Jammu & Kashmir
State Electricity Regulatory Commission

Order
on
Annual Performance Review for FY 2013-14
and
Determination of ARR and Tariff for FY 2014-15
for
Power Development Department (Distribution), Govt. of J&K

Srinagar
June 2014

Jammu & Kashmir State Electricity Regulatory Commission
Website: http://www.jkserc.nic.in & Email ID: jkserc@gmail.com, jkserc@nic.in
Winter (Nov to April): Ambedkar (Panama) Chowk, Railway Road, Jammu-180006 (J&K)
Ph. Nos.: 0191-2470160, 2470183, Fax: 0191-2479367, 2470163
Summer (May to Oct.): H. No. 101, Sector-A, Bagh-I-Hyder, Hyderpora Chowk (near fly-over bridge), Srinagar – 190014 (J&K)
Ph. No.: 0194-2434582, Fax: 0194-2431817

THIS SPACE IS INTENTIONALLY LEFT BLANK

Before

Jammu & Kashmir State Electricity Regulatory Commission

Petition No: JKSERC/42 of 2014

In The Matter Of:

Filing of Petition for approval of Annual Performance Review (APR) for FY 2013-14 of the 3-Year Multi Year Tariff (MYT) period from FY 2013-14 to FY 2015-16 and Tariff revision proposal for FY 2014-15 for Jammu and Kashmir Power Development Department - Distribution Business.

And

In The Matter Of:

Jammu and Kashmir Power Development Department-Distribution,
Srinagar/Jammu

ORDER

Order No. JKSERC/34 of 2014

(Passed on 24th June, 2014)

1. This Order relates to Annual Performance Review (APR) for FY 2013-14 and tariff revision proposal for FY 2014-15 filed by the Jammu & Kashmir Power Development Department-Distribution (hereinafter referred to as JKPDD-D or the Petitioner or the utility) before the Jammu & Kashmir State Electricity Regulatory Commission (hereinafter referred to as JKSERC or the Commission) pertaining to the first Multi Year Tariff (MYT) control period beginning FY 2013-14 to FY 2015-16. The petition was filed as per the JKSERC (Multi Year Distribution Tariff) Regulations, 2012 as amended from time to time and in accordance with the J&K Electricity Act, 2010.

2. As per sub-Regulation (4) of Regulation 47 of JKSERC (Conduct of Business) Regulations, 2005 and Sub-Regulation (2) of Regulation 12 of JKSERC (Multi Year Distribution Tariff) Regulations, 2012, the Petitioner was required to file the petition for Annual Performance Review (APR) for FY 2013-14 to assess the performance vis-à-vis the target approved by the Commission at the beginning of the Control period and Tariff proposal for FY 2014-15 by 30th November 2013.

3. There was delay in filing of the APR petition by JKPDD-D. The Development Commissioner (Power) JKPDD filed a Petition No. JKSERC/38 of 2013 before the Commission on 27th November 2013 seeking an extension in date of filing of tariff petition up to 30th January, 2014 on the grounds of inadequate response to the tenders floated by the Petitioner for engagement of consultants to assist the Utility in preparing and filing of the APR/Tariff Petition before the Commission.

4. On the assurance of the Petitioner that they are in the process of engaging a consultant in response to a fresh tender notice floated by them, the Commission, vide its Order No. JKSERC/30 of 2013 dated 6th December 2013 granted extension of filing the Petition by or before 31st December 2013.

5. The Petitioner failed to submit the Petition for APR for FY 2013-14 and Tariff for FY 2014-15 by the stipulated revised date as specified by the Commission's Order dated 6th December 2013. The Commission, vide its Letter No. JKSERC/ Secy/ 33/ 1294-95 dated 16th January 2014 again reminded the Petitioner to take necessary action and file the APR/ Tariff Petition. Thereafter, the Commission issued a final notice to the Development Commissioner (Power), JKPDD vide its Letter No JKSERC/Secy/33/1437 dated 6th February 2014 stating that in case the Utility fails to submit the Petition, the Commission shall be left with no option but to initiate suo-moto proceedings as envisaged under the relevant Regulations.

6. The Petitioner ultimately filed the Petition for APR for FY 2013-14 and tariff revision proposal for FY 2014-15 for its distribution business on 17th February 2014. On detailed analysis of the Petition, the Commission observed several information gaps and discrepancies in the Petition for which additional information was sought from the Petitioner vide Commission's Letter No. JKSERC/ Secy/ 33/ 1508-12 dated 21st February 2014.

7. The Petitioner submitted the revised petition on 28th February 2014 and the Commission admitted the petition on the same day after the Petitioner made a presentation before the Commission. The Commission also imposed a fine of Rs 0.10 Lakhs on the Utility for delayed submission of the Petitions by invoking Section 102 of the Act.

8. The Commission vide its letter no. JKSERC/Secy/1565-66 dated 28th February 2014 directed the Petitioner to publish the gist of the APR petition for the FY 2013-14 and Tariff proposal for FY 2014-15 as public notice and invite comments/ objections/suggestions from the stakeholders on the above mentioned petitions filed.

9. The approved gist of the APR petition for the FY 2013-14 and the Tariff revision proposal for FY 2014-15 was published by the Petitioner in several widely read newspapers on 1st and 2nd March 2014. The copy of the Petition was also made available on the websites of the Commission and the Petitioner. The stakeholders were requested to submit their written comments/ suggestions/ objections latest by 29th March 2014.

10. The process of holding public proceedings as required under the relevant Regulations could not move ahead in view of 16th Lok Sabha elections and imposition of Model Code of Conduct w.e.f. 5th March 2014. In fact, the Commission was prevented to move ahead in this matter vide the Election Commission of India's (ECI) communication no. 437/6/MISC/2014-CC & BE/322 dated 17th February 2014, in which, inter-alia it was mentioned in unambiguous terms that once Model Code of Conduct is imposed for the forthcoming Lok Sabha elections, it shall be applicable to the Electricity Regulatory Commissions also.

11. The Central Electricity Regulatory Commission (CERC) and some State Electricity Regulatory Commissions (SERCs) including JKSERC approached Election Commission of India (ECI) for relaxation. Ultimately, ECI vide communication no: 437/6/1/2014- CC & BE/ dated 23rd March 2014 conveyed that the Commission has no objection in the continuance of the process required for the decision on the power tariff. However, tariff award shall be made only on the completion of polling in the relevant state i.e. after the poll date / dates in that State. The JKSERC immediately on receipt of the clarification notified a time schedule for public hearings at Jammu and Srinagar on the APR and Tariff Petitions for distribution and transmission business of the JKPDD for FY 2013-14 and FY 2014-15.

Meeting of the State Advisory Committee

12. The Commission convened a meeting with the Members of the State Advisory Committee (SAC) on 22nd April 2014 for the purpose of discussing the APR Petition for FY 2013-14 and Tariff Revision petition for FY 2014-15 filed by the JKPDD-D.

13. The representatives from the JKPDD-D made a detailed presentation on the Annual Performance Review for FY 2013-14 and Tariff Proposal for FY 2014-15.

14. Several points were raised and discussed during the SAC meeting, which have been noted by the Commission and suggestions made by the members of the Committee and other points discussed have been considered by the Commission in this Order.

Public Hearings

15. In order to maintain transparency in the tariff setting process, the Commission involved the stakeholders by initiating a public consultation process to elicit their views on various aspects of the APR for FY 2013-14 and the Tariff Revision proposal for FY 2014-15 filed by the Petitioner. Accordingly, Public hearings were held at Jammu and Srinagar as per the details summarized in following table.

Table 1: Details of Public Hearings

Place/ city	Date	Location
Srinagar	24.05.2014	IMPA, Mulana Azad Road
Jammu	29.05.2014	PWD Guest House, Gandhi Nagar

16. 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 been duly considered while finalizing this Order.

Implementation of the Order

17. In accordance with the Section 57 of the J&K Electricity Act 2010, the Commission is allowed a time period of 120 days to complete the process of determination of tariff. Thus, the tariff determination process should get completed by end of June 2014. As there was no approved tariff for raising the bills on account of energy sales and recovery of electricity charges from 1st April, 2014 up to the determination and notification of new tariff order, JKPDD-D vide Petition No. JKSERC/44 of 2014, prayed to the Commission to extend the date of existing approved tariffs applicable for FY 2013-14 for first four months of FY 2014-15 for all categories of the consumers served by JKPDD in the State of Jammu & Kashmir.

18. In view of the above, the Commission vide its Order No. JKSERC/Secy/65/34-35 dated 4th April 2014 and in exercise of powers conferred under the J&K Electricity Act, 2010 ordered that the Retail Tariffs for FY 2013-14 approved vide Commission's Order No. JKSERC/135 of 2013 dated 25th April 2013 shall remain applicable from 1st April 2014 onwards till further orders or up to the notification of the new tariff order for FY 2014-15.

19. The Commission has accepted the Petition for APR FY 2013-14 and Tariff Revision proposal for FY 2014-15 of JKPDD-D with modifications and conditions. 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-D is permitted to issue bills to consumers only in accordance with provisions of this Tariff Order and JKSERC (Supply Code) Regulations, 2011.

20. This Tariff Order shall come into effect from 1st of July 2014 and shall remain valid up to 31st March 2015, unless amended or modified or extended by an order of this Commission.

21. JKPDD-D must take immediate steps for implementation and publication of this Order (covering general description of the tariff amendment and its effects) as per Regulation 51, Chapter-V of the JKSERC (Conduct of Business) Regulations, 2005. The publication in newspapers shall include a general description of the tariff changes and its effect on the various classes of consumers.

22. The Commission directs that this Order be implemented along with directions given and conditions mentioned in the detailed Order.

23. 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 i.e. on the 24th of June, 2014.

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

(G.M. Khan)	**(D.S. Pawar)**	**(B.A. Dhar)**
Member	Member	Chairperson

THIS SPACE IS INTENTIONALLY LEFT BLANK

TABLE OF CONTENTS

THIS SPACE IS INTENTIONALLY LEFT BLANK

CHAPTER 1: 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. 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 license 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 of Jammu and Kashmir.

1.6. The Government of Jammu & Kashmir (GoJK), vide GO no. 264 PDD of 2012 dated 5th September 2012, ordered for unbundling of JKPDD and setting up of one transmission company, two distribution companies (one each for Jammu and Kashmir divisions) and one trading company with the function of a holding company. In line with the above order, GoJK has ordered for setting up of the following companies vide GO no. 285 PDD of 2012 dated 21st September 2012:

(a) Jammu & Kashmir State Power Transmission Company Limited

(b) Jammu & Kashmir State Power Trading Company Limited

(c) Jammu Power Distribution Company Limited

(d) Kashmir Power Distribution Company Limited

1.7. As unbundling was not complete, the Commission vide its Order No. JKSERC/135 of 2013 dated 25th April 2013 approved separate ARR for the Distribution business of JKPDD for the entire MYT Control Period from FY 2013-14 to FY 2015-16. The unbundling of JKPDD-D is still under progress, thus the JKPDD-D (as a deemed distribution licensee) filed the petition for approval for Annual Performance Review (APR) of its Distribution business for FY 2013-14 and tariff revision proposal for FY 2014-15 as per the provisions of the JKSERC (Multi Year Distribution Tariff) Regulations, 2012 and JKSERC (Conduct of Business) Regulations, 2005.

Scope of the Present Order

1.8. The ambit of the present Order extends to approval of APR for FY 2013-14 and determination of ARR and tariff for FY 2014-15 for the distribution business of JKPDD (hereinafter referred to as JKPDD-D of the Petitioner).

Procedural History

1.9. As per sub-Regulation (4) of Regulation 47 of JKSERC (Conduct of Business) Regulations, 2005 and Sub-Regulation (2) of Regulation 12 of JKSERC (Multi Year Distribution Tariff) Regulations, 2012, the Petitioner was required to file the petition for Annual Performance Review (APR) for FY 2013-14 to assess the performance vis-à-vis the target approved by the Commission at the beginning of the Control period and Tariff proposal for FY 2014-15 by 30th November 2013.

1.10. There was delay in filing of the APR petition by JKPDD-D. The Development Commissioner (Power) JKPDD filed a Petition No. JKSERC/38 of 2013 before the Commission on 27th November 2013 seeking an extension in date of filing of tariff petition up to 30th January, 2014 on the grounds of inadequate response to the tenders floated by the Petitioner for engagement of consultants to assist the Utility in preparing and filing of the APR/Tariff Petition before the Commission.

1.11. On the assurance of the Petitioner that they are in the process of engaging a consultant in response to a fresh tender notice floated by them, the Commission, vide its Order No. JKSERC/30 of 2013 dated 6th December 2013 granted extension of filing the Petition by or before 31st December 2013.

1.12. The Petitioner failed to submit the Petition for APR for FY 2013-14 and Tariff for FY 2014-15 by the stipulated revised date as specified by the Commission's Order dated 6th December 2013. The Commission, vide its Letter No. JKSERC/ Secy/ 33/ 1294-95 dated 16th January 2014 again reminded the Petitioner to take necessary action and file the APR/ Tariff Petition. Thereafter, the Commission issued a final notice to the Development Commissioner (Power), JKPDD vide its Letter No JKSERC/Secy/33/1437 dated 6th February 2014 stating that in case the Utility fails to submit the Petition, the Commission shall be left with no option but to initiate suo-moto proceedings as envisaged under the relevant Regulations.

1.13. The Petitioner ultimately filed the Petition for APR for FY 2013-14 and tariff revision proposal for FY 2014-15 for its distribution business on 17th February 2014. On detailed analysis of the Petition, the Commission observed several information gaps and discrepancies in the Petition for which additional information was sought from the Petitioner vide Commission's Letter No. JKSERC/ Secy/ 33/ 1508-12 dated 21st February 2014.

1.14. The Petitioner submitted the revised petition on 28th February 2014 and the Commission admitted the petition on the same day after the Petitioner made a presentation before the Commission. The Commission also imposed a fine of Rs 0.10 Lakhs on the Utility for delayed submission of the Petitions by invoking Section 102 of the Act.

1.15. The Commission vide its letter no. JKSERC/Secy/1565-66 dated 28th February 2014 directed the Petitioner to publish the gist of the APR petition for the FY 2013-14 and Tariff proposal for FY 2014-15 as public notice and invite comments/objections/suggestions from the stakeholders on above mentioned petitions filed.

1.16. The approved gist of the APR petition for the FY 2013-14 and the Tariff revision proposal for FY 2014-15 was published by the Petitioner in several widely read newspapers on 1st and 2nd March 2014. The copy of the Petition was also made available on the websites of the Commission and the Petitioner. The stakeholders were requested to submit their written comments/ suggestions/ objections latest by 29th March 2014.

1.17. The process of holding public proceedings as required under the relevant Regulations could not move ahead in view of 16th Lok Sabha elections and imposition of Model Code of Conduct w.e.f. 5th March 2014. In fact, the Commission was prevented to move ahead in this matter vide the Election Commission of India’s (ECI) communication no. 437/6/MISC/2014-CC & BE/322 dated 17th February 2014, in which, inter-alia it was mentioned in unambiguous terms that once Model Code of Conduct is imposed for the forthcoming Lok Sabha elections, it shall be applicable to the Electricity Regulatory Commissions also.

1.18. The Central Electricity Regulatory Commission (CERC) and some State Electricity Regulatory Commissions (SERCs) including JKSERC approached Election Commission of India (ECI) for relaxation. Ultimately, ECI vide communication no: 437/6/1/2014- CC & BE/ dated 23rd March 2014 conveyed that the Commission has no objection in the continuance of the process required for the decision on the power tariff. However, tariff award shall be made only on the completion of polling in the relevant state i.e. after the poll date / dates in that State. The JKSERC immediately on receipt of the clarification notified a time schedule for public meetings at Jammu and Srinagar on the APR and Tariff Petitions for distribution and transmission business of the JKPDD for FY 2013-14 and FY 2014-15.

Meeting of the State Advisory Committee

1.19. The Commission convened a meeting with the Members of the State Advisory Committee (SAC) on 22nd April 2014 for the purpose of discussing the APR Petition for FY 2013-14 and Tariff Revision petition for FY 2014-15 filed by the JKPDD-D.

1.20. The representatives from the JKPDD-D made a detailed presentation on the Annual Performance Review for FY 2013-14 and Tariff Proposal for FY 2014-15.

1.21. Some of the key points raised and discussed by the Committee are summarized below:

(a) The proposal for no hike of the tariff for the FY 2014-15 may be considered by the Commission with the directions to the Utility to concentrate on adoption of various loss reduction measures like metering besides bringing in efficiency in billing and revenue collection to reduce AT&C losses.

(b) The Utility should focus on metering as the top most priority in order to check wastage of power.

(a) The discrepancy in the numbers shown in the presentation and the numbers submitted as part of the reply to Objections on the Tariff Petition were pointed out for rectification.

(b) Adequate headway towards DSM and energy efficiency measures is not happening. Further, the proposal of the Utility for imposition of penalty for the use of incandescent lamps was not supported as it would promote 'Inspector Raj'. Thus, it was suggested that awareness programs and seminars should be conducted by the JKPDD on promotion of energy conservation in terms of the provisions of the J&K Energy Conservation Act 2011 and in line with programs supported by Bureau of Energy Efficiency (BEE), Government of India.

(c) No Consumer Grievance Redressal Forum (CGRF), Ombudsman and also Tariff policy exists in the State. Setting up of these institutions and formulation of tariff policy are mandatory under the Act.

(d) KVAh billing may be considered by the Commission in phased manner after necessary infrastructure facilities like compliant metering and capacitors for switching over are in place.

(e) The projection for collection efficiency shown as 100% by the JKPDD was questioned in view of huge gap between the amount billed and the amount realized. The Utility was directed to rectify the anomaly so as to have a correct picture of its functioning. It was suggested that arrears should be indicated separately in the Petition.

(f) Appropriate load forecasting and network planning studies should be carried out by the Utility to facilitate prudent planning of the transmission and distribution network in a phased manner in order of priority in accordance with the availability of funds.

(g) Utility should make a presentation on the implementation of R-APDRP so as to apprise the SAC about the background and status of implementation of this critical program aimed at power reforms and reduction of distribution losses in 30 important towns of the State.

(h) The services of technical institutions in the State should also be utilized for training programs and third party meter testing.

(i) The Commission directed that the JKPDD shall arrange an authority letter from the State Government regarding the approved budgetary provision for power purchase and the subsidy commitment for FY 2014-15. The JKPDD has also to comply with RPO as per the Regulations.

(j) The revision in the miscellaneous charges proposed by the utility is excessive and the Commission may allow only reasonable hike keeping in view the increase in inflation.

(k) Rationalization of flat rate categories for domestic un metered category with load above 1 KW up to 2 KW as proposed by the Utility may be considered by the Commission.

1.22. Several other points were also raised and discussed during the SAC meeting, which also have been noted by the Commission and suggestions made by the members of the Committee on above-mentioned points and other points discussed have been considered by the Commission in this Order.

Public Hearings

1.23. The Petitioner published a public notice indicating the salient features of its APR and Tariff Revision petition and inviting objections and suggestions from the consumers and other stakeholders. The public notice appeared in several widely circulated newspapers.

1.24. The copies of the petitions were made available for purchase on all working days for consumers from Utility's offices in Jammu, Srinagar and Leh. The copy of Petition was also made available on websites of the Commission and the Petitioner.

1.25. 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-D. The last date for submitting the comments/ objections was 29th March, 2014. Respondents were also given the option to be heard in person during the public hearings conducted by the Commission.

1.26. The Commission and Petitioner received objections/ comments in writing from five (5) respondents. The list of stakeholders who responded to the public notice on APR and tariff petition in writing and those who attended the public hearings is provided in **Annexure 2** and **Annexure 3**, respectively of this Order.

1.27. The Commission issued notices for conducting public hearings in Jammu and Srinagar in several newspapers as mentioned below:

Table 2: List of Newspapers where notice for Public Hearing was published

Sl. No.	Newspaper	Date of Publication
1.	State Times	25.04.2014
2.	The Kashmir Times	25.04.2014
3.	Greater Kashmir	26.04.2014
4.	Srinagar Times	26.04.2014
5.	Daily Excelsior	27.04.2014

1.28. The Commission held public hearings in Srinagar on 24th May 2014 and in Jammu on 29th May 2014, to discuss the issues related to the APR petition for FY 2013-14 and Tariff Revision Proposal for FY 2014-15 filed by JKPDD-D for approval of the Commission. The public hearings enabled the utility to present its case and to respond to the objections raised by various respondents.

1.29. The issues and concerns voiced by various stakeholders have been carefully examined by the Commission. The major issues discussed during the public hearing, the objections raised by the respondents and the observations made by the Commission, have been summarized in **Chapter 3: Public Consultation Process** of this Order.

CHAPTER 2: SUMMARY OF THE PETITION

2.1 The JKPDD-D published a gist of the APR and Tariff Petition in several widely circulated newspapers in the State on 1st and 2nd March 2014.

2.2 This section contains a summary of the petition for approval of APR for FY 2013-14 and Tariff Revision proposal for FY 2014-15 submitted by JKPDD-D.

Metering Plan

2.3 The Commission in its MYT Order for FY 2013-14 to FY 2015-16 dated 25th April 2013 provisionally allowed the metering plan for un-metered/ un-registered consumers as submitted by the Petitioner. The Petitioner in its MYT Petition had submitted that it will achieve 100% consumer metering by end of the Control Period i.e. FY 2015-16.

2.4 In order to achieve this objective and put the metering of consumers on fast track, the JKPDD decided to outsource the job of supply and installation of meters across the state and floated several tenders to this effect. However, the JKPDD-D submitted that due to poor response and doubtful tenders received the whole metering process did not take off as projected during FY 2013-14. The JKPDD-D further submitted that even though it suffered a setback during FY 2013-14, the utility is committed to achieve 100% metering by end of FY 2015-16.

2.5 In view of above, the JKPDD-D submitted the revised metering plan in its Petition for APR for FY 2013-14 and tariff revision for FY 2014-15. The consumer category-wise proposed metering plan as submitted by the Petitioner is summarized below:

Table 3: Proposed Metering Plan during FY 2013-14 to FY 2015-16

Consumer category	FY 2013-14 (RE)	FY 2014-15 (Proj)	FY 2015-16 (Proj)
Domestic	95,139	3,38,702	5,55,804
Non Domestic/ commercial	14,112	27,374	50,811
Agriculture	373	2,824	4,975
Public street lights	4	64	110
LT Public water Works	161	239	539
Total	**1,09,789**	**3,69,203**	**6,12,239**

Consumers, Connected load and Sales Projections

2.6 Based on the revised metering plan, the revised estimate of the category wise number of consumers, connected load and energy sales for the FY 2013-14. The projections have been based on the revised estimates of the FY 2013-14 and the Compounded Annual Growth Rate (CAGR) for consumers, connected load and sale of energy across the various categories and the projections for FY 2014-15 and FY 2015-16 are summarised in following tables.

Table 4: Revised Number of Consumers for MYT Period (FY 2013-14 to FY 2015-16)

Sl. No.	Consumer Category	FY 2013-14 (RE)	FY 2014-15 (Proj)	FY 2015-16 (Proj)
1	Domestic			
	- Metered	705629	1044331	1600135
	- Unmetered	687250	501693	0
2	Non Domestic / Commercial			
	- Metered	119,018	146392	197203
	- Unmetered	68,848	45440	0
3	Agriculture/Irrigation.			
	- Metered	11766	14590	19565
	- Unmetered	6675	4406	0
4	State / Central Govt. Departments.			
	- Metered	10,192	10396	10604
	- Unmetered	0	0	0
5	Public Street Lighting			
	- Metered	107	171	281
	- Unmetered	153	101	0
6	LT industrial Supply			
	- Metered	19950	20150	20311
	- Unmetered	0	0	0
7	HT Industrial Supply			
	- Metered	764	787	814
	- Unmetered	0	0	0
8	HT-PIU Industrial Supply			
	- Metered	13	14	14
	- Unmetered	0	0	0
9	LT Public Water Works			
	- Metered	1194	1433	1927
	- Unmetered	644	425	0
10	HT Public Water Works			
	- Metered	157	163	168
	- Unmetered	-	0	0
11	General Purpose / Bulk Supply			
	- Metered	145	149	154
	- Unmetered	0	0	0
	Grand Total	**16,32,505**	**17,90,641**	**18,51,175**

Table 5: Revised Connected Load (MW) for MYT Period (FY 2013-14 to FY 2015-16)

Sl. No.	Consumer Category	FY 2013-14 (RE)	FY 2014-15 (Proj)	FY 2015-16 (Proj)
1	**Domestic**			
	- Metered	773	1013	1493
	- Unmetered	421	333	0
2	**Non Domestic / Commercial**			
	- Metered	197	229	313
	- Unmetered	62	53	0
3	**Agriculture**			
	- Metered	85	104	144
	- Unmetered	48	34	0
4	**State / Central Govt. Department**			
	- Metered	188	201	214
	- Unmetered	0	0	0
5	**Public Street Lighting**			
	- Metered	5	7	14
	- Unmetered	6	5	0
6	**LT industrial Supply**			
	- Metered	251	259	267
	- Unmetered	0	0	0
7	**HT Industrial Supply**			
	- Metered	299	338	380
	- Unmetered	0	0	0
8	**HT-PIU Industrial Supply**			
	- metered	33	38	40
	- Unmetered	0	0	0
9	**Public Water Works**			
	LT Public Water Works			
	- Metered	46	59	94
	- Unmetered	43	33	0
	HT Public Water Works			
	- Metered	19	21	23
	- Unmetered	0	0	0
10	***Bulk Supply***			
	Metered	57	60	62
	Unmetered	0	0	0
	Grand Total	**2,534**	**2,784**	**3,043**

Table 6: Revised Energy Sales (MU) for MYT Period (FY 2013-14 to FY 2015-16)

Sl. No.	Consumer Category	FY 2013-14 (RE)	FY 2014-15 (Proj)	FY 2015-16 (Proj)
1	**Domestic**			
	- Metered	1390	1967	3662

Sl. No.	Consumer Category	FY 2013-14 (RE)	FY 2014-15 (Proj)	FY 2015-16 (Proj)
	- Unmetered	1404	1095	0
2	**Non Domestic / Commercial**			
	- Metered	305	371	653
	- Unmetered	218	176	0
3	**Agriculture**			
	- Metered	229	298	399
	- Unmetered	89	67	0
4	**State / Central Govt. Department**			
	- Metered	477	486	501
	- Unmetered	0	0	0
5	**Public Street Lighting**			
	- Metered	18	28	45
	- Unmetered	21	16	0
6	**LT industrial Supply**			
	- Metered	294	305	320
	- Unmetered	0	0	0
7	**HT Industrial Supply**			
	- Metered	626	679	740
	- Unmetered	0	0	0
8	**HT-PIU Industrial Supply**			
	- Metered	119	125	130
	- Unmetered	0	0	0
9	**Public Water Works**			
	LT Public Water Works			
	- Metered	204	233	473
	- Unmetered	191	206	0
	HT Public Water Works			
	- Metered	95	96	101
	- Unmetered	0	0	0
10	**Bulk Supply**			
	Metered	169	176	186
	Unmetered	0	0	0
	Grand Total	**5,849**	**6,323**	**7,210**

Transmission & Distribution Losses and Energy Requirement

2.7 JKPDD-D in its APR petition has proposed to reduce the distribution losses substantially every year during the MYT Control Period. The revised distribution loss for the FY 2013-14 have been submitted as 49.5% and the petitioner has proposed to reduce it to 46.1% in FY 2014-15 and 41.0% in FY 2015-16. In addition to distribution losses, the JKPDD-D has submitted that intra-state transmission losses will be approx. 4.00% per annum during the MYT Period.

2.8 The table below summarizes the T&D loss trajectory and energy requirement as submitted by the Petitioner.

Table 7: Projected T&D Loss (%) and Energy Requirement (MU)

Sl. No.	Particulars	Revised Projections		
		FY 2013-14 (RE)	FY 2014-15 (RE)	FY 2015-16 (RE)
1	Energy Sales(MU)	5849	6323	7210
2	Distribution Losses (%)	*49.5%*	*46.1%*	*41.0%*
3	**Total Energy required at Dist. Periphery(MU)**	**11,587**	**11,728**	**12,233**
4	Intra-State Transmission losses (%)	*4.00%*	*4.00%*	*4.00%*
5	**Total Energy Requirement (MU) at Transmission Periphery**	**12,070**	**12,217**	**12,743**

Energy Availability

2.9 The energy requirement for the State is met from the following sources:

(a) Power Purchase from JKSPDC

(b) Power Purchase from CPSUs (including free power from select stations)

(c) Power Purchase from other sources

(d) Banking and Bilateral purchases

2.10 Based on the actual of the first 9 months of FY 2013-14, total energy available from different sources has been summarized below. The projection for energy available for FY 2014-15 & FY 2015-16 has been based on the revised estimates for FY 2013-14 and as per the share of allocated and unallocated power from State and Central generating stations is also summarised in following table.

Table 8: Summary of Energy Availability as submitted by JKPDD-D (MU)

Sl. No.	Particulars	Revised Projections		
		FY 2013-14 (RE)	FY 2014-15 (Proj)	FY 2015-16 (Proj)
1	Gross Power purchase from CPSUs (all sources including short term/banking etc)	10,051	10,203	10,582
2	Less: Inter-state Transmission losses @ 3.6% p.a.	-362	-367	-381
3	**Net Power purchase from CPSUs (all sources including short term/banking etc)**	**9,689**	**9,836**	**10,201**
4	Power purchase from JKSPDC	2,381	2,381	2,542
5	**Sub-total (Energy available at Transmission periphery)**	**12,070**	**12,217**	**12,743**
6	Less: Intra-state Transmission losses @ 4.00% p.a.	-483	-489	-510
7	**Total Energy Available at Distribution periphery**	**11,587**	**11,728**	**12,233**

Aggregate Revenue Requirement

2.11 Based on the revised estimates for FY 2013-14 and projections for FY 2014-15 and FY 2015-16, the following table summarizes the review of ARR for FY 2013-14 and revised projections for FY 2014-15 to FY 2015-16 as submitted by JKPDD-D.

Table 9: Summary of ARR for FY 2013-14 and projections for FY 2014-15 to FY 2015-16 (Rs Cr)

S. No	Consumer Category	Revised Projections		
		FY 2013-14 (RE)	FY 2014-15 (Proj)	FY 2015-16 (Proj)
A.	**Aggregate Revenue Requirement**			
1	Power Purchase Cost	3873.79	4011.43	4227.99
2	Water Usage Charges(JKSPDC + NHPC)	495.65	505.65	505.65
3	Intra-state transmission charges	105.33	128.11	148.18
4	O&M Expenses	506.08	556.24	613.47
5	Interest on Loans	16.14	18.16	21.73
6	Depreciation	6.62	40.28	70.08
7	Interest on Working Capital	53.60	58.97	64.91
8	**Gross ARR**	**5057.21**	**5318.77**	**5652.01**
9	Add: Return on Equity	-	-	-
10	Less: Non-tariff income	14.09	14.80	15.54
	Net ARR (A)	**5043.12**	**5303.97**	**5636.47**
B.	Revenue assessed @ existing tariff	1777.41	1900.01	2129.85
C.	**Revenue Gap @ Existing Tariff (A-B)**	**3265.71**	**3403.96**	**3506.62**

2.12 The average cost of supply (ratio of total expenditure to total energy sale) and overall average realization at existing tariff rates (ratio of total revenue realized to total energy sale) for FY 2013-14 (revised) and projections for FY 2014-15 and FY 2015-16 as proposed by JKPDD-D is given in following table.

Table 10: Average Cost of Supply and Average overall Tariff (in Rs/KWh)

Particulars	Revised Projections		
	FY 2013-14 (RE)	FY 2014-15 (Proj)	FY 2015-16 (Proj)
Average Cost of Supply	8.62	8.38	7.81
Average Realisation Rate	3.04	3.00	2.95
Gap	**5.58**	**5.38**	**4.86**

Details of Tariff Proposal for FY 2014-15

No tariff hike for FY 2014-15

2.13 JKPDD-D in its petition for APR for FY 2013-14 and tariff revision proposal for FY 2014-15 has not proposed any tariff hike for FY 2014-15. The JKPDD-D further proposed to retain the Tariff approved by the Commission for FY 2013-14 in the Multi Year Tariff order dated 25th April 2013 for various consumer categories served by JKPDD in the State of Jammu and Kashmir. In the interim, JKPDD-D submitted that it shall concentrate on consumer metering, enforcement and loss containment during the period.

Rationalization of Slab for un-metered domestic consumer category

2.14 The JKPDD-D submitted that a large number of consumers are reluctant to revise their agreements in view of a steep hike from 1KW to 2 KW approved by the Hon'ble Commission in FY 2013-14. Accordingly, JKPDD-D proposed following modification in (above 1 KW- upto 2 KW) flat rate tariff slab of unmetered domestic category.

Table 11: Flat Rate Tariff slab for Unmetered domestic category

Flat Rate Tariff Slab for Unmetered Domestic category	Approved by JKSERC FY 2013-14	Proposed by JKPDD for FY 2014-15
Above 1KW- Upto 2 kW	Rs. 1145 per month	Rs. 1145 per month (in steps of Rs. 140 for every additional ¼ kW or part thereof above 1 kW)

Introduction of KVAh tariff

2.15 The JKPDD-D has proposed to introduce KVAh Tariff for connected loads above 20 KW in the following consumer categories for better management of reactive power at all voltage levels with an aim to encourage customers to initiate the steps to improve their power factor:

1) Non Domestic/ Commercial
2) Agriculture
3) State / Central Government
4) LT Industrial Power Supply
5) LT Water Works

2.16 The KWh and KVAh tariffs are currently proposed to be introduced in energy charges only and are proposed to be kept at par with each other so that at unity power factor there is no disparity in the charges paid by the consumers in the same category for same consumption.

Demand Side Management (DSM) - Fine for using Incandescent Lamps

2.17 In exercise of the powers conferred by section 16 of J&K Energy Conservation Act, 2011, the Government of Jammu & Kashmir vide Govt. Order No. 34 PDD of 2013 dated 12th December 2013 has made mandatory use of Compact Fluorescent Lamps (CFLs) and has banned the use of Incandescent Lamps in all new buildings constructed in Government Sector/ Government Institutions/ Public Sector Units/ Autonomous bodies/ Commercial Establishments for efficient use of energy and its conservation.

2.18 In light of the order the JKPDD-D proposes on spot imposition of fine in case Incandescent Lamps are found in use at places mentioned in the order. The fine proposed is as under:

a. Rs 500 for Lamps upto 200W

b. Rs 1000 for Lamps above 200W

Revision in miscellaneous charges

2.19 The Petitioner has submitted that in spite of the fact that there has been a steep hike in the cost of materials/ labour and services, the miscellaneous charges have not been revised for many years. The Petitioner submitted a proposal to revise the Miscellaneous Charges as per the following table:

Table 12: Proposed Schedule of Miscellaneous Charges

Sl. No	Particulars	Existing Charges	Proposed Charges
1	**For single phase and three phase connection upto 5 kW**		
1.a	Changing Meter Board in same premises.	Rs 60.00	Rs 300.00
1.b	Changing Meter at Consumers request in same premises.	Rs 60.00	Rs 300.00
1.c	Resealing PDDs cut-out in Consumers premises.	Rs 20.00	Rs 200.00
2.	**Re –sealing of Meters, Maximum Demand Indicators in Consumers premises**		
2.a	Single Phase LT Connection.	Rs 50.00	Rs 200.00
2.b	Three phase LT Connection.	Rs 70.00	Rs 400.00
2.c	HT Connection	Rs 700.00	Rs 1500.00
3.	**Meter Testing charge at Consumers request**		
3.a	Single phase LT Meter.	Rs 50.00	Rs 250.00
3.b	Three phase 4W/3W Meter without CT.	Rs 85.00	Rs 350.00
3.c	Three phase 4W/3W Meter with CT	Rs 300.00	Rs 1000.00
3.d	LT CT Meter	Rs 120.00	Rs 1000.00
3.e	HT Meter along with metering equipment (CT/PT).	Rs 1200.00	Rs 4000.00
4.	**Special meter reading**		
4.a	LT Connection	Rs 25.00	Rs 500.00
4.b	HT Connection	Rs 220.00	Rs 500.00
5.	**Replacement of burnt Meter** (if burnt due to Consumers fault)	Cost of Meter+15% supervision	Cost of Meter+15% supervision

Sl. No	Particulars	Existing Charges	Proposed Charges
		charges	charges
6.	**Fuse Off call charges-Replacement**		
6.a	PDD's cut out fuse	Rs 20.00	Rs 200.00
6.b	LT Consumers fuse	Rs 20.00	Rs 200.00
7.	**Replacement of missing Meter card**	Rs 15.00/card	Rs 500/card
8.	**Replacement of broken glass of Meter**	Rs 35.00/glass	Rs 500/glass
9.	**Reconnection/disconnection charges**		
9.a	LT Consumers	Rs 25.00	Rs 300.00
9.b	HT Consumers	Rs 170.00	Rs 1000.00
10.	**Rechecking of installation on request of Consumer**		
10.a	Single phase	Rs 75.00	Rs 500.00
10.b	Three phase	Rs 250.00	Rs 500.00
11.	**Re-rating of equipment**	Rs. 120/equipment	Rs. 120/equipment
12.	**Supervision charge for Service Connection**(if service line laid by Consumer through licensed Contractor)		
12.a	Single phase LT connection	Rs 175.00	Rs 1500.00
12.b	Three phase LT connection	Rs 400.00	Rs 1500.00
12.c	Loop LT connection	Rs 95.00	Rs 1500.00
13.	**Parallel Operation charge for availing Grid support by CPP**	Rs 18/kVA per month on the installed capacity of CPP	JK SERC Regulations
14.	**Shifting of connection**	Actual material cost+15% supervision charge	Actual material cost+15% supervision charge
15.	**Hiring of Utility's plant and equipment**		
15.a	For initial hire agreement period	1% pm on current schedule of rates	2.5% pm on current schedule of rates
15.b	For subsequent period of hire agreement	Twice of 15.a	Twice of 15.a
15.c	For LT consumers(more than 100 HP) converting to HT	Same as 15.a & 15.b	Same as 15.a & 15.b
16	**Transfer of Name**		
16.a	LT	Rs. 100.00	Rs 300.00
16.b	HT	Rs. 600.00	Rs. 600.00
17.	**Booklet for HT/LT Tariff**	Rs. 20.00	Rs. 150.00
18.	**Connection/disconnection charges for temporary connection**		
18.a	LT temporary connection	Rs. 120.00	Rs. 300.00
18.b	HT temporary connection	Rs. 600.00	Rs. 1000.00

CHAPTER 3: PUBLIC CONSULTATION PROCESS

3.1 The Commission directed JKPDD-D to publish the gist of the proposal indicating the salient features of its APR petition for FY 2013-14 and Tariff Revision proposal for FY 2014-15 for inviting objections and suggestions from the consumers and other stakeholders. The JKPDD-D published a gist of the APR and Tariff Petition in several widely circulated newspapers in the State on 1st and 2nd March 2014.

3.2 The Commission issued public notices for conducting public hearings in Jammu and Srinagar in leading newspapers in the State on 25th, 26th & 27th April 2014.

3.3 The consumers and other stakeholders were encouraged to obtain copies of the petition as submitted by JKPDD-D from the following offices of JKPDD-D on payment of photocopying charges:

(a) Development Commissioner (Power), Janipur, Jammu

(b) Chief Engineer, EM&RE Wing, Kashmir, Sonawar (behind Hotel Shangrila), Srinagar

(c) Chief Engineer, EM&RE Wing, Canal Power House, Jammu

(d) SE, EM & RE, Circle, Choglamsar, Leh

3.4 Copies were also made available to be downloaded from JKPDD-D website: www.jkpdd.gov.in and Commission website: www.jkserc.nic.in.

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-D. Respondents were also given the option to be heard in person during the public hearings conducted by the Commission. The last date for submitting the comments/ objections on the petition was 29th March 2014.

3.6 JKPDD-D 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 5th April 2014 for all the objections/ comments/suggestions received till 29th March 2014.

3.7 The Stakeholders were advised to submit their rejoinders on replies provided by JKPDD-D either during the public hearing or latest by 8th April 2014.

3.8 The Commission and Petitioner received objections/ comments in writing from five (5) respondents. The list of stakeholders who responded to the public notice on APR and tariff petition in writing and those who attended the public hearing is provided in **Annexure 2** and **Annexure 3,** respectively.

3.9 The process of holding public proceedings as required under the relevant Regulations could not move ahead in view of 16th Lok Sabha elections and imposition of Model Code of Conduct w.e.f. 5th March 2014. In fact, the Commission was prevented to move ahead in this matter vide the Election Commission of India's (ECI) communication no. 437/6/MISC/2014-CC & BE/322 dated 17th February 2014, in which, inter-alia it was mentioned in unambiguous terms that once Model Code of Conduct is imposed for the forthcoming Lok Sabha elections, it shall be applicable to the Electricity Regulatory Commissions also.

3.10 The Central Electricity Regulatory Commission (CERC) and some State Electricity Regulatory Commissions (SERCs) including JKSERC approached Election Commission of India (ECI) for relaxation. Ultimately, ECI vide communication no: 437/6/1/2014- CC & BE/ dated 23rd March 2014 conveyed that the Commission has no objection in the continuance of the process required for the decision on the power tariff. However, tariff award shall be made only on the completion of polling in the relevant state i.e. after the poll date / dates in that State. The JKSERC immediately on receipt of the clarification notified a time schedule for public hearings at Jammu and Srinagar on the APR and Tariff Petitions for distribution and transmission business of the JKPDD for FY 2013-14 and FY 2014-15.

3.11 The Commission held public hearings in Srinagar on 24th May 2014 and in Jammu on 29th May 2014, to discuss the petition filed by JKPDD-D for approval of APR for FY 2013-14 and tariff revision proposal for FY 2014-15.

3.12 The respondents were given an opportunity to put forth their comments and suggestions on the Petition. The Commission also allowed persons who had not submitted written responses but attended the public hearings to express their views, regarding the petition and the general functioning of JKPDD-D.

3.13 The issues raised during the public hearing process, the responses of JKPDD-D and the Commission's observations are detailed below:

Failure to provide requisite details and information in the Petition

3.14 The Commission received several objections stating that JKPDD-D has failed to provide requisite details, information and particulars as prescribed in the formats which are necessary to justify their claims and revenue requirements. The Objectors further submitted that JKPDD-D has not given any justification for the substantial increase in proposed expenditure for MYT Control period and requested the Commission to apply a prudence check.

3.15 The Objectors also pointed out that in spite of repeated requests, the Petitioner has failed to provide data for power supply and collections at district and consumer level for the entire state of J&K.

Petitioner's Response

3.16 JKPDD-D submitted that they have furnished the best available requisite details and information available with them in the notified formats. JKPDD-D further submitted that division wise and category wise revenue collected and energy consumed are available in the Year Book issued by it every year which is uploaded on JKPDD website.

Commission's View

3.17 The Commission observed that there are a number of deficiencies in the petition submitted by JKPDD-D and directed the JKPDD-D to provide detailed clarifications and additional data as communicated through various letters by the Commission.

3.18 The Commission notes with concern that the data provided by the JKPDD-D does not include the requisite details, information and particulars as required according to the prescribed formats given in the JKSERC (Multi Year Distribution Tariff) Regulations, 2012. Further even the information furnished by the Petitioner lacks authenticity. The Commission also notes that the data submitted in the Petition by JKPDD-D and that provided in Year Book, resource plan / Budget estimates of the State Government seldom match.

3.19 Despite reminders issued by the Commission to furnish district-wise/ circle-wise data for losses and projections of loss reduction as required under the JKSERC (Multi Year Distribution Tariff), Regulations 2012, the JKPDD-D has failed to provide such information. The JKPDD-D failure in providing the requisite information will lead to delay in proper implementation of principles of MYT in full. Till such time actual base line data is not established and correct estimates for loss reduction & metering not made available, the implementation of MYT will suffer.

3.20 In view of above, the Commission directs the Petitioner to submit the district-wise and circle-wise loss reduction plan together with targets achieved in the prescribed MYT formats along with next tariff Petition. The failure to do so shall invite penal action by the Commission.

Power Purchase Cost

3.21 The Objectors submitted that the power purchase quantum and cost has not been estimated in accordance with Regulation 18 and 19 of the JKSERC (Multi Year Distribution Tariff) Regulations, 2012. It was further mentioned that the Petitioner should explain the variance in the actual power purchase cost for FY 2013-14 over the approved cost for the same period. The Petitioner should also provide a detailed analysis indicating the impact of price, quantity and efficiency variance in power purchase cost.

3.22 The Objectors further submitted that JKPDD-D has projected unwarranted substantial increase in the power purchase cost per unit for the Control period over the approved power purchase cost. The cost of energy available from the State generating companies ought to have been taken as per the approved rates of the Commission and that of energy purchased from Central Generating stations ought to have been taken as per the CERC's orders.

Petitioner's Response

3.23 The Petitioner stated that it is regularly estimating the unrestricted and restricted power and energy demand of the state based on the past trends and historical data to arrive at power purchase quantum to be arranged through various sources. Also periodic electric power survey of the country is conducted by the Central Electricity Authority (CEA) to forecast region wise/state wise demand of electricity on short term and long term basis. The energy consumption during last five years and demand forecast done by CEA for 12th & 13th five year plan for the state of J&K has been summarised in following table.

Table 13: Energy Forecast for J&K State by CEA Estimates

Year	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Un-restricted energy requirement –MU	13992	14425	14872	15333	15808	16298
Restricted energy requirement -MU	12504	13083	13749	14503	15351	16298
Un-restricted Peak load –MW	2419	2471	2523	2577	2631	2687
Restricted peak load –MW	1802	1934	2086	2261	2460	2687

3.24 The sales in the metered and unmetered categories have been assessed on a proper methodology in a transparent manner. The sales in unmetered category have been calculated by working the units backwards from the amount billed on the basis of connected load.

3.25 Apart from the power available from JKSPDC generating stations and share of central generating stations, the JKPDD has arranged power from short term sources as average power exchange rates are cheaper than other long term sources. The tariff for JKSPDC generating stations is being determined by JKSERC and the tariff for Central generating stations is determined by CERC, however for the power purchased through short term sources, the JKPDD ensures that such power is purchased on the average exchange rates not higher than the average pooled price.

Commission's View

3.26 The Commission has undertaken a detailed analysis of the power purchase quantum and cost of the Petitioner for review of FY 2013-14 and determination of ARR for FY 2014-15 in relevant sections of this Order.

3.27 The Commission also notes that the Petitioner has not submitted its long term and short term power procurement plan even after repeated directives of the Commission. The Commission again directs the Petitioner to submit its long term and short term power procurement plans along with next tariff petition.

Operation and Maintenance Expenses

3.28 The Objectors submitted that the Petitioner has projected a substantial increase of 18% in O&M expenses in the revised estimates for FY 2013-14 as compared to the approved expenditure for the same period. Neither any break-up of the expenses nor any detail or justification has been provided by the Utility.

Petitioner's Response

3.29 The Petitioner stated that the employee expenses, which constitute the majority (91%) of the O&M expenses are fixed in nature and the employees are employed and paid by the J&K Government in the same manner as the other Government employees of the state. JKPDD-D also stressed that it does not get sufficient funds for repair and maintenance of its assets as required under the norms, thereby actual O&M costs are higher than the norms.

Commission's Analysis

3.30 The Commission has undertaken a detailed analysis of the O&M cost related to review of FY 2013-14 and determination of ARR for FY 2014-15 in relevant sections of this Order.

Distribution loss level

3.31 The Objectors pointed out that the claim of reduction of losses by 4% is erroneous and misleading and the Petitioner should justify its claims. Moreover, the measures taken by the Petitioner are only in those areas/circle stations where the distribution loss is already within tolerable limits. Thus, the Petitioner was asked to provide data on circle wise distribution loss quantity and percentage with respect to present status, measures taken and achievements made towards reduction of losses; however the Petitioner failed to provide the same.

3.32 The Objectors also submitted that according to the recommendations of Abraham Committee Report, the Petitioner had fixed target of 43% combined T&D loss level for FY 2007-08 and 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 FY 2013-14 should have been 19% and that at the end of the MYT Control period, the Petitioner should have been able to reduce the T&D losses to 11% as depicted in the following table:

Table 14: Projected T&D Loss Vs. Targeted Loss from FY 2007-08 to FY 2015-16

Year	Proposed Distribution Losses	Abraham Committee Recommended T&D loss
2007-08	49.31%	43%
2008-09	61.31%	39%
2009-10	62.06%	35%
2010-11	58.70%	31%
2011-12	56.40%	27%
2012-13 (R.E)	55.50%	23%
2013-14 (Proj.)	49.50%	19%
2014-15 (Proj.)	46.10%	15%
2015-16 (Proj.)	41.00%	11%

3.33 As can be seen the performance of the Petitioner is much below the required level. Due to extremely high loss to the tune of 50%, the bonafide consumers are compelled to pay twice the cost of electricity. The Objectors submitted that no justification has been provided by the Petitioner for putting the burden of such high level losses on the consumers which are clearly on account of inefficiency of the utility itself.

3.34 The Objectors submitted that the States like Uttarakhand and Himachal Pradesh also have similar characteristics as that of our State i.e. scattered population, difficult terrain, low load density and long sub-transmission and distribution lines etc. but the loss levels are much lower and are in the range of 12-17% only.

3.35 It was also pointed out that in order to reduce power theft, a dedicated police squad be created and division with all feeders with top 10% of distribution losses be put under Aerial Bunched Cable (ABC).

Petitioner's Response

3.36 The Petitioner has argued that since power theft and pilferages are leading to huge commercial losses in the state, it's the consumer behavior across the state and across all consumer categories which is also to be blamed for the high losses in the state. Technical intervention alone cannot help in reduction unless collective behavior towards use of electricity changes.

3.37 In response to the Objector's concern that the claim of JKPDD-D of 4% reduction in losses is misleading, the Petitioner stated that since the loss levels have come down to 49.5% in FY 2013-14 as compared to 54.28% in FY 2012-13, it had claimed a reduction of 4.78%.

3.38 Further, the Petitioner conveyed that they are committed to reduction of losses and in fact has proposed a realistic trajectory for reduction of losses. Urban Areas are being covered under R-APDRP 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. Under R-APDRP scheme 30 Towns have been identified as project areas in J&K State at an approved cost of Rs 1817.26 Cr with the objective of achieving a target of 15% AT&C loss with minimum 3% every year on sustained basis for a period of five years in the project areas. The project areas include 11 towns in Jammu region including Jammu City and 19 towns in Kashmir region including Srinagar City.

3.39 JKPDD-D has also identified feeders in terms of AT&C loss and power supply to the areas which will be regulated on the basis of AT&C loss after necessary approvals of the Commission. The junior engineers have been designated as feeder managers and their performance shall be gauged on the basis of AT&C loss on the feeder. In order to check the misuse of energy and curb power theft the JKPDD-D has constituted multitier inspection squads. These inspection squads regularly conduct inspection of various consumer categories across the state.

Commission's View

3.40 The Commission is concerned with the lack of reliable data regarding the actual loss level of the Petitioner. The Petitioner has failed to comply with the data requirements specified in the JKSERC (Multi-year Distribution Tariff) Regulations 2012. A pre-requisite for determining the actual loss levels is the completion of metering at system and consumer levels. The Petitioner is to comply with the timelines specified for metering in the Suo-moto Order dated 21st April 2014.

3.41 The Commission agrees with the Objectors that the losses projected by the Petitioner are very high. The T&D losses of the Petitioner are amongst the highest in the country and urgent intervention is required for rectification of this situation.

3.42 The Commission finds no merit in the Petitioners submission of attributing the high loss levels in the state to the behavior of its consumers. It is the responsibility of the Petitioner to carry out metering of all unmetered consumers as per the timelines specified in the Suo-moto Order dated 21st April 2014, undertake appropriate investments in the network to plug leakages and conduct regular vigilance checks on suspected cases of theft and unauthorized use of electricity.

3.43 In view of above and in accordance with the methodology adopted in the previous Tariff Orders, the Commission shall disallow any additional power purchase over and above the target loss level as the Commission feels that such inefficiencies cannot be passed on to the law-abiding consumers. This shall ensure that tariffs are reflective of prudent costs and the consumer is not burdened with the inefficiencies of the Petitioner.

3.44 Further, the Petitioner should also examine the feasibility of implementation of the suggestions of stake holders such as incentives for reducing losses on feeders, curtailment schedule based on loss levels and installation of AB cables and HVDS systems on high loss feeders. In addition, the Petitioner during the public hearing committed to make available the circle wise and feeder wise data on losses at its website. The Commission appreciates this proactive initiative by the Petitioner and directs the Petitioner to implement this proposal before submission of the next tariff petition.

Electricity Duty

3.45 The Objectors submitted that the tariff may be determined after adjusting the applicable Electricity Duty payable by the consumers to the Government, which is perhaps the highest in the country.

Petitioner's Response

3.46 The Electricity Duty is levied by the State Government and the Petitioner has no control over it.

Commission's View

3.47 The levy of Electricity Duty under the J&K State Electricity (Duty) Act 1963 is the matter of State Government and the Commission has no role to play in determination of these rates. However, the JKPDD-D should take up this matter separately with the Government to explore the possibility of rationalization of charges after taking into consideration the electricity duty rates prevailing in other States in the country.

Depreciation

3.48 The Objectors submitted that the Petitioner has claimed depreciation in violation of the Regulation 24 (b) of the JKSERC (Multi Year Distribution Tariff) Regulations, 2012. Since JKPDD-D is a Govt. Department, the assets are created out of the Govt. funds and as such in terms of the aforementioned regulation, no deprecation is to be allowed on the assets funded by the Govt. funds. The Objector also submitted that the Petitioner has not provided the proper and necessary details for calculation of the depreciation and as such it cannot be allowed to claim depreciation at a consolidated rate without giving asset-wise break-up and relevant rate applicable.

Petitioner's Response

3.49 The Petitioner submitted that since the Commission has already taken a view on this, it is further left to the Commission to decide the course of action.

Commission's View

3.50 As per the Regulation 24 (b) of the JKSERC (Multi Year Distribution Tariff) Regulations, 2012, depreciation will not be allowed on assets to be funded by capital subsidies, consumer contributions or Government grants. Accordingly, the Commission asked the Petitioner to submit bifurcation of Gross Fixed Assets (GFA) & Capital Works-in-Progress (CWIP) as on 31st March 2012 funded through grants and long-term loans (REC, PFC etc).

3.51 As the Petitioner submitted that the exercise of segregation of assets into transmission and distribution functions of the utility is under progress; the details of financing of GFA for distribution business will be furnished after the bifurcation is completed.

3.52 In the absence of above-mentioned details, the Commission has provisionally approved depreciation on the outstanding balance of loans as on 31st March 2012 only as approved in MYT Order dated 25th April 2013. No depreciation has been considered on remaining amount of GFA as it is considered to have been funded through grants from State/Central Government.

3.53 However, this is subject to true up on the basis of actual segregation of GFA into that financed through loans and grants to be provided along with next tariff petition.

3.54 With regard to the rate of depreciation, the Commission noted that till such time the study for segregation of assets is complete, the average rate of depreciation as approved in previous Tariff Orders shall be considered.

Interest on Working Capital

3.55 The Objectors submitted that the Petitioner has not computed working capital as per Regulation 26 of the JKSERC (Multi Year Distribution Tariff) Regulations, 2012 as it has not reduced the amount of security deposits from customers from the estimated amount of working capital.

3.56 Further the rate of interest of 15% is higher than the J&K Bank Advance Rate as specified by the above mentioned regulations. Moreover, the concept of PLR is not defunct and has been replaced by the Base Rate concept. Moreover, the Objectors pointed out that as the Petitioner has not taken any working capital loan and as such all its working capital requirements are funded through State Government funds, no interest on working capital should be allowed.

Petitioner's Response

3.57 The Petitioner submitted that since the Commission has already taken a view on this, it is further left to the Commission to decide the course of action.

Commission's View

3.58 The Commission has estimated the normative working capital requirement in line with the Regulation 26 of the JKSERC (Multi Year Distribution Tariff) Regulations, 2012 which states that:

"*the rate of interest for computation of interest on normative working capital shall be considered equal to the J&K Bank Advance Rate as of the date on which the petition for determination of tariff is accepted by the Commission"*

3.59 Accordingly, the Commission has considered the applicable J&K Bank Advance rate of 14.75% to determine the cost towards interest on working capital for FY 2013-14 and FY 2014-15 respectively.

Water Usage Charges

3.60 The Objectors submitted that Rs 305.65 Cr has been claimed on account of water usage charges for the control period and again no justifications have been given for such charges. They said that these charges form part of the expenses of the generating companies which further form part of the power generation tariff payable to the generating companies. The Objectors said that there is no justification for claiming such expenditure in the revenue requirements of JKPDD-D for the control period.

3.61 The Objectors also requested the Commission to disallow prior period expenditure on account of water usage charges as approved in the Tariff Order for FY 2012-13 dated 16th April 2012 as no true-ups are allowed.

Petitioner's Response

3.62 The Petitioner submitted that since the Commission has already taken a view on this, it is further left to the Commission to decide the course of action.

Commission's View

3.63 The Water usage charges are levied pursuant to the Orders passed by the State Water Resource Regulatory Authority, Government of Jammu & Kashmir from time to time. However, as it is a pass through expense, the Commission has not included it in the Generation tariff for JKSPDC and accordingly allows it in the present petition over and above the generation cost with the direction that the funds to discharge this liability will be provided to the utility by the Government over and above the budgetary allocation for power purchase as claimed by the Petitioner.

Security Deposit

3.64 The Objectors submitted that even though the Commission had decided that security deposit shall be levied at the rate of two (2) months bills but the Petitioner was charging as per its will.

Petitioner's Response

3.65 The Petitioner stated that the security deposit for electricity supplied is to be charged as per JKSERC Security Deposit Regulations 2008 and no officer of JKPDD-D can charge security deposit at its own will. Any deviation should be reported to the concerned authorities.

Commission's View

3.66 The Commission agrees with response of the Petitioner and clarifies that if any consumer has faced such an issue, the consumer can approach the Commission or the JKPDD-D directly for relief.

Tariff Design

3.67 The Objectors submitted that JKPDD has not computed the cost to serve different consumer categories in accordance with the Regulation 36(b) and (c) of the JKSERC (Multi Year Distribution Tariff) Regulations, 2012 which prescribe methodology for computation of cost to serve different categories of consumers. The Petitioner has taken overall average cost of supply as the basis for fixation of tariff whereas the provisions of the Regulations state that the Utility may differentiate the consumers on the basis of consumer's load factor, power factor, voltage, total consumption of electricity etc. Since the Petitioner has not computed the cost of supply as per the above mentioned guidelines, the petition should be rejected.

3.68 With respect to Commission's determination of prudent loss levels based on the national average loss level, the Objector submitted that the prudent loss levels have to be determined on the basis of scientific studies and technical data and benchmarked to comparable states namely Himachal Pradesh and Uttarakhand.

Petitioner's Response

3.69 The Petitioner submitted that although the tariff should progressively reflect the cost of supply and reduce cross subsidies as per the J&K Electricity Act 2010 and National Tariff policy, the tariff of various categories of consumers in the state is far below the actual cost of supply and prudent cost of supply. The average tariff of some consumer categories is even below or around the actual power purchase cost. Also the average tariff of various categories of consumers in J&K is lower than that in other neighboring states. Even if the objector explores the open access market it will find open access tariffs much higher than what is being charged from the objector in the State. The comparison of consumer tariff and total revenue realized vis-à-vis power purchase cost is given as under:-

Table 15: Table of comparison of revenue realized viz a viz power purchase costs (Rs Cr)

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14 (RE)
Power purchase cost	1783.68	2543.409	2797.161	3761.772	4081.983	3873.79
Total revenue realized	628.00	702.30	802.82	1014.16	1419.29	1444.95
Revenue realized as percentage of power purchase cost (% age)	**35.21%**	**27.61%**	**28.70%**	**26.96%**	**34.77%**	**37.30%**

3.70 It can be seen from above that below 40% of the power purchase cost is recovered from the consumers through approved tariffs although the rest of the un-paid energy is also being consumed by the consumers across the state. The whole burden is being borne by the Govt. of Jammu & Kashmir and no burden is passed on to the consumers.

Commission's View

3.71 The Commission has noted the concerns of the Objectors as well as the submissions of the Petitioner. It is clarified that the Commission considers prudent loss levels while designing tariffs to make a comparison with cost of supply at rational/ prudent loss levels instead of considering projected/approved loss levels which are substantially higher. This comparison is done to reach tariffs which recover prudent costs and not burden consumers with actual losses. While this approach is followed to determine tariffs, the Commission also notes that the actual tariffs in State are low and no tariff shock is passed on to consumers.

Power Factor Discount/KVAh Tariff

3.72 The Objectors requested the Commission to grant rebate for consumers having Power Factor (PF) above 0.95 as per the practice followed in other states.

3.73 The Objectors submitted that it was unfair on the part of the Utility to ask for revision in consumption unit from KWh to KVAh for consumers with connected load from 20 kW to 100 kW. They further submitted that due to the KVAh factor, the power bill shall increase considerably by 10 to 15%.

3.74 It was also pointed out that since the Commission in the Tariff Order dated 16th April 2012 had directed that KVAh based billing be introduced only after the requisite infrastructure is in place, JKPDD-D has not spoken anything about the same. It was also suggested that the proposal of the Utility to implement KVAh tariff should be deferred till the time proper infrastructure is in place.

Petitioner's Response

3.75 The Petitioner said that the rationale behind introduction of KVAh tariff is to encourage consumers to initiate on their own, the steps to improve their Power Factor (PF). The KWh and KVAh tariffs are currently proposed to be introduced in energy charges only and are proposed to be kept at par with each other so that at unity power factor there is no disparity in the charges paid by the consumers in the same category for same consumption.

3.76 The Petitioner also stated that the introduction of KVAh billing for loads above 20 kW is a Demand Side Management measure and shall encourage the consumers to install capacitors of proper rating. The JKPDD-D charges 10% over and above energy charges from consumers if the capacitors are not installed by the consumer. It will be in the hands of the consumer to control its bill and save this 10% of the bill which otherwise they are paying if capacitor is not installed.

3.77 Moreover, for switching over to KVAh billing in respect of consumers with load above 20 kW the department has proper infrastructure and mechanism in place. Tri-vector and Prodigy meters have already been installed on most of the installations and tri-vector meters are available with the department for replacement where ever required.

Commission's View

3.78 The Commission agrees with the Petitioner's view that KVAh based tariff is a better approach due to better efficiency and transparency. The Commission in its Tariff Order dated 16th April 2012 has also directed that the KVAh based tariffs should be gradually extended to all three phase consumers after suitable tri-vector meters are installed.

3.79 However, in the current scenario wherein even 100% metering is not done and proposal at KVAh based tariffs is not available, the introduction of KVAh based tariffs would not have the likely impact of improving the power factor.

3.80 Further, even though the Petitioner submits that it has the requisite infrastructure, it failed to provide any details to the Commission. Accordingly, the Commission for the time being has not approved the Petitioner's proposal for levy of KVAh based tariff for proposed classes of consumers.

3.81 It further directs the Petitioner to submit status of preparedness of installation of tri-vector meters for all consumers proposed to be shifted to KVAh based metering along with the impact on consumer's revenue with the next tariff petition for consideration by the Commission and it will be considered for implementation w.e.f. FY 2015-16 provided all the requisite infrastructure is in place by then.

Re-Categorization of Consumer Category

3.82 The Objectors submitted that the Commission in the Retail Tariff Order for FY 2012-13 while issuing directions under the clause (E) New Directives has directed JKPPD for rationalization of consumer categories and to undertake reclassification of consumer categories in J&K based on national/State level power data in consultation with CEA for the purpose of rationalization of consumer categories.

3.83 Based on the above directive, the consumer category HT-PIU Industrial supply may be merged with consumer category HT-Industrial Supply because the power intensive units were facing discrimination in the form of higher power tariff as compared to HT Industrial Supply consumer category. Even the CEA has not created power intensive units as a separate category.

3.84 It was also stated that 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. After creation of such broad categories for the purpose of tariff design, the specific differentiation are recognized through well recognized aspects such as power factor, load factor, voltage level etc.

3.85 It was proposed that there should be only two industrial supply categories i.e. Large Industrial Power Supply (LS) indentifying HT Industrial Supply above 100KW metered on KVAh and Small Industrial Power Supply (LS) including LT Industrial Supply under 100 KW metered on KWh.

Petitioner's Response

3.86 The Petitioner stated that presently it has no plan of re-categorization of consumer categories. Also the use of electric induction and arc furnaces has been banned by the Govt.

Commission's View

3.87 The Commission shall take appropriate view on the above in the next tariff order when Petitioner submits detailed tariff proposal along with requisite authentic data.

External Transmission Losses

3.88 The Objectors submitted that the Inter-state transmission losses of 4% as claimed by the Petitioner should be thoroughly verified and the standards applied in other states should be applied while approving such charges.

Petitioner's Response

3.89 The Petitioner stated that it had taken the Inter-state transmission losses as 3.6% which was also the approved figure of the Commission.

Commission's View

3.90 The inter-state Transmission losses are approved based on transmission losses applicable in northern region. The other State Commissions also follow the same approach. Accordingly, the Commission has approved the inter-state transmission loss levels at 3.6%.

Steep Hike in Miscellaneous charges

3.91 The Objectors submitted that the hike in miscellaneous charges was very steep and the hike should not be more than the inflation rate of the previous year.

Petitioner's Response

3.92 The Petitioner stated that the miscellaneous charges had not been revised for last many years and that hike is in proportion to market rates of materials and services.

Commission's View

3.93 The Commission is of the view that miscellaneous charges in the State have not been revised for past many years and as such these need to be revised keeping in mind inflationary increase and also benchmark with other states with similar conditions such as Himachal Pradesh, Uttarakhand, etc. Accordingly, the Commission has allowed reasonable revision only in the miscellaneous charges which have been summarized in **Chapter 11: Schedule of Miscellaneous Charges** of this Order.

Incremental Cost per Unit

3.94 The Objectors submitted that JKPDD-D has incurred incremental cost per unit on power purchase due to its operational inefficiency and not because of rate hike in tariff by the JKSERC and CERC Orders. Therefore the incremental cost per unit of power purchase should be disallowed.

Petitioner's Response

3.95 The Petitioner stated that although the incremental cost has been incurred on additional power consumed in the State, it has not been charged to the consumers over and above the tariff.

Commission's View

3.96 The Commission is of the view that any incremental cost of power purchase can be estimated on the basis of audited data only. As such the data submitted by Petitioner for FY 2013-14 is provisional based on actual for nine (9) months and projections for remaining period of the year.

3.97 Further, the Commission vide its Order No. JKSERC/29 of 2013 dated 2 July 2013 added following proviso to Regulation 8.2 of the JKSERC (Multi Year Distribution Tariff) Regulations 2012:

"Provided that truing up of expenses for any year shall be carried out on the basis of the ***audited annual accounts*** *for the year subject to prudence check by the Commission."*

3.98 Thus, even though Regulation 8.2 provides for annual performance review, any incremental costs can be passed through only on basis of audited annual accounts for the year.

3.99 The Commission has not passed through any incremental cost of power purchase other than that approved due to revision in metering plan adopted by the Commission vide its suo-moto Order dated 21st April 2014 and vis-a-vis availability of approved budget allocations for the FY 2013-14.

Tariff for Hotel Industry

3.100 The Objectors submitted that since hotels have been declared as an industry by the State governments, industrial tariff be applicable and not commercial tariff.

Petitioner's Response

3.101 As hotels do not fall in the definition of Industry where raw material is converted into goods therefore hotels fall into the commercial category and is being charged as per commercial rates which also are very less in the state when compared to actual cost of supply, prudent cost of supply and power purchase cost.

Commission's View

3.102 The Commission examined the relevant Orders produced by the objectors for declaration of tourism as an industry. These orders specify the concessions/ subsidies allowed to the tourism industry including hotels by the State Government and includes subsidy on purchase of diesel generating sets and exemption of such generating units from payment of electricity duty under Section 10 of the J&K Electricity (Duty) Act 1963 for a period of five years. There is no mention of allowing industrial tariff to tourism industry including hotels. Hence, the objectors do not qualify for tariff applicable for industry. Any such move can have wider implications for the Utility.

Audit of Accounts of JKPDD

3.103 It was pointed out by the objectors that the income, expenses and other accounts of JKPDD have not been audited by the Auditor General and the ARR and tariff petition for next year should be filed along with supporting audited accounts.

Petitioner's Response

3.104 The JKPDD-D being a government department, its accounts are regularly being audited by Accountant General and state finance department and annual reports are published.

Commission's View

3.105 The Commission directs the Petitioner to submit audited accounts along with next tariff petition for truing up of expenses for FY 2013-14. In absence of audited accounts, the Commission shall not provide any true up to the Petitioner.

Special provision for Industrial Entrepreneurs

3.106 It was suggested by one of Objectors that since industrial entrepreneurs require uninterrupted supply of power, they should be permitted to take supply from 33 KV line.

Petitioner's Response

3.107 The Petitioner responded by stating that it does not deny power supply to any consumer on higher voltages provided that the consumer qualifies for such requirement as per JKSERC Supply Code Regulations and the supply is feasible.

Commission's views

3.108 In view of the response of the Petitioner, the objectors can take supply at higher voltages after meeting necessary requirements as per the JKSERC Supply Code Regulations, 2011.

Publishing list of defaulters

3.109 It was suggested JKPDD-D should prepare area wise list of consumers having huge arrears and furnish the information to the Commission. The list should include outstanding from State Govt. departments, Government undertakings, local bodies and private parties also.

3.110 This issue was also raised in the meeting of the SAC. It was suggested that disconnections/ publication of the name of defaulting consumers should be done in case of non-payment of arrears for minimum of three months as the monthly energy bills for some consumers is more than the financial limit of the arrears fixed by the utility in such case.

Petitioner's Response

3.111 The Petitioner responded that the list of consumers with huge arrears that include all categories of consumers is regularly being prepared and published in various news papers. Such cases are being also referred to electricity mobile magistrates for appropriate legal course.

3.112 The suggestion of the Objectors with regard to publication of list of defaulters has been taken note of.

Commission's Views

3.113 The procedure for disconnection of supply on account of non-payment of energy dues is specified in the Section 50 of the J&K Electricity Act 2010 and relevant provisions of the JKSERC Supply Code Regulations 2011 which need to be followed in letter and spirit to avoid accumulation of arrears.

3.114 The Commission directs the Petitioner to submit consumer category-wise list of consumers with huge arrears along with steps taken to recover the arrears and actual recovery status with the next tariff petition.

Capital Investment and treatment of Depreciation

3.115 The Objectors submitted that in respect of demand charges, for the last 5 years no capital investment has been made by JKPDD-D to up-grade the system of 33 KV & 11 KV lines & system. And with decrease in the value of capital due to depreciation, the fixed charges should come down considerably.

Petitioner's Response

3.116 The Petitioner stated that it is regularly investing on the up gradation of the system through various schemes funded by state and GOI. The Commission is not allowing any depreciation on such investments and as such not passed on to the consumer.

Commission's View

3.117 As most of the capital expenditure is done through funds from State Government and grants, the Commission does not allow any depreciation on such assets to consumer tariffs in the State.

Compliance to directives issued by the Commission

3.118 The Objectors raised the point of non-compliance of the directives issued by the Commission in its past Tariff Orders by the Petitioner. The Commission has issued detailed directives with timelines for submission of reports on the issues of metering, T&D infrastructure, and revenue and billing processes etc. However, the Petitioner has not made any significant progress on any of the directives given and has not submitted the requisite reports as directed.

Petitioner's Response

3.119 The Petitioner stated that it has already submitted the current progress of Compliance of directives with the Tariff Proposal.

Commission's View

3.120 The Commission has received the compliance of directives from the Petitioner and has given its views regarding the same in relevant chapter of this Order. However the Commission directs the Petitioner to set up a special cell to attend to regulatory affairs and to monitor timely implementation of the directions issued by the Commission.

Change of category for defence establishments (MES)

3.121 Shree Ram Kumar Suryawanshee, CWE, Udhampur representing the MES submitted that they receive electricity at two input points from the Petitioner's network. The electricity received is further distributed to mixed loads such as domestic, schools, workshops, water supply etc. using the network infrastructure maintained by MES. MES has to bear the distribution losses and the O&M cost of its own network. However it is charged as per the State/Central Government Departments Consumer Category (Schedule-3) which has the highest tariff in the State thereby increasing the burden on MES. Accordingly, the Objector proposed that the tariff category of MES be changed to General Purposes Bulk Supply (Schedule-11) or alternatively the tariff for 53% of the consumption be charged at domestic tariff in view of fact that it is being consumed by rank and file in residential establishments and the remaining tariff be charged as per the prevailing (Schedule-3) tariffs.

Petitioner's Response

3.122 The Petitioner stated that the tariff for defence establishments run by State/Central government is to be levied as per the Schedule -3 of the tariff schedule as approved by the Commission.

Commission's View

3.123 It is clarified that the defence establishments come under a separate category for State/ Central Government Departments. The consumer (MES) is getting supply at a single point, and as such differential tariffs for part of the supply cannot be applied.

3.124 The category specific tariffs are possible only when consumers apply for separate connection to JKPDD and execute a contract for the same as prescribed under the relevant regulations.

3.125 In case of a connection for Irrigation purpose, water supply, street lights etc., the tariff schedule for State/ Government Departments (Schedule 3) already has provisions for a separate tariff and accordingly connections can be taken separately for such purposes by the defence establishments as per the tariff in vogue. Moreover, the defence establishments are also exempted from payment of 22% of electricity duty which is chargeable from other consumers.

Demand Side Management

3.126 One of the Objectors stated that penalties for use of incandescent lamps cannot be levied on consumers who are on metered supply and are also paying their bills regularly. The Objector also stated that the industry cannot be stopped from making use of incandescent bulbs. The Objector suggested that campaign should be undertaken to spread the awareness of the benefits of using CFL bulbs in place of incandescent bulbs.

3.127 The Objectors made the following suggestions with respect to the proposal that CFL lamps should be made mandatory for commercial establishments in the State:

(a) A new tax may be introduced to make the incandescent lamps expensive to incentivize consumers to switch over to CFL lamps.

(b) Import of incandescent lamps in the State may be banned.

(c) CFL Lamps may be distributed at discounted rates after taking a loan from J&K Bank and the interest on such a loan can be serviced through retail tariffs.

(d) Monthly rentals may be taken against provision of free CFL lamps to consumers.

(e) Private partnership may also be explored and proposals from private players regarding these measures need to be invited and examined.

Petitioner's Response

3.128 The Petitioner proposed that as a demand side measure, installation of CFL lamps should be made mandatory for all commercial/ Government Departments/ PSUs, etc in the State in accordance with the State Government Order N0. 34 PDD of 2013 dated 12th February 2013 and therefore the imposition of a fine as proposed may be considered by the Commission.

Commission's View

3.129 The Commission scrutinized the Order issued by Government of Jammu & Kashmir vide Order No. 34 PDD of 2013 dated 12th February 2013 and also examined the relevant provisions enshrined in the J&K Energy Conservation Act, 2011.

3.130 The Clause 24 (1) of Chapter VI 'Penalties and adjudication' of the J&K Energy Conservation Act, 2011 states:

"If any person fails to comply with the provisions of clause (e) or clause (f) or clause (u) or clause (k) or clause (m) or clause (n) or clause (p) or clause (r)or clause (s) of Section 12, he shall be liable to penalty which shall not exceed Rs 10,000/- for each such failure and in the case of continuing failure, with an additional penalty which may extend to Rs 1000/- for every day during which such failure continues.

Provided that no person shall be liable to pay penalty within five years from the date of commencement of the Act"

3.131 A reading of the stated provision makes it amply clear that even though utility/ State Government may levy penalty for non-compliance with the provisions of the Act, no person shall be liable to pay any penalty within a period of five years from the date of commencement of the J&K Energy Conservation Act, 2011. As a period of five years from the commencement of the aforesaid Act has not yet elapsed, the proposal of the Utility to levy a penalty is in contravention to the provisions of the aforesaid Act. Therefore, the Commission directs the Petitioner to re-examine the proposal.

3.132 Further, the Commission directs the Utility to launch an intensive and sustained public awareness campaign on energy conservation pressing for use of CFLs/ LEDs. The Utility should also lay stress on using energy efficient appliances including geysers, heaters, street lamps, etc. The utility should also avail the assistance available for such programs from the concerned central government agency.

Load limit for LT IS- II consumer category (Metered)

3.133 In the MYT Order dated 25th April, 2013 to provide relief to seasonal industries viz "Atta Chakkis, Rice huskers, Oil expellers, cotton grinning" operating in un organized rural sector and having a load up to 10 HP, the Commission had introduced a separate category LTIS-II. This category was charged lower fixed charges in comparison to LTIS-I consumer category. The Objectors during the public hearing pleaded that restricting the load up to 10 HP has not been of much advantage to such unit holders as in most cases the load exceeds 10 HP. They pleaded for increasing the load limit up to 20 HP in view of limited period of operation / seasonal operation of such units in rural areas which are subjected to load shedding unlike industrial units in the organized sector which are being provided comparatively reliable power.

Petitioner's Response

3.134 The Petitioner, with whom the issue has been discussed stated that while there was no justification for allowing such a dispensation to band saw owners but in the case of other seasonal units covered under LTIS– II consumer category the Commission may take an appropriate view.

Commission's View

3.135 Keeping in view the objective behind introduction of LTIS-II consumer category and in view of the explanation given, the Commission agrees to increase the load limit to 15 HP in such cases only as are covered under LTIS-II consumer category at present and are duly authorized to operate by the competent authority.

CHAPTER 4: IMPLEMENTATION OF MULTI YEAR TARIFF

4.1 Section 55 of the J&K Electricity Act, 2010 (hereinafter referred as "Act") empowers the Jammu & Kashmir State Electricity Regulatory Commission (hereinafter referred as "Commission") to determine the terms and conditions for determination of tariff. Further, it also lists down certain guiding principles which have to be considered while determining the terms and conditions of tariff. One of the key guiding factors is to adopt:

"Multi Year Tariff principles (MYT) and other principles that reward efficiency in performance"

4.2 Further, Clause 8.1 of the National Tariff Policy states that the implementation of the MYT framework should bring in reduction in risk for utility and consumers, promote efficiency, attract investments, and bring greater predictability in consumer tariffs. This framework should be applicable for both private and public utilities. Further, it also states that first control period should have flexibility to incorporate any change during the control period.

4.3 Based on the above mentioned principles, the Commission notified the 'JKSERC (Multi Year Distribution Tariff) Regulations, 2012' on 6th September 2012. In these Regulations, the Commission has laid down the principles and framework for MYT Regulation for the distribution utility in the State for the first Control period beginning FY 2013-14 to FY 2015-16. Accordingly, the Commission vide its Order dated 25th April 2013 for determination of ARR for JKPDD-D for the entire MYT Control Period for FY 2013-14 to FY 2015-16 adopted the MYT Framework for the State of J&K.

4.4 In light of above regulations, the Petitioner has now filed for the annual performance review (APR) of its costs for FY 2013-14 and tariff revision proposal for FY 2014-15. However, on the analysis of the APR petition and the detailed scrutiny of the ground realities, the Commission notes with concern that even though the MYT framework has been implemented in principle, JKPDD-D has failed to implement it in full thereby defeating the entire purpose of MYT framework.

4.5 The Commission has identified following key issues and shortcomings in implementation of MYT framework in the State.

Data gaps and inconsistency in data

4.6 Despite several discussions and directions issued the Commission notes with concern that the data provided by the JKPDD-D does not include the requisite details, information and particulars as required according to the prescribed formats given in the JKSERC (Multi Year Distribution Tariff) Regulations, 2012.

4.7 Further even the information furnished by the Petitioner lacks authenticity. The Commission also notes that the data submitted in the Petition by JKPDD-D and that provided in Year Book, resource plan / Budget estimates of the State Government seldom match. This inconsistency in data and supply of incomplete data in requisite formats make the exercise of projections of ARR for the MYT period difficult for the Commission. Even the projections are alarmingly high in comparison to actual as the base line data itself is inconsistent.

4.8 Thus, the Commission is of the view that till the time the Petitioner does not submit audited data for preparation of base for projections of ARR for MYT period, the basic principle of MYT i.e. future certainty will be defeated.

4.9 Accordingly, the Commission directs the Petitioner to submit audited accounts for previous years along with formats complete in all respects with the next tariff petition for undertaking true up of ARR for previous years. Till such time audited data is not submitted, the Commission shall not undertake the true up and all losses shall be borne by the JKPDD-D.

Metering

4.10 Even after several directives and Order of the Commission in the past, the Petitioner failed to meet metering targets set out by the Petitioner itself in the Commission's Order dated 25th April 2013. The failure to meter all consumers even after extension of deadline for 100% metering shows lack of seriousness on part of the Petitioner. Further, in its above mentioned Order, the Commission had also directed the Petitioner to submit detailed metering plan approved by the State Government for extension of deadline for achieving 100% metering by end of FY 2015-16.

4.11 On failure of the Petitioner providing any details in this behalf, the Commission undertook Suo-moto proceedings for obtaining revised metering plan from the Petitioner. Accordingly, the Commission vide its Order dated 21st April 2014 adopted the revised metering plan finally submitted by the Petitioner for achieving 100% metering by end of FY 2015-16 for the purpose of monitoring.

4.12 However, the Commission notes that in order to achieve metering targets, the JKPDD-D should comply with all timelines and work towards it as a common goal. The Commission accordingly issued several directives for achievement of 100% metering in the said Order and the same are reproduced below:

(a) The Commission directs that no further delay in achieving 100% current consumers metering would be allowed beyond March, 2016. Any such delay would not only invite penal action against the Respondents and would also call for suitable action from the Commission declaring supply of electricity to unmetered consumers as illegal in terms of the provisions of Section 49(1) of J&K Electricity Act 2001.

(b) The Commission directs that JKPDD-D should establish and develop authentic third party meter testing mechanism in the State as is required in terms of Section 44 of the Act read with Chapter A5 of the Jammu and Kashmir State Electricity Supply Code, 2011 and report compliance to the Commission with the next Annual Performance Review Petition.

(c) The Commission also directs that a comprehensive mechanism shall be evolved by the Respondents for closely monitoring the implementation of proposed metering plan at various levels particularly at the level of Administrative Department. The province-wise/ Circle-wise/Division-wise progress report in the light of the revised action plan submitted by the Utility shall be submitted to the Commission on a quarterly basis for review.

(d) The Commission further directs that as there has been serious deviation from the mandate given by the State Legislature under Section 49(1) of the Act 2010 for completion of metering within a period of 2 years from the date of notification of the J&K Electricity Act, 2010, the JKPDD-D need to place the facts before the State Legislature for ratification of the extended dead line for achieving 100% metering in the State.

Circle-wise/ District-wise estimation of loss

4.13 The Regulation 18.1 of JKSERC (Multi Year Distribution Tariff) Regulations, 2012 provides for determination of loss reduction targets on basis of circle-wise losses. However, even after repeated reminders to furnish district-wise/ circle-wise data for losses and projections for loss reduction as provided in the above mentioned regulations, the JKPDD-D has failed to provide so.

4.14 The JKPDD-D failure in providing the requisite information will lead to delay in proper implementation of principles of MYT in full. Till such time actual base line data is determined and correct estimates for loss reduction not made available, the implementation of MYT will suffer and the purpose for which the MYT was introduced will get defeated.

4.15 In view of above, the Commission directs the Petitioner to submit the district-wise and circle-wise loss reduction along with next tariff Petition. The failure to do so may invite penal action by the Commission.

Power purchase planning

4.16 The Regulation 19.1 of JKSERC (Multi Year Distribution Tariff) Regulations, 2012 provides for preparation of comprehensive Power Procurement Plan for short term (less than 1 year) and a medium term (5 years) plan, separately stated for peak and off-peak periods, for unrestricted demand of electricity for each consumer category in its area of operation.

4.17 However, the Petitioner has failed to submit any details of power procurement plan. Further, while preparing the plan the measures for Demand Side Management (DSM) and Energy Efficiency (EE) also have to be incorporated which also have not been reported by the Petitioner.

4.18 The Commission also notes that even though it has given a target for purchasing power from renewable sources to meet the Renewable Purchase Obligation (RPO), the Petitioner failed to achieve the targets and has partially met the non solar target only from JKSPDC's mini-hydel stations.

4.19 The persistent failure of the Petitioner for not meeting targets and ignoring provisions of relevant regulations will make the entire process ineffective.

4.20 Accordingly, the Commission directs that the Petitioner to submit a detailed power procurement plan along with steps to incorporate Demand Side Management (DSM) and Energy Efficiency (EE) principles and purchase of power from renewable sources to meet its Renewable Purchase Obligation (RPO) along with next APR Tariff petition.

4.21 In order to make the compliance with RPO targets more effective, the Commission directs the JKPDD-D to open a separate account for meeting the annual fixed obligation of renewable energy, which includes carry forward balances and purchase of RECs to meet shortfall, if any. This is necessary to ensure the compliance of the relevant regulations. JKPDD-D shall review the position with the Nodal Agencies periodically and report the progress to the Commission. Further, the utilization of the funds created in this account shall be decided by the utility in consultation with the Commission as per the relevant regulations.

Capital Investment Plan

4.22 Regulation 23 of JKSERC (Multi Year Distribution Tariff) Regulations, 2012 provides detailed guidelines for submission of scheme wise capital investment plan along with the supporting documents like purpose of investment, capital structure, capitalization schedule, financing plan and cost benefit analysis for seeking approval from the Commission. However the Utility has failed to submit any of these important supporting documents for accord of approval to investment plan and capitalization schedule. This action of the Utility goes against the concept of MYT regime.

4.23 The Commission accordingly directs the Petitioner to submit the scheme wise details of Capital Expenditure Plan and Capitalization Schedule as per the formats prescribed in the JKSERC (Multi Year Distribution Tariff) Regulations, 2012 by September 2014.

CHAPTER 5: ANNUAL PERFORMANCE REVIEW FOR FY 2013-14

5.1 As per Regulation 8.2 of the JKSERC (Multi Year Distribution Tariff) Regulations, 2012 and as amended vide Commission's Order dated 2 July 2013, the Licensee shall submit the Annual Performance Review Report as part of annual review on actual performance as per the timelines specified to assess the performance vis-à-vis the targets approved by the Commission at the beginning of the Control Period. The relevant provision has been summarized below:

"8.2 The Licensee shall submit the Annual Performance Review Report as part of annual review on actual performance as per the timelines specified to assess the performance vis-à-vis the targets approved by the Commission at the beginning of the Control Period. This shall include annual statements of its performance and accounts including the latest available audited/actual accounts and the tariff worked out in accordance with these Regulations.

Provided that truing up of expenses for any year shall be carried out on the basis of the audited annual accounts for the year subject to prudence check by the Commission."

5.2 Based on above, the Petitioner submitted the Petition for APR for FY 2013-14 based on actual for FY 2013-14 for first nine (9) months and projections for remaining period.

5.3 As the FY 2013-14 is already over, the Commission directed the Petitioner to submit details of actual sales, losses and power purchase along with actual costs incurred during FY 2013-14. However, the Petitioner failed to do so informing that the actual data will be submitted at time of True Up.

5.4 Thus, the Commission provisionally approves the APR for FY 2013-14 in this Tariff Order, however it has not allowed any incentive/ penalty for gains/ losses on over/under achievement of targets for uncontrollable parameters as the review is based on provisional data. The sharing of gains/ losses will be determined at the time of True up based on audited annual accounts for the year and submission of actual data.

5.5 This section summarizes the projections for annual performance review for FY 2013-14 as submitted by Petitioner and as approved by the Commission.

Energy Sales

Petitioners Submission

5.6 JKPDD-D caters to a diverse consumer mix constituting of domestic, commercial, industrial and agriculture consumers. JKPDD-D submitted that at the end of FY 2012-13, the total number of consumers catered by JKPDD-D system was 14,90,696 having a total connected load of 2324 MW.

5.7 Based on the actual of the first nine (9) months of the period and projections for remaining period under review i.e. FY 2013-14, a further 141809 number of consumers and connected load of 210 MW have been added during the period under review.

5.8 The Compounded Annual Growth Rate (CAGR) for the period from FY 2008-09 to FY 2012-13 has been projected to be 3.0%. Besides, the Petitioner submitted that 97088 number of unregistered consumers have been regularized during the period ending FY 2013-14. The annual growth in the number of consumers and the connections regularized during the period under review as submitted by Petitioner has been summarized in following table:

Table 16: Consumer Data and Metering Status

Annual Growth (Nos.)	Connections Regularised (Nos.)	Total consumers added (Nos.)
44721	97088	141809

5.9 As per the J&K Electricity Act, 2010 and Commission's Order dated 26th April, 2012, JKPDD-D had to meter all existing consumers by end of June 2013. However, due to inherent challenges in metering such consumers, JKPDD-D submitted that it would be able to achieve 100% consumer metering by end of the MYT control period i.e. FY 2015-16. Even though it is committed to meter all consumers in the State; it faces several difficulties in doing so such as presence of un-registered consumers, replacement of defective/faulty meters, reluctance on the part of existing un-metered consumers, etc. Further, JKPDD-D also floated several tenders; however there were either no responses or misleading response on the above tenders.

5.10 Meanwhile, the Commission directed the Petitioner to submit compliance report and detailed metering plan for 100% consumer and system metering complete with financing, procurement and monitoring plans on the specified formats of the Commission duly approved by the Govt. in light of the directives of the Commission vide Order dated 25th April 2013. On Petitioner's failure to do so, the Commission initiated Suo-moto proceedings in this regards.

5.11 Accordingly, the Petitioner revised the metering plan and submitted the same along with the APR Petition for FY 2013-14 on 28th February 2014. The revised metering plan as submitted by Petitioner in the APR petition is summarized below:

Table 17: Proposed Metering Plan submitted in APR Petition

Consumer category	FY 2013-14 (RE)	FY 2014-15 (Proj)	FY 2015-16 (Proj)
Domestic	95139	338702	555804
Non Domestic/ commercial	14112	27374	50811
Agriculture	373	2824	4975
Public street lights	4	64	110
LT Public water Works	161	239	539
Total	**1,09,789**	**3,69,203**	**6,12,239**

5.12 Based on the proposed metering plan, the projected number of consumers and connected load for each consumer category as approved in the MYT Order and revised projected now has been summarized in following table.

Table 18: Projected Consumers (Nos) and Connected Load (MW) for FY 2013-14

Sl. No.	Consumer Category	No of consumers		Connected Load (MW)	
		App. by JKSERC in MYT Order	Proj. in APR by JKPDD-D	App. by JKSERC in MYT Order	Proj. in APR by JKPDD-D
1	Domestic				
	- *Metered*	769055	705629	656	773
	- *Unmetered*	716,861	687250	538	421
2	Non Domestic / Commercial				
	- *Metered*	118778	119018	216	197
	- *Unmetered*	44,794	68848	39	62
3	Agriculture/Irrigation.				
	- *Metered*	12856	11766	83	85
	- *Unmetered*	3733	6775	46	48
4	State / Central Govt. Departments.				
	- *Metered*	9812	10,192	192	188
	- *Unmetered*	-	-	-	-
5	Public Street Lighting				
	- *Metered*	93	107	4	5
	- *Unmetered*	153	153	6	6
6	LT industrial Supply				
	- *Metered*	19355	19950	245	251
	- *Unmetered*	-	-	-	-
7	HT Industrial Supply				
	- *Metered*	695	764	298	299
	- *Unmetered*	-	-	-	-
8	HT-PIU Industrial Supply				
	- *Metered*	16	13	37	33
	- *Unmetered*	-	-	-	-
9	LT Public Water Works				
	- *Metered*	1,253	1194	38	46
	- *Unmetered*	606	644	33	43
10	HT Public Water Works				
	- *Metered*	127	157	19	19
	- *Unmetered*	-	-	-	-
11	General Purpose / Bulk Supply				
	- *Metered*	138	145	47	57
	- *Unmetered*	-	-	-	-
Grand Total		**16,98,325**	**16,32,605**	**2498**	**2533**

5.13 As per the Regulation 16 of the JKSERC (Multi Year Distribution) Regulation 2012, energy sale is an uncontrollable parameter. The metered energy sales for the period under review i.e. FY 2013-14 is based on the actual sale of energy during the first nine (9) months of the period under review.

5.14 The sales in the un-metered category as per the Regulation 17 of the above mentioned regulations have been assessed by working out the units backwards from the amount billed on connected load basis in each slab. This has enabled the department to assess the unmetered sales in a realistic manner particularly in the domestic category and commercial category where the unmetered sales are significant. The sales in the domestic unmetered category have shown a sharp increase on account of the revised flat rates, load revisions and drive for regularization being undertaken by the Petitioner.

5.15 The Petitioner submitted that with rationalization of tariff structure by the Commission, addition of consumers, addition in the connected load and vigorous enforcement the energy sales have increased significantly. The actual energy sold during FY 2012-13 was 5160 MU, while the total energy sales estimated during the period under review i.e. FY 2013-14 is 5849 MU i.e. an increase of approx. 12.69% from actual energy sales during FY 2012-13.

5.16 The category wise energy sales as approved by the Commission in MYT Order and revised projected now have been summarized in following table.

Table 19: Projected Energy Sales (MU) for FY 2013-14

Sl. No.	Consumer Category	App. by JKSERC in MYT Order	Proj. in APR by JKPDD-D
1	Domestic		
	- Metered	1055	1390
	- Unmetered	1003	1404
2	Non Domestic / Commercial		
	- Metered	416	305
	- Unmetered	130	218
3	Agriculture		
	- Metered	204	229
	- Unmetered	90	89
4	State / Central Govt. Department		
	- Metered	522	477
	- Unmetered	-	-
5	Public Street Lighting		
	- Metered	15	18
	- Unmetered	21	21
6	LT industrial Supply		
	- Metered	378	294
	- Unmetered	-	-
7	HT Industrial Supply		
	- Metered	647	626

Sl. No.	Consumer Category	App. by JKSERC in MYT Order	Proj. in APR by JKPDD-D
	- Unmetered	-	-
8	HT-PIU Industrial Supply		
	- Metered	117	119
	- Unmetered	-	-
9	**Public Water Works**		
	LT Public Water Works		
	- Metered	184	204
	- Unmetered	226	191
	HT Public Water Works		
	- Metered	101	95
	- Unmetered	-	-
10	***Bulk Supply***		
	Metered	154	169
	Unmetered	-	-
	Grand Total	**5263**	**5849**

Commissions Analysis

5.17 The J&K Electricity Act 2010 mandated supply of electricity to all consumers through correct meters only within a period of two years from the date of notification of the Act. This period expired on 28th of April 2012. The relevant provision of the J&K Electricity Act 2010 has been reproduced below:

"49. Use, etc., of meters.—(1) No licensee shall supply electricity, after the expiry of two years from the commencement of the Act, except through installation of a correct meter in accordance with the regulations to be made in this behalf by the Commission:

....

Provided further that the Commission may, by notification, extend the said period of two years for a class or classes of persons or for such area as may be specified in that notification."

5.18 The JKPDD-D through its petition dated 25th April 2012, citing its inability in accomplishing installation of 100% correct meters at all levels and to all persons by 28th April 2012 (being the cut-off date as per Section 49 (1) of the J&K Electricity Act 2010), requested the Commission to extend the period. The Commission vide its Order dated 26th April 2012 and in exercise of the powers vested in it under the second proviso to Section 49 (1) of the Act extended the period for supply of electricity, beyond the expiry of two years from the commencement of the Act for installation of correct meters upto 30th June, 2013.

5.19 The Commission immediately after issuance of the above mentioned notification dated 26th April 2012 directed the Development Commissioner (Power), Power Development Department vide its Letter No JKSERC/19/94 dated 3rd May 2012 to submit a detailed plan for achieving 100% consumer metering including status of category-wise metering and status of procurement of energy meters. However, the Petitioner failed to submit any response to the Commission.

5.20 Due to inherent challenges in metering such consumers, JKPDD-D submitted that it would be able to achieve 100% consumer metering by end of the MYT control period i.e. FY 2015-16. The Commission in its MYT Order dated 25th April 2013 directed the Petitioner to seek approval from the State Govt. for the metering plan and also submit detailed milestones along with other requisite details for achieving 100% metering by the end of FY 2015-16.

5.21 The Commission again notified the Petitioner on several occasions about compliance to the timelines, but due to nonchalant attitude of the Petitioner the deadlines were not adhered to. Further, the Commission also directed the Petitioner to submit compliance report and detailed metering plan for 100% consumer and system metering complete with financing, procurement and monitoring plans on the specified formats of the Commission duly approved by the Govt. and in light of the directives of the Commission vide Order dated 25th April 2013. On Petitioner's failure to do so, the Commission initiated Suo-moto proceedings in this regards.

5.22 Meanwhile, the Petitioner continued to supply varying data to the Commission related to projected metering plan. The data submitted was highly inconsistent and could not be considered on record. The following table provides an abstract of the metering plans submitted before the Commission from time to time by JKPDD-D for completion of 100% metering by the end of FY 2015-16.

Table 20: Summary of the Metering Plans and Timelines Proposed by Petitioner

Sl. No.	Time of Submission	Consumer Metering Proposed (No's)			
		FY 2013-14	FY 2014-15	FY 2015-16	Total
1	25.04.2012 (Request for extension in deadlines for 100% metering prescribed in Section 49 (1) of Act)	3,15,570 (Ending March, 2013) 4,70,391 (Ending June, 2013)	-	-	7,85,961
2	30.11.2012 (In MYT Petition 2013-14)	2,30,274	3,74,859	5,58,723	11,63,856
3	20.11.2013 (In response to Commission's Order in Suo-moto proceedings)	4,13,572	2,95,866	3,87,935	10,97,373
4	17.02.2014 (In response to Commission's Order in Suo-moto proceedings)	2,56,209	5,07,380	3,39,877	11,03,466
5	17.02.2014 (PDD, APR & Tariff Petition)	1,10,089	3,58,270	6,10,766	10,79,125
6	25.02.2014 (In response to Commission's Order in Suo-moto proceedings)	1,09,789	3,26,962	7,69,643	12,06,394
7	28.02.2014 (Final APR petition for FY 2013-14)	1,09,789	3,69,203	6,12,239	10,91,231

5.23 The huge variations in the submissions of the Utility from time to time, as shown above, shows lack of seriousness on the part of the Utility towards the most important power sector reforms program i.e. energy metering in the State which has highest T&D losses in the country. Besides, even the power supply in the State except through installation of correct meters after June, 2013 is in contravention to Section 49(1) of the Electricity Act, 2010 which has serious implications both for JKPDD-D and the consumers.

5.24 After giving a final opportunity to the Utility, the metering plan with revised timelines was submitted before the Commission on 18th April 2014 and same has been adopted by the Commission for purposes of monitoring its implementation vide its Suo-moto order dated 21st April 2014. The following table summarizes the actual consumer data and metering status taken on record by the Commission and metering plan for the MYT period i.e. FY 2013-14 to FY 2015-16.

Table 21: Actual Consumer Data and Metering Status and adopted Metering Plan as per JKSERC Suo-moto Order dated 21st April 2014

Sl. No.	Particulars	Nos.
	Actual consumer data and metering status	
A.	Total No of installations ending 3/2013	14,90,696
B.	No of Installation with correct electronic meters	6,45,617
C.	No of Installation with E/M meters to be replaced	1,12,901
D.	**Number of the Un-metered installation [A-(B+C)]**	**7,32,178**
E.	Additional number of installation expected	3,61,418
F.	**Total number of meters required for 100 % consumer metering [F=C+D+E]**	**12,06,497**
	Approved Metering Plan for MYT Period	
1	FY 2013-14 (already installed)	1,12,965
2	FY 2014-15	4,80,932
3	FY 2015-16	6,12,600
	Total [1+2+3]	**12,06,497**

5.25 The Petitioner also submitted revised timelines for achieving 100% metering by end of FY 2015-16 and same has also been adopted by the Commission in its Suo-moto Order dated 21st April 2014.

Table 22: Timelines for 100% Metering adopted by Commission vide Order dated 21st April 2014

Sl. No.	Connection Type	Approved by Commission vide notification No. JKSERC/18 of 2012 dated 26th April 2012	Proposed by Petitioner now and adopted by Commission vide Order dated 21st April 2014
A	All HT Connections	30 June 2012	31 October 2014
B	All EHT Connections	30 June 2012	31 October 2014
C	All Govt. Connections, Kashmir Region	31 July 2012	30 June 2014
D	All Govt. Connections, Jammu Region.	31 July 2012	30 June 2014
E	LT Connections, R-APDRP Areas	31 August 2012	31 December 2015
F	LT Connections (Except Domestic),	31 January 2013	31 March 2016

Sl. No.	Connection Type	Approved by Commission vide notification No. JKSERC/18 of 2012 dated 26th April 2012	Proposed by Petitioner now and adopted by Commission vide Order dated 21st April 2014
	Non R-APDRP Areas		
G	LT Connections (Domestic), Non R-APDRP Areas	30 June 2013	31 March 2016
H	DT Metering, R-APDRP Areas	31 July 2012	31 December 2014
I	All HT & EHT Feeders	30 November 2012	31 December 2014

5.26 The Commission while adopting the revised time lines as submitted by the Petitioner for achieving 100% correct consumer and system metering in the state by end of March, 2016, is of the view that mere extension in the time lines alone is not going to be sufficient for implementation of the metering plan. The Commission, therefore, directs that no further delay in achieving 100% current consumers metering would be allowed beyond March, 2016. Any such delay would not only invite penal action against the Utility i.e the JKPDD-D and would also call for suitable action from the Commission declaring supply of electricity to unmetered consumers as illegal in terms of the provisions of Section 49(1) of J&K Electricity Act 2001 and Commission's orders issued from time to time.

5.27 The Commission directs JKPDD-D to establish and develop authentic third party meter testing mechanism in the State as is required in terms of Section 44 of the Act read with Chapter A5 of the Jammu and Kashmir State Electricity Supply Code, 2011 and report compliance to the Commission with the next Annual Performance Review Petition.

5.28 Further, the Commission also directs that a comprehensive mechanism shall be evolved by the Respondents for closely monitoring the implementation of proposed metering plan at various levels particularly at the level of Administrative Department. The province-wise/ Circle-wise/Division-wise progress report in the light of the revised action plan submitted by the Utility shall be submitted to the Commission on a quarterly basis for review.

5.29 On scrutiny of the data on category wise number of consumers submitted by the Petitioner, the Commission found that the data submitted by the Petitioner was largely consistent with the Suo-moto Order dated 21st April 2014. Thus, against a target of installing 112965 meters during FY 2013-14, 109789 account for new / regularized connections and balance 3176 as replacement of electro mechanical /damaged meters. Likewise for FY 2014-15 against a target of installing 480932 meters, 369203 is proposed to be for new / regularized consumers and balance by way of replacement of electro mechanical/ damaged meters. Therefore, the Commission provisionally approves the number of consumers, connected load and energy sales as per the submission of the Petitioner. The Commission clarifies that no true up shall be allowed in the absence of reliable, verified and audited data.

5.30 Accordingly, number of consumers, connected load and energy sales for FY 2013-14 as approved by the Commission have been summarized in following table:

Table 23: Approved number of consumers, connected load (kW) & Energy Sales (MU) for FY 2013-14

Consumer Category	Consumers (Nos.)	Connected Load (MW)	Energy sales (MU)
Domestic			
Metered	*7,05,629*	*773*	*1,390*
Un-metered	*6,87,250*	*421*	*1,404*
Non - Domestic/ Commercial			
Metered	*1,19,018*	*197*	*305*
Un-metered	*68,848*	*62*	*218*
Agriculture			
Metered	*11,766*	*85*	*229*
Un-metered	*6,775*	*48*	*89*
State/ Central Govt. Departments	10,192	188	477
Public Street Lighting			
Metered	*107*	*5*	*18*
Un-metered	*153*	*6*	*21*
LT Industrial Supply			
Metered	*19,950*	*251*	*294*
Un-metered	*0*	*0*	*0*
HT Industrial Supply	764	299	626
HT PIU	13	33	119
LT Public Water Works			
Metered	*1,194*	*46*	*204*
Un-metered	*644*	*43*	*191*
HT Public Water Works	157	19	95
Bulk Supply	145	57	169
TOTAL	**16,32,605**	**2,533**	**5,849**

5.31 The Commission observes that in past three years i.e. from FY 2010-11 onwards, the JKPDD-D has been able to achieve approx. 28% increase in number of consumers and approx. 56% in connected load. This can be attributed to the intensive efforts undertaken by the JKPDD-D to regularize unauthorized consumers and to revise the connected load of the existing consumers in the State. The Commission appreciates the efforts undertaken by the JKPDD-D but stresses that these efforts need to be fast tracked so as to bring the left over ill legal consumers within the fold of the Utility and achieve 100% consumer metering in the State by end of FY 2015-16 and in the process bring about a significant reduction in the level of AT&C losses.

Losses and Energy Requirement

Petitioners Submission

5.32 During FY 2013-14, the JKPDD-D reported that the distribution losses based on actual data for nine (9) months of FY 2013-14 and projections for remainder year are reported to be 49.5%. The JKPDD-D has achieved loss reduction of approx. 5% during FY 2013-14 from actual losses reported for FY 2012-13 of 54.28%.

5.33 The JKPDD-D submitted that it has initiated several steps to reduce the distribution losses which have historically remained very high. The department has constituted special Enforcement Team in addition to the routine inspection squads at all levels. The teams regularly conduct inspections of all the categories of consumers. During the inspections the illegal connections, defective energy meters, illegal hooking, load in use as against the sanctioned load, incidences of under billing, inspection of capacitors etc., are identified and it is ensured that the defaulters are dealt under rules. The department is taking all the possible administrative and technical measures to reduce the distribution loss and the results during the period are very encouraging. The distribution loss level achieved during FY 2013-14 against the approved target in the MYT Order dated 25th April 2013 has been summarized below.

Table 24: Projected Distribution losses for FY 2013-14 (%)

Particulars	FY 2012-13	FY 2013-14	
	Actual reported now by JKPDD-D	App. by JKSERC in MYT Order	Proj. in APR by JKPDD-D
Distribution Loss (%)	54.28%	43.0%	49.5%

5.34 In addition to above, the Petitioner submitted that estimated inter-state and intra-state transmission losses should be approx. 3.6% and 4.0%, respectively which are same as approved by the Commission in the MYT order dated 25th April 2013 and same has been summarized in the following table.

Table 25: Projected Inter-State and Intra-State Transmission Loss for FY 2013-14 (%)

Particulars	App. by JKSERC in MYT Order	Proj. in APR by JKPDD-D
Inter-state transmission loss	3.6%	3.6%
Intra-state transmission loss	4.0%	4.0%

5.35 The projected energy requirement at the transmission periphery (within State) during FY 2013-14 based on revised energy sales and estimated distribution and intra-state transmission losses has been summarized in the following table.

Table 26: Projected Energy Requirement (MU) for FY 2013-14

Sl. No.	Description	Submitted now by Petitioner
1	Energy Sales(MU)	5,849
2	Distribution Losses (%)	49.50%

Sl. No.	Description	Submitted now by Petitioner
3	**Total Energy required at Dist. Periphery(MU)**	**11,587**
4	Intra-State Transmission losses (%)	4.00%
5	**Total Energy Requirement (MU) at Transmission Periphery**	**12,070**

Commissions Analysis

5.36 The Commission views that even though the JKPDD-D has brought down losses in last two-three years, the T&D losses in the State are still very high. Further, the Commission noted with concern that JKPDD-D has repeatedly failed to achieve the target for loss reduction as set out by the Commission in its previous Tariff Orders.

5.37 The Commission in its MYT Order for period from FY 2013-14 to 2015-16 dated 25th April 2013 had set the target for T&D loss of 45.26% for FY 2013-14 which included 43.0% of distribution losses and 4.0% of intra-state transmission losses. The targets for T&D losses were approved after taking into consideration the JKPDD-D's commitment for metering and implementation of Central Government assisted R-APDRP scheme in the State. In view of above, the Commission directs the JKPDD-D to make serious efforts to achieve the targets set out for reduction in losses and any inefficiency on account of the licensee should not be passed on to the consumers.

5.38 Thus, the Commission approves the same aggregate T&D loss for FY 2013-14 i.e. 45.26% (corresponding to distribution loss of 43.0% and intra-state transmission loss of 4.0%) and any additional power purchase to meet the T&D losses over and above the target loss level has been disallowed by the Commission.

5.39 In addition, the Commission has approved the inter-state transmission losses as per the average transmission losses for northern region during FY 2013-14 as per the report of Northern Region Load Despatch Centre (NRLDC). Accordingly, the Commission has approved inter-state transmission losses at 3.6% for FY 2013-14.

Table 27: Approved Distribution and Transmission Losses FY 2013-14 (%)

Particulars	Submitted now by Petitioner	Approved now by JKSERC
Distribution Loss (%)	49.50%	43.00%
Intra-state Transmission loss (%)	4.0%	4.0%
Inter-state Transmission loss (%)	3.6%	3.6%

5.40 Based on the approved energy sales, distribution loss and intra-state transmission loss, the approved energy requirement at transmission periphery (within state) for FY 2013-14 has been summarized in the following table.

Table 28: Approved Energy Requirement for FY 2013-14 (in MU)

Particulars	Submitted now by Petitioner	Approved now by JKSERC
ENERGY REQUIREMENT		
Energy Sales	5,849	5,849
Add: Distribution Loss (%)	*49.5%*	*43%*
Distribution Loss (MU)	5,738	4,409
Energy Req. @ Dist. periphery	**11,587**	**10,258**
Add: Intra-state Trans. Loss (%)	*4%*	*4%*
Intra-state Trans. Loss (MU)	483	427
Energy Req. @ Trans. Periphery (MU)	**12,070**	**10,685**

Power Purchase Quantum

5.41 Power purchase expenses are the single largest component in the ARR, which form 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. The Commission has exercised due caution in estimating power purchase cost of JKPDD-D for FY 2013-14.

Petitioner's Submission

5.42 JKPDD-D submitted that the energy requirement for the State during FY 2013-14 has been met from following sources:

(a) Power Purchase from JKSPDC

(b) Power Purchase from CPSUs (including free power from select stations)

(c) Power Purchase from other sources (including UI/ bilateral sources/ banking arrangements, etc)

5.43 JKPDD-D stated the energy available from own and JKSPDC stations during FY 2013-14 has been estimated on the basis of actual generation during the first nine (9) months and projections for remaining period. Accordingly, the total energy available from own generating stations and JKSPDC during FY 2013-14 has been projected as 2381 MU.

5.44 Further, JKPDD-D also has firm allocated share in Central Generating Stations (CSGs) of NTPC Ltd, NHPC Ltd, Tehri Hydro Development Corporation (THDC), Satluj Jal Vidyut Nigam Limited (SJVNL) and Nuclear Power Corporation Limited (NPCIL). In addition, some power is also available from unallocated power from CSGs during the year. JKPDD-D has considered the firm allocation of power and unallocated share from different plants of CGS based on the actual for the first nine (9) months and projections for remaining period for estimating energy availability from CGSs. Accordingly, the Petitioner has projected net energy availability from CGSs (through long term power purchase) during FY 2013-14 as 9621 MU.

5.45 In addition to above, JKPDD-D has also entered into banking arrangements with the neighboring states and has banked certain quantum of surplus energy available in the summer/monsoon months. Estimated energy banked in during FY 2013-14 was 856 MU and energy banked out is also considered as 856 MU. Thus, estimated Net Banking during FY 2013-14 has been assumed as zero which is as per the approach followed by the Commission in the past. Further, during FY 2013-14, the JKPDD-D has purchased energy on short term basis to meet shortfall in energy requirement. JKPDD-D purchased 347 MU and 83 MU from IEX and NVVN, respectively during FY 2013-14.

Renewable purchase Obligation (RPO)

5.46 In addition to above, as per the provisions of the JKSERC (Renewable Power Purchase Obligation, its compliance and REC Framework implementation) Regulation, 2011, JKPDD-D has to meet Solar RPO target of 0.25% of energy requirement and non-solar RPO target of 4.75% of energy requirement during FY 2013-14. Based on the estimated energy requirement, the RPO target for solar has been projected as 31 MU and for non-solar as 590 MU. The JKPDD-D submitted it does not have any grid connected solar tie up as yet due to non availability of the grid connected solar in the state. However, the department is trying for a solar tie up with neighboring state. In case of non solar RPO target, the JKPDD-D submitted it has met the target to the extent non-solar RE power available from mini/small hydro stations in the state. Accordingly, Petitioner submitted that it has met non-solar RPO target of 254 MU during FY 2013-14 against total RPO target estimated at 621 MU.

5.47 Based on above, JKPDD-D has submitted that total energy available during FY 2013-14 from all sources is estimated at 12432 MU. Considering inter-state transmission losses, the energy available at transmission periphery during FY 2013-14 is projected at 12070 MU.

Commissions Analysis

5.48 As mentioned in the Petitioner's submission, JKPDD-D sources power from own sources, state owned generating company namely JKSPDC, allocated/ unallocated share in CGSs, banking arrangement, short term purchase through UI, and any other source.

5.49 In order to approve the energy availability from JKSPDC stations, the Commission provisionally approves the estimates submitted by the Petitioner which is subject to true up based on audited data. Accordingly, the Commission approves net energy available from JKSPDC to be 2381 MU for FY 2013-14.

5.50 The energy availability from CGS's stations including NTPC, NHPC, NPCIL, PTC, etc has been estimated on the basis of long term allocated share to JKPDD-D from these stations along with proportion of un-allocated share available during past two years. The average availability from these stations has been worked out, and accordingly, the Commission approves energy available from CPSUs to be 9621 MU for review period of FY 2013-14. This is subject to true up based on audited data.

5.51 The Commission has considered the actual power purchased from short-term purchases from NVVN and IEX during FY 2013-14 in accordance with the Regulation 19 (d) of the JKSERC (Multi Year Distribution Tariff) Regulations, 2012 which states as follows:

"If there is a short term requirement of power by the Distribution Licensee over and above the quantum as approved by the Commission and such requirement is on account of any factor beyond the control of the Licensee (shortage/non-availability of fuel, snow capping of hydro resources inhibiting power generation in sources stipulated in the plan, unplanned/forced outages of power generating units or acts of God), then the cost shall be directly passed on to the customer without prior approval of the Commission."

5.52 Accordingly, the Commission has approved power purchase from NVVN and IEX of 430 MU during FY 2013-14.

Renewable purchase Obligation (RPO)

5.53 In addition to above, the Commission notes that even though JKPDD-D has to procure 5% of its total energy requirement from renewable energy sources during FY 2013-14 as per the RPO targets approved vide JKSERC (Renewable Power Purchase Obligation, its Compliance and REC Framework implementation) Regulations, 2011 and JKSERC Notification No. JKSERC/27 dated 5th March 2013; the Petitioner has not completely met its RPO targets.

5.54 The estimated energy requirement for FY 2013-14 based on review of energy sales and loss for the period has been approved by the Commission at 10685 MU. Accordingly, the RPO target for FY 2013-14 based on obligation of 5% of energy requirement works out to 534 MU which includes solar RPO target of 26 MU and non-solar RPO target of 508 MU. Out of the above estimated target, the JKPDD-D submitted it has met 254 MU of non-solar RPO target through purchase of mini/ small hydro power from JKSPDC. While the entire solar RPO target of 26 MU and partial non-solar RPO target of 254 MU remained unmet during the year. Further, as the FY 2013-14 was already over at the time of issue of this Order, the Commission notes with concern that the Petitioner will be unable to achieve the above mentioned RPO targets for the year. Hence the same has not been considered and accounted for in power purchase computation of FY 2013-14 to the extent of shortfall in the RPO targets.

5.55 The Commission is of the view that the objective of obligating JKPDD-D to purchase power from renewable energy sources is a step towards long term energy security and in case the Petitioner is unable to meet the set targets, the Commission shall undertake appropriate penal action. However, this being first year for implementation of MYT period and the Petitioner has submitted that it was able to meet the non-solar RPO target partially and is making efforts to meet solar RPO through purchase of solar power from neighboring States, the Commission has not carried forward any liability to future years as this would lead to increase in power purchase costs during FY 2014-15. The Commission further clarifies that in future years the Petitioner should make all out efforts to meet RPO targets through purchase of solar/ non-solar power or RECs and any non-compliance shall invite penal action.

5.56 In order to make the compliance with RPO targets more effective, the Commission directs the JKPDD-D to open a separate account for meeting the annual fixed obligation of renewable energy, which includes carry forward balances and purchase of RECs to meet shortfall, if any. This is necessary to ensure the compliance of the relevant regulations. JKPDD-D shall review the position with the Nodal Agencies periodically and report the progress to the Commission. Further, the utilization of the funds created in this account shall be decided by the utility in consultation with the Commission as per the relevant regulations.

Disallowance of power purchase quantum

5.57 As stated in Para 5.38 of this Order, the Commission has disallowed additional power purchase over and above the target loss level of 43.0% by the Petitioner during FY 2013-14. Disallowed units of power purchase works out to 1348 MU. Likewise shortfall in RPO targets has been disallowed. The Utility is totally dependent on the Government for its power purchase budget and the requirement for additional power purchase has not been supported by additional budgetary provisions by the Government for FY 2013-14.

5.58 Based on the above analysis and considering inter-state transmission losses at 3.60% for FY 2013-14, the projected and approved energy availability from all sources during FY 2013-14 has been summarized in the following table:

Table 29: Source-wise Projected and Approved Energy Availability during FY 2013-14 (in MU)

Source	Submitted now by Petitioner	Approved now by JKSERC
A. State-owned Stations		
JKPDD - Own Stations		
Diesel	0	0
Sub-Total (A)	**0**	**0**
B. JKPDC – Thermal		
Kalakote	0	0
Gas Turbine-I	0	0
Gas Turbine-II	0	0
Sub-Total (B)	**0**	**0**
C. JKPDC – Hydel		
LJHP	542	542
USHP-I	94	94
USHP-II	218	218
Ganderbal	23	23

Source	Submitted now by Petitioner	Approved now by JKSERC
Chenani-I	83	83
Chenani-II	7	7
Chenani-III	16	16
Sewa-III	8	8
Karnah	5	5
Sumoor	0	0
Bazgo	0	0
Hunder	1	1
Iqbal Bridge	4	4
Sanjak	1	1
Badherwah	3	3
Pahalgam	5	5
Haftal	1	1
Marpachoo	1	1
Igo-Mercellong	2	2
Stakna	0	0
Matchil	0	0
Sub-Total (C)* (254 MUs reflected in non solar RPO)	**1014**	**1014**
Baglihar (D)	1367	1367
Total State Generation (A+B+C+D)	**2381**	**2381**
E. NTPC		
Anta(G)	218	218
Anta(LNG+L)		
Auriaya(G)	178	178
Auriaya(LNG+L)		
Dadri(G)	322	322
Dadri(LNG+L)		
Unchahar-I	104	104
Unchahar-II	249	249
Unchahar-III	105	105
Rihand-I	548	548
Rihand-II	699	699
Rihand-III	273	273
Singrauli	117	117
Farraka	102	102
Talcher	0	0
Kahalgaon-I	225	225
Kahalgaon-II	600	600
Nctp-2	67	67
Korba-I	98	98
Korba-III	42	42
Mouda	19	19
Sipat-I	155	155

Source	Submitted now by Petitioner	Approved now by JKSERC
Sipat-II	63	63
Vindhyachal-I	78	78
Vindhyachal-2	61	61
Vindhyachal-3	63	63
Vindhyachal-4	42	42
Sub-Total (E)	**4428**	**4428**
F. NHPC		
Salal	724	724
Free power	387	387
Tanakpur	31	31
Chamera-I	88	88
Chamera-II	113	113
Chamera-III	80	80
Uri-I	506	506
Free power	277	277
Uri-II	104	104
Free power	36	36
Dulhasti	245	245
Free power	278	278
Dhauliganga	23	23
Sewa-II	30	30
Free power	51	51
Nimao Bazgo	93	93
Free power	10	10
Chutak	202	202
Free power	30	30
Sub-Total (F)	**3308**	**3308**
SJVNL(G)	562	562
THDC (H)	236	236
THDC Koteshwar (I)	84	84
J. PTC India Ltd.		
PTC(Tala)	64	64
PTC(BHEP)	77	77
Sub-Total (J)	**141**	**141**
K. NPCIL		
NAPS	223	223
RAPP 3&4	271	271
RAPP 5&6	237	237
TAPS 3&4	74	74
KAPS	23	23
Sub-Total (K)	**828**	**828**
JHAJJAR (L)	**35**	**34**

Source	Submitted now by Petitioner	Approved now by JKSERC
M. Total - Outside State sources (E+F+G+H+I+J+K+L)	**9621**	**9621**
N. Other (incl. ST Purchase)		
NVVN/IEX	430	430
Renewable (254 MUs of non solar RPO already reflected in the energy supplied by JKSPDC)*	0	0
UI (-)/(+)	0	0
Sub-total (N)	**430**	**430**
Banking (O)	0	0
Power purchase disallowed (P)	0	-1348
Gross Energy Availability (M + N +O – P)	**12,432**	**11,084**
Less: Inter-state Transmission Loss @ 3.6%	362	399
Net Energy Availability	**12,070**	**10,685**

**Note: 2381 MUs of JKSPDC includes 254 MUs of Non Solar RPO targets*

Power Purchase Cost

Power Purchase from JKSPDC

Petitioner's Submission

5.59 Based on the actual billing of JKSPDC stations for the first nine (9) months and projections for remaining period of FY 2013-14, Petitioner has estimated power purchase cost from JKSPDC generating stations for FY 2013-14 as Rs. 485.73 Cr.

Commission's Analysis

5.60 The Commission has approved the cost of power purchased from JKSPDC stations on the basis of approved energy quantum and the approved tariff as per the JKSPDC's Tariff Order for FY 2013-14. The approved cost of power purchased for FY 2013-14 works out to Rs 474.24 Cr at an average rate of Rs. 1.99 per unit.

Power Purchase from CGSs and Other sources

Petitioner's Submission

5.61 The cost of the power purchased from central generating stations of NTPC, NHPC, NPCIL, other long term sources and short term purchases for FY 2013-14 has been estimated based on the actual billing for the first nine (9) months and projections for remaining period. Accordingly, the Petitioner has submitted that the cost of power purchase from CGSs and short term sources for FY 2013-14 is projected to be Rs. 3053.01 Cr. This cost is excluding water usage charges from NHPC stations, which have been projected separately.

Commission's Analysis

5.62 The Commission has approved cost of power purchase based on revised estimates submitted by the Petitioner after analysis of the power purchase bills submitted by the Petitioner. Accordingly, the Commission approves cost of power purchase from CGSs as Rs. 2907.18 Cr at an average rate of Rs. 3.02 per unit. This includes reactive energy (RE) charges of Rs. 12.36 Cr and surcharge pertaining to current year of Rs. 132.19 Cr for FY 2013-14. In addition, the Commission approved Rs. 147.79 Cr as power purchase cost from short term sources (NVVN/IEX) during FY 2013-14. Thus, total cost of power purchase from CGSs including cost of purchase from short term sources works out to Rs. 3054.97 Cr.

Inter-state transmission Charges

Petitioner's Submission

5.63 Inter-state transmission charges payable to PGCIL are based on the total capacity allocation in transmission network. JKPDD-D has a mix of firm and infirm capacity allocation from various Central Generating Stations which is being revised by Ministry of Power at regular intervals. Inter-state transmission charges based on the actual billing for first nine (9) months and projections for remaining period under review i.e. FY 2013-14 has been estimated as Rs. 335.05 Cr by JKPDD-D.

Commission's Analysis

5.64 The Commission approves the revised estimates of inter-state transmission Charges as Rs. 335.05 Cr as per submission made by JKPDD-D subject to true up based on audited accounts.

Disallowance of Power Purchase costs

5.65 As stated above in Para 5.38, the Commission has disallowed additional power purchase over and above the target loss level by the licensee during the review period. The disallowed units of power purchase works out to be 1348 MU for FY 2013-14.

5.66 The cost of power purchase of units disallowed has been considered as the approved average power purchase rate of gross power purchase from JKSPDC and CGSs which works out to Rs. 3.11 per unit for FY 2013-14. The following table summarizes the cost of power purchase disallowed by the Commission for the MYT control period.

Table 30: Disallowed power purchase cost by the Commission for FY 2013-14 (Rs Cr)

Sl. No.	Description	*UoM*	2013-14
A	Cost of power purchase from JKSPDC & CGSs (incl. inter-state transmission charges)	*Rs Cr*	3,864.26

Sl. No.	Description	UoM	2013-14
B	Quantum of power purchased from JKSPDC & CGSs (Gross)	*MU*	12,432
C	**Average rate of power purchase**	***Rs/KWh***	**3.11**
D	Power purchase units disallowed by the Commission	*MU*	1,348
E	**Disallowed Power purchase cost (C * D / 10)**	***Rs Cr***	**419.06**

5.67 Based on above, the summary of power purchase cost proposed by the Petitioner and approved by the Commission for FY 2013-14 has been presented in following table.

Table 31: Projected and Approved Power Purchase Cost from all sources for FY 2013-14 (Rs Cr)

Particulars	Submitted now by Petitioner	Approved now by JKSERC
Power Purchase from JKSPDC	485.73	474.24
Power Purchased from CGSs (including short term/UI)	3,053.01	3,054.97
Inter-state Transmission charges	335.05	335.05
Sub-total	**3,873.79**	**3,864.26**
Cost of power purchase disallowed	0.00	-419.06
Total Power Purchase cost	**3,873.79**	**3,445.20 ***
Power Purchase quantum (MU)	12,432	11,084
Per unit power purchase cost	***3.12***	***3.11***

* Note: This is subject to providing of additional budgetary allocation by the State Government, as the approved allocated budget for power purchase for JKPDD-D for FY 2013-14 is Rs. 3,336 Cr only.

Water Usage Charges

Petitioner's Submission

5.68 The Hon'ble Commission in its MYT order dated 25th April 2013 approved Rs. 305.65 Cr. as pass through expense on account of water usage charges payable to JKSPDC for FY 2013-14.

5.69 In addition to above, the Petitioner submitted that the NHPC has also raised the bills payable during the period under review on account of water usage charges amounting to Rs. 549 Cr. including Rs. 190 Cr. for the current year and arrears for past years for Salal, Uri, Dulhasti and Sewa generating stations. Thus, JKPDD-D has claimed pass through of water usage charges pertaining to JKSPDC and NHPC for FY 2013-14 as Rs. 495.65 Cr.

Commission's Analysis

5.70 The Commission vide its Order dated 25th April 2013 approved the reimbursement of water usage charges payable by the Petitioner in FY 2013-14 in the light of the orders passed by the State Water Resource Regulatory Authority, Government of Jammu & Kashmir from time to time.

5.71 Accordingly, the Commission approves Rs.305.65 Cr as pass through expense on account of water usage charges of JKSPDC for FY 2013-14 with the direction that the funds to discharge this liability will be provided to the utility by the Government over and above the budgetary allocation for power purchase as claimed by the Petitioner.

5.72 In case of water usage charges payable for NHPC stations, the Commission directed the Petitioner to provide station-wise and monthly details of arrears of water usage charges payable to NHPC stations for FY 2012-13 and FY 2013-14. Any arrears pertaining to period prior to FY 2012-13 should also be provided separately. Subsequently, the Petitioner submitted the details for water usage charges payable for NHPC stations including arrears for past years. However, as this Order pertains to review of FY 2013-14 only and no true up for previous years is allowed in absence of audited data, the Commission approves the water usage charges for NHPC stations pertaining to FY 2013-14 only which amount to Rs 130.55 Cr.

5.73 Thus, total water usage charges approved by the Commission during FY 2013-14 works out to Rs. 436.20 Cr with the direction that the funds to discharge this liability will be provided to the utility by the Government over and above the budgetary allocation for power purchase as claimed by the Petitioner.

Operation & Maintenance (O&M) Expenses

Petitioner's Submission

5.74 The Petitioner submitted that the Operation and Maintenance (O&M) expenses comprises of employee expenses, Repair & Maintenance (R&M) expenses and Administrative & General (A&G) expenses and the costs have been projected separately taking into account different escalation factors.

5.75 The revised figures adopted by the state finance department for FY 2013-14 for the current budget session of the legislative assembly have been considered for the period under review.

Employee Expenses

5.76 The revised estimates for employee expenses for the FY 2013-14 as well as projected expenses as submitted in MYT Petition have been summarized in following table.

Table 32: Projected Employee Expenses for FY 2013-14 (Rs. Cr)

Particulars	Submitted now by Petitioner
Salaries	457.23
Wages	0.39
Compensation	0.40
Medical Reimbursement	1.56
Total	**459.58**

Repairs & Maintenance (R&M) Expenses

5.77 The revised estimates for R&M expenses for the FY 2013-14 as well as projected expenses as submitted in MYT Petition have been summarized in following table.

Table 33: Projected R&M Expenses for FY 2013-14 (Rs Cr)

Particulars	Submitted now by Petitioner
Maintenance & Repair	15
Machinery and Equipment	1.58
Material & Supplies	3.50
Other R&M Expenses	0.60
Total	**20.68**

Administrative & General (A&G) Expenses

5.78 The revised estimates for A&G expenses for the FY 2013-14 as well as projected expenses as submitted in MYT Petition have been summarized in following table.

Table 34: Projected A&G Expenses for FY 2013-14 (Rs Cr)

Particulars	Submitted now by Petitioner
Outsourcing of upkeep	18.18
Electricity Charges	2.12
Travelling Expenses	0.64
Office Expenses	0.60
Professional & SS charges	1.10
Telephone	0.33
Amarnath Yatra	0.29
Stationery & Printing	1.10
Rent Rates & Taxes	0.33
Other Expenses	1.13
Total	**25.83**

Commission's Analysis

5.79 The O&M expenses for the FY 2013-14 are approved by the Commission in accordance with Regulation 22 of the JKSERC (Multi Year Distribution Tariff) Regulations, 2012 and methodology approved in MYT Order dated 25th April 2013. Accordingly, the Commission has approved separate norms for each of the components of O&M expenses viz., Employee cost, R&M expense and A&G expense.

Employee expenses

5.80 As per Regulation 22.1 of the above-mentioned regulations, employee cost for 'n' year (EMP_n) during the MYT period would be determined on the basis of norm for employee cost (EMP_b) escalated by average Consumer Price Index (CPI) inflation rate for immediately preceding three years and includes provisions for one-time costs such as Pay commission arrears, etc. The formula for projection of employee cost is as follows:

$$\mathbf{EMP_n = (EMP_b * CPI\ Inflation\ Rate) + Provisions}$$

Where,
EMP_n *= Employee expense for year 'n'*
EMP_b *= Employee expense as per norm*
CPI Inflation = average increase in CPI for immediately preceding three years
Provisions = Provisions for uncontrollable or one-time expenses

5.81 Accordingly, the Commission has fixed the norm for employee cost on the basis of employee cost per personnel. The actual bifurcated employee cost and number of employees for distribution business for FY 2010-11 and FY 2011-12 has been considered to determine employee cost per personnel for FY 2010-11 and FY 2011-12 which comes to Rs.2 lakh per employee and Rs.3.20 lakh per employee, respectively. An average of the two is then calculated to arrive at EMP_b for the MYT period which works out to be Rs.2.60 lakh per employee. The following table summarises the computation of norm for employee cost.

Table 35: Norm for Employee Expenses

Description	Units	2010-11	2011-12
Apportioned employee cost for previous years	Rs Cr	302.44	377.56
Number of employees as per Year Book for FY 2011-12	No.	15,399	11,959
Employee cost per personnel	Rs Cr/employee	0.020	0.032
EMP_b	**Rs Cr/employee**	**0.026**	

5.82 This EMP_b is then escalated by average CPI index for previous three years worked out to be 9.50% per annum to arrive at EMP_n without adjustment for provisions. This is then multiplied by number of employees during FY 2013-14 to arrive at employee cost for FY 2013-14. The number of employees for FY 2013-14 has been considered based on actual employees for FY 2012-13 as per the year book for the year. Further, the provision for 6^{th} Pay Commission arrears is allowed as pass through during the MYT period in the ratio allocated to distribution business. Accordingly, 87% of the cost pertaining to 6^{th} Pay Commission arrears of Rs.42.81 Cr had been allocated to distribution business for MYT period which works out to Rs.37.38 Cr.

5.83 The number of employees is subject to true up on basis of actual bifurcated number of employees for Distribution business of JKPDD-D. As stated in para above the number of employees for estimation of O&M costs for FY 2013-14 has been considered as per FY 2012-13 year book. Thus, due to unavailability of requisite data from the petitioner, the Commission has assumed the number of employees to be same in FY 2013-14, which is subject to true up based on actual number of employees. Based on above, the approved employee expenses for FY 2013-14 have been summarised in following table.

Table 36: Approved Employee Expenses for FY 2013-14 (Rs Cr)

Description	Units	Norm	2013-14
EMP_b (A)	Rs Cr/employee	0.026	
CPI Inflation rate (B)	%	9.50%	
Number of employees (C)	No.		13,178
EMP_n (D = A * B)	Rs Cr/employee		0.028
Employee Expenses without provisions (E = C * D)	**Rs Cr**		**369.50**
Arrears for 6^{th} Pay Commission	Rs Cr		42.81
Allocated to Distribution (87% of total) (F)	*Rs Cr*		*37.38*
Employee expenses with provisions (G = E + F)	**Rs Cr**		**406.88**

A&G expenses

5.84 As per Regulation 22.3 of the above-mentioned regulations, A&G cost for 'n' year ($A\&G_n$) during the MYT period would be determined on the basis of norm for A&G cost ($A\&G_b$) escalated by average Wholesale Price Index (WPI) inflation rate for immediately preceding three years including any past arrears/ provisions being beyond the control of the Petitioner. The formula for projection of A&G cost is as follows:

$$A\&G_n = (A\&G_b * \text{WPI Inflation Rate}) + \text{Provisions}$$

Where,
$A\&G_n$ = A&G costs for year 'n'
$A\&G_b$ = A&G costs as per norm
WPI Inflation = average increase in WPI for immediately preceding three years
Provisions = Provisions for uncontrollable or one-time expenses

5.85 Accordingly, the Commission has fixed the norm for A&G cost on the basis of A&G cost per personnel. The actual bifurcated A&G cost and number of employees for distribution business for FY 2010-11 and FY 2011-12 has been considered to determine A&G cost per personnel for FY 2010-11 and FY 2011-12 which comes to Rs.0.12 lakh per employee and Rs.0.19 lakh per employee, respectively. An average of the two is then calculated to arrive at $A\&G_b$ which works out to be Rs.0.16 lakh per employee. The following table summarises the computation of norm for A&G cost.

Table 37: Norm for A&G costs

Description	Units	2010-11	2011-12
Apportioned A&G cost for previous years	Rs Cr	18.53	23.03
Number of employees as per Year Book for FY 2011-12	No.	15,399	11,959
A&G cost per personnel	Rs Cr/employee	0.001	0.002
$A\&G_b$	**Rs Cr/employee**	**0.002**	

5.86 This $A\&G_b$ is then escalated by average WPI index for previous three years worked out to 7.42% per annum to arrive at $A\&G_n$ without adjustment for provisions. As the JKPDD-D has claimed no adjustments for A&G, the Commission has also not considered any provisions for A&G cost.

5.87 The number of employees is subject to true up on basis of actual bifurcated number of employees for Distribution business of JKPDD-D for FY 2013-14. Based on above, the approved A&G expenses for FY 2013-14 have been summarised in following table.

Table 38: Approved A&G Expenses for FY 2013-14 (Rs Cr)

Description	Units	Norm	2013-14
$A\&G_b$ (A)	**Rs Cr/employee**	**0.002**	
WPI Inflation rate (B)	%	**7.42%**	
Number of employees (C)	No.		13,178
$A\&G_n$ (D = A * B)	**Rs Cr/employee**		0.0017
A&G Costs (E = C * D)	**Rs Cr**		**22.15**

R&M Expenses

5.88 As per Regulation 22.2 of the above-mentioned regulations, R&M cost for 'n' is to be determined based on average proportion (i.e. K) of actual R&M costs of opening Gross fixed assets (GFA) for previous years. The formula for projection of R&M cost is as follows:

$$\mathbf{R\&M_n = K_b * GFA_n}$$

Where,
$R\&M_n$ = R&M Cost for year 'n'
GFA_n = opening GFA for year 'n'
K_b = Percentage point as norm

5.89 The Commission has estimated the 'K' factor by considering the average of proportion of R&M costs of the opening GFA for FY 2010-11 and FY 2011-12. The actual bifurcated R&M costs for JKPDD-D have been considered at Rs.25.04 Cr and Rs.27.78 Cr for FY 2010-11 and FY 2011-12, respectively. In case of absence of asset-wise break up of GFA and basis of segregation to transmission and distribution business, the Commission has considered the opening GFA for FY 2010-11 and FY 2011-12 as per its approval in previous Tariff Orders. Further, the approved GFA for JKPDD-D as whole is bifurcated to transmission and distribution function in the same ratio as submitted by the Petitioner i.e.26:74 ratio, respectively. Accordingly, approved GFA for FY 2010-11 and FY 2011-12 for distribution function has been considered at Rs.1,805.71 Cr and Rs.2,161.17 Cr, respectively.

5.90 Based on above, proportion of R&M costs to opening GFA for FY 2010-11 and FY 2011-12 works out to 1.39% & 1.29%, respectively. Thus 'Kb' is determined as average of previous year's ratios i.e. 1.34% of opening GFA for year 'n'.

5.91 The determination of norm for R&M cost (i.e. K factor) has been summarised in following table.

Table 39: Norm for R&M Expenses

Description	Units	2010-11	2011-12
Apportioned R&M cost for previous years	Rs Cr	25.04	27.78
Approved opening GFA as per previous Tariff Orders for JKPDD as whole	Rs Cr	2,440.15	2,920.50
Proportion of GFA attributable to distribution business	%	74%	74%
Opening GFA for JKPDD-D	Rs Cr	1,805.71	2,161.17
R&M Cost/ opening GFA	%	1.39%	1.29%
K_b (norm)	**%**	**1.34%**	

5.92 The normative 'K_b' factor is then multiplied by the approved opening GFA for FY 2013-14 by the Commission for approval of Business plan for JKPDD-D to project the R&M costs for MYT period. The approved R&M costs for the MYT period have been summarised below.

Table 40: Approved R&M Expenses for FY 2013-14 (Rs Cr)

Description	Units	Norm	2013-14
K_b	**%**	**1.34%**	
Opening GFA for JKPDD-D as per Order dated 22nd March 2013 for approval of Business plan for JKPDD-D	Rs Cr		2,542.71
Approved R&M costs	**Rs Cr**		**33.97**

5.93 The following table summarizes the O&M cost as proposed by the Petitioner and as approved by the Commission for FY 2013-14:

Table 41: Projected and Approved O&M Expenses for FY 2013-14 (Rs. Cr)

Particulars	Approved in MYT Order	Submitted now by Petitioner	Approved now by JKSERC
Employee Expenses	375.46	459.58	406.88
Admin & General Expenses	20.10	20.68	22.15
R&M Expenses	33.97	25.83	33.97
Total	**429.53**	**506.08**	**463.00**

Capitalization and Gross Fixed Assets (GFA)

Petitioner's Submission

5.94 The asset capitalization schedule for FY 2013-14 based on the various project being undertaken has been projected as under by the Petitioner:

Table 42: Projected Capitalization Plan for FY 2013-14 (Rs. Cr)

S.No	Description	Approved in MYT Order	Submitted now by Petitioner
1	New Distribution Works	27.17	40.28

S.No	Description	Approved in MYT Order	Submitted now by Petitioner
3	RGGVY Projects	174.23	174.23
4	R-APDRP Projects	272.95	125.00
5	REC Funded Projects	34.52	25.00
6	Others	31.68	10.00
	Total	**540.54**	**374.51**

5.95 The Petitioner submitted that the opening GFA for FY 2014-14 stood at Rs. 4744.00 Cr and based on above, the Petitioner has submitted that the closing GFA for FY 2013-14 would be Rs. 5118.51 Cr.

Commission's Analysis

5.96 The Commission has approved capitalization for each scheme as per the submission by the petitioner for the FY 2013-14 subject to true up based on audited accounts. Further, the Commission vide its Suo-moto Order dated 21st April 2014 also allowed additional capital expenditure for metering of consumers for FY 2013-14 as Rs. 23.45 Cr. However, as the FY 2013-14 was completed at the time of issue of Suo-moto Order, the Commission will consider this amount to be capitalized during FY 2014-15 as per submission made by the Petitioner along with next tariff petition. Accordingly, the Commission has provisionally approved capitalization for FY 2013-14 as Rs. 374.51 Cr as submitted by the Petitioner subject to the submission of audited statements at the time of true-up.

5.97 The opening GFA for FY 2013-14 has been considered as Rs. 2542.71 Cr as approved by the Commission in MYT Order dated 25th April 2013. This is because the Petitioner has not submitted asset-wise details of opening of GFA for transmission and distribution business. Further, as the audited accounts for FY 2012-13 have not been submitted and true up for the year is not allowed, the approved GFA as on 31st March 2013 i.e. Rs. 2542.71 Cr has been considered by the Commission.

5.98 Based on the approved opening GFA and the approved capitalization for FY 2013-14, the Commission approves Rs. 2917.22 Cr as closing GFA for FY 2013-14.

5.99 The following table summarizes opening GFA, assets capitalized and closing GFA for FY 2013-14 as projected by Petitioner and provisionally approved by the Commission subject to the submission of audited statements at the time of true up:

Table 43: Projected and provisionally approved Capitalization and GFA for FY 2013-14 (Rs. Cr)

Particulars	Approved in MYT Order	Submitted now by Petitioner	Approved now by JKSERC
Opening Balance	2,542.71	4,744.00	2,542.71
Addition during the year	540.54	374.51	374.51
Closing Balance	**3,083.25**	**5,118.51**	**2,917.22**

Depreciation

Petitioner's Submission

5.100 The JKPDD-D has estimated depreciation on closing GFA for FY 2013-14 which is funded through REC loan only. The Petitioner has applied the average depreciation rate of 3.6% on the closing GFA to estimate the depreciation for FY 2013-14 which works out to Rs. 6.62 Cr. This is in line with the methodology adopted by the Commission in its MYT Order dated 25th April 2013.

5.101 However, JKPDD-D has requested the Commission to consider entire gross fixed asset for calculation of depreciation.

Commission's Analysis

5.102 The Regulation 24 (b) of the JKSERC (Multi Year Distribution Tariff) Regulations, 2012 provides that depreciation shall not be allowed on assets funded by capital subsidies, consumer contributions or grants. However as details of segregated assets into transmission and distribution functions of the utility and the financing of GFA for distribution business have not been submitted separately, the Commission has approved the depreciation on the assets funded by loan from REC only which is in accordance with the methodology approved by the Commission in MYT Order dated 25th April 2013.

5.103 With regard to rate of depreciation, the Commission agrees with the Objectors, that the Petitioner must submit asset-wise details of GFA. However, till such time the process for segregation of assets is completed, the Commission has considered the average rate of depreciation of 3.6% for calculation of depreciation, considering useful asset life of 25 years and a residual value of 10% as also approved by it in MYT Order dated 25th April 2013.

5.104 The Commission has calculated the depreciation on the average GFA during the year and not on the closing GFA as calculated by the Petitioner as the additions to the GFA take place throughout the year and the average of the opening and closing GFA gives a more realistic view.

5.105 The depreciation cost as approved in previous MYT Order, projected now by Petitioner and provisionally approved now by the Commission subject to the submission of audited accounts at the time of true –up for FY 2013-14 has been summarized in following table:

Table 44: Projected and provisionally approved Depreciation Charges for FY 2013-14 (Rs Cr)

Particulars	Approved in MYT Order	Submitted now by Petitioner	Approved now by JKSERC
Opening Balance of assets funded through loan (REC projects only)	168.21	159.00	159.00
Assets capitalized during the year funded by loans (REC projects only)	34.52	25.00	25.00
Closing Balance of assets funded through loan (REC projects only)	**202.73**	**184.00**	**184.00**

Particulars	Approved in MYT Order	Submitted now by Petitioner	Approved now by JKSERC
Average balance	**185.47**	**171.50**	**171.50**
Average Depreciation rate (%)	3.60%	3.60%	3.60%
Depreciation	**6.68**	**6.62 ***	**6.17**

* Note: Petitioner has calculated depreciation on closing GFA i.e. Rs. 184 Cr instead of average GFA as approved by the Commission.

Interest and Finance Charges

Interest on Loans

Petitioner's Submission

5.106 Based on the actual loan balance, receipts and repayments during FY 2013-14 and the interest rate of 9.39% as applied by the Commission in MYT Order, the Petitioner has estimated interest and finance charges as Rs. 16.14 Cr for FY 2013-14.

Commission's Analysis

5.107 The Commission has approved the interest and finance charges on loan as per the following approach:

(a) The outstanding balance of term liabilities as on 31st March 2013 has been considered as per submission made by the Petitioner which is same as approved in MYT Order dated 25th April 2013.

(b) Additions in loan during the year have been considered as per approved capitalization for REC funded projects i.e. Rs. 25 Cr.

(c) Rate of interest has been considered as per the average of approved rate of interest for previous two years i.e. FY 2011-12 & FY 2012-13, which works out to 9.39% and is same as considered in the MYT Order dated 25th April 2013.

5.108 The Commission has calculated the interest on the average loan balance during the year and not on the closing loan balance as calculated by the Petitioner as the receipts and repayments take place throughout the year and the average of the opening and closing loan balance gives a more realistic view.

5.109 Based on the above approach, the following table summarizes the interest and finance charges approved in previous MYT Order, projected now by Petitioner and provisionally approved now by the Commission for FY 2013-14 subject to submission of audited accounts at the time of true-up.

Table 45: Projected and provisionally approved Interest and Finance Charges for FY 2013-14 (Rs. Cr)

Particulars	Approved in MYT Order	Submitted now by Petitioner	Approved now by JKSERC
Opening Loan balance (REC funded projects only)	158.96	159.00	159.00
Additions during the year (REC funded projects only)	34.52	25.00	25.00
Actual Repayments during the year	10.00	12.05	12.05
Closing Loan balance	**183.48**	**171.95**	**171.95**
Average Loan Balance	171.22	165.48	165.48
Rate of interest (%)	9.39%	9.39%	9.39%
Interest on Term Loans	**16.08**	**16.14 ***	**15.54**

* Note: Petitioner has calculated interest on closing balance i.e. Rs. 171.95 Cr instead of average loans as approved by the Commission.

Interest on Working Capital

5.110 The Petitioner submitted that it has claimed normative interest on working capital for the MYT control period as per the relevant provisions of the JKSERC (Multi Year Distribution Tariff) Regulations, 2012. The methodology considered for estimating normative working capital requirements:

(a) O&M expenses for 1 month;

(b) Maintenance spares @ 1% of opening GFA;

(c) Receivables for 2 months

5.111 The interest on working capital has been considered at normative interest rate of 15% which is prevailing J&K Bank's Prime Lending Rate. Accordingly, the Petitioner has projected interest on normative working capital for FY 2013-14 as Rs. 53.60 Cr as against Rs. 48.71 Cr approved by the Commission in MYT Order dated 25th April 2013.

Commission's Analysis

5.112 The Commission has estimated the interest on normative working capital as per Regulation 26 of the JKSERC (Multi Year Tariff Distribution) Regulations, 2012. Accordingly, the normative working capital requirements for FY 2013-14 has been projected on the basis of the following methodology:

(a) O&M expenses for one month;

(b) Two months equivalent of expected revenue;

(c) Maintenance spares @ 40% of R&M expenses for one month;

(d) Less: Security deposits from consumers, if any.

5.113 Further, as per the Regulation, the rate of interest for computation of interest on normative working capital shall be considered equal to the J&K Bank Advance Rate as on date on which the petition for determination of tariff is accepted by the Commission. Accordingly, the Commission has considered interest rate for working capital as equivalent to J&K Bank Advance rate i.e. 14.75% for computation of interest on working capital for FY 2013-14.

5.114 Accordingly, the Commission approves the interest on normative working capital for FY 2013-14 as Rs.53.84 Cr. The interest on normative working capital as approved in previous MYT Order, projected now by Petitioner and approved now by the Commission for FY 2013-14 has been summarized in following table.

Table 46: Projected and Approved Interest on Working Capital for FY 2013-14 (in Rs. Cr.)

Particulars	Approved in MYT Order	Submitted now by Petitioner	Approved now by JKSERC
O & M Expenses for one month	35.79	42.17	38.58
Expected Revenue for two months	287.79	314.33	325.32 *
Maintenance Spares @ 40% of R&M expenses for one month	1.13	0.86	1.13
Normative Working Capital	**324.72**	**357.36**	**365.03**
Rate of Interest	15%	15%	14.75%
Interest on Working Capital	**48.71**	**53.60**	**53.84**

* Note: Expected revenue for two months is higher than projected as approved revenue at existing tariffs based on approved number of consumers, connected load, energy sales and existing tariffs has been approved as Rs. 1951.89 Cr against projected revenue of Rs. 1,777.41 Cr only.

Return on Equity

Petitioner's Submission

5.115 The JKSERC MYT Regulations, 2012, has approved pre-tax rate of reasonable return of 15.5% for Distribution Company. JKPDD-D does not have any normative equity as the entire capital expenditure has been funded by way of grants, except for a small portion of term debt. Further, the capital expenditure proposed in the MYT period is expected to be totally funded by way of Grants from GoJK or GoI. Hence, the Petitioner has not claimed any return on equity for FY 2013-14.

Commission's Analysis

5.116 The Commission accepts the submission made by the Petitioner and has not approved any return on equity for FY 2013-14.

Non-tariff Income

Petitioner's Submission

5.117 Non-Tariff Income consists of all those incomes from the business of retail supply of power excluding the income earned from sale of power. Non-Tariff income includes income from delayed payment charges (surcharge), rentals for meters and other equipments, miscellaneous charges from consumers (comprising of services rendered to consumers like reconnection/ disconnection, fuse off calls, etc.). The Petitioner has projected non-tariff income for FY 2013-14 to be in line with that approved in MYT Order dated 25th April 2013 i.e. Rs. 14.09 Cr.

Commission's Analysis

5.118 The Commission accepts the submission made by the Petitioner and provisionally approves non tariff income for FY 2013-14 at Rs. 14.09 Cr. However, this is subject to true up based on audited accounts for the year.

Intra-state transmission charges

Petitioner's Submission

5.119 The Intra-state transmission charges for FY 2013-14 have been considered same as approved by the Commission in the MYT Order for the Control Period FY 2013-14 to FY 2015-16 i.e. Rs. 105.33 Cr.

Commission's Analysis

5.120 The Commission has considered the intra-state transmission charges as per the ARR approved in the APR Order for FY 2013-14 for JKPDD-Transmission business dated 20th June 2014. Accordingly, the intra-state transmission charges for FY 2013-14 have been approved as Rs. 102.69 Cr.

Sharing of aggregate gains/losses

Petitioner's Submission

5.121 The Petitioner in its APR Petition for FY 2013-14 has not made any claim for sharing of aggregate gains/ losses on account of AT&C losses being controllable in nature as per the JKSERC (Multi Year Distribution Tariff) Regulations, 2012.

Commission's Analysis

5.122 The Regulation 11.2 of the JKSERC (Multi Year Distribution Tariff) Regulations, 2012, provides for sharing of gains/ losses on account of controllable factors of Aggregate AT&C loses as follows:

"11.2 The approved aggregate loss to the Distribution Licensee on account of

controllable factor of aggregate technical and commercial (AT&C) losses shall be dealt with in the following manner:

(a) One-third of the amount of such loss may be passed on as an additional charge in tariff over such period as may be stipulated in the Order of the Commission; and

(b) The balance amount of loss shall be absorbed by the Distribution Licensee."

5.123 However, Regulation 8.2, as amended as per Commission's Order dated 2nd July 2013, states that any truing up of expenses shall be done on basis of audited accounts only. The relevant Regulation has been reproduced as follows:

"Provided that truing up of expenses for any year shall be carried out on the basis of the audited annual accounts for the year subject to prudence check by the Commission."

5.124 Thus, in absence of established/ authenticated baseline data and audited accounts for the year, it is not in the fitness of things to estimate sharing of gains and losses on basis of provisional accounts as part of review exercise. Thus, the Commission has not considered any sharing of gains/ losses on account of controllable factors and same will be considered at the time of True up based on audited accounts for the year.

Aggregate Revenue Requirement (ARR) for FY 2013-14

5.125 Based on the various components as discussed above, the summary of ARR for the FY 2013-14 as submitted by the Petitioner and as approved by the Commission has been summarized in the following table.

Table 47: Summary of ARR for FY 2013-14 (Cr)

Particulars	Approved in MYT Order	Submitted now by Petitioner	Approved now by JKSERC
Power Purchase Cost	2,916.02	3,873.79	3,445.20 *
Water usage charges (JKSPDC+NHPC)	305.65	495.65	436.20 #
Intra-state transmission Charges	105.33	105.33	102.69
Operation and Maintenance Cost	429.53	506.08	463.00
Interest Cost	16.08	16.14	15.54
Depreciation	6.68	6.62	6.17
Interest on Working Capital	48.71	53.60	53.84
Sub-total	**3,828.00**	**5,057.21**	**4,522.64**
Add: Return on Equity	0.00	0.00	0.00
Less: Non-Tariff Income	14.09	14.09	14.09
Aggregate Revenue Requirement	**3,813.90**	**5,043.12**	**4,508.55**

* Note: This is subject to providing of additional budgetary allocation by the State Government, as the approved allocated budget for power purchase for JKPDD-D for FY 2013-14 is Rs. 3,336 Cr only.

#Note: This is subject to providing of additional budgetary allocation by the State Government, over and above the power purchase cost.

Revenue from Sale of Power at Existing Tariffs

Petitioner's Submission

5.126 Based on the projected energy sales, number of consumers and connected load based on actual for the first nine (9) months and estimated for remaining period of FY 2013-14 and the category-wise approved tariffs as per the MYT Order dated 25th April 2013, the revenue assessed at the existing tariff by the Petitioner for FY 2013-14 works out to Rs. 1,777.41 Cr as against approved revenue of Rs. 1872.70 Cr by the Commission in the MYT Order dated 25th April 2013.

Commission's Analysis

5.127 The Commission, in the MYT Order dated 25th April 2013 had estimated the sales and demand for FY 2013-14 in accordance with the Regulations 16 & 17 of the JKSERC (Multi Year Distribution Tariff) Regulations, 2012. Based on the approved energy sales for FY 2013-14 i.e. 5,263 MU and the approved revenue realization at revised tariff for FY 2013-14 and 100% collection efficiency, the revenue from sale of power was approved at Rs.1872.70 Cr in the MYT Order dated 25th April 2013.

5.128 Based on the revised approved number of consumers, connected load, energy sales and existing tariffs as per the MYT order dated 25th April 2013, the Commission has now estimated the revenue realization for FY 2013-14 as Rs. 1951.89 Cr.

5.129 The consumer category-wise revenue assessed from sale of power for FY 2013-14 as approved in MYT order, projected now by Petitioner and approved now by the Commission is summarized as follows.

Table 48: Projected and Approved Revenue from Sale of power for FY 2013-14 (Rs Cr)

Sl. No.	Consumer Category	Approved in MYT Order	Submitted now by Petitioner	Approved now by JKSERC
1	Domestic	481.94	524.38	596.87
2	Non Domestic / Commercial	209.40	169.40	190.06
3	Agriculture	99.84	81.00	107.25
4	State / Central Govt. Department	327.42	307.43	299.56
5	Public Street Lighting	17.95	19.62	18.96
6	LT industrial Supply	126.65	102.54	191.30
7	HT Industrial Supply	258.58	216.82	252.25
8	HT-PIU Industrial Supply	54.40	43.38	54.02
9	LT Public Water Works	163.21	192.77	191.30
10	HT Public Water Works	52.21	42.31	49.16
11	General Purpose Bulk	81.10	77.76	90.50
	Total	**1872.70**	**1777.41**	**1951.89**

Revenue Gap

Petitioner's Submission

5.130 Based on the revised estimates of ARR for FY 2013-14 i.e. Rs. 5043.12 Cr and assessed revenue realization for FY 2013-14 i.e. Rs. 1777.41 Cr, the Petitioner has estimated revenue gap at existing tariffs for FY 2013-14 to be Rs. 3265.71 Cr.

Commission's Analysis

5.131 Based on the approved ARR for FY 2013-14 of Rs. 4508.55 Cr and approved revenue assessed for FY 2013-14 i.e. Rs. 1951.89 Cr as per the review exercise for FY 2013-14, the Commission estimated revenue gap for FY 2013-14 as Rs. 2556.65 Cr as against Rs. 3265.71 Cr claimed by the Petitioner. This is subject to true up based on audited accounts and actuals for FY 2013-14 to be submitted along with next tariff petition.

5.132 The following table summarizes the revenue gap for FY 2013-14 as approved in MYT order, projected now by Petitioner and approved now by the Commission.

Table 49: Projected and Approved Revenue Gap at Existing Tariffs for FY 2013-14 (Rs Cr)

Sl. No.	Particulars	Approved in MYT Order	Submitted now by Petitioner	Approved now by JKSERC
1	Aggregate Revenue Requirement.	3813.90	5043.12	4508.55
2	Revenue Assessed	1872.70	1777.41	1951.89
3	**Revenue Gap**	**(1941.20)**	**(3265.71)**	**(2556.65)**

5.133 Further, as per the approach adopted by the Commission for cost coverage in its previous Tariff Orders, the Commission has determined Average Cost of Supply at Approved Loss Level ($ACOS_{AL}$) to measure approved cost of supply keeping in mind approved losses, Average Cost of Supply at Zero Loss level ($ACOS_{ZL}$) to determine tariffs to recover atleast power purchase and other distribution costs without booking huge losses simply to avoid tariff shock to consumers and Average Cost of Supply at Prudent Loss level ($ACOS_{PL}$) to determine gradual movement towards recovery of average cost of supply at targeted/ prudent loss levels.

5.134 For computation of average cost of supply at different loss levels, the Commission considered the following:

(a) **Average Cost of Supply at Approved Loss ($ACOS_{AL}$):** The Commission has calculated the $ACOS_{AL}$ by dividing the overall ARR of the utility by the approved energy sales quantum (units) for any financial year.

(b) **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.

(c) **Average Cost of Supply at Prudent Loss ($ACOS_{PL}$):** The Commission has calculated the $ACOS_{PL}$ 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.

(d) **Prudent level of T&D losses:** The Commission has considered T&D losses of 23.65% as the prudent level of T&D losses (the average T&D loss at the national level as per the Central Electricity Authority). 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%. 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.

5.135 It is also pertinent to mention here, that even though the Commission determines $ACOS_{PL}$ i.e. average cost of supply at prudent loss levels, it is a benchmark figure aimed to move tariffs in direction of cost recovery; however same has to be matched by performance and efficiency improvement by the JKPDD-D. At present, the tariffs in the State are fixed to recover ACOS at Zero Losses only.

5.136 The following table summarizes ACOSAL, ACOSZL and ACOSPL as approved by the Commission in the MYT Order dated 25th April 2013, proposed now by the Petitioner and approved now by the Commission for FY 2013-14:

Table 50: Projected and approved average COS for FY 2013-14 (Rs/KWh)

Sl. No.	Particulars	Derivation	Approved in MYT Order	Submitted now by Petitioner	Approved now by JKSERC
A	Energy Sales (MU)	-	5,263	5,849	5,849
B	T&D Losses (%)	-	45.26%	51.54%	45.26%
C	Power Purchase Quantum (MU)	-	9614	12070	10685
D	Aggregate Revenue Requirement (Rs Cr)	-	3813.90	5043.12	4508.55
E	**COS as actual / approved losses (CoS_{AL}) (Rs/KWh)**	**[E = D/ A * 10]**	**7.25**	**8.62**	**7.71**
F	**CoS at Zero Losses (CoS_{ZL}) (Rs/KWh)**	**[F = D / C * 10]**	**3.97**	**4.18**	**4.22**
G	**CoS at Prudent Losses (CoS_{PL}) (Rs/KWh)**	**[G = D/ (C * (1-H)) *10]**	**5.22**	- *	**5.53**
H	Approved average realization rate	-	3.56	3.04	3.34

Note 1: * The Petitioner has not submitted any estimates of prudent loss levels.
Note 2: The prudent loss level for FY 2013-14 is considered as 23.65% (as per monthly statistics by CEA, www.cea.nic.in)

CHAPTER 6: DETERMINATION OF ARR FOR FY 2014-15

6.1 This section contains a summary of projections made for revised ARR for FY 2014-15 and approval of costs and revenue for FY 2014-15.

6.2 The Petitioner has also submitted revised projections for FY 2015-16 as part of its APR Petition, however as the scope of this Order pertains to approval of APR for FY 2013-14 and revision of tariffs for FY 2014-15 only, the Commission has analyzed the impact of certain changes including the number of projected consumers with installation of correct meters on the ARR for FY 2014-15 as part of this Order. The review of projections for FY 2015-16 will be carried out along with next tariff petition.

Sales Projections

Petitioners Submission

6.3 The projections have been made on the basis of revised estimates of the FY 2013-14 and the cumulative annual growth rate CAGR for consumer growth, connected load growth and sale of energy across the various categories.

Table 51: Projected number of consumers, connected load (MW) & energy sales (MU) for FY 2014-15

S. No	Consumer Category	No of Consumers	Connected Load (MW)	Energy Sales (MU)
1	Domestic			
	- Metered	1044331	1013	1967
	- Unmetered	501693	333	1095
2	Non Domestic / Commercial			
	- Metered	146392	229	371
	- Unmetered	45440	53	176
3	Agriculture/Irrigation.			
	- Metered	14590	104	298
	- Unmetered	4406	34	67
4	State / Central Govt. Departments.			
	- Metered	10396	201	486
	- Unmetered	0		
5	Public Street Lighting			
	- Metered	171	7	28
	- Unmetered	101	5	16
6	LT industrial Supply			
	- Metered	20150	259	305
	- Unmetered			
7	HT Industrial Supply			
	- Metered	787	338	679
	- Unmetered			
8	HT-PIU Industrial Supply			
	- Metered	14	38	125
	- Unmetered			
9	LT Public Water Works			
	- Metered	1433	59	233
	- Unmetered	425	33	206

S. No	Consumer Category	No of Consumers	Connected Load (MW)	Energy Sales (MU)
10	HT Public Water Works			
	- Metered	163	21	96
	- Unmetered			
11	General Purpose / Bulk Supply			
	- Metered	149	60	176
	- Unmetered			
Grand Total		**17,90,641**	**2787**	**6323**

Commissions Analysis

6.4 On scrutiny of the projections of the category wise number of consumers submitted by the Petitioner, the Commission found that the data submitted by the Petitioner was consistent with the revised metering plan submitted by the Petitioner and adopted by the Commission vide its Suo-moto Order dated 21st April 2014. The Commission is also aware that the Petitioner is making efforts to regularize unauthorized consumers. Thus, the Commission provisionally approves the number of consumers, connected load and energy sales for un-metered consumers as per the submission made by the Petitioner. The Commission clarifies that no true up shall be allowed in the absence of reliable, verified and audited data.

6.5 The category wise number of consumers, connected load and sales with respect to metered consumers have been revised based on the category wise compounded annual growth rates (CAGR) for previous three years (FY 2009-10, FY 2010-11 and FY 2011-12) and applied on estimated consumers, connected load and energy sales for FY 2013-14. Further the unmetered consumers proposed to be metered during the year i.e. FY 2014-15 has also been added to the metered category along with the projected connected load and energy sales.

6.6 It is clarified that the Commission has maintained the methodology of forecast of these parameters as per the MYT Order dated 25th April 2013 in order to facilitate consistency and predictability as envisaged in MYT regime.

6.7 Accordingly, the number of consumers, connected load and energy sales as submitted by the Petitioner and approved by the Commission for FY 2014-15 have been summarized in following tables:

Table 52: Consumer category-wise number consumers (Nos.) approved for FY 2014-15

S. No	Consumer Category	FY 2014-15	
		Submitted now by Petitioner	Approved now by JKSERC
1.	Domestic		
	Metered	*10,44,331*	*10,44,331*
	Un-metered	*5,01,693*	*5,01,693*
2.	Non - Domestic/ Commercial		
	Metered	*1,46,392*	*1,46,392*

S. No	Consumer Category	FY 2014-15 Submitted now by Petitioner	FY 2014-15 Approved now by JKSERC
	Un-metered	*45,440*	*45,440*
3.	Agriculture		
	Metered	*14,590*	*14,590*
	Un-metered	*4,406*	*4,406*
4.	State/ Central Govt. Departments	10,396	10,396
5.	Public Street Lighting		
	Metered	*171*	*171*
	Un-metered	*101*	*101*
6.	LT Industrial Supply		
	Metered	*20,150*	*20,150*
	Un-metered	*0*	*0*
7.	HT Industrial Supply	787	787
8.	HT PIU	14	14
9.	LT Public Water Works		
	Metered	*1,433*	*1,433*
	Un-metered	*425*	*425*
10.	HT Public Water Works	163	163
11.	Bulk Supply	149	149
	TOTAL	**17,90,641**	**17,90,641**

Table 53: Consumer category-wise connected load (MW) approved for FY 2014-15

S. No	Consumer Category	FY 2014-15 Submitted now by Petitioner	FY 2014-15 Approved now by JKSERC
1.	Domestic		
	Metered	*1,013*	*1,013*
	Un-metered	*333*	*333*
2.	Non - Domestic/ Commercial		
	Metered	*229*	*229*
	Un-metered	*53*	*53*
3.	Agriculture		
	Metered	*104*	*104*
	Un-metered	*34*	*34*
4.	State/ Central Govt. Departments	201	201
5.	Public Street Lighting		
	Metered	*7*	*7*
	Un-metered	*5*	*5*
6.	LT Industrial Supply		
	Metered	*259*	*259*
	Un-metered	*0*	*0*
7.	HT Industrial Supply	338	338

S. No	Consumer Category	FY 2014-15	
		Submitted now by Petitioner	Approved now by JKSERC
8.	HT PIU	38	38
9.	LT Public Water Works		
	Metered	*59*	*59*
	Un-metered	*33*	*33*
10.	HT Public Water Works	21	21
11.	Bulk Supply	60	60
	TOTAL	**2,787**	**2,787**

Table 54: Consumer category-wise energy sales (MU) approved for FY 2014-15

S. No	Consumer Category	FY 2014-15	
		Submitted now by Petitioner	Approved now by JKSERC
1.	Domestic		
	Metered	*1,967*	*2,016*
	Un-metered	*1,095*	*1,095*
2.	Non - Domestic/ Commercial		
	Metered	*371*	*428*
	Un-metered	*176*	*176*
3.	Agriculture		
	Metered	*298*	*335*
	Un-metered	*67*	*67*
4.	State/ Central Govt. Departments	486	491
5.	Public Street Lighting		
	Metered	*28*	*31*
	Un-metered	*16*	*16*
6.	LT Industrial Supply		
	Metered	*305*	*311*
	Un-metered	*0*	*0*
7.	HT Industrial Supply	679	682
8.	HT PIU	125	125
9.	LT Public Water Works		
	Metered	*233*	*246*
	Un-metered	*206*	*206*
10.	HT Public Water Works	96	100
11.	Bulk Supply	176	179
	TOTAL	**6,323**	**6,504**

Losses and Energy Requirement

Petitioners Submission

6.8 JKPDD has submitted that it is making every effort to achieve the loss reduction target as set by the Commission at the end of the control period. It has projected the distribution loss for FY 2014-15 on the basis of revised estimates of loss for FY 2013-14 and the past trend in the loss reduction.

Table 55: Projected Transmission & Distribution Loss for FY 2014-15 (%)

Particulars	Submitted now by Petitioner
Distribution Loss (%)	46.1%
Intra-State Transmission Loss (%)	4%

Commissions Analysis

6.9 The T&D losses of the Petitioner are much higher than the neighboring states and continue to remain amongst the highest in the country.

6.10 The trajectory for T&D losses for the duration of MYT period had been set after giving due consideration to the prevailing scenario in the State, the capital investments approved, vigilance measures envisaged and also the Petitioner's submission. It is a matter of great concern that the Petitioner has still not been able to bring about the reduction in T&D losses as per the approved trajectory.

6.11 Further, the consumers cannot be made to bear the burden of the non-performance of the Petitioner with respect to the T&D loss levels of its system. Therefore, in accordance with the principles adopted in previous Tariff Orders, Annual Performance Review for FY 2013-14 and MYT principles the Commission does not find any merit in allowing a deviation from the approved loss trajectory. Thus, any power purchase to meet energy requirement beyond approved T&D losses is disallowed by the Commission.

6.12 For FY 2014-15, the Commission had set a target for T&D losses of 43.76% in the MYT Order for FY 2014-15 (corresponding to target of distribution loss of 41.4% and intra-state transmission loss of 4%) and same is approved now.

Table 56: Approved T&D Loss for FY 2014-15 (%)

Particulars	Submitted now by Petitioner	Approved now by Commission
Distribution Loss (%)	46.1%	41.4%
Intra-State Transmission Loss (%)	4%	4%

6.13 Based on its projected energy sales and loss trajectory, the energy requirement for the FY 2014-15 as forecasted and submitted by the Petitioner and as approved by the Commission has been summarized in following table:

Table 57: Approved Energy Requirement for FY 2014-15

Particulars	Submitted now by Petitioner	Approved now by Commission
Energy requirement		
Energy Sales	6,323	6,504
Add: Distribution Loss (%)	*46.1%*	*41.4%*
Distribution Loss (MU)	5,405	4,598
Energy Req. @ Dist. Periphery	**11,728**	**11,102**

Particulars	Submitted now by Petitioner	Approved now by Commission
Add: Intra-state Trans. Loss (%)	*4%*	*4%*
Intra-state Trans. Loss (MU)	489	463
Energy Req. @ Trans. Periphery	**12,217**	**11,565**

Power Purchase Quantum

Petitioner's Submission

6.14 The Petitioner has projected the energy availability for FY 2014-15 from JKSPDC, CGUs and other sources on the basis of revised estimates of FY 2013-14 and as per share of allocated and unallocated power from state and CGSs for the period.

6.15 Also to meet the gap between the total energy available from the sources referred above and the energy required during the period, the JKPDD-D shall purchase balance power on short term basis in accordance with the Regulation 19(d) of the JKSERC (Distribution Multi Year Tariff) Regulation 2012.

Table 58: Projected Energy available from JKSPDC Generating Stations (MU)

S. No.	Source	FY 2014-15 Projected
A)	**Thermal**	
1	Kalakote	0.00
2	Gas Turbine-I	0
3	Gas Turbine-II	0
	Sub-Total (A)	**0**
B)	**Hydel**	
1	LJHP	542
2	USHP-I	94
3	USHP-II	218
4	Ganderbal	23
5	Chenani-I	83
6	Chenani-II	7
7	Chenani-III	16
8	Sewa-III	8
9	Karnah	5
10	Sumoor	0
11	Bazgo	0
12	Hunder	1
13	Iqbal Bridge	4
14	Sanjak	1
15	Badherwah	3
16	Pahalgam	5
17	Haftal	1

S. No.	Source	FY 2014-15 Projected
18	Marpacho	1
19	Igo-Mercellong	2
20	Matchil	0
21	Stakna.	0
	Sub-Total (B)	**1014**
C	Baghlihar.	1367
	Sub-Total (C)	**1367**
	Grand Total	**2381**

Table 59: Projected Energy available from CGSs (MU)

S. No	Source	FY2014-15 Projected
A	**NTPC**	
1	Anta(G)	218
2	Anta(LNG+L)	
3	Auriaya(G)	178
4	Auriaya(LNG+L)	
5	Dadri(G)	322
6	Dadri(LNG+L)	
7	Unchahar-I	104
8	Unchahar-II	249
9	Unchahar-III	105
10	Rihand-I	548
11	Rihand-II	699
12	Rihand-III	273
13	Singrauli	117
14	Farraka	102
15	Talcher	0
16	Kahalgaon-I	225
17	Kahalgaon-II	600
18	Nctp-2	67
19	Korba-I	98
20	Korba-III	42
21	Mouda	19
22	Sipat-I	155
23	Sipat-II	63
24	Vindhyachal-I	78
25	Vindhyachal-2	61
26	Vindhyachal-3	63
27	Vindhyachal-4	42
	Sub-Total (A)	**4428**
B	**NHPC**	
1	Salal	724
	Free power	387

S. No	Source	FY2014-15 Projected
2	Tanakpur	31
3	Chamera-I	88
4	Chamera-II	113
5	Chamera-III	80
6	Uri-I	506
	Free power	277
7	Uri-II	208
	Free power	73
8	Dulhasti	245
	Free power	278
9	Dhauliganga	23
10	Sewa-II	30
	Free power	51
11	Nimao Bazgo	93
	Free power	10
12	Chutak	202
	Free power	30
	Sub-Total (B)	**3449**
C	**SJVNL**	562
D	**THDC**	235
E	**THDC Koteshwar**	84
F	**PTC India Ltd.**	
	PTC(Tala)	64
	PTC(BHEP)	77
	Sub-Total(F)	**141**
G	**NPCIL**	
	NAPS	223
	RAPP 3&4	271
	RAPP 5&6	237
	TAPS 3&4	74
	KAPS	23
	Sub-Total(E)	**828**
H	**JHAJJAR**	34
Grand Total		**9761**

Table 60: Projected details of Short term purchase (MU)

Name of Source	FY2014-15 Projected
NVVN	-
IEX	441
Total	**441**

6.16 Based on the availability of power from different sources and the inter-state transmission losses, total power procurement during the review period to meet the energy requirement as proposed by the Petitioner has been summarized in the following table:

Table 61: Projected total Energy Availability (MU)

Energy Source	FY2014-15 Projected
Power purchase from JKSPDC	2381
Power purchase from CGSs (all sources including short term/banking etc)	10,203
Less: Inter-state Transmission losses @ 3.6% p.a.	(367)
Total Energy Available	**12,217**

6.17 In addition to above, the Petitioner also submitted that it has estimated RPO target for FY 2014-15 as 629 MU out of which it will meet non-solar RPO of 254 MU from purchase of power from mini/small hydel stations of JKSPDC. However, the Petitioner has not considered any purchase to meet remainder RPO in its projection for energy availability. The Projected RPO target for FY 2014-15 as submitted by the Petitioner has been summarized below.

Table 62: Projected details of RPO FY 2014-15 (MU)

Renewable energy requirement	FY2014-15 Projected
Solar Power	31
Non-Solar	598
Total RE (MUs)	**629**
RE Available from Mini Hydel Plants	254

Commissions Analysis

6.18 The JKPDD-D sources power from own sources, state owned generating company namely JKSPDC, allocated/ unallocated share in CGSs, banking arrangement, short term purchase through UI, and any other source.

6.19 For the projection of energy availability from JKPDD own station and JKSPDC thermal station, the Commission has considered the actual net energy generated and sent out in FY 2013-14 after considering prudence check on the basis of sample bills. Accordingly, the Commission approves the net energy available from own generating stations and JKSPDC to be 2411 MU for FY 2014-15.

6.20 The energy availability from CGS's stations including NTPC, NHPC, NPCIL, PTC etc has been estimated on the basis of long term allocated share to JKPDD-D from these stations along with proportion of un-allocated share available during past 2 years. The average availability from these stations has been worked out, which is then used to estimate the availability during the FY 2014-15. Accordingly, the Commission approves energy available from CGSs to be 9761 MU for FY 2014-15.

6.21 The Commission has not projected any power availability from short-term sources since the Commission, in accordance with the Regulation 19(d) of the JKSERC (Distribution Multi Year Tariff) Regulation 2012, will approve such requirement on account of any factor beyond the control of the Licensee only such as shortage/ non-availability of fuel, snow capping of hydro resources inhibiting power generation in sources stipulated in the plan, unplanned/forced outages of power generating units or acts of God and after submission of supporting documents.

6.22 The RPO target in accordance with the JKSERC (Renewable Power Purchase Obligation, its Compliance and REC Framework implementation) Regulations, 2011 and JKSERC Notification No. JKSERC/27 dated 5th March 2013 is as follows:

Table 63: Renewable Purchase Obligation (RPO) for MYT period (in %)

Description	2013-14	2014-15	2015-16
Solar	0.25%	0.75%	1.50%
Non-Solar	4.75%	5.25%	6.00%
Total	**5.00%**	**6.00%**	**7.50%**

Note: RPO in MUs is estimated as a percentage of total energy requirement based on above mentioned targets.

6.23 As per the table above, the target for the power purchase from renewable sources works out to 694 MU, out of which the solar RPO target is 87 MU and non-solar RPO target is 607 MU. Since, non-solar RPO can be met through purchase of already tied up power from small hydro stations of JKSPDC having installed capacity < 25 MW and the projected power availability from JKSPDC's small hydro stations during FY 2014-15 is 254 MU, thus the requirement of non-solar power/ RECs to meet non-solar RPO is revised to 353 MU. Accordingly, the Commission approves the target of 607 MU of non solar and 87 MU of solar RPO targets for FY 2014-15.

6.24 However, the Commission notes with concern that the Petitioner has not made any efforts in purchase of power from RE sources other than that available through mini/small hydro stations of JKSPDC to meet its RPO targets for FY 2013-14 despite the fact that a number of hydro projects with a capacity of less than 25 MW have come up in the State through IPPs. The Commission feels non-compliance with these targets shows lack of seriousness on the part of the JKPDD-D to ensure long term energy security in the State. During, FY 2014-15, the Commission directs the Petitioner to comply with its RPO target either through purchase of RE power or RECs from power exchange. Further non-compliance will attract penal action by the Commission.

6.25 In order to make the compliance with RPO targets more effective, the Commission directs the JKPDD-D to open a separate account for meeting the annual fixed obligation of renewable energy, which includes carry forward the balances and purchase of RECs to meet shortfall, if any. This is necessary to ensure the compliance of the relevant regulations. JKPDD-D shall review the position with the Nodal Agencies periodically and report the progress to the

Commission. Further, the utilization of the funds created in this account shall be decided by the utility in consultation with the Commission as per the relevant regulations.

6.26 Further, as stated above in paragraphs 6.11 and 6.12, the Commission has approved T&D losses as per target approved in MYT order dated 25th April 2013 and accordingly disallowed any additional power purchase over and above the target loss level by the licensee for FY 2014-15. The disallowed units of power purchase works out to 616 MU for FY 2014-15. This becomes all the more relevant in the face of the communication bearing No. PDD/II/AC/86/2012 dated 12th June 2014 from Director Finance, JKPDD that "JKPDD shall be purchasing power during FY 2014-15 for an amount of Rs 3667.50 Cr as provisioned in the state budget".

6.27 Based on the above analysis and considering inter-state transmission losses at 3.60% for the period FY 2014-15, the approved energy availability from all sources has been summarized in the following table.

Table 64: Projected Energy available for FY 2014-15 (MU)

S. No	Particulars	Submitted now by Petitioner	Approved now by Commission
A	**State-owned Stations**		
	JKPDD - Own Stations		
1.	Diesel	0	25
	Sub-Total (A)	**0**	**25**
B	**JKPDC – Thermal**		
1.	Kalakote	0	0
2.	Gas Turbine-I	0	5
3.	Gas Turbine-II	0	0
	Sub-Total (B)	**0**	**5**
C	**JKPDC – Hydel**		
1.	LJHP	542	542
2.	USHP-I	94	94
3.	USHP-II	218	218
4.	Ganderbal	23	23
5.	Chenani-I	83	83
6.	Chenani-II	7	7
7.	Chenani-III	16	16
8.	Sewa-III	8	8
9.	Karnah	5	5
10.	Sumoor	0	0
11.	Bazgo	0	0
12.	Hunder	1	1
13.	Iqbal Bridge	4	4
14.	Sanjak	1	1

S. No	Particulars	Submitted now by Petitioner	Approved now by Commission
15.	Badherwah	3	3
16.	Pahalgam	4	5
17.	Haftal	1	1
18.	Marpachoo	1	1
19.	Igo-Mercellong	2	2
20.	Stakna	0	0
21.	Matchil	0	0
	Sub-Total (C)	**1014**	**1014**
D.	Baglihar(D)	1367	1367
E.	**Total State Owned Generation(A+B+C+D)**	**2381**	**2411**
F.	**NTPC**		
1.	Anta(G)	218	218
2.	Anta(LNG+L)		
3.	Auriaya(G)	178	178
4.	Auriaya(LNG+L)		
5.	Dadri(G)	322	322
6.	Dadri(LNG+L)		
7.	Unchahar-I	104	104
8.	Unchahar-II	249	249
9.	Unchahar-III	105	105
10.	Rihand-I	548	548
11.	Rihand-II	699	699
12.	Rihand-III	273	273
13.	Singrauli	117	117
14.	Farraka	102	102
15.	Talcher	0	0
16.	Kahalgaon-I	225	225
17.	Kahalgaon-II	600	600
18.	Nctp-2	67	67
19.	Korba-I	98	98
20.	Korba-III	42	42
21.	Mouda	19	19
22.	Sipat-I	155	155
23.	Sipat-II	63	63
24.	Vindhyachal-I	78	78
25.	Vindhyachal-2	61	61
26.	Vindhyachal-3	63	63
27.	Vindhyachal-4	42	42
	Sub-Total (F)	**4428**	**4428**
G	**NHPC**		
1.	Salal	724	724
2.	Free power	387	387
3.	Tanakpur	31	31

S. No	Particulars	Submitted now by Petitioner	Approved now by Commission
4.	Chamera-I	88	88
5.	Chamera-II	113	113
6.	Chamera-III	80	80
7.	Uri-I	506	506
8.	Free power	277	277
9.	Uri-II	208	208
10.	Free power	73	73
11.	Dulhasti	245	245
12.	Free power	278	278
13.	Dhauliganga	23	23
14.	Sewa-II	30	30
15.	Free power	51	51
16.	Nimao Bazgo	93	93
17.	Free power	10	10
18.	Chutak	202	202
19.	Free power	30	30
	Sub-Total (G)	**3449**	**3449**
H	**SJVNL(H)**	562	562
I	**THDC(I)**	235	235
J	**THDC Koteshwar(J)**	84	84
K	**PTC India Ltd.**		
1.	PTC(Tala)	64	64
2.	PTC(BHEP)	77	77
	Sub-Total(K)	**141**	**141**
L	**NPCIL**		
1.	NAPS	223	223
2.	RAPP 3&4	271	271
3.	RAPP 5&6	237	237
4.	TAPS 3&4	74	74
5.	KAPS	23	23
	Sub-Total(L)	**828**	**828**
M	**Jhajjar (M)**	34	34
N	**Total - Outside State sources (F+G+H+I+J+K+L+M)**	**9761**	**9761**
O	**Other (incl. ST Purchase)**		
	NVVN/IEX	*441*	*0*
	Renewable Purchase Obligation	*0*	*440*
	UI (-)/(+)	*0*	*0*
	Sub-total (O)	**441**	**440**
P	**Power traded (disallowed)**	***0***	***-616***
	Gross Energy Availability (E+N+O- P)	**12,584**	**11,996**
	Less: Inter-state Transmission Loss @ 3.6%	367	431
	Net Energy Availability	**12,217**	**11,565**

Power Purchase Cost

Power Purchase from JKSPDC, CGSs and Other Sources

Petitioner's Submission

6.28 The petitioner has projected the power purchase cost from the above mentioned stations on the basis of revised estimates of FY 2013-14, expected fixed and variable charges of power purchased from JKSPDC, CGSs and other sources. JKPDD-D has not considered the water usage charges for the projections and those charges have been shown separately.

Table 65: Projected Power Purchase Cost details from JKSPDC for FY 2014-15 (Rs Cr)

S. No.	Source	FY2014-15 Projected
A)	**Thermal**	
1	Kalakote	0.00
2	Gas Turbine-I	0.00
3	Gas Turbine-II	0.00
	Sub-Total (A)	**0.00**
B)	**Hydel**	
1	LJHP	33.08
2	USHP-I	5.62
3	USHP-II	18.09
4	Ganderbal	0.98
5	Chenani-I	5.87
6	Chenani-II	0.67
7	Chenani-III	2.26
8	Sewa-III	1.56
9	Karnah	1.54
10	Sumoor	0.03
11	Bazgo	0.10
12	Hunder	0.20
13	Iqbal Bridge	0.65
14	Sanjak	0.34
15	Badherwah	0.38
16	Pahalgam	2.32
17	Haftal	0.62
18	Marpacho	0.41
19	Igo-Mercellong	1.05
20	Matchil	0.00
21	Stakna.	0.01
	Sub-Total (B)	**75.78**
C	Baglihar.	409.95
	Sub-Total (C)	**409.95**
	Grand Total	**485.73**

Table 66: Projected Power Purchase Cost details from CGSs for FY 2014-15 (Rs Cr)

S. No	Source	FY2014-15 Projected
A	**NTPC**	
1	Anta(G)	87.98
2	Anta(LNG+L)	
3	Auriaya(G)	98.14
4	Auriaya(LNG+L)	
5	Dadri(G)	145.71
6	Dadri(LNG+L)	
7	Unchahar-I	37.14
8	Unchahar-II	90.13
9	Unchahar-III	41.57
10	Rihand-I	130.18
11	Rihand-II	169.88
12	Rihand-III	83.82
13	Singrauli	23.24
14	Farraka	46.81
15	Talcher	0.00
16	Kahalgaon-I	91.78
17	Kahalgaon-II	244.82
18	Nctp-2	30.95
19	Korba-I	14.75
20	Korba-III	10.24
21	Mouda	10.98
22	Sipat-I	46.62
23	Sipat-II	18.33
24	Vindhyachal-I	17.19
25	Vindhyachal-2	12.90
26	Vindhyachal-3	16.12
27	Vindhyachal-4	12.14
	Surcharge	3.56
	Rebate	-2.16
	Sub-Total (A)	**1,482.81**
B	**NHPC**	
1	Salal	78.94
2	Tanakpur	8.68
3	Chamera-I	16.18
4	Chamera-II	43.25
5	Chamera-III	35.49
6	Uri-I	105.24
7	Uri-II	110.88
8	Dulhasti	138.57
9	Dhauliganga	11.23
10	Sewa-II	17.16
11	Nimao Bazgo	57.84
12	Chutak	152.73
	Surcharge	110.01
	Sub-Total (B)	**886.21**
C	**SJVNL**	149.59
	Surcharge	7.76
	Sub-Total (C)	**157.35**
D	**THDC**	116.10
	Surcharge	2.96
	Sub-Total (D)	**119.07**

S. No	Source	FY2014-15 Projected
E	**THDC Koteshwar**	29.19
	Surcharge	0.74
	Sub-Total (E)	**29.93**
F	**PTC India Ltd.**	
	PTC(Tala)	12.59
	PTC(BHEP)	36.93
	PTC(IEX)	156.55
	Surcharge	3.05
	Sub-Total(F)	**209.11**
G	**NPCIL**	
	NAPS	55.68
	RAPP 3&4	75.65
	RAPP 5&6	81.84
	TAPS 3&4	21.19
	KAPS	5.37
	Surcharge	6.93
	Sub-Total(G)	**246.67**
H	**JHAJJAR**	28.99
	Surcharge	0.54
	Sub-Total(H)	**29.52**
I	PGCIL	352.07
	Rebate	-0.12
J	NVVN JPL(Sh.term)	-
K	RE Charges	13.08
	Grand Total *	**3,525.70**

*includes NHPC water usage charges with arrears for previous years, while projecting ARR, the water usage charges for NHPC stations for current year have been provided separately.

Commissions Analysis

6.29 The Commission has approved the power purchase cost from JKSPDC as per the JKSPDC Tariff Order FY 2014-15 passed by the Commission on 21st February 2014. The total power purchase cost from state generation stations for FY 2014-15 computed by the Commission is summarized in the following table:

Table 67: Approved Power Purchase Cost details from State Stations for FY 2014-15 (Rs Cr)

Name of the Station	Total Charges (Rs Cr)	Average Rate (Rs/KWh)
PDD		
Diesel	0.00	0.00
Thermal		
Kalakote	0.00	0.00
Gas Turbine-I	0.00	0.00
Gas Turbine-II	0.00	0.00
Hydel/JKPDC		
LJHP	29.04	0.54

Name of the Station	Total Charges (Rs Cr)	Average Rate (Rs/KWh)
USHP-I	5.90	0.63
USHP-II	18.59	0.85
Ganderbal	1.04	0.45
Chenani-I	6.08	0.74
Chenani-II	0.69	0.96
Chenani-III	2.32	1.41
Sewa-III	1.60	1.99
Karnah	1.59	2.99
Sumoor	0.03	3.43
Bazgo	0.10	3.28
Hunder	0.20	2.58
Iqbal Bridge	0.67	1.82
Sanjak	0.24	4.10
Badherwah	0.31	1.20
Pahalgam	2.09	4.67
Haftal	0.59	4.32
Marpachoo	0.39	4.46
Igo-Mercellong	1.00	4.29
Matchil	0.00	0.00
Stakna	0.01	0.42
Baglihar	387.06	2.83
Total (SGS)	**459.55**	**1.91**

6.30 For the purpose of calculation of power purchase cost from CGSs, the Commission has adopted the following methodology as per the last year's MYT Order:

(e) In case of NTPC stations, the Commission had approved the per unit variable cost (including FPA) for FY 2013-14 based on the approved rates as per the latest Tariff Orders by CERC which were further escalated at 3% per annum to arrive at variable cost per unit for FY 2014-15 as approved in the MYT Order for the FY 2013-14 to FY 2015-16. The fixed charge for NTPC stations has been based on the Annual Fixed Charges (AFC) approved by CERC in its latest tariff orders.

(f) In case of NHPC stations and other hydel stations, the station wise actual charges paid by the Petitioner for FY 2013-14 have been considered for working out the charges to be paid in FY 2014-15.

(g) In case of NPCIL stations, the Commission had estimated the variable cost per unit for FY 2014-15 by considering the actual variable cost per unit for FY 2013-14 in accordance with principles stated in the MYT order for the FY 2013-14 to FY 2015-16.

6.31 The total power purchase cost from CGSs for FY 2014-15 computed by the Commission is summarized in the following table.

Table 68: Approved Power Purchase Cost details from CGSs for FY 2014-15 (Rs Cr)

Name of the Station	Total Charges (Rs Cr)	Average rate (Rs/KWh)
NTPC		
Anta gas	89.97	4.12
Auraiya gas	100.39	5.65
Dadri gas	149.33	4.63
Farakka	47.68	4.68
Kahalgaon-I	93.61	4.16
NCTPS (Dadri) [extn.]	31.56	4.73
Rihand –I	132.24	2.41
Rihand –II	172.52	2.47
Singrauli	23.59	2.02
Unchahar-I	37.85	3.64
Unchahar-II	91.81	3.69
Unchahar-III	42.28	4.04
Kahalgaon stage-II	249.46	4.16
Mejia 6	0.00	0.00
APCL - Jhajjar (Unit - 1)	26.38	7.61
Rihand-III	84.85	3.10
Talcher	0.00	0.00
Korba-I	15.02	1.54
Korba-III	10.35	2.47
Mouda	11.12	5.75
Sipat-I	47.34	3.06
Sipat-II	18.64	2.94
Vindhyachal-I	17.53	2.26
Vindhyachal-2	13.15	2.17
Vindhyachal-3	16.38	2.59
Vindhyachal-4	12.31	2.93
Total NTPC	**1535.36**	**3.44**
Nuclear		
RAPS - 3&4	75.66	2.79
RAPS - 5	81.85	3.46
NPCIL - NAPS	55.68	2.49
TAPS 3&4	21.13	2.85
KAPS	5.37	2.37
Total Nuclear	**239.69**	**2.90**
NHPC stations		
CHAMERA-I	16.19	1.84
CHAMERA-II	43.25	3.82
CHAMERA-III	35.49	0.00

Name of the Station	Total Charges (Rs Cr)	Average rate (Rs/KWh)
DHAULIGANGA	11.23	4.96
DULHASTI	138.56	5.66
Dulhasti Free	0.00	0.00
SALAL	79.35	1.10
Salal Free	0.00	0.00
TANAKPUR	8.68	2.74
URI-I	105.26	2.08
Uri Free	0.00	0.00
Sewa-II	17.15	5.70
Sewa-II Free	0.00	0.00
Chutak	154.89	0.00
Chutak Free	0.00	0.00
Niamo Bazgo	57.84	6.19
Niamo Bazgo Free	0.00	0.00
Uri-II	110.88	5.33
Uri -II Free	0.00	0.00
Total NHPC	**778.77**	**2.26**
Others		
NJPC (SATLUJ)	149.60	2.66
TEHRI HEP	116.09	4.93
Koteshwar (THDC)	29.15	3.47
TALA HEP	12.86	2.02
PTC (BHEP)	36.93	4.79
PTC (KWHEP)	0.00	0.00
Total Others	**344.63**	**3.37**
Other misc/ RE charges (surcharge/ rebate)	144.55	-
Total Charges	**3043.00**	**3.12**

Cost of Renewable Energy procurement

Petitioner’s Submission

6.32 The petitioner has not projected the cost of renewable energy in the forecast even though it has projected the energy available to meet RPO targets.

Commission’s Analysis

6.33 Since, it is mandatory to procure power from Renewable Energy Sources (RES) as per the JKSERC (Renewable Power Purchase Obligation, its Compliance and REC framework Implementation) Regulations, 2011; the Commission has projected the power purchase cost from RES as per the tariff summarized in following table.

Table 69: Approved Power Purchase Cost from Renewable Energy Sources for FY 2014-15 (Rs Cr)

Description	FY 2014-15		
	Quantum (MU)	Rate (Rs/KWh)	Cost (Rs Cr)
Solar sources	87	8.08 *	70.08
Non-solar sources	353	5.00	176.58
Total	**440**		**246.66**

Note: * As per CERC order dated 7th January 2014, the average tariff for solar generating stations works out to Rs. 8.08 per unit.

6.34 Further, as mentioned in Para 6.25, the Commission directs the Petitioner to open a separate account for meeting the annual fixed obligation of renewable energy and carry forward the balance, if any, to ensure the compliance of such Regulations in true spirit.

Inter-state Transmission Charges

Petitioner's Submission

6.35 Inter-state Transmission charges payable to PGCIL are based on the total capacity allocation in the transmission network. The petitioner has proposed the inter-state transmission charges to be Rs 352.07 Cr.

Commission's Analysis

6.36 Since the inter-state Transmission Charges are based on the actual billing by PGCIL, the Commission approves the inter-state transmission charges projected by the petitioner i.e. Rs 352.07 Cr for FY 2014-15.

Disallowance of Power Purchase costs

6.37 As stated in para 6.26 of this Order, the Commission has disallowed additional power purchase over and above the target loss level by the licensee during the review period. The disallowed units of power purchase works out to 616 MU for FY 2014-15.

6.38 The cost of units disallowed has been considered as the approved average power purchase rate of gross power purchase from JKSPDC and CGSs which works out to Rs. 3.25 per unit for FY 2014-15. The following table summarizes the cost of power purchase disallowed by the Commission for the MYT control period.

Table 70: Disallowed power purchase cost by the Commission for FY 2014-15 (Rs Cr)

Sl. No.	Description	*UoM*	2014-15
A	Cost of power purchase from JKSPDC Stations	*Rs Cr*	459.55
B	Cost of power purchase from CGSs (incl. inter-state transmission charges, RE & other misc. charges)	*Rs Cr*	3043.00
C	Cost of power purchase to meet RPO	*Rs Cr*	246.66

Sl. No.	Description	UoM	2014-15
D	Inter-state Transmission charges	*Rs Cr*	352.07
E	**Total power purchase costs from all sources (incl. inter-state Transmission charges)**	***Rs Cr***	**4,101.28**
F	Quantum of power purchased from JKSPDC & CGSs (Gross) before units disallowed	*MU*	12,612
G	**Average rate of power purchase [E/F *10]**	***Rs/KWh***	**3.25**
H	Power purchase units disallowed by the Commission	*MU*	616
I	**Disallowed Power purchase cost (G * H / 10)**	***Rs Cr***	**200.40**

6.39 Based on above, the summary of power purchase cost proposed by the Petitioner and approved by the Commission has been presented in the following table.

Table 71: Approved Power Purchase Cost from all sources (Rs Cr)

Particulars	Submitted now by Petitioner	Approved now by Commission
Power Purchase from JKSPDC	485.73	459.55
Power Purchased from CGSs (including short term/UI)	3,173.63	3,043.00
Interstate Transmission charges	352.07	352.07
Renewable purchase	0.00	246.66
Cost of power purchase disallowed	0.00	-200.40
Total Power Purchase cost	**4,011.43**	**3,900.88***
Quantum of power purchased from JKSPDC & CGSs (Gross)	12,584	11,996
Average rate of power purchase	**3.19**	**3.25 ** **

Note: * This is subject to true up based on audited data and approval of additional budget allocation by the State Government against the approved allocation of Rs 3667.50 Cr for FY 2014-15 in the State budget;
** Per unit power purchase rate is higher as the Commission has considered cost of power purchase to meet RPO target by JKPDD-D.

Water Usage Charges

Petitioner's Submission

6.40 The petitioner has projected the water usage charges as Rs 305.65 Cr for JKSPDC generating stations same as approved by the Commission in the last year's MYT Order. While, the water usage charges of NHPC generating stations in the state have been projected at Rs 200 Cr for FY 2014-15.

Commission's Analysis

6.41 As the water usage charges of JKSPDC for FY 2014-15 are in line with charges approved by the Commission in the last year's MYT Order, the Commission approves the same charges as proposed by the petitioner with the direction that the funds to discharge this liability will be provided to the utility by the Government over and above the budgetary allocation for power purchase as claimed by the Petitioner.

6.42 In the case of NHPC, the Commission approved the charges as per the actual bills submitted by the petitioner for FY 2013-14 to be Rs 130.55 Cr. The Commission approves the same amount for FY 2014-15, subject to true-up on submission of actual bills. Accordingly, total water usage charges approved by the Commission for FY 2014-15 are Rs. 436.20 Cr which is to be provided to the Petitioner by the State Govt. in addition to the budget for power purchase.

Operation & Maintenance Expenses

Petitioner's Submission

6.43 The Employee Expenses, Administrative and General Expenses and R&M Expenses that have been projected or FY 2014-15 based on the revised estimates of FY 2013-14 and escalated as per the methodology adopted by the Commission in the MYT Order.

Table 72: Projected Operation and Maintenance Expenses (Rs Cr)

Particulars.	Submitted now by Petitioner
Employee Expenses	502.77
Admin & General Expenses	22.22
R&M Expenses	31.25
Total	**556.24**

Commission's Analysis

6.44 The component wise O&M expenses are approved by the Commission in accordance with Regulation 22 of the JKSERC (Multi Year Distribution Tariff) Regulations, 2012.

6.45 The employee expenses have been determined on the basis of norms specified in Regulation 22.1 of the aforesaid Regulations. The approved base norm of employee expenses has been normatively escalated by CPI inflation of 9.50% to arrive at the normative employee expenses of Rs 442 Cr after considering the impact of provisions for arrears of 6th Pay Commission for FY 2014-15.

Table 73: Approved Employee Expenses FY 2014-15 (Rs Cr)

Description	Units	Norm	FY 2014-15
EMP_b (A)	Rs Cr/ employee	0.026	
CPI Inflation rate (B)	%	9.50%	
Number of employees (C)	No.		13,178
EMP_n (D = A * B)	Rs Cr/ employee		0.031
Employee Expenses without provisions (E = C * D)	**Rs Cr**		**404.62**
Arrears for 6th Pay Commission	Rs Cr		42.81
Allocated to Distribution (87% of total) (F)	*Rs Cr*		*37.38*
Employee expenses with provisions (G = E + F)	**Rs Cr**		**442.00**

6.46 The Administrative and General (A&G) expenses have been determined on the basis of norms specified in Regulation 22.3 of the aforesaid Regulations. The approved base norm of A&G expenses has been normatively escalated by WPI inflation of 7.42% to arrive at the normative A&G expenses of Rs 23.79 Cr for FY 2014-15.

Table 74: Approved A&G Expenses FY 2014-15 (Rs Cr)

Description	Units	Norm	2014-15
$A\&G_b$ (A)	**Rs Cr/ employee**	**0.002**	
WPI Inflation rate (B)	%	**7.42%**	
Number of employees (C)	No.		13,178
$A\&G_n$ (D = A * B)	**Rs Cr / employee**		0.0018
A&G Costs (E = C * D)	**Rs Cr**		**23.79**

6.47 The Repair and Maintenance expenses (R&M) expenses have been determined on the basis of norms specified in Regulation 22.2 of the aforesaid Regulations. Accordingly the approved K factor of 1.34% has been applied on the opening balance of GFA to arrive at the R&M expenses of 38.98 Cr for FY 2014-15.

Table 75: Approved R&M Expenses FY 2014-15 (Rs Cr)

Description	Units	Norm	2014-15
K_b	**%**	**1.34%**	
Opening GFA for JKPDD-D as per Order dated 22nd March 2013	Rs Cr		2,917.22
Approved R&M costs	**Rs Cr**		**38.98**

6.48 The approved O&M expenses for FY 2014-15 have been summarized in the following table:

Table 76: Approved Operation and Maintenance Expenses (Rs Cr) FY 2014-15

Particulars	FY 2014-15		
	Approved in MYT Order	Sub. now by Petitioner	App. now by Commission
Employee Expenses	410.63	502.77	442.00
Admin & General Expenses	21.60	22.22	23.79
R&M Expenses	41.19	31.25	38.98
Total	**473.42**	**556.24**	**504.76**

Capital expenditure

Petitioner's Submission

6.49 The Petitioner in its petition has vaguely indicated that "revised capital expenditure projected for the control period includes Rs 1300 Cr for RGGVY Phase –II starting FY 2014-15. Rs 1665.25 Cr for R-APDRP is under implementation and new distribution works are State funded schemes".

Commission's Analysis

6.50 The proposal of the Petitioner being vague, repeated directions were issued to submit the detailed capital investment plan for FY 2014-15 warranting changes if any in the capital investment plan already approved in the MYT Order dated 25th April 2013. The Utility failed to provide the details.

6.51 The Commission has therefore provisionally considered the capital expenditure as per the MYT Order dated 25th April 2013. In addition to above, the Commission has also provisionally considered the capital investment approved towards procurement and installation of consumer and system meters as per the Suo-moto order dated 21st April 2014 for FY 2014-15 i.e. Rs. 99.31 Cr. The details of approved capital investment for FY 2014-15 are provided in the table below:

Table 77: Approved Capital Investment FY 2014-15 (Rs Cr)

Particulars	FY 2014-15	
	App. in MYT Order	App. now by Commission
RGGVY Projects	0.00	0.00
PMRP Projects	0.00	0.00
R-APDRP Projects	800.00	800.00
New Distribution Works	81.49	81.49
REC Funded Projects	50.00	50.00
Others (Metering as per Suo –moto Order dated 21 April 2014)	44.84	99.31
Total	**976.33**	**1030.80**

Capitalization

Petitioner's Submission

6.52 The Capitalization schedule for proposed capital expenditure during FY 2014-15 has been submitted as follows:

Table 78: Proposed Capitalisation schedule (Rs Cr) FY 2014-15

S. No	Particulars	FY 2014-15
1	New Distribution Works	75.00
3	RGGVY Projects	300.00
4	R-APDRP Projects	500.00
5	REC Funded Projects	45.00
6	Others	15.00
	Total	**935.00**

Commission's Analysis

6.53 The Petitioner has failed to submit the requisite details as per the JKSERC (Multi Year Distribution Tariff) Regulations, 2012 despite repeated reminders. The Commission provisionally adopts the capitalization approved in the MYT Order dated 25th April 2013. The Commission further directs the Petitioner to submit the scheme wise details of capital expenditure and capitalization for FY 2014-15 by September 2014.

Table 79: Approved Capitalisation Plan for FY 2014-15 (Rs Cr)

Particulars	FY 2014-15		
	Approved in MYT Order	Submitted now by Petitioner	Approved now by Commission
RGGVY Projects	87.11	300.00	87.11
PMRP Projects	0.00	0.00	0.00
R-APDRP Projects	552.28	500.00	552.28
New Distribution Works	56.26	75.00	56.26
REC Funded Projects	34.52	45.00	34.52
Others	30.96	15.00	30.96
Total	**761.13**	**935.00**	**761.13**

Depreciation

Petitioner's Submission

6.54 The following table summarizes the projected depreciation cost for FY 2014-15 as submitted by the petitioner.

Table 80: Projected Depreciation FY 14-15 (Rs Cr)

Description	Submitted Now by Petitioner
Opening GFA	184.00
Additions to GFA	935.00
Closing GFA	**1119.00**
Depreciation Rate	*3.60%*
Depreciation Amount	**40.28**

Commission's Analysis

6.55 The Commission has considered the opening GFA of FY 2014-15 as the Closing GFA approved in the APR for FY 2013-14 i.e. Rs. 184 Cr.

6.56 As per Regulation 24(d) of the JKSERC (Multi-Year Distribution) Tariff Regulations, 2012, depreciation shall not be allowed on assets funded by capital subsidies, consumer contributions or grants. Thus, depreciation can be charged only on the additions made to GFA which have been financed through loans (i.e. portion of capitalization for REC funded projects). However, the petitioner has charged depreciation to the entire portion of capitalization.

6.57 The Commission in accordance with the aforesaid Regulation approves the depreciation charge only on the portion of capitalization for REC funded projects.

6.58 The Commission has calculated the depreciation on the average GFA during the year and not on the closing GFA as calculated by the Petitioner as the additions to the GFA take place throughout the year and the average of the opening and closing GFA provides a more realistic assessment of the depreciation. Accordingly, the depreciation cost as provisionally approved by the Commission for the given period has been summarized in following table.

Table 81: Approved Depreciation FY 2014-15 (Rs Cr)

Particulars	Approved in MYT Order	Submitted now by Petitioner	Approved now by Commission
Opening GFA	202.73	184.00	184.00
Additions to GFA	34.52	935.00	34.52
Closing GFA	237.25	1,119.00	218.48
Average GFA	**219.99**	**651.50**	**201.22**
Depreciation Rate	3.60%	3.60%	3.60%
Depreciation	**7.92**	**40.28 ***	**7.24**

Note: *JKPDD-D has computed depreciation on closing GFA i.e. Rs. 1,119.00 Cr instead of average GFA as considered by the Commission.

Interest and Finance Charges

Interest on Loans

Petitioner's Submission

6.59 JKPDD-D has adopted interest rate of 9.39% as applied by the Commission in the MYT Order. Based on the projections of the REC loan balances, receipts and payments, the interest and finance charges have been summarized below:

Table 82: Projected Interest and Finance charges FY 2014-15 (Rs Cr)

Particulars	Submitted now by Petitioner
Opening Loan balance	171.95
Receipts during the year	34.52
Repayments during the year	13.00
Closing Loan balance	**193.47**
Interest on Term Loans @ 9.39%	**18.16**

Commission's Analysis

6.60 The Commission has approved the interest and finance charges on loan as per the following approach:

(a) The outstanding balance of term liabilities as on 31st March 2014 has been considered as per closing loan balance of FY 2013-14.

(b) Additions in loan during the year have been considered as per approved capitalization for REC funded projects as stated in this Order.

6.61 The Commission has calculated the interest on the average balance of loans during the year and not on the closing loan balance as calculated by the Petitioner as the receipts and repayments take place throughout the year and the average of the opening and closing loan balance gives a more realistic assessment of the same. Moreover this methodology has also been adopted by the Commission in the MYT Order dated 25th April, 2013.

6.62 Based on the above approach, the following table summarizes the interest and finance charges for FY 2014-15 as provisionally approved by the Commission

Table 83: Approved Interest and Finance charges FY 2014-15 (Rs Cr)

Particulars	FY 2014-15		
	Approved in MYT Order	Submitted now by Petitioner	Approved now by Commission
Opening Loan balance	183.48	171.95	171.91
Receipts during the year	34.52	34.52	34.52
Repayments during the year	11.00	13.00	13.00
Closing Loan balance	**207.00**	**193.47**	**193.43**
Average Loan	195.24	182.71	182.67
Interest on Term Loans @ 9.39%	**18.33**	**18.16**	**11.15**

Interest on Working Capital

Petitioner's Submission

6.63 JKPDD-D has projected the working capital and the interest on working capital in accordance with the Regulation 26 of the JKSERC (Multi Year Distribution Tariff) Regulation 2012 and methodology adopted by the Commission in the MYT Order. The interest worked out on the working capital is as under:

Table 84: Projected Interest on Working Capital FY 2014-15 (Rs Cr)

Particulars	Submitted now by Petitioner
O & M Expenses for 1 month	46.35
Expected Revenue for two months	345.76
Maintenance Spares @ 40% of R&M expenses for 1 month.	1.04
Normative Working Capital	**393.15**
Rate of Interest	15%
Interest on Working Capital	**58.97**

Commission's Analysis

6.64 The Commission has estimated the interest on normative working capital as per Regulation 26 of the JKSERC (Multi Year Tariff Distribution) Regulations, 2012.

6.65 The normative working capital requirement has been calculated on the basis of the following methodology:

a) O&M expenses for one month

b) Two months equivalent of expected revenue

c) Maintenance of spares @ 40% of R&M expenses for 1 month

d) Less: Security Deposit from consumers, if any

6.66 The interest on working capital has been considered as per the prevailing J&K bank rate of 14.75% per annum.

6.67 Accordingly, the approved Interest on Working Capital for FY 2014-15 is as per the following table:

Table 85: Approved Interest on Working Capital FY 2014-15 (Rs Cr)

Particulars	Approved in MYT Order	Submitted now by Petitioner	Approved now by Commission
O & M Expenses for 1 month	39.45	46.35	42.06
Expected Revenue for two months	304.29	345.76	350.02*
Maintenance Spares @ 40% of R&M expenses for 1 month.	1.37	1.04	1.30
Normative Working Capital	**345.11**	**393.15**	**393.38**
Rate of Interest	15.00%	15.00%	14.75%
Interest on Working Capital	**51.77**	**58.97**	**58.02**

Note: *Expected revenue from sale of power as approved by the Commission is higher than projected by JKPDD-D, accordingly, working capital requirements is approved slightly higher by the Commission.

Return on Equity

Petitioner's Submission

6.68 The Petitioner has not proposed any return on equity.

Commission's Analysis

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

Intra-state transmission charges

Petitioner's Submission

6.70 The Intra-state transmission charges have been considered the same as approved by the Commission in the last year's MYT Order i.e. Rs. 128.11 Cr.

Commission's Analysis

6.71 The Commission has considered the intra-state transmission charges as per the approved ARR for JKPDD-T for FY 2014-15 i.e. Rs. 113.49 Cr as per APR Order for JKPDD-Transmission dated 20th June 2014.

Non-tariff Income

Petitioner's Submission

6.72 The petitioner has projected the non-tariff income for FY 2014-15 at Rs. 14.80 Cr after considering 5% increase in the revised estimate for FY 2013-14.

Commission's Analysis

6.73 Since the projections for the Non-tariff income are as per the guidelines mentioned in the MYT Order dated 25th April 2013, the Commission accepts the submission made by JKPDD-D and approves non-tariff income for FY 2014-15 as Rs. 14.80 Cr.

Aggregate Revenue Requirement (ARR) for FY 2014-15

6.74 Based on the various components as discussed above, the ARR for the FY 2014-15 as submitted by the Petitioner and as approved by the Commission has been summarized in the following table.

Table 86: Summary of ARR for FY 2014-15 (Rs Cr)

Particulars	FY 2014-15	
	Submitted now by Petitioner	Approved now by Commission
Power Purchase Cost	4,011.43	3,900.88*
Water usage charges (JKSPDC+NHPC).	505.65	436.20 #
Intra-state transmission Charges	128.11	113.49
Operation and Maintenance Cost	556.24	504.76
Interest on loans	18.16	17.15
Depreciation	40.28	7.24
Interest on Working capital	58.97	58.02
Total Costs	**5,318.77**	**5,037.75**
Add: Return on Equity	0.00	0.00

Particulars	FY 2014-15	
	Submitted now by Petitioner	Approved now by Commission
Less: Non-Tariff Income	14.80	14.80
Aggregate Revenue Requirement	**5,303.97**	**5,022.96**

Note: * This is subject to true up based on audited data and approval of additional budget allocation by the State Government against the approved allocation of Rs 3667.50 Cr for FY 2014-15.

#Note: This is subject to providing of additional budgetary allocation by the State Government, over and above the power purchase cost.

Revenue from Sale of Power at Existing Tariffs

Petitioner's Submission

6.75 The Petitioner has submitted the revenue from sale of power on the basis of revised estimates and projections of energy sales and prevalent tariff for supply to various categories of consumers. The following table summarizes the category-wise revenue from sale of power at existing tariff as proposed by the Petitioner:

Table 87: Revenue from sale of power at existing tariff (Rs. Cr)

S. No	Consumer Category	Submitted now by Petitioner
1	Domestic	568.45
2	Non Domestic / Commercial	180.48
3	Agriculture	88.70
4	State / Central Govt. Department	312.98
5	Public Street Lighting	22.33
6	LT industrial Supply	106.45
7	HT Industrial Supply	235.61
8	HT-PIU Industrial Supply	45.63
9	LT Public Water Works	215.13
10	HT Public Water Works	43.10
11	General Purpose Bulk	81.14
	Total	**1900.01**

Commission's Analysis

6.76 The Commission has approved the sales and demand for FY 2014-15 in accordance with the Regulations 16 & 17 of the JKSERC (Multi Year Distribution Tariff) Regulations, 2012 whereas the revenue has been calculated as per the prevailing tariffs approved in the MYT Order for FY 2013-14 to FY 2015-16.

6.77 The energy sales approved by the Commission for FY 2014-15 is 6,504 MU and the approved revenue realization at existing tariff and 100% collection efficiency works out to Rs 2,100.11 Cr. The following table summarizes the consumer category wise revenue from Sale of Power at existing tariff as approved by the Commission:

Table 88: Approved Revenue assessed from sale of power at existing tariff (Rs Cr)

S. No	Consumer Category	Approved now by JKSERC
1.	Domestic	662.93
2.	Non - Domestic/ Commercial	214.11
3.	State/ Central Govt. Departments	308.82
4.	Agriculture	103.22
5.	Public Street Lighting	23.81
6.	LT Public Water Works	197.58
7.	HT Public Water Works	51.90
8.	LT Industrial Supply	107.44
9.	HT Industrial Supply	277.10
10.	HT PIU	57.65
11.	Bulk Supply	95.55
	Total	**2,100.11**

Revenue Gap

Petitioner's Submission

6.78 The Petitioner submitted that based on the assessed revenue realization, the revenue gap at existing tariff for FY 2014-15 works out to Rs 3403.96 Cr.

Commission's Analysis

6.79 Based on the revenue realization calculated as per the energy sales and cost per unit approved in this Order, the revenue gap approved for FY 2014-15 works out to Rs. 2,922.85 Cr as summarized in the following tables:

Table 89: Approved Revenue Gap at Existing Tariffs FY 2014-15 (Rs Cr)

S. No	Description	Approved in MYT Order	Submitted now by Petitioner	Approved now by Commission
1	Aggregate Revenue Requirement.	4150.44	5,303.97	5,022.96
2	Revenue Assessed	1825.72	1,900.01	2,100.11
3	***Revenue Gap***	**2324.72**	**3,403.96**	**2,922.85**

6.80 Further, as per the approach adopted by the Commission for cost coverage in its previous Tariff Orders and for APR for FY 2013-14, the Commission has determined ACOSAL, ACOSZL and ACOSPL for FY 2014-15.

6.81 For computation of average cost of supply at different loss levels, the Commission considered the following:

(c) **Average Cost of Supply at Approved Loss ($ACOS_{AL}$):** The Commission has calculated the $ACOS_{AL}$ by dividing the overall ARR of the utility by the approved energy sales quantum (units) for any financial year.

(d) **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.

(e) **Average Cost of Supply at Prudent Loss ($ACOS_{PL}$):** The Commission has calculated the $ACOS_{PL}$ 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.

(f) **Prudent level of T&D losses:** The Commission has considered T&D losses of 23.65% as the prudent level of T&D losses (the average T&D loss at the national level as per the Central Electricity Authority).

5.1 It is also pertinent to mention here, that even though the Commission determines ACOSPL i.e. average cost of supply at prudent loss levels, it is a benchmark figure aimed to move tariffs in direction of cost recovery; however same has to be matched by performance and efficiency improvement by the JKPDD-D. At present, the tariffs in the State are fixed to recover ACOS at Zero Losses only.

5.2 The following table summarizes ACOSAL, ACOSZL and ACOSPL as proposed now by the Petitioner and approved now by the Commission for FY 2014-15:

Table 90: Projected and approved average COS for FY 2014-15 (Rs/KWh)

Sl. No.	Particulars	Derivation	Submitted now by Petitioner	Approved now by Commission
A	Energy Sales (MU)	-	6,323	6,504
B	T&D Losses (%)	-	48.24%	43.76%
C	Power Purchase Quantum (MU)	-	12,217	11,564
D	Aggregate Revenue Requirement (Rs Cr)	-	5,303.97	5,022.96
E	**COS as actual / approved losses (CoS_{AL}) (Rs/KWh)**	**[E = D/ A * 10]**	**8.38**	**7.72**
F	**CoS at Zero Losses (CoS_{ZL}) (Rs/KWh)**	**[F = D / C * 10]**	**4.34**	**4.34**
G	**CoS at Prudent Losses (CoS_{PL}) (Rs/KWh)**	**[G = D/ (C * (1-H)) *10]**	**- ***	**5.69**
H	Average realization rate		**3.00**	**3.23**

Note: * The Petitioner has not submitted any estimates for prudent loss levels.
Note 2: The prudent loss level for FY 2013-14 is considered as 23.65% (as per monthly statistics by CEA, www.cea.nic.in)

CHAPTER 7: TARIFF REVISION FOR FY 2014-15

7.1 This section summarizes the tariff revision proposal for FY 2014-15 to meet the projected revenue gap at existing tariffs as submitted by the Petitioner and as approved by the Commission.

No Tariff hike for FY 2014-15

Petitioner's Submission

7.2 The Petitioner has not proposed any tariff hike for FY 2014-15 and proposes to retain the tariff approved by the Commission in the last year's MYT Order. It has proposed to meet the revenue gap for FY 2014-15 through financial assistance from the J&K Government.

Commission's Analysis

7.3 The Petitioner has not proposed any tariff hike for FY 2014-15 and has submitted that it would meet the revenue gap through financial assistance from the State Government. In terms of the requirement of Section 59 of the Act, the Petitioner being a State owned utility was directed by the Commission to produce an authority letter that the State Govt. shall be meeting the revenue gap. The Director Finance, JKPDD vide letter no. No. PDD/II/AC/86/2012 dated 12th June 2014 has informed the Commission that ""JKPDD-D shall be purchasing power during FY 2014-15 for an amount of Rs. 3667.50 Cr as provisioned in the State budget. Revenue gap worked out on this cost basis shall be met through the State budget". The Commission accordingly does not approve any tariff hike for FY 2014-15 and Orders the tariff approved in the MYT Order dated 25th April 2013 to remain applicable till 31st March 2015 except to the extent as modified in this Order or unless amended or modified or extended by an order of this Commission.

7.4 The Commission also directs that JKPDD-D should increase its revenue realization by being more efficient in bringing down T&D loss levels and improving billing and revenue collection by resorting to the measures suggested by the Commission.

Introduction of KVAh tariff

Petitioner's Submission

7.5 The JKPDD-D proposes to introduce KVAh Tariff for connected loads above 20KW for some categories for better management of reactive power at all voltage levels with an aim to encourage customers to initiate the steps to improve their power factor.

7.6 The KWh and KVAh tariffs are currently proposed to be introduced in energy charges only and are proposed to be kept at par with each other so that at unity power factor there is no disparity in the charges paid by the consumers in the same category for same consumption.

Commission's Analysis

7.7 The Commission agrees with the Petitioner's view that KVAh based tariff is a better approach due to better efficiency and transparency. The Commission in its Tariff Order dated 16th April 2012 has also directed that the KVAh based tariffs should be gradually extended to all three phase consumers after suitable tri-vector meters are installed.

7.8 However, in the current scenario wherein even 100% metering is not done and proposal at KVAh based tariffs is not available, the introduction of KVAh based tariffs would not have the likely impact of improving the power factor.

7.9 Further, even though the Petitioner submits that it has the requisite infrastructure, it failed to provide any details to the Commission. Accordingly, the Commission for the time being has not approved the Petitioner's proposal for levy of KVAh based tariff for proposed classes of consumers.

7.10 It further directs the Petitioner to submit status of preparedness of installation of tri-vector meters for all consumers proposed to be shifted to KVAh based metering along with the impact on consumer's revenue with the next tariff petition for consideration by the Commission and it will be considered for implementation w.e.f. FY 2015-16 provided all the requisite infrastructure is in place by then.

Fine for using Incandescent Lamps

Petitioner's Submission

7.11 In exercise of the powers conferred by section 16 of J&K Energy Conservation Act, 2011, the Government of Jammu & Kashmir vide Govt. Order No. 34 PDD of 2013 dated 12th December 2013 has made mandatory use of Compact Fluorescent Lamps (CFLs) and has banned the use of Incandescent Lamps in all new buildings constructed in Government Sector/ Government Institutions/ Public Sector Units/ Autonomous bodies/ Commercial Establishments for efficient use of energy and its conservation.

7.12 In light of the order the JKPDD-D proposes on spot imposition of fine in case Incandescent Lamps are found in use at places mentioned in the order. The fine proposed is as under:

c. Rs 500 for Lamps upto 200W
d. Rs 1000 for Lamps above 200W

Commission's Analysis

7.13 The Commission scrutinized the Order issued by Government of Jammu & Kashmir vide Order No. 34 PDD of 2013 dated 12th February 2013 and also examined the relevant provisions enshrined in the J&K Energy Conservation Act, 2011.

7.14 The Clause 24 (1) of Chapter VI 'Penalties and adjudication' of the J&K Energy Conservation Act, 2011 states:

"If any person fails to comply with the provisions of clause (e) or clause (f) or clause (u) or clause (k) or clause (m) or clause (n) or clause (p) or clause (r)or clause (s) of Section 12, he shall be liable to penalty which shall not exceed Rs 10,000/- for each such failure and in the case of continuing failure, with an additional penalty which may extend to Rs 1000/- for every day during which such failure continues.

Provided that no person shall be liable to pay penalty within five years from the date of commencement of the Act"

7.15 A reading of the stated provision makes it amply clear that even though utility/ State Government may levy penalty for non-compliance with the provisions of the Act, no person shall be liable to pay any penalty within a period of five years from the date of commencement of the J&K Energy Conservation Act, 2011. As a period of five years from the commencement of the aforesaid Act has not yet elapsed, the proposal of the Utility to levy a penalty is in contravention to the provisions of the aforesaid Act. Therefore, the Commission directs the Petitioner to re-examine the proposal.

7.16 Further, the Commission directs the Utility to launch an intensive and sustained public awareness campaign on energy conservation pressing for use of CFLs/ LEDs. The Utility should also lay stress on using energy efficient appliances including geysers, heaters, street lamps, etc. The utility should also avail the assistance available for such programs from the concerned central government agency.

Rationalization in flat rate tariff slab of unmetered domestic category

Petitioner's Submission

7.17 The Petitioner has proposed rationalization in tariff slab for unmetered domestic category (above 1 KW- upto 2KW) as large number of consumers are reluctant to revise their agreements in view of steep hike proposed by the Commission in the MYT Order dated 25th April 2013.

Table 91: Flat Rate Tariff slab for Unmetered domestic category

Flat Rate Tariff Slab for Unmetered Domestic category	Approved by JKSERC FY 2013-14	Proposed by JKPDD for FY 2014-15
Above 1 KW- Up to 2 kW	Rs. 1145 per month	Rs. 1145 per month (in steps of Rs. 140 for every additional ¼ kW or part thereof above 1 kW)

Commission's Analysis

7.18 The Commission in previous orders had agreed to the proposal of the JKPDD-D to increase flat rate tariffs to discourage unmetered consumption. However, since quantum jump from 1 kW to 2 kW is reported by the Petitioner to be steep discouraging the consumers to disclose the load, the Commission approves the revised tariff schedule for the said flat rate domestic consumers as under.

Table 92: Revised Flat Rate Tariff slab for Un-metered domestic category approved now by the Commission

Flat Rate Tariff Slab for Unmetered Domestic category	Existing tariff as per approved in MYT order dated 25th April 2013	Approved now by JKSERC for FY 2014-15
Above 1 KW- Up to 1¼ kW	Rs. 1145 per month	Rs. 725 per month
Above 1¼ kW - Up to 1½ kW	Rs. 1145 per month	Rs. 865 per month
Above 1½ kW - Up to 1¾ kW	Rs. 1145 per month	Rs. 1005 per month
Above 1¾ kW - Up to 2 kW	Rs. 1145 per month	Rs. 1145 per month

Load limit for LTIS- II consumer category

7.19 In the MYT Order dated 25th April, 2013 to provide relief to seasonal industries viz "Atta Chakkis, Rice huskers, Oil expellers, cotton grinning" operating in un organized rural sector and having a load up to 10 HP, the Commission had introduced a separate category LTIS-II. This category was charged lower fixed charges in comparison to LTIS-I consumer category. The Objectors during the public hearing pleaded that restricting the load up to 10 HP has not been of much advantage to such unit holders as in most cases the load exceeds 10 HP. They pleaded for increasing the load limit up to 20 HP in view of limited period of operation / seasonal operation of such units in rural areas which are subjected to load shedding unlike industrial units in the organized sector which are being provided comparatively reliable power.

Petitioner's Response

7.20 The Petitioner stated that while there was no justification for allowing such a dispensation to band saw owners but in the case of other seasonal units covered under LTIS– II consumer category, the Commission may take an appropriate view.

Commission's View

7.21 Keeping in view the objective behind introduction of LTIS-II consumer category and in view of the explanation given, the Commission agrees to increase the load limit to 15 HP in such cases only as are covered under LTIS-II consumer category at present and are duly authorized to operate by the competent authority.

Revision in miscellaneous charges

Petitioner's Submission

7.22 The Petitioner has submitted that there has been a steep hike in the cost of materials/ labour and services, while the miscellaneous charges have not been revised for many years. The Petitioner submitted a proposal to revise the Miscellaneous Charges as per the following table:

Table 93: Proposed Schedule of Miscellaneous Charges

Sl. No	Particulars	Existing Charges	Proposed Charges
1	**For single phase and three phase connection upto 5 kW**		
1.a	Changing Meter Board in same premises.	Rs 60.00	Rs 300.00
1.b	Changing Meter at Consumers request in same premises.	Rs 60.00	Rs 300.00
1.c	Resealing PDDs cut-out in Consumers premises.	Rs 20.00	Rs 200.00
2.	**Re –sealing of Meters, Maximum Demand Indicators in Consumers premises**		
2.a	Single Phase LT Connection.	Rs 50.00	Rs 200.00
2.b	Three phase LT Connection.	Rs 70.00	Rs 400.00
2.c	HT Connection	Rs 700.00	Rs 1500.00
3.	**Meter Testing charge at Consumers request**		
3.a	Single phase LT Meter.	Rs 50.00	Rs 250.00
3.b	Three phase 4W/3W Meter without CT.	Rs 85.00	Rs 350.00
3.c	Three phase 4W/3W Meter with CT	Rs 300.00	Rs 1000.00
3.d	LT CT Meter	Rs 120.00	Rs 1000.00
3.e	HT Meter along with metering equipment (CT/PT).	Rs 1200.00	Rs 4000.00
4.	**Special meter reading**		
4.a	LT Connection	Rs 25.00	Rs 500.00
4.b	HT Connection	Rs 220.00	Rs 500.00
5.	**Replacement of burnt Meter** (if burnt due to Consumers fault)	Cost of Meter+15% supervision charges	Cost of Meter+15% supervision charges
6.	**Fuse Off call charges-Replacement**		
6.a	PDD's cut out fuse	Rs 20.00	Rs 200.00
6.b	LT Consumers fuse	Rs 20.00	Rs 200.00
7.	**Replacement of missing Meter card**	Rs 15.00/card	Rs 500/card
8.	**Replacement of broken glass of Meter**	Rs 35.00/glass	Rs 500/glass
9.	**Reconnection/disconnection charges**		

Sl. No	Particulars	Existing Charges	Proposed Charges
9.a	LT Consumers	Rs 25.00	Rs 300.00
9.b	HT Consumers	Rs 170.00	Rs 1000.00
10.	**Rechecking of installation on request of Consumer**		
10.a	Single phase	Rs 75.00	Rs 500.00
10.b	Three phase	Rs 250.00	Rs 500.00
11.	**Re-rating of equipment**	Rs. 120/equipment	Rs. 120/equipment
12.	**Supervision charge for Service Connection**(if service line laid by Consumer through licensed Contractor)		
12.a	Single phase LT connection	Rs 175.00	Rs 1500.00
12.b	Three phase LT connection	Rs 400.00	Rs 1500.00
12.c	Loop LT connection	Rs 95.00	Rs 1500.00
13.	**Parallel Operation charge for availing Grid support by CPP**	Rs 18/kVA per month on the installed capacity of CPP	JK SERC Regulations
14.	**Shifting of connection**	Actual material cost+15% supervision charge	Actual material cost+15% supervision charge
15.	**Hiring of Utility's plant and equipment**		
15.a	For initial hire agreement period	1% pm on current schedule of rates	2.5% pm on current schedule of rates
15.b	For subsequent period of hire agreement	Twice of 15.a	Twice of 15.a
15.c	For LT consumers(more than 100 HP) converting to HT	Same as 15.a & 15.b	Same as 15.a & 15.b
16	**Transfer of Name**		
16.a	LT	Rs. 100.00	Rs 300.00
16.b	HT	Rs. 600.00	Rs. 600.00
17.	**Booklet for HT/LT Tariff**	Rs. 20.00	Rs. 150.00
18.	**Connection/disconnection charges for temporary connection**		
18.a	LT temporary connection	Rs. 120.00	Rs. 300.00
18.b	HT temporary connection	Rs. 600.00	Rs. 1000.00

Commission's Analysis

7.23 The Commission has scrutinized the proposal submitted by the Petitioner for revision of the schedule of miscellaneous charges. During the public consultation process, several stakeholders raised and submitted objections regarding the steep hike proposed by the Petitioner in the schedule of miscellaneous charges. The Objectors were of the view that only justified costs on account of inflation may be allowed to the Petitioner.

7.24 The Commission analyzed the schedule of miscellaneous charges proposed by the Petitioner by benchmarking the proposed charges against the charges levied in neighboring states having similar characteristics i.e. Himachal Pradesh, Uttarakhand and Punjab and based on the inflationary escalation in miscellaneous charges from the time of last revision of such charges. It was found that in many cases the charges proposed by the Petitioner were substantially higher than both inflationary increases and the charges prevailing in neighboring States. The Commission has considered the inflationary increases and the prevailing rates in neighboring states while also keeping in mind the conditions peculiar to the State of J&K while approving the schedule of miscellaneous charges. Accordingly, the approved schedule of miscellaneous charges has been summarized in **Chapter 11: Schedule of Miscellaneous Charges** of this Order.

THIS SPACE IS INTENTIONALLY LEFT BLANK

CHAPTER 8: DIRECTIVES

8.1 The Commission takes strong objection to non-compliance of its directives by the Petitioner. The Commission shall be forced to take punitive measures against the Petitioner, under Sections 102 and 106 of the J&K Electricity Act, 2010, for its inaction.

8.2 The status of compliance and Commission's views on each of the directives given in previous Tariff Orders is tabulated below:

Directive/Issue	Summary
Status of compliance against directives issued in MYT Order from FY 2013-14 to FY 2015-16	
System Studies & Feeder-Wise Energy Audit	Summary of Directive issued:
	The utility was directed to carry out the system studies for determination of transmission loss in the system and also conduct feeder-wise energy audit and consumer indexing for estimating the base T&D loss level. The commission directs the petitioner to submit a report containing a holistic loss reduction plan within 6 months of issue of the order on "Business Plan for three year MYT period from FY 2013-14 to FY 2015-16 dated 22nd March 2013.
	JKPDD's response:
	JKPDD is monitoring losses on all feeders regularly. The Department is ring fencing 11kV and 33kV feeders and is also in the process of distribution transformer metering. With the commissioning of data centres at Jammu and Srinagar the losses on the feeders shall be monitored online.
	Commission's views:
	The Commission is of the view that even after repeated directives the Petitioner has not submitted report on actual feeder-wise T&D losses and measures to reduce losses in future. This shows lack of seriousness on part of the Petitioner and is highly disturbing given that the T&D losses in the State are one of the highest in the country. In view of above the Commission again directs the Petitioner to submit report on actual losses estimated and loss reduction plan within three (3) months from the date of issue of this Order.
Detailed Investment Plan for New Distribution Works	Summary of Directive issued:
	The commission directs the Utility to submit the detailed investment plan along with the cost benefit analysis for the proposed new distribution works to be submitted along with the Annual Performance Review (ARR) & Tariff petition for FY2014-15.
	JKPDD's response:
	The information shall be submitted separately
	Commission's views:
	The Utility is yet to submit the detailed investment Plan for distribution works. The non-compliance of the directives by the Petitioner is highly objectionable and in case the Petitioner fails to comply with the directives, the Commission shall disallow all capital expenditure for new distribution works. Accordingly, the Commission again directs the Utility to submit the plan within three (3) months from the date of issue of this Order. In case of non-compliance the Commission will be constrained to take penal action.
Audit for metering	Summary of Directive issued:
	The Commission directs the Utility to conduct an independent audit of actual consumers metered and consumers pending for metering during the MYT period and submit quarterly reports within the first week of succeeding month of the quarter to the commission for monitoring purposes.
	JKPDD's response
	The Department is regularly doing this exercise and the data remains available with the department and shall be communicated to Hon'ble Commission.
	Commission's views

	Even though the Petitioner states that it is complying with the directives given by the Commission, but the fact remains that the Commission has not received any report in this regard. The Commission directs the Petitioner to submit the directive-wise status report within one (1) month from the date of issue of this Order. Non-compliance will result in penal action by the Commission.
Progress Monitoring Report	Summary of Directive issued:
	The petitioner is directed to submit quarterly information on each of all the existing schemes approved by the Commission along with the Detail Project Report of all new schemes approved by the Commission which are being implemented in the ensuring quarter. The information to be submitted should be consistent with the DPR for the respective schemes. Any scheme without a detailed DPR would be disallowed by the Commission. The petitioner is directed to submit the desired information along with DPRs for new schemes with the first week succeeding every quarter on cumulative basis. Non-compliance in this regard shall invite penal action.
	JKPDD's response:
	The Petitioner again submitted that it will comply with this directive.
	Commission's Views:
	The Commission directs the Utility to submit quarterly compliance report. These shall be submitted in the month of July, October, January and April each year.
Meter Testing arrangements	Summary of Directive issued:
	The commission directs the JKPDD-D to put in place an accredited independent third party meter testing arrangements in all districts and also prepare norms for allowing consumer 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 at Divisional & Sub-Divisional levels in J&K
	JKPDD's response:
	The JKPDD through a request of empanelment has already invited twice the NABL accredited third party meter testing agency for empanelment with the Department for carrying-out in-house and in-situ testing of consumer meters. One agency M/S Spectro Analytic Laboratories has already been empanelled and some more agencies have applied when second empanelment notice was issued and their empanelment is under process. The agencies have been requested to mobilize their resources in the state.The department has also floated tenders for establishment of meter testing laboratories at Srinagar and Jammu. The Department in touch with National Physical Laboratory, New Delhi and CPRI for seeking technical expertise in this regard.
	Commission's Views:
	The commission notes the progress made by the Petitioner to meet the above directive and further directs to submit actual status of meter testing facilities set up within the State together with the total category wise meter test centers along with next tariff petition.
Theft and Pilferage of Electricity	Summary of Directive issued:
	Utility should 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. The Commission further directs the Petitioner to submit the quarterly reports within first week of the month succeeding the quarter on "Theft Detection & Fine Imposed/Realized" and make available these reports in the public domain so that the efforts of the utility in curbing theft can be reorganized by the masses.
	JKPDD's response:
	JKPDD has already started a massive drive against power theft and defaulters across the state. Special enforcement teams were constituted in the year 2012 in addition to routine inspection squads which conducted inspections almost in every part of the state with results. 120834 inspections were conducted in the year 2012-13 and 2013-14 ending Dec., Rs 23.59 Cr fine was imposed against the defaulters, Rs 14.89 Cr. has been recovered during that period.Various news papers in the state have also reported on the drive carried out by the department and drive is on.

<table>
<tr><td rowspan="2"></td><td>Commission's Views</td></tr>
<tr><td>The Commission notes the compliance with the directive issued by the Commission and further directs the Petitioner to submit report for past three years on actual cases of theft/ pilferage identified, action taken and total amount recovered along with next tariff Petition.</td></tr>
<tr><td rowspan="6">Load Generation Balance</td><td>Summary of Directive issued:</td></tr>
<tr><td>The Commission directed the petitioner to make the details of load shedding available in public domain in advance and also submit to the Commission a Load Generation Balance Report (LGBR) on power procurement planning based on actual hours of supply made to consumers</td></tr>
<tr><td>JKPDD's response:</td></tr>
<tr><td>The department can provide 24X7 power supply to all the consumers across the state if the consumers consume electricity as per their registered loads. Power curtailment becomes inevitable when the consumers use unregistered and unauthorised loads. Use of such loads, overloads the system and put constraints at every level of the system. However the JKPDD gives wide publicity to the scheduled curtailment programs through news papers and also post it on the official websites of the department. JKPDD has also furnished the reply to a petition in this regard before the Hon'ble Commission.</td></tr>
<tr><td>Commission's Views</td></tr>
<tr><td>Even though the Petitioner widely circulates the load shedding details, it failed to submit the LGBR on power procurement planning based on actual hours of supply made to consumers to the Commission. Accordingly, the Commission again directs the Petitioner to submit the LGBR report within three (3) months from the date of issue of this Order.</td></tr>
<tr><td rowspan="6">Energy Awareness Programme</td><td>Summary of Directive issued:</td></tr>
<tr><td>The commission directs the Utility to submit quarterly compliance report within first week of the month succeeding the quarter under the " Bureau of Energy Efficiency" sponsored schemes including the Bachat Lamp Yojana</td></tr>
<tr><td>JKPDD's response</td></tr>
<tr><td>The JKPDD has already held a joint workshop with Bureau of Energy Efficiency, New Delhi, in which representatives of Govt department, Corporations, Trade, Industry, Civil Society were invited and schemes sponsored by BEE were discussed including Bachat Lamp Yojana. The JKPDD through an expression of interest (EOI) had invited all the agencies empanelled with B.E.E for launching Bachat Lamp Yojana in the state of Jammu & Kashmir but there was no response from any agency in view of some global recession and in carbon credits. However the department on its own is exploring the possibility of distributing CFLs according to the resources available</td></tr>
<tr><td>Commission's Views</td></tr>
<tr><td>While the Commission appreciates the steps taken by the Utility, however it further directs the Utility to aggressively work towards general public awareness of this Programme and ensure its implementation. Stress needs to be laid for use of energy efficient devices and LED lamps</td></tr>
<tr><td rowspan="6">Metering</td><td>Summary of Directive issued:</td></tr>
<tr><td>The commission directs the licensee to develop a comprehensive metering plan for completion by end of FY 2015-16 and et it approved by the State Government with an undertaking of support of GoJK on compliance of the relevant provisos of the Act by the licensee. Further the Utility is directed to submit the State Government approved metering plan to the Commission before the completion of existing deadline i.e. by 30th June 2013.</td></tr>
<tr><td>JKPDD's response</td></tr>
<tr><td>JKPDD has made submissions in this regard in the present petition before the Commission.</td></tr>
<tr><td>Commission's Views</td></tr>
<tr><td>The Commission vide Suo-moto Order dated 21st April 2014 issued specific directions to the Petitioner in this behalf and accordingly directs JKPDD-D to meet the directives as issued in the Suo-moto order by the Commission and submit quarterly progress reports to the Commission</td></tr>
<tr><td rowspan="2">Segregation of Cost</td><td>Summary of Directive Issued:</td></tr>
<tr><td>The commission directs the Utility to maintain asset data for opening GFA and the audit data for both distribution and transmission function and submit the same to the Commission by 30th</td></tr>
</table>

	September 2013.
	JKPDD's response
	It shall be submitted as part of Unbundling process
	Commission's Views
	In absence of such details, the Commission is unable to accurately apportion the costs to transmission and distribution functions of JKPDD as it also renders the projections for MYT period inaccurate. Thus, the Commission directs the Petitioner to accelerate the process for unbundling and submit segregated details of costs along with next tariff petition.
TOD tariff	Summary of Directive Issued
	The Commission directs the Utility to submit the report on assessment of ToD Tariff including consumption details of peak and off-peak periods for all HT consumers on a monthly basis before 30th September 2013.
	JKPDD's response
	The department shall assess and report.
	Commission's Views
	The Commission notes with concern that even after completion of over a year, the Petitioner has not, till date submitted report regarding consumption of peak and off peak periods for all HT consumers. The Commission shall undertake suo-moto penal action in case such attitude of the Petitioner continues. The Commission again reiterates that the Petitioner submits a report within One (1) month from the date of issue of this Tariff Order.
Demand Side Management	Summary of Directive issued
	The Commission notes that the petitioner failed to submit a detailed Demand Side Management (DSM) plan along with the ARR & Tariff petition for the MYT control period from FY2013-14 to FY2015-16 as directed by the Commission earlier. Further, the J&K SERC (Multi Year Distribution Tariff) Regulations, 2012 also provide that the petitioner should develop a comprehensive power purchase and procurement plan after accounting for DMS plan. Thus, the commission again directs the petitioner to submit a DSM Plan for approval of the Commission by 30th June 2013.
	JKPDD's response:
	Although the department is working towards Demand Side Management plans, however a comprehensive plan shall be submitted shortly.
	Commission's Views
	The Commission again notes with concern that even after completion of over a year, the Petitioner has failed to submit detailed DSM plan for the State. The Commission again reiterates that the Petitioner shall submit a report within One (1) month from date of issue of this Tariff Order.
Arrear Recovery	Summary of Directive Issued
	The Commission reiterates its earlier directive that the Utility should 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 particular year. A complete detail of arrears and their realization from FY 2006-07 should be made available to the Commission latest by 30th June 2013.
	JKPDD's response
	JKPDD regularly prepares the list of consumers with arrears in all the categories. The list is being published in the newspaper also. Such case are being referred to Mobile Magistrate also on regular basis by the subordinate offices.
	Commission's Views
	The Commission notes a little progress achieved by the Petitioner on compliance of the directive, however the Petitioner has not submitted year wise recovery report on the arrears. The Commission directs the Petitioner to submit the same within one (1) month from the date of issue of this Tariff Order.
Actual Cost of Supply	Summary of Directive Issued
	JKPDD is directed to conduct a study to determine the actual cost of supply for each consumer

	category as per the methodology prescribed by this Commission in the J&K SERC (Multi Year Distribution Tariff) Regulations, 2012 and submit the report by 30th September 2013.
	JKPDD's response
	JKPDD shall undertake this exercise and report to the Commission.
	Commission's Views
	The Commission again notes with concern that even after completion of over a year, the Petitioner has till date not prepared a report and submitted to the Commission. The Commission shall undertake suo-moto penal action in case such attitude of the Petitioner continues. The Commission again reiterates that the Petitioner shall submit a report within One (1) month of issue of this Tariff Order.
Low Load Factor	Summary of Directive issued
	The Utility should undertake testing of all those consumers in non-domestic and LT Industries categories whose monthly load factor is less than 1%. The Utility is also directed to undertake the exercise of establishing the Load Factor Data base of the state and submit the report by 30th Sept. 2013.
	JKPDD's response:
	With the commissioning of Data centres at Jammu and Srinagar this exercise will automatically be undertaken.
	Commission's Views
	The Commission directs the Petitioner to submit compliance report within three (3) months from date of issue of this Tariff order.

THIS SPACE IS INTENTIONALLY LEFT BLANK

New Directives Issued by the Commission

Metering Plan

8.3 As per the Suo-moto Order dated 21st April 2014 on metering plan for the Petitioner to achieve 100% metering in State by end of FY 2015-16, the Commission directs as follows:

(g) No further delay in achieving 100% current consumers metering would be allowed beyond March, 2016. Any such delay would not only invite penal action against the Respondents and would also call for suitable action from the Commission declaring supply of electricity to unmetered consumers as illegal in terms of the provisions of Section 49(1) of J&K Electricity Act 2001 and Commission's orders issued from time to time.

(h) Further, JKPDD-D should establish and develop authentic third party meter testing mechanism in the State as is required in terms of Section 44 of the Act read with Chapter A5 of the Jammu and Kashmir State Electricity Supply Code, 2011 and report compliance to the Commission with the next Annual Performance Review Petition.

(i) JKPDD-D should evolve a comprehensive mechanism for closely monitoring the implementation of proposed metering plan at various levels particularly at the level of Administrative Department. The province-wise/ Circle-wise/Division-wise progress report in the light of the revised action plan submitted by the Utility shall be submitted to the Commission on a quarterly basis for review.

(j) Further, as there has been serious deviation from the mandate given by the State Legislature under Section 49(1) of the Act 2010 for completion of metering within a period of 2 years from the date of notification of the J&K Electricity Act, 2010, the JKPDD-D need to place the facts before the State Legislature for ratification of the extended dead line for achieving 100% metering in the State.

Compliance to Renewable Power Purchase Obligation

8.4 The Commission notes with concern that even though the JKSERC (Renewable Power Purchase Obligation, its Compliance and REC framework Implementation) Regulations, 2011 mandates procurement of power from Renewable Energy Sources (RES), the Petitioner has repeatedly failed to fulfill its Obligation. The Commission, therefore directs JKPDD-D to chalk out a comprehensive plan for fulfillment of the Obligation and ensure compliance.

8.5 In order to make the compliance with RPO targets more effective, the Commission directs the JKPDD-D to open a separate account for meeting the annual fixed obligation of renewable energy, which includes carry forward balances and purchase of RECs to meet shortfall, if any. This is necessary to ensure the compliance of the relevant regulations. JKPDD-D shall review the position with the Nodal Agencies periodically and report the progress to the Commission. Further, the utilization of the funds created in this account shall be decided by the utility in consultation with the Commission as per the relevant regulations.

Area wise loss reduction plan

8.6 The Commission directs the Petitioner to submit the district-wise and circle-wise loss reduction plan on the prescribed MYT formats along with next tariff Petition. The failure to do so may invite penal action by the Commission.

Data on T&D losses to be made available on the website

8.7 The Commission directs the Petitioner to upload circle wise / feeder wise T&D loss data with other relevant details on its website and report compliance within two (2) months from the date of issue of this Order.

Implementation of KVAh tariffs

8.8 The Commission directs that the Petitioner to put in place the requisite infrastructure for metering and billing on KVAh basis. The Petitioner is also directed to submit the category wise status of KVAh compatible metering, impact analysis of implementation on KVAh billing on each of the proposed consumer category and category wise revenue impact of proposed KVAh billing vis-à-vis the revenue at prevailing tariffs along with next tariff petition. The status of reactive compensation at all levels of power system in J&K shall also be furnished.

Submission of audited accounts

8.9 The Commission directs the Petitioner to submit audited accounts along with next tariff petition for Truing up of expenses for FY 2013-14. In absence of audited accounts, the Commission shall not provide any True up to the Petitioner.

Submission of list of consumers with arrears

8.10 The Commission directs the Petitioner to submit category-wise list of consumers with arrears exceeding Rs. 1 Lac or two months energy bills, whichever is higher as on 1st April 2014 along with steps taken to recover the arrears and actual recovery status with the next tariff petition. Reasons for not effecting recovery and allowing to pile up the same be also furnished.

Details of Subsidy from State Government

8.11 The Commission is of the view that mere stating that the revenue gap shall be met through financial assistance of the State Government is not enough. Basically the Utility has to come up with the consumer category wise subsidy provisions granted in advance by the State Government in accordance with the provisions of Section 59 of the Act.

8.12 Accordingly, the Commission directs the Petitioner to submit all relevant details in accordance with the provisions of Section 59 of the Act clearly providing amount of subsidy received from State Government along with the next tariff petition.

Progress Report on Unbundling

8.13 Even though the Government of Jammu & Kashmir, vide Govt. Order no. 264 PDD of 2012 dated 5th September 2012, has ordered for unbundling of JKPDD and setting up of one transmission company, two distribution companies (one each for Jammu and Kashmir divisions) and one power trading company, the JKPDD has failed to provide separate details of assets and costs for each unbundled function of the Department. In this regards, the Commission is of the view that unbundling is one of the major restructuring and reform measure as per the Act and should be completed at the earliest.

8.14 Thus, the Commission directs the Petitioner to submit the progress report on unbundling of the Department within three (3) months from the date of issue of this Order.

Segregated asset details of Transmission and Distribution functions

8.15 The Commission directs the Petitioner to submit the segregated details of assets of transmission and distribution functions along with the next tariff petition. The progress made till date should be furnished in the month of August, 2014.

Capital expenditure and capitalization

8.16 The Petitioner as part of its Petition has not been able to submit the details of the scheme wise capital investment plan and capitalization schedule as per the formats prescribed in the JKSERC (Multi Year Distribution Tariff) Regulations, 2012. This action of the Petitioner goes against the concept of MYT regime. Consequently, the Commission has approved the capital expenditure and capitalization provisionally. The Commission accordingly directs the Petitioner to submit the scheme wise details of Capital Expenditure Plan and Capitalization Schedule as per the formats prescribed in the JKSERC (Multi Year Distribution Tariff) Regulations, 2012 by September 2014.

Setting up of Regulatory Cell

8.17 The Commission directs the Petitioner to set up a special cell to attend to regulatory affairs and to monitor timely implementation of the directions issued by the Commission.

Difference between revenue targets approved by JKSERC and revenue realised by JKPDD-D

8.18 The Commission as part of its Tariff Order approves the revenue targets after taking into account all the relevant factors. However there is a huge shortfall between the revenue targets so approved by the Commission and the actual revenue realization by the Utility. This is partly attributed to non issuance of electricity bills and non collection of bills issued for energy consumed. The Commission directs the Petitioner to undertake a comprehensive consumer category wise analysis of such revenue shortfall each year and submit the same to the Commission as part of the Tariff Petition indicating clearly the category wise details of the arrears so that the same can be treated as opening balance to be recovered over and above the revenue targets approved for the particular year.

CHAPTER 9: TARIFF SCHEDULE FOR FY 2014-15

Schedule 1: Domestic Supply

Applicability

9.1 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.

9.2 In addition, a separate Below Poverty Line (BPL) consumer category has been created to provide relief to socio-economic backward consumers for consumption upto 30 units/month. It should be noted that only those consumers will be included in the BPL category who would submit a BPL certificate from the Competent Authority of the State Government. In case consumption within this category exceeds beyond 30 units/ month, the consumption over and above 30 units/ month would be charged as per the applicable rates for domestic (metered) category in accordance with the relevant consumption slab.

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 94: Approved Tariff for Domestic Supply

Description	Approved Tariff for FY 2014-15
Below Poverty Line (Consumption upto 30 units/month)	
Energy charges (Rs./KWh)	1.19
Fixed Charges (Rs./kW or part thereof / month)	5.00
Metered Consumers	
Energy Charges for Metered Connection (Rs. / KWh)	
upto 100 units/ month	1.54
101- 200 units /month	2.00
201 - 400 units /month	3.00
> 400 units /month	3.20
Minimum Charges for contracted load (Rs./month)	
upto 1/4 kW	Nil
above 1/4 kW upto 1/2 kW	Nil

Description	Approved Tariff for FY 2014-15
above 1/2 kW upto 1 kW	Nil
Above 1 kW for every 250 W, or part thereof	Nil
Fixed Charges for contracted load (Rs./kW or part thereof / month)	
For all units	5.00
Un-metered Consumers	
Flat Rate (Rs. / month)	
upto 1/4 kW	89
above 1/4 kW upto 1/2 kW	295
above 1/2 kW upto 3/4 kW	445
above 3/4 kW upto 1 kW	585
above 1 KW upto 1¼ kW	725
above 1¼ kW upto 1½ kW	865
above 1½ kW upto 1¾ kW	1005
above 1¾ kW upto 2 kW	1145
above 2 kW	Rs. 1,145 + Rs.460 for every additional ¼ kW or part thereof above 2 kW

9.3 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.

9.4 If there are 10 houses in a society the consumption shall be charged in the following manner: The first 1000 (100 x 10) units would be charged at Rs 1.54/unit; the next 1000 (100 x 10) units at Rs 2.00/unit; next 2000 (200 x 10) units at Rs 3.00/unit and the remaining units at Rs 3.20/unit along with fixed charges for entire load at Rs.5 per kW per month.

9.5 Any matter regarding supply to Group Housing societies should be as per the Regulations laid down in JKSERC (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

9.6 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 (other than those qualifying to be charged under the LT industrial supply category), 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.

9.7 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 95: Approved Tariff for Non Domestic/ Commercial Supply

Particulars	Approved Tariff for FY 2014-15
Metered Non-Domestic Tariff	
Energy Charges (Rs./KWh)	
Single Phase	
Upto 100 units/month	2.55
101 to 200 units/month	2.70
201 to 300 units/month	3.90
Above 300 units/month	4.20
Three Phase	
For all units	4.55
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.)	

Particulars	Approved Tariff for FY 2014-15
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	40.00
Three Phase	95.00
Un-Metered Non-Domestic Tariff	
Flat Rate Charges (Rs. / month)	
Upto 1/4 kW	280
above 1/4 kW upto 1/2 kW	720
above 1/2 kW upto 1 kW	1,430
above 1 kW *	1,925
* and part thereof for every kW above 1 kW	1,925

9.8 Any matter regarding supply to Commercial Complexes with Single Point Delivery/supply should be as per the Regulations laid down in JKSERC (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

9.9 The Commission has fixed the applicability of the State/ Central Government department category to all connections including educational/technical institutions, taken by Departments of the State and the Central Governments, defence and para-military forces excluding public sector enterprises/ undertakings.

9.10 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 96: Approved Tariff for State/ Central Government Departments

Particulars	Approved Tariff for FY 2014-15
Energy Charges (Rs./ KWh)	6.30
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	30.00

Schedule 4: Agricultural Supply

Applicability

9.11 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 (6.70 HP)

(b) AC, 50 Hz, three phase, 400 volts supply for sanctioned load upto 100 kW (134 HP)

(c) AC, 50 Hz, three phase, 11kV supply for sanctioned load above 100 kW (134 HP) upto 1 MVA

(d) AC,50 Hz, three phase, 33/66kV supply for sanctioned load above 1 MVA

Rate of Charge

Table 97: Approved Tariff for Agriculture Supply

Particulars	Approved Tariff for FY 2014-15
Metered Tariff	
Energy Charges (Rs./KWh) *	
0 to 10 HP	0.60
11 to 20 HP	0.65
Above 20 HP	4.75
Minimum Charges for connected load (Rs./HP/Annum)	
0 - 10 HP	Nil
11 to 20 HP	Nil
Above 20 HP	Nil
Fixed Charges for connected load (Rs/HP/month)	
0 - 10 HP	15.00
11 to 20 HP	20.00
Above 20 HP	40.00
* 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)	
0 to 10 HP	185
11 to 20 HP	200
Above 20 HP	1,275

Schedule 5: Public Street Lighting

Applicability

9.12 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 98: Approved Tariff for Public Street Lighting

Particulars	Approved Tariff for FY 2014-15
Metered Tariff	
Energy Charge	
Rs./ KWh	5.00
Fixed Charge Load (in kW) to be rounded off to the next whole number for the purpose of application of Fixed Charges	
Rs./ KWh (for metered consumers)	40.00
Un-metered Tariff	
Rs./ kW/ month or any part thereof	1,350

Schedule 6: LT Public Water Works

Applicability

9.13 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, 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 99: Approved Tariff for LT Public Water Works

Particulars	Approved Tariff for FY 2014-15
Metered Tariff	
Energy Charge	
For all Units (Rs./ KWh)	5.55
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/ month)	45.00
Un-metered Charge	
Rs. / kW /month	1,465

Schedule 7: HT Public Water Works

Applicability

9.14 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 100: Approved Tariff for HT Public Water Works

Particulars	Approved Tariff for FY 2014-15
Metered Consumers	
11 kV Supply	
Energy Charge (Rs./ KVAh) *	3.95
Demand Charge (Rs./ kVA/ Month) *^	220
** For Connections above 100 kW metered on LT, Additional 5% Surcharge on Demand and Energy Charges at 11 KV tariff shall be chargeable* *^ Or part thereof on billing demand*	
33 kV and above Supply	
Energy Charge (Rs./ KVAh)	3.75
Demand Charge (Rs./ kVA/ Month) ^	210
^ Or part thereof on billing demand	

Schedule 8: LT Industrial Supply

Applicability

9.15 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.

9.16 The Commission has introduced Separate category namely LTIS II in order to provide relief to "Atta Chakkis, Rice huskers, Oil expellers, cotton grinning" in rural and unorganized sector having load upto 15 HP (11.19 kW) . LTIS I would include all LT industrial consumers except those covered under LTIS II.

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 101: Approved Tariff for LT Industrial Category

Particulars	Approved Tariff for FY 2014-15
LTIS I (for all metered consumers except those covered under LTIS II)	
Energy Charges (Rs./KWh) *	3.00
Fixed Charges (Rs./kW/month) ^	47
* For Connections with sanctioned load below 100 kW supplied and metered on HT, 5% rebate on Energy Charges shall be allowed. ^ Load (in kW) to be rounded off to the next whole number for the purpose of application of Fixed Charges.	
LTIS II (for all metered consumers and having load up to 15 HP	
Energy Charges (Rs./KWh) *	3.00
Fixed Charges (Rs./kW/month) ^	20
* For Connections with sanctioned load below 100 kW supplied and metered on HT, 5% rebate on Energy Charges shall be allowed. ^ Load (in kW) to be rounded off to the next whole number for the purpose of application of Fixed Charges.	

Schedule 9: HT Industrial Supply

Applicability

9.17 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 102: Approved Tariff for HT Industrial Category

Particulars	Approved Tariff for FY 2014-15
11 kV Supply	
Energy Charge (Rs./ KVAh) *	2.68
Demand Charge (Rs./ kVA/ Month) *^	130
* For Connections with sanctioned load above 100 kW metered on LT, Additional 5% Surcharge on Demand & Energy Charges at 11 KV tariff shall be chargeable; ^ Or part thereof on Billing Demand	
33 kV Supply	
Energy Charge (Rs./ KVAh)**	2.60
Demand Charge (Rs./ kVA/ month) ^	130
** Rebate to Connections at higher voltages: For 66 kV – 1.5% on the Energy Charge for 33 kV Supply; ^ Or part thereof on Billing Demand	

(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 nos. 10.10, 10.11 and 10.12 of the Chapter 10: Terms and Conditions of Tariff /Definitions of this Order.

Schedule 10: HT Industrial Supply for Power Intensive Industries

Applicability

9.18 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 103: Approved Tariff for HT Industrial Supply for Power Intensive Industries

Particulars	Approved Tariff for FY 2014-15
11 kV Supply	
Energy Charge (Rs./ KVAh)	3.21
Demand Charge (Rs./ kVA/ Month) ^	195
^ Or part thereof on Billing Demand	
33 kV Supply	
Energy Charge (Rs./ KVAh) *	2.98
Demand Charge (Rs./ kVA/ month) ^	190
* Rebate to Connections at higher voltages: For 66 kV – 1.5% on the Energy Charge for 33 kV Supply; ^ Or part thereof on Billing Demand	

(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 nos. 10.10, 10.11 and 10.12 of the Chapter 10: Terms and Conditions of Tariff /Definitions of this Order.

Schedule 11: General Purpose Bulk Supply

Applicability

9.19 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.

9.20 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 104: Approved Tariff for General Purpose Bulk Supply

Particulars	Approved Tariff for FY 2014-15
11 kV Supply	
Energy Charge (Rs./ KVAh) *	3.78
Demand Charge (Rs./ kVA/ Month) *^	193
* For Connections above 100 kW metered on LT, Additional 5% Surcharge on Demand and Energy Charges at 11 KV tariff shall be chargeable ^ Or part thereof on Billing Demand	
33 kV Supply	
Energy Charge (Rs./ KVAh)**	3.62
Demand Charge (Rs./ kVA/ month) ^	187
** Rebate to Connections at higher voltages: For 66 kV – 1.5% on the Energy Charge for 33 kV Supply; ^ Or part thereof on Billing Demand	

(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 nos. 10.10, 10.11 and 10.12 of the Chapter 10: Terms and Conditions of Tariff /Definitions of this Order.

Schedule 12: LT and HT Temporary Connections

Applicability

9.21 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

9.22 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

9.23 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.

CHAPTER 10: TERMS AND CONDITIONS OF TARIFF/ DEFINITIONS

10.1 The terms and conditions for application of tariff for the FY 2014-15 as approved by the Commission are provided below.

Terms and Conditions of Tariff

10.2 The utility shall provide single phase LT connections upto a load of 5 kW, beyond which all connections shall be three phase in nature.

10.3 The PDD-D 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

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

Minimum Agreement Period

10.5 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

10.6 All matters regarding Security Deposits will be as per JKSERC (Security Deposit) Regulation, 2008.

10.7 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;

(a) L.T. and H.T. Consumers – for two months;

(b) 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;

(c) The State/ Central Government / local bodies consumers shall be exempt from payment of the security deposit;

10.8 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

10.9 JKPDD-D shall levy a late payment surcharge @ 1.5% per month on the unpaid (beyond due date) principal amount of energy charges, fixed/demand charges and/or minimum charges as may be the case for authorized connections.

Example 1: In case no payment has been made before due date

- *Amount payable on account of energy and fixed/demand charges by due date = Rs. 1,000*
- *Due Date = 31st May 2013*
- *Actual paid by due date = Nil*
- *Amount payable after due date but by 30th June 2013 = Rs. 1,015 (1000 + 15)*
- *Amount payable by 31st July 2013 = Rs. 1,030 (1000 + 15 + 15) and so on (Note: Surcharge for the period beyond June 2013 would be computed on the unpaid principal amount only)*

Example 2: In case partial payment has been made before due date

- *Amount payable on account of energy and fixed/demand charges by due date = Rs. 1,000*
- *Due Date = 31st May 2013*
- *Actual paid by due date = 500*
- *Unpaid Amount payable after due date but by 30th June 2013 = Rs. 507.5 (500 + 7.5)*
- *Amount payable by 31st July 2013 = Rs. 515 (500 + 7.5 + 7.5) and so on (Note: Surcharge for the period beyond June 2013 would be computed on the unpaid principal amount only)*

Excess/ Unauthorized Load

10.10 Any consumer having energy meter with Maximum Demand Indicators (MDI) installed, found to have actual load drawn greater than the Contracted demand shall be levied fixed/demand charges for the excess load, at 2 times the normal rate. The energy charges for consumption proportionate to the excess demand shall also be billed at 2 times the normal rate. Provided that in cases no MDI is installed, the excess load shall be billed as per Regulation 6.27 of JKSERC (Supply Code) Regulations, 2011.

Example:

(a) For consumers where fixed charges on the basis of contracted load/ demand have been specified:

- *Contracted load = 30 kW, Maximum Demand = 43 kW, Excess Demand = 13 kW (43-13)*
- *Recorded consumption for month = 10,320 KWh*
- *Consumption corresponding to contracted load =(10,320 / 43 * 30) = 7,200 KWh;*
- *Consumption corresponding to excess demand = (10,320 – 7,200) = 3,120 KWh*
- *Normal Fixed Charge Rate = Rs. 47/kW/month, Normal Energy Charge rate = Rs.3.00/KWh*
- *Fixed Charges for contracted load = (30 * 47) = Rs. 1,410;*
- *Fixed Charges for excess load =(13 * 47 * 2) = Rs. 1,222;*
- *Total Fixed Charges = (1,410 + 1,222) = Rs. 2,632*
- *Energy Charges for consumption corresponding to contracted load = (7,200 * 3) = Rs. 21,600;*
- *Energy Charges for consumption corresponding to excess load = (3,120 * 3* 2) = Rs. 18,720;*
- *Total Energy Charges =(21,600 + 18,720) = Rs. 40,320*

(b) For industrial consumers billed on billable demand:

- *Contracted demand = 500 kVA, Maximum Demand = 800 kVA, Excess Demand = 300 kVA (800-500)*
- *Recorded consumption for month = 3,26,400 KVAh*
- *Consumption corresponding to contracted demand = (3,26,400 * 500/ 800) = 2,04,000 KVAh;*
- *Consumption corresponding to excess demand = (3,26,400 – 2,04,000) = 1,22,400 KVAh*
- *Normal Demand Charge Rate = Rs. 130/kVA/month, Normal Energy Charge rate = Rs.2.60/KVAh*
- *Fixed Charges for contracted demand = (500 * 130) = Rs. 65,000;*
- *Fixed Charges for excess demand = (300 * 130 * 2) = Rs. 78,000;*
- *Total Fixed Charges = (65,000 + 78,000) = Rs. 1,43,000*
- *Energy Charges for consumption corresponding to contracted demand =(2,04,000 * 2.60) = Rs. 5,30,400;*
- *Energy Charges for consumption corresponding to excess demand = (1,22,400 * 2.60 * 2) = Rs. 6,36,480;*
- *Total Energy Charges = (5,30,400 + 6,36,480) = Rs. 11,66,880*

10.11 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 regularized.

10.12 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 regularized 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.

Electricity Duty

10.13 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.

Power Factor Control

10.14 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 105: 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

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

10.16 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.

10.17 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

10.18 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.

10.19 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

10.20 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

10.21 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.

10.22 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

10.23 A consumer, whose cheque has been dishonoured, shall have to make payments either in cash or demand draft.

10.24 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

10.25 Resale of power should be as per the Provisions in the JKSERC (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

10.26 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

10.27 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

10.28 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.

10.29 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.

10.30 In order to encourage consumers to switch over to solar water heating systems, the Commission approves a monthly rebate of Rs.150.00 for all metered consumers who have installed such solar heating systems with a minimum capacity of 100 litres for meeting their requirement of hot water. To avail this rebate the consumer will be required to give the 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 regularly to meet such heating requirements.

10.31 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

10.32 The Connected Load shall mean the sum of the rated capacities in kW/HP of all energy consuming apparatus including portable apparatus duly wired and connected to the power supply system in the consumer's premises. However, this shall not include the load of extension plug sockets, stand-by or spare energy consuming apparatus installed, through change over switch, which cannot be operated simultaneously and any other load exclusively meant for firefighting purposes.

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

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

Sanctioned Load

10.35 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

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

Maximum Demand

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

Demand Charges

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

Average Power Factor

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

CHAPTER 11: SCHEDULE OF MISCELLANEOUS CHARGES

Table 106: Approved Schedule of Miscellaneous Charges for FY 2014-15

Sl. No	Description	Units	Existing charges	Proposed by the Petitioner	Approved by the Commission FY 2014-15
1	**For single phase and three phase connection upto 5 kW**				
1.a	*Changing Meter Board in same premises.*	Rs	60	300	80
1.b	*Changing Meter at Consumers request in same premises.*	Rs	60	300	80
1.c	*Resealing PDDs cut-out in Consumers premises.*	Rs	20	200	25
2	**Re –sealing of Meters, Maximum Demand Indicators in Consumers premises**				
2.a	*Single Phase LT Connection.*	Rs	50	200	100
2.b	*Three phase LT Connection*	Rs	70	400	150
2.c	*HT Connection*	Rs	700	1500	850
3	**Meter Testing charge at Consumers request**				
3.a	*Single phase LT Meter.*	Rs	50	250	60
3.b	*Three phase 4W/3W Meter without CT.*	Rs	85	350	100
3.c	*Three phase 4W/3W Meter with CT*	Rs	300	1000	350
3.d	*LT CT Meter*	Rs	120	1000	200
3.e	*HT Meter along with metering equipment (CT/PT).*	Rs	1200	4000	1200
4	**Special meter reading**				
4.a	*LT Connection*	Rs	25	500	30
4.b	*HT Connection*	Rs	220	500	250
5	**Replacement of burnt Meter** (if burnt due to Consumers fault)	Rs	Cost of Meter+15% supervision charges	Cost of Meter+15% supervision charges	Cost of Meter+15% supervision charges
6	**Fuse Off call charges-Replacement**				
6.a	*PDD's cut out fuse*	Rs	20	200	25
6.b	*LT Consumers fuse*	Rs	20	200	25
7	**Replacement of missing Meter card**	Rs/Card	15	500	15
8	**Replacement of broken glass of Meter**	Rs/Glass	35	500	40
9	**Reconnection/disconnection charges**				
9.a	*LT Consumers*	Rs	25	300	50
9.b	*HT Consumers*	Rs	170	1000	250
10	**Rechecking of installation on request of Consumer**				
10.a	*Single phase*	Rs	75	500	100
10.b	*Three phase*	Rs	250	500	250
11	**Re-rating of equipment**	Rs/ Equipment	120	120	120

Sl. No	Description	Units	Existing charges	Proposed by the Petitioner	Approved by the Commission FY 2014-15
12	**Supervision charge for Service Connection**(if service line laid by Consumer through licensed Contractor)				
12.a	*Single phase LT connection*	Rs	175	1500	200
12.b	*Three phase LT connection*	Rs	400	1500	450
12.c	*Loop LT connection*	Rs	95	1500	120
13	**Parallel Operation charge for availing Grid support by CPP**	Rs/kVA per month on the installed capacity of CPP	18	As per JKSERC Regulations	As per JKSERC Regulations
14	**Shifting of connection**	Rs	Actual material cost+15% supervision charge	Actual material cost+15% supervision charge	Actual material cost+15% supervision charge
15	**Hiring of Utility's plant and equipment**				
15.a	*For initial hire agreement period*	Rs	1% pm on current schedule of rates	2.5% pm on current schedule of rates	1% pm on current schedule of rates
15.b	*For subsequent period of hire agreement*	Rs	Twice of 15.a	Twice of 15.a	Twice of 15.a
15.c	*For LT consumers(more than 100 HP) converting to HT*	Rs	Same as 15.a & 15.b	Same as 15.a & 15.b	Same as 15.a & 15.b
16	**Transfer of Name**				
16.a	*LT*	Rs	100	300	120
16.b	*HT*	Rs	600	600	600
17	**Booklet for HT/LT Tariff**	Rs	20	150	25
18	**Connection/disconnection charges for temporary connection**				
18.a	*LT temporary connection*	Rs	120	300	150
18.b	*HT temporary connection*	Rs	600	1000	700

ANNEXURES

Annexure 1: List of participants in State Advisory Committee Meeting

List of participants of 2nd meeting of 2014 of the State Advisory Committee held on 22nd April, 2014 in the meeting hall of JKSERC at Jammu under the chairmanship of Sh. Basharat Ahmad Dhar, Chairman JKSERC has been summarised in following table.

Table 1: List of participants in SAC meeting

S. No.	Name	Department/ Organization
Hon'ble Members of JKSERC		
1	Sh. D.S.Pawar	Member (T)
2	Sh. G.M.Khan	Member (F)
Members of the SAC		
3	Sh. Baseer Khan I.A.S	Secretary, CAPD
4	Dr. S.S. Jamwal	Director, Agriculture, Jammu
5	Dr. Aijaz Ahmed	Professor, Elec. Engg Dept., NIT Srinagar
6	Sh. M.L. Raina,KAS	Dy. Transport Commissioner (Rep. Transport Commissioner)
7	Major General (Ret.) Goverdhan Singh Jamwal	President, J&K Ex-serviceman League
8	Sh. Sheikh Ashiq Ahmad	President, KCCI
9	Sh. Y.V. Sharma	President, CCI, Jammu
10	Sh. Annil Suri	Chairman, Federation of Industries, Jammu, President, BBIA
11	Sh. Vikram Gour	President, SCPC, Consumer Welfare Association
12	Sh. Syed Afaq Qadri	Sr. Vice President, FCIK (representing Sh. Mohd. Ashraf Mir, President FCIK)
Special Invitees		
13	Sh. M.A. Kakroo I.A.S.	Managing Director, JKSPDC
14	Sh. H.S. Gupta	Retd DC(P)/Ex-Consultant JKSERC
Officers of JKSERC		
15	Sh. R K Seli	Technical Consultant, JKSERC
16	Sh. Abdul Hamid	Secretary, JKSERC
17	Sh. V.K Sarngal	Suptt. Engineer, JKSERC
18	Smt. Villy Kaul	Dy. Secretary(Law), JKSERC
19	Sh. Ram Krishan	Accounts Officer, JKSERC
20	Sh. Paavan Bhargava	Consultant (PwC)
Officers of JKPDD		
21	Sh. Asgar Ali	Development Commissioner(Power),JKPDD
22	Sh. Ajay Gupta	C.E.,S&O. Jammu, JKPDD
23	Smt. Shehnaz Goni	C.E, M&RE, Jammu, JKPDD
24	Sh. Khurshid Ahmed Badoo	C.E.,Commercial and Survey Wing, JKPDD
25	Sh. B.A. Khan	C.E., EM&RE wing, JKPDD
26	Sh. Ravi Chanyal	C.E., P&D, JKPDD
27	Sh. B.A. Dar	Tech. Officer to DCP
28	Sh. Umesh Parihar	Executive Engineer, SLDC, Jammu

S. No.	Name	Department/ Organization
29	Sh. Rakesh Sharma	AEE, DCP Office
30	Sh. Vaneet Gupta	AEE, ITC and Billing
31	Sh. Azhar Vakil	AEE, DCP Office
32	Sh. M. Ramzan	AE, DCP Office
Officers of JKSPDC		
33	Sh. Iftikar A Kakroo	General Manager(Civil), JKSPDC

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 1: List of objectors

S.No.	Objector
1.	Annapurna Laminators Pvt. Ltd., Lane No.4, SIDCO Industrial Complex, Bari Brahmana, Jammu
2.	Association of Industries ,ASSI Bhawan, 52-A, Phase-I, Industrial Area, Gangyal, Jammu
3.	Anil Suri, Bari Brahmana Industries Association(Regd.)
4.	Vikrant Kuthiala, Chairman, On behalf of PHD Chamber of Commerce, J&K Committee, Jammu.
5.	Ram Kumar Suryawanshi, Commander Works Engineer, MES, Udhampur

Annexure 3: List of participants in Public Hearings

Table 1: Participants at Hearing held on 24th May 2014 at IMPA, Mulana Azad Road, Srinagar

S.No.	Name of the Officers/ officials/ stakeholders	Designation
JKSERC		
1	Sh. Basharat Ahmad Dhar	Hon'ble Chairman, JKSERC
2	Sh. D.S. Pawar	Hon'ble Member (T), JKSERC
3	Sh. G.M. Khan	Hon'ble Member (T), JKSERC
4	Sh. Abdul Hamid	Secretary, JKSERC
5	Sh. V. K. Sarngal	Supdtt. Engineer, JKSERC
6	Smt. Villy Kaul	Dy. Secretary Law, JKSERC
7	Sh. Ram Krishan	Accounts Officer, JKSERC
8	Sh. Abdul Hamid Baba	Pvt. Secretary to HCM, JKSERC
9	Sh. Paavan Bhargava	Consultant (PwC)
Public Representatives		
10	Sh. Shakeel Qalander	Member, KCSDS
11	Sh. Afaq Qadri	Sr. Vice President, FCIK
12	Sh. Rasool Dar	Local Representative
13	Gh. Mohidin Paul	Local Representative
14	Sh. Mohd. Shafi Dar	Local Representative
15	Sh. Ali Mohd. Rangrez	Local Representative
16	Sh. Javeed Ahmad	Local Representative
Officers from JKSPDC		
17	Sh. M.A.Kakroo, IAS	Managing Director, JKSPDC
18	Sh. I.A.Kakroo	G.M, JKSPDC
Officers from JKPDD		
19	Sh. Asgar Ali	Development Commissioner (Power), JKPDD
20	Sh. B.A. Khan	Chief Engineer, JKPDD
21	Sh. Ajay Gupta	Chief Engineer, JKPDD
22	Sh. Ravi Chanyal	Chief Engineer, JKPDD
23	Sh. Showkat Banday	Supdtt. Engineer, JKPDD
24	Sh. S.K. Zutshi	Supdtt. Engineer, JKPDD
25	Sh. Nasib Singh	Supdtt. Engineer, JKPDD
26	Sh. Fayaz Andvab	Supdtt. Engineer, JKPDD
27	Sh. Mohd. Yousaf Baba	Executive Engineer, JKPDD
28	Sh. Ajaz Ahmad Khan	Executive Engineer, JKPDD
29	Sh. Arshad Hussain Reshi	Executive Engineer, JKPDD
30	Sh. Manzoor Ahmad Zargar	Executive Engineer, JKPDD
31	Sh. B.S. Jaggi	Executive Engineer, JKPDD
32	Sh. Javed Y. Dar	Executive Engineer, JKPDD
33	Sh. Hashmat Qazi	Executive Engineer, JKPDD

S.No.	Name of the Officers/ officials/ stakeholders	Designation
34	Sh. Ali Mohd. Rather	Executive Engineer, JKPDD
35	Sh. M.K.Akeny	Executive Engineer, JKPDD
36	Sh. Bashir Ahmad Dar	TO to DCP, JKPDD
37	Sh. S. Ghani	A.E.E, JKPDD
38	Sh. Azhar Vakil	A.E.E, JKPDD
39	Sh. Azhar Yasin	J.E., JKPDD

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.

Table 2: Participants at Hearing held on 29th May, 2014 at PWD Guest House, Gandhinagar, Jammu

S.No.	Name of the Officers/ officials/stakeholders	Designation
JKSERC		
1	Sh. Basharat Ahmad Dhar	Hon'ble Chairman, JKSERC
2	Sh. D.S Pawar	Hon'ble Member (T), JKSERC
3	Sh. G.M. Khan	Hon'ble Member (F), JKSERC
4	Sh. Abdul Hamid	Secretary, JKSERC
5	Sh. V.K. Sarngal	Supdtt. Engineer, JKSERC
6	Smt. Villy Kaul	Dy. Secretary Law, JKSERC
7	Sh. R.K. Sharma	Accounts Officer, JKSERC
8	Sh. Paavan Bhargava	Consultant (PwC)
9	Sh. Sunil Bakshi	Draftsman, JKSERC
Public Representatives		
10	Sh. R.K Suryawanshi	Supdtt. Engineer, MES (CEW)
11	Sh. Lt. Col Rajesh Dwivedi	GE (Utilities) Udhampur
12	Sh. Annil Suri	President, BBIA
13	Sh. Lalit Mahajan	Gen. Secretary, BBIA
14	Sh. Virendra Jain	General Secretary, AI Gangyal
15	Sh. Devinder Mahajan	M.D., Annapurna Laminators
16	Sh. Vikrant Kuthiala	Chairman, JKPHD CCI
17	Sh. Ravi Mahajan	Representative, Hotel Bar and Restaurant Association
18	Sh. Sham Lal Langer	Sr. Vice President, CCI, Jammu
19	Sh. Kuldip Wahi	President, Jammu Hotel and Restaurant Association
20	Sh. Aditya Gupta	Advocate
21	Sh. Chander Vadan	Company Secretary, BBIA
22	Sh. Inderjeet Khajuria	President, AJHLA
Officers from JKPDD		
23	Sh. Asgar Ali	Development Commissioner (Power), JKPDD
24	Sh. Ajay Gupta	Chief Engineer, JKPDD
25	Smt. Shahnaz Goni	Chief Engineer, JKPDD

S.No.	Name of the Officers/ officials/stakeholders	Designation
26	Sh. K.A Badoo	Chief Engineer, JKPDD
27	Sh. Mustafa Aga	Supdtt. Engineer, JKPDD
28	Sh. Nasib Singh	Supdtt. Engineer, JKPDD
29	Sh. K.K.Raina	Supdtt. Engineer, JKPDD
30	Sh. Ashwani Kumar Gupta	Supdtt. Engineer, JKPDD
31	Sh. Sudhir Gupta	Supdtt. Engineer, JKPDD
32	Sh. Sudhir Gupta	Executive Engineer, JKPDD
33	Sh. Gurmeet Singh	Executive Engineer, JKPDD
34	Sh. Shiv Dev Singh	Executive Engineer, JKPDD
35	Sh. A.K. Chhibber	Executive Engineer, JKPDD
36	Sh. Umesh Parihar	Executive Engineer, JKPDD
37	Sh. B.A. Dar	TO to DCP, JKPDD
38	Sh. Rohit Bhagotra	A.E.E, JKPDD
39	Sh. Rakesh Sharma	A.E.E, JKPDD
40	Sh. Azhar Vakil	A.E.E, JKPDD
41	Sh. Anil Dhar	A.E, JKPDD
42	Sh. Sanjeev Datta	J.E, JKPDD

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.