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No.CEO/HESCO/DG(MIRAD)/ 11374-76

Office of the Director General (MIRAD),
2nd Floor, WAPDA Offices Complex,
Hussainabad, Hyderabad.

Dated: OS .10.2023

✓ The Deputy Director (Registrar Office),
National Electric Power Regulatory Authority (NEPRA),
NEPRA Tower, Attaturk Avenue (East), G-5/1,
ISLAMABAD.

F/A

Subject:- **Petition for Determination of Use of System Charges / Wheeling Charges.**

Reference: NEPRA's Office letter No.NEPRA/DG(Tariff)/TRF-100/33375-84 dated 13.09.2023.

As desired vide your letter referred above and in pursuance of Regulation-7 of NEPRA's Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022; enclosed please find HESCO's 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 HESCO Cost of Service Study ("**CoS Study**") FY 2023-24 as **Annex-B** thereto, forming fundamental basis for the instant UoSC Petition.

D.A/as above

C.C to:-

1. Chief Financial Officer HESCO, Hyderabad, for information and necessary action as & when required.
2. PSO to CEO HESCO, Hyderabad.
 - Master File.

Chief Executive Officer
HESCO, Hyderabad.

Forwarded please: ☒ For nec action ☐ for information

1. DG (Lic.)	2. DG (Admn./HR)
3. DG (M&E)	4. DG (CAD)
5. DG (Trf.)	6. Dir. (Fin.)
7. Dir. (Tech.)	8. Consultant
9. LA	10. Dir. (IT)

For kind information please

1. Chairman	2. M (Tech.)
3. M (Lic.)	4. M (Trf. & Fin)
5. M (Law)	

24/12/20



F/D

**PETITION
FOR DETERMINATION OF
USE OF SYSTEM CHARGES
(UoSC)
FOR
FY 2023-24**

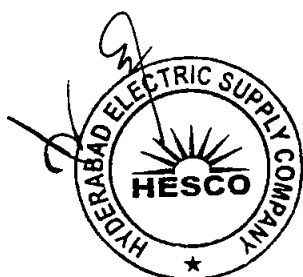


HYDERABAD ELECTRIC SUPPLY COMPANY

WAPDA OFFICES COMPLEX HUSSAINABAD HYDERABAD

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Background:

As a result, of restructuring, Hyderabad Electric Supply Company (HESCO) was incorporated on 23rd April 1998 and obtained Certificate for Commencement of Business on 26th May, 1998. The HESCO is responsible for Supply of Electricity to almost 1.22 Million Consumers of different categories of 13 Districts (namely Hyderabad, Thatta, Sujawal, Jamshoro, Matiari, Nawab Shah, Sanghar, Umarkot, Mirpur Khas, Tharparkar, Badin, Tando Muhammad Khan & Tando Allah Yar) Sindh Province, as set out in HESCO's Distribution License No.05/DL/2002, granted by National Electric Power Regulatory Authority (NEPRA) on April 04, 2002 under the NEPRA Act, 1997 (as amended from time to time) and after the expiry of said Distribution Licence, the new Licence No.DL/05/2023 was granted by NEPRA on 09.05.2023. The Company is Headed by a Chief Executive Officer (CEO) and HESCO Board of Directors.

Under the Provisions of Regulation of Generation, Transmission & Distribution of Electric Power (Amendment) Act, 2018, HESCO 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, be limited to ownership, operation, management or control of Distribution Facilities for the movement or delivery to Consumers of electric power. The deemed licensee status was expired on May 01, 2023 and, accordingly, HESCO has already submitted an Application for Grant of Licence for Supply of Electric Power to the Authority.

After the approval of Competitive Trading Bilateral Contract Market (**CTBCM**) by the honorable Authority on November 12, 2020, 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 2021 ("**NE Policy-2021**") read with Section-7 of the NEPRA's 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 (**UoSC**):

- a. In compliance with the NE Policy-2021 Clause **4.4**, Clause **5.5.2(f)**, Clause **5.5.2(g)**, Clause **5.5.4** and Clause **5.6.5** and;
- b. In compliance with the Section-7 of Open Access Regulations, each distribution licensee, in consultation with the respective supplier of last resort shall, within ninety days following the date of notification (*i.e. 02.11.2022*) of Open Access Regulation, submit separate petition to the Authority for Determination of Use of System Charges (**UoSC**). Accordingly, HESCO vide letter bearing dated 27.01.2023 submitted its Petition for Determination of Use of System Charges for FY 2022-23, which was returned by NEPRA with the directions "to file new petition after incorporating the revised tariff numbers as determined by NEPRA for the FY 2023-24 and subsequently notified by the Federal Government".

Directions in National Electricity Policy, 2021:

The National Electricity Policy, 2021 issued under Section 14A of the NEPRA's Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 ("The Act") was prepared by 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 decision making in the power sector to achieve identified goals.

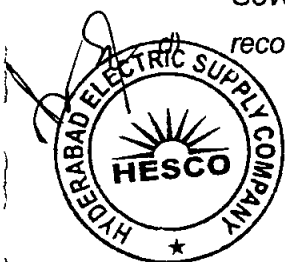
Various sections of the said National Electricity Policy, 2021, as relevant to the instant petition, are provided in the below lines.

Clause 4.4 (Financial Viability):

Clause 4.4.1 "*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*

recovery of costs arising on account of open access, distributed generation, etc.



Clause 5.5 (Market Development and Operation):

Clause 5.5.2(f) "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) "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 "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 (Cost of Service, Tariff and Subsidies):

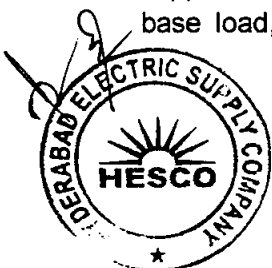
Clause 5.6.5 "The Regulator, in order to ensure liquidity of the power sector, provide a level playing field for the development of wholesale market and to facilitate prudent projects of the Government, may impose additional charge(s) which shall be deemed to be costs incurred by the distribution companies / 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 "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 Bilateral Contract 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 DISCO emanates from apprehended loss 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 resource and relief to the DISCOs to mitigate the said possible adverse impact.

As per provision of 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 UoSC in terms of mentioned Open Access Regulations, following terms as defined in the legal and regulatory framework are reproduced as below:

Clause 2 (Definition) of the NEPRA's Act 1997 (Amended):

Clause 2(ii) "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".

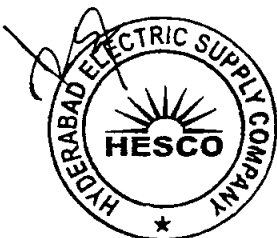
Important definitions provided in Section-2 of NEPRA's Open Access Regulations are provided below:

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) Section-5 (Obligation to provide open access) is reproduced hereunder:

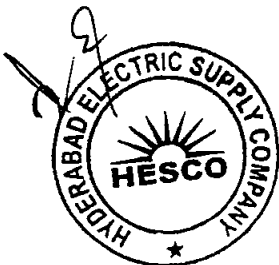
- (1) "A network licensee shall establish, operate and maintain its distribution system or transmission system, as the case may be, in a manner that ensure non-discriminatory open access in accordance with the Act, these regulations, Market Commercial Code, Grid Code, Distribution Code and other applicable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

Section-7 (Filing of petition and determination of use of system charges) is reproduced hereunder:

"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."

Section-8 (Wheeling of electric power) is reproduced hereunder:

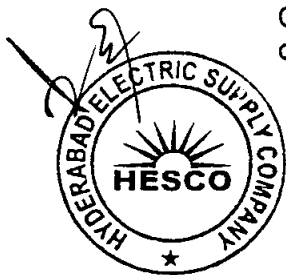
"An open access user shall be entitled to wheel electric power using system of network licensee subject to compliance with these regulations and the Market Commercial Code, upon coming into effect, and use of system agreement."



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 HESCO 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 HESCO is entitled for recovery of UoSC in line with Use of System Agreement, as determined by the honorable Authority.
- iii) The UoSC shall include:
 - a. Transmission Use of System Charges (**TUoSC**) (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. 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 UoSC, following clarification shall apply for clarity of application:
 - a. Currently applicable TUoSC, 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 TUoSC remain part of UoSC 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 HESCO, these shall not form part of use of system charges to be recovered directly by HESCO.
 - 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, 2021 (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 this use of system charges as requested under this instant petition.



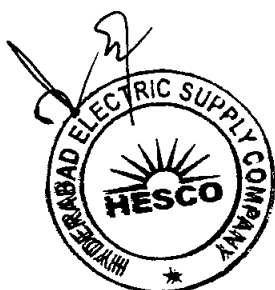
Explanation:

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 HESCO 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 UoSC shall be with reference to the voltage level (132/66kV, 11/33kV) for the applicable consumer categories of all possible BPCs. The component-wise Cost of Service as per outcome detailed Cost of Service Study **Annex-B** and consequent assessment, as detailed above, of component-wise Use of System Charges for the applicable BPCs is provided at **Annex-A**.
- h. Power Factor Penalty as provided in applicable documents shall remain applicable in addition to the UoSC.
- i. Any 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	HESCO as Distribution Licensee
5.	Cross Subsidy	HESCO as SOLR (Supply Licensee)
6.	Stranded Capacity Costs	HESCO as SOLR (Supply Licensee)



Basis of Use of System Charges:

The instant petition for determination of UoSC has been developed based on Cost of Service Study (FY 2023-24) carried out by HESCO forming integral part of this petition and provided separately as attached here to as **Annex-B**.

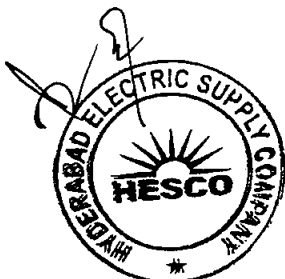
Method for recovery of Use of System Charges

The instant petition is for determination of UoSC for recovery of costs and charges relating to service providers (SO, TNO, MSP, 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) UoSC 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) UoSC 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) UoSC 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-A** 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 HESCO) 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, B-4, C-2(b) & C-3(a) customer categories and provided as **Annex-A1** herewith.



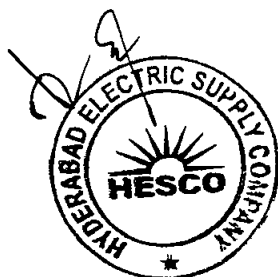
Mechanism for Adjustment / Indexation of Use of System Charges:

Each component of UoSC 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 UoSC for eligible BPCs shall simultaneously be made.

Applicable Categories / Classification of Eligible BPCs:

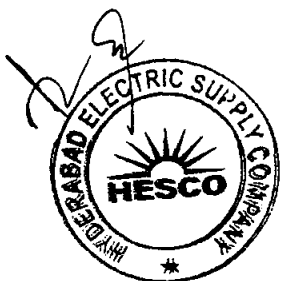
While, in terms of existing stipulation contained in the Act, a consumer who purchases or receives electric power, **at one premises**, in an amount of **one megawatt or more** is considered as Bulk Power Consumer, following position, with regard to consumer with one megawatt or more load at connection 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 consumers, based on the sanctioned load, may be connected at 11kV level, as required. Any such consumers falling within the definition of BPC, and subject to the approval of the Authority, will be considered in the analogy of C-2.
2.	Industrial Consumer ranging from 500 kW to 5000 kW.	B-3	11/33 kV	B-3 consumer ranges from 500 kW to 5.0 MW. 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	B-4 consumer ranges above 5.0MW.



4.	Bulk Supply Ranging from 500 kW to 5.0 MW.	C-2(b)	11/33 kV	<p>Bulk Supply consumer ranges from 500 kW to 5.0 MW.</p> <p>Although, the Bulk Supply C-2(a) customers are at 11/33 KV connection level. 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 C-2(b) category will apply for C-2(a).</p> <p>Further, the consumers falling under the resale shall not be considered as eligible BPC.</p>
5.	Bulk Supply	C-3(a)	66/132 kV	<p>C-3(a) consumer ranges above 5.0MW.</p> <p>The use of system charges indicated for C-3(a) category will apply for C-3(b).</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>

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:

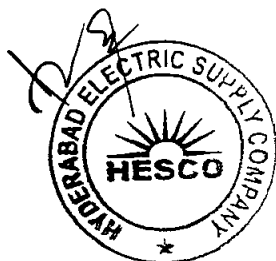
- (1) A captive power producer / user using the HESCO's network for wheeling of power to User destination will be considered **"Market Participant"** in terms of Market Commercial Code and will be dealt with accordingly. The use of system charges, except the Cross-Subsidy and Stranded Capacity cost, shall fully apply.
- (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 HESCO 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, 2021.

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.

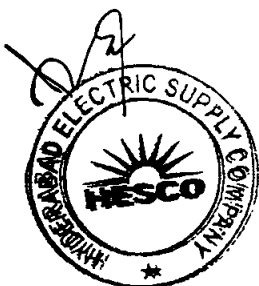


HESCO

PETITION FOR DETERMINATION OF USE OF SYSTEM CHARGES FY 2023-24

Prayer:

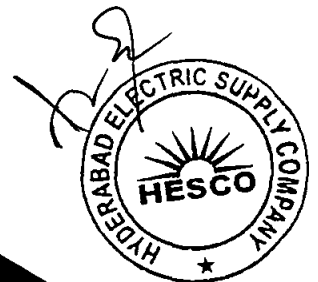
In view of the above submissions, it is, humbly requested that the Authority may kindly consider and determine the Use of System Charges as calculated in the attached **Annex-A** and/or **Annex-A1**, which contain detailed analysis.





Annex-A & A1

PROPOSED USE OF SYSTEM CHRGES (UoSC) FOR FY 2023-24



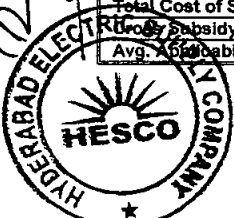
HYDERABAD ELECTRIC SUPPLY COMPANY

WAPDA OFFICES COMPLEX HUSSAINABAD HYDERABAD

(PROPOSAL - 1)

Annex-A

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	Vol	Hybrid	
	(Variable) Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh	(Variable) Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh Month	Rs./kWh
Generation Cost - Energy	7.69			7.69	6.73			6.73				
Generation Cost - Capacity		11,960.86	22.25	22.25		10,480.03	19.50	19.50	10,480.03	19.50	3,144.01	13.65
Transmission Charges		959.93	1.79	1.79		841.08	1.56	1.56	841.08	1.56	252.32	1.10
Market Operator's Fee		6.94	0.01	0.01		6.08	0.01	0.01				
Distribution Use of System		3,701.24	6.89	6.89		3,243.01	6.03	6.03	3,243.01	6.03	972.90	4.22
Total Applicable Costs	7.69	16,628.97	30.94	38.62	6.73	14,570.20	27.11	33.84	14,564.12	27.10	4,369.23	18.97
Impact of allowed losses					0.95	2,058.77	3.83	4.78	2,058.77	3.83	617.63	2.68
Total Cost of Service	7.69	16,628.97	30.94	38.62	7.69	16,628.97	30.94	38.62	16,622.89	30.93	4,986.87	21.65
Cross Subsidy				10.37				10.37	5,573.35	10.37		10.37
Avg. Applicable Tariff				48.99				48.99	22,196.24	41.29	4,986.87	32.02
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 C2(b) (1 MW or More)			
Tariff Category	C2(b)				C2(b)				MDI Based	Vol	Hybrid	
	(Variable) Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh	(Variable) Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh Month	Rs./kWh
Generation Cost - Energy	7.69			7.69	6.73			6.73				
Generation Cost - Capacity		11,960.86	22.54	22.54		10,480.03	19.75	19.75	10,480.03	19.75	3,144.01	13.82
Transmission Charges		959.93	1.81	1.81		841.08	1.58	1.58	841.08	1.58	252.32	1.11
Market Operator's Fee		6.94	0.01	0.01		6.08	0.01	0.01				
Distribution Use of System		479.55	6.96	6.96		3,237.61	6.10	6.10	3,237.61	6.10	971.28	4.27
Total Applicable Costs	7.69	13,407.28	31.32	39.01	6.73	14,564.80	27.45	34.18	14,558.72	27.43	4,367.61	19.20
Impact of allowed losses					0.95	2,058.01	3.88	4.83	2,058.01	3.88	617.40	2.71
Total Cost of Service	7.69	13,407.28	31.32	39.01	7.69	16,622.81	31.32	39.01	16,616.72	31.31	4,985.02	21.92
Cross Subsidy				11.27				11.27	5,981.56	11.27		11.27
Avg. Applicable Tariff				50.28				50.28	22,598.28	42.58	4,985.02	33.19
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	B-4				B-4				MDI Based	Vol	Hybrid	
	(Variable) Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh	(Variable) Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh Month	Rs./kWh
Generation Cost - Energy	6.93			6.93	6.73			6.73				
Generation Cost - Capacity		10,788.58	24.90	24.90		10,480.03	24.19	24.19	10,480.03	24.19	3,144.01	16.93
Transmission Charges		865.85	2.00	2.00		841.08	1.94	1.94	841.08	1.94	252.32	1.36
Market Operator's Fee		6.26	0.01	0.01		6.08	0.01	0.01				
Distribution Use of System		316.13	3.97	3.97		1,670.95	3.86	3.86	1,670.95	3.86	501.29	2.70
Total Applicable Costs	6.93	11,976.82	30.89	37.82	6.73	12,998.14	30.01	36.74	12,992.06	29.99	3,897.62	20.99
Impact of allowed losses					0.20	382.69	0.88	1.08	382.69	0.88	114.81	0.62
Total Cost of Service	6.93	11,976.82	30.89	37.82	6.93	13,380.84	30.89	37.82	13,374.75	30.87	4,012.43	21.61
Cross Subsidy				10.34				10.34	5,559.81	10.34		10.34
Avg. Applicable Tariff				48.17				48.17	18,934.57	41.22	4,012.43	31.96
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 C3(a)			
Tariff Category	C3(a)				C3(a)				MDI Based	Vol	Hybrid	
	(Variable) Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh	(Variable) Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh Month	Rs./kWh
Generation Cost - Energy	6.93			6.93	6.73			6.73				
Generation Cost - Capacity		10,788.58	28.28	28.28		10,480.03	27.47	27.47	10,480.03	27.47	3,144.01	19.23
Transmission Charges		865.85	2.27	2.27		841.08	2.20	2.20	841.08	2.20	252.32	1.54
Market Operator's Fee		6.26	0.02	0.02		6.08	0.02	0.02				
Distribution Use of System		278.39	4.41	4.41		1,634.29	4.28	4.28	1,634.29	4.28	490.29	3.00
Total Applicable Costs	6.93	11,939.08	34.98	41.91	6.73	12,961.48	33.98	40.71	12,955.40	33.96	3,886.62	23.77
Impact of allowed losses					0.20	381.61	1.00	1.20	381.61	1.00	114.48	0.70
Total Cost of Service	6.93	11,939.08	34.98	41.91	6.93	13,343.10	34.98	41.91	13,337.02	34.96	4,743.72	24.47
Cross Subsidy				13.11				13.11	6,956.88	13.11		13.11
Avg. Applicable Tariff				55.02				55.02	20,293.89	48.07	4,743.72	37.58



(PROPOSAL - 2)

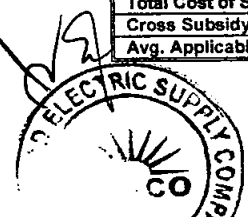
Annex-A1

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	Vol	Hybrid	
	(Variable) Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh	(Variable) Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh Month	Rs./kWh
Generation Cost - Energy	7.69			7.69	6.73			6.73				
Generation Cost - Capacity		8,295.05	22.25	22.25		7,793.19	19.50	19.50	7,793.19	19.50	2,337.96	13.65
Transmission Charges		665.73	1.79	1.79		625.45	1.56	1.56	625.45	1.56	187.63	1.10
Market Operator's Fee		4.81	0.01	0.01		4.52	0.01	0.01				
Distribution Use of System		2,566.88	6.89	6.89		2,411.58	6.03	6.03	2,411.58	6.03	723.47	4.22
Total Applicable Costs	7.69	11,532.47	30.94	38.62	6.73	10,834.74	27.11	33.84	10,830.22	27.10	3,249.07	18.97
Impact of allowed losses					0.95	697.73	3.83	4.78	697.73	3.83	209.32	2.68
Total Cost of Service	7.69	11,532.47	30.94	38.62	7.69	11,532.47	30.94	38.62	11,527.95	30.93	3,458.38	21.65
Cross Subsidy				10.37				10.37	3,865.21	10.37		10.37
Avg. Applicable Tariff				48.99				48.99	15,393.16	41.29	3,458.38	32.02

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 C2(b) (1 MW or More)			
Tariff Category	C2(b)				C2(b)				MDI Based	Vol	Hybrid	
	(Variable) Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh	(Variable) Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh Month	Rs./kWh
Generation Cost - Energy	7.69			7.69	6.73			6.73				
Generation Cost - Capacity		15,186.65	22.54	22.54		14,267.84	19.75	19.75	14,267.84	19.75	4,280.35	13.82
Transmission Charges		1,218.82	1.81	1.81		1,145.08	1.58	1.58	1,145.08	1.58	343.52	1.11
Market Operator's Fee		8.81	0.01	0.01		8.28	0.01	0.01				
Distribution Use of System		608.88	6.96	6.96		4,407.78	6.10	6.10	4,407.78	6.10	1,322.33	4.27
Total Applicable Costs	7.69	17,023.17	31.32	39.01	6.73	19,828.98	27.45	34.18	19,820.70	27.43	5,946.21	19.20
Impact of allowed losses					0.95	1,276.93	3.88	4.83	1,276.93	3.88	383.08	2.71
Total Cost of Service	7.69	17,023.17	31.32	39.01	7.69	21,105.91	31.32	39.01	21,097.63	31.31	6,329.29	21.92
Cross Subsidy				11.27				11.27	7,594.76	11.27		11.27
Avg. Applicable Tariff				50.28				50.28	28,692.39	42.58	6,329.29	33.19

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	B-4				B-4				MDI Based	Vol	Hybrid	
	(Variable) Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh	(Variable) Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh Month	Rs./kWh
Generation Cost - Energy	6.93			6.93	6.73			6.73				
Generation Cost - Capacity		11,669.19	24.90	24.90		10,963.19	24.19	24.19	10,963.19	24.19	3,288.96	16.93
Transmission Charges		936.52	2.00	2.00		879.86	1.94	1.94	879.86	1.94	263.96	1.36
Market Operator's Fee		6.77	0.01	0.01		6.36	0.01	0.01				
Distribution Use of System		341.94	3.97	3.97		1,747.99	3.86	3.86	1,747.99	3.86	524.40	2.70
Total Applicable Costs	6.93	12,954.42	30.89	37.82	6.73	13,597.41	30.01	36.74	13,591.04	29.99	4,077.31	20.99
Impact of allowed losses					0.20	875.64	0.88	1.08	875.64	0.88	262.69	0.62
Total Cost of Service	6.93	12,954.42	30.89	37.82	6.93	14,473.04	30.89	37.82	14,466.68	30.87	4,340.00	21.61
Cross Subsidy				10.34				10.34	3,855.82	10.34		10.34
Avg. Applicable Tariff				48.17				48.17	18,322.50	41.22	4,340.00	31.96

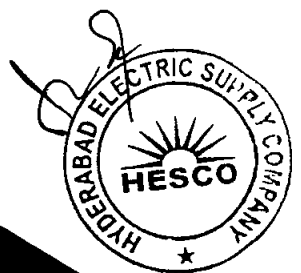
Cost Assessment Level	Cost of Service (Inclusive of Energy Loss Impact)				Cost of Service (Separated Energy Loss Impact)				PROPOSED Use of System Charges (Proposal-1)			
Consumption Category	Bulk Supply				Bulk Supply				Bulk Supply C3(a)			
Tariff Category	C3(a)				C3(a)				MDI Based	Vol	Hybrid	
	(Variable) Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh	(Variable) Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh	Rs./kWh Month	Rs./kWh	Rs./kWh Month	Rs./kWh
Generation Cost - Energy	6.93			6.93	6.73			6.73				
Generation Cost - Capacity		6,530.59	28.28	28.28		6,135.48	27.47	27.47	6,135.48	27.47	1,840.64	19.23
Transmission Charges		524.12	2.27	2.27		492.41	2.20	2.20	492.41	2.20	147.72	1.54
Market Operator's Fee		3.79	0.02	0.02		3.56	0.02	0.02				
Distribution Use of System		168.52	4.41	4.41		956.79	4.28	4.28	956.79	4.28	287.04	3.00
Total Applicable Costs	6.93	7,227.01	34.98	41.91	6.73	7,588.24	33.98	40.71	7,584.67	33.96	2,276.40	23.77
Impact of allowed losses					0.20	488.66	1.00	1.20	488.66	1.00	146.60	0.70
Total Cost of Service	6.93	7,227.01	34.98	41.91	6.93	8,076.90	34.98	41.91	8,073.34	34.96	2,866.76	29.01
Cross Subsidy				13.11				13.11	8,833.12	13.11		13.11
Avg. Applicable Tariff				55.02				55.02	16,906.46	48.07	2,866.76	42.12





Annex-B

COST OF SERVICE STUDY FOR FY 2023-24

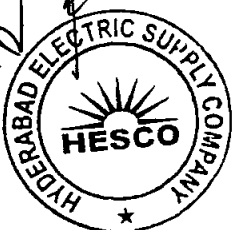


HYDERABAD ELECTRIC SUPPLY COMPANY

WAPDA OFFICES COMPLEX HUSSAINABAD HYDERABAD

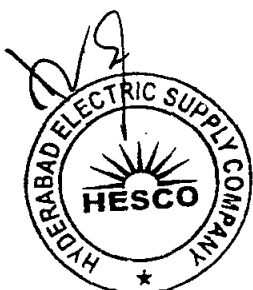
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Cost of Service (COS) Study:

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.

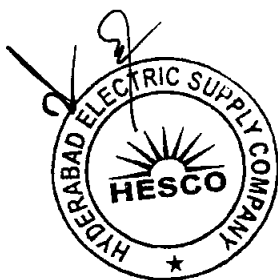
Fully Allocated Cost of Service Study (FACOS) Model:

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

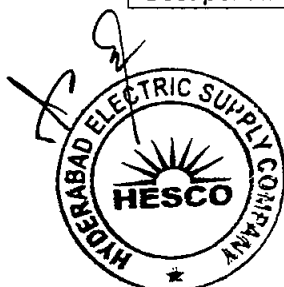
Description	FY 2023-24
Allowed Rate of Return (WACC) (NEPRA Determination)	21.14%
Capital Work in Progress ("CWIP")	CWIP 100%
Working Capital Allowance to be included in Rate Base	NO
Prior Year Adjustment (Rs. In Millions)	11,774.00
Demand Allocation Methodology (highest coincident peak in the year). Alternative is 12CP that means average of 12 months coincident peak.	1 CP (Single Annual Peak)
Customer Growth %	3.00%
Model Year	FY 2023-24
Base Year	FY 2021-22
Prior Year (Billing)	FY 2022-23

Projections and Revenue Requirement for Financial Year 2023-24:

The Revenue Requirement (RR) is the fundamental input to the Cost of Service of HESCO 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 HESCO.

Table 2

Description	FY 2023-24	Source
Units Purchased (MkWh)	5,921.37	Projection approved by NEPRA for FY 2023-24
Units Sold (MkWh)	4,852.00	
Assessed T&D Losses	18.06%	NEPRA MYT Determination FY 2022-23
Consumer Growth	3.00%	
Average Monthly MDI (MW) (Non-Coincidence at CDPs)	1,611.00	Projection approved by NEPRA for FY 2023-24
Energy Purchase Price (Rs/kWh)	6.73	These rates are calculated from Tariff Determination FY 2023-24.
Capacity Charges (Rs/kW/Month)	5,996.59	
T.UoS Rate (Rs/kW/Month)	481.26	
MOF (Rs/kW/Month)	3.48	Approved by NEPRA for FY 2022-23
Energy Charges (Rs. M)	39,879.00	Projection approved by NEPRA for FY 2023-24
Capacity Charges (Rs. M)	115,926.00	
T.UoS Rate (Rs. M)	9,303.72	
MOF (Rs. M)	67.28	
Power Purchase Price (Rs. M)	165,176.00	
O&M Cost (Rs. M)	13,944.00	Projection approved by NEPRA for FY 2023-24
Depreciation (Rs. M)	1,532.00	
RORB (Rs. M)	11,411.00	
Other Income (Rs. M)	-2,921.00	
Prior Year Adjustment (Rs. M)	11,774.00	
Revenue Requirement (Rs. M)	200,916.00	
Cost per KWH (Sold)	41.41	



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	39,879.00
Capacity Charges	115,926.00
T.UoS Rate	9,303.72
MOF	67.28
Power Purchase Price	165,176.00
O&M Cost	13,944.00
Depreciation	1,532.00
RORB	11,411.00
Other Income	-2,921.00
Distribution Margin	23,966.00
Prior Year Adjustment	11,774.00
Revenue Requirement	200,916.00

Line Losses Charged on Voltage Levels:

Line losses taken from HESCO's MYT Determination 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	0.4KV	11KV	132KV	Total
Losses %age on purchased units	6.12%		9.08%	2.86%	18.06%
Losses %age on received units	8.10%		9.80%	2.86%	20.76%
					Source
					Target as per NEPRA Determination is 18.06%
					Calculated as applied on units received at each voltage level.

Customer Classification by Voltage Level:

While the Cost of Service study is based on allocation of the Revenue Requirement on Classes (categories) of the consumers at different voltage levels; the **Table 5** below provides mapping of existing categories of consumers on the basis of applicable voltage levels.

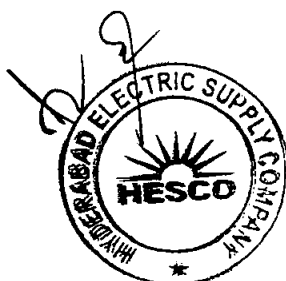


Table 5

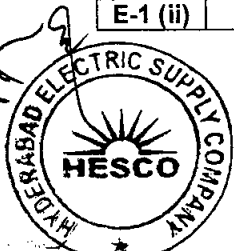
Classification by Voltage Level				
Voltage	132/66kV	11kV	0.4kV	0.2 kV
Customer Class	B4	B3	A1b	A1a
	C3a	C2a	A2b	A2a
	C3b	C2b	A2c	B1a
		H1	A2d	C1a
		H2	A3a	E1i
		K1a	B1b	E1ii
		K1b	B2a	E2
			B2b	
			C1b	
			C1c	
			D1a	
			D1b	
			D2a	
			D2b	
			G1	
			G2	

HESCO Tariff determined by NEPRA in July-2023:

Tariffs for various categories of HESCO consumers as determined by NEPRA vide their determination No.NEPRA/R/DG(Trf)/TRF-575 & TRF-576/HESCO-2022/18209-15 dated 14.07.2023 are provided in Table 6 below.

Table 6

NEPRA DETERMINED TARIFF (14-07-2023)				
TARIFF CATEGORIES		Fixed Charges	Variable Charges	
		Rs/kW/M	Rs/kWh	
A1 (a)	RESIDENTIAL - A1			
I	Up to 50 Units Life line			7.0
II	51-100 units Life line			11.74
III	01-100 Units			18.20
IV	101-200 Units			20.52
V	01-100 Units			34.86
VI	101-200 Units			40.33
VII	201-300 Units			43.52
VIII	301-400Units			46.91
IX	401-500Units			49.12
X	501-600Units			50.54
XI	601-700Units			51.68
XII	Above 700 Units			56.60
A1(b)	Time of Use (TOU) – Peak			55.79
	Time of Use (TOU) - Off-Peak			49.47
E-1(i)	Temporary E-1 (i)			55.93
	COMMERCIAL - A2			
A2 (a)	Commercial - For peak load requirement up to 5kW			51.65
A2 (b)	Sanctioned load 5 kw and above	500		53.33
A2 (c)	Time of Use (TOU) - Peak (A-2)	500		55.25
	Time of Use (TOU) - Off-Peak			49.28
E-1 (ii)	Temporary E-1 (ii)			52.04



A2 (d)	Electric Vehicles		55.14
	INDUSTRIAL		
B1(a)	B1		48.09
B1(b)	B1- TOU (Peak)		51.65
	B1 - TOU (Off-peak)		46.09
B2 (a)	B2	500	47.59
B2 (b)	B2 - TOU (Peak)	500	51.59
	B2 - TOU (Off-peak)		45.88
B3	B3 - TOU (Peak)	460	51.59
	B3 - TOU (Off-peak)		45.79
B4	B4 - TOU (Peak)	440	51.59
	B4 - TOU (Off-peak)		45.59
E-2	Temporary E-2		49.17
	BULK		
C1 (a)	C1(a) up to 5 kW		52.20
C1 (b)	C1(b) exceeding 5 kW	500	51.70
C1 (c)	Time of Use (TOU) – Peak	500	55.12
	Time of Use (TOU) - Off-Peak		48.52
C2 (a)	C2 Supply at 11 kV	500	51.50
C2 (b)	Time of Use (TOU) – Peak	460	55.12
	Time of Use (TOU) - Off-Peak		48.32
C3 (a)	C3 Supply above 11 kV	440	51.40
C3 (b)	Time of Use (TOU) – Peak	440	55.12
	Time of Use (TOU) - Off-Peak		48.22
	AGRICULTURAL TUBE WELLS - Tariff D		
D1 (a)	D1 Scarp		48.20
D2 (a)	D2 Agricultural Tube-wells	200	51.12
D1 (b)	Time of Use (TOU) – Peak	200	43.87
	Time of Use (TOU) - Off-Peak		37.87
D2 (b)	Time of Use (TOU) – Peak	200	37.87
	Time of Use (TOU) - Off-Peak		37.87
G	Public Lighting G		51.30
H	Residential Colonies H		51.30
K1	Special Contracts - Tariff K (AJK)		
K1 (i)	Time of Use (TOU) – Peak		
	Time of Use (TOU) - Off-Peak		
A3	General Service		51.07

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 **Table 7** below:

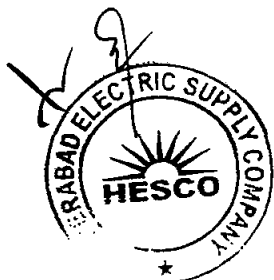


Table 7

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	-	85%	15%	100%
Depreciation	-	88%	12%	100%
RORB	-	88%	12%	100%
Other Income	-	95%	5%	100%
Prior Year Adjustment	-	84%	16%	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	39,879	-	-	39,879
Capacity Charges	-	115,926	-	115,926
T.UoSC	-	9,304	-	9,304
MOF	-	67	-	67
Power Purchase Price	39,879	125,297	-	165,176
O&M Cost	-	11,919	2,025	13,944
Depreciation	-	1,343	189	1,532
RORB	-	10,005	1,406	11,411
Other Income	-	-2,775	-146	-2,921
Distribution Margin	-	20,492	3,474	23,966
Prior Year Adjustment	-	9,835	1,939	11,774
Revenue Requirements	39,879	155,623	5,414	200,916

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.NEPA/R/DG(Trf)/TRF-575 & TRF-576/HESCO-2022/18209-15 dated 14.07.2023 already provided in (Table 6 above).

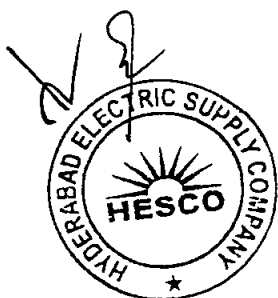
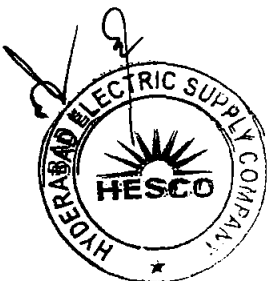


Table 9

FY 2023-24						
Consumer Category	MDI MW	Sales (GWh)	Fixed Charge Rs. (M)	Variable Charge Rs. (M)	Total Revenue Rs. (M)	Rs./kWh
Residential -- A1(a)	0.0	2,655	0.0	93,430.6	93,430.6	35.2
Residential -- A1(b)	7.6	50	0.0	2,541.2	2,541.2	50.6
Commercial -- A2(a)	0.0	141	0.0	7,297.2	7,297.2	51.7
Commercial -- A2(b)	0.4	0	2.1	1.4	3.5	133.3
Commercial -- A2(c)	92.8	178	556.9	8,953.6	9,510.5	53.6
Commercial -- A2(d)	0.0	0	0.0	0.0	0.0	0.0
Industrial -- B1(a)	0.0	5	0.0	257.4	257.4	48.1
Industrial -- B2(a)	13.2	0	79.3	13.9	93.2	318.6
Industrial -- B1(b)	58.2	73	0.0	3,423.7	3,423.7	47.0
Industrial -- B2(b)	275.3	412	1,652.0	19,275.4	20,927.4	50.8
Industrial -- B3	163.8	402	903.9	18,811.3	19,715.2	49.0
Industrial -- B4	75.4	246	398.1	11,436.6	11,834.7	48.2
Bulk Supply -- C1(a)	0.0	0	0.0	19.6	19.6	52.2
Bulk Supply -- C1(b)	4.5	8	27.0	391.3	418.3	55.3
Bulk Supply -- C2(a)	9.7	11	58.2	1,484.4	1,542.6	143.1
Bulk Supply -- C3(a)	3.6	21	21.5	555.1	576.6	28.1
Bulk Supply -- C1(c)	12.4	30	68.5	2,692.0	2,760.5	91.8
Bulk Supply -- C2(b)	14.1	55	74.2	1,054.0	1,128.2	20.5
Bulk Supply -- C3(b)	0.0	0	0.0	0.0	0.0	0.0
Agricultural -- D1(a)	0.0	5	0.0	234.3	234.3	48.2
Agricultural -- D2(a)	1.4	2	3.4	96.0	99.4	52.9
Agricultural -- D2(b)	24.2	118	58.1	3,750.4	3,808.5	32.3
Agricultural -- D1(b)	95.8	97	229.9	4,465.0	4,694.9	48.3
Temporary Supply -- E1(i)	0.0	0	0.0	0.4	0.4	55.9
Temporary Supply -- E1(ii)	0.0	3	0.0	147.7	147.7	52.0
Temporary Supply -- E2	0.0	0	0.0	7.4	7.4	49.2
Public Lighting -- G	0.0	40	0.0	2,034.6	2,034.6	51.3
Residential Colonies -- H	0.0	4	0.0	186.4	186.4	51.3
Azad Jammu Kashmir - K1a	0.0	0	0.0	0.0	0.0	0.0
Azad Jammu Kashmir - K1b	0.0	0	0.0	0.0	0.0	0.0
A3 General	71.3	297	0.0	15,172.6	15,172.6	51.1
Total	923.6	4,852	4,133	197,733	201,867	41.60

Table 10

FY 2023-24						
Consumer Class	MDI MW	Sales (GWh)	Fixed Charge Rs. (M)	Variable Charge	Total Revenue Rs. (M)	Rs./kWh
0.2 KV	0.00	2,804.73	0.00	101,160.27	101,160.27	36.07
0.4 KV	654.40	1,309.33	2,666.81	61,837.83	64,504.64	49.27
11 KV	179.75	471.73	993.95	22,244.78	23,238.73	49.26
132 KV	89.46	266.22	472.34	12,490.61	12,962.95	48.69
G. TOTAL	923.61	4,852.00	4,133.10	197,733.49	201,866.59	41.60



Cost of Service Functionalized Rates (Tariff Wise):

Based on the allocation of overall Revenue Requirement of HESCO to customer's categories, the resultant functional amounts (Rs. in million) for each customer category are summarized at Table 11 (A & B) below;

Table 11 (A)

FY 2023-24						
Classes	Voltage Level	No. of Customers	Energy	Demand	Generation Cost	
			GWH	MW	Energy (Rs. M)	Demand (Rs. M)
Residential -- A1(a)	0.2kV	1,014,053	2,654.7	398.95	22,202.6	62,305.01
Residential -- A1(b)	0.4kV	5,627	50.27	8.02	420.42	1,252.64
Commercial -- A2(a)	0.2kV	171,558	141.28	23.36	1,181.59	3,648.91
Commercial -- A2(b)	0.4kV	46	0.03	0.00	0.22	0.65
Commercial -- A2(c)	0.4kV	6,462	177.51	29.38	1,484.56	4,587.67
Commercial -- A2(d)	0.4kV	0	0.00	0.00	0.00	0.00
Industrial -- B1(a)	0.2kV	4,915	5.35	0.87	44.77	136.02
Industrial -- B2(a)	0.4kV	301	0.29	0.05	2.45	7.24
Industrial -- B1(b)	0.4kV	7,121	72.87	12.15	609.42	1,897.91
Industrial -- B2(b)	0.4kV	3,509	412.20	65.09	3,447.43	10,165.72
Industrial -- B3	11kV	252	402.41	62.39	3,093.12	8,954.68
Industrial -- B4	132/66kV	9	245.71	47.27	1,703.53	6,119.33
Bulk Supply -- C1(a)	0.2kV	44	0.38	0.06	2.89	9.86
Bulk Supply -- C1(b)	0.4kV	106	7.57	1.26	63.30	197.53
Bulk Supply -- C2(a)	11kV	12	10.78	1.80	82.85	257.71
Bulk Supply -- C3(a)	132/66kV	3	20.51	4.48	142.17	579.92
Bulk Supply -- C1(c)	0.4kV	168	30.07	4.50	251.53	702.10
Bulk Supply -- C2(b)	11kV	23	54.90	8.62	422.00	1,237.41
Bulk Supply -- C3(b)	132/66kV	1	0.00	0.00	0.00	0.00
Agricultural -- D1(a)	0.4kV	426	4.86	0.62	40.66	96.84
Agricultural -- D2(a)	0.4kV	3,912	1.88	0.30	15.70	47.45
Agricultural -- D2(b)	0.4kV	9,025	117.90	18.98	986.07	2,963.47
Agricultural -- D1(b)	0.4kV	2,891	97.12	11.60	812.29	1,811.11
Temp. Supply -- E1(i)	0.2kV	29	0.01	0.00	0.07	0.17
Temp. Supply -- E1(ii)	0.2kV	458	2.84	0.43	23.73	67.70
Temp. Supply -- E2	0.2kV	31	0.15	0.02	1.26	3.66
Public Lighting -- G	0.4kV	598	39.66	6.11	331.70	954.73
Resident. Colonies --	11kV	116	3.63	0.59	27.93	84.28
Azad J. Kashmir - K1a	11Kv	0	0.00	0.00	0.00	0.00
Azad J. - K1b	11Kv	0	0.00	0.00	0.00	0.00
A3 General	0.4Kv	14,264	297.09	50.18	2,484.73	7,836.30
Total	-	1,245,959	4,852.0	757.08	39,879.0	115,926.0

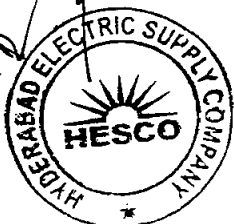


Table 11 (B)

Classes	Transmission	MOF	Distribution Cost		Total Cost
	Cost (Rs. M)	Cost (Rs. M)	Demand (Rs. M)	Customer (Rs. M)	
Residential -- A1(a)	5,000.33	36.16	16,806.81	3,415.59	109,766.53
Residential -- A1(b)	100.53	0.73	337.90	45.48	2,157.70
Commercial -- A2(a)	292.85	2.12	984.29	181.77	6,291.53
Commercial -- A2(b)	0.05	0.00	0.18	0.02	1.12
Commercial -- A2(c)	368.19	2.66	1,237.53	160.61	7,841.21
Commercial -- A2(d)	0.00	0.00	0.00	0.00	0.00
Industrial -- B1(a)	10.92	0.08	36.69	6.89	235.37
Industrial -- B2(a)	0.58	0.00	1.95	0.26	12.49
Industrial -- B1(b)	152.32	1.10	511.96	65.93	3,238.63
Industrial -- B2(b)	815.86	5.90	2,742.21	372.96	17,550.06
Industrial -- B3	718.66	5.20	2,407.36	363.64	15,542.65
Industrial -- B4	491.11	3.55	796.36	179.31	9,293.19
Bulk Supply -- C1(a)	0.79	0.01	2.66	0.48	16.68
Bulk Supply -- C1(b)	15.85	0.11	53.28	6.85	336.93
Bulk Supply -- C2(a)	20.68	0.15	69.28	9.74	440.42
Bulk Supply -- C3(a)	46.54	0.34	75.47	14.96	859.40
Bulk Supply -- C1(c)	56.35	0.41	189.39	27.21	1,226.98
Bulk Supply -- C2(b)	99.31	0.72	332.66	49.61	2,141.71
Bulk Supply -- C3(b)	0.00	0.00	0.00	0.00	0.00
Agricultural --D1(a)	7.77	0.06	26.12	4.40	175.85
Agricultural --D2(a)	3.81	0.03	12.80	1.70	81.48
Agricultural --D2(b)	237.84	1.72	799.40	106.68	5,095.18
Agricultural --D1(b)	145.35	1.05	488.55	87.88	3,346.24
Temp. Supply -- E1(i)	0.01	0.00	0.05	0.01	0.30
Temp. Supply -- E1(ii)	5.43	0.04	18.26	3.65	118.82
Temp. Supply -- E2	0.29	0.00	0.99	0.19	6.40
Public Lighting -- G	76.62	0.55	257.54	35.88	1,657.03
Resident. Colonies --	6.76	0.05	22.66	3.28	144.96
Azad J. Kashmir - K1a	0.00	0.00	0.00	0.00	0.00
Azad J. - K1b	0.00	0.00	0.00	0.00	0.00
A3 General	628.91	4.55	2,113.85	268.81	13,337.13
Total	9,303.72	67.28	30,326.20	5,413.80	200,916.00

Based on the cost drivers (energy, demand & customers) based allocation of overall Revenue Requirement of HESCO 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 (A & B) below;

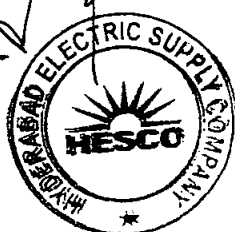


Table 12 (A)

FY 2023-24						
Classes	Voltage Level	No. of Customers	Energy	Demand	Generation Cost	
			GWH	MW	Energy (Rs./kWh)	Demand (Rs./kW/ Month)
Residential -- A1(a)	0.2kV	1,014,053	2,654.7	398.95	8.36	13,014.44
Residential -- A1(b)	0.4kV	5,627	50.27	8.02	8.36	13,014.44
Commercial -- A2(a)	0.2kV	171,558	141.28	23.36	8.36	13,014.44
Commercial -- A2(b)	0.4kV	46	0.03	0.00	8.36	13,014.44
Commercial -- A2(c)	0.4kV	6,462	177.51	29.38	8.36	13,014.44
Commercial -- A2(d)	0.4kV	0	0.00	0.00	0.00	0.00
Industrial -- B1(a)	0.2kV	4,915	5.35	0.87	8.36	13,014.44
Industrial -- B2(a)	0.4kV	301	0.29	0.05	8.36	13,014.44
Industrial -- B1(b)	0.4kV	7,121	72.87	12.15	8.36	13,014.44
Industrial -- B2(b)	0.4kV	3,509	412.20	65.09	8.36	13,014.44
Industrial -- B3	11kV	252	402.41	62.39	7.69	11,960.86
Industrial -- B4	132/66kV	9	245.71	47.27	6.93	10,788.58
Bulk Supply -- C1(a)	0.2kV	44	0.38	0.06	7.69	13,014.44
Bulk Supply -- C1(b)	0.4kV	106	7.57	1.26	8.36	13,014.44
Bulk Supply -- C2(a)	11kV	12	10.78	1.80	7.69	11,960.86
Bulk Supply -- C3(a)	132/66kV	3	20.51	4.48	6.93	10,788.58
Bulk Supply -- C1(c)	0.4kV	168	30.07	4.50	8.36	13,014.44
Bulk Supply -- C2(b)	11kV	23	54.90	8.62	7.69	11,960.86
Bulk Supply -- C3(b)	132/66kV	1	0.00	0.00	0.00	0.00
Agricultural --D1(a)	0.4kV	426	4.86	0.62	8.36	13,014.44
Agricultural --D2(a)	0.4kV	3,912	1.88	0.30	8.36	13,014.44
Agricultural --D2(b)	0.4kV	9,025	117.90	18.98	8.36	13,014.44
Agricultural --D1(b)	0.4kV	2,891	97.12	11.60	8.36	13,014.44
Temp. Supply -- E1(i)	0.2kV	29	0.01	0.00	8.36	13,014.44
Temp. Supply -- E1(ii)	0.2kV	458	2.84	0.43	8.36	13,014.44
Temp. Supply -- E2	0.2kV	31	0.15	0.02	8.36	13,014.44
Public Lighting -- G	0.4kV	598	39.66	6.11	8.36	13,014.44
Resident. Colonies --	11kV	116	3.63	0.59	7.69	11,960.86
Azad J. Kashmir - K1a	11Kv	0	0.00	0.00	0.00	0.00
Azad J. - K1b	11Kv	0	0.00	0.00	0.00	0.00
A3 General	0.4Kv	14,264	297.09	50.18	8.36	13,014.44
Total	-	1,245,959	4,852.0	757.08	7.08	11,055.61



Table 12 (B)

Classes	Transmission	MOF	Distribution Cost		Total Rs./kWh
	(Rs./kW/ Month)	(Rs./kW/ Month)	Demand (Rs./kW/ Month)	Customer (Rs./kW/ Month)	
Residential -- A1(a)	1,044.48	7.55	3,510.65	713.46	41.35
Residential -- A1(b)	1,044.48	7.55	3,510.65	472.54	42.92
Commercial -- A2(a)	1,044.48	7.55	3,510.65	648.32	44.53
Commercial -- A2(b)	1,044.48	7.55	3,510.65	479.39	42.44
Commercial -- A2(c)	1,044.48	7.55	3,510.65	455.61	44.17
Commercial -- A2(d)	0.00	0.00	0.00	0.00	0.00
Industrial -- B1(a)	1,044.48	7.55	3,510.65	659.03	43.97
Industrial -- B2(a)	1,044.48	7.55	3,510.65	475.60	42.71
Industrial -- B1(b)	1,044.48	7.55	3,510.65	452.09	44.45
Industrial -- B2(b)	1,044.48	7.55	3,510.65	477.47	42.58
Industrial -- B3	959.93	6.94	3,215.53	485.71	38.62
Industrial -- B4	865.85	6.26	1,404.02	316.13	37.82
Bulk Supply -- C1(a)	1,044.48	7.55	3,510.65	637.56	44.44
Bulk Supply -- C1(b)	1,044.48	7.55	3,510.65	451.21	44.51
Bulk Supply -- C2(a)	959.93	6.94	3,215.53	452.04	40.86
Bulk Supply -- C3(a)	865.85	6.26	1,404.02	278.39	41.91
Bulk Supply -- C1(c)	1,044.48	7.55	3,510.65	504.40	40.80
Bulk Supply -- C2(b)	959.93	6.94	3,215.53	479.55	39.01
Bulk Supply -- C3(b)	0.00	0.00	0.00	0.00	0.00
Agricultural --D1(a)	1,044.48	7.55	3,510.65	591.21	36.17
Agricultural --D2(a)	1,044.48	7.55	3,510.65	465.85	43.41
Agricultural --D2(b)	1,044.48	7.55	3,510.65	468.49	43.22
Agricultural --D1(b)	1,044.48	7.55	3,510.65	631.47	34.45
Temp. Supply -- E1(i)	1,044.48	7.55	3,510.65	777.09	38.75
Temp. Supply -- E1(ii)	1,044.48	7.55	3,510.65	701.78	41.87
Temp. Supply -- E2	1,044.48	7.55	3,510.65	688.32	42.51
Public Lighting -- G	1,044.48	7.55	3,510.65	489.16	41.78
Resident. Colonies --	959.93	6.94	3,215.53	466.05	39.89
Azad J. Kashmir - K1a	0.00	0.00	0.00	0.00	0.00
Azad J. - K1b	0.00	0.00	0.00	0.00	0.00
A3 General	1,044.48	7.55	3,510.65	446.43	44.89
Total	887.28	6.42	2,883.67	456.92	41.41

The above detailed functional rates recapitulated, in terms of Rs./kW/Month, for each function is given in Table 13 (A & B) below.

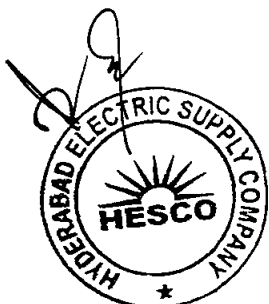


Table 13 (A)

FY 2023-24

Classes	Voltage Level	No. of Customers	Energy	Demand	Generation Cost	
			GWH	MW	Energy (Rs./kW/ Month)	Demand (Rs./kW/ Month)
Residential -- A1(a)	0.2kV	1,014,053	2,654.7	398.95	4,637.74	13,014.44
Residential -- A1(b)	0.4kV	5,627	50.27	8.02	4,367.97	13,014.44
Commercial -- A2(a)	0.2kV	171,558	141.28	23.36	4,214.35	13,014.44
Commercial -- A2(b)	0.4kV	46	0.03	0.00	4,431.30	13,014.44
Commercial -- A2(c)	0.4kV	6,462	177.51	29.38	4,211.45	13,014.44
Commercial -- A2(d)	0.4kV	0	0.00	0.00	0.00	0.00
Industrial -- B1(a)	0.2kV	4,915	5.35	0.87	4,283.92	13,014.44
Industrial -- B2(a)	0.4kV	301	0.29	0.05	4,396.17	13,014.44
Industrial -- B1(b)	0.4kV	7,121	72.87	12.15	4,178.94	13,014.44
Industrial -- B2(b)	0.4kV	3,509	412.20	65.09	4,413.49	13,014.44
Industrial -- B3	11kV	252	402.41	62.39	4,131.51	11,960.86
Industrial -- B4	132/66kV	9	245.71	47.27	3,003.38	10,788.58
Bulk Supply -- C1(a)	0.2kV	44	0.38	0.06	3,808.88	13,014.44
Bulk Supply -- C1(b)	0.4kV	106	7.57	1.26	4,170.79	13,014.44
Bulk Supply -- C2(a)	11kV	12	10.78	1.80	3,845.04	11,960.86
Bulk Supply -- C3(a)	132/66kV	3	20.51	4.48	2,644.84	10,788.58
Bulk Supply -- C1(c)	0.4kV	168	30.07	4.50	4,662.42	13,014.44
Bulk Supply -- C2(b)	11kV	23	54.90	8.62	4,079.08	11,960.86
Bulk Supply -- C3(b)	132/66kV	1	0.00	0.00	0.00	0.00
Agricultural -- D1(a)	0.4kV	426	4.86	0.62	5,464.85	13,014.44
Agricultural -- D2(a)	0.4kV	3,912	1.88	0.30	4,306.08	13,014.44
Agricultural -- D2(b)	0.4kV	9,025	117.90	18.98	4,330.46	13,014.44
Agricultural -- D1(b)	0.4kV	2,891	97.12	11.60	5,837.05	13,014.44
Temp. Supply -- E1(i)	0.2kV	29	0.01	0.00	5,051.39	13,014.44
Temp. Supply -- E1(ii)	0.2kV	458	2.84	0.43	4,561.87	13,014.44
Temp. Supply -- E2	0.2kV	31	0.15	0.02	4,474.37	13,014.44
Public Lighting -- G	0.4kV	598	39.66	6.11	4,521.53	13,014.44
Resident. Colonies --	11kV	116	3.63	0.59	3,964.22	11,960.86
Azad J. Kashmir - K1a	11Kv	0	0.00	0.00	0.00	0.00
Azad J. - K1b	11Kv	0	0.00	0.00	0.00	0.00
A3 General	0.4Kv	14,264	297.09	50.18	4,126.61	13,014.44
Total	-	1,245,959	4,852.0	757.08	3,745.80	11,055.61

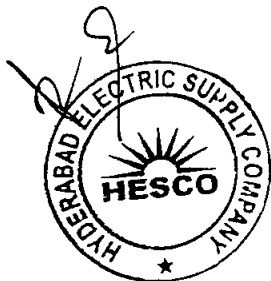
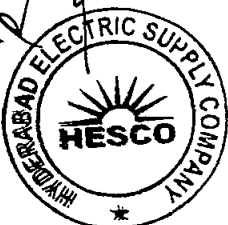


Table 13 (B)

Classes	Transmission	MOF	Distribution Cost		Total Rs./kW/ Month
	(Rs./kW/ Month)	(Rs./kW /Month)	Demand (Rs./kW/ Month)	Customer (Rs./kW/ Month)	
Residential -- A1(a)	1,044.48	7.55	3,510.65	713.46	22,928.33
Residential -- A1(b)	1,044.48	7.55	3,510.65	472.54	22,417.64
Commercial -- A2(a)	1,044.48	7.55	3,510.65	648.32	22,439.81
Commercial -- A2(b)	1,044.48	7.55	3,510.65	479.39	22,487.82
Commercial -- A2(c)	1,044.48	7.55	3,510.65	455.61	22,244.19
Commercial -- A2(d)	0.00	0.00	0.00	0.00	0.00
Industrial -- B1(a)	1,044.48	7.55	3,510.65	659.03	22,520.07
Industrial -- B2(a)	1,044.48	7.55	3,510.65	475.60	22,448.90
Industrial -- B1(b)	1,044.48	7.55	3,510.65	452.09	22,208.16
Industrial -- B2(b)	1,044.48	7.55	3,510.65	477.47	22,468.09
Industrial -- B3	959.93	6.94	3,215.53	485.71	20,760.48
Industrial -- B4	865.85	6.26	1,404.02	316.13	16,384.21
Bulk Supply -- C1(a)	1,044.48	7.55	3,510.65	637.56	22,023.57
Bulk Supply -- C1(b)	1,044.48	7.55	3,510.65	451.21	22,199.13
Bulk Supply -- C2(a)	959.93	6.94	3,215.53	452.04	20,440.33
Bulk Supply -- C3(a)	865.85	6.26	1,404.02	278.39	15,987.93
Bulk Supply -- C1(c)	1,044.48	7.55	3,510.65	504.40	22,743.95
Bulk Supply -- C2(b)	959.93	6.94	3,215.53	479.55	20,701.89
Bulk Supply -- C3(b)	0.00	0.00	0.00	0.00	0.00
Agricultural --D1(a)	1,044.48	7.55	3,510.65	591.21	23,633.18
Agricultural --D2(a)	1,044.48	7.55	3,510.65	465.85	22,349.06
Agricultural --D2(b)	1,044.48	7.55	3,510.65	468.49	22,376.08
Agricultural --D1(b)	1,044.48	7.55	3,510.65	631.47	24,045.65
Temp. Supply -- E1(i)	1,044.48	7.55	3,510.65	777.09	23,405.61
Temp. Supply -- E1(ii)	1,044.48	7.55	3,510.65	701.78	22,840.78
Temp. Supply -- E2	1,044.48	7.55	3,510.65	688.32	22,739.82
Public Lighting -- G	1,044.48	7.55	3,510.65	489.16	22,587.81
Resident. Colonies --	959.93	6.94	3,215.53	466.05	20,573.53
Azad J. Kashmir - K1a	0.00	0.00	0.00	0.00	0.00
Azad J. - K1b	0.00	0.00	0.00	0.00	0.00
A3 General	1,044.48	7.55	3,510.65	446.43	22,150.17
Total	887.28	6.42	2,883.67	456.92	19,035.68

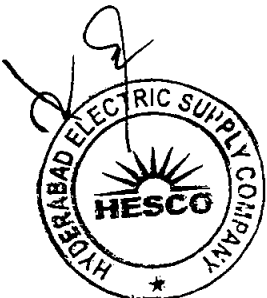


Unbundled Rates Rs./kWh (Tariff Wise):

The functional allocation of Revenue Requirement of HESCO (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 Class	Sales GWh	Demand MW	Gen. Rs./kWh	T. UoSC Rs./kWh	MOF Rs./kWh	D. UoSC Rs./kWh	Total Rate Rs./kWh
Residential -- A1(a)	2,655	398.95	31.83	1.88	0.01	7.62	41.35
Residential -- A1(b)	50	8.02	33.28	2.00	0.01	7.63	42.92
Commercial -- A2(a)	141	23.36	34.19	2.07	0.01	8.25	44.53
Commercial -- A2(b)	0	0.00	32.93	1.97	0.01	7.53	42.44
Commercial -- A2(c)	178	29.38	34.21	2.07	0.01	7.88	44.17
Commercial -- A2(d)	0	0.00	0.00	0.00	0.00	0.00	0.00
Industrial -- B1(a)	5	0.87	33.77	2.04	0.01	8.14	43.97
Industrial -- B2(a)	0	0.05	33.12	1.99	0.01	7.58	42.71
Industrial -- B1(b)	73	12.15	34.41	2.09	0.02	7.93	44.45
Industrial -- B2(b)	412	65.09	33.03	1.98	0.01	7.56	42.58
Industrial -- B3	402	62.39	29.94	1.79	0.01	6.89	38.62
Industrial -- B4	246	47.27	31.84	2.00	0.01	3.97	37.82
Bulk Supply -- C1(a)	0	0.06	33.95	2.11	0.02	8.37	44.44
Bulk Supply -- C1(b)	8	1.26	34.46	2.09	0.02	7.94	44.51
Bulk Supply -- C2(a)	11	1.80	31.60	1.92	0.01	7.33	40.86
Bulk Supply -- C3(a)	21	4.48	35.21	2.27	0.02	4.41	41.91
Bulk Supply -- C1(c)	30	4.50	31.71	1.87	0.01	7.20	40.80
Bulk Supply -- C2(b)	55	8.62	30.22	1.81	0.01	6.96	39.01
Bulk Supply -- C3(b)	0	0.00	0.00	0.00	0.00	0.00	0.00
Agricultural --D1(a)	5	0.62	28.28	1.60	0.01	6.28	36.17
Agricultural --D2(a)	2	0.30	33.64	2.03	0.01	7.72	43.41
Agricultural --D2(b)	118	18.98	33.50	2.02	0.01	7.68	43.22
Agricultural --D1(b)	97	11.60	27.01	1.50	0.01	5.93	34.45
Temp. Supply -- E1(i)	0	0.00	29.91	1.73	0.01	7.10	38.75
Temp. Supply -- E1(ii)	3	0.43	32.22	1.91	0.01	7.72	41.87
Temp. Supply -- E2	0	0.02	32.69	1.95	0.01	7.85	42.51
Public Lighting -- G	40	6.11	32.44	1.93	0.01	7.40	41.78
Resident. Colonies --	4	0.59	30.88	1.86	0.01	7.14	39.89
Azad J. Kashmir - K1a	0	0.00	0.00	0.00	0.00	0.00	0.00
Azad J. - K1b	0	0.00	0.00	0.00	0.00	0.00	0.00
A3 General	297	50.18	34.74	2.12	0.02	8.02	44.89
Total	4,852	757.08	32.11	1.92	0.01	7.37	41.41



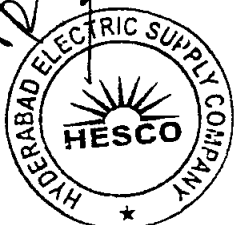
Volumetric Rates at Each Customer Category:

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

Customer Class	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)	2,655	84,148.32	25,618.21	17,577.13	9.65	41.35
Residential – A1(b)	50	1,691.80	465.90	17,577.13	9.27	42.92
Commercial – A2(a)	141	4,928.16	1,363.37	17,577.13	9.65	44.53
Commercial – A2(b)	0	0.88	0.24	17,577.13	9.27	42.44
Commercial – A2(c)	178	6,196.04	1,645.17	17,577.13	9.27	44.17
Commercial – A2(d)	0	0.00	0.00	0.00	0.00	0.00
Industrial – B1(a)	5	183.71	51.66	17,577.13	9.65	43.97
Industrial – B2(a)	0	9.78	2.71	17,577.13	9.27	42.71
Industrial – B1(b)	73	2,563.29	675.35	17,577.13	9.27	44.45
Industrial – B2(b)	412	13,729.68	3,820.38	17,577.13	9.27	42.58
Industrial – B3	402	12,085.89	3,456.75	16,143.26	8.59	38.62
Industrial – B4	246	7,410.35	1,882.84	13,064.70	7.66	37.82
Bulk Supply – C1(a)	0	13.31	3.37	17,577.13	8.97	44.44
Bulk Supply – C1(b)	8	266.78	70.15	17,577.13	9.27	44.51
Bulk Supply – C2(a)	11	347.83	92.59	16,143.26	8.59	40.86
Bulk Supply – C3(a)	21	702.26	157.13	13,064.70	7.66	41.91
Bulk Supply – C1(c)	30	948.24	278.74	17,577.13	9.27	40.80
Bulk Supply – C2(b)	55	1,670.10	471.61	16,143.26	8.59	39.01
Bulk Supply – C3(b)	0	0.00	0.00	0.00	0.00	0.00
Agricultural – D1(a)	5	130.79	45.06	17,577.13	9.27	36.17
Agricultural – D2(a)	2	64.08	17.40	17,577.13	9.27	43.41
Agricultural – D2(b)	118	4,002.43	1,092.75	17,577.13	9.27	43.22
Agricultural – D1(b)	97	2,446.07	900.17	17,577.13	9.27	34.45
Temp. Supply – E1(i)	0	0.23	0.08	17,577.13	9.65	38.75
Temp. Supply – E1(ii)	3	91.44	27.38	17,577.13	9.65	41.87
Temp. Supply – E2	0	4.95	1.45	17,577.13	9.65	42.51
Public Lighting – G	40	1,289.44	367.58	17,577.13	9.27	41.78
Resident. Colonies –	4	113.74	31.22	16,143.26	8.59	39.89
Azad J. Kashmir - K1a	0	0.00	0.00	0.00	0.00	0.00
Azad J. - K1b	0	0.00	0.00	0.00	0.00	0.00
A3 General	297	10,583.60	2,753.54	17,577.13	9.27	44.89
Total	4,852	155,623.20	45,292.80	14,832.97	9.33	41.41

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 (A & B) 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 (B) below.

Table 16 (A)

FY 2023-24						
Customer Class	Voltage	Sales GWh	Demand MW	Revenue As Per NEPRA Tariff		
				Demand Charge (M.PKR)	Energy Charge M.PKR	Total M.PKR
Residential -- A1(a)	0.2kV	2,655	398.95	0.00	93,430.57	93,430.57
Residential -- A1(b)	0.4kV	50	8.02	0.00	2,541.22	2,541.22
Commercial -- A2(a)	0.2kV	141	23.36	0.00	7,297.15	7,297.15
Commercial -- A2(b)	0.4kV	0	0.00	2.11	1.41	3.52
Commercial -- A2(c)	0.4kV	178	29.38	556.91	8,953.61	9,510.52
Commercial -- A2(d)	0.4kV	0	0.00	0.00	0.00	0.00
Industrial -- B1(a)	0.2kV	5	0.87	0.00	257.44	257.44
Industrial -- B2(a)	0.4kV	0	0.05	79.27	13.92	93.19
Industrial -- B1(b)	0.4kV	73	12.15	0.00	3,423.68	3,423.68
Industrial -- B2(b)	0.4kV	412	65.09	1,651.96	19,275.40	20,927.36
Industrial -- B3	11kV	402	62.39	903.95	18,811.27	19,715.22
Industrial -- B4	32/66kV	246	47.27	398.13	11,436.61	11,834.74
Bulk Supply -- C1(a)	0.2kV	0	0.06	0.00	19.59	19.59
Bulk Supply -- C1(b)	0.4kV	8	1.26	26.99	391.32	418.31
Bulk Supply -- C2(a)	11kV	11	1.80	21.47	555.09	576.56
Bulk Supply -- C3(a)	132/66kV	21	4.48	74.21	1,054.00	1,128.21
Bulk Supply -- C1(c)	0.4kV	30	4.50	58.20	1,484.38	1,542.58
Bulk Supply -- C2(b)	11kV	55	8.62	68.53	2,692.01	2,760.53
Bulk Supply -- C3(b)	132/66kV	0	0.00	0.00	0.00	0.00
Agricultural --D1(a)	0.4kV	5	0.62	0.00	234.35	234.35
Agricultural --D2(a)	0.4kV	2	0.30	3.43	95.96	99.39
Agricultural --D2(b)	0.4kV	118	18.98	229.88	4,464.98	4,694.86
Agricultural --D1(b)	0.4kV	97	11.60	58.05	3,750.45	3,808.50
Temp. Supply -- E1(i)	0.2kV	0	0.00	0.00	0.44	0.44
Temp. Supply -- E1(ii)	0.2kV	3	0.43	0.00	147.67	147.67
Temp. Supply -- E2	0.2kV	0	0.02	0.00	7.40	7.40
Public Lighting -- G	0.4kV	40	6.11	0.00	2,034.57	2,034.57
Resident. Colonies --	11kV	4	0.59	0.00	186.42	186.42
Azad J. Kashmir - K1a	11kV	0	0.00	0.00	0.00	0.00
Azad J. - K1b	11kV	0	0.00	0.00	0.00	0.00
A3 General	0.4kV	297	50.18	0.00	15,172.58	15,172.58
Total	-	4,852.0	757.08	4,133.10	197,733.49	201,866.59

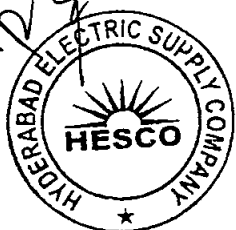
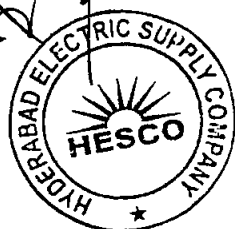


Table 16 (B)

Customer Class	FY 2023-24 Cost of Service			Difference Subsidy M.PKR	Subsidy Rs.kWh
	Demand Cost (M.PKR)	Energy Cost M.PKR	Total M.PKR		
Residential -- A1(a)	0.00	109,766.53	109,766.53	-16,335.96	-6.15
Residential -- A1(b)	0.00	2,157.70	2,157.70	383.52	7.63
Commercial -- A2(a)	0.00	6,291.53	6,291.53	1,005.62	7.12
Commercial -- A2(b)	0.88	0.24	1.12	2.40	90.90
Commercial -- A2(c)	6,196.04	1,645.17	7,841.21	1,669.31	9.40
Commercial -- A2(d)	0.00	0.00	0.00	0.00	0.00
Industrial -- B1(a)	0.00	235.37	235.37	22.08	4.12
Industrial -- B2(a)	9.78	2.71	12.49	80.70	275.85
Industrial -- B1(b)	0.00	3,238.63	3,238.63	185.04	2.54
Industrial -- B2(b)	13,729.68	3,820.38	17,550.06	3,377.29	8.19
Industrial -- B3	12,085.89	3,456.75	15,542.65	4,172.58	10.37
Industrial -- B4	7,410.35	1,882.84	9,293.19	2,541.55	10.34
Bulk Supply -- C1(a)	0.00	16.68	16.68	2.91	7.76
Bulk Supply -- C1(b)	266.78	70.15	336.93	81.38	10.75
Bulk Supply -- C2(a)	347.83	92.59	440.42	136.14	12.63
Bulk Supply -- C3(a)	702.26	157.13	859.40	268.81	13.11
Bulk Supply -- C1(c)	948.24	278.74	1,226.98	315.60	10.49
Bulk Supply -- C2(b)	1,670.10	471.61	2,141.71	618.82	11.27
Bulk Supply -- C3(b)	0.00	0.00	0.00	0.00	0.00
Agricultural -- D1(a)	0.00	175.85	175.85	58.50	12.03
Agricultural -- D2(a)	64.08	17.40	81.48	17.91	9.54
Agricultural -- D2(b)	4,002.43	1,092.75	5,095.18	-400.32	-3.40
Agricultural -- D1(b)	2,446.07	900.17	3,346.24	462.26	4.76
Temp. Supply -- E1(i)	0.00	0.30	0.30	0.13	17.18
Temp. Supply -- E1(ii)	0.00	118.82	118.82	28.84	10.17
Temp. Supply -- E2	0.00	6.40	6.40	1.00	6.66
Public Lighting -- G	0.00	1,657.03	1,657.03	377.54	9.52
Resident. Colonies --	0.00	144.96	144.96	41.46	11.41
Azad J. Kashmir - K1a	0.00	0.00	0.00	0.00	0.00
Azad J. - K1b	0.00	0.00	0.00	0.00	0.00
A3 General	0.00	13,337.13	13,337.13	1,835.45	6.18
Total	49,880.43	151,035.57	200,916.00	950.59	0.20



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 (A & B)** 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 (A)

FY 2023-24					
Customer Class	Voltage	Sales GWh	Demand MW	Revenue As Per NEPRA Tariff	
				Fixed (Rs. M)	Variable (Rs. M)
Residential -- A1(a)	0.2kV	2,655	398.95	0.00	93,430.57
Residential -- A1(b)	0.4kV	50	8.02	0.00	2,541.22
Commercial -- A2(a)	0.2kV	141	23.36	0.00	7,297.15
Commercial -- A2(b)	0.4kV	0	0.00	2.11	1.41
Commercial -- A2(c)	0.4kV	178	29.38	556.91	8,953.61
Commercial -- A2(d)	0.4kV	0	0.00	0.00	0.00
Industrial -- B1(a)	0.2kV	5	0.87	0.00	257.44
Industrial -- B2(a)	0.4kV	0	0.05	79.27	13.92
Industrial -- B1(b)	0.4kV	73	12.15	0.00	3,423.68
Industrial -- B2(b)	0.4kV	412	65.09	1,651.96	19,275.40
Industrial -- B3	11kV	402	62.39	903.95	18,811.27
Industrial -- B4	132/66kV	246	47.27	398.13	11,436.61
Bulk Supply -- C1(a)	0.2kV	0	0.06	0.00	19.59
Bulk Supply -- C1(b)	0.4kV	8	1.26	26.99	391.32
Bulk Supply -- C2(a)	11kV	11	1.80	21.47	555.09
Bulk Supply -- C3(a)	132/66kV	21	4.48	74.21	1,054.00
Bulk Supply -- C1(c)	0.4kV	30	4.50	58.20	1,484.38
Bulk Supply -- C2(b)	11kV	55	8.62	68.53	2,692.01
Bulk Supply -- C3(b)	132/66kV	0	0.00	0.00	0.00
Agricultural --D1(a)	0.4kV	5	0.62	0.00	234.35
Agricultural --D2(a)	0.4kV	2	0.30	3.43	95.96
Agricultural --D2(b)	0.4kV	118	18.98	229.88	4,464.98
Agricultural --D1(b)	0.4kV	97	11.60	58.05	3,750.45
Temp. Supply -- E1(i)	0.2kV	0	0.00	0.00	0.44
Temp. Supply -- E1(ii)	0.2kV	3	0.43	0.00	147.67
Temp. Supply -- E2	0.2kV	0	0.02	0.00	7.40
Public Lighting -- G	0.4kV	40	6.11	0.00	2,034.57
Resident. Colonies --	11kV	4	0.59	0.00	186.42
Azad J. Kashmir - K1a	11kV	0	0.00	0.00	0.00
Azad J. - K1b	11kV	0	0.00	0.00	0.00
A3 General	0.4kV	297	50.18	0.00	15,172.58
Total	-	4,852	757.08	4,133.10	197,733.49

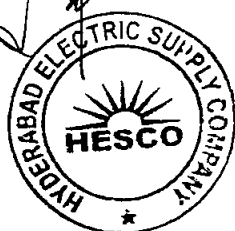
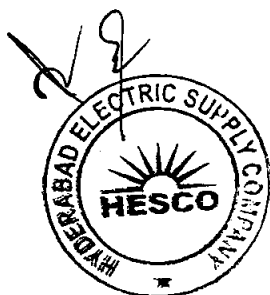


Table 17 (B)

FY 2023-24						
Customer Class	Cost of Service		Difference/ Subsidy		Revenue to Cost Ratio	
	Fixed (Rs. M)	Variable (Rs. M)	Fixed (Rs. M)	Variable (Rs. M)	Fixed	Variable
Residential -- A1(a)	0.00	109,766.53	0.00	-16,335.96	1.00	0.85
Residential -- A1(b)	0.00	2,157.70	0.00	383.52	1.00	1.18
Commercial -- A2(a)	0.00	6,291.53	0.00	1,005.62	1.00	1.16
Commercial -- A2(b)	0.88	0.24	1.24	1.16	2.41	5.75
Commercial -- A2(c)	6,196.04	1,645.17	-5,639.13	7,308.45	0.09	5.44
Commercial -- A2(d)	0.00	0.00	0.00	0.00	1.00	1.00
Industrial -- B1(a)	0.00	235.37	0.00	22.08	1.00	1.09
Industrial -- B2(a)	9.78	2.71	69.49	11.21	8.10	5.13
Industrial -- B1(b)	0.00	3,238.63	0.00	185.04	1.00	1.06
Industrial -- B2(b)	13,729.68	3,820.38	-12,077.72	15,455.02	0.12	5.05
Industrial -- B3	12,085.89	3,456.75	-11,181.94	15,354.52	0.07	5.44
Industrial -- B4	7,410.35	1,882.84	-7,012.22	9,553.78	0.05	6.07
Bulk Supply -- C1(a)	0.00	16.68	0.00	2.91	1.00	1.17
Bulk Supply -- C1(b)	266.78	70.15	-239.79	321.17	0.10	5.58
Bulk Supply -- C2(a)	347.83	92.59	-326.36	462.50	0.06	6.00
Bulk Supply -- C3(a)	702.26	157.13	-628.05	896.86	0.11	6.71
Bulk Supply -- C1(c)	948.24	278.74	-890.04	1,205.65	0.06	5.33
Bulk Supply -- C2(b)	1,670.10	471.61	-1,601.57	2,220.39	0.04	5.71
Bulk Supply -- C3(b)	0.00	0.00	0.00	0.00	1.00	1.00
Agricultural -- D1(a)	0.00	175.85	0.00	58.50	1.00	1.33
Agricultural -- D2(a)	64.08	17.40	-60.65	78.56	0.05	5.52
Agricultural -- D2(b)	4,002.43	1,092.75	-3,772.55	3,372.23	0.06	4.09
Agricultural -- D1(b)	2,446.07	900.17	-2,388.01	2,850.28	0.02	4.17
Temp. Supply -- E1(i)	0.00	0.30	0.00	0.13	1.00	1.44
Temp. Supply -- E1(ii)	0.00	118.82	0.00	28.84	1.00	1.24
Temp. Supply -- E2	0.00	6.40	0.00	1.00	1.00	1.16
Public Lighting -- G	0.00	1,657.03	0.00	377.54	1.00	1.23
Resident. Colonies --	0.00	144.96	0.00	41.46	1.00	1.29
Azad J. Kashmir - K1a	0.00	0.00	0.00	0.00	1.00	1.00
Azad J. - K1b	0.00	0.00	0.00	0.00	1.00	1.00
A3 General	0.00	13,337.13	0.00	1,835.45	1.00	1.14
Total	49,880.43	151,035.57	-45,747.32	46,697.92	0.08	1.31

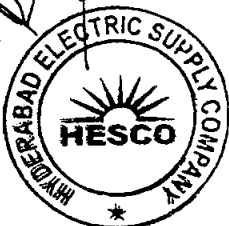


Revenue, Cost of Service and Subsidies (Rs./kWh):

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**FY 2023-24**

Customer Class	Voltage	Sales GWh	Revenue Rs. /kWh	Cost Of Service Rs. /kWh	Subsidy Rs. /kWh	Revenue to Cost Ratio
Residential – A1(a)	0.2kV	2,654.72	35.19	41.35	-6.15	0.85
Residential – A1(b)	0.4kV	50.27	50.55	42.92	7.63	1.18
Commercial – A2(a)	0.2kV	141.28	51.65	44.53	7.12	1.16
Commercial – A2(b)	0.4kV	0.03	133.34	42.44	90.90	3.14
Commercial – A2(c)	0.4kV	177.51	53.58	44.17	9.40	1.21
Commercial – A2(d)	0.4kV	0.00	0.00	0.00	0.00	0.00
Industrial -- B1(a)	0.2kV	5.35	48.09	43.97	4.12	1.09
Industrial -- B2(a)	0.4kV	0.29	318.56	42.71	275.85	7.46
Industrial -- B1(b)	0.4kV	72.87	46.99	44.45	2.54	1.06
Industrial -- B2(b)	0.4kV	412.20	50.77	42.58	8.19	1.19
Industrial -- B3	11kV	402.41	48.99	38.62	10.37	1.27
Industrial -- B4	32/66kV	245.71	48.17	37.82	10.34	1.27
Bulk Supply – C1(a)	0.2kV	0.38	52.20	44.44	7.76	1.17
Bulk Supply – C1(b)	0.4kV	7.57	55.27	44.51	10.75	1.24
Bulk Supply – C2(a)	11kV	10.78	53.49	40.86	12.63	1.31
Bulk Supply – C3(a)	132/66kV	20.51	55.02	41.91	13.11	1.31
Bulk Supply – C1(c)	0.4kV	30.07	51.29	40.80	10.49	1.26
Bulk Supply – C2(b)	11kV	54.90	50.28	39.01	11.27	1.29
Bulk Supply – C3(b)	132/66kV	0.00	0.00	0.00	0.00	0.00
Agricultural –D1(a)	0.4kV	4.86	48.20	36.17	12.03	1.33
Agricultural –D2(a)	0.4kV	1.88	52.95	43.41	9.54	1.22
Agricultural –D2(b)	0.4kV	117.90	39.82	43.22	-3.40	0.92
Agricultural –D1(b)	0.4kV	97.12	39.21	34.45	4.76	1.14
Temp. Supply – E1(i)	0.2kV	0.01	55.93	38.75	17.18	1.44
Temp. Supply – E1(ii)	0.2kV	2.84	52.04	41.87	10.17	1.24
Temp. Supply – E2	0.2kV	0.15	49.17	42.51	6.66	1.16
Public Lighting – G	0.4kV	39.66	51.30	41.78	9.52	1.23
Resident. Colonies –	11kV	3.63	51.30	39.89	11.41	1.29
Azad J. Kashmir - K1a	11kV	0.00	0.00	0.00	0.00	0.00
Azad J. - K1b	11kV	0.00	0.00	0.00	0.00	0.00
A3 General	0.4kV	297.09	51.07	44.89	6.18	1.14
Total	-	4,852.00	41.60	41.41	0.20	1.00



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		
				Demand Charge (M.PKR)	Energy Charge M.PKR	Total M.PKR
Industrial -- B3	11kV	402.41	62.39	903.95	18,811.27	19,715.22
Industrial -- B4	132/66kV	245.71	47.27	398.13	11,436.61	11,834.74
Bulk Supply – C2(a)	11kV	10.78	1.80	21.47	555.09	576.56
Bulk Supply – C3(a)	132/66kV	20.51	4.48	74.21	1,054.00	1,128.21
Bulk Supply – C2(b)	11kV	54.90	8.62	68.53	2,692.01	2,760.53
Bulk Supply – C3(b)	132/66kV	0.00	0.00	0.00	0.00	0.00
Residential Colonies –H	11kV	3.63	0.59	0.00	186.42	186.42
Cost of Service			Difference Subsidy M.PKR	Subsidy Rs.kWh		
Demand Cost (M.PKR)	Energy Cost M.PKR	Total M.PKR				
12,085.89	3,456.75	15,542.65	4,172.58	10.37		
7,410.35	1,882.84	9,293.19	2,541.55	10.34		
347.83	92.59	440.42	136.14	12.63		
702.26	157.13	859.40	268.81	13.11		
1,670.10	471.61	2,141.71	618.82	11.27		
0.00	0.00	0.00	0.00	0.00		
0.00	144.96	144.96	41.46	11.41		

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

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

1. The Industrial B-3 and Bulk Supply C2 customers are at 11kV 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 kW.
2. The customer categories A-2 and A-3, for purposes of cost of service assessment, have been considered at 0.4kV level. However, these costumers, based on the sanctioned load, may be connected at 11kV level, as required.
3. Consumer category for tariff H, i.e. housing colonies attached to industries, despite being connected at 11kV, cannot be considered as BPC for (i) principally being resale in nature and (ii) being less than 1 MW.

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.

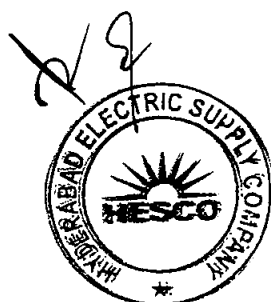


Table 20

FY 2023-24

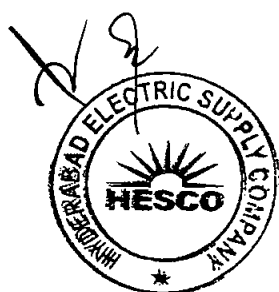
Customer Class	Voltage	Sale GWH	Revenue Rs. /KWH	Cost of Service Rs. /KWh	Subsidy Rs. /KWh
Industrial B3	11kV	402.41	48.99	38.62	10.37
Industrial B4	132/66kV	245.71	48.17	37.82	10.34
Bulk Supply C2(b)	11kV	54.90	50.28	39.01	11.27
Bulk Supply C3(a)	132/66kV	20.51	55.02	41.91	13.11

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

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

Final Remarks:

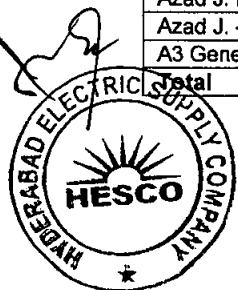
- The above Cost of Service Study Report (FY 2023-24) is a sincere human effort to arrive at judicious assessment of functional (generation, transmission, market operator, distribution and customer services) costs for each category of consumers demonstrating the needs and parameters associated with relevant 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, without any prejudice and have been disclosed in details to the extent possible.
- 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 substantially (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 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.



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Table-21

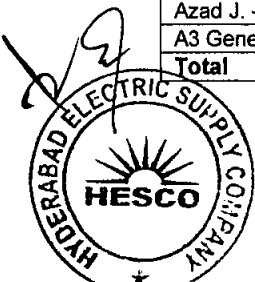
Cost of Service FY 2023-24														
Classes	Voltage Level	Energy GWh		Demand MW		Generation Cost		Transm	MOF	Distribution		Total Cost (Rs. M)	Cost Rs./kWh sold	Cost Rs./kWh Purchased
		Sold	Purchased	at Meter	at CDP	Energy (Rs.M)	Demand (Rs.M)	Cost (Rs.M)	Cost (Rs.M)	Demand (Rs.M)	cust. Cost (Rs.M)			
Residential -- A1(a)	0.2kV	2,655	3,297	399	495	22,203	62,305	5,000	36	16,807	3,416	109,767	41.35	33.30
Residential -- A1(b)	0.4kV	50	62	8	10	420	1,253	101	1	338	45	2,158	42.92	34.56
Commercial -- A2(a)	0.2kV	141	175	23	29	1,182	3,649	293	2	984	182	6,292	44.53	35.86
Commercial -- A2(b)	0.4kV	0	0	0	0	0	1	0	0	0	0	1	42.44	34.18
Commercial -- A2(c)	0.4kV	178	220	29	36	1,485	4,588	368	3	1,238	161	7,841	44.17	35.57
Commercial -- A2(d)	0.4kV	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00
Industrial -- B1(a)	0.2kV	5	7	1	1	45	136	11	0	37	7	235	43.97	35.40
Industrial -- B2(a)	0.4kV	0	0	0	0	2	7	1	0	2	0	12	42.71	34.39
Industrial -- B1(b)	0.4kV	73	90	12	15	609	1,898	152	1	512	66	3,239	44.45	35.79
Industrial -- B2(b)	0.4kV	412	512	65	81	3,447	10,166	816	6	2,742	373	17,550	42.58	34.29
Industrial -- B3	11kV	402	459	62	71	3,093	8,955	719	5	2,407	364	15,543	38.62	33.84
Industrial -- B4	132/66kV	246	253	47	49	1,704	6,119	491	4	796	179	9,293	37.82	36.74
Bulk Supply -- C1(a)	0.2kV	0	0	0	0	3	10	1	0	3	0	17	44.44	38.94
Bulk Supply -- C1(b)	0.4kV	8	9	1	2	63	198	16	0	53	7	337	44.51	35.85
Bulk Supply -- C2(a)	11kV	11	12	2	2	83	258	21	0	69	10	440	40.86	35.80
Bulk Supply -- C3(a)	132/66kV	21	21	4	5	142	580	47	0	75	15	859	41.91	40.71
Bulk Supply -- C1(c)	0.4kV	30	37	4	6	252	702	56	0	189	27	1,227	40.80	32.85
Bulk Supply -- C2(b)	11kV	55	63	9	10	422	1,237	99	1	333	50	2,142	39.01	34.18
Bulk Supply -- C3(b)	132/66kV	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00
Agricultural --D1(a)	0.4kV	5	6	1	1	41	97	8	0	26	4	176	36.17	29.13
Agricultural --D2(a)	0.4kV	2	2	0	0	16	47	4	0	13	2	81	43.41	34.95
Agricultural --D2(b)	0.4kV	118	146	19	24	986	2,963	238	2	799	107	5,095	43.22	34.80
Agricultural --D1(b)	0.4kV	97	121	12	14	812	1,811	145	1	489	88	3,346	34.45	27.74
Temp. Supply -- E1(i)	0.2kV	0	0	0	0	0	0	0	0	0	0	0	38.75	31.21
Temp. Supply -- E1(ii)	0.2kV	3	4	0	1	24	68	5	0	18	4	119	41.87	33.72
Temp. Supply -- E2	0.2kV	0	0	0	0	1	4	0	0	1	0	6	42.51	34.23
Public Lighting -- G	0.4kV	40	49	6	8	332	955	77	1	258	36	1,657	41.78	33.64
Resident. Colonies --	11kV	4	4	1	1	28	84	7	0	23	3	145	39.89	34.95
Azad J. Kashmir - K1a	11kV	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00
Azad J. - K1b	11kV	0	0	0	0	0	0	0	0	0	0	0	0.00	0.00
A3 General	0.4kV	297	369	50	62	2,485	7,836	629	5	2,114	269	13,337	44.89	36.15
Total		4,852	5,921	757	922	39,879	115,926	9,304	67	30,326	5,414	200,916	41.41	33.93



HESCO
COST OF SERVICE STUDY FOR FY 2023-24

Table-22

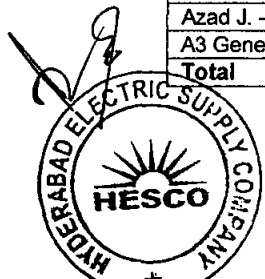
Cost of Service FY 2023-24 (per kW or kWh at Sold)														
Classes	Voltage Level	Energy GWh		Demand MW		Generation Cost		Transm	MOF	Distribution		Total Fixed Cost (Rs./kW/ M)	Fixed Cost Rs./ kWh sold	Total Cost Rs./ kWh Sold
		Sold	Purchase	at Meter	at CDP	Energy (Rs./kW)	Demand (Rs./kW)	Cost (Rs./kW)	Cost (Rs./kW)	Demand (Rs./kW)	cust. Cost (Rs./kW)			
Residential -- A1(a)	0.2kV	2,655	3,297	399	495	8.36	13,014.44	1,044.48	7.55	3,510.65	713.46	18,290.58	32.98	41.35
Residential -- A1(b)	0.4kV	50	62	8	10	8.36	13,014.44	1,044.48	7.55	3,510.65	472.54	18,049.67	34.56	42.92
Commercial -- A2(a)	0.2kV	141	175	23	29	8.36	13,014.44	1,044.48	7.55	3,510.65	648.32	18,225.45	36.17	44.53
Commercial -- A2(b)	0.4kV	0	0	0	0	8.36	13,014.44	1,044.48	7.55	3,510.65	479.39	18,056.52	34.08	42.44
Commercial -- A2(c)	0.4kV	178	220	29	36	8.36	13,014.44	1,044.48	7.55	3,510.65	455.61	18,032.74	35.81	44.17
Commercial -- A2(d)	0.4kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-0.00
Industrial -- B1(a)	0.2kV	5	7	1	1	8.36	13,014.44	1,044.48	7.55	3,510.65	659.03	18,236.15	35.60	43.97
Industrial -- B2(a)	0.4kV	0	0	0	0	8.36	13,014.44	1,044.48	7.55	3,510.65	475.60	18,052.72	34.34	42.71
Industrial -- B1(b)	0.4kV	73	90	12	15	8.36	13,014.44	1,044.48	7.55	3,510.65	452.09	18,029.22	36.08	44.45
Industrial -- B2(b)	0.4kV	412	512	65	81	8.36	13,014.44	1,044.48	7.55	3,510.65	477.47	18,054.60	34.21	42.53
Industrial -- B3	11kV	402	459	62	71	7.69	11,960.86	959.93	6.94	3,215.53	485.71	16,628.97	30.94	38.62
Industrial -- B4	132/66kV	246	253	47	49	6.93	10,788.58	865.85	6.26	1,404.02	316.13	13,380.84	30.89	37.82
Bulk Supply -- C1(a)	0.2kV	0	0	0	0	7.69	13,014.44	1,044.48	7.55	3,510.65	637.56	18,214.69	36.76	44.44
Bulk Supply -- C1(b)	0.4kV	8	9	1	2	8.36	13,014.44	1,044.48	7.55	3,510.65	451.21	18,028.34	36.15	44.51
Bulk Supply -- C2(a)	11kV	11	12	2	2	7.69	11,960.86	959.93	6.94	3,215.53	452.04	16,595.29	33.17	40.85
Bulk Supply -- C3(a)	132/66kV	21	21	4	5	6.93	10,788.58	865.85	6.26	1,404.02	278.39	13,343.10	34.98	41.91
Bulk Supply -- C1(c)	0.4kV	30	37	4	6	8.36	13,014.44	1,044.48	7.55	3,510.65	504.40	18,081.53	32.43	40.80
Bulk Supply -- C2(b)	11kV	55	63	9	10	7.69	11,960.86	959.93	6.94	3,215.53	479.55	16,622.81	31.32	39.01
Bulk Supply -- C3(b)	132/66kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Agricultural --D1(a)	0.4kV	5	6	1	1	8.36	13,014.44	1,044.48	7.55	3,510.65	591.21	18,168.34	27.80	36.17
Agricultural --D2(a)	0.4kV	2	2	0	0	8.36	13,014.44	1,044.48	7.55	3,510.65	465.85	18,042.98	35.04	43.41
Agricultural --D2(b)	0.4kV	118	146	19	24	8.36	13,014.44	1,044.48	7.55	3,510.65	468.49	18,045.61	34.85	43.22
Agricultural --D1(b)	0.4kV	97	121	12	14	8.36	13,014.44	1,044.48	7.55	3,510.65	631.47	18,208.60	26.09	34.45
Temp. Supply -- E1(i)	0.2kV	0	0	0	0	8.36	13,014.44	1,044.48	7.55	3,510.65	777.09	18,354.22	30.39	38.75
Temp. Supply -- E1(ii)	0.2kV	3	4	0	1	8.36	13,014.44	1,044.48	7.55	3,510.65	701.78	18,278.91	33.51	41.87
Temp. Supply -- E2	0.2kV	0	0	0	0	8.36	13,014.44	1,044.48	7.55	3,510.65	688.32	18,265.45	34.14	42.51
Public Lighting -- G	0.4kV	40	49	6	8	8.36	13,014.44	1,044.48	7.55	3,510.65	489.16	18,066.28	33.42	41.73
Resident. Colonies --	11kV	4	4	1	1	7.69	11,960.86	959.93	6.94	3,215.53	466.05	16,609.30	32.20	39.89
Azad J. Kashmir - K1a	11kV	0	0	0	0	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00
Azad J. - K1b	11kV	0	0	0	0	0.00	0.00	0.00		0.00	0.00	0.00	0.00	0.00
A3 General	0.4kV	297	369	50	62	8.36	13,014.44	1,044.48	7.55	3,510.65	446.43	18,023.56	36.53	44.89
Total		4,852	5,921	757	922	8.22	12,760.17	1,024.08		3,338.05	595.91	17,718.20	33.19	41.41



HESCO
COST OF SERVICE STUDY FOR FY 2023-24

Table-23

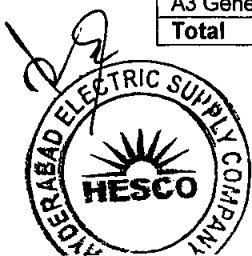
Cost of Service FY 2023-24 (per kW or kWh at Purchased)														
Classes	Voltage Level	Energy GWh		Demand MW		Generation Cost		Transm	MOF	Distribution		Total Fixed Cost (Rs./kW/ M)	Fixed Cost Rs./kWh Purchased	Total Cost Rs./kWh Purchased
		Sold	Purchase	at Meter	at CDP	Energy (Rs./kW)	Demand (Rs./kW)	Cost (Rs./kW)	Cost (Rs./kW)	Demand (Rs./kW)	cust. Cost (Rs./kW)			
Residential -- A1(a)	0.2kV	2,655	3,297	399	495	6.73	10,480.03	841.08	6.08	2,826.99	574.52	14,728.70	26.56	33.30
Residential -- A1(b)	0.4kV	50	62	8	10	6.73	10,480.03	841.08	6.08	2,826.99	380.52	14,534.71	27.83	34.56
Commercial -- A2(a)	0.2kV	141	175	23	29	6.73	10,480.03	841.08	6.08	2,826.99	522.07	14,676.25	29.13	35.86
Commercial -- A2(b)	0.4kV	0	0	0	0	6.73	10,480.03	841.08	6.08	2,826.99	386.04	14,540.22	27.44	34.18
Commercial -- A2(c)	0.4kV	178	220	29	36	6.73	10,480.03	841.08	6.08	2,826.99	366.89	14,521.07	28.84	35.57
Commercial -- A2(d)	0.4kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Industrial -- B1(a)	0.2kV	5	7	1	1	6.73	10,480.03	841.08	6.08	2,826.99	530.69	14,684.87	28.67	35.40
Industrial -- B2(a)	0.4kV	0	0	0	0	6.73	10,480.03	841.08	6.08	2,826.99	382.98	14,537.16	27.66	34.39
Industrial -- B1(b)	0.4kV	73	90	12	15	6.73	10,480.03	841.08	6.08	2,826.99	364.05	14,518.24	29.06	35.79
Industrial -- B2(b)	0.4kV	412	512	65	81	6.73	10,480.03	841.08	6.08	2,826.99	384.49	14,538.67	27.55	34.29
Industrial -- B3	11kV	402	459	62	71	6.73	10,480.03	841.08	6.08	2,817.43	425.58	14,570.20	27.11	33.84
Industrial -- B4	132/66kV	246	253	47	49	6.73	10,480.03	841.08	6.08	1,363.86	307.09	12,998.14	30.01	36.74
Bulk Supply -- C1(a)	0.2kV	0	0	0	0	6.73	10,480.03	841.08	6.08	2,826.99	513.40	14,667.59	32.21	38.94
Bulk Supply -- C1(b)	0.4kV	8	9	1	2	6.73	10,480.03	841.08	6.08	2,826.99	363.34	14,517.53	29.11	35.65
Bulk Supply -- C2(a)	11kV	11	12	2	2	6.73	10,480.03	841.08	6.08	2,817.43	396.07	14,540.69	29.07	35.80
Bulk Supply -- C3(a)	132/66kV	21	21	4	5	6.73	10,480.03	841.08	6.08	1,363.86	270.43	12,961.48	33.98	40.71
Bulk Supply -- C1(c)	0.4kV	30	37	4	6	6.73	10,480.03	841.08	6.08	2,826.99	406.17	14,560.36	26.12	32.85
Bulk Supply -- C2(b)	11kV	55	63	9	10	6.73	10,480.03	841.08	6.08	2,817.43	420.18	14,564.80	27.45	34.18
Bulk Supply -- C3(b)	132/66kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Agricultural --D1(a)	0.4kV	5	6	1	1	6.73	10,480.03	841.08	6.08	2,826.99	476.08	14,630.26	22.39	29.13
Agricultural --D2(a)	0.4kV	2	2	0	0	6.73	10,480.03	841.08	6.08	2,826.99	375.13	14,529.31	28.22	34.95
Agricultural --D2(b)	0.4kV	118	146	19	24	6.73	10,480.03	841.08	6.08	2,826.99	377.25	14,531.44	28.06	34.80
Agricultural --D1(b)	0.4kV	97	121	12	14	6.73	10,480.03	841.08	6.08	2,826.99	508.50	14,662.69	21.01	27.74
Temp. Supply -- E1(i)	0.2kV	0	0	0	0	6.73	10,480.03	841.08	6.08	2,826.99	625.76	14,779.95	24.47	31.21
Temp. Supply -- E1(ii)	0.2kV	3	4	0	1	6.73	10,480.03	841.08	6.08	2,826.99	565.12	14,719.30	26.99	33.72
Temp. Supply -- E2	0.2kV	0	0	0	0	6.73	10,480.03	841.08	6.08	2,826.99	554.28	14,708.46	27.49	34.23
Public Lighting -- G	0.4kV	40	49	6	8	6.73	10,480.03	841.08	6.08	2,826.99	393.90	14,548.08	26.91	33.64
Resident. Colonies --	11kV	4	4	1	1	6.73	10,480.03	841.08	6.08	2,817.43	408.35	14,552.97	28.22	34.95
Azad J. Kashmir - K1a	11kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Azad J. - K1b	11kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A3 General	0.4kV	297	369	50	62	6.73	10,480.03	841.08	6.08	2,826.99	359.50	14,513.68	29.42	36.15
Total		4,852	5,921	757	922	6.73	10,480.03	841.08	6.08	2,741.57	489.42	14,558.18	27.20	33.93



HESCO
COST OF SERVICE STUDY FOR FY 2023-24

Table-24

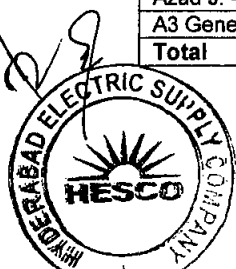
Cost of Service FY 2023-24 (per kWh Sold)														
Classes	Voltage Level	Energy GWh		Demand MW		Generation Cost		Transm	MOF	Distribution		Total Fixed Cost (Rs./kWh)	Fixed Cost Rs./kWh Sold	Total Cost Rs./kWh Sold
		Sold	Purchase	at Meter	at CDP	Energy (Rs./kWh)	Demand (Rs./kWh)	Cost (Rs./kWh)	Cost (Rs./kWh)	Demand (Rs./kWh)	cust. Cost (Rs./kWh)			
Residential -- A1(a)	0.2kV	2,655	3,297	399	495	8.36	23.47	1.88	0.01	6.33	1.29	32.98	32.98	41.36
Residential -- A1(b)	0.4kV	50	62	8	10	8.36	24.92	2.00	0.01	6.72	0.90	34.56	34.56	42.92
Commercial -- A2(a)	0.2kV	141	175	23	29	8.36	25.83	2.07	0.01	6.97	1.29	36.17	36.17	44.51
Commercial -- A2(b)	0.4kV	0	0	0	0	8.36	24.56	1.97	0.01	6.63	0.90	34.08	34.08	42.41
Commercial -- A2(c)	0.4kV	178	220	29	36	8.36	25.85	2.07	0.01	6.97	0.90	35.81	35.81	44.17
Commercial -- A2(d)	0.4kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Industrial -- B1(a)	0.2kV	5	7	1	1	8.36	25.41	2.04	0.01	6.85	1.29	35.60	35.60	43.97
Industrial -- B2(a)	0.4kV	0	0	0	0	8.36	24.76	1.99	0.01	6.68	0.90	34.34	34.34	42.77
Industrial -- B1(b)	0.4kV	73	90	12	15	8.36	26.05	2.09	0.02	7.03	0.90	36.08	36.08	44.48
Industrial -- B2(b)	0.4kV	412	512	65	81	8.36	24.66	1.98	0.01	6.65	0.90	34.21	34.21	42.58
Industrial -- B3	11kV	402	459	62	71	7.69	22.25	1.79	0.01	5.98	0.90	30.94	30.94	38.61
Industrial -- B4	132/66kV	246	253	47	49	6.93	24.90	2.00	0.01	3.24	0.73	30.89	30.89	37.82
Bulk Supply -- C1(a)	0.2kV	0	0	0	0	7.69	26.26	2.11	0.02	7.08	1.29	36.76	36.76	44.46
Bulk Supply -- C1(b)	0.4kV	8	9	1	2	8.36	26.10	2.09	0.02	7.04	0.90	36.15	36.15	44.55
Bulk Supply -- C2(a)	11kV	11	12	2	2	7.69	23.91	1.92	0.01	6.43	0.90	33.17	33.17	40.86
Bulk Supply -- C3(a)	132/66kV	21	21	4	5	6.93	28.28	2.27	0.02	3.68	0.73	34.98	34.98	41.97
Bulk Supply -- C1(c)	0.4kV	30	37	4	6	8.36	23.35	1.87	0.01	6.30	0.90	32.43	32.43	40.81
Bulk Supply -- C2(b)	11kV	55	63	9	10	7.69	22.54	1.81	0.01	6.06	0.90	31.32	31.32	39.07
Bulk Supply -- C3(b)	132/66kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Agricultural --D1(a)	0.4kV	5	6	1	1	8.36	19.92	1.60	0.01	5.37	0.90	27.80	27.80	36.17
Agricultural --D2(a)	0.4kV	2	2	0	0	8.36	25.28	2.03	0.01	6.82	0.90	35.04	35.04	43.47
Agricultural --D2(b)	0.4kV	118	146	19	24	8.36	25.13	2.02	0.01	6.78	0.90	34.85	34.85	43.22
Agricultural --D1(b)	0.4kV	97	121	12	14	8.36	18.65	1.50	0.01	5.03	0.90	26.09	26.09	34.45
Temp. Supply -- E1(i)	0.2kV	0	0	0	0	8.36	21.55	1.73	0.01	5.81	1.29	30.39	30.39	38.75
Temp. Supply -- E1(ii)	0.2kV	3	4	0	1	8.36	23.86	1.91	0.01	6.44	1.29	33.51	33.51	41.87
Temp. Supply -- E2	0.2kV	0	0	0	0	8.36	24.33	1.95	0.01	6.56	1.29	34.14	34.14	42.57
Public Lighting -- G	0.4kV	40	49	6	8	8.36	24.07	1.93	0.01	6.49	0.90	33.42	33.42	41.78
Resident. Colonies --	11kV	4	4	1	1	7.69	23.19	1.86	0.01	6.23	0.90	32.20	32.20	39.89
Azad J. Kashmir - K1a	11kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Azad J. - K1b	11kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A3 General	0.4kV	297	369	50	62	8.36	26.38	2.12	0.02	7.12	0.90	36.53	36.53	44.89
Total		4,852	5,921	757	922	8.22	23.89	1.92	0.01	6.25	1.12	33.19	33.19	41.41



HESCO
COST OF SERVICE STUDY FOR FY 2023-24

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 (Rs./kWh)	Fixed Cost Rs./kWh Purchased	Total Cost Rs./kWh Purchased
		Sold	Purchase	at Meter	at CDP	Energy (Rs./kWh)	Demand (Rs./kWh)	Cost (Rs./kWh)	Cost (Rs./kWh)	Demand (Rs./kWh)	cust. Cost (Rs./kWh)			
Residential -- A1(a)	0.2kV	2,655	3,297	399	495	6.73	18.90	1.52	0.01	5.10	1.04	26.56	26.56	33.30
Residential -- A1(b)	0.4kV	50	62	8	10	6.73	20.07	1.61	0.01	5.41	0.73	27.83	27.83	34.56
Commercial -- A2(a)	0.2kV	141	175	23	29	6.73	20.80	1.67	0.01	5.61	1.04	29.13	29.13	35.66
Commercial -- A2(b)	0.4kV	0	0	0	0	6.73	19.78	1.59	0.01	5.34	0.73	27.44	27.44	34.18
Commercial -- A2(c)	0.4kV	178	220	29	36	6.73	20.81	1.67	0.01	5.61	0.73	28.84	28.84	35.57
Commercial -- A2(d)	0.4kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Industrial -- B1(a)	0.2kV	5	7	1	1	6.73	20.46	1.64	0.01	5.52	1.04	28.67	28.67	35.40
Industrial -- B2(a)	0.4kV	0	0	0	0	6.73	19.94	1.60	0.01	5.38	0.73	27.66	27.66	34.39
Industrial -- B1(b)	0.4kV	73	90	12	15	6.73	20.97	1.68	0.01	5.66	0.73	29.06	29.06	35.79
Industrial -- B2(b)	0.4kV	412	512	65	81	6.73	19.86	1.59	0.01	5.36	0.73	27.55	27.55	34.29
Industrial -- B3	11kV	402	459	62	71	6.73	19.50	1.56	0.01	5.24	0.79	27.11	27.11	33.64
Industrial -- B4	132/66kV	246	253	47	49	6.73	24.19	1.94	0.01	3.15	0.71	30.01	30.01	36.74
Bulk Supply -- C1(a)	0.2kV	0	0	0	0	6.73	23.01	1.85	0.01	6.21	1.13	32.21	32.21	38.64
Bulk Supply -- C1(b)	0.4kV	8	9	1	2	6.73	21.02	1.69	0.01	5.67	0.73	29.11	29.11	35.65
Bulk Supply -- C2(a)	11kV	11	12	2	2	6.73	20.95	1.68	0.01	5.63	0.79	29.07	29.07	35.60
Bulk Supply -- C3(a)	132/66kV	21	21	4	5	6.73	27.47	2.20	0.02	3.58	0.71	33.98	33.98	40.71
Bulk Supply -- C1(c)	0.4kV	30	37	4	6	6.73	18.80	1.51	0.01	5.07	0.73	26.12	26.12	32.65
Bulk Supply -- C2(b)	11kV	55	63	9	10	6.73	19.75	1.58	0.01	5.31	0.79	27.45	27.45	34.18
Bulk Supply -- C3(b)	132/66kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Agricultural -- D1(a)	0.4kV	5	6	1	1	6.73	16.04	1.29	0.01	4.33	0.73	22.39	22.39	29.13
Agricultural -- D2(a)	0.4kV	2	2	0	0	6.73	20.35	1.63	0.01	5.49	0.73	28.22	28.22	34.95
Agricultural -- D2(b)	0.4kV	118	146	19	24	6.73	20.24	1.62	0.01	5.46	0.73	28.06	28.06	34.80
Agricultural -- D1(b)	0.4kV	97	121	12	14	6.73	15.02	1.21	0.01	4.05	0.73	21.01	21.01	27.74
Temp. Supply -- E1(i)	0.2kV	0	0	0	0	6.73	17.35	1.39	0.01	4.68	1.04	24.47	24.47	31.21
Temp. Supply -- E1(ii)	0.2kV	3	4	0	1	6.73	19.21	1.54	0.01	5.18	1.04	26.99	26.99	33.72
Temp. Supply -- E2	0.2kV	0	0	0	0	6.73	19.59	1.57	0.01	5.28	1.04	27.49	27.49	34.23
Public Lighting -- G	0.4kV	40	49	6	8	6.73	19.38	1.56	0.01	5.23	0.73	26.91	26.91	33.64
Resident. Colonies --	11kV	4	4	1	1	6.73	20.32	1.63	0.01	5.46	0.79	28.22	28.22	34.95
Azad J. Kashmir - K1a	11kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Azad J. - K1b	11kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A3 General	0.4kV	297	369	50	62	6.73	21.24	1.70	0.01	5.73	0.73	29.42	29.42	36.15
Total		4,852	5,921	757	922	6.73	19.58	1.57	0.01	5.12	0.91	27.20	27.20	33.93



HESCO
COST OF SERVICE STUDY FOR FY 2023-24

Table-26

Cost of Service 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	Purchase	at Meter	at CDP	Energy (Rs./kWh)	Demand (Rs./kW)	Cost (Rs./kW)	Cost (Rs./kW)	Demand (Rs./kW)	cust Cost (Rs./kW)	(Rs./kW/M)	(Rs./kWh)	(Rs./kWh)
Residential -- A1(a)	0.2kV	2,655	3,297	399	495	1.63	2,534.41	203.40	1.47	683.66	138.94	3,561.88	6.42	8.00
Residential -- A1(b)	0.4kV	50	62	8	10	1.63	2,534.41	203.40	1.47	683.66	92.02	3,514.97	6.73	8.36
Commercial -- A2(a)	0.2kV	141	175	23	29	1.63	2,534.41	203.40	1.47	683.66	126.25	3,549.20	7.04	8.67
Commercial -- A2(b)	0.4kV	0	0	0	0	1.63	2,534.41	203.40	1.47	683.66	93.36	3,516.30	6.64	8.27
Commercial -- A2(c)	0.4kV	178	220	29	36	1.63	2,534.41	203.40	1.47	683.66	88.73	3,511.67	6.97	8.60
Commercial -- A2(d)	0.4kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Industrial -- B1(a)	0.2kV	5	7	1	1	1.63	2,534.41	203.40	1.47	683.66	128.34	3,551.28	6.93	8.56
Industrial -- B2(a)	0.4kV	0	0	0	0	1.63	2,534.41	203.40	1.47	683.66	92.62	3,515.56	6.69	8.32
Industrial -- B1(b)	0.4kV	73	90	12	15	1.63	2,534.41	203.40	1.47	683.66	88.04	3,510.98	7.03	8.66
Industrial -- B2(b)	0.4kV	412	512	65	81	1.63	2,534.41	203.40	1.47	683.66	92.98	3,515.93	6.66	8.29
Industrial -- B3	11kV	402	459	62	71	0.95	1,480.83	118.85	0.86	398.10	60.13	2,058.77	3.83	4.78
Industrial -- B4	132/66kV	246	253	47	49	0.20	308.55	24.76	0.18	40.15	9.04	382.69	0.88	1.08
Bulk Supply -- C1(a)	0.2kV	0	0	0	0	0.95	2,534.41	203.40	1.47	683.66	124.16	3,547.10	4.55	5.50
Bulk Supply -- C1(b)	0.4kV	8	9	1	2	1.63	2,534.41	203.40	1.47	683.66	87.87	3,510.81	7.04	8.67
Bulk Supply -- C2(a)	11kV	11	12	2	2	0.95	1,480.83	118.85	0.86	398.10	55.96	2,054.60	4.11	5.06
Bulk Supply -- C3(a)	132/66kV	21	21	4	5	0.20	308.55	24.76	0.18	40.15	7.96	381.61	1.00	1.20
Bulk Supply -- C1(c)	0.4kV	30	37	4	6	1.63	2,534.41	203.40	1.47	683.66	98.23	3,521.17	6.32	7.94
Bulk Supply -- C2(b)	11kV	55	63	9	10	0.95	1,480.83	118.85	0.86	398.10	59.37	2,058.01	3.88	4.83
Bulk Supply -- C3(b)	132/66kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Agricultural --D1(a)	0.4kV	5	6	1	1	1.63	2,534.41	203.40	1.47	683.66	115.13	3,538.07	5.41	7.04
Agricultural --D2(a)	0.4kV	2	2	0	0	1.63	2,534.41	203.40	1.47	683.66	90.72	3,513.66	6.82	8.45
Agricultural --D2(b)	0.4kV	118	146	19	24	1.63	2,534.41	203.40	1.47	683.66	91.23	3,514.18	6.79	8.42
Agricultural --D1(b)	0.4kV	97	121	12	14	1.63	2,534.41	203.40	1.47	683.66	122.97	3,545.92	5.08	6.71
Temp. Supply -- E1(i)	0.2kV	0	0	0	0	1.63	2,534.41	203.40	1.47	683.66	151.33	3,574.27	5.92	7.55
Temp. Supply -- E1(ii)	0.2kV	3	4	0	1	1.63	2,534.41	203.40	1.47	683.66	136.66	3,559.61	6.53	8.15
Temp. Supply -- E2	0.2kV	0	0	0	0	1.63	2,534.41	203.40	1.47	683.66	134.04	3,556.99	6.65	8.28
Public Lighting -- G	0.4kV	40	49	6	8	1.63	2,534.41	203.40	1.47	683.66	95.26	3,518.20	6.51	8.14
Resident. Colonies --	11kV	4	4	1	1	0.95	1,480.83	118.85	0.86	398.10	57.70	2,056.34	3.99	4.94
Azad J. Kashmir - K1a	11kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Azad J. - K1b	11kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A3 General	0.4kV	297	369	50	62	1.63	2,534.41	203.40	1.47	683.66	86.94	3,509.88	7.11	8.74
Total		4,852	5,921	757	922	1.48	2,280.14	182.99	-6.08	596.48	106.48	3,160.02	6.99	7.48

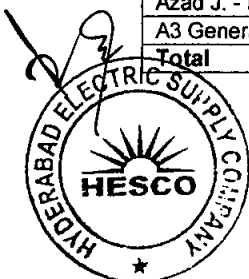
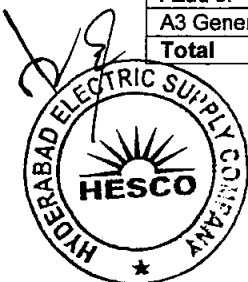


Table-27

Cost of Service 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	Purchase	at Meter	at CDP	Energy (Rs./kWh)	Demand (Rs./kW)	Cost (Rs./kW)	Cost (Rs./kW)	Demand (Rs./kW)	cust. Cost (Rs./kW)	(Rs./kWh/M)	(Rs./kWh)	(Rs./kWh)
Residential -- A1(a)	0.2kV	2,655	3,297	399	495	1.63	4.57	0.37	0.00	1.23	0.25	6.42	6.42	8.05
Residential -- A1(b)	0.4kV	50	62	8	10	1.63	4.85	0.39	0.00	1.31	0.18	6.73	6.73	8.36
Commercial -- A2(a)	0.2kV	141	175	23	29	1.63	5.03	0.40	0.00	1.36	0.25	7.04	7.04	8.67
Commercial -- A2(b)	0.4kV	0	0	0	0	1.63	4.78	0.38	0.00	1.29	0.18	6.64	6.64	8.27
Commercial -- A2(c)	0.4kV	178	220	29	36	1.63	5.03	0.40	0.00	1.36	0.18	6.97	6.97	8.60
Commercial -- A2(d)	0.4kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Industrial -- B1(a)	0.2kV	5	7	1	1	1.63	4.95	0.40	0.00	1.33	0.25	6.93	6.93	8.56
Industrial -- B2(a)	0.4kV	0	0	0	0	1.63	4.82	0.39	0.00	1.30	0.18	6.69	6.69	8.32
Industrial -- B1(b)	0.4kV	73	90	12	15	1.63	5.07	0.41	0.00	1.37	0.18	7.03	7.03	8.66
Industrial -- B2(b)	0.4kV	412	512	65	81	1.63	4.80	0.39	0.00	1.30	0.18	6.66	6.66	8.29
Industrial -- B3	11kV	402	459	62	71	0.95	2.75	0.22	0.00	0.74	0.11	3.83	3.83	4.78
Industrial -- B4	132/66kV	246	253	47	49	0.20	0.71	0.06	0.00	0.09	0.02	0.88	0.88	1.08
Bulk Supply -- C1(a)	0.2kV	0	0	0	0	0.95	3.25	0.26	0.00	0.88	0.16	4.55	4.55	5.50
Bulk Supply -- C1(b)	0.4kV	8	9	1	2	1.63	5.08	0.41	0.00	1.37	0.18	7.04	7.04	8.67
Bulk Supply -- C2(a)	11kV	11	12	2	2	0.95	2.96	0.24	0.00	0.80	0.11	4.11	4.11	5.06
Bulk Supply -- C3(a)	132/66kV	21	21	4	5	0.20	0.81	0.06	0.00	0.11	0.02	1.00	1.00	1.20
Bulk Supply -- C1(c)	0.4kV	30	37	4	6	1.63	4.55	0.36	0.00	1.23	0.18	6.32	6.32	7.94
Bulk Supply -- C2(b)	11kV	55	63	9	10	0.95	2.79	0.22	0.00	0.75	0.11	3.88	3.88	4.83
Bulk Supply -- C3(b)	132/66kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Agricultural --D1(a)	0.4kV	5	6	1	1	1.63	3.88	0.31	0.00	1.05	0.18	5.41	5.41	7.04
Agricultural --D2(a)	0.4kV	2	2	0	0	1.63	4.92	0.40	0.00	1.33	0.18	6.82	6.82	8.45
Agricultural --D2(b)	0.4kV	118	146	19	24	1.63	4.89	0.39	0.00	1.32	0.18	6.79	6.79	8.42
Agricultural --D1(b)	0.4kV	97	121	12	14	1.63	3.63	0.29	0.00	0.98	0.18	5.08	5.08	6.71
Temp. Supply -- E1(i)	0.2kV	0	0	0	0	1.63	4.20	0.34	0.00	1.13	0.25	5.92	5.92	7.55
Temp. Supply -- E1(ii)	0.2kV	3	4	0	1	1.63	4.65	0.37	0.00	1.25	0.25	6.53	6.53	8.15
Temp. Supply -- E2	0.2kV	0	0	0	0	1.63	4.74	0.38	0.00	1.28	0.25	6.65	6.65	8.28
Public Lighting -- G	0.4kV	40	49	6	8	1.63	4.69	0.38	0.00	1.26	0.18	6.51	6.51	8.14
Resident. Colonies --	11kV	4	4	1	1	0.95	2.87	0.23	0.00	0.77	0.11	3.99	3.99	4.94
Azad J. Kashmir - K1a	11kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Azad J. - K1b	11kV	0	0	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
A3 General	0.4kV	297	369	50	62	1.63	5.14	0.41	0.00	1.39	0.18	7.11	7.11	8.74
Total		4,852	5,921	757	922	1.48	4.31	0.35	0.00	1.13	0.20	5.99	5.99	7.48



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F/B

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

NOTIFICATION

Islamabad, the ^{2nd} 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,—

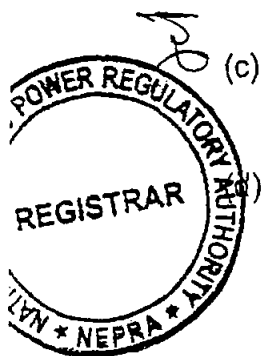
(a) "Act" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (Act No. XL of 1997), as amended from time to time;

(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;

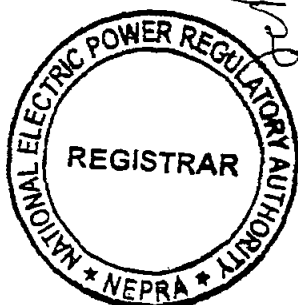
"Distribution Code" means the code prepared by the distribution licensees and approved by the Authority that defines the technical and operational standards and procedures for distribution licensees and all those connected to the distribution system;

(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.

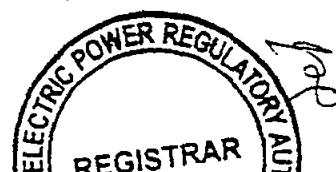
(3) In the event where network licensee shows its inability to construct the interconnection facilities due to technical and/or financial constraints following options may be exercised for the interconnection purposes:

- (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.

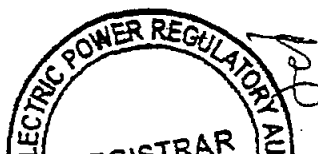
(4) The distribution company shall develop the use of system agreement in accordance with the minimum provisions provided in the Schedule I within ninety days of the notification of these regulations and shall obtain the approval of the Authority and publish the same on its website.

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.

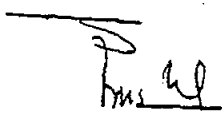
(4) The Authority shall give its decision in any matter referred to it under sub-regulations (3), within a period of three months after providing an opportunity of hearing to the concerned parties.

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.

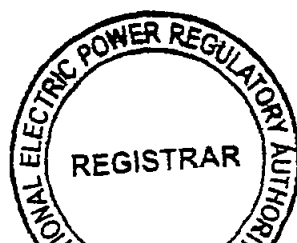



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(Syed Safer Hussain)
Registrar

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, Email: 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.


13/9/23
(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.nepra.org.pk, E-mail: registrar@nepra.org.pk

No.NEPRA/R/DG(Trf)/TRF-575 &TRF-576 /HESCO-2022/8209-15 July 14, 2023

Subject: **DECISION OF THE AUTHORITY IN THE MATTER OF REQUEST FILED HYDERABAD ELECTRIC SUPPLY COMPANY (HESCO) FOR ADJUSTMENT/INDEXATION OF TARIFF FOR THE FY 2023-24 UNDER THE MULT YEAR TARIFF [CASE # NEPRA/TRF-575 & TRF-576/HESCO-2022]**

Dear Sir,

Please find enclosed herewith subject Decision of the Authority (40 Pages) in the matter of request filed Hyderabad Electric Supply Company Ltd. (HESCO) for adjustment/indexation of tariff for the FY 2023-24 under the Mult Year Tariff in Case No. NEPRA/TRF-575 & TRF-576 /HESCO-2022.

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

(Signature) 14/07/23
(Engr. Mazhar Iqbal Ranjha)

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

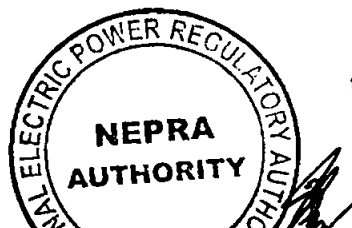
CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Secretary, Irrigation & Power Deptt. , Govt. of Sindh, Sindh Sectt. No. 2, Tughliq House Karachi
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, Hyderabad Electric Supply Company Limited (HESCO) WAPDA Offices Complex, Hussainabad, Hyderabad

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

1. Back Ground

- 1.1. The Authority determined separate tariffs of Hyderabad Electric Supply Company Limited (HESCO) (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 of its Distribution and supply 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. HESCO, also in the mean time being aggrieved from its determinations dated 02.06.2022, filed Motion for Leave for Review (MLR), which was accordingly decided by the Authority on 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;



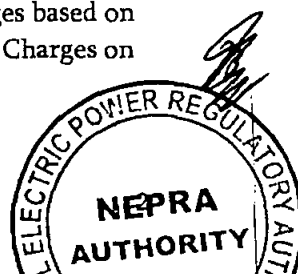
*Decision of the Authority in the matter of request filed by HESCO for
Adjustment / Indexation of Tariff for the FY 2023-24 under the MYT*

Description	Unit	Distribution Business	Power Supply Business	Total Revenue Requirement
Salaries, Wages & Other Benefits	Rs. Mln	6,203	927	7,130
Provision for Retirement Benefits	Rs. Mln	3,537	529	4,066
Repair & Maintenance	Rs. Mln	917	19	936
Travelling allowance	Rs. Mln	319	48	367
Vehicle Expenses	Rs. Mln	194	22	216
Other Expenses	Rs. Mln	206	198	404
Depreciation	Rs. Mln	2,370	1	2,371
Return on Rate Base	Rs. Mln	5,873	2	5,875
Gross Distribution Margin	Rs. Mln	19,619	1,746	21,365
Less: Other Income	Rs. Mln	-1,161	-474	-1,635
Net Distribution Margin	Rs. Mln	18,458	1,272	19,730
Prior Year Adjustment	Rs. Mln	-	38,009	44,093
Revenue Requirement	Rs. Mln	18,458	39,281	63,823

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 May 15, 2023, for which advertisement was published in newspapers on April 27, 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;
- Whether the requested adjustments/indexation in tariff are in line with the MYT tariff determination and are justified?
 - HESCO 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?
 - Whether the requested PYA, is justified?
 - 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?
 - 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?
 - 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 have 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;

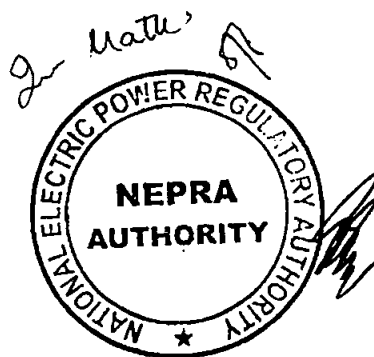
4. HESCO to present its Power Purchases Price (Energy & Cost) for the FY 2023-24, keeping in view the Section 32 of NEPRA Act and NEPRA Power Procurement Regulations?

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?

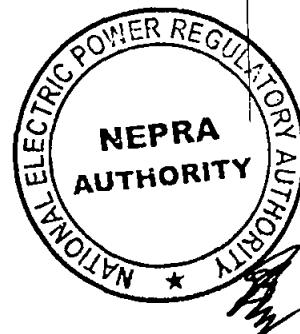
5.1. The Petitioner submitted during the hearing that the requested adjustments are in line with the mechanism determined vide Tariff redetermination and NEPRA guidelines for determination of consumer end tariff (Methodology & Process).

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



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

Description	Unit	Distribution Business	Power Supply Business	Total Revenue Requirement
Salaries, Wages & Other Benefits	Rs. Mln	6,203	927	7,130
Provision for Retirement Benefits	Rs. Mln	3,537	529	4,066
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Gross Distribution Margin	Rs. Mln	19,619	1,746	21,365
Less: Other Income	Rs. Mln	-1,161	-474	-1,635
Net Distribution Margin	Rs. Mln	18,458	1,272	19,730



- 5.3. The Petitioner Regarding projected salaries, wages & Other Benefits submitted that for uncontrollable expenses i.e. Pay & Allowances and Post-Retirement Benefits 10% increase has been estimated based on the budgeted / estimated expenditure for the FY 2022-23 employee related costs (Salaries & Wages and Retirement Costs) should be indexed every year as per CPI.
- 5.4. The Petitioner during the hearing has submitted that The Salaries, Wages and Benefits have been indexed / adjusted for FY 2023-24 to the tune of Rs. 7,129 million by assuming 15% Ad-hoc Relief for the FY 2023-24 including impact of 5% Annual Increment.
- 5.5. Regarding Post-Retirement benefits the Petitioner submitted that for uncontrollable expenses i.e. Post-Retirement Benefits 10% increase has been estimated based on the budgeted / estimated expenditure for the FY 2022-23. 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 and provided following working in this regard;

Description	FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24
	NEPRA Determined Reference Cost	Audited	NEPRA Determined Indexed Cost	Actual	NEPRA Determined Indexed Cost	Estimated / Budgeted	Estimated / Projected
Post Retirement Benefits	2,525	2,912	2,777	3,360	3,017	3,365	3,701

Note:- The impact of Rs. 301 Million of GENCO's pensioners absorbed in HESCO has been included in the FY 2021-22

- 5.6. The Petitioner has also claimed cost of GENCO pensioners in light of ECC decision. ECC of the cabinet approved adjustment of employees of GENCOs Power Plants under closure with following stipulations:

"It is proposed that 2,368 Pensioners of GENCOs may be adjusted in their pension disbursing DISCOs or WAPDA. Similarly, 1,753 employees of these plants would be adjusted in DISCOs. Pensions of these employees will be paid by the relevant DISCOs on their retirement according to rules of the relevant DISCOs. In turn the respective DISCOs and WAPDA would claim adjustment of the same from NEPRA in their tariffs."

- 5.7. In light of the above decision, the Petitioner has submitted that 774 No. pensioners of GENCOs have been transferred to HESCO during the FY 2021-22 with total financial impact of Rs.301 million. It further submitted that the Authority determined reference cost for the FY 2020-21 on account of Post-Retirement Benefits amounting to Rs.2.5 billion, which was on the lower side as actual benefits paid as per Audited Accounts for the Base Year of FY 2019-20 were Rs.2.49

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billion. Therefore, due to lower determination of reference cost, the indexation for the subsequent financial years also remained on the lower side. Therefore, for being the uncontrollable cost, the Authority is requested to allow the under allowed costs as PYA besides incorporating the impact in the upfront indexation for the FY 2023-24.

- 5.8. Regarding Other OPEX it has submitted that for controllable expenses i.e. Repair & Maintenance, Travelling Allowance, Vehicle Expenses and Other Expenses the figures have been indexed in line with the adjustment mechanism defined by the Authority in the MYT determination which is as under:

$$\text{O\&M Expenses} = \text{Ref. O\&M Cost} * [1 + (\text{CPI} - \text{X Factor})]$$

- 5.9. For the purpose of indexation, the CPI has been calculated as 24.47% for the month of December 2022. As per the determination, the Authority, in line with its decisions in the matter of XWDISCOs which have been allowed MYTs, had decided to keep the efficiency factor 'X', as 30% of increase in CPI for the relevant year of the MYT control period. The Authority further decided to implement the efficiency factor from the 3rd year of the control period, in order to provide the Petitioner with an opportunity to improve its operational performance, before sharing such gains with the consumers. Therefore, for being the third year of the MYT control period, and in line with the Authority's decision, X-Factor has been taken at 30% of CPI increase i.e. 7.34% in the instant case.

- 5.10. The Petitioner during the hearing submitted that in compliance, the O & M Costs amounting to Rs. 1,642 million determined for FY 2022-23 have been indexed to Rs. 1,923 million at the Indexation factor of 17.13% (24.47% NCPI factor less 30% efficiency (X) factor).

- 5.11. Regarding Depreciation expenses for the FY 2023-24 the petitioner has following details:

Particulars	2020-21	2020-21	2021-22	2022-23	2023-24
	Reference Determined	Audited	Provisional	Projected	Projected
Gross Fixed Assets O/B	54,130	54,130	55,785	57,416	80,602
Addition	3,086	1,655	1,631	23,186	23,695
Gross Fixed Assets C/B	57,216	55,785	57,416	80,602	104,297
Allowed Investment	2,227	2,227	11,932	20,686	21,195
Actual Investment		2,514	3,150	20,686	21,195
Under/(Over) Investment		-287	8,782	-	-



- 5.12. In compliance of the directions, the depreciation has been worked out to be Rs. 2,372 million on the basis of formula determined in the adjustment mechanism. The reference depreciation determined for the FY 2020-21 has been adjusted with the ratio of revised GFAIO to reference GFAIO. The depreciation indexed for the FY 2023-24 has been calculated as under:

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

$$2,372 = 1,301 \times 104,297 / 57,216$$

- 5.13. Regarding RORB, the petitioner has submitted that the Authority's determined adjustment mechanism has been used which is as under:

$$\text{RORB (Rev)} = \text{RORB (Ref)} * \text{RAB (Rev)} / \text{RAB (Ref)}$$

- 5.14. Following data has been used for indexation of RORB for the FY 2023-24.

In matrix

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

Particulars	2020-21	2020-21	2021-22	2022-23	2023-24
	Reference Determined	Audited	Provisional	Projected	Projected
Gross Fixed Assets O/B	54,130	54,130	55,785	57,416	80,602
Addition	3,086	1,655	1,631	23,186	23,695
Fixed Assets C/B	57,216	55,785	57,416	80,602	104,297
Accumulated Depreciation	-21,428	-21,371	-22,627	-24,656	-27,443
Net Fixed Assets	35,788	34,414	34,790	55,947	76,854
Less: Deferred Credit	-21,369	-20,004	-21,318	-22,384	-23,503
	14,419	14,410	13,472	33,563	53,351
Regulatory Asset Base (RAB)	13,692	13,688	13,941	23,517	43,457

- 5.15. The Petitioner during hearing submitted that in compliance of the directions, the RORB has been worked out to be Rs. 5,875 million on the basis of formula determined in the adjustment mechanism. The reference RORB determined for the FY 2020-21 has been adjusted with the ratio of revised RAB to reference RAB. The revised RAB has been calculated on the basis of actual and allowed investments.

$$\text{RORB(Rev)} = \text{RORB(Ref)} \times \text{RAB(Rev)} / \text{RAB(Ref)}$$

$$5,875 = 1,851 \times 43,457 / 13,692$$

- 5.16. For projected income Other Income for the FY 2023-24 the petitioner has provided following details;

Particulars	Amount
Return on bank deposits	250
Rental and service income	20
Non-utility operations	237
Stores handling and others	355
Amortization of deferred credit	773
Total	1,635

- 5.17. The Authority noted that HESCO 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.

- 5.18. 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

- 5.19. 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:

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

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Where:

- O&M_(Rev) = Revised O&M Expense for the Current Year
O&M_(Ref) = Reference O&M Expense for the Reference Year
 Δ CPI = Change in Consumer Price Index published by Pakistan Bureau of
X = Efficiency factor

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

RORB

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

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

Where:

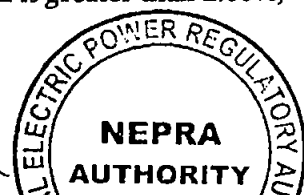
- RORB_(Rev) = Revised Return on Rate Base for the Current Year
RORB_(Ref) = Reference Return on Rate Base for the Reference Year
RAB_(Rev) = Revised Rate Base for the Current Year
RAB_(Ref) = Reference Rate Base for the Reference Year

"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

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

$$DER_{(Rev)} = DER_{(Ref)} \times \frac{GFAIO_{(Rev)}}{GFAIO_{(Ref)}}$$

Where:

- $DER_{(Rev)}$ = Revised Depreciation Expense for the Current Year
 $DER_{(Ref)}$ = Reference Depreciation Expense for the Reference Year
 $GFAIO_{(Rev)}$ = Revised Gross Fixed Assets in Operation for the Current Year
 $GFAIO_{(Ref)}$ = 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

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

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

Where:

- $OI_{(Rev)}$ = Revised Other Income for the Current Year
 $OI_{(1)}$ = Actual Other Income as per latest Financial Statements.
 $OI_{(0)}$ = Actual/Assessed Other Income used in the previous year.

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

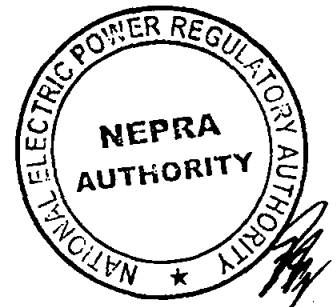
Salaries & Wages

"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

"... the allowed amount of post-retirement benefits would be adjusted every year with the Pension increase announced by the GoP for the respective year, till the time the Petitioner remains in the public sector. In case, the Petitioner is privatized during the MYT period, the allowed cost would be adjusted with CPI-X factor."

- 5.24. 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,



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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 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.

- 5.25. 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.
- 5.26. 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.6,710 million against the allowed amount of Rs.7,335 million. Accordingly, while assessing salaries, wages & other benefits for the FY 2023-24, the revised cost of Rs.6,710 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 adjusted back as part of PYA, which works out as Rs.625 million.
- 5.27. Here it is also pertinent that ECC vide decision dated 21.09.2021 allocated GENCO employees to different DISCOs as under;

"It is proposed that 2,368 Pensioners of GENCOs may be adjusted in their pension disbursing DISCOs or WAPDA. Similarly, 1,753 employees of these plants would be adjusted in DISCOs. Pensions of these employees will be paid by the relevant DISCOs on their retirement according to rules of the relevant DISCOs. In turn the respective DISCOs and WAPDA would c/aim adjustment of the same from NEPRA in their tariffs."

- 5.28. Although, HESCO has not separately claimed any cost on this account, however, since the Petitioner has submitted its revised detail of salaries, wages & other benefits for the FY 2022-23, therefore, it is presumed that cost of GENCO employees transferred to HESCO, if any, has also been included by the Petitioner in its revised cost of salaries, wages & other benefits for the FY 2022-23. Since the revised salaries, wages & other benefits cost as provided 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 if any, and has 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.

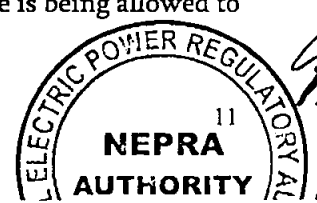
- 5.29. Here it is also clarified that the revised amount being allowed under salaries, wages & other benefits for the FY 2022-23 shall be considered as upper cap, subject to downward adjustment only, once the Audited accounts of the Petitioner for FY 2022-23, are available.
- 5.30. Based on the above 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
- 5.31. 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.8,102 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.
- 5.32. 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.
- 5.33. Regarding Post-retirement Benefits, the Authority allowed actual payment of postretirement benefits in the MYT determination of the Petitioner and decided that the allowed amount of post-retirement benefits would also be adjusted every year with the Pension increase announced by the GoP for the respective year, till the time the Petitioner remains in the public sector.
- 5.34. The Authority noted that the Petitioner has also claimed cost of 774 GENCO pensioners transferred to it in light of ECC decision dated 21.09.2021, with annual impact of Rs.301 million for the FY 2021-22.
- 5.35. The Authority also observed that all DISCOs and WAPDA, vide letter dated 17.11.2022, were directed to ensure payments to these pensioners provisionally and submit this case along-with their next tariff petition.
- 5.36. In view of the above discussion, decisions of the Authority in the matter of GENCO Pensioners, and by taking into account the increases announced by the Federal Government in Budget FY 2024, the post-retirement benefits of the Petitioner for the FY 2023-24 have been assessed as Rs.3,898 million. The same is being allowed to the Petitioner for the FY 2023-24, for both the distribution and supply of power functions. 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.

- 5.37. Here it is pertinent to mention that the amount so worked out also includes the impact of 774 GENCO pensioners transferred to the Petitioner, as the reference cost of the FY 2022-23, used for projecting the post retirement cost for the FY 2023-24, has been enhanced by Rs.301 million to account for the impact of GENCO Pensioners. Further, the impact of GENCO pensioners for the FY 2022-23 i.e. Rs.301 million, has also been allowed as part of PYA for the FY 2023-24.
- 5.38. The Petitioner is directed to provide details of pensioners allocated to it by providing details of allocated pensioners, their pension amounts along-with approvals of competent authorities for consideration of the Authority.
- 5.39. 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.1,925 million based on reference cost of Rs.1,644 million.
- 5.40. 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.13.9 million & 16.5 million respectively.
- 5.41. 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.1,944 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.
- 5.42. 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.
- 5.43. 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,
- 5.44. The revised Gross Fixed Assets in Operation of the Petitioner for the FY 2023-24 works out as Rs.67,205 million, after including therein the impact of allowed investment for the FY 2023-24 i.e. Rs.21,195 million. Accordingly, as per the allowed mechanism the total depreciation expense of the Petitioner for the FY 2023-24 works out as Rs.1,532 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.

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5.45. 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.

5.46. 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	HESCO
Allowed Depreciation FY 2021	1,301
Actual Depreciation FY 2021	1,244
Downward True up Adj. as PYA	- 57
Allowed Depreciation FY 2022	1,424
Actual Depreciation FY 2022	1,256
Downward True up Adj. as PYA	- 168

5.47. 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.

5.48. 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. It is important to mention here that the Authority while deciding the MLRs of GEPCO, MEPCO, SEPCO and PESCO, against their MYT determinations, allowed WACC by including 100% balance of CWIP in the RAB instead of allowing ROE component only to the extent of 30% of CWIP balance. In line with the aforementioned principle decision of the Authority, while working out the RoRB of the Petitioner, the same mechanism has been used.

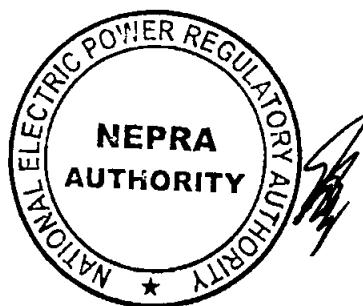
5.49. Accordingly, the revised RAB of the Petitioner for the FY 2023-24, based on the Investment allowed for the FY 2023-24, and incorporating therein 100% balance of CWIP, works out as Rs.63,522 million. The average RAB of the Petitioner however, for the purpose of calculation of RoRB, works out as Rs.53,978 million for the FY 2023-24.

5.50. 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 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.

- 5.51. Based on the above discussion, the total RoRB of the Petitioner for the FY 2023-24 works out as Rs.11,411 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.
- 5.52. 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.
- 5.53. 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	HESCO
Allowed RORB FY 2021	1,850
Actual RORB FY 2021 (capped to the extent of allowed Investment)	2,578
True up Adj. as PYA	728
Allowed RORB FY 2022	2,443
Actual RORB FY 2022 (capped to the extent of allowed Investment)	3,057
True up Adj. as PYA	614
Description	HESCO
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%



- 5.54. Here it is pertinent to mention, that amount of investments appearing in the financial statements has been restricted to the extent of allowed investment.
- 5.55. 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 IDC amount for FY 2020-21 onward and reflect the same in its Audited Financial Statements as well.
- 5.56. 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

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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.

5.57. 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.2,921 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.1,885 million and Rs.868 million respectively. The same has been made part of PYA for the FY 2023-24.

6. Whether the requested the requested PYA, is justified?

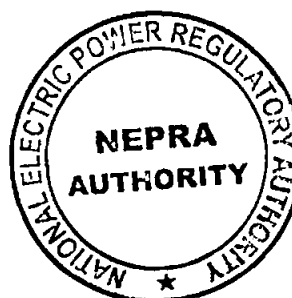
6.1. The Prior Year Adjustment includes the impact of variation in the following, based on the Authority's allowed benchmarks of T&D losses and recoveries;

- ✓ 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

6.2. The Petitioner has requested the following PYA for the FY 2023-24;

6.3. The Petitioner has requested Rs.38,009 million as prior year adjustment upto FY 2021-22, and provided following head wise details/submissions of its request;

Particulars	Amount in Million
QTA 2nd & 3rd Quarter FY 2019-20	515
QTA 4th Quarter FY 2019-20	
QTA 1st & 2nd Quarter FY 2020-21	507
QTA 3rd Quarter FY 2020-21	
QTA 4th Quarter FY 2020-21	-90
QTA 1st Quarter FY 2021-22	-44
QTA 2nd Quarter FY 2021-22	-87
QTA 3rd Quarter FY 2021-22	202
QTA 4th Quarter FY 2021-22	551
Distribution Margin FY 2021-22	-1,133
Under Allowed Expense for the FY 2020-21	1,623
Over Allowed Expense for the FY 2021-22	-142
Sales Mix Variance for the FY 2021-22	8,190
Turnover / Minimum Tax for the FY 2020-21 & 2021-22	1,605
Supplemental Charges FY 2020-21 (in excess of LPS)	10,373
Supplemental Charges FY 2021-22 (in excess of LPS)	15,939
Total	38,009



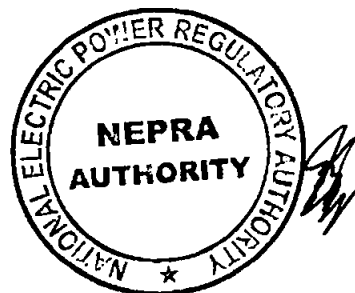
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*Decision of the Authority in the matter of request filed by HESCO for
Adjustment / Indexation of Tariff for the FY 2023-24 under the MYT*

6.4. The Petitioner also provided the following workings of the requested PYA;

Quarterly Adjustments

Description		Amount	Period of Applicability
QTA 2nd & 3rd Quarter FY 2019-20			
QTA Amount Allowed by NEPRA	A	10,863	01 October, 2020 to September 30, 2021 (12 Months)
QTA Rate (Rs. / kWh)	B	2,3899	
Units Purchased during the period of Applicability	C	5,598	
Units to be Sold after allowed T&D losses	D	4,461	
Units to be Sold net of Life line Sales	E	4,330	
QTA Recovered	F = B*E	10,348	
Under / (Over) Recovery	G = A-F	515	
QTA 4th Quarter FY 2019-20			
QTA 1st & 2nd Quarter FY 2020-21			
QTA 3rd Quarter FY 2020-21			
QTA Amount Allowed by NEPRA	A	7,936	01 October, 2021 to September 30, 2022 (12 Months)
QTA Rate (Rs. / kWh)	B	1,8022	
Units Purchased during the period of Applicability	C	5,263	
Units to be Sold after allowed T&D losses	D	4,248	
Units to be Sold net of Life line Sales	E	4,122	
QTA Recovered	F = B*E	7,429	
Under / (Over) Recovery	G = A-F	507	
QTA 4th Quarter FY 2020-21			
QTA Amount Allowed by NEPRA	A	-2,328	01 February, 2022 to April 30, 2022 (3 Months)
QTA Rate (Rs. / kWh)	B	-2,336	
Units Purchased during the period of Applicability	C	1,226	
Units to be Sold after allowed T&D losses	D	987	
Units to be Sold net of Life line Sales	E	958	
QTA Recovered	F = B*E	-2,238	
Under / (Over) Recovery	G = A-F	-90	
QTA 1st Quarter FY 2021-22			
QTA Amount Allowed by NEPRA	A	473	01 June 2022 to August 31, 2022 (3 Months)
QTA Rate (Rs. / kWh)	B	0.4336	
Units Purchased during the period of Applicability	C	1,520	
Units to be Sold after allowed T&D losses	D	1,230	
Units to be Sold net of Life line Sales	E	1,193	
QTA Recovered	F = B*E	517	
Under / (Over) Recovery	G = A-F	-44	
QTA 2nd Quarter FY 2021-22			
QTA Amount Allowed by NEPRA	A	2,126	01 July 2022 to September 30, 2022 (3 Months)
QTA Rate (Rs. / kWh)	B	1.9511	
Units Purchased during the period of Applicability	C	1,435	
Units to be Sold after allowed T&D losses	D	1,169	
Units to be Sold net of Life line Sales	E = C-D	1,134	
QTA Recovered	F = B*E	2,213	
Under / (Over) Recovery	G = A-F	-87	
QTA 3rd Quarter FY 2021-22			
QTA Amount Allowed by NEPRA	A	2,050	01 September 2022 to November 30, 2022 (3 Months)
QTA Rate (Rs. / kWh)	B	1.8816	
Units Purchased during the period of Applicability	C	1,243	
Units to be Sold after allowed T&D losses	D	1,012	
Units to be Sold net of Life line Sales	E = C-D	982	
QTA Recovered	F = B*E	1,848	
Under / (Over) Recovery	G = A-F	202	
QTA 4th Quarter FY 2021-22			
QTA Amount Allowed by NEPRA	A	5,924	01 October 2022 to January 31, 2023 (4 Months)
QTA Rate (Rs. / kWh)	B	5.21	
Units Purchased during the period of Applicability	C	1,305	
Units to be Sold after allowed T&D losses	D	1,063	
Units to be Sold net of Life line Sales	E = C-D	1,031	
QTA Recovered	F = B*E	5,373	
Under / (Over) Recovery	G = A-F	551	



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

Distribution Margin

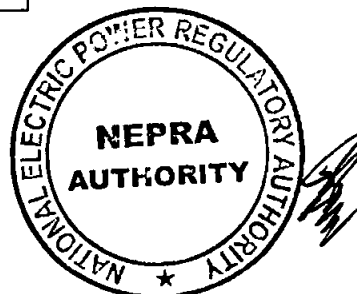
Distribution Margin FY 2021-22		Amount
Allowed	A	12,732
Notified DM FY 2021-22	B	3,0689
Units to be sold after allowed T&D Losses	C	4,518
Recovered	D=B*C	13,865
Under / (Over) Recovery	E=A-D	-1,133

Description	FY 2020-21			
	NEPRA Determined Reference Cost	Audited	(Under) / Over Utilization	(Lapsed) / Allowable Expenses
O&M				
Salaries & other Benefits	5,453	5,364	-89	-89
P.M Asstt: Package	-	199	199	199
Post-Retirement Benefits	2,525	2,912	387	387
Total ERE	7,978	8,475	497	497
Travelling Allowances	257	261	4	-
Repair & Maintenance	653	350	-303	-
Vehicle Expenses	151	142	-9	-
Other Expenses	283	309	26	-
Non-ERE	1,344	1,063	-281	-
Total O&M Exp.	9,322	9,537	215	497
Depreciation	1,301	1,268	-33	-33
Return on Regulatory base	1,851	1,850	-1	-1
Other Income	-2,831	-1,671	1,160	1,160
Total D.M	9,643	10,985	1,342	1,623

Description	FY 2021-22			
	NEPRA Determined Indexed Cost	Un-Audited	(Under) / Over Utilization	(Lapsed) / Allowable Expenses
O&M				
Salaries & other Benefits	6,626	6,173	-453	-453
P.M Asstt: Package	-	298	298	298
Post-Retirement Benefits	2,777	3,360	583	583
Total ERE	9,403	9,831	428	428
Travelling Allowances	289	279	-10	-
Repair & Maintenance	736	532	-204	-
Vehicle Expenses	170	163	-7	-
Other Expenses	319	426	107	-
Non-ERE	1,514	1,401	-113	-
Total O&M Exp.	10,917	11,231	314	428
Depreciation	1,424	1,306	-118	-118
Return on Regulatory base	2,443	1,885	-558	-558
Other Income	-2,052	-1,945	107	107
Total D.M	12,732	12,476	-256	-142

Turnover tax

Tax Year	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Total
	Rs. In Million				
2021	237	180	146	249	811
2022	214	172	162	246	794
Total	451	352	308	494	1,605



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6.5. The Authority has considered the submissions of the Petitioner regarding PYA and point wise discussion is as under.

6.6. Regarding Turnover tax, the Authority in in MYT determination dated 02.06.2022, has directed petitioner as under;

Regarding Turnover 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.

6.7. Since the Petitioner has not provided the required information as per the directions of the Authority, therefore, the Authority has decide not to allow any adjustment in this regard, till the time the Petitioner complies with the directions of the Authority. Here it is pertinent to mention that GEPCO is contesting the issue of minimum tax with FBR. In view thereof, the Petitioner is also directed to take up the matter with FBR on the same grounds as being contested by GEPCO.

6.8. 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.

6.9. Regarding submissions of the Petitioner to actualize allowed DM for the FY 2020-21 & FY 2021-22, the Authority considers such requests are out of scope of the MYT adjustment/ indexation mechanism, hence declined.

6.10. 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, 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."

6.11. The petitioner has not provided any such details of the employees who died during the service for which the cost has been requested. Further, the Authority would consider such costs once

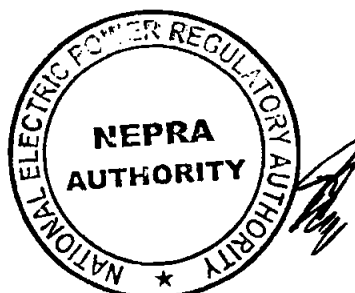
the actual expenditure is incurred by the Petitioner. Therefore, the Petitioner is directed to provide employees name, CNIC number, designation, date of death, along with the financial impact, etc. and once the actual payment is made, claim the same in its next tariff petition/adjustment request for consideration of the Authority, along-with payment proof. In view thereof, the request of the Petitioner on account of PM Package is not accepted.

- 6.12. 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.
- 6.13. 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.
- 6.14. After considering all the aforementioned factors, the Authority observed that the Petitioner has retained a net amount of Rs.304 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.
- 6.15. 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.304 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.
- 6.16. 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;



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

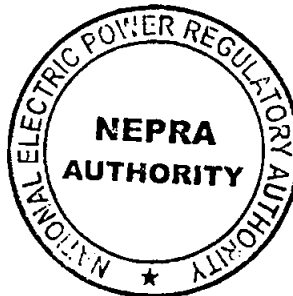
Description	HESCO
July 2020 to December 2022	
Impact of Negative FCA- retained	- 553
Impact of Positive FCA- Lifeline	249
Net	- 304
July 2020 to December 2022	
Tariff Diff. Subsidy	63,042
Surcharge	- 368
Net - Jul.20 to Mar. 23	62,673
Excess Negative FCA -Adjusted as subsidy	- 304
Excess Negative FCA -Adjusted as PYA	-
1st & 2nd Qtr. FY 2018-19	
Life Line units	-
Qtr. Rate	2.1093
Impact	0
3rd & 4th Qtr. FY 2018-19	
Life Line units	-
Qtr. Rate	0.21
Impact	0
1st Qtr. FY 2019-20	
Life Line units	-
Qtr. Rate	0.48
Impact	-
Interim D.M FY 2018-19	
Life Line units	-
Qtr. Rate	0.35
Impact	-
2nd & 3rd Qtr. FY 2019-20 (Oct.20 to Sep.21)	
Allowed Amount	10,863
Qtr. Rs./kWh	2.3899
Recovered	10,143
Under/(Over) Recovery	720
4th Qtr. FY 2019-20	
Allowed Amount	3,886
Qtr. Rs./kWh	0.8550
Recovered	3,587
Under/(Over) Recovery	299
1st & 2nd Qtr. FY 2020-21 (Oct. 21-Sept.22)	
Allowed Amount	5,631
Qtr. Rs./kWh	1.30
Recovered	5,442
Under/(Over) Recovery	189
3rd Qtr. FY 2020-21 (Oct.21-Sept.22)	
Allowed Amount	- 1,518
Qtr. Rs./kWh	- 0.3498
Recovered	- 1,467
Under/(Over) Recovery	- 51
4th Qtr. FY 2020-21 (Feb. Apr. 22)	
Allowed Amount	- 2,328
Qtr. Rs./kWh	- 2.3336
Recovered	- 2,181
Under/(Over) Recovery	- 147
1st Qtr. FY 2021-22 (Jun. Aug. 22)	
Allowed Amount	473
Qtr. Rs./kWh	0.4336
Recovered	510
Under/(Over) Recovery	- 37
2nd Qtr. FY 2021-22 (Jul. Sep. 22)	
Allowed Amount	2,126
Qtr. Rs./kWh	1.9511
Recovered	2,174
Under/(Over) Recovery	- 48



Math

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

Description	HESCO
3rd Qtr. FY 2021-22 (Sep. Nov. 22)	
Allowed Amount	2,050
Qtr. Rs./kWh	1.8816
Recovered	1,800
Under/(Over) Recovery	251
4th Qtr. FY 2021-22 (Oct. 22 Jan. 23)	
Allowed Amount	5,924
Qtr. Rs./kWh	5.2109
Recovered	5,220
Under/(Over) Recovery	704
1st Qtr. FY 2022-23 (Feb. Mar. 23)	
Allowed Amount	998
Qtr. Rs./kWh	1.7674
Recovered	860
Under/(Over) Recovery	139
2nd Qtr. FY 2022-23 (Apr. Jun. 23)	
Allowed Amount	1,693
Qtr. Rs./kWh	1.12
Recovered	
Under/(Over) Recovery	
D.M FY 2021-22	
Allowed Amount	12,732
Rate. Rs./kWh	3.07
Recovered	13,132
Under/(Over) Recovery	400
PYA 2019-20	
Allowed Amount	4,092
Rate. Rs./kWh	0.93
Sales till Feb.11 2022	4,360
Recovered	4,070
Under/(Over) Recovery	22
MLR Allowed Cost	
RORB - FY 2020-21	
RORB - FY 2021-22	
RORB - FY 2022-23	
Post-Retirement Benefit	
Other Exp.	
Sales Mix Var.	
FY 2020-21	
FY 2021-22	6,558
	6,558
Excess LPS to be adjusted - FY 2020-21	
LPS Recovered from Consumers	1,461
Supplemental charges billed by CPPA	11,834
Net	10,373
Excess LPS to be adjusted - FY 2021-22	
LPS Recovered from Consumers	822
Supplemental charges billed by CPPA	16,761
Net	15,939
Adjustment in PYA	
Other Costs - FY 2020-21 to FY 2022-23	
Pay & Allowance FY 2023 Adjustment	625
Turn over/Min. Tax	
Supplier NEPRA Fee- FY 2021-22	14
Supplier NEPRA Fee- FY 2022-23	17
Genco Pensioners FY 2022 & FY 2023	301
NTDC Pensioners	
Total	294
Total	7,904



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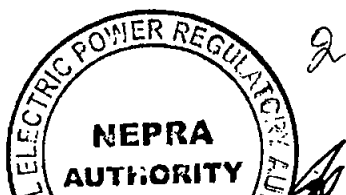
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*Decision of the Authority in the matter of request filed by HESCO for
Adjustment / Indexation of Tariff for the FY 2023-24 under the MYT*

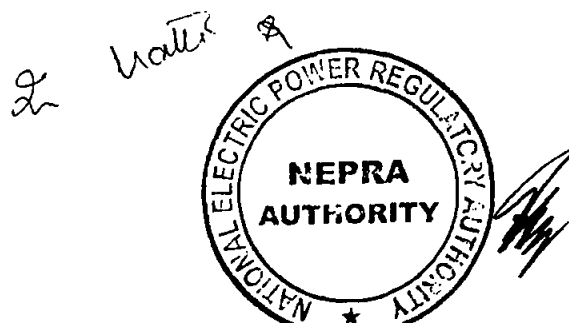
MYT True Ups		HESCO
FY 2020-21		
Depreciation		
Allowed		1,301
Actual		1,244
Under/(Over) Recovery		- 57
RoRB (Investment + KIBOR)		
Allowed		1,850
Actual		2,578
Under/(Over) Recovery		728
Other Income		
Allowed		- 2,831
Actual		- 946
Under/(Over) Recovery		1,885
FY 2021-22		
Depreciation		
Allowed		1,424
Actual		1,256
Under/(Over) Recovery		- 168
RoRB (Investment + KIBOR)		
Allowed		2,443
Actual		3,057
Under/(Over) Recovery		614
Other Income		
Allowed		- 2,052
Actual		- 1,184
Under/(Over) Recovery		868
Total MYT True Ups		3,869
G. Total PYA FY 2021-22 & FY 2022-23		11,774

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

- 7.1. 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.
- 7.2. 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 for industrial consumers, peak tariff rates may be abolished to encourage consumption and generate economic activity.
- 7.3. 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.
- 7.4. 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.



8. 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?
- 8.1. 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."*
- 8.2. 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.
9. 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?
10. Whether there should any Fixed Charges on consumer's categories who are currently not paying any fixed charges?
- 10.1. 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.
11. Revenue Requirement
- 11.1. 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;



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

Description	Unit	Allowed FY 2023-24	
		BCP	SOP
Units Purchased	(MLWh)	5,921	5,921
Units Sold	(MLWh)	4,852	4,852
Units Lost	(MLWh)	1,069	1,069
Units Lost	(%)	18.06%	18.06%
Energy Charge			39,879
Capacity Charge			115,926
Transmission Charges/Market Fee			9,371
Wire Business			23,140
Power Purchase Price	(Mln. Rs.)		188,315
Pay & Allowances		7,076	1,026
Post Retirement Benefits		3,545	352
Repair & Maintenance		916	20
Traveling allowance		318	50
Vehicle maintenance		216	-
Other expenses		216	209
O&M Cost	(Mln. Rs.)	12,287	1,657
Depreciation		1,531	1
RORB		11,407	4
O-Income		(2,086)	(835)
Margin	(Mln. Rs.)	24,140	827
Prior Year Adjustment	(Mln. Rs.)	-	11,774
Revenue Requirement	(Mln. Rs.)	23,140	200,916
PPP with Wire Business Cost-Unadj.		-	22,000
PPP with Wire Business Cost-adj.		-	34.81
Margin		4.77	0.17
PYA Adjustments		-	2.43
Average Tariff	(Rs./kWh)	4.77	41.41

- 11.2. The above determined revenue shall be recovered from the consumers through the projected sales of 4,852 GWhs, as per Annex – II.
- 11.3. 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.

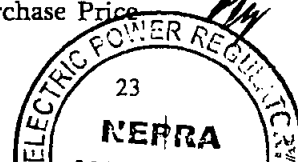
12. ORDER

- 12.1. 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. Hyderabad Electric Supply Company Limited (HESCO), being a supplier, is allowed to charge its consumers such tariff as set out in the schedule of tariff for HESCO annexed to the decision.
- II. In addition to compensation of losses as discussed above, HESCO, 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	24.00%	58.27%	82.27%
Level of Losses	2.86%	9.77%	12.36%
UoSC Rs./kWh	1.04	2.92	4.07

- 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.

13. Summary of Direction

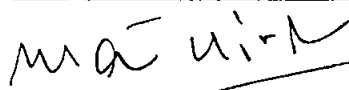
- 13.1. The summary of all the directions passed in this decision by the Authority are reproduced hereunder. The Authority hereby directs the Petitioner to;


- To provide detail of its actual tax assessments and the amount paid to FBR along-with the amount allowed by the Authority on account of tax payments since FY 2014-15 with its subsequent adjustment request.
- 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, if any.
- 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.

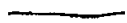
14. Decision of the Authority, is hereby intimated to the Federal Government for filling of uniform tariff application in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.


15. 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.

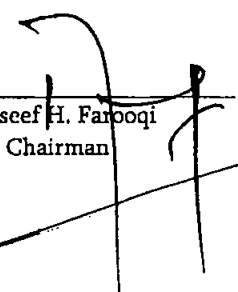
AUTHORITY

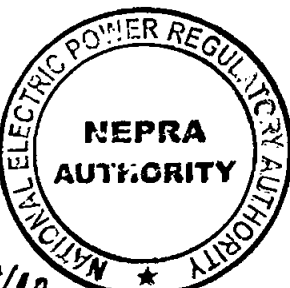

Mathar Niaz Rana (nsc)
Member


Rafique Ahmed Shaikh
Member


Engr. Maqsood Anwar Khan
Member


Ms. Amina Ahmed
Member


Tauseef H. Farooqi
Chairman



FUEL PRICE ADJUSTMENT MECHANISM

Actual variation in fuel cost component against the reference fuel cost component for the corresponding months will be determined according to the following formula

$$\text{Fuel Price variation} = \text{Actual Fuel Cost Component} - \text{Reference Fuel Cost Component}$$

Where:

Fuel Price variation is the difference between actual and reference fuel cost component

Actual fuel cost component is the fuel cost component in the pool price on which the DISCOs will be charged by CPPA (G) in a particular month; and

Reference fuel cost component is the fuel cost component for the corresponding month projected for the purpose of tariff determination as per Annex-IV of the determination;

The fuel price adjustment determined by the Authority shall be shown separately in the bill of the consumer and the billing impact shall be worked out on the basis of consumption by the consumer in the respective month.



QUARTERLY ADJUSTMENT MECHANISM

Quarterly adjustment shall be the Actual variation in Power Purchase Price (PPP), excluding Fuel Cost Component, against the reference Power Purchase Price component and the impact of T&D losses on FCA, for the corresponding months and shall be determined according to the following formula;

$$\text{Quarterly PPP}_{(Adj)} = \text{PPP}_{(Actual)} (\text{excluding Fuel cost}) - \text{PPP}_{(Recovered)} (\text{excluding Fuel cost})$$

Where;

PPP_(Actual) is the actual cost, excluding Fuel cost, invoiced by CPPA-G to XWDISCOs, adjusted for any cost disallowed by the Authority.

PPP_(Recovered) is the amount recovered based on reference rate in Rs./kWh, excluding fuel cost, as per the Annex-IV of the XWDISCOs determination that remained notified during the period.

Impact of T&D losses on FCA

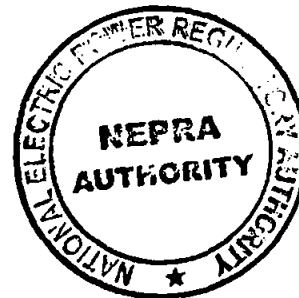
$$= \text{Monthly FCA allowed}_{(Rs./kWh)} \times \text{Actual units Purchase} \times \% \text{ T\&D losses}$$

Where;

Monthly FCA allowed _(Rs./kWh) is the FCA allowed by the Authority for the respective months of the concerned period.

T&D Loss % is percentage of T&D losses that remained notified during the period.

The sum of amounts so worked for each month of the Quarter shall be divided by the Projected units to be sold as determined by the Authority to work out Rs./kWh Quarterly adjustment.

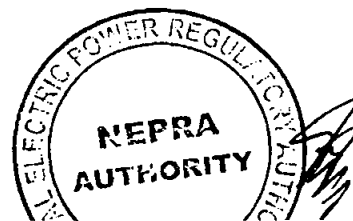


HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED (HESCO)
Estimated Sales Revenue on the Basis of New Tariff

Description	Sales	Base Revenue			Base Tariff		PYA 2022		Total Tariff	
	GWh	Fixed Charge	Variable Charge	Total	Fixed Charge	Variable Charge	Amount	Variable Charge	Fixed Charge	Variable Charge
			Min. Rs.		Rs./kW/ M	Rs./ kWh	Min. Rs.	Rs./ kWh	Rs./kW/ M	Rs./ kWh
Residential										
For peak load requirement less than 5 kW										
Protected										
Up to 50 Units - Life Line	13	-	88	88		7.00	-	-		7.00
51-100 units - Life Line	56	-	661	661		11.74	-	-		11.74
01-100 Units	543	-	8,540	8,540		15.74	1,335	2.46		18.20
101-200 Units	147	-	2,654	2,654		18.06	361	2.46		20.52
Un-Protected										
01-100 Units	435	-	14,088	14,088		32.40	1,070	2.46		34.86
101-200 Units	660	-	21,204	21,204		37.87	1,377	2.46		40.33
201-300 Units	523	-	21,457	21,457		41.06	1,288	2.46		43.52
301-400 Units	139	-	6,170	6,170		44.45	341	2.46		46.91
401-500 Units	85	-	3,948	3,948		46.66	208	2.46		49.12
501-600 Units	45	-	2,180	2,180		48.08	112	2.46		50.54
601-700 Units	35	-	1,732	1,732		49.22	87	2.46		51.68
Above 700 Units	76	-	4,132	4,132		54.14	188	2.46		56.60
For peak load requirement exceeding 5 kW)	0	-								
Time of Use (TOU) - Peak	9	-	459	459		53.31	21	2.46		55.79
Time of Use (TOU) - Off-Peak	42	-	1,951	1,951		46.99	103	2.46		49.47
Temporary Supply	0	-	0	0		53.45	0	2.46		55.93
Total Residential	2,706	-	89,264	89,264			6,489			
Commercial - A2										
For peak load requirement less than 5 kW	143	-	7,041	7,041		49.17	355	2.46		51.65
For peak load requirement exceeding 5 kW										
Regular	0	0	1	1	500	50.85	0	2.46	500	53.33
Time of Use (TOU) - Peak	35	-	1,854	1,854		52.77	87	2.46		55.25
Time of Use (TOU) - Off-Peak	144	404	6,761	7,165	500	46.80	358	2.46	500	49.28
Temporary Supply	3	-	140	140		49.58	7	2.46		52.04
Electric Vehicle Charging Station	0	-	3	3		52.65	0	2.46		55.14
Total Commercial	326	404	16,800	16,204			808			
General Services-A3										
	300	-	14,602	14,602		48.61	739	2.46		51.07
Industrial										
B1	5	-	243	243		45.63	13	2.46		48.09
B1 Peak	12	-	590	590		49.19	30	2.46		51.65
B1 Off Peak	61	-	2,672	2,672		43.63	151	2.46		46.09
B2	0	1	13	14	500	45.13	1	2.46	500	47.59
B2 - TOU (Peak)	63	-	3,115	3,115		49.13	168	2.46		51.59
B2 - TOU (Off-peak)	346	1,186	16,009	16,186	500	43.42	850	2.46	500	45.88
B3 - TOU (Peak)	63	-	3,104	3,104		49.13	155	2.46		51.59
B3 - TOU (Off-peak)	322	730	13,941	14,671	460	43.33	791	2.46	460	45.79
B4 - TOU (Peak)	40	-	1,968	1,968		49.13	99	2.46		51.59
B4 - TOU (Off-peak)	212	257	9,160	9,417	440	43.23	521	2.46	440	45.69
Temporary Supply	0	-	7	7		46.71	0	2.46		49.17
Total Industrial	1,126	2,174	49,822	51,996			2,767			
Single Point Supply										
C1(a) Supply at 400 Volts-less than 5 kW	0	-	20	20		49.74	1	2.46		52.20
C1(b) Supply at 400 Volts-exceeding 5 kW	8	12	379	391	500	49.24	19	2.46	500	51.70
Time of Use (TOU) - Peak	4	-	199	199		52.66	9	2.46		55.12
Time of Use (TOU) - Off-Peak	28	35	1,187	1,222	500	46.06	63	2.46	500	48.52
C2 Supply at 11 kV	11	13	535	548	460	49.04	27	2.46	500	51.50
Time of Use (TOU) - Peak	6	-	302	302		52.66	14	2.46		55.12
Time of Use (TOU) - Off-Peak	49	73	2,239	2,312	460	45.86	120	2.46	460	48.32
C3 Supply above 11 kV	20	24	985	1,009	440	48.94	50	2.46	440	51.40
Time of Use (TOU) - Peak	0	-	-	-		52.66	-	2.46		55.12
Time of Use (TOU) - Off-Peak	0	-	-	-	440	45.76	-	2.46	440	48.22
Total Single Point Supply	123	157	6,846	6,003			303			
Agricultural Tube-wells - Tariff D										
Scarp	5	-	222	222		45.74	12	2.46		48.20
Time of Use (TOU) - Peak	12	-	605	605		48.66	31	2.46		51.12
Time of Use (TOU) - Off-Peak	88	55	3,639	3,694	200	41.41	216	2.46	200	43.87
Agricultural Tube-wells	2	1	68	69	200	35.41	5	2.46	200	37.87
Time of Use (TOU) - Peak	23	-	805	805		35.41	56	2.46		37.87
Time of Use (TOU) - Off-Peak	97	66	3,429	3,494	200	35.41	238	2.46	200	37.87
Total Agricultural	227	122	8,769	8,890			558			
Public Lighting - Tariff G	41	-	2,005	2,005		48.84	101	2.46		51.30
Residential Colonies	4	-	177	177		48.94	9	2.46		51.40
Grand Total	4,852	2,856	186,266	189,142			11,773			

Note: The PYA 2022 column shall cease to exist after 1 year of notification of the instant decision.

2 Main



**SCHEDULE OF ELECTRICITY TARIFFS
FOR HYDERABAD ELECTRIC SUPPLY COMPANY (HESCO)**

A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D	
a)	For Sanctioned load less than 5 kW	-						
i	Up to 50 Units - Life Line	-	7.00				7.00	
ii	51 - 100 Units - Life Line	-	11.74				11.74	
iii	001 - 100 Units	-	18.74		2.46		18.20	
iv	101 - 200 Units	-	18.06		2.46		20.52	
v	001 - 100 Units	-	32.40		2.46		34.86	
vi	101 - 200 Units	-	37.87		2.46		40.33	
vii	201 - 300 Units	-	41.06		2.46		43.52	
viii	301 - 400 Units	-	44.48		2.46		46.91	
ix	401 - 500 Units	-	46.66		2.46		49.12	
x	501 - 600 Units	-	48.08		2.46		50.54	
xi	601 - 700 Units	-	49.22		2.46		51.68	
xii	Above 700 Units	-	54.14		2.46		56.60	
b)	For Sanctioned load 5 kW & above	-						
	Time Of Use	-	Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
			53.31	46.99	2.46	2.46	55.79	49.47

As per Authority's decision only protected residential consumers will be given the benefit of one previous slab.

As per Authority's decision, residential life line consumer will not be given any slab benefit.

Under tariff A-1, there shall be minimum monthly customer charge at the following rates even if no energy is consumed.

a) Single Phase Connections:

Rs. 75/- per consumer per month

b) Three Phase Connections:

Rs. 180/- per consumer per month

A-2 GENERAL SUPPLY TARIFF - COMMERCIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D	
a)	For Sanctioned load less than 5 kW	-	49.17		2.46		51.65	
b)	For Sanctioned load 5 kW & above	500.00	50.85		2.46		53.33	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
c)	Time Of Use	500.00	52.77	46.80	2.46	2.46	55.25	49.28
d)	Electric Vehicle Charging Station	-	52.66		2.46		55.14	

Under tariff A-2 (a), there shall be minimum monthly charges at the following rates even if no energy is consumed.

a) Single Phase Connections:

Rs. 175/- per consumer per month

b) Three Phase Connections:

Rs. 350/- per consumer per month

Fixed Charges shall be billed based on 50% of sanctioned Load or Actual MDI for the month which ever is higher. In such case there would be no minimum monthly charges even if no energy is consumed.

A-3 GENERAL SERVICES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D	
a)	General Services	-	48.61		2.46		51.07	

Under tariff A-3, there shall be minimum monthly charges at the following rates even if no energy is consumed.

a) Single Phase Connections:

Rs. 175/- per consumer per month

b) Three Phase Connections:

Rs. 350/- per consumer per month

B INDUSTRIAL SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D	
B1	Upto 25 kW (at 400/230 Volts)	-	45.63		2.46		48.09	
B2(a)	exceeding 25-500 kW (at 400 Volts)	500.00	45.13		2.46		47.59	
	Time Of Use		Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
B1 (b)	Up to 25 KW	-	49.19	43.63	2.46	2.46	51.65	46.09
B2(b)	exceeding 25-500 kW (at 400 Volts)	500.00	49.13	43.42	2.46	2.46	51.59	45.88
B3	For All Loads up to 5000 kW (at 11,33 kV)	460.00	49.13	43.33	2.46	2.46	51.59	45.79
B4	For All Loads (at 66,132 kV & above)	440.00	49.13	43.23	2.46	2.46	51.59	45.69

For B1 & B1(b) consumers there shall be a fixed minimum charge of Rs. 350 per month.

Fixed Charges shall be billed based on 50% of sanctioned Load or Actual MDI for the month which ever is higher. In such case there would be no minimum monthly charges even if no energy is consumed.

C - SINGLE-POINT SUPPLY

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D	
C-1	For supply at 400/230 Volts	-						
a)	Sanctioned load less than 5 kW	-	49.74		2.46		52.20	
b)	Sanctioned load 5 kW & up to 500 kW	500.00	49.24		2.46		51.70	
C-2(a)	For supply at 11,33 kV up to and including 5000 kW	460.00	49.04		2.46		51.50	
C-3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	440.00	48.94		2.46		51.40	
	Time Of Use		Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
C-1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	500.00	52.66	46.06	2.46	2.46	55.12	48.52
C-2(b)	For supply at 11,33 kV up to and including 5000 kW	460.00	52.66	45.86	2.46	2.46	55.12	48.32
C-3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	440.00	52.66	45.76	2.46	2.46	55.12	48.22

Fixed Charges shall be billed based on 50% of sanctioned Load or Actual MDI for the month which ever is higher.

**SCHEDULE OF ELECTRICITY TARIFFS
FOR HYDERABAD ELECTRIC SUPPLY COMPANY (HESCO)
D - AGRICULTURE TARIFF**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D	
D-1(a)	SCARP less than 5 kW	-	45.74		2.46		48.20	
D-2 (a)	Agricultural Tube Wells	200.00	35.41		2.46		37.87	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
D-1(b)	SCARP 5 kW & above	200.00	48.66	41.41	2.46	2.46	51.12	43.87
D-2 (b)	Agricultural 5 kW & above	200.00	35.41	35.41	2.46	2.46	37.87	37.87

Under this tariff, there shall be minimum monthly charges Rs.2000/- per consumer per month, even if no energy is consumed.

Note:- The consumers having sanctioned load less than 5 kW can opt for TOU metering.

E - TEMPORARY SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D	
E-1(I)	Residential Supply	-	53.48		2.48		55.93	
E-1(II)	Commercial Supply	-	49.56		2.48		52.04	
E-2	Industrial Supply	-	46.71		2.46		49.17	

For the categories of E-1(I&II) above, the minimum bill of the consumers shall be Rs. 50/- per day subject to a minimum of Rs.800/- for the entire period of supply, even if no energy is consumed.

F - SEASONAL INDUSTRIAL SUPPLY TARIFF

125% of relevant industrial tariff

Note: Tariff-F consumers will have the option to convert to Regular Tariff and vice versa. This option can be exercised at the time of a new connection or at the beginning of the season. Once exercised, the option remains in force for at least one year.

G - PUBLIC LIGHTING

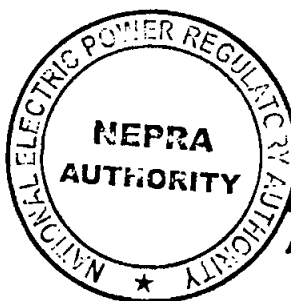
Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D	
	Street Lighting	-	48.84		2.46		51.30	

Under Tariff G, there shall be a minimum monthly charge of Rs.500/- per month per kW of lamp capacity installed.

II - RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D	
	Residential Colonies attached to industrial premises	-	48.94		2.46		51.40	

Note: The FYA 2022 column shall cease to exist after 1 year of notification of the instant decision.



HESCO

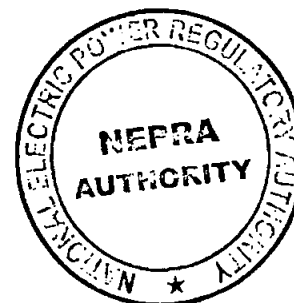
Annex - IV

Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	691	618	616	514	395	315	292	300	345	491	625	718	5,921

	Rs./kWh												
Fuel Cost Component	6.8935	6.6457	7.0711	7.8938	4.7831	5.4031	7.4894	4.4337	6.4417	5.4918	5.7090	7.1403	6.4196
Variable O&M	0.3123	0.3073	0.3166	0.3949	0.3237	0.2866	0.3193	0.2330	0.3145	0.3178	0.3037	0.3169	0.3154
Capacity	13.5311	15.2518	14.8786	21.6734	24.9659	30.6420	32.7449	28.5718	24.2196	22.0692	15.4140	14.4034	19.5782
UoSC	1.0847	1.2227	1.1927	1.7926	2.0649	2.5344	2.8531	2.4895	2.1103	1.6369	1.1433	1.0683	1.5827
Total PPP in Rs./kWh	21.8217	23.4275	23.4592	31.7548	32.1377	38.8662	43.4067	35.7280	33.0860	29.5157	22.5700	22.9289	27.8958

	Rs. in million												
Fuel Cost Component	4,763	4,110	4,356	4,057	1,890	1,705	2,186	1,331	2,223	2,697	3,568	5,125	38,011
Variable O&M	216	190	195	203	128	90	93	70	109	156	190	227	1,867
Capacity	9,350	9,432	9,165	11,139	9,867	9,667	9,557	8,580	8,359	10,837	9,634	10,338	115,926
UoSC	750	756	735	921	816	800	833	748	728	804	715	767	9,371
Total PPP in Rs.Mln	15,079	14,488	14,450	16,321	12,701	12,262	12,669	10,729	11,419	14,494	14,106	16,457	165,175

It is clarified that PPP is pass through for all the DISCOs and its monthly references would continue to exist irrespective of the financial year, unless the new SOT is revised and notified by the GoP



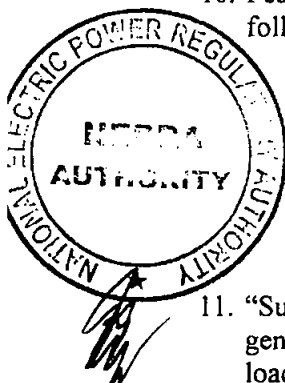
**TERMS AND CONDITIONS OF TARIFF
(FOR SUPPLY OF ELECTRIC POWER TO CONSUMERS BY LICENSEES)**

PART-I

GENERAL DEFINITIONS

The Company, for the purposes of these terms and conditions means HESCO engaged in the business of distribution/supply of electricity within the territory mentioned in the licence granted to it for this purpose.

1. "Month or Billing Period", unless otherwise defined for any particular tariff category, means a billing month of 30 days or less reckoned from the date of last meter reading.
2. "Minimum Charge", means a charge to recover the costs for providing customer service to consumers even if no energy is consumed during the month.
3. "Fixed Charge" means the part of sale rate in a two-part tariff to be recovered on the basis of "Billing Demand" in kilowatt on monthly basis.
4. "Billing Demand" means the 50% of the sanction load or Actual maximum demand recorded in a month, whichever is higher, except in the case of agriculture tariff D2 where "Billing Demand" shall mean the sanctioned load.
5. "Variable Charge" means the sale rate per kilowatt-hour (kWh) as a single rate or part of a two-part tariff applicable to the actual kWh consumed by the consumer during a billing period.
6. "Maximum Demand" where applicable, means the maximum of the demand obtained in any month measured over successive periods each of 30 minutes' duration except in the case of consumption related to Arc Furnaces, where "Maximum Demand" shall mean the maximum of the demand obtained in any month measured over successive periods each of 15 minutes' duration.
7. "Sanctioned Load" where applicable means the load in kilowatt as applied for by the consumer and allowed/authorized by the Company for usage by the consumer.
8. "Power Factor" means the ratio of kWh to KVAh recorded during the month or the ratio of kWh to the square root of sum of square of kWh and kVARh.
9. Point of supply means metering point where electricity is delivered to the consumer.
10. Peak and Off Peak hours for the application of Time Of Use (TOU) Tariff shall be the following time periods in a day:



	<u>* PEAK TIMING</u>	<u>OFF-PEAK TIMING</u>
Dec to Feb (inclusive)	5 PM to 9 PM	Remaining 20 hours of the day
Mar to May (inclusive)	6 PM to 10 PM	-do-
June to Aug (inclusive)	7 PM to 11 PM	-do-
Sept to Nov (inclusive)	6 PM to 10 PM	-do-

* To be duly adjusted in case of day light time saving

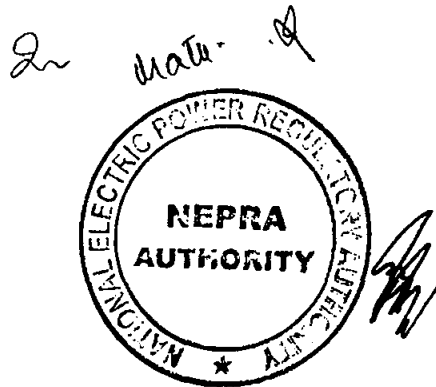
11. "Supply", means the supply for single-phase/three-phase appliances inclusive of both general and motive loads subject to the conditions that in case of connected or sanctioned load 5 kW and above supply shall be given at three-phase.
12. "Consumer" as defined in NEPRA Act.
13. "Charitable Institution" means an institution, which works for the general welfare of the public on no profit basis and is registered with the Federal or Provincial Government as such and has been issued tax exemption certificate by Federal Board of Revenue (FBR).

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14. NTDC means the National Transmission and Despatch Company.
15. CPPA(G) means Central Power Purchasing Agency Guarantee Limited (CPPA)(G).
16. The "Authority" means "The National Electric Power Regulatory Authority (NEPRA)" constituted under the Regulation of Generation, Transmission and Distribution of Electric Power Act.

GENERAL CONDITIONS

1. "The Company shall render bills to the consumers on a monthly basis or less on the specific request of a consumer for payment by the due date.
2. The Company shall ensure that bills are delivered to consumers at least seven days before the due date. If any bill is not paid by the consumer in full within the due date, a Late Payment Charge of 10% (ten percent) shall be levied on the amount billed excluding Govt. tax and duties etc. In case bill is not served at least seven days before the due date then late payment surcharge will be levied after 7th day from the date of delivery of bill.
3. The supply provided to the consumers shall not be available for resale.
4. In the case of two-part tariff average Power Factor of a consumer at the point of supply shall not be less than 90%. In the event of the said Power factor falling below 90%, the consumer shall pay a penalty of two percent increase in the fixed charges determined with reference to maximum demand during the month corresponding to one percent decrease in the power factor below 90%.



PART-II

(Definitions and Conditions for supply of power specific to each consumer category)

A-1 RESIDENTIAL

Definition

"Life Line Consumer" means those residential consumers having single phase electric connection with a sanctioned load up to 1 kW.

The lifeline consumers to include residential Non-Time of Use (Non-ToU) consumers having maximum of last twelve months and current month's consumption ≤ 100 units; two rates for ≤ 50 and ≤ 100 units will continue.

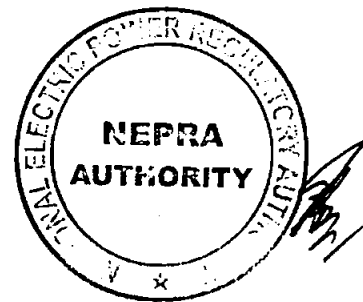
"Protected consumers" mean Non-ToU residential consumers consuming ≤ 200 kWh per month consistently for the past 6 months.

Residential Non-ToU consumers not falling under the protected category would be categorized under "Un-protected consumer category".

1. This Tariff is applicable for supply to;
 - i) Residences,
 - ii) Places of worship,
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. A-1(a) tariff.
3. All new consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement and shall be billed on the basis of tariff A-1(b) as set out in the Schedule of Tariff.
4. All existing consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement and converted to A- 1(b) Tariff by the Company.

A-2 COMMERCIAL

1. This tariff is applicable for supply to commercial offices and commercial establishments such as:
 - i) Shops/Flower Nurseries/Cold Storage
 - ii) Hotels, Hostels and Restaurants,
 - iii) Petrol Pumps and Service Stations,
 - iv) Compressed Natural Gas filling stations,
 - v) Private Hospitals/Clinics/Dispensaries,
 - vi) Places of Entertainment, Cinemas, Theaters, Clubs;
 - vii) Guest Houses/Rest Houses,
 - viii) Office of Lawyers, Solicitors, Law Associates and Consultants etc.
 - ix) Electric Vehicle Charging Stations (EVCS)
2. Electric Vehicle Charging Stations shall be billed under A-2(d) tariff i.e. Rs./kWh for peak and off-peak hours. For the time being, the tariff design is with zero fixed charges, however, in future the Authority after considering the ground situation may design its tariff structure on two part basis i.e. fixed charges and variable charges.



Signature

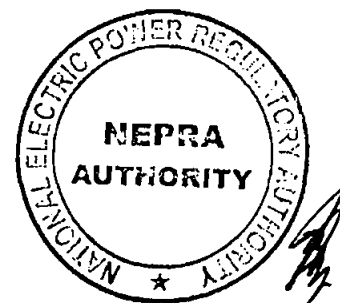
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3. The Electric Vehicle Charging Station shall provide "charging service" to Electric Vehicle shall provide charging service to Electric Vehicles as per the applicable tariff for EVCS plus Rs.24.44/kWh as margin for EVCS. The EVCS shall be billed by DISCOS under A-2(d) tariff. However, monthly FCAs either positive or negative shall not be applicable on EVCS.
4. Consumers under tariff A-2 having sanctioned load of less than 5 kW shall be billed under a Single-Part kWh rate A-2(a)
5. All existing consumers under tariff A-2 having sanctioned load 5 kW and above shall be billed on A-2(b) tariff till such time that they are provided T.O.U metering arrangement; thereafter such consumers shall be billed on T.O.U tariff A-2(c).
6. The existing and prospective consumers having load of 5 kW and above shall be provided T.O.U metering arrangement and shall be billed under tariff A-2(c).

A-3 GENERAL SERVICES

1. This tariff is applicable to;
 - i. Approved religious and charitable institutions
 - ii. Government and Semi-Government offices and Institutions
 - iii. Government Hospitals and dispensaries
 - iv. Educational institutions
 - v. Water Supply schemes including water pumps and tube wells other than those meant for the irrigation or reclamation of Agriculture land.

Consumers under General Services (A-3) shall be billed on single-part kWh rate i.e. A-3(a) tariff.



B INDUSTRIAL SUPPLY

Definitions

1. "Industrial Supply" means the supply for bona fide industrial purposes in factories including the supply required for the offices inside the premises and for normal working of the industry.
2. For the purposes of application of this tariff an "Industry" means a bona fide undertaking or establishment engaged in manufacturing, value addition and/or processing of goods.
3. This Tariff shall also be available for consumers having single-metering arrangement such as;
 - i) Poultry Farms
 - ii) Fish Hatcheries, fish farms, fish nurseries & Breeding Farms and
 - iii) Software houses

Conditions

An industrial consumer shall have the option, to switch over to seasonal Tariff-F, provided his connection is seasonal in nature as defined under Tariff-F, and he undertakes to abide by the terms and conditions of Tariff-F and pays the difference of security deposit rates previously deposited and those applicable to tariff-F at the time of acceptance of option for seasonal tariff. Seasonal tariff will be applicable from the date of commencement of the season, as specified by the customers at the time of submitting the option for Tariff-F. Tariff-F consumers will have the option to convert to corresponding Regular Industrial Tariff category and vice versa. This option can be exercised at the time of obtaining a new connection or at the beginning of the season. Once exercised, the option will remain in force for at least one year.

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B-1 SUPPLY AT 400 VOLTS THREEPHASE AND/OR 230 VOLTS SINGLE PHASE

1. This tariff is applicable for supply to Industries having sanctioned load upto 25 kW.
2. Consumers having sanctioned load upto 25 kW shall be billed on single-part kWh rate.
3. Consumers under tariff B-1 having sanctioned load of less than 5 kW shall be billed under a Single-Part kWh rate. However, B-1 consumers having sanctioned load of less than 5 kW may opt for ToU meter
4. The existing and prospective consumers having load of 5 kW and above shall be provided T.O.U metering arrangement and shall be billed under tariff B1(b).

B-2 SUPPLY AT 400 VOLTS

1. This tariff is applicable for supply to Industries having sanctioned load of more than 25 kW up to and including 500 kW.
2. All existing consumers under tariff B-2 shall be provided T.O.U metering arrangement by the Company and converted to B-2(b) Tariff.
3. All new applicants i.e. prospective consumers applying for service to the Company shall be provided T.O.U metering arrangement and charged according to the applicable T.O.U tariff.

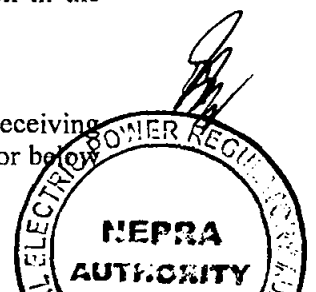
B-3 SUPPLY AT 11 kV AND 33 kV

1. This tariff is applicable for supply to Industries having sanctioned load of more than 500 kW up to and including 5 MW and also for Industries having sanctioned load of 500 kW or below who opt for receiving supply at 11 kV or 33 kV.
2. The consumers may be allowed extension of load above 5MW to 7.5MW from the DISCO's owned grid station subject to availability of load in the grid and capacity in the 11kV existing dedicated feeder. In such a case the consumer will bear 100% grid sharing charges including transmission line charges and 100% cost of land proportionate to load above 5MW to 7.5 MW. 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.
3. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.
4. The supply under this Tariff shall not be available to a prospective consumer unless he provides, to the satisfaction and approval of the Company, his own Transformer, Circuit Breakers and other necessary equipment as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively pays to the Company for all apparatus and equipment if so provided and installed by the Company. The recovery of the cost of service connection shall be regulated by the Eligibility Criteria laid down by the Authority read with Consumer Service Manual (CSM).
5. All B-3 Industrial Consumers shall be billed on the basis of T.O.U tariff given in the Schedule of Tariff.

B-4 SUPPLY AT 66 kV, 132 kV AND ABOVE

1. This tariff is applicable for supply to Industries for all loads of more than 5MW receiving supply at 66 kV, 132 kV and above and also for Industries having load of 5MW or below who opt to receive supply at 66 kV or 132 kV and above.

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2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.
3. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the Eligibility Criteria laid down by the Authority read with CSM, the supply under this Tariff shall not be available to such a prospective consumer unless he provides, to the satisfaction and approval of the Company, an independent grid station of his own including Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively, pays to the Company for all such Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus if so provided and installed by the Company. The recovery of cost of service connection shall be regulated by Eligibility Criteria laid down by the Authority read with CSM.
4. All B-4 Industrial Consumers shall be billed on the basis of two-part T.O.U tariff.

C BULK SUPPLY

"Bulk Supply" for the purpose of this Tariff, means the supply given at one point for self-consumption to mix-load consumer not selling to any other consumer such as residential, commercial, tube-well and others.

General Conditions

If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days no notice will be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days the fixed charges shall be assessed on proportionate basis for actual number of days between the date of old reading and the new reading.

C-I SUPPLY AT 400/230 VOLTS

1. This Tariff is applicable to a consumer having a metering arrangement at 400 volts, having sanctioned load of up to and including 500 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. C-I(a) tariff.
3. All new consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement and shall be billed on the basis of Time-of-Use (T.O.U) tariff C-1(c) given in the Schedule of Tariff.
4. All the existing consumers governed by this tariff having sanctioned load 5 kW and above shall be provided T.O.U metering arrangements.

C-2 SUPPLY AT 11 kV AND 33 kV

1. This tariff is applicable to consumers receiving supply at 11 kV or 33 kV at one-point metering arrangement and having sanctioned load of more than 500 kW up to and including 5 MW.
2. The consumers may be allowed extension of load beyond 5MW upto 7.5MW from the DISCO's owned grid station subject to availability of load in the grid and capacity in the 11kV existing dedicated feeder. In such a case the consumer will bear 100% grid sharing charges including transmission line charges and 100% cost of land proportionate to load. However, only such consumers be allowed extension of load beyond 5MW upto 7.5MW whose connection is at least three (3) years old. 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.

3. The supply under this Tariff shall not be available to a prospective consumer unless he provides, to the satisfaction and approval of the Company, his own Transformer, Circuit Breakers and other necessary equipment as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively pays to the Company for all apparatus and equipment if so provided and installed by the Company. The recovery of the cost of service connection shall be regulated by the Eligibility Criteria laid down by the Authority read with CSM.
4. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff C-2(b) as set out in the Schedule of Tariff.
5. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-2(b).

C-3 SUPPLY AT 66 kV AND ABOVE

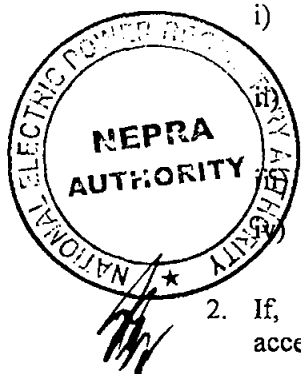
1. This tariff is applicable to consumers having sanctioned load of more than 5000 kW receiving supply at 66 kV and above.
2. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the Eligibility Criteria laid down by the Authority read with CSM, the supply under this Tariff shall not be available to such a prospective consumer unless he provides, to the satisfaction and approval of the Company, an independent grid station of his own including Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively, pays to the Company for all such Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus if so provided and installed by the Company. The recovery of cost of service connection shall be regulated by Eligibility Criteria laid down by the Authority read with CSM.
3. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-3(b).
4. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff C-3(b) as set out in the Schedule of Tariff.

D AGRICULTURAL SUPPLY

"Agricultural Supply" means the supply for Lift Irrigation Pumps and/or pumps installed on Tube-wells intended solely for irrigation or reclamation of agricultural land or forests, and include supply for lighting of the tube-well chamber.

Special Conditions of Supply

1. This tariff shall apply to:
 - i) Reclamation and Drainage Operation under Salinity Control and Reclamation Projects (SCARP):
 - ii) Bona fide forests, agricultural tube-wells and lift irrigation pumps for the irrigation of agricultural land.
 - iii) Tube-wells meant for aqua-culture.
 - iv) Tube-wells installed in a dairy farm meant for cultivating crops as fodder and for upkeep of cattle.
2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this



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acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.

3. The lamps and fans consumption in the residential quarters, if any, attached to the tube-wells shall be charged entirely under Tariff A-1 for which separate metering arrangements should be installed.
4. The supply under this Tariff shall not be available to consumer using pumps for the irrigation of parks, meadows, gardens, orchards, attached to and forming part of the residential, commercial or industrial premises in which case the corresponding Tariff A-1, A-2 or Industrial Tariff B-1, B-2 shall be respectively applicable.

D-1

1. This tariff is applicable to all Reclamation and Drainage Operation pumping under SCARP related installation.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. D-1(a) tariff given in the Schedule of Tariff.
3. All new consumers having sanctioned load 5 kW and above shall be provided TOU metering arrangement and shall be charged on the basis of Time-of- Use (T.O.U) tariff D-1(b) given in the Schedule of Tariff.
4. All the existing consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangements and shall be governed by D-1(a) till that time.

D-2

1. This tariff is applicable to consumers falling under Agriculture Supply excluding SCARP related installations.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. D-2(a) tariff given in the Schedule of Tariff.
3. All new consumers having sanctioned load 5 kW and above shall be provided TOU metering arrangement and shall be charged on the basis of Time-of- Use (T.O.U) tariff D- 2(b) given in the Schedule of Tariff.
4. All the existing consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangements and shall be governed by D-2(a) till that time.

E -1 TEMPORARY RESIDENTIAL/COMMERCIAL SUPPLY

Temporary Residential/Commercial Supply means a supply given to persons temporarily on special occasions such as ceremonial, religious gatherings, festivals, fairs, exhibitions, political gathering, marriages and other civil or military functions. This also includes supply to touring cinemas and persons engaged in construction of house/buildings/plazas of single phase loads. A temporary electric power supply connection for the construction shall be provided by Distribution company initially for a period of six months which is further extendable on three month basis up to completion of the specific job/project for which the temporary connection was obtained. However, there is no minimum time period for provision of temporary connection. The temporary connection for illumination, lighting, weddings, festivals, functions, exhibitions, political gatherings or national and religious ceremonies, civil or military functions etc., testing of industrial equipment or any other emergent requirement of temporary nature, can be provided for specific time period not exceeding two weeks. The sanctioning officer shall ensure that the temporary connection will be utilized for temporary purpose only.

Special Conditions of Supply

This tariff shall apply to Residential and Commercial consumers for temporary supply.



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2. Ordinarily the supply under this Tariff shall not be given by the Company without first obtaining security equal to the anticipated supply charges and other miscellaneous charges for the period of temporary supply.

E -2 TEMPORARY INDUSTRIAL SUPPLY

“Temporary Industrial Supply” means the supply given to an Industry for the bonafide purposes mentioned under the respective definitions of “Industrial Supply”, during the construction phase prior to the commercial operation of the Industrial concern.

SPECIAL CONDITIONS OF SUPPLY

1. Ordinarily the supply under this Tariff shall not be given by the Company without first obtaining security equal to the anticipated supply charges and other miscellaneous charges for the period of temporary supply.
2. Normally, temporary connections shall be allowed for a period of 3 months, which may be extended on three months basis subject to clearance of outstanding dues.

F SEASONAL INDUSTRIAL SUPPLY

“Seasonal Industry” for the purpose of application of this Tariff, means an industry which works only for part of the year to meet demand for goods or services arising during a particular season of the year. However, any seasonal industry running in combination with one or more seasonal industries, against one connection, in a manner that the former works in one season while the latter works in the other season (thus running throughout the year) will not be classified as a seasonal industry for the purpose of the application of this Tariff.

Definitions

“Year” means any period comprising twelve consecutive months.

1. All “Definitions” and “Special Conditions of Supply” as laid down under the corresponding Industrial Tariffs shall also form part of this Tariff so far as they may be relevant.

Special Conditions of Supply

1. This tariff is applicable to seasonal industry.
2. Fixed Charges per kilowatt per month under this tariff shall be levied at the rate of 125% of the corresponding regular Industrial Supply Tariff Rates and shall be recovered only for the period that the seasonal industry actually runs subject to minimum period of six consecutive months during any twelve consecutive months. The condition for recovery of Fixed Charges for a minimum period of six months shall not, however, apply to the seasonal industries, which are connected to the Company’s Supply System for the first time during the course of a season.
3. The consumers falling within the purview of this Tariff shall have the option to change over to the corresponding industrial Supply Tariff, provided they undertake to abide by all the conditions and restrictions, which may, from time to time, be prescribed as an integral part of those Tariffs. The consumers under this Tariff will have the option to convert to Regular Tariff and vice versa. This option can be exercised at the time of obtaining a new connection or at the beginning of the season. Once exercised, the option will remain in force for at least one year.
4. All seasonal loads shall be disconnected from the Company’s Supply System at the end of the season, specified by the consumer at the time of getting connection, for which the supply is given. In case, however, a consumer requires running the non-seasonal part of his load (e.g., lights, fans, tube-wells, etc.) throughout the year, he shall have to bring out

separate circuits for such load so as to enable installation of separate meters for each type of load and charging the same at the relevant Tariff.

5. Where a "Seasonal Supply" consumer does not come forward to have his seasonal industry re-connected with the Company's Supply System in any ensuing season, the service line and equipment belonging to the Company and installed at his premises shall be removed after expiry of 60 days of the date of commencement of season previously specified by the consumer at the time of his obtaining new connection/re-connection. However, at least ten clear days notice in writing under registered post shall be necessary to be given to the consumer before removal of service line and equipment from his premises as aforesaid, to enable him to decide about the retention of connection or otherwise. No Supply Charges shall be recovered from a disconnected seasonal consumer for any season during which he does not come forward to have his seasonal industry re-connected with the Company's Supply System.

G PUBLIC LIGHTING SUPPLY

"Public Lighting Supply" means the supply for the purpose of illuminating public lamps. The supply under this tariff shall also be applicable for lamps used in public playgrounds and public parks.

Definitions

"Month" means a calendar month or a part thereof in excess of 15 days.

Special Conditions of Supply

The supply under this Tariff shall be used exclusively for public lighting installed on roads or premises used by General Public.

H RESIDENTIAL COLONIES ATTACHED TO INDUSTRIES

This tariff is applicable for one-point supply to residential colonies attached to the industrial supply consumers having their own distribution facilities.

Definitions

"One Point Supply" for the purpose of this Tariff, means the supply given by one point to Industrial Supply Consumers for general and domestic consumption in the residential colonies attached to their factory premises for a load of 5 Kilowatts and above. The purpose is further distribution to various persons residing in the attached residential colonies and also for perimeter lighting in the attached residential colonies.

"General and Domestic Consumption", for the purpose of this Tariff, means consumption for lamps, fans, domestic applications, including heated, cookers, radiators, air-conditioners, refrigerators and domestic tube-wells.

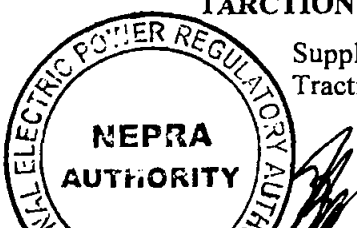
"Residential Colony" attached to the Industrial Supply Consumer, means a group of houses annexed with the factory premises constructed solely for residential purpose of the bonafide employees of the factory, the establishment or the factory owners or partners, etc.

Special Conditions of Supply

The supply under this Tariff shall not be available to persons who meet a part of their requirements from a separate source of supply at their premises.

TARCTION

Supply under this tariff means supply of power in bulk to Railways for Railway Traction only.



Dr. Math' A

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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:

Authority	
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)
Participants	
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 Hanif	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 NEPA 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

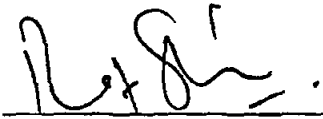
- b. Whether to direct DISCOs to file addendum after incorporating the revised Revenue Requirement for FY 2023-24 and GOP applicable tariff in this regard or otherwise? If the Authority decide to direct DISCOs for filing of addendum than approval is requested for draft DFA attached with working paper. 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.

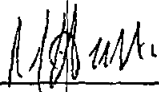
9. The Authority after detailed deliberations upon the working paper decided to return the earlier petitions filed by XWDISCOs for use of system charges/ wheeling charges, with the directions to file new tariff petitions after incorporating the revised tariff numbers as determined by NEPRA for the FY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

No: NEPRA/R/TRF-100/ 33786

October 10, 2023

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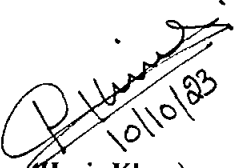
Subject: **PETITION FOR DETERMINATION OF USE OF SYSTEM CHARGES (UoSC) / WHEELING CHARGES - HESCO**

Please find enclosed herewith subject petition filed by Hyderabad Electric Supply Company (HESCO) vide letter No. NEPRA/DG(Tariff)/TRF-100/33375-84 dated 13.09.2023 (received on 10.10.2023) 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. HESCO 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), Consultant (CTBCM) and ALA (Lic) 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 13.10.2023.

Encl: **As above**


(Haris Khan)
Deputy Director

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

CC:

1. Registrar
2. Master File

