



PESHAWAR ELECTRIC SUPPLY COMPANY

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OFFICE OF THE
CHIEF EXECUTIVE OFFICER
PESCO, PESHAWAR

No. 7757

Dated 07/10/2022

The Registrar,

National Electric Power Regulatory Authority,
NEPRA Tower, Attaturk Avenue, Sector G-5/I,
ISLAMABAD.

Tw 4:30 p.m. 07/10/22
- ADG/CT
copy to
- SA (NBE)
- SA (Tech)
- M.F.
cc: Chairman
- VC/4 (NBE)
- M (CCR/T)
- M (Lic)

Subject: **ADDENDUM TO THE APPLICATION FOR 1ST QUARTER
ADJUSTMENT FOR FY 2021-22 (DISTRIBUTION LICENSE NO.
07/DL/2002 DATED 30TH APRIL, 2002)**

Reference: This office letter No. 7491/FD/PESCO/CP&C dated 27-10-2021.

Dear Sir,

In continuation to the letter under reference, enclosed find herewith revised application of PESCO for 1st Quarter adjustment for FY 2021-22 after inclusion of the adjustment on account of Incremental consumption in respect of PESCO as per the transfer pricing mechanism notified vide SRO No. 190(I)/2021 dated 12-02-2021 and the Support Package as notified vide SRO No. 1292(I)/2020 dated 03-12-2020, consequent upon the determination of the Authority in respect of PESCO dated 11-12-2020, 14-12-2020 and its determination dated 01-12-2020 for Support Package for Additional Consumption and Abolishment of Time of Use Tariff Scheme for Industrial Consumers, respectively.

It is pertinent to mention here that hearing of the 1st Quarter Adjustment was deferred on 12-01-2022 by NEPRA due to the non-inclusion of adjustment on account of Incremental Consumption as pointed out by CPPA-G. The Authority advised the DISCOs and CPPA-G to finalize the actual impact of the Incremental units on capacity charges etc. accordingly, the calculations have been revised by including the adjustment on account of incremental consumption for the 1st quarter along with the arrears from November 2020 to June 2021.

Keeping foregoing in view the application for 1st Quarter Adjustments is again submitted on the basis of revised calculations with the request to allow the same as per notified transfer pricing mechanism.

DA/As above.

[Signature]
Chief Executive Officer
PESCO Peshawar
CHIEF EXECUTIVE OFFICER
PESCO PESHAWAR

Division Record

932

11-2-22

1453

10-2-2022

BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY,
ISLAMABAD

REVISED APPLICATION FOR 1ST QUARTER ADJUSTMENTS PER NOTIFIED
TARIFF VIDE SRO NO. 190(I)/2021 DATED 12-02-2021 AS A CONSEQUENCE OF
NEPRA DETERMINATION DATED 11-12-2020 & 14-12-2020.

THE PESHAWAR ELECTRIC SUPPLY COMPANY LTD. (PESCO)
WAPDA HOUSE, SHAMI ROAD, PESHAWAR THROUGH ITS
CHIEF EXECUTIVE OFFICER, MUHAMMAD JABBAR KHAN.

1. Petitioner

- 1.1 Peshawar Electricity Supply Company Limited (PESCO) is an Ex-WAPDA Distribution Company (DISCO) owned by the Government of Pakistan (GOP) and incorporated as a Public Limited Company on 25th April 1998 vide company registration No. L09497 of 1997-98 under section 32 of the Companies Ordinance 1984.
- 1.2 Principal business of PESCO is to provide electricity in Khyber Pakhtunkhwa jurisdiction of PESCO under License No.07/DL/2002 dated 30-04-2002 granted by NEPRA (the Distribution License).

2. Applicable Tariff

- 2.1 PESCO being a distribution licensee of NEPRA, had filed a Tariff Petition for the Determination of its Consumer End Tariff for FY 2018-19 and FY 2019-20 on 25-10-2019 as per revised NEPRA Act for the Determination of Distribution (Non-sale element) Tariff and Supply of electricity (Consumer End Tariff) and NEPRA issued determination on 11-12-2020 and 14-12-2020 respectively and notified by GoP dated 12-02-2021. Currently, PESCO is charging Consumer End Tariff of FY 2018-19 & FY 2019-20 (Case # NEPRA/TRF-511/PESCO-2019) as determined on 11-12-2020 & 14-12-2020. After conclusion of the proceedings, Determination for FY 2018-19 & FY 2019-20 was given by the Authority and PESCO filed a review motion on the Tariff Determined by Nepra on 24-12-2020, hearing of the same was held on 02nd February, 2021 and determination upon the subject was given by the Authority on 19-04-2021.
- 2.2 In view of above, the applicable tariff and the monthly adjustments being notified by the Authority are based on the determination in respect of PESCO for the FY 2018-19 & FY 2019-20 and the said Tariff Determinations of PESCO (including PPP adjustment for FY 2019-20) was notified vide SRO No. 190 (I)/2021 dated 12-02-2021 and SRO No.1292(I)/2020 dated 03-12-2020 for Incremental consumption effective to recover the cost from consumers of PESCO. Similarly, the monthly adjustments being notified by the Authority are based thereon.



2.3 It is pertinent to point out that the above determination of the Authority notified vide SRO No. 190 (I)/2021 dated 12-02-2021 specifically provides for the Quarterly Adjustments to be decided by the Authority on the basis of following scope:

- 2.3.1 the adjustments pertaining to the capacity and transmission charges;
- 2.3.3 the impact of T&D losses on the components of PPP;
- 2.3.3 adjustment of Variable O&M as per actuals; and

2.4 In furtherance of current notified tariff vide SRO No. 190 (I)/2021 dated 12-02-2021 and SRO No.1292(I)/2020 dated 03-12-2020 for incremental consumption, consequent upon the determination of the Authority in respect of PESCO dated 11-12-2020, 14-12-2020 and 01-12-2020 respectively, along with determination on account of 1st, 2nd, 3rd & 4th Quarterly Periodic Adjustments for FY 2020-21 determined by NEPRA on 06-05-2021, 30-07-2021 and 30-12-2021, notified vide SRO No. 1278(I)/2021, SRO No. 1067(I)/2021 and SRO No. 117(I)/2022 dated 30-09-2021, 25-08-2021 and 20-01-2022 respectively. PESCO is submitting this application for 1st Quarter Adjustments for the FY 2021-22 in aggregate amounting to Rs. 5,055 Million, which may be passed on by way of Rs. 0.43 per unit for the next 12 months. This quarterly adjustment of PPP for the 1st quarter of FY 2021-22 (Jul-Sept), being a pass through for PESCO, is quantified based on (i) the capacity and transmission charges being passed on to PESCO per the notified Transfer Pricing Mechanism; (ii) the impact of T&D losses on the component of PPP per the notified tariff; and (iii) adjustment of Variable O&M as per actual being passed on to PESCO per the notified Transfer Pricing Mechanism. The requisite details along with supporting data and material is attached herewith as **Annexure – A**.

2.5 In view of the Monthly Adjustments being notified by the Authority are also being determined on the basis of current notified tariff and since PPP is a pass through for all the DISCOs, it is requested that per the same process, the 1st Quarter Adjustments for FY 2021-22 may also be adopted. This would also be in line with the applicable methodology determined by the Authority and notified by Federal Government that both Quarterly and Monthly Adjustments may timely be passed on.

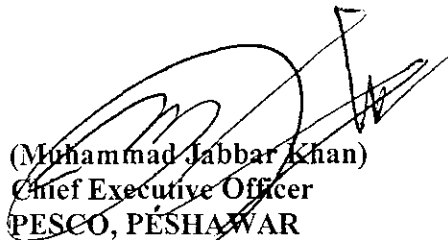


3. Prayer/ Request

We shall be grateful if the Authority shall give due consideration to our application to allow the Revised 1st Quarter Adjustment for the FY 2021-22 per the current notified tariff vide SRO No. 190(I)/2021 dated 12-02-2021 and SRO No.1292(I)/2020 dated 03-12-2020, consequent upon the determination of the Authority in respect of PESCO dated 11-12-2020, 14-12-2020 and 01-12-2020 respectively, along with determination on account of periodic adjustments for 4th Quarterly Adjustments determined by NEPRA on 30-12-2021, notified vide SRO No. 117(1)/2022 dated 20-01-2022 respectively, in aggregate amounting to Rs. 5,055 Million, which may be passed on by way of Rs. 0.43 per unit for the next 12 months.

Any other appropriate order deems fit by this honorable Authority may also be passed.


With best regards,


(Muhammad Jabbar Khan)
Chief Executive Officer
PESCO, PESHAWAR
CHIEF EXECUTIVE OFFICER
PESCO PESHAWAR

PESHAWAR ELECTRIC SUPPLY COMPANY
REVISED 1ST QUARTER ADJUSTMENT FOR FY 2021-22

Rs. In Million

Description	1st Qtr (Revised)
Impact of T&D Losses	2,207
Impact of VO&M	(71)
Impact of CPP	2,672
Impact of UoSC	247
Required Adjustment for the Quarter	5,055



PESHAWAR ELECTRIC SUPPLY COMPANY
1ST QUARTER ADJUSTMENT FOR FY 2021-22

Rs. In Million

Power Purchase (FY 2021-22)		1st Quarter			Total
		Jul-21	Aug-21	Sep-21	

Demand & Energy

Units Received	[MkWh]	1,831	1,766	1,644	5,241
MDI	[MW]	3,765	3,885	3,435	3,695
Energy Purchase Price	[Rs/ kWh]	8	8	8	8.05
Capacity Purchase Price	[Rs/ kW/ M]	1,733	1,958	2,924	2,205
Transmission Charge	[Rs/ kW/ M]	176	176	176	176

Power Purchase Cost

Energy Charge	[Mln Rs]	14,587	14,007	13,614	42,209
Capacity Charge	[Mln Rs]	6,524	7,606	10,044	24,174
Transmission Charge	[Mln Rs]	663	684	605	1,953
Market Operator Fee (MoF)	[Mln Rs]	6	6	5	16
Adjustment ** UoSC	[Mln Rs]	-	-	-	-

Total Operating Cost	[Mln Rs]	21,780	22,304	24,269	68,352
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Quarterly Adjustments - 1st Qtr

EPP Adjustment

1st Qtr

EPP - 1st month of the Qtr


Reference -	5.2798
Actual	7.9654
Variable O&M & Wind & Solar Adjustment	1.1138
Net EPP	6.8517
Disallowed & Deffered Cost	0.1948
Fuel Price Adjustment Allowed	1.3771

EPP - 2nd month of the Qtr

Reference -	4.7334
Actual	7.9322
Variable O&M & Wind & Solar Adjustment	1.2589
Net EPP	6.6733
Disallowed & Deffered Cost	(0.0140)
Fuel Price Adjustment Allowed	1.9539

EPP - 3rd month of the Qtr

Reference -	5.0229
Actual	8.2812
Variable O&M & Wind & Solar Adjustment	0.8760
Net EPP	7.4052
Disallowed & Deffered Cost	(0.1449)
Fuel Price Adjustment Allowed	2.5272



(Revised)

Target Losses for the quarter

1st Qtr
21.33%

1st month of the Qrt	1st month of the Qrt	
	Units Received (MkWh)	1,831
	Units to be sold (MkWh)	1,441
	Units without Life line (MkWh)	1,432
	Adjustment already given (Mln Rs)	1,972
	Adjustment that should have been with allowed costs only (Mln Rs)	2,522
	Impact of disallowed & Deffered costs (Mln Rs)	357
	Remaining adjustment for the quarter only allowed (Mln Rs)	550
	Remaining adjustment for the quarter with allowed, disallowed & Deffered Cost(Mln Rs) Net	906
	Impact of lifeline, from new reference	12
	Impact of losses from new reference	538
		550
2nd month of the Qrt		21.33%
	2nd month of the Qrt	
	Units Received (MkWh)	1,766
	Units to be sold (MkWh)	1,389
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	1,381
	Adjustment already given (Mln Rs)	2,698
	Adjustment that should have been with allowed costs only (Mln Rs)	3,450
	Impact of disallowed & Deffered costs (Mln Rs)	(25)
	Remaining adjustment for the quarter only allowed (Mln Rs)	752
	Remaining adjustment for the quarter with allowed, disallowed & Deffered Cost(Mln Rs) Net	727
	Impact of lifeline, from new reference	16
	Impact of losses from new reference	736
		752
3rd month of the Qrt		21.33%
	3rd month of the Qrt	
	Units Received (MkWh)	1,644
	Units to be sold (MkWh)	1,293
	Units without Life line (MkWh)	1,286
	Adjustment already given (Mln Rs)	3,249
	Adjustment that should have been with allowed costs only (Mln Rs)	4,155
	Impact of disallowed & Deffered costs (Mln Rs)	(238)
	Remaining adjustment for the quarter (Mln Rs)	905
	Remaining adjustment for the quarter with allowed, disallowed & Deffered Cost(Mln Rs) Net	667
	Impact of lifeline, from new reference	19
	Impact of losses from new reference	886
	Impact of change of base reference price/ Stay order by Peshawar High Court	905
Total Adjustment on account of EPP allowed only (Mln Rs)		2,207
Total Adjustment on account of EPP allowed disallowed & Deffered (Mln Rs)		2,301

Variable O&M ADJUSTMENT

1st Qtr

1st month of the Qrt	Ref for the 1st month of the Qrt	0.39
	1st month of the Qrt	
	Actual Variable per kWh	0.33
	Delta Variable per kWh	(0.06)
	Adjustment Required for the Month (Mln Rs)	(110)
2nd month of the Qrt	Price Variance	(86)
	Impact of losses	(23)
		(110)
	Ref. for the 2nd month of the Qrt	0.38
	2nd month of the Qrt	
	Actual Variable per kWh	0.40
3rd month of the Qrt	Delta Variable per kWh	0.02
	Adjustment Required for the Month (Mln Rs)	34
	Price Variance	26.67
	Impact of losses	7.23
		33.90
3rd month of the Qrt	Ref. for the 3rd month of the qrt	0.38
	3rd month of the Qrt	
	Actual Variable per kWh	0.38
	Delta Variable per kWh	0.00
	Adjustment Required for the Month (Mln Rs)	4
3rd month of the Qrt	Price Variance	3.49
	Impact of losses	0.95
		4.44
Total Adjustment on account of variable O&M (Mln Rs)		(71)



CPP ADJUSTMENT

1st Qtr

1st month of the Qrt	Ref for the 1st month of the Qrt	5.07
	1st month of the Qrt	
	Actual CPP per kWh	4.35
	Delta CPP per kWh	(0.73)
	Adjustment Required for the Month (Mln Rs)	(1,330)
	Adjustment on account of Incremental Units	329
	Total Adjustment Required for the Month	(1,001)
	Price Variance	(1,046)
	Impact of losses	(284)
	Adjustment on account of Incremental Units	329
2nd month of the Qrt	Ref. for the 2nd month of the Qrt	5.36
	2nd month of the Qrt	
	Actual CPP per kWh	5.17
	Delta CPP per kWh	(0.19)
	Adjustment Required for the Month (Mln Rs)	(336)
	Adjustment on account of Incremental Units	217
	Total Adjustment Required for the Month	(119)
	Price Variance	(264)
	Impact of losses	(72)
	Adjustment on account of Incremental Units	217
3rd month of the Qrt	Ref. for the 3rd month of the qrt	5.39
	3rd month of the Qrt	
	Actual CPP per kWh	6.60
	Delta CPP per kWh	1.21
	Adjustment Required for the Month (Mln Rs)	1,991
	Adjustment on account of Incremental Units	312
	Total Adjustment Required for the Month	2,303
	Price Variance	1,566
	Impact of losses	425
	Adjustment on account of Incremental Units	312
Arrears on account of incremental units from Nov-20 to Jun-21		1,489
Total Adjustment on account of CPP (Mln Rs)		2,672
Price Variance		256
Impact of losses		69
Adjustment on account of Incremental Units for the quarter		858
Arrears on account of Incremental Units from		1,489
		2,672

UoSC ADJUSTMENT

1st Qtr

1st month of the Qrt	Ref for the 1st month of the Qrt	0.31
	1st month of the Qrt	
	Actual UoSC and MoF per kWh	0.37
	Delta UoSc per kWh	0.05
	Adjustment Required for the Month (Mln Rs)	92.45
2nd month of the Qrt	Price Variance	72.73
	Impact of losses	19.72
		92.45
	Ref. for the 2nd month of the Qrt	0.33
	2nd month of the Qrt	
3rd month of the Qrt	Actual UoSC and MoF per kWh	0.39
	Delta UoSc per kWh	0.06
	Adjustment Required for the Month (Mln Rs)	103.93
	Price Variance	81.76
	Impact of losses	22.17
3rd month of the Qrt		103.93
	Ref. for the 3rd month of the qrt	0.34
	3rd month of the Qrt	
	Actual UoSC and MoF per kWh	0.37
	Delta UoSc per kWh	0.03
3rd month of the Qrt	Adjustment Required for the Month (Mln Rs)	50.80
	Price Variance	39.96
	Impact of losses	10.84
		50.80
3rd month of the Qrt	Total Adjustment on account of UoSC and MoF (Mln Rs)	247
	Total Adjustment for the quarter allowed costs only (Mln Rs)	5,055
3rd month of the Qrt	Total Adjustment for the quarter allowed, Disallowed & deferred costs only (Mln Rs)	5,220

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PESHAWAR ELECTRIC SUPPLY COMPANY

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Email: sec.pesco@gmail.com

Office of the
Company Secretary PESCO
Room No.158 Wapda House,
Shami Road, Peshawar

No. 766 / Co:Sec

Dated 03/06/2021

BOARD RESOLUTION

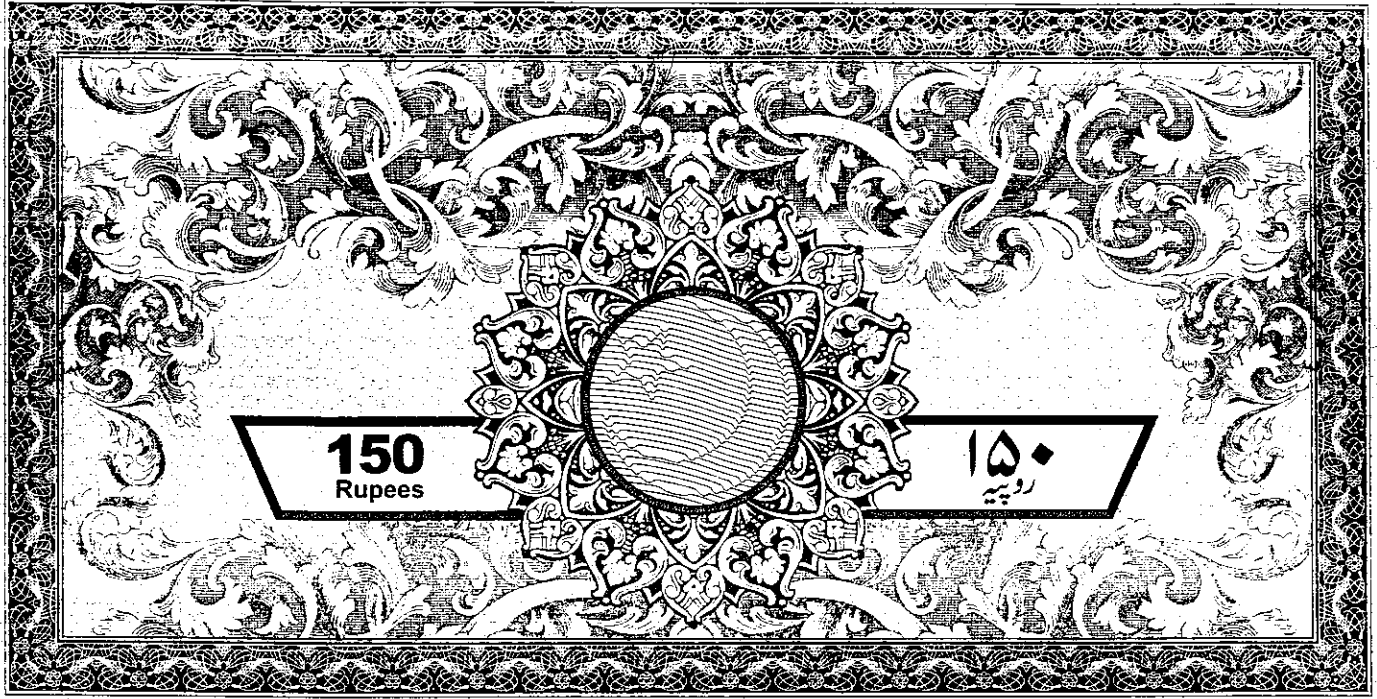
Board of Directors PESCO through circulation RESOLVED to authorize Chief Executive Officer and the Officers of PESCO to File Multi Year Tariff Petition, Review Motion (if required) and subsequent adjustments/ details etc with NEPRA (Separately for two licensed activities i.e. Distribution Business and Supply Business) for the period from FY 2020-21 to FY 2024-25.

He along with other officers of the company are hereby authorized to sign individually or jointly the necessary documents, appear before the Authority when needed and do all acts necessary for completion and processing of application.

Certified True Copy

COMPANY SECRETARY
PESCO

Dated 03-06-2021



AFFIDAVIT

I Muhammad Jabbar Khan S/O Shahgun Bay, Chief Executive Officer, Peshawar Electric Supply Company Limited (Distribution License No. 07/DL/2002) Holding CNIC No. 37405-0355948-5 being duly authorized representative/Attorney of Peshawar Electric Supply Company Limited, hereby solemnly affirm and declare that the contents of this Revised 1st Quarter Adjustment Petition for FY 2021-22 including all supporting documents are true and correct to the best of my knowledge and belief and that nothing has been concealed.

Deponent

Stamp Number
15501724
11/11/2017
Peshawar