

Jammu & Kashmir State Electricity Regulatory Commission



Order
on
Annual Revenue Requirement
and
Determination of Retail Tariffs
for
Financial Year 2011-12
for
Power Development Department, Govt. of J&K

Jammu & Kashmir State Electricity Regulatory Commission

Ambedkar (Panama) Chowk, Railway Road, Jammu-180006 (J&K)

Ph No's 0191-2470160, Tele-Fax: 2470163 EPBAX: 2470183

Website: <http://www.jkserc.nic.in> & Email ID: jkserc@gmail.com, jkserc@nic.in

THIS SPACE IS INTENTIONALLY LEFT BLANK

Before**Jammu & Kashmir State Electricity Regulatory Commission****Petition No: JKSERC/28 of 2011****In The Matter Of:**

In the matter of filing of Petition for approval of Annual Revenue Requirement (ARR) and Determination of Tariff for the FY 2011-12 of Jammu and Kashmir Power Development Department.

And**In The Matter Of:**

Jammu and Kashmir Power Development Department,
Srinagar/Jammu

ORDER

Order No.: JKSERC/22 of 2011;
(Passed on 4th October, 2011)

- 1.1 This Order relates to ARR and tariff petition filed by the Jammu & Kashmir Power Development Department (hereinafter referred to as JKPDD or the licensee or the utility) before the Jammu & Kashmir State Electricity Regulatory Commission (hereinafter referred to as J&KSERC or the Commission). The petition was filed as per the J&KSERC (Terms and conditions for Determination of Distribution Tariff) Regulations, 2005 and in accordance with J&K Electricity Act, 2010
- 1.2 In accordance with the applicable regulations i.e., the J&KSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2005 and the J&KSERC (Conduct of Business) Regulations, 2005, JKPDD was required to file its ARR & tariff petition for FY 2011-12 by 30th November, 2010.
- 1.3 The Commission vide letter no. JKSERC/PS/M-3/38/145 dated 19th October, 2010 reminded JKPDD that as per Regulation 47 of J&KSERC (Conduct of Business) Regulations, 2005, the ARR and tariff petition for FY 2011-12 was required to be filed by 30th November 2010 and JKPDD was instructed to file the petition with the Commission by the stipulated date. But even after lapse of three months from the above dated letter, JKPDD did not file the ARR and tariff petition. A meeting was, therefore, held on 7th January 2011 with the Commissioner/ Secretary, Power Development Department, where in it was decided by JKPDD that the ARR and tariff petition will be filed by 14th February 2011. The Commission vide letter no. JKSERC/M-3/PS/61 dated 21st January, 2011 instructed JKPDD to file the ARR and tariff petition latest by 14th February, 2011.
- 1.4 JKPDD filed the petition for approval of ARR and tariff for FY 2011-12 on 15th

February 2011 and requested the Commission to approve the ARR for FY 2011-12.

- 1.5 The Commission conducted an initial review of the ARR and tariff petition for FY 2011-12 and observed discrepancies and information gaps in the petition. The Commission directed JKPDD to submit further information and clarifications on the discrepancies and information gaps through its letter no. JKSERC/145/1503-10 dated 16th March 2011. The Commission called a meeting with JKPDD on 24th March 2011 to discuss the ARR and tariff petition filed and the deficiencies noted by the Commission and communicated vide letter no. JKSERC/145/1503-10 dated 16th March 2011.
- 1.6 During the meeting, JKPDD did not submit its reply to the Commission's deficiency note and points like no permission being sought from the Commission for delayed submission of ARR/ Tariff petition, substantial variation in the figures, especially in respect to consumers, connected load and energy sales, bifurcation of losses into transmission and distribution losses, steps taken for accounting and auditing of energy, power purchase cost, etc were discussed. Status report on the directives issued by the Commission in its past Tariff Orders related to submission of power purchase and procurement plan, demand side management plan, study of revenue cycle management, segregation of costs between transmission and distribution and maintenance of separate Fixed Assets Registers (FAR) for each function, etc was sought from JKPDD. There was no submission from JKPDD on any of the above directives by the Commission and a reply was asked from JKPDD vide letter no. JKSERC/PS/M-3/93 dated 28th March 2011 to be submitted by 5th April 2011 on these issues.
- 1.7 JKPDD vide letter dated 5th April 2011 submitted an application for condonation of delay in submission of ARR and tariff application for FY 2011-12 and requested permission to modify the current petition and file a revised petition which shall be complete in all respects and sought 30 days time for filing the same. The Commission accepted the application and granted JKPDD 30 days time to file a fresh petition.
- 1.8 JKPDD however, did not file the petition within the time granted. The Commission vide letter no. JKSERC/Secy/145 dated 6th May 2011 directed JKPDD to file the petition without any further delay.
- 1.9 JKPDD filed the revised ARR and tariff petition for FY 2011-12 on 10th June 2011. The Commission reviewed the revised petition filed and still noticed information gaps. Therefore, JKPDD was directed to submit further information/ clarifications on several issues detailed through its letter no. JKSERC/145/248-54 dated 23rd June 2011. The Commission held a meeting with JKPDD on 2nd July 2011 to discuss the revised petition filed and to take on record the additional submissions of JKPDD. JKPDD did not submit additional information sought by the Commission vide letter JKSERC/145/248-54 dated 23rd June 2011. While deciding to proceed with the tariff process and avoid further delay in admitting the ARR and tariff petition filed for FY 2011-12, the Commission granted some more time to JKPDD for submission of additional information which was essentially required for tariff setting. The Commission finally admitted the petition submitted by JKPDD for FY 2011-12 on 2nd July 2011.

- 1.10 The Commission directed JKPDD through its letter no. JKSERC/Secy/145/312 dated 2nd July 2011, to publish the gist of its petition and tariff proposal in eight leading English and local languages newspapers as per requirements of Regulation 48(2), Chapter 5 of the J&KSERC (Conduct of Business) Regulations, 2005 at the earliest but not later than 5th July 2011.
- 1.11 The approved gist of petition and tariff proposal was published by JKPDD in some widely read newspapers on 5th July 2011. The stakeholders were requested to submit their comments/ suggestions/ objections by 18th July 2011.

Gist of petition

- 1.12 The sales for FY 2011-12 have been projected at 4,304.58 MU and T&D losses are expected to be around 59.72%. The total input energy requirement for FY 2011-12 will be 10,687 MU. Energy balance for FY 2009-10, FY 2010-11 and FY 2011-12 has been summarized below

Table 1: Projected Energy Balance

Particulars	Units	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (P)
Sales	MU	3,833	4,041	4,305
Percentage of T&D Loss	%	62.06%	60.99%	59.72%
Total Energy Input Required	MU	10,102	10,359	10,687

- 1.13 The gross ARR for FY 2011-12 has been projected at Rs. 3,988.27 Cr. The non-tariff income has been projected at Rs. 3.41 Cr and the net ARR comes to Rs. 3,984.86 Cr. The following table gives the breakup of the ARR for FY 2009-10, FY 2010-11 and the proposed projections for FY 2011-12. The revenue projection for FY 2011-12 reflects a collection efficiency of 90%.

Table 2: Proposed Annual Revenue Requirement at Existing Tariffs (Rs Cr.)

Particular	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (P)
A. Revenue			
Rev. Demand (At existing tariff)	928.13	1,180.65	1,263.11
Collection Efficiency (%)	76%	67%	90%
Rev. Realized (A)	702.30	794.92	1,136.80
B. Expenditure			
Power Purchase Cost (including PGCIL charges)	2,560.95	2,767.04	2,944.84
O&M cost	40.85	48.72	55.36
Establishment Expenses (including Employee and A&G Expenses)	315.27	410.82	432.15
Depreciation	82.73	87.85	105.14
Interest & Finance Charges	14.97	11.20	12.99
Return on Equity	0.00	0.00	0.00
Past Arrears	238.57		

Particular	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (P)
Impact of Water Usage Charges			317.38
Supplementary bills raised by CPSUs in pursuance to CERC order for the period of 2004-05 to 2008-09.			120.42
Gross ARR	3,253.33	3,325.62	3,988.27
Less non-tariff income	1.34	3.10	3.41
Net ARR (B)	3,251.99	3,322.52	3,984.86
Unmet Revenue Gap (B-A)	2,549.69	2,527.60	2,848.06

1.14 JKPDD has proposed an overall average tariff hike of about 41% for reducing/partially bridging the existing revenue gap. JKPDD has calculated the average existing tariff at Rs. 2.93/ kWh and proposed an average tariff of Rs. 4.13/ kWh for FY 2011-12. The consumer category wise existing and proposed tariffs and revenues for FY 2011-12 as estimated by JKPDD are summarized below:

Table 3: Proposed Tariff and Revenues for FY 2011-12

Consumer Categories	Average CoS Rs/kWh (Actuals)	Existing Tariff			Proposed Tariff		
		Avg. Tariff (Rs./ U)	Tariff Gap (Rs./ U)	Revenues (Rs. Cr.)	Avg. Tariff (Rs./ U)	Tariff Gap (Rs./ U)	Revenues (Rs. Cr.)
Domestic	9.26	1.61	7.65	216.36	2.25	7.01	302.91
Non Domestic/ Commercial	9.26	2.69	6.57	96.58	4.28	4.98	153.56
Agriculture	9.26	1.42	7.84	28.97	1.85	7.41	37.66
State/Central Govt Deptt.	9.26	4.90	4.36	379.84	5.88	3.38	455.81
Public Street Lighting	9.26	4.05	5.21	12.96	5.27	3.99	16.85
LT Industrial Supply	9.26	2.46	6.80	61.23	4.30	4.96	107.14
HT Industrial Supply	9.26	2.91	6.35	138.52	4.80	4.46	228.56
HT-PIU Industrial Supply	9.26	3.30	5.96	41.68	6.37	2.89	80.44
LT Public Water Works	9.26	4.03	5.23	132.44	5.44	3.82	178.79
HT Public Water Works	9.26	3.76	5.50	114.30	5.08	4.18	154.30
General Purpose/Bulk Supply	9.26	3.78	5.48	40.24	5.67	3.59	60.36
Average	9.26	2.93	6.33		4.13	5.13	
Total				1,263.11			1,776.37

1.15 JKPDD has proposed hike in the applicable tariffs across all consumer categories with an assessed impact as provided in the average tariffs shown in the above table. JKPDD has proposed no changes in the tariff structure or the prescribed tariff categories.

1.16 The revenue demand at proposed tariff is estimated to be Rs. 1,776.37 Cr and revenue collection, assuming a collection efficiency of 90%, is expected to be Rs. 1,598.74 Cr, resulting in a revenue gap of Rs. 2,386.12 Cr. The ARR and revenue gap at proposed tariff as submitted by JKPDD is as follows:

Table 4: Annual Revenue Requirement at Proposed Tariffs (Rs Cr)

Particular	FY 2010-11 (RE)	FY 2011-12 (P)
Rev. Demand (At proposed tariff)	1,180.65	1,776.37
Collection Efficiency (%)	67%	90%
Rev. Realized (A)	794.92	1,598.74
B. Expenditure		
Power Purchase Cost (including PGCIL charges)	2,767.04	2,944.84
O&M cost	48.72	55.36
Establishment Expenses (including Employee and A&G Expenses)	410.82	432.15
Depreciation	87.85	105.14
Interest & Finance Charges	11.20	12.99
Return on Equity	0.00	0.00
Impact of Water Usage Charges		317.38
Supplementary bills raised by CPSUs in pursuance to CERC order for the period of 2004-05 to 2008-09.		120.42
Gross ARR	3,325.62	3,988.27
Less non-tariff income	3.10	3.41
Net ARR (B)	3,322.52	3,984.86
Unmet Revenue Gap (B-A)	2,527.60	2,386.13

1.17 JKPDD has also proposed a marginal hike in several items listed in the Schedule of Miscellaneous Charges for approval by the Commission in its ARR & tariff petition.

1.18 JKPDD has requested the Commission to make the proposed tariff applicable with effect from 1st April, 2011.

State Advisory Committee

1.19 The Commission convened a meeting with the Members of the State Advisory Committee (SAC) on 20th July, 2011 for the purpose of discussing the ARR and tariff filing. The members provided several valuable suggestions which have been considered by the Commission in this Order at appropriate places.

Public Hearing

1.20 Public hearings on the ARR & tariff petition filed by JKPDD were held at Jammu and Srinagar as per the details provided below:

Table 5: Details of Public Hearings

Place/ city	Date	Location
Jammu	July 21, 2011	PWD, Guest House, Gandhi Nagar
Srinagar	August 2, 2011	IMPA Auditorium

1.21 Public hearing in Srinagar was scheduled to be held on 23rd July, 2011 but that had to

be shifted due to strike called on that day, which resulted in fewer participation of people and it was rescheduled and held on 2nd August, 2011.

- 1.22 The Commission invited industrial organizations and consumer bodies to take part in the process of tariff determination and represent the interests of the consumers. The comments/ objections/ suggestions received during the hearings have duly been considered while finalizing this Order.

Availability of data and information contained in Petition

- 1.23 The Commission has received several objections stating that the extent and quality of information provided by JKPDD in its ARR and tariff petition is extremely poor and inadequate. The Objectors have pointed out that JKPDD has not supported the expenses claimed in the ARR with details and supporting documents.
- 1.24 Several Objectors submitted that JKPDD has deliberately concealed information wherever the same would have acted against its interest. The Objectors further stated that in the absence of requisite information and supporting documents for the same, the entire exercise of ARR and Tariff determination becomes a non-transparent process which JKPDD is undertaking with the sole objective of getting tariff hikes approved by the Commission.
- 1.25 The performance of JKPDD in terms of reduction of T&D loss levels has not shown much improvement. In the last Tariff Order, the Commission had specifically noted that the T&D losses in the State are among the highest in the country. The unacceptably very high level of T&D losses makes the State Power Sector inefficient, besides putting enormous strain on the State finances. For the economic development of the State and welfare of its citizens, it is crucial that concerted efforts are made to bring down T&D losses at least to the national level. The Commission is highly concerned to note that many feeders are consistently showing very high power losses, even after the matter has been brought to the notice of the Utility. The Commission had earlier suggested to the JKPDD to make all those who are responsible for high level of T&D losses, accountable and also to introduce an incentive and dis-incentive scheme to bring down T&D losses.
- 1.26 It has been observed that illegal connections and electricity pilferages are on the increase, and therefore, a drive is required to be initiated to check them, besides organizing awareness campaigns to educate the consumers that electricity theft is a crime punishable under law. Heavy theft prone areas need to be identified on consumption pattern of feeders and stringent measures taken to eliminate pilferages. The Utility will have to come down heavily on the consumers committing theft of electricity under the provisions of the J&K Electricity Act, 2010, in order to protect the interests of honest consumers, improve the revenue and quality of power supply.
- 1.27 Since a large number of meter-readers/inspectors and linemen remain posted at their places of posting for long periods, they are likely to develop vested interests and may even collude in power thefts. Therefore, it is imperative and the Commission reiterates its earlier recommendation that the tenure of meter-readers/inspectors and linemen may be restricted to a maximum period of one year at a place. Even within the sub-division/division, the meter reader should be assigned a new area after every

two billing cycles. The meter reading of high value consumers should be taken by senior officers of the Utility, depending on the value/load. The Utility is directed to complete the consumer indexing on priority, for identification of the consumers and proper maintenance of their records.

- 1.28 As per 2001 Census Report relating to the state of Jammu and Kashmir, there were 15,51,768 number of households in the state which may have gone up substantially by FY 2010-11. However, it has been observed that in the Tariff petition for FY 2011-12, JKPDD has proposed only 11,28,105 number of domestic consumers, which leads to a conclusion that, even by giving allowance for un-electrified households, there are still a large number of un-authorized/un-registered households who are using electricity but not paying for it. This may possibly be one of the important reasons for the high power losses in the state. Though the Commission had brought this fact to the Utility's notice on many occasions, no sincere efforts appear to have been made by the Utility to register the un-registered/un-authorized consumers.
- 1.29 JKPDD is directed to reduce the loss levels by 5% during FY 2011-12, from the T&D loss levels of 60.99% submitted by the JKPDD for FY 2010-11 by adopting various measures such as metering of all consumers, as well as metering of all distribution transformers, undertaking revision of agreements of all categories of consumers so as to arrive at realistic connected loads, reactivating supervision to check the menace of bypassing and tampering of meters, computerized billing of all consumers, reduction in human interface, application of IT and replacement of bare conductors with insulated wires and deploying High Voltage Distribution system (HVDS) in theft prone areas. Though JKPDD did put in some efforts but still they fall short of the set targets. Therefore, sincere and concerted efforts are required to be taken on war-footing to achieve the T&D loss reduction target set by the Commission.

Energy accounting and consumer metering

- 1.30 Energy accounting provides reliable and actionable data on the actual level of distribution losses comprising of technical losses, theft and other commercial losses. This information is essential for preparation of appropriate loss reduction strategies and schemes.
- 1.31 Correct energy accounting is possible only if energy meters are installed. Therefore, installation of appropriate energy meters at all levels in the T&D network is essential to undertake such energy audit initiatives. The Commission in its first Tariff Order for the FY 2007-08, and subsequent Tariff Orders for FY 2008-09, FY 2009-10 and FY 2010-11, had directed JKPDD to complete 100 percent consumer metering as a step towards energy accounting and reduction of power losses. Section 49 of the J&K Electricity Act, 2010 mandates that no licensee shall supply electricity after 28th April 2012 except through installation of a correct meter. Therefore, it is obligatory under law to achieve 100% consumer metering by 28th April, 2012. However, the extent of consumer metering even now continues to be at unacceptable levels. JKPDD will have to expedite its metering process to comply with the provisions of the Electricity Act, 2010. To achieve the same, the Commission has already issued metering regulations which form a part of J&K Electricity Supply Code, 2011. Unmetered supply leads to a lot of wasteful consumption of energy and loss of revenue, as there is no check or fear of penalty for over-use of energy. Moreover, the Utility has failed

- to provide data/information regarding peak hour demand in the state and disclose facts and figures about scheduled power curtailment plans as well as details of unscheduled power cuts. The Utility frequently resorts to load shedding, thereby hurting the interest of metered consumers. The consumers in general are extremely dissatisfied with the services of the Utility.
- 1.32 The Commission in its Tariff Order for FY 2010-11 had directed the JKPDD to achieve 100 percent metering by 31st December 2011 and in order to ensure consumer co-operation for the same, the Commission had approved higher tariff increases in the unmetered tariffs in comparison to the metered tariffs in each category till such time 100 percent metering is achieved in the State. The Commission has followed with the same approach in this instant Tariff Order (FY 2011-12) and has approved higher tariff increases in the unmetered tariff in comparison to the metered tariffs in each category.
- 1.33 JKPDD has reported that the above concerns of the Commission are being addressed with the implementation of R-APDRP scheme. It has been informed that 30 towns, each with a population of 10,000 and above, are being covered under the R-APDRP and that it is proposed to ring-fence these towns for the purposes of undertaking energy accounting for establishment of baseline data under Part-I of the scheme. JKPDD has further reported that metering of all 11 kV feeders to check energy throughput within 30 project areas, and metering of all distribution transformers employing Wireless Metering Technology to pinpoint power loss and to make field staff accountable, would be undertaken under the Scheme.
- 1.34 The Commission was further informed that under R-APDRP scheme, a state-of-the-art Data Centre at PDD Complex, Bemina and Disaster Recovery Centre at Gladini, Jammu are also proposed to be established, besides undertaking up-gradation of 128 Territorial and Controlling Offices of M&RE Wings to meet IT integration requirements and DGPS Survey, customer indexing of 4.5 lakh connections and asset mapping with GPS Coordinates and satellite imagery. Replacement of bare conductor with Aerial Bunched Cables to prevent theft, the deployment of High Voltage Distribution System, replacement of high capacity distribution transformers with smaller transformers to enhance reliability and reduce major outages, augmentation of 33/ 11 kV receiving stations to prevent distress load shedding due to overloading, replacement of old and outdated switchgear in 33/ 11 kV receiving stations to increase reliability of power supply, revamping of HT/ LT lines and installation of capacitors to reduce reactive power flow are some of the other works proposed to be undertaken under the Scheme.
- 1.35 Once the scheme is implemented in right earnest, it is expected that the T&D losses will come down substantially and the operational efficiency of the utility would improve leading to an overall improvement in the power supply of the state. The Utility should then aim at reducing the losses at 10% every year. For this reason, the Commission has also directed the JKPDD to develop a plan for undertaking similar activities in areas which are not proposed to be covered under the R-APDRP Scheme. Since the R-APDRP scheme covers 60% of the supply and 40% of the consumers in the State, and the scheme includes activities such as IT application in meter reading, billing and collection, energy accounting and auditing, the Commission is closely monitoring the progress on the implementation of the R-APDRP programmes on a

quarterly basis.

- 1.36 The Commission was assured that 100 percent metering in the R-APDRP areas will be completed by June 2011, but on review, it has been noticed that the implementation of R-APDRP Scheme is progressing at a very low pace. If the implementation of the scheme is not put on a fast-track with the intervention of the Government, it is feared that conversion of loan into grant as envisaged under the programme may be difficult and the desired objectives under the scheme will not be achieved within the stipulated time-frame.

T&D network and transformer failure

- 1.37 The T&D network in the State is inadequate to meet the requirement of the consumers, as it is not being maintained properly by the JKPDD. The transformer failure rate is very high, among the highest in the country. The Utility says that the actual load being used by the consumers is on the higher side in comparison to the sanctioned/contracted load of the consumers. For this reason, it is not able to assess the real load connected to the distribution transformers which are getting overloaded due to over-drawal of power. Over-drawal of power affects the quality of power and also leads to large scale transformer failure and under-recovery of revenue. In this context, the Commission had suggested revision of agreement of all categories of consumers to assess the realistic connected load and maximum demand, which has not so far been done by the Utility.
- 1.38 Since the inadequate T&D network leads to frequent outages, there is an urgent need to carry out system studies to understand the current and anticipated demand and plan its augmentation and operations accordingly.

Corporatization of JKPDD

- 1.39 The Objectors have pointed out that JKPDD, which is functioning as a department of the Government of Jammu & Kashmir, has miserably failed to meet its duties as a licensee for transmission and distribution of electricity in the State.
- 1.40 JKPDD continues to function at the existing tariff levels despite huge level of losses by virtue of its being a Government Department and is not dependent on the Commission since all expenses are not being met by a transparent ARR & Tariff determination procedure introduced in the regulatory regime but through State Government's budgetary provisions. The Objectors have, therefore, prayed that JKPDD needs to be corporatized with immediate effect for the overall improvement in the power sector in the state. The Objectors also demanded that franchisees should be introduced in select areas for bringing in private sector efficiencies in the power distribution business, which has already been demonstrated successfully in several states in the country.
- 1.41 JKPDD is yet to demonstrate its resolve and commitment to reform the power sector in the state. As a government department with an assured budgetary support from the Government, it has not been able to improve its operational efficiencies in the absence of a compulsion to generate additional revenue for its financial health and survival.

JKPDD has also failed in redressing consumer grievances resulting in consumer dissatisfaction all around, which is aggravated by poor quality of power supply. Therefore, the Commission is of the opinion that to improve the efficiency in distribution and supply of power in the state, the State Government may corporatize JKPDD under two separate entities for undertaking transmission and distribution activities in the State as separate financial and legal entities, as already done for the JKSPDC. Only when the utilities depend on the ARR & Tariff approvals from the Commission for meeting its financial obligations, will it become critical for it to improve its efficiency levels.

- 1.42 The Commission understands that a decision has already been taken by the Government to unbundle JKPDD on the functional lines of transmission and distribution and that the tender award process on appointment of consultants for the same is underway, which has been appreciated by the Commission as an important step towards strengthening the power sector in the state. Since the whole process of unbundling/restructuring of JKPDD is likely to take quite some time to implement completely, in the meantime, JKPDD may explore the options of introducing franchisees in the cities of Srinagar and Jammu and in the heavy theft prone areas. Various types of franchisees can be considered, starting from revenue based franchisee responsible for billing, collection and minor maintenance, to input based franchisee, that are required to pay electricity charges to the Utility at bulk supply tariff after allowing reasonable T&D losses in the network. The Utility may evaluate the feasibility of awarding the urban areas, including the cities of Srinagar and Jammu under input based franchisee model. Small revenue based franchisee may be ideally suited for rural areas and therefore, revenue based franchisee model involving the participation of Village Panchayats, NGOs and consumer associations including Women Co-operative societies may be considered for rural areas.

Approach to cost coverage

- 1.43 The Commission had adopted the following strategy for attaining the financial viability of the power distribution business in the State in last year's tariff order:
- (a) In view of the serious anomalies identified in the data and information being submitted by JKPDD and in the interest of establishment of regulatory discipline, the Commission will conduct a prudence check of all the information being submitted in the annual ARR & Tariff petitions. The approved value against each item will be allowed while determining the ARR.
 - (b) **Phase 1:** Commission will approve a minimum average tariff at the Average Cost of Supply at Zero Losses (ACOS_{ZL}). Any increase in the ACOS_{ZL} on a year-on-year basis shall be passed on in the retail tariffs by the Commission.
 - (c) **Phase 2:** The Commission will gradually allow increase in average tariff over and above the ACOS_{ZL} levels to reach the Average Cost of Supply at Prudent Losses (ACOS_{PL}) level. The Commission may link such allowance of losses in the retail tariff to the actual reduction in T&D/ AT&C losses achieved by JKPDD.
 - (d) Commission will not allow true-ups between approved and actual cost and

revenue to be reflected in the consumer tariffs till the average tariffs reflect $ACOS_{PL}$. Any benefits arising from the true ups will be adjusted in revising the tariff rates from $ACOS_{ZL}$ to $ACOS_{PL}$.

- 1.44 Commission shall continue with the same strategy for this Tariff Order also and shall closely monitor the financial performance of JKPDD.

Approved ARR & Revenue Gap

- 1.45 The Commission has analyzed the projected costs for each of the items in the ARR in detail in this Order. However, the Commission's analysis is limited by the extent of data available for some of the items. The revenue gap on the approved values of gross ARR and revenues from sale of power at approved tariff and collection efficiency and non-tariff income are shown in the table provided below:

Table 6: Approved ARR & Revenue Gap (Rs Cr)

Item	FY 2011-12	
	Proposed	Approved
Power Purchase Costs	2,944.84	2,646.28
Establishment Expenses	432.15	322.83
Operations and Maintenance Expenses	55.36	50.12
Depreciation	105.14	108.74
Interest and Finance Costs	12.99	12.99
Return on Equity	0.00	0.00
Gross ARR	3,550.47	3,140.96
Non-Tariff Income	3.41	3.41
Net ARR	3,547.06	3,137.55
Additional Expenses		
Impact of water usage charges	317.38	317.38
Supplementary bills raised by CPSU's	120.42	120.42
Revenue from Sale of Power	1,598.73	1,457.01
Revenue Gap	(2,386.13)	(2,118.34)

Approved retail tariffs

- 1.46 As per the Commissions approach for fixation of tariffs and allowance of losses in the same, the Commission has approved the average tariffs across various consumer categories. JKPDD had proposed an average tariff of Rs. 4.13/ kWh for FY 2011-12 which is an increase of about 41% of the average existing tariff of Rs. 2.91/ kWh worked out by the JKPDD for FY 2010-11. The Commission has approved the sales for FY 2011-12 by considering the average tariff for un-metered consumers same as the average tariff arrived at for the metered consumers within each consumer category and by considering increased sales by virtue of 5% T&D loss reduction target set for JKPDD from the T&D loss levels of 60.99% in FY 2010-11, as submitted by JKPDD in the tariff petition for FY 2011-12. The average tariff at existing rates for FY 2011-12 as determined by Commission is Rs 2.85/ kWh. The Commission has allowed an average tariff of Rs. 3.35/ kWh for FY 2011-12 which is an increase of around 17% in comparison to the average existing tariff.

Table 7: Approved Retail Tariff (Rs/ kWh) for FY 2011-12

Consumer Categories	Existing Average Tariff	Proposed Average Tariff	Approved Average Tariff
Domestic	1.58	2.25	1.76
Non-Domestic/ Commercial	2.61	4.28	3.15
State/Central Govt. Dept.	4.92	5.88	5.80
Agriculture	1.45	1.85	1.60
Public Street Lighting	3.93	5.27	4.64
LT Public Water Works	3.68	5.44	4.60
HT Public Water Works	3.51	5.08	4.39
LT Industrial Supply	2.50	4.30	2.88
HT Industrial Supply	2.97	4.80	3.42
HT-PIU Industrial Supply	2.97	6.37	3.42
General Purpose/ Bulk Supply	4.01	5.67	4.82
Average	2.85	4.13	3.35

- 1.47 The Commission has calculated the average tariff at existing rates by considering the energy sales figure approved for FY 2011-12, which has been arrived at after re-calculating the quantum of energy sales to the unmetered consumers of each category, as submitted by JKPDD, and then reworking the quantum of energy sales for all categories at the approved level of T&D loss (as detailed in Chapter 5 of this order).
- 1.48 Against the proposed total revenue demand projected at Rs. 1,739.65 Cr by JKPDD, the Commission has approved total revenue demand at Rs. 1,457.01 Cr at the approved tariffs (effective from 1st October, 2011).
- 1.49 The Commission has approved a higher tariff hike for the un-metered consumers within the domestic, non-domestic and agriculture consumer categories in comparison to the metered consumers in the same categories. In order to promote metering in the State, the Commission shall continue to allow steeper increase in tariffs for un-metered electricity consumers.

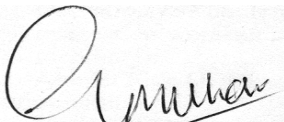
Implementation of the Order

- 1.50 JKPDD must take immediate steps for implementation of this Order and publication of the order (covering general description of the tariff amendment and its effects) as per Clause 51, Chapter – V of the J&KSERC (Conduct of Business) Regulations, 2005. The publication in news papers shall include a general description of the tariff changes and its effect on the various classes of consumers.
- 1.51 This Tariff Order shall remain valid from 1st October, 2011 to 31st March, 2012, unless amended or modified by an order of this Commission. The previous Tariff Order dated 29th April 2010 shall remain valid till the commencement of validity of this Order.
- 1.52 The Commission has thus accepted the petition of JKPDD with modifications and conditions, and has determined the retail tariffs and charges recoverable by JKPDD from the retail consumers during the FY 2011-12. The Commission directs that this Order be implemented along with directions given and conditions mentioned in the

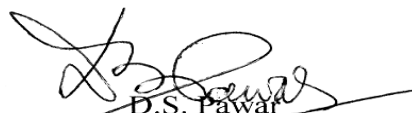
detailed Order and schedules attached. It is further ordered that JKPDD is permitted to issue bills to consumers only in accordance with the provisions of this Tariff Order and Jammu and Kashmir State Electricity Supply Code, 2011.

- 1.53 JKPDD is directed to make available the copies of the Tariff Order to all officers concerned up to sub-divisions within two weeks of issue of this Order. JKPDD may file explanatory petition in case of any doubt in the provisions of the Tariff Order, within 30 days of issue of the Tariff Order.
- 1.54 In exercise of powers vested under the Jammu & Kashmir Electricity Act, 2010 (Act XIII of 2010), the Commission hereby passes this Order today, the 4th of October, 2011.

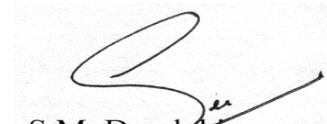
Ordered as above, read with attached detailed reasons, grounds and conditions



G.M. Khan
(Member - Finance)



D.S. Pawar
(Member – Technical)



S.M. Desalphine
(Chairman)

THIS SPACE IS INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

A1: INTRODUCTION	1
ARR and Tariff Filing	1
State Advisory Committee	3
Inviting Public Comments.....	3
A2: SUMMARY OF ARR & TARIFF PETITION.....	5
Sales Projections	5
Transmission & Distribution Losses and Energy Balance.....	6
Annual Revenue Requirement (at existing tariff).....	6
Proposed tariff	7
Annual Revenue Requirement at Proposed Tariff.....	10
A3: OBJECTIONS AND ISSUES RAISED DURING PUBLIC CONSULTATION PROCESS 11	
T&D loss reduction.....	11
Power Purchase Cost.....	14
Steep tariff hike proposed.....	16
Rationalization of tariff structure.....	18
Poor progress on consumer metering.....	20
Corporatization of JKPDD	21
Compliance to directives issued by the Commission.....	25
High level of electricity duty	25
TOD (Time of Day) Tariff	26
A4: APPROACH TO COST COVERAGE.....	28
Revenue deficit	28
Losses & data related issues	29
Performance measures introduced	30
Financial viability in FY 2011-12.....	31
A5: REVIEW OF SALES PROJECTIONS & T&D LOSSES.....	34
Sales projections	34
T&D losses and Energy Balance	37
A6: REVIEW OF POWER PURCHASE.....	40
Sources of Power	40
Power Purchase Quantum	40
Own Generation of JKPDD.....	40
Generation from JKSPDC Stations.....	41
Energy Availability from the Central Sector Generating Stations (CSGS)	43

Power Purchase Cost.....	49
Power Purchase from JKSPDC	50
Transmission Charges and Miscellaneous Charges.....	56
Power Purchase Cost from all sources	57
Renewable Energy Procurement.....	57
A7: REVIEW OF COSTS.....	59
Establishment Expenses	59
Operation & Maintenance (O&M) Cost.....	61
Depreciation.....	62
Interest and Finance Charges.....	63
Return on Equity	64
Annual Revenue Requirement (ARR)	64
Additional Payables	64
A8: REVIEW OF REVENUE PROJECTIONS	66
Revenues from Sale of Power.....	66
Non-tariff Income	71
Revenue Gap.....	71
A9: TARIFF PHILOSOPHY	73
Cost to Serve.....	73
Rate of return vs. Performance based regulation.....	73
Time-of-Day Tariff	74
Single Part v/s Two Part Tariff.....	75
kVAh Tariff	76
A10: TARIFF DESIGN.....	77
A11: TERMS AND CONDITIONS OF TARIFF/ DEFINITIONS	93
A12: DIRECTIVES.....	100
A13: SCHEDULE OF MISCELLANEOUS CHARGES.....	109
A14: TARIFF SCHEDULE FOR FY 2011-12.....	112
A15: ANNEXURE	129

THIS SPACE IS INTENTIONALLY LEFT BLANK

A1: INTRODUCTION

- 1.1 The Power Development Department, Government of Jammu & Kashmir (hereinafter referred to as JKPDD) has filed its Annual Revenue Requirement (ARR) and tariff petition before the Jammu & Kashmir State Electricity Regulatory Commission (the Commission) for approval of its ARR and determination of tariffs for FY 2011-12 under the J&K State Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2005 [now replaced by J&K State Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2011] and J&K State Electricity Regulatory Commission (Conduct of Business) Regulations, 2005 framed by the Commission.
- 1.2 The Jammu & Kashmir State Electricity Regulatory Commission has been empowered to determine the electricity tariffs under Section 71 of Jammu and Kashmir Electricity Act 2010. The Commission is guided by the Jammu & Kashmir Electricity Act, 2010 (Act XIII of 2010) (hereinafter referred to as the Act) and other legislations in its approach to regulation of the electricity sector. The J&K Electricity Act mandates the Commission to take measures conducive to the development and management of electricity industry in the State in an efficient, economic and competitive manner.
- 1.3 JKPDD, viz. Power Development Department (PDD), Government of Jammu & Kashmir is the sole transmission and distribution utility in the State, and is a deemed licensee under Section 14 of the Jammu and Kashmir Electricity Act, 2010 for supplying electrical energy in the State of Jammu and Kashmir.

ARR and Tariff Filing

Procedural History

- 1.4 In accordance with the applicable regulations i.e, the J&KSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2005 [now replaced by J&K State Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2010] and the J&KSERC (Conduct of Business) Regulations, 2005, JKPDD was required to file its ARR & tariff petition for FY 2011-12 by 30th November, 2010.
- 1.5 The Commission vide letter no. JKSERC/PS/M-3/38/145 dated 19th October, 2010 reminded JKPDD that as per Regulation 47 of J&KSERC (Conduct of Business) Regulations, 2005, the ARR and tariff petition for FY 2011-12 needs to be filed by 30th November 2010 and JKPDD was instructed to file the petition with the Commission by the stipulated date. But even after the lapse of three months from the above dated letter, JKPDD did not file the ARR and tariff petition. A meeting was held on 7th January 2011 with Commissioner/ Secretary, Power Development Department, where in it was decided by JKPDD that the ARR and tariff petition will be filed by 14th February 2011. The Commission vide letter no. JKSERC/M-3/PS/61 dated 21st January, 2011 instructed JKPDD to file the ARR and tariff petition latest by 14th February, 2011.

- 1.6 JKPDD filed the petition for approval of ARR and tariff for FY 2011-12 on 15th February 2011 and requested the Commission to approve the ARR for FY 2011-12.
- 1.7 The Commission conducted an initial review of the ARR and tariff petition for FY 2011-12 and observed discrepancies and information gaps in the petition. The Commission directed JKPDD to submit further information and clarifications on the discrepancies and information gaps through its letter no. JKSERC/145/1503-10 dated 16th March 2011. The Commission called a meeting with JKPDD on 24th March 2011 to discuss the ARR and tariff petition filed and the deficiencies noted by the Commission and communicated vide letter no. JKSERC/145/1503-10 dated 16th March 2011.
- 1.8 During the meeting, JKPDD did not submit its reply to the Commission's deficiency note. Further, the Commission made various observations such as no permission was sought from the Commission, on record, for the delayed submission of ARR/ Tariff petition, inconsistency in data submitted by JKPDD especially in respect to number of consumers, connected load and energy sales. Also, JKPDD could not submit any information on the process followed to bifurcate into technical and distribution losses and steps taken for accounting and auditing of energy, power purchase cost, etc. The status report on the directives issued by the Commission in its past Tariff Orders related to submission of power purchase and procurement plan (as per Regulations), demand side management plan, study of revenue cycle management, segregation of costs between transmission and distribution and maintenance of separate Fixed Assets Registers (FAR) for each function, etc were also sought from JKPDD. However, there was no response from JKPDD on any of the above directives by the Commission and hence, a reply was asked from JKPDD (vide letter no. JKSERC/PS/M-3/93 dated 28th March 2011) to be submitted by 5th April 2011 on these issues.
- 1.9 JKPDD vide letter dated 5th April 2011 submitted an application for condonation of delay in submission of ARR and tariff application for FY 2011-12 and had requested permission to be allowed to modify the current petition and file a revised petition which shall be complete in all respect and sought 30 days time for filing the same. The Commission accepted the application and granted JKPDD 30 days time to file a fresh petition.
- 1.10 JKPDD however, did not file the petition within the time granted. The Commission vide letter no. JKSERC/Secy/145 dated 6th May 2011 directed JKPDD to file the petition without any further delay.
- 1.11 JKPDD filed the revised ARR and tariff petition for FY 2011-12 on 10th June 2011. The Commission reviewed the revised petition filed and directed JKPDD to submit further information/ clarifications on several issues detailed through its letter no. JKSERC/145/248-54 dated 23rd June 2011. The Commission held a meeting with JKPDD on 2nd July 2011 to discuss the revised petition filed and to accept, on record, the additional submissions of JKPDD. JKPDD, however, did not submit additional information sought by the Commission vide letter JKSERC/145/248-54 dated 23rd June 2011. The Commission, further, granted additional time to JKPDD for submission of additional information but decided to proceed with the tariff process by admitting the ARR and tariff petition filed for FY 2011-12, in order to avoid any

further delay. The Commission admitted the petition submitted by JKPDD for FY 2011-12 on 2nd July 2011.

State Advisory Committee

- 1.12 The Commission convened a meeting of the State Advisory Committee (SAC) on 20th July 2011 in Jammu to discuss the ARR and Tariff petition submitted by JKPDD.
- 1.13 In addition to providing valuable suggestions on the tariff proposal, the SAC members raised and discussed the general condition of power supply in the state and the dismal performance of JKPDD in respect of arresting the T&D losses, improving metering, billing and collection efficiencies, reducing theft, improving and strengthening the distribution network.
- 1.14 The issues and concerns raised and the suggestions and recommendations offered by the SAC members have been considered by the Commission while preparing this order. The participants in the SAC meeting are listed in Annexure 1.

Inviting Public Comments

- 1.15 JKPDD published a public notice indicating the salient features of its petition and inviting objections and suggestions from the consumers and other stakeholders. The public notice appeared in the following newspapers.

Table 8: List of Newspapers

Sl	Newspaper	Place of Publication	Date of Publication
1	Daily Excelsior	Jammu	05-07-2011
2	State Times	Jammu	05-07-2011
3	Amar Ujala	Jammu	05-07-2011
4	Himalyan Mail	Jammu	05-07-2011
5	Daily Aftaf	Kashmir	09-07-2011
6	Greater Kashmir	Kashmir	05-07-2011

- 1.16 Copies of the petitions were made available for purchase on any working day by the consumers from the utility's offices in Jammu, Srinagar and Leh. The last date for submitting the comments/ objections on ARR and tariff petition was 18th July 2011.
- 1.17 The public notice advised respondents to submit (in person or by post or by fax) all copies of their objections written either in English, Hindi or Urdu to the Commission with a copy to JKPDD. Respondents were also given the option to be heard in person during the public hearings conducted by the Commission.
- 1.18 The Commission and Petitioner received objections/ comments from 45 respondents, few of them on the day of the hearing. The list of stakeholders who responded to the public notice on ARR and tariff petition and those who attended the public hearing is provided in Annexure 2 and Annexure 3 respectively.

- 1.19 The Commission held public hearings in Jammu on 21st July, 2011 and in Srinagar on 2nd August, 2011, to discuss the issues related to the petition filed by JKPDD for approval of ARR and determination of tariff. Public hearing in Srinagar was to be held on 23rd July, 2011 but that had to be shifted due to a strike called on that day, which resulted in lesser participation of people. So it was rescheduled on 2nd August, 2011.
- 1.20 The public hearings enabled the utility to present its case for the ARR and tariff petition and to respond to the objections raised by various respondents.
- 1.21 The issues and concerns voiced by various stakeholders have been carefully examined by the Commission. The major issues discussed during the public hearing, through the objections raised by the respondents and the observations made by the Commission, have been summarized in chapter on Objections and issues raised during public consultation process.

A2: SUMMARY OF ARR & TARIFF PETITION

2.1 This section contains a summary of the ARR & Tariff Petition submitted by the J&K Power Development Department (JKPDD) for FY 2011-12 to the J&K State Electricity Regulatory Commission (JKSERC).

Sales Projections

2.2 JKPDD has submitted that the total number of consumers in JKPDD system was 12,39,180 and the total connected load was 1,446.75MW in FY 2009-10. In FY 2010-11 the number of consumers and connected load are estimated to be 12,88,158 and 1,591.50 MW, respectively. In FY 2011-12, the total number of consumers and connected load (on an average) are projected to increase by respectively 3% and 7% over the figures for FY 2010-11.

Table 9: Number of Consumers and Connected Load (MW)

Consumer Categories	No. of Consumers			Connected Load (MW)		
	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (Proj)	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (Proj)
Domestic	1051760	1096056	1128105	524.17	600.38	651.9
Non-Domestic/ Commercial	142912	145991	147451	138.78	169.07	181.11
Agriculture	14107	15007	15911	108.43	110.69	112.93
State/ Central Govt. Dept.	9016	9230	9384	132.47	146.9	164.46
Public Street Lighting	311	377	411	4.85	5.61	6.02
LT Industrial	18700	18631	18760	209.98	214.33	224.89
HT Industrial	754	926	935	200.91	207.48	213.71
HT-PIU Industrial	15	13	13	32.72	25.02	26.27
LT Public Water Works	1329	1558	1696	48.46	56.98	58.55
HT Public Water Works	183	226	240	14.04	14.11	14.4
General Purpose/ Bulk Supply	93	143	147	31.94	40.92	45.12
Total	12,39,180	12,88,158	13,23,053	1,446.75	1,591.50	1,699.36

2.3 JKPDD has submitted the actual energy sales for FY 2009-10 & FY 2010-11. The energy sales for FY 2011-12 have been determined based on CAGR for past 3 years actual energy sales in various consumer categories as well as the growth in the energy sales witnessed during FY 2008-09, FY 2009-10 and FY 2010-11.

2.4 Keeping in view the prospect of a reasonable growth in all sectors of the economy in the state, total sales for FY 2011-12, as submitted by JKPDD, have been projected to increase by 6.52% over the total sales for FY 2010-11. The total sales for FY 2011-12

are projected to be 4,304.58 MU. The sales for FY 2009-10, FY 2010-11 and FY 2011-12 have been summarized below.

Table 10: Category-wise Sales (MU)

Consumer Category	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (Proj)	% increase
Domestic	1380.00	1255.93	1343.84	7.00%
Non-Domestic/Commercial	295.00	349.1	359.07	2.86%
Agriculture	295.00	198.1	204.04	3.00%
State/Central Government Department	532.00	711.2	775.21	9.00%
Public Street Lighting	14.00	29.07	31.97	9.98%
LT Industrial Supply	273.46	239.34	248.91	4.00%
HT Industrial Supply	434.04	454.57	476.07	4.73%
HT-PIU Industrial Supply	148.50	122.63	126.3	2.99%
LT Public Water Works	227.43	307.14	328.65	7.00%
HT Public Water Works	155.57	278.9	304	9.00%
General Purpose/Bulk Supply	78.00	95.1	106.51	12.00%
Grand Total	3,833.00	4,041.07	4,304.58	6.52%

Transmission & Distribution Losses and Energy Balance

2.5 Based on the data submitted by JKPDD during the several interactions and submissions made to the Commission, the actual T&D losses for FY 2009-10 and FY 2010-11 were 62.06% and 60.99% respectively. In FY 2011-12, T&D losses are projected to decline approximately by 1.27% and come down to 59.72%.

Table 11: Proposed Energy Balance

Particulars	Units	FY 2009-10 (A)	FY 2010-11(RE)	FY 2011-12 (P)
Sales	MU	3,833.00	4,041.07	4,304.58
Percentage of T&D Loss	%	62.06%	60.99%	59.72%
T&D Loss	MU	6,269.794	6,317.992	6,382.063
Total Energy Input Required	MU	10,102.79	10,359.06	10,686.64

Annual Revenue Requirement (at existing tariff)

2.6 The gross ARR for FY 2011-12 has been projected at Rs. 3550.47 Cr. The non-tariff income has been projected at Rs. 3.41 Cr and the Net ARR comes to Rs. 3547.06 Cr. JKPDD has submitted additional payables of Rs 437.80 Cr for FY 2011-12. Hence, the total ARR submitted for FY 2011-12 is Rs 3984.86 Cr. The following table gives the break-up of ARR for FY 2009-10, FY 2010-11 and the proposed projections for FY 2011-12.

Table 12: Proposed Annual Revenue Requirement (ARR) in Rs. Cr

Particular	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (Proj)
B. Expenditure			
Power Purchase Cost (including PGCIL charges)	2,560.95	2,767.04	2,944.84
O&M cost	40.85	48.72	55.36
Establishment Expenses (including Employee and A&G Expenses)	315.27	410.82	432.15
Depreciation	82.73	87.85	105.14
Interest & Finance Charges	14.97	11.20	12.99
ROR	0.00	0.00	0.00
Gross ARR	3,014.57	3325.62	3550.47
Less non-tariff income	1.34	3.10	3.41
Net ARR without additional payables	3013.42	3322.52	3547.06
Add: Past arrears (pertaining to FY 2009-10)	238.57		
Add: impact of Water Usage Charges			317.38
Add: supplementary bills raised by CPSUs in pursuance of CERC order for the period of 2004-05 and 2008-09			120.42
Total Additional Payables in FY 2011-12			437.8
Annual Revenue Requirement with Additional Payables			3984.86

2.7 The present position of average cost of supply (ratio of total expenditure to total energy sale) and overall average realisation at existing tariff rates (ratio of total revenue realised to total energy sale) is given in the following table:

Table 13: Proposed Average Cost of Supply and Average Overall Tariff (in Rs/kWh)

Particulars	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (Proj)
Average Cost of Supply	8.48	8.22	9.26
Average Realisation rate	2.42	2.92	2.93
Gap	6.06	5.30	6.32

Proposed tariff

2.8 In order to reduce the gap in the ARR for FY 2011-12, JKPDD has proposed revision in tariff across consumer categories. The proposed tariff for various consumer categories is as shown below:

Table 14: Proposed Tariff Schedule for FY 2011-12

Sl	Consumer Category	Particulars	Proposed Tariff FY 2011-12
1	Domestic	Metered Consumer	
		Energy Charge (Rs/kWh)	
		upto 30 units/month	1.40
		31-100 units/month	1.80
		101-200 units/month	2.20
		> 200 units/month	3.40
		Minimum Charges (Rs/ Month)	
		upto ¼ kW	40
		above 1/4 kW upto 1/2 kW	70
above 1/2 kW upto 1 kW	100		

Sl	Consumer Category	Particulars	Proposed Tariff FY 2011-12
		Above 1 kW for every 250 W, or part thereof	30
		Flat Rate for Unmetered Connection (Rs. / month)	
		upto ¼ kW	120
		above 1/4 kW upto 1/2 kW	250
		above 1/2 kW upto 3/4 kW	400
		above 3/4 kW upto 1 kW	500
		above 1 kW upto 2 kW	1000
		above 2 kW (for every additional ½ kW)	1000.00 plus Rs 450.00 for every additional ½ kW or part thereof
2	Non-domestic/ Commercial Supply	Energy Charge (Rs/kWh) - Metered Connection	
		Single Phase	
		Upto 100 units/month	2.90
		101 to 200 units/month	3.00
		above 200 units/month	4.35
		Three Phase	
		For all units	5.05
		Above 10 kW for all units (Rs./kVAh)	5.05
		Fixed Charges (Rs. / kW / month)	
		Single Phase	45.00
		Three Phase	100.00
		Above 10 kW (Rs./kVAh/month)	100.00
		Flat Rate for Unmetered Connection (Rs. / month)	
		Upto 1/4 kW	270
		above 1/4 kW upto 1/2 kW	660
		above 1/2 kW upto 1 kW	1300
		Above 1 kW (for every additional 500 Watts, or part thereof)	1600
3	State/ Central Government Departments	Energy Charges (Rs./ kWh)	
		LT Supply	6.00
		Fixed Charges For Metered Consumers (Rs/kW)	25.00
		Minimum Charges for connected load (Rs./ month)	
		Upto 1/4 kW	Nil
		Above 1/4 kW (for every additional ½ kW)	Nil
4	Agricultural Supply	Energy Charges for Metered Connections (Rs. / kWh)	
		0 to 20 HP	0.70
		Above 20 HP	4.75
		Minimum Charges for connected load (Rs./ HP/ Annum)	
		0 - 20 HP	300
		Above 20 HP	1100
		Flat Rate for Unmetered Connection (Rs./ HP/ month)	
		0 to 20 HP	160
		Above 20 HP	1100
5	Public Street Lighting	Energy Charge for Metered Connections (Rs./ kWh)	
		For all units	5.20
		Fixed Charges	
		Rs./ kW or any part thereof / month	40
		Flat Rate Charges for Unmetered Connections	
		Rs./ kW or any part thereof / month	1300
6	LT Public Water	Energy Charge for Metered Connections (Rs./ kWh)	

Sl	Consumer Category	Particulars	Proposed Tariff FY 2011-12	
	Works	For all units	5.40	
		Fixed Charges For Metered consumers (Rs/kW)	40.00	
		Minimum Charges		
		Rs./ kW or any part thereof / month	nil	
		Flat Rate Charges for Unmetered Connections		
		Rs./ kW or any part thereof / month	1300	
7	HT Public Water Works	Energy Charges for Metered Connection (Rs./kVAh)		
		11 kV Supply	3.90	
		33 kV Supply and above	3.70	
		Demand Charges for Metered Connection (Rs./ kVA or part thereof / Month)		
		11 kV Supply	210	
		33 kV Supply and above	200	
		For Connections above 100 kW supplied on LT, Additional 5% Surcharge on Demand and Energy Charges at 11 KV tariff shall be chargeable For Connections with sanctioned load above 1 MVA metered on LT, additional 7.5% Surcharge on Demand and Energy Charges at 11 kV tariff shall be chargeable		
		Flat Rate Charges for Unmetered Connection		
	Rs./ kW, or part thereof / Month	nil		
8	LT Industrial Supply	Energy Charges for Metered Connections		
		For all units (Rs./kWh)	3.75	
		Fixed Charges for Metered Connection		
		Rs./kW/month	60	
		For Connections with sanctioned load below 100 kW supplied and metered on HT, 2.5% rebate on Energy Charges of the LT Industrial Tariff shall be allowed		
		Flat Rate Charges for Unmetered Connection (Rs./ kW/ Month)		
		Upto 8 hrs shift	nil	
		8 - 12 hrs shift	nil	
	above 12 hrs shift	nil		
9	HT Industrial Supply	11 kV Supply		
		Energy Charge (Rs./ kVAh)	3.30	
		Demand Charge (Rs./ kVA/ month)	170	
		For Connections with sanctioned load above 100 kW upto 1 MVA metered on LT, additional 5% Surcharge on Demand & Energy Charges at 11 KV tariff shall be chargeable		
		33 kV Supply		
		Energy Charge- Normal (Rs./ kVAh)	3.20	
		Energy Charge-Peak (Rs/kVAh)	6.50	
		Demand Charge (Rs./ kVA/ month)	170	
10	HT Industrial Supply for Power Intensive Industries	11 kV Supply		
		Energy Charge (Rs./ kVAh)	4.20	
		Demand Charge (Rs./ kVA/ Month)	270	
		33 kV Supply		
		Energy Charge – Normal (Rs./ kVAh)	4.10	
		Energy Charge- Peak (Rs/kVAh)	7.50	
		Demand Charge (Rs./ kVA/ Month)	260	
		TOD tariff shall be applied for AC, 3 phase; 50 Hz, 33KV and above on sanctioned load of 1 MVA and above with Energy Charges at Rs 7.50 per unit for the peak hours.		
11	General Purpose	11 kV Supply		

Sl	Consumer Category	Particulars	Proposed Tariff FY 2011-12
	Bulk Supply	Energy Charge (Rs./ kVAh)	4.10
		Demand Charge (Rs./ kVA/ Month)	220
		For multiple connection on LT with aggregate sanctioned load > 100 kW and for connections with sanctioned load above 1 MVA metered on LT, additional 5% Surcharge on Demand & Energy Charges at 11 kV tariff shall be chargeable	
		33 kV Supply	
		Energy Charge- Normal (Rs./ kVAh)	3.90
		Energy Charge-Peak (Rs/kVAh)	7.00
		Demand Charge (Rs./ kVA/ Month)	210
		TOD tariff shall be applied for AC, 3 phase; 50 Hz, 33KV and above on sanctioned load of 1 MVA and above with Energy Charges at Rs 7.50 per unit for the morning and evening peak hours.	
12	LT and HT & Temporary Connections	1.5 times the applicable rates (on fixed/ demand and energy charges)	

Annual Revenue Requirement at Proposed Tariff

2.9 As per JKPDD's submission, the revenue demand at existing tariff is estimated to be Rs. 1,263.11 Cr and assuming a collection efficiency of 90%, revenue that can be realized is expected to be Rs. 1,136.80 Cr in FY 2011-12. With the revised tariff, JKPDD expects additional revenue of Rs 461.94 Cr to be generated. Thus, the resulting revenue gap is estimated at Rs. 2,386.12 Cr. ARR and revenue gap at the tariff, as proposed by JKPDD for FY 2011-12, is given below:

Table 15: Proposed Annual Revenue Requirement (ARR) in Rs. Cr

Particular	FY 2011-12 (Proj.)
Annual Revenue Requirement	3,984.86
Covered by	
Revenue Billed @ Existing Tariff	1,263.11
Collection efficiency	90%
Revenue Collection	1,136.80
Revenue available towards ARR @ Existing Tariff	1,136.80
Revenue Gap/(Surplus) @ Existing Tariff	2,848.07
Additional Revenue @ Proposed tariff	461.94
Net Revenue Gap/(Surplus) @ Proposed tariff	2,386.13

A3: OBJECTIONS AND ISSUES RAISED DURING PUBLIC CONSULTATION PROCESS

- 3.1 The Commission directed JKPDD to publish a public notice indicating the salient features of its ARR and tariff petition and inviting objections and suggestions from the consumers and other stakeholders.
- 3.2 Copies of the petitions were made available for purchase on any working day by the consumers from JKPDD's offices in Jammu, Srinagar and Leh. The last date for submitting the comments/ objections on ARR and tariff petition was 18th July 2011.
- 3.3 The public notice advised respondents to submit (in person or by post or by fax) all copies of their objections written either in English, Hindi or Urdu to the Commission with a copy to JKPDD. Respondents were also given the option to be heard in person during the public hearings conducted by the Commission.
- 3.4 The Commission and Petitioner received objections/ comments from 45 respondents, few of them on the day of the hearing. The list of stakeholders who responded to the public notice on ARR and tariff petition and those who attended the public hearing is provided in Annexure 2 and Annexure 3 respectively.
- 3.5 The Commission held public hearings in Jammu on 21st July, 2011 and in Srinagar on 2nd August, 2011, to discuss the petition filed by JKPDD for approval of ARR and determination of tariff. Public hearing in Srinagar which was scheduled to be held on 23rd July, 2011 was rescheduled to 2nd August, 2011 due to strike called on that day, which resulted in fewer participation of people.
- 3.6 The respondents were given an opportunity to put forth their comments and suggestions on the ARR and Tariff petition to the Commission. The Commission also allowed persons who had not submitted written responses but attended the public hearings to express their views, regarding the ARR and tariff petition and the general functioning of JKPDD.
- 3.7 The issues raised during the public hearing process, the responses of JKPDD and the Commission's observations are detailed below.

T&D loss reduction

- 3.8 Several representatives from industries and industrial associations stated that the T&D losses which were approved at 50.7% for FY 2006-07 and 46.7% for FY 2007-08 have increased to 60.99% in FY 2010-11. The T&D losses have increased by more than 30% since FY 2005-06 as follows:

Table 16: T&D loss levels from FY 2005-06 to FY 2011-12

Year	T&D Losses	% increase 2005-06 (Base Year)
2005-06	46.98%	-
2006-07	51.00%	8.56%
2007-08	61.90%	31.96%

Year	T&D Losses	% increase 2005-06 (Base Year)
2008-09	61.31%	30.50%
2009-10	62.06%	32.09%
2010-11	60.99%	29.82%
2011-12 (Projected)	59.72%	27.11%

- 3.9 As pointed out above, there has been a substantial increase in the T&D losses over the years which have increased from 46.98% in FY 2005-06 to 61.31% in FY 2008-09 and to 62.06% in FY 2009-10. JKPDD had estimated the T&D loss of 57.48% for the FY 2010-11 but the actual T&D loss level turned out to be 60.99%. JKPDD has further proposed a loss level of 59.72% for FY 2011-12 which is higher than the estimated loss level of FY 2010-11 and substantially higher than the loss level of 46.98% in FY 2005-06.
- 3.10 The extent of losses is at extremely high levels in comparison to the national average and should not be passed on to the consumers through the tariffs to be approved by the Commission.
- 3.11 Looking at the losses levels achieved by JKPDD, it is unambiguously clear that JKPDD has not made any serious effort to reduce the loss levels. JKPDD is seeking to pass on the burden of the entire loss level to the consumers, particularly to the industrial consumers who contribute to the maximum revenue to JKPDD.
- 3.12 The reasons provided by JKPDD, in its petition, for existence of high losses like scattered population, difficult terrain, low load density and long sub-transmission & distribution lines, absence of HVDS and Aerial Bunched Cabling and the difficulties faced in attaining higher loss reduction in few areas due to socio political environment etc are not acceptable and are unjustified. The states of Himachal Pradesh and Uttarakhand which have similar characteristics are able to achieve loss levels of 15% to 17% and hence, the submission of JKPDD has no grounds.
- 3.13 There is no fixing of responsibility by Petitioner's officials in loss reduction related activities. It was also pointed out by certain Objectors that Petitioner's own employees were colluding with dishonest consumers in allowing them to commit theft/ pilferage of power. Neither consumer metering nor theft checking has been pursued adequately by JKPDD.
- 3.14 The Objectors submitted that only prudent level of T&D losses which are much less than the existing level of T&D losses in the State should be passed on in the tariff. The Objectors also submitted that, JKPDD, as a distribution utility has failed to perform its duty in reducing T&D losses in the State and a private agency/ distribution franchisee should be appointed for taking over the activities of distribution of power in the State

Petitioner's Response

- 3.15 JKPDD submitted that it agrees that the T&D losses are currently at a very high level and there is a huge gap in revenue realization and expenditure incurred on supply of electricity to its consumers. While the department is making every effort to reduce the T&D losses and hence the revenue gap, the consumers of the department have also a responsibility to use electricity as per the sanctioned load and not to resort to theft and misuse of electricity. JKPDD informed that it has set for itself a target of achieving 100% metering in 30 major cities and towns by the end of this year.
- 3.16 JKPDD submitted that the T&D losses have shown an increasing trend over the years as previously, the T&D losses were arrived at by a method of estimation because of the very low level of metering and lack of proper energy accounting system. With improvements in the level of metering and energy accounting, JKPDD has been able to work out realistic T&D losses in the system.
- 3.17 JKPDD submitted that it is committed towards reduction in losses and the losses cannot be brought down overnight and required time and substantial investments. Under R-APDRP, urban areas are being covered for loss containment and the State Government of Jammu & Kashmir is pursuing with the Ministry of power to include and fund smaller townships (having population of 4000 and above as per 2001 census) on same lines as has been done under R-APDRP. In the recent meeting of Power Ministers of State with Union Ministry of Power, it has been unanimously agreed that towns having population of 5000 and above will be addressed.
- 3.18 On the issue of arrears pending with the State and Central government departments, JKPDD submitted that it is making every effort to recover arrears from the State and Central government departments.
- 3.19 JKPDD informed that to instill accountability and responsibility towards loss reduction, Junior Engineers have been nominated as feeder managers and are responsible to prepare the energy accounts of the feeders under their charge.
- 3.20 JKPDD submitted that it has taken into consideration 30% loss level on the basis of methodology adopted by the Commission in the last Tariff Order. Notwithstanding the local issues in the state of J&K, JKPDD has worked a prudent Cost of Supply at the National T&D loss level of 30%.

Commission's Observation

- 3.21 The Commission is of the view that JKPDD has failed to discharge its duties related to reduction of T&D losses. The variations in T&D loss levels since FY 2006-07 in the ARR & Tariff petitions submitted by JKPDD have raised serious doubts in the mind of the Commission regarding accuracy and correctness of the sales projections being submitted by JKPDD, especially with respect to the information on sales booked in units and the corresponding amount billed to the consumers.
- 3.22 The Commission has analyzed the realization per unit input for the last four years which is based on reliable data pertaining to energy input in units and revenue

realizations. The dismal performance of JKPDD in controlling T&D loss levels in the State is evident from the realization per unit input trend over the years which are shown in the table provided below. The realization per unit input which had increased in FY 2007-08 due to the tariff hike approved by the Commission has remained static indicating lack of efforts on part of JKPDD in controlling T&D losses in the State. The increase in realization per unit input in FY 2010-11 is due to impact of tariff hike.

Table 17: Realization per Unit Input

Station	FY 2007-08 (Actuals)	FY 2008-09 (Actuals)	FY 2009-10 (Actuals)	FY 2010-11 (Revised Estimates)
Energy Input	8743	9147	10,102	10,359
Revenue Recovered (Rs. Cr)	593.93	629.51	702	795
Realization per Unit Input (Rs./ Unit)	0.68	0.69	0.69	0.77

- 3.23 The Commission does not agree with the submission of JKPDD regarding high losses in the state. The reasons for existence of high level of T&D losses is the practice of rampant hooking of LT lines across the State which is not being properly checked by JKPDD. Even where meters are installed, various means are adopted by a large number of consumers for by-passing and tampering the meters. Appropriate steps are not being taken well in time to replace defective and inaccurate meters by JKPDD.
- 3.24 The revenue gap in ARR has increased over the years due to JKPDD's inability to reduce T&D losses in the State and is increasing the burden on the State Governments finances.
- 3.25 The Commission takes cognizance of the increasing financial burden on the State Government's finances, but the entire level of T&D losses which are at unacceptable levels cannot be passed on in the retail tariffs entirely. So, Commission approves T&D losses reduction target of 5% from 60.99% (submitted by JKPDD for FY 2010-11) to 55.99% for FY 2011-12 especially taking into consideration the provisions of the J&K Electricity Act, 2010 regarding metering of all consumers by April, 2012 and implementation of R-APDRP in the state and directs JKPDD to work for achievement of this target.

Power Purchase Cost

- 3.26 The Objectors have submitted that JKPDD has estimated an increase in the power purchase cost without any Tariff Order of the Central Commission or the State Commission. The general trend for tariff for generating companies pending the determination of tariff by the appropriate Commission is that the tariff determined for the previous year continues. In the present case, JKPDD ought to consider the actual tariff payable by it to the generating companies rather than increasing the tariff as per its own estimations. JKPDD has projected substantial increase for FY 2011-12 over the approved power purchase cost for FY 2010-11 as illustrated in the table below:

Table 18: Power Purchase Cost approved for FY 2010-11 and projected for FY 2011-12 (Rs Cr)

S. No.	Revenue Requirement approved for FY 2010-11	Revenue Requirement projected FY 2011-12	Increase in Revenue Requirement projected	Percentage Increase over Approved Requirement
Power Purchase Costs	2528.12	2944.84	416.72	16.48%

3.32 It was also pointed out that according to State Government budget allocation for power purchase cost for FY 2011-12 was Rs. 2399.5 Cr while that submitted by JKPDD in its ARR and Tariff proposal is Rs. 2944.84 Cr. So there is a difference of Rs. 545.34 Cr for which JKPDD has not submitted any measures for bridging this difference.

Petitioner's Response

3.33 The summary of actual cost of power purchase since FY 2008-09 is tabulated below:

Table 19: Actual Power Purchase cost since 2008-09

Description	FY 08-09 Actuals	FY 09-10 Actuals	FY 10-11 Actuals	FY 11-12 Proj
Actual PP Cost Incurred (in Rs Cr.)	1,783.64	2,560.95	2,826.41	2,944.84
YOY Increase		43.58%	10.37%	4.19%
Actual Units Purchased (in MU)	9,147.22	10,382.81	10,667.23	10,986.94
YOY Increase		13.51%	2.74%	3.00%

3.34 It is evident from the above table that while the increase in purchase of power in terms of units purchased is quite nominal, there has been considerable hike as far as cost incurred for the purchase of this power is concerned. JKPDD has projected a very nominal increase of 3% for additional power to be purchased for FY 2011-12. Further, considering the fact that there is every likely hood that the Tariff Orders of Central Generating Station as per the new CERC regulations will be issued this year itself, JKPDD has partly considered a nominal hike on that account.

Commission's Observation

3.35 The Commission has studied the power purchase cost figure as proposed by JKPDD in its ARR and tariff petition and the power purchase cost figure approved in the budgetary provision as per demand 6 for JKPDD. The two figures are very different and leave the Commission with doubt on the ability of JKPDD to meet the power purchase cost. The table below illustrates the power purchase cost proposed by JKPDD, approved by the Commission and budgetary provision for the same.

Table 20: Power Purchase Cost (Rs Cr)

Year	Proposed by Petitioner	Approved by Commission	Budgetary Provision	Difference
	A	B	C	D=B-C
2009-10	2563.95	2548.41	1977.96	570.45
2010-11	2453.68	2528.12	2050.00	478.12
2011-12	2994.84	2646.28	2399.50	246.78

3.36 As seen from the table, the budgetary provision for power purchase is less than what

has been approved by the Commission for any particular year. JKPDD needs to clarify how the difference/ gap in the power purchase cost are being met by JKPDD.

Steep tariff hike proposed

- 3.37 Consumers and their representatives have submitted to the Commission that the tariff hike proposed by JKPDD is very much on the higher side and will lead to tariff shock across consumer categories.
- 3.38 The tariff hike proposed by JKPDD is very high for industrial consumer categories. The tariff increase should be progressive so as to come at par with the cost of supply in a reasonable time. Thus, the sharp increase proposed may not be allowed by the Commission. Also the Commission should strive to modify the tariffs in a manner that they gradually reflect the cost of supply and not cause any tariff shock to the consumers.
- 3.39 The following table gives the existing and the proposed tariff for the industrial category of consumers:

Table 21: Comparison between existing and proposed tariff for industrial consumers

Category	Tariff Existing		Proposed Tariff		% Increase	
	Demand Charges Rs/kWh/ month)	Energy Charges Rs kWh/ /month	Demand Charges Rs/kWh/ month)	Energy Charges Rs kWh/ /month	Demand Charges	Energy Charges
LT Industrial	35	2.15	60	3.75	71.50%	75%
HT (11 kV)	105	2.00	170	3.30	65%	65%
HT (33 kV) Normal	105	1.95	170	3.20	65%	65%
HT (33 kV) Peak	105	1.95	170	6.50	65%	234%
HT-PIU 11 kV supply	140	2.20	270	4.20	93%	91%
HT-PIU 33 kV Normal Supply	135	2.15	260	4.10	93%	91%
HT-PIU 33 kV Peak Supply	135	2.15	260	7.50	93%	250%

- 3.40 The Objectors submitted that the proposed power tariff increase of 91% - 93% for Industrial Supply is harsh, oppressive, unjust and inequitable. The tariff increase is unjustified for the reason that the loss levels in the industrial category are substantially lower and thus, the tariff for such categories ought to be lower. In addition, the industries have been set up on the assurance of the State Government of lower industrial tariff to enable industries to be competitive and promote industrialization in the State.
- 3.41 The increase proposed is also contrary to the provisions of the Act which mandates that there shall not be any tariff shock and any increase in tariff shall be progressive. The present increase proposed by JKPDD is very steep and ought to be out rightly rejected by the Commission. There is absolutely no justification for such a differential and discriminatory treatment for Industrial Category, particularly, when the loss levels in industrial categories are substantially lower than the domestic consumers and who in turn contribute to the growth of the State and higher tariff would mean that they

will not be able to compete with the industries in the other States. The industries have been set up in the State on the assurance by the State Government of economical industrial tariff to enable the industries to be competitive and thereby incentivise setting up of the industries. The high tariff will make the industries totally unviable and is not in the public and states interest. The Objectors submitted that in the interest of the State and to retain and promote industrialization in the State of Jammu and Kashmir, the tariff ought to be competitive tariff.

Petitioner's Response

- 3.42 JKPDD informed that the prevalent tariffs in the State are amongst the lowest in the country and is one of the reasons for existence of huge revenue gap. Hence JKPDD is compelled to propose a suitable tariff hike to the Commission for approval. Even after the proposed tariff hike, the average tariff for all consumer categories works out to Rs. 4.13 per unit, against average cost of supply of Rs. 9.26 per unit. The tariffs for Industrial and Commercial categories in other states are set at higher levels since they cross subsidize other consumer categories. However, in J&K the same is set at a level which is lower than the cost of supply.
- 3.43 The detailed justification of tariff hike has already been outlined in the petition filed with the Commission and the hike has been proposed considering the prudent loss level (national average loss level) which is as per the methodology adopted by the Commission in its last tariff order.

Commission's Observation

- 3.44 The Commission agrees with the Objections raised regarding the steep tariff hike proposed across several consumer categories by JKPDD. The Commission has taken into note the views expressed by various consumers and their representatives and shall endeavour to avoid any steep tariff hikes causing tariff shock to consumers.
- 3.45 The Commission is of the view that JKPDD has failed miserably to control the T&D losses in the State. Rampant theft of electricity by both unauthorized as well as authorized consumers is being allowed to continue. The situation is made grim by very poor collection efficiency.
- 3.46 It cannot be ignored that the present level of tariffs in the State are very much on the lower side and are below the average cost of power purchased by JKPDD. In addition to the cost of power purchase there are several other genuine costs which are incurred in the transmission and distribution of power. The tariff levels should ideally be fixed at levels where the licensee should be able to recover all reasonable expenses incurred in serving its consumers for its financial viability. As mentioned earlier, the Commission shall endeavour to raise the tariffs to such appropriate levels over a period of time and shall gradually approve increase in retail tariffs.
- 3.47 The Commission has thus approved the tariff in this order considering only reasonable level of T&D losses.

Availability of data and information contained in Petition

- 3.48 The Commission received several objections stating that the extent and quality of information provided by JKPDD in its ARR and tariff petition is extremely poor and inadequate. The Objectors pointed out that JKPDD has not supported the expenses claimed in the ARR with details, information, particulars and supporting documents.
- 3.49 Several Objectors submitted that JKPDD has deliberately concealed information wherever the same would have acted against its interest. The Objectors further stated that in the absence of requisite information and supporting documents for the same the entire exercise of ARR and Tariff determination becomes a non-transparent process which JKPDD is undertaking with the sole objective of getting tariff hikes from the Commission to cover up its inefficiencies.

Petitioner's Response

- 3.50 JKPDD submitted that the petition has been prepared in the best possible manner and all the relevant details and information available with the department have already been placed on record with the Commission in a transparent manner.

Commission's Observation

- 3.51 The Commission agrees with the concern regarding data availability and its authenticity raised by several Objectors during the public hearings and in the written submissions made to the Commission. Many inconsistencies in the data raises serious doubt in the mind of the Commission regarding the correctness and the reliability of the data being submitted by JKPDD in the ARR and tariff petition.
- 3.52 The Commission wrote letters to JKPDD regarding deficiencies and seeking additional information and clarifications. But not much information and data was submitted by JKPDD.
- 3.53 Therefore, Commission scrutinized and reviewed all the data submitted by JKPDD and has approved only the reasonable costs. Thus, in the interest of the objective of achievement of financial viability of the power sector in the State, the Commission has accepted and evaluated the ARR & tariff proposal submitted by JKPDD.

Rationalization of tariff structure

- 3.54 Though the tariff structure has been rationalized significantly in the previous tariff orders, several consumers and their representatives made submissions requesting further rationalizations in the tariff structure and its applicability. The Objectors submitted that additional incentives should be made available for connections operating at higher power factors (PF) and it was suggested that all consumers demonstrating power factor (PF) of 0.9 or above should be given some additional incentives in order to promote efficiency.
- 3.55 Several representatives from industries and industrial associations prayed that the

incentive given at higher voltages in the present tariff is on the lower side. The incentive offered for industries opting for connections at higher voltages should be reflective of savings in terms of reduction in technical losses and lower operational and maintenance expenses.

- 3.56 Representatives of hotels/ restaurant owners pleaded that since the hotel/ restaurant business has been recognized as an Industry by the State Government, Industrial tariffs should be made applicable for them.
- 3.57 A clarification was sought on why the contract charges were being made applicable to the HT Industrial Category over and above the metered energy charges applicable.

Petitioner's Response

- 3.58 With respect to the demand regarding additional incentives for the industries maintaining Power Factor of 0.90 or above, JKPDD submitted that the Commission had introduced kVAh billing for HT industrial, HT-PIU, HT Public water works and general purpose/bulk categories having load above 100 kW. The kVAh billing system has inbuilt mechanism for power factor incentive. For those consumers who have better power factor close to unity, the kVAh units are almost same as kWh units.
- 3.59 With respect to the issue on charging of demand charges, JKPDD has clarified that the same is being done strictly as per the tariff order issued by the Commission.
- 3.60 The tariffs for higher voltage levels within a category are lower as compared to lower voltage levels. The tariff schedules may be referred to in this regard, wherein the tariff at 33 kV level is lower in comparison to 11 kV level.

Commission's Observation

- 3.61 As already elaborated by JKPDD, the kVAh tariffs introduced for the industrial and other consumer categories inherently incentivise consumers operating at better/ higher power factors. There is no need to provide any additional benefits for better power factor in the kVAh billing introduced.
- 3.62 The Commission in its previous tariff order has already allowed rebates/ benefits for industrial consumers drawing power at higher voltages based on established norms.
- 3.63 The Industrial category tariff prescribed by the Commission is for various industries involved in manufacturing activities, whereas, Hotels/ Restaurants form a part of the service sector. It needs to be understood that the purpose of definition of the Industrial tariff category by the Commission is different from the status of industry being accorded by the State government.
- 3.64 The Commission had introduced two part tariff structure in its Tariff Order for FY 2007-08 and continued that for FY 2009-10 and FY 2010-11, the fixed charges for the industrial category are in the form of Demand Charges. Demand Charges are applicable on the contracted demand for industrial consumers and are prescribed to be applied over and above the energy charges.

- 3.65 The Commission is of the opinion that the flat rate connections under each consumer category needs to be phased out in a gradual manner. The Commission has approved lower increase in the tariff for metered consumers within each consumer category in comparison to the flat rate tariffs in order to encourage consumers to shift to metered tariffs.

Poor progress on consumer metering

- 3.66 It was pointed out that despite the fact that consumer metering drive was initiated in the State on a large scale during FY 2006-07 and it was told that 100% consumer metering shall be achieved by 2009. The same has not been undertaken with seriousness during the last few years and the status of consumer metering is in a poor state.
- 3.67 Various representatives from industries and industrial organization made their representations regarding poor status of metering especially in domestic and commercial consumer categories. It was demanded that in order to reduce the T&D losses and in turn the average Cost of Supply, JKPDD should undertake 100% metering of all consumers in the State.
- 3.68 Several Objectors pointed out JKPDD's poor performance on directives regarding metering given by the Commission in its previous tariff orders. Along with various directives given with regard to metering of consumers it was stated that all new connections shall be issued on metered basis only by JKPDD. However, it has been observed that JKPDD has not adhered to the same and has allowed release of new connections on un-metered flat rate basis.

Petitioner's Response

- 3.69 JKPDD submitted that as on date, the number of electronic meters in Jammu region is 2,82,739 and in Kashmir region is 2,26,946. Besides there are many electro-mechanical meters installed in Jammu region which are being replaced in a phased manner.
- 3.70 JKPDD has further submitted that new connections in metered areas are given through meters only. However in un-metered areas the new connections are given on flat rate basis.

Commission's Observation

- 3.71 The Commission agrees with the points put forth by the Objectors on the status of metering in the state. The Commission in its last tariff order had directed JKPDD to meter all consumers by 31st December 2011. The Commission has been insisting and directing JKPDD to give priority to metering and billing in its tariff orders.
- 3.72 JKPDD in its interactions with the Commission has been stating that it targets to meter all consumers by December 2011, but has not submitted any action plan or metering plan to achieve the same. The Commission is of the view that JKPDD will not be able to meet the target of 100% metering by 31st December 2011.

- 3.73 The Jammu and Kashmir Electricity Act, 2010, under section 49 (1) states that
- (a) *“No licensee shall supply electricity, after the expiry of two years from the commencement of the Act, except through installation of correct meter in accordance with the regulations to be made in this behalf by the Commission:”*
- 3.74 The Jammu and Kashmir Electricity Act, 2010, was notified on 29th April 2010 and two years get completed on 28th April 2012. In the light of the Jammu and Kashmir Electricity Act, 2010, and being aware of the progress made by JKPDD on metering front, the Commission modifies its existing directive on metering and now directs JKPDD to submit a proper metering plan within one month from issuance of this tariff order to the Commission with the target of metering all consumers by the date laid down by the Jammu and Kashmir Electricity Act, 2010, which is 28th April 2012. The Commission directs that in the meantime no new connections under any category of consumers shall be issued without installation of a correct meter.

Corporatization of JKPDD

- 3.75 The Objectors pointed out that the primary reason for the current situation of JKPDD is the fact that it functions as a department of the state government and all expenses are a part of the budgetary process of the State Government like any other government department and hence is not dependent on the approval of the ARR by the Commission for meeting its financial obligations.
- 3.76 JKPDD is able to continue operating at existing tariffs and with such high loss levels by virtue of its being a government department.
- 3.77 The Objectors suggested that JKPDD should be made financially independent from the State Government and corporatized in the manner as done with JKSPDC. It was also suggested that franchisees can be introduced in select areas for bringing in private sector efficiencies in the power transmission and distribution business, which has already been demonstrated successfully in several states in the country.

Petitioner’s Response

- 3.78 JKPDD has submitted that the restructuring of the power development department is under consideration by the State Government. A tender has been floated for restructuring and unbundling of JKPDD in October 2010 and JKSPDC has been appointed as the nodal agency to run the bid process. Bids for the tender have been received and the work will be awarded shortly to the successful bidder.
- 3.79 The objective is to vertically unbundle JKPDD into separate transmission and distribution entities to have greater focus on the distribution business. The restructuring will allow for independent functioning of transmission and distribution businesses and provide operational, managerial and functional autonomy to successor entities to operate on commercial lines.
- 3.80 JKPDD has submitted that granting of distribution license to select areas can be considered under franchisee concept in accordance with J&K Electricity Act 2010

Commission's Observation

- 3.81 The Commission agrees with the views put forth by the Objectors on the need to corporatize JKPDD to bring in commercial discipline and make JKPDD dependent on the regulatory process of the Commission for approval of legitimate and prudent expenses in the ARR rather than being dependent on the budgetary support from the State Government as presently followed. In the present setup, expenses which are disallowed by the Commission are provided for in the State Governments budgetary allocations to JKPDD. In such scenario, there is no pressure on JKPDD to comply with the directives given by the Commission or to improve its efficiencies, especially, with respect to consumer metering and reduction in T&D losses.
- 3.82 It is heartening to know that the State Government has taken steps in the direction of restructuring the utility on the functional lines of transmission and distribution. The Commission understands that the tender award process for appointing consultants for restructuring of JKPDD is underway and the letter of award will be placed soon. As per the tender documents, the final report on restructuring is to be submitted by the appointed consultant in 18 months from the date of award of contract. So it can be expected to see the utility in its unbundled form in the year 2013.
- 3.83 The Commission is of the view that JKPDD should explore the options of introducing franchisee in the state. JKPDD should evaluate the feasibility of awarding urban areas for input based franchisee model. For the rural areas, revenue based franchisee model involving the participation of village panchayats should be evaluated.

Water Usage Charges

- 3.84 Several Objectors raised the issue of recovery of Rs. 317.38 Cr due to implementation of Water Usage Charges on existing Hydro plants in J&K after enactment of Jammu & Kashmir Water Resources (Regulations and Management) Act, 2010. The Objectors submitted that these charges should not be levied as it will create unnecessary burden on JKPDD and will be ultimately passed on to the consumers. This matter should be taken up with the State Government and should be removed from ARR, so that less tariff hike may be possible.

Petitioner's Response

- 3.85 The J&K Govt. has enacted Jammu & Kashmir Water Resources (Regulations and Management) Act, 2010 vide Gazette notification dated 25th October 2010 which has resulted in increase in tariff of hydro power plants located in J&K due to introduction of water usage charges. The Act provides that every water source in the State is, and shall remain, the property of the Government and any proprietary ownership, or any riparian or usage right, on such water resources vested in any individual, group of individuals or any other body, corporation, company, society or community shall, from the date of commencement of the Act, be deemed to have been terminated and vested with the Government.
- 3.86 The Act also provides that No person, group of persons, Govt. department, local authority, corporation, company, society or any other body, by whatever name called

(the user) shall install a unit requiring usage of water of any water source except under a license issued by the licensing authority in accordance with the provisions of the Act.

- 3.87 The Act further provides to establish State Water Regulatory Authority whose function among other functions shall be to establish a water tariff system and fix water usage charges for use of water on account of generation of electricity also. Licensing Authority established under this Act shall have a power of civil court.
- 3.88 Levy of water usage charges will have substantial impact on tariff of the all operating hydro power stations located in J&K and small impact on tariff of thermal power stations. Though the exact financial implications shall be known after the usage tariff is notified by the authority established under this Act, anticipated hike already calculated by NHPC is tabulated below at 25 paise per cu meter.

Table 22: Impact on NHPC Plants located in J&K – Existing Plants

S. No.	Source	Energy share (MU)	Tariff		
			W/O Water Charges (Rs/Unit)	With Water Charges (Rs/Unit)	Difference
1	Salal	674.96	0.66	1.89	1.23
2	Uri	664.82	1.70	2.20	0.50
3	Dulhasti	239.55	5.12	5.70	0.58
4	Sewa II	38.33	4.78	5.00	0.22
	Sub-Total	1617.67	1.85	2.66	0.81
Power Purchase Cost		Without Water Usage Charges (Rs Cr)		298.54	
		With Water Usage Charges (Rs Cr)		429.54	
		Net Increase in PP Cost (Rs Cr)		131.00	

Table 23: Impact on NHPC Plants located in J&K – Upcoming Plants (FY 2011-12)

S. No.	Source	Energy share (MU)	Tariff		
			W/O Water Charges (Rs/Unit)	With Water Charges (Rs/Unit)	Difference
1	Nimmo Bazgo	210.32	7.02	10.25	3.23
2	Chautak	187.38	6.93	8.66	1.73
3	Uri II	988.24	3.25	4.02	0.77
	Sub-Total	1385.94	4.32	5.59	1.27
Power Purchase Cost		Without Water Usage Charges (Rs Cr)		598.68	
		With Water Usage Charges (Rs Cr)		775.12	
		Net Increase in PP Cost (Rs Cr)		176.44	

* The above information is based on the analysis done by the NHPC for their plants located in J&K

JKSPDC Plants

- 3.89 Further, in absence of any such analysis by JKSPDC, the weighted average increase in existing NHPC plants is taken as the basis for projecting the hike for JKSPDC plants.

Table 24: Impact on JKSPDC Plants

S. No.	Source	Energy share (MU)	Tariff		
			W/O Water Charges (Rs/Unit)	With Water Charges (Rs/Unit)	Difference
1	LJHP	439.83	0.76	1.57	0.81
2	USHP-I	78.70	0.76	1.57	0.81
3	USHP-II	262.81	1.63	2.44	0.81
4	Chenani-I	64.61	0.76	1.57	0.81
5	Baglihar	1460.00	3.71	4.52	0.81
	Sub-Total	2305.95	2.73	3.54	0.81
Power Purchase Cost		Without Water Usage Charges (Rs Cr)	628.82		
		With Water Usage Charges (Rs Cr)	815.60		
		Net Increase in PP Cost (Rs Cr)	186.78		

* Note only those plants having annual generation around 100 MU or more have been considered.

3.90 The above tables illustrate the anticipated increase in average per unit power purchase cost of the hydro plants due to implementation of water usage charge. Hydro plants accounts for almost 50% of the total power purchase by JKPDD. As evident from above, on an average, there has been increase of 81 paise/unit in power purchase cost from existing hydro plants in J&K due to imposition of Water Usage Charges. This will put an additional burden of Rs 317.38 Cr on JKPDD from hydel sources located in state of J&K. It must also be taken into consideration that tariff petition of Bhaglihar has recently been filed and there will be tariff hike on that account also.

Commission's Observation

3.91 The water usage charges have been notified by State Water Regulatory Authority which is an authority established under the Jammu & Kashmir Water Resources (Regulations and Management) Act, 2010. The water usage charges passed on to JKPDD by JKSPDC and the projections made by JKPDD for FY 2011-12 shall be treated as a pass through in the ARR.

Computerization of data and other IT initiatives

3.92 Several Objectors raised the issue that JKPDD has not done 100% computerization of data as directed by the Commission. JKPDD ought to undertake IT initiatives like implementation of SCADA and GIS.

Petitioner's Response

3.93 JKPDD submitted that computerization and digitalization of data is going on in full swing and within 2-3 months the process is expected to get completed. SCADA is being implemented in association with NDPL and Studies are being carried out to analyze the benefits of mapping assets through GIS.

Commission's Observation

3.94 The Commission is of the opinion that though JKPDD had taken some measures

related to IT initiatives, still the implementation of these measures need to be expedited and Commission will monitor the progress of these measures on quarterly basis.

Compliance to directives issued by the Commission

3.95 The Objectors raised the point of non-compliance of directives issued by the Commission in its past tariff orders which have not been complied with by JKPDD. The Commission has issued detailed directives with timelines for submission of reports to JKPDD on the issues of metering, T&D infrastructure, and revenue and billing processes etc. JKPDD has however not made any significant progress on any of the directives given and has not submitted the requisite reports as directed. The Objectors suggested that a mechanism should be developed for penalizing JKPDD for future non-compliance of the directives.

Petitioner's Response

3.96 JKPDD submitted that they are in the process of complying with the directives issued by the Commission and justification for compliance/ non-compliance of directions has been submitted along with the petition.

Commission's Observation

3.97 The ARR and tariff petition for FY 2011-12 submitted by JKPDD does not contain any justification regarding non-compliance of the directives as submitted by JKPDD. JKPDD has failed to discharge its duties in complying with the directives given by the Commission in its previous tariff orders.

3.98 The Commission has written to JKPDD on lack of seriousness on compliance with the directives and expects JKPDD will act on the directive without any further delay.

High level of electricity duty

3.99 Several consumers in their written submissions and also during the public hearings pointed out that the rate of electricity duty being charged in the State at 22% of the energy charges is very high in comparison to other states and any tariff hike approved by the Commission will result in higher electricity duty and increased burden on the consumers. Several consumers from the industrial and other categories submitted that the Commission can advise the State Government on revising the electricity duty rates.

Petitioner's Response

3.100 JKPDD requested the Commission to take independent view on the issue as Electricity Duty is levied by the State Govt. and JKPDD has no control over it

Commission's Observation

- 3.101 Levy of Electricity Duty is a State Government matter and neither the Commission nor JKPDD has any role to play. However, the Commission believes, that electricity duty rate of 22% of energy charge is high and needs to be rationalized. The rate of 22% electricity duty was fixed when the rate of energy charges were very low, but now the situation has changed and the electricity duty rate needs to be revisited by the State Government.
- 3.102 The State Government may undertake a study to compare the electricity duty rates applicable in various states of the country, especially the neighbouring states for correct appreciation of the State's electricity duty.

TOD (Time of Day) Tariff

- 3.103 The Objectors submitted that JKPDD has sought to introduce time of the day based tariff, namely, peak and off-peak tariff without considering two salient aspects. First, many of the industries are continuous processing units which continue production throughout the day and night without any interruption and second, in accordance with the Government's Industrial Policy and Central Excise Laws, industries have increased their employment level by 25% and are under obligation and legal compulsion to retain the increased level of employment. Accordingly, industries operating in two/ three shifts cannot organize their affairs during non-peak hours. In the case of continuous processing units, the operation has to be for 24 hours by nature of the industries. In such circumstances the industries have very little option available to arrange their affairs so as not to run the industry during peak hours.
- 3.104 The Objectors further submitted that it is unjust and unfair to provide for time of the day based tariff, namely, peak and off-peak tariff and claim from the industries a substantially higher tariff during peak hours. Furthermore, JKPDD is applying the time of the day tariff only for industries and not for other categories of consumers which is discriminatory.

Petitioner's Response

- 3.105 JKPDD had requested the Commission to implement TOD Tariff for sanctioned load of 1 MVA and above in HT Industrial supply, HT Industrial Supply for Power Intensive Industries & General Purpose Bulk Category for the morning and evening peak hours.
- 3.106 TOD is recognized globally across electricity industries, as an important Demand Side Management (DSM) measure which is used as a means of incentivizing consumers to shift a portion of their loads from peak times to off-peak times, thereby improving the system load factor by reducing the demand on the system during peak period. The TOD tariffs send price signals to consumers that reflect the underlying cost of generating, transmitting and supplying electricity and enables resources to be allocated more judiciously and efficiently. Further price based demand response can reduce or shape consumer demand particularly to reduce load at peak hours on the electricity system. Hence, TOD tariff assumes importance in the

context of propagating and implementing DSM and achieving energy efficiency in the country.

- 3.107 In most of the states TOD tariff has been introduced as a means of DSM measures and load factor improvement. The SERCs in India have followed diverse mechanisms in designing the TOD tariff, with different tiers, different number of periods within a day, and different rates applicable to these periods.
- 3.108 As a first step towards better demand side management, JKPDD has proposed the time of day tariff in this petition for HT consumers having sanctioned demand of 1 MVA and above and proposed energy charges (Rs 6.50, 7.50 & 7.00 per unit for the HT consumers, HT PIU and General Purpose Bulk Category respectively during peak hours.

Table 25: Proposed TOD Tariff for normal and peak hours

Particulars	Proposed Tariff	Proposed Tariff
	Normal	Peak Hours
HT Industrial supply		
Energy Charge (Rs./ kVAh)	3.20	6.50
HT Industrial Supply for Power Intensive Industries		
Energy Charge (Rs./ kVAh)	4.10	7.50
General Purpose Bulk Supply		
Energy Charge (Rs./ kVAh)	3.90	7.00

Commission's Observation

- 3.109 JKPDD while proposing the TOD tariff has not supported the proposal with data on the actual demand of such consumers at various hours of the day vis-à-vis the overall peak demand of the state. The Commission is of the opinion that before introducing TOD tariff in the state, JKPDD should collect and analyze relevant data on demand pattern of various categories and submit a detailed implementation plan for implementation of Time-of-Day tariff.

A4: APPROACH TO COST COVERAGE

- 4.1 The regulatory tariff regime was introduced by the Commission in its first ARR & Tariff Order for FY 2007-08 for the J&K Power Development Department. The Commission on the basis of the information submitted by JKPDD had approved costs and tariffs for FY 2007-08. Subsequently, the Commission approved the ARR & Tariff Order for FY 2008-09 based on the petition submitted by JKPDD. Though JKPDD had not proposed any tariff increases in the petition for FY 2008-09, the Commission approved the ARR based on its prudence check and brought in certain changes in the tariff structure without changing the rates.
- 4.2 However, the Commission in its last Tariff Order had changed the approach related to tariff setting, from earlier year's approach, primarily due to the dismal performance observed in JKPDD's efforts at improving the efficiency levels (T&D losses). The Commission, at the time of issue of the Tariff Order for FY 2008-09, had expected that JKPDD would gradually move towards financial viability due to improvements in the performance and additional resource would be generated based on tariff structure and rate changes allowed by the Commission. In view of this, several directives were issued in the tariff orders for achieving this objective. However, contrary to the expectations of the Commission, efficiency levels and the revenue gap have deteriorated over the years.
- 4.3 The Commission wishes to continue with the same approach as that adopted in last year's tariff order while approving the ARR for FY 2011-12, which is outlined in subsequent sub-sections.

Revenue deficit

- 4.4 Historically, through prudent allowance/ approval of costs, change in tariff rates and projected efficiency level, a revenue gap of Rs. 1,270.9 Cr was approved against the proposed revenue gap of Rs. 1,484.9 Cr for FY 2007-08. However, the actual revenue gap for FY 2007-08 was Rs. 1,576.76 Cr. Similarly, for FY 2008-09 the revenue gap was Rs. 1,517.06 Cr against approved value of Rs. 1,421.39 Cr; while for FY 2009-10 it was Rs 2,239.42 Cr against an approved value of Rs 2,163.37 Cr. In the Tariff order for FY 2010-11, the Commission had approved a revenue gap of Rs 1,891.75 Cr against JKPDD's submission of Rs 1,487.48 Cr for FY 2010-11.
- 4.5 JKPDD, in its petition for FY 2011-12, has proposed an ARR of Rs 3,984.86 Cr, against revenue realization of Rs 1,136.80 Cr (at existing tariff). Thus, the revenue gap proposed by JKPDD for FY 2011-12 is Rs 2,848.07 Cr.
- 4.6 As already pointed out, the Commission had initiated the process of ARR & Tariff approvals considering that JKPDD will be able to bring down the revenue gap going forward and that the ARR could be finally met through revenues generated from sale of power. However, JKPDD has not been able to meet the Commission's expectations and the revenue gap has increased over the years. The following table provides a snapshot of the financial condition of JKPDD over the last 4 years.

Table 26: Snapshot of JKPDD Proposed ARR and Revenue Gap over the years (Rs Cr)

Particular	FY 2007-08 (A)	FY 2008-09 (A)	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (P)
A. Revenue					
Rev. Demand (At existing tariff)	1,068.16	829.63	928.13	1180.65	1263.11
Rev. Realized	591.98	628.10	702.30	794.92	1,136.80
B. Expenditure					
Power Purchase Cost	1,799.02	1,783.68	2,560.95	2,767.04	2,944.84
O&M Cost	43.51	43.34	40.85	48.72	55.36
Establishment Expenses (including Employee and A&G Expenses)	238.41	237.58	315.27	410.82	432.15
Depreciation	70.23	68.94	82.73	87.85	105.14
Interest & Finance Charges	19.45	14.37	14.97	11.20	12.99
ROR	0	0	0.00	0.00	0.00
Gross ARR	2,170.6	2,147.91	3,014.76	3,325.62	3550.47
Additional Payables			238.57		437.80
Less non-tariff income	1.95	2.75	1.34	3.10	3.41
Net ARR	2,168.65	2,145.16	3,251.99	3,322.52	3,984.86
Unmet Revenue Gap	1,576.67	1,517.06	2,549.69	2,527.60	2,848.07

Losses & data related issues

4.7 The T&D losses were approved at 46.7% for FY 2007-08 considering a reduction of 4% from the levels in FY 2006-07 as per the Abraham Committee report. However, JKPDD failed to achieve that target in FY 2007-08 and has shown dismal performance in all the subsequent years. Notably, JKPDD had submitted that it had changed their methodology used for projecting energy sales post FY 2006-07, because of which the actual T&D losses were observed to be around 60%, much higher than what was approved in FY 2006-07.

4.8 The T&D loss levels submitted by JKPDD from FY 2006-07 to FY 2011-12 are shown in the following table (involving the earlier assessment method and revised assessment method):

Table 27: Loss estimation from FY 2006-07 till FY 2011-12 (Proposed)

Particulars	Units	FY 2006-07 (A)	FY 2007-08 (A)	FY 2008-09 (A)	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (P)
		Previous Assessment	Assessed as per revised methodology				
Sales	MU	4030.85	3,331.64	3,538.70	3,833.00	4,041.07	4,304.58

Particulars	Units	FY 2006-07 (A)	FY 2007-08 (A)	FY 2008-09 (A)	FY 2009-10 (A)	FY 2010-11(RE)	FY 2011-12 (P)
Percentage of T&D Loss	%	51.00%	61.90%	61.31%	62.06%	60.99%	59.72%
T&D Loss	MU	4,205.68	5,412.32	5,608.52	6,269.794	6,317.992	6,382.063
Total Energy Input Required	MU	8,236.53	8,743.96	9,147.22	10,102.79	10,359.06	10,686.64

4.9 The Commission has observed that the performance of JKPDD in terms of reduction of T&D loss levels has shown no improvement since the new sales/ T&D loss assessment methodology has been put in place and there has been a marginal increase in the T&D loss levels in FY 2009-10 from previous years' levels. Further, inconsistency in the data submitted on sales quantum has generated serious doubts in the mind of the Commission regarding the authenticity and the reliability of the data being submitted by JKPDD in the ARR & Tariff Petitions.

Performance measures introduced

4.10 Commission plans to move away from the earlier approach and going forward will introduce a performance measure of 'Revenue Realization per Unit of Energy Input (RREI)' to track financial improvements achieved by JKPDD.

4.11 Revenue realization per unit of energy input – which is cash collected divided by energy fed into the system at the distribution interface. The Commission has reasons to believe that this data can be authenticated and is reliable.

4.12 The performance of JKPDD on this measure of RREI from FY 2006-07 to FY 2010-11, as submitted by JKPDD, is detailed in the table below.

Table 28: Revenue realisation per unit of energy input (Proposed)

Station	FY 2006-07 (Actual)	FY 2007-08 (Actual)	FY 2008-09 (Actual)	FY 2009-10 (A)	FY 2010-11 (RE)
Energy Input (MU)	8,236	8,743	9147	10,102	10,359
Revenue realisation (Rs. Cr.)	395	594	629	702	795
Revenue realization per unit of Energy Input (RREI) (Rs./ Unit)	0.48	0.68	0.69	0.69	0.77

4.13 RREI is seen to have improved in the FY 2010-11 due to the implementation of 100% metering in the LT Industrial category and the impact of tariff revision during FY 2010-11. The lower RREI prior to FY 2010-11 can be attributable to laxity in metering consumers. Without appropriate metering, JKPDD was taking benefits of minimum charges, which when withdrawn especially for the Industrial and Commercial category consumers in the tariff approved by the Commission for the FY 2008-09, had an impact on total revenue realisation.

- 4.14 Average Cost of Supply at Zero Loss ($ACOS_{ZL}$): The Commission has calculated the $ACOS_{ZL}$ by dividing the overall ARR of the utility by the quantum (units) of power purchased for any financial year.
- 4.15 Average Cost of Supply at Prudent Loss ($ACOS_{PL}$): The Commission has calculated the COS_{PL} by dividing the overall ARR of the utility by the quantum (units) of energy that would have been billed corresponding to the prudent level of T&D losses.
- 4.16 Prudent level of T&D losses: The Commission has considered the national average of T&D losses which is 28.44% as the prudent level of T&D losses.

Financial viability in FY 2011-12

- 4.17 It is a matter of great concern to the Commission that the T&D losses in the State of Jammu & Kashmir continue to be at unacceptably high levels. It is regretfully noted that now the T&D losses in the State of Jammu & Kashmir is amongst the highest in the country.
- 4.18 The Commission is of the opinion that financial viability of JKPDD can be achieved by adopting a two pronged strategy.
- (a) Improvement in efficiency levels and reducing existing level of T&D losses and improving collection:
- (i) Extent of T&D losses proposed by JKPDD at 59.72 % is not acceptable and cannot be allowed to be passed on to the honest and paying consumers;
- (ii) In addition to the T&D loss levels, JKPDD is not able to recover the amount that is being billed to the consumers- the collection efficiency in FY 2011-12 is proposed at 90%, which is not acceptable.
- (b) Gradual tariff rate changes without burdening the consumer with utility inefficiencies and avoiding tariff shocks:
- (i) The tariff levels need to be reflective of prudent costs which include cost of power purchase and cost of distribution. The cost of distribution is necessary for maintaining, upgrading and expanding the distribution networks.
- (ii) At the existing level of tariffs, the average tariff for FY 2011-12, as submitted by JKPDD, works out to Rs. 2.93/ kWh which is less than 32% of the average cost of supply at actual losses ($ACOS_{AL}$) assessed at Rs. 9.26/ kWh for the year. In order to achieve financial viability in the power distribution segment, the average tariff should gradually match the average cost of supply at prudent loss levels. However, the existing level of cost of supply reflects existing AT&C losses in the State which are at unacceptably high levels and cannot be passed on to tariff entirely.

- 4.19 Based on the philosophy explained above, the approach to tariff rate increase has been segregated across two phases:
- (a) In FY 2011-12 (P), suppose we consider energy billed is equal to energy purchased with no system losses. The cost of power purchase per unit energy input is Rs. 2.48/ kWh and the distribution cost per unit of energy input is Rs. 0.87/ kWh. So the average cost of supply at zero losses ($ACOS_{ZL}$) considering existing level of prudent distribution costs and zero T&D losses is Rs. 3.35/ kWh. The $ACOS_{ZL}$ is 17% higher than the existing average tariff of Rs. 2.85/ kWh in the state.
 - (b) T&D losses being an inherent part of distribution business, in the existing scenario a loss level of 28.44% (national average of T&D losses) should be allowed to be passed in the tariff. Subsequent impact of reduction in T&D losses can be allowed to the benefit of the consumers. Based on the figures for the FY 2011-12, the average cost of supply at prudent loss ($ACOS_{PL}$) taken at national average is Rs. 4.68/ kWh.
 - (c) Commission is, however, of the opinion that fixation of retail tariffs considering the $ACOS_{PL}$ at 28.44% T&D loss levels at Rs. 4.68/ kWh might lead to a tariff shock to the consumers, especially owing to the existing tariffs in the State which have historically been at lower levels.

Approach to cost coverage

- 4.20 The Commission had adopted the following strategy for attaining the financial viability of the power distribution business in the State in last year's tariff order:
- (a) The Commission has observed serious anomalies/inconsistencies in the data and information being submitted by JKPDD and hence, has decided ,in the interest of establishment of regulatory discipline, to conduct a prudence check of all the information being submitted in the annual ARR & Tariff petitions. Thus, only the approved value against each item, after due prudence check, has been allowed while determining the ARR.
 - (b) **Phase 1:** Commission will approve a minimum average tariff at the Average Cost of Supply at Zero Losses ($ACOS_{ZL}$). Any increase in the $ACOS_{ZL}$ on a year-on-year basis shall be passed on in the retail tariffs by the Commission.
 - (c) **Phase 2:** The Commission will gradually allow increase in average tariff over and above the $ACOS_{ZL}$ levels to reach the Average Cost of Supply at Prudent Losses ($ACOS_{PL}$) level. The Commission may link such allowance of losses in the retail tariff to the actual reduction in T&D/ AT&C losses achieved by JKPDD.
 - (d) Commission will not allow true-ups between approved and actual cost and revenue to be reflected in the consumer tariffs till the average tariffs reflect $ACOS_{PL}$. Any benefits arising from the true ups will be adjusted in revising the tariff rates from $ACOS_{ZL}$ to $ACOS_{PL}$.

- 4.21 Commission shall continue with the same strategy for this Tariff Order also and shall closely monitor the financial performance of JKPDD.

4.22

A5: REVIEW OF SALES PROJECTIONS & T&D LOSSES

- 5.1 As per the Abraham Committee Report, the Commission in its first Tariff Order for FY 2007-08 had approved a T&D loss level of 46.7% considering 4% reduction from the FY 2006-07 loss levels. The same approach could not be followed while approving the T&D loss level in the subsequent Tariff Order for FY 2008-09, because while replying to the queries raised by the Commission the sales (in Units) for FY 2007-08 were revised by the JKPDD from 4351.42 MU to 3331.64 MU leading to a restatement of the T&D loss level from 49.83% to 61.90%.
- 5.2 The Commission, in last year's tariff order, had decided that for estimating the revenues the realization per unit input should be considered since it is calculated on the basis of energy input and revenue realization figures which are being captured in reliable data sources.
- 5.3 The Commission shall continue with the same approach for its Tariff Order for FY 2011-12 also.

Sales projections**Petitioners Submission**

- 5.4 JKPDD has submitted that the total number of consumers in JKPDD system was 12,39,180 and 12,88,158 in FY 2009-10 and FY 2010-11 respectively, while the connected load was 1,446.75MW in FY 2009-10 and 1,591.50 MW (estimated) in FY 2010-11. In 2011-12, the total number of consumers and connected load are projected to increase by respectively 3% and 7% (approx.) over the figures for FY 2010-11.

Table 29: Number of Consumers and Connected Load (MW)

Consumer Categories	No. of Consumers			Connected Load (MW)		
	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (Proj)	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (Proj)
Domestic	1051760	1096056	1128105	524.17	600.38	651.9
Non-Domestic/ Commercial	142912	145991	147451	138.78	169.07	181.11
Agriculture	14107	15007	15911	108.43	110.69	112.93
State/ Central Govt. Dept.	9016	9230	9384	132.47	146.9	164.46
Public Street Lighting	311	377	411	4.85	5.61	6.02
LT Industrial	18700	18631	18760	209.98	214.33	224.89
HT Industrial	754	926	935	200.91	207.48	213.71
HT-PIU Industrial	15	13	13	32.72	25.02	26.27
LT Public Water Works	1329	1558	1696	48.46	56.98	58.55
HT Public Water Works	183	226	240	14.04	14.11	14.4

Consumer Categories	No. of Consumers			Connected Load (MW)		
	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (Proj)	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (Proj)
General Purpose/ Bulk Supply	93	143	147	31.94	40.92	45.12
Total	12,39,180	12,88,158	13,23,053	1,446.75	1,591.50	1,699.36

- 5.5 JKPDD has submitted the actual energy sales for FY 2009-10 and FY 2010-11. The energy sales for FY 2011-12 have been determined based on CAGR for past 3 years actual energy sales in various consumer categories as well as the growth in the energy sales witnessed during FY 2008-09, FY 2009-10 and FY 2010-11.
- 5.6 Keeping in view the prospect of a reasonable growth in all sectors of the economy in the state, total sales for FY 2011-12 have been projected to increase by 6.52% over the total sales for FY 2010-11. The total sales for FY 2011-12 are projected to be 4,304.48 MU. The sales for FY 2009-10, FY 2010-11 and FY 2011-12, as submitted in the tariff petition, have been summarized below.

Table 30: Category-wise Sales (MU)

Consumer Category	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (Proj)	% increase
Domestic	1380.00	1255.93	1343.84	7.00%
Non-Domestic/Commercial	295.00	349.1	359.07	2.86%
Agriculture	295.00	198.1	204.04	3.00%
State/Central Government Department	532.00	711.2	775.21	9.00%
Public Street Lighting	14.00	29.07	31.97	9.98%
LT Industrial Supply	273.46	239.34	248.91	4.00%
HT Industrial Supply	434.04	454.57	476.07	4.73%
HT-PIU Industrial Supply	148.50	122.63	126.3	2.99%
LT Public Water Works	227.43	307.14	328.65	7.00%
HT Public Water Works	155.57	278.9	304	9.00%
General Purpose/Bulk Supply	78.00	95.1	106.51	12.00%
Grand Total	3,833.00	4,041.07	4,304.58	6.52%

Commissions Analysis

- 5.7 The Commission, while reviewing sales data submitted by JKPDD in last year's tariff order, had observed that the same were not based on aggregation of actual bills being issued to consumers. The sales and revenue billed information furnished in the Petition for the previous as well as current and ensuing year were based on estimations made by JKPDD. Hence, JKPDD was directed to put in place systems and processes for aggregating consumer category wise energy sales (in units), revenue billed and revenue realized information.
- 5.8 The Commission, in the current Tariff petition for FY 2011-12 filed by JKPDD, has observed that JKPDD has made a revised submission, subsequent to the tariff petition, of the slab-wise energy sales data for connected load, number of consumers for FY

2009-10 and FY 2010-11, which are again not based on actual bills. Thus, the Commission again directs JKPDD to put in place a reliable database on consumer category wise energy sales (in units), revenue billed and revenue realized information.

- 5.9 Further, there is no substantial historical information available with the Commission for analyzing the sales information provided above due to the substantial revision in the estimation methodology for sales (in units) figures from FY 2007-08 onwards made by JKPDD
- 5.10 In view of the same, the Commission, with the given constraints, has analysed the methodology adopted by JKPDD for the estimation of sales (in Units) for the un-metered consumers within each category. An analysis of the average tariff from the revenue demand and sales data submitted by JKPDD reveals that there is no consistency in the manner in which JKPDD is estimating the sales for un-metered consumers within each category. The average tariff as calculated from the submission on category and slab wise sales data submitted by JKPDD in the prescribed formats, submitted as part of additional information subsequent to the filing of the petition, is shown in the table below:

Table 31: Average Tariffs (along with load factor) of Consumer Categories

Consumer Category	Load Factor		Average Tariff	
	FY 2010-11	FY 2011-12	FY 2010-11	FY 2011-12
Domestic	24%	24%	1.88	1.62
Metered	21%	23%	1.55	1.52
Un-metered	28%	28%	2.12	2.12
Non-Domestic/ Commercial	22%	23%	3.12	2.67
Metered	24%	23%	2.74	2.55
Un-metered	19%	19%	3.83	3.83
Agriculture	20%	21%	1.38	1.46
Metered	20%	20%	1.34	1.45
Un-metered	23%	24%	1.49	1.60
Public Street Lighting	59%	61%	2.87	3.94
Metered	38%	62%	4.01	4.07
Un-metered	51%	51%	2.66	2.66
LT Public Water Works	59%	64%	2.38	3.61
Metered	37%	62%	4.00	4.00
Un-metered	73%	73%	1.88	1.88
All Categories	29%	29%	2.93	2.91

- 5.11 The Commission has observed that in a few consumer categories (Public street lighting and LT Water Works) the average tariff for unmetered consumers is lower

than the average tariffs of the metered consumers under the same category (which is abnormal). The Commission has asked JKPDD to submit a detailed explanation of the methodology followed while calculating sales to unmetered consumers of each category (unmetered consumers are charged on the connected load). However, JKPDD failed to submit any such explanation validating their submissions. Hence, the Commission is of the view that the sales figures need to be reviewed and recalculated in a prudent manner.

- 5.12 The Commission is of the opinion that for the un-metered consumers within each category being billed on flat rate tariffs, the units supplied should be worked backwards from the amount billed (on connected load basis) and the average tariff of the metered consumers in the same consumer category. However, the Commission has used the average of the average tariffs of the metered consumers in each category for FY 2010-11 and FY 2011-12 to rework the units billed in the un-metered category in the same category. Accordingly, the Commission has reworked the sales estimations for the period under consideration as shown in the following table:

Table 32: Reworked Sales for FY 2011-12 (MU)

New Categories	FY 2011-12 (Proposed)	FY 2011-12 (Reworked)
Domestic	1,344.13	1,425.59
Non-Domestic/ Commercial	359.07	374.23
State/Central Govt. Dept.	775.21	775.21
Agriculture	204.04	205.88
Public Street Lighting	32.15	31.20
LT Public Water Works	328.65	296.03
HT Public Water Works	304.00	304.00
LT Industrial Supply	248.91	248.91
HT Industrial Supply	476.07	476.07
HT-PIU Industrial Supply	126.30	126.30
General Purpose/ Bulk Supply	106.51	106.51
Grand Total	4,305.03	4,369.92

- 5.13 It may be noted that in the methodology explained above, the overall sales in units will become a factor of the tariff levels being approved for both the metered and the un-metered consumers under each category.

T&D losses and Energy Balance

Petitioners Submission

- 5.14 The T&D loss levels submitted by JKPDD for FY 2009-10, FY 2010-11 and FY 2011-12 (projected) are shown in the following table:

Table 33: Loss estimation from FY 2009-10 to FY 2011-12 (Proposed)

Particulars	Units	FY 2009-10 (A)	FY 2010-11(RE)	FY 2011-12 (P)
-------------	-------	----------------	----------------	----------------

Sales	MU	3,833.00	4,041.07	4,304.58
Percentage of T&D Loss	%	62.06%	60.99%	59.72%
T&D Loss	MU	6,269.794	6,317.992	6,382.063
Total Energy Input Required	MU	10,102.79	10,359.06	10,686.64

Commissions Analysis

- 5.15 The Commission has observed that JKPDD has failed miserably in meeting the targets on T&D loss approved by the Commission in the past. In view of that, the Commission has decided that it will be unfair to burden the consumers with such high T&D losses, as proposed by JKPDD.
- 5.16 The Commission is of the view that the T&D loss of 59.72% proposed by JKPDD for FY 2011-12 is very high and hence, unacceptable. Hence, considering the proposed 100% metering by April 2012 and implementation of R-APDRP scheme in the state as well as the efforts to be made by JKPDD to check illegal connections and other pilferage of electricity, the Commission has decided to approve a T&D loss of 55.99% (5% lower than JKPDD's submission of 60.99% for FY 2010-11) for FY 2011-12.
- 5.17 The Commission, based on its analysis of the power purchase and energy sales as detailed in this order in the corresponding sections/ chapters, has assessed the T&D loss and energy balance as shown in the table below:

Table 34: Approved Energy Balance and T&D Losses

Particulars	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (Proposed)	FY 2011-12 (Approved)
Total Energy Input Required (MU)	10,102.79	10,359.06	10,686.64	10,677.41
Percentage of T&D Loss (%)	62.06%	60.99%	59.72%	55.99%
Sales (MU)	3,833.00	4,041.07	4,304.58	4,699.13

- 5.18 In accordance with the approved T&D losses, the sales projections being approved by the Commission will get revised, given an approved level of energy requirement for the year. Thus, with the T&D loss approved at 55.99%, the quantum of energy sales for FY 2011-12 works out to be 4,699.13 MU (given an energy requirement of 10,677 MU).
- 5.19 The Commission has accordingly revised the approved sales figures for FY 2011-12 to be 4,699.13 MU. The energy sales to the consumer categories have been approved in the same proportion as was done in Table 32 above.
- 5.20 The revised sales, at the approved levels of T&D losses, approved by the Commission is shown in the following table:

Table 35: Approved Sales for FY 2011-12(MU)

New Categories	FY 2011-12 (Proposed)	FY 2011-12 (Approved)
Domestic	1,344.13	1532.99
Non-Domestic/ Commercial	359.07	402.43
State/Central Govt. Dept.	775.21	833.60
Agriculture	204.04	221.39
Public Street Lighting	32.15	33.55
LT Public Water Works	328.65	318.33
HT Public Water Works	304.00	326.90
LT Industrial Supply	248.91	267.66
HT Industrial Supply	476.07	511.93
HT-PIU Industrial Supply	126.30	135.81
General Purpose/ Bulk Supply	106.51	114.53
Total Sales	4,305.03	4,699.13

A6: REVIEW OF POWER PURCHASE

- 6.1 Power purchase expense is the single largest component in the ARR, which is approximately 80% of the total revenue requirement for a year. Hence, it is imperative that this element of cost is estimated with utmost care and prudence.
- 6.2 The Commission has exercised due caution in estimating power purchase cost of JKPDD. The Commission has made reasonable assumption for PLF, auxiliary consumption and transmission losses to arrive at the quantum of energy available for JKPDD.
- 6.3 As per the petition, JKPDD has considered actual power purchase expense from Central Generating stations for computing of the energy availability for FY 2010-11. While due to non receipt of Power Purchase Bill for month of March from JKSPDC, 1-month projection has been taken for projection of power purchase expense from State Generating Stations. For projection of FY 2011-12 energy availability, firm and infirm allocation from various generating stations has been considered.
- 6.4 The Commission has adopted a detailed methodology in approving the power purchase expense for JKPDD for FY 2011-12, as explained in the following sub-sections:

Sources of Power

- 6.5 Following power generating stations have been considered for the purpose of estimation of power availability for FY 2011-12.
- (a) JKPDD's own generating stations
 - (b) Purchase from JKSPDC Station
 - (c) Purchase from Central Generating Stations (CGS) of NTPC, NHPC, SJVNL and NPC and Tehri, including free power from NHPC.
 - (d) Purchase through bilateral short term arrangements.
 - (e) Banking arrangements

Power Purchase Quantum

Own Generation of JKPDD

Petitioner's Submission

- 6.6 JKPDD has a very small installed self generation capacity in Ladakh Region comprising of 4.0 MW Stakna Hydroelectric Project and 25.51 MW diesel generating stations.

- 6.7 As submitted, for estimating the generation from Diesel and Stakna plants for FY 2010-11, actual generation during the first 11 months have been considered. However, the average of actual generation for the period 2006-07 to 2009-10 has been considered for projecting the energy availability from Stakna during FY 2011-12.
- 6.8 JKPDD has estimated a generation of 6.16 MU from the Stakna Hydel Station and 22.49 MU from the diesel stations for FY 2010-11. JKPDD projects to generate 5.88 MU and 26.99 MU of energy from the respective generating plants in FY 2011-12.

Commission's Analysis

- 6.9 The Commission has considered the power generation from Stakna Hydel Station and diesel generating stations as submitted by JKPDD for FY 2010-11 and FY 2011-12. The actual generation from own power stations for FY 2009-10 and FY 2010-11 and the estimated and approved generation for FY 2011-12, net of auxiliary consumption @1% respectively are given below:

Table 36: Generation from Stations owned by JKPDD (MU)

Particulars	Plant Capacity (MW)	FY 2009-10 (A) (MU)	FY 2010-11 (Estimated) (MU)	FY 2011-12 (Projected) (MU)	FY 2011-12 (Approved) (MU)
Generation from Diesel Units	23.41	19.90	22.49	26.99	26.99
Generation from Stakna Hydel Station	4.00	4.88	6.16	5.88	5.88
Total Self Generation by JKPDD	27.41	24.78	28.65	32.87	32.87
Auxiliary Consumption @1%		0.25			0.33
Net Generation		24.53	28.65	32.87	32.54

Generation from JKSPDC Stations

Petitioner's Submission

- 6.10 JKPDD has projected the power availability from JKSPDC stations based on the average power in the last three years for FY 2009-10 and FY 2010-11. JKPDD has submitted the revised estimates for FY 2010-11 based on the actual generation during the first 11 months of FY 2010-11 while the projection of power purchase quantum for FY 2011-12 have been done on the basis of the generation data available for the past years.

Commission's Analysis

- 6.11 The generation stations in the State are owned by the J&K State Power Development Corporation (JKSPDC). The total installed capacity of hydro-electric plants of JKSPDC is 306.31 MW (excluding Baglihar), which is supplemented by two gas turbine stations having a capacity of 175 MW.

- 6.12 The 3x150 MW Baglihar HEP has been commissioned and 50% of its power is available to the state from FY 2009-10. The total share of generation initially approved by the Commission to be available for FY 2009-10 and FY 2010-11 was 1400 MU. However, as submitted by JKPDD, the actual generation in 11 months has been 1321 MU. Hence, JKPDD has estimated generation of 1410 MU for FY 2010-11 and projected the same at 1460 MU for FY 2011-12.
- 6.13 The Commission has followed the same methodology. For the gas turbine station, power availability for FY 2009-10 and FY 2010-11 has been approved as submitted by JKPDD.
- 6.14 The Commission has considered a total generation of 2498.03 MU for FY 2011-12, as per the design energy approved for the plant for FY 2011-12 in the Tariff order issued by the Commission dated June 16, 2011. Accordingly, the Commission approves a share of 1249.02 MU for JKPDD from the Baglihar plant for FY 2011-12.
- 6.15 The Commission has approved the quantum of power purchase from JKSPDC stations as per the design energy approved by it in its Tariff Order for JKSPDC for FY 2011-12 dated July 16, 2011.
- 6.16 The total proposed power purchase, as submitted by JKPDD, from JKSPDC for FY 2010-11 is estimated at 2238.93 MU and for FY 2011-12 at 2375.98 MU.
- 6.17 The actual power purchased from JKSPDC for FY 2009-10 along with the estimate for FY 2010-11 and the approved for FY 2011-12 are given below:

Table 37: Power Purchase from JKSPDC (MU)

Station	FY 2009-10 (A)	FY 2010-11 (Estimated)	FY 2011-12 (Projections)	FY 2011-12 (Approved)
Thermal				
GT-I	0.00	14.04	0.00	0.00
GT-II	9.06	0.00	0.00	0.00
Sub Total (1)	9.06	14.04	0.00	0.00
Hydel				
LJHP	390.96	360.00	439.83	609.43
USHP-I	89.16	32.18	78.70	106.62
USHP-II	143.23	296.00	262.81	447.37
Ganderbal	21.67	11.63	21.18	90.15
Chenani-I	61.32	72.63	64.61	110.02
Chenani-II	0.00	5.20	5.20	12.00
Chenani-III	7.14	7.06	8.50	36.71
Sewa-III	4.44	7.65	8.05	33.06
Karnah	3.21	1.67	1.83	11.36
Sumoor	0.00	0.05	0.05	0.45
Bazgo	0.93	0.24	0.89	1.09
Hunder	0.00	0.52	0.10	1.77

Station	FY 2009-10 (A)	FY 2010-11 (Estimated)	FY 2011-12 (Projections)	FY 2011-12 (Approved)
Iqbal Bridge	7.88	3.47	7.03	21.23
Sanjak	0.00	0.00	0.00	0.00
Badherwah	0.00	0.00	0.43	8.32
Pahalgam	7.93	8.08	7.16	14.92
Haftal	0.08	0.00	0.02	4.88
Marpachoo	0.50	0.18	0.28	3.79
Igo-Mercellong	10.86	8.32	9.30	15.88
Matchil	0.00	0.00	0.00	0.00
Sub Total (2)	749.28	814.90	915.98	1529.05
Total (1)+(2)	758.34	828.93	915.98	1529.05
Baglihar	1339.33	1410.00	1460.00	1249.02
less construction power for Bhaglihar	0.00-	0.00-	0.00	0.00-
Net Generation	2097.67	2238.93	2375.98	2810.94

Energy Availability from the Central Sector Generating Stations (CSGS)

Petitioner's Submission

- 6.18 For projecting the power availability for FY 2011-12, JKPDD has considered average of month wise allocation of firm and infirm power from the Northern region generating stations and Eastern region power stations of NTPC as per the allocation specified for FY 2010-11 by Northern Regional Power Committee and Eastern Regional Power Committee. The average allocation from respective plants for the period January, 2010 to December, 2010 as per NRPC-REA and ERPC- REA has been considered.
- 6.19 As per the Petition, the average PLF of 2008-09, 2009-10 and first nine months of 2010-11 has been considered for projecting the energy from coal-based NTPC stations during FY 2011-12 except for Kahalgaon-I which has been taken at 80%. Auxiliary consumption of 9% has been considered for coal based generating stations for projecting the energy from NTPC stations during FY 2011-12. Energy availability from Kahalgaon-II for FY 2011-12 is considered at same level as FY 2010-11. A quantum of 40 MU of power purchase has been projected from NCTP station in FY 2011-12.
- 6.20 For projecting the power availability from NHPC stations during FY 2011-12, JKPDD has considered average of month wise allocation of firm and infirm power from NHPC stations as per the average allocation specified in the NRPC-REA for the period January, 2010 to December, 2010 for each generating station. Based on this approach, the effective share of JKPPD from each plant has been computed for FY 2011-12.
- 6.21 Power purchase quantum from existing NHPC stations except Chamera I and Dulhasti for the FY 2011-12 has been calculated as per the month-wise design energy shown

by each plant in their respective water studies (as mentioned in the CERC Orders). The effective share of the JKPDD is applied on the total month-wise ex-bus generation to estimate the month-wise energy purchases from the respective stations during FY 2011-12.

- 6.22 Further, auxiliary consumption of 1.2% has been considered for estimating the net generation. Gross Generation for FY 2011-12 from Chamera – I and Dulhasti have been considered at the past 4 year average actual generation. Energy availability from Uri for FY 2011-12 is considered at same level as FY 2010-11. The power purchase quantum from Sewa-II for FY 2011-12 has been computed by assuming PLF of 45% (as the plant has been commissioned in June, 2010 only). The 12% free power share from the Salal, Uri, Dulhasti and Sewa II has also been considered while projecting the power purchase quantum for FY 2011-12.
- 6.23 Apart from above sources, JKPDD also has share in power from SJVNL, THDC, TALA (through PTC) and BHEP (through PTC). Power purchase quantum from SJVNL and THDC stations for FY 2011-12 has been calculated as per the month-wise design energy generation shown by each plant in their respective water studies. The effective share of the JKPDD is applied on the total month-wise ex-bus generation to estimate the month-wise energy purchases from these stations. For FY 2010-11, as actual bill has not been received for PTC (BHEP) for the month of March, approximately 14 MU has been considered for the month of March 2011. For FY 2011-12, power purchase quantum from PTC (TALA and BHEP) has been assumed at same level as FY 2010-11. JKPDD also has share in power from NPCIL Plants (i.e. NAPPs and RAPP). The power purchase quantum from these sources for FY 2011-12 has been assumed at same level as estimated for FY 2010-11.
- 6.24 JKPDD has submitted that external transmission losses (PGCIL losses) on power purchase have been assumed as 3.5 %.
- 6.25 The total power purchase from NTPC plants is estimated at 4080.92 MU for FY 2011-12 by JKPDD. An aggregate 2989.87 MU is projected to be received from NHPC which includes 1043.57 MU of free power from Salal, Uri, Dulhasti and Sewa II stations (@12% from each station). Another 1437.30 MU is projected to be received from the NPCIL and other Hydel Stations. A quantum of 40 MU has been projected from the Jhajjar plant. Further, a quantum of 30 MU has been projected as banking power for FY 2011-12. Thus, the total gross power purchase from the CPSUs for FY 2011-12 has been projected at 8578.09 MU.
- 6.26 The following table gives the details of energy available from CPSU and other sources for 2011-12 (Proposed) as submitted by JKPDD.

Table 38: Proposed Power Purchase from CPSUs and Other Sources (in MU)

Station	FY 2011-12 (P)
NTPC	
Anta	196.46
Auraiya	299.75
Dadri	371.08

Station	FY 2011-12 (P)
Unchahar-I	124.35
Unchahar-II	281.86
Unchahar-III	125.98
Rihand-I	653.04
Rihand-II	858.76
Singrauli	267.44
Farakka	126.07
Talcher	25.54
Kahalgaon I	226.84
Kahalgaon II	483.75
Kawas	0.00
NCTP	40.00
Total NTPC	4080.92
NHPC	
Salal	674.96
Salal Free Power	361.75
Tanakpur	33.97
Chamera-I	83.01
Chamera-II	124.41
Uri	664.82
Uri Free Power	363.22
Dulhasti	239.55
Dulhasti Free power	262.37
Dhauliganga	87.24
Sewa II	38.33
Sewa II free power	56.24
Total NHPC	2989.87
NPCIL	
NAPS	145.85
RAPP U3 & U4	238.04
RAPP U5	174.77
Total NPCIL	558.65
Other Hydro	
SJVNL	554.03
THDC	149.51
Tala	63.12
Bhep	111.99
Total Other Hydro	878.65
Jhajjar	40.00
Total CPSUs	8548.09
UI	

Station	FY 2011-12 (P)
UI (+)	0.00
UI (-)	0.00
Total UI	0.00
Short Term Trading	
PTC/ NVVN	0.00
Total Short Term Trading	0.00
Banking	
Punjab	0.00
Haryana	0.00
NVVN	0.00
Chandigarh	0.00
Delhi	0.00
Athwato	30.00
Total Banking	30.00
Grand Total	8578.09
PGCIL losses	300.23
Net Power Purchase Quantum	8277.86

Commission's Analysis

- 6.27 Jammu and Kashmir has firm allocated share in Central Sector Generating Stations (CSGS) of NTPC, National Hydroelectric Power Corporation (NHPC), Tehri Hydro Development Corporation (THDC), Satluj Jal Vidyut Nigam Limited (SJVN) and Nuclear Power Corporation Limited (NPCIL). The Commission has considered allocation of firm power from the above mentioned generating stations as per the allocation specified in the notification no. NRPC/SE(O)/Allocations/2011-12 dated 20 May, 2011 of Northern Regional Power Committee.
- 6.28 The distribution of unallocated quota from the above mentioned plants varies from time to time based on power requirement and power shortages in different States. Therefore, the Commission has considered the unallocated share for the said stations equivalent to the average of the unallocated quota for FY 2010-11, FY 2009-10 and FY 2008-09. The total share is sourced from final REA of March 2011, Notification no NRPC/SE(C)/ABT-REA/2010-11 dated 29 April, 2011.
- 6.29 The firm share, unallocated share and J&K's share of firm and unallocated share from the Central Sector Generating Stations is summarised below:

Table 39: Allocation of Power to J&K from Central Sector Generating Stations

Stations	Installed Capacity (in MW)	Firm Share of J&K (%)	Unallocated Share of J&K (%)	Firm & unallocated J&K Share (%)
NTPC Plants				
ANTA GAS	419	6.92%	1.39%	8.31%

Stations	Installed Capacity (in MW)	Firm Share of J&K (%)	Unallocated Share of J&K (%)	Firm & unallocated J&K Share (%)
AURAIYA GAS	663	6.64%	0.96%	7.60%
DADRI GAS	830	6.75%	0.64%	7.39%
FARAKKA	1600	0.85%	-	0.85%
KAHALGAON -I	840	3.68%	-	3.68%
KAHALGAON-II	1500	5.56%	-	5.56%
RIHAND -I	1000	7.00%	1.38%	8.38%
RIHAND -II	1000	9.40%	1.39%	10.79%
SINGRAULI	2000	-	1.39%	1.39%
UNCHAHAR-I	420	3.33%	0.44%	3.77%
UNCHAHAR-II	420	7.14%	1.39%	8.53%
UNCHAHAR-III	210	6.19%	1.36%	7.55%
ARAVALI-JHAJJAR	500	-	1.39%	1.39%
NHPC Plants				
CHAMERA-I	540	3.90%	-	3.90%
CHAMERA-II	300	6.33%	0.36%	7.99%
DHAULIGANGA	280	6.07%	1.39%	7.46%
DULHASTI*	390	21.15%	1.38%	22.53%
SALAL*	690	34.39%	-	34.39%
TANAKPUR	94	7.68%	-	7.68%
URI-I*	480	33.96%	-	33.96%
SEWA-II*	120	19.17%	1.40%	20.57%
Others				
TEHRI HEP	1000	4.80%	0.92%	5.72%
NJPC (SATLUJ)	1500	7.00%	0.92%	7.92%
TALA HEP	1020	1.77%	-	1.77%
NPCIL				
NPCIL - RAPS - 3&4	440	7.95%	-	7.95%
NPCIL - RAPS - 5	220	13.07%	-	13.07%
NPCIL - NAPS	440	7.50%	-	7.50%

*Includes the allocation of 12% of free power to the state of J&K.

- 6.30 The Commission has computed the gross energy available from the existing NTPC stations based on the installed capacity and PLF for each plant which is taken as an average for the last three financial years (FY 2008-09, FY 2009-10 and FY 2011-12). Net energy sent out from each plant is estimated after deducting the auxiliary consumption applicable as per CERC Tariff Regulations, 2009. The effective share of JKPDD from each generating station has been applied to compute the total energy availability from NTPC stations.
- 6.31 Power purchase quantum from NHPC Stations has been computed as per the year-wise program energy shown by each plant in their respective water studies (as mentioned in various CEA reports) and the auxiliary consumption has been considered as per CERC Tariff Regulations, 2009.
- 6.32 In case of thermal stations which have been commissioned in FY 2009-10,

Commission has computed the PLF based on the average of last two financial years (FY 2009-10 and FY 2010-11) and auxiliary consumption as applicable for CSGS under CERC Tariff Regulations, 2009.

- 6.33 In case of thermal stations which have been commissioned in FY 2010-11, Commission has considered the availability for such plants based on the normative availability and auxiliary consumption as applicable for CSGS under CERC Tariff Regulations, 2009.
- 6.34 The power availability from other hydro plants like Nathpa Jhakri has been considered based on the design energy of the plant whereas the power availability for Tehri HEP has been considered based on the program energy. The auxiliary consumption has been considered as per CERC Tariff Regulations, 2009.
- 6.35 The Commission has considered energy availability from the NPCIL-NAPS station based on the actual PLF recorded by CEA in its monthly generation report for FY 2010-11, the same has been considered for approving energy availability from NAPS station for FY 2011-12.
- 6.36 The energy availability from PTC (Tala), PTC (BHEP), NCTP, RAPP 3&4 and RAPP 5 has been approved at the quantum proposed by JKPDD for FY 2011-12.
- 6.37 The effective share of JKPDD is applied on the energy sent out to estimate the energy availability for JKPDD from respective stations. The energy available to JKPDD as per the projections made by the Commission is summarised below:

Table 40: Energy Available to JKPDD from Central Sector Generating Stations for FY 2011-12 (MU)

Source / Station	Approved for FY 2011-12
<u>NTPC</u>	
ANTA GAS	202.14
AURAIYA GAS	308.89
DADRI GAS	386.10
FARAKKA	84.30
KAHALGAON Stage 1	176.21
KAHALGAON Stage 2	483.77
NCTPS (Dadri)	40.00
RIHAND-I	635.07
RIHAND-II	861.14
SINGRAULI	207.34
UNCHAHAR-I	119.20
UNCHAHAR-II	270.63
UNCHAHAR-III	119.86
Aravali Power Corporation Limited (Unit-I)	48.52
NTPC Total	3943.17
<u>NHPC</u>	
BAIRA SIUL	0.00

Source / Station	Approved for FY 2011-12
CHAMERA-I	59.49
CHAMERA-II	116.11
DHAULIGANGA	79.62
DULHASTI	416.26
SALAL	1021.38
TANAKPUR	33.68
URI	868.00
SEWA-II	106.09
NHPC Total	2700.64
<u>OTHERS</u>	
TEHRI HEP	158.25
NJPC (SATLUJ)	546.25
TALA HEP	63.12
PTC (BHEP)	111.99
Mejia # 6	0.00
Others Total	879.60
<u>NUCLEAR</u>	
NPCIL – RAPS – 3&4	238.04
NPCIL – RAPS – 5	174.77
NPCIL – NAPS	128.31
Nuclear Total	541.11
Total Unit Availability from Central Generating Stations (Gross)	8064.53
PGCIL losses	198.06
Net Power Purchase Quantum from CGS for FY 2011-12	7866.47

Power Purchase Quantum from Other Sources: Intra-State, Bilateral & Banking

Petitioner's Submission

- 6.38 JKPDD has submitted that deficit or surplus power in a particular month, if any, after considering the long term sources, has been considered as a part of Bilateral Purchase or Sale for that month.

Commission's Analysis

- 6.39 Based on the analysis of energy availability from various sources and the requirement of power for sale in the distribution area of JKPDD, the Commission has not approved any power purchase (sale) from (to) other sources for FY 2011-12.

Power Purchase Cost

Power Purchase from JKSPDC

- 6.40 JKPDD has submitted that a 5% escalation in per unit cost has been applied over per unit cost for FY 2010-11 to arrive at the per unit cost of power from JKSPDC for FY 2011-12.
- 6.41 JKPDD has submitted that the 450 MW Baglihar Station has recently been commissioned and it is expected that JKPDD will receive 1410 MU of power from Baglihar in 2010-11 and 1460 MU in 2011-12. For the FY 2011-12, JKPDD has considered a tariff rate of Rs. 3.71 per unit.
- 6.42 Further, JKPDD has a small hydel project of 4.0 MW (Satkna) and few very small diesel based stations totalling 32.94 MW in Gurez, Keran & Matchil areas of Ladakh region. The establishment/administrative expenditure of these generating stations are pooled into the overall expenditure of JKPDD. The operational cost of hydel and diesel stations is included in overall operation and maintenance cost of the JKPDD. No separate cost of fuel is to be assumed in expenditure for JKPDD's own stations.
- 6.43 The estimated cost of power purchase from JKSPDC for FY 2011-12 has been proposed at Rs. 627.75 Cr, as given in the table below:

Table 41: Proposed Cost of Power Purchase from JKSPDC

Source	FY 2011-12	
	Total Charges (Rs. Cr)	Av. Rate (Rs./Unit)
Thermal		
Gas Turbine-I	0.00	0.00
Gas Turbine-II	0.00	0.00
Sub-Total	0.00	0.00
Hydel		
LJHP	23.09	0.53
USHP-I	2.56	0.33
USHP-II	41.12	1.56
Ganderbal	0.29	0.14
Chenani-I	3.46	0.54
Chenani-II	0.00	0.00
Chenani-III	2.03	2.39
Sewa-III	2.60	3.23
Karnah	0.19	1.03
Sumoor	0.00	0.00
Bazgo	0.15	1.70
Hunder	0.00	0.00
Iqbal Bridge	0.70	1.00
Sanjak	0.00	0.00

Source	FY 2011-12	
	Total Charges (Rs. Cr)	Av. Rate (Rs./Unit)
Badherwah	0.00	0.00
Pahalgam	4.64	6.49
Haftal	0.00	0.00
Marpachoo	0.16	5.78
Igo-Mercellong	5.09	5.47
Matchil	0.00	0.00
Sub-Total	86.09	0.94
Baglihar	541.66	3.71
Total	627.75	2.61

Commission's Analysis

- 6.44 The Commission has approved the cost of power purchased from JKSPDC based on the tariff approved for FY 2011-12 vide Tariff Order dated July 16, 2011 at Rs. 592.25 Cr.
- 6.45 The table below gives the approved per unit cost of power and total cost of power purchase from JKSPDC stations for FY 2011-12.

Table 42: Approved Cost of Power Purchase from JKSPDC

Source	FY 2011-12	
	Total Charges (Rs. Cr.)	Av. Rate (Rs./Unit)
Thermal		
Gas Turbine-I	0.00	0.00
Gas Turbine-II	0.00	0.00
Sub-Total	0.00	0.00
Hydel		
LJHP	35.96	0.59
USHP-I	3.41	0.32
USHP-II	62.63	1.40
Ganderbal	0.99	0.11
Chenani-I	6.16	0.56
Chenani-II	0.98	0.82
Chenani-III	7.86	2.14
Sewa-III	9.55	2.89
Karnah	1.15	1.01
Sumoor	0.06	1.32
Bazgo	0.18	1.69
Hunder	0.24	1.37

Source	FY 2011-12	
	Total Charges (Rs. Cr.)	Av. Rate (Rs./Unit)
Iqbal Bridge	2.10	0.99
Sanjak	0.00	0.00
Badherwah	1.41	1.70
Pahalgam	8.79	5.89
Haftal	2.48	5.09
Marpachoo	1.99	5.25
Igo-Mercellong	7.89	4.97
Matchil	0.00	0.00
Sub-Total	153.85	1.01
Baglihar	438.40	3.51
Total	592.25	2.11

Cost of power purchased from CPSUs & Others

Petitioner's Submission

- 6.46 The cost of purchase from the central generating stations for FY 2011-12 is estimated based on the following assumptions:
- Fixed cost for FY 2011-12 has been projected considering a 15% escalation over the estimated fixed cost for various stations for FY 2010-11. The escalation has been considered based on the anticipated increase in the Employee Cost due to implementation of Sixth Pay Commission and of new Tariff Regulations FY 2009-14 issued by CERC for computation of tariff for Central Generating Stations.
 - Variable cost including FPA charges from each NTPC generating stations has been projected for FY 2011-12 based on the actual average variable cost and fuel price adjustment per unit for FY 2010-11. An escalation of 8% has been assumed for projecting the variable cost for FY 2011-12 keeping in view of the escalation of approximately 8 per cent p.a. on the coal prices over the past five years.
 - The JKPDD has projected other charges (per unit basis) for FY 2011-12 at similar level as estimated for full year of FY 2010-11.
 - For the purpose of projections of the Annual Fixed Cost and variable charges for NHPC stations, SJVN, THDC and PTC (Tala) for FY 2011-12, 5% escalation has been applied over the estimated per unit cost for FY 2010-11. While the Other Costs for FY 2011-12 has been taken at similar level as estimated for full year of FY 2010-11.
 - For nuclear plants i.e. NAPs and RAPP Units 3 & 4, 5% escalation has been considered on the actual per unit variable charges for FY 2010-11 for projecting the

cost for FY 2011-12. While the Other Costs for FY 2011-12 has been taken at similar level as estimated for full year of FY 2010-11.

- 6.47 The power purchase cost for FY 2011-12 as submitted by JKPDD for power procured from CPSUs is as given below.

Table 43: Proposed Power Purchase for FY 2011-12

Station	Fixed Cost	Variable + FPA Cost	Other Costs	Total Cost	
	Rs Cr	Rs Cr	Rs Cr	Rs Cr	Rs/ U
NTPC					
Anta	10.82	53.58	3.02	67.42	3.43
Auraiya	12.73	82.98	6.31	102.02	3.40
Dadri	17.00	99.89	9.84	126.73	3.42
Unchahar-I	6.37	25.69	3.25	35.31	2.84
Unchahar-II	17.47	57.79	6.93	82.20	2.92
Unchahar-III	14.14	27.47	2.64	44.26	3.51
Rihand-I	35.92	93.68	11.76	141.37	2.16
Rihand-II	67.21	129.19	13.02	209.43	2.44
Singrauli	7.80	37.96	9.26	55.02	2.06
Farakka	6.78	39.00	2.52	48.30	3.83
Talcher	1.45	4.11	2.66	8.22	3.22
Kahalgaon I	15.55	50.96	6.77	73.28	3.23
Kahalgaon II	58.80	104.49	13.79	177.08	3.66
Kawas	0.00	0.00	0.00	0.00	0.00
NCTP	5.99	8.37	0.00	14.36	3.59
Total NTPC	278.05	815.17	91.77	1184.99	2.90
NHPC					
Salal	23.06	23.32	8.32	54.70	0.81
Salal Free Power	0.00	0.00	0.00	0.00	0.00
Tanakpur	23.06	2.14	0.93	5.58	1.64
Chamera-I	0.00	6.03	2.31	12.89	1.55
Chamera-II	2.51	19.14	3.86	43.11	3.47
Uri	4.54	42.58	23.68	115.46	1.74
Uri Free Power	20.11	0.00	0.00	0.00	0.00
Dulhasti	49.19	59.57	11.69	130.23	5.44
Dulhasti Free power	0.00	0.00	0.00	0.00	0.00
Dhauliganga	58.97	8.31	2.97	20.80	2.38
Sewa II	8.32	5.82	5.79	19.93	5.20
Sewa II Free	0.00	0.00	0.00	0.00	0.00
Total NHPC	176.23	166.90	59.57	402.70	1.35
NPCIL					

Station	Fixed Cost	Variable + FPA Cost	Other Costs	Total Cost	
	Rs Cr	Rs Cr	Rs Cr	Rs Cr	Rs/U
NAPPS	0.00	31.25	0.00	31.25	2.14
RAPP U3 & U4	0.00	61.51	0.00	61.51	2.58
RAPP U5	0	55.47	0.00	55.47	3.17
Total NPCIL	0.00	148.23	0.00	148.23	2.65
Other Hydro					
SJVNL	75.51	64.67	24.16	164.34	2.97
THDC	28.39	39.25	9.00	76.64	5.13
TALA	0.00	12.19	0.15	12.34	1.96
BHEP		26.61	0.00	26.61	2.38
Total Others	103.90	142.72	33.31	279.93	3.19
Jhajjar	15.09	11.02	-7.03	19.08	4.77
Total CPSUs	573.27	1284.05	177.62	2034.93	2.38
UI					
UI (+)					
UI (-)					
Total UI					
Short Term Trading					
PTC/ NVVN					
Total Short Term Trading				0.00	0.00
Banking					
Punjab					
Haryana					
NVVN					
Chandigarh					
Delhi					
Athwato				0.06	0.02
Total Banking				0.06	0.02
Total STT, UI, Banking				0.06	0.02
Total Power Purchase Cost	573.27	1284.05	177.62	2034.99	2.38

Commission's Analysis

- 6.48 The following methodology has been adopted by the Commission for estimation of the power purchase cost for FY 2011-12 from existing stations:
- (a) The Commission has kept the per unit variable cost (including FPA) for NTPC stations at the same level as was observed in FY 2010-11, as submitted by JKPDD. The fixed charge for NTPC stations has been based on the Annual Fixed Charges (AFC) approved by CERC in its latest tariff orders.

- (b) By the time the Commission was scrutinizing the tariff petition filed by JKPDD, the Tariff Order for most of the NHPC stations was issued by CERC. Therefore, the Commission found merit in approving the annual fixed charges as per the latest order for the stations for which the order was passed by CERC. Accordingly, the fixed charges and the variable charges (per unit) were worked out from the approved Annual Fixed Charges approved in the latest orders, after adjusting for auxiliary consumption and free-energy available to the state.
- (c) The Commission has considered the normative availability for hydel stations equal to 85% and allowed the fixed cost based on the same.
- (d) The Commission has computed the total power purchase cost considering fixed cost, variable cost (including FPA) and other charges (income tax, water cess etc) for each plant taking into account the approved energy availability and share of JKPDD in the total capacity in the plant.

6.49 The total power purchase cost computed by the Commission is summarised below:

Table 44: Approved Total Power Purchase Cost for Existing Stations (Rs. Cr)

Source	Fixed Charges	Variable Charges (including FPA)	Other Charges	Total Cost	Per unit Cost (Rs/unit)
Central Generating Stations					
NTPC					
ANTA GAS	15.76	51.82	0.11	67.69	3.35
AURAIYA GAS	17.39	79.18	0.00	96.57	3.13
DADRI GAS	20.70	96.23	0.00	116.93	3.03
FARAKKA	7.03	24.15	0.03	31.21	3.70
KAHALGAON-I	18.68	36.65	0.01	55.34	3.14
NCTP (Dadri)	2.93	7.75	0.00	10.69	2.67
RIHAND –I	42.14	84.35	0.23	126.72	2.00
RIHAND –II	69.01	119.96	0.00	188.97	2.19
SINGRAULI	9.44	27.25	0.07	36.76	1.77
UNCHAHAR-I	8.86	22.80	0.02	31.69	2.66
UNCHAHAR-II	23.50	51.38	0.05	74.93	2.77
UNCHAHAR-III	15.08	24.20	0.02	39.30	3.28
KAHALGAON STAGE-II	64.88	96.76	0.02	161.65	3.34
ARAVALI POWER CORPORATION LIMITED	10.71	12.73	0.00	23.44	4.83
NTPC Total	326.12	735.22	0.55	1061.88	2.69
NHPC					
BAIRA SIUL	0.00	0.00	0.00	0.00	
CHAMERA-I	5.66	5.25	0.93	11.84	1.99
CHAMERA-II	15.83	15.53	1.89	33.25	2.86
DHAULIGANGA	11.44	10.90	0.00	22.35	2.81
DULHASTI	58.50	57.37	0.00	115.86	5.96

Source	Fixed Charges	Variable Charges (including FPA)	Other Charges	Total Cost	Per unit Cost (Rs/unit)
SALAL	29.66	28.87	4.18	62.71	0.94
TANAKPUR	3.54	3.47	0.00	7.01	2.08
URI	41.01	41.00	0.00	82.02	1.46
SEWA- II	9.55	14.66	0.01	24.22	5.48
NHPC Total	175.19	177.05	7.01	359.26	1.33
Other Hydel					
TEHRI HEP	21.39	19.36	0.00	40.76	2.58
NJPC (SATLUJ)	59.03	59.03	0.00	118.06	2.16
TALA HEP	0.00	11.61	0.00	11.61	1.84
PTC (BHEP)	0.00	41.55	0.00	41.55	3.71
Others Total	80.42	131.55	0.00	211.98	2.41
NUCLEAR					
NPCIL - RAPS – 3&4	0.00	58.58	0.00	58.58	2.46
NPCIL - RAPS – 5	0.00	52.83	0.00	52.83	3.02
NPCIL – NAPS	0.00	26.18	0.00	26.18	2.04
Nuclear Total	0.00	137.59	0.00	137.59	2.54
Total Power Purchase Cost	581.73	1181.42	7.56	1770.71	2.20

Cost of Power from Other Sources

Petitioner's Submission

6.50 JKPDD has considered purchase of power of Rs 0.06 Cr for FY 2011-12 through banking arrangement.

Commission's Analysis

6.51 The Commission has approved no quantum of power purchase from short term/banking arrangements for JKPDD for FY 2011-12.

Transmission Charges and Miscellaneous Charges

6.52 The PGCIL, NRLDC charges and miscellaneous charges have been approved as projected by JKPDD for FY 2011-12.

Table 45: Approved Transmission & Miscellaneous Charges (in Rs Cr)

Transmission Charges	FY 2011-12	FY 2011-12
	Proposed	Approved
PGCIL	242.68	242.68
NRLDC	8.54	8.54
Reactive Energy Charges	29.18	29.18
PSEB Wheeling & RE Charges	1.30	1.30
BBMB Wheeling Charges	1.62	1.62

Transmission Charges	FY 2011-12	FY 2011-12
	Proposed	Approved
Surcharge	0.00	0.00
Rebate/ Credit Bill	0.00	0.00
Total	283.32	283.32

Power Purchase Cost from all sources

6.53 The summary of power purchase cost proposed by JKPDD and approved by the Commission for FY 2011-12 is shown in the table below.

Table 46: Proposed and Approved Power Purchase Cost from all sources for FY 2011-12

Source	Proposed			Approved		
	MU	Rs Cr	Rs/U	MU	Rs Cr	Rs/U
Own Generation of PDD	32.87			32.87		
Power from JKSPDC	2,375.98	627.75	2.64	2,778.07	592.25	2.13
Power from CPSUs	8,548.09	2,034.93	2.38	8,064.53	1,770.71	2.20
Short term trading/ UI/ Banking	30.00	0.06	0.02	0.00		
Total Power Purchase from outside the state	8,578.09	2,034.99	2.37	8,064.53	1,770.71	2.20
Less: Inter regional transmission losses	300.23			198.06		
PGCIL & NRLDC		251.22			251.22	
Net Power from CPSUs	8,277.86	2,284.98	2.76	7,866.47	2,021.93	2.57
Total Power Purchase	10,686.71	2,912.73	2.73	10,677.41	2,614.18	2.45
Reactive Energy and Misc Charges		32.10			32.10	
Total	10,686.71	2,944.83	2.76	10,677.41	2,646.28	2.48

6.54 The average cost of one unit of energy for the utility, based on the approved power purchase quantum and cost for FY 2011-12 is Rs 2.48/unit.

Renewable Energy Procurement

6.55 As per the JKSERC (Renewable Power Purchase Obligation, its Compliance and REC framework Implementation) Regulations, 2011, the Commission mandates JKPDD to make its obligatory procurement of power generated from eligible renewable energy sources during FY 2011-12 as per the following schedule:

Table 47: Minimum Quantum of Purchase (in %) under RPO

Year	Minimum Quantum of purchase (in %) from renewable energy sources (in terms of energy equivalent in kWh)		
	Solar	Non-Solar (other RE)	Total
2011-12	0.10%	2.90%	3.00%

6.56 However, JKPDD in its tariff petition for FY 2011-12 has not proposed any quantum

of power purchase under the renewable Procurement Obligation (RPO) and therefore, the Commission in its Order for FY 2011-12 has not approved any such quantum of power purchase for FY 2011-12.

- 6.57 The Commission directs JKPDD to make the obligatory procurement of power under RPO, as per the guidelines given in the JKSERC (Renewable Power Purchase Obligation, its Compliance and REC framework Implementation) Regulations, 2011 during FY 2011-12 and the same will be considered by the Commission for true-up in the next tariff order.

A7: REVIEW OF COSTS

- 7.1 This Chapter contains the details regarding the various costs items (other than the power purchase cost) which comprise the Annual Revenue Requirement of JKPDD, and the approach followed by the Commission in assessing the same.
- 7.2 The Commission in this Tariff Order has adopted a similar approach as that used in last year's tariff order in approving the different cost heads proposed by JKPDD as part of the Annual Revenue Requirement (ARR) for FY 2011-12. However, it may be noted that the Commission is constrained by the non-availability of reliable data on various cost components of the ARR. Further, the Commission has also kept in mind the views expressed by the stakeholders during public hearings in approving these costs.
- 7.3 However, the Commission would like to re-iterate that JKPDD being a government department is supported through the budgetary mechanism of the government, i.e. all expenditure and revenue receipts accrue to the state treasury. Any under or over expenditure by JKPDD results in reducing or increasing JKPDD's revenue gap, which is ultimately borne by the State Government.

Establishment Expenses

Petitioner's Submission

- 7.4 JKPDD has submitted that the establishment expenses (comprising of employee cost and A&G expenses) have been proposed at Rs. 432.15 Cr for FY 2011-12
- 7.5 The table below gives the establishment expenses for FY 2009-10 (actual), FY 2010-11(actual) and FY 2011-12 (projected).

Table 48: Proposed Establishment Expenses (Rs Cr)

Particulars	FY 2009-10 (Actual)	FY 2010-11 (Actual)	FY 2011-12 (Proposed)
A. A&G expenses	8.511	26.524	28.184
Administrative charges	1.793	2.385	2.534
Other Charges	2.578	3.839	4.079
Miscellaneous expenses	4.14	20.300	21.571
B. Employee Cost	306.75	384.293	403.963
Establishment Expenses (A+B)	315.27	410.82	432.15

Commission's Analysis

- 7.6 It may be noted that JKPDD has provided the break-up of expense heads under Establishment Expenses (Employee and A&G expenses), as part of additional information submitted to the Commission subsequent to the filing of the Tariff Petition. However, on analyzing the same, the Commission has observed certain inconsistencies in the data as compared to their earlier submission. Under such

circumstances, the Commission has decided to follow the approach as per last year's tariff order.

- 7.7 Accordingly, the Commission has approved the establishment expenses for FY 2011-12 with an annual increase of 10% on the establishment expenses (excluding A&G expense) approved by it for FY 2010-11 in last year's Tariff Order (in line with the approach followed in last year's Tariff Order). The total approved Establishment expenses (excluding A&G expenses) is Rs. 316.22 Cr for FY 2011-12, vis-à-vis Rs 287.47 Cr.
- 7.8 Further, the Commission has observed that expenses proposed under the head of 'Miscellaneous Expense' contribute to more than 60% of the total A&G expenses as submitted by JKPDD. In view of the above, the Commission had asked JKPDD to submit a detailed break-up of the same. However, the information submitted by JKPDD was not satisfactory and hence, the Commission has decided to disallow the same for FY 2011-12. A&G expense of Rs. 6.61 Cr has been approved by the Commission for FY 2011-12, as against the proposed Rs. 28.28 Cr.
- 7.9 Also, JKPDD has not proposed any arrears to be paid on account of implementation of the Sixth Pay Commission Recommendations on wage revision. The Commission has, therefore, not taken into account the impact of the Sixth Pay Commission recommendations on establishment expenses.
- 7.10 Thus, total Establishment Expense (including A&G expenses) has been approved at Rs 322.83 Cr.

Table 49: Approved Establishment Expenses (Rs Cr)

Particulars	FY 2009-10	FY 2010 - 11	FY 2011-12
	(Actual)	(Actual)	(Proposed)
Employee Cost Proposed	306.75	384.293	403.963
A&G expenses Proposed (as per Tariff Petition for FY 2011-12)	8.51	26.524	28.184
Grand Total Proposed	315.27	410.82	432.15
Approved Establishment Expense (as per last year's Tariff Order)	261.34	287.47	
Approved Escalation factor	10%	10%	10%
Approved Establishment expenses			316.22
Approved A&G Expenses			6.61
Approved Establishment Expenses including A&G expenses			322.83

Operation & Maintenance (O&M) Cost

Petitioner's Submission

- 7.11 The O&M expenses include expenses incurred on Repair and Maintenance (R&M) of plant and machinery, transformers, building, other civil works, lines, cable network, vehicles, furniture and fixtures, office equipments, etc.
- 7.12 JKPDD's submission on the O&M expenses actually incurred by it in last 4 years and that projected for FY 2011-12 has been tabulated below.

Table 50: Proposed O&M Expenses (Rs. Cr)

Particulars	FY 2006-07 (A)	FY 2007-08 (A)	FY 2008-09 (A)	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (P)
Operation and maintenance	28.78	41.27	43.30	40.85	48.72	55.36
% of opening GFA	1.51	2.12	2.08	1.78	2.00	1.90

- 7.13 JKPDD has proposed to keep the O&M Costs for FY 2011-12 at the average of the ratio of O&M costs to the Opening Gross Fixed Assets, observed in the last five years, which is computed as 1.90%. JKPDD, in its petition, has requested the Commission to allow the O&M expenses as proposed by it, as it feels that the proposed O&M expense is necessary for proper maintenance and strengthening of the system in order to ensure consumer satisfaction in terms of quality of supply.

Commission's Analysis

- 7.14 The Commission in last year's tariff order had approved Rs. 45.46 Cr and Rs 47.74 Cr for FY 2009-10 and FY 2010-11 respectively, based on the submission made by JKPDD in its tariff petition for FY 2009-10 and FY 2010-11, by applying an annual escalation factor of 5% on the actual figure submitted for FY 2008-09, viz. Rs 43.29 Cr.
- 7.15 The Commission had asked JKPDD to submit a detailed break-up of O&M Expense proposed, as additional information to the main petition. JKPDD had submitted the same, but, the figures proposed were inconsistent with JKPDD's earlier submission. Hence, the Commission has decided to consider the approach followed in the last year's Tariff Order.
- 7.16 The Commission is of the opinion that JKPDD needs to significantly improve its ability to undertake R&M works in the State and therefore it needs room for increased expenditure under the this head. But the past performance of JKPDD in utilizing the expenditure is very poor. Accordingly, the Commission has approved O&M expenses after considering an increase of 5% in cost on the approved figure for FY 2010-11 to arrive at a figure of Rs. 50.12 Cr for FY 2011-12.

Table 51: Approved O&M Expenses (Rs Cr)

Particulars	FY 2009 -10 Actual	FY 2010-11 Estimated	FY 2011-12 Projected
Total Proposed O&M	40.85	48.72	55.36
Proposed YoY Increase			
Approved YoY Increase	5%	5%	5%
Approved O&M Cost	45.46	47.74	50.12

Depreciation

Petitioner's Submission

- 7.17 JKPDD has submitted that as per the methodology followed by the Commission in its earlier orders, depreciation has been calculated at 3.6% of opening level of GFA. For FY 2011-12, depreciation is estimated at Rs. 105.14 Cr. The table below gives the depreciation cost over the years and the proposed figure for FY 2011-12.

Table 52: Proposed Depreciation Cost (Rs. Cr)

Particulars	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (P)
GFA - Opening Balance	2298.06	2440.15	2920.50
Net Additions during the year	142.09	480.35	200.00
GFA – Closing Balance	2440.15	2920.50	3120.50
Depreciation for the year	82.73	87.85	105.14
Depreciation rate %	3.6%	3.6%	3.6%

Commission' Observation

- 7.18 JKPDD has considered a depreciation rate of 3.6 % on the opening balance of GFA for calculation of the depreciation charge for FY 2011-12.
- 7.19 In the absence of asset class wise information, the Commission in last year's tariff order had allowed the average rate of 3.6% for calculation of depreciation, considering useful asset life of 25 years and a residual value of 10%.
- 7.20 In the present petition also, JKPDD has not provided any asset class wise details of the GFA shown over the years. In the absence of the same, the Commission has again considered a depreciation rate of 3.6% considering a useful life of 25 years and a residual value of 10 years.
- 7.21 The Commission has determined the depreciation charge on the average value of GFA and not on the opening balance as submitted by JKPDD. The depreciation approved is shown below:

Table 53: Approved Depreciation Charges (Rs Cr)

Particulars	FY 2009 -10	FY 2010-11	FY 2011-12
	Actual	RE	Proposed
GFA Opening	2,298.06	2,440.15	2,920.50
Addition	142.09	480.35	200.00
GFA Closing	2,440.15	2,920.50	3,120.50
Depreciation @ 3.6% at opening value (JKPDD)	82.73	87.85	105.14
Depreciation @ 3.6% at Average GFA	85.29	96.49	108.74
Approved Depreciation (Rs. Cr.)	85.29	96.49	108.74

Interest and Finance Charges

Petitioner's Submission

7.22 JKPDD has submitted that debt funding has been arranged only through market borrowing and through loans available from LIC and REC. JKPDD has also submitted that it does not avail working capital loans. The total interest and finance charges for FY 2011-12 are estimated at Rs. 12.99 Cr. The following table gives the details for interest and finance charges proposed by JKPDD for FY 2009-10, FY 2010-11 and FY 2011-12.

Table 54: Interest & Finance Charges (Rs Cr)

Particulars	FY 2009-10 (Actual)	FY 2010-11 (Actual)	FY 2011-12 (Proposed)
Interest and Finance Charges on Long Term Loans / Credits from the FIs/banks/ organisations approved by the State Government			
LIC	0.29	0.17	0.08
REC	9.67	9.00	12.00
PFC	-	-	-
Market loans	5.01	2.03	0.91
Bank/FIIs	-	-	-
Total	14.97	11.2	12.99

Commission's Analysis

- 7.23 The Commission has noted that JKPDD has not provided any details of the loans availed for incurring the capital expenses in its tariff petition. During the validation session, the Commission directed JKPDD to submit the details of the various loans availed, the opening and closing balances of debt, the rate of interest applicable, the repayments and the tenure of the loans etc.
- 7.24 The Commission is of the view that the information provided is not sufficient for the Commission to determine the interest charges for the year. In the absence of the requisite information for detailed analysis, the Commission has approved the interest charges as submitted by JKPDD for FY 2011-12 in its Tariff petition.

Table 55: Approved Interest Charges (Rs Cr)

Particulars	FY 2008-09	FY 2008-09	FY 2009 - 10	FY 2010-11	FY 2011-12
	Approved	Actual	Actual	Actual	Proposed
LIC		0.42	0.29	0.17	0.08
REC		7.77	9.67	9.00	12.00
PFC		0.00	0.00	0.00	0.00
Market loans		6.18	5.01	2.03	0.91
Total	17.95	14.37	14.97	11.20	12.99
Approved Interest & Finance Charges		14.37	14.97	11.20	12.99

Return on Equity

Petitioner's Submission

7.25 JKPDD has not proposed any return on equity for FY 2011-12. Notably, JKPDD is a deemed licensee, where the rate of return is allowed as per provisions in the sixth schedule.

Commission's Analysis

7.26 The Commission accepts the submission made by JKPDD and has not approved any return on equity.

Annual Revenue Requirement (ARR)

7.27 Based on the various components approved above, the ARR for JKPDD is approved as below:

Table 56: Approved ARR for FY 2011-12 (Rs. Cr)

Item	Proposed	Approved
Power Purchase Costs	2,944.84	2,646.28
Establishment Expenses	432.15	322.83
Operations and Maintenance Expenses	55.36	50.12
Depreciation	105.14	108.74
Interest and Finance Costs	12.99	12.99
Return on Equity	0.00	0.00
Gross ARR	3,550.48	3,140.96

Additional Payables

7.28 JKPDD has proposed an amount of Rs 437.80 Cr for FY 2011-12 as additional payables on account of payments made by it as part of water usage charges and

supplementary bills raised by CPSUs in pursuance of CERC Order for the period, FY 2004-05 to FY 2008-09. Further, it has shown an amount of Rs 238.271 Cr accruing to FY 2009-10 as payments (arrears) made on the Unscheduled Interchange (UI) and RE charges.

7.29 The Commission has approved Rs 437.80 Cr as the additional payables proposed for FY 2011-12 and has disallowed the arrear amount pertaining to FY 2009-10 for the purpose of ARR calculation for FY 2011-12. The Commission feels that JKPDD should file a separate True-up petition for claiming expenses pertaining to FY 2009-10, along with supporting documents for their claims. Till then, the Commission has disallowed JKPDD's claim of Rs 238.47 Cr for FY 2011-12.

7.30 The break-up of these proposed amounts is shown in the table below:

Table 57: Additional Payables for FY 2009-10 and FY 2011-12 (Rs Cr).

Particulars	FY 2009-10	FY 2011-12
Interest payments on UI and RE (arrears accruing to FY 2009-10)	238.27	
Water Usage Charges		317.38
Supplementary bills raised by CPSUs in pursuance of CERC Order for the period, 2004-05 to 2008-09		120.42
Total Payables Proposed	238.27	437.80
Total Payables Approved	0.00	437.80

A8: REVIEW OF REVENUE PROJECTIONS

Revenues from Sale of Power

Petitioner's Submission

- 8.1 JKPDD has submitted that the total sale of power projected for FY 2011-12 is 4,304.58 MU. The revenue through sale of power from different categories of consumers in FY 2011-12 has been projected based on the projected sale (MU) and existing tariff structure. The revenue assessed by JKPDD for FY 2009-10 to FY 2011-12 (projected) is given in the table below.

Table 58: Proposed Revenue Assessed at existing tariff (Rs Cr)

Consumer Categories	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (P)
Domestic	195.05	202.21	216.36
Non-Domestic/Commercial	67.85	93.90	96.58
Agriculture	38.06	28.13	28.97
State/Central Government Depts.	252.17	348.47	379.84
Public Street Lighting	4.62	11.78	12.96
LT Industrial Supply	62.96	58.87	61.23
HT Industrial Supply	132.37	132.26	138.62
HT-PIU Industrial Supply	24.19	40.60	41.68
LT Public Water Works	95.15	123.77	132.44
HT Public Water Works	29.74	104.86	114.30
General Purpose/Bulk Supply	25.97	35.93	40.24
Grand Total	928.13	1,180.65	1,263.11

- 8.2 The following table gives the revenue demand, revenue realization and collection efficiency proposed by JKPDD for FY 2009-10 (A) to FY 2011-12 (P).

Table 59: Proposed Revenue Demand, Revenue Realization and Collection Efficiency

Particulars	Units	FY 2009-10 (A)	FY 2010-11 (RE)	FY 2011-12 (P)
Revenue Demand	Rs. Cr	928.13	1180.65	1,263.11
Revenue Realization	Rs. Cr	702.30	794.92	1,136.80
Collection Efficiency	%	76%	67%	90%

- 8.3 JKPDD has submitted that it is making all efforts to maintain high collection efficiency. The collection efficiency for the FY 2009-10 was at 76% and it has projected that the collection efficiency will be 90% in FY 2011-12.
- 8.4 JKPDD has proposed, in view of the increasing revenue gap, an increase in the overall average tariff of 41%. Based on the sales projections elaborated in the Chapter 5 of this Order, JKPDD has proposed the revenue demand for FY 2011-12 at Rs. 1,263.11

Cr at existing tariff and Rs. 1,776.37 Cr at the proposed tariff.

Table 60: Proposed Revenue Demand for FY 2011-12

Consumer Categories	Average CoS	Proposed average tariff	Proposed tariff gap	Revenue at existing tariff	Revenue at proposed tariff
	Rs/kWh	Rs/kWh	Rs/kWh	Rs Cr	Rs Cr
Domestic	9.26	2.25	7.01	216.36	302.91
Non Domestic/ Commercial	9.26	4.28	4.98	96.58	153.56
Agriculture	9.26	1.85	7.41	28.97	37.66
State/Central Govt Dept.	9.26	5.88	3.38	379.84	455.81
Public Street Lighting	9.26	5.27	3.99	12.96	16.85
LT Industrial Supply	9.26	4.30	4.96	61.23	107.14
HT Industrial Supply	9.26	4.80	4.46	138.62	228.56
HT-PIU Industrial Supply	9.26	6.37	2.89	41.68	80.44
LT Public Water Works	9.26	5.44	3.82	132.44	178.79
HT Public Water Works	9.26	5.08	4.18	114.30	154.30
General Purpose/Bulk Supply	9.26	5.67	3.59	40.24	60.36
Average	9.26	4.13	5.13	2.93	4.13
Total				1,263.11	1,776.37

Commission's Analysis

- 8.5 The increase in the projected revenues as calculated by JKPDD has been based on the assumptions regarding an overall increase of 3% in the number of consumers and 7% increase in energy sales and connected load.
- 8.6 As per the Commission's approach for fixation of tariffs and allowance of losses in the same, the Commission has approved the average tariffs across various consumer categories. The Commission has allowed an average tariff of Rs. 3.35/ kWh for FY 2011-12 which is an increase of approximately 17.4% in comparison to the existing tariff.

Table 61: Approved Tariffs for FY 2011-12

Consumer Categories	Existing Tariff [#]	Proposed Tariff*	Approved Tariff [#]	Proposed Tariff Hike	Approved Tariff Hike (Metered)
	Rs/kWh	Rs/kWh	Rs/kWh	%	%
Domestic	1.58	2.25	1.76	40%	10%
Non-Domestic/ Commercial	2.61	4.28	3.15	59%	20%
State/Central Govt. Dept	4.92	5.88	5.80	20%	18%
Agriculture.	1.45	1.85	1.60	30%	10%
Public Street Lighting	3.93	5.27	4.64	30%	18%

Consumer Categories	Existing Tariff [#]	Proposed Tariff*	Approved Tariff [#]	Proposed Tariff Hike	Approved Tariff Hike (Metered)
	Rs/kWh	Rs/kWh	Rs/kWh	%	%
LT Public Water Works	3.68	5.44	4.60	35%	25%
HT Public Water Works	3.51	5.08	4.39	35%	25%
LT Industrial Supply	2.50	4.30	2.88	75%	15%
HT Industrial Supply	2.97	4.80	3.42	65%	15%
HT-PIU Industrial Supply	2.97	6.37	3.42	93%	15%
General Purpose/ Bulk Supply	4.01	5.67	4.82	50%	20%
Average	2.85	4.13	3.35	41%	17.4%

*: At Proposed Sales for FY 2011-12; #: At Approved Sales for FY 2011-12.

8.7 Since the Commission has considered the average tariff for flat rate consumers same as that of metered consumers in each category (averaging over FY 2010-11 and FY 2011-12), the average tariff hikes shown in the table above are not indicative of the tariff increases approved for unmetered categories. The overall impact of tariff hike approved by the Commission for metered and for flat rate consumers on revenues is 17.6%.

Table 62: Impact of Tariff on Revenues

Category	Proposed Tariff			Approved Tariff		
	Metered Category	Flat Rate Category	Overall Increase	Metered Category	Flat Rate Category	Overall Increase
Domestic	38%	38%	38%	10%	18%	11%
Non-Domestic/ Commercial	46%	53%	47%	20%	25%	21%
State/Central Govt. Dept.	20%		20%	18%		18%
Agriculture	29%	29%	22%	10%	18%	10%
Public Street Lighting	28%	30%	28%	18%	18%	18%
LT Public Water Works	35%	30%	35%	25%	25%	25%
HT Public Water Works	34%		34%	25%		25%
LT Industrial Supply	74%		74%	15%		15%
HT Industrial Supply	64%		64%	15%		15%
HT-PIU Industrial Supply	91%		91%	15%		15%
General Purpose/ Bulk Supply	50%		50%	20%		20%
Total/ Overall			41%			17.6%

8.8 The Commission has observed that JKPDD has not considered the telescopic impact of tariff for Domestic and Non-Domestic consumer categories in its revenue projections, i.e. the revenue estimates for consumers have been based on the highest applicable tariff slabs in which the consumers fall. The Commission has calculated the revenue projections for FY 2011-12 by applying the telescopic tariff structure and

has found that the proposed tariff results in projected revenue (at proposed sales) of Rs. 1,739.65 Cr instead of Rs. 1,776.37 Cr as projected by JKPDD for FY 2011-12. Against the proposed total revenue demand projected at Rs. 1,776.37 Cr by JKPDD, the Commission has approved total revenue demand at Rs. 1,457.01 Cr at the approved tariffs (as detailed in Chapter 10 of this Order) and approved sales figures for FY 2011-12 (as detailed in Chapter 5 of this Order).

Table 63: Proposed and Approved Revenue Demand for FY 2011-12

Consumer Categories	Proposed	Approved
	Rs. Cr	Rs. Cr
Domestic	302.91	255.74
Non-Domestic/ Commercial	153.56	115.92
Agriculture	37.66	446.92
State/Central Govt. Dept.	455.81	33.73
Public Street Lighting	16.85	14.37
LT Public Water Works	107.14	131.70
HT Public Water Works	228.56	129.13
LT Industrial Supply	80.44	71.98
HT Industrial Supply	178.79	163.58
HT-PIU Industrial Supply	154.30	43.37
General Purpose/ Bulk Supply	60.36	50.56
Total	1,776.37	1,457.01

- 8.9 At the approved tariff the average gap with respect to the average cost of supply inclusive of losses comes to Rs. 4.26/ kWh which indicate dependence on subsidy/ Government support to the extent of 56%. Consumer category wise tariff is compared with the average cost of supply indicating the Government/ Subsidy dependence in the table provided below:

Table 64: Average CoS and Approved Average Tariff for FY 2011-12

Consumer Categories	Average CoS	Approved Average Tariff	Gap	
	Rs/kWh	Rs/kWh	Rs/kWh	%
Domestic	7.61	1.76	5.85	77%
Non-Domestic/ Commercial	7.61	3.15	4.46	59%
State/Central Govt. Dept.	7.61	5.80	1.80	24%
Agriculture	7.61	1.60	6.01	79%
Public Street Lighting	7.61	4.64	2.97	39%
LT Public Water Works	7.61	4.60	3.01	40%
HT Public Water Works	7.61	4.39	3.22	42%
LT Industrial Supply	7.61	2.88	4.73	62%
HT Industrial Supply	7.61	3.42	4.19	55%
HT-PIU Industrial Supply	7.61	3.42	4.19	55%
General Purpose/ Bulk Supply	7.61	4.82	2.79	37%

Consumer Categories	Average CoS	Approved Average Tariff	Gap	Gap
	Rs/kWh	Rs/kWh	Rs/kWh	%
Average	7.61	3.35	4.26	56%

- 8.10 The approved revenues consider an approved T&D loss level of 55.99% for FY 2011-12 which is a reduction of 5% with respect to the T&D loss of 60.99% submitted by JKPDD for FY 2010-11.
- 8.11 The revenues at the approved tariffs at different levels of T&D losses are provided for demonstration of the same.

Table 65: Revenues at different loss levels (Estimated for FY 2011-12)

Particulars	Approved	Loss levels for demonstration			
		50.00%	40.00%	30.00%	15.00%
T&D Loss Level	55.99%	50.00%	40.00%	30.00%	15.00%
Energy Input (MU)	10677	10677	10677	10677	10677
Sales in MU	4699	5339	6406	7474	9076
Revenue (Rs. Cr.)*	1575	1789	2147	2504	3041
Average Tariff (Rs./ kWh)	3.35	3.35	3.35	3.35	3.35
Average CoS	7.61	6.70	5.58	4.78	3.94
Gap (Rs./ kWh)	4.26	3.35	2.23	1.43	0.59

*Revenue has been calculated by applying the approved tariffs for the entire year i.e. w.e.f April 01, 2011 only for illustrative purpose.

- 8.12 The Commission, here, would like to point out that JKPDD could increase their revenue collection by being more efficient in bringing down the T&D loss levels. For instance, if JKPDD brings down the loss level by 1% from the existing level of 60.99% (FY 2010-11), they will be able to generate greater energy sales, resulting in additional revenue to the tune of Rs 36 Cr.
- 8.13 The Commission has observed that JKPDD had been successful in maintaining a positive trend in terms of improvement in collection efficiency in the past- it was 70% in FY 2007-08, which improved to over 76% in FY 2009-10. However, a dip has been observed in FY 2010-11 (as per JKPDD's submissions) where collection efficiency dropped to 67%. In the current Tariff Petition, JKPDD has projected a collection efficiency of 90%.
- 8.14 The Commission is of the view that JKPDD should be able to keep their overall collections efficiency at 100% for FY 2011-12, also considering arrear payments from past years. Further, the Commission feels that allowing JKPDD a collection efficiency of less than 100% will result in burdening the consumers for JKPDD's inefficiencies. Hence, the Commission has assumed a collection efficiency of 100% for projecting revenue towards cost recovery (i.e. revenue realization).

Table 66: Revenues at Approved Tariffs for FY 2011-12

Particulars	Proposed	Approved
-------------	----------	----------

Revenues at approved tariffs (Rs Cr)*	1776.37	1,457.01
Target Collection Efficiency	90%	100%
Revenue Realized (Rs Cr)	1,598.73	1,457.01

*The approved tariffs are effective from 1st October, 2011.

8.15 At the approved revenues realization from sale of power and the approved power purchase for FY 2011-12, the realization per unit input is approved at Rs.1.36/ kWh.

Non-tariff Income

Petitioner's Submission

8.16 Non-Tariff Income consists of all those incomes from the business of retail supply of power excluding the income earned from selling it (revenue earned through sale of power). Non-Tariff income includes income from delayed payment charges (surcharge), rentals for meters and other equipments, miscellaneous charges from consumers (comprising of services rendered to consumers like reconnection/disconnection, fuse off calls, etc.). The following table gives the non-tariff income of the department, as proposed by JKPDD, for FY 2011-12.

Table 67: Non Tariff Income (Rs Cr)

Particulars	FY 2011-12 (P)
Non-Tariff Income	3.41

Commission's Analysis

8.17 The Commission has approved the non tariff income at Rs. 3.41 Cr for FY 2011-12 as submitted by JKPDD.

Revenue Gap

8.18 The revenue gap on the approved values of gross ARR and the tariff and non-tariff income are shown in the table provided below:

Table 68: Proposed and Approved Revenue Gap (Rs. Cr)

Item	FY 2011-12	
	Proposed	Approved
Power Purchase Costs	2,944.84	2,646.28
Establishment Expenses	432.15	322.83
Operations and Maintenance Expenses	55.36	50.12
Depreciation	105.14	108.74
Interest and Finance Costs	12.99	12.99
Return on Equity	0.00	0.00
Gross ARR	3,550.47	3,140.96
Non-Tariff Income	3.41	3.41
Net ARR	3,547.06	3,137.55

Item	FY 2011-12	
	Proposed	Approved
Additional Expenses		
Impact of water usage charges	317.38	317.38
Supplementary bills raised by CPSU's	120.42	120.42
Revenue from Sale of Power	1,598.73	1,457.01
Revenue Gap	(2,386.13)	(2,118.34)

A9: TARIFF PHILOSOPHY

- 9.1 The tariff philosophy provided in the order is based on the tariff philosophy provided in the ARR & Tariff Order as approved by the Commission for FY 2009-10 and FY 2010-11.
- 9.2 The Commission is mandated to work within the framework of the Jammu & Kashmir Electricity Act, 2010 which requires it to be guided by the following aspects during the fixation of tariff:
- (a) the generation, transmission, distribution and supply of electricity are conducted on commercial principles ;
 - (b) the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments ;
 - (c) safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner ;
 - (d) the principles rewarding efficiency in performance ;
 - (e) that the tariff progressively, reflects the cost of supply of electricity and also reduces cross subsidies within the period to be specified by the Commission.
- 9.3 The Commission has issued the 'Terms and Conditions for determination of Distribution Tariff Regulations, 2011 which lay down the principles to be followed during the tariff setting process.

Cost to Serve

- 9.4 The cost based tariff provides a direct indication to consumers, of the costs involved in supply of power. The Commission intends to continue to modify the tariff structure and the tariff levels based on the applicable cost to serve for each category of consumer and the voltage at which the electricity is supplied. The Commission is severely constrained by the lack of reliable data, and shall determine tariffs for various categories based on the average cost of supply, till such time as detailed data is made available.
- 9.5 In this Tariff Order the Commission has provided rebate to consumers who choose to avail power at higher voltages in certain consumer categories.

Rate of return vs. Performance based regulation**Rate-of-return tariff setting**

- 9.6 The rate-of-return tariff setting is based on the determination of revenue requirement,

which includes the permissible expenditure, an asset base on which the entity will be allowed to earn the return, and an appropriate rate of return. This method is also sometimes known as the cost-plus approach or the cost of service regulation.

- 9.7 The main advantage of this approach is the steady returns available to the entity, which can be important to offset the various risks involved in the generation, transmission or distribution of electricity. This method is simple and can be easily applied to provide stable tariffs till the next regulatory review. The rate of return approach is also useful to fulfill non-economic goals like providing subsidized tariff to some consumer categories.
- 9.8 A major disadvantage of this approach is the lack of any incentive to the entity to increase efficiency of operations and/or minimize costs, as the return permitted for an entity is fixed and any efficiency gains resulting from better performance are passed on to the consumers. In addition, the rate of return approach promotes the tendency to over-invest as the value of assets determines the available returns to the entity, while the associated financing costs are passed through to consumers.
- 9.9 Hence, adoption of this methodology involves extensive regulatory review at regular intervals to ensure that the interests of the consumer are protected, and undue profits are not generated.

Performance based tariff setting

- 9.10 The performance-based regulation focuses on outputs and performance of the utility and not on the actual costs incurred for achieving the same.
- 9.11 Under this approach, the revenue requirement is determined on the basis of the efficiency norms set by the Commission, and not on the basis of actual costs incurred. The expenditure and rate of return are linked to performance targets set by the Commission to measure efficiency gains.
- 9.12 The performance based regulation replaces the control aspect of regulation with a system of incentives and penalties. It weakens the link between the costs incurred by the utility and the tariffs charged, by employing external measures of cost. It provides incentives to the utilities to reduce costs and improve efficiency. The performance based regulation also eliminates the tendency of utilities under the cost plus regulation to be more capital intensive.
- 9.13 The Commission shall gradually shift to the performance based regulation approach in future, and will not approve any cost resulting from non achievement of approved performance targets, such as T&D loss, collection efficiency, etc. except those caused by force majeure events.

Time-of-Day Tariff

- 9.14 The load curve of the State shows a peak in demand during the evening, which is met through power purchases from high cost sources such as gas/ diesel/ naphtha based generation plants, traders, the Unscheduled Interchange (UI) pool, etc. which are

generally more expensive as compared to the base load stations.

- 9.15 This increase in the power purchase costs leads to a higher cost of supply during the peak load hours. JKPDD has recognized the relevance of time differentiated tariff for peak and lean hours, as an instrument for demand side management. The Commission agrees that the adoption of the time of day tariff shall provide signals to consumers and help the utility in maintaining a better system profile.
- 9.16 JKPDD has proposed to introduce TOD tariffs for HT Industrial supply, HT PIU and General Purpose Bulk Supply for FY 2011-12. The Commission is of the opinion that before introducing TOD tariff in the state, JKPDD should collect and analyze relevant data on demand pattern of various categories at different hours of the day and submit a detailed implementation plan for implementation of Time-of-Day tariff.

Single Part v/s Two Part Tariff

- 9.17 The Commission has adopted a two-part tariff structure for certain categories, comprising of a fixed component (Rupees per kW/ KVA or per consumer) and a variable component (Rupees per kWh). Two-part tariffs have replaced single part tariffs in most parts of the country, primarily due to the following reasons:
- (a) The utility can recover its fixed expenses (on fixed charges on power purchase, employee cost, interest etc.) incurred even when the consumer is not consuming electricity.
 - (b) Consumers are charged for each unit of electricity consumed, thereby providing a direct incentive to save electricity.
 - (c) The utility is encouraged to improve its metering and billing systems, as the removal of minimum charges ensures recovery of only the billed amounts.
 - (d) The consumer is encouraged to declare his connected load correctly.
- 9.18 The Commission, in the previous Tariff Orders, had decided to introduce two part tariff for all categories of consumers in a phased manner. In the tariff order for FY 2007-08, the Commission had introduced fixed charges in the form of demand charges for the HT consumers, which was further extended to LT Industrial and Non-Domestic (metered) consumer categories. In the tariff order for FY 2009-10 and FY 2010-11, fixed charges were extended to the State/ Central Government Departments, Public Street Lighting, and the LT Public Water Works consumer categories.
- 9.19 Moving forward, the Commission would like to introduce two part tariff in the Domestic category as well. In view of this, the Commission directs JKPDD to conduct a detailed study on two part tariff structure involving an analysis of the connected load and consumption pattern of domestic consumers, the metering status and the revenue implications of such a tariff structure etc.
- 9.20 The Commission, further, intends to abolish the un-metered/flat-rate sub-category of consumers in the Non-Domestic, LT Public Water Works and Public Street Lighting

categories. To this effect, the Commission directs JKPDD to implement 100% metering in the above mentioned consumer categories and move all consumers from un-metered category to metered category as was done in the case of LT Industrial category and report the status on the same to the Commission by the end of this year.

kVAh Tariff

- 9.21 Electric power has two components – the working component (kW) and the magnetizing component (kVAR), which combine to form the apparent power (kVA). The active power is equal to the apparent power in the system when the power factor is unity (1). The power factor of the system is governed by the load characteristic and the system configuration, with the former being the dominant player. Usually system design incorporates steps to enhance power factor through installation of capacitor banks, transposing of transmission lines, etc.
- 9.22 It is essential to encourage consumers to use power efficiently and have a power factor close to 1. This can be achieved either through power factor based incentives and penalties or by billing consumers on the apparent power consumed (kVAh) instead of the real power consumed (kWh).
- 9.23 The Commission believes that kVAh based tariff is a better approach due to the reasons of greater transparency, reduced likelihood of occurrence of errors and reduced administrative burden on the utility.
- 9.24 The Commission had introduced kVAh tariffs in the first phase for all consumers at 11 kV and above. The Commission is of the opinion that kVAh based tariff should gradually be extended to all three phase consumers after suitable tri-vector meters are installed.

A10: TARIFF DESIGN

Domestic Supply

Applicability

- 10.1 The Commission has fixed the applicability of the domestic tariff for supplies pertaining to domestic premises, religious institutions, group housing societies, orphanages, old-age and infirm homes, charitable institutions providing services free of cost or on nominal charges, post offices at residences of villagers and residential premises of architects, engineers, advocates, doctors, teachers, artists, weavers, stitching and embroidery workers occupying not more than 20% of built up area for respective professional purposes.

Character of Services

- (a) Alternating current (A.C.) 50 Hz, 230 Volts, for Single-phase upto a load of 5 kW
- (b) A.C, 50 Hz, three phase, 400 volts for load above 5 kW upto 100 kW (115 kVA)
- 10.2 JKPDD has proposed an overall increase of around 40% in the average tariff for the domestic category. In the metered category increase in the Energy Charges as well as the Minimum Charges have been proposed by JKPDD.
- (a) The proposed hike in the Energy Charges for the metered domestic consumers considers an increase of nearly 40% in comparison to the existing tariffs in each of the slabs.
- (b) The proposed hike in the Minimum Charges for the metered domestic consumers considers an increase of 167%, 180% and 150% in the first three slabs in order in which they are shown in the table below. The Minimum Charges proposed for every 250 watts above 1 kW connected load considers an increase of 200%.
- 10.3 In the Flat rate tariffs for the domestic category, JKPDD has proposed a tariff hike of 85% for connections with connected load of up to ¼ kW and nearly 32% (on an average) for the remaining slabs/ loads.
- 10.4 The Commission has observed that the proposed tariff hike in the various slabs of metered consumers vis-a-viz that of unmetered consumers are indicative of JKPDD's reluctance of moving to a system of 100% metering, where billing will be based on actual consumption metered at consumer premises, as against the current practice of estimating consumption by un-metered consumers based on their connected load.
- 10.5 In order to increase the overall average tariff across tariff/ consumer categories and to move the same closer to the COS_{ZL} , an overall increase of 10% in the Energy Charges

for metered Domestic consumers for FY 2011-12 has been approved by the Commission.

- 10.6 The Commission in its Tariff Philosophy has elaborated that it intends to introduce two part tariff for Domestic category comprising of fixed and variable charges. The variable charge in the two part tariff system is to be applied to the actual energy consumption recorded on the basis of energy meters installed at the consumer premises. In view of that, the Commission directs JKPDD to conduct a detailed study on two part tariff structure involving a study of, consumption pattern of domestic consumers, the metering status and the revenue implications of such a tariff structure etc.
- 10.7 Application and continuation of the Minimum Charges for metered consumers and Flat Rate Charges for the un-metered consumers shall be discouraged by the Commission in the tariff approvals in line with its tariff philosophy. The unmetered supply and minimum charges encourage wasteful consumption of energy. J&K being an energy deficient state, it is essential to discourage this wasteful consumption of energy. In view of this, the Commission shall gradually reduce/ eliminate the Minimum Charges for the metered domestic consumers so that the same is gradually made equivalent to the fixed charges once the same are introduced in the domestic category. Therefore, the Commission has not approved any increase in the Minimum Charges for the domestic consumers.
- 10.8 Further, the Commission intends to rationalize the tariff structure of the Domestic category. The Commission directs JKPDD to submit a tariff structure, indicating the energy sales, connected load and number of consumers in the domestic category in the following slabs: below 30 units, between 31-150 units, between 151-350 units and above 350 units.
- 10.9 In order to discourage Flat Rate tariffs and to encourage consumers to shift on to the metered connection and billing regime, the Commission has approved a higher tariff increase of in all the slabs in the Flat Rate tariff for the domestic consumers. The Commission has approved an 18% hike in the various slabs in the Domestic Category Flat rate tariffs.
- 10.10 The existing, proposed and the approved the tariff for Domestic consumer category for FY 2011-12 is shown in the table below:

Table 69: Tariff Structure - Domestic Supply

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Metered Tariff			
Energy Charges for Metered Connection (Rs. / kWh)			
upto 30 units /month	1.00	1.40	1.10
31-100 units /month	1.30	1.80	1.43
101-200 units /month	1.60	2.20	1.76
> 200 units /month	2.45	3.40	2.70
Minimum Charges for connected load (Rs. / month)			

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
upto 1/4 kW	15.00	40.00	15.00
above 1/4 kW upto 1/2 kW	25.00	70.00	25.00
above 1/2 kW upto 1 kW	40.00	100.00	40.00
Above 1 kW for every 250 W, or part thereof	10.00	30.00	10.00
Un-metered Consumers			
Flat Rate (Rs. / month)			
upto 1/4 kW	65.00	120.00	77.00
above 1/4 kW upto 1/2 kW	190.00	250.00	224.00
above 1/2 kW upto 3/4 kW	290.00	400.00	342.00
above 3/4 kW upto 1 kW	390.00	500.00	460.00
above 1 kW upto 2 kW	760.00	1,000.00	897.00
above 2 kW	Rs. 760 + Rs.330 for every additional ½ kW or part thereof	Rs. 1000 + Rs.450 for every additional ½ kW or part thereof	Rs. 897 + Rs.389 for every additional ½ kW or part thereof

10.11 Group housing societies can avail single point power supply. The energy bill of a housing society shall be divided by the number of houses in it, to determine the consumption in each house. If there are 10 houses in a society the consumption shall be charged in the following manner: The first 300 (30 x 10) units would be charged at Rs 1.10/unit; the next 700 (70 x 10) units at Rs 1.43/unit; next 1000 (100 x 10) units at Rs 1.76/unit and the remaining units at Rs 2.70/unit.

10.12 Any matter regarding supply to Group Housing societies should be as per the Regulations laid down in J&KSERC (Supply Code) Regulations, 2011;

“4.120. The consumer shall not supply any energy supplied to him by the Licensee to another person or other premises unless he holds a suitable sanction or licence for distribution and sale of energy granted by the Commission/State Government or has been exempted by the Commission from holding license for sale.

4.121. In case of commercial, office or residential complexes including residential complexes constructed by an employer for his employees, where power supply is availed originally in the name of the builder or promoter of the complex and who subsequently transfers the ownership of the complex, either entirely, to different individuals or partly to different individuals retaining the balance for lease, the power supply may be continued in the following methods.

i) The builder or promoter of the complex in whose name the supply continues, is permitted to extend power supply to the individual owners of the flats etc. or to the lessee by installing sub-meters and to collect the cost of consumption of power from them on no-profit no-loss basis (i.e. sharing of expenses of consumption of electricity) and this shall not be treated as unauthorized extension of supply or resale of energy.

ii) In case the promoter or builder of the complex does not wish to have any stake in the complex after promoting the complex, the service connection originally availed may be

permitted to be transferred in the name of an Association or Society that may be formed in the complex and registered and the service agency so formed is permitted to extend supply to the individual owners of the flats etc. or lessees by installing sub-meters and to collect the cost for consumption of power from them on a no-profit no-loss basis (i.e. sharing of expenses of consumption of electricity) and this shall not be treated as unauthorized extension or resale of energy.

Provided that the tariff charged from ultimate consumers should under no circumstance exceed that prescribed by the Commission for the respective tariff category.

4.122 A panchayat/ cooperative or a registered association of consumers may apply for supply of electricity to a group of consumers at a single point. In such cases, the body that has taken the connection shall be responsible for all payments of electrical charges to the Licensee and for collection from the consumers. Provided that the provisions of this clause shall not in any way affect the right of a person residing in the housing unit sold or leased by such a Cooperative Group Housing Society to demand supply of electricity directly from the distribution licensee of the area. Provided that the tariff charged from ultimate consumers should under no circumstance exceed that prescribed by the Commission for the respective tariff category.”

Non-Domestic/ Commercial Supply

Applicability

- 10.13 This tariff category shall be applicable to the following: shops, showrooms, business houses, offices, educational/ technical institutions, clubs, meeting halls, places of public entertainment, hotels, cinemas, hospitals, dispensaries, clinics, nursing homes, X-ray units, diagnostic centers, pathological labs, fisheries, aqua-culture, sericulture, dairy, hatcheries, printing presses, milk chilling centers, poultry farms, cattle breeding farms, nurseries, plantations, mushroom growing, carpenters and furniture makers, juice centers, hoardings and advertisement services, typing institutes, internet cafes, STD/ ISD PCO's, FAX/ photocopy shops, tailoring shops, photo studios and color labs, laundries, cycle shops, compressors for filling air, restaurants, eating establishments, guest houses, marriage gardens, welding transformer and lathe machines for repair works and services, book binders, petrol pumps and service stations, lifts and other appliances in shopping centers and offices, tourist house boats, and similar other establishments.
- 10.14 In addition, any connection not covered under the other categories shall be billed under this category. However, this would exclude connections pertaining to State/ Central Government or Defence services, which have been included in a separate category.

Character of Services

- (a) AC, 50 Hz, 230 Volts, Single-phase upto a load of 5 kW.

- (b) AC, 50 Hz, three phase, 400 volts supply for load above 5 kW upto 100 kW (115 kVA).
- 10.15 JKPDD has proposed an increase of around 58%-60% in the energy charges for all slabs for Single Phase and three phase connections. The fixed charge for Single Phase connections is proposed to increase by 50% and that for Three Phase consumers by 43%. An increase in the range of 48-59% has been proposed in the Flat Rate tariff across slabs.
- 10.16 The Commission has approved an increase of 20% in the Energy Charges and Fixed Charges for FY 2011-12 for the metered connections in the Non-Domestic Category.
- 10.17 The Commission intends to abolish the un-metered/flat-rate sub-category of consumers in the Non-Domestic category. To this effect, the Commission directs JKPDD to implement 100% metering in the Non-Domestic consumer category and move all consumers from un-metered category to metered category as was done in the case of LT Industrial category and report the status on the same to the Commission by the end of this year.
- 10.18 In order to discourage Flat Rate tariffs and to encourage consumers to shift on to the metered connection and billing regime, the Commission has approved a higher tariff increase of 25% in all the slabs in the Flat Rate tariff for the Commercial/ Non-Domestic consumers.
- 10.19 The tariff for the Non-Domestic/ Commercial consumer category for FY 2011-12 as approved by the Commission is provided in the table below:

Table 70: Tariff Structure - Non Domestic/ Commercial Supply

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Metered Non-Domestic Tariff			
Energy Charges (Rs./kWh)			
Single Phase			
Slab of Units			
Upto 100 u/m	1.80	2.90	2.16
101 to 200 u/m	1.90	3.00	2.28
above 200 u/m	2.75	4.35	3.30
Three Phase			
For all units	3.20	5.05	3.84
Fixed Charges (Rs. / kW / month)			
Load (in kW) to be rounded off to the next 1/2 kW for the purpose of application of Fixed Charges. (Example: 0.25 kW to be charged as 0.5 kW and 1.2 kW to be charged as 1.5 kW and so on.)			
For connections with sanctioned load below 100kW (115 kVA) supplied and metered on HT, 5% rebate on energy charges of Non-Domestic/Commercial Tariff shall be allowed.			
Single Phase	30.00	45.00	36.00
Three Phase	70.00	100.00	84.00
Un-Metered Non-Domestic Tariff			

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Flat Rate Charges (Rs. / month)			
Upto 1/4 kW	170.00	270.00	213.00
above 1/4 kW upto 1/2 kW	420.00	660.00	525.00
above 1/2 kW upto 1 kW	840.00	1,300.00	1,050.00
above 1 kW upto 5 kW*	1,080.00	1,600.00	1,350.00
* and part thereof for every kW above 5 kW	1,080.00	1,600.00	1,350.00

10.20 Any matter regarding supply to Commercial Complexes with Single Point Delivery/supply should be as per the Regulations laid down in J&KSERC (Supply Code) Regulations, 2011;

“4.120. The consumer shall not supply any energy supplied to him by the Licensee to another person or other premises unless he holds a suitable sanction or licence for distribution and sale of energy granted by the Commission/State Government or has been exempted by the Commission from holding license for sale.

4.121. In case of commercial, office or residential complexes including residential complexes constructed by an employer for his employees, where power supply is availed originally in the name of the builder or promoter of the complex and who subsequently transfers the ownership of the complex, either entirely, to different individuals or partly to different individuals retaining the balance for lease, the power supply may be continued in the following methods.

- i) The builder or promoter of the complex in whose name the supply continues, is permitted to extend power supply to the individual owners of the flats etc. or to the lessee by installing sub-meters and to collect the cost of consumption of power from them on no-profit no-loss basis (i.e. sharing of expenses of consumption of electricity) and this shall not be treated as unauthorized extension of supply or resale of energy.*
- ii) In case the promoter or builder of the complex does not wish to have any stake in the complex after promoting the complex, the service connection originally availed may be permitted to be transferred in the name of an Association or Society that may be formed in the complex and registered and the service agency so formed is permitted to extend supply to the individual owners of the flats etc. or lessees by installing sub-meters and to collect the cost for consumption of power from them on a no-profit no-loss basis (i.e. sharing of expenses of consumption of electricity) and this shall not be treated as unauthorized extension or resale of energy.*

Provided that the tariff charged from ultimate consumers should under no circumstance exceed that prescribed by the Commission for the respective tariff category.

4.122 A panchayat/cooperative or a registered association of consumers may apply for supply of electricity to a group of consumers at a single point. In such cases, the body that has taken the connection shall be responsible for all payments of electrical charges to the Licensee and for collection from the consumers. Provided that the provisions of this clause shall not in any way affect the right of a person residing in the housing unit sold or leased by such a Cooperative Group Housing Society to

demand supply of electricity directly from the distribution licensee of the area. Provided that the tariff charged from ultimate consumers should under no circumstance exceed that prescribed by the Commission for the respective tariff category.”

State/ Central Government Departments

Applicability

- 10.21 The Commission has fixed the applicability of the State/ Central Government department category to connections taken by Departments of the State and the Central Governments, defense and para-military forces, excluding public sector enterprises/ undertakings.
- 10.22 This shall not include connections taken for agricultural purposes, water pumping and street lighting by the State Government Departments for which tariffs provided in the appropriate tariff schedules shall apply.

Character of Services

- (a) AC, 50 Hz, 230 Volts; Single-phase upto a load of 5 kW
- (b) AC, 50 Hz, three phase; 400 volts supply for sanctioned load above 5 kW upto 100 kW (115 kVA)
- (c) AC, 50 Hz, three phase; 11 kV supply for sanctioned load above 100 kW (115 kVA) upto 1 MVA
- (d) AC, 50 Hz, three phase; 33 kV and above supply for sanctioned load above 1 MVA
- 10.23 JKPDD has proposed an increase of 20% in energy charges for the State/ Central Government Departments tariff category. No change in the tariff structure has been proposed by JKPDD.
- 10.24 The Commission has approved an increase of 18% in the Energy Charges and Fixed Charges for FY 2011-12 for this category.
- 10.25 The tariff for State/ Central Government Departments category is as shown in the table below:

Table 71: Tariff Structure - State/ Central Government Departments

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Energy Charges (Rs./ kWh)	5.00	6.00	5.90
11 kV Supply	2.5% rebate on energy charges	2.5% rebate on energy charges	2.5% rebate on energy charges

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
33 kV and above Supply	5.0% rebate on energy charges	5.0% rebate on energy charges	5.0% rebate on energy charges
Fixed Charges Rs./ kW Load (in kW) to be rounded off to the next whole number for the purpose of application of Fixed Charges.			
For metered consumers	20.00	25.00	24.00

Agricultural Supply

Applicability

10.26 The Commission has fixed applicability of the agricultural tariff to agricultural loads and lift irrigation connections including threshers.

Character of Services

- (a) AC, 50 Hz, 230 Volts, Single-phase upto a load of 5 kW (6 kVA)
- (b) AC, 50 Hz, three phase, 400 volts supply for sanctioned load upto 100 kW (115 kVA)
- 10.27 JKPDD has proposed an increase of 27% and 30% in energy charges and 20% and 22% in the minimum charges for the metered agricultural consumers. An increase of 23% and 22% is proposed in the flat rate charges for the agricultural consumers.
- 10.28 The Commission has approved an increase of 10% in the Energy Charges for metered consumers for FY 2011-12. The Commission has not approved any hike in the Minimum Charges for the metered consumers of this category.
- 10.29 To discourage Flat Rate tariffs and to encourage consumers to shift on to the metered connection and billing regime, the Commission has approved a higher tariff increase of nearly 18% in all the slabs in the Flat Rate tariff for the agricultural consumers.
- 10.30 The tariff schedule for agricultural consumers, approved by the Commission is shown below:

Table 72: Tariff Structure - Agriculture Supply

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Metered Tariff			
Energy Charges (Rs./kWh)			
0 to 20 HP	0.55	0.70	0.61
Above 20 HP	3.65	4.75	4.02
Minimum Charges for connected load (Rs./HP/Annum)			
0 - 20 HP	250.00	300.00	250.00

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Above 20 HP	900.00	1,100.00	900.00
Provisional monthly billing will be done subject to annual adjustment			
Flat Rate Un-metered for connected load (Rs./HP month)			
0 to 20 HP	130.00	160.00	153.00
Above 20 HP	900.00	1,100.00	1,062.00

Public Street Lighting

Applicability

- 10.31 The tariffs for this category will be applicable to public street lighting established and maintained by Corporations, Municipalities, Town Area/ Notified Area Committees, other local bodies and agencies authorized by the State Government to establish and maintain public street lighting.

Character of Services

- (a) AC, 50 Hz, 230 Volts, Single-phase upto a load of 5 kW;
- (b) AC, 50 Hz, three phase, 400 volts supply for load above 5 kW.
- 10.32 JKPDD has proposed an increase of 30% in the energy charges and 33% in the minimum charges in the tariff for the metered consumers under this tariff category. An increase of 30% has been proposed in the flat rate tariff for the un-metered consumers under the category.
- 10.33 In line with its tariff philosophy, the Commission has approved a hike of 18% in the energy charges and fixed charges for metered and un-metered consumers.
- 10.34 The Commission, further, intends to abolish the un-metered/flat-rate sub-category of consumers in the Public Street Lighting category. To this effect, the Commission directs JKPDD to implement 100% metering in the above mentioned consumer categories and move all consumers from un-metered category to metered category as was done in the case of LT Industrial category and report the status on the same to the Commission by the end of this year.
- 10.35 The tariff structure for Public Street Lighting category, approved by the Commission is shown below:

Table 73: Tariff Structure - Public Street Lighting

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Metered Tariff			
Energy Charge			
Rs./ kWh	4.00	5.20	4.72

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Fixed Charge Load (in kW) to be rounded off to the next whole number for the purpose of application of Fixed Charges.			
Rs./ kWh (for metered consumers)	30.00	40.00	35.00
Minimum Charge			
Rs./ kW/ month or any part thereof	Nil	Nil	Nil
Un-metered Tariff			
Rs./ kW/ month or any part thereof	1000.00	1300.00	1180.00

10.36 Municipalities/ Notified Area Committees/ Panchayats/ JKPDD may consider switching over to solar powered streetlights.

LT Public Water Works

Applicability

10.37 The tariffs for this consumer category shall apply to water works and sewerages/ drainage installations established and maintained by Corporations, Municipalities, Town Area/ Notified Area Committees, other local bodies and Government agencies authorized by the State Government to establish and maintain public water works/ sewerage installations.

Character of Services

- (a) AC, 50 Hz, 230 Volts, Single-phase upto a load of 5 kW (6 kVA)
- (b) AC, 50 Hz, three phase, 400 volts supply for sanctioned load upto 100 kW

10.38 JKPDD has proposed an increase of 35% in the energy for the metered consumers under this tariff category. An increase of 30% has been proposed in the flat rate tariff for the un-metered consumers under the category.

10.39 In line with its tariff philosophy, the Commission has approved an increase of 25% in the energy charges and fixed charges for metered and un-metered consumers in this category.

10.40 The Commission, further, intends to abolish the un-metered/flat-rate sub-category of consumers in the LT Public Water Works category. To this effect, the Commission directs JKPDD to implement 100% metering in the above mentioned consumer categories and move all consumers from un-metered category to metered category as was done in the case of LT Industrial category and report the status on the same to the Commission by the end of this year.

10.41 The tariff structure, approved by the Commission for LT Public Water Works, applicable for FY 2011-12 is shown in the following table:

Table 74: Tariff Structure - LT Public Water Works

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Metered Tariff			
Energy Charge			
For all Units (Rs./ kWh)	4.00	5.40	5.00
Fixed Charges Load (in kW) to be rounded off to the next whole number for the purpose of application of Fixed Charges.			
For metered consumers (Rs./ kW)	30.00	40.00	38.00
Un-metered Charge			
Rs. / kW /month	1000.00	1300.00	1250.00

HT Public Water Works

Applicability

10.42 The tariffs for this consumer category shall apply to water works and sewerages/ drainage installations established and maintained by Corporations, Municipalities, Town Area/ Notified Area Committees, other local bodies and Government agencies authorized by the State Government to establish and maintain public water works/ sewerage installations.

Character of Services

- (a) AC, 50 Hz, three phase; 11 kV supply for load upto 1 MVA.
- (b) AC, 50 Hz, three phase; 33 kV and above supply for sanctioned load above 1 MVA.
- 10.43 JKPDD has proposed an increase of 34% in the energy charges and 31% in the fixed charges in the tariff for the metered consumers at 11kV supply; while respective increases of 32% and 29% has been proposed for metered consumers at 33kV supply.
- 10.44 The Commission has approved 25% hike in the energy charges and demand charges for connection at both 11 kV and 33 kV voltage levels.
- 10.45 The tariff approved by the Commission for HT Public Water Works is shown in the following table:

Table 75: Tariff Structure - HT Public Water Works

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Metered Consumers			
11 kV Supply			
Demand Charge (Rs./ kVA/ Month) ^*	160.00	210.00	200.00

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Energy Charge (Rs./ kVAh) ^	2.90	3.90	3.63
^ For Connections above 100 kW supplied on LT, Additional 5% Surcharge on Demand and Energy Charges at 11 KV tariff shall be chargeable			
33 kV and above Supply			
Demand Charge (Rs./ kVA/ Month) *	155.00	200.00	194.00
Energy Charge (Rs./ kVAh)	2.80	3.70	3.50
*Or part thereof on billing demand			

LT Industrial Supply

Applicability

10.46 The Commission has decided that LT industrial supply shall be applicable to all units registered with the Industries & Commerce Department, Government of J&K, and covered under the Factories Act. The list of entities covered shall include various industrial installations and workshops with manufacturing facilities, where raw materials are converted to finished goods. This shall mean and include all energy consumed in factory, offices, stores, canteen, compound lighting, etc. and the consumption for residential use therein.

Character of Services

- (a) AC, 50 Hz, 230 Volts, single-phase upto a load of 5 kW.
 - (b) AC, 50 Hz, three phase, 400 volts supply for sanctioned load upto 100 kW
- 10.47 JKPDD has proposed an increase of 74% in the energy charges and 71% in the fixed charges in the tariff for the metered consumers under this tariff category.
- 10.48 The Commission has approved a hike of 15% in energy charges and demand charges for this category.
- 10.49 The existing and the approved tariff for the LT Industrial Category are shown in the table below.

Table 76: Tariff Structure - LT Industrial Category

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Metered Tariff			
Energy Charges (Rs./kWh)	2.15	3.75	2.47
Fixed Charges (Rs./kW/month) Load (in kW) to be rounded off to the next whole number for the purpose of application of Fixed Charges.	35.00	60.00	40.00
* For Connections with sanctioned load below 100 kW supplied and metered on HT, 5% rebate on			

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Energy Charges of the LT Industrial Tariff shall be allowed.			

HT Industrial Supply

Applicability

10.50 The Commission has decided that HT industrial supply shall be applicable to all units registered with the Industries department, Government of J&K, and covered under the Factories Act. This shall mean and include all energy consumed in factory, offices, stores, canteen, compound lighting, etc. and residential use therein, excluding power intensive industries.

Character of Services

- (a) AC, 3 phase; 50 Hz on 11 KV with sanctioned load above 100 kW upto 1 MVA
- (b) AC, 3 phase; 50 Hz, 33 KV and above for sanctioned load of 1 MVA and above
- 10.51 JKPDD has proposed an increase of 62% in the fixed charges for 11 kV and 33 kV supply respectively and an increase of 65% and 64% in the energy charges for supply at the respective voltages.
- 10.52 An increase of 15% for the 11 kV and the 33 kV consumers has been approved on the applicable energy charges and demand charges for supply at all voltage levels in the category.
- 10.53 The approved tariff structure for HT industrial consumers is shown in the table below.

Table 77: Tariff Structure - HT Industrial Category

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
11 kV Supply			
Demand Charge (Rs./ kVA/ Month) **^	105.00	170.00	121.00
Energy Charge (Rs./ kVAh) *	2.00	3.30	2.30
* For Connections with sanctioned load above 100 kW supplied on LT, Additional 5% Surcharge on Demand & Energy Charges at 11 KV tariff shall be chargeable			
33 kV Supply			
Demand Charge (Rs./ kVA/ month) ^	105.00	170.00	121.00
Energy Charge (Rs./ kVAh)**	1.95	3.20	2.24
^ Or part thereof on Billing Demand			
** Rebate to Connections at higher voltages: For 66 kV – 1.5% on the Energy Charge for 33 kV Supply.			

10.54

- (a) The billing demand for any month shall be taken to be the higher of the actual maximum recorded demand or 75% of the Contract Demand.
- (b) The demand in excess of contracted load shall be billed in accordance with para 11.9, 11.10 and 11.11 of Chapter 11 of this Order.

HT Industrial Supply for Power Intensive Industries

Applicability

10.55 The Commission has decided that HT Industrial Supply for Power Intensive Industries shall be applicable to all units registered with the Industries & Commerce Department, Government of J&K, and covered under the Factories Act. This category shall apply to HT consumers manufacturing any one of the following products and/ or industries engaged in any one or more of the processes listed below and/ or using induction/ arc furnaces. This shall mean and include all energy consumed in factory, offices, stores, canteen, compound lighting, etc. and the consumption for residential use therein.

- (a) Calcium carbide
- (b) Caustic soda
- (c) Charge chrome
- (d) Ferro manganese
- (e) Ferro silicon
- (f) Ferro alloys
- (g) Potassium chlorate
- (h) Silicon carbide
- (i) Sodium chlorate
- (j) Sodium metal
- (k) Chlorates/ per chlorates
- (l) Melting of metals and alloys
- (m) Industries engaged in electro-chemical/ electro-thermal processes
- (n) Industries using induction/ arc furnace

- (o) In other cases, where the cost of power is more than 25% of the cost of the product manufactured.

Character of Services

- (a) AC, 3 phase; 50 Hz, 11 KV upto 1 MVA
- (b) AC, 3 phase; 50 Hz, 33 KV and above for load of 1 MVA and above

10.56 JKPDD has proposed an increase of 91% in the energy charges for connections at both 11 kV and 33 kV supply and a hike of 93% in the fixed charges for supply at both the voltages.

10.57 An increase of around 15% has been approved by the Commission on the applicable energy charges and demand charges for supply at all voltage levels in the category.

10.58 The approved tariff for the power intensive industries is as shown in the table below:

Table 78: Tariff Structure: HT Industrial Supply for Power Intensive Industries

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
11 kV Supply			
Demand Charge (Rs./ kVA/ Month) *	140.00	270.00	161.00
Energy Charge (Rs./ kVAh)	2.20	4.20	2.53
33 kV and above Supply			
Demand Charge (Rs./ kVA/ Month) *	135.00	260.00	155.00
Energy Charge (Rs./ kVAh)**	2.15	4.10	2.47
* Or part thereof on Billing Demand			
** Rebate to Connections at higher voltages: For 66 kV – 1.5% on the Energy Charge for 33 kV Supply			

10.59 The billing demand for any month shall be taken to be the higher of the actual maximum recorded demand or 75% of the Contract Demand.

General Purpose Bulk Supply

Applicability

10.60 This category contains all non-industrial consumers having mixed type of load greater than 100 kW (115 kVA). This includes domestic consumers, offices, educational/ technical institutions, religious institutions, residential colonies, commercial establishments and other similar loads.

10.61 All connections having load of 100 kW or above and not covered in any other categories shall be billed under tariffs applicable to this category. However, any such connections belonging to State/ Central Governments, Defence and Para-military forces shall not be considered in this category.

Character of Services

- (a) AC, 3 phase; 50 Hz on 11 KV upto 1 MVA.
- (b) AC, 3 phase; 50 Hz on 33 KV and above .for load of 1 MVA and above
- 10.62 JKPDD has proposed an increase of 49% and 50% in the energy charges for supply at 11 kV and 33 kV respectively and an increase of 52% and 50% in the fixed charges for supply at the respective voltages.
- 10.63 An increase of 20% for both 11 kV and 33 kV consumers has been approved by the Commission on the applicable energy charges and demand charges.
- 10.64 The Commission has approved the following tariff structure for General Purpose Bulk Supply category of consumers:

Table 79: Tariff Structure - General Purpose Bulk Supply

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
11 kV Supply			
Demand Charge (Rs./ kVA/ Month) *	145.00	220.00	174.00
Energy Charge (Rs./ kVAh)	2.75	4.10	3.30
For Connections above 100 kW supplied on LT, Additional 5% Surcharge on Demand and Energy Charges at 11 KV tariff shall be chargeable			
33 kV and above Supply			
Demand Charge (Rs./ kVA/ Month) *	140.00	210.00	168.00
Energy Charge (Rs./ kVAh)**	2.60	3.90	3.12
* Or part thereof on Billing Demand			
** Rebate to Connections at higher voltages: For 66 kV – 1.5% on the Energy Charge for 33 kV Supply.			

10.65

- (a) The billing demand for any month shall be taken to be the higher of the actual maximum recorded demand or 75% of the Contract Demand.
- (b) The demand in excess of contracted load shall be billed in accordance with paras 11.9, 11.10 and 11.11 of Chapter 11 of this Order.

A11: TERMS AND CONDITIONS OF TARIFF/ DEFINITIONS

- 11.1 The terms and conditions for application of tariff for the year FY 2011-12 as approved by the Commission are provided below.

Terms and Conditions of Tariff

- 11.2 The utility shall provide single phase LT connections upto a load of 5 kW, beyond which all connections shall be three phase in nature.
- 11.3 The PDD may provide three phase connections to consumers with a load of less than 5 kW on request from the consumer accompanying justification for the same. Three phase tariff shall be applicable to all such connections.

Points of Supply

- 11.4 The tariff will be applicable to one point supply unless otherwise specified in the agreement between JKPDD and the consumer.

Minimum Agreement Period

- 11.5 The minimum period for which JKPDD shall provide a permanent connection for power supply to a consumer shall be two years. Any consumer applying for permanent disconnection of the supply before the expiry of two years, shall pay to the utility, guaranteed charges/ minimum charges/ demand charges for unexpired period of the agreement. However this condition of paying minimum charges can be relaxed for domestic and agriculture consumers.

Security Deposit

- 11.6 All matters regarding Security Deposits will be as per J&KSERC (Security Deposit) Regulation, 2008,
- 11.7 All the consumers shall at all times maintain with the utility / licensee an amount equivalent to Electricity Charges for the period as noted hereunder, as security against any default in payment towards the cost of electricity supplied / to be supplied to the consumer during the agreed period of supply of energy:
- (a) L.T. Agriculture Consumer – for three months;
 - (b) L.T. and H.T. Consumers – for two months;
 - (c) L.T. temporary consumers for the period for which electricity is required subject to a minimum of three days based consumption @ ten units/kW/per day of applied load at the prevailing tariff;
 - (d) The State/ Central Government / local bodies consumers shall be exempt from payment of the security deposit;

with the proviso that consumer shall have to pay additional security deposit at prevailing tariff rate as and when the monthly billing cycle is replaced with bi-monthly billing cycle.

Late payment surcharge

- 11.8 JKPDD shall levy a late payment surcharge @ 16% per annum compounded half yearly on the unpaid (beyond due date) principal amount of energy charges, demand charges and/or minimum charges as may be the case, as per the provisions of the J&K Electricity Act, 2010 [Section no. 87(6)].

Excess/ Unauthorised Load

- 11.9 Any consumer found to have actual load drawn greater than the sanctioned Connected Load for LT connections or Contract Demand for HT connections shall be levied minimum/ demand charges for the excess load at 1.5 times the normal rate. The energy charges for consumption proportionate to the excess demand shall also be billed at 1.5 times the normal rate.
- 11.10 For LT consumers and HT consumers without Trivector Electronic meters extra billing shall be done for previous six months and will be continued till the excess Connected Load is removed or regularised.
- 11.11 Connection to such defaulting consumers shall be disconnected immediately, which will be reconnected only after the unauthorized load is removed and a test report is submitted to JKPDD. It can also be reconnected after the excess load is regularised by revising the completion of revised agreement, submission of test report and payment of prescribed charges. JKPDD shall allow the regularization of excess load based on the conditions of the distribution system. In absence of suitable conditions, the consumer shall be required to disconnect the excess load within fifteen days.

Un-metered connections

- 11.12 JKPDD shall not provide any new connections without appropriate meter even in un-metered areas. The tariff for un-metered connections shall be applicable only to the existing un-metered connections, until they are metered.

Electricity Duty

- 11.13 The tariffs are exclusive of Electricity Duty (ED) or any other taxes levied by the Government. The ED and any other levy shall be charged extra and remitted to the Government separately, based on the actual payment from consumers.

kVAh Billing

- 11.14 All connections falling in categories with kVAh billing, but with old/ electromechanical meters installed shall be done on derived kVAh consumption, with an assumed power factor of 0.85, till such time appropriate tri-vector meters are installed.

- 11.15 The billing demand in such cases shall be taken as 75% of the contract demand. Wherever the contract demand has not been declared separately the billing demand shall be taken as 75% of the sanctioned/ connected load. For converting load in kW to kVA an assumed power factor of 0.85 shall be taken.

Power Factor Control

- 11.16 All consumers having aggregate inductive load greater than 3 HP and above (except domestic and street lights and such consumers where kVAh tariff has been introduced), shall install capacitors of required KVAR rating provided in the following table:

Table 80: Ratings of capacitors for inductive load

Rating of individual Inductive Load in HP	kVAR rating of LT capacitors
3	1
5	2
7.5	3
10	4
15	5
20	7
25	9
30	10
40	12.5
50	15
60	17.5
75	20
90	25
100	25
120	30
130	35

- 11.17 All such consumers shall be levied a surcharge at 10% on the energy charge (metered or flat), till they have installed the required capacitors.
- 11.18 For LT industrial/ non-domestic connections having welding transformers with total capacity greater than 25% of the total Connected Load, an extra surcharge of Rs. 3/ kVA/ month shall be levied until capacitors of required capacity are installed.
- 11.19 The utility shall not release any new LT connections having aggregate inductive load greater than 5 HP/ kVA (except domestic and street light) unless the capacitors of suitable rating are installed.

Irregular Power Supply

- 11.20 Wherever the utility is unable to supply power to the entire area / locality fed by a particular substation for a continuous period of 15 days or more, no electricity charges will be payable by the affected consumers for the period for which the power remains off continuously.
- 11.21 The areas where the power supply is less than 12 hours a day continuously for a period of thirty days, the minimum charges/ fixed charges/ demand charges shall be charged proportionately for the actual period of supply.

Government Employees moving with Darbar

- 11.22 Government employees moving between Jammu and Srinagar along with Darbar and occupying Government accommodation shall be granted electric connection for a period of six months. On expiry of six months, the utility will disconnect the installation immediately and no charges will be levied for the period the installation remains disconnected. All such installations shall be deemed to be permanent connections for determination of tariff.

Stopped / Defective meters

- 11.23 In case of defective/stuck/stopped/burnt meter, the consumer shall be billed on the basis of average consumption of the past three billing cycles immediately preceding the date of the meter being found/reported defective. These charges shall be leviable for a maximum period of three months only during which time the Licensee is expected to have replaced the defective meter.
- 11.24 In case, the Maximum Demand Indicator (MDI) of the meter at the consumer's installation is found to be faulty or not recording at all (unless tampered), the demand charges shall be calculated based on maximum demand during corresponding months/billing cycle of previous year, when the meter was functional and recording correctly. In case, the recorded MDI of corresponding month/billing cycle of past year is also not available, the average maximum demand as available for lesser period shall be considered.

Charges for Dishonoured Cheques

- 11.25 A consumer, whose cheque has been dishonoured, shall have to make payments either in cash or demand draft.
- 11.26 JKPDD shall charge an interest @ 2.5% per month on the unpaid amount from the due date of payment till the bill amount is entirely paid.

Resale of Energy

- 11.27 Resale of power should be as per the Provisions in the J&K Supply Code Regulations, 2011.

“4.120. The consumer shall not supply any energy supplied to him by the Licensee to another person or other premises unless he holds a suitable sanction or licence for distribution and sale of energy granted by the Commission/State Government or has been exempted by the Commission from holding license for sale.

4.121. In case of commercial, office or residential complexes including residential complexes constructed by an employer for his employees, where power supply is availed originally in the name of the builder or promoter of the complex and who subsequently transfers the ownership of the complex, either entirely, to different individuals or partly to different individuals retaining the balance for lease, the power supply may be continued in the following methods.

- i) The builder or promoter of the complex in whose name the supply continues, is permitted to extend power supply to the individual owners of the flats etc. or to the lessee by installing sub-meters and to collect the cost of consumption of power from them on no-profit no-loss basis (i.e. sharing of expenses of consumption of electricity) and this shall not be treated as unauthorized extension of supply or resale of energy.*
- ii) In case the promoter or builder of the complex does not wish to have any stake in the complex after promoting the complex, the service connection originally availed may be permitted to be transferred in the name of an Association or Society that may be formed in the complex and registered and the service agency so formed is permitted to extend supply to the individual owners of the flats etc. or lessees by installing sub-meters and to collect the cost for consumption of power from them on a no-profit no-loss basis (i.e. sharing of expenses of consumption of electricity) and this shall not be treated as unauthorized extension or resale of energy.*

Provided that the tariff charged from ultimate consumers should under no circumstance exceed that prescribed by the Commission for the respective tariff category.

4.122 A panchayat/cooperative or a registered association of consumers may apply for supply of electricity to a group of consumers at a single point. In such cases, the body that has taken the connection shall be responsible for all payments of electrical charges to the Licensee and for collection from the consumers. Provided that the provisions of this clause shall not in any way affect the right of a person residing in the housing unit sold or leased by such a Cooperative Group Housing Society to demand supply of electricity directly from the distribution licensee of the area. Provided that the tariff charged from ultimate consumers should under no circumstance exceed that prescribed by the Commission for the respective tariff category.”

Applicability of Tariff

- 11.28 In case of any dispute between the utility and the consumers regarding the applicability of Tariff, the decision of the Commission shall be final.

Contradiction to the Agreement

- 11.29 All conditions prescribed here in shall be applicable to the consumers,

notwithstanding, the provisions if any, in the agreement entered by the consumers with the licensee, being to the contrary.

Rebate for Non-Lighting Use of Solar Energy

- 11.30 During winter months very high consumption of electricity takes place during the morning hours resulting in peaking of demand in morning in addition to the normal peaking witnessed in the evening hours. Climatic conditions in the State are such that hot water is required by domestic as well as commercial consumers and it appears that one of the reasons for this peaking demand in the morning during winter months is use of water heating appliances like geysers and immersion rods etc. These heating appliances are heavy guzzlers of electricity.
- 11.31 This requirement of consumers is real and cannot be curbed or discouraged beyond a point. Therefore, for the sake of proper grid management it is essential that consumers should be nudged and encouraged to opt for alternative methods to meet their water heating and cooling requirements. Solar Water Heaters and/ or Solar Cookers offer an excellent alternative to electrical water heating systems and can help in a big way in reducing the demand particularly during morning hours. The weather conditions in the State are conducive to tapping solar energy for this purpose. Responsible and progressive consumers are already using such devices as it also results in substantial reduction in their own energy bills. Use of Solar Heating is, thus, a win-win situation for consumers as well as the utility.
- 11.32 In order to encourage consumers to switch over to solar water heating systems, the Commission proposes to introduce a monthly rebate of Rs.75.00 for all metered consumers who have installed such solar heating systems for meeting their hot water and/ or cooking requirements. To avail this rebate the consumer will be required to give the licensee documentary proof of having obtained JAKEDA or purchase from a registered dealer such a system and an affidavit to the effect that such a system has been installed on his premises and is being used to meet such heating requirements. This declaration will be verified by Licensee's meter representative. In case, any such declaration is found to be false, the licensee apart from taking appropriate legal action against such consumers would be entitled to recover the entire rebate allowed to such consumers with 100% penalty.

Definitions

Connected Load

- 11.33 The Connected Load shall mean the sum of the rated capacities in kW/HP of all energy consuming apparatus including portable apparatus duly wired and connected to the power supply system in the consumer's premises. However, this shall not include the load of extension plug sockets, stand-by or spare energy consuming apparatus installed, through change over switch, which cannot be operated simultaneously and any other load exclusively meant for firefighting purposes.
- 11.34 In case of domestic consumers load of geysers plus heaters or of air conditioners without heaters whichever is higher is to be considered.

- 11.35 Any equipment which is under installation and not connected electrically, equipment stored in warehouse/showrooms either as spare or for sale is not to be considered as part of the Connected Load.

Sanctioned Load

- 11.36 Sanctioned Load: shall mean load for which JKPDD has agreed to supply from time to time subject to the governing terms and conditions. The total Connected Load is required to be sanctioned by the competent authority.

Contract Demand

- 11.37 Contract Demand shall mean the maximum demand for which the consumer has entered into an agreement with the utility. The contract demand cannot be reduced to less than 60% of the sanctioned connected demand.

Maximum Demand

- 11.38 Maximum Demand for any month shall mean the highest average load measured in kilovolt amperes during any consecutive 30 minutes period of the month.

Demand Charges

- 11.39 Demand Charges shall mean the amount chargeable based upon the billing demand as defined in the relevant tariff schedule.

Average Power Factor

- 11.40 Average Power Factor: shall mean the average energy factor and shall be taken as the ratio of the kilo-watt-hours (kWh) to the kilo-volt-ampere hours (kVAh) supplied during any period.

A12: DIRECTIVES

- 12.1 The Commission takes strong objection to non-compliance of its directives by JKPDD and warns that the Commission shall be forced to take punitive measures against JKPDD, under *Sections 102 and 106* of the J&K Electricity Act, 2010, for its inaction and directs JKPDD to comply with the directives in future.
- 12.2 The status of compliance and Commission's views on each of the directives given in the Tariff Orders is tabulated below:

Directive/ Issue	Summary
A. Status of compliance against directives issued in Tariff Order for FY 2007-08	
Metering	Summary of Directive issued:
	<ul style="list-style-type: none"> . Submission of a detailed metering plan covering feeder, DT and consumer level metering to the Commission. . Target date for 100% metering across consumer categories was set at December 31, 2009. . Investment requirement with timeframe and tentative sources of funding was to be submitted to the Commission for approval.
	JKPDD's response:
	<p>JKPDD's response to this as per last year's tariff order was:</p> <ul style="list-style-type: none"> . JKPDD achieved 100% feeder metering of 11 KV and above feeders on March 31, 2007. . Sufficient meters for achievement of 65% consumer metering have been procured by JKPDD. . The state government has set a target of replacing the damaged, defective, electromagnetic meters during 2010-11. . Instead of separate wires for phase and neutral twin flat service lines are being provided for domestic consumers to avoid tampering. . The old metering units at HT and bulk consumer installations especially industrial consumers are being replaced with combined CT/PT units and Trivector meters. <p>There was no response from JKPDD this year on the status of above mentioned aspects.</p>
Commissions views:	
<ul style="list-style-type: none"> . No comprehensive metering plan has been submitted by JKPDD to the Commission. . JKPDD has to mandatorily install meters against all connections as per the directions of the Commission and now under the provisions of the Jammu and Kashmir Electricity Act, 2010. . The Commission extends the target date for 100% metering in the State to 28th April, 2012 as per the provisions of the J&K Electricity Act 2010. . JKPDD was directed to update the Commission on a monthly basis on the progress being made on metering but this has also not been followed by JKPDD. 	
Energy Audit	Summary of Directive issued:
	<ul style="list-style-type: none"> . The Petitioner was directed to carry out energy audit of all industrial feeders and submit the report to the Commission on a quarterly basis, starting by October 15, 2007. . The Petitioner was directed to carry out monthly circle/ division wise T&D loss assessment from March, 2007 onwards.
	JKPDD's response:
<p>JKPDD's response to this as per last year's tariff order was:</p> <ul style="list-style-type: none"> . 100% feeder metering of 11 KV feeders was achieved on March 31, 2007. Since then energy accounts of all feeders are being prepared on regular basis. The Division wise/Circle wise energy input, energy billed and T&D loss accounts are being prepared. The feeder wise energy accounts for dedicated industrial feeders are being prepared separately on monthly basis. 	

Directive/ Issue	Summary
	<ul style="list-style-type: none"> . It was submitted orally that energy of all consumers with connected load above 25 kW is being taken up by JKPDD in the first phase. There was no response from JKPDD this year on the status of above mentioned matters. <p>Commissions views:</p> <ul style="list-style-type: none"> . The Commission is of the view that the progress of feeder wise energy audits as reported by JKPDD is very slow. . Feeder wise energy audits was to be undertaken in two phases: . Phase 1: Industrial Feeders – All 11 kV feeders comprising of HT consumers only to be covered in this phase. . Phase 2: All Feeders – Energy Audit of 11 kV Feeders with LT consumers needs to be commenced after proper consumer indexing in the second phase. . No status report has been filled by JKPDD on this directive.
Revenue Cycle Management	<p>Summary of Directive issued</p>
	<ul style="list-style-type: none"> . The Petitioner was directed to conduct a study of processes and identification of improvement areas and submit the report by November 30, 2008. The areas to be covered included: <ul style="list-style-type: none"> - New connections & connections management; - Meter management; - Meter reading; - Revenue billing process; - Collection management; - Revenue recovery; - Revenue discipline process (enforcement) - Customer care
	<p>JKPDD's response</p> <p>JKPDD's response to this was:</p> <ul style="list-style-type: none"> . With a view to improve revenue generation and revenue management, JKPDD has gone for computerization of its revenue centers in a big way under operation "Power Care". Out of 65 no. EM&RE Sub Divisions in EM&RE Wing Kashmir, 32 Nos. stands computerized and out of 47 no. Sub Divisions in Jammu city, 10 nos. stand computerized. Computerized bills are being issued from these centers on regular basis. . JKPDD understands that it has to do a lot as far as revenue cycle management and other distribution related activities are concerned. With this in view, JKPDD intends to bring in Franchisees to manage the distribution system. Pure Revenue Franchisee will not be as effective as Input Based Franchisee because Revenue Franchisee does not become a partner of the utility for reducing AT&C losses. Since AT&C losses in JKPDD system are high, introduction of Input Based Franchisee has been proposed to Govt. which is under active consideration of the government.
	<p>Commissions views</p> <ul style="list-style-type: none"> . Computerization of consumer care centers is a welcome step. The Commission had directed JKPDD to undertake the same in all divisions/ sub-divisions but no compliance report was submitted by JKPDD. . Revenue based franchisee could be ideal for rural areas. Panchayats, Consumer associations including the Women Co-operative Societies and NGOs could be involved in rural areas. On the other hand, Input based franchisee could be a good option in Jammu and Kashmir urban areas, including the cities of Srinagar and Jammu. . The Commission had directed JKPDD to undertake study of the revenue cycle management processes for identifying improvement areas and submit the report on the same by December 31, 2010. No status report has been filled by JKPDD on this directive.
Segregation of	<p>Summary of Directive issued</p>

Directive/ Issue	Summary
costs	<ul style="list-style-type: none"> . The Petitioner was directed to segregate costs between transmission and distribution functions and file separate petitions from subsequent years. . The Petitioner was directed to maintain separate Fixed Asset Registers (FAR) for the two functions. <p>JKPDD's response</p> <ul style="list-style-type: none"> . JKPDD's response to this was: . The utility understands the importance of segregation of costs between Transmission and Distribution and maintenance of separate fixed asset registers for each Function. However some more time is needed to put the system for such accounts in place. . JKPDD had already floated a tender on this and consultants will be appointed shortly. <p>Commissions views</p> <ul style="list-style-type: none"> . The Commission, in view of the progress shown by JKPDD on this, is extending the deadline and now directs JKPDD to come up with segregated costs in the ARR and tariff petition for FY 2012-13
Database Management & MIS	<p>Summary of Directive issued</p> <ul style="list-style-type: none"> . The Petitioner was directed to submit the Terms of Reference for the selection of experts for development/ improvement of its MIS and DBMS to the Commission, for its review and approval, by June 30, 2007. <p>JKPDD's response</p> <ul style="list-style-type: none"> . JKPDD's response to this as per last year's tariff order was: . In order to ensure consistent and detailed information flow from circles/divisions on a month to month basis, PDD had submitted to the Commission "Draft terms of Reference" for selection of experts for development/improvement of management information system (MIS) and Data Base Management system (DBMS) for review and approval of the Commission. The Commission has approved the ToR. The MIS and DBMS is now proposed to be taken up under restructured APDRP Schemes (R-APDRP). . The R-APDRP scheme shall include besides conventional infrastructural works, the asset mapping under Geographical Information System (GIS), SCADA, Metering at all levels including DTR metering and other IT works. . JKPDD submitted that computerization and digitization of data is going on in full swing and within 2-3 months the process is expected to get completed. SCADA is being implemented in association with NDPL and studies are being carried out to analyze the benefits of mapping assets through GIS. <p>Commissions views</p> <ul style="list-style-type: none"> . The Commission is of the opinion that though JKPDD had taken some measures related to IT initiatives, still the implementation of these measures need to be expedited and Commission will monitor the progress of these measures on quarterly basis. . JKPDD needs to ensure that similar systems are implemented in the remaining areas which are not being covered under the R-APDRP scheme. JKPDD was directed to develop its plan for the same and submit to the Commission by August 31, 2010. . JKPDD has orally informed the Commission that the Government of India is now considering bringing these areas under R-APDRP scheme by lowering the population norms specified in the scheme. JKPDD is awaiting orders on the same from the Government of India.
ToD Tariffs	<p>Summary of Directive issued</p> <ul style="list-style-type: none"> . The Petitioner was directed to complete the activation of the time-of-day feature by June 30, 2007 and notify the Commission of the same. . It was also directed to submit consumption details of peak and off-peak periods for all HT consumers on a monthly basis from July 31, 2007. <p>JKPDD's response</p>

Directive/ Issue	Summary
	<ul style="list-style-type: none"> . JKPDD's response to this as per last year's tariff order was: . The Trivector meters being installed for high value consumers have Time of Day metering facility. The Trivector meters provided on 11 KV feeders in 33/11 KV sub stations and on the feeders at higher voltage levels have also TOD facility. The commission may consider introducing TOD tariff in future Tariffs for high value consumers. . JKPDD has proposed to implement ToD tariffs for high value consumers in the tariff petition for FY 2011-12 <p>Commissions views</p> <ul style="list-style-type: none"> . Installation of the ToD compatible meters and proposing ToD tariffs is not enough for the Commission to introduce ToD tariffs. . JKPDD needs to record the actual consumption pattern of the high value consumers installed with such meters and assess the requirement for ToD based tariffs. . JKPDD was directed to analyze the consumption pattern of the High Value Consumers recorded in the meters installed and submit a report on its findings by August 31, 2010. . No report has been submitted by JKPDD to the Commission yet. JKPDD has proposed to introduce ToD based tariff in its tariff petition for FY 2011-12. The Commission has found the information submitted insufficient in many details. Therefore, the target date for submitting its report on the consumption pattern of the high value consumers recorded in the ToD compatible meters for introducing TOD based tariff during FY 2012-13 is extended to 30th November, 2011.
Sales Forecasting	<p>Summary of Directive issued</p> <ul style="list-style-type: none"> . JKPDD was directed to submit consumption details of peak and off-peak periods for all HT consumers on a monthly basis from July 31, 2007. The Commission also directed it to detail the methodology used for projecting energy sales. <p>JKPDD's response</p> <ul style="list-style-type: none"> . JKPDD's response to this as per last year's tariff order was: . The sales forecasts are based on historical data. Category wise consumption pattern stands submitted to the Commission. However realistic data sub category/ slab wise details will be provided once the metering and computerized billing is completed. . There was no response from JKPDD this year on the status of above mentioned things. <p>Commissions views</p> <ul style="list-style-type: none"> . The data for peak and off-peak consumption for HT consumers is already being recorded in the trivector energy meters installed at such connections. JKPDD is directed to compile the same on a monthly basis and submit to the commission. . From the sales information being submitted it is not clear how the sales for the Un-metered flat rate consumers are being estimated. JKPDD is directed to adopt the methodology detailed in the Chapter on sales forecast for the same. . This methodology has not been submitted by JKPDD yet.
Region wise details	<p>Summary of Directive issued</p> <ul style="list-style-type: none"> . The Petitioner was directed to submit details on the power availability, energy sales, level of metering, revenue realisation and loss levels in different regions in the State. <p>JKPDD's response</p> <ul style="list-style-type: none"> . JKPDD's response to this as per last year's tariff order was: . The region wise power availability, energy sales, level of metering revenue realization and loss levels in the Jammu and Kashmir regions are being submitted to the Commission on regular basis. <p>Commissions views</p> <ul style="list-style-type: none"> . JKPDD has not been submitting such reports on a regular basis. It has only submitted the same after/ along with the ARR & Tariff petition. . JKPDD was directed to submit the same on a quarterly basis to the Commission which JKPDD

Directive/ Issue	Summary
	had failed to do. The Commission once again directs JKPDD to submit the requisite information on a quarterly basis as directed earlier.
Progress monitoring	Summary of Directive issued
	<ul style="list-style-type: none"> . The Petitioner was directed to submit quarterly progress reports on each directive issued by the Commission.
	JKPDD's response
	<ul style="list-style-type: none"> . JKPDD's response to this as per last year's tariff order was: . As mentioned above, JKPDD has been submitting quarterly progress reports to the commission as per the directives of commission. The utility is committed to comply with all the directives of Hon'ble Commission in letter and spirit. However, some more time is required to bring the system back on the rails which had got derailed due to the turmoil which hit the State about two decades back and affected all the sectors of the state including T&D sector of Electricity. The progress on directives also got affected during FY 2008-09 due to disturbances in the state as a result of Amarnath Land Controversy and Elections to State Legislature. . There was no response from JKPDD this year on the status of the above.
	Commissions views
<ul style="list-style-type: none"> . JKPDD has failed to comply with the directive on progress monitoring of the set of directives issued by the Commission. The frequency of progress reporting on various directives has been intermitted and mostly limited to the ARR & Tariff petitions being filed by JKPDD. . The Commission directs JKPDD to submit quarterly reports henceforth. 	
B. Status of compliance against directives issued in Tariff Order for FY 2008-09	
Loss study	Summary of Directive issued
	<ul style="list-style-type: none"> . The Commission directed the utility to conduct a detailed loss study on an urgent basis and submit the findings to the Commission by March 31, 2009. Such loss study should be realistically able to ascertain/ estimate the following: <ul style="list-style-type: none"> - Sales in MU to various consumer categories; - T&D losses.
	JKPDD's response
	<ul style="list-style-type: none"> . JKPDD's response to this as per last year's tariff order was: . Hon'ble Commission has also issued a directive vide Tariff Order FY 2008-09 to conduct loss study of the system. The Terms of Reference (ToR) for appointment of consultant to conduct the study under the guidelines issued by Hon'ble Commission and Central Electricity Authority are under preparation. . There was no response from JKPDD this year on the status of above mentioned things.
	Commissions views
<ul style="list-style-type: none"> . JKPDD is unacceptably slow in the way it is progressing on the directives issued on such critical matters as the study of T&D losses. JKPDD is directed to get the study completed and submit its report by September 30, 2010. . The same is still not submitted by JKPDD. 	
C. Status of compliance against directives issued in Tariff Order for FY 2009-10 & FY 2010-11	
Sales estimation	Summary of Directive issued
	<ul style="list-style-type: none"> . The Commission is of the opinion that for the un-metered consumers within each category being billed on flat rate tariffs, the units supplied should be worked backwards from the amount billed on the amount billed on the connected load basis. The same must be adhered to in the future petitions of JKPDD.

Directive/ Issue	Summary
	JKPDD's response
	. JKPDD had submitted that they have complied with this directive.
	Commissions views
	. JKPDD has not adhered to this directive in the current ARR and tariff petition.
Metering of LT Industrial Consumers	Summary of Directive issued
	. The metering of LT consumers is grossly against the approved tariff regime and JKPDD is directed to meter the same with immediate effect and report the status to the Commission within 15 days from the issue of this Order.
	JKPDD's response
	. JKPDD had submitted that due to non-availability of the meters, this directive was not complied with. Purchase Orders have been placed for the meters and corrective action will be taken immediately after receipt.
Proposed schedule of miscellaneous charges	Commissions views
	. The Commission is not convinced with the response of JKPDD. When the above direction was issued, JKPDD had sufficient stock of meters with them and more meters were procured subsequently. The Commission re-iterates the above directive and extends the target date to 28 th April, 2011.
	Summary of Directive issued
	. The Commission also directs JKPDD to substantiate proposed hike with appropriate documents/ facts while seeking hike in any of the items listed in the schedule of miscellaneous charges.
	JKPDD's response
	. JKPDD had requested nominal hike in schedule of miscellaneous charges primarily due to consideration of fact that cost of input materials and services has risen considerably over the past few years.
	Commissions views
	. The Commission accepts the view of JKPDD regarding the hike in the cost of materials and approves the proposed hike in the miscellaneous charges.
Revision of Connected Load Agreements	Summary of Directive issued
	. The Commission directs JKPDD to undertake revision of agreements of all categories of consumers to assess the realistic connected load and also the maximum demand. A status report on the above may be submitted to the Commission by 31st October, 2010.
	JKPDD's response
	. JKPDD had submitted that revision of agreements is a continuous process and same is being done. The SERC formats being furnished by the respective Chief Engineers reflect the same.
	Commissions views
	. JKPDD is directed to submit a status report on revision of agreements by 31 st December, 2011.
	Summary of Directive issued
	. The Commission also directs JKPDD to prepare a Demand Side Management plan and submit the same for the approval of the Commission.
Demand Side Management	JKPDD's response
	. JKPDD had submitted that the Demand Side Management (DSM) plan is under preparation and will be submitted later on.
	Commissions views
	. No Demand Side Management plan has been submitted by JKPDD to the Commission along with

Directive/ Issue	Summary
	its tariff petition for FY 2011-12. JKPDD is once again directed to submit a Demand-side Management Plan for approval of the Commission.
Replacement of non-functional meters	Summary of Directive issued
	. JKPDD is directed to report the number of non-functional/ defective/ bye-passed/ burnt out meters, category wise in the system as on 31st March 2010 along with an action plan to replace them. The report must be submitted to the Commission by July 31, 2010.
	JKPDD's response
	. JKPDD had stated that the status report on this will be submitted to the Commission after completion of current phase of computerization.
	Commissions views . JKPDD has not submitted any report on this directive. The Utility is once again directed to submit the report by 31 st December, 2011.
Reading of Electronic Meters through MRIs	Summary of Directive issued
	. JKPDD is directed to immediately put in use the Meter Reading Instruments (MRIs) which are available with them and submit a report to the Commission by May 31, 2010 detailing the Division wise list of Electronic meters supplied, No of MRIs issued and how many meters have been read with MRIs. JKPDD should simultaneously impart training on booking reading of Electronic meters through MRIs. The condition of meters whether defective/ Non-functional/ bye passed/ burnt should be mentioned in the current or next cycle of billing.
	JKPDD's response
	. JKPDD had submitted that the process of reading of industrial meters through MRI has just been started. The staff is being trained. The report of same shall be submitted after receipt from respective Chief Engineers.
	Commissions views . JKPDD has not submitted any report on this directive, which may be expedited.
Balancing Load of	Summary of Directive issued
	. Balancing of load on the phases of transformers should be checked whenever new connections are issued. Balancing of load on different phases of transformers shall also be checked at regular intervals for proper balancing of the load and to minimize burning of distribution transformer due to unequal loading.
	JKPDD's response
	. JKPDD had submitted that they have complied with this directive.
	Commissions views . JKPDD is directed to submit a status report on the above.
Arrear Recovery	Summary of Directive issued
	. JKPDD is directed to submit quarterly reports on arrears outstanding against each category of consumers. The Commission would like to know the collection, billing and accounting of arrears of previous years in the revenue realized of a particular year. A complete detail of arrears and their realization from FY 2006-07 be made available to the Commission along with the next ARR and Tariff Petition.
	JKPDD's response
	. JKPDD had submitted that respective Chief Engineers of MNRE wings have already been directed in this regard. The report will be submitted to the Commission immediately on its receipt.
	Commissions views . JKPDD is directed to expedite the process and submit the report at the earliest.

Directive/ Issue	Summary
D. New directives to JKPDD	
Submission of ARR/ Tariff Petition	<ul style="list-style-type: none"> The Utility is directed to henceforth, file ARR/tariff petition by 30th of November of each year positively as stipulated in the Jammu & Kashmir State Electricity Regulatory Commission (Conduct of Business) Regulations, 2005.
Submission of Power Purchase and Procurement Plan	<ul style="list-style-type: none"> The Utility is directed to file the long term Power Purchase and Procurement Plan by 31st October of each year positively, duly updating the Long-term Power Purchase and Procurement Plan for the previous year as required under Regulation 22 of the Jammu & Kashmir State Electricity Regulatory Commission (Power Purchase and Procurement Plan) Regulations, 2005.
Loss Reduction Trajectory	<ul style="list-style-type: none"> The Utility is directed to fix a circle-wise and division-wise loss reduction trajectory for the next three years and accordingly prepare a detailed action plan for reduction of T&D losses, which may be incorporated in the Tariff Petition for FY2012-13.
Re-categorization of consumers	<ul style="list-style-type: none"> The Utility may examine afresh the existing categories of consumers and the slabs of consumption within each category, and if re-categorization of the consumer slabs is felt necessary, the same may be reflected in future tariff petitions.
Establishment of Consumer Complaint Centres	<ul style="list-style-type: none"> The Utility shall set up Customer Complaint Centers/ Call Centers across its area of supply to address the Customer Complaints and Grievances as stipulated under Chapter-V of the Jammu & Kashmir State Electricity Regulatory Commission (Distribution Performance Standards) Regulations, 2006. Action taken in this regard by the Utility may be communicated to the Commission by 31st December, 2011.
Maintaining data on reliability indices	<ul style="list-style-type: none"> The Utility shall maintain data and workout the reliability indices for each Circle/area of its operation on a monthly basis as stipulated under Chapter VIII of the Jammu & Kashmir State Electricity Regulatory Commission (Distribution Performance Standards) Regulations, 2006 and submit monthly computed figures for the first half of FY 2011-12 by 31st October, 2011.
To introduce Pre-paid meters	<ul style="list-style-type: none"> The Commission directs the Utility to introduce pre-paid meters in respect of connections with loads below 5 kW in some identified areas on a pilot basis.
Meter Reading	<ul style="list-style-type: none"> The Commission directs the Utility to take meter reading in accordance with Regulations 5.16 to 5.25 of the Jammu & Kashmir State Electricity Supply Code, 2011.
Study for determining the actual cost of supply for each consumer category	<ul style="list-style-type: none"> The Utility is directed to undertake a study for determining the actual cost of supply for each consumer category at different voltage levels and submit a report on the outcome of the study by 30th June, 2012.
Status report on upkeep and maintenance of transmission lines and Grid Stations	<ul style="list-style-type: none"> The Utility is directed to submit to the Commission a status report on proper up-keep and maintenance of transmission lines and Grid stations. The Utility is also directed to maintain adequate spares and transformer capacities to prevent prolonged outage of the transmission system.
To carry out proper system studies	<ul style="list-style-type: none"> The Utility shall carry out proper power system studies on a regular basis and to estimate future short term and long term demands of energy/power and prepare an investment plan to meet the demands.
Scheme of incentives and disincentives for the staff stationed in high loss areas	<ul style="list-style-type: none"> The Utility shall formulate a scheme of incentives and disincentives for the staff stationed in high loss areas and submit the same to the Commission for approval.
Steps taken to reduce transformer failure	<ul style="list-style-type: none"> Steps taken by the Utility to reduce transformer failure may be communicated to the Commission by 30th November, 2011.

Directive/ Issue	Summary
Meter Testing Labs	<ul style="list-style-type: none"> The Commission directs the Utility to establish circle-wise meter testing labs, starting with one in Srinagar and another in Jammu, besides setting up mobile meter testing labs.
Rationalization of manpower	<ul style="list-style-type: none"> It has been noticed that there is no norm for deployment of manpower for different activities/functions of the Utility. The Utility is directed to rationalize the manpower requirement for different activities/functions as per the standard practice in the neighbouring States.
Status report on electric accidents	<ul style="list-style-type: none"> The Utility is directed to submit quarterly status report on electric accidents that may have happened during the preceding quarter. The report should also contain details of the cases brought forward from previous periods.
Billing of energy supplied to consumers	<ul style="list-style-type: none"> The Utility is directed to issue bills for the energy supplied to the consumers, strictly in accordance with the Regulation A-6(Billing) of Jammu & Kashmir State Electricity Supply Code.
Power curtailment plan	<ul style="list-style-type: none"> Commission directs the Utility to give wide publicity to power curtailment schedule, if any, and formally communicate the same to the Commission on each occasion. Unscheduled power curtailments and reasons thereof shall be properly recorded and communicated to JKSERC on a monthly basis and also along with the Tariff petition each year in a consolidated form.
Arrear collection	<ul style="list-style-type: none"> Year wise breakup of all previous arrears on account of collection inefficiency and revenue deliberately not paid by the consumers should be communicated to the Commission with the tariff petition each year.
No. of consumer connection	<ul style="list-style-type: none"> In view of the discrepancies noticed in respect of category-wise connections, the Utility is directed to make a fresh in-depth exercise to re-verify the total number of registered and unregistered connections (category-wise) in the State and a report submitted to the Commission within two months from the date of issue of this directive.

A13: SCHEDULE OF MISCELLANEOUS CHARGES**Petitioners Submission**

13.1 JKPDD has proposed hike in several items listed in the schedule of miscellaneous charges for FY 2011-12, as shown in the table below:

Table 81: Proposed Schedule of Miscellaneous Charges

Sl.	Particulars	Existing	Proposed
1.	For single phase and three phase connection up to 5 kW a) Changing meter Board in same premises. b) Changing meter at consumer's request in same premises. c) Re-sealing PDD's cut out in consumer's premises.	Rs. 50/- Rs. 50/- Rs. 15/-	Rs. 60/- Rs. 60/- Rs. 20/-
2.	Re-sealing of meters, Maximum Demand indicators in consumer's premises a) Single phase LT connection. b) Three phase LT Connection. c) H.T. connection.	Rs. 40/- Rs. 60/- Rs. 500/-	Rs. 50/- Rs. 70/- Rs. 700/-
3.	Meter testing charges at consumer's request. a) Single phase LT meter b) 3 phase, 4w/3w meter, without C.T. meter c) 3 phase, 4w/3w meter, with C.T. meter d) L.T. C.T meter e) HT meters (along with metering equipment)	Rs. 50/- Rs. 75/- Rs. 250/- Rs. 100/- each Rs. 1,000/-	Rs. 50/- Rs. 85/- Rs. 300/- Rs. 120/- Rs. 1,200/-
4.	Special meter reading a) L.T. connection b) H.T. connection	Rs. 20/- Rs.200/-	Rs. 25/- Rs.220/-
5.	Replacement of burnt meter. (If burnt due to consumer's fault)	Cost of meter + 15% Supervision Charges	Cost of meter + 15% Supervision Charges
6.	Fuse off call charges – Replacement a) PDD's cut out fuse b) L.T. Consumer's fuse	Rs. 15/- Rs. 15/-	Rs. 20/- Rs. 20/-
7.	Replacement of missing meter card	Rs. 10/- per card	Rs. 15/- per card
8.	Replacement of broken glass of meter	Rs. 30/- per glass	Rs. 35/- per glass
9.	Reconnection/disconnection charge LT Consumers HT Consumers	Rs. 25/- Rs. 150/-	Rs. 25/- Rs. 170/-
10.	Re-checking of installation on request of consumer a) Single Phase (Per Installation) b) Three Phase (Per Installation)	Rs.75/- Rs. 225/-	Rs.75/- Rs. 250/-
11.	Re-rating of equipment	Rs.100/- per equipment	Rs.120/- per equipment
12.	Supervision Charge for Service Connection (if Service line laid by consumer through licensed contractor) a) Single Phase LT Connections	Rs. 175/- Rs. 350/-	Rs. 175/- Rs. 400/-

Sl.	Particulars	Existing	Proposed
	b) Three Phase LT Connections c) Loop LT Connections	Rs. 80/-	Rs. 95/-
13.	Parallel operation charge for availing grid support by CPP	Rs.16/- per kVA per month on the installed capacity of the CPP	Rs.18/- per kVA per month on the installed capacity of the CPP
14.	Shifting of connection	Actual cost of material + 15% Supervision Charge	Actual cost of material + 15% Supervision Charge
15.	Hiring of utility's plant and equipment (i) For initial hire agreement period (ii) For subsequent period of hire agreement (iii) For L.T. consumers (more than 100 HP) converting to H.T.	1% p.m. on current schedule of rates. Twice of (i) Same as in (i) and (ii) above	1% p.m. on current schedule of rates. Twice of (i) Same as in (i) and (ii) above
16.	Transfer of name L.T. H.T.	Rs. 100/- Rs. 500/-	Rs. 100/- Rs. 600/-
17.	Booklet for HT/LT Tariff	Rs. 20/-	Rs. 20/-
18.	Connection/ Disconnection Charges for Temporary Connections a) LT Temporary Connection b) HT Temporary Connection	Rs. 100/- Rs. 500/-	Rs. 120/- Rs. 600/-

Commissions Observations

- 13.2 The Commission has approved the proposed hike in miscellaneous charges as submitted by JKPDD for FY 2011-12. The miscellaneous charges approved by the Commission are given below:
- 13.3 The schedule for levying miscellaneous charges for FY 2011-12, as approved by the Commission is provided in the following table.

Table 82: Approved Schedule of Miscellaneous Charges

Sl.	Particulars	Approved Charges
1.	For single phase and three phase connection up to 5 kW a) Changing meter Board in same premises. b) Changing meter at consumer's request in same premises. c) Re-sealing PDD's cut out in consumer's premises.	Rs. 60/- Rs. 60/- Rs. 20/-
2.	Re-sealing of meters, Maximum Demand indicators in consumer's premises a) Single phase LT connection. b) Three phase LT Connection. c) H.T. connection.	Rs. 50/- Rs. 70/- Rs. 700/-
3.	Meter testing charges at consumer's request. a) Single phase LT meter b) 3 phase, 4w/3w meter, without C.T. meter c) 3 phase, 4w/3w meter, with C.T. meter	Rs. 50/- Rs. 85/- Rs. 300/-

Sl.	Particulars	Approved Charges
	d) L.T. C.T meter e) HT meters (along with metering equipment)	Rs. 120/- each Rs. 1,200/-
4.	Special meter reading a) L.T. connection b) H.T. connection	Rs. 25/- Rs. 220/-
5.	Replacement of burnt meter. (If burnt due to consumer's fault)	Cost of meter + 15% Supervision Charges
6.	Fuse off call charges – Replacement a) PDD's cut out fuse b) L.T. Consumer's fuse	Rs. 20/- Rs. 20/-
7.	Replacement of missing meter card	Rs. 15/- per card
8.	Replacement of broken glass of meter	Rs. 35/- per glass
9.	Reconnection/disconnection charge LT Consumers HT Consumers	Rs. 25/- Rs. 170/-
10.	Re-checking of installation on request of consumer a) Single Phase b) Three Phase	Rs.75/- per installation Rs. 250/ per installation
11.	Re-rating of equipment	Rs.120/- per equipment
12.	Supervision Charge for Service Connection (if Service line laid by consumer through licensed contractor) a) Single Phase LT Connections b) Three Phase LT Connections c) Loop LT Connections	Rs. 175/- Rs. 400/- Rs. 95/-
13.	Parallel operation charge for availing grid support by CPP	Rs.18/- per kVA per month on the installed capacity of the CPP
14.	Shifting of connection	Actual cost of material + 15% Supervision Charge
15.	Hiring of utility's plant and equipment (i) For initial hire agreement period (ii) For subsequent period of hire agreement (iii) For L.T. consumers (more than 100 HP) converting to H.T.	1% p.m. on current schedule of rates. Twice of (i) Same as in (i) and (ii) above
16.	Transfer of name L.T. H.T.	Rs. 100/- Rs. 600/-
17.	Booklet for HT/LT Tariff	Rs.20/-
18.	Connection/ Disconnection Charges for Temporary Connections a) LT Temporary Connection b) HT Temporary Connection	Rs. 120/- Rs. 600/-

A14: TARIFF SCHEDULE FOR FY 2011-12**Schedule 1: Domestic Supply****Applicability**

14.1 The Commission has fixed the applicability of the domestic tariff for supplies pertaining to domestic premises, religious institutions, group housing societies, orphanages, old-age and infirm homes, charitable institutions providing services free of cost or on nominal charges, post offices at residences of villagers and residential premises of architects, engineers, advocates, doctors, teachers, artists, weavers, stitching and embroidery workers occupying not more than 20% of built up area for respective professional purposes.

Character of Services

- (a) Alternating current (A.C.) 50 Hz, 230 Volts, for Single-phase upto a load of 5 kW
- (b) A.C, 50 Hz, three phase, 400 volts for load above 5 kW upto 100 kW (115 kVA)

Rate of Charge**Table 83: Approved Tariff for Domestic Supply**

Particulars	Approved Tariff
Metered Tariff	
Energy Charges for Metered Connection (Rs. / kWh)	
upto 30 units /month	1.10
31-100 units /month	1.43
101-200 units /month	1.76
> 200 units /month	2.70
Minimum Charges for connected load (Rs. / month)	
upto 1/4 kW	15.00
above 1/4 kW upto 1/2 kW	25.00
above 1/2 kW upto 1 kW	40.00
Above 1 kW for every 250 W, or part thereof	10.00
Un-metered Consumers	
Flat Rate (Rs. / month)	
upto 1/4 kW	77.00
above 1/4 kW upto 1/2 kW	224.00
above 1/2 kW upto 3/4 kW	342.00
above 3/4 kW upto 1 kW	460.00
above 1 kW upto 2 kW	897.00

Particulars	Approved Tariff
above 2 kW	Rs. 897 + Rs.389 for every additional ½ kW or part thereof

- 14.2 Group housing societies can avail single point power supply. The energy bill of a housing society shall be divided by the number of houses in it, to determine the consumption in each house.
- 14.3 If there are 10 houses in a society the consumption shall be charged in the following manner: The first 300 (30 x 10) units would be charged at Rs 1.10/unit; the next 700 (70 x 10) units at Rs 1.43/unit; next 1000 (100 x 10) units at Rs 1.76/unit and the remaining units at Rs 2.70/unit.
- 14.4 Any matter regarding supply to Group Housing societies should be as per the Regulations laid down in J&KSERC (Supply Code) Regulations, 2011;

“4.120. The consumer shall not supply any energy supplied to him by the Licensee to another person or other premises unless he holds a suitable sanction or licence for distribution and sale of energy granted by the Commission/State Government or has been exempted by the Commission from holding license for sale.

4.121. In case of commercial, office or residential complexes including residential complexes constructed by an employer for his employees, where power supply is availed originally in the name of the builder or promoter of the complex and who subsequently transfers the ownership of the complex, either entirely, to different individuals or partly to different individuals retaining the balance for lease, the power supply may be continued in the following methods.

- i) The builder or promoter of the complex in whose name the supply continues, is permitted to extend power supply to the individual owners of the flats etc. or to the lessee by installing sub-meters and to collect the cost of consumption of power from them on no-profit no-loss basis (i.e. sharing of expenses of consumption of electricity) and this shall not be treated as unauthorized extension of supply or resale of energy.*
- ii) In case the promoter or builder of the complex does not wish to have any stake in the complex after promoting the complex, the service connection originally availed may be permitted to be transferred in the name of an Association or Society that may be formed in the complex and registered and the service agency so formed is permitted to extend supply to the individual owners of the flats etc. or lessees by installing sub-meters and to collect the cost for consumption of power from them on a no-profit no-loss basis (i.e. sharing of expenses of consumption of electricity) and this shall not be treated as unauthorized extension or resale of energy.*

Provided that the tariff charged from ultimate consumers should under no circumstance exceed that prescribed by the Commission for the respective tariff category.

4.122 A panchayat/cooperative or a registered association of consumers may apply for supply of electricity to a group of consumers at a single point. In such cases, the body that has taken the connection shall be responsible for all payments of electrical

charges to the Licensee and for collection from the consumers. Provided that the provisions of this clause shall not in any way affect the right of a person residing in the housing unit sold or leased by such a Cooperative Group Housing Society to demand supply of electricity directly from the distribution licensee of the area. Provided that the tariff charged from ultimate consumers should under no circumstance exceed that prescribed by the Commission for the respective tariff category.”

Schedule 2: Non-Domestic/ Commercial Supply

Applicability

- 14.5 This tariff category shall be applicable to the following: shops, showrooms, business houses, offices, educational/ technical institutions, clubs, meeting halls, places of public entertainment, hotels, cinemas, hospitals, dispensaries, clinics, nursing homes, X-ray units, diagnostic centers, pathological labs, fisheries, aqua-culture, sericulture, dairy, hatcheries, printing presses, milk chilling centers, poultry farms, cattle breeding farms, nurseries, plantations, mushroom growing, carpenters and furniture makers, juice centers, hoardings and advertisement services, typing institutes, internet cafes, STD/ ISD PCO's, FAX/ photocopy shops, tailoring shops, photo studios and color labs, laundries, cycle shops, compressors for filling air, restaurants, eating establishments, guest houses, marriage gardens, welding transformer and lathe machines for repair works and services, book binders, petrol pumps and service stations, lifts and other appliances in shopping centers and offices, tourist house boats, and similar other establishments.
- 14.6 In addition, any connection not covered under the other categories shall be billed under this category. However, this would exclude connections pertaining to State/ Central Government or Defence services, which have been included in a separate category.

Character of Services

- (a) AC, 50 Hz, 230 Volts, Single-phase upto a load of 5 kW.
- (b) AC, 50 Hz, three phase, 400 volts supply for load above 5 kW upto 100 kW (115 kVA).

Rate of Charge

Table 84: Approved Tariff for Non Domestic/ Commercial Supply

Particulars	Approved Tariff
Metered Non-Domestic Tariff	
Energy Charges (Rs./kWh)	
Single Phase	
Slab of Units	
Upto 100 u/m	2.16
101 to 200 u/m	2.28
above 200 u/m	3.30
Three Phase	
For all units	3.84
Fixed Charges (Rs. /kW/ month)	
Load (in kW) to be rounded off to the next 1/2 kW for the purpose of application of Fixed	

Particulars	Approved Tariff
Charges. (Example: 0.25 kW to be charged as 0.5 kW and 1.2 kW to be charged as 1.5 kW and so on.) For connections with sanctioned load below 100kW (115 kVA) supplied and metered on HT, 5% rebate on energy charges of Non-Domestic/Commercial Tariff shall be allowed.	
Single Phase	36.00
Three Phase	84.00
Un-Metered Non-Domestic Tariff	
Flat Rate Charges (Rs. / month)	
Upto 1/4 kW	213.00
above 1/4 kW upto 1/2 kW	525.00
above 1/2 kW upto 1 kW	1,050.00
above 1 kW upto 5 kW*	1,350.00
* and part thereof for every kW above 5 kW	1,350.00

- 14.7 Any matter regarding supply to Commercial Complexes with Single Point Delivery/supply should be as per the Regulations laid down in J&KSERC (Supply Code) Regulations, 2011;

“4.120. The consumer shall not supply any energy supplied to him by the Licensee to another person or other premises unless he holds a suitable sanction or licence for distribution and sale of energy granted by the Commission/State Government or has been exempted by the Commission from holding license for sale.

4.121. In case of commercial, office or residential complexes including residential complexes constructed by an employer for his employees, where power supply is availed originally in the name of the builder or promoter of the complex and who subsequently transfers the ownership of the complex, either entirely, to different individuals or partly to different individuals retaining the balance for lease, the power supply may be continued in the following methods.

- i) The builder or promoter of the complex in whose name the supply continues, is permitted to extend power supply to the individual owners of the flats etc. or to the lessee by installing sub-meters and to collect the cost of consumption of power from them on no-profit no-loss basis (i.e. sharing of expenses of consumption of electricity) and this shall not be treated as unauthorized extension of supply or resale of energy.*
- ii) In case the promoter or builder of the complex does not wish to have any stake in the complex after promoting the complex, the service connection originally availed may be permitted to be transferred in the name of an Association or Society that may be formed in the complex and registered and the service agency so formed is permitted to extend supply to the individual owners of the flats etc. or lessees by installing sub-meters and to collect the cost for consumption of power from them on a no-profit no-loss basis (i.e. sharing of expenses of consumption of electricity) and this shall not be treated as unauthorized extension or resale of energy.*

Provided that the tariff charged from ultimate consumers should under no circumstance exceed that prescribed by the Commission for the respective tariff category.

4.122 A panchayat/cooperative or a registered association of consumers may apply for supply of electricity to a group of consumers at a single point. In such cases, the body that has taken the connection shall be responsible for all payments of electrical charges to the Licensee and for collection from the consumers. Provided that the provisions of this clause shall not in any way affect the right of a person residing in the housing unit sold or leased by such a Cooperative Group Housing Society to demand supply of electricity directly from the distribution licensee of the area. Provided that the tariff charged from ultimate consumers should under no circumstance exceed that prescribed by the Commission for the respective tariff category.”

Schedule 3: State/ Central Government Departments

Applicability

- 14.8 The Commission has fixed the applicability of the State/ Central Government department category to connections taken by Departments of the State and the Central Governments, defense and para-military forces, excluding public sector enterprises/ undertakings.
- 14.9 This shall not include connections taken for agricultural purposes, water pumping and street lighting by the State Government Departments for which tariffs provided in the appropriate tariff schedules shall apply.

Character of Services

- (a) AC, 50 Hz, 230 Volts; Single-phase upto a load of 5 kW
- (b) AC, 50 Hz, three phase; 400 volts supply for sanctioned load above 5 kW upto 100 kW (115 kVA)
- (c) AC, 50 Hz, three phase; 11 kV supply for sanctioned load above 100 kW (115 kVA) upto 1 MVA
- (d) AC, 50 Hz, three phase; 33 kV and above supply for sanctioned load above 1 MVA

Rate of Charge

Table 85: Approved Tariff for State/ Central Government Departments

Particulars	Approved Tariff
Energy Charges (Rs./ kWh)	
Energy Charges (Rs./ kWh)	5.90
11 kV Supply	2.5% rebate on energy charges
33 kV and above Supply	5.0% rebate on energy charges
Fixed Charges Rs./ kW Load (in kW) to be rounded off to the next whole number for the purpose of application of Fixed Charges.	
For metered consumers	24.00

Schedule 4: Agricultural Supply

Applicability

- 14.10 The Commission has fixed applicability of the agricultural tariff to agricultural loads and lift irrigation connections including threshers.

Character of Services

- (a) AC, 50 Hz, 230 Volts, Single-phase upto a load of 5 kW (6 kVA)
- (b) AC, 50 Hz, three phase, 400 volts supply for sanctioned load upto 100 kW (115 kVA)

Rate of Charge

Table 86: Approved Tariff for Agriculture Supply

Particulars	Approved Tariff
Metered Tariff	
Energy Charges (Rs. / kWh)	
0 to 20 HP	0.61
Above 20 HP	4.02
Minimum Charges for connected load (Rs./ HP/ Annum)	
0 - 20 HP	250.00
Above 20 HP	900.00
Provisional monthly billing will be done subject to annual adjustment	
Flat Rate Un-metered for connected load (Rs./ HP/ month)	
0 to 20 HP	153.00
Above 20 HP	1,062.00

Schedule 5: Public Street Lighting

Applicability

14.11 The tariffs for this category will be applicable to public street lighting established and maintained by Corporations, Municipalities, Town Area/ Notified Area Committees, other local bodies and agencies authorized by the State Government to establish and maintain public street lighting.

Character of Services

- (a) AC, 50 Hz, 230 Volts, Single-phase upto a load of 5 kW;
- (b) AC, 50 Hz, three phase, 400 volts supply for load above 5 kW.

Rate of Charge

Table 87: Approved Tariff for Public Street Lighting

Particulars	Approved Tariff
Metered Tariff	
Energy Charge	
Rs./ kWh	4.72
Fixed Charge Load (in kW) to be rounded off to the next whole number for the purpose of application of Fixed Charges.	
Rs./ kWh (for metered consumers)	35.00
Minimum Charge	
Rs./ kW/ month or any part thereof	Nil
Un-metered Tariff	
Rs./ kW/ month or any part thereof	1180.00

Schedule 6: LT Public Water Works

Applicability

14.12 The tariffs for this consumer category shall apply to water works and sewerages/ drainage installations established and maintained by Corporations, Municipalities, Town Area/ Notified Area Committees, other local bodies and Government agencies authorized by the State Government to establish and maintain public water works/ sewerage installations.

Character of Services

- (a) AC, 50 Hz, 230 Volts, Single-phase upto a load of 5 kW (6 kVA)
- (b) AC, 50 Hz, three phase, 400 volts supply for sanctioned load upto 100 kW

Rate of Charge

Table 88: Approved Tariff for LT Public Water Works

Particulars	Approved Tariff
Metered Tariff	
Energy Charge	
For all Units (Rs./ kWh)	5.00
Fixed Charges Load (in kW) to be rounded off to the next whole number for the purpose of application of Fixed Charges.	
For metered consumers (Rs./ kWh)	38.00
Un-metered Charge	
Rs. / kW /month	1250.00

Schedule 7: HT Public Water Works

Applicability

14.13 The tariffs for this consumer category shall apply to water works and sewerages/ drainage installations established and maintained by Corporations, Municipalities, Town Area/ Notified Area Committees, other local bodies and Government agencies authorized by the State Government to establish and maintain public water works/ sewerage installations.

Character of Services

- (a) AC, 50 Hz, three phase; 11 kV supply for load upto 1 MVA.
- (b) AC, 50 Hz, three phase; 33 kV and above supply for sanctioned load above 1 MVA

Rate of Charge

Table 89: Approved Tariff for HT Public Water Works

Particulars	Approved Tariff
Metered Consumers	
11 kV Supply	
Demand Charge (Rs./ kVA/ Month) ^*	200.00
Energy Charge (Rs./ kVAh) ^	3.63
^ For Connections above 100 kW supplied on LT, Additional 5% Surcharge on Demand and Energy Charges at 11 KV tariff shall be chargeable	
33 kV and above Supply	
Demand Charge (Rs./ kVA/ Month) *	194.00
Energy Charge (Rs./ kVAh)	3.50
* Or part thereof on Billing Demand.	

Schedule 8: LT Industrial Supply

Applicability

14.14 The Commission has decided that LT industrial supply shall be applicable to all units registered with the Industries & Commerce Department, Government of J&K, and covered under the Factories Act. The list of entities covered shall include various industrial installations and workshops with manufacturing facilities, where raw materials are converted to finished goods. This shall mean and include all energy consumed in factory, offices, stores, canteen, compound lighting, etc. and the consumption for residential use therein.

Character of Services

- (a) AC, 50 Hz, 230 Volts, single-phase upto a load of 5 kW.
- (b) AC, 50 Hz, three phase, 400 volts supply for sanctioned load upto 100 kW

Rate of Charge

Table 90: Approved Tariff for LT Industrial Category

Particulars	Approved Tariff
Metered Tariff	
Energy Charges (Rs./kWh)*	2.47
Fixed Charges (Rs./kW/month) Load (in kW) to be rounded off to the next whole number for the purpose of application of Fixed Charges.	40.00
*For Connections with sanctioned load below 100 kW supplied and metered on HT, 5% rebate on Energy Charges of the LT Industrial Tariff shall be allowed.	

Schedule 9: HT Industrial Supply

Applicability

14.15 The Commission has decided that HT industrial supply shall be applicable to all units registered with the Industries department, Government of J&K, and covered under the Factories Act. This shall mean and include all energy consumed in factory, offices, stores, canteen, compound lighting, etc. and residential use therein, excluding power intensive industries.

Character of Services

- (a) AC, 3 phase; 50 Hz on 11 KV with sanctioned load above 100 kW upto 1 MVA
- (b) AC, 3 phase; 50 Hz, 33 KV and above for sanctioned load of 1 MVA and above

Rate of Charge

Table 91: Approved Tariff for HT Industrial Category

Particulars	Approved Tariff
11 kV Supply	
Demand Charge (Rs./ kVA/ Month) *	121.00
Energy Charge (Rs./ kVAh) *	2.30
* For Connections with sanctioned load above 100 kW supplied on LT, Additional 5% Surcharge on Demand & Energy Charges at 11 KV tariff shall be chargeable	
33 kV Supply	
Demand Charge (Rs./ kVA/ month) *	121.00
Energy Charge (Rs./ kVAh)**	2.24
** Rebate to Connections at higher voltages: For 66 kV – 1.5% on the Energy Charge for 33 kV Supply.	

14.16

- (a) The billing demand for any month shall be taken to be the higher of the actual maximum recorded demand or 75% of the Contract Demand.
- (b) The demand in excess of contracted load shall be billed in accordance with paras 11.9, 11.10 and 11.11 of Chapter 11 of this Order.

Schedule 10: HT Industrial Supply for Power Intensive Industries

Applicability

14.17 The Commission has decided that HT Industrial Supply for Power Intensive Industries shall be applicable to all units registered with the Industries & Commerce Department, Government of J&K, and covered under the Factories Act. This category shall apply to HT consumers manufacturing any one of the following products and/ or industries engaged in any one or more of the processes listed below and/ or using induction/ arc furnaces. This shall mean and include all energy consumed in factory, offices, stores, canteen, compound lighting, etc. and the consumption for residential use therein.

- (a) Calcium carbide
- (b) Caustic soda
- (c) Charge chrome
- (d) Ferro manganese
- (e) Ferro silicon
- (f) Ferro alloys
- (g) Potassium chlorate
- (h) Silicon carbide
- (i) Sodium chlorate
- (j) Sodium metal
- (k) Chlorates/ per chlorates
- (l) Melting of metals and alloys
- (m) Industries engaged in electro-chemical/ electro-thermal processes
- (n) Industries using induction/ arc furnace
- (o) In other cases, where the cost of power is more than 25% of the cost of the product manufactured.

Character of Services

- (a) AC, 3 phase; 50 Hz, 11 KV upto 1 MVA

- (b) AC, 3 phase; 50 Hz, 33 KV and above for load of 1 MVA and above

Rate of Charge

Table 92: Approved Tariff for HT Industrial Supply for Power Intensive Industries

Particulars	Approved Tariff
11 kV Supply	
Demand Charge (Rs./ kVA/ Month) *	161.00
Energy Charge (Rs./ kVAh)	2.53
33 kV and above Supply	
Demand Charge (Rs./ kVA/ Month) *	155.00
Energy Charge (Rs./ kVAh)**	2.47
* Or part thereof on Billing Demand	
** Rebate to Connections at higher voltages: For 66 kV – 1.5% on the Energy Charge for 33 kV Supply	

14.18

- (a) The billing demand for any month shall be taken to be the higher of the actual maximum recorded demand or 75% of the Contract Demand.
- (b) The demand in excess of contracted load shall be billed in accordance with paras 11.9, 11.10 and 11.11 of Chapter 11 of this Order.

Schedule 11: General Purpose Bulk Supply

Applicability

- 14.19 This category contains all non-industrial consumers having mixed type of load greater than 100 kW (115 kVA). This includes domestic consumers, offices, educational/technical institutions, religious institutions, residential colonies, commercial establishments and other similar loads.
- 14.20 All connections having load of 100 kW or above and not covered in any other categories shall be billed under tariffs applicable to this category. However, any such connections belonging to State/ Central Governments, Defence and Para-military forces shall not be considered in this category.

Character of Services

- (a) AC, 3 phase; 50 Hz on 11 KV upto 1 MVA.
- (b) AC, 3 phase; 50 Hz on 33 KV and above .for load of 1 MVA and above

Rate of Charge

Table 93: Approved Tariff for General Purpose Bulk Supply

Particulars	Approved Tariff
11 kV Supply	
Demand Charge (Rs./ kVA/ Month) *	174.00
Energy Charge (Rs./ kVAh)	3.30
* For Connections above 100 kW supplied on LT, Additional 5% Surcharge on Demand and Energy Charges at 11 KV tariff shall be chargeable	
33 kV and above Supply	
Demand Charge (Rs./ kVA/ Month) *	168.00
Energy Charge (Rs./ kVAh)**	3.12
* Or part thereof on Billing Demand	
** Rebate to Connections at higher voltages: For 66 kV – 1.5% on the Energy Charge for 33 kV Supply.	

14.21

- (a) The billing demand for any month shall be taken to be the higher of the actual maximum recorded demand or 75% of the Contract Demand.
- (b) The demand in excess of contracted load shall be billed in accordance with paras 11.9, 11.10 and 11.11 of Chapter 11 of this Order.

Schedule 12: LT and HT Temporary Connections**Applicability**

- 14.22 The Commission has fixed the applicability of this category to all loads of temporary nature, such as exhibitions, touring talkies, circuses, fairs, marriages, temporary agricultural loads, temporary supply for construction including civil works by Government departments and other similar purposes.

Rate of Charge

- 14.23 The Commission has approved the tariff for temporary connections at 1.5 times the applicable rates (on fixed/ demand and energy charges).

Time Period for Temporary Connection

- 14.24 Temporary connections shall be granted for a period of upto 3 months at a time. However, if the period of temporary connection is extended beyond 3 months, the tariff would be two times of the applicable fixed/demand and energy charges.

A15: ANNEXURE**Annexure 1: List of participants in State Advisory Committee Meeting****Table 94: List of participants in State Advisory Committee Meeting**

S.No.	Name of the Officers	Designation
1	Chairman	JKSERC
2	Member (T)	JKSERC
3	Member (F)	JKSERC
4	Technical Consultant	JKSERC
5	Secretary	JKSERC
6	Nazir Ahmad Shikari,	Secretary General, FCIK, Srinagar.
7	Y.V.Sharma	President, Chamber of Commerce and Industries, Jammu
8	Annil Suri,	President, Bari-Brahmana Industries Association BBIA, Jammu
9	Tejwant Singh Reen	President AOI, Gangyal, Jammu.
10	Devinder Verma,	President, Kathua Industries Association,
11	Virender Manyal	ARTO, Jammu, Transport Department on behalf of Transport Commissioner.
12	Shiv Kumar Sharma,	President, Indian National Trade Congress Union,
13	Imtiyaz Ahmad Wani	Financial Advisor/CAO, PDD
14	Khurshid Ahmad Badoo	Superintending Engineer, M&RE Circle-I, Srinagar.
15	Shahnaz Goni	Chief Engineer, M&RE, Jammu
16	Mohammad Qasim	Chief Engineer, C & S J&K
17	Manzoor Salroo	Development Commissioner (Power)
18	H.S.Gupta	Rtd. Development Commission (Power)
19	Miftah Alam Buchh	AGM, JKSPDC
20	R.N.Sharma	Executive Engineer , C&S Wing, PDD
21	Nitin Gupta,	Consultant (PDD), CRISIL
22	M.L.Sarangal	Executive Engineer, Commercial Division, Jammu.
23	Amardeep Koul	J.E, EM&R, Srinagar
24	S.K.Zutshi	Executive Engineer (T.O with C.E., M&RE, Jammu.
25	Girja Jalali	Superintending Engineer, JKSERC
26	D.S.Tara	Ex. Secretary, JKSERC
27	Farrukh Amir	Consultant PWC (JKSERC)
28	Divyesh Sharma	Consultant PWC (JKSERC)
29	Renu Mahajan	Dy. Secretary Law.

Note: Some names and their spellings may vary from the actual details since the attendance sheets were filled by hand and some of the handwritings were not legible.

Annexure 2: List of stakeholders who responded to the public notice**Table 95: List of objectors**

No	Objector
1	PHD Chamber of Commerce & Industries, 1- Canal Road, Jammu.
2	President, Canal Road Shopkeeper Association, Jammu.
3	Bari Brahmana Industries. Association of Industries Gangyal, Jammu
4	Narbada Steel Ltd. Sidco Industrial Complex, Bari Bhramana.
5	Sh. Devinder Mahajan, M/s Annapurna Laminators Pvt. Ltd.,
6	Y.V. Sharma, President, Chamber of Commerce & Industries.
7	Jammu casting Pvt.ltd., SIDCO Industrial Complex, Bari Brahmana,
8	Kashmir Hotel and Restaurant , Owners Federation, Srinagar
9	Lalit Krishna Singh, General Manager, Biostadt India Limited, Phase-I, SIDCO, Baribrahmana – Jammu
10	Yamuna Alloys limited ,SIDCO Industrial Complex, Bari Brahmana, Jammu
11	Mr Ravindera Mittal, M/s Star Industries. SIDCO Ind. Complex, Baridge, Bari Brahmana, Jammu
12	Shree Sita Ram Industries (P) Ltd ,SIDCO Industrial Complex, Bari Brahmana, Jammu
13	J&K Pulp and Papers (P) Ltd ,SIDCO Industrial Complex, Bari Brahmana, Jammu
14	Tawi Industrial Enterprises SIDCO Industrial Complex, Bari Brahmana, Jammu
15	Lalit Mahajan, M/s Swift Sale & System Industries, SIDCO Ind. Complex, Bari Brahmana, Jammu
16	Tawi Chemical Industries ,SIDCO Industrial Complex, Bari Brahmana, Jammu
17	Quality Casting Industries SIDCO Industrial Complex, Bari Brahmana, Jammu
18	Shree Guru Kripa Alloys Pvt.Ltd. SIDCO Industrial Complex, Bari Brahmana, Jammu
19	Sudhir Kumar, M/s K.C. Food Products Pvt. Ltd., SIDCO Industrial Complex, Bari Brahmana, Jammu.
20	Versatile Polytech Pvt Ltd Lane No.2, Phase-II, Sidco Ind. Complex, Bari-Brahmana, Jammu
21	Varun Singla, Kashmir Steel Rolling Mills, Bari-Brahmana, Jammu
22	Nazir Ahmad Shikari, General secretary, Federation Chamber of Industries Kashmir.
23	Mustaq Ahmad Mir, General Secretary, Industrial Unit Holder, Lassipora.
24	General Secretary, Association of Industries Gangyal, Jammu.
25	President, Small Scale Industries Association, Industrial Estate Digiana-Jammu.
26	Gagan Dash, jothy Laboratories Ltd Lane-II, Phase-II,SIDCO, IC. Baribrahmana,Jammu
27	Kashmir Cement Manufactures Association, Wear House Building, Residency Road-Srinagar.
28	M.J Varughese, Senior Works Manager, Sree Ramcides Chemicals (P), SIDCO, Bari Barhamana, Jammu.
29	Karamhans Foods Pvt. Ltd, EPIP, Sidco Complex, Phase-III, Bari Brahmana, Jammu.
30	Sandeep Mittal, General Secretary, K.I.U.A., Kathua (J&K)
31	Saurabh Kumar Agarwal, C/o Uma Cement Industries, Plot No.18,19,22,23, Battal Ballian Industrial Area, Udhampur (J&K)
32	Secretary General, Chamber Of Commerce & Industry, Jammu, Rail Head Complex, Jammu.
33	Trikuta Plastics Pvt. Ltd., Sidco Industrial Complex, Bari Brahmana,
34	Sh. Vikram Gour, Member, State Consumer Protection Council,
35	Chenab Textiles
36	Ganpati Cements, 212-213/B, Sicop Industrial Estate, Kathua.
37	J&K Cements Corporation, 37 Industrial Ext. Area, Kathua.
38	Shiva Industries, 6- Industrial Ext. Area Kathua.
39	Sanjay Mehra, House No. 251 E Sector 7, Channi Himmat, Jammu.
40	Emcure Pharmaceuticals Limited, SIDCO Industrial Complex,Bari Brahmana,Jammu,
41	V.M.Timber Industries, 7 Sicop Industrial Estate Kathua.
42	Dr. S.K.Sharma, 268 Shastri Nagar, Jammu.
43	Narinder Happa 70,B.C.Road, Rehari Chungi, Jammu Tawi
44	Managing Director, J&K State Industrial Development Corporation Ltd. (J&K SIDCO) Jammu.
45	Chairman, Federation of Industries, Jammu.

Annexure 3: List of participants in Public Hearings**Table 96: Participants at Jammu Hearing held on 21st July 2011 at PWD Guest House, Gandhinagar**

S.No	Name of the Officer	Designation
1	Sunil Dimple	President, Jammu West Assembly Movement
2	Aditya Gupta	Advocate
3	Tejwant Singh Reen	President, AOI Gangyal
4	Annil Suri	President, BBIA
5	Rahul Bansal	Sr. Vice President.
6	Lalit Mahajan	General Secretary, BBIA
7	K.C.Sharma	Jt. Executive, President, Chenab Textiles Mills, Kathua
8	J.L.Mathram	Vice President, Chenab Textiles Mills, Kathua
9	Chaman Lal Pandita	Lasion Officers, Chenab Textiles Mills, Kathua
10	Deepak Daftari	General Secretary, PHD, Chamber of Commerce & Industries J&K
11	Vikram Gour	Member SAC SERC & State Consumer Protection Council
12	Ashok K. Koul	Rtd. S.E (Elect.)
13	J.S.Sudan	Rtd. S.E (Elect.)
14	Chander Vadan	Company Secretary
15	Y.V.Sharma	President, CCI, Jammu
16	Vishal Gupta	Managing Director, Shree Guru Kripa Alloys (P) ltd. Jammu.
17	Gurbachan Singh	Executive Engineer, EM&RE Division-II, Jammu
18	Sudhir Kumar Gupta	Executive Engineer, EM&RE Division-III, Jammu
19	A.K.Chibber	Executive Engineer, EM&RE Division-I, Jammu
20	M.L.Sarangal	Executive Engineer, Electrical Commercial, Division Jammu.
21	R.N.Sharma	Executive Engineer, LDMT Division, PDD Jammu
22	Nitin Gupta	CRISIL, Consultant (JKPDD)
23	Avinash Dubey	Executive Engineer, STD-II, PDD, Jammu
24	S.P.Gupta	Executive Engineer, STD-I, PDD Jammu.
25	Anil Kumar Gupta	Superintending Engineer, M&RE Circle, Kathua
26	P.K.Puri	Superintending Engineer, EM&RE, Jammu
27	S.K.Zutshi	Executive Engineer, T.O with Chief Engineer, M&RE, Jammu.
28	Shanaz Goni	Chief Engineer, M&RE, Jammu.
29	Mohammad Qasim	Chief Engineer, Commercial & Survey Wing J&K
30	Manzoor Salroo	Development Commissioner (Power)
31	Miftah Alam Buchh	Assistant General Manager, JKSPDC
32	P.B.Khajuria	Ex-M.D. JKPCD
33	B.L.Suri	Ex. Chief Engineer (Elect.)
34	Amardeep Koul	J.E, DCP Office
35	Vinod Kumar	T.O to Superintending Engineer, EM&RE Circle, Kathua.
36	Sanjeev Kumar Bhagat	Assistant Executive Engineer, Commercial Division, Jammu.
37	Rajdev Sharma	Society for Consumers Protection & Environment, Jammu
38	Pritam Sharma,	General Secretary,
39	D.S.Tara	Ex. Secretary (JKSERC)
40	H.S.Gupta	Retd. DCP
41	M.L.Mathur	Resident Director, PHD
42	Divyesh Sharma	Consultant to JKSERC (PWC)
43	Farrukh Aamir	Consultant to JKSERC (PWC)
44	Imtiyaz Ahmad Wani	Financial Advisor, CAO, PDD

Table 97: Participants at Srinagar Hearing held on 2nd August 2011 at IMPA Auditorium, Srinagar

No.	Name of the Officers/ Participants	Designation
1	Manzoor A. Salroo	Development Commissioner Power, JKPDD Srinagar/Jammu.
2	Sheikh Gul Ayaz	Chief Engineer, System & Operation, Srinagar.
3	Muzafar Matu	Chief Engineer, EM&RE, Srinagar.
4	Syed Aftab Ahmed	Retired DCP
5	Mohammad Ashraf Mir	Sr. Vice President, FCIK
6	Nazir Ahmad Shikari	Secretary General, FCIK
7	Gh. Jeelani Dharga	Pub. Secretary, FCIK
8	Tariq Razak	Vice President
10	Abid Ali	Secretary Adm., FCIK
11	Mukhmoor Gowhar	E.L.Member, FCIK (Printing Industry)
12	Faiz A Bakshi	Sr. Vice President, Kashmir Hotel & restaurant Owners Federation
13	Irfan Ahmad	Treasurer, KHAROF
14	Shoaib Ahmed Hakak	President, Kashmir based products
15	Nazir Ahmad Lone	Advisor, Saifes Cements
16	Bashir Ahmad Dar	TO with Development Commissioner, Power
17	Vivek Aggarwal	Consultant, JKPDD
18	Vinod Khajuria	Superintending Engineer, Commercial
19	Vinod Sharma	Director, TTIC-PDD
20	Khurshid Ahmed Badoo	Superintending Engineer, M&RE Circle-I
21	Shabir Ahmad Khan	AEE (IT), EM&RE Srinagar
22	Bashir Ahmad Sofi	Executive Engineer, ED II
23	Shanim Ahrag Tang	
24	Gh. Mohd Magray	President, Mill Owners, Budgam
25	Ch. Nashi Wani	President, S.Tss
26	Shaikh M. Yousuf	Chairman, Mini Bus Federation, Srinagar.
27	M.Yaseen Khan	Chairman, Kashmir Economic Alliance
28	Siraj Ahmad	President, Kashmir Hotel & Restaurant Association
29	Mohamad Iqbal Trumboo	Vice Chairman, Kashmir Economic Alliance
30	Noor Mohd.	Ex. Member, Kashmir wai Mill
31	Hameem Yousuf	Manager, Srinagar, Floor Mills.
32	Mohd Sultan Khan	General Secretary, Hazi Peer Transporter
33	Feroz Ahmad Zargar	General Secretary, Western Motor Transport Company
34	Mohd Sadiq	Secretary, New Washmir Transport Company
35	Mohd Aslam Khan	Organiser, Haji Peer Transport Company
36	Mohd Latif Baba	Vice President, Western Transport Company
37	Zahoor Ahmad Mir	Secretary Member, Hafi Peer Transport Company
38	Mr. S.S. Gill	Factory Owner
39	Tariq Ismail Bhat	Bharti Infratel Ltd.
40	Sartaj Madni	Jr. KAS
41	Mantasha Binta Rashid	Jr. KAS
42	Assabah Khan	Jr. KAS
43	Deebah Khalid Peer	Jr. KAS
44	Shakeel Qalander	Former President, FCIK
45	Umar Tramboo	Member, FCIK
46	Divyesh Sharma	Consultant to JKSERC (PwC)