



Government of
Jammu & Kashmir

**POWER
BUDGET
SPEECH**
2015-16

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POWER BUDGET 2015-16

1. A separate power sector budget for the State from 2015-16 is a landmark initiative of the new government. The reasons are mainly three fold. First, sustainable development of energy resources coupled with reforms in the power sector in a definite time frame. Second, supply of 24x7 quality, reliable and affordable power to all Domestic, Commercial and Industrial consumers. Third, which is structurally intertwined with the reforms, is containment of our fiscal deficit and unleashing of a new era of development.
2. Power sector development holds the key to fiscal autonomy of our state. Our Government accords the top most priority to the Power Sector. We want to address the issues of the sector in their full spectrum. It may sound a bit alarmist but the precarious state of affairs in respect of gap between power purchase

and actual revenue realization cannot be allowed to continue. It is the duty of the Government to ensure supply of power, but it is also the obligation of the people to pay for power. The Government proposes to tackle the formidable gap between power purchase and revenue realization through different measures, apart from provisioning of resources for purchase of power.

3. State of Jammu and Kashmir is bestowed with significant hydro electric power and solar energy potential. When exploited fully, it will provide a strong impetus for the growth of the economy of J&K. Development of this potential would need huge resources, technical expertise, reforms, proper regulation and energy management.

4. GENERATION

- 4.1 The Government would address the bottlenecks in hydel generation projects

of different capacities for which identified potential in the State is of the order of 20000 MW. Water as an embedded value for the hydel projects can vest with the entities of the State such as the J&K State Power Development Corporation Ltd (JKSPDC). JKSPDC can make bankable projects based on this resource and by going public. Such models of faster development where people of the State could hold direct stake in the corporate entities through market mechanism would be explored as an option for faster development of hydel power. The Government would consider offering some percentage of State Government share in JKSPDC to stakeholders and list JKSPDC shares in the stock market. Option of setting up of a J&K Power Finance Corporation would also be explored.

- 4.2 Solar power projects in Ladakh within the scope of 7500 MW earmarked by the Central Government would be developed by the Power Development Department within the framework articulated by the Central Government, while keeping in mind the interests of stake-holders. The Government would explore the option of bundling of costlier solar power with cheaper thermal power from the Central Government pool to make solar power projects financially viable.
- 4.3 This budget provides for State share in Joint Venture power generation projects of different types namely, hydel, coal based thermal and solar. This budget provides for conduct of preliminary work for the proposed coal block in Madhya Pradesh and the associated pit-head

thermal power plant. Preliminary work on the Ultra Mega Power Projects (UMPP) to be negotiated with the Central Government would be undertaken. The Government would actively pursue transfer of hydel power projects from NHPC and this budget provides funds for meeting the operation and maintenance cost of such power projects to be transferred from NHPC.

Present Position of Power Generation

State Sector Projects

- 4.4 During past five decades considerable work has been done in Power Sector within the limitations imposed by the resources and other constraints. The installed capacity in the state, thermal as well as Hydel, is 969.96 MW (208 MW Thermal + 761.96 MW Hydel). The prestigious Baglihar Hydro Electric

Project, with a capacity of 450 MW was commissioned during 2008-09. During 2008-09, 2009-10, 2010-11 2011-12 & 2012-13 & 2013-14 1630.115 MUs, 3379.489 MUs, 3647.41 MUs, 3786.434 MUs, 3864.434 MUs of energy was generated respectively from the power projects under operation with JKSPDC. The energy generation for the year 2014-15 is estimated to be 3927.714 MUs.

- 4.5 During 10th five year plan, no additions have been made to power generation but in the 2nd year of 11th Five year plan Baglihar- I with capacity of 450.00 MW was added to the State Power Generation. During 11th Plan 1.26 MW of Sanjak MHP has been added besides augmentation of Bhaderwah MHP by 0.5 MW. During 12th FY 1.5 MW has been added by augmentation of Pahalgam

MHP in 2013. Thus the aggregate capacity of 761.96 MW hydel power in the state sector is available to the state, which is helping the state to overcome the power scarcity to some extent.

- 4.6 The machines of the old power houses have outlived their lives in most of the stations and require renovation and modernization. The upper Sindh Hydel Project-II with an installed capacity of 105MW (35x3 MW) was being operated for a capacity of 70 MW only due to reduced availability of water as result of damages to Wangath Link Canal. The construction of an alternate tunnel water conductor has been taken up as per the advice of CWC for restoration of the project to its design capacity of

105 MW. Work is expected to be completed by August 2015.

4.7 The net hydropower generated by different Power Houses in the State Sector adds upto approx. 3928 million units.

4.8 Roadmap drawn by JKSPDC.

4.9 As per the load projection/forecast 18th Electric Power Survey of India report published by the Ministry of Power, GoI, J&K shall have a peak load of 4217 MW in 2021-22 with an energy requirement of 21884 MUs. In this backdrop, JKSPDC has drawn up a roadmap for systematic capacity addition in the 12th/13th plan which will not only bridge the supply demand gap but turn the state into an energy surplus state thus reaping the

dividends of its large hydel potential.
The summary of the road map is as
under :

S.No	Sector	No. of Projects	Capacity (MW)
i.	State sector	15	6263 (includes 3 projects of Joint Venture Company of 2220 MW)
ii.	Central sector	5	1859
iii.	IPP (Big) Ratle	1	850
iv.	IPP (Small)	36	372.50
	Total:	57	9344.50W

4.10 The execution of the projects proposed in the roadmap entails an investment of more than Rupees one lakh crore in all sectors, namely State, Central, Joint Venture and Private. The projects in the State Sector including JV projects would need an investment of about ₹ 60,000 crore. Based on an equity : debt ratio of 30:70 there would an equity requirement of ₹ 18000 crore and a debt of ₹ 42000 crore during the coming decade.

4.11 Central Sector Projects

4.12 In the Central sector, during the first year of 11th Five Year Plan i.e. 2007-08, Dulhasti Power Project, Kishtwar with the capacity of 390 MW and 120 MW Sewa II were commissioned which increased the power generation in central sector from 1170 MW to 1680 MW. Further during 2013-14, 45 MW Nimo Bazgo, 44 MW Chutak & 2 units of 240 MW Uri II were commissioned increasing the installed capacity of Central Sector Projects to 2009 MW. This capacity stabilizes the State Power situation as State has entitlement of 12 percent free power from these projects. The Government would actively pursue enhancement of the free power entitlement.

4.13 It may be mentioned that the installed capacity of Power Houses under Central sector as of now is 2009 MWs.

4.14 Allocation of Coal Block for Setting up of 660 MW Thermal Project

JKSPDC has been allocated coal block (Kudnali Laburi in Odisha) jointly with NTPC. It has an allocated geological reserve of 130 and 266 Million Metric Tonnes between JKSPDC and NTPC respectively. Pursuant to the decision of its Board of Directors, JKSPDC engaged M/s SBICAPS as consultant to carry out viability and sensitivity analysis of various options and advise on the way forward essentially with regard to location of the end use plant. SBICAPS has furnished a report which states that with a coal availability of 3.40 million tonnes per annum (assuming that

extractable coal reserves would be 60-70 % of geological reserve of 130 MT for 25 years), the installed capacity works out to 660 MW (supercritical unit). Net financial impact by locating the project in J&K vis-a-vis in Odisha is estimated to be ₹ 700 crore per annum which translates to over ₹ 18000 crore over the lifetime of the project. JKSPDCL is going to enter into JV arrangement with NTPC for both coal mining and power generation.

5. TRANSMISSION AND DISTRIBUTION (T&D)

5.1 Transmission and Distribution of power is looked after by the Power Development Department. Effective and efficient Transmission and Distribution is as vital as the generation of power. The need of power in the State is growing, so does the generation. In order to

transfer power from point of generation to point of consumption effectively, the Transmission and Distribution infrastructure needs development. The infrastructure of Transmission and Distribution serving the State consists of four transformation capacities of different voltage levels i.e. 220/132 KV level, 132/66-33 KV level, 66-33/11 KV level and 11/0.04 KV level.

5.2 Transformation capacity of 3730 MVA was available at 220kV level and 4163MVA at 132kV level by the end of year 2013-14. The infrastructure available to meet the transmission of estimated demand at the end of 12th plan is not adequate enough in the State. There is an urgent need to upgrade the Transmission and Distribution infrastructure so that future

needs of T&D can be fulfilled effectively. In the wake of thrust on generation of more and more power in the State by undertaking the fresh projects, the need for such T&D network needs immediate attention. The infrastructure capacity required at 220/132kV level to meet the anticipated peak demand is 5160 MVA ending 2016-17, there will be a gap of 1430 MVA at the end of 12th five year plan which is to be met out in phased manner. Likewise, the estimated requirement of transformation capacity at 132/66-33kV level at the end of 12th plan will be 6192.00 MVA leaving a gap of 2029MVA and at 66-33/11kV level will be 7431 MVA leaving a gap of 2539.70MVA and at 11-6.6/0.4kV will be 8917 MVA leaving a gap of 3094.36 MVA which is to be provided in phased manner during the 12th plan.

5.3 Around 9000 MW capacity generation is under execution under state sector, central sector, IPP mode and Joint Venture out of which around 2100 MW is scheduled to come up by the end of 12th five year plan. The state has to prepare evacuation system for this generation capacity addition. Considering the roadmap of JKSPDC for state, IPP and JV projects, approximately ₹ 2500 crore would be required for evacuation of power. It is also required that for evacuation of Ladakh based solar and hydel power, additional transmission lines would be required. The ongoing 220KV Srinagar-Leh Transmission line would be highly inadequate. For the 7500MW Solar projects, approximately ₹ 10000 crore may be involved, considering the fact no feasibility study has been taken up yet.

Further, the requirement of the transmission sector for the entire state from the 24x7 Power For All perspective works out to approximately ₹ 4054 crore. The total perspective plan for Transmission sector, thus would be of the order of ₹ 16554 (₹ 2500+ ₹ 10000 + ₹ 4054) crore.

5.4 Transmission Capacity available

Capacity at 400/220 KV Level (MVA):
Owned & operated by PGCIL

At 400kV level, availability at present is 3465 MVA. The transmission at 400kV level is looked after by Power Grid Corporation of India Ltd. (PGCIL). Power Grid has commissioned two new 400/220kV Sub Stations at New Wanpoh and Samba. However outgoing lines which will interconnect these sub stations with the state transmission system are not constructed as yet. Powergrid has been approached through

various fora at national level to take up the construction work so as to ensure that benefits of these sub stations reach the people. After Commissioning of New Wanpoh and Samba Grid Substations the available capacity at 400kV level has increased to 3465 MVA while as the available transformation capacity at 220/132kV level and 132/33kV level is 3730 MVA and 4163 MVA respectively. Besides, the reliability of power supply to Kashmir valley is also a major concern since the power supply is through 220kV & 400kV transmission lines which are passing through same corridor which is highly prone to snow and wind storms.

6. Prime Minister's Re-construction Plan (PMRP)

73 projects under T&D (PMRP) were taken up during financial year 2004-05. 52 projects have been completed, 7 projects are likely to be completed during 2014-15 (3 Transmission lines and 4 optic fibre projects executed

through PGCIL on turnkey basis) and 4 projects are likely to be completed during F.Y. 2015-16. The aim of the scheme is to strengthen T&D System under PMRP, to add and augment transmission capacity in the T&D network of J&K State at 220 KV and 132 KV level. Project cost in 2008 was ₹ 1351.00 crore and the cumulative expenditure ending March 2014 is ₹ 1134.05 crore. For completion of these projects an additional amount of ₹ 172 crore is to be provided by Ministry of Finance, Government of India based on the recommendation of Central Electricity Authority, Ministry of Power, Govt of India.

7. Other reforms initiated in power sector :

The Department is endeavouring to improve its performance level in the direction of power reforms and has already initiated in the infrastructure building by enacting J&K new Electricity Act 2010. Un-bundling of the T&D

functions of the PDD as approved by State Cabinet earlier is under progress. A consultant for the purpose has been engaged. A Transco, a Tradeco and 2 Distribution companies stand incorporated with the Registrar of Companies under the Companies Act 1956. While 3% p.a. of T&D losses reduction are currently underway under R-APDRP in approved 30 towns with population 10,000 and above as per Census 2001, the T&D losses reduction in other areas is proposed to be taken up under National Electricity Fund Scheme. The new Integrated Power Development Scheme (IPDS) is under formulation at cost of approximately ₹ 1000cr for the State. 10% of this amount is to be provisioned by the State under Plan in coming three years.

8. Improvement and Strengthening of existing HT/LT System:

The Department has introduced HT/LT improvement scheme during financial year

2013-14, 2014-15 and proposed for continuation in 2015-16. The objective of the scheme is to replace the rotten poles and un-serviceable/unauthorized conductors at 11 KV and below. The most vulnerable lines which pose risk to life and property shall be taken on priority. The scheme shall cover all the areas not covered under R-APDRP or any other scheme.

9. Re-structured Accelerated Power Development & Reforms Programme (R-APDRP)

Government of India launched R-APDRP in the year 2009 on 90:10 funding basis. The programme has two components; PART-A and PART-B. The estimated cost of Part-A is ₹ 191.25 crore and the estimated cost of PART-B is ₹ 1665.27 crore. It covers 30 towns in Jammu and Kashmir including twin cities of Jammu and Srinagar. Over all objective of the programme is to reduce the AT&C losses

in the towns covered in the programme to 15%. The 10% State share needs to be provided.

10. Rajiv Gandhi Grameen Vidutikaran Yojana (RGGVY)

RGGVY has been completed in erstwhile 12 districts of the State and is likely to be completed/closed in district Jammu and Leh by March 2015. 5674 hamlets, 2896 partially electrified villages have been electrified apart from 223 Un-electrified/De-electrified villages. The Phase-II of RGGVY have been approved for three districts, namely Doda, Kishtwar and Ramban. For rest of the State the new scheme called Deen Dayal Upadhyay Gramin Jyoti Yojana (DDUGJY) will cover. For DDUGJY also State share of 10% is to be contributed.

11. Transformer Bank

Funds would be provided for strengthening of Transformer Banks in Jammu and Kashmir

Wings of E&MRE. Further, modern workshops would also be set up.

12. Meter Testing Facility

NABL accredited meter testing facilities would be set up across the State. This would increase reliability of the energy audit system and consumer satisfaction. State of the Art mobile testing laboratories would be set up in Jammu and Srinagar for periodic testing of high end consumers and PDD grid stations.

13. Power Deficit:

J&K suffers from deficit of various kinds which include energy deficit, financial deficit etc.

Demand and Availability of Energy

Year	2012-13	2013-14	2014-15
Energy Requirement	17669.40	18022.38	18562.00
Restricted Energy Availability	12054.59	12666.00	13459.00
Energy Deficit	5611.90	5356.38	5103.00
Energy Deficit (%)	31.22%	29.72%	27.49%

Demand and Availability of Peak Power

Year	2012-13	2013-14	2014-15
Peak demand	2550	2600	2657
Peak Met	1817	1991	2050
Peak Deficit	733.00	609.00	607
Peak deficit %	28.75	23.42	22.84

It can be seen that both energy deficit and peak deficit have been reduced considerably in recent years. Despite improvement, the energy deficit is of the order of 27% and peak deficit is of the order of 23% which implies that there is energy curtailment of the order of 8 hours in the state, which is source of concern given the harsh climatic conditions in the state.

14. Application of Information Technology

To improve the power supply various initiatives are being initiated which includes:

- a. Optic Fibre Connectivity between grid stations and generating stations.

- b. Computerization of the billing and revenue collection.
- c. Implementation of SCADA in Jammu and Srinagar cities.
- d. Implementation of ULDC in respect of town of Jammu and Srinagar.
- e. Real time collection of all the energy data and revenue data through the Common server and inspections.
- f. Compliant metering process. The process of metering has suffered due to non-compliant environment which has hampered the metering and other initiatives.
- g. Personnel management information system.

15. Operation & Maintenance

Power Development Department has maintainable assets valued at about ₹ 7000.00 crore including about 48000 no. of transformers across the State. The damaged transformers are generally repaired from the

Departmental Workshops but during the harsh weather seasons, these are also outsourced and repaired through registered SSI units in the J&K, in order to maintain the smooth supply of power and to reduce the period of replacement of damaged transformers. The main reason for damage of transformers is overloading. Against registered load of 2500 MU in the state, the demand at 0.5 load demand factor should not exceed 1250 MW. But the consumers use unauthorized load due to which unrestricted demand is as high as 2600 MW which indicate that actual registered load should be 5200 MW. The department fully provides for authorized load. However, it also meets unauthorized demand which is not sustainable in long run. The maintenance cost of these assets of the PDD requires at least 3% cost of assets, which is about ₹ 210.00 crore per annum, whereas actual availability under non plan as of now is ₹ 41.00 crore annually.

16. Human Resources Management in Power Sector

Human resources management in the power sector is a formidable bottleneck. Power sector utilities and the Department face skill scarcity at different levels. For undertaking a focused skill development programmes for youth to contribute in the development of power sector and also for retraining the departmental personnel of different categories, the Government proposes setting up of a dedicated institution under the name, Chenab Power Management and Training Institute. Start-up funds for the same would be provided. The Government would aim at streamlining management of various cadres. Creation of posts of personnel of different categories based on standard norms for assets under management would be done.

17. Metered / Registered Connections

As per Census 2010-11, the number of households in the State were 20,15,088 and 17,53,201 households avail electricity.

However, 15,72,815 consumers are registered with the PDD ending 2013-14.

Status of yearwise consumers registered with the Department

S. No.	Year	Cumulative Households connected	Cumulative Number of connections
1	2006-07	1012135	1192698
2	2007-08	1021770	1202649
3	2008-09	1035284	1218036
4	2009-10	1051760	1239180
5	2010-11	1085415	1277369
6	2011-12	1130951	1332036
7	2012-13	1274885	1490696
8	2013-14	1346021	1572815
9	2014-15 (E)	1413322	1659320

To increase the revenue and meet out the deficit, all the illegal households consuming power without department's knowledge are being identified, booked and brought under the department's registration network.

Details of Electronic Meters installed in the State

S. No.	Year	Jammu	Kashmir	Total
1	2006-07	66403	82803	149206
2	2007-08	115382	155568	370950
3	2008-09	204072	207241	411313
4	2009-10	247272	207241	454513
5	2010-11	282739	226946	509685
6	2011-12	303157	285537	588694
7	2012-13	374834	324542	699376
8	2013-14	424353	325955	750308

* Including Ladakh.

Funds will be provided for achieving full coverage of consumers under meters.

18. Per Capita consumption of power

Per capita consumption in J&K State has shown steady growth and is presently around 950 units which is nearly at par with national

average. Due to extreme climatic conditions in most parts of the state the per capita consumption is low. The issue needs to be addressed by increased generation for which the state has framed ambitious plans to add 9000MW during 12th& 13 Plan period.

S.No	Year	Per Capita Consumption (kWhr)
1	2001-02	552.66
2	2002-03	603.22
3	2003-04	669.37
4	2004-05	667.44
5	2005-06	703.80
6	2006-07	715.24
7	2007-08	742.80
8	2008-09	759.03
9	2009-10	841.85
10	2010-11	849.98
11	2011-12	868.39
12	2012-13	927.86
13	2013-14	952.34
14	2014-15 (E)	993.04

19. J&K State Electricity Regulatory Commission

Funds would be provided for J&K SERC for its various activities.

20. Energy Efficiency

Focus on improving energy efficiency and demand side management is of prime importance. Apart from concentrating upon timely energy audit with accountability of personnel and substantial reduction of AT&C losses, the government would also focus on promotion of sustainable lighting devices. Launching of LED based lighting devices promotion scheme on pilot basis in the three regions of the State would be taken up.

21. POWER PURCHASE & PENDING LIABILITIES
REVENUE REALIZATION:

Revenue realization from the consumers on account of tariff has always been a matter of concern. Even though there has been a gradual increase in the recovery since 1996-97 as is evident from the information tabulated below, yet the same has not been able to cope up with the gap, between cost of

supply/purchase of power and the revenue realized.

(₹ in crore)

S.No	Year	Targets	Achievements
1.	1996-1997	95.95	54.33
2	1997-1998	120.00	94.76
3	1998-1999	184.00	112.64
4	1999-2000	250.00	230.00
5	2000-2001	306.00	277.00
6	2001-2001	445.70	268.34
7	2002-2003	485.70	323.20
8	2003-2004	506.36	342.63
9	2004-2005	588.12	398.77
10	2005-2006	735.95	437.21
11	2006-2007	711.64	455.48
12	2007-2008	792.64	693.24
13	2008-2009	1105.00	737.51
14	2009-2010	1197.91	823.96
15	2010-2011	1259.61	950.40
16	2011-2012	1549.82	1200.16
17	2012-2013	2011.47	1693.51
18	2013-2014	3344.60	1714.25
19	2014-2015	3508.62	1527.67 up to Feb 2015

The issue of revenue realization is to be seen in the context of tariff orders passed by the J&KSERC, T&D losses, subsidies (gap in revenue realization) allowed by J&K SERC,

billing efficiency and collection efficiency. The Finance Department has kept a revenue target of ₹ 3508.62 crore for current financial year 2014-15, but actual recovery on account of electricity tariff (including ED) ending February, 2015 is only ₹ 1527.67 crore (tentative).

The following table represents the subsidies allowed by JKSERC based on the tariff petition filed by the Department with approval of competent authority in the Government. The implication of inbuilt gap (subsidy) is linked to the policy directions of Government to the Department. On a rough calculation basis, the ₹ 4782.36 cr worth of power purchased by the Department this year up to January, 2015 would have an inbuilt non-realization component linked to this gap. The average cost of power purchase this year up to

January, 2015 is ₹ 3.78 per kWh (unit). The Department has purchased energy up to January 2015, worth ₹ 466.83 crore and ₹ 4315.53 crore from JKSPDC and from non-J&K State Generating Companies.

Consumer Categories	Approved Average CoS at approved loss level ₹/kWh	Approved Average Tariff ₹/kWh	Gap ₹/kWh	Gap %
Domestic	7.25	2.34	4.91	68%
Non-Domestic/ Commercial	7.25	3.84	3.41	47 %
State/Central Govt. Dept.	7.25	6.27	0.98	14 %
Agriculture	7.25	3.40	3.85	53%
Public Street Lighting	7.25	5.04	2.21	30 %
LT Public Water Works	7.25	3.97	3.28	45 %
HT Public Water Works	7.25	5.15	2.10	29 %
LT Industrial Supply	7.25	3.35	3.90	54 %
HT Industrial Supply	7.25	4.0	3.25	45 %
HT-PIU Industrial Supply	7.25	4.65	2.60	36 %
General Purpose/ Bulk Supply	7.25	5.28	1.97	27 %
Average	7.25	3.56	3.69	51 %

Year wise expenditure on power purchase is given below.

Table. Year-wise Expenditure on purchase of Power and other expenses

S.No	Year	Expdt. on purchase of power from CPSUs	From PDC	Total Expdt. on purchase of power (3+4)	Other Expdt (Est., O&M, Dep., Int.)	Total (5+6)
1	2	3	4	5	6	7
1	2003-04	1343.15	107.72	1450.87	212.44	1663.31
2	2004-05	1339.62	103.88	1443.50	276.01	1719.51
3	2005-06	1671.51	124.76	1796.27	232.03	2028.83
4	2006-07	1415.45	129.86	1545.309	320.28	1865.59
5	2007-08	1744.33	82.251	1826.581	409.77	2236.35
6	2008-09	1459.496	339.307	1783.696	409.44	2193.13
7	2009-10	1996.712	546.697	2543.409	492.09	3035.499
8	2010-11	2157.63	654.79	2812.42	536.87	3349.29
9	2011-12	3051.022	710.33	3761.52	690.49	4452.01
10	2012-13	3510.851	592.233	4103.084	687.42	4790.504
11	2013-14	3989.207	482.457	4471.964	665.57	5137.53
12	2014-15 (up to Jan 2015)	4315.36	466.83	4782.36 (₹ 4163 crore yet to be paid)		

Water Usage Charge

The Water usage charges are Government levy under Order No. WRRRA/01/2011 dated

1st February 2011 passed by the State Water Resource Regulatory Authority, Government of Jammu & Kashmir and has to be paid for all hydro stations.

The situation gets further complicated when the basis of tariff order of JKSERC is considered. The tariff order takes into account T&D losses and energy requirements year-wise as mentioned below. However, the actual figures are much higher, leading to further erosion in revenue realization. For streamlining the power purchase and the load dispatch mechanisms in our State through separation of these activities and maintenance of arm's length distance between the buyer and the consumer.

Table : Approved Loss Trajectory (in %) by JKSERC

Description	2012-13	2013-14	2014-15	2015-16
Transmission Losses	4.05%	4.00%	4.00%	4.00%
Distribution Losses	44.5 %	43.0%	41.4 %	40.0%
Aggregate T&D Losses	46.76% <i>(actual T&D loss was 57.37 %)</i>	45.26% <i>(actual T&D loss was 54.57 %)</i>	43.76% <i>(actual T&D loss in 1st Qtr was 47.26 %. Post-floods it has gone up in next Qtrs)</i>	42.26%

Table: Energy Requirement (in MU) for the Multi Year Tariff Period approved by JKSERC

Particular	2013-14	2014-15	2015-16
Energy Req'd. @ State Periphery	10,254 (actual purchase by PDD: 12769)	11,580 (actual purchase by PDD upto Jan 2015 12668, expected to be 13900 for the year)	11,303

Current Situation of Power Purchase Financing.

Position of unpaid cheques/bills: The following cheques/claims of PDD are pending at treasuries:-

- a. Power Purchase cheques of CPSUs/JKSPDC.
 - For 2013-14 = ₹ 100.085 crore.
 - For 2014-15 = ₹ 693.472 crore.
- b. Other claims pertaining to JKSPDC (Hundies) = ₹ 151.67 crore
- Total = ₹ 945.227 crore

Amount pending on account of power purchase: The position of funds authorized by the Finance Department and the funds released by Administrative Department is given below:-

(₹ in crore)

Detailed head	Detailed head description	BE 2014-15	Amount authorized by FD	Amount released by Adm. Deptt.
216	Purchase of power (CPSU)	3117.50	2117.75	2117.75
219	Purchase of power from PDC	550.00	275.00	200.00
224	Fuel for Gas Turbine	0.50	0.25	0.00
	Total	3668.00	2393.00	2317.75

The balance of ₹ 1275.75 crore out of sanctioned provision of power purchase is yet to be released during current Financial Year.

Liabilities of power purchase: The actual power purchase liability of department is ₹ 6266.13 crore. However, if proposed adjustment of ₹ 2102.23 crore against plan grants to JKSPDC is reduced, then power purchase liability of the department is ₹ 4163.90 crore as per break up given below:-

- | | |
|---------------------------|-------------------|
| i. CPSUs | = ₹ 3001.61 crore |
| ii. JKSPDC | = ₹ 649.83 crore |
| iii. UI/deviation charges | = ₹ 512.45 crore |

Revenue:- Against targeted revenue of ₹ 2390.00 crore (including ED) ₹ 1527.67 crore has only been realized ending February 2015. The revenue recovery has been hit badly by rains/flood during September, 2014.

Reasons for widening gap between power purchase bill and the revenue realization are briefly as under:-

- i. Low tariff for sale of power.
- ii. High T&D losses assessed.
- iii. Un-controlled and un-accounted consumption of power beyond the agreed load by the consumers, as most of the installations, post-floods are un-metered. Even the metered connections do not indicate the correct position of the consumption of power, because the meters are either non-functional or sluggish. Although the process of metering of consumer installation by installations of Electronic Meters was introduced, yet metering of all the consumer installations is likely to take some time.
- iv. The non camp temporary installations of Security Forces have been consuming electricity without registered connections. The energy thus

- consumed by the Security Forces goes un-accounted and un-paid.
- v. No realization is made on energy consumed by the Migrant Camps.
 - vi. Power consumption on account of public lighting is a legitimate charge on the Municipal Corporations, Municipal Committees and other Local Bodies in whose jurisdiction the power is consumed. But, unfortunately, there is no realization on this account. The Department, in addition to this is also bearing the maintenance cost of the street light.
 - vii. Electricity tariff due from the State Departments also does not get fully paid.

Taking above factors into account, the revenue realizable for FY 2014-15 would be ₹ 1800 crore approx. For the year 2015-16, the budget provides for meeting the power purchase bills and liabilities.