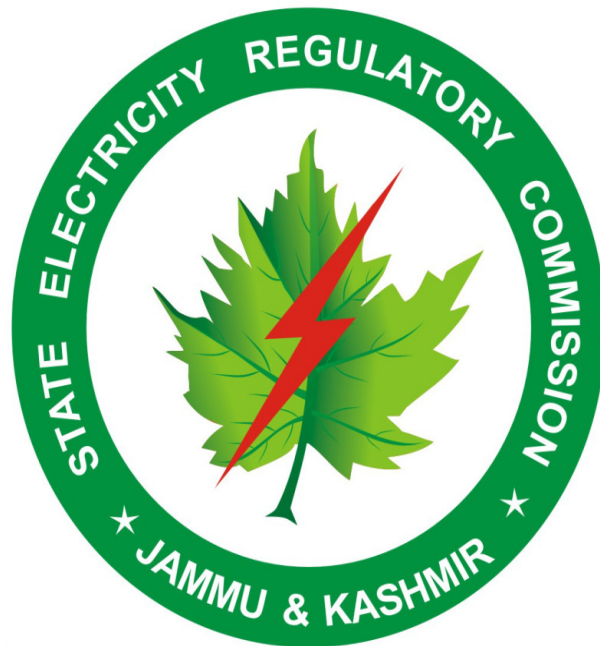


**JAMMU & KASHMIR
STATE ELECTRICITY REGULATORY COMMISSION**



**ANNUAL REPORT
2009-10**



THE JAMMU & KASHMIR
STATE ELECTRICITY REGULATORY COMMISSION

5TH ANNUAL REPORT
2009-10

Jammu & Kashmir State Electricity Regulatory Commission

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1) INTRODUCTION:

The Jammu & Kashmir State Electricity Regulatory Commission Act 2000 (Act No.VIII of 2000) was enacted to provide for the establishment of a State Electricity Regulatory Commission, rationalization of electricity tariff, transparent policies regarding subsidies, promotion of efficient and environmentally benign policies and matters connected therewith or incidental thereto. The Act though notified on 11th April, 2000 in the Government Gazette, came into force on 01.05.2002 and the State Electricity Regulatory Commission was established by the Government through a Notification dated 01.07.2002, published in the Govt. Gazette. The Commission started functioning with the appointment of a Chairman and his assumption of charge on 23.06.2004.

2) ORGANIZATIONAL SET UP OF THE COMMISSION:

THE COMMISSION:

The Commission is a body corporate, having the perpetual succession and common seal, with power

to acquire, hold and dispose of property both moveable and immoveable and to contract and shall, by the said name, sue or be sued.

The Jammu & Kashmir State Electricity Regulatory Commission completed 5th year of its operation in June, 2009. The Commission consists of a Chairman and two Members, who are appointed by the Government, from a panel recommended by the Selection Committee constituted by the Government under the statute. The statute prescribe that the Chairman and the Members shall be persons of ability, integrity and standing, who have adequate knowledge of, and having shown capacity in dealing with problems relating to engineering, commerce, economics, law or management.

Shri K.B.Pillai, IAS (Retd) who assumed the charge of the Commission on 23.06.2004, demitted office on 21.05.2009 on attaining the age of 65 years. From 22nd May, 2009, to 15th November, 2009, the Commission functioned without a Chairman or a Member. Therefore, no statutory function could be discharged by the Commission during this period. The State Government, vide Govt. Order No.231-PDD of 2009, dated 30.10.2009, appointed Shri S.M.Desalphine, IAS (Retd) as Chairman and Shri

D.S.Pawar, Chief Engineer, PDD (Retd) as a Member of the Commission. Shri Desalphine and Shri Pawar assumed their charges on 16.09.2009 and 02.12.2009 respectively. Shri G.M.Khan, FA/CAO(Retd) was subsequently appointed by the Government as a Member of the Commission vide Government Order No.63-PDD of 2010, dated 16.02.2010, and he assumed the charge as such on 01.03.2010.

WEBSITE:

The commission has its own website www.jkserc.nic.in, which is regularly updated by the Commission Secretariat. The website contains information on various activities of the Commission, including orders issued by the Commission, Regulations, Draft Regulations issued by the Commission inviting objections/comments from the Stakeholders, tariff petitions, tariff orders etc., in downloadable format. During the year, the website was improved to make it more user friendly.

INFRASTRUCTURE:

OFFICE ACCOMMODATION:

The Commission, during the year functioned from a temporary office accommodation provided by the Jammu & Kashmir State Power Development Corporation Ltd., at PDC Complex, Ashok Nagar, Satwari, Jammu. The Government have accorded approval for the construction of a new office complex for the Commission at Panama (Ambedkar) Chowk, Jammu at an estimated cost of Rs.247 lakhs, in May, 2005. The construction of the Commission's complex was entrusted to the Chief Engineer, Public Works Department (R&B), Jammu, with the understanding that the construction of the building would be completed within one year and a half, but, the building could not be constructed within the stipulated time. The slow progress in the construction of the building led to substantial cost overrun. The revised estimates for the construction of the Commission office complex at a cost of Rs.354.25 lakhs were received from the Chief Engineer, PWD and the same have been submitted to the State Power Development Department, which is the administrative department for the Commission, for accord of the revised administrative approval and providing necessary funds. The building which is at an advanced stage of

construction, is expected to be completed during the year 2011-12.

HUMAN RESOURCES:

SECRETARY:

The Commission's Secretariat was headed by Shri D.S.Tara, Superintending Engineer PDD (Retd), as Secretary. He was appointed by the Commission on contract basis on 15.12.2005 and he demitted office on 17.11.2009 on attaining the age of 65 years. The office remained without a Secretary since 17.11.2009 and Smt.Renu Mahajan, Deputy Secretary (Law) in the Commission functioned as I/c Secretary, in addition to her own duties as Deputy Secretary (Law), for the remaining period of the year. The organizational chart of the Commission is given as Annexure:A-I.

SUPERINTENDING ENGINEER:

Shri S.K.Kakroo, who was on deputation from the Power Development Corporation, demitted office on 31.08.2009 on attaining the age of super-annuation. The post remained vacant from 01.09.2009 to 10.01.2010. Shri R.R.Kotwal, on deputation from

Power Development Corporation, assumed the charge as Superintending Engineer on 11.01.2010.

DEPUTY SECRETARY (LAW):

Smt. Renu Mahajan from the Law Department continued to function as Deputy Secretary (Law).

ACCOUNTS OFFICER:

Shri D.R.Salgotra, on deputation from the Finance Department, handed over the charge of the office of Accounts Officer to Mrs.Renu Mahajan, Deputy Secretary (Law) on 16.10.2009, on his promotion. She held the additional charge from 17.10.2009 to 6.12.2009. Ms.Ashu Behl, Accounts Officer from the Finance Department assumed the charge on 07.12.2009.

PRIVATE SECRETARY:

Shri B.S.Chib, Private Secretary on deputation from the General Administration Department, demitted the office of Private Secretary on 31.10.2009 on attaining the age of super-annuation. Shri R.K.Gupta, PS joined the Commission on 15.12.2009 on his posting from the General Administration Department.

TECHNICAL CONSULTANT:

Shri H.S.Gupta, Development Commissioner (Power) (Retd) who was working on contract basis as Technical Consultant in the Commission, demitted office on 19.07.2009, on attaining the age of 65 years. Thereafter, the post of Technical Consultant in the Commission remained vacant for the remaining period of the year.

Non-Gazetted staff:

Steno-cum-Computer Operator:

Mrs.Poonam Rani functioned as Steno-cum-Computer Operator on contract basis.

Computer Operator:

Shri Babu Ram functioned as Computer Operator on contract basis.

Receptionist-cum-Telephone Operator:

The post remained vacant during the year.

Junior Assistant:

Shri K.K.Pandita from Migrant Cell, Power Development Department functioned as Junior Assistant.

ADDITIONAL STAFF PROVIDED BY THE GOVERNMENT:

ACCOUNTANT: Shri Balwinder Singh functioned as Accountant. His services were provided by the Finance Department.

The Migrant Cell, Power Development Department placed the services of Shri Sunil Bakshi, Draftsman and Shri Ashok Kumar Raina, Helper at the disposal of the Commission.

Driver: The services of Shri Parveen Kumar, were provided by the State Motor Garages Department to the Commission.

3) FUNCTIONS OF THE COMMISSION:

The Commission has been assigned the responsibility of discharging the following functions under Section 8(i) of the State Electricity Regulatory Commission Act, 2000:-

- (a) To determine the tariff of electricity, wholesale, bulk, grid or retail, as the case may be, in the manner provided in Section 17 of the Act;
- (b) To determine the tariff payable for use of the transmission facilities in the manner provided in Section 17 of the Act;

- (c) To regulate Power Purchase and Procurement Process of the transmission utilities and Distribution Utilities, including the price at which the power shall be procured from the generating companies, generating stations, or from other sources for transmission, sale, distribution and supply in the State;
- (d) To promote competition, efficiency and economy in the activities of the electricity industry to achieve the objects and purposes of the Act.

4) STATE ADVISORY COMMITTEE:

Section 13 of the State Electricity Regulatory Commission Act, 2000 empowers the Commission to establish, by notification in the Govt. Gazette, a Committee known as the State Advisory Committee, consisting of not more than 21 members to represent the interests of commerce, industry, transport, agriculture, labour, consumers, non-Governmental Organizations and academic and research bodies in the energy sector. The Chairperson and the Members of the Commission shall be ex-officio Chairman and ex-officio Members of the State Advisory Committee. The objects of the State Advisory Committee shall be to advise the Commission on:

- (i) Major question of policy;
- (ii) Matters relating to quality, continuity and extent of service provided by the licensees;
- (iii) Compliance by licensees with the conditions and requirements of their licence;
- (iv) Protection of consumers interest and;
- (v) Energy supply and overall standards of performance by Utilities.

In pursuance of Section 13 of the SERC Act, 2000 read with sub-regulation 56 (4) of J&K SERC (Conduct of Business) Regulations, 2005, the Commission constituted the State Advisory Committee, with the following composition:

- 1) Chairperson of the Commission – Chairperson Ex-officio.
- 2) Members of the Commission – Members Ex-officio.
- 3) Administrative Secretary (or his nominee) of the Power Development Department, Government of Jammu & Kashmir.
- 4) Administrative Secretary (or his nominee) of the CAPD, J&K.
- 5) A nominee of State Consumer Protection Council.
- 6) Dr.Mubeen Shah, President, Kashmir Chamber of Commerce & Industry, Srinagar.

- 7) Shri Devinder Mahajan, President, Bari-Brahmna Industries Association, Jammu.
- 8) Shri Devinder Verma, President, Kathua Industries Association, Kathua.
- 9) Shri S.Shakeel Qalander, President, Fed. Of Chamber of Industries, Kashmir.
- 10) Shri Ram Sahai, President, Commerce & Industries, Jammu.
- 11) Shri Bashir Ahmed Dar, Director, Agriculture Department, Srinagar.
- 12) Shri Nisar Hussain Qadri, New Colony, Nageen Hazaratbal, Srinagar-190006.
- 13) Shri Ghulam Nabi Bhat, General Secretary, KMDA, Srinagar.
- 14) Shri Vikramjit Gour, 75/7, Trikuta Nagar, Jammu.
- 15) Shri D.R.Danish, Member, State Consumer Protection Council, Jammu.
- 16) Shri Shiv Kumar Sharma, President, Indian National Trade Congress Union, Jammu.
- 17) Shri Sonam Dawa, Advisor, Ladakh Ecological Development Group, Leh.
- 18) A nominee of Director National Institute of Technology, Srinagar.

Secretary of the Commission to be the Secretary of the Committee.

5) ACTIVITIES OF THE COMMISSION:

Regulations issued by the Commission:

In accordance with the powers conferred on the Commission by Section 36(1) of the State Electricity Regulatory Commission Act, 2000, the Commission has made regulations required for developing the institutional and legal framework for regulating the Power Sector in the State. The Commission has issued the following regulations:-

1. J&KSERC (Conduct of Business) Regulation, 2005.
2. J&KSERC (Terms and Condition for Determination of Distribution Tariff) Regulation, 2005.
3. J&KSERC (Appointment of Consultant) Regulation, 2005.
4. J&KSERC (Power Purchase & Procurement) Regulation, 2005.
5. J&KSERC (Terms and Conditions for Determination of Hydro Generation Tariff) Regulation, 2005.
6. J&KSERC (Open Access in Intra-State Transmission and Distribution) Regulation, 2006.
7. J&KSERC Notification dated 7th December 2005 (Terms and Conditions for Determination of Hydro Generation Tariff) Part II-B.
8. J&KSERC (Distribution Performance Standards) Regulations, 2006.

- 9 J&KSERC Notification dated 10th May 2006 (Terms and Conditions for determination of Hydro Generation Tariff) Part I-B.
10. J&KSERC Notification No. 1 of 2007 dated October 3, 2007 under (Open Access in Intra-State Transmission and Distribution) Regulation, 2006
11. (J&K State Electricity Grid Code) Regulation, 2007.
12. J&KSERC Notification No. 9 of 2008 (Security Deposit) Regulation 2008, Part I-B.
13. J&KSERC Notification No. 1 dated December 8th, 2008 (Open Access in Intra State Transmission and Distribution) Regulation, Part II-B
14. J&KSERC Notification No. 10, of 22nd December, 2008 (Consolidated Amendment) Regulation 2008.
15. J&KSERC Notification No. 11 of 2009 (Amendment of Security Deposit) Regulation.
16. Notification No. 13 dated December 18th, 2009 (Open Access in Intra State Transmission and Distribution) Regulation.
17. Notification No. 01/JKSERC/2010 dated 24th February, 2010, Hydro Generation Tariff.

Of the above regulations, the following three regulations were issued during the year 2009-10.

- i) J&KSERC Notification No. 11 of 2009 (Amendment of Security Deposit) Regulation.
- ii) Notification No. 13 dated 15th December, 2009 (Open Access in Intra-State Transmission and Distribution) Regulation.

- iii) Notification No. 01/JKSERC/2010 dated 24th February, 2010 (Hydro-Generation Tariff) Regulation.

Besides the above, during the year 2009-10 the Commission issued the following Draft Regulations inviting comments/objections from the Stakeholders for their final notification in the Government Gazette.

- i) The Jammu & Kashmir State Electricity Regulatory Commission (Electricity Supply Code and other conditions) Regulation.
- ii) The Jammu & Kashmir State Electricity Regulatory Commission (Renewable Power Purchase Obligation, its compliance and REC framework implementation) Regulation
- iii) The Jammu & Kashmir State Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulation.
- iv) The Jammu & Kashmir State Electricity Regulatory Commission (Recovery of Expenditure for supply of Electricity) Regulation.
- v) The Jammu & Kashmir State Electricity Regulatory Commission (Terms and Conditions for Determination of Transmission Tariff) Regulation.

ii) **Meetings of the Commission:**

During the Year, the Commission held five meetings, in which the following important issues were deliberated. It was decided to take up these issues with the Utility for the overall improvement of the Power Sector in the State.

- 1) Progress of metering at the level of 11 KV feeders, Distribution, Transmission and Consumers.
- 2) Revenue Management.
- 3) Issues related to billing and collection.
- 4) Improvement in Distribution system by improving HT/LT lines ratio.
- 5) Measures for reduction of Technical and Commercial losses.
- 6) To undertake studies for improvement of reliability indices.
- 7) Reconductoring of overloaded feeders.
- 8) Submission of periodic energy accounts.
- 9) Energy auditing.
- 10) Identification of theft prone areas.
- 11) Laying of AB cables in heavy theft-prone areas.
- 12) Reactive compensation.
- 13) Introduction of DBMS, MIS & SCADA.
- 14) Redressal of consumer grievances.
- 15) Training and capacity building.
- 16) Franchising of Power Distribution in towns having high AT&C losses.
- 17) Timely payment of electricity bills.
- 18) Installation of quality equipment.
- 19) Installation of shunt capacitors.
- 20) Regular maintenance of distribution network.
- 21) Tariff and other petitions.
- 22) Drafting and notification of Regulations.

iii) **Quarterly Review Meetings of the Commission:**

The Commission functioned without a Chairman or a Member from 22nd May to 15th November, 2009. Therefore, no statutory function could be discharged during this period. The Chairman of the Commission, Shri S.M.Desalphine took charge only on 16th November, 2009 and thereafter, Shri D.S.Pawar, Chief Engineer, PDD (Retd) took charge on 2nd December, 2009. Shri G.M.Khan, Member (Finance) took charge on 1st March, 2010. Therefore, only one Quarterly Review Meeting could be held during the year on 7th January, 2010. In the course of the deliberations, the Commission expressed concern over the increasing demand for power in the State especially since there has been no significant addition to the power generating capacity. On the other hand, there has been large revenue gap, especially as a result of high power losses, which has gone unchecked and low collection efficiencies, which required the Distribution Utility's immediate attention. Therefore, the Commission directed the Distribution Utility to prepare a roadmap to achieve 100% metering and installation of capacitors at all levels. The Commission also directed the Utility to make accountable all those who have been entrusted with the supervision of the power supply in the State. The Commission also emphasized the need for good load management which would enable the Utility to provide reliable and quality power to all categories of consumers and also for vigorous Demand Side Management for energy conservation, apart from training and capacity building for the Utility's engineers at all levels and massive education and awareness programme for the efficient use of electricity.

The minutes of the Meeting are annexed as Annexure:A-2.

iv) **Consumer Complaints/Petitions received by the Commission:**

During the year, the Commission received a number of complaints/petitions from the consumers for redressal of their grievances. Since the J&K State Electricity Regulatory Commission Act 2000 did not have any provisions for establishment of Consumer Grievances Redressal Forum or Ombudsman, unlike the Central Electricity Act 2003, the Commission had to deal with the consumer complaints against the Utility directly. During the year, the Commission received and disposed of the following petitions:

- 1/. M/s Chenab Textiles Mills filed a complaint (petition) for acceptance of security deposits of more than Rs.1.00 crores, in the shape of Bank Guarantee issued by a Nationalized bank having branch in state of Jammu & Kashmir. The Commission agreed with the submission of the complainant, during a meeting with utility and the consumer. The Commission accordingly issued the requisite notification in this regard disposing of the petition.

- 2/. M/s Reliance Communication Ltd. filed a compliant (petition) for allowing metering of their BTS installation on the LT side rather than on the HT side. During a meeting convened to discuss and dispose of the petition, the petitioner (Reliance Communication Ltd.) and the respondent (State Power Development Department) came to an understanding that

the metering would be done on the HT side only and the respondent agreed to give sufficient time upto June 2010 to the petitioner for metering of BTS installation on HT side (including replacement of the existing LT metering). The complaint was disposed of accordingly.

- 3/. The Federation Chambers of Industries Kashmir lodged a complaint with the Commission submitting that under Tariff Order for FY 2009-10, printing industry has been included in the list of non-domestic consumer/commercial tariff category that makes them to pay more tariff than the industrial tariff. It was prayed that printing industry be included in the industrial tariff category. The Commission pointed out that LT Industrial supply is applicable to all industrial units (including printing units) registered with the Industries and Commerce Department (Govt. of J&K) and covered under Factories Act. The list of entitled beneficiaries covered industrial installations and work shops with manufacturing facilities where raw material is converted into finished goods. The Commission issued a clarification letter in this regard and the complaint was disposed of accordingly.
- 4/. Kashmir Rice, Oil and Saw Mills Owners' Union, Budgam, Kashmir filed a complaint with the Commission regarding hike in monthly energy charges by three times and a

request was made to reduce energy charges. A meeting of the Utility, Joint Director, Industries Department etc. was convened by the Commission when the Utility intimated that energy charges as per approved tariff orders alone are being levied and there has been no violation of tariff order.

The complaint was disposed of accordingly.

- 5/. M/s Birpur Small Scale Industries Association filed a complaint with the Commission stating that the power supply during July and August 2009 was about 6 hours a day due to damages of 400 MVA transformer at Gladini and the power failure due to flash over 31.5 MVA transformer at Gladini. A request was made for issuance of directives to the Utility for remedial measures for improvement of power supply. The Utility was directed to do the needful to which the Utility agreed. The complaint was disposed of.
- 6/. Sh. Ajay Kachroo R/o Baisakhi Colony Muthi, Jammu filed a complaint with the Commission against abnormally high bill raised by the Utility. The utility was asked to look into the case with in the ambit of tariff order.
- 7/. Sh. Santokh Raj SAO Camp Comdt for Chief Engineer Project Sampark C/o 56 APO filed a complaint with the Commission stating that electricity consumed for domestic purposes is being charged on commercial rates. Further, request was

made to bifurcate the supply into two categories viz. one office complex under commercial category and domestic consumption under domestic category and charges be billed accordingly.

The Utility pointed out that consumer being a Central Govt. Agency viz. a Govt. consumer and accordingly the charges are to be levied under State/Central Govt. category tariff.

V) Petitions received by the Commission for determination of tariffs for the year 2009-10:

1) Determination of Retail Tariff for FY 2009-10:-

The Commission, on the basis of the Tariff Petition filed by the Distribution Utility i.e., the Power Development Department, issued the first Retail Tariff Order for FY 2007-08 specifying tariff schedule for different categories of consumers, on March 28th, 2007. The second Tariff Order for FY 2008-09 was issued on September 12th, 2008. The Distribution Utility was expected to file its ARR and tariff petition for FY 2009-10 by 30th November, 2008 as per Regulation 47(4) of J&KSERC (Conduct of Business) Regulation 2005. However, the Distribution Utility filed the ARR and tariff petition for 2009-10 on December 16th, 2009 i.e. after a delay of more than one year. Besides, the Utility also sought time for filing the ARR and tariff petition for FY 2010-11 which

was accepted by the Commission. The Utility accordingly filed ARR and tariff petition for FY 2010-11 on January 20th, 2010.

On the scrutiny of the petitions, the Commission noticed several information gaps and data inconsistencies. The PDD was directed to submit the requisite clarification and additional information. The Commission held a validation session with PDD on February 8th, 2010 and asked for some more additional information. After receiving the requisite information, the Commission admitted the ARR/Petitions for the FY 2009-10 and FY 2010-11 on February 15th, 2010.

Public Hearing: - The Distribution Utility, i.e. State Power Development Department published a gist of the ARR/Tariff Petitions in eight widely read newspapers in the State inviting comments/suggestions from the stakeholders on its Petitions. In response to the Public Notice, the Commission received objections/comments from 54 consumers/stakeholders.

The Commission held a public hearing in Jammu on March 12th, 2010 and another Public hearing in Srinagar on March 15th, 2010 to discuss the issues related to the PDD tariff petitions. In public hearings, the consumers/stakeholders raised many issues. The Utility presented its case and replied to the objections raised by various respondents.

Under section 15 of SERC Act, the Commission authorized the following persons to represent the interests of the consumers during the proceedings;

- i) Sh. P.B Khajuria, Consumer Representative, Jammu.
- ii) Sh. S.K.Gupta, Consumer Representative, Jammu.
- iii) Sh. B.L.Suri, Consumer Representative, Jammu.
- iv) Sh. Aftab Ahmed, Consumer Representative, Srinagar.
- v) Sh. Sayed Khurshid Ahmed, Consumer Representative, Kashmir.
- vi) Sh. Sonam Gamboo, Consumer Representative, Leh.

The objections/suggestions received in response to the public notice were mainly on the following lines:-

- i) PDD has been deliberately concealing information and the information furnished by the Utility is inadequate and is of poor quality.
- ii) The tariff hike proposed by PDD is very high and it will lead to a tariff shock, which will not be acceptable to the consumers.
- iii) T&D losses have sharply increased to 61.31% whereas the national average is around 30% only.
- iv) The tariff hike has been proposed to cover the high T&D losses in the State.

- v) The collection efficiency is very poor and the PDD is not able to recover even billed revenue. There is substantial pilferage of electricity taking place in the State.
- vi) Free electricity should be provided to farmers with 5 HP load.
- vii) Authorised consumers are 12 lacs against 18 lacs households. There are kundies/direct tappings on LT lines. Free power is being provided to Journalists, Bureaucrats and certain government establishments.
- viii) PDD has not taken adequate action to control T&D losses and failed to perform its duties.
- ix) Further rationalization of tariff should be done by removing minimum charges.
- x) Additional incentives be provided for connections operating at high voltage levels.
- xi) Industrial tariff should be made applicable to Hotels and Restaurants for their consumption of electricity.
- xii) There has been slow progress in metering, as a result of which substantial pilferage of electricity is taking place.
- xiii) Poor compliances of Commissions directives and hence there has been no improvement in the operational efficiency of the Utility.

PDD submitted written replies to all the objections/suggestions to the Commission as well as to the stakeholders who raised objections/offered comments. The Utility also clarified issues during public hearing held in Jammu & Srinagar.

The issues raised by various stake holders were carefully examined and they were taken into consideration for tariff fixation.

State Advisory Committee: -

To discuss the ARR/Tariff Petitions, the Commission convened a meeting of the State Advisory Committee on March 11th, 2010 in Jammu. During the meeting, PDD explained the salient features of the petitions covering the major cost and revenue components to the members of the committee. In addition to providing valuable suggestions on the tariff proposal, the members of the State Advisory Committee discussed the general conditions of power supply in the State, dismal performance of PDD in respect of reducing T&D losses, improving metering, collection efficiency and reducing theft etc, besides offering suggestions for the improvement of the overall functioning of the Utility. The suggestions and recommendations

made by the State Advisory Committee were considered by the Commission for preparation of the tariff order.

As per the tariff petition of J&K Power Development Department, the following were the number of consumers and connected load (MW) in the State during the years 2008-09 and 2009-10:

Number of consumers and Connected Load (MW)

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

Transmission and Distribution Losses: - The target fixed by the Commission for the transmission and distribution losses for FY

2007-08 was 46.7% but PDD could not achieve the target and reported the actual power losses at 61.9% PDD. The losses for the last 3 years are given in the following table;

**Loss estimation from FY 2006-07 to FY 2010-11
(Proposed)**

Particulars	Units	FY 2007-08	FY 2008-09	FY 2009-10 (RE)
		Assessed as per revised methodology		
Sales	MU	3331.64	3,538.70	3,775.42
Percentage of T&D Loss	%	61.90%	61.31%	65.78%
T&D Loss	MU	5412.32	5608.52	7,257.53
Total Energy Input Required	MU	8743.96	9147.22	11,032.95

In view of the high power losses in the State, the Commission, in consultation with the Utility fixed a target of 57.48% for the next Financial Year, i.e. 2010-11.

Performance measure introduced: -

To monitor revenue realization and collection efficiency, the Commission has decided to move away from the earlier approach and to introduce "Revenue Realization per Unit of Energy Input (RREI) to track financial improvement achieved by PDD. Accordingly, revenue realization for the years 2006 to 2010 is as given below:

Revenue realization per unit of energy input (Proposed)

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

Generation Capacity and system Demand: The Power Development Department has a small installed self generation capacity in Ladakh Region, comprising 4.00 MW Stakna Hydro Electric Power House and 25.51 MW Diesel Generation Stations. The main generation stations are owned by Jammu & Kashmir State Power Development Corporation (JKSPDC) with a total installed capacity of 754.70 MW (including Baglihar), out of which PDD share is 531.31 MW (since PDD has only 50% share in Baglihar HEP capacity of 450 MW). Besides, JKSPDC has two gas turbine stations of 175 MW capacity. The main sources for power supply for Power Department Development is the share of 1470.32 MW from Central Generating Stations (CSGS) namely NTPC, NHPC, THDC, SJVNL, NPCIL etc. The total generation capacity available for PDD is 2031.14 MW.

Power Availability

S.No	Source	Capacity Availability PDD. (MW)
1.	PDD (self generation)	29.51 MW
2.	JKSPDC	531.31 MW
3.	Central Generating Station	1470.32 MW
	Total	2031.14 MW

2) Determination of Generation Tariff for Financial Year:2009-10:

Jammu & Kashmir State Power Development Corporation, a State owned Utility is the sole generation Utility in the State, owning 20 Hydro-Electric Power Stations (HEPs) having total installed capacity of 763.70 MW. Out of these HEPs, 18 Hydro-Power Stations were commercially in operation during the year 2009-10 and one new HEP, namely Baglihar has been commissioned in April, 2009. Another HEP namely Mohra is not operating since the floods of September, 1992. Accordingly, nineteen HEPs having a total capacity of 754.70 MW owned by the corporation were functioning during the year. In addition to the above Hydro-stations, JKSPDC has two gas turbine power stations with a combined capacity of 175 MW. The fuel cost of the gas turbine station whenever operated is met by the Government of Jammu & Kashmir.

Jammu & Kashmir State Power Development Corporation had filed its first ARR/Tariff petition for determination of hydro power generation tariff petition on December 20th, 2008 after notification of Jammu & Kashmir State Electricity Regulatory Commission (Conduct of Business) Regulation 2005 and Jammu & Kashmir State Electricity Regulatory Commission (Terms and Conditions for determination of Hydro generation tariff) Regulation 2005. The Commission had issued its first Generation

Tariff on March 8th, 2008. In the tariff order, the Commission had directed the JKSPDC that in the case of ten old Hydro Electric Power Houses covered under purchase agreement dated April 26th, 2000 between PDD and JKSPDC, the next ARR and Tariff proposals was required to be submitted either after determining the capital cost after tracing old records pertaining to these power houses or determining the capital cost through appropriate valuation methodology through a consultant or certified valuer. Accordingly, JKSPDC complied with the directive by engaging a consultant for valuation of assets of these ten old Hydro Electrical Power Houses.

Tariff Petition for FY 2009-10 & FY 2010-11

JKSPDC could not file ARR and Tariff Petitions for FY 2009-10 & FY 2010-11 under Regulation 47 (4) of Conduct of Business) Regulation 2005. The scheduled date for filing the ARR & Tariff Petition for FY 2009-10 was November 30th, 2008 and for FY 2010-11 November 30th, 2009. JKSPDC filed a combined ARR and Tariff Petition for both the years on January 12th, 2010.

Several information gaps and data inconsistencies were noticed by the Commission on the scrutiny of the petition. JKSPDC was directed by Commission to submit suitable clarifications on data inconsistencies. In this regard the Commission held a validation session on February 8th, 2010 with JKSPDC for expediting the requisite information. During the

session, JKSPDC submitted clarifications and additional information. After the scrutiny of the information, the petition for FY 2009-10 & FY 2010-11 was admitted, excluding the recently commissioned Baglihar HEP. The Commission intended to conduct a detailed prudence check on the capital cost of Baglihar HEP before allowing the same in tariff and the JKSPDC was accordingly directed to file a separate petition for determination of Tariff for Baglihar HEP. JKSPDC was also directed by the Commission to publish a summary of its petition as a Public Notice in some widely read English and local language newspapers as per the requirement of Regulation 48 (2) of the Jammu & Kashmir State Electricity Regulatory Commission (Conduct of Business) Regulation 2005 for inviting comments, objections and suggestion from consumers/stake holders on its petition.

Public Hearing:

As per the directions of the Commission, JKSPDC published a summary of its Tariff Petition as a Public Notice.

The Commission and JKSPDC received written objections and comments from several respondents. The Commission held public hearings in Jammu on March 12th, 2010 and in Srinagar on March 15th, 2010 to discuss objections/suggestions raised by respondents. The Commission allowed even the participants who

had not submitted the written objections, to present their views, objections and suggestions during the public hearing.

The objections and issues mainly related to;

- i) Inordinate delay in the execution of Hydro Electric Projects and huge impact on the capital cost incurred.
- ii) a) The cost of the ten old HEPs has been evaluated on the basis of market value rather than on the basis of book value of the assets and hence the evaluated costs are unduly high.
b) Basis and underlying calculations used to arrive at the current replacement value and net replacement value of different stations had not been made available. Accordingly, their validity of the asset value cannot be determined.
- iii) Details of methodology used for revising the design energy have not been elaborated in the petition.
- iv) O&M costs claimed against various plants by JKSPDC is much on the higher side.
- v) Depreciation as provided in the petition was not as per the Regulations issued by the Commission.
- vi) Objections requesting the Commission to limit the project costs of various HEPs to Rs. 5.50 Crores per MW for computation.

- vii) For calculation of interest on loan, the capital costs for old projects should be restricted to Rs. 5.50Crores per MW.
- viii) Rate of interest at which JKSPDC had borrowed debts was much higher than PLR of the J&K Bank.
- ix) Ten old projects were transferred by Government to JKSPDC at no cost. Accordingly, there was no capital investment made by JKSPDC and charging a return on equity has been questioned.
- x) For ten old HEPs, return on equity had been computed on the basis of debt equity ratio of 50:50, which is against the Regulation 25, of Hydro Generation Tariff regulation 2005 which mandates a debt equity ratio of 70:30.
- xi) The capacity utilization of the generating stations was very low.
- xii) JKSPDC had neglected to make available a day ahead schedule of generation and planned outages schedule to PDD.
- xiii) JKSPDC has no cadre of its own, which is adversely affecting its functioning.

JKSPDC put forth its replies/views on the objections and suggestions during the meeting.

State Advisory Committee

A meeting of the State Advisory Committee was convened in Jammu on March 11th, 2010 to discuss the generation tariff petition. JKSPDC explained the salient features of the petition, highlighting the methodology for determining the various cost components of tariff. The State Advisory Committee members discussed the general conditions of the power generation in the State and operational performance of HEPs owned and operated by JKSPDC. The issues and concerns raised and suggestions/recommendations offered by State Advisory Committee members have been considered while preparing the tariff order.

The JKSPDC has requested for determination of ARR and Annual Fixed Charge (AFC) resulting in the fixation of tariff for 8 HEPs in accordance with the Hydro Generation Tariff Regulations, 2005.

The Commission approved the capital cost of these 8 HEP stations on the basis of the audited cost completion report submitted by the JKSPDC. This was considered in accordance with the Notification dated May 10, 2006 pursuant to the J&K State Electricity Regulatory Commission (Terms and Conditions for Determining Hydro Generation Tariff), 2005.

In compliance with the Directive 6 issued by the Commission in the Tariff Order for the year 2008-09, an independent consultant was appointed by the JKSPDC for revalidation of design energy based upon the norms specified in the Hydro Generation Tariff Regulations, 2005.

The assessment of design energy for various plants has been done in accordance with the Regulation 14 of Chapter – 1 of the J&K SERC (Terms and Conditions for Determination of Hydro Generation Tariff) Regulations, 2005. Design Energy has been defined as the quantum of energy, which could be generated in a 90% dependable year with availability of 95% installed capacity of the generating station.

The Commission had gone through the workings in the report and found the same to be in accordance with the Regulations. The comparison of the design energy originally estimated in the DPRs and that in the validation exercise undertaken by the JKSPDC are shown in the table provided below:

Comparison of design energy as per DPR and Validation Report for 8 HEPs

Plant Name	Installed Capacity (MW)	Design Energy as per DPR (MU)	As per Validation Report (MU)	% Change
Igo Marchellong	3.00	19.80	15.88	-19.80%
Marpochoo	0.75	4.00	3.79	-5.25%

Haftal	1.00	7.62	4.88	.35.96%
Chenani III	7.50	36.72	36.71	-0.03%
Bhaderwah	1.00	9.43	8.32	-11.77%
Sewa III	9.00	33.41	33.06	-1.05%
USHP II	105.00	462.59	447.37	-3.29%
Pahalgam	3.00	15.57	14.92	-4.17%
Total	130.25	589.14	564.93	-4.11%

ANALYSIS OF ARR & TARIFF PETITION FOR 10 OLD HEPS

In the previous Tariff Order, the Commission had approved the tariff for the 10 old HEPs covered under the PPA dated April 26, 2000 to be taken as the base rate of Rs. 0.76 per unit entered into by the JKSPDC and the PDD for the purpose of billing of the energy sold to them.

However, the Commission was of the opinion that the rate of Rs. 0.76 per unit as agreed between the JKSPDC and the JKPDD in the PPA dated April 26, 2000 was arbitrary in nature and was not substantiated by any factual information for arriving at the same.

The Commission in the Tariff Order for the year 2008-09 had directed the Petitioner to apply for approval of tariff for these 10 HEPs as per the Hydro Generation Tariff Regulations, 2005.

The Petitioner was directed to undertake the following procedures for determination of the capital cost of investment in these HEPs:

- (a) Locate records of the JKSPDC for gathering information on capital cost incurred in these 10 projects;
- (b) In case the same were not traceable, engage appropriate consultants to carry out detailed assessment of the capital cost of these HEPs for determination of the capital cost for these 10 HEPs; and
- (c) Recommend incorporation of the findings in the books of accounts to the Board of Directors of the JKSPDC.

Subsequently, the JKSPDC engaged an independent consultant / registered valuers to carry out a Physical Verification and Revaluation of Fixed Assets of the 10 HEPs. The JKSPDC has also submitted that the Mohra HEP has not been functional since the floods of September 1992 and was therefore excluded from this exercise.

The consultants engaged by the Petitioner submitted a report on the Physical Verification and Revaluation of Fixed Assets as on March 31, 2009 with respect to the 10 HEP projects.

The JKSPDC has submitted that the valuation of cost had been carried out by a team comprising Chartered Engineers, Registered Valuers and Practicing Valuers (Issued by Practicing Valuers Association of India, being a member of International Valuation Standards Committee). The consultants have estimated

the Replacement Cost New (RCN) and Net Replacement Value (NRV) for each of the 10 HEPs after taking into account their estimated replacement costs, present economic value, expected service life and remaining useful life.

The Commission has taken into consideration the project cost for the 10 HEPs as given in the Physical Verification and Revaluation of Fixed Assets report issued by the consultants of the JKSPDC. Tariff determination for the 10 HEPs for FY 2009-10 and FY 2010-11 has been done taking into account the project costs detailed in this report.

The below mentioned table provides the details of Replacement Cost New (RCN) and Net Replacement Value (NRV) estimated for each HEP. The difference in value of Replacement Cost New (RCN) and Net Replacement Value (NRV) is on account of depreciation.

Project Cost estimated for 10 HEPs (Rs. Cr)

Name of HEP	Installed Capacity (MW)	Design Energy	Replacement Cost New (RCN)	Net Replacement Value (NRV)
Karnah	2.00	11.36	21.09	13.54
USHP-I	22.60	106.62	176.94	46.26
Lower Jhelum	105.00	609.43	961.97	421.24
Ganderba	15.00	90.15	104.49	15.94
Iqbal Bridge	3.75	21.23	42.10	24.63
Bazgo	0.30	1.09	3.39	2.15
Sumoor	0.10	0.45	1.14	0.69
Hunder	0.40	1.77	4.52	2.86

Chenani - II	2.00	12.00	22.49	11.73
Chenani - I	23.30	110.02	214.21	78.49
Total	174.45	964.12	1552.34	617.53

The validation exercise undertaken by the Petitioner for the 10 old HEPs in are shown in the table provided below:

Summary of Restatement of Design Energy for 10 HEPs

Plan Name	Installed Capacity (MW)	Design Energy as per DPR (MU)	As per Validation Report (MU)	% Change
Iqbal Bridge	3.75	23.15	21.23	-8.29%
Hunder	0.40	1.83	1.77	-3.49%
Sumoor	0.10	0.46	0.45	-1.75%
Bazgo	0.30	1.38	1.09	-21.01%
Chenani I	23.30	115.49	110.02	-4.74%
Chenani II	2.00	11.58	12.00	3.60%
Lower Jhelum	105.00	605.00	609.43	0.73%
USHP I	22.60	105.72	106.62	0.85%
Ganderbal	15.00	94.62	90.15	-4.72%
Karnah	2.00	11.40	11.36	-0.35%
Total	174.45	970.63	964.12	-0.67%

6) Adjudication of disputes:

M/s Magpie Hydrel Construction Operation Industries Pvt. Ltd., Residency Road, Srinagar, filed a Petition before the Commission on 23rd March, 2010, for adjudication/arbitration of a dispute that has arisen between the Petitioner and the Respondents, the State of Jammu & Kashmir, Development Commissioner (Power), Chief Engineer, Commercial and Survey Wing of Power Development Department and the Financial Advisor & Chief Accounts Officer, Power Development Department.

In the Petition, it has been stated that the Petitioner Company has set up a 2x5 MW Hydel Project at Athwato and that on 29.07.2009, the Petitioner Company and the Govt. of Jammu & Kashmir entered into an agreement called "Bulk Power Transmission Agreement" Clause 11.2 of the said agreement provides that "All differences and disputes to the transmission of energy and the tariff shall be decided by State Electricity Regulatory Commission on the application of any of the parties herein, in terms of State Electricity Regulatory Commission orders". The Petitioner Company further stated that it received a communication from Financial Advisor & CAO, Power Development Department informing that:

"1) That Chief Engineer, Commercial & Survey Wing, J&K Jammu shall levy 10% net energy on account of transmission and distribution losses to the network system of Power Development Department from M/s Magpie Hydel Construction Operation Industries Pvt. Ltd., the developer of Athwato Hydro Electric Project.

2) On behalf of the State Government, Chief Engineer, Commercial & Survey Wing, J&K, Jammu shall claim for wheeling charges for wheeling the generated energy to third party consumer outside the State, under Clause-7 of Bulk Power Transmission Agreement between J&K Power Development Department and M/s Magpie Hydel Construction Operation Industries Pvt. Ltd., the developer of 2x5 MW Athwato Hydro Electric Project".

The Petitioner states that the instructions conveyed are patently wrong, illegal and contrary to the Agreement/Regulations framed by State Electricity Regulatory Commission and the statutory provisions governing the Sector.

On receipt of the Petition, the Commission initiated proceedings for adjudication of the dispute.

7) FOR Meetings:

In accordance with Sub Section (2) of Section 166 of the Central Electricity Act, 2003, a FORUM OF REGULATORS (FOR) has been constituted by the Govt. of India, of which all Chairpersons of the State Electricity Regulatory Commission are the Members and the Chairperson of the Central Electricity Regulatory Commission is the Chairman. Accordingly, the Chairman, J&K State Electricity Regulatory Commission is a Member of the FOR.

The Forum provides a platform for exchange of views on the electricity sector in the country and also an opportunity to discuss various regulatory issues. During the year 2009-10, the Chairman attended the FOR Meeting held at Lucknow on the 1st February, 2010.

8) Finance and Accounts:

The J&K State Electricity Regulatory Commission is fully funded by the Government of Jammu & Kashmir. No independent fund has so far been established by the Commission. The revenue earned by the Commission is remitted into the Government Treasury. During the year 2009-10, the State Government allotted funds to the tune of Rs.62.90 lacs under the Non-Plan budget and the expenditure was to the tune of Rs.52.37 as per the details given below:

Major Head of Expenditure	Funds Received from the Government (Rs. in Lacs)	Expenditures (Rs. in Lacs)
Salaries	38.7	35.20
Traveling	4.50	2.57

Expenditures		
Telephone	1.35	0.64
Office expenses	3.15	2.82
Electricity Charges	0.15	Nil
POL/MOV	1.80	1.36
Hospitality & Sumptuary Allowance	0.45	0.15
Professional and Special Service	9.00	7.60
Medical Reimbursement	0.25	0.03
Advertisement & Publicity	1.02	Nil
Membership	2.48	2.00

Plan:

For construction of a new office complex for the Commission at Panama (Ambedkar) Chowk, Jammu, the State Government had made a budget allocation of Rs.47.00 lakhs in 2008-09 and another Rs.10.00 lakhs during 2009-10 against an estimated cost of Rs.247 lakhs. The funds were placed at the disposal of the construction agency, the State Public Works Department. Though the building was to be completed by November 2006, the construction is still in slow progress.

9) Conclusion:

The Commission constantly interacted with the Distribution Utility and Generation Utility during the year for the overall improvement of the Power Sector in the State. The Commission

especially highlighted the need for improving the generation of power, reducing the power losses and improving the reliability and quality of power in the State. Since generation of power does not match with the demand, energy conservation measures are required to be taken and awareness on conservation of energy needs to be generated among the consumers for economic use of electricity. The energy conservation programmes of the Bureau of Energy Efficiency, Govt. of India can help in reducing demand for power. The Distribution Utility has been advised accordingly.

Sd/-

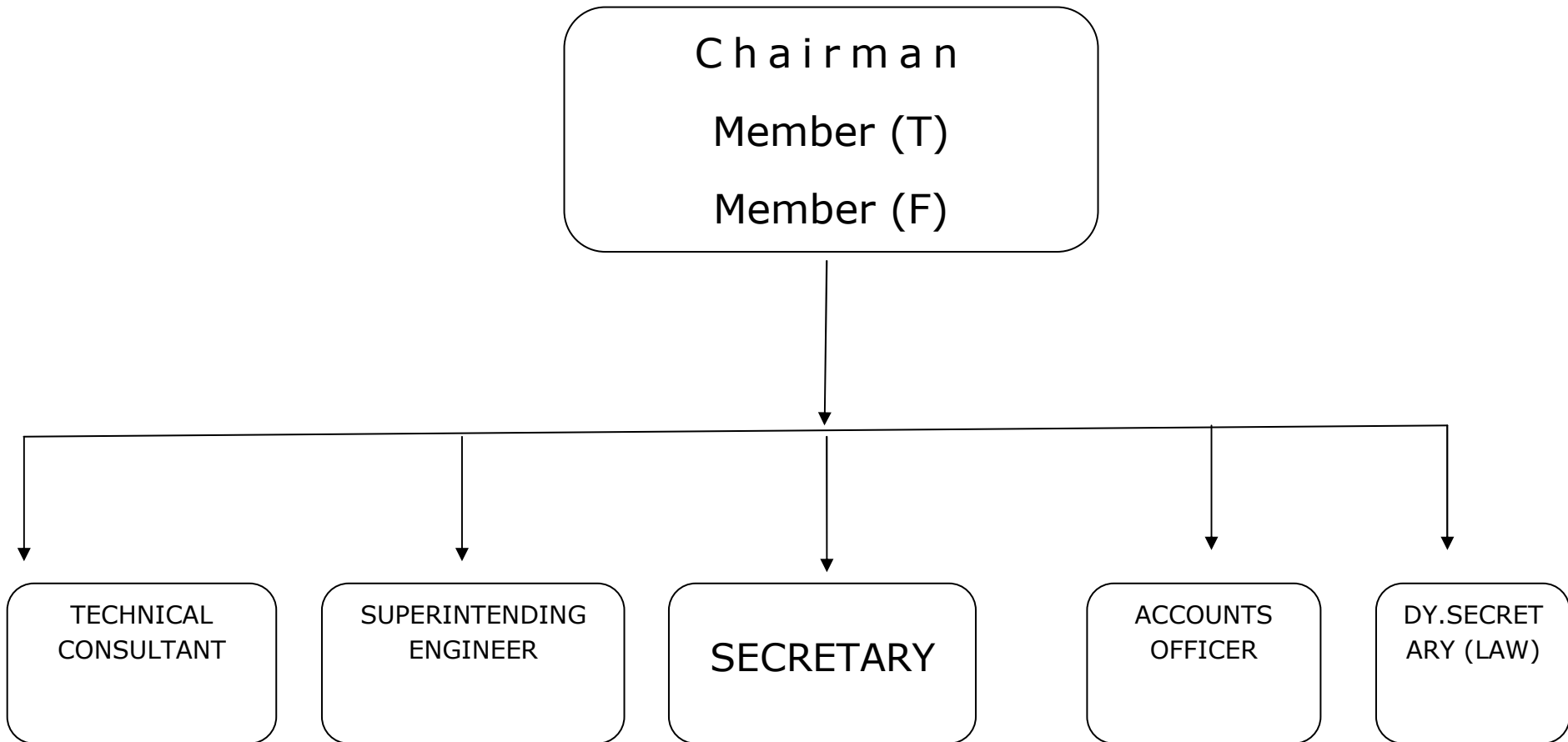
Secretary,

State Electricity Regulatory Commission,

J&K, Jammu

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ORGANIZATIONAL CHART OF
JAMMU & KASHMIR STATE ELECTRICITY REGULATORY COMMISSION (JKSERC)



Record note of the Review Meeting held on 7th January, 2010 at the Conference Room of Power Development Corporation, Jammu

List of the participants is attached.

The Chairman, J&K State Electricity Regulatory Commission welcomed the participants to the meeting and stated that the present meeting was intended to have a closer look at the problems ailing the Power Sector in the State and also to review the implementation of the directives given by the Commission from time to time.

Chairman expressed concern that while the demand for power is increasing year after year, no significant addition to the power generating capacity in the State Sector is expected in the near future. On the other hand, there is large revenue gap, especially as a result of high power losses and low collection efficiencies. Arrears have accumulated to astronomical amounts. Unless urgent measures are taken to drastically reduce the power losses, improve the collection efficiencies and conserve energy, the energy and peak deficit will increase to unmanageable levels. The State is already spending enormous amounts, around Rs. 2000/ crores every year for power purchase. Still there is a large revenue gap which is required to be bridged by taking various measures including improving the billing and collection systems.

Chairman further stated that the Commission was presently focusing its attention on reducing power losses, more precisely the commercial losses. AT&C losses in the State are among the highest in the country. Therefore, there is an urgent need to prepare a road map to achieve 100% metering and installation of capacitors at all levels. Billing and collection require immediate attention. Heavy theft prone areas need to be identified and appropriate measures taken to eliminate pilferages. Technologies being used extensively include MRIs, remote meter reading, spot billing and pre-paid meters, which are required to be adopted on a larger scale.

He added that under APDRP, accountability has been envisaged. It is not the meter readers alone who are responsible for power losses at the distribution level, but all those who have been entrusted with supervision should also be made accountable. There is an urgent need to replace human interface. In this context he mentioned that computerized billing system

using handheld devices carried by meter readers have been introduced in many States, where power losses have been brought down to even below 15% in the APDRP areas similar measures may be adopted by the utility to reduce power losses. He suggested that the utility may consider rural distribution through co-operatives and arrangement of franchisee.

Concluding his opening remarks, the Chairman emphasized the need for good load management which will enable the Utility to provide reliable and quality power to all categories of consumers and vigorous Demand Side Management for energy conservation, apart from training and capacity building for the PDD engineers at all levels and massive education and awareness programme on efficient use of electricity.

Therefore, agenda-wise discussion followed. Shri Mushtaq, Chief Engineer, M&RE stated that the Power Development Department had engaged a Consultant for conducting a study on energy losses, covering 30 towns, each having a population of 10,000 people or more. 18 such towns have been selected in the valley, 10 in Jammu Province and 2 in Ladakh region. He further stated that 49 out of the 65 Revenue centres in the valley have been computerized and computerized bills are being issued from these centres on a regular basis. The remaining Revenue centres are proposed to be computerized in the next financial year. Shri Qasim, Chief Engineer, M&RE, Jammu stated that 16 of the 73 Revenue centres in Jammu Province have so far been computerized. Similarly, 85% metering has been done in Jammu city as against 52% metering in Jammu Province as a whole.

Commission suggested that PDD should have a time bound programme for reduction of AT&C losses, which are very high. Commercial losses could be reduced by introduction of modern tools such as remote meter reading in case of high value consumers above 25 KVA, reduction in human involvement i.e. booking reading through MRI, computer billing to all consumers, fool proof bill generation and its distribution as well as recovery of bills. Computerization of all Revenue centres should be achieved without further loss of time, preferably by end of the current financial year.

Development Commissioner (Power) informed that a bulk quantity of electronic meters had been procured, but the same could not be installed for want of requisite funds for their installation, besides having some problems with regard to the quality of the cables for the service lines. Now that these problems have been sorted out, he was hopeful of achieving 100% metering in the next four months in all the 30 towns selected for energy loss study.

The Commission expressed its displeasure that the Utility had been releasing new power connections without metering in spite of a directive that no new connections should be released without meters. The Utility replied

that no new connections has been released without meters in the metered areas of supply, but admitted to have released power connections in non-metered areas. The Commission asked the Utility not to release any new power connections without metering as un-metered supply had been one of the major factors responsible for high loss levels and expressed concern over very high AT&C losses which required to be drastically reduced for the viability of the power sector in the state.

Chief Engineer, M&RE, Srinagar stated that a pilot project of High Voltage Distribution System had been taken up in Srinagar which has shown encouraging results. He added that such HVDS is proposed to be extended to other areas on a large scale. While appreciating the efforts of the PDD in this regard, Commission requested for an area/town-wise plan for installation of HVDS as it was found to be effective for reduction of technical losses, prevention of theft, improved voltage profile and better consumer's service. Since the HVDS is expensive, it was suggested that this system would be more appropriate for areas where HT: LT ratio was poor, theft prone areas and areas having low connection density. For other areas, especially congested areas and areas with high commercial losses, AB Cables or insulated neutral conductors could be preferred for reducing losses.

The Utility informed that they had no facility for testing electronic meters in the State, though such a facility it available with the Government College of Engineering, Jammu. They Utility was asked to obtain details of testing facility such as the number of meters which can be tested in a day and the fees for testing, from the Government College of Engineering , Jammu.

Commission emphasized the necessity of establishing a meter testing/calibration laboratory which is essential for the Utility as well as the consumer. In the absence of such a laboratory, a number of complaints are bound to rise. Commission further stressed for introduction of a mobile testing mechanism for on the spot meter testing. It was advised that for meeting the immediate requirement, PDD may hire or out-source such service.

At the feeder level, problems generally occur due to poor HT: LT ratio and lack of information technology application. Commission pointed out that the HT: LT ratio in the State is very poor. There is, therefore, an urgent need to reduce the length of LT feeders and improve the HT: LT ratio. The Utility should look into the area on a priority basis to reduce the line losses and also for improving the quality of power.

Shri Khurshid Ahmad Untoo, Chief Engineer, C&S informed that they have prepared a scheme for bringing 19 new Grid Sub-Stations under SCADA in the State, which was appreciated by the Commission.

A format devised by the Commission for submitting energy accounts, etc along-with a copy of J&K SERC (Distribution Performance Standards) Regulation for improving the quality of power supply was circulated among the members of the Utility who were present for furnishing quarterly energy accounts and consumer related information.

Accounting of input energy, energy accounting and auditing are other important areas on which PDD should pay its attention. Commission observed that all figures of energy scale, consumption are computed on an adhoc basis and the concept of energy audit it not being taken seriously. Energy metering at all levels is essential and the Utility should take into account the energy input, sale and recoveries sub-stations wise. PDD should submit the feeder/sib-station wise input pumped in, scales and recovery. Commission asked for a report on the Feeder Manager concept of APDRP and their performance in the State PDD's comments on its success or failure.

Sd/-
Secretary
J&K State

Electricity Regulatory Commission

No.:JKSERC/424-28
Dated 19-01-2010.

Copy to the above forwarded to:

- 1/. The Development Commissioner (Power), J&K, Janipur, Jammu.
- 2/. The Chief Engineer, M&RE, Jammu.
- 3/. The Chief Engineer, M&RE, Srinagar.
- 4/. The Chief Engineer, System & Operation, Jammu
- 5/. The Chief Engineer, Commercial & Survey, Jammu

with the instructions that they will circulate to all concerned officers for further necessary action.

List of the participants

S.No.	Name S/Shri	Designation
1	Asgar Ali	Development Commissioner (Power)
2	Sonam Gialson	Chief Engineer, System & Operation, Jammu
3	Mohammad Qasim	Chief Engineer, EM&RE, Jammu
4	Mushtaq Ahmad Shah	Chief Engineer, EM&RE, Kashmir
5	K.A. Untoo	S.E, Commercial & Survey J&K, Additional Charge C.E.
6	A.K. Kachroo	Tech. Officer to DCP
7	B.A Dar	Tech. officer to DCP
8	Jatinder Sharma	S.E, S&O, Jammu
9	Ms.Shahnaz Goni	S.E, EPC-I, Jammu
10	S.K. Sharma	Ex. Engineer, M&RE, Gandhi Nagar, Jammu
11	P.R. Angurala	XEN, Div.I, Prade
12	M.L.Kalotra	XEN, ED-III, Jammu
13	Gurbachan Singh	XEN, M&RE, Udhampur
14	R.N.Sharma	XEN, LDMT, Jammu
15	M.M. Singh	XEN, M&RE, Div. Vijaypur.
16	S.K. Anand	Asstt. Ex. Engineer, M&RE, Gandhi Nagar, Jammu.



Jammu & Kashmir State Electricity Regulatory Commission

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