

Jammu & Kashmir State Electricity Regulatory Commission



**Order
on
Annual Performance Review FY 2014-15
And transmission tariff for FY 2015-16
for
Power Development Department – Transmission,
Govt. of J&K**

Jammu
February 2015

Jammu & Kashmir State Electricity Regulatory Commission

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Before
Jammu & Kashmir State Electricity Regulatory Commission
Petition No: 49 of 2014

In The Matter Of:

Petition for approval of Annual Performance Review (APR) FY 2014-15 of the 3-Year Multi Year Tariff (MYT) period from FY 2013-14 to FY 2015-16 and Tariff revision proposal for FY 2015-16 for Jammu and Kashmir Power Development Department – Transmission Business.

And

In The Matter Of:

Jammu and Kashmir Power Development Department - Transmission,
Srinagar/Jammu

ORDER
Order No. 11-JKSERC of 2015
(Passed on 28th February, 2015)

1. This Order relates to the Petition for Annual Performance Review (APR) FY 2014-15 and Tariff revision for FY 2015-16 filed by the Jammu & Kashmir Power Development Department for its transmission business (hereinafter referred to as JKPDD-Transmission or JKPDD-T or the Petitioner or the licensee) before the Jammu & Kashmir State Electricity Regulatory Commission (hereinafter referred to as JKSERC or the Commission). The Petition was filed as per the JKSERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2012 as amended from time to time and in accordance with J&K Electricity Act, 2010.
2. As per sub Regulation (3.7.1) of Regulation 3.7 of JKSERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2012, the Petitioner shall be subjected to an Annual Performance Review (APR) during the Control Period to assess the performance vis-à-vis the target approved by the Commission at the beginning of the Control Period.

Order on Petition for APR FY 2014-15 (including Transmission tariff for FY 2015-16)

3. The Commission vide its Order No. JKSERC/33 of 2014 dated 20th June 2014 had approved the Annual Performance Review (APR) of FY 2013-14 and revised tariff for FY 2014-15.
4. The Petitioner has now filed the Petition for APR FY 2014-15 and tariff revision for FY 2015-16 for its transmission business on 31st December 2014. On detailed analysis of the Petition, the Commission observed several information gaps and discrepancies in the Petition for which additional information was sought from the Petitioner vide Commission's Letter Nos. JKSERC/ Secy/ 23/ 1449-50 dated 5th January, 2015, JKSERC/Secy/ 23/1481 dated 12th January 2015 and JKSERC/Secy/1705-06 dated 17th February 2015. The Petitioner submitted its replies to the discrepancy notes vide Letter no: CE/S&O/J/9367-69 dated 14th January 2015 and CE/S&O/J/10631-32 dated 24th February 2015.
5. The Commission held a technical validation session with the Petitioner on 12th January 2015 and took into consideration the supplementary information provided by the Petitioner during the technical validation session and admitted the Petition on same day.
6. The Commission vide its letter no. JKSERC/Secy/23/1481 dated 12th January, 2015 directed the Petitioner to publish the gist of the Petition for APR FY 2014-15 and tariff revision for FY 2015-16 as public notice and invite comments/objections/suggestions from the stakeholders on the above mentioned petitions filed.
7. The approved gist of the Petition filed by JKPDD-T was published by the Petitioner in four widely read newspapers on 14th, 15th and 16th January 2015.
8. The copy of the Petition was also available on the official websites of the Commission and the Petitioner.
9. The stakeholders were requested to submit their written comments/ suggestions/ objections latest by 30th January 2015.

Meeting of the State Advisory Committee

10. The Commission convened a meeting with the Members of the State Advisory Committee (SAC) on 4th February, 2015 for the purpose of discussing the Petition filed by the JKPDD-T.
11. The representatives from the JKPDD-T made a detailed presentation on the Petition for Annual Performance Review (APR) for FY 2014-15 and Tariff revision for FY 2015-16 filed by it.
12. Several points were raised and 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 have been considered by the Commission in this Order.

Public Hearings

13. In order to maintain transparency in the process for approval of the APR Petition for JKPDD-T, the Commission involved the stakeholders by initiating a public consultation process to understand their views on various aspects of the petition filed by JKPDD-T. Accordingly, the public hearings on the APR Petition filed by JKPDD-T were held at Jammu and Srinagar as per the details provided in the following table:

Table 1: Details of Public Hearings

Place/ city	Date	Location
Jammu	07.02.2015	JKSERC Conference Hall, Ambedkar (Panama) Chowk, Railway Road, Jammu
Srinagar	10.02.2015	IMPA, Moulana Azad Road, Srinagar

14. The comments/objections/suggestions received during the SAC meetings and the public hearings have duly been considered while finalizing this Order on the Petition for Annual Performance Review FY 2014-15 and tariff revision for FY 2015-16.

Approved Annual Revenue Requirement (ARR) and Transmission Tariff

15. The Petitioner in its Petition has submitted revised Annual Revenue Requirement (ARR) for the entire Control Period for FY 2013-14 to FY 2015-16.
16. The Petitioner was directed by the Commission to submit the audited annual accounts for FY 2013-14. The Petitioner failed to submit the same stating that it is still functioning as a bundled transmission and distribution utility and it shall be able to submit the segregated accounts only when migration of assets and resources into the incorporated companies is completed and the companies start functioning as separate financial entities. The Petitioner even failed to submit the reconciled/certified accounts for FY 2013-14 which could have been considered provisionally for True-Up of FY 2013-14. Therefore, in the absence of audited/reconciled/certified accounts of FY 2013-14, the Commission has not undertaken True-Up for FY 2013-14.
17. As the Utility failed to submit the audited annual accounts for FY 2013-14 and being a Government owned Utility funded by the State Government, the Commission had directed the Petitioner vide Letter No: JKSERC/2014/23/1652-53 dated 5th February 2015 to furnish certified information on capital investment and O&M expenses for the period FY 2013-14 till FY 2015-16 duly authenticated by the Power Development Department (PDD), GoJK.

18. In reply, Director Finance, Power Development Department (PDD), GoJK, submitted the information on O&M expenditure indicating therein actuals for FY 2013-14 and funds earmarked for the Utility by the State Government for FY 2014-15 and FY 2015-16 vide Letter no: PDD/II/AC/86/20123 dated 20th February, 2015. The copy of the same has been attached as Annexure 5 of this Petition. The Commission has accordingly considered the revised submission as per the information from the Director Finance, Power Development Department (PDD), GoJK.
19. The Commission has analyzed the cost for each of the items of the ARR in detail in this Order and has accordingly approved the revised ARR for FY 2014-15 and FY 2015-16. The approved Annual Revenue Requirement for FY 2014-15 and FY 2015-16 is given in the table below.

Table 2: Approved ARR (revised) for FY 2014-15 and FY 2015-16 (in Rs Crores)

Particulars	FY 2014-15	FY 2015-16
O&M Expenses	81.43	88.26
Depreciation	0.73	0.73
Interest & Finance Charges	2.52	2.43
Interest on Working Capital	4.70	5.06
Return on Equity	0.00	0.00
Total Expenditure	89.37	96.48
Less: Non-Tariff Income	0.00	0.00
Approved Annual Revenue Requirement	89.37	96.48

20. Based on the approved annual revenue requirement, the Commission has approved transmission charges of Rs 33.64 /kW /Month for FY 2015-16 considering transmission capacity of 2390.23 MW as submitted by the Petitioner.

Implementation of the Order


21. In accordance with Sub-Regulations 3.6.2 and 3.6.3 of the JKSERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2012, the Commission is passing this Order after thorough scrutiny and prudence check of the submissions made by the Petitioner. This order, inter alia, contains the approved revised ARR for FY 2014-15 and FY 2015-16 and the transmission charges (on kW/Month basis) for FY 2015-16.
22. This tariff shall remain valid from date of issue of this Order till 31st March 2016, unless amended or modified or extended by an order of the Commission.

Order on Petition for APR FY 2014-15 (including Transmission tariff for FY 2015-16)

23. Thus, the Commission directs that this Order be implemented along with directions given, if any, and conditions mentioned in the detailed Order.
24. In exercise of the powers vested in it under the Jammu & Kashmir Electricity Act, 2010 (Act XIII of 2010), the Commission hereby passes this Order for approval of petition for Annual Performance Review FY 2014-15 and ARR for FY 2015-16 today, the 28th February, 2015.

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


(G.M. Khan) 28.02.2015
Member


(Basharat Ahmad Dhar)
Chairperson

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ABBREVIATIONS

Acronym	Definition
A&G Expenses	Administrative & General Expenses
ARR	Aggregate Revenue Requirement
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CPI	Consumer Price Index
CWIP	Capital Works in Progress
Ckt-km	Circuit Kilometres
C&S (J&K)	Commercial & Survey (Jammu and Kashmir)
DCP	Development Commissioner (Power), Jammu & Kashmir
TTIC (J&K)	Training, Testing, Inspection and Commissioning, Jammu & Kashmir
EM & RE (J)	Electric Maintenance & Rural Electrification. Jammu
EM & RE (K)	Electric Maintenance & Rural Electrification. Kashmir
ERS	Emergency Restoration Systems
FAR	Fixed Asset Registers
Fin. Org	Financial Organization
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
MU	Million Units
MYT	Multi-Year Tariff
O&M	Operations and Maintenance
P&D (J&K)	Planning & Design, Jammu & Kashmir
PGCIL	Power Grid Corporation of India Limited
P&MM (J&K)	Procurement & Material Management, Jammu & Kashmir
PWD	Public Works Department
R&M Expenses	Repair & 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
S&O (J)	System & Operations, Jammu
S&O (K)	System & Operations, Kashmir
WPI	Wholesale Price Index

CHAPTER 1: INTRODUCTION

Jammu & Kashmir State Electricity Regulatory Commission

1.1 The Jammu and Kashmir State Electricity Regulatory Commission (hereinafter referred to as the Commission) is a statutory body setup under an Act of the State Legislature to regulate power sector in the State of Jammu and Kashmir.

1.2 Section 71 of the Jammu & Kashmir Electricity Act, 2010 describes the various functions required to be discharged by the Commission. These functions have been summarised below:

- (a) determine the tariff for generation, supply, transmission and wheeling of electricity, wholesale, bulk or retail, as the case may be, within the State:

Provided that where Open Access has been permitted to a category of consumers under section 36, the State 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 license 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 of energy by providing suitable measures for connectivity with the grid and sale of electricity to any person, and also specify, for purchase of electricity from such sources, a percentage of the total consumption of electricity in the area of a distribution licensee;
- (f) adjudicate upon the disputes between the licensees, and generating companies and to refer any dispute for arbitration;
- (g) levy fee for the purposes of the Act;
- (h) specify State Grid Code consistent with the Grid Code specified under the Indian Electricity Act, 2003;
- (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; and
 - (k) discharge such other functions as may be assigned to it under this Act.
- 1.3 The Commission shall ensure transparency while exercising its powers and discharging its functions.
- 1.4 In discharge of its functions, the Commission shall be guided by the State Electricity Policy, State Electricity Plan, and Tariff Policy published under the provisions of the Act.

Jammu & Kashmir Power Development Department

- 1.5 JKPDD, viz. Power Development Department (PDD), Government of Jammu & Kashmir is the sole transmission and distribution utility in the State of Jammu and Kashmir.
- 1.6 The Government of Jammu & Kashmir, vide Order No. 264 PDD of 2012 dated 5th September 2012, has ordered for unbundling of JKPDD and setting up of one transmission company, two distribution companies (one each for Jammu and Kashmir divisions) and one trading company with the function of a holding company. In line with the above order, GoJK has ordered for setting up of the following companies vide Order No. 285 PDD of 2012 dated 21st September 2012:
- a) Jammu & Kashmir State Power Transmission Company Limited
 - b) Jammu & Kashmir State Power Trading Company Limited
 - c) Jammu Power Distribution Company Limited
 - d) Kashmir Power Distribution Company Limited
- 1.7 As the process of unbundling is still under progress, JKPDD-T has filed the petition for approval of Annual Performance Review for its transmission under the provisions of the JKSERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2012 and JKSERC (Conduct of Business) Regulations, 2005.

Scope of the Present Order

- 1.8 The ambit of the present Order extends to approval of Annual Performance Review (APR) for FY 2014-15 and determination of Aggregate Revenue Requirement (ARR) and tariff for FY 2015-16 for the transmission business of the JKPDD (hereinafter referred to as JKPDD-T or the Petitioner).

Procedural History

- 1.9 As per the sub Regulation (3.7.1) of Regulation 3.7 of JKSERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2012, the Petitioner shall be subjected to an Annual Performance Review (APR) during the Control Period to assess the performance vis-à-vis the target approved by the Commission at the beginning of the Control Period. The Petitioner shall make an application for annual performance review not less than 120 days before the close of each financial year in the Control Period.
- 1.10 The Petitioner filed the Petition for APR FY 2014-15 and tariff revision for FY 2015-16 for its transmission business on 31st December 2014. On detailed analysis of the Petition, the Commission observed several information gaps and discrepancies in the Petition for which additional information was sought from the Petitioner vide Commission's Letter Nos. JKSERC/ Secy/ 23/ 1449-50 dated 5th January, 2015, JKSERC/Secy/ 23/1481 dated 12th January 2015 and JKSERC/Secy/1705-06 dated 17th February 2015. The Petitioner submitted its replies to the discrepancy notes vide Letter no: CE/S&O/J/9367-69 dated 14th January 2015 and CE/S&O/J/10631-32 dated 24th February 2015.
- 1.11 The Commission held a technical validation session with the Petitioner on 12th January 2015 and took into consideration the supplementary information provided by the Petitioner during the technical validation session and admitted the Petition on same day.
- 1.12 The Commission vide its letter no. JKSERC/Secy/23/1481 dated 12th January, 2015 directed the Petitioner to publish the gist of the Petition for APR FY 2014-15 and tariff revision for FY 2015-16 as public notice and invite comments/ objections/suggestions from the stakeholders on the above mentioned petitions filed.
- 1.13 The approved gist of APR petition for APR FY 2014-15 was published by the Petitioner in four widely read newspapers on 14th, 15th and 16th January 2015. The stakeholders were requested to submit their written comments/ suggestions/ objections latest by 30th January 2015.

Meeting of the State Advisory Committee

- 1.14 The Commission convened a meeting of the State Advisory Committee (SAC) on 4th February, 2015 to discuss the APR petition submitted by JKPDD-T.
- 1.15 The issues and concerns raised and the suggestions and recommendations offered by the SAC members have been considered by the Commission while preparing this order. The participants of the SAC meeting are listed in Annexure 1.
- 1.16 Some of the key points raised and discussed by the Committee are summarized below:
- (a) The Commission asked the JKPDD-T about the authenticity of the figures submitted as actual data for FY 2013-14. The officers of the JKPDD-T submitted

that the data for FY 2013-14 has been computed by collecting wing wise data and consolidating the same.

- (b) The Commission enquired about the ownership of the 400/220 kV substation at Amargarh which is reported as being developed under PPP mode. The officers of the JKPDD-T stated that Sterlite, an infrastructure major, has been awarded the project by the GoI under the PPP mechanism. The JKPDD was asked to furnish details of the project to the Commission.
- (c) The Commission asked the officers of the JKPDD-T to confirm whether all energy meters in Transmission system are functional right up to 33 kV level. The officers of the JKPDD-T confirmed that all system meters at 220/132/33 kV levels are functional and stated that the data shall be submitted to the Commission. Members of the SAC suggested that third party verification of status of Transmission system metering should be undertaken by the Utility.
- (d) The Commission asked the officers of the JKPDD-T for the reasons for inclusion of depreciation as part of the proposed Aggregate Revenue Requirement (ARR). JKPDD-T submitted that depreciation has been included considering the existing financial situation of the utility as well as the impending unbundling process. The Commission asked the officers of JKPDD-T to clarify to the members of the SAC if there was a case for consideration of depreciation as part of its ARR in the light of the provisions of the relevant Regulations. The PDD-T submitted that it was for the Commission to take a view on that at the time of finalization of the Tariff Order.
- (e) Members of the SAC enquired about the reasons for the Operations and Maintenance (O&M) expenses incurred / projected by the JKPDD-T to be lower than approved norms for the Control Period. The SAC Members suggested that the approved norms should be used by JKPDD-T while filing its Tariff Petition. One of the Members also asked about the methodology used to determine O&M expenses. The Officers of the JKPDD-T stated that the O&M expenses submitted were in accordance with the approved budget adopted by the finance department of GoJK and norms approved by the Commission. The Commission asked the PDD-T to furnish the details duly authenticated by the Administrative Department.
- (f) One of the SAC members suggested that to operate such an advanced system, training of employees is essential.
- (g) The Commission sought response from JKPDD to the directives on undertaking and finalization of studies for strengthening of transmission and Distribution networks in the State to meet the requirement of the growing demand for power during the 12th & 13th plan period and about the requirement of evacuation of power from various upcoming projects. The Utility replied that a proposal for study on strengthening of Transmission system framed by the department had been submitted to CEA and in view of the urgency, Chief Engineer (S & O) Wing,

Jammu has been appointed as a nodal officer. The Commission directed JKPDD to follow up the matter of system study with CEA for expeditious formulation of the Transmission plan for 12th & 13th plan periods.

- (h) The Chairman of JKSERC advised that the JKPDD-T should prioritize planning of transmission system; otherwise the surplus power from upcoming capacities shall be stranded and a situation may arise when the Utility may not be in a position to meet the demand of consumers inspite of the availability.
- (i) One of the SAC members suggested that data on transmission capacity of the network elements should be available in the public domain. He stated that the industries are being told that there is no carrying capacity in the transmission system supplying power to the Industrial Estates on need basis. He further suggested that till the time such strengthening is conducted, the JKPDD-T should notify that they are unable to supply power for new connections. He also stated that the industrial policy of the State was being impacted due to this scenario and that the department should come clean on the issue of availability of power for new industrial units in various industrial estates. The Hon'ble Chairman directed that the concerns of the Industrial Estates need to be addressed and necessary projections on this account need to be made to the concerned agencies on priority.
- (j) Regarding the directives of the Commission on maintenance of Grid Stations and for third party audit on maintenance and upkeep of all Grid Station through CEA or Power Grid Corporation of India Ltd. (PGCIL) or any other authorized agency, the Utility informed that third party audit by CEA got conducted for 710 MVA Grid Station, Gladni (Jammu), 450 MVA Grid Station, Pampore (Kashmir) and 450 MVA Grid Station, Zainakote (Kashmir). Further the audit of 160 MVA 220/132 kV Grid Station Delina (Kashmir) and 100 MVA 132/33 kV Grid Station Janipur (Jammu) is being conducted through NRPC. The Utility further stated that DPRs on the basis of the recommendation of CEA have been prepared for implementation of the recommendation. The Chairman stressed on the importance of early implementation of the recommendation.

1.17 Several other points were also raised and discussed during the SAC meeting, which also have been noted by the Commission and suggestions made by the members of the Committee on above-mentioned points and other points discussed have been considered by the Commission in this Order.

Inviting Public Comments

1.18 JKPDD-T published a public notice indicating the salient features of its Petition and inviting objections and suggestions from the consumers and other stakeholders. The public notice appeared in the following newspapers:

Table 3: List of Newspapers

Sl No	Newspaper	Date of Publication
1	Kashmir Times	14.01.2015
2	Daily Excelsior	15.01.2015
3	Greater Kashmir	15.01.2015
4	Srinagar Times	16.01.2015

- 1.19 The copy of the Petition was also available on the official websites of the Commission and the Petitioner.
- 1.20 The copies of the Petition were made available for purchase on any working day by the consumers from the Utility's offices in Jammu, Srinagar and Leh. The last date for submitting the comments/ objections on APR Petition was 30th January, 2015.
- 1.21 The public notice advised respondents to submit (in person or by post or by fax) their objections in English, Hindi or Urdu to the Commission with two copies to JKPDD-T. Respondents were also given the option to be heard in person during the public hearings conducted by the Commission.
- 1.22 Two stakeholders responded to the public notice in writing. The list of the Objectors who responded in writing is attached as Annexure 2.
- 1.23 The Commission held public hearings at Jammu on 7th February, 2015 and at Srinagar on 10th February, 2015, to know the response and comments/suggestions/objections of stakeholders/public on the Petition filed by JKPDD-T for approval of APR for FY 2014-15 and Tariff revision for FY 2015-16. The public hearings enabled the Utility to present its case and to respond to the objections raised by various respondents. The list of stakeholders who attended the public hearing is enclosed as Annexure 3.

CHAPTER 2: SUMMARY OF THE PETITION FILED BY JKPPD-T

2.1 The summary of the Petition for APR for FY 2014-15 and Tariff revision for FY 2015-16 as submitted by JKPPD-T is as under.

Capital Expenditure Plan

2.2 The following tables summarize the capital expenditure plan and capitalization plan, as submitted in the Petition filed by JKPPD-T:

Table 4: Revised Capital Expenditure Plan for FY 2014-15 and Projected plan for FY 2015-16 (Rs Cr)

S.No	Particulars	FY 2013-14 (Actual)	FY 2014-15 (Revised Estimates)	FY 2015-16 (Projected)
1	220 KV Transmission lines	9.23	37.81	78.19
2	132 KV Transmission lines	4.08	10.59	39.66
3	220/132 KV Sub Station (Construction)	8.38	36.91	67.91
4	220/132 KV Sub Station (Augmentation)	0.45	0.10	0.00
5	132/33 KV Sub Station (Construction)	5.49	19.25	24.44
6	132/33 KV Sub Station (Augmentation)	3.95	5.30	12.47
7	Construction of additional bays 132/33 kV	0.00	0.24	0.00
8	SLDC/Fiber Optic Communication works.	0.00	0.00	0.00
9	Others	1.48	6.27	28.52
	Total Capital Expenditure plan	33.07	116.49	251.19

Table 5: Revised Capitalization Schedule for FY 2014-15 and projected plan for FY 2015-16 (Rs Cr)

Particulars	FY 2014-15 (Revised Estimates)	FY 2015-16 (Projected)
Capitalization	46.60	142.41

Transmission Losses

2.3 The following table summarizes the trajectory for transmission losses as submitted by JKPPD-T for the MYT Control Period (FY 2013-14 to FY 2015-16)

Table 6: Transmission Loss Trajectory (%) from FY 2013-14 to FY 2015-16

Particulars	FY 2013-14 (Actual)	FY 2014-15 (Revised Estimates)	FY 2015-16 (Projected)
Total Loss in the system	4.50 %	4.00%	4.00%

Aggregate Revenue Requirement (ARR) for the MYT Control Period (FY 2013-14 to FY 2015-16)

2.4 JKPDD-T has submitted its revised ARR for the MYT Control Period as Rs 144.92 Cr, Rs 151.56 Cr and Rs 160.57 Cr for FY 2013-14, FY 2014-15 and FY 2015-16 respectively, as shown in the following tables:

Table 7: Proposed ARR for FY 2013-14 (Rs Cr)

Particulars	Approved by JKSERC in MYT Order	App. by JKSERC in APR Tariff Order for FY 2013-14	Actual submitted now by JKPDD-T
O&M Expenses	100.02	97.56	71.44
Depreciation	0.00	0.00	66.40
Interest & Finance Charges	0.00	0.00	0.00
Interest on Working Capital	5.31	5.13	7.08
Annual Revenue Requirement	105.33	102.69	144.92

Table 8: Proposed ARR for FY 2014-15 (Rs Cr)

Particulars	Approved by JKSERC in MYT Order	App. by JKSERC in APR Tariff Order for FY 2013-14	Revised Estimates submitted now by JKPDD-T
O&M Expenses	121.58	107.87	76.93
Depreciation	0.00	0.00	67.24
Interest & Finance Charges	0.00	0.00	0.00
Interest on Working Capital	6.53	5.62	7.39
Annual Revenue Requirement	128.11	113.49	151.56

Table 9: Proposed ARR for FY 2015-16 (Rs Cr)

Particulars	Approved by JKSERC in MYT Order	Projections Submitted Now by JKPDD-T
O&M Expenses	140.23	82.18
Depreciation	0.00	70.64
Interest & Finance Charges	0.00	0.00
Interest on Working Capital	7.95	7.75
Annual Revenue Requirement	148.18	160.57

Proposal of Transmission Tariff for FY 2015-16

2.5 JKPDD-T has proposed transmission tariff for FY 2015-16 in terms of Rs /kW /Month based on the revised projections for FY 2015-16 submitted in the Petition:

Table 10: Proposed Transmission Tariff for FY 2015-16 by JKPDD-T

Particulars	FY 2015-16
Aggregate Revenue Requirement (Rs Cr)	160.57
Transmission Capacity (kW)	2390230
Transmission Charges (Rs /kW /Month)	55.98

CHAPTER 3: PUBLIC CONSULTATION PROCESS

- 3.1 After the admittance of the Petition filed by the Petitioner pertaining to APR for FY 2014-15 and transmission tariff for FY 2015-16, the Commission directed the Petitioner to make available copies of the Petition to the general public and invite comments/objections from them on the subject matter of the Petition.
- 3.2 The Commission, vide letter No. JKSERC/Secy/23/1481 dated 12th January 2015, directed the Petitioner to publish gist of its Petition and tariff proposal as Public Notice in newspapers in English and local languages as per the requirement of Regulation 48(2), Chapter 5 of the JKSERC (Conduct of Business) Regulations 2005 and invite comments, and suggestions from consumers and other objectors on the petition.
- 3.3 As directed by the Commission, the Petitioner published Public Notice in some of the widely read English, Hindi and Urdu newspapers indicating the salient features of its Petition and inviting objections and suggestions from the consumers and other objectors. The public notice appeared in the various newspapers as per the details tabulated below:

Table 11: Details of publication of notice inviting public response in state newspapers

Newspaper	City of publication	Date of publication
Daily Kashmir Times	Jammu	14.01.2015
Daily Excelsior	Jammu	15.01.2015
Daily Greater Kashmir	Srinagar	15.01.2015
Daily Srinagar Times	Srinagar	16.01.2015

- 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 30th January 2015.
- 3.5 The public notice advised the respondents to submit their objections, written either in English, Hindi or Urdu to the Commission with a copy to the Petitioner. The respondents were also given the option to be heard in person during the public hearings conducted by the Commission.
- 3.6 The Commission held public hearings at Jammu on 7th January 2015 and at Srinagar on 10th February 2015, to discuss the matters pertaining to the Petition filed by the Petitioner.

- 3.7 The public hearings enabled the Objectors to voice their concerns and put forth their objections to the submissions made by the Petitioner. Further, it provided the Petitioner with an opportunity to present its case and to respond to the objections raised by various objectors. The list of Objectors who responded to the public notice in writing is attached as Annexure 2 of this Order. The Commission allowed Objectors who had not submitted written objections earlier, to also present their views, objections and suggestions during the public hearings. The list of objectors who attended the public hearings held in Jammu and Srinagar is provided in Annexure 3.
- 3.8 The issues, concerns and objections raised by various objectors through their written or verbal representations have been taken into consideration by the Commission. The matters raised and discussed have accordingly been summarized in this chapter and the Petitioner's response upon such matters and the view taken by the Commission are detailed below.

Filing of Petition as per norms

Public Comments/Suggestions

- 3.9 The Objector submitted that Petitioner should provide revenue requirement strictly as per provisions of the Tariff Regulations and that no deviation from norms should be allowed to the Petitioner.

Petitioner's Response

- 3.10 The Petitioner submitted that tariff petition for FY 2015-16 has been filed in accordance with the JKSERC (Terms and Conditions of Determination of Transmission Tariff) Regulations, 2012.

Commission's View

- 3.11 The Annual Performance Review (APR) for FY 2014-15 and determination of tariff for FY 2015-16 is being done in accordance with provisions of the applicable Regulations prescribed in this regard and the Petition filed by the Petitioner has been examined in the light of the applicable JKSERC (Terms and Conditions of Determination of Transmission Tariff) Regulations, 2012.

Benchmarking of performance during Annual Performance Review (APR)

Public Comments/Suggestions

3.12 The Objector submitted that the APR exercise cannot be undertaken without any standards or benchmark performance (approved expenditure/ARR). Further, the Petitioner has not submitted the approved figures of the Commission of the previous Tariff Orders against which the performance appraisal has been carried out. In the absence of any meaningful benchmark performance indicated in the Petition, stakeholders are unable to offer constructive and meaningful comments.

Petitioner's Response

3.13 The Petitioner submitted that the present Petition is based on the approved expenditure by the Hon'ble Commission in the MYT Order for the Control Period FY 2013-14 to FY 2015-16 and projections made are as per the State Budget.

Commission's View

3.14 The Commission agrees with the Objector's submission that the Petitioner had not submitted its performance benchmark against the expenditure/ ARR for FY 2013-14 to FY 2015-16 as approved by the Commission in the MYT Order dated 2nd April 2013 as well as the revised ARR for FY 2013-14 and FY 2014-15 approved by the Commission in the Tariff Order dated 20th June 2014.

3.15 Accordingly, the Commission, vide Letter No.: JKSERC/23/1449-50 dated 5th January 2015 had directed the Petitioner to clearly indicate its performance during the period under review with reference to the figures approved by the Commission in the previous Tariff Orders. The Petitioner submitted the requisite information in its reply to the deficiency note. The Commission further directed the Petitioner to draft its Petitions meticulously in future.

Compliance of Directives

Public Comments/Suggestions

3.16 The Objector submitted that the JKPDD has not complied in letter and spirit with the directives issued by the Hon'ble Commission in previous Tariff Orders. The Objector further stated that the Petitioner has not submitted any compliance report thereto.

Petitioner's Response

3.17 The Petitioner submitted that it is committed to comply with the directives issued by the Hon'ble Commission. The status of compliance of the directives has been submitted by the Petitioner in response to the Objector and the copy of the same has been provided to the Commission as well as the Objector.

Commission's View

- 3.18 The Commission accepts the Objector's submission and expressed its displeasure for the non-compliance of its directives and failing to provide the status report on the directives along with the Petition. The Commission took strong exception about the casual attitude of the Petitioner regarding submission of compliance reports/quarterly progress reports as directed by the Commission in the previous Tariff Orders.
- 3.19 The Commission also warns the Petitioner that it shall be constrained to take punitive measures against the Petitioner under Sections 102 and 106 of the J&K Electricity Act, 2010, for its in-action and non-compliance towards directives issued by the Commission.
- 3.20 With respect to the compliance report of directives issued in last Tariff Order, now submitted separately by the Petitioner, the Commission has dealt with the issue in detail in Chapter 6 of this Order.

Capital Expenditure and Capitalization Plan

Public Comments/Suggestions

- 3.21 The Objector submitted that the Petitioner should submit if funds have been earmarked for achieving the prospective Capital Expenditure and Capitalisation plan as proposed by the Petitioner. The Petitioner should also submit the source of such funds along with justifications of low capital investment in the past.

Petitioner's Response

- 3.22 The Petitioner submitted that the prospective plan and the capitalization plan are formulated for system strengthening and augmentation of capacity of the existing system to cater to the growing demand and evacuation of power from upcoming generating stations in the State.
- 3.23 The Petitioner further submitted that it had requested the State Government for approval of the schemes and arrangement of funds against the schemes formulated. Proposals are also sent to the CEA and Ministry of Power, GOI for vetting and providing of funds.

Commission's View

- 3.24 The Commission has noted that the Petitioner has time and again failed to achieve the capital investment targets as laid down by the Commission in the previous Tariff Orders.
- 3.25 The Commission taking a serious note of the delays and in view of importance of the issue has also initiated Suo-moto proceedings vide Petition No: JKSERC/39/SM of 2013 seeking the details of plans for capacity addition/augmentation of T&D network so as to address the critical issue of evacuation of power from the upcoming power projects and also catering to the growing demand for power during 12th and 13th Plan period.

- 3.26 The Commission directs the Petitioner to complete system studies at the earliest in consultation with CEA, to whom the studies are reported to have been submitted and draw an action plan for implementation without further delay in view of the critical importance of the issue.

Transmission Losses

Public Comments/Suggestions

- 3.27 The Objector submitted that JKPDD has claimed transmission losses in violation of the provisions of Regulation 3.4.1 (d) of Tariff Regulation according to which:

“Range of Transmission losses (upper and lower) for each year of the Control Period for the purpose of incentive /penalties. The Licensee shall file a trajectory of the loss levels in respect of losses for each of the years of the control period, backed up by proper studies to justify the loss levels indicated”

- 3.28 The transmission loss trajectory as claimed in the Petition is not backed by any study as required under Regulations. The transmission loss level should not be more than 2% as the normative target availability of transmission system is 98%.

Petitioner’s Response

- 3.29 The Petitioner submitted that it records energy through energy meters installed at 220KV, 132KV and 33KV levels. Special energy meters have been installed on all 220KV injection points and trivector meters on 132KV & 33KV level for the purpose.
- 3.30 The energy injected into the transmission system is recorded at 220KV and 132 KV level and energy dispatched is recorded at 33 KV level and accordingly the losses in the transmission system are calculated. Monthly records of energy injected into the transmission system and dispatched into distribution system are maintained at each grid station at both regions by the system and operation wings of Jammu and Kashmir.
- 3.31 The transmission losses for the period under review has been computed taking into account the energy injected into the system and the energy output from the system. The energy for the period under review was injected into the transmission system at 220KV & 132KV level from JKSPDC generating stations, Central Generating Stations and power purchased from short term and other sources. On the other hand, energy output from the transmission system includes energy delivered to distribution utility at 33 KV level.
- 3.32 The Petitioner further submitted that transmission loss trajectory claimed by it is in accordance with the transmission loss level approved by the Hon’ble Commission in its MYT Order.

Commission's View

- 3.33 The Commission agrees with the objectors and directs the Petitioner to undertake verification of the metering status at all levels in the transmission system and energy audit for FY 2014-15, by a third party, to authenticate the actual transmission loss levels and submit the report within six months of issue of this Tariff order.
- 3.34 The Commission further directs the Utility to notify on its website, on regular basis, the statements of monthly energy accounts in the Transmission system according to the meter readings recorded at various levels. The report shall also be submitted to the Commission on quarterly basis.

Target Availability

Public Comments/Suggestions

- 3.35 The Objector submitted that JKPDD has not determined the target availability in accordance with Regulation 4.2 of the JKSERC Transmission Tariff Regulations 2012.
- 3.36 The Objector submitted that the Petitioner has simply indicated system availability of 98% at Table 5 of the Petition. JKPDD has not indicated the methodology adopted for the calculation of the same.

Petitioner's Response

- 3.37 The Petitioner submitted that the system availability is being regularly monitored and certified by SLDC and respective system operation wings of Jammu and Srinagar regions. The certified transmission system availability during the FY 2013-14 & FY 2014-15 has already been submitted to the Hon'ble Commission. The Petitioner shall henceforth get monthly certification from SLDC as per the relevant Regulations of the Hon'ble Commission in this regard.

Commission's View

- 3.38 The Commission directs that system availability shall be calculated as per the procedure specified in Appendix-I of the JKSERC Transmission Tariff Regulations, 2012.

Tariff Determination

Public Comments/Suggestions

3.39 The Objector submitted that as per Table 23 of the Petition, the transmission capacity has been assumed to be same for the Control Period i.e. 2390230 kW for FY 2013-14 to FY 2015-16. In spite of the capital expenditure undertaken by the Petitioner to construct new/augment existing transmission capacity during the Control Period, the Petitioner should submit justification for considering the same capacity for all the three years of the Control Period.

Petitioner's Response

3.40 The Petitioner submitted that the transmission capacity considered for the determination of tariff is the contracted capacity of the JKPDD-D and not the entire capacity of the JKPDD-T. The actual contracted transmission capacity presently is 2390230 kW and therefore the same has been considered for the FY 2014-15 and FY 2015-16.

Commission's View

3.41 The Commission is approving the transmission tariff at the contracted capacity of JKPDD during the year as submitted by the Petitioner.

Depreciation

Public Comments/Suggestions

3.42 The Objector submitted that JKPDD has claimed depreciation at a blanket rate of 3.60% in violation of the rates specified in Appendix-2 of the JKSERC Transmission Tariff Regulations, 2012.

3.43 Further, the Petitioner has not mentioned the remaining useful life of the assets has even claimed depreciation for those assets which have outlived their useful life, in violation of Regulation 4.9.5 of the Tariff Regulations.

3.44 The Objector also submitted that depreciation has been claimed by the JKPDD on full value of the assets and not on the 90% of the historical cost, thereby violating Regulation 4.9.5 of the JKSERC Transmission Tariff Regulations, 2012.

Petitioner's Response

3.45 The Petitioner submitted that depreciation has been computed according to the Regulation 4.9.1 which states that:

“The value base for the purpose of depreciation shall be the historical cost of the asset”.

- 3.46 The Petitioner further submitted that the asset valuation of its assets has been completed by the consultant engaged for corporatization of JKPDD. However, the migration of the assets is still incomplete. Upon completion of the migration exercise, asset wise details of the GFA of Jammu S&O and Kashmir S&O along with documentary proof will be available and depreciation will be charged annually on SLM basis over the useful life of the asset and at the rates specified in Appendix – 2 to the MYT Regulations.
- 3.47 The Petitioner also stated that the Commission in its previous Tariff Orders has not allowed any depreciation on assets funded by state or GOI. However, the Petitioner continues to claim depreciation for financial viability of the transmission system once it becomes an independent Utility.

Commission’s View

- 3.48 The Commission states that it has approved the depreciation expense based on the provisions of the Regulation 4.9.1 of the JKSERC Transmission Tariff Regulations, 2012 and the detailed methodology adopted for the same has been explained in para 4.42 to 4.46 of this Order.

O&M Expenses

Public Comments/Suggestions

- 3.49 The Objector submitted that JKPDD has claimed O&M expenses in violation of the provisions of Regulations 3.4.1 of the Tariff Regulations 2012 which state:

“The Operation and Maintenance (O&M) costs which include employee-related costs, repairs & maintenance costs and administrative & general costs, estimated for the Base Year and the actuals for the previous two years prior to the Base Year in complete detail, together with the forecast for each year of the Control Period based on the norms proposed by the Transmission Licensee including indexation and other appropriate mechanisms;”

- 3.50 The Objector submitted that the Petitioner has simply tabulated actuals 2013-14, revised estimates 2014-15 and projections 2015-16 in respect of O&M expenses and has not made any reference to the estimates for the Base Year and the actuals for the previous two years prior to the Base Year in complete detail, together with the forecast for each year of the Control Period based on the norms proposed by the Transmission Licensee including indexation and other appropriate mechanism in accordance with the requirements of the Tariff Regulations.

Petitioner's Response

- 3.51 The Petitioner submitted that the O&M expenses for the FY 2013-14 have been considered as per the actual expenditure incurred by JKPDD during the year. In the absence of audited accounts for the base year, the O&M expenses as incurred during the FY 2013-14 were considered as the base and the O&M expenses for the FY 2014-15 and the FY 2015-16 were estimated based on the budgetary provisions of the State Government and the methodology adopted by the Hon'ble Commission in the last Tariff Order dated 20th June 2014.
- 3.52 The Petitioner further submitted that the R&M expenses being incurred by it for the maintenance of its assets are only 0.6% of the GFA which are much below the standard norms.

Commission's View

- 3.53 The Commission states that it has worked out the O&M expenses based on the provisions of the Regulation 4.11 of the JKSERC Transmission Tariff Regulations, 2012 and the detailed methodology adopted for the same has been explained in para 4.27 to 4.33 of this Order.

Interest on Working Capital

Public Comments/Suggestions

- 3.54 The Objector stated that the Petitioner has not computed working capital in accordance to the Regulation 4.12 of the JKSERC Transmission Tariff Regulations 2012. The Objector stated that the Petitioner has computed interest on working capital @ 14.75% as normative interest rate. However, interest rate as per the Regulations should be linked to the short term PLR of J&K Bank as on 1st April of the year. The Objector also stated that the concept of PLR has been replaced by the Base Rate concept and had requested the Commission to consider the same.

Petitioner's Response

- 3.55 The Petitioner submitted that the Interest on Working Capital has been calculated in accordance with the Regulation 4.12 of JKSERC Transmission Tariff Regulations, 2012.

Commission's View

- 3.56 The Commission states that interest on working capital has been allowed in accordance with Regulation 4.12 of the JKSERC Transmission Tariff Regulations, 2012, which states that:

"4.12.2 Rate of interest on working capital shall be on normative basis and shall be equal to the short-term Prime Lending Rate of Jammu & Kashmir Bank as on 1st April of the year. The interest on working capital shall be payable on normative basis notwithstanding that the Transmission Licensee has not taken working capital loan from any outside agency."

3.57 The detailed methodology adopted for the same has been explained in para 4.55 to 4.58 of this Order.

CHAPTER 4: ANNUAL PERFORMANCE REVIEW OF FY 2014-15

- 4.1 This section provides the details regarding the APR FY 2014-15 Petition of JKPDD-T and the approach adopted by the Commission in assessing the same.
- 4.2 As per Regulation 3.7 of the JKSERC (Multi Year Transmission Tariff) Regulations, 2012 and amended from time to time, the Licensee shall submit the Annual Performance Review Report as part of annual review on actual performance as per the timelines specified to assess the reasons and extent of any variation in performance from the approved forecast. The relevant provision has been reproduced below:
- “3.7.1 The Transmission Licensee shall be subjected to an annual performance review during the Control Period. The Licensee shall make an application for annual performance review not less than 120 days before the close of each financial year in the Control Period. The Licensee shall provide such information as may be stipulated by the Commission from time to time to assess the reasons and extent of any variation in the performance from the approved forecast.”*
- 4.3 Based on above, the Petitioner submitted the Petition for APR for FY 2014-15 based on actual for FY 2014-15 for first six (6) months and projections for remaining period.
- 4.4 The Commission provisionally approves the APR for FY 2014-15 in this Tariff Order. However, it has not allowed any incentive/ penalty for gains/ losses on over/under achievement of targets for uncontrollable parameters as the review is based on provisional data. The sharing of gains/ losses will be determined at the time of ‘True up’ based on audited annual accounts for the year.
- 4.5 This section summarizes the projections for annual performance review for FY 2014-15 as submitted by Petitioner and as approved by the Commission.

Capital Expenditure Plan

Petitioner’s Submission

- 4.6 The Petitioner has submitted that it undertakes the capital expenditure for the following purpose:
- (a) Laying of new transmission lines
 - (b) Construction of new substations
 - (c) Strengthening of the existing transmission network to cope up with the growing demand and connectivity to the new areas under development
- 4.7 The physical targets of the capital investment schemes during FY 2014-15, as submitted are presented as under:

Table 12: Physical Target achieved under various approved schemes during FY 2014-15

S.No	Particulars	Unit	2014-15 (RE)
1	220 KV Transmission lines	ckt km	104.00
2	132 KV Transmission lines	ckt km	68.00
3	220/132 KV Sub Station (Construction)	MVA	0.00
4	220/132 KV Sub Station (Augmentation)	MVA	0.00
5	132/33 KV Sub Station (Construction)	MVA	150.00
6	132/33 KV Sub Station (Augmentation)	MVA	0.00
7	Construction of additional bays 132/33 kV	No.	0.00

- 4.8 The Petitioner submitted that the new assets/schemes will be capitalized in line with the completion of capital works for the respective schemes. The summary of the capital expenditure and the capitalisation plan for FY 2014-15 is given as under:

Table 13: Summary of Capital Expenditure Plan for FY 2014-15 (Rs Cr)

S.No	Particulars	2014-15 (RE)
1	220 KV Transmission lines	37.81
2	132 KV Transmission lines	10.59
3	220/132 KV Sub Station (Construction)	36.91
4	220/132 KV Sub Station (Augmentation)	0.10
5	132/33 KV Sub Station (Construction)	19.25
6	132/33 KV Sub Station (Augmentation)	5.30
7	Construction of additional bays 132/33 kV	0.24
8	SLDC/Fiber Optic Communication works.	0.00
9	Others	6.27
	Total Capital Expenditure plan	116.49

Commission's Analysis

- 4.9 The Commission in the MYT Order had approved capital expenditure at Rs 593.32 Cr for FY 2014-15. In the Tariff Order for FY 2014-15, the Commission revised the capital expenditure for FY 2014-15 to Rs 458.20 Cr as per the revised projections submitted by the Petitioner in the Tariff Order for FY 2014-15. The scheme-wise and project-wise breakup of the capital expenditure approved by the Commission in the Tariff Order for FY 2014-15 is provided in Annexure 4(i) of this Order.

- 4.10 The Petitioner in the present Petition has submitted revised estimates for capital expenditure to be incurred during FY 2014-15 as Rs. 116.49 Cr. On scrutiny of the details of project wise expenditure submitted by the Petitioner, the Commission noticed several discrepancies and directed the Petitioner to submit details of actual expenditure incurred upto January 2015 giving details of scheme-wise and project-wise, actual expenditure incurred and physical achievements during FY 2014-15 and the financing plan in respect of each scheme/project vide Letter Nos. JKSERC/ Secy/ 23/ 1449-50 dated 5th January, 2015, Letter No: JKSERC/2014/23/1652-53 dated 5th February 2015 and JKSERC/Secy/1705-06 dated 17th February 2015
- 4.11 The Petitioner, in its reply vide letter no: CE/S&O/J/10631-32 dated 24th February 2015, submitted that the revised estimates for the FY 2014-15, on various projects in progress under the PMRP and T&D schemes, is expected to be Rs. 45.63 Crores. The amount envisaged to be incurred under the PMRP and T&D schemes for the FY 2014-15 is summarised in the following table:

Table 14: Breakup of Capital Expenditure Plan for FY 2014-15 submitted by Petitioner (in Rs Lakhs)

S. No.	Scheme	Expenditure Upto January 2015	Expected Expenditure during February 2015 and March 2015	Cumulative Expenditure for 2014-15
1	PMRP, Jammu	25.58	1512.09	1537.67
2	PMRP, Kashmir	46.39	1856.02	1902.41
3	Total PMRP	71.97	3368.11	3440.8
4	T&D, Jammu	630.5	127.82	758.32
5	T&D, Kashmir	139.56	225.44	365.00
6	Total T&D	770.06	353.26	1123.32
	Total Capital Expenditure plan (3+6)	842.03	3721.37	4563.4

- 4.12 The Commission observed that the capital expenditure figures submitted by the Petitioner as summarised above did not match with the submission made in the APR Petition for FY 2014-15. Moreover, inspite of the repeated directions of the Commission to the Petitioner to submit the actual progress on the scheme-wise and project wise capital expenditure plan as approved by the Commission in the Tariff Order for FY 2014-15, the Petitioner failed to submit the same.
- 4.13 The Commission, again directed the Petitioner vide letter no: JKSERC/Secy/2014/23/1760-61 dated 26th February 2015 to submit scheme-wise and project-wise certified details of the capital investment duly authenticated by the Administrative Department, GoJK.

- 4.14 In reply, the Petitioner, vide letter no: CE/S&O/J/10830-31 dated 28th February, 2015 submitted the proposed expenditure statement of plan schemes of Power Development Department for FY 2014-15 authenticated by the Assistant Director (P&S) Power Development Department (PDD), GoJK. The copy of the Petitioner's reply is attached as Annexure 4(ii) wherein the Petitioner has submitted the scheme-wise details of the capital expenditure proposed for FY 2014-15 under the PMRP as well as T&D schemes along with a copy of the details on capital investment for FY 2014-15 from Assistant Director (P&S), Power Development Department (PDD), GoJK.
- 4.15 As per the expenditure statement of plan schemes of Power Development Department for FY 2014-15 authenticated by the Assistant Director (P&S) Power Development Department (PDD), GoJK, as submitted by the Petitioner, the Commission observed that the Utility has been earmarked funds for capital investment towards PMRP schemes by the State Government for FY 2014-15 to the tune of Rs 34.408 Cr, which matched with the Petitioner's submission as stated in Table 14.
- 4.16 With regard to the T&D schemes, the Petitioner submitted that Rs 11.23 Crores is the proposed outlay for capital investment under T&D schemes for FY 2014-15. The scheme-wise details for revised capital investment under PMRP as well as T&D schemes as submitted by the Petitioner are attached as Annexure 4(ii) of this Order.
- 4.17 Thus, the Commission provisionally approves capital investment of Rs 45.634 Cr i.e. Rs 34.408 Cr under PMRP scheme and Rs 11.23 Cr under T&D for FY 2014-15 as per the funds earmarked for the Utility by the State Government and the submission made by the Petitioner.
- 4.18 The details of the capital investments approved in the MYT Order as well as the last year's Tariff Order, revised estimates submitted by the Petitioner and provisionally approved by the Commission are summarized in the following table:

Table 15: Provisionally approved capital investment for FY 2014-15 (Rs. Cr)

Particular	Approved in MYT Order	Approved in last year's Order	Submitted now	Provisionally approved in APR
Total Capital Expenditure	593.32	458.20	116.49	45.634

- 4.19 The Commission expresses serious concern over the casual approach of the Utility towards capital investment in the transmission system which needs upgradation to meet periodic load growth, supply of reliable power to the consumers as per the growing demand and in view of capacity addition in generation during the 12th and 13th Five Year Plans envisaged in the State.

- 4.20 The anticipated expenditure during FY 2014-15 is hardly 10% of the amount towards capital investment provisionally adopted by the Commission in the last Tariff Order on the basis of the submissions made by the Petitioner. The Utility has to explore alternative avenues for arranging sufficient finances through various sources including Central and State Plan assistance so as to achieve the desired objectives of developing reliable transmission infrastructure capable of evacuating the additional generation capacity envisaged and delivering reliable power to the distribution Utility as per demand.
- 4.21 The JKPDD-T should prioritize planning of transmission system; otherwise the surplus power from upcoming capacities shall be stranded and a situation may arise when the Utility may not be in a position to meet the demand of consumers inspite of the availability.
- 4.22 The Commission is of the view that unbundling of JKPDD, being one of the major restructuring and reforms measure as per the J&K Electricity Act 2010, needs to be completed at the earliest. This will facilitate raising of loans/funds besides taking appropriate measures for the operational efficiency of the transmission company already established vide Government Order No. 285/PDD of 2012 dated 21st September 2012 but yet to be operationalised as a separate company.

Operation and Maintenance Expenses

Petitioner's Submission

- 4.23 The Petitioner submitted that the O&M expenses comprising of employee cost, repair & maintenance expenses and administrative & general expenses have been proposed based on the revised estimates adopted by the State Finance Department in budget estimates.
- 4.24 In the Petition for APR for FY 2014-15, the Petitioner proposed O&M expenses of Rs 76.93 Cr for FY 2014-15.
- 4.25 The O&M expenses for the period under review are as under:

Table 16: O&M Expenses proposed by JKPDD-T for FY 2014-15 (Rs Cr)

Particulars	Proposed in MYT	Proposed in last year's Petition	Proposed Now
O&M Expenses	144.63	127.09	76.93

- 4.26 The Petitioner has also submitted the component wise break-up of the O&M expenses which are as follows:

Table 17: Employee Expenses proposed by JKPDD-T for FY 2014-15 (Rs Cr)

Particulars	Proposed Now
Salaries	61.50
Wages	0.308
Medical Reimbursement	0.093
Total	61.901

Table 18: Repair and Maintenance Expenses proposed by JKPDD-T for FY 2014-15 (Rs Cr)

Particulars	Proposed Now
Maintenance & Repair	9.610
R & M - Machinery & Equipment	0.319
Other R & M Expenses	2.616
Total	12.545

Table 19: Administrative and General Expenses proposed by JKPDD-T for FY 2014-15 (Rs Cr)

Particulars	Proposed Now
Electricity Charges	1.319
Travelling Expenses	0.136
Office Expenses	0.233
Professional Charges	0.037
Telephone Expenses	0.144
Other A&G Expenses	0.613
Total	2.483

Commission's Analysis

- 4.27 The operation and maintenance (O&M) expenses for the MYT Control Period (FY 2013-14 to FY 2015-16) are approved by the Commission in accordance with Regulation 4.11 of Transmission MYT Regulations, 2012. The regulation reads:-

“4.11.1 In the case of existing Transmission Licensee, the Licensee in its filings shall submit the consolidated O&M expenses for the Base Year of the Control Period and for the two years preceding the Base Year. The O&M expenses for the Base Year shall be determined based on the latest audited accounts, best estimates of Licensee of the actual O&M expenses for relevant years and other factors considered relevant. The O&M expenses for the Base Year, if required, will be used for projecting the expenses for each year of the Control Period. The Licensee shall also propose determination of the admissible O&M expenses on the basis of per ckt-km of lines and per bay of substation for the base year and appropriate Inflation Factor Norms for operation and maintenance expenses for the first Control Period.

4.11.2 The O&M cost per ckt-km of lines and per substation bay for the Base Year of second and subsequent Control Periods shall be determined on the basis of actual O&M cost of lines and substations to be filed separately by the Licensee.”

- 4.28 The Commission in the MYT Order for the Control Period FY 2013-14 to FY 2015-16 had approved norms for O&M expenses per sub-station and O&M expenses per ckt-km of transmission lines for the entire Control Period based on the O&M expenses of the base year (FY 2012-13) and the actual number of sub-stations and ckt-km of transmission lines.
- 4.29 During APR for FY 2013-14, it was found that the data on network infrastructure (number of sub-stations and ckt-km of transmission lines) for FY 2012-13 had been revised by the Petitioner as per the data contained in the Year Book for FY 2011-12 and FY 2012-13, therefore the Commission had re-determined the per unit norms for determination of O&M expenses for the Control Period on the basis of the data on network infrastructure made available then.
- 4.30 In accordance with Transmission MYT Regulations, 2012, the escalation factor for determination of norm for O&M expenses has been taken at 8.19% on the basis of the weighted average of Consumer Price Index (CPI) and Wholesale Price Index (WPI) in the ratio of 55% and 45% respectively for past 5 years.

Table 20: Calculation of Escalation Factor

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
CPI	79.75	194.83	215.17	236.00	249.89*
WPI	143.33	156.13	167.62	177.60	182.97*
Weighted Average Combined Index (CPI-55%, WPI-45%)	163.36	177.42	193.77	209.72	219.77
Increase in Combined Index	10.09%	8.61%	9.22%	8.23%	4.79%
Average increase/Escalation Factor	8.19%				

Source: CPI data - www.labourbureau.nic.in, WPI data - www.eaindustry.nic.in (Office of the Economic Advisor website)

*Based on available data till December 2014

- 4.31 The O&M expenses per ckt-km and per substation in FY 2013-14 (as determined by the Commission in the previous Tariff Order) have been escalated by 8.19% per annum to arrive at O&M expenses per ckt-km and per substation for FY 2014-15 and FY 2015-16. The summary of per unit O&M expense norms approved now by the Commission is given in the table below:

Table 21: Norm for Operation & Maintenance Expenses for FY 2014-15 approved by the Commission

Per unit cost	FY 2014-15
O&M Expenses (Rs Cr)/ckt-km	0.012
O&M Expenses (Rs Cr) /substation	1.08

Order on Petition for APR FY 2014-15 (including Transmission tariff for FY 2015-16)

- 4.32 In addition to the O&M expenses for the current year, JKPDD-T also has a statutory obligation towards payment of arrears on account of 6th Pay Commission recommendations to its employees. The Commission in its MYT Order for FY 2013-14 to FY 2015-16 approved an amount of Rs 5.43 Cr as arrears for 6th Pay Commission for FY 2014-15. Accordingly the amount towards arrears has been provisionally allowed subject to True-Up based on the actual pay-out during the year.
- 4.33 Accordingly, O&M expenses for FY 2014-15 as per the normative parameters are summarised in the following table:

Table 22: Operation & Maintenance expenses for FY 2014-15 determined as per normative parameters (Rs Cr)

Particulars	O&M expenses as per Normative Parameters
O&M Expenses	101.68
Arrears of 6th Pay Commission for JKPDD (T&D Combined)	42.81
Arrears Allocated to JKPDD-T	5.43
Total O&M Expenses (including arrears) for JKPDD-T	107.11

- 4.34 Since JKPDD-T is a Government owned Utility and is funded by the State Government, the Commission had directed the Petitioner vide letter No: JKSERC/2014/23/1652-53 dated 5th February 2015 to furnish certified information on capital investment and O&M expenses for the period FY 2013-14 till FY 2015-16 duly authenticated by the Power Development Department (PDD), GoJK.
- 4.35 In reply, Director Finance, Power Development Department (PDD), GoJK, submitted the information on O&M expenditure indicating therein actuals for FY 2013-14 and funds earmarked for the Utility by the State Government for FY 2014-15 and FY 2015-16 vide letter no: PDD/II/AC/86/20123 dated 20th February, 2015.
- 4.36 The O&M expenses submitted in the additional information received from Director Finance, Power Development Department (PDD), GoJK as earmarked by the State Government for FY 2014-15 is Rs 81.43 Cr., the component wise break-up of which is as follows:

Table 23: Budgetary allocation for employee expenses for FY 2014-15 (Rs Cr)

Particulars	Proposed Now
Salaries	66.00
Wages	0.26
Medical Reimbursement	0.165
Total	66.425

Table 24: Budgetary allocation for repair and maintenance expenses for FY 2014-15 (Rs Cr)

Particulars	Proposed Now
Maintenance & Repair	9.500
R & M - Machinery & Equipment	0.350
Other R & M Expenses	3.0211
Total	12.8711

Table 25: Budgetary allocation for Administrative and General Expenses for FY 2014-15 (Rs Cr)

Particulars	Proposed Now
Electricity Charges	1.420
Travelling Expenses	0.145
Office Expenses	0.240
Professional Charges	0.045
Telephone Expenses	0.159
Other A&G Expenses	0.125
Total	2.134

4.37 Even though the O&M expenses determined as per the normative parameters are Rs 107.11 Cr, the Utility has submitted revised projections as Rs 76.93 Cr only in view of budgetary constraints. The Commission provisionally approves the O&M expenses to the tune of Rs 81.43 Cr. as submitted by the Director Finance, PDD, GoJK. The Utility being a wholly Government owned department is totally dependent on State Budget funding and therefore should aggressively pursue for allocation of funds according to the normative O&M expenses.

4.38 The summary of O&M expenses approved by the Commission for FY 2014-15 is given in the following table.

Table 26: Operation & Maintenance expenses approved by the Commission for FY 2014-15 (Rs Cr)

Particulars	Approved by JKSERC in MYT Order	Approved by JKSERC in last year's Order	Submitted in APR by JKPDD-T	Provisionally approved now by JKSERC
O&M Expenses	116.15	102.44	-	-
Arrears of 6th Pay Commission for JKPDD (T&D Combined)	42.81	42.81	-	-
Arrears Allocated to JKPDD-T	5.43	5.43	-	-
Total O&M Expenses (including arrears) for JKPDD-T	121.58	107.87	76.93	81.43

4.39 The O&M expenses provisionally approved in this Order would be reviewed at the time of final True-Up of past years on submission of the audited accounts by the Petitioner.

Depreciation

Petitioner's Submission

- 4.40 Depreciation charges submitted by JKPDD-T for FY 2014-15 are Rs 67.24 Cr. The Petitioner has submitted that depreciation has been computed separately on opening GFA of FY 2014-15 and the additions for FY 2014-15.
- 4.41 Depreciation on the opening block of assets has been calculated at a rate of 3.60%, as approved by the Commission in the retail tariff order for JKPDD (T&D combined) for FY 2012-13. Details of opening GFA, closing GFA & depreciation submitted by JKPDD-T are given in the table below.

Table 27: Depreciation claimed by JKPDD-T for FY 2014-15 (Rs Cr)

Particulars	Proposed in MYT	Projected in last year's Petition	Proposed Now
Opening GFA	2163.93	1844.40	1844.40
Addition in GFA	566.66	651.80	46.60
Closing GFA	2730.58	2946.20	1891.00
Depreciation	88.10	89.86	67.24

Commission's Analysis

- 4.42 The Regulation 4.9.1 of the Transmission MYT Regulations, 2012 as amended from time to time specifies that:

“Provided depreciation shall not be allowed on assets funded by capital subsidies, consumer contributions or grants.”

- 4.43 The Commission had directed the Petitioner to submit the details of assets of transmission system created with REC funding along with supporting documents. The Petitioner, in its reply submitted that the following two assets have been created with REC funding with a total capital investment of Rs 29.72 Cr:

- 20 MVA, 132/33 kV Grid Station Jourian– charged on 28.03.2012
- 132 kV Barn – Jourian Transmission Line – charged on 18.03.2012

- 4.44 The Commission observes that the actual capital expenditure on the above two assets created with REC funding, till March 2013 was Rs 22.81 Crores. Accordingly, the Commission provisionally approves depreciation on the assets created with REC funding, with total capital investment of Rs 22.81 Cr.

- 4.45 No depreciation has been allowed to the licensee on assets created through grants/consumer contribution.
- 4.46 With regard to rate of depreciation, the Commission has considered the rate of depreciation as provided in Appendix-2 of the JKSERC Transmission Tariff Regulations, 2012. As per the Regulations, the depreciation rate for Grid Station is considered to be 3.60% with useful life of 25 years and residual value of 10% while the depreciation rate for 132 kV transmission line is considered to be 2.57% with useful life of 35 years and residual value of 10%.
- 4.47 The Commission had directed the Petitioner to submit the capital investment for the REC schemes i.e. Rs 22.81 Cr. apportioned between 20 MVA, 132/33 kV Grid Station and the 132 kV Transmission Line. The Petitioner in its reply submitted that Rs 13.7 Cr had been apportioned for the 20 MVA, 132/33kV Grid Station and the balance Rs 9.11 Cr for the Transmission line.
- 4.48 Accordingly, the Commission has determined depreciation for the Grid Station at the rate of 3.60% while the same has been determined for the transmission line at the rate of 2.57%.
- 4.49 The depreciation cost as approved in the MYT Order, last Tariff Order, projected now by Petitioner and provisionally approved now by the Commission subject to the submission of audited accounts at the time of True-Up for FY 2014-15 has been summarized in following table:

Table 28: Depreciation Approved by the Commission for FY 2014-15 (Rs Cr)

Particulars	Approved by JKSERC in MYT Order	Approved by JKSERC in last year's Order	Submitted in APR by JKPDD-T	Approved now by JKSERC
Opening GFA	1204.69	1021.95	1844.40	1015.40
Addition in GFA	456.00	240.58	46.60	56.25
Closing GFA	1660.70	1262.53	1891.00	1071.65
Depreciation	0	0	67.24	0.73*

* On GFA of Rs 13.7 Cr at 3.60% and GFA of Rs 9.11 Cr at 2.57%

Interest on Working Capital

Petitioner's Submission

- 4.50 Interest on working capital claimed by JKPDD-T in its APR Petition for FY 2014-15 is Rs 7.39 Cr.
- 4.51 JKPDD-T has estimated working capital requirement on a normative basis, according to the Transmission MYT Regulations, 2012.
- 4.52 Working capital comprises of the following components as mentioned below:

- a) Expenses : 1 month's proposed O&M expenditure
- b) Maintenance spares : 1% of proposed opening GFA
- c) Receivables : 2 months of projected income

4.53 The interest on working capital taken by JKPDD-T is at the normative interest rate of 14.75%, J&K Bank's existing Prime Lending Rate.

4.54 Interest on working capital claimed by JKPDD-T is given in the table below.

Table 29: Interest on Working Capital proposed by JKPDD-T for FY 2014-15 (Rs Cr)

Particulars	Proposed in MYT	Projected in last year's Petition	Proposed Now
Expenses (1 month's proposed O&M Exp)	12.05	10.59	6.41
Maintenance Spares (1% proposed opening GFA)	21.64	18.44	18.44
Receivables (1/6 of projected income)	40.65	21.35	25.26
Working Capital Requirement	74.34	50.38	50.11
Normative interest on working capital	11.15	7.55	7.39

Commission's Analysis

4.55 The Commission has adopted the normative approach to estimate interest on working capital, in accordance with Regulation 4.12 of the Transmission MYT Regulations, 2012 which specifies:

"4.12.1 Working capital shall cover:

Operation and maintenance expenses for one month;

Maintenance spares at 1% of the historical cost of assets at the beginning of the year and

Receivables equivalent to two months of transmission charges calculated on target availability level.

4.12.2 Rate of interest on working capital shall be on normative basis and shall be equal to the short-term Prime Lending Rate of Jammu & Kashmir Bank as on 1st April of the year. The interest on working capital shall be payable on normative basis notwithstanding that the Transmission Licensee has not taken working capital loan from any outside agency."

4.56 For calculating normative working capital requirement, the Commission has considered approved O&M expenses, approved opening GFA and receivables for the respective years.

- 4.57 Interest rate on working capital has been considered at 14.75%, which was the prevailing lending rate of Jammu & Kashmir Bank as on 1st April 2014.
- 4.58 The summary of the interest on working capital approved by the Commission has been provided in the table below.

Table 30: Interest on Working Capital approved by the Commission for FY 2014-15 (Rs Cr)

Particulars	Approved by JKSERC in MYT Order	Approved by JKSERC in last year's Order	Submitted in APR by JKPDD-T	Approved now by JKSERC
Expenses (1 month's proposed O&M Exp)	10.13	8.99	6.41	6.79
Maintenance Spares (1% proposed opening GFA)	12.05	10.22	18.44	10.15
Receivables (1/6 of projected income)	21.35	18.91	25.26	14.90
Working Capital Requirement	42.70	38.12	50.11	31.84
Interest On Working Capital	15%	14.75%	14.75%	14.75%
Normative interest on working capital	6.53	5.62	7.39	4.70

Interest on Loans

Petitioner's Submission

- 4.59 JKPDD-T has submitted that it does not have any outstanding term loans. The entire capital expenditure was funded by way of Grants from State / Central Government. Hence, it has not claimed any interest on term loan.

Commission's Analysis

- 4.60 The Commission had directed the Petitioner to submit the details of assets of transmission system created with REC funding along with supporting documents. The Petitioner, in its reply submitted that the following two assets have been created with REC funding with a total capital investment of Rs 29.72 Cr, rate of interest of 12% and loan tenure of 13 years:

- 20 MVA, 132/33 kV Grid Station Jourian– charged on 28.03.2012
- 132 kV Barn – Jourian Transmission Line – charged on 18.03.2012

- 4.61 The Commission observes that the actual capital expenditure on the above two assets created with REC funding, till March 2013 was Rs 22.81 Crores. Accordingly, the Commission has approved the interest and finance charges on loan as per the following approach:

- (a) The outstanding balance of term liabilities as on 31st March 2014 has been considered as per closing loan balance of FY 2013-14.

(b) Repayment of loan has been provisionally approved on normative basis and is deemed to be equal to the depreciation allowed for the year.

4.62 The Commission has calculated the interest on the average balance of loans during the year as the receipts and repayments take place throughout the year and the average of the opening and closing loan balance gives a more realistic assessment of the same.

4.63 Based on the above approach, the following table summarizes the interest and finance charges for FY 2014-15 as provisionally approved by the Commission:

Table 31: Interest and Finance charges approved by the Commission for FY 2014-15 (Rs Cr)

Particulars	Approved by JKSERC in MYT Order	Approved by JKSERC in last year's Order	Submitted in APR by JKPDD-T	Approved now by JKSERC
Opening Loan balance	-	-	-	21.36
Receipts during the year	-	-	-	-
Repayments during the year	-	-	-	0.73
Closing Loan balance	-	-	-	20.63
Average Loan	-	-	-	20.99
Normative Interest on Term Loans @ 12%	0.00	0.00	0.00	2.52

Return on Equity and Income Tax

Petitioner's Submission

4.64 JKPDD-T does not have any normative equity as the entire capital expenditure has been funded by way of grants. The capital expenditure proposed in the MYT period is expected to be entirely funded by grants from Government of Jammu & Kashmir (GoJK) or Government of India (GoI). Therefore, JKPDD-T has not claimed any return on equity.

4.65 JKPDD-T has not accounted for tax since it has not claimed any return on equity.

Commission's Analysis

4.66 The Commission accepts the submission of JKPDD-T and has not approved any return on equity and income tax on return.

Non-Tariff Income (NTI)

Petitioner's Submission

4.67 JKPDD-T has submitted in its APR Petition for FY 2014-15 that it does not expect any non-tariff income.

Commission’s Analysis

4.68 The Commission accepts the submission of JKPDD-T and has not approved any NTI.

Transmission Loss

Petitioner’s submission

4.69 JKPDD-T in its APR petition proposed the following trajectory for transmission loss.

Table 32: Transmission Loss (%) proposed by JKPDD-T for FY 2014-15

Descriptions	Projected in MYT	Projected in last year’s Petition	Submitted now
Total Loss in the system (%)	4.20	4.02	4.00

Commission’s Analysis

4.70 As per Regulation 3.4.1 of the JKSERC (Terms and Conditions for Determination of Transmission Tariff) Regulations, 2012, the MYT filing of the transmission licensee (JKPDD-Transmission) must contain *“Range of Transmission losses (upper and lower) for each year of the Control Period for the purpose of incentive / penalties. The Licensee shall file a trajectory of the loss levels in respect of losses for each of the years of the Control Period, backed up by proper studies to justify the loss levels indicated”*.

4.71 The Commission in the MYT Order for FY 2013-14 to FY 2015-16 had directed the Petitioner to carry out system studies for determination of transmission loss in the system through scientific methods and energy audit for estimating the actual transmission loss level. The Commission directed the Petitioner to submit the report along-with Annual Performance Review/ tariff petition for FY 2015-16. However the Petitioner has failed to carry out any system study for determination of transmission loss level.

4.72 In the absence of any system study conducted by the JKPDD-T for estimation of actual transmission losses in the system, the Commission maintains the approved intra-state transmission loss at 4.0% on provisional basis as approved in the MYT Order for the Control Period. Hence, transmission loss approved by the Commission is as follows:

Table 33: Transmission Loss (%) approved by the Commission for FY 2014-15

Descriptions	Approved by JKSERC in MYT Order	Approved by JKSERC in last year’s Order	Submitted in APR by JKPDD-T	Approved now by JKSERC
Total Loss in the system (%)	4.00	4.00	4.00	4.00

Aggregate Revenue Requirement for FY 2014-15

4.73 Based on the various cost components allowed in the foregoing sections, the revised ARR for JKPDD-T for FY 2014-15 is approved as follows.

Table 34: Revised ARR for FY 2014-15 approved by the Commission (Rs Cr)

Particulars	Approved by JKSERC in MYT Order	Approved by JKSERC in last year's Order	Submitted now by JKPDD-T	Approved now by JKSERC
O&M Expenses	121.58	107.87	76.93	81.43
Depreciation	0.00	0.00	67.24	0.73
Interest & Finance Charges	0.00	0.00	0.00	2.52
Interest on Working Capital	5.31	5.62	7.39	4.70
Return on Equity	6.53	0.00	0.00	0.00
Total Expenditure	128.11	113.49	151.56	89.37
Less: Non-Tariff Income	0.00	0.00	0.00	0.00
Approved ARR	128.11	113.49	151.56	89.37

CHAPTER 5: DETERMINATION OF ARR FOR FY 2015-16

5.1 This section contains the details regarding the revised ARR for FY 2015-16 for JKPDD-T and the approach adopted by the Commission in assessing the same.

Capital Expenditure Plan

Petitioner's Submission

5.2 The Petitioner had submitted that it proposes to incur a capital expenditure of Rs 251.19 Cr during FY 2015-16, the details of which have been summarised in the following tables:

Table 35: Projected physical targets under various approved schemes for FY 2015-16

S.No	Particulars	Unit	2015-16 (Proj)
1	220 KV Transmission lines	ckt km	200.00
2	132 KV Transmission lines	ckt km	140.00
3	220/132 KV Sub Station (Construction)	MVA	0.00
4	220/132 KV Sub Station (Augmentation)	MVA	0.00
5	132/33 KV Sub Station (Construction)	MVA	180.00
6	132/33 KV Sub Station (Augmentation)	MVA	0.00
7	Construction of additional bays 132/33 kV	No.	0.00

Table 36: Proposed capital investment for FY 2015-16 (Rs. Cr)

S.No	Particulars	2015-16 (Proj)
1	220 KV Transmission lines	78.19
2	132 KV Transmission lines	39.66
3	220/132 KV Sub Station (Construction)	67.91
4	220/132 KV Sub Station (Augmentation)	0.00
5	132/33 KV Sub Station (Construction)	24.44
6	132/33 KV Sub Station (Augmentation)	12.47
7	Construction of additional bays 132/33 kV	0.00
8	SLDC/Fiber Optic Communication works.	0.00
9	Others	28.52
	Total Capital Expenditure plan	251.19

Approval of Capital Expenditure for FY 2015-16

5.3 The Commission in the MYT Order had approved capital expenditure at Rs 555.53 Cr for FY 2015-16.

- 5.4 On scrutiny of the details of project wise expenditure submitted by the Petitioner, the Commission noticed several discrepancies and directed the Petitioner to submit details of scheme-wise and project-wise, capital expenditure proposed for FY 2015-16 and the financing plan in respect of each scheme/project vide Letter Nos. JKSERC/ Secy/ 23/1449-50 dated 5th January, 2015, Letter No: JKSERC/2014/23/1652-53 dated 5th February 2015 JKSERC/Secy/1705-06 dated 17th February 2015. However, no response was forthcoming from the Petitioner.
- 5.5 The Commission, again directed the Petitioner vide letter no: JKSERC/Secy/2014/23/1760-61 dated 26th February 2015 to submit scheme-wise and project-wise certified details of the capital investment duly authenticated by the Administrative Department, GoJK.
- 5.6 In reply, the Petitioner, vide letter no: CE/S&O/J/10830-31 dated 28th February, 2015 submitted that out of the total scheme cost anticipated to be incurred till 31 March, 2015, the Petitioner proposes to incur the balance Rs 265.07 Cr under the PMRP scheme during the FY 2015-16.
- 5.7 With regards to the T&D scheme, the Petitioner proposes to incur Rs 164.61 Cr under the T&D scheme during the FY 2015-16. However, the Petitioner further submitted that the funding from the State Government for the T&D schemes is capped at around Rs 20.00 Cr. per annum for the transmission function of the Utility. The reply of the Petitioner along with scheme-wise details of the capital expenditure under PMRP and T&D proposed for FY 2015-16 is attached as Annexure 4(ii) of this Order.
- 5.8 In the absence of authenticated information, the Commission provisionally approves the capital investment at Rs 285.07 Cr i.e. Rs 265.07 Cr under PMRP scheme and Rs. 20.00 Cr under the T&D scheme for FY 2015-16.
- 5.9 The details of the capital investments approved in the MYT Order for the Control Period FY 2013-14 to FY 2015-16, revised estimates submitted by the Petitioner and provisionally approved now by the Commission, subject to actual allotment of funds by the Government, are summarized in the following table:

Table 37: Approved capital investment for FY 2015-16 (Rs. Cr)

Particular	Approved in MYT Order	Submitted now by Petitioner	Approved now by JKSERC
Total Capital Expenditure	555.53	251.19	285.07

- 5.10 The Commission directs the Petitioner to submit certified information on the capital investment for FY 2015-16 authenticated by the Power Development Department (PDD), GoJK.

Operation and Maintenance Expenses

Petitioner's Submission

- 5.11 The Petitioner submitted that the O&M expenses comprising of employee cost, repair & maintenance expenses and administrative & general expenses have been proposed based on the revised estimates adopted by the State Finance Department in budget estimates.
- 5.12 The total O&M expenses for FY 2015-16 have been summarised as given below:

Table 38 : O&M Expenses projected by JKPDD-T for FY 2015-16 (Rs Cr)

Particulars	Proposed in MYT	Proposed Now
O&M Expenses	171.84	82.18

Commission's Analysis

- 5.13 The operation and maintenance expenses for FY 2015-16 as per normative parameters in accordance with Regulation 4.11 of Transmission MYT Regulations, 2012, have been determined as per the methodology described in detail at paragraph 4.27 to paragraph 4.32 of this Order.
- 5.14 The summary of per unit O&M expenses approved by the Commission is given in the table below:

Table 39: Norm for Operation & Maintenance Expenses approved by the Commission for FY 2015-16

Per unit cost	FY 2015-16
O&M Expenses (Rs Cr)/ckt-km	0.013
O&M Expenses (Rs Cr) /substation	1.17

- 5.15 Accordingly, O&M expenses for FY 2015-16 as per the normative parameters are summarised in the following table:

Table 40: Operation & Maintenance expenses for FY 2015-16 as per normative parameters (Rs Cr)

Particulars	O&M expenses as per Normative Parameters
O&M Expenses	112.19
Arrears of 6th Pay Commission for JKPDD (T&D Combined)	42.81
Arrears Allocated to JKPDD-T	5.43
Total O&M Expenses (including arrears) for JKPDD-T	117.62

Order on Petition for APR FY 2014-15 (including Transmission tariff for FY 2015-16)

- 5.16 Since JKPDD-T is a Government owned Utility and is funded by the State Government, the Commission had directed the Petitioner vide Letter No: JKSERC/2014/23/1652-53 dated 5th February 2015 to furnish certified information on capital investment and O&M expenses for the period FY 2013-14 till FY 2015-16 duly authenticated by the Power Development Department (PDD), GoJK.
- 5.17 In reply, Director Finance, Power Development Department (PDD), GoJK, submitted the information on O&M expenditure indicating therein actuals for FY 2013-14 and funds earmarked for the Utility by the State Government for FY 2014-15 and FY 2015-16 vide Letter no: PDD/II/AC/86/20123 dated 20th February, 2015.
- 5.18 The O&M expenses submitted in the information received from Director Finance, Power Development Department (PDD), GoJK as earmarked by the State Government for FY 2015-16 is Rs 88.26 Cr.
- 5.19 Even though the O&M expenses determined as per the normative parameters are Rs 117.62 Cr, the Utility has submitted revised projections as Rs 82.18 Cr only in view of budgetary constraints. The Commission provisionally approves the O&M expenses to the tune of Rs 88.26 Cr. as submitted by the Director Finance, PDD, GoJK. The Utility being a wholly Government owned department is totally dependent on State Budget funding and therefore should aggressively pursue for allocation of funds according to the normative O&M expenses.
- 5.20 The O&M expenses provisionally approved in this Order would be reviewed at the time of True-Up for past years on submission of the audited accounts by the Petitioner.
- 5.21 The summary of O&M expenses approved by the Commission for FY 2015-16 is given in the following table:

Table 41: Operation & Maintenance expenses approved by the Commission for FY 2015-16 (Rs Cr)

Particulars	Approved by JKSERC in MYT Order	Projected now by JKPDD-T	Provisionally approved now by JKSERC
O&M Expenses	134.81	-	-
Arrears of 6th Pay Commission for JKPDD (T&D Combined)	42.81	-	-
Arrears Allocated to JKPDD-T	5.43	-	-
Total O&M Expenses (including arrears) for JKPDD-T	140.23	82.18	88.26

Depreciation

Petitioner's Submission

- 5.22 The Petitioner has projected depreciation charges of Rs 70.64 Cr for FY 2015-16.

- 5.23 The Petitioner has submitted that depreciation has been computed separately on opening GFA of FY 2015-16 and the additions during FY 2015-16.
- 5.24 Depreciation on the opening block of assets has been calculated at a rate of 3.60%, as approved by the Commission in the retail tariff order for JKPDD (T&D combined) for FY 2012-13. Details of opening GFA, closing GFA & depreciation submitted by JKPDD-T are given in the table below.

Table 42: Depreciation claimed by JKPDD-T for FY 2015-16 (Rs Cr)

Particulars	Proposed in MYT	Proposed Now
Opening GFA	2730.58	1891.00
Addition in GFA	625.90	142.41
Closing GFA	3356.48	2033.41
Depreciation	109.57	70.64

Commission's Analysis

- 5.25 The Regulation 4.9.1 of the JKSERC (Multi Year Transmission Tariff) Regulations, 2012 as amended from time to time specifies that:

“Provided depreciation shall not be allowed on assets funded by capital subsidies, consumer contributions or grants.”

- 5.26 As stated in paras 4.43 to 4.46 of this Order, the Commission provisionally allows depreciation on the assets created with REC funding and disallows depreciation on assets created through grants/consumer contribution.
- 5.27 The depreciation cost as approved in the MYT Order, projected now by Petitioner and provisionally approved now by the Commission for FY 2015-16 has been summarized in following table:

Table 43: Depreciation approved by the Commission for FY 2015-16 (Rs Cr)

Particulars	Approved by JKSERC in MYT Order	Projected now by JKPDD-T	Approved now by JKSERC
Opening GFA	1660.70	1891.00	1071.65
Addition in GFA	596.98	142.41	168.62
Closing GFA	2257.68	2033.41	1240.27
Depreciation	0.00	70.64	0.73*

* On GFA of Rs 13.7 Cr at 3.60% and GFA of Rs 9.11 Cr at 2.57%

Interest on Working Capital

Petitioner's Submission

5.28 Interest on working capital projected by JKPDD-T for FY 2015-16 is Rs 7.75 Cr as summarised below:

Table 44: Interest on Working Capital proposed by JKPDD-T for FY 2015-16 (Rs Cr)

Particulars	Proposed in MYT	Proposed Now
Expenses (1 month's proposed O&M Exp)	14.32	6.85
Maintenance Spares (1% proposed opening GFA)	27.31	18.91
Receivables (1/6 of projected income)	49.17	26.76
Working Capital Requirement	90.8	52.52
Normative interest on working capital	13.62	7.75

Commission's Analysis

5.29 The Commission has adopted the normative approach to estimate interest on working capital, in accordance with Regulation 4.12 of the Transmission MYT Regulations, 2012 which specifies:

"4.12.1 Working capital shall cover:

Operation and maintenance expenses for one month;

Maintenance spares at 1% of the historical cost of assets at the beginning of the year and

Receivables equivalent to two months of transmission charges calculated on target availability level.

4.12.2 Rate of interest on working capital shall be on normative basis and shall be equal to the short-term Prime Lending Rate of Jammu & Kashmir Bank as on 1st April of the year. The interest on working capital shall be payable on normative basis notwithstanding that the Transmission Licensee has not taken working capital loan from any outside agency."

5.30 For calculating normative working capital requirement, the Commission has considered approved O&M expenses, approved opening GFA and receivables for the respective years.

5.31 Interest rate on working capital has been considered at 14.75%, which is the prevailing lending rate of Jammu & Kashmir Bank.

5.32 The summary of the interest on working capital approved by the Commission has been provided in the table below.

Table 45: Interest on Working Capital approved by the Commission for FY 2015-16 (Rs Cr)

Particulars	Approved by JKSERC in MYT Order	Projected now by JKPDD-T	Approved now by JKSERC
Expenses (1 month's proposed O&M Exp)	11.69	6.85	7.35
Maintenance Spares (1% proposed opening GFA)	16.61	18.91	10.88
Receivables (1/6 of projected income)	24.70	26.76	16.08
Working Capital Requirement	52.16	52.52	34.32
Interest On Working Capital	14.75%	14.75%	14.75%
Normative interest on working capital	7.95	7.75	5.06

Interest on Loans

Petitioner's Submission

5.33 JKPDD-T has submitted that it does not have any outstanding term loans. The entire capital expenditure was funded by way of Grants from State / Central government. Hence, it has not claimed any interest on term loan.

Commission's Analysis

5.34 The Commission had directed the Petitioner to submit the details of assets of transmission system created with REC funding along with supporting documents. The Petitioner, in its reply submitted that the following two assets have been created with REC funding with a total capital investment of Rs 29.72 Cr, rate of interest of 12% and loan tenure of 13 years:

- 20 MVA, 132/33 kV Grid Station Jourian– charged on 28.03.2012
- 132 kV Barn – Jourian Transmission Line – charged on 18.03.2012

5.35 The Commission observes that the actual capital expenditure on the above two assets created with REC funding, till March 2013 was Rs 22.81 Crores. Accordingly, the Commission has approved the interest and finance charges on loan as per the following approach:

- (a) The outstanding balance of term liabilities as on 31st March 2015 has been considered as per closing loan balance of FY 2014-15.
- (b) Repayment of loan has been provisionally approved on normative basis and is deemed to be equal to the depreciation allowed for the year.

- 5.36 The Commission has calculated the interest on the average balance of loans during the year taking into account the receipts and repayments which take place throughout the year as the average of the opening and closing loan balance gives a more realistic assessment of the same.
- 5.37 Based on the above approach, the following table summarizes the interest and finance charges for FY 2015-16 provisionally approved by the Commission:

Table 46: Interest and Finance charges approved by the Commission for FY 2015-16 (Rs Cr)

Particulars	Approved by JKSERC in MYT Order	Approved by JKSERC in last year's Order	Submitted in APR by JKPDD-T	Approved now by JKSERC
Opening Loan balance	-	-	-	20.63
Receipts during the year	-	-	-	-
Repayments during the year	-	-	-	0.73
Closing Loan balance	-	-	-	19.90
Average Loan	-	-	-	20.26
Normative Interest on Term Loan @ 12%	0.00	0.00	0.00	2.43

Return on Equity and Income Tax

Petitioner's Submission

- 5.38 JKPDD-T does not have any normative equity as the entire capital expenditure has been funded by way of grants. The capital expenditure proposed in the MYT period is expected to be entirely funded by grants from Government of Jammu & Kashmir (GoJK) or Government of India (GoI). Therefore, JKPDD-T has not claimed any return on equity.
- 5.39 JKPDD-T has not accounted for tax since it has not claimed any return on equity.

Commission's Analysis

- 5.40 The Commission accepts the submission of JKPDD-T and has not approved any return on equity and income tax on return on equity.

Non-Tariff Income

Petitioner's Submission

- 5.41 JKPDD-T has submitted in the Petition that it does not expect to have any non-tariff income.

Commission's Analysis

5.42 The Commission accepts the submission of JKPDD-T and has not approved any NTI.

Transmission Loss

Petitioner's submission

5.43 JKPDD-T in its Petition has proposed that it aims to bring down the loss levels to 4% by FY 2015-16.

Table 47: Transmission Loss (%) proposed by JKPDD-T for FY 2015-16

Descriptions	Projected in MYT	Projected now
Transmission Loss %	4.15 %	4.00%

Commission's Analysis

5.44 In the absence of any system study conducted by the JKPDD-T for estimation of actual transmission losses in the system, the Commission maintains the approved intra-state transmission loss at 4.0% on provisional basis as approved in the MYT Order for the Control Period. Hence, transmission loss approved by the Commission is as follows.

Table 48: Transmission Loss approved by the Commission for FY 2015-16

Descriptions	Approved by JKSERC in MYT Order	Projected now by JKPDD-T	Approved now by JKSERC
Transmission Loss %	4.00%	4.00 %	4.00%

Aggregate Revenue Requirement for FY 2015-16

5.45 Based on the various cost components allowed in the foregoing sections, the ARR for JKPDD-T for FY 2015-16 is approved as follows.

Table 49: ARR for FY 2015-16 approved by the Commission (Rs Cr)

Particulars	Approved by JKSERC in MYT Order	Projected now by JKPDD-T	Approved now by JKSERC
O&M Expenses	140.23	82.18	88.26
Depreciation	0.00	70.64	0.73
Interest & Finance Charges	0.00	0.00	2.43
Interest on Working Capital	7.95	7.75	5.06
Return on Equity	0.00	0.00	0.00
Total Expenditure	148.18	160.57	96.48
Less: Non-Tariff Income	0.00	0.00	0.00
Approved ARR	148.18	160.57	96.48

Transmission Tariff for FY 2015-16

Petitioner's Submission

5.46 The Petitioner has proposed the transmission charges for FY 2015-16 as follows:

Table 50: Transmission Charges proposed by JKPDD-T for FY 2015-16

Particulars	Proposed in MYT	Proposed Now
Aggregate Revenue Requirement (Rs. Cr.)	295.03	160.57
Transmission Capacity (KW)	2369800	2390230
Transmission Charges (Rs. / KW / Month)	103.75	55.98

Commission's Analysis

5.47 The Commission has calculated transmission tariff/charges on Rs/kW/month basis as per Regulation 4.15.1 of the MYT Transmission Regulations, 2012, which reads as under:

“The transmission tariff payable by the open access customers of the Transmission system shall be determined in accordance with the following formula:

$$TR = \text{Net ARR} / (12 * TCC)$$

Where,

TR: Transmission Rate in Rs./kW/month

Net ARR: Net ARR, as determined.

TCC: Total Contracted Capacity in kW of the Transmission system by all Long-Term open access customers.”

5.48 The Commission has considered the transmission capacity at 2,390,230 kW for FY 2015-16 as submitted by the Petitioner. The approved transmission tariff/charges (in Rs. /kW /Month) for FY 2015-16 are given in the table below.

Table 51: Transmission charges for FY 2015-16 approved by the Commission

Particulars	Proposed now by JKPDD-T	Approved by JKSERC
Aggregate Revenue Requirement (Rs. Cr.)	160.57	96.48
Transmission Capacity (KW)*	2390230	2390230
Transmission Charges (Rs. / KW / Month)	55.98	33.64

** As submitted by the Petitioner*

CHAPTER 6: DIRECTIVES

6.1 The status of compliance of directives given in previous Tariff Orders and Commission's views on the Utility's response on each directive is tabulated below:

Directive/Issue	Summary
Segregation of Accounts	Summary of Directive issued:
	<p>The Petitioner was directed to segregate costs between transmission and distribution functions and maintain separate accounts for both functionaries. The Petitioner was also directed to maintain separate Fixed Asset Registers (FAR) for transmission and distribution functions and was asked by the Commission to provide asset wise details of the GFA allocated to the transmission business.</p>
	JKPDD's response:
	<p><i>The evaluation of the JKPDD assets has been completed by the consultant engaged for corporatization of JKPDD. Once the migration of the assets and other resources into the incorporated companies is completed, segregated accounts shall be submitted to the Hon'ble Commission. However, the department is already submitting separate ARR petitions before the commission for transmission and distribution segments with segregated costs including that of assets in the two segments.</i></p>
	Commission's views:
<p>It is of utmost importance to accelerate the process of corporatization and unbundling of JKPDD into separate Transmission and Distribution utilities for improving efficiency of the T&D utilities. The Commission directs the Petitioner to submit segregated details of costs/assets along with next tariff petition. No True-Up shall be allowed in the absence of segregated and audited accounts.</p>	
Maintenance of Grid stations	Summary of Directive issued:
	<p>The Petitioner was directed to submit a status report on proper up-keep and maintenance of transmission lines and grid stations. The Petitioner was also directed to maintain adequate spares and transformer capacities to prevent prolonged outage of the transmission system. The Petitioner was asked by the Commission to procure two Emergency Restoration Systems (ERS), one each for Jammu and Kashmir region. In absence of compliance with the directive in last year Tariff Order, the Commission had directed the Petitioner to establish ERS in the State and file a compliance report to the Commission within two months from the date of notification of Tariff Order for FY 2014-15. Moreover, as JKPDD-T had failed to submit status report on proper up-keep and maintenance of transmission lines and grid stations, the Commission had also directed the Utility to go for third party audit on the maintenance and upkeep of all Grid Stations through CEA or Power Grid Corporation of India Ltd. (PGCIL) or any other authorized agency. The reports should be sent along with the next APR to the Commission.</p>
	JKPDD's response:
	<p><i>The third party audit by CEA has been conducted for the following grid sub-stations:</i></p> <ul style="list-style-type: none"> •710 MVA grid station, Gladini •450 MVA Grid sub-station, Pampore •450 Grid sub-station, Zainkote <p><i>Further, the following grid stations have been recommended for third party audit to NRPC:</i></p> <ul style="list-style-type: none"> •100 MVA 132/33 kV grid sub-station Janipur, Jammu •160 MVA 220/132 kV Delina, Kashmir
	Commission's views:
<p>Based on the inspection report by CEA for the 3 sub-stations, the Utility has not furnished any action taken report/action plan for implementation of the recommendations made by CEA in the report. The recommendations need to be implemented immediately in the interest of reliable power supply and to avoid any major breakdowns. The Petitioner is directed to submit the action taken report/action plan to the Commission by 30th June 2015.</p>	
<p>With respect to third party audit (TPA) on maintenance and up keep of all the grid stations, the</p>	

Directive/Issue	Summary
	<p>Commission notes with concern that the Petitioner has only completed this exercise for three sub-stations and has identified another two sub-stations. The Commission directs the Petitioner to get the TPA conducted for other sub-stations also and submit compliance to the Commission by 30th June 2015.</p> <p>The directive on procuring ERS in the State has not been complied with despite the fact that funds for the purpose had reportedly been made available to the Utility. The Petitioner is again directed to report compliance with this directive within 2 months of issue of this Order, failing which, punitive action shall be initiated against the Petitioner.</p>
<p>Monitoring of Capital Expenditure</p>	<p>Summary of Directive issued:</p>
	<p>The Commission had directed the Petitioner to submit quarterly monitoring reports during FY 2014-15. Besides the scheme wise Capital expenditure in the MYT Order was approved in principle by the Commission subject to the availability of the budget and approval by the competent authority for the implementation of these schemes and on submission of relevant documents including DPRs, load flow studies and cost benefit analysis. These details have not been submitted. Hence, the Commission directs the requisite information should henceforth be submitted along with the quarterly progress report.</p>
	<p>JKPDD's response</p>
	<p><i>The Petitioner submitted that the capital expenditure schemes are being regularly monitored and the details are being maintained under the REC/T&D heads.</i></p>
	<p>Commission's views</p>
<p>Monitoring of capital expenditure is essential to evaluate the costs and expected benefits from the project and also avoid cost and time over runs. However, the Commission notes with concern that the Petitioner has not submitted a single report in compliance towards monitoring of the same. This shows lack of seriousness and commitment on the part of Petitioner towards compliance of the directives issued by the Commission.</p> <p>The Commission again directs the Petitioner to submit quarterly monitoring reports for FY 2014-15 and FY 2015-16 giving details of scheme-wise and project-wise capital expenditure incurred, supporting documents such as DPRs, load flow and cost benefit analysis for each scheme/project for these years, with first report to be submitted by or before 10th April 2015.</p> <p>The Commission also directs the Petitioner to furnish such information as is approved and adopted by the Power Development Department (PDD), GoJK on capital investment, in transmission sector, in future as part of the Tariff Petitions.</p>	
<p>Transmission Loss</p>	<p>Summary of Directive issued:</p>
	<p>The Commission directed the Petitioner to carry out system studies for determination of transmission loss in the system through scientific methods and energy audit for estimating the actual transmission loss level for the base year.</p>
	<p>JKPDD's response</p>
	<p><i>The JKPDD submitted that it has prepared a draft proposal for carrying out system studies separately for Jammu and Kashmir regions and submitted the same to CEA for its approval. A copy of the same shall be submitted separately after having fresh discussions with CEA.</i></p>
	<p>Commission's views</p>
<p>The Commission directs the Petitioner to undertake verification of the metering status at all levels in the transmission system and energy audit for FY 2014-15, by a third party, to authenticate the actual transmission loss levels and submit the report within six months of issue of this Tariff order.</p> <p>The Commission further directs the Utility to notify on regular basis, on the Utility's website, the statements of monthly energy accounts in the Transmission system according to the meter readings recorded at various levels. The copy of the monthly energy accounts shall be submitted to the Commission on quarterly basis.</p>	

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Directive/Issue	Summary
Power System Studies	Summary of Directive issued:
	<p>The Commission had directed the Petitioner to submit a proposal for Power System studies to be undertaken during FY 2013-14 within 3 months of issue of the MYT Order and thereafter a detailed cost benefit analysis of each study to be submitted along with the Annual Performance Review.</p>
	<p>The Petitioner was also directed to submit a map of the transmission system showing accurately the spread of the existing transmission system in the State, transmission system under implementation and the proposed transmission corridors.</p>
	JKPDD's response
	<p><i>The JKPDD-T has already formulated a transmission plan for 12th & 13th Plan and has submitted it to the Government of J&K along with detailed project reports for funding. The Plan was also forwarded to CEA for vetting. The CEA vide their communication no. 200/15/2014-SP & PA/2321-2359 has conveyed that based on the data received from the utilities it shall carry out system studies to firm up the transmission plan and have requested for a nodal officer from the state transmission utility. Accordingly, JKPDD-T has nominated Chief Engineer (S&O Wing) Jammu as nodal officer for the purpose.</i></p>
Commission's views	
<p>The Petitioner is directed to follow up vigorously with CEA for expeditious finalization of the Transmission plan for 12th & 13th plan periods.</p>	
Monitoring of Availability of Transmission System	Summary of Directive issued:
	<p>The Petitioner was directed to monitor and declare the availability of the transmission system. The availability should be certified by the State Load Dispatch Centre (SLDC).</p>
	JKPDD's response
	<p><i>The JKPDD submitted that the system availability is being regularly monitored by the SLDC and respective system operation wings of Jammu and Srinagar regions. The availability of the system shall be certified by the SLDC and submitted to the Hon'ble Commission shortly. The Chief Engineer Commercial who is in-charge of SLDC has been advised to inform the Hon'ble Commission accordingly.</i></p>
	Commission's views
<p>System availability can only be considered by the Commission if the same is calculated as per the procedure specified in Appendix-I of the JKSERC Transmission Tariff Regulations, 2012. Henceforth, the detailed calculations should be provided in support of the system availability with the Tariff Petitions.</p>	
Capital Expenditure and Capacity Addition Plan	Summary of Directive issued:
	<p>The Petitioner was directed to complete the system studies taking help from CEA or any other agency equipped with modern tools. Further, JKPDD-T was directed to take immediate steps with regard to the implementation of R-APDRP (Part B) as its implementation had been inordinately delayed to the disadvantage of the State. The Commission had also directed that the Principal Secretary, JKPDD should take immediate action towards constitution of the Task force & Technical Committee for the purpose of assessment of requirements of power infrastructure in the state during 12th & 13th plan period based on demand projections and requirement on account of evacuation & utilization of power from various ongoing/upcoming projects</p>
	JKPDD's response:-
	<p><i>The JKPDD-T has already formulated a transmission plan for 12th & 13th Plan and has submitted it to the Government of J&K along with detailed project reports for funding. The Plan was also forwarded to CEA for vetting. The CEA vide their communication no. 200/15/2014-SP & PA/2321-2359 has conveyed that based on the data received from the utilities it shall carry out system studies to firm up the transmission plan and have requested for a nodal officer from the State Transmission Utility. Accordingly, JKPDD-T has nominated Chief Engineer (S&O Wing) Jammu as nodal officer for the purpose.</i></p>
	<p><i>R-APDRP Part B is being implemented in the distribution segment of JKPDD-D and the scheme is under</i></p>

Directive/Issue	Summary
	<p><i>progress.</i> <i>Task Force and Technical Committee headed by Principal Secretary (Power) has been constituted vide Government Order No. 167-PDD of 2014 dated 31.07.2014 for addressing transmission planning issues. The other members of the committee are Chief Engineers S&O Wing Jammu, Chief Engineers S&O Wing Kashmir, Chief Engineers C&S Wing JKPDD.</i></p> <p>Commission's views:</p> <p>The Commission directs the Petitioner to make all out efforts to achieve the envisaged goals and ensure that adequate transmission infrastructure, commensurate to the capacity addition in generation and load growth envisaged during 12th and 13th Plan periods, is in place. In this regard, the Petitioner is directed to follow up vigorously with CEA for expeditious formulation of the Transmission plan for 12th & 13th plan periods and submit a detailed action plan in light of the proposals approved by CEA for implementation in a phased manner in order of priority.</p>
<p>Benchmarking of Expenses</p>	<p>Summary of Directive issued:</p> <p>The Utility was directed to get the benchmarking studies conducted for determination of O&M expenses and all other expenses such as R&M expenses, A&G expenses, employee costs etc per kWh energy transmitted.</p> <p>JKPDD's response</p> <p><i>JKPDD has conducted a comparison of the per unit O&M expenses with other utilities such as Power Transmission Corporation of Uttarakhand Limited (PTCUL) and Haryana Vidyut Prasaran Nigam Limited (HVPN). The copy of the report has been submitted to the Commission.</i></p> <p>Commission's views</p> <p>The Commission directs the Petitioner to re-examine the benchmark comparison submitted by it, in light of CEA's guidelines for operation and maintenance of grid stations as well as the Annual Report of 2013-14 on the working of State Power Utilities and Electricity Department recently published by the Planning Commission.</p>

New Directives issued by the Commission

Directives	
Directive 1	Training and Capacity Building
	The Commission directs the Petitioner to establish training and capacity building centres for imparting training to all its employees in order to upgrade the skills of its employees for improving the operational efficiency of the Utility in a phased manner.
Directive 2	GIS Mapping
	The Commission directs the Petitioner to take appropriate measures for bringing transmission system all over the State under the ambit of GIS mapping.
Directive 3	Reactive Energy Compensation
	The Commission directs the Petitioner to submit a report on the steps taken for reactive energy compensation in the system.
	The Petitioner, in coordination with JKSPDC, is also directed to explore the possibility of running gas turbines on Synchronous Condenser mode in order to compensate reactive energy flows. A report in this regard shall be furnished to the Commission along with the next Tariff Petition.

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ANNEXURES

Annexure 1: List of participants of the State Advisory Committee

List of participants at the State Advisory Committee held on 4th February, 2015 in the meeting hall of JKSERC at Jammu under the chairmanship of Sh. Basharat Ahmad Dhar, Chairman JKSERC

S.No.	Name of the Member/Officers	Department/Organization
Members of the SAC		
1	Sh. Basharat Ahmed Dhar	Chairman, JKSERC
2	Sh. G.M.Khan	Member (Finance), JKSERC
3	Sh. Jigmet Takpa	Director, LREDA, Leh, Ladakh
4	Sh. Annil Suri	President, Bari Brahmana Industries Association (BBIA)
5	Sh. Rakesh Gupta	President, Chamber of Commerce Industries Association (CCIA)
6	Sh. Vikram Gour	President, State Consumer Protection Council
7	Major Goverdhan Singh Jamwal (Retd.)	President, J&K Ex-Services League & J&K Paryavaran Sanstha
8	Sh. M.L. Raina	Dy. Transport Commissioner (Representing Transport Commissioner)
9	Sh. C.M.Sharma	Dy. Director, Agriculture (Representing Director Agriculture, Jammu)
Special Invitees		
10	Sh. D.S.Pawar	Ex. Hon'ble Member, JKSERC
11	Sh. H.S.Gupta	Ret. DCP/Ex. Technical Consultant JKSERC
Officers/ Representative of JKSERC		
12	Sh. R.K.Seli	Technical Consultant, JKSERC
13	Sh. Abdul Hamid	Secretary, JKSERC
14	Sh. V.K.Sarngal	Supdt. Engineer, JKSERC
15	Smt. Villy Kaul	Dy. Secretary Law, JKSERC
16	Sh. Ram Krishan Sharma	Accounts Officer, JKSERC
17	Sh. Abdul Hamid Baba	Pvt. Secretary to HCM, JKSERC
18	Sh. Paavan Bhargava	Senior Consultant, PWC
Representatives of Administrative Department of JKPDD		
19	Sh. K.K.Gupta	Director (Finance), PDD J&K, Civil Secretariat
20	Sh. Anil Gandotra	Director Planning, PDD J&K, Civil Secretariat
Officers/Representatives of JKPDD		
21	Sh. Asgar Ali Majaz	Development Commissioner Power, JKPDD
22	Sh. Ajay Gupta	Chief Engineer, System & Operation, PDD, Jammu
23	Smt. Shahnaz Goni	Chief Engineer, EM & RE, Jammu
24	Er. Khurshid Ahmad Badoo	Chief Engineer, Commercial & Survey Wing, Jammu
25	Er. Ravi Chanyal	Chief Engineer, Planning & Design, Jammu
26	Smt. Archana Gupta	Executive Engineer, IT Audit & Vigilance, Jammu
27	Sh. Nassarullah Jan	Executive Engineer, DCP Office, JKPDD
28	Sh. Azhar Vakil	AEE, DCP Office

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S.No.	Name of the Member/Officers	Department/Organization
29	Sh. Amit Hanjura	AEE
30	Sh. Mohd. Ramzan	A.E, DCP Office
31	Sh. Pankaj Bansal	DGM, IRCON
32	Sh. R.K. Choudhary	GM, IRCON
33	Sh. Abid Shah	PM, PMA R-APDRP Part B (LBG)
34	Sh. Sameer Nayak	PMA, R-APDRP Part B (LBG)
35	Sh. Smiley Ohri	Oracle Consultant
36	Sh. S.S.Mehta	Consultant,
Officers/Representative of JKSPDC		
37	Sh. M.A. Kakroo	Managing Director, JKSPDC
38	Er. Subhash Chander Sharma	Chief Engineer, JKSPDC
39	Sh. Prem Nath	Chief Engineer, CID, Jammu
40	Sh. Upinder Jit Singh	Director Finance, JKSPDC
41	Sh. Mumtaz Ahmad	SGM (Elect.), JKSPDC
42	Sh. S.K.Zutshi	Supdt. Engineer, Generation Circle-II, Jammu.
43	Sh. I.A.Kakroo	G.M
44	Sh. Mohd. Hussain Teli	DGM, JKSPDC
45	Sh. Joginder Singh Jamwal	DGM (Elect.), JKSPDC
46	Sh. Raj Sharma	DGM (Elect.), JKSPDC
47	Sh. M.Naser Uzaman	AGM (P.F)

Annexure 2: List of stakeholders who responded in writing to the public notice

List of Objectors

S.No.	Objector
1	Anil Suri, Bari Brahmana Industries Association(Regd.)
2	Iqbal Fayaz Jan, Resident Officer, PHD Chamber of Commerce, J&K Committee, Jammu.

Annexure 3: List of participants in Public Hearings

Participants at Public Hearing held in Jammu on 7th February 2015

S.No.	Name	Department/Organisation
JKSERC		
1	Sh. Basharat Ahmad Dhar	Chairman, JKSERC.
2	Sh. G.M.Khan	Member (Finance), JKSERC
3	Sh. R.K.Seli	Tech. Consultant, JKSERC
4	Sh. Abdul Hamid	Secretary, JKSERC
5	Sh. V.K.Sarngal	Supdtt. Engineer, JKSERC
6	Smt. Villy Kaul	Dy. Secretary (Law), JKSERC
7	Sh. Ram Krishan Sharma	Accounts Officer, JKSERC
8	Sh. Babu Ram	Computer Operator, JKSERC
9	Sh. Aayush Mahajan	Consultant (PwC), JKSERC
JKPDD		
10	Sh. Asgar Ali Majez	DC(P), PDD, Jammu
11	Smt. Shahnaz Goni	Chief Engineer, M&RE, Jammu
12	Sh. Ajay Gupta	Chief Engineer, S&O, PDD, Jammu
13	Sh. Ravi Chanyal	Chief Engineer, P&D, Jammu
14	Sh. S.K.Zutshi	Supdtt. Engineer, Generation Circle-III, Jammu
15	Sh. Nassarullah Jan	Executive Engineer, DCP Office, Jammu.
16	Sh. M.Ramzan	AE, DCP Office, PDD, Jammu.
17	Sh. Azhar Vakil	AEE, DCP Office.
18	Sh. Gaurav Lohani	Consultant, JKPDD
JKSPDC		
17	Sh. M.A.Kakroo	Managing Director, JKSPDC
18	Sh. Prem Nath	Chief Engineer, CI&D Wing, JKSPDC, Jammu
19	Sh. Mumtaz Ahmad	SGM (Elect.), JKSPDC, Jammu
20	Sh. I.A.Kakroo	GM, JKSPDC
21	Sh. Mohd. Hussain Teli	DGM, JKSPDC, Jammu
22	Sh. Shiv Raj Sharma	DGM (E), JKSPDC
23	Sh. Joginder Singh Jamwal	DGM (E), JKSPDC
24	Sh. Asif Maqbool	AGM (A&E), JKSPDC
25	Sh. M.Nasser U Zaman	AGM, (PF), JKSPDC
26	Sh. Afshah Wani	AGM (Finance) JKSPDC
27	Sh. Syed Bilal	Computer Operator, JKSPDC
OTHER PARTICIPANTS		
28	Sh. Chander Vadan	Company Secretary, 862-Subash Nagar, Jammu.
29	Sh. Sumesh Raina	Student, R/o Muthi Jammu
30	Sh. Ishfaq Bhat	Student

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S.No.	Name	Department/Organisation
31	Sh. Abdul Gani	Businessman
32	Sh. Sunil Bakshi	Businessman, Jammu

Order on Petition for APR FY 2014-15 (including Transmission tariff for FY 2015-16)

Participants at Public Hearing held in Srinagar on 10th February 2015

S.No.	Name	Department/Organization
JKSERC		
1	Sh. Basharat Ahmad Dhar	Chairman, JKSERC
2	Sh. G.M.Khan	Member (Finance), JKSERC
3	Sh. R.K.Seli	Technical Consultant, JKSERC
4	Sh. Abdul Hamid	Secretary, JKSERC
5	Sh. Ram Krishan Sharma	Accounts Officer, JKSERC
6	Sh. Abdul Hamid Baba	Pvt. Secretary to HCM, JKSERC
7	Sh. Aayush Mahajan	Consultant (PwC), JKSERC
JKPDD		
8	Sh. Asgar Ali Majaz	Development Commissioner Power, JKPDD
9	Sh. Ajay Gupta	Chief Engineer, System & Operation, Jammu
10	Sh. B.A.Khan	Chief Engineer, EM&RE Wing, Kashmir
11	Sh. Gul Ayaz	Chief Engineer, System & Operation, Kashmir
12	Sh. Bashir A. Baba	Superintending Engineer, EM&RE Wing, Kashmir
13	Sh. Azhar Wakil	AEE, JKPDD
14	Sh. Gaurav Lohani	Consultant, JKPDD
JKSPDC		
15	Sh. M.A. Kakroo	Managing Director, JKSPDC
16	Sh. Hamid Mahmood Shah	Chief Engineer , CID Kashmir
17	Sh. Fida Mohammad Farooqi	Chief Engineer , NGHEP
18	Sh. Javed Yousuf Dar	Superintending Engineer, Circle-II,JK PDC
19	Sh. I.A.Kakroo	General Manager, JKSPDC
20	Sh. B.A.Wani	Executive Engineer, GT, JKPDC
21	Sh. B.A.Baqal	Executive Engineer, USHP-I & II, JKPDC
22	Sh. Ashfaq Hamdani	Technical Officer to Chief Engineer Generation, JKSPDC
23	Sh. M. Naseer-U-Zaman	AGM, JKSPDC
OTHER PARTICIPANTS		
24	Sh. Shakeel Qalander	Civil Society Member, KCSDS
25	Sh. Mohammad Ashraf Mir	President FCIK
26	Sh. Faiz Bakshi	J. Secretary General, Kashmir Chamber of Commerce and Industry
27.	Sh. Syeed Fazal Illahi	President, I/E B.A.M.K; FCIK
28.	Sh. Gull Mohd. Bhat	Sarpanch, Sadiwara
29.	Sh. Gh. Nabi. Deka	Sarpanch, Dissu
30.	Sh. Ayaz Ahmad Bhat	Sarpanch, Khanyar
31	Sh. Ab. Kabir Rather	Sarpanch, Sirhama (A)
32	Haji-Bashir-Ahmad Khori	Sarpanch, Matihundu
33	Mohd Rafeeq Padder	Sarpanch, Poolia (Verinang Qazigund)
34	Sh. Ifthakar Rasool Pathan	Sarpanch, Vailoo Kokernag

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S.No.	Name	Department/Organization
35	Advocate Nazir Ahmad Pader	Sarpanch, Namatpura, Draway Larnoo Anantnag
36	Gh. Nabi wani	Sarpanch, Panzmulla, Anantnag
37	Sh. Mohd Qasim Mir	Sarpanch Chatter Gul
38	Mohd. Shaban Sheikh	Sarpanch, Iqbal Pura (Anantnag)

Annexure 4 (i): Details of Scheme-wise and project-wise capital expenditure for FY 2014-15 as adopted by the Commission in the Tariff Order for FY 2014-15

Capital investment on construction of 220/132 kV G/Ss adopted by the Commission in Tariff Order for FY 2014-15 (Rs Lakhs)

S.No	Name of Power Project	Scheme Provision for FY14 to FY16	MYT Submission	Submitted by the Petitioner in the Tariff Petition for FY 2014-15	Adopted by the Commission in the Tariff Order for FY 2014-15
1	320 MVA Lassipora	11020	3000	1157	1157
2	160 MVA Wahipora.	9261	5279	972	972
3	160 MVA Batpora Telbal	10744	0	1128	1128
4	320 MVA Rajouri	6000	1500	1500	1500
5	320 MVA Ghatti	6000	1500	1500	1500
6	160 MVA Kathua, (220/66 kV)	5500	1500	1500	1500
7	160 MVA Samba, (220/66 kV)	2500	500	400	400
8	160 MVA Chowadi	2500	500	400	400
9	160 MVA Muthi	2500	500	400	400
10	160 MVA Ahknoor	2500	500	400	400
11	120 MVA Ramnagar	2500	500	500	500
12	160 MVA Bari Brahmna-II	2500	500	400	400

Capital investment on augmentation of 220/132 kV G/Ss adopted by the Commission in Tariff Order for FY 2014-15 (Rs Lakhs)

S.No	Name of Power Project	Scheme Provision for FY14 to FY16	MYT Submission	Submitted by the Petitioner in the Tariff Petition for FY 2014-15	Adopted by the Commission in the Tariff Order for FY 2014-15
1	Delina 160 MVA to 320 MVA	2816	0	1774	1774
2	Budgam 320 MVA to 480 MVA	2672	0	281	281
3	Mirbazar 320 MVA to 480 MVA	2129	1000	224	224
4	Barn 320 MVA to 480 MVA	2200	500	600	600
5	Ramban 120 MVA to 240 MVA	2200	500	0	0
6	Udhampur 240 MVA to 320 MVA	2000	500	600	600

Order on Petition for APR FY 2014-15 (including Transmission tariff for FY 2015-16)

Capital investment on construction of 132/33 kV G/Ss adopted by the Commission in Tariff Order for FY 2014-15 (Rs Lakhs)

S.No	Name of Power Project	Scheme Provision for FY14 to FY16	MYT Submission	Submitted by the Petitioner in the Tariff Petition for FY 2014-15	Adopted by the Commission in the Tariff Order for FY 2014-15
1	50 MVA Rafiabab	5860	0	2461	2461
2	50 MVA Hajan	3556	0	373	373
3	50 MVA Beeraw	6082	0	639	639
4	50 MVA Tral	3775	0	396	396
5	50 MVA Sallar	6576	500	2762	2762
6	50 MVA Qazigund	3178	0	1335	1335
7	100 MVA Tengpora (GIS)	4029	1500	423	423
8	50 MVA Pulwama.	4124	0	433	433
9	100 MVA Khanyar (GIS)	9789	0	1028	1028
10	100 MVA Chatha	3500	1000	0	0
11	100 MVA Chowadi	3500	1000	1000	1000
12	100 MVA Muthi	3500	1250	0	0
13	100 MVA RS Pora	3500	1250	0	0
14	100 MVA Jammu East(GIS)	5000	1000	1000	1000
15	50 MVA Rajinder Singh Pura (Samba)	3000	1000	600	600
16	50 MVA Nagrota	3000	1000	800	800
17	50 MVA Akhnoor-II	3000	1000	0	0
18	50 MVA Udampur-II	3000	1000	0	0
19	50 MVA Reasi	1000	0	600	600
20	50 MVA Ramnagar	3000	1000	500	500
21	50 MVA Rajouri-II	3000	1000	0	0
22	50 MVA Siot	1800	300	600	600
23	40 MVA Basoli	2500	500	0	0
24	40 MVA Bhaderwah	2500	500	600	600
25	20 MVA Basantgrah	2200	500	0	0
26	20 MVA Sangaldhan	2200	800	600	600
27	20MVA Sawalakote	2200	500	400	400
28	20 MVA Nowshera	2200	500	0	0
29	20 MVA Mendhar	2200	500	500	500
30	20 MVA Gurah Kalyal	2200	500	500	500

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Capital investment on augmentation of 132/33 kV G/Ss adopted by the Commission in Tariff Order for FY 2014-15 (Rs Lakhs)

S.No	Name of Power Project	Scheme Provision for FY14 to FY16	MYT Submission	Submitted by the Petitioner in the Tariff Petition for FY 2014-15	Adopted by the Commission in the Tariff Order for FY 2014-15
1	Zainakote 75 MVA to 125 MVA	687	0	722	722
2	Chadoora 50 MVA to 100 MVA	687		0	0
3	Lassipora 75 MVA to 125 MVA	687	0	0	0
4	Mattan 50 MVA to 100 MVA	879	100	0	0
5	Shree 50 MVA to 100 MVA	687		0	0
6	Amargrah 95 MVA to 150 MVA	688	200	0	0
7	Kangan 40 MVA to 70 MVA	374	0	0	0
8	Barn 40 MVA to 90 MVA	500	200	400	400
9	Udhampur 70 MVA to 120 MVA	500	0	400	400
10	Kalakote 20 MVA to 50 MVA	500	200	100	100
11	Miran Sahib 90 MVA to 120 MVA	500	200	100	100
12	Hiranagar 72.5 MVA to 122.5 MVA	500	0	400	400
13	Gangyal 50 MVA to 100 MVA	500	0	400	400
14	Khellani 40 MVA to 70MVA	500	100	0	0
15	Jourian 20 MVA to 40 MVA	300	0	0	0
16	Draba 20 MVA to 40 MVA	300	0	0	0
17	Ramban 20 MVA to 40 MVA	300	0	722	722

Capital investment on construction of Additional Bays of 132/33 kV G/Ss adopted by the Commission in Tariff Order for FY 2014-15 (Rs Lakhs)

S.No	Name of Power Project	Scheme Provision for FY14 to FY16	MYT Submission	Submitted by the Petitioner in the Tariff Petition for FY 2014-15	Adopted by the Commission in the Tariff Order for FY 2014-15
1	132 kV Line Bays at Vilgam for Rafiabab & 2 nd Circuit of Arampora Vilgam	383	0	161	161
2	132 kV Line bays at Arampora for 2 nd Circuit of Arampora-Vilgam	192	0	81	81
3	Line Bays at Shree for Rafiababd.	192	0	121	121
4	Line Bays at Bandipora for Wahipora.	383	0	0	0
5	Line Bays at Magam for Beerah	383	0	0	0
6	Line Bays at Habak for Khanayar	383	0	0	0
7	132 kV Line Bays at Awantipora for Tral	192	0	0	0
8	132 kV Line Bays at Shopian for Kulgam	383	0	0	0

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S.No	Name of Power Project	Scheme Provision for FY14 to FY16	MYT Submission	Submitted by the Petitioner in the Tariff Petition for FY 2014-15	Adopted by the Commission in the Tariff Order for FY 2014-15
9	132 kV Line Bays at Kulgam for Shopian	383	0	0	0

Capital investment on construction of 22kV Transmission lines adopted by the Commission in Tariff Order for FY 2014-15 (Rs Lakhs)

S.No	Name of Power Project	Scheme Provision for FY14 to FY16	MYT Submission	Submitted by the Petitioner in the Tariff Petition for FY 2014-15	Adopted by the Commission in the Tariff Order for FY 2014-15
1	New Wanpoh-Mir Bazar	638	0	268	268
2	Termination of 220 kV Mir Bazar – Alusteng at New Wanpoh	761	0	480	480
3	S/C Udampur Gladni TL to be rooted through Barn G/S.	1605	205	321	321
4	S/C tapping from Sarna-Udampur for Ramnagar G/S.	770	200	192	192
5	D/C Barn-Bishnah (U/C)	2417	417	1000	1000
6	D/C Jatwal-Kathua-II/Hiranagr	2247	247	449	449
7	D/C tapping from Thein-Hiranagar TL-LILO D/C for Ghatti G/S.	1412	212	0	0
8	D/C tapping from Jatwal-Bishnah/BB II	642	142	321	321
9	D/C tapping from Hiranagar- Gladni for Chowadi G/S.	513	0	192	192
10	D/C Akhnoor-Rajouri	7960	2500	0	0
11	S/C Akhnoor-Mutti	963	0	0	0
12	S/C Akhnoor -	642	300	0	0
13	GIS at Ramban for D/C LILO	500	200	200	200
14	Jatwal-BB II	3000	1000	1500	1500

Capital investment on construction of 132kV Transmission lines adopted by the Commission in Tariff Order for FY 2014-15 (Rs Lakhs)

S.No	Name of Power Project	Scheme Provision for FY14 to FY16	MYT Submission	Submitted by the Petitioner in the Tariff Petition for FY 2014-15	Adopted by the Commission in the Tariff Order for FY 2014-15
1	Wahipora-Bandipora D/C transmission line	1965	0.00	206	206
2	LILO of Arampora Vilgam TL at Wahipora	447	0.00	47	47
3	LILO of Chesmashahi Habak line	268	0.00	28	28

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S.No	Name of Power Project	Scheme Provision for FY14 to FY16	MYT Submission	Submitted by the Petitioner in the Tariff Petition for FY 2014-15	Adopted by the Commission in the Tariff Order for FY 2014-15
	at Batpora Telbal				
4	Laying of 2 nd Ckt on Mirbazar Kulgam line	125	0.00	13	13
5	Shopian Kulgam Transmission line	1965	0.00	206	206
6	D/C LILO tapping from Canal-Miransahib for G/S Chatta	90	0.00	0	0
7	220/132 kV TL built in for G/S Chawadhi	45	0.00	45	45
8	D/C LILO tapping from 132 kV BB-II Samba TL for G/S Rajinder Singh Pora	269	100.00	134	134
9	S/C LILO tapping from Barn-Janipur TL for G/S Nagrota	987	287.80	224	224
10	220/132 kV TL built in Station for G/S Muthi	45	0.00	0	0
11	220/132 kV TL built in Station for G/S Akhnoor-II	45	0.00	0	0
12	D/C LILO tapping from Bishnah-Miran Sahib TL for G/S R S Pora	1122	122.50	0	0
13	220/66 kV TL built in Station for G/S Samba-II	45	0.00	0	0
14	220/66 kV TL built in Station for G/S Kathua-II	45	0.00	0	0
15	220/132 kV TL built in Station for G/S Udhampur-II(Ramnagar)	45	0.00	45	45
16	S/C (D/C) Ramnagar –Basantgrah TL for G/S Basantgrah	1571	500.00	0	0
17	S/C (D/C) Ramban-Sangaldhan TL for G/S Sangaldhan	1357	347.00	0	0
18	S/C (D/C) Sangaldhan-Sawalakote TL for G/S Sawalakot	1347	500.00	0	0
19	S/C (D/C) Khelani-Baderwah TL for G/S Baderwah	1436	500.00	538	538
20	220/132 kV TL built in Station for G/S Rajouri-II	45	0.00	0	0
21	S/C (D/C) Siot-Nowshera TL for G/S Nowshera	987	200.00	0	0
22	S/C (D/C) tapping from Draba-Chandak TL G/S Mendhar	1122	200.00	224	224
23	S/C (D/C) tapping from Mahanpur-Sewa TL G/S Basoli	673	200.00	0	0
24	S/C (D/C) tapping from Mahanpur-Kathua TL G/S Gurah Kalyal	1347	300.00	224	224
25	D/C Katra to Reasi G/S.	900	300.00	450	450
26	Tap line at BB-II/Satwari Chatha.	400	100.00	0	0
27	GIS at Pouni Chak for D/C LILO.	400	200.00	0	0

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**Capital investment on construction on other works adopted by the Commission in Tariff Order for FY 2014-15
(Rs Lakhs)**

S.No	Name of Power Project	Scheme Provision for FY14 to FY16	MYT Submission	Submitted by the Petitioner in the Tariff Petition for FY 2014-15	Adopted by the Commission in the Tariff Order for FY 2014-15
1	Training institute	300	Nil	0	0
2	Diagnostic lab	300		50	50
3	Mobile Van for testing	100		100	100
4	Filtration Plant for testing	100		50	50
5	Creation of Energy Exchange	200		50	50
6	Quarters for officers	1000		200	200
7	SLDC/Fiber Optic Works	6753		3000	3000

Annexure 4 (ii): Details of Scheme-wise capital expenditure plan for FY 2014-15 and FY 2015-16 as submitted by the Petitioner vide letter no: CE/S&O/J/10830-31 dated 28.2.2015



*Office of the Chief Engineer,
System & Operation Wing, Jammu
Email: -cesopdd@rediffmail.com Tel No. 0191-2476213, 2476172*

The Secretary,
J&K State Electricity Regulatory Commission,
Jammu.

No. CE/S&O/J/ 10830-31 Dated: 28-2-2015


**Subject:- Annual Performance Review for 2014-15 & Tariff Petition for FY 2015-16
filed by JKPDD- Transmission function**

Ref: Your Communication No: JKSERC/Secy/2014/23/1760-61 Dated: 26.02.2015

Sir,

In reference to your above communication on the subject, the information is submitted as under:-

1. The scheme/project wise capital expenditure incurred during FY 2014-15 and projected for FY 2015-16 in annexed in the given format as Annexure-A1 and Annexure -A2. The figures approved by the commission in MYT order and the actual expenditure incurred do not match because of the non availability of the requisite funds. The department was dependant on the funds earmarked by the Government under T&D for the year FY 2014-15. The projections made under T&D for FY 2015-16 is subject to funding from the State Government which normally is around 20 Crores per annum for transmission segment.
2. The summary of the state plan for FY 2013-14 and FY 2014-15 approved by the Government of J&K is enclosed as Annexure-A3
3. The break up the cost of transmission line and Grid station funded by REC is enclosed as Annexure-A4.

Yours faithfully

(Ajay Gupta)
CHIEF ENGINEER
S&O WING, JAMMU

Copy to the:-
1. Development Commissioner Power, J&K, Jammu for information.

Scheme Wise Capital Expenditure under PMRP for FY 2014-15 and projected for FY 2015-16 for JKPDD- Transmission (Rs Lakhs) (Annexure-A1)

a) Jammu

Sr. No.	Name of the scheme/work	Estimated cost	Outlay 2014-15	Exp. Ending 01/2015	Total expected exp. During FY 2014-15	Cum. Exp. since inspection of scheme.	Projected exp. during FY 2015-16	Physical status as on 01/2015
	Construction of G/Stns.							
1	3x40 MVA,220/132 KV & 1x20 MVA, 132/33 KV G/St. Ramban.	4783.30	0.00	0.00	0.00	4589.13	194.17	3x40MVA, 220/132 kV & 1x 20 MVA test charged on 20.10.2011.
2	2x 50 MVA, 132/33 KV G/Stn,Bari-Brahmana-II.	2573.10	0.00	0.00	0.00	2328.85	244.25	2 No. 50 MVA Power transformer commissioned on 11/2007.
3	1x50 MVA,132/33 kV G/Stn.Gangyal.	1785.30	0.00	0.00	0.00	1439.04	346.26	50 MVA power transformer commissioned.
4	2x20 MVA, 132/33 KV, G/stn,Kishtwar	2005.30	74.41	10.38	74.41	2058.95	0	Equipment foundations, Gantry foundations, transformer foundations, earth mat, cable duct completed. Erection of equipments structures, structures & beams completed. Construction of control room building 99%, SBA's qtr 50%, const. of security post 25% completed. Const. of AEEs qtrs.=plinth work is in progress. Cabling of equipment 100% completed. The Grid Station test charge on 25.03.2012 by

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Sr. No.	Name of the scheme/work	Estimated cost	Outlay 2014-15	Exp. Ending 01/2015	Total expected exp. During FY 2014-15	Cum. Exp. since inspection of scheme.	Projected exp. during FY 2015-16	Physical status as on 01/2015
								tapping 132 KV UdhampurDHP line with 32 KV D/C RKK TL from loc. No 221 onward & put into commercial use on 29.12.2012
5	1x50MVA, 132/33 KV G/Stn.Katra.	1774.70	0.00	0.00	0.00	1751.85	22.85	G/stn commissioned. Const. of mesh foundation wall and erection of chain link mesh fencing on nallah side. Const. of CC sets for 132 KV SF6 breaker for easy access while operating the breakers. Provide barbed wire fencing to fence grid station land on nallah side. Const. of CGI store shed under const. Const. of drain at back side of store shed. Proc. of angle iron, flat iron, cement and CGI sheets. Payment made to M/s Shreem Electric Ltd.
6	1x20 MVA, G/Stn, Bhalessa.	1388.10	55.09	14.16	55.09	1414.87	0.0	SBA's/JE's qtrs. 70% completed. Equipment foundations, Gantry foundations, transformers foundations, earth mat, cable duct completed. Construction of control room building 100%, chain link mesh



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Sr. No.	Name of the scheme/work	Estimated cost	Outlay 2014-15	Exp. Ending 01/2015	Total expected exp. During FY 2014-15	Cum. Exp. since inspection of scheme.	Projected exp. during FY 2015-16	Physical status as on 01/2015
								fencing completed. Stringing of yard 100%. Cabling of equipments & graveling completed. Testing of equipments under progress.
7	Aug. of 132/66 KV G/Stn.Kathua from 1x50 MVA.	383.50	0.00	0.00	0.00	383.29	0.21	50 MVA power transformer commissioned on 12/2007.
8	Aug. of 132/66 KV G/Stn. Samba from 50 to 100 MVA.	593.40	0.00	0.00	0.00	543.8	49.6	50 MVA power transformer commissioned on 12/2007.
9	Aug. of 132/66 KV G/Stn.Hiranagar from 1x50 MVA.	383.50	0.00	0.00	0.00	370.99	12.51	50 MVA power transformer commissioned on 12/2007.
10	320 MVA, 220/132 kV G/Stn. Barn.	4539.20	0.00	0.00	0.00	3874.46	664.74	2 Nos. 160 MVA, 220/133 KV power transformer commissioned.
11	2x20 MVA, 132/33 KV G/Stn SIOT	2007.90	0.00	0.00	0.00	393.56	1614.34	Civil works: construction of compound wall residential qtrs., SBA/JE's chain link fencing around yard. Electrical works: Providing of earth mat & equipment earthing completed. LOA issued on 30.11.2009 to M/s Techofab Engineer Ltd. Case withdrawn by the party from the Hon'ble high court.

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Sr. No.	Name of the scheme/work	Estimated cost	Outlay 2014-15	Exp. Ending 01/2015	Total expected exp. During FY 2014-15	Cum. Exp. since inspection of scheme.	Projected exp. during FY 2015-16	Physical status as on 01/2015
12	2x160 MVA, 220/132 KV G/StnBishnah.	3984.00	0.00	0.00	0.00	6133.57	0	2 NoS. 160 MVA, 220/132 power transformer testing, commissioning and charging completed. First unit charged on 22.6.2011 & second unit on 14.7.2011
	2x50 MVA, 132/33 KV, G/Stn, Bishnah.	2941.31						2x50 MVA, 132/33 KV power transformer testing, commissioning and charging completed. First unit charged on 30.07.2011 & second unit on 25.05.2012.
13	50 MVA, 132/33 KV G/Stn.Pounichak.	1672.00	0.00	0.00	0.00	1589.12	82.88	50 MVA, 132/33 kV power transformer commissioned on 15.12.2011.
14	1 X50 MVA, 132/33 kV G/Stn, BattalManwal	1774.70	212.90	0.00	212.90	1774.7	0.0	Civil works: outer fencing completed 95%. JE's/SBA's qtr. 100% completed, fabrication of main gate, door & windows. Gantry foundations, equipment foundation, transformer foundation completed. Control room building 100% completed. Earthing mat in 124 x104 mt. area laid with earthing spikes, laying of additional earth mat 90% completed.132KV cable

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Sr. No.	Name of the scheme/work	Estimated cost	Outlay 2014-15	Exp. Ending 01/2015	Total expected exp. During FY 2014-15	Cum. Exp. since inspection of scheme.	Projected exp. during FY 2015-16	Physical status as on 01/2015
								duct 95% and 33 KV 90%. Erection of gantry structures, gantry beams completed. Erection of equipment structure 90% completed including earthing. Stringing of bus bar in 132 & 33 KV yard completed except connectors. Erection of equipments in 132/33 KV sites completed.
15	1x20 MVA, 132/33 kV G/StnChandak (Poonch)	1388.10	0.00	0.00	0.00	1119.33	268.77	Testing and commissioning of 20 MVA, 132/33 KV Power transformer completed and charged on load on 29.12.2011.
16	LILO of 132 KV,D/C of Gladni-Hiranagar TL for G/Stn. Bari-Brahamana-II. 2.7 kms, 11towers	159.20	0.00	0.00	0.00	133.47	25.73	Commissioned on 12/2007.
17	132 KV ,D/C,Ramban-Batote- Khellani TL.	1531.60						Progress on ground:- Civil works: 237 No towers foundations laid+ 1 No. under progress. Electrical works:- 214 No. tower erected, Forest compensation paid, stringing of conductor 51.60 kms completed, protection work-
18	132 KV D/C, Khellani-Kishtwar TL. Total- 239 towers & 83.15 kms (Ramban-Khellani-Kishtwar TL)	2233.20	0.00	0.00	0.00	3697	0.0	

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Sr. No.	Name of the scheme/work	Estimated cost	Outlay 2014-15	Exp. Ending 01/2015	Total expected exp. During FY 2014-15	Cum. Exp. since inspection of scheme.	Projected exp. during FY 2015-16	Physical status as on 01/2015
								11500.00 cu.M.
19	132 KV, D/C Barn-Katra TL.	870.20	0.00	0.00	0.00	1004.52	0.0	Barn-katra section completed and charged on 16.10.2011.
20	Stringing of 2 nd ckt. Of Barn-Reasi TL. Total- 30.37 kms, 64 towers.	224.20						
21	132 KV D/C Barn-Siot – TL. (Akhnoor-Kalakote section-53.87 kms, 153 towers)	2165.6	0.00	0.00	0.00	3156.4	0.00	Barn-Akhnoor section of this line commissioned on 12.07.2010. Akhnoor-kalakotesection of this line commissioned on 17.11.2011.
22	132 KV Siot-Kalakte TL. (Barn-Akhnoor section-19.102 kms, 64 towers)	614.50						
23	LILO of 132 KV D/C Barn-Siot TL for G/StnAkhnoor.	376.30						
24	132 KV Rajouri-Draba (Poonch) on D/C tower. (Org.) 35.00 kms, 122 (Org.) (Rev.)35.12 kms, 123 towers	1548.50	0.00	0.00	0.00	1548.5	0.00	Ckt. I of the line commissioned on 29.11.2008 & 2 nd ckt. On 07.02.2009
25	LILO of 132 KV, Gladni-Miran Sahib TL for G/Stn.Gangyal. 1.00 kms, 2 towers.	39.50	0.00	0.00	0.00	17.96	21.54	Completed and test charged on 29.02.2009 with charging of G/Stn, Gangyal.

Order on Petition for APR FY 2014-15 (including Transmission tariff for FY 2015-16)

Sr. No.	Name of the scheme/work	Estimated cost	Outlay 2014-15	Exp. Ending 01/2015	Total expected exp. During FY 2014-15	Cum. Exp. since inspection of scheme.	Projected exp. during FY 2015-16	Physical status as on 01/2015
26	LILO of 132 KV, D/C CSTL-I for 220/132/133 KV, G/Stn, Ramban, 3.50 kms, 11 towers.	161.40	0.00	0.00	0.00	161.11	0.29	LILO arrangement stands electrically charged.
27	Reconductoring from Panther to AAAC of 132 KV, D/C Ring main around Jammu city. 23.5 kms	494.90	0.00	0.00	0.00	495.03	0.00	Completed.
28	Reconductoring from AAAC Panther to ACSR Zebra and allied stabilization of 132 KV, S/C Gladni-JanipurTL.							
29	Reconductoring of 132 KV, D/C Ring CSTL from Udhampur to Banihal. 80.00 kms	1273.60	0.00	0.00	0.00	1273.6	0.00	Electrical works:- Re-conductoring 76.756 D/Ckt. Kms completed. 475.30 kms of ACSR panther conductor procured. 4000 disc insulators procured.
30	220 KV D/C Barn-Kishenpur TL. 37.4 Kms, 105 towers.	1583.40	0.00	0.00	0.00	1583.32	0.08	Line commissioned on 06/2008

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Sr. No.	Name of the scheme/work	Estimated cost	Outlay 2014-15	Exp. Ending 01/2015	Total expected exp. During FY 2014-15	Cum. Exp. since inspection of scheme.	Projected exp. during FY 2015-16	Physical status as on 01/2015
31	132 KV S/C TL from Thathri to Bhalessa. 24.00 kms, 69 towers.	842.60	0.00	0.00	0.00	842.5	0.10	Progress on ground:- Civil works: 65 No towers foundations laid & 1 under progress. 43 No. tower erected. Forest compensation paid, protection work-3360 cu.M.
32	Construction of 132 KV Line bays 10 Nos. (2 each at G/StnKhellani, Akhnoor, Miransahib, Draba (chandak) & Hiranagar.	1165.50	4.25	0.00	4.25	1165.49	0.01	G/stn.Akhnoor:- 2 No line bays commissioned. G/stn.Miransahib:- 2 No line bays commissioned. G/stn.Draba (chandak):- 2 No line bays commissioned. G/stn.Khellani:- 2 No line bays commissioned. G/stn.Hiranagar:- 2 No line bays under execution.
33	220 KV ,D/C Hiranagar-Bishnah TL. (Hiranagar-Bishnah-136 towers)	2491.20						Progress on ground:- Civil works: 170 No tower foundations laid.
34	220 KV D/C Barn-Bishnah 114 towers.	2192.80	1191.02	1.04	1191.02	5872.940	0	Electrical works:- 157 No. tower erected, stringing of line-44.923 kms, Hiranagar-Bishnah section test charged on 21.06.2011, tower erection 4No. Fruit/Tree/Land Compensation paid.

Order on Petition for APR FY 2014-15 (including Transmission tariff for FY 2015-16)

Sr. No.	Name of the scheme/work	Estimated cost	Outlay 2014-15	Exp. Ending 01/2015	Total expected exp. During FY 2014-15	Cum. Exp. since inspection of scheme.	Projected exp. during FY 2015-16	Physical status as on 01/2015
35	LILO of 220 KV D/C Kishenpur-Pampore TL for Ramban G/Stn. 2.00 kms, 6 towers.	140.80	0.00	0.00	0.00	140.79	0.01	Commissioned
36	Stringing of conductor on 2 nd Ckt. Thein-Hiranagar TL. 40.4 Kms.	528.20	0.00	0.0	0.00	528.16	0.04	Stringing of conductor 100% completed. However, Rs. 1.50 crore needed for clearing of trees, protection works at damaged locations, pre-commissioning of TL works etc. DPR stands prepared.
37	220 KV D/C Miransahib-Bishnah TL. 9.73 Kms, 29 towers.	567.90	0.00	0.00	0.00	431.17	136.73	Line commissioned on 25.03.2011
38	LILO of 132 KV D/C of Ring main to Pounichak G/Stn. 2.58 kms, 7 towers.	121.30	0.00	0.00	0.00	121.3	0	Commissioned on 15.12.2011.
39	132 KV D/C Hiranagar-Battal Manwal TL. 38.192 Kms, 109 towers.	1650.10	0.00	0.00	0.00	1543.8	106.3	Progress on ground:- Civil works: 98 No tower foundations laid. Electrical works:- 98 No. tower erected, stringing of line-34.243 kms, payment made to M/s KEC Int. Ltd. Fruit/Tree/Land Compensation paid.
40	132 KV S/C on D/C towers Draba-Chandak	1007.70	0.00	0.00	0.00	924.36	83.34	The line was commissioned on 19.12. 2011. Out of 73

Order on Petition for APR FY 2014-15 (including Transmission tariff for FY 2015-16)

Sr. No.	Name of the scheme/work	Estimated cost	Outlay 2014-15	Exp. Ending 01/2015	Total expected exp. During FY 2014-15	Cum. Exp. since inspection of scheme.	Projected exp. during FY 2015-16	Physical status as on 01/2015
	TL 23.00 Kms, 73 towers.							towers 15 No. towers have totally been washed away and the remaining have suffered huge damages.
41	Construction of 6 Nos 220 KV line bays.	1072.30	0.00	0.00	0.00	672.42	399.88	<p>G/stn.Hiranagar:- 2 No line bays for Hiranagar-Bishnah TL commissioned & 2 No. line bays for Thein-Hiranagar TL under progress.</p> <p>G/stn.Barn:- Civil works completed. Erection of equipment structures, bus bar/earth wire, 8 No isolators, 2 No. LA' sets 1 set of CT's & 2 No. SF6 breaker completed. Concrete flooring of 2 No. line bays & strips completed.</p>
	Total:-	59033.90	1537.67	25.58	1537.67	52297.89	12856.94	



Order on Petition for APR FY 2014-15 (including Transmission tariff for FY 2015-16)

b) Kashmir

Sr. No.	Name of the scheme/work	Estimated cost	Outlay 2014-15	Exp. Ending 01/2015	Total expected exp. During FY 2014-15	Cum. Exp since inception of scheme.	Projected exp. During FY 2015-16	Physical status as on 01/2015
	Construction of G/Stns.							
1	Construction of 320/100 MVA, 220/132 kV Mirbazar.	7342.00	0.00	0.00	0.00	6590.09	751.91	Grid station commissioned on 21 st November, 2011. Minor civil works incomplete.
2	Construction of 320/100 MVA, 220/132/33 kV Budgam.	7934.00	0.00	0.00	0.00	7558.12	375.88	Grid station commissioned on 8 th May, 2012 and is supplying load at 33 KV level.
3	Construction of 50 MVA, 132/133 kV Khonmoh.	1701.00	0.00	0.00	0.00	1525.02	175.98	Grid station commissioned on 28.05.2009.
4	Construction of 50 MVA, 132/133 kV Magam.	1752.00	0.00	0.00	0.00	1740.41	11.59	Grid station commissioned on 02.02.2012.
5	Construction of 50 MVA, 132/133 kV Tethar-Banihal.	1752.0	0.00	0.00	0.00	1741.06	10.94	Grid station commissioned on 17.04.2009.
6	Construction of 50 MVA, 132/133 kV Vilgam (Kupwara).	1584.00	0.00	0.00	0.00	1478.96	105.04	Grid station commissioned on 22.12.2011.
7	Aug. of 220/132/33 KV G/stn.Zainkote (300 to 450MVA) &addl bays.	2275.00	8.41	8.41	8.41	2283.41	0.0	3x50 MVA, 220/132 KV Trans. Bank commissioned/six. No. 220 KV line bays completed.
8	Aug. of 132/33 KV G/stn.Pampore (150 to 200MVA)	668.00	0.00	0.00	0.00	627.88	40.12	50 MVA, 132/33 KV Transformer commissioned.
9	Construction of 8 No. 132 KV line bays in existing grid stations.	933.00	0.00	0.00	0.00	912.59	20.41	Completed.
10	Construction of 320/100 MVA, 220/132/33 kV Alusteng.	8648.00	1200.00	0.47	1200.00	8663.11	0.0	132 & 33 KV yards and control room building 90 % complete. Major eqpt. Except control cable received at site. Work in 220 kV yard put ON-HOLD due to non-



Order on Petition for APR FY 2014-15 (including Transmission tariff for FY 2015-16)

Sr. No.	Name of the scheme/work	Estimated cost	Outlay 2014-15	Exp. Ending 01/2015	Total expected exp. During FY 2014-15	Cum. Exp since inception of scheme.	Projected exp. During FY 2015-16	Physical status as on 01/2015
								availability of revised funds. Delay due to change in design of retaining walls as per CEA recommendations and subsequent Govt. approval an inadequate manpower engaged by the firm to complete the balance works at the risk and cost of the firm.
11	Construction of 160/50 MVA, 220/132/33 KV, G/Stn.Delina-Amargarh.	6048.00	0.00	0.00	0.00	4890.44	1157.56	Grid station commissioned on 1 st June, 2013. Protection civil works under progress.
12	Construction of 50 MVA, 132/33 KV, G/Stn.Shopian.	1752.00	0.00	0.00	0.00	1448.7	303.3	Grid station commissioned on 22 nd May, 2013.
13	Construction of 50 MVA, 132/33 KV, G/Stn.Bandipora.	1752.00	200.00	36.94	200.00	1771.88	0.0	Grid station is in completion stage.
14	Construction of 50 MVA, 132/33 KV, G/Stn.Sagam-Lissar.	1752.00	0.00	0.00	0.00	1496.91	255.09	Grid station commissioned on 5 th Dec, 2011.
	Construction of Transmission lines.					0	0	

Order on Petition for APR FY 2014-15 (including Transmission tariff for FY 2015-16)

Sr. No.	Name of the scheme/work	Estimated cost	Outlay 2014-15	Exp. Ending 01/2015	Total expected exp. During FY 2014-15	Cum. Exp since inception of scheme.	Projected exp. During FY 2015-16	Physical status as on 01/2015
15	Construction of 220 KV Zainkote- Budgam – Wagoora TL (30.3 km).	2136.00	0.00	0.0	0.00	2135.99	0.01	Out of 123 No. tower foundations 103 No. laid. 82 towers erected. Stringing 28% completed. ROW problem at Dangerpora. Funds exhausted. Proposal for addressing the ROW issue at Dangerpora by way of erecting multi-circuit towers cleared by CEA and same stands submitted to Govt. for approval/allotment of funds. Completion is subject to availability of funds.
16	Construction of 220 KV, Mirbazar-Wagoora TL (52.5 KM).	3272.00	49.00	0.41	49.00	3319.99	0.0	Out of 177 No. tower foundations 176 Nos. laid. 171 towers erected. Laying/stringing of conductor 24.8 km completed. ROW/compensation issue delaying completion.
17	Construction of 132 KV, Budgam TL (30.00 KM).	1286.00	0.00	0.00	0.00	789.03	496.97	2 No. tower foundations out of 108 Nos. laid. Pile fddns required for most locations due to soil conditions. Revision necessitated due to soil conditions. Revision necessitated due to pile fdns. Case forwarded to Govt. for approval. Project put ON-HOLD till funds as per Revised PR are allotted.
18	Construction of 132 KV, Pattan-Magam TL (7.00 KM).	406.00	0.00	0.00	0.00	393.13	12.87	Line charged on 2 nd Feb 2012. All 36 No. tower foundations laid, 34 towers erected.
19	Construction of 132 KV,S/C Arampora-Vilgam	722.00	0.00	0.00	0.00	624.83	97.17	Line charged on 22.12.2011.

Order on Petition for APR FY 2014-15 (including Transmission tariff for FY 2015-16)

Sr. No.	Name of the scheme/work	Estimated cost	Outlay 2014-15	Exp. Ending 01/2015	Total expected exp. During FY 2014-15	Cum. Exp since inception of scheme.	Projected exp. During FY 2015-16	Physical status as on 01/2015
	TL (18.4 KM).							
20	Construction of 132 KV, Khonmoh TL (3.7 KM).	357.00	0.00	0.00	0.00	299.26	57.74	Line charged on 21.05.2009.
21	Construction of 132 KV, Tethar TL.	54.00	0.00	0.00	0.00	53.39	0.61	Line charged on 17.04.2009.
22	Construction of 220 KV, Zainkote-Alusteng-Mirbazar TL (127 kms).	9823.00	0.00	0.00	0.00	5797.22	4025.78	Out of 441 No. tower foundations, 415 laid. ROW issues/cases subjudice. LOA for turnkey works of Zainkote-Alusteng section issued to M/s ECI on 12.08.2010, 90 towers erected and 9 kms conductor laid, material partly supplies. Alusteng-Mirbazar section put ON-HOLD till funds as per Revised Project Report are arranged/allotted.
23	Construction of 220 KV, Zainkote-Amargarh TL (42.5 kms).	2822.00	0.00	0.00	0.00	2821.97	0.03	One circuit of line commissioned, demolitions required for charging other circuit. Funds exhausted. Protections works required.
24	Construction of 132 KV, Sagam (Lissar) TL (13kms).	648.00	0.00	0.00	0.00	648	0	Transmission line commissioned on 05.12.2011.
25	Construction of 132 KV, Lassiporaa-Shopian D/C TL (14.5 kms).	648.00	0.00	0.00	0.00	642.17	5.83	Line commissioned on 22 nd May, 2013.
26	Construction of 132 KV, Badampora-Bandipora D/C TL (31 kms).	1643.00	445.00	0.16	445.00	2087.15	0.0	72 No. fnds out of 111 Nos. laid. 34 towers erected. Special fnd design and hill side extensions required in view of soil/topography. ROW issues at

Order on Petition for APR FY 2014-15 (including Transmission tariff for FY 2015-16)

Sr. No.	Name of the scheme/work	Estimated cost	Outlay 2014-15	Exp. Ending 01/2015	Total expected exp. During FY 2014-15	Cum. Exp since inception of scheme.	Projected exp. During FY 2015-16	Physical status as on 01/2015
								many locations being followed up.
27	Construction of 132 kV single circuit TL over Pir-Top .	325.00	0.00	0.00	0.00	0	325	Construction of a new S/C TL over Pir top found technically not feasible.
28	Upgradation of CSTL between Wanpoh & Pampore.	903.00	0.00	0.00	0.00	604.99	298.01	Panther conductor on Pampore-Wanpoh section replaced by AAAC conductor except 1.5 km line length
	Total:-	70938.00	1902.41	0.5746.39	1902.41	59271.76	8527.84	
	Provision for PLCC equipments.							
1	Jammu	2102.60					2102.60	
2	Kashmir	3020.00					3020.00	
	Grand Total		3440.08		3440.08		26507.38	



ii) Scheme Wise Capital Expenditure under T&D for FY 2014-15 and projected for FY 2015-16 for JKPDD- Transmission (Rs Lakhs) (Annexure A-2)

a) Jammu

S. No.	Name of the Scheme	Org. scheme cost	Rev. scheme cost	Cumm. Expdtt. 03/2014	Tentative Exp. 2014-15	Cumm. Exp. Ending 2014-15 since inception of the scheme	Balance cost of the Scheme/Funds required for 2015-16
1	220/132 KV Grid Station						
i	Procurement of new transformer & repair of damaged transformers (for restoration of power supply for Grid Station Gladni, Jammu).	1300.00	3699.27	1756.45	0.00	1756.45	1942.82
2	132/33 KV Grid Stations (New)					0.00	0.00
i.	1 X 50 MVA Grid Station Mahanpur.	609.60	1336.22	1131.91	5.00	1136.91	199.32
3	Aug. of existing Grid Stations 132/66-33 KV					0.00	0.00
i.	Augmentation of 132/33 KV Grid Station Gladni from 2x50 MVA to 3x50 MVA	550.55	869.80	544.80	10.00	554.80	315.00
ii	Augmentation of 132/66 KV Grid Station Kathua from 100 to 120 MVA.	211.38	211.38	188.40	10.00	198.40	12.98
	Tr.Lines:					0.00	0.00

Order on Petition for APR FY 2014-15 (including Transmission tariff for FY 2015-16)

S. No.	Name of the Scheme	Org. scheme cost	Rev. scheme cost	Cumm. Expdtt. 03/2014	Tentative Exp. 2014-15	Cumm. Exp. Ending 2014-15 since inception of the scheme	Balance cost of the Scheme/Funds required for 2015-16
4	220 KV Trans. Line					0.00	0.00
i.	Gladni – Udhampur.	1755.75	2075.00	2036.07	19.30	2055.37	19.63
5	132 KV Trans. Line					0.00	0.00
i.	D/C Barn – Canal	390.05	636.36	483.28	10.00	493.28	143.08
6	Other departmental works					0.00	0.00
i	Stabilization of KPTL.	267.82	320.00	286.72	30.00	316.72	3.28
ii	Renovation of Control Room Building complex of 50 MVA, 220/132 KV G/S Gladni.	26.96	26.96	19.91	0.00	19.91	7.05
iii	Modernization of 220/132/33 KV G/S Udhampur.	355.08	355.08	317.43	0.00	317.43	37.65
iv	2x20 MVA, 132/33 KV Grid Station Reasi.	891.79	1776.84	520.83	25.00	545.83	1231.01
v	Civil works other than Grid Stn. Construction of approach road for Grid Station Chandak	20.00	20.00	20.00	0.00	20.00	0.00
vi	Acquisition of land under State Plan for PMRP Projects (S&O Jammu).	550.00	1440.00	1092.18	339.02	1431.20	8.80
vii	Improvement of 90 MVA, 132/33 KV G/Stn Miran Sahib by way of replacement of breakers.	136.78	136.78	84.90	10.00	94.90	41.88

Order on Petition for APR FY 2014-15 (including Transmission tariff for FY 2015-16)

S. No.	Name of the Scheme	Org. scheme cost	Rev. scheme cost	Cumm. Expdtt. 03/2014	Tentative Exp. 2014-15	Cumm. Exp. Ending 2014-15 since inception of the scheme	Balance cost of the Scheme/Funds required for 2015-16
viii	Replacement of conductor of 132 KV Hiranagar - Gladni line from tower location No. 47-52 & tower location No. 99-100 (Stabilization of existing Tr. Lines & Grid Stations)	41.50	41.50	35.00	0.00	35.00	6.50
ix	Aug. of 2x20 MVA, 132/33 KV to 70 MVA Grid Station Akhnoor	279.00	279.00	279.93	0.00	279.93	
x	Aug. of Grid Station Barn from 2x20 MVA, 132/33 KV to 2x50 MVA.	873.17	873.17	306.71	25.00	331.71	541.46
xii	Strengthening of 220 KV bus bar ACSR Zebra to twin mouse at 710 MVA , 220/132 / 33 KV Grid Stn . Gladni.	18.25	18.25	11.34	0.00	11.34	6.91
xiii	Renovation and modernization of 2x20 MVA, 132/33 KV Grid Station Sidhra	253.86	253.86	28.82	30.00	58.82	195.04
xiv	Aug. of 132/33 KV Grid Stn. Gangyal from 50 MVA to 100 MVA	507.10	507.10	87.07	10.00	97.07	410.03
xv	Aug. of 20 MVA to 50 MVA 132/33 KV Grid Station Kalakote	308.22	308.22	254.95	20.00	274.95	33.27
xvi	Replacement of 220/132 KV transformers (6x40MVA+1 spare, 1-phase) with 2x160 MVA 3-phase 220/132 KV power transformers and allied equipments at 220/132/33 KV Grid Station Udampur.			67.50	0.00	67.50	-67.50

Order on Petition for APR FY 2014-15 (including Transmission tariff for FY 2015-16)

S. No.	Name of the Scheme	Org. scheme cost	Rev. scheme cost	Cumm. Expdtt. 03/2014	Tentative Exp. 2014-15	Cumm. Exp. Ending 2014-15 since inception of the scheme	Balance cost of the Scheme/Funds required for 2015-16
xvii	Stabilization of 132 KV D/C CSTL			90.00	0.00	90.00	-90.00
xvi	Stabilization of 220 KV S/C Sarna-Udhampur Tr. Line.	307.43	307.43	105.00	40.00	145.00	162.43
xvii	Augmentation of 320 MVA, 220/132 KV to 480 MVA, 220/132 KV at Grid Station Barn Jammu	1981.63	1981.63	64.95	25.00	89.95	1891.68
xviii	Interchange Arrangement of Power Flow from Gladni on 132 KV, S/C, Gladni-Kalakote, Transmission line & Power Flow from Barn on 132 KV, D/C, Barn-Siot-Kalakote Transmission line.	10.00	10.00	4.41	0.00	4.41	5.59
xix	Replacement of 220 KV SF-6 Ckt Breakers at 220/132/66 KV Grid Station Hiranagar	189.00	189.00	48.86	30.00	78.86	110.14
xx	Clearance of liability M/S AVAS POWER for supplying of Battery Bank for G/Stn Canal	8.95	8.95	3.77	5.00	8.77	0.18
xxi	Stab. of existing Tr. Lines/G/Stns. (Str. Reconst. & Restoration work at location No. 132-P in Janipur-Jhajjar-Kotli tr. Line)/Strn. Of G/S Barn/Strengthening of Kalakote Tr. Line/Strengthening of Barn-Katra Tr. Line)	500.00	500.00	410.54	10.00	420.54	79.46
xxii	Balance payment due to M/S BHEL on a/c augmentation of G/Stn Gladni	0.00	0.00	65.61	0.00	65.61	-65.61

Order on Petition for APR FY 2014-15 (including Transmission tariff for FY 2015-16)

S. No.	Name of the Scheme	Org. scheme cost	Rev. scheme cost	Cumm. Expdtt. 03/2014	Tentative Exp. 2014-15	Cumm. Exp. Ending 2014-15 since inception of the scheme	Balance cost of the Scheme/Funds required for 2015-16
xxiii	Restoration of 132 KV Poonch-Draba Tr. Line	450.00	450.00	281.50	15.00	296.50	153.50
xxiv	Stab. of 132 KV CSTL.	354.63	354.63	110.00	40.00	150.00	204.63
xxv	Stab. of Barn-Kishanpur Tr. Line	122.00	122.00	44.29	20.00	64.29	57.71
xxvi	Janipur Kalakote Section location No. 104-Q, 144-Q,109-Q	15.00	15.00	9.99	5.00	14.99	0.01
xxvii	132 KV S/C Janipur-Jhajjar-Kotli Tr. Line	31.00	31.00	9.98	10.00	19.98	11.02
xxviii	132 KV D/C Canal- Miran Sahib Canal Tr. Line location No. 25	35.00	35.00	4.95	5.00	9.95	25.05
xxix	132 KV D/C Hiranagar-Kathua Tr. Line location No. 91	10.00	10.00	9.51	0.00	9.51	0.49
xxv	Replacement of 132/66 KV SF6 breakers at G/Stn Samba	68.18	68.18	0.00	10.00	10.00	58.18
Total (a)		13429.68	19267.61	10817.54	758.32	11575.86	7691.75

b) Kashmir

S.No.	Name of Scheme	Scheme Cost	Capital Exp. During FY 2014-15	Cumulative Exp. Of Scheme	Projected Capital Exp. For FY 2015-16
1	Stabilization of 220KV D/C Kishanpore-Pampore Trans. Line	876.00	70.00	698.96	177.04
2	LILO of circuit-11 of 132 KV LJTL at Amargarh	673.10	40.00	498.56	174.54
3	Stabilization of 132 KV USHP-I Habak Tr. Line	148.60	0.00	20.70	127.90
4	Stabilization of Existing Grid Stns./Tr. Lines	500.00	25.00	97.56	402.44
5	Installation of Shunt capacitors	2887.34	0.00	7.50	2879.84

Order on Petition for APR FY 2014-15 (including Transmission tariff for FY 2015-16)

S.No.	Name of Scheme	Scheme Cost	Capital Exp. During FY 2014-15	Cumulative Exp. Of Scheme	Projected Capital Exp. For FY 2015-16
6	Augmentation of 132/33 KV G/S Wanganpora (150 to 200 MVA)	505.85	40.00	482.59	23.26
7	Augmentation of 132/33 KV G/S Wanpoh	614.16	0.00	184.29	429.87
8	Construction of 100 MVA 132/33 KV G/S Khrew with 17 KM 132 KV Line	3127.00	50.00	460.00	2667.00
9	Renovation & Modernization of 132/33 KV G/S Pampore	384.64	0.00	180.00	204.64
10	Augmentation of 132/33 KV Grid Station Rawalpora (110 to 140 MVA)	347.85	30.00	80.00	267.85
11	Augmentation of 132/33 KV G/S Kangan(20 to 40 MVA)	152.00	40.00	59.85	92.15
12	Metering of boundary points/ Grids	145.74	30.00	90.00	55.74
13	LILO of 220 KV G/S Mirbazar, Delina, Alustang	1182	40.00	733.61	448.39
14	Land Acquisition	2000	0.00	1180.71	819.29
	TOTAL (b)		365.00		8769.98
	G. TOTAL (a+b)		1123.32		16461.73

Expenditure Statement of Plan Schemes of the Utility as per the Power Development Department (PDD), GoJK

Annexure - A3 (FY - 2014-15)

Expenditure Statement of Plan schemes of Power Dev. Department for the month of December 2014 (Provisional)															
Sl. No	Sub-sector	Rev.	Outlay for the year 2014-15					G.Total (3+7)	Rev.	Expenditure ending December 2014					
			Capital			Loan	Total (4+5+6)			Capital				G.Total (9+13)	
			State Plan Schemes		Normal					Projectised items	State Plan Schemes	Loan	Total (10+11+12)		G.Total (9+13)
			Normal	Projectised items											
1	2	3	4	5	6	7	8	9	10	11	12	13	14		
1	Survey & Investigation	0.00	225.00	0.00	0.00	225.00	225.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
2	Generation	0.00	0.00	2800.00	22200.00	25000.00	25000.00	0.00	0.00	2240.00	0.00	2240.00	2240.00	2240.00	
3	T & D	1050.00	500.00	10346.25	0.00	10846.25	11896.25	580.52	0.00	3710.91	0.00	3710.91	4291.43	4291.43	
4	REC	0.00	0.00	0.00	2500.00	2500.00	2500.00	0.00	0.00	0.00	251.09	251.09	251.09	251.09	
Total :-		1050.00	725.00	13146.25	24700.00	38571.25	39621.25	580.52	0.00	5950.91	251.09	6202.00	6782.52	6782.52	

Note * Rs 600.00 lacs has been authorized by Planning & Dev. Department as an additionality for SSI unit holders
 * Rs 100.00 lacs has been authorized by Planning & Dev. Department as an additionality for ST Bastis of Kalakote.
 ** REC expenditure out of unspent revaluated funds of F.Y. 2013-14.11 new schemes for lifting loan is pending with Finance Department of F.Y.2014-15.
 ** Against 50% authorization of capital, expenditure is reported including payment for land acquisition of PMRP projects.

Expenditure details of PMRP (T&D) projects			(Rs. In Lacs)
Outlay (2014-15)	Funds authorized	Exp. ending Dec.2014	
7591.00	3440.08	22.20	


Director, PIM,
 Planning & Dev. Department
 No:PDD-VII/Plan/Exp/2014-15
 Dated:14.01.2015

[Signature]
 Assistant Director (P&S),
 Power Dev. Department



Annexure 5: Letter from Director Finance, Power Development Department (PDD), GoJK

FROM : SECRETARY TECHNICALPM FAX NO. : 01912520845 20 Feb. 2015 3:59PM P1


Government of Jammu and Kashmir
Power Development Department,
Civil Secretariat, Jammu/Srinagar.

Development Commissioner Power,
J&K, Jammu.


No: - PDD/II/AC/86/20123 Date: - 20.02.2015

Subject: - Annual Performance Review for 2014-15 and Tariff petition for FY 2015-16 filed by JKPDD for Transmission function.

Sir,

Kindly refer your letter No. DC/PD/TO-I/42/1665-68 dated 05.02.2015 regarding the subject cited above. The requisite information is enclosed for favour of further necessary action at your end.

Yours faithfully,


Director Finance,
Power Development Department.

Copy to the :-
1. Secretary, J&K SEREC, Panama Chowk Jammu for information. This take reference to your letter No. JKSERC/Secy/2014/23/1652-53 dated .5.2.2015.

FROM : SECRETARY TECHNICALPM

FAX NO. : 01912520845

20 Feb. 2015 4:00PM P2

The brief details of the Expenditure in respect of Transmission in J&K PDD for the year 2013-14, 2014-15 & 2015-16

Administrative & General Expenses

(Rs. in lakhs)

Particulars	2013-14 (Actual)	2014-15 (RE)	2015-16 (Pro)
Electricity Charges	123.59	142.00	170.50
Travelling Expenses	12.86	14.50	24.50
Office Expenses	21.83	24.00	44.90
Professional Charges	3.54	4.50	8.16
Telephone Expenses	13.52	15.9	21.3
Other A&G Expenses	9.84	12.5	14.75
Total	185.18	213.4	284.11

Employee Expenses

Particulars	2013-14 (Actual)	2014-15 (RE)	2015-16 (Pro)
Salaries	5756.82	6600	7200
Wages	28.81	26.06	26.07
Medical Reimbursement	8.81	16.50	22.00
Total	5794.44	6642.56	7248.07

Repairs & Maintenance Expenses

Particulars	2013-14 (Actual)	2014-15 (RE)	2015-16 (Pro)
Maintenance & Repair	899.71	950	985
R&M- Machinery & Equipment	29.84	35	37
other R&M Expenses	338.29	302.11	271.79
Total	1267.84	1287.11	1293.79

Note:-

1. Other A&G expenses include Rent, Rates, POL Taxes, and Uniform .
2. Other R&M expenses include outsourcing-upkeeping and compensation.

The actual for 2013-14 are verified as per budget documents. fsp

[Signature]
Director Finance
Power Dev. Department