



**GUJRANWALA ELECTRIC POWER COMPANY LIMITED**

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OFFICE OF CHIEF EXECUTIVE OFFICER, GEPCO LTD.  
(Market Implementation Regulatory Affairs Department)  
WAPDA Rest House, W-Block, Peoples Colony, Gujranwala.

No. GEPCO/MIRAD/UOSC/3034-37

Dated 29/09/2023.


✓ The Registrar,  
National Electric Power Regulatory Authority,  
Attaturk Avenue (East), G-5, Islamabad.

Subject: **PETITION FOR DETERMINATION OF USE OF SYSTEM CHARGES /  
WHEELING CHARGES**

Reference: Your office letter No. NEPRA/DG(Tariff)/TRF-100/33375-85 dated 13-09-2023.

As desired vide your letter referred above and in pursuance of Regulation 7 of NEPRA Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022; we are pleased to submit attached herewith Petition for determination of Use of System Charges ("UoSC Petition") after incorporating the revised tariff numbers as determined by NEPRA for the FY 2023-24. It may kindly be noted that the instant petition includes GEPCO Cost of Service Study ("COS Study") FY 2023-24 as Annex-2 thereto, forming fundamental basis for the instant UoSC Petition. The documents being submitted herewith also include the affidavit as per regulatory requirements.

In this matter, for any clarification or additional information Mr. Irfan Rafique DG MIRAD GEPCO can be contacted on cell phone # 0318-3991820 or email [gepco.dgmirad@gmail.com](mailto:gepco.dgmirad@gmail.com).

  
Chief Executive Officer,  
GEPCO H/Q Gujranwala.

DA/ As above

Copy to:

1. Chief Financial Officer, GEPCO, Gujranwala
2. Customer Services Director, GEPCO, Gujranwala
3. Chief Law Officer, GEPCO, Gujranwala
4. Master File.

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2. M (Lic.)  
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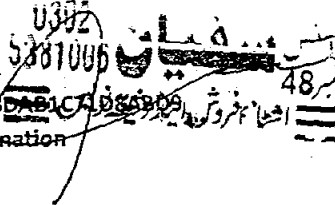
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S/O: MUHAMMAD NAWAZ  
Agent: ALI HAIDER TALHA [34101-0657341-5]  
Address: GRW  
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## AFFIDAVIT

I Muhammad Ayub S/O Muhammad Nawaz, Chief Executive Officer of the Gujranwala Electric Power Company having CNIC No. 31301-3584060-1, duly authorized by the Board of Directors of the Gujranwala Electric Power Company Limited in its 145<sup>th</sup> BOD Meeting held on August 14, 2022 (Othe Agenda Item) do hereby, solemnly affirm and testify that the content of the petition for determination of use of system charges, are in accordance with the provisions of the (Interconnection and Wheeling of Electric Power) Regulations, 2022 and are true and correct to the best of my knowledge, belief on the basis of concerned formations put before me; and further declare that:

1. I am the Chief Executive Officer of the Gujranwala Electric Power Company and I am fully aware of the affairs of the Company particularly to endorse petition for determination of system charges.
2. Whatsoever stated in the application and accompanied documents are true and correct and not concealed.

FY 2023-24

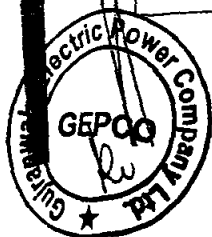
# Petition for Determination of Use of System Charges FY 2023-24



Providing Power for Progress and Prosperity

September 22, 2023

**GUJRANWALA ELECTRIC POWER COMPANY LIMITED**



FY 2023-24

# Petition for Determination of Use of System Charges FY 2023-24



Providing Power for Progress and Prosperity

September 22, 2023

**GUJRANWALA ELECTRIC POWER COMPANY LIMITED**



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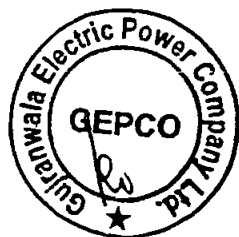
## **Gujranwala Electric Power Company (GEPCO) Ltd.**

### **Background**

As a result of restructuring of Gujranwala Electric Power Company (GEPCO) was incorporated on 25<sup>th</sup> April 1998 and obtained certificate for commencement of business on 5<sup>th</sup> June, 1998. The GEPCO is responsible for the electricity delivery to over 4.3 million consumers of six (06) civil districts of Gujranwala Division (Gujranwala, Gujrat, Sialkot, Narowal, Hafizabad and Mandi Bahauddin), Pakistan as set out in GEPCO's Distribution License no. 04/DL/2023, granted by NEPRA under the NEPRA Act on May 09, 2023. The company started its actual commercial operations, as GEPCO, effective from July 1, 1998. The Company is headed by a Chief Executive Officer (CEO) and GEPCO Board of Directors.

Under the provisions of Regulation of Generation, Transmission & Distribution of Electric Power (Amendment) Act, 2018, GEPCO is deemed to hold a license for supply of electric power to perform the function of sale of electric power in addition to existing licensee as Distribution Company. The Distribution function now shall, under Section 20 of the Act, be limited to ownership, operation, management or control of distribution facilities for the movement or delivery to the consumers of electric power. The deemed licensee status to engage in Supply of Electric Power, in terms of proviso to Section 23E (1) of the Act, has expired on May 01, 2023, however, GEPCO has already submitted a petition for grant of licence for supply of electric power with the Authority.

After the approval of Competitive Trading and Bilateral Contracts Market (CTBCM) by the honorable Authority on November 12, 2020 (No. NEPRA/R/DL/LAM-01/40691-98) several implementation actions were taken. This included issuance of License for the Market Operator (MO), approval of Market Commercial Code (MCC) and promulgation of several Regulations to ensure smooth implementation of CTBCM and create balance in roles, rights and obligations of the stakeholders in the CTBCM.



## Grounds of Petition:

Pursuant to the relevant directions of National Electricity Policy (“NE Policy”) read with regulation 7 of NEPRA Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022 (“Open Access Regulations”), following are the grounds for petition for determination of use of system charges:

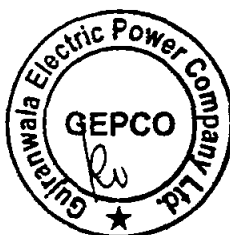
- a. In compliance with the Clause 4.4, Clause 5.5.2(f), Clause 5.5.2(g), Clause 5.5.4 and Clause 5.6.5 and 5.6.7 of NE Policy and
- b. In compliance with the regulation 7 Open Access Regulations, each distribution licensee, in consultation with the respective supplier of last resort shall, within ninety days following the date of notification of Open Access Regulation, submit separate petition to the Authority for determination of use of system charges.

## Directions in National Electricity Policy

The National Electricity Policy, 2021 issued under Section 14A of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (“The Act”) was prepared by the the Government of Pakistan for the development, reform, improvement and sustainability of the power market and power sector.

The National Electricity Policy identifies the major goals sought to be achieved for the power sector, and in this respect, provides policy directions. It also provides the key guiding principles to develop subservient frameworks that will steer the decisionmaking in the power sector to achieve identified goals.

Various sections of the said National Electricity Policy, 2021, as relevant to the instant case, are provided in the below lines.



Clause 4.4 (Financial Viability) of the National Electricity Policy provides that sustainability of the entire power sector pivots around the financial and commercial viability of its individual sub-sectors. This will be done by:

- a) *promoting investments on least cost basis balanced with development in the underserved areas;*
- b) *having cost-reflective tariffs in transmission and distribution, to the extent feasible;*
- c) *timely passing of costs to the consumers, while netting off any subsidies funded by the Government; and*
- d) *recovery of costs arising on account of open access, distributed generation, etc.*

Clause 5.5.2(f) of National Electricity Policy also provides:

*“providing a level playing field to all market participants through uniform application of cross-subsidization and other grid charges to consumers of all suppliers;*

Clause 5.5.2(g) of National Electricity Policy also provides:

*“the Government shall take a decision on the recovery of costs that arise due to advent of the open access and market liberalization;”*

Clause 5.5.4 of National Electricity Policy further directs:

*“In order to ensure implementation of wholesale market design and its further evolution, the Regulator shall in a timely manner frame, modify and evolve regulatory framework for, inter alia, supply, procurement, open access / wheeling, competitive bidding, import of power, and ensure effective market monitoring and enforcement. Provided that after implementation of CTBCM, every transmission licensee and distribution licensee shall offer, to all market participants, non-discriminatory open access / wheeling to its respective transmission or distribution system and interconnection services in accordance with CTBCM on the terms determined under the policy and legal framework.”*





**Clause 5.6.5 of National Electricity Policy stipulates:**

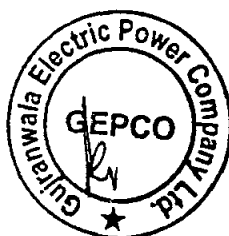
*“The Regulator, in order to ensure liquidity of the power sector, provide a level playing field for the development of wholesale market and to facilitate prudent projects of the Government, may impose additional charge(s) which shall be deemed to be costs incurred by the distribution companies / electric power supplier(s). Such additional charge may take into account the sustainability, socio-economic objectives and commercial viability of the sector, affordability for the consumers and the policy of uniform tariff. Similarly, the Government may also incorporate, in the consumer-end tariff, any surcharge imposed by it, which shall also be deemed to be cost incurred by the distribution companies / electric power supplier(s) and shall be collected by them in discharge of their public service obligations.”*

**Clause 5.6.7 of National Electricity Policy directes:**

*“The Regulator will provide for recovery of costs arising on account of distributed generation and open access in the consumer-end tariff, as decided by the Government. Further, the Government may announce, from time to time, various concessional packages to incentivize additional consumption to minimize such costs.”*

## **Legal and Regulatory Framework**

The approved design of Competitive Trading and Bilateral Contracting Market (CTBCM) provides the right of choice to the eligible Bulk Power Consumers (BPCs) to opt for any Supplier of Electric Power. The design, within the framework of the Act, also provides the concept of Competitive Supplier of electric power besides the Supplier of Last Resort, for the purposes of said right of choice to the BPCs within the said wholesale market design. The said right of choice, referred to as “open access”, envisages non-discriminatory access to the transmission and distribution network. It enables the eligible Bulk Power Consumers to procure power at competitive price, to meet their demand, from any supplier including the supplier of last resort. The foremost concern of DISCOs emanates from apprehended lose of base load, good paymaster and subsidizing consumers to the open access; and resultant evident adverse impact on financial and operational efficiencies. It is plausibly noted that, in addition to and in line



with the above mentioned policy framework, the regulatory framework also provides suitable recourse and relief to the DISCOs to mitigate the said possible adverse impacts.

As directed in Clause 5.5.4 of the said National Electricity Policy, 2021, the honorable Authority promulgated / specified several Regulations to ensure effective implementation of the market regime in Pakistan. This included promulgation of National Electric Power Regulatory Authority Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022 ("Open Access Regulations").

For the purpose of this petition for determination of Use of System Charges in terms of mentioned Open Access Regulations, following terms as defined in the legal and regulatory framework are reproduced as below:

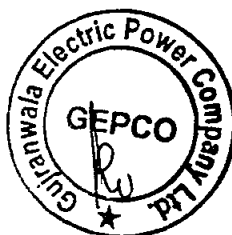
**As per Section 2(ii) of the Act 1997:**

*"bulk-power consumer" means a consumer who purchases or receives electric power, at one premises, in an amount of one megawatt or more or in such other amount and voltage level and with such other characteristics as the Authority may specify and the Authority may specify different amounts and voltage levels and with such other characteristics for different areas"*

**Important definitions provided in Regulation 2 of Open Access Regulations are provided below:**

**2(1)(m) "open access"** means the access to a network licensee's system or its associated facilities for movement and delivery of electric power, subject to the terms and conditions as provided in the Act, these regulations and use of system agreement, on non-discriminatory basis to:

- (i) an electric power supplier for supply of electric power to its consumer(s); or



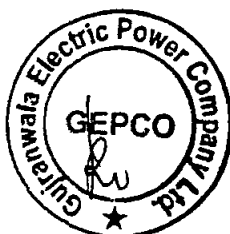
- (ii) *a captive generating plant for delivery of the electric power from generation facility to the destination of its use; or*
- (iii) *any other person, including a licensee for delivery of electric power from a designated place to another designated place;*

**2(1)(n) "open access user"** means any person who is availing open access under these regulations;

**2(1)(r) "use of system charges"** shall include all charges related to use of distribution system, use of transmission system, system operator services, market operator services, metering service provider services and any other charges as determined by the Authority **that may arise due to advent of the open access and market liberalization.**

**Part-III (OPEN ACCESS) Regulation 5 (Obligation to provide open access)** of Open Access Regulations is reproduced hereunder:

- (1) *"A network licensee shall establish, operate and maintain its distribution system or transmission system, as the case may be, in a manner that ensure non-discriminatory open access in accordance with the Act, theses regulations, Market Commercial Code, Grid Code, Distribution Code and other applicable documents.*
- (2) *A network licensee shall, on an annual basis, prepare an open access report demonstrating compliance with these regulations and licence terms and conditions, with the detail of its open access users, available and planned capacity, any issues identified in provision of open access, and any instances where open access was denied along with justification thereof. The said report shall also be made available on the website of the network licensee.*
- (3) *The report required under sub-regulation (2) shall be prepared and submitted to the Authority within a period of one month from the date of end of respective financial year and shall also be made available on the website of the network licensee.*
- (4) *The distribution company shall develop the use of system agreement in accordance with the minimum provisions provided in Schedule I within ninety days of the*



*notification of these regulations and shall obtain the approval of the Authority and publish the same in its website.”*

**Regulation 7 (Filing of petition and determination of use of system charges)** of Open Access Regulations provides as under:

*“Within ninety days following the date of notification of these regulations, each distribution licensee, in consultation with the respective supplier of last resort, shall prepare and submit separate petition to the Authority for determination of its use of system charges. Such petition shall be accompanied with a statement which will set out the basis upon which the use of system charges shall be calculated in such manner and with such details as shall be necessary.”*

**Regulation 8 (Wheeling of electric power)** of Open Access Regulations states under:

*“An open access user shall be entitled to wheel electric power using system of network licensee subject to compliance with these regulations and the Market Commercial Code, upon coming into effect, and use of system agreement.”*

## **Technical and Financial Attributes**

Adjoining the purposes of CTBCM, directions of the National Electricity Policy, 2021 and stipulations of the legal and regulatory framework; following understandings are inferred:

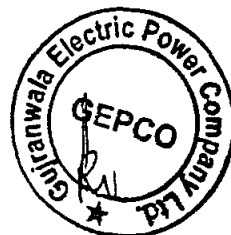
- i) The network licensee, the GEPCO for the purposes of instant petition, is obligated to provide open access, to its network, to the open access users on non-discriminatory basis.
- ii) For the said obligation, the GEPCO is entitled for recovery of use of system charges in line with use of system agreement, as determined by the honorable Authority.
- iii) The use of system charges shall include:



- a. Transmission Use of System Charges (NTDC, PGC) irrespective of the placement of BPC and the respective generator.
- b. System Operator Charges
- c. Metering Service Provider Charges
- d. Market Operator Charges
- e. Distribution Margin Charges w.r.t. to the voltage level (132kV, 11kV etc) and consumer category wise for all possible BPCs.
- f. Cross-Subsidy Charges (consumer category wise for all possible BPCs)
- g. Stranded Cost/Capacity (consumer category wise for all possible BPCs)
- h. Technical Transmission and Distribution Losses

iv) With reference to the above elements of use of system charges, following clarification shall apply for clarity of application:

- a. Currently applicable Transmission Use of System (TUoS) Charges, as already determined by the honorable Authority, compositely represent the charges relating to Transmission Network Operator(s)/Licensee(s), System Operator and Metering Service Provider. Accordingly, the said TUoS Charges remain part of use of system charges till separate charges for each of the said service providers are separately determined by the honorable Authority.
- b. Market Operator Fee / Charges (MOF) will be recovered by Market Operator as per the mechanism provided in the Market Commercial Code. Accordingly, without prejudice to being part of Cost of Service of GEPCO, these shall not form part of use of system charges to be recovered directly by GEPCO.
- c. Cross subsidy will be assessed based on Cost of Service analysis for the applicable consumer categories of all possible BPCs, which is according to the principles of uniformity as provided in the National Electricity Policy (referred above).
- d. Subject to the decision of the Government on the recovery of costs that arise due to advent of the open access and market liberalization, the Stranded Capacity Costs will be included in the use of system charges.



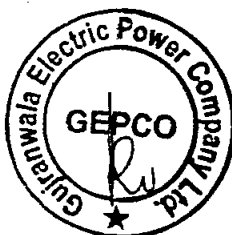
- e. As the transmission and distribution losses will be charged to market participants of open access through the mechanism as explained in the Market Commercial Code, therefore, such charges shall not be levied under these use of system charges as requested under this instant petition.

Explanation:

The use of system charges will be determined in terms of metered quantities (kWh or kW), in consideration of allowed %age of losses and also that arrangements under the Market Commercial Code the parties (the BPC, Competitive Supplier and/or Generator) shall be committing to the Capacity Obligation (including all losses and reserve margin up to bus-bar) through Firm Capacity, therefore, such transmission or distribution losses, as the case may be, will not be charged separately. However, for the purposes of transparency of charges, the impact of such losses may be separately disclosed.

- f. The use of system charges, including the Distribution Margin Charges, as requested by GEPCO and to the extent approved by Authority, will be applicable with reference to those eligible Bulk Power Consumers (BPCs) who opt for supply from a competitive supplier, other than supplier of last resort.
- g. The use of system charges shall be with reference to the voltage level (132/66 kV, 11/33 kV) for the applicable consumer categories of all possible BPCs. The component-wise Cost of Service as per outcome detailed Cost of Service Study **(Annex-2)** and consequent assessment, as detailed above, of component-wise Use of System Charges for the applicable BPCs is provided at **Annex – 1.**
- h. Power Factor Penalty as provided in applicable documents shall remain applicable in addition to the Use of System Charges.
- i. Any charges, taxes and surcharges as imposed by the Government shall be applicable.

Summarizing the above, following is the abstract of entitled entities for each element of the use of system charges:



Sr. No.	Use of System Charge Element	Entitled Entity
1.	Transmission Use of System Charge	NTDC and other TSPs through NTDC/NGC.
2.	System Operator Charge / Fee	System Operator through NTDC.
3.	MSP Charge / Fee	MSP through NTDC
4.	Distribution Use of System Charge	GEPCO as Distribution Licensee
5.	Cross Subsidy	GEPCO as SOLR (Supply Licensee)
6.	Stranded Capacity Costs	GEPCO as SOLR (Supply Licensee)

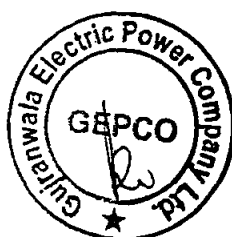
## Basis of Use of System Charges

The instant petition for determination of use of system charges has been developed based on Cost of Service Study (FY 2022-23) carried out by GEPCO forming integral part of this petition and provided separately as attached hereto as Annex-2.

## Method for recovery of Use of System Charges

The instant petition is for determination of use of system charges for recovery of costs and charges relating to service providers (SO, TNO, TSP, DNO), stranded capacity costs and the cross-subsidy currently being contributed by the eligible BPCs. It is pertinent to mention that most, if not all, costs and charges are fixed in nature, the natural mode of recovery should be the fixed (in terms of Rs./kW/Month) charge. However, following options are available for consideration and determination:

- i) Use of system charges recovery in term of Rs./kW/Month metered shall provide guaranteed stream of revenue to cover for costs which are fixed in nature. This may, however, over burden the relevant consumers thus undermining the very purpose of CTBCM and open access regime.
- ii) Use of system charges recovery in term of Rs./kWh will render the service providers and the SOLR to face the revenue loss arising from low load factor of the eligible BPCs. On the other hand the open access users shall be benefitted for any favorable Energy or Capacity Imbalance at the Market. This option may not provide a balanced approach to promised sharing of risks and rewards under CTBCM regime.



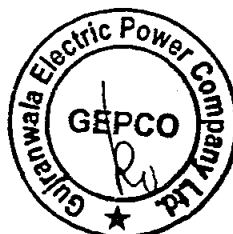
- iii) Use of system charges recovery through a hybrid approach, i.e. partly through fixed charge in terms of Rs./kW/Month (subject to minimum MDI compared to the contracted load) and partly in terms of Rs./kWh may provide a balanced plausible approach for all the involved parties. It is submitted that, in order to ensure level playing field for consumers of SOLR and Competitive Supplier, the recovery of use of system charges may have same charging mechanism.

As already mentioned, **Annex-1** to this petition also include proposed rates to be charged under each of the Three (3) options narrated above.

It is, however, noted that the methodology and process as per FACOS model, for the purpose of allocation of demand (kW or MW) related costs, allocates single system peak demand (of GEPCO) to different categories to arrive at the allocation base. This allocation, irrespective of being rational, judicious and in line with international norms, results in less than actual (billable) MDIs of respective customers. Accordingly, taking the same MW demand as denominator for demand (MW) based rate making will result in higher per MW rates. In consideration thereof, a second proposal (Proposal-2) for arriving at demand based rates as per option (i) above, i.e. whole cost recovery in terms of Rs./kW and option (iii), hybrid partial cost recovery in terms of Rs./kW; has been developed **based on billable MDIs** of B-3 and C-2 customer categories and provided as **Annex-1A** herewith.

### **Mechanism for Adjustment/Indexation of Use of System Charges**

Each component of use of system charges detailed in the instant petition shall be subject to periodic adjustment/indexations. Whenever these components are adjusted for regulated consumers of the suppliers of last resort, at the same time, the corresponding adjustment in the relevant component of the proposed Use of System Charges for eligible BPCs shall simultaneously be made.

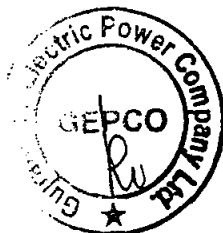




### Applicable Categories / Classification of eligible BPCs

While, in terms of existing stipulation contained in the Act, a consumer who purchases or receives electric power, at one premises, in an amount of one megawatt or more is considered as Bulk Power Consumer, following position, with regard to consumer with one megawatt or more load at connection voltage 11 kV and above, is brought out for consideration:

Sr. No.	Consumption Category	Tariff Category	Voltage Level	Remarks
1.	General	A-2 & A-3	N/A	As per the existing tariffs, no kW sanctioned load quantification or connection voltage is applicable to A-2 and A-3 tariff categories. Accordingly these are not considered BPC for the purposes of this petition. However, these costumer, based on the sanctioned load, may be connected at 11 KV level, as required. Any such customer falling within the definition of BPC, and subject to the approval of the Authority, will be considered in the analogy of C2.
2.	Industrial Consumer ranging from 500 kW to 5 MW. [extendable to 7.5 MW under conditions]	B-3	11/33 kV	B 3 consumer ranges from 500 kW to 5 MW.[Extendable to 7.5 MW under conditions]  It is clarified here that the consumers of this category below 1MW shall not be treated as eligible BPCs for CTBCM. The use of system charges indicated for B-3 category will apply in case of eligible BPC.
3.	Industrial	B-4	66/132 kV and above	Currently there is no B-4 consumer in GEPCO Service Territory. Accordingly, the Cost of Service assessment could not be made. However, the use of system charges for B-4 category of consumers are assessed in the analogy of B-3 adjusted with differential of allowed losses at 11/33 kV (B-3) and 66/132 kV (B-4).
4.	Bulk Supply Ranging from 500 kW to 5 MW. [extendable to 7.5 MW under conditions]	C-2(b)	11/33 kV	Bulk Supply consumer ranges from 500 kW to 5 MW. [Extendable to 7.5 MW under conditions]  Although the Bulk Supply C-2 customers are at 11/33 KV connection level. It is



				<p>clarified here that the consumers of this category below 1MW shall not be treated as eligible BPCs for CTBCM. The use of system charges indicated for C-2 category will apply in case of BPC at one premises.</p> <p>Further, the consumers falling under the resale shall not be considered as eligible BPC.</p>
5.	Bulk Supply	C-3(b)	66 kV and above	<p>Currently there is no C-3 consumer in GEPCO Service Territory. Accordingly, the Cost of Service assessment could not be made. However, the use of system charges for C-3(b) category of consumers are assessed in the analogy of C-2(b) adjusted with differential of allowed losses at 11/33 kV (C-2) and 66/132 kV (C-3).</p> <p>The consumers falling under the resale shall not be considered as eligible BPC.</p>
6.	Housing Colonies attached to Industries	H	N/A	<p>As per the existing tariffs, no kW sanctioned load quantification or connection voltage is applicable to H tariff category. Further, these connections are resale in nature. Accordingly these are not considered BPC for the purposes of this petition.</p>
7.	Azad Jammu & Kashmir	K	N/A	<p>The supply feed for AJK customer category is more than 1 MW at 11 kV level. However, the same is primarily for resale purpose, therefore, not considered as BPC.</p>

**Note:** Consumers of all or any of the above listed categories, involved in resale of power beyond the point of supply, shall NOT be considered BPC irrespective of the applicable relevant sanctioned load and/or voltage of supply.

## Other Important Aspects

Following paragraphs of the petition highlights other important aspects which shall be taken into account while determining the said charges.



## **Government Subsidies**

Any subsidy provided by the Government to the industrial or any other eligible BPC, as applicable, will be dealt with according to the directions and terms and conditions thereof as decided by the Government. However, for the purposes of this petition, such subsidies are not considered.

## **Captive Power Producers and Users**

- (1) A captive power producer / user using the GEPCO network for wheeling of power to User destination will be considered "Market Participant" in terms of Market Commercial Code and will be dealt with accordingly. The use of system charges shall fully apply in manner applicable to any other eligible BPC.
- (2) The cases of captive generation and consumption points at the same location taking additional supply from the local supplier of last resort (SOLR) shall be considered a regulated consumer of the SOLR with applicable regulated tariff. The quantum of additional sanctioned / contracted load (in terms of MW) shall be considered to determine its status as BPC in terms of the Act. In case, such BPC choose to exercise option for a competitive supplier, the use of system charges shall apply in full.
- (3) In case of captive power producer / user supplying / receiving electric power at same premises where GEPCO network is totally not used, the use of system charges shall NOT apply in any way or manner.

## **Applicability of Stranded Capacity Costs**

The costs arising on account of market liberalization and advent of open access shall be the capacity charges/stranded costs to be paid by all eligible BPCs of a competitive supplier as detailed in this instant petition and the amount of such capacity charges shall be the same as the total generation capacity charges recovered from the equally placed bulk power consumers of the suppliers of last resort either in a volumetric form (kWh) and/or through



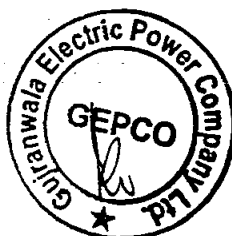
fixed charges and such charges shall continue to be paid till such time as may be decided by the Federal Government as per the National Electricity Policy.

### **Applicability of Use of System Charges on New Eligible BPCs**

The Use of System Charges provided in the instant petition shall be applicable to all such BPCs who will opt to get supply of electric power from competitive supplier including the captive generator using the network to wheel its power to the destination of its use. Such charges shall be fully applicable to any new eligible BPC or incremental consumption, obtaining supply of electric power from competitive supplier without any exception.

### **Prayer:**

In view of the above submissions, it is humbly requested that the Authority may kindly consider and determine the Use of System Charges as calculated in the attached Annex-1 and/or Annex-1A which contain detailed analysis.



GEPCO – Petition for Determination of Use of System Charges (September, 2023) – Annex-1

Gujranwala Electric Power Company (GEPCO) Ltd.

**Cost of Service & Proposed Use of System Charges for FY 2023-24**  
**For Possible Eligible Bulk Power Consumers (One MW or More at One Premises)**  
**(PROPOSAL – 1)**

Cost Assessment Level	Cost of Service (Inclusive of Energy Loss Impact)				Cost of Service (Separated Energy Loss Impact)				PROPOSED Use of System Charges (Proposal-1)			
Consumption Category	Industrial				Industrial				Industrial B-3 (1 MW or More)			
Tariff Category	B-3				B-3				MDI Based Volumetric Hybrid			
Functional Cost Element	Variable	Fixed		Total	Variable	Fixed		Total	Rs./kW/ Month	Rs./kW	Rs./kW/ Month	Rs./kW
	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh				
Generation Cost - Energy	7.201			7.201	6.757			6.757				
Generation Cost - Capacity		6,531.08	15.411	15.411		6,128.77	14.462	14.462	6,128.77	14.462	1,838.63	10.123
Transmission Charges		523.27	1.235	1.235		491.04	1.159	1.159	491.04	1.159	147.31	0.811
Market Operator's Fee		3.30	0.009	0.009		3.57	0.008	0.008				
Distribution Use of System		1,891.62	4.464	4.464		1,775.10	4.189	4.189	1,775.10	4.189	532.53	2.932
<b>Total Applicable Costs</b>	<b>7.201</b>	<b>8,949.77</b>	<b>21.119</b>	<b>28.319</b>	<b>6.757</b>	<b>8,398.47</b>	<b>19.818</b>	<b>26.575</b>	<b>8,394.90</b>	<b>19.809</b>	<b>2,518.47</b>	<b>13.866</b>
Impact of allowed losses					0.444	551.31	1.301	1.744				
<b>Total Cost of Service</b>	<b>7.201</b>	<b>8,949.77</b>	<b>21.119</b>	<b>28.319</b>	<b>7.201</b>	<b>8,949.77</b>	<b>21.119</b>	<b>28.319</b>	<b>8,394.90</b>	<b>19.809</b>	<b>2,518.47</b>	<b>13.866</b>
Cross Subsidy				6.930				6.930	2,936.68	6.930		6.930
<b>Average Applicable Tariff</b>				<b>35.249</b>				<b>35.249</b>	<b>11,331.59</b>	<b>26.739</b>	<b>2,518.47</b>	<b>20.796</b>

Cost Assessment Level	Cost of Service (Inclusive of Energy Loss Impact)				Cost of Service (Separated Energy Loss Impact)				PROPOSED Use of System Charges (Proposal-1)			
Consumption Category	Industrial				Industrial				Industrial B-4			
Tariff Category	B4				B4				MDI Based Volumetric Hybrid			
Functional Cost Element	Variable	Fixed		Total	Variable	Fixed		Total	Rs./kW/ Month	Rs./kW	Rs./kW/ Month	Rs./kW
	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh				
Generation Cost - Energy	6.821			6.821	6.757			6.757				
Generation Cost - Capacity		6,186.30	14.598	14.598		6,128.77	14.462	14.462	6,128.77	14.462	1,838.63	10.123
Transmission Charges		495.64	1.170	1.170		491.04	1.159	1.159	491.04	1.159	147.31	0.811
Market Operator's Fee		3.60	0.008	0.008		3.57	0.008	0.008				
Distribution Use of System		1,791.76	4.228	4.228		1,775.10	4.189	4.189	1,775.10	4.189	532.53	2.932
<b>Total Applicable Costs</b>	<b>6.821</b>	<b>8,477.31</b>	<b>20.004</b>	<b>26.824</b>	<b>6.757</b>	<b>8,398.47</b>	<b>19.818</b>	<b>26.575</b>	<b>8,394.90</b>	<b>19.809</b>	<b>2,518.47</b>	<b>13.866</b>
Impact of allowed losses					0.063	78.84	0.186	0.249				
<b>Total Cost of Service</b>	<b>6.821</b>	<b>8,477.31</b>	<b>20.004</b>	<b>26.824</b>	<b>6.821</b>	<b>8,477.31</b>	<b>20.004</b>	<b>26.824</b>	<b>8,394.90</b>	<b>19.809</b>	<b>2,518.47</b>	<b>13.866</b>
Cross Subsidy				7.347				7.347	3,113.50	7.347		7.347
<b>Average Applicable Tariff</b>				<b>34.171</b>				<b>34.171</b>	<b>11,508.40</b>	<b>27.156</b>	<b>2,518.47</b>	<b>21.213</b>

Cost Assessment Level	Cost of Service (Inclusive of Energy Loss Impact)				Cost of Service (Separated Energy Loss Impact)				PROPOSED Use of System Charges (Proposal-1)			
Consumption Category	Bulk Supply				Bulk Supply				Bulk Supply C-2(b) (1 MW or More)			
Tariff Category	C2(b)				C2(b)				MDI Based Volumetric Hybrid			
Functional Cost Element	Variable	Fixed		Total	Variable	Fixed		Total	Rs./kW/ Month	Rs./kW	Rs./kW/ Month	Rs./kW
	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh				
Generation Cost - Energy	7.201			7.201	6.757			6.757				
Generation Cost - Capacity		6,531.08	15.549	15.549		6,128.77	14.591	14.591	6,128.77	14.591	1,838.63	10.214
Transmission Charges		523.27	1.246	1.246		491.04	1.169	1.169	491.04	1.169	147.31	0.818
Market Operator's Fee		3.57	0.009	0.009		3.57	0.008	0.008				
Distribution Use of System		1,887.45	4.494	4.494		1,771.18	4.217	4.217	1,771.18	4.217	531.35	2.952
<b>Total Applicable Costs</b>	<b>7.201</b>	<b>8,945.36</b>	<b>21.297</b>	<b>28.498</b>	<b>6.757</b>	<b>8,394.55</b>	<b>19.985</b>	<b>26.743</b>	<b>8,390.98</b>	<b>19.977</b>	<b>2,517.29</b>	<b>13.984</b>
Impact of allowed losses					0.444	551.05	1.312	1.755				
<b>Total Cost of Service</b>	<b>7.201</b>	<b>8,945.36</b>	<b>21.297</b>	<b>28.498</b>	<b>7.201</b>	<b>8,945.60</b>	<b>21.297</b>	<b>28.498</b>	<b>8,390.98</b>	<b>19.977</b>	<b>2,517.29</b>	<b>13.984</b>
Cross Subsidy				10.072				10.072	4,230.46	10.072		10.072
<b>Average Applicable Tariff</b>				<b>38.570</b>				<b>38.570</b>	<b>12,621.45</b>	<b>30.048</b>	<b>2,517.29</b>	<b>24.055</b>

Cost Assessment Level	Cost of Service (Inclusive of Energy Loss Impact)				Cost of Service (Separated Energy Loss Impact)				PROPOSED Use of System Charges (Proposal-1)			
Consumption Category	Bulk Supply				Bulk Supply				Bulk Supply C-3(b)			
Tariff Category	C3(b)				C3(b)				MDI Based Volumetric Hybrid			
Functional Cost Element	Variable	Fixed		Total	Variable	Fixed		Total	Rs./kW/ Month	Rs./kW	Rs./kW/ Month	Rs./kW
	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh				
Generation Cost - Energy	6.821			6.821	6.757			6.757				
Generation Cost - Capacity		6,186.30	14.728	14.728		6,128.77	14.591	14.591	6,128.77	14.591	1,838.63	10.214
Transmission Charges		495.64	1.180	1.180		491.04	1.169	1.169	491.04	1.169	147.31	0.818
Market Operator's Fee		3.60	0.009	0.009		3.57	0.008	0.008				
Distribution Use of System		1,787.81	4.256	4.256		1,771.18	4.217	4.217	1,771.18	4.217	531.35	2.952
<b>Total Applicable Costs</b>	<b>6.821</b>	<b>8,473.35</b>	<b>20.173</b>	<b>26.994</b>	<b>6.757</b>	<b>8,394.55</b>	<b>19.985</b>	<b>26.743</b>	<b>8,390.98</b>	<b>19.977</b>	<b>2,517.29</b>	<b>13.984</b>
Impact of allowed losses					0.063	78.80	0.188	0.251				
<b>Total Cost of Service</b>	<b>6.821</b>	<b>8,473.35</b>	<b>20.173</b>	<b>26.994</b>	<b>6.821</b>	<b>8,473.35</b>	<b>20.173</b>	<b>26.994</b>	<b>8,390.98</b>	<b>19.977</b>	<b>3,195.96</b>	<b>17.754</b>
Cross Subsidy				10.475				10.475	4,400.05	10.475		10.475
<b>Average Applicable Tariff</b>				<b>37.469</b>				<b>37.469</b>	<b>12,791.03</b>	<b>30.452</b>	<b>3,195.96</b>	<b>28.229</b>



Gujranwala Electric Power Company (GEPCO) Ltd.

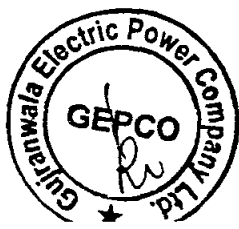
**Cost of Service & Proposed Use of System Charges for FY 2023-24**  
**For Possible Eligible Bulk Power Consumers (One MW or More at One Premises)**  
**(PROPOSAL – 2)**

Cost Assessment Level	Cost of Service (Inclusive of Energy Loss Impact)				Cost of Service (Separated Energy Loss Impact)				PROPOSED Use of System Charges (Proposal-2)			
Consumption Category	Industrial				Industrial				Industrial B-3 (1 MW or More)			
Tariff Category	B-3				B-3				B-3			
Functional Cost Element	Variable	Fixed		Total	Variable	Fixed		Total	MDI Based	Volumetric	Hybrid	
	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kW/ Month	Rs./kWh
Generation Cost - Energy	7.201			7.201	6.757			6.757				
Generation Cost - Capacity		4,179.60	15.411	15.411		3,922.14	14.462	14.462	3,922.14	14.462	1,176.64	10.123
Transmission Charges		334.37	1.235	1.235		314.24	1.159	1.159	314.24	1.159	94.27	0.811
Market Operator's Fee		2.43	0.009	0.009		2.28	0.008	0.008				
Distribution Use of System		1,210.55	4.464	4.464		1,135.98	4.189	4.189	1,135.98	4.189	340.79	2.932
<b>Total Applicable Costs</b>	<b>7.201</b>	<b>5,727.45</b>	<b>21.119</b>	<b>28.319</b>	<b>6.757</b>	<b>5,374.64</b>	<b>19.818</b>	<b>26.575</b>	<b>5,372.36</b>	<b>19.809</b>	<b>1,611.71</b>	<b>13.866</b>
Impact of allowed losses					0.444	352.81	1.301	1.744				
<b>Total Cost of Service</b>	<b>7.201</b>	<b>5,727.45</b>	<b>21.119</b>	<b>28.319</b>	<b>7.201</b>	<b>5,727.45</b>	<b>21.119</b>	<b>28.319</b>	<b>5,372.36</b>	<b>19.809</b>	<b>1,611.71</b>	<b>13.866</b>
Cross Subsidy				6.930				6.930	1,879.35	6.930		6.930
<b>Average Applicable Tariff</b>				<b>35.249</b>				<b>35.249</b>	<b>7,251.70</b>	<b>26.739</b>	<b>1,611.71</b>	<b>20.796</b>

Cost Assessment Level	Cost of Service (Inclusive of Energy Loss Impact)				Cost of Service (Separated Energy Loss Impact)				PROPOSED Use of System Charges (Proposal-2)			
Consumption Category	Industrial				Industrial				Industrial B-4			
Tariff Category	B4				B4				B4			
Functional Cost Element	Variable	Fixed		Total	Variable	Fixed		Total	MDI Based	Volumetric	Hybrid	
	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kW/ Month	Rs./kWh
Generation Cost - Energy	6.821			6.821	6.757			6.757				
Generation Cost - Capacity		3,958.95	14.598	14.598		3,922.14	14.462	14.462	3,922.14	14.462	1,176.64	10.123
Transmission Charges		317.19	1.170	1.170		314.24	1.159	1.159	314.24	1.159	94.27	0.811
Market Operator's Fee		2.30	0.008	0.008		2.28	0.008	0.008				
Distribution Use of System		1,146.65	4.228	4.228		1,135.98	4.189	4.189	1,135.98	4.189	340.79	2.932
<b>Total Applicable Costs</b>	<b>6.821</b>	<b>5,425.09</b>	<b>20.004</b>	<b>26.824</b>	<b>6.757</b>	<b>5,374.64</b>	<b>19.818</b>	<b>26.575</b>	<b>5,372.36</b>	<b>19.809</b>	<b>1,611.71</b>	<b>13.866</b>
Impact of allowed losses					0.063	50.45	0.186	0.249				
<b>Total Cost of Service</b>	<b>6.821</b>	<b>5,425.09</b>	<b>20.004</b>	<b>26.824</b>	<b>6.821</b>	<b>5,425.09</b>	<b>20.004</b>	<b>26.824</b>	<b>5,372.36</b>	<b>19.809</b>	<b>1,611.71</b>	<b>13.866</b>
Cross Subsidy				7.347				7.347	1,992.50	7.347		7.347
<b>Average Applicable Tariff</b>				<b>34.171</b>				<b>34.171</b>	<b>7,364.86</b>	<b>27.156</b>	<b>1,611.71</b>	<b>21.213</b>

Cost Assessment Level	Cost of Service (Inclusive of Energy Loss Impact)				Cost of Service (Separated Energy Loss Impact)				PROPOSED Use of System Charges (Proposal-2)			
Consumption Category	Bulk Supply				Bulk Supply				Bulk Supply C-2(b) (1 MW or More)			
Tariff Category	C2(b)				C2(b)				C2(b)			
Functional Cost Element	Variable	Fixed		Total	Variable	Fixed		Total	MDI Based	Volumetric	Hybrid	
	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kW/ Month	Rs./kWh
Generation Cost - Energy	7.201			7.201	6.757			6.757				
Generation Cost - Capacity		4,579.88	15.549	15.549		4,297.76	14.591	14.591	4,297.76	14.591	1,289.33	10.214
Transmission Charges		366.94	1.246	1.246		344.34	1.169	1.169	344.34	1.169	103.30	0.818
Market Operator's Fee		2.50	0.009	0.009		2.50	0.008	0.008				
Distribution Use of System		1,323.56	4.494	4.494		1,242.03	4.217	4.217	1,242.03	4.217	372.61	2.952
<b>Total Applicable Costs</b>	<b>7.201</b>	<b>6,272.88</b>	<b>21.297</b>	<b>28.498</b>	<b>6.757</b>	<b>5,886.62</b>	<b>19.985</b>	<b>26.743</b>	<b>5,884.12</b>	<b>19.977</b>	<b>1,765.24</b>	<b>13.984</b>
Impact of allowed losses					0.444	386.42	1.312	1.755				
<b>Total Cost of Service</b>	<b>7.201</b>	<b>6,272.88</b>	<b>21.297</b>	<b>28.498</b>	<b>7.201</b>	<b>6,273.04</b>	<b>21.297</b>	<b>28.498</b>	<b>5,884.12</b>	<b>19.977</b>	<b>1,765.24</b>	<b>13.984</b>
Cross Subsidy				10.072				10.072	2,966.58	10.072		10.072
<b>Average Applicable Tariff</b>				<b>38.570</b>				<b>38.570</b>	<b>8,850.70</b>	<b>30.048</b>	<b>1,765.24</b>	<b>24.055</b>

Cost Assessment Level	Cost of Service (Inclusive of Energy Loss Impact)				Cost of Service (Separated Energy Loss Impact)				PROPOSED Use of System Charges (Proposal-2)			
Consumption Category	Bulk Supply				Bulk Supply				Bulk Supply C-3(b)			
Tariff Category	C3(b)				C3(b)				C3(b)			
Functional Cost Element	Variable	Fixed		Total	Variable	Fixed		Total	MDI Based	Volumetric	Hybrid	
	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kW/ Month	Rs./kWh
Generation Cost - Energy	6.821			6.821	6.757			6.757				
Generation Cost - Capacity		4,338.10	14.728	14.728		4,297.76	14.591	14.591	4,297.76	14.591	1,289.33	10.214
Transmission Charges		347.57	1.180	1.180		344.34	1.169	1.169	344.34	1.169	103.30	0.818
Market Operator's Fee		2.52	0.009	0.009		2.50	0.008	0.008				
Distribution Use of System		1,253.69	4.256	4.256		1,242.03	4.217	4.217	1,242.03	4.217	372.61	2.952
<b>Total Applicable Costs</b>	<b>6.821</b>	<b>5,941.88</b>	<b>20.173</b>	<b>26.994</b>	<b>6.757</b>	<b>5,886.62</b>	<b>19.985</b>	<b>26.743</b>	<b>5,884.12</b>	<b>19.977</b>	<b>1,765.24</b>	<b>13.984</b>
Impact of allowed losses					0.063	55.26	0.188	0.251				
<b>Total Cost of Service</b>	<b>6.821</b>	<b>5,941.88</b>	<b>20.173</b>	<b>26.994</b>	<b>6.821</b>	<b>5,941.88</b>	<b>20.173</b>	<b>26.994</b>	<b>5,884.12</b>	<b>19.977</b>	<b>2,241.14</b>	<b>17.754</b>
Cross Subsidy				10.475				10.475	3,085.50	10.475		10.475
<b>Average Applicable Tariff</b>				<b>37.469</b>				<b>37.469</b>	<b>8,969.62</b>	<b>30.452</b>	<b>2,241.14</b>	<b>28.225</b>



FY 2023-24

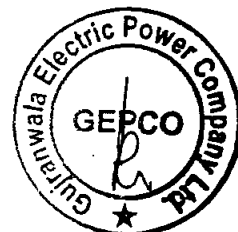
# GEPCO Cost of Service Study

## FY 2023-24



**Providing Power for Progress and Prosperity**

**GUJRANWALA ELECTRIC POWER COMPANY LIMITED**



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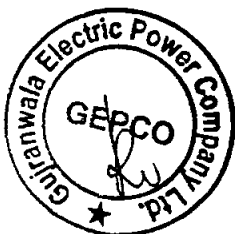
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## Gujranwala Electric Power Company (GEPCO) Ltd.

### Cost of Service Study

A Cost of Service (COS) study is the fundamental tool for evaluating and establishing utility rates. With industry and technology changes, utilities are expanding the scope and use of COS studies and are preparing studies that distinguish full and partial requirements customer classes. This is due to the increasing presence of distributed energy resources and/or to accommodate customers' expectations of having more control over their usage and utility bills.

**Cost of Service** is the total cost incurred by a utility company/DISCO in providing services to its customers and the allocation of the same to customer classes and/or voltage levels.

### Fully Allocated Cost of Service Study (FACOS) Model

FACOS is a model developed in MS Excel with the support of USAID for DISCO's to conduct Cost of Service Study. The methodology used to build the FACOS Model follows very closely the standards that are used internationally. The Model performs the standard three steps encompassed in most of Cost Studies, namely, functionalization, classification, and allocation.

### Major Steps of Cost of Service Study

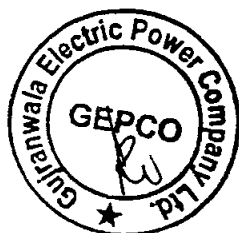
A class cost of service study begins with a detailed documentation of the numerous budgetary elements of the total revenue requirement. The detailed revenue requirements are the data inputs to the FACOS. At a high level, the FACOS process consists of the following three (3) basic steps:

1. **Functionalization** – The identification of each cost element as one of the basic utility service "functions" (e.g. generation/Power Purchase Price, transmission, distribution and customer).
2. **Classification** – The classification of the functionalized costs based on the billing component/determinant that each is associated with (e.g. kW of capacity, kWh of energy or number of customers).
3. **Allocation** – The allocation of the functionalized and classified costs to customer classes, based on respective service requirements / parameters (e.g. kW of capacity, kWh of energy and the number of customers) of each class.

### Fundamental Assumptions

Table 1

Description	FY 2023-24
Weighted Average Cost of Capital (FY 2023-24 MYT approved)	21.14%
Capital Work in Progress ("CWIP")	CWIP 100%
Working Capital Allowance to be included in Rate Base	NO
Prior Year Adjustment (Rs. in Mill. Approved by NEPRA for FY 2023-24)	23,185
Demand Allocation Methodology (highest coincident peak in the year). Alternative is 12CP that means average of 12 months' coincident peak)	1 CP (Single Annual Peak)
Customer Growth % (Over Prior Year i.e. 2022-23 Actual Billed)	11.71%
Model Year	FY 2023-24
Base Year	FY 2021-22



## Projections and Revenue Requirement for Financial Year 2023-24

The Revenue Requirement (RR) is the fundamental input to the Cost of Service of GEPCO for allocation to different categories of consumers based on Capacity (kW), Energy (kWh) and number of consumers. The **Table 2** below explains the basis and sources for arriving at Revenue Requirement (or overall Cost of Service) of GEPCO.

**Table 2**

Description	FY 2023-24	Source
Units Purchases (MkWh)	12,885	Projections approved by NEPRA for FY 2023-24 vide No. NEPRA/R/DG(Trf)ITRF-562&TRF-563/GEPCO-2021/18233-39 dated 14-07-2023, Page No. 27, Clause 10.1
Units Sales (MkWh)	11,725	
Assessed T&D Losses	9.00%	Determined in MYT
Consumer Growth	11.71%	Over Prior Year i.e. FY 2022-23 Actual Billed
Average Monthly MDI (MW) (Non-coincidental at CDPs)	2,742	NEPRA projections vide NEPRA/R/DG(Tariff)/TRF-100/18249-53 dated 14-07-2023 Page No. 3, Clause 11.
Peak Demand (MW at 11 kv Conincident)	2,650	Demand Forecast (Dec-2022). Allocated to customer categories after impact of losses at each voltage for calculation of fixed charge of Cost of Service
Avg. Monthly MDI Recorded (MW) (Non-coincidental at meters)	2,572	Average of Projected Monthly MDI to be billed in FY 2023-24
Energy Charge (Rs/kWh)	6.76	Calculated by using given Cost and quantitative parameters for cost allocation purposes.
Capacity Charge (Rs/kW/Month)	5,971.4	
T.UoSC (Rs/kW/Month)	479.01	
MOF (Rs/kW/Month)	3.48	Approved by NEPRA for FY 2022-23 vide NEPRA/DG(Trf)/TRF-586/CPPAG-2022/12889-12891 dated 22-05-2023
Energy Charges (Rs. M)	87,069	Approved by NEPRA in Tariff Determinaiton for FY 2023-24 vide No. NEPRA/R/DG(Trf)ITRF-562&TRF-563/GEPCO-2021/18233-39 dated 14-07-2023, Page No. 27, Clause 10.1
Capacity Charges (Rs. M)	196,482	
T.UoSC (Rs. M)	15,761	
MOF (Rs. M)	115	
<b>Power Purchase Price</b>	<b>299,427</b>	
O&M Cost (Million Rs.)	26,434	Revised DM for FY 2023-24 in MYT approved by NEPRA. (Reference as above)
Depreciation (Million Rs.)	3,235	
RORB (Million Rs.)	9,703	
Other Income (Million Rs.)	(3,491)	
Prior Year Adjustment (Rs. M)	23,185	MYT Adjustment for FY 2023-24 aproved by NEPRA.
<b>Revenue Requirement (Rs. M)</b>	<b>358,493</b>	
Cost per kWh (sold)	30.57	



### Summary of Revenue Requirement

The extract of Revenue Requirement is provided in the Table 3 below:

Table 3

Summary of Revenue Requirement	
Description	FY 2023-24 Rs. (M)
Energy Charges	87,069
Capacity Charges	196,482
T.UoSC	15,761
MOF	115
<b>Power Purchase Price</b>	<b>299,427</b>
O&M Cost	26,434
Depreciation	3,235
RORB	9,703
Other Income	(3,491)
<b>Distribution Margin</b>	<b>35,881</b>
Prior Year Adjustment	23,185
<b>Revenue Requirement</b>	<b>358,493</b>

### Line Losses Charged on Voltage Levels

Line losses approved by NEPRA for FY 2023-24 as a percentage on purchased units is given in Table 4. Line losses as a percentage on received units at each voltage level are calculated on the basis of sales data of FY 2022-23.

Table 4

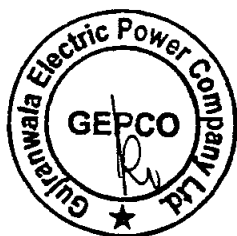
Losses FY 2023-24						
Voltage Level	0.2 kV	0.4 kV	11 kV	132kV	Total	Source
Losses %age on purchased units	2.84%		5.23%	0.93%	9.00%	Target as per Nepra Determination is 9.00%. Therefore, losses for FY 2023-24 are taken as 9.00%.
Losses %age on received units	3.52%		5.28%	0.93%	9.00%	calculated as applied on units received at each voltage level.
Losses %age charged on purchased units	9.46%		6.16%	0.93%		Reversed calculated to show affective %age of losses vs. units purchased for each voltage level.

Overall the effective %age of energy losses, i.e. (total kWh purchases – total kWh sold)/total kWh purchased remains 9.00% as per target.



Table 6

NEPRA Determined Tariff (14-07-2023)			
TARIFF CATEGORIES		Fixed Charges Rs./KW/M	Variable Charges Rs./kWh
<b>A1 (a)</b>	<b>RESIDENTIAL - A1</b>		
i	Up to 50 Units Life line		7.00
ii	51-100 units Life line		11.67
iii	01-100 Units		15.75
iv	101-200 Units		18.07
v	01-100 Units		22.15
vi	101-200 Units		27.59
vii	201-300 Units		30.78
viii	301-400Units		34.17
ix	401-500Units		36.38
x	501-600Units		37.80
xi	601-700Units		38.94
xii	Above 700 Units		43.85
<b>A1(b)</b>	Time of Use (TOU) - Peak		42.93
	Time of Use (TOU) - Off-Peak		36.61
<b>E-1(i)</b>	Temporary E-1 (i)		43.05
	<b>COMMERCIAL - A2</b>		
<b>A2 (a)</b>	Commercial - For peak load requirement up to 5 kW		38.80
<b>A2 (b)</b>	Sanctioned load 5 kw and above	500	40.48
<b>A2 (c)</b>	Time of Use (TOU) - Peak (A-2)	500	42.40
	Time of Use (TOU) - Off-Peak	500	36.43
<b>A2 (d)</b>	Vehicle Charging		40.48
<b>E-1 (ii)</b>	Temporary E-1 (ii)		39.19
	<b>INDUSTRIAL</b>		
<b>B1(a)</b>	B1		35.32
<b>B1(b)</b>	B1- TOU (Peak)		38.88
	B1- TOU (Off-peak)		33.32
<b>B2 (a)</b>	B2	500	34.82
<b>B2 (b)</b>	B2 - TOU (Peak)	500	38.82
	B2 - TOU (Off-peak)	500	33.11
<b>B3</b>	B3 - TOU (Peak)	460	38.82
	B3 - TOU (Off-peak)	460	33.02
<b>B4</b>	B4 - TOU (Peak)	440	38.82
	B4 - TOU (Off-peak)	440	32.92
<b>E-2</b>	Temporary E-2		36.40
	<b>BULK</b>		
<b>C1 (a)</b>	C1(a) up to 5 kW		39.59
<b>C1 (b)</b>	C1(b) exceeding 5 kW	500	39.09
<b>C1 (c)</b>	Time of Use (TOU) - Peak	500	42.51
	Time of Use (TOU) - Off-Peak	500	35.91
<b>C2 (a)</b>	C2 Supply at 11 kV	460	38.89
<b>C2 (b)</b>	Time of Use (TOU) - Peak	460	42.51
	Time of Use (TOU) - Off-Peak	460	35.71
<b>C3 (a)</b>	C3 Supply above 11 kV	440	38.79
<b>C3 (b)</b>	Time of Use (TOU) - Peak	440	42.51
	Time of Use (TOU) - Off-Peak	440	35.61
	<b>AGRICULTURAL TUBE WELLS - Tariff D</b>		
<b>D1 (a)</b>	D1 Scarp		35.59
<b>D2 (a)</b>	D2 Agricultural Tube-wells	200	25.26
<b>D1 (b)</b>	Time of Use (TOU) - Peak	200	38.51
	Time of Use (TOU) - Off-Peak	200	31.26
<b>D2 (b)</b>	Time of Use (TOU) - Peak	200	25.26
	Time of Use (TOU) - Off-Peak	200	25.26
<b>G</b>	Public Lighting G		38.59
<b>H</b>	Residential Colonies H		38.59
<b>K1</b>	Special Contracts - Tariff K (AJK)	440	35.81
<b>K1 (i)</b>	Time of Use (TOU) - Peak	440	41.51
	Time of Use (TOU) - Off-Peak	440	34.61
<b>A3</b>	General Service		38.56



## Results from FACOS Model

### Revenue Requirement Allocation (in Percentage)

While developing the Fully Allocated Cost of Service Model, the detailed study for allocation of cost of service and rate base (for each component) to cost drivers (energy, demand and customer) was developed. Overall summary of the allocation is given in below Table 7

Table 7

Revenue Requirement Allocation %age				
Description	Energy	Demand	Customer	Total
Energy Charges	100%	-	-	100%
Capacity Charges	-	100%	-	100%
T.UoSC	-	100%	-	100%
MOF	-	100%	-	100%
O&M Cost	-	72%	28%	100%
Depreciation	-	82%	18%	100%
RORB	-	83%	17%	100%
Other Income	-	84%	16%	100%
Prior Year Adjustment	-	72%	28%	100%

### Revenue Requirement Allocation to Energy, Demand and Customer.

Based on the allocation percentages given in above table, the revenue requirement allocated to energy, demand and customer (cost triggers) is shown in Table 8 below.

Table 8

Revenue Requirement Allocation Rs. (M)				
Description	Energy	Demand	Customer	Total
Energy Charges	87,069	-	-	87,069
Capacity Charges	-	196,482	-	196,482
T.UoSC	-	15,761	-	15,761
MOF	-	115	-	115
<b>Power Purchase Price</b>	<b>87,069</b>	<b>212,358</b>	<b>-</b>	<b>299,427</b>
O&M Cost	-	19,124	7,310	26,434
Depreciation	-	2,664	571	3,235
RORB	-	8,006	1,697	9,703
Other Income	-	(2,917)	(574)	(3,491)
<b>Distribution Margin</b>	<b>-</b>	<b>26,876</b>	<b>9,005</b>	<b>35,881</b>
Prior Year Adjustment	-	16,780	6,405	23,185
<b>Revenue Requirement</b>	<b>87,069</b>	<b>256,014</b>	<b>15,410</b>	<b>358,493</b>

### Revenue as per NEPRA Tariff by Customer Category and Voltage Level

The Table 9 below provides detailed category-wise estimated revenue and average (Rs./kWh) thereof. Whereas the Table 10 is summary of the said category-wise estimated revenue based on the supply Voltage level of relevant customer category, with average rate (Rs./kWh) thereof. As already mentioned, the calculation of revenue is based on NEPRA Tariff determined vide No. NEPRA/R/DG(TRF)/TRF-562&TRF-563/GEPCO-2021/18233-39 dated 14-07-2023 already provided in (Table 6).

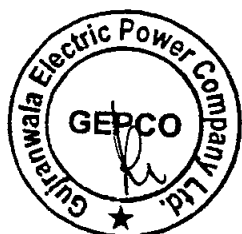


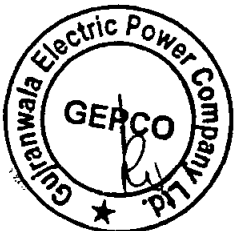
Table 9

FY 2023-24						
Customer Category	MDI MW	Sales (GWh)	Fixed Charge Rs. (M)	Variable Charge Rs. (M)	Total Revenue Rs.(M)	Rs./kWh
Residential -- A1(a)	-	6,626.22	-	175,200	175,200	26.44
Residential -- A1(b)	4.02	193.87	-	7,335	7,335	37.83
Commercial -- A2(a)	-	383.41	-	14,876	14,876	38.80
Commercial -- A2(b)	0.41	0.33	2	14	16	47.77
Commercial -- A2(c)	262.15	386.07	1,573	14,546	16,119	41.75
Commercial --A2(d) V.Ch	0.09	0.01	-	0	0	40.48
Industrial -- B1(a)	-	33.81	-	1,194	1,194	35.32
Industrial -- B2(a)	-	-	-	-	-	-
Industrial -- B1(b)	630.53	490.07	-	16,696	16,696	34.07
Industrial -- B2(b)	666.92	1,131.31	4,002	38,353	42,355	37.44
Industrial -- B3	377.89	1,229.83	2,086	41,265	43,351	35.25
Industrial -- B4	-	-	-	-	-	-
Single Point Supply -- C1(a)	0.09	0.04	-	2	2	39.59
Single Point Supply -- C1(b)	0.30	0.19	2	7	9	48.49
Single Point Supply -- C2(a)	0.79	-	4	-	4	-
Single Point Supply -- C3(a)	-	-	-	-	-	-
Single Point Supply -- C1(c)	5.24	10.63	31	392	424	39.86
Single Point Supply -- C2(b)	47.18	166.75	260	6,171	6,431	38.57
Single Point Supply -- C3(b)	-	-	-	-	-	-
Agricultural --D1(a)	-	0.02	-	1	1	35.59
Agricultural --D2(a)	0.06	84.75	0	2,141	2,141	25.26
Agricultural --D2(b)	459.35	471.47	1,102	11,909	13,012	27.60
Agricultural --D1(b)	0.14	0.03	0	1	1	41.99
Temporary Supply -- E1(i)	-	1.27	-	55	55	43.05
Temporary Supply -- E1(ii)	-	15.82	-	620	620	39.19
Temporary Supply -- E2	-	0.87	-	32	32	36.40
Public Lighting -- G	-	17.68	-	682	682	38.59
Residential Colonies -- H	-	0.78	-	30	30	38.59
Azad Jammu Kashmir - K1a	-	-	-	-	-	-
Azad Jammu Kashmir - K1b	59.91	292.49	316	10,474	10,790	36.89
A3 General	57.04	187.63	-	7,235	7,235	38.56
<b>Total</b>	<b>2,572</b>	<b>11,725</b>	<b>9,380</b>	<b>349,230</b>	<b>358,610</b>	<b>30.58</b>

Table 10

FY 2023-24						
Customer Class	MDI MW	Sales (GWh)	Fixed Charge Rs. (M)	Variable Charge Rs. (M)	Total Revenue	Rs./kWh
0.2 kV	0.09	7,061	-	191,978	191,978	27.19
0.4 kV	2,086	2,974	6,713	99,312	106,025	35.65
11 Kv	486	1,690	2,667	57,940	60,607	35.87
132 kv	-	-	-	-	-	-
<b>G. TOTAL</b>	<b>2,572</b>	<b>11,725</b>	<b>9,380</b>	<b>349,230</b>	<b>358,610</b>	<b>30.58</b>

### Cost of Service Functionalized Rates (Tariff Wise)



GEPCO – Petition for Determination Use of System Charges (September, 2023) **Annex-2**

Based on the allocation of overall Revenue Requirement of GEPCO to customers categories, the resultant functional amounts (Rs. in million) for each customer category are summarized at **Table 11** below. Currently there is no customer at 132kv in GEPCO. Cost of Service at 132kv will be discussed later in this document.

**Table 11**

FY 2023-24											
Classes	Volt. Level	No. of Customers	Energy	Demand	Generation Cost		Transm	MOF	Distribution		Total Cost
			GWh	MW	Energy (Rs.M)	Demand (Rs.M)	Cost (Rs.M)	Cost (Rs.M)	Demand (Rs.M)	Cust. Cost (Rs.M)	
Residential -- A1(a)	0.2kV	4,111,756	6,626	1,397	49,455	113,497	9,093	66	25,104	9,579	206,795
Residential -- A1(b)	0.4kV	40,196	194	41	1,447	3,324	266	2	735	216	5,991
Commercial -- A2(a)	0.2kV	445,154	383	81	2,862	6,584	527	4	1,456	554	11,987
Commercial -- A2(b)	0.4kV	31	0	0	2	6	0	0	1	0	10
Commercial -- A2(c)	0.4kV	19,832	386	80	2,881	6,479	519	4	1,433	431	11,747
Commercial -- A2(d)	0.4kV	1	0	0	0	0	0	0	0	0	0
Industrial -- B1(a)	0.2kV	16,122	34	7	252	579	46	0	128	49	1,056
Industrial -- B2(a)	0.4kV	-	-	-	-	-	-	-	-	-	-
Industrial -- B1(b)	0.4kV	62,775	490	100	3,658	8,098	649	5	1,791	547	14,748
Industrial -- B2(b)	0.4kV	12,534	1,131	230	8,444	18,654	1,495	11	4,126	1,263	33,993
Industrial -- B3	11kV	327	1,230	242	8,856	18,953	1,519	11	4,121	1,369	34,828
Industrial -- B4	132kV	-	-	-	-	-	-	-	-	-	-
Single P. Supply C1(a)	0.2kV	30	0	0	0	1	0	0	0	0	1
Single P. Supply C1(b)	0.4kV	6	0	0	1	3	0	0	1	0	6
Single P. Supply C2(a)	11kV	-	-	-	-	-	-	-	-	-	-
Single P. Supply C3(a)	132kV	-	-	-	-	-	-	-	-	-	-
Single P. Supply C1(c)	0.4kV	79	11	2	79	178	14	0	39	12	323
Single P. Supply C2(b)	11kV	46	167	33	1,201	2,593	208	2	564	186	4,752
Single P. Supply C3(b)	132kV	-	-	-	-	-	-	-	-	-	-
Agricultural -- D1(a)	0.4kV	448	0	0	0	0	0	0	0	0	0
Agricultural -- D2(a)	0.4kV	11,645	85	18	633	1,437	115	1	318	95	2,599
Agricultural -- D2(b)	0.4kV	50,329	471	98	3,519	7,952	637	5	1,759	526	14,398
Agricultural -- D1(b)	0.4kV	13	0	0	0	1	0	0	0	0	1
Temp. Supply - E1(i)	0.2kV	956	1	0	9	22	2	0	5	2	40
Temp. Supply - E1(ii)	0.2kV	2,740	16	3	118	275	22	0	61	23	498
Temp. Supply - E2	0.2kV	33	1	0	6	15	1	0	3	1	27
Public Lighting -- G	0.4kV	779	18	4	132	297	24	0	66	20	539
Res. Colonies -- H	11kV	17	1	0	6	12	1	0	3	1	22
AJK - K1a	11kV	-	-	-	-	-	-	-	-	-	-
AJK - K1b	11kV	18	292	59	2,106	4,594	368	3	999	326	8,395
A3 General	0.4kV	24,830	188	39	1,400	3,169	254	2	701	209	5,736
<b>Total</b>		<b>4,800,698</b>	<b>11,725</b>	<b>2,434</b>	<b>87,069</b>	<b>196,724</b>	<b>15,762</b>	<b>115</b>	<b>43,414</b>	<b>15,410</b>	<b>358,493</b>





Based on the cost drivers (energy, demand & customers) based allocation of overall Revenue Requirement of GEPCO to the customers categories, the resultant functional (generation, transmission, MO Fee & Distribution) rates (in terms of Rs./kWh, Rs./kW/Month and Rs./Customer / Month, as applicable) are summarized at Table 12 below.

Table 12

FY 2023-24											
Classes	Volt. Level	No. of Customers	Energy	Demand	Generation Cost		Transm	MOF	Distribution		Total Rs./ kWh
			GWh	MW	Energy (Rs./kWh)	Demand (Rs./kW/ Month)	(Rs./kW/ Month)	(Rs./kW/ Month)	(Rs./kW/M onth)	(Rs./ Cust/ Month)	
Residential -- A1(a)	0.2kV	4,111,756	6,626	1,397	7.46	6,769.23	542.35	3.94	1,497.27	194.14	31.21
Residential -- A1(b)	0.4kV	40,196	194	41	7.46	6,769.23	542.35	3.94	1,497.27	448.75	30.90
Commercial -- A2(a)	0.2kV	445,154	383	81	7.46	6,769.23	542.35	3.94	1,497.27	103.76	31.26
Commercial -- A2(b)	0.4kV	31	0	0	7.46	6,769.23	542.35	3.94	1,497.27	1,014.79	30.80
Commercial -- A2(c)	0.4kV	19,832	386	80	7.46	6,769.23	542.35	3.94	1,497.27	1,811.22	30.43
Commercial -- A2(d)	0.4kV	1	0	0	7.46	6,769.23	542.35	3.94	1,497.27	672.40	30.47
Industrial -- B1(a)	0.2kV	16,122	34	7	7.46	6,769.23	542.35	3.94	1,497.27	252.66	31.22
Industrial -- B2(a)	0.4kV	-	-	-	-	-	-	-	-	-	-
Industrial -- B1(b)	0.4kV	62,775	490	100	7.46	6,769.23	542.35	3.94	1,497.27	726.34	30.09
Industrial -- B2(b)	0.4kV	12,534	1,131	230	7.46	6,769.23	542.35	3.94	1,497.27	8,397.41	30.05
Industrial -- B3	11kV	327	1,230	242	7.20	6,531.08	523.27	3.80	1,419.91	348,716	28.32
Industrial -- B4	132kV	-	-	-	-	-	-	-	-	-	-
Single P. Supply C1(a)	0.2kV	30	0	0	7.46	6,769.23	542.35	3.94	1,497.27	179.03	31.74
Single P. Supply C1(b)	0.4kV	6	0	0	7.46	6,769.23	542.35	3.94	1,497.27	3,148.94	30.49
Single P. Supply C2(a)	11kV	-	-	-	-	-	-	-	-	-	-
Single P. Supply C3(a)	132kV	-	-	-	-	-	-	-	-	-	-
Single P. Supply C1(c)	0.4kV	79	11	2	7.46	6,769.23	542.35	3.94	1,497.27	12,540	30.41
Single P. Supply C2(b)	11kV	46	167	33	7.20	6,531.08	523.27	3.80	1,419.91	-	28.50
Single P. Supply C3(b)	132kV	-	-	-	-	-	-	-	-	-	-
Agricultural -- D1(a)	0.4kV	448	0	0	7.46	6,769.23	542.35	3.94	1,497.27	3.27	30.36
Agricultural -- D2(a)	0.4kV	11,645	85	18	7.46	6,769.23	542.35	3.94	1,497.27	677.09	30.66
Agricultural -- D2(b)	0.4kV	50,329	471	98	7.46	6,769.23	542.35	3.94	1,497.27	871.58	30.54
Agricultural -- D1(b)	0.4kV	13	0	0	7.46	6,769.23	542.35	3.94	1,497.27	247.61	30.75
Temp. Supply - E1(i)	0.2kV	956	1	0	7.46	6,769.23	542.35	3.94	1,497.27	159.76	31.87
Temp. Supply- E1(ii)	0.2kV	2,740	16	3	7.46	6,769.23	542.35	3.94	1,497.27	695.29	31.52
Temp. Supply - E2	0.2kV	33	1	0	7.46	6,769.23	542.35	3.94	1,497.27	3,166.96	31.21
Public Lighting -- G	0.4kV	779	18	4	7.46	6,769.23	542.35	3.94	1,497.27	2,110.84	30.48
Res. Colonies -- H	11kV	17	1	0	7.20	6,531.08	523.27	3.80	1,419.91	4,316.49	28.52
AJK - K1a	11kV	-	-	-	-	-	-	-	-	-	-
AJK - K1b	11kV	18	292	59	7.20	6,531.08	523.27	3.80	1,419.91	1,517,891	28.70
A3 General	0.4kV	24,830	188	39	7.46	6,769.23	542.35	3.94	1,497.27	703.06	30.57
Total/Average		4,800,698	11,725	2,434	7.43	6,736.58	539.73	3.92	1,486.66	267.49	30.57

The above detailed functional rates recapitulated, in terms of Rs./kW/Month, for each function is given in table Table 13 below.

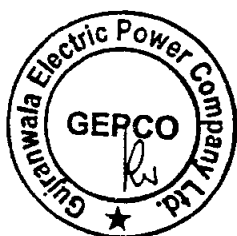


Table 13

FY 2023-24

Classes	Volt. Level	No. of Customers	Energy	Demand	Generation Cost		Transm	MOF	Distribution		Total Rs./kW/ Month
			GWh	MW	Energy (Rs./kW/ Month)	Demand (Rs./kW/ Month)	(Rs./kW/ Month)	(Rs./kW/ Month)	(Rs./kW/ Month)	(Rs./kW/ Month)	
Residential -- A1(a)	0.2kV	4,111,756	6,626	1,397	2,949.62	6,769.23	542.35	3.94	1,497.27	571.33	12,333.74
Residential -- A1(b)	0.4kV	40,196	194	41	2,946.64	6,769.23	542.35	3.94	1,497.27	440.79	12,200.22
Commercial -- A2(a)	0.2kV	445,154	383	81	2,942.30	6,769.23	542.35	3.94	1,497.27	569.91	12,325.00
Commercial -- A2(b)	0.4kV	31	0	0	2,960.14	6,769.23	542.35	3.94	1,497.27	442.81	12,215.73
Commercial -- A2(c)	0.4kV	19,832	386	80	3,010.60	6,769.23	542.35	3.94	1,497.27	450.36	12,273.75
Commercial -- A2(d)	0.4kV	1	0	0	3,004.44	6,769.23	542.35	3.94	1,497.27	449.43	12,266.66
Industrial -- B1(a)	0.2kV	16,122	34	7	2,948.00	6,769.23	542.35	3.94	1,497.27	571.02	12,331.80
Industrial -- B2(a)	0.4kV	-	-	-	-	-	-	-	-	-	-
Industrial -- B1(b)	0.4kV	62,775	490	100	3,057.35	6,769.23	542.35	3.94	1,497.27	457.35	12,327.49
Industrial -- B2(b)	0.4kV	12,534	1,131	230	3,063.96	6,769.23	542.35	3.94	1,497.27	458.34	12,335.09
Industrial -- B3	11kV	327	1,230	242	3,051.69	6,531.08	523.27	3.80	1,419.91	471.72	12,001.46
Industrial -- B4	132kV	-	-	-	-	-	-	-	-	-	-
Single P. Supply C1(a)	0.2kV	30	0	0	2,881.13	6,769.23	542.35	3.94	1,497.27	558.06	12,251.98
Single P. Supply C1(b)	0.4kV	6	0	0	3,001.85	6,769.23	542.35	3.94	1,497.27	449.05	12,263.69
Single P. Supply C2(a)	11kV	-	-	-	-	-	-	-	-	-	-
Single P. Supply C3(a)	132kV	-	-	-	-	-	-	-	-	-	-
Single P. Supply C1(c)	0.4kV	79	11	2	3,012.51	6,769.23	542.35	3.94	1,497.27	450.64	12,275.94
Single P. Supply C2(b)	11kV	46	167	33	3,024.67	6,531.08	523.27	3.80	1,419.91	467.54	11,970.27
Single P. Supply C3(b)	132kV	-	-	-	-	-	-	-	-	-	-
Agricultural -- D1(a)	0.4kV	448	0	0	3,019.74	6,769.23	542.35	3.94	1,497.27	451.72	12,284.25
Agricultural -- D2(a)	0.4kV	11,645	85	18	2,978.64	6,769.23	542.35	3.94	1,497.27	445.58	12,237.00
Agricultural -- D2(b)	0.4kV	50,329	471	98	2,995.50	6,769.23	542.35	3.94	1,497.27	448.10	12,256.38
Agricultural -- D1(b)	0.4kV	13	0	0	2,966.72	6,769.23	542.35	3.94	1,497.27	443.79	12,223.30
Temp. Supply - E1(i)	0.2kV	956	1	0	2,864.18	6,769.23	542.35	3.94	1,497.27	554.78	12,231.75
Temp. Supply - E1(ii)	0.2kV	2,740	16	3	2,909.53	6,769.23	542.35	3.94	1,497.27	563.57	12,285.88
Temp. Supply - E2	0.2kV	33	1	0	2,949.18	6,769.23	542.35	3.94	1,497.27	571.25	12,333.21
Public Lighting -- G	0.4kV	779	18	4	3,003.37	6,769.23	542.35	3.94	1,497.27	449.28	12,265.43
Res. Colonies -- H	11kV	17	1	0	3,020.76	6,531.08	523.27	3.80	1,419.91	466.94	11,965.75
AJK - K1a	11kV	-	-	-	-	-	-	-	-	-	-
AJK - K1b	11kV	18	292	59	2,994.52	6,531.08	523.27	3.80	1,419.91	462.88	11,935.45
A3 General	0.4kV	24,830	188	39	2,991.15	6,769.23	542.35	3.94	1,497.27	447.45	12,251.39
<b>Total</b>		<b>4,800,698</b>	<b>11,725</b>	<b>2,434</b>	<b>2,981.57</b>	<b>6,736.58</b>	<b>539.73</b>	<b>3.92</b>	<b>1,486.66</b>	<b>527.69</b>	<b>12,276.15</b>

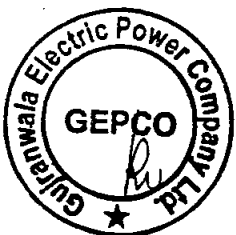


**Unbundled Rates Rs./kWh (Tariff Wise)**

The functional allocation of Revenue Requirement of GEPCO (Generation, Transmission, MO Fee and Distribution Cost) to customers categories, in Rs./kWh are shown in Table 14 below.

**Table 14**

FY 2023-24								
Customer Category	Voltage level	Sales GWh	Demand MW	Generation Rs./kWh	T. UoSC Rs./kWh	MOF Rs./kWh	D. UoSC Rs./kWh	Total Rate Rs./kWh
Residential -- A1(a)	0.2kV	6,626	1,397	24.59	1.37	0.01	5.23	31.21
Residential -- A1(b)	0.4kV	194	41	24.61	1.37	0.01	4.91	30.90
Commercial -- A2(a)	0.2kV	383	81	24.63	1.38	0.01	5.24	31.26
Commercial -- A2(b)	0.4kV	0	0	24.53	1.37	0.01	4.89	30.80
Commercial -- A2(c)	0.4kV	386	80	24.25	1.34	0.01	4.83	30.43
Commercial -- A2(d) V.Ch	0.4kV	0	0	24.28	1.35	0.01	4.84	30.47
Industrial -- B1(a)	0.2kV	34	7	24.60	1.37	0.01	5.24	31.22
Industrial -- B2(a)	0.4kV	-	-	-	-	-	-	-
Industrial -- B1(b)	0.4kV	490	100	23.99	1.32	0.01	4.77	30.09
Industrial -- B2(b)	0.4kV	1,131	230	23.95	1.32	0.01	4.76	30.05
Industrial -- B3	11kV	1,230	242	22.61	1.23	0.01	4.46	28.32
Industrial -- B4	132/66kV	-	-	-	-	-	-	-
Single Point Supply -- C1(a)	0.2kV	0	0	25.00	1.40	0.01	5.32	31.74
Single Point Supply -- C1(b)	0.4kV	0	0	24.29	1.35	0.01	4.84	30.49
Single Point Supply -- C2(a)	11kV	-	-	-	-	-	-	-
Single Point Supply -- C3(a)	132/66kV	-	-	-	-	-	-	-
Single Point Supply -- C1(c)	0.4kV	11	2	24.23	1.34	0.01	4.83	30.41
Single Point Supply -- C2(b)	11kV	167	33	22.75	1.25	0.01	4.49	28.50
Single Point Supply -- C3(b)	132/66kV	-	-	-	-	-	-	-
Agricultural -- D1(a)	0.4kV	0	0	24.19	1.34	0.01	4.82	30.36
Agricultural -- D2(a)	0.4kV	85	18	24.43	1.36	0.01	4.87	30.66
Agricultural -- D2(b)	0.4kV	471	98	24.33	1.35	0.01	4.85	30.54
Agricultural -- D1(b)	0.4kV	0	0	24.49	1.36	0.01	4.88	30.75
Temporary Supply -- E1(i)	0.2kV	1	0	25.10	1.41	0.01	5.35	31.87
Temporary Supply -- E1(ii)	0.2kV	16	3	24.83	1.39	0.01	5.29	31.52
Temporary Supply -- E2	0.2kV	1	0	24.59	1.37	0.01	5.23	31.21
Public Lighting -- G	0.4kV	18	4	24.29	1.35	0.01	4.84	30.48
Residential Colonies -- H	11kV	1	0	22.77	1.25	0.01	4.50	28.52
Azad Jammu Kashmir - K1a	11kV	-	-	-	-	-	-	-
Azad Jammu Kashmir - K1b	11kV	292	59	22.91	1.26	0.01	4.53	28.70
A3 General	0.4kV	188	39	24.35	1.35	0.01	4.85	30.57
<b>Total</b>		<b>11,725</b>	<b>2,434</b>	<b>24.20</b>	<b>1.34</b>	<b>0.01</b>	<b>5.02</b>	<b>30.57</b>



### Volumetric Rates at Each Customer Category

The above functional rates combined in terms of the nature (Fixed or Variable) and resultant rates in terms of Rs./kW/Month and/or Rs./kWh are provided in Table 15 below.

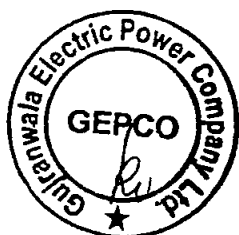
**Table 15**

FY 2023-24							
Customer Category	Voltage Level	Sales GWh	Allocated Cost Rs. (M)		Fixed Charge Rs/kW/Month	Variable Charge Rs/kWh	Total Rate Rs/kWh
			Fixed Cost	Variable Cost			
Residential -- A1(a)	0.2kV	6,626	147,761	59,034	8,813	8.91	31.21
Residential -- A1(b)	0.4kV	194	4,328	1,663	8,813	8.58	30.90
Commercial -- A2(a)	0.2kV	383	8,571	3,416	8,813	8.91	31.26
Commercial -- A2(b)	0.4kV	0	7	3	8,813	8.58	30.80
Commercial -- A2(c)	0.4kV	386	8,435	3,313	8,813	8.58	30.43
Commercial -- A2(d)	0.4kV	0	0	0	8,813	8.58	30.47
Industrial -- B1(a)	0.4kV	34	754	301	8,813	8.91	31.22
Industrial -- B2(a)	0.2kV	-	-	-	-	-	-
Industrial -- B1(b)	0.4kV	490	10,543	4,205	8,813	8.58	30.09
Industrial -- B2(b)	0.4kV	1,131	24,286	9,707	8,813	8.58	30.05
Industrial -- B3	0.4kV	1,230	24,603	10,225	8,478	8.31	28.32
Industrial -- B4	11kV	-	-	-	-	-	-
Single P. Supply C1(a)	132/66kV	0	1	0	8,813	8.91	31.74
Single P. Supply C1(b)	0.2kV	0	4	2	8,813	8.58	30.49
Single P. Supply C2(a)	0.4kV	-	-	-	-	-	-
Single P. Supply C3(a)	11kV	-	-	-	-	-	-
Single P. Supply C1(c)	132/66kV	11	232	91	8,813	8.58	30.41
Single P. Supply C2(b)	0.4kV	167	3,366	1,386	8,478	8.31	28.50
Single P. Supply C3(b)	11kV	-	-	-	-	-	-
Agricultural -- D1(a)	132/66kV	0	0	0	8,813	8.58	30.36
Agricultural -- D2(a)	0.4kV	85	1,871	727	8,813	8.58	30.66
Agricultural -- D2(b)	0.4kV	471	10,353	4,045	8,813	8.58	30.54
Agricultural -- D1(b)	0.4kV	0	1	0	8,813	8.58	30.75
Temp. Supply - E1(i)	0.4kV	1	29	11	8,813	8.91	31.87
Temp. Supply- E1(ii)	0.2kV	16	358	141	8,813	8.91	31.52
Temp. Supply - E2	0.2kV	1	19	8	8,813	8.91	31.21
Public Lighting -- G	0.2kV	18	387	152	8,813	8.58	30.48
Res. Colonies -- H	0.4kV	1	16	6	8,478	8.31	28.52
AJK - K1a	11kV	-	-	-	-	-	-
AJK - K1b	11kV	292	5,963	2,432	8,478	8.31	28.70
A3 General	11kV	188	4,126	1,610	8,813	8.58	30.57
<b>Total</b>		<b>11,725</b>	<b>256,014</b>	<b>102,479</b>	<b>8,813</b>	<b>8.58</b>	<b>30.57</b>

**Note:** Variable Cost in Table 15 includes energy cost and customer services cost.

### Revenue, Cost of Service and Subsidies (Tariff Category Wise)

Based on assessment of revenue and the cost of service for each category of consumer, as per the details provided herein before, the Subsidy or Cross Subsidy (the difference between revenue and



cost) in terms of million rupees against each customer tariff category is provided in Table 16 below. It may be noted that the negative figure means the customer is subsidized (revenue less than cost) whereas the positive figure shows that the customer is cross subsidizing (revenue more than cost). Average, in terms of Rs./kWh, assessment of subsidy or cross-subsidy, as the case may be, is also arrived in the last column of Table 16 below.

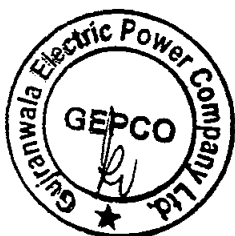
Table 16

FY 2023-24											
Customer Class	Voltage	Sales GWh	Demand MW	Revenue as per NEPRA Tariff			Cost of Service			Difference Subsidy M. PKR	subsidy Rs./kWh
				Demand Charge (M.PKR)	Energy Charge M.PKR	Total M. PKR	Demand Cost (M.PKR)	Energy Cost M.PKR	Total M. PKR		
Residential A1(a)	0.2kV	6,626	1,397	-	175,200	175,200	147,761	59,034	206,795	(31,595)	(4.77)
Residential A1(b)	0.4kV	194	41	-	7,335	7,335	4,328	1,663	5,991	1,344	6.93
Commercial A2(a)	0.2kV	383	81	-	14,876	14,876	8,571	3,416	11,987	2,889	7.54
Commercial A2(b)	0.4kV	0.33	0.07	2	14	16	7	3	10	6	16.97
Commercial A2(c)	0.4kV	386	80	1,573	14,546	16,119	8,435	3,313	11,747	4,372	11.32
Commercial A2(d)	0.4kV	0	0	-	0	0	0	0	0	0	10.01
Industrial B1(a)	0.2kV	34	7	-	1,194	1,194	754	301	1,056	139	4.10
Industrial B2(a)	0.4kV	-	-	-	-	-	-	-	-	-	-
Industrial B1(b)	0.4kV	490	100	-	16,696	16,696	10,543	4,205	14,748	1,948	3.97
Industrial B2(b)	0.4kV	1,131	230	4,002	38,353	42,355	24,286	9,707	33,993	8,362	7.39
Industrial B3	11kV	1,230	242	2,086	41,265	43,351	24,603	10,225	34,828	8,522	6.93
Industrial B4	132kV	-	-	-	-	-	-	-	-	-	-
Bulk Supply C1(a)	0.2kV	0	0	-	2	2	1	0	1	0	7.85
Bulk Supply C1(b)	0.4kV	0	0	2	7	9	4	2	6	3	18.00
Bulk Supply C2(a)	11kV	-	-	4	-	4	-	-	-	4	-
Bulk Supply C3(a)	132kV	-	-	-	-	-	-	-	-	-	-
Bulk Supply C1(c)	0.4kV	11	2	31	392	424	232	91	323	100	9.45
Bulk Supply C2(b)	11kV	167	33	260	6,171	6,431	3,366	1,386	4,752	1,679	10.07
Bulk Supply C3(b)	132kV	-	-	-	-	-	-	-	-	-	-
Agricultural D1(a)	0.4kV	0	0	-	1	1	0	0	0	0	5.23
Agricultural D2(a)	0.4kV	85	18	0	2,141	2,141	1,871	727	2,599	(458)	(5.40)
Agricultural D2(b)	0.4kV	471	98	1,102	11,909	13,012	10,353	4,045	14,398	(1,386)	(2.94)
Agricultural D1(b)	0.4kV	0	0	0	1	1	1	0	1	0	11.24
Temporary E1(i)	0.2kV	1	0	-	55	55	29	11	40	14	11.18
Temporary E1(ii)	0.2kV	16	3	-	620	620	358	141	498	121	7.67
Temporary E2	0.2kV	1	0	-	32	32	19	8	27	5	5.19
Public Lighting G	0.4kV	18	4	-	682	682	387	152	539	143	8.11
Residential Col.H	11kV	1	0	-	30	30	16	6	22	8	10.07
A J K K1a	11kV	-	-	-	-	-	-	-	-	-	-
A J K K1b	11kV	292	59	316	10,474	10,790	5,963	2,432	8,395	2,396	8.19
A3 General	0.4kV	188	39	-	7,235	7,235	4,126	1,610	5,736	1,499	7.99
Total		11,725	2,434	9,380	349,230	358,610	256,014	102,479	358,493	117	0.01

### Revenue, Cost of Service, Subsidy and Revenue to Cost Ratios

Revenue, Cost of Service and Subsidy in terms of million rupees for each category of the consumers is shown in Table 17 below. The Table also provides the Revenue to Cost Ratio which shows that:

- If this ratio is less than one, the relevant customer class is subsidized, i.e. the tariff revenue is less than the allocated cost;



- If this ratio is greater than one, the relevant customer class is cross subsidizing, i.e. the tariff revenue is higher than the allocated cost; and
- If this ratio is equal to one, the customer class is at adequately priced vis-à-vis the allocated cost.

Table 17

FY 2023-24											
Customer Class	Voltage	Sales GWh	Demand MW	Revenue as per NEPRA Tariff		Cost of Service		Difference/Subsidy M. PKR		Revenue to Cost Ratio	
				Fixed (Rs.M)	Variable (Rs. M)	Fixed (Rs.M)	Variable (Rs. M)	Fixed Rs. M	Variable Rs. M	Fixed	Variable
Residential A1(a)	0.2kV	6,626	1,397	-	175,200	147,761	59,034	147,761	(116,166)	-	2.97
Residential A1(b)	0.4kV	194	41	-	7,335	4,328	1,663	4,328	(5,671)	-	4.41
Commercial A2(a)	0.2kV	383	81	-	14,876	8,571	3,416	8,571	(11,460)	-	4.36
Commercial A2(b)	0.4kV	0	0.07	2	14	7	3	5	(11)	0.33	4.72
Commercial A2(c)	0.4kV	386	80	1,573	14,546	8,435	3,313	6,862	(11,233)	0.19	4.39
Commercial A2(d)	0.4kV	0	0.00	-	0.29	0.16	0.06	0.16	(0.23)	-	4.72
Industrial B1(a)	0.2kV	34	7	-	1,194	754	301	754	(893)	-	3.96
Industrial B2(a)	0.4kV	-	-	-	-	-	-	-	-	-	-
Industrial B1(b)	0.4kV	490	100	-	16,696	10,543	4,205	10,543	(12,491)	-	3.97
Industrial B2(b)	0.4kV	1,131	230	4,002	38,353	24,286	9,707	20,284	(28,646)	0.16	3.95
Industrial B3	11kV	1,230	242	2,086	41,265	24,603	10,225	22,517	(31,040)	0.08	4.04
Industrial B4	132kV	-	-	-	-	-	-	-	-	-	-
Bulk Supply C1(a)	0.2kV	0	0	-	2	1	0	1	(1)	-	4.44
Bulk Supply C1(b)	0.4kV	0	0	2	7	4	2	2	(6)	0.43	4.56
Bulk Supply C2(a)	11kV	-	-	4	-	-	-	(4)	-	-	-
Bulk Supply C3(a)	132kV	-	-	-	-	-	-	-	-	-	-
Bulk Supply C1(c)	0.4kV	11	2	31	392	232	91	201	(301)	0.14	4.30
Bulk Supply C2(b)	11kV	167	33	260	6,171	3,366	1,386	3,105	(4,785)	0.08	4.45
Bulk Supply C3(b)	132kV	-	-	-	-	-	-	-	-	-	-
Agricultural D1(a)	0.4kV	0	0	-	1	0	0	0	(0)	-	4.15
Agricultural D2(a)	0.4kV	85	18	0	2,141	1,871	727	1,871	(1,414)	0.00	2.94
Agricultural D2(b)	0.4kV	471	98	1,102	11,909	10,353	4,045	9,250	(7,864)	0.11	2.94
Agricultural D1(b)	0.4kV	0	0	0	1	1	0	0	(1)	0.43	3.78
Temporary E1(i)	0.2kV	1	0	-	55	29	11	29	(43)	-	4.83
Temporary E1(ii)	0.2kV	16	3	-	620	358	141	358	(479)	-	4.40
Temporary E2	0.2kV	1	0	-	32	19	8	19	(24)	-	4.09
Public Lighting G	0.4kV	18	4	-	682	387	152	387	(531)	-	4.50
Residential Col.H	11kV	1	0	-	30	16	6	16	(24)	-	4.64
A J K K1a	11kV	-	-	-	-	-	-	-	-	-	-
A J K K1b	11kV	292	59	316	10,474	5,963	2,432	5,647	(8,042)	0.05	4.31
A3 General	0.4kV	188	39	-	7,235	4,126	1,610	4,126	(5,625)	-	4.49
Total		11,725	2,434	9,380	349,230	256,014	102,479	246,634	(246,751)	0.04	3.41



**Revenue, Cost of Service and Subsidies (Rs./kWh)**

Revenue, Cost of Service and Subsidy in terms of Rs./kWh for each category of the consumers is shown in Table 18 below. The Table also provides the Revenue to Cost Ratio.

**Table 18**

<b>FY 2023-24</b>						
<b>Customer Class</b>	<b>Voltage</b>	<b>Sales GWh</b>	<b>Revenue Rs./kWh</b>	<b>Cost of Service Rs./kWh</b>	<b>Subsidy Rs./kWh</b>	<b>Revenue to Cost Ratio</b>
Residential A1(a)	0.2kV	6,626	26.44	31.21	(4.77)	0.85
Residential A1(b)	0.4kV	194	37.83	30.90	6.93	1.22
Commercial A2(a)	0.2kV	383	38.80	31.26	7.54	1.24
Commercial A2(b)	0.4kV	0	47.77	30.80	16.97	1.55
Commercial A2(c)	0.4kV	386	41.75	30.43	11.32	1.37
Commercial A2(d)	0.4kV	0	40.48	30.47	10.01	1.33
Industrial B1(a)	0.2kV	34	35.32	31.22	4.10	1.13
Industrial B2(a)	0.4kV	-	-	-	-	-
Industrial B1(b)	0.4kV	490	34.07	30.09	3.97	1.13
Industrial B2(b)	0.4kV	1,131	37.44	30.05	7.39	1.25
Industrial B3	11kV	1,230	35.25	28.32	6.93	1.24
Industrial B4	132kV	-	-	-	-	-
Bulk Supply C1(a)	0.2kV	0	39.59	31.74	7.85	1.25
Bulk Supply C1(b)	0.4kV	0	48.49	30.49	18.00	1.59
Bulk Supply C2(a)	11kV	-	-	-	-	-
Bulk Supply C3(a)	132kV	-	-	-	-	-
Bulk Supply C1(c)	0.4kV	11	39.86	30.41	9.45	1.31
Bulk Supply C2(b)	11kV	167	38.57	28.50	10.07	1.35
Bulk Supply C3(b)	132kV	-	-	-	-	-
Agricultural D1(a)	0.4kV	0	35.59	30.36	5.23	1.17
Agricultural D2(a)	0.4kV	85	25.26	30.66	(5.40)	0.82
Agricultural D2(b)	0.4kV	471	27.60	30.54	(2.94)	0.90
Agricultural D1(b)	0.4kV	0	41.99	30.75	11.24	1.37
Temporary E1(i)	0.2kV	1	43.05	31.87	11.18	1.35
Temporary E1(ii)	0.2kV	16	39.19	31.52	7.67	1.24
Temporary E2	0.2kV	1	36.40	31.21	5.19	1.17
Public Lighting G	0.4kV	18	38.59	30.48	8.11	1.27
Residential Col.H	11kV	1	38.59	28.52	10.07	1.35
A J K K1a	11kV	-	-	-	-	-
A J K K1b	11kV	292	36.89	28.70	8.19	1.29
A3 General	0.4kV	188	38.56	30.57	7.99	1.26
<b>Sub Total</b>		<b>11,725</b>	<b>30.58</b>	<b>30.57</b>	<b>0.01</b>	<b>1.00</b>



**Revenue, Cost of Service and Subsidies (11 kV and Above)**

The revenue, cost of service and subsidies for customer categories that fall under 11kv are summarized at Table 19 below.

Table 19

FY 2023-24											
Customer Class	Voltage	Sales GWh	Demand MW	Revenue as per NEPRA Tariff			Cost of Service			Difference Subsidy M. PKR	Subsidy Rs./kWh
				Demand Charge (M.PKR)	Energy Charge M.PKR	Total M. PKR	Demand Cost (M.PKR)	Energy Cost M.PKR	Total M. PKR		
Industrial B3	11kV	1,230	242	2,086	41,265	43,351	24,603	10,225	34,828	8,522	6.93
Bulk Supply C2(a)	11kV	-	-	4	-	4	-	-	-	4	-
Bulk Supply C2(b)	11kV	167	33	260	6,171	6,431	3,366	1,386	4,752	1,679	10.07
Residential Col.H	11kV	1	0	-	30	30	16	6	22	8	10.07
A J K K1a	11kV	-	-	-	-	-	-	-	-	-	-
A J K K1b	11kV	292	59	316	10,474	10,790	5,963	2,432	8,395	2,396	8.19

**Revenue/kWh, Cost of Service/kWh and Subsidies/kWh (BPC only)**

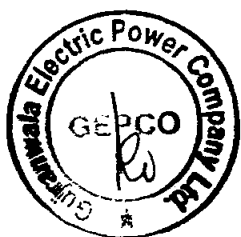
With regard to the above analysis, the following points are emphasized:

1. Currently, there is no 132/66 KV customer within GEPCO, therefore, in the absence of real data, no values thereof could be assessed. A broad assessment of the Cost of Service of such customers can, however, be inferred based on analogy of other closest category of customers (e.g. B-3 for B-4 and C-2 for C-3) by incorporating differential of energy losses.
2. Although the Industrial B-3 and Bulk Supply C2 customers are at 11 KV connection level, however, any of these customers may not fall within the definition of BPC as contained in NEPRA Act, 1997, being less than 1 MW.
3. The customer categories A-2 and A-3, for purposes of cost of service assessment, have been considered at 0.4 KV level. However, these costumers, based on the sanctioned load, may be connected at 11 KV level, as required.
4. Consumer category for tariff H, i.e. housing colonies attached to industries, despite being connected at 11 kV, cannot be considered as BPC for (i) principally being resale in nature and (ii) being less than 1 MW.
5. The supply feed for AJK customer category is primarily for resale purpose, therefore, not entitled for consideration as BPC.

Based on the above clarification, the abstract of Revenue (Rs./kWh), the Cost of Service (Rs./kWh) and resultant cross-subsidy (Rs./kWh) is appended at Table 20 below.

Table 20

FY 2023-24					
Customer Class	Voltage	Sales GWh	Revenue Rs./kWh	Cost of Service Rs./kWh	Subsidy Rs./kWh
Industrial B3	11kV	1,230	35.25	28.32	6.93
Bulk Supply C2(b)	11kV	167	38.57	28.50	10.07



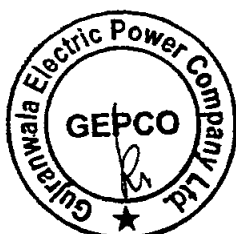


## Master Data for Results of GEPCO's Cost of Service Study (FY 2023-24)

For interest of the readers to glance through overall master data for result of GEPCO's Cost of Service Study (FY 2023-24), following Tables (Table 21 to Table 27) are added separately.

### Final Remarks:

- The above Cost of Service Study Report (FY 2023-24) is a sincere human effort to arrive at judicious assessment of functional (generation, transmission, market operator, distribution and customer services) costs for each category of consumers demonstrating the needs and parameters associated with relevant category.
- The results of the study are to be used for the purposes of rate making of Use of System Charges for possible eligible Bulk Power Consumers.
- The Fully Allocated Cost of Service (FACOS) model used for the purpose of this study is realistically elaborate, professionally structured in line with international practices and reasonably accurate to provide equitable results in terms of costs associated with demonstrated needs of the customers. Human errors and omissions are, however, expected.
- The underlying assumptions made and considerations relied upon in carrying out this Cost of Service Study were adopted with all possible care and have been disclosed in details to the extent possible, without any prejudice.
- Inherent and unforeseen limitations of the FACOS model, assumptions made and consideration relied upon may not be as exhaustive as expected; accordingly, for the purposes of rate making of Use of System Charges, certain out of the model iterations may be necessary.
- While the Cost of Service is adequately (100%) covered by the determined tariffs, inherent cross subsidization and possibility of stranded costs need considerate, careful, concerted and continuous attention for proactive mitigation thereof.
- While currently certain classes of consumers are enjoying benefit of inter and intra tariff subsidies, the other categories of consumers are paying huge (13~59%) cross-subsidies. For a robust, vibrant and successful wholesale, and later retail, power market, minimization, if not elimination, of intra and inter tariff subsidies shall remain fundamental requirement.



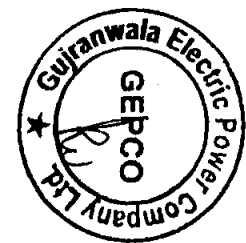


Table 21

COST OF SERVICE FY 2023-24														
Classes	Voltage Level	Energy GWh		Demand MW		Generation Cost		Transm	MOF	Distribution		Total Cost (Rs. M)	Cost Rs./kWh sold	Cost Rs./kWh Purchased
		Sold	Purchased	at Meter	at CDP	Energy (Rs.M)	Demand (Rs.M)	Cost (Rs.M)	Cost (Rs.M)	Demand (Rs.M)	cust. Cost (Rs.M)			
Residential -- A1(a)	0.2kV	6,626	7,319	1,397	1,543	49,455	113,497	9,093	66	25,104	9,579	206,795	31.21	28.26
Residential -- A1(b)	0.4kV	194	214	41	45	1,447	3,324	266	2	735	216	5,991	30.90	27.98
Commercial -- A2(a)	0.2kV	383	423	81	90	2,862	6,584	527	4	1,456	554	11,987	31.26	28.31
Commercial -- A2(b)	0.4kV	0	0	0	0	2	6	0	0	1	0	10	30.80	27.89
Commercial -- A2(c)	0.4kV	386	426	80	88	2,881	6,479	519	4	1,433	431	11,747	30.43	27.55
Commercial -- A2(d) V.Ch	0.4kV	0	0	0	0	0	0	0	0	0	0	0	30.47	27.59
Industrial -- B1(a)	0.2kV	34	37	7	8	252	579	46	0	128	49	1,056	31.22	28.27
Industrial -- B2(a)	0.4kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial -- B1(b)	0.4kV	490	541	100	110	3,658	8,098	649	5	1,791	547	14,748	30.09	27.25
Industrial -- B2(b)	0.4kV	1,131	1,250	230	254	8,444	18,654	1,495	11	4,126	1,263	33,993	30.05	27.20
Industrial -- B3	11kV	1,230	1,311	242	258	8,856	18,953	1,519	11	4,121	1,369	34,828	28.32	26.58
Industrial -- B4	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C1(a)	0.2kV	0	0	0	0	0	1	0	0	0	0	1	31.74	28.74
Single Point Supply -- C1(b)	0.4kV	0	0	0	0	1	3	0	0	1	0	6	30.49	27.61
Single Point Supply -- C2(a)	11kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C3(a)	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C1(c)	0.4kV	11	12	2	2	79	178	14	0	39	12	323	30.41	27.54
Single Point Supply -- C2(b)	11kV	167	178	33	35	1,201	2,593	208	2	564	186	4,752	28.50	26.74
Single Point Supply -- C3(b)	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural -- D1(a)	0.4kV	0	0	0	0	0	0	0	0	0	0	0	30.36	27.49
Agricultural -- D2(a)	0.4kV	85	94	18	20	633	1,437	115	1	318	95	2,599	30.66	27.76
Agricultural -- D2(b)	0.4kV	471	521	98	108	3,519	7,952	637	5	1,759	526	14,398	30.54	27.65
Agricultural -- D1(b)	0.4kV	0	0	0	0	0	1	0	0	0	0	1	30.75	27.84
Temporary Supply -- E1(i)	0.2kV	1	1	0	0	9	22	2	0	5	2	40	31.87	28.86
Temporary Supply -- E1(ii)	0.2kV	16	17	3	4	118	275	22	0	61	23	498	31.52	28.53
Temporary Supply -- E2	0.2kV	1	1	0	0	6	15	1	0	3	1	27	31.21	28.26
Public Lighting -- G	0.4kV	18	20	4	4	132	297	24	0	66	20	539	30.48	27.60
Residential Colonies -- H	11kV	1	1	0	0	6	12	1	0	3	1	22	28.52	26.77
Azad Jammu Kashmir - K1a	11kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Azad Jammu Kashmir - K1b	11kV	292	312	59	62	2,106	4,594	368	3	999	326	8,395	28.70	26.93
A3 General	0.4kV	188	207	39	43	1,400	3,169	254	2	701	209	5,736	30.57	27.68
<b>Total</b>		<b>11,725</b>	<b>12,885</b>	<b>2,434</b>	<b>2,675</b>	<b>87,069</b>	<b>196,724</b>	<b>15,762</b>	<b>115</b>	<b>43,414</b>	<b>15,410</b>	<b>358,493</b>	<b>30.57</b>	<b>27.82</b>


**Table 22**

<b>COST OF SERVICE FY 2023-24 (per kW or kWh SOLD)</b>														
Classes	Voltage Level	Energy GWh		Demand MW		Generation Cost		Transm	MOF	Distribution		Total Fixed Cost	Fixed Cost	Total Cost
		Sold	Purchased	at Meter	at CDP	Energy (Rs./kWh)	Demand (Rs./kW/M)	Cost (Rs./kW/M)	Cost (Rs./kW/M)	Demand (Rs./kW/M)	cust. Cost (Rs./kW/M)	Cost (Rs./kW/M)	Rs./kWh sold	Rs./kWh Sold
Residential -- A1(a)	0.2kV	6,626	7,319	1,397	1,543	7.46	6,769.23	542.35	3.94	1,497.27	571.33	9,384.12	23.75	31.21
Residential -- A1(b)	0.4kV	194	214	41	45	7.46	6,769.23	542.35	3.94	1,497.27	440.79	9,253.58	23.44	30.90
Commercial -- A2(a)	0.2kV	383	423	81	90	7.46	6,769.23	542.35	3.94	1,497.27	569.91	9,382.70	23.80	31.26
Commercial -- A2(b)	0.4kV	0	0	0	0	7.46	6,769.23	542.35	3.94	1,497.27	442.81	9,255.60	23.34	30.80
Commercial -- A2(c)	0.4kV	386	426	80	88	7.46	6,769.23	542.35	3.94	1,497.27	450.36	9,263.15	22.96	30.43
Commercial -- A2(d) V.Ch	0.4kV	0	0	0	0	7.46	6,769.23	542.35	3.94	1,497.27	449.43	9,262.22	23.01	30.47
Industrial -- B1(a)	0.2kV	34	37	7	8	7.46	6,769.23	542.35	3.94	1,497.27	571.02	9,383.80	23.76	31.22
Industrial -- B2(a)	0.4kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial -- B1(b)	0.4kV	490	541	100	110	7.46	6,769.23	542.35	3.94	1,497.27	457.35	9,270.14	22.63	30.09
Industrial -- B2(b)	0.4kV	1,131	1,250	230	254	7	6,769	542	4	1,497	458	9,271	22.58	30.05
Industrial -- B3	11kV	1,230	1,311	242	258	7	6,531	523	4	1,420	472	8,950	21.12	28.82
Industrial -- B4	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C1(a)	0.2kV	0	0	0	0	7.46	6,769.23	542.35	3.94	1,497.27	558.06	9,370.85	24.28	31.74
Single Point Supply -- C1(b)	0.4kV	0	0	0	0	7.46	6,769.23	542.35	3.94	1,497.27	449.05	9,261.84	23.03	30.49
Single Point Supply -- C2(a)	11kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C3(a)	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C1(c)	0.4kV	11	12	2	2	7	6,769	542	4	1,497	451	9,263	22.95	30.41
Single Point Supply -- C2(b)	11kV	167	178	33	35	7	6,531	523	4	1,420	468	8,946	21.30	28.50
Single Point Supply -- C3(b)	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural -- D1(a)	0.4kV	0	0	0	0	7.46	6,769.23	542.35	3.94	1,497.27	451.72	9,264.51	22.90	30.36
Agricultural -- D2(a)	0.4kV	85	94	18	20	7.46	6,769.23	542.35	3.94	1,497.27	445.58	9,258.36	23.20	30.66
Agricultural -- D2(b)	0.4kV	471	521	98	108	7.46	6,769.23	542.35	3.94	1,497.27	448.10	9,260.89	23.07	30.54
Agricultural -- D1(b)	0.4kV	0	0	0	0	7.46	6,769.23	542.35	3.94	1,497.27	443.79	9,256.58	23.29	30.75
Temporary Supply -- E1(i)	0.2kV	1	1	0	0	7.46	6,769.23	542.35	3.94	1,497.27	554.78	9,367.57	24.41	31.87
Temporary Supply -- E1(ii)	0.2kV	16	17	3	4	7.46	6,769.23	542.35	3.94	1,497.27	563.57	9,376.35	24.05	31.52
Temporary Supply -- E2	0.2kV	1	1	0	0	7.46	6,769.23	542.35	3.94	1,497.27	571.25	9,384.03	23.75	31.21
Public Lighting -- G	0.4kV	18	20	4	4	7.46	6,769.23	542.35	3.94	1,497.27	449.28	9,262.06	23.02	30.48
Residential Colonies -- H	11kV	1	1	0	0	7.20	6,531.08	523.27	3.80	1,419.91	466.94	8,944.99	21.32	28.52
Azad Jammu Kashmir - K1a	11kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Azad Jammu Kashmir - K1b	11kV	292	312	59	62	7.20	6,531.08	523.27	3.80	1,419.91	462.88	8,940.94	21.50	28.70
A3 General	0.4kV	188	207	39	43	7.46	6,769.23	542.35	3.94	1,497.27	447.45	9,260.24	23.11	30.57
<b>Total</b>		<b>11,725</b>	<b>12,885</b>	<b>2,434</b>	<b>2,675</b>	<b>7.43</b>	<b>6,736.58</b>	<b>539.73</b>	<b>3.92</b>	<b>1,486.66</b>	<b>527.69</b>	<b>9,294.58</b>	<b>23.15</b>	<b>30.57</b>

Table 23

COST OF SERVICE FY 2023-24 (per kW or kWh at Purchased)														
Classes	Voltage Level	Energy GWh		Demand MW		Generation Cost		Transm	MOF	Distribution		Total Fixed Cost	Fixed Cost	Total Cost
		Sold	Purchased	at Meter	at CDP	Energy (Rs./kWh)	Demand (Rs./kW/M)	Cost (Rs./kW/M)	Cost (Rs./kW/M)	Demand (Rs./kW/M)	cust. Cost (Rs./kW/M)	Cost (Rs./kW/M)	Rs./kWh Purchased	Rs./kWh Purchased
Residential -- A1(a)	0.2kV	6,626	7,319	1,397	1,543	6.76	6,128.77	491.04	3.57	1,355.60	517.28	8,496.25	21.50	28.26
Residential -- A1(b)	0.4kV	194	214	41	45	6.76	6,128.77	491.04	3.57	1,355.60	399.08	8,378.06	21.22	27.98
Commercial -- A2(a)	0.2kV	383	423	81	90	6.76	6,128.77	491.04	3.57	1,355.60	515.99	8,494.97	21.55	28.31
Commercial -- A2(b)	0.4kV	0	0	0	0	6.76	6,128.77	491.04	3.57	1,355.60	400.91	8,379.89	21.13	27.89
Commercial -- A2(c)	0.4kV	386	426	80	88	6.76	6,128.77	491.04	3.57	1,355.60	407.75	8,386.72	20.79	27.55
Commercial -- A2(d) V.Ch	0.4kV	0	0	0	0	6.76	6,128.77	491.04	3.57	1,355.60	406.91	8,385.89	20.83	27.59
Industrial -- B1(a)	0.2kV	34	37	7	8	6.76	6,128.77	491.04	3.57	1,355.60	516.99	8,495.97	21.51	28.27
Industrial -- B2(a)	0.4kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial -- B1(b)	0.4kV	490	541	100	110	6.76	6,128.77	491.04	3.57	1,355.60	414.08	8,393.05	20.49	27.25
Industrial -- B2(b)	0.4kV	1,131	1,250	230	254	7	6,129	491	4	1,356	415	8,394	20.45	27.20
Industrial -- B3	11kV	1,230	1,311	242	258	7	6,129	491	4	1,332	443	8,398	19.82	26.58
Industrial -- B4	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C1(a)	0.2kV	0	0	0	0	6.76	6,128.77	491.04	3.57	1,355.60	505.26	8,484.24	21.98	28.74
Single Point Supply -- C1(b)	0.4kV	0	0	0	0	6.76	6,128.77	491.04	3.57	1,355.60	406.56	8,385.54	20.85	27.61
Single Point Supply -- C2(a)	11kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C3(a)	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C1(c)	0.4kV	11	12	2	2	7	6,129	491	4	1,356	408	8,387	20.78	27.54
Single Point Supply -- C2(b)	11kV	167	178	33	35	7	6,129	491	4	1,332	439	8,395	19.99	26.74
Single Point Supply -- C3(b)	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural -- D1(a)	0.4kV	0	0	0	0	6.76	6,128.77	491.04	3.57	1,355.60	408.98	8,387.96	20.73	27.49
Agricultural -- D2(a)	0.4kV	85	94	18	20	6.76	6,128.77	491.04	3.57	1,355.60	403.42	8,382.39	21.00	27.76
Agricultural -- D2(b)	0.4kV	471	521	98	108	6.76	6,128.77	491.04	3.57	1,355.60	405.70	8,384.68	20.89	27.65
Agricultural -- D1(b)	0.4kV	0	0	0	0	6.76	6,128.77	491.04	3.57	1,355.60	401.80	8,380.78	21.08	27.84
Temporary Supply -- E1(i)	0.2kV	1	1	0	0	6.76	6,128.77	491.04	3.57	1,355.60	502.29	8,481.27	22.10	28.86
Temporary Supply -- E1(ii)	0.2kV	16	17	3	4	6.76	6,128.77	491.04	3.57	1,355.60	510.24	8,489.22	21.78	28.53
Temporary Supply -- E2	0.2kV	1	1	0	0	6.76	6,128.77	491.04	3.57	1,355.60	517.20	8,496.17	21.50	28.26
Public Lighting -- G	0.4kV	18	20	4	4	6.76	6,128.77	491.04	3.57	1,355.60	406.77	8,385.74	20.84	27.60
Residential Colonies -- H	11kV	1	1	0	0	6.76	6,128.77	491.04	3.57	1,332.44	438.17	8,393.98	20.01	26.77
Azad Jammu Kashmir - K1a	11kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Azad Jammu Kashmir - K1b	11kV	292	312	59	62	6.76	6,128.77	491.04	3.57	1,332.44	434.37	8,390.18	20.18	26.93
A3 General	0.4kV	188	207	39	43	6.76	6,128.77	491.04	3.57	1,355.60	405.11	8,384.09	20.92	27.68
<b>Total</b>		<b>11,725</b>	<b>12,885</b>	<b>2,434</b>	<b>2,675</b>	<b>6.76</b>	<b>6,128.77</b>	<b>491.04</b>	<b>3.57</b>	<b>1,352.52</b>	<b>480.08</b>	<b>8,455.98</b>	<b>21.07</b>	<b>27.82</b>



Table 24

COST OF SERVICE FY 2023-24 (per kWh SOLD)														
Classes	Voltage Level	Energy GWh		Demand MW		Generation Cost		Transm	MOF	Distribution		Total Fixed Cost	Fixed Cost	Total Cost
		Sold	Purchased	at Meter	at CDP	Energy (Rs./kWh)	Demand (Rs./kWh)	Cost (Rs./kWh)	Cost (Rs./kWh)	Demand (Rs./kWh)	cust. Cost (Rs./kWh)	Cost (Rs./kWh)	Rs./kWh Purchased	Rs./kWh Sold
Residential -- A1(a)	0.2kV	6,626	7,319	1,397	1,543	7.46	17.13	1.37	0.010	3.79	1.45	23.75	23.75	31.21
Residential -- A1(b)	0.4kV	194	214	41	45	7.46	17.15	1.37	0.010	3.79	1.12	23.44	23.44	30.90
Commercial -- A2(a)	0.2kV	383	423	81	90	7.46	17.17	1.38	0.010	3.80	1.45	23.80	23.80	31.26
Commercial -- A2(b)	0.4kV	0	0	0	0	7.46	17.07	1.37	0.010	3.78	1.12	23.34	23.34	30.80
Commercial -- A2(c)	0.4kV	386	426	80	88	7.46	16.78	1.34	0.010	3.71	1.12	22.96	22.96	30.43
Commercial -- A2(d) V.Ch	0.4kV	0	0	0	0	7.46	16.82	1.35	0.010	3.72	1.12	23.01	23.01	30.47
Industrial -- B1(a)	0.2kV	34	37	7	8	7.46	17.14	1.37	0.010	3.79	1.45	23.76	23.76	31.22
Industrial -- B2(a)	0.4kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial -- B1(b)	0.4kV	490	541	100	110	7.46	16.52	1.32	0.010	3.66	1.12	22.63	22.63	30.09
Industrial -- B2(b)	0.4kV	1,131	1,250	230	254	7	16	1	0	4	1	23	22.58	30.05
Industrial -- B3	11kV	1,230	1,311	242	258	7	15	1	0	3	1	21	21.12	28.32
Industrial -- B4	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C1(a)	0.2kV	0	0	0	0	7.46	17.54	1.40	0.010	3.88	1.45	24.28	24.28	31.74
Single Point Supply -- C1(b)	0.4kV	0	0	0	0	7.46	16.83	1.35	0.010	3.72	1.12	23.03	23.03	30.49
Single Point Supply -- C2(a)	11kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C3(a)	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C1(c)	0.4kV	11	12	2	2	7	17	1	0	4	1	23	22.95	30.41
Single Point Supply -- C2(b)	11kV	167	178	33	35	7	16	1	0	3	1	21	21.30	28.50
Single Point Supply -- C3(b)	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural -- D1(a)	0.4kV	0	0	0	0	7.46	16.73	1.34	0.010	3.70	1.12	22.90	22.90	30.36
Agricultural -- D2(a)	0.4kV	85	94	18	20	7.46	16.96	1.36	0.010	3.75	1.12	23.20	23.20	30.66
Agricultural -- D2(b)	0.4kV	471	521	98	108	7.46	16.87	1.35	0.010	3.73	1.12	23.07	23.07	30.54
Agricultural -- D1(b)	0.4kV	0	0	0	0	7.46	17.03	1.36	0.010	3.77	1.12	23.29	23.29	30.75
Temporary Supply -- E1(i)	0.2kV	1	1	0	0	7.46	17.64	1.41	0.010	3.90	1.45	24.41	24.41	31.87
Temporary Supply -- E1(ii)	0.2kV	16	17	3	4	7.46	17.36	1.39	0.010	3.84	1.45	24.05	24.05	31.52
Temporary Supply -- E2	0.2kV	1	1	0	0	7.46	17.13	1.37	0.010	3.79	1.45	23.75	23.75	31.21
Public Lighting -- G	0.4kV	18	20	4	4	7.46	16.82	1.35	0.010	3.72	1.12	23.02	23.02	30.48
Residential Colonies -- H	11kV	1	1	0	0	7.20	15.57	1.25	0.009	3.38	1.11	21.32	21.32	28.52
Azad Jammu Kashmir - K1a	11kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Azad Jammu Kashmir - K1b	11kV	292	312	59	62	7.20	15.71	1.26	0.009	3.41	1.11	21.50	21.50	28.70
A3 General	0.4kV	188	207	39	43	7.46	16.89	1.35	0.010	3.74	1.12	23.11	23.11	30.57
<b>Total</b>		<b>11,725</b>	<b>12,885</b>	<b>2,434</b>	<b>2,675</b>	<b>7.43</b>	<b>16.78</b>	<b>1.34</b>	<b>0.010</b>	<b>3.70</b>	<b>1.31</b>	<b>23.15</b>	<b>23.15</b>	<b>30.57</b>

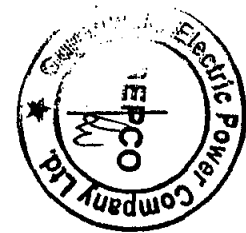


Table 25

COST OF SERVICE FY 2023-24 (per kWh Purchased)														
Classes	Voltage Level	Energy GWh		Demand MW		Generation Cost		Transm	MOF	Distribution		Total Fixed Cost	Fixed Cost	Total Cost
		Sold	Purchased	at Meter	at CDP	Energy (Rs./kWh)	Demand (Rs./kWh)	Cost (Rs./kWh)	Cost (Rs./kWh)	Demand (Rs./kWh)	cust. Cost (Rs./kWh)	Cost (Rs./kWh)	Rs./kWh Purchased	Rs./kWh Purchased
Residential -- A1(a)	0.2kV	6,626	7,319	1,397	1,543	6.76	15.51	1.24	0.009	3.43	1.31	21.50	21.50	28.26
Residential -- A1(b)	0.4kV	194	214	41	45	6.76	15.52	1.24	0.009	3.43	1.01	21.22	21.22	27.98
Commercial -- A2(a)	0.2kV	383	423	81	90	6.76	15.55	1.25	0.009	3.44	1.31	21.55	21.55	28.31
Commercial -- A2(b)	0.4kV	0	0	0	0	6.76	15.45	1.24	0.009	3.42	1.01	21.13	21.13	27.89
Commercial -- A2(c)	0.4kV	386	426	80	88	6.76	15.19	1.22	0.009	3.36	1.01	20.79	20.79	27.55
Commercial -- A2(d) V.Ch	0.4kV	0	0	0	0	6.76	15.22	1.22	0.009	3.37	1.01	20.83	20.83	27.59
Industrial -- B1(a)	0.2kV	34	37	7	8	6.76	15.52	1.24	0.009	3.43	1.31	21.51	21.51	28.27
Industrial -- B2(a)	0.4kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial -- B1(b)	0.4kV	490	541	100	110	6.76	14.96	1.20	0.009	3.31	1.01	20.49	20.49	27.25
Industrial -- B2(b)	0.4kV	1,131	1,250	230	254	7	15	1	0	3	1	20	20.45	27.20
Industrial -- B3	11kV	1,230	1,311	242	258	7	14	1	0	3	1	20	19.82	26.58
Industrial -- B4	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C1(a)	0.2kV	0	0	0	0	6.76	15.88	1.27	0.009	3.51	1.31	21.98	21.98	28.74
Single Point Supply -- C1(b)	0.4kV	0	0	0	0	6.76	15.24	1.22	0.009	3.37	1.01	20.85	20.85	27.61
Single Point Supply -- C2(a)	11kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C3(a)	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C1(c)	0.4kV	11	12	2	2	7	15	1	0	3	1	21	20.78	27.54
Single Point Supply -- C2(b)	11kV	167	178	33	35	7	15	1	0	3	1	20	19.99	26.74
Single Point Supply -- C3(b)	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural -- D1(a)	0.4kV	0	0	0	0	6.76	15.15	1.21	0.009	3.35	1.01	20.73	20.73	27.49
Agricultural -- D2(a)	0.4kV	85	94	18	20	6.76	15.36	1.23	0.009	3.40	1.01	21.00	21.00	27.76
Agricultural -- D2(b)	0.4kV	471	521	98	108	6.76	15.27	1.22	0.009	3.38	1.01	20.89	20.89	27.65
Agricultural -- D1(b)	0.4kV	0	0	0	0	6.76	15.42	1.24	0.009	3.41	1.01	21.08	21.08	27.84
Temporary Supply -- E1(i)	0.2kV	1	1	0	0	6.76	15.97	1.28	0.009	3.53	1.31	22.10	22.10	28.86
Temporary Supply -- E1(ii)	0.2kV	16	17	3	4	6.76	15.72	1.26	0.009	3.48	1.31	21.78	21.78	28.53
Temporary Supply -- E2	0.2kV	1	1	0	0	6.76	15.51	1.24	0.009	3.43	1.31	21.50	21.50	28.26
Public Lighting -- G	0.4kV	18	20	4	4	6.76	15.23	1.22	0.009	3.37	1.01	20.84	20.84	27.60
Residential Colonies -- H	11kV	1	1	0	0	6.76	14.61	1.17	0.009	3.18	1.04	20.01	20.01	26.77
Azad Jammu Kashmir - K1a	11kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Azad Jammu Kashmir - K1b	11kV	292	312	59	62	6.76	14.74	1.18	0.009	3.20	1.04	20.18	20.18	26.93
A3 General	0.4kV	188	207	39	43	6.76	15.29	1.23	0.009	3.38	1.01	20.92	20.92	27.68
<b>Total</b>		<b>11,725</b>	<b>12,885</b>	<b>2,434</b>	<b>2,675</b>	<b>6.76</b>	<b>15.27</b>	<b>1.22</b>	<b>0.009</b>	<b>3.37</b>	<b>1.20</b>	<b>21.07</b>	<b>21.07</b>	<b>27.82</b>

## GEPCO – Petition for Determination Use of System Charges (September, 2023) Annex-2

Table 26

FY 2023-24 (Impact of Losses on per kW or kWh basis)														
Classes	Voltage Level	Energy GWh		Demand MW		Generation Cost		Transm	MOF	Distribution		Total Fixed Cost	Total Fixed Cost	Total Cost
		Sold	Purchased	at Meter	at CDP	Energy (Rs./kWh)	Demand (Rs./kW/M)	Cost (Rs./kW/M)	Cost (Rs./kW/M)	Demand (Rs./kW/M)	cust. Cost (Rs./kW/M)	(Rs./kW/ M)	(Rs./kWh)	(Rs./kWh)
Residential -- A1(a)	0.2kV	6,626	7,319	1,397	1,543	0.71	640.46	51.31	0.37	141.66	54.06	887.87	2.25	2.95
Residential -- A1(b)	0.4kV	194	214	41	45	0.71	640.46	51.31	0.37	141.66	41.70	875.52	2.22	2.92
Commercial -- A2(a)	0.2kV	383	423	81	90	0.71	640.46	51.31	0.37	141.66	53.92	887.73	2.25	2.96
Commercial -- A2(b)	0.4kV	0	0	0	0	0.71	640.46	51.31	0.37	141.66	41.90	875.71	2.21	2.91
Commercial -- A2(c)	0.4kV	386	426	80	88	0.71	640.46	51.31	0.37	141.66	42.61	876.42	2.17	2.88
Commercial -- A2(d) V.Ch	0.4kV	0	0	0	0	0.71	640.46	51.31	0.37	141.66	42.52	876.34	2.18	2.88
Industrial -- B1(a)	0.2kV	34	37	7	8	0.71	640.46	51.31	0.37	141.66	54.03	887.84	2.25	2.95
Industrial -- B2(a)	0.4kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial -- B1(b)	0.4kV	490	541	100	110	0.71	640.46	51.31	0.37	141.66	43.27	877.08	2.14	2.85
Industrial -- B2(b)	0.4kV	1,131	1,250	230	254	1	640	51	0	142	43	877	2.14	2.84
Industrial -- B3	11kV	1,230	1,311	242	258	0	402	32	0	87	29	551	1.30	1.74
Industrial -- B4	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C1(a)	0.2kV	0	0	0	0	0.71	640.46	51.31	0.37	141.66	52.80	886.61	2.30	3.00
Single Point Supply -- C1(b)	0.4kV	0	0	0	0	0.71	640.46	51.31	0.37	141.66	42.49	876.30	2.18	2.88
Single Point Supply -- C2(a)	11kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C3(a)	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C1(c)	0.4kV	11	12	2	2	1	640	51	0	142	43	876	2.17	2.88
Single Point Supply -- C2(b)	11kV	167	178	33	35	0	402	32	0	87	29	551	1.31	1.76
Single Point Supply -- C3(b)	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural -- D1(a)	0.4kV	0	0	0	0	0.71	640.46	51.31	0.37	141.66	42.74	876.55	2.17	2.87
Agricultural -- D2(a)	0.4kV	85	94	18	20	0.71	640.46	51.31	0.37	141.66	42.16	875.97	2.19	2.90
Agricultural -- D2(b)	0.4kV	471	521	98	108	0.71	640.46	51.31	0.37	141.66	42.40	876.21	2.18	2.89
Agricultural -- D1(b)	0.4kV	0	0	0	0	0.71	640.46	51.31	0.37	141.66	41.99	875.80	2.20	2.91
Temporary Supply -- E1(i)	0.2kV	1	1	0	0	0.71	640.46	51.31	0.37	141.66	52.49	886.30	2.31	3.02
Temporary Supply -- E1(ii)	0.2kV	16	17	3	4	0.71	640.46	51.31	0.37	141.66	53.32	887.13	2.28	2.98
Temporary Supply -- E2	0.2kV	1	1	0	0	0.71	640.46	51.31	0.37	141.66	54.05	887.86	2.25	2.95
Public Lighting -- G	0.4kV	18	20	4	4	0.71	640.46	51.31	0.37	141.66	42.51	876.32	2.18	2.88
Residential Colonies -- H	11kV	1	1	0	0	0.44	402.31	32.23	0.23	87.47	28.76	551.01	1.31	1.76
Azad Jammu Kashmir - K1a	11kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Azad Jammu Kashmir - K1b	11kV	292	312	59	62	0.44	402.31	32.23	0.23	87.47	28.51	550.76	1.32	1.77
A3 General	0.4kV	188	207	39	43	0.71	640.46	51.31	0.37	141.66	42.33	876.15	2.19	2.89
<b>Total</b>		<b>11,725</b>	<b>12,885</b>	<b>2,434</b>	<b>2,675</b>	<b>0.67</b>	<b>607.81</b>	<b>48.70</b>	<b>0.35</b>	<b>134.13</b>	<b>47.61</b>	<b>838.61</b>	<b>2.08</b>	<b>2.75</b>



## GEPCO – Petition for Determination Use of System Charges (September, 2023) Annex-2

Table 27

FY 2023-24 (Impact of Losses on per kWh basis)														
Classes	Voltage Level	Energy GWh		Demand MW		Generation Cost		Transm	MOF	Distribution		Total Fixed Cost	Total Fixed Cost	Total Cost
		Sold	Purchased	at Meter	at CDP	Energy (Rs./kWh)	Demand (Rs./kW/M)	Cost (Rs./kW/M)	Cost (Rs./kW/M)	Demand (Rs./kW/M)	cust. Cost (Rs./kW/M)	(Rs./kW/ M)	(Rs./kWh)	(Rs./kWh)
Residential -- A1(a)	0.2kV	6,626	7,319	1,397	1,543	0.71	1.62	0.13	0.0009	0.36	0.14	2.25	2.25	2.95
Residential -- A1(b)	0.4kV	194	214	41	45	0.71	1.62	0.13	0.0009	0.36	0.11	2.22	2.22	2.92
Commercial -- A2(a)	0.2kV	383	423	81	90	0.71	1.62	0.13	0.0009	0.36	0.14	2.25	2.25	2.96
Commercial -- A2(b)	0.4kV	0	0	0	0	0.71	1.61	0.13	0.0009	0.36	0.11	2.21	2.21	2.91
Commercial -- A2(c)	0.4kV	386	426	80	88	0.71	1.59	0.13	0.0009	0.35	0.11	2.17	2.17	2.88
Commercial -- A2(d) V.Ch	0.4kV	0	0	0	0	0.71	1.59	0.13	0.0009	0.35	0.11	2.18	2.18	2.88
Industrial -- B1(a)	0.2kV	34	37	7	8	0.71	1.62	0.13	0.0009	0.36	0.14	2.25	2.25	2.95
Industrial -- B2(a)	0.4kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial -- B1(b)	0.4kV	490	541	100	110	0.71	1.56	0.13	0.0009	0.35	0.11	2.14	2.14	2.85
Industrial -- B2(b)	0.4kV	1,131	1,250	230	254	1	2	0	0	0	0	2	2.14	2.84
Industrial -- B3	11kV	1,230	1,311	242	258	0	1	0	0	0	0	1	1.30	1.74
Industrial -- B4	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C1(a)	0.2kV	0	0	0	0	0.71	1.66	0.13	0.0010	0.37	0.14	2.30	2.30	3.00
Single Point Supply -- C1(b)	0.4kV	0	0	0	0	0.71	1.59	0.13	0.0009	0.35	0.11	2.18	2.18	2.88
Single Point Supply -- C2(a)	11kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C3(a)	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Single Point Supply -- C1(c)	0.4kV	11	12	2	2	1	2	0	0	0	0	2	2.17	2.88
Single Point Supply -- C2(b)	11kV	167	178	33	35	0	1	0	0	0	0	1	1.31	1.76
Single Point Supply -- C3(b)	132/66kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural -- D1(a)	0.4kV	0	0	0	0	0.71	1.58	0.13	0.0009	0.35	0.11	2.17	2.17	2.87
Agricultural -- D2(a)	0.4kV	85	94	18	20	0.71	1.60	0.13	0.0009	0.35	0.11	2.19	2.19	2.90
Agricultural -- D2(b)	0.4kV	471	521	98	108	0.71	1.60	0.13	0.0009	0.35	0.11	2.18	2.18	2.89
Agricultural -- D1(b)	0.4kV	0	0	0	0	0.71	1.61	0.13	0.0009	0.36	0.11	2.20	2.20	2.91
Temporary Supply -- E1(i)	0.2kV	1	1	0	0	0.71	1.67	0.13	0.0010	0.37	0.14	2.31	2.31	3.02
Temporary Supply -- E1(ii)	0.2kV	16	17	3	4	0.71	1.64	0.13	0.0010	0.36	0.14	2.28	2.28	2.98
Temporary Supply -- E2	0.2kV	1	1	0	0	0.71	1.62	0.13	0.0009	0.36	0.14	2.25	2.25	2.95
Public Lighting -- G	0.4kV	18	20	4	4	0.71	1.59	0.13	0.0009	0.35	0.11	2.18	2.18	2.88
Residential Colonies -- H	11kV	1	1	0	0	0.44	0.96	0.08	0.0006	0.21	0.07	1.31	1.31	1.76
Azad Jammu Kashmir - K1a	11kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Azad Jammu Kashmir - K1b	11kV	292	312	59	62	0.44	0.97	0.08	0.0006	0.21	0.07	1.32	1.32	1.77
A3 General	0.4kV	188	207	39	43	0.71	1.60	0.13	0.0009	0.35	0.11	2.19	2.19	2.89
<b>Total</b>		<b>11,725</b>	<b>12,885</b>	<b>2,434</b>	<b>2,675</b>	<b>0.67</b>	<b>1.51</b>	<b>0.12</b>	<b>0.0009</b>	<b>0.33</b>	<b>0.12</b>	<b>2.08</b>	<b>2.08</b>	<b>2.75</b>





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**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY  
OPEN ACCESS (INTERCONNECTION AND WHEELING OF ELECTRIC POWER)  
REGULATIONS, 2022**

**NOTIFICATION**

Islamabad, the 2<sup>nd</sup> day of Nov, 2022

**S.R.O. 1994**. In exercise of the powers conferred by section 47 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (Act No. XL of 1997) read with all other enabling provisions thereof, the National Electric Power Regulatory Authority is pleased to make the following regulations.—

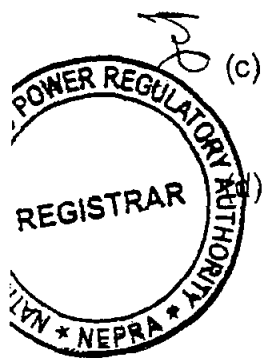
**1. Short title and commencement.**— (1) These regulations shall be called the National Electric Power Regulatory Authority Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022.

(2) These regulations shall come into force and effect upon lifting or expiration of the moratorium on section 23A and 23B, whichever is earlier, pursuant to sub-section 3 of section 1 of the Act.

**PART I  
GENERAL**

**2. Definitions.**— (1) In these regulations, unless there is anything repugnant in the subject or context,—

- (a) "Act" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (Act No. XL of 1997), as amended from time to time;
- (b) "applicable documents" means the rules, regulations, terms and conditions of any licence, registration, authorization, determination, any codes, manuals, directions, guidelines, orders, notifications, agreement or document issued or approved under the Act;
- (c) "applicant" means any person who submits an application to the concerned network licensee for obtaining open access;
- (d) "Distribution Code" means the code prepared by the distribution licensees and approved by the Authority that defines the technical and operational standards and procedures for distribution licensees and all those connected to the distribution system;
- (e) "distribution system" includes the distribution facilities and electric lines or circuits, meters, interconnection facilities or other facilities operating at the distribution voltage, and shall also include any other electric lines, circuits,



transformers, sub-stations, interconnection facilities or other facilities determined by the Authority as forming part of the distribution system, whether or not operating at the distribution voltage;

- (f) "generation company" means a person engaged in the generation of electric power;
- (g) "generation facility" means the electrical facility used for the production of electric power and includes a generation facility owned by a captive generating plant, generation licensee or a generation company;
- (h) "Grid Code" means the code prepared by the national grid company and approved by the Authority or, when a separate entity is licensed as system operator, prepared by the system operator licensee under sections 23G and 23H of the Act and approved by the Authority;
- (i) "interconnection facilities" means any equipment, including the electrical lines or circuits, transformers, switchgears, safety and protective devices and meters used for interconnection services;
- (j) "Market Commercial Code" or "Commercial Code" means the commercial code prepared and maintained by the market operator pursuant to sections 23A and 23B of the Act and approved by the Authority from time to time;
- (k) "merchant generating plant" means a generation facility that is connected with the national grid without any bilateral contract to sell electric power or provide ancillary services in the electric power market in accordance with the Market Commercial Code;
- (l) "network licensee" means a transmission licensee or a distribution licensee, as the case may be;
- (m) "open access" means the access to a network licensee's system or its associated facilities for movement and delivery of electric power, subject to the terms and conditions as provided in the Act, these regulations and use of system agreement, on non-discriminatory basis to:



- (i) an electric power supplier for supply of electric power to its consumer(s); or
- (ii) a captive generating plant for delivery of the electric power from generation facility to the destination of its use; or
- (iii) any other person, including a licensee for delivery of electric power from a designated place to another designated place;

- (n) "open access user" means any person who is availing open access under these regulations;
- (o) "system operator" means a person licensed under the Act to administer system operation and dispatch;
- (p) "transmission system" includes the transmission facilities and electric lines or circuits, meters, interconnection facilities or other facilities operating at the transmission voltage but shall not include—
  - (i) electrical circuits forming the immediate connection between generation facilities and the transmission grid to the extent that those circuits are owned by a generation company and are directly associated with that company's generation facilities; and
  - (ii) specified facilities operating at or above the minimum transmission voltage which the Authority, upon an application by a licensee under section 20 of the Act, determines that such facilities shall be owned and operated by a distribution licensee;
- (q) "use of system agreement" means the agreement between an open access user and the concerned distribution licensee covering subjects as specified in Schedule I to these regulations; and
- (r) "use of system charges" shall include all charges related to use of distribution system, use of transmission system, system operator services, market operator services, metering service provider services and any other charges as determined by the Authority that may arise due to advent of the open access and market liberalization.

(2) Words and expressions used but not defined in these regulations shall have the same meanings as assigned to them in the Act and the applicable documents.

## PART II INTERCONNECTION

**3. Interconnection facilities.—** (1) Any applicant whether a generator or a bulk power consumer or captive generating plant may apply to a network licensee for connection to the network licensee's system in accordance with the Distribution Code or Grid Code as the case may be.

(2) The network licensee shall decide any application filed under sub-regulation (1) in accordance with the Distribution Code or Grid Code, as the case may be.

(3) The approval of connection under regulation (2), shall be subject to compliance with the National Electric Power Regulatory Authority Consumer Eligibility Criteria

(Distribution Licensees) Regulations, 2022 and National Electric Power Regulatory Authority Consumer Eligibility Criteria (Electric Power Suppliers) Regulations, 2022 and other applicable documents.

**4. Financing, construction and operation of the interconnection facilities.—**

(1) Where a generation company intends to connect to a network licensee, the concerned network licensee shall be responsible for financing, construction, and operations of the interconnection facilities in accordance with the Grid Code or Distribution Code, as may be applicable, in accordance with its investment plan approved by the Authority.

(2) The network licensee may raise financing for the interconnection facilities from internal resources, local or foreign lenders or any other source including the generation company on mutually agreed terms, and may include such costs in relevant regulatory filings with the Authority. The inclusion of the interconnection facilities in the asset base of the network licensee shall depend on the terms and conditions of such financing or commercial agreements.

(3) In the event where network licensee shows its inability to construct the interconnection facilities due to technical and/or financial constraints following options may be exercised for the interconnection purposes:

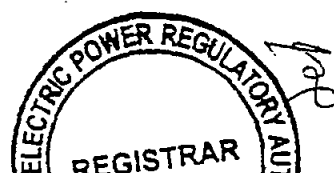
(a) The generation company may arrange the financing required for the construction of interconnection facilities by the network licensee. The network licensee and generation company shall enter into an agreement to mutually decide the terms and conditions for reimbursement of financing to the generation company; or

(b) A special purpose company, may construct, operate and maintain the dedicated network and interconnection facilities for connecting with the national grid after obtaining relevant licence from the Authority.

(4) The interconnection facilities referred to under sub-regulation (3) shall be in accordance with the relevant provisions of the Grid Code, Distribution Code and applicable documents.

(5) Nothing contained in sub-regulation (3) shall absolve the respective network licensee from its obligation to provide interconnection and open access in accordance with the Grid Code, Distribution Code, these regulations and other applicable documents and the mechanisms provided in sub-regulation (3) shall be exercised at the sole option of the generation company.

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### **PART III OPEN ACCESS**

**5. Obligation to provide open access.**— (1) A network licensee shall establish, operate and maintain its distribution system or transmission system, as the case may be, in a manner that ensures non-discriminatory open access in accordance with the Act, these regulations, Market Commercial Code, Grid Code, Distribution Code and other applicable documents.

(2) A network licensee shall, on an annual basis, prepare an open access report demonstrating compliance with these regulations and licence terms and conditions, with the details of its open access users, available and planned capacity, any issues identified in provision of open access, and any instances where open access was denied along with justification therefor. The said report shall also be made available on the website of a network licensee.

(3) The report required under sub-regulation (2) shall be prepared and submitted to the Authority within a period of one month from the date of end of respective financial year and shall also be made available on website of the network licensee.

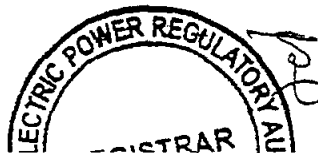
(4) The distribution company shall develop the use of system agreement in accordance with the minimum provisions provided in the Schedule I within ninety days of the notification of these regulations and shall obtain the approval of the Authority and publish the same on its website.

**6. Execution of use of system agreement.**— (1) Any person who has been granted a competitive supplier licence by the Authority or a person who has submitted an application to the Authority in this respect may approach the relevant distribution licensee in whose service territory the competitive supplier intends to supply electric power to the eligible bulk power consumers, for execution of use of system agreement as approved by the Authority:

Provided that where the bulk power consumer is connected directly to the transmission system of a transmission licensee, the use of system agreement shall be executed with the relevant distribution licensee in whose territory the bulk power consumer is located.

(2) Such request for execution of use of system agreement shall be accompanied by the following documents and information:

- (a) identification of the bulk power consumers, if applicable;
- (b) proposed commencement date of electric power supply to the bulk power consumers; and
- (c) any other necessary details as may be required by the distribution licensee.



(3) The distribution licensee shall acknowledge the receipt of the request within three days of the receipt thereof:

Provided that any request which is incomplete or not accompanied by the required information, shall be returned within three days of the filing thereof, identifying in writing the deficiencies, and allow a reasonable time to re-submit the request.

(4) The request, if found satisfactory, shall be accepted by the concerned distribution licensee within ten days of acknowledgement of receipt thereof.

(5) After acceptance of the request, the concerned distribution licensee and the competitive supplier shall execute the use of system agreement for collection and payment thereof within thirty days of such acceptance:

Provided that the use of system agreement shall be signed only when the competitive supplier has been granted an electric power supply licence by the Authority.

Provided further that the competitive supplier shall provide a security cover in terms of irrevocable standby letter of credit in favour of the concerned network licensee covering two months' estimated payment of use of system charges and charges on account of late payment thereof.

(6) The above stipulated provisions shall be *mutatis mutandis* applicable, where the captive generating plant is connected with the network licensee's system and availing open access.

**7. Filing of petition and determination of use of system charges.**— Within ninety days following the date of notification of these regulations, each distribution licensee, in consultation with the respective supplier of last resort, shall prepare and submit a separate petition to the Authority for determination of its use of system charges. Such petition shall be accompanied with a statement which will set out the basis upon which the use of system charges shall be calculated in such manner and with such details as shall be necessary.

**8. Wheeling of electric power.**— An open access user shall be entitled to wheel electric power using the system of network licensee subject to compliance with these regulations and the Market Commercial Code, upon coming into effect, and use of system agreement.

**9. Collection and disbursement of use of system charges.**— (1) An open access user shall pay use of system charges, as determined by the Authority from time to time, to the designated accounts as may be determined by the Authority.

(2) The distribution licensees, shall have appropriate back-to-back arrangements in place in order to disburse collected use of system charges

**10. Complaint and dispute resolution.**— (1) The network licensees shall make available a complaint-handling mechanism that provides open access users with expeditious, fair, transparent, inexpensive, accessible, speedy and effective dispute resolution without unnecessary cost or burden.

(2) Any dispute relating to open access shall be dealt with in accordance with the mechanism provided in the use of system agreement, Grid Code or Distribution Code, as the case may be.

(3) In the event the parties to a dispute are not able to resolve their dispute as per the procedure provided in sub-regulation (2), the matter shall be referred to the Authority.

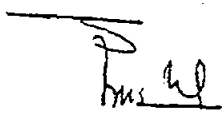
(4) The Authority shall give its decision in any matter referred to it under sub-regulations (3), within a period of three months after providing an opportunity of hearing to the concerned parties.

**11. Repeal and savings.**— (1) Upon the effectiveness of these regulations, the following regulations shall stand repealed.—

- (a) National Electric Power Regulatory Authority (Wheeling of Electric Power) Regulations, 2016;
- (b) National Electric Power Regulatory Authority (Interconnection for Renewable Generation Facilities) Regulations, 2015; and
- (c) National Electric Power Regulatory Authority (Sale of Electric Power by Renewable Energy Companies) Guidelines, 2015.

(2) Any wheeling agreement executed under National Electric Power Regulatory Authority (Wheeling of Electric Power) Regulations, 2016 prior to notification of these regulations shall be brought in conformity with these regulations prior to the date of effectiveness of these regulations.

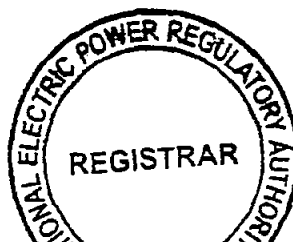


  
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(Syed Safeer Hussain)  
Registrar

**SCHEDULE-I**  
**"Use of System Agreement"**  
See regulation 2 (1) (p)

A use of system agreement shall *inter alia* provide for the following:

- (a) Detailed description/profile of parties along with addresses and authorised representatives;
- (b) Effective date and term;
- (c) Provisions on applicability (compliance with) and hierarchy of applicable documents;
- (d) Provision(s) establishing that open access charges will be in accordance with NEPRA tariff determinations;
- (e) Invoicing and payments of open access charges;
- (f) Arrangement in case of failure to provide open access;
- (g) Dispute resolution mechanisms;
- (h) Security cover in terms of cash or irrevocable standby letter of credit;
- (i) Provisions ensuring compliance of these regulations, the Grid Code, the Distribution Code as applicable;
- (j) Notice of Force Majeure Events;
- (k) Representations and Warranties;
- (l) Termination notice;
- (m) Conditions for Assignment of open access rights;
- (n) Provisions related to posting of notices and service address; and
- (o) Procedure of making amendments to the agreement.







OFFICE OF THE  
REGISTRAR

F/C

**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY**  
ISLAMIC REPUBLIC OF PAKISTAN  
NEPRA Tower, Ataturk Avenue (East) G-5/1, Islamabad  
Phone: 2013200, Fax: 2600026  
Website: [www.nepra.org.pk](http://www.nepra.org.pk), Email: [info@nepra.org.pk](mailto:info@nepra.org.pk)

No. NEPRA/DG(Tariff)/TRF-100/ 33375-84


September 13, 2023

Chief Executive Officer Lahore Electric Supply Company (LESCO), 22-A, Queen's Road, Lahore	Chief Executive Officer Faisalabad Electric Supply Company (FESCO), Abdullahpur, Canal Bank Road, Faisalabad
Chief Executive Officer, Sukkur Electric Power Company Ltd. (SEPCO) Administration Block, Thermal Power Station, Old Sukkur.	Chief Executive Officer Hyderabad Electric Supply Company (HESCO) Old State Bank Building, G.O.R. Colony Hyderabad
Chief Executive Officer, Tribal Areas Electricity Supply Company (TESCO) WAPDA House, Shami Road, Peshawar	Chief Executive Officer Peshawar Electric Supply Company (PESCO), WAPDA House, Sakhi Chashma, Shami Road, Peshawar
Chief Executive Officer Quetta Electric Supply Company (QESCO), 14-A Zarghoon Road, Quetta	Chief Executive Officer Multan Electric Power Company (MEPCO) MEPCO Complex, WAPDA Colony, Khanewal Road, Multan
Chief Executive Officer Gujranwala Electric Power Company (GEPCO) 565/A, Model Town G.T. Road, Gujranwala	Chief Executive Officer Islamabad Electric Supply Company (IESCO), Street No. 40, G-7/4, Islamabad

Subject: - **PETITION FOR DETERMINATION OF USE OF SYSTEM CHARGES/  
WHEELING CHARGES**

This is with reference to the petitions filed by XWDISCOs for determination of use of system/wheeling charges.

- The Tariff of FY 2023-24 has been determined by the Authority and subsequently notified by Federal Government vide SRO dated July 25, 2023.
- Considering the fact that petitions filed by XWDISCOs for use of system/ wheeling charges were based on the revenue requirement/ tariff determined for the FY 2022-23, therefore the Authority has decided to return all such petitions. The Discos are hereby directed to file new petitions after incorporating the revised tariff numbers as determined by NEPRA for the FY 2023-24 and subsequently notified by the Federal Government.

  
(Haris Khan)  
Deputy Director





Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad  
Ph: +92-51-9206500, Fax: +92-51-2600026  
Web: www.nepa.org.pk, E-mail: registrar@nepa.org.pk

No.NEPRA/R/DG(Trf)/TRF-562&TRF-563/GEPCO-2021/8233-39 July 14, 2023

Subject: **DECISION OF THE AUTHORITY REGARDING REQUEST FILED BY GUJRANWALA ELECTRIC POWER COMPANY LTD. (GEPCO) FOR ADJUSTMENT/INDEXATION OF TARIFF FOR THE FY 2023-24 UNDER THE MYT [CASE # NEPRA/TRF-562 & TRF-563 /GEPCO-2021]**

Dear Sir,

Please find enclosed herewith subject Decision of the Authority (45 Pages) regarding request filed by Gujranwala Electric Power Company Ltd. (GEPCO) for adjustment/indexation of tariff for the FY 2023-24 under the MYT in Case No. NEPRA/TRF-562 & TRF-563 /GEPCO-2021.

2. The Decision is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 within 30 days from the intimation of this Decision. In the event the Federal Government fails to notify the subject tariff Decision or refer the matter to the Authority for reconsideration, within the time period specified in Section 31(7), then the Authority shall notify the same in the official Gazette pursuant to Section 31(7) of NEPRA Act.

Enclosure: As above

*(Engr. Mazhar Iqbal Ranjha)*

Secretary  
Ministry of Energy (Power Division)  
'A' Block, Pak Secretariat  
Islamabad

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Secretary, Energy Department., Government of the Punjab, 8<sup>th</sup> Floor, EFU House, Main Gulberg, Jail Road, Lahore,
4. Chief Executive Officer, NTDC, 414 WAPDA House, Shaharah-e-Quaid-e-Azam, Lahore
5. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad.
6. Chief Executive Officer, Gujranwala Electric Power Company Ltd. (GEPCO)
7. 565/A, Model Town, G.T. Road, Gujranwala

**DECISION OF THE AUTHORITY IN THE MATTER OF REQUEST FILED BY GURANWALA  
ELECTRIC POWER COMPANY (GEPCO) FOR ADJUSTMENT / INDEXATION OF TARIFF FOR THE  
FY 2023-24 UNDER THE MYT**

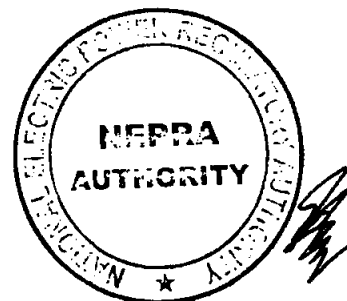
**1. Back Ground**

- 1.1. The Authority determined separate tariffs of Gujranwala Electric Power Company Limited (GEPCO) (herein referred to as "Petitioner") under Multi Year Tariff (MYT) regime, for a period of five years i.e. from FY 2020-21 to FY 2024-25, for both its Distribution and Supply of power functions vide tariff determinations dated June 02, 2022. Subsequently, a uniform tariff application u/s 31 (4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 was filed by the Federal Government, which was also decided by the Authority on July 22, 2022 and the decision was intimated to the Federal Government for notification in the official gazette. The tariff so determined was notified by the Federal Government vide SRO dated 25.07.2022. GEPCO, also in the mean time being aggrieved from its determination dated 02.06.2022, filed Motion for Leave for Review (MLR), which was accordingly decided by the Authority dated January 12, 2023.
- 1.2. The Petitioner now in line with the adjustment mechanism provided in its notified MYT determination, has filed its request for adjustment/ indexation of different components of its revenue requirement for the FY 2023-24, along-with break-up of costs in terms of Distribution and Supply functions.
- 1.3. Here it is pertinent to mention that as per the amendment NEPRA Act, function of sale of electric power, traditionally being performed by the Distribution Licensees, has been removed from the scope of Distribution Licensee and transferred to a Supply Licensee. Section 23E, of the amended Act, provides that holder of a distribution license on the date of coming into effect of the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 shall be deemed to hold a license for supply of electric power under this section for a period of five years from such date.
- 1.4. The Authority noted that the Petitioner was a deemed supplier till 26.04.2023, in light of aforementioned section of NEPRA Act. The Petitioner, however, has submitted its supply of power license application, which is under consideration of the Authority. In view thereof, the Authority has decided to consider the instant adjustment/ indexation request of the Petitioner for both its Distribution and Supply of Power functions. Thus, the grant of supply tariff under the MYT regime shall in no way be construed as a basis for claiming supply license. The application for grant of Supply license would be processed separately after following the due process of law and in light of applicable documents. The terms & conditions to be given by the Authority, in the supply license would be applicable during the MYT control period and the MYT would be governed by the terms & conditions of the new license.
- 1.5. A Summary of the adjustments request submitted by the Petitioner is as under;



*Decision of the Authority in the matter of request filed by GEPCO for  
Adjustment / Indexation of Tariff for the FY 2023-24 under the MYT*

Description	Unit	Distribution Business	Power Supply Business	Total Revenue Requirement
Power Purchase Price	Rs. Mln	-	298,355	298,355
<b>Margin</b>				
Salaries, Wages & Other Benefits	Rs. Mln	10,337	3,446	13,783
Provision for Retirement Benefits	Rs. Mln	6,920	2,307	9,227
O&M Costs	Rs. Mln	2,245	1,435	3,680
Depreciation	Rs. Mln	3,142	64	3,206
Return on Rate Base	Rs. Mln	7,634	156	7,790
Gross Distribution Margin	Rs. Mln	30,278	7,408	37,686
Less: Other Income	Rs. Mln	-971	-2,266	-3,237
Net Distribution Margin	Rs. Mln	29,307	5,142	34,449
Prior Year Adjustment	Rs. Mln	-	12,930	12,930
Revenue Requirement	Rs. Mln	29,307	316,427	345,734
Units Sold	GWh	12,507	12,507	12,507
Requested Tariff	Rs./kWh	2.34	25.30	27.64



## 2. Hearing

- 2.1. Since the impact of any such adjustments has to be made part of the consumer end tariff, therefore, the Authority, in order to provide an opportunity of hearing to all the concerned and meet the ends of natural justice, decided to conduct a hearing in the matter.
- 2.2. Hearing in the matter was held on April 11, 2023, for which advertisement was published in newspapers on March 29, 2023. Separate notices were also sent to the stakeholders for inviting comments from the interested/ affected parties. Salient features and details of the proposed adjustments along-with notice of hearing were also uploaded on NEPRA's Website for information of all concerned.
- 2.3. For the purpose of hearing, and based on the pleadings, following issues were framed to be considered during the hearing and for presenting written as well as oral evidence and arguments;
  - i. Whether the requested adjustments/indexation in tariff are in line with the MYT tariff determination and are justified?
  - ii. GEPCO to present its Power Purchases Price (Energy & Cost) for the FY 2023-24, keeping in view the Section 32 of NEPRA Act and NEPRA Power Procurement Regulations?
  - iii. Whether the requested PYA, is justified?
  - iv. Whether the existing Tariff Terms and Conditions needs to be modified (including the request of Cold Storage to charge "B Industrial Supply" Category tariff instead of "A-2 Commercial" category tariff), and keeping in view the amendments in Consumer Service Manual or otherwise?
  - v. Whether the existing fixed charges applicable to different consumer categories needs to be revised and requires any changes in mechanism for charging of such charges based on Actual MDI or Sanction Load or otherwise? Whether there should any Fixed Charges on consumer's categories who are currently not paying any fixed charges?
  - vi. Whether the peak and off-peak rate design needs to be revised?

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vii. Any other issue that may come up during or after the hearing?

3. Filing of objections/ comments:

3.1. Comments/replies and filing of Intervention Request (IR), if any, were desired from the interested person/ party within 7 days of the publication of notice of admission in terms of Rule 6, 7 & 8 of the Tariff Rules. In response thereof, various commentators have filed their comments on the issue of mechanism of application of fixed charges and tariff to be applicable for cold storage. The same has been discussed under the relevant issue.

3.2. During the hearing, the Petitioner was represented by its CEO along-with its technical and financial teams. On the basis of pleadings, evidence/record produced and arguments raised during the hearing, issue-wise findings are given as under;

4. GEPCO to present its Power Purchases Price (Energy & Cost) for the FY 2023-24, keeping in view the Section 32 of NEPRA Act and NEPRA Power Procurement Regulations?

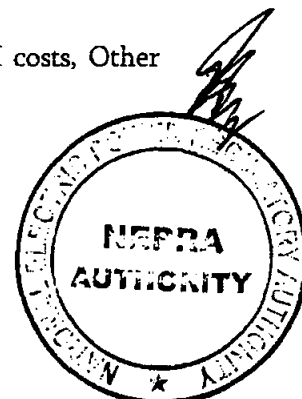
4.1. The Authority noted that Power Purchase Price (PPP) forecast of the Petitioner as well for all XWDISCOs for the FY 2023-24 has since been determined by the Authority through a separate decision, detailing the assumptions of the forecast and relevant share of the Petitioner. In view thereof, the Authority does not see any rationale to discuss this issue again herein in the instant decision. However, for the purpose of calculation of overall revenue requirement of the Petitioner, the PPP forecast for the FY 2023-24 as determined by the Authority, has been made part of the overall Revenue Requirement of the Petitioner. Further, Annex-I of the PPP decision, to the extent of the Petitioner, has been attached as Annex-IV with the instant decision. The PPP forecast of the Petitioner for the FY 2023-24 shall be used as reference for future adjustments of PPP including the monthly and quarterly adjustments.

5. Whether the requested adjustments/indexation in tariff are in line with the MYT tariff determination and are justified?

5.1. The Petitioner submitted during the hearing that the requested adjustments are in line with the mechanism determined vide Tariff redetermination and NEPRA guidelines for determination of consumer end tariff (Methodology & Process).

5.2. The Petitioner has requested the following adjustments on account of its O&M costs, Other Income, RoRB, Prior Period Adjustments for the FY 2023-24;

Sr. #	Description	Determined FY 2022-23	Indexation / Adjustment Basis	Rs. in Mln.
				Indexed / Adjusted Cost FY 2023-24
1	Pay & Allowances	10,556	GoP increases & 5% Annual Increment and General Inflation	13,783
2	Post-Retirement Benefits	13,131	Provision - Audited Accounts FY 2021-22	9,227
3	O&M Costs	2,956	CPI of December 2022	3,680
4	Depreciation	2,848	Allowed Investment for FY 2023-24	3,206
5	RORB	3,333	Allowed Investment for FY 2023-24	7,790
6	Other Income	-2,579	As per Mechanism	-3,237
Total		30,246		34,449



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5.3. The Petitioner submitted that projected Salaries, Wages and Benefits have been indexed / adjusted for FY 2023-24 as follows:

- 15% Ad-hoc Relief for both FY 2022-23 & 2023-24
- Implication of Scales Revision including Point-to-Point Fixation of Pay
- 15% Disparity Reduction Allowance Impact
- 5% Annual Increment for December 2023 as per direction
- Inflationary Impact on Other Items
- Rs.10 million for DG MIRAD hired on lump sum pay.

5.4. Regarding Post-retirement benefits, it has been submitted that adjustment / Indexation mechanism for Post-Retirement Benefits has been prescribed in the MYT Determination which states that "post-retirement benefits would be allowed based on the actuarial valuation report for the year for which assessment is being made or as per the latest available audited financial statements. It would be mandatory for the Petitioner to deposit the whole amount of allowed post-retirement benefits into the separate Fund and route all its pension payments through the Fund. If the Petitioner fails to transfer the whole amount of postretirement benefits into the Fund, the Authority will adjust the deficit payments in the next year's provision and from thereon, only actual amounts paid, and amount transferred into the fund would be allowed."

5.5. Accordingly, the amount of provision for Post-Retirement Benefits as per latest Audited Financial Statements for FY 2021-22 based on independent actuarial report is Rs.9,227 million that may be allowed for the FY 2023-24. It further stated that as the MYT Tariff was notified w.e.f. 25.07.2022, the effect of provision allowed for the FY 2020-21 & FY 2021-22 has been adjusted in PYA working, under the head of Recovery of Distribution Margin. For provision allowed for the FY 2022-23, it is submitted that after notification of tariff, the amounts have been started to be deposited into Post-Retirement Benefits Fund. The exact details regarding deposit of amounts into fund, markup earned & post-retirement benefits payments will be provided on the expiry of FY 2022-23 and any over or under amount will be incorporated as PYA in next adjustment / indexation request. The Petitioner during the hearing submitted that 10% increase in the pensioner benefits has been estimated on the projected expenditure for the FY 2022-23.

5.6. Regarding Other OPEX it has submitted that Indexation / Adjustment of O & M Costs has been provided in the MYT Determination of Supply of Power which states that "Regarding O&M costs, the reference costs would be adjusted every Year with CPI-X factor. However, the X factor would be applicable from the 3rd year of the MYT control period. The Adjustment mechanism would be as under;"

$$O\&M_{(Rev)} = O\&M_{(Ref)} \times [1 + (\Delta CPI - X)]$$

5.7. The Petitioner further stated that the Authority decided in the MYT determination to keep the efficiency factor (X), as 30% of increase in CPI for the relevant year of the MYT control period and to implement the efficiency factor from the 3<sup>rd</sup> year of the control period, to provide the Petitioner with an opportunity to improve its operational performance, before sharing such gains with the consumers. The MYT was notified w.e.f. 25.07.2022, therefore, considering the above decision of the Authority, it is requested to keep the efficiency factor at zero in instant



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adjustment / indexation request in line with the decisions of the Authority regarding DISCOs already in MYT regime.

5.8. Regarding use of NCPI, the Petitioner submitted that for the purpose of filing future indexation / adjustment requests, NCPI for the month of December is required to be used for the respective year. In line with the aforesaid, the O & M Cost has been indexed to Rs.3,680 million (*reference cost 2,956 million multiplied by 1.2450*) by taking NCPI for December 2022 i.e. 24.50%.

5.9. The Petitioner regarding depreciation expense for the FY 2023-24, submitted as under;

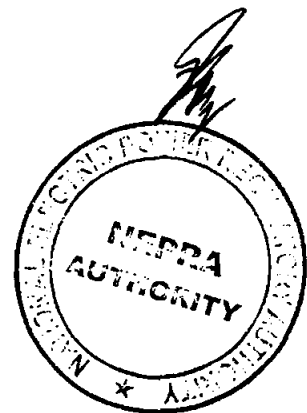
- The adjustment mechanism for Depreciation has been provided in the MYT Determination, which states that reference Depreciation charges would be adjusted every Year as per the following formula.

$$\text{DEP(Rev)} = \text{DEP(Ref)} * \text{GFAIO(Rev)} / \text{GFAIO(Ref)}$$

- By considering the allowed investment for FY 2023-24 of Rs.12,266 million, the amount of Gross Fixed Assets in Operations works out to be Rs.99,551 million. Accordingly, as per Authority's above-mentioned mechanism, the depreciation is indexed to Rs.3,206 million for the FY 2023-24.
- The Petitioner also stated that as per the MYT Determination the investments and depreciation will be trued up to the allowed level of investments, however, due to unprecedented upsurge in the prices of materials, Dollar Rate escalation and general inflationary trend, the actual investments for FY 2020-21 & 2021-22 are more than the investments allowed. However, for the instant determination, RORB & Depreciation has been worked out based on investments allowed by the Authority.

5.10. On the issue of RoRB, the Petitioner mentioned that as per mechanism prescribed by the Authority in the MYT determination and in line with the discussions made in PYA under the head of RORB regarding 100% CWIP, deferred credit, KIBOR adjustment & capitalization of replaced meters, an amount of Rs.7,790 million has been calculated at the allowed level of investment for the FY 2023-24 as follows;

Description	Mln. Rs.				
	2020	2021	2022	2023	2024
Fixed Assets	64,308	69,372	74,646	80,494	87,898
Addition	5,705	5,607	6,400	7,404	11,653
Fixed Assets C/B	70,013	74,979	81,046	87,898	99,551
Depreciation	23,022	25,437	28,043	30,891	34,097
Net Fixed Assets	46,991	49,542	53,003	57,007	65,454
Capital WIP C/B	8,063	8,343	9,251	11,711	12,324
Fixed Assets	55,054	57,885	62,254	68,718	77,778
Deferred Credit	20,658	22,306	25,465	28,624	29,769
Total	34,396	35,580	36,789	40,094	48,009
RAB		34,988	36,184	38,442	44,052
Rate		11	11	16	18
RORB		3,730	3,964	6,329	7,790
RORB for 6 months		1,865	1,982	3,165	3,895
Rate		11	13	18	18
RORB		3,797	4,742	6,798	7,790
RORB for 6 months		1,898	2,371	3,399	3,895
Total RORB		3,763	4,353	6,564	7,790



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5.11. It also stated that any under / (over) recovery will be accounted for in next indexation / adjustment request in respect of Deferred Credit & Meters Replaced on the availability of Audited Financial Statements for the respective years i.e. FY 2022-23 & 2023-24. The Petitioner during the hearing submitted that by following the directions, the RoRB has been worked out to be Rs.7,790 million based on the allowed level of investments, bi-annual KIBOR adjustments & return on 100% CWIP.

5.12. On the issue of Other income, the Petitioner mentioned that as per the mechanism for true up of Other Income, provided in its MYT Determination, and by considering the above, the Other Income for FY 2023-24 has been worked out to Rs.3,237 million based on the mechanism prescribed by the Authority, as under;

$$OI_{(Rev)} = OI_{(1)} + \{OI_{(1)} - OI_{(0)}\}$$

$$OI_{(1)} = \text{Actual Other Income for the FY 2021-22 is 2,908 Million}$$

$$OI_{(0)} = \text{Assessed Other Income for the FY 2022-23 is 2,579 Million}$$

$$OI_{(Rev)} = 2,908 + (2,908 - 2,579)$$

$$OI_{(Rev)} = 2,908 + 329 = 3,237$$

5.13. The Authority noted that GEPCO has been allowed a Multiyear tariff for a control period of 5 years starting from July 2020 till June 2025, wherein a mechanism for adjustment/ indexation of different components of the revenue requirement has been prescribed. The Authority also noted that adjustments/ indexations till FY 2022-23 have already been Petitioner. Accordingly, in line with the prescribed mechanism and as per the amended NEPRA Act, the Petitioner filed its adjustment/ indexation request with break-up of costs in terms of Distribution and Supply functions for the FY 2023-24 along-with its PYA workings.

5.14. A summary of the allowed adjustment/ indexation, as per the mechanism provided in the MYT determination of the Petitioner is as under;

#### O&M EXPENSE

5.15. The O&M part of Distribution Margin shall be indexed with CPI subject to adjustment for efficiency gains (X factor). Accordingly the O&M will be indexed every year according to the following formula:

$$O \& M_{(Rev)} = O \& M_{(Ref)} \times [1 + (\Delta CPI - X)]$$

Where:

O&M<sub>(Rev)</sub> = Revised O&M Expense for the Current Year

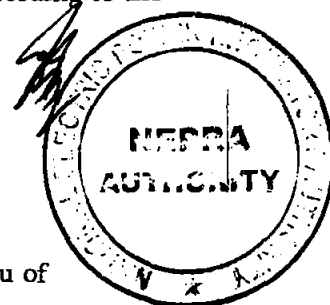
O&M<sub>(Ref)</sub> = Reference O&M Expense for the Reference Year

ΔCPI = Change in Consumer Price Index published by Pakistan Bureau of

X = Efficiency factor

5.16. Regarding Efficiency Factor, the Authority decided that;

*"...The Authority in line with its decisions in the matter of XWDISCOs which have been allowed MYTs, has decided to keep the efficiency factor "X", as 30% of increase in CPI for the*



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relevant year of the MYT control period. The Authority has further decided to implement the efficiency factor from the 3<sup>rd</sup> year of the control period..."

## RORB

- 5.17. RORB assessment will be made in accordance with the following formula/mechanism:

$$RORB_{(Rev)} = RORB_{(Ref)} \times \frac{RAB_{(Rev)}}{RAB_{(Ref)}}$$

Where:

$RORB_{(Rev)}$  = Revised Return on Rate Base for the Current Year

$RORB_{(Ref)}$  = Reference Return on Rate Base for the Reference Year

$RAB_{(Rev)}$  = Revised Rate Base for the Current Year

$RAB_{(Ref)}$  = Reference Rate Base for the Reference Year

"In addition the allowed RAB for previous year will be trued up downward only, keeping in view the amount of investment allowed for the respective year. In case, the Petitioner ends up making higher investments than the allowed, the same would be the Petitioner's own commercial decision and would not be considered while truing up the RAB, unless due to any regulatory decisions/interventions/approved plans for which the Petitioner obtains prior approval of the Authority. In such case the Authority may also revise the efficiency targets in terms of T&D losses etc.

The Authority also understands that interest payment is an obligatory cash flow liability unlike discretionary dividend payment and considering the fact that any default may hamper the financial position of the Petitioner, hence the Authority has decided to cover the risk of floating KIBOR. Accordingly, fluctuation in the reference KIBOR would be adjusted biannually. In addition, the Authority has also decided to allow sharing of benefit by introducing a claw back mechanism for any savings resulting from cheaper financing by the Petitioner to the extent of 2.00% spread. If the Petitioner manages to negotiate a loan below 2.00% spread, the savings would be shared equally between the consumers and the Petitioner through PYA mechanism annually. In case of more than one loan, the saving with respect to the spread would be worked out by a weighted average cost of debt. The sharing would be only to the extent of savings only i.e. if the spread is greater than 2.00%, the additional cost would be borne by the Petitioner."

## DEPRECIATION EXPENSE

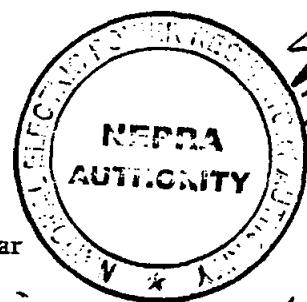
- 5.18. Depreciation expense for future years will be assessed in accordance with the following formula/mechanism:

$$DEP_{(Rev)} = DEP_{(Ref)} \times \frac{GFAIQ_{(Rev)}}{GFAIQ_{(Ref)}}$$

Where:

$DEP_{(Rev)}$  = Revised Depreciation Expense for the Current Year

$DEP_{(Ref)}$  = Reference Depreciation Expense for the Reference Year



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GFAIO<sub>(Rev)</sub> = Revised Gross Fixed Assets in Operation for the Current Year  
GFAIO<sub>(Ref)</sub> = Reference Gross Fixed Assets in Operation for Reference Year

*"In addition the allowed Depreciation for previous year will be trued up downward only, keeping in view the amount of investment allowed for the respective year. In case, the Petitioner ends up making higher investments than the allowed, the same would be the Petitioner's own commercial decision and would not be considered while truing up the depreciation expenses, unless due to any regulatory decisions/interventions/approved plans for which the Petitioner obtains prior approval of the Authority. In such case the Authority may also revise the efficiency targets in terms of T&D losses etc."*

#### OTHER INCOME

- 5.19. Other income will be assessed in accordance with the following formula/mechanism:

$$OI_{(Rev)} = OI_{(I)} + (OI_{(I)} - OI_{(0)})$$

Where:

OI<sub>(Rev)</sub> = Revised Other Income for the Current Year  
OI<sub>(I)</sub> = Actual Other Income as per latest Financial Statements.  
OI<sub>(0)</sub> = Actual/Assessed Other Income used in the previous year.

*"...the other income would be trued up every year ..."*

#### Salaries & Wages

*"The reference costs shall be adjusted every year with the increase announced by the GoP, being beyond the Petitioner's control, for the respective year till the time the Petitioner remains in the public sector. In addition a 5% increase as requested by the Petitioner would be allowed on the amount of Basic pay to account for the impact of annual increment..."*

#### Post-Retirement Benefits

*"Post-retirement benefits would be allowed based on the actuarial valuation report for the year for which assessment is being made or as per the latest available audited financial statements. It would be mandatory for the Petitioner to deposit the whole amount of allowed Post retirement benefits into the separate Fund and route all its pension payments through the Fund. If the Petitioner fails to transfer the whole amount of postretirement benefits into the Fund, the Authority would adjust the deficit payments in the next year's provision and from thereon, only actual amounts paid and amount transferred into the fund would be allowed."*

- 5.20. Regarding adjustment of Salaries, Wages & Other Benefits, the Authority observed that the Petitioner was allowed upfront Indexation/adjustment for FY 2021-22 and FY 2022-23, considering the fact by the time the given MYT's were to be notified by the Federal Government, the FY 2022-23, would have started. The relevant extract of the Authority's decision dated 02.06.2022, is as under;



**Upfront Indexation/adjustment for the FY 2021-22 and FY 2022-23**

The Authority also understands that by the time the instant decision is notified, the FY 2021-22 would have elapsed and the FY 2022-23 would have started. Meaning thereby that tariff indexation/adjustment for the FY 2021-22, which ideally should have been allowed in July 2021 would have become overdue, and the indexation/adjustment for the FY 2022-23 would also have become due. In view thereof, and in order to ensure timely recovery of the allowed cost to the Petitioner, the Authority has decided to allow the indexation/adjustment for the FY 2021-22 and the FY 2022-23, upfront in the instant decision as per the adjustment /indexation mechanism provided in this determination. However, the impact of under/ over recovery due to indexation/ adjustment for the FY 2021-22 would be allowed / adjusted subsequently as part of future PYA.

- 5.21. With above upfront indexation, the Salaries, wages & Other Benefits determined for the FY 2022-23, have now become reference for indexation to be allowed for the FY 2023-24. However, it is also a fact that all these decisions were issued on 02.06.2022, when increases in Salaries, wages & Other Benefits announced in the Federal Budget for the FY 2022-23, were not available. Therefore, while allowing the salaries, wages & other benefits for the FY 2022-23, a projected increase in salaries, wages & other benefits was allowed. The Federal Government subsequently allowed various increases in salaries, wages & other Benefits for the FY 2022-23, vide notification dated 01.07.2022.
- 5.22. In view thereof, revised detail of salaries, wages & other benefits, after including therein the allowed increase as per the Federal Government notification dated 01.07.2022, were obtained from the Petitioner for the FY 2022-23. The same has been reported as Rs.11,986 million against the allowed amount of Rs.10,556 million. Accordingly, while assessing salaries, wages & other benefits for the FY 2023-24, the revised cost of Rs.11,986 million for the FY 2022-23, as provided by the Petitioner, has been used as reference. Further, the impact of differential due to revision of Salaries, wages & Other Benefits for the FY 2022-23, based on data provided by the Petitioner, has been allowed as part of PYA, which works out as Rs.1,430 million.
- 5.23. Here it is also pertinent to mention that the Petitioner has also claimed cost for employees allocated to it from GENCOs. The Authority understands that such employees have been allocated to the Petitioner in light of decision of ECC dated 23.09.2021, are currently drawing their salaries from DISCOs. The impact of such payments has also been included by the Petitioner in its Pay and Allowance cost for the FY 2022-23. Since the revised salaries, wages & other benefits cost as provide by the Petitioner for the FY 2022-23 includes impact of all working employees including MIRAD employees hired till date & GENCO employees allocated to the Petitioner, and have been used as reference for projection of salaries, wages & other benefits cost for the FY 2023-24, therefore, no further adjustment on account of MIRAD hiring and GENCO employees transferred to the Petitioner would be allowed.
- 5.24. It is further clarified that of Salaries, wages & Other benefits cost of GENCOs employees have been provisionally included in the Pay & Allowance cost of the Petitioner, with the direction to provide proper details of employees allocated to it by providing proper employee wise details,



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their pay scales, terms of adoption, approvals of competent authority for such adoption and placement details along-with their financial impact.

- 5.25. Here it is also clarified that the revised amount being allowed under salaries, wages & other benefits for the FY 2022-23 shall be considered as upper cap, subject to downward adjustment only, once the Audited accounts of the Petitioner for FY 2022-23, are available.
- 5.26. Based on the above discussion & by taking into account the revised numbers for the FY 2022-23, the following increases as announced by the Federal Government in Budget 2024, have been incorporated to project Salaries, Wages & Other Benefits for the FY 2023-24;
- Adhoc relief allowance @ 32.5% on avg. - 30% (BPS-17-22) & 35% (BPS 1-16)
  - Annual increment @ 5% of basic pay for 7 months
  - Adhoc relief allowance FY 2021-22 revised based on revised basic pay scale
- 5.27. Accordingly, for the FY 2023-24, the total Salaries, Wages & Other Benefits (excluding post-retirement benefits) of the Petitioner have been worked out as Rs.13,702 million for both the distribution and supply of power functions. In case any subsequent revision is announced by the Federal Government in the Pay & Allowances for the FY 2023-24, the same would be considered in the next adjustment/ indexation request.
- 5.28. In order to bifurcate the allowed cost of Salaries, Wages and other benefits costs in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used.
- 5.29. Regarding Post-retirement Benefits, the Authority allowed provision for post-retirement benefits to the Petitioner in the MYT tariff determination, with the direction to deposit the whole amount of allowed Post retirement benefits into the separate Fund and route all its pension payments through the Fund. If the Petitioner fails to transfer the whole amount of postretirement benefits into the Fund, the Authority would adjust the deficit payments in next year's provision and from thereon, only actual amounts paid and amount transferred into the fund would be allowed.
- 5.30. The Authority noted that the Petitioner was allowed a total amount of Rs.35.5 billion under the head of post-retirement benefits including Rs.10.5 billion, Rs.11.9 billion and Rs.13.1 billion for the FY 2020-21, FY 2021-22 and FY 2022-23 respectively in its MYT determination dated 02.06.2022. However, the PYA, allowed in the MYT dated 02.06.2022, was only calculated till the FY 2020-21, therefore, differential of the amount allowed for the FY 2021-22 and the amount recovered during the FY 2021-22, was not included in the PYA.
- 5.31. Since the said tariff was notified w.e.f. 25.07.2022, therefore, the Petitioner is supposed to recover around Rs.27 billion till 24.07.2023, assuming recovery of post-retirement benefits in the FY 2021-22, based on the tariff that remained notified in the FY 2021-22. Further, the Petitioner has also paid actual post-retirement benefits of around Rs.10.9 billion during the FY 2020-21, FY 2021-22 and FY 2022-23 (till April 2023). Moreover, the amount available in the Pension Fund as of March 2023, is around Rs.5.2 billion, as per the information provided by the Petitioner.



- 5.32. Although, as per the above workings, the Petitioner has not deposited sufficient amount in the Fund, however, the FY 2022-23 has not yet lapsed. Therefore, any deduction on account of non-deposit of required amount in the Fund at this stage may not be fair, hence the Authority has decided to make any such adjustment, if required, once the recovery period of the allowed amount is completed.
- 5.33. Regarding assessment of post-retirement benefits for the FY 2023-24, the determination provides that it would be allowed based on the actuarial valuation report for the year for which assessment is being made or as per the latest available audited financial statements. As per the latest audited financial statements of the Petitioner i.e. for the FY 2021-22, the provision for post-retirement benefits is Rs.9,227 million. The same is being allowed to the Petitioner for the FY 2023-24, for both the distribution and supply of power functions.
- 5.34. In order to bifurcate the allowed cost of Post-retirement benefits in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used.
- 5.35. Regarding Other O&M expenses, the MYT tariff determination requires the same to be indexed with NCPI of December for the respective year after adjustment for the X factor i.e. 30% of CPI. Accordingly, for indexation of other O&M expenses for the FY 2023-24, the NCPI of December 2022 has been considered. The same as reported by Pakistan bureau of Statistics is 24.47%. With this NCPI, and after accounting for the X-factor, the Other O&M cost of the Petitioner for the FY 2023-24 works out as Rs.3,464 million based reference cost of Rs.2,957 million.
- 5.36. Here it is pertinent to mention that NEPRA has also imposed Supplier License fee on the Petitioner from FY 2021-22 onward, however, the said cost is not part of the reference cost allowed to the Petitioner under Other O&M expenses. Accordingly, while working out the other O&M cost of the Petitioner for the FY 2023-24, the fee billed by NEPRA on account of Supplier license has been included in the reference cost of Other O&M expenses for the FY 2022-23. Further, the fee for the FY 2021-22 and FY 2022-23, not previously allowed to the Petitioner has also been included as part of PYA. The amount on account of supplier license fee for the FY 2021-22 and FY 2022-23, included in the PYA, has been worked out as Rs.29.44 million & 36.15 million respectively.
- 5.37. Based on the above discussion, the total Other O&M cost of the Petitioner for the FY 2023-24, including Supplier License Fee, works out as Rs.3,506 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.
- 5.38. In order to bifurcate the allowed cost of Other O&M expenses in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used.
- 5.39. Regarding Depreciation expenses, the same are required to be worked out based on the Revised Gross Fixed Assets in Operation (GFAIO) for FY 2023-24, to be calculated based on Investment allowed for the FY 2023-24. Further,
- 5.40. The revised Gross Fixed Assets in Operation of the Petitioner for the FY 2023-24 works out as Rs.99,840 million, after including therein the impact of allowed investment for the FY 2023-24



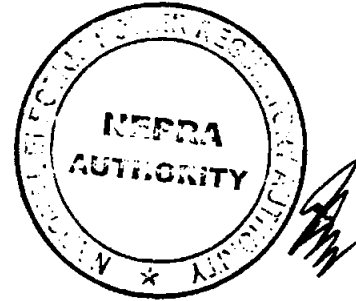
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i.e. Rs.12,266 million. Accordingly, as per the allowed mechanism the total depreciation expense of the Petitioner for the FY 2023-24 works out as Rs.3,235 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.

- 5.41. In order to bifurcate the allowed cost of depreciation expenses in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used.
- 5.42. In addition the mechanism given in the MYT, also provides that the allowed Depreciation for previous year will be trued up downward only, keeping in view the amount of investment allowed for the respective year. In view thereof, the depreciation cost allowed for the FY 2020-21 & FY 2021-22, has been made trued up and made part of PYA of the Petitioner for the FY 2023-24 as under;

Description	GEPCO
Allowed Depreciation FY 2021	2,415
Actual Depreciation FY 2021	2,414
Downward True up Adj. as PYA	- 1
Allowed Depreciation FY 2022	2,606
Actual Depreciation FY 2022	2,613
Downward True up Adj. as PYA	-



- 5.43. Here it is clarified that the Authority is in the process of evaluating the investments actually carried out by the Petitioner, whether the same in line with the allowed investment plan or otherwise. Therefore, for the purpose of truing up of Depreciation expenses for the FY 2020-21 & FY 2021-22, depreciation expense as reported in Audited/ provisional financial statements of the Petitioner have been considered, , keeping in view the mechanism prescribed in the MYT determination. Any adjustment based on the final evaluation of the Authority, if required, would be made in next adjustment/indexation request of the Petitioner.
- 5.44. Regarding RoRB, the reference RoRB is required to be adjusted every year based on the amount of RAB worked out for the respective year after taking into account the amount of investment allowed for that year, as per the mechanism provided in the MYT. Further, the Authority in the MLR decision of the Petitioner dated 12.01.2023, decided to allow WACC by including 100% balance of CWIP in the RAB instead of allowing ROE component only to the extent of 30% of CWIP balance.
- 5.45. Accordingly, the revised RAB of the Petitioner for the FY 2023-24, based on the Investment allowed for the FY 2023-24, and incorporating therein 100% balance of CWIP, works out as Rs.49,889 million. The average RAB of the Petitioner however, for the purpose of calculation of RoRB, works out as Rs.45,894 million for the FY 2023-24.
- 5.46. Here it is pertinent to mention that the Authority vide determination dated 02.06.2022, allowed adjustments on account of variation in KIBOR on biannual basis. Considering the fact that prevailing KIBOR rates are very high and the rates built in the reference are much lower, the Authority has decided to provisionally incorporate the prevailing KIBOR of 22% as of

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07.06.2023 in the calculation of WACC for the FY 2023-24. By taking into account the KIBOR of 22%, the WACC for the FY 2023-24 works out as 21.14%, as per the formula given in the MYT determination. The same would be adjusted subsequently once the actual KIBOR and Audited accounts of the Petitioner for the FY 2023-24, are available for true up of RORB.

- 5.47. Based on the above discussion, the total RoRB of the Petitioner for the FY 2023-24 works out as Rs.9,703 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.
- 5.48. In order to bifurcate the allowed RoRB in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used.
- 5.49. In addition the mechanism also provides that the allowed RAB for previous year will be trued up downward only, keeping in view the amount of investment allowed for the respective year. Further, the variations on account of KIBOR are also required to be allowed on biannual basis. In view thereof, the RoRB cost allowed for the FY 2020-21 & FY 2021-22, has been trued up and made part of PYA of the Petitioner for the FY 2023-24, on both these accounts as under;

Description	GEPCO
Allowed RORB FY 2021	3,186
Actual RORB FY 2021 (capped to the extent of allowed Investment)	3,443
True up Adj. as PYA	257

Allowed RORB FY 2022	3,554
Actual RORB FY 2022 (capped to the extent of allowed Investment)	4,290
True up Adj. as PYA	736

Description	GEPCO
Allowed KIBOR FY 2021	7.03%
Actual KIBOR 02.07.2020	7.03%
Actual KIBOR 04.01.2021	7.30%

Allowed KIBOR FY 2022	7.03%
Actual KIBOR 02.07.2021	7.45%
Actual KIBOR 04.01.2022	10.52%



- 5.50. Here it is pertinent to mention, that amount of investments appearing in the financial statements has been restricted to the extent of allowed investment.
- 5.51. The Authority in MLR decision while allowing RORB on 100% balance of CWIP also directed DISCO to disclose the amount of Interest during Construction (IDC) separately in their financial statements. However, while going through the Financial Statements of the Petitioner, it was observed that the Petitioner has not separately disclosed the amount IDC. Therefore, the amount of adjustment being allowed as part of PYA is purely on provisional basis, subject to downward adjustment based on the amount of IDC reflected in the financial statements of the Petitioner. In case the Petitioner fails to reflect the amount of IDC in financial statements, the Authority may consider not to allow RORB on 100% balance of CWIP. The Petitioner is, therefore, again directed to provide the

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IDC amount for FY 2020-21 onward and reflect the same in its Audited Financial Statements as well.

- 5.52. It is also clarified that the Authority is in the process of evaluating the investments actually carried out by the Petitioner, whether the same in line with the allowed investment plan or otherwise. Therefore, for the purpose of truing up of RAB for the FY 2020-21 & FY 2021-22, investments as reported in the Audited/ provisional financial statements of the Petitioner, have been considered. However, the amount of investment appearing in the financial statements has been restricted to the extent of allowed investment. Any adjustment based on the final evaluation of the Authority, if required, would be made in next adjustment/indexation request of the Petitioner
- 5.53. Regarding Other Income, the same has been adjusted as per the mechanism provided in the MYT determination for the FY 2023-24. The same for the FY 2023-24 works out as Rs.3,491 million for the Petitioner. Further, the MYT determination also provides truing up of Other Income every year. Accordingly, the allowed Other income for the FY 2021 & FY 2022, has also been trued up based on Audited/Provisional Financial statement of the Petitioner for the FY 2021 & FY 2022 resulting in positive adjustment of Rs.845 million and Rs.912 million respectively. The same has been made part of PYA for the FY 2023-24.
- 5.54. The Prior Year Adjustment includes the impact of variation in the following, based on the Authority's allowed benchmarks of T&D losses and recoveries;
- ✓ Impact of Negative/Positive FCAs not passed on/recovered
  - ✓ Under/Over Recovery of allowed Quarterly Adjustments
  - ✓ Under/Over Recovery of the assessed DM
  - ✓ Under/Over Recovery of the previously assessed PYA
  - ✓ Cost allowed in Motion for Leave for Review
  - ✓ Sales Mix Variance
  - ✓ Adjustment of excess LPS over supplemental charges
  - ✓ MYT True ups
- 5.55. The Petitioner has requested the following PYA for the FY 2023-24;



Sr. No.	Description	Rs. in Million
A.1	Over Recovery:	
A.1.1	Impact of Quarterly Adjustments	(526)
A.1.2	Distribution Margin FY 2021-22	(6,428)
A.1.3	Other Income FY 2020-21 & 2021-22	(625)
A.1.4	PYA FY 2019-20	(35)
Total Over Recovery		(7,614)
A.2	Under Recovery:	
A.2.1	Minimum Tax Paid FY 2019-20 to 2021-22	5,834
A.2.2	Sales Mix Varlance FY 2020-21 & 2021-22	3,452
A.2.3	PM Assistance Package	397
A.2.4	LPS Charged by CPPA-G FY 2020-21 & 2021-22	300
A.2.5	Return on Rate Base (RORB) FY 2020-21 to 2022-	5,738
A.2.6	Salaries, Wages & Other Benefits FY 2022-23	1,430
A.2.7	Unrecovered Cost of FPA (50-350 units) FY 2013-14	3,394
Total Under Recovery		20,544
Net under Recovery		12,930

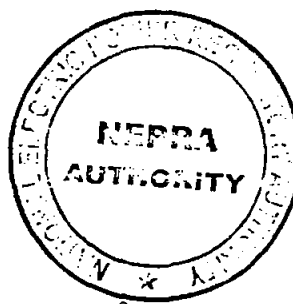
5.56. The Petitioner also provided its calculations under each head as mentioned hereunder;

**Quarterly Adjustments:**

Description	Rs. in Million
Under Recovery:	
1st & 2nd Quarter 2018-19	81
3rd & 4th Quarter 2018-19	7
Interim DM FY 2018-19	17
1st Quarter 2019-20	8
2nd & 3rd Quarter 2019-20	709
4th Quarter 2019-20	340
3rd Quarter 2020-21	4
3rd Quarter 2021-22	171
Total	1,337
Over Recovery:	
1st Quarter 2020-21	(13)
2nd Quarter 2020-21	(11)
4th Quarter 2020-21	(439)
1st Quarter 2021-22	(23)
2nd Quarter 2021-22	(1,377)
Total	(1,862)
Net	(526)

**Distribution Margin**

Description	2021	2022	Total
DM Allowed inclusive of Retirement Provision	23,306	27,155	50,461
Retirement Provision**	(10,213)	(11,937)	(22,150)
DM Allowed exclusive of Retirement Provision	13,093	15,218	28,311
Payments to retired employees	3,643	4,238	7,881
Transfer to Retirement Fund	-	-	-
Revised DM	16,736	19,456	36,192
DM Recovered	15,701	20,055	35,756
Under / (Over) Recovery	1,035	(599)	436
DM Already Allowed in MYT as PYA	(6,864)	0	(6,864)
Actual Under / (Over) Recovery	(5,829)	(599)	(6,428)



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### Other Income

Description	2020-21	2021-22	Total
Allowed Amount	(2,549)	(2,481)	(5,030)
As per Audited FS	(2,747)	(2,908)	(5,655)
Under/(Over) Recovery	(198)	(427)	(625)

### PYA for FY 2019-20

Description	Rs. In Million
Allowed Amount	(3,364)
Recovered from Consumers	(3,329)
Under / (Over) Recovery	(35)

### Minimum Tax Paid FY 2017-18 to 2021-22:

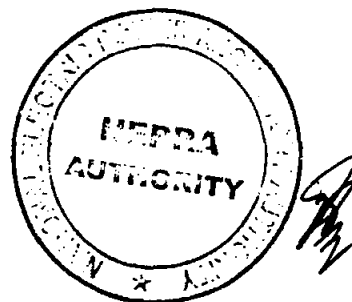
Description	Rs. In Million
Minimum Tax 2017-18 Paid (already allowed Rs. 1,182 M)	
Minimum Tax 2018-19 Paid (already allowed Rs. 1,404 M)	
Minimum Tax 2019-20 Paid	1,492
Minimum Tax 2020-21 Paid	1,975
Minimum Tax 2021-22 Paid	2,367
Total	5,834

### Assessment of minimum Tax U/S 113 / 147 of IT Ordinance:

Description	TY 2018	TY 2019	TY 2020	TY 2021	TY 2022
Description	Rs. In Million				
Revenue / Sale of Electricity	93,658	128,682	124,990	142,647	216,603
Subsidy	28,477	24,213	28,418	22,663	18,006
Other Income	2,066	2,019	3,019	3,413	3,689
Turnover	124,202	154,914	156,427	168,722	238,297
Rate of Minimum Tax	1.25%	1.25%	1.50%	1.50%	1.25%
GEPCO s' Liability	1,553	1,936	2,346	2,531	2,979

### Booking of above Paid Minimum Tax

Description	TY 2018	TY 2019	TY 2020	TY 2021	TY 2022
As Expense (0.25% as Fast-Moving Goods)	234	265	342	369	544
As Receivable (1.25% - 0.25% due to litigations)	947	1,136	1,150	1,606	1,823
Total Tax Paid	1,182	1,401	1,492	1,975	2,367



5.57. The Petitioner further stated that it is contesting the issue of tax with FBR on the following grounds:

- Minimum Tax is not payable on Other Income;
- Minimum Tax is not payable on Subsidy;
- Rate of Min. Tax should be 0.25% as electricity falls under category of Fast-Moving Consumer Goods;

5.58. The Petitioner further submitted that if matter is decided in favor of GEPCO, then the amount of receivable will become due from FBR (which is already booked in FS) but if the matter is

*Dr. Naeem*

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decided against GEPCO, then this amount from receivables will be transferred to Prior year Tax expense in the Statement of Profit and loss but it is necessary to make payment in order to avail the right of appeal being admitted tax liability. The relevant extract of Note No. 9 of the Financial Statements for FY 2021-22 reflects clearly that the payments made under protest as advance;

**9 TAX REFUNDS DUE FROM THE GOVERNMENT**

Income tax refundable

9.1	11,932,108,064	9,921,232,855
	<u>11,932,108,064</u>	<u>9,921,232,855</u>

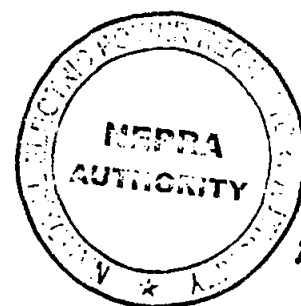
9.1 Since past many years, the Company is paying advance income tax under protest on the basis of 1.25%+1.5% of total revenue u/s 113. However, as referred in Note 21, the Company has made provision @ 0.25% of its turnover and is in appeals at different forums against orders of FBR.

**Sales Mix Variance FY 2020-21 & 2021-22**

Description	Rs. In Million
FY 2020-21	4,791.59
FY 2021-22	(1,340.08)
<b>Total</b>	<b>3,451.51</b>

**LPS under recovery/ adjustment for FY 2020-21 & 2021-22:**

Rs. in Million			
FY	LPS Collected-Consumer	LPS Charged-CPPAG	Difference
2020-21	1,681.629	1,949.707	268.078
2021-22	1,790.241	1,821.890	31.649
<b>Total</b>	<b>3,471.870</b>	<b>3,771.597</b>	<b>299.727</b>



**PM Assistance Package**

5.59. The Petitioner submitted that it has requested an amount of Rs.990 million on account of Prime Minister's Assistance Package for families of employees who died during service. The said amount was included in the Prior Period Adjustments in the Tariff Petition for FY 2019-20. However, the Authority had observed that the Petitioner has not submitted any details in terms of the period to which this amount pertains, and the employee wise details of the amounts paid. Therefore, the Authority is constrained not to consider this cost unless the Petitioner provides the necessary details in this regard. The Petitioner further submitted that in compliance to the Authority's direction, complete employee wise details of payments are provided containing the HRIS Code, Name of Employee, Father Name, Designation, BPS, Date of Death, and Financial Benefits etc. The Petitioner accordingly requested an amount of Rs.397.081 million to redress the grievances of bereaved families of deceased employees, who approaching through different channels for payment of their entitled assistance package including direct application to the Petitioner management, complaints to Wafaqi Mohtasib, complaints at PM's Performance Delivery Unit (PMDU) etc.

**Return on 100% CWIP instead of 30%**

5.60. The Petitioner submitted that the Authority in the MYT Determination allowed return on 30% of CWIP instead of 100% CWIP. However, in the Leave for Motion Decision, the Authority

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acknowledged the stance of the Petitioner to allow return on 100% CWIP. The total impact of aforesaid variation works out to Rs.1,709 million. The Petitioner provided the following break-up of the requested amount;

Description	Rs. in Million			
	2021	2022	2023	Total
RORB as per MYT Determination	2,659	2,945	3,338	8,942
Revised RORB (after Adjustments of CWIP, Deferred Credit, KIBOR & Meter Replacement Cost)	3,763	4,353	6,564	14,680
Increase in RORB	1,104	1,408	3,226	5,738
The Breakup of Increase is due to the followings:				
a) Return on 100% CWIP	512	560	637	1,709
b) Revised Deferred Credit	506	402	197	1,105
c) KIBOR Bi-Annual Adjustment	33	393	2,345	2,772
d) Inclusion of Cost of Meters R&M (Audited)	52	53	47	153
Total Addition	1,104	1,408	3,226	5,738

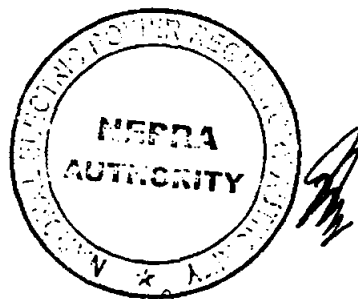
#### Inclusion of Security deposit into deferred credit

- 5.61. The Petitioner further submitted that the Authority while calculating RORB in the MYT has included Security Deposits into Deferred Credit resulting into reduction in RORB. The Authority has compared the amount of Security Deposits with the Cash & Bank Balance and completely ignored the amount of Security Deposits invested in TDRs shown under Short Term Investments instead of Cash & Bank Balances. Specific disclosure has also been made under the head Security Deposits in the Financial Statement regarding investment of these funds into TDRs. The Petitioner stated that by using the Audited amount of Deferred credit, an amount of Rs.1,105 million for the FY 2021 to 2023 has been worked out as PYA. The figure of Deferred Credit for FY 2023 has been provisionally incorporated and any under / over recovery will be claimed in next adjustment request upon availability of Audited Financial Statements for FY 2022-23.

#### Bi-Annual adjustment of KIBOR

- 5.62. The Petitioner on the issue stated that as per the MYT determination in respect of KIBOR adjustments "the Authority has decided to cover the risk of floating KIBOR and accordingly, fluctuation in the reference KIBOR would be adjusted biannually." Further, as per MLR decision the Authority has already decided to allow fluctuation in the reference KIBOR, to be adjusted biannually. In compliance with the aforesaid, the Bi-annual KIBOR and corresponding WACC are as follows;

Dates	KIBOR Rate	WACC
03.07.2020	7.03%	10.66%
04.01.2021	7.30%	10.85%
02.07.2021	7.45%	10.96%
04.01.2022	10.52%	13.11%
01.07.2022	15.32%	16.47%
03.01.2023	17.06%	17.68%



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- 5.63. By incorporating the above KIBOR rates, an amount of Rs.2,772 million has been requested as PYA by the Petitioner.

**R&M of Meters to be allowed as CAPEX**

- 5.64. The Petitioner submitted that the audited figures of cost of replacement meters are as follows and the Authority is requested to allow the same being legitimate expenditure incurred for timely recovery of costs.

Rs. in Mln		
2020	2021	2022
641	333	552

- 5.65. The Petitioner submitted that the additional impact on RORB by considering the above amounts in Assets addition has been calculated to the tune of Rs.153 million. It also stated that the Authority issued the direction for capitalization of aforesaid cost in the MYT determination dated 02.06.2022, at the time when the Financial Year 2022 almost ended and external Audit was in progress and books of account have been closed. However, from the 1<sup>st</sup> July, 2022 for the FY 2022-23, replacement cost of meters has been started to be capitalized instead of expensing out and the same will be shown as part of CAPEX in Financial Statements for FY 2022-23 and the previous years will be reclassified accordingly.

**Salaries, Wages & Other Benefits**

- 5.66. The Petitioner has calculated the under recovered amount to the tune of Rs.1,430 million under the head of Salaries, wages & other benefits for the FY 2022-23 as under;

Description	Mln. Rs.
Amount allowed for FY 2022-23	10,556
Provisional amount for FY 2022-23 (to be allowed)	11,986
Under Recovery	1,430

- 5.67. The Petitioner has also requested an amount of Rs.543 million on account of following reasons under the head of Salaries, wages & other benefits;

- An amount of Rs.543 million was part of Salaries, Wages & Other Benefits for FY 2019-20, however, the same was considered as Provision for Retirement Benefits based on Audited Financial Statements of GEPCO. The total expenditure under the head salaries, wages and other benefits is Rs.17,896 million as per Note No. 25 & 26 of Financial Statements:
- The total amount of provision for retirement benefits is Rs.10,851 million as per disclosure made at para 25.1 & 26.1 of the Financial Statements.
- The Authority in the MYT determination calculated the base figure for Salaries, wages & other benefits to the tune of 7,744 million (17,896 – 10,851).
- Rs.10,851 million is the total provision for the year out of which an amount of Rs.543 million was allocated to CWIP as evident from Note No. 18.2.3 regarding Post-Retirement Benefits.



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- Further, the GOP announced increases i.e., 15% Ad-hoc Relief for FY 2022-23, Scales Revisions, Impact of Point-to-Point Fixation of Pay, 15% DRA and average inflation, has been considered for provisional amount of FY 2022-23.
- An amount of Rs.10 million is being claimed for DG MIRAD hired on lump sum pay.

**Unrecovered Cost of FPA (51-350 Units) FY 2012-13:**

- 5.68. The Petitioner submitted that the issue of unrecovered cost of FPA (51-350 units) of Rs.3,394 million was claimed as PYA in Tariff Petition for FY 2019-20, however, the Authority did not consider the request of the Petitioner. The Petitioner further mentioned that it has neither mentioned that this amount is a subsidy, rather explained its case that when the FPA allowed by the Authority has not been recovered from the consumers in 2013, it brought the amount to the Authority to be allowed as PYA. However, it is the Authority's direction to claim it from the Govt. as subsidy whereas the Govt. has also not acknowledged the same. Therefore, it is again reiterated that being a legitimate cost, which is still unrecovered from the consumers as well as from the Government. As the amount of Rs.3,394 million has neither been received from the consumers nor from the Government. The Authority may allow it as PYA to be recovered from the consumers.
- 5.69. The Authority has considered the submissions of the Petitioner regarding PYA and point wise discussion is as under.
- 5.70. On the issue of minimum tax, the Authority in the MYT determination of the Petitioner decided as under;
- "Regarding minimum Tax, the Authority while going through the financial statements of the DISCOs including the Petitioner, has observed that significant amount of tax refund is appearing from FBR. In view thereof, the Authority has decided to allow actual tax paid by the Petitioner net off of the amount of Tax Refund outstanding from FBR, if any, once the Petitioner provides detail of actual tax assessments vis a vis tax paid for the last five years. Accordingly, the Petitioner is directed to provide details of actual tax assessments, tax allowed and the amount of tax paid for the last five years."*
- 5.71. Since the Petitioner has complied with the direction of the Authority and provided the details of actual tax assessments vis a vis tax paid for the last five years, therefore, the amount of minimum tax of Rs.5,834 million, is being allowed to the Petitioner as part of PYA for FY 2023-24. However, the amount is being allowed on provisional basis, subject to adjustment based on the final outcome of the proceedings being carried out by the Petitioner against FBR.
- 5.72. Regarding PM assistance package, the Authority in the MYT determination dated 02.06.2022, decided that;

*"Regarding PM assistance package, the Authority in principle agrees with the request of the Petitioner to allow the Prime Minister Assistance Package as announced by the Federal Government for the families of employees who died during service. However, for the requested amount, the Authority considers that allowing any such costs, upfront would be unfair with the consumers, therefore, the Authority may consider such costs once the actual expenditure is incurred by the Petitioner. Therefore, the Petitioner is required to provide employees name,*

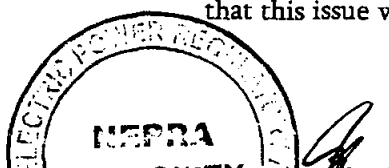


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*CNIC number, designation, date of death, along with the financial impact, etc. once the actual payment is made, in its next tariff petition/adjustment request for consideration of the Authority."*

- 5.73. Although the petitioner has provided detail of employees who died during the service along-with other relevant particulars, however, as per the decision the Authority may consider such costs once the actual expenditure is incurred by the Petitioner. Therefore, the Petitioner is required to provide employees name, CNIC number, designation, date of death, along with the financial impact, etc. once the actual payment is made, in its next tariff petition/adjustment request for consideration of the Authority, along-with payment proof. In view thereof, the request of the Petitioner on account of PM Package is not accepted.
- 5.74. Regarding excess supplemental charges, the Authority has already decided to allow DISCOs to retain LPS to the extent of supplemental charges billed by CPPA-G. In case supplemental charges billed by CPPA-G are lower than the LPS, than any amount of supplemental charges over and above the supplemental charges are adjusted back as part of PYA on yearly basis. Any supplemental charges over and above the LPS are not allowed by the Authority. As per the Financial statements of the Petitioner for the FY 2021-22, it has charged an LPS of Rs.2,021.52 million from the consumers, whereas the amount billed by CPPA-G on account of supplemental charges for the FY 2021-22 is Rs.1,821.89 million. Accordingly, an amount of Rs.199.63 million has been adjusted back as part of PYA for the FY 2023-24.
- 5.75. Regarding allowing cost of meters as CAPEX, the Authority in MYT determination of the Petitioner dated 02.06.2022 decided as under;
- "The Authority noted that the Petitioner instead of capitalizing the cost of meters is expensing out the same, therefore, while assessing the R&M costs of the Petitioner for the FY2020-21, the Authority has excluded the amount related to Meters from the actual cost of R&M of the Petitioner for the FY2019-20. The Petitioner is directed to capitalize the cost of meters instead of expensing out the same."*
- 5.76. The Authority further in the MLR decision of the Petitioner dated 12.01.2023, decided that;
- "... the Petitioner has already been directed to ensure proper classification of cost of meters as part of CAPEX in its audited accounts for the FY 2021-22 and restating its Audited accounts for the FY 2020-21. Once the Audited account of the Petitioner for the FY 2021-22 are available with cost of meters reflected as part of CAPEX, the Authority may consider to allow RoRB on the said amount as part of PYA, in the upcoming adjustments/indexation of the Petitioner for the FY 2023-24, to be filed in February 2023."*
- 5.77. The Authority noted that the Petitioner has not complied with the direction of the Authority in terms of classification of cost of meters as part of CAPEX in its audited accounts for the FY 2021-22, despite the fact that MYT decision was issued on 02.06.2022. In view thereof, the Authority would consider the request of the Petitioner once the Petitioner complies with the direction of the Authority.
- 5.78. Regarding unrecovered cost of FPA for the FY 2012-13 from 51-350 units, the Authority noted that this issue was also raised by the Petitioner in its MYT petition, but the same was declined



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by the Authority. Therefore, request of the Petitioner is out of scope of MYT adjustment/ indexation mechanism, hence declined.

- 5.79. Regarding Sales mix, the Authority noted that although DISCOs have submitted their workings for sales mix for the FY 2020-21 and FY 2021-22, however, scrutiny of the data shows different anomalies in the provided data. The Authority has therefore, carried out its own working in the matter and the amount so worked out is being allowed to the Petitioner on provisional basis, with the direction to the Petitioner to provide the reconciled date of sales mix with its reported revenue as per audited financial statement of the respective year. In case any variation is observed at a later stage in the submitted data, the same would be adjusted as part of PYA subsequently.
- 5.80. For the FY 2020-21, FY 2021-22 and FY 2022-23 (till Dec. 22), the Authority has accounted for the impact of positive FCA on life line consumers based on the information provided by the Petitioner.
- 5.81. The Authority in line with its earlier decision in the matter of negative FCA, has calculated the impact of negative FCA pertaining to the FY 2020-21, FY 2021-22 and FY 2022-23 (till Dec. 22) in the matter of lifeline consumers, domestic consumers (consuming up-to 300 units) and Agriculture Consumers which has been retained by the Petitioner. The Authority has also worked out the impact of positive FCAs not recovered by the Petitioner from life line consumers during the same period. The workings have been carried out based on the information provided by the Petitioner. The Authority also considered the relevant clauses of the S.R.O. 189 (1)/2015 dated March 05, 2015 issued by GoP and the amount of subsidy claims filed by the Petitioner for these periods.
- 5.82. After considering all the aforementioned factors, the Authority observed that the Petitioner has retained a net amount of Rs.455 million on account of negative FCA for these periods, pertaining to the lifeline consumers, domestic consumers (consuming up-to 300 Units) and Agriculture Consumers, which is still lying with the Petitioner. The Authority also considered the amount of subsidy claims filed by the Petitioner for these periods, which shows a net subsidy claim filed by the Petitioner.
- 5.83. The Authority in view of the above and in line with its earlier decisions, has decided not to adjust the impact of negative FCA across different consumer categories. Thus, the net negative FCA amount pertaining to the lifeline consumers, domestic consumers (consuming up-to 300 units) and Agriculture Consumers for these periods i.e. Rs.455 million, which is still lying with the Petitioner, must be adjusted by the Federal Government, against the overall Tariff Differential Subsidy claim in the matter of the Petitioner eventually reducing GOP's overall Tariff Differential Subsidy burden. The above working has been carried out based on the data/ information provided by the Petitioner. This decision of the Authority is only applicable under a subsidy regime, whereby aforementioned classes of consumers are receiving subsidy directly in their base tariff.
- 5.84. Based on the above discussion, decisions of the Authority under various head of accounts in the earlier paras and in line with the scope of MYT, the PYA of the Petitioner for the FY 2023-24 has been worked out as under;

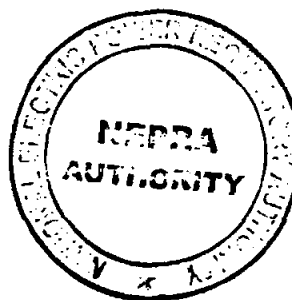


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*Decision of the Authority in the matter of request filed by GEPCO for  
Adjustment / Indexation of Tariff for the FY 2023-24 under the MYT*

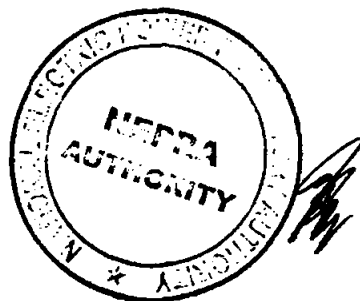
Description	GEPCO
July 2020 to December 2022	
Impact of Negative FCA - retained	720
Impact of Positive FCA - Lifeline	266
Net	455
July 2020 to December 2022	
Tariff Diff. Subsidy	74,516
Surcharge	40,761
Net - Jul.20 to Mar. 23	33,755
Excess Negative FCA - Adjusted as subsidy	455
Excess Negative FCA - Adjusted as PYA	-
1st & 2nd Qtr. FY 2018-19	
Life Line units	70
Qtr. Rate	1.1756
Impact	81.70
3rd & 4th Qtr. FY 2018-19	
Life Line units	61
Qtr. Rate	0.12
Impact	7.56
1st Qtr. FY 2019-20	
Life Line units	61.20
Qtr. Rate	0.13
Impact	8.12
Interim D.M FY 2018-19	
Life Line units	61.20
Qtr. Rate	0.27
Impact	16.44
2nd & 3rd Qtr. FY 2019-20 (Oct.20 to Sep.21)	
Allowed Amount	13,804
Qtr. Rs./kWh	1.2796
Recovered	13,396
Under/(Over) Recovery	409
4th Qtr. FY 2019-20	
Allowed Amount	8,393
Qtr. Rs./kWh	0.7780
Recovered	8,611
Under/(Over) Recovery	218
1st & 2nd Qtr. FY 2020-21 (Oct. 21-Sept.22)	
Allowed Amount	8,020
Qtr. Rs./kWh	0.78
Recovered	8,600
Under/(Over) Recovery	581
3rd Qtr. FY 2020-21 (Oct.21-Sept.22)	
Allowed Amount	1,317
Qtr. Rs./kWh	0.1276
Recovered	1,412
Under/(Over) Recovery	95
4th Qtr. FY 2020-21 (Feb. Apr. 22)	
Allowed Amount	2,613
Qtr. Rs./kWh	1.1407
Recovered	2,494
Under/(Over) Recovery	119
1st Qtr. FY 2021-22 (Jun. Aug. 22)	
Allowed Amount	63
Qtr. Rs./kWh	0.0245
Recovered	86
Under/(Over) Recovery	23
2nd Qtr. FY 2021-22 (Jul. Sep. 22)	
Allowed Amount	3,922
Qtr. Rs./kWh	1.5213
Recovered	5,297
Under/(Over) Recovery	1,375



*In matter of*

*Decision of the Authority in the matter of request filed by GEPCO for  
Adjustment / Indexation of Tariff for the FY 2023-24 under the MYT*

Description	GEPCO
<b>3rd Qtr. FY 2021-22 (Sep. Nov. 22)</b>	
Allowed Amount	2,174
Qtr. Rs./kWh	0.8433
Recovered	2,018
Under/(Over) Recovery	156
<b>4th Qtr. FY 2021-22 (Oct. 22 Jan. 23)</b>	
Allowed Amount	8,963
Qtr. Rs./kWh	3.2356
Recovered	7,929
Under/(Over) Recovery	1,034
<b>1st Qtr. FY 2022-23 (Feb. Mar. 23)</b>	
Allowed Amount	5,308
Qtr. Rs./kWh	4.0607
Recovered	4,541
Under/(Over) Recovery	767
<b>2nd Qtr. FY 2022-23 (Apr. Jun. 23)</b>	
Allowed Amount	6,686
Qtr. Rs./kWh	1.98
Recovered	
Under/(Over) Recovery	
<b>D.M FY 2021-22</b>	
Allowed Amount	27,767
Rate. Rs./kWh	1.88
Recovered	20,163
Under/(Over) Recovery	7,604
<b>PYA 2019-20</b>	10351
Allowed Amount	- 3,364
Rate. Rs./kWh	- 0.32
Sales till Feb.11 2022	10,591
Recovered	- 3,442
Under/(Over) Recovery	78
<b>MLR Allowed Cost</b>	
RORB - FY 2020-21	528
RORB - FY 2021-22	612
RORB - FY 2022-23	775
Post-Retirement Benefit	
Other Exp.	
	1,915
<b>Sales Mix Var.</b>	
FY 2020-21	4,792
FY 2021-22	- 1,340
	3,452
<b>Excess LPS to be adjusted - FY 2020-21</b>	
LPS Recovered from Consumers	1,777
Supplemental charges billed by CPPA	1,950
Net	173
<b>Excess LPS to be adjusted - FY 2021-22</b>	
LPS Recovered from Consumers	2,022
Supplemental charges billed by CPPA	1,822
Net	- 200
Adjustment in PYA	- 200
<b>Other Costs - FY 2020-21 to FY 2022-23</b>	
Pay & Allowance FY 2023 Adjustment	1,430
Turn over/Min. Tax	5,834
Supplier NEPRA Fee- FY 2021-22	29
Supplier NEPRA Fee- FY 2022-23	36
Genco Pensioners FY 2022 & FY 2023	-
NTDC Pensioners	-
Total	7,329
<b>Total</b>	<b>20,436</b>



*In Matter*

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MYT True Ups		GEPCO
FY 2020-21		
Depreciation		
Allowed		2,415
Actual		2,414
Under/(Over) Recovery	-	1
RoRB (Investment + KIBOR)		
Allowed		3,186
Actual		3,443
Under/(Over) Recovery		257
Other Income		
Allowed	-	2,481
Actual	-	1,636
Under/(Over) Recovery		845
FY 2021-22		
Depreciation		
Allowed		2,606
Actual		2,613
Under/(Over) Recovery		-
RoRB (Investment + KIBOR)		
Allowed		3,554
Actual		4,290
Under/(Over) Recovery		736
Other Income		
Allowed	-	2,579
Actual	-	1,667
Under/(Over) Recovery		912
Total MYT True Ups		2,749
G. Total PYA FY 2021-22 & FY 2022-23		23,185



6. Whether the peak and off-peak rate design needs to be revised?

- 6.1. The Authority observed that all DISCOs including the Petitioner during the hearing of their MYT adjustment/indexation request, submitted to continue with the existing mechanism of peak / off-peak hours and prevailing rate design.
- 6.2. Some commentators submitted that tariff be designed in such a way so as to encourage consumption during low load periods. Mr. Arif Bilwani, a consumer of K-Electric submitted that

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for industrial consumers, peak tariff rates may be abolished to encourage consumption and generate economic activity.

- 6.3. The Authority keeping in view the submissions of DISCOs and points raised by the commentators, considers that the matter requires further deliberations. Further, the authority also understands that the existing infrastructure of DISCOs also needs to be evaluated in terms of its capability to cater for multiple peak /off peak rates and times during a billing cycle.
- 6.4. In view thereof, the Authority has decided to continue with the existing mechanism of peak / off-peak hours and prevailing rate design. At the same time, the Petitioner is directed to evaluate the different proposals of tariff design so as to make it more efficient and cost reflective with the objective to maximize the utilization of available capacity.
7. Whether the existing Tariff Terms and Conditions needs to be modified (including the request of Cold Storage to charge "B Industrial Supply" Category tariff instead of "A-2 Commercial" category tariff), and keeping in view the amendments in Consumer Service Manual or otherwise?
- 7.1. The Authority observed that certain amendments have been approved in the NEPRA CSM, regarding extension of load for B-3 from 5MW up-to 7.5MW, after following due process of law. The same amendments are also required to be incorporated in the Tariff determination of DISCOs. Accordingly, the following changes are being made in the Terms & Conditions of Tariff
- "Considering the fact that the Authority, through CSM has already allowed extension in load beyond 5MW upto 7.5MW, therefore, for such consumers the applicable tariff shall remain as B-3. However, while allowing extension in load, the DISCOs shall ensure that no additional line losses are incurred and additional loss, if any, shall be borne by the respective consumers."*
- 7.2. Regarding change in tariff category of Cold Storage to charge "B Industrial Supply" Category tariff instead of "A-2 Commercial, the Authority noted that a large number of stakeholders raised their concerns in the matter. The Authority considering such large representations of the stakeholders decided to initiate separate proceedings in this regard. Accordingly, a separate hearing in the matter was held on 06.06.2023. Therefore, any amendments/modification in the terms & conditions for cold storage would be made based on the final outcome of the separate proceedings being carried out by the Authority.
8. Whether the existing fixed charges applicable to different consumer categories need to be revised and require any changes in mechanism for charging of such charges based on Actual MDI or Sanction Load or otherwise?
9. Whether there should any Fixed Charges on consumer's categories who are currently not paying any fixed charges?
- 9.1. Regarding revision in applicable fixed charges on different consumer categories and change in mechanism of application of fixed charges based on actual MDI or sanction load or otherwise, the Authority noted that large number of stakeholders raised their concerns in the matter. The Authority considering such large representations of the stakeholders decided to initiate separate proceedings in this regard. Accordingly, a separate hearing in the matter was held on 06.06.2023. Therefore, any amendments/modification in the terms & conditions for application of fixed



charges would be made based on the final outcome of the separate proceedings being carried out by the Authority.

10. **Revenue Requirement**

- 10.1. In view of the discussion made in preceding paragraphs and accounting for the adjustments discussed above, the adjusted revenue requirement of the Petitioner, for the FY 2023-24 is as under;

Description	Unit	Allowed FY 2023-24	
		DOP	SOP
Units Received	[MkWh]	12,885	12,885
Units Sold	[MkWh]	11,725	11,725
Units Lost	[MkWh]	1,160	1,160
Allowed T&D Losses	[%]	9.00%	9.00%
Energy Charge			87,069
Capacity Charge			196,482
Transmission Charge & Market Operation Fee			15,876
Power Purchase Price	[Mln. Rs.]	-	299,427
Wire Business Margin			30,955
Power Purchase Price with Wire Business		-	330,382
Pay & Allowances		10,276	3,425
Post Retirement Benefits		6,920	2,307
Repair & Maintenance		995	20
Traveling allowance		360	120
Vehicle maintenance		448	24
Other expenses		324	1,215
O&M Cost	[Mln. Rs.]	19,324	7,111
Depreciation		3,170	65
RORB		9,509	194
O.Income		(1,047)	(2,444)
Margin	[Mln. Rs.]	30,955	4,926
Prior Year Adjustment	[Mln. Rs.]		23,185
Revenue Requirement	[Mln. Rs.]	30,955	358,493
PPP without Wire Business Cost-Unadj.		-	23.24
PPP without Wire Business Cost-adj.		-	25.54
Margin		2.64	0.42
PYA		-	1.98
Average Tariff	[Rs./kWh]	2.64	30.57

- 10.2. The above determined revenue shall be recovered from the consumers through the projected sales of 11,725 GWhs, as per Annex – II.

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10.3. The above assessment has been carried out based on the data/information provided by the Petitioner, which the Authority believes is correct and based on facts. In case of any deviation / misrepresentation observed at a later stage, the Petitioner shall be held responsible for the consequences arising out, under NEPRA Act, Rules and Regulations made thereunder. Any consequential adjustment, if required will be made accordingly.

11. **ORDER**

11.1. From what has been discussed above, the Authority hereby approves the following adjustments in the MYT of the Petitioner Company for the Financial Year 2023-24:-

- I. Gujranwala Electric Power Company Limited (GEPCO), being a supplier, is allowed to charge its consumers such tariff as set out in the schedule of tariff for GEPCO annexed to the decision.
- II. In addition to compensation of losses as discussed above, GEPCO, being a distribution licensee, is allowed to charge the users of its system a "Use of system charge" (UOSC) as under:

Description	For 132 kV only	For 11 kV only	For both 132kV & 11 kV
Asset Allocation	36.67%	37.68%	74.35%
Level of Losses	0.93%	5.23%	6.11%
UoSC Rs./kWh	1.04	1.16	2.26

- III. The Petitioner shall comply with, all the existing or future applicable Rules, Regulations, orders of the Authority and other applicable documents as issued from time to time.
- IV. To file future monthly & quarterly adjustments on account of Power Purchase Price (PPP) based on the Annex-IV attached with the instant decision.
- V. The Petitioner shall comply with the Tariff terms & Conditions for supply of electricity as annexed with decision as Annex-V.

12. **Summary of Direction**

12.1. The summary of all the directions passed in this decision by the Authority are reproduced hereunder. The Authority hereby directs the Petitioner to;

- To provide the reconciled date of sales mix with its reported revenue as per audited financial statement of the respective year.
- To provide proper details of GENCO employees allocated to it by providing proper employee wise details, their pay scales, terms of adoption, approvals of competent authority for such adoption and placement details along-with their financial impact.
- To provide year wise detail of amounts deposited in the Fund, amount withdrawn along-with profit/interest earned thereon since creation of Fund.
- To provide the IDC amount for FY 2020-21 onward with subsequent adjustment request and reflect the same in its Audited Financial Statements as well.



13. Decision of the Authority, is hereby intimated to the Federal Government for filling of uniform tariff application in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
14. The instant decision of the Authority and the Order part along with revised Annex-I, I-A, II, III, IV and V, be also notified in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, while notifying the uniform tariff application decision of the Authority.

**AUTHORITY**

*Mathar Niaz Rana*

Mathar Niaz Rana (nsc)  
Member

Rafique Ahmed Shaikh  
Member

*Amina Ahmed*

Ms. Amina Ahmed  
Member

Engr. Maqsood Anwar Khan  
Member

*Tauseef H. Farooqi*  
Tauseef H. Farooqi  
Chairman



*14/07/23*



National Electric Power Regulatory Authority  
(NEPRA)  
(Coordination & Implementation Department)

F/E

No. NEPRA/Dir (C & I)/2023/1434

September 01, 2023

Subject: **APPROVED MINUTES/DECISION OF THE AUTHORITY REGULATORY MEETING RM 23-389 REGARDING PETITION FOR DETERMINATION OF USE OF SYSTEM CHARGES/ WHEELING CHARGES.**

Enclosed please find herewith the Minutes/Decision of the Authority Regulatory Meeting RM 23-389 held on August 15, 2023 (signed minutes received on 01.09.2023).

2. The sponsor and all concerned professionals are requested to submit progress/status report to take immediate necessary action in compliance of timeline prescribed by the Authority in the subject Minutes/Decision.

  
Director (C&I)

**Distribution:**

1. Registrar
2. DG (M&E)
3. DG (Tariff)
4. DG (Lic)
5. DG (CAD)
6. ADG (Legal)
7. SA (M&E)
8. Director (M & E)
9. Director (Technical)
10. Consultant (CTBCM)
11. Director (Tariff-II) /Sponsor
12. DD (Tariff)
13. AD Legal-Tariff

**Copy to:**

1. PS to Chairman
2. PS to M (Technical)
3. PS to M (Lic)
4. PS to M (Tariff and Finance)
5. PS to M (Law)

**National Electric Power Regulatory Authority**  
**(NEPRA)**

Subject:- **MINUTES/DECISIONS OF THE AUTHORITY REGULATORY MEETING RM 23-389 REGARDING PETITION FOR DETERMINATION OF USE OF SYSTEM CHARGES/ WHEELING CHARGES.**

A meeting of the Authority on the subject was held on August 15, 2023. Following Members of the Authority, professionals and officers participated in the meeting:

<b><u>Authority</u></b>	
Mr. Waseem Mukhtar	Chairman
Mr. Rafique Ahmed Shaikh	Member (Technical)
Engr. Maqsood Anwar Khan	Member (Lic)
Mr. Mathar Niaz Rana (nsc)	Member (Tariff/Finance)
Miss Amina Ahmed	Member (Law)
<b><u>Participants</u></b>	
Mr. Imtiaz Hussain Baloch	DG (Licensing)
Mr. Sajid Akram	DG (Tariff)
Mr. Imran Kazi	SA (M&E)
Mr. Muhammad Ramzan	Director C&I
Mr. Mubashir Jalal Bhatti	Director (Tariff-II) / Sponsor
Mr. Salman Rehman	Director (Tariff-Hydro)
Mr. Shahzad Anwar	Dir (Technical)
Mr. Khawar Harif	Director (M&E)
Mr. Irfan ul Haq	ALA (Licensing)
Mr. Abdullah Quershi	DD (Tariff)
Mr. M. Imran	DD (Tariff)
Ms. Sundas Khaqan	DD (C)

2. The Authority considered the working paper submitted by Director (Tariff-II) and DD (Tariff).
3. The Sponsor informed that NEPRA issued Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022, which was notified on November 02, 2022. Clause 7 of the notified regulations states as under;

**Filing of petition and determination of use of system charges.**— Within ninety days following the date of notification of these regulations, each distribution licensee, in consultation with the respective supplier of last resort, shall prepare and submit a separate petition to the Authority for determination of its use of system charges. Such petition shall be accompanied with a statement which will set out the basis upon which the use of system charges shall be calculated in such manner and with such details as shall be necessary.

In compliance to the Regulations, XWDISCOs filed their petitions for determination of Use of System charges/ wheeling charges, which were accordingly admitted by the Authority. To proceed further in the matter, the Authority decided to hold hearing in the matter, which was initially scheduled on May 22, 2023, however, DISCOs vide letter, dated May 16, 2023, requested for a consultative session prior to scheduling of hearing to review critical items like

PAP, Final Dry Run report, proposed amendment to Commercial Code, Use of System agreements and UoSC etc.

4. The Authority accepted the request for XWDISCOs and hearing in the matter was postponed accordingly. In light of request of XWDISCOs, consultative session was held and subsequently hearing in the matter was scheduled on July 11, 2023. However, Ministry of Energy (power division) requested to postpone the hearing owing to the reason that the Authority is in process of finalization of rebasing of consumer-end tariff for FY 2023-24 and the petitions for Use of System Charges under consideration of the Authority are based on NPERA determination/GoP applicable tariff for the FY 2022-23. The Authority in light of request of the MOE postponed the hearing accordingly.

5. The Sponsor mentioned that all the Petitions were admitted by the Authority vide RMs 23-151 to 23-161 (excluding RM 23-158). The minutes of admission of Petitions were issued by C&I department on 06.04.2023. Further NEPRA Act section 31(6) provides following time line for processing of petitions;

*The time frame for determination by the Authority on tariff petition shall not exceed four months after the date of admission of the tariff petition:*

*Provided that this time frame shall commence after the applicant has complied with all requirements of rules and regulations and the Authority has admitted the tariff petition.*

6. The Sponsor highlighted that the Authority issued determinations of consumer-end tariff for FY 2023-24, of all XWDISCOs on July 14, 2023, which were intimated to the Federal Government for filling of uniform Tariff application. Pursuant thereto, the Federal Government filed Motion with respect to uniform tariff and the same has been decided by the Authority on July 25, 2023. The Federal Government on July 26, 2023, has notified the consumer-end tariff of XWDISCOs for the FY 2023-24 w.e.f. July 01, 2023.

7. It was also informed that since the earlier petitions filed by XWDISCOs regarding determination of use of system charges/ wheeling charges are based on determinations of the Authority for FY 2022-23, which is no more applicable, thus requires to be either updated by incorporating the revised revenue requirement of FY 2023-24.

8. In view of the above, the Sponsor requested the Authority to decide on the following:

- a. Whether to return/dispose of the earlier petitions for use of system charges with direction to file new petition after incorporating the revised Revenue Requirement for FY 2023-24 and GOP applicable tariff in this regard or otherwise?

OR

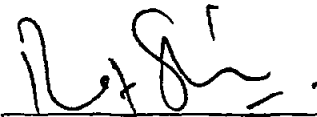
- b. Whether to direct DISCOs to file addendum after incorporating the revised Revenue Requirement for FY 2023-24 and GOP applicable tariff in this regard or otherwise? If the Authority decide to direct DISCOs for filing of addendum than approval is requested for draft DFA attached with working paper. The Authority in this case is also requested to extend the timelines for processing of Use of System Charges Petition by allowing to start Four month period for processing of such petitions from the date of provision of final information by XWDISCOs.

**DECISION OF AUTHORITY REGULATORY MEETING RM 23-389 HELD ON AUGUST 15, 2023 REGARDING PETITION FOR DETERMINATION OF USE OF SYSTEM CHARGES/ WHEELING CHARGES.**

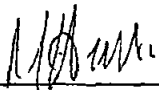
9. The Authority after detailed deliberations upon the working paper decided to return the earlier petitions filed by XWDISCOs for use of system charges/ wheeling charges, with the directions to file new tariff petitions after incorporating the revised tariff numbers as determined by NEPRA for the FY 2023-24 and subsequently notified by the Federal Government.



Mathar Niaz Rana (nsc)  
Member



Rafique Ahmed Shaikh  
Member



Engr. Maqsood Anwar Khan  
Member



Amina Ahmed  
Member



Waseem Mukhtar  
Chairman

**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY**  
(REGISTRAR OFFICE)

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No: NEPRA/R/TRF-100/ 33982

September 26, 2023

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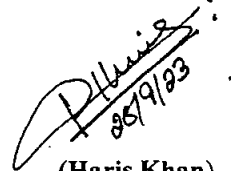
Subject: **PETITION FOR DETERMINATION OF USE OF SYSTEM CHARGES (UoSC) / WHEELING CHARGES - GEPCO**

Please find enclosed herewith subject petition filed by Gujranwala Electric Power Company Limited (GEPCO) vide letter No. GEPCO/MIRAD/UoSC/3034-37 dated 22.09.2023 (received on 26.09.2023) for determination of Use of System Charges (UoSC)/Wheeling Charges under Regulation 7 of NEPRA Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022. GEPCO has submitted the subject petition while referring to NEPRA's letter No. NEPRA/DG(Tariff)/TRF-100/33375-85 dated 13.09.2023 whereby it was directed to file new petitions after incorporating the revised tariff numbers as determined by NEPRA for the FY 2023-24.

2. DG (Lic), ADG (Tariff), Director (Tech) and ALA (Lic)/AD (Legal) are requested to go through the enclosed petition and offer their comments for submission of case before Authority regarding further processing of the subject petition.

3. Being time bound case, the comments may please be provided by 28.09.2023.

Encl: **As above**

  
(Haris Khan)  
Deputy Director

1. DG (Licensing)
2. ADG (Tariff)
3. Director (Technical)
4. Consultant (CTBCM)
5. ALA (Lic)/AD (Legal)

**CC:**

1. Registrar
2. Master File

