

Joint Electricity Regulatory Commission for UT of Jammu & Kashmir and UT of Ladakh



Order

on

**ANNUAL PERFORMANCE REVIEW OF FY 2023-24, ARR OF FY 2024-25 & TRANSMISSION
TARIFF FOR FY 2024-25**

June 2024

JAMMU AND KASHMIR POWER TRANSMISSION CORPORATION LIMITED

Joint Electricity Regulatory Commission for UT of J&K and UT of Ladakh

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**Before the
Joint Electricity Regulatory Commission for the UT of Jammu & Kashmir and the UT
of Ladakh**

Petition No. JERC/05 of 2024

In the matter of:

Petition under Sections 61, 62, and 64 of the Electricity Act, 2003, and under the JERC for UT of J&K and Ladakh (Conduct of Business) Regulations, 2022, for approval of annual performance review of FY 2023-24, aggregate revenue requirement of FY 2024-25 and tariff proposal for FY 2024-25 of Jammu and Kashmir Power Transmission Corporation Limited

And

In the matter of:

Jammu and Kashmir Power Transmission Corporation Limited,
Office of the Chief Engineer (Transmission), JKPTCL
220 kV Grid Station Complex, Narwal Bala, Gladni, Jammu

Coram:

**Shri. Lokesh D Jha, Chairman
Shri. Mohd. Rafi Andrabi, Member (Finance)**

**ORDER No. JERC/04 of 2024
(Passed on 26-06-2024)**

1. This Order relates to the Petition for annual performance review of FY 2023-24, aggregate revenue requirement of FY 2024-25 and tariff proposal for FY 2024-25 filed by the Jammu & Kashmir Power Transmission Corporation Limited (JKPTCL) for its transmission business (hereinafter referred to as JKPTCL, or Petitioner, or Licensee) before the Joint Electricity Regulatory Commission for the UT of Jammu & Kashmir and the UT of Ladakh (hereinafter referred to as JERC or Commission). The Petition was filed as per the provisions contained in Joint Electricity Regulatory Commission for the state of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2018 and Joint Electricity Regulatory Commission for UT of J&K and UT of Ladakh (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2023 (hereinafter referred to as MYT Regulations, 2018 and MYT Regulations 2023).
2. In exercise of the powers conferred by sub-section 5 of section 83 of the Electricity Act 2003 (36 of 2003), the Central Government constituted Joint Electricity Regulatory Commission for the Union Territories of Jammu and Kashmir and Ladakh (herein referred as "Commission") vide S.O. 1984(E) dated 18th June 2020.

3. The Commission is a statutory body with quasi-judicial status, constituted under the first proviso of Section 83 of Electricity Act 2003. The Commission is a two-member body designated to function as an autonomous authority responsible for regulation of the power sector in the Union Territories of Jammu & Kashmir and Ladakh.
4. All proceedings before the Commission are deemed to be judicial proceedings within the meaning of sections 193 and 228 of the Indian Penal Code and the Commission is deemed to be a Civil Court for the purposes of sections 345 and 346 of the Code of Criminal Procedure, 1973. The Commission has the power to act as arbitrator or nominate arbitrators to adjudicate and settle disputes arising between licensees.
5. The Commission vide Gazette Notification No. JERC-JKL/Tech-13/2021 dated 31st March 2021, notified "JERC for UT of J&K and UT of Ladakh (Adoption of various Regulations of JERC for the state of Goa and UTs) Regulations, 2021". Vide these Regulations, the Commission adopted various Regulations of JERC for the state of Goa and UTs with amendments up to date for one year or till replacement of corresponding regulation framed by the Commission. The Commission adopted "JERC MYT Goa and UTs (Generation, Transmission and Distribution) Regulations, 2018" applicable for determination of tariff for all the Generation companies, Transmission Licensees and Distribution Licensees in UT of J&K and UT of Ladakh.
6. The Commission vide Suo-Moto Order No. 57 of 2021 dated 1 December 2021 by exercising its powers to amend (Regulation 70.1 of the Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2018), extended the adopted Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2018 till FY 2025-26.
7. As specified under Regulation 11.1 of JERC MYT Regulations, JKPTCL submitted the petition for approval of the annual performance review of FY 2023-24, aggregate revenue requirement of FY 2024-25 and tariff proposal for FY 2024-25.
8. The Commission after following due regulatory process notified Order on True up for FY 2019-20 APR for FY 2020-21, FY 2021-22 and ARR and transmission tariff for FY 2022-23 for JKPTCL vide Order no. JERC/04 of 2023 dated 21.09.2022. Thereafter, the Commission notified Order on Business Plan and Multi Year Tariff for the period from FY 2023-24 to FY 2025-26 and transmission tariff for FY 2023-24 for JKPTCL vide Order no. JERC/11 of 2023 dated 10.10.2023.
9. The Commission vide its notification No. JERC-JKL/Reg/2023/13 dated 10th November 2023 notified Joint Electricity Regulatory Commission for the UT of Jammu & Kashmir and the UT of Ladakh (Terms and Conditions for Determination of Multi Year Generation, Transmission, Distribution Tariff) Regulations, 2023 henceforth referred as 'JERC MYT Regulations 2023'.
10. Consequent to the issuance of the transmission tariff Order for FY 2023-24, as directed by the Commission in the said Order, the Petitioner submitted the Petition for approval of annual performance review of FY 2023-24, aggregate revenue requirement of FY 2024-25 and

transmission tariff proposal for FY 2024-25 on 16.01.2024. On detailed analysis of the Petition, the Commission observed several gaps in the data for which additional information was sought from the Petitioner vide the Commission's letter No. JERC/Law-S/P/2023/F-67/18 dated 24.01.2024. The Petitioner submitted its replies to the data gaps pointed out by the Commission vide its letter no: CE/Trans/J/JKPTCL/T/11034-37 dated 19.02.2024.

11. A technical validation session was conducted on 18.03.2024 with the Petitioner. The Petition was admitted on 24.04.2024 subject to furnishing of additional information sought by the Commission.
12. The Commission, vide its letter no. JERC/Law-S/P/2023-24/F-67/120 dated 24.04.2024, directed the Petitioner to publish the gist of the Petition as a public notice and invite comments/objections/suggestions from the stakeholders on the Petition filed.
13. The approved gist of the Petition was published by the Petitioner in several widely read newspapers, namely, *Hind Samachar* on 08.05.2024, and *Daily Excelsior* on 09-05-2024. A copy of the Petition was also made available on the websites of the Commission and the Petitioner. The stakeholders were requested to submit their written comments/suggestions/objections on the Petition filed by JKPTCL.

Public Hearings

14. In order to maintain transparency in the process for approval of the Petition, the Commission involved the stakeholders by initiating a public consultation process and published the notice for public hearing. Accordingly, the public hearing on the Petition was held at the office of the Commission in Jammu on 31.05.2024.

Meeting of the State Advisory Committee

15. The Commission convened a meeting with the members of the State Advisory Committee (SAC) on 12.06.2024 in the Conference Hall of the Public Works Department in Gandhi Nagar, Jammu to discuss the Petition filed by JKPTCL.
16. Some issues were discussed during the SAC meeting which have been noted by the Commission, and suggestions made by the members of the Committee and other points discussed during the meeting have been considered by the Commission in this Order.

Annual performance review for FY 2023-24, Aggregate revenue requirement and Tariff proposal for FY 2024-25

17. The Commission analyzed the cost of each item of the Annual performance review and the aggregate revenue requirement (ARR) in detail in this Order and accordingly has approved the Annual performance review of FY 2023-24 and ARR and transmission tariff for FY 2024-25. The Commission has approved capitalization of Rs. 257.96 Crore and Rs. 441.04 Crore for FY 2023-24 and FY 2024-25, respectively. The Commission has approved transmission loss level of 3.07 %, FY 2023-24, & FY 2024-25.

18. The approved APR for FY 2023–24 and ARR of FY 2024–25 is given in the table below.

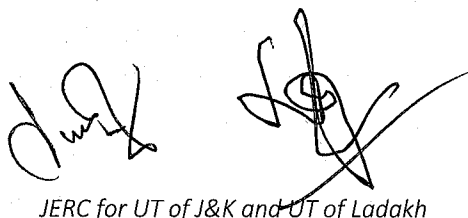
Table 1: Approved ARR for FY 2023–24 & 2024-25 (In Rs. Crore)

Sr. No.	Particulars	APR	ARR
		FY 2023–24	FY 2024–25
		Approved	Approved
1	Operation & Maintenance expenses	184.49	194.53
2	Depreciation	0.00	0.00
3	Interest and finance charges	0.00	0.00
4	Interest on working capital and deposits from TSUs	7.03	8.42
5	Contribution to contingency reserves	0.00	0.00
6	Total revenue expenditure	191.53	202.95
7	Return on equity	0.00	0.00
8	Aggregate revenue requirement	191.53	202.95
9	Less: Non-tariff income	0.00	0.00
10	Less: Income from other businesses	0.00	0.00
11	Less: Revenue from short-term transmission charges	0.00	0.00
12	Aggregate revenue requirement from transmission tariff	191.53	202.95

19. Based on the approved ARR for FY 2024–25, the Commission has approved transmission charges of Rs.16.91 crore/month as long term/medium term transmission charges for FY 2024–25. For short term transmission charges, the approved amount is Rs.1684.38 /MW/day based on the allotted transmission capacity. The transmission loss level for FY 2024-25 is approved at 3.07%.

Implementation of the Order

20. In exercise of the powers vested in the Electricity Act, 2003 (EA, 2003), and relevant provisions given under JERC MYT Regulations, the Commission hereby passes this Order after thorough scrutiny and prudence check of the submissions made by the Petitioner.
21. The Commission, in exercise of the powers vested in it under Sections 61, 62, and 86 of the EA, 2003, and all other powers enabling it in this regard, and after taking into consideration all the submissions made by the Petitioner, JKPTCL, and in the public consultation process, and all other relevant material, has approved the annual performance review of FY 2023-24, ARR of FY 2024-25 & tariff proposal for FY 2024-25. This tariff Order shall come into effect on 01.07.2024. This transmission tariff shall remain valid until replaced by a subsequent transmission tariff order and/or is amended or modified or reviewed by an order of the Commission.



JERC for UT of J&K and UT of Ladakh

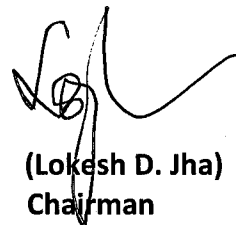
22. Thus, the Commission directs that this Order be implemented along with directions given and conditions mentioned in the detailed Order.

Ordered as above, read with attached detailed reasons, grounds, and conditions.



(Mohammad Rafi Andrabi)
Member (Finance)

JERC/LAW-S/P/2023-24/F-67/247



(Lokesh D. Jha)
Chairman

Dated 26.06.2024
Place: Jammu

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ABBREVIATIONS

Acronym	Definition
A&G Expenses	Administrative & General Expenses
ARR	Annual Revenue Requirement
AoA	Article of Association
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CPI	Consumer Price Index
CWIP	Capital Works in Progress
Ckt-km	Circuit Kilometres
DCP	Development Commissioner (Power), Jammu & Kashmir
ERS	Emergency Restoration Systems
FAR	Fixed Asset Registers
Fin.Org	Financial Organisation
GFA	Gross Fixed Assets
GoJK	Government of Jammu & Kashmir
GoI	Government of India
JKSERC	Jammu & Kashmir State Electricity Regulatory Commission
JKPDD	Jammu & Kashmir Power Development Department
JKPDD-D	Jammu & Kashmir Power Development Department-Distribution
JKPDD-T	Jammu & Kashmir Power Development Department-Transmission
JPDCL	Jammu Power Distribution Corporation Limited
JKSPDC	Jammu and Kashmir State Power Development Corporation
JKPCL	Jammu and Kashmir Power Corporation Limited
JKPTCL	Jammu and Kashmir Power Transmission Corporation Limited
KPDCL	Kashmir Power Distribution Corporation Limited
MU	Million Units
MoA	Memorandum of Association
MYT	Multi-Year Tariff
O&M	Operations and Maintenance
PGCIL	Power Grid Corporation of India Limited
PMDP	Prime Minister's Development Package
PMRP	Prime Minister Reconstruction Plan
PSDF	Power System Development Fund
PWD	Public Works Department
R&M Expenses	Repair and Maintenance Expenses
RoE	Return on Equity
TCC	Total Contracted Capacity
T&D	Transmission and Distribution
TR	Transmission Rate
SAC	State Advisory Committee
SERC	State Electricity Regulatory Commission
WPI	Wholesale Price Index

CHAPTER 1: INTRODUCTION

Joint Electricity Regulatory Commission

1.1. In exercise of the powers conferred by Sub-section (5) of Section 83 of the Electricity Act, 2003 (36 of 2003), the Central Government constituted the Joint Electricity Regulatory Commission for the union territories of Jammu & Kashmir and Ladakh (hereinafter referred to as Commission) vide S.O. 1984(E) dated 18.06.2020.

1.2. The relevant Section 83 of the Electricity Act, 2003, is reproduced below.

"Section 83. (Joint Commission): — (1) *notwithstanding anything to the contrary contained in Section 82, a Joint Commission may be constituted by an agreement to be entered into –*

(a) by two or more governments of states; or

(b) by the Central Government, in respect of one or more union territories, and one or more governments of states,

and shall be in force for such period and shall be subject to renewal for each further period, if any, as may be stipulated in the agreement:

Provided that the Joint Commission, constituted under Section 21A of Electricity Regulatory Commissions Act, 1998, and functioning as such immediately before the appointed day, shall be the Joint Commission for the purposes of this Act and the Chairperson, Members, Secretary and other officers and employees thereof shall be deemed to have been appointed as such under this Act and they shall continue to hold office on the same terms and conditions on which they were appointed under the Electricity Regulatory Commissions Act, 1998.

(2) The Joint Commission shall consist of one Member from each of the participating states and union territories and the Chairperson shall be appointed from amongst the Members by consensus, failing which by rotation.

(3) An agreement under Sub-section (1) shall contain provisions as to the name of the Joint Commission, the manner in which the participating states may be associated in the selection of the Chairperson and Members of the Joint Commission, manner of appointment of Members and appointment of Chairperson by rotation or consensus, places at which the Commission shall sit, apportionment among the participating states of the expenditure in connection with the Joint Commission, manner in which the differences of opinion between the Joint Commission and the State Government concerned would be resolved and may also contain such other supplemental, incidental and consequential provisions not inconsistent with this Act as may be deemed necessary or expedient for giving effect to the agreement.

(4) The Joint Commission shall determine tariff in respect of the participating states or union territories separately and independently.

(5) Notwithstanding anything contained in this section, the Central Government may, if so authorised by all the participating states, constitute a Joint Commission and may exercise the powers in respect of all or any of the matters specified under Sub-section (3) and when so specifically authorised by the participating states".

1.3. The Commission is empowered under Section 86 of the Electricity Act, 2003, to discharge the following functions, namely:

A. Determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be:

Provided that where open access has been permitted to a category of consumers under Section 42, the Commission shall determine only the wheeling charges and surcharge thereon, if any, for the said category of consumers;

B. Regulate electricity purchase and procurement process of distribution licensees including the price at which electricity shall be procured from the generating companies or licensees or from other sources through agreements for purchase of power for distribution and supply within the state;

C. Facilitate intra-state transmission and wheeling of electricity;

D. Issue licenses to persons seeking to act as transmission licensees, distribution licensees, and electricity traders with respect to their operations within the state;

E. Promote co-generation and generation of electricity from renewable sources by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for the purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;

F. Adjudicate the disputes between licensees and generating companies and refer any dispute for arbitration;

G. Levy fee for the purposes of this Act;

H. Specify the State Grid Code consistent with the Grid Code specified under Clause (h) of Sub-section (1) of Section 79;

I. Specify or enforce standards with respect to quality, continuity and reliability of service by licensees;

J. Fix the trading margin in the intra-state trading of electricity, if considered necessary;

K. Discharge such other functions as may be assigned to it under this Act.

1.4. The Commission shall ensure transparency while exercising its powers and discharging its functions.

1.5. In discharge of its functions, the Commission shall be guided by the National Electricity Policy, National Electricity Plan, and Tariff Policy published under Section 3 of the Act.

Jammu & Kashmir Reorganization Act, 2019

- 1.6. The J&K Reorganization Act, 2019 was enacted by the Parliament of India on 09.08.2019, wherein the state of Jammu and Kashmir was divided into the union territory of Jammu & Kashmir and union territory of Ladakh. Upon reorganization, the distribution of electricity supply underwent changes. The relevant portion of Section 85(1) of the J&K Reorganization Act, 2019 is given below.

"The Central Government may by order, establish one or more Advisory Committees within a period of 90 days from the appointed day, for the purposes of apportionment of assets, rights and liabilities of the companies and corporations constituted for the existing state of Jammu and Kashmir between union territory of Jammu and Kashmir and union territory of Ladakh; issues relating to the continuance of arrangements in regard to generation and supply of electric power and supply of water".

- 1.7. Consequent to the enactment of the Jammu and Kashmir Reorganization Act, 2019 (hereinafter referred to as J&K Reorganization Act or Reorganization Act) and repeal of the Jammu and Kashmir Electricity Act, 2010, the Central Electricity Act, 2003, was applicable to the union territory of Jammu & Kashmir and the union territory of Ladakh. The relevant portion of the J&K Reorganization Act, 2019 is given below.

"95. (1) All Central laws in Table -1 of the Fifth Schedule to this Act, on and from the appointed day, shall apply in the manner as provided therein, to the union territory of Jammu & Kashmir and the union territory of Ladakh."

Unbundling of Erstwhile JKPDD

- 1.8. The erstwhile state of Jammu & Kashmir consisted of the unbundled utility, Jammu & Kashmir Power Development Department (JKPDD), which was responsible for trading, transmission and distribution of electricity within the state of Jammu & Kashmir.
- 1.9. Further, as per Section 85(1) of the J&K Reorganization Act, 2019, a committee vide Government Order no: 164 PDD of 2019 dated 20.09.2019 was constituted by the Commissioner/Secretary, Power Development Department, Govt. of J&K for the purpose of preparing and presenting a comprehensive proposal for apportionment/reorganization of J&K Power Development Department, J&K State Power Development Corporation and J&K State Trading Company between the UT of J&K and UT of Ladakh.
- 1.10. Consequent to the approval by the State Administrative Council of J&K, the Power Development Department was unbundled into several power corporations on 23.10.2019 vide Government Order no. 191-PDD of 2019, and the Jammu and Kashmir Power Transmission Corporation Limited (JKPTCL) was created on 23.10.2019 as transmission licensee for the UT of J&K. The relevant extract from the Government Order no. 191-PDD of 2019, is given below.

"Sanction is hereby accorded to:

(ii) Transfer all the shares held by the Governor, Jammu & Kashmir in Jammu and Kashmir State Power Development Corporation Limited, Jammu and Kashmir State Power Trading

Company Limited (renamed as Jammu and Kashmir Power Corporation Limited) and Jammu and Kashmir State Power Transmission Company Limited (renamed Jammu and Kashmir Power Transmission Corporation Limited) to the Administrative Secretary to the Govt., Power Development Department.....).

(iii) Jammu and Kashmir State Power Trading Company Limited (renamed as Jammu and Kashmir Power Corporation Limited) shall control the composition of the Board of Directors of the following companies:

- a) Jammu and Kashmir State Power Development Corporation Limited (renamed Jammu and Kashmir Power Development Corporation Limited)*
- b) Jammu and Kashmir State Power Transmission Company Limited, (renamed Jammu and Kashmir Power Transmission Corporation Limited)*
- c) Jammu Power Distribution Company Limited (renamed Jammu Power Distribution Corporation Limited)*
- d) Kashmir Power Distribution Company Limited (renamed Kashmir Power Distribution Corporation Limited)*

.....

(v) Change in the name of Jammu Power Distribution Company Limited to Jammu Power Distribution Corporation Limited. Accordingly, all necessary changes shall be made in the MoA and AoA with regard to the functions and name of the Corporation.

(vi) Change in the name of Kashmir Power Distribution Company Limited to Kashmir Power Distribution Corporation Limited. Accordingly, all necessary changes shall be made in the MoA and AoA with regard to the functions, name and jurisdiction of the Corporation. The jurisdiction of Ladakh shall be deleted from the mandate of the Corporation.

.....

(xi) (A) Apportionment, re-organisation, and transfer scheme of JKPDD, JKSPDC, as given in the report submitted by the Committee constituted vide Government Order no. 164-PDD of 2019 dated 20.09.2019.

.....

(D) Wherever in this report, framing of new rules, policies, modification/amendment in the existing rules, etc., is required, the approval of the competent authority shall be sought before notification. Accordingly, sanction is also granted to the following:

.....

- (i) Transfer of assets and liabilities of DCP office to Jammu and Kashmir Power Transmission Corporation Limited on 'as is where is' basis.*
- (j) Transfer of assets and liabilities of System & Operation Wing and Planning and Design*

Wing to Jammu and Kashmir Power Transmission Corporation Limited on 'as is where is' basis...."

Jammu and Kashmir Power Development Department (Reorganization) First Transfer Scheme 2020

1.11. The Lt. Governor of Jammu & Kashmir made and gave effect to the Jammu and Kashmir Power Development Department (Reorganization) First Transfer Scheme 2020 vide notification dated 20.03.2020. The key provisions from the First Transfer Scheme 2020 are as follows:

"5. Transfer of Undertakings by Department:

(a) The Undertakings of the Department classified in the following schedules shall stand transferred to and vested in the transferee on and from the appointed date subject to the terms and conditions specified in the Act and the Scheme:

- (i) Trading cum holding undertakings for the UT of J&K as set out in Schedule-A;*
- (ii) Distribution undertakings for Jammu Province, UT of J&K as set out in Schedule-B;*
- (iii) Distribution undertakings for Kashmir Province, UT of J&K as set out in Schedule-C;*
- (iv) Generation and distribution undertakings for Ladakh region, UT of Ladakh as set out in Schedule-D.*
- (v) Transmission undertaking with the Load Dispatch Centre function for Jammu as well as Kashmir Province, UT of J&K as set out in Schedule-E.*
- (vi) The transfer and vesting of the undertaking to the transferee, in terms of this scheme, shall take effect immediately on the appointed date, notwithstanding that the value of the undertakings has not been determined and shall be determined at a later date.*

.....

15. Government Support:

(1) The transferees shall be eligible for and shall continue to receive support from the government in the form of revenue support, equity support, capital subsidies, loans, interest subsidies and other such monetary and financial assistance, whether under a Central or state scheme or otherwise, as may be necessary for the due and effective performance of their functions until the time transferees achieve commercial viability on their own.

(2) The government support indicated in Sub-section (1) above shall be conditional upon the transferees submitting a detailed and time-bound financial feasibility plan within 6 (six) months of the appointed date and duly complying with the same. The

feasibility plan shall be reviewed at least once every year to assess and evaluate the fulfilment of the performance targets set out therein. The financial feasibility plan would include projections related to reduction in various losses, revenue requirement and capital support, per capita availability of electricity in the UT and matters incidental thereto."

- 1.12.** The functions of JKPDCL comprising transmission and distribution were unbundled into one transmission company, i.e. JKPTCL (hereinafter referred to as Petitioner) and two distribution companies, i.e. JPDCL and KPDCL, in the UT of J&K. The unbundling also involved the incorporation of a new company in Ladakh for handling generation and distribution functions, i.e. Ladakh Power Company Limited (LPCL). The functions of generation, transmission, distribution, and trading are now being handled separately to make the power sector in Jammu & Kashmir commercially more viable and competitive.

Procedural History

- 1.13.** Prior to unbundling, as per the provisions in the prevalent JKSERC Multi-Year (Distribution Regulations), 2012, the erstwhile JKSERC had carried out Annual Performance Review (APR) for FY 2015–16, Aggregate Revenue Requirement (ARR) for the MYT control period from FY 2016–17 to FY 2020–21 and transmission tariff for FY 2016–17 for the transmission business of Jammu and Kashmir Power Development Department vide Commission's Order No. 17-JKSERC of 2016 dated 31.03.2016.
- 1.14.** After the constitution of the Joint Electricity Regulatory Commission, the Commission vide Gazette notification no. JERC-JKL/Tech-13/2021 dated 31.03.2021, notified 'JERC for UT of J&K and UT of Ladakh (Adoption of various Regulations of JERC for the state of Goa and UTs) Regulations, 2021'. Vide these regulations, the Commission adopted various regulations of JERC for the state of Goa and UTs with amendments updated for one year or till replacement of the corresponding regulation framed by the Commission. Along with other regulations, the Commission adopted 'JERC for the State of Goa and Union Territories (Generation, Transmission and Distribution MYT) Regulations, 2018' [hereinafter referred to as JERC MYT Regulations, 2018] applicable for determination of tariff for all the generation companies, transmission licensees, and distribution licensees in the UT of J&K and UT of Ladakh.
- 1.15.** Subsequently, the Commission through suo-moto Order no. 57 of 2021 dated 01.12.2021 extended the control period of JERC Goa and UTs Regulations, 2018 (applicable for FY 2019–20 to FY 2021–22), to five years w.e.f FY 2021–22 to FY 2025–26, so as to make it applicable for tariff determination for FY 2022–23 onwards.
- 1.16.** After adoption of the regulations, the Commission issued letters to the utilities for submission of tariff petition for FY 2022–23. The Commission, after receipt of the tariff petition of JKPTCL, initiated the regulatory process, organized a public hearing, and issued the Order to approve the ARR and transmission tariff for FY 2022–23 vide Order no. JERC/ 4 of 2022 dated 22.09.2022. Further, the Commission issued transmission tariff for FY 2023-24 vide Order no. JERC 11/2023 dated 10.10. 2023. In the said order, the Commission approved Business Plan and Multi Year Tariff (MYT) for the period from FY 2023-24 to FY 2025-26, and transmission tariff for FY 2023-24.

- 1.17.** Further, the Commission vide its notification no. JERC-JKL/Reg/2023/13 dated 10th November 2023 notified Joint Electricity Regulatory Commission for the UT of Jammu & Kashmir and the UT of Ladakh (Terms and Conditions for Determination of Multi Year Generation, Transmission, Distribution Tariff) Regulations, 2023 (henceforth referred as 'JERC MYT Regulations 2023').
- 1.18.** As per the provision mentioned in the JERC MYT Regulations 2023, the timeframe for submission of the Petition for FY 2024-25 was up to 30.11.2023. The Petitioner filed the Petition for approval of the ARR and tariff proposal for FY 2024-25 on 16.01.2024. On detailed analysis of the Petition, the Commission observed several information gaps and discrepancies for which additional information was sought from the Petitioner vide the Commission's letter No. JERC/Law-S/P/2023-24/F-67/18 dated 24.01.2024. The Petitioner submitted its replies to the data gaps pointed out by the Commission vide letter no: CE/Trans/J/JKPTCL/T/11034-37 dated 19.02.2024.
- 1.19.** A Technical Validation Session (TVS) was conducted on 18.03.2024 at 3:00 pm with the Petitioner. The Petitioner submitted its revised petition based on the discussion held during TVS vide its letter no CE/Trans/J/JKPTCL /T/491-94 dated 20.04.2024. Subsequently, the Petition was admitted on 24.04.2024 subject to furnishing of additional information sought by the Commission.
- 1.20.** The Commission vide its letter no. JERC/Law-S/P/2023-24/F-67/120 dated 24.04.2024 directed the Petitioner to publish the gist of the Petition as public notice and invite comments/objections/suggestions from the stakeholders on the Petition filed.

Inviting Public Comments

- 1.21.** The approved gist of the Petition indicating its salient features and inviting objections and suggestions from consumers and other stakeholders was published by the Petitioner in several widely read newspapers vide its notice dated 06.05.2024 as given in the table below.

Table 2: List of Newspapers Related to Public Notice of JKPTCL

S. No.	Newspaper	Date of Publication
1	Hind Samachar	08.05.2024
2	Daily Excelsior	09.05.2024

- 1.22.** The copies of the Petition were made available to consumers for purchase on all working days. A copy of the Petition was also made available on the websites of the Commission and the Petitioner. The public notice advised respondents to submit suggestions/comments/objections in person or by post to the Petitioner along with copies to the Commission. The last date for submitting the comments/suggestions/objections was 29.05.2024.
- 1.23.** Subsequently, the Commission issued a notice for the Public Hearing to be held in Jammu. The notice was published in widely read newspapers, namely, Hind Samachar on 08-05-2024 and Daily Excelsior on 09.05.2024 respectively. Respondents were given the option to be heard in person during the public hearing.
- 1.24.** The Commission held the Public Hearing in the conference hall of the office of the Joint Electricity Regulatory Commission in Jammu on 31.05.2024, to hear the response and

comments/suggestions/objections of stakeholders/public on the Petition filed by JKPTCL. The Commission did not receive any comments from the stakeholders. The list of participants who attended the public hearing is attached in **Annexure 1**.

Meeting of the State Advisory Committee

- 1.25.** The Commission convened a meeting with the members of the State Advisory Committee (SAC) on 12.06.2024 in the conference hall of the Public Works Department in Gandhi nagar, Jammu to discuss the Petitions filed by the utilities, including JKPTCL.
- 1.26.** The Commission has presented the summary of the Petition submitted by the Petitioner. The SAC members expressed their concern over high transmission losses reported by the transmission licensee. The issues have been noted by the Commission and considered in this Order. The participants of the SAC meeting are listed in **Annexure 2**.

Scope of the Present Order

- 1.27.** The ambit of the present Order extends to the annual performance review of FY 2023-24, aggregate revenue requirement of FY 2024-25 and transmission tariff for FY 2024-25 for JKPTCL.

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CHAPTER 2: SUMMARY OF THE PETITION FILED BY JKPTCL

The summary of the Petition for annual performance review of FY 2023-24, aggregate revenue requirement of FY 2024-25 and tariff proposal for FY 2024-25 as submitted by JKPTCL is given in following paragraphs of this chapter.

2.1. Summary of Capital Expenditure & Capitalization

2.1.1. The Petitioner submits the latest status of the physical progress of various capital projects undertaken by JKPTCL in the following table:

Table 3: Details of actual and estimated capitalization in FY 2023-24 (in Rs. Crores)

	Particular	Unit	Target	Physical Progress
JKPTCL Kashmir				
1	Transmission Lines at 220 KV Level	Ckms	191.65	191.65
2	Transmission Lines at 220 KV Level by the way of HTLS	Ckms	26.40	0
3	Transmission Lines at 132 kV Level (Panther)	Ckms	7.50	5.00
4	Transmission Lines at 132 kV level (HTLS)	Ckms	75.70	0
5	Capacity Addition at 220 kV level GSS (Construction)	MVA	160	160
6	Capacity Addition at 220 kV level GSS (Augmentation)	MVA	410	160
7	Capacity Addition at 132 kV level GSS (Construction)	MVA	150	150
8	Capacity Addition at 132 kV level GSS (Augmentation)	MVA	326	50
9	Tower Insertion	Nos	19	0
10	Desludging of Transformers	Nos	8	1
JKPTCL Jammu				
11	Transmission Lines at 220 kV level	Ckms	4	4
12	Transmission Lines at 132 kV level	Ckms	28.51	0
13	Transmission Lines at 132 kV level (HTLS)	Ckms	0	0
14	Capacity Addition of Existing 220 kV level GSS (Construction)	MVA	160	0
15	Capacity Addition of Existing 220/132 kV level GSS (Augmentation)	MVA	320	0
16	Capacity Addition of Existing 132 kV level GSS (Construction)	MVA	40	0
17	Capacity Addition of Existing 132 kV level GSS (Augmentation)	MVA	220	0
18	Critical Tower	Nos	36	7
19	Improvement (R&M) of existing 220/132 kV GSS	Nos	27	1
20	Tower Insertion	Nos	22	1
21	Improvement (R&M) of existing 132/66-33 kV GSS	Nos	30	7
22	Desludging of Transformer	Nos	11	0
23	Spare/Inventory	Nos	3	0
24	Other Works	Nos	63	9

2.1.2. The status of financial progress of the actual Capital Expenditure in H1 of FY 2023-24 and planned capital expenses for H2 FY 2023-24 are summarized in the following table

Table 4: Details of actual and projected Capital Expenditure in FY 2023-24 (in Rs. Crores)

Region	Particular	Approved by Commission	FY 2023-24 (H1)	FY 2023-24 (H2)	Total	Deviation
Jammu	UT Scheme	795.8	7.46	76.45	83.91	
	PMDP		0	58.23	58.23	
	PMRP		0	30.39	30.39	
Kashmir	UT Scheme	753.5	13.65	130.03	143.68	
	PMDP		0.00	110.00	110.00	
	PMRP		34.31	0.00	34.31	
UT of J&K	Total	1549.3	55.41	405.10	460.51	1088.79

2.1.3. A brief summary of the capitalization of assets during the control period is as follows:

Table 5: Details of actual and estimated capitalization in FY 2023-24 (in Rs. Crores)

Region	Particular	Approved in Tariff Order	FY 2023-24 (H1)	FY 2023-24 (H2)	Total	Deviation
Jammu	UT Scheme	243	3.73	41.95	45.68	
	PMDP		0	29.11	29.11	
	PMRP		0	15.195	15.20	
Kashmir	UT Scheme	1290	6.82	71.84	78.66	
	PMDP		0.00	55.00	55.00	
	PMRP		17.15	17.15	34.31	
UT of J&K	Total	1533	27.71	230.25	257.96	1275.04

Table 6: Details of Capital Expenditure projected to be incurred in FY 2024-25 (in Rs. Crores)

Region	Particular	Revised Estimate
		FY 2024-25*
Jammu region	UT Scheme	230.55
	PMDP	31.40
	PMRP	15.02
Kashmir region	UT Scheme	200.00
	PMDP	0.00
	PMRP	0.00
J&K	Total	476.98

2.2. Transmission Loss Levels

2.2.1. The Commission has approved a transmission loss level of 3.15% and 3.07% for FY 2023-24 and FY 2024-25, respectively in its Tariff Order dated 10.10.2023. The Petitioner has given the actual monthly losses during FY 2023-24, which are given below.

Table 7: Actual transmission losses recorded in FY 2023-24

Month	Energy Input (Actual) MU	Energy Output (Actual) MU	Transmission losses (%)
April	16199.14	15916.04	1.75%
May	16291.30	15978.47	1.92%
June	14909.61	14546.23	2.44%
July	14952.04	14570.19	2.55%
August	14951.31	14553.42	2.66%
September	14104.16	13608.52	3.51%

October	14259.94	14050.79	1.47%
November	15218.89	14788.13	2.91%
December	17570.69	16979.06	3.37%

2.3. Transmission System Availability

2.3.1. Based on the past experience, the Petitioner has projected the following transmission system availability.

Table 8: Projected Transmission System Availability

Year	FY 2024-25
Projected transmission system availability target	98.00%

2.4. ARR Projections

2.4.1. The summary of the projected expenses of JKPTCL during FY 2024-25 is given below.

Table 9: Projected ARR for FY 2024-25

Sr. No.	Particulars	ARR
		FY 2024-25
		Projected
1	Operation & Maintenance expenses	320.21
2	Depreciation	0.00
3	Interest and finance charges	0.00
4	Interest on working capital and deposits from TSUs	13.91
5	Contribution to contingency reserves	0.00
6	Total revenue expenditure	334.12
7	Return on equity capital	0.00
8	Aggregate revenue requirement	334.12
9	Less: Non-tariff income	0.00
10	Less: Income from other businesses	0.00
11	Less: Revenue from short-term transmission charges	0.00
12	Aggregate revenue requirement from transmission tariff	334.12

2.5. Transmission Tariff for FY 2024-25

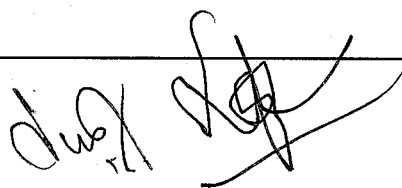
2.5.1. The proposed transmission tariff for FY 2024-25 is given below.

Table 10: Proposed Transmission Tariff for FY 2024-25

Particulars	Unit	Legend	Amount
Projected aggregate revenue requirement	Rs. Crore	Transmission ARR	334.12
Allotted transmission capacity to the nth long term/ medium term user of transmission system	MW	CC _n	3,536.12
Sum of allotted transmission capacity by all long-term users and medium-term users of the transmission system	MW	SCC	3,536.12

Particulars	Unit	Legend	Amount
Annual transmission charges payable by the nth long-term user or medium-term user of the transmission system	Rs. Crore/ month	$ATC_n = (\text{Transmission ARR}/12) \times (CC_n / SCC)$	27.84
Short-term open access transmission charges	Rs. / MW/ day		2588.68

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CHAPTER 3: PUBLIC CONSULTATION PROCESS

- 3.1** After receipt of the Petition from the Petitioner, the Commission reviewed the submission and identified certain data gaps which were communicated to the Petitioner. A technical validation session (TVS) was then organized and the Petition admitted. After admittance of the Petition filed by the Petitioner pertaining to APR of FY 2023-24, ARR for FY 2024-25 and transmission tariff for FY 2024-25, the Commission directed the Petitioner to invite comments/objections from the stakeholders and public on the subject matter of the Petition and also directed to make available copies of the Petition to the general public.
- 3.2** The Commission, vide letter no. JERC/Law-S/P/2023-24/F-67/120, dated 24.04.2024 directed the Petitioner to publish a public notice detailing the salient features and facts of the ARR petition and proposal in at least three widely circulated daily newspapers (Urdu, English and Hindi) for comments by the stakeholders and the public at large.
- 3.3** As directed by the Commission, the Petitioner published the public notice in widely read English, Hindi, and Urdu newspapers indicating the salient features of its Petition and inviting objections and suggestions from the stakeholders and the public. The public notice appeared in Hind Samachar on 08-05-2024 and Daily Excelsior on 09.05.2024.
- 3.4** The copies of the public notice and the Tariff Petition were made available on the website of the Commission as well as on the Petitioner's website and at its office address mentioned in the public notice. The last date for submitting the comments/objections on the Tariff Petition was 29.05.2024. The public notice advised the stakeholders to submit their objections to the Commission and to the Petitioner.
- 3.5** Subsequently, the Commission published the notice and interested stakeholders were given the option to be heard in person during the public hearing conducted by the Commission.
- 3.6** The Commission held a public hearing in the conference hall of the office of JERC in Jammu on 31.05.2024 to discuss the matters pertaining to the Petition filed by the Petitioner. The list of persons who attended the public hearings is provided in **Annexure 1**.
- 3.7** The Commission has not received any comments/suggestions from the stakeholders. During the public hearing, the Petitioner presented the details of the Petition. The Commission had a few queries about certain issues, which the Petitioner clarified.

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CHAPTER 4: Annual Performance Review of FY 2023-24

4.1 INTRODUCTION

- 4.1.1** Regulation 11.2 of the adopted Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2018 prescribes the provision related to filing of APR for the current year. The relevant extract of the Regulation is as follows:

"11.2 The Generating Company, Transmission Licensee and Distribution Licensee shall file an application for the annual performance review of the current year, truing up of the previous Year or the Year for which the audited accounts are available and determination of tariff for the ensuing Year on or before 30th November of each Year, in formats specified by the Commission from time to time:

Provided that the Generating Company, Transmission Licensee or Distribution Licensee, as the case may be, shall submit to the Commission information in such form as may be specified by the Commission, together with the audited accounts, extracts of books of account and such other details as the Commission may require to assess the reasons for and extent of any variation in financial performance from the approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges."

- 4.1.2** Regulation 11.3 of the adopted Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2018 specifies the scope of the APR Petition. The relevant extract of the Regulation is as follows:

"11.3 The scope of the annual performance review, truing up and tariff determination shall be a comparison of the performance of the Generating Company, Transmission Licensee or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges and shall comprise of the following:

- a) True-up: a comparison of the audited performance of the Applicant for the Financial Year for which the true up is being carried out with the approved forecast for such previous Financial Year, subject to the prudence check;*
- b) Annual Performance Review: a comparison of the revised performance targets of the Applicant for the current Financial Year with the approved forecast in the Tariff Order corresponding to the Control Period for the current Financial Year subject to prudence check;*
- c) Tariff determination for the ensuing Year of the Control Period based on the revised forecast of the Aggregate Revenue Requirement for the Year;*
- d) Review of compliance with directives issued by the Commission from time to time;*
- e) Other relevant details, if any." {Emphasis added}*

4.1.3 In line with the above provisions, the Petitioner has filed the current Petition and the Commission approves the APR of FY 2023-24.

4.2 Operations and Maintenance Expenses

Petitioner's Submission

4.2.1 The Petitioner has considered actual Employee expenses, A&G expenses and R&M expenses incurred in the first half (H1) of FY 2023-24 and has projected the corresponding expenses for the second half (H2) of FY 2023-24 assuming that the same amount of expenses would be incurred in H2. The statement with details of O&M expenses for H1 of FY 2023-24 is attached as Annexure 1 with the petition.

4.2.2 The summary of the revised projection of the O&M expenses and deviation are as follows.

Table 11: O&M expenses actual for H1 and projected for H2 of FY 2023-24 (Rs. in Crores)

Sr. No.	Particulars	APR FY 2023-24				
		(H1) Actual	(H2) Projected	Total	Approved by Commission	Deviation
1	Employee expenses	82.86	82.86	165.72	162.46	(3.26)
2	A&G expenses	1.08	1.08	2.16	7.08	4.92
3	R&M expenses	2.02	2.02	4.05	15.58	11.53
4	Total Operations & Maintenance Expenses (net of capitalization)	85.96	85.96	171.92	185.12	13.20

4.2.3 The Petitioner requests the Commission to approve the above projected O&M expenses for FY 2023-24

Commission's View

4.2.4 The Commission notes the submission of the Petitioner with regard to O&M expenses and the projection of O&M expenses made in this regard. The Commission notes that for transmission licensee, the methodology for projecting O&M expenses is as given in Regulation 41.3 of the JERC MYT Regulations, 2018. As per the said methodology, employee and A&G expenses have to be determined on the basis of the previous year's expenses. However, R&M expenses are dependent on the previous year's gross fixed assets. The relevant provisions are reproduced below:

"41. Operation and Maintenance (O&M) expenses for Transmission Licensees

41.1 Operation and Maintenance (O&M) expenses shall comprise of the following:

- a) Employee expenses - salaries, wages, pension contribution and other employee costs;*
- b) Administrative and General expenses including insurance charges if any; and*
- c) Repairs and Maintenance expenses.*

41.2 The Transmission Licensee shall submit the required O&M expenses for the Control Period as a part of Multi Year Tariff Petition. O&M expenses for the base Year shall be approved by the Commission taking into account the latest available audited accounts, business plan filed by the transmission Licensee, estimates of the actuals for the base Year, prudence check and any other factors considered appropriate by the Commission.

41.3 O&M expenses for the nth Year of the Control Period shall be approved based on the formula given below:

$$O\&M_n = (R\&M_n + EMP_n + A\&G_n) \times (1 - X_n) + \text{Terminal Liabilities}$$

Where,

$$R\&M_n = K \times GF_{An-1} \times (\text{WPI inflation})$$

$$EMP_n = (EMP_{n-1}) \times (1 + G_n) \times (\text{CPI inflation})$$

$$A\&G_n = (A\&G_{n-1}) \times (\text{CPI inflation})$$

'K' is a constant (expressed in %). Value of K for each Year of the Control Period shall be determined by the Commission in the Multi Year Tariff Order based on Licensee's filing, bench marking of repair and maintenance expenses, approved repair and maintenance expenses vis-à-vis GFA approved by the Commission in past and any other factor considered appropriate by the Commission;

CPI inflation – is the average increase in Consumer Price Index (CPI) for immediately preceding three (3) Years before the base Year;

WPI inflation – is the average increase in the Wholesale Price Index (CPI) for immediately preceding three (3) Years before the base Year;

EMP_n – Employee expenses of the Transmission Licensee for the nth Year;

A&G_n – Administrative and General expenses of the Transmission Licensee for the nth Year;

R&M_n – Repair and Maintenance expenses of the Transmission Licensee for the nth Year;

GF_{An-1} – Gross Fixed Asset of the transmission Licensee for the n-1th Year;

X_n is an efficiency factor for nth Year. Value of X_n shall be determined by the Commission in the Multi Year Tariff Order based on Licensee's filing, benchmarking, approved cost by the Commission in past and any other factor the Commission feels appropriate;

G_n is a growth factor for the nth Year. Value of G_n shall be determined by the Commission for each Year in the Multi Year Tariff Order for meeting the additional manpower requirement based on Licensee's filings, benchmarking, approved cost by the Commission in past and any other factor that the Commission feels appropriate.

41.4 Terminal liabilities of employees of Licensee including pension expenses etc. shall be approved as per actuals submitted by the Licensee, subject to prudence check or be established through actuarial studies. Additionally, any variation due to changes recommended by the pay commission shall be allowed separately by the Commission, subject to prudence check.

41.5 For the purpose of estimation, the same value of factors – CPI inflation and WPI inflation shall be used for all Years of the Control Period. However, the Commission shall consider the actual values of the factors – CPI inflation and WPI inflation during the truing up exercise for the Year for which true up is being carried out and true up the O&M Expenses for that Year, only to the extent of inflation.”

4.2.5 The Commission in its last tariff order dated 10.10.2023, considered the expenses of the previous year and CPI inflation for approving employee and A&G expenses. The value of Gn, growth factor of the nth year, was considered as zero. Further, R&M expenses is determined as a percentage of Gross Fixed Asset of the transmission Licensee of the previous year. However, the Petitioner had not proposed R&M expenses following the above-mentioned method and proposed it in the same way they have projected the other expenses, i.e. based on previous year expenses. The Commission considered the method proposed by the Petitioner and relaxes the R&M determination method, as per provisions given under the ‘Power to Relax’ clause in JERC MYT Regulations, 2018. Following the same approach, the Commission approves the O&M expenses under APR of FY 2023-24.

4.2.6 The Commission observes that the Petitioner submitted the actual expenditure details of past period. The details are given below.

Table 12: Past Actual O&M Data, Submitted by the Petitioner (Rs. crore)

Sr. No.	Particulars	FY 2019–20 (5 months)	FY 2020–21	FY 2021–22
1	Employee expenses	58.87	142.15	151.32
2	A&G expenses	2.41	3.66	9.51
3	R&M expenses	9.20	9.59	10.47
4	Total O&M expenses	70.48	155.4	171.3

4.2.7 Based on the above information, the Commission has derived the expenses for the base year, i.e., FY 2022–23, where base year means the year immediately preceding the first year of the present control period and the first year of the present control period is FY 2023–24. While determining the base year expenses, the Commission has followed Regulation 6.1 of the JERC MYT Regulations, 2018, which specifies that the values for the base year of the control period shall be determined on the basis of the audited accounts or provisional accounts of last three (3) years, and other factors considered relevant by the Commission.

4.2.8 The Commission notes that as per Regulation 41.3 of the JERC MYT Regulation, 2018, CPI inflation and WPI inflation to be determined as the average increase in the respective index for the three years immediately preceding the base year, i.e. FY 2022–23. The Commission considers the value of indices for the past years and derives the growth rate applicable for the FY 2019–20 to FY 2021–22 period. The Commission observes that the Labour Bureau, an

attached office of the Ministry of Labour & Employment, Government of India, has released the new series of Consumer Price Index for Industrial Workers (CPI-IW) with base year as 2016. The new series of CPI (IW) with base 2016 = 100 has replaced the existing series with base 2001 = 100. The new series data is available from September 2020. For data consistency, i.e. data with same base year, the Commission has considered the annual index values published by the Labour Bureau as well as the Reserve Bank of India. Based on the above, the annual growth rate considered by the Commission and average growth rate (based on preceding three years' annual growth rate) used for deriving the expenses for FY 2022-23 (base year), FY 2023-24 (APR), and FY 2024-25 (ARR) is given below.:

Table 13: WPI and CPI Growth Rate Considered by the Commission

Sr. No.	Particulars (Annual Growth rate)	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
1	WPI	1.67%	1.31%	12.97%	9.33%	-0.92%
2	CPI	7.53%	5.02%	5.08%	5.65%	5.11%

Sr. No.	Particulars (Average growth rate based on preceding three-years' growth rate)	FY 2022-23	FY 2023-24	FY 2024-25
1	WPI	5.32%	7.87%	7.12%
2	CPI	5.88%	5.25%	5.28%

- 4.2.9** As approved by the Commission in its tariff order dated 10.10.2023, the Commission considers the value of G_n , growth factor of the n th year and X_n , i.e. efficiency factor for the n th year, as zero. Terminal benefit is a part of employee expenses, and hence, no separate amount is considered. Further, based on base year expenses, i.e. FY 2022-23, the Commission derives the normative O&M expenses for FY 2023-24 under APR. Based on the above discussion, the approved values for FY 2023-24 under APR is given below:

Table 14: Approved O&M Expenses for FY 2023-24 (APR) (Rs. crore)

Sr. No.	Particulars	FY 2022-23 (Base year)	FY 2023-24 (APR)
1	Employee expenses	153.44	161.49
2	A&G expenses	6.69	7.04
3	R&M expenses	14.79	15.96
4	O&M expenses	174.92	184.49

4.3 Capital Expenditure and Capitalization

Petitioner's Submission

- 4.3.1** The Petitioner submits the latest status of the physical progress of various capital projects undertaken by JKPTCL (as on 30.10.2023) in the following table:

Table 15: Physical progress of capital expenditure undertaken by JKPTCL as of 30 October 2023

Sr. No.	Particular	Unit	Target	Physical Progress
JKPTCL Kashmir				

Sr. No.	Particular	Unit	Target	Physical Progress
1	Transmission Lines at 220 KV Level	Ckms	191.65	191.65
2	Transmission Lines at 220 KV Level by the way of HTLS	Ckms	26.40	0
3	Transmission Lines at 132 kV Level (Panther)	Ckms	7.50	5.00
4	Transmission Lines at 132 kV level (HTLS)	Ckms	75.70	0
5	Capacity Addition at 220 kV level GSS (Construction)	MVA	160	160
6	Capacity Addition at 220 kV level GSS (Augmentation)	MVA	410	160
7	Capacity Addition at 132 kV level GSS (Construction)	MVA	150	150
8	Capacity Addition at 132 kV level GSS (Augmentation)	MVA	326	50
9	Tower Insertion	Nos	19	0
10	Desludging of Transformers	Nos	8	1
JKPTCL Jammu				
11	Transmission Lines at 220 kV level	Ckms	4	4
12	Transmission Lines at 132 kV level	Ckms	28.51	0
13	Transmission Lines at 132 kV level (HTLS)	Ckms	0	0
14	Capacity Addition of Existing 220 kV level GSS (Construction)	MVA	160	0
15	Capacity Addition of Existing 220/132 kV level GSS (Augmentation)	MVA	320	0
16	Capacity Addition of Existing 132 kV level GSS (Construction)	MVA	40	0
17	Capacity Addition of Existing 132 kV level GSS (Augmentation)	MVA	220	0
18	Critical Tower	Nos	36	7
19	Improvement (R&M) of existing 220/132 kV GSS	Nos	27	1
20	Tower Insertion	Nos	22	1
21	Improvement (R&M) of existing 132/66-33 kV GSS	Nos	30	7
22	Desludging of Transformer	Nos	11	0
23	Spare/Inventory	Nos	3	0
24	Other Works	Nos	63	9

4.3.2 The status of financial progress of the actual Capital Expenditure in H1 of FY 2023-24 and planned capital expenses for H2 FY 2023-24, as submitted by the Petitioner, are summarized in the following table.

Table 16: Details of actual and projected Capital Expenditure in FY 2023-24 (in Rs. Crores)

Region	Particular	Approved by Commission	FY 2023-24 (H1)	FY 2023-24 (H2)	Total	Deviation
Jammu	UT Scheme	795.8	7.46	76.45	83.91	
	PMDP		0	58.23	58.23	
	PMRP		0	30.39	30.39	
Kashmir	UT Scheme	753.5	13.65	130.03	143.68	
	PMDP		0.00	110.00	110.00	
	PMRP		34.31	0.00	34.31	
UT of J&K	Total	1549.3	55.41	405.10	460.51	1088.79

4.3.3 The details of the actual capitalization for H1 FY 2023-24 and planned capitalization for H2 FY 2023-24 are given in the following table.

Table 17: Details of actual and estimated capitalization in FY 2023-24 (in Rs. Crores)

Region	Particular	Approved in Tariff Order	FY 2023-24 (H1)	FY 2023-24 (H2)	Total	Deviation
Jammu	UT Scheme	243	3.73	41.95	45.68	
	PMDP		0	29.11	29.11	
	PMRP		0	15.195	15.20	
Kashmir	UT Scheme	1290	6.82	71.84	78.66	
	PMDP		0.00	55.00	55.00	
	PMRP		17.15	17.15	34.31	
UT of J&K	Total	1533	27.71	230.25	257.96	1275.04

4.3.4 The Petitioner requested the Commission to approve the above said estimate of capital expenditure and capitalization for the APR of FY 2023-24.

Commission's View

4.3.5 The Commission had approved the capital expenditure and capitalization for FY 2023-24 under its order dated 10.10.2023. The Commission observes that under its Business Plan Petition, the Petitioner submitted the scheme wise expenditure details and the Commission accepted the same, without any modification. However, in the present APR Petition, the Petitioner submits totally different figures. The Commission in the data deficiency communication directed the petitioner to confirm if any major changes are anticipated in the Capex and Capitalization expenditure compared to that approved by the Commission in the Business Plan petition. The petitioner in its reply submitted that no such major changes are envisaged during FY 2024-25 & FY 2025-26." The Commission directed the petition to carry out proper assessment of Capex expenses and capitalization plan while submitting the Business Plan for future period. The whole purpose of business plan is to provide realistic projections of the different types of work / schemes and expenditure required for the same as well as completion timeline for the work.

4.3.6 The Commission observes that the Petitioner projected substantial capitalization in the second half of FY 2023-24 in comparison with actual capitalization figure of first half of FY 2023-24. On enquiry in data deficiency communication, the petitioner has submitted as follows: "JKPTCL undertakes capital expenditure based on the funds allocated under various schemes and the funds received from the Government treasury in a year. Normally in a financial year during the first half (H1) the funds are sanctioned for various capex works and funds receipt takes place subsequently, which is often delayed. This is the main reason for comparatively less booking of capital expenditure during the H1. For new projects that are initiated in a year, upon the receipt of funds, pre-work activities such as preparation of RFP/ RFQ and DPR, bid process, selection of bidder on L1 basis, appointment of EPC contractor(s)/ supplier(s), acceptance of engineering drawings and production process takes place. The actual work of supply and/ or commissioning starts after these pre-work activities and the milestone-based payments happen later as the work progresses. Further, during the H1 the fund receipts from the Government Treasury are delayed. Therefore, due to the above reasons the capital expenditure during the H1 of a financial year is always on a lower side whereas during the second half (H2) of the financial year the actual payments and booking of those payments takes place and hence

during H2 of a financial year the capital expenditure is comparatively higher. For projects that are carry forwarded from the earlier years the payments to the suppliers/ EPC contractors takes place on milestone basis. The payments are made only when the payments are sanctioned and are received from the Government treasury. Many a times the funds are released partially and therefore, the payments happen partially only upon the funds release. The sanction and release of funds is normally delayed during the H1 while at the end of the financial year if sanctioned and released funds are not utilized the same are returned back to the Government treasury. This results in comparatively higher payments and booking of those payments during the H2 of a financial year. In FY 2023-24 the first tranche of payments was released by the Government Treasury only around 30 June 2023 i.e. effectively payments took place only from Q2 onwards. This is the primary reason for comparatively low capital expenditure in H1 of FY 2023-24. Since no funds were released towards schemes under PMDP, PMRP during H1, the actual progress is shown as zero during H1 of FY 2023-24."

- 4.3.7** The Commission notes the submission of the Petitioner regarding higher capitalization during second half of the year. Therefore, the capital expenditure and capitalization is considered as Rs 460.51 Crores and Rs 257.96 Crores during APR of FY 2023-24. Further, the Commission's directives regarding submission of periodic reports with respect to transmission projects for monitoring purpose should be strictly followed by the Petitioner. The Petitioner shall submit the quarterly progress reports indicating the progress of various schemes approved by the Commission in this order.
- 4.3.8** Further, as mentioned by the Petitioner, the capitalization is fully funded through grant; hence, depreciation, interest on loan and return on equity are not allowed on the approved capitalization.

4.4 Depreciation

Petitioner's Submission

- 4.4.1** JKPTCL submitted that the Petitioner is undertaking the capital expenditure in FY 2023-24 by means of funding received from the Government/ UT Administration in the form of grants/ grant-in-aid. Thus, the Petitioner is not financing any capital works through any capital loan and/ or infused equity to create assets in FY 2023-24.
- 4.4.2** As specified in regulation 25.4 (c) and additional proviso of regulation 30.1 of the JERC for state of Goa and UTs (Generation, Transmission and Distribution) Regulations 2018, depreciation on assets created from grant is not allowed. Relevant excerpts are reproduced here as follows:

Regulation 25.4 (c)

"c) depreciation to the extent of works performed through consumer contribution, deposit work, capital subsidy or grant shall not be allowed as specified in Regulation 30;"

Regulation 30.1

"30.1 The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission:

Provided that the depreciation shall be allowed after reducing the approved original cost of the retired or replaced or decapitalized assets:

Provided also that no depreciation shall be allowed on the assets financed through consumer contribution, deposit work, capital subsidy or grant."

- 4.4.3** In line with the above provisions, JKPTCL has claimed nil depreciation (depreciation as per regulatory accounts) on assets during FY 2023–24.

Commission's View

- 4.4.4** The Commission has noted the submission made by the Petitioner and observes that no depreciation was claimed by the Petitioner. As the assets were financed through capital grant only, the claim of nil depreciation is accepted by the Commission, which is in line with Regulation 25.4 (c) and the second proviso of Regulation 30.1 of JERC MYT Regulations, 2018, for FY 2023–24.

4.5 Interest on Long-Term Loans**Petitioner's Submission**

- 4.5.1** The Petitioner submitted that the Petitioner is not financing any capital works through any capital loan and/ or infused equity to create assets in FY 2023-24.
- 4.5.2** As specified in regulation 25.4 (e) and regulation 28.7 of the JERC for state of Goa and UTs (Generation, Transmission and Distribution) Regulations 2018, interest on loan capital is not applicable on financial support corresponding to grant. Relevant excerpts are reproduced here as follows:

Regulation 25.4 (e)

"e) provisions related to interest on loan capital, as specified in Regulation 28, shall not be applicable to the extent of financial support provided through consumer contribution, deposit work, capital subsidy or grant."

Regulation 28.7

"The above interest computation shall exclude the interest on loan amount, normative

or otherwise, to the extent of capital cost funded by consumer contribution, deposit work, capital subsidy or grant, carried out by the Transmission Licensee or Distribution Licensee."

- 4.5.3** In line with the above provisions, JKPTCL has claimed nil interest on long term loans on assets during FY 2023–24.

Commission's View

- 4.5.4** The Commission has reviewed the submission made by the Petitioner with respect to interest on loan. The Commission has approved the capitalization during FY 2023–24 through grants only. Therefore, according to Regulations 25.4 (e) and 28.7 of JERC MYT Regulations, 2018, the Commission approves zero interest on long-term loans during FY 2023–24, for JKPTCL, as the capital cost is funded by capital subsidy or grant.

4.6 Interest on Working Capital

Petitioner's Submission

- 4.6.1** As per Regulation 42.1 of the JERC for the state of Goa and UTs (Generation, Transmission and Distribution) Regulations 2018, the transmission licensee shall be allowed interest on the estimated level of working capital for the financial year in accordance with prevalent CERC Tariff Regulations.

- 4.6.2** Regulation 34 (1) (c) of the CERC (Terms and conditions of Tariff) Regulations, 2019 specifies following components of working capital for transmission licensee:

"(c) For Hydro Generating Station (including Pumped Storage Hydro Generating Station) and Transmission System:

(i) Receivables equivalent to 45 days of annual fixed cost;

(ii) Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and

(iii) Operation and maintenance expenses, including security expenses for one month."

- 4.6.3** Accordingly, the Petitioner has considered the components of normative working capital to arrive at the normative working capital requirement. Further, Regulation 34 (2) of the CERC (Terms and conditions of Tariff) Regulations, 2019 specifies the rate of interest to be considered for calculating interest on working capital. The excerpts of the Regulation are reproduced below:

"(3) Rate of interest on working capital shall be on normative basis and shall be considered as the bank rate as on 1.4.2019 or as on 1st April of the year during the tariff period 2019-24 in which the generating station or a unit thereof or the transmission system including communication system or element thereof, as the case may be, is declared under commercial operation, whichever is later:

Provided that in case of truing-up, the rate of interest on working capital shall be

considered at bank rate as on 1st April of each of the financial year during the tariff period 2019-24."

- 4.6.4** The CERC Tariff Regulations 2019 defines Bank rate as 1-year SBI MCLR as on 1st April of financial year plus 350 basis points. Accordingly, JKPTCL has considered the SBI MCLR of 7% as on 1st April 2023 and accordingly, bank rate of 12.00% (8.50%+3.5%). The projected normative interest on working capital for FY 2023-24 is as follows:

Table 18: Deviation of Normative Working Capital for FY 2023-24 (amount in Rs. crores)

Particulars	FY 2023-24		
	APR Projection	Approved by Commission	Deviation
O&M Expenses equivalent to 1 month	14.33	15.43	1.10
Maintenance Spares @15% of the O&M expenses including security deposit	25.79	27.77	1.98
Receivables equivalent to 45 days of AFC	22.12	24.02	1.90
Working Capital Requirement	62.23	67.22	4.99
Less: Amount of security deposit from Transmission System Users	0.00	0.00	
Net Working Capital Requirement (Yearly)	62.23	67.22	4.99
Interest Rate (%)	12.00%	10.50%	
Normative Interest on Working Capital	7.47	7.06	(0.41)

- 4.6.5** Accordingly, the Petitioner requests the Commission to approve the above revised projection of normative interest on working capital for FY 2023-24.

Commission's View

- 4.6.6** The Commission has noted the submission made by the Petitioner with regard to interest on working capital. The provisions related to interest on working capital is mentioned under Regulation 31 of the JERC MYT Regulations, 2018. The relevant excerpts are reproduced below.

"31.1 The norms for working capital for the Transmission Licensee shall be as specified in Chapter 5 of these Regulations.

.....

31.3 The interest on working capital shall be payable on normative basis notwithstanding that the Licensee has not taken working capital loan from any outside agency or has exceeded the working capital loan based on the normative figures.

31.4 The rate of interest on working capital shall be equal to one (1) year SBI MCLR /any replacement thereof as notified by RBI for the time being in effect applicable for one (1) year period, as may be applicable on 1 April of the financial year in which the Petition is filed plus 200 basis points."

4.6.7 Further, Regulation 42 of the JERC MYT Regulations, 2018, mentions that interest on the estimated level of working capital for the financial year shall be computed in accordance with the prevalent CERC Tariff Regulations. Regulation 34(c) of CERC Tariff Regulations, 2019 mentions that working capital requirement should be based on: (i) Receivables equivalent to 45 days of annual fixed cost; (ii) Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and (iii) Operation and maintenance expenses, including security expenses for one month.

4.6.8 As per Regulation 31.4 of JERC MYT Regulations, 2018, the interest should be calculated on the basis of one-year SBI MCLR, as may be applicable on 1st April of the financial year in which the Petition is filed plus 200 basis points. The Commission observes that one-year SBI MCLR as on 1st April 2023 was 8.5%. Hence, interest on working capital is considered as 10.5% (i.e. 8.5% + 200 basis point or 2%). Also, as mentioned in Regulation 31.3 of JERC MYT Regulations, 2018, the interest on working capital shall be payable on normative basis notwithstanding that the Petitioner has not taken working capital loan from any outside agency. Therefore, the Commission approves the interest on working capital for FY 2023–24, as given in the table below.

Table 19: Interest on Working Capital Approved by the Commission for FY 2023–24 (Rs. crore)

Sl. No	Particulars	FY 2023-24
		APR approved
1	O&M Expenses equivalent to 1 month	15.37
2	Maintenance Spares @15% of the O&M expenses including security deposit	27.67
3	Receivables equivalent to 45 days of AFC	23.94
4	Working Capital Requirement	66.99
	Less: Amount of security deposit from Transmission System Users	0.00
5	Net Working Capital Requirement (Yearly)	66.99
6	Interest Rate (%)	10.50%
	Normative Interest on Working Capital	7.03

4.7 Return on Equity

Petitioner's Submission

4.7.1 As discussed in the section 4.3, Petitioner is not financing any capital works through any capital loan and/ or infused equity to create assets in FY 2023-24.

4.7.2 As specified in regulation 25.4 (d) of the JERC for the state of Goa and UTs (Generation, Transmission and Distribution) Regulations 2018, return on equity is not applicable on financial support corresponding to grant. Relevant excerpts are reproduced here as follows:

"d) provisions related to return on equity, as specified in Regulation 27, shall not be applicable to the extent of financial support provided through consumer contribution, deposit work, capital subsidy or grant;"

- 4.7.3** In line with the above said provisions, the Petitioner has claimed nil return on regulatory equity on assets during FY 2023-24.

Commission's View

- 4.7.4** The Commission reviewed the submission of the Petitioner and decides that no return on equity is allowed to JKPTCL as all approved capital expenditure is funded by government grants only, as submitted by the Petitioner. Hence, no return on equity is considered for FY 2023-24.

4.8 Contribution to Contingency Reserves

- 4.8.1** It is submitted that the Petitioner has not planned any contribution towards contingency reserves for FY 2023-24

4.9 Income Tax

Petitioner's Submission

- 4.9.1** The Petitioner submitted that, it is claiming 'nil' income tax. However, the Petitioner reserves its right to approach the Commission to claim any future payment towards Income tax under Regulation 32 of the JERC Goa and UTs (Generation, Transmission and Distribution) Regulations 2018 adopted by the Commission vide JERC for UT of J&K and UT of Ladakh (Adoption of various Regulations of JERC for the state of Goa and UTs) Regulations, 2021.

Commission's View

- 4.9.2** The Commission has been informed by JKPTCL that no income tax is applicable to them for FY 2023-24. Actual income tax payment, if any, shall be reviewed by the Commission at the time of true-up.

4.10 Non-tariff Income

Petitioner's Submission

- 4.10.1** In line with its submission on Business Plan and MYT Petition, the Petitioner has projected nil income from non-Tariff sources.

Commission's View

- 4.10.2** The Commission notes the submission of the Petitioner. The Petitioner has not projected any non-tariff income for FY 2023-24. The audited account is also not available for the past years. Hence, the Commission accepts the proposal of the Petitioner and has considered nil non-tariff income for FY 2023-24, as approved in MYT order dated 10.10.2023.

4.11 ARR Projections

Petitioner's Submission

4.11.1 In line with the above submission, summary of revised ARR for FY 2023-24 (under APR) as per the JERC Goa and UTs (Generation, Transmission and Distribution) Regulations 2018 adopted by the Commission vide JERC for UT of J&K and UT of Ladakh (Adoption of various Regulations of JERC for the state of Goa and UTs) Regulations, 2021 is tabulated as follows:

Table 20: Revised ARR projection of FY 2023-24 (All figures in Rs. Crores)

Sr. No.	Particulars	Approved by Commission	FY 2023-24 ARR (Projected)	Deviation
1	Operation & Maintenance expenses	185.12	171.92	13.20
2	Depreciation	0.00	0.00	0.00
3	Interest and finance charges	0.00	0.00	0.00
4	Interest on working capital and deposits from TSUs	7.06	7.47	(0.41)
5	Contribution to contingency reserves	0.00	0.00	0.00
6	Total revenue expenditure	192.18	179.39	12.79
7	Return on equity capital	0.00	0.00	0.00
8	Aggregate revenue requirement	192.18	179.39	12.79
9	Less: Non-tariff income	0.00	0.00	0.00
10	Less: Income from other businesses	0.00	0.00	0.00
11	Less: Revenue from short-term transmission charges	0.00	0.00	0.00
12	Aggregate revenue requirement from transmission tariff	192.18	179.39	12.79

4.11.2 The Petitioner requested the Commission to approve the above revised projections of ARR for FY 2023-24.

Commission's View

4.11.3 The Commission has approved the components of ARR in the previous sections under APR of FY 2023-24. Based on the approved values, the approved ARR of FY 2023-24 is provided below.

Table 21 – Approved ARR for FY 2023-24 (in Rs. Cr)

Sr. No.	Particulars	Approved under APR
1	Operation & Maintenance expenses	184.49
2	Depreciation	0.00
3	Interest and finance charges	0.00
4	Interest on working capital and deposits from TSUs	7.03
5	Contribution to contingency reserves	0.00
6	Total revenue expenditure	191.53
7	Return on equity capital	0.00
8	Aggregate revenue requirement	191.53

Sr. No.	Particulars	Approved under APR
9	Less: Non-tariff income	0.00
10	Less: Income from other businesses	0.00
11	Less: Revenue from short-term transmission charges	0.00
12	Aggregate revenue requirement from transmission tariff	191.53

4.12 Transmission loss

Petitioner's Submission

4.12.1 The Petitioner submitted that, following are the actual transmission losses recorded and reported by the Petitioner in FY 2023-24:

Table 22: Actual transmission losses recorded in FY 2023-24

Month	Energy Input (Actual) MU	Energy Output (Actual) MU	Transmission losses (%)
April	16199.14	15916.04	1.75%
May	16291.30	15978.47	1.92%
June	14909.61	14546.23	2.44%
July	14952.04	14570.19	2.55%
August	14951.31	14553.42	2.66%
September	14104.16	13608.52	3.51%
October	14259.94	14050.79	1.47%
November	15218.89	14788.13	2.91%
December	17570.69	16979.06	3.37%

4.12.2 The Petitioner submitted that it shall submit the details of month-wise actual transmission losses at the end of remaining quarters of FY 2023-24.

Commission's View

4.12.3 The Commission has reviewed the submission of monthly loss reported by the Petitioner. The Commission in its data gap query directed the Petitioner to submit the actual meter details (location of meter, interface with etc.) considered for energy input and energy output. The petitioner has provided meter-reading data for the month of October 2023 as a representative sample. This data set encapsulates detailed readings region-wise (Jammu region and Kashmir region) for both input energy and output energy. A summary of the input energy and output energy reading data, as well as the information received regarding meter readings from various divisions in Jammu region and Kashmir region for the month of October 2023 were submitted by the Petitioner. The same is given as Anenxure-3 with the petition.

4.12.4 The Commission has observed that the above data with regard to input and output energy flow and meter readings has been submitted by field office staff of JKPTCL. . The Commission directs the Petitioner to submit audited report certified by independent auditor in this regard during true-up of FY 2023-24.

4.13 Transmission System Availability:

Petitioner's Submission

- 4.13.1.** The Petitioner submitted that it shall adhere to the 98% transmission system availability as approved by the Commission in its Order No. JERC/11 of 2023 dated 10th October 2023.
- 4.13.2.** The Petitioner shall submit the detailed calculations of transmission system availability for FY 2023-24 at the time of truing up of ARR of FY 2023-24.

Commission's View

- 4.13.3.** The Commission accepts the view of the Petitioner and directs them to submit certified copy of transmission system availability data during true-up of FY 2023-24.

■ ■ ■

CHAPTER 5: Revised ARR Projections of FY 2024-25

5.1. Introduction

5.1.1. The Commission has published the Joint Electricity Regulatory Commission for the UT of Jammu & Kashmir and the UT of Ladakh (Terms and Conditions for Determination of Multi Year Generation, Transmission, Distribution Tariff), Regulations, 2023 (henceforth JERC MYT Regulations 2023) on 01.11.2023. Regulation 11.1 of the JERC MYT Regulations 2023 prescribes filing of Tariff for ensuing year. The relevant extract of the Regulation is as follows:

"11.1 The Generating Company, Transmission Licensee and Distribution Licensee shall file an application for the annual performance review of the current year, truing up of the previous Year or the Year for which the audited accounts are available and determination of tariff for each of the ensuing Years on or before 30th November of each year, in formats specified by the Commission from time to time:

....."

5.1.2. Further, Regulation 11.2 of the JERC MYT Regulations 2023 specifies the scope of the tariff determination Petition. The relevant extract of the Regulation is as follows:

"11.2 The scope of the annual performance review, truing up, and tariff determination shall be a comparison of the performance of the Generating Company, Transmission Licensee, or Distribution Licensee with the approved forecast of Aggregate Revenue Requirement and Expected Revenue from Tariff and Charges and shall comprise of the following:

- a) True-up: a comparison of the audited performance of the Applicant for the Financial Year for which the true-up is being carried out with the approved forecast for such previous Financial Year, subject to the prudence check;*
- b) Annual Performance Review: a comparison of the revised performance targets of the Applicant for the current Financial Year with the approved forecast in the Tariff Order corresponding to the Control Period for the current Financial Year subject to prudence check;*
- c) Tariff determination for the ensuing Year of the Control Period based on the revised forecast of the Aggregate Revenue Requirement for the Year;***
- d) Review of compliance with directives issued by the Commission from time to time;*
- e) Other relevant details, if any" {Emphasis added}*

5.1.3. In line with the above provisions, the Petitioner has filed the Petition for revision of ARR of FY 2024-25.

5.1.4. Further, the Commission notes that Chapter 5 of JERC MYT Regulations 2023 deals with intra-state transmission. The provisions related to components of transmission tariff is provided below:

"42. Components of tariff

42.1 The annual transmission charges for each Financial Year of the Control Period shall provide for the recovery of the Aggregate Revenue Requirement of the Transmission Licensee for the respective Financial Year of the Control Period, as reduced by the amount of Non-Tariff Income, income from Other Business and short-term open access charges as approved by the Commission:

Provided that in case of competitively awarded transmission system projects in pursuance of Section 63 of the Act and in accordance with guidelines for competitive bidding for transmission, the annual transmission charges shall be as per the annual Transmission Service Charges (TSC) quoted by such competitively awarded transmission projects.

Provided also that all new Intra-State Transmission Project costing above the threshold limit as decided by the Commission and meeting other conditions as laid down in Appendix-IV shall be developed through Tariff Based Competitive Bidding (TBCB).

42.2 The annual transmission charges of the Transmission Licensee shall be determined by the Commission on the basis of an application for determination of Aggregate Revenue Requirement made by the Transmission Licensee in accordance with Chapter 2 of these Regulations.

42.3 The Aggregate Revenue Requirement for a Transmission Licensee shall comprise the following components:

- a) Return on Equity;*
- b) Depreciation;*
- c) Interest and Finance Charges on Loan Capital;*
- d) Interest on Working Capital and deposits from Transmission System Users;*
- e) Operation and maintenance expenses;*
- f) Income Tax*
- Less:*
- g) Income from Open Access Charges;*
- h) Non-Tariff Income;*
- i) Income from Other Business, to the extent specified in these Regulations:*

42.4 The treatment of each of the above components shall be in accordance with the prevalent CERC Tariff Regulations governing transmission of electricity."

5.1.5. The Commission has reviewed the submission of the Petitioner and approves the revised ARR of FY 2024-25 in the subsequent sections.

5.2. Capital Expenditure and Capitalization

Petitioner's Submission

5.2.1. The Petitioner has projected to incur capital expenditure of Rs. 476.98 crores in the FY 2024-25. The details of the Capital expenditure projected to be incurred in FY 2024-25 are as follows:

Table 23: Details of Capital Expenditure projected to be incurred in FY 2024-25 (in Rs. Crores)

Region	Particular	Revised Estimate
		FY 2024-25*
Jammu region	UT Scheme	230.55
	PMDP	31.40
	PMRP	15.02
Kashmir region	UT Scheme	200.00
	PMDP	0.00
	PMRP	0.00
J&K	Total	476.98

*For FY 2024-25, the State (UT) Plan is yet to be approved by the Government of J&K; therefore, this is tentative budget of the capex plan. The Petitioner shall submit the approved State (UT) Plan to the Commission.

5.2.2. Further, the details of the projected capitalization for the FY 2024-25, as submitted by the Petitioner, are as follows:

Table 24: Details of projected Capitalization for FY 2024-25 (in Rs. Crores)

Region	Particular	Revised Estimate
		FY 2024-25*
Jammu region	UT Scheme	153.50
	PMDP	44.82
	PMRP	22.71
Kashmir region	UT Scheme	165.02
	PMDP	0.00
	PMRP	55.00
J&K	Total	441.04

*Tentative capitalization under State UT schemes.

5.2.3. The Commission was requested to approve the above said estimate of capital expenditure and capitalization of the Petitioner for FY 2024-25.

Commission's View

5.2.4. The Commission has noted the submission made by the Petitioner with respect to capital expenditure and capitalization for FY 2024-25. The details of different schemes envisaged under UT, PMDP and PMRP funding were provided for Jammu and Kashmir Region. As pointed out previously under APR chapter, the Commission observed that the submission of Petitioner nowhere matches with what they have submitted under Business Plan proposal submitted to the Commission during last year. There is urgent need for proper planning and timely execution of projects. Delay in execution of project due to improper planning shall result in cost overrun which in turn shall be borne by UT administration, which is not expected. The Commission directs the petitioner to ascertain the priorities of the work / schemes to be executed along with the timeline for completion of the same at the time of preparation of Business Plan and adhere to the timeline strictly in future. The Commission shall not accept deviation in the business plan submission without genuine and valid reasons in future .

5.2.5. The capitalization proposed by the Petitioner under the present Petition and approved by Commission for FY 2024-25 under its order dated 10.10.2023 is given below.

Table 25: Details of approved capitalization (as per order 10.10.2023) and projected Capitalization for FY 2024-25 (in Rs. Crores)

Region	Particular	Commission approved	Revised Estimate
		As per order dated 10.10.2023	Submitted by the Petitioner
Jammu region	UT Scheme	1808	153.50
	PMDP		44.82
	PMRP		22.71
Kashmir region	UT Scheme	349	165.02
	PMDP		0.00
	PMRP		55.00
J&K	Total	2157	441.04

5.2.6. From the above table, it is noticed that presently the Petitioner has projected to capitalise works amounting to Rs 441.04 Crore, which is just 20% of the projection made in the business plan proposal and approved by Commission in order dated 10.10.2023. Further, the major amount projected to be capitalized is under UT Scheme, which is yet to be approved by the Government of J&K; hence, the same is uncertain. Hence, the projection submitted by the Petitioner is questionable.

5.2.7. The Petitioner works as a State (UT) Transmission Utility (STU) and responsible for maintaining an efficient transmission system. Section 39 and 40 of the Electricity Act, 2003 provide the functions and duties of STU. The relevant sections are reproduced below:

"Section 39. (State Transmission Utility and functions):

.....

(2) The functions of the State Transmission Utility shall be –

(a) to undertake transmission of electricity through intra-State transmission system;
 (b) to discharge all functions of planning and co-ordination relating to intra-State transmission system with -

(i) Central Transmission Utility;

(ii) State Governments;

(iii) generating companies;

(iv) Regional Power Committees;

(v) Authority;

(vi) licensees;

(vii) any other person notified by the State Government in this behalf;

(c) to ensure development of an efficient, co-ordinated and economical system of intra-State transmission lines for smooth flow of electricity from a generating station to the load centres;

....."

"Section 40. (Duties of transmission licensees):

It shall be the duty of a transmission licensee -

(a) to build, maintain and operate an efficient, co-ordinated and economical inter-State transmission system or intra-State transmission system, as the case may be;

(b) to comply with the directions of the Regional Load Despatch Centre and the State Load Despatch Centre as the case may be;

...."

5.2.8. The above provisions highlight the role and importance of State transmission utility (STU) in the context of overall power system. Hence more efforts need to be taken by the petitioner while preparing the long term transmission plan and time line for completion of the same. As the distribution system is linked with STU system, timely completion of intra-state (intra-UT) work is utmost required for supplying reliable power to the end consumer. The Commission approves the Capitalization plan for FY 2024-25 submitted by the petitioner. The Commission shall review the quarterly progress report to be submitted by the Petitioner in this regard.

5.3. Operation & Maintenance Expenses

Petitioner's Submission

- 5.3.1. The Petitioner submitted that Regulations 45.1 of the JERC MYT Regulations 2023 specifies that the norms of operation for a Transmission Licensee shall be as per prevalent CERC Tariff Regulations. The same are quoted as follows:

"45.1 The norms of operations for a Transmission Licensee shall be applicable as specified in the prevalent CERC Tariff Regulations.

Provided that sharing of incentive, if any with the beneficiaries for exceeding the norms of operations shall be in accordance with provisions of prevalent CERC Tariff Regulations."

- 5.3.2. Regulation 36 (3) of the CERC (Terms and Conditions of Tariff) Regulations, 2024 specify following norms of O&M expenses for Transmission Licensees:

"(3) Transmission system: (a) the following normative operation and maintenance expenses shall be admissible for the transmission system:

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
Norms for sub-station Bays (Rs Lakh per bay)					
765 kV	41.34	43.51	45.79	48.20	50.73
400 kV	29.53	31.08	32.71	34.43	36.23
220 kV	20.67	21.75	22.90	24.10	25.36
132 kV and below	15.78	16.61	17.48	18.40	19.35
Norms for Transformers (Rs Lakh per MVA)					
O&M expenditure per MVA or per MVar (Rs Lakh per MVA or per MVar)	0.262	0.276	0.290	0.305	0.322
Norms for AC and HVDC lines (Rs Lakh per km)					
Single Circuit (Bundled Conductor with six or more sub-conductors)	0.861	0.906	0.953	1.003	1.056
Single Circuit (Bundled conductor with four sub-conductors)	0.738	0.776	0.817	0.860	0.905
Single Circuit (Twin & Triple Conductor)	0.492	0.518	0.545	0.573	0.603
Single Circuit (Single Conductor)	0.246	0.259	0.272	0.287	0.302
Double Circuit (Bundled conductor with four or more sub-conductors)	1.291	1.359	1.430	1.506	1.585
Double Circuit (Twin &	0.861	0.906	0.953	1.003	1.056

Triple Conductor)					
Double Circuit (Single Conductor)	0.369	0.388	0.409	0.430	0.453
Multi Circuit (Bundled Conductor with four or more sub-conductor)	2.266	2.385	2.510	2.642	2.781
Multi Circuit (Twin & Triple Conductor)	1.509	1.588	1.671	1.759	1.851
Norms for HVDC stations					
HVDC Back-to-Back stations (Rs Lakh per MW)	2.07	2.18	2.30	2.42	2.55
Gazuwaka HVDC Back-to-Back station (Rs. Lakh per MW)	1.83	1.92	2.03	2.13	2.24
HVDC bipole scheme (Rs Lakh per MW)	1.04	1.10	1.16	1.22	1.28

Provided that the O&M expenses for the GIS bays shall be allowed as worked out by multiplying 0.70 of the O&M expenses of the normative O&M expenses for bays;

Provided that the O&M expense norms of Double Circuit quad AC line shall be applicable to for HVDC bi-pole line;

Provided that the O&M expenses of ± 500 kV Mundra-Mohindergarh HVDC bipole scheme (2500 MW) shall be allowed as worked out by multiplying 0.80 of the normative O&M expenses for HVDC bipole scheme;

Provided further that the O&M expenses for Transmission Licensees whose transmission assets are located solely in NE Region (including Sikkim), States of Uttarakhand, Himachal Pradesh, the Union Territories of Jammu and Kashmir and Ladakh, district of Darjeeling of West Bengal shall be worked out by multiplying 1.50 to the normative O&M expenses prescribed above.

(b) The total allowable operation and maintenance expenses for the transmission system shall be calculated by multiplying the number of substation bays, transformer capacity of the transformer/reactor/Static Var Compensator/Static Synchronous Compensator (in MVA/MVAR) and km of line length with the applicable norms for the operation and maintenance expenses per bay, per MVA/MVAR and per km respectively.

(c) Communication system: The operation and maintenance expenses for the ULDC or such similar scheme shall be worked out at 2.0% of the original project cost related to such communication system. The transmission licensee shall submit the actual operation and maintenance expenses for truing up. The expenses in case of U-NMS shall be allowed on actual basis after due prudence check.

(d) The Security Expenses, Capital Spares individually costing more than Rs. 10 lakhs and

Insurance expenses arrived through competitive bidding for the transmission system and associated communication system shall be allowed separately after prudence check:

Provided that in case of self-insurance, the premium shall not exceed 0.09% of the GFA of the assets insured;

Provided that the transmission licensee shall submit the along with estimated security expenses based on assessment of the security requirement, capital spares and insurance expenses, which shall be trued up based on details of the year-wise actuals along with appropriate justification for incurring the same and along with confirmation that the same is not claimed as a part of additional capitalisation or consumption of stores and spares and renovation and modernization.

(e) On the occurrence of any change in law event affecting O&M expenses, the impact shall be allowed to the transmission licensee at the time of truing up of tariff.

Provided that such impact shall be allowed only in case the overall impact of such change in law event in a year is more than 5% of normative O&M expenses of the project for the year.

(f) In case of a transmission licensee owned by the Central or State Government, the impact on account of implementation of wage or pay revision shall be allowed at the time of truing up of tariff.” {Emphasis added}

5.3.3. The Petitioner has considered network details for FY 2024-25, the applicable O&M norms for calculation of the normative O&M expenses:

Table 26: Network details of JKPTCL for calculation of O&M expenses

Sr. No.	Particulars	FY 2024-25			Applicable O&M norms per unit	Normative O&M Expense for FY 2024-25 (Rs. Cr.)**
		Jammu Region	Kashmir Region	Total (JKPTCL)		
A	No. of Substations Bays (GIS)*				Rs. lakh/ bay	
	765 KV	-	-	-	-	0.00
	400 KV	-	-	-	-	0.00
	220 KV	1.00	12.00	13.00	14.47	2.82
	132 KV and Below	1.00	19.00	20.00	11.05	3.31
B	No. of Substations Bays (non-GIS)					
	765 KV	-	-	-		0.00
	400 KV	-	-	-		0.00
	220 KV	65.00	67.00	132.00	20.67	40.93
	132 KV and Below	463.00	249.00	712.00	15.78	168.53
B	Transformation Capacity (in MVA)				Rs. lakh/ MVA	
	765 KV	-	-	-	0	0.00
	400 KV	-	-	-	0	0.00
	220 KV	3,270.00	2,815.00	6,085.00	0.262	23.91
	132 KV and Below	3,154.50	3,900.00	7,054.50	0.262	27.72

Sr. No.	Particulars	FY 2024-25			Applicable O&M norms per unit	Normative O&M Expense for FY 2024-25 (Rs. Cr.)**
		Jammu Region	Kashmir Region	Total (JKPTCL)		
C	AC lines (kms)				Rs. lakh/ km	
	Single Circuit (Bundled Conductor with six or more sub-conductors)	-		-	0	0.00
	Single Circuit (Bundled conductor with four sub-conductors)	-		-	0	0.00
	Single Circuit (Twin & Triple Conductor)	-		-	0	0.00
	Single Circuit (Single Conductor)	402.78	301.20	703.98	0.25	2.60
	Double Circuit (Bundled conductor with four or more sub-conductors)	-		-	0	0.00
	Double Circuit (Twin & Triple Conductor)	-		-	0	0.00
	Double Circuit (Single Conductor)	717.53	8,384.40	9,101.93	0.37	50.38
	Multi Circuit (Bundled Conductor with four or more sub-conductor)	-		-	0	0.00
	Multi Circuit (Twin & Triple Conductor)	-		-	0	0.00
					Total	320.21

*Applicable O&M norms for GIS bays are taken at 0.7 times the O&M norms for Non-GIS bays as per the CERC Tariff Regulations 2024

** In line with 4th Proviso of Regulation 36 3 (a) Normative O&M Expenses is multiplied by 1.5 for JKPTCL as transmission assets are located solely in the UT of J&K.

5.3.4. The Petitioner requested the Commission to approve the above revised estimate of O&M expenses for FY 2024-25.

Commission's View

5.3.5. The Commission has noted that the petitioner has projected the O&M expenses for FY 2024-25 as per provisions under CERC Tariff Regulations. The Commission notes that regulation 45.1 of the JERC MYT Regulations 2023 specify that *"the norms of operations for a Transmission Licensee shall be applicable as specified in the prevalent CERC Tariff Regulations"*. The Commission notes that the O&M norms specified under the CERC Tariff Regulations are defined in terms of lakh /per unit of transmission infrastructure like sub-station bays, transformers, AC ckt line etc. The Commission notes that the CERC in Explanatory Memorandum on Draft Terms and Conditions for Tariff Determination 2024-29 mentioned that details of actual performance / operational data and O&M expenditure for the period FY 2017-18 to FY 2022-23 was collected from various transmission licensees while arriving the O&M norms.

5.3.6. In context of above, the Commission observes that the Petitioner has not yet operated as an independent corporation and still depends on grant in aid from Government to meet its Capex and O&M expenses. The petitioner has yet not executed the agreement with the transmission system user for recovery of transmission tariff. Further, the petitioner has not submitted the audited accounts of past period for truing up of past expenses. The

Commission observes that the O&M expenses submitted by the petition for FY 2021-22, FY 2022-23 & FY 2023-24 are substantially lower than the projected O&M expenses for FY 2024-25.

5.3.7. In view of above, the Commission decides to determine the O&M expenses based on the past years O&M expenses consist of employee expenses, A&G expenses & R&M expenses and corresponding growth in WPI and CPI indices. The Commission has followed similar methodology, while approving the O&M expenses in APR year FY 2023-24. The Commission decides that the provisions under Regulation 75 of JERC MYT Regulations 2023 allows the Commission to relax any of the provisions of the JERC MYT Regulations 2023 on its own motion, for reasons to be recorded in writing.

"75. Power of Relaxation

75.1 The Commission, for reasons to be recorded in writing, may relax any of the provisions of these Regulations on its own motion or on an application made before it by an interested person."

5.3.8. The Commission has determined the normative O&M expenses for APR of FY 2023-24 in Chapter 4 of this order. The Commission has derived the average growth rate of WPI and CPI indices based on past three years' data (FY 21-22 to FY 23-24). The information of past year growth rate of the indices and average growth rate is provided in para 4.2.4 of Chapter 4. The Commission considers the expenses of the previous year (i.e. FY 2023-24) and CPI inflation for approving employee and A&G expenses. R&M expenses are derived based on past year expenses along with WPI inflation. The value of G_n , growth factor of the n th year, is considered as zero. Further, the Commission decides that X_n , i.e. efficiency factor for the n th year equal to zero. Terminal benefit is already covered under employee expenses, and hence, no separate approval is given for the same. Based on the above discussion, the approved values for FY 2024-25 are given below:

Table 27: Approved O&M Expenses for FY 2024-25 (Rs. crore)

Sr. No.	Particulars	FY 2024-25
1	Employee expenses	170.02
2	A&G expenses	7.41
3	R&M expenses	17.09
4	O&M expenses	194.53

5.4. Depreciation

Petitioner's Submission

5.4.1. The Petitioner submitted that the Petitioner is undertaking the capital expenditure in FY 2024-25 by means of funding received from the Government/ UT Administration in the form of grants/ grant-in-aid. Thus, the Petitioner does not intend to finance any capital works through any capital loan and/ or infused equity to create assets in FY 2024-25.

- 5.4.2.** As specified in regulation 25.4 (c) and additional proviso of regulation 30.1 of the JERC MYT Regulations 2023, depreciation on assets created from grant is not allowed. Relevant excerpts are reproduced here as follows:

Regulation 25.4 (c)

"c) Depreciation to the extent of works performed through consumer contribution, deposit work, capital subsidy, or grant shall not be allowed as specified in Regulation 30;"

Regulation 30.1

"30.1 The value base for the purpose of depreciation shall be the capital cost of the asset admitted by the Commission:

Provided that the depreciation shall be allowed after reducing the approved original cost of the retired or replaced or decapitalized assets:

Provided also that the no depreciation shall be allowed on the assets financed through consumer contribution, deposit work, capital subsidy or grant."

- 5.4.3.** In line with the above said provisions, the Petitioner has claimed nil depreciation (Depreciation as per regulatory accounts) on assets during FY 2024-25.

Commission's View

- 5.4.4.** The Commission has noted the submission made by the Petitioner and observes that no depreciation was claimed by the Petitioner. As the assets were financed through capital grant only, the claim of nil depreciation is accepted by the Commission, which is in line with Regulation 25.4 (c) and the second proviso of Regulation 30.1 of JERC MYT Regulations, 2023, for FY 2024-25.

5.5. Interest on long term loans

Petitioner's Submission

- 5.5.1.** As discussed in the above section, Petitioner does not intend to finance any capital works through any capital loan and/ or infused equity to create assets in FY 2024-25.
- 5.5.2.** As specified in regulation 25.4 (e) and regulation 28.7 of the JERC MYT Regulations 2023, interest on loan capital on financial support corresponding to grant. Relevant excerpts are reproduced here as follows:

"Regulation 25.4 (e)

"e) provisions related to interest on loan capital, as specified in Regulation 28, shall not be applicable to the extent of financial support provided through consumer contribution, deposit work, capital subsidy or grant."

Regulation 28.7

"The above interest computation shall exclude the interest on loan amount, normative or otherwise, to the extent of capital cost funded by consumer contribution, deposit work, capital subsidy or grant, carried out by Transmission Licensee or Distribution Licensee."

5.5.3. In line with the above said provisions, the Petitioner has claimed nil interest on long term loans on assets during FY 2024-25.

Commission's View

5.5.4. The Commission has reviewed the submission made by the Petitioner with respect to interest on loan. The Commission has noted that the capitalization during FY 2024-25 is through grants only. So, according to Regulations 25.4 (e) and 28.7 of JERC MYT Regulations, 2023, the Commission approves zero interest on long-term loans during FY 2024-25 for JKPTCL.

5.6. Return on Equity

Petitioner's Submission

5.6.1. As submitted by the Petitioner, the Petitioner does not intend to finance any capital works through any capital loan and/ or infused equity to create assets in FY 2024-25.

5.6.2. As specified in regulation 25.4 (d) of the JERC MYT Regulations 2023, return on equity is not applicable on financial support corresponding to grant. Relevant excerpts are reproduced here as follows:

"d) provisions related to return on equity, as specified in Regulation 27, shall not be applicable to the extent of financial support provided through consumer contribution, deposit work, capital subsidy or grant;"

5.6.3. In line with the above said provisions, the Petitioner has claimed nil return on regulatory equity on assets during FY 2024-25.

Commission's View

5.6.4. The Commission reviewed the submission of the Petitioner and has decided that no return on equity is allowed to JKPTCL as all proposed capital expenditure is funded by government grants only, as submitted by the Petitioner. Hence, no return on equity is considered for FY 2024-25.

5.7. Interest on working capital

Petitioner's Submission

5.7.1. The Petitioner submitted that, as specified at Regulation 43.1 of the JERC MYT Regulations 2023, interest on the estimated level of working capital is to be computed and allowed as per prevalent CERC Tariff Regulations. This means that the norms for estimating annual

working capital as well as the rate of interest to be considered for calculation of interest on working capital are to be as per the prevalent CERC Tariff Regulations.

5.7.2. Regulation 34 (1) (d) of the CERC (Terms and conditions of Tariff) Regulations, 2024 specifies following components of working capital for transmission licensee:

“(c) For Hydro Generating Station (including Pumped Storage Hydro Generating Station) and Transmission System:

(i) Receivables equivalent to 45 days of annual fixed cost;

(ii) Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and

(iii) Operation and maintenance expenses, including security expenses for one month.”

5.7.3. Accordingly, the Petitioner has considered the components of normative working capital to arrive at the normative working capital requirement. Further, Regulation 34 (3) of the CERC (Terms and conditions of Tariff) Regulations, 2024 specifies the rate of interest to be considered for calculating interest on working capital. The excerpts of the Regulation are reproduced below:

“(3) Rate of interest on working capital shall be on a normative basis and shall be considered at the Reference Rate of Interest as on 1.4.2024 or as on 1st April of the year during the tariff period 2024-29 in which the generating station or a unit thereof or the transmission system including communication system or element thereof, as the case may be, is declared under commercial operation, whichever is later:

Provided that in case of truing-up, the rate of interest on working capital shall be considered at Reference Rate of Interest as on 1st April of each of the financial year during the tariff period 2024-29.”

5.7.4. The CERC Tariff Regulations 2024 defines Reference Rate of Interest as on 1st April of 2024 or 1st April of financial year as Interest rate to calculate interest on working capital. Accordingly, the Licensee has considered the SBI MCLR of 7% as on 1st April 2023¹ and accordingly, bank rate of 12.00% (8.50%+3.5%) is considered. The projected normative interest on working capital for FY 2024-25 is as follows:

Table 28: Estimated normative interest on working capital for FY 2024-25

Sl. No	Particulars	FY 2024-25
		ARR Projection
1	O&M Expenses equivalent to 1 month	26.68
2	Maintenance Spares @15% of the O&M expenses including security deposit	48.03
3	Receivables equivalent to 45 days of AFC	41.19

¹ Source: <https://sbi.co.in/web/interest-rates/interest-rates/mclr-historical-data>

Sl. No	Particulars	FY 2024-25
		ARR Projection
4	Working Capital Requirement	115.91
	Less: Amount of security deposit from Transmission System Users	0.00
5	Net Working Capital Requirement (Yearly)	115.91
6	Interest Rate (%)	12.00%
	Normative Interest on Working Capital	13.91

Commission's View

5.7.5. The Commission has noted the submission made by the Petitioner with regard to interest on working capital. The provisions related to interest on working capital is mentioned under Regulation 31 of the JERC MYT Regulations, 2023. The norms for working capital for Transmission Licensee is specified in Chapter 5 of the same, which mentions that interest on working capital shall be determined as per prevailing CERC Tariff Regulations.

5.7.6. Regulation 34 (1) (d) of the CERC (Terms and conditions of Tariff) Regulations, 2024 specifies following components of working capital for transmission licensee:

“(c) For Hydro Generating Station (including Pumped Storage Hydro Generating Station) and Transmission System:

(i) Receivables equivalent to 45 days of annual fixed cost;

(ii) Maintenance spares @ 15% of operation and maintenance expenses including security expenses; and

(iii) Operation and maintenance expenses, including security expenses for one month.”

5.7.7. Accordingly, the Petitioner has considered the components of normative working capital to arrive at the normative working capital requirement. Further, Regulation 34 (3) of the CERC (Terms and conditions of Tariff) Regulations, 2024 specifies the rate of interest to be considered for calculating interest on working capital. The excerpts of the Regulation are reproduced below:

“(3) Rate of interest on working capital shall be on a normative basis and shall be considered at the Reference Rate of Interest as on 1.4.2024 or as on 1st April of the year during the tariff period 2024-29 in which the generating station or a unit thereof or the transmission system including communication system or element thereof, as the case may be, is declared under commercial operation, whichever is later:

5.7.8. Further, CERC (Terms and conditions of Tariff) Regulations, 2024, specifies that 'Reference Rate of Interest' means the one-year marginal cost of funds based lending rate (MCLR) of the State Bank of India (SBI) issued from time to time plus 325 basis points. As on 1st April, 2024 the one year MCLR rate was 8.65%. Hence, the interest rate on working capital is approved at the rate of 11.9% (i.e. 8.65%+3.25%). The approved normative interest on working capital for FY 2024-25 is as follows:

Table 29: Interest on Working Capital Approved by the Commission for FY 2024–25 (Rs. crore)

Sl. No	Particulars	Approved values
1	O&M Expenses equivalent to 1 month	16.21
2	Maintenance Spares @15% of the O&M expenses including security deposit	29.18
3	Receivables equivalent to 45 days of AFC	25.37
4	Working Capital Requirement	70.63
	Less: Amount of security deposit from Transmission System Users	0.00
5	Net Working Capital Requirement (Yearly)	70.76
6	Interest Rate (%)	11.9%
	Normative Interest on Working Capital	8.42

5.8. Contribution to contingency reserves

5.8.1. As the Petitioner has not planned any contribution towards contingency reserves for FY 2024-25, the Commission has considered nil amount towards contribution to contingency reserves.

5.9. Income Tax

Petitioner's Submission

5.9.1. The Petitioner submitted that, it is claiming 'nil' income tax. However, the Petitioner reserves its right to approach the Commission to claim any future payment towards Income tax under Regulation 32 of the JERC MYT Regulations 2023.

Commission's View

5.9.2. The Commission notes that 'Tax On Income' provision is given under Regulation 32 of the JERC MYT Regulations 2023. The relevant part is reproduced below.

"32.1 The treatment of tax on income for a Generating Company or Transmission Licensee shall be in accordance with the prevalent CERC Tariff Regulations."

5.9.3. The relevant provision in CERC tariff Regulations, 2024 is reproduced below.

"31. Tax on Return on Equity. (1) The rate of return on equity as allowed by the Commission under Regulation 30 of these regulations shall be grossed up with the effective tax rate of the respective financial year. The effective tax rate shall be calculated at the beginning of every financial year based on the estimated profit and tax to be paid estimated in line with the provisions of the relevant Finance Act applicable for that financial year to the concerned generating company or the transmission licensee by excluding the income of non-generation or non-transmission business, as the case may be, and the corresponding tax thereon."

5.9.4. The Commission decides that as the Petitioner has submitted that there is nil income tax; the issue of grossing up of RoE with effective tax rate does not arise. Further, all the capitalization is funded by Government through grant, hence no amount under RoE is approved.

5.10. Non-tariff income

Petitioner's Submission

5.10.1. In line with its submission on Business Plan and MYT Petition, the Petitioner has projected nil income from non-Tariff sources.

Commission's View

5.10.2. The Commission notes the submission of the Petitioner. The Petitioner has not projected any non-tariff income for FY 2024-25. In its Business Plan order also, the Commission approves nil amount towards non-tariff income. Hence, the Commission accepts the proposal of the Petitioner and has considered nil non-tariff income for FY 2024-25.

5.11. Revised ARR Projections

Petitioner's Submission

5.11.1. In line with the above submission, summary of revised ARR of the Petitioner during FY 2024-25, as per the JERC MYT Regulations 2023 is tabulated as follows:

Table 30: Revised ARR for FY 2024-25 projected by JKPTCL

Sr. No.	Particulars	FY 2024-25
		Projected ARR
1	Operation & Maintenance Expenses	320.21
2	Depreciation	0.00
3	Interest and Finance Charges	0.00
4	Interest on Working Capital and deposits from TSUs	13.91
5	Contribution to Contingency reserves	0.00
6	Total Revenue Expenditure	334.12
7	Return on Equity Capital	0.00
8	Aggregate Revenue Requirement	334.12
9	Less: Non-Tariff Income	0.00
10	Less: Income from Other Business	0.00
11	Less: Revenue from short-term transmission charges	0.00
12	Aggregate Revenue Requirement from Transmission Tariff	334.12

5.11.2. The Petitioner requested the Commission to approve the revised ARR projections for FY 2024-25.

Commission's View

5.11.3. The Commission has approved the components of ARR in the previous sections. Based on the approved values, the approved ARR of FY 2024-25 is provided below.

Table 31: Approved ARR for FY 2024-25 (Rs Cr)

Sr. No.	Particulars	Amount approved
1	Operation & Maintenance Expenses	194.53
2	Depreciation	0.00
3	Interest and Finance Charges	0.00
4	Interest on Working Capital and deposits from TSUs	8.42
5	Contribution to Contingency reserves	0.00
6	Total Revenue Expenditure	202.95
7	Return on Equity Capital	0.00
8	Aggregate Revenue Requirement	202.95
9	Less: Non-Tariff Income	0.00
10	Less: Income from Other Business	0.00
11	Less: Revenue from short-term transmission charges	0.00
12	Aggregate Revenue Requirement from Transmission Tariff	202.95

5.12. Transmission loss:**Petitioner's Submission**

5.12.1. The Petitioner submits that, the Commission has approved level of 3.07% for FY 2024-25. The Petitioner submits that it shall submit the details of actual transmission losses on a quarterly basis to the Commission during FY 2024-25.

Commission's View

5.12.2. The Commission in its Business Plan Order No. JERC/11 of 2023, dated 10.10.2023 has approved 3.07% as transmission loss for FY 2024-25. The same is approved for FY 2024-25.

5.13. Transmission System Availability:**Petitioner's Submission**

5.13.1. The Petitioner submitted that they shall adhere to the 98% transmission system availability as approved by the Commission for FY 2024-25 in its Order No. JERC/11 of 2023 dated 10th October 2023.

5.13.2. The Petitioner shall submit the detailed calculations of transmission system availability for FY 2024-25 at the time of truing up of ARR of FY 2024-25.

Commission's View

5.13.3. The Commission in its Business Plan Order No. JERC/11 of 2023, dated 10.10.2023 has approved 98% as transmission system availability for the control period. Considering the same, 98% availability is approved for FY 2024-25.

CHAPTER 6: Tariff Proposal of FY 2024-25

6.1. Regulatory Framework

- 6.1.1.** Regulation 47 of the JERC MYT Regulations 2023 provides the regulatory framework for determination of sharing of charges for Intra-State Transmission Network. The relevant extract of the regulations is reproduced below:

"47. Sharing of charges for Intra-State Transmission Network

47.1 The Aggregate Revenue Requirement of the Transmission Licensee, as approved by the Commission, shall be shared by all long-term users and medium-term users of the transmission system on a monthly basis in the ratio of their respective "Allotted Transmission Capacity" to the total Allotted Transmission Capacity, in accordance with the following formula:

$$MTC_n = (\text{Transmission ARR} / 12) \times (CC_n / SCC)$$

Where,

MTC_n = Monthly Transmission Charges payable by the *nth* long-term user or medium-term user of the transmission system;

Transmission ARR = Aggregate Revenue Requirement of the Transmission Licensee, determined in accordance with these Regulations;

CC_n = Allotted Transmission Capacity by the *n*th long-term user or medium-term user of the transmission system;

SCC = Sum of Allotted Transmission Capacity by all long-term users and medium-term users of the transmission system:

Provided that the MTC_n, shall be payable on a monthly basis by each long-term user or medium-term user of the transmission system and shall be collected by the "State Transmission Utility (STU)".

47.2 The short-term Open Access Consumers shall pay transmission charges on Rs/MW/day basis as determined by the Commission in accordance with applicable open access regulations enforce.

47.3 75% of charges collected from the short-term Open Access Consumers shall be adjusted towards reduction in the charges payable by the long-term and medium-term Open Access Consumers. The remaining 25% of the charges collected from short-term Open Access users shall be retained by the Transmission Licensee."

6.1.2. The Commission vide its Order No. JERC/4 of 2022 dated 22nd September 2022 approved transmission charges for FY 2022-23 which were Rs. 11.64 crores/ month as long term/ medium term transmission charges and Rs. 1090/ MW/ day as short-term transmission charges applicable based on allotted transmission capacity.

6.1.3. Further, the Commission vide its Order No. JERC/ 11 of 2023 dated 10th October 2023 approved transmission charges for FY 2023-24 which are Rs. 16.01 crores/ month as long term/ medium term transmission charges and Rs. 1636.15/ MW/ day as short-term transmission charges applicable based on allotted transmission capacity.

6.1.4. The Petitioner presented its tariff proposal in accordance with the above-mentioned regulatory framework.

6.2. Transmission Tariff for FY 2024-25

Petitioner's Submission

6.2.1. The Petitioner has considered the projected ARR for FY 2024-25 as submitted in the previous chapter.

6.2.2. As regard CC_n and SCC, which pertain to the long term/ medium term transmission users, the Petitioner submitted that, currently its entire transmission network is dedicated to JKPCCL which procures power for the distribution licensees in the UT of J&K and UT of Ladakh. For SCC, the Petitioner has considered total installed capacity in MW of power utilities in the UT of J&K and UT of Ladakh including allocated shares in joint and central sector utilities of 3536.12 MW as on 31st October 2023 as reported by CEA².

6.2.3. The Petitioner has considered 365 days in a year for calculation of Transmission tariff. Based on above assumptions the calculated transmission tariff for FY 2024-25 is as follows:

Table 32: Transmission Charges for FY 2024-25 proposed by JKPTCL

Particulars	Unit	Legend	Amount
Projected aggregate revenue requirement	Rs. crore	Transmission ARR	334.12
Allotted transmission capacity to the n th long-term/medium-term user of the transmission system	MW	CC_n	3,536.12
Sum of allotted transmission capacity by all long-term users and medium-term users of the transmission system	MW	SCC	3,536.12
Annual transmission charges payable by the n th long-term user or medium-term user of the transmission system	Rs. Crore/ month	$ATC_n = (\text{Transmission ARR} / 12) \times (CC_n / \text{SCC})$	27.84
Short-term open access transmission charges	Rs./ MW/ day		2588.68

6.2.4. The Petitioner requested the Commission to approve the above proposed transmission tariff for FY 2024-25.

² https://cea.nic.in/wp-content/uploads/installed/2023/10/IC_OCT_2023-1.pdf

Commission's View

- 6.2.5.** The Commission has noted the submission made by the Petitioner with respect to transmission tariff to be recovered on the basis of aggregate revenue requirement. As per Regulation 47 of the JERC MYT Regulations, 2023, the Commission has decided to determine the transmission tariff on the basis of the ARR approved for FY 2024-25.
- 6.2.6.** The Petitioner projected 3536.12 MW as the transmission system capacity, as per CEA data of total installed capacity in MW of power utilities in the UT of J&K and UT of Ladakh including allocated shares in joint and central sector utilities. The Commission in its data gap query, asked the Petitioner to submit the information about actual peak demand and peak met data.
- 6.2.7.** The month wise details of peak demand and peak demand met during FY 2023-24 for UT of J&K and UT of Ladakh, as submitted by the Petitioner, are as follows³:

Table 33: Actual peak demand and peak met during FY 2023-24, as submitted by JKPTCL

Month	Peak Demand (MW)	Peak Met (MW)
April 2023	2890.00	2890.00
May 2023	2823.00	2823.00
June 2023	2542.00	2542.00
July 2023	2628.00	2543.00
August 2023	2735.00	2735.00
September 2023	2805.00	2618.00
October 2023	2735.00	2735.00
November 2023	2710.00	2710.00
December 2023	2904.00	2904.00

- 6.2.8.** The Commission notes that Regulation 2.1.5 of JERC MYT Regulations, 2023, defines Allotted Transmission Capacity, as:

“Allotted Transmission Capacity” shall mean the power transfer in MW between the specified point(s) of injection and point(s) of drawl allowed to a Long-term Consumer or a Medium-term Consumer on the Intra- State transmission system under the normal circumstances and the expression “allotment of transmission capacity” shall be construed accordingly.”

- 6.2.9.** The Commission has noted that the current installed capacity (as on 30.04.2024) including allocated central share of J&K and Ladakh is around 3850.23 MW⁴ as per the data furnished by CEA. In the same report of CEA, the peak demand for FY 2023-24 is shown as 3181 MW only. The Commission in its Business Plan order dated 10.10.2023 reviewed the earlier peak demand data and derived the peak demand for FY 2023-24 to FY 2025-26 period. Considering the same, the Commission considers the allotted transmission capacity as 3301 MW for FY 2024-25, as approved by the Commission in its Business Plan order.

³ Source: CEA dashboard, <https://cea.nic.in/dashboard/?lang=en>

⁴ https://cea.nic.in/wp-content/uploads/executive/2024/04/Executive_Summary_April_2024.pdf

6.2.10. Therefore, as per Regulation 47 of JERC MYT Regulations, 2023, the Commission decides the transmission tariff for FY 2024-25, the details of which are given below.

Table 34: Approved Transmission Tariff for FY 2024-25

Particulars	Unit	Legend	Value
Cumulative ARR approved	(Rs. crore)	A	202.95
Long/Medium-term transmission charges	(Rs. crore/ month)	$B = (A/12) \times (C/D)$	16.91
Allotted transmission capacity in FY 2023–24 to JKPCCL*	(MW)	C	3301
Total allotted transmission capacity in FY 2023–24	(MW)	D	3301
Short-term open access transmission charges	(Rs./ MW/day)	$E = A \times 10^7/D/365$	1684.38

Note 1: *The Petitioner submitted that currently there is only one beneficiary – JKPCCL, and the entire transmission network capacity of JKPTCL is made available to it.

Note 2: The Commission notes that Government of J&K provides grant-in-aid under revenue head to JKPTCL. Since at present there is no transmission utility in business in the UT of J&K, and only JKPTCL, the state transmission utility, is in business, the Commission has decided to factor in the grant-in-aid provided to JKPTCL while approving ARR of distribution utilities. The Commission shall also review the actual grant-in-aid provided to JKPTCL during the truing-up exercise for FY 2024-25.

6.2.11. Further, to recover the transmission tariff, the Commission, in its earlier transmission tariff order, directed the Petitioner to expedite the process of preparing the necessary agreement with JKPCCL, the sole user of the system. The Petitioner submitted that, in compliance with the directions of the Commission, it has prepared a draft Transmission Services Agreement to be signed between JKPTCL and JKPCCL. The same has been forwarded to the Government authorities for approval. The Petitioner is awaiting approval from the Government Authorities. After the necessary approvals from the Government, the Petitioner shall execute the agreement with JKPCCL and submit the executed agreement to the Commission in due course of time.

6.2.12. Further, the Petitioner submitted that only after the Agreement is executed between JKPTCL and JKPCCL, the Petitioner will be able to issue invoices towards recovery of the transmission charges from JKPCCL (the end user). Thus, currently no actual billing/ invoice for recovery of transmission charges is being issued. The Commission reiterates that without a proper agreement in place, JKPTCL cannot recover the transmission charges. Thus, the responsibility rests solely with JKPTCL.

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CHAPTER 7: COMPLIANCE TO DIRECTIVES

This section discusses the compliance to various directives of the Commission vide its Order dated 10th October 2023. The Commission's view on the compliance by JKPTCL is also provided below. The same shall be complied with by the Petitioner.

Sr. No.	Directive	Compliance	Commission's View
1.	<p>CAPITAL INVESTMENT AND CAPITALISATION PLAN ALONG WITH DETAILS OF SOURCE OF FUNDING</p> <p>a) The Commission noted the communication made with CEA and approval of the CEA. Accordingly, the capital expenditure and capitalization have been approved.</p> <p>b) However, the Petitioner has not followed the provisions given under Regulation 8.5 of JERC MYT Regulations, 2018 and JKPTCL has not submitted any information to the Commission post issuance of the tariff order for FY 2022-23.</p> <p>c) The Commission again directs the Petitioner to submit a detailed report on the physical and financial progress of the approved transmission projects (as given under CEA approval) every six months to the Commission.</p>	<p>The Petitioner submits that it tracks the physical and financial progress of the transmission capital schemes through a Monthly Progress Report (MPR).</p> <p>The Petitioner submitted the latest available MPR of October 2023. The Petitioner submitted that they should submit MPR of Capex budget schemes on six monthly basis to the Commission.</p>	<p>The Commission notes the sample MPR submitted by the Petitioner. However, the Petitioner has not followed the provisions given under Regulation 8.5 (f) of JERC MYT Regulations, 2023, which is reproduced below:</p> <p><i>"f) The Licensee shall submit a report for every quarter detailing the progress of the capital expenditure and capitalization undertaken against that proposed in the Capital Investment Plan, on or before the last Day of the month succeeding the respective quarter for review by the Commission."</i></p> <p>The Commission directs the Petitioner to submit a detailed report on the physical and financial progress of the approved transmission projects on quarterly basis.</p>
2.	<p>VERIFICATION OF METERING STATUS, ENERGY ACCOUNTING AND ENERGY AUDIT</p> <p>a) The Petitioner has not finalized the agency in this regard. The same should be done on priority. The Petitioner shall submit the comprehensive plan after conducting the study.</p>	<p>(a) The Petitioner has been soliciting techno-commercial offer for conducting of verification of Energy Meters & Energy Audit at JKPTCL level. In this matter the Petitioner has approached Central Power Research Institute (CPRI), Bengaluru. However, the Petitioner has not received any response from CPRI. A reminder letter to CPRI</p>	<p>a) The Commission notes the submission.</p> <p>b) The Petitioner has not finalized the agency for verification of metering status, energy accounting and energy audit. The same should</p>

Sr. No.	Directive	Compliance	Commission's View
	<p>b) The Commission directs the Petitioner to complete the appointment process of consultant/ agency/ CPRI and share the methodology.</p> <p>c) The Commission has not received any communication from the Petitioner with respect to the monthly energy accounts (energy accounting). The first quarterly data of FY 2023-24 should be submitted by 15.10.2023.</p> <p>d) JKPTCL shall activate the website and display information related to the transmission loss on a monthly basis</p>	<p>was submitted for reference.</p> <p>(b) The Petitioner will share the methodology as soon as it appoints the consultant/ agency/ CPRI.</p> <p>(c) The Petitioner submits that it recently submitted communication related to energy accounts/ losses for Q1 and Q2 of FY 2023-24 to the Commission. The monthly energy accounts/ losses for FY 2023-24 has been submitted.</p> <p>(d) JKPTCL has activated its website and it can be accessed here: https://jkptcl.jkpdd.net/</p> <p>The Petitioner submitted that they should start displaying the information related to the transmission loss on monthly basis.</p>	<p>be done on priority.</p> <p>c) The Commission directs the Petitioner to submit the first quarterly data of FY 2024-25 by 31.07.2024.</p> <p>d) JKPTCL shall display the information related to transmission loss on its website on a monthly basis.</p>
3.	<p>GIS MAPPING ASSET MONITORING</p> <p>The Commission congratulates JKPTCL on completing the GIS mapping process. The impact of the same should be submitted in the next Petition.</p>	<p>A note on the impact of GIS mapping of JKPTCL's assets was provided by the Petitioner. The impact submitted by the Petitioner is given below.</p> <p>Without GIS mapping of the assets, JKPTCL used to solely rely on physical maps and assets registers for various purposes such as planning, maintenance of network and during emergency response. With GIS mapping - all assets, are mapped with precise geographical co-ordinates. Analytical tools with layers overlaying the GIS maps help JKPTCL in undertaking planning efforts including design of network for contingencies. Creation of GIS maps has helped JKPTCL eliminate repeated research arising out of incomplete or inaccurate information about its assets. Availability of map based asset data with maintenance history has enabled staff to quickly and easily determine important information to support decision related to resolving maintenance concerns. Using single source asset database – the GIS geo database –</p>	<p>The Commission notes the positive impact shared by the Petitioner.</p> <p>The Commission directed the Petitioner to submit details about how the Petitioner was able to reduce the interruption time. The Petitioner submitted that with the help of the GIS Mapping the Petitioner was able to locate the precise geographical coordinates of the fault/ incidence. In the event of a fault or major interruption, the exact location of the faults was pinpointed using the GIS system, this reduced the time traditionally spent on locating faults using physical maps. Also, the process for locating the</p>

Sr. No.	Directive	Compliance	Commission's View
		accurate and timely information is available to not only support the maintenance lifecycle, but also other business processes within the organization. The GIS centric approach enables fast, efficient and accurate decision support. The GIS Mapping of assets has also resulted in co-ordination with other focal departments/ ministries within the Government for planning infrastructure projects in a coordinated fashion.	faults/ incident locations has become system driven. The event wise list of incidents in JKPTCL's grid that occurred in FY 2022-23 and in FY 2023-24 is enclosed at Anneuxre-4. The Petitioner shall continue its effort and use GIS particularly for maintenance of its asset. In next tariff Petition, the Petitioner shall submit element wise incident for FY 2022-23 to FY 2024-25.
4.	TRANSMISSION SYSTEM AVAILABILITY The directive has not been complied with yet by JKPTCL. JKPTCL is advised to finalize the mechanism for determining the transmission system availability soon and not later than 31 st March 2024.	A note on the proposed mechanism for determining transmission system availability was provided. The Details given in Para 7.1 of this chapter.	The Commission noted the submission.
5.	TRAINING AND CAPACITY BUILDING The Training plan for JKPTCL should be submitted.	The training for employees of JKPTCL is planned by the Training Testing Inspection & Commissioning wing (TTIC) of the JKPDD. JKPTCL nominates its employees from time to time as and when trainings are organized by TTIC. Apart from this JKPTCL nominates its employees for specific technical trainings. For e.g. in FY 2022-23 JKPTCL nominated 25 employees each from Jammu region and from Kashmir region for training organized by PGCIL for staff on SCADA based system at 20 kV, 160 MVA GIS based grid stations. Employees were sent in 3 batches for this training. Following training modules were covered under this training: 1. SLD and Layout of Sub Stations, 2. Transformers & NIFPS system SCADA & Protection system.	The perspective-training plan for JKPTCL should be submitted with the next Petition.
6.	INDEPENDENT OPERATION OF LOAD DISPATCH CENTRE (LDC) The recommendations of the committee	The Petitioner submits that it shall submit the recommendations of the committee as and when the same are	On Commission's query, the progress of the work, as submitted by

Sr. No.	Directive	Compliance	Commission's View
	shall be submitted to the Commission. The Petitioner shall inform the Commission periodically about the progress in this regard.	published/ are made available by the Committee.	<p>the Petitioner, related to the issue of Independent Operations of Load Despatch Center (LDC) is as follows:</p> <p>1. The Managing Director of JKPTCL vide Order No. 58 MD/JKPTCL of 2021 dated 08/06/2021 notified the committee of competent officers. One of the tasks assigned to the Committee was to 'Ring-fence the SLDC and Commercial Operations, study the organizational setup of other States and create and suggest structure in line with EA 2003'.</p> <p>2. The Committee's report on 'Ring-fence the SLDC and Commercial Operations, study the organizational setup of other States and create and suggest structure in line with EA 2003' is yet to be tabled for discussion at the Board of Directors level. The Petitioner shall update the Commission regarding the same from time to time.</p> <p>The Commission directs the Petitioner to complete the activity and submit the status to the Commission.</p>

Annexure 1

List of Participants at the Public Hearing

Venue: Conference Hall, Joint Electricity Regulatory Commission Office, Jammu

Date and time: 31.05.2024, 03:00 p.m.

S.No.	Name	Designation
Joint Electricity Regulatory Commission		
1.	Shri Lokesh D. Jha	Chairman
2.	Shri Mohd. Rafi Andrabi	Member (Finance)
3.	Shri V.K. Dhar	Secretary
4.	Shri Rajinder Singh	DLO
5.	Shri Satadru Chakraborty	Consultant
6.	Shri Ashish Meena	Consultant
J&K POWER TRANSMISSION CORPORATION LIMITED (JKPTCL)		
7.	Miss Raheela Wani	MD, JKPTCL
8.	Miss Surbhi Kausahal	CS, JKPTCL
9.	Sh. Rajan Gupta	CE, JKPTCL
10.	Shri. K.K. Thappa	SE, O&M Circle I
11.	Sh. Sukhdev Singh	TO to CE, JKPTCL
12.	Shri. Ashok Kesar	XEN, TLMD-I, Jammu
13.	Shri. Rajesh Kumar	XEN, TLMD, Udhampur
14.	Shri M. Ayub Khwaja	XEN, TLMD, Udhampur
15.	Shri. M. Naseel	Consultant, JKPTCL

Annexure 2

List of Participants at the State Advisory Committee Meeting

Venue: Conference Hall, Public Works Department, Gandhi Nagar, Jammu

Date and time: 12.06.2024, 11:00 am

S.N.	Name of the Member/Officers	Department/Organisation
OFFICERS of JERC		
1	Shri. Lokesh D Jha	Chairman, JERC
2	Shri Mohd. Rafi Andrabi	Member Finance, JERC
3	Shri. V K Dhar	Secretary, JERC
4	Shri Rajinder Singh	DLO, JERC
5	Shri R.L. Pandita	Accounts officer, JERC
6	Miss Nidhi Gupta	AE, JERC
7	Shri. Sandeep Guha	Manager (WISE), Consultant, JERC
8	Shri. Ashish Meena	Sr. Research Associate (WISE), Consultant, JERC
9	Shri. Abhimanyu Verma	Sr. Asst., JERC
MEMBERS OF THE STATE ADVISORY COMMITTEE (SAC), JERC		
10	Dr. Sanjeev Anand	Asst. Professor, Dept of Energy Management, SMVDU, Katra
11	Shri. Shiv Kumar Sharma	President, Jammu Kashmir Indian Trade Union Congress, Jammu.
12	Dr. Ankit Dubey	Asst. Professor, IIT Jammu
13	Shri Vijay Chib	President, All J&K Transport Jammu
14	Shri. Arun Gupta	President, Chamber of Commerce & Industries, Jammu
15	Shri. Ashok Kumar	General Secretary, Help age Welfare Society, Transport Nagar, Jammu.
16	Shri. Abdul Sattar	Special Secretary, Department of Food, Civil Supplies & Consumer Affairs, UT of J&K.
OFFICERS/REPRESENTATIVES OF JKPC/ JPDCL/KPDCL/ JKPTCL/ JKPDCL		
17	Shri. Tsewang Paljor	CE, LPDD
18	Shri. Bishan D	SE, JPDCL (Projects)
19	Shri. Sanjay Kumar Bhagat	SGM (E), JKPDCL
20	Shri. Bunt Bhola	DGM, JKSPDC
21	Shri. Umar Majid Kamli	DGM (E), JKSPDCL
22	Shri. Neeraj Amla	XEN, JKPTCL