

**Subject: -        Framing of issue in the matter of Petition filed by Sukkur Electric Power Company (SEPCO) for the Determination of its Consumer-End Tariff Pertaining to the FY 2015-16 Based on Actual/Estimated Results of FY 2014-15 as Test Year.**

**1.        Framing of issues**

1.1        For the purpose of hearing the following issues have been framed to be considered during the hearing and for presenting written as well as oral evidence and arguments:-

- i.        Whether the petitioner has complied with the directions of the Authority given in the tariff determination for the FY 2014-15?
- ii.       Whether the petitioner's projected power purchase of 4,100 GWhs and sales of 2,700 GWhs for the FY 2015-16, is reasonable?
- iii.       Whether the petitioner's proposed transmission and distribution losses of 34.15 % for the FY 2015-16 based on Actual/ provisional losses of 38.18 % for FY 2014-15, are justified?
- iv.       Whether the petitioner projected power purchase cost of Rs.40,180 million (Rs.14.88/kWh) for the FY 2015-16, is justified as against Actual/ provisional cost of Rs 42,550 million (Rs. 15.87/kWh) for FY 2014-15?
- v.        Whether the petitioner projected O&M cost of Rs.7,710 million (Rs.2.86/kWh) for the FY 2015-16 based on the Actual/provisional cost of Rs.6,887 million (Rs.2.57/kWh) for FY 2014-15 after accounting for inflation/increments, is justified?
- vi.       Whether the petitioner proposed depreciation charge of Rs.1,124 million (0.42 /kWh) for the FY 2015-16 as against the Actual/ provisional cost of Rs. 1,006 million (Rs.0.38/kWh) for FY 2014-15 after accounting for projected additions to fixed Assets, is justified?
- vii.       Whether the petitioner projected Return on Regulatory Asset base of Rs.2,390 million (Rs.0.89/kWh) for FY 2015-16 as against the Authority's approved return of Rs.1,408 million (Rs.0.44 /kWh) for FY 2014-15, is justified?
- viii.       Whether the petitioner projected other income of Rs.2,561 million (Rs.0.95/kWh) for the FY 2015-16 as against the Authority's approved Rs.740 million (Rs.0.23/kWh) for the FY 2014-15, is reasonable?
- ix.       Whether the petitioner's proposed Investment plan of Rs. 4,322 million for the FY 2015-16, is justified and keeping in view the prospective benefits as against the actual/provisional investment of Rs.3,278 million for FY 2014-15?

- x. Whether the Proposed revenue requirements of Rs. 56,635 million at an average sale rate of Rs.20.97/kWh for the FY2015-16, is justified as against Authority's approved revenue requirement of Rs. 45,770 at average sale rate of Rs.14.37/kWh for the FY2015-16?
- xi. Whether the prior year adjustment calculated by SEPCO amounting Rs. 713 million for the FY 2014-15 is accurate?
- xii. Whether the request of petitioner to allow finance cost of Rs. 5,955 million for the FY 2015-16 for the allocated loan by GoP is justified?
- xiii. Whether the request of petitioner to allow Rs. 1,124 million as provision for bad debts based on 2% of the sale revenue, merits consideration?
- xiv. Whether the requested WACC of 17.45%, is justified?
- xv. What is the financial impact / loss of revenue due to TOU metering for cellular company and other similar connections?
- xvi. Whether the existing financial, administrative and technical powers concentrated at different layers of hierarchy is required to be amended in order to provide better services on the door step of the consumer?
- xvii. What is the impact of non-submission of IGTDP by the petitioner along with the tariff petition for the FY 2015-16 as required under Consumer-end Tariff (Methodology and Process) Guidelines, 2015?
- xviii. What will be the mechanism of charging Wheeling/Use of System Charges (UOSC) in case of network of XW-DISCOs are used for Wheeling?
- xix. Whether the tariff petition substantially complies with NEPRA Determination of Consumer-end Tariff (Methodology and Process) Guidelines, 2015?
- xx. Whether the concerns raised by the intervenor/ commentator are justified?
- xxi. Whether the reliefs sought by the petitioner, are justified?