplied there is not billed because meters have not been installed. A large number of customers are not billed because meters are not installed. New connection, at present, is not easily available and consumers find it difficult to pay bills as bill collection centre do not operate smoothly. This leads to rampant hooking leading to substantial losses. "We have decided to appoint PricewaterhouseCoopers who will prepare a roadmap for improving supplies in the region and for setting up a call centre that will take care of customer issues," Sethi said.