

**Jammu & Kashmir  
State Electricity Regulatory Commission**



Order  
on  
Annual Revenue Requirement  
for  
Financial Year 2009-10 & Financial Year 2010-11  
and  
Determination of Retail Tariffs  
for  
Financial Year 2010-11  
for  
Power Development Department, Govt. of J&K

**Jammu & Kashmir State Electricity Regulatory Commission**  
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**Before****Jammu & Kashmir State Electricity Regulatory Commission****Petition No: 19/ 2009-10 & 21/ 2010-11****In The Matter Of:**

In the matter of filing of Petition for approval of Annual Revenue Requirement (ARR) for the FY 2009-10 and FY 2010-11 of Jammu and Kashmir Power Development Department.

**And****In The Matter Of:**

J&K, Power Development Department,  
Srinagar/Jammu

**ORDER****Order No. JKSERC/03 of 2010****(Passed on this 29<sup>th</sup> Day of April, 2010)**

- 1.1 This Order relates to ARR and tariff petitions 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 petitions were filed as per the J&KSERC (Terms and conditions for Determination of Distribution Tariff) Regulations, 2005 (hereinafter referred to as the "Regulations").
- 1.2 In accordance with the applicable regulations, 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 petitions for FY 2009-10 by November 30, 2008 and for FY 2010-11 by November 30, 2009.
- 1.3 The Petitioner submitted two applications, first on November 28, 2008 and second on February 28 2009 seeking extension of time for filing the ARR and tariff petitions for FY 2009-10, which were rejected by the Commission. The ARR and tariff petition for FY 2009-10 was finally filed on December 16, 2009 by the Petitioner.
- 1.4 The Petitioner also sought extension of time for filing the ARR and tariff petition for FY 2010-11, which was accepted by the Commission. The ARR & tariff petition for FY 2010-11 was filed on January 20, 2010.
- 1.5 The Commission on initial review of the ARR & tariff petitions for FY 2009-10 and FY 2010-11 directed JKPDD to submit further information/ clarifications on several issues detailed through its letter no. JKSERC/359 dated December 09, 2010 and letter

no. JKSERC/447-48 dated February 01, 2010, respectively. The Commission thereafter called a meeting with JKPDD on February 8, 2010, wherein the data and additional information were submitted by JKPDD through its letter no. DCP/TO-I/42/3193-95 dated February 08, 2010. The Commission admitted the petitions submitted by JKPDD for FY 2009-10 and FY 2010-11 on February 08, 2010.

- 1.6 Meanwhile, JKPDD submitted a revised version of its petition post incorporation of additional data, information and correction of calculation mistakes, typographical errors etc. on February 13, 2010.
- 1.7 The Commission directed JKPDD through its letter no. JKSERC/487 dated February 15, 2010, to publish the gist of its petition and tariff proposal in some widely read English and local languages newspapers as per requirements of Regulation 48(2), Chapter 5 of the J&KSERC (Conduct of Business) Regulations, 2005.
- 1.8 The approved gist of petition and tariff proposal was published by JKPDD in 10 newspapers on February 16, 2010 and February 19, 2010. The stakeholders were requested to submit their comments/ suggestions/ objections by March 10, 2010.
- 1.9 The Commission also published a public notice on March 06, 2010 in the newspapers Daily Excelsior in Jammu region and Greater Kashmir in Kashmir region, inviting the general public to file their objections/comments/ suggestions on the tariff petition filed by the Petitioner and to attend the public hearings to be held in Jammu and Srinagar.

### Gist of petition

- 1.10 The sales for FY 2009-10 have been projected at 3,775.42 MU and T&D losses are expected to be around 65.78%. The total input energy requirement for FY 2009-10 will be 11,032.95 MU.
- 1.11 The sales for FY 2010-11 have been projected at 4286.09 MU and T&D losses are expected to be around 57.48%. The total input energy requirement for FY 2010-11 will be 10,081.17 MU. Energy balance for FY 2007-08, FY 2008-09, FY 2009-10 and FY 2010-11 has been summarized below.

**Table 1: Projected Energy Balance**

Particulars	Units	FY 2007-08 (A)	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (P)
Sales	MU	3331.64	3,538.70	3,775.42	4,286.09
Percentage of T&D Loss	%	61.90%	61.31%	65.78%	57.48%
T&D Loss	MU	5412.32	5608.52	7,257.53	5,795.08
Total Energy Input Required	MU	8743.96	9147.22	11,032.95	10,081.17

- 1.12 The gross ARR for FY 2010-11 has been projected at Rs. 2989.59 Cr. The non-tariff income has been projected at Rs. 3.50 Cr and the net ARR comes to Rs. 2986.09 Cr.

The following table gives the breakup of the ARR for FY 2008-09, FY 2009-10 and the proposed projections for FY 2010-11. The revenue projection for FY 2010-11 reflects a collection efficiency of 92%.

**Table 2: Proposed Annual Revenue Requirement at Existing Tariffs**

Particular	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (P)
<b>A. Revenue</b>			
<b>Rev. Demand (At existing tariff)</b>	829.63	897.30	1001.91
Rev. Realized	628.10	795.12	921.75
<b>B. Expenditure</b>			
Power Purchase Cost	1783.68	2563.99	2453.68
O&M cost	43.34	46.49	48.00
Establishment Expenses (including Employee and A&G Expenses)	237.58	331.32	385.32
Depreciation	68.94	80.20	88.45
Interest & Finance Charges	14.37	15.30	14.14
Return on Equity	0.00	0.00	0.00
<b>Gross ARR</b>	<b>2147.91</b>	<b>3037.29</b>	<b>2989.59</b>
Less non-tariff income	2.75	2.75	3.50
Net ARR	2145.16	3034.54	2986.09
<b>Unmet Revenue Gap</b>	<b>1517.06</b>	<b>2239.42</b>	<b>2064.33</b>

- 1.13 The Petitioner has proposed an overall average tariff hike of above 62% for reducing/ partially bridging the existing revenue gap. The Petitioner has calculated the average existing tariff at Rs. 2.34/ kWh and proposed an average tariff of Rs. 3.80/ kWh for FY 2010-11. The consumer category wise existing and proposed tariffs and revenues for FY 2010-11 as estimated by the Petitioner are summarized below:

**Table 3: Proposed Tariff and Revenues for FY 2010-11**

Consumer Categories	Average CoS Rs/kWh	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	6.97	1.37	5.60	222.34	1.68	5.29	272.60
Non Domestic/ Commercial	6.97	1.61	5.36	53.96	2.01	4.96	67.33
Agriculture	6.97	1.44	5.53	35.81	2.44	4.53	60.42
State/Central Govt Deptt.	6.97	4.74	2.23	274.75	6.50	0.47	376.23
Public Street Lighting	6.97	3.22	3.75	6.33	6.54	0.42	12.88
LT Industrial Supply	6.97	1.98	4.49	63.89	3.71	3.26	119.54
HT Industrial Supply	6.97	2.62	4.35	120.06	5.28	1.69	242.26
HT-PIU Industrial Supply	6.97	3.06	3.91	21.82	6.89	0.08	49.10

Consumer Categories	Average CoS Rs/kWh	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.)
LT Public Water Works	6.97	3.22	3.75	118.44	6.81	0.16	250.27
HT Public Water Works	6.97	3.13	3.84	40.91	6.86	0.11	89.50
General Purpose/Bulk Supply	6.97	3.33	3.64	43.60	6.79	0.18	88.79
<b>Average</b>	<b>6.97</b>	<b>2.34</b>	<b>4.63</b>	<b>0.00</b>	<b>3.80</b>	<b>3.17</b>	<b>0.00</b>
<b>Total</b>				<b>1001.91</b>			<b>1628.92</b>

1.14 The Petitioner 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. The Petitioner has proposed no changes in the tariff structure or the prescribed tariff categories.

1.15 The revenue demand at proposed tariff is estimated to be Rs. 1,628.92 Cr and revenue collection, assuming a collection efficiency of 92%, is expected to be Rs. 1,498.61 Cr, resulting in a revenue gap of Rs. 1487.48 Cr. The ARR and revenue gap at proposed tariff as submitted by the Petitioner is as provided below:

**Table 4: Annual Revenue Requirement at Proposed Tariffs**

Particular	FY 2009-10 (RE)	FY 2010-11 (P)
<b>A. Revenue</b>		
<b>Rev. Demand (At existing tariff)</b>	897.30	1,628.92
Rev. Realized	795.12	1,498.61
<b>B. Expenditure</b>		
Power Purchase Cost	2,563.99	2,453.68
O&M cost	46.49	48.00
Establishment Expenses (including Employee and A&G Expenses)	331.32	385.32
Depreciation	80.20	88.45
Interest & Finance Charges	15.30	14.14
ROR	0	0
<b>Gross ARR</b>	<b>3,037.29</b>	<b>2,989.59</b>
Less non-tariff income	2.75	3.50
Net ARR	3034.54	2,986.09
<b>Unmet Revenue Gap</b>	<b>2,239.42</b>	<b>1,487.48</b>

1.16 The Petitioner has also proposed a hike of nearly 20% in several items listed in the Schedule of Miscellaneous Charges for approval by the Commission in its ARR & tariff petition.

- 1.17 The Petitioner has requested the Commission for allowing charging of the existing tariffs till the tariffs for FY 2010-11 are approved by the Commission.

### State Advisory Committee

- 1.18 The Commission convened a meeting with the Members of the State Advisory Committee (SAC) on March 11, 2010 for the purpose of discussing the ARR and tariff filing. A presentation on the main features of the ARR & Tariff petition filed covering major items of expenditure and revenue was made by JKPDD before the Members of the Committee. The members provided several valuable suggestions which have been considered by the Commission in this Order at appropriate places.

### Public Hearing

- 1.19 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	March 13, 2010	PWD, Guest House, Gandhi Nagar
Srinagar	March 15, 2010	IMPA Auditorium

- 1.20 The Commission had invited several NGOs, 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.

### Efficiency levels & data related issues

- 1.21 The T&D losses, which were approved at 46.7% for FY 2007-08 considering a reduction of 4% as per the Abraham Committee report, were not achieved by JKPDD.
- 1.22 To the contrary, while the Commission was seeking clarifications to certain fundamental issues identified on the sales information submitted by JKPDD in the ARR & tariff petition for FY 2008-09, JKPDD substantially revised downwards the overall sales quantum from 4351.42 MUs to 3331.64 MUs leading to a restatement of the T&D loss level from 49.83% to 61.90%.
- 1.23 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. Contrary to the expectations of the Commission, there has been an increase in the T&D loss levels for FY 2009-10.
- 1.24 This inconsistency in the quantum of sales generated serious doubt in the mind of the Commission regarding the correctness and the reliability of the data being submitted by JKPDD in the ARR & tariff petitions.

- 1.25 It is a matter of great concern to the Commission that the losses in the State of Jammu and Kashmir continue to be at unacceptably high levels. It is regretfully noted that the T&D losses in the State of Jammu and Kashmir are amongst 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. Sincere and determined efforts are required to be made to bring down T&D losses to an acceptable level to improve the revenue, reduce expenditure and improve quality of power supplied. To achieve the same, all those who are responsible for high level of T&D losses are required to be held accountable. There is also a need for introducing an incentive and disincentive scheme to bring down T&D losses. The supervisory officers must counter check the meter readings taken by the meter readers. The tenure of meter readers may be restricted to a maximum period of one year at a place.
- 1.26 In this regard, the Commission had detailed discussions with Senior Officers of the Petitioner in February, 2010 and urged them to make concerted efforts to substantially reduce T&D losses. The Commission pointed out that many other States have been able to substantially reduce T&D losses by taking several coordinated measures. Tariff increase is not the only measure to improve the financial health of JKPDD. There should simultaneously be efforts to reduce the power purchase cost, bring down T&D losses and improve metering, billing and collection efficiencies. By bringing down T&D losses, JKPDD can substantially improve its revenue demand. A reduction of 1% in T&D losses will yield additional revenue of around Rs. 25 Cr at the current tariffs. JKPDD was therefore, requested to reduce the loss levels by 10% during FY 2010-11 by adopting various measures such as 100% metering of consumers, metering of all distribution transformers in the cities of Jammu and Srinagar, 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, involving the Electricity Magistrates already in place in the Department, computerized billing of all consumers, reduction in human interface, application of IT and replacement of bare conductors with insulated wires in theft prone areas. The Petitioner assured to make sincere efforts to reduce T&D losses to an acceptable level.

### **Energy accounting and consumer metering**

- 1.27 Energy accounting and audits at various levels in the T&D system such as substations, distribution feeders, distribution transformers and consumer end, 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.
- 1.28 Installation of appropriate energy meters at all metering/ nodal locations in the T&D network is key to undertaking such energy audit initiatives. However, metering is one area which has not been given its due importance in the State. Only after the directives issued by the Commission, did JKPDD complete metering upto 11 kV feeder level. Still, the metering of distribution transformers is not reported by JKPDD and is understood to be at dismal levels in the State.



- 1.29 The Commission in its first Tariff Order for the FY 2007-08 had directed JKPDD to complete 100% consumer metering by end of December 2009. However, despite repeated pursuance by the Commission, the extent of consumer metering continues to be at unacceptable levels. Unmetered supply leads to a lot of wasteful consumption of energy as there is no check or disincentive on overuse of energy. While 52% of consumers in the domestic/ non-domestic-commercial/ agriculture categories who are metered consumed 886 MU of energy in FY 2009-10, 48% of unmetered consumers in the same category consumed 1057 MU of energy leading to misuse of energy without corresponding increase in revenue to the department. Jammu and Kashmir State being deficit in power, JKPDD should take immediate measures to meter all consumers to avoid wasteful consumption of energy.
- 1.30 Consumer category wise extent of metering as reported in the Petition is provided below:

**Table 6: Consumer Category wise Metering**

Station	FY 2009-10 (RE)
Domestic	50%
Non-Domestic/ Commercial	66%
State/Central Govt. Dept.	100%
Agriculture	52%
Public Street Lighting	38%
LT Public Water Works	74%
HT Public Water Works	100%
LT Industrial Supply	99.79%
HT Industrial Supply	100%
HT-PIU Industrial Supply	100%
General Purpose/ Bulk Supply	100%
<b>Total/ Overall</b>	<b>53%</b>

- 1.31 Though significant progress was made in the initial years and the overall metering had improved from its levels in FY 2006-07 but the process of metering has stalled and even in the projections made for FY 2010-11, JKPDD has projected an overall metering of 56% in the State.
- 1.32 The Commission now directs JKPDD to achieve 100% metering by December 31, 2011. In order to ensure consumer co-operation in the same, the Commission has decided to approve higher tariff increases in the un-metered tariffs in comparison to the metered tariffs in each category till such time 100% metering is achieved in the State.
- 1.33 JKPDD has reported 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 purpose of undertaking energy accounting for establishment of base line data under Part-A of the Scheme. The Commission has gone through the proposed works

under the R-APDRP and has decided to monitor closely the progress on the same on a quarterly basis. Once the scheme is implemented in right earnest, it is expected that the T&D losses will come down substantially. The Utility should then aim at reducing the losses at 10% every year. For this reason, the Commission has also directed JKPDD to develop a plan for undertaking similar activities in areas which are not proposed to be covered under the R-APDRP scheme.

### **Restructuring of JKPDD**

- 1.34 During the State Advisory Committee (SAC) meeting, public hearings as well as the written submissions received in response to the public notice published in the newspapers, the Commission has received several suggestions demanding corporatization of JKPDD. Consumers and other stakeholders have pointed out that JKPDD has continued to function at the existing tariff levels despite huge level of losses by virtue of being a Government Department and is not dependent on the Commission since all expenses are not being met by the transparent ARR & tariff determination procedure introduced in the regulatory regime.
- 1.35 The Commission is of the opinion that the State Government may consider corporatizing JKPDD under two separate entities for undertaking transmission and distribution activities in the State, as already done in the case of JKSPDC, the State Power Development Corporation.
- 1.36 The transmission and distribution utilities should function as independent financial and legal entities. Only when the utilities have to depend on the ARR & tariff approvals of the Commission for meeting their financial obligations, will it become critical for them to improving upon their efficiency levels.

### **Approach to cost coverage**

- 1.37 In view of the results obtained from the previous ARR & Tariff Orders approved by the Commission and the operational and financial status of JKPDD, the Commission shall adopt the following strategy for attaining the financial viability of the power distribution business in the State:
  - (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<sub>ZL</sub>). Any increase in the ACOS<sub>ZL</sub> 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<sub>ZL</sub> levels to reach the Average Cost of Supply at Prudent Losses (ACOS<sub>PL</sub>) 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  $ACOS_{PL}$ .

## Approved ARR & revenue gap

- 1.38 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 7: Approved ARR & Revenue Gap (Rs Cr)**

Item	FY 2009-10		FY 2010-11	
	Proposed	Approved	Proposed	Approved
Power Purchase Costs	2,563.99	2,548.41	2,453.68	2,528.12
Establishment Expenses	331.32	261.34	385.32	287.47
Operations and Maintenance Expenses	46.49	45.46	48.00	47.74
Depreciation	80.20	89.48	88.45	101.18
Interest and Finance Costs	15.30	15.30	14.14	14.14
Return on Equity	0.00	0.00	0.00	0.00
<b>Gross ARR</b>	<b>3,037.29</b>	<b>2,959.99</b>	<b>2,989.59</b>	<b>2,978.65</b>
Non-Tariff Income	2.75	2.75	3.50	3.50
<b>Net ARR</b>	<b>3,034.54</b>	<b>2,957.24</b>	<b>2,986.09</b>	<b>2,975.15</b>
Revenue from Sale of Power	795.12	793.57	1498.61	1083.40
<b>Revenue Gap</b>	<b>(2,239.42)</b>	<b>(2,163.67)</b>	<b>(1,487.48)</b>	<b>(1,891.75)</b>

## Approved retail tariffs

- 1.39 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. 3.80/ kWh for FY 2010-11 which is an increase of over 62% of the average existing tariff of Rs. 2.34/ kWh for FY 2009-10. The Commission has reworked the sales by considering the average tariff for un-metered consumers same as the average tariff arrived at for the metered consumers within each consumer category. The average exiting tariff for FY 2009-10 as determined by Commission is Rs 2.42/ kWh. The Commission has allowed an average tariff of Rs. 2.70/ kWh for FY 2010-11 which is an increase of around 12% in comparison to the average existing tariff.

**Table 8: Approved Retail Tariff (Rs/ kWh) for FY 2010-11**

Consumer Categories	Existing Average Tariff	Proposed Average Tariff	Approved Average Tariff
Domestic	1.41	1.70	1.61
Non-Domestic/ Commercial	2.30	2.81	2.69
State/Central Govt. Dept.	4.74	6.50	4.90
Agriculture	1.29	2.37	1.42
Public Street Lighting	3.30	6.90	4.05
LT Public Water Works	3.30	6.90	4.03
HT Public Water Works	3.13	6.86	3.76
LT Industrial Supply	2.11	3.94	2.46
HT Industrial Supply	2.62	5.28	2.91
HT-PIU Industrial Supply	3.06	6.89	3.30
General Purpose/ Bulk Supply	3.33	6.79	3.78
<b>Average</b>	<b>2.42</b>	<b>3.93</b>	<b>2.70</b>

- 1.40 Against the proposed total revenue demand projected at Rs. 1,628.92 Cr by the Petitioner, the Commission has approved total revenue demand at Rs. 1,140.42 Cr at the approved tariffs.
- 1.41 The Commission has approved a higher tariff hike for the un-metered consumers within each category in comparison to the metered consumers in the same category. In order to promote metering in the State, the Commission shall continue to allow steeper increase in tariffs for un-metered electricity consumers. The Commission urges the consumers to co-operate with JKPDD in installation of meters against their electricity connections.
- 1.42 The Commission, in line with its tariff philosophy, has introduced the following changes in the tariff structures in the tariff approved for FY 2010-11:
- Introduction of two-part tariff: The Commission has introduced fixed charges in the approved tariff for State/ Central Govt. Dept., Public Street Lighting and LT Public Water Works consumer categories;
  - Withdrawal of Minimum Charges: The Commission has withdrawn minimum charges for the metered consumers in the LT Public Waterworks, Public Street Lighting and State/ Central Government Departments consumer categories; and
  - Withdrawal of Flat Rate/ Un-metered Tariffs: The Commission has done away with the Flat Rate/ Un-metered tariffs for the LT Industrial and the HT Public Water Works Consumer Categories.
- 1.43 In accordance with the above, the Commission has directed the JKPDD to meter all un-metered consumers in the LT Industrial and the HT Public Water Works consumer

categories within 15 days from the date of issue of this order and report compliance to the Commission.

- 1.44 It may be noted that in order to avoid tariff shock to the consumers in the State, the Commission has approved tariffs corresponding to an average tariff of Rs. 2.70/ kWh is which lower than the ACOS<sub>ZL</sub> estimated at Rs. 2.97/ kWh for FY 2010-11. The Commission in this tariff order has increased the tariff levels in accordance with Phase-1 mentioned in the chapter on Approach to Cost Coverage.

### **Implementation of the Order**

- 1.45 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 the 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.
- 1.46 This Tariff Order shall remain valid from April 1, 2010 to March 31, 2011, unless amended or modified by an order of this Commission. The previous Tariff Order dated March 31, 2008 shall remain valid till the commencement of validity of this Order.
- 1.47 The Commission has thus accepted the petitions of JKPDD with modifications and conditions, and has determined the retail tariffs and charges recoverable by JKPDD from the retail consumers during the FY 2010-11. 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.
- 1.48 The Petitioner is directed to make available the copies of the Tariff Order to all concerned officers up to sub-divisions within two weeks of issue of this Order. The Petitioner 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.
- 1.49 In exercise of powers vested under the Jammu & Kashmir State Electricity Regulatory Commission Act, 2000 (Act VIII of 2000), the Commission hereby passes this Order today, April 29, 2010.

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)

Dated: April 29, 2010  
Place: Jammu

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## **A1: INTRODUCTION**

- 1.1 The Power Development Department, Government of Jammu & Kashmir (hereinafter referred to as the Petitioner) 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 2010-11 under the J&K State Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2005 and J&K State Electricity Regulatory Commission (Conduct of Business) Regulations, 2005 framed by the Commission.
- 1.2 The Commission is guided by the Jammu & Kashmir State Electricity Regulatory Commission Act, 2000 (Act VIII of 2000) (hereinafter referred to as the SERC Act) and other legislations in its approach to regulation of the electricity sector. The SERC 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 The Petitioner, 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 6A of the Jammu and Kashmir Electricity Act, Smvt 1997 for supplying electrical energy in the State of Jammu and Kashmir.

## **ARR and Tariff Filing**

### **Procedural History**

- 1.4 The Commission issued the first tariff order for PDD specifying the tariff schedules for different categories of retail consumers for FY 2007-08 on March 28, 2007. The second tariff order for PDD for FY 2008-09 was issued on September 12, 2008. The order was delayed due to the delay in filing of the tariff petition by JKPDD.
- 1.5 The Petitioner was expected to file its ARR and tariff petition for FY 2009-10 by November 30, 2008 as per Regulation 47 (4) of the Jammu & Kashmir State Electricity Regulatory Commission (Conduct of Business) Regulations, 2005. The Petitioner filed applications on November 28, 2008 and February 28, 2009 seeking extension of time for filing the ARR and tariff petitions for FY 2009-10, which were rejected by the Commission. The ARR and tariff petition for FY 2009-10 was finally filed on December 16, 2009 by the Petitioner after a delay of more than 12 months.
- 1.6 The Petitioner also sought extension of time for filing the ARR and tariff petition for FY 2010-11, which was accepted by the Commission. The ARR & tariff petition for FY 2010-11 was filed by the Petitioner on January 20, 2010 which was accepted by the Commission on February 01, 2010.

## **Information Gaps**

- 1.7 The Commission carried out a scrutiny of both the petitions filed by JKPDD and

noticed several information gaps and data inconsistencies. A note listing out the deficiencies in the petitions was prepared and the Petitioner was directed to submit suitable clarifications, corrections and further information vide Commission's letter no. JKSERC/359 dated December 09, 2010 and letter no. JKSERC/447-48 dated February 01, 2010, respectively.

- 1.8 On February 8, 2010, the Commission held a technical validation session with the Petitioner on the petitions filed by it for FY 2009-10 and FY 2010-11 to convey its views and obtain clarifications/ information from the utility for analysis of the petition and determination of tariffs and performance targets. During the session the Petitioner through its letter no. DCP/TO-I/42/3193-95 dated February 08, 2010 submitted its clarifications, corrections and additional information raised by the Commission during the interaction and through its deficiency note.
- 1.9 The Commission after scrutiny admitted the petitions submitted by the Petitioner for approval of ARR and determination of tariffs for FY 2009-10 and FY 2010-11 on February 08, 2010.
- 1.10 Based on the interaction with the Commission, the Petitioner agreed to revise and resubmit its ARR and tariff petition for FY 2010-11 based on the latest power purchase and sales figures for FY 2009-10. The revised ARR and tariff petition for FY 2010-11 was submitted by the Petitioner on February 13, 2010 to the Commission.
- 1.11 The Commission through its letter no. JKSERC/487 dated February 15, 2010, instructed the Petitioner to publish a summary of its ARR and tariff petition seeking comments and suggestions on its proposals in 8 widely read newspapers.

### **State Advisory Committee**

- 1.12 The Commission convened a meeting of the State Advisory Committee (SAC) on March 11, 2010 in Jammu to discuss the ARR and Tariff petition submitted by the Petitioner.
- 1.13 The Petitioner explained the salient features of the petition covering the major cost and revenue items to the members of the Committee. 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 etc.
- 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 The Petitioner 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 9: List of Newspapers**

Sl	Newspaper	Place of Publication	Date of Publication
1	Daily Excelsior	Jammu	19-02-2010
2	State Times	Jammu	19-02-2010
3	Amar Ujala	Jammu	19-02-2010
4	Kashmir Times	Jammu	19-02-2010
5	Kashmir Uzma	Jammu	19-02-2010
6	Rising Kashmir	Kashmir	16-02-2010
7	Kashmir Images	Kashmir	16-02-2010
8	The Rehmat	Kashmir	16-02-2010
9	Alsafa	Kashmir	16-02-2010
10	Greater Kashmir	Kashmir	19-02-2010

- 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 March 10, 2010.
- 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 the Petitioner. 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 54 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 March 12, 2010 and in Srinagar on March 15, 2010, to discuss the issues related to the petition filed by the Petitioner for approval of ARR and determination of tariff. 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.
- 1.20 As empowered by Section 15 of the SERC Act, the Commission had authorised the following persons to represent the interests of the consumers before its proceedings:
- Sh. P.B. Khajuria, Consumer Representative, Jammu
  - Sh. S.K. Gupta, Consumer Representative, Jammu
  - Sh. B.L. Suri, Consumer Representative, Jammu
  - Sh. Aftab Ahmed, Consumer Representative, Kashmir

(e) Sh. Syed Khurshid Ahmed, Consumer Representative, Kashmir

(f) Sh. Sonam Gambo, Consumer Representative, Leh

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 2009-10 and FY 2010-11 to the J&K State Electricity Regulatory Commission (JKSERC).
- 2.2 As detailed in the previous chapter the ARR & Tariff Petition for FY 2009-10 which was to be submitted in November, 2008 was delayed by JKPDD and has been submitted on December 16, 2009.

### Sales Projections

- 2.3 The Petitioner has submitted that the total number of consumers in JKPDD system was 12,27,435 and the total connected load was 1357.11 MW in FY 2008-09. In FY 2009-10 the number of consumers and connected load are estimated to be 12,70,432 and 1,435.38 MW, respectively. In 2010-11, number of consumers and connected load are projected to increase by 5% across all categories of consumers.

**Table 10: Number of Consumers and Connected Load (MW)**

Consumer Categories	No. of Consumers			Connected Load (MW)		
	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (Proj)	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (Proj)
Domestic	1,034,664	1,070,877	1,124,421	509.24	539.79	566.78
Non-Domestic/ Commercial	149,175	154,429	162,150	129.55	137.32	144.19
Agriculture	13,351	13,818	14,509	106.28	112.66	118.29
State/ Central Govt. Dept.	8,929	9,191	9,651	117.20	124.23	130.44
Public Street Lighting	317	328	344	4.52	4.59	4.82
LT Industrial	18,375	19,018	19,969	200.12	212.13	222.73
HT Industrial	958	992	1,042	164.13	173.98	182.68
HT-PIU Industrial	15	16	17	24.85	26.34	27.65
LT Public Water Works	1,315	1,361	1,429	47.16	47.04	49.39
HT Public Water Works	163	169	177	20.41	21.63	22.71
General Purpose/ Bulk Supply	173	233	245	33.66	35.68	37.46
<b>Total</b>	<b>1,227,435</b>	<b>1,270,432</b>	<b>1,333,954</b>	<b>1,357.11</b>	<b>1,435.38</b>	<b>1,507.15</b>

- 2.4 The Petitioner has submitted that the sales have been estimated as per the new consumer categories as determined by the Commission in its Tariff Order for FY 2007-08. As past categories have been merged or divided into new categories, an analysis of past trends in sales will not give a correct picture. Keeping in view the prospect of reasonable growth in all sectors of the economy in the state, the sales for

FY 2009-10 have been projected at 3775.42 MU on the basis of actual sales recorded as end of September 2009.

- 2.5 Keeping in view the prospect of a reasonable growth in all sectors of the economy in the state, the sales for FY 2010-11 have been projected to increase by 13.5% for each category over the sales for FY 2009-10. The total sales for FY 2010-11 are projected to be 4286.09 MU. The sales for FY 2009-10 and FY 2010-11 have been summarized below.

**Table 11: Category-wise Sales (MU)**

Consumer Category	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (Proj)
Domestic	1,400.97	1,429.57	1,622.94
Non-Domestic/Commercial	286.81	294.93	334.82
Agriculture	204.88	218.50	248.05
State/Central Government Department	450.14	510.20	579.21
Public Street Lighting	11.02	17.33	19.68
LT Industrial Supply	245.16	283.76	322.14
HT Industrial Supply	383.24	404.38	459.08
HT-PIU Industrial Supply	59.81	62.80	71.29
LT Public Water Works	313.47	323.78	367.58
HT Public Water Works	100.49	115.00	130.55
General Purpose/Bulk Supply	82.71	115.17	130.75
<b>Grand Total</b>	<b>3,538.70</b>	<b>3,775.42</b>	<b>4286.09</b>

### Transmission & Distribution Losses and Energy Balance

- 2.6 Based on the data submitted by the Petitioner during the several interactions and submissions made to the Commission, the actual T&D losses for FY 2007-08 and FY 2008-09 were 61.90% and 61.31% respectively, while for FY 2009-10 T&D losses are estimated to be 65.78%. In FY 2010-11, T&D losses are projected to decline approximately by 8.30% and come down to 57.48%.

**Table 12: Proposed Energy Balance**

Particulars	Units	FY 2007-08 (A)	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (Proj)
Sales	MU	3331.64	3,538.70	3,775.42	4,286.09
Percentage of T&D Loss	%	61.90%	61.31%	65.78%	57.48%
T&D Loss	MU	5412.32	5608.52	7,257.53	5,795.08
Total Energy Input Required	MU	8743.96	9147.22	11,032.95	10,081.17

### Annual Revenue Requirement (at existing tariff)

- 2.7 The gross ARR for FY 2010-11 has been projected at Rs. 2989.67 Cr. The non-tariff



income has been projected at Rs. 3.50 Cr and the Net ARR comes to Rs. 2986.17 Cr. The following table gives the break-up of ARR for FY 2008-09, FY 2009-10 and the proposed projections for FY 2010-11.

**Table 13: Proposed Annual Revenue Requirement (ARR) in Rs. Cr**

Particular	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (Proj)
<b>A. Revenue</b>			
<b>Rev. Demand (At existing tariff)</b>	829.63	897.30	1,001.91
Rev. Realized	628.10	795.12	921.75
<b>B. Expenditure</b>			
Power Purchase Cost	1,783.68	2,563.99	2,453.78
O&M cost	43.34	46.49	47.99
Establishment Expenses (including Employee and A&G Expenses)	237.58	331.32	385.32
Depreciation	68.94	80.20	88.44
Interest & Finance Charges	14.37	15.30	14.14
ROR		0	0
<b>Gross ARR</b>	<b>2,147.91</b>	<b>3,037.29</b>	<b>2,989.67</b>
Less non-tariff income	2.75	2.75	3.50
Net ARR	2,145.16	3034.54	2,986.17
<b>Unmet Revenue Gap</b>	<b>1,517.06</b>	<b>2,239.42</b>	<b>2,064.42</b>

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

**Table 14: Proposed Average Cost of Supply and Average Overall Tariff (in Rs/kWh)**

Particulars	FY 2009-10 (RE)	FY 2010-11 (Proj)
Average Cost of Supply	8.04	6.97
Average Overall Tariff	2.377	2.338

### Proposed tariff

- 2.9 In order to reduce the gap in the ARR for FY 2010-11, JKPDD has proposed revision in tariff across consumer categories. The proposed tariff for various consumer categories is as shown below:

Table 15: Proposed Tariff Schedule for FY 2010-11

Sl	Consumer Category	Particulars	Proposed Tariff FY 2010-11
1	<b>Domestic</b>	<b>Metered Consumer</b>	
		<b>Energy Charge (Rs/kWh)</b>	
		upto 30 units/month	1.10
		31-100 units/month	1.40
		101-200 units/month	1.70
		> 200 units/month	2.50
		<b>Minimum Charges (Rs/ Month)</b>	
		upto ¼ kW	50
		above 1/4 kW upto 1/2 kW	100
		above 1/2 kW upto 1 kW	200
		Above 1 kW for every 250 W, or part thereof	100
		<b>Flat Rate for Unmetered Connection (Rs. / month)</b>	
		upto ¼ kW	80
		above 1/4 kW upto 1/2 kW	190
		above 1/2 kW upto 3/4 kW	290
		above 3/4 kW upto 1 kW	390
		above 1 kW upto 2 kW	760
above 2 kW (for every additional ½ kW)	330		
2	<b>Non-domestic/ Commercial Supply</b>	<b>Energy Charge (Rs/kWh) - Metered Connection</b>	
		<b>Single Phase</b>	
		Upto 100 units/month	2.00
		101 to 200 units/month	2.10
		above 200 units/month	3.00
		<b>Three Phase</b>	
		For all units	3.20
		Above 10 kW for all units (Rs./kVAh)	4.00
		<b>Fixed Charges (Rs. / kW / month)</b>	
		Single Phase	40
		Three Phase	80
		Above 10 kW (Rs./kVAh/month)	100
		<b>Flat Rate for Unmetered Connection (Rs. / month)</b>	
		Upto 1/4 kW	170
		above 1/4 kW upto 1/2 kW	420
above 1/2 kW upto 1 kW	840		
Above 1 kW (for every additional 500 Watts, or part thereof)	540		
3	<b>State/ Central Government Departments</b>	<b>Energy Charges (Rs./ kWh)</b>	
		LT Supply	6.90
		<b>Minimum Charges for connected load (Rs./ month)</b>	
		Upto 1 kW	100

Sl	Consumer Category	Particulars	Proposed Tariff FY 2010-11	
		Above 1 kW (for every additional ½ kW)	100	
4	Agricultural Supply	<b>Energy Charges for Metered Connections (Rs. / kWh)</b>		
		0 to 20 HP	0.60	
		Above 20 HP	6.90	
		<b>Minimum Charges for connected load (Rs./ HP/ Annum)</b>		
		0 - 20 HP	300	
		Above 20 HP	1500	
		<b>Flat Rate for Unmetered Connection (Rs./ HP/ month)</b>		
		0 to 20 HP	150	
		Above 20 HP	1200	
5	Public Street Lighting	<b>Energy Charge for Metered Connections (Rs./ kWh)</b>		
		For all units	6.90	
		<b>Minimum Charges</b>		
		Rs./ kW or any part thereof / month	500	
		<b>Flat Rate Charges for Unmetered Connections</b>		
		Rs./ kW or any part thereof / month	1500	
6	LT Public Water Works	<b>Energy Charge for Metered Connections (Rs./ kWh)</b>		
		For all units	6.90	
		<b>Minimum Charges</b>		
		Rs./ kW or any part thereof / month	500	
		<b>Flat Rate Charges for Unmetered Connections</b>		
		Rs./ kW or any part thereof / month	1500	
7	HT Public Water Works	<b>Energy Charges for Metered Connection (Rs./kVAh)</b>		
		11 kV Supply	5.45	
		33 kV Supply and above	5.35	
		<b>Demand Charges for Metered Connection(Rs./ kVA or part thereof / Month)</b>		
		11 kV Supply	200	
		33 kV Supply and above	190	
		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		
		<b>Flat Rate Charges for Unmetered Connection</b>		
		Rs./ kW, or part thereof / Month	1500	
		8	LT Industrial Supply	<b>Energy Charges for Metered Connections</b>
For all units (Rs./kWh)	3.50			
<b>Fixed Charges for Metered Connection</b>				
Rs./KW/month	50			
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				

Sl	Consumer Category	Particulars	Proposed Tariff FY 2010-11
		<b>Flat Rate Charges for Unmetered Connection (Rs./ kW/ Month)</b>	
		Upto 8 hrs shift	600
		8 - 12 hrs shift	900
		above 12 hrs shift	1200
9	<b>HT Industrial Supply</b>	<b>11 kV Supply</b>	
		Energy Charge (Rs./ kVAh)	4.00
		Demand Charge (Rs./ kVA/ month)	120
		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	
		<b>33 kV Supply</b>	
		Energy Charge (Rs./ kVAh)	3.90
		Demand Charge (Rs./ kVA/ month)	110
		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 For Connections at higher voltages of 66 kV, 1.5% rebate on Energy Charges of 33 kV Supply shall be allowed.	
10	<b>HT Industrial Supply for Power Intensive Industries</b>	<b>11 kV Supply</b>	
		Energy Charge (Rs./ kVAh)	5.35
		Demand Charge (Rs./ kVA/ Month)	140
		<b>33 kV Supply</b>	
		Energy Charge (Rs./ kVAh)	5.15
		Demand Charge (Rs./ kVA/ Month)	135
		For Connections at higher voltages of 66 kV, 1.5% rebate on Energy Charges of 33 kV Supply shall be allowed	
11	<b>General Purpose Bulk Supply</b>	<b>11 kV Supply</b>	
		Energy Charge (Rs./ kVAh)	5.30
		Demand Charge (Rs./ kVA/ Month)	145
		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	
		<b>33 kV Supply</b>	
		Energy Charge (Rs./ kVAh)	5.20
		Demand Charge (Rs./ kVA/ Month)	140
		For Connections with sanctioned and load above 1 MVA metered on LT, additional 7.5% Surcharge on Demand & Energy Charges at 11 kV tariff shall be chargeable For Connections at higher voltages of 66 kV, 1.5% rebate on Energy Charges of 33 kV Supply shall be allowed.	
12	<b>LT and HT Temporary Connections</b>	1.5 times the applicable rates (on fixed/ demand and energy charges)	

**Annual Revenue Requirement at Proposed Tariff**

- 2.10 The revenue demand at proposed tariff is estimated to be Rs. 1,628.92 Cr and revenue collection assuming a collection efficiency of 92% is expected to be Rs. 1,498.61 Cr, resulting in a revenue gap of Rs. 1487.56 Cr. ARR and revenue gap at proposed tariff is given below:

**Table 16: Proposed Annual Revenue Requirement (ARR) in Rs. Cr**

Particular	FY 2009-10 (RE)	FY 2010-11 (at proposed tariff)
<b>A. Revenue</b>		
<b>Rev. Demand (At existing tariff)</b>	897.30	1,628.92
Rev. Realized	795.12	1,498.61
<b>B. Expenditure</b>		
Power Purchase Cost	2563.99	2453.68
O&M cost	46.49	48.00
Establishment Expenses (including Employee and A&G Expenses)	331.32	385.32
Depreciation	80.20	88.45
Interest & Finance Charges	15.30	14.14
ROR	0	0
<b>Gross ARR</b>	<b>3037.29</b>	<b>2989.59</b>
Less non-tariff income	2.75	3.50
Net ARR	3034.54	2986.09
<b>Unmet Revenue Gap</b>	<b>2239.42</b>	<b>1487.48</b>

**A3: OBJECTIONS AND ISSUES RAISED DURING PUBLIC CONSULTATION PROCESS**

- 3.1 On acceptance of the ARR and tariff petition for FY 2009-10 and FY 2010-11, the Commission directed the Petitioner to make available copies of the petition to the general public, and invite comments/ objections from them.
- 3.2 The petition evoked responses from several consumers and their representative bodies/ organizations in the State. Public hearings were held in Jammu on March 12, 2010 and in Srinagar on March 15, 2010 respectively, wherein the respondents were given an opportunity to put forth their comments and suggestions on the ARR and Tariff petition to the Commission.
- 3.3 The Commission also invited the citizens of the State nominated to represent the interests of consumers to present their views regarding the petition and the responses made by the Petitioner during the public hearing process.
- 3.4 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 the Petitioner.
- 3.5 The list of objectors who submitted their written responses on the ARR & Tariff Petition filed by JKPDD to the Commission is given in Annexure 2 to this order.
- 3.6 A list of participants in the two public hearings held at Jammu and Srinagar is given in Annexure 3 to this order. The issues raised during the public hearing process, the responses of the Petitioner and the Commission's observations are detailed below.

**Availability of data and information contained in Petition**

- 3.7 The Commission has received several objections stating that the extent and quality of information being provided by JKPDD in its ARR & tariff petitions is extremely poor and inadequate. The Objectors have pointed out that JKPDD has not supported the expenses claimed in the ARR with details, information, particulars and supporting documents.
- 3.8 Several Objectors have submitted that JKPDD has deliberately concealed information wherever the same would have acted against its interest. In the same context, several industries and industry bodies have made representations that despite conducting energy audit in several areas and installation of meters on all 11 kV feeders in the State, JKPDD has deliberately not made the energy audit information available to the Hon'ble Commission.
- 3.9 The Objectors have further stated that in the absence of requisite information and supporting documents for the same the entire exercise of ARR & Tariff determination becomes a non-transparent process which JKPDD is undertaking with the sole objective of getting tariff hikes from the Hon'ble Commission to cover up its inefficiencies.

**Petitioner's Response**

- 3.10 JKPDD has submitted that the process of getting the ARR and tariff approved by the JKSERC under SERC regulations in a transparent manner is in the interest of general public.
- 3.11 The tariff petitions for FY 2009-10 and FY 2010-11 have been filed by the Petitioner after due verification of all records available. Additional information has been provided to the Hon'ble Commission on demand from time to time.
- 3.12 The petition has been prepared in the best possible manner. All the relevant details and information available with the department have already been placed on record with the Hon'ble Commission in a transparent manner.

**Commission's Observation**

- 3.13 The Commission agrees with the concern regarding data availability and its authenticity raised by several Objectors during the public hearings held and in their written submissions made to the Commission.
- 3.14 The inconsistency in data submitted by the Petitioner, especially with respect to consumer and sales related information like number of consumers, connected load, sales in MU, sales in rupees etc. has cast serious doubts in the mind of the Commission regarding correctness of the same. The inconsistencies in the sales related data submitted by the Petitioner over the years has led to different T&D loss levels projected for the state. .
- 3.15 Also, with respect to data regarding various components of ARR like establishment expenses, O&M expenses, depreciation etc. the Petitioner has failed to submit the details as per the respective formats prescribed by the Commission.
- 3.16 However, the Commission on its review of the data submitted by the Petitioner has scrutinized the factual information regarding power purchase and revenue realizations which are based on reliable data sources and found out that the existing level of revenue gap in the State is at unacceptably high level. 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 the Petitioner.

**Cabinet approval of ARR & Tariff proposal by JKPDD**

- 3.17 It was pointed out that JKPDD is required to get cabinet approval on the ARR & tariff petition before submission of the same to the Commission. However, the same has not been done by JKPDD before filing the present petition under consideration by the Commission and hence the same must out rightly be rejected until cabinet approval is submitted along with the petition.

**Petitioner's Response**

- 3.18 The Petitioner has submitted that it has been authorized by the government to go for appropriate tariff hike so as to reduce the revenue deficit.

**Commission's Observation**

- 3.19 The Commission has relied upon the above submission made by the Petitioner and processed the ARR & tariff proposal submitted.

**Steep tariff hike proposed**

- 3.20 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. The submissions made in writing and during the public hearing are summarized as:

- (a) The tariff hike proposed by JKPDD is as high as 190% for certain industrial consumer categories. The SERC Act mandates that 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 shall not be allowed by the Commission.
- (b) The tariff hike proposed is to pass on the T&D losses of 61.1% to the honest and paying consumers. The Commission should not allow passing of the T&D losses due to the inefficiencies of JKPDD in the tariff.
- (c) The Regulatory Commission Act states that the Commission shall 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.
- (d) Several industries have made representations that the industries in the State are already functioning in unfavourable circumstances in comparison to their counterparts in other states. Low cost of power has been amongst the incentives made available to the industries in the State. Any steep increase in the tariff will make the industries in the State unviable.
- (e) JKPDD is not able to recover even the amount which is billed by it. The consumers are being penalized for non-recovery of such dues by dishonest consumers in the tariff hike proposed.
- (f) The consumers should be given additional services in proportion to the tariff hike proposed.
- (g) Electricity should be provided free of cost for agricultural consumers with pump sets of up to 5 HP as in Haryana. The State is a net importer of agricultural products and incentives are required to be provided for improving the same. Energization of pump sets should be taken under the various schemes introduced by REC as being done in other states.



- (h) The increase in tariff is much higher than the increase in cost of power purchase by JKPDD.
- (i) If the tariff is calculated at normal level of T&D losses, it comes to below Rs. 3/ unit levels against the Rs. 6.97/ unit projected by JKPDD.
- (j) There has been a sudden increase in the several components of the ARR projected by JKPDD in its Petition, the following issues were highlighted by the Objectors:
  - (i) There has been a sudden increase in the power purchase cost projected for the FY 2010-11. An increase of over 37.57% has been proposed in the power purchase cost in FY 2010-11 over the actual expenses incurred in FY 2008-09.
  - (ii) The projected increase in the establishment costs is exorbitantly on the higher side. The consumers should not be made to bear the increased expenditure due to the impact of the Sixth Pay Commission in the ARR.
  - (iii) In comparison to the allowed expenses with respect to power purchase cost, establishment expenses, O&M expenses, depreciation and interest and finance charges for FY 2008-09 at Rs. 2,307.30 Cr. The actual expenses incurred by JKPDD during the same year are reported to be only to the tune of Rs. 2,147.87 Cr. Therefore, the surplus of Rs. 159.43 Cr should be adjusted in the present years ARR.
- (k) The increase in tariff should be linked to the improvement in T&D loss reduction demonstrated by JKPDD. It has been suggested that considering the present level of T&D losses, JKPDD should be allowed 0.5% increase in tariff for every 1% reduction in T&D losses.

### **Petitioner's Response**

- 3.21 The Petitioner has submitted that the tariff levels in the State are amongst the lowest in the country. Further, the Petitioner has submitted the following with respect to the objections made against the tariff hike proposed in its petition:
- (a) The Petitioner has taken due care of the agriculture category, including small farmers having load up to 20 HP. The tariff proposed for the category, for FY 2010-11 is only Rs. 0.60 per unit which is very nominal as compared to average cost of supply of Rs. 6.97 per unit. Like in other states, JKPDD has also been energizing their agricultural pump sets under various REC schemes.
  - (b) The tariff for the domestic category applicable in the State is highly subsidized. Further the hike proposed in domestic category, for the FY 2010-11, is very nominal. The average cost of supply is Rs. 6.97 per unit, whereas the average tariff charged from the domestic consumers is Rs. 1.68 per unit

only. As per the suggestions made by Objectors, weaker sections of the society are being given benefits of lower slabs in which their consumption is expected to fall.

- (c) There has been a hike in tariff only once in the last 11 years. One of the reasons for huge revenue gap is the low electricity tariffs in the State. Hence, JKPDD is compelled to propose suitable tariff hike to the Hon'ble Commission for approval.
- (d) Even after the proposed tariff hike, the average tariff for all consumer categories works out to Rs. 3.80 per unit only, against average cost of supply of Rs. 6.97 per unit.
- (e) The tariffs for Industrial and Commercial categories in other states are set at higher levels since they cross subsidize the other consumer categories. However, in J&K the same is set at a level which is lower even than the cost of supply.
- (f) For the HT tariff though the proposed energy charges are somewhat higher than that in the neighbouring state of Himachal Pradesh, the demand charges are much lower as compared to the energy charges. Besides there are no consumers service charges proposed in the tariff which are applicable in Himachal Pradesh.
- (g) The increase in ARR for the FY 2009-10 and FY 2010-11 is mainly due to substantial increase in the power purchase and establishment costs. The actual power purchase cost during FY 2009-10 ending January 31, 2010 has been Rs. 2137.47 Cr. The increase in power purchase costs and hence per unit purchase rate has been mainly due to increase in generation tariff. The increase in establishment cost has been due to the implementation of the VI Pay Commission Recommendations by the State Government.
- (h) The difference in the estimates allowed by the Hon'ble Commission and the actual for the year FY 2008-09 was mainly on account of the reduction in power purchase costs. A difference of Rs. 159.43 Cr in the total allowed ARR of Rs. 2,307.30 Cr and the actual ARR of Rs. 2,147.87 Cr is quite reasonable. However, there has been a huge gap between the cost of supply and the consumer tariff due to heavy subsidization of the tariff. Since the high level of gap in JKPDD's ARR is not being met at the applicable tariffs, it is not required to true up the same for determination of the tariff for the ensuing year.
- (i) T&D losses have not entirely been loaded to the tariff proposed by JKPDD. The proposed tariff only brings the revenue accommodating T&D losses even less than the national average with the result that the huge gap between expenditure and expected revenue is being borne by the Government.
- (j) The Petitioner has further submitted that in case any subsidy is to be allowed to any particular consumer or a consumer category, the same should be

undertaken through other mechanisms available with the State Government through the Department of Industries.

### **Commission's Observation**

- 3.22 The Commission agrees with the Objections raised regarding the steep tariff hike proposed across several consumer categories by the Petitioner. 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.
- 3.23 However, it cannot be ignored that the present level of tariffs in the State are very much on the lower side and are even below the average cost of power purchased by JKPDD. The average tariff is calculated to be Rs. 2.42/ kWh which is lower than the average power purchase cost incurred by JKPDD at Rs. 2.50/ kWh for the FY 2009-10. 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.
- 3.24 The extent of loading of the average cost of supply by the poor performance of the Petitioner in reduction of T&D losses and revenue collections is at unacceptably high levels. The Petitioner has miserably failed to control the level of T&D losses in the State. Rampant theft of electricity by both unauthorized as well as several authorized consumers of the Petitioner is being allowed to continue. The Commission shall closely monitor the progress on initiatives being undertaken by the Petitioner for reduction in losses and improvement in collection efficiency on a regular basis. The Commission has approved the tariff in this order considering only reasonable level of T&D losses.
- 3.25 Regarding several requests made for subsidization of electricity tariffs for certain categories of consumers stating the poor status of industry and the overall economy in the State, the Commission is of the view that such subsidies cannot be allowed in the electricity tariffs being approved by the Commission. Such consumers should approach the State Government through the concerned department for providing subsidies.
- 3.26 The Commission agrees that the increase in the power purchase costs in FY 2010-11 over FY 2008-09 is mainly on account of purchase of additional power from the newly commissioned Baglihar HEP and increase in tariff for several power plants. The Commission has studied the proposal regarding power purchase cost for FY 2010-11 and approved it at Rs. 2528.12 Cr against the projected value of Rs. 2,453.68 Cr in the Petition.
- 3.27 The Commission is of the opinion that though there are certain differences in the approved ARR and the actuals against certain items like power purchase cost, O&M expenses, establishment expenses etc. for FY 2008-09, there is no merit in adjusting

the same in the present years ARR since there has always been a huge revenue gap in the Petitioners ARR in the years under consideration.

### **T&D losses**

- 3.28 The Commission has received several written objections stating that the extent of T&D losses in the State estimated to be a 61.1% in FY 2009-10 as per the petition submitted by JKPDD is at unacceptably high levels. JKPDD has miserably failed to reduce T&D losses in the State.
- 3.29 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 has suddenly been increased to 61.31% in FY 2008-09 and 61.1% in FY 2009-10. The T&D losses have increased by more than 30% since FY 2005-06. However, JKPDD has given no justification for the sharp increase in the T&D losses. The extent of losses is at extremely high levels in comparison to the national average and should not be passed on in the tariff to be approved by the Commission.
- 3.30 The following specific issues were raised in the written objections to JKPDD's ARR & Tariff petition and also discussed during the public hearings held mainly by representatives of industries and industrial bodies:
- (a) The losses vary substantially across different regions/ districts in the State. However, the same is being loaded to the honest consumers in the State. The areas with high T&D losses should be penalized with high tariffs and not the honest consumers in other areas.
  - (b) There are more than 18 lakh households in the State, whereas JKPDD has given authorized consumers to only to the extent of 12 lakh consumers as per the ARR & Tariff Petition submitted. Thus, there are a large number of unauthorized consumers in the State who are adding up to the T&D losses in the State.
  - (c) As per the principal of natural justice, T&D losses of JKPDD should not be passed on in the tariff to the industrial consumers.
  - (d) Only prudent levels 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. Industry representatives submitted that the prudent level of losses can be taken at around 15% for the purpose of fixation of tariffs.
  - (e) There are kundi's/ direct tapings on LT lines apparently visible across the State which are not being checked by JKPDD. The loads that are connected in jhuggi's/ slum dwelling units are also significantly high and are adding up to the T&D losses in the State.
  - (f) Free power is being supplied to journalists, bureaucrats, and certain State Government establishments. Several Objections have been received demanding that the same shall be paid for by the Government.

- (g) The Objectors have requested the Commission to direct JKPDD to correlate the variation in loss levels over the past several years and explain the reasons for the same.
- (h) The T&D losses are higher in the Domestic and the Commercial consumer categories and other paying consumer categories like the Industrial category should not be penalized for the same.
- (i) There is no fixing of responsibility by JKPDD's officials in loss reduction related activities. It was also pointed out by certain Objectors that JKPDD's own employees were colluding with dishonest consumers in allowing them to commit theft/ pilferage of power.
- (j) JKPDD has not taken adequate action in the State to control the T&D losses. Neither consumer metering nor theft checking has been pursued adequately by JKPDD. Consumer metering was being pursued by JKPDD initially but the drive has now been curtailed.
- (k) The number of theft connections checked is only around 10,000 and the corresponding amount of Rs. 2.77 Cr booked on the cases is dismal in comparison to the number of consumers and the existing level of T&D losses in the State.
- (l) JKPDD has failed to perform its duty in reducing T&D losses in the State and a private agency should be appointed for taking over the activities of distribution of power in the State.

### **Petitioner's Response**

- 3.31 JKPDD has submitted that there is a huge gap in revenue realization and expenditure incurred on supply of electricity to its consumers. It is also a fact that the T&D losses in the State are one of the highest in the country. 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.
- 3.32 Previously, the T&D losses were arrived at by a method of estimation because of very low level of metering, and proper energy accounting system was not in place. With improvement in the level of metering and energy accounting, JKPDD has been able to work out realistic T&D losses in the system. The performance of the department may be judged from the fact that the cash realization as percentage of power purchase costs has improved from 24.28% in FY 2005-06 to 41.36% in FY 2008-09.
- 3.33 During FY 2009-10 alone, 10,560 cases were booked for theft of electricity and a fine of Rs. 267.77 lakhs were imposed, out of which Rs. 241.94 lakhs were recovered ending January.
- 3.34 The Petitioner has also submitted that, in cases of involvement of JKPDD's employees in theft of electricity, consumers should report such cases so that

appropriate disciplinary action can be initiated.

- 3.35 JKPDD has worked out a detailed turnaround plan to improve the T&D network and reduce losses to acceptable limits. JKPDD has taken up implementation of these initiatives under the R-APDRP scheme in which 30 towns having population above 10,000 are being covered.
- 3.36 No category of consumers in the State are being supplied free power or at a concessional rates. The bills for the difference in the charges payable by the Government employees and the actual consumption are being raised to the State Departments and that pertaining to the migrants are being raised to the Relief Commissioner. The department is making every effort to recover arrears from the State/ Central government departments.
- 3.37 As regards accountability of JKPDD officers for reduction of losses is concerned, the junior engineers have been nominated as feeder managers and are responsible to prepare the energy accounts of the feeders under their charge.
- 3.38 The T&D activities in the State are being undertaken by JKPDD which is a Government Department, while these activities are being undertaken by electricity boards, corporatized entities or private sector companies in other states. Moreover, the state of J&K was subject to turmoil since 1989 which affected every sector of the state including the T&D sector. Due to the disturbances in the state the reforms in the T&D sector got delayed.

#### **Commission's Observation**

- 3.39 The Commission has taken cognizance of the issues raised during the public hearings held and in the written objections received regarding the high level of T&D losses in the State and that the inefficiency of JKPDD should not be allowed to be passed in the electricity tariffs entirely.
- 3.40 The variations in T&D loss levels since FY 2006-07 in the ARR & Tariff petitions submitted by the Petitioner have raised serious doubts in the mind of the Commission regarding accuracy and correctness of the sales projections being submitted by the Petitioner, especially with respect to the information on sales booked in units and the corresponding amount billed to the consumers.
- 3.41 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 substantially increased in FY 2007-08 due to the tariff hike approved by the Commission has dropped indicating the increasing trend of T&D losses in the State.

**Table 17: Realization per Unit Input (Proposed)**

Station	FY 2006-07 (Actuals)	FY 2007-08 (Actuals)	FY 2008-09 (Actuals)	FY 2009-10 (RE)
Energy Input	8,225	8,656	9147	11,033
Revenue Recovered (Rs. Cr)	393	779	628	795
<b>Realization per Unit Input (Rs./ Unit)</b>	<b>0.48</b>	<b>0.90</b>	<b>0.69</b>	<b>0.72</b>

- 3.42 The submissions made by the Petitioner regarding the source of such variation lies in the method of estimation being deployed for arriving at the T&D loss levels due to the low levels of metering, non-existence of computerized billing and proper energy accounting systems in the State are factual and need immediate attention.
- 3.43 Despite various submissions made by the Petitioner with respect to the initiatives being taken for reducing the T&D losses in the State over the past years, the Commission is of the opinion that the Petitioner has miserably failed to discharge its duty to control the T&D losses in the State. There is rampant hooking of LT lines across the State which is not being checked by the Petitioner. Even in cases where meters have been installed, various means are being deployed by a large number of consumers for by-passing and tampering with the meters.
- 3.44 The revenue gap in JKPDD's ARR has increased over the years due to its inability to reduce the T&D losses in the State and is causing an increasing burden on the State Governments finance's.
- 3.45 The Commission is of the opinion that the entire level of T&D losses which are at unacceptable levels cannot be passed on in the retail tariffs entirely. However, T&D losses are a reality in all states of the country and consumers should be ready for paying tariffs which may include a prudent level of T&D losses allowed by the Commission.

### **Rationalization of tariff structure**

- 3.46 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 Commission has been prayed to consider the following arguments while approving the present tariff proposals:
- (a) Domestic tariff:
- (i) The minimum charges applicable to the domestic category are against the principles of energy conservation, no minimum charges should be charged to the metered consumers. Also, the minimum charges proposed is on the higher side which pushes the consumers to consume more. This often encourages the consumers to adopt unfair means for limiting the units recorded within the limits of the monthly minimum charges.

- (ii) The number of slabs contained in the domestic tariff especially the flat rates needs to be minimized. Different rates prescribed for small incremental connected loads are also adding to malpractices in the application of such tariff.
- (b) Industrial tariff:
  - (i) Additional incentives should be made available for connections operating at higher power factors (PF). It was suggested that all consumers demonstrating PF of 0.9 or above should be given some additional incentives in order to promote efficiency.
  - (ii) Several representatives from industries and industrial associations have 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 & maintenance expenses with increase in voltage levels.
  - (iii) The Commission was informed that the Cement manufacturing units are presently not being covered under the HT Industrial Tariff for Power Intensive Industries. This is discriminatory in applicability of tariff to various power intensive industries operating in the State. It was prayed that the definition of power intensive industries needs to be modified to do away with this anomaly.
  - (iv) Several representatives of hotels/ restaurant owners have 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.
  - (v) 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**

3.47 JKPDD has submitted the following with respect to the objection raised against the monthly minimum charges proposed for the domestic category:

- (a) The minimum charges in the domestic category have been worked out on the basis of about 3 hours of consumption per day for lower slabs and on the basis of 4 - 5 hours of consumption for higher slabs which is quite reasonable. These charges are not going to affect the tariff of the consumer. Billing of minimum charges is to be done only when the consumption is below the level of these charges. Hence these charges are not additional. The minimum charges have been kept low in preceding Tariff Orders with a view to encourage demand side management. But in actual practice, it was observed that most of the consumers are taking undue advantage of this concession,



misuse this benefit and adopt illegal practices. So it was found feasible if the minimum charges for domestic category will be increased in steps, the menace of illegal practices will get reduced.

- (b) The utility has noted the submission made by the consumer and has already put in place steps to curb power theft. JKPDD is making all out efforts to enhance theft detection and register every consumer's actual load. In this regard, consumer's cooperation is very important and JKPDD requests its consumers to get their actual load registered.
  - (c) The number of slabs in the domestic tariff category are built in to incentivise the consumers with low paying capacity which are in line with the National Tariff Policy. However, in order to rationalize the tariff structure the Petitioner shall endeavour to reduce the same in future, as any sudden change in the structure may lead to a tariff shock to the consumers.
- 3.48 With respect to the demand regarding additional incentives demanded by the industries maintaining Power Factor of 0.90 or above, the Petitioner has submitted that the Hon'ble 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.
- 3.49 With regard to the issue raised in the applicability of the Power Intensive Industries category, the Petition submitted that the same is being done in accordance with Schedule 10 of the Tariff Order for FY 2008-09.
- 3.50 With respect to the issue on charging of demand charges, the Petitioner has clarified that the same is being done strictly as per the tariff order issued by the Commission.
- 3.51 The tariffs for higher voltage levels within a category are lower as compared to lower voltage levels. The tariff schedules may be referred in this regard, wherein the tariff at 33 kV level is lower in comparison to 11 kV level.

#### **Commission's Observation**

- 3.52 The Commission had initiated rationalizations in the retail tariffs in line with the tariff philosophy contained in the Tariff Order for FY 2006-07. The Commission had further continued rationalizations in the tariff structure in the Tariff Order for FY 2007-08.
- 3.53 The Commission in its tariff philosophy has elaborated its ideology of introducing two part tariffs for all metered consumers in the State. The Commission in its previous tariff order has already done away with monthly minimum charges for the Non-Domestic and the Industrial consumer categories. The Commission is of the view that the monthly minimum charges across consumer categories need to be phased out gradually. Accordingly, the monthly minimum charges for the domestic consumer category across slabs have been kept at the previously approved levels in the tariff

approved for FY 2010-11.

- 3.54 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.
- 3.55 As already elaborated by the Petitioner, 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.
- 3.56 The Commission in its previous tariff order has already allowed rebates/ benefits for industrial consumers drawing power at higher voltages based on established norms. There is no substantial information from energy audits of JKPDDs systems for increasing the rebates being allowed. The Commission shall reconsider this once JKPDD begins to conduct energy audit of its network and establishes realistic level of savings in terms of lower losses at the higher voltages over a considerable period of time.
- 3.57 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.
- 3.58 The Commission had introduced two part tariff structure in its Tariff Order for FY 2007-08, 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.

### **Poor progress on consumer metering**

- 3.59 The consumers and their representatives requested JKPDD to explain the reasons for slow progress on consumer metering in the State in the last few years. 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. However, the same has not been undertaken with seriousness during the last few years and around 50% consumers in the State continue to remain un-metered.
- 3.60 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.
- 3.61 Several Objectors have pointed out the Petitioner's poor performance on directives

regarding metering given by the Commission in its previous tariff order. 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

- 3.62 As on date, the number of electronic meters in Jammu region is 2,23,256 and in Kashmir region is 2,07,241. Besides there are also 1,34,039 electro-mechanical meters installed in Jammu region which are being replaced in a phased manner.
- 3.63 The Petitioner 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

- 3.64 The Commission in its Tariff Order for FY 2007-08 had directed JKPDD to achieve 100% consumer metering by December 31, 2009. However, as reported in the present ARR & Tariff petition JKPDD has failed to comply with the directive given the Commission. The present level of metering is as shown in the table below:

**Table 18: Metering Level**

Station	FY 2008-09 (Actuals)	FY 2009-10 (RE)	FY 2010-11 (Projected)
Domestic	48%	50%	53%
Non-Domestic/ Commercial	65%	66%	68%
State/Central Govt. Dept.	100%	100%	100%
Agriculture	50%	52%	54%
Public Street Lighting	36%	38%	41%
LT Public Water Works	73%	74%	76%
HT Public Water Works	100%	100%	100%
LT Industrial Supply	99.79%	99.79%	99.80%
HT Industrial Supply	100%	100%	100%
HT-PIU Industrial Supply	100%	100%	100%
General Purpose/ Bulk Supply	100%	100%	100%
<b>Total/ Overall</b>	<b>51%</b>	<b>53%</b>	<b>56%</b>

- 3.65 From the data shown above, it is evident that JKPDD under its present set-up has failed to comply with the directive given by the Commission regarding metering of un-metered consumers. Even where the meters have been installed, proper armoured service lines were not provided for in most cases.
- 3.66 In JKPDD's petition for FY 2007-08 it was submitted that un-metered consumers existed only in the Domestic, Non-Domestic, Agricultural and the Public Street

Lighting categories. However, in its present petition, JKPDD has submitted that there are certain un-metered consumers in the LT Industrial category also. The same 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.

- 3.67 JKPDD has informed the Commission that network improvement and consumer metering is being taken up in 30 towns with population of 10,000 and above. However, from the projected number of consumers, it appears JKPDD has no plans for metering of the un-metered consumers in the State.
- 3.68 The Commission has therefore decided to incentivise the metered consumers within each category in comparison to the Flat rate consumers by allowing lower level of tariff increases. The Commission is of the opinion that this will reduce consumer resistance towards metering.
- 3.69 JKPDD is directed to meter all consumers by December 31, 2011.

### **Corporatization of JKPDD**

- 3.70 The Objectors to the ARR & Tariff petitions filed by JKPDD have pointed out that the power distribution and transmission utility i.e. 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.
- 3.71 The Objectors pointed out that JKPDD being a Government Department is not dependent on the approval of the ARR & Tariff proposal by the Hon'ble Commission for meeting its financial obligations. The expenses of JKPDD are a part of the budgetary process of the State Government like any other Government Department. Even the segregation of transmission and distribution function has not been done in the State.
- 3.72 JKPDD has continued 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 Hon'ble Commission since all expenses are not being met by a transparent ARR & Tariff determination procedure introduced in the regulatory regime.
- 3.73 The Objectors prayed that JKPDD needs to be corporatized with immediate effect. The Objectors also demanded 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**

- 3.74 JKPDD has submitted that the corporatization of the power development department is under consideration by the State Government. Participation of private sector can be considered post corporatization and enactment of the new Electricity Act for the State.

- 3.75 JKPDD has constituted a core group for unbundling and corporatization of the utility under which separate transmission and distribution corporations shall be set up. These corporations, once set up, shall file their ARR with the Hon'ble Commission separately for transmission and distribution.
- 3.76 It has been further submitted that granting of distribution license to select areas can be considered under franchisee concept after enactment of J&K Electricity Act 2010, which already stands drafted and furnished with the State Government.

### **Commission's Observation**

- 3.77 The Commission is in agreement with the submissions made by the Objectors. Due to the existing set-up of JKPDD, where it is a department of the Government of J&K, it is not dependent on ARR & Tariff approvals by the Commission for meeting its financial obligations. Expenses which are even disallowed by the Commission are being provided for through the Governments budgetary allocations to the Department. In such case there is no incentive 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.
- 3.78 The Commission is of the opinion that the State Government should corporatize JKPDD under two separate entities for undertaking transmission and distribution activities in the State, as already done for the JKSPDC. The transmission and distribution utilities should function as a separate financial and legal entity. 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.

### **Status of T&D network and power quality**

- 3.79 Several Objectors have pointed out that the status of the T&D network in the State is extremely poor and is not being maintained properly by JKPDD. The T&D Network in the State is in a dilapidated condition and leads to frequent tripping and poor power quality.
- 3.80 The transformer failure rate in the State is at 35% which is very high in comparison to that in the better performing states.
- 3.81 Several industries pointed out that due to frequent tripping and interruptions in the distribution network, their manufacturing process is getting adversely affected and it leads to financial losses to such industries on many occasions. Such unnecessary burdening of the manufacturing cost makes the industries uncompetitive in comparison to their competitors located in other states.

### **Petitioner's Response**

- 3.82 The Petitioner has submitted that it is making all efforts to maintain variations in voltage within the standard limits. However, it is difficult to maintain the same at all times due to huge gap in supply and demand and also due to the fact that J&K state in

general and Kashmir Valley in particular is at the tail-end of the Northern Grid. Also, the generation from hydro-electric stations falls drastically during winters which effects voltage profile considerably.

- 3.83 The Petitioner has further submitted that as a policy it is providing round the clock power supply to metered feeders. However, this is subject to system constraints like faults and system interruptions etc.
- 3.84 The Petitioner argued that the actual load being used by the consumers is very much on the higher side in comparison to the sanctioned/ contracted load of the consumers. In such case, it is not able to assess the real load connected to the distribution transformers which are getting overloaded due to the excess connected load.
- 3.85 The Petitioner has also submitted that the improvement works on transmission and distribution systems are limited by the availability of funds. However, JKPDD has initiated the process of system improvements and loss reductions under the centrally sponsored R-APDRP Scheme. The Scheme is planned to be implemented in 30 towns in the State.

#### **Commission's Observation**

- 3.86 JKPDD under Chapter VIII on "Quality of Supply" of the Jammu & Kashmir State Electricity Regulatory Commission (Distribution Performance Standards) Regulations, 2006 is bound to adhere to the supply quality standards prescribed by the Commission.
- 3.87 The distribution transformer failure rate projected by JKPDD at 35% is indicative of the poor maintenance of the T&D network. JKPDD should undertake load inspection drives on the overloaded transformers and penalize consumers for any unauthorized loads. The capacities of the transformers thereafter need to be augmented as per the connected load.
- 3.88 The schemes undertaken under the R-APDRP Scheme of the Central Government is an excellent opportunity for JKPDD for improving upon its distribution network and reducing the T&D losses. The Commission has already gone through JKPDD's scheme for 30 towns proposed under the R-APDRP Scheme. The Commission shall monitor the progress on the Scheme on a quarterly basis.

#### **Compliance to directives issued by the Commission**

- 3.89 Several Objectors raised the issue of non-compliance by JKPDD to the directives issued by the Commission in its previous tariff orders. There were several issues relating to metering, T&D infrastructure, and revenue & billing processes etc. on which detailed directives were given to JKPDD by the Commission in its first retail tariff order issued for the State. However, no significant progress has been made by JKPDD on any of the directives given by the Commission.
- 3.90 The Objectors have also raised the issue that the SERC Act provides that the non-compliance of the directives is punishable with imprisonment of up to three years and

fine as specified under Section 27 and 28 of the SERC Act.

### **Petitioner's Response**

- 3.91 As per the directives of the Hon'ble Commission, JKPDD has initiated the process of conducting regular energy audits. As a first, energy auditing of the connections with load of 25 kW has been initiated. A copy of the Auditors report has been furnished to the Hon'ble Commission. The division-wise energy accounts are also being furnished to the Hon'ble Commission which is based on 11 kV feeder energy accounts prepared by Junior Engineers who have been designated as feeder managers.
- 3.92 The progress reports on various directives given are in the process of being furnished to the Commission. Drive for consumer metering has not been put on halt. The defective meters are being replaced; however the installation of new meters got affected due to non-availability of service line cable because of a vigilance case on the quality of the cable.
- 3.93 A comprehensive turnaround plan of the T&D sector has been submitted to the Hon'ble Commission which includes the metering plan as well. Besides, the department has a program to implement R-APDRP schemes in the State in 30 towns each with a population of 10,000 and above. Under the Scheme, these areas will be ring-fenced by installing boundary meters which will measure the power input and output of the area. This way the department will be in a position to assess realistic area-wise losses and fix the responsibility for high losses.

### **Commission's Observation**

- 3.94 The Commission is of the view that the Petitioner has completely failed to discharge its duties in complying with the directives given by the Commission in its previous tariff orders.
- 3.95 Though, there are certain initiatives which are being undertaken under the R-APDRP, the results of the same are yet to be seen and if JKPDD continues to function in the manner it has since FY 2006-07, the projected results may not be achieved. The Commission has decided to monitor the R-APDRP Scheme undertaken by JKPDD on a quarterly basis.
- 3.96 The Commission is of the view that under the present set-up where JKPDD is not a separate financial and legal entity and is functioning as a Department under the Government of J&K, it is not dependent on the ARR & Tariff approvals by the Commission for meeting its financial obligations. Therefore, there is no incentive for JKPDD to comply with the directives and to improve its efficiencies.
- 3.97 The Commission has revised the dates for the directives issued earlier in the relevant chapter in this Order.

### **High level of electricity duty in the State**

- 3.98 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.

- 3.99 The rate of electricity duty at 22% of energy charges was fixed when the energy charges in the State were as low as 18 paise/ unit and have remained at the same level since then. With the increase in energy charges over a period of time the impact of the electricity duty has begun to burden the consumers. One of the industrial associations has pointed out that the rate of electricity duty in the neighbouring state of Himachal Pradesh is at 0.33 paisa per unit of electricity.
- 3.100 Several consumers from the industrial and other categories have prayed that the Commission can advise on revising the electricity duty rates in line with that existent in other states.

#### **Petitioner's Response**

- 3.101 The Petitioner has mentioned that the electricity duty is not under the purview of the Commission and may be taken up separately with the State Government.

#### **Commission's Observation**

- 3.102 The Commission agrees with the Petitioners argument that electricity duty is not under the purview of the Commission and maybe taken up separately by consumers with the State Government.
- 3.103 The Commission is of the opinion that the State Government may conduct a comparative study on the electricity duty rates applicable in various states of the country, especially the neighbouring states for correct appreciation of the State's electricity duty.

#### **Deemed Licensee Status and Applicability of tariff to Defence Establishments**

- 3.104 It has been submitted that MES is an approved Govt. qualified deemed licensee, under third provisions of Section 14 of the Electricity Act, 2003. It has been pleaded that the MES should be placed as a licensee or a separate category and not along with other consumer categories. The following issues have been pointed out:
- (a) The MES has created its own T&D infrastructure unlike other consumer categories for distributing power to the domestic units. This is leading to discrimination in the application of tariff in comparison with tariff applicable to domestic units in other areas.
  - (b) MES is supplying electricity to Defence establishments and is not performing any commercial activity. The purpose of usage is mainly domestic/ residential for the accommodation provided to troops and families.
  - (c) The MES is drawing power from HV connections and is not responsible for



any T&D losses being incurred by JKPDD. Therefore; it should not be made to pay for the same.

- 3.105 It has also been submitted that since the matter is already adjudicated in the Hon'ble High Court of Jammu any hike in tariff may not be effected for FY 2008-09 and subsequent years.

#### **Petitioner's Response**

- 3.106 The Petitioner has submitted that the MES cannot be treated as a deemed licensee because the Electricity Act, 2003 is not applicable in the State of Jammu & Kashmir.

#### **Commission's Observations**

- 3.107 The Electricity Act, 2003 is not applicable to the State of Jammu & Kashmir, thus the concessions allowed to it under the same Act are not applicable in the State. In addition, providing a deemed licensee status would mandate MES to perform all functions of a distribution licensee, including power purchase, scheduling and submission of ARR and Tariff petitions to the Commission for approval of tariffs. However, the Commission has powers to grant distribution license on receipt of application from suitable/ appropriate applications. The MES may consider filing a petition for grant of distribution license to the Commission for consideration.
- 3.108 The Commission has fixed the tariff for MES as the same for all other Central/ State Government establishments. The power being purchased by the MES is being used for various purposes within its premises. If the network for domestic/ residential units is segregated by the MES, the same can be provided single point connections under the Domestic Category with billing on Group Housing Society basis as detailed in the tariff schedule.

#### **Other issues**

- 3.109 During the public hearings it was suggested that initiatives such as introduction of pre-paid metering on a pilot basis can be helpful in improving the operational efficiency of JKPDD.
- 3.110 The cost of serving small customers in meter reading and billing related activities for domestic and commercial establishments is very high due to the large numbers of consumers in these categories and technological interventions such as pre-paid metering can be helpful in optimizing JKPDD's cost in serving such consumers.

#### **Petitioner's Response**

- 3.111 The Petitioner responded to the issue during the public hearing by mentioning that it was open to the idea of introducing such new interventions for improving its billing and collection efficiency.

**Commission's Observation**

- 3.112 The Commission is of the opinion that such new interventions which have been successfully implemented in other states/ countries can be helpful in efficiency improvements in the power distribution activity in the State. The Petitioner should continuously visit/ interact with other distribution utilities in the country for identifying such interventions and the associated benefits realized.
- 3.113 Pilot projects for measuring cost benefits and operational issues with such new interventions should be undertaken prior to any large scale introduction.

## 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. The Commission in its Order had also introduced its tariff philosophy and revised tariff categories, structure and rates.
- 4.2 Subsequently, Commission approved the ARR & Tariff Order for FY 2008-09 based on the petition submitted by JKPDD. 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 changes in the tariff structure without changing the rates.
- 4.3 The Commission had expected that JKPDD would gradually move towards financial viability due to improvements in the performance and additional resource generation based on tariff structural and rate changes allowed by the Commission. 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.
- 4.4 The Commission, therefore, wishes and attempts to change its existing approach to tariff setting which is outlined in subsequent sections. .

### Revenue deficit

- 4.5 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.1576.76 Cr. Similarly, for FY 2008-09 the revenue gap was Rs. 1,517.06 Cr against approved value of Rs. 1,421.39 Cr.
- 4.6 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 us a snapshot of the financial condition of JKPDD over last 3 years.

**Table 19: Snapshot of JKPDD Proposed ARR over the years**

Particular	FY 2007-08	FY 2008-09	FY 2009-10 (RE)	FY 2010-11 (P)
<b>A. Revenue</b>				
Rev. Demand (At existing tariff)	1,068.16	829.63	897.30	1,001.91
Rev. Realized*	591.98	628.10	795.12	921.75
<b>B. Expenditure</b>				
Power Purchase Cost	1,799.02	1,783.68	2,563.99	2,453.68

Particular	FY 2007-08	FY 2008-09	FY 2009-10 (RE)	FY 2010-11 (P)
O&M Cost	43.51	43.34	46.49	48.00
Establishment Expenses (including Employee and A&G Expenses)	238.41	237.58	331.32	385.32
Depreciation	70.23	68.94	80.20	88.45
Interest & Finance Charges	19.45	14.37	15.30	14.14
ROR	0	0	0	0
<b>Gross ARR</b>	<b>2,170.6</b>	<b>2,147.91</b>	<b>3,037.29</b>	<b>2,989.59</b>
Less non-tariff income	1.95	2.75	2.75	3.50
Net ARR	2,168.65	2,145.16	3034.54	2,986.09
<b>Unmet Revenue Gap</b>	<b>1,576.67</b>	<b>1,517.06</b>	<b>2,239.42</b>	<b>2,064.33</b>

### 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. The levels were not achieved by JKPDD. On the contrary, based on certain clarifications sought by the Commission, JKPDD lowered the sales quantum from 4351.42 MU to 3331.64 MU leading to a restatement of the T&D base loss level from 49.83% to 61.90%.
- 4.8 JKPDD submitted that they have cleaned up the process of estimation of sales quantum and deficiencies in the process were identified and addressed. Thus, the T&D loss for FY 2007-08 finally stood at 61.90% in comparison to 46.7% approved by the Commission for the year.
- 4.9 The T&D loss levels projected by JKPDD from FY 2006-07 to FY 2010-11 is shown in the table provided below including the earlier assessment method and revised assessment method:

**Table 20: Loss estimation from FY 2006-07 till FY 2010-11 (Proposed)**

Particulars	Units	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10 (RE)	FY 2010-11 (P)
		Previous Assessment	Assessed as per revised methodology			
Sales	MU	4030.85	3331.64	3,538.70	3,775.42	4,286.09
Percentage of T&D Loss	%	51.00%	61.90%	61.31%	65.78%	57.48%
T&D Loss	MU	4205.68	5412.32	5608.52	7,257.53	5,795.08
Total Energy Input Required	MU	8236.53	8743.96	9147.22	11,032.95	10,081.17

- 4.10 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. Inconsistency in the 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

- 4.11 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.
- 4.12 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.
- 4.13 The performance of JKPDD on this measure of RREI from FY 2006-07 to FY 2009-10 is detailed in the table below.

**Table 21: Revenue realisation per unit of energy input (Proposed)**

Station	FY 2006-07 (Actual)	FY 2007-08 (Actual)	FY 2008-09 (Actual)	FY 2009-10 (RE)
Energy Input (MU)	8,225	8,656	9147	11,033
Revenue realisation (Rs. Cr.)	393	779	628	795
<b>Revenue realization per unit of Energy Input (RREI) (Rs./ Unit)</b>	<b>0.48</b>	<b>0.90</b>	<b>0.69</b>	<b>0.72</b>

- 4.14 RREI had improved in the FY 2007-08 due to the tariff hike approved by the Commission but has deteriorated in the subsequent years. The reason for the same can be attributed 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.
- 4.15 Average Cost of Supply at Zero Loss (ACOS<sub>ZL</sub>): The Commission has calculated the ACOS<sub>ZL</sub> by dividing the overall ARR of the utility by the quantum (units) of power purchased for any financial year.
- 4.16 Average Cost of Supply at Prudent Loss (ACOS<sub>PL</sub>): The Commission has calculated the COS<sub>PL</sub> by dividing the overall ARR of the utility by the quantum (units) of energy billed corresponding to the prudent level of T&D losses.
- 4.17 Prudent level of T&D losses: The Commission has considered the national average of T&D losses which are around 30% as the prudent level of T&D losses.

### Financial viability in FY 2009-10

- 4.18 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 regrettably noted that now the T&D losses in the State of Jammu & Kashmir is amongst the highest in the country.

- 4.19 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 assessed/ approved at over 63.60% 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 2009-10 is assessed at 89%;
    - (iii) The AT&C losses considering the above is assessed at 67.60% which is amongst the highest in the country;
  - (b) Gradual tariff rate changes without burdening the consumer with utility inefficiencies and avoiding tariffs 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 2009-10 works out to Rs. 2.42/ kWh which is less than 30% of the average cost of supply at actual losses (ACOS<sub>AL</sub>) assessed at Rs. 8.04/ 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.
- 4.20 Based on the philosophy explained above, the approach to tariff rate increases has been segregated across two phases:
- (a) In FY 2009-10 (RE), 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. 2.50/ kWh and the distribution cost per unit of energy input is Rs. 0.40/ kWh. So the average cost of supply at zero losses (ACOS<sub>ZL</sub>) considering existing level of prudent distribution costs and zero T&D losses is Rs. 2.90/ kWh. The ACOS<sub>ZL</sub> is 20% higher than the existing average tariff of Rs. 2.42/ kWh in the state.
  - (b) T&D losses being an inherent part of distribution business, in the existing scenario a loss level of 30% (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 2009-10, the average cost of supply at prudent loss (ACOS<sub>PL</sub>) taken at national average is Rs. 4.15/ kWh.

- (c) Commission is of the opinion that fixation of retail tariffs considering the ACOS<sub>PL</sub> at 30% T&D loss levels at Rs. 4.15/ 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

4.21 In view of the results obtained from the previous ARR & Tariff Orders approved by the Commission and the operational and financial status of JKPDD, the Commission shall adopt the following strategy for attaining the financial viability of the power distribution business in the State:

- (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 ACOS<sub>ZL</sub>. Any increase in the ACOS<sub>ZL</sub> 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<sub>ZL</sub> levels to reach the ACOS<sub>PL</sub> 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<sub>PL</sub>. Any benefits arising from the true ups will be adjusted in revising the tariff rates from ACOS<sub>ZL</sub> to ACOS<sub>PL</sub>.

## A5: REVIEW OF SALES PROJECTIONS & T&D LOSSES

- 5.1 The Commission in its first Tariff Order for FY 2007-08 had approved a T&D loss level of 46.7% considering 4% reduction as per the Abraham Committee report. However, during the processing of the ARR & Tariff proposal for FY 2008-09, while replying to the queries raised by the Commission the sales (in Units) for FY 2007-08 was revised from 4351.42 MUs to 3331.64 MUs leading to a restatement of the T&D loss level from 49.83% to 61.90%.
- 5.2 The Commission, therefore, in the absence of reliable and consistent data was not in a position to approve the sales and the T&D loss levels for FY 2008-09. For estimating the revenues the Commission had considered realization per unit input since it is calculated on the basis of energy input and revenue realization figures which are being captured in reliable data sources.
- 5.3 However, on enquiry from the Commission, JKPDD has submitted that it had found several short comings in the process in which it was assessing the sales information previously. The same has been corrected and the sales information realistically reflects the actual sales of power in units.
- 5.4 The sales information submitted by JKPDD in the present petition is consistent over the period considered. However, the Commission in view of the issues with the consistency and reliability of sales information identified in the previous petition has decided to corroborate the resultant T&D losses and its trend with the realization per unit input of power.

## Sales projections

### Petitioners Submission

- 5.5 The Petitioner has submitted that the total number of consumers in JKPDD system was 12,27,435 and the total connected load was 1357.11 MW in FY 2008-09. In FY 2009-10 the number of consumers and connected load are estimated to be 12,70,432 and 1,435.38 MW, respectively. In FY 2010-11, number of consumers and connected load are projected to increase by 5% across all categories of consumers.

**Table 22: Projected Number of Consumers and Connected Load**

Consumer Categories	No. of Consumers			Connected Load (MW)		
	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (P)	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (P)
Domestic	1,034,664	1,070,877	1,124,421	509.24	539.79	566.78
Non-Domestic/ Commercial	149,175	154,429	162,150	129.55	137.32	144.19
Agriculture	13,351	13,818	14,509	106.28	112.66	118.29
State/ Central Govt. Dept.	8,929	9,191	9,651	117.20	124.23	130.44
Public Street	317	328	344	4.52	4.59	4.82



Consumer Categories	No. of Consumers			Connected Load (MW)		
	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (P)	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (P)
Lighting						
LT Industrial	18,375	19,018	19,969	200.12	212.13	222.73
HT Industrial	958	992	1,042	164.13	173.98	182.68
HT-PIU Industrial Supply	15	16	17	24.85	26.34	27.65
LT Public Water Works	1,315	1,361	1,429	47.16	47.04	49.39
HT Public Water Works	163	169	177	20.41	21.63	22.71
General Purpose/ Bulk Supply	173	233	245	33.66	35.68	37.46
<b>Total</b>	<b>1,227,435</b>	<b>1,270,432</b>	<b>1,333,954</b>	<b>1,357.11</b>	<b>1,435.38</b>	<b>1,507.15</b>

- 5.6 The sales have been estimated for the new consumer categories as determined by the Commission in its Tariff Order for FY 2007-08.
- 5.7 The Petitioner has submitted that the sales have been estimated as per the new consumer categories as determined by the Commission in its Tariff Order for FY 2007-08. As past categories have been merged or divided into new categories, an analysis of past trends in sales will not give a correct picture. Keeping in view the prospect of reasonable growth in all sectors of the economy in the state, the sales for FY 2009-10 have been projected at 3775.42 MU on the basis of actual sales recorded as end of September 2009.
- 5.8 Keeping in view the prospect of reasonable growth in all sectors of the economy in the state, the sales for FY 2010-11 have been projected to increase by 13.5% for each category over the sales for FY 2009-10. The total sales for FY 2010-11 are projected to be 4286.09 MU. The sales for FY 2009-10 and FY 2010-11 have been summarized below.

**Table 23: Projected Sales for FY 2009-10 and FY 2010-11**

New Categories	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (P)
Domestic	1,400.97	1,429.57	1,622.94
Non-Domestic/Commercial	286.81	294.93	334.82
Agriculture	204.88	218.50	248.05
State/Central Government Department	450.14	510.20	579.21
Public Street Lighting	11.02	17.33	19.68
LT Industrial Supply	245.16	283.76	322.14
HT Industrial Supply	383.24	404.38	459.08
HT-PIU Industrial Supply	59.81	62.80	71.29
LT Public Water Works	313.47	323.78	367.58

New Categories	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (P)
HT Public Water Works	100.49	115.00	130.55
General Purpose/Bulk Supply	82.71	115.17	130.75
<b>Grand Total</b>	<b>3,538.70</b>	<b>3,775.42</b>	<b>4286.09</b>

### Commissions Analysis

- 5.9 On detailed review of the sales and revenue billed information submitted by the Petitioner, the Commission has concluded that the same are 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 are based on estimations made by the Petitioner. The Petitioner is directed to put in place systems and processes for aggregating consumer category wise energy sales (in units), revenue billed and revenue realized information.
- 5.10 The Petitioner has not substantiated its sales projections with appropriate data analysis. The projections for number of consumers, connected load and sales have merely been done by using y-o-y growth rates across consumer categories, as may be seen from the table below:

**Table 24: Y-o-Y Growth in Consumers, Connected Load and Sales**

Consumer Categories	YoY Growth in FY 2009-10			YoY Growth projected for FY 2010-11		
	No. of consumers	Connected Load (kW)	Sales in MUs	No. of consumers	Connected Load (kW)	Sales in MUs
Domestic	3.5%	6.0%	2.0%	5.0%	5.0%	13.5%
Non-Domestic/ Commercial	3.5%	6.0%	2.8%	5.0%	5.0%	13.5%
Agriculture	3.5%	6.0%	6.6%	5.0%	5.0%	13.5%
State/Central Govt. Dept.	2.9%	6.0%	13.3%	5.0%	5.0%	13.5%
Public Street Lighting	3.5%	1.5%	57.3%	4.9%	5.0%	13.6%
LT Industrial Supply	3.5%	6.0%	15.7%	5.0%	5.0%	13.5%
HT Industrial Supply	3.5%	6.0%	5.5%	5.0%	5.0%	13.5%
HT-PIU Industrial Supply	6.7%	6.0%	5.0%	6.3%	5.0%	13.5%
LT Public Water Works	3.5%	-0.3%	3.3%	5.0%	5.0%	13.5%
HT Public Water Works	3.7%	6.0%	14.4%	4.7%	5.0%	13.5%
General Purpose/ Bulk Supply	34.7%	6.0%	39.2%	5.2%	5.0%	13.5%
<b>Total</b>	<b>3.5%</b>	<b>5.8%</b>	<b>6.7%</b>	<b>5.0%</b>	<b>5.0%</b>	<b>13.5%</b>

- 5.11 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. The Commission is of the view that it shall identify shortcomings in the projected sales data in the Petition for improving upon the quality of submissions made by the Petitioner.

5.12 In view of the same, the Commission has analysed the methodology adopted by the Petitioner 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 the Petitioner reveals that there is no consistency in the manner in which the Petitioner 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 the Petitioner in the prescribed formats is shown in the table below:

**Table 25: Average Tariffs of Consumer Categories**

Consumer Category	Load Factor			Average Tariff		
	FY 2008-09	FY 2009-10	FY 2010-11	FY 2008-09	FY 2009-10	FY 2010-11
Domestic	31%	30%	33%	1.42	1.42	1.37
Metered	22%	21%	23%	1.42	1.42	1.42
Un-metered	50%	51%	56%	1.42	1.42	1.32
Non-Domestic/ Commercial	25%	25%	27%	1.65	1.66	1.61
Metered	11%	11%	13%	2.40	2.40	2.34
Un-metered	82%	84%	91%	1.24	1.22	1.12
Agriculture	22%	22%	24%	1.51	1.50	1.44
Metered	26%	25%	27%	1.27	1.27	1.29
Un-metered	20%	20%	21%	1.73	1.73	1.62
Public Street Lighting	28%	43%	47%	3.96	3.34	3.22
Metered	38%	74%	75%	3.30	3.30	3.30
Un-metered	24%	31%	33%	4.35	3.38	3.13
LT Industrial Supply	14%	15%	17%	1.98	1.97	1.98
Metered	13%	14%	15%	2.18	2.14	2.11
Un-metered	99%	99%	87%	0.42	0.42	0.47
LT Public Water Works	76%	79%	85%	3.29	3.26	3.22
Metered	128%	132%	137%	3.30	3.30	3.30
Un-metered	28%	30%	32%	3.26	3.12	2.89
<b>All Categories</b>	<b>30%</b>	<b>30%</b>	<b>32%</b>	<b>2.34</b>	<b>2.38</b>	<b>2.34</b>

5.13 For the metered consumers, the abnormal levels of load factor in certain categories maybe due to the lower sanctioned loads in comparison to the actual connected loads. However, even in such case, it is the duty of the Petitioner to identify consumers who have installed load in excess of the sanctioned load and get the same regularized. Especially, in the case of Public Street Lighting and LT Public Water Works categories the sanctioned load seem to be significantly lower than the actual loads connected which is resulting in such high load factors.

- 5.14 As maybe seen from the table above, the load factor for the metered and the un-metered consumers within the same categories varies significantly. The billing for the flat rate/ un-metered connections is prescribed on the basis of the connected loads of the consumers. Therefore, the Commission is not clear how the Petitioner has assessed the sales in units for the Un-metered consumers in each category which is resulting in such high load factors and/ or lower average tariffs in comparison to the metered consumers under the same category. The same may lead to distortions in both sales in units as well as the average tariff.
- 5.15 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. Accordingly, the Commission has reworked the sales estimations for the period under consideration as shown in the following table:

**Table 26: Approved Sales for FY 2010-11**

New Categories	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 At Existing Tariff	FY 2010-11 (Approved)
Domestic	1,410	1,440	1,571	1,615
Non-Domestic/ Commercial	199	205	232	235
State/Central Govt. Dept.	450	510	579	579
Agriculture	245	259	278	291
Public Street Lighting	13	18	19	20
LT Public Water Works	313	320	359	372
HT Public Water Works	100	115	131	131
LT Industrial Supply	222	261	303	320
HT Industrial Supply	383	404	459	459
HT-PIU Industrial Supply	60	63	71	71
General Purpose/ Bulk Supply	83	115	131	131
<b>Grand Total</b>	<b>3,479</b>	<b>3,711</b>	<b>4,133</b>	<b>4,223</b>

- 5.16 It may be noted that due to backward working of the units sold to the un-metered consumers under each category based on the amount billed on the basis of the connected loads and average tariffs for the metered consumers under the same category, the overall sales in units shall 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

- 5.17 The Petitioner has submitted that the actual T&D losses for FY 2007-08 and FY 2008-09 were 61.90% and 61.31% respectively while for FY 2009-10 the T&D losses are estimated to be 65.78%. In FY 2010-11, T&D losses are projected to decline approximately by 6.80% and come down to 58.98%.

- 5.18 The sales for FY 2009-10 have been projected at 3,775.41 MU and T&D Losses are expected to be around 65.78%. The total input energy requirement for FY 2009-10 will be 11,032.95 MU.
- 5.19 The sales for FY 2010-11 have been projected at 4,286.09 MU and T&D Losses are expected to be around 57.48%. The total input energy requirement for FY 2010-11 will be 10,081.17 MU. Energy balance for FY 2008-09, FY 2009-10 and FY 2010-11 has been summarized below.

**Table 27: Projected Energy Balance and T&D Losses**

Particulars	Units	FY 2007-08 (A)	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (P)
Sales	MU	3331.64	3,538.70	3,775.42	4,286.09
Percentage of T&D Loss	%	61.90%	61.31%	65.78%	57.48%
T&D Loss	MU	5412.32	5608.52	7,257.53	5,795.08
Total Energy Input Required	MU	8743.96	9147.22	11,032.95	10,081.17

### Commissions Analysis

- 5.20 The Commission based on its analysis of the power purchase and energy sales as detailed in this order in corresponding sections/ chapters has assessed the T&D loss and energy balance as shown in the table below:

**Table 28: Approved Energy Balance and T&D Losses**

Particulars	Units	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 At Existing Tariff	FY 2010-11 (Approved)
Sales	MU	3,467.43	3,710.50	4,133.40	4,222.77
Percentage of T&D Loss	%	62.09%	63.60%	58.98%	57.79%
T&D Loss	MU	5,679.79	6,483.85	5,947.77	5,781.86
Total Energy Input Required	MU	9,147.22	10,194.35	10,081.17	10,004.63

- 5.21 In accordance with the sales projections, the T&D loss levels may also vary with the tariff levels being approved by the Commission due to the impact of assessment of unit sales for the un-metered consumers.
- 5.22 Therefore, the Commission has approved the T&D losses at 57.79% for FY 2010-11, which corresponds to a loss reduction of 5.81% with respect to the approved losses for the previous year.

**A6: REVIEW OF POWER PURCHASE**

- 6.1 Power purchase expense is the single largest component in the ARR. Hence, it is imperative that this element of cost is estimated with utmost care based on the most efficient way of procuring power from the generating stations through long term/ short term arrangements or through bilateral purchase agreements.
- 6.2 The Commission has exercised due caution in estimating power purchase cost of the Petitioner. The Commission has made reasonable assumption for PLF, auxiliary consumption and transmission losses to arrive at the quantum of energy available for the Petitioner.
- 6.3 The Petitioner had submitted the actual details of the power purchase expenses incurred as of end of September 2009 and projected for the remaining period of FY 2009-10 in its tariff petition filed in November 2009 for determination of tariff for FY 2009-10. Subsequently, the power purchase expenses were revised and re-estimated for FY 2009-10, when the tariff petition for FY 2010-11 was filed in January 2010.
- 6.4 The Commission has considered the information on power purchase as submitted by the Petitioner in its tariff petition for FY 2010-11 as it contains updated and revised figures for FY 2009-10.
- 6.5 The Petitioner in its initial and the revised tariff petition for FY 2010-11 has failed to provide month-wise and station-wise power purchase data. The Petitioner also did not provide the details of the actual power purchased in FY 2008-09 against the figures approved by the Commission in its tariff order for FY 2008-09. Nor did they submit the long term and short term power procurement plan.
- 6.6 The Commission through its letter no. 638-39 dated March 17, 2010 directed the Petitioner to submit the details of the power purchase expenses incurred during FY 2008-09 and FY 2009-10.

**Sources of Power**

- 6.7 Following power generating stations have been considered for the purpose of estimation of power availability for FY 2010-11.
- (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
  - (d) Free power from CGS
  - (e) Purchase through bilateral short term arrangements.

## (f) Banking arrangements

**Own Generation of JKPDD**

- 6.8 The Petitioner 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. The total generation for FY 2009-10 and FY 2010-11 has been estimated by the Petitioner based on the average generation of these stations achieved during the last three years.
- 6.9 The Petitioner has project a generation of 6.21 MU from the Stakna Hydel Station and 11.77 MU from the diesel stations and has considered auxiliary consumption of 1% to project a net generation of 17.81 MU for FY 2009-10 and FY 2010-11. The Petitioner projects to generate same amount of energy for FY 2009-10 and FY 2010-11.
- 6.10 The Commission has considered the power generation from Stakna Hydel Station and diesel generating stations as submitted by the Petitioner for FY 2009-10 and FY 2010-11. The actual generation from own power stations for FY 2007-08 , FY 2008-09 and the estimated and approved generation for FY 2009-10 and FY 2010-11 respectively are given below:

**Table 29: Generation from Stations owned by JKPDD (MU)**

Particulars	FY 2007-08 (A)	FY 2008-09 (A)	FY 2009-10 (Revised Projection)	FY 2010-11 (Estimated)	FY 2009-10 (Approved)	FY 2010-11 (Approved)
Generation from Diesel Units	13.37	9.513	12.00	12.00	12.00	11.63
Generation from Stakna Hydel Station	6.71	5.590	6.00	6.00	6.00	6.10
Total Self Generation by JKPDD	20.09	15.103	18.00	18.0	18.00	17.73
Less: Auxiliary Consumption @ 1%	0.20	0.151	0.18	0.18	0.18	0.18
<b>Net Generation</b>	<b>19.88</b>	<b>14.952</b>	<b>17.82</b>	<b>17.82</b>	<b>17.82</b>	<b>17.55</b>

**JKSPDC Stations**

- 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, 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 estimated by the Petitioner to be available for FY 2009-10 and FY 2010-11 is 1400 MU. The same has been approved by the Commission.
- 6.13 The Petitioner 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. 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 the Petitioner.

- 6.14 The total proposed power purchase from JKSPDC for FY 2009-10 is estimated at 2355.11 MU and for FY 2010-11 at 2345.86 MU. The actual power purchased from JKSPDC for FY 2006-07, FY 2007-08, FY 2008-09 along with the estimate for FY 2009-10 and the approved for FY 2010-11 are given below:

**Table 30: Power Purchase from JKSPDC (MU)**

Station	FY 2007-08 (A)	FY 2008-09 (A)	FY 2009-10 (Revised Projection)	FY 2010-11 (Estimated)	FY 2009-10 (Approved)	FY 2010-11 (Approved)
<b>Thermal</b>						
GT-I	0.00	0.00	0.00	0.00	0.00	0.00
GT-II	0.00	0.28	9.09	0.34	0.00	0.34
<b>Sub Total (1)</b>	<b>0.00</b>	<b>0.28</b>	<b>9.06</b>	<b>0.34</b>	<b>9.06</b>	<b>0.34</b>
<b>Hydel</b>						
LJHP	418.14	525.86	482.73	475.58	482.73	475.57
USHP-I	89.29	84.84	90.72	88.28	90.72	88.29
USHP-II	318.70	248.51	291.61	286.27	291.61	286.27
Ganderbal	22.18	22.04	24.20	22.81	24.20	22.81
Chenani-I	0.00	59.89	19.96	26.62	19.96	26.62
Chenani-II	0.00	0.00	0.00	0.00	0.00	0.00
Chenani-III	6.47	10.96	9.43	8.95	9.43	8.95
Sewa-III	10.03	7.69	9.38	9.03	9.38	9.03
Karnah	1.41	2.85	1.42	1.89	1.42	1.89
Sumoor	0.00	0.00	0.00	0.00	0.00	0.00
Bazgo	1.07	1.13	1.10	1.10	1.10	1.10
Hunder	0.00	0.00	0.00	0.00	0.00	0.00
Iqbal Bridge	8.09	8.04	7.94	8.02	7.94	8.02
Sanjak	0.00	0.00	0.00	0.00	0.00	0.00
Badherwah	0.57	0.00	0.58	0.38	0.58	0.38
Pahalgam	7.14	6.46	6.60	6.73	6.60	6.74
Haftal	0.00	0.00	0.00	0.00	0.00	0.00
Marpachoo	0.00	0.00	0.24	0.08	0.24	0.08
Igo-Mercellong	10.16	10.08	9.11	9.78	9.11	9.78
Matchil	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub Total (2)</b>	<b>893.24</b>	<b>988.35</b>	<b>955.02</b>	<b>945.52</b>	<b>955.02</b>	<b>945.54</b>
<b>Total (1)+(2)</b>	<b>893.24</b>	<b>988.63</b>	<b>964.08</b>	<b>945.86</b>	<b>964.08</b>	<b>945.88</b>
<b>Baglihar</b>	0.00	666.13	1400.00	1400.00	1400.00	1400.00
less construction	-33.98	-11.26	0.00-	0.00-	0.00	0.00-



Station	FY 2007-08 (A)	FY 2008-09 (A)	FY 2009-10 (Revised Projection)	FY 2010-11 (Estimated)	FY 2009-10 (Approved)	FY 2010-11 (Approved)
power for Bhaglihar						
<b>Net Generation*</b>	<b>859.26</b>	<b>1643.50</b>	<b>2364.08</b>	<b>2345.86</b>	<b>2364.08</b>	<b>2348.88</b>

### Allocation from Central Sector Generating Stations (CSGS)

- 6.15 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), Mejia Unit 6 of Damodar Valley Corporation (DVC) and Nuclear Power Corporation Limited (NPCIL).
- 6.16 In addition to the firm share allocation, most of these stations (except Bairasuil, Salal, Tanakpur, Chamera-I and Uri stations of NHPC) have 15% unallocated power. The distribution of this unallocated power among the constituents of Northern Region is decided from time to time, based on the power requirement and power shortage in different States.
- 6.17 The Petitioner in its petition has considered allocation of firm and unallocated power of CSGS. However, the unallocated share from CSGS for FY 2010-11 has been considered at 106 MW as considered for FY 2009-10 by the Petitioner.
- 6.18 The Commission has considered allocation of firm power of CSGS for FY 2010-11 as per the allocations effective from 01 March 2010 as specified in the notification no. No: NRPC / SE (O) / Allocations / 2009 - 10 dated 26 February 2010 of Northern Regional Power Committee.
- 6.19 The Petitioner's share in CSGS unallocated quota varies from time to time based on the allocation made to Jammu & Kashmir depending upon power requirement and power shortage in different States. Therefore, the Commission has considered the weighted average of the unallocated power that was allocated to J&K during FY 2009-10 sourced from Northern Regional Power Committee notification issued during FY 2009-10.
- 6.20 The unallocated share so arrived at has been used to project the power availability from CSGS.
- 6.21 Jammu and Kashmir's share of firm and non firm share in Central Sector Generating Stations is summarized in the following table

**Table 31: Firm and Non Firm Allocation from Central Sector Generating Stations (CSGS)**

Station	Capacity	J&K Share in CSGS					
		Firm	UA	Total	Firm	UA	Total
	MW	%	%	%	MW	MW	MW
<b>NTPC</b>							
Anta(G)	419	6.92%	1.56%	8.48%	28.99	6.53	35.53
Auraiya(G)	663	6.64%	1.08%	7.72%	44.02	7.15	51.17
Dadri(G)	830	6.75%	0.73%	7.48%	56.03	6.03	62.06
Unchahar-I	420	3.33%	0.49%	3.82%	13.99	2.08	16.06
Unchahar-II	420	7.14%	1.56%	8.70%	29.99	6.53	36.52
Unchahar-III	210	6.19%	1.53%	7.72%	13.00	3.21	16.21
Rihand-1 STPS	1000	7.00%	1.55%	8.55%	70.00	15.47	85.47
Rihand-2 STPS	1000	9.40%	1.55%	10.95%	94.00	15.55	109.55
Singrauli STPS	2000	0.00%	1.56%	1.56%	0.00	31.11	31.11
Farakka	1600	1.12%	0.42%	1.54%	17.92	6.70	24.62
Kahalgaon I	840	4.56%	1.70%	6.26%	38.30	14.31	52.62
Kahalgaon II	1000	5.73%	0.62%	6.35%	57.30	6.23	63.53
Talcher	1000	0.00%	0.50%	0.50%	0.00	4.99	4.99
<b>Total NTPC</b>	<b>11402</b>	<b>4.07%</b>	<b>1.10%</b>	<b>5.17%</b>	<b>463.54</b>	<b>125.88</b>	<b>589.42</b>
<b>Other</b>							
DVC Mejia U6	250	7.08%	0.00%	7.08%	17.70	0.00	17.70
NAPS	440	7.50%	1.51%	9.01%	33.00	6.64	39.64
RAPP U3 & U4	440	7.95%	0.00%	7.95%	34.98	0.00	34.98
RAPP U-5	220	0.00%	13.07%	13.07%	0.00	28.75	28.75
<b>Total Other</b>	<b>1350</b>	<b>6.35%</b>	<b>2.62%</b>	<b>8.97%</b>	<b>85.68</b>	<b>35.39</b>	<b>121.07</b>
<b>NHPC</b>							
Salal	690	22.39%	0.00%	22.39%	154.49	0.00	154.49
Salal (Free Power)		12.00%	0.00%	12.00%	82.80	0.00	82.80
Chamera I	540	3.90%	0.00%	3.90%	21.06	0.00	21.06
Chamera II	300	6.33%	1.87%	8.20%	18.99	5.60	24.59
Tanakpur	94	7.68%	0.00%	7.68%	7.22	0.00	7.22
Uri	480	21.96%	0.00%	21.96%	105.41	0.00	105.41
Uri (Free Power)		12.00%	0.00%	12.00%	57.60	0.00	57.60
Dhauliganga	280	6.07%	1.55%	7.62%	17.00	4.35	21.35
Dhulhasti	390	9.15%	1.56%	10.71%	35.69	6.07	41.75
Dhulhasti (Free Power)		12.00%	0.00%	12.00%	46.80	0.00	46.80
<b>Total Hydro</b>	<b>2774</b>	<b>19.72%</b>	<b>0.58%</b>	<b>20.30%</b>	<b>547.05</b>	<b>16.02</b>	<b>563.07</b>
<b>Other Hydro</b>							
SJVNL - Nathpa Jhakri	1500	7.00%	1.03%	8.03%	105.00	15.44	120.44

Station	Capacity MW	J&K Share in CSGS					
		Firm	UA	Total	Firm	UA	Total
		%	%	%	MW	MW	MW
THDC - Tehri St 1	1000	4.80%	1.03%	5.83%	48.00	10.27	58.27
Tala HEP	1020	1.77%	0.00%	1.77%	18.05	0.00	18.05
<b>Total Other Hydro</b>	<b>3520</b>	<b>4.86%</b>	<b>0.73%</b>	<b>5.59%</b>	<b>171.05</b>	<b>25.71</b>	<b>196.76</b>
<b>Total Central</b>	<b>19046</b>	<b>6.65%</b>	<b>1.07%</b>	<b>7.72%</b>	<b>1267.32</b>	<b>203.00</b>	<b>1470.32</b>

### Energy Availability from the Central Sector Generating Stations (CSGS)

#### Petitioner's Submission

- 6.22 The Petitioner has projected the energy availability from CSGS for FY 2010-11 based on the CEA gross generation target in case of hydel plants except for Tala HEP, generation for which has been assumed as 45% of the total generation capacity. The Petitioner has taken the free power from NHPC stations into receipts with zero cost.
- 6.23 For thermal stations the generation figures have been taken as communicated by NTPC. In case of nuclear stations the figures were not available so on the basis of past experience, generation target has been assumed as 55% of total generation capacity.
- 6.24 The total power purchase from NTPC plants is estimated at 3835.05 MU for FY 2010-11 by the Petitioner. An aggregate 2555.58 MU is projected to be received from NHPC which includes 898.97 MU of free power from Salal, Uri and Dulhasti stations (@12% from each station). Another 1326.86 MU is projected to be received from the NPCIL and Other Hydrel Stations. The total power purchase from the CPSUs for FY 2010-11 has been projected at 7717.49 MU.
- 6.25 The following table gives the details of energy available from CPSU and other sources for 2007-08 (A), 2008-09 (A), 2009-10 (RE) and 2010-11 (proposed) as projected by the Petitioner.

**Table 32: Proposed Power Purchase from CPSUs & Other Sources (in MU)**

Station	FY 2007-08 (A)	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (P)
<b>NTPC</b>				
Anta	229.89	182.15	217.44	160.012
Auraiya	299.77	250.86	301.14	303.105
Dadri	393.35	312.69	360.09	364.153
Unchahar-I	124.93	119.07	145.04	120.956
Unchahar-II	303.83	288.13	319.05	264.253
Unchahar-III	138.15	122.36	143.36	130.05
Rihand-I	701.33	664.31	792.73	660.081
Rihand-II	898.28	908.73	951.49	780.967
Singrauli	312.23	236.21	432.45	192.315

Station	FY 2007-08 (A)	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (P)
Farakka	231.88	773.23	167.31	859.156
Talcher	37.40		35.75	
Kahalgaon I	409.28		562.11	
Kahalgaon II				
Kawas	3.03		0.00	
<b>Total NTPC</b>	<b>4083.34</b>	<b>3857.74</b>	<b>4427.96</b>	<b>3835.05</b>
<b>NHPC</b>				
Salal	714.75	672.59	677.15	601.18
Salal Free Power	387.13	361.11	364.08	366.14
Tanakpur	29.03	28.03	29.72	30.26
Chamera-I	81.06	83.38	77.62	56.44
Chamera-II	118.95	109.94	109.30	149.71
Uri	557.69	659.69	667.33	494.01
Uri Free Power	309.08	360.56	364.79	306.76
Dulhasti	184.94	228.56	233.63	222.82
Dulhasti Free power	261.82	260.96	265.38	226.07
Dhauliganga	90.14	81.54	81.55	102.21
<b>Total NHPC</b>	<b>2734.59</b>	<b>2846.36</b>	<b>2870.55</b>	<b>2555.58</b>
<b>NPCIL</b>				
NAPS	46.87	52.63	94.85	243.15
RAPP U3 & U4	149.31	151.21	144.87	168.53
RAPP U5				0.00
<b>Total NPCIL</b>	<b>196.18</b>	<b>203.84</b>	<b>239.71</b>	<b>411.69</b>
<b>Other Hydro</b>				
SJVNL	515.03	518.83	547.42	634.00
THDC	155.81	181.77	150.19	210.00
Tala	56.83	67.57	59.61	71.17
<b>Total Other Hydro</b>	<b>727.68</b>	<b>768.17</b>	<b>757.22</b>	<b>915.17</b>
<b>Total CPSUs</b>	<b>7741.78</b>	<b>7676.10</b>	<b>8295.44</b>	<b>7717.49</b>
<b>UI</b>				
UI (+)	544.86	110.05	556.51	0.00
UI (-)	-511.74	-424.51	-305.02	0.00
<b>Total UI</b>	<b>33.12</b>	<b>-314.46</b>	<b>251.48</b>	<b>0.00</b>
<b>Short Term Trading</b>				
PTC/ NVVN	52.93	9.35	104.13	0.00
<b>Total Short Term Trading</b>	<b>52.93</b>	<b>9.35</b>	<b>104.13</b>	<b>0.00</b>
<b>Banking</b>				
Punjab	-31.80	-12.39	0.00	0.00
Haryana	1.96	2.54	0.00	0.00
NVVN	75.42	127.49	0.00	0.00

Station	FY 2007-08 (A)	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (P)
Chandigarh			0.00	0.00
Delhi			0.00	0.00
<b>Total Banking</b>	<b>45.58</b>	<b>117.63</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total</b>	<b>7873.41</b>	<b>7488.62</b>	<b>8651.05</b>	<b>7717.49</b>

### Commission's Observation

- 6.26 The energy availability data for FY 2009-10 has been considered based on the Final REA accounts till February 2010. Energy availability for the month of March 2010 has been considered as an average of the last 4 months i.e. from November 2009 to February 2010. The reason for considering last 4 months average is that during the winter season, J&K is allocated larger share from Center's unallocated share to meet the winter demand when generation from HEP is least. The increased allocation to J&K is available from November to March.
- 6.27 The energy availability for FY 2009-10 from CSGS as projected by the Petitioner and approved by the Commission is tabulated below.

**Table 33: Energy Availability (MU) from CSGS Stations for FY 2009-10**

Stations	Petitioner	Petitioner	Commission	Commission
	Actual till Feb 2010	Full Year	Actual REAs till Feb 2010	Full Year
<b>NTPC</b>				
Anta	156.00	217.44	147.87	165.20
Auraiya	289.12	301.14	284.33	313.78
Dadri	336.86	360.09	322.09	353.90
Unchahar-I	117.20	145.04	322.09	129.14
Unchahar-II	261.34	319.05	117.13	292.16
Unchahar-III	126.76	143.36	261.26	141.10
Rihand-1 STPS	646.88	792.73	126.76	718.86
Rihand-2 STPS	772.35	951.49	646.91	864.32
Singrauli STPS	252.27	432.45	772.35	301.38
Farakka	153.37	167.31	252.26	174.70
Kahalgaon I	212.60	562.11	153.37	235.84
Kahalgaon II	290.91		212.60	323.60
Talcher	37.44	35.75	290.91	45.37
<b>Total NTPC</b>	<b>3653.11</b>	<b>4427.96</b>	<b>3625.29</b>	<b>4059.36</b>
<b>Other</b>				
DVC Mejia U6				
NAPS	50.72	94.85	50.10	53.88
RAPP U3 & U4	136.37	144.87	135.06	149.14

Stations	Petitioner		Commission	
	Actual till Feb 2010	Petitioner Full Year	Actual REAs till Feb 2010	Commission Full Year
RAPP U-5	16.22	0.00	16.92	22.56
<b>Total Other</b>	<b>203.31</b>	<b>239.71</b>	<b>202.09</b>	<b>225.58</b>
<b>NHPC</b>				
Salal	635.59	677.15	635.80	693.60
Salal (Free Power)	341.28	364.08	341.06	372.06
Chamera I	30.06	29.72	74.88	81.69
Chamera II	74.90	77.62	96.21	104.95
Tanakpur	96.21	109.30	30.66	33.44
Uri	514.18	667.33	514.20	560.95
Uri (Free Power)	281.16	364.79	281.08	306.64
Dhauliganga	74.60	81.55	74.60	81.38
Dhulhasti	215.79	233.63	224.56	244.98
Dhulhasti (Free Power)	254.01	265.38	254.25	277.36
<b>Total Hydro</b>	<b>2517.76</b>	<b>2870.55</b>	<b>2527.30</b>	<b>2757.05</b>
<b>Other Hydro</b>				
SJVNL - Nathpa Jhakri	505.32	547.42	505.32	551.26
THDC - Tehri St 1	115.75	150.19	115.75	126.27
Tala HEP	132.23	59.61	57.61	62.84
<b>Total Other Hydro</b>	<b>753.30</b>	<b>757.22</b>	<b>678.67</b>	<b>740.37</b>
<b>Total Central</b>	<b>7127.48</b>	<b>8295.44</b>	<b>7033.35</b>	<b>7782.36</b>

- 6.28 For energy availability from NTPC Stations, the Commission has estimated the gross generation for FY 2010-11 based on the actual PLF achieved by the plants in previous 5 years. Net energy sent out is estimated after deducting auxiliary consumption as approved in relevant CERC orders. No energy availability from Mejia U6 has been considered for FY 2010-11.
- 6.29 For NHPC's hydro electric projects, Nathpa Jhakri and Tehri HEPs, the Commission has considered the average of the actual generation achieved by these stations in the last four years. For Tala HEP, the generation has been considered at 45% of the total generation capacity.
- 6.30 For NPCIL nuclear stations, the Commission has considered the average PLF achieved by NAPS and RAPP U3 & U4 in the last 4 years. For RAPP U5, which has commenced commercial generation from February 4, 2010 generation for FY 2010-11 has been projected considering a PLF of 40%.
- 6.31 The effective share of the Petitioner is applied on the energy sent out to estimate the energy availability for the Petitioner from respective stations. Energy sent out from the CSGS and the Petitioner's share of energy in each station is summarized below in the table.

**Table 34: Energy Availability from CSGS Stations for FY 2010-11**

Stations	Capacity MW	PLF %	Aux %	J&K Share %	J&K Share MU
<b>NTPC</b>					
Anta	419	74.94%	3.00%	8.48%	226.24
Auraiya	663	74.21%	3.00%	7.72%	322.66
Dadri	830	75.07%	3.00%	7.48%	395.87
Unchahar-I	420	95.71%	8.50%	3.82%	123.23
Unchahar-II	420	95.60%	8.50%	8.70%	279.86
Unchahar-III	210	98.63%	8.50%	7.72%	128.16
Rihand-1 STPS	1000	89.68%	8.50%	8.55%	614.32
Rihand-2 STPS	1000	91.46%	6.00%	10.95%	825.00
Singrauli STPS	2000	89.26%	8.50%	1.56%	222.58
Farakka	1600	78.83%	8.50%	1.54%	155.52
Kahalgaon I	840	79.26%	6.94%	6.26%	339.97
Kahalgaon II	1000	68.18%	6.50%	6.35%	354.72
Talcher	1000	87.82%	6.50%	0.50%	35.91
<b>Total NTPC</b>	<b>11402</b>			<b>5.17%</b>	<b>4024.06</b>
<b>Other</b>					
DVC Mejia U6	250	70.73%	8.50%	7.08%	0.00
NAPS	440	20.89%	9.50%	9.01%	65.65
RAPP U3 & U4	440	43.78%	9.50%	7.95%	121.41
RAPP U-5	220	40.00%	9.50%	13.07%	91.18
<b>Total Other</b>	<b>1350</b>			<b>8.97%</b>	<b>278.24</b>
<b>NHPC</b>		<b>4 Yr Ave Generation</b>			
Salal	690	3164.55	1.20%	22.39%	708.54
Salal (Free Power)				12.00%	379.75
Chamera I	540	2154.30	1.20%	3.90%	84.02
Chamera II	300	1406.16	1.20%	8.20%	115.26
Tanakpur	94	445.17	1.00%	7.68%	34.19
Uri	480	2768.72	1.20%	21.96%	608.01
Uri (Free Power)				12.00%	332.25
Dhauliganga	280	1129.99	1.20%	7.62%	86.15
Dhulhasti	390	2212.95	1.20%	10.71%	236.91
Dhulhasti (Free Power)				12.00%	265.55
<b>Total Hydro</b>	<b>2774</b>			<b>20.30%</b>	<b>2850.63</b>
<b>Other Hydro</b>					
SJVNL - Nathpa Jhakri	1500	4753.59	1.20%	8.03%	594.56

Stations	Capacity MW	PLF %	Aux %	J&K Share %	J&K Share MU
THDC - Tehri St 1	1000	1631.47	1.20%	5.83%	149.08
Tala HEP	1020	45%	1.00%	1.77%	63.01
<b>Total Other Hydro</b>	<b>3520</b>			<b>5.59%</b>	<b>806.65</b>
<b>Total Central</b>	<b>19046</b>			<b>7.72%</b>	<b>7980.26</b>

### Bilateral and Short Term Arrangements and Banking

- 6.32 For the purpose of projecting the power purchase from bilateral, short term arrangements and banking, the Commission needs to carry out a month-wise demand supply analysis for the state for the year. As the Petitioner has not provided the details of month-wise demand and supply in the State, the Commission is severely constrained in projecting the power that needs to be procured through bilateral, short term arrangements and banking mechanism.
- 6.33 The Petitioner has submitted that it has banking agreements with NVVN and other states under which it banks surplus power available during the summer months in return for power during the power deficit winter months. The Petitioner has projected to incur open access charges of Rs 10.45 Cr for FY 2009-10 and Rs 11.05 Cr for FY 2010-11 in banking power through NVVN.

**Table 35: Banking Arrangements**

Banking	FY 2009-10		FY 2010-11	
	MU	Rs Cr	MU	Rs Cr
Direct Banking				
PSEB (+)	238.725		250.000	
PSEB(-)	-238.725		-250.000	
Haryana(+)	0.000		0.000	
Haryana(-)	0.000		0.000	
<b>Sub total</b>	<b>0.000</b>		<b>0.000</b>	
<b>Through NVVN</b>				
NVVN (+) (CSEB+TNEB+Raj)	354.542		375.000	
NVVN (-) (CSEB+TNEB+Raj.)	-354.542		-375.000	
<b>Total NVVN</b>	<b>0.000</b>	<b>10.450</b>	<b>0.000</b>	<b>11.050</b>
Chandigarh (-)	-16.275		-17.000	
Chandigarh (+)	16.275		17.000	
Delhi ( + )	72.000		76.000	
Delhi ( - )	-72.000		-76.000	
<b>Total Banking</b>	<b>0.000</b>	<b>10.450</b>	<b>0.000</b>	<b>11.050</b>

### Availability of Power from All Sources

- 6.34 The Commission has considered inter regional transmission losses of 4% and



determined the net energy that available at J&K state periphery, which is available to the Petitioner for sale within the state.

- 6.35 The Petitioner has considered the inter-regional transmission losses as part of the overall transmission and distribution losses and has not shown them separately. The table below gives the details of total power available for FY 2009-10 to FY 2010-11.

**Table 36: Availability of Power from all sources**

Source (MU)	FY 2009-10 (Revised Projection)	FY 2010-11 (Estimated)	FY 2009-10 (Approved)	FY 2010-11 (Approved)
Own Generation of PDD	17.82	17.82	17.82	17.55
Power from JKSPDC	2364.08	2345.86	2364.08	2345.88
<b>Availability within the State</b>	<b>2381.90</b>	<b>2363.68</b>	<b>2381.90</b>	<b>2363.43</b>
Power from CPSUs	8295.44	7717.49	7782.36	7959.58
Short term trading/ UI/ Banking	355.61	0.00	355.61	0.00
Total Power Purchase from outside the state	8651.05	7717.49	8137.97	7959.58
Less: Inter-regional transmission losses			4%	4%
Net Power from Outside the state	8651.05	7717.49	7812.45	7641.20
<b>Total at J&amp;K State Periphery</b>	<b>11032.95</b>	<b>10081.17</b>	<b>10194.35</b>	<b>10004.63</b>

## Power Purchase Cost

### Power Purchase Cost for JKSPDC

- 6.36 The Petitioner was paying to the JKSPDC a rate of Rs 0.76 per unit for the old stations (for which a PPA was signed between JKSPDC and JKPDD on 26th April 2000) and Rs 1.24 per unit for the new stations (as per State Government order issued on 01st July 2000). The rate of power purchase from diesel units of JKSPDC is Rs.16 per kWh. The Commission has issued new tariff order for generation tariff of JKSPDC owned stations on 31st March, 2009 in which the Commission has retained the tariff of Rs. 0.76/ Unit for old stations and revised the tariff of the newer stations.
- 6.37 The 450 MW Baglihar Station has recently been commissioned and it is expected that JKPDD will receive 1400 MU of power from Baglihar in FY 2010-11. The tariff for Baglihar has been provisionally fixed at Rs 3.54 per unit
- 6.38 The cost of power purchase from JKSPDC for FY 2009-10 has been estimated at Rs 612.16 Cr and for FY 2010-11 have been projected at Rs 596.93 Cr by the Petitioner.

**Table 37: Proposed Cost of Power Purchase from JKSPDC**

Source	FY 2009-10			FY 2010-11		
	Power Purchase MU	Av. Rate (Rs./Unit)	Total Charges (Rs. Cr)	Power Purchase MU	Av. Rate (Rs./Unit)	Total Charges (Rs. Cr)
<b>Thermal</b>						
Gas Turbine-I	0.00	0.00	0.00	0.00	0.00	0.00
Gas Turbine-II	9.06	16.00	14.50	0.34	16.00	0.54
<b>Sub-Total</b>	<b>9.06</b>	<b>16.00</b>	<b>14.50</b>	<b>0.34</b>	<b>16.00</b>	<b>0.54</b>
<b>Hydel</b>						
LJHP	482.73	0.76	36.69	475.58	0.76	36.14
USHP-I	90.72	0.76	6.89	88.28	0.76	6.71
USHP-II	291.61	1.63	47.53	286.27	1.63	46.66
Ganderbal	24.20	0.76	1.84	22.81	0.76	1.73
Chenani-I	19.96	0.76	1.52	26.62	0.76	2.02
Chenani-II	0.00	0.76	0.00	0.00	0.76	0.00
Chenani-III	9.43	1.76	1.66	8.95	1.76	1.58
Sewa-III	9.38	2.66	2.50	9.03	2.66	2.40
Karnah	1.42	0.76	0.11	1.89	0.76	0.14
Sumoor	0.00	0.00	0.00	0.00	0.00	0.00
Bazgo	1.10	0.76	0.08	1.10	0.76	0.08
Hunder	0.00	0.00	0.00	0.00	0.00	0.00
Iqbal Bridge	7.94	0.76	0.60	8.02	0.76	0.61
Sanjak	0.00	0.00	0.00	0.00	0.00	0.00
Badherwah	0.58	1.85	0.11	0.38	1.85	0.07
Pahalgam	6.60	1.80	1.19	6.73	1.80	1.21
Haftal	0.00	1.33	0.00	0.00	1.33	0.00
Marpachoo	0.24	1.88	0.05	0.08	1.88	0.02
Igo-Mercellong	9.11	1.43	1.30	9.78	1.43	1.40
Matchil	0.00	1.24	0.00	0.00	1.24	0.00
<b>Sub-Total</b>	<b>955.02</b>	<b>1.07</b>	<b>102.06</b>	<b>945.52</b>	<b>1.07</b>	<b>100.78</b>
Baglihar	1400.00	3.54	495.60	1400.00	3.54	495.60
<b>Total</b>	<b>2364.08</b>	<b>2.59</b>	<b>612.16</b>	<b>2345.86</b>	<b>2.54</b>	<b>596.93</b>

6.39 The Commission has approved the cost of power purchased from JKSPDC based on the tariff approved for FY 2009-10 and FY 2010-11 at Rs. 599.11 Cr and Rs. 585.49 Cr respectively.

6.40 The table below gives the approved amount of power purchase station-wise (MU), per unit cost of power and total cost of power purchase from JKSPDC stations for FY 2009-10 and FY 2010-11.

**Table 38: Approved Cost of Power Purchase from JKSPDC**

Source	FY 2009-10			FY 2010-11		
	Power Purchase MU	Av. Rate (Rs./Unit)	Total Charges (Rs. Cr.)	Power Purchase MU	Av. Rate (Rs./Unit)	Total Charges (Rs. Cr.)
<b>Thermal</b>						
Gas Turbine-I	0.00	0.00	0.00	0.00	0.00	0.00
Gas Turbine-II	9.06	16.00	14.50	0.34	16.00	0.54
<b>Sub-Total</b>	<b>9.06</b>	<b>16.00</b>	<b>14.50</b>	<b>0.34</b>	<b>16.00</b>	<b>0.54</b>
<b>Hydel</b>						
LJHP	482.73	0.49	23.71	475.57	0.50	23.59
USHP-I	90.72	0.31	2.80	88.29	0.31	2.75
USHP-II	291.61	1.58	46.10	286.27	1.49	42.60
Ganderbal	24.20	0.13	0.30	22.81	0.13	0.29
Chenani-I	19.96	0.51	1.01	26.62	0.51	1.36
Chenani-II	0.00	0.79	0.00	0.00	0.80	0.00
Chenani-III	9.43	2.49	2.35	8.95	2.37	2.13
Sewa-III	9.38	3.36	3.15	9.03	3.20	2.89
Karnah	1.42	0.97	0.14	1.89	0.98	0.19
Sumoor	0.00	1.26	0.00	0.00	1.27	0.00
Bazgo	1.10	1.60	0.18	1.10	1.62	0.18
Hunder	0.00	1.31	0.00	0.00	1.32	0.00
Iqbal Bridge	7.94	0.94	0.75	8.02	0.95	0.76
Sanjak	0.00	0.00	0.00	0.00	0.00	0.00
Badherwah	0.58	1.65	0.10	0.38	1.53	0.06
Pahalgam	6.60	5.81	3.84	6.74	5.37	3.62
Haftal	0.00	5.14	0.00	0.00	4.78	0.00
Marpachoo	0.24	5.30	0.13	0.08	4.94	0.04
Igo-Mercellong	9.11	4.93	4.49	9.78	4.56	4.46
Matchil	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sub-Total</b>	<b>955.02</b>	<b>0.93</b>	<b>89.02</b>	<b>945.54</b>	<b>0.90</b>	<b>84.91</b>
Baglihar	1400.00	3.54	495.60	1400.00	3.54	495.60
<b>Total</b>	<b>2364.08</b>	<b>2.53</b>	<b>599.11</b>	<b>2345.88</b>	<b>2.48</b>	<b>581.05</b>

## Power Purchase Cost for CPSUs & Others

### Petitioners Submission

6.41 The Petitioner has submitted the power purchase cost for FY 2009-10 based on the actual power purchase cost incurred till February 2010. The Power purchase cost for FY 2010-11 has been projected on FY 2009-10 actuals.

6.42 The power purchase cost for FY 2009-10 and FY 2010-11 as submitted by the

Petitioner for power procured from CPSUs is as given below.

**Table 39: Proposed Power Purchase for FY 2009-10**

Station	Power Purchase	Fixed Cost	Variable + FPA Cost		Other Costs		Total Cost	
	MU	Rs Cr	Rs/ U	Rs Cr	Rs/ U	Rs Cr	Rs/ U	Rs Cr
<b>NTPC</b>								
Anta	217.44	10.38	1.78	38.76	0.44	9.54	2.70	58.68
Auraiya	301.14	11.82	1.93	58.00	0.31	9.32	2.63	79.14
Dadri	360.09	15.24	2.22	79.84	0.72	26.06	3.36	121.15
Unchahar-I	145.04	6.00	1.59	23.06	0.28	4.02	2.28	33.08
Unchahar-II	319.05	17.69	1.61	51.48	0.18	5.75	2.35	74.92
Unchahar-III	143.36	13.31	1.63	23.32	0.17	2.43	2.72	39.06
Rihand-I	792.73	33.37	1.29	102.37	0.19	14.76	1.90	150.50
Rihand-II	951.49	64.09	1.36	129.52	-0.01	-0.58	2.03	193.03
Singrauli	432.45	9.80	0.99	42.86	0.17	7.56	1.39	60.21
Farakka	167.31	8.50	2.08	34.82	0.09	1.48	2.68	44.80
Talcher	35.75	1.94	1.20	4.28	0.05	0.20	1.80	6.42
Kahalgaon I	562.11	40.00	1.76	98.72	0.04	2.34	2.51	141.06
Kahalgaon II								
Kawas	0.00	0.00	0.00	0.00	0.00	0.29		0.29
<b>Total NTPC</b>	<b>4427.96</b>	<b>232.14</b>		<b>687.03</b>		<b>83.16</b>	<b>2.26</b>	<b>1002.33</b>
<b>NHPC</b>								0
Salal	677.15	15.07	0.41	27.60	0.05	3.08	0.68	45.75
Salal Free Power	364.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Tanakpur	29.72	1.48	0.70	2.08	0.04	0.13	1.24	3.69
Chamera-I	77.62	3.18	0.73	5.66	0.10	0.75	1.24	9.59
Chamera-II	109.30	15.38	1.18	12.86	1.27	13.86	3.85	42.10
Uri	667.33	31.51	0.72	47.88	0.07	4.61	1.26	83.99
Uri Free Power	364.79	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dulhasti	233.63	28.85	1.25	29.31	0.66	15.47	3.15	73.63
Dulhasti Free power	265.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dhauliganga	81.55	6.50	0.89	7.27	0.29	2.34	1.98	16.11
<b>Total NHPC</b>	<b>2870.55</b>	<b>101.96</b>		<b>132.67</b>		<b>40.23</b>	<b>0.96</b>	<b>274.86</b>
<b>NPCIL</b>								
NAPS	94.85	0.00	1.96	18.61	0.05	0.43	2.01	19.04
RAPP U3 & U4	144.87	0.00	2.80	40.55	0.00	0.00	2.80	40.55
RAPP U5		0	2.80	0		0		0
<b>Total NPCIL</b>	<b>239.71</b>	<b>0.00</b>		<b>59.17</b>		<b>0.43</b>	<b>2.49</b>	<b>59.59</b>
<b>Other Hydro</b>								
SJVNL	547.42	56.19	1.04	57.11	1.08	59.02	3.15	172.32

Station	Power Purchase	Fixed Cost	Variable + FPA Cost		Other Costs		Total Cost	
	MU	Rs Cr	Rs/ U	Rs Cr	Rs/ U	Rs Cr	Rs/ U	Rs Cr
THDC	150.19	42.00	2.50	37.55	0.34	5.10	5.64	84.65
TALA	59.61		1.84	10.97	0.05	0.31	1.89	11.28
<b>Total Others</b>	<b>757.22</b>	<b>98.19</b>		<b>105.62</b>		<b>64.43</b>	<b>3.54</b>	<b>268.24</b>
<b>Total CPSUs</b>	<b>8295.44</b>	<b>432.30</b>		<b>984.49</b>		<b>188.24</b>	<b>1.93</b>	<b>1605.02</b>
<b>UI</b>								
UI (+)	556.51			0.00		0.00	4.13	229.95
UI (-)	-305.02			0.00		0.00	3.67	-112.09
<b>Total UI</b>	<b>251.48</b>			<b>0.00</b>		<b>0.00</b>	<b>4.69</b>	<b>117.86</b>
<b>Short Term Trading</b>								
PTC/ NVVN	104.13			0.00		0.00	3.61	37.60
<b>Total Short Term Trading</b>	<b>104.13</b>			<b>0.00</b>		<b>0.00</b>	<b>3.61</b>	<b>37.60</b>
<b>Banking</b>								
Punjab	0.00			0.00		0.00		0.00
Haryana	0.00			0.00		0.00		0.00
NVVN	0.00			0.00		0.00		10.45
Chandigarh	0.00			0.00		0.00		0.00
Delhi	0.00			0.00		0.00		0.00
Athwato				0.00		0.00		0.00
<b>Total Banking</b>	<b>0.00</b>			<b>0.00</b>		<b>0.00</b>		<b>10.45</b>
<b>Total STT, UI, Banking</b>								<b>165.91</b>
<b>Total Power Purchase</b>	<b>8651.05</b>	<b>432.30</b>		<b>984.49</b>		<b>188.24</b>		<b>1770.93</b>

Table 40: Proposed Power Purchase for FY 2010-11

Station	Power Purchase	Fixed Cost	Variable + FPA Cost		Other Costs		Total Cost	
	MU	Rs Cr	Rs/ U	Rs Cr	Rs/ U	Rs Cr	Rs/ U	Rs Cr
<b>NTPC</b>								
Anta	160.01	8.32	1.92	30.69	0.38	6.01	2.81	45.02
Auraiya	303.11	11.52	1.48	44.83	1.01	30.68	2.87	87.02
Dadri	364.15	13.47	1.66	60.38	1.13	41.03	3.15	114.88
Unchahar-I	120.96	5.32	1.11	13.40	0.75	9.07	2.30	27.79
Unchahar-II	264.25	14.80	1.13	29.78	0.85	22.36	2.53	66.94
Unchahar-III	130.05	10.92	1.34	17.47	0.56	7.29	2.74	35.68
Rihand-I	660.08	28.38	0.78	51.49	0.62	41.00	1.83	120.87
Rihand-II	780.97	58.57	0.92	71.77	0.58	45.27	2.25	175.61
Singrauli	192.32	4.23	0.77	14.75	0.37	7.03	1.35	26.01
Farakka	859.16	54.99	1.11	95.37	0.78	66.935	2.53	217.29
Talcher								

Station	Power Purchase	Fixed Cost	Variable + FPA Cost		Other Costs		Total Cost	
	MU	Rs Cr	Rs/ U	Rs Cr	Rs/ U	Rs Cr	Rs/ U	Rs Cr
Kahalgaon I								
Kahalgaon II								
<b>Total NTPC</b>	<b>3835.05</b>	<b>210.53</b>		<b>429.92</b>		<b>276.65</b>	<b>2.07</b>	<b>917.10</b>
<b>NHPC</b>								
Salal	601.18	39.57	0.00	0	0.00	0.00	0.66	39.57
Salal Free Power	366.14	0.00	0.00	0	0.00	0.00	0.00	0.00
Tanakpur	30.26	3.61	0.00	0	0.00	0.00	1.19	3.61
Chamera-I	56.44	7.78	0.00	0.00	0.00	0.00	1.38	7.78
Chamera-II	149.71	39.88	0.00	0.00	0.00	0.00	2.66	39.88
Uri	494.01	60.23	0.00	0.00	0.00	0.00	1.22	60.23
Uri Free Power	306.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dulhasti	222.82	113.48	0.00	0.00	0.00	0.00	5.09	113.48
Dulhasti Free power	226.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dhauliganga	102.21	18.34	0.00	0.00	0.00	0.00	1.79	18.34
<b>Total NHPC</b>	<b>2555.58</b>	<b>282.89</b>		<b>0.00</b>		<b>0.00</b>	<b>1.11</b>	<b>282.89</b>
<b>NPCIL</b>								
NAPS	243.15	0.00	2.00	48.68	0.06	1.55	2.07	50.23
RAPP U3 & U4	168.53	0.00	2.86	48.15	-0.01	-0.17	2.85	47.98
RAPP U5	0.00			0.00		0.00		0.00
<b>Total NPCIL</b>	<b>411.69</b>	<b>0.00</b>		<b>96.83</b>		<b>1.38</b>	<b>2.39</b>	<b>98.21</b>
<b>Other Hydro</b>								
SJVNL	634.00	74.18	1.11	70.37	0.13	8.47	2.41	153.02
THDC	210.00	70.35	2.50	52.5	0.43	9.08	6.28	131.93
TALA	71.17		1.84	13.09	0.05	0.37	1.89	13.46
<b>Total Others</b>	<b>915.17</b>	<b>144.53</b>		<b>135.97</b>		<b>17.92</b>	<b>3.26</b>	<b>298.42</b>
<b>Total CPSUs</b>	<b>7717.49</b>	<b>637.95</b>		<b>662.72</b>		<b>295.96</b>	<b>2.07</b>	<b>1596.62</b>
<b>UI</b>								
UI (+)	0.00			0.00		0.00		0.00
UI (-)	0.00			0.00		0.00		0.00
<b>Total UI</b>	<b>0.00</b>			<b>0.00</b>		<b>0.00</b>		<b>0.00</b>
<b>Short Term Trading</b>								
PTC/ NVVN	0.00			0.00		0.00		0.00
<b>Total Short Term Trading</b>	<b>0.00</b>			<b>0.00</b>		<b>0.00</b>		<b>0.00</b>
<b>Banking</b>								
Punjab	0.00			0.00		0.00		0.00
Haryana	0.00			0.00		0.00		0.00
NVVN	0.00			0.00		0.00		0.00
Chandigarh	0.00			0.00		0.00		0.00
Delhi	0.00			0.00		0.00		0.00

Station	Power Purchase	Fixed Cost	Variable + FPA Cost		Other Costs		Total Cost	
	MU	Rs Cr	Rs/ U	Rs Cr	Rs/ U	Rs Cr	Rs/ U	Rs Cr
<b>Total Banking</b>	<b>0.00</b>			<b>0.00</b>		<b>0.00</b>		<b>11.05</b>
<b>Total STT, UI, Banking</b>								<b>11.05</b>
<b>Total Power Purchase</b>	<b>7717.49</b>	<b>637.95</b>		<b>0.00</b>		<b>295.96</b>	<b>2.08</b>	<b>1607.67</b>

### Commission's Observation

#### NTPC Plants

- 6.43 The Commission has derived annual fixed charges (in proportion to the Petitioner's share) applicable in FY 2007-08 and FY 2008-09 for various central sector generating stations from the relevant Tariff Orders issued by CERC. The annual fixed charges for FY10 and FY11 have been considered at same level as that for FY09 as CERC is yet to come out with its tariff order on these plant for the period FY 2009-10 to FY 2013-14. In the absence of tariff order for Kahalgaon II, the cost of power has been considered at Rs 2.50/ units.
- 6.44 The variable cost including Fuel Price Adjustment (FPA) been based upon the power purchase data for FY 2009-10 as submitted by the Petitioner. An escalation of 6% has been applied for the variable cost for subsequent years.
- 6.45 Other Charges have been considered as the average of other charges paid per unit FY 2008-09 and FY 2009-10 by the Petitioner.

#### NHPC Plants

- 6.46 For NHPC hydro stations annual fixed charges as specified in the respective CERC tariff orders has been considered and the net charges payable has been derived after deducting the free share of power, if any, in the respective stations. The cost against free power has been taken as nil as submitted by the Petitioner.

#### NPCIL

- 6.47 For NPCIL plants, the per unit rate as per the actual power purchase bill till February 2010 has been considered for FY 2010-11.

#### Other Hydro

- 6.48 For Tehri HEP, the Commission has considered a variable rate of Rs 2.50/ unit and other charges as Rs 0.34/ unit as per the power purchased till February 2010. The fixed cost of THDC has been calculated at Rs 18000/MW/ Day per the CERC Provisional Tariff order dated 28 March 2008.
- 6.49 For Nathpa Jhakri HEP the annual fixed charge of Rs 105.78 Cr has been considered as per the share of J&K.

6.50 The power purchase cost for FY 2009-10 and FY 2010-11 as approved by the Commission are given below:

**Table 41: Approved Power Purchase Cost for FY 2009-10**

Stations	Power Purchase	Fixed Cost	Variable + FPA Cost		Other Cost		Total Cost	
	MU	Rs Cr	Rs/ U	Rs Cr	Rs/ U	Rs Cr	Rs/ U	Rs Cr
<b>NTPC</b>								
Anta(G)	165.20	7.73	1.78	29.45	0.44	7.25	2.69	44.43
Auraiya(G)	313.78	10.56	1.93	60.43	0.31	9.71	2.57	80.71
Dadri(G)	353.90	13.86	2.22	78.47	0.72	25.62	3.33	117.95
Unchahar-I	129.14	5.45	1.59	20.53	0.28	3.58	2.29	29.56
Unchahar-II	292.16	15.47	1.61	47.14	0.18	5.26	2.32	67.87
Unchahar-III	141.10	11.43	1.63	22.96	0.17	2.39	2.61	36.78
Rihand-1 STPS	718.86	29.38	1.29	92.83	0.19	13.38	1.89	135.59
Rihand-2 STPS	864.32	57.70	1.36	117.66	-0.01	-0.53	2.02	174.82
Singrauli STPS	301.38	5.46	0.99	29.87	0.17	5.27	1.35	40.59
Farakka	174.70	7.97	2.08	36.36	0.09	1.54	2.63	45.87
Kahalgaon I	235.84	19.74	1.76	41.42	0.04	0.98	2.63	62.14
Kahalgaon II	323.60	0.00	0.00	0.00	0.00	0.00	2.50	80.90
Talcher	45.37	1.00	1.20	5.44	0.05	0.25	1.47	6.68
<b>Total NTPC</b>	<b>4,059.36</b>	<b>185.74</b>		<b>582.55</b>		<b>74.70</b>	<b>2.28</b>	<b>923.89</b>
<b>Other</b>								
NAPS	53.88	0.00	1.96	10.57	0.05	0.24	2.01	10.82
RAPP U3	79.55	0.00	2.80	22.27	0.00	0.00	2.80	22.27
RAPP U4	69.60	0.00	2.80	19.48	0.00	0.00	2.80	19.48
RAPP U-5	22.56	0.00	2.80	6.32	0.00	0.00	2.80	6.32
<b>Total Other</b>	<b>225.58</b>	<b>0.00</b>		<b>58.64</b>		<b>0.24</b>	<b>2.61</b>	<b>58.88</b>
<b>NHPC</b>								
Salal	693.60	39.57	0.41	28.27	0.05	3.15	1.02	71.00
Salal (Free Power)	372.06	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Chamera I	81.69	7.78	0.73	5.96	0.10	0.79	1.78	14.53
Chamera II	104.95	0.00	1.18	12.35	1.27	13.30	2.44	25.65
Tanakpur	33.44	3.60	0.70	2.34	0.04	0.14	1.82	6.08
Uri	560.95	60.21	0.72	40.24	0.07	3.87	1.86	104.32
Uri (Free Power)	306.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dhauliganga	81.38	13.50	0.89	7.25	0.29	2.34	2.84	23.08
Dhulhasti	244.98	18.92	1.25	30.74	0.66	16.23	2.69	65.88
Dhulhasti (Free Power)	277.36	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hydro</b>	<b>2757.05</b>	<b>143.57</b>		<b>127.16</b>		<b>39.82</b>	<b>1.13</b>	<b>310.55</b>



Stations	Power Purchase	Fixed Cost	Variable + FPA Cost		Other Cost		Total Cost	
	MU	Rs Cr	Rs/ U	Rs Cr	Rs/ U	Rs Cr	Rs/ U	Rs Cr
<b>Other Hydro</b>								
SJVNL - Nathpa Jhakri	551.26	105.38	1.04	57.51	1.08	59.43	4.03	222.32
THDC - Tehri St 1	126.27	38.28	2.50	31.57	0.34	4.29	5.87	74.14
Tala HEP	62.84	0.00	1.84	11.56	0.05	0.32	1.89	11.89
<b>Total Other Hydro</b>	<b>740.37</b>	<b>143.66</b>		<b>100.64</b>		<b>64.04</b>	<b>4.16</b>	<b>308.34</b>
<b>Total CPSU MU</b>	<b>7,782.36</b>	<b>472.98</b>		<b>868.98</b>		<b>178.80</b>	<b>2.06</b>	<b>1,601.66</b>

Table 42: Approved Power Purchase Cost for FY 2010-11

Stations	Power Purchase	Fixed Cost	Variable Cost		Other Cost		Total Cost	
	MU	Rs Cr	Rs/ U	Rs Cr	Rs/ U	Rs Cr	Rs/ U	Rs Cr
<b>NTPC</b>								
Anta	226.24	7.73	1.89	42.74	0.44	9.93	2.67	60.40
Auraiya	322.66	10.56	2.04	65.87	0.31	9.99	2.68	86.42
Dadri	395.87	13.86	2.35	93.04	0.72	28.65	3.42	135.56
Unchahar-I	123.23	5.45	1.69	20.77	0.28	3.41	2.40	29.63
Unchahar-II	279.86	15.47	1.71	47.87	0.18	5.04	2.44	68.38
Unchahar-III	128.16	11.43	1.72	22.10	0.17	2.17	2.79	35.71
Rihand-1 STPS	614.32	29.38	1.37	84.09	0.19	11.44	2.03	124.90
Rihand-2 STPS	825.00	57.70	1.44	119.04	-0.01	-0.50	2.14	176.23
Singrauli STPS	222.58	5.46	1.05	23.38	0.17	3.89	1.47	32.73
Farakka	155.52	7.97	2.21	34.31	0.09	1.37	2.81	43.66
Kahalgaon I	339.97	19.74	1.86	63.29	0.04	1.42	2.48	84.45
Kahalgaon II	354.72	0.00	0.00	0.00	0.00	0.00	2.50	88.68
Talcher	35.91	1.00	1.27	4.56	0.05	0.20	1.60	5.75
<b>Total NTPC</b>	<b>4,024.06</b>	<b>185.74</b>		<b>621.07</b>		<b>77.00</b>	<b>2.42</b>	<b>972.49</b>
<b>Other</b>								
NAPS	65.65	0.00	1.96	12.88	0.05	0.30	2.01	13.18
RAPP U3, U4	121.41	0.00	2.80	33.99	0.00	0.00	2.80	33.98
RAPP U-5	91.18	0.00	2.80	25.52	0.00	0.00	2.80	25.52
<b>Total Other</b>	<b>278.24</b>	<b>0.00</b>		<b>72.39</b>		<b>0.30</b>	<b>2.61</b>	<b>72.69</b>
<b>NHPC</b>								
Salal	708.54	39.57	0.41	28.88	0.05	3.22	1.01	71.67
Salal (Free Power)	379.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Chamera I	84.02	7.78	0.73	6.13	0.10	0.81	1.75	14.72
Chamera II	115.26	0.00	1.18	13.56	1.27	14.61	2.44	28.17

Stations	Power Purchase	Fixed Cost	Variable Cost		Other Cost		Total Cost	
	MU	Rs Cr	Rs/ U	Rs Cr	Rs/ U	Rs Cr	Rs/ U	Rs Cr
Tanakpur	34.19	3.60	0.70	2.40	0.04	0.14	1.79	6.14
Uri	608.01	60.21	0.72	43.62	0.07	4.20	1.78	108.02
Uri (Free Power)	332.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Dhauliganga	86.15	13.50	0.89	7.68	0.29	2.47	2.74	23.65
Dhulhasti	236.91	18.92	1.25	29.72	0.66	15.69	2.72	64.34
Dhulhasti (Free Power)	265.55	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Hydro</b>	<b>2,850.63</b>	<b>143.57</b>		<b>131.99</b>		<b>41.15</b>	<b>1.11</b>	<b>316.72</b>
<b>Other Hydro</b>								
SJVNL - Nathpa Jhakri	594.56	105.38	1.04	62.03	1.08	64.10	3.89	231.50
THDC - Tehri St 1	149.08	38.28	2.50	37.27	0.34	5.06	5.41	80.62
Tala HEP	63.01	0.00	1.84	11.59	0.05	0.32	1.89	11.92
<b>Total Other Hydro</b>	<b>806.65</b>	<b>143.66</b>		<b>110.89</b>		<b>69.49</b>	<b>4.02</b>	<b>324.04</b>
<b>Total CPSU MU</b>	<b>7,959.58</b>	<b>472.98</b>		<b>936.34</b>		<b>187.93</b>	<b>2.12</b>	<b>1,685.93</b>

### Transmission Charges and Miscellaneous Charges

6.51 The PGCIL, NRLDC charges and miscellaneous charges have been approved as projected by the Petitioner for FY 2009-10 and FY 2010-11.

**Table 43: Approved Transmission & Miscellaneous Charges**

Transmission Charges	FY 2009-10	FY 2010-11	FY 2009-10	FY 2010-11
	Proposed	Proposed	Approved	Approved
PGCIL	205.00	225.00	205.00	225.00
NRLDC	2.94	3.08	2.94	3.08
Reactive Energy Charges	12.00	20.00	12.00	20.00
PSEB Wheeling & RE Charges	0.50	0.50	0.50	0.50
BBMB Wheeling Charges	0.50	0.50	0.50	0.50
Surcharge	11.31	0.00	11.31	0.00
Rebate/ Credit Bill	-51.35	0.00	-51.35	0.00
<b>Total</b>	<b>180.90</b>	<b>249.08</b>	<b>180.90</b>	<b>249.08</b>

### Power Purchase Cost from all sources

6.52 The summary of power purchase cost proposed by the Petitioner and approved by the Commission for FY 2009-10 and FY 2010-11 is shown in the table below.

**Table 44: Proposed Power Purchase Cost from all sources**

Source	FY 2009-10			FY 2010-11		
	MU	Rs Cr	Rs/U	MU	Rs Cr	Rs/U
Own Generation of PDD	17.82			17.82		
Power from JKSPDC	2,364.08	612.16	2.59	2,345.86	596.93	2.54
Availability within the State	2,381.90	612.16	2.57	2,363.68	596.93	2.53
Power from CPSUs	8,295.44	1,605.02	1.93	7,717.49	1,596.62	2.07
Short term trading/ UI/ Banking	355.61	165.91	4.67	0.00	11.05	
Total Power Purchase from outside the state	8,651.05	1,770.93	2.05	7,717.49	1,607.67	2.08
Less: Inter regional transmission losses						
Net Power from CPSUs	8,651.05	1,770.93	2.05	7,717.49	1,607.67	2.08
<b>Total Power Purchase</b>	<b>11,032.95</b>	<b>2,383.09</b>	<b>2.16</b>	<b>10,081.17</b>	<b>2,204.60</b>	<b>2.19</b>
PGCIL & NRLDC		207.94			228.08	
Reactive Energy and Misc Charges		-27.04			21.00	
<b>Total</b>	<b>11,032.95</b>	<b>2,563.99</b>	<b>2.32</b>	<b>10,081.17</b>	<b>2,453.68</b>	<b>2.43</b>

**Table 45: Approved Power Purchase Cost from all sources**

Source	FY 2009-10			FY 2010-11		
	MU	Rs Cr	Rs/U	MU	Rs Cr	Rs/U
Own Generation of PDD	17.82	0.00		17.55		
Power from JKSPDC	2,364.08	599.93	2.54	2,345.88	582.05	2.48
Availability within the State	2,381.90	599.93	2.52	2,363.43	582.05	2.46
Power from CPSUs	7,782.36	1,601.66	2.06	7,959.58	1,685.93	2.12
Short term trading/ UI/ Banking	355.61	165.91	4.67	0.00	11.05	
Total Power Purchase from outside the state	8,137.97	1,767.57	2.17	7,959.58	1,696.98	2.13
Less: Inter regional transmission losses	4%			4%		
Net Power from CPSUs	7,812.45	1,767.57	2.26	7,641.20	1,696.98	2.22
<b>Total Power Purchase</b>	<b>10,194.35</b>	<b>2,367.51</b>	<b>2.32</b>	<b>10,004.62</b>	<b>2,279.04</b>	<b>2.28</b>
PGCIL & NRLDC		207.94			228.08	
Reactive Energy and Misc Charges		-27.04			21.00	
<b>Total</b>	<b>10,194.35</b>	<b>2,548.41</b>	<b>2.50</b>	<b>10,004.62</b>	<b>2,528.12</b>	<b>2.53</b>

- 6.53 The average cost of one unit of energy for the utility, based on the approved power purchase quantum and cost for FY 2009-10 and FY 2010-11 is Rs 2.50/ unit and Rs 2.53 / unit respectively.

## 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 the Petitioner, and the approach followed by the Commission in assessing the same.
- 7.2 The Commission puts on record that it is severely handicapped with respect to the quality and detailing of information submitted by the Petitioner on the various cost components which comprise the ARR. The Petitioner has not submitted breakup of costs as required in the tariff formats.
- 7.3 In view of the above, the Commission has analysed the cost based on the limited information submitted by the Petitioner and determined the costs based on the past practice followed in the previous tariff orders issued by this Commission and the information and insight gained through various interaction with the Petitioner and other stakeholders during the public hearings.
- 7.4 JKPDD being a government department is supported through the budgetary mechanism of the government, 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

- 7.5 The Petitioner has submitted that the establishment expenses (comprising of employee cost and A&G expenses) have increased due to VI Pay Commission recommendations for FY 2009-10 to Rs. 331.32 Cr. For FY 2010-11, the establishment expenses have been proposed at Rs. 385.32 Cr as per JKPDD budget estimates for FY 2010-11.
- 7.6 The table below gives the establishment expenses since FY 2007-08 and the proposed estimate for FY 2010-11.

**Table 46: Proposed Establishment Expenses (Rs Cr)**

Particulars	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (P)
Establishment expenses	237.58	331.32	385.32

#### Commission's Observation

- 7.7 The Commission in its tariff order for FY 2008-09 dated 12 September 2008, had approved establishment expenses as Rs 262.25 Cr against which the Petitioner has submitted actual expenses incurred as Rs 237.57 Cr, which is Rs 24.67 Cr less than what was approved.
- 7.8 For FY 2010-11, the Petitioner has submitted JKPDD's budget estimates as the

establishment expenses. The Petitioner in its submission to the Commission has not provided any details of the costs incurred and projected to be incurred under establishment expenses. The details of employee strength, new requirements, retirements, expenses towards overtime, Dearness Allowance (DA), medical, LTA, leave encashment, terminal benefits etc have not be furnished. Under these circumstances, it is extremely difficult for the Commission to check and prudently approve the costs as submitted by the Petitioner.

- 7.9 The establishment expenses are proposed to increase by 39% to Rs. 331.32 Cr in FY 2009-10 and by 16% to Rs. 385.32 Cr in FY 2010-11. The Petitioner has considered the implementation of VI pay commission recommendations for the year FY 2009-10. However, the impact of the VI pay commission on cost for FY 2009-10 has not been identified separately.
- 7.10 There is no information with the Commission that substantiates that the VI pay revision has been passed on to the employees and the expenditure incurred and booked in the current year. Further, the Petitioner has not proposed the arrears to be paid for implementation of the VI pay revision and how such arrears shall be paid.
- 7.11 The Commission has not taken into account the increase in establishment expenses due to the implementation of VI pay commission recommendation and approved the establishment expenses with an annual increase of 10% for FY 2009-10 and FY 2010-11.

**Table 47: Approved Establishment Expenses (Rs Cr)**

Particulars	FY 2008-09	FY 2008-09	FY 2009 -10	FY 2010-11
	Approved	Actual	RE	Proposed
Employee's Cost Salaries		236.33	329.78	384.37
Other allowances		0.98	1.08	0.69
Payment under workmen's compensation		0.27	0.46	0.26
<b>Grand Total</b>	<b>262.25</b>	<b>237.58</b>	<b>331.32</b>	<b>385.32</b>
YoY Increase	10%	-0.3%	39%	16%
Approved Increase			10%	10%
<b>Approved Establishment Expenses</b>			<b>261.34</b>	<b>287.47</b>

## Operation & Maintenance (O&M) Cost

### Petitioner's Submission

- 7.12 The O&M expenses covers expenses incurred on Repair and Maintenance (R&M) activities only. The R&M expenses for FY 2008-09 were Rs. 43.30 Cr. The Petitioner has submitted that in the past it could not carry out the much needed R&M works due to the tense political and security situation prevalent in the state. It has now proposed to take up extensive R&M work in the coming years.
- 7.13 The following table gives the details of the O&M expenses for FY 2008-09 (A), FY

2009-10 (RE) and the proposed figures for FY 2010-11.

**Table 48: Proposed O&M Expenses (Rs. Cr)**

Particulars	FY 2007-08 (A)	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (P)
Operation and maintenance	41.27	43.30	46.49	48.00

### Commission's Observation

- 7.14 The Commission in its previous tariff order had approved Rs. 44.22 Cr based on the submission made by the Petitioner in its tariff petition for FY 2008-09. However, the actual expenditure incurred by the Petitioner is Rs. 0.92 Cr less than that approved by the Commission.
- 7.15 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. In view of this, the Commission has approved R&M expenses after considering an increase of 5% in cost to Rs. 45.46 Cr for FY 2009-10 and Rs. 47.74 Cr for FY 2010-11.

**Table 49: Approved R&M Expenses (Rs Cr)**

Particulars	FY 2008-09	FY 2008-09	FY 2009 -10	FY 2010-11
	Approved	Actual	RE	Proposed
Vehicles		0.10	0.17	0.44
Furniture and Fixtures		0.01	0.02	0.02
Office Equipments		0.91	0.98	0.98
Spare Inventory for maintaining transformer redundancy		42.28	45.33	46.56
<b>Total</b>	<b>44.22</b>	<b>43.30</b>	<b>46.49</b>	<b>48.00</b>
YoY Increase	2%	-0.5%	7%	3%
Approved Increase			5%	5%
<b>Approved O&amp;M Cost</b>			<b>45.46</b>	<b>47.74</b>

## Depreciation

### Petitioner's Submission

- 7.16 The Petitioner has submitted that as per the methodology followed by the Commission in its earlier orders, depreciation has been calculated at 3.0% of opening level of GFA. For FY 2010-11, depreciation is estimated at Rs. 88.45 Cr. The table below gives the depreciation cost over the years and the proposed estimate for FY 2010-11.

**Table 50: Proposed Depreciation Cost (Rs. Cr)**

Particulars	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (P)
Depreciation	68.94	80.2	88.45

**Commission' Observation**

- 7.17 The Petitioner has considered a depreciation rate of 3% for calculation of the depreciation charge for FY 2009-10 and FY 2010-11. The Petitioner has not provided any information as to how it has arrived at the depreciation rate of 3%.
- 7.18 In the absence of asset class wise information, the Commission in the previous 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%.
- 7.19 In the present petition also, the Petitioner has not provided asset class wise details of the GFA shown over the years. In the absence of the same, the Commission has considered a depreciation rate of 3.6% considering a useful life of 25 years and a residual value of 10 years.
- 7.20 The Commission has determined the depreciation charge on the average value of GFA and not on the closing balance as submitted by the Petitioner. The depreciation approved is shown below:

**Table 51: Approved Depreciation Charges (Rs Cr)**

Particulars	FY 2008-09	FY 2008-09	FY 2009 -10	FY 2010-11
	Approved	Actual	RE	Proposed
GFA Opening	1,950.80	2,085.89	2,298.06	2,673.17
Addition			375.11	275.00
GFA Closing	2,143.63	2,298.06	2,673.17	2,948.17
Depreciation @ 3.0% at closing value (PDD)		68.94	80.20	88.45
Depreciation @ 3.6% at Average GFA	73.70	78.91	64.16	70.76
<b>Approved Depreciation (Rs. Cr.)</b>		<b>78.91</b>	<b>64.16</b>	<b>70.76</b>

**Interest and Finance Charges****Petitioner's Submission**

- 7.21 The Petitioner has submitted that debt funding has been arranged only through market borrowing and through loans availed from LIC and REC. The Petitioner has submitted that it does not avail working capital loans. The total interest and finance charges for FY 2010-11 are estimated at Rs. 14.14 Cr. The following table gives the details on repayment and interest rate for FY 2009-10 and FY 2010-11.

**Table 52: Interest & Finance Charges (Rs Cr)**

Particulars	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (P)
<b>Interest and Finance Charges on Long Term Loans / Credits from the FIs/banks/ organisations approved by the State Government</b>			
LIC	0.42	0.29	0.17
REC	7.77	10	11
PFC	-	-	-
Market loans	6.18	5.01	2.97
Bank/FIIs			
<b>Total of I</b>	<b>14.37</b>	<b>15.3</b>	<b>14.14</b>
<b>Grand Total Of Interest &amp; Finance Charges: A + B</b>	<b>14.37</b>	<b>15.3</b>	<b>14.14</b>
Less: Interest & Finance Charges Chargeable to Capital Account	-	-	-
<b>Net Total Of Interest &amp; Finance Charges For Revenue Account: C - D</b>	<b>14.37</b>	<b>15.3</b>	<b>14.14</b>

**Commission's Observation**

- 7.22 The Petitioner has not provided details of the loans availed for incurring the capital expenses in its tariff petition. During the validation, the Commission directed the Petitioner to submit the details of the various loans availed, the opening and closing balances, the rate of interest applicable, the repayments and the tenure of the loans.
- 7.23 In its subsequent submissions, information on loan sanctioned, loan repaid, loan outstanding and interest cost were provided. Details of the rate of interest applicable on the loans were not furnished. The information provided is not sufficient for the Commission to determine the interest charges for the year. In the absence of requisite information for detailed analysis, the Commission has approved the interest charges as submitted by the Petitioner for FY 2010-11.

**Table 53: Approved Interest Charges (Rs Cr)**

Particulars	2008-09	2008-09	2009 -10	2010-11
	Approved	Actual	RE	Proposed
LIC		0.42	0.29	0.17
REC		7.77	10.00	11
PFC		0.00	0.00	0
Market loans		6.18	5.01	2.97
Total	17.95	14.37	15.30	14.14
<b>Approved Interest &amp; Finance Charges</b>		<b>14.37</b>	<b>15.3</b>	<b>14.14</b>



## Return on Equity

### Petitioner's Submission

- 7.24 The Petitioner is a deemed licensee, where rate of return is allowed as per provisions in the sixth schedule but it is being assumed as zero. As there is a substantial gap between revenue and expenditure, which is being met through Government support, there will be no significant effect by including any return on equity in the present circumstances.

### Commission's Observation

- 7.25 The Commission accepts the submission made by the Petitioner and has not approved any return on equity.

## Annual Revenue Requirement (ARR)

- 7.26 Based on the various components approved above, the ARR for the Petitioner is approved as below:

**Table 54: Approved ARR for FY 2009-10 and FY 2010-11 (Rs. Cr)**

Item	FY 2009-10		FY 2010-11	
	Proposed	Approved	Proposed	Approved
Power Purchase Costs	2,563.99	2,548.41	2,453.68	2,528.12
Establishment Expenses	331.32	261.34	385.32	287.47
Operations and Maintenance Expenses	46.49	45.46	48.00	47.74
Depreciation	80.20	89.48	88.45	101.18
Interest and Finance Costs	15.30	15.30	14.14	14.14
Return on Equity	0.00	0.00	0.00	0.00
<b>Gross ARR</b>	<b>3,037.29</b>	<b>2,959.99</b>	<b>2,989.59</b>	<b>2,978.65</b>

## A8: REVIEW OF REVENUE PROJECTIONS

### Revenues from Sale of Power

#### Petitioner's Submission

- 8.1 The total sale of power projected for FY 2010-11 is 4286.09 MU. The revenue through sale of power from different categories of consumers in FY 2010-11 has been projected based on the projected sale (MU) and existing tariff structure. The revenue assessed for FY 2008-09 to FY 2010-11 (projected) are given in the table below.

**Table 55: Proposed Revenue Assessed**

Consumer Categories	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (P)
Domestic	199.29	203.55	222.34
Non-Domestic/Commercial	47.35	48.90	53.96
Agriculture	31.02	32.78	35.81
State/Central Government Depts.	213.54	242.01	274.75
Public Street Lighting	4.36	5.79	6.33
LT Industrial Supply	48.49	55.93	63.89
HT Industrial Supply	101.94	107.69	120.06
HT-PIU Industrial Supply	18.63	19.60	21.82
LT Public Water Works	103.20	105.70	118.44
HT Public Water Works	32.15	36.40	40.91
General Purpose/Bulk Supply	29.67	38.95	43.60
<b>Grand Total</b>	<b>829.63</b>	<b>897.30</b>	<b>1001.91</b>

- 8.2 The following table gives the revenue demand, revenue realization and collection efficiency for FY 2008-09 (A) to FY 2010-11 (P).

**Table 56: Proposed Revenue Demand, Revenue Realization and Collection Efficiency**

Particulars	Units	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (P)
Revenue Demand	Rs. Cr	829.63	897.30	1001.91
Revenue Realization	Rs. Cr	628.10	795.12	921.75
Collection Efficiency	%	76%	89%	92%

- 8.3 The Petitioner has submitted that it is making all efforts to maintain high collection efficiency. The collection efficiency for the FY 2008- 09 was at 76% and it is projected that the collection efficiency will be approx 92% in FY 2010–11.
- 8.4 The Petitioner in view of the increasing revenue gap has proposed an increase in the overall average tariff of 62.5%. Based on the sales projections elaborated in the

previous chapters of this order the Petitioner has proposed the revenue demand for FY 2010-11 at Rs. 1,001.91 Cr at existing tariff and Rs. 1,628.92 Cr at the proposed tariff.

**Table 57: Proposed Revenue Demand for FY 2010-11**

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	6.97	1.68	5.29	222.34	272.60
Non Domestic/ Commercial	6.97	2.01	4.96	53.96	67.33
Agriculture	6.97	2.44	4.53	35.81	60.42
State/Central Govt Dept.	6.97	6.50	0.47	274.75	376.23
Public Street Lighting	6.97	6.54	0.42	6.33	12.88
LT Industrial Supply	6.97	3.71	3.26	63.89	119.54
HT Industrial Supply	6.97	5.28	1.69	120.06	242.26
HT-PIU Industrial Supply	6.97	6.89	0.08	21.82	49.10
LT Public Water Works	6.97	6.81	0.16	118.44	250.27
HT Public Water Works	6.97	6.86	0.11	40.91	89.50
General Purpose/Bulk Supply	6.97	6.79	0.18	43.60	88.79
<b>Average</b>	<b>6.97</b>	<b>3.80</b>	<b>3.17</b>		
<b>Total</b>				<b>1001.91</b>	<b>1628.92</b>

### 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 5% in the number of consumers and connected load and 13.5% increase in energy sales.
- 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. JKPDD had proposed an average tariff of Rs. 3.93/ kWh which is an increase of over 62% of the average existing tariff of Rs. 2.42/ kWh. However, the Commission has allowed an average tariff of Rs. 2.70/ kWh for FY 2010-11 which is an increase of over 11.63% in comparison to the existing tariff.

**Table 58: Approved Tariffs for FY 2010-11**

Consumer Categories	Existing Tariff	Proposed Tariff	Approved Tariff	Proposed Tariff Hike	Approved Tariff Hike (Metered)
	Rs/kWh	Rs/kWh	Rs/kWh	%	%
Domestic	1.41	1.70	1.61	21%	14%
Non-Domestic/ Commercial	2.30	2.81	2.69	22%	17%
State/Central Govt. Dept.	4.74	6.50	4.90	37%	3%
Agriculture	1.29	2.37	1.42	84%	10%

Consumer Categories	Existing Tariff	Proposed Tariff	Approved Tariff	Proposed Tariff Hike	Approved Tariff Hike (Metered)
	Rs/kWh	Rs/kWh	Rs/kWh	%	%
Public Street Lighting	3.30	6.90	4.05	109%	23%
LT Public Water Works	3.30	6.90	4.03	109%	22%
HT Public Water Works	3.13	6.86	3.76	119%	20%
LT Industrial Supply	2.11	3.94	2.46	87%	17%
HT Industrial Supply	2.62	5.28	2.91	102%	11%
HT-PIU Industrial Supply	3.06	6.89	3.30	125%	8%
General Purpose/ Bulk Supply	3.33	6.79	3.78	104%	13%
<b>Average</b>	<b>2.42</b>	<b>3.93</b>	<b>2.70</b>	<b>62%</b>	<b>12%</b>

8.7 Since the Commission has considered the average tariff for flat rate consumers same as that of metered consumers in each category, 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 14%.

**Table 59: 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	21%	25%	23%	14%	21%	18%
Non-Domestic/ Commercial	22%	20%	21%	17%	20%	18%
State/Central Govt. Dept.	37%		37%	3%		3%
Agriculture	84%	55%	69%	10%	20%	15%
Public Street Lighting	109%	97%	104%	23%	32%	27%
LT Public Water Works	109%	122%	111%	22%	48%	26%
HT Public Water Works	119%		119%	20%		20%
LT Industrial Supply	87%	100%	187%	17%		23%
HT Industrial Supply	102%		102%	11%		11%
HT-PIU Industrial Supply	125%		125%	8%		8%
General Purpose/ Bulk Supply	104%		104%	13%		13%
<b>Total/ Overall</b>			<b>62%</b>			<b>14%</b>

8.8 In LT Industrial category, the impact of tariff on revenues is 23% which is higher than the tariff increase of 17% for metered consumers, due to additional revenues considered from conversion of consumers from un-metered to metered consumers.

8.9 The Petitioner has not considered the telescopic impact of tariff for Domestic and

Non-Domestic consumer categories in its revenue projections as submitted in the Petition, the revenue estimates for consumers have been based on the highest applicable tariff slabs in which the consumers fall. The application of telescopic tariff on the projected revenue at the proposed tariff results in a projected revenue of Rs. 1,625 Cr in place of Rs. 1,629 Cr as projected by the Petitioner for FY 2010-11. The Commission has considered telescopic application of tariffs in its projections/ approvals, wherever applicable.

- 8.10 Against the proposed total revenue demand projected at Rs. 1,629 Cr by the Petitioner, the Commission has approved total revenue demand at Rs. 1,140 Cr at the approved tariffs.

**Table 60: Proposed and Approved Revenue Demand for FY 2010-11**

Consumer Categories	Proposed Rs. Cr	Approved Rs. Cr
Domestic	271	260
Non-Domestic/ Commercial	65	63
State/Central Govt. Dept.	376	284
Agriculture	60	41
Public Street Lighting	13	8
LT Public Water Works	250	150
HT Public Water Works	90	49
LT Industrial Supply	120	79
HT Industrial Supply	242	134
HT-PIU Industrial Supply	49	24
General Purpose/ Bulk Supply	89	49
<b>Total</b>	<b>1,625</b>	<b>1,140</b>

- 8.11 At the approved tariff the average gap with respect to the average cost of supply inclusive of losses is Rs. 4.34/ kWh which indicates dependence on subsidy/ Government support to the extent of 62%. Consumer category wise tariff is compared with the average cost of supply indicating the Government/ Subsidy dependence in the table provided below:

**Table 61: Average CoS and Approved Average Tariff for FY 2010-11**

Consumer Categories	Average CoS Rs/kWh	Approved Average Tariff Rs/kWh	Gap Rs/kWh	Gap %
Domestic	7.05	1.61	5.44	77%
Non-Domestic/ Commercial	7.05	2.69	4.36	62%
State/Central Govt. Dept.	7.05	4.90	2.14	30%
Agriculture	7.05	1.42	5.62	80%
Public Street Lighting	7.05	4.05	2.99	42%
LT Public Water Works	7.05	4.03	3.02	43%

Consumer Categories	Average CoS	Approved Average Tariff	Gap	Gap
	Rs/kWh	Rs/kWh	Rs/kWh	%
HT Public Water Works	7.05	3.76	3.28	47%
LT Industrial Supply	7.05	2.46	4.59	65%
HT Industrial Supply	7.05	2.91	4.14	59%
HT-PIU Industrial Supply	7.05	3.30	3.75	53%
General Purpose/ Bulk Supply	7.05	3.78	3.27	46%
<b>Average</b>	<b>7.05</b>	<b>2.70</b>	<b>4.34</b>	<b>62%</b>

- 8.12 The approved revenues consider an approved T&D loss level of 57.79% for FY 2010-11 which is a reduction of 5.81% with respect to the 63.60% in FY 2009-10. The Commission is of the view that JKPDD can significantly improve upon the revenues by improving upon the T&D loss levels in the State. However, at the approved tariff, even at 15% T&D losses a revenue gap of Rs. 0.80/ kWh is estimated. The revenues at the approved tariffs at different levels of T&D losses are provided for demonstration of the same.

**Table 62: Revenues at different loss levels (Estimated for FY 2010-11)**

Particulars	Approved	Loss levels for demonstration			
		50.00%	40.00%	30.00%	15.00%
T&D Loss Level	57.79%	50.00%	40.00%	30.00%	15.00%
Energy Input (MUs)	10005	10005	10005	10005	10005
Sales in MUs	4223	5002	6003	7003	8504
Revenue (Rs. Cr.)	1142	1366	1639	1912	2322
Average Tariff (Rs./ kWh)	2.70	2.70	2.70	2.70	2.70
Average CoS	7.05	5.95	4.96	4.25	3.50
<b>Gap (Rs./ kWh)</b>	<b>4.34</b>	<b>3.25</b>	<b>2.26</b>	<b>1.55</b>	<b>0.80</b>

- 8.13 There has been a significant improvement in the collection efficiency achieved by JKPDD from 70% in FY 2007-08 to over 89% in FY 2009-10. JKPDD has projected the revenue realization for FY 2010-11 at collection efficiency of 92%. The Commission is of the view that considering receipts from arrears also, overall collections efficiency of 95% can be achieved during FY 2010-11. The same has been considered for projected revenues from sale of power.

**Table 63: Revenues at Approved Tariffs for FY 2010-11**

Particulars	Proposed	Approved
Revenues at approved tariffs (Rs Cr)	1628.92	1,140.42
Target Collection Efficiency	92%	95%
Revenue Realized (Rs Cr)	1,498.61	1,083.40

- 8.14 At the approved revenues realization from sale of power and the approved power purchase for FY 2010-11, the realization per unit input is approved at Rs.1.08/ kWh.

## Non-tariff Income

### Petitioner's Submission

8.15 The miscellaneous income (i.e. non-tariff income) of the Petitioner is from the activities that are associated with the supply of the energy but not directly with sales. It comes 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 for the period FY 2008-09 to FY 2010-11.

**Table 64: Non Tariff Income**

Particulars	FY 2007-08 (A)	FY 2008-09 (A)	FY 2009-10 (RE)	FY 2010-11 (P)
Non-Tariff Income	2.18	2.75	2.75	3.50

### Commission's Observations

8.16 The Commission approved the non tariff income at Rs. 2.75 Cr for FY 2009-10 and Rs. 3.50 Cr for FY 2010-11 as projected by the Petitioner.

## Revenue Gap

8.17 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 65: Proposed and Approved Revenue Gap (Rs. Cr)**

Item	FY 2009-10		FY 2010-11	
	Proposed	Approved	Proposed	Approved
Power Purchase Costs	2,563.99	2,548.41	2,453.68	2,528.12
Establishment Expenses	331.32	261.34	385.32	287.47
Operations and Maintenance Expenses	46.49	45.46	48.00	47.74
Depreciation	80.20	89.48	88.45	101.18
Interest and Finance Costs	15.30	15.30	14.14	14.14
Return on Equity	0.00	0.00	0.00	0.00
<b>Gross ARR</b>	<b>3,037.29</b>	<b>2,959.99</b>	<b>2,989.59</b>	<b>2,978.65</b>
Non-Tariff Income	2.75	2.75	3.50	3.50
<b>Net ARR</b>	<b>3,034.54</b>	<b>2957.24</b>	<b>2,986.09</b>	<b>2,975.15</b>
Revenue from Sale of Power	795.12	793.57	1498.61	1083.40
<b>Revenue Gap</b>	<b>(2,239.42)</b>	<b>(2,163.67)</b>	<b>(1,487.48)</b>	<b>(1,891.75)</b>





**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 2007-08.
- 9.2 The Commission is mandated to work within the framework of the SERC Act, which requires it to be guided by the following aspects during the fixation of tariff:
- (a) That the tariff progressively reflects the cost of supply of electricity at an adequate and improving level of efficiency;
  - (b) The factors which would encourage efficiency, economical use of resources, good performance and optimum investments;
  - (c) The interests of the consumers are safeguarded and at the same time, the consumers pay for the use of electricity in a reasonable manner based on the average cost of supply;
  - (d) The electricity generation, transmission, distribution and supply are conducted on commercial principles.
- 9.3 The Commission has issued the 'Terms and Conditions for determination of Distribution Tariff Regulations, 2005 which laid the principles to be followed during the tariff setting process.
- 9.4 It has deliberated on the adoption of rate-of-return approach against the performance based regulations for tariff setting in 'Discussion Paper on Tariff Determination' issued by the Commission in October 2006. This paper, among other things, discusses the objectives of tariff setting, tariff principles, methodologies, and key issues involved in determining the retail electricity tariff in the state of Jammu & Kashmir.

**Cost to Serve**

- 9.5 The cost based tariff provides a direct indication to consumers, of the costs incurred in making the demanded supply available. In the future 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 constrained by the lack of data, and shall determine tariffs for various categories based on the average cost of supply, till such time as detailed data is made available.
- 9.6 In future, the Commission can also consider the applicability of marginal cost based tariff to reflect the true economic cost imposed on the systems. However, it would require detailed marginal cost studies for determination of tariffs on this basis.
- 9.7 In the Tariff Order for FY 2007-08, the Commission had raised the tariff for connections of State Government, Central Government and Defence installations to the level of the average cost of supply. The tariffs for other categories shall be raised

to the level of the cost to serve gradually.

- 9.8 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**

- 9.9 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.
- 9.10 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.
- 9.11 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.
- 9.12 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**

- 9.13 The performance-based regulation focuses on outputs and performance of the utility and not on the actual costs incurred for achieving the same.
- 9.14 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.
- 9.15 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.

- 9.16 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**

- 9.17 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.
- 9.18 This increase in the power purchase costs leads to a higher cost of supply during the peak load hours. The Petitioner 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.
- 9.19 Consumers should pay higher than normal for usage during peak hours and lower for consumption during lean hours, when the unit cost of power purchase is low.
- 9.20 In the previous tariff order the Commission had expressed its desire to introduce Time-of-Day tariff for certain consumer categories. However, the Commission is of the opinion that the PDD is not yet ready to implement such tariff structure. Also, it is desirable that the PDD should collect and analyze relevant data on consumption pattern of various categories and submit a detailed implementation plan for implementation of Time-of-Day tariff.

### **Single Part v/s Two Part Tariff**

- 9.21 The Commission believes that billing through minimum charge method discourages energy conservation and discourages the Petitioner to improve its metering and billing systems.
- 9.22 The Commission shall adopt a two-part tariff structure, 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.
- 9.23 The Commission has decided to introduce two part tariff for all metered categories of consumers in the future.
- 9.24 In the tariff order for 2007-08, the Commission had introduced fixed charges in the form of demand charges for the HT consumers. It was further extended fixed LT Industrial and LT Non-Domestic consumers.
- 9.25 In this year's tariff order fixed charges are being extended to the State/ Central Government Departments, Public Street Lighting, and the LT Public Water Works consumer categories.

### **kVAh Tariff**

- 9.26 Electric power has two components – the working component (kWh) and the magnetizing component (kVARh), which combine to form the apparent power (kVAh). 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.
- 9.27 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).
- 9.28 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.
- 9.29 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 20.8% 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 20% 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 233%, 300% and 400% 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 900%.
- 10.3 In the Flat rate tariffs for the domestic category, JKPDD has proposed a tariff hike of 60% for connections with connected load of up to ¼ kW and nearly 20% for the remaining slabs/ loads.
- 10.4 From the proposed tariff hike it appears that JKPDD is not intending to move on to a system of billing as per the actual consumption of energy recorded by means of meters installed at consumer premises. The difference between the Minimum Charges proposed and the Flat rate proposed for each slab has significantly reduced due to the steeper increase proposed in the Minimum Charges. In such case, it is obvious that JKPDD intends to bill the metered consumers on the Minimum Charges basis and is not confident of moving on to the metered energy billing regime.

- 10.5 The Commission in its Tariff Philosophy has elaborated that it intends to introduce two part tariff across all consumer categories 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 accordance with the Commission has decided to introduce fixed charges for the domestic consumers from the next tariff order.
- 10.6 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.
- 10.7 In order to increase the overall average tariff across tariff/ consumer categories in order to move the same closer to the  $COS_{ZL}$ , an overall increase of 14% in the Energy Charges for metered Domestic consumers for the year 2010-11 has been approved by the Commission.
- 10.8 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. With the exception of the lowest slab for consumers with  $\frac{1}{4}$  kW of connected load, the Commission has approved the hike proposed by the Petition in the various slabs in the Domestic Category Flat rate tariffs.
- 10.9 The existing, proposed and the approved the tariff for Domestic consumer category for FY 2010-11 is shown in the table below:

**Table 66: Tariff Structure - Domestic Supply**

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
<b>Metered Tariff</b>			
Energy Charges for Metered Connection (Rs. / kWh)			
upto 30 units /month	0.90	1.10	1.00
31-100 units /month	1.15	1.40	1.30
101-200 units /month	1.40	1.70	1.60
> 200 units /month	2.10	2.50	2.45
Minimum Charges for connected load (Rs. / month)			
upto 1/4 kW	15.00	50.00	15.00
above 1/4 kW upto 1/2 kW	25.00	100.00	25.00
above 1/2 kW upto 1 kW	40.00	200.00	40.00
Above 1 kW for every 250 W, or part thereof	10.00	100.00	10.00

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
<b>Un-metered Consumers</b>			
Flat Rate (Rs. / month)			
upto 1/4 kW	50.00	80.00	65.00
above 1/4 kW upto 1/2 kW	160.00	190.00	190.00
above 1/2 kW upto 3/4 kW	240.00	290.00	290.00
above 3/4 kW upto 1 kW	320.00	390.00	390.00
above 1 kW upto 2 kW	635.00	760.00	760.00
above 2 kW	Rs.635 + Rs. 275 for every additional 1/2 kW or part thereof.	Rs. 760 + Rs.330 for every additional ½ kW or part thereof	Rs. 760 + Rs.330 for every additional ½ kW or part thereof

10.10 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.

10.11 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 1.00/unit; the next 700 (70 x 10) units at Rs 1.30/unit; next 1000 (100 x 10) units at Rs 1.60/unit and the remaining units at Rs 2.45/unit.

## Non-Domestic/ Commercial Supply

### Applicability

10.12 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.

10.13 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).
- 10.14 JKPDD has proposed an increase of above/ around 30% in the energy charges for all slabs for Single Phase connections and 21% for the three phase connections. The fixed charge for Single Phase connections is proposed to increase by 33% and that for Three Phase consumers by 14%.
- 10.15 An increase of over 20% has been proposed in the Flat Rate tariff across slabs.
- 10.16 In order to increase the overall average tariff across tariff categories, an increase of 19.88% in the Energy Charges for FY 2010-11 has been approved by the Commission.
- 10.17 The Commission has not approved any increase in the Fixed Charges and will consider the same only when the quality of supply and services being provided by JKPDD are improved up to acceptable levels.
- 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 20% in all the slabs in the Flat Rate tariff for the Commercial/ Non-Domestic consumers as proposed by the Petitioner.
- 10.19 The Commission has not approved any separate tariff for metered consumers with connected load of above 10 kW. The Commission is of the opinion that the declared connected load of the consumers in the State is on the lower side in comparison to the actual connected loads. Any tariff differential will only discourage consumers to appropriately declare their loads. However, such proposals may be considered when the JKPDD installs electronic meters with MDI recording feature against all Non-Domestic/ Commercial consumers in the State.
- 10.20 The tariff for the Non-Domestic/ Commercial consumer category for FY 2010-11 as approved by the Commission is provided in the table below:

**Table 67: Tariff Structure - Non Domestic/ Commercial Supply**

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
<b>Metered Non-Domestic Tariff</b>			
Energy Charges (Rs./kWh)			
Single Phase			
Slab of Units			
Upto 100 u/m	1.50	2.00	1.80
101 to 200 u/m	1.60	2.10	1.90



Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
above 200 u/m	2.30	3.00	2.75
Three Phase			
For all units	2.65	3.20	3.20
Above 10 kW for all units		4.00	3.20
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.)			
Single Phase	30.00	40.00	30.00
Three Phase	70.00	80.00	70.00
Above 10 kW	-	100.00	70.00
<b>Un-Metered Non-Domestic Tariff</b>			
Flat Rate Charges (Rs. / month)			
Upto 1/4 kW	140.00	170.00	170.00
above 1/4 kW upto 1/2 kW	350.00	420.00	420.00
above 1/2 kW upto 1 kW	700.00	840.00	840.00
above 1 kW*	900.00	1,080.00	1,080.00
* and part thereof for every kW above 1 kW			

## 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

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

- 10.23 JKPDD has proposed an increase of over 41% in the energy charges for the State/ Central Government Departments tariff category. An increase of over 122% has been proposed in the monthly minimum charges for the category. No change in the tariff structure has been proposed by JKPDD.
- 10.24 In line with the tariff philosophy, the Commission has introduced fixed charges in the tariff for the State/ Central Government Department consumers. The fixed charges for the category have been fixed at Rs.20/ kW/month for FY 2010-11.
- 10.25 In order to increase the overall average tariff across tariff/ consumer categories an overall increase of 3% in the tariff for metered consumers in the category for FY 2010-11 has been approved by the Commission.
- 10.26 In accordance with the Commissions tariff philosophy the minimum charges have been done away with the in the tariff for the State/ Central Government Departments category for FY 2010-11.
- 10.27 The tariff for State/ Central Government Departments category is as shown in the table below:

**Table 68: Tariff Structure - State/ Central Government Departments**

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Energy Charges (Rs./ kWh)			
Energy Charges (Rs./ kWh)	4.89	6.90	5.00
11 kV Supply	2.5% rebate on energy charges	2.5% rebate on energy charges	2.5% rebate on energy charges
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	Nil	Nil	20.00
Minimum Charges (Rs./ month)			
Upto 1/4 kW	45.00	100.00	Nil
Above 1/4 kW	Rs. 45.00 for every additional 1/4 kW or part thereof	Rs. 100 for every additional 1/4 kW or part thereof	Nil

## Agricultural Supply

### Applicability

- 10.28 The Commission has fixed applicability of the agricultural tariff to agricultural loads and lift irrigation connections including threshers and de-watering pumps used for bona-fide agricultural purposes.

### 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)
- 10.29 JKPDD has proposed an increase of 20% and 109% in energy charges and 20% and 67% in the minimum charges for the metered agricultural consumers. An increase of 36% and 60% is proposed in the flat rate charges for the agricultural consumers.
- 10.30 In order to increase the overall average tariff across tariff categories, an increase of 10% in the Energy Charges for FY 2010-11 has been approved by the Commission.
- 10.31 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 20% in all the slabs in the Flat Rate tariff for the agricultural consumers.
- 10.32 The tariff schedule for agricultural consumers, approved by the Commission is shown below:

**Table 69: Tariff Structure - Agriculture Supply**

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Metered Tariff			
Energy Charges (Rs. / kWh)			
0 to 20 HP	0.50	0.60	0.55
Above 20 HP	3.30	6.90	3.65
Minimum Charges for connected load (Rs./ HP/ Annum)			
0 - 20 HP	250.00	300.00	250.00
Above 20 HP	900.00	1,500.00	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	110.00	150.00	130.00
Above 20 HP	750.00	1,200.00	900.00

## Public Street Lighting

### Applicability

- 10.33 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.
- 10.34 JKPDD has proposed an increase of 109% in the energy charges and 150% in the minimum charges in the tariff for the metered consumers under this tariff category. An increase of 97% has been proposed in the flat rate tariff for the un-metered consumers under the category.
- 10.35 In line with its tariff philosophy and the need for increase in the overall average tariff, the Commission has approved the following changes/ modifications in the tariff for the Public Street Lighting category:
- (a) Tariff for metered consumers:
- (i) Fixed charges have been introduced in the tariff structure for the category. It has been fixed at Rs.30/ kW/ month for FY 2010-11.
- (ii) Minimum charges have been done away with in the approved in the tariff for FY 2010-11.
- (iii) Energy charges for the metered consumers have been increased by 21%
- (b) Tariff for un-metered consumers: 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 31% in the Flat Rate tariff for the Public Street Lighting category.
- 10.36 The tariff structure for Public Street Lighting category, approved by the Commission is shown below:

**Table 70: Tariff Structure - Public Street Lighting**

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Metered Tariff			
Energy Charge			
Rs./ kWh	3.30	6.90	4.00
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)	Nil	Nil	30.00
Minimum Charge			
Rs./ kW/ month or any part thereof	200.00	500.00	Nil
Un-metered Tariff			
Rs./ kW/ month or any part thereof	760.00	1500.00	1000.00

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

## LT Public Water Works

### Applicability

10.38 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

10.39 JKPDD has proposed an increase of 109% in the energy charges and 150% in the minimum charges in the tariff for the metered consumers under this tariff category. An increase of 122% has been proposed in the flat rate tariff for the un-metered consumers under the category.

10.40 In line with its tariff philosophy and the need for increase in the overall average tariff, the Commission has approved the following changes/ modifications in the tariff for the LT Public Water Works category:

- (a) Tariff for metered consumers:
  - (i) Fixed charges have been introduced in the tariff structure for the

category. It has been fixed at Rs.30/ kW/ month for FY 2010-11.

- (ii) Minimum charges have been done away with in the approved in the tariff for FY 2010-11.
  - (iii) Energy charges for the metered consumers have been increased by 21%
- (b) Tariff for un-metered consumers: 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 48% in all the slabs in the Flat Rate tariff for the LT Public Water Works.

10.41 The tariff structure, approved by the Commission for LT Public Water Works, applicable for FY 2010-11 is shown in the table below:

**Table 71: Tariff Structure - LT Public Water Works**

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Metered Tariff			
Energy Charge			
For all Units (Rs./ kWh)	3.30	6.90	4.00
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)	Nil	Nil	30.00
Minimum Charges			
Rs. / kW or part thereof / month	200.00	500.00	Nil
Un-metered Charge			
Rs. / KW /month	675.00 (Per Shift of 8 Hrs)	1500.00	1000.00

## HT Public Water Works

### Applicability

10.42 The tariffs for this consumer category shall apply to water works and sewages/ 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 132% in the energy charges and 25% in the demand charges in the tariff for the metered consumers under this tariff category. An increase of 122% has been proposed in the flat rate tariff for the un-metered consumers under the category.
- 10.44 In line with its tariff philosophy and the need for increase in the overall average tariff, the Commission has approved the following changes/ modifications in the tariff for the HT Public Water Works category:
- (a) Tariff for metered consumers:
- (i) No increase has been allowed in the demand charges for the category.
- (ii) Energy charges for the metered consumers have been increased by over 23% and 21.7% for the 11 KV and the 33 kV consumers respectively.
- (b) Tariff for un-metered consumers: The flat rate tariff for the HT Public Water Works category has been discontinued in the tariff approved for FY 2010-11.
- 10.45 The tariff approved by the Commission for HT Public Water Works is shown in the table below:

**Table 72: Tariff Structure - HT Public Water Works**

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
<b>Metered Consumers</b>			
<b>11 kV Supply</b>			
Demand Charge (Rs./ kVA/ Month) ^*	160.00	200.00	160.00
Energy Charge (Rs./ kVAh) ^	2.35	5.45	2.90
^ For Connections above 100 kW supplied on LT, Additional 5% Surcharge on Demand and Energy Charges at 11 KV tariff shall be chargeable			
<b>33 kV and above Supply</b>			
Demand Charge (Rs./ kVA/ Month) *	155.00	190.00	155.00
Energy Charge (Rs./ kVAh)	2.30	5.35	2.80
<b>Flat Rate (Un-metered)</b>			
Rs. / KW /month	675.00 (Per Shift of 8 Hrs.)	1500.00	Nil
* 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 94% in the energy charges and 43% in the demand charges in the tariff for the metered consumers under this tariff category. An increase of 100% has been proposed in the flat rate tariff for the un-metered consumers under the category.
- 10.48 In line with its tariff philosophy and the need for increase in the overall average tariff, the Commission has approved the following changes/ modifications in the tariff for the LT Industrial category:
- (a) Tariff for metered consumers:
- (i) No increase has been allowed in the fixed charges for the category.
- (ii) Energy charges for the metered consumers have been increased by 19.4%.
- (b) Tariff for un-metered consumers: The flat rate tariff for the LT Industrial category has been discontinued in the tariff approved for the year 2010-11.
- 10.49 The existing and the approved tariff for the LT Industrial Category are shown in the table below.

**Table 73: Tariff Structure - LT Industrial Category**

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Metered Tariff			
Energy Charges (Rs./kWh)	1.80	3.50	2.15
Fixed Charges (Rs./KW/month)	35.00	50.00	35.00
Load (in KW) to be rounded off to the next whole number			



Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
for the purpose of application of Fixed Charges.			
Minimum Charges (Rs./ HP or Part thereof)	Nil		Nil
* 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.			
Un-metered Flat Charges (Rs./ kW/ Month)			
8 hrs shift	300.00	600.00	Nil
8 - 12 hrs shift	450.00	900.00	Nil
above 12 hrs shift	600.00	1200.00	Nil

## 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 14% and 5% in the demand charges for 11 kV and 33 kV supply respectively and an increase of 129% in the energy charges for supply at both the voltages.
- 10.52 An increase of around 14% for the 11 kV and the 33 kV consumers has been approved on the applicable energy charges for supply at all voltage levels in the category. The Commission has not allowed any increase in the fixed charges approved for FY 2010-11.
- 10.53 The approved tariff structure for HT industrial consumers is shown in the table below.

**Table 74: Tariff Structure - HT Industrial Category**

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
11 kV Supply			
Demand Charge (Rs./ kVA/ Month) *^	105.00	120.00	105.00

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Energy Charge (Rs./ kVAh) *	1.75	4.00	2.00
* 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	110.00	105.00
Energy Charge (Rs./ kVAh)**	1.70	3.90	1.95
^ 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 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.

## 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 168% and 164% in the energy charges for 11 kV and 33 kV supply respectively and no increase in the demand charges for supply at both the voltages.
- 10.57 An increase of around 10% has been approved by the Commission on the applicable energy charges for supply at all voltage levels in the category.
- 10.58 The Commission is of the view that gradually the when the gap between the HT PIU and the HT Industrial category tariff is reduced, the same shall be merged with the HT Industrial category.
- 10.59 The approved tariff for the power intensive industries is as shown in the table below:

**Table 75: 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	140.00	140.00
Energy Charge (Rs./ kVAh)	2.00	5.35	2.20
33 kV and above Supply			
Demand Charge (Rs./ kVA/ Month) *	135.00	135.00	135.00
Energy Charge (Rs./ kVAh)**	1.95	5.15	2.15
* 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			

10.60 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

10.61 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.

10.62 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

10.63 JKPDD has proposed an increase of 126% in the energy charges for both 11 kV and 33 kV supply and no increase in the demand charges for supply at both the voltages.

10.64 An increase of 17% and 13% for 11 kV and 33 kV consumers respectively have been approved by the Commission on the applicable energy charges for supply at all voltage levels in the category.

10.65 The Commission has approved the following tariff structure for General Purpose Bulk Supply category of consumers:

**Table 76: Tariff Structure - General Purpose Bulk Supply**

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
<b>11 kV Supply</b>			
Demand Charge (Rs./ kVA/ Month) *	145.00	145.00	145.00
Energy Charge (Rs./ kVAh)	2.35	5.30	2.75
* For Connections above 100 kW supplied on LT, Additional 5% Surcharge on Demand and Energy Charges at 11 KV tariff shall be chargeable			
<b>33 kV and above Supply</b>			
Demand Charge (Rs./ kVA/ Month) *	140.00	140.00	140.00
Energy Charge (Rs./ kVAh)	2.30	5.20	2.60
* Or part thereof on Billing Demand			
** Rebate to Connections at higher voltages:			

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
For 66 kV – 1.5% on the Energy Charge for 33 kV Supply.			

10.66 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.

**A11: TERMS AND CONDITIONS OF TARIFF/ DEFINITIONS**

- 11.1 The Commission had earlier approved terms and conditions for application of tariff in the Tariff Order for FY 2008-09. The terms and conditions for application of tariff for the year FY 2010-11 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 the Petitioner and the consumer.

**Minimum Agreement Period**

- 11.5 The minimum period for which the Petitioner 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 consumers shall deposit a security amount with the Petitioner, based on their assessed charges for two months, prior to getting a connection. No security deposit is required for Central and State Govt. offices, provided there is no default in payment of monthly bills for more than three months. The security deposit shall be refunded to the consumer on surrender of the connection subject to adjustment of any outstanding dues.

**Late payment surcharge**

- 11.7 The Petitioner shall levy a late payment surcharge of 1.5% per month on the unpaid (beyond due date) principal amount of energy charges, demand charges and/or minimum charges as may be the case.

**Excess/ Unauthorised Load**

- 11.8 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.

- 11.9 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.
- 11.10 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 the Petitioner. 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. The Petitioner 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**

- 11.11 The Petitioner shall not provide any new connections without appropriate meter. The tariff for un-metered connections shall be applicable only to the existing un-metered connections, until they are metered.

#### **Electricity Duty**

- 11.12 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**

- 11.13 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.
- 11.14 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**

- 11.15 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 77: 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

- 11.16 All such consumers shall be levied a surcharge at 10% on the energy charge (metered or flat), till they have installed the required capacitors.
- 11.17 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.
- 11.18 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**

- 11.19 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.
- 11.20 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**



- 11.21 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**

- 11.22 If the meter of any LT/HT consumer is found stopped or defective, the billing for the period when the meter remained defective shall be done based on the average of three months prior to the month when the defect was discovered.
- 11.23 If the consumption for the previous three months is not available, provisional billing shall be done, which can be revised based on the average consumption for three months after replacement of the meter or based on the assessed consumption if subsequent three months consumption cannot be taken due to specific reasons.

#### **Charges for Dishonored Cheques**

- 11.24 A consumer, whose cheque has been dishonored once, shall have to make payments either in cash or demand draft.
- 11.25 The Petitioner 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**

- 11.26 No consumers shall resell the energy purchased from the utility to any other person. Defaulters shall be subject to immediate disconnection of supply.

#### **Applicability of Tariff**

- 11.27 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**

- 11.28 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**

- 11.29 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.

- 11.30 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.
- 11.31 In order to encourage consumers to switch over to solar water heating systems, the Commission proposes to introduce a monthly rebate of Rs.50 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

- 11.32 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.
- 11.33 In case of domestic consumers load of geysers plus heaters or of air conditioners without heaters whichever is higher is to be considered.
- 11.34 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

- 11.35 Sanctioned Load: shall mean load for which the Petitioner 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**

- 11.36 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**

- 11.37 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**

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

### **Average Power Factor**

- 11.39 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 has issued detailed set of directives to JKPDD in its first retail Tariff Order for FY 2007-08. The Commission is not satisfied with the progress and the reporting done by JKPDD against the same.
- 12.2 A snapshot of the status of compliance and the Commissions views on each of the directives given in the Tariff Order for FY 2007-08 is tabulated below:

Directive/ Issue	Summary
<b>A. Status of compliance against directives issued in Tariff Order for 2007-08</b>	
Metering	<b>Summary of Directive issued:</b>
	<ul style="list-style-type: none"> <li>. Submission of a detailed metering plan covering feeder, DT and consumer level metering to the Commission.</li> <li>. Target date for 100% metering across consumer categories was set at December 31, 2009.</li> <li>. Investment requirement with timeframe and tentative sources of funding was to be submitted to the Commission for approval.</li> </ul>
	<b>JKPDD's response:</b>
	<ul style="list-style-type: none"> <li>. JKPDD achieved 100% feeder metering of 11 KV and above feeders on March 31, 2007.</li> <li>. Sufficient meters for achievement of 65% consumer metering have been procured by JKPDD.</li> <li>. The state government has set a target of replacing the damaged, defective, electromagnetic meters during 2010-11.</li> <li>. Instead of separate wires for phase and neutral twin flat service lines are being provided for domestic consumers to avoid tampering.</li> <li>. The old metering units at HT and bulk consumer installations especially industrial consumers are being replaced with combined CT/PT units and Trivector meters.</li> </ul>
Energy Audit	<b>Commissions views:</b>
	<ul style="list-style-type: none"> <li>. JKPDD has failed to develop a comprehensive metering in the time allowed by the Commission.</li> <li>. JKPDD has to mandatory install meters against all connections as per the Directions of the Commission; replacement of old/ defective meters is a parallel activity.</li> <li>. The Commission extends the target date for 100% metering in the State to December 31, 2011. JKPDD is directed to update the Commission on a monthly basis on the same.</li> </ul>
	<b>Summary of Directive issued:</b>
	<ul style="list-style-type: none"> <li>. 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.</li> <li>. The Petitioner was directed to carry out monthly circle/ division wise T&amp;D loss assessment from March, 2007 onwards.</li> </ul>
Energy Audit	<b>JKPDD's response:</b>
	<ul style="list-style-type: none"> <li>. 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&amp;D loss accounts are being prepared. The feeder wise energy accounts for dedicated industrial feeders are being prepared separately on monthly basis.</li> <li>. 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.</li> </ul>
	<b>Commissions views:</b>

Directive/ Issue	Summary
	<ul style="list-style-type: none"> <li>. Achievement of 100% feeders is a step in the right direction for undertaking 100% energy audit.</li> <li>. JKPDD has submitted reports on division/ region wise energy audits, however, quarterly submissions are not being made on a regular basis.</li> <li>. The Commission is of the view that the progress of feeder wise energy audits as reported by JKPDD is very dismal.</li> <li>. Feeder wise energy audits is to be undertaken in two phases:               <ul style="list-style-type: none"> <li>- Phase 1: Industrial Feeders – All 11 kV feeders comprising of HT consumers only to be covered in this phase.</li> <li>- 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.</li> </ul> </li> </ul>
Revenue Cycle Management	<p><b>Summary of Directive issued</b></p>
	<ul style="list-style-type: none"> <li>. 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"> <li>- New connections &amp; connections management;</li> <li>- Meter management;</li> <li>- Meter reading;</li> <li>- Revenue billing process;</li> <li>- Collection management;</li> <li>- Revenue recovery;</li> <li>- Revenue discipline process (enforcement)</li> <li>- Customer care</li> </ul> </li> </ul>
	<p><b>JKPDD's response</b></p> <ul style="list-style-type: none"> <li>. 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&amp;RE Sub Divisions in EM&amp;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. The target of computerization of 65% billed energy during FY 2008-09 has been achieved in full as verified by the Independent Auditors.</li> <li>. JKPDD understands that it has to do a lot as far as revenue cycle management and other distribution related activities are concerned. With this 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&amp;C losses. Since AT&amp;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.</li> </ul>
	<p><b>Commissions views</b></p> <ul style="list-style-type: none"> <li>. Computerization of consumer care centers is a welcome step. The Commissions directs JKPDD to undertake the same in all divisions/ sub-divisions.</li> <li>. As already proposed by JKPDD, the Commission is of the view that input based Franchisee schemes as already implemented in Bhiwandi (Maharashtra) and several other towns/ cities in various states of the country can provide a viable and time bound solution to the worsening financial viability of the power distribution business in the State.</li> <li>. Nevertheless, the Commission directs 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.</li> </ul>
Segregation of	<p><b>Summary of Directive issued</b></p>

Directive/ Issue	Summary
costs	<ul style="list-style-type: none"> <li>The Petitioner was directed to segregate costs between transmission and distribution functions and file separate petitions from subsequent years.</li> <li>The Petitioner was directed to maintain separate Fixed Asset Registers (FAR) for the two functions.</li> </ul>
	<b>JKPDD's response</b>
	<ul style="list-style-type: none"> <li>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. As such this directive will be taken care of in future petitions.</li> </ul>
	<b>Commissions views</b>
	<ul style="list-style-type: none"> <li>The Commission is extending the deadline to September 31, 2010. The Commission shall be forced to penalize JKPDD if the same is not complied with.</li> </ul>
Database Management & MIS	<b>Summary of Directive issued</b>
	<ul style="list-style-type: none"> <li>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.</li> </ul>
	<b>JKPDD's response</b>
	<ul style="list-style-type: none"> <li>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).</li> <li>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.</li> </ul>
	<b>Commissions views</b>
<ul style="list-style-type: none"> <li>The Commission has reviewed the progress above work being undertaken by JKPDD under Part-A of the APDRP. The Commission shall review the same on a quarterly basis.</li> <li>JKPDD needs to ensure that similar systems are implemented in the remaining areas which are not being covered under the proposed R-APDRP scheme. JKPDD is directed to develop its plan for the same and submit to the Commission by August 31, 2010.</li> </ul>	
ToD Tariffs	<b>Summary of Directive issued</b>
	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
	<b>JKPDD's response</b>
	<ul style="list-style-type: none"> <li>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.</li> </ul>
	<b>Commissions views</b>
<ul style="list-style-type: none"> <li>Only installation of the ToD compatible meters is not enough for the Commission to introduce ToD tariffs.</li> <li>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.</li> </ul>	

Directive/ Issue	Summary
	<ul style="list-style-type: none"> <li>. JKPDD is directed to down the consumption pattern of the High Value Consumers recorded in the meters installed and submit a report on its findings by August 31, 2010.</li> </ul>
Sales Forecasting	<b>Summary of Directive issued</b>
	<ul style="list-style-type: none"> <li>. 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.</li> </ul>
	<b>JKPDD's response</b>
	<ul style="list-style-type: none"> <li>. 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.</li> </ul>
	<b>Commissions views</b>
Region wise details	<b>Summary of Directive issued</b>
	<ul style="list-style-type: none"> <li>. The Petitioner was directed to submit details on the power availability, energy sales, level of metering, revenue realisations and loss levels in different regions in the State.</li> </ul>
	<b>JKPDD's response</b>
	<ul style="list-style-type: none"> <li>. 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.</li> </ul>
Progress monitoring	<b>Summary of Directive issued</b>
	<ul style="list-style-type: none"> <li>. The Petitioner was directed to submit quarterly progress reports on each directive issued by the Commission.</li> </ul>
	<b>JKPDD's response</b>
	<ul style="list-style-type: none"> <li>. 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 to 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&amp;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.</li> </ul>
	<b>Commissions views</b>
<b>B. Status of compliance against directives issued in Tariff Order for 2008-09</b>	
Loss study	<b>Summary of Directive issued</b>

Directive/ Issue	Summary
	<ul style="list-style-type: none"> <li>. 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"> <li>- Sales in MUs to various consumer categories;</li> <li>- T&amp;D losses.</li> </ul> </li> </ul> <p><b>JKPDD's response</b></p> <ul style="list-style-type: none"> <li>. 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.</li> </ul> <p><b>Commissions views</b></p> <ul style="list-style-type: none"> <li>. JKPDD is unacceptably slow in the way it is progress on the directives issued on such critical matters as the study of T&amp;D losses. JKPDD is directed to get the study completed and submit its report by September 30, 2010.</li> </ul>
<b>C. New directives to JKPDD</b>	
Sales estimation	<ul style="list-style-type: none"> <li>. 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.</li> </ul>
Metering of LT Industrial Consumers	<ul style="list-style-type: none"> <li>. The same 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.</li> </ul>
Proposed schedule of miscellaneous charges	<ul style="list-style-type: none"> <li>. 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.</li> </ul>
Revision of Connected Load Agreements	<ul style="list-style-type: none"> <li>. 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 31<sup>st</sup> October, 2010.</li> </ul>
<u>Demand Side Management</u>	<ul style="list-style-type: none"> <li>. The Commission also directs JKPDD to prepare a Demand Side Management plan and submit the same for the approval of the Commission.</li> </ul>
<u>Replacement of non-functional meters</u>	<ul style="list-style-type: none"> <li>. JKPDD is directed to report the number of non-functional/ defective/ bye-passed/ burnt out meters, category wise in the system as on 31<sup>st</sup> March 2010 along with an action plan to replace them. The report must be submitted to the Commission by July 31, 2010.</li> </ul>
<u>Reading of Electronic Meters through MRIs</u>	<ul style="list-style-type: none"> <li>. 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.</li> </ul>
<u>Balancing of Load</u>	<ul style="list-style-type: none"> <li>. 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.</li> </ul>
Arrear Recovery	<ul style="list-style-type: none"> <li>. 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..</li> </ul>



**A13: MISCELLANEOUS CHARGES****Petitioners Submission**

13.1 The Petitioner has proposed hike in several items listed in the schedule of miscellaneous charges for FY 2010-11, as shown in the table below:

Sl.	Particulars	Existing	Proposed
1.	For single phase and three phase connection up to 5 kW		
	a) Changing meter Board in same premises.	Rs. 50/-	Rs. 60/-
	b) Changing meter at consumer's request in same premises.	Rs. 50/-	Rs. 60/-
	c) Re-sealing PDD's cut out in consumer's premises.	Rs. 15/-	Rs. 20/-
2.	Re-sealing of meters, Maximum Demand indicators in consumer's premises		
	a) Single phase LT connection.	Rs. 40/-	Rs. 50/-
	b) Three phase LT Connection.	Rs. 60/-	Rs. 70/-
	c) H.T. connection.	Rs. 500/-	Rs. 700/-
3.	Meter testing charges at consumer's request.		
	a) Single phase LT meter	Rs. 50/-	Rs. 50/-
	b) 3 phase, 4w/3w meter, without C.T. meter	Rs. 75/-	Rs. 85/-
	c) 3 phase, 4w/3w meter, with C.T. meter	Rs. 250/-	Rs. 300/-
	d) L.T. C.T meter	Rs. 100/- each	Rs. 120/-
	e) HT meters (along with metering equipment)	Rs. 1,000/-	Rs. 1,200/-
4.	Special meter reading		
	a) L.T. connection	Rs. 20/-	Rs. 25/-
	b) H.T. connection	Rs.200/-	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	Rs. 15/-	Rs. 20/-
	b) L.T. Consumer's fuse	Rs. 15/-	Rs. 20/-
7.	Replacement of missing meter card	Rs. 10/- per card	Rs. 10/- per card
8.	Replacement of broken glass of meter	Rs. 30/- per glass	Rs. 30/- per glass
9.	Reconnection/disconnection charge		
	LT Consumers	Rs. 25/-	Rs. 25/-
	HT Consumers	Rs. 150/-	Rs. 170/-
10.	Re-checking of installation on request of consumer		
	a) Single Phase (Per Installation)	Rs.75/-	Rs.75/-
	b) Three Phase (Per Installation)	Rs. 225/-	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)	Rs. 175/-	Rs. 175/-

Sl.	Particulars	Existing	Proposed
	a) Single Phase LT Connections	Rs. 350/-	Rs. 400/-
	b) Three Phase LT Connections	Rs. 80/-	Rs. 95/-
	c) Loop LT Connections		
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 observed that the Petitioner has proposed an adhoc increase against several of the items listed in the Schedule of Miscellaneous Charges shown above which is 20% in most of the cases. There is no justification/ supporting information submitted by the Petition for substantiating the proposed hike in charges against any of the items listed above.
- 13.3 Moreover, as evident from the objections raised during the public hearing process it appears that JKPDD has not been able to meet customer expectations in terms of the quality and promptness in its services.
- 13.4 In view of the same, the Commission rejects proposed hike against all items in the miscellaneous charges proposed by the Petitioner.
- 13.5 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.

**A14: TARIFF SCHEDULE FOR FY 2010-11****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 78: Approved Tariff for Domestic Supply**

Particulars	Approved Tariff
<b>Metered Tariff</b>	
Energy Charges for Metered Connection (Rs. / kWh)	
upto 30 units /month	1.00
31-100 units /month	1.30
101-200 units /month	1.60
> 200 units /month	2.45
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
<b>Un-metered Consumers</b>	
Flat Rate (Rs. / month)	
upto 1/4 kW	65.00
above 1/4 kW upto 1/2 kW	190.00
above 1/2 kW upto 3/4 kW	290.00
above 3/4 kW upto 1 kW	390.00
above 1 kW upto 2 kW	760.00

Particulars	Approved Tariff
above 2 kW	Rs. 760 + Rs.330 for every additional ½ kW or part thereof

**Note:**

- 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 1.00/unit; the next 700 (70 x 10) units at Rs 1.30/unit; next 1000 (100 x 10) units at Rs 1.60/unit and the remaining units at Rs 2.45/unit.

## Schedule 2: Non-Domestic/ Commercial Supply

### Applicability

- 14.4 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.
- 14.5 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 79: Approved Tariff for Non Domestic/ Commercial Supply**

Particulars	Approved Tariff
<b>Metered Non-Domestic Tariff</b>	
Energy Charges (Rs./kWh)	
Single Phase	
Slab of Units	
Upto 100 u/m	1.80
101 to 200 u/m	1.90
above 200 u/m	2.75
Three Phase	
For all units	3.20

Particulars	Approved Tariff
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 charges as 0.5 KW and 1.2 KW to be charged as 1.5 KW and so on.)	
Single Phase	30.00
Three Phase	70.00
<b>Un-Metered Non-Domestic Tariff</b>	
Flat Rate Charges (Rs. / month)	
Upto 1/4 kW	170.00
above 1/4 kW upto 1/2 kW	420.00
above 1/2 kW upto 1 kW	840.00
above 1 kW*	1,080.00
* and part thereof for every kW above 1 kW	

### Schedule 3: State/ Central Government Departments

#### Applicability

- 14.6 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.
- 14.7 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 upto 1 MVA
- (d) AC, 50 Hz, three phase; 33 kV and above supply for sanctioned load above 1 MVA

#### Rate of Charge

**Table 80: Approved Tariff for State/ Central Government Departments**

Particulars	Approved Tariff
Energy Charges (Rs./ kWh)	
Energy Charges (Rs./ kWh)	5.00
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	20.00
Minimum Charges (Rs./ month)	
Upto ¼ kW	Nil
Above 1/4 kW	Nil

## Schedule 4: Agricultural Supply

### Applicability

- 14.8 The Commission has fixed applicability of the agricultural tariff to agricultural loads and lift irrigation connections including threshers and de-watering pumps used for bona-fide agricultural purposes.

### 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 81: Approved Tariff for Agriculture Supply**

Particulars	Approved Tariff
Metered Tariff	
Energy Charges (Rs. / kWh)	
0 to 20 HP	0.55
Above 20 HP	3.65
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	130.00
Above 20 HP	900.00



## Schedule 5: Public Street Lighting

### Applicability

- 14.9 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 82: Approved Tariff For Public Street Lighting**

Particulars	Approved Tariff
Metered Tariff	
Energy Charge	
Rs./ kWh	4.00
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
Minimum Charge	
Rs./ kW/ month or any part thereof	Nil
Un-metered Tariff	
Rs./ kW/ month or any part thereof	1000.00

## Schedule 6: LT Public Water Works

### Applicability

- 14.10 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 83: Approved Tariff for LT Public Water Works**

Particulars	Approved Tariff
Metered Tariff	
Energy Charge	
For all Units (Rs./ kWh)	4.00
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)	30.00
Minimum Charges	
Rs. / kW or part thereof / month	Nil
Un-metered Charge	
Rs. / KW /month	1000.00

## Schedule 7: HT Public Water Works

### Applicability

- 14.11 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 84: Approved Tariff for HT Public Water Works**

Particulars	Approved Tariff
Metered Consumers	
11 kV Supply	
Demand Charge (Rs./ kVA/ Month) <sup>^*</sup>	160.00
Energy Charge (Rs./ kVAh) <sup>^</sup>	2.90
<sup>^</sup> 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) <sup>*</sup>	155.00
Energy Charge (Rs./ kVAh)	2.80
Flat Rate (Un-metered)	
Rs./kW/Month	Nil
<sup>*</sup> Or part thereof on Billing Demand	

## Schedule 8: LT Industrial Supply

### Applicability

14.12 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 85: Approved Tariff for LT Industrial Category**

Particulars	Approved Tariff
Metered Tariff	
Energy Charges (Rs./kWh)	2.15
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
Minimum Charges (Rs./ HP or Part thereof)	Nil
* 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.	
Un-metered Flat Charges (Rs./ kW/ Month)	
8 hrs shift	Nil
8 - 12 hrs shift	Nil
above 12 hrs shift	Nil

## Schedule 9: HT Industrial Supply

### Applicability

14.13 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 86: Approved Tariff for HT Industrial Category**

Particulars	Approved Tariff
11 kV Supply	
Demand Charge (Rs./ kVA/ Month) *^	105.00
Energy Charge (Rs./ kVAh) *	2.00
* 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
Energy Charge (Rs./ kVAh)**	1.95

14.14 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.

**Schedule 10: HT Industrial Supply for Power Intensive Industries****Applicability**

14.15 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**

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

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

### Rate of Charge

**Table 87: Approved Tariff for HT Industrial Supply for Power Intensive Industries**

Particulars	Approved Tariff
<b>11 kV Supply</b>	
Demand Charge (Rs./ kVA/ Month) *	140.00
Energy Charge (Rs./ kVAh)	2.20
<b>33 kV and above Supply</b>	
Demand Charge (Rs./ kVA/ Month) *	135.00
Energy Charge (Rs./ kVAh)**	2.15
* 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	

14.16 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.

## Schedule 11: General Purpose Bulk Supply

### Applicability

- 14.17 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.
- 14.18 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 88: Approved Tariff for General Purpose Bulk Supply

Particulars	Approved Tariff
11 kV Supply	
Demand Charge (Rs./ kVA/ Month) *	145.00
Energy Charge (Rs./ kVAh)	2.75
* 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
Energy Charge (Rs./ kVAh)	2.60
* 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.	

- 14.19 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.



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

- 14.20 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**

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

**A15: SCHEDULE OF MISCELLANEOUS CHARGES**

15.1 The schedule for levying miscellaneous charges for FY 2010-11, as approved by the Commission is provided in the following table.

**Table 89: 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. 50/- Rs. 50/- Rs. 15/-
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/-
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/-
4.	Special meter reading a) L.T. connection b) H.T. connection	Rs. 20/- Rs. 200/-
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. 15/- Rs. 15/-
7.	Replacement of missing meter card	Rs. 10/- per card
8.	Replacement of broken glass of meter	Rs. 30/- per glass
9.	Reconnection/disconnection charge LT Consumers HT Consumers	Rs. 25/- Rs. 150/-
10.	Re-checking of installation on request of consumer a) Single Phase b) Three Phase	Rs.75/- per installation Rs. 225/- per installation
11.	Re-rating of equipment	Rs.100/- 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	Rs. 175/- Rs. 350/-

Sl.	Particulars	Approved Charges
	c) Loop LT Connections	Rs. 80/-
13.	Parallel operation charge for availing grid support by CPP	Rs.16/- 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. 500/-
17.	Booklet for HT/LT Tariff	Rs.20/-
18.	Connection/ Disconnection Charges for Temporary Connections a) LT Temporary Connection b) HT Temporary Connection	Rs. 100/- Rs. 500/-

**A16: ANNEXURE****Annexure 1: List of participants in State Advisory Committee Meeting**

Sl.	Name	Department/ Organization
1	Renu Mahajan	Secretary
2	R.R. Kotwal	Superintending Engineer; SERC
3	D.S. Tara	Retd. S.E to assist the Commission
4	Y.V. Sharma	President CCI, Jammu
5	D.R. Danish	President Consumer Protection Organization
6	Vinod Khajuria	Power Development department
7	M.L. Sarangal	Ex. Engineer, Commercial Div. Jammu
8	Shahid Hasan	Consultant to the Petitioner, Associates Director, TERI
9	Nidhi Maurya	Consultant to the Petitioner, TERI
10	Saurabh	Consultant to the Petitioner, TERI
11	B.A. Dar	AEE with DC(P), JKPDD
12	R.V. Sharma	Ex. Engineer, LDMT Jammu, JKPDD
13	K.A. Untoo	S.E. Cos. wing Survey
14	Devinder Verma	President Industries Association, Kathua
15	Devinder Mahajan	Chairman F.O. Industries
16	Sonam Galson	CE S&O Jammu
17	Asgar Ali	Development Commissioner (Power), J&K PDD
18	H.S. Gupta	Retd. DCP to assist the Commission
19	Anujesh Dwivedi	Consultant to the Commission, PwC
20	Farrukh Aamir	Consultant to the Commission, PwC
21	Aakanksha Shrivastava	Consultant to the Commission, PwC

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 90: List of objectors**

Sl.	Objector
1	Smt. Zaniub Akhtar, Consumer, Nanak Nagar, Sector 13, Jammu.
2	Dr. Ram Chander Sharma , Chairman. R.W.E.S. Sunderbani, Rajouri.
3	G.H Lone, H.no. 118, Sector- 13, Nanak Nagar, Jammu.
4	Sh. R.K.Bazaz, Consumer.
5	P.Vishwas Jeevant, Lt. Col, Garrison Engineers, Nagrota.
6	Tejwant Singh Reen (President), Association of Industries Gangyal, Jammu
7	Bari Brahmana Industries. Association of Industries Gangyal, Jammu
8	Kashmir Steel Rolling Mills, Bari Brahmana, Jammu.
9	Singla Cables, MFRS. & Exporters of All Types of Telecom Cables, Bari Brahmana, Jammu
10	Masters India SIDCO Industries, Complex Bari Brahmana, Jammu
11	Chenab Textile Mill, Kathua.
12	Jammu Paper, Private Limited, SIDCO Industries, Complex Bari Brahmana, Jammu.
13	Vikram Gour, Member, JKS Consumer Protection Council.
14	Development Commissioner Power , Jammu.
15	K.C. Food Products, Industrial Complex, Bari Brahmana, Jammu.
16	Sh. Vikram Gour, (SAC Member).
17	Sh. Guru Kripa, Alloys Pvt. Ltd. Bari Brahmana, Jammu.
18	Jammu Casting Pvt. Ltd. Bari Brahmana, Jammu.
19	Commerce College to Jewel Shopkeeper Association, Jammu.
20	Lupin, limited, Sidco, Kartholi, Bari Brahmana, Jammu.
21	Tawi Chemicals Industries SIDCO
22	Tawi Chemicals Industries Unit-II, Bari Brahmana, Jammu.
23	K.S. Profiles, Sidco Industries Complex Bari Brahmana, Jammu.
24	Bhartiya Janta Party, Jammu & Kashmir.
25	Association of Jammu Travel Agents, Gandhi Nagar, Jammu.
26	M/s Trikuta Steel Rolling Mills Sidco Industries, Bari Brahmana, Jammu.
27	M/s Sudershan Steels Pvt. Ltd. Sidco Industries, Bari Brahmana, Jammu.
28	PHD Chamber of Commerce & Industry 1, Canal Road Jammu.
29	Chamber of Commerce & Industries O.B. 31, Rail Head Complex, Jammu.
30	M/s Sudershan Casting Pvt. Ltd. Sidco Industries, Bari Brahmana, Jammu.
31	Harbans Industries, Industrial Estate, Digiana, Jammu.
32	Small scale Industries Association, Industrial Estate, Digiana, Jammu.
33	Hindustan Lamination, Industrial Estate, Digiana, Jammu.
34	Shivam Industries, Industrial Estate, Digiana, Jammu.
35	National Rubber, Industrial Estate, Digiana, Jammu.
36	M/s Shiva Dairy Products, Industrial Estate, Digiana, Jammu.
37	MRF Pretreads : Franchisee, Jain Treads, Industrial Estate, Digiana, Jammu.

Sl.	Objector
38	Sanjay Puri, Chairman, Confederation of Indian Industry, Northern Region Gandhi Nagar, Jammu.
39	Tejwant Singh Reen, President, Association of Industries Gangyal, Jammu.
40	Birpur Small Scale Industries Association 34-A, Birpur Industrial Complex, Bari Brahmana, Jammu.
41	Narbada Steels Limited, Sidco Industrial Complex Bari Brahmana, Samba, Jammu.
42	Craft India Sidco Industries, Bari Brahmana, Jammu.
43	Sun Components Industrial Growth Centre Samba, Jammu.
44	M/s ARR/Bee Industries, Industrial Complex, Bari Brahmana, Samba, Jammu.
45	M/s Chenab Textile Mills, Kathua, Jammu.
46	Sud Pines Pvt. Ltd. Bari Brahmana, Jammu.
47	Jammu Pine & Synthetic Products Industrial Area, Gangyal.
48	Jammu Central Mahajan Sabha (REGD).
49	R.R Negi, Lt. Col DCWEE/M For cdr.
50	Aftab Badri, Srinagar.
51	Sh. Abdul Rashid, GPO, Srinagar.
52	Nazir Ahmad Shikari, President, Unit holders Association Lasipora.
53	Kashmir Rice and Oil Mill Owners Union District Baramulla, Budgam, Bandiopora Circle, Tang Marg.
54	Kashmir Printers Association, 101 Yellow Plaza Medical College Road, Srinagar.

**Annexure 3: List of participants in Public Hearings****Table 91: Participants at Jammu Hearing held on 13 March 2010**

Sl	Name	Designation
1	P.K.Puri	S.E, JKPDD
2	A.K Kachroo	XEN, ED-III, JKPDD
3	M.L Sarangal	Ex. Engineer, Commercial Division, Jammu, JKPDD
4	Sourabh	Research Associate, TERI
5	Nidhi Maurya	Research Associate, TERI
6	R.N Sharma	Ex. Engineer, JKPDD
7	B.A Dar	AEE, JKPDD
8	K.A. Untoo	S.E, JKPDD
9	Vinod Khajuria	XEN, PDD
10	Sonam Gialson	C.E., S&O, JKPDD
11	Mohd. Qasim	C.E., EM&RE Wing Jammu, JKPDD
12	Asgar Ali	D.C.P, JKPDD
13	P.B Khajuria	Ex. M.D, JKSPDC
14	Shoban Kumar Zutshi	Technical Officer with C.E, M&RE Jammu, JKPDD
15	S.K Bhagat	AEE, Commercial Division Jammu, JKPDD
16	Deepak Aggarwal	Treasurer, Chamber of Commerce and Industries
17	Pankaj	Secretary, ASI, Gangyal
18	Y.V. Sharma	President, Chamber of Commerce and Industries, Jammu
19	Jatinder Aul	President, SSI Association Digiana, Jammu
20	H.D. Sharma	Consumer
21	Chander Vaday	Company Secretary, 862, Subash Nagar, Jammu
22	L.M Khajuria	President, Gandhi Nagar Welfare Association
23	G.P Sai	Vice President
24	O.P Khajuria	Social Worker, Gandhi Nagar
25	S.K Sharma	Ex. Engineer, M&RE Division-II, Jammu, JKPDD
26	M.M. Singh	Ex. Engineer, M&RE Division, Vijaypur, JKPDD
27	Sanjay Sharma	AEE, Green Belt, JKPDD
28	S.K Anand	AEE, ED-II, JKPDD
29	Vikrant Kutliala	PHD Chamber of Commerce & Industries J&K Chapter
30	L.K.Gupta	C.E (Retd), JKPDD
31	S.C Rekhi	Gen Secretary (Retd Officers)
32	Er. Vikram Gour	Member, State Consumer Protection Council
33	Er. BL Suri	Retd. S.E. to represent the Consumer
34	H.S.Gupta	Retd. DCP to Assist the Commission
35	R.R Negi, J Vishwas & Shri Jain	MES & Head Qtr. Northern Command
36	B.M Kohli	Rtd. Govt. Officer representing NGO.
37	Rahul Bansal	Narbada Steel Ltd.

Sl	Name	Designation
38	J.K.Mengi	CII Jammu
39	Rajesh Gupta	President, Trade Industries Tourism wing BJP
40	Sanjay Saraf	Secretary, Bari Barhmana Industrial Association
41	Sanjay Puri	Chairman, Confederation of Indian Industries
42	Varun Singla	Kashmir Steel Mills
43	Lalit Mahjan	Vice President
44	S.C. Dutta	President, Birpur Industries Association Bari Barhmana
45	Indu Bhushan Sharma	Apsra Road Association Gandhi Nagar Jammu
46	K.K Khora	AOI, Gangyal
47	Kuldeep Luthra	NGO
48	Dr. Ram Chander Sharma	Chairman, RWES, Sunder-Bani
49	Kanwal Koul	FIL Industries Bari Brahman Jammu
50	Ch. Vikram Randhawa	President, Stone Owners Association, R/o 737-A , Gandhi Nagar
51	M.L.Vaid	President, Moving Walker Association Gole Market Gandhi Nagar
52	Prem Sharma	Member, Welfare Association Gandhi Nagar

**Table 92: Participants at Srinagar Hearing held on 15 March 2010**

Sl	Name	Designation
1	Sheikh Gul Ayaz	Chief Engineer, JKPDD
2	K.A Untoo	S.E., Cos Wing, Srinagar, JKPDD
3	Musutaq Ahmad Sheikh	Chief Engineer M&RE, JKPDD Srinagar
4	B.A.Dar	AEE, JKPDD
5	Shabir Ahmad Khan	AEE, IT & Billing Kashmir, JKPDD
6	Syed Aftab Ahmed	Retd. D.C.P to represent the consumer
7	Nazir Ahmad Shikaki	President, I.G.C, Lasipora
8	R.N Sharma	XEN, LDMT Division Jammu
9	Savrabh	Research Associate TERI
10	Shakeel Qalender	President FCIK
11	Haji Gh. Mohd. Magray	President Rice Oil
12	Mohd. Maqbool	Member Rice Oil
13	Mohd. Hatamwar	Secretary Rice Oil
14	Gh. Mohi-u-Din	Distt. P/Badgaon
15	M.A Khan	Ex-President, Kashmir Hotel & Restaurant
16	G.M. Dar	President, Kashmir Hotel & Restaurant Federation
17	Javed Burza	Secretary General, Kashmir Hotel & Restaurant Federation
18	Ehtisham Andrabi	AEE, LDMT Division Bemina JKPDD
19	Anwar Subhan	AEE, LDM&T Division Bemina, JKPDD
20	Muzafar Mattu	S.E., PDD M&RE Circle I Srinagar, JKPDD
21	Malik Mansoor	S.E., PDD M&RE Circle II Srinagar, JKPDD
22	Satish Moza	XEN, PDD Sub transmission Division I, JKPDD



Sl	Name	Designation
23	Parvez Ahmad	AEE, Sub transmission Division I, JKPDD
24	Amin Shah	AE ED- I, JKPDD
25	Peerzada Fayaz Ahmad	AEE ED-I, JKPDD
26	C.M Jain	Power & Energy Consultant, Delhi
27	V.K Gupta	Power & Energy Consultant, Delhi
28	Mukhwoor Gowhar	President, Kashmir Printers Association
29	Manzoor Quadri	Chairman, SIDCO
30	Ali Mohd. Denthoo	Consumer, Lasipora
31	Isshod Ahmad Bhatt	Consumer, Rangipora
32	Dr. Mohd. Rafi Denthoo	Consumer, Parionanpora
33	Irfan Ahmad Wani	Electrical Contractor Class-A
34	Siraj Ahmad	President, Kashmir Hotel & Restaurant Association, Srinagar
35	Abdul Majeed	Consumer
36	Ovees Q. Jamie	Secretary, FCIK
37	Ali Mohd. Peer	Consumer
38	Abdul Rahim	Consumer
39	Bashir Ahmad Malik	Consumer
40	Abdul Rahim Mulla	Consumer
41	Mohd Shafi Mir	Consumer
42	Zahoor Ahmad Bhat	Senior Vice President FCIK Srinagar
43	Zubair Ahmad	Director, Itfaq Cements
44	Manzoor Ahmad	G.M, Khyber Cements
45	Mushtaq Ahmad	Asstt. Manager, Dawar Cements Pvt Ltd
46	Barru Ahmad	Consumer