

Before The J&K State Electricity Regulatory Commission Jammu

**Petitions No. JKSERC/52 of 2014 &
Petitions No. JKSERC/53 of 2014**

In the matter of:

Petition No. JKSERC/52 of 2014 for extension of the Retail tariff of FY 2014-15 for first four months of the FY 2015-16.

&

Petition No. JKSERC/53 of 2014 for condonation of delay for submission of Petition for Distribution Business for FY 2015-16 and extension of date of submission of the Petition upto 24th April, 2015.

Petitioner:

J&K Power Development Department, (JKPDD-Distribution), through Chief Engineer Commercial & Survey Wing.

Present:

Hon'ble Sh. Basharat Ahmad Dhar, Chairperson.

Present on behalf of Petitioners:

S/Sh.

1. Asgar Ali Majaz, Development Commissioner (Power) J&K.
2. Shahnaz Goni, Chief Engineer, EM & RE Wing, Jammu.
3. Bashir Ahmad Khan, Chief Engineer, EM&RE Wing, Kashmir.
4. Khurshid Ahmad Badoo, Chief Engineer, Commercial & Survey Wing, Kashmir.
5. Ravi Chanyal, Chief Engineer, Planning & Designs J&K.
6. Azhar Vakil, AEE, DCP Office.

ORDER

(Passed on this 13th Day March, 2015)

1. The Petitions bearing No. JKSERC/52 of 2014 & JKSERC/53 of 2014 filed by JKPDD came up for hearing before the Commission today. The Utility in its Petition No. JKSERC/52 of 2014 has prayed that in view of the delay caused in submission of Petition for true up for FY 2013-14, Annual Performance Review (APR) for FY 2014-15 and Determination of Aggregate Revenue Requirement (ARR) and Distribution tariff for FY 2015-16, the department be allowed to continue with the existing tariff for FY 2014-15 for first four months (April-July) of FY 2015-16 for all the categories of consumers served by the department in the State.

The Utility in the Petition No. JKSERC/53 of 2014 has also prayed for condonation of the delay in submission of the Petition related to Distribution Business and has requested for granting extension for filing the same till 24th of April, 2015.

The two Petitions cited above, being interlinked have been clubbed for disposal.

2. The background of the cases is as under:
 - i) As per the Sub-Regulation (4) of Regulation 47 of (Conduct of Business) Regulations 2005 and Sub-Regulation (2) of Regulation 12 of JKSERC (Multi Year Distribution Tariff) Regulation 2012, the Utility (JKPDD-Distribution) was required to file the Petition for APR/Tariff Proposals for FY 2015-16 before the Commission by 30th of November, 2014 to give the Commission a reasonable period of time viz 120 days stipulated in the Act/Regulations to examine the proposals and to complete various prescribed procedural requirements which include putting the proposal in public domain, taking suggestions/inputs from State Advisory Committee (SAC)

and holding of public hearings at Jammu & Srinagar to elicit response of the stakeholders on the proposals of the Utility.

- ii) The Utility failed to file the APR and Tariff Petition as per the prescribed time schedule. Instead the Utility filed a Petition before the Commission on 18.11.2014 seeking an extension in the date of filing of Tariff Petition upto 30th January, 2015 on the ground that during the September, 2014 floods in Kashmir the important Offices of the JKPDD including Office of DCP at Srinagar remained inundated for many days due to which vital records, both in hard and soft form, were destroyed. The department would take some time for retrieving and reconstructing the lost records. The Utility further submitted that the department also remained busy with restoration of power infrastructure damaged due to floods. In the meantime the Election Commission of India had issued notification for Assembly Elections in the State and due to Model Code of Conduct being in force, the department was not able to seek necessary approvals from the Govt.
- iii) The Petition came up before the Commission for hearing on 8th December, 2014. The Commission reluctantly extended the timeline and directed the applicant to file APR/Tariff Petitions/True ups by or before 31st December, 2014.
- iv) The Petitioner failed to submit the said APR/Tariff Petition by the revised date specified by the Commission. However, the Petition of Annual Performance Review for the FY 2014-15 for Distribution Segment of Jammu & Kashmir Power Development Department was submitted on 8th January, 2015. This Petition did not contain any tariff proposal for FY 2015-16.
- v) On preliminary analysis of the Petition filed by the Utility, information gaps and data discrepancies were observed. Furthermore, submissions made by the JKPDD- Distribution were required to be substantiated by providing supporting documents.

In view of deficiencies/discrepancies in the Petition, the same was returned to the Utility along with a detailed note on deficiencies/discrepancies vide No.: JKSERC/Secy/10/2014/1503-04 Dated: 15.01.2015. The Utility was asked to furnish the requisite data/information as pointed out in deficiency note and file the complete Petition before the Commission within a period of seven days. As Utility failed to comply with the directions, a reminder was issued to Chief Engineer, Commercial & Survey Wing PDD vide this office letter No.:JKSERC/Secy/10/2014/1758-59 dated 26.02.2015 with directions to do the needful within two days.

3. Now the Utility vide the Petition No. JKSERC/52 of 2014 has approached the Commission seeking continuance of existing distribution tariff of FY 2014-15 for first four months of FY 2015-16 (April-July 2015) for all categories of the consumers served by the department in the State. The reason given for the continuance is that JKPDD being a Govt. department has to seek various approvals from the Govt. including budgetary support to meet the gap between the revenue and the expenditure before filing the Petition and in absence of the elected Govt. for sometime in the State, the same could not be obtained. It may take the department some more time to seek necessary approvals of the Govt. before proceeding further with filing of the complete Petition before the Commission.
4. In the meantime the Utility also filed another Petition, bearing No. JKSERC/53 of 2014 praying for condonation of the delay in submission of the above Petition related to Distribution Business and has requested for granting extension for filing the same till 24th of April, 2015 in view of the fact that the Utility could not obtain Govt. approval because of the factors enumerated in the preceding paras.
5. During the hearing of the Petitions today, the Development Commissioner (Power) along with the senior officers of the Utility reiterated that the Tariff Petition related to Distribution business for FY

2015-16 could not be filed by them in time for reason beyond their control. He, therefore, requested that the validity of the existing tariff be extended by first four months of FY 2015-16 till ending July, 2015 and they be allowed to file the Petition by 24th April, 2015. He further submitted that the Distribution tariff in the State is subsidized by the government by way of meeting the revenue gap out of state budget and therefore the Utility needs various approvals of the government before filing the Petition. On being asked whether they can file the Petition by end of March 2015, the Utility submitted that in view of the ensuing budget session of the State Legislature, there may be some delay in seeking necessary approval of the Govt. The Utility, however, assured the Commission that the Petition would be filed by 10th of April, 2015.

6. The Utility has been a habitual defaulter and seldom adheres to the time schedule prescribed for filing such Petitions. Every year on one pretext or the other, the condonation of delay has been solicited leaving no alternative with the Commission but to grant the same with reluctance. The Commission is on record to have cautioned the Utility to be careful and meticulous about adhering to time schedules fixed under the Act and Regulations on these most important and vital subjects. The Utility is again directed to streamline and institutionalize the arrangements for ensuring timely submission of these Petitions by establishing a proper regulatory cell in the department on the analogy of JKSPDC so that such delays are avoided. It is being made amply clear that in future the Commission would not be accepting any excuses for such delays. The Commission, therefore, in view of the submissions made by the Petitioner reluctantly extends the date of filing of the complete Petition for true-up (2013-14)/APR for (2014-15)/ARR and Tariff Petition (2015-16) and directs the Utility to file the said Petition by 10th of April 2015, positively so as to give the Commission reasonable time of 120 days (4 months) as mandated under the relevant provisions of the Act/

Regulations, for completing the process for determination/approval of tariff for FY 2015-16. In the meantime, the Commission extends the validity of tariff order for JKPDD (Distribution) notified vide order No.:JKSERC/34 of 2014 passed on 24th of June, 2014 beyond March 2015, upto end of July 2015, unless the order is amended or modified by an order of this Commission.

Petitions disposed of accordingly

Announced
March, 13, 2015

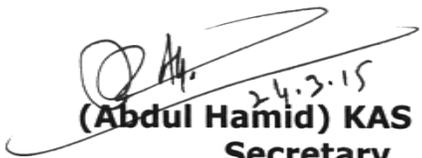
Sd/-
(Basharat Ahmad Dhar)
Chairperson

No. JKSERC/Secy/38/2014 }
JKSERC/Secy/43/2014 } 1976-81

Dated:24 .03.2015

Copy to the:-

1. Principal Secretary, Power Development Department, J&K Govt. Jammu.
2. Development Commissioner (Power), PDD, Jammu.
3. Chief Engineer Commercial & Survey Wing, Jammu.
4. Chief Engineer Commercial & Survey Wing, Kashmir.
5. Chief Engineer, Maintenance & RE Wing, Jammu
6. Chief Engineer, Maintenance & RE Wing, Kashmir.


(Abdul Hamid) KAS
Secretary,
J&K State Electricity Regulatory Commission,
Jammu.

-----***-----