



PESHAWAR ELECTRIC SUPPLY COMPANY Ltd.

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Office of The
Chief Executive Officer
PESCO Peshawar

No: 720-28 /DG MIRAD/PESCO/

Dated: 28/09 /2023

REGISTRAR OFFICE
Diary No: 13916
Date: 5.10.23

The Registrar,
National Electric Power Regulatory Authority (NEPRA),
NEPRA Tower, Ataturk Avenue (East), G 5/1,
Islamabad

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

Reference: Your letter No. NEPRA/DG (Tariff)/TRF-100/33375-84 dated 13/09/2023 and letter No. NEPRA/DG (Tariff)/TRF-100/33896-05 dated 22/09/2023

Please find herewith PESCO's petition for determination of the Use of system charges as desired vide the letters mentioned above.

In pursuance of regulations 7 of the NEPRA Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022, whereby, a distribution company shall prepare and submit a separate petition to the honorable authority for determination of its Use of System charges. PESCO is hereby pleased to submit the attached Use of System Charges petition for the kind consideration and approval of the authority.

For any clarification/ additional information or matters related to the subject petition Mr. Atif Jawad Director General MIRAD PESCO cell No. 0330-9972000, email: dg.mirad@pesco.com.pk, may be contacted, who has been designated as a focal person.

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

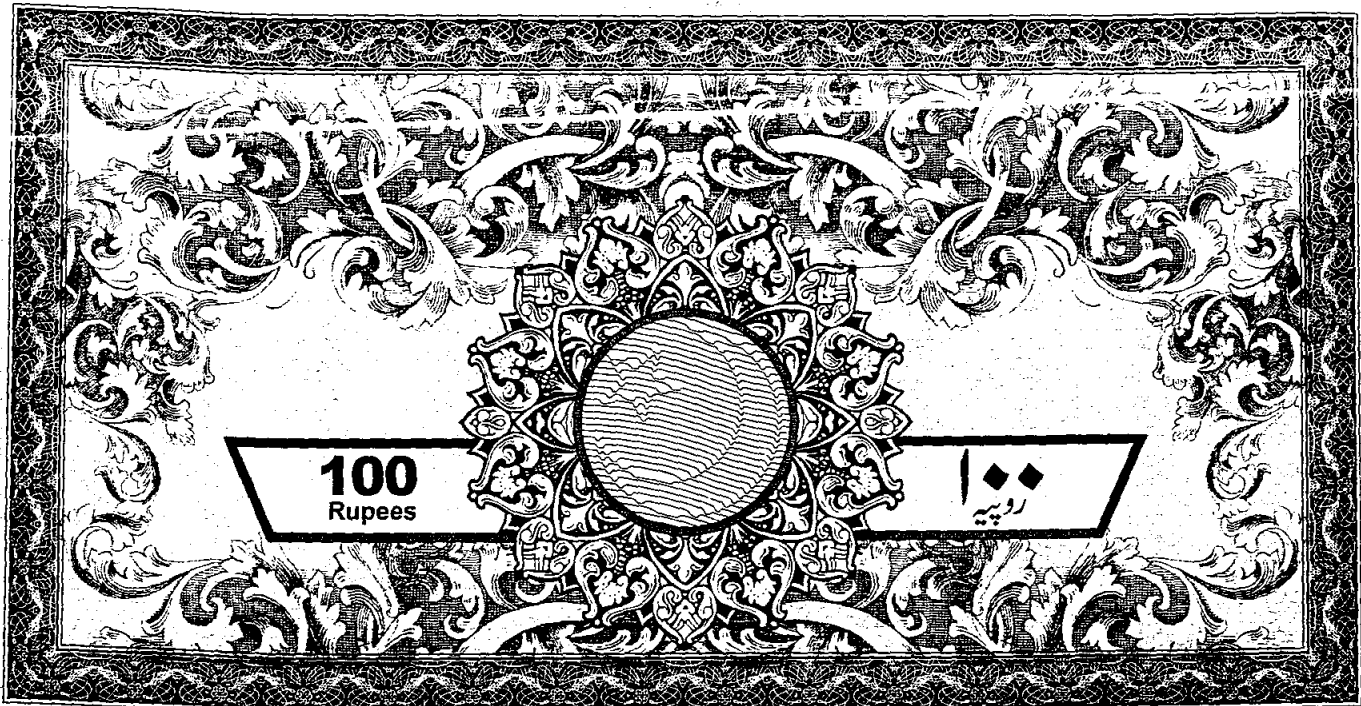
1. Chairman	2. M (Tech.)
3. M (Lic.)	4. M (Trf. & Fin)
5. M (Law)	

Chief Executive Officer
PESCO Peshawar

Copy to:

1. Director General MIRAD PESCO, Peshawar for information
2. Dy. General Manager Finance PESCO Peshawar for information
3. General Manager (Technical) PESCO Peshawar for information
4. General Manager (Operation) PESCO Peshawar for information
5. Chief Commercial Officer Peshawar PESCO for information
6. Chief Law Officer PESCO Peshawar
7. SO to the CEO PESCO Peshawar for information
8. Master File CM & RA PESCO MIRAD

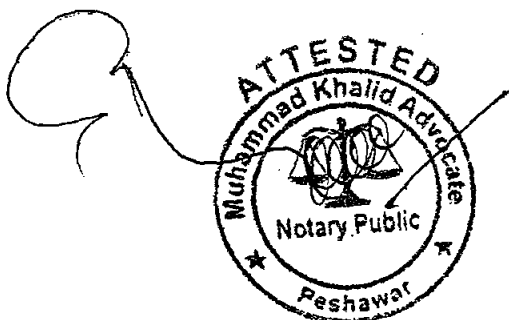
Di CR 9



AFFIDAVIT

I, Qazi Muhammad Tahir S/O Qazi Muhammad Tufail Chief Executive Officer Peshawar Electric Supply Company Limited holding CNIC No. 13101-9101070-9, do hereby, solemnly affirms and testify that the content of the application for filing petition for determination of Use of System Charges, are in accordance with the NEPRA Open Access (Interconnection and wheeling of Electric Power) Regulations, 2022 and that annexed documents are true and correct to the best of my knowledge, belief on the basis of confirmations provided by the concerned formations put before me; and further declare that:

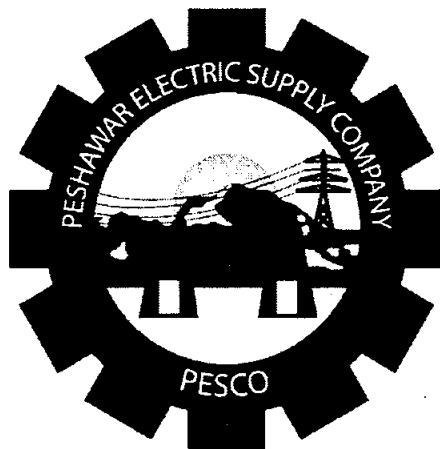
1. I am the Chief Executive Officer of the Peshawar Electric Supply Company (PESCO) and fully aware of the affairs of the Company particularly to endorse petition for determination of Use of System Charges.
2. Whatsoever stated in the application and accompanied documents is true and nothing has been concealed.



Deponent


Qazi Muhammad Tahir
Chief Executive Officer (PESCO)

Peshawar Electric Supply Company (PESCO)



PETITION FOR DETERMINATION OF USE OF SYSTEM CHARGES (Open Access Charges)

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Peshawar Electric Supply Company (PESCO) Ltd.

Background

Peshawar Electric Supply Company (PESCO), incorporated as a Public Limited Company on 23rd April 1998, is responsible for the delivery of electricity to over 4.29 million consumers of all districts of Khyber Pakhtunkhwa (KPK), Pakistan, as set out in PESCO's Distribution License No. DL/07/2023, granted by NEPRA under the NEPRA Act on May 09, 2023. As a result of the restructuring of WAPDA's Power Wing, PESCO is operating in the KP province in its territory and is since then being headed by a Chief Executive Officer (CEO).

PESCO being the distribution licensee is functioning under the single buyer model where it procures energy and pays a Power Purchase Price (in Rs/kWh) for the electricity it procures from the Central Power Purchasing Agency (CPPA-G) or from other sources on behalf of the CPPA-G which include the generation and transmission charges regulated/determined by NEPRA. The major objectives of the company include ensuring uninterrupted and stable power supply to all its customers besides best possible customer services as well as establishing and operating reliable electricity distribution networks.

Currently, PESCO has approximately 14,331 active employees, employed in eight directorates and is responsible for distributing electricity to approximately 4.29 million consumers. The consumer mix comprises approximately 87.8 % domestic consumers including residential consumers in both urban and rural areas, 9.8% commercial consumers including business consumers such as markets, plazas, and offices in both urban and rural areas, 0.68% industrial consumers consisting of large and small industrial loads, 0.02% bulk consumers consisting primarily of large societal consumers like housing societies, 0.6% agricultural consumers including tube wells in rural areas, and 1.1% other consumers.

Under the provisions of Regulation of Generation, Transmission & Distribution of Electric Power (Amendment) Act, 2018, PESCO 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 (Wired Business) for the movement or delivery of power to consumers of electric power. The deemed licensee status is expiring on April 30th, 2023 and, accordingly, PESCO has already submitted a petition for grant of licence for supply of electric power with the Authority.

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

to ensure smooth implementation of CTBCM and create balance in roles, rights and obligations of the stakeholders in the CTBCM.

Grounds of Petition:

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

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

Directions in National Electricity Policy

The National Electricity Policy, 2021 issued under Section 14A of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 ("The Act") was prepared by the 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 case, are provided in the below lines.

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

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

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

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

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

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

Clause 5.5.4 of National Electricity Policy further directs:

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

Clause 5.6.5 of National Electricity Policy stipulates:

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

Legal and Regulatory Framework

The approved design of Competitive Trading and Bilateral Contracting Market (CTBCM) provides the right of choice to the eligible Bulk Power Consumers (BPCs) to opt for any Supplier of Electric Power. The design, within the framework of the Act, also provides the concept of Competitive Supplier of electric power besides the Supplier of Last Resort, for the purposes of said right of choice to the BPCs within the said wholesale market design.

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

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

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

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

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

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

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

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

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

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

- (1) "A network licensee shall establish, operate and maintain its distribution system or transmission system, as the case may be, in a manner that ensure non-

discriminatory open access in accordance with the Act, 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."

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

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

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

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

Technical and Financial Attributes

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

- i) The network licensee, the PESCO 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, PESCO is entitled for recovery of use of system charges in line with use of system agreement to be signed with Competitive supplier and which shall be part of the Competitive supplier tariff including other charges, as determined by the honorable Authority.
- iii) The use of system charges shall include:
 - a. Transmission Use of System Charges (NTDC, PGC) irrespective of the placement of BPC and the respective generator.
 - b. System Operator Charges
 - c. Metering Service Provider Charges
 - d. Market Operator Charges
 - e. Distribution Margin Charges w.r.t. to the voltage level (132kV, 11kV etc.) and consumer category wise for all possible BPCs.
 - f. Cross-Subsidy Charges (consumer category wise for all possible BPCs)
 - g. Stranded Cost/Capacity (consumer category wise for all possible BPCs)
 - h. Technical Transmission and Distribution Losses
- iv) With reference to the above elements of use of system charges, following clarification shall apply for clarity of application:
 - a. Currently applicable Transmission Use of System (TUoS) Charges, as already determined by the honorable Authority, compositely represent the charges relating to Transmission Network Operator(s)/Licensee(s), System Operator and Metering Service Provider. Accordingly, the said TUoS Charges remain part of use of system charges till separate charges for each of the said service providers are separately determined by the honorable Authority.
 - b. Market Operator Fee / Charges (MOF) will be recovered by Market Operator as per the mechanism provided in the Market Commercial Code. Accordingly, without prejudice to being part of Cost of Service of PESCO, these shall not form part of use of system charges to be recovered directly by PESCO.
 - c. Cross subsidy will be assessed based on Cost of Service analysis for the applicable consumer categories of all possible BPCs, which is according to the principles of uniformity as provided in the National Electricity Policy (referred above).
 - d. Subject to the decision of the Government on the recovery of costs that arise due to advent of the open access and market liberalization, the Stranded Capacity Costs will be included in the use of system charges.
 - e. As the transmission and distribution losses will be charged to market participants of open access through the mechanism as explained in the Market Commercial

Code, therefore, such charges shall not be levied under these use of system charges as requested under this instant petition.

Explanation:

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

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

Basis of Use of System Charges

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

Method for recovery of Use of System Charges

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

- i) Use of system charges recovery in term of Rs./kW/Month metered shall provide guaranteed stream of revenue to cover for costs which are fixed in nature. This may, however, over burden the relevant consumers thus undermining the very purpose of CTBCM and open access regime.
- ii) Use of system charges recovery in term of Rs./kWh will render the service providers and the SOLR to face the revenue loss arising from low load factor of the eligible BPCs. On the other hand, the open access users shall be benefitted for any favorable Energy or Capacity Imbalance at the Market this option may not provide a balanced approach to promised sharing of risks and rewards under CTBCM regime.
- iii) Use of system charges recovery through a hybrid approach, i.e., partly through fixed charge in terms of Rs./kW/Month (subject to minimum MDI compared to the contracted load) and partly in terms of Rs./kWh may provide a balanced plausible approach for all the involved parties. It is submitted that, in order to ensure level playing field for consumers of SOLR and Competitive Supplier, the recovery of use of system charges may have same charging mechanism.

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

Mechanism for Adjustment/Indexation of Use of System Charges

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

the relevant component of the proposed Use of System Charges for eligible BPCs shall simultaneously be made.

Applicable Categories / Classification of eligible BPCs

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

Sr. No.	Consumption Category	Tariff Category	Voltage Level	Remarks
1.	General	A-2 & A-3	N/A	As per the existing tariffs, no kW sanctioned load quantification or connection voltage is applicable to A-2 and A-3 tariff categories. Accordingly, these are not considered BPC for the purposes of this petition. However, these consumers, based on the sanctioned load, may be connected at 11 KV level, as required. Any such customer falling within the definition of BPC, and subject to the approval of the Authority, will be considered in the analogy of C2.
2.	Industrial Consumer ranging from 500 kW to 5 MW. [extendable to 7.5 MW under conditions]	B-3	11/33 kV	B3 consumer ranges from 500 kW to 5 MW. [Extendable to 7.5 MW under conditions]. It is clarified here that the consumers of this category below 1MW shall not be treated as eligible BPCs for CTBCM. The use of system charges indicated for B-3 category will apply in case of eligible BPC.
3.	Industrial	B-4	66/132 kV and above	Currently there are B4 consumer in PESCO Service Territory. Accordingly, the use of system charges for B-4 category of consumers are assessed in the analogy of B-3 adjusted with differential of allowed losses at 11/33 kV (B-3) and 66/132 kV (B-4).
4.	Bulk Supply Ranging from 500 kW to 5 MW. [extendable to 7.5 MW under conditions]	C-2(b)	11/33 kV	Bulk Supply consumer ranges from 500 kW to 5 MW. [Extendable to 7.5 MW under conditions]. Although the Bulk Supply C-2 customers are at 11/33 KV connection level. It is clarified here that the consumers of this category below 1MW shall not be treated as

				eligible BPCs for CTBCM. The use of system charges indicated for C-2 category will apply in case of BPC at one premises. Further, the consumers falling under the resale shall not be considered as eligible BPC.
5.	Bulk Supply	C-3(b)	66 kV and above	use of system charges for C-3(b) category of consumers are assessed in the analogy of C-2(b) adjusted with differential of allowed losses at 11/33 kV (C-2) and 66/132 kV (C-3). *The consumers falling under the resale shall not be considered as eligible BPC.
6.	Housing Colonies attached to Industries	H	N/A	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.
7.	Azad Jammu & Kashmir	K	N/A	The supply feed for AJK customer category is more than 1 MW at 11 kV level. However, the same is primarily for resale purpose, therefore, not considered as BPC.

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 PESCO 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.

Applicability of Stranded Capacity Costs

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

Applicability of Use of System Charges on New Eligible BPCs

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

Prayer:

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

PESCO-Petition for determination of UOSC (Sept: 2023)- Annex-1

Peshawar Electric Supply Company (PESCO)

Cost of Service & Proposed Use of System Charges for FY 2023-24

For Possible Eligible Bulk Power Consumers (One MW or More at one Premises)

Cost Assessment Level	Cost of Service (Inclusive of Energy Loss Impact)				Cost of Service (Separated Energy Loss Impact)				PROPOSED Use of System Charges (Proposal-			
Consumption Category	Industrial				Industrial				Industrial B-3 (1 MW or More)			
Tariff Category	B-3				B-3				MDI Based	Volumetric	Hybrid	
Functional Cost Element	Variable	Fixed		Total	Variable	Fixed		Total	Rs./kW/ Month	Rs./kWh	Rs./kW/ Month	Rs./kWh
	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh				
Generation Cost - Energy	7.98			7.98	6.76			6.76	500.6	1.2		1.2
Generation Cost - Capacity		8,061.35	19.75	19.75		12,196.62	16.72	16.72	12,196.6	16.7	3,659.0	11.7
Transmission Charges		652.39	1.60	1.60		987.05	1.35	1.35	987.1	1.4	296.1	0.9
Market Operator's Fee		-	-	-		-	-	-				
Distribution Use of System		1,535.62	3.76	3.76		2,323.35	3.18	3.18	2,323.4	3.2	697.0	2.2
Total Applicable Costs	7.98	10,249.36	25.11	33.10	6.76	15,507.02	21.26	28.01	16,007.7	22.5	4,652.1	16.1
Impact of allowed losses					1.23	(5,257.66)	3.86	5.09	(5,257.7)	3.9	(1,577.3)	2.7
Total Cost of Service	7.98	10,249.36	25.11	33.10	7.98	10,249.36	25.11	33.10	10,750.0	26.3	3,074.8	18.8
Cross Subsidy				5.19				5.19	3,095.7	5.2		5.2
Average Applicable Tariff				38.29				38.29	13,845.6	31.5	3,074.8	23.99

Cost Assessment Level	Cost of Service (Inclusive of Energy Loss Impact)				Cost of Service (Separated Energy Loss Impact)				PROPOSED Use of System Charges (Proposal-			
Consumption Category	Industrial				Industrial				Industrial B-4			
Tariff Category	B4				B4				MDI Based	Volumetric	Hybrid	
Functional Cost Element	Variable	Fixed		Total	Variable	Fixed		Total	Rs./kW/ Month	Rs./kWh	Rs./kW/ Month	Rs./kWh
	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh				
Generation Cost - Energy	7.985			7.985	6.758			6.758	500.63	1.227		1.227
Generation Cost - Capacity		6,997.80	18.496	18.496		16,654.03	18.033	18.033	16,654.03	18.033	4,996.21	12.623
Transmission Charges		566.32	2.151	2.151		1,347.78	1.459	1.459	1,347.78	1.459	404.34	1.022
Market Operator's Fee		-	-	-		-	-	-				
Distribution Use of System		813.96	2.834	2.834		2,552.03	2.763	2.763	2,552.03	2.763	765.61	1.934
Total Applicable Costs	7.985	8,378.08	23.481	31.466	6.758	20,553.84	22.256	29.014	21,054.47	23.483	6,166.15	16.806
Impact of allowed losses					0.173	(11,917.40)	0.571	2.452	(11,917.40)	0.571	(3,575.22)	0.399
Total Cost of Service	7.985	8,378.08	23.481	31.466	6.931	8,636.44	22.827	31.466	9,137.07	24.054	2,590.93	17.205
Cross Subsidy				6.807				6.807	4,062.39	6.807		6.807
Average Applicable Tariff				38.273				38.273	13,199.45	30.861	2,590.93	24.013

Cost Assessment Level	Cost of Service (Inclusive of Energy Loss Impact)				Cost of Service (Separated Energy Loss Impact)				PROPOSED Use of System Charges (Proposal- Bulk Supply C-2(b) (1 MW or More)			
Consumption Category	Bulk Supply				Bulk Supply				Bulk Supply C-2(b) (1 MW or More)			
Tariff Category	C2(b)				C2(b)				MDI Based	Volumetric	Hybrid	
Functional Cost Element	Variable	Fixed		Total	Variable	Fixed		Total	Rs./kW/ Month	Rs./kWh	Rs./kW/ Month	Rs./kWh
	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh				
Generation Cost - Energy	7.98			7.98	6.758			6.758	1,038.13	1.227		1.227
Generation Cost - Capacity		8,061.35	18.78	18.78		20,499.48	15.898	15.898	20,499.48	15.898	6,149.84	11.128
Transmission Charges		652.39	1.52	1.52		1,658.99	1.287	1.287	1,658.99	1.287	497.70	0.901
Market Operator's Fee		-	-	-		-	-	-				
Distribution Use of System		1,550.75	3.61	3.61		3,159.80	3.058	3.058	3,159.80	3.058	947.94	2.141
Total Applicable Costs	7.98	10,264.49	23.92	31.90	6.758	25,318.27	20.242	27.000	26,356.40	21.469	7,595.48	15.396
Impact of allowed losses					1.227	3,113.96	3.674	4.901	3,113.96	3.674	934.19	2.57
Total Cost of Service	7.98	10,264.49	23.92	31.90	7.985	28,432.23	23.917	31.901	29,470.35	25.144	8,529.67	17.968
Cross Subsidy				9.77				9.775	8,272.07	9.775		9.775
Average Applicable Tariff				41.68				41.676	37,742.43	34.918	8,529.67	27.743

Cost Assessment Level	Cost of Service (Inclusive of Energy Loss Impact)				Cost of Service (Separated Energy Loss Impact)				PROPOSED Use of System Charges (Proposal- Bulk Supply C-3(b))			
Consumption Category	Bulk Supply				Bulk Supply				Bulk Supply C-3(b)			
Tariff Category	C3(b)				C3(b)				MDI Based	Volumetric	Hybrid	
Functional Cost Element	Variable	Fixed		Total	Variable	Fixed		Total	Rs./kW/ Month	Rs./kWh	Rs./kW/ Month	Rs./kWh
	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kW/ Month	Rs./kWh	Rs./kWh				
Generation Cost - Energy	6.931			6.931	6.758			6.758	74.37	0.173		0.173
Generation Cost - Capacity		6,997.80	18.221	18.221		4,475.81	17.765	17.765	4,475.81	17.765	1,342.74	12.436
Transmission Charges		566.32	1.475	1.475		362.22	1.438	1.438	362.22	1.438	108.67	1.006
Market Operator's Fee		-	-	-		-	-	-				
Distribution Use of System		1,076.23	2.802	2.802		688.36	2.732	2.732	688.36	2.732	206.51	1.913
Total Applicable Costs	6.931	8,640.34	22.498	29.429	6.758	5,526.38	21.935	28.693	5,600.75	22.108	1,657.92	15.528
Impact of allowed losses					0.173	3,113.96	0.562	0.736	3,113.96	0.562	934.187	0.394
Total Cost of Service	6.931	8,640.34	22.498	29.429	6.931	8,640.34	22.498	29.429	8,714.71	22.671	2,907.28	18.840
Cross Subsidy				12.234				12.234	5,250.69	12.234		12.234
Average Applicable Tariff				41.663				41.663	13,965.39	34.905	2,907.28	31.075

PESCO-Petition for determination of UOSC (Sept: 2023)-Annex-2

Fundamental Assumptions	
Description	FY 2023-24
Allowed Rate of Return (WACC) (NEPRA Determination). Currently WACC is calculated as 17.68%	21.40%
Capital Work in Progress ("CWIP")	100.00%
Working Capital Allowance to be included in Rate Base	NO
Prior Year Adjustment (Rs. in Million)	4,476
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 %	3.5%
Model Year	FY 2023-24
Base Year	FY2022-23

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Description	FY 2023-24	Source
Units Purchases (MkWh)	15,362	Projection approved by NEPRA for FY 2023-24 vide no NEPRA/R/DG(Trf)TRF-564 & TRF-565/PESCO-2021/8201-07 DATED JULY 14, 2023, PAGE 31 CLAUSE 12.1
Units Sales (MkWh)	12,334	
Assessed T&D Losses	19.7%	DETERMINED IN MYT
Consumer Growth	3.5%	OVER PRIOR YEAR (FY 2022-23) ACTUAL UNIT BILLED
Average Monthly MDI (MW) (Non-coincidental at CDPs)	2,990	NEPRA PROJECTIONS VIDE NEPRA/R/DG(TARIFF)/TRF-100/18249-53 DATED 14/07/2023 PAGE NO 3, CLAUSE 11
Peak Demand (MW at 11 kv Conincident)	2,636	PESCO PEAK LOAD AT CDP POINTS
Avg. Monthly MDI Recorded (MW) (Non-coincidental at meters)	2,148	RECORDED PEAK LOAD AT METERS
Energy Charge (Rs/kWh)	6.68	CALCULATED BY USING GIVEN COST AND QUALITATIVE PARAMETERS FOR COST ALLOCATION
Capacity Charge (Rs/kW/Month)	6,019.64	
T.UoSC (Rs/kW/Month)	487.16	
MOF (Rs/kW/Month)	3.48	APPROVED BY NEPRA FOR FY 2022-23 VIDE NEPRA/DG(TRF)/TRF-586/CPPAG-2022/12889-12891 DATED 22/05/2023
Energy Charges (Rs. M)	102,570	Projection approved by NEPRA for FY 2023-24 vide no NEPRA/R/DG(Trf)TRF-564 & TRF-565/PESCO-2021/8201-07 DATED JULY 14, 2023, PAGE 31 CLAUSE 12.1
Capacity Charges (Rs. M)	216,009	
T.UoSC & MOF (Rs. M)	17,481	
Power Purchase Price	336,060	
O&M Cost (Million Rs.)	31,415	REVISED DM FOR FY 2023-24 IN MYT APPROVED BY NEPRA (REFERENCE AS ABOVE)
Depreciation (Million Rs.)	4,343	
Provision of bad debt (Million Rs.)	1,366	
RORB (Million Rs.)	16,573	
Other Income (Million Rs.)	(3,590)	
Prior Year Adjustment (Rs. M)	4,476	MYT ADJUSTMENT FOR FY 2023-24 APPROVED BY NEPRA
Revenue Requirement (Rs. M)	390,643	
Cost per kWh (sold)	31.67	

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PESHAWAR ELECTRIC SUPPLY COMPANY						
Load Data and Losses						
Development of Energy Loss Allowance Factors						
Customer Class		Meter	0.2kV *	0.4kV *	11 kV	132/66kV
T& D Technical Loss (%) - Technical Breakdown			7.55%	7.55%	13.19%	2.50%
T& D Technical Loss (%) - Simple Breakdown			5.10%	5.10%	12.11%	2.50%
Aggregate T&D Loss(%)	19.71%					
* Total LT loss is equal to sum of weighted average losses at 0.2 kV and 0.4 KV supply levels. In Normal practices power flows in parallel for supply at 0.2 kV and 0.4 kV, so their individual loss levels do not differ significantly.						

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Classification by Voltage Level				
	1	2	3	4
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	

PESCO Tariff Determined by NEPRA 2023

Tariff for various categories of PESCO consumers as determined by NEPRA Vide their determination NO. NEPRA/R/DG(Trf)TRF-564 & TRF-565/PESCO-2021/8201-07 DATED JULY 14, 2023 are provided in Table.

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National Average Tariff (FY 2023-24)				
			In UoSC Petition FY 2022-23	In Revised UoSC FY 2023-24
TARIFF CATAGORIES		Fixed Charges Rs./KW/M	Variable Charges Rs./kWh	Variable Charges Rs./kWh
i	Up to 50 Units Life line		5.00	12.97
ii	51-100 units Life line		15.03	24.57
iii	01-100 Units		18.03	26.84
iv	101-200 Units		20.03	29.02
v	01-100 Units		20.67	30.43
vi	101-200 Units		23.82	32.81
vii	201-300 Units		24.33	33.30
viii	301-400Units		25.57	34.29
ix	401-500Units		26.01	34.79
x	501-600Units		27.01	35.78
xi	601-700Units		28.01	36.93
xii	Above 700 Units		29.01	38.27
A1(b)	Time of Use (TOU) - Peak		28.01	35.77
	Time of Use (TOU) - Off-Peak		20.63	28.41
E-1(i)	Temporary E-1 (i)		29.01	36.86
	COMMERCIAL - A2			
A2 (a)	Commercial - For peak load up to 5 kW		24.99	33.78
A2 (b)	Sanctioned load 5 kw and above	500	23.03	32.55
A2 (c)	Time of Use (TOU) - Peak (A-2)	500	28.04	36.74
	Time of Use (TOU) - Off-Peak	500	21.91	30.67
E-1 (ii)	Temporary E-1 (ii)		25.01	32.61
	INDUSTRIAL			
B1(a)	B1		24.07	32.45
B1(b)	B1- TOU (Peak)		27.96	36.27
	B1 - TOU (Off-peak)		21.86	30.19
B2 (a)	B2	500	23.96	32.65
B2 (b)	B2 - TOU (Peak)	500	27.96	36.51
	B2 - TOU (Off-peak)	500	21.36	29.94
B3	B3 - TOU (Peak)	460	27.96	36.08
	B3 - TOU (Off-peak)	460	22.76	30.94
B4	B4 - TOU (Peak)	440	27.96	36.61
	B4 - TOU (Off-peak)	440	22.56	31.16
E-2	Temporary E-2		26.96	35.18

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	BULK			
C1 (a)	C1(a) up to 5 kW		24.62	37.93
C1 (b)	C1(b) exceeding 5 kW	500	24.42	36.7
C1 (c)	Time of Use (TOU) - Peak	500	28.01	38.33
	Time of Use (TOU) - Off-Peak	500	21.41	31.79
C2 (a)	C2 Supply at 11 kV	460	24.32	33.69
C2 (b)	Time of Use (TOU) - Peak	460	28.01	36.74
	Time of Use (TOU) - Off-Peak	460	22.81	31.60
C3 (a)	C3 Supply above 11 kV	440	24.21	32.29
C3 (b)	Time of Use (TOU) - Peak	440	28.01	35.68
	Time of Use (TOU) - Off-Peak	440	22.61	30.30
	AGRICULTURAL TUBE WELLS - Tariff D			
D1 (a)	D1 Scarp		24.62	35.62
D2 (a)	D2 Agricultural Tube-wells	200	24.62	34.98
D1 (b)	Time of Use (TOU) - Peak	200	28.01	40.58
	Time of Use (TOU) - Off-Peak	200	21.41	32.55
D2 (b)	Time of Use (TOU) - Peak	200	28.01	36.48
	Time of Use (TOU) - Off-Peak	200	21.41	29.8
				36.61
G	Public Lighting G		28.31	36.61
H	Residential Colonies H		28.61	37.59
K1	Special Contracts - Tariff K (AJK)	440	24.62	32.16
K1 (i)	Time of Use (TOU) - Peak	440	28.01	36.42
	Time of Use (TOU) - Off-Peak	440	21.41	29.79
A3	General Service		24.78	34.33
Note: National Average Tariff for FY 2023-24 as provided by CPPA-G as anticipated Tariff				

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Revenue Requirement Allocation (in Percentage) by the FACOS Model

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 below:

Revenue Requirement Allocation %age				
Description	Energy	Demand	Customer	Total
Energy Charges	100%	-	-	100%
Capacity Charges	-	100%	-	100%
T.UoSC & MOF	-	100%	-	100%
	-	100%	-	100%
O&M Cost	-	65%	35%	100%
Depreciation	-	80%	20%	100%
RORB	-	82%	18%	100%
Provision of bad debt		82%	18%	100%
Other Income	-	82%	18%	100%
Prior Year Adjustment	-	65%	35%	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 bellow.

Revenue Requirement Allocation Rs. (M)				
Description	Energy	Demand	Customer	Total
Energy Charges	102,570	-	-	102,570
Capacity Charges	-	216,009	-	216,009
T.UoSC & MOF	-	17,481	-	17,481
	-	-	-	-
Power Purchase Price	102,570	233,490	-	336,060
O&M Cost	-	20,326	11,089	31,415
Depreciation	-	3,469	874	4,343
RORB	-	13,643	2,930	16,573
Provision of bad debt		1,124	242	1,366
Other Income	-	(2,938)	(652)	(3,590)
Distribution Margin	-	35,624	14,483	50,107
Prior Year Adjustment	-	2,890	1,586	4,476
Revenue Requirement	102,570	272,004	16,069	390,643

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Revenue as per NEPRA by Tariff by customer category and voltage level

The table nine below provides details category wise estimated revenue and average (Rs./KWH) thereof. Where as the table 10 is summary of the said category wise estimated revenue based on the supply voltage level of relevant customer category, With the average rate (Rs./KWH) thereof. As already mentioned, the calculation of revenue is based on NEPRA determined vide No.NEPRA/R/DG(Trf)TRF-564 & TRF-565/PESCO-2021/8201-07 DATED JULY 14, 2023

FY 2023-24						
Customer Category	MDI MW	Sales (GWh)	Fixed Charge Rs. (M)	Variable Charge Rs. (M)	Total Revenue Rs.(M)	Rs./kWh
Residential -- A1(a)	1,127	6,405.14	150,660.41	60,778.39	211,438.79	33.01
Residential -- A1(b)	48	218.69	6,412.83	2,054.85	8,467.68	38.72
Commercial -- A2(a)	111	419.40	14,802.39	3,979.70	18,782.09	44.78
Commercial -- A2(b)	0	0.11	2.93	1.02	3.94	36.36
Commercial -- A2(c)	120	707.90	16,071.05	6,651.66	22,722.71	32.10
Industrial -- B1(a)	1	5.00	111.24	47.46	158.70	31.73
Industrial -- B2(a)	0	0.37	4.82	3.47	8.29	22.44
Industrial -- B1(b)	-	-	-	-	-	-
Industrial -- B2(b)	105	1,071.89	14,057.99	10,071.85	24,129.84	22.51
Industrial -- B3	194	951.66	23,217.03	8,281.92	31,498.94	33.10
Industrial -- B4	189	858.47	19,010.01	6,536.40	25,546.41	29.76
Single Point Supply -- C1(a)	0	0.15	4.66	1.35	6.00	39.40
Single Point Supply -- C1(b)	3	11.79	465.84	110.74	576.57	48.92
Single Point Supply -- C2(a)	3	9.22	327.97	80.23	408.20	44.28
Single Point Supply -- C3(a)	0	0.15	4.55	1.16	5.71	37.47
Single Point Supply -- C1(c)	9	69.23	1,199.16	650.48	1,849.64	26.72
Single Point Supply -- C2(b)	73	378.40	8,778.50	3,293.08	12,071.57	31.90
Single Point Supply -- C3(b)	4	18.51	403.75	140.92	544.68	29.43
Agricultural --D1(a)	-	0.46	-	4.28	4.28	9.40
Agricultural --D2(a)	2	12.69	299.24	119.28	418.52	32.97
Agricultural --D2(b)	-	-	-	-	-	-
Agricultural --D1(b)	21	58.80	2,775.86	552.55	3,328.41	56.60
Temporary Supply -- E1(i)	0	0.15	4.63	1.41	6.04	40.68
Temporary Supply -- E1(ii)	1	3.28	96.33	31.17	127.50	38.82
Temporary Supply -- E2	0	1.09	28.83	10.30	39.12	36.05
Public Lighting -- G	3	15.91	457.94	149.49	607.43	38.18
Residential Colonies -- H	0	1.85	52.55	16.12	68.67	37.08
Azad Jammu Kashmir - K1a	0	-	23.85	-	23.85	-
Azad Jammu Kashmir - K1b	2	525.10	201.00	4,569.71	4,770.71	9.09
A3 General	131	588.59	17,498.25	5,530.56	23,028.82	39.13
Total	2,148	12,334	276,974	113,670	390,643	31.67

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FY 2023-24						
Customer Class	MDI MW	Sales (GWh)	Fixed Charge Rs. (M)	Variable Charge Rs. (M)	Total Revenue	Rs./kWh
0.2 kV	1,239.07	6,834	165,708.48	64,849.81	230,558	33.74
0.4 kV	443.00	2,756	59,245.90	25,900.22	85,146	30.89
11 Kv	272.87	1,866	32,600.90	16,241.04	48,842	26.17
132 kv	193.15	877	19,418.32	6,678.47	26,097	29.75
G. TOTAL	2,148	12,334	276,974	113,670	390,643	31.67

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Cost of service functionalised rates (Tariff Wise)

Based on the allocation of overall revenue requirement of PESCO customers categories, the resultant functional amounts (Rs. in million) for each customer category are summarized at table 11 below .

FY 2023-24								
Classes	Energy	Demand	Generation Cost		Transmission	Distribution		Total Cost
	GWh	MW	Energy (Rs.M)	Demand (Rs.M)	Cost (Rs.M)	Demand (Rs.M)	Cus.Cost (Rs.M)	
Residential -- A1(a)	6,405	1,127	55,320	117,880	9,540	23,240	5,459	211,439
Residential -- A1(b)	219	48	1,889	5,018	406	989	166	8,468
Commercial -- A2(a)	419	111	3,622	11,582	937	2,283	357	18,782
Commercial -- A2(b)	0	0	1	2	0	0	0	4
Commercial -- A2(c)	708	120	6,114	12,574	1,018	2,479	538	22,723
Industrial -- B1(a)	5	1	43	87	7	17	4	159
Industrial -- B2(a)	0	0	3	4	0	1	0	8
Industrial -- B1(b)	-	-	-	-	-	-	-	-
Industrial -- B2(b)	1,072	105	9,258	10,999	890	2,169	814	24,130
Industrial -- B3	952	194	7,599	18,798	1,521	2,898	683	31,499
Industrial -- B4	858	189	5,950	15,878	1,285	1,847	586	25,546
Single Point Supply -- C1(a)	0	0	1	4	0	1	0	6
Single Point Supply -- C1(b)	12	3	102	364	29	72	9	577
Single Point Supply -- C2(a)	9	3	74	266	21	41	7	408
Single Point Supply -- C3(a)	0	0	1	4	0	0	0	6
Single Point Supply -- C1(c)	69	9	598	938	76	185	53	1,850
Single Point Supply -- C2(b)	378	73	3,021	7,108	575	1,096	272	12,072
Single Point Supply -- C3(b)	19	4	128	337	27	39	13	545
Agricultural -- D1(a)	0	-	4	-	-	-	0	4
Agricultural -- D2(a)	13	2	110	234	19	46	10	419
Agricultural -- D2(b)	-	-	-	-	-	-	-	-
Agricultural -- D1(b)	59	21	508	2,172	176	428	45	3,328
Temporary Supply -- E1(i)	0	0	1	4	0	1	0	6
Temporary Supply -- E1(ii)	3	1	28	75	6	15	3	127
Temporary Supply -- E2	1	0	9	23	2	4	1	39
Public Lighting -- G	16	3	137	358	29	71	12	607
Residential Colonies -- H	2	0	15	43	3	7	1	69
Azad Jammu Kashmir - K1a	-	0	-	19	2	3	-	24
Azad Jammu Kashmir - K1b	525	2	4,193	163	13	25	377	4,771
A3 General	589	131	5,083	13,691	1,108	2,699	447	23,029
Total	12,334	2,148	103,812	218,625	17,693	40,656	9,857	390,643

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Details of functional rates recapitulated in terms of RS/KWH/Month

Based on the cost drivers (energy, demand and customers) based allocation of overall revenue requirement of PESCO to the customer's categories, the resultant functional (generation, transmission & MO fee and distribution) rates in terms of Rs./KWH, Rs./KWH/moth and Rs./Customer/Month, as applicable are summarized at Table Below.

FY 2023-24

Classes	Volt. Level	No. of Customers	Energy	Demand	Generation Cost		Transm.	Distribution		Total Cost
			GWh	MW	Energy (Rs.M)	Demand (Rs.M)	Cost (Rs.M)	Demand (Rs.M)	Cust. Cost (Rs.M)	
Residential -- A1(a)	0.2kV	3,672,701	6,405	1,127	55,320	117,880	9,540	23,240	5,459	211,439
Residential -- A1(b)	0.4kV	33,715	219	48	1,889	5,018	406	989	166	8,468
Commercial -- A2(a)	0.2kV	390,260	419	111	3,622	11,582	937	2,283	357	18,782
Commercial -- A2(b)	0.4kV	60	0	0	1	2	0	0	0	4
Commercial -- A2(c)	0.4kV	17,695	708	120	6,114	12,574	1,018	2,479	538	22,723
Industrial -- B1(a)	0.2kV	9,650	5	1	43	87	7	17	4	159
Industrial -- B2(a)	0.4kV	12,239	0	0	3	4	0	1	0	8
Industrial -- B1(b)	0.4kV	6,081	-	-	-	-	-	-	-	-
Industrial -- B2(b)	0.4kV	1,008	1,072	105	9,258	10,999	890	2,169	814	24,130
Industrial -- B3	11kV	246	952	194	7,599	18,798	1,521	2,898	683	31,499
Industrial -- B4	132kV	13	858	189	5,950	15,878	1,285	1,847	586	25,546
Single P. Supply C1(a)	0.2kV	14	0	0	1	4	0	1	0	6
Single P. Supply C1(b)	0.4kV	282	12	3	102	364	29	72	9	577
Single P. Supply C2(a)	11kV	19	9	3	74	266	21	41	7	408
Single P. Supply C3(a)	132kV	1	0	0	1	4	0	0	0	6
Single P. Supply C1(c)	0.4kV	523	69	9	598	938	76	185	53	1,850
Single P. Supply C2(b)	11kV	54	378	73	3,021	7,108	575	1,096	272	12,072
Single P. Supply C3(b)	132kV	1	19	4	128	337	27	39	13	545
Agricultural -- D1(a)	0.4kV	559	0	-	4	-	-	-	0	4
Agricultural -- D2(a)	0.4kV	189	13	2	110	234	19	46	10	419
Agricultural -- D2(b)	0.4kV	17,035	-	-	-	-	-	-	-	-
Agricultural -- D1(b)	0.4kV	6,379	59	21	508	2,172	176	428	45	3,328
Temp. Supply - E1(i)	0.2kV	396	0	0	1	4	0	1	0	6
Temp. Supply - E1(ii)	0.2kV	2,154	3	1	28	75	6	15	3	127
Temp. Supply - E2	0.2kV	-	1	0	9	23	2	4	1	39
Public Lighting -- G	0.4kV	1,257	16	3	137	358	29	71	12	607
Res. Colonies -- H	11kV	52	2	0	15	43	3	7	1	69
AJK - K1a	11kV	4	-	0	-	19	2	3	-	24
AJK - K1b	11kV	39	525	2	4,193	163	13	25	377	4,771
A3 General	0.4kV	46,695	589	131	5,083	13,691	1,108	2,699	447	23,029
Total		4,219,318	12,334	2,148	103,812	218,625	17,693	40,656	9,857	390,643

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FY 2023-24										
Classes	Volt. Level	No. of Customers	Energy	Demand	Generation Cost		Transm	Distribution		Total Rs./ kWh
			GWh	MW	Energy (Rs/kWh)	Demand (Rs/kW/ Month)	(Rs/kW /Month)	(Rs/kW/Month)	(Rs./ Cust/ Month)	
Residential -- A1(a)	0.2kv	3,672,701	6,405	1,127	8.64	8,719.89	705.69	1,719.14	123.86	33.01
Residential -- A1(b)	0.4kv	33,715	219	48	8.64	8,719.89	705.69	1,719.14	410.58	38.72
Commercial -- A2(a)	0.2kv	390,260	419	111	8.64	8,719.89	705.69	1,719.14	76.32	44.78
Commercial -- A2(b)	0.4kv	60	0	0	8.64	8,719.89	705.69	1,719.14	115.30	36.36
Commercial -- A2(c)	0.4kv	17,695	708	120	8.64	8,719.89	705.69	1,719.14	2,532.31	32.10
Industrial -- B1(a)	0.2kv	9,650	5	1	8.64	8,719.89	705.69	1,719.14	36.81	31.73
Industrial -- B2(a)	0.4kv	12,239	0	0	8.64	8,719.89	705.69	1,719.14	1.91	22.44
Industrial -- B1(b)	0.4kv	6,081	-	-	-	-	-	-	-	-
Industrial -- B2(b)	0.4kv	1,008	1,072	105	8.64	8,719.89	705.69	1,719.14	67,294.18	22.51
Industrial -- B3	11kv	246	952	194	7.98	8,061.35	652.39	1,242.58	231,883	33.10
Industrial -- B4	132kv	13	858	189	6.93	6,997.80	566.32	813.96	3,895,725.98	29.76
Single P. Supply C1(a)	0.2kv	14	0	0	7.98	8,719.89	705.69	1,719.14	796.80	39.40
Single P. Supply C1(b)	0.4kv	282	12	3	8.64	8,719.89	705.69	1,719.14	2,643.96	48.92
Single P. Supply C2(a)	11kv	19	9	3	7.98	8,061.35	652.39	1,242.58	29,325.68	44.28
Single P. Supply C3(a)	132kv	1	0	0	6.93	6,997.80	566.32	813.96	8,299.98	37.47
Single P. Supply C1(c)	0.4kv	523	69	9	8.64	8,719.89	705.69	1,719.14	8,386.62	26.72
Single P. Supply C2(b)	11kv	54	378	73	7.98	8,061.35	652.39	1,242.58	416,681	31.90
Single P. Supply C3(b)	132kv	1	19	4	6.93	6,997.80	566.32	813.96	1,007,884.62	29.43
Agricultural --D1(a)	0.4kv	559	0	-	8.64	-	-	-	51.62	9.40
Agricultural --D2(a)	0.4kv	189	13	2	8.64	8,719.89	705.69	1,719.14	4,248.34	32.97
Agricultural --D2(b)	0.4kv	17,035	-	-	-	-	-	-	-	-
Agricultural --D1(b)	0.4kv	6,379	59	21	8.64	8,719.89	705.69	1,719.14	583.55	56.60
Temp. Supply - E1(i)	0.2kv	396	0	0	8.64	8,719.89	705.69	1,719.14	26.64	40.68
Temp. Supply- E1(ii)	0.2kv	2,154	3	1	8.64	8,719.89	705.69	1,719.14	108.31	38.82
Temp. Supply - E2	0.2kv	-	1	0	8.64	8,719.89	705.69	1,719.14	-	36.05
Public Lighting -- G	0.4kv	1,257	16	3	8.64	8,719.89	705.69	1,719.14	801.07	38.18
Res. Colonies -- H	11kv	52	2	0	7.98	8,061.35	652.39	1,242.58	2,121.21	37.08
AJK - K1a	11kv	4	-	0	-	8,061.35	652.39	1,242.58	-	-
AJK - K1b	11kv	39	525	2	7.98	8,061.35	652.39	1,242.58	812,630	9.09
A3 General	0.4kv	46,695	589	131	8.64	8,719.89	705.69	1,719.14	797.88	39.13
Total/Average		4,219,318	12,334	2,148	8.42	8,481.39	686.39	1,577.22	194.68	31.67

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Unbundled rates RS/kwh (Tariff wise)

The functional allocation of revenue requirement of PESCO (Generation, Transmission, MO Fee And distribution) costs to customers categories an RS./KWH are shown in table below.

FY 2023-24											
Customer Category	Voltage level	Sales GWh	Demand MW	Generation Rs. (M)	Transm Rs. (M)	Dist. Rs. (M)	Total Rs. (M)	Generation Rs./kWh	T. UoSC Rs./kWh	D. UoSC Rs./kWh	Total Rate Rs./kWh
Residential – A1(a)	0.2kV	6,405	1,127	173,200	9,540	28,699	211,439	27.04	1.49	4.48	33.01
Residential – A1(b)	0.4kV	219	48	6,906	406	1,155	8,468	31.58	1.86	5.28	38.72
Commercial – A2(a)	0.2kV	419	111	15,204	937	2,641	18,782	36.25	2.23	6.30	44.78
Commercial – A2(b)	0.4kV	0	0	3	0	1	4	29.73	1.71	4.92	36.36
Commercial – A2(c)	0.4kV	708	120	18,688	1,018	3,017	22,723	26.40	1.44	4.26	32.10
Industrial -- B1(a)	0.2kV	5	1	130	7	21	159	26.04	1.41	4.28	31.73
Industrial -- B2(a)	0.4kV	0	0	7	0	1	8	18.84	0.83	2.77	22.44
Industrial -- B1(b)	0.4kV	-	-	-	-	-	-	-	-	-	-
Industrial -- B2(b)	0.4kV	1,072	105	20,257	890	2,983	24,130	18.90	0.83	2.78	22.51
Industrial -- B3	11kV	952	194	26,397	1,521	3,581	31,499	27.74	1.60	3.76	33.10
Industrial -- B4	132kV	858	189	21,828	1,285	2,433	25,546	25.43	1.50	2.83	29.76
Single Point Supply -- C1(a)	0.2kV	0	0	5	0	1	6	31.90	1.94	5.57	39.40
Single Point Supply -- C1(b)	0.4kV	12	3	466	29	81	577	39.56	2.50	6.86	48.92
Single Point Supply -- C2(a)	11kV	9	3	339	21	48	408	36.79	2.33	5.16	44.28
Single Point Supply -- C3(a)	132kV	0	0	5	0	1	6	31.87	2.02	3.58	37.47
Single Point Supply -- C1(c)	0.4kV	69	9	1,536	76	238	1,850	22.19	1.10	3.43	26.72
Single Point Supply -- C2(b)	11kV	378	73	10,129	575	1,367	12,072	26.77	1.52	3.61	31.90
Single Point Supply -- C3(b)	132kV	19	4	466	27	52	545	25.15	1.47	2.80	29.43
Agricultural --D1(a)	0.4kV	0	-	4	-	0	4	8.64	-	0.76	9.40
Agricultural --D2(a)	0.4kV	13	2	344	19	56	419	27.08	1.49	4.40	32.97
Agricultural --D2(b)	0.4kV	-	-	-	-	-	-	-	-	-	-
Agricultural --D1(b)	0.4kV	59	21	2,680	176	473	3,328	45.57	2.99	8.04	56.60
Temporary Supply -- E1(i)	0.2kV	0	0	5	0	1	6	33.04	1.98	5.66	40.68
Temporary Supply -- E1(ii)	0.2kV	3	1	104	6	18	127	31.58	1.86	5.38	38.82
Temporary Supply -- E2	0.2kV	1	0	32	2	5	39	29.42	1.68	4.95	36.05
Public Lighting -- G	0.4kV	16	3	496	29	83	607	31.16	1.82	5.20	38.18
Residential Colonies -- H	11kV	2	0	57	3	8	69	30.96	1.86	4.26	37.08
Azad Jammu Kashmir - K1a	11kV	-	0	19	2	3	24	-	-	-	-
Azad Jammu Kashmir - K1b	11kV	525	2	4,355	13	402	4,771	8.29	0.03	0.77	9.09
A3 General	0.4kV	589	131	18,775	1,108	3,146	23,029	31.90	1.88	5.35	39.13
Total		12,334	2,148	322,437	17,693	50,513	390,643	26.14	1.43	4.10	31.67

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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/KWH/Month or Rs./KWH are provided in table below.

FY 2023-24							
Customer Category	Voltage Level	Sales GWh	Allocated Cost Rs. (M)		Fixed Charge Rs/kW/Month	Variable Charge Rs/kWh	Total Rate Rs/kWh
			Fixed Cost	Variable Cost			
Residential -- A1(a)	0.2kV	6,405	150,660	60,778	11,145	9.49	33.01
Residential -- A1(b)	0.4kV	219	6,413	2,055	11,145	9.40	38.72
Commercial -- A2(a)	0.2kV	419	14,802	3,980	11,145	9.49	44.78
Commercial -- A2(b)	0.4kV	0	3	1	11,145	9.40	36.36
Commercial -- A2(c)	0.4kV	708	16,071	6,652	11,145	9.40	32.10
Industrial -- B1(a)	0.2kV	5	111	47	11,145	9.49	31.73
Industrial -- B2(a)	0.4kV	0	5	3	11,145	9.40	22.44
Industrial -- B1(b)	0.4kV	-	-	-	-	-	-
Industrial -- B2(b)	0.4kV	1,072	14,058	10,072	11,145	9.40	22.51
Industrial -- B3	11kV	952	23,217	8,282	9,956	8.70	33.10
Industrial -- B4	132/66kV	858	19,010	6,536	8,378	7.61	29.76
Single P. Supply C1(a)	0.2kV	0	5	1	11,145	8.84	39.40
Single P. Supply C1(b)	0.4kV	12	466	111	11,145	9.40	48.92
Single P. Supply C2(a)	11kV	9	328	80	9,956	8.70	44.28
Single P. Supply C3(a)	132/66kV	0	5	1	8,378	7.61	37.47
Single P. Supply C1(c)	0.4kV	69	1,199	650	11,145	9.40	26.72
Single P. Supply C2(b)	11kV	378	8,778	3,293	9,956	8.70	31.90
Single P. Supply C3(b)	132/66kV	19	404	141	8,378	7.61	29.43
Agricultural -- D1(a)	0.4kV	0	-	4	-	9.40	9.40
Agricultural -- D2(a)	0.4kV	13	299	119	11,145	9.40	32.97
Agricultural -- D2(b)	0.4kV	-	-	-	-	-	-
Agricultural -- D1(b)	0.4kV	59	2,776	553	11,145	9.40	56.60
Temp. Supply - E1(i)	0.2kV	0	5	1	11,145	9.49	40.68
Temp. Supply- E1(ii)	0.2kV	3	96	31	11,145	9.49	38.82
Temp. Supply - E2	0.2kV	1	29	10	11,145	9.49	36.05
Public Lighting -- G	0.4kV	16	458	149	11,145	9.40	38.18
Res. Colonies -- H	11kV	2	53	16	9,956	8.70	37.08
AJK - K1a	11kV	-	24	-	9,956	-	-
AJK - K1b	11kV	525	201	4,570	9,956	8.70	9.09
A3 General	0.4kV	589	17,498	5,531	11,145	9.40	39.13
Total		12,334	276,974	113,670	10,745	9.22	31.67

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Revenue, cost of service and subsidies (Tariff category wise)

Based on assessment of revenue and the cost of service for each category of customer, as per the details provided here in 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 below. It may be noted that the negative figure means the customer is subsidized (Revenue less than cost) Where is 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 , is also arrived in the last column of table below.

FY 2023-24											
Customer Class	Voltage	Sales GWh	Demand MW	Revenue as per NEPRA Tariff			Cost of Service			Difference Subsidy M. PKR	subsidy Rs./kWh
				Demand Charge (M.PKR)	Energy Charge M.PKR	Total M. PKR	Demand Cost (M.PKR)	Energy Cost M.PKR	Total M. PKR		
Residential A1(a)	0.2kV	6,405	1,127	-	196,022	196,022	-	211,439	211,439	(15,417)	(2.41)
Residential A1(b)	0.4kV	219	48	-	6,481	6,481	-	8,468	8,468	(1,987)	(9.08)
Commercial A2(a)	0.2kV	419	111	-	14,167	14,167	-	18,782	18,782	(4,615)	(11.00)
Commercial A2(b)	0.4kV	0	0	3	4	7	3	1	4	3	25.34
Commercial A2(c)	0.4kV	708	120	1,764	22,427	24,191	16,071	6,652	22,723	1,469	2.07
Industrial B1(a)	0.2kV	5	1	-	162	162	-	159	159	4	0.72
Industrial B2(a)	0.4kV	0	0	60	12	72	5	3	8	64	172.14
Industrial B1(b)	0.4kV	-	-	-	-	-	-	-	-	-	-
Industrial B2(b)	0.4kV	1,072	105	2,878	33,266	36,144	14,058	10,072	24,130	12,015	11.21
Industrial B3	11kV	952	194	1,574	30,260	31,833	23,217	8,282	31,499	334	0.35
Industrial B4	132kV	858	189	1,021	27,530	28,551	19,010	6,536	25,546	3,004	3.50
Bulk Supply C1(a)	0.2kV	0	0	-	6	6	-	6	6	(0)	(1.47)
Bulk Supply C1(b)	0.4kV	12	3	30	433	463	466	111	577	(114)	(9.65)
Bulk Supply C2(a)	11kV	9	3	29	311	340	328	80	408	(69)	(7.44)
Bulk Supply C3(a)	132kV	0	0	13	5	17	5	1	6	12	77.02
Bulk Supply C1(c)	0.4kV	69	9	156	2,276	2,432	1,199	650	1,850	582	8.41
Bulk Supply C2(b)	11kV	378	73	484	12,282	12,765	8,778	3,293	12,072	694	1.83
Bulk Supply C3(b)	132kV	19	4	43	577	620	404	141	545	76	4.08
Agricultural D1(a)	0.4kV	0	-	-	16	-	-	4	4	(4)	(9.40)
Agricultural D2(a)	0.4kV	13	2	36	444	480	299	119	419	62	4.86
Agricultural D2(b)	0.4kV	-	-	-	-	-	-	-	-	-	-
Agricultural D1(b)	0.4kV	59	21	3	1,993	1,996	2,776	553	3,328	(1,333)	(22.66)
Temporary E1(i)	0.2kV	0	0	-	5	5	-	6	6	(1)	(3.82)
Temporary E1(ii)	0.2kV	3	1	-	107	107	-	127	127	(20)	(6.21)
Temporary E2	0.2kV	1	0	-	38	38	-	39	39	(1)	(0.87)
Public Lighting G	0.4kV	16	3	-	582	582	-	607	607	(25)	(1.57)
Residential Col.H	11kV	2	0	-	70	70	-	69	69	1	0.51
A J K K1a	11kV	-	0	-	-	-	-	24	24	(24)	-
A J K K1b	11kV	525	2	586	19,124	19,711	201	4,570	4,771	14,940	28.45
A3 General	0.4kV	589	131	-	20,206	20,206	-	23,029	23,029	(2,823)	(4.80)
Total		12,334	2,148	8,679	388,807	397,470	86,820	303,823	390,643	6,827	0.55

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Revenue cost of service and subsidies (Rs./KWH)

Revenue, cost of service and subsidy in terms of (Rs./KWH) for each category of the customers is shown in table below. The table also provides the revenue to cost ratio.

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	6,405	30.60	33.01	(2.41)	0.93
Residential A1(b)	0.4kV	219	29.64	38.72	(9.08)	0.77
Commercial A2(a)	0.2kV	419	33.78	44.78	(11.00)	0.75
Commercial A2(b)	0.4kV	0	61.70	36.36	25.34	1.70
Commercial A2(c)	0.4kV	708	34.17	32.10	2.07	1.06
Industrial B1(a)	0.2kV	5	32.45	31.73	0.72	1.02
Industrial B2(a)	0.4kV	0	194.58	22.44	172.14	8.67
Industrial B1(b)	0.4kV	-	-	-	-	-
Industrial B2(b)	0.4kV	1,072	33.72	22.51	11.21	1.50
Industrial B3	11kV	952	33.45	33.10	0.35	1.01
Industrial B4	132kV	858	33.26	29.76	3.50	1.12
Bulk Supply C1(a)	0.2kV	0	37.93	39.40	(1.47)	0.96
Bulk Supply C1(b)	0.4kV	12	39.27	48.92	(9.65)	0.80
Bulk Supply C2(a)	11kV	9	36.84	44.28	(7.44)	0.83
Bulk Supply C3(a)	132kV	0	114.49	37.47	77.02	3.06
Bulk Supply C1(c)	0.4kV	69	35.13	26.72	8.41	1.31
Bulk Supply C2(b)	11kV	378	33.73	31.90	1.83	1.06
Bulk Supply C3(b)	132kV	19	33.51	29.43	4.08	1.14
Agricultural D1(a)	0.4kV	0	-	9.40	(9.40)	-
Agricultural D2(a)	0.4kV	13	37.83	32.97	4.86	1.15
Agricultural D2(b)	0.4kV	-	-	-	-	-
Agricultural D1(b)	0.4kV	59	33.94	56.60	(22.66)	0.60
Temporary E1(i)	0.2kV	0	36.86	40.68	(3.82)	0.91
Temporary E1(ii)	0.2kV	3	32.61	38.82	(6.21)	0.84
Temporary E2	0.2kV	1	35.18	36.05	(0.87)	0.98
Public Lighting G	0.4kV	16	36.61	38.18	(1.57)	0.96
Residential Col.H	11kV	2	37.59	37.08	0.51	1.01
A J K K1a	11kV	-	-	-	-	-
A J K K1b	11kV	525	37.54	9.09	28.45	4.13
A3 General	0.4kV	589	34.33	39.13	(4.80)	0.88
Sub Total		12,334	32.23	31.67	0.55	1.02

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Revenue, cost of service and subsidies (11KV and Above)

The revenue, cost of service and subsidies for customer categories that fall under 11KV are summarized a table below.

FY 2023-24											
Customer Class	Voltage	Sales GWh	Demand MW	Revenue as per NEPRA Tariff			Cost of Service			Difference Subsidy M. PKR	subsidy Rs./kWh
				Demand Charge (M.PKR)	Energy Charge M.PKR	Total M. PKR	Demand Cost (M.PKR)	Energy Cost M.PKR	Total M. PKR		
Industrial B3	11kV	952	194	1574	30260	31833	23217	8282	31499	334	0.35
Bulk Supply C2(a)	11kV	9	3	29	311	340	328	80	408	-69	-7.44
Bulk Supply C2(b)	11kV	378	73	484	12282	12765	8778	3293	12072	694	1.83
Residential Col.H	11kV	2	0	0	70	70	0	69	69	1	0.51
A J K K1a	11kV	0	0	0	0	0	0	24	24	-24	0.00
A J K K1b	11kV	525	2	586	19124	19711	201	4570	4771	14940	28.45

Revenue/KWH, Cost of service/KWH and Subsidies/KWH (BPC Only)

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

- 1 . Although there are 13 numbers of 132KV customers within PESCO, therefore a broad assessment of the COST of Service of such customers have been considered as BPC.
2. Although 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 BPCS contained in Nepra Act 1997 being less than 1 KW.
3. The customer categories A-2 and A-3, for purposes of cost of service assessment, have been considered at 0.4 KV level. However these customers based on the sanction load May be connected at 11 KV level is required.
4. Consumer category for tariff H, i.e housing colonies attached to industries, despite being connected at 11 KV, cannot be considered as BPC for (i) principally being resale in nature and (ii)being less than one MW.
5. The supply feed for AJK customer category is primarily for resale purpose, therefore, not entitled for consideration as BPC.

Based on the above clarification, the abstract of revenue (RS./KWH) , the cost of service (RS./KWH) and resultant cross subsidy (RS./KWH) is appended at table below.

FY 2023-24						
Customer Class	Voltage	Sales GWh	Revenue Rs./kwh	Cost of Service Rs./kwh	Subsidy Rs./kwh	Revenue to Cost Ratio
Industrial B3	11kV	952	33.45	33.10	0.35	1.01
Industrial B4	132kV	858	33.26	29.76	3.50	1.12
Bulk Supply C2(a)	11kV	9	36.84	44.28	(7.44)	0.83
Bulk Supply C2(b)	11kV	378	33.73	31.90	1.83	1.06
Bulk Supply C3(a)	132kV	0	114.49	37.47	77.02	3.06
Bulk Supply C3(b)	132kV	19	33.51	29.43	4.08	1.14

PESCO-Petition for determination of UOSC (Sept: 2023)-Annex-2

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 customers is shown in table below. The table also provides the revenue to cost ratio which shows that :

1. If this ratio is less than one, the relevant customer class is subsidized, i.e the tariff revenue is less than the allocated cost ;
2. 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
3. If this ratio is equal to one, the customer class is at adequately priced viz-a-viz the allocated cost.

FY 2023-24

Customer Class	Voltage	Sales GWh	Demand MW	Revenue as per NEPRA Tariff		Cost of Service		Difference/Subsidy M. PKR		Revenue to Cost Ratio	
				Fixed (Rs. M)	Variable (Rs. M)	Fixed (Rs. M)	Variable (Rs. M)	Fixed Rs. M	Variable Rs. M	Fixed	Variable
Residential -- A1(a)	0.2kV	6,405	1,127	-	196,022	-	211,439	-	15,417	-	0.93
Residential -- A1(b)	0.4kV	219	48	-	6,481	-	8,468	-	1,987	-	0.77
Commercial -- A2(a)	0.2kV	419	111	-	14,167	-	18,782	-	4,615	-	0.75
Commercial -- A2(b)	0.4kV	0	0	3	4	3	1	(0)	(3)	1.08	3.46
Commercial -- A2(c)	0.4kV	708	120	1,764	22,427	16,071	6,652	14,307	(15,776)	0.11	3.37
Industrial -- B1(a)	0.2kV	5	1	-	162	-	159	-	(4)	-	1.02
Industrial -- B2(a)	0.4kV	0	0	60	12	5	3	-	(4)	-	3.47
Industrial -- B1(b)	0.4kV	-	-	-	-	-	-	(55)	(9)	12.42	-
Industrial -- B2(b)	0.4kV	1,072	105	2,878	33,266	14,058	10,072	-	-	-	3.30
Industrial -- B3	11kV	952	194	1,574	30,260	23,217	8,282	11,180	(23,194)	0.20	3.65
Industrial -- B4	132/66kV	858	189	1,021	27,530	19,010	6,536	21,643	(21,978)	0.07	4.21
Single Point Supply -- C1(a)	0.2kV	0	0	-	6	-	6	17,989	(20,993)	0.05	0.96
Single Point Supply -- C1(b)	0.4kV	12	3	30	433	466	111	-	0	-	3.91
Single Point Supply -- C2(a)	11kV	9	3	29	311	328	80	436	(322)	0.07	3.87
Single Point Supply -- C3(a)	132/66kV	0	0	13	5	5	1	299	(230)	0.09	4.24
Single Point Supply -- C1(c)	0.4kV	69	9	156	2,276	1,199	650	(8)	(4)	2.75	3.50
Single Point Supply -- C2(b)	11kV	378	73	484	12,282	8,778	3,293	1,043	(1,626)	0.13	3.73
Single Point Supply -- C3(b)	132/66kV	19	4	43	577	404	141	8,295	(8,989)	0.06	4.10
Agricultural -- D1(a)	0.4kV	0	-	-	16	-	4	361	(436)	0.11	3.79
Agricultural -- D2(a)	0.4kV	13	2	36	444	299	119	-	(12)	-	3.72
Agricultural -- D2(b)	0.4kV	-	-	-	-	-	-	263	(325)	0.12	-
Agricultural -- D1(b)	0.4kV	59	21	3	1,993	2,776	553	-	-	-	3.61
Temporary Supply -- E1(i)	0.2kV	0	0	-	5	-	6	2,773	(1,440)	0.00	0.91
Temporary Supply -- E1(ii)	0.2kV	3	1	-	107	-	127	-	1	-	0.84
Temporary Supply -- E2	0.2kV	1	0	-	38	-	39	-	20	-	0.98
Public Lighting -- G	0.4kV	16	3	-	582	-	607	-	1	-	0.96
Residential Colonies -- H	11kV	2	0	-	70	-	69	-	25	-	1.01
Azad Jammu Kashmir - K1a	11kV	-	0	-	-	-	24	-	(1)	-	-
Azad Jammu Kashmir - K1b	11kV	525	2	586	19,124	201	4,570	-	24	-	4.18
A3 General	0.4kV	589	131	-	20,206	-	23,029	(385)	(14,554)	2.92	0.88
Total		12,334	2,148	8,679	388,807	86,820	303,823	78,140	(87,809)	0.10	1.28

FY 2023-24

Classes	Voltage Level	Energy GWh		Demand MW		Generation Cost		Transm	MOF	Distribution		Total Cost (Rs. M)	Cost Rs./kWh sold	Cost Rs./kWh Purchased
		Sold	Purchased	at Meter	at CDP	Energy (Rs.M)	Demand (Rs.M)	Cost (Rs.M)	Cost (Rs.M)	Demand (Rs.M)	cust. Cost (Rs.M)			
Residential -- A1(a)	0.2kV	6,405	8,186	1,127	1,701	55,320	117,880	9,540		23,240	5,459	211,439	33.01	25.83
Residential -- A1(b)	0.4kV	219	279	48	59	1,889	5,018	406		989	166	8,468	38.72	30.30
Commercial -- A2(a)	0.2kV	419	536	111	137	3,622	11,582	937		2,283	357	18,782	44.78	35.04
Commercial -- A2(b)	0.4kV	0	0	0	0	1	2	0		0	0	4	36.36	28.45
Commercial -- A2(c)	0.4kV	708	905	120	148	6,114	12,574	1,018		2,479	538	22,723	32.10	25.12
Commercial---A2(D)	0.4kV	-	-	-	-	-	-	-		-	-	-	-	-
Industrial -- B1(a)	0.2kV	5	6	1	1	43	87	7		17	4	159	31.73	24.83
Industrial -- B2(a)	0.4kV	0	0	0	0	3	4	0		1	0	8	22.44	17.55
Industrial -- B1(b)	0.4kV	-	-	-	-	-	-	-		-	-	-	-	-
Industrial -- B2(b)	0.4kV	1,072	1,370	105	130	9,258	10,999	890		2,169	814	24,130	22.51	17.61
Industrial -- B3	11kV	952	1,124	194	128	7,599	18,798	1,521		2,898	683	31,499	33.10	28.01
Industrial -- B4	132/66kV	858	880	189	79	5,950	15,878	1,285		1,847	586	25,546	29.76	29.01
Single Point Supply -- C1(a)	0.2kV	0	0	0	0	1	4	0		1	0	6	39.40	33.34
Single Point Supply -- C1(b)	0.4kV	12	15	3	4	102	364	29		72	9	577	48.92	38.28
Single Point Supply -- C2(a)	11kV	9	11	3	3	74	266	21		41	7	408	44.28	37.48
Single Point Supply -- C3(a)	132/66kV	0	0	0	0	1	4	0		0	0	6	37.47	36.53
Single Point Supply -- C1(c)	0.4kV	69	88	9	11	598	938	76		185	53	1,850	26.72	20.91
Single Point Supply -- C2(b)	11kV	378	447	73	29	3,021	7,108	575		1,096	272	12,072	31.90	27.00
Single Point Supply -- C3(b)	132/66kV	19	19	4	6	128	337	27		39	13	545	29.43	28.69
Agricultural --D1(a)	0.4kV	0	1	-	-	4	-	-		-	0	4	9.40	7.35
Agricultural --D2(a)	0.4kV	13	16	2	3	110	234	19		46	10	419	32.97	25.80
Agricultural --D2(b)	0.4kV	-	-	-	-	-	-	-		-	-	-	-	-
Agricultural --D1(b)	0.4kV	59	75	21	26	508	2,172	176		428	45	3,328	56.60	44.29
Temporary Supply -- E1(i)	0.2kV	0	0	0	0	1	4	0		1	0	6	40.68	31.83
Temporary Supply -- E1(ii)	0.2kV	3	4	1	1	28	75	6		15	3	127	38.82	30.37
Temporary Supply -- E2	0.2kV	1	1	0	0	9	23	2		4	1	39	-	-
Public Lighting -- G	0.4kV	16	20	3	4	137	358	29		71	12	607	38.18	29.87
Residential Colonies -- H	11kV	2	2	0	1	15	43	3		7	1	69	37.08	31.38
Azad Jammu Kashmir - K1a	11kV	-	-	0	0	-	19	2		3	-	-	-	-
Azad Jammu Kashmir - K1b	11kV	525	620	2	2	4,193	163	13		25	377	4,771	9.09	7.69
A3 General	0.4kV	589	752	131	161	5,083	13,691	1,108		2,699	447	23,029	39.13	30.61
Total		12,334	15,362	2,148	2,636	103,812	218,625	17,693	-	40,656	9,857	390,619	31.67	25.43

FY 2023-24 (kW or kWh at Consumer)

Classes	Voltage Level	Energy GWh		Demand MW		Generation Cost		Transm	MOF	Distribution		Total Fixed Cost	Fixed Cost	Total Cost
		Sold	Purchased	at Meter	at CDP	Energy (Rs./kWh)	Demand (Rs./kW/M)	Cost (Rs./kW/M)	Cost (Rs./kW/M)	Demand (Rs./kW/M)	cust. Cost (Rs./kW/M)	(Rs./kW/ M)	Rs./kWh sold	Rs./kWh Sold
Residential -- A1(a)	0.2kV	6,405	8,186	1,127	1,701	8.64	8,719.89	705.69	-	1,719.14	403.79	11,548.51	24.37	33.01
Residential -- A1(b)	0.4kV	219	279	48	59	8.64	8,719.89	705.69	-	1,719.14	288.68	11,433.40	30.08	38.72
Commercial -- A2(a)	0.2kV	419	536	111	137	8.64	8,719.89	705.69	-	1,719.14	269.11	11,413.82	36.15	44.78
Commercial -- A2(b)	0.4kV	0	0	0	0	8.64	8,719.89	705.69	-	1,719.14	314.00	11,458.72	27.72	36.36
Commercial -- A2(c)	0.4kV	708	905	120	148	8.64	8,719.89	705.69	-	1,719.14	372.88	11,517.60	23.46	32.10
Industrial -- B1(a)	0.2kV	5	6	1	1	8.64	8,719.89	705.69	-	1,719.14	427.00	11,571.71	23.10	31.73
Industrial -- B2(a)	0.4kV	0	0	0	0	8.64	8,719.89	705.69	-	1,719.14	649.24	11,793.96	13.80	22.44
Industrial -- B1(b)	0.4kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial -- B2(b)	0.4kV	1,072	1,370	105	130	8.64	8,719.89	705.69	-	1,719.14	645.47	11,790.18	13.87	22.51
Industrial -- B3	11kV	952	1,124	194	128	7.98	8,061.35	652.39	-	1,242.58	293.04	10,249.36	25.11	33.10
Industrial -- B4	132/66kV	858	880	189	79	6.93	6,997.80	566.32	-	813.96	258.36	8,636.44	22.83	29.76
Single Point Supply -- C1(a)	0.2kV	0	0	0	0	7.98	8,719.89	705.69	-	1,719.14	310.79	11,455.50	31.41	39.40
Single Point Supply -- C1(b)	0.4kV	12	15	3	4	8.64	8,719.89	705.69	-	1,719.14	214.17	11,358.88	40.29	48.92
Single Point Supply -- C2(a)	11kV	9	11	3	3	7.98	8,061.35	652.39	-	1,242.58	200.95	10,157.27	36.29	44.28
Single Point Supply -- C3(a)	132/66kV	0	0	0	0	6.93	6,997.80	566.32	-	813.96	191.64	8,569.72	30.54	37.47
Single Point Supply -- C1(c)	0.4kV	69	88	9	11	8.64	8,719.89	705.69	-	1,719.14	488.71	11,633.42	18.08	26.72
Single Point Supply -- C2(b)	11kV	378	447	73	29	7.98	8,061.35	652.39	-	1,242.58	308.17	10,264.49	23.92	31.90
Single Point Supply -- C3(b)	132/66kV	19	19	4	6	6.93	6,997.80	566.32	-	813.96	262.26	8,640.34	22.50	29.43
Agricultural -- D1(a)	0.4kV	0	1	-	-	8.64	-	-	-	-	-	-	-	8.64
Agricultural -- D2(a)	0.4kV	13	16	2	3	8.64	8,719.89	705.69	-	1,719.14	359.13	11,503.85	24.33	32.97
Agricultural -- D2(b)	0.4kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural -- D1(b)	0.4kV	59	75	21	26	8.64	8,719.89	705.69	-	1,719.14	179.33	11,324.05	47.96	56.60
Temporary Supply -- E1(i)	0.2kV	0	0	0	0	8.64	8,719.89	705.69	-	1,719.14	304.51	11,449.22	32.04	40.68
Temporary Supply -- E1(ii)	0.2kV	3	4	1	1	8.64	8,719.89	705.69	-	1,719.14	323.87	11,468.59	30.18	38.82
Temporary Supply -- E2	0.2kV	1	1	0	0	8.64	8,719.89	705.69	-	1,719.14	357.57	11,502.28	27.41	36.05
Public Lighting -- G	0.4kV	16	20	3	4	8.64	8,719.89	705.69	-	1,719.14	294.10	11,438.82	29.54	38.18
Residential Colonies -- H	11kV	2	2	0	1	7.98	8,061.35	652.39	-	1,242.58	251.97	10,208.29	29.09	37.08
Azad Jammu Kashmir - K1a	11kV	-	-	0	0	-	8,061.35	652.39	-	1,242.58	-	9,956.32	-	-
Azad Jammu Kashmir - K1b	11kV	525	620	2	2	7.98	8,061.35	652.39	-	1,242.58	18,676.84	28,633.17	1.10	9.09
A3 General	0.4kV	589	752	131	161	8.64	8,719.89	705.69	-	1,719.14	284.75	11,429.46	30.49	39.13
Total		12,334	15,362	2,148	2,636	8.42	8,481.39	686.39		1,577.22	382.40	11,127.39	23.26	31.67

FY 2023-24 (kW or kWh CDP)

Classes	Voltage Level	Energy GWh		Demand MW		Generation Cost		Transm	MOF	Distribution		Total Fixed Cost	Fixed Cost	Total Cost
		Sold	Purchased	at Meter	at CDP	Energy (Rs./kWh)	Demand (Rs./kW/M)	Cost (Rs./kW/M)	Cost (Rs./kW/M)	Demand (Rs./kW/M)	cust. Cost (Rs./kW/M)	(Rs./kW/ M)	Rs./kWh Purchased	Rs./kWh Purchased
Residential -- A1(a)	0.2kV	6,405	8,186	1,127	1,701	6.76	5,776.30	467.47	-	1,138.81	267.48	7,650.06	19.07	25.83
Residential -- A1(b)	0.4kV	219	279	48	59	6.76	7,072.53	572.37	-	1,394.36	234.14	9,273.40	23.54	30.30
Commercial -- A2(a)	0.2kV	419	536	111	137	6.76	7,061.75	571.50	-	1,392.24	217.93	9,243.42	28.28	35.04
Commercial -- A2(b)	0.4kV	0	0	0	0	6.76	7,082.72	573.19	-	1,396.37	255.05	9,307.34	21.69	28.45
Commercial -- A2(c)	0.4kV	708	905	120	148	6.76	7,065.11	571.77	-	1,392.90	302.12	9,331.90	18.36	25.12
Industrial -- B1(a)	0.2kV	5	6	1	1	6.76	6,917.63	559.83	-	1,363.82	338.74	9,180.03	18.07	24.83
Industrial -- B2(a)	0.4kV	0	0	0	0	6.76	7,082.72	573.19	-	1,396.37	527.35	9,579.64	10.80	17.55
Industrial -- B1(b)	0.4kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial -- B2(b)	0.4kV	1,072	1,370	105	130	6.76	7,049.62	570.51	-	1,389.85	521.83	9,531.81	10.86	17.61
Industrial -- B3	11kV	952	1,124	194	128	6.76	12,196.62	987.05	-	1,879.99	443.36	15,507.02	21.26	28.01
Industrial -- B4	132/66kV	858	880	189	79	6.76	16,654.03	1,347.78	-	1,937.15	614.88	20,553.84	22.26	29.01
Single Point Supply -- C1(a)	0.2kV	0	0	0	0	6.76	7,082.72	573.19	-	1,396.37	252.44	9,304.73	26.59	33.34
Single Point Supply -- C1(b)	0.4kV	12	15	3	4	6.76	7,082.72	573.19	-	1,396.37	173.96	9,226.24	31.52	38.28
Single Point Supply -- C2(a)	11kV	9	11	3	3	6.76	6,547.83	529.91	-	1,009.28	163.22	8,250.24	30.72	37.48
Single Point Supply -- C3(a)	132/66kV	0	0	0	0	6.76	5,683.95	459.99	-	661.14	155.66	6,960.75	29.77	36.53
Single Point Supply -- C1(c)	0.4kV	69	88	9	11	6.76	6,994.73	566.07	-	1,379.03	392.02	9,331.85	14.15	20.91
Single Point Supply -- C2(b)	11kV	378	447	73	29	6.76	20,499.48	1,658.99	-	3,159.80	783.64	26,101.91	20.24	27.00
Single Point Supply -- C3(b)	132/66kV	19	19	4	6	6.76	4,475.81	362.22	-	520.61	167.74	5,526.38	21.94	28.69
Agricultural -- D1(a)	0.4kV	0	1	-	-	6.76	-	-	-	-	-	-	-	6.76
Agricultural -- D2(a)	0.4kV	13	16	2	3	6.76	6,995.81	566.16	-	1,379.24	288.12	9,229.33	19.04	25.80
Agricultural -- D2(b)	0.4kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural -- D1(b)	0.4kV	59	75	21	26	6.76	7,065.27	571.78	-	1,392.93	145.30	9,175.28	37.53	44.29
Temporary Supply -- E1(i)	0.2kV	0	0	0	0	6.76	7,108.09	575.25	-	1,401.37	248.22	9,332.93	25.07	31.83
Temporary Supply -- E1(ii)	0.2kV	3	4	1	1	6.76	7,060.15	571.37	-	1,391.92	262.23	9,285.66	23.61	30.37
Temporary Supply -- E2	0.2kV	1	1	0	0	6.76	7,091.74	573.92	-	1,398.15	290.80	9,354.62	21.45	28.21
Public Lighting -- G	0.4kV	16	20	3	4	6.76	7,083.88	573.29	-	1,396.60	238.92	9,292.70	23.12	29.87
Residential Colonies -- H	11kV	2	2	0	1	6.76	6,547.83	529.91	-	1,009.28	204.66	8,291.68	24.62	31.38
Azad Jammu Kashmir - K1a	11kV	-	-	0	0	-	6,547.83	529.91	-	1,009.28	-	8,087.02	-	-
Azad Jammu Kashmir - K1b	11kV	525	620	2	2	6.76	6,547.83	529.91	-	1,009.28	15,170.25	23,257.27	0.93	7.69
A3 General	0.4kV	589	752	131	161	6.76	7,067.27	571.94	-	1,393.33	230.78	9,263.32	23.86	30.61
Total		12,334	15,362	2,148	2,636	6.76	6,911.51	559.34	-	1,285.28	311.62	9,067.74	18.67	25.43

FY 2023-24 (kWh at Consumer)

Classes	Voltage Level	Energy GWh		Demand MW		Generation Cost		Transm	MOF	Distribution		Total Fixed Cost	Fixed Cost	Total Cost
		Sold	Purchased	at Meter	at CDP	Energy (Rs./kWh)	Demand (Rs./kWh)	Cost (Rs./kWh)	Cost (Rs./kWh)	Demand (Rs./kWh)	cust. Cost (Rs./kWh)	Cost (Rs./kWh)	Rs./kWh Purchased	Rs./kWh Sold
Residential -- A1(a)	0.2kV	6,405	8,186	1,127	1,701	8.64	18.40	1.49	-	3.63	0.85	24.37	24.37	33.01
Residential -- A1(b)	0.4kV	219	279	48	59	8.64	22.94	1.86	-	4.52	0.76	30.08	30.08	38.72
Commercial -- A2(a)	0.2kV	419	536	111	137	8.64	27.61	2.23	-	5.44	0.85	36.15	36.15	44.78
Commercial -- A2(b)	0.4kV	0	0	0	0	8.64	21.09	1.71	-	4.16	0.76	27.72	27.72	36.36
Commercial -- A2(c)	0.4kV	708	905	120	148	8.64	17.76	1.44	-	3.50	0.76	23.46	23.46	32.10
Industrial -- B1(a)	0.2kV	5	6	1	1	8.64	17.40	1.41	-	3.43	0.85	23.10	23.10	31.73
Industrial -- B2(a)	0.4kV	0	0	0	0	8.64	10.20	0.83	-	2.01	0.76	13.80	13.80	22.44
Industrial -- B1(b)	0.4kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial -- B2(b)	0.4kV	1,072	1,370	105	130	8.64	10.26	0.83	-	2.02	0.76	13.87	13.87	22.51
Industrial -- B3	11kV	952	1,124	194	128	7.98	19.75	1.60	-	3.04	0.72	25.11	25.11	33.10
Industrial -- B4	132/66kV	858	880	189	79	6.93	18.50	1.50	-	2.15	0.68	22.83	22.83	29.76
Single Point Supply -- C1(a)	0.2kV	0	0	0	0	7.98	23.91	1.94	-	4.71	0.85	31.41	31.41	39.40
Single Point Supply -- C1(b)	0.4kV	12	15	3	4	8.64	30.93	2.50	-	6.10	0.76	40.29	40.29	48.92
Single Point Supply -- C2(a)	11kV	9	11	3	3	7.98	28.81	2.33	-	4.44	0.72	36.29	36.29	44.28
Single Point Supply -- C3(a)	132/66kV	0	0	0	0	6.93	24.94	2.02	-	2.90	0.68	30.54	30.54	37.47
Single Point Supply -- C1(c)	0.4kV	69	88	9	11	8.64	13.55	1.10	-	2.67	0.76	18.08	18.08	26.72
Single Point Supply -- C2(b)	11kV	378	447	73	29	7.98	18.78	1.52	-	2.90	0.72	23.92	23.92	31.90
Single Point Supply -- C3(b)	132/66kV	19	19	4	6	6.93	18.22	1.47	-	2.12	0.68	22.50	22.50	29.43
Agricultural -- D1(a)	0.4kV	0	1	-	-	8.64	-	-	-	-	0.76	0.76	0.76	9.40
Agricultural -- D2(a)	0.4kV	13	16	2	3	8.64	18.44	1.49	-	3.64	0.76	24.33	24.33	32.97
Agricultural -- D2(b)	0.4kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural -- D1(b)	0.4kV	59	75	21	26	8.64	36.93	2.99	-	7.28	0.76	47.96	47.96	56.60
Temporary Supply -- E1(i)	0.2kV	0	0	0	0	8.64	24.40	1.98	-	4.81	0.85	32.04	32.04	40.68
Temporary Supply -- E1(ii)	0.2kV	3	4	1	1	8.64	22.95	1.86	-	4.52	0.85	30.18	30.18	38.82
Temporary Supply -- E2	0.2kV	1	1	0	0	8.64	20.78	1.68	-	4.10	0.85	27.41	27.41	36.05
Public Lighting -- G	0.4kV	16	20	3	4	8.64	22.52	1.82	-	4.44	0.76	29.54	29.54	38.18
Residential Colonies -- H	11kV	2	2	0	1	7.98	22.97	1.86	-	3.54	0.72	29.09	29.09	37.08
Azad Jammu Kashmir - K1a	11kV	-	-	0	0	-	-	-	-	-	-	-	-	-
Azad Jammu Kashmir - K1b	11kV	525	620	2	2	7.98	0.31	0.03	-	0.05	0.72	1.10	1.10	9.09
A3 General	0.4kV	589	752	131	161	8.64	23.26	1.88	-	4.59	0.76	30.49	30.49	39.13
Total		12,334	15,362	2,148	2,636	8.42	17.73	1.43	-	3.30	0.80	23.26	23.26	31.67

FY 2023-24 (kWh at CDP)

Classes	Voltage Level	Energy GWh		Demand MW		Generation Cost		Transm	MOF	Distribution		Total Fixed Cost	Fixed Cost	Total Cost
		Sold	Purchased	at Meter	at CDP	Energy (Rs./kWh)	Demand (Rs./kWh)	Cost (Rs./kWh)	Cost (Rs./kWh)	Demand (Rs./kWh)	cust. Cost (Rs./kWh)	Cost (Rs./kWh)	Rs./kWh Purchased	Rs./kWh Purchased
Residential -- A1(a)	0.2kV	6,405	8,186	1,127	1,701	6.76	14.40	1.17	-	2.84	0.67	19.07	19.07	25.83
Residential -- A1(b)	0.4kV	219	279	48	59	6.76	17.95	1.45	-	3.54	0.59	23.54	23.54	30.30
Commercial -- A2(a)	0.2kV	419	536	111	137	6.76	21.61	1.75	-	4.26	0.67	28.28	28.28	35.04
Commercial -- A2(b)	0.4kV	0	0	0	0	6.76	16.50	1.34	-	3.25	0.59	21.69	21.69	28.45
Commercial -- A2(c)	0.4kV	708	905	120	148	6.76	13.90	1.12	-	2.74	0.59	18.36	18.36	25.12
Industrial -- B1(a)	0.2kV	5	6	1	1	6.76	13.62	1.10	-	2.68	0.67	18.07	18.07	24.83
Industrial -- B2(a)	0.4kV	0	0	0	0	6.76	7.98	0.65	-	1.57	0.59	10.80	10.80	17.55
Industrial -- B1(b)	0.4kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial -- B2(b)	0.4kV	1,072	1,370	105	130	6.76	8.03	0.65	-	1.58	0.59	10.86	10.86	17.61
Industrial -- B3	11kV	952	1,124	194	128	6.76	16.72	1.35	-	2.58	0.61	21.26	21.26	28.01
Industrial -- B4	132/66kV	858	880	189	79	6.76	18.03	1.46	-	2.10	0.67	22.26	22.26	29.01
Single Point Supply -- C1(a)	0.2kV	0	0	0	0	6.76	20.24	1.64	-	3.99	0.72	26.59	26.59	33.34
Single Point Supply -- C1(b)	0.4kV	12	15	3	4	6.76	24.20	1.96	-	4.77	0.59	31.52	31.52	38.28
Single Point Supply -- C2(a)	11kV	9	11	3	3	6.76	24.38	1.97	-	3.76	0.61	30.72	30.72	37.48
Single Point Supply -- C3(a)	132/66kV	0	0	0	0	6.76	24.31	1.97	-	2.83	0.67	29.77	29.77	36.53
Single Point Supply -- C1(c)	0.4kV	69	88	9	11	6.76	10.60	0.86	-	2.09	0.59	14.15	14.15	20.91
Single Point Supply -- C2(b)	11kV	378	447	73	29	6.76	15.90	1.29	-	2.45	0.61	20.24	20.24	27.00
Single Point Supply -- C3(b)	132/66kV	19	19	4	6	6.76	17.77	1.44	-	2.07	0.67	21.94	21.94	28.69
Agricultural -- D1(a)	0.4kV	0	1	-	-	6.76	-	-	-	-	0.59	0.59	0.59	7.35
Agricultural -- D2(a)	0.4kV	13	16	2	3	6.76	14.43	1.17	-	2.85	0.59	19.04	19.04	25.80
Agricultural -- D2(b)	0.4kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural -- D1(b)	0.4kV	59	75	21	26	6.76	28.90	2.34	-	5.70	0.59	37.53	37.53	44.29
Temporary Supply -- E1(i)	0.2kV	0	0	0	0	6.76	19.10	1.55	-	3.76	0.67	25.07	25.07	31.83
Temporary Supply -- E1(ii)	0.2kV	3	4	1	1	6.76	17.95	1.45	-	3.54	0.67	23.61	23.61	30.37
Temporary Supply -- E2	0.2kV	1	1	0	0	6.76	16.26	1.32	-	3.21	0.67	21.45	21.45	28.21
Public Lighting -- G	0.4kV	16	20	3	4	6.76	17.62	1.43	-	3.47	0.59	23.12	23.12	29.87
Residential Colonies -- H	11kV	2	2	0	1	6.76	19.44	1.57	-	3.00	0.61	24.62	24.62	31.38
Azad Jammu Kashmir - K1a	11kV	-	-	0	0	-	-	-	-	-	-	-	-	-
Azad Jammu Kashmir - K1b	11kV	525	620	2	2	6.76	0.26	0.02	-	0.04	0.61	0.93	0.93	7.69
A3 General	0.4kV	589	752	131	161	6.76	18.20	1.47	-	3.59	0.59	23.86	23.86	30.61
Total		12,334	15,362	2,148	2,636	6.76	14.23	1.15	-	2.65	0.64	18.67	18.67	25.43

FY 2023-24 (Cost of Losses on kW or kWh)

Classes	Voltage Level	Energy GWh		Demand MW		Generation Cost		Transm	MOF	Distribution		Total Fixed Cost	Total Fixed Cost	Total Cost
		Sold	Purchased	at Meter	at CDP	Energy (Rs./kWh)	Demand (Rs./kW/M)	Cost (Rs./kW/M)	Cost (Rs./kW/M)	Demand (Rs./kW/M)	cust. Cost (Rs./kW/M)	(Rs./kW/ M)	(Rs./kWh)	(Rs./kWh)
Residential -- A1(a)	0.2kV	6,405	8,186	1,127	1,701	1.88	2,943.58	238.22	-	580.33	136.31	3,898.44	5.30	7.18
Residential -- A1(b)	0.4kV	219	279	48	59	1.88	1,647.36	133.32	-	324.78	54.54	2,159.99	6.54	8.42
Commercial -- A2(a)	0.2kV	419	536	111	137	1.88	1,658.14	134.19	-	326.91	51.17	2,170.41	7.86	9.74
Commercial -- A2(b)	0.4kV	0	0	0	0	1.88	1,637.16	132.49	-	322.77	58.95	2,151.38	6.03	7.91
Commercial -- A2(c)	0.4kV	708	905	120	148	1.88	1,654.78	133.92	-	326.24	70.76	2,185.70	5.10	6.98
Industrial -- B1(a)	0.2kV	5	6	1	1	1.88	1,802.26	145.85	-	355.32	88.25	2,391.68	5.02	6.90
Industrial -- B2(a)	0.4kV	0	0	0	0	1.88	1,637.16	132.49	-	322.77	121.90	2,214.32	3.00	4.88
Industrial -- B1(b)	0.4kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial -- B2(b)	0.4kV	1,072	1,370	105	130	1.88	1,670.26	135.17	-	329.30	123.64	2,258.37	3.02	4.90
Industrial -- B3	11kV	952	1,124	194	128	1.23	(4,135.27)	(334.66)	-	(637.41)	(150.32)	(5,257.66)	3.86	5.09
Industrial -- B4	132/66kV	858	880	189	79	0.17	(9,656.24)	(781.46)	-	(1,123.19)	(356.51)	(11,917.40)	0.57	0.74
Single Point Supply -- C1(a)	0.2kV	0	0	0	0	1.23	1,637.16	132.49	-	322.77	58.35	2,150.78	4.83	6.05
Single Point Supply -- C1(b)	0.4kV	12	15	3	4	1.88	1,637.16	132.49	-	322.77	40.21	2,132.64	8.76	10.64
Single Point Supply -- C2(a)	11kV	9	11	3	3	1.23	1,513.52	122.49	-	233.30	37.73	1,907.03	5.58	6.80
Single Point Supply -- C3(a)	132/66kV	0	0	0	0	0.17	1,313.84	106.33	-	152.82	35.98	1,608.97	0.76	0.94
Single Point Supply -- C1(c)	0.4kV	69	88	9	11	1.88	1,725.16	139.61	-	340.12	96.69	2,301.57	3.93	5.81
Single Point Supply -- C2(b)	11kV	378	447	73	29	1.23	(12,438.13)	(1,006.60)	-	(1,917.22)	(475.48)	(15,837.43)	3.67	4.90
Single Point Supply -- C3(b)	132/66kV	19	19	4	6	0.17	2,521.99	204.10	-	293.35	94.52	3,113.96	0.56	0.74
Agricultural --D1(a)	0.4kV	0	1	-	-	1.88	-	-	-	-	-	-	0.17	2.04
Agricultural --D2(a)	0.4kV	13	16	2	3	1.88	1,724.08	139.53	-	339.91	71.01	2,274.52	5.29	7.17
Agricultural --D2(b)	0.4kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural --D1(b)	0.4kV	59	75	21	26	1.88	1,654.62	133.91	-	326.21	34.03	2,148.77	10.43	12.31
Temporary Supply -- E1(i)	0.2kV	0	0	0	0	1.88	1,611.80	130.44	-	317.77	56.29	2,116.29	6.97	8.85
Temporary Supply -- E1(ii)	0.2kV	3	4	1	1	1.88	1,659.74	134.32	-	327.22	61.65	2,182.92	6.57	8.44
Temporary Supply -- E2	0.2kV	1	1	0	0	1.88	1,628.14	131.76	-	320.99	66.76	2,147.66	5.96	7.84
Public Lighting -- G	0.4kV	16	20	3	4	1.88	1,636.00	132.40	-	322.54	55.18	2,146.12	6.43	8.31
Residential Colonies -- H	11kV	2	2	0	1	1.23	1,513.52	122.49	-	233.30	47.31	1,916.61	4.47	5.70
Azad Jammu Kashmir - K1a	11kV	-	-	0	0	-	1,513.52	122.49	-	233.30	-	1,869.31	-	-
Azad Jammu Kashmir - K1b	11kV	525	620	2	2	1.23	1,513.52	122.49	-	233.30	3,506.59	5,375.90	0.17	1.40
A3 General	0.4kV	589	752	131	161	1.88	1,652.61	133.74	-	325.82	53.97	2,166.14	6.63	8.51
Total		12,334	15,362	2,148	2,636	1.66	1,569.89	127.05	-	291.94	70.78	2,059.65	4.58	6.24

FY 2023-24 (Cost of Losses on kWh)

Classes	Voltage Level	Energy GWh		Demand MW		Generation Cost		Transm	MOF	Distribution		Total Fixed Cost	Total Fixed Cost	Total Cost
		Sold	Purchased	at Meter	at CDP	Energy (Rs./kWh)	Demand (Rs./kW/M)	Cost (Rs./kW/M)	Cost (Rs./kW/M)	Demand (Rs./kW/M)	cust. Cost (Rs./kW/M)	(Rs./kW/ M)	(Rs./kWh)	(Rs./kWh)
Residential -- A1(a)	0.2kV	6,405	8,186	1,127	1,701	1.88	4.00	0.32	-	0.79	0.19	5.30	5.30	7.18
Residential -- A1(b)	0.4kV	219	279	48	59	1.88	4.99	0.40	-	0.98	0.17	6.54	6.54	8.42
Commercial -- A2(a)	0.2kV	419	536	111	137	1.88	6.01	0.49	-	1.18	0.19	7.86	7.86	9.74
Commercial -- A2(b)	0.4kV	0	0	0	0	1.88	4.59	0.37	-	0.90	0.17	6.03	6.03	7.91
Commercial -- A2(c)	0.4kV	708	905	120	148	1.88	3.86	0.31	-	0.76	0.17	5.10	5.10	6.98
Industrial -- B1(a)	0.2kV	5	6	1	1	1.88	3.79	0.31	-	0.75	0.19	5.02	5.02	6.90
Industrial -- B2(a)	0.4kV	0	0	0	0	1.88	2.22	0.18	-	0.44	0.17	3.00	3.00	4.88
Industrial -- B1(b)	0.4kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial -- B2(b)	0.4kV	1,072	1,370	105	130	1.88	2.23	0.18	-	0.44	0.17	3.02	3.02	4.90
Industrial -- B3	11kV	952	1,124	194	128	1.23	3.03	0.25	-	0.47	0.11	3.86	3.86	5.09
Industrial -- B4	132/66kV	858	880	189	79	0.17	0.46	0.04	-	0.05	0.02	0.57	0.57	0.74
Single Point Supply -- C1(a)	0.2kV	0	0	0	0	1.23	3.67	0.30	-	0.72	0.13	4.83	4.83	6.05
Single Point Supply -- C1(b)	0.4kV	12	15	3	4	1.88	6.73	0.54	-	1.33	0.17	8.76	8.76	10.64
Single Point Supply -- C2(a)	11kV	9	11	3	3	1.23	4.43	0.36	-	0.68	0.11	5.58	5.58	6.80
Single Point Supply -- C3(a)	132/66kV	0	0	0	0	0.17	0.62	0.05	-	0.07	0.02	0.76	0.76	0.94
Single Point Supply -- C1(c)	0.4kV	69	88	9	11	1.88	2.95	0.24	-	0.58	0.17	3.93	3.93	5.81
Single Point Supply -- C2(b)	11kV	378	447	73	29	1.23	2.89	0.23	-	0.44	0.11	3.67	3.67	4.90
Single Point Supply -- C3(b)	132/66kV	19	19	4	6	0.17	0.46	0.04	-	0.05	0.02	0.56	0.56	0.74
Agricultural --D1(a)	0.4kV	0	1	-	-	1.88	-	-	-	-	0.17	0.17	0.17	2.04
Agricultural --D2(a)	0.4kV	13	16	2	3	1.88	4.01	0.32	-	0.79	0.17	5.29	5.29	7.17
Agricultural --D2(b)	0.4kV	-	-	-	-	-	-	-	-	-	-	-	-	-
Agricultural --D1(b)	0.4kV	59	75	21	26	1.88	8.04	0.65	-	1.58	0.17	10.43	10.43	12.31
Temporary Supply -- E1(i)	0.2kV	0	0	0	0	1.88	5.31	0.43	-	1.05	0.19	6.97	6.97	8.85
Temporary Supply -- E1(ii)	0.2kV	3	4	1	1	1.88	4.99	0.40	-	0.98	0.19	6.57	6.57	8.44
Temporary Supply -- E2	0.2kV	1	1	0	0	1.88	4.52	0.37	-	0.89	0.19	5.96	5.96	7.84
Public Lighting -- G	0.4kV	16	20	3	4	1.88	4.90	0.40	-	0.97	0.17	6.43	6.43	8.31
Residential Colonies -- H	11kV	2	2	0	1	1.23	3.53	0.29	-	0.54	0.11	4.47	4.47	5.70
Azad Jammu Kashmir - K1a	11kV	-	-	0	0	-	-	-	-	-	-	-	-	-
Azad Jammu Kashmir - K1b	11kV	525	620	2	2	1.23	0.05	0.00	-	0.01	0.11	0.17	0.17	1.40
A3 General	0.4kV	589	752	131	161	1.88	5.06	0.41	-	1.00	0.17	6.63	6.63	8.51
Total		12,334	15,362	2,148	2,636	1.66	3.49	0.28	-	0.65	0.16	4.58	4.58	6.24

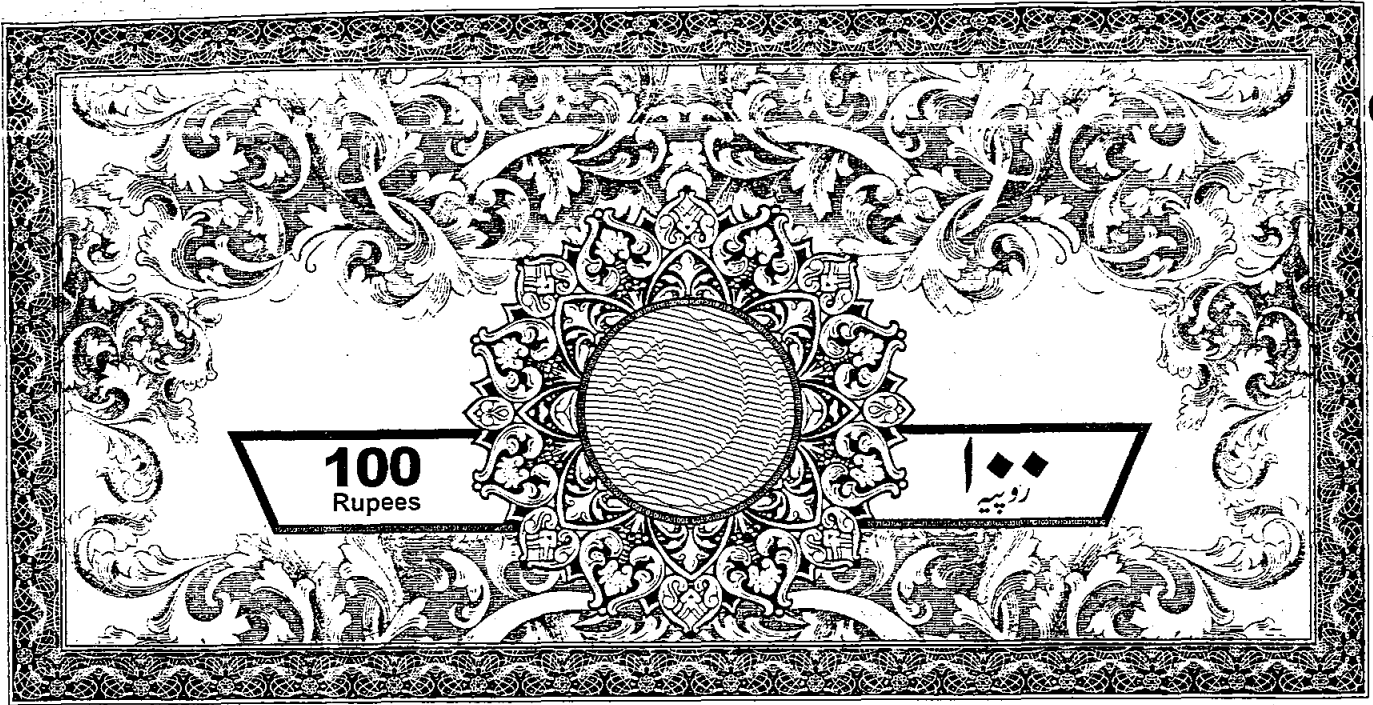
PESCO-Petition for determination of UOSC (Sept: 2023)-Annex-2

Master data for results of PESCO cost of service study (FY 2023-24)

For interest of the readers to glance through overall master data for result of PESCO Cost of Service Study (FY 2023-24) following tables are added separately.

Final Remarks

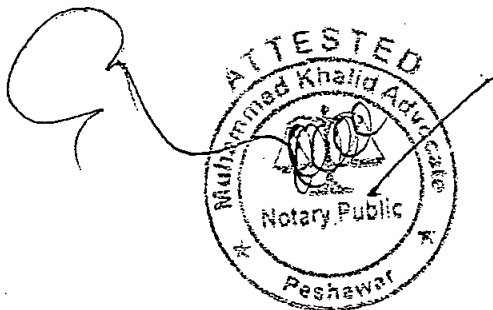
1. The above cost of service study report (FY 2023-24) is a sincere human effort to arrive at judicious assessment of functional (generation, transmission, market operator, distribution and customer services) costs for each category of consumer demonstrating the needs and parameters associated with relevant category.
2. The results of the study are to be used for the purposes of rate making of user system charges for possible eligible bulk power consumers.
3. The fully allocated cost of service (FACOS) model used for the purpose of this study is realistically elaborated, professionally structured and learn 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.
4. 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.
5. While the cost of service is adequately (100 %) covered by the determined tariffs, inherent cross subsidization and possibility of stranded costs need considerate, careful, concerted and continuous attention for proactive mitigation thereof
6. While currently certain classes of customers are enjoying benefit of inter and intra tariff subsidies, the other categories of consumers are paying huge (13-59%) cross subsidies for a robust, vibrant and successful wholesale and later retail power market, minimization, If not elimination, of intra and inter tariff subsidies should remain fundamental requirement.



AFFIDAVIT

I, Qazi Muhammad Tahir S/O Qazi Muhammad Tufail Chief Executive Officer Peshawar Electric Supply Company Limited holding CNIC No. 13101-9101070-9, do hereby, solemnly affirms and testify that the content of the application for filing petition for determination of Use of System Charges, are in accordance with the NEPRA Open Access (Interconnection and wheeling of Electric Power) Regulations, 2022 and that annexed documents are true and correct to the best of my knowledge, belief on the basis of confirmations provided by the concerned formations put before me; and further declare that:

1. I am the Chief Executive Officer of the Peshawar Electric Supply Company (PESCO) and fully aware of the affairs of the Company particularly to endorse petition for determination of Use of System Charges.
2. Whatsoever stated in the application and accompanied documents is true and nothing has been concealed.



Deponent


Qazi Muhammad Tahir
 Chief Executive Officer (PESCO)

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,—

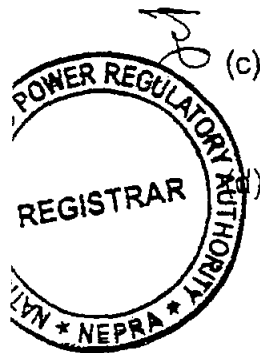
(a) "Act" means the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (Act No. XL of 1997), as amended from time to time;

(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;

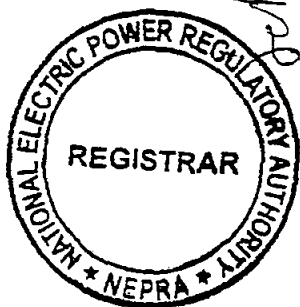
"Distribution Code" means the code prepared by the distribution licensees and approved by the Authority that defines the technical and operational standards and procedures for distribution licensees and all those connected to the distribution system;

(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:

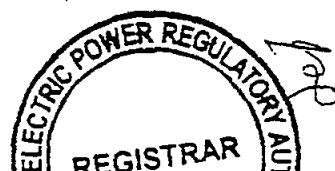
- (a) The generation company may arrange the financing required for the construction of interconnection facilities by the network licensee. The network licensee and generation company shall enter into an agreement to mutually decide the terms and conditions for reimbursement of financing to the generation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

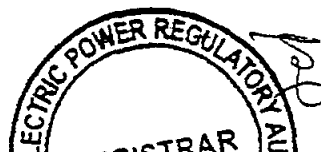
(4) The distribution company shall develop the use of system agreement in accordance with the minimum provisions provided in the Schedule I within ninety days of the notification of these regulations and shall obtain the approval of the Authority and publish the same on its website.

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.

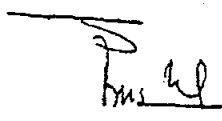
(4) The Authority shall give its decision in any matter referred to it under sub-regulations (3), within a period of three months after providing an opportunity of hearing to the concerned parties.

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.

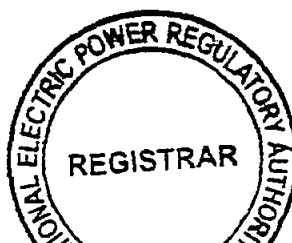



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(Syed Safer Hussain)
Registrar

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-564 &TRF-565 /PESCO-2021/1820/-07 July 14, 2023

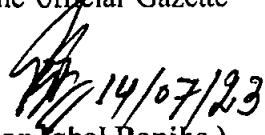
Subject: **DECISION OF THE AUTHORITY IN THE MATTER OF REQUEST FILED PESHAWAR ELECTRIC SUPPLY COMPANY (PESCO) FOR ADJUSTMENT/INDEXATION OF TARIFF FOR THE FY 2023-24 UNDER THE MULT YEAR TARIFF [CASE # NEPRA/TRF-564 & TRF-565/PESCO-2021]**

Dear Sir,

Please find enclosed herewith subject Decision of the Authority (49 Pages) in the matter of request filed Peshawar Electric Supply Company Ltd. (PESCO) for adjustment/indexation of tariff for the FY 2023-24 under the Mult Year Tariff in Case No. NEPRA/TRF-564 & TRF-565 /PESCO-2021.

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

Enclosure: As above


(Engr. Mazhar Iqbal Ranjha)

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

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Secretary ,Energy and Power Department, Government of Khyber Pakhtunkhwa, 1st Floor, A-Block, Abdul Wali Khan Multiplex, Civil Secretariat, Peshawar
4. Chief Executive Officer, NTDC, 414 WAPDA House, Shaharah-e-Qaid-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, Peshawar Electric Supply Company (PESCO) WAPDA House, Shami Road, Sakhi Chashma, Peshawar

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

1. **Back Ground**
- 1.1. The Authority determined separate tariffs of Peshawar Electric Supply Company Limited (PESCO) (herein referred to as "Petitioner") under Multi Year Tariff (MYT) regime, for a period of five years i.e. from FY 2020-21 to FY 2024-25, for both its Distribution and Supply of power functions vide tariff determinations dated June 02, 2022. Subsequently, a uniform tariff application u/s 31 (4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 was filed by the Federal Government, which was also decided by the Authority on July 22, 2022 and the decision was intimated to the Federal Government for notification in official gazette. The tariff so determined was notified by the Federal Government vide SRO dated 25.07.2022. PESCO, also in the mean time being aggrieved from its determinations dated 02.06.2022, filed Motions for Leave for Review (MLR) for both Distribution and Supply of Power functions, which were accordingly decided by the Authority on January 23, 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. However, 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;



Description	Unit	Distribution Business	Power Supply Business	Total Revenue Requirement
Pay & Allowances	Rs. Mln	11,609	5,981	17,590
Post-Retirement Benefits	Rs. Mln	6,057	3,121	9,178
Repair & Maintenance	Rs. Mln	1,340	56	1,396
Travelling Allowance	Rs. Mln	278	113	391
Vehicle Maintenance	Rs. Mln	214	68	282
Other Expenses	Rs. Mln	196	1,202	1,398
Total O & M Costs	Rs. Mln	19,695	10,540	30,235
Depreciation	Rs. Mln	3,938	438	4,376
RORB	Rs. Mln	9,770	2,442	12,212
Other Income	Rs. Mln	-	3,174	-
Turn over tax	Rs. Mln	-	3,737	3,737
PYA	Rs. Mln	12,015	4,931	16,946
Revenue Requirement	Rs. Mln	42,244	20,643	62,887



2. Hearing

- 2.1. Since the impact of any such adjustments has to be made part of the consumer end tariff, therefore, the Authority, in order to provide an opportunity of hearing to all the concerned and meet the ends of natural justice, decided to conduct a hearing in the matter.
- 2.2. Hearing in the matter was held on April 05, 2023, for which advertisement was published in newspapers on March 22, 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?
 - PESCO 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?
 - Any other issue that may come up during or after the hearing?

Dr. Malik

3. Filing of objections/ comments:

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

3.2. During the hearing, the Petitioner was represented by its 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. PESCO 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?

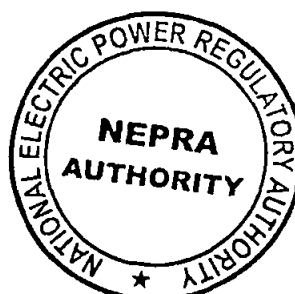
4.1. The Authority noted that Power Purchase Price (PPP) forecast of the Petitioner as well for all XWDISCOs for the FY 2023-24 has since been determined by the Authority through a separate decision, detailing the assumptions of the forecast and relevant share of the Petitioner. In view thereof, the 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;

Mn.Rs.	
DESCRIPTION	FY 2023-24
O&M Cost	30,234
Depreciation	4,376
Return on Rate Base	12,212
Less: Other Income	(4,619)
Distribution Margin (D.M)	42,203
Turnover Tax	3,737
Prior Period Adjustments	16,946
Gross Revenue Requirement	62,886



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5.3. The Petitioner submitted the following assumptions used for projections of costs for the FY 2023-24;

- ✓ Salaries & Other Benefits: 15% Ad-hoc Relief & Increase in Increment in the Basic Pay by 5%
- ✓ Post Retirement Benefits: Increase is projected up-to 15%
- ✓ Inflation: CPI = Other O&M Cost is projected using NCPI at 24.47% of December 2022
- ✓ Operating Gross Fixed Asset (GFA): Opening GFA taken on the basis of the financial statements of FY 2021-22 and FY 2020-21. Accordingly Depreciation has been estimated based on actualized expenditure.
- ✓ Cost of Debt: Cost of Debt computed on the basis of fluctuation in the reference KIBOR biannually, i.e. July (15.32%) & January (17.06%), i.e. on average 16.19% (Reference 8.93% for FY 2022-23).
- ✓ Basis for Bifurcation: As per the approved mechanism in the MYT Determination.

5.4. The Petitioner accordingly provided the following table for the projected numbers for the FY 2023-24;

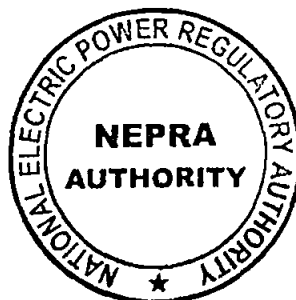
DESCRIPTION	FY 2022-23 DETERMINED	FY 2023-24 PROJECTED	BASIS OF INDEXATION
Oper. & Maintenance			
Salaries & Other Benefits	14,853	17,590	13.1%
Post Retr. Benefits	7,953	9,178	15.0%
Repair and Maintenance	1,055	1,396	24.5%
Traveling Expenses	314	391	24.5%
Vehicle Expenses	226	282	24.5%
Other Expenses	1,123	1,398	24.5%
O & M Cost	25,524	30,234	
Depreciation	3,789	4,376	As per MYT Mechanism
Return on Rate Base	7,514	12,212	As per MYT Mechanism
Less Other Income	-4,180	-4,619	As per MYT Mechanism
Distribution Margin	32,647	42,203	29.3% 17.4%

5.5. The Petitioner also stated that projected O&M costs for FY 2022-23 have been adjusted by considering the MLR decision of PESCO and the annual impact of various pending adjustments. As a result, the baseline has been adjusted for the FY 2022-23 to calculate the indexation request for the following FY 2023-24, as below:

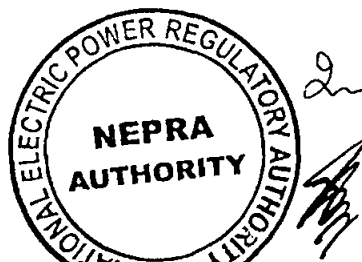
Table-4: Basis for Projected O&M

Min No.

DESCRIPTION	FY2022-23					FY2023-24	
	DETERMINED	ADJ AS PER MLR DECISION	RE-DETERMINED	PENDING ADJ.	PROJECTED	MULTIPLYING FACTOR	PROJECTED
Operating & Maintenance							
Salaries and Benefits	14,853	-	14,853	701	15,554	18%	17,590
Post Retirement Benefits	6,642	1,311	7,953	28	7,981	15%	9,178
Sub-Total	21,495	1,311	22,806	729	23,535		26,768
Repair and Maintenance	1,055	-	1,055	67	1,122	24%	1,396
Traveling Expenses	314	-	314	-	314	24%	391
Vehicle Expenses	226	-	226	-	226	24%	282
Other Expenses	991	132	1,123	97	1,220	24%	1,398
O & M Cost	24,081	1,443	25,524	892	26,417		30,234



- 5.6. **Regarding Pay & Allowances**, it submitted that NEPRA has allowed the impact of increase in Salary etc. as announced by GoP for the respective year for the future indexation, till the time, PESCO remains in the Public Sector. It is pertinent to mention here that the increase in salaries, as notified by the GoP in July, 2022 may be considered and necessary adjustment in the determined amount for FY 2022-23 may be allowed in the base reference as per detail below.
- ✓ Basic Pay Scales have been revised w.e.f 01-07-2022 by merging various Adhoc Reliefs allowances in the Basic Pay with a financial impact of around 48% increase in Basic Pay with a reduction of the same percentage in the other allowances.
 - ✓ Adhoc Relief Allowance allowed @ 15% on the running Basic Pay of 2017 pay scales w.e.f 01-07-2022.
 - ✓ The impact of DRA @ 15% for the remaining 08 months of FY 2022-23, being the amount of 04 months already included in FY 2021-22.
- 5.7. The Petitioner further stated that same has been included as Prior Year Adjustment. Based on the above mechanism and the directions provided in the MYT Determinations and accordingly, the projected Pay & Allowances for the FY 2023-24 comes to Rs.17,590 million considering the assumption of increment of 5% in the Basic Pay and 15% Adhoc Relief for the same period.
- 5.8. The Petitioner also stated that the Authority decided to carry out the Mid-Year review specifically w.r.t. the new hiring to consider the financial impact thereof, however, since, PESCO is in the process of new hiring and it is not yet completed, hence, the Authority is requested to defer the Mid-Year Review till next year i.e. FY 2024-25.
- 5.9. **Regarding Post-retirement benefits**, it has been submitted that as per MYT determination the amount of post-retirement benefits will also be adjusted every year with the Pension increase announced by the GoP for the respective year, till the time PESCO remains in the public sector. Based on this mechanism, and assuming 15% increase in pension for FY 2023-24, the projected cost of for the FY 2023-24 comes to Rs.9,178 Million. However, the cost pertaining to new retirees will be claimed separately on the basis of actual as was allowed by the Authority in MLR decision of PESCO.
- 5.10. **The Petitioner also claimed financial impact of GENCO/ NTDC Pensioners** by submitting that the Economic Co-Ordination Committee in Case No. ECC-347/32/2021 dated 23.09.2021, has approved adjustment of Pensioners of GENCOs w.r.t Power Plants under closure. As per para no. 6 of the decision "Pensions of these employees will be paid by the relevant DISCOs on their retirement according to the rule of DISCOs, in turn the relevant DISCOs and WAPDA would claim adjustment of the same from NEPRA in their Tariff.
- 5.11. Similarly, GENCO's has transferred Pensioners who worked under Electricity Boards of respective DISCOs (PESCO) having worked as Project Directors at 132KV Grid System. The Financial Impact of GENCO's Pensioners claimed by the Petitioner is as follows;



date: 11/11/22

Company	Year	No. of Pensioners	Actual (Rs. In Mln)
GENCOs	FY 2021-22		9.993
GENCO-I	FY 2022-23	10	2.396
GENCO-II		14	3.783
GENCO-III		14	4.839
GENCO-IV		11	2.306
Sub Total		49	13.324
Total			23.317

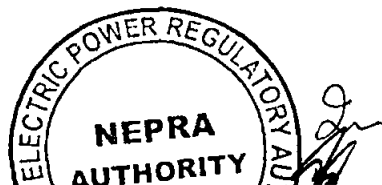
- 5.12. The Petitioner also mentioned that NTDC has forwarded 56 Nos. PPO files pertaining to EX-GSC retired employees of the formations transferred to PESCO in view of the Tariff Determination of FY 2014-15 for XWDISCOs by the Authority. Although, PESCO has repeatedly requested NTDC to take up the matter with NEPRA for a policy decision in this regard, however NTDC is referring the decision of WAPDA with reference to XWDISCOs pensioners and not accepting the said claims w.e.f. July-2014 resulting in cash flow problems for PESCO with outstanding arrears of Rs.132 million up-to June 2022 and the same are accumulating on monthly basis with annual financial implication of around Rs.14.6 million.

Company	Year	No of Pensioners	Annual (Rs. In Mln)
NTDC Pensioners	2014-15 & 2021-22	56	116.66
	2022-23		14.58
Total			131.24

- 5.13. However, the Petitioner during the hearing revised the above calculations to Rs.211 million as under;

Company	No. of Pensioners	Year	Annual Mln. Rs.
NTDC	88 (56+32)	FY 2014-15 TO FY 2021-22	183.40
		FY 2022-23	14.60
		TOTAL	211.00

- 5.14. The Petitioner stated that the Authority in its MLR decision has directed to submit the matter in the next indexation/adjustment request, accordingly, the same has been included/claimed as part of PYA with the request to allow the same to PESCO.
- 5.15. The Petitioner has also claimed provision for post-retirement benefits by stating that as per the Authority directions, it has created a separate Pension fund, and provision for post-retirement benefits expenses is required to enable it to transfer the funds to the designated bank account. The Authority is therefore requested to allow the annual provision for post-retirement benefits amounting to Rs.4,724 million for FY 2023-24 as the amount determined in the Review Decision will not be sufficient to serve the purpose.
- 5.16. For Other OPEX i.e. R&M, Travelling, Vehicle Running & Other expenses it has been submitted that the expenses as determined by the Authority for FY 2021-22 are less than the actual audited expense incurred by the Petitioner. The Petitioner is already facing financial hardship and the determination of other expenses by excluding various legitimate costs may hamper its ability to provide uninterrupted services to the consumers as it will further aggravate the weak financial position of the company.



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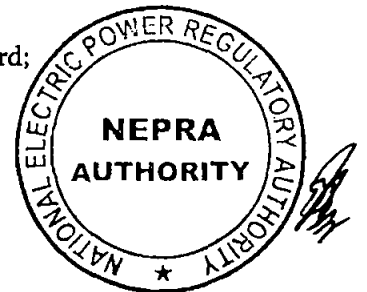
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- 5.17. Regarding R&M cost, the Petitioner mentioned that its Audited expenditure under the head of Repair & Maintenance for FY2020-21 was Rs.1,177 million, but the Authority allowed only Rs.863 million based on historical trends and a 9.5% inflationary impact. However, the audited expenditure increased by 49.36% during FY 2020-21 compared to FY2019-20 due to a revised repair policy approved by the BoD in 2019. The new policy requires PESCO to pay for all transformer repairs, regardless of AT&C losses of above 50% and subsequently revised to the extent of 80%. This change has heavily increased the Repair & Maintenance cost, and funds are needed to continue the policy in the interest of consumers. Therefore, the Authority may review the baseline of indexation by considering the actual expenditure of FY 2020-21. Additionally, the cost of materials such as copper, iron, and aluminum used in the production/repair of electrical equipment has increased abnormally due to international price fluctuations and rupee devaluation. The Authority should consider these changed market realities and accordingly allow the increase in Repair & Maintenance expenses.
- 5.18. On the vehicle running expenses, the Petitioner has stated that the authority has taken the actual expenditure under the head of Vehicle Running of FY 2019-20 and allowed an inflationary increase for General Category (CPI) instead of Transport Category whereas, as per CPI for transport, the inflation in price is 24.07% for the month of December 2021 and statistics taken from PSO website, the increase in POL prices has increased by 36.05% during FY 2021-22 whereas, increase of 12% has been allowed over FY 2020-21 for the same period and only 9% is allowed for FY 2022-23, which will be insufficient to meet the expenses and for sustainable smooth operations of the company. Hence, it is proposed that the inflationary increase may be based on the NCPI for Transport category in case of vehicle running expenses.
- 5.19. The Petitioner provided the following comparison of POL prices over the years;

Description	FY2019-20	FY2020-21	FY2021-22
Average Price of Petrol (Annual)	106.89	106.43	148.56
% Increase (yoy)		-0.43%	39.58%
Average Price of Diesel (Annual)	117.5	108.98	144.43
% Increase (yoy)		-7.25%	32.53%
Average POL Price (Petrol + Diesel)	112.2	107.7	146.49
% Increase (yoy)		-4.01%	36.05%

- 5.20. It further submitted that the proportion of expenditures relating to petroleum, oil, and lubricants (POL) is relatively higher (7%) in the O&M (excluding Pay, Allowances & Pension) category of PESCO in comparison to other expenses such as communication (1%), rent, rates, and taxes (4%), as per Financial Statement of FY 2021-22. As a result, the substantial rise in the National Consumer Price Index (NCPI) for POL prices has significantly affected the overall expenditure under O&M as compared to the impact of inflation on expenses such as communication or rent, rates & taxes, hence, this matter necessitates reconsideration.
- 5.21. The Petitioner during the hearing provided the following details in this regard;

DESCRIPTION	Mn. Rs.			
	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
NEPRA (Mn Rs.)	185	208	226	
Increase (yoy)		12.40%	8.60%	
Proposed (Mn Rs.)		208	258	365
Proposed Increase (yoy)			24.00%	41.60%



- 5.22. Regarding Other O&M expenses, the Petitioner submitted that it includes expenses such as Rent, Rates & Taxes, Power, Light and Water, Communication, Bill Collection Charges, Office supplies (includes stationery for MIS for bill printing forms, cartridges etc.), Director Fees, Auditor Remuneration, Professional Fees, Outside Service Employed, Management Fees, NEPRA License Fees, Advertisement & Publicity, Subscriptions & Periodicals, Representation & Entertainment, Insurance (Wapda Equipment Protection Scheme for Grid System only), Bank Charges, and other miscellaneous expenses. The main reason for increase during FY 2020-21 is due to the increase in Rent Expense and the Bill collection charges and the payment of arrears.
- 5.23. Bill Collection Charges were increased during FY 2020-21 due to the payment of arrears of Rs.89 million as well as current cost to Telenor Microfinance Bank for online collections (annual Impact Rs.35 million approx.), the same was pending due to verification / reconciliation. Although, the Authority has not considered the said cost, however it is requested to reconsider and allow the same to the extent of annual impact of Rs.35 million in the base tariff along with indexation in the subsequent period. Similarly for rent expense, out of the total arrears of Rs.100 million, the annual impact amounting to Rs.30 million may be allowed to PESCO in the base tariff for the purpose of indexation of FY 2023-24.
- 5.24. The NEPRA License Fee taken under the head of Other O&M Expenses has been increased by more than 100% during FY 2021-22 & FY 2022-23 in comparison to FY 2019-20 but this fact has not been considered in the determination, therefore, it is proposed that the impact of increase in NEPRA License Fee for Supply Business being not part of the base tariff, may be taken into account in the determination of O&M Expenses for MYT control period. The actual payment made for FY 2021-22 & FY 2022-23 amounting to Rs.23 million may be allowed as PYA and Rs.28 million may be included in base tariff of FY 2022-23 as part of indexation of FY 2023-24.
- 5.25. The Petitioner during the hearing provided the following details in this regard;

Mln. Rs.

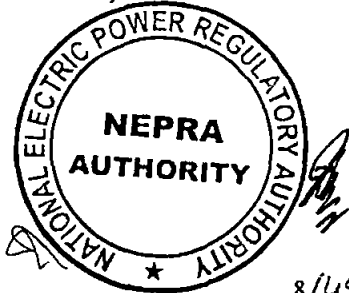
FY	LICENCE FEE		Total Fee
	Distribution Function	Supply Function	
2020-21	31.13	-	31.13
2021-22	40.66	23.16	63.82
2022-23	50.57	28.16	78.73
TOTAL	122.36	51.32	173.68

- 5.26. Similarly, an increase has been recorded under the head Postage & Telephone, this is primarily due to the increase in Tariff as well as the ever-increasing requirement for communication services in wake of the expansion in ERP system at Circle level, Integrated Billing Solution (IBS) and PITC services etc.
- 5.27. The Petitioner during the hearing provided the following details in terms of adjustment in base line numbers;

Other O&M expense- Adjustment in base line

Mln. Rs.

DESCRIPTION	FY	FY	FY	FY
	2019-20	2020-21	2021-22	2022-23
NEPRA	876	918	1,034	1,123
Increase (yoy)		4.80%	13.00%	8.60%
Audited	891	1,248	1,264	



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- 5.28. Further, the efficiency factor-X may be allowed on actual basis. This entails adjusting the indexed amount, if the actual expenditure in a particular category is less than the indexed amount then in that case its benefit may be passed on to the consumers. The Authority's determination of a 30% adjustment factor needs to be reassessed in light of the fact that indexation is based on the National Consumer Price Index (NCPI), which is directly linked with prices. Considering PESCO's weak financial condition and resource shortfall together with the unrealistic target of losses of 20.16 % & 19.81 % for FY 2022-23 & FY 2023-24, contrary to the market realities as envisaged in the National Electric Policy, it would be more appropriate to link the adjustment factor with actual expenditure, as proposed.
- 5.29. Regarding depreciation, the Petitioner mentioned that as per the mechanism provided in the MYT determination for the FY 2020-21 to FY 2022-23, the depreciation will be assessed in accordance with the following formula/mechanism:

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

- 5.30. The Petitioner accordingly requested the following cost under the head of depreciation;

Table-10: Depreciation Expense

DESCRIPTION	AUDITED	PROVISIONAL	ADJUSTMENT
	FY'2021-22	FY'2022-23	FY'2023-24
Gross Fixed Assets in Operation (GFAIO) — Opening Balance	94,444	107,485	116,201
Addition in Fixed Assets	13,041	8,716	10,249
Fixed Assets in Operation (GFAIO) — Closing Balance	107,485	116,201	126,450
Depreciation-Expense	3,709	4,025	4,376

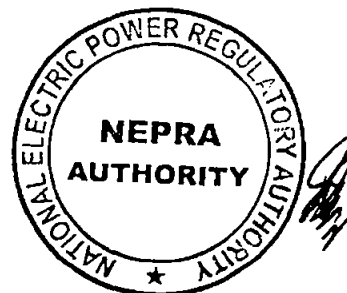
- 5.31. On the issue of RoRB, the Petitioner mentioned that as per the mechanism provided in the MYT determination for the FY 2020-21 to FY 2022-23, the Return on Rate Base (RORB) will be assessed in accordance with the following formula/ mechanism:

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

- 5.32. Based on above, the Petitioner requested the following amount under the head of RoRB;

Table-11: RORB Calculation

DESCRIPTION	UOM	AUDITED	PROJECTED	PROJECTED
		FY'2021-22	FY'2022-23	FY'2023-24
Gross Fixed Assets in Operation-B/F	[Min Rs]	94,444	107,485	116,201
Addition in Fixed Assets	[Min Rs]	13,041	8,716	10,249
Gross Fixed Assets in Operation-C/B	[Min Rs]	107,485	116,201	126,450
Less: Accumulated Depreciation	[Min Rs]	39,112	43,137	47,513
Net Fixed Assets in Operation	[Min Rs]	68,373	73,064	78,938
Add: Capital Work in Progress - C/B	[Min Rs]	33,544	46,800	55,029
Less: Cap. WIP-Deposit Portion	[Min Rs]	14,643	14,643	14,643
Investment in Fixed Assets	[Min Rs]	87,274	105,221	119,324
Less: Deferred Credits	[Min Rs]	39,222	39,822	41,671
Regulatory Assets Base	[Min Rs]	48,052	65,399	77,653
Average Regulatory Assets Base	[Min Rs]	45,195	56,726	71,526
Rate of Return	[%age]	12.03%	17.07%	17.07%
Return on Rate Base	[Min Rs]	5,437	9,685	12,212

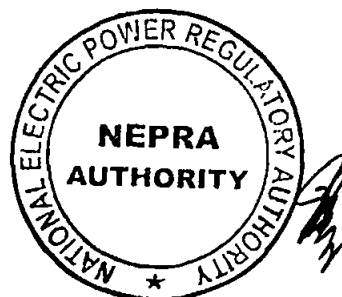


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- 5.33. Further, the issue of excessive deduction of Deferred Credit from Regulatory Asset Base (RAB) due to insufficient cash balances was discussed during the MLR hearing for FY 2020-21 to FY 2022-23, however, the Authority in its decision stated that PESCO Financial statement for FY 2019-20 shows insufficient balances as on 30th June, 2020 against their pending liability of receipt against deposit works and consumer security deposits, thus, indicating that the amount received against the aforementioned heads has been utilized somewhere else.
- 5.34. It is pertinent to mention here that the Cash Balance under Deposit head has no correlation with Revenue Requirement and the Distribution Margin. Such interpretation is based on the incorrect assumptions which is creating financial hardships for PESCO, although the detail calculations along with documentary evidence was provided to NEPRA's Tariff team, however still PESCO submissions has not been considered. Moreover, this treatment/calculation has no legal backing, because NEPRA Act, 1997 and the regulations thereunder doesn't support this treatment.
- 5.35. PESCO is not utilizing the consumer receipts for any other purpose and since FY 2015-16, PESCO has managed to reduce the shortfall under Deposit head (whether inherited or recovered by FBR) to Zero, hence the deduction of RORB has no legal grounds, because NEPRA Act, 1997 and the regulations thereunder doesn't support the above treatment rather the required treatment as per NEPRA Guidelines for determination of Consumer End tariff (Methodology and Process) 2015 (or Guideline 2015).
- 5.36. According to Clause 19(3)(a) of the "Guideline 2015", the determination of Rate Base of the company includes Deferred Credit along with other components of Regulatory Asset Base (RAB). The relevant part of the Guidelines is reproduced as:
"19. Cost Categories(3).....(a) Post-tax rate-of-return on rate base (i) Average net fixed assets, construction work in progress (CWIP) and deferred credits including share of deposit works valued at original cost and/or expected cost shall be used to determine the rate base of the affected company."
- 5.37. Further, the Annex-II of the Guideline 2015 has provided following formula for RAB Calculation. The Format is hereunder as:

Regulatory Asset Base

Description	Rupees in Million	
	FY ----- Actual	FY ---- Forward Looking
Opening fixed assets in operation		
Assets Transferred during the year		
Closing Fixed Assets in Operation		
Less: Accumulated Depreciation		
Net Fixed Assets in operation		
+ Capital Work in Progress (Closing)		
Total Fixed Assets		
Less: Deferred Credit		
Total		
Average Regulatory Assets Base		



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- 5.38. Based on above references of NEPRA Guidelines, 2015, it is evident that the treatment adopted in the MYT Determination and later in the Review Decision with regards to insufficient Cash Balances is not covered under the Rules and hence, needs to be reconsidered.
- 5.39. **Regarding Other Income**, the Petitioner requested an amount of Rs.4,619 million and stated the mechanism provided in the MYT determination for the FY 2020-21 to FY 2022-23, the other income will be assessed in accordance with the following formula/mechanism:

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

6. The Authority noted that PESCO 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.
- 6.1. 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

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

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

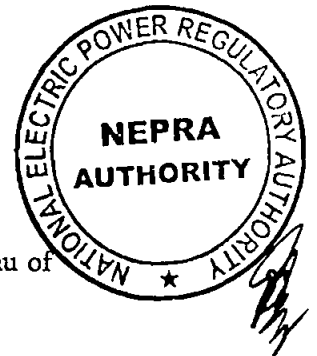
Where:

$O\&M_{(Rev)}$ = Revised O&M Expense for the Current Year

$O\&M_{(Ref)}$ = Reference O&M Expense for the Reference Year

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

X = Efficiency factor



- 6.3. 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

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

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

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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."

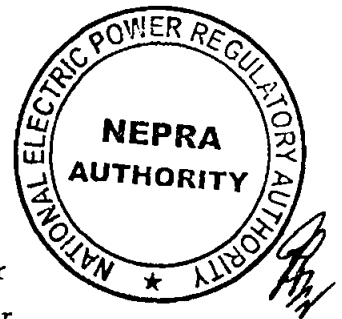
DEPRECIATION EXPENSE

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

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

Where:

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

- 6.6. 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 tried 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 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. In case, the Petitioner is privatized during the MYT period, the allowed cost would be adjusted with CPI-X factor. "

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

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

The Authority also understands that by the time the instant decision is notified, the FY 2021-22 would have elapsed and the FY 2022-23 would have started. Meaning thereby that tariff indexation/adjustment for the FY 2021-22, which ideally should have been allowed in 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.

- 6.8. 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,



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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.

6.9. 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.15,956 million against the allowed amount of Rs.14,853 million. Accordingly, while assessing salaries, wages & other benefits for the FY 2023-24, the revised cost of Rs.15,956 million for the FY 2022-23, as provided by the Petitioner, has been used as reference. Further, the impact of differential due to revision of Salaries, wages & Other Benefits for the FY 2022-23, based on data provided by the Petitioner, has been allowed as part of PYA, which works out as Rs.1,103 million.

6.10. Here it is also pertinent that ECC vide decision dated 21.09.2021 allocated GENCO employees to different DISCOs as under;

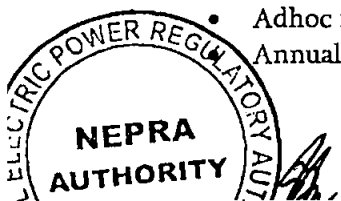
"It is proposed that 2,368 Pensioners of GENCOs may be adjusted in their pension disbursing DISCOs or WAPDA. Similarly, 1,753 employees of these plants would be adjusted in DISCOs. Pensions of these employees will be paid by the relevant DISCOs on their retirement according to rules of the relevant DISCOs.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

6.11. Although, PESCO 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 PESCO, 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.

6.12. 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.

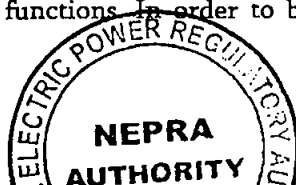
6.13. Based on the above discussion & by taking into account the revised numbers for the FY 2022-23, the following increases as announced by the Federal Government in Budget 2024, have been incorporated to project Salaries, Wages & Other Benefits for the FY 2023-24;

- 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

- 6.14. 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.18,820 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.
- 6.15. 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.
- 6.16. Regarding request of the Petitioner to defer the Mid-Year Review, as the Petitioner is in the process of new hiring which is not yet completed, the Authority directs the Petitioner to bring the financial impact of any additional hiring and provided complete detail/ justification of the recruitments made along-with benefits achieved etc., as mentioned in the MYT decision, before submission of its next year adjustment / indexation request.
- 6.17. 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. Further, the Authority in the MLR decision of the Petitioner dated 23.01.2023, revised the allowed cost as under;
- "...the Authority has decided to revise the allowed cost of the Petitioner under the head of post-retirement benefits for the FY 2020-21, by including therein the cost of Rs.1,089 million, for the additional 849 pensioners. Accordingly, for the FY 2020-21, the revised cost of Rs.6,658 million has been allowed. The same would now become as reference cost for the FY 2020-21 and the cost for the FY 2021-22 and FY 2022-23 would be indexed based on the revised cost allowed for the FY 2020-21..."*
- 6.18. The Authority noted that the Petitioner has also claimed cost of 49 GENCO pensioners transferred to it in light of ECC decision dated 21.09.2021. The annual impact requested by the Petitioner on this account for the FY 2021-22 and 2022-23 is Rs.10 million and Rs.13.3 million respectively.
- 6.19. 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.
- 6.20. 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.9,361 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-

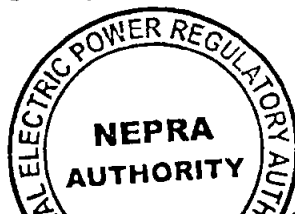


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retirement benefits in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used.

- 6.21. Here it is pertinent to mention that the amount so worked out also includes the impact of 49 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.13.3 million to account for the impact of GENCO Pensioners. Further, the impact of GENCO pensioners for the FY 2021-22 and FY 2022-23 i.e. Rs.23.3 million, as provided by the Petitioner, has also been allowed as part of PYA for the FY 2023-24.
- 6.22. Regarding NTDC Pensioners, the Petitioner is directed to submit a separate case before the Authority detailing all the facts and reasons along-with financial impact of NTDC Pensioners, as the Authority vide letter dated 17.11.2022, directed all DISCOs and WAPDA to ensure payments to the GENCO pensioners provisionally, in light of the ECC decision dated 23.09.2021.
- 6.23. Further, the request of the Petitioner to allow provision for post-retirement benefits, the Authority has deliberated this issue in detail in the MYT determinations of the Petitioner, and after thorough discussion only allowed actual payments of post-retirement benefits to the Petitioner. Therefore, bringing up the same issue again and again is neither understandable nor does it fall under the scope of instant MYT adjustment/ indexation request. Hence, the request of the Petitioner is declined.
- 6.24. Regarding Other O&M expenses, the MYT tariff determination requires the same to be indexed with NCPI of December for the respective year after adjustment for the X factor i.e. 30% of CPI. Accordingly, for indexation of other O&M expenses for the FY 2023-24, the NCPI of December 2022 has been considered. The same as reported by Pakistan Bureau of Statistics is 24.47%. With this NCPI, and after accounting for the X-factor, the Other O&M cost of the Petitioner for the FY 2023-24 works out as Rs.3,183 million based on reference cost of Rs.2,718 million.
- 6.25. 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.33.02 million & Rs.43.86 million respectively.
- 6.26. Based on the above discussion, the total Other O&M cost of the Petitioner for the FY 2023-24, including Supplier License Fee, works out as Rs.3,234 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.
- 6.27. In order to bifurcate the allowed cost of Other O&M expenses in terms of Distribution and Supply Functions, criteria adopted by the Authority in the MYT determination has been used.



- 6.28. Regarding submissions of the Petitioner to actualize the O&M costs for the previous years and revise the base rates accordingly, the Authority considers such requests are out of scope of the MYT adjustment/ indexation mechanism, hence declined.
- 6.29. Regarding Depreciation expenses, the same are required to be worked out based on the Revised Gross Fixed Assets in Operation (GFA IO) for FY 2023-24, to be calculated based on Investment allowed for the FY 2023-24.
- 6.30. The revised Gross Fixed Assets in Operation of the Petitioner for the FY 2023-24 works out as Rs.125,929 million, after including therein the impact of allowed investment for the FY 2023-24 i.e. Rs.18,480 million. Accordingly, as per the allowed mechanism the total depreciation expense of the Petitioner for the FY 2023-24 works out as Rs.4,343 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.
- 6.31. In order to bifurcate the allowed cost of depreciation expenses in terms of Distribution and Supply Functions, criteria adopted by the Authority in the MYT determination has been used.
- 6.32. 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 has 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.
- 6.33. Regarding RoRB, the reference RoRB is required to be adjusted every year based on the amount of RAB worked out for the respective year after taking into account the amount of investment allowed for that year, as per the mechanism provided in the MYT. Further, the Authority in the MLR decision of the Petitioner dated 12.01.2023, decided to allow WACC by including 100% balance of CWIP in the RAB instead of allowing ROE component only to the extent of 30% of CWIP balance.
- 6.34. 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.74,909 million. The average RAB of the Petitioner however, for the purpose of calculation of RoRB, works out as Rs.67,605 million for the FY 2023-24.
- 6.35. 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.



- 6.36. Based on the above discussion, the total RoRB of the Petitioner for the FY 2023-24 works out as Rs.14,292 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.
- 6.37. 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.
- 6.38. 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	PESCO
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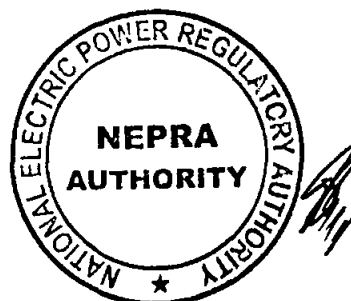
Allowed RORB FY 2021	4,220
Actual RORB FY 2021 (capped to the extent of allowed Investment)	3,779
True up Adj. as PYA	- 441

Allowed RORB FY 2022	5,622
Actual RORB FY 2022 (capped to the extent of allowed Investment)	4,713
True up Adj. as PYA	- 909

Description	PESCO
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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%



- 6.39. 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.
- 6.40. Here it is pertinent to mention, that amount of investments appearing in the financial statements has been restricted to the extent of allowed investment. It is also clarified that the Authority is in the process of evaluating the investments actually carried out by the Petitioner, whether the same in line with the allowed investment plan or otherwise. Therefore, for the purpose of truing up of RAB for the FY 2020-21 & FY 2021-22, investments as reported in the Audited/ provisional

financial statements of the Petitioner, have been considered. However, the amount of investment appearing in the financial statements has been restricted to the extent of allowed investment. Any adjustment based on the final evaluation of the Authority, if required, would be made in next adjustment/indexation request of the Petitioner.

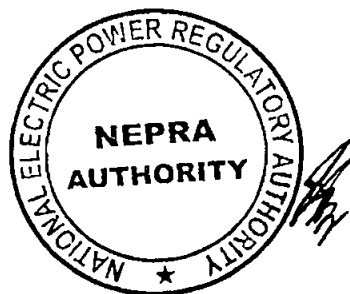
- 6.41. Regarding submissions of the Petitioner for deduction of deferred credit from Regulatory Asset Base (RAB) due to insufficient cash balances, consumer security deposits etc., the Authority observed that these issue were also raised by the Petitioner during proceedings of its MYT petition and in the subsequent MLR. The Authority has already deliberated these issues at length in the MYT determination of the Petitioner and also in its MLR decision. Therefore, bringing up the same issue again and again is neither understandable nor does it fall under the scope of instant MYT adjustment/ indexation request. Therefore, the request of the Petitioner is declined.
- 6.42. Regarding Other Income, the same has been adjusted as per the mechanism provided in the MYT determination for the FY 2023-24. The same for the FY 2023-24 works out as Rs.3,590 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 negative adjustment of Rs.1,380 million and Rs.590 million respectively. The same has been made part of PYA for the FY 2023-24.

7. Whether the requested PYA, is justified?

- 7.1. 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

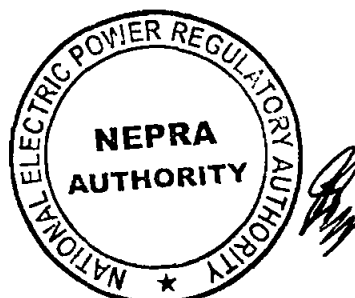
- 7.2. The Petitioner has requested the following PYA for the FY 2023-24;



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

Table-16: Summary of Prior Year Adjustments (PYA)

Sr.No	Description	Disc	Supply	Overall
1	Under / (Over) recovery of Qtr adjustment for FY 2019-20 (2nd, 3rd & 4th Qtr)	-	(12,717)	(12,717)
2	Under / (Over) recovery of Qtr adjustment for FY 2020-21	-	(1,438)	(1,438)
3	Under / (Over) recovery of Qtr adjustment for FY 2021-22	-	(1,128)	(1,128)
5	Under / (Over) recovery of Distribution Margin for FY 2021-22	(731)	(551)	(1,282)
6	Under / (Over) recovery of Other Income for FY 2020-21	(305)	(137)	(443)
7	Under / (Over) recovery of Other Income for FY 2021-22	(152)	(68)	(220)
8	Sales Mix Variance	-	850	850
9	MLR FY 2020-21 to FY 2022-23	7,965	9,037	17,002
10	Other Pending Adjustments of Distribution Margin	2,751	895	3,646
11	Under / (Over) recovery of PYA for FY 2020-21	-	2,481	2,481
12	Uniform Seasonal Pricing Structure Subsidy (USPS)	-	708	708
13	Impact of positive FCA regarding Lifeline Consumers	-	1,023	1,023
14	Impact of Incremental Units of ISP and WIP	-	1,864	1,864
15	Under Recovery of Depreciation FY 2020-21	-	80	80
16	Under Recovery of Depreciation FY 2021-22	-	232	232
17	Reversal of Interim DM Adjusted Back in MYT Determination	2,176	1,641	3,817
18	Impact of FCA of Nov-19 to Jun-20 not passed on to Consumers as per ECC Decision	-	2,436	2,436
Total Prior Period Adjustment		12,015	4,931	16,946



7.3. A summary of the Petitioner's submission on PYA is as under;

7.4. Recovery of Quarterly Adjustments

- Quarterly Adjustments were allowed during FY 2019-20, FY 2020-21 & FY 2021-22, which were subsequently notified by Government of Pakistan. The recovery of Quarterly Adjustments at notified rates during FY 2019-20 (2nd QTR onward) to 2021-22 has been calculated and included in the PYA amounting to Rs. (15,282) Million.

7.5. Under-Recovered Distribution Margin (DM)

- Distribution Margin (DM) of Rs. 24,685/- Million was allowed for the FY 2021-22, and the recovery of the same at notified rates during FY 2021-22 remained Rs. 25,967 Million. Thus resulted into an over recovery of Rs. (1,282) Million.

7.6. Sales Mix Variance

- The actual Sales Mix for FY 2020-21 and FY 2021-22 at the base tariff notified vide SRO 190(1)/2021, dated February 12, 2021 (effective from 12.02.2021 onward) and SRO 1424(I)/2021, dated November 05, 2021 has been assessed as Rs. 4,809 Million and Rs. (3,959) Million respectively (Working attached as Annex-G). Authority is requested to allow the impact of sales mix of Rs.850 Million in the Prior Year Adjustment.

7.7. Turnover Tax under MLR

- According to the MYT Determination, the Authority decided that significant amount of tax refund is appearing from FBR. In view thereof, the Authority decided to allow actual tax paid by the Petitioner net off of the amount of Tax Refund outstanding from FBR. It was clarified in MLR that the amount of refund appearing in the Financial Statements relates to taxes receivables under Sales Tax Act, 1990, and is not adjustable against the Turnover Tax.
- However, instead of reconsideration, another question has been raised whereby Amount Receivable from the consumers under the head of Income Tax (under Section 235 of the Income Tax Ordinance, 2001), which is basically indirect tax collectable from consumer, has been pointed out as tax receivable from FBR on the basis of wrong understanding, which needs to be rectified.

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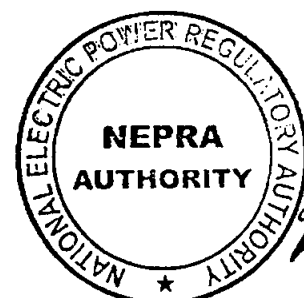
- The abstract of financial Statement for the relevant period is here under:

17. TRADE DEBTS			
Sale of electricity		43,389,406,549	61,063,771,401
Government levies and other charges	17.2	27,058,394,560	25,285,118,298

PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED			
NOTES TO THE FINANCIAL STATEMENTS			
FOR THE YEAR ENDED JUNE 30, 2021			
17.2	Government levies and other charges	Note	2021 Rupees
			2020 Rupees
	Electricity Duty Receivable-E/Bills		1,257,718,139
	Income Tax Receivable-E/Bills		1,178,011,489
			856,087,888
			749,483,168

- Further, as per filed income tax return, the tax was paid for FY 2019-20 amounting Rs. 2,046 million, instead of Rs. 1,576 million as determined in Multi Year Distribution Function Tariff (2018-2020). Similarly, the tax paid for FY 2020-21 is Rs. 2,145 million, FY 2021-22 is Rs. 2,265 million and for FY 2022-23 (upto December, 2022) is Rs. 1,125 million. Therefore, the Authority is requested to allow Turnover Tax for FY 2019-20, 2020-21, 2021-22 & 2022-23 (upto December, 2022) to tune of Rs. 469 million, Rs. 2,228 million, Rs. 2,265 million and Rs. 1,125 million, respectively (Copies of the returns & CPRs are enclosed at Annex-H). Moreover, the detail of turnover tax paid and the pending adjustments during FY 2018-19 to FY2022-23 is as under:

Mln. Rs.					
Financial Year	Tax Assessment	Tax Paid	Tax Adjustment Allowed by NEPRA	Pending Tax Adjustments	Income Tax Receivable from FBR
2018-19	1,432	1,432	1,432	-	Nil
2019-20	2,046	2,046	1,576	470	Nil
2020-21	2,145	2,228	-	2,698	Nil
2021-22	2,265	2,265	-	4,963	Nil
2022-23	Yet to be Filed	1,125	-	6,088	-



7.8. Uniform Seasonal Pricing Structure Subsidy (USPS)

- The Federal Government announced Uniform Seasonal Pricing Structure relief package vide S.R.O. 1379(1)/2019 dated 12-11-2019 for the period November 2019 to February 2020 on units consumed above the consumption made during the same period / month last year. Accordingly, PESCO charged subsidized rates to the specified consumers and submitted USPS subsidy claims of Rs.707.50 million to MoE during the period Jan 2020 to Mar 2020. The subsidy claims were returned by the MoE with the remarks that the said S.R.O does not speak of subsidy by the Federal Government and the matter may be taken up with CPPA-G for settlement. PESCO is facing revenue shortfall of Rs.707.50 Million on the basis of subsidized rates charged to the consumers and the recovery of the revenue shortfall is still pending and it is requested to include the same in PESCO prior year adjustment for FY 2019-20. The Authority is therefore requested to consider the same, as the respective incremental units 138 MKwh of USPS have been used by the Authority for calculation of regulatory costs

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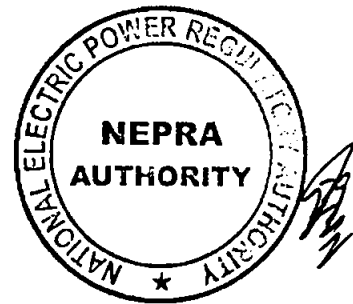
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& recoveries and accordingly the revenue shortfall faced by PESCO for Rs. 707.50 million may be allowed, otherwise the impact of incremental units needs to be excluded from the quarterly / annual adjustments as is being done in the recent Industrial Support Package notified vide SRO 1292(I)/2020 dated 03/12/2020 effective from November 2020.

7.9. Impact of positive FCA regarding Lifeline Consumers

- The Authority, on this issue, in the MLR decision dated 23.01.2023 decided that "Thus, request of the Petitioner would be considered in the next adjustment request of the Petitioner for the FY 2022-23, to be filed in February 2023. However, a preliminary analysis of the data provided by the Petitioner shows difference between the number of units used by PESCO for calculation of impact of lifeline consumers and the units used by NEPRA in its calculations. Here it is pertinent to mention that NEPRA while working out the impact of life line consumers used the data provided by PITC for each DISCO. Therefore, the Petitioner is directed to reconcile its data with PITC and submit the same along-with its next tariff adjustment/ indexation request..."
- Earlier, during regulatory proceeding these charges were allowed as part of periodic adjustments, however, since the issuance of Quarterly Adjustments determinations, the Authority on the issue of Periodic Quarterly Adjustments in Tariff for FY 2017-18 to FY 2020-21, has neither allowed the impact of lifeline consumers in the quarterly tariff determinations, nor the same has been allowed in Annual Tariff Determinations of PESCO as part of Prior Year Adjustments (PYA) thereby, resulting in the shortfall of Rs.1,023 million for the period FY 2017-18 to FY 2020-21. The yearly detail of pending / unrecovered positive FCA on lifeline consumers as per the Quarterly requests filed by PESCO and Quarterly FCA allowed by NEPRA is as under:

Mln. Rs.			
Impact of T&D Losses	As per PESCO	As per NEPRA Determination	Difference/Impact of FCA regarding Lifeline Consumers
FY 2017-18	565	511	54
FY 2018-19	2,352	2,150	202
FY 2019-20	5,446	4,940	506
FY 2020-21	2,731	2,470	261
Total	11,095	10,071	1,023



- The Authority is therefore, requested to allow the impact of positive FCA, amounting to Rs. 1,023 million in the matter of life line consumers as part of Prior Year Adjustment.

7.10. Impact of Incremental Units of ISP and Winter Incentive Package (WIP)

- The Authority has not considered/ allowed the impact of Incremental Units of ISP for FY 2020-21 (Nov-20 to Jun-21) and Incremental units of WIP for the 2nd Quarter (Jan-Feb) of FY 2021-22 on Capacity Charges, Variable O&M and Use of System Charges. The said impact of incremental units of ISP and WIP is resulting in the shortfall of Rs.1,414 Million for the period of FY 2020-21 (Nov-20 to Jun-21) and Rs.434 Million for the 2nd Quarter (Nov-21 & Dec-21) of FY 2021-22 respectively.

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- Furthermore, an amount of Rs.16 Million for the 3rd Quarter (Jan-22 & Feb-22) is calculated as the arrear claim of WIP on account of difference in the units of incremental units between PESCO's MIS report and the units considered by NEPRA.

Description	Mln. Rs.		
	FY 2020-21	FY 2021-22	
	Claim of ISP Incremental Units	Claim of WIP (2nd Qtr)	Claim of WIP (3rd Qtr)
Impact of Variable O&M	190	32	2
Impact of CPP	3,469	869	31
UoSC Adjustment	196	39	1
Recovery on Incremental Units	-2,441	-505	-17
Required Adj. for the Quarter	1,414	434	16
			1,865

7.11. Reversal of Over Adjustment of Interim Distribution Margin for FY 2018-19:

- 7.12. As per the MYT Determination, the PYA adjustment of Rs.6,259 million include a negative adjustment of Rs.364 million on account of 'Interim DM FY 2018-19'. However, adjustment for Distribution Margin for FY 2018-19 has already been accounted for by the Authority in its Determination for FY 2018-19 & 2019-20, hence, over adjustment has been made in Tariff Determination for FY 2018-19 & 2019-20 by adjusting the full amount of Rs.(3,817) million under PYA which needs to be reversed.

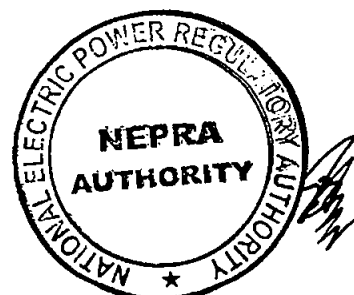
7.13. Impact of Pending FCA for the period FY 2019-20:

- The FCA for the period November 2019 to June 2020 as determined vide NEPRA decision has been withheld/ not passed on to the consumers. As per ECC decision an adjustment of Rs. 2,436 million may be allowed on the part of Prior Year Adjustments.

- 7.14. Keeping foregoing in view, the Petitioner has requested a PYA of Rs.16,946 million as summarized below:

Table-16: Summary of Prior Year Adjustments (PYA)

Sr.No	Description	Dist.	Supply	Overall
1	Under / (Over) recovery of Qtr adjustment for FY 2019-20 (2nd, 3rd & 4th Qtr)	-	(12,717)	(12,717)
2	Under / (Over) recovery of Qtr adjustment for FY 2020-21	-	(1,438)	(1,438)
3	Under / (Over) recovery of Qtr adjustment for FY 2021-22	-	(1,128)	(1,128)
5	Under / (Over) recovery of Distribution Margin for FY 2021-22	(731)	(551)	(1,282)
6	Under / (Over) recovery of Other Income for FY 2020-21	(305)	(137)	(443)
7	Under / (Over) recovery of Other Income for FY 2021-22	(152)	(68)	(220)
8	Sales Mix Variances	-	850	850
9	MLR FY 2020-21 to FY 2022-23	7,965	9,037	17,002
10	Other Pending Adjustments of Distribution Margin	2,751	895	3,646
11	Under / (Over) recovery of PYA for FY 2020-21	-	2,481	2,481
12	Uniform Seasonal Pricing Structure Subsidy (USPS)	-	708	708
13	Impact of positive FCA regarding Lifeline Consumers	-	1,023	1,023
14	Impact of Incremental Units of ISP and WIP	-	1,864	1,864
15	Under Recovery of Depreciation FY 2020-21	80	9	89
16	Under Recovery of Depreciation FY 2021-22	232	26	257
17	Reversal of Interim DM Adjusted Back in MYT Determination	2,176	1,641	3,817
18	Impact of FCA of Nov-19 to Jun-20 not passed on to Consumers as per ECC Decision	-	2,436	2,436
Total Prior Period Adjustment		12,015	4,931	16,946



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

7.16. Regarding Sales mix variance, 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.

7.17. On the issue of turnover tax, the Authority in the MYT determination of the Petitioner decided 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.

7.18. Since the Petitioner has complied with the direction of the Authority and provided details of actual tax assessments vis a vis tax paid for the last five years, therefore, the amount of tax of Rs.4,963 million till FY 2021-22, is being allowed to the Petitioner as part of PYA for FY 2023-24, based on the information provided by the Petitioner. However, the amount is being allowed on provisional basis, with the direction to the Petitioner take up the matter with FBR on the same grounds as being contested by GEPCO. Any adjustment, if required, based on the final outcome of the proceedings to be carried out by the Petitioner against FBR will be made subsequently.

7.19. On the issue of Seasonal Pricing structure subsidy for the FY 2019-20, the Authority in the MYT determination dated 02.06.2022 decided as under;

The Authority observed that the said package was announced by the Federal Government, whereby the applicable tariff was reduced by the Federal Government for certain category of consumers. Therefore, the Petitioner shall take-up this matter with the Federal Government for provision of subsidy in the matter, as nothing is pending on the part of the Authority.

7.20. The matter has already been decided in the MYT determination and subsequent MLR decision of the Petitioner and is out of scope of the instant MYT adjustment/ indexation, therefore, the request of the Petitioner is declined.

7.21. Regarding the impact of incremental sales package for the FY 2020-21, the impact of incremental units has been accounted for while working out the Sales Mix of the Petitioner for the FY 2020-21, based on the information/ data provided by the Petitioner.



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- 7.22. However, for the FY 2021-22 and onward periods, the Authority in the quarterly adjustment decisions of DISCOs decided as under;

2nd quarterly decision for FY 2021-22:

In view of the above submissions of CPPA-G and the decision of the Authority dated 01.12.2020, the Authority has decided to work out the quarterly adjustment based on net units, i.e. units purchased for incremental sales have not been included while working out the quarterly adjustments. Accordingly, the cost recovered on incremental units over and above the Fuel cost i.e. (Rs.12.96 less Reference Fuel Cost for each month) has been adjusted from the quarterly adjustments worked out based on net units. Similarly the Prior Year Adjustment (PYA) as well as sales mix for the period would be worked out based on net units i.e. excluding units purchased for incremental sales. Thus, no further adjustment would be allowed for units purchased for incremental sales.

3rd quarterly decision for FY 2021-22:

In view of the above, submissions of CPPA-G and earlier decisions of the Authority, the Authority has decided to work out the quarterly adjustment based on net units, i.e. units purchased for Industrial incremental sales and Winter Incentive Package have not been included while working out the quarterly adjustments. Accordingly, the cost recovered on such incremental units over and above the Fuel cost i.e. (Rs.12.96 less Reference Fuel Cost for each month) has been adjusted from the quarterly adjustments worked out based on net units. Accordingly, the Prior Year Adjustment (PYA) as well as sales mix for the period would be worked out based on net units i.e. excluding units purchased for Industrial incremental sales and Winter Incentive Package sales. Thus, no further adjustment would be allowed for such units purchased.

- 7.23. As per the above decisions of the Authority, the impact of incremental units for ISP and WIP for FY 2021-22 and for onward periods is already being accounted for while working out the quarterly adjustments, therefore, no further adjustment is required on this account.

- 7.24. On the point of over adjustment of Interim Distribution Margin of FY 2018-19, the Authority vide decision dated 14.12.2020 decided as under;

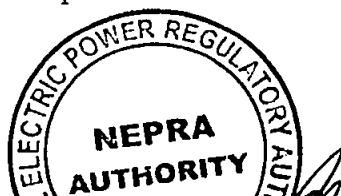
Here it is also pertinent to mention that the Authority through its interim decision dated September 27, 2019, in the matter of requests filed by Ministry of Energy (MoE) regarding Annual adjustment / indexation of Distribution Margin of DISCOs, allowed an amount of Rs.3,817 million as Interim adjustment to the Petitioner, strictly on provisional/ interim basis, subject to its adjustment once the annual adjustments of the Petitioner is finalized by the Authority. The said decision was notified by the Federal Government w.e.f. October 01, 2019 and would continue till September 30, 2020, whereby, the Petitioner has been allowed to recover the said amount through monthly billing as a separate tariff component. In view of thereof and the considering the fact that the Petitioner's tariff petitions for the FY 2018-19 and FY 2019-20 are being finalized, the amount of Rs.3,817 million allowed on interim basis, has been adjusted back through PYA. Any under recovery of the allowed Interim DM would be adjusted subsequently as PYA.

- 7.25. Subsequently, the under/over recovery of the interim D.M was accounted for while allowing PYA in the tariff determination of FY 2022-23, therefore, all required adjustments have already been made in tariff and nothing is pending in this regard. In view thereof, the request of the Petitioner is not justified and hence declined.

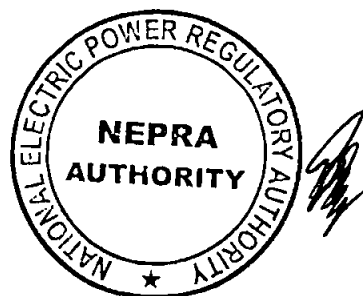
Regarding unrecovered cost of FPA for the period from Nov. 2019 to Jun. 2020, the Authority noted that decision was given by NEPRA, however, the same was not applied by the Petitioner

due to ECC decision. Therefore, nothing is pending on the part of NEPRA and the Petitioner needs to take up this with the Federal Government. Hence, the request of the Petitioner is declined.

- 7.27. Regarding impact of positive FCA on Lifeline consumers, the Authority in the MYT determination of the Petitioner clearly mentioned that in line with its earlier decision in the matter of negative FCA, it calculated the impact of negative FCA pertaining to the FY 2019-20 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 also worked out the impact of positive FCAs not recovered by the Petitioner from life line consumers. 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 the FY 2019-20.
- 7.28. After considering all the aforementioned factors, the Authority observed that the Petitioner had retained a net amount of Rs.796 million on account of negative FCA for the FY 2019-20, pertaining to the lifeline consumers, domestic consumers (consuming up-to 300 Units) and Agriculture Consumers, which was still lying with the Petitioner. The Authority also considered the amount of subsidy claims filed by the Petitioner for the FY 2019-20, which showed a net subsidy claim filed by the Petitioner.
- 7.29. The Authority in view of the above and in line with its earlier decisions, 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 the FY 2019-20 i.e. Rs.796 million, which was 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.
- 7.30. The above working was carried out based on the data/ information provided by PITC, as DISCOs did not submit the required information. It was also mentioned that in case DISCOs own calculations are different from the aforementioned numbers, keeping in view the last slab benefits etc., the same may be shared with the Authority in the subsequent adjustment request.
- 7.31. The Petitioner vide letter dated 14.05.2022, provided its workings in the matter. A preliminary analysis of the data provided by the Petitioner showed difference between the number of units used by it for calculation of impact of lifeline consumers and the units used by NEPRA in its calculations. Accordingly, the Authority in the MLR decision of the Petitioner dated 23.01.2023, directed the Petitioner to reconcile its data with PITC and submit the same along-with its next tariff adjustment/ indexation request.
- 7.32. However, no such reconciliation has been provided by the Petitioner. Further, the Petitioner was also directed through email to provide detail of its actual sales data for life line, up-to 300 domestic non-Tou and agriculture consumers from FY 2017-18 till FY 2019-20, which has also not been provided by the Petitioner. Therefore, till the time the Petitioner complies with the directions of the Authority and provides the required information, the Authority is constrained not to consider the request of the Petitioner.

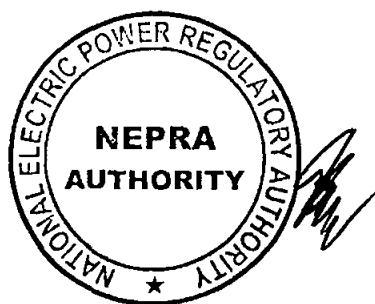


- 7.33. For the FY 2020-21, FY 2021-22 and FY 2022-23 (till Dec. 22), the Authority has accounted for the impact of positive FCA on life line consumers based on the information provided by the Petitioner.
- 7.34. The Authority in line with its earlier decision in the matter of negative FCA, has calculated 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.
- 7.35. After considering all the aforementioned factors, the Authority observed that the Petitioner has retained a net amount of Rs.742 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.
- 7.36. 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.742 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.
- 7.37. 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 PESCO for
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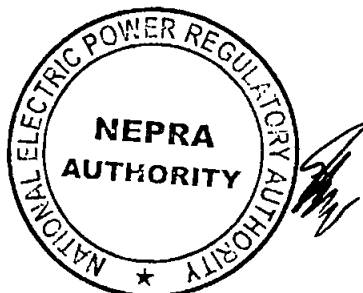
Description	PESCO
July 2020 to December 2022	
Impact of Negative FCA- retained	- 1,229
Impact of Positive FCA- Lifeline	486
Net	- 742
July 2020 to December 2022	
Tariff Diff. Subsidy	89,306
Surcharge	- 17,248
Net - Jul.20 to Mar. 23	72,059
Excess Negative FCA -Adjusted as subsidy	- 742
Excess Negative FCA -Adjusted as PYA	-
1st & 2nd Qtr. FY 2018-19	
Life Line units	
Qtr. Rate	2.1699
Impact	0
3rd & 4th Qtr. FY 2018-19	
Life Line units	
Qtr. Rate	0.59
Impact	0
1st Qtr. FY 2019-20	
Life Line units	-
Qtr. Rate	0.31
Impact	-
Interim D.M FY 2018-19	
Life Line units	-
Qtr. Rate	0.41
Impact	-
2nd & 3rd Qtr. FY 2019-20 (Oct.20 to Sep.21)	
Allowed Amount	29,187
Qtr. Rs./kWh	3.1516
Recovered	36,749
Under/(Over) Recovery	- 7,562
4th Qtr. FY 2019-20	
Allowed Amount	10,826
Qtr. Rs./kWh	1.1690
Recovered	14,772
Under/(Over) Recovery	- 3,946
1st & 2nd Qtr. FY 2020-21 (Oct. 21-Sept.22)	
Allowed Amount	14,986
Qtr. Rs./kWh	1.29
Recovered	16,242
Under/(Over) Recovery	- 1,256
3rd Qtr. FY 2020-21 (Oct.21-Sept.22)	
Allowed Amount	2,343
Qtr. Rs./kWh	0.2010
Recovered	2,540
Under/(Over) Recovery	- 197
4th Qtr. FY 2020-21 (Feb. Apr. 22)	
Allowed Amount	- 2,222
Qtr. Rs./kWh	- 0.8573
Recovered	- 2,206
Under/(Over) Recovery	- 16
1st Qtr. FY 2021-22 (Jun. Aug. 22)	
Allowed Amount	2,612
Qtr. Rs./kWh	0.8956
Recovered	3,297
Under/(Over) Recovery	- 685
2nd Qtr. FY 2021-22 (Jul. Sep. 22)	
Allowed Amount	1,457
Qtr. Rs./kWh	0.4995
Recovered	1,834
Under/(Over) Recovery	- 377



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

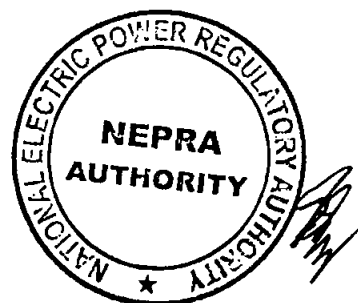
Description	PESCO
3rd Qtr. FY 2021-22 (Sep. Nov. 22)	
Allowed Amount	2,616
Qtr. Rs./kWh	0.8969
Recovered	2,447
Under/(Over) Recovery	169
4th Qtr. FY 2021-22 (Oct. 22 Jan. 23)	
Allowed Amount	12,244
Qtr. Rs./kWh	3.4100
Recovered	11,591
Under/(Over) Recovery	654
1st Qtr. FY 2022-23 (Feb. Mar. 23)	
Allowed Amount	2,057
Qtr. Rs./kWh	1.2546
Recovered	1,952
Under/(Over) Recovery	105
2nd Qtr. FY 2022-23 (Apr. Jun. 23)	
Allowed Amount	- 1,983
Qtr. Rs./kWh	- 0.53
Recovered	
Under/(Over) Recovery	
D.M FY 2021-22	
Allowed Amount	27,737
Rate. Rs./kWh	1.99
Recovered	24,219
Under/(Over) Recovery	3,518
PYA 2019-20	
Allowed Amount	- 20,393
Rate. Rs./kWh	- 1.74
Sales till Feb.11 2022	12,224
Recovered	- 21,254
Under/(Over) Recovery	861
MLR Allowed Cost	
RORB - FY 2020-21	1,547
RORB - FY 2021-22	2,216
RORB - FY 2022-23	3,019
Post-Retirement Benefit	3,616
Other Exp.	359
	10,757
Sales Mix Var.	
FY 2020-21	- 3,958
FY 2021-22	3,562
	- 396
Excess LPS to be adjusted - FY 2020-21	
LPS Recovered from Consumers	2,897
Supplemental charges billed by CPPA	17,006
Net	14,109
Excess LPS to be adjusted - FY 2021-22	
LPS Recovered from Consumers	2,965
Supplemental charges billed by CPPA	23,188
Net	20,223
Adjustment in PYA	-
Other Costs - FY 2020-21 to FY 2022-23	
Pay & Allowance FY 2023 Adjustment	1,103
Turn over/Min. Tax	4,963
Supplier NEPRA Fee- FY 2021-22	33
Supplier NEPRA Fee- FY 2022-23	44
Genco Pensioners FY 2022 & FY 2023	23
NTDC Pensioners	-
Total	6,166
Total	7,795



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MYT True Ups		PESCO
FY 2020-21		
Depreciation		
Allowed		3,206
Actual		3,240
Under/(Over) Recovery		-
RoRB (Investment + KIBOR)		
Allowed		4,220
Actual		3,779
Under/(Over) Recovery		- 441
Other Income		
Allowed		- 3,467
Actual		- 4,847
Under/(Over) Recovery		- 1,380
FY 2021-22		
Depreciation		
Allowed		3,453
Actual		3,680
Under/(Over) Recovery		-
RoRB (Investment + KIBOR)		
Allowed		5,622
Actual		4,713
Under/(Over) Recovery		- 909
Other Income		
Allowed		- 4,180
Actual		- 4,770
Under/(Over) Recovery		- 590
Total MYT True Ups		- 3,319
G. Total PYA FY 2021-22 & FY 2022-23		4,476



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

- 8.1. 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.
- 8.2. 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.
- 8.3. 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.
- 8.4. 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

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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.

9. 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?

- 9.1. 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."

- 9.2. 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.

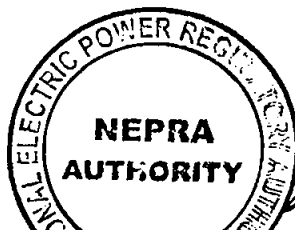
10. Whether the existing fixed charges applicable to different consumer categories need to be revised and require any changes in mechanism for charging of such charges based on Actual MDI or Sanction Load or otherwise?

11. Whether there should any Fixed Charges on consumer's categories who are currently not paying any fixed charges?

- 11.1. 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.

12. Revenue Requirement

- 12.1. 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 PESCO for Adjustment / Indexation of Tariff for the FY 2023-24 under the MYT

Description	Unit	Allowed FY 2023-24	
		DOP	SOP
Units Received	(MkWh)	15,362	15,362
Units Sold	(MkWh)	12,334	12,334
Units Lost	(MkWh)	3,028	3,028
Units Lost	(%)	19.71%	19.71%
Energy Charge			102,570
Capacity Charge			216,009
Transmission Charge & Market Operation Fee			17,481
Power Purchase Price	(Min. Rs.)		336,060
Wire Business cost			33,305
Power Purchase Price with wire business cost	(Min. Rs.)		369,365
Pay & Allowances		12,421	6,399
Post Retirement Benefits		6,178	3,183
Repair & Maintenance		1,186	49
Traveling allowance		261	107
Vehicle maintenance		201	64
Other expenses		191	1,175
O&M Cost	(Min. Rs.)	20,439	10,976
Depreciation		3,909	434
ROBB		11,434	2,858
O.Income		(2,477)	(1,113)
Margin	(Min. Rs.)	33,305	13,156
Prior Year Adjustment	(Min. Rs.)	-	4,476
Revenue Requirement	(Min. Rs.)	33,305	386,996
PPP with Wire Business Cost-Unadj.			24.04
PPP with Wire Business Cost-adj.		-	29.95
Margin		2.70	1.07
PYA		-	0.36
Average Tariff	(Rs./kWh)	2.70	31.38

12.2. The above determined revenue shall be recovered from the consumers through the projected sales of 12,334 GWhs, as per Annex – II.

12.3. 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.

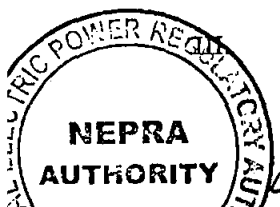
13. ORDER

13.1. 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. Peshawar Electric Supply Company Limited (PESCO), being a deemed supplier, is allowed to charge its consumers such tariff as set out in the schedule of tariff for PESCO annexed to the decision.
- II. In addition to compensation of losses as discussed above, PESCO, 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	23.65%	43.65%	67.30%
Level of Losses	2.50%	13.60%	15.76%
UoSC Rs./kWh	0.73	1.71	2.55

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.



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- 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.

14. Summary of Direction


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


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

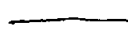
15. Decision of the Authority, is hereby intimated to the Federal Government for filling of uniform tariff application in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

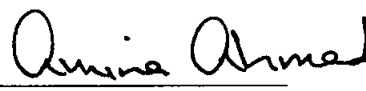
16. The instant decision of the Authority and the Order part along with revised Annex-I, I-A, II, III, IV and V, be also notified in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, while notifying the uniform tariff application decision of the Authority.

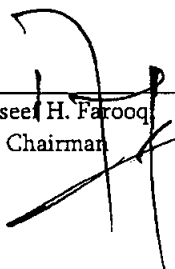
AUTHORITY

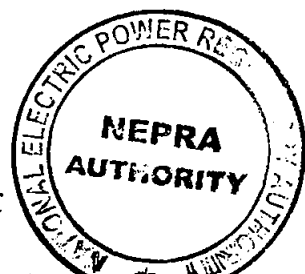

Mathar Niaz Rana (nsc)
Member


Rafique Ahmed Shaikh
Member


Engr. Maqsood Anwar Khan
Member


Ms. Amina Ahmed
Member


Tauseef H. Farooq
Chairman



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

F/E

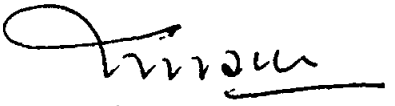
No. NEPRA/Dir (C & I)/2023/1434

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:

<u>Authority</u>	
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)
<u>Participants</u>	
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 NPRA 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

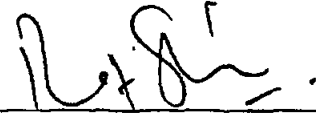
- b. Whether to direct DISCOs to file addendum after incorporating the revised Revenue Requirement for FY 2023-24 and GOP applicable tariff in this regard or otherwise? If the Authority decide to direct DISCOs for filing of addendum than approval is requested for draft DFA attached with working paper.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

F/F

No: NEPRA/R/TRF-100/ 33710

October 06, 2023

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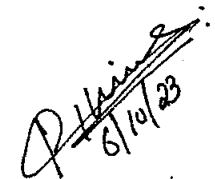
Subject: **PETITION FOR DETERMINATION OF USE OF SYSTEM CHARGES (UoSC) / WHEELING CHARGES - PESCO**

Please find enclosed herewith subject petition filed by Peshawar Electric Supply Company (PESCO) vide letter No. 720-28/DG(MIRAD)/PESCO dated 28.09.2023 (received on 05.10.2023) 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. PESCO 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 10.10.2023.

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

