

# **Jammu & Kashmir State Electricity Regulatory Commission**



**Tariff Order**  
on  
Annual Revenue Requirement  
and  
Determination of Distribution Tariffs  
for  
Financial Year 2008-09  
for  
Power Development Department, Govt of J&K

**Jammu & Kashmir State Electricity Regulatory Commission**  
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**JAMMU AND KASHMIR STATE ELECTRICITY REGULATORY COMMISSION**  
PDC Complex, Ashok Nagar, Satwari, Jammu – 180003  
Fax: 0191-2454420, Tel: 0191-2430578

Petition No: 12

In the matter of:                   Petition for approval of Annual Revenue Requirement  
  (ARR) and determination of distribution tariff for the year  
  2008-09

Petitioner:                            J&K Power Development Department,  
  Government of Jammu & Kashmir, Janipur, Jammu

Present:                                Shri K. B. Pillai, Chairperson

**ORDER**

**No. – J&K/SERC/09; Dated – September 12, 2008**

*(Passed this 12<sup>th</sup> day of September, 2008)*

The Commission has deliberated on the above petition and also the subsequent filings made by the Petitioner during the course of the above proceedings. The Petitioner submitted the ARR and Tariff petition for 2008-09 on February 7, 2008. On scrutiny, the Commission observed certain gaps in the petition and sought for further clarifications/information on the same. Subsequently the Petitioner made various submissions to support its Petition, which have been considered while determining the tariffs.

The Commission had vide order dated April 10, 2008 authorized the utility to continue to raise bills and collect charges from the consumer in accordance with the Tariff Order for 2007-08 even after March 31, 2008 subject to the condition that subsequent to the issue of tariff order for 2008-09, the utility shall adjust for excess/ shortfall in the bills served subsequently to the consumers.

In exercise of powers vested under the Jammu & Kashmir State Electricity Regulatory Commission Act, 2000 (Act VIII of 2000), the Commission hereby passes this Order today, September 12, 2008.

The revised tariff schedules, approved by the Commission in this order shall be applicable from April 1, 2008 till March 31, 2009.

Conscious of the need to promote the use of non-conventional energy, the Commission has introduced tariff rebate to those consumers who use solar energy for heating purposes.

Having regard to the interests of consumers as well as the utility, the Commission expects the Petitioner to submit its petition for approval of ARR and determination of distribution tariff for 2009-10 by November 30, 2008.

Order signed and issued accordingly

K. B. Pillai  
Chairperson

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**A1: INTRODUCTION**

- 1.1 The Power Development Department, Government of Jammu & Kashmir (hereinafter referred to as the Petitioner) has filed ARR and tariff petition before the Jammu & Kashmir State Electricity Regulatory Commission (the Commission) for approval of its Annual Revenue Requirement (ARR) and determination of tariffs for 2008-09 under sub-regulation 4, of the J&K State Electricity Regulatory Commission (Terms and Conditions for Determination of Distribution Tariff) Regulations, 2005 and J&K State Electricity Regulatory Commission (Conduct of Business) Regulations, 2005 framed by the Commission.
- 1.2 The Commission is guided by the Jammu & Kashmir State Electricity Regulatory Commission Act, 2000 (Act VIII of 2000) (hereinafter referred to as the SERC Act) and other legislations in its approach to regulation of the electricity sector. The SERC Act mandates the Commission to take measures conducive to the development and management of electricity industry in the State in an efficient, economic and competitive manner.
- 1.3 The Petitioner, viz. Power Development Department (PDD), Government of Jammu & Kashmir is the sole transmission and distribution utility in the State, and is a deemed licensee under Section 6A of the Jammu and Kashmir Electricity Act, Smvt 1997.

**ARR and Tariff Filing****Procedural History**

- 1.4 The Commission issued the first tariff order for the Power Development Department (PDD) specifying the tariff schedules for different categories of retail consumers, on March 28, 2007.
- 1.5 The Petitioner was expected to submit its ARR and tariff petition for 2008-09 by November 30, 2007. However the utility did not submit the same, but filed an application in November, 2007 seeking two months time for filing ARR & Tariff for 2008-09.
- 1.6 The Commission accepted the application vide order dated January 1, 2008 permitting the utility to file the ARR & Tariff petition for the year 2008-09 by January 31, 2008.
- 1.7 The utility filed another application dated January 01, 2008 seeking time till February 29, 2008 for filing the ARR & Tariff petition for 2008-09.
- 1.8 The Commission rejected the application vide order dated February 1, 2008 with the observation that for any consequences on account of any delayed petition the utility shall be responsible.

- 1.9 The Petitioner submitted, to the Commission, the petition for approval of its Annual Revenue Requirement (ARR) and determination of tariffs for 2008-09 on February 7, 2008.

### **Information Gaps in the Petition**

- 1.10 The Commission noticed several gaps and inconsistencies in the petition and issued a deficiency note regarding the same. It directed the utility to submit suitable clarifications and further information vide letter no. J&K/SERC/382 dated February 25, 2008.
- 1.11 The Petitioner responded to the points raised by the Commission and submitted a modified petition on April 9, 2008 and sought permission to continue the tariff order for the year 2007-08 till the ARR & Tariff order for 2008-09 was approved by the Commission.
- 1.12 The Commission vide order dated April 10, 2008 authorised the PDD to raise bills and collect charges from the consumers in accordance with the tariff order for the year 2007-08 subject to the condition that subsequent to issue of tariff order for 2008-09, the utility shall adjust excess or shortfall, if any, the bills served subsequently on the consumers.

### **Interactions with the Petitioner and Other Stakeholders**

- 1.13 The Commission decided to directly interact with the Petitioner to convey its views and obtain clarifications/ information from the utility for analysis of the petition and determination of tariffs and performance targets.
- 1.14 The Commission had detailed interactions with the Petitioner to discuss various aspects of the petition, and sought further details for processing the petition. The Petitioner submitted certain information/ clarifications regarding energy sales and loss levels, metering schedule, month-wise power availability and loan repayment schedule to the Commission.
- 1.15 The Commission after scrutiny admitted the petitions submitted by the utility for approval of ARR and determination of tariffs for 2008-09 on April 10, 2008. On April 25, 2008, it directed the Petitioner vide letter no. J&K/SERC/36 to issue a Public Notice and invite comments/ objections/ suggestions from consumers on the petitions.
- 1.16 The Commission convened a meeting of the State Advisory Committee on May 29, 2008 in Jammu to discuss the ARR and Tariff petition submitted by PDD.
- 1.17 Representatives of the Petitioner explained the salient features of the petitions, including major items of expenditure and revenue to the members of the Committee. The members of the Committee commented on the general condition of power supply in the state as well as on issues relevant to the petition and gave suggestions, which have been considered while preparing this order.



## Inviting Public Response

- 1.18 The public notice was issued by the Petitioner, inviting objections/suggestions on the ARR and Tariff petitions filed with the Commission. This notice appeared in the following newspapers

**Table 1-1: Public Notice**

Newspaper	Date
Greater Kashmir, Srinagar	April 28, 2008
Daily Excelsior, Jammu	April 28, 2008
Daily Kashmir Times, Jammu	April 28, 2008
Daily Aftab, Srinagar	April 28, 2008

- 1.19 Copies of the petitions were made available for purchase by the consumers and public from the utility's offices in Jammu, Srinagar and Leh. The last date for submitting the comments/objections on ARR and tariff petition was May 24, 2008.
- 1.20 The public notice advised respondents to submit (in person or by post or by fax) all copies of their objections written either in English, Hindi or Urdu to the Commission with a copy to the Petitioner. Respondents were also given the option to be heard in person during the public hearings conducted by the Commission.

## Public Participation

- 1.21 The Commission received twenty (20) written objections/ suggestions regarding the tariff petitions expressing concern over the quality of supply, the working of the utility, T&D losses, minimum charges and a number of other issues related to tariffs.
- 1.22 The Commission held public hearings in Srinagar and Jammu on May 31, 2008 and June 2, 2008 respectively, scheduled with prior intimation to and appointment with the various respondents. The public hearings enabled the utility to present its case for the ARR and tariff petition and to respond to the objections raised by various respondents. All the objections have been considered and dealt with in the relevant chapter in this order.
- 1.23 As authorised by Section 15 of the SERC Act, the Commission had authorised the following persons to represent the interests of the consumers before its proceedings:
- (a) Sh. S R S Madni
  - (b) Sh. Vikramjit Gour

## A2: SUMMARY OF ARR AND TARIFF PETITION

2.1 This section contains a summary of the ARR and Tariff Petition for 2008-09 submitted by the Power Development Department to the Commission.

### Sales Projections

2.2 The Petitioner has projected total energy sales of 4,603.81 MU in 2008-09. Details regarding the number of consumers, connected load and energy sales for various categories are as shown in Table 2-1.

**Table 2-1: Number of Consumers, Connected Load and Energy Sales**

Consumer Category	2007-08 (RE)			2008-09 (Proj)		
	No. of consumers	Connected Load (MW)	Energy Sales (MU)	No. of consumers	Connected Load (MW)	Energy Sales (MU)
Domestic	1,012,272	861.931	1574.58	1,032,517	902.492	1665.91
Non-domestic/ Commercial	134,230	164.659	371.73	135,982	173.618	393.29
Industrial	19,250	464.371	870.51	20,118	486.451	921.00
Agriculture	13,027	104.913	185.71	13,979	110.205	196.49
Public lighting	280	19.280	47.58	315	19.705	50.34
P.H.E.	1,541	91.778	276.36	1,557	95.516	292.39
State/ Central Dept.	8,413	69.99	260.06	8,424	71.00	275.14
General Purpose Bulk/ Army	148	174.490	660.19	153	180.255	698.47
Others	1042	42.473	104.7	1069	45.520	110.78
Total	1,190,203	1993.9	4,341.42	1,214,114	2,084.8	4,603.81

### Transmission and Distribution (T&D) Loss

2.3 The Petitioner has submitted the T&D loss level in the State in 2007-08 to be 49.83%, which is projected to be reduced to 49% in 2008-09.

### Energy Balance

2.4 The energy balance and T&D loss levels proposed by the Petitioner for the years 2007-08 (RE) and 2008-09 are provided in Table 2-2.

**Table 2-2: Energy Balance (Values in MU)**

Sl.	Particulars	2006-07 (Actual)	2007-08 (RE)	2008-09 (Proj)
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Sl.	Particulars	2006-07 (Actual)	2007-08 (RE)	2008-09 (Proj)
1	Purchase of Power (MU)	8,237	8,674	9,029
2	Sale of Power (MU)	4,031	4,351	4,604
3	Energy Loss (MU)	4,206	4,323	4,425
4	Energy Loss (%)	51.00%	49.83%	49.00%

## Annual Revenue Requirement

2.5 The Petitioner has estimated its Annual Revenue Requirement for 2008-09 to be Rs. 2313.47 Cr., details of which are provided in Table 2-3.

**Table 2-3: Summary of Annual Revenue Requirement (Values in Rs Cr)**

S No.	Particulars	2007-08 (RE)	2008-09 (Proj)
1	Power Purchase Costs	1,799.02	1,900.35
2	R&M Expenses	43.51	44.22
3	Employee Expenses	238.41	273.54
3	Depreciation	70.23	77.17
4	Interest and Finance Charges	19.45	18.19
5.	Interest on Working Capital	-	-
5	Rate of Return	-	-
6	Total Annual Revenue Requirement	2,170.62	2,313.47
7	Revenues	591.98	919.00
8	Revenue Gap	1,578.64	1,394.47
9	Non-tariff income	1.95	3.0

2.6 The average Cost of Supply (CoS) of energy projected by the utility is Rs. 5.025/kWh and the average tariff proposed is Rs. 2.445/kWh respectively for 2008-09.

## Existing and Proposed Tariffs

2.7 The Petitioner has proposed retention of the existing tariffs for the year 2008-09, as were approved by the Commission for 2007-08.

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**A3: OBJECTIONS AND ISSUES RAISED DURING THE PUBLIC HEARING PROCESS**

- 3.1 On acceptance of the ARR and tariff petition for FY09 the Commission directed the utility to make available copies of the petition to the general public, and invite comments/objections from them.
- 3.2 The petitions evoked response from several consumers, and public hearings were held in Srinagar and Jammu on May 31, 2008 and June 2, 2008 respectively wherein respondents put forth their comments and objections before the utility and the Commission.
- 3.3 The Commission also invited the persons nominated to represent interests of consumers to present their views regarding the petitions and the replies by the Petitioner during the public hearings.
- 3.4 The Commission also allowed persons who had not submitted written responses but attended the public hearings to express their views, regarding the ARR and tariff petition and the general functioning of the utility.
- 3.5 The following objectors submitted comments on the ARR and tariff petition:
- (a) Bari Brahmana Industries Association (BBIA), Jammu represented by its President Mr. Annil Suri and Mr. Devinder Mahajan
  - (b) Association of Small Scale Industries (ASSI), Gangyal represented by its President Mr. Rajesh Jain;
  - (c) Small Scale Industries (SSI), Jammu represented by its General Secretary Mr. Tejwant Singh Reen;
  - (d) Kashmir Chamber of Commerce and Industries (KCCI), Srinagar represented by its President Dr Mubeen Shah;
  - (e) Federation Chamber of Industries Kashmir (FCIK), Srinagar represented by its President Mr. S Shakeel Qalander;
  - (f) Kashmir Rice Oil & Band Saw Mill Owners Union, represented by its Secretary Haji Ghulam Mohd. Magray;
  - (g) Industrial Unit Holders Association IGC Lassipora, Pulwama represented by its President Mr. Nazir Ahmad;
  - (h) Vikram Gour, Member – State Consumer Protection Council
  - (i) Military Engineering Services (MES), represented by Col. Balwinder Singh and Col Mukherjee;

- (j) Small Atta Chaki Association, Jammu
- (k) Chenab Textile Mills, Kathua represented by its Sr. Vice President Mr. K. C. Sharma
- (l) Chenab Oil Mills, Jammu represented by Mr. Romesh Gupta
- (m) Consumer Protection Organisation
- (n) Mr. S.R.S. Madani - Public Nominee, Srinagar
- (o) Ghulam Mohd. Trambo, Vice President, Federation Chamber of Industries

3.6 A list of participants in the two public hearing sessions held at Jammu and Srinagar is given in Annexure 1 of this order. The issues raised during the public hearing process, the responses of the Petitioner and the Commission's observations are detailed below:

#### **Deferring of ARR & Tariff Order for 2008-09**

- 3.7 ASSI has requested the Commission to defer the process of the approval of ARR and determination of tariffs for FY09 on the ground that their appeal was pending before the Hon'ble High Court (J&K).
- 3.8 Mr. Tejwant Singh Reen, Secretary, ASSI also pointed out that an assurance had been given by the Counsel of the Commission and the Utility that no proceedings would be launched/ initiated by the Utility before the Commission and it was not likely to be done till the Hon'ble High Court had delivered its judgement.

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

- 3.9 The proceedings on the petition were started by filing of the petition itself. In addition, the Petitioner submitted that since the Hon'ble High Court had not issued a stay order on the process of submission of the ARR petition and determination of tariffs, it had submitted the ARR and tariff petition for 2008-09, in compliance with the provisions contained in the Commissions regulations.

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

- 3.10 The Commission is of the view that in the absence of any order/ instruction by the Hon'ble High Court, the Commission is not prevented from considering the petition until resolution of the any matter under litigation.
- 3.11 Further, the Hon'ble High Court has already given its judgement on the case before the date of release of this order.

**Continuity of Supply and charging of Demand Charges to Industries**

- 3.12 The Industrial Unit Holders Association IGC, Lassipora had objected to the levy of demand charges in addition to energy charges for industrial consumers. It submitted that this was creating discrepancy between industries operating in single shift and those operating in multiple shifts.
- 3.13 Mr. Nazir Ahmad, on behalf of the Association, requested the Commission for differential application of demand charges for industries operating in different shifts, or to direct the Utility to allow industries to operate in any shift, without any constraint.
- 3.14 Mr. Anil Suri, President, BBIA stated that the demand charges had been determined by the Commission for 24 hr power supply whereas the actual power supply in the industrial areas was just for about 16 hrs. Thus, the demand charges should be charged in proportion to the actual hours of supply.
- 3.15 Mr. Vikram Gour also asked for a clarification on the basis of fixation of the demand charges per kW/ HP/ kVA. He submitted that the total value of the assets of the Utility had not been given in the petition which was required for arriving at demand charges.
- 3.16 Representative of Chenab Textile Mills had pointed out that in contrast to the tariff order for 2007-08 issued by the Commission; PDD was levying demand charges on the basis of connected load and not on the basis of contracted demand. He also prayed to the Commission to direct PDD to comply with the tariff order and levy demand charges on the basis of the declared contracted demand or the maximum demand as recorded by the MDI in the installed meters.
- 3.17 The FCIK pointed out that owing to poor availability of power certain remote industries had to pay tariffs as high as Rs. 7/ kWh, which was discriminatory. The power curtailments restrict availability of power to such remote industries only to the extent of 2 – 3 hrs in a day which was also available at a very low voltage. Mr. Shakeel Qalander also requested that till the reliability of power supply was improved industries should be charged only on the basis of the actual units consumed and demand charges should not be levied. He further raised the following issues in the context of demand charges:
- (a) The infrastructure in the State had been provided under various schemes sponsored by the Central and State Governments and therefore, the PDD was not justified in levying demand charges;
  - (b) The units with load beyond 100kVA were being charged for both demand charges and energy charges; and
  - (c) The demand charges were static for the units operating on single shift or multiple shifts thus leading to disparity.

**Petitioner's Response**

- 3.18 As directed by the Hon'ble Commission, PDD is trying its best to improve quality and quantity of power and had also been submitting progress reports to the Hon'ble Commission. However, there was a gap between availability and demand, which became predominant in winter, due to which its power supply had to be regulated.. This situation was prevailing in other states also particularly in Northern Region where the power cuts are more severe. So far the interruptions and breakdowns in transmission and distribution systems were concerned; PDD was trying to minimize the same by undertaking planned maintenance besides improving the system under State Plan, PMRP and APDRP.
- 3.19 Demand charges are levied to cover the fixed charges like cost of power purchase, employees cost, O&M cost, etc. The demand as well as energy charges are only adjusted to cover the cost of supply. Initially demand charges for HT consumers only have been prescribed on lower level, which may have to be extended to other consumers also in future.
- 3.20 The demand charges for HT consumers, as per the approved tariff for FY08 have been levied based on contract demand/ maximum demand. Any deviation in implementation will be examined and necessary action taken to rectify the same.
- 3.21 LT industrial tariff is applicable for connected load up to 100kW (115kVA) with a minimum charge of Rs.90/ HP. For HT industry, demand charge per kVA has been introduced to cover the fixed charges for maintaining the infrastructure. This minimum charge covers energy charges for a few hours a day.
- 3.22 As per existing tariff approved by the Hon'ble Commission for FY08 as well as in the tariff petition for FY09, the tariff for LT industries is Rs.2.0/ kWh with minimum charges of Rs. 90/ HP or part thereof. The minimum charge in LT and demand charge in HT industries consumers can be covered by only using power for few hours per day in a shift. However, if an industry working on single shift wants to work for 3 shifts, it can make application for the same.

**Commission's Observations**

- 3.23 The Commission intends to move to the regime of two-part tariffs comprising of fixed and variables charges in a phased manner and expects the Utility to make provisions for the implementation of the same.
- 3.24 The Commission's views had been elaborated in the Chapter on Tariff Philosophy in the tariff order for FY08 issued on March 28, 2007, which was as follows: The Commission shall adopt a two-part tariff structure, comprising of a fixed component (Rupees per kW or per consumer) and a variable component (Rupees per kWh). Two-part tariffs have replaced single part tariffs in most parts of the country, primarily due to the following reasons:

- (a) The utility can recover its fixed expenses (on fixed charges on power purchase, employee cost, interest etc.) incurred even when the consumer is not consuming electricity.
  - (b) Consumers are charged for each unit of electricity consumed, thereby providing a direct incentive to save electricity.
  - (c) The utility is encouraged to improve its metering and billing systems, as the removal of minimum charges ensures recovery only on billed amounts.
  - (d) The consumer is encouraged to declare his connected load correctly.
- 3.25 The fixed charges that have been introduced for HT and Bulk consumers are in the form of demand charges.
- 3.26 The discrepancies in tariffs arising due to the irregularity of power supply are due to the Utility' poor performance in delivering its services. The Commission feels that such issues should not be linked to tariffs, and shall be handled separately considering the penal provisions of the Standards of Performance regulations issued by the Commission.
- 3.27 The Commission agrees that the fixed costs incurred by the Utility are based on the contract demand of consumers and hence, are independent of the number of shifts of operation.

#### **T&D Losses**

- 3.28 Mr. Mubeen Shah, submitted that the cost of T&D losses should not be passed on to consumers. He further pointed out that impact of the T&D losses which was approved at 50.7% for 2006-07 and 46.7% for 2007-08 was being passed on to the industrial consumers which was also not justified since all industries were metered. He suggested adoption of the models followed by Delhi or Andhra Pradesh for reduction of losses.
- 3.29 In addition, Mr. S Shakeel Qalander, on behalf of FCIK submitted the following with respect to the high T&D losses:
- (a) The cost per unit of energy shown by the PDD is loaded with illegal consumption of electricity by 10,56,556 unregistered consumers in domestic and commercial categories;
  - (b) Only 1.5 lakh of 22,04,607 consumers (legal & illegal) in categories other than industry are metered;
  - (c) There are no meters at receiving stations for Energy Audit;
  - (d) The government employees on Darbar move pay only Rs.50 per month against consumption of huge quantities of electricity; and



- (e) The security bunkers consume huge quantities of electricity but did not pay for the same.
- 3.30 ASSI stated that the burden of T&D losses, which includes theft and pilferage, should not be passed on to honest consumers.
- 3.31 BBIA submitted that the national level of T&D losses is 22% whereas the same is around 49% in the State. In spite of this, PDD had hardly taken any steps for reducing losses. Thus, passing on the burden of the T&D losses in industrial tariffs is unjustified and PDD should consider privatization of industrial feeders in the State.
- 3.32 Mr. Vikram Gour raised the following issues with respect to T&D losses: -
- (a) PDD should submit Energy Audit Report (EAR) based on the recorded/ metered electricity supply along with the petition. Further, he sought clarification if the Commission had been receiving regular progress reports till November, 2007 from the Utility, as it was not clear whether such reports were received by the Commission or not. He also noted that though the Utility has mentioned the level of consumer metering (49.54%), no details have been provided for the status of metering of the incoming and outgoing feeders;
  - (b) He also noted that the latest census figures indicated a number of 18,00,000 households in the state. Against the same only 11,90,203 registered connections had been released by the PDD, remaining 33% consumers were thus un-registered and were committing theft of electricity. The PDD was incurring high losses due to the poor status of the T&D network which was around 15%-20% costing more than Rs.250 Cr.;
  - (c) The average cost of supply (CoS) projected at Rs.5.025/ kWh against a power purchase cost of Rs.2.10/ kWh, thus 21.74% overhead charges and 49% T&D losses had been added to arrive at the CoS;
  - (d) No new connections should be released without proper meters;
  - (e) Similar to the practice followed for Industrial Units, the power supply to the PHE installations should also be made through tri-vector meters; and
  - (f) An update on the status of the meters presently installed at the various consumer installations should be submitted by PDD, including the status of replacement of old meters by electronic meters.

**Petitioner's Response**

- 3.33 The Petitioner submitted that it was not correct to assume that national average of T&D losses were 22%, and countered that it would be 30-35%. Looking at the specific conditions in Jammu and Kashmir, the target of reduction of losses from 49.83% in FY08 to 49% in FY09 was quite reasonable. It was also making efforts to achieve 100% metering, following which more realistic estimation of loss level would be available and efforts would be made to reduce it progressively.
- 3.34 The figures of total number of consumers, no of illegal/ unregistered consumers etc., as presented based on 2001 census, were not valid. The Petitioner submitted that it was incorrect to assume that the difference between the total number of households and total number of consumers as per PDD records represented the number of illegal connections in the State.
- 3.35 It further submitted that meters had been installed on all HT/ EHT feeders and sub-stations and the repair/ replacement of defective/ non-functional meters was being carried out as a continuous process.
- 3.36 On the matter of low recovery from the employees involved in the Darbar Move, the Petitioner submitted that though some fixed electricity charges were recovered from such consumers as per order of the Government, the difference of the bill amount as per tariff and fixed amount recovered was being recovered from the Government. It also rejected the claim that electricity consumed in security bunkers was not billed, and submitted that such electricity was also being billed.
- 3.37 The Petitioner submitted that reduction of T&D losses could not be achieved at once. It was making efforts to ensure 100% metering of consumers, which would assist in assessing T&D losses accurately. More efforts to reduce losses were afoot and shall be taken vigorously post metering.
- 3.38 The Petitioner also submitted that normally only metered connections were provided as new connections. However, in un-metered areas and in absence of the availability of meters, flat rate connections were also being granted, especially for regularising illegal connections and to bring them in the ambit of the recovery.
- 3.39 HT connections to PHE installations are being provided only by installing tri-vector meters. In addition, the Utility is also installing tri-vector meters in existing PHE installations which do not have such meters. Billing on the basis of energy reading of old electromechanical meters is being affected subject to their functionality and suitable replacement of such meters is being undertaken and would be completed in due course of time.

**Commission's Observations**

- 3.40 The Commission agrees with the various respondents that the performance of the PDD in reducing the T&D losses is extremely unsatisfactory. High T&D losses leading to drainage of State resources and are adding to the cost of supply.
- 3.41 However, the Commission clarifies that the present level of consumer tariffs are very low, and the burden of T&D losses is borne only by the Government establishments. All other consumers in the State are being protected from the high Cost of Supply on account of high T&D losses in the tariff due to the subsidy provided to the PDD.

**Power Purchase Cost**

- 3.42 KCCI has submitted that the increase in cost of power is due to the fact that for every 100MW of power purchased or generated only 80MW were available for distribution due to the low power factor being maintained by the PDD. The PDD had not been able to take the benefits of the schemes provided by the Northern Regional Electricity Board (NREB) for financing of schemes to improve power factor. Mr. Mubeen Shah objected to passing the burden of such losses to the consumers.
- 3.43 It further stated that the price of power purchase in the State was higher on account of the non-compensation given to the State on account of the Indus Water Treaty. It also submitted that the Government of India should compensate the State Government by handing over all the projects in the central sector in the State, for which capital cost had already been recovered. It also suggested that the quantum of free power to the State should be increased from 12% to at least 25%, till such a decision was taken.
- 3.44 BBIA also submitted that PDD should also account for the 25% free power from the Their project which is due to the State.

**Petitioner's Response**

- 3.45 The Petitioner submitted that the statement linking high power purchase cost due to loss of capacity on account of poor system PF was not technically correct. Besides, the poor PF was due to heavy consumption of reactive power. Hence, PDD was trying to install shunt capacitors at sub-stations for which an amount of Rs.22 Cr. had been sanctioned. For consumers' PF improvement, PDD has already adopted the concept of kVAh billing. PDD is committed to provide shunt capacitors in the system for 65% of the load of 25KVA and above, catered by the system in the current year.
- 3.46 It further submitted that for improving the PF and reactive energy compensation, PDD is planning installation of shunt capacitors in the transmission system with funding from NRPC and for the sub-transmission system under the APDRP scheme.

- 3.47 The free power provided to the State from the hydro power generation projects established in the State is in lieu of providing basic facilities and infrastructure for the project. This percentage of free power (12%) has been adopted at a national level and was beyond the purview of the Utility. The issue of any compensation to the state of J&K on account of Indus Water Treaty falls under the purview of the Government.
- 3.48 The Petitioner submitted that unscheduled purchase of power during peak hours was being avoided to maximum possible extent. However, as the gap between demand and availability increased, particularly in winter due to increase in demand and simultaneous non-availability of generation from hydro stations, some unscheduled overdrawn became unavoidable to avoid severe load shedding.
- 3.49 PDD purchases power mainly from JKSPDC and CPSUs. The tariff for the CPSUs is regulated by CERC and the quantum of allocation for PDD is as per the Regional Energy Account finalized by the Northern Regional Power Council (NRPC), an independent organization under the Ministry of Power, Government of India. The tariffs approved cover fixed charges, variable charges, fuel cost variations, etc. The tariff in respect of JKSPDC is as specified in existing PPAs and as regulated by the Hon'ble Commission.
- 3.50 The Petitioner responded to the comments on free power from the Thein project and submitted that no power had been made available to the State from the project.

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

- 3.51 The Commission is of the opinion that the PDD has appropriately responded to the issue of loss of power due to poor PF being maintained in the PDDs system. However, the Commission feels the PDD needs to be prompt, in installation of shunt capacitors planned for improvement of installation of PF.
- 3.52 The Commission notes that the utility has purchased power from stations owned by J&KPSDC or CPSUs and the expenses related to the power purchase have been as per quantum agreed from each station and the corresponding approved tariffs. It agreed that the issues related to the entitlements of the State on account of the Indus Water Treaty, free power share from NHPC projects, etc. are beyond the purview of the utility and the Commission. The Commission also notes that there is no allocation to J&K from the Thein project and hence, the utility cannot be expected to account for any power to be received from the project.
- 3.53 The consumers may approach the State/ Central Government for providing any additional benefits over and above the 12% free power as per existing norms.

**Introduction of kVAh Tariff**

- 3.54 ASSI has stated that the levy of kVAh tariff was based on efficient use of energy assuming unity power factor. Instead of rewarding the honest consumers, the kVAh tariff has led to an increase in costs by at least 25-30%. The Commission should approve the suggestion made by the PDD for charging tariff on kWh basis and introduce incentives and disincentives for power factor.
- 3.55 In addition, BBIA pointed out that though the bills were being raised on kVAh basis, the system voltage being received by industries was often in the range of 7 – 8 kV, vis-à-vis the standard supply voltage of 11kV. The low voltage supplied cannot be improved by installing power capacitors, and hence, the power factor always remained below 1. The tariff should be set as suggested by the PDD in its petition for the year FY08 with kWh based tariff coupled with incentives and disincentives on power factor.

**Petitioner's Response**

- 3.56 The Petitioner submitted that the concept of kVAh billing had been introduced to improve the PF in consumer installations. It was also trying to improve the system voltage by upgrading the system and providing additional lines and sub-stations.
- 3.57 With HT tariffs based on kVAh, the benefit automatically accrued to the consumer on account of any power factor improvement in his installation. The installation of capacitors shall reduce kVAh and automatically reduce the kVAh consumption.
- 3.58 The Petitioner also stated in the public hearing that the reduction in system voltage was a phenomenon observed throughout the entire Northern Region twice in the year due to high agricultural demand.

**Commission's Observations**

- 3.59 The Commission believes that kVAh based tariff is a better approach due to the reasons of greater transparency, reduced likelihood of occurrence of errors and reduced administrative burden on the utility. In addition, the incentive for power factor improvement is also automatically built in kVAh tariff, and is a better way to provide incentives to consumers for reduction of PF.
- 3.60 The Commission expresses concern at the low system voltage and directs the utility to take suitable steps to improve the system voltage. Any problems faced by the consumers related to the supply voltage can be handled as per the provisions of the Standards of Performance regulations.

**Deemed Licensee Status to MES**

- 3.61 The Military Engineering Services (MES) requested the Commission to grant it the status of deemed licensee. It submitted that MES drew electricity in bulk from PDD through overhead HT lines and transformer at the main receiving station exclusively meant for the defence installations. It further submitted that payments for construction of overhead HT lines had been made by MES to the utility as deposit works. In addition, the entire distribution system including MRS for defence installations in India including Jammu & Kashmir had been installed and is being manned by MES, which included maintenance and operation. In view of the same, the status of deemed licensee has been given to MES by the Ministry of Power, Govt of India, vide letter No. 25/19/2004-R&R dated July 26, 2004 and MES Regulation vide Para 5(a) of Appendix "N".
- 3.62 The MES further submitted that after issuing of the Electricity Act 2003, certain State Electricity Boards had revised tariff rates for MES, but on apprising their respective Regulatory Commissions, Punjab, Delhi and Karnataka had given the status of deemed licensee to MES and amended the tariff rates accordingly.
- 3.63 MES submitted that revised tariff rates should be made applicable to the consumers including other Central/ State Government department for which the PDD provided all services like laying of low tension (LT) lines/ cables, provision of electricity meters and maintenance / operation of these assets subsequently. Though MES drew power in bulk from grid stations manned by PDD through their HT lines, thereafter the entire services upto distribution end including maintenance and operation are provided by MES using its own manpower and machinery. Hence, it requested the Commission to approve separate tariff rates be fixed for MES from those of State/ Central Govt Departments and also consider it as a deemed licensee.
- 3.64 The Commission was requested to approve domestic tariffs for connections where MES had taken exclusive 33/11 kV bulb connection for married accommodation of defence personnel.
- 3.65 The tariff to be charged from paying consumers of MES is decided by Ministry of Defence, Government of India based on consideration of service conditions, etc. At present the domestic tariff rates have been fixed at the rates as prevailing in the local civil area/ utility for residential purposes. That as a matter of fact no commercial principles are applied while deciding tariff to paying consumers as MES is not doing any kind of commercial activities.
- 3.66 MES also submitted that it is the sole Central Government agency supplying electricity to defence consumers and no other licensee can be allowed to supply electricity to defence consumers.
- 3.67 The MES representative requested the Commission to conduct an audit of the actual usage of the power being taken by it and revise the tariffs accordingly with different rates for domestic and non-domestic usage.

**Petitioner's Response**

- 3.68 The status of deemed licensee to MES has been given in other states under the provisions of the Electricity Act, 2003. As this Act is not applicable in the State of J&K and the present Act in force in the State does not contain any provision on grant of Deemed Licensee status to MES, it is not possible to give such a status to MES.
- 3.69 As per the tariff decided by the Hon'ble J&K State Electricity Regulatory Commission, the tariff applicable to Defence and Para-Military forces is covered under Schedule 3 for State/ Central Government Departments.

**Commission's Observations**

- 3.70 The Electricity Act, 2003 is not applicable to Jammu & Kashmir, thus the concessions allowed to it under the same Act are not applicable in the State. In addition, providing a deemed licensee status would mandate MES to perform all functions of a distribution licensee, including power purchase, scheduling and submission of ARR and Tariff petitions to the Commission for approval of tariffs.
- 3.71 The Commission has fixed the tariff for MES as the same for all other Central/ State Government establishments. The tariff is not based on the purpose for what power is being consumed.

**Higher Tariff for Industrial Consumers**

- 3.72 The KCCI submitted that the tariff increase for the industrial consumers had been very high to the extent of 100-141%. It also stated that the cost of power purchase along with the T&D losses should not be passed on to the industries. KCCI also claimed that the actual cost of supply of power was lower than that being charged to the industries and the tariff was in contravention to the industrial policy which envisages subsidization of power to the industrial sector.
- 3.73 It also submitted to the Commission that there was a case for higher subsidy to the industrial sector in Kashmir to make all industrial units viable through power availability at right price.
- 3.74 The FCIK has submitted that the power purchased by PDD at higher rates in the peak hours was loaded to the tariff of industrial consumers, who were unable to use this power and hence, should not be liable to be charged higher tariffs due to higher costs of peak power.
- 3.75 The Kashmir Rice Oil & Band Saw Mill Owners Union submitted that mills were functional only for 2-3 months in a year whereas the tariff had been increased from Rs.595/- to Rs.1400/- which was not bearable and is leading to a closure of mills. The Union sought sympathy from the Commission for reduction of tariff and charging only for the appropriate season.

- 3.76 Mr. K.C. Sharma, Sr. Vice President, Chenab Textile Mills, Kathua objected to the steep increase in industrial tariffs in the previous tariff order released by the Commission. The BBIA also submitted that the abnormal increase in industrial tariff has hit the tiny industrial units adversely and thus the tariff for industries should be reduced.
- 3.77 The Small Atta Chaki Association, Jammu objected to the steep increase in tariffs and submitted the following: -
- (a) With increase in electricity tariff in 2007-08 in respect of the Atta Chakkies by almost 300% in one go, the business was almost on the verge of a collapse. The Government had started supplying Atta to BPL families at heavily subsidized rates and this had affected the business heavily as the volume of the business had reduced drastically.
  - (b) In the previous tariff order the minimum tariff increased from Rs.600 per 15 HP connections to Rs. 1,882 per 15 HP connections was more than three times in a single go, which was not justified. A number of Chakkis have already closed, rendering many without any livelihood.
  - (c) On the instruction of the PDD, the Chakkis had installed electronic meters on the assurance that the tariff shall be charged on the basis of power actually consumed.
  - (d) The Association demanded revision of the tariff and charging on the basis of actual consumption only. The Association also demanded treatment of Atta Chakkis as agricultural connections for the purpose of tariff.
- 3.78 The Chenab Textile Mills raised the following issues with respect to the fixation of industrial tariffs:
- (a) The T&D losses at higher voltages at which industries are supplied is significantly lower and hence, tariff should reflect the lower cost of supply at higher voltages.
  - (b) The industries in Jammu are at a vocational disadvantage vis-à-vis other states which are better placed both with respect to raw material and consumption centres. In this view the Hon'ble Commission should consider allowing lower tariffs to the industries in the State.
  - (c) The industries by means of providing huge employment are contributing to the overall development of State. Thus, the Hon'ble Commission should approve certain tariff benefits to industries which employ more than 1000 people.
  - (d) The higher industrial tariffs will kill the industries and thus lead to reduction in the revenues of PDD, which will ultimately make PDD itself sick. Thus, it is also in the interest of PDD to reduce industrial tariffs.



**Petitioner's Response**

- 3.79 The Petitioner submitted that it is difficult to work out T&D losses separately for different categories of consumers and hence, it is not practicable to determine tariff for industries based on actual losses assessed for industries. However, it may be seen that for determining tariffs, the entire T&D losses have not been loaded. The proposed tariff only brings the revenue accommodating T&D losses even less than the national average, and the resultant gap between expenditure (ARR) and expected revenue is being borne by the Government.
- 3.80 The Petitioner submitted that it has presently only determined the overall cost of supply since it does not have the information required for working out cost of supply at different voltage levels. It also submitted that it shall make efforts to work out voltage-wise cost of supply in the coming years. The tariffs for HT industrial consumers in the tariff order for FY08 as well as the tariff proposal for FY09, directly prescribes tariff for 11kV supply and for 33kV and above supply, but not with one tariff on 11kV supply and rebates at higher voltage levels. The Petitioner shall consider separate tariff for 66kV supply in future.
- 3.81 In the tariff proposal for FY09, there is no increase proposed for industrial consumers over the existing rates. The Petitioner stated that normally the tariff for industries is higher than the average cost of supply for cross-subsidizing domestic and other categories where the tariffs are lower than the average cost of supply. However, in J&K even industries have tariffs lower than the average cost of supply. Any further subsidy to industries in other forms should be considered by the State Government through the Department of Industries.
- 3.82 The Petitioner submitted that on the matter of non-usage of high cost peak hour power purchased by the industrial consumers, and the request for discounting the same while calculating the tariffs for industries, the overall situation in the State has to be taken into consideration and in the present circumstances it is not practical to determine tariffs by considering differential conditions for any particular category. It is also a fact that the present tariffs only cover part of total T&D losses and balance/ gap is being met by Government.
- 3.83 The Petitioner has denied the claim that industries are required to pay at the rate of Rs.7.0 per unit. The tariff for metered LT industry is only Rs.2 per unit (excluding electricity duty). Although the provision for flat rate exists for un-metered LT industrial connections based on number of shifts, the higher rates are to provide incentives to convert to metered connections. In addition, there is no provision of minimum guaranteed consumption for the LT tariff. Similarly for HT industrial consumers, there is no minimum guaranteed consumption, except demand charge.

- 3.84 The Petitioner also denied the claim that rate of electricity has been enhanced from Rs.595/- to Rs.1,400/-. The tariffs for all LT industries including rice mills, oil mills and saw mills have been maintained during FY09 at Rs.2.0 per unit as energy charge and Rs.90 per HP or part as the minimum charge which can be met even by using power for 2-3 hrs/ day. Even the flat rate for un-metered LT industry is Rs.300 per HP per month for industries running for an 8 hours shift.
- 3.85 Electricity tariff as per law is to be based on the cost of supply and if existing tariffs are higher or lower than the cost of supply, they have to be structured to bring them equal to the cost of supply progressively. In due course electricity tariffs cannot compensate for the problems being faced by the Industry due to other reasons.
- 3.86 The Petitioner also responded to the issues raised by the Small Atta Chakki Association, and submitted that it is incorrect to claim that minimum tariff has been increased from Rs.600 to Rs.1882 per 15 HP. The metered tariff as approved by the Hon'ble Commission for FY08 prescribes energy charge of Rs.2.0 per unit with minimum charge of Rs.90 per HP. The tariff is still much below the average cost of supply which at present is Rs.5.025 per unit. The minimum charges just cover the energy charge with the operation of 2-3 hours a day.
- 3.87 The Petitioner also stated that in most other states in India, the industries are cross-subsidizing other categories of consumers like the domestic, agriculture, etc., whereas in the state of J&K even industrial consumers have been enjoying Government subsidy to the extent of 59.1% as shown in the table above.

### Commission's Observations

- 3.88 The average tariff vs. the average cost of supply and the extent of subsidy as approved by the Commission in the tariff order for the FY08 for various categories on industrial consumers is provided in the table below.

**Table 3-1: Approved Average Tariffs for 2007-08**

Category	Avg CoS (Rs/ unit)	Avg Tariff (Rs/ unit)	Subsidy (Rs/ unit)	Subsidy (%)
LT Industrial	4.89	2.00	2.89	59.1%
HT Industrial	4.89	2.72	2.17	44.3%
HT Industrial For Power Intensive Industries	4.89	3.49	1.40	28.6%

- 3.89 The tariff order for FY08 reflected tariff revision after a gap of many years; therefore the hike in comparison to the previous tariffs may appear to be steep. However, if an average or compounded annual growth rate is calculated after the previous tariff revision, the increase in tariffs as approved by the Commission is only nominal.

- 3.90 As detailed in the Chapter on Tariff Philosophy in the tariff order for FY 2007-08, the Commission has introduced two part tariff for all industrial consumers for the FY 2008-09. This has been coupled with elimination of minimum charges and flat rate billing for Industrial consumers. The Commission believes that this improvement in tariff structure will put an end to the discrepancies arising out of impact of seasonal operation of certain Industries and poor availability of power in certain remote areas.
- 3.91 The Commission in its previous order had clearly defined the applicability of agricultural tariff to agricultural loads and lift irrigation connections including threshers and de-watering pumps used for bona-fide agricultural purposes. Since Atta Chakkies are not purely related to agricultural purposes, they cannot be considered as agricultural connections.

### **Tariffs for Hotels/ Tourism Establishments**

- 3.92 The KCCI requested for reduction in tariffs for hotels/ tourism establishments in the State and suggested that their tariffs should be based on industrial tariffs and not on non-domestic commercial supply. They further submitted that there should be two-part tariff taking care of the limited nature of the industry with no minimum charges per month during the off-season.

### **Petitioner's Response**

- 3.93 The Petitioner submitted that industrial tariffs are only applicable for industries doing production or similar jobs whereas utilization of power supply in hotel/ tourism establishments has totally a different purpose. It is therefore, not possible to club hotel/ tourism establishments with industrial sector for tariff purpose.

### **Commission's Observations**

- 3.94 The Commission has defined applicability of the industrial tariff to industrial installations and workshops with manufacturing facilities, where raw material is converted to finished goods, in the tariff order for FY08. Since, the hotels/ tourism establishments are not related to such activities but are primarily commercial ventures, such a request cannot be accepted and hotels/ tourism establishments shall continue to be levied tariffs as per the rates specified for non-domestic/ commercial consumers.
- 3.95 In line with the demand raised from various consumer representatives the Commission has introduced two part tariff for non-domestic connections with meters and done away with minimum charges in the approved tariff for FY 2008-09. Thus, hotels/ tourism establishments that are in operation only during some months in a year can request for installation of meters by the PDD so that they are billed only for the fixed charges during the months of no electricity consumption.

**Other Issues**

- 3.96 Mr. Vikram Gour pointed out that the Petitioner has shown expenditure of Rs.36.6 Cr. and Rs.20.0 Cr. against R&M expenses and Fuel Costs, whereas as per the information available the Jammu Wing of PDD has received only Rs.10 Cr. for R&M during the year 2007-08, leaving Rs.46.6 Cr. for the Kashmir wing. He demanded an explanation for the reasons leading to such a huge difference between the expenditures made in the two regions. He also asked PDD to explain the expenses incurred under the head of Fuel Cost.
- 3.97 Chenab Textile Mills has pointed out that voltage wise break-up of costs have not been presented in the petition, and submitted that such details need to be considered for rational reduction in tariff instead of using the existing approach of determining tariffs based on average cost of supply.

**Petitioner's Response**

- 3.98 The R&M expenditure of Rs. 43.51Cr. during FY08 provided for the O&M charges required for the department as a whole and included such requirement for transmission, sub-transmission and distribution network besides the communication network required for the system. The provision of fuels cost was made in ARR for running Gas Turbines in emergencies, when required.
- 3.99 The Petitioner submitted that presently only the average cost of supply has been worked out. For working out the cost of supply at different voltage levels, lots of studies and data collection are required. However, efforts shall be made to work out voltage-wise cost of supply in coming years.

**Commission's Observations**

- 3.100 The Petitioner has submitted revised estimates of its overall O&M expenditure for FY08 as Rs. 43.51 Cr. No separate provision for fuel cost has been made for FY09 in the petition, and the Petitioner has stated: "The operational cost of hydel and diesel stations is included in overall operation and maintenance cost of the PDD. No separate cost of fuel is to be assumed in expenditure for PDD's own stations." The Commission is of the opinion that details need to be provided for scrutiny.
- 3.101 The Commission agrees that the Petitioner should move towards a tariff regime based on voltage-wise cost of supply. However, the Commission is aware that the Petitioner is presently not equipped to determine voltage-wise costs, and hence tariffs shall be determined based on average cost of supply.

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**Fixation of Tariffs for Various Consumer Categories**

3.102 Mr. Gour pointed out that there is no justification for the tariff structure for domestic/non-domestic categories having four slabs for charging of minimum charges. Such discrepancy is not only encouraging excessive usage of electricity but also leaving vast scope for corruption in the hands of the utility's employees.

**Petitioner's Response**

3.103 The Petitioner submitted that previously there were a number of slabs for the minimum charge which have now been reduced to four slabs. It has decided to retain the same for the FY09 and can consider further reduction in number of slabs in the future.

3.104 Although for LT connections, minimum charge concept is still there but as per policy of Government of India, which is also reflected in Electricity Act, 2003 concept of two part tariff is to be implemented in the due course of time.

**Commission's Observations**

3.105 The Commission is of the opinion that the provision of minimum charges for metered consumers is not the most efficient method of billing. The Commission has already in its Tariff Philosophy presented in the tariff order for FY08 expressed its intent to implement two-part tariff for all metered consumers.

3.106 In this tariff order the Commission has taken steps for rationalisation of slabs for certain consumer categories. Further, such tariff rationalizations for the remaining consumer categories will be taken in phases in the subsequent tariff orders.

**Functioning of the Utility**

3.107 Mr. Gour demanded that issuance of connections to Jhuggi/ Jhopris should be strictly in conformity with the safety provisions of the J&K State Electricity Act and Rules there under to cover risks of fire, etc.

3.108 The KCCI pointed out that poor collection efficiency is one of the most significant factors which had led to the increase in power tariff. Mr. Mubeen Shah pointed out that the Commission has allowed PDD interest on collection inefficiency while calculating the interest on working capital, which has been passed on to the consumers in the tariff.

3.109 The BBIA pointed the following issues regarding functioning of the PDD which are affecting various consumers, specially industrial consumers:

- (a) The collection efficiency which was 66.28% in 2006-07 and 73% in 2007-08 has been projected at 81.3% in 2008-09 is very much on the lower side. The Association further pointed out that the collection efficiency from the industrial

consumer category was nearly 100%, and hence, burden of such low collection efficiency should not be passed on to the industries.

- (b) PDD has not been able to install electronic meters at all sub-stations on the outgoing/ incoming feeders. Besides, out of 20 panels at the Bari Brahmana sub-station 12 have been deliberately burnt by PDD to facilitate theft.
- (c) As per the tariff CT/ PT meters were to be installed at all connections having connected load greater than 500 HP but as per the Association's knowledge, only 90 such meters have been installed till date, of which only 10 are in the Kashmir region. Further PDD had promised to reimburse the cost of CT/ PT units installed by the consumers having connected load between 100 - 500 HP but no action has been taken despite repeated requests from the consumers.
- (d) Of the total power supply in the state, the Jammu region received 45% whereas the balance 55% is supplied to the Kashmir region. However the revenue realization of Jammu is around Rs. 450 Cr. and revenue realization of Kashmir is Rs. 225 Cr. Thus, the supply hours in the Jammu region should be increased based on revenue realization.
- (e) The power curtailment should be based on merit order so that feeders with low T&D losses should face minimum curtailment of power and vice-versa.
- (f) Low cost power is available within the state so PDD should have a transparent planned power purchase policy to cut down on the power purchase cost.
- (g) Owing to the high frequency of power cuts in the industrial areas due to breakdowns PDD should prepare a 'Preventive Maintenance Policy'.

3.110 Mr. Gour expressed concern on the functioning of the utility and has raised the following issues through his written comments and submissions during the public hearing process:

- (a) He demanded an update on the status of computerization done by PDD. He shared a sample electricity bill of Pune which contained a scanned photograph of the actual meter showing the meter reading, meter number etc.
- (b) He suggested installation of time switches for street lights, so that they can be suitably switched off in the day to save wastage of power.
- (c) PDD has over 25,000 employees but still does not have a Human Resources wing, nor does it have any structured training program for its employees.
- (d) PDD should also have a Public Relations wing for proper dissemination of information and receiving of public complaints.

- (e) PDD should function in an independent and commercial manner free from influences of politicians, bureaucracy and the government.
- (f) Hundreds of crores of outstanding dues are pending against both Government and private consumers in the state. In Jammu an amount corresponding to Rs. 353 Cr. is pending against the Government departments. He demanded action on this and suggested that the utility should come up with an action plan for recovery of these arrears.

### **Petitioner's Response**

- 3.111 With achievement of 100% metering, Jhuggi/Jhopri connections will also be metered. The safety measures in distribution system are being maintained up to the level possible within existing resources. However, consumers should also take safety measures within their premises to prevent accidents.
- 3.112 The Petitioner submitted that it is trying its best to recover outstanding arrears from the defaulting consumers. On the issue of interest on working capital, the Petitioner submitted that PDD being a Government department, it does not raise working capital from banks and hence there is no payment for interest on working capital. However, interest on the borrowings for carrying out capital works has to be paid at applicable rates which come under revenue expenditure. In the petition for FY09, no interest on collection efficiency/ working capital has been proposed.
- 3.113 The Petitioner responded to the comments of BBIA and submitted that electronic meters on all panels at Bari Brahmana are in place. It accepted that it had received complaints for damages on 6 panels which are being attended to. Replacement of all these panels is proposed to be effected in the current year.
- 3.114 The Petitioner clarified that the tariff does not mention about installation of CT/PT meters for connections above 500HP. LT meters with CT are required for higher capacity, normally above 100 Ampere. For HT meters, CT/PT unit has to be installed. As regards the installation of meters by the consumer itself, no hire charges are leviable. Regarding the matter of repayment of the costs incurred in installation of CT/ PT meters, it was clarified that the matter had been escalated to the Government of J&K.
- 3.115 The Petitioner submitted that it has regularly submitted progress reports as directed by the Hon'ble Commission in the previous tariff order. It also submitted that on the issue of procurement of meters, there was a hurdle as per Codal requirements, since only one bidder had qualified for the type tests at CPRI. However, after obtaining the necessary sanction, it has placed the order for new meters and delivery was expected shortly. After receipt of the new meters, the metering program shall be restarted in full swing. The process for further procurement of meters had also been initiated. The Petitioner also submitted that almost all incoming and outgoing feeders at 11kV level and above had been metered.

- 3.116 It submitted that it has already started computerization of revenue billing. Almost 90% computerization of revenue billing in both Jammu and Srinagar cities has been completed. Further, for day to day office work computers have been installed in different offices and senior management has been provided with broad-band connectivity.
- 3.117 The Petitioner submitted that its target of increasing collection efficiency from 72.90% in FY08 to 81.30% in FY09 is quite reasonable and is in line with most other states, where the collection efficiency is generally between 80-90%. It also submitted that the claim of 100% recovery of electricity dues from industries is not correct.
- 3.118 For improving its performance efficiency, PDD is initiating IT interventions like establishment of SCADA, GIS, DBMS/ MIS, etc. It has also made individuals accountable for performance in their areas, and is monitoring the same.
- 3.119 The Petitioner responded to the matter of training and submitted that inspite of having no regular HRM wing and training institutes, it has been regularly sending engineers for training in reputed power training institutes like NPTI, Faridabad; PTI, Bangalore; CIRE, Hyderabad; CENPEID; NDPL, New Delhi; PMI Noida; etc. besides imparting training to line staff in Government Polytechnics in the state. In-house workshops are also being arranged frequently.
- 3.120 It was submitted that it was not viable to create a separate Public Relation Wing and create a post of Director, PR as the work was presently being handled by the technical staff. However, with the proposed restructuring of the transmission and distribution sector in J&K, it shall consider this suggestion for creation of a separate wing. The utility is already undertaking the reform measures and efforts to make it commercially viable are also being undertaken. The department has already engaged PFC as a consultant for reforms/ restructuring.
- 3.121 For preventing theft of oil from distribution transformers maximum possible watch and ward is being provided with regular and surprise checking for such incidences.
- 3.122 The Petitioner submitted that it is being ensured that street lights are being put on and off timely in order to avoid their burning during the day and wastage of power. It is also being considered to provide separate circuits with time switches/ contractors.

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

- 3.123 The Commission believes that the Petitioner is required to maintain applicable safety standards on its network, i.e. upto the secondary terminal of the meter. PDD may also take up consumer advocacy initiatives for educating the consumers on safety aspects.
- 3.124 The collection efficiency has been estimated at 72.9% in FY08 against the target of 77% set by the Commission. The Commission feels that the performance of the PDD in improving the collection efficiency is not satisfactory, and further steps need to be taken in this direction.



- 3.125 The Commission is not satisfied with the progress reported on the directives given in the tariff order for 2007-08. This has been further elaborated in the relevant chapter on directives in this tariff order.

### **Status of T&D systems**

- 3.126 Mr. Gour pointed out that the T&D systems of the utility especially below 132kV level are in a bad shape and do not conform to any nationally accepted standards. He noted that most systems are heavily loaded and have outlived their life and pose a safety threat to consumers.
- 3.127 Mr. Qalander (FCIK) has submitted that the transmission lines and grid stations did not have capacity to take load of the quantity of power being consumed leading to unscheduled curtailment of power and low voltage. The Federation demanded that separate 33kV lines should be dedicated for assured power supply to industries.

### **Petitioner's Response**

- 3.128 The Petitioner accepted the possibility of constraints on some of the transmission lines and grid sub-stations but submitted that up-gradation of the transmission system is being done under State Plan, PMRP and REC schemes. It clarified that in case of EHT/ HT sub-stations, the total downstream load fed from the sub-stations may be more than the capacity of the sub-stations, but the capacity of sub-stations is sufficient due to diversity factor in the downstream load.
- 3.129 It also submitted that is the PDD is trying to improve system voltage by upgrading the system and providing additional lines and sub-stations. Upgradation of infrastructure under RMRP and APDRP is under execution with the consultancy from the Central Electricity Authority (CEA). Some of the jobs are being undertaken on turnkey basis for which most of the contracts have been finalized, which would lead to an appreciable improvement in the infrastructure. Further, it is not viable and practicable to provide separate 33kV line for each industry.
- 3.130 The PDD does undertake planned preventive maintenance to reduce unscheduled cuts caused by breakdowns.

### **Commission's Observations**

- 3.131 The Commission is of the opinion that the Petitioner must develop a structured approach towards system planning, extension, augmentation and preventive maintenance in order to be able to meet its service level commitments as per the applicable Standards of Supply in a sustainable manner. In this context the Commission expects the Petitioner to take proactive steps to improve its performance.

**Complaint from Chenab Oil Mills**

3.132 The Chenab Oil Mills submitted its problems regarding the irregular power supply, and the constant interruptions every 2-3 hours. It requested the Commission to regularize the power supply or provide concessions in tariff based on the actual hours of the supply.

**Petitioner's Response**

3.133 The Petitioner submitted that the frequency of interruptions as indicated is not correct as no such curtailment schedule is in vogue. The supply position has been usually satisfactory, except for few unscheduled trippings, which cannot be completely ruled out in a live system.

**Commission's Observations**

3.134 The Commission believes that the issue of repeated interruptions is a serious matter, and therefore, it advises the utility to take up the case on priority for early resolution.

**Electricity Duty**

3.135 Several objectors requested the Commission to reduce or abolish the Electricity Duty (ED) charged to consumers in the State since the rates are among the highest in the country.

3.136 Chenab Textile Mills submitted that the electricity duty on power tariff charged in the State is 22% and requested the Commission to recommend the State Government to review the same.

3.137 The KCCI also pointed out that the high rate of electricity duty (22%) has led to an even higher impact of the tariff hike. Mr. Shah suggested that the rate of Electricity Duty in the State is the highest in the country and needs to be brought down to 4%, which is the approximate rate being charged by most states in India.

**Petitioner's Response**

3.138 The Petitioner submitted that Electricity Duty is a tax levied on sale of electricity and the rates are determined by the State Government. The Hon'ble Commission may like to advise the Government to consider reduction in percentage of the electricity duty.

**Commission's Observations**

3.139 The Commission states that the Electricity Duty is a tax and is levied by the Petitioner in accordance with the Electricity Duty Act, 1963 specified by the State Government. It also advised various industry bodies/ consumer representatives to prepare a comparison of Electricity Duty rates in other states and submit a request for reduction of ED, to the concerned authorities in the State Government.

### **Security Deposit**

3.140 The Chenab Textile Mills also requested for a change in the manner in which PDD is taking security deposit from consumers. It submitted that levying security deposit in the form of cash or fixed deposits blocks money which can be put to use elsewhere. It requested that the Hon'ble Commission should approve acceptance of security deposit in the form of irrevocable bank guarantees.

### **Petitioner's Response**

3.141 The Petitioner submitted that accepting bank guarantee in lieu of fixed deposits for security deposit is quite cumbersome as the bank guarantees need to be renewed regularly and would need regular monitoring on the part of the utility for all consumers.

### **Commission's Observations**

3.142 The Commission agrees with the Petitioner on the problems related to taking bank guarantee as a security deposit. However, the utility is directed to account for the interest earned from these deposits as non-tariff income.

## A4: REVIEW OF SALES PROJECTIONS

### Sales Projections

- 4.1 The Commission after detailed scrutiny of the consumer category-wise sales had approved energy sales of 4243.4 MU for 2007-08. The details of the approved sales in MUs as per the new consumer categories approved in the Tariff Order for FY 2007-08 are as shown in the table below.

**Table 4-1: Approved Sales (MU) for 2007-08**

Sl.	Consumer Category	Sales (MU)
1	Domestic	1,535.5
2	Non-Domestic / Commercial	362.5
3	Irrigation / Agriculture	181.1
4	State/ Central Dept.	253.6
5	Public Lighting	46.4
6	LT Industrial	721.6
7	HT Industrial	89.1
8	HT Industrial For Power Intensive Industries	38.2
9	LT Public Water Works	161.7
10	HT Public Water Works	107.8
11	General Purpose Bulk Supply	643.8
12	Temporary/ Others	102.1
	<b>Total All Categories</b>	<b>4,243.3</b>

### Petitioner's Submission

- 4.2 The Petitioner had initially in its petition dated February 7, 2008 submitted estimated sales to the different consumer categories for 2007-08 and 2008-09, which it has projected as to be 4,351.42 MU and 4603.81 MU respectively.

**Table 4-2: Sales Data in MUs for FY 2006-07, FY 2007-08 and FY 2008-09**

Sl.	Category	2006-07 (A)	2007-08 (RE)	2008-09 (Proj.)
1	Domestic	1586.43	1574.58	1665.91
2	Public Lighting	23.77	47.58	50.34
3	Non-Domestic/ Commercial	213.34	371.73	393.29
4	Agricultural	201.91	185.71	196.49
5	P.H.E	446.44	276.36	292.39
6	Industrial	806.99	870.51	921

7	General Purpose Bulk /Army	339.86	660.19	698.47
8	State/Central Dept.	321.98	260.06	275.14
9	JK Minerals	2.05	0	0
10	SMVD & Others	88.08	104.7	110.78
	<b>Total</b>	<b>4030.85</b>	<b>4351.42</b>	<b>4603.81</b>

4.3 The Petitioner had also submitted details regarding the number of consumers and their connected load for various consumer categories as shown in the table below.

**Table 4-3: Sales Data for FY 2006-07, FY 2007-08 and FY 2008-09**

Sl.	Category	2006-07 (A)		2007-08 (RE)		2008-09 (Proj.)	
		No. of consumers	Connected Load (MW)	No. of consumers	Connected Load (MW)	No. of consumers	Connected Load (MW)
1	Domestic	1012272	836.822	1012272	861.931	1032517	902.492
2	Public Lighting	259	19.094	280	19.280	315	19.705
3	Non-Domestic/ Commercial	132690	159.362	134230	164.659	135982	173.618
4	Agricultural	12460	102.740	13027	104.913	13979	110.205
5	P.H.E	1441	91.600	1541	91.778	1557	95.516
6	Industrial	18910	437.019	19250	464.371	20118	486.451
7	General Purpose Bulk /Army	142	172.536	148	174.490	153	180.255
8	State/ Central Dept.	8273	66.66	8413	69.99	8424	71.00
9	Others	1023	41.914	1042	42.473	1069	45.520
	<b>Total</b>	<b>1187470</b>	<b>1927.747</b>	<b>1190203</b>	<b>1993.885</b>	<b>1214114</b>	<b>2013.761</b>

### Commission's Analysis

4.4 The Commission on due analysis of the information submitted identified the information gaps for further analysis for the purpose of approval of sales and corresponding Revenue projections. In this context the following information gaps were highlighted to the PDD.

- (a) The sales data submitted by the PDD was as per the old tariff categories and not for the new tariff categories (12 in number) approved by the Commission in the previous tariff order.
- (b) The sales data did not contain break-up of the sales to metered and un-metered consumers within each consumer category.

- (c) The sales data did not contain break-up of the slab-wise details for each consumer category for the purpose of application of the approved/ proposed tariff for further analysis.
- 4.5 In the absence of such necessary details regarding the sales data it was not possible for the Commission to carry out the following critical activities in the exercise of review and approval of the ARR & Tariff petition under consideration:
- (a) It was not possible for the Commission to review the impact of tariffs approved in the previous years order;
- (b) It was not possible for the Commission to carry out sales forecast for the year under consideration;
- (c) It was not possible for the Commission to carry out revenue forecast for the year under consideration; and
- (d) It was not possible for the Commission to carry out setting of tariffs for the year under consideration.
- 4.6 Therefore, in various written as well as during various interactions with the officials of the PDD the Commission repeatedly sought necessary details regarding sales projections.
- 4.7 The PDD in its response to the clarifications sought on the ARR & Tariff petition by the Commission on 20/06/2008 submitted the following information regarding consumer category wise sales.

**Table 4-4: Category Wise Sales Submitted for FY 2007-08 and FY 2008-09**

Sl.	Category	2007-08(RE) Sales (MUs)	2008-09(Proj.) Sales (MUs)
1	Domestic	1574.58	1665.91
2	Public Street Lighting	47.58	50.34
3	Non-Domestic/ Commercial	371.73	393.29
4	Agricultural	185.71	196.49
5	Public Water Works	276.36	292.39
6	Industrial	870.51	921
7	General Purpose Bulk Supply	660.19	698.47
8	State/Central Govt. Dept.	260.06	275.14
9	Temporary Connection	104.7	110.78
	<b>Total</b>	<b>4351.42</b>	<b>4603.81</b>

- 4.8 The revised data submitted by the PDD was exactly same as that submitted in its original petition except some corrections in names of consumer categories like the General Purpose Bulk Supply and the Temporary Connection category.

- 4.9 On further demand by the Commission, the PDD submitted consumer category wise data as per the new consumer categories approved by the Commission along with details of metered and un-metered sales and slab wise details of sales for metered consumers for the FY 2007-08. This data as submitted by the PDD is summarised in the table below.

**Table 4-5: Revised Consumer Category Wise Sales (MUs) for FY 2007-08**

Sl.	Consumer Category	Sales (MU)
1	Domestic	1156.39
2	Non-Domestic / Commercial	176.56
3	Irrigation / Agriculture	224.31
4	State/ Central Dept.	460.60
5	Public Lighting	9.44
6	LT Industrial	392.50
7	HT Industrial	235.56
8	HT Industrial For Power Intensive Industries	157.02
9	LT Public Water Works	228.24
10	HT Public Water Works	152.16
11	General Purpose Bulk Supply	138.80
12	Temporary/ Others	-
	<b>Total All Categories</b>	<b>3331.58</b>

- 4.10 The revised sales values (3331.58 MUs) submitted by the PDD were inconsistent with the previous submissions (4351.2 MUs) to the extent of 23%; further the following cross checks were carried out by the Commission for validation of the sales information.
- (a) The Commission based on the category wise average tariffs arrived at in the previous order estimated the category wise revenue billed for 3331.58 MUs at Rs.878 Cr. whereas the revenue billed for FY 2007-08 has been shown as Rs.1068 Cr. in the PDD's ARR & Tariff Petition. Thus, the revised sales data seems to be substantially on the lower side.
- (b) Reduction of sales from 4351.2 MUs to 3331.8 MUs for the FY 2007-08 would result in an increase in T&D losses from 49.84% to 61.59%. Also, the projections for the ensuing year FY 2008-09 at 4603.81 MUs would mean a sudden upsurge in sales to the extent of 31% in a single year which is unacceptable. Before such sales figures are accepted the same should be supported with factual evidence.
- 4.11 The Commission directs the PDD to conduct a detailed loss study immediately so as to be able to correct the sales; this has been elaborated in the chapter on directives in this order.

- 4.12 The Commission thus has taken total sales as submitted by the PDD earlier at 4351.2 MUs for the purpose of determination of revenue gap. However, this is being done only due to the absence of any better information and should not be considered as approved sales. The Commission will approve the sales for the FY 2007-08 and FY 2008-09 post submission of appropriate detailed loss study report by the PDD.

### **T&D Losses and Energy Input**

- 4.13 The Commission based on the recommendations of the Abraham Committee report had determined the target T&D loss level of the Petitioner for 2007-08. The utility was expected to reduce its losses by 4% in 2007-08, leading to the target loss level of 46.7% for the year. The same loss level was used for computation of the power purchase requirements and the power purchase costs of the Petitioner for 2007-08.

#### **Petitioner's Submission**

- 4.14 The Petitioner has estimated the loss levels for FY 2007-08 and FY 2008-09 as shown in the table below:

**Table 4-6: T&D Losses & Energy Input Data Submitted by the Petitioner**

Particulars	2006-07(A)	2007-08(A)	2008-09(Proj.)
Total Energy Availability(MUs)	8236.53	8674.15	9028.90
Net Energy available for sale	4030.85	4351.42	4603.81
T&D Loss (MUs)	4205.68	4322.73	4425.09
T&D Loss (%)	51.00%	49.83%	49.00%

- 4.15 The Petitioner has also submitted that it has entered into tripartite MoU with MoF, Planning Commission of India and Govt. of J&K. Under the commitments of the MOU, independent auditors have been appointed, duly empanelled by the Planning Commission for preparation of ARR/Tariff petition submission to the Hon'ble Commission for FY 2008-09, energy accounting of each 11KV feeder and conversion of distribution centres to distinct profit centres.

- 4.16 Also, as per the MoU 50% metering was to be achieved by the end of 12 months of MOU (i.e. from September 01, 2006 to August 31, 2007). The Petitioner has achieved metering of 4,92,356 consumers as on December 31, 2007. Out of these 3,03,317 numbers are electronic meters and remaining 1,89,039 meters are electromechanical type. Further metering is under progress.

#### **Commissions Analysis**

- 4.17 The Commission is of the opinion that in the absence of reliable and consistent sales data it is not appropriate to review and approve the T&D losses and energy input data submitted by the Petitioner.



## A5: REVIEW OF POWER PURCHASE AND ENERGY BALANCE

- 5.1 In compliance with Regulation 22 of the J&K SERC (Power Purchase and Procurement) Regulations 2005, the utility has submitted details of power purchase for 2007-08 and 2008-09 in its tariff petition.
- 5.2 The utility subsequently submitted actual power purchase expenses for 2007-08, based on the bills from various generation sources, including both CPSUs and state owned generation stations. It also submitted modified projections for power purchase for 2008-09.

### Power Purchase Expenses for 2006-07 and 2007-08

- 5.3 The Petitioner submitted its power purchase expenses for the years 2006-07 and 2007-08, which included actual costs incurred in purchasing power from various generating stations owned by the state generation utility J&K State Power Development Corporation (SPDC), Central Power Sector Units owned by NTPC and NHPC and other sources, such as short-term purchases and banking.
- 5.4 The Petitioner also submitted cost details of its self-generation as part of the power purchase expenses for 2006-07 and 2007-08. It also projected the costs to be incurred in generation from its plants as part of the power purchase costs projected for 2008-09.

### Self Generation

- 5.5 The Petitioner has diesel generation units with a total installed capacity of 15.4 MW, primarily used to provide electricity to the parts of the Ladakh region and such other areas, which are not connected to the State grid. It also has the Stakna hydro-electric station in Leh with an installed capacity of 4 MW.
- 5.6 The utility has also submitted actual generation in 2007-08 from the diesel generating stations to be 16.126 MU and from the Stakna hydro-electric station to be 2 MU.
- 5.7 Details of energy availed from generation sources owned by the Petitioner in 2006-07 and 2007-08 and the estimates for 2008-9 are as follows:

**Table 5-1: Energy Availability from Self Generation (MU)**

Station	2006-07 (Actuals)	2007-08 (Actuals)	2008-09 (Proj)
Diesel sources	12.44	16.13	16.13
Stakna	6.34	2.00	2.00
Auxiliary Consumption	(0.19)	(0.18)	(0.18)
<b>Total</b>	<b>18.59</b>	<b>17.95</b>	<b>17.95</b>

**J&K State Power Development Corporation owned stations**

- 5.8 The generation stations in the State are owned by the J&K State Power Development Corporation (SPDC) which was established in 1989. The total installed capacity of hydro-electric plants of SPDC is 304.7 MW, which is supplemented by two gas turbine stations having a capacity of 175 MW.
- 5.9 The details of actual power purchase in 2006-07 and 2007-08 from the J&K PDC are as shown below:

**Table 5-2: Power purchase details from PDC-owned stations (MU) in 2006-07**

Station	Units (MU)	Unit rate (Rs/ kWh)	Total Cost (Rs Cr)
<b>Thermal Plants</b>			
Pampore Gas Turbine I	0.00	16.00	0.00
Gas Turbine II	0.00	16.00	0.00
<b>Sub-total (A)</b>	<b>0.00</b>		<b>0.00</b>
<b>Hydel</b>			
L.J.H.P	504.19	1.073	54.10
U.S.H.P – I	98.02	1.082	10.61
U.S.H.P – II	307.62	1.591	48.94
Ganderbal	28.39	1.091	3.10
Chenani – III	10.87	1.577	1.71
Sewa III	10.42	1.607	1.67
Sumoor			
Bazgo	1.10	1.094	0.12
Hunder			
Iqbal Bridge	7.69	1.086	0.84
Baderwah	1.17	1.61	0.19
Pahalgam	6.18	1.585	0.98
Marpachoo	0.72	1.583	0.11
Igo Mercheliong	7.10	1.576	1.12
<b>Sub-total (A)</b>	<b>983.46</b>		<b>123.49</b>
<b>Total (A + B)</b>	<b>983.46</b>		<b>123.49</b>
Power requirement for Baglihar	30.71		-3.35
Supplementary Bill			9.71
<b>Net Power Purchase</b>	<b>952.75</b>		<b>129.85</b>

**Table 5-3: Power purchase details from PDC-owned stations (MU) in 2007-08**

Station	Units (MU)	Unit rate (Rs/ kWh)	Total Cost (Rs Cr)
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Station	Units (MU)	Unit rate (Rs/ kWh)	Total Cost (Rs Cr)
<b>Thermal Plants</b>			
Pampore Gas Turbine I	1.56	16.00	2.50
Gas Turbine II	1.56	16.00	2.50
<b>Sub-total (A)</b>	<b>3.12</b>		<b>5.00</b>
<b>Hydel</b>			
L.J.H.P	540.00	0.76	41.04
U.S.H.P – I	95.00	0.76	7.22
U.S.H.P – II	310.00	1.24	38.44
Ganderbal	28.00	0.76	2.13
Chenani – I	10.00	0.76	0.76
Chenani – II	2.00	0.76	0.15
Chenani – III	10.00	1.24	1.24
Sewa III	10.00	1.24	1.24
Karnah	2.00	0.76	0.15
Sumoor			
Bazgo	1.04	0.76	0.08
Hunder			
Iqbal Bridge	8.00	0.76	0.61
Baderwah	2.00	1.24	0.25
Pahalgam	6.50	1.24	0.81
Haftal	0.35	1.24	0.04
Marpachoo	0.35	1.24	0.04
Igo Merchelong	8.00	1.24	0.99
<b>Sub-total (A)</b>	<b>1033.24</b>		<b>95.19</b>
<b>Total (A + B)</b>	<b>1036.36</b>		<b>100.19</b>
Power requirement for Baglihar	20.00		-1.52
Auxiliary Consumption	10.13		-0.99
<b>Net Power Purchase</b>	<b>1006.23</b>		<b>97.68</b>

### NTPC owned stations

5.10 The Petitioner submitted actual power purchase details from NTPC owned stations for 2006-07 and 2007-08 (actuals) as shown in the tables below:

**Table 5-4: Power Purchase Details for NTPC Stations (2006-07)**

Station	PP Units (MU)	Variable Cost (Rs/ kWh)	Variable Charges (Rs Cr)	FPA Cost (Rs/ kWh)	FPA Charges (Rs Cr)	Annual Fixed Charges (Rs Cr)	Other Fixed Charges (Rs Cr)	Total Charges (Rs Cr)
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Station	PP Units (MU)	Variable Cost (Rs/ kWh)	Variable Charges (Rs Cr)	FPA Cost (Rs/ kWh)	FPA Charges (Rs Cr)	Annual Fixed Charges (Rs Cr)	Other Fixed Charges (Rs Cr)	Total Charges (Rs Cr)
Anta (G)/ (L)	273	1.271	34.74	0.763	20.86	7.15	8.21	<b>70.96</b>
Auraiya (G)/ (L)	386	1.383	53.42	1.060	40.95	9.44	14.72	<b>118.53</b>
Dadri (G)/ (L)	418	1.468	61.36	0.857	35.82	15.05	11.70	<b>123.93</b>
Unchahar-I	137	1.06	14.49	0.200	2.73	5.69	3.92	<b>26.83</b>
Unchahar-II	297	1.057	31.35	0.201	5.96	17.04	1.53	<b>55.88</b>
Unchahar-III	30	1.272	3.85	(0.011)	(0.03)	1.64	0.07	<b>5.53</b>
Rihand-1 STPS	672	0.729	48.98	0.203	13.64	31.48	29.37	<b>123.47</b>
Rihand-2 STPS	932	0.86	80.14	0.086	8.01	50.86	4.17	<b>143.18</b>
Singrauli STPS	345	0.743	25.63	0.124	4.28	8.40	5.99	<b>44.30</b>
Farakka	68	0.997	6.80	0.188	1.28	3.16	0.57	<b>11.81</b>
Talcher	38	0.411	1.57	0.227	0.86	2.25	0.05	<b>4.73</b>
Kahalgaoon	166	1.082	17.91	0.207	3.43	8.02	0.31	<b>29.67</b>
<b>Total</b>	<b>3,762</b>		<b>380.25</b>		<b>137.79</b>	<b>160.17</b>	<b>80.61</b>	<b>758.82</b>

Table 5-5: Power Purchase Details for NTPC Stations (2007-08)

Station	PP Units (MU)	Variable Cost (Rs/ kWh)	Variable Charges (Rs Cr)	Annual Fixed Charges (Rs Cr)	Other Fixed Charges (Rs Cr)	Total Charges (Rs Cr)
Anta (G)/ (L)	250	1.985	49.63	6.72	8.50	<b>64.85</b>
Auraiya (G)/ (L)	300	2.367	71.01	9.04	12.00	<b>92.05</b>
Dadri (G)/ (L)	350	2.164	75.74	14.32	13.69	<b>103.75</b>
Unchahar-I	125	1.295	16.19	5.48	2.86	<b>24.53</b>
Unchahar-II	295	1.108	32.69	15.85	7.02	<b>55.56</b>
Unchahar-III	93	4.011	37.30	9.73	2.43	<b>49.46</b>
Rihand-1 STPS	727	1.254	91.17	29.66	12.80	<b>133.62</b>
Rihand-2 STPS	897	0.808	72.48	47.99	17.40	<b>137.87</b>
Singrauli STPS	342	0.947	32.39	6.16	5.30	<b>43.85</b>
Farakka	109	0.668	7.28	8.56	2.68	<b>18.52</b>
Talcher	37	0.993	3.67	2.08	0.54	<b>6.29</b>
Kahalgaoon	305	0.910	27.76	16.91	7.17	<b>51.83</b>
<b>Total</b>	<b>3,830</b>		<b>517.29</b>	<b>172.45</b>	<b>92.38</b>	<b>782.17</b>

5.11 The Commission notes that the expenses submitted for 2006-07 and 2007-08 are based on costs actually incurred by the Petitioner, and hence it approves the same.

**NHPC owned stations**

5.12 The Petitioner also submitted details of actual power purchase from NHPC owned stations for 2006-07, 2007-08 as submitted below:

**Table 5-6: Power Purchase Details for NHPC Stations (2006-07)**

Station	PP Units (MU)	Variable Cost (Rs/ kWh)	Variable Charges (Rs Cr)	Annual Fixed Charges (Rs Cr)	Other Fixed Charges (Rs Cr)	Total Charges (Rs Cr)
Salal	767	0.63	48.18	0.01	7.90	<b>56.09</b>
Salal (free power)	412					
Tanakpur	29	0.79	2.29	1.14	0.63	<b>4.06</b>
Chamera-I	91	0.82	7.40	3.36	1.62	<b>12.38</b>
Chamera-II	126	0.81	10.22	24.55	4.56	<b>39.33</b>
Uri	609	0.83	50.58	71.44	17.24	<b>139.26</b>
Uri (free power)	334					
Dhauliganga	88	0.82	0.00	9.46	0.96	<b>17.58</b>
Dulhasti	0	0.00	0.00	0.04	0.00	<b>0.04</b>
Dulhasti (free power)	1					
<b>Total</b>	<b>2,457.00</b>		<b>118.67</b>	<b>110.00</b>	<b>32.91</b>	<b>268.74</b>

**Table 5-7: Power Purchase Details for NHPC Stations (2007-08)**

Station	PP Units (MU)	Variable Cost (Rs/ kWh)	Variable Charges (Rs Cr)	Annual Fixed Charges (Rs Cr)	Other Fixed Charges (Rs Cr)	Total Charges (Rs Cr)
Salal	777	0.64	49.97	0.31	8.00	<b>58.28</b>
Salal (free power)	420					
Tanakpur	30	0.85	2.55	0.88	0.76	<b>4.19</b>
Chamera-I	90	0.85	7.66	4.57	0.04	<b>12.28</b>
Chamera-II	125	0.85	10.64	21.90	6.60	<b>39.14</b>
Uri	600	1.43	85.98	32.58	18.48	<b>137.04</b>
Uri (free power)	330					
Dhauliganga	93	0.85	7.92	8.33	2.35	<b>18.61</b>
Dulhasti	116	0.85	9.88	37.00	8.00	<b>54.88</b>
Dulhasti (free power)	188					
<b>Total</b>	<b>2,769</b>		<b>174.60</b>	<b>105.57</b>	<b>44.24</b>	<b>324.42</b>

## Other Sources

5.13 The Petitioner has also submitted details of power purchase from other stations such as the Tehri-I, Nathpa Jhakri and Tala hydro electric plants, Narora Atomic Power Plant (NAPP) and the RAPP-B as shown below:

**Table 5-8: Power purchase details from other stations (2006-07)**

Station	PP Units (MU)	Variable Cost (Rs/ kWh)	Variable Charges (Rs Cr)	Annual Fixed Charges (Rs Cr)	Other Fixed Charges (Rs Cr)	Total Charges (Rs Cr)
SJVNL	492	0.814	40.01	95.69	22.36	<b>158.06</b>
THDC	57	3.474	19.75	0.00	0.00	<b>19.75</b>
Tala	15	1.835	2.67	0.00	0.00	<b>2.67</b>
NAPP	103	1.571	16.22	0.00	3.53	<b>16.22</b>
RAPP	202	2.966	60.05	0.00	6.38	<b>66.43</b>
<b>Total</b>	<b>869</b>		<b>138.70</b>	<b>95.69</b>	<b>32.27</b>	<b>266.66</b>

**Table 5-9: Power purchase details from other stations (2007-08)**

Station	PP Units (MU)	Variable Cost (Rs/ kWh)	Variable Charges (Rs Cr)	Annual Fixed Charges (Rs Cr)	Other Fixed Charges (Rs Cr)	Total Charges (Rs Cr)
SJVNL	525	0.852	44.70	95.69	28.51	<b>168.90</b>
THDC	120	0.852	10.22	29.64	1.82	<b>41.68</b>
Tala	54	1.840	9.94	0.00	0.00	<b>9.94</b>
NAPP	62	1.570	9.73	0.00	2.12	<b>11.85</b>
RAPP	185	2.742	50.72	0.00	9.99	<b>60.71</b>
<b>Total</b>	<b>946</b>		<b>125.31</b>	<b>125.33</b>	<b>42.44</b>	<b>293.08</b>

## Banking and Short-Term Purchases

5.14 The Petitioner also submitted actual details of power procured from short term purchases, UI transactions and through banking arrangements with Punjab, Haryana and Chhattisgarh. Details of such power purchase are provided below:

**Table 5-10: Banking and short-term power purchase details (2006-07)**

Station	PP Units (MU)	Variable Cost (Rs/ kWh)	Variable Charges (Rs Cr)	Total Charges (Rs Cr)
PTC	37	5.703	20.99	<b>20.99</b>
UI (+)	164	7.358	120.32	<b>120.32</b>
UI (-)	-	-	-	<b>0.00</b>

PSEB (+)	210	0.045	0.94	<b>0.94</b>
PSEB(-)	-196	-	-	<b>0.00</b>
RE Charges				<b>12.53</b>
PSEB Wheeling charges				<b>2.42</b>
BBMB wheeling charges				<b>0.15</b>
Rebate/ Surcharge				<b>-128.49</b>
<b>Total</b>	<b>214</b>		<b>142.25</b>	<b>28.86</b>

**Table 5-11: Banking and short-term power purchase details (2007-08)**

Station	PP Units (MU)	Variable Cost (Rs/ kWh)	Variable Charges (Rs Cr)	Total Charges (Rs Cr)
PTC	50	5.500	27.50	<b>27.50</b>
NVVN	100	6.850	68.50	<b>68.50</b>
UI (+)	365	5.740	209.51	<b>209.51</b>
UI (-)	-410	2.634	-107.99	<b>-107.99</b>
PSEB (+)	315	0.045	1.42	<b>1.42</b>
PSEB (-)	-315	-	-	<b>0.00</b>
Haryana (+)	10	0.045	0.05	<b>0.05</b>
Haryana (-)	-10	-	-	<b>0.00</b>
CSEB (+)	169	0.150	2.54	<b>2.54</b>
CSEB (-)	-169			<b>0.00</b>
RE Charges				<b>13.00</b>
PSEB Wheeling charges				<b>1.30</b>
BBMB wheeling charges				<b>0.20</b>
<b>Total</b>	<b>105</b>		<b>201.51</b>	<b>216.01</b>

**Commission's Observations**

5.15 The total power purchase expenses for 2006-07 and 2007-08, as submitted by the Petitioner are Rs 1,559.39 Cr. and Rs 1909.18 Cr. respectively, as shown below:

**Table 5-12: Consolidated power purchase expenses for 2006-07 and 2007-08**

Generation Source	2006-07		2007-08	
	Units (MU)	Costs (Rs Cr)	Units (MU)	Costs (Rs Cr)
J&K SPDC	953	129.85	1,006	97.68
NTPC stations	3,762	758.82	3,830	782.17
NHPC stations	2,457	375.20	2,769	520.24
Other sources	869	266.66	946	293.08

Short-term/ Banking	214	28.86	105	216.01
<b>Total</b>	<b>8,225</b>	<b>1,559.39</b>	<b>8,656</b>	<b>1909.18</b>

- 5.16 The Commission has considered the cost of free power from NHPC in the above consolidated statement as Rs.106.46 Cr. and Rs.195.82 Cr. for 2006-07 and 2007-08 respectively. This has been deliberated in details by the Commission in the previous year tariff order.
- 5.17 The Commission notes that the details of power purchase expenses submitted by the Petitioner for the years 2006-07 and 2007-08 have been based on actual expenses incurred by it in the years for the corresponding years. In view of the same, the Commission accepts the power purchase expenses for the years 2006-07 and 2007-08, as shown in the consolidated statement in the table above.

### Power Purchase Expenses for 2008-09

- 5.18 As part of the ARR and tariff petition, the Petitioner has also submitted estimates of power purchases expenses for 2008-09, considering the energy requirements and the cost of power from various sources.
- 5.19 The details of power purchase expenses as submitted by the Petitioner for 2008-09 from various generation sources are as follows:

### J&K State Power Development Corporation owned stations

- 5.20 The estimates for power purchase expenses from the generation plants owned by the PDC for the year 2008-09 are as given below:

**Table 5-13: Power purchase details from PDC-owned stations (MU) in 2008-09**

Station	Units (MU)	Unit rate (Rs/ kWh)	Total Cost (Rs Cr)
<b>Thermal Plants</b>			
Pampore Gas Turbine I	1.56	16.00	2.50
Gas Turbine II	1.56	16.00	2.50
<b>Sub-total (A)</b>	<b>3.12</b>		<b>5.00</b>
<b>Hydel</b>			
L.J.H.P	540.00	0.76	41.04
U.S.H.P – I	95.00	0.76	7.22
U.S.H.P – II	310.00	1.24	38.44
Ganderbal	28.00	0.76	2.13
Chenani – I	10.00	0.76	0.76
Chenani – II	2.00	0.76	0.15
Chenani – III	10.00	1.24	1.24



Station	Units (MU)	Unit rate (Rs/ kWh)	Total Cost (Rs Cr)
Sewa III	10.00	1.24	1.24
Karnah	2.00	0.76	0.15
Sumoor	0.07	0.76	0.01
Bazgo	0.35	0.76	0.03
Hunder	0.62	0.76	0.05
Iqbal Bridge	8.00	0.76	0.61
Sanjak	2.00	1.24	0.25
Baderwah	2.00	1.24	0.25
Pahalgam	6.50	1.24	0.81
Haftal	2.00	1.24	0.25
Marpachoo	0.70	1.24	0.09
Igo Merchelong	8.00	1.24	0.99
<b>Sub-total (A)</b>	<b>1037.24</b>		<b>95.69</b>
<b>Total (A + B)</b>	<b>1040.36</b>		<b>100.69</b>
Auxiliary Consumption	-10.40		-1.00
<b>Net Power Purchase</b>	<b>1029.96</b>		<b>99.69</b>

### NTPC owned stations

5.21 The Petitioner submitted the following projections for power purchase expenses from NTPC owned stations for 2008-09:

**Table 5-14: Power Purchase Details for NTPC Stations (2008-09)**

Station	PP Units (MU)	Variable Cost (Rs/ kWh)	Variable Charges (Rs Cr)	Annual Fixed Charges (Rs Cr)	Other Fixed Charges (Rs Cr)	Total Charges (Rs Cr)
Anta (G)/ (L)	280	2.30	64.40	7.00	4.14	<b>75.54</b>
Auraiya (G)/ (L)	380	2.73	103.74	9.00	5.66	<b>118.41</b>
Dadri (G)/ (L)	415	2.58	107.07	14.50	5.89	<b>127.45</b>
Unchahar-I	135	1.00	13.50	5.50	1.90	<b>26.50</b>
Unchahar-II	300	1.22	36.60	16.00	4.20	<b>56.79</b>
Unchahar-III	73	1.06	7.74	5.00	1.06	<b>13.80</b>
Rihand-1 STPS	670	1.25	83.75	30.00	9.58	<b>123.35</b>
Rihand-2 STPS	940	0.91	85.35	48.00	12.22	<b>145.61</b>
Singrauli STPS	300	0.93	27.96	6.00	4.20	<b>38.16</b>
Farakka	120	0.95	11.35	4.00	1.80	<b>17.15</b>
Talcher	50	0.60	3.00	2.00	0.60	<b>5.60</b>
Kahalgaon	330	1.10	36.30	12.00	4.95	<b>53.25</b>

<b>Total</b>	<b>3,993</b>		<b>580.76</b>	<b>159.00</b>	<b>56.21</b>	<b>795.97</b>
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### NHPC owned stations

5.22 The Petitioner submitted the following projections for power purchase expenses from NHPC owned stations for 2008-09:

**Table 5-15: Power Purchase Details for NHPC Stations (2008-09)**

Station	PP Units (MU)	Variable Cost (Rs/ kWh)	Variable Charges (Rs Cr)	Annual Fixed Charges (Rs Cr)	Other Fixed Charges (Rs Cr)	Total Charges (Rs Cr)
Salal	770	0.65	50.05	0.50	7.24	<b>57.19</b>
Salal (free power)	415					
Tanakpur	30	0.85	2.55	1.00	0.71	<b>4.26</b>
Chamera-I	90	0.85	7.66	4.50	0.94	<b>13.10</b>
Chamera-II	125	0.85	10.64	27.00	2.16	<b>39.81</b>
Uri	600	0.85	51.09	80.00	8.64	<b>139.73</b>
Uri (free power)	330					
Dhauliganga	88	0.85	7.49	8.54	1.64	<b>17.67</b>
Dulhasti	100	0.85	8.52	37.00	1.49	<b>47.01</b>
Dulhasti (free power)	200					
<b>Total</b>	<b>2,748</b>		<b>138</b>	<b>158.54</b>	<b>22.81</b>	<b>319.36</b>

### Other Sources

5.23 In addition to the generation sources owned by the state generation utility and generating stations owned by the CPSUs, the Petitioner also procures power from a few other sources. The estimates of power purchase expenses for 2008-09 from these sources are as shown below:

**Table 5-16: Power purchase details from other stations (2008-09)**

Station	PP Units (MU)	Variable Cost (Rs/ kWh)	Variable Charges (Rs Cr)	Annual Fixed Charges (Rs Cr)	Other Fixed Charges (Rs Cr)	Total Charges (Rs Cr)
SJVNL	500	0.852	42.58	110.00	7.70	<b>160.28</b>
THDC	100	0.852	8.52	25.00	1.23	<b>34.75</b>
Tala	40	1.840	7.36	0.00	0.00	<b>7.36</b>
Thein	100	5.500	55.00	0.00	0.00	<b>55.00</b>
NAPS	150	1.873	28.10	0.00	0.00	<b>28.10</b>
RAPP	200	3.247	64.94	0.00	0.00	<b>64.94</b>
<b>Total</b>	<b>1,090</b>		<b>206.49</b>	<b>135.00</b>	<b>42.44</b>	<b>350.42</b>

## Banking and Short-Term Purchases

5.24 The Petitioner also submitted details of power procurement from short-term purchases or banking arrangements in 2008-09. The estimates of the expenses related to these are as shown below:

**Table 5-17: Banking and short-term power purchase details (2008-09)**

Station	PP Units (MU)	Variable Cost (Rs/ kWh)	Variable Charges (Rs Cr)	Total Charges (Rs Cr)
PTC	550	3.650	201.80	<b>201.80</b>
UI (+)	300	5.000	150.00	<b>150.00</b>
UI (-)	-700	2.500	-175.00	<b>-175.00</b>
PSEB (+)	320	0.045	1.44	<b>1.44</b>
PSEB (-)	-320	-	-	<b>0.00</b>
Haryana (+)	20	0.045	0.09	<b>0.09</b>
Haryana (-)	-20	-	-	<b>0.00</b>
CSEB (+)	170	0.150	2.55	<b>2.55</b>
CSEB (-)	-170			<b>0.00</b>
RE Charges				<b>13.00</b>
PSEB Wheeling charges				<b>1.30</b>
BBMB wheeling charges				<b>0.20</b>
<b>Total</b>	<b>150</b>		<b>180.88</b>	<b>195.38</b>

## Commission's Observations

5.25 Regarding cost of free power availed from NHPC stations namely Salal, Uri, Dulhasti the Commission is of the opinion that this power shall come at a cost to the PDD. This has been deliberated in details in the previous year tariff order. The impact of the same is shown in the table below:

**Table 5-18: Cost Consideration for free power from NHPC Stations (2007-08)**

Station	PP Units (MU)	Variable Cost (Rs/ kWh)	Variable Charges (Rs Cr)	Annual Fixed Charges (Rs Cr)	Other Fixed Charges (Rs Cr)	Total Charges (Rs Cr)
Salal (free power)	420	0.64	27.01	0.17	4.33	<b>31.50</b>
Uri (free power)	330	1.43	47.29	17.92	10.16	<b>75.37</b>
Dulhasti (free power)	188	0.85	16.01	59.97	12.97	<b>88.95</b>
<b>Total (Free Power)</b>	<b>938</b>		<b>90.31</b>	<b>78.06</b>	<b>27.46</b>	<b>195.82</b>
<b>Other NHPC Stations</b>	<b>1,831</b>		<b>174.60</b>	<b>105.57</b>	<b>44.24</b>	<b>324.42</b>

Station	PP Units (MU)	Variable Cost (Rs/ kWh)	Variable Charges (Rs Cr)	Annual Fixed Charges (Rs Cr)	Other Fixed Charges (Rs Cr)	Total Charges (Rs Cr)
<b>Total</b>	<b>2,769</b>		<b>264.91</b>	<b>183.63</b>	<b>71.70</b>	<b>520.24</b>

Table 5-19: Cost Consideration for free power from NHPC Stations (2008-09)

Station	PP Units (MU)	Variable Cost (Rs/ kWh)	Variable Charges (Rs Cr)	Annual Fixed Charges (Rs Cr)	Other Fixed Charges (Rs Cr)	Total Charges (Rs Cr)
Salal (free power)	415	0.65	26.98	0.27	3.90	<b>31.15</b>
Uri (free power)	330	0.85	28.10	44.00	4.75	<b>76.85</b>
Dulhasti (free power)	200	0.85	17.03	74.00	2.98	<b>94.01</b>
<b>Total Cost Free Power</b>	<b>945</b>		<b>72.11</b>	<b>118.27</b>	<b>11.63</b>	<b>202.01</b>
<b>Other NHPC Stations</b>	<b>1,803</b>		<b>138</b>	<b>158.54</b>	<b>22.81</b>	<b>319.36</b>
<b>Total</b>	<b>2,748</b>		<b>210.11</b>	<b>276.81</b>	<b>34.44</b>	<b>521.37</b>

- 5.26 The Commission has considered the total cost of power purchased from NHPC stations along with consideration for free power as shown in the tables for 2007-08 and 2008-09.
- 5.27 Despite orders and subsequent reminders by the Commission, the PDC has not filed its petition for determination of ARR & Tariff. Hence, tariff for PDC stations as prescribed in the Tariff Order for 2007-08 shall be applicable.
- 5.28 The Commission notes that there is absolute lack of clarity in the estimates of energy sales (MU) and T&D loss level in the state for the year 2007-08 and 2008-09, it is difficult to realistically estimate the power purchase requirements and the power purchase expenses of the Petitioner for the FY 2008-09.
- 5.29 In the absence of reliable sales and loss related data, the Commission approves the power purchase quantum and cost for the FY 2008-09 same as the actuals provided above in the consolidated statement for the year FY 2007-08 along with cost consideration for free power from NHPC stations.

Table 5-20: Approved Power Purchase for FY 08-09

Generation Source	2007-08 (Actuals)		2008-09 (Submitted)		2008-09 (Approved)	
	MU's	Rs Cr	MU's	Rs Cr	MU's	Rs Cr

Generation Source	2007-08 (Actuals)		2008-09 (Submitted)		2008-09 (Approved)	
	MU's	Rs Cr	MU's	Rs Cr	MU's	Rs Cr
Own Generation Stations	17.94		17.94		17.94	
J&K SPDC	1,006	97.68	1029.96	99.69	1,006	97.68
NTPC stations	3,830	782.17	3,993	795.97	3,830	782.17
NHPC stations	2,769	520.24	2,748	521.27	2,769	520.24
Other sources	946	293.08	1,090	350.42	946	293.08
Short-term/ Banking	105	216.01	150	195.38	105	216.01
Total	8,674	1909.18	9028.9	1962.73	8,674	1909.18

## A6: REVIEW OF COSTS

- 6.1 This chapter contains the details regarding the various costs which comprise the Annual Revenue Requirement of the Petitioner, and the approach followed by the Commission to approve the same.

### Establishment Expenses

#### Petitioner's Submission

- 6.2 The Petitioner has submitted its establishment expenses to be as follows:

**Table 6-1: Establishment Expenses Submitted in the Petition**

Item	2006-07 (Actual)	2007-08 (RE)	2008-09 (Proj)
Establishment Expenses (Values in Rs Cr)	211.52	238.41	273.54

- 6.3 The Petitioner submitted that the expenses for 2007-08 increased over the previously approved value of Rs.215 Crore due to the recruitment of about 400 employees as Junior Engineers against posts lying vacant for several years.
- 6.4 It has projected the establishment expenses in 2008-09 to increase to 273.54, which is an increase of 14.74%.

#### Commission's Observations

- 6.5 The Commission has accepted the increase in employee expenses for 2007-08 considering the recruitment made by the Petitioner and the additional D.A. instalments released in the year.
- 6.6 The Commission notes that the establishment expenses of the Petitioner increased by 12.7 % from FY07 to FY08. Hence, the proposed increase in establishment costs by 14.74% in the year 2008-09 seems quite high with no information on fresh recruitments or other liabilities is not acceptable. The Commission approves an increase in establishment costs by 10%, thereby approving a value of Rs. 262.25 Cr. for 2008-09.

### Operations and Maintenance Expenses

#### Petitioner's Submission

- 6.7 The Petitioner has submitted its Operations and Maintenance expenses to be as follows:

**Table 6-2: O&M Expenses Submitted in the Petition**

Item (Values in Rs Cr)	2006-07 (Actual)	2007-08 (RE)	2008-09 (Proj)
Operations & Maintenance Expenses	28.78	43.51	44.22

- 6.8 The Petitioner submitted that due to lack of funds in 2006-07, it was unable to carry out the required O&M work and therefore had sub-normal expenses on O&M activities. It submitted the revised estimates for the O&M expenses of 2007-08 (Rs. 43.51 Cr.) considering the actual expenses incurred in the first nine months of FY08. It has escalated the same by only 1.63% to attain a value of Rs. 44.22 Cr. for 2008-09.
- 6.9 The Petitioner further submitted that the O&M expenses in 2006-07 were 1.54% of total expenditure, 2.01% in 2007-08 and 1.91% in 2008-09, which look quite reasonable.

### Commission's Observations

- 6.10 The Commission has accepted the reasons for increase in Operations & Maintenance expenses of the Petitioner in 2007-08. Hence, it approves the Operations & Maintenance expenses as submitted by the Petitioner.

## Depreciation

### Petitioner's Submission

- 6.11 The Commission has approved depreciation of Rs.73.6 Cr. for the FY 2007-08 and had computed depreciation of Rs.69.7 Cr. during 2006-07 based at the rate of 3.6% on the value of gross fixed assets, as at the end of the year. The depreciation of 3.6% on the value of gross fixed assets as at the end of the year has been adopted.
- 6.12 The depreciation expenses for the Utility, as submitted by the Petitioner are as follows:

**Table 6-3: Depreciation Expenses Submitted in the Petition**

Item (Values in Rs Cr)	2006-07 (Actual)	2007-08 (RE)	2008-09 (Proj)
Gross Fixed Assets (Closing Balance)	1905.03	1950.80	2143.63
Depreciation @ 3.6%	68.58	70.23	77.17

### Commission's Observations

- 6.13 The Petitioner did not submit any details of its gross fixed assets (GFA) in its ARR and tariff petition. In the absence of details on the nature of assets of the Petitioner, the Commission has retained the average rate of 3.6% for calculation of depreciation, considering useful asset life of 25 years and a residual value of 10%.

- 6.14 However, the Commission has calculated depreciation on the average value of GFA for each year and not on the closing balance (as submitted by the Petitioner), as shown below:

**Table 6-4: Gross Fixed Assets Calculation for 2007-08 and 2008-09**

Item (Values in Rs Crores)	2007-08	2008-09
Gross Fixed Assets (Opening Bal)	1,905.03	1,950.80
Gross Fixed Assets (Closing Bal)	1,950.80	2,143.63
Gross Fixed Assets (Average)	1,927.92	2,047.22
Depreciation Rate	3.60%	3.60%
<b>Depreciation</b>	<b>69.40</b>	<b>73.70</b>

- 6.15 The approved depreciation for the Petitioner in 2007-08 and 2008-09 shall be Rs 69.40 Crores and Rs 73.70 Crores respectively.

## Interest and Finance Charges

### Petitioner's Submission

- 6.16 The Utility has submitted interest costs for 2006-07, 2007-08 and 2008-09 as Rs. 21.46 Cr., Rs. 19.45 Cr and Rs. 18.19 Cr respectively, as shown below:

**Table 6-5: Interest and Finance Charges Submitted in the Petition**

Item (Values in Rs Crores)	2006-07	2007-08	2008-09
Interest on market loans	8.05	7.49	7.37
Interest on LIC loans	0.71	0.56	0.42
Interest on REC loans	12.70	11.40	10.40
<b>Total interest</b>	<b>21.46</b>	<b>19.45</b>	<b>18.19</b>

### Commission's Observations

- 6.17 The Commission had approved interest expenses of Rs 21.81 Cr and Rs 17.95 Cr for 2006-07 and 2007-08 respectively.
- 6.18 The Petitioner has not submitted details regarding the actual loan taken and the interest calculation for the years 2006-07 and 2007-08. Hence, the Commission maintains the interest cost as approved in the previous tariff order for 2007-08.
- 6.19 Due to lack of details on interest calculation for 2008-09, the Commission has approved interest expenses for 2008-09 to be the same as the previous year, i.e. Rs 17.95 Cr. The interest expenses shall be trued-up based on submissions by the Petitioner in the subsequent years.



## Annual Revenue Requirement

6.20 The ARR of the utility for 2008-09, approved by the Commission, based on various components is given in Table 6-6.

**Table 6-6: Annual Revenue Requirement for 2008-09**

S. No	Particulars	2008-09	
		Proposed	Approved
1	Power Purchase Costs	1963.72*	1909.18
2	Establishment Expenses	273.54	262.25
3	Operations and Maintenance Expenses	44.22	44.22
4	Depreciation	77.17	73.7
5	Interest and Finance Costs	18.19	17.95
<b>7</b>	<b>Gross Expenditure</b>	<b>2,376.84</b>	<b>2,307.30</b>
11	Less: Non-tariff Income	3.00	3.00
<b>12</b>	<b>Annual Revenue Requirement</b>	<b>2,373.84</b>	<b>2,304.30</b>

\* Includes cost of free power

## A7: REVIEW OF REVENUE PROJECTIONS

### Revenue from Sale of Power within State

7.1 The Commission after detailed scrutiny of the consumer category-wise sales had approved revenues from sale of power within the state by the PDD at Rs.1042.1 Cr. for 2007-08. The details of the approved revenues in rupees crores as per the new consumer categories approved in the Tariff Order for FY 2007-08 are as shown in the table below.

**Table 7-1: Revenues from sale of power in 2007-08**

Category	Approved Sales (MU)	Revenues Approved Tariff (Rs. crores) at
Domestic	1,535.5	232.2
Non-Domestic / Commercial	291.0	73.1
Industrial	848.9	181.9
Irrigation / Agriculture	181.1	41.0
Public lighting	46.4	16.1
P.H.E.	269.5	92.6
State/ Central Dept.	253.6	124.0
Bulk/ Army	715.3	256.2
Temporary/ Others	102.1	25.1
Total All Categories	4,243.4	1,042.1

### Petitioner's Submission

7.2 The Petitioner in its petition dated February 7, 2008 has submitted estimated sales to the different consumer categories for 2007-08 and 2008-09, which it has projected as to be 4,351.42 MU and 4603.81 MU respectively.

**Table 7-2: Revenues as submitted by Petitioner in the ARR for FY 2008-09**

Revenue Demand	2006-07(A)	2007-08(RE)	2008-09 (Proj.) at Existing Rate
Domestic	158.64	237.76	251.55
Public Lighting	6.06	16.51	17.47
Commercial/Non-Domestic	43.73	96.28	101.86
Agricultural	51.49	41.97	44.41
Public Water Works	113.84	94.79	100.29
Industrial	108.94	186.29	197.09
General Purpose Bulk /Army	86.66	241.63	255.64
State/Central Dept.	82.10	127.17	134.54
Others	8.01	25.76	27.25

Revenue Demand	2006-07(A)	2007-08(RE)	2008-09 (Proj.) Existing Rate	at
Total:	659.47	1068.16	1130.11	

### Commissions Analysis

- 7.3 The Petitioner has not been able to supply the sales related data for the existing consumer categories with the required details for reviewing and approving the revenue projections submitted by the Petitioner.
- 7.4 Based on the extent of data availability the Commission has decided to use the realization per unit input as the basis for approving the revenue for the FY 2008-09. The Commission will revert back to the conventional practice of determination of revenues from the sales forecasting information once reliable sales data with details is established by the PDD.
- 7.5 Realization per unit input is defined as the total amount collected in rupees terms divided by the total energy input of the distribution utility in kWh units. The unit for realization per unit input is Rupees per kWh. The realization per unit input directly reflects the ability of a utility to recover its costs. Any improvement or deterioration in the realization per unit input is dependent on the following aspects:
- T&D losses;
  - Collection efficiency;
  - Consumer tariff levels; and
  - Consumer mix.
- 7.6 The realization per unit input as calculated from the previous year's data for the PDD is shown in the table below.

**Table 7-3: Realization per Unit input (Rs./kWh)**

Parameter	FY07	FY 08	FY08	FY09
	Actual	Approved	Actual	Projected
Amount Collected in Rs. Cr.	393.41	802.4	779.00	919.00
Power Purchase in MU's (including self generation)	8236.53	7,964.5	8,674.14	9,028.9
Realization Per Unit Input in Rs./ kWh	0.48	1.01	0.90	1.02

- 7.7 The realization per unit input was approved at Rs.1.01 per kWh for the year 2007-08, whereas the PDD has been able to achieve only Rs.0.90 per kWh. The realization per unit input as can be calculated from the information submitted by the PDD for the year 2008-09 is Rs.1.02/ kWh, however the Commission feels that the same is based on sales estimations which are not realistic.
- 7.8 The Commission is of the opinion that the PDD should achieve a minimum realization per unit input at Rs.1.02 per kWh for the FY 2008-09, which is the same as that worked out for 2008-09 from the information submitted by the PDD in its petition. Thus, taking into consideration the power purchase approved in this order, the revenues from sale of power approved by the Commission are as shown in the table below.

**Table 7-4: Approved Revenues from sale of power for FY 2008-09**

Item	2008-09 (Approved)
Revenues from sale of power in Rs. Cr.	882.91

## Non-Tariff Income

- 7.9 The Commission in its ARR & Tariff Order for the FY 2007-08 had approved Non-Tariff income at Rs.2 Cr.

### Petitioner's Submission

- 7.10 The Petitioner has submitted its non-tariff income for the period 2006-07, 2007-08 and 2008-09 which is shown as below:

**Table 7-5: Projected Non-Tariff Income**

Item	2006-07 (Actual)	2007-08 (RE)	2008-09 (Projected)
Non-Tariff Income (Values in Rs Crores)	1.85	2.00	3.00

### Commissions Analysis

- 7.11 The Petitioner has further detailed that the non-tariff income (miscellaneous income) comes from delayed payment charges (surcharge), rentals for meters and other equipment, miscellaneous charges from consumers (Comprising of services rendered to consumers like reconnection/disconnection, fuse off calls, etc.)
- 7.12 The Commission expects the Petitioner to furnish details of various items of its non-tariff income, such as recovery from theft, interest on staff loans/advances, delayed payment charges, supervision charges on deposit works etc. to ensure transparency and proper analysis.

7.13 The Commission has approved the Non-Tariff income as shown in the table below for the FY 2007-08 and 2008-09:

**Table 7-6: Approved Non-Tariff Income**

Item	2006-07 (Actual)	2007-08 (Approved)	2008-09 (Approved)
Non-Tariff Income (Values in Rs Crores)	1.85	2.00	3.00

## Revenue Gap

7.14 The Commission has approved the Annual Revenue Requirement (ARR) of the Petitioner for 2008-09. The revenues for the 2008-09 arrived at using the realization per unit input method have also been approved. Based on these, the revenue gap as provided below in the table is approved by the Commission for the year 2008-09.

**Table 7-7: Annual Revenue Requirement for 2008-09**

S. No	Particulars	2008-09	
		Proposed	Approved
1	Power Purchase Costs	1963.72	1909.18
2	Establishment Expenses	273.54	262.25
3	Operations and Maintenance Expenses	44.22	44.22
4	Depreciation	77.17	73.7
5	Interest and Finance Costs	18.19	17.95
<b>6</b>	<b>Gross Expenditure</b>	<b>2,376.84</b>	<b>2,307.30</b>
7	Less: Non-tariff Income	3.00	3.00
<b>8</b>	<b>Annual Revenue Requirement</b>	<b>2,373.84</b>	<b>2,304.30</b>
<b>9</b>	<b>Total Revenue</b>	919.00	882.91
<b>10</b>	<b>Revenue Gap</b>	<b>1,454.84</b>	<b>1,421.39</b>

**A8: TARIFF PHILOSOPHY**

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

**Cost to Serve**

- 8.5 The cost based tariff provides a direct indication, to consumers, of the costs incurred in making the demanded supply available. In the future, the Commission intends to continue to modify the tariff structure and the tariff levels based on the applicable cost to serve for each category of consumer and the voltage at which the electricity is supplied. The Commission is constrained by the lack of data, and shall determine tariffs for various categories based on the average cost of supply, till such time detailed data is made available.
- 8.6 In future, the Commission can also consider the applicability of marginal cost based tariff to reflect the true economic cost imposed on the systems. However, it would require detailed marginal cost studies for determination of tariffs on this basis.

- 8.7 In the Tariff Order for the year 2007-08, the Commission had raised the tariff for connections of State Government, Central Government and Defence installations to the level of the average cost of supply. The tariffs for other categories shall be raised to the level of the cost to serve gradually.
- 8.8 In this Tariff Order the Commission has provided rebate to consumers who choose to avail power at higher voltages in certain consumer categories.

## **Rate of return vs. Performance based regulation**

### **Rate-of-return tariff setting**

- 8.9 The rate-of-return tariff setting is based on the determination of revenue requirement, which includes the permissible expenditure, an asset base on which the entity will be allowed to earn the return, and an appropriate rate of return. This method is also sometimes known as the cost-plus approach or the cost of service regulation.
- 8.10 The main advantage of this approach is the steady returns available to the entity, which can be important to offset the various risks involved in the generation, transmission or distribution of electricity. This method is simple and can be easily applied to provide stable tariffs till the next regulatory review. The rate of return approach is also useful to fulfil non-economic goals like providing subsidized tariff to some consumer categories.
- 8.11 A major disadvantage of this approach is the lack of any incentive to the entity to increase efficiency of operations and/or minimize costs, as the return permitted for an entity is fixed and any efficiency gains resulting from better performance are passed on to the consumers. In addition, the rate of return approach promotes the tendency to over-invest as the value of assets determines the available returns to the entity, while the associated financing costs are passed through to consumers.
- 8.12 Hence, adoption of this methodology involves extensive regulatory review at regular intervals to ensure that the interests of the consumer are protected, and undue profits are not generated.

### **Performance based tariff setting**

- 8.13 The performance-based regulation focuses on outputs and performance of the utility and not on the actual costs incurred for achieving the same.
- 8.14 Under this approach, the revenue requirement is determined on the basis of the efficiency norms set by the Commission, and not on the basis of actual costs incurred. The expenditure and rate of return are linked to performance targets set by the Commission to measure efficiency gains.

- 8.15 The performance based regulation replaces the control aspect of regulation with a system of incentives and penalties. It weakens the link between the costs incurred by the utility and the tariffs charged, by employing external measures of cost. It provides incentives to the utilities to reduce costs and improve efficiency. The performance based regulation also eliminates the tendency of utilities under the cost plus regulation to be more capital intensive.
- 8.16 The Commission shall gradually shift to the performance based regulation approach in future, and will not approve any cost resulting from non achievement of approved performance targets, such as T&D loss, collection efficiency, etc. except those caused by force manure events.

### **Time-of-Day Tariff**

- 8.17 The load curve of the State shows a peak in demand during the evening, which is met through power purchases from high cost sources such as gas/ diesel/ naphtha based generation plants, traders, the Unscheduled Interchange (UI) pool, etc. which are generally more expensive as compared to the base load stations.
- 8.18 This increase in the power purchase costs, leads to a higher cost of supply during the peak load hours. The Petitioner has recognized the relevance of time differentiated tariff for peak and lean hours, as an instrument for demand side management. The Commission agrees that the adoption of the time of day tariff shall provide signals to consumers and help the utility in maintaining a better system profile.
- 8.19 Consumers should pay higher than normal for usage during peak hours and lower for consumption during lean hours, when the unit cost of power purchase is low.
- 8.20 In the previous tariff order the Commission had expressed its desire to introduce Time-of-Day tariff for certain consumer categories. However, the Commission is of the opinion that the PDD is not yet ready to implement such tariff structure. Also, it is desirable that the PDD should collect and analyze relevant data on consumption pattern of various categories and submit a detailed implementation plan for implementation of Time-of-Day tariff.

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

- 8.21 The Commission believes that billing through minimum charge method discourages energy conservation and discourages the Petitioner to improve its metering and billing systems.
- 8.22 The Commission shall adopt a two-part tariff structure, comprising of a fixed component (Rupees per kW/ KVA or per consumer) and a variable component (Rupees per kWh). Two-part tariffs have replaced single part tariffs in most parts of the country, primarily due to the following reasons:



- (a) The utility can recover its fixed expenses (on fixed charges on power purchase, employee cost, interest etc.) incurred even when the consumer is not consuming electricity.
  - (b) Consumers are charged for each unit of electricity consumed, thereby providing a direct incentive to save electricity.
  - (c) The utility is encouraged to improve its metering and billing systems, as the removal of minimum charges ensures recovery of only the billed amounts.
  - (d) The consumer is encouraged to declare his connected load correctly.
- 8.23 The Commission has decided to introduce two part tariff for all metered categories of consumers in the future.
- 8.24 In the previous tariff order the Commission had introduced fixed charges in the form of demand charges for the HT consumers.
- 8.25 In this years tariff order the Commission is extending fixed changes to certain LT consumer categories namely LT Industrial and LT Non-Domestic consumers.

### **kVAh Tariff**

- 8.26 Electric power has two components – the working component (kWh) and the magnetizing component (kVARh), which combine to form the apparent power (kVAh). The active power is equal to the apparent power in the system when the power factor is unity (1). The power factor of the system is governed by the load characteristic and the system configuration, with the former being the dominant player. Usually system design incorporates steps to enhance power factor through installation of capacitor banks, transposing of transmission lines, etc.
- 8.27 It is essential to encourage consumers to use power efficiently and have a power factor close to 1. This can be achieved either through power factor based incentives and penalties or by billing consumers on the apparent power consumed (kVAh) instead of the real power consumed (kWh).
- 8.28 The Commission believes that kVAh based tariff is a better approach due to the reasons of greater transparency, reduced likelihood of occurrence of errors and reduced administrative burden on the utility.
- 8.29 The Commission had introduced kVAh tariffs in the first phase for all consumers at 11 kV and above. The Commission is of the opinion that kVAh based tariff should gradually be extended to all three phase consumers after suitable tri-vector meters are installed.

## A9: TARIFF DESIGN

### 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.

#### 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)
- 9.2 The PDD has proposed for any change in tariff for the Domestic Consumer category in the Tariff petition for the year 2008-09.
- 9.3 The Commission based on its tariff philosophy and various representations made by consumers and consumer representatives in their written objections to the PDD's petition and oral submissions made during the public hearings held in Srinagar and Jammu, has approved the tariff for Domestic consumer category as shown in the table below:

**Table 9-1: Approved tariffs for Domestic Consumers**

Particulars	Existing Tariff	Approved Tariff
Energy Charges for Metered Connection (Rs. / kWh)		
upto 30 units /month	0.90	0.90
31-100 units /month	1.15	1.15
101-200 units /month	1.40	1.40
> 200 units /month	2.10	2.10
Minimum Charges for connected load (Rs. / month)		
upto 1/4 kW	15.00	15.00
above 1/4 kW upto 1/2 kW	25.00	25.00
above 1/2 kW upto 1 kW	40.00	40.00
Above 1 kW for every 250 W, or part thereof	10.00	10.00
Flat Rate (Rs. / month)		
upto 1/4 kW	50.00	50.00

Particulars	Existing Tariff	Approved Tariff
above 1/4 kW upto 1/2 kW	160.00	160.00
above 1/2 kW upto 3/4 kW	240.00	240.00
above 3/4 kW upto 1 kW	320.00	320.00
above 1 kW upto 2 kW	635.00	635.00
above 2 kW	Rs.635 + Rs. 275 for every additional 1/2 kW or part thereof.	Rs.635 + Rs. 275 for every additional 1/2 kW or part thereof.

- 9.4 Group housing societies can avail single point power supply. The energy bill of a housing society shall be divided by the number of houses in it, to determine the consumption in each house.

If there are 10 houses in a society the consumption shall be charged in the following manner: The first 300 (30 x 10) units would be charged at Rs 0.90/unit; the next 700 (70 x 10) units at Rs 1.15/unit; next 1000 (100 x 10) units at Rs 1.40/unit and the remaining units at Rs 2.10/unit.

## Non-Domestic/ Commercial Supply

### Applicability

- 9.5 This tariff category shall be applicable to the following: shops, showrooms, business houses, offices, educational/ technical institutions, clubs, meeting halls, places of public entertainment, hotels, cinemas, hospitals, dispensaries, clinics, nursing homes, X-ray units, diagnostic centers, pathological labs, fisheries, aqua-culture, sericulture, dairy, hatcheries, printing presses, milk chilling centers, poultry farms, cattle breeding farms, nurseries, plantations, mushroom growing, carpenters and furniture makers, juice centers, hoardings and advertisement services, typing institutes, internet cafes, STD/ISD PCO's, FAX/ photocopy shops, tailoring shops, photo studios and colour 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.
- 9.6 In addition, any connection not covered under the other categories shall be billed under this category. However, this would exclude connections pertaining to State/ Central Government or Defence services, which have been included in a separate category.

### Character of Services

- (a) AC, 50 Hz, 230 Volts, Single-phase upto a load of 5 kW.

- (b) AC, 50 Hz, three phase, 400 volts supply for load above 5 kW upto 100 kW (115 kVA).
- 9.7 The PDD has not applied for any change in tariff for the Non-Domestic Consumer category in the ARR & Tariff petition for the year 2008-09.
- 9.8 However, based on the tariff philosophy adopted by the Commission and also various representations made by consumers and consumer representatives in their written objections to the PDD's petition and oral submissions made during the public hearings held in Srinagar and Jammu has decided to modify the tariff structure for the Non-Domestic consumer category.
- 9.9 The Commission is of the opinion that the new tariff structure will protect the honest consumers from unnecessary charges in the form of minimum charges in the lean working periods for most of the commercial activities.
- 9.10 The Commission has approved the following changes in the tariff structure for the Non-Domestic consumer category:
- (a) Elimination of the system of minimum charges for metered non-domestic consumers;
- (b) Introduction of two part tariff structure consisting of fixed and energy charges for metered non-domestic consumers;
- 9.11 Along with the introduction of fixed charges, energy charges applicable non-domestic consumers have been reduced. The Commission has purposely kept the fixed charges much below the minimum charges for every unit of connected load to encourage correct load declaration by the consumers.
- 9.12 The Commission is of the opinion that charging of minimum charges in slabs of 1/4<sup>th</sup> KW at of rate of Rs.45 per month was leading to gross under declaration of load by consumer and also leaving enough scope for corruption. The simplification of tariff in terms of a fixed charge per KW and flat energy charges for all units consumed will encourage transparency and honesty in declaration of load and billing of energy consumed.
- 9.13 The new tariff structure should encourage un-metered consumers to get metered and hence get billed on actual consumption based on meter readings. The existing and the approved tariff are shown in the table below.

**Table 9-2: Approved Tariff for Non-Domestic/ Commercial Category**

Particulars	Existing	Approved Tariff
Metered Non-Domestic Tariff		
Energy Charges (Rs./kWh)		
Single Phase		

Particulars	Existing	Approved Tariff
Slab of Units		
Upto 100 u/m	1.70	1.50
101 to 200 u/m	1.80	1.60
above 200 u/m	2.50	2.30
Three Phase		
For all units	2.90	2.65
Fixed Charges (Rs. / KW / month)		
Load (in KW) to be rounded off to the next 1/2 kW for the purpose of application of Fixed Charges. (Example: 0.25 KW to be charges as 0.5 KW and 1.2 KW to be charged as 1.5 KW and so on.)		
Single Phase	Nil	30
Three Phase	Nil	70
Minimum Charges (Rs. /month)		
Upto 1/4 kW	45.00	Nil
Above 1/4 kW	Rs. 45 for every 1/4 kW or part thereof	Nil
Un-Metered Non-Domestic Tariff		
Flat Rate Charges (Rs. / month)		
Upto 1/4 kW	140.00	140.00
above 1/4 kW upto 1/2 kW	350.00	350.00
above 1/2 kW upto 1 kW	700.00	700.00
above 1 kW upto 5 kW *		
above 5 kW **		
* Rs. 900 /kw or part thereof for every kW above 1 kW but less than 5 kW		
** Rs. 900 /kw or part thereof for every kW above 5 kW		

## State/ Central Government Departments

### Applicability

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

This shall not include connections taken for agricultural purposes, water pumping and street lighting by the State Government Departments for which tariffs provided in the appropriate tariff schedules shall apply.

### Character of Services

- (a) AC, 50 Hz, 230 Volts; Single-phase upto a load of 5 kW
- (b) AC, 50 Hz, three phase; 400 volts supply for sanctioned load above 5 kW upto 100 kW (115 kVA)
- (c) AC, 50 Hz, three phase; 11 kV supply for sanctioned load upto 1 MVA
- (d) AC, 50 Hz, three phase; 33 kV and above supply for sanctioned load above 1 MVA
- 9.15 The PDD has not applied for any change in tariff for the State/ Central Government Department category in the Tariff petition for the year 2008-09.
- 9.16 The Commission based on its tariff philosophy and various representations made by consumers and consumer representatives in their written objections to the PDD's petition and oral submissions made during the public hearings held in Srinagar and Jammu has approved the tariff for State/ Central Government Department category.
- 9.17 The tariff for State/ Central Government Departments category is as shown in the table below:

**Table 9-3: Approved Tariff for State/ Central Government Departments**

Particulars	Existing Tariff	Approved Tariff
Energy Charges (Rs./ kWh)	Rs. 4.89	Rs. 4.89
11 kV Supply	2.5% rebate on energy charges	2.5% rebate on energy charges
33 kV and above Supply	5.0% rebate on energy charges	5.0% rebate on energy charges
Minimum Charges (Rs./ month)		
Upto 1/4 kW	45.00	45.00

Above 1/4 kW	Rs. 45 for every additional 1/4 kW or part thereof	Rs. 45 for every additional 1/4 kW or part thereof
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## Agricultural Supply

### Applicability

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

### Character of Services

- (a) AC, 50 Hz, 230 Volts, Single-phase upto a load of 5 kW (6 kVA)
- (b) AC, 50 Hz, three phase, 400 volts supply for sanctioned load upto 100 kW (115 kVA)
- 9.19 The PDD has not applied for any change in tariff for the Agricultural Supply category in the Tariff petition for the year 2008-09.
- 9.20 The Commission based on its tariff philosophy and various representations made by consumers and consumer representatives in their written objections to the PDD's petition and oral submissions made during the public hearings held in Srinagar and Jammu has approved the tariff for the Agricultural Supply category.
- 9.21 The tariff schedule for agricultural consumers, approved by the Commission is shown below:

**Table 9-4: Approved Tariff for Agriculture Category**

Particulars	Existing Tariff	Approved Tariff
Energy Charges (Rs. / kWh)		
0 to 20 HP	0.50	0.50
Above 20 HP	3.30	3.30
Minimum Charges for connected load (Rs./ HP/ Annum)		
0 - 20 HP	250	250
Above 20 HP	900	900
Provisional monthly billing will be done subject to annual adjustment		
Flat Rate Un-metered for connected load (Rs./ HP/ month)		
0 to 20 HP	110.00	110.00
Above 20 HP	750.00	750.00

## Public Street Lighting

### Applicability

9.22 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.

9.23 The PDD has not applied for any change in tariff for the Public Street Lighting category in the Tariff petition for the year 2008-09.

9.24 The Commission based on its tariff philosophy and various representations made by consumers and consumer representatives in their written objections to the PDD's petition and oral submissions made during the public hearings held in Srinagar and Jammu has approved the tariff for the Public Street Lighting category.

9.25 The tariff structure for Public Street Lighting category, approved by the Commission is shown below:

**Table 9-5: Approved Tariffs for Public Street Lighting**

Particulars	Existing Tariff	Approved Tariff
Energy Charge		
Rs./ kWh	3.30	3.30
Minimum Charge		
Rs./ kW/ month or any part thereof	200.00	200.00
Un-metered Charge		
Rs./ kW/ month or any part thereof	760.00	760.00

## LT Public Water Works

### Applicability

9.26 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
- 9.27 The PDD has not applied for any change in tariff for the LT Public Water Works category in the Tariff petition for the year 2008-09.
- 9.28 The Commission based on its tariff philosophy and various representations made by consumers and consumer representatives in their written objections to the PDD's petition and oral submissions made during the public hearings held in Srinagar and Jammu has approved the tariff for the LT Public Water Works category.
- 9.29 The tariff structure, approved by the Commission for LT Public Water Works, applicable for 2008-09 is shown in the table below:

**Table 9-6: Approved Tariff for LT Public Water Works**

Particulars	Existing Tariff	Approved Tariff
LT (upto 100 kW)		
Energy Charge		
For all Units (Rs./ kWh)	3.30	3.30
Minimum Charges		
Rs. / kW or part thereof / month	200	200
Un-metered Charge		
Rs. / KW /month	575	675 (Per Shift of 8 Hrs.)

**HT Public Water Works****Applicability**

- 9.30 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

- 9.31 The PDD has not applied for any change in tariff for the HT Public Water Works category in the Tariff petition for the year 2008-09.
- 9.32 The Commission based on its tariff philosophy and various representations made by consumers and consumer representatives in their written objections to the PDD's petition and oral submissions made during the public hearings held in Srinagar and Jammu has approved the tariff for the HT Public Water Works category.
- 9.33 The tariff structure approved by the Commission for HT Public Water Works is shown in the table below:

**Table 9-7: Approved Tariff for HT Public Water Works**

Particulars	Existing Tariff	Approved Tariff
11 kV Supply		
Demand Charge (Rs./ kVA/ Month) ^*	160	160
Energy Charge (Rs./ kVAh) ^	2.35	2.35
^ For Connections above 100 kW supplied on LT, Additional 5% Surcharge on Demand and Energy Charges at 11 KV tariff shall be chargeable		
33 kV and above Supply		
Demand Charge (Rs./ kVA/ Month) *	155	155
Energy Charge (Rs./ kVAh)	2.30	2.30
Flat Rate (Un-metered)		
Rs. / KW /month	675	675 (Per Shift of 8 Hrs.)
* Or part thereof on Billing Demand		

- 9.34 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.

## LT Industrial Supply

### Applicability

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

**Character of Services**

- (a) AC, 50 Hz, 230 Volts, single-phase upto a load of 5 kW.
- (b) AC, 50 Hz, three phase, 400 volts supply for sanctioned load upto 100 kW
- 9.36 The PDD has not applied for any change in tariff for the LT Industrial category in the Tariff petition for the year 2008-09.
- 9.37 The Commission based on its tariff philosophy and various representations made by consumers and consumer representatives in their written objections to the PDD's petition and oral submissions made during the public hearings held in Srinagar and Jammu, the Commission has approved the tariff for the LT Industrial category.
- 9.38 The Commission is of the opinion that the new tariff structure will protect honest consumers from unnecessary charging in the form of minimum charges in the lean months for Industrial activities in the region.
- 9.39 The Commission has approved the following changes in the tariff for the LT Industrial consumer category:
- (a) Elimination of the system of minimum charges for metered LT Industrial consumers;
- (b) Introduction of two part tariff structure consisting of fixed and energy charges for metered LT Industrial consumers;
- 9.40 Along with the introduction of fixed charges, energy charges applicable LT Industrial consumers have been reduced. The Commission has purposely kept the fixed charges much below the minimum charges for every unit of connected load to encourage correct load declaration by the consumers.
- 9.41 The Commission is of the opinion that charging of minimum charges at of rate of Rs.90 per HP per month was leading to gross under declaration of load by consumer and also leaving enough scope for corruption in the hands of the PDD employees. The simplification of tariff in terms of a fixed charge per KW and flat energy charges for all units consumed will encourage transparency and honesty in declaration of load and billing of energy consumed.
- 9.42 The new tariff structure should encourage un-metered consumers to get metered and hence get billed on actual consumption based on meter readings. The existing and the approved tariff are shown in the table below.

**Table 9-8: Approved tariffs for LT Industrial Supply**

Particulars	Existing Tariff	Approved Tariff
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Particulars	Existing Tariff	Approved Tariff
Energy Charges (Rs./kWh)	2.00	1.80
Fixed Charges (Rs./KW/month) Load (in KW) to be rounded off to the next whole number for the purpose of application of Fixed Charges.	Nil	35
Minimum Charges (Rs./ HP or Part thereof)	90	Nil
* For Connections with sanctioned load below 100 kW supplied and metered on HT, 5% rebate on Energy Charges of the LT Industrial Tariff shall be allowed.		
Un-metered Flat Charges (Rs./ kW/ Month)		
8 hrs shift	300	300
8 - 12 hrs shift	450	450
above 12 hrs shift	600	600

## HT Industrial Supply

### Applicability

9.43 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

9.44 The PDD has not applied for any change in tariff for the HT Industrial category in the Tariff petition for the year 2008-09.

9.45 The Commission based on its tariff philosophy and various representations made by consumers and consumer representatives in their written objections to the PDD's petition and oral submissions made during the public hearings held in Srinagar and Jammu has approved the tariff for the HT Industrial category.

9.46 The approved tariff structure for HT industrial consumers is shown in the table below.

**Table 9-9: Approved Tariff for HT Industrial Supply**

Particulars	Existing Tariff	Approved Tariff
11 kV Supply		

Particulars	Existing Tariff	Approved Tariff
Demand Charge (Rs./ kVA/ Month) *^	105.00	105.00
Energy Charge (Rs./ kVAh) *	1.75	1.75
* For Connections with sanctioned load above 100 kW supplied on LT, Additional 5% Surcharge on Demand & Energy Charges at 11 KV tariff shall be chargeable		
33 kV Supply		
Demand Charge (Rs./ kVA/ month) ^	105.00	105.00
Energy Charge (Rs./ kVAh)**	1.70	1.70
^ Or part thereof on Billing Demand		
** Rebate to Connections at higher voltages: For 66 kV – 1.5% on the Energy Charge for 33 kV Supply.		

9.47 The billing demand for any month shall be taken to be the higher of the actual maximum recorded demand or 75% of the Contract Demand.

## HT Industrial Supply for Power Intensive Industries

### Applicability

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

- (a) Calcium carbide
- (b) Caustic soda
- (c) Charge chrome
- (d) Ferro manganese
- (e) Ferro silicon
- (f) Ferro alloys
- (g) Potassium chlorate
- (h) Silicon carbide

- (i) Sodium chlorate
- (j) Sodium metal
- (k) Chlorates/ per chlorates
- (l) Melting of metals and alloys
- (m) Industries engaged in electro-chemical/ electro-thermal processes
- (n) Industries using induction/ arc furnace
- (o) In other cases, where the cost of power is more than 25% of the cost of the product manufactured.

#### Character of Services

- (p) AC, 3 phase; 50 Hz, 11 KV upto 1 MVA
- (q) AC, 3 phase; 50 Hz, 33 KV and above for load of 1 MVA and above

9.49 The PDD has not applied for any change in tariff for the HT Industrial Supply for Power Intensive Industries category in the Tariff petition for the year 2008-09.

9.50 The Commission based on its tariff philosophy and various representations made by consumers and consumer representatives in their written objections to the PDD's petition and oral submissions made during the public hearings held in Srinagar and Jammu has approved the tariff for the HT Industrial Supply for Power Intensive Industries category.

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

**Table 9-10: Approved Tariff for HT Industrial Supply for Power Intensive Industries**

Particulars	Existing Tariff	Approved Tariff
11 kV Supply		
Demand Charge (Rs./ kVA/ Month) *	140	140
Energy Charge (Rs./ kVAh)	2.00	2.00
33 kV and above Supply		
Demand Charge (Rs./ kVA/ Month) *	135	135
Energy Charge (Rs./ kVAh)**	1.95	1.95
* Or part thereof on Billing Demand		
** Rebate to Connections at higher voltages: For 66 kV – 1.5% on the Energy Charge for 33 kV Supply.		

- 9.52 The billing demand for any month shall be taken to be the higher of the actual maximum recorded demand or 75% of the Contract Demand.

## General Purpose Bulk Supply

### Applicability

- 9.53 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.
- 9.54 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
- 9.55 The PDD has not applied for any change in tariff for the General Purpose Bulk Supply category in the Tariff petition for the year 2008-09.
- 9.56 The Commission based on its tariff philosophy and various representations made by consumers and consumer representatives in their written objections to the PDD's petition and oral submissions made during the public hearings held in Srinagar and Jammu has approved the tariff for the General Purpose Bulk Supply category.
- 9.57 The Commission has approved the following tariff structure for General Purpose Bulk Supply category of consumers:

**Table 9-11: Approved Tariff for General Purpose Bulk Supply**

Particulars	Existing Tariff	Approved Tariff
11 kV Supply		
Demand Charge (Rs./ kVA/ Month) *	145.00	145.00
Energy Charge (Rs./ kVAh)	2.35	2.35
* For Connections above 100 kW supplied on LT, Additional 5% Surcharge on Demand and Energy Charges at 11 KV tariff shall be chargeable		
33 kV and above Supply		
Demand Charge (Rs./ kVA/ Month) *	140.00	140.00

Particulars	Existing Tariff	Approved Tariff
Energy Charge (Rs./ kVAh)	2.30	2.30
* Or part thereof on Billing Demand		
** Rebate to Connections at higher voltages: For 66 kV – 1.5% on the Energy Charge for 33 kV Supply.		

9.58 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.

### **LT and HT Temporary Connections**

#### **Applicability**

- 9.59 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.
- 9.60 The Commission has approved the tariff for temporary connections at 1.5 times the applicable rates (on fixed/ demand and energy charges).
- 9.61 The temporary LT supply shall be given, only if there is available capacity in the distribution transformers. The service line for such a connection has to be laid by the consumer at his own cost.
- 9.62 The network lines and transformers required for a temporary HT connection shall be laid at the cost of the consumer. The utility shall issue orders related to the sanctioning authorities and period of applicability of LT and HT temporary Connections.



**A10: TERMS AND CONDITIONS OF TARIFF/ DEFINITIONS**

- 10.1 The Commission had earlier approved terms and conditions for application of tariff in the Tariff Order for 2007-08. The terms and conditions for application of tariff for the year 2008-09 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 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 the Petitioner and the consumer.

**Minimum Agreement Period**

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

**Security Deposit**

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

**Late payment surcharge**

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

**Excess/ Unauthorised Load**

- 10.8 Any consumer found to have actual load drawn greater than the sanctioned Connected Load for LT connections or Contract Demand for HT connections shall be levied minimum/ demand charges for the excess load at 1.5 times the normal rate. The energy charges for consumption proportionate to the excess demand shall also be billed at 1.5 times the normal rate.
- 10.9 For LT consumers and HT consumers without Trivector Electronic meters extra billing shall be done for previous six months and will be continued till the excess Connected Load is removed or regularised.
- 10.10 Connection to such defaulting consumers shall be disconnected immediately, which will be reconnected only after the unauthorized load is removed and a test report is submitted to the Petitioner. It can also be reconnected after the excess load is regularised by revising the completion of revised agreement, submission of test report and payment of prescribed charges. The Petitioner shall allow the regularization of excess load based on the conditions of the distribution system. In absence of suitable conditions, the consumer shall be required to disconnect the excess load within fifteen days.

**Un-metered connections**

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

**Electricity Duty**

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

**kVAh Billing**

- 10.13 All connections falling in categories with kVAh billing, but with old/ electromechanical meters installed shall be done on derived kVAh consumption, with an assumed power factor of 0.85, till such time appropriate tri-vector meters are installed.
- 10.14 The billing demand in such cases shall be taken as 75% of the contract demand. Wherever the contract demand has not been declared separately the billing demand shall be taken as 75% of the sanctioned/ connected load. For converting load in kW to kVA an assumed power factor of 0.85 shall be taken.

### Power Factor Control

10.15 All consumers having aggregate motor 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 Table 10-1.

**Table 10-1: Ratings of capacitors for induction motors**

Sl.	Rating of individual Induction motor in HP	kVAR rating of LT capacitors
1.	3	1
2.	5	2
3.	7.5	3
4.	10	4
5.	15	5
6.	20	7
7.	25	9
8.	30	10
9.	40	12.5
10.	50	15
11.	60	17.5
12.	75	20
13.	90	25
14.	100	25
15.	120	30
16.	130	35

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

10.17 For LT industrial/ non-domestic connections having welding transformers with total capacity greater than 25% of the total Connected Load, an extra surcharge of Rs. 3/ kVA/ month shall be levied until capacitors of required capacity are installed.

10.18 The utility shall not release any new LT connections having aggregate motor load greater than 5 HP/ kVA (except domestic and street light) unless the capacitors of suitable rating are installed.

### **Irregular Power Supply**

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

### **Government Employees moving with Darbar**

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

### **Stopped / Defective meters**

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

### **Charges for Dishonoured Cheques**

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

### **Resale of Energy**

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

**Applicability of Tariff**

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

**Contradiction to the Agreement**

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

**Rebate for Non-Lighting Use of Solar Energy**

- 10.29 During winter months very high consumption of electricity takes place during the morning hours resulting in peaking of demand in morning in addition to the normal peaking witnessed in the evening hours. Climatic conditions in the State are such that hot water is required by domestic as well as commercial consumers and it appears that one of the reasons for this peaking demand in the morning during winter months is use of water heating appliances like geysers and immersion rods etc. These heating appliances are heavy guzzlers of electricity.
- 10.30 This requirement of consumers is real and cannot be curbed or discouraged beyond a point. Therefore, for the sake of proper grid management it is essential that consumers should be nudged and encouraged to opt for alternative methods to meet their water heating and cooling requirements. Solar Water Heaters and/ or Solar Cookers offer an excellent alternative to electrical water heating systems and can help in a big way in reducing the demand particularly during morning hours. The weather conditions in the State are conducive to tapping solar energy for this purpose. Responsible and progressive consumers are already using such devices as it also results in substantial reduction in their own energy bills. Use of Solar Heating is, thus, a win-win situation for consumers as well as the utility.
- 10.31 In order to encourage consumers to switch over to solar water heating systems, the Commission proposes to introduce a monthly rebate of Rs.25 for all consumers who have installed such solar heating systems for meeting their hot water and/ or cooking requirements. To avail this rebate the consumer will be required to give the licensee an affidavit to the effect that such a system has been installed on his premises and is being used to meet such heating requirements. This declaration will be verified by Licensee's meter representative. In case, any such declaration is found to be false, the licensee apart from taking appropriate legal action against such consumers would be entitled to recover the entire rebate allowed to such consumers with 100% penalty.

## **Definitions**

### **Connected Load**

- 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 fire fighting purposes.
- 10.33 In case of domestic consumers load of geysers plus heaters or of air conditioners without heaters which ever 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 the Petitioner has agreed to supply from time to time subject to the governing terms and conditions. The total Connected Load is required to be sanctioned by the competent authority.

### **Contract Demand**

- 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.

## **A11: DIRECTIVES**

- 11.1 The Petitioner has not been able to meet the directives given in the ARR & Tariff Order for the year 2007-08. The same directives shall apply for the year 2008-09 also, any dates provided as targets in the order for 2007-08 stand extended by another year for compliance by the Petitioner.
- 11.2 In addition to the above, the Commission directs the utility to conduct a detailed loss study on an urgent basis and submit the findings to the Commission by March 31, 2009. Such loss study should be realistically able to ascertain/ estimate the following:
- (a) Sales in MUs to various consumer categories;
  - (b) T&D losses.
- 11.3 The Petitioner should develop a detailed plan for conducting the loss study and submit to it the Commission for approval within 15 days from the date of release of this order.

## A12: TARIFF SCHEDULES FOR 2008-09

### Schedule 1: Domestic Supply

#### Applicability

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

#### Character of Services

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

#### Rate of Charge

**Table 12-1: Approved tariffs for Domestic Consumers**

Particulars	Approved Tariff
<b>Energy Charges for Metered Connection (Rs. / kWh)</b>	
upto 30 units /month	0.90
31-100 units /month	1.15
101-200 units /month	1.40
> 200 units /month	2.10
<b>Minimum Charges for connected load (Rs. / month)</b>	
upto ¼ kW	15.00
above 1/4 kW upto 1/2 kW	25.00
above 1/2 kW upto 1 kW	40.00
Above 1 kW for every 250 W, or part thereof	10.00
<b>Flat Rate (Rs. / month)</b>	
upto ¼ kW	50.00
above 1/4 kW upto 1/2 kW	160.00
above 1/2 kW upto 3/4 kW	240.00
above 3/4 kW upto 1 kW	320.00
above 1 kW upto 2 kW	635.00



Particulars	Approved Tariff
above 2 kW	Rs.635 + Rs. 275 for every additional 1/2 kW or part thereof.

**Note:**

- 12.2 Group housing societies can avail single point power supply. The energy bill of a housing society shall be divided by the number of houses in it, to determine the consumption in each house.

If there are 10 houses in a society the consumption shall be charged in the following manner: The first 300 (30 x 10) units would be charged at Rs 0.90/unit; the next 700 (70 x 10) units at Rs 1.15/unit; next 1000 (100 x 10) units at Rs 1.40/unit and the remaining units at Rs 2.10/unit.

## Schedule 2: Non-Domestic/ Commercial Supply

### Applicability

- 12.3 This tariff category shall be applicable to the following: shops, showrooms, business houses, offices, educational/ technical institutions, clubs, meeting halls, places of public entertainment, hotels, cinemas, hospitals, dispensaries, clinics, nursing homes, X-ray units, diagnostic centers, pathological labs, fisheries, aqua-culture, sericulture, dairy, hatcheries, printing presses, milk chilling centers, poultry farms, cattle breeding farms, nurseries, plantations, mushroom growing, carpenters and furniture makers, juice centers, hoardings and advertisement services, typing institutes, internet cafes, STD/ISD PCO's, FAX/ photocopy shops, tailoring shops, photo studios and colour 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.
- 12.4 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 12-2: Approved Tariff for Non-Domestic/ Commercial Category**

Particulars	Approved Tariff
Metered Non-Domestic Tariff	
Energy Charges (Rs./kWh)	
Single Phase	
Slab of Units	
Upto 100 u/m	1.50
101 to 200 u/m	1.60
above 200 u/m	2.30
Three Phase	
For all units	2.65
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
Single Phase	30
Three Phase	70
Un-Metered Non-Domestic Tariff	
Flat Rate Charges (Rs. / month)	
Upto 1/4 kW	140.00
above 1/4 kW upto 1/2 kW	350.00
above 1/2 kW upto 1 kW	700.00
* Rs. 900 /kw or part thereof for every kW above 1 kW but less than 5 kW	
** Rs. 900 /kw or part thereof for every kW above 5 kW	

### Schedule 3: State/ Central Government Departments

#### Applicability

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

This shall not include connections taken for agricultural purposes, water pumping and street lighting by the State Government Departments for which tariffs provided in the appropriate tariff schedules shall apply.

#### Character of Services

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

#### Rate of Charge

**Table 12-3: Approved Tariff for State/ Central Government Departments**

Particulars	Approved Tariff
Energy Charges (Rs./ kWh)	Rs. 4.89
11 kV Supply	2.5% rebate on energy charges
33 kV and above Supply	5.0% rebate on energy charges
Minimum Charges (Rs./ month)	
Upto 1/4 kW	45.00
Above 1/4 kW	Rs. 45 for every additional 1/4 kW or part thereof

## Schedule 4: Agricultural Supply

### Applicability

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

### Character of Services

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

### Rate of Charge

**Table 12-4: Approved Tariff for Agriculture Category**

Particulars	Approved Tariff
<b>For Metered Connections</b>	
Energy Charges (Rs. / kWh)	
0 to 20 HP	0.50
Above 20 HP	3.30
Minimum Charges for connected load (Rs./ HP/ Annum)	
0 - 20 HP	250
Above 20 HP	900
Provisional monthly billing will be done subject to annual adjustment	
<b>Flat Rate Un-metered for connected load (Rs./ HP/ month)</b>	
0 to 20 HP	110.00
Above 20 HP	750.00

## Schedule 5: Public Street Lighting

### Applicability

- 12.7 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 12-5: Approved Tariffs for Public Street Lighting**

Particulars	Approved Tariff
<b>Metered Connections</b>	
Energy Charge	
Rs./ kWh	3.30
Minimum Charge	
Rs./ kW/ month or any part thereof	200.00
<b>Un-metered Charge</b>	
Rs./ kW/ month or any part thereof	760.00

## Schedule 6: LT Public Water Works

### Applicability

- 12.8 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 12-6: Approved Tariff for LT Public Water Works**

Particulars	Approved Tariff
<b>Metered LT Connections (upto 100 kW)</b>	
Energy Charge	
For all Units (Rs./ kWh)	3.30
Minimum Charges	
Rs. / kW or part thereof / month	200
<b>Un-metered Charge</b>	
Rs. / KW /month	675 (Per Shift of 8 Hrs.)

## Schedule 7: HT Public Water Works

### Applicability

- 12.9 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 12-7: Approved Tariff for HT Public Water Works**

Particulars	Approved Tariff
<b>Metered 11 kV Supply</b>	
Demand Charge (Rs./ kVA/ Month) <sup>^*</sup>	160
Energy Charge (Rs./ kVAh) <sup>^</sup>	2.35
<sup>^</sup> For Connections above 100 kW supplied on LT, Additional 5% Surcharge on Demand and Energy Charges at 11 KV tariff shall be chargeable	
<b>Metered 33 kV and above Supply</b>	
Demand Charge (Rs./ kVA/ Month) <sup>*</sup>	155
Energy Charge (Rs./ kVAh)	2.30
<b>Flat Rate (Un-metered)</b>	
Rs. / KW /month	675 (Per Shift of 8 Hrs.)
<sup>*</sup> Or part thereof on Billing Demand	

### Note:

- 12.10 The billing demand for any month shall be taken to be the higher of the actual maximum recorded demand or 75% of the Contract Demand.



## Schedule 8: LT Industrial Supply

### Applicability

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

### Character of Services

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

### Rate of Charge

**Table 12-8: Approved tariffs for LT Industrial Supply**

Particulars	Approved Tariff
<b>Metered Connections</b>	
Energy Charges (Rs./kWh)	1.80
Fixed Charges (Rs./KW/month) Load (in KW) to be rounded off to the next whole number for the purpose of application of Fixed Charges.	35
Minimum Charges (Rs./ HP or Part thereof)	Nil
* For Connections with sanctioned load below 100 kW supplied and metered on HT, 5% rebate on Energy Charges of the LT Industrial Tariff shall be allowed.	
<b>Un-metered Flat Charges (Rs./ kW/ Month)</b>	
8 hrs shift	300
8 - 12 hrs shift	450
above 12 hrs shift	600

## Schedule 9: HT Industrial Supply

### Applicability

12.12 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 12-9: Approved Tariff for HT Industrial Supply**

Particulars	Approved Tariff
<b>Metered 11 kV Supply</b>	
Demand Charge (Rs./ kVA/ Month) *^	105.00
Energy Charge (Rs./ kVAh) *	1.75
* For Connections with sanctioned load above 100 kW supplied on LT, Additional 5% Surcharge on Demand & Energy Charges at 11 KV tariff shall be chargeable	
<b>33 kV Supply</b>	
Demand Charge (Rs./ kVA/ month) ^	105.00
Energy Charge (Rs./ kVAh)**	1.70
^ Or part thereof on Billing Demand	
** Rebate to Connections at higher voltages: For 66 kV – 1.5% on the Energy Charge for 33 kV Supply.	

12.13 The billing demand for any month shall be taken to be the higher of the actual maximum recorded demand or 75% of the Contract Demand.

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

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

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

**Character of Services**

- (p) AC, 3 phase; 50 Hz, 11 KV upto 1 MVA
- (q) AC, 3 phase; 50 Hz, 33 KV and above for load of 1 MVA and above

**Rate of Charge****Table 12-10: Approved Tariff for HT Industrial Supply for Power Intensive Industries**

Particulars	Approved Tariff
<b>Metered 11 kV Supply</b>	
Demand Charge (Rs./ kVA/ Month) *	140
Energy Charge (Rs./ kVAh)	2.00
<b>Metered 33 kV and above Supply</b>	
Demand Charge (Rs./ kVA/ Month) *	135
Energy Charge (Rs./ kVAh)**	1.95
* Or part thereof on Billing Demand	
** Rebate to Connections at higher voltages: For 66 kV – 1.5% on the Energy Charge for 33 kV Supply.	

12.15 The billing demand for any month shall be taken to be the higher of the actual maximum recorded demand or 75% of the Contract Demand.

## Schedule 11: General Purpose Bulk Supply

### Applicability

- 12.16 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.
- 12.17 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 12-11: Approved Tariff for General Purpose Bulk Supply**

Particulars	Approved Tariff
<b>Metered 11 kV Supply</b>	
Demand Charge (Rs./ kVA/ Month) *	145.00
Energy Charge (Rs./ kVAh)	2.35
* For Connections above 100 kW supplied on LT, Additional 5% Surcharge on Demand and Energy Charges at 11 KV tariff shall be chargeable	
<b>Metered 33 kV and above Supply</b>	
Demand Charge (Rs./ kVA/ Month) *	140.00
Energy Charge (Rs./ kVAh)	2.30
* Or part thereof on Billing Demand	
** Rebate to Connections at higher voltages: For 66 kV – 1.5% on the Energy Charge for 33 kV Supply.	

- 12.18 The billing demand for any month shall be taken to be the higher of the actual maximum recorded demand or 75% of the Contract Demand.

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

### **Applicability**

- 12.19 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**

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

## A13: SCHEDULE OF MISCELLANEOUS CHARGES

13.1 The schedule for levying miscellaneous charges for 2008-09, as approved by the Commission is provided in Table 13-1.

**Table 13-1: Schedule of Miscellaneous Charges**

Sl.	Particulars	Approved
1.	For single phase and three phase connection up to 5 kW a) Changing meter Board in same premises. b) Changing meter at consumer's request in same premises. c) Re-sealing PDD's cut out in consumer's premises.	Rs. 50/- Rs. 50/- Rs. 15/-
2.	Re-sealing of meters, Maximum Demand indicators in consumer's premises a) Single phase LT connection. b) Three phase LT Connection. c) H.T. connection.	Rs. 40/- Rs. 60/- Rs. 500/-
3.	Meter testing charges at consumer's request. a) Single phase LT meter b) 3 phase, 4w/3w meter, without C.T. meter c) 3 phase, 4w/3w meter, with C.T. meter d) L.T. C.T meter e) HT meters (along with metering equipment)	Rs. 50/- Rs. 75/- Rs. 250/- Rs. 100/- each Rs. 1,000/-
4.	Special meter reading a) L.T. connection b) H.T. connection	Rs. 20/- Rs.200/-
5.	Replacement of burnt meter. (If burnt due to consumer's fault)	Cost of meter + 15% Supervision Charges
6.	Fuse off call charges – Replacement a) PDD's cut out fuse b) L.T. Consumer's fuse	Rs. 15/- Rs. 15/-
7.	Replacement of missing meter card	Rs. 10/- per card
8.	Replacement of broken glass of meter	Rs. 30/- per glass
9.	Reconnection/disconnection charge LT Consumers HT Consumers	Rs. 25/- Rs. 150/-
10.	Re-checking of installation on request of consumer a) Single Phase b) Three Phase	Rs.75/- per installation Rs. 225/- per installation
11.	Re-rating of equipment	Rs.100/- per equipment
12.	Supervision Charge for Service Connection (if Service line laid by consumer through licensed contractor) a) Single Phase LT Connections	

Sl.	Particulars	Approved
	b) Three Phase LT Connections c) Loop LT Connections	Rs. 175/- Rs. 350/- Rs. 80/-
13.	Parallel operation charge for availing grid support by CPP	Rs.16/- per kVA per month on the installed capacity of the CPP
14.	Shifting of connection	Actual cost of material + 15% Supervision Charge
15.	Hiring of utility's plant and equipment (i) For initial hire agreement period  (ii) For subsequent period of hire agreement  (iii) For L.T. consumers (more than 100 HP) converting to H.T.	1% p.m. on current schedule of rates. Twice of (i) Same as in (i) and (ii) above
16.	Transfer of name L.T. H.T.	Rs. 100/- Rs. 500/-
17.	Booklet for HT/LT Tariff	Rs.20/-
18.	Connection/ Disconnection Charges for Temporary Connections a) LT Temporary Connection b) HT Temporary Connection	Rs. 100/- Rs. 500/-



**A14: ANNEXURE****Annexure 1: List of participants in Public Hearings Held****Table 14-1: List of participants in Public Hearing held in Sriragar on May 31, 2008**

Sl.	Name	Organization/ Details
	S/Sh.	
1	Dr. Mobeen Shah	The Kashmir Chamber of Commerce & Industry.
2	Fayaz Ahmad	- do -
3	Abdul Majid	Kashmir Hotel & Restaurant Association
4	Siraj Ahmad	-do-
5	Shakeel Qalander	President, Federation of Chamber of Industries Kashmir
6	Iqbal Trumboo	Sr. vice President, Federation Chamber of Industry Kashmir
7	S. Afaq Qadri	Secretary General, Fed. Chamber of Industry Kashmir
8	Mukhmoor Gowhar	Secretary (Admn.), Federation Chamber of Industries.
9	Mohammad Ashraf Mir	Executive Member, FCIK President
10	Mohammad Altaf	Secretary Finance FCIK
11	Ghulam Mohammad Tramboo	Vice President Federation Chamber of Industries. FCIK
12	Gh. Jeelani	Federation Chamber of Industries. FCIK
13	Nayeem Khan	E/C member FCIK
14	Abid Ali	President I.E. Kashmir E/C member FCIK
15	Anujesh Dwivedi	PwC; consultant to the Commission
16	Nazir Ahmad	President I.G.C. Kasipora unit holds associate
17	Mohiuddin Reshi	President Industry Estate Zakura Srinagar
18	Azad Ahamad	Prop M/s M. Lal Rolling Mills, I.E.Zakura
19	Shashank Rath	PwC; consultant to the Commission
20	S.R.S Madni	Public Representative
21	Faiz A.Bakshi	Kashmir Hotel & Restaurant owners Federation
22	Gowhar Maqbool	-do-
23	Col. Balvinder Singh	HDCE 31 Zone (MES) Srinagar
24	K. Warmhin	FCIK
25	Nisar Hussain	C.E. 912 R.E (Kashmir)
26	R.K.Seli	Dev.Com. Power
27	A.R.Tak	Chief Engineer C&S
28	A.R.Guru	Chief Engineer S&O
29	Naveen Kumar	IFC, consultant to PDD
30	B.A. Dar	Tech. Officer of Dev. Comm.
31	A.K.Kachroo	Tech. Officer to Dev. Comm.
32	Muzafar Mathu	SE, M&RE North Circle
33	Malik Mansoor	SE, M&RE Circle IInd Srinagar.

Sl.	Name	Organization/ Details
34	Vinod Sharma	XEN ED-I, PDD
35	Hajee Ghulam Nabi Wani	President, Rice Mills Owners Association

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 14-2: List of participants in Public Hearing held in Jammu on June 2, 2008**

Sl.	Name	Organization/ Details
	S/Sh.	
1	R.K.Seli	DCP, PDD
2	A.R.Tak	Chief Engineer Commercial, PDD
3	Sonam Gailson	SE Circle, Jammu, PDD
4	Jatinder Sharma	XEN ED-I/II Jammu, PDD
5	Yoginder Sapru	XEN Commercial Div. Jammu, PDD
6	Joginder Singh	A.E.E (Commercial), PDD
7	Sanjeev Kumar Bhagat	A.E.E (Commercial), PDD
8	A.K.Koul	A.E.E P&MM/PDD wing Jammu, PDD
9	Shashank Rath	PWC; consultant to the Commission
10	Anujesh Dwivedi	PWC; consultant to the Commission
11	Vikram Gour	Public/ Representative
12	Tejwant Singh Reen	Gen. Secretary Association of SSI
13	S.K. Sharma	Senior Vice President BBIA
14	Devinder	Ex President BBIA
15	Colonel N Mukherjee	Commander HQ 135 Works Engineers Army, MES
16	B.R. Gupta	EE, HQ 135, Army, MES
17	Rajesh Jain	President, Association of small scale industries, Gangyal
18	Sanjay Mehra	Vice President , Bari Brahmna Industries Association
19	Annil Suri	President, BBIA
20	B.B. Talwar	Association of Small Scale Industries, Gangyal, Jammu
21	K.C. Sharma	Sr. vice President, Chenab Textile Mills
22	J.L. Mathrani	Vice President, Engineer Chenab Textile Mills, Kathua
23	Sanjay Sharma	AEE GreenBull, PDD
24	Parveen Kumar	Consultant to PDD, PFC
25	Hiralal Jain	EE Chief Engineer, Udhampur Zone
26	Ramesh Gupta	Chenab Oil Mills; and President, Traders Federation Ware House, Jammu
27	Representative	Atta Chakki Association, Jammu
28	K.K. Khosa	ASSI Gangyal
29	Bipin Sharma	ASSI Gangyal
30	Prahlad Singh	Atta Chakki mill

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Sl.	Name	Organization/ Details
31	M.L. Kalotra	XEN PDD III, Jammu
32	Ravi Kapoor	XEN M&RE, Division Kathua
33	Shiv Annand	AEE M&RES/ div. II Shastri Nagar
34	Sehje Ram	Atta Chakki Union
35	Om Parkash	Atta Chakki, Akhnoor
36	Representative	Akhnoor
37	P.K.Puri	XEN, STD II, PDD

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 participants in State Advisory Council Meeting

**Table 14-3: List of participants in SAC meeting held in Jammu on May 29, 2008**

Sl.	Name	Organization
	S/Sh.	
1	S.N. Barlas	PDD. (Spl. Secy)
2	R.K. Seli	DGP, PDD
3	A.R. Tak	Chief Engineer J&K PDD
4	D.S. Pawar	Chief Engineer M&RE PDD Jammu
5	Bilal Ahmad Kawoosa	Kashmir Chamber of Commerce and Industry
6	Vikram Gour	Member, State Consumer Protection Council; Jammu Consumer Council
7	D.R. Danish	President, Consumer Protection Organization
8	N.K. Dogra	President, All India Trade Union Congress
9	Vinod Bharti	Executive Engineer EM&RE Div. Vijaypur; PDD
10	C.C. Sharma	Executive Engineer EM&RE Div....
11	Gautam Kohli	Executive Engineer T.O. with CE M&RE Jammu
12	Sonam Gialson	S.E. M & RE, Circle-I, Jammu; PDD
13	Aftab Ahmad	C.E.(G) Kashmir, JKPDC
14	C.M. Jain	Consultant to JKPDC, S.R. Batliboi/ Power & Energy Consultants
15	Anujesh Dwivedi	PwC, Consultant to the Commission
16	Shashank Rath	PwC, Consultant to the Commission
17	Anil Suri	Chairman FOIJ, President, BBIA
18	Rajesh Jain	Co- Chairman, FOI, President ASSI
19	Tejwant Singh Reen	General Secretary, ASSI; Secretary General FOI
20	Rakesh Bhat	Coordinator, F.O.I.; General Secretary BBIA
21	Jatinder Sharma	Xen. Div-I & II, Jammu, PDD

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.

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