

BEFORE THE J&K STATE ELECTRICITY REGULATORY COMMISSION

JAMMU

PETITION NO. JKSERC/66 OF 2016

In the matter of:

Application for extension of Distribution Tariff of FY 2015-16 for a further period of one month i.e for the month of April 2016 for Jammu & Kashmir Power Development Department - Distribution.

CORAM:

Sh. Basharat Ahmad Dhar, Chairperson.

PRESENT ON BEHALF OF PETITIONERS.

1. Sh. Gul Ayaz, Development Commissioner (Power), Power Development Department, Janipur, Jammu.
2. Smt. Shahnaz Goni, Chief Engineer, Commercial & Survey Wing, PDD, Jammu.
3. Sh. S.K.Kaul, Superintending Engineer, Commercial & Survey Wing, PDD, Jammu.
4. Sh. Mohammad Sadiq Azad, Executive Engineer, Commercial Division, Jammu.
5. Sh. Azhar Vakil, AEE, DCP Office.

ORDER

(Passed on this 27th Day of April, 2016)

The Chief Engineer Commercial & Survey Wing, PDD Jammu has filed an application dated 07.04.2016 requesting for extension of Distribution

Tariff of FY 2015-16 for a further period of one month i.e for the month of April 2016. The extension has been sought on the ground of delay of more than three months in submission of the petition.

As per sub-Regulation (4) of Regulation 47 of J&K SERC (Conduct of Business) Regulations 2005 and sub-Regulation 2 of Regulation 12 of JKSERC (Multi Year Distribution Tariff) Regulations 2012, the Utility (JKPDD-D) is required to file the petition for True ups/APR/ARR/Tariff proposals before the Commission on or before 30th November, every year to give Commission a reasonable period of time viz. 120 days stipulated in the Act/Regulation to examine the proposal and to complete various prescribed procedural requirements which include putting the proposal in public domain, taking suggestions from State Advisory Committee and holding of public hearings at Jammu and Srinagar to elicit response of the stakeholders on the proposal of the Utility so as to have new tariff in position before beginning of the next financial year.

The brief history of the case in hand is that, advance notices were sent to the Petitioner for filing the Tariff Petition for the FY 2016-17 in time vide Commission's No.: JKSERC/Secy/27/2015/804-09 dated 15.10.2015. This was followed up by reminders. Instead of filing the Petition, the Utility on 07.12.2015 filed an application seeking extension upto

31st December, 2015 for filing the Petition, which was granted vide order passed on 11.12.2015. The Utility failed to file the Petition by 31st December and filed another application on 01.01.2016 seeking further extension upto 31st January, 2016. The Commission reluctantly agreed to extend the timeline for submission of the Petition till ending January, 2016. The Utility instead of filing the Petition, again approached the Commission seeking yet another extension upto ending February, 2016 for filing the Tariff Petition.

The Commission extended the time for filing tariff and other related petitions for FY 2016-17 twice but the Utility was not able to file the petition even after seeking two extensions. The Commission while passing the order on third (3) application on 19th February, 2016 had made it amply clear to the Utility that:

“even if the time period for filing the petition is extended and the Utility files the Petition by the end of February, 2016, the new tariff for the FY 2016-17 will not be available by 1st of April, 2016 as the Commission will not be able to issue the tariff order because of the time period required to complete various procedural requirements as stipulated in the Act/Regulations before issuance of the new tariff order. Unfortunately, it seems that the Utility is not able to appreciate the implications of the inordinate delay

in the submission of the Petition. The Utility will be solely responsible for any adverse effects of delayed filing of the Petition. The Utility shall therefore take a call on how they propose to deal with the tariff issue after 1st April, 2016 when the applicability of the prevailing tariff order expires.”

The Utility finally submitted the petition for Aggregate Revenue Requirement for the second MYT Control Period FY 2016-17 to FY 2020-21 and Tariff Proposal for the FY 2016-17 for Distribution segment of Jammu & Kashmir Power Development Department on 03.03.2016. Keeping in view the time constraints, the Commission admitted petition on 09.03.2016 subject to furnishing of additional information to fill the data gaps as pointed out to the petitioner. The Commission without wasting any time, simultaneously initiated action and completed the requisite formalities prescribed for determination of the Distribution Tariff. This included holding of Public Hearings, meeting of SAC, notifying the proposal for seeking response of the stakeholders etc.

As the petitioner had failed to sufficiently respond to additional information sought by the Commission despite repeated reminders, the Commission vide letter No.:JKSERC/Secy/52/2015/52-54 dated 12th April, 2016, sent a last reminder to the Utility for furnishing of the necessary information sought by the Commission, particularly the certified

information/documentary evidence of the budgetary allocation from GoJK for meeting the revenue gap projected by the Utility for FY 2016-17. The Utility instead of furnishing the required information, filed another petition before the Commission seeking extension of applicability of Distribution Tariff of FY 2015-16 for a further period of one month i.e for the month of April 2016.

The case came up for hearing today. During the hearing, the Utility filed another application seeking further extension in time to furnish the requisite information to the Commission on the ground that the letter from the Govt. of J&K confirming budgetary support is awaited and is likely to take some more time. The petitioner also requested to extend the applicability of the Tariff Order of FY 2015-16 by a period of three months i.e. end of June, 2016 in order to enable the Utility to raise energy bills for period beyond 1st April, 2016 when the validity of the Tariff Order of FY 2015-16 expired.

The Commission takes strong objections to the fact that the Utility has time and again failed to adhere to the timelines of Regulatory filings as stipulated in the J&K Electricity Act, 2010, Conduct of Business, Regulations 2005/MYT Distribution Tariff Regulations, 2012. The Commission directs the petitioner to file the petitions on time, in the future. If the petitioner fails to do so, the Commission shall be forced to initiate Suo-moto proceedings for determination of tariff besides taking penal action against the Utility. In the meanwhile, in view of the position explained by the petitioner

and also keeping in view the fact that the applicability of the Distribution Tariff notified by the Commission vide Order No.: 39-JKSERC of 2015 dated 18th August, 2015 has expired on 31st March, 2016 and no tariff is available for the Utility to raise energy bills w.e.f. 1st April, 2016 onwards for FY 2016-17, the Commission extends the applicability of the Tariff Order of JKPDD Distribution notified vide Order No.: 39-JKSERC of 2015 dated 18th August, 2015 beyond March 2016 upto end of June 2016, unless the order is amended or modified by an order of this Commission. Any adverse impact on the revenues of the Utility due to delayed filing of the petition and seeking repeated extensions of the applicability of the tariff order shall be to the account of the Utility and shall have to be absorbed by the Utility.

Petition is disposed of accordingly.

Announced: 27.04.2016

Sd/-
(Basharat Ahmad Dhar)
Chairperson

No. JKSERC/Secy/05/2016/168-70

Dated:28.04.2016

Copy to the:-

1. Commissioner/Secretary, Power Development Department, J&K Govt. Jammu.
2. Development Commissioner (Power), PDD, Jammu.
3. Chief Engineer Commercial & Survey Wing, Jammu.

Sd/-
Deputy Secretary (Law),
J&K State Electricity Regulatory Commission
Jammu