



**JAMMU & KASHMIR POWER TRANSMISSION
CORPORATION LIMITED**

**ANNUAL PERFORMANCE REVIEW OF
FY 2024-25, ARR OF FY 2025-26 &
TARIFF PROPOSAL FOR FY 2025-26**

**SUBMITTED TO JOINT ELECTRICITY REGULATORY
COMMISSION FOR UT OF JAMMU AND KASHMIR AND UT OF
LADAKH
March 25**

AFFIDAVIT VERIFYING THE PETITION

I, Mr. _____, son of _____ aged ___ years, the
deponent named above do hereby solemnly affirm and state on oath as under:-

1. That I am Chief Engineer, **Jammu and Kashmir Power Transmission Corporation Limited, Jammu.**
2. and am authorised to sign and submit the said petition and am acquainted with the facts deposed to below.
3. I say that on behalf of **Jammu and Kashmir Power Transmission Corporation Limited**, I am now filing this Petition under The Electricity Act, 2003, Petition for approval of Annual Performance Review of FY 2024-25, Aggregate Revenue Requirement of FY 2025-26 & Tariff Proposal for FY 2025-26.
4. I further say that the statements made and investment data presented in the aforesaid Petition are as per records of the Corporation and believe that to be true to the best of my knowledge.
5. Further, to my knowledge and belief, no material information has been concealed in the aforesaid Petition.

**Chief Engineer, JKPTCL,
Jammu
DEPONENT**

Place: Jammu

Date: _____

VERIFICATION

I, Shri _____ Advocate and Notary having office at Jammu, do hereby declare that the person making this affidavit is known to me through the perusal of records and I am satisfied that he is the same person alleging to be deponent himself.

Advocate

Solemnly affirmed before me on this _____ day of March 25 by the deponent who has been identified by the aforesaid Advocate. I have satisfied myself by examining the deponent that he understood the contents of the affidavit which has been read over and explained to him. He has also been explained about section 193 of Indian Penal Code that whoever intentionally gives false evidence in any of the proceedings of the Commission or fabricates evidence for purpose of being used in any of the proceedings shall be liable for punishment as per law.

**BEFORE THE JOINT ELECTRICITY REGULATORY COMMISSION
JAMMU & KASHMIR AND LADAKH
AMBEDKAR CHOWK, JAMMU**

Filing No.....

Case No.....

**IN THE MATTER OF: Petition for approval of Annual Performance Review of
FY 2024-25, Aggregate Revenue Requirement of FY
2025-26 and tariff proposal for FY 2025-26.**

AND

**IN THE MATTER OF: Jammu & Kashmir Power Transmission Corporation
Limited,
Office of the Chief Engineer (Transmission), JKPTCL
220 kV Grid Station Complex, Narwal Bala, Gladni
Jammu**

.....Petitioner

**PETITIONER, UNDER SECTIONS 61, 62 AND 64 OF THE ELECTRICITY ACT, 2003,
AND UNDER THE JERC JAMMU & KASHMIR AND LADAKH (CONDUCT OF
BUSINESS) REGULATIONS, 2022 FOR APPROVAL BY THE HON'BLE COMMISSION
OF ANNUAL PERFORMANCE REVIEW OF FY 2024-25, AGGREGATE REVENUE
REQUIREMENT OF FY 2025-26 AND TARIFF PROPOSAL FOR FY 2025-26 IN
ACCORDANCE WITH 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 FOR ITS TRANSMISSION BUSINESS.**

Annual Performance Review of FY 2024-25, Aggregate Revenue Requirement of FY 2025-26 & Tariff Proposal for FY 2025-26

The Petitioner respectfully submits as under: -

1. The Petitioner, Jammu & Kashmir Power Transmission Corporation Limited (JKPTCL) is deemed Transmission Licensee in the Union Territory of Jammu and Kashmir.
2. Pursuant to the enactment of the Electricity Act 2003 (EA 2003), the Petitioner is required to submit Annual Performance Review of FY 2024-25, Aggregate Revenue Requirement of FY 2025-26 and Tariff proposal for FY 2025-26 as per the procedures outlined in section 61, 62 & 64 of EA 2003, JERC for UT of Jammu & Kashmir and UT of Ladakh Gazette Notification No. JERC-JKL/Reg/2023/13 i.e. Regulation 11.1 of 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 (herein referred as JERC MYT Regulations, 2023).
3. The Petitioner hereby submits the present Petition for approval of Annual Performance Review of FY 2024-25, Aggregate Revenue Requirement of FY 2025-26 and Tariff proposal for FY 2025-26 based on the principles outlined in the JERC MYT Regulations 2023, notified by the Hon'ble Commission.

Prayers:

- A. Accept and admit the petition for Annual Performance Review (APR) of FY 2024-25, Aggregate Revenue Requirement (ARR) of FY 2025-26 and Tariff Proposal for FY 2025-26 which is in line with the principles laid by JERC MYT Regulations 2023 as notified by the Hon'ble Commission,
- B. Approve the Annual Performance Review (APR) of FY 2024-25, Aggregate Revenue Requirement (ARR) of FY 2025-26 and Tariff Proposal for FY 2025-26,
- C. Approve the proposed transmission tariff for FY 2025-26,
- D. Grant any other relief as the Hon'ble Commission may consider appropriate.
- E. The Petitioner craves leave of the Hon'ble Commission to allow further submission, addition and alteration to this petition as may be necessary from time to time.

Annual Performance Review of FY 2024-25, Aggregate Revenue Requirement of FY 2025-26 & Tariff Proposal for FY 2025-26

- F. Condone any inadvertent omissions/errors/shortcomings and permit the Petitioner to add/change/modify/alter this fling and make further submissions as may be required at a future date.
- G. To pass any other Order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.

Jammu & Kashmir Power Transmission Corporation Limited

Petitioner

Place: Jammu

Date:_____

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List of Abbreviations

Abbreviation meaning	Abbreviation
Annual Fixed Cost	AFC
Administration & General	A&G
Central Electricity Authority	CEA
Circuit	Ckt
Double Conductor	D/c
Electricity Act	EA
Grid Sub Station	GSS
High Temperature Low Sag	HTLS
High Voltage Direct Current	HVDC
Interconnecting Transformers	ICT
Joint Electricity Regulatory Commission	JERC
Jammu and Kashmir Power Development Department	JKPDD
Jammu and Kashmir Power Transmission Corporation Limited	JKPTCL
Jammu and Kashmir	J&K
Kilometer	Km
Kilo Volt	kV
Million Volt Amperes	MVA
Mega Watt	MW
Ministry of Power	MOP
Multi Year Tariff	MYT
Operations & Maintenance	O&M
Power Grid Corporation of India Limited	PGCIL
Prime Minister's Development Package	PMDP
Prime Minister's Reconstruction Plan	PMRP
Repair & Maintenance	R&M
Single Conductor	S/c
Static Synchronous Compensation	STATCOM
Static VAR Compensator	SVC
Union Territory	UT

1. Chapter 1: Introduction

1.1. Background

- 1.1.1. The erstwhile state of Jammu and Kashmir consisted unbundled utility Jammu and Kashmir Power Development Department (JKPDD) which was responsible for Trading, Transmission and Distribution of electricity within whole of the state of Jammu and Kashmir.
- 1.1.2. The J&K Reorganization Act, 2019 was enacted by the Parliament of India on 9th August 2019 wherein the State of Jammu and Kashmir was divided into Union Territory of Jammu and Kashmir & Union Territory of Ladakh. Consequent to the approval of State Administrative Council of J&K, the Power Development Department was unbundled into several Power Corporations on 23rd October 2019 via Government Order No. 191-PDD of 2019 and KPDCCL was created on 23.10.2019 as Distribution Licensee for Kashmir region in the UT of J&K.
- 1.1.3. The Lt. Governor of Jammu and Kashmir made and gave effect to the “Jammu and Kashmir Power Development Department (Re-organisation) First Transfer Scheme 2020” vide Notification dated 20th March 2020. Post the unbundling of various utilities in the UT of J&K, the revised structure of Power utilities is as follows:

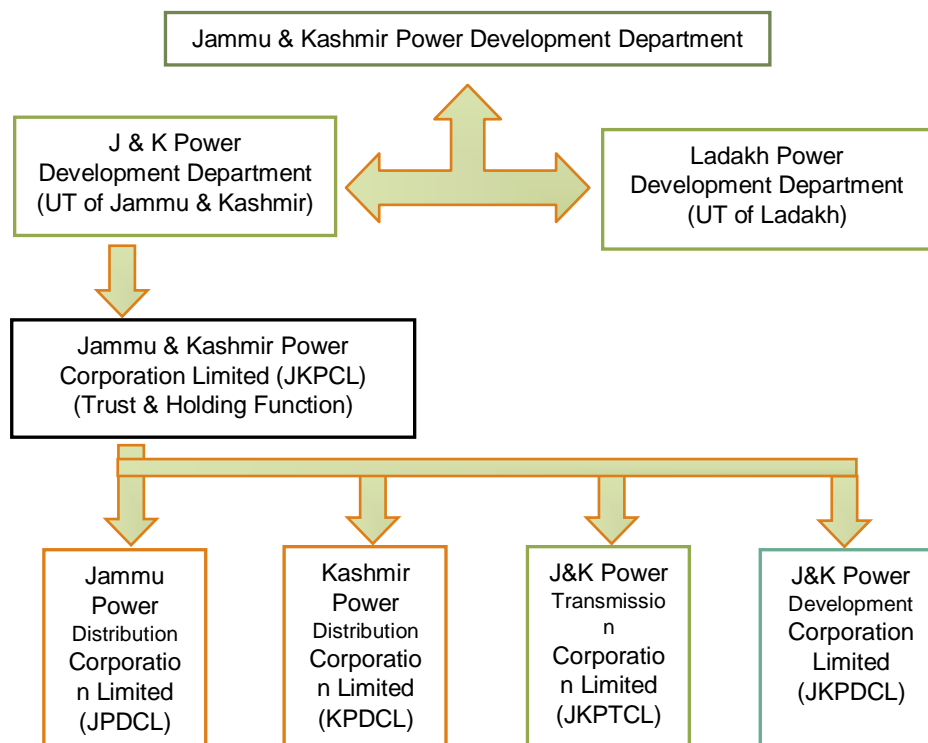


Figure 1: Revised existing structure of power utilities in UT of J&K and UT of Ladakh

- 1.1.4. 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.
- 1.1.5. The Commission is a statutory body with quasi-judicial status, constituted under the first proviso of Section 83 Electricity Act 2003. The Commission is a three-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.
- 1.1.6. 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.
- 1.1.7. 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.
- 1.1.8. The Commission vide Suo-Motu 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.
- 1.1.9. The Commission vide its Order No. JERC/ 4 of 2022 dated 22nd September 2022 approved the Aggregate Revenue Requirement (ARR) and Distribution Tariff for FY 2022-23 as per the adopted Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2018.

- 1.1.10. The Commission vide its Order No. JERC/11 of 2023 dated 10th October 2023 approved the Business Plan and MYT for the period from FY 2023-24 to FY 2025-26 and Tariff for FY 2023-24 as per the adopted Joint Electricity Regulatory Commission for the State of Goa and Union Territories (Generation, Transmission and Distribution Multi Year Tariff) Regulations, 2018.
- 1.1.11. 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'.
- 1.1.12. The Commission vide its Order No. JERC/04 of 20224 dated 26th June 2024 approved the Annual Performance Review of FY 2023-24, Aggregate Revenue Requirement of FY 2024-25 and Tariff for FY 2024-25 as per 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.

1.2. Basis for current petition

- 1.2.1. Annual Performance Review (APR) of FY 2024-25
- 1.2.2. The Annual Performance Review (APR) of FY 2024-25 is filed in accordance with the Regulations 11.1 and 11.2 of the JERC MYT Regulations 2023.
- 1.2.3. For APR the Petitioner has considered actual performance and capex till September 2024 (H1) and has projected performance and capex for H2 of FY 2024-25.
- 1.2.4. Aggregate Revenue Requirement of FY 2025-26 and Tariff proposal for FY 2025-26
- 1.2.5. The Petitioner has filed the revised ARR of FY 2025-26 and Tariff Proposal of FY 2025-26 as per Regulations 11.1 and 11.2 of the JERC MYT Regulations 2023 as FY 2025-26 is the ensuing year.
- 1.2.6. The Petitioner has projected the revised ARR of FY 2025-26 based on the norms specified by the Hon'ble Commission and projected capital expenditure for this period.
- 1.2.7. The Petitioner has prepared the tariff proposal for FY 2025-26 based on the regulatory framework and projected ARR of FY 2025-26.

2. Chapter 2: Annual Performance Review of FY 2024-25

2.1. Introduction

2.1.1. 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:
.....”*

2.1.2. 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}*

2.1.3. In line with the above provisions the Petitioner has filed the current Petition.

2.2. Capital Expenditure & Capitalization

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

Table 1: Physical progress of capital expenditure undertaken by JKPTCL as of 30th September 2024

Sr. No.	Particular	Unit	Target	Physical Progress
JKPTCL Kashmir				
1	Transmission Lines at 220kV Level	Ckms	10	0
2	Transmission Lines at 220kV Level by way of HTLS	Ckms	7	0
3	Transmission Lines at 132kV Level (Panther)	Ckms	3	0
4	Transmission Lines at 132kV Level (HTLS)	Ckms	2	0
5	Capacity addition at 220kV Level Grid Sub Stations (Construction)	MVA	0	0
6	Capacity addition at 220kV Level Grid Sub Stations (Augmentation)	MVA	0	0
7	Capacity addition at 132kV Level Grid Sub Stations (Construction)	MVA	0	0
8	Capacity addition at 132kV Level Grid Sub Stations (Augmentation)	MVA	336	60
9	Tower Insertion	Nos	21	0
10	Desludging of Transformers	Nos	6	0
11	Transmission Lines at 220kV Level	Ckms	10	0
JKPTCL Jammu				
12	Transmission Lines at 220kV Level	Ckms	0	0
13	Transmission line at 132 kV level strengthening	Ckms	28.51	0
14	Transmission line at 132 kV level (HTLS)	Ckms	0	0
15	Capacity addition of existing 220 kV level Grid sub stations (Construction)	MVA	0	0
16	Capacity addition of existing 220/132 kV Grid Sub Stations augmentation	MVA	210	
17	Capacity addition of existing 132 kV level Grid Sub Stations (Construction)	MVA	40	0
18	Capacity addition at 132 kV Level Grid Sub Stations (Augmentation)	MVA	220	0
19	Critical Towers	Nos	33	8
20	Improvement (R&M) of existing 220/132 kV Grid Sub Stations	Nos	22	1
21	Tower Insertion	Nos	21	0
22	Improvement (R&M) of existing 132/66-33 kV Grid Sub Stations	Nos	32	6

Sr. No.	Particular	Unit	Target	Physical Progress
23	Desludging of Transformers	Nos	8	4
24	Spare /Inventory	Nos	3	0
25	Other Works	Nos	50	11

2.2.2. The status of financial progress of the actual Capital Expenditure in H1 of FY 2024-25 and planned capital expenditure for H2 FY 2024-25 is summarized in the following table.

Table 2: Details of actual and projected Capital Expenditure in FY 2024-25 (in Rs. Crores)

Region	Particular	Approved by Commission	FY 2024-25 (H1 Actuals)	FY 2024-25 (H2 Projected)	Total	Deviation
Jammu	UT Scheme	230.55	21.55	133.96	155.51	
	PMDP	31.40	59.21	16.60	75.81	
	PMRP	15.02	30.28	-	30.28	
Kashmir	UT Scheme	220.00	25.25	111.72	136.97	
	PMDP	0.00	-	41.62	41.62	
	PMRP	0.00	5.95	59.07	65.02	
UT of J&K	Total	476.98	142.25	362.97	505.21	(28.23)

2.2.3. Details of scheme wise capital expenditure incurred during H1 FY 2024-25 is provided in format F3.1 of forms.

2.2.4. The details of the actual capitalization for H1 FY 2024-25 and planned capitalization for H2 FY 2024-25 are discussed in the following table. For comparison capitalization as approved in the tariff petition for FY 2024-25 are taken as basis.

Table 3: Details of actual and estimated capitalization in FY 2024-25 (in Rs. Crores)

Region	Particular	Approved in Tariff Order	FY 2024-25 (H1 Actuals)	FY 2024-25 (H2 Projected)	Total	Deviation
Jammu	UT Scheme	153.50	3.55	47.95	51.50	
	PMDP	44.80	29.61	37.91	67.51	
	PMRP	22.71	56.71	15.14	71.85	
Kashmir	UT Scheme	165.02	12.63	68.49	81.11	
	PMDP	0.00	-	20.81	20.81	
	PMRP	55.00	2.98	32.51	35.49	
UT of J&K	Total	441.04	105.47	222.80	328.27	112.77

2.2.5. The scheme-wise details of capitalization are provided in form F 3.2.

2.2.6. The Hon'ble Commission is requested to approve the above said estimate of capital expenditure and capitalization of the Petitioner for the APR of FY 2024-25.

2.3. Operations & Maintenance Expenses

2.3.1. 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.”

2.3.2. 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 MVA _r (Rs Lakh per MVA or per MVA _r)	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	1.291	1.359	1.430	1.506	1.585

Particulars	2024-25	2025-26	2026-27	2027-28	2028-29
<i>more sub-conductors)</i>					
<i>Double Circuit (Twin & Triple Conductor)</i>	0.861	0.906	0.953	1.003	1.056
<i>Double Circuit (Single Conductor)</i>	0.369	0.388	0.409	0.430	0.453
<i>Multi Circuit (Bundled Conductor with four or more sub-conductor)</i>	2.266	2.385	2.510	2.642	2.781
<i>Multi Circuit (Twin & Triple Conductor)</i>	1.509	1.588	1.671	1.759	1.851
Norms for HVDC stations					
<i>HVDC Back-to-Back stations (Rs Lakh per MW)</i>	2.07	2.18	2.30	2.42	2.55
<i>Gazuwaka HVDC Back-to-Back station (Rs. Lakh per MW)</i>	1.83	1.92	2.03	2.13	2.24
<i>HVDC bipole scheme (Rs Lakh per MW)</i>	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 lakh 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**}*

2.3.3. However, while approving the ARR for FY 2024-25, the Hon’ble Commission deviated from its own regulation and approved O&M expenses using the inflation method as prescribed in the previous regulation.

2.3.4. In doing so, the Commission cited Regulation 75, “Power of Relaxation,” of the JERC MYT Regulations 2023 and justified its stance using following arguments:

(a) JKPTCL has not yet operated as an independent corporation, and it still depends on grant in aid from Government to meet its Capex and O&M expenses.

(b) JKPTCL has not yet executed the agreement with the transmission system user for recovery of transmission tariff.

(c) JKPTCL has not submitted the audited accounts of past period for truing up of past expenses, and

(d) The O&M expenses submitted by JKPTCL for FY 2021-22, FY 2022-23 & FY 2023-24 are substantially lower than the projected O&M expenses for FY 2024-25.

2.3.5. JKPTCL respectfully submits that, it is an independent corporation with an existence of its own as per the records of Ministry of Corporate Affairs. It has its own PAN, GST No. and a Board of Directors that oversees the overall Governance of the organisation. In

relation to Hon'ble Commission's argument that, the Petitioner still depends on grant in aid from Government to meet its Capex and O&M expenses, the Petitioner submits that; clause 15 of the Jammu and Kashmir Power Development Department (Reorganisation) First Transfer Scheme, 2020 specifies following:

“15 Government Support.-(1) The Transferee shall be eligible for and shall continue to receive support from the Government in the form of revenue support, capital subsidies, loans, interest subsidies and such other 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.”

The Petitioner submits that, it receives grant-in-aid support from the Government in line with the above provision of the Transfer scheme.

- 2.3.6. As regard the Agreement to be executed with the transmission system user for recovery of transmission tariff, JKPTCL submits that it on directions of the Hon'ble Commission the Petitioner has prepared a draft Agreement to be executed with the transmission system user (JKPCL) for recovery of transmission tariff. As JKPCL is also a government owned entity, it has submitted this agreement to the Government Authorities for further clearance to execute the Agreement. As regard the non-submission of the Annual Audited Accounts of the Petitioner for the past period, the Petitioner submits that it has updated the Hon'ble Commission from time to time regarding the status of Annual Audit of the Licensee which was delayed due to uncontrollable reasons such as COVID-19 pandemic, delays in appointment of MD of the corporation etc. The current status of the audited accounts is as follows:

Table 4: Current Status of the Audited Accounts of JKPTCL from FY 2019-20 to FY 2023-24

Sr. No.	Year	Status of Annual Financial Statement	Status of Statutory Audit	Status of Supplementary Audit by AG Office
1.	2019-20	Finalized and approved by the Board	Complete	Pending
2.	2020-21		In process	
3.	2021-22			
4.	2022-23			
5.	2023-24	Under preparation		

- 2.3.7. As regard the argument that, O&M expenses submitted by JKPTCL for FY 2021-22, FY 2022-23 & FY 2023-24 are substantially lower than the projected O&M expenses for FY 2024-25; the Petitioner submits that, the JERC MYT Regulations 2023 refers to adoption of CERC norms for approval of O&M expenses of transmission Licensee. Hon'ble CERC

in its explanatory memorandum to the CERC (Terms and conditions of Tariff) Regulations, 2024 has specified that the norms for determination of O&M expenses are derived based on actual performance and operational data collected from various transmission licensees for the period of FY 2017-18 to FY 2022-23. Thus, these norms are in line with the actual costs incurred by other transmission licensees operating in other parts of India. The Regulation 14 of the JERC MYT Regulations 2023 allows for sharing of gains or losses on account of controllable factors at the time of True up. The Hon'ble Commission considers O&M expenses as a controllable factor and therefore, any excess or gap as a result of higher allowed or lower allowed O&M expenses than the actuals are likely to be shared according to this mechanism.

2.3.8. In this context, the Petitioner submits that, the arguments presented by the Hon'ble Commission to not follow its own regulations while approving the O&M expenses have no relation to the approval of O&M Expenses and not using O&M Expense norms as per the JERC MYT Regulations 2023. The Petitioners requests the Hon'ble Commission to follow the O&M norms as per JERC MYT Regulations 2023.

2.3.9. The Petitioner has considered the network details for FY 2024-25 and the applicable O&M norms as per JERC MYT Regulation 2023 for the calculation of normative O&M expenses.

Table 5: 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	-	12.00	12.00	14.47	2.60
	132 KV and Below	-	21.00	21.00	11.05	3.48
B	No. of Substations Bays (non-GIS)					
	765 KV	-	-	-		0.00
	400 KV	-	-	-		0.00
	220 KV	64.00	67.00	131.00	20.67	40.62
	132 KV and Below	575.00	249.00	824.00	15.78	195.04
C	Transformation Capacity (in MVA)				Rs. lakh/ MVA	
	765 KV	-	-	-	0	0.00
	400 KV	-	-	-	0	0.00
	220 KV	2,910.00	2,815.00	5,725.00	0.26	22.50
	132 KV and Below	3,134.00	3,950.00	7,084.00	0.26	27.84

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)		
D	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)	482.56	103.40	585.96	0.25	2.16
	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)	1,662.90	1,380.73	3,043.64	0.37	16.85
	Multi Circuit (Bundled Conductor with four or more sub-conductor)	-		-	0	0.00
	Multi Circuit (Twin & Triple Conductor)	-		-	0	0.00
					Total	311.09

*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.

2.3.10. The Petitioners submits that, it shall submit the actual audited O&M expenses at the time of True up of FY 2024-25. The Petitioner requests the Hon'ble Commission to approve the above revised estimate of O&M expenses for FY 2024-25.

2.4. Depreciation

2.4.1. It is 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 is not financing any capital works through any capital loan and/ or infused equity to create assets in FY 2024-25.

2.4.2. 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.”

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

2.4.4. The Hon'ble Commission is requested to approve nil depreciation during FY 2024-25.

2.5. Interest on long term loans

2.5.1. 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.

2.5.2. 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.”

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

2.5.4. The Hon'ble Commission is requested to approve nil interest on long term loans during FY 2024-25.

2.6. Return on Equity

2.6.1. As discussed in the section 2.4, Petitioner does not intend to finance any capital works through any capital loan and/ or infused equity to create assets in FY 2024-25.

2.6.2. 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;”

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

2.6.4. The Hon'ble Commission is requested to approve nil return on regulatory equity during FY 2024-25.

2.7. Interest on working capital

2.7.1. 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.

2.7.2. 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.”

2.7.3. 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.”

2.7.4. The CERC Tariff Regulations 2024 defines Reference Rate of Interest as on 1st April of 2024 as Interest rate to calculate interest on working capital. Accordingly, the Licensee has considered the SBI MCLR of 8.65% as on 1st April 2024¹ and accordingly, bank rate of 12.15% (8.65%+3.5%) is considered. The projected normative interest on working capital for FY 2024-25 is as follows:

Table 6: 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	25.92
2	Maintenance Spares @15% of the O&M expenses including security deposit	46.66
3	Receivables equivalent to 45 days of AFC	40.04
4	Working Capital Requirement	112.63
	Less: Amount of security deposit from Transmission System Users	0.00
5	Net Working Capital Requirement (Yearly)	112.63
6	Interest Rate (%)	12.15%
	Normative Interest on Working Capital	13.68

2.7.5. Accordingly, the Petitioner requests the Hon’ble Commission to approve the above revised projection of normative interest on working capital for FY 2024-25.

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

2.8. Contribution to contingency reserves

2.8.1. It is submitted that the Petitioner has not planned any contribution towards contingency reserves for FY 2024-25.

2.9. Income Tax

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

2.10. Non-Tariff Income

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

2.11. ARR Projections

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

Table 7: Revised ARR projection of FY 2024-25 (All figures in Rs. Crores)

Sr. No.	Particulars	FY 2024-25 APR (projection)	Approved by Commission	Deviation
1	Operation & Maintenance Expenses	311.09	194.52	(116.57)
2	Depreciation	0.00	0.00	-
3	Interest and Finance Charges	0.00	0.00	-
4	Interest on Working Capital and deposits from TSUs	13.68	8.42	(5.26)
5	Contribution to Contingency reserves	0.00	0.00	-
6	Total Revenue Expenditure	324.77	202.94	(121.83)
7	Return on Equity Capital	0.00	0.00	-
8	Aggregate Revenue Requirement	324.77	202.94	(121.83)
9	Less: Non-Tariff Income	0.00	0.00	-
10	Less: Income from Other Business	0.00	0.00	-
11	Less: Revenue from short-term transmission charges	0.00	0.00	-
12	Aggregate Revenue Requirement from Transmission Tariff	324.77	202.94	(121.83)

2.11.2. The Petitioner requests the Hon'ble Commission to approve the above revised projections of ARR for FY 2024-25.

2.12. Transmission loss:

2.12.1. The Petitioner submits that, following are the actual transmission losses recorded and reported by the Petitioner in FY 2024-25:

Table 8: Actual transmission losses recorded in FY 2024-25

Month	Energy Input (Actual) MU	Energy Output (Actual) MU	Transmission losses (%)
April	14614.32	14387.34	1.55%
May	15756.74	15365.04	2.49%
June	15791.47	15417.52	2.37%
July	15616.04	15224.20	2.51%
August	14820.79	14414.26	2.74%
September	15000.59	14692.86	2.05%
October	14794.78	14427.02	2.49%

2.12.2. The Petitioner submits that it shall submit the details of month-wise actual transmission losses at the end of remaining months of FY 2024-25.

2.12.3. The Commission had approved transmission loss of 3.07% for FY 2024-25 vide its order no. JERC/ 04 of 2024 dated 26th June 2024. The Petitioner requests the Hon'ble Commission to approve the same.

2.13. Transmission System Availability:

2.13.1. The Petitioner shall adhere to the 98% transmission system availability as approved by the Hon'ble Commission in its Order No. JERC/11 of 2023 dated 10th October 2023.

3. Chapter 3: Revised ARR Projections of FY 2025-26

3.1. Introduction

3.1.1. 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:
.....”*

3.1.2. 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}*

3.1.3. In line with the above provisions the Petitioner has filed the current Petition.

3.2. Capital Expenditure and Capitalization

3.2.1. The Petitioner has prepared tentative State (UT) plan capex budget for FY 2025-26 and has submitted it to the Government for its approval. The Petitioner has projected to incur capital expenditure of Rs. 377.63 crores in the FY 2025-26. The details of the Capital expenditure and capitalization projected for FY 2025-26 are as follows:

Table 9: Details of Capital Expenditure projected to be incurred in FY 2025-26 (in Rs. Crores)

Region	Particular	Revised Capex Estimate	Revised Capitalisation Estimate
		FY 2025-26*	FY 2025-26
Jammu region	UT Scheme	152.18	57.98
	PMDP	6.21	14.51
	PMRP	25.00	12.50
Kashmir region	UT Scheme	160.00	131.97
	PMDP	-	20.81
	PMRP	-	71.18
J&K	Total	343.39	308.95

*For FY 2025-26 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 Hon'ble Commission.

3.2.2. Details of scheme wise projected capital expenditure are provided in format F3.1 and projected capitalization are provided in form F 3.2.

3.2.3. The Hon'ble Commission is requested to approve the above said estimate of capital expenditure and capitalization of the Petitioner for FY 2025-26.

3.3. Operation & Maintenance Expenses

3.3.1. 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."

3.3.2. 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 MVA _r (Rs Lakh per MVA or per MVA _r)	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 & Triple Conductor)	0.861	0.906	0.953	1.003	1.056
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 lakh 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**}

3.3.3. The Petitioner has considered network details for FY 2025-26, the applicable O&M norms for calculation of the normative O&M expenses:

Table 10: Network details of JKPTCL for calculation of O&M expenses

Sr. No.	Particulars	FY 2025-26			Applicable O&M norms per unit	Normative O&M Expense for FY 2025-26 (Rs. Cr.)**
		Jammu Region	Kashmir Region	Total (JKPTCL)		
A	No. of Substations Bays (GIS)*				Rs. Lakh/ bay	
	765 KV	-	-	-	-	-
	400 KV	-	-	-	-	-
	220 KV	-	12.00	12.00	15.23	2.74
	132 KV and Below	-	21.00	21.00	11.63	3.66
B	No. of Substations Bays (non-GIS)					
	765 KV	-	-	-	-	-
	400 KV	-	-	-	-	-
	220 KV	65.00	67.00	132.00	21.75	43.07
	132 KV and Below	585.00	249.00	834.00	16.61	207.79
C	Transformation Capacity (in MVA)				Rs. Lakh/ MVA	
	765 KV	-	-	-	-	-
	400 KV	-	-	-	-	-
	220 KV	3,270.00	3,065.00	6,335.00	0.28	26.23
	132 KV and Below	3,224.50	3,950.00	7,174.50	0.28	29.70
D	AC lines (kms)					
	Single Circuit (Bundled Conductor with six or more sub-conductors)	-	-	-	-	-
	Single Circuit (Bundled conductor with four sub-conductors)	-	-	-	-	-
	Single Circuit (Twin & Triple Conductor)	-	-	-	-	-
	Single Circuit (Single Conductor)	501.86	103.40	605.26	0.26	2.35
	Double Circuit (Bundled conductor with four or more sub-conductors)	-	-	-	-	-
	Double Circuit (Twin & Triple Conductor)	-	-	-	-	-
	Double Circuit (Single Conductor)	1,729.42	1,612.00	3,341.42	0.39	19.45
	Multi Circuit (Bundled Conductor with four or more sub-conductor)	-	-	-	-	-
	Multi Circuit (Twin & Triple Conductor)	-	-	-	-	-
					Total	334.99

*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.

3.3.4. The Petitioner requests the Hon'ble Commission to approve the above revised estimate of O&M expenses for FY 2025-26.

3.4. Depreciation

3.4.1. It is submitted that the Petitioner is undertaking the capital expenditure in FY 2025-26 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 2025-26.

3.4.2. 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.”

3.4.3. In line with the above said provisions, the Petitioner has claimed nil depreciation (Depreciation as per regulatory accounts) on assets during FY 2025-26.

3.4.4. The Hon'ble Commission is requested to approve nil depreciation during FY 2025-26.

3.5. Interest on long term loans

3.5.1. 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 2025-26.

3.5.2. 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.”

3.5.3. In line with the above said provisions, the Petitioner has claimed nil interest on long term loans on assets during FY 2025-26.

3.5.4. The Hon’ble Commission is requested to approve nil interest on long term loans during FY 2025-26.

3.6. Return on Equity

3.6.1. As discussed in the section 3.4, Petitioner does not intend to finance any capital works through any capital loan and/ or infused equity to create assets in FY 2025-26.

3.6.2. 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;”

3.6.3. In line with the above said provisions, the Petitioner has claimed nil return on regulatory equity on assets during FY 2025-26.

3.6.4. The Hon’ble Commission is requested to approve nil return on regulatory equity during FY 2025-26.

3.7. Interest on working capital

3.7.1. 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.

3.7.2. 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.”

3.7.3. 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.”

3.7.4. The CERC Tariff Regulations 2024 defines Reference Rate of Interest as on 1st April of 2024 as Interest rate to calculate interest on working capital. Accordingly, the Licensee has considered the SBI MCLR of 8.65% as on 1st April 2024² and accordingly, bank rate of 12.15% (8.65%+3.5%) is considered. The projected normative interest on working capital for FY 2024-25 is as follows:

² Source: <https://sbi.co.in/web/interest-rates/interest-rates/mclr-historical-data>

Table 11: Estimated normative interest on working capital for FY 2025-26

Sl. No	Particulars	FY 2025-26
		ARR Projection
1	O&M Expenses equivalent to 1 month	27.92
2	Maintenance Spares @ 15% of the O&M expenses including security deposit	50.25
3	Receivables equivalent to 45 days of AFC	43.12
4	Working Capital Requirement	121.28
	Less: Amount of security deposit from Transmission System Users	0.00
5	Net Working Capital Requirement (Yearly)	121.28
6	Interest Rate (%)	12.15%
	Normative Interest on Working Capital	14.74

3.8. Contribution to contingency reserves

3.8.1. It is submitted that the Petitioner has not planned any contribution towards contingency reserves for FY 2025-26.

3.9. Income Tax

3.9.1. The Petitioner submits that, it is claiming 'nil' income tax for FY 2025-26. However, the Petitioner reserves its right to approach the Hon'ble Commission to claim any future payment towards Income tax under Regulation 32 of the JERC MYT Regulations 2023.

3.10. Non-tariff income

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

3.11. Revised ARR Projections

3.11.1. In line with the above, summary of revised ARR of the Petitioner during FY 2025-26 as per the JERC MYT Regulations 2023 is tabulated as follows:

Table 12: Revised ARR for FY 2025-26

Sr. No.	Particulars	FY 2025-26
		Projected ARR
1	Operation & Maintenance Expenses	334.99
2	Depreciation	0.00
3	Interest and Finance Charges	0.00
4	Interest on Working Capital and deposits from TSUs	14.74
5	Contribution to Contingency reserves	0.00
6	Total Revenue Expenditure	349.72

Sr. No.	Particulars	FY 2025-26
		Projected ARR
7	Return on Equity Capital	0.00
8	Aggregate Revenue Requirement	349.72
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	349.72

3.11.2. The Petitioner requests the Hon'ble Commission to approve the revised ARR projections for FY 2025-26.

3.12. Transmission loss:

3.12.1. The Petitioner submits that, the Hon'ble Commission has approved transmission loss level of 3.00% for FY 2025-26 in its Order No. JERC/11 of 2023 dated 10th October 2023. The Petitioner submits that it shall submit the details of actual transmission losses on a quarterly basis to the Hon'ble Commission during FY 2025-26.

3.13. Transmission System Availability:

3.13.1. The Petitioner shall adhere to the 98% transmission system availability as approved by the Hon'ble Commission for FY 2025-26 in its Order No. JERC/11 of 2023 dated 10th October 2023.

4. Chapter 4: Tariff Proposal of FY 2025-26

4.1. Regulatory framework

4.1.1. 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 extracts are 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:

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

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 nth 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.”

- 4.1.2. The Hon'ble 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.
- 4.1.3. The Hon'ble 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.
- 4.1.4. The Hon'ble Commission vide its Order No. JERC/ 04 of 2024 dated 26th June 2024 approved transmission charges for FY 2024-25 which are Rs. 16.91 crores/ month as long term/ medium term transmission charges and Rs. 1684.38/ MW/ day as short-term transmission charges applicable based on allotted transmission capacity.
- 4.1.5. The Petitioner presents tariff proposal in accordance with the above-mentioned regulatory framework.

4.2. Transmission Tariff for FY 2025-26

- 4.2.1. The Petitioner has considered the projected ARR for FY 2025-26 in Section 3.11.1 above as the Transmission ARR.
- 4.2.2. As regard CC_n and SCC which pertain to the long term/ medium term transmission users, the Petitioner submits that, its transmission network is majorly used by JKPCL which procures power for the distribution licensees in the UT of J&K and UT of Ladakh. However, IPPs from time to time uses JKPTCL network short term basis.
- 4.2.3. 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 3587.19 MW as on 31st October 2024 as reported by CEA³.
- 4.2.4. The Petitioner has considered 365 days in a year and 24 in a day for calculation of short-term open access transmission charges.
- 4.2.5. Based on the aforementioned assumptions, the Petitioner has derived the following tariff for long-term/ medium-term users, namely JKPCL, as well as short-term users, specifically IPPs, of the JKPTCL network:

³ https://cea.nic.in/wp-content/uploads/installed/2024/10/IC_Oct_2024_allocation_wise.pdf

Table 13: Transmission Charges for FY 2025-26

Sr. No.	Particulars	Unit	Legend	Amount
1	Projected Aggregate Revenue Requirement	Rs. Crores	Transmission ARR	349.72
2	Allotted Transmission capacity to the nth long term/ medium term user of Transmission system	MW	CCn	3,587.19
3	Sum of Allotted Transmission Capacity by all long-term users and medium-term users of the transmission system	MW	SCC/	3,587.19
4	Annual transmission charges payable by the nth long-term user or medium-term user of the transmission system	Rs. Crores/ month	ATCn = (Transmission ARR / 12) x (CCn / SCC)	29.14
5	Short Term Open Access Transmission charges	Rs./ MWh		111.29

4.2.6. The Petitioner requests the Hon'ble Commission to approve the above proposed transmission tariff for FY 2025-26.

5. Chapter 5: Compliance to Directives

This section discusses the compliance to various directives of Hon'ble Commission vide its Order dated 10th October 2023.

Sr. No.	Directive	Compliance
1.	<p>CAPITAL INVESTMENT AND CAPITALISATION PLAN ALONG WITH DETAILS OF SOURCE OF FUNDING Submit detailed report on the physical and financial progress of the approved transmission projects on quarterly basis</p>	<p>The requisite details are submitted as follows: The Monthly Progress Report (MPR) as of June 2024 is attached as Annexure-2. The Monthly Progress Report (MPR) as of September 2024 is attached as Annexure – 3.</p>
2.	<p>VERIFICATION OF METERING STATUS, ENERGY ACCOUNTING AND ENERGY AUDIT</p> <p>(a) JKPTCL shall finalize the agency for verification of the metering status, energy accounting and energy audit on priority.</p> <p>(b) Submit the first quarterly data of FY 2024 25 by 31 07 2024.</p> <p>(a) JKPTCL shall display information related to the transmission loss on a monthly basis.</p>	<p>In accordance with the Commission's directives, the verification of metering status and the conduction of an energy audit for various elements of JKPTCL were prioritized. The Managing Director of JKPTCL, J&K, initiated this process by communicating with the Joint Director and Head of Department, Power Systems Division, Central Power Research Institute (CPRI), Bengaluru through letters No. MD/JKPTCL/TO/1332-36 dated January 18, 2023, and No. MD/JKPTCL/TO/05/412-15 dated November 21, 2023.</p> <p>Furthermore, the Chief Engineer (Transmission), JKPTCL, Jammu also addressed the matter with CPRI authorities via letter No. CE/Trans./J/JKPTCL/T/7835-36 dated November 8, 2024, seeking a Techno-Commercial offer for consultancy services required for the verification of energy meters and conducting an energy audit. However, the Joint Director and Head of Department, Energy Efficiency and Renewable Energy Division (ERED), CPRI, Bengaluru, informed via email dated November 8, 2024, that they are unable to carry out the energy audit of the transmission network. The email is enclosed as Annexure-4.</p> <p>As a subsequent step, the Chief Engineer (Transmission), JKPTCL, Jammu has approached the Electrical Research and Development Agency (ERDA), Vadodara, and The Energy and Research Institute</p>

Sr. No.	Directive	Compliance
		(TERI), Bengaluru through letters No. CE/Trans./J/JKPTCL/7988-91 and No. CE/Trans./J/JKPTCL/7990-91, both dated November 12, 2024, respectively. The letters are attached as Annexure-5 and Annexure - 6. Responses and offers from these agencies are currently awaited.
3.	GIS MAPPING ASSET MONITORING JKPTCL shall submit element wise incident for FY 2022 23 to FY 2024 25.	Element-wise major incidents in FY 2022-23, FY 2023-24 and FY 2024-25 are submitted as Anneuxre-7.
4.	TRAINING AND CAPACITY BUILDING The Training plan for JKPTCL should be submitted.	Letter no. CEI/ JKPDD/ 942-44 dated 23 November 2024 concerning training and capacity building plan prepared by the Chief Electrical Inspector J&K PDD is enclosed as Annexure-8 wherein details of the training and capacity building plan are given.
5.	INDEPENDENT OPERATION OF LOAD DISPATCH CENTRE (LDC) JKPTCL shall complete the activity of the Independence of LDC and submit the status to the Commission.	<p>Currently, the Load Dispatch Centre (LDC) is operated by JKPTCL, Jammu. However, following the directives of the Commission and recommendations from NRPC and NRLDC, the process of establishing the LDC as an independent entity is actively underway.</p> <p>To this end, a draft proposal has been submitted to the Managing Director, JKPTCL, J&K by the Chief Engineer (Transmission), J&K, Jammu via communication No. CE/JKPTCL/J/4778-79 dated August 7, 2024. In response, the Managing Director has constituted a committee, chaired by the Chief Engineer (Transmission), Kashmir, to finalize the proposal for the independent operation of the Load Dispatch Centre. This committee is tasked with furnishing a comprehensive proposal for consideration.</p> <p>Committee held meeting on 29.11.2024 to discuss the next step for the separation of LDC from JKPTCL and minutes of that meeting is attached as annexure - 9</p>

6. Chapter 6: Prayers

1. Accept and admit the petition for Annual Performance Review (APR) of FY 2024-25, Aggregate Revenue Requirement (ARR) of FY 2025-26 and Tariff Proposal for FY 2025-26 which is in line with the principles laid by JERC MYT Regulations 2023 as notified by the Hon'ble Commission,
2. Approve the Annual Performance Review (APR) of FY 2024-25, Aggregate Revenue Requirement (ARR) of FY 2025-26 and Tariff Proposal for FY 2025-26,
3. Approve the proposed transmission tariff for FY 2025-26,
4. Grant any other relief as the Hon'ble Commission may consider appropriate.
5. The Petitioner craves leave of the Hon'ble Commission to allow further submission, addition and alteration to this petition as may be necessary from time to time.
6. Condone any inadvertent omissions/errors/shortcomings and permit the Petitioner to add/change/modify/alter this fling and make further submissions as may be required at a future date.
7. To pass any other Order as the Hon'ble Commission may deem fit and appropriate under the circumstances of the case and in the interest of justice.

8. List of Annexures:

Table 14: List of Annexures to the Petition

Sr. No.	Annexure #	Particulars
1.	Annexure - 1	Forms
2.	Annexure - 2	Monthly Progress Report of Capex Schemes as of June 2024.
3.	Annexure - 3	Monthly Progress Report of Capex Schemes as of September 2024.
4.	Annexure - 4	Email dated November 8, 2024 from Joint Director and Head of Department, Energy Efficiency and Renewable Energy Division (ERED), CPRI, Bengaluru
5.	Annexure - 5	Letter No. CE/Trans./J/JKPTCL/7988-91, dated November 12, 2024
6.	Annexure - 6	Letter No. CE/Trans./J/JKPTCL/7990-91, dated November 12, 2024
7.	Annexure - 7	Element-wise major incidents in FY 2022-23, FY 2023-24 and FY 2024-25.
8.	Annexure - 8	Training & capacity building plan prepared by the Chief Electrical Inspector J&K PDD and communicated vide letter no. CEI/ JKPDD/ 942-44 dated 23 November 2024.
9.	Annexure - 9	Letter No. CE/JKPTCL – KMR/TO 11200209 for Minutes of Meeting, held on 29.11.2024 of the committee to finalize the proposal for the independent operation of the Load Dispatch Centre.

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