

Jammu & Kashmir State Electricity Regulatory Commission



Order
on
Annual Revenue Requirement
and
Determination of Retail Tariffs
for
Financial Year 2012-13
for
Power Development Department, Govt. of J&K

Jammu & Kashmir State Electricity Regulatory Commission

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

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

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

Before**Jammu & Kashmir State Electricity Regulatory Commission****Petition No: JKSERC/29 of 2012****In The Matter Of:**

In the matter of filing of Petition for approval of Annual Revenue Requirement (ARR) and Determination of Tariff for the FY 2012-13 of Jammu and Kashmir Power Development Department.

And**In The Matter Of:**

Jammu and Kashmir Power Development Department,
Srinagar/Jammu

ORDER**Order No. JKSERC/ 56 of 2012****(Passed on 16th April, 2012)**

- 1.1 This Order relates to ARR and tariff petition filed by the Jammu & Kashmir Power Development Department (hereinafter referred to as JKPDD or the licensee or the utility) before the Jammu & Kashmir State Electricity Regulatory Commission (hereinafter referred to as J&KSERC or the Commission) for the FY 2012-13. The petition was filed as per the J&KSERC (Terms and conditions for Determination of Distribution Tariff) Regulations, 2011 and in accordance with J&K Electricity Act, 2010
- 1.2 In accordance with the applicable regulations i.e., the J&KSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2011 and the J&KSERC (Conduct of Business) Regulations, 2005, the licensee was required to file its ARR & tariff petition for the ensuing year by 30th November.
- 1.3 The Commission vide letter no. JKSERC/Secy/27/701-02 dated 14th October, 2011 reminded JKPDD to file the ARR and tariff petition for FY 2012-13 by 30th November 2011, in accordance with the Regulation 47 of J&KSERC (Conduct of Business) Regulations, 2005, and JKPDD was instructed to file the petition with the Commission positively by the stipulated date. However, JKPDD failed to file the ARR/Tariff Petition by 30th November, 2011. JKPDD was again reminded by the Commission vide its letter No.: JKSERC/Secy/974 dated 1st December, 2011 to file the petition with the Commission at the earliest.
- 1.4 JKPDD filed the petition for approval of ARR for FY 2012-13 on 20th December, 2011 and subsequently, submitted the tariff petition for FY 2012-13 on 6th January, 2012 and requested the Commission to approve the ARR for FY 2012-13. However,

later, JKPDD filed an Addendum application (with a revision to the tariff petition submitted on 6th January, 2012) before the Commission on 20th January, 2012.

- 1.5 The Commission conducted an initial review of the ARR and tariff petition for FY 2012-13 and observed discrepancies and information gaps in the petition. The Commission directed JKPDD to submit further information and clarifications on the discrepancies and information gaps on several issues through its letter no. JKSERC/1234 dated 20th January, 2012. The Commission called a meeting with JKPDD on 31st January, 2012 to discuss the ARR and tariff petition filed, along with JKPDD's replies to the deficiencies noted by the Commission.
- 1.6 The Commission held a technical validation session with the Petitioner on 31st January, 2012 and took into consideration the reply submitted by JKPDD to its deficiency note and additional data and clarifications submitted by the Petitioner and admitted the petition the same day.
- 1.7 The Commission directed JKPDD through its letter no. JKSERC/27/1291 dated 1st February, 2012, to publish the gist of its petition and tariff proposal as public notice and invite comments/objections/suggestions from the stakeholders including consumers on the tariff petition filed.
- 1.8 The approved gist of petition and tariff proposal was published by JKPDD in some widely read newspapers on 5th February, 2012 and 8th February, 2012. The stakeholders were requested to submit their comments/ suggestions/ objections by 29th February, 2012.

Gist of petition

- 1.9 The sales for FY 2012-13 have been projected at 5,148.84 MU and T&D losses are expected to be around 52.82%. The total input energy requirement for FY 2012-13 will be 10,913 MU. Energy balance for FY 2010-11, FY 2011-12 and FY 2012-13 has been summarized below

Table 1: Projected Energy Balance

Particulars	Units	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (P)
Sales	MU	4,059	4,567	5,149
Percentage of T&D Loss	%	60.55%	56.76%	52.82%
Total Energy Input Required	MU	10,291	10,562	10,913

- 1.10 The gross ARR for FY 2012-13 has been projected at Rs. 4,118.49 Cr while the non-tariff income has been projected at Rs. 13.42 Cr and the net ARR comes to Rs. 4,105.07 Cr. The following table gives the breakup of the ARR for FY 2010-11, FY 2011-12 and the proposed projections for FY 2012-13. The revenue projection for FY 2012-13 reflects a collection efficiency of 95%.

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

Particular	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (P)
A. Revenue			
Rev. Demand (At existing tariff)	1,026.69	1,432.82	1,783.10
Collection Efficiency (%)	78%	90%	95%
Rev. Realized (A)	801.00	1,289.54	1,693.95
B. Expenditure			
Power Purchase Cost (including PGCIL charges)	2796.62	3,330.81	3,399.00
O&M cost	48.72	55.36	62.94
Establishment Expenses (including Employee and A&G Expenses)	392.99	491.61	516.20
Depreciation	87.85	112.34	124.94
Interest & Finance Charges	11.20	13.91	15.41
Return on Equity	0.00	0.00	0.00
Gross ARR	3,337.38	4,004.03	4,118.49
Less non-tariff income	21.51	13.22	13.42
Net ARR (B)	3,315.87	3,990.81	4,105.07
Unmet Revenue Gap (B-A)	2,514.87	2,701.27	2,411.12

1.11 JKPDD has proposed an overall average tariff hike of about 18.5% for reducing/partially bridging the estimated revenue gap. JKPDD has calculated the average existing tariff at Rs. 3.46/ kWh and proposed an average tariff of Rs. 4.10/ kWh for FY 2012-13. The consumer category wise existing and proposed tariffs and revenues for FY 2012-13 as estimated by JKPDD are summarized below:

Table 3: Proposed Tariff and Revenues for FY 2012-13

Consumer Categories	Average CoS Rs/kWh (Actuals)	Existing Tariff			Proposed Tariff		
		Avg. Tariff (Rs./ U)	Tariff Gap (Rs./ U)	Revenues (Rs. Cr.)	Avg. Tariff (Rs./ U)	Tariff Gap (Rs./ U)	Revenues (Rs. Cr.)
Domestic							
<i>Metered</i>	7.97	1.62	6.35	197.58	1.99	5.99	243.03
<i>Unmetered</i>	7.97	2.31	5.66	37.36	3.12	4.86	50.43
Non Domestic/ Commercial							
<i>Metered</i>	7.97	3.29	4.68	99.93	3.98	3.99	120.91
<i>Unmetered</i>	7.97	3.32	4.65	14.63	4.35	3.63	19.16
Agriculture							
<i>Metered</i>	7.97	1.44	6.53	26.22	1.58	6.39	28.84
<i>Unmetered</i>	7.97	0.19	7.78	0.40	0.23	7.74	0.48
State/Central Govt Deptt.							
<i>Metered</i>	7.97	5.78	2.19	794.16	6.53	1.44	897.40
<i>Unmetered</i>	-	-	-	-	-	-	-

Consumer Categories	Average CoS Rs/kWh (Actuals)	Existing Tariff			Proposed Tariff		
		Avg. Tariff (Rs./ U)	Tariff Gap (Rs./ U)	Revenues (Rs. Cr.)	Avg. Tariff (Rs./ U)	Tariff Gap (Rs./ U)	Revenues (Rs. Cr.)
Public Street Lighting							
<i>Metered</i>	7.97	4.75	3.22	21.19	5.09	2.89	22.68
<i>Unmetered</i>	7.97	0.19	7.78	0.21	0.25	7.72	0.27
LT Industrial Supply							
<i>Metered</i>	7.97	2.89	5.08	76.32	3.62	4.36	95.40
<i>Unmetered</i>	-	-	-	-	-	-	-
HT Industrial Supply							
<i>Metered</i>	7.97	2.89	5.08	157.50	3.64	4.34	198.45
<i>Unmetered</i>	-	-	-	-	-	-	-
HT-PIU Industrial Supply							
<i>Metered</i>	7.97	2.92	5.05	35.86	5.37	2.60	65.90
<i>Unmetered</i>	-	-	-	-	-	-	-
LT Public Water Works							
<i>Metered</i>	7.97	5.11	2.86	127.28	5.93	2.04	147.64
<i>Unmetered</i>	7.97	0.05	7.92	0.54	0.07	7.90	0.69
HT Public Water Works							
<i>Metered</i>	7.97	3.74	4.23	145.29	4.26	3.71	165.63
<i>Unmetered</i>	-	-	-	-	-	-	-
General Purpose/Bulk Supply							
<i>Metered</i>	7.97	4.20	3.77	48.65	4.79	3.18	55.46
<i>Unmetered</i>	-	-	-	-	-	-	-
Average	7.97	3.46	4.51		4.10	3.87	
Total				1,783.10			2,112.37

1.12 JKPDD has proposed hike in the applicable tariffs across all consumer categories with an assessed impact as provided in the average tariffs shown in the above table. JKPDD has not proposed any changes in the tariff structure or the prescribed tariff categories.

1.13 The revenue demand at proposed tariff is estimated to be Rs. 2,112.37 Cr and revenue collection, assuming a collection efficiency of 95%, is expected to be Rs. 2,006.75 Cr, resulting in a revenue gap of Rs. 2,098.32 Cr. The ARR and revenue gap at proposed tariff as submitted by JKPDD is as follows:

Table 4: Annual Revenue Requirement (Rs Cr)

Particular	FY 2011-12 (RE) (at existing tariff)	FY 2012-13 (P) (at proposed tariff)
Rev. Demand	1,432.82	2,112.37
Collection Efficiency (%)	90%	95%
Rev. Realized (A)	1,289.54	2,006.75
B. Expenditure		
Power Purchase Cost (including PGCIL charges)	3,330.81	3,399.00
O&M cost	55.36	62.94
Establishment Expenses (including Employee and A&G Expenses)	491.61	516.20
Depreciation	112.34	124.94
Interest & Finance Charges	13.91	15.41
Return on Equity	0.00	0.00
Gross ARR	4,004.03	4,118.49
Less non-tariff income	13.22	13.42
Net ARR (B)	3,990.81	4,105.07
Unmet Revenue Gap (B-A)	2,701.27	2,098.32

1.14 JKPDD has requested the Commission to make the proposed tariff applicable with effect from 1st April, 2012.

Meeting of the State Advisory Committee

1.15 The Commission convened a meeting with the Members of the State Advisory Committee (SAC) on 22 February 2012 for the purpose of discussing the ARR and tariff filing.

1.16 The State Advisory Committee discussed and analysed the various components of the ARR/Tariff Petition filed by JKPDD in detail. Representatives from the JKPDD highlighted the main components of the ARR & Tariff petition and major items of expenditure and revenue. The members of the SAC provided several valuable suggestions which have been considered by the Commission in this Order at appropriate places.

Public Hearings

1.17 In order to maintain transparency in the tariff setting process, the Commission involved the stakeholders by initiating a public consultation process to understand their views on various aspects of the ARR/Tariff Petition filed by the Petitioner. Accordingly, the Public hearings on the ARR & tariff petition filed by JKPDD for FY 2012-13 were held at Jammu and Srinagar as per the details provided below:

Table 5: Details of Public Hearings

Place/ city	Date	Location
Jammu	March 01, 2012	PWD, Guest House, Gandhi Nagar
Srinagar	March 03, 2012	IMPA Auditorium

1.18 The Commission invited some 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.

Performance Review of JKPDD

1.19 The Commission has been constantly receiving objections during the past years from various objectors on the performance of the JKPDD specifically on the following issues

- (a) Availability of data and information submitted by JKPDD
- (b) Energy accounting & Consumer metering
- (c) T&D network & Transformer failure
- (d) High T&D losses in the system
- (e) Corporatization of JKPDD

1.20 While the Commission has been giving various directives to JKPDD to improve the performance in various aspects including the above mentioned issues, the progress of JKPDD has been slow primarily due to the lack of adequate planning by the Power Development Department. The Commission feels that compliance with the directives issued by the Commission in all the previous Tariff Orders and during the Review Meetings with the Utility's Officers would have facilitated JKPDD to improve its operational efficiency, besides reducing the power losses and improving the quality and reliability of power supply in the state. The Utility will have to put in a lot of hard work to bring its efficiency to acceptable levels.

1.21 The Commission strongly feels that JKPDD needs to 'Plan to Execute', especially in the areas of consumer indexing, feeder metering, distribution transformers (DT) metering, energy auditing of feeders and DT, deployment of IT tools for loss measurement and analysis, metering of unmetered consumers, HT meter replacement and cubicle installation, LT CT meter & service line replacement, reconductoring of feeders, transformer augmentation in case of overloaded transformers, reduction in HT:LT ratio to the level of 1:1, deployment of High Voltage Distribution System (HVDS) in areas with losses above 25%, capacitor installations on HT & LT Industries, reduction in transformers failure, spot billing especially in urban areas, disconnection of defaulters, anti-theft enforcement drives and Data recording and reporting procedure.

- 1.22 Considering the importance of the above in strengthening the distribution system in the State, the Commission has decided to monitor the implementation of its directives and the progress on each of the above mentioned components on a quarterly basis.
- 1.23 It is, however, encouraging to note that there has been some improvement on loss reduction as a result of constant monitoring by the Government and the Commission. The percentage of T&D loss declined from 62.06% in FY 2009-10 to 60.55% in FY 2010-11 and further to 56.76% (RE) in FY 2011-12. JKPDD has proposed to further reduce the loss to 52.82% in 2012-13. It may be noted that reduction in T&D loss so far achieved is not very significant given the fact that the state has one of the highest loss levels in the country.
- 1.24 Considering the current level of power losses in the state, there is an urgent need to address the problem and tackle it in a time bound manner and drastically reduce the loss level at least by 10% of the existing levels every year till the losses are brought down below 15%. This can be achieved by various interventions, such as HVDS, SCADA and Database Management, Energy Audit and 3rd party verification of technical and financial data, incentive and disincentive scheme linked to performance on loss reduction. The Commission had suggested that JKPDD should conduct a detailed loss study to realistically estimate sales to various consumer categories (at various voltage levels) and also assess the loss levels at each such voltage level. The Utility is yet to carry out the loss study.
- 1.25 Third party verification of the technical and financial data is the first step towards setting of loss reduction targets for the utility. Compilation of baseline data is the starting point for energy accounting and audit. While energy accounting gives the overall picture of energy availability and its use, energy audit enables analysis of data in a meaningful manner to evolve a measure to: (i) introduce checks and balances in the system; (ii) reduce distribution losses; and (iii) improve technical performances of all elements of the distribution network.
- 1.26 Energy audit at the sub-station level and DT level has to start from DTs to 11kV feeders to 33/11kV sub-stations of the entire area selected for auditing. Energy audit should be undertaken to calculate the difference between the DT-wise energy sent out and total of all the consumers' consumption.
- 1.27 JKPDD has informed that under R-APDRP, 9680 DTs will be metered on LT sides, which will facilitate energy accounting and energy audit. Here, the Commission is of the view that JKPDD may also consider introduction of AMRs in unmetered areas initially after conducting a detailed study and with the approval of the competent authority, it can be extended subsequently to metered areas.
- 1.28 Unmetered supply has been one of the factors responsible for such high loss levels in the state. A sizeable number of consumers in the state are yet to be metered, inspite of the fact that J&K Electricity Act, 2010 mandates that no licensee shall supply electricity beyond 28th April, 2012 except through installation of a correct meter.
- 1.29 Since a large number of consumers are yet to be metered and power supply is not legally possible to these consumers beyond April, 2012, JKPDD may approach the competent authority with a clear-cut plan of metering, with milestones to get the deadline extended.

- 1.30 Delayed billing, defective billing and non-billing are some other areas of grave concern to the Commission. JKPDD has informed the Commission that 100% billed energy has already been achieved barring two Divisions looking after the far-flung areas in Leh and Kargil. The Commission had earlier directed JKPDD to issue bills for the energy supplied to the consumers strictly in accordance with the provisions of the J&K State Electricity Supply Code Regulations, which has not so far been done.
- 1.31 It may be noted that the unrestricted peak demand of the state presently is projected as 2500 MW, which, because of load curtailment, is restricted to about 1750 MW. The connected load of the consumers across the state is to be estimated applying diversity factor (The ratio of the connected load and maximum demand is known as diversity factor, which is always greater than one). JKPDD has, on the other hand, registered connected load of only 1636.48 MW at the end of FY 2010-11 which is projected to be 1708.16 MW at the end of FY 2011-12. It is evident that the registered connected load is even less than the restricted peak power of 1750 MW being supplied at the present. This has resulted in under recovery of revenue and over load of transformers, leading to large scale transformer failure, which disrupts power supply. Hence, the Commission is of the view that there is an urgent need for revision of load agreements of all consumer categories to assess the realistic/actual connected load and the maximum demand, so that T&D network can be planned and constructed accordingly. The utility is presently losing huge revenue on account of flat rate/demand or fixed charges which would otherwise accrue to JKPDD out of unregistered load.
- 1.32 The Transmission and Distribution network of the state power sector is in-adequate even to meet the current requirement, as it is not being augmented on a regular basis. However, JKPDD has informed the Commission that improvement to the distribution system is being carried out on a yearly basis depending on availability of funds. At 220 kV and 132 kV level, infrastructure is being strengthened under Prime Minister's Reconstruction Programme. To remove bottlenecks at 220 kV and 132 kV level, the following Grid sub-stations were commissioned during 2011-12;
- (a) Kashmir region
- (i) 220/132 kV, 320 MVA, Mir Bazar
 - (ii) 220/132 kV, 320 MVA, Budgam
 - (iii) 132/33 kV, 100 MVA Budgam
 - (iv) 132/33 kV, 50 MVA, Lissar
 - (v) 132/33 kV, 50 MVA, Magam
 - (vi) 132/33 kV, 50 MVA, Vilgam
- (b) Jammu region
- (i) 220/132 kV, 120 MVA, Ramban
 - (ii) 132/33 kV, 20 MVA, Ramban
 - (iii) 220/132 kV, 320 MVA, Bishnah
 - (iv) 132/33 kV, 100 MVA, Bishnah
 - (v) 132/33 kV, 50 MVA, Katra
 - (vi) 132/33 kV, 50 MVA, Pounichak
 - (vii) 132/33 kV, 20 MVA, Chandak

- 1.33 While appreciating the good work done by JKPDD in this area, the Commission would like to point out that the State Government has embarked on a programme of capacity addition realizing the importance of achieving self-sufficiency in power for the economic development of the State. With the planned addition of the generation capacity and the anticipated load demand in future, there is an urgent need to further upgrade the Transmission and Distribution network across the state at different voltage levels, so that by the time the new projects came up, the T&D system is strong enough to facilitate the same.

Approach to cost coverage

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

Approved ARR & Revenue Gap

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

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

Item	FY 2012-13	
	Proposed	Approved
Power Purchase Costs	3,399.00	3,128.99
Establishment Expenses	516.20	397.92
Operations and Maintenance Expenses	62.94	52.63
Depreciation	124.94	117.74
Interest and Finance Costs	15.41	15.41
Return on Equity	0.00	0.00
Gross ARR	4,118.49	3717.69
Non-Tariff Income	13.42	13.42
Net ARR	4,105.07	3,699.27
Revenue from Sale of Power	2,006.75 [#]	2,238.58 [*]
Revenue Gap	2,098.32	1,460.78

**Commission has assumed a 100% collection efficiency; #JKPDD has proposed the same at 95%.*

Approved retail tariffs

- 1.37 JKPDD had proposed an average tariff of Rs. 4.10/ kWh for FY 2012-13 which is an increase of about 18.5% of the average existing tariff of Rs. 3.46/ kWh worked out by the JKPDD for FY 2012-13.
- 1.38 The Commission has, however, reworked the proposed tariff hike to be 19.44% (instead of 18.5%) with respect to reworked sales at the existing tariff, as detailed in Chapter 8 of this Order.
- 1.39 The Commission has approved the energy sales for FY 2012-13 by considering the average tariff for un-metered consumers same as the average tariff arrived at for the metered consumers within each consumer category and by considering increased sales by virtue of 10% T&D loss reduction target set for JKPDD from the T&D loss levels of 56.76% in FY 2011-12, as submitted by JKPDD in the tariff petition for FY 2012-13. Hence, the Commission has approved a T&D loss level of 46.76% for FY 2012-13.
- 1.40 The average tariff at existing rates for FY 2012-13 as determined by Commission is Rs 3.64/ kWh. The Commission has allowed an average tariff of Rs. 3.86/ kWh for FY 2012-13 which is an increase of around 6.2% in comparison to the average existing tariff.

Table 7: Approved Retail Tariff (Rs/ kWh) for FY 2012-13

Consumer Categories	Existing Average Tariff*	Proposed Average Tariff#	Approved Average Tariff*
Domestic	1.66	2.11	1.82
Non-Domestic/ Commercial	3.22	4.11	3.49
State/Central Govt. Dept.	5.78	6.47	6.07
Agriculture	1.60	1.61	1.68
Public Street Lighting	4.76	4.89	5.00

Consumer Categories	Existing Average Tariff*	Proposed Average Tariff#	Approved Average Tariff*
LT Public Water Works	5.11	5.41	5.47
HT Public Water Works	4.38	5.03	4.60
LT Industrial Supply	2.85	3.63	3.05
HT Industrial Supply	3.33	4.27	3.49
HT-PIU Industrial Supply	3.39	6.32	3.80
General Purpose/ Bulk Supply	4.84	5.63	5.12
Average	3.64	4.34	3.86

*As per the approved sales for FY 2012-13;# Reworked as per the proposed sales

- 1.41 The Commission has calculated the average tariff at existing rates by considering the energy sales figure approved for FY 2012-13, which has been arrived at after recalculating the quantum of energy sales to the unmetered consumers of each category, as submitted by JKPDD, and then reworking the quantum of energy sales for all categories at the approved level of T&D loss (as detailed in Chapter 5 of this order).
- 1.42 Against the proposed total revenue demand projected at Rs. 2,006.75 Cr (at 95% collection efficiency) by JKPDD, the Commission has approved total revenue demand at Rs. 2,238.58 Cr (at 100% collection efficiency) at the approved tariffs (effective from 1st April, 2012).
- 1.43 The Commission has approved a higher tariff hike for the un-metered consumers within the domestic, non-domestic and agriculture consumer categories in comparison to the metered consumers in the same categories. In order to promote metering in the State, the Commission shall continue to allow steeper increase in tariffs for un-metered electricity consumers till the time JKPDD completes its metering process.

Implementation of the Order

- 1.44 JKPDD must take immediate steps for implementation of this Order and publication of the order (covering general description of the tariff amendment and its effects) as per Clause 51, Chapter – V of the J&KSERC (Conduct of Business) Regulations, 2005. The publication in news papers shall include a general description of the tariff changes and its effect on the various classes of consumers.
- 1.45 This Tariff Order shall remain valid from 1st April, 2012 to 31st March, 2013, unless amended or modified by an order of this Commission.
- 1.46 The Commission has thus accepted the petition of JKPDD with modifications and conditions, and has determined the retail tariffs and charges recoverable by JKPDD from the retail consumers during the FY 2012-13. The Commission directs that this Order be implemented along with directions given and conditions mentioned in the detailed Order and schedules attached. It is further ordered that JKPDD is permitted to issue bills to consumers only in accordance with the provisions of this Tariff Order and Jammu and Kashmir State Electricity Supply Code, 2011.
- 1.47 JKPDD is directed to make available the copies of the Tariff Order to all officers concerned up to sub-divisions within two weeks of issue of this Order. JKPDD may


file explanatory petition in case of any doubt in the provisions of the Tariff Order, within 30 days of issue of the Tariff Order.

1.48 The Commission directs that this Order be implemented along with directions given, if any, and conditions mentioned in the detailed Order.

1.49 In exercise of the powers vested in it under the Jammu & Kashmir Electricity Act, 2010 (Act XIII of 2010), the Commission hereby passes this Order today, the 16th of April, 2012.

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


G.M. Khan
(Member)


D.S. Pawar
(Member)


S.M. Desai
(Chairperson)

THIS SPACE IS INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

A1: INTRODUCTION	1
Jammu & Kashmir State Electricity Regulatory Commission	1
Jammu & Kashmir Power Development Department.....	2
Scope of the Present Order	2
Procedural History	2
Meeting of the State Advisory Committee.....	3
Inviting Public Comments.....	3
 A2: SUMMARY OF ARR & TARIFF PETITION	 5
Sales Projections	5
Transmission & Distribution Losses and Energy Balance.....	7
Annual Revenue Requirement (at existing tariff).....	8
Proposed tariff	8
Annual Revenue Requirement at Proposed Tariff.....	11
 A3: PUBLIC CONSULTATION PROCESS	 12
 A4: APPROACH TO COST COVERAGE.....	 24
Revenue deficit	24
Losses & data related issues	25
Performance measures introduced	26
Financial viability in FY 2012-13.....	26
 A5: REVIEW OF SALES PROJECTIONS & T&D LOSSES.....	 29
Sales projections	29
T&D losses and Energy Balance	33
 A6: REVIEW OF POWER PURCHASE.....	 35
Sources of Power	35
Power Purchase Quantum	36
<i>Own Generation of JKPDD.....</i>	<i>36</i>
<i>Generation from JKSPDC Stations</i>	<i>36</i>
<i>Energy Availability from the Central Sector Generating Stations (CSGS).....</i>	<i>38</i>
<i>Power Purchase Quantum from Other Sources: Intra-State, Bilateral & Banking</i>	<i>44</i>
Power Purchase Cost.....	46
<i>Power Purchase from JKSPDC.....</i>	<i>46</i>
Water Usage Charges.....	48
Supplementary Bills.....	48
<i>Cost of power purchased from CPSUs & Others</i>	<i>49</i>
<i>Cost of Power from Other Sources</i>	<i>54</i>
Transmission Charges and Miscellaneous Charges.....	54

Power Purchase Cost from all sources	55
Renewable Energy Procurement.....	55
A7: REVIEW OF COSTS.....	57
Establishment Expenses	57
Operation & Maintenance (O&M) Cost.....	60
Depreciation.....	61
Interest and Finance Charges.....	63
Return on Equity	64
Non-tariff Income	65
Annual Revenue Requirement (ARR)	65
A8: REVIEW OF REVENUE PROJECTIONS	67
Revenues from Sale of Power.....	67
Revenue Gap.....	73
A9: TARIFF PHILOSOPHY	74
Cost to Serve.....	74
Rate of return vs. Performance based regulation.....	74
Time-of-Day Tariff	75
Single Part v/s Two Part Tariff.....	76
kVAh Tariff	77
A10: TARIFF DESIGN.....	78
A11: TERMS AND CONDITIONS OF TARIFF/ DEFINITIONS	94
A12: A WAY FORWARD	101
A13: DIRECTIVES.....	105
A14: SCHEDULE OF MISCELLANEOUS CHARGES.....	116
A15: TARIFF SCHEDULE FOR FY 2012-13	118
A16: ANNEXURE.....	135

THIS SPACE IS INTENTIONALLY LEFT BLANK

A1: INTRODUCTION

Jammu & Kashmir State Electricity Regulatory Commission

1.1 The Jammu & Kashmir State Electricity Regulatory Commission (hereinafter referred to as the Commission) is a statutory body setup under an Act of the State Legislature to regulate power sector in the State of Jammu & Kashmir.

1.2 The Section 71 of the Jammu & Kashmir Electricity Act, 2010 has described the various functions required to be discharged by the Commission. These functions have been summarised below:

- (a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:

Provided that where open access has been permitted to a category of consumers under section 36, the State Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;

- (b) regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the State;
- (c) facilitate intra-state transmission and wheeling of electricity;
- (d) issue licences to persons seeking to act as transmission licensees, distribution licensees and electricity traders with respect to their operations within the State;
- (e) promote co-generation and generation of electricity from renewable sources of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
- (f) adjudicate upon the disputes between the licensees, and generating companies and to refer any dispute for arbitration;
- (g) levy fee for the purposes of the Act;
- (h) specify State Grid Code consistent with the Grid Code specified under the Electricity Act, 2003 (Central);
- (i) specify or enforce standards with respect to quality, continuity and reliability of service by licensees;

- (j) fix the trading margin in the intra-State trading of electricity, if considered, necessary; and
 - (k) discharge such other functions as may be assigned to it under this Act.
- 1.3 The Commission shall ensure transparency while exercising its powers and discharging its functions.
- 1.4 In discharge of its functions, the Commission shall be guided by the State Electricity Policy, State Electricity Plan, and Tariff Policy published under the provisions of the Act.

Jammu & Kashmir Power Development Department

- 1.5 JKPDD, viz. Power Development Department (PDD), Government of Jammu & Kashmir is the sole transmission and distribution utility in the State, and is a deemed licensee under Section 14 of the Jammu and Kashmir Electricity Act, 2010 for supplying electrical energy in the State of Jammu and Kashmir.
- 1.6 The Power Development Department, Government of Jammu & Kashmir (hereinafter referred to as JKPDD) has filed its Annual Revenue Requirement (ARR) and tariff petition before the Jammu & Kashmir State Electricity Regulatory Commission (the Commission) for approval of its ARR and determination of tariffs for FY 2012-13 under the J&K State Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2005 [now replaced by J&K State Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2011] and J&K State Electricity Regulatory Commission (Conduct of Business) Regulations, 2005 framed by the Commission.

Scope of the Present Order

- 1.7 The ambit of the present Order extends to approval of annual revenue requirement (ARR) and determination of tariff for the transmission and distribution business of JKPDD for FY 2012-13.

Procedural History

- 1.8 In accordance with the applicable regulations i.e., the J&KSERC (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2011 and the J&KSERC (Conduct of Business) Regulations, 2005, the licensee was required to file its ARR & tariff petition for the ensuing year by 30th November.
- 1.9 The Commission vide letter no. JKSERC/Secy/27/701-02 dated 14th October, 2011 reminded JKPDD to file the ARR and tariff petition for FY 2012-13 by 30th November 2011, in accordance with the Regulation 47 of J&KSERC (Conduct of Business) Regulations, 2005, and JKPDD was instructed to file the petition with the Commission by the stipulated data. However, JKPDD failed to file the ARR/Tariff petition by 30th November, 2011. JKPDD was again reminded by the Commission

vide its letter No.: JKSERC/Secy/974 dated 1st December, 2011 to file the petition with the Commission at the earliest.

- 1.10 JKPDD filed the petition for approval of ARR for FY 2012-13 on 20th December, 2011 and subsequently, submitted the tariff petition for FY 2012-13 on 6th January, 2012 and requested the Commission to approve the ARR for FY 2012-13. However, later, JKPDD filed an Addendum application (with a revision to the tariff petition submitted on 6th January, 2012) before the Commission on 20th January, 2012.
- 1.11 The Commission conducted an initial review of the ARR and tariff petition for FY 2012-13 and observed discrepancies and information gaps in the petition. The Commission directed JKPDD to submit further information and clarifications on the discrepancies and information gaps on several issues through its letter no. JKSERC/1234 dated 20th January, 2012. The Commission called a meeting with JKPDD on 31st January, 2012 to discuss the ARR and tariff petition filed along with JKPDD's replies to the deficiencies noted by the Commission. The Commission held a technical validation session with the petitioner on 31st January, 2012 and took into consideration the reply submitted by JKPDD to its deficiency note and additional data and clarifications submitted by the petitioner and admitted the petition the same day.
- 1.12 The Commission directed JKPDD through its letter no. JKSERC/27/1291 dated 1st February, 2012, to publish the gist of its petition and tariff proposal as public notice and invite comments/objections/suggestions from stakeholders including consumers on the Tariff Petition filed.
- 1.13 The approved gist of petition and tariff proposal was published by JKPDD in some widely read newspapers on 5th February, 2012 and 8th February, 2012. The stakeholders were requested to submit their comments/ suggestions/ objections by 29th February, 2012.

Meeting of the State Advisory Committee

- 1.14 The Commission convened a meeting of the State Advisory Committee (SAC) on 22nd February 2012 in Jammu to discuss the ARR and Tariff petition submitted by JKPDD.
- 1.15 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, curbing theft, improving and strengthening the distribution network.
- 1.16 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

- 1.17 JKPDD published a public notice indicating the salient features of its petition and inviting objections and suggestions from the consumers and other stakeholders. The

public notice appeared in the following newspapers.

Table 8: List of Newspapers

Sl	Newspaper	Date of Publication
1	Daily Excelior	08.02.2012
2	Greater Kashmir	05.02.2012
3	Rising Kashmir	05.02.2012
4	The Daily Aftab	05.02.2012

- 1.18 The 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 29th February, 2012.
- 1.19 The public notice advised respondents to submit (in person or by post or by fax) all copies of their objections written either in English, Hindi or Urdu to the Commission with a copy to JKPDD. Respondents were also given the option to be heard in person during the public hearings conducted by the Commission.
- 1.20 The Commission and Petitioner received objections/ comments from 45 respondents, few of them on the day of the hearing. The list of stakeholders who responded to the public notice on ARR and tariff petition and those who attended the public hearing is provided in Annexure 2 and Annexure 3 respectively.
- 1.21 The Commission held public hearings in Jammu on 1st March, 2012 and in Srinagar on 3rd March, 2012, to discuss the issues related to the petition filed by JKPDD 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.
- 1.22 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 2012-13 to the J&K State Electricity Regulatory Commission (JKSERC).

Sales Projections

2.2 JKPDD has submitted that the total number of consumers in JKPDD system was 12,77,369 and the total connected load was 1,636.48 MW in FY 2010-11. In FY 2011-12 the number of consumers and connected load are estimated to be 13,16,075 and 1,718.16 MW, respectively. In FY 2012-13, the total number of consumers and connected load (on an average) are projected to increase by 2% and 5% respectively over the figures for FY 2011-12.

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

Consumer Categories	No. of Consumers			Connected Load (MW)		
	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (Proj)	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (Proj)
Domestic						
<i>Metered</i>	526,073	719,875	1021433	301.72	408.04	513.62
<i>Unmetered</i>	559,342	399,697	119,908	294.71	211.14	126.68
Non-Domestic/ Commercial						
<i>Metered</i>	75,719	105,592	124,176	103.29	145.48	183.05
<i>Unmetered</i>	70,124	43,339	26,004	66.07	39.83	23.90
Agriculture						
<i>Metered</i>	10,409	12,417	14,085	86.51	109.29	129.77
<i>Unmetered</i>	4,598	3,022	1,813	61.10	40.04	24.02
State/ Central Govt. Dept.						
<i>Metered</i>	9,230	9,449	9,674	146.90	156.11	159.78
<i>Unmetered</i>	-	-	-	-	-	-
Public Street Lighting						
<i>Metered</i>	25	137	236	0.15	1.92	3.53
<i>Unmetered</i>	352	249	149	3.56	4.04	2.43
LT Industrial						
<i>Metered</i>	18,631	19,109	19,600	215.92	226.39	232.21
<i>Unmetered</i>	-	-	-	-	-	-
HT Industrial						
<i>Metered</i>	926	1,056	1,204	204.41	212.29	220.48
<i>Unmetered</i>	-	-	-	-	-	-
HT-PIU Industrial						

Consumer Categories	No. of Consumers			Connected Load (MW)		
	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (Proj)	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (Proj)
<i>Metered</i>	13	13	13	25.02	25.02	25.02
<i>Unmetered</i>	-	-	-	-	-	-
LT Public Water Works						
<i>Metered</i>	704	1,068	1,472	22.28	42.05	62.46
<i>Unmetered</i>	854	598	359	49.81	34.87	20.92
HT Public Water Works						
<i>Metered</i>	226	266	313	14.11	15.71	17.49
<i>Unmetered</i>	-	-	-	-	-	-
General Purpose/ Bulk Supply						
<i>Metered</i>	143	189	250	40.92	45.93	51.65
<i>Unmetered</i>	-	-	-	-	-	-
Total	1,277,369	1,316,075	1,340,688	1,636.48	1,718.16	1,797.02

2.3 JKPDD has submitted the actual energy sales for FY 2010-11 & estimates for FY 2011-12. The energy sales for FY 2012-13 have been determined based on CAGR for past 3 years actual energy sales in various consumer categories as well as the growth in the energy sales witnessed during FY 2008-09, FY 2009-10 and FY 2010-11 and also the growth observed in the first six months of FY 2011-12.

2.4 Keeping in view the prospect of a reasonable growth in all sectors of the economy in the state, total sales for FY 2012-13, as submitted by JKPDD, have been projected to increase by 13% over the total sales for FY 2011-12. The total sales for FY 2012-13 are projected to be 5,148.84 MU. The sales for FY 2010-11, FY 2011-12 and FY 2012-13 have been summarized below.

Table 10: Category-wise Sales (MU)

Consumer Category	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (Proj)	% increase
Domestic				
<i>Metered</i>	542.15	792.88	1,223.36	54%
<i>Unmetered</i>	713.67	539.23	161.77	-70%
Non-Domestic/Commercial				
<i>Metered</i>	214.86	263.21	303.42	15%
<i>Unmetered</i>	112.54	73.46	44.08	-40%
Agriculture				
<i>Metered</i>	148.70	165.92	182.03	10%
<i>Unmetered</i>	49.49	35.31	21.18	-40%
State/Central Government Department				
<i>Metered</i>	751.20	1,015.65	1,373.56	35%

Consumer Category	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (Proj)	% increase
<i>Unmetered</i>	-	-	-	
Public Street Lighting				
<i>Metered</i>	4.34	37.28	44.59	20%
<i>Unmetered</i>	24.72	18.26	10.95	-40%
LT Industrial Supply				
<i>Metered</i>	239.33	251.30	263.86	5%
<i>Unmetered</i>	-	-	-	
HT Industrial Supply				
<i>Metered</i>	454.57	498.00	545.59	10%
<i>Unmetered</i>	-	-	-	
HT-PIU Industrial Supply				
<i>Metered</i>	122.63	122.63	122.63	0%
<i>Unmetered</i>	-	-	-	
LT Public Water Works				
<i>Metered</i>	72.51	155.69	248.86	60%
<i>Unmetered</i>	234.63	164.24	98.54	-40%
HT Public Water Works				
<i>Metered</i>	278.90	329.25	388.68	18%
<i>Unmetered</i>	-	-	-	
General Purpose/Bulk Supply				
<i>Metered</i>	95.10	104.86	115.73	10%
<i>Unmetered</i>	-	-	-	
Grand Total	4,059.34	4,567.17	5,148.84	13%

Transmission & Distribution Losses and Energy Balance

2.5 Based on the data submitted by JKPDD during the several interactions and submissions made to the Commission, the actual T&D losses for FY 2010-11 and FY 2011-12 were 60.55% and 56.76% respectively. In FY 2012-13, T&D losses are projected to decline approximately by 3.94% and come down to 52.82%.

Table 11: Proposed Energy Balance

Particulars	Units	FY 2010-11 (A)	FY 2011-12(RE)	FY 2012-13 (P)
Sales	MU	4,059.34	4,567.17	5,148.84
Percentage of T&D Loss	%	60.55%	56.76%	52.82%
T&D Loss	MU	6,230.50	5,995.20	5,764.34
Total Energy Input Required	MU	10,289.84	10,562.37	10,913.18

Annual Revenue Requirement (at existing tariff)

2.6 The gross ARR for FY 2012-13 has been projected at Rs. 4,118.49 Cr. The non-tariff income has been projected at Rs. 13.42 Cr and the Net ARR comes to Rs. 4,105.07 Cr. The following table gives the break-up of ARR for FY 2010-11, FY 2011-12 and the proposed projections for FY 2012-13.

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

Particular	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (Proj)
Expenditure			
Power Purchase Cost (including PGCIL charges)	2,796.62	3,330.81	3,399.0
O&M cost	48.72	55.36	62.94
Establishment Expenses (including Employee and A&G Expenses)	392.99	491.61	516.20
Depreciation	87.85	112.34	124.94
Interest & Finance Charges	11.20	13.91	15.41
ROR	0	0	0
Gross ARR	3,337.38	4,004.03	4,118.49
Less non-tariff income	21.51	13.22	13.42
Annual Revenue Requirement	3,315.87	3,990.81	4,105.07

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

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

Particulars	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (Proj)
Average Cost of Supply	8.17	8.74	7.97
Average Realisation rate	2.53	3.14	3.46
Gap	5.64	5.60	4.51

Proposed tariff

2.8 In order to reduce the gap in the ARR for FY 2012-13, JKPDD has proposed revision in tariff across consumer categories. The proposed tariff for various consumer categories is as shown below:

Table 14: Proposed Tariff Schedule for FY 2012-13

Sl	Consumer Category	Particulars	Proposed Tariff FY 2012-13
1	Domestic	Metered Consumer	
		Energy Charge (Rs/kWh)	
		upto 30 units/month	1.35
		31-100 units/month	1.75
		101-200 units/month	2.15
		> 200 units/month	3.30
		Minimum Charges (Rs/ Month)	
upto ¼ kW	15		

Sl	Consumer Category	Particulars	Proposed Tariff FY 2012-13
		above 1/4 kW upto 1/2 kW	25
		above 1/2 kW upto 1 kW	40
		Above 1 kW for every 250 W, or part thereof	10
		Flat Rate for Unmetered Connection (Rs. / month)	
		upto ¼ kW	105
		above 1/4 kW upto 1/2 kW	300
		above 1/2 kW upto 3/4 kW	460
		above 3/4 kW upto 1 kW	620
		above 1 kW upto 2 kW	1200
		above 2 kW (for every additional ½ kW)	1200.00 plus Rs 450.00 for every additional ½ kW or part thereof
2	Non-domestic/ Commercial Supply	Energy Charge (Rs/kWh) - Metered Connection	
		Single Phase	
		Upto 100 units/month	2.60
		101 to 200 units/month	2.75
		above 200 units/month	4.00
		Three Phase	
		For all units	4.65
		Fixed Charges (Rs. / kW / month)	
		Single Phase	44.00
		Three Phase	102.00
		Flat Rate for Unmetered Connection (Rs. / month)	
		Upto 1/4 kW	280
		above 1/4 kW upto 1/2 kW	685
		above 1/2 kW upto 1 kW	1375
		Above 1 kW (for every additional 500 Watts, or part thereof)	1770
3	State/ Central Government Departments	Energy Charges (Rs./ kWh)	
		LT Supply	6.60
		Fixed Charges For Metered Consumers (Rs/kW)	27.00
4	Agricultural Supply	Energy Charges for Metered Connections (Rs. / kWh)	
		0 to 20 HP	0.65
		Above 20 HP	4.45
		Minimum Charges for connected load (Rs./ HP/ Annum)	
		0 - 20 HP	250
		Above 20 HP	900
		Flat Rate for Unmetered Connection (Rs./ HP/ month)	
		0 to 20 HP	185
		Above 20 HP	1295
5	Public Street Lighting	Energy Charge for Metered Connections (Rs./ kWh)	
		For all units	5.05
		Fixed Charges	
		Rs./ kW or any part thereof / month	38
		Flat Rate Charges for Unmetered Connections	
		Rs./ kW or any part thereof / month	1535
6	LT Public Water Works	Energy Charge for Metered Connections (Rs./ kWh)	
		For all units	5.80
		Fixed Charges For Metered consumers (Rs/kW)	45.00
		Minimum Charges	

Sl	Consumer Category	Particulars	Proposed Tariff FY 2012-13
		Rs./ kW or any part thereof / month	nil
		Flat Rate Charges for Unmetered Connections	
		Rs./ kW or any part thereof / month	1600
7	HT Public Water Works	Energy Charges for Metered Connection (Rs./kVAh)	
		11 kV Supply	4.15
		33 kV Supply and above	4.00
		Demand Charges for Metered Connection (Rs./ kVA or part thereof / Month)	
		11 kV Supply	230
		33 kV Supply and above	220
		For Connections above 100 kW supplied on LT, Additional 5% Surcharge on Demand and Energy Charges at 11 KV tariff shall be chargeable For Connections with sanctioned load above 1 MVA metered on LT, additional 7.5% Surcharge on Demand and Energy Charges at 11 kV tariff shall be chargeable	
		Flat Rate Charges for Unmetered Connection	
		Rs./ kW, or part thereof / Month	Nil
8	LT Industrial Supply	Energy Charges for Metered Connections	
		For all units (Rs./kWh)	3.10
		Fixed Charges for Metered Connection	
		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	
9	HT Industrial Supply	11 kV Supply	
		Energy Charge (Rs./ kVAh)	2.90
		Demand Charge (Rs./ kVA/ month)	150
		For Connections with sanctioned load above 100 kW upto 1 MVA metered on LT, additional 5% Surcharge on Demand & Energy Charges at 11 KV tariff shall be chargeable	
		33 kV Supply	
		Energy Charge- (Rs./ kVAh)	2.80
		Demand Charge (Rs./ kVA/ month)	150
		For 66 kV-1.5% rebate on the Energy Charge for 33 kV Supply.	
10	HT Industrial Supply for Power Intensive Industries	11 kV Supply	
		Energy Charge (Rs./ kVAh)	4.65
		Demand Charge (Rs./ kVA/ Month)	295
		33 kV Supply	
		Energy Charge – (Rs./ kVAh)	4.55
		Demand Charge (Rs./ kVA/ Month)	285
		For 66 kV-1.5% rebate on the Energy Charge for 33 kV Supply.	
11	General Purpose Bulk Supply	11 kV Supply	
		Energy Charge (Rs./ kVAh)	3.75
		Demand Charge (Rs./ kVA/ Month)	200
		For multiple connection on LT with aggregate sanctioned load > 100 kW and for connections with sanctioned load above 1 MVA metered on LT, additional 5% Surcharge on Demand & Energy Charges at 11 kV tariff shall be chargeable	
		33 kV Supply	
		Energy Charge- (Rs./ kVAh)	3.55
		Demand Charge (Rs./ kVA/ Month)	190
		For 66 kV-1.5% rebate on the Energy Charge for 33 kV Supply.	
12	LT and HT & Temp Connections	1.5 times the applicable rates (on fixed/ demand and energy charges)	

Annual Revenue Requirement at Proposed Tariff

- 2.9 As per JKPDD's submission, the revenue demand at existing tariff is estimated to be Rs. 1,783.10 Cr and assuming a collection efficiency of 95%, revenue that can be realized is expected to be Rs. 1,693.95 Cr in FY 2012-13. Thus, the resulting revenue gap is estimated at Rs. 2,411.12 Cr by the Petitioner. The ARR and revenue gap at the tariffs as proposed by the Petitioner is given below:

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

Particular	FY 2012-13 (Proj.)
Annual Revenue Requirement	4,105.07
Covered by	
Revenue Billed @ Existing Tariff	1,783.10
Collection efficiency	95%
Revenue Collection	1,693.95
Revenue available towards ARR @ Existing Tariff	1,693.95
Revenue Gap/(Surplus) @ Existing Tariff	2,411.12
Additional Revenue @ Proposed tariff	312.81
Net Revenue Gap/(Surplus) @ Proposed tariff	2,098.32

A3: PUBLIC CONSULTATION PROCESS

- 3.1 The Commission directed JKPDD to publish a public notice indicating the salient features of its ARR and tariff petition and inviting objections and suggestions from the consumers and other stakeholders.

Table 16: List of Newspapers

Sl	Newspaper	Date of Publication
1	Daily Excelior	08.02.2012
2	Greater Kashmir	05.02.2012
3	Rising Kashmir	05.02.2012
4	The Daily Aftab	05.02.2012

- 3.2 The consumers and other stakeholders were encouraged to obtain copies of the ARR and tariff petition submitted by JKPDD for FY 2012-13 from the following offices of JKPDD on payment of photocopying charges:
- Development Commissioner (Power), Janipur, Jammu
 - Chief Engineer, EM&RE Wing, Kashmir, Sonawar (behind Hotel Shangrila), Srinagar
 - Chief Engineer, EM&RE Wing, Canal Power House, Jammu
 - SE, EM & RE, Circle, Choglamsar, Leh
- 3.3 Also copies were made available to be downloaded from JKPDD website: www.jkpdd.gov.in and Commission website: www.jkserc.nic.in.
- 3.4 The last date for submitting the comments/ objections on ARR and tariff petition was 24th February 2012 and subsequently extended to 29th February, 2012.
- 3.5 The public notice advised respondents to submit (in person or by post or by fax) four copies of their objections written either in English, Hindi or Urdu to the Commission with two copies to JKPDD. Respondents were also given the option to be heard in person during the public hearings conducted by the Commission.
- 3.6 JKPDD were informed to reply to each of the objections/comments/suggestions received within three days of the receipt of the same but not later than 29th February, 2012 for all the objections and comments/suggestions received till 24th February, 2012.
- 3.7 Stakeholders were advised to submit their rejoinders on replies provided by JKPDD either during the public hearing or latest by 5th March, 2012.
- 3.8 The Commission and Petitioner received objections/ comments from several

respondents, some of which even spoke on the day of the hearing. The list of stakeholders who responded to the public notice on ARR and tariff petition and those who attended the public hearing is provided in Annexure 2 and Annexure 3 respectively.

- 3.9 The Commission held public hearings in Jammu on 1st March, 2012 and in Srinagar on 3rd March, 2012, to discuss the petition filed by JKPDD for approval of ARR and determination of tariff.
- 3.10 The respondents were given an opportunity to put forth their comments and suggestions on the ARR and Tariff petition to the Commission. The Commission also allowed persons who had not submitted written responses but attended the public hearings to express their views, regarding the ARR and tariff petition and the general functioning of JKPDD.
- 3.11 The issues raised during the public hearing process, the responses of JKPDD and the Commission's observations are detailed below:

Default on timely submission of Petition by JKPDD

- 3.12 Several Objections pointed out that JKPDD was required to file the complete petition by 30th November 2011 as required under Regulations. JKPDD filed one part of the petition in December 2011 and other part in January 2012 without any justification and then further revised the petition by filing addendum to tariff revision proposal for FY. 2012-13 later in January.

Petitioner's Response

- 3.13 JKPDD submitted that they have made every effort to submit the petition in notified time frame only. However, the tariff proposal was filed separate of main petition, because JKPDD being a government department had to take certain internal approvals for the proposed revision in tariffs before submission of same to the Commission.

Commission's View

- 3.14 The Commission observes that since the previous Tariff Order was issued in October 2011, JKPDD required time for data collection and filing of petition for FY 2012-13. Also being a government department, JKPDD needed time for filing of the tariff petition as they have to take necessary approvals from the competent authority before submission.
- 3.15 The Commission accepts the response of JKPDD for this year but directs JKPDD to ensure from next time the filing of the petition within notified time frame only.

Failure to provide requisite details and information by JKPDD in the Petition

- 3.16 The Commission received several objections stating that JKPDD has failed to provide

requisite details, information and particulars as prescribed in the formats which are necessary to justify their claims and revenue requirements.

- 3.17 Several Objectors also submitted that JKPDD has not given any justification for the substantial increase in proposed expenditure for FY 2012-13 over the approved expenditure for FY 2011-12 and requested the Commission to apply prudence check in approving the expenditure for FY 2012-13.

Petitioner's Response

- 3.18 JKPDD submitted that they have furnished the best available requisite details and information available with them in the notified formats.
- 3.19 They also requested the Commission to consider the revised estimates for FY 2011-12 as submitted since there is considerable variation in power purchase cost owing to the fact that the CERC has issued the tariff orders for most of the CGS/PGCIL and there is considerable upward revision of generation/transmission tariff which is beyond the control of JKPDD and hence is required to be factored in accordingly.

Commission's View

- 3.20 The Commission also observed deficiency in the data submitted by JKPDD and wrote letters to JKPDD regarding deficiencies and seeking additional information and clarifications. The Commission also held a series of discussions with the Utility to gather additional information.
- 3.21 The Commission agrees there is apprehension regarding the availability of requisite details, information and particulars as prescribed in the formats and its authenticity in the submission made by JKPDD. Therefore, Commission scrutinized and reviewed all the data submitted by JKPDD and has approved only the reasonable costs. The Commission has accepted and evaluated the ARR & tariff proposal submitted by JKPDD with the twin objective of achievement of financial viability of the power sector in the State as well as addressing the concerns raised by the consumers.

Power Purchase Cost

- 3.22 The Objectors have submitted that JKPDD has estimated the power purchase cost in an arbitrary manner leading to a substantial increase in it without any Order of the Central Commission or this Commission. The general trend for tariff for generating companies pending the determination of tariff by the appropriate Commission is that the tariff determined for the previous year continues. In the present case, the JKPDD ought have to consider the actual tariff payable by it to the generating companies rather than increasing the power purchase cost as per its own estimations. JKPDD has projected unwarranted substantial increase @25.81% on the power purchase cost per unit for the year 2012-13 over the approved power purchase cost for the year 2011-12 as illustrated in the table below:

Table 17: Power Purchase Cost approved for FY 2011-12 and projected for FY 2012-13 (Rs Cr)

Particulars	Approved for FY 2011-12	Projected for FY 2012-13	Increase over approved	Percentage increase over approved
Total Power purchase cost (Cr)	2646.28	3399.39	753.11	28.46%
Total quantum of power (MUs)	10677.41	10913	235.59	-
Power purchase cost per unit (Rs./unit)	2.48	3.12	0.64	25.81%

3.28 The Objectors requested the Commission to approve the power purchase cost as per the approved tariff generation, power generation plant wise and strictly in accordance with the Regulations.

Petitioner's Response

3.29 JKPDD submitted that though the tariff orders for Central Generating Stations have been issued by Central Electricity Regulatory Commission only recently, the actual power purchase cost has increased over the years on account of other reasons. The summary of actual cost of power purchase since 2008-09 is tabulated below:

Table 18: Actual Power Purchase Quantum & cost incurred by JKPDD in the last couple of years.

Description	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13
	Actuals	Actuals	Actuals	R.E.	Proj
Actual PP Cost Incurred (in Rs Crs.)	1,783.64	2,560.95	2,796.62	3,331.19	3,399.39
YOY Increase		43.58%	9.20%	19.11%	2.05%
Actual Units Purchased (in MU)	9,147.22	10,019.50	10,290.73	10,561.84	10,913.37
YOY Increase		9.54%	2.71%	2.63%	3.33%

3.30 The Petitioner stated that while the increase in purchase of power in terms of units purchased is quite nominal, there has been considerable hike in the power purchase cost. JKPDD has projected a very nominal increase of 3.3% for additional power to be purchased for FY 2012-13.

3.31 Further, as the Tariff Orders of Central Generating Station as per the new CERC regulations has been issued recently, JKPDD has considered revised tariff on that account.

3.32 JKPDD also submitted that the increase in power purchase cost in FY 2011-12 is primarily on account of receipt of arrear bills from CPSUs on account of latest tariff orders issued by CERC and the actual impact of Water usage charges is considerably more than the initial estimates submitted by PDD in the last petition and subsequently approved by the Commission.

Commission's View

- 3.33 After a prudence check on the information pertaining to the Power purchase cost, the Commission agrees with the response of the Petitioner. There has been an increase in power purchase cost of the central generating stations in view of the latest orders of the Central Electricity Regulatory Commission.

Establishment Expenditure

- 3.34 The Objectors have questioned the high projected increase in establishment expenditure as proposed by JKPDD and stated that there are no details or any justification given by the JKPDD with regard to such increase in establishment costs.
- 3.35 They also submitted that the ratio of employees to the number of consumers in the State as well as to the units sold is extra-ordinarily high as compared to other electricity utilities in other states.
- 3.36 They also contested that since no true-ups are allowed by the Commission, the proposal of JKPDD of Rs 42.81 Crores on account of salary arrears of 6th pay commission, being the prior period cost, should not be allowed.
- 3.37 They requested that Commission should allow maximum of 10% increase over the approved cost for the previous year in line with the Tariff Order for the previous year.

Petitioner's Response

- 3.38 JKPDD submitted that the break-up of various costs incurred under the establishment expenses has been covered in the petition itself. Further, JKPDD being a department of Govt. of J&K, the employee costs, especially salaries has to be kept at par with the other departments of Government of J&K and is a legal binding on the JKPDD to follow the same. Further, these have to be paid as per actual only as per the applicable Govt. policies and JKPDD have no control over it.
- 3.39 JKPDD also emphasized that their establishment expenses are among the lowest in the country as compared with state owned distribution utilities. Also, keeping in view of difficult terrain of state served by JKPDD, the employee to consumer ratio is quite nominal.

Commission's View

- 3.40 The Commission views that till the time JKPDD is not unbundled into the functional heads of Transmission and Distribution businesses, approving the proposed establishment cost as a part of the Distribution ARR will not be fair on the consumers. Under such circumstances, the Commission has decided to follow the approach as per last year's tariff order.
- 3.41 Accordingly, the Commission has approved the establishment expenses for FY 2012-13 with an annual increase of 10% on the establishment expenses (excluding A&G expense) approved by it for FY 2011-12 in last year's Tariff Order (in line with the

approach followed in last year's Tariff Order).

- 3.42 However, the Commission views that the arrears due to the Sixth Pay Commission recommendations are statutory obligations of JKPDD and beyond its control, hence the Commission has decided to consider the same as part of employee expense for FY 2012-13.

Transmission and Distribution loss level

- 3.43 The Objectors have submitted that JKPDD had projected a loss level of over 52.82% for the year 2012-13, which is the highest in the country.
- 3.44 They have also submitted that according to the recommendations of Abraham Committee Report, JKPDD had fixed target of 43% loss level for the year 2007-08 and JKPDD was expected to reduce the loss level by 4% every year. In view of the recommendations of the Abraham Committee Report, the T&D losses for the year 2012-13 should have been 23% as depicted in the following table:

Table 19: T&D loss levels from FY 2007-08 to FY 2012-13

Year	T&D Losses	Abraham Committee Recommended T&D loss	% increase over the recommended T&D loss level
2007-08	49.31%	43%	14.67%
2008-09	61.31%	39%	57.20%
2009-10	62.06%	35%	77.31%
2010-11	60.99%	31%	96.74%
2011-12	59.72%	27%	121.19%
2012-13 (Projected)	52.82%	23%	129.65%

- 3.45 They suggested that there is a need to differentiate between the loss levels for the different regions for the State, namely, Jammu, Kashmir and Ladakh. The loss levels prevalent in the different regions substantially vary. In such circumstances, differential loss adjustment for the different regions in the State will provide a more realistic and viable tariff to be paid by the consumers.
- 3.46 The loss level ought to be determined on voltage level basis. This is also the mandate of law that the cost of supply be determined category wise. This also requires the loss level adjustment category wise and not based on average basis of 52.82%.
- 3.47 Looking at the losses levels achieved by JKPDD, it is unambiguously clear that JKPDD has not made any serious effort to reduce the loss levels. JKPDD is seeking to pass on the burden of the entire loss level to the consumers, particularly to the industrial consumers who contribute the maximum revenue to JKPDD.
- 3.48 The Objectors submitted that only prudent level of T&D losses which are much less than the existing level of T&D losses in the State should be passed on in the tariff.

Petitioner's Response

- 3.49 JKPDD agreed with the Objectors that the T&D losses are currently at a very high level and it is making every possible effort for reduction of these losses. They have set target of 100% metering of 30 major cities and towns which is expected to be achieved shortly.
- 3.50 JKPDD also submitted that T&D losses have been computed taking into consideration energy input at state periphery and energy billed to the consumers. Non- payment of bills by certain categories of consumers affects the revenue collection and overall collection efficiency which has no bearing on T&D losses.
- 3.51 They further stated that even though loss level may vary in different regions of the state, it is not possible to have separate tariffs for different regions but requested the Commission to take independent view in this regard.
- 3.52 Regarding the measures for loss reduction, JKPDD submitted that identification and segregation of losses has already been initiated and the process of system metering, feeder metering and boundary metering is being verified by TPIA. Further, they plan to complete the process of data recovery and connecting of all business units to a central database by September 2012, after TPIA completes its verification process. However, considering the remoteness of some of the areas of Kashmir, there can be some delay in overall completion of this process.
- 3.53 They also stated that JKPDD is in the process of engaging a consultant for loss studies so that Cost of Supply could be incremented appropriately with due consideration of other related issues but it got delayed because inspite of many extensions in the tender notice only one firm i.e. M/s Feedback Ventures has quoted and that as per the standing practice, awarding works on single tender needs govt. approval, same is being taken up with the Govt.
- 3.54 Further, JKPDD conveyed that they are committed to reduction of losses and infact has proposed a realistic trajectory for reduction of losses. Urban Areas are being covered under RAPDRP for loss containment. State govt. is pursuing Union Power Ministry to include and fund smaller townships (having population of over 4000 as per 2001 census) on same lines as has been done under R-APDRP. In recent meeting of Power Ministers of State with Union Ministry of Power, it has been unanimously agreed that towns having population of over 5000 will be addressed.
- 3.55 JKPDD also stated that they have taken into consideration 30% loss level on the basis of methodology adopted by the Commission in the last Tariff Order.

Commission's View

- 3.56 It may be noted that the methodology followed by the Commission in determining the tariff in all the earlier tariff Orders has been based on a two-phase approach to tariff setting, as explained below:

- (a) Phase 1: Commission will approve a minimum average tariff at the Average Cost of Supply at Zero Losses (ACOSZL). Any increase in the ACOSZL on a year-on-year basis shall be passed on in the retail tariffs by the Commission. This approach allows the average cost of supply to be calculated by dividing the prudent costs by the total power purchase quantum for that year (assuming the energy input into the system is served to the consumers without any T&D loss).
- (b) Phase 2: The Commission will gradually allow increase in average tariff over and above the ACOSZL levels to reach the Average Cost of Supply at Prudent T&D Losses (ACOSPL) level (the national average of 25.7%). 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.
- 3.57 The Commission in all the earlier Tariff orders has followed only the Phase 1 Approach while approving the tariff hike keeping in mind the inadequacy of data provided by JKPDD and their dismal performance in terms of bringing down the T&D losses in the state. The Commission is of the opinion that this approach is only justified, as the Commission has not burdened the consumers with the inefficiencies of JKPDD and only allowed the prudent costs incurred by it.
- 3.58 If tariff were to be based on a loss level of 25.7% (national average of T&D losses), the average cost of supply at prudent loss (ACOSPL) would have worked out to be Rs. 4.57/ kWh. However, the Commission decided to restrict the tariff hike only to the extent of rise in the average cost of supply at zero loss levels in order to safeguard the interest of the consumers.
- 3.59 The Commission in its Tariff Orders has been striving to design the tariffs such that they are reflective of prudent costs which include cost of power purchase and cost of distribution and other statutory levies, which is necessary for maintaining, upgrading and expanding the distribution networks and not burden the consumers with the inefficiencies of JKPDD.
- 3.60 Further, the Commission is of the view that distribution cost and theft/pilferage cases will come down once JKPDD is unbundled on the functional lines of transmission and distribution as a more accurate apportionment of costs, better maintenance of database and vigilant monitoring will be possible thereafter. As informed by JKPDD, the final report on restructuring is to be submitted by the appointed consultant in 18 months from the date of award of contract and hence is expected to be ready in FY 2012-13.

Electricity Duty

- 3.61 Many consumers stated they are required to pay Electricity Duty @ 22% of the energy charges. Any increase in tariff by the Commission will also have the effect of increasing the quantum of Electricity Duty paid. The industries in the State will become highly uncompetitive and unviable with such increase in electricity charges.

- 3.62 They requested that the tariff may be determined accordingly for the JKPDD after adjusting the applicable Electricity Duty payable by the consumers to the Government.

Petitioner's Response

- 3.63 JKPDD requested the Commission to take independent view of this as Electricity Duty is levied by the State Govt. and JKPDD has no control over it.

Commission's View

- 3.64 The levy of Electricity Duty is the matter of State Government and the Commission has no role to play in deciding on the charges for Electricity Duty. However, the Commission believes that electricity duty rate of 22% of energy charge is high and needs to be rationalized. The rate of 22% electricity duty was fixed when the rate of energy charges were very low, but now the situation has changed and the electricity duty rate needs to be revisited by the State Government.
- 3.65 The Commission has been in continuous discussion with the State Government on this matter and would take it up again with the Government.

Average Cost of Supply

- 3.66 The Objectors requested the Commission to determine category-wise/ voltage wise prudent loss level and prudent category-wise/ voltage wise cost of supply, in accordance with Regulation 20 of the Tariff Regulations and section 55 of the Electricity Act 2010 read with principles settled by Appellate Tribunal for Electricity.

Petitioner's Response

- 3.67 JKPDD submitted that while metering of 11 KV feeders is in place, the metering of other voltages is still on progress but there is not adequate data to determine voltage wise cost of supply at other voltage levels. Hence, Tariff Proposal for FY 2012-13 has been prepared considering average cost of supply only which is in line with the National Tariff Policy and Regulation 20 of the Tariff Regulations framed by the Commission.

Commission's View

- 3.68 The Commission views that in order for the tariffs to each category of consumers to reflect the cost of supply of electricity, the exact cost to serve at the various voltage levels (at which the consumers are connected), namely 33 kV, 11 kV and Low Tension (LT) needs to be calculated, based on which tariffs for the consumers at the respective voltage levels should be determined. However, for an accurate voltage wise Cost of Supply study, energy accounting at all voltage level is necessary (not just 11 kV and above), which is only possible if energy meters are installed at every interface. Therefore, installation of appropriate energy meters at all levels in the T&D network is essential to undertake such a study.

- 3.69 Section 49 of the J&K Electricity Act, 2010 mandates that no licensee shall supply electricity after 28th April 2012, except through installation of a correct meter. Therefore, it has been made obligatory, under law, for JKPDD to achieve 100% consumer metering by 28th April, 2012.
- 3.70 As a response, JKPDD, in its ARR petition for FY 2012-13, submitted that more than 2 lakhs unmetered consumers in different categories were planned to be metered in FY 2011-12 and nearly 3 lakhs unmetered consumers are targeted to be metered in FY 2012-13. Approximately, 1.5 lakh consumers will still remain unmetered and sincere efforts will be made to cover them by the end of FY 2013-14, after getting the deadline of 28th April, 2012 extended by the Competent Authority.
- 3.71 Thus, in the absence of data on the status and results of the energy accounting process and in the interest of establishment of regulatory discipline (in a scenario of less than 100% metering), the Commission, vide its Tariff Orders, has been determining tariffs based on the average cost of supply across all consumer categories, while allowing only the justified/prudent distribution costs and not burdening the consumers with the inefficiencies of JKPDD.

Steep hike proposed in industrial tariff and HT PIU tariff

- 3.72 The following table gives the existing and the proposed tariff for the industrial category of consumers:

Table 20: Comparison between existing and proposed tariff for industrial consumers

Category	Tariff Existing		Proposed Tariff		% Increase	
	Demand Charges Rs/kWh/ month)	Energy Charges Rs kWh/ /month	Demand Charges Rs/kWh/ month)	Energy Charges Rs kWh/ /month	Demand Charges	Energy Charges
LT Industrial	40	2.47	50	3.10	25%	25%
HT (11 kV)	121	2.30	150	2.90	24%	26%
HT (33 kV)	121	2.24	150	2.80	24%	25%
HT-PIU 11 kV supply	161	2.53	295	4.65	83%	84%
HT-PIU 33 kV	155	2.47	285	4.55	84%	84%

- 3.73 The Objectors stated that proposed increase is contrary to the provisions of the Act which mandates that there shall not be any tariff shock and any increase in tariff shall be progressive. The present increase proposed by JKPDD is very steep and ought to be out rightly rejected by the Commission.
- 3.74 They also submitted that any increase in the power cost of the Industries will have an adverse impact on the competitiveness of the industries as the cost of production of the industries will also increase. The above will result in the industries becoming unviable and uncompetitive. If substantial increase in the cost of electricity is allowed, the industries would not be able to survive in the State.
- 3.75 They pointed out that the proposed tariff increase of 84% for HT PIU Industrial

Supply (normal supply) is harsh, unjust and inequitable. The above is wholly unjustified for the reason that the loss levels in the industrial category are substantially lower and thus, the tariff for such categories ought to be lower.

- 3.76 The power intensive units are providing direct/indirect employment to about 10000 workers. If the proposed hike is allowed, PIU's which are already operating under negative operating margin, cannot bear the burden of such a huge increase in power tariff and would probably be forced to shut down.

Petitioner's Response

- 3.77 JKPDD submitted that they have worked a prudent Cost of Supply at the National T&D loss level of 30% and has proposed the appropriate hike current tariff to reach the prudent cost of supply only. The unrecovered deficit for the balance 30% losses is borne by the JKPDD only and is not being charged to the consumers.
- 3.78 JKPDD also submitted the year wise tariff proposed and subsequently approved by the Commission for HT PIU Industries as follows:

Table 21: Tariff Approved for 11 kV and 33 kV Supply

Tariff Year	Character of Supply	Existing Tariff (Energy Charges)	Proposed Tariff by PDD	Approved Tariff (by JKSERC)
2007-08	11 kV Supply	1.35	2.00	2.00
	33 kV Supply	1.35	1.95	1.95
2008-09	11 kV Supply	2.00	2.00	2.00
	33 kV Supply	1.95	1.95	1.95
2009-10	11 kV Supply	2.00	5.00	-
	33 kV Supply	1.95	4.90	-
2010-11	11 kV Supply	2.00	5.35	2.20
	33 kV Supply	1.95	5.15	2.15
2011-12	11 kV Supply	2.20	4.20	2.53
	33 kV Supply	2.15	4.10	2.47
2012-13	11 kV Supply	2.53	3.15/4.65	2.83
	33 kV Supply	2.47	3.05/4.55	2.77

- 3.79 Also, accordingly to the addendum to Tariff Proposal submitted by JKPDD to the Commission, they proposed to bring the tariff of HT-PIU Industrial Supply at par with the estimated Prudent Average Cost of Supply at Rs.5.37/kWh.

Commission's View

- 3.80 The Commission has taken into note the views expressed by various consumers and their representatives and shall endeavor to avoid any steep tariff hikes causing tariff shock to consumers.

Rationalization of tariff structure

- 3.81 One of the important aspects of rationalization of tariff is to reduce the number of categories of consumers and have uniformity in the tariff to larger groups instead of creating sub-categories. Many of the states are moving towards creating single category for each broad based nature of consumption like agriculture, domestic, industry, commercial and public works and same should be done here by the Commission.
- 3.82 The Objectors also submitted that additional incentives should be made available for connections operating at higher power factors (PF) and it was suggested that all consumers demonstrating power factor (PF) of 0.95 or above should be given some additional incentives in order to promote efficiency.

Petitioner's Response

- 3.83 JKPDD requested the Commission to take independent view in this regard.

Commission's View

- 3.84 The Commission has dealt with this issue in the chapter pertaining to the tariff structure of this Tariff Order.

Compliance to directives issued by the Commission

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

Petitioner's Response

- 3.86 The petitioner stated that it has already submitted the current progress of Compliance of directives with the Tariff Proposal. It also stated that in spite of many odds, they were able to increase the accruals (revenue recoveries), bring down outages, improved service & performance indices, although a lot still is required to be done.

Commission's View

- 3.87 The Commission has received the compliance of directives from the Petitioner and has given its views regarding the same in chapter 12 of this Order.

A4: APPROACH TO COST COVERAGE

- 4.1 The regulatory tariff regime was introduced by the Commission in its first ARR & Tariff Order for FY 2007-08 for the J&K Power Development Department. The Commission on the basis of the information submitted by JKPDD had approved costs and tariffs for FY 2007-08. Subsequently, the Commission approved the ARR & Tariff Order for FY 2008-09 based on the petition submitted by JKPDD. Though JKPDD had not proposed any tariff increases in the petition for FY 2008-09, the Commission approved the ARR based on its prudence check and brought in certain changes in the tariff structure without changing the rates.
- 4.2 However, the Commission in its previous Tariff Order for FY 2011-12 had changed the approach related to tariff setting, from earlier year's approach, primarily due to the dismal performance observed in operations of JKPDD at improving the efficiency levels (T&D losses). The Commission, at the time of issue of the Tariff Order for FY 2008-09, had expected that JKPDD would gradually move towards financial viability due to improvements in the performance and additional resource would be generated based on tariff structure and rate changes allowed by the Commission. In view of this, several directives were issued in the tariff orders for achieving this objective. However, contrary to the expectations of the Commission, efficiency levels and the revenue gap have deteriorated over the years.
- 4.3 The Commission had decided to continue with the same approach while approving the ARR for FY 2012-13 as that adopted in previous tariff order for FY 2011-12. The approach has been outlined in subsequent sub-sections

Revenue deficit

- 4.4 JKPDD, in its petition for FY 2012-13, has proposed an ARR of Rs 4,105.07 Cr, against revenue realization of Rs 1,693.95 Cr (at existing tariff). Thus, the revenue gap proposed by JKPDD for FY 2012-13 is Rs 2,411.12 Cr.
- 4.5 In previous years, the Commission had initiated the process of ARR & Tariff approvals considering that JKPDD will be able to bring down the revenue gap going forward and that the ARR could be finally met through revenues generated from sale of power. However, JKPDD has not been able to meet the Commission's expectations and the revenue gap has increased over the years. The following table provides a snapshot of the financial condition of JKPDD over the last 5 years.

Table 22: Snapshot of JKPDD Proposed ARR and Revenue Gap over the years (Rs Cr)

Particular	FY 2007-08 (A)	FY 2008-09 (A)	FY 2009-10 (A)	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (P)
A. Revenue						
Rev. Demand (At existing tariff)	1,068.16	829.63	928.13	1,026.69	1,432.82	1,783.10
Rev. Realized	591.98	628.10	702.30	801.00	1,289.54	1,693.95
B. Expenditure						

Particular	FY 2007-08 (A)	FY 2008-09 (A)	FY 2009-10 (A)	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (P)
Power Purchase Cost	1,799.02	1,783.68	2,560.95	2796.62	3,330.81	3,399.00
O&M Cost	43.51	43.34	40.85	48.72	55.36	62.94
Establishment Expenses (including Employee and A&G Expenses)	238.41	237.58	315.27	392.99	491.61	516.20
Depreciation	70.23	68.94	82.73	87.85	112.34	124.94
Interest & Finance Charges	19.45	14.37	14.97	11.20	13.91	15.41
ROR	0	0	0.00			
Gross ARR	2,170.6	2,147.91	3,014.76	3,337.38	4,004.03	4,118.49
Additional Payables			238.57			
Less non-tariff income	1.95	2.75	1.34	21.51	13.22	13.42
Net ARR	2,168.65	2,145.16	3,251.99	3,315.87	3,990.81	4,105.07
Unmet Revenue Gap	1,576.67	1,517.06	2,549.69	2,514.87	2,701.27	2,411.12
Revenue Gap approved by Commission	1,484.9	1,421.39	2,163.37	1,891.75	2,118.34	1,460.68*

*explained in Chapter 8 of this Order

Losses & data related issues

- 4.6 The T&D losses were approved at 46.7% for FY 2007-08 considering a reduction of 4% from the levels in FY 2006-07 as per the Abraham Committee report. However, JKPDD failed to achieve that target in FY 2007-08 and has shown dismal performance in all the subsequent years. Notably, JKPDD had submitted that it had changed their methodology used for projecting energy sales post FY 2006-07, because of which the actual T&D losses were observed to be around 60%, much higher than what was approved in FY 2006-07.
- 4.7 The T&D loss levels submitted by JKPDD from FY 2006-07 to FY 2012-13 are shown in the following table (involving the earlier assessment method and revised assessment method):

Table 23: Loss estimation from FY 2006-07 till FY 2011-12 (Proposed)

Particulars	Units	FY 2006-07 (A)	FY 2007-08 (A)	FY 2008-09 (A)	FY 2009-10 (A)	FY 2010-11(A)	FY 2011-12 (RE)	FY 2012-13 (P)
		Previous Assessment	Assessed as per revised methodology					
Sales	MU	4,030.85	3,331.64	3,538.70	3,833.00	4,059.34	4,567.17	5,148.84
Percentage of T&D Loss	%	51.00%	61.90%	61.31%	62.06%	60.55%	56.76%	52.82%

Particulars	Units	FY 2006-07 (A)	FY 2007-08 (A)	FY 2008-09 (A)	FY 2009- 10 (A)	FY 2010- 11(A)	FY 2011- 12 (RE)	FY 2012- 13 (P)
T&D Loss	MU	4,205.68	5,412.32	5,608.52	6,269.794	6,230.50	5,995.20	5,764.34
Total Energy Input Required	MU	8,236.53	8,743.96	9,147.22	10,102.79	10289.84	10562.37	10913

Performance measures introduced

4.8 The Commission has introduced a performance measure of 'Revenue Realization per Unit of Energy Input (RREI)' to track financial improvements achieved by JKPDD. RREI is cash collected divided by energy fed into the system at the distribution interface. The performance of JKPDD on this measure of RREI from FY 2006-07 to FY 2011-12, as submitted by JKPDD, is detailed in the table below.

Table 24: Revenue realisation per unit of energy input (Proposed)

Station	FY 2006- 07 (A)	FY 2007- 08 (A)	FY 2008-09 (A)	FY 2009-10 (A)	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (P)
Energy Input (MU)	8,236	8,743	9147	10,102	10,290	10,562	10,913
Revenue realisation (Rs. Cr.)	395	594	629	702	801	1,290	1,694
Revenue realization per unit of Energy Input (RREI) (Rs./ Unit)	0.48	0.68	0.69	0.69	0.78	1.22	1.55

4.9 RREI is seen to have improved in the FY 2010-11 due to the implementation of 100% metering in the LT Industrial category and the impact of tariff revision during FY 2010-11, which improved even further in FY 2011-12 and FY 2012-13. The lower RREI prior to FY 2010-11 can be attributed to laxity in metering consumers.

Financial viability in FY 2012-13

4.10 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.

4.11 The Commission is of the opinion that financial viability of JKPDD can be achieved by adopting a two pronged strategy.

- (a) Improvement in efficiency levels and reducing existing level of T&D losses and improving collection:
 - (i) Extent of T&D losses proposed by JKPDD at 52.82 % 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 2012-13 is proposed at 95%, which is not acceptable as the Commission feels that there are huge arrear recoveries every year (pertaining to bills raised in prior years) which get accounted for while calculating collection efficiency for a year and hence collection efficiency (including arrears) should not be less than 100%..
- (b) Gradual tariff rate changes without burdening the consumer with utility inefficiencies and avoiding tariff shocks:
 - (i) The tariff levels need to be reflective of prudent costs which include cost of power purchase and cost of distribution. The cost of distribution is necessary for maintaining, upgrading and expanding the distribution networks.
 - (ii) As per the petition submitted by JKPDD, the average tariff for FY 2012-13, at the existing level of tariffs, works out to Rs. 3.46/ kWh which is less than 56.5% of the average cost of supply at actual losses ($ACOS_{AL}$) assessed at Rs. 7.97/ kWh for the year.
- (c) It is felt that, 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.

4.12 Given the existing scenario of high T&D loss in the state, the Commission has adopted a two-phase approach to tariff determination.

Approach to cost coverage

4.13 The Commission has observed serious anomalies/inconsistencies in the data and information being submitted by JKPDD and hence decided in the interest of establishment of regulatory discipline, to conduct a prudence check of all the information being submitted in the annual ARR & Tariff petitions. Thus, only the approved value against each item, after due prudence check, has been allowed while determining the ARR. The Commission had adopted the following strategy for attaining the financial viability of the power distribution business in the State :

- (a) **Phase 1:** Commission will approve a minimum average tariff at the Average Cost of Supply at Zero Losses ($ACOS_{ZL}$). Any increase in the $ACOS_{ZL}$ on a year-on-year basis shall be passed on in the retail tariffs by the Commission.
- (b) **Phase 2:** The Commission will gradually allow increase in average tariff over and above the $ACOS_{ZL}$ levels to reach the Average Cost of Supply at Prudent Losses ($ACOS_{PL}$) level. The Commission may link such allowance of losses in the retail tariff to the actual reduction in T&D/ AT&C losses achieved by JKPDD.

- (c) The Commission will not allow true-ups between approved and actual cost and revenue to be reflected in the consumer tariffs till the average tariffs reflect $ACOS_{PL}$. Any benefits arising from the true ups will be adjusted in revising the tariff rates from $ACOS_{ZL}$ to $ACOS_{PL}$.
- 4.14 **Average Cost of Supply at Zero Loss ($ACOS_{ZL}$):** The Commission has calculated the $ACOS_{ZL}$ by dividing the overall ARR of the utility by the quantum (units) of power purchased for any financial year.
- 4.15 **Average Cost of Supply at Prudent Loss ($ACOS_{PL}$):** The Commission has calculated the COS_{PL} by dividing the overall ARR of the utility by the quantum (units) of energy that would have been billed corresponding to the prudent level of T&D losses.

Prudent level of T&D losses: The Commission has considered T&D losses of 25.7% as the prudent level of T&D losses (the average T&D loss at the national level as per the latest Planning Commission Report). The Commission feels that fixing the prudent T&D loss level at 15% (in line with the Abraham Committee Report targets) will be unrealistic as the current T&D loss in the state is above 50%. Also, it is felt that till the time JKPDD is not unbundled into the distribution and transmission functionalities, the target shall be too stringent to achieve. Moreover, only a few states in the country have actually been able to achieve this target level of 15% loss. As such, the Commission has decided to consider an average value of T&D loss across all states in the country as the prudent level.

- 4.16 With regard to the above mentioned approach, the following points need to be highlighted:
- (a) If it is assumed that energy billed is equal to energy purchased with no system losses, then the cost of power purchase per unit energy input for FY 2012-13 is estimated at Rs. 2.88/ kWh and the distribution cost per unit of energy input is Rs. 0.52/ kWh. So the average cost of supply at zero losses ($ACOS_{ZL}$) considering existing level of prudent distribution costs and zero T&D losses is Rs. 3.40/ kWh.
- (b) At the same time, it is felt that the T&D losses being an inherent part of distribution business, in the existing scenario a loss level of 25.7% (the prudent level) 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 2012-13, the average cost of supply at prudent loss ($ACOS_{PL}$) is Rs. 4.57/ kWh.
- (c) The Commission is, however, of the opinion that fixation of retail tariffs considering the $ACOS_{PL}$ at 25.7% T&D loss levels at Rs. 4.57/ 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.

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 from the FY 2006-07 loss levels, in line with the recommendations in the Abraham Committee Report. The same approach could not be followed while approving the T&D loss level in the subsequent Tariff Order for FY 2008-09 because the Petitioner had changed the methodology for estimation of T&D losses which resulted in revision of sales (in Units) from 4351.42 MU to 3331.64 MU leading to a restatement of the T&D loss level from 49.83% to 61.90%.

Sales projections

Petitioners Submission

5.2 JKPDD has submitted that the total number of consumers in JKPDD system was 12,77,369 and the total connected load was 1,636.48 MW in FY 2010-11. In FY 2011-12 the number of consumers and connected load are estimated to be 13,16,075 and 1,718.16 MW, respectively. In FY 2012-13, the total number of consumers and connected load (on an average) are projected to increase by 2% and 5% respectively over the figures for FY 2011-12.

Table 25: Number of Consumers and Connected Load (MW)

Consumer Categories	No. of Consumers			Connected Load (MW)		
	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (Proj)	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (Proj)
Domestic						
<i>Metered</i>	526,073	719,875	1021433	301.72	408.04	513.62
<i>Unmetered</i>	559,342	399,697	119,908	294.71	211.14	126.68
Non-Domestic/ Commercial						
<i>Metered</i>	75,719	105,592	124,176	103.29	145.48	183.05
<i>Unmetered</i>	70,124	43,339	26,004	66.07	39.83	23.90
Agriculture						
<i>Metered</i>	10,409	12,417	14,085	86.51	109.29	129.77
<i>Unmetered</i>	4,598	3,022	1,813	61.10	40.04	24.02
State/ Central Govt. Dept.						
<i>Metered</i>	9,230	9,449	9,674	146.90	156.11	159.78
<i>Unmetered</i>	-	-	-	-	-	-
Public Street Lighting						
<i>Metered</i>	25	137	236	0.15	1.92	3.53
<i>Unmetered</i>	352	249	149	3.56	4.04	2.43
LT Industrial						
<i>Metered</i>	18,631	19,109	19,600	215.92	226.39	232.21
<i>Unmetered</i>	-	-	-	-	-	-

Consumer Categories	No. of Consumers			Connected Load (MW)		
	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (Proj)	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (Proj)
HT Industrial						
<i>Metered</i>	926	1,056	1,204	204.41	212.29	220.48
<i>Unmetered</i>	-	-	-	-	-	-
HT-PIU Industrial						
<i>Metered</i>	13	13	13	25.02	25.02	25.02
<i>Unmetered</i>	-	-	-	-	-	-
LT Public Water Works						
<i>Metered</i>	704	1,068	1,472	22.28	42.05	62.46
<i>Unmetered</i>	854	598	359	49.81	34.87	20.92
HT Public Water Works						
<i>Metered</i>	226	266	313	14.11	15.71	17.49
<i>Unmetered</i>	-	-	-	-	-	-
General Purpose/ Bulk Supply						
<i>Metered</i>	143	189	250	40.92	45.93	51.65
<i>Unmetered</i>	-	-	-	-	-	-
Total	1,277,369	1,316,075	1,340,688	1,636.48	1,718.16	1,797.02

5.3 The Petitioner submitted the actual energy sales for FY 2010-11 & estimates for FY 2011-12. The energy sales for FY 2012-13 have been determined based on CAGR for past 3 years actual energy sales in various consumer categories as well as the growth in the energy sales witnessed during FY 2008-09, FY 2009-10 and FY 2010-11 and also the growth observed in the first six months of FY 2011-12.

5.4 Keeping in view the prospect of a reasonable growth in all sectors of the economy in the state, total sales for FY 2012-13, as submitted by JKPDD, have been projected to increase by 13% over the total sales for FY 2011-12. The total sales for FY 2012-13 are projected to be 5,148.84 MU. The sales for FY 2010-11, FY 2011-12 and FY 2012-13 have been summarized in the following table.

Table 26: Category-wise Sales (MU)

Consumer Category	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (Proj)	% increase
Domestic				
<i>Metered</i>	542.15	792.88	1,223.36	54%
<i>Unmetered</i>	713.67	539.23	161.77	-70%
Non-Domestic/Commercial				
<i>Metered</i>	214.86	263.21	303.42	15%
<i>Unmetered</i>	112.54	73.46	44.08	-40%

Consumer Category	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (Proj)	% increase
Agriculture				
<i>Metered</i>	148.70	165.92	182.03	10%
<i>Unmetered</i>	49.49	35.31	21.18	-40%
State/Central Government Department				
<i>Metered</i>	751.20	1,015.65	1,373.56	35%
<i>Unmetered</i>	-	-	-	
Public Street Lighting				
<i>Metered</i>	4.34	37.28	44.59	20%
<i>Unmetered</i>	24.72	18.26	10.95	-40%
LT Industrial Supply				
<i>Metered</i>	239.33	251.30	263.86	5%
<i>Unmetered</i>	-	-	-	
HT Industrial Supply				
<i>Metered</i>	454.57	498.00	545.59	10%
<i>Unmetered</i>	-	-	-	
HT-PIU Industrial Supply				
<i>Metered</i>	122.63	122.63	122.63	0%
<i>Unmetered</i>	-	-	-	
LT Public Water Works				
<i>Metered</i>	72.51	155.69	248.86	60%
<i>Unmetered</i>	234.63	164.24	98.54	-40%
HT Public Water Works				
<i>Metered</i>	278.90	329.25	388.68	18%
<i>Unmetered</i>	-	-	-	
General Purpose/Bulk Supply				
<i>Metered</i>	95.10	104.86	115.73	10%
<i>Unmetered</i>	-	-	-	
Grand Total	4,059.34	4,567.17	5,148.84	13%

Commissions Analysis

- 5.5 The Commission, while reviewing sales data submitted by JKPDD in last year's tariff order, had observed that the same were not based on aggregation of actual bills being issued to consumers. The sales and revenue billed information furnished in the Petition for the previous as well as current and ensuing year were based on estimations made by JKPDD. Hence, JKPDD was directed to put in place systems and processes for aggregating consumer category wise energy sales (in units), revenue billed and revenue realized information.
- 5.6 The Commission, in the current Tariff petition for FY 2012-13 filed by JKPDD, has observed that the slab-wise energy sales data for connected load, number of consumers for FY 2010-11 and FY 2011-12, are again not based on actual bills. Thus,

the Commission again directs JKPDD to put in place a reliable database on consumer category wise energy sales (in units), revenue billed and revenue realized information.

- 5.7 Further, there is no substantial historical information available with the Commission for analyzing the sales information provided above due to the substantial revision in the estimation methodology for sales (in units) figures from FY 2007-08 onwards made by JKPDD.
- 5.8 The Commission is of the opinion that for the un-metered consumers within each category being billed on flat rate tariffs, the units supplied should be worked backwards from the amount billed (on connected load basis) and the average tariff of the metered consumers in the same consumer category. However, the Commission has used the average tariffs of the metered consumers in each category for FY 2012-13 to rework the units billed in the un-metered category in the same category. Accordingly, the Commission has reworked the sales estimations for the period under consideration as shown in the following table:

Table 27: Reworked Sales for FY 2012-13 (MU)

New Categories	FY 2012-13 (Proposed)	FY 2012-13 (Reworked)
Domestic	1,385.13	1,478.18
Non-Domestic/ Commercial	347.50	366.36
State/Central Govt. Dept.	1,373.56	1,373.56
Agriculture	203.22	198.37
Public Street Lighting	55.54	51.82
LT Public Water Works	347.41	310.22
HT Public Water Works	388.68	388.68
LT Industrial Supply	263.86	263.86
HT Industrial Supply	545.59	545.59
HT-PIU Industrial Supply	122.63	122.63
General Purpose/ Bulk Supply	115.73	115.73
Grand Total	5,148.84	5,215.00

- 5.9 It is pertinent to mention here that in the methodology explained above, the overall sales in units is 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

5.10 The T&D loss levels submitted by JKPDD for FY 2009-10, FY 2010-11, FY 2011-12 (RE) and FY 2012-13 (projected) are shown in the following table:

Table 28: Loss estimation from FY 2009-10 to FY 2012-13 (Proposed)

Particulars	Units	FY 2009-10 (A)	FY 2010-11(A)	FY 2011-12 (RE)	FY 2012-13(P)
Sales	MU	3,833.00	4,059.34	4,567.17	5,148.84
Percentage of T&D Loss	%	62.06%	60.55%	56.76%	52.82%
T&D Loss	MU	6,269.794	6,230.50	5,995.20	5,764.34
Total Energy Input Required	MU	10,102.79	10,289.84	10,562.37	10,913.18

Commissions Analysis

5.11 The Commission appreciates the efforts made by JKPDD in bringing down the T&D losses in the state in the last couple of years. However, the Commission feels that the T&D loss in the state are still very high and has decided that it will be unfair to burden the consumers with such high T&D losses, as proposed by JKPDD.

5.12 The Commission is of the view that the T&D loss of 52.82% proposed by JKPDD for FY 2012-13 is very high and unacceptable. Hence, considering JKPDD's commitment for 100% metering by the end of FY 2012-13 and implementation of R-APDRP scheme in the state with the Central Government allocation of Rs 1909 Crore under the scheme (as per JKPDD's submissions), the Commission has decided to approve a T&D loss of 46.76% (10% lower than JKPDD's submission of 56.76% for FY 2011-12) for FY 2012-13.

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

Table 29: Approved Energy Balance and T&D Losses

Particulars	FY 2009-10 (A)	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (Proposed)	FY 2012-13 (Approved)
Total Energy Input Required (MU)	10,102.79	10,289.84	10,562.37	10,913.18	10,886.46
Percentage of T&D Loss (%)	62.06%	60.55%	56.76%	52.82%	46.76%
Sales (MU)	3,833.00	4,059.34	4,567.17	5,148.84	5,795.95

5.14 In accordance with the approved T&D losses, the sales projections being approved by the Commission has been revised as per the approved level of energy requirement for the year. Thus, with the T&D loss approved at 46.76%, the quantum of energy sales for FY 2012-13 works out to be 5,795.95 MU (given an energy requirement of 10,886.46 MU).

5.15 The energy sales to the consumer categories have been approved in the same

proportion as was done in Table 27 above.

- 5.16 The revised sales, at the approved levels of T&D losses, approved by the Commission is shown in the following table:

Table 30: Approved Sales for FY 2012-13(MU)

New Categories	FY 2012-13 (Proposed)	FY 2012-13 (Approved)
Domestic	1385.13	1642.85
Non-Domestic/ Commercial	347.50	407.18
State/Central Govt. Dept.	1373.56	1526.57
Agriculture	203.22	220.47
Public Street Lighting	55.54	57.59
LT Public Water Works	347.41	344.78
HT Public Water Works	388.68	431.98
LT Industrial Supply	263.86	293.26
HT Industrial Supply	545.59	606.37
HT-PIU Industrial Supply	122.63	136.29
General Purpose/ Bulk Supply	115.73	128.62
Total Sales	5148.84	5,795.95

A6: REVIEW OF POWER PURCHASE

- 6.1 Power purchase expense is the single largest component in the ARR, which is approximately 80% of the total revenue requirement for a year. Hence, it is imperative that this element of cost is estimated with utmost care and prudence.
- 6.2 The Commission has exercised due caution in estimating power purchase cost of JKPDD. The Commission has made reasonable assumption for PLF, auxiliary consumption and transmission losses, on the basis of the historical information and targets set by the Commission, to arrive at the quantum of energy available for JKPDD.
- 6.3 As per the petition, JKPDD has considered actual power purchase expense from Central Generating stations for the first six months and for the remaining six months (October 2011 to March 2012), the average plant load factor (PLF) of each station to arrive at the energy availability for FY 2011-12. For projection of FY 2012-13 energy availability, average PLF of the past 3 years (FY 2008-09, FY 2009-10 and FY 2010-11) for generations from NTPC stations, except for Kahalgaon-I, which has been taken as 80%. Further, JKPDD has considered the average of month-wise allocation of firm and infirm allocation from NTPC stations, as specified by the Northern Regional Power Committee & Eastern Regional Committee for 2011.
- 6.4 The Commission has adopted a detailed methodology in approving the power purchase expense for JKPDD for FY 2012-13, as explained in the following sub-sections:

Sources of Power

- 6.5 The following power generating stations have been considered for the purpose of estimation of power availability for FY 2012-13.
- (a) JKPDD's own generating stations
 - (b) Purchase from JKSPDC Stations
 - (c) Purchase from Central Generating Stations (CGS) of NTPC, NHPC, SJVNL and NPC and Tehri, including free power from NHPC.
 - (d) Purchase through bilateral short term arrangements.
 - (e) Banking arrangements

Power Purchase Quantum

Own Generation of JKPDD

Petitioner's Submission

- 6.6 JKPDD had 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. However, the Stakna Hydroelectric Project has been transferred to JKPDC in FY 2011-12.
- 6.7 JKPDD has estimated a generation of 5.11 MU from the Stakna Hydel Station and 20.62 MU from the diesel stations for FY 2011-12, at the same level as the actual generation in FY 2010-11. JKPDD projects to generate the same quantum of energy from the respective generating plants in FY 2012-13.

Commission's Analysis

- 6.8 The Commission has considered the power generation from diesel generating stations as submitted by JKPDD for FY 2011-12 and FY 2012-13. The Commission has considered the generation from Stakna Hydel Station under generation from JKPDC. The quantum of energy generated by Stakna, Annual Fixed Charge and tariff has been determined in the JKSPDC Tariff Order for FY 2012-13.

Table 31: Generation from Stations owned by JKPDD (MU)

Particulars	FY 2010-11 (Actual)	FY 2011-12 (RE)	FY 2012-13 (Proposed)	FY 2012-13 (Approved)
Generation from Diesel Units	20.62	20.62	20.62	20.62
Generation from Stakna Hydel Station	5.65	5.11	5.11	0.00*
Total Self Generation by JKPDD	26.27	25.73	25.73	20.62

**Generation from this plant has been considered in the next sub-section i.e., generation from JKPDC.*

Generation from JKSPDC Stations

Petitioner's Submission

The petitioner submitted that for estimating the generation from JKPDC plants for FY 2011-12, actual generation during the first six months have been considered and for the remaining six months, proportionate generation during the same period in FY 2009-10 and FY 2010-11 has been considered. Further, the same level of generation, as estimated for FY 2011-12 is assumed for FY 2012-13.

Commission's Analysis

- 6.9 The generation stations in the State are owned by the J&K State Power Development

Corporation (JKSPDC). The total installed capacity of hydro-electric plants of JKSPDC is 306.31 MW (excluding Baglihar and Stakna), which is supplemented by two gas turbine stations having a capacity of 175 MW. In FY 2011-12, Stakna Hydel Project was transferred to JKSPDC.

- 6.10 The 3x150 MW Baglihar HEP has been commissioned and 50% of its power is available to the state from FY 2009-10 onwards. The total share of generation initially approved by the Commission to be available for FY 2009-10 and FY 2010-11 was 1400 MU. However, as submitted by JKPDD, the actual generation in 11 months has been 1321 MU. Hence, JKPDD has estimated generation of 1,410 MU for FY 2010-11 and projected the same at 1460 MU for FY 2011-12.
- 6.11 The Commission has considered a total generation of 2,498.03 MU for FY 2012-13 for the Baglihar plant, as per the design energy approved for the plant for FY 2012-13 in the Tariff order issued by the Commission dated 4th April, 2012. Accordingly, the Commission approves a share of 1249.01 MU for JKPDD from the Baglihar plant for FY 2012-13.
- 6.12 The Commission has approved the quantum of power purchase from JKSPDC stations as per the design energy approved by it in its Tariff Order for JKSPD for FY 2012-13 dated 4th April, 2012.
- 6.13 The total proposed power purchase, as submitted by JKPDD, from JKSPDC for FY 2011-12 and FY 2012-13 is estimated at 2,574.79 MU.
- 6.14 The actual power purchased from JKSPDC for FY 2010-11 along with the estimate for FY 2011-12 and the proposed and approved figures for FY 2012-13 are given below:

Table 32: Power Purchase from JKSPDC (MU)

Station	FY 2010-11 (A)	FY 2011-12 (Estimated)	FY 2012-13 (Proposed)	FY 2012-13 (Approved)
Thermal				
GT-I	14.04	14.04	14.04	14.04
GT-II	0.00	0.00	0.00	0.00
Sub Total (1)	14.04	14.04	14.04	14.04
Hydel				
LJHP	377.72	460.74	460.74	603.35
USHP-I	33.80	72.56	72.56	105.56
USHP-II	291.03	365.56	365.56	442.91
Ganderbal	11.75	14.76	14.76	89.25
Chenani-I	72.80	77.81	77.81	108.92
Chenani-II	5.32	7.35	7.35	11.88
Chenani-III	7.27	13.60	13.60	36.34
Sewa-III	9.29	13.07	13.07	32.73
Karnah	1.90	1.49	1.49	11.25

Station	FY 2010-11 (A)	FY 2011-12 (Estimated)	FY 2012-13 (Proposed)	FY 2012-13 (Approved)
Sumoor	0.06	0.16	0.16	0.45
Bazgo	0.25	0.39	0.39	1.08
Hunder	0.48	0.87	0.87	1.76
Iqbal Bridge	4.10	8.37	8.37	21.08
Sanjak	0.00	0.00	0.00	0.00
Badherwah	0.00	0.00	0.00	8.24
Pahalgam	7.88	9.67	9.67	14.77
Haftal	0.00	1.65	1.65	4.83
Marpachoo	0.16	1.02	1.02	3.75
Igo-Mercellong	8.84	13.43	13.43	15.72
Matchil	0.00	0.00	0.00	0.00
Stakna				9.14
Sub Total (2)	832.62	1062.50	1062.50	1523.01
Total (1)+(2)	846.66	1076.53	1076.53	1537.04
Baglihar	1437.42	1498.26	1498.26	1249.01
Total	2284.08	2574.79	2574.79	2786.06

Energy Availability from the Central Sector Generating Stations (CSGS)

Petitioner's Submission

- 6.15 The Petitioner, for estimating the quantum of power purchase for FY 2011-12, has considered the actual power purchased during the first six months from April 2011 to September 2011. For the remaining six months (October 2011 to March 2012), the average plant load factor (PLF) of each station during the months October 2010 to March 2011 has been considered to arrive at the net generation available from such station during the period October 2011 to March 2012. Further, based on the allocation to JKPDD, JKPDD has estimated the power purchase quantum for this period.
- 6.16 For projecting the power availability for FY 2012-13, JKPDD has considered that average PLF of past 3 years (FY 2008-09, FY 2009-10 and FY 2010-11) for projecting the net generation from NTPC, except for Kahalgaon-I, which has been taken as 80%. Further, JKPDD has considered the average of month wise allocation of firm and infirm power from NTPC stations, as specified by Northern Regional Power Committee & Eastern Regional Power Committee for 2011 to arrive at the power available for the state.
- 6.17 For estimating the power purchase quantum from NHPC power plants in FY 2011-12, JKPDD has considered the power purchased data for the first six months, April 2011 to September 2011. For the remaining six months (October 2011 to March 2012), the net generation for each NHPC power station has been worked out taking into account the proportionate share of these six months in the FY 2010-11. Further, the capacity allocated to JKPDD has been applied on this net generation to arrive at the power

availability for the state.

- 6.18 For projecting the power availability from NHPC stations during FY 2012-13, JKPDD has considered the same level of energy purchase, as estimated for the FY 2011-12.
- 6.19 JKPDD has also considered energy availability from Chutak power plant, which is expected to get commissioned in FY 2012-13. Firm allocation for the state from this station is assumed at 72%, apart from 12% of free power allocated to the state.
- 6.20 Apart from the above mentioned sources, JKPDD has submitted that it has share in power from SJVNL, THDC, TALA (through PTC) and KWHEP (through PTC). Power purchase quantum from SJVNL & THDC stations for FY 2012-13 has been taken at the same level as for FY 2011-12. Also, power purchase from NPCIL Plants (i.e. NAPS & RAPP) in FY 2012-13 has been considered at the same level as estimated for FY 2011-12.
- 6.21 JKPDD has also projected 12.78 MUs from Jhajjar for FY 2012-13 same as FY 2011-12.
- 6.22 JKPDD has submitted that inter-state transmission losses (PGCIL losses) on power purchase have been assumed as 4.5 %.
- 6.23 The following table gives the details of energy available from CPSU and other sources for 2012-13 (Proposed) as submitted by JKPDD.

Table 33: Proposed Power Purchase from CPSUs and Other Sources (in MU)

Station	FY 2012-13 (P)
NTPC	
Anta	189.16
Auraiya	288.95
Dadri	361.21
Unchahar-I	118.87
Unchahar-II	269.95
Unchahar-III	120.11
Rihand-I	630.08
Rihand-II	835.77
Singrauli	206.16
Farakka	84.56
Talcher	0.00
Kahalgaon I	197.13
Kahalgaon II	376.74
Kawas	0.00
NCTP	95.58
Total NTPC	3,774.28

Station	FY 2012-13 (P)
NHPC	
Salal	863.12
Salal Free Power	402.15
Tanakpur	32.30
Chamera-I	105.81
Chamera-II	118.84
Uri	736.59
Uri Free Power	335.24
Dulhasti	315.60
Dulhasti Free power	267.90
Dhauliganga	85.77
Sewa II	60.76
Sewa II free power	68.68
Chutak	151.47
Chutak free power	27.35
Total NHPC	3,571.57
NPCIL	
NAPS	116.42
RAPP U3 & U4	194.65
RAPP U5	125.72
Total NPCIL	436.80
Other Hydro	
SJVNL	611.44
THDC	218.16
Koteshwar	13.35
Tala	62.83
PTC(KWHEP)	3.36
Total Other Hydro	909.14
Jhajjar	12.78
Total CPSUs	8704.56
UI	
UI (+)	162.64
UI (-)	(298.12)
Total UI	(135.47)
Short Term Trading	
PTC/ NVVN	0.00
Total Short Term Trading	0.00
Banking	
Punjab	0.00
Haryana	0.00
NVVN	0.00

Station	FY 2012-13 (P)
Chandigarh	0.00
Delhi	0.00
Athwato	0.00
Total Banking	0.00
Grand Total	8,569.09
PGCIL losses	256.61
Net Power Purchase Quantum	8,312.48

Commission's Analysis

- 6.24 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 (SJVNL) and Nuclear Power Corporation Limited (NPCIL). The Commission has considered allocation of firm power from the above mentioned generating stations as per the allocation specified in the notification no. NRPC/SE(O)/Allocations/2011-12 dated 28 February, 2012 of Northern Regional Power Committee.
- 6.25 The distribution of unallocated quota from the above mentioned plants varies from time to time based on power requirement and power shortages in different States. Therefore, the Commission has considered the unallocated share for the said stations equivalent to the unallocated quota for FY 2011-12 (Upto January 2012), FY 2010-11 and FY 2009-10.
- 6.26 The firm share, unallocated share and J&K's share of firm and unallocated share from the Central Sector Generating Stations is summarised below:

Table 34: Allocation of Power to J&K from Central Sector Generating Stations

Stations	Installed Capacity (in MW)	Firm Share of J&K (%)	Unallocated Share of J&K (%)	Firm & unallocated J&K Share (%)
NTPC Plants				
ANTA GAS	419	6.92%	1.63%	8.55%
AURAIYA GAS	663	6.64%	1.13%	7.77%
DADRI GAS	830	6.75%	0.76%	7.51%
FARAKKA	1600	0.85%	-	0.85%
KAHALGAON -I	840	3.68%	-	3.68%
KAHALGAON-II	1500	5.56%	-	5.56%
RIHAND -I	1000	7.00%	1.59%	8.59%
RIHAND -II	1000	9.40%	1.60%	11.00%
SINGRAULI	2000	-	1.60%	1.60%
UNCHAHAR-I	420	3.33%	0.47%	3.80%
UNCHAHAR-II	420	7.14%	1.60%	8.74%
UNCHAHAR-III	210	6.19%	1.57%	7.76%
ARAVALI-JHAJJAR	500	-	1.11%	1.11%

Stations	Installed Capacity (in MW)	Firm Share of J&K (%)	Unallocated Share of J&K (%)	Firm & unallocated J&K Share (%)
NHPC Plants				
CHAMERA-I	540	3.90%	-	3.90%
CHAMERA-II	300	6.33%	1.95%	8.28%
DHAULIGANGA	280	6.07%	1.62%	7.69%
DULHASTI*	390	21.15%	1.62%	22.77%
SALAL*	690	34.39%	-	34.39%
TANAKPUR	94	7.68%	-	7.68%
URI-I*	480	33.96%	-	33.96%
SEWA-II*	120	19.17%	0.70%	19.87%
Others				
TEHRI HEP	1000	4.80%	1.05%	5.85%
Koteshwar	400	4.52%	1.10%	5.62%
NJPC (SATLUJ)	1500	7.00%	1.08%	8.08%
TALA HEP	1020	1.77%	-	1.77%
NPCIL				
NPCIL - RAPS – 3&4	440	7.95%	-	7.95%
NPCIL - RAPS – 5	220	9.24%	-	9.24%
NPCIL – NAPS	440	7.50%	1.73%	9.23%

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

- 6.27 The Commission has computed the gross energy available from the existing NTPC stations based on the installed capacity and PLF for each plant which is taken as an average for the last three financial years (FY 2008-09, FY 2009-10 and FY 2011-12). Net energy sent out from each plant is estimated after deducting the auxiliary consumption applicable as per CERC Tariff Regulations, 2009. The effective share of JKPDD from each generating station has been applied to compute the total energy availability from NTPC stations.
- 6.28 Power purchase quantum from NHPC Stations has been computed as per the year-wise program energy shown by each plant in their respective water studies (as mentioned in various CEA reports) and the auxiliary consumption has been considered as per CERC Tariff Regulations, 2009.
- 6.29 In case of thermal stations which have been commissioned in FY 2009-10, Commission has computed the PLF based on the average of last two financial years (FY 2009-10 and FY 2010-11) and auxiliary consumption as applicable for CSGS under CERC Tariff Regulations, 2009.
- 6.30 In case of thermal stations which have been commissioned in FY 2010-11, Commission has considered the availability for such plants based on the normative availability and auxiliary consumption as applicable for CSGS under CERC Tariff Regulations, 2009.

- 6.31 The power availability from other hydro plants like Nathpa Jhakri has been considered based on the design energy of the plant whereas the power availability for Tehri HEP has been considered based on the program energy. The auxiliary consumption has been considered as per CERC Tariff Regulations, 2009.
- 6.32 The Commission has considered energy availability from the NPCIL-NAPS station based on the actual PLF recorded by CEA in its monthly generation report for FY 2010-11, the same has been considered for approving energy availability from NAPS station for FY 2012-13.
- 6.33 The energy availability from PTC (Tala), PTC (KWHP), NCTP, Chutak (NHPC), RAPP 3&4 and RAPP 5 has been approved at the quantum proposed by JKPDD for FY 2012-13.
- 6.34 The Commission had asked JKPDD to submit the rationale for projecting PGCIL losses at 4.5% for FY 2012-13, as a part of the additional information sought from JKPDD, subsequent to the tariff petition. As a response, JKPDD had submitted that the week wise average pooled losses of Northern Grid (source NRLDC) for last 52 weeks upto the week ending 18 December, 2011 was 3.45% and it believes that J&K being the farthest state in this region, it bears losses more than the average losses and as such rate of 4.5% has been projected for FY 2012-13.
- 6.35 However, the Commission feels that the T&D loss of the state are already very high and so burdening the consumers with higher pooled transmission losses will be unfair. As such, the Commission approves the actual rate of 3.45% as the projected transmission loss for FY 2012-13.
- 6.36 The effective share of JKPDD is applied on the energy sent out to estimate the energy availability for JKPDD from respective stations. The energy available to JKPDD as per the projections made by the Commission is summarised below:

Table 35: Approved Energy Available to JKPDD from Central Sector Generating Stations for FY 2012-13 (MU)

Source / Station	Approved for FY 2012-13
<u>NTPC</u>	
ANTA GAS	208.00
AURAIYA GAS	315.63
DADRI GAS	392.12
FARAKKA	84.30
KAHALGAON Stage 1	176.21
KAHALGAON Stage 2	483.77
NCTPS (Dadri)	40.00
RIHAND-I	651.27
RIHAND-II	878.24
SINGRAULI	239.46
UNCHAHAAR-I	120.27

Source / Station	Approved for FY 2012-13
UNCHAHAR-II	277.45
UNCHAHAR-III	123.23
Aravali Power Corporation Limited (Unit-I)	38.92
Dadri Ext. Unit 5&6	45.28
NTPC Total	4,074.14
NHPC	
BAIRA SIUL	0.00
CHAMERA-I	59.49
CHAMERA-II	120.33
DHAULIGANGA	82.18
DULHASTI	420.74*
SALAL	1,021.38*
TANAKPUR	33.68
URI	868.00*
SEWA-II	102.48*
Chutak	178.82*
NHPC Total	2,887.11
OTHERS	
TEHRI HEP	161.85
Koteshwar	51.06
NJPC (SATLUJ)	557.27
TALA HEP	62.83
PTC (KWHP)	3.36
Others Total	785.31
NUCLEAR	
NPCIL – RAPS – 3&4	194.65
NPCIL – RAPS – 5	125.72
NPCIL – NAPS	157.93
Nuclear Total	478.31
Total Unit Availability from Central Generating Stations (Gross)	8,275.93
PGCIL losses	196.15
Net Power Purchase Quantum from CGS for FY 2012-13	8,079.78

*including 12% allocation of free power

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

Petitioner's Submission

6.37 JKPDD has submitted a deficit of 135.47 MU as a part of Bilateral Purchase or Sale for FY 2012-13.

Commission's Analysis

- 6.38 Based on the analysis of energy availability from various sources and the requirement of power for sale in the distribution area of JKPDD, the Commission has not approved any power purchase (sale) from (to) other sources for FY 2012-13.

Power Purchase Cost

Power Purchase from JKSPDC

Petitioner's Submission

- 6.39 JKPDD has submitted that for the purpose of projections of the rate for FY 2012-13, the unit rate for FY 2011-12, as per the Tariff Order of 4th October, 2011, has been taken for FY 2012-13.
- 6.40 Further, as submitted in the petition, JKPDD has a small hydel project of 4.0 MW (Satkna) and a few small diesel based stations with total capacity of 32.94 MW in Gurez, Keran & Matchil areas of Ladakh region. The establishment/administrative expenditure of these generating stations are pooled into the overall expenditure of JKPDD. The operational cost of hydel and diesel stations is included in overall operation and maintenance cost of the JKPDD. No separate cost of fuel is to be assumed in expenditure for JKPDD's own stations.
- 6.41 JKPDD has submitted that the estimated cost of power purchase from JKSPDC for FY 2012-13 is Rs. 671.12 Cr, as given in the following table:

Table 36: Proposed Cost of Power Purchase from JKSPDC

Source	FY 2012-13	
	Total Charges (Rs. Cr)	Av. Rate (Rs./Unit)
Thermal		
Gas Turbine-I	23.90	17.03
Gas Turbine-II	0.00	0.00
Sub-Total	23.90	17.03
Hydel		
LJHP	27.18	0.59
USHP-I	2.32	0.32
USHP-II	51.18	1.40
Ganderbal	0.16	0.11
Chenani-I	4.36	0.56
Chenani-II	1.03	1.40
Chenani-III	2.91	2.14
Sewa-III	3.78	2.89
Karnah	0.15	1.01
Sumoor	0.02	1.32
Bazgo	0.07	1.69
Hunder	0.12	1.37
Iqbal Bridge	0.83	0.99
Sanjak	0.00	0.00

Source	FY 2012-13	
	Total Charges (Rs. Cr)	Av. Rate (Rs./Unit)
Badherwah	0.00	0.00
Pahalgam	5.70	5.89
Haftal	0.84	5.09
Marpachoo	0.54	5.25
Igo-Mercellong	6.67	4.97
Matchil	0.00	0.00
Sub-Total	107.85	1.02
Baglihar	539.37	3.60
Total	671.12	2.58

Commission's Analysis

6.42 The Commission has approved the cost of power purchased from JKSPDC based on the tariff approved for FY 2012-13 vide Tariff Order dated 4th April, 2012 at Rs. 920.74 Cr (including water usage charges of Rs 305.65 Cr and supplementary bills of Rs 16.18 Cr).

6.43 The table below gives the approved per unit cost of power and total cost of power purchase from JKSPDC stations for FY 2012-13.

Table 37: Approved Cost of Power Purchase from JKSPDC

Source	FY 2012-13	
	Total Charges (Rs. Cr.)	Av. Rate (Rs./Unit)
Thermal		
Gas Turbine-I	0.00	0.00
Gas Turbine-II	0.00	0.00
Sub-Total	0.00	0.00
Hydel		
LJHP	45.10	0.75
USHP-I	8.78	0.83
USHP-II	45.06	1.02
Ganderbal	5.68	0.64
Chenani-I	9.09	0.83
Chenani-II	1.26	1.06
Chenani-III	5.93	1.63
Sewa-III	7.59	2.32
Karnah	3.41	3.04
Sumoor	0.19	4.20
Bazgo	0.41	3.75

Source	FY 2012-13	
	Total Charges (Rs. Cr.)	Av. Rate (Rs./Unit)
Hunder	0.50	2.84
Iqbal Bridge	3.92	1.86
Sanjak	0.00	0.00
Badherwah	1.32	1.61
Pahalgam	8.29	5.61
Haftal	2.41	4.98
Marpachoo	1.93	5.15
Igo-Mercellong	7.77	4.94
Matchil	0.00	0.00
Stakna	2.24	2.45
Sub-Total	160.88	1.06
Baglihar	438.03	3.51
Total	598.91	2.15

Water Usage Charges

- 6.44 In the Tariff Order for Generation Tariff for JKPDC passed on 4th April, 2012, the Commission had approved the reimbursement of water usage charges payable by JKPDC to be recovered from JKPDD in FY 2012-13 in view of Order No. WRRRA/01/2011 dated 1st February 2011 passed by the State Water Resource Regulatory Authority, Government of Jammu & Kashmir.
- 6.45 JKPDC, in its petition, had proposed a water-usage charge of Rs 305.65 Cr to be recovered from JKPDD in FY 2012-13.
- 6.46 Although, JKPDD has not submitted any proposal for inclusion of any water-usage charge in the ARR for FY 2012-13, the Commission feels that the water usage charges approved for JKPDC will be recovered from JKPDD. As such, the same needs to be included in the ARR for FY 2012-13. However, since JKPDD has not proposed for any water-usage charges from the Central Generating Stations, the Commission has approved the charges only to the extent of the pass-through allowed to JKPDC to be recovered in FY 2012-13.

Supplementary Bills

- 6.47 In the Tariff Order for Generation Tariff for JKPDC passed on 4th April, 2012, the Commission had approved an amount of Rs 16.18 Cr to JKPDC to be recovered from JKPDD through supplementary bills. This amount is on account of differential O&M expenses and interest on working capital approved for FY 2011-12. JKPDC is directed to raise supplementary bills at per unit rate for various hydro generating stations and recover the differential AFC for FY 2011-12.

6.48 The amount of differential AFC approved and the per unit rate pertaining to various HEPs is provided in the following table.

Table 38: Differential AFC of FY 2011-12 to be recovered through supplementary bills (Rs Cr)

Name of HEP	Differential AFC	Unit Rate of recovery (based on net saleable energy)
Karnah	1.95	1.73
USHP-I	3.53	0.33
Lower Jhelum	3.49	0.06
Ganderbal	3.15	0.35
Iqbal Bridge	1.54	0.73
Bazgo	0.15	1.39
Sumoor	0.08	1.85
Hunder	0.18	1.05
Chenani-II	0.14	0.12
Chenani-I	1.96	0.18
Total	16.18	

Cost of power purchased from CPSUs & Others

Petitioner's Submission

6.49 The cost of purchase from the central generating stations for FY 2012-13 is estimated based on the following assumptions:

- (a) JKPDD has submitted that the cost of power purchase for FY 2011-12 for NTPC stations is based on the actual cost of power purchase, including Fuel Purchase Agreement (FPA), as billed to JKPDD during the first six months of FY 2011-12. Further, fixed cost for FY 2012-13 has been projected considering a 5% escalation over the estimated fixed cost for various stations for FY 2011-12.
- (b) JKPDD has submitted that variable cost including FPA charges from each NTPC generating stations for FY 2012-13 has been projected based on the actual average variable cost and fuel price adjustment per unit for FY 2011-12. An escalation of 5% has been assumed for projecting the variable cost and 15% for FPA charges for FY 2012-13 keeping in view the escalation in the fuel prices in the past.
- (c) JKPDD has considered 'other charges' for the balance period of FY 2011-12 at similar level as witnessed during the FY 2010-11. This has been done as considerable amount of arrears on account of tariff orders recently issued by CERC were billed by CPSUs in terms of supplementary bills (included in 'other charges' during the initial six months of FY 2011-12). Therefore, to arrive at reasonable level of 'other charges' for the balance period of FY 2011-12, the per unit cost in this regard has been assumed at the same level as that of FY 2010-11. Similar level is assumed even for FY 2012-13.

- (d) For the purpose of projecting the fixed and variable cost of power purchase from NHPC stations, SJVNL, THDC and PTC (Tala) for FY 2012-13, a 10% escalation has been applied over the estimated per unit cost for FY 2011-12.
- (e) For nuclear plants i.e. NAPS and RAPP Units 3 & 4, a 5% escalation has been considered on the actual per unit cost of FY 2011-12 for projecting the cost for FY 2012-13. 'Other Charges' for FY 2012-13 has been considered at similar level as estimated for FY 2011-12.
- (f) An escalation of 5% over the estimated FY 2011-12 transmission charges has been considered for projecting the cost on this account for FY 2012-13.

6.50 The power purchase cost for FY 2012-13 as submitted by JKPDD for power procured from CPSUs is as given below.

Table 39: Proposed Power Purchase for FY 2012-13

Station	Fixed Cost	Variable Cost	FPA charges	Other Costs	Total Cost	
	Rs Cr	Rs Cr	Rs Cr	Rs Cr	Rs Cr	Rs/ Unit
NTPC						
Anta	13.90	33.77	17.44	2.91	68.02	3.60
Auraiya	18.67	50.60	24.87	6.08	100.22	3.47
Dadri	20.61	60.04	34.11	9.58	124.33	3.44
Unchahar-I	8.75	20.96	6.79	3.11	39.61	3.33
Unchahar-II	21.57	45.43	16.56	6.64	90.21	3.34
Unchahar-III	14.25	21.61	5.93	2.52	44.30	3.69
Rihand-I	34.03	71.25	37.48	11.35	154.12	2.45
Rihand-II	71.27	107.39	35.40	12.68	226.73	2.71
Singrauli	8.14	21.91	9.82	7.14	47.01	2.28
Farakka	5.83	21.73	12.73	1.69	41.98	4.96
Talcher	0.00	0.00	0.00	0.00	0.00	
Kahalgaon I	15.86	44.95	17.09	5.88	83.78	4.25
Kahalgaon II	46.42	69.64	43.66	10.74	170.46	4.52
NCTP	11.75	25.11	0.00	0.00	36.86	3.86
Total NTPC	291.05	594.39	261.87	80.31	1,227.61	3.25
NHPC						
Salal	34.11	38.25	0.00	10.64	83.00	0.96
Salal Free Power	0.00	0.00	0.00	0.00	0.00	0.00
Tanakpur	3.63	3.52	0.00	0.89	8.04	2.49
Chamera-I	3.94	9.07	0.00	2.95	15.96	1.51
Chamera-II	11.85	17.45	0.00	3.69	32.99	2.78
Uri	61.19	55.56	0.00	26.24	142.99	1.94
Uri Free Power	0.00	0.00	0.00	0.00	0.00	0.00

Station	Fixed Cost	Variable Cost	FPA charges	Other Costs	Total Cost	
	Rs Cr	Rs Cr	Rs Cr	Rs Cr	Rs Cr	Rs/ Unit
Dulhasti	68.50	93.53	0.00	15.40	177.42	5.62
Dulhasti Free power	0.00	0.00	0.00	0.00	0.00	0.00
Dhauliganga	9.81	12.65	0.00	2.92	25.37	2.96
Sewa II	11.85	11.84	0.00	9.18	32.88	5.41
Sewa II Free	0.00	0.00	0.00	0.00	0.00	0.00
Chutak	52.70	36.23	0.00	0.00	88.93	5.87
Chutak Free	0.00	0.00	0.00	0.00	0.00	0.00
Total NHPC	257.58	278.09	0.00	71.91	607.58	1.70
NPCIL						
NAPPS	0.00	24.75	0.00	0.00	24.75	2.13
RAPP U3 & U4	0.00	55.39	0.00	0.00	57.82	2.85
RAPP U5	0	50.88	0.00	0.00	52.78	4.05
Total NPCIL	0.00	131.02	0.00	0.00	131.02	3.00
Other Hydro						
SJVNL	55.56	76.74	0.00	26.67	158.97	2.60
THDC	25.14	59.99	0.00	13.13	98.26	4.50
Koteshwar	4.64	3.19	0.00	0.00	7.84	5.87
PTC(Tala)		12.72	0.00	0.00	12.72	2.02
PTC(KWHP)		1.32	0.00	0.00	1.32	3.93
Total Others	85.34	153.97	0.00	39.80	279.11	3.07
Jhajjar	4.22	4.14	0.00	0.00	8.36	6.54
Total CPSUs	638.19	1,161.61	261.87	192.02	2,253.68	2.59
UI (+)					61.15	
UI (-)					(43.28)	
Total UI					17.86	
Short Term Trading					0.00	
PTC/ NVVN					1.74	
Total Short Term Trading					1.74	
Banking						
Punjab						
Haryana						
NVVN						
Chandigarh						
Delhi					0.00	
Athwato						
Total Banking					0.00	
Total STT, UI, Banking					19.60	
Total Power Purchase Cost	638.19	1,161.61	261.87	192.02	2,273.29	2.65

Commission's Analysis

- 6.51 The following methodology has been adopted by the Commission for estimation of the power purchase cost for FY 2012-13 from existing stations:
- (a) The Commission has approved the per unit variable cost (including FPA) for NTPC stations and Other stations at 1.5% escalation from the rates approved for FY 2011-12 in the Tariff Order dated October 04, 2011. For NHPC stations a 0.5% escalation has been considered for projecting the variable cost for FY 2012-13, while considering no escalation variable costs of nuclear plants
 - (b) The fixed charge for NTPC stations has been based on the Annual Fixed Charges (AFC) approved by CERC in its latest tariff orders. By the time the Commission was scrutinizing the tariff petition filed by JKPDD, the Tariff Order for most of the NHPC stations was issued by CERC. Therefore, the Commission found merit in approving the annual fixed charges as per the latest order for the stations for which the order was passed by CERC. Accordingly, the fixed charges and the variable charges (per unit) were worked out from the approved Annual Fixed Charges approved in the latest orders, after adjusting for auxiliary consumption and free-energy available to the state.
 - (c) The Commission has kept the "Other" Charges for FY 2012-13 at the same level as approved for FY 2011-12 in the Tariff Order dated October 04, 2011.
 - (d) For Chutak Hydel plant, the Commission has approved costs as per the submissions made by JKPDD.
 - (e) The Commission has considered the normative availability for hydel stations equal to 85% and allowed the fixed cost based on the same.
 - (f) The Commission has computed the total power purchase cost considering fixed cost, variable cost (including FPA) and other charges (income tax, water cess etc) for each plant taking into account the approved energy availability and share of JKPDD in the total capacity in the plant.
- 6.52 The total power purchase cost computed by the Commission is summarised in the following table:

Table 40: Approved Total Power Purchase Cost for Existing Stations (Rs. Cr)

Source	Fixed Charges	Variable Charges (including FPA)	Other Charges	Total Cost	Per unit Cost (Rs/unit)
Central Generating Stations					
NTPC					
ANTA GAS	16.57	54.13	0.11	70.81	3.40
AURAIYA GAS	22.43	82.12	0.00	104.55	3.31
DADRI GAS	25.61	99.20	0.00	124.81	3.18
FARAKKA	7.43	24.51	0.03	31.97	3.79
KAHALGAON-I	19.32	37.20	0.01	56.54	3.21
NCTP (Dadri)	3.03	7.87	0.00	10.90	2.73
RIHAND –I	45.31	87.80	0.23	133.35	2.05
RIHAND –II	69.95	124.17	0.00	194.13	2.21
SINGRAULI	12.16	31.94	0.08	44.17	1.84
UNCHAHAR-I	9.19	23.35	0.02	32.57	2.71
UNCHAHAR-II	24.39	53.46	0.05	77.90	2.81
UNCHAHAR-III	15.38	25.26	0.02	40.66	3.30
Dadri Ext. Unit 5&6	8.74	10.11	0.00	18.85	4.16
KAHALGAON STAGE-II	67.50	98.21	0.02	165.72	3.43
ARAVALI POWER CORPORATION LIMITED	8.45	10.37	0.00	18.82	4.83
NTPC Total	355.47	769.70	0.57	1,125.74	2.76
NHPC					
CHAMERA-I	5.80	5.41	0.93	12.15	2.04
CHAMERA-II	16.41	16.17	1.96	34.54	2.87
DHAULIGANGA	11.82	11.32	0.00	23.15	2.82
DULHASTI	59.19	58.33	0.00	117.52	5.90
SALAL	30.59	29.93	4.18	64.70	0.97
TANAKPUR	3.69	3.63	0.00	7.32	2.17
URI	41.63	41.83	0.00	83.46	1.49
SEWA- II	8.58	13.23	0.00	21.82	5.37
Chutak	52.70	36.23	0.00	88.93	5.87
NHPC Total	230.41	216.09	7.08	453.58	1.57
Other Hydel					
TEHRI HEP	21.82	19.85	0.09	41.76	2.58
NJPC (SATLUJ)	60.22	60.52	0.00	120.74	2.17
Koteshwar	13.18	6.23	0.00	19.41	3.80
TALA HEP	0.00	11.62	0.00	11.62	1.85
PTC (KWHP)	0.00	1.32	0.00	1.32	3.93
Others Total	95.22	99.54	0.09	194.85	2.33
NUCLEAR					
NPCIL - RAPS – 3&4	0.00	48.14	0.00	48.14	2.47
NPCIL - RAPS – 5	0.00	38.19	0.00	38.19	3.04
NPCIL – NAPS	0.00	32.39	0.00	32.39	2.05
Nuclear Total	0.00	118.73	0.00	118.73	2.48
Total Power Purchase Cost	681.10	1204.06	7.74	1892.90	2.29

Cost of Power from Other Sources**Petitioner's Submission**

6.53 JKPDD has considered purchase of power of Rs 19.60 Cr for FY 2012-13 through Unscheduled Interchange and Short term purchase through NVVN Trading.

Commission's Analysis

6.54 The Commission has not approved any power purchase cost from short Unscheduled Interchange/NVVN Trading for JKPDD for FY 2012-13.

Transmission Charges and Miscellaneous Charges**Petitioner's Submission**

6.55 The PGCIL, NRLDC charges and miscellaneous charges have been proposed as follows:

Table 41: Proposed Transmission & Miscellaneous Charges (in Rs Cr)

Transmission Charges	FY 2012-13 Proposed
PGCIL	432.81
NRLDC	0.50
Reactive Energy Charges	31.05
PSEB Wheeling & RE Charges	1.52
BBMB Wheeling Charges	1.04
Surcharge	0.00
Rebate/ Credit Bill	0.00
Total	466.92

Commission's Analysis

6.56 However, the Commission feels that the proposed transmission charges for PGCIL are very high and so has approved a 20% escalation (as the actual increase in transmission charges from FY 2009-10 (Rs 206.30 Cr) to FY 2010-11 was 10% approx.) over the actual transmission charges for FY 2010-11 of Rs 226.80 Cr as submitted by JKPDD and approved Rs 272.16 Cr as PGCIL charges for FY 2012-13.

6.57 Similarly, the Commission has approved a 20% escalation on the NRLDC charges for FY 2012-13 over the actual figures for FY 2010-11 (Rs. 7.98 Cr) and approved Rs 9.57 Cr as NRLDC charges for FY 2012-13.

6.58 The Commission has approved the Miscellaneous charges at the same level as submitted by JKPDD in the petition.

6.59 The following table summarises the approved Transmission and Miscellaneous

charges for FY 2012-13:

Table 42: Approved Transmission & Miscellaneous Charges (in Rs Cr)

Transmission Charges	FY 2012-13 Approved
PGCIL	272.16
NRLDC	9.57
Reactive Energy Charges	31.05
PSEB Wheeling & RE Charges	1.52
BBMB Wheeling Charges	1.04
Surcharge	0.00
Rebate/ Credit Bill	0.00
Total	315.34

Power Purchase Cost from all sources

6.60 The summary of power purchase cost proposed by JKPDD and approved by the Commission for FY 2012-13 is shown in the table below:

Table 43: Proposed and Approved Power Purchase Cost from all sources for FY 2012-13

Source	Proposed			Approved		
	MU	Rs Cr	Rs/U	MU	Rs Cr	Rs/U
Own Generation of PDD	25.73			20.62		
Power from JKSPDC	2,574.79	671.12	2.60	2,786.06	920.74	3.30
Power from CPSUs	8,704.56	2,253.68	2.59	8,275.93	1,892.90	2.29
Short term trading/ UI/ Banking	0.00	19.60		0.00	0.00	
Total Power Purchase from outside the state	8,569.09	2,273.29	2.65	8,275.93	1,892.90	2.29
Less: Inter regional transmission losses	256.61			196.15		
Add: PGCIL & NRLDC charges		433.31			281.73	
Add: Miscellaneous Charges		33.61			33.61	
Net Power from CPSUs	8,312.48	2,706.59	3.26	8,079.78	2,208.24	2.73
Total Power Purchase (including misc.charges)	10,913.00	3,399.00	3.11	10,886.46	3,128.99	2.88

6.61 The average cost of one unit of energy for the utility, based on the approved power purchase quantum and cost for FY 2012-13 is Rs 2.88/unit.

Renewable Energy Procurement

6.62 As per the JKSERC (Renewable Power Purchase Obligation, its Compliance and REC framework Implementation) Regulations, 2011, the Commission mandates JKPDD to make its obligatory procurement of power generated from eligible renewable energy sources during FY 2012-13 as per the following schedule:

Table 44: Minimum Quantum of Purchase (in %) under RPO

Year	Minimum Quantum of purchase (in %) from renewable energy sources (in terms of energy equivalent in kWh)		
	Solar	Non-Solar (other RE)	Total
2012-13	0.25%	4.75%	5.00%

- 6.63 However, JKPDD in its tariff petition for FY 2012-13 has not proposed any quantum of power purchase under the renewable Procurement Obligation (RPO) and therefore, the Commission in its Order for FY 2012-13 has not approved any such quantum of power purchase for FY 2012-13.
- 6.64 However, the Commission directs JKPDD to make the obligatory procurement of power under RPO, as per the guidelines given in the JKSERC (Renewable Power Purchase Obligation, its Compliance and REC framework Implementation) Regulations, 2011 during FY 2012-13 and the same will be considered by the Commission in the next tariff order.

A7: REVIEW OF COSTS

- 7.1 This chapter contains the details regarding the various costs items (other than the power purchase cost) which comprise the Annual Revenue Requirement of JKPDD, and the approach followed by the Commission in assessing the same.
- 7.2 The Commission in this Tariff Order has adopted a similar approach as that used in last year's tariff order in approving the different cost heads proposed by JKPDD as part of the Annual Revenue Requirement (ARR) for FY 2012-13. However, it may be noted that the Commission is constrained by the non-availability of reliable data on various cost components of the ARR. Further, the Commission has also kept in mind the views expressed by the stakeholders during public hearings in approving these costs.
- 7.3 However, the Commission re-iterates that JKPDD being a government department is supported through the budgetary mechanism of the government, i.e. all expenditure and revenue receipts accrue to the state treasury. Any under or over expenditure by JKPDD results in reducing or increasing JKPDD's revenue gap, which is ultimately borne by the State Government.

Establishment Expenses

Petitioner's Submission

- 7.4 JKPDD has submitted that the establishment expenses (comprising of employee cost and A&G expenses) have been proposed at Rs. 516.205 Cr for FY 2012-13.
- 7.5 JKPDD has submitted that the basic salary for the FY 2011-12 has been escalated by 5.0% for projecting the basic salary for FY 2012-13. This 5.0% increase in salaries & allowances is mainly due to annual increments on which JKPDD has no control as this forms part of the service conditions of the employees. Further, the payout of arrears on account of 6th Pay Commission has been estimated at Rs 85.62 Crores. As submitted by JKPDD, these arrears are envisaged to be paid in 2 equal installments of Rs 42.81 Crores each and have been accordingly considered in the FY 2011-12 and FY 2012-13.
- 7.6 JKPDD has applied an inflation index of 9.77% over the figures of FY 2011-12 to project for FY 2012-13 (using a weighted average of 75% of CPI and 25% of WPI). The following table summarises JKPDD's submission of Employee Expense projected for FY 2012-13.

Table 45: Employee Cost (Rs Cr) proposed by JKPDD

EMPLOYEE COSTS (Rs Crs)	2009-10 (Actual)	2010-11 (Actual)	2011-12 (R.E.)	2012-13 (Proj.)
Salaries	295.04	356.06	395.86	415.65
Wages	0.59	0.65	0.55	0.61
Payment under workmen's compensation	0.49	0.47	0.06	0.06

EMPLOYEE COSTS (Rs Crs)	2009-10 (Actual)	2010-11 (Actual)	2011-12 (R.E.)	2012-13 (Proj.)
Sub- Total (A)	296.12	357.19	396.47	416.32
Medical expense Reimbursement	0.91	1.04	0.61	0.67
Earned Leave encashment	9.7142	12.01	12.46	13.68
Arrears on account of 6th pay commission			42.81	42.81
Sub-Total (B)	10.63	13.04	55.89	57.16
Gross Employee cost (A+B)	306.75	370.23	452.35	473.48

7.7 JKPDD has submitted that the actual A&G expense for FY 2010-11 is Rs. 22.76 Crores. For the FY 2011-12, the A&G expense has been estimated at Rs. 38.16 Crores taking also into account the actual A&G Expenses incurred by JKPDD during the first six months.

7.8 The A&G Expenses for FY 2012-13 have been projected considering certain escalation on the FY 2011-12 levels. JKPDD has considered the A&G expenses for FY 2011-12 excluding the Consultancy Charges, as the basis for forecasting the A&G expenses for the FY 2012-13. Further, the Consultancy expenses for the FY 2012-13 has been projected as per the existing agreements with the firms, contracts and the best estimates for the future regulatory and consultancy works.

7.9 An escalation factor of 8.02% (based on a weighted average of 25% CPI and 75% of WPI index) has been used for the escalating A & G Expenses for the FY 2012-13. Further, JKPDD has submitted that the Miscellaneous Expenses are considerably high as these include the expenses incurred by JKPDD on Amarnath Yatra and Outsourcing of upkeep

7.10 The table below summarises the A&G Expense projected for FY 2012-13.

Table 46: A&G expense proposed by JKPDD for FY 2012-13 (in Rs Cr)

Administration Charges	2009-10 (Actual)	2010-11 (Actual)	2011-12 (R.E.)	2012-13 (Proj.)
Telephone, Postage & Telegrams	0.35	0.34	0.60	0.65
Conveyance & Travel	0.47	0.53	0.93	1.01
Consultancy Expenses			1.10	1.50
Membership	0.02	0.04	0.05	0.05
Purchase of Computer	0.03	0.03	0.88	0.95
Office Expenses	0.98	0.95	2.48	2.68
Sub Total	2.12	2.15	6.49	7.32
Other Charges				
Electricity Charges	1.84	1.95	3.51	3.79
Motor Vehicle / Petrol	0.31	0.32	1.13	1.22
Training to staff within the state	0.01	0.01	0.03	0.03

Administration Charges	2009-10 (Actual)	2010-11 (Actual)	2011-12 (R.E.)	2012-13 (Proj.)
Miscellaneous Expenses	1.65	17.38	21.94	23.70
Professional and Special Charge	0.30	0.47	2.96	3.20
Purchase of Vehicle	0.10	0.47	3.15	3.41
Cost of Uniform	0.02	0.02	0.04	0.05
A&G Expenses - Total	6.36	22.76	39.26	42.72

7.11 The table below gives the establishment expenses for FY 2009-10 (actual), FY2010-11(actual), FY 2011-12 (RE) and FY 2012-13 (projected).

Table 47: Proposed Establishment Expenses (Rs Cr)

Particulars	FY 2009-10 (Actual)	FY 2010-11 (Actual)	FY 2011-12 (R.E)	FY 2012-13 (Proposed)
A. A&G expenses	6.36	2.76	39.26	42.72
B. Employee Cost	306.75	370.23	452.35	473.48
Establishment Expenses (A+B)	313.10	392.99	491.61	516.20

Commission's Analysis

- 7.12 It may be noted that till the time JKPDD is not unbundled into the functional heads of Transmission and Distribution businesses, approving the proposed establishment cost as a part of the Distribution ARR will not be fair on the consumers. Under such circumstances, the Commission has decided to follow the approach as per last year's tariff order.
- 7.13 Accordingly, the Commission has approved the establishment expenses for FY 2012-13 with an annual increase of 10% on the establishment expenses (excluding A&G expense) approved by it for FY 2011-12 in last year's Tariff Order (in line with the approach followed in last year's Tariff Order).
- 7.14 However, the Commission acknowledges that the arrears on account of Sixth Pay Commission recommendations are statutory obligations of JKPDD and beyond its control. Hence the Commission approves the amount of Rs 42.81 Cr as part of employee expense for FY 2012-13.
- 7.15 The total approved Establishment expenses (excluding A&G expenses) is Rs. 397.92 Cr for FY 2012-13, vis-à-vis Rs 516.20 Cr proposed by JKPDD.
- 7.16 Thus, total Establishment Expense (including A&G expenses) has been approved at Rs 397.92 Cr.

Table 48: Approved Establishment Expenses (Rs Cr)

Particulars	FY 2009-10	FY 2010 -11	FY 2011-12	FY 2012-13
Employee Cost Proposed	306.75	370.23	452.35	473.48*
A&G expenses Proposed	6.36	2.76	39.26	42.72
Total Establishment Expense Proposed	313.10	392.99	491.61	516.20
Approved Establishment Expense for FY 2011-12 (as per last year's Tariff Order) including A&G expense			322.83	
Approved Escalation factor				10%
Approved Establishment expenses				355.10
Arrears due to Sixth pay Commission approved				42.81
Approved Total Establishment Expenses (including Arrears)				397.92

*Includes Arrears of Rs 42.81 Cr on account of Sixth Pay Commission recommendations.

Operation & Maintenance (O&M) Cost

Petitioner's Submission

- 7.17 The O&M expenses include expenses incurred on Repair and Maintenance (R&M) of plant and machinery, transformers, building, other civil works, lines, cable network, vehicles, furniture and fixtures, office equipments, etc.
- 7.18 JKPDD's submission on the O&M expenses actually incurred by it in last 4 years and that projected for FY 2012-13 has been tabulated below.

Table 49: Proposed O&M Expenses (Rs. Cr)

Particulars	FY 2008-09 (A)	FY 2009-10 (A)	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (P)
Operation and maintenance	43.34	40.85	48.72	55.36	62.94
% of opening GFA	2.08%	1.78%	2.00%	1.90%	1.90%

- 7.19 JKPDD has proposed to keep the O&M Costs for FY 2012-13 at the average of the ratio of O&M costs to the Opening Gross Fixed Assets, observed in the last five years, which is computed as 1.90%. JKPDD, in its petition, has requested the Commission to allow the O&M expenses as proposed by it, as it feels that the proposed O&M expense is necessary for proper maintenance and strengthening of the system in order to ensure consumer satisfaction in terms of quality of supply.

Commission's Analysis

- 7.20 In the tariff Order for FY 2009-10 and FY 2010-11, the Commission had approved Rs. 45.46 Cr and Rs 47.74 Cr for FY 2009-10 and FY 2010-11 respectively, based on the submission made by JKPDD in its tariff petition for FY 2009-10 and FY 2010-11, by applying an annual escalation factor of 5% on the actual figure submitted for FY 2008-09, viz. Rs 43.29 Cr.

- 7.21 The Commission, as a part of the tariff fixation exercise for FY 2011-12 (in the last Tariff Order) had asked JKPDD to submit a detailed break-up of O&M Expense proposed, as additional information to the main petition. JKPDD had submitted the same, but, the figures proposed were inconsistent with JKPDD's earlier submission. Hence, the Commission had considered the approach followed in the Tariff Order for FY 2009-10 and FY 2010-11.
- 7.22 The Commission is of the opinion that the past performance of JKPDD in utilizing the expenditure has not been very fruitful in bringing down losses in the system and hence approving the proposed O&M Expense would unjustly burden the consumers. Accordingly, the Commission has decided to follow the same approach as that followed in the last two tariff orders and approve O&M expenses based on a 5% escalation in cost on the approved figure for FY 2011-12 to arrive at a figure of Rs. 52.63 Cr for FY 2012-13.

Table 50: Approved O&M Expenses (Rs Cr)

Particulars	FY 2009 -10	FY 2010-11	FY 2011-12	FY 2012-13
Total Proposed O&M	40.85	48.72	55.36	62.94
Approved YoY Increase	5%	5%	5%	5%
Approved O&M Cost	45.46	47.74	50.12	52.63

Depreciation

Petitioner's Submission

- 7.23 JKPDD has submitted that as per the methodology followed by the Commission in its earlier orders, depreciation has been calculated at 3.6% of opening level of GFA. For FY 2012-13, depreciation is estimated at Rs. 124.94 Cr. The table below gives the depreciation cost over the years and the proposed figure for FY 2012-13.

Table 51: Proposed Depreciation Cost (Rs. Cr)

Particulars	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (P)
GFA - Opening Balance	2440.15	2920.50	3320.50
Net Additions during the year	480.35	400.00	300.00
GFA – Closing Balance	2920.50	3320.50	3620.50
Depreciation for the year	87.85	112.34	124.94
Depreciation rate %	3.6%	3.6%	3.6%

- 7.24 JKPDD has submitted that it had Rs. 2440.15 Crores of opening Gross Fixed Assets (GFA) in FY 2010-11. JKPDD further added assets amounting to Rs. 480.35 Crores during FY 2010-11.
- 7.25 Based on the actual capitalization in the first six months and estimated addition in GFA during the remaining months of FY 2011-12, JKPDD has estimated a GFA addition of Rs. 400 crores during FY 2011-12.

7.26 For FY 2012-13, JKPDD has proposed a capitalization of Rs. 300.00 crores of assets based on the ongoing works and new schemes to be implemented during the year. The above capitalization for FY 2011-12 and FY 2012-13 is envisaged on the basis of the actual expenditure incurred in previous years against the CAPEX Plan along with the actual capitalization upto FY 2010-11. The CAPEX Plan for JKPDD is summarized in below:

Table 52: CAPEX proposal submitted by JKPDD (in Rs Cr)

CAPEX Proposal								
S.No.	Type of Scheme	2009-10		2010-11		2011-12		2012-13
		Approved	Actual Exp.	Approved	Actual Exp.	Approved	Actual Exp.	Approved
1	Generation (HSD Thermal Station)	24.00	26.00	24.00	36.40	30.00	21.46	33.00
2	Transmission & Distribution							
(a)	State Plan	85.05	109.25	106.79	129.29	117.47	40.65	129.22
(b)	PMRP	500.00	260.97	426.00	162.35	167.13	70.16	183.84
(c)	APDRP	134.00	59.63	-	29.56	-	2.50	-
Sub Total		719.05	429.85	532.79	321.20	284.60	113.31	313.06
3	Rural Electrification	25.00	32.34	25.00	28.51	50.00	5.08	50.00
4	RGVY	200.00	200.00	200.00	28.55	65.00	47.24	71.50
Total		944.05	662.19	757.79	378.26	399.60	165.63	434.56

7.27 Based on above, a summary of the Opening GFA, Closing GFA and capitalization used to calculate Depreciation for FY 2012-13 is provided in the table below:

Table 53: JKPDD's submission of GFA for FY 2012-13 (in Rs Cr)

GFA (Rs Cr)	FY 2010-11 (Actual)	FY 2011-12 (R.E)	FY 2012-3 (Projected)
GFA - Opening Balance	2440.15	2920.50	3320.50
Net Additions during the Year	480.35	400.00	300.00
GFA - Closing Balance	2920.50	3320.50	3620.50

Commission' Observation

7.28 In the absence of asset class wise information, the Commission in last year's tariff order had allowed the average rate of 3.6% for calculation of depreciation, considering useful asset life of 25 years and a residual value of 10%.

- 7.29 In the present petition also, JKPDD has not provided any asset class wise details of the GFA shown over the years. In the absence of the same, the Commission has again considered a depreciation rate of 3.6% considering a useful life of 25 years and a residual value of 10 years.
- 7.30 However the Commission feels that the capitalization/addition to GFA of Rs 400 Cr of assets estimated for FY 2011-12 is very high and unrealistic given the trend in actual capitalization over the last couple of years vis-à-vis the capital expenditure approved (as can be seen from Table 52). Hence the Commission has decided to keep the Closing GFA for FY 2011-12 as per the amount approved in the Tariff Order for FY 2011-12 (Order dated October 04, 2011) and calculate the Depreciation accordingly.
- 7.31 Further, the Commission has determined the depreciation charge on the average value of GFA and not on the opening balance as proposed by JKPDD. The depreciation approved is shown below:

Table 54: Approved Depreciation Charges (Rs Cr)

Particulars	FY 2009 -10	FY 2010-11	FY 2011-12	FY 2012-13
	Actual	RE		
GFA Opening as approved in the last tariff order	2,298.06	2,440.15	2,920.50	
Addition	142.09	480.35	200.00	
GFA Closing as approved in the last tariff order	2,440.15	2,920.50	3,120.50	
GFA Opening approved for FY 2012-13				3,120.50
Addition approved for FY 2012-13				300.00
GFA Closing approved for FY 2012-13				3,420.50
Depreciation @ 3.6% at Average GFA	85.29	96.49	108.74	117.74
Approved Depreciation (Rs. Cr.)				117.74

Interest and Finance Charges

Petitioner's Submission

- 7.32 JKPDD has submitted that debt funding has been arranged only through market borrowing and through loans available from LIC and REC. JKPDD has also submitted that it does not avail working capital loans. The total interest and finance charges for FY 2012-13 are estimated at Rs. 15.41 Cr. The following table gives the details for interest and finance charges proposed by JKPDD for FY 2008-09, FY 2009-10, FY 2010-11, FY 2011-12 and FY 2012-13.

Table 55: Interest & Finance Charges (Rs Cr)

Particulars	FY 2008-09 (A)	FY 2009-10 (A)	FY 2010-11 (A)	FY 2011-12 (RE)	FY2012-13 (P)
Interest and Finance Charges on Long Term Loans / Credits from the FIs/banks/ organisations approved by the State Government					
LIC	0.42	0.29	0.17	0.00	0.00
REC	7.77	9.67	9.00	13.00	14.50
PFC		-	-	-	
Market loans	6.18	5.01	2.03	0.91	0.91
Bank/FIIs		-	-	-	
Total	13.95	14.97	11.2	13.91	15.41

Commission's Analysis

- 7.33 The Commission has noted that JKPDD has not provided any details of the loans availed for incurring the capital expenses in its tariff petition. During the validation session, the Commission directed JKPDD to submit the details of the various loans availed, the opening and closing balances of debt, the rate of interest applicable, the repayments and the tenure of the loans etc.
- 7.34 The Commission is of the view that the information provided is not sufficient for the Commission to determine the interest charges for the year. In the absence of the requisite information for detailed analysis, the Commission has approved the interest charges as submitted by JKPDD for FY 2012-13 in its Tariff petition as these loans have already been approved by the State Government.

Table 56: Approved Interest Charges (Rs Cr) for FY 2012-13

Particulars	FY 2012-13 Approved
LIC	0.00
REC	14.50
PFC	
Market loans	0.91
Total	
Approved Interest & Finance Charges	15.41

Return on Equity

Petitioner's Submission

- 7.35 JKPDD has not proposed any return on equity for FY 2012-13. Notably, JKPDD is a deemed licensee, where the rate of return is allowed as per provisions in the sixth schedule.

Commission's Analysis

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

Non-tariff Income**Petitioner's Submission**

7.37 Non-Tariff Income consists of all those incomes from the business of retail supply of power excluding the income earned from selling it (revenue earned through sale of power). Non-Tariff income includes income from delayed payment charges (surcharge), rentals for meters and other equipments, miscellaneous charges from consumers (comprising of services rendered to consumers like reconnection/disconnection, fuse off calls, etc.).

7.38 JKPDD has proposed a Non-tariff Income of Rs 13.42 Cr for FY 2012-13 as shown below:

Table 57: Non-Tariff Income proposed by JKPDD

Particulars (Rs Cr)	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13(P)
Miscellaneous Revenue	1.91	2.83	3.03
Revenue from Other Offices	0.38	0.39	0.39
Wheeling Charges	19.22	10.00	10.00
Total	21.51	13.22	13.42

Commission's Analysis

7.39 The Commission has approved Rs 13.42 Cr as Non-tariff Income for FY 2012-13, as submitted by JKPDD.

Annual Revenue Requirement (ARR)

7.40 Based on the various components approved above, the ARR for JKPDD is approved as follows:

Table 58: Approved ARR for FY 2012-13 (Rs. Cr)

Item	Proposed	Approved
Power Purchase Costs	3,399.00	3,128.99
Establishment Expenses	516.20	397.92
Operations and Maintenance Expenses	62.94	52.63
Depreciation	124.94	117.74
Interest and Finance Costs	15.41	15.41
Return on Equity	0.00	0.00
Gross ARR	4,118.49	3,712.68
Non Tariff Income	13.42	13.42
Net ARR	4,105.07	3,699.26

A8: REVIEW OF REVENUE PROJECTIONS

Revenues from Sale of Power

Petitioner's Submission

8.1 JKPDD has submitted that the total sale of power projected for FY 2012-13 is 5,148.84 MU. The revenue through sale of power from different categories of consumers in FY 2012-13 has been projected based on the projected sale (MU) and existing tariff structure. The revenue assessed by JKPDD for FY 2010-11 to FY 2012-13 (projected) is given in the table below.

Table 59: Proposed Revenue Assessed at existing tariff (Rs Cr)

Consumer Categories	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (P)
Domestic	194.05	266.68	234.94
Non-Domestic/Commercial	73.40	108.67	114.55
Agriculture	29.60	23.66	26.62
State/Central Government Depts.	361.89	551.90	794.16
Public Street Lighting	7.77	16.17	21.41
LT Industrial Supply	55.52	67.95	76.32
HT Industrial Supply	97.51	136.27	157.50
HT-PIU Industrial Supply	26.98	33.13	35.86
LT Public Water Works	69.97	76.20	127.82
HT Public Water Works	82.21	112.38	145.29
General Purpose/Bulk Supply	27.80	39.81	48.65
Grand Total	1,026.69	1,432.82	1,783.10

8.2 The following table gives the revenue demand, revenue realization and collection efficiency proposed by JKPDD for FY 2010-11 (A) to FY 2012-13 (P).

Table 60: Proposed Revenue Demand, Revenue Realization and Collection Efficiency

Particulars	Units	FY 2010-11 (A)	FY 2011-12 (RE)	FY 2012-13 (P)
Revenue Demand	Rs. Cr	1,026.69	1,432.82	1,783.10
Revenue Realization	Rs. Cr	801.00	1289.54	1693.95
Collection Efficiency	%	78%	90%	95%

8.3 JKPDD has submitted that it is making all efforts to maintain high collection efficiency. The collection efficiency for the FY 2010-11 was at 78% and it has projected that the collection efficiency will be 95% in FY 2012-13.

8.4 JKPDD, in its petition, has proposed an overall average tariff hike of about 18.5% for reducing/ partially bridging the existing revenue gap. JKPDD has calculated the average existing tariff at Rs. 3.46/ kWh and proposed an average tariff of Rs. 4.10/ kWh for FY 2012-13. The consumer category wise existing and proposed tariffs and

revenues for FY 2012-13 as estimated by JKPDD are summarized below:

Table 61: Proposed Tariff and Revenues for FY 2012-13

Consumer Categories	Average CoS	Existing Tariff			Proposed Tariff		
	Rs/kWh (Actuals)	Avg. Tariff (Rs./ U)	Tariff Gap (Rs./ U)	Revenues (Rs. Cr.)	Avg. Tariff (Rs./ U)	Tariff Gap (Rs./ U)	Revenues (Rs. Cr.)
Domestic							
<i>Metered</i>	7.97	1.62	6.35	197.58	1.99	5.99	243.03
<i>Unmetered</i>	7.97	2.31	5.66	37.36	3.12	4.86	50.43
Non Domestic/ Commercial							
<i>Metered</i>	7.97	3.29	4.68	99.93	3.98	3.99	120.91
<i>Unmetered</i>	7.97	3.32	4.65	14.63	4.35	3.63	19.16
Agriculture							
<i>Metered</i>	7.97	1.44	6.53	26.22	1.58	6.39	28.84
<i>Unmetered</i>	7.97	0.19	7.78	0.40	0.23	7.74	0.48
State/Central Govt Deptt.							
<i>Metered</i>	7.97	5.78	2.19	794.16	6.53	1.44	897.40
<i>Unmetered</i>	-	-	-	-	-	-	-
Public Street Lighting							
<i>Metered</i>	7.97	4.75	3.22	21.19	5.09	2.89	22.68
<i>Unmetered</i>	7.97	0.19	7.78	0.21	0.25	7.72	0.27
LT Industrial Supply							
<i>Metered</i>	7.97	2.89	5.08	76.32	3.62	4.36	95.40
<i>Unmetered</i>	-	-	-	-	-	-	-
HT Industrial Supply							
<i>Metered</i>	7.97	2.89	5.08	157.50	3.64	4.34	198.45
<i>Unmetered</i>	-	-	-	-	-	-	-
HT-PIU Industrial Supply							
<i>Metered</i>	7.97	2.92	5.05	35.86	5.37	2.60	65.90
<i>Unmetered</i>	-	-	-	-	-	-	-
LT Public Water Works							
<i>Metered</i>	7.97	5.11	2.86	127.28	5.93	2.04	147.64
<i>Unmetered</i>	7.97	0.05	7.92	0.54	0.07	7.90	0.69
HT Public Water Works							
<i>Metered</i>	7.97	3.74	4.23	145.29	4.26	3.71	165.63
<i>Unmetered</i>	-	-	-	-	-	-	-
General Purpose/Bulk Supply							
<i>Metered</i>	7.97	4.20	3.77	48.65	4.79	3.18	55.46
<i>Unmetered</i>	-	-	-	-	-	-	-
Average	7.97	3.46	4.51		4.10	3.87	
Total				1,783.10			2,112.37

Commission's Analysis

- 8.5 On analyzing the category-wise average cost of supply, the Commission has worked out that the overall average tariff at proposed rates with the proposed sales (slab-wise) at Rs 4.34/unit and not Rs 4.10/unit as submitted in the petition.
- 8.6 The Commission has worked out the category-wise (and overall) average tariff at the proposed tariff accordingly and found that the impact of the proposed tariff hike is to the tune of 19.4% (with respect to the existing tariff at the approved sales for FY 2012-13) and not 18.5% as submitted by the petitioner.
- 8.7 As per the Commission's approach for fixation of tariffs and allowance of losses in the same, the Commission has approved the average tariffs across various consumer categories. The Commission has allowed an average tariff of Rs. 3.86/ kWh for FY 2012-13 which is an increase of approximately 5.9% in comparison to the existing tariff.

Table 62: Approved Tariffs for FY 2012-13

Consumer Categories	Existing Tariff [#]	Proposed Tariff [*]	Approved Tariff [#]	Proposed Tariff Hike	Approved Tariff Hike (Metered)
	Rs/kWh	Rs/kWh	Rs/kWh	%	%
Domestic	1.66	2.11	1.82	27%	8%
Non-Domestic/ Commercial	3.22	4.11	3.49	28%	7%
State/Central Govt. Dept	5.78	6.47	6.07	12%	5%
Agriculture.	1.60	1.61	1.68	1%	5%
Public Street Lighting	4.76	4.89	5.00	3%	5%
LT Public Water Works	5.11	5.41	5.47	6%	7%
HT Public Water Works	4.38	5.03	4.60	15%	5%
LT Industrial Supply	2.85	3.63	3.05	27%	7%
HT Industrial Supply	3.33	4.27	3.49	28%	5%
HT-PIU Industrial Supply	3.39	6.32	3.80	86%	12%
General Purpose/ Bulk Supply	4.84	5.63	5.12	16%	6%
Average	3.64	4.34	3.86	19.4%	5.9%

*: Reworked at Proposed Sales for FY 2012-13; #: At Approved Sales for FY 2012-13.

- 8.8 Since the Commission has considered the average tariff for flat rate consumers same as that of metered consumers in each category in FY 2012-13, 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 6.2%.
- 8.9 Further, the Commission feels that since JKPDD is making efforts in completing 100% metering by the end of FY 2012-13, there should be no un-metered consumers in the Public Street Lighting and LT Public Water Works categories in FY 2012-13. It may be noted that though the Commission had directed JKPDD to complete the metering process of all connections by April 28th, 2012, as mandated by the J&K Act

2010, the Commission is bound to acknowledge the practical difficulties faced by JKPDD in achieving the same in remote areas in the state, especially in Kashmir region. Thus, the Commission, in its projections, has retained a few consumers under unmetered consumers in the Domestic, Agriculture and Non-Domestic consumer category (up to 5 kW of connected load) for projecting sales and revenue for FY 2012-13.

Table 63: 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	23%	35%	27%	8%	16%	9%
Non-Domestic/ Commercial	21%	31%	28%	7%	18%	8%
State/Central Govt. Dept.	13%		12%	5%		5%
Agriculture	10%	22%	1%	5%	10%	5%
Public Street Lighting	7%	30%	3%	5%		5%
LT Public Water Works	16%	28%	6%	7%		7%
HT Public Water Works	14%		15%	5%		5%
LT Industrial Supply	25%		27%	7%		7%
HT Industrial Supply	26%		28%	5%		5%
HT-PIU Industrial Supply	24%		86%	12%		12%
General Purpose/ Bulk Supply	14%		16%	6%		6%
Total/ Overall			19%			6.2%

*As per the petition, # As per the Commission's workings

- 8.10 Further, the Commission has observed that JKPDD has not considered the telescopic impact of tariff for Domestic and Non-Domestic consumer categories in its revenue projections, i.e. the revenue estimates for consumers have been based on the highest applicable tariff slabs in which the consumers fall. The Commission has calculated the revenue projections for FY 2012-13 by applying the telescopic tariff structure and has found that the proposed tariff results in projected revenue (at proposed sales) of Rs. 2,236.91 Cr instead of Rs. 2,112.37 Cr as projected by JKPDD for FY 2012-13.
- 8.11 Against the proposed total revenue demand projected at Rs. 2,112.37 Cr by JKPDD, the Commission has approved total revenue demand at Rs. 2,238.58 Cr at the approved tariffs (as detailed in Chapter 10 of this Order) and approved sales figures for FY 2012-13 (as detailed in Chapter 5 of this Order).

Table 64: Proposed and Approved Revenue Demand for FY 2012-13

Consumer Categories	Proposed	Approved
	Rs. Cr	Rs. Cr
Domestic	292.47	298.27
Non-Domestic/ Commercial	142.79	142.03

Consumer Categories	Proposed Rs. Cr	Approved Rs. Cr
Agriculture	31.53	37.15
State/Central Govt. Dept.	888.41	926.08
Public Street Lighting	27.15	28.81
LT Public Water Works	187.88	188.56
HT Public Water Works	195.45	198.62
LT Industrial Supply	95.73	89.57
HT Industrial Supply	232.83	211.81
HT-PIU Industrial Supply	77.50	51.79
General Purpose/ Bulk Supply	65.17	65.89
Total	2,236.91	2,238.58

- 8.12 At the approved tariff the average gap with respect to the average cost of supply at approved losses (of 46.76%) of Rs 6.38/kWh comes to Rs. 2.52/ kWh which indicate dependence on subsidy/ Government support to the extent of 39%. Consumer category wise tariff is compared with the average cost of supply indicating the Government/ Subsidy dependence in the table provided below:

Table 65: Average CoS and Approved Average Tariff for FY 2012-13

Consumer Categories	Average CoS	Approved Average Tariff	Gap	Gap
	Rs/kWh	Rs/kWh	Rs/kWh	%
Domestic	6.38	1.82	4.57	72%
Non-Domestic/ Commercial	6.38	3.49	2.89	45%
State/Central Govt. Dept.	6.38	6.07	0.32	5%
Agriculture	6.38	1.68	4.70	74%
Public Street Lighting	6.38	5.00	1.38	22%
LT Public Water Works	6.38	5.47	0.91	14%
HT Public Water Works	6.38	4.60	1.78	28%
LT Industrial Supply	6.38	3.05	3.33	52%
HT Industrial Supply	6.38	3.49	2.89	45%
HT-PIU Industrial Supply	6.38	3.80	2.58	40%
General Purpose/ Bulk Supply	6.38	5.12	1.26	20%
Average	6.38	3.86	2.52	39%

- 8.13 The approved revenues consider an approved T&D loss level of 46.76% for FY 2012-13 which is a reduction of 10% with respect to the T&D loss of 56.76% submitted by JKPDD for FY 2011-12.
- 8.14 It may be noted that the Commission in the last few years have been trying to rationalize the tariffs and reduce the amount of cross-subsidisation in an attempt to make the tariffs more cost reflective. This can be seen from the table below where the

category-wise average tariff as a proportion of the total average cost at approved loss has been increasing over FY 2010-11 to FY 2012-13.

Table 66: Approved Average Tariff as a proportion of Cost of Supply

Category	FY 2012-13			FY 2011-12*			FY 2010-11#		
	CoS	Average tariff	% of CoS	CoS	Average tariff	% of CoS	CoS	Average tariff	% of CoS
Domestic	6.38	1.82	28%	7.61	1.76	23%	7.05	1.60	23%
Non-Domestic/ Commercial	6.38	3.49	55%	7.61	3.15	41%	7.05	1.89	27%
State/Central Govt. Dept.	6.38	6.07	95%	7.61	5.80	76%	7.05	4.90	70%
Agriculture	6.38	1.68	26%	7.61	1.60	21%	7.05	1.66	24%
Public Street Lighting	6.38	5.00	78%	7.61	4.64	61%	7.05	4.08	58%
LT Public Water Works	6.38	5.47	86%	7.61	4.60	60%	7.05	4.08	58%
HT Public Water Works	6.38	4.60	72%	7.61	4.39	58%	7.05	3.76	53%
LT Industrial Supply	6.38	3.05	48%	7.61	2.88	38%	7.05	2.44	35%
HT Industrial Supply	6.38	3.49	55%	7.61	3.42	45%	7.05	2.91	41%
HT-PIU Industrial Supply	6.38	3.80	60%	7.61	3.42	45%	7.05	3.30	47%
General Purpose/ Bulk Supply	6.38	5.12	80%	7.61	4.82	63%	7.05	3.78	54%
Total	6.38	3.86	61%	7.61	3.35	44%	7.05	2.66	38%

*As approved in the Tariff Order dated October 04, 2011 ; # As approved in the tariff Order dated April 29, 2010

- 8.15 As a way forward, the Commission, here, would like to point out that JKPDD could increase their revenue collection by being more efficient in bringing down the T&D loss levels by resorting to measures suggested in the Order pages of the Tariff Order. For instance, if JKPDD brings down the loss level by 1% from the existing level of 56.76% (FY 2011-12), they will be able to generate greater energy sales, resulting in additional revenue to the tune of Rs 39 Cr.
- 8.16 The revenues at the approved tariffs at different levels of T&D losses are provided for demonstration of the same.

Table 67: Revenues at different loss levels (Estimated for FY 2012-13)

Particulars	Approved	Loss levels for demonstration		
T&D Loss Level	46.76%	40.00%	30.00%	15.00%
Energy Input (MU)	10886	10886	10886	10886
Sales in MU	5796	6532	7621	9253
Revenue (Rs. Cr.)*	2239	2523	2943	3574
Average Tariff (Rs./ kWh)	3.86	3.86	3.86	3.86
Average CoS	6.38	5.66	4.85	4.00
Gap (Rs./ kWh)	2.52	1.80	0.99	0.14

- 8.17 The Commission has observed that JKPDD had been successful in maintaining a positive trend in terms of improvement in collection efficiency in the past. A collection efficiency of 70% was achieved in FY 2007-08, which improved to over 76% in FY 2009-10 and further to 78% in FY 2010-11. In the current Tariff Petition, JKPDD has projected a collection efficiency of 95% in FY 2012-13.
- 8.18 The Commission is of the view that JKPDD should be able to keep their overall collections efficiency at 100% for FY 2012-13, also considering arrear payments from past years. Further, the Commission feels that allowing JKPDD a collection efficiency of less than 100% will result in burdening the consumers for JKPDD's inefficiencies. Hence, the Commission has assumed a collection efficiency of 100% for projecting revenue towards cost recovery (i.e. revenue realization).

Table 68: Revenues at Approved Tariffs for FY 2012-13

Particulars	Proposed	Approved
Revenues at approved tariffs (Rs Cr)	2,112.37	2,238.58
Collection Efficiency	95%	100%
Revenue Realization (Rs Cr)	2,006.75	2,238.58

- 8.19 At the approved revenues realization from sale of power and the approved power purchase for FY 2012-13, the realization per unit input is approved at Rs.2.06/ kWh.

Revenue Gap

- 8.20 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 69: Proposed and Approved Revenue Gap (Rs. Cr)

Item	FY 2012-13	
	Proposed	Approved
Net ARR	4,105.07	3,699.26
Revenue from Sale of Power at proposed tariffs	2,006.75	2,238.58
Revenue Gap	(2,098.32)	(1,460.68)

A9: TARIFF PHILOSOPHY

- 9.1 The tariff philosophy provided in the order is based on the methodology provided in the ARR & Tariff Orders as approved by the Commission for FY 2009-10, FY 2010-11 and FY 2011-12.
- 9.2 The Commission is mandated to work within the framework of the Jammu & Kashmir Electricity Act, 2010 which requires it to be guided by the following aspects during the fixation of tariff:
- (a) the generation, transmission, distribution and supply of electricity are conducted on commercial principles ;
 - (b) the factors which would encourage competition, efficiency, economical use of the resources, good performance and optimum investments ;
 - (c) safeguarding of consumers' interest and at the same time, recovery of the cost of electricity in a reasonable manner ;
 - (d) the principles rewarding efficiency in performance ;
 - (e) that the tariff progressively, reflects the cost of supply of electricity and also reduces cross subsidies within the period to be specified by the Commission.
- 9.3 The Commission has issued the 'Terms and Conditions for determination of Distribution Tariff Regulations, 2011' which lays down the principles to be followed during the tariff setting process.

Cost to Serve

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

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

- 9.6 The rate-of-return tariff setting is based on the determination of revenue requirement, which includes the permissible expenditure, an asset base on which the entity will be allowed to earn the return, and an appropriate rate of return. This method is also

sometimes known as the cost-plus approach or the cost of service regulation.

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

Performance based tariff setting

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

Time-of-Day Tariff

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

- 9.15 This increase in the power purchase costs leads to a higher cost of supply during the peak load hours. JKPDD has recognized the relevance of time differentiated tariff for peak and lean hours, as an instrument for demand side management. The Commission agrees that the adoption of the time of day tariff shall provide signals to consumers and help the utility in maintaining a better system profile.
- 9.16 JKPDD in the tariff petition for FY 2011-12 had proposed to introduce TOD tariffs for HT Industrial supply, HT PIU and General Purpose Bulk Supply for FY 2011-12. The Commission had stated in the last tariff order that before introducing TOD tariff in the state, JKPDD should collect and analyze relevant data on demand pattern of various categories at different hours of the day and submit a detailed implementation plan for implementation of Time-of-Day tariff. However, JKPDD has not yet submitted any such study or any implementation plan for FY 2012-13.

Single Part v/s Two Part Tariff

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

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

- 9.21 As a response, JKPDD, in its ARR petition for FY 2012-13, submitted that more than 2 lakhs unmetered consumers in different categories are planned to be metered in FY 2011-12 and nearly 3 lakhs unmetered consumers are targeted to be metered in FY 2012-13. Approximately, 1.5 lakh consumers will still remain unmetered and sincere efforts will be done to cover them by the end of FY 2013-14.
- 9.22 The Commission is of the opinion that since JKPDD is making efforts in completing 100% metering by the end of FY 2012-13, there should be no un-metered consumers in the Public Street Lighting and LT Public Water Works categories in FY 2012-13. It may be noted that though the Commission had directed JKPDD to complete the metering process of all connections by April 28th, 2012, as mandated by the J&K Act 2010, the Commission is bound to acknowledge the practical difficulties faced by JKPDD in achieving the same in remote areas in the state, especially in Kashmir region. Thus, the Commission, in its projections, has retained a few consumers under unmetered consumers in the Domestic, Agriculture and Non-Domestic consumer category (up to 5 kW of connected load) for projecting sales and revenue for FY 2012-13.

kVAh Tariff

- 9.23 Electric power has two components – the working component (kW) and the magnetizing component (kVAR), which combine to form the apparent power (kVA). The active power is equal to the apparent power in the system when the power factor is unity (1). The power factor of the system is governed by the load characteristic and the system configuration, with the former being the dominant player. Usually system design incorporates steps to enhance power factor through installation of capacitor banks, transposing of transmission lines, etc.
- 9.24 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).
- 9.25 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.
- 9.26 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 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 22% in comparison to the existing tariffs in each of the slabs.
- (b) There has been no proposed hike in the Minimum Charges for the metered domestic consumers
- 10.3 In the Flat rate tariffs for the domestic category, JKPDD has proposed a tariff hike of 36% for connections with connected load of up to ¼ kW and nearly 34% (on an average) for the remaining slabs/ loads.
- 10.4 The Commission has observed that the proposed tariff hike in the various slabs of metered consumers vis-a-viz that of unmetered consumers are indicative of JKPDD's reluctance of moving to a system of 100% metering, where billing will be based on actual consumption metered at consumer premises, as against the current practice of estimating consumption by un-metered consumers based on their connected load.
- 10.5 In order to increase the overall average tariff across tariff/ consumer categories, an overall increase of 8% in the Energy Charges for metered Domestic consumers for FY 2012-13 has been approved by the Commission.
- 10.6 The Commission in its Tariff Philosophy has elaborated that it intends to introduce two part tariff for Domestic category comprising of fixed and variable charges. The

variable charge in the two part tariff system is to be applied to the actual energy consumption recorded on the basis of energy meters installed at the consumer premises. In view of that, the Commission directs JKPDD to conduct a detailed study on two part tariff structure involving a study of, consumption pattern of domestic consumers, the metering status and the revenue implications of such a tariff structure etc.

- 10.7 Application and continuation of the Minimum Charges for metered consumers and Flat Rate Charges for the un-metered consumers shall be discouraged by the Commission in the tariff approvals in line with its tariff philosophy. The unmetered supply and minimum charges encourage wasteful consumption of energy. J&K being an energy deficient state, it is essential to discourage this wasteful consumption of energy. In view of this, the Commission shall gradually reduce/ eliminate the Minimum Charges for the metered domestic consumers so that the same is gradually made equivalent to the fixed charges once the same are introduced in the domestic category. Therefore, the Commission has not approved any increase in the Minimum Charges for the domestic consumers.
- 10.8 Further, the Commission intends to rationalize the tariff structure of the Domestic category. The Commission directs JKPDD to submit a tariff structure, indicating the energy sales, connected load and number of consumers in the domestic category in the following slabs: below 30 units, between 31-150 units, between 151-350 units and above 350 units.
- 10.9 In order to discourage Flat Rate tariffs and to encourage consumers to shift on to the metered connection and billing regime, the Commission has approved a higher tariff increase in all the slabs in the Flat Rate tariff for the domestic consumers. The Commission has approved a 16% hike in the various slabs in the Domestic Category Flat rate tariffs.
- 10.10 The existing, proposed and approved tariff for Domestic consumer category for FY 2012-13 is shown in the table below:

Table 70: Tariff Structure - Domestic Supply

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Metered Tariff			
Energy Charges for Metered Connection (Rs. / kWh)			
upto 30 units /month	1.10	1.35	1.19
31-100 units /month	1.43	1.75	1.54
101-200 units /month	1.76	2.15	1.90
> 200 units /month	2.70	3.30	2.91
Minimum Charges for connected load (Rs. / month)			
upto 1/4 kW	15.00	15.00	15.00
above 1/4 kW upto 1/2 kW	25.00	25.00	25.00
above 1/2 kW upto 1 kW	40.00	40.00	40.00
Above 1 kW for every 250 W, or part thereof	10.00	10.00	10.00

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Un-metered Consumers			
Flat Rate (Rs. / month)			
upto 1/4 kW	77.00	105	89
above 1/4 kW upto 1/2 kW	224.00	300	260
above 1/2 kW upto 3/4 kW	342.00	460	397
above 3/4 kW upto 1 kW	460.00	620	534
above 1 kW upto 2 kW	897.00	1,200	1,041
above 2 kW	Rs. 897 + Rs.389 for every additional ½ kW or part thereof	Rs. 1200 + Rs.450 for every additional ½ kW or part thereof	Rs. 1041 + Rs.451 for every additional ½ kW or part thereof

10.11 Group housing societies can avail single point power supply. The energy bill of a housing society shall be divided by the number of houses in it, to determine the consumption in each house. If there are 10 houses in a society the consumption shall be charged in the following manner: The first 300 (30 x 10) units would be charged at Rs 1.19/unit; the next 700 (70 x 10) units at Rs 1.54/unit; next 1000 (100 x 10) units at Rs 1.90/unit and the remaining units at Rs 2.91/unit.

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

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

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

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

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

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

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

Non-Domestic/ Commercial Supply

Applicability

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

Character of Services

- (a) AC, 50 Hz, 230 Volts, Single-phase upto a load of 5 kW.
- (b) AC, 50 Hz, three phase, 400 volts supply for load above 5 kW upto 100 kW (115 kVA).
- 10.15 JKPDD has proposed an increase of around 20-21% in the energy charges for all slabs for Single Phase and three phase connections. The fixed charge for Single Phase and Three Phase consumers by 20-21%. An increase in the range of 30-31% has been proposed in the Flat Rate tariff across slabs.

- 10.16 The Commission has approved an increase of 7% in the Energy Charges and Fixed Charges for FY 2012-13 for the metered connections in the Non-Domestic Category.
- 10.17 The Commission intends to abolish the un-metered/flat-rate sub-category of consumers in the Non-Domestic category. To this effect, the Commission directs JKPDD to implement 100% metering in the Non-Domestic consumer category and move all consumers from un-metered category to metered category as was done in the case of LT Industrial category and report the status on the same to the Commission by the end of this year.
- 10.18 In order to discourage Flat Rate tariffs and to encourage consumers to shift on to the metered connection and billing regime, the Commission has approved a higher tariff increase of 18% in all the slabs in the Flat Rate tariff for the Commercial/ Non-Domestic consumers.
- 10.19 The tariff for the Non-Domestic/ Commercial consumer category for FY 2012-13 as approved by the Commission is provided in the table below:

Table 71: Tariff Structure - Non Domestic/ Commercial Supply

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Metered Non-Domestic Tariff			
Energy Charges (Rs./kWh)			
Single Phase			
Slab of Units			
Upto 100 u/m	2.16	2.60	2.31
101 to 200 u/m	2.28	2.75	2.44
above 200 u/m	3.30	4.00	3.53
Three Phase			
For all units	3.84	4.65	4.11
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.)			
For connections with sanctioned load below 100kW (115 kVA) supplied and metered on HT, 5% rebate on energy charges of Non-Domestic/Commercial Tariff shall be allowed.			
Single Phase	36.00	44.00	39.00
Three Phase	84.00	102.00	90.00
Un-Metered Non-Domestic Tariff			
Flat Rate Charges (Rs. / month)			
Upto 1/4 kW	213	280	251
above 1/4 kW upto 1/2 kW	525	685	620
above 1/2 kW upto 1 kW	1,050	1,375	1,239
above 1 kW *	1,350	1,770	1,593
* and part thereof for every kW above 1 kW	1,350	1,770	1,593

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

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

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

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

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

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

State/ Central Government Departments

Applicability

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

Character of Services

- (a) AC, 50 Hz, 230 Volts; Single-phase upto a load of 5 kW
- (b) AC, 50 Hz, three phase; 400 volts supply for sanctioned load above 5 kW upto 100 kW (115 kVA)
- (c) AC, 50 Hz, three phase; 11 kV supply for sanctioned load above 100 kW (115 kVA) upto 1 MVA
- (d) AC, 50 Hz, three phase; 33 kV and above supply for sanctioned load above 1 MVA
- 10.23 JKPDD has proposed an increase of 12% and 13% in energy charges and fixed charges for the State/ Central Government Departments tariff category. No change in the tariff structure has been proposed by JKPDD.
- 10.24 The Commission has approved an increase of 5% in the Energy Charges and Fixed Charges for FY 2012-13 for this category.
- 10.25 The tariff for State/ Central Government Departments category is as shown in the table below:

Table 72: Tariff Structure - State/ Central Government Departments

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Energy Charges (Rs./ kWh)	5.90	6.60	6.20
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	24.00	27.00	25.00

Agricultural Supply Applicability

10.26 The Commission has fixed applicability of the agricultural tariff to agricultural loads and lift irrigation connections including threshers. This is also applicable to State Govt. lift irrigation and pumping loads in this category.

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)
- (c) AC, 50 Hz, three phase, 11kV supply for sanctioned load above 100 kW (115 kVA) upto 1 MVA
- (d) AC,50 Hz, three phase, 33/66kV supply for sanctioned load above 1 MVA
- 10.27 JKPDD has proposed an increase of 7% and 11% in energy charges and no hike in the minimum charges for the metered agricultural consumers. An increase of 21% and 22% is proposed in the flat rate charges for the agricultural consumers.
- 10.28 The Commission has approved an increase of 5% in the Energy Charges for metered consumers for FY 2012-13. The Commission has not approved any hike in the Minimum Charges for the metered consumers of this category.
- 10.29 To discourage Flat Rate tariffs and to encourage consumers to shift on to the metered connection and billing regime, the Commission has approved a higher tariff increase of nearly 10% in all the slabs in the Flat Rate tariff for the agricultural consumers.
- 10.30 The tariff schedule for agricultural consumers, approved by the Commission is shown below:

Table 73: Tariff Structure - Agriculture Supply

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Metered Tariff			
Energy Charges (Rs./kWh)			
0 to 20 HP	0.61	0.65	0.64
Above 20 HP	4.02	4.45	4.22
Minimum Charges for connected load (Rs./HP/Annum)			
0 - 20 HP	250.00	250.00	250.00
Above 20 HP	900.00	900.00	900.00
Provisional monthly billing will be done subject to annual adjustment. 2.5% & 5% rebate on Energy Charges for connection at 11 kV and 33 kV and above respectively.			
Flat Rate Un-metered for connected load (Rs./HP month)			

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
0 to 20 HP	153.00	185.00	168.00
Above 20 HP	1,062.00	1,295.00	1,168.00

Public Street Lighting

Applicability

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

Character of Services

- (a) AC, 50 Hz, 230 Volts, Single-phase upto a load of 5 kW;
- (b) AC, 50 Hz, three phase, 400 volts supply for load above 5 kW.
- 10.32 JKPDD has proposed an increase of 7% in the energy charges and 9% hike in the fixed charges for the metered consumers under this tariff category. An increase of 30% has been proposed in the flat rate tariff for the un-metered consumers under the category.
- 10.33 In line with its tariff philosophy, the Commission has approved a hike of 5% in the energy charges and fixed charges for metered consumers. The Commission has not projected any sales to the unmetered consumers in this category as it expects JKPDD to complete 100% metering of public street lights.
- 10.34 The tariff structure for Public Street Lighting category, approved by the Commission is shown below:

Table 74: Tariff Structure - Public Street Lighting

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Metered Tariff			
Energy Charge			
Rs./ kWh	4.72	5.05	4.96
Fixed Charge			
Load (in kW) to be rounded off to the next whole number for the purpose of application of Fixed Charges.			
Rs./ kWh (for metered consumers)	35.00	38.00	37.00
Minimum Charge			
Rs./ kW/ month or any part thereof	Nil	Nil	Nil
Un-metered Tariff			
Rs./ kW/ month or any part thereof	1,180.00	1,535.00	1180.00

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

LT Public Water Works

Applicability

10.36 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
- 10.37 JKPDD has proposed an increase of 16% and 18% in the energy charges and fixed charges respectively for the metered consumers under this tariff category. An increase of 28% has been proposed in the flat rate tariff for the un-metered consumers under the category.
- 10.38 In line with its tariff philosophy, the Commission has approved an increase of 7% in the energy charges and fixed charges for metered consumers in this category. The Commission has not projected any sales to the unmetered consumers in this category as it expects JKPDD to complete 100% metering of this category by the end of FY 2012-13.
- 10.39 The tariff structure, approved by the Commission for LT Public Water Works, applicable for FY 2012-13 is shown in the following table:

Table 75: Tariff Structure - LT Public Water Works

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Metered Tariff			
Energy Charge			
For all Units (Rs./ kWh)	5.00	5.80	5.35
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)	38.00	45.00	41.00
Un-metered Charge			
Rs. / kW /month	1,250.00	1,600.00	1,250.00

HT Public Water Works

Applicability

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

Character of Services

- (a) AC, 50 Hz, three phase; 11 kV supply for load upto 1 MVA.
- (b) AC, 50 Hz, three phase; 33 kV and above supply for sanctioned load above 1 MVA.
- 10.41 JKPDD has proposed an increase of 14% in the energy charges and 15% in the demand charges in the tariff for the metered consumers at 11kV supply; while respective increases of 14% and 13% has been proposed for metered consumers at 33kV supply.
- 10.42 The Commission has approved 5% hike in the energy charges and demand charges for connection at both 11 kV and 33 kV voltage levels.
- 10.43 The tariff approved by the Commission for HT Public Water Works is shown in the following table:

Table 76: Tariff Structure - HT Public Water Works

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Metered Consumers			
11 kV Supply			
Demand Charge (Rs./ kVA/ Month) ^*	200.00	230.00	210.00
Energy Charge (Rs./ kVAh) ^	3.63	4.15	3.81
^ For Connections above 100 kW supplied on LT, Additional 5% Surcharge on Demand and Energy Charges at 11 KV tariff shall be chargeable			
33 kV and above Supply			
Demand Charge (Rs./ kVA/ Month) *	194.00	220.00	204.00
Energy Charge (Rs./ kVAh)	3.50	4.00	3.68
*Or part thereof on billing demand			

LT Industrial Supply

Applicability

10.44 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
- 10.45 JKPDD has proposed an increase of 25% in the energy charges and fixed charges in the tariff for the metered consumers under this tariff category.
- 10.46 The Commission has approved a hike of 7% in energy and fixed charges for this category.
- 10.47 The existing and the approved tariff for the LT Industrial Category are shown in the table below.

Table 77: Tariff Structure - LT Industrial Category

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
Metered Tariff			
Energy Charges (Rs./kWh)	2.47	3.10	2.65
Fixed Charges (Rs./kW/month) Load (in kW) to be rounded off to the next whole number for the purpose of application of Fixed Charges.	40.00	50.00	43.00
* For Connections with sanctioned load below 100 kW supplied and metered on HT, 5% rebate on Energy Charges of the LT Industrial Tariff shall be allowed.			

HT Industrial Supply

Applicability

10.48 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
- 10.49 JKPDD has proposed an increase of 24% in the fixed charges for 11 kV and 33 kV supply respectively and an increase of 26% and 25% in the energy charges for supply at the respective voltages.
- 10.50 An increase of 5% for the 11 kV and the 33 kV consumers has been approved on the applicable energy charges and demand charges for supply at all voltage levels in the category.
- 10.51 The approved tariff structure for HT industrial consumers is shown in the table below.

Table 78: Tariff Structure - HT Industrial Category

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
11 kV Supply			
Demand Charge (Rs./ kVA/ Month) *^	121.00	150.00	127.00
Energy Charge (Rs./ kVAh) *	2.30	2.90	2.42
* For Connections with sanctioned load above 100 kW supplied on LT, Additional 5% Surcharge on Demand & Energy Charges at 11 KV tariff shall be chargeable			
33 kV Supply			
Demand Charge (Rs./ kVA/ month) ^	121.00	150.00	127.00
Energy Charge (Rs./ kVAh)**	2.24	2.80	2.35
^ 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.			

10.52

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

HT Industrial Supply for Power Intensive Industries

Applicability

10.53 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

10.54 JKPDD has proposed an increase of 84% in the energy charges for connections at both 11 kV and 33 kV supply and a hike of 83% and 84% in the demand charges for supply at the respective voltages.

10.55 An increase of around 12% has been approved by the Commission on the applicable energy charges and demand charges for supply at all voltage levels in the category.

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

Table 79: Tariff Structure: HT Industrial Supply for Power Intensive Industries

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
11 kV Supply			
Demand Charge (Rs./ kVA/ Month) *	161.00	295.00	180.00
Energy Charge (Rs./ kVAh)	2.53	4.65	2.83
33 kV and above Supply			
Demand Charge (Rs./ kVA/ Month) *	155.00	285.00	174.00
Energy Charge (Rs./ kVAh)**	2.47	4.55	2.77
* 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			

10.57 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

10.58 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.

10.59 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
- 10.60 JKPDD has proposed an increase of 14% in the energy charges for supply at both 11 kV and 33 kV respectively and an increase of 15% and 13% in the demand charges for supply at the respective voltages.
- 10.61 An increase of 6% for both 11 kV and 33 kV consumers has been approved by the Commission on the applicable energy charges and demand charges.
- 10.62 The Commission has approved the following tariff structure for General Purpose Bulk Supply category of consumers:

Table 80: Tariff Structure - General Purpose Bulk Supply

Particulars	Existing Tariff	Proposed Tariff	Approved Tariff
11 kV Supply			
Demand Charge (Rs./ kVA/ Month) *	174.00	200.00	184.00
Energy Charge (Rs./ kVAh)	3.30	3.75	3.50
For Connections above 100 kW supplied on LT, Additional 5% Surcharge on Demand and Energy Charges at 11 KV tariff shall be chargeable			
33 kV and above Supply			
Demand Charge (Rs./ kVA/ Month) *	168.00	190.00	178.00
Energy Charge (Rs./ kVAh)**	3.12	3.55	3.31
* 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.			

10.63

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

A11: TERMS AND CONDITIONS OF TARIFF/ DEFINITIONS

- 11.1 The terms and conditions for application of tariff for the year FY 2012-13 as approved by the Commission are provided below.

Terms and Conditions of Tariff

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

Points of Supply

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

Minimum Agreement Period

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

Security Deposit

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

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

Late payment surcharge

- 11.8 JKPDD shall levy a late payment surcharge 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 for authorised connections.

Excess/ Unauthorised Load

- 11.9 Any consumer found to have actual load drawn greater than the sanctioned Connected Load for LT connections or Contract Demand for HT connections shall be levied minimum/ demand charges for the excess load at 3 times the normal rate. The energy charges for consumption proportionate to the excess demand shall also be billed at 3 times the normal rate.
- 11.10 For LT consumers and HT consumers without Trivector Electronic meters extra billing shall be done for previous six months and will be continued till the excess Connected Load is removed or regularised.
- 11.11 Connection to such defaulting consumers shall be disconnected immediately, which will be reconnected only after the unauthorized load is removed and a test report is submitted to JKPDD. It can also be reconnected after the excess load is regularised by revising the completion of revised agreement, submission of test report and payment of prescribed charges. JKPDD shall allow the regularization of excess load based on the conditions of the distribution system. In absence of suitable conditions, the consumer shall be required to disconnect the excess load within fifteen days.

Un-metered connections

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

Electricity Duty

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

kVAh Billing

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

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

Power Factor Control

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

Table 81: Ratings of capacitors for inductive load

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

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

Irregular Power Supply

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

Government Employees moving with Darbar

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

Stopped / Defective meters

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

Charges for Dishonoured Cheques

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

Resale of Energy

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

"4.120. The consumer shall not supply any energy supplied to him by the Licensee to another person or other premises unless he holds a suitable sanction or licence for

distribution and sale of energy granted by the Commission/State Government or has been exempted by the Commission from holding license for sale.

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

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

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

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

Applicability of Tariff

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

Contradiction to the Agreement

- 11.29 All conditions prescribed here in shall be applicable to the consumers, notwithstanding, the provisions if any, in the agreement entered by the consumers with the licensee, being to the contrary.

Rebate for Non-Lighting Use of Solar Energy

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

Definitions

Connected Load

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

part of the Connected Load.

Sanctioned Load

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

Contract Demand

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

Maximum Demand

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

Demand Charges

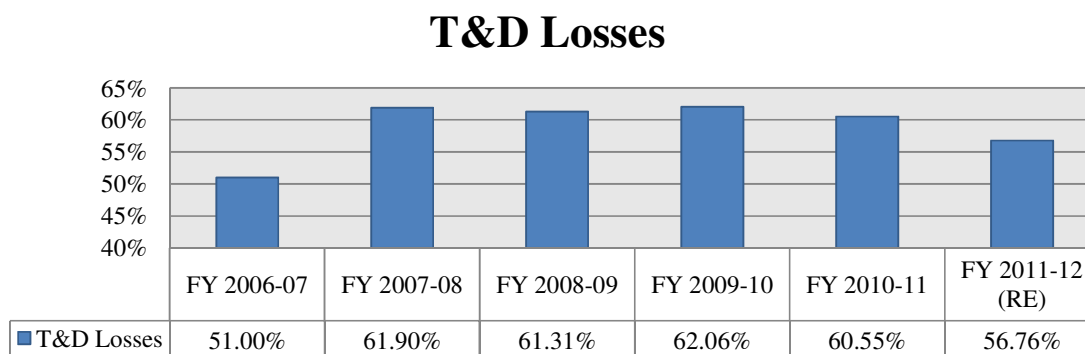
- 11.39 Demand Charges shall mean the amount chargeable based upon the billing demand as defined in the relevant tariff schedule.

Average Power Factor

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

A12: A WAY FORWARD

12.1 As has already been discussed in the previous chapters, the high T&D loss in the state has been a major cause of concern for the utility as well as the consumers of the state. The T&D loss in the state has been very high, despite JKPDD's constant efforts to curb and reduce the losses. This has resulted in very high cost of serving power (average cost of supply) and poor quality of power supply. The following diagram will further elucidate the matter:



12.2 Hence, it has become imperative to address the problem and tackle it in a time-bound manner. In this section generally accepted reasons behind such high losses have been discussed and a way forward deliberated to achieve acceptable T&D loss levels in line with technical parameters.

Reasons for High T&D losses

12.3 Distribution loss can be bifurcated into Technical and Commercial losses:-

(a) Technical Losses:

- (i) Overloading of existing lines and substation equipments
- (ii) Absence of up gradation of old lines and equipments
- (iii) Low HT: LT ratio
- (iv) Poor repair and Maintenance of equipments
- (v) Non-installation of sufficient capacitors

(b) Commercial Losses:

- (i) Low metering/billing/collection efficiency
- (ii) Theft & Pilferage and tampering of meters
- (iii) Low accountability of employees
- (iv) Absence of Energy Accounting & Auditing

Objectives of APDRP

12.4 Acknowledging the importance of reducing the distribution loss in high-loss states, the Abraham Committee constituted by the Government of India under the chairmanship of Shri P. Abraham, former Secretary (Power) in its study on 'Restructuring of Accelerated Power Development and Reforms Programme' focussed on the issue of loss reduction and linked the release of funds to the Accelerated Power Development and Reforms Programme (APDRP) with the attainment of the target of loss reduction. The main features of APDRP were as follows:

- (a) 100% feeder & consumer metering
- (b) Energy accounting and auditing
- (c) Setting up of performance benchmark parameters
- (d) Policy for franchisee & outsourcing
- (e) Turnkey execution of APDRP schemes
- (f) Operation of circle & feeder as profit centre

Common Measures adopted for loss reduction

12.5 In compliance with the policies and provisions of the Act regarding loss reduction strategies, many utilities have taken the following steps towards T&D loss reduction:

- (a) High Voltage Distribution System (HVDS),
- (b) Supervisory Control and Data Acquisition System (SCADA) and database management;
- (c) Energy audit and third party verification of technical and financial data; and
- (d) Incentive and disincentive scheme linked to performance on loss reduction etc.

12.6 Various generally accepted tools measures used to bring down distribution losses are as follows:

- (a) For Urban areas:
 - (i) replacing and revamping old equipment – Ring Main Unit's (RMU's) installation;
 - (ii) improvement in system reliability by regular maintenance of feeders and transformers / creating N-1 network redundancy;
 - (iii) LT ABC, HVDS and system augmentation for meeting growth requirements;
 - (iv) remote LT load shedding in high loss areas;
 - (v) Global System for Mobile (GSM) based switching of street lighting;
 - (vi) automation / installation of SCADA for operating and controlling entire power system network at 66 kV, 33 kV and 11 kV;
 - (vii) GIS mapping;
 - (viii) automated grids for speedy resolution of faults, etc.
 - (ix) segregation of urban feeders from rural feeders;
 - (x) replacement of slow and sluggish meters by push-fit type meters; and

- (xi) replacement of overhead bare conductors by insulated wires in theft prone areas, etc.
- (b) For Rural areas
- (i) reducing distribution losses on 11kV feeders to a level below 15 percent; (ii) improving quality of power supply; and
 - (ii) making available 24-hour domestic and non-domestic single phase supply in rural areas so as to remove disparity between urban and rural area
 - (iii) Segregation of rural feeders into agriculture and domestic uses.
 - (iv) HVDS to improve the quality of power supply of agricultural consumers along with the replacement of existing inefficient pumps, with higher efficiency and lower capacity pumps to reduce energy consumption for the same water delivery.
 - (v) An alternative to individual metering of agriculture consumers could be installation of meter on the DT for the group of agricultural consumers served by it. The consumption recorded in the DT meter could be then pro-rated amongst the individual connections on the basis of connected load of their pump sets.

Lessons to be learnt: A way-forward

- 12.7 It may be noted that third party verification of the technical and financial data is the first step towards setting of loss reduction targets for the utility and to establish authentic and reliable database. Compilation of baseline data is the starting point for energy accounting and audit. While energy accounting gives the overall picture of energy availability and its use, energy audit enables analysis of data in a meaningful manner to evolve measures: (i) introduce checks and balances in the system; (ii) reduce distribution losses; and (iii) improve technical performances of all elements of the distribution network.
- 12.8 Energy audit at the sub-station level and DT level has to start from DTs to 11kV feeders to 33/11kV sub-stations of the entire area selected for auditing. Energy audit should be undertaken to calculate the difference between the DT-wise energy sent out and total of all the consumers' consumption.
- 12.9 Hence, as a way forward, the Commission would like to suggest the following measures that JKPDD could consider to bring down the T&D loss in a time-bound manner.

S No	Description	Specification
I	T&D Loss reduction measures	
1	Establishing measurement and control mechanisms	
(a)	Consumer indexing	100%
(b)	Feeder Metering	100%

S No	Description	Specification
(c)	DT Metering	100%
(d)	Feeder wise Energy Audit	100%
(e)	DT wise Energy Audit	100%
(f)	Deploy IT Tools for Loss measurement & Analysis	HT & LT Industries
2	Metering & associated infrastructure improvement	
(a)	Metering of un-metered consumers	100%
(b)	HT Meter replacement & Cubicle installation	100%
(c)	LT CT Meter & Service line Replacement	100%
(d)	LT Meter & Service line Replacement	100%
3	Network infrastructure improvements	
(a)	Reconductoring of feeders	Feeders with loss > 25%
(b)	Feeder bifurcation/ Segregation	All agriculture consumers
(c)	Transformer Augmentation	Overloaded transformers
(d)	Reduce HT/LT Ratio	Reduce to 1:1
(e)	HVDS	Areas with Losses > 25%
(f)	Capacitor installation	100% on HT & LT Industries
(g)	Transformer failure reduction	Reduce to 5%
4	Commercial & Administrative Measures	
(a)	Spot billing	in Urban areas
(b)	Disconnection of defaulters	All consumers
(c)	Anti-theft enforcement drives	All consumers
II	Data management system	
1	Data Recording & reporting procedure	
(a)	As-Is study of all processes of Transmission & Distribution function	All departments
(b)	Identify Data recording & reporting gaps	All departments
(c)	Implement data recording procedure	All departments
2	Managing information Systems	All departments
(a)	Identify Key Performance Indicators	All departments
(b)	Development of MIS Systems	Corporate level
(c)	Deploy IT Tools for MIS Implementation	Corporate level
(d)	Deploy IT Tools for MIS Implementation	All Levels
III	Corporatization of JKPDD	As per Govt. mandate

12.10 In a nutshell sustained efforts by the Utility in the aforementioned areas alone can ensure operational efficiency, quality reliable power supply, financial viability of the power sector and protecting the interest of consumers.

A13: DIRECTIVES

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

Directive/ Issue	Summary
A. Status of compliance against directives issued in Tariff Order for FY 2007-08	
Metering	<p>Summary of Directive issued:</p> <ul style="list-style-type: none"> . Submission of a detailed metering plan covering feeder, DT and consumer level metering to the Commission. . Target date for 100% metering across consumer categories was set at December 31, 2009. . Investment requirement with timeframe and tentative sources of funding was to be submitted to the Commission for approval.
	<p>JKPDD's response:</p> <ul style="list-style-type: none"> . Central government has allocated Rs 1909 crore under R-APDRP, in which 10% would be funded by state government and remaining to be funded by grants provided by Government of India (GoI) in five tranches. . JKPDD is also exploring an option of funding from Ministry of Power for small towns having more than 4000 population. . JKPDD has planned to place new and advanced radio based meters for which it has currently appointed an agency DRS Pvt ltd for comprehensive testing. JKPDD is also planning to call price bids for meters as soon as the testing is being completed by the testing agency (Third Party Independent Agency). . Further, JKPDD plans to undertake an extensive metering program on its own, and in the petition, it has proposed to meter about 2 lakh customers in FY 12 and about 3 lakh customers in FY 13.
	<p>Commissions views:</p> <ul style="list-style-type: none"> . No comprehensive metering plan has been submitted by JKPDD to the Commission. . JKPDD has to mandatorily install meters against all connection as per the directions of the Commission and now under the provisions of the Jammu and Kashmir Electricity Act, 2010. . Since a large number of consumers are yet to be metered and power supply to unmetered consumers is not legal after April 2012, the Utility may approach the competent authority with a metering plan to get the deadline under J&K Electricity Act, 2010 extended.
	<p>Summary of Directive issued:</p> <ul style="list-style-type: none"> . The Petitioner was directed to carry out energy audit of all industrial feeders and submit the report to the Commission on a quarterly basis, starting by October 15, 2007. . The Petitioner was directed to carry out monthly circle/ division wise T&D loss assessment from March, 2007 onwards. <p>JKPDD's response:</p> <p>Under R-APDRP, JKPDD is compulsorily mandated to micro manage AMR on DTs and feeders. JKPDD is cognizant of importance of this and is working on implementing the same</p> <p>Commissions views:</p> <ul style="list-style-type: none"> . A report may be submitted to the Commission on this directive on a quarterly basis.
Energy Audit	

Directive/ Issue	Summary
Revenue Cycle Management	Summary of Directive issued
	<ul style="list-style-type: none"> . The Petitioner was directed to conduct a study of processes and identification of improvement areas and submit the report by November 30, 2008. The areas to be covered included: <ul style="list-style-type: none"> - New connections & connections management; - Meter management; - Meter reading; - Revenue billing process; - Collection management; - Revenue recovery; - Revenue discipline process (enforcement) - Customer care
	JKPDD's response
	<ul style="list-style-type: none"> . JKPDD is constructing Data Centre & Data Recovery Centers in Jammu and Srinagar to create a more transparent system of data management for new connections, billing & meter reading and also for centralizing the data bank. The centre will also offer 24X7 customer service to major cross section of consumers in state which will subsequently extended to all the consumers in state.
Segregation of costs	Summary of Directive issued
	<ul style="list-style-type: none"> . The Petitioner was directed to segregate costs between transmission and distribution functions and file separate petitions from subsequent years. . The Petitioner was directed to maintain separate Fixed Asset Registers (FAR) for the two functions.
	JKPDD's response
	<ul style="list-style-type: none"> . JKPDD is working towards the directive given by the Commission.
Database Management & MIS	Summary of Directive issued
	<ul style="list-style-type: none"> . The Petitioner was directed to submit the Terms of Reference for the selection of experts for development/ improvement of its MIS and DBMS to the Commission, for its review and approval, by June 30, 2007.
	JKPDD's response
	<ul style="list-style-type: none"> . As mentioned elsewhere, establishment of base line data and periodical validation by third party is a pre requisite for claiming any privilege under R-APDRP.
ToD Tariffs	Summary of Directive issued

Directive/ Issue	Summary
	<ul style="list-style-type: none"> . The Petitioner was directed to complete the activation of the time-of-day feature by June 30, 2007 and notify the Commission of the same. . It was also directed to submit consumption details of peak and off-peak periods for all HT consumers on a monthly basis from July 31, 2007. <p>JKPDD's response</p> <ul style="list-style-type: none"> . JKPDD proposes to create an internal task-force to look into the assessment of ToD tariffs in the state, and identify the data that's required for implementing the same. The Department may involve an independent consultant to undertake collection of relevant data and assessment of the same. <p>Commissions views</p> <ul style="list-style-type: none"> . JKPDD was directed to analyze the consumption pattern of the High Value Consumers recorded in the TOD compatible meters installed and submit a report on its findings by August 31, 2010. . No report has been submitted by JKPDD to the Commission yet. Considering the fact that a study is being proposed to be conducted for generation of data for implementing TOD tariffs in the State, JKPDD is directed to expedite the study so that TOD tariffs can be introduced at least by 2013-14.
Sales Forecasting	<p>Summary of Directive issued</p> <ul style="list-style-type: none"> . JKPDD was directed to submit consumption details of peak and off-peak periods for all HT consumers on a monthly basis from July 31, 2007. The Commission also directed it to detail the methodology used for projecting energy sales. <p>JKPDD's response</p> <ul style="list-style-type: none"> . Installation of trivector meters is a recent phenomenon. Accordingly, JKPDD proposes to undertake appropriate training of the field staff (especially the meter readers) to understand and interpret the energy consumption data being recorded in the trivector meters.. <p>Commissions views</p> <ul style="list-style-type: none"> . The data for peak and off-peak consumption for HT consumers is already being recorded in the trivector energy meters installed at such connections. JKPDD is directed to compile the same on a monthly basis and submit to the Commission.
Region wise details	<p>Summary of Directive issued</p> <ul style="list-style-type: none"> . The Petitioner was directed to submit details on the power availability, energy sales, level of metering, revenue realisation and loss levels in different regions in the State. <p>JKPDD's response</p> <ul style="list-style-type: none"> . JKPDD shall endeavour to comply with the directive given by the Commission in this regard.. <p>Commissions views</p> <ul style="list-style-type: none"> . JKPDD was directed to submit the same on a quarterly basis to the Commission which JKPDD has failed to do. The Commission once again directs JKPDD to submit the requisite information on a quarterly basis as directed earlier.
Progress monitoring	<p>Summary of Directive issued</p> <ul style="list-style-type: none"> . The Petitioner was directed to submit quarterly progress reports on each directive issued by the Commission. <p>JKPDD's response</p> <ul style="list-style-type: none"> . JKPDD shall endeavour to comply with the directive given by the Commission in this regard. <p>Commissions views</p> <ul style="list-style-type: none"> . JKPDD has failed to comply with the directive on progress monitoring of the set of directives issued by the Commission. The frequency of progress reporting on various directives has

Directive/ Issue	Summary
	<p>been intermittent and mostly limited to the ARR & Tariff petitions being filed by JKPDD. The Commission directs JKPDD to submit quarterly reports without fail.</p>
B. Status of compliance against directives issued in Tariff Order for FY 2008-09	
Loss study	Summary of Directive issued
	<p>. 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:</p> <ul style="list-style-type: none"> - Sales in MU to various consumer categories; - T&D losses.
	JKPDD's response
	<p>. As part of Phase – I of the R-APDRP scheme, JKPDD would be setting up appropriate systems and software in place, which would help it ascertain the loss levels in its transmission and distribution system.</p>
	Commissions views
	<p>. JKPDD is unacceptably slow in the way it is progressing on the directives issued on such critical matters as the study of T&D losses. JKPDD is directed to get the study completed and submit its report at the earliest.</p>
C. Status of compliance against directives issued in Tariff Order for FY 2009-10 & FY 2010-11	
Sales estimation	Summary of Directive issued
	<p>. 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.</p>
	JKPDD's response
	<p>. JKPDD submits that the directive is being complied with.</p>
	Commissions views
	<p>. The Commission has noted the compliance of the above directive by the PDD.</p>
Metering of LT Industrial Consumers	Summary of Directive issued
	<p>. The metering of LT consumers is grossly against the approved tariff regime and JKPDD is directed to meter the same with immediate effect and report the status to the Commission within 15 days from the issue of this Order.</p>
	JKPDD's response
	<p>. JKPDD has set out an extensive metering program. It is aiming to meter about 2 lakh unmetered customers in FY 12 and about 3 lakh unmetered customers in FY 13</p>
	Commissions views
	<p>Since the Commission has not approved flat rate tariff for LT Industrial consumers, the Commission resituates the above directive for compliance.</p>
Proposed schedule of miscellaneous charges	Summary of Directive issued
	<p>. 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.</p>
	JKPDD's response

Directive/ Issue	Summary
	<p>. JKPDD submits that the said directive is complied with.</p> <p>Commissions views</p> <p>. The Commission has noted the compliance of the directive by the JKPDD.</p>
Revision of Connected Load Agreements	<p>Summary of Directive issued</p> <p>. The Commission directs JKPDD to undertake revision of agreements of all categories of consumers to assess the realistic connected load and also the maximum demand. A status report on the above may be submitted to the Commission by 31st October, 2010.</p> <p>JKPDD's response</p> <p>. JKPDD maintains its stand that revision of agreements is a continuous process. Further, the Department shall submit the list of all such customers where the connected load/ maximum demand were revised in FY 2010-11.</p> <p>Commissions views</p> <p>. The Commission appreciated the steps being taken by JKPDD for revision of agreements to assess the realistic connected load and the maximum demand.</p>
Demand Management Side	<p>Summary of Directive issued</p> <p>. The Commission also directs JKPDD to prepare a Demand Side Management plan and submit the same for the approval of the Commission.</p> <p>JKPDD's response</p> <p>. JKPDD is working towards the directive given by the Commission.</p> <p>Commissions views</p> <p>. Demand Side Management plan has not been submitted by JKPDD to the Commission along with its tariff petition for FY 2011-12 as directed. JKPDD is once again directed to submit a Demand-side Management Plan for approval of the Commission. However, the Commission appreciates the efforts being out in by the Utility for conservation of energy.</p>
Replacement of non-functional meters	<p>Summary of Directive issued</p> <p>. JKPDD is directed to report the number of non-functional/ defective/ bye-passed/ burnt out meters, category wise in the system as on 31st March 2010 along with an action plan to replace them. The report must be submitted to the Commission by July 31, 2010.</p> <p>JKPDD's response</p> <p>. JKPDD is already undertaking replacement of all such meters that are either non-functional or defective or burnt.</p> <p>Commissions views</p> <p>. The Utility is directed to submit a report to the Commission by September 30, 2012 with regard to the number of non-functional/defective/bye-passed/burnt meters so far replaced and the number of such meters yet to be replaced.</p>
Reading of Electronic Meters through CMRIs	<p>Summary of Directive issued</p> <p>. JKPDD is directed to immediately put in use the Common Meter Reading Instruments (CMRIs) 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 CMRIs 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</p>

Directive/ Issue	Summary
	<p>of billing.</p> <p>JKPDD's response</p> <p>. JKPDD reiterates that the meter reading staff is being trained for using MRIs. Efforts are being made to use MRIs for meter reading as a regular process.</p> <p>Commissions views</p> <p>. Utility is directed to submit a status report on the above directive to the Commission along with the Tariff Petition for the FY 2013-14.</p>
Balancing of Load	<p>Summary of Directive issued</p> <p>. 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.</p> <p>JKPDD's response</p> <p>. The engineering staff of JKPDD is well aware of this technicality pertaining to balancing of loads; and no such imbalances are being allowed while issuing of a new connection.</p> <p>Commissions views</p> <p>. The Commission has noted compliance of the above directive by the Utility.</p>
Arrear Recovery	<p>Summary of Directive issued</p> <p>. 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.</p> <p>JKPDD's response</p> <p>. JKPDD is working towards the directive given by the Commission.</p> <p>Commissions views</p> <p>. JKPDD is directed to expedite the process and submit the report at the earliest</p>
D. Status of compliance against directives issued in Tariff Order for FY 2011-12	
Submission of ARR/ Tariff Petition	<p>Summary of Directive issued</p> <p>. The Utility is directed to henceforth, file ARR/tariff petition by 30th of November of each year positively as stipulated in the Jammu & Kashmir State Electricity Regulatory Commission (Conduct of Business) Regulations, 2005.</p> <p>JKPDD's response</p> <p>. JKPDD endeavours to comply with the deadline of 30th November.</p> <p>Commissions views</p> <p>. The Commission re-iterates the above directive that ARR (tariff petition be filed by 30th of November of each year, failing which suo-moto proceedings will be initiated.</p>
Submission of Power Purchase and Procurement Plan	<p>Summary of Directive issued</p> <p>. The Utility is directed to file the long term Power Purchase and Procurement Plan by 31st October of each year positively, duly updating the Long-term Power Purchase and</p>

Directive/ Issue	Summary
	<p>Procurement Plan for the previous year as required under Regulation 22 of the Jammu & Kashmir State Electricity Regulatory Commission (Power Purchase and Procurement Plan) Regulations, 2005.</p> <p>JKPDD's response</p> <p>. JKPDD shall comply with this directive henceforth.</p> <p>Commissions views</p> <p>. Submission of long term Power Purchase and Procurement Plan and its approval by the Commission is a statutory requirement. Hence, the Commission re-iterates the above directive.</p>
Loss Reduction Trajectory	<p>Summary of Directive issued</p> <p>. The Utility is directed to fix a circle-wise and division-wise loss reduction trajectory for the next three years and accordingly prepare a detailed action plan for reduction of T&D losses, which may be incorporated in the Tariff Petition for FY2012-13.</p> <p>JKPDD's response</p> <p>. JKPDD proposes to undertake a circle-wise/ division-wise assessment of energy losses as part of the first phase of R-APDRP, and accordingly set out a loss reduction trajectory once the baseline level of losses for each circle and division is thereby ascertained..</p> <p>Commissions views</p> <p>. The Utility is directed to expedite preparation of a detailed action plan for reduction of T&D losses and incorporate the same in the Tariff petition for FY 2013-14.</p>
Re-categorization of consumers	<p>Summary of Directive issued</p> <p>. The Utility may examine afresh the existing categories of consumers and the slabs of consumption within each category, and if re-categorization of the consumer slabs is felt necessary, the same may be reflected in future tariff petitions.</p> <p>JKPDD's response</p> <p>. JKPDD will look into the same once the detailed consumer profiling and consumption pattern is available from the Computerization activity being undertaken currently.</p> <p>Commissions views</p> <p>. The Commission reiterates the above directive and JKPDD should accord priority to the same.</p>
Establishment of Consumer Complaint Centres	<p>Summary of Directive issued</p> <p>. The Utility shall set up Customer Complaint Centers/ Call Centers across its area of supply to address the Customer Complaints and Grievances as stipulated under Chapter-V of the Jammu & Kashmir State Electricity Regulatory Commission (Distribution Performance Standards) Regulations, 2006. Action taken in this regard by the Utility may be communicated to the Commission by 31st December, 2011.</p> <p>JKPDD's response</p> <p>. JKPDD is in the process of establishing customer care centers/ call centers across the state. The Department shall duly inform the Commission once these centers are fully operationalised.</p> <p>Commissions views</p> <p>. There is no institutionalized dispute resolution mechanism presently with the Utility to address consumer grievances at the ground level, although this matter has been discussed with the Utility on many occasions. However, the Bijli Adalats recently established by the Utility may partly address the need for a procedural frame work to handle consumer complaints. But at the ground level there is an urgent need for setting up consumer complaint centres for on the spot resolution of complaints.</p>
Maintaining data on reliability indices	<p>Summary of Directive issued</p> <p>. The Utility shall maintain data and workout the reliability indices for each Circle/area of its</p>

Directive/ Issue	Summary
	operation on a monthly basis as stipulated under Chapter VIII of the Jammu & Kashmir State Electricity Regulatory Commission (Distribution Performance Standards) Regulations, 2006 and submit monthly computed figures for the first half of FY 2011-12 by 31 st October, 2011.
	JKPDD's response
	. JKPDD is working towards the directive given by the Commission.
	Commissions views
To introduce Pre-paid meters	Summary of Directive issued
	. The Commission directs the Utility to introduce pre-paid meters in respect of connections with loads below 5 kW in some identified areas on a pilot basis.
	JKPDD's response
	. JKPDD proposes to detail out a plan for installation of pre-paid meters on pilot basis, and the infrastructure that's require to put in place such meters.
	Commissions views
Meter Reading	Summary of Directive issued
	. The Commission directs the Utility to take meter reading in accordance with Regulations 5.16 to 5.25 of the Jammu & Kashmir State Electricity Supply Code, 2011.
	JKPDD's response
	. JKPDD shall comply with the same.
Study for determining the actual cost of supply for each consumer category	Summary of Directive issued
	. The Utility is directed to undertake a study for determining the actual cost of supply for each consumer category at different voltage levels and submit a report on the outcome of the study by 30 th June, 2012.
	JKPDD's response
	. JKPDD submits that it will make all out efforts to undertake study in the stipulated time frame, and may rope-in an independent technical consultant to assist it in undertaking this study.
	Commissions views
Status report on upkeep and maintenance of transmission lines and Grid Stations	Summary of Directive issued
	. The Utility is directed to submit to the Commission a status report on proper up-keep and maintenance of transmission lines and Grid stations. The Utility is also directed to maintain adequate spares and transformer capacities to prevent prolonged outage of the transmission system.
	JKPDD's response
	. Though JKPDD is short of resources, maintenance of adequate spares & capacities is being considered on top priority.
	Commissions views
	. JKPDD is directed to submit the status report at the earliest.

Directive/ Issue	Summary
To carry out proper system studies	Summary of Directive issued
	. The Utility shall carry out proper power system studies on a regular basis and to estimate future short term and long term demands of energy/power and prepare an investment plan to meet the demands.
	JKPDD's response
	. If system study means Load Flow studies, the same is being done regularly. It may also be mentioned that future long term and short term demand is done by CEA in its power surveys. However, JKPDD will also make arrangements to undertake this study on regional basis once the detailed monthly consumption pattern is available after 100 % computerization is over.
	Commissions views
Scheme of incentives and disincentives for the staff stationed in high loss areas	Summary of Directive issued
	. The Utility shall formulate a scheme of incentives and disincentives for the staff stationed in high loss areas and submit the same to the Commission for approval.
	JKPDD's response
	. MOP has already laid guidelines for incentivizing of Utility Staffers if the loss is brought down to 15%.
	Commissions views
Steps taken to reduce transformer failure	Summary of Directive issued
	. Steps taken by the Utility to reduce transformer failure may be communicated to the Commission by 30 th November, 2011.
	JKPDD's response
	. DT failure rate is reducing where metering has been done and compliance has taken place. Extensive efforts are being made by JKPDD to discipline and educate people that they abide to the agreed contracted demand.
	Commissions views
Meter Testing Labs	Summary of Directive issued
	. The Commission directs the Utility to establish circle-wise meter testing labs, starting with one in Srinagar and another in Jammu, besides setting up mobile meter testing labs.
	JKPDD's response
	. JKPDD is working towards to comply with the directive issued by the Commission
	Commissions views
Rationalization of manpower	Summary of Directive issued
	. It has been noticed that there is no norm for deployment of manpower for different activities/functions of the Utility. The Utility is directed to rationalize the manpower requirement for different activities/functions as per the standard practice in the neighbouring

Directive/ Issue	Summary
	<p>States.</p> <p>JKPDD's response</p> <p>. JKPDD is taking up the matter of reorganization of the Department with the State Government; accordingly, any such rationalization of manpower as indicated by the Commission shall be undertaken as part of such reorganization.</p> <p>Commissions views</p> <p>. The Commission accepts JKPDD submission on the same.</p>
Status report on electric accidents	<p>Summary of Directive issued</p> <p>. The Utility is directed to submit quarterly status report on electric accidents that may have happened during the preceding quarter. The report should also contain details of the cases brought forward from previous periods.</p> <p>JKPDD's response</p> <p>. JKPDD shall endeavour to comply with the directive issued by the Commission.</p> <p>Commissions views</p> <p>. The Commission again directs JKPDD to submit quarterly status report on electric accidents that may have happened during the preceding quarter. The report should also contain details of the cases brought forward from previous periods.</p>
Billing of energy supplied to consumers	<p>Summary of Directive issued</p> <p>. The Utility is directed to issue bills for the energy supplied to the consumers, strictly in accordance with the Regulation A-6(Billing) of Jammu & Kashmir State Electricity Supply Code.</p> <p>JKPDD's response</p> <p>. JKPDD plans to strictly enforce the provisions of the said code once 100% computerization of billing system is complete.</p> <p>Commissions views</p> <p>. The Commission directs JKPDD to look into its billing process as there have been complaints from consumers regarding non compliance of the same on the part of JKPDD.</p> <p>. Sample bill shall be got approved from the Commission before 31st May 2012</p>
Power curtailment plan	<p>Summary of Directive issued</p> <p>. Commission directs the Utility to give wide publicity to power curtailment schedule, if any, and formally communicate the same to the Commission on each occasion.</p> <p>. Unscheduled power curtailments and reasons thereof shall be properly recorded and communicated to JKSERC on a monthly basis and also along with the Tariff petition each year in a consolidated form.</p> <p>JKPDD's response</p> <p>. Any scheduled curtailment undertaken by JKPDD is given wide publicity in the local dailies of J&K. Unscheduled outages on account of grid contingencies are being recorded by the Department.</p> <p>Commissions views</p> <p>. JKPDD is again directed to record and communicate to the Commission on a monthly basis the Unscheduled power curtailments and reasons thereof and also along with the Tariff petition each year in a consolidated form.</p>
Arrear collection	<p>Summary of Directive issued</p> <p>. Year wise breakup of all previous arrears on account of collection inefficiency and revenue deliberately not paid by the consumers should be communicated to the Commission with the tariff petition each year.</p>

Directive/ Issue	Summary
	JKPDD's response
	. Since bills are going to be digitized and monitored centrally, JKPDD is expecting to maintain comprehensive data pertaining to arrears in respective data centers, which will help in tracking the arrears pertaining to any consumer.
	Commissions views
	. JKPDD is directed to expedite the process of 100% computerization.
No. of consumer connection	Summary of Directive issued
	. In view of the discrepancies noticed in respect of category-wise connections, the Utility is directed to make a fresh in-depth exercise to re-verify the total number of registered and unregistered connections (category-wise) in the State and a report submitted to the Commission within two months from the date of issue of this directive.
	JKPDD's response
	. The no. of registered connections in various consumer categories is already reflected in the ARR petition. As regards an unregistered connection, the same is being regularized with immediate effect upon identification of the same.
	Commissions views
	. The Commission shall analyse the submission made by JKPDD.
E. New Directives	
Filing of Transmission ARR	The Utility is directed to file separate ARR petitions for transmission and distribution for FY 2013-14.
Meter testing arrangements	The Commission directs the JKPDD to put in place an accredited independent third party meter testing arrangement in all districts and also prepare norms for allowing consumers to purchase their own meters of approved specification of competent authority duly tested and certified by such accredited third party testing agencies. In-Situ meter testing facilities may be included in the same at Divisional & Sub-Divisional levels in J&K.
Theft and pilferage of electricity	JKPDD is directed to constitute a task force in each circle to carry out massive raids on a regular basis to check pilferage of electricity. The officers in charge of the concerned Circles shall have to be made answerable in case of detection of theft/pilferage of electricity in their areas of operation, besides booking those consumers committing theft/pilferage and penal action taken against them.
Low load factor	Petitioner is directed to undertake testing of all those consumers in non-domestic and LT Industries categories whose monthly load factor is less than 1% Compliance report along with results of such testing be submitted to the Commission along with the Tariff Petition for the FY 2013-14. Low factor Data base in J&K should also be established.
Multi Year Tariff	The petitioner is directed to start maintaining its database for reliable and concrete historical data as well as future data so that the same can be utilized by the Commission while determining Multi Year Tariffs in future.
Energy conservation awareness programme	Utility is directed to launch massive awareness programme through print and electronic media on energy conservation highlighting the energy conservation schemes being implemented in the State. Energy audit of one large State consumer, one industrial consumer and one commercial consumer be undertaken under this programme.
Rationalization of consumer categories and data base	Utility is directed to undertake re-classification of consumer categories in J&K based on national/State level power data in consultation with CEA.

A14: SCHEDULE OF MISCELLANEOUS CHARGES**Petitioners Submission**

- 14.1 JKPDD has proposed no hike in the schedule of miscellaneous charges for FY 2012-13.

Commissions Observations

- 14.2 The Commission has kept miscellaneous charges as approved in the Tariff Order for FY 2011-12 (dated October 04, 2011).
- 14.3 The schedule for levying miscellaneous charges for FY 2012-13, as approved by the Commission is provided in the following table.

Table 82: Approved Schedule of Miscellaneous Charges

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

Sl.	Particulars	Approved Charges
11.	Re-rating of equipment	Rs.120/- per equipment
12.	Supervision Charge for Service Connection (if Service line laid by consumer through licensed contractor) a) Single Phase LT Connections b) Three Phase LT Connections c) Loop LT Connections	Rs. 175/- Rs. 400/- Rs. 95/-
13.	Parallel operation charge for availing grid support by CPP	Rs.18/- per kVA per month on the installed capacity of the CPP
14.	Shifting of connection	Actual cost of material + 15% Supervision Charge
15.	Hiring of utility's plant and equipment (i) For initial hire agreement period (ii) For subsequent period of hire agreement (iii) For L.T. consumers (more than 100 HP) converting to H.T.	1% p.m. on current schedule of rates. Twice of (i) Same as in (i) and (ii) above
16.	Transfer of name L.T. H.T.	Rs. 100/- Rs. 600/-
17.	Booklet for HT/LT Tariff	Rs.20/-
18.	Connection/ Disconnection Charges for Temporary Connections a) LT Temporary Connection b) HT Temporary Connection	Rs. 120/- Rs. 600/-

A15: TARIFF SCHEDULE FOR FY 2012-13**Schedule 1: Domestic Supply****Applicability**

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

Character of Services

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

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

Particulars	Approved Tariff
Metered Tariff	
Energy Charges for Metered Connection (Rs. / kWh)	
upto 30 units /month	1.19
31-100 units /month	1.54
101-200 units /month	1.90
> 200 units /month	2.91
Minimum Charges for connected load (Rs. / month)	
upto 1/4 kW	15.00
above 1/4 kW upto 1/2 kW	25.00
above 1/2 kW upto 1 kW	40.00
Above 1 kW for every 250 W, or part thereof	10.00
Un-metered Consumers	
Flat Rate (Rs. / month)	
upto 1/4 kW	89
above 1/4 kW upto 1/2 kW	260
above 1/2 kW upto 3/4 kW	397
above 3/4 kW upto 1 kW	534
above 1 kW upto 2 kW	1,041

Particulars	Approved Tariff
above 2 kW	Rs. 1041 + Rs.451 for every additional ½ kW or part thereof

- 15.2 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.
- 15.3 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 1.19/unit; the next 700 (70 x 10) units at Rs 1.54/unit; next 1000 (100 x 10) units at Rs 1.90/unit and the remaining units at Rs 2.91/unit.
- 15.4 Any matter regarding supply to Group Housing societies should be as per the Regulations laid down in J&KSERC (Supply Code) Regulations, 2011;

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

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

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

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

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

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

Schedule 2: Non-Domestic/ Commercial Supply

Applicability

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

Character of Services

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

Rate of Charge

Table 84: Approved Tariff for Non Domestic/ Commercial Supply

Particulars	Approved Tariff
Metered Non-Domestic Tariff	
Energy Charges (Rs./kWh)	
Single Phase	
Slab of Units	
Upto 100 u/m	2.31
101 to 200 u/m	2.44
above 200 u/m	3.53
Three Phase	
For all units	4.11
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.)	

Particulars	Approved Tariff
For connections with sanctioned load below 100kW (115 kVA) supplied and metered on HT, 5% rebate on energy charges of Non-Domestic/Commercial Tariff shall be allowed.	
Single Phase	39.00
Three Phase	90.00
Un-Metered Non-Domestic Tariff	
Flat Rate Charges (Rs. / month)	
Upto 1/4 kW	251
above 1/4 kW upto 1/2 kW	620
above 1/2 kW upto 1 kW	1,239
above 1 kW *	1,593
* and part thereof for every kW above 1 kW	1,593

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

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

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

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

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

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

Schedule 3: State/ Central Government Departments

Applicability

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

Character of Services

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

Rate of Charge

Table 85: Approved Tariff for State/ Central Government Departments

Particulars	Approved Tariff
Energy Charges (Rs./ kWh)	
Energy Charges (Rs./ kWh)	6.20
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	25.00

Schedule 4: Agricultural Supply

Applicability

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

Character of Services

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

Rate of Charge

Table 86: Approved Tariff for Agriculture Supply

Particulars	Approved Tariff
Metered Tariff	
Energy Charges (Rs. / kWh)	
0 to 20 HP	0.64
Above 20 HP	4.22
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	168.00
Above 20 HP	1,168.00

Schedule 5: Public Street Lighting

Applicability

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

Character of Services

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

Rate of Charge

Table 87: Approved Tariff for Public Street Lighting

Particulars	Approved Tariff
Metered Tariff	
Energy Charge	
Rs./ kWh	4.96
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)	37.00
Minimum Charge	
Rs./ kW/ month or any part thereof	Nil
Un-metered Tariff	
Rs./ kW/ month or any part thereof	1180.00

Schedule 6: LT Public Water Works

Applicability

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

Character of Services

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

Rate of Charge

Table 88: Approved Tariff for LT Public Water Works

Particulars	Approved Tariff
Metered Tariff	
Energy Charge	
For all Units (Rs./ kWh)	5.35
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)	41.00
Un-metered Charge	
Rs. / kW /month	1250.00

Schedule 7: HT Public Water Works

Applicability

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

Character of Services

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

Rate of Charge

Table 89: Approved Tariff for HT Public Water Works

Particulars	Approved Tariff
Metered Consumers	
11 kV Supply	
Demand Charge (Rs./ kVA/ Month) ^*	210.00
Energy Charge (Rs./ kVAh) ^	3.81
^ 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) *	204.00
Energy Charge (Rs./ kVAh)	3.68
* Or part thereof on Billing Demand.	

Schedule 8: LT Industrial Supply

Applicability

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

Character of Services

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

Rate of Charge

Table 90: Approved Tariff for LT Industrial Category

Particulars	Approved Tariff
Metered Tariff	
Energy Charges (Rs./kWh)*	2.65
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.	43.00
*For Connections with sanctioned load below 100 kW supplied and metered on HT, 5% rebate on Energy Charges of the LT Industrial Tariff shall be allowed.	

Schedule 9: HT Industrial Supply

Applicability

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

Character of Services

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

Rate of Charge

Table 91: Approved Tariff for HT Industrial Category

Particulars	Approved Tariff
11 kV Supply	
Demand Charge (Rs./ kVA/ Month) *	127.00
Energy Charge (Rs./ kVAh) *	2.42
* 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) *	127.00
Energy Charge (Rs./ kVAh)**	2.35
** Rebate to Connections at higher voltages: For 66 kV – 1.5% on the Energy Charge for 33 kV Supply.	

15.16

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

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

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

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

Character of Services

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

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

Rate of Charge

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

Particulars	Approved Tariff
11 kV Supply	
Demand Charge (Rs./ kVA/ Month) *	180.00
Energy Charge (Rs./ kVAh)	2.83
33 kV and above Supply	
Demand Charge (Rs./ kVA/ Month) *	174.00
Energy Charge (Rs./ kVAh)**	2.77
* 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	

15.18

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

Schedule 11: General Purpose Bulk Supply

Applicability

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

Character of Services

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

Rate of Charge

Table 93: Approved Tariff for General Purpose Bulk Supply

Particulars	Approved Tariff
11 kV Supply	
Demand Charge (Rs./ kVA/ Month) *	184.00
Energy Charge (Rs./ kVAh)	3.50
* 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) *	178.00
Energy Charge (Rs./ kVAh)**	3.31
* 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.	

15.21

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

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

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

Rate of Charge

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

Time Period for Temporary Connection

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

A16: ANNEXURE**Annexure 1: List of participants in State Advisory Committee Meeting****Table 94: List of participants in State Advisory Committee Meeting**

S.No	Name	Department/ Organization
1	S.M.Desalphine	Chairman, J&KSERC
2	D.S.Pawar	Member, J&KSERC
3	G.M.Khan	Member, J&KSERC
4	R.K.Seli	Technical Consultant, J&KSERC
5	Ravi Kanth Verma (KAS)	Secretary, J&KSERC
6	Virinder Kumar Sarngal	Superintending Engineer, J&KSERC
7	Renu Mahajan	Deputy Secretary (Law), J&KSERC
8	Annil Suri	Chairman, Federation of Industries, Jammu, President, BBIA
9	T.S.Reen	Co-Chairman, Federation of Industries, Jammu,
10	M.L.Raina (KAS)	Deputy Transport Commissioner, J&K (Rep. of SAC Member - Transport Commissioner, J&K)
11	Shiv Kumar Sharma	SAC Member, President, Indian National Trade Union Congress.
12	Devinder Verma	SAC Member, President, Kathua Industries Association
13	Y.V.Sharma	SAC Member, President, Chamber of Commerce and Industries, Jammu.
14	Navdeep Gupta	Chief Engineer, Electric Planning & Designing, Jammu
15	Divyesh Sharma	PwC, Consultant to J&K SERC
16	D.S.Tara	Ex. Secretary, J&K SERC
17	Dr. Mubeen Shah,	Ex. President, Kashmir Chamber of Commerce and Industries
18	Javeed Bhat	SAC Member, Vice President, Federation Chamber of Industries, Kashmir.
19	Miftah Alam Buchh	A.G.M, J&K SPDC
20	Byomkesh Malik	Consultant
21	Arvind Tewari	Consultant to JKSPDC
22	I.A.Kakroo	D.G.M, J&K SPDC
23	Ravi Chanyal	Sr. G.M, J&K SPDC
24	A.M.M Jehangir	Director Finance, J&KSPDC
25	A.R.Tak	ACC, J&KSPDC
26	Vikram Gour	SAC Member

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

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

No	Objector
1	Kashmir Chamber of Commerce and Industry
2	Annapurna Laminators Pvt. Ltd., Lane No.4, SIDCO Industrial Complex, Bari Brahmana, Jammu
3	Chenab textile Mill (Kathua), (Prop. Sutlej Textiles & Industries Ltd.)
4	TPL PLASTECH LTD., LANE NO.5, PHASE-II, SIDCO INDUSTRIAL COMPLEX, Bari Brahmana, Jammu.
5	M/s Sud Pines Private Limited , Bari Brahmana, Jammu.
6	Resp Faucet Industries, Lane-2,SIDCO Industrial Complex, Bari Brahmana, Jammu.
7	Supplementary Objections of Annapurna Laminators Pvt. Ltd.,Lane No.4, SIDCO Industrial Complex, Bari Brahmana, Jammu
8	Bashir Ahmad Jan (Rtd. KAS Officer), Social Worker, R/O Tral, District Pulwama
9	Narbada Steels Ltd, SIDCO Industrial Complex, Bari Brahmana, Jammu
10	Jammu Casting Pvt.Ltd, Lane No.3,Phase II, Sidco Ind. Complex, Bari-Brahmana, Jammu.
11	Quality Casting Industries, Lane No.1, SIDCO Industrial Complex, Bari Brahmana, Jammu
12	Tawi Chemical Industries Lane No.4,SIDCO Industrial Complex, Bari Brahmana, Jammu
13	Tawi Chemical Industries Unit-II, Lane No.4,SIDCO Industrial Complex, Bari Brahmana, Jammu
14	Shri. Harbans Choudhary, Muncipal Flat No.: 2, Prade, Jammu
15	Vikrant Kuthiala, Chairman, On behalf of PHD Chamber of Commerce, J&K Committee, Jammu.
16	Shree Guru Kripa Alloys (P)Ltd., Lane No.3,Phase I, Sidco Ind.Complex,Bari-Brahmana, Jammu.
17	Birpur Small Scale Industries Association Bari Brahmana ,Jammu
18	M/S BHARAT PACKAGING INDUSTRIES, SIDCO Industrial Complex, Bari Brahmana, Jammu.
19	Kashmir Cement Manufacturers, Association, Srinagar
20	M/s Swift Scales & System, Lane No-3, SIDCO Ind. Complex,Bari Brahmana, Jammu.
21	Bari Brahmana Industries Association(Regd.)
22	Pee Ell Alloys Unit- II, Lane No.3,Phase II, Sidco Ind. Complex, Bari-Brahmana, Jammu.
23	M/S MODERN PACKAGING CONCEPT,Lane No.04, SIDCO Industrial Complex, Bari Brahmana,Jammu.
24	Association of Industries ,ASSI Bhawan, 52-A, Phase-I, Industrial Area, Gangyal, Jammu
25	President (Y.V.Sharma), Chamber of Commerce & Industry(Regd.)
26	SUDERSHAN CASTING PVT. LTD,Bari Brahmana, Jammu.
27	Versatile Polytech Pvt Ltd. Lane-2 Phase-II Sidco ind. Complex Bari Brahmana, Jammu.
28	Shri. Ghulam Rasool, Shri. Abdul Majid, Srinagar
29	RajDev Sharma, 19, Ward No 9, Akhnoor – 181201, Jammu Kashmir
30	Prof. Hameedah Nayeem, Chairperson, KASHMIR CENTRE FOR SOCIAL AND DEVELOPMENT STUDIES

Annexure 3: List of participants in Public Hearings**Table 96: Participants at Jammu Hearing held on 01 March 2012 at PWD Guest House, Gandhinagar**

S.No	Name	Department/Organization
1	S.M.Desalphine	Chairman, J&KSERC
2	D.S.Pawar	Member, J&KSERC
3	G.M.Khan	Member, J&KSERC
4	R.K.Seli	Technical Consultant, J&KSERC
5	Ravi Kanth Verma (KAS)	Secretary, J&KSERC
6	Virinder Kumar Sarngal	Superintending Engineer, J&KSERC
7	Renu Mahajan	Deputy Secretary (Law), J&KSERC
8	Manzoor Salroo	Development Commissioner (Power)
9	H.S.Gupta	Ex. DCP (PDD)
10	D.S.Tara	Ex. Secretary, J&K SERC
11	Devinder Mahajan	M.D, Annapurna Laminators Pvt. Ltd
12	Vikrant Kutniala	PHDCCI, J&K State Committee
13	S.K.Ahal	R.B. Jodhamal
14	T.S.Reen	President, Association of Industries, Gangyal
15	Aditya Gupta	Advocate for Association of Industries, Gangyal
16	Annil Suri	(SAC Member), Chairman, Federation of Industries, Jammu, President, BBIA
17	Virendra Jain	General Secretary, Association of Industries, Gangyal.
18	Lalit Mahajan	General Secretary, Bari Brahmana Industries Association
19	S.C.Rekhi	General Secretary (Rtd.) Officers Forum & Rep. Residents Welfare Association
20	L.M.Khajma	President, RWA
21	Rakesh Bhat	Vice President, BBIA, Jammu
22	Vishal Gupta	Jammu Casting
23	Vishal Gupta	Shree Guru Kripa Alloys
24	Rahul Bansal	Narbada Steel Ltd.
25	Dhiren Kuamr Dash	Jyoti Laboratories
26	Chander Vadan	Company Secretary
27	Anand K Ganesan	Advocate, Narbada Steel Ltd.
28	K.C.Sharma	Chenab textile Mill (Kathua),
29	J.L Ma	Chenab textile Mill (Kathua)
30	Vinod Jamwal	Director, VPPL
31	M.L.Sarangal	Executive Engineer
32	Sudhir Gupta	Executive Engineer, ED-III, Jammu
33	Chandra Uday Sharma	Secretary General, Welfare Association, Gandhi Nagar.
34	Gurbachan Singh	Executive Engineer, ED-II
35	A.K.Chibber	Executive Engineer, ED-I
36	Vinod Khajuria	Superintending Engineer. M&RE Circle-I
37	Shahnaz Goni	Chief Engineer, M&RE, Jammu

S.No	Name	Department/Organization
38	Nitin Gupta	Consultant, J&K PDD
39	Satnam Singh	Consultant, J&K PDD
40	Er. A.K.Khan	Superintendent Engineer
41	P.B.Khajuria	Ex. M.D, J&K SPDC
42	Raginee Baruah	Consultant, J&K SERC
43	Rajdev Sharma	Consumer
44	Manish Gupta	General Secretary, Chamber of Commerce
45	R.N.Sharma	Executive Engineer LDMT Division PDD
46	S.K.Zutshi	Executive Engineer, Technical Officer with Chief Engineer, M&RE, Jammu
47	M.H.Mathur	Resident Director, PHD CCI, J&K, Jammu.
48	Ramesh Gupta	Consumer Welfare Forum
49	D.K.Vyas	TPL PLASTECH LTD
50	O.P.Khajuria	Consumer

Table 97: Participants at Srinagar Hearing held on 3rd March 2012 at IMPA Auditorium, Srinagar

S.No	Name	Department/Organization
1	S.M.Desalphine	Chairman, J&KSERC
2	D.S.Pawar	Member, J&KSERC
3	G.M.Khan	Member, J&KSERC
4	R.K.Seli	Technical Consultant, J&KSERC
5	Ravi Kanth Verma (KAS)	Secretary, J&KSERC
6	Manzoor A Salroo	Development Commissioner (Power)
7	Virinder Kumar Sarangal	Superintending Engineer, J&KSERC
8	Abdul Majid	S.E, System & Operation Circle –Ist, Bemina, Srinagar
9	Muzafar Mattu	Chief Engineer, M&RE, Kashmir
10	Sheikh Gul Ayaz	Chief Engineer, System & Operation Wing, Kashmir
11	A.Rashid Khan	S.E Commercial & Survey
12	Ravinder Kachru	S.E, EM&RE-II
13	M.M.Wiilayat	S.E., SEIO Circle-II
14	Aijaz A Dar	Executive Engineer, M&RE Division-III
15	Syed Mumtaz	Ex. Member FCIK
16	Mir altaf Ahamad	Ex. Member, A/c FCIK
17	Nazir Ahmad Shikari	Secretary general, FCIK
18	Ghulam Jeelani	Secretary FCIK
19	B.A.Khan	Secretary, Kashmir Electric Manufactures Association.
20	Nitin Gupta	Consultant J&K PDD
21	Hashmat Qazi	Executive Engineer, ED-Ist, Srinagar
22	Azhar Wakil	AEE, Commercial
23	Bashir Ahmad Jan	Rtd. KAS, Social Worker
24	Divyesh Sharma	Consultant, J&KSERC
25	Bashir A Baba	Executive Engineer, ED-II, Srinagar
26	Bashir Ahmad Wani	Executive Engineer, LDMT
27	Bashir Ahmad Sofi	Executive Engineer, ED-II, Srinagar
28	Nazir Ahmad Lone	Advisor, SAIFA, Cements
29	Syeed Fazal-Ullaha	President/IEBAMK
30	Manzorr Qadir	E.C., FCIK
31	Irshad Ahmad	FCIK
32	Aijaz Ahmad	FCIK
33	Mushtaq Ahmad Khan	Dawar Cements Pvt. Ltd.
34	Dr. Mubeen Shah,	Ex. President, Kashmir Chamber of Commerce and Industries
35	Bilal Ahmad Kawosa	Secretary General, KCCA
36	Shakeel qalander	Social Activist
37	Prof. Hameedah Nayeen	Chairman, KCSDS
38	Mohammad Ashraf	Sr. Vice President, FCIK
39	Zahoor Ahmad Bhat	President, FCIK
40	Malik Zahoor Lasjan	President, Kashmir Brick Manufactures Association & EC of FCIK
41	Mir Farooq Lasjan	President Chamber of Hot Mix Plant, Owners Kashmir
42	Gulam Mohammed Bhat Hangi	Executive Member (FCIK)
43	Oveer Qadir	Member, FCIK