



PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

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OFFICE OF THE
CHIEF EXECUTIVE OFFICER
PESCO PESHAWAR

Dated: 28/02/2024

No: 1134-35/FD/PESCO/CP&C

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

For information & n.a, please.

• ADG (Tariff)

• Copy to:

• DG (M&E)

• M/F

CC: Chairman

- M (Tariff)

Subject: **ANNUAL ADJUSTMENT/INDEXATION OF DISTRIBUTION MARGIN (DM) FOR FY 2024-25 & PRIOR YEAR ADJUSTMENTS (PYA) UNDER MULTIYEAR TARIFF (MYT) REGIME.**

Reference: i. No. NEPRA/R/ADG(Trf)/TRF-564/PESCO-2021/8685-8687 dated 02-06-2022.
ii. No. NEPRA/R/ADG(Trf)/TRF-565/PESCO-2021/8764-8766 dated 02-06-2022.

Pursuant to directions issued in Tariff Determinations for both Distribution and Supply function vide letters under reference, annual indexation/adjustment for FY 2024-25 of PESCO is enclosed herewith along with Prior Year Adjustments (PYA) under Multiyear Tariff (MYT) regime, as per details below:

- Annual Revenue Requirement for FY 2024-25 along with its breakup into Distribution & Supply cost.
- Proposed O&M Cost for FY 2024-25 along with its breakup into Distribution & Supply cost.
- Breakup of O&M Cost & Other Income (Audited) into Distribution & Supply cost.
- Prior Period Adjustments.
- RORB for FY 2024-25 (calculation is based on 3 months KIBOR + 2.00% spread on bi-annual basis) and its breakup into Distribution & Supply Cost.
- Audited Accounts for FY 2022-23, the adjustments may be allowed on Audited accounts basis.

We shall be grateful if the Authority shall give due consideration to our application to allow the Indexation/Adjustment for FY 2024-25 (enclosed as **Annex-A** along with supporting documents) per the current notified tariff vide SRO No. 943(I)/2023 dated 26-07-2023 and SRO No. 1173(I)/2022 dated 25-07-2022, consequent upon the determinations of the Authority in respect of PESCO. The application is supported with all requisite data and supporting material.

CHIEF EXECUTIVE OFFICER
PESCO, PESHAWAR

Cc to:

Section Officer (Tariff), Ministry of Energy (Power Division), Islamabad for information.

TARIFF (DEPARTMENT)

Dir (T-I)..... Dir (T-II).....

Dir (T-III)..... Dir (T-IV).....

Dir (T-V)..... Addl. Dir (RE).....

Date: 4-3-24

REGISTER OFFICE

Diary No: 2404

Date: 1-3-24

Tariff Division Record

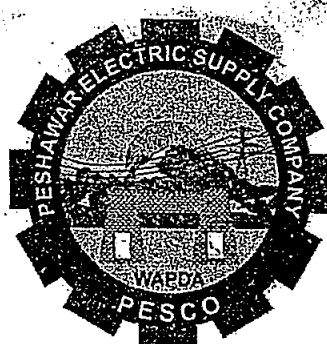
By No: 1291
Dated: 4-3-24

ANNUAL ADJUSTMENT/INDEXATION OF DISTRIBUTION MARGIN (DM)
FOR FY 2024-25 & PRIOR YEAR ADJUSTMENTS (PYA) UNDER
MULTIYEAR TARIFF (MYT) REGIME.

INDEX			
Sr. No.	Particulars	Annexure	Page No.
1	Application of Indexation/Adjustments for FY 2024-25	A	1-22
2	Financial Statements of FY 2022-23	B	23-62
3	PSO price bulletin, Comparative Statement	C	63
4	RORB Calculation for FY 2024-25	D	64
5	Prior Year Adjustment & Salex Mix Variance for FY 2022-23	E	65-67
6	Request Letter No. 8139-41 dt: 14/05/22 for allowing Impact of positive FCA regarding Lifeline Consumers	F	68-80
7	Working sheets for computation of the Impact of positive FCA regarding Lifeline Consumers	G	81-82
8	Clarification regarding charging of turnover tax rate on supply of Electricity by PESCO	H	83
9	Tax Reconciliation Statements for FY 2022-23 & FY 2023-24	I	84-106
10	MLR petition for FY 2023-24	J	107-175
11	National Consumer Price Index for December 2023	K	176-177
12	KIBOR Rates of July 2023 & January 2024	L	178-179
13	Board Resolution	M	180
14	Affidavit	N	181

**BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY,
ISLAMABAD**

**APPLICATION FOR ANNUAL ADJUSTMENT/INDEXATION OF DISTRIBUTION
MARGIN (DM) FOR FY 2024-25 & PRIOR YEAR ADJUSTMENT (PYA) FOR FY 2022-23 &
FY 2023-24 UNDER MULTIYEAR TARIFF (MYT) REGIME FY 2020-21 TO FY 2024-25**



**THE PESHAWAR ELECTRIC SUPPLY COMPANY LTD. (PESCO)
WAPDA HOUSE, SHAMI ROAD, PESHAWAR THROUGH ITS
CHIEF EXECUTIVE OFFICER, ENGR. AKHTAR HAMID KHAN.**

1. Applicant

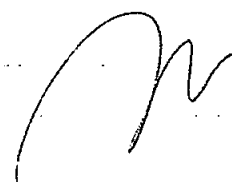
1.1 Peshawar Electricity Supply Company Limited (PESCO) is an Ex-WAPDA Distribution Company (DISCO) owned by the Government of Pakistan (GOP) and incorporated as a Public Limited Company on 25th April 1998 vide company registration No. L09497 of 1997-98 under section 32 of the Companies Ordinance 1984.

1.2 Principal business of PESCO is to provide electricity in Khyber Pakhtunkhwa jurisdiction of PESCO under License No.07/DL/2002 dated 30-04-2002 (the Distribution License) which is extended vide letter No. NEPRA/R/DG(Lic)/LAD-07/23507 dated 13-12-2022, issued by NEPRA. NEPRA has also granted Electric Power Supply License (Supplier License) to PESCO to act as Supplier of Last Resort (SoLR) in its designated service territory under License No. SOLR/07/2023 dated 27-12-2023.

2. Background

2.1 PESCO filed Multi-Year Tariff Petition for the Determination of its Consumer End Tariff for FY 2020-21 to FY 2024-25 on 03-06-2021 as per revised NEPRA Act for the Determination of Distribution (Non-sale element) Tariff and Supply of Power (Consumer End Tariff) and NEPRA issued determinations on 02-06-2022 respectively and notified by GoP dated 25-07-2022. PESCO filed a Review Motion on 13-06-2022 on the Tariff Determined by NEPRA and the decision of Review was issued by the Authority on 23rd January, 2023. It is pertinent to mention, that NEPRA in its decisions dated 23-01-2023 has not considered PESCO request for review under various heads, hence, PESCO filed an Appeal under section 12G of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 against the said decisions of the Authority before the Appellate Tribunal, which is pending adjudication.

2.2 Without Prejudice Pursuant to the directions of the Authority given in Tariff Determination for Distribution (Non-Sale Element) Tariff and Supply of Power (Consumer End Tariff), PESCO submitted its Annual Adjustment / Indexation of Distribution Margin for FY 2023-24 along-with Prior Year Adjustment under Multiyear Tariff Regime on 28-02-2023. The Authority has issued its decision on PESCO indexation application for FY 2023-24 on 14-07-2023 and was notified by GoP vide SRO No. 943(I)/2023 dated 26-07-2023. However, PESCO has filed a Motion for Leave for Review on the said decision on 27-07-2023 and the decision thereon is awaited.



2.3 Pursuant to the directions of the Authority given in Tariff Determination for Distribution (Non-Sale Element) Tariff and Supply of Power (Consumer End Tariff), PESCO has to submit its Annual Adjustment / Indexation of Distribution Margin for FY 2022-23 along-with Prior Year Adjustment under Multiyear Tariff Regime. The Prior Year Adjustment (PYA) has been worked out on the basis of actual data for FY 2022-23, which allows PESCO for truing up certain O&M expenditure for recovery of its cost of service at current market prices to maintain its financial viability, this request for indexation is being submitted for the Financial Year 2024-25.

2.4 According to the NEPRA directions in Determinations for Distribution (Non-sale element) Tariff and Supply of Power (Consumer End Tariff) issued on 02-06-2022 respectively and notified by GoP dated 25-07-2022, the following adjustments/indexations are hereby submitted as per amended NEPRA Act, 2018 with all supporting documents for consideration of Authority.

2.5 Salient Features of the Application

The main objective of this application is to request NEPRA to allow Annual Adjustments/Indexations of Distribution Margin for FY 2024-25 along-with Prior Year Adjustment under Multiyear Tariff Regime. The input data, Deferred Credits together with calculation of WACC, Salaries & Wages, Post-Retirement Benefits, Repair & Maintenance Costs, Other Operating Expenses, and other matters as discussed in subsequent sections used for determination of Power Purchase Price, Distribution Margin and Prior Year Adjustment be allowed enabling PESCO to generate enough revenue to perform its obligatory duties as prescribed by Authority.

3. TARIFF ANALYSIS

According to the approved mechanism of indexation/adjustment provided in the MYT Determinations for FY 2020-21 to FY 2022-23 dated June 02, 2022 and adjustment/indexation of tariff allowed by the authority in its decision for FY 2023-24 dated July 14, 2023, the projected components of the Company's tariff are as under:

Table-I

Min Rs.

Description	Distribution Tariff	Supply of Power	TOTAL
FY	2024-25	2024-25	2024-25
O&M Cost	24,278	13,078	37,356
Depreciation	4,688	521	5,209
Return on Rate Base	12,117	3,028	15,145
Less: Other Income	(3,450)	(1,571)	(5,021)
Distribution Margin (D.M)	37,634	15,056	52,690
Turnover Tax	-	3,940	3,940
Prior Period Adjustments	-	10,615	10,615
Gross Revenue Requirement	37,634	29,611	67,245

3.1 Summary of tariff assumptions:

- i) *Inflation*: The CPI to be used in indexing the tariff yearly is the one that is notified by the Pakistan Bureau of Statistics. For the purposes of this petition, CPI of 29.66% of December 2023 has been taken.
- ii) *Efficiency Factor*: The X factor has been set a 30% for the tariff period as determined, however, PESCO still requesting to consider it as 0%, as already requested.
- iii) *Operating Gross Fixed Asset (GFA)*: The value of the Opening GFA used for the indexation/adjustment for FY 2023-24 has been taken on the basis of the financial statements of FY 2022-23 (enclosed as **Annex-B**) and FY 2021-22.
- iv) *Cost of Debt*: In view of Tariff Determination for MYT period, the Cost of Debt has been computed on the basis of fluctuation in the reference KIBOR biannually, i.e. July & January each year.
- v) *Basis for Bifurcation*: The bifurcation of Revenue Requirements component for Distribution & Supply functions of PESCO has been made as per the approved mechanism in the MYT Determination.

Table-2: Bifurcation of Distribution Margin

Description	Distribution Tariff	Supply of Power	Overall
	% Share	% Share	% Total
O&M Costs:			
Pay & Allowances	66%	34%	100%
Travelling Expenses	71%	29%	100%
Vehicle Running Expenses	76%	24%	100%
Other Expenses	14%	86%	100%
Repair & Maintenance	96%	4%	100%
Total O&M Cost	65%	35%	100%
Depreciation	90%	10%	100%
Return on Rate Base	80%	20%	100%
Less: Other Revenues	69%	31%	100%
Distribution Margin (D.M)	57%	43%	100%



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4. Distribution Margin:

The proposed adjustment under Distribution Margin for FY 2024-25 for Distribution & Supply Function is hereunder:

Table-3: Breakup of Distribution Margin

Mln Rs.

DESCRIPTION	ACTUAL	PROJECTED	PROJECTED
	FY'2022-23	FY'2023-24	FY'2024-25
O & M Cost	24,714	32,250	37,356
Depreciation	4,210	4,680	5,209
Return on Rate Base	9,685	13,041	15,145
Less Other Income	(4,180)	(5,021)	(5,021)
Distribution Margin	34,430	44,950	52,690

The projected Distribution Margin for the FY 2023-24 comes to Rs. 44,950 Million considering the already determined Distribution Margin and the annual impact of various pending adjustments.

5. Operating & Maintenance Cost:

According to said MYT mechanism, the O&M cost which is part of PESCO's Distribution Margin (DM) shall be indexed with Consumer Price Index (CPI). Accordingly, the O&M cost will be indexed every year according to the following formula:

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

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 Statistics latest available on 1st July against the CPI as on 1st July of the Reference Year in terms of percentage.

X = Efficiency factor



Joint Chairperson
Joint Distribution Committee
PESCO

Based on this mechanism, the projected O&M Cost for the FY 2024-25 for Distribution of Electric Power and Supply of Electric Power comes to Rs. 37,356 million as elaborated below:

Table-4: Breakup of O&M Cost

Mln Rs.

DESCRIPTION	FY'2022-23	FY'2023-24	FY'2024-25
	ACTUAL	PROJECTED	ADJUSTMENT
Operating & Maintenance			
Salaries and Benefits	12,640	16,971	18,967
Post Retirement Benefits	9,095	11,696	14,063
Sub-Total	21,735	28,667	33,030
Repair and Maintenance	1,018	1,314	1,587
Traveling Expenses	324	389	470
Vehicle Expenses	272	360	435
Other Expenses	1,364	1,519	1,834
O & M Cost	24,714	32,250	37,356

The projected O&M costs for FY 2023-24 have been adjusted by considering the Indexation decision of PESCO and the annual impact of various pending adjustments. As a result, the baseline has been adjusted for the FY 2023-24 to calculate the indexation request for the following FY 2024-25, as per Table-6 provided below:

Table-5: Basis for Projected O&M

Mln Rs.

DESCRIPTION	FY'2023-24			FY'2024-25	
	DETERMINED	PENDING ADJ.	PROJECTED	MULTIPLYING FACTOR	PROJECTED
Operating & Maintenance					
Salaries and Benefits	18,820	-1,849	16,971	12%	18,967
Post Retirement Benefits	9,361	2,335	11,696	20%	14,063
Sub-Total	28,181	486	28,667		33,030
Repair and Maintenance	1,235	79	1,314	21%	1,587
Traveling Expenses	368	21	389	21%	470
Vehicle Expenses	265	93	360	21%	435
Other Expenses	1,366	153	1,519	21%	1,834
O & M Cost	31,415	835	32,250		37,356

5.1 Pay & Allowances:

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, 2023 may be considered and necessary adjustment in the determined amount for FY 2023-24 may be allowed in the base reference as per detail below.

1. Annual Increment in Basic Pay to the extent of 5%, as allowed in the MYT Determination for FY 2020-21 to FY 2022-23, has been incorporated based on the revised expenditure for FY 2023-24.
2. Adhoc Relief Allowance allowed @ 15% on the current Basic Pay.

It is pertinent to mention here that the determination of Ad-Hoc Relief for FY 2023-24 at the rate of 32.5% by assuming 50% officers and 50% staff may also be reconsidered as the breakup of the staff and officers is different. Furthermore, the decision to allow annual increment @ 5% for 7 months is not in line with the methodology as decided in MYT determination, hence, the annual increment calculations may be reconsidered and be allowed on average basis of 5% for the whole year as requested.

The projected Pay & Allowances for the FY 2024-25 comes to Rs. 18,967 million considering the assumption of increment of 5% in the Basic Pay and 15% Ad hoc Relief.

5.2 Post-Retirement Benefits (Cash):

Similarly, 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. It is further apprised that PESCO has installed a full fledged Pension Management System (PMS) and is being implemented throughout PESCO with a database of around 19,900 plus pensioners, accordingly, as per PMS data, an analysis, regarding the actual payments made, new pensioners added along with their commutation paid & the total pension expenditure, is presented in the table below:

Table-6: Pensioners Information

Description	FY 2021-22	FY 2022-23
Nos of Pensioners	15,518	16,220
increase In Nos.		702

As evident from the above table, the Pension payments made by PESCO and the number of Pensioners has increased during FY 2022-23 and will further increase during FY 2023-24 due to new retirees. In light of the position explained above and assuming expected increase in Federal Budget and increase in pensioner numbers for FY 2022-23, the projected cost for the FY 2023-24 comes to Rs. 14,063 million.

a) Financial Implication of NTDC Pensioners as PYA:

NTDC has forwarded 88 Nos. PPO files pertaining to Ex-GSC retired employees of the formations transferred to PESCO on the grounds that the assets and liabilities of PD (GSC) Peshawar (132 KV Grid System Construction) have been transferred to PESCO and that the said employees have served in the formation which is currently part of PESCO.

Accordingly, Financial Impact of NTDC Pensioners is as under;

Table-7: Financial Impact of NTDC Pensioners

Company	Year	No of Pensioners	Annual (Rs. In Mln)
NTDC Pensioners	2014-15 to 2022-23	88	183
	2023-24 (prov.)		44
Total			227

Moreover, Authority with reference to NTDC pensioners in PESCO 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. However, the same was deferred on the directions to submit a separate case before the Authority. The Authority is accordingly requested to re-consider the same as PESCO is already facing financial hardships in the shape of huge cash shortfall due to unrealistic T&D loss target and PESCO may not be able to finance the said cost due to non-payment by NTDC and it will create problems for old age pensioners. Accordingly, an interim arrangement may be decided till the final decision w.r.t the financing of the said cost. It is proposed that either to advice NTDC to make the payments till final decision and may allow the financial impact provisionally to NTDC upto June 30, 2023 and thereafter as per NEPRA decision the same may be allowed as part of tariff to PESCO or NTDC, as the case may be.

5.3 Post-Retirement Benefits (Non-Cash):

As per the Authority directions, PESCO 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. PESCO is already transferring an amount of Rs. 545 million to the pension fund with reference to FY 2021-22 as per direction of the Authority. It is therefore requested to allow the annual provision for post-retirement benefits amounting to Rs. 6,500 million each for FY 2023-24 & FY 2024-25 as the amount determined in the Indexation Decision will not be sufficient to serve the purpose.

5.4 R&M, Travelling, Vehicle Running & Other Expenses:

The Travelling, Vehicle Running & Other Expenses expenses as determined by the Authority for FY 2022-23 are less than the actual audited expense incurred by PESCO. PESCO is already facing financial hardship and the determination of other expenses by excluding various legitimate costs may hamper PESCO's ability to provide uninterrupted services to the consumers as it will further aggravate the weak financial position of the company.

Repair and Maintenance:

An amount of Rs. 1,587 million has been projected for FY 2024-25 considering the NCPI of 29.66% based on the projected expenditure of FY 2023-24. PESCO determined expenditure under the head of Repair & Maintenance for FY 2023-24 is Rs. 1,235 million, however based on historical trends and inflationary impact an amount of Rs. 1,314 million has been projected for FY 2023-24 in view of revised repair policy approved by the BoD. The change in policy has heavily increased the Repair & Maintenance cost, and funds are needed to continue the policy in the interest of consumers. 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.

Vehicle Running Expenses:

According to the statistics taken from PSO website, the increase in POL prices has increased by 67.8% during FY 2022-23 whereas the Authority's determination of Vehicle Running expenses for FY 2023-24 at Rs. 265 million, with only a marginal 17% increase from the determined amount of Rs. 226 million for FY 2022-23, appears contrary to prevailing market rates which will be insufficient to meet the expenses and for sustainable smooth operations of the company.



An analysis of the increase in POL prices for the last three years is tabulated below:

Table-8: Analysis of POL prices

Description	FY2020-21	FY2021-22	FY2022-23	FY2023-24
Average Price of Petrol (Annual)	106.43	150.57	247.82	280.23
% Increase (yoy)		41.46%	64.59%	13.08%
Average Price of Diesel (Annual)	108.98	149.36	255.51	289.47
% Increase (yoy)		37.06%	71.06%	13.29%
Average POL Price (Petrol + Diesel)	107.70	149.97	251.67	284.85
% Increase (yoy)		39.25%	67.81%	13.18%

(Reference – PSO price bulletin, Comparative Statement is attached at **Annex- C**)

Considering the inflationary trend, Rs. 360 million and Rs. 435 million has been projected under the head of Vehicle Running expense for FY 2023-24 and FY 2024-25 respectively. The Authority is requested to consider the prevailing market trends and enhance the Vehicle Running expenses accordingly.

Table-9: Proposed Adjustments

Description	2022-23	2023-24	2024-25
Vehicle Running Expense	272	360	435
% Increase (YoY)		32%	21%

Other O&M Expenses:

The Authority in its indexation decision dated 14th July, 2023, has determined other expenses for FY 2023-24, amounting to Rs. 1,366 million which is insufficient to provide uninterrupted services, hence, in view of the inflationary trend an amount of Rs. 1,519 million is estimated. It should be noted that the cost of materials has experienced abnormal increases due to fluctuations in international prices and rupee devaluation, leading to a rise in various commodities' prices. Accordingly, the Authority is respectfully requested to consider the prevailing ground realities and allow adjustment of Rs. 1,519 million for FY 2023-24 and Rs. 1,834 million for FY 2024-25 in view of NCPI of Rs. 29.66% as on December, 2023.

Other O&M expenses 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.



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.

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.

Further, the efficiency factor-X may be allowed on an 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 % & 19.71 % 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.

Table-10: Proposed Adjustments

Description	Rs. in Mln	
	2023-24 [Proj.]	2024-25 [Proj.]
Other O&M Expense	1,519	1,970
% Increase (YoY)		29.66%

6. Depreciation and Review of Investment Plan:

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:

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

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 the Reference Year

According to the investment allowed for FY 2023-24 & FY 2024-25 and net book value of the assets as per audited financial statements of FY 2022-23, the depreciation of Rs. 4,680 million for FY 2023-24 and Rs. 4,680 million for FY 2024-25 has been projected.

The proposed depreciation calculation is given below:

Mln Rs.

Table-I I: Depreciation Expense

DESCRIPTION	FY'2022-23	FY'2023-24	FY'2024-25
	AUDITED	PROVISIONAL	ADJUSTMENT
Gross Fixed Assets in Operation (GFAIO) — Opening Balance	107,485	121,951	135,978
Addition in Fixed Assets	14,466	14,027	14,977
Fixed Assets in Operation (GFAIO) — Closing Balance	121,951	135,978	150,954
Depreciation-Expense	4,210	4,680	5,209

According to the Indexation Decision for FY 2023-24, the authority decision to trued up depreciation downward only for the previous year based on allowed investment, without considering unavoidable factors, like natural calamities, may lead to negative consequences for service quality and inefficiencies in the long term. The scope and the amount of the investment allowed are not matching due to abnormal increase in inflation. Accordingly, it may be decided whether scope of work is required to be completed or the amount is capped and in case the amount is capped then the target for losses etc also needs to be reconsidered on the basis of the works physically completed compared to the scope of investment.

Considering this fact in view, an investment of Rs. 17,809 million has been considered for the calculation of depreciation. Because, it is not possible for PESCO to carry out the scope as per the approved investment plan and may not be able to achieve the targets.



Hence, based on estimated investment, the above projected depreciation may be allowed. Moreover, the investment plan for FY 2020-21 to FY 2023-24 may also be revised as already requested in Review Motion on Indexation Decision for FY 2023-24 the details will be provided during the hearing.

7. Return on Rate Base (RORB):

As per the mechanism provided in the decision for Adjustment/ Indexation of tariff for the FY 2023-24 under the MYT, the Return on Rate Base (RORB) will be assessed in accordance with the following formula/ mechanism:

$$RORB_{(Rev)} = RORB_{(Ref)} * RAB_{(Rev)} / RAB_{(Ref)}$$

Where:

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

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

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

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

Mln Rs.

Table-12: RORB Calculation

DESCRIPTION	UOM	FY'2022-23	FY'2023-24	FY'2024-25
		AUDITED	PROVISIONAL	ADJUSTMENT
Gross Fixed Assets in Operation-B/F	[Mln Rs]	107,485	121,951	135,978
Addition in Fixed Assets	[Mln Rs]	14,466	14,027	14,977
Gross Fixed Assets in Operation-C/B	[Mln Rs]	121,951	135,978	150,954
Less: Accumulated Depreciation	[Mln Rs]	43,322	48,002	53,211
Net Fixed Assets in Operation	[Mln Rs]	78,629	87,975	97,743
Add: Capital Work In Progress - C/B	[Mln Rs]	20,608	27,194	30,026
Investment in Fixed Assets	[Mln Rs]	99,236	115,169	127,769
Less: Deferred Credits	[Mln Rs]	43,715	48,047	52,459
Regulatory Assets Base	[Mln Rs]	55,521	67,122	75,310
Average Regulatory Assets Base	[Mln Rs]	51,787	61,321	71,216

Rate of Return	[%age]	17.07%	21.27%	21.27%
Return on Rate Base	[Mln Rs]	8,842	13,041	15,145

(Detailed Working is enclosed as Annex-D)

It is pertinent to mention here that the investment allowed of Rs. 10,054 million is not sufficient for FY 2024-25 in view of the scope of investment allowed in the investment plan, considering price escalation and economic situation of the country. Hence, an investment of Rs. 17,809 million has been projected for FY 2024-25 for the calculation of Regulatory Asset Base.

Further, the Authority in its decision computed RORB based on adjustment of Overinvestment and excess adjustment of Deferred Credit after taking into account the cash balances under deposit works and consumer security, which needs to be reconsidered. The issue of excessive deduction of Deferred Credit Credits 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.

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.

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).

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."



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		

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.

8. Other Income:

As per the mechanism provided in the decision for Adjustment/ Indexation of tariff for the FY 2023-24 under the MYT, the other income will be assessed in accordance with the following formula/mechanism:

$$OI_{(Rev)} = OI_{(I)} + \{OI_{(I)} - OI_{(o)}\}$$

Where;

$OI_{(Rev)}$ = Revised Other Income for the Current Year

$OI_{(I)}$ = Actual Other Income as per latest Financial Statements.

$OI_{(o)}$ = Actual/Assessed Other Income used in the previous year.

Based on the audited financial statements for FY 2022-23, the other income is Rs. 5,201 million and the same amount has been projected for FY 2023-24 and FY 2024-25.

The breakup of other income is given below:

Min Rs.

Table-13: Other Income

DESCRIPTION	ACTUAL	ACTUAL
	FY' 2021-22	FY' 2022-23
Other Income	7,735	10,122
Add: Rental & Service Income	49	52
Add: Amortization of Deferred Credits	2,071	2,309
TOTAL Other Income	9,855	12,483
Less: Wheeling Charges	2,490	2,098
Less: Late Payment Surcharge	2,965	5,364
Net Other Income	4,400	5,021

9. Prior Year Adjustment:

9.1 Recovery of Quarterly Adjustments

PESCO has been allowed Quarterly Adjustments for 2nd & 3rd Quarters of FY 2022-23, which were subsequently notified by Government of Pakistan. The recovery of Quarterly Adjustments at notified rates has been calculated and included in the PYA amounting to Rs. 103 million (Working attached as **Annex-E**).

9.2 Under-Recovered Distribution Margin (DM)

PESCO has been allowed Distribution Margin (DM) of Rs. 32,647/- Million for the FY 2022-23, and the recovery of the same at notified rates remained Rs. 28,916 Million. Thus, resulted into an under recovery of Rs. 3,731 million (Working attached as **Annex-E**).

9.3 Sales Mix Variance

The actual Sales Mix for FY 2022-23 at the notified tariff vide SRO 1424(I)/2021, dated November 05, 2021, SRO 989(I)/2022 dated July 05, 2022 and SRO 1173(I)/2022, dated July 25, 2022 has been assessed as Rs. 5,100 million (Working attached as **Annex-E**). Authority is requested to allow the impact of sales mix of Rs. 5,100 million in the Prior Year Adjustment.



9.4 Impact of positive FCA regarding Lifeline Consumers for the period FY 2017-18 to FY 2021-23 & FY 2023-24 (upto Dec-23).

The Authority was approached vide letter no. 8139-41/FD/PESCO/CP&C dated 14.05.2022 (placed at **Annex-F**), for the determination of impact of positive FCA on Lifeline consumers, as discussed at para 19.7 of the determination for Multi Year Supply Function Tariff for FY 2020-21 to FY 2024-25, however, the matter was deferred. The instant matter also taken up in the PESCO Motion for Leave for Review petition, however, instead of allowing the adjustment to PESCO, like correction made under PYA, Post Retirement Benefit & RORB in the Review Decision, the matter has been deferred till next indexation/adjustment along with the direction to reconcile the data with PITC. The relevant part of decision is reproduced hereunder:

"150. 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..."

That the impact of positive FCA on the supplies to the Lifeline consumers computed on the basis of CPPA-G Power Purchase Invoiced Units instead of unit billed to the consumers by calculating the units to be sold by applying the determined T&D losses as per Transfer Pricing Mechanism, hence, the direction issued vide the Review Decision dated 23/01/2023, requires rectification or further explanation in this regard and the data of PITC as already requested through e-mail may be shared to give the necessary detail / explanation. However, still PESCO is of the view that the said impact of FCA on lifeline consumers has no correlation with the consumer end data of PITC.

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.

for FY 2021-22 is Rs. 1,023 million
of arrears.



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.

Table 14- Impact of Positive FCA on Lifeline Supplies

Period	PESCO	NEPRA	Variance
	[Units to be Sold]	[Actual Units Sold]	
FY 2017-18	54	-	54
FY 2018-19	202	-	202
FY 2019-20	506	-	506
FY 2020-21	260	15	245
FY 2021-22	336	425	-89
FY 2022-23	128	47	81
FY 2023-24	165	-	165
Total	1,651	487	1,164

Moreover, the impact of lifeline consumers for FY 2020-21 to FY 2022-23 (Upto Dec-22) Rs.486 million is based on the incorrect assumption of using actual units of lifeline consumers in the units to be sold figure which is contrary to the regulatory targets / decision and it should be based on the reference determined mix of lifeline consumers. Further, the adjustment of said amount against the subsidy receivables is against the GoP policy which states that the negative impact of FCA may be adjusted against the GoP Subsidy, hence the same needs rectification as the said amount pertains to the consumers rather than receivables from GoP.

The Authority is therefore, requested to allow the pending adjustment of positive FCA, amounting to Rs. 1,164 million for FY 2017-18 to FY 2023-24 (up to Dec-23) in the matter of life line consumers along with Rs. 487 million adjusted against subsidy as part of Prior Year Adjustment (Working attached as **Annex-G**).

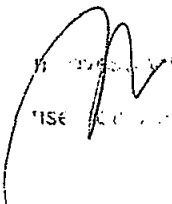


Keeping foregoing in view, it is requested to kindly allow the Prior Year Adjustment of amounting to **Rs. 10,615 million** (Working attached as **Annex-E**) as summarized below:

Mln Rs.

Table-15: Summary of Prior Year Adjustments (PYA)

Sr.No	Description	Total
1	Under / (Over) recovery of Qtr adjustment for FY 2022-23 (2nd & 3rd Qtr)	104
2	Under / (Over) recovery of Distribution Margin for FY 2022-23	3,731
3	Under / (Over) recovery of PYA 2020-21	(435)
4	Sales Mix Variances	5,100
5	Under / (Over) recovery of Depreciation for FY 2022-23	422
6	Under / (Over) recovery of RORB for FY 2021-22	1,328
7	Under / (Over) recovery of Other income for FY 2021-22	(841)
8	Impact of positive FCA regarding Lifeline Consumers	1,163
9	Pending Adjustment of NTDC Pensioners	44
Total Prior Period Adjustment		10,615


 156

9.5 Turnover Tax under MLR

According to the Authority decision in respect of Indexation/Adjustment for FY 2023-24 dated July 14, 2023, the Authority has allowed adjustment of income tax paid to FBR up to FY 2021-22 as part of PYA for FY 2023-24, however, adjustment was allowed on provisional basis, with the direction to take up the matter with FBR on the issue of reduced rates of taxes. In pursuant the direction of the authority, the issue has been taken with the concerned Regional Tax Office of FBR vide letter dated and their response is expected to received soon (copy enclosed as **Annex-H**).

Further, as per filed income tax return, the tax was paid for FY 2022-23 amounting Rs. 3150 million.

Similarly, the tax paid for FY 2023-24 is Rs. 790 million under Section 147 of the Income Tax Ordinance, 2001 and will be declared in the tax returns by the stipulated period (Copies of the returns & CPRs are enclosed at **Annex-I**). The detail of pending adjustments on account of turnover tax is as under:

Mln Rs.

Table-I 6: Summary of Pending Adjustments of Turnover Tax

FY	Tax Assessment	Tax Paid	Tax Adjustment Allowed by NEPRA	Pending Tax Adjustments	Income Tax Receivable from FBR
2022-23	3,150	3,150	-	3,150	Nil
2023-24	Finalized with the tax return	790	-	3,940	-

10. Other pending adjustment under MLR

Various adjustments were claimed in the Indexation/Adjustment application for FY 2023-24 under MYT regime and review motion for the same period, however, the decision on the review motion is still awaited.

The detail of pending adjustments claimed as PYA is given below:

Table-17: Pending PYA Adjustments of FY 2020-21 to 2022-23

Mln Rs.

SN	Description	Pending Adjustments
1.	Recovery of Quarterly Adjustments for the period from 2nd QTR of FY 2019-20 to 1st QTR of FY 2021-22 due to inconsistent application of formula in calculations, ignoring the incremental units and lifeline units	3,447
2	Pending recovery of FCA during November 2019 to June 2020 as determined vide NEPRA decision no. 20257-74 dated 07/08/2020, due to COVID-19	2,436
3.	Excess deduction of Other Income as PYA for FY 2020-21 & FY 2021-22, without considering the adjustment of Wheeling Charges, Rental & Service Income and Amortization of Deferred Credit	1,308
4.	Revenue shortfall on the basis of subsidized rates charged to the consumers for the period November 2019 to February 2020 regarding Uniform Seasonal Pricing Structure relief package vide S.R.O. 1379(I)/2019 dated 12-11-2019.	708
5.	Excess deduction of Depreciation for FY 2020-21 & FY 2021-22	347
6.	Pending MLR adjustment of NTDC Pensioners	183
TOTAL		8,429

(Copy of the MLR petition for FY 2023-24 is enclosed as **Annex-J**)



II. Indexation Request:

Based on the information given in the preceding paragraphs the estimated adjustment/indexation for the FY 2024-25 on determined Sales of 12,334 MkWh for FY 2023-24 is given here under:

Mln Rs.

Table-18: PROPOSED ADJUSTMENT/ INDEXATION FOR FY 2024-25

Description	2024-25	2024-25	2024-25	
	Distribution Tariff	Supply of Power	Proposed Adjustment	Rate per Unit
O&M Cost	24,278	13,078	37,356	3.03
Depreciation	4,688	521	5,209	0.42
Return on Rate Base	12,117	3,028	15,145	1.23
Less: Other Income	(3,450)	(1,571)	(5,021)	(0.41)
Distribution Margin (D.M)	37,634	15,056	52,690	4.27
Turnover Tax	-	3,940	3,940	0.32
Prior Period Adjustments	-	10,615	10,615	0.86
Proposed Adjustment	37,634	29,611	67,245	5.45

Prayer / Request:

The Authority is requested to allow the Prior Year Adjustment for the FY 2023-24 along-with left over amounts pertaining to previous years and adjustment / indexation of Distribution / Supply Margin for the FY 2024-25.

The petitioner craves to grant of permission to raise additional grounds/points at the time of hearing, and also explain if any further points are raised during hearing proceedings.

Any other appropriate order deems fit by the honourable Authority may also be passed.


**CHIEF EXECUTIVE OFFICER
PESCO PESHAWAR**

PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

RSM Avas Liaquat Nauman
Chartered Accountants

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Cantonment Plaza, Fakhir-e-Alam Road
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INDEPENDENT AUDITOR'S REPORT

To the Members of Peshawar Electric Supply Company Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the annexed financial statements of Peshawar Electric Supply Company Limited (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that except as described in the *Basis for Qualified Opinion* section below, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, except for the matter described in the *Basis for Qualified Opinion* section of our report, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the loss and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

The Company has not recorded supplemental charges since 2010 being charged by Central Power Purchasing Agency (CPPA) which are delayed payment charges of Independent Power Producers (IPPs). In our view, had these charges been recorded, trade and other payables and negative equity would have been higher by Rs. 113.999 billion (2022: Rs. 99.556 billion) and loss for the year would have been higher by Rs. 14.443 billion (2022: Rs. 23.187 billion).

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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Karachi : 92 (21) 3565 5975-6
Faisalabad : 92 (41) 854 1165/854 1965
Islamabad : 92 (51) 2340490
Rawalpindi : 92 (51) 5193135
Quetta : 92 (81) 282 9809
Kabul : 93 (799) 058155

Material Uncertainty relating to Going Concern

Without further qualifying our opinion, we draw attention to note 1.2 to the accompanying financial statements, which shows that the Company has suffered a net loss of Rs. 80.594 billion (2022: Rs.102.128 billion) for the year ended June 30, 2023 and at that date, the accumulated losses were Rs. 548.912 billion (2022: Rs. 452.222 billion). Similarly, the current liabilities exceed the current assets by Rs. 276.772 billion (2022: Rs.231.327 billion) as at the year end. These conditions, along with other matters as set forth in note 1.2 to the financial statements indicate the existence of material uncertainty that cast significant doubt about the Company's ability to continue as a going concern. However, the financial statements have been prepared on going concern basis as the Company has managed to continue its operation due to continuous support from Government of Pakistan in the foreseeable future.

Emphasis of Matters

We draw attention to:

- a) note 20.2 to the accompanying financial statements, which described various matters regarding tax contingencies, the ultimate outcome of which cannot be presently determined, hence pending the resolution thereof, no provision for the same has been made in the accompanying financial statements;
- b) note 20.1 to the accompanying financial statements which shows Rs. 46.943 billion (2022: Rs. 44.916 billion) as receivable from Tribal Electric Supply Company (TESCO). The Company's management believes that since TESCO is a government owned entity, there is no likelihood of default by TESCO in paying its liabilities and PESCO is confident of recovering these debts; and
- c) note 6.12 to the accompanying financial statements which explains that the Company has not yet issued shares of Rs. 18.082 billion (2022: Rs.18.082 billion) to WAPDA.

Our opinion is not modified in respect of these matters.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Asma

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Complete

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) Except for the matter described in the *Basis for Qualified Opinion* section of our report, proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) Except for the matter described in the *Basis for Qualified Opinion* section of our report, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Except for the matter described in the *Basis for Qualified Opinion* section of our report, investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) No Zakat was deductible at source under the Zakat and Suhr Ordinance, 1980 (XVIII of 1980).

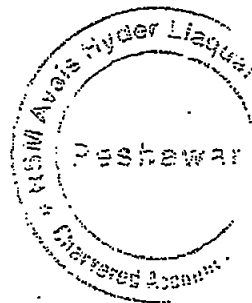
The engagement partner on the audit resulting in this independent auditor's report is Muhammad Arif Saeed.


RSM AWAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS

Peshawar

Date: October 10, 2023

UDIN: AR202310513S9wgpknjq



PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized share capital: 5,000,000,000 (2022: 5,000,000,000) ordinary shares of Rupees 10 each		50,000,000,000	50,000,000,000
Issued, subscribed and paid up share capital	5	10,000	10,000
Deposits for issue of share capital	6	130,867,728,553	92,855,405,071
Accumulated loss		(548,912,627,559)	(452,222,342,099)
TOTAL EQUITY		(418,044,889,006)	(359,366,927,028)
Non-current liabilities			
Liabilities against government investment	7	50,187,189,539	50,187,189,539
Long term loans - secured	8	8,061,124,905	7,867,513,425
Staff retirement benefits	9	148,528,485,046	126,421,111,601
Deferred credit	10	43,715,376,868	39,221,980,766
Consumers' security deposits	11	6,793,519,936	6,260,816,713
		257,285,696,294	229,958,612,044
Current liabilities			
Trade and other payables	12	512,133,192,562	462,689,582,387
Accrued markup	13	3,791,062,735	3,178,873,917
Current maturity of long term loans	8	3,556,618,533	2,143,075,981
Provision for taxation	29	3,145,518,170	2,257,808,735
		522,626,392,000	470,269,341,020
TOTAL LIABILITIES		779,912,088,293	700,227,953,064
Contingencies and commitments			
	14	-	-
		361,867,199,287	340,861,026,036
ASSETS			
Non-current assets			
Property, plant and equipment	15	116,012,851,449	101,917,287,124
Long term loans - considered good	16	709,333	1,786,049
		116,013,560,782	101,919,073,173
Current assets			
Stores, spare parts and loose tools	17	11,247,241,103	9,580,113,785
Trade debts	18	97,620,337,566	78,977,481,839
Loans and advances - considered good	19	3,732,288,648	2,496,250,975
Other receivables	20	96,905,868,230	95,734,895,215
Receivable from government of Pakistan (Ministry of Finance)	21	26,091,064,330	42,901,199,260
Bank balances	22	10,256,838,629	9,252,011,789
		245,853,638,505	238,941,952,863
TOTAL ASSETS		361,867,199,287	340,861,026,036

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Sale of electricity	23	240,223,816,812	171,781,726,839
Subsidy from Government of Pakistan on sale of electricity		39,271,580,895	51,390,432,017
		279,495,397,707	223,172,158,856
Cost of electricity	24	(322,563,824,475)	(292,802,591,808)
Gross loss		(43,068,426,768)	(69,630,432,952)
Amortization of deferred credit	10	2,308,964,609	2,070,881,984
		(40,759,462,159)	(67,559,550,968)
Operating cost			
Other operating cost excluding depreciation	25	(41,579,990,507)	(34,465,916,669)
Depreciation on property, plant and equipment	15.1	(4,210,463,102)	(3,709,338,186)
		(45,790,453,609)	(38,175,254,855)
Operating loss		(86,549,915,767)	(105,734,805,823)
Other income			
Rental and service income	26	52,485,906	48,903,377
Other income	27	10,121,705,368	7,734,853,604
		10,174,191,274	7,783,756,981
Financial cost	28	(1,065,899,814)	(1,914,485,107)
Loss before taxation		(77,441,624,308)	(99,865,533,949)
Taxation	29	(3,153,184,278)	(2,262,666,777)
Loss for the year		(80,594,808,586)	(102,128,200,726)

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	2023 Rupees	2022 Rupees
Loss for the year	(80,594,808,586)	(102,128,200,726)
Other comprehensive income / (loss):		
Actuarial loss on remeasurement of post retirement benefits	(16,155,526,751)	(18,789,656,736)
Total comprehensive loss for the year	<u>(96,750,335,337)</u>	<u>(120,917,857,462)</u>

The annexed notes form an integral part of these financial statements.

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3,630
3,125
67,525


CHIEF EXECUTIVE OFFICER


DIRECTOR

PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(77,441,624,308)	(99,865,533,949)
Adjustments for non-cash charges and other items:			
Depreciation	15.1	4,210,463,100	3,709,338,186
Provision for staff retirement benefits		15,047,065,855	11,005,794,140
Provision for doubtful debts		10,913,946,930	8,060,100,946
Profit on bank deposits		(1,503,380,463)	(971,445,234)
Amortization of deferred credit		(2,308,964,609)	(2,070,881,984)
Financial charges		1,065,899,814	1,914,485,107
		<u>27,425,030,627</u>	<u>21,647,391,161</u>
Operating loss before working capital changes		(50,016,593,681)	(78,218,142,788)
(Increase) / decrease in current assets:			
Stores, spare parts and loose tools		(1,667,127,318)	(4,686,289,345)
Trade debts		(29,556,802,657)	(16,589,781,676)
Loans and advances		(1,236,037,672)	(258,196,363)
Other receivables		(1,110,923,139)	(5,814,574,836)
Receivable from Government of Pakistan (Ministry of Finance)		16,810,134,930	20,803,045,599
		<u>(16,760,755,856)</u>	<u>(6,545,796,621)</u>
Increase in current liabilities		<u>52,357,056,986</u>	<u>29,536,449,846</u>
Cash used in operations		(14,420,298,557)	(55,227,489,563)
Staff retirement benefits paid		(9,095,219,161)	(6,778,818,161)
Tax paid		(3,153,184,278)	(2,262,666,777)
Financial charges paid		(1,065,899,814)	(1,914,485,107)
		<u>(13,314,303,253)</u>	<u>(10,955,970,045)</u>
Net cash used in operating activities		<u>(27,734,601,810)</u>	<u>(66,183,459,608)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred during the year		(18,306,027,425)	(19,964,631,548)
Profit received on bank deposits		1,503,380,463	971,445,234
Proceeds from customers in deferred credit		6,802,360,711	6,240,577,779
Long term loans disbursed during the year		1,076,716	6,412,151
Net cash used in investing activities		<u>(9,999,209,535)</u>	<u>(12,746,196,384)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term loans obtained		193,611,480	1,312,182,220
Consumers' security deposits		532,703,223	714,749,789
Proceeds from GoP investment against circular debt		38,012,323,482	72,679,139,696
Net cash generated from financing activities		<u>38,738,638,185</u>	<u>74,706,071,705</u>
Net increase/(decrease) in cash and cash equivalents		1,004,826,840	(4,223,584,287)
Cash and cash equivalents at beginning of the year		<u>9,252,011,789</u>	<u>13,475,596,076</u>
Cash and cash equivalents at end of the year	22	<u>10,256,838,629</u>	<u>9,252,011,789</u>

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Issued, subscribed and paid up share capital.	Deposit for issue of shares	Accumulated Loss	TOTAL
	RUPEES			
Balance as at July 01, 2021	10,000	20,176,265,375	(331,304,484,637)	(311,128,209,262)
Total comprehensive income/(loss) for the year				
Loss for the year	-	-	(102,128,200,726)	(102,128,200,726)
Actuarial loss on remeasurement of post retirement benefits	-	-	(18,789,656,736)	(18,789,656,736)
	-	-	(120,917,857,462)	(120,917,857,462)
Equity injection against supplemental charges		879,673,400		879,673,400
Equity injection against account receivables		71,799,466,296		71,799,466,296
Balance as at June 30, 2022	10,000	92,855,405,071	(452,222,342,099)	(359,366,927,028)
Total comprehensive income/(loss) for the year				
Loss for the year	-	-	(80,594,808,586)	(80,594,808,586)
Actuarial loss on remeasurement of post retirement benefits	-	-	(16,155,526,751)	(16,155,526,751)
	-	-	(96,750,335,337)	(96,750,335,337)
GoP equity injection	-	38,012,323,482	-	38,012,323,482
Prior year adjustment (subsidy)			60,049,876	60,049,876
Balance as at June 30, 2023	10,000	130,867,728,553	(548,912,627,559)	(418,044,889,006)

The annexed notes form an integral part of these financial statements.

Resubmitted

CHIEF EXECUTIVE OFFICER

DIRECTOR

PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1 STATUS AND ACTIVITIES

- 1.1 Peshawar Electric Supply Company Limited (PESCO) ("the Company") is a public limited company incorporated under the repealed Companies Ordinance, 1984 (now Companies Act, 2017), having its registered office situated at WAPDA House, Lahore. The company was incorporated on April 23, 1998 to acquire/takeover all the properties, rights, assets, obligations and liabilities of Peshawar Area Electricity Board owned by Pakistan Water and Power Development Authority (WAPDA) and such other assets and liabilities as agreed. The company commenced commercial operation w.e.f. July 01, 1998. The principal activity of the company is the distribution and supply of electricity within its defined geographical boundaries. National Electric Power Regulatory Authority (NEPRA) has granted Distribution License to the company for electricity distribution. Government of Pakistan has notified the tariff determined by NEPRA for Peshawar Electric Supply Company Limited (PESCO). It currently purchases electricity through Central Power Purchasing Agency (CPPA) which is an associated undertaking of the Company.
- 1.2 The company has suffered a net loss of PKR. 80.594 billion (2022: Rs. 102.128 billion) for the year ended June 30, 2023 during the year under reference which has increased the accumulated losses to Rs. 548.912 billion (2022: Rs. 452.222 billion). Moreover, the current liabilities exceed current assets by an amount of Rs. 276.772 billion (2022: Rs. 231.327 billion). These factors indicate the existence of a material uncertainty, which may cast significant doubts on the company's ability to continue as a going concern. However, these financial statements have been prepared on going concern basis on the rational assumption that the losses due to shortfall in tariff and distribution losses will be made through Government subsidies. Further the company has initiated the programs and actions for reduction of distribution losses and recovery of receivables from consumers and associated undertakings.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Application of new and revised International Financial Reporting Standards (IFRSs)

2.2.1 Standards, amendments to standards and interpretations becoming effective in current year

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2022 and therefore, have been applied in preparing these financial statements.

i. Annual Improvements to IFRS Standards 2018–2020 Cycle

The IASB has issued 'Annual Improvements to IFRS Standards 2018–2020'. The pronouncement contains amendments to the following Financial Reporting Standards (IFRSs).

- IFRS 9 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- IAS 41 Agriculture - The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13.

The amendments are applicable for annual periods beginning on or after 1 January 2022. These amendments do not have any significant impact on the Company's financial statements.

ii. IAS 16 – Property, Plant and Equipment

The IASB has published 'Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)' from selling items produced while bringing an asset into the location and condition necessary for it to be capable of operating in the manner intended by management.

Resubmitted

The standard prohibits deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss. An entity applies the amendments retrospectively only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The amendments are applicable for annual periods beginning on or after 1 January 2022. These amendments do not have any significant impact on the Company's financial statements.

iii. **IAS 37 – Provisions, Contingent Liabilities and Contingent Assets**

The IASB has published 'Onerous Contracts — Cost of Fulfilling a Contract' amending the standard regarding costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

The changes in Onerous Contracts — Cost of Fulfilling a Contract specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments published are effective for annual periods beginning on or after 1 January 2022. These amendments do not have any significant impact on the Company's financial statements.

iv. **IAS 12 – Income Taxes**

The IASB has issued amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. The amendments introduce an exception to the requirements in the standard that an entity does not recognise and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes.

An entity applies the exception and the requirement to disclose that it has applied the exception immediately upon issuance of the amendments. These amendments do not have any significant impact on the Company's financial statements.

2.2.2 **Standards, amendments to standards and interpretations becoming effective in current year but not relevant**

There are certain new standards, amendments to standards and interpretations that became effective during the year and are mandatory for accounting periods of the Company beginning on or after July 01, 2022 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these financial statements.

2.2.3 **Standards, amendments to standards and interpretations becoming effective in future periods**

The following standards, amendments to standards and interpretations have been published and are mandatory for the Company's accounting periods beginning on or after the effective dates specified therein.

i. **IAS 1 – Presentation of Financial Statements**

- (i) The IASB has issued 'Classification of Liabilities as Current or Non-current (Amendments to IAS 1)' providing a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments in Classification of Liabilities as Current or Non-current affect only the presentation of liabilities in the statement of financial position — not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023.

Rematch

- (II) The IASB has published 'Non-Current Liabilities with Covenants' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments in Non-current Liabilities with Covenants modify the requirements introduced by Classification of Liabilities as Current or Non-current on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances: Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2024.

- (III) The IASB has issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)' with amendments that are intended to help preparers in deciding which accounting policies to disclose in their financial statements in the following ways:

- an entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1. Once the entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023.

ii. **IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The IASB has published 'Definition of Accounting Estimates' to help entities to distinguish between accounting policies and accounting estimates. The definition of 'a change in accounting estimates' is replaced with a definition of 'accounting estimates'. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

The IASB clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

The amendments are effective for annual periods beginning on or after 1 January 2023. Application of these amendments is not expected to have any significant impact on the Company's financial statements.

iii. **IAS 12 – Income Taxes**

- (I) The IASB has published 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)' that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. Accordingly, the initial recognition exemption, provided in IAS 12.15(b) and IAS 12.24, does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

- (II) The IASB has issued amendments to provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes. The amendments introduce an exception to the requirements in the standard that an entity does not recognise and does not disclose information about deferred tax assets and liabilities related to the OECD pillar two income taxes.

An entity applies the exception and the requirement to disclose that it has applied the exception immediately upon issuance of the amendments; the remaining disclosure requirements are required for annual reporting periods beginning on or after 1 January 2023.

These amendments do not have any significant impact on the Company's financial statements.

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iv. IAS 7 – Statement of Cash Flows and IFRS 7 – Financial Instruments: Disclosures

The IASB has published 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments in Supplier Finance Arrangements:

- Do not define supplier finance arrangements. Instead, the amendments describe the characteristics of an arrangement for which an entity is required to provide the information. The amendments note that arrangements that are 'solely credit enhancements for the entity or instruments used by the entity to settle directly with a supplier the amounts owed are not supplier finance arrangements.
 - Add two disclosure objectives. Entities will have to disclose in the notes information that enables users of financial statements:
 - to assess how supplier finance arrangements affect an entity's liabilities and cash flows and
 - to understand the effect of supplier finance arrangements on an entity's exposure to liquidity risk and how the entity might be affected if the arrangements were no longer available to it.
 - Complement current requirements in IFRSs by adding to IAS 7 additional disclosure requirements about:
 - the terms and conditions of the supplier finance arrangements;
 - for the arrangements, as at the beginning and end of the reporting period:
 - a) the carrying amounts of financial liabilities that are part of the arrangement and the associated line item presented;
 - b) the carrying amount of financial liabilities disclosed under a) for which suppliers have already received payment from the finance providers;
 - c) the range of payment due dates (for example, 30 to 40 days after the invoice date) of financial liabilities disclosed under a) and comparable trade payables that are not part of a supplier finance arrangement; and
 - the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of the arrangement
- The IASB decided that, in most cases, aggregated information about an entity's supplier finance arrangements will satisfy the information needs of users of financial statements.
- Add supplier finance arrangements as an example within the liquidity risk disclosure requirements in IFRS 7.

An entity applies these amendments for annual reporting periods beginning on or after 1 January 2024. The Company is in process of evaluating the impact of application of these amendments on the Company's financial statements.

v. IFRS 16 – Leases

The IASB has issued amendments for 'Lease Liability in Sale and Leaseback' that clarify how a seller-lessee subsequently measure sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for sale.

'Lease Liability in a Sale and Leaseback Amendments' requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. The amendments also include one amended and one new illustrative example.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024. Application of these amendments is not expected to have any significant impact on the Company's financial statements.

2.2.4 Standards, amendments to standards and interpretations becoming effective in future periods but not relevant

There are certain new standards, amendments to standards and interpretations that are effective from different future periods, but are considered not to be relevant to the Company's operations, therefore, not disclosed in these financial statements.

Revised

2.2.5 Standards issued by IASB but not applicable in Pakistan

Following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

IFRS 1 - First-time adoption of International Financial Reporting Standards

IFRS 17 - Insurance Contracts

IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information

IFRS S2 Climate-related Disclosures

2.3 Basis of measurement

These financial statements have been prepared under the historical convention except for the staff retirement benefits which are carried at present value in accordance with the requirement of IAS-19, "Employee Benefits".

2.4 Functional and presentation currency

The financial statements are prepared in Pakistani Rupees which is the Company's functional and presentation currency. All functional information presented in Pakistani Rupees has been rounded to the nearest rupee unless otherwise stated.

2.5 Significant accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to make judgment, estimates and assumption that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of revision and future periods if affects both current and future periods. Judgments made by the management in application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in ensuring paragraphs.

2.5.1 Property, plant and equipment

The company reviews the useful lives and residual values of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipments with a corresponding effect on the depreciation charge and amortization of deferred credit.

2.5.2 Provision for inventory obsolescence and doubtful receivables

The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores and spares. Further the carrying amounts of trade and other receivables are assessed on a regular basis and if there is any doubt about the reliability of these receivables, appropriate amount of provision is made.

2.5.3 Staff retirement benefits

Retirement benefits are provided to regular employees of the Company. Calculation of provision for staff retirement benefits require assumptions to be made of the future outcomes, the principle ones being in respect of increase in remuneration, discount rates and inflation rate used to convert future cash flows to current values. Calculations are sensitive to changes in the underlying assumptions.

2.5.4 Taxation

The Company takes into account the current income tax laws and decisions taken by the taxation authorities. Instances where the Company's views differ from the views taken by the income tax department at the assessment stage and where the Company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

2.5.5 Contingencies

The Company reviews the status of all the legal cases on a regular basis. Based on the expected outcomes and lawyers' judgment, appropriate disclosure or provision is made.

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2.5.6 Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists the assets recoverable amount is estimated. Impairment recognized wherever the carrying amount of the asset exceeds its recoverable amount. Impairment losses are charged to statement of comprehensive income current year.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set below have been applied consistently to all periods presented in these financial statements.

3.1 Staff retirement benefits

The Company provides pension, post retirement medical, free electricity benefits and compensated absences to all its regular employees. These are unfunded defined benefit plans, liabilities for these benefits are determined on the basis of actuarial valuation carried out by using the Projected Unit Credit Method. The amounts recognized in Statement of financial position represent the present value of defined benefit obligations as adjusted for unrecognized actuarial gains and losses.

All actuarial gains and losses are recognized in 'other comprehensive income' as they occur.

For General Provident Fund and WAPDA welfare Fund, the company makes deductions from salaries of employees and remits the same to the funds established by WAPDA.

3.2 Deferred credit

Amount received from consumers and the government as contribution towards the cost of extension of distribution network and of providing service connections are deferred for amortization over the useful lives of related assets. Amortization and depreciation for the year are included in statement of profit or loss.

3.3 Trade and other payables

Trade and other payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities. Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company and subsequently measured at amortised cost. Exchange gains and losses arising on transaction in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

3.4 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at cost, less attributable transaction cost. Subsequent to initial recognition, markup bearing borrowings are stated at original cost less subsequent repayments, while the difference between the original recognized amounts (as reduced by periodic payments) and redemption value is recognized in the Statement of profit or loss and other comprehensive income account over the period of borrowing on effective rate basis. The borrowing cost on qualifying asset is included in the cost of related asset.

3.5 Borrowing cost

Borrowing costs are charged to income as and when incurred except costs that are directly attributable to acquisition, construction or production of qualifying assets that are capitalized as part of the cost of assets.

3.6 Taxation

Income tax expense comprises current and deferred tax. Tax expense is recognized in profit or loss except to the extent that relates to items recognized directly in equity, in which case it is recognized in equity.

Current

Provision for current taxation is based on taxable income at the current rate of taxation after taking into account tax credits and tax rebates, if any.

Deferred

Deferred tax is accounted for using the balance sheet method, providing for temporary differences between the carrying value of assets and liabilities for financial reporting purposes and the amount used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognized on all major temporary differences. Deferred tax assets recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference, unused tax losses and tax credits can be utilized. Deferred tax are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the relaxed tax benefit will be realized.

Reviewed

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on the net basis or their tax assets and liabilities will be realized simultaneously.

3.7 Provision

Provisions are recognized in the statement of financial position when the company has legal or constructive obligation as a result of past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are measured at the present value of expected expenditure, discounted at a pre tax rate that reflects current market assessment of the time value of money and the risk specific to the obligation. However, provisions are reviewed at each reporting date and adjusted to reflect current best estimates.

3.8 Contingencies and commitments

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

3.9 Property, plant and equipment

Freehold land is stated at cost amount while capital work in progress is stated at cost less impairment loss, if any. Building on freehold land and distribution equipment are stated at cost amount less accumulated depreciation. All other operating fixed assets are stated at cost less accumulated depreciation and accumulated impairment, if any.

Cost include expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets include the cost of materials, direct labour and any other costs directly attributable to bringing the assets into working condition for their intended use and capitalized borrowing costs.

Depreciation is charged to income on straight line method so as to write-off the depreciable amount of an asset over its estimated useful life at the rates mentioned in note 15.1 to the financial statements. Depreciation on depreciable assets is commenced from the month the asset is available for use up to the month preceding the month of disposal. Major renewals and improvements are capitalized, while minor replacements, repairs and maintenance are charged to income.

3.10 Impairment

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount of that asset is estimated in order to determine the extent of the impairment loss if any. Impairment losses are recognized as expense in other comprehensive income.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. For non-financial assets, financial assets measured at amortized cost, available for sale financial assets that are debt securities, the reversal is recognized in profit or loss.

3.11 Stores, spare parts and loose tools

These are valued at moving average cost less allowance for impairment for obsolete and slow moving stores. Items in transit which are valued at cost comprising invoice value and related expenses incurred thereon up to the reporting date less impairment, if any.

3.12 Trade debts and other receivables

Trade and other receivables are recognized and carried at original invoice amount which is the fair value of the consideration to be received in future for goods sold. When a trade debt is uncollectable, it is written and charged statement of profit or loss. Subsequent recoveries of amounts previously written off are credited to the profit or loss.

3.13 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and bank balances.

Handwritten signature

3.14 Financial Instruments

3.14.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, fair value through other comprehensive income and amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

Amortized Cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through profit or loss:

- (i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Impairment of financial assets

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs. Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk. At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred. Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

As per notification of Securities and Exchange Commission of Pakistan Vide S.R.O. 985 (I)/2019 Dated September 2, 2019, the requirement with respect to application of expected credit loss in IFRS-9 shall not be applicable to financial assets due from Government of Pakistan. Such financial assets shall be dealt with in accordance with the requirement of IAS-39 (Financial Instruments).

3.14.2 Financial liabilities

All financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

3.14.3 Recognition measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

3.14.4 Derecognition

The financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

3.15 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to set-off the recognized amounts and the Company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

3.16 Derivative financial instruments

These are initially recorded at fair value on the date a derivative contract is entered into and are re-measured to fair value at reporting date. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Company does not apply hedge accounting for any derivatives. Any gain or loss from change in fair value of derivatives that do not qualify for hedge accounting are taken directly to profit or loss.

3.17 Foreign currency transactions and translation

Transactions in foreign currencies are converted into functional currency (PKR) at the rates of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing on the reporting date. Exchange gains and losses are recognized in profit or loss.

Resubmitted

3.18 Revenue recognition

Electricity sale

Revenue related to electricity sales is recognized once the company supplies electricity and there is no unfulfilled obligation on the part of the Company. Electricity is supplied at the rates determined by NEPRA and notified by Government of Pakistan from time to time. Late payment surcharge is recognized on accrual basis.

Tariff adjustment

Tariff adjustment for variation in fuel price is recognized in the relevant period on the basis of rates determined by NEPRA and notified by Government of Pakistan up to the date of approval of financial statements by the board of directors of the company.

Contract assets

Contract assets arise when the Company performs its performance obligations by providing services to a customer before the customer pays its consideration or before payment is due.

Contract liabilities

Contract liability is the obligation of the Company to provide services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company provides services, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Company performs its performance obligations under the contract.

Others

- Scrap sales are recognized on delivery to customers at realized amounts.
- Return on deposit is accrued on time proportion basis by reference to the principle outstanding and the applicable rate of return.
- All other income is recognized on accrual basis.

3.19 Electricity subsidy to consumers

Subsidy on electricity announced by the Government of Pakistan for consumers is recognized under revenue on accrual basis.

4 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS

The company has incurred gross loss amounting to Rs. 43.068 billion during current year due to unprecedented increase in fuel prices as well as exchange parity without corresponding increase in Consumer End Tariff. Due to the said increase, the cost of power purchase was increased by Rs. 3.49 per unit during the current year as compared to the last year with a financial impact of Rs. 53.2 billion. Similarly the tariff of financial year 2022-23 was determined on the basis of 20.16% target loss, thereby resulting in the gross loss during current year.

Remade

Copy to be made
determination of
make clear and certain
state of affairs

5.1 1000 Ordinary shares of Rs.10 each, issued as fully paid up in cash to President of Pakistan (through PEPCO) and its nominee Directors.

- 6.1 This represents net worth of the Company as on 01 July 1998 and subsequent adjustments/additions.
- 6.2 This represents adjustments of loan repayment and assets transferred, through current account maintained with WAPDA.
- 6.3 It represents net worth of FATA amounting to Rs. 1,670 million which has been surrendered to WAPDA w.e.f. from July 01, 2003 But still held by PESCO on their behalf and the reversal of employees retirement benefits amounting to Rs. 99.05 million on incorporation of TESCO.
- 6.4 Ministry of Energy (Power) Division through its letter No.PF.5(4)/2012-Vol.X dated 22-03-2019 directed all DISCO's to Book Equity amounting to Rs. 9,347.649 million against payment of Financial charges in respect of STFFs of PKR 7.487 billion, PKR 25 billion and PKR 30 billion. The payment of these charges has been made by the Govt of Pakistan (Finance Division) and PESCO's share is Rs. 2,094 million.
- 6.5 Ministry of Energy (Power division) through its letter No.F-05(06-PHL) 2021-22 dated 22-09-2021 directed all DISCO's to book GoP Equity amounting to Rs.4.4 billion and CPPA has issued credit note to PESCO amounting Rs.879.673 million vide Credit Note No.PPA - 13 / PESCO-01 dated 09-09-2021.
- 6.6 Ministry of Energy (Power division) through its letter No. F No. 05(06-PHL) 2021-22 Dated 07.02.2022 and directed all the DISCOs to book GoP Equity amounting to Rs.134.783 billion and CPPA-G has issued a credit note to PESCO amounting to Rs.27.773 Billion vide Credit Note No, PPA-188 / PESCO-18 dated 31.01.2022.
- 6.7 Ministry of Energy (Power division) through its letter No.F-05(02)2021-22 dated 18, February,2022, Directed all DISCOs to book GoP Equity amounting to Rs.24.847 billion and CPPA has issued Credit Note to PESCO amounting Rs.5.236 billion vide Credit Note No.PPA - 248 / PESCO-24 dated 23-02-2022.
- 6.8 Ministry of Energy (Power division) through its letter No.F-05(02)2021-22 dated 22, July,2022, Directed all DISCOs to book GoP Equity amounting to Rs.96.133 billion and CPPA has issued Credit Note to PESCO amounting Rs. 20.142 billion vide Credit Note No.PPA - 449 / PESCO-45 with effective date 30-6-2022.
- 6.9 Ministry of Energy (Power division) through its letter No.F-05(02)2021-22 dated 07,July,2022, Directed all DISCOs to book GoP Equity amounting to Rs.72.986 billion and CPPA has issued Credit Note to PESCO amounting Rs.15.292 billion vide Credit Note No.PPA - 425 / PESCO-42 with effective date 30-6-2022.
- 6.10 Ministry of Energy (Power division) through its letter No.F-05(02)2021-22 dated 01, August,2022, Directed all DISCOs to book GoP Equity amounting to Rs.16.014 Billion and CPPA has issued Credit Note to PESCO amounting Rs.3.355 Billion vide Credit Note No.PPA - 458 / PESCO-46 with effective date 30-6-2022.

Assembly

6.11 Ministry of Energy (Power division) through its letter No.F-05(02)2021-22 dated 18-10-2022, letter No.F-05(02)2021-22 dated 14-02-2023, letter No.F-05(02)2021-22 dated 13-03-2023, letter No.F-05(02)2021-22 dated 09-05-2023, and letter No.F-05(02)2021-23 dated 13-06-2023, directed all DISCO's to book GoP Equity amounting to Rs.152.438 billion and CPPA has issued credit note PPA - 52 / PESCO-05 dated 10-2022 for Rs.1.439 billion, credit note No.PPA - 116 / PESCO-12 dated 02-2023 for Rs. 5.831 billion, credit note No. CPPA-125/PESCO-13 dated 02-2023 for Rs.1.692 billion, credit note No. CPPA-134/PESCO-14 dated 02-2023 for Rs.6.591 billion, credit note No. CPPA-147/PESCO-15 dated 03-2023 for Rs.848 million, credit note No.CPPA-195/PESCO-20 dated 04-2023 for Rs.1.686 billion credit note No.CPPA-204/PESCO-21 dated 04-2023 for Rs.13.131 billion and credit note No. CPPA-258 / PESCO-27 dated 05-2023 for Rs.834 million and letter No. F- No. 5(02)/2021-23 dated 01-08-2023 vide credit note No.PPA-374 / PESCO-40 dated 30-06-2023 for Rs. 5.957 billion has been received on account of Equity.

6.12 WAPDA has confirmed vide letter No 36-66/GMF(P)/MFHQ/B.K-40 to the Company to issue shares of Rs.10 each equivalent to share deposit money of Rs. 18.082 billion. Rest of Rs. 112.785 billion is the equity injected by GoP.

7 LIABILITIES AGAINST GOVERNMENT INVESTMENT

	Note	2023 Rupees	2022 Rupees
Federal Government Investments (Circular Debt Settlement)	7.1	50,187,189,539	50,187,189,539

7.1 This amount shows GoP Investment in the DISCO's against Circular Debt Settlement. As per letter of Government of Pakistan Finance Division No. F-1(5) CF-I/2012-13/1017 dated July 02, 2013, Finance Division has transferred Rs. 341.958 billion in PEPCO's account through State Bank of Pakistan on June 27, 2013 for the settlement of power sector circular debt payable to IPP's and other entities. PESCO received Credit Memo No. PPA-204/PESCO-26 dated May 06, 2014 for Rs. 82.145 billion from CPPA on account of GoP Investment against Circular debt of aforesaid amount. Credit Memo No: PPA-278/PESCO-31 dated November 30, 2017 for Rs. 1.168 billion and Credit Memo No. PPA-279/PESCO-32 dated 30-11-2017 for Rs.16.766 billion and Debit Memo No. PPA-07 / PESCO-01 dated 31-01-2018 for Rs. 0.087 billion has been adjusted against this liability on account of Subsidy Receivable from Government of Pakistan. As per letter of Ministry of Energy (Power Division) letter No. PF-05(02)2019-20 dated 23-12-2020, a Debit Note No. PPA-159/PESCO-16 dated 31-12-2020 is received from CPPA on account of adjustment of equity amounting to Rs. 13.936 billion which is recorded during the year.

8 LONG TERM LOANS - secured

	Note	2023 Rupees	2022 Rupees
Loan from Government of Pakistan	8.1	125,284,795	125,284,795
Asian Development Bank - Trench I (2438-PK)	8.2	847,267,493	847,267,493
Asian Development Bank - Trench II (2727-PK)	8.3	955,422,626	955,422,626
Asian Development Bank - Trench III (2972-PK)	8.4	1,976,630,025	1,976,630,025
Asian Development Bank - Trench IV (3096-PK)	8.5	1,668,205,374	1,668,205,374
Earthquake Reconstruction and Rehabilitation Authority	8.6	2,083,217,020	1,660,090,470
Electrification work at Chitral (Federal PSDP) CCPR-3129	8.7	594,653,000	199,203,000
132 KV Grid system Chitral (Federal PSDP) CCPR-3130	8.8	148,522,590	148,522,590
Evacuation of Power from Swabi (Federal PSDP) CCPR-3131	8.9	477,771,000	230,000,000
Supply of Power to Rashakai Economic Zone(Federal PSDP) CCPR-7018	8.10	1,798,530,515	1,457,868,927
Supply of Power to Hattar Economic Zone (Federal PSDP) CCPR-7019	8.11	942,239,000	742,094,106
		11,617,743,438	10,010,589,406
Less: Current maturity		(3,556,618,533)	(2,143,075,981)
		8,061,124,905	7,867,513,425

8.1 Loan from Government of Pakistan

This loan has been advanced by the Government of Pakistan (GoP) for the restoration of Power Distribution Infrastructure and Electricity Consumption in earthquake affected areas. The loan is free of Interest charges and currency fluctuations.

8.2 Asian Development Bank - Trench I

This represents relevant portion of total term finance facility obtained by the Government of Pakistan (GoP) from Asian Development Bank (ADB) for power distribution and enhancement project. Out of total finance facility an amount of US \$ 36.60 million has been allocated to the Company vide letter dated 30-03-2009 of Ministry of Economic Affairs & Statistics (Economic Affairs Division) Government of Pakistan. Out of the total allocated facility, the Company has utilized and repaid US \$ 22.661 million and US \$ 0.424 million respectively and left with outstanding amount up to US \$ 22.237 million as at June 30, 2018.

Ministry of Economic Affairs & Statistics (Economic Affairs Division) vide letter No. 6-16(7) DMR/GF/2011 dated 25-08-2014 has revised the terms and conditions of the loan. Under the revised terms, the loan carries interest @ 17% inclusive of exchange risk 6% is repayable in 26 semi-annual instalments ending August 15, 2023 with first repayment due on February 15, 2011. Accordingly the principal amount which has fallen due and are due for repayment within 12 months of the reporting date has been transferred to current portion. Further, since the revised repayment terms require the repayment of principal in Pak Rupee, exchange difference arising on revaluation of this loan for the year has not been recognized.

Resubmitted

8.3 Asian Development Bank - Trench II

This represents re-lent portion of total term finance facility obtained by the GoP from ADB for power distribution and enhancement project. Out of total finance facility, an amount of US \$ 26.66 million has been allocated to the Company vide letter No. 1(3) ADB-II/06-A dated 31-03-2011 of Ministry of Economic Affairs & Statistics (Economic Affairs Division) Government of Pakistan. As per the letter dated 09-04-2011 of the Ministry of Economic Affairs & Statistics (Economic Affairs Division), the loan amount has been relent to the Company on the following terms:

- 15% p.a inclusive of interest rate of 8.2% plus exchange risk coverage (ERC) of 6.8% which shall be charged both on principal amount and interest amount separately.
- repayment maximum period of 17 years excluding a grace period of 3 years.
- all charges and fees including commitment charges etc if any payable by the Government of Pakistan to the above foreign lender shall also be borne by the Company.

8.4 Asian Development Bank - Trench III

This represents re-lent portion of total term finance facility obtained by the GoP from ADB for power distribution and enhancement project. Out of total finance facility an amount of US \$ 21.55 million has been allocated to the Company vide letter No. 2(9) ADB-II/12 dated 31-12-2013 of Ministry of Economic Affairs & Statistics (Economic Affairs Division) Government of Pakistan. Out of the total allocated facility the company has utilized US \$ 7.38 million up to June 30, 2016. As per the letter dated 31-12-2013 of the Ministry of Economic Affairs & Statistics (Economic Affairs Division) the loan amount has been relent to the Company on the following terms:

- 15% p.a inclusive of interest rate of 8.2% plus exchange risk coverage (ERC) of 6.8% which shall be charged both on principal amount and interest amount separately.
- repayment maximum period of 20 years including a grace period of 5 years..
- all charges and fees including commitment charges etc if any payable by the Government of Pakistan to the above foreign lender shall also be borne by the Company.

8.5 Asian Development Bank - Trench IV

This represents re-lent portion of total term finance facility obtained by the GoP from ADB for Earthquake Emergency Assistance Project. Out of total finance facility an amount of US \$ 11.00 million has been allocated to the Company vide letter dated 22 July 2008 of Ministry of Economic Affairs & Statistics (Economic Affairs Division) Government of Pakistan. As per the above said letter, the loan amount has been relent to the Company on the terms and conditions agreed between the GoP and ADB which are as follows:

- 15% inclusive of interest rate of 8.2% plus exchange risk coverage (ERC) of 6.8% which shall be charged both on principal amount and interest amount separately.
- repayment maximum period of 25 years including a grace period of 5 years.
- all charges and fees including commitment charges etc if any payable by the Government of Pakistan to the above foreign lender shall also be borne by the Company.

8.6 Earthquake Reconstruction and Rehabilitation Authority

This represents re-lent portion of total term finance facility obtained by the GoP from ADB for Earthquake Emergency Assistance Project. Out of total finance facility an amount of US \$ 11.00 million has been allocated to the Company vide letter dated 22-07-2008 of Ministry of Economic Affairs & Statistics (Economic Affairs Division) Government of Pakistan. As per the above said letter, the loan amount has been relent to the Company on the terms and conditions agreed between the GoP and ADB which are as follows:

- the facility carries interest at 1% per annum on the amount of the loan withdrawn from the loan account and outstanding from time to time.
 - repayment maximum period of 40 years including a grace period of 10 years, repayment shall be made in 30 semi annual instalments.
 - 15% inclusive of interest rate of 8.2% plus exchange risk coverage (ERC) of 6.8% which shall be charged both on principal amount and interest amount separately.
 - all charges and fees including commitment charges etc. if any payable by the Government of Pakistan to the above foreign lender shall also be borne by the Company.
- Signature*

8.7 Electrification work at Chitral (CCPR-3129)

This represents long term loan facility provided by the Finance Division of Government of Pakistan under the Public Sector Development Program (PSDP) for electrification works at different valleys of Lower District Chitral. The project involves construction of 437.73 KM HT line and 597 KM LT line in District Chitral Lower area. The total estimated cost of the project is Rs. 1,558.689 million. As per schedule provided by the Finance Division, the loan has been sanctioned on the following

- The loans will be recoverable in 25 years along-with interest which includes grace period of five years for recovery of principal amount. The interest will be chargeable at the prevailing rate for the respective year.

- As at June 30, 2023, an amount of Rs. 553.311 million has been released by the Ministry, however, adjustment of Rs. 41.341 million has been recorded against the accrued markup after which accumulated loan amount is Rs. 594.652 million.

8.8 132 KV Grid system Chitral (CCPR-3130)

This represents long term loan facility provided by the Finance Division of Government of Pakistan under the Public Sector Development Program (PSDP) for establishment of 132 KV along with up-gradation of existing 33 KV Grid System in District Chitral. The total estimated cost of the project is Rs. 309.981 million. As per schedule provided by the Finance Division, the loan has been sanctioned on the following terms:

- The loans will be recoverable in 25 years along-with interest which includes grace period of five years for recovery of principal amount. The interest will be chargeable at the prevailing rate for the respective year.

- As at June 30, 2023, an amount of Rs. 138.909 million has been released by the Ministry, however adjustment of Rs. 9.613 million was recorded against the accrued markup after which accumulated loan amount is Rs. 148.522 million.

8.9 Evacuation of Power from Swabi (CCPR-3131)

This represents long term loan facility provided by the Finance Division of Government of Pakistan under the Public Sector Development Program (PSDP) for construction of 132 KV transmission lines to evacuate power from 220 KV Grid Station Swabi to meet with the additional load demand and voltage profile improvement in the area. The total estimated cost of the project is Rs. 747.29 million. As per schedule provided by the Finance Division, the loan has been sanctioned on the following terms:

- The loans will be recoverable in 25 years along-with interest which includes grace period of five years for recovery of principal amount. The interest will be chargeable at the prevailing rate for the respective year.

- As at June 30, 2023, an amount of Rs. 425.035 million has been released by the Ministry, however adjustment of Rs. 52.736 million was recorded against the accrued markup after which accumulated loan amount is Rs. 477.771 million.

8.10 Supply of Power to Rashkai Economic Zone (CCPR-7018)

This represents long term loan facility provided by the Finance Division of Government of Pakistan under the Public Sector Development Program (PSDP) for construction of 11 KV feeder and 132 KV transmission lines for supply of Power to Rashakai Special Economic Zone. The total estimated cost of the project is Rs. 182,5.796 million. As per schedule provided by the Finance Division, the loan has been lent on the following terms:

- The loans will be recoverable in 25 years along-with interest which includes grace period of five years for recovery of principal amount. The interest will be chargeable at the prevailing rate for the respective year.

- As at June 30, 2023, an amount of Rs. 1,475.770 million has been released by the Ministry, however adjustment of Rs. 322.758 million was recorded against the accrued markup after which accumulated loan amount is Rs. 1,798.527 million.

8.11 Supply of Power to Hattar Economic Zone (CCPR-7019)

This represents long term loan facility provided by the Finance Division of Government of Pakistan under the Public Sector Development Program (PSDP) for construction of 11 KV feeder and 132 KV transmission lines for supply of Power to Hattar Special Economic Zone. The total estimated cost of the project is Rs. 1036.828 million. As per schedule provided by the Finance Division, the loan has been sanctioned on the following terms:

- The loans will be recoverable in 25 years along-with interest which includes grace period of five years for recovery of principal amount. The interest will be chargeable at the prevailing rate for the respective year.

- As at June 30, 2023, an amount of Rs. 790.217 million has been released by the Ministry, however adjustment of Rs. 152.023 million was recorded against the accrued markup after which accumulated loan amount is Rs. 942.240 million.

Rashkai

9 STAFF RETIREMENT BENEFITS

Four types of defined benefit plans are offered by the Company namely, pension, medical, free electricity and compensated absences.

	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
9.1 Present value of defined benefit obligations	128,935,840,619	109,458,241,759	8,690,179,884	4,739,365,842	9,113,901,338	8,618,513,658	3,788,593,205	3,605,990,342	148,528,485,046	128,421,111,601
9.2 Amount recognized in statement of financial position is as follows:										
Net liability at beginning of the year	109,458,241,759	81,482,715,357	4,739,365,842	7,332,810,366	8,618,513,658	1,370,519,980	3,605,990,342	3,218,633,180	128,421,111,601	103,404,478,888
Charge for the year	12,712,925,750	9,800,928,569	697,313,665	810,276,893	1,237,776,531	266,090,611	399,048,909	388,500,067	15,047,065,855	11,005,794,140
Re-measurement of liability	15,411,390,781	14,944,178,930	1,477,038,053	(3,300,533,381)	(732,802,083)	7,049,597,357	-	90,413,930	16,165,526,761	18,789,658,736
Liability transferred in										
Benefits paid during the year	(9,046,717,871)	(8,589,578,107)	(222,537,879)	(103,988,039)	(9,486,769)	(7,894,270)	(216,477,049)	(97,556,745)	(9,095,219,181)	(8,778,819,161)
	128,935,840,619	109,458,241,759	8,690,179,884	4,739,365,842	9,113,901,338	8,618,513,658	3,788,593,205	3,605,990,342	148,528,485,046	128,421,111,601

9.3 Salaries, wages and benefits include the following in respect of defined benefits plans:

Current service cost	1,016,716,555	580,890,172	72,865,569	84,013,717	74,917,544	86,006,847	72,174,550	83,589,948	1,239,464,268	764,249,484
Past service cost										
Interest cost	11,693,209,195	9,040,287,397	624,869,095	745,283,178	1,162,859,887	140,083,984	326,876,319	324,910,119	13,807,601,597	10,251,544,658
Loss on re-measurement of liability	15,411,390,781	14,944,178,930	1,477,038,053	(3,300,533,381)	(732,802,083)	7,049,597,357	-	90,413,930	16,010,205,575	18,789,658,738
	28,124,316,531	24,565,105,409	2,174,361,718	(2,490,256,488)	504,874,448	7,255,687,698	399,048,909	484,913,997	31,057,271,430	29,795,450,876

9.4 Actuary valuation assumptions:

-Valuation discount rate	13.25%	10.25%	13.25%	10.25%	13.25%	10.25%	13.25%	10.25%
-Salary increase rate	12.50%	8.25%	-	-	-	-	12.50%	9.25%
-Indexation in pension	6.75%	4.50%	-	-	-	-	-	-
-Medical inflation rate	-	-	-	-	-	-	-	-
-Electricity inflation rate	-	-	-	-	-	-	-	-

9.5 Sensitivity analysis

Particulars	June 30, 2023 (Rs)	June 30, 2022 (Rs)
Current Liability of Pension	128,935,840,619	109,458,241,759
1% Increase in Discount rate	123,992,117,815	86,118,037,678
1% Decrease in Discount rate	160,045,155,307	107,888,072,759
1% Salary increase rate	144,859,378,287	94,860,212,174
1% Salary Decrease rate	133,890,897,183	89,520,227,997
1% Pension Increase rate	158,585,858,754	105,451,019,528
1% Pension Decrease rate	133,978,883,210	85,020,268,695

	2023 Rupees	2022 Rupees
10 DEFERRED CREDIT		
Balance brought forward	57,758,648,874	51,518,071,095
Additions during the year	6,802,360,711	6,240,577,779
	64,561,009,585	57,758,648,874
Amortization		
- Balance brought forward	(18,536,668,108)	(16,465,786,124)
- For the year	(2,308,964,609)	(2,070,881,984)
	(20,845,632,717)	(18,536,668,108)
	43,715,376,868	39,221,980,766

10.1 This represents amount received from customers for new connections/construction works. The amount is initially recorded under "Trade Payables" and then transferred to this head once task is completed. The amount is amortized over the life of fixed assets.

	2023 Rupees	2022 Rupees
11 CONSUMERS' SECURITY DEPOSITS		
Consumers' security deposits	6,793,519,936	6,260,816,713

These represent security deposits received from consumers at the time of electricity connection and are refundable/ adjustable on disconnection of electricity supply. This amount has been kept in a separate bank account.

	Note	2023 Rupees	2022 Rupees
12 TRADE AND OTHER PAYABLES			
Associated undertakings - unsecured	12.1	449,848,408,370	415,885,191,829
Trade creditors payable		5,943,087,759	2,524,342,316
		455,791,496,129	418,409,534,145
Receipt against deposit work		27,461,559,119	25,518,413,497
Realized :			
Electricity duty		116,489,005	-
Professional tax		454,650	452,650
Income tax withheld		691,058,323	454,968,955
TV license fee		49,588,170	51,650,504
Neelum Jhelum surcharge		876,600,465	865,425,953
Equalization surcharge		779,668,867	772,909,809
Taxes		12,119	966,959
Finance cost surcharge		2,046,273,842	1,074,810,227
UOS/Tariff rationalization surcharge		1,020,873,986	993,008,113
General sales tax		468,782,630	396,141,810
		6,049,802,057	4,610,334,980
Un -Realized :			
Electricity duty		1,847,365,004	1,473,522,049
Income tax on electricity bills		1,546,549,826	1,110,158,680
TV license fee		1,340,835,194	1,189,778,464
Neelum Jhelum surcharge		1,299,466,427	1,310,670,255
Equalization surcharge		225,319,515	225,487,424
Extra tax		73,930,373	-
Further tax		40,512,811	-
Unrealized Sales Tax 2014		23,107,277	-
Taxes		97,440,043	102,306,627
Finance cost surcharge		6,431,643,659	4,195,156,698
UOS/Tariff rationalization surcharge		222,310,384	223,763,781
General sales tax		4,424,892,705	1,357,830,815
		17,573,373,218	11,188,674,793
Others:			
Employees shares in fund		9,461,941	8,831,180
Accrued liabilities		2,385,418,408	1,405,113,684
Retention money - contractors / suppliers		651,225,334	534,463,975
Capital contribution awaiting connections		2,083,998,614	975,981,970
Other liabilities		126,857,742	38,234,163
		5,256,962,039	2,962,624,972
		512,133,192,562	462,689,582,387

Small

	2023 Rupees	2022 Rupees
12.1 Creditors - associated undertakings		
Central Power Purchasing Agency	449,380,274,013	411,987,894,772
Faisalabad Electric Supply Company	-	67,614,946
National Transmission and Dispatch Company	-	3,352,873,276
Multan Electric Power Company	455,930,995	458,560,666
Pakistan Electric Power Company	12,203,362	13,349,580
CE (RE) Lahore	-	4,898,589
	<u>449,848,408,370</u>	<u>415,885,191,829</u>

13 ACCRUED MARKUP

Asian Development Bank - Trench I (2438-PK)	430,469,653	407,554,919
Asian Development Bank - Trench II (2727-PK)	605,811,661	485,479,947
Asian Development Bank - Trench III (2972-PK)	1,325,130,414	1,089,708,243
Asian Development Bank - Trench IV (3096-PK)	1,161,035,369	955,005,945
Earthquake Reconstruction and Rehabilitation Authority	198,122,738	143,535,663
Electrification work at Chitral(Federal PSDP) CCPR-3129	12,930,000	7,371,000
132 KV Grid system Chitral (Federal PSDP) CCPR-3130	23,087,800	6,453,800
Evacuation of Power from Swabi(Federal PSDP) CCPR-3131	8,986,000	5,730,000
Supply of Power to Rasahkai E Zone(Federal PSDP) CCPR-7018	18,992,400	45,400,400
Supply of Power to Hattar E Zone(Federal PSDP) CCPR-7019	6,496,700	32,634,000
	<u>3,791,062,735</u>	<u>3,178,873,917</u>

- 13.1 During the year 2020, receivable from AJK amounting to Rs. 3,450 million has been adjusted against accrued markup amounting to Rs. 1,686.539 million against ADB Trench I, Rs. 823.603 million against ADB Trench II, Rs. 464.247 million against ADB Trench III, Rs. 411.167 million against ADB Trench IV and Rs. 64.13 million against ERRAs as non cash adjustment vide GoP Finance Division letter No. F.I(14)CF-1/2015-16/1290 dated 26-09-2019.

14 CONTINGENCIES AND COMMITMENTS

There are no material contingencies as at reporting date (2022: Nil).

	Note	2023 Rupees	2022 Rupees
15 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	15.1	78,628,588,361	68,373,127,271
Capital work in progress	15.2	37,384,263,088	33,544,159,853
		<u>116,012,851,449</u>	<u>101,917,287,124</u>

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15.1 Operating fixed assets

	Freehold land	Leasehold land	Buildings	Distribution equipment	Computer and ancillary equipment	Furniture and fixtures	Vehicles	Other equipment	Total
Rupees									
As at June 30, 2021									
Cost	1,007,926,269	878,400	3,619,977,752	87,340,872,901	710,624,166	49,144,223	917,490,329	797,004,673	94,444,018,718
Accumulated depreciation	-	-	(862,865,586)	(33,026,990,304)	(379,626,070)	(38,355,095)	(679,468,426)	(444,038,924)	(35,431,344,405)
Net book value	1,007,926,269	878,400	2,757,112,166	54,313,882,597	330,998,096	10,789,128	238,021,903	352,965,754	59,012,674,313
Year ended June 30, 2022									
Opening net book value	1,007,926,269	878,400	2,757,112,166	54,313,882,597	330,998,096	10,789,128	238,021,903	352,965,754	59,012,674,313
Additions during the year	107,653,034	-	-	6,248,273,345	48,891,164	4,091,009	288,132,240	125,153,336	6,822,184,128
Transfers from CWIP	-	-	218,259,533	6,029,337,483	-	-	-	-	6,247,597,016
Disposals	-	-	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	(28,961,234)	-	(28,961,234)
Accumulated depreciation	-	-	-	-	-	-	-	-	-
Depreciation charge	-	-	(73,916,426)	(3,408,854,893)	(63,978,625)	(2,761,302)	(83,089,598)	(78,637,352)	(3,709,338,186)
Closing net book value	1,115,579,303	878,400	2,901,455,273	63,184,338,532	315,910,635	12,118,835	443,064,555	399,481,738	68,373,127,271
As at June 30, 2022									
Cost	1,115,579,303	878,400	3,838,237,285	99,618,563,729	759,515,330	53,235,232	1,176,661,335	922,158,014	107,484,848,628
Accumulated depreciation	-	-	(936,782,012)	(38,433,845,197)	(443,604,895)	(41,116,397)	(733,598,780)	(522,676,276)	(39,111,721,357)
Net book value	1,115,579,303	878,400	2,901,455,273	63,184,338,532	315,910,635	12,118,835	443,064,555	399,481,738	68,373,127,271
Year ended June 30, 2023									
Opening net book value	1,115,579,303	878,400	2,901,455,273	63,184,338,532	315,910,635	12,118,835	443,064,555	399,481,738	68,373,127,271
Additions during the year	243,904,110	-	-	-	47,198,124	6,227,444	140,082,797	227,932,627	665,345,002
Transfers from CWIP	-	-	232,867,017	13,667,712,172	-	-	-	-	13,800,579,189
Depreciation charge	-	-	(84,323,229)	(3,866,651,999)	(64,577,589)	(7,465,070)	(72,013,462)	(115,431,752)	(4,210,463,100)
Closing net book value	1,359,483,413	878,400	3,049,999,061	72,885,698,705	298,531,171	10,881,209	511,133,890	511,982,513	78,628,988,361
As at June 30, 2023									
Cost	1,359,483,413	878,400	4,071,104,302	113,186,295,901	806,713,454	59,462,678	1,316,744,132	1,150,090,541	121,950,772,819
Accumulated depreciation	-	-	(1,021,105,241)	(40,300,597,196)	(508,182,283)	(48,681,467)	(805,610,242)	(638,108,028)	(43,322,184,457)
Net book value	1,359,483,413	878,400	3,049,999,061	72,885,698,705	298,531,171	10,881,209	511,133,890	511,982,513	78,628,988,361
Annual rate of depreciation	-	-	2%	3.5%	10%	10%	10%	10%	-

	2023 Rupees	2022 Rupees
15.1.1 Reconciliation of book value:		
Net book value, at the beginning of the year	68,373,127,271	59,012,674,313
Additions during the year	665,345,002	6,822,194,128
Transfers from CWIP	13,800,579,189	6,247,597,016
Disposal during the year	-	(28,961,234)
Depreciation for the year	(4,210,463,100)	(3,709,338,186)
Depreciation adjustment on disposal	-	28,961,234
Net book value at the end of the year	<u>78,628,588,362</u>	<u>68,373,127,271</u>

15.1.2 Government of Pakistan (GoP) and Ministry of Energy through Power Holding (Private) Limited is in process of arranging Shariah Compliant Islamic Finance Facility through issuance of Sukuk amounting Rs. 400 billion to settle the Energy Sector Circular Debts of all DISCO's. During the year 30-06-2019 & 30-06-2020, GoP has issued Pakistan Energy Sukuks under Ijarah agreement for PKR 400 billion for the period of 10 years to the Banks, Mutual Funds, Security Broker and other Domestic Financial Institutions. For this purpose PESCO Land is treated as underlying asset. Under the arrangement, PESCO holds the title of these Assets as Trustee/Title Agent on behalf of Sukuk Certificate holders. The legal documents executed by PESCO and the relevant counter parties reveal that the said assets have been leased out under an Ijarah agreement to GOP with an undertaking to resell the Assets to the PESCO at the end of the Ijarah Term. Although the legal documents have contemplated the overall arrangement on the model of Sukuk Ijarah, the management of PESCO has exercised its judgement, as required under International Accounting Standards (IAS)-1, "Presentation of Financial Statements", that the said transaction was in substance, a financing arrangement and therefore did not give rise to revenue on account of disposal of PESCO Assets. The management also determined that PESCO could not derecognize the Assets as the conditions to recognize revenue on sale of land have not been satisfied. In view of the above, based on the substance over form and the fact that proceeds of Sukuk Bonds had been retained by the PHPL, the repayment of Ijarah Sukuk and Ijarah rentals is the responsibility of the GoP and PESCO does not have to derecognize the assets in

15.1.3 The assets addition includes borrowing cost capitalized during the year amounting to Rs. 341.742 Million (2022: Nil)

	Note	2023 Rupees	2022 Rupees
15.2 Capital work in progress			
Civil works		452,300,119	484,033,912
Distribution equipment work in progress		36,931,962,969	33,060,125,941
	15.2.2 & 15.2.3	<u>37,384,263,088</u>	<u>33,544,159,853</u>

15.2.1 Movement of CWIP is as follows:

Opening	33,544,159,853	26,649,319,449
Addition during the year	18,306,027,425	13,142,437,420
Transferred to operating fixed assets	(14,465,924,190)	(6,247,597,016)
	<u>37,384,263,088</u>	<u>33,544,159,853</u>

15.2.2 This includes Deposit Work in Progress amounting Rs. 16.777 Million (2022: Rs.14.643 Million).

15.2.3 Financial expenses of the following PSDP loans will be capitalized during the year as per IAS 23 "Borrowing Costs".

Electrification work at Chitral (CCPR-3129)	33,447,000	16,645,000
132 KV Grid system Chitral (CCPR-3130)	16,634,000	11,305,000
Evacuation of Power from Swabi (CCPR-3131)	32,676,562	20,056,000
Supply of Power to Rashkai Economic Zone (CCPR-7018)	-	123,781,000
Supply of Power to Hattar Economic Zone (CCPR-7019)	82,933,817	57,673,000
	<u>165,691,379</u>	<u>229,460,000</u>

16 LONG TERM LOANS - considered good

House building advance	1,011,385	2,482,787
Car advance	-	5,000
Motor cycle advance	29,580	67,482
Purchase of plot	-	556,664
	<u>1,040,965</u>	<u>3,111,933</u>
Current maturity of long term loans	(331,632)	(1,325,884)
	<u>709,333</u>	<u>1,786,049</u>

16.1 This represents long term loans made to employees. House building and plot loans are repayable in 10 years, car and motor-cycle loans in 5 years. Markup is charged on these loans at the same rate as that payable on employees balances in General Provident Fund. Loans are secured by mortgage of immovable property and hypothecation of vehicles.

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	Note	2023 Rupees	2022 Rupees
17 STORES, SPARE PARTS AND LOOSE TOOLS			
Stores		11,252,209,586	9,585,082,268
Provision for obsolete stores		(4,968,483)	(4,968,483)
		<u>11,247,241,103</u>	<u>9,580,113,785</u>

18 TRADE DEBTS

Sale of electricity		58,604,101,410	47,981,134,388
Government levies and other charges	18.2	39,016,236,156	30,996,347,451
Secured and considered good		97,620,337,566	78,977,481,839
Considered doubtful		102,952,001,380	92,038,054,450
		<u>200,572,338,946</u>	<u>171,015,536,289</u>
Provision for doubtful debts		(102,952,001,380)	(92,038,054,450)
		<u>97,620,337,566</u>	<u>78,977,481,839</u>

18.1 Trade debts are secured to the extent of corresponding consumers' security deposits against electricity connection.

	Note	2023 Rupees	2022 Rupees
18.2 Government levies and other charges			
Electricity duty receivable-E/Bills		1,847,365,004	1,473,522,049
Income tax receivable-E/Bills		1,546,549,826	1,110,158,680
G.S.T receivable		25,337,238,893	20,761,948,544
T.V fee receivable		1,340,835,194	1,189,778,464
Neelum Jhelum surcharge receivable		1,299,466,427	1,310,670,255
Equalization surcharge receivable		225,319,515	225,487,424
Extra tax receivable		373,411,646	179,525,330
Further tax receivable		186,902,695	143,079,616
Sales tax 2014 receivable		107,568,766	80,760,620
Tax under 235-A receivable		95,849,462	99,612,733
Tax under 235-B receivable		1,590,581	2,693,894
FC surcharge receivable		6,431,643,659	4,195,156,698
U.O.S/Tariff rationalization surcharge receivable		222,310,384	223,763,781
Additional tax receivable		184,104	189,363
		<u>39,016,236,156</u>	<u>30,996,347,451</u>

19 LOANS AND ADVANCES - considered good

Current portion of long term loans - considered good	16	331,632	1,325,884
Advances to suppliers - considered good		256,091,464	323,874,630
Advance income tax		2,714,320,774	2,118,442,254
Advance sales tax		50,000,000	-
Advance general sales tax spillover		616,458,341	-
Advance extra tax spillover		27,508,740	-
Advance further tax spillover		10,456,340	-
Advances for expenses	19.1	57,121,357	52,608,207
		<u>3,732,288,648</u>	<u>2,496,250,975</u>

19.1 Advances for expenses

Against other expenses		47,755,535	48,242,875
For travelling expenses		9,365,822	4,365,232
		<u>57,121,357</u>	<u>52,608,207</u>

20 OTHER RECEIVABLES - considered good

Due from WAPDA and associated undertakings-net	20.1	49,981,168,816	46,458,961,973
Sales tax receivable - net	20.2	43,182,161,128	44,858,512,634
Pension receivable from associated undertakings	20.3	3,735,248,779	4,248,320,286
Other receivables net		7,289,507	169,100,322
		<u>96,905,868,230</u>	<u>95,734,895,215</u>

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	Note	2023 Rupees	2022 Rupees
20.1 Due from WAPDA and associated undertakings - net			
WAPDA Welfare Fund		695,245,070	616,886,510
WAPDA	20.1.2	944,119,146	398,226,146
GENCO-1		882,477	664,299
GENCO-2		6,538,699	5,227,776
GENCO-3		8,157,053	6,812,552
National Transmission and Dispatch Company		764,145,957	-
Lahore Electric Supply Company		10,893,487	7,644,189
Faisalabad Electric Supply Company		16,576,302	-
Quetta Electric Supply Company		84,068,245	70,774,374
Gujranwala Electric Power Company		11,319,697	8,721,093
Islamabad Electric Supply Company		486,872,291	420,006,425
Hyderabad Electric Supply Company		4,726,208	3,897,646
GENCO-4		1,678,430	1,539,342
Tribal Electric Supply Company		46,943,948,099	44,916,271,384
Sukkar Electric Power Company		1,997,655	2,290,237
		<u>49,981,168,816</u>	<u>46,458,961,973</u>

20.1.2 This includes Rs. 545.893 Million receivables on account of provision of electricity to WAPDA employees during the year.

	2023 Rupees	2022 Rupees
20.2 Receivable from Tax authorities		
Receivable from tax authorities - net	<u>43,182,161,128</u>	<u>44,858,512,634</u>
	<u>43,182,161,128</u>	<u>44,858,512,634</u>

20.2.1 This represents amounts receivable from taxation authorities in respect of carry forward of excess input tax paid over output tax. The management of the Company believes that excess amounts of input sales tax paid are refundable on a lump sum basis or through monthly claims in the Company's sales tax returns.

20.2.2 Four sales tax refund cases involving total amount of Rs.16,275 million are pending before Islamabad High Court, Islamabad. Previously the Appellate Tribunal Inland Revenue (ATIR) has decided the matter in favor of PESCO. Moreover, sales tax refund amounting to Rs.15,063 million is also pending before the Peshawar High Court and the management of the Company believes that decisions of these cases are likely to be in favor of Company.

20.2.3 Regional Tax Office (RTO), Peshawar issued four show cause notices to the Company on the issue of adjustment of sales tax collected from Steel Melter consumers against the accumulated credit sales tax balance of the Company, for the period from May 2008 to December 2010, July 2012 to December 2012, January 2013 and February 2013 in which sales tax demands of Rs. 1,630 million, Rs. 531 million, Rs. 65 million and Rs. 21 million respectively were raised. The Company contested these show cause notices, however Deputy Commissioner Peshawar, Commissioner Inland Revenue (Appeals) Peshawar and Peshawar High Court decided the matter of demands of Rs. 1,630 million, Rs. 531 million, Rs. 65 million and Rs. 21 million in favor of RTO Peshawar, hence the disputed amounts were recovered. The said decisions of lower court were challenged before the Supreme Court of Pakistan, however the Supreme Court has decided the matter in favour of FBR vide a short order issued on 15-02-2021. The management of the Company believes that since this is an industry wide issue, therefore the company has positive prospects to get

20.2.4 A show cause notice has been issued to the company by RTO for recovery of Rs. 314 million, 344 million and 464 million adjusted against the output tax collected from Steel Melter against the credit sales tax balance of the company for the period from January 2011 to June 2011, July 2011 to December 2011 and January 2012 to June 2012 respectively and the same was also recovered. The Commissioner Inland Revenue (Appeals) and Appellate Tribunal Inland Revenue (ATIR), Peshawar decided the appeals of cases amounting to Rs. 314 million and Rs. 464 million against the Company whereas ATIR has accepted the company's appeal in the case amounting to Rs. 344 million in favor of the company. The said orders of ATIR Peshawar were challenged and are pending before Peshawar High Court for adjudication.

20.2.5 Appeal against Tax liability created on account of inadmissible input tax on supplies to Tribal Areas (PATA) to the tune of Rs. 2,093 million have been decided by ATIR in favour of the PESCO, the order of ATIR has been challenged by FBR before the Peshawar High Court and the same is pending for adjudication. Another appeal against tax liability of Rs. 5,130 million created on account of inadmissible input tax on supplies to Tribal Areas (PATA) is pending for adjudication before ATIR, Lahore. Moreover, an appeal (Sales tax reference) against the tax liability of Rs. 1,650 million is also pending before the Peshawar High Court. In another instance, a tax liability of Rs. 5,050 million has been created against the Company by RTO Peshawar on similar grounds, the company has filed an appeal before the CIR (Appeals) Peshawar and the same is pending for adjudication. Since, the appellate authorities has already decided similar cases in favour of the company, the management of the company believes that there is high likelihood of winning these cases.

20.2.6 Three cases related to Sales Tax liability on 'Subsidies received from GoP involving tax liabilities to the tune of Rs. 6,412 million, Rs. 5,002 million and Rs. 4,862 million have been decided in favor of the Company by before ATIR, however the department has filed a Sales Tax reference before the Peshawar High Court against the order of the ATIR in the instant matter. The management of the company believes that since ATIR has decided the issue in favour of the Company, therefore the likelihood of winning these cases is high.

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20.2.7 RTO Peshawar raised a demand against the Company amounting to Rs. 1,209.43 million for the tax years 2013 to 2015 under section 235 of Income Tax Ordinance, 2001. The Company has preferred an appeal before ATIR which was decided in favor, however being aggrieved by the decision, the RTO Peshawar preferred an appeal before Peshawar High Court, which is still pending for adjudication.

20.2.8 RTO Peshawar raised demands against the Company amounting to Rs. 2,725 million for the tax years 2010, 2011 and 2013 under section 161 of Income Tax Ordinance, 2001. The Company has preferred an appeal before ATIR which are pending for adjudication. Further, RTO Peshawar has also created tax demand against the Company amounting to Rs. 1,696 million for the tax years 2019 and 2020 under section 161 of Income Tax Ordinance, 2001. Being aggrieved by the decision, the Company preferred an appeal before CIR(A), which is still pending for adjudication. The management of the company believes that there is high likelihood of winning these cases.

20.2.9 RTO Peshawar raised demands against the Company amounting to Rs. 15,202 million for the tax years 2012 by disallowing input tax claimed on the basis of CPPA-G invoices and Vehicle purchased. The company filed appeal against the tax demands before the CIR(A) and then before ATIR, and appeal was decided in favor of the Company and demand was vacated by the ATIR, however, being aggrieved by the decision, the RTO Peshawar preferred an appeal before Peshawar High Court Peshawar and then before Supreme Court of Pakistan. The Supreme Court of Pakistan upheld the decision of ATIR and remand the case back to RTO, except the issue of input tax on Vehicles Purchase, which was remanded back to Peshawar High Court, which is still pending for adjudication. The management of the company believes that there is high likelihood of winning the case.

	2023 Rupees	2022 Rupees
20.3 Pension receivable from associated undertakings - unsecured, considered good		
WAPDA	2,596,454,084	2,771,182,021
GENCO-1	3,942,254	4,469,638
GENCO-2	11,533,773	11,961,761
GENCO-3	11,218,302	12,197,297
National Transmission and Dispatch Company Limited	575,847,839	536,941,140
Lahore Electric Supply Company Limited	57,135,767	134,221,795
Faisalabad Electric Supply Company Limited	109,401,193	144,062,091
Multan Electric Power Company Limited	46,560,370	60,542,118
Quetta Electric Supply Company Limited	30,261,725	28,563,674
Gujranwala Electric Power Company Limited	17,890,306	5,804,428
Islamabad Electric Supply Company Limited	133,836,914	409,836,017
Hyderabad Electric Supply Company Limited	66,328,619	57,935,355
GENCO-4	1,193,335	2,023,827
Tribal Area Electric Supply Company Limited	57,832,316	55,249,646
Sukkar Electric Power Company	15,811,982	13,329,478
	<u>3,735,248,779</u>	<u>4,248,320,286</u>

20.3.1 The maximum amount due from related parties as on June 30, 2023 is Rs. 3.735 billion (2022 Rs.4.248 billion).

21 RECEIVABLE FROM GOVERNMENT OF PAKISTAN (Ministry of Finance)

This represents subsidy receivable from Ministry of Finance on account of tariff differential. Movement in this account during the year is as follow:

	2023 Rupees	2022 Rupees
Opening balance as at July 01,	42,901,199,260	63,704,244,859
Tariff differential subsidy recognized during the year	32,833,116,356	30,493,901,037
Industrial support package claimed	-	2,156,329,699
Zero rated subsidy claim	818,214,607	1,436,650,365
Prime minister relief package	-	5,764,118,309
Kissan package subsidy	23,008,879	-
Credit note adjusted	(50,484,474,772)	(60,654,045,009)
	<u>26,091,064,330</u>	<u>42,901,199,260</u>

21.1 Tariff differential subsidy is net off tariff rationalization surcharge of Rs. 5.675 billion (2022: Rs. 11.481 billion) adjusted against receivable from Government of Pakistan through tariff differential subsidy invoices.

Signature

	Note	2023 Rupees	2022 Rupees
22 BANK BALANCES			
Cash at banks in:			
Deposit accounts	22.1	686,645,045	2,097,794,537
Current accounts	22.2	9,570,193,584	7,154,217,252
		<u>10,256,838,629</u>	<u>9,252,011,789</u>

22.1 These include interest ranging from 19.50% to 19.80% (2022: 11.15% to 14.2%) per annum.

22.2 These include balances of capital contribution accounts of Rs. 2,276 million (2022: Rs.1,401 million) and meter security accounts of Rs. 6,872 million (2022: Rs. 5,757 million).

	Note	2023 Rupees	2022 Rupees
23 SALE OF ELECTRICITY			
Gross sale of electricity		272,160,112,275	206,690,790,718
Less: Sales tax		(31,936,295,463)	(34,909,063,879)
Net sale of electricity		<u>240,223,816,812</u>	<u>171,781,726,839</u>
Subsidy from the Government of Pakistan (GoP) on sale of electricity	23.1	39,271,580,895	49,234,102,318
Industrial support package from GoP on sale of electricity		-	2,156,329,699
		<u>39,271,580,895</u>	<u>51,390,432,017</u>
		<u>279,495,397,707</u>	<u>223,172,158,856</u>

23.1 This includes tariff differential subsidy of Rs. 39,215 million (2022: Rs. 28,777 million), industrial support package subsidy of Rs. Nil (2022: Rs. 2,156), Zero rated subsidy of Rs.818 million (2022: Rs.1,437 Million), applicable quarterly tariff subsidy of Rs. (785) million (2022: Rs.13,256 million) Prime minister relief package subsidy of Rs. Nil (2022: Rs. 5,764 million) and Kissari Package subsidy of Rs.23 million (2022: Nil).

	Note	2023 Rupees	2022 Rupees
24 COST OF ELECTRICITY			
Central Power Purchase Agency	24.1	317,624,007,678	288,472,469,849
Market Operations Agency Fee		121,253,663	73,305,391
Inadmissible sales tax on supplies		4,818,563,134	4,256,816,568
		<u>322,563,824,475</u>	<u>292,802,591,808</u>

24.1 This include Power purchase of Rs.317.743 billion (2022: Rs. 288.472 billion).

24.2 Electricity purchases during the year have been invoiced by CPPA, units 15,255 million at the average rate of Rs.20.82 per unit (2022: units16,562 million at the average rate of Rs.17.42 per unit).

	Note	2023 Rupees	2022 Rupees
25 OTHER OPERATING COST EXCLUDING DEPRECIATION			
Salaries, wages and other benefits	25.1	27,686,971,304	23,616,859,225
Repairs and maintenance		1,018,027,862	1,038,720,195
Rent, rates and taxes		85,163,645	121,261,092
Power, light and water		87,286,082	83,438,238
Postage and telephone		43,615,571	35,352,844
Office supplies and other expenses		625,584,932	487,152,416
Travelling Allowance		324,358,902	283,026,943
Transportation Expenses		272,188,060	203,245,024
Insurance expense		27,460,000	17,990,361
Electricity bill collection charges		216,420,351	214,879,818
Legal and professional charges		58,802,222	54,379,042
NEPRA fee and charges		98,074,471	46,098,124
PITC Charges		81,281,755	145,048,544
Auditor's remuneration	25.2	950,000	950,000
Advertisement and publicity		5,640,238	18,342,325
Provision for doubtful debts		10,913,946,930	8,060,100,946
Directors fee		14,923,427	20,585,685
Miscellaneous expenses		19,294,755	18,485,847
		<u>41,579,990,507</u>	<u>34,465,916,669</u>

25.1 Salaries, wages and other benefits include retirement benefits of an amount of Rs.15.047 billion (2022: Rs.11.005 billion).

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	Note	2023 Rupees	2022 Rupees
25.2 Auditor's remuneration			
Fee for statutory audit and review report on compliance		850,000	850,000
Out of pocket expenses		100,000	100,000
		<u>950,000</u>	<u>950,000</u>
26 RENTAL AND SERVICE INCOME			
Meter rent		38,661,805	38,669,763
Public lighting		1,538,866	1,865,054
Service rent		1,440,513	1,650,721
Connection / reconnection fee		10,844,722	6,717,839
		<u>52,485,906</u>	<u>48,903,377</u>
27 OTHER INCOME			
Profit on bank deposits		1,503,380,463	971,445,234
Sale of scrap		139,627,036	364,016,365
Late payment surcharge		5,363,891,540	2,964,934,049
Wheeling charges from TESCO	27.1	2,098,487,876	2,490,046,402
Miscellaneous		1,016,318,453	944,411,554
		<u>10,121,705,368</u>	<u>7,734,853,604</u>
27.1 This represent the amount charged to TESCO for the use of Company's transmission system/lines for electricity purchased from CPPA. This also include an amount of Rs.86.282 million received from Pakhtunkhwa Energy Development Organization (PEDO).			
28 FINANCE COST	Note	2023 Rupees	2022 Rupees
Asian Development Bank - Trench I (2438-PK)		22,914,734	49,103,002
Asian Development Bank - Trench II (2727-PK)		120,331,714	82,089,882
Asian Development Bank - Trench III (2972-PK)		235,421,882	250,944,511
Asian Development Bank - Trench IV (3096-PK)		206,029,425	218,773,514
Earthquake Reconstruction and Rehabilitation Authority		18,002,472	12,852,595
Bank charges		3,488,434	6,098,624
Overheads charged by CPPA		-	879,673,400
Exchange loss		459,711,153	414,949,579
		<u>1,065,899,814</u>	<u>1,914,485,107</u>
29 TAXATION			
Current tax		3,145,518,170	2,257,808,735
Prior year		7,666,108	4,858,042
		<u>3,153,184,278</u>	<u>2,262,666,777</u>
29.1 Provision for current year taxation has been made on the basis of minimum tax on turnover under section 113 of income tax ordinance 2001. Accordingly numerical reconciliation between the average tax rate and applicable tax rate has not been presented in the financial statements.			
29.2 In view of uncertainty of taxable profit in the foreseeable future against which the losses could be utilized, the company has not recognized deferred tax asset. Had the company recognized deferred tax, deferred tax asset as at June 30, 2023 would be Rs. 58,336 Million (2022: Rs. 52,271 Million).			

Signature

30 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	June 30, 2023			June 30, 2022		
	Chief Executive Officer	Directors	Executives	Chief Executive	Directors	Executives
	Rupees			Rupees		
Managerial remuneration	5,580,198	-	81,407,922	10,865,964	-	74,372,004
Meeting fee	-	16,126,588	-	-	20,585,685	-
Bonus-one time basic pay	249,650	-	4,419,390	168,310	-	2,903,730
Other perquisites	1,602,293	-	11,541,926	1,059,624	-	10,199,676
	7,432,141	16,126,588	97,369,238	12,093,898	20,585,685	87,475,410
Number of persons	1	14	23	1	14	22

Signature

31 FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board oversees how management monitors compliance with the company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board.

The Company finances its operations through equity, borrowings and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

31.1 Credit risk

Credit risk is the risk of financial loss to the Company if a consumer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk to the extent of loans, deposits and advances, trade debts, interest accrued, other receivables and bank balances. The Company deals with regular and permanent consumers who normally make payments on time. The Company controls its credit risk by continuous monitoring of its receivables. The management believes that there is no credit risk involved in respect of receivables from the Government of Pakistan.

31.1.1 Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures. Out of total financial assets of Rs. 187.693 billion (2022: Rs.182.010 billion), the financial assets which are subject to credit risk amounted to Rs. 187.693 billion (2022: Rs.182.010 billion). The carrying amounts of financial assets exposed to credit risk at reporting date are as

	2023 Rupees	2022 Rupees
Loans	1,040,965	3,111,933
Trade debts	97,620,337,566	78,977,481,839
Other receivables	53,723,707,102	50,876,382,581
Receivable from GoP (Ministry of Finance)	26,091,064,330	42,901,199,260
Bank balances	10,256,838,629	9,252,011,789
	<u>187,692,988,592</u>	<u>182,010,187,402</u>

Geographically there is no concentration of credit risk as the company operates in the same geographical area.

31.1.1.1 The maximum exposure to credit risk for trade receivables at the reporting date by type of sector is as follows:

	2023 Rupees	2022 Rupees
Government sector	15,450,822,351	19,579,682,966
Private sector	82,169,515,215	59,397,798,873
	<u>97,620,337,566</u>	<u>78,977,481,839</u>

Signature
 31.1.1.1.1 The maximum exposure to credit risk for trade receivables at the reporting date by type of sector is as follows:

31.1.2 Impairment losses

The aging of trade receivables at the reporting date was:

	2023		2022	
	Gross	Impairment	Gross	Impairment
	Rupees			
Not past due	39,838,918,054	-	24,515,134,867	13,193,686,180
Past due up to 1 year	8,154,032,533	563,317,359	2,802,567,502	1,508,300,742
Past due between:				
- 1 to 3 years	15,509,804,929	3,241,666,319	11,655,594,799	6,272,870,244
Over 3 years	137,069,583,430	99,147,017,703	132,042,239,121	71,063,197,285
	200,572,338,946	102,952,001,381	171,015,536,289	92,038,054,451

31.1.2.1 The movement in the allowance for impairment in respect of trade debts during the year was as follows:

	2023 Rupees	2022 Rupees
Balance as at July 01	92,038,054,451	83,977,953,504
Charge for the year	10,913,946,930	8,060,100,946
Balance as at June 30	102,952,001,381	92,038,054,450

31.1.3 Allowances for impairment

Based on past experience, the management believes that no impairment allowance is necessary in respect of trade debts against which impairment allowance has not been created. Trade debts are due from regular and permanent customers and mainly include government agencies and the Company does not expect these customers to fail to meet their obligations.

31.1.4 Write-off policy

The allowance account in respect of trade debts is used to record impairment losses unless the Company is satisfied that no recovery of the amount owing is possible. At that point the amount considered irrecoverable is written off against the financial asset directly.

31.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

31.2.1 The maturity profile of the Company's financial liabilities based on the contractual amounts is as follows:

June 30, 2023			
Long term loans including markup		Trade and other payables	
Carrying amount	Contractual cash flows	Carrying amount	Contractual cash flows
		Rupees	
Maturity up to one year	3,556,618,533	9,602,870,040	512,133,192,562
Maturity between 1 to 5 years	1,858,838,950	5,799,577,524	-
Maturity over five years	6,202,285,955	11,202,184,910	-
	11,617,743,438	26,604,632,474	512,133,192,562

June 30, 2022			
Long term loans including markup		Trade and other payables	
Carrying amount	Contractual cash flows	Carrying amount	Contractual cash flows
		Rupees	
Maturity up to one year	2,143,075,981	5,786,305,149	462,689,582,387
Maturity between 1 to 5 years	1,601,694,247	4,997,286,052	-
Maturity over five years	6,265,818,818	11,339,810,592	-
	10,010,589,046	22,123,401,792	462,689,582,387

31.2.2 The contractual cash flows relating to the loan related financial liabilities have been determined on the basis of mark-up rates disclosed in note 8 to these financial statements.

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31.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. The Company is exposed to currency risk and interest rate risk only.

31.3.1 Exposure to currency risk

Foreign currency risk is the risk that the future cash flows of financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into in foreign currencies. The Company's exposure to foreign currency risk is as follows:

	2023 Rupees	2022 Rupees
Financial liabilities		
Long term loans	2,083,217,020	1,660,090,470
Accrued mark-up	198,122,738	143,535,663
Total exposure	<u>2,281,339,758</u>	<u>1,803,626,133</u>

The following significant exchange rates applied during the year:

	Average rate		Reporting date rate	
	2023	2022	2023	2022
US Dollars	246.00	177.45	287.50	204.85

At reporting date, if the PKR had strengthened by 10% against the US Dollar with all other variables held constant, post-tax profit for the year would have been higher by the amount shown below, mainly as a result of net foreign exchange gain on net foreign currency exposure at reporting date.

	2023 Rupees	2022 Rupees
Effect on loss	<u>132,054,781</u>	<u>128,057,455</u>

The weakening of the PKR against US Dollar would have had an equal but opposite impact on the post-tax loss.

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

31.3.2 Interest rate risk

The interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. Majority of the interest rate exposure arises from long term loans. Therefore, a change in interest rate at reporting date would affect profit and loss of the company:

	2023 Rupees	2022 Rupees
Fixed rate instruments		
Financial assets		
Long term loans	709,333	1,786,049
Bank balances	686,645,045	2,097,794,537
	<u>687,354,378</u>	<u>2,099,580,586</u>
Financial liabilities		
Long term loans	<u>11,617,743,438</u>	<u>10,010,589,406</u>

31.4 Capital management

The company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits to other stakeholders, and to maintain a strong capital base to support the sustained development of its business. The Company manages its capital structure, which comprises capital and reserves, by monitoring its return on net assets, and make adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend to shareholders, appropriation of amounts to capital reserves and / or issue new shares.

The company manages its capital structure and makes adjustments to it in the light of changes in economic conditions.

Rwanda

	2023 Rupees	2022 Rupees
31.5 Financial instruments by category		
Financial assets at amortized cost		
Loans	1,040,965	3,111,933
Trade debts	97,620,337,566	78,977,481,839
Other receivables	53,723,707,102	50,876,382,581
Receivable from GoP (Ministry of Finance)	26,091,064,330	42,901,199,260
Cash and bank balances	10,256,838,629	9,252,011,789
	<u>187,692,988,592</u>	<u>182,010,187,402</u>
Financial liability at amortized cost		
Long term loans	11,617,743,438	10,010,589,406
Consumers' security deposits	6,793,519,936	6,260,816,713
Trade and other payables	465,014,261,610	425,006,512,127
Accrued markup	3,791,062,735	3,178,873,917
	<u>487,216,587,719</u>	<u>444,456,792,163</u>

31.6 Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the Company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the Company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset either directly that is, derived from prices.
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unadjusted) inputs.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

32 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

President of Pakistan holds 99.99% shares of the Company, therefore all electricity generation and distribution undertakings of WAPDA are related parties of the Company. Other related parties comprise of associated companies, directors, key management personnel, Government of Pakistan and Government owned entities.

Transactions with Government of Pakistan and Government owned entities are not disclosed as the management is of the opinion that it is impracticable to disclose such transactions due to the nature of the Company's operations.

Balances with related parties have been disclosed in respective notes to the financial statements. Transactions with electricity generation and distribution undertakings of WAPDA, other than remuneration and benefits to Chief Executive as disclosed in note 30 to the financial statements are as follows:

	2023 Rupees	2022 Rupees
Free electricity supplied by the Company	283,751,696	200,063,737
Free electricity supplied to the Company	60,606,668	27,181,241
Services provided by the Company (mainly include cash remitted to CPPA)	205,659,007,833	152,798,270,369
Electricity purchased by the Company	322,563,824,475	292,802,591,808
Management fee	-	24,458,370
Wheeling charges recognized as income	2,098,487,876	2,490,046,402
Relent loan received during the year	193,611,480	1,312,182,220
Mark-up expense during the year	1,065,899,814	1,914,485,107
Subsidy adjusted during the year	50,484,474,772	60,654,045,009
Subsidy claimed during the year	33,674,339,842	39,850,999,410

Remitted

33 RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

	June 30, 2023		
	Long term Borrowings including related accrued markup	Retained Earnings	Total
	Rupees		
Balance as at July 01, 2022	14,849,553,793	(452,222,342,099)	(437,372,788,306)
Proceeds from long term loans	6,770,899,499	-	6,770,899,499
Loans adjusted	(3,495,540,093)	-	(3,495,540,093)
	18,124,913,199	(452,222,342,099)	(434,097,428,900)
Total changes from financing activities			
Other changes			
Interest expense	612,188,818	-	612,188,818
Total loan related other changes	612,188,818	-	612,188,818
Total equity related other changes	-	(96,750,335,337)	(96,750,335,337)
Prior year adjustment (subsidy)		60,049,876	60,049,876
Balance as at June 30, 2023	18,737,102,017	(548,912,627,560)	(530,175,525,543)

	June 30, 2022		
	Long term Borrowings including related accrued markup	Retained Earnings	Total
	Rupees		
Balance as at July 01, 2021	10,900,124,920	(331,304,484,637)	(320,404,359,717)
Proceeds from Long term loans	4,437,779,093	-	4,437,779,093
Loans adjusted	(1,184,812,265)	-	(1,184,812,265)
	14,153,091,748	(331,304,484,637)	(317,151,392,889)
Total changes from financing activities			
Other changes			
Interest adjusted	696,462,045	-	696,462,045
Total loan related other changes	696,462,045	-	696,462,045
Total equity related other changes	-	(120,917,857,462)	(120,917,857,462)
Balance as at June 30, 2022	14,849,553,793	(452,222,342,099)	(437,372,788,306)

34 BENAZIR EMPLOYEE STOCK OPTION SCHEME

On August 14, 2009, the Government of Pakistan (GoP) launched Benazir Employees' Stock Option Scheme (the Scheme) for employees of certain State Owned Enterprises (SOEs) and non-State Owned Enterprises, where GoP holds significant investments (non-SOEs). The scheme is applicable to permanent and contractual employees who were in employment of these entities on the date of launch of the scheme, subject to completion of five years vesting period by all contractual employees and by permanent employees in certain instances.

The Scheme provides for a cash payment to employees on retirement or termination based on the price of shares of respective entities. To administer this scheme, GoP shall transfer 12 % of its investments in such SOEs and non-SOEs to a Trust Fund to be created for this purpose by each of such entities. The eligible employees would be allotted units by each Trust Fund in proportion to their respective length of service and on retirement or termination such employees would be entitled to receive such amounts from Trust Funds in exchange for the surrendered units as would be determined based on market price for listed entities or breakup value for non-listed entities. The shares relating to the surrendered units would be transferred back to GoP.

The Scheme also provides that 50% of dividend related to shares transferred to the respective Trust Fund would be distributed amongst the unit-holder employees. The balance 50% dividend would be transferred by the respective Trust Fund to the Central Revolving Fund managed by the Privatization Commission of Pakistan for payment to employees against surrendered units. The deficit, if any, in Trust Funds to meet the re-purchase commitment would be met by GoP.

The IFRS 2 "Share Based Payments" will be implemented once the shares are issued against "deposits for shares".

Revised

35 NUMBER OF EMPLOYEES

Total number of employees as at the reporting date
Average number of employees during the year

2023

2022

13,086

12,425

12,755

12,783

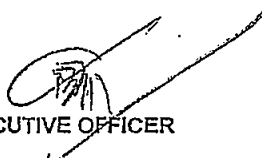
36 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 05-OCT-2023 by the Board of Directors of the Company.

37 GENERAL

Figures have been rounded off to the nearest Rupees.

Rounded off


CHIEF EXECUTIVE OFFICER


DIRECTOR

Comparison for POL Prices during FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23 & FY 2023-24

2019-20	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Annual Average	Increase w.r.t. Last Year
Premier Euro 5	112.68	117.83	113.24	113.24	114.24	113.99	116.6	116.6	111.59	96.58	81.58	74.52	106.89	
Hi-Cetane Diesel Euro 5	126.82	132.47	127.14	127.14	127.14	125.01	127.26	127.26	122.25	107.25	80.1	80.15	117.50	
Monthly Increase in Petrol	0%	5%	-4%	0%	1%	0%	2%	0%	-4%	-13%	-16%	-9%		
Monthly Increase in Diesel	0%	4%	-4%	0%	0%	-2%	2%	0%	-4%	-12%	-25%	0%		

2020-21	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Annual Average	Increase w.r.t. Last Year
Premier Euro 5	100.11	103.97	103.97	103.97	100.69	103.69	109.2	111.9	111.9	108.56	108.56	110.69	106.43	-0.43%
Hi-Cetane Diesel Euro 5	101.46	106.46	106.46	104.06	101.43	108.44	113.19	116.08	116.08	110.76	110.76	112.55	108.98	-7.25%
Monthly Increase in Petrol	34%	4%	0%	0%	-3%	3%	5%	2%	0%	-3%	0%	2%		
Monthly Increase in Diesel	27%	5%	0%	-2%	-3%	7%	4%	3%	0%	-5%	0%	2%		

2021-22	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Annual Average	Increase w.r.t. Last Year
Premier Euro 5	118.09	119.8	123.3	137.79	145.82	140.82	147.83	159.86	149.86	149.86	179.86	233.89	150.57	41.46%
Hi-Cetane Diesel Euro 5	116.53	116.53	120.04	134.48	142.62	137.62	144.62	154.15	144.15	144.15	174.15	263.31	149.36	37.06%
Monthly Increase in Petrol	7%	1%	3%	12%	6%	-3%	5%	8%	-6%	0%	20%	30%		
Monthly Increase in Diesel	4%	0%	3%	12%	6%	-4%	5%	7%	-6%	0%	21%	51%		

2022-23	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Annual Average	Increase w.r.t. Last Year
Premier Euro 5	230.24	233.91	237.43	224.8	224.8	214.8	249.8	272	272	282	270	262	247.82	64.59%
Hi-Cetane Diesel Euro 5	236	244.44	247.43	235.3	235.3	227.8	262.8	280	293	293	258	253	255.51	71.06%
Monthly Increase in Petrol	-2%	2%	2%	-5%	0%	-4%	16%	9%	0%	4%	-4%	-3%		
Monthly Increase in Diesel	-10%	4%	1%	-5%	0%	-3%	15%	7%	5%	0%	-12%	-2%		

2023-24	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Annual Average	Increase w.r.t. Last Year
Premier Euro 5	253	290.45	331.38	283.38	281.34	267.34	259.34	275.62					280.23	13.08%
Hi-Cetane Diesel Euro 5	253.5	293.4	329.18	303.18	296.71	276.21	276.21	287.33					289.47	13.29%
Monthly Increase in Petrol	-3%	15%	14%	-14%	-1%	-5%	-3%	6%						
Monthly Increase in Diesel	0%	16%	12%	-8%	-2%	-7%	0%	4%						

Data prepared from Pol Archives @ <https://psopk.com/en/product-and-services/product-prices/pol/pol-archives>

PROJECTED RORB

DESCRIPTION	UOM	AUDITED	AUDITED	PROJECTED	PROJECTED
		FY'2021-22	FY'2022-23	FY'2023-24	FY'2024-25
Gross Fixed Assets in Operation-B/F	[Mln Rs]	94,444	107,485	121,951	135,978
Addition in Fixed Assets	[Mln Rs]	13,041	14,466	14,027	14,977
Gross Fixed Assets in Operation-C/B	[Mln Rs]	107,485	121,951	135,978	150,954
Less: Accumulated Depreciation	[Mln Rs]	39,112	43,322	48,002	53,211
Net Fixed Assets in Operation	[Mln Rs]	68,373	78,629	87,976	97,743
Add: Capital Work In Progress - C/B	[Mln Rs]	33,544	37,385	41,837	44,669
Less: Cap. WIP-Deposit Portion	[Mln Rs]	14,643	16,777	14,643	14,643
Investment in Fixed Assets	[Mln Rs]	87,274	99,236	115,169	127,769
Less: Deferred Credits	[Mln Rs]	39,222	43,715	48,047	52,459
Regulatory Assets Base	[Mln Rs]	48,052	55,521	67,122	75,310
Average Regulatory Assets Base	[Mln Rs]	45,195	51,787	61,321	71,216

Rate of Return	[%age]	12.03%	17.07%	21.27%	21.27%
Return on Rate Base	[Mln Rs]	5,437	8,842	13,041	15,145

Working Notes

(N-1) CWIP CALCULATION		2021-22	2022-23	2023-24	2024-25
Capital WIP O/B	[Mln Rs]	26,649	33,544	37,385	41,837
Addition	[Mln Rs]	13,142	18,306	18,479	17,809
Capitalised	[Mln Rs]	6,248	14,466	14,027	14,977
Capital WIP C/B	[Mln Rs]	33,544	37,385	41,837	44,669

(N-2) DEFERRED CREDIT		2021-22	2022-23	2023-24	2024-25
Balance brought forward	[Mln Rs]	51,518	57,759	64,561	71,082
Additions during the year	[Mln Rs]	6,241	6,802	6,521	6,662
Balance carried forward	[Mln Rs]	57,759	64,561	71,082	77,744
Amortization					
- Balance brought forward	[Mln Rs]	16,466	18,537	20,846	23,036
- For the year	[Mln Rs]	2,071	2,309	2,190	2,249
Balance carried forward	[Mln Rs]	18,537	20,846	23,036	25,285
Net Deferred Credit	[Mln Rs]	39,222	43,715	48,047	52,459

(N-3) WACC CALCULATION		2021-22	2022-23	2023-24	2024-25
WACC Determined		10.93%	10.93%	21.14%	
KIBOR-3 Month					
July		7.45%	15.32%	22.90%	22.90%
Date		02-Jul-2021	04-Jul-2022	04-Jul-2023	04-Jul-2023
January		10.52%	17.06%	21.46%	21.46%
Date		01-Jan-2022	03-Jan-2023	02-Jan-2024	02-Jan-2024
Cost of Equity		14.47%	14.47%	14.47%	14.47%
Cost of Debt- Biannually*		10.99%	18.19%	24.18%	24.18%
WACC Recalculated/Proj.		12.03%	17.07%	21.27%	21.27%

Note: As per Tariff Determination Cost of Debt has been computed biannually.

PRIOR YEAR ADJUSTMENT

Rs. Mln

Description	PESCO
2nd Qtr. FY 2022-23 (Apr-Jun-23)	
Allowed Amount	(1,983)
Qtr. Rs./kWh	(0.53)
Recovered	(2,105)
Under/(Over) Recovery	122
3rd Qtr. FY 2022-23 (Jul-Sep-23)	
Allowed Amount	1,376
Qtr. Rs./kWh	0.33
Recovered	1,394
Under/(Over) Recovery	(18)
Distribution Margin FY 2022-23	
Allowed	32,647
Rate Rs/kVh	2.47
Recovered	28,916
Under/(Over) Recovery	3,731
PYA 2020-21	
Allowed	(2,949)
Rate Rs/kWh	(0.22)
Sales till Jul, 24 2023	13,552
Recovered	(2,514)
Under/(Over) Recovery	(435)
Sales Mix Variance	
FY 2022-23	5,100
MYT True Ups	
FY 2022-23	
Depreciation FY 2022-23	
Allowed	3,789
Actual	4,210
Under / (Over) Recovery	422
RORB FY 2022-23	
Allowed	7,514
Actual	8,842
Under / (Over) Recovery	1,328
Other Income FY 2022-23	
Allowed	(4,180)
Actual	(5,021)
Under / (Over) Recovery	(841)

over time points

PRIOR YEAR ADJUSTMENT

Rs. Mln

Description	PESCO
Pending Adjustments	
Impact of positive FCA regarding Lifeline Consumers	
FY 2017-18	54
FY 2018-19	202
FY 2019-20	506
FY 2023-24 (upto Dec-23)	165
Total	927
FY 2022-23	
Allowed (Upto Dec22)	47
Actual	128
Under / (Over) Recovery	81
FY 2021-22	
Allowed	425
Actual	336
Under / (Over) Recovery	(89)
FY 2020-21	
Allowed	15
Actual	260
Under / (Over) Recovery	245
NITDC Pensioners	
FY 2022-23	28
FY 2023-24 (upto Dec-23)	16
Sub Total	44
Total Prior Period Adjustment	107615
Turnover Tax	
FY 2022-23	3,150
FY 2023-24 (upto Dec-23)	790
	3,940
Total Proposed Adjustment	14555

SALES MIX FOR FY 2022-23 (Net of Incremental Units)								
Sr. No	Particular	Actual Units (MKwh)	NEPRA Sales Mix (%)	NEPRA Sales Mix (%)	NEPRA Sales Mix (%)	NEPRA Units (MKwh)	Sales Mix (Mln. Rs.)	
			SRO No.1424 Dated 05-11-2021	SRO No.989 Dated 05-07-2022	SRO No.1173 Dated 25-07-2022			
RESIDENTIAL - A1								
1	0-50 units (LifeLine)	Units/Month	40	0.59%	0.69%	61	99	
2	51-100 units (LifeLi	Units	71		0.28%	21	(873)	
3	0-100 units (Protect	Units	1,148		9.80%	743	(7,771)	
4	101-200 units (Prote	Units	242		2.17%	164	(1,619)	
5	0-100 units	Units	371	9.61%	3.75%	428	750	
6	101-200 units	Units	860	13.70%	7.95%	807	(1,360)	
7	201-300 units	Units	1,122	9.88%	11.33%	1,006	(2,414)	
8	301-400 units	Units	380	12.92%	6.11%	657	6,620	
9	401-500 units	Units	250		3.77%	285	1,245	
10	501-600 units	Units	130		2.30%	175	1,498	
11	601-700 units	Units	117		1.47%	111	345	
12	above 700 units	Units	227	4.44%	4.40%	400	5,107	
13	A-1b(03)T peak	Units	32	0.41%	0.00%	6	(789)	
14	off peak	Units	138	1.66%	0.34%	51	(2,016)	
15	Temp. domestic E-1 I (55)	Units	0	0.00%	1.56%	119	3,790	
TOTAL DOMESTIC			5,128	53.21%	55.92%	5,035	2,612	
COMMERCIAL - A2								
10	Commercial Tariff (04)		325	3.20%	3.34%	301	(604)	
11	A-2b (05)		0	0.00%	0.90%	68	1,767	
12	A-2c(06)T	Peak	103	1.10%	4.07%	325	6,890	
13	A-2c (06) T	Off-Peak	445	4.39%	0.02%	67	(9,330)	
14	Temp. coml E-1II (56)		3	0.03%	0.01%	1	(41)	
TOTAL COMMERCIAL			875	8.73%	8.34%	763	(1,319)	
INDUSTRIAL								
15	B-1 (07)		4	0.08%	0.05%	5	32	
16	B-1 (08)		0	0.00%	0.00%	-	(0)	
17	B-1b(09) T	Peak	8	0.18%	0.09%	10	48	
18	B-1b(09) T	Off-Peak	44	0.83%	0.65%	62	388	
19	B-2a(10)		0	0.01%	0.01%	1	11	
20	B-2b(12) T	Peak	100	1.26%	1.10%	102	42	
21	B-2b(12) T	Off-Peak	516	5.82%	6.92%	612	2,213	
22	B-3(14) T	Peak	100	1.54%	1.10%	106	118	
23	B-3(14) T	Off-Peak	467	7.85%	7.31%	672	4,763	
24	B-4(17) T	Peak	86	1.44%	0.89%	89	44	
25	B-4(17) T	Off-Peak	437	6.81%	5.55%	522	1,760	
26	E-2(58) Temp		1	0.00%	0.00%	-	(23)	
TOTAL INDUSTRIAL			1,764	25.82%	23.68%	2,181	9,396	
BULK SUPPLY								
27	C-1a (19)		0	0.00%	0.00%	-	(3)	
28	C-1b (25)		9	0.20%	0.16%	15	155	
29	C-1c (26) T	Peak	9	0.13%	0.09%	9	(14)	
30	C-1c (26) T	Off-Peak	44	0.57%	0.46%	43	(33)	
31	C-2a (28)		7	0.05%	0.12%	10	77	
32	C-2b (29) T	Peak	53	0.39%	0.31%	29	(755)	
33	C-2b (29) T	Off-Peak	240	1.60%	1.44%	133	(2,727)	
34	C-3a(37)	Off-Peak	0	0.03%	0.00%	0	4	
35	C-3b (38) T	Peak	2	0.00%	0.03%	2	(6)	
36	C-3b (38) T	Off-Peak	12	0.15%	0.13%	12	5	
TOTAL BULK SUPPLY			377	3.13%	2.73%	254	(3,296)	
AGRICULTURAL T/WELLS - TARIFF - D								
37	D-1A (41,42,43,44,46)		0	0.03%	0.00%	0	(2)	
38	D-2A (47,48,49,52)	(NOR)	10	0.16%	0.02%	4	(166)	
39	D-2A (47,48,49,52)	(SUB)	-	0.00%	0.00%	-	-	
40	D-1b (45) T	Peak	0	0.01%	0.00%	0	(5)	
41	D-1b (45) T	Off-Peak	1	0.04%	0.17%	13	286	
42	D-2b (50, 51,53,54) T	Peak (NOR)	7	0.09%	0.10%	9	59	
43	D-2b (50, 51,53,54) T	Off-Peak (NOR)	37	0.41%	0.53%	47	243	
44	D-2b (50, 51,53,54) T	Peak (SUB)	0	0.00%	0.00%	-	(0)	
45	D-2b (50, 51,53,54) T	Off-Peak (SUB)	-	0.00%	0.00%	-	-	
TOTAL AGRICULTURAL T/WELL			56	0.74%	0.82%	73	414	
46	Public Light PVT G (72,73)		12	0.14%	0.14%	12	(3)	
47	Residential Colonies H (76,79)		1	0.02%	0.01%	1	(12)	
48	AJK Tariff K-1 (35)		-	0.03%	0.00%	0	8	
49	AJK Tariff K-1 (36) T	Peak	81	0.84%	0.78%	72	(323)	
50	AJK Tariff K-1 (36) T	Off Peak	325	3.36%	3.16%	290	(905)	
Total-AJK			420	4.39%	4.09%	375	(1,235)	
GENERAL SERVICES - A3								
51	A-3A(66)		456	3.98%	4.42%	395	(1,470)	
Company Total			9,076	100%	100%	9,076	5,100	



PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

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OFFICE OF THE
CHIEF EXECUTIVE OFFICER
PESCO PESHAWAR
Dated: 14/05/2022

No: 8133-4//FD/PESCO/CP&C

The Registrar,
National Electric Power Regulatory Authority,
NEPRA Tower, Attaturk Avenue, Sector G-5/1,
ISLAMABAD.

Subject: **IMPACT OF POSITIVE FCA IN THE MATTER OF LIFE LINE CONSUMERS IN REQUESTS FILED BY PESCO FOR PERIODIC ADJUSTMENTS IN TARIFF FOR FY 2017-18 TO FY 2020-21.**

In continuation of Multi Year Tariff petition filed by PESCO on 03-06-2021 and multiple discussions with NEPRA Tariff team, your kind attention is invited towards the NEPRA Decisions in the matter of request filed by PESCO for Periodic Quarterly Adjustments in Tariff for FY 2017-18 to FY 2020-21, wherein the Authority has not considered/ allowed the impact of lifeline consumers. Moreover, the said impact of lifeline consumers has also not 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 2017-18 to FY 2020-21. The detailed monthly working is attached at Annex-A.

The yearly detail of pending/ unrecovered Positive FCA on lifeline consumers as per the requests filed by PESCO and quarterly FCA allowed by NEPRA is as under:

Rs. In Million			
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

Keeping foregoing in view, it is requested to kindly 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 in the Multi-Year Tariff Petition filed by PESCO for its Consumer End Tariff for FY 2020-21 to FY 2024-25 please.

CHIEF EXECUTIVE OFFICER
PESCO PESHAWAR

Cc to:

- Chief Financial Officer, PPMC, Evacuee Trust Complex, Islamabad.
- Chief Financial Officer, CPPA-G, Islamabad.

PESHAWAR ELECTRIC SUPPLY COMPANY
IMPACT OF LIFE LINE CONSUMERS IN QUARTERLY ADJUSTMENTS

Year	Description	NEPRA Determined	As per PESCO	Variance
FY 2017-18	4th Qtr	511	565	54
	Sub Total	511	565	54
FY 2018-19	1st Qtr	841	902	61
	2nd Qtr	251	276	25
	3rd Qtr	897	990	93
	4th Qtr	162	184	23
	Sub Total	2,150	2,352	202
FY 2019-20	1st Qtr	2,673	2,947	274
	2nd Qtr	1,465	1,616	150
	3rd Qtr	802	884	82
	Sub Total	4,940	5,446	506
FY 2020-21	1st Qtr	1,229	1,355	126
	2nd Qtr	885	976	91
	3rd Qtr	356	401	45
	Sub Total	2,470	2,731	261
Grand Total		10,071	11,095	1,023

Quarterly Adjustments - 4th Qtr		FY 2017-18	
EPP Adjustment		4th Qtr	4th Qtr
EPP - 1st month of the Qtr			
Reference -		6.7227	6.7227
Actual		6.7587	6.7587
Variable O&M & Wind & Solar Adjustment		0.7538	0.7538
Net EPP		6.0051	6.0051
Disallowed & Deferred Cost		10.0278	10.0278
Fuel Price Adjustment Allowed		0.6593	0.6593
EPP - 2nd month of the Qtr			
Reference -		5.2903	5.2903
Actual		7.2993	7.2993
Variable O&M & Wind & Solar Adjustment		0.6690	0.6690
Net EPP		6.6308	6.6308
Disallowed & Deferred Cost		0.1188	0.1188
Fuel Price Adjustment Allowed		1.2212	1.2212
EPP - 3rd month of the Qtr			
Reference -		4.9927	4.9927
Actual		6.3491	6.3491
Variable O&M & Wind & Solar Adjustment		0.6241	0.6241
Net EPP		5.7250	5.7250
Disallowed & Deferred Cost		0.2239	0.2239
Fuel Price Adjustment Allowed		0.5084	0.5084

		Determined	PESCO	Variance
		4th Qtr	4th Qtr	4th Qtr
1st month of the Qtr	Target Losses for the quarter	31.95%	31.95%	-
	1st month of the Qtr			
	Units Received (MkWh)	1,073	1,073	-
	Units to be sold (MkWh)	730	730	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	730	730	-
	Adjustment already given (Min Rs)	(504)	(504)	-
	Adjustment that should have been with allowed costs only (Min Rs)	(740)	(740)	-
	Impact of disallowed & Deferred costs (Min Rs)	(30)	(30)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	(236)	(236)	-
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(236)	(236)	-
	Impact of lifeline, from new reference	-	-	-
	Impact of losses from new reference	(236)	(236)	-
		(236)	(236)	-
2nd month of the Qtr		31.95%	31.95%	-
	2nd month of the Qtr			
	Units Received (MkWh)	1,292	1,292	-
	Units to be sold (MkWh)	879	879	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	879	849	30
	Adjustment already given (Min Rs)	1,073	1,037	36
	Adjustment that should have been with allowed costs only (Min Rs)	1,577	1,577	-
	Impact of disallowed & Deferred costs (Min Rs)	153	153	-
	Remaining adjustment for the quarter only allowed (Min Rs)	504	540	(36)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	657	694	(36)
	Impact of lifeline, from new reference	-	36	(36)
	Impact of losses from new reference	304	504	-
		504	540	(36)
3rd month of the Qtr		31.95%	31.95%	-
	3rd month of the Qtr			
	Units Received (MkWh)	1,500	1,500	-
	Units to be sold (MkWh)	1,020	1,020	-
	Units without Life line (MkWh)	1,020	986	35
	Adjustment already given (Min Rs)	519	501	18
	Adjustment that should have been with allowed costs only (Min Rs)	762	762	-
	Impact of disallowed & Deferred costs (Min Rs)	336	336	-
	Remaining adjustment for the quarter (Min Rs)	244	261	(18)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	579	597	(18)
	Impact of lifeline, from new reference	-	18	(18)
	Impact of losses from new reference	244	244	-
		244	261	(18)
Total Adjustment on account of EPP allowed only (Min Rs)		511	565	(54)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)		970	1,025	(54)
Impact of lifeline, from new reference		-	54	(54)
Impact of losses from new reference		511	511	-
		511	565	(54)

Quarterly Adjustments - 1st Qtr		FY 2018-19	
EPP Adjustment		1st Qtr	1st Qtr
EPP - 1st month of the Qtr			
Reference -		4,9811	4,9811
Actual -		5,2839	6,2839
Variable O&M & Wind & Solar Adjustment		1,1599	1,1599
Net EPP		5,1240	5,1240
Disallowed & Deferred Cost		(0,2696)	(0,2099)
Fuel Price Adjustment Allowed		0,3525	0,3525
EPP - 2nd month of the Qtr			
Reference -		4,7552	4,7552
Actual -		6,6406	6,6406
Variable O&M & Wind & Solar Adjustment		0,9351	0,9351
Net EPP		5,7054	5,7054
Disallowed & Deferred Cost		(0,2139)	(0,2139)
Fuel Price Adjustment Allowed		1,1695	1,1695
EPP - 3rd month of the Qtr			
Reference -		5,1217	5,1217
Actual -		6,2444	6,2444
Variable O&M & Wind & Solar Adjustment		0,7545	0,7545
Net EPP		5,4898	5,4898
Disallowed & Deferred Cost		0,1682	0,1682
Fuel Price Adjustment Allowed		0,3999	0,3999

		Determined	PESCO	Variance
		1st Qtr	1st Qtr	1st Qtr
1st month of the Qtr	Target Losses for the quarter	31.95%	31.95%	-
	1st month of the Qtr			
	Units Received (MKWh)	1,536	1,536	-
	Units to be sold (MKWh)	1,045	1,045	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MKWh)	1,045	1,010	35
	Adjustment already given (Min Rs)	368	356	12
	Adjustment that should have been with allowed costs only (Min Rs)	541	541	-
	Impact of Disallowed & Deferred costs (Min Rs)	(322)	(322)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	179	186	(13)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(149)	(136)	(13)
	Impact of lifeline, from new reference	-	13	(13)
	Impact of losses from new reference	179	173	-
		179	186	(13)
2nd month of the Qtr		31.95%	31.95%	-
	2nd month of the Qtr	62.13	62.13	-
	Units Received (MKWh)	1,563	1,563	-
	Units to be sold (MKWh)	1,063	1,063	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MKWh)	1,063	1,027	36
	Adjustment already given (Min Rs)	1,237	1,195	42
	Adjustment that should have been with allowed costs only (Min Rs)	1,818	1,818	-
	Impact of Disallowed & Deferred costs (Min Rs)	(333)	(333)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	581	623	(42)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	248	290	(42)
	Impact of lifeline, from new reference	-	42	(42)
	Impact of losses from new reference	581	581	-
		581	623	(42)
3rd month of the Qtr		31.95%	31.95%	-
	3rd month of the Qtr			
	Units Received (MKWh)	1,361	1,361	-
	Units to be sold (MKWh)	926	926	-
	Units without Life line (MKWh)	926	895	31
	Adjustment already given (Min Rs)	185	179	6
	Adjustment that should have been with allowed costs only (Min Rs)	272	272	-
	Impact of disallowed & Deferred costs (Min Rs)	229	229	-
	Remaining adjustment for the quarter (Min Rs)	87	93	(6)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	316	322	(6)
	Impact of lifeline, from new reference	-	6	(6)
	Impact of losses from new reference	87	87	-
		87	93	(6)
Total Adjustment on account of EPP allowed only (Min Rs)		841	902	(61)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)		415	475	(61)
Impact of lifeline, from new reference		-	61	(61)
Impact of losses from new reference		841	841	-
		841	902	(61)

Notes: As per Tariff...

Quarterly Adjustments - 2nd Qtr		FY 2018-19	
EPP Adjustment		2nd Qtr	2nd Qtr
EPP - 1st month of the Qtr			
Reference -		5.2366	5.2366
Actual -		5.7897	5.7897
Variable O&M & Wind & Solar Adjustment		0.4859	0.4859
Net EPP		5.3027	5.3027
Disallowed & Deferred Cost		(0.4090)	(0.4090)
Fuel Price Adjustment Allowed		0.4741	0.4741
EPP - 2nd month of the Qtr			
Reference -		5.0497	5.0497
Actual -		5.1861	5.1861
Variable O&M & Wind & Solar Adjustment		0.5530	0.5530
Net EPP		4.6331	4.6331
Disallowed & Deferred Cost		(0.0938)	(0.0938)
Fuel Price Adjustment Allowed		(0.3228)	(0.3228)
EPP - 3rd month of the Qtr			
Reference -		5.8619	5.8619
Actual -		6.6052	6.6052
Variable O&M & Wind & Solar Adjustment		0.7790	0.7790
Net EPP		5.8261	5.8261
Disallowed & Deferred Cost		(0.6049)	(0.6049)
Fuel Price Adjustment Allowed		0.5685	0.5685

		Determined	PESCO	Variance
		2nd Qtr	2nd Qtr	2nd Qtr
1st month of the Qtr	Target Losses for the quarter	31.95%	31.95%	-
	1st month of the Qtr			-
	Units Received (MkWh)	1,006	1,006	-
	Units to be sold (MkWh)	685	685	-
	Units without Life Line, Agriculture & Domestic Consumer upto 300 units (MkWh)	685	661	23
	Adjustment already given (Min Rs)	325	314	11
	Adjustment that should have been with allowed costs only (Min Rs)	477	477	-
	Impact of disallowed & Deferred costs (Min Rs)	(410)	(410)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	152	163	(11)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(258)	(247)	(11)
	Impact of lifeline, from new reference	-	11	(11)
	Impact of losses from new reference	152	152	-
		152	163	(11)
				-
2nd month of the Qtr		31.95%	31.95%	-
	2nd month of the Qtr	62.13	62.13	-
	Units Received (MkWh)	948	948	-
	Units to be sold (MkWh)	645	645	-
	Units without Life Line, Agriculture & Domestic Consumer upto 300 units (MkWh)	645	645	-
	Adjustment already given (Min Rs)	(208)	(208)	-
	Adjustment that should have been with allowed costs only (Min Rs)	(306)	(306)	-
	Impact of disallowed & Deferred costs (Min Rs)	(89)	(89)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	(98)	(98)	-
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(187)	(187)	-
	Impact of lifeline, from new reference	-	-	0
	Impact of losses from new reference	(98)	(98)	-
		(98)	(98)	-
				-
3rd month of the Qtr		31.95%	31.95%	-
	3rd month of the Qtr			-
	Units Received (MkWh)	1,079	1,079	-
	Units to be sold (MkWh)	734	734	-
	Units without Life Line (MkWh)	734	709	25
	Adjustment already given (Min Rs)	417	403	14
	Adjustment that should have been with allowed costs only (Min Rs)	613	613	-
	Impact of disallowed & Deferred costs (Min Rs)	(652)	(652)	-
	Remaining adjustment for the quarter (Min Rs)	196	210	(14)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(456)	(442)	(14)
	Impact of lifeline, from new reference	-	14	(14)
	Impact of losses from new reference	196	196	-
		196	210	(14)
				-
Total Adjustment on account of EPP allowed only (Min Rs)		251	276	(25)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)		(903)	(876)	(25)
Impact of lifeline, from new reference		-	25	(25)
Impact of losses from new reference		251	251	-
		251	276	(25)

Quarterly Adjustments - 3rd Qtr		FY 2016-17	
		3rd Qtr	3rd Qtr
EPP Adjustment			
EPP - 1st month of the Qtr			
Reference -		5.7578	5.7576
Actual -		7.7395	7.7395
Variable O&M & Wind & Solar Adjustment		0.2549	0.2549
Net EPP		6.8846	6.8846
Disallowed & Deferred Cost		(0.6786)	(0.6786)
Fuel Price Adjustment Allowed		1.8056	1.8058
EPP - 2nd month of the Qtr			
Reference -		3.9710	3.9710
Actual -		5.7718	5.7718
Variable O&M & Wind & Solar Adjustment		1.0948	1.0948
Net EPP		4.6770	4.6770
Disallowed & Deferred Cost		(0.1030)	(0.1030)
Fuel Price Adjustment Allowed		0.8090	0.8090
EPP - 3rd month of the Qtr			
Reference -		5.0010	5.0010
Actual -		6.7329	6.7329
Variable O&M & Wind & Solar Adjustment		0.9943	0.9943
Net EPP		5.7386	5.7386
Disallowed & Deferred Cost		0.7748	0.7748
Fuel Price Adjustment Allowed		(0.0372)	(0.0372)

		Determined 3rd Qtr	PESCO 3rd Qtr	Variance 3rd Qtr
1st month of the Qtr	Target Losses for the quarter			
	1st month of the Qtr	31.95%	31.95%	-
	Units Received (MkWh)	1,140	1,140	-
	Units to be sold (MkWh)	776	776	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	776	739	37
	Adjustment already given (Mln Rs)	1,401	1,334	67
	Adjustment that should have been with allowed costs only (Mln Rs)	2,059	2,059	-
	Impact of disallowed & Deferred costs (Mln Rs)	(774)	(774)	-
	Remaining adjustment for the quarter only allowed (Mln Rs)	658	725	(67)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Mln Rs) Net	(118)	(49)	(67)
	Impact of lifeline, from new reference	-	67	(67)
	Impact of losses from new reference	658	658	-
		838	725	(67)
2nd month of the Qtr	2nd month of the Qtr	31.95%	31.95%	-
	Units Received (MkWh)	82.13	82.13	-
	Units to be sold (MkWh)	971	971	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	661	661	-
	Adjustment already given (Mln Rs)	661	629	32
	Adjustment that should have been with allowed costs only (Mln Rs)	535	509	26
	Impact of disallowed & Deferred costs (Mln Rs)	786	785	-
	Impact of disallowed & Deferred costs (Mln Rs)	(100)	(100)	-
	Remaining adjustment for the quarter only allowed (Mln Rs)	251	277	(26)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Mln Rs) Net	151	177	(26)
	Impact of lifeline, from new reference	-	26	(26)
	Impact of losses from new reference	251	251	-
		251	277	(26)
3rd month of the Qtr	3rd month of the Qtr	31.95%	31.95%	-
	Units Received (MkWh)	969	969	-
	Units to be sold (MkWh)	659	659	-
	Units without Life line (MkWh)	659	630	-
	Adjustment already given (Mln Rs)	(25)	(25)	-
	Adjustment that should have been with allowed costs only (Mln Rs)	(36)	(36)	-
	Impact of disallowed & Deferred costs (Mln Rs)	751	751	-
	Remaining adjustment for the quarter (Mln Rs)	(12)	(12)	-
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Mln Rs) Net	739	739	-
	Impact of lifeline, from new reference	-	-	-
	Impact of losses from new reference	(12)	(12)	-
		(12)	(12)	-
Total Adjustment on account of EPP allowed only (Mln Rs)		897	990	(93)
Total Adjustment on account of EPP allowed disallowed & Deferred (Mln Rs)		774	867	(93)
Impact of lifeline, from new reference		-	93	(93)
Impact of losses from new reference		897	897	-
		897	990	(93)

Quarterly Adjustments - 4th Qrt		FY2018-19	
		4th Qrt	4th Qrt
EPP Adjustment			
EPP - 1st month of the Qrt			
Reference -		5.2359	5.2359
Actual		6.4134	6.4134
Variable O&M & Wind & Solar Adjustment		1.1944	1.1944
Net EPP		5.2190	5.2190
Disallowed & Deferred Cost		(0.5577)	(0.5577)
Fuel Price Adjustment Allowed		0.5508	0.5508
EPP - 2nd month of the Qrt			
Reference -		5.0457	5.0457
Actual		5.9254	5.9254
Variable O&M & Wind & Solar Adjustment		1.0595	1.0595
Net EPP		4.8658	4.8658
Disallowed & Deferred Cost		(0.2798)	(0.2798)
Fuel Price Adjustment Allowed		0.0999	0.0999
EPP - 3rd month of the Qrt			
Reference -		5.1130	5.1130
Actual		7.2445	7.2445
Variable O&M & Wind & Solar Adjustment		1.0457	1.0457
Net EPP		6.1908	6.1908
Disallowed & Deferred Cost		1.2165	1.2165
Fuel Price Adjustment Allowed		(0.1303)	(0.1303)

		Determined 4th Qrt	FESCO 4th Qrt	Variance 4th Qrt
1st month of the Qrt	Target Losses for the quarter	31.95%	31.95%	-
	1st month of the Qrt			-
	Units Received (MkWh)	1,015	1,015	-
	Units to be sold (MkWh)	691	691	-
	Units without Life Line, Agriculture & Domestic Consumer upto 300 units (MkWh)	691	658	33
	Adjustment already given (Min Rs)	381	362	18
	Adjustment that should have been with allowed costs only (Min Rs)	559	559	-
	Impact of disallowed & Deferred costs (Min Rs)	(576)	(576)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	179	197	(18)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(398)	(373)	(25)
	Impact of Lifeline, from new reference	-	18	(18)
	Impact of losses from new reference	179	179	-
		179	197	(18)
2nd month of the Qrt		31.95%	31.95%	-
	2nd month of the Qrt	62.13	62.13	-
	Units Received (MkWh)	1,378	1,378	-
	Units to be sold (MkWh)	938	938	-
	Units without Life Line, Agriculture & Domestic Consumer upto 300 units (MkWh)	938	883	45
	Adjustment already given (Min Rs)	94	69	5
	Adjustment that should have been with allowed costs only (Min Rs)	138	138	-
	Impact of disallowed & Deferred costs (Min Rs)	(386)	(386)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	44	48	(5)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(342)	(337)	(5)
	Impact of Lifeline, from new reference	-	5	(5)
	Impact of losses from new reference	44	44	-
		44	48	(5)
3rd month of the Qrt		31.95%	31.95%	-
	3rd month of the Qrt			-
	Units Received (MkWh)	1,461	1,461	-
	Units to be sold (MkWh)	994	994	-
	Units without Life Line (MkWh)	994	994	-
	Adjustment already given (Min Rs)	(130)	(130)	-
	Adjustment that should have been with allowed costs only (Min Rs)	(191)	(191)	-
	Impact of disallowed & Deferred costs (Min Rs)	1,777	1,777	-
	Remaining adjustment for the quarter (Min Rs)	(61)	(61)	-
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	1,716	1,716	-
	Impact of Lifeline, from new reference	-	-	-
	Impact of losses from new reference	(61)	(61)	-
		(61)	(61)	-
Total Adjustment on account of EPP allowed only (Min Rs)		162	184	(22)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)		977	1,000	(23)
Impact of Lifeline, from new reference		-	23	(23)
Impact of losses from new reference		162	162	-
		162	184	(22)

Quarterly Adjustments - 1st Qrt		FY 2019-20	
EPP Adjustment		1st Qrt	1st Qrt
EPP - 1st month of the Qrt			
Reference -		3,5420	3,5420
Actual -		6,7020	6,7020
Variable O&M & Wind & Solar Adjustment		1,2656	1,2656
Net EPP		5,4364	5,4364
Disallowed & Deferred Cost		0,1345	0,1345
Fuel Price Adjustment Allowed		1,7799	1,7799
EPP - 2nd month of the Qrt			
Reference -		3,2045	3,2045
Actual -		6,3213	6,3213
Variable O&M & Wind & Solar Adjustment		1,1307	1,1307
Net EPP		5,1907	5,1907
Disallowed & Deferred Cost		0,3247	0,3247
Fuel Price Adjustment Allowed		1,6615	1,6615
EPP - 3rd month of the Qrt			
Reference -		2,8410	2,8410
Actual -		6,8922	6,8922
Variable O&M & Wind & Solar Adjustment		0,8176	0,8176
Net EPP		6,0646	6,0646
Disallowed & Deferred Cost		1,3970	1,3970
Fuel Price Adjustment Allowed		1,8265	1,8265

		Determined	PESCO	Variance
		1st Qrt	1st Qrt	1st Qrt
1st month of the Qrt	Target Losses for the quarter	31.95%	31.95%	-
	1st month of the Qrt			-
	Units Received (MkWh)	1,617	1,617	-
	Units to be sold (MkWh)	1,100	1,100	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	1,100	1,047	53
	Adjustment already given (Min Rs)	1,958	1,854	94
	Adjustment that should have been with allowed costs only (Min Rs)	2,877	2,877	-
	Impact of disallowed & Deferred costs (Min Rs)	185	185	-
	Remaining adjustment for the quarter only allowed (Min Rs)	919	1,013	(94)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	1,104	1,199	(94)
	Impact of Upline, from new reference	-	94	(94)
	Impact of losses from new reference	919	919	-
		919	1,013	(94)
		31.95%	31.95%	-
2nd month of the Qrt	2nd month of the Qrt	62.13	62.13	-
	Units Received (MkWh)	1,613	1,613	-
	Units to be sold (MkWh)	1,098	1,098	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	1,098	1,045	53
	Adjustment already given (Min Rs)	1,874	1,736	88
	Adjustment that should have been with allowed costs only (Min Rs)	2,681	2,681	-
	Impact of disallowed & Deferred costs (Min Rs)	524	524	-
	Remaining adjustment for the quarter only allowed (Min Rs)	856	944	(88)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	1,380	1,468	(88)
	Impact of Upline, from new reference	-	88	(88)
	Impact of losses from new reference	856	856	-
		856	944	(88)
		31.95%	31.95%	-
				-
3rd month of the Qrt	3rd month of the Qrt	1,537	1,537	-
	Units Received (MkWh)	1,046	1,046	-
	Units to be sold (MkWh)	1,046	996	50
	Units without Life line (MkWh)	1,911	1,819	92
	Adjustment already given (Min Rs)	2,808	2,808	-
	Adjustment that should have been with allowed costs only (Min Rs)	2,148	2,148	-
	Impact of disallowed & Deferred costs (Min Rs)	897	989	(92)
	Remaining adjustment for the quarter (Min Rs)	3,045	3,137	(92)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net			
	Impact of Upline, from new reference	-	92	(92)
	Impact of losses from new reference	897	897	-
		897	989	(92)
Total Adjustment on account of EPP allowed only (Min Rs)		2,573	2,947	(274)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)		5,529	5,603	(74)
Impact of Upline, from new reference		-	274	(274)
Impact of losses from new reference		2,573	2,573	-
		2,573	2,947	(274)

Quarterly Adjustments - 2nd Qrt

FY 2019-20

EPP Adjustment	2nd Qrt	2nd Qrt
EPP - 1st month of the Qrt		
Reference -	3,7579	3,7579
Actual	5,9953	5,9953
Variable O&M & Wind & Solar Adjustment	0,7588	0,7588
Net EPP	5,2367	5,2367
Disallowed & Deferred Cost	(0,0668)	(0,0668)
Fuel Price Adjustment Allowed	1,5656	1,5656
EPP - 2nd month of the Qrt		
Reference -	2,4877	2,4877
Actual	4,5448	4,5448
Variable O&M & Wind & Solar Adjustment	0,9453	0,9453
Net EPP	3,5995	3,5995
Disallowed & Deferred Cost	0,1294	0,1294
Fuel Price Adjustment Allowed	0,9824	0,9824
EPP - 3rd month of the Qrt		
Reference -	4,4602	4,4602
Actual	7,1770	7,1770
Variable O&M & Wind & Solar Adjustment	0,8954	0,8954
Net EPP	6,2816	6,2816
Disallowed & Deferred Cost	(0,0565)	(0,0565)
Fuel Price Adjustment Allowed	1,8779	1,8779

	Determined	PESCO	Variance
	2nd Qrt	2nd Qrt	2nd Qrt
Target Losses for the quarter	31.95%	31.95%	-
1st month of the Qrt			
Units Received (MkWh)	1,057	1,057	-
Units to be sold (MkWh)	719	719	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	719	665	35
Adjustment already given (Min Rs)	1,126	1,072	54
Adjustment that should have been with allowed costs only (Min Rs)	1,655	1,655	-
Impact of Disallowed & Deferred costs (Min Rs)	(92)	(92)	-
Remaining adjustment for the quarter only allowed (Min Rs)	529	583	(54)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	437	491	(54)
Impact of lifeline, from new reference	-	54	(54)
Impact of losses from new reference	529	529	-
	529	583	(54)
2nd month of the Qrt	31.95%	31.95%	-
Units Received (MkWh)	62.13	62.13	-
Units to be sold (MkWh)	923	923	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	628	628	-
Adjustment already given (Min Rs)	628	598	30
Adjustment that should have been with allowed costs only (Min Rs)	617	587	30
Impact of Disallowed & Deferred costs (Min Rs)	907	907	-
Remaining adjustment for the quarter only allowed (Min Rs)	119	119	-
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	290	319	(30)
Impact of lifeline, from new reference	-	30	(30)
Impact of losses from new reference	290	290	-
	290	319	(30)
3rd month of the Qrt	31.95%	31.95%	-
Units Received (MkWh)	1,078	1,078	-
Units to be sold (MkWh)	734	734	-
Units without Life line (MkWh)	734	598	35
Adjustment already given (Min Rs)	1,378	1,311	68
Adjustment that should have been with allowed costs only (Min Rs)	2,024	2,024	-
Impact of Disallowed & Deferred costs (Min Rs)	(61)	(61)	-
Remaining adjustment for the quarter (Min Rs)	647	713	(66)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	586	652	(66)
Impact of lifeline, from new reference	-	66	(66)
Impact of losses from new reference	647	647	-
	647	713	(66)
Total Adjustment on account of EPP allowed only (Min Rs)	1,465	1,615	(150)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)	1,432	1,582	(150)
Impact of lifeline, from new reference	-	150	(150)
Impact of losses from new reference	1,465	1,465	-
	1,465	1,615	(150)

Quarterly Adjustments - 3rd Qrt		FY 2019-20	
		3rd Qrt	3rd Qrt
EPP Adjustment			
EPP - 1st month of the Qrt			
Reference -		5.7576	5.7576
Actual		7.0922	7.0922
Variable O&M & Wind & Solar Adjustment		1.0003	1.0003
Net EPP		6.0919	6.0918
Disallowed & Deferred Cost		(0.7768)	(0.7768)
Fuel Price Adjustment Allowed		1.1108	1.1108
EPP - 2nd month of the Qrt			
Reference -		3.9710	3.9710
Actual		5.4285	5.4285
Variable O&M & Wind & Solar Adjustment		1.0526	1.0526
Net EPP		4.3759	4.3759
Disallowed & Deferred Cost		(0.8002)	(0.8002)
Fuel Price Adjustment Allowed		1.2051	1.2051
EPP - 3rd month of the Qrt			
Reference -		5.0010	5.0010
Actual		5.1091	5.1091
Variable O&M & Wind & Solar Adjustment		0.8941	0.8941
Net EPP		4.2150	4.2150
Disallowed & Deferred Cost		(0.8929)	(0.8929)
Fuel Price Adjustment Allowed		0.1069	0.1069

		Determined	PESCO	Variance
		3rd Qrt	3rd Qrt	3rd Qrt
1st month of the Qrt	Target Losses for the quarter	31.95%	31.95%	-
	1st month of the Qrt			
	Units Received (MkWh)	1,144	1,144	-
	Units to be sold (MkWh)	778	778	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	778	741	37
	Adjustment already given (Mln Rs)	864	823	42
	Adjustment that should have been with allowed costs only (Mln Rs)	1,270	1,270	-
	Impact of Disallowed & Deferred costs (Mln Rs)	(888)	(888)	-
	Remaining adjustment for the quarter only allowed (Mln Rs)	408	447	(42)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Mln Rs) Net	(482)	(441)	(42)
	Impact of lifeline, from new reference	-	42	(42)
	Impact of losses from new reference	408	408	-
		408	447	(42)
2nd month of the Qrt		31.95%	31.95%	-
	2nd month of the Qrt			
	Units Received (MkWh)	6213	6213	-
	Units to be sold (MkWh)	944	944	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	643	643	-
	Adjustment already given (Mln Rs)	643	612	31
	Adjustment that should have been with allowed costs only (Mln Rs)	774	737	37
	Impact of Disallowed & Deferred costs (Mln Rs)	1,138	1,138	-
	Impact of Disallowed & Deferred costs (Mln Rs)	(756)	(756)	-
	Remaining adjustment for the quarter only allowed (Mln Rs)	364	401	(37)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Mln Rs) Net	(392)	(355)	(37)
	Impact of lifeline, from new reference	-	37	(37)
	Impact of losses from new reference	364	364	-
		364	401	(37)
3rd month of the Qrt		31.95%	31.95%	-
	3rd month of the Qrt			
	Units Received (MkWh)	942	942	-
	Units to be sold (MkWh)	641	641	-
	Units without Life line (MkWh)	641	610	31
	Adjustment already given (Mln Rs)	69	65	4
	Adjustment that should have been with allowed costs only (Mln Rs)	101	101	-
	Impact of Disallowed & Deferred costs (Mln Rs)	(841)	(841)	-
	Remaining adjustment for the quarter (Mln Rs)	32	35	(3)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Mln Rs) Net	(809)	(805)	(4)
	Impact of lifeline, from new reference	-	3	(3)
	Impact of losses from new reference	32	32	-
		32	35	(3)
Total Adjustment on account of EPP allowed only (Mln Rs)		802	884	(82)
Total Adjustment on account of EPP allowed disallowed & Deferred (Mln Rs)		(1,583)	(1,601)	(18)
Impact of lifeline, from new reference		-	82	(82)
Impact of losses from new reference		802	802	-
		802	884	(82)

Quarterly Adjustments - 1st Qrt		FY 2020-21	
EPP Adjustment		1st Qrt	1st Qrt
EPP - 1st month of the Qrt			
Reference -		3.5420	3.5420
Actual		4.6385	4.6385
Variable O&M & Wind & Solar Adjustment		0.9255	0.9255
Net EPP		3.7130	3.7130
Disallowed & Deferred Cost		(0.6656)	(0.6656)
Fuel Price Adjustment Allowed		0.6378	0.6378
EPP - 2nd month of the Qrt			
Reference -		3.2045	3.2045
Actual		5.2465	5.2465
Variable O&M & Wind & Solar Adjustment		0.9223	0.9223
Net EPP		4.3242	4.3242
Disallowed & Deferred Cost		0.6359	0.6359
Fuel Price Adjustment Allowed		0.4518	0.4518
EPP - 3rd month of the Qrt			
Reference -		2.8410	2.8410
Actual		5.0709	5.0709
Variable O&M & Wind & Solar Adjustment		0.7407	0.7407
Net EPP		4.3303	4.3303
Disallowed & Deferred Cost		0.3755	0.3755
Fuel Price Adjustment Allowed		1.1138	1.1138

		Determined	PESCO	Variance
		1st Qrt	1st Qrt	1st Qrt
1st month of the Qrt	Target Losses for the quarter	31.95%	31.95%	-
	1st month of the Qrt			-
	Units Received (MkWh)	1,748	1,748	-
	Units to be sold (MkWh)	1,190	1,190	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	1,130	1,130	57
	Adjustment already given (Min Rs)	996	949	48
	Adjustment that should have been with allowed costs only (Min Rs)	1,464	1,464	-
	Impact of Disallowed & Deferred costs (Min Rs)	(1,165)	(1,165)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	468	516	(48)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(698)	(650)	(48)
	Impact of Lifeline, from new reference	-	48	(48)
	Impact of losses from new reference	468	516	(48)
				-
		31.95%	31.95%	-
2nd month of the Qrt	2nd month of the Qrt			-
	Units Received (MkWh)	62.13	62.13	-
	Units to be sold (MkWh)	1,762	1,762	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	1,199	1,199	-
	Adjustment already given (Min Rs)	1,199	1,141	58
	Adjustment that should have been with allowed costs only (Min Rs)	579	551	28
	Adjustment that should have been with allowed costs only (Min Rs)	851	851	-
	Impact of Disallowed & Deferred costs (Min Rs)	1,122	1,122	-
	Remaining adjustment for the quarter only allowed (Min Rs)	272	300	(28)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	1,394	1,422	(28)
				0
	Impact of Lifeline, from new reference	-	28	(28)
	Impact of losses from new reference	272	272	-
		272	300	(28)
3rd month of the Qrt	3rd month of the Qrt			-
	Units Received (MkWh)	1,374	1,374	-
	Units to be sold (MkWh)	935	935	-
	Units without Life line (MkWh)	935	890	45
	Adjustment already given (Min Rs)	1,042	992	50
	Adjustment that should have been with allowed costs only (Min Rs)	1,531	1,531	-
	Impact of Disallowed & Deferred costs (Min Rs)	318	516	-
	Remaining adjustment for the quarter (Min Rs)	489	599	(50)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	1,005	1,055	(50)
				50
	Impact of Lifeline, from new reference	-	50	(50)
	Impact of losses from new reference	489	489	-
		489	539	(50)
		1,229	1,355	(126)
	Total Adjustment on account of EPP allowed only (Min Rs)	1,702	1,827	(125)
	Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)			
	Impact of Lifeline, from new reference	-	126	(126)
	Impact of losses from new reference	1,229	1,229	-
		1,229	1,355	(126)

Quarterly Adjustments - 2nd Qrt		FY 2020-21	
EPP Adjustment		2nd Qrt	2nd Qrt
EPP - 1st month of the Qrt			
Reference -		3,7579	3,7579
Actual		4,9600	4,9600
Variable O&M & Wind & Solar Adjustment		0.8845	0.8845
Net EPP		4.0824	4.0824
Disallowed & Deferred Cost		0.0320	0.0320
Fuel Price Adjustment Allowed		0.2925	0.2925
EPP - 2nd month of the Qrt			
Reference -		2,4877	2,4877
Actual		4,4968	4,4968
Variable O&M & Wind & Solar Adjustment		0.9298	0.9298
Net EPP		3,5669	3,5669
Disallowed & Deferred Cost		0.3096	0.3096
Fuel Price Adjustment Allowed		0.7698	0.7698
EPP - 3rd month of the Qrt			
Reference -		4,4602	4,4602
Actual		6,3776	6,3776
Variable O&M & Wind & Solar Adjustment		1,0530	1,0530
Net EPP		5,3246	5,3246
Disallowed & Deferred Cost		(0.6715)	(0.6715)
Fuel Price Adjustment Allowed		1,5359	1,5359

		Determined	PESCO	Variance
		2nd Qrt	2nd Qrt	2nd Qrt
1st month of the Qrt	Target Losses for the quarter			
	1st month of the Qrt	31.95%	31.95%	-
	Units Received (MkWh)	1,106	1,105	-
	Units to be sold (MkWh)	753	753	-
	Units without Life Line, Agriculture & Domestic Consumer upto 300 units (MkWh)	753	717	36
	Adjustment already given (Min Rs)	220	210	11
	Adjustment that should have been with allowed costs only (Min Rs)	324	324	-
	Impact of Disallowed & Deferred costs (Min Rs)	35	35	-
	Remaining adjustment for the quarter only allowed (Min Rs)	103	114	(11)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	139	149	(11)
	Impact of Lifeline, from new reference	-	11	(11)
	Impact of losses from new reference	103	103	-
		103	114	(11)
2nd month of the Qrt	2nd month of the Qrt	31.95%	31.95%	-
	Units Received (MkWh)	6213	6213	-
	Units to be sold (MkWh)	965	965	-
	Units without Life Line, Agriculture & Domestic Consumer upto 300 units (MkWh)	657	657	-
	Adjustment already given (Min Rs)	505	481	24
	Adjustment that should have been with allowed costs only (Min Rs)	743	743	-
	Impact of Disallowed & Deferred costs (Min Rs)	299	299	-
	Remaining adjustment for the quarter only allowed (Min Rs)	237	252	(20)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	536	560	(24)
	Impact of Lifeline, from new reference	-	24	(24)
	Impact of losses from new reference	237	237	-
		237	252	(24)
3rd month of the Qrt	3rd month of the Qrt	31.95%	31.95%	-
	Units Received (MkWh)	1,110	1,110	-
	Units to be sold (MkWh)	755	755	-
	Units without Life Line, Agriculture & Domestic Consumer upto 300 units (MkWh)	755	719	36
	Adjustment already given (Min Rs)	1,160	1,104	56
	Adjustment that should have been with allowed costs only (Min Rs)	1,704	1,704	-
	Impact of Disallowed & Deferred costs (Min Rs)	(745)	(745)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	544	600	(56)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(201)	(145)	(56)
	Impact of Lifeline, from new reference	-	56	(56)
	Impact of losses from new reference	344	344	-
		544	600	(56)
	Total Adjustment on account of EPP allowed only (Min Rs)	885	976	(91)
	Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)	474	565	(91)
Impact of Lifeline, from new reference		-	91	(91)
Impact of losses from new reference		885	885	-
		885	976	(91)

Quarterly Adjustments - 3rd Qrt

FY 2020-21

	3rd Qrt	3rd Qrt
EPP Adjustment		
EPP - 1st month of the Qrt		
Reference -	5.7576	5.7576
Actual	7.0839	7.0839
Variable O&M & Wind & Solar Adjustment	0.9571	0.9571
Net EPP	6.1328	6.1328
Disallowed & Deferred Cost	(0.5202)	(0.5202)
Fuel Price Adjustment Allowed	0.8254	0.8254
EPP - 2nd month of the Qrt		
Reference -	4.1414	4.1414
Actual	5.5444	5.5444
Variable O&M & Wind & Solar Adjustment	0.8028	0.8028
Net EPP	4.7415	4.7415
Disallowed & Deferred Cost	(0.0415)	(0.0415)
Fuel Price Adjustment Allowed	0.5478	0.5478
EPP - 3rd month of the Qrt		
Reference -	6.2295	6.2295
Actual	6.6754	6.6754
Variable O&M & Wind & Solar Adjustment	0.9162	0.9162
Net EPP	5.7593	5.7593
Disallowed & Deferred Cost	0.1732	0.1732
Fuel Price Adjustment Allowed	(0.6434)	(0.6434)

	Determined 3rd Qrt	PESCO 3rd Qrt	Variance 3rd Qrt
1st month of the Qrt	31.95%	31.95%	-
Units Received (MkWh)	1,162	1,162	-
Units to be sold (MkWh)	790	790	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	790	752	38
Adjustment already given (Min Rs)	703	674	34
Adjustment that should have been with allowed costs only (Min Rs)	1,040	1,040	-
Impact of disallowed & Deferred costs (Min Rs)	(604)	(604)	-
Remaining adjustment for the quarter only allowed (Min Rs)	332	366	(34)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(274)	(238)	(34)
Impact of lifeline, from new reference	-	34	(34)
Impact of losses from new reference	332	332	-
	332	366	(34)
2nd month of the Qrt	25.50%	25.50%	-
Units Received (MkWh)	62.13	62.13	-
Units to be sold (MkWh)	989	989	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	737	737	-
Adjustment already given (Min Rs)	737	720	17
Adjustment that should have been with allowed costs only (Min Rs)	473	462	11
Impact of disallowed & Deferred costs (Min Rs)	634	634	-
Impact of disallowed & Deferred costs (Min Rs)	(41)	(41)	-
Remaining adjustment for the quarter only allowed (Min Rs)	162	172	(11)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	121	151	(31)
Impact of lifeline, from new reference	-	11	(11)
Impact of losses from new reference	162	162	-
	162	172	(11)
3rd month of the Qrt	21.33%	21.33%	-
Units Received (MkWh)	1,005	1,005	-
Units to be sold (MkWh)	791	791	-
Units without Life line (MkWh)	791	791	-
Adjustment already given (Min Rs)	(509)	(509)	-
Adjustment that should have been with allowed costs only (Min Rs)	(647)	(647)	-
Impact of disallowed & Deferred costs (Min Rs)	174	174	-
Remaining adjustment for the quarter (Min Rs)	(138)	(138)	-
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	35	35	-
Impact of lifeline, from new reference	-	-	-
Impact of losses from new reference	(138)	(138)	-
	(138)	(138)	-
Total Adjustment on account of EPP allowed only (Min Rs)	355	401	(45)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)	(115)	(70)	(45)
Impact of lifeline, from new reference	-	45	(45)
Impact of losses from new reference	355	355	-
	355	401	(45)

IMPACT OF POSITIVE FCA
Regarding Lifeline Consumers

Mln. Rs.

FY 2018-19								
MONTH	Unit Received	Units to be sold	FCA Rate	Lifeline Mix	Domestic Mix	Agriculture Mix	Relevant Units	As per PESCO
	1	2	3	4	5	6	7	8=3*7
Jul-18	1,536	1,045	0.35	3.40%	40.96%	1.06%	36	13
Aug-18	1,563	1,063	1.16	3.40%	40.96%	1.06%	36	42
Sep-18	1,361	926	0.20	3.40%	40.96%	1.06%	31	6
Oct-18	1,006	685	0.47	3.40%	40.96%	1.06%	23	11
Nov-18	948	645	(0.32)	3.40%	40.96%	1.06%	293	(95)
Dec-18	1,079	734	0.57	3.40%	40.96%	1.06%	25	14
Jan-19	1,140	776	1.81	4.81%	39.83%	0.99%	37	67
Feb-19	971	661	0.81	4.81%	39.83%	0.99%	32	26
Mar-19	969	659	(0.04)	4.81%	39.83%	0.99%	301	(11)
Apr-19	1,015	691	0.55	4.81%	39.83%	0.99%	33	18
May-19	1,378	938	0.1	4.81%	39.83%	0.99%	45	5
Jun-19	1,461	994	(0.13)	4.81%	39.83%	0.99%	454	(59)
TOTAL	14,427	9,818					1,346	37

Impact of Positive FCA-Lifeline 202

FY 2019-20								
MONTH	Unit Received	Units to be sold	FCA Rate	Lifeline Mix	Domestic Mix	Agriculture Mix	Relevant Units	As per PESCO
	1	2	3	4	5	6	7	8=3*7
Jul-19	1,617	1,100	1.78	4.81%	39.83%	0.99%	53	94
Aug-19	1,613	1,098	1.66	4.81%	39.83%	0.99%	53	88
Sep-19	1,537	1,046	1.83	4.81%	39.83%	0.99%	50	92
Oct-19	1,057	719	1.57	4.81%	39.83%	0.99%	35	54
Nov-19	923	628	0.98	4.81%	39.83%	0.99%	30	30
Dec-19	1,078	733	1.88	4.81%	39.83%	0.99%	35	66
Jan-20	1,144	778	1.11	4.81%	39.83%	0.99%	37	42
Feb-20	944	643	1.21	4.81%	39.83%	0.99%	31	37
Mar-20	942	641	0.11	4.81%	39.83%	0.99%	31	3
Apr-20	1,006	684	(0.70)	4.81%	39.83%	0.99%	312	(220)
May-20	1,410	960	(1.25)	4.81%	39.83%	0.99%	438	(548)
Jun-20	1,521	1,035	(1.06)	4.81%	39.83%	0.99%	472	(500)
TOTAL	14,792	10,066					1,578	(762)

Impact of Positive FCA-Lifeline 506

FY 2020-21								
MONTH	Unit Received	Units to be sold	FCA Rate	Lifeline Mix	Domestic Mix	Agriculture Mix	Relevant Units	As per PESCO
	1	2	3	4	5	6	7	8=3*7
Jul-20	1,748	1,190	0.84	4.81%	39.83%	0.99%	57	48
Aug-20	1,762	1,199	0.48	4.81%	39.83%	0.99%	58	28
Sep-20	1,374	935	1.11	4.81%	39.83%	0.99%	45	50
Oct-20	1,106	753	0.29	4.81%	39.83%	0.99%	36	11
Nov-20	965	657	0.77	4.81%	39.83%	0.99%	32	24
Dec-20	1,110	755	1.54	4.81%	39.83%	0.99%	36	56
Jan-21	1,162	790	0.90	4.81%	39.83%	0.99%	38	34
Feb-21	989	737	0.64	0.59%	33.19%	0.73%	4	3
Mar-21	1,005	791	(0.64)	0.59%	33.19%	0.73%	273	(176)
Apr-21	1,178	927	(0.44)	0.59%	33.19%	0.73%	320	(140)
May-21	1,489	1,172	(0.26)	0.59%	33.19%	0.73%	404	(107)
Jun-21	1,654	1,301	(0.19)	0.59%	33.19%	0.73%	449	(87)
TOTAL	15,542	11,206					1,752	(256)

Impact of Positive FCA-Lifeline 253

IMPACT OF POSITIVE FCA
Regarding Lifeline Consumers

Mln. Rs.

FY 2021-22								
MONTH	Unit Received	Units to be sold	FCA Rate	Lifeline Mix	Domestic Mix	Agriculture Mix	Relevant Units	As per PESCO
	1	2	3	4	5	6	7	8=3*7
Jul-21	1,831	1,441	1.38	0.59%	33.19%	0.73%	8	12
Aug-21	1,766	1,389	1.95	0.59%	33.19%	0.73%	8	16
Sep-21	1,644	1,293	2.53	0.59%	33.19%	0.73%	8	19
Oct-21	1,217	957	4.74	0.59%	33.19%	0.73%	6	27
Nov-21	1,056	831	4.30	0.59%	33.19%	0.73%	5	21
Dec-21	1,236	972	3.10	0.59%	33.19%	0.73%	6	18
Jan-22	1,243	978	5.95	0.59%	33.19%	0.73%	6	34
Feb-22	1,080	849	4.85	0.59%	33.19%	0.73%	5	24
Mar-22	1,110	873	2.87	0.59%	33.19%	0.73%	5	15
Apr-22	1,357	1,067	3.99	0.59%	33.19%	0.73%	6	25
May-22	1,518	1,194	7.90	0.59%	33.19%	0.73%	7	56
Jun-22	1,505	1,184	9.90	0.59%	33.19%	0.73%	7	69
TOTAL	16,562	13,029					77	336

Impact of Positive FCA-Lifeline

336

FY 2022-23								
MONTH	Unit Received	Units to be sold	FCA Rate	Lifeline Mix	Domestic Mix	Agriculture Mix	Relevant Units	As per PESCO
	1	2	3	4	5	6	7	8=3*7
Jul-22	1,739	1,372	4.34	0.97%	34.98%	0.82%	13	58
Aug-22	1,600	1,278	0.19	0.97%	34.98%	0.82%	12	2
Sep-22	1,484	1,185	0.08	0.97%	34.98%	0.82%	11	1
Oct-22	1,118	892	(0.32)	0.97%	34.98%	0.82%	328	(105)
Nov-22	1,000	798	0.19	0.97%	34.98%	0.82%	8	1
Dec-22	1,154	921	(2.32)	0.97%	34.98%	0.82%	339	(785)
Jan-23	1,184	945	0.48	0.97%	34.98%	0.82%	9	4
Feb-23	1,000	798	(0.01)	0.97%	34.98%	0.82%	294	(2)
Mar-23	1,052	840	0.79	0.97%	34.98%	0.82%	8	6
Apr-23	1,115	891	1.61	0.97%	34.98%	0.82%	9	14
May-23	1,270	1,014	1.90	0.97%	34.98%	0.82%	10	19
Jun-23	1,539	1,229	1.81	0.97%	34.98%	0.82%	12	22
TOTAL	15,255	12,163					1,053	(764)

Impact of Positive FCA-Lifeline

128

FY 2023-24								
MONTH	Unit Received	Units to be sold	FCA Rate	Lifeline Mix	Domestic Mix	Agriculture Mix	Relevant Units	As per PESCO
	1	2	3	4	5	6	7	8=3*7
Jul-23	1,737	1,389	1.46	1.19%	38.75%	0.58%	17	24
Aug-23	1,770	1,421	1.71	1.19%	38.75%	0.58%	17	29
Sep-23	1,496	1,201	0.40	1.19%	38.75%	0.58%	14	6
Oct-23	958	769	3.08	1.19%	38.75%	0.58%	9	28
Nov-23	867	696	4.13	1.19%	38.75%	0.58%	8	34
Dec-23	997	801	4.57	1.19%	38.75%	0.58%	10	44
TOTAL	7,824	6,276					75	165

Impact of Positive FCA-Lifeline

165

**Commissioner Corporate Zone
RTO Peshawar**

Ref no.255/RBC/24
Date. 16 Feb, 2024

**SUBJECT: CLARIFICATION REGARDING CHARGING OF TURNOVER TAX RATE ON
SUPPLY OF ELECTRICITY BY PESCO**

**M/S PESHAWAR ELECTRIC SUPPLY COMPANY (PESCO) LIMITED
NTN: 2228080-4**

Respected Sir,

We are writing to address a matter of utmost importance regarding the chargeability of turnover tax on supply of electricity by PESCO.

It has come to our attention that PESCO is presently subjected to a turnover tax under section 113 of the Income Tax Ordinance 2001. However, we believe that this tax chargeability is inaccurate and should be adjusted in accordance with the nature of our company's operations, specifically the supply of electricity which falls under the ambit of fast-moving consumer goods (FMCG).


According to the Income Tax Ordinance 2001, fast-moving consumer goods (FMCG) should be taxed at a rate of 0.25% of the turnover tax under section 113 of the income tax ordinance, 2001. Given that the supply of electricity is inherently different from the sale of consumer goods, it is evident that the current tax chargeability adopted by PESCO does not align with the nature of PESCO's business activities.

We kindly request that please provide us with the clarification regarding the Turnover tax rate applicable on PESCO, according to our understanding of income tax ordinance, 2001 the supply of electricity made by PESCO falls under the definition of fast-moving consumer goods (FMCG) which is taxable at the rate of 0.25% of the turnover, in line with section 113 of income tax ordinance, 2001 for FMCG. This clarification would not only ensure fairness and accuracy in taxation but also alleviate unnecessary financial burdens on PESCO.

We appreciate your prompt attention to this matter and hope for a swift clarification that benefits our company and its stakeholders. Please do not hesitate to reach out if you require any additional information or clarification concerning this issue.

Thanking you.

Yours truly,

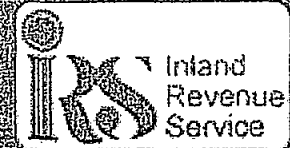

**RAFAQAT BABAR & CO
CHARTERED ACCOUNTANTS.**

cc. Commissioner Legal



TAX RECONCILIATION STATEMENT
FOR FY-2022-23

S.NO.	DESCRIPTIONS	AMOUNT (PKR)
1	Tax Assessed for the period	3,149,775,155
PAYMENT DETAILS		
ADVANCE TAX U/S 147/113		
1	IT202209290101238 6343	589,817,852
2	IT202212290101236 4332	535,613,226
3	IT202303270101233 5460	579,782,976
4	IT202305310101259 2192	300,000,000
5	IT202306230101232 7601	276,612,445
6	IT202306270101257 7821	100,000,000
7	IT202306270101257 8520	100,000,000
8	IT202306270101257 8531	100,000,000
9	IT202312290101169 9498	358,975,628
ADVANCE & ADMITTED TAX PAID		2,940,802,127
AT SOURCE TAX DEDUCTION		208,973,028
TOTAL TAX PAID		3,149,775,155



ACKNOWLEDGEMENT SLIP

114(1) (Return of Income filed voluntarily for complete year)

Name: PESHAWAR ELECTRIC SUPPLY COMPANY
Address: LIMITED
WAPDA HOUSE, SHAMI ROAD, PESHAWAR,
Peshawar Peshawar

Registration No 2228080

Tax Year : 2023

Period : 01-Jul-2022 - 30-Jun-2023

Medium :

Due Date : 31-Dec-2023

Contact No: 00923158300481

Document Date 30-Dec-2023



Description	Code	Amount
Tax Chargeable	9200	3,149,775,155

This is not a valid evidence of being a "filer" for the purposes of clauses (23A) and (35C) of sections 2 and 181A.



114(1) (Return of Income filed voluntarily for complete year)

Name: PESHAWAR ELECTRIC SUPPLY COMPANY
Address: LIMITED
WAPDA HOUSE, SHAMI ROAD, PESHAWAR,
Peshawar Peshawar

Registration No 2228080
Tax Year : 2023
Period : 01-Jul-2022 - 30-Jun-2023
Medium :
Due Date : 31-Dec-2023

Contact No: 00923158300481



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Document Date 30-Dec-2023

Manufacturing / Trading Items				
Description	Code	Total Amount	Amount Exempt from Tax / Subject to Fixed / Final Tax	Amount Subject to Normal Tax
Income / (Loss) from Business	3000	64,357,859.69	0	64,357,859.69
Net Revenue (excluding Sales Tax, Federal Excise, Brokerage, Commission, Discount, Freight Outward)	3029	240,223,816.812	0	240,223,816.812
Gross Revenue (excluding Sales Tax, Federal Excise)	3009	240,223,816.812	0	240,223,816.812
Gross Domestic Sales / Services Fee	3004	240,223,816.812	0	240,223,816.812
Cost of Sales / Services	3030	322,563,824.475	0	322,563,824.475
Opening Stock	3039	0	0	0
Domestic Raw Material / Components Opening Balance	3035	0	0	0
Net Purchases (excluding Sales Tax, Federal Excise)	3059	322,563,824.475	0	322,563,824.475
Net Domestic Purchases Raw Material / Components	3055	322,563,824.475	0	322,563,824.475
Consumed	3069	322,563,824.475	0	322,563,824.475
Domestic Raw Material / Components Consumed	3065	322,563,824.475	0	322,563,824.475
Gross Profit / (Loss)	3100	82,340,007.66	0	82,340,007.663
Other Revenues				
Description	Code	Total Amount	Amount Exempt from Tax / Subject to Fixed / Final Tax	Amount Subject to Normal Tax
Other Revenues	3129	51,754,736.778	0	51,754,736.778
Profit on Debt	3106	1,503,380.463	0	1,503,380.463



114(1) (Return of Income filed voluntarily for complete year)

Name: PESHAWAR ELECTRIC SUPPLY COMPANY
Address: LIMITED
WAPDA HOUSE, SHAMI ROAD, PESHAWAR,
Peshawar Peshawar

Registration No 2228080
Tax Year : 2023
Period : 01-Jul-2022 - 30-Jun-2023
Medium :
Due Date : 31-Dec-2023

Contact No: 00923158300481



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Document Date 30-Dec-2023

Other Revenues				
Description	Code	Total Amount	Amount Exempt from Tax / Subject to Fixed / Final Tax	Amount Subject to Normal Tax
Others	3128	50,251,356,315	0	50,251,356,315
Management, Administrative, Selling & Financial Expenses				
Description	Code	Total Amount	Amount Exempt from Tax / Subject to Fixed / Final Tax	Amount Subject to Normal Tax
Management, Administrative, Selling & Financial Expenses	3199	46,856,353,423	0	46,856,353,423
Rates / Taxes / Cess	3152	85,163,645	0	85,163,645
Salaries / Wages / Perquisites / Benefits	3154	27,686,971,304	0	27,686,971,304
Traveling / Conveyance / Vehicles Running / Maintenance	3155	596,546,962	0	596,546,962
Electricity / Water / Gas	3158	87,286,082	0	87,286,082
Communication	3162	43,615,571	0	43,615,571
Repair / Maintenance	3165	1,018,027,862	0	1,018,027,862
Stationery / Printing / Photocopies / Office Supplies	3166	625,584,932	0	625,584,932
Advertisement / Publicity / Promotion	3168	5,640,238	0	5,640,238
Insurance	3170	27,460,000	0	27,460,000
Professional Charges	3171	58,802,222	0	58,802,222
Profit on Debt (Financial Charges / Markup / Interest)	3172	1,065,899,814	0	1,065,899,814
Other Indirect Expenses	3180	416,021,332	0	416,021,332
Directors Fee	3183	14,923,427	0	14,923,427
Provision for Doubtful / Bad Debts	3191	10,913,946,930	0	10,913,946,930
Accounting Depreciation	3198	4,210,463,102	0	4,210,463,102
Accounting Profit / (Loss)	3200	-77,441,624,30	0	-77,441,624,30

114(1) (Return of Income filed voluntarily for complete year)

Name: PESHAWAR ELECTRIC SUPPLY COMPANY
Address: LIMITED
WAPDA HOUSE, SHAMI ROAD, PESHAWAR,
Peshawar Peshawar

Registration No 2228080
Tax Year : 2023
Period : 01-Jul-2022 - 30-Jun-2023
Medium :
Due Date : 31-Dec-2023

Contact No: 00923158300481



110000101349205

Document Date 30-Dec-2023

Management, Administrative, Selling & Financial Expenses				
Description	Code	Total Amount	Amount Exempt from Tax / Subject to Fixed / Final Tax	Amount Subject to Normal Tax
Accounting Profit / (Loss)	3200	8	0	8
Inadmissible / Admissible Deductions				
Description	Code	Total Amount	Amount Exempt from Tax / Subject to Fixed / Final Tax	Amount Subject to Normal Tax
Inadmissible Deductions	3239	30,171,475,887	0	30,171,475,887
Other Inadmissible Deductions	3234	25,961,012,785	0	25,961,012,785
Add Backs Accounting Depreciation	3238	4,210,463,102	0	4,210,463,102
Admissible Deductions	3259	17,087,711,274	0	17,087,711,274
Tax Amortization for Current Year	3247	0	0	0
Tax Depreciation / Initial Allowance for Current Year	3248	7,992,492,113	0	7,992,492,113
Other Admissible Deductions	3254	9,095,219,161	0	9,095,219,161
Adjustments				
Description	Code	Total Amount	Amount Exempt from Tax / Subject to Fixed / Final Tax	Amount Subject to Normal Tax
Income / (Loss) from Business before adjustment of Admissible Depreciation / Initial Allowance / Amortization for current / previous years	3270	0	0	56,365,367,582
Business Assets / Equity / Liabilities				
Description	Code	Amount		
Total Assets	3349	361,867,199,2	0	

114(1) (Return of Income filed voluntarily for complete year)

Name: PESHAWAR ELECTRIC SUPPLY COMPANY
Address: LIMITED
WAPDA HOUSE, SHAMI ROAD, PESHAWAR,
Peshawar Peshawar

Registration No 2228080
Tax Year : 2023
Period : 01-Jul-2022 - 30-Jun-2023
Medium :
Due Date : 31-Dec-2023

Contact No: 00923158300481



110000101349205

Document Date 30-Dec-2023

Business Assets / Equity / Liabilities				
Description	Code	Amount		
Total Assets	3349	89	0	
Land	3301	1,360,361,813	0	
Building (all types)	3302	3,049,999,061	0	
Plant / Machinery / Equipment / Furniture (including fittings)	3303	73,707,093,598	0	
Motor Vehicle	3304	511,133,890	0	
Capital Work in Progress	3308	37,384,263,088	0	
Long Term Investments	3311	709,333	0	
Trade Debtors / Receivables	3313	97,620,337,566	0	
Stocks / Stores / Spares	3315	11,247,241,103	0	
Short Term Advances / Deposits / Prepayments	3317	3,732,288,648	0	
Cash / Cash Equivalents	3319	10,256,838,629	0	
Other Assets	3348	122,996,932,560	0	
Total Equity / Liabilities	3399	361,867,199,289	0	
Authorized Capital	3351	50,000,000,000	0	
Issued, Subscribed & Paid up capital	3352	10,000	0	
Share Deposit Money	3353	130,867,728,553	0	
Accumulated Profits	3364	548,912,627,5	0	
Revaluation Surplus	3365	58,248,314,444	0	
Deferred Liabilities	3373	192,243,861,914	0	
Provisions / Contingencies	3374	3,145,518,170	0	
Current Portion of Long Term Liabilities	3382	3,556,618,533	0	
Advances / Deposits / Accrued Expenses	3383	3,791,062,735	0	

114(1) (Return of Income filed voluntarily for complete year)

Name: PESHAWAR ELECTRIC SUPPLY COMPANY
Address: LIMITED
WAPDA HOUSE, SHAMI ROAD, PESHAWAR,
Peshawar Peshawar

Registration No 2228080

Tax Year : 2023

Period : 01-Jul-2022 - 30-Jun-2023

Medium :

Due Date : 31-Dec-2023

Contact No: 00923158300481



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Document Date 30-Dec-2023

Business Assets / Equity / Liabilities				
Description	Code	Amount		
Trade Creditors / Payables	3384	518,926,712,499	0	
Adjustable Tax				
Description	Code	Receipts / Value	Tax Collected / Deducted	Tax Chargeable
Adjustable Tax	640000	0	199,242,776	0
Profit on Debt u/s 151 from Bank Accounts / Deposits	64040002	0	196,546,122	0
Profit on Debt u/s 151 from Bank Accounts / Deposits - 11111111 - Bank Account	64040002	0	196,546,122	0
Payment for Services u/s 153(1)(b) @8% u/c (42) of Part IV of Second Schedule	64060116	0	1,787,267	0
Private Vehicle Tax u/s 234	64130003	0	12,125	0
Private Vehicle Tax u/s 234 - 00000 - Private vehicle	64130003	0	12,125	0
Telephone Bill u/s 236(1)(a)	64150001	0	19,565	0
Telephone Bill u/s 236(1)(a) - 000000 - telephone bill	64150001	0	19,565	0
Cellphone Bill u/s 236(1)(a)	64150002	0	877,697	0
Cellphone Bill u/s 236(1)(a) - 1111111 - WHT Ufone	64150002	0	877,697	0
Capital Assets				
Description	Code	Cost / Declared Value	Fair Market Value	
Total value of capital assets taxable under section 7E	7107	0	0	0
Final / Fixed / Minimum / Average / Relevant / Reduced Tax				
Description	Code	Receipts / Value	Tax Collected / Deducted	Tax Chargeable
Final / Fixed / Minimum / Average / Relevant / Reduced Tax	640001	81,085,434	9,730,252	9,730,252
Brokerage / Commission u/s 233 @12%	64120074	81,085,434	9,730,252	9,730,252
Capital Gains on Immovable Property u/s 37(1A) where holding period exceeds 1 year but does not exceed 2 years	64220059	0	0	
Capital Gains on Immovable Property u/s 37(1A) where holding period exceeds 2 years but does not exceed 3	64330058	0	0	

114(1) (Return of Income filed voluntarily for complete year)

Name: PESHAWAR ELECTRIC SUPPLY COMPANY
Address: LIMITED
WAPDA HOUSE, SHAMI ROAD, PESHAWAR,
Peshawar Peshawar

Registration No 2228080
Tax Year : 2023
Period : 01-Jul-2022 - 30-Jun-2023
Medium :
Due Date : 31-Dec-2023

Contact No: 00923158300481



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Document Date 30-Dec-2023

Final / Fixed / Minimum / Average / Relevant / Reduced Tax				
Description	Code	Receipts / Value	Tax Collected / Deducted	Tax Chargeable
years	64330058	0	0	
Capital Gains on Immovable Property u/s 37(1A) where holding period exceeds 3 years but does not exceed 4 years	64330059	0	0	
Capital Gains on Immovable Property u/s 37(1A) where holding period exceeds 5 years but does not exceed 6 years	64330064	0	0	
Capital Gains on Immovable Property u/s 37(1A) where holding period exceeds 6 years	64330065	0	0	
Payment for Services u/s 153(1)(b) @8%	64060166	0	0	0
Computations				
Description	Code	Total Amount	Amount Exempt from Tax / Subject to Fixed / Final Tax	Amount Subject to Normal Tax
Income / (Loss) from Business	3000	64,357,859,69	0	64,357,859,695
Tax Chargeable	9200	0	0	3,149,775,155
Turnover / Tax Chargeable u/s 113 @ 1.25%	923161	251,203,592,232	0	3,140,044,903
Difference of Minimum Tax Chargeable	923201	0	0	9,730,252
Accounting Profit / Tax Chargeable u/s 113C @17%	923173	0	0	0
Difference of Minimum Tax Chargeable u/s 113	923194	0	0	3,140,044,903
Refund Adjustment of Other Year(s) against Demand of this Year	92101	0	0	0
Withholding Income Tax	9201	0	208,973,028	
Advance Income Tax	9202	0	2,581,826,499	
Admitted Income Tax	9203	0	358,975,628	0

114(1) (Return of Income filed voluntarily for complete year)

Name: PESHAWAR ELECTRIC SUPPLY COMPANY
Address: LIMITED
WAPDA HOUSE, SHAMI ROAD, PESHAWAR,
Peshawar Peshawar

Registration No 2228080
Tax Year : 2023
Period : 01-Jul-2022 - 30-Jun-2023
Medium :
Due Date : 31-Dec-2023

Contact No: 00923158300481



Document Date 30-Dec-2023

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Depreciation

Description	Code	WDV (BF)	Deletion	Addition (Used in Pakistan)	Extent of Use	Addition (New)	Extent of Use	Initial Allowance	Depreciation	WDV (CF)
Depreciation	324802	0	0	0	0	0	0	3,448,911,175	4,543,580,938	0
Depreciation - Up to 30-June-2020	324802	0	0	0	0	0	0	3,448,911,175	4,543,580,938	0
Building (all types)	330205	1,295,03,1,610	0	0	100	232,867,017	100	0	152,789,863	1375108764
Building (all types)	330205	1,295,03,1,610	0	0	100	232,867,017	100	0	152,789,863	1375108764
Plant / Machinery (not Otherwise specified)	33030105	18,295,155,649	0	0	100	0	0	0	2,744,273,347	15550882302
Plant / Machinery (not Otherwise specified)	33030105	18,295,155,649	0	0	100	0	0	0	2,744,273,347	15550882302
Computer Hardware / Allied Items / Equipment used in manufacture of IT products	33030205	67,049,646	0	0	100	47,198,124	100	0	34,274,331	79973439
Computer Hardware / Allied Items / Equipment used in manufacture of IT products	33030205	67,049,646	0	0	100	47,198,124	100	0	34,274,331	79973439
Furniture (including fittings)	33030305	9,410,143	0	0	100	6,227,444	100	0	2,345,638	13291949
Furniture (including fittings)	33030305	9,410,143	0	0	100	6,227,444	100	0	2,345,638	13291949
Motor Vehicle (not plying for hire)	3304105	245,835,405	0	0	100	140,082,797	100	0	57,887,730	328030472
Motor Vehicle (not plying for hire)	3304105	245,835,405	0	0	100	140,082,797	100	0	57,887,730	328030472

114(1) (Return of Income filed voluntarily for complete year)

Name: PESHAWAR ELECTRIC SUPPLY COMPANY
Address: LIMITED
WAPDA HOUSE, SHAMI ROAD, PESHAWAR,
Peshawar Peshawar
Contact No: 00923158300481

Registration No 2228080
Tax Year : 2023
Period : 01-Jul-2022 - 30-Jun-2023
Medium :
Due Date : 31-Dec-2023



Document Date 30-Dec-2023

Depreciation

Description	Code	WDV (BF)	Deletion	Addition (Used in Pakistan)	Extent of Use	Addition (New)	Extent of Use	Initial Allowance	Depreciation	WDV (CF)
Building (all types)	3302	0	0	0	0	0	0	0	0	0
Machinery / Equipment eligible for 1st Year Allowance	330308	0	0	0	0	13,795,644,699	100	3,448,911,175	1,552,010,029	8794723495
Plant / Machinery eligible for Initial Allowance	330308	0	0	0	0	13,795,644,699	100	3,448,911,175	1,552,010,029	8794723495
Plant / Machinery eligible for Initial Allowance	330308	0	0	0	0	13,795,644,699	100	3,448,911,175	1,552,010,029	8794723495

Minimum Tax Chargeable

Description	Code	Receipts / Value	Tax Collected / Deducted / Paid	Tax Chargeable	Attributable Taxable Income	Tax on Attributable Taxable Income	Difference of Minimum Tax Chargeable
Payment for Services u/s 153(1)(b) @8%	64060166	0	0	0	0	0	0
Brokerage / Commission u/s 233 @12%	64120074	81,085,434	9,730,252	9,730,252	17,872,837	0	9,730,252

Option out of

Description	Code	Receipts / Value	Tax Collected / Deducted / Paid	Tax Chargeable	Attributable Taxable Income	Tax on Attributable Taxable Income	Difference (Option Valid if <=0)
Brokerage / Commission u/s 233 @12%	64120074	81,085,434	9,730,252	9,730,252	-17,872,837	0	9,730,252

Payment

CPR Number	Date	Amount Code	Description	Amount	Tax Year
IT202209290101238 6343	29-Sep-2022	9202	Advance Income Tax	589817852	2023
IT202212290101236 4332	29-Dec-2022	9202	Advance Income Tax	535613226	2023
IT202303270101233 5460	27-Mar-2023	9202	Advance Income Tax	579782976	2023
IT202305310101259 2192	31-May-2023	9202	Advance Income Tax	300000000	2023
IT202306230101232 7601	23-Jun-2023	9202	Advance Income Tax	276612445	2023
IT202306270101257 7821	27-Jun-2023	9202	Advance Income Tax	100000000	2023
IT202306270101257 8520	27-Jun-2023	9202	Advance Income Tax	100000000	2023
IT202306270101257 8531	27-Jun-2023	9202	Advance Income Tax	100000000	2023
IT202312290101169 9498	29-Dec-2023	9203	Admitted Income Tax	358975628	2023



SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

CPR No : IT-20220929-0101-2386343

Payment Date : 29-Sep-2022

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTO : RTO PESHAWAR

Nature of Payment : Advance Income Tax

Tax Period : 2023

Account Head(NAM) : B01105

Details of Tax Payer

CNIC : L0949-7/19980-4

Status : CO

Taxpayer/Business : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

Name & Address : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED , WAPDA HOUSE, SHAMI ROAD,
PESHAWAR, Peshawar Peshawar

Tax Amount : 589,817,852

Amount of Tax in Words : Five Hundred Eighty Nine Million Eight Hundred Seventeen Thousand Eight Hundred Fifty Two Rupees
And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	589,817,852	29-Sep-2022		



IT-20220929-0101-2386343

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer



INCOME TAX DEPARTMENT
COMPUTERIZED PAYMENT RECEIPT (CPR - IT)



SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

CPR No : IT-20221229-0101-2364332

Payment Date : 29-Dec-2022

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTO : RTO PESHAWAR

Nature of Payment : Advance Income Tax

Tax Period : 2023

Account Head(NAM) : B01105

Details of Tax Payer

CNIC : L0949-7/19980-4

Status : CO

Taxpayer/Business : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

Name & Address : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED , WAPDA HOUSE, SHAMI ROAD,
PESHAWAR, Peshawar Peshawar

Tax Amount : 535,613,226

Amount of Tax in Words : Five Hundred Thirty Five Million Six Hundred Thirteen Thousand Two Hundred Twenty Six Rupees And
No Paisas Only

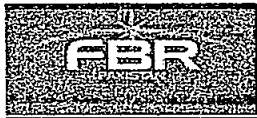
Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	535,613,226	29-Dec-2022		



FBR ADC 0101

IT-20221229-0101-2364332

Signature & Stamp of Manager / Authorized officer



INCOME TAX DEPARTMENT
COMPUTERIZED PAYMENT RECEIPT (CPR - IT)



SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

CPR No : IT-20230327-0101-2335460

Payment Date : 27-Mar-2023

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTO : RTO PESHAWAR

Nature of Payment : Advance Income Tax

Tax Period : 2023

Account Head(NAM) : B01105

Details of Tax Payer

CNIC : L0949-7/19980-4

Status : CO

Taxpayer/Business : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

Name & Address : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED , WAPDA HOUSE, SHAMI ROAD,
PESHAWAR, Peshawar Peshawar

Tax Amount : 579,782,976

Amount of Tax in Words : Five Hundred Seventy Nine Million Seven Hundred Eighty Two Thousand Nine Hundred Seventy Six
Rupees And No Paisas Only

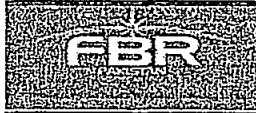
Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	579,782,976	27-Mar-2023		



FBR ADC 0101

IT-20230327-0101-2335460

Signature & Stamp of Manager / Authorized officer



INCOME TAX DEPARTMENT
COMPUTERIZED PAYMENT RECEIPT (CPR - IT)



SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

CPR No : IT-20230531-0101-2592192

Payment Date : 31-May-2023

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTO : RTO PESHAWAR

Nature of Payment : Advance Income Tax

Tax Period : 2023

Account Head(NAM) : B01105

Details of Tax Payer

CNIC : L0949-7/19980-4

Status : CO

Taxpayer/Business :

Name & Address : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED , WAPDA HOUSE, SHAMI ROAD,
PESHAWAR, Peshawar Peshawar

Tax Amount : 300,000,000

Amount of Tax in Words : Three Hundred Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	300,000,000	31-May-2023		



FBR ADC 0101

IT-20230531-0101-2592192

Signature & Stamp of Manager / Authorized officer

SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

CPR No : IT-20230623-0101-2327601

Payment Date : 23-Jun-2023

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTO : RTO PESHAWAR

Nature of Payment : Advance Income Tax

Tax Period : 2023

Account Head(NAM) : B01105

Details of Tax Payer

CNIC : L0949-7/19980-4

Status : CO

Taxpayer/Business :

Name & Address : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED , WAPDA HOUSE, SHAMI ROAD,
PESHAWAR, Peshawar Peshawar

Tax Amount : 276,612,445

Amount of Tax in Words : Two Hundred Seventy Six Million Six Hundred Twelve Thousand Four Hundred Forty Five Rupees And
No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	276,612,445	23-Jun-2023		

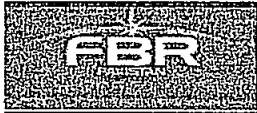


IT-20230623-0101-2327601

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer





INCOME TAX DEPARTMENT
COMPUTERIZED PAYMENT RECEIPT (CPR - IT)



SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

CPR No : IT-20230627-0101-2577821

Payment Date : 27-Jun-2023

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTO : RTO PESHAWAR

Nature of Payment : Advance Income Tax

Tax Period : 2023

Account Head(NAM) : B01105

Details of Tax Payer

CNIC : L0949-7/19980-4

Status : CO

Taxpayer/Business :

Name & Address : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED , WAPDA HOUSE, SHAMI ROAD,
PESHAWAR, Peshawar Peshawar

Tax Amount : 100,000,000

Amount of Tax in Words : One Hundred Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	100,000,000	27-Jun-2023		



FBR ADC 0101

IT-20230627-0101-2577821

Signature & Stamp of Manager / Authorized officer



SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

CPR No : IT-20230627-0101-2578520

Payment Date : 27-Jun-2023

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTO : RTO PESHAWAR

Nature of Payment : Advance Income Tax

Tax Period : 2023

Account Head(NAM) : B01105

Details of Tax Payer

CNIC : L0949-7/19980-4

Status : CO

Taxpayer/Business :

Name & Address : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED , WAPDA HOUSE, SHAMI ROAD,
PESHAWAR, Peshawar Peshawar

Tax Amount : 100,000,000

Amount of Tax in Words : One Hundred Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	100,000,000	27-Jun-2023		



IT-20230627-0101-2578520

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer



INCOME TAX DEPARTMENT
COMPUTERIZED PAYMENT RECEIPT (CPR - IT)



SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

CPR No : IT-20230627-0101-2578531

Payment Date : 27-Jun-2023

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTO : RTO PESHAWAR

Nature of Payment : Advance Income Tax

Tax Period : 2023

Account Head(NAM) : B01105

Details of Tax Payer

CNIC : L0949-7/19980-4

Status : CO

Taxpayer/Business : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

Name & Address : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED , WAPDA HOUSE, SHAMI ROAD,
PESHAWAR, Peshawar Peshawar

Tax Amount : 100,000,000

Amount of Tax in Words : One Hundred Million Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	100,000,000	27-Jun-2023		



FBR ADC 0101

IT-20230627-0101-2578531

Signature & Stamp of Manager / Authorized officer



SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

CPR No : IT-20231229-0101-1699498

Payment Date : 29-Dec-2023

Payment Section : 137 - Admitted Income Tax - 9203

RTO/LTO : RTO PESHAWAR

Nature of Payment : Admitted Income Tax

Tax Period : 2023

Account Head(NAM) : B01105

Details of Tax Payer

CNIC : L0949-7/19980-4

Status : CO

Taxpayer/Business : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

Name & Address : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED , WAPDA HOUSE, SHAMI ROAD,
PESHAWAR, Peshawar Peshawar

Tax Amount : 358,975,628

Amount of Tax in Words : Three Hundred Fifty Eight Million Nine Hundred Seventy Five Thousand Six Hundred Twenty Eight
Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	358,975,628	29-Dec-2023		



IT-20231229-0101-1699498

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer

TAX RECONCILIATION STATEMENT
FOR FY-2023-24

Advance Income Tax Paid		
Sno.	CPR No.	Amount
1	IT2023092501012095503	290,015,999
2	IT2023122601011596954	500,102,408
TOTAL TAX PAID		790,118,407

USE, SIGNATURE
IVE OFFICER



SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

CPR No : IT-20230925-0101-2095503

Payment Date : 25-Sep-2023

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTO : RTO PESHAWAR

Nature of Payment : Advance Income Tax

Tax Period : 2024

Account Head(NAM) : B01105

Details of Tax Payer

CNIC : L0949-7/19980-4

Status : CO

Taxpayer/Business : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

Name & Address : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED , WAPDA HOUSE, SHAMI ROAD,
PESHAWAR, Peshawar Peshawar

Tax Amount : 290,015,999

Amount of Tax in Words : Two Hundred Ninety Million Fifteen Thousand Nine Hundred Ninety Nine Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	290,015,999	25-Sep-2023		



IT-20230925-0101-2095503

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer



SBP Banking Services Corporation

Alternative Delivery Channel - ADC (0101) : ISLAMABAD

CPR No : IT-20231226-0101-1596954

Payment Date : 26-Dec-2023

Payment Section : 147 - Advance Income Tax - 9202

RTO/LTO : RTO PESHAWAR

Nature of Payment : Advance Income Tax

Tax Period : 2024

Account Head(NAM) : B01105

Details of Tax Payer

CNIC : L0949-7/19980-4

Status : CO

Taxpayer/Business : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

Name & Address : PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED , WAPDA HOUSE, SHAMI ROAD,
PESHAWAR, Peshawar Peshawar

Tax Amount : 500,102,408

Amount of Tax in Words : Five Hundred Million One Hundred Two Thousand Four Hundred Eight Rupees And No Paisas Only

Payment Mode	Amount	Date	AC / Ref No	Bank & Branch
ADC (e-payment)	500,102,408	26-Dec-2023		



IT-20231226-0101-1596954

FBR ADC 0101

Signature & Stamp of Manager / Authorized officer



PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

Tel: 9212025
Fax: 9211987

OFFICE OF THE
CHIEF EXECUTIVE OFFICER
PESCO PESHAWAR

No: 8926-27 /FD/PESCO/CP&C

Dated: 27 /07/2023

The Registrar,
National Electric Power Regulatory Authority,
NEPRA Tower, Attaturk Avenue, Sector G-5/1,
ISLAMABAD.

Subject: **ANNUAL ADJUSTMENT/INDEXATION OF DISTRIBUTION MARGIN (DM) FOR DISTRIBUTION & SUPPLY FUNCTIONS FOR FY 2023-24 & PRIOR YEAR ADJUSTMENTS (PYA) UNDER MULTIYEAR TARIFF (MYT) REGIME.**

Reference: PESCO Indexation Application no. 8669-70/FD/PESCO/CP&C dated 28-02-2023.

It is apprised that NEPRA vide letter no. NEPRA/R/DG(Trf)/ TRF-564& TRF-565/PESCO-2021/8201-07 dated July 14, 2023 (received on July 18, 2023) has issued its decision in the matter of request filed by PESCO for adjustment/indexation of Tariff for FY 2023-24 under the Multi Year Tariff regime.

However, PESCO has certain reservations/observations on the said decision. We therefore, request for leave for review and file enclosed a petition for "Motion for Leave for Review on the Decision of the Authority in the Matter of Adjustment/Indexation of Tariff For FY 2023-24" before NEPRA on the said decision in accordance with NEPRA's Tariff Standard and Procedure Rules 1998 which may please be admitted.

Moreover, the cross cheque regarding Review Motion fee amounting to Rs. 1,000/- is enclosed, please.

**CHIEF EXECUTIVE OFFICER
PESCO**

Encl: Petition for Review Motion with Annexures

Cc to:

➤ Section Officer (Tariff), Ministry of Energy (Power Division), Islamabad for information.

MOTION FOR LEAVE FOR REVIEW

REGULATION 3(2) NEPRA (REVIEW PROCEDURE) REGULATIONS, 2009

S. No	SUBJECT	PARTICULARS	ANNEX/ PAGE No.
1.	Case No.	NEPRA/TRF-564 & TRF-565/PESCO-2021	
2.	Parties	PESCO	
3.	Authority Determination/Decision	Decision	
4.	Date of Determination/ Decision was delivered to the applicant	July 14, 2023/ Received on July 18, 2023	
5.	Filing Date of Review Application	July 27, 2023	
6.	Delay in submission of Review Motion (No. of days, if any)	N.A.	
7.	Condonation Request (if applicable)	N.A.	
8.	Fee for delayed submission of Review Motion (if applicable)	N.A.	
9.	<u>Grounds of Review:</u>		
	i. Discovery of new and important matter of evidence;	Attached	I-2I
	ii. Some mistake or error apparent on the face of record; and	Attached	I-2I
	iii. Any other sufficient reason.	Attached	I-2I
10.	Review Motion filing fee	Cheque of Rs.1000/- is attached	Annex-M/
11.	Board Resolution	Attached	Annex-N/
12.	Affidavit	Attached	Annex-O/
13.	Other Supporting Documents	Attached	Annex-B to L/

Date: July 27, 2023

Signature:

Name: Amir Mahmood Sadozai

Designation: CEO, PESCO

**COMPANY
SEAL/STAMP**

Annex-A

**BEFORE THE NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
ISLAMABAD**

**MOTION FOR LEAVE FOR REVIEW
ON THE DECISION OF THE AUTHORITY IN THE MATTER
OF ADJUSTMENT/INDEXATION OF TARIFF FOR FY 2023-24
UNDER MULTIYEAR TARIFF REGIME**



**THE PESHAWAR ELECTRIC SUPPLY COMPANY LTD. (PESCO)
WAPDA HOUSE, SHAMI ROAD, PESHAWAR THROUGH ITS
CHIEF EXECUTIVE OFFICER, ENGR. ARIF MEHMOOD SADDOZAI.**

Peshawar Electricity Supply Company Limited (PESCO) is an Ex-WAPDA Distribution Company (DISCO) owned by the Government of Pakistan (GOP) and incorporated as a Public Limited Company on 25th April 1998 vide company registration No. L09497 of 1997-98 under section 32 of the Companies Ordinance 1984.

Principal business of PESCO is to provide electricity in Khyber Pakhtunkhwa jurisdiction of PESCO under License No.07/DL/2002 dated 9th May, 2023 (the Distribution License) issued by NEPRA.

2. Background

PESCO filed Multi-Year Tariff Petition for the Determination of its Consumer End Tariff for FY 2020-21 to FY 2024-25 on 3rd June, 2021 as per revised NEPRA Act for the Determination of Distribution (Non-sale element) Tariff and Supply of Power (Consumer End Tariff) and NEPRA issued determinations on 02-06-2022 respectively and notified by GoP dated 25-07-2022. PESCO filed a Review Motion on 13th June, 2022 on the Tariff Determined by NEPRA and the decision of Review was issued by the Authority on 23rd January, 2023. It is pertinent to mention, that NEPRA in its decisions dated 23rd January, 2023 has not considered PESCO request for review under various heads, hence, PESCO filed an Appeal under section 12G of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 against the said decisions of the Authority before the Appellate Tribunal.

Without Prejudice Pursuant to the directions of the Authority given in Tariff Determination for Distribution (Non-Sale Element) Tariff and Supply of Power (Consumer End Tariff), PESCO has to submit its Annual Adjustment / Indexation of Distribution Margin for FY 2021-22 along-with Prior Year Adjustment under Multiyear Tariff Regime. The Prior Year Adjustment (PYA) has been worked out on the basis of actual data for FY 2021-22, which allows PESCO for truing up certain O&M expenditure in view of the unprecedented inflationary trend in the economy to maintain its financial viability, indexation application for the Financial Year 2023-24 was submitted vide letter no. 8669-70 dated February 28, 2023 and the Authority has issued its decision thereon on July 14, 2023 received on July 18, 2023.

In accordance with NEPRA Tariff Standards and Procedure Rules, 1998, NEPRA (Review Procedure) Regulations, 2009 and the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act 2018, this Motion for review is, submitted before NEPRA with all supporting documents for consideration of the Authority.



3. Salient Features of the Application

The main objective of this Review Motion is to request NEPRA to review its 14th July, 2023 decision on PESCO's request for Adjustment/Indexation of Tariff For FY 2023-24 under Multi Year Tariff Regime (Case # NEPRA/TRF-564 & TRF-565/PESCO-2021) to make it cost reflective & to ensure a reasonable tariff to the Company. The input data, Deferred Credits, Salaries & Wages, Repair & Maintenance Costs, Vehicle Running Expenses, Other Operating Expenses, Prior Year Adjustments and other matters as discussed in subsequent sections used for determination of Distribution Margin and Prior Year Adjustment be reassessed enabling PESCO to generate enough revenue to perform its obligatory duties as prescribed by Authority.

4. BASIS FOR REVIEW

The Review Motion is based on the following important issues of the determination:

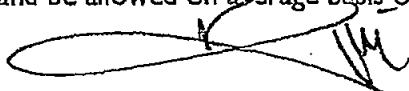
- a. Pay & Allowance and Post Retirement Benefits
- b. O&M Expenses
- c. Depreciation
- d. RORB & Calculation of Deferred Credits.
- e. Other Income
- f. Prior Year Adjustment (PYA)
- g. Any other grounds

4.1 Pay & Allowances:

The Authority in its decision dated 14th July, 2023, has allowed increase in the Pay & Allowances as announced in the Federal Budget FY 2023, that is, Ad-Hoc Relief of 32.5% [30% (BPS 17-22) & 35% (BPS 1-16)] along with Annual Increment of 5% for 07 months based on the revised expenditure allowed for FY 2022-23 as a reference. It is pertinent to mention that increase in Basic Pay to the extent of 5% has been allowed in the MYT Determination for FY 2020-21 to FY 2022-23 for annual increment, the relevant part of the determination is reproduced as follows:

"50.1. 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. In case, the Petitioner is privatized during the MYT period, the allowed cost of Salaries & Wages would be adjusted with CPI-X factor."

Accordingly, the decision to allow annual increment @ 5% for 7 months is not in line with the methodology as decided in MYT determination, hence, the annual increment calculations may be reconsidered and be allowed on average basis of 5% for the whole year as requested.



It is pertinent to mention here that the financial impact of increment is on average equal to 5% of the basic pay for the whole year and was accordingly allowed in previous determinations as well, as precedence para 50.1 of MYT is also reproduced above for consideration.

Further, determination of Ad-Hoc Relief for FY 2023-24 at the rate of 32.5% by assuming 50% officers and 50% staff may be required to be reconsidered as the breakup of the staff and officers is different. The detail is given below:

Table-1: Pay & Allowance

Category	No. of Employees	Basic Pay: FY22-23 (Mln Rs.) approx.	Percental w.r.t No. of Employees (%)
Staff (BPS 1-16)	12,781	7,469	96%
Officer (BPS 17-21)	473	438	4%
Total	13,254	7,907	100%

Hence, it is proposed that Ad-Hoc Relief should be applied as per above details.

Furthermore, in para 6.12 of the decision, it is held that the amount allowed under the heads of Salaries, Wages & Other benefits for the FY 2022-23 shall be considered as upper cap and it is liable to downward adjustment, which is unfair and requires to be reconsidered because no such mechanism exists in the MYT Determination dated 2nd June, 2022 and accordingly the same may be trued up on actual basis on the basis of audited financial statements and increase allowed by GoP, since various adjustment as per above explanation w.r.t Annual Increment and Adhoc Relief Allowance etc. would be required, hence upper cap should be removed.

Further, the authority has allowed increases in the Basic Pay, Ad-Hoc Relief Allowance and DRA, however, no increase has been allowed in the remaining heads of Pay & Allowances like, House Rent Allowance, Cash Medical Allowance, Conveyance allowance, Wages of Contractual Employees, Daily Wages and Others Benefits etc. It is important to highlight here that various allowances are dependent on the station of posting like HRA @30% & 45% is admissible in small /big cities, similarly acquisition is allowed in big cities etc. and variation is bound to be expected and either it should be trued up on the basis of Audited accounts of FY 2023-24 or an increase of 10% may be allowed.

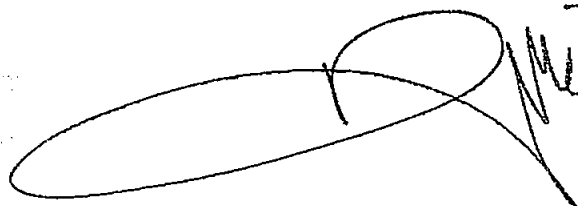


Table-2: Proposed Increase in Pay & Allowances

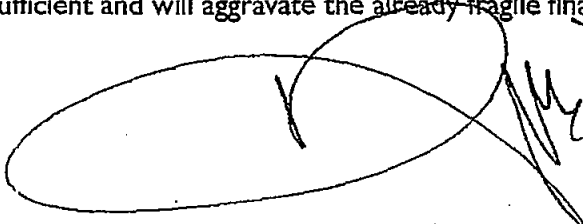
Description	2022-23	2023-24	Variance	2023-24	2023-24
	Determined	Determined	%Age	Proposed Adj.	Revised/ Proposed
Pay & Allowance					
Basic Pay	7,907	8,138	3%	165	8,303
Ad-Hoc Relief Allowance	1,186	1,206	2%		1,206
Ad-Hoc Relief Allowance FY 2023-24		2,614	-	218	2,832
Disparity Reduction Allowance	999	999	0%	1,352	2,351
House Rent Allowance	263	263	0%	26	290
Cash Medical Allowance	482	482	0%	48	530
Conveyance allowance	382	382	0%	38	420
Wages of Contractual Employees	1,399	1,399	0%	140	1,539
Daily Wages	61	61	0%	6	68
Others Benefits	3,276	3,276	0%	328	3,603
Total Pay & Allowances	15,956	18,820	18.0%	2,321	21,141

Opener:

The authority in its decision held that no further adjustment on account of MIRAD hiring and GENCO employees transferred to the Petitioner would be allowed. It is pertinent to mention here that PESCO in its Adjustment/Indexation application for FY 2023-24 has requested that because the process of new hiring is not yet completed, hence, the Authority may defer the Mid-Year Review till next year, i.e. FY 2024-25. Therefore, it is again submitted that the Authority may reconsider its decision and defer the matter till next Indexation request for FY 2024-25.

4.2 Post-Retirement Benefits

The Authority has allowed Post Retirement benefits, to the tune of Rs. 9,361 million for FY 2023-24 on the basis of the baseline amount of Rs. 7,953 million as allowed for FY 2022-23, with an increase of just 17.5%, which will be insufficient to cover the actual expenditure. The Authority though acknowledged in the MYT Determination to allow the actual payments and indexation on the basis of the increases / in line with GOP pension increase, however, the impact of new retirees during FY 2022-23 have not been included in the baseline figure, hence both the determined amounts for FY 2022-23: Rs. 7,953 million and for FY 2023-24: Rs. 9,361 million are on lower side and needs to be reconsidered and actual payments may be allowed. It is pertinent to mention here that during FY 2022-23, PESCO has paid Post Retirement benefits, in cash, amounting to Rs. 8,873 million as per draft accounts of FY 2022-23, and the Authority determined amount of Rs. 7,953 million against PESCO's request of Rs. 9,188 million, which is insufficient and will aggravate the already fragile financial position of the company.



It is further apprised that PESCO has installed a full fledged Pension Management System (PMS) and is being implemented throughout PESCO with a database of around 19,900 plus pensioners, accordingly, as per PMS data, an analysis, regarding the actual payments made, new pensioners added along with their commutation paid & the total pension expenditure, is presented in the table below:

Table-3: Pensioners Information

Description	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Nos of Pensioners	13,335	14,184	15,518	16,220
increase In Nos	-	849	1,334	702
% Increase (YoY)		6%	9%	5%
Total Pension (Rs. Mln)	5,552	6,564	6,570	8,556
% Increase (YoY)		18%	9%	20%

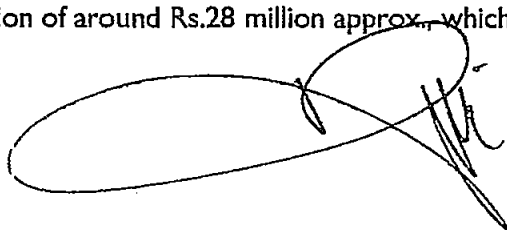
As evident from the above table, the Pension payments made by PESCO and the number of Pensioners has increased during FY 2022-23 and will further increase during FY 2023-24 due to new retirees. In light of the position explained above, the Authority is requested to review its decision and allow actual cash payments of the Post-Retirement benefits as per below table:

Table-4: Proposed Adjustments

Description	2020-21	2021-22	2022-23	2023-24
Post-Retirement Benefits	6,658	7,324	8,873	10,547
% Increase (yoy)		10%	21%	19%

4.3-Financial Implication of NTDC Pensioners:

That the Authority in its decision dated 14th July, 2023 has not considered the pension payments to the pensioners transferred to from NTDC, which has annual impact Rs. 28 million. It is pertinent to mention here that NTDC has forwarded so far 88 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. 183 million upto June 2022 and the same are accumulating on monthly basis with annual financial implication of around Rs.28 million approx. which will further increase during FY 2023-24.



Accordingly, Financial Impact of NTDC Pensioners is as under;

Table-5: Financial Impact of NTDC Pensioners

Company	Year	No of Pensioners	Annual (Rs. In Mln)
NTDC Pensioners	2014-15 & 2021-22	88	183
	2022-23 (Prov.)		28
Total			211

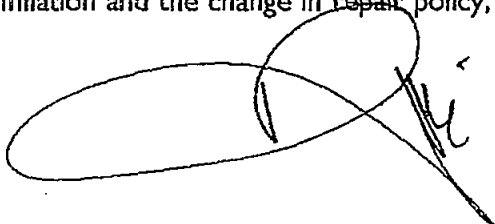
Moreover, Authority with reference to NTDC pensioners in PESCO MLR decision has directed to submit the matter in the next indexation/adjustment request, accordingly, the same has been included/claimed as part of PYA with the request to allow the same to PESCO. However, the same has again been deferred on the directions to submit a separate case before the Authority. The Authority is accordingly requested to re-consider the same as PESCO is already facing financial hardships in the shape of huge cash shortfall due to unrealistic T&D loss target and PESCO may not be able to finance the said cost due to non-payment by NTDC and it will create problems for old age pensioners. Accordingly, an interim arrangement may be decided till the final decision w.r.t the financing of the said cost. It is proposed that either to advice NTDC to make the payments till final decision or may allow the financial impact provisionally to PESCO, as it is not possible for PESCO to absorb the said cash shortfall.

4.4 R&M, Travelling, Vehicle Running & Other Expenses:

PESCO in its Indexation Application for FY 2023-24 has requested the Authority to allow Rs. 3,466 million under the heads of R&M, Travelling, Vehicle Running & Other Expenses expenses, however, Rs. 3,234 million has been allowed, which will be insufficient to meet the financial requirement of the company. PESCO is already facing financial hardship and the determination of other expenses by excluding various legitimate costs may hamper PESCO's ability to provide uninterrupted services to the consumers as it will further aggravate the weak financial position of the company. The detailed reasoning is provided below:

Repair and Maintenance:

PESCO in its Indexation Application for FY 2023-24 sought an allocation of Rs. 1,396 million for Repair & Maintenance on the basis of determined expenditure of Rs. 1,055 million for FY 2022-23 in view of inflation and the change in repair policy, however, the Authority allowed only Rs. 1,235 million.



The actual expenditure for Repair & Maintenance in FY 2020-21 was Rs. 1,177 million, indicating a significant increase compared to FY 2019-20, mainly due to a revised repair policy approved by the BoD in 2019. The policy requires financing all transformer repairs regardless of AT&C losses, further revised to 80%, resulting in higher costs. Therefore, the baseline of indexation requires reconsideration in view of the actual expenditure of FY 2020-21 and change of baseline conditions.

It is pertinent to mention that in FY 2022-23, the power infrastructure incurred substantial losses due to devastating floods, leading to significant damages to the power grid stations and distribution network. However, efforts were made for rehabilitation and restoration of the damaged infrastructure and power supply was successfully reinstated using alternative resources amid the flood damages to grid stations, transmission lines, and poles, however, extensive reconstruction operations were carried out with huge financial impact.

Furthermore, the increased cost of materials such as copper, iron, and aluminum for electrical equipment is required be considered. Fluctuations in international prices and currency devaluation have led to abnormal increases in raw material prices. The Authority is urged to acknowledge these market realities and adjust the Repair & Maintenance expenses accordingly.

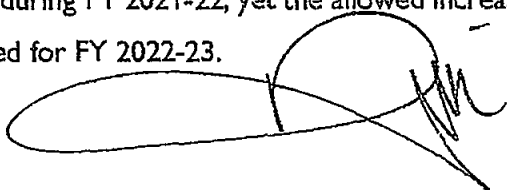
Table-6: Proposed Adjustments

Description	Rs. in Mln		
	2021-22	2022-23	2023-24
Repair & Maintenance Expense	972	1,350	1,680
% Increase (YoY)		39%	24%

Vehicle Running Expenses:

The Authority's determination of Vehicle Running expenses for FY 2023-24 at Rs. 265 million, with only a marginal 17% increase from the determined amount of Rs. 226 million for FY 2022-23, appears contrary to prevailing market rates. It is pertinent to mention here that during the hearing of PESCO FY 2023-24 Indexation request, the Authority acknowledged the increased POL prices and asked the case officer to consider the same and that the requested increase for smooth consumer services may be allowed in line with market trends, however, apparently the same has been ignored in the decision.

In the MYT Tariff Determinations, the Authority based the inflationary increase on General Category (CPI) instead of the Transport Category, despite a substantial 24.07% increase in transport prices in December 2021. Furthermore, data from the PSO website indicates a 36.05% increase in POL prices during FY 2021-22, yet the allowed increase over FY 2020-21 was only 12%, and a mere 9% is allowed for FY 2022-23.



This limited increase has proved insufficient to meet the expenses required for sustainable and smooth operations during FY 2022-23 and accordingly the said shortfall is being carried forward during FY 2023-24.

An analysis of the increase in POL prices for the last four years is tabulated below:

Table-7: Analysis of POL prices

Description	FY2019-20	FY2020-21	FY2021-22	FY2022-23
Average Price of Petrol (Annual)	106.89	106.43	150.57	247.82
% Increase (yoy)		-0.43%	41.46%	64.59%
Average Price of Diesel (Annual)	117.50	108.98	149.36	255.51
% Increase (yoy)		-7.25%	37.06%	71.06%
Average POL Price (Petrol + Diesel)	112.20	107.70	149.97	251.67
% Increase (yoy)		-4.01%	39.25%	67.81%

(Reference – PSO price bulletin, Comparative Statement is attached at **Annex- B**)

The Authority is requested to consider the prevailing market trends and enhance the Vehicle Running expenses accordingly.

Table-8: Proposed Adjustments

Description	2021-22	2022-23	Rs. in Mln 2023-24
Vehicle Running Expense	208	290	360
% Increase (YoY)		39%	24.4%

It is imperative to note 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.

Hence, the inflationary increase for Vehicle Running expenses needs to be based on the NCPI for the Transport category to better reflect the actual market conditions in order to maintain smooth consumer services, therefore, this matter necessitates reconsideration.

Other O&M Expenses:

In its decision dated 14th July, 2023, the Authority has determined other expenses for FY 2023-24, amounting to Rs. 1,366 million. However, it is asserted that this amount is insufficient to provide uninterrupted services. It should be noted that the cost of materials has experienced abnormal increases due to fluctuations in international prices and rupee devaluation, leading to a rise in various commodities' prices. Accordingly, the Authority is respectfully requested to consider the prevailing ground realities and allow adjustment of Rs. 1,398 million.

Furthermore, during FY 2020-21, Bill Collection Charges were increased due to the payment of arrears amounting to Rs. 89 million, as well as the current cost to Telenor Microfinance Bank for online collections (approximate annual impact of Rs. 35 million), which was pending due to verification/reconciliation. Although the Authority has not considered this cost, it is earnestly requested to reconsider and allow the same to the extent of the annual impact of Rs. 35 million in the base tariff for FY 2022-23, along with indexation in the subsequent period.

Similarly, concerning rent expenses, out of the total arrears of Rs. 100 million, the annual impact of Rs. 30 million may be allowed to PESCO in the base tariff for the purpose of indexation of FY 2023-24. The Authority may consider aforesaid submission and enhance the Other O&M expenses accordingly.

Table-9: Proposed Adjustments

Description	Rs. in Mln		
	2021-22	2022-23	2023-24
Other O&M Expense	1,034	1,220	1,519
% Increase (YoY)		18%	24%

Efficiency Factor-X:

PESCO in its Indexation Application for FY 2023-24 has request that efficiency factor-X may be allowed on actual basis, however, the same has not been considered in the Authority decision. It is asserted that expenditure needs to be allowed on an actual basis, because, where the actual expenditure in a specific category falls below the indexed amount, the benefit should be passed on to consumers, hence, the application of a 30% adjustment factor requires reassessment.

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.

4.5 Depreciation:

According to the para 6.32, it is stated that for truing up of Depreciation expenses for the FY 2020 21 & FY 2021-22, expenditure as per the Audited financial statements has been considered, which is contrary to the fact, because, PESCO's audited expenditure for FY2020-21 & FY2021-22 under the head Depreciation is Rs. 3,296 & Rs. 3,709 million, whereas the Authority in its decision has allowed Depreciation to the tune of Rs. 3,240 million & Rs. 3,680, respectively, resulting in short fall of Rs. 85 million (FY2020-21:Rs. 56Mln & FY2021-22: Rs. 29Mln), which is unjustified.

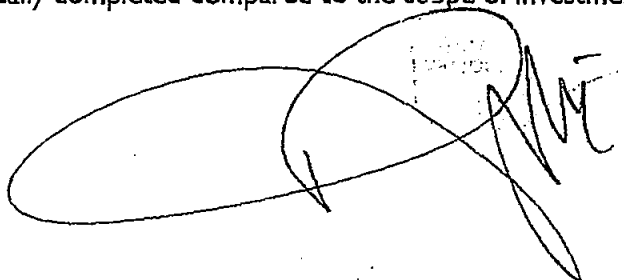
Further, the authority decision to trued up depreciation downward only for the previous year based on allowed investment, without considering unavoidable factors, like natural calamities, may lead to negative consequences for service quality and inefficiencies in the long term. Additionally, if investment is below the allowed limit during particular year, may lead to increased investment in following years to recoup the gap. This approach may be unfair as economic conditions and natural calamities can impact investment, hence, a fair policy needs to be established instead of unnecessarily penalizing the petitioner, so as to enable it to provide reliable and efficient electricity services to consumers. Therefore, the investment may be trued up in both shapes that is upward and downward also to provide a level playing field.

Similarly, based on the investment allowed for FY 2022-23 & FY 2023-24 and net book value of the assets as per audited financial statements, the depreciation needs to be Rs. 4,376 million for FY 2023-24 whereas Rs. 4,343 million has been allowed, which needs to be reconsidered together with the actual depreciation of Rs. 4,025 million for FY 2022-23. The proposed depreciation calculation is given below:

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

The scope and the amount of the investment allowed are not matching due to abnormal increase in inflation. Accordingly, it is not possible for PESCO to carry out the scope as per the approved investment plan and may not be able to achieve the targets. Accordingly, it may be decided whether scope of work is required to be completed or the amount is capped and in case the amount is capped then the target for losses etc also needs to be reconsidered on the basis of the works physically completed compared to the scope of investment.



4.6 Return on Rate Base (RORB):

The Authority in its decision computed RORB based on adjustment of Overinvestment and excess adjustment of Deferred Credit after taking into account the cash balances under deposit works and consumer security, which needs to be reconsidered.

The deduction of Rs. 3,956 million and Rs. 3,735 million on account of Overinvestment for FY 2020-21 & FY 2021-22 is unfair and needs to be reconsidered because, the adjustment has been made without considering the economic condition of the country where the cost of material has increased abnormally, the raw material (such as copper, iron, aluminum etc.) used for electrical equipment (Transformers, cables etc.) are mostly imported and due to the fluctuation in international prices as well as the rupee devaluation, the prices of equipment have increased abnormally. By applying such restriction on the expenditure will reduce the scope of investments required for the sustainability of the system and to reduce the T&D losses.

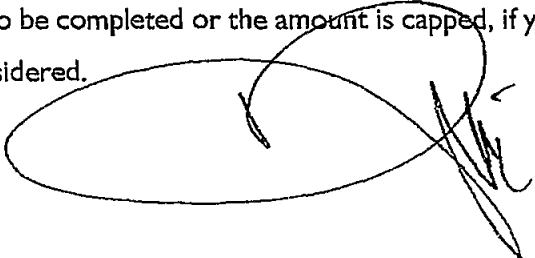
Further, the authority decision to trued up RAB downward only for the previous year based on allowed investment, without considering unavoidable factors, like natural calamities, may lead to negative consequences for service quality and inefficiencies in the long term. Additionally, if investment is below the allowed limit during particular year, may lead to increased investment in following years to recoup the gap. This approach may be unfair as economic conditions and natural calamities can impact investment, hence, a fair policy needs to be established instead of unnecessarily penalizing the petitioner, so as to enable it to provide reliable and efficient electricity services to consumers. Therefore, the investment may be trued up in both shapes that is upward and downward also to provide a level playing field.

Table-I I: Proposed Adjustments

Rs. in Mln

Description	FY 2020-21	FY 2021-22
Investment Allowed	9,982	16,259
Actual Investment	14,005	19,965
Variance (Rs.)	4,023	3,706

The scope and the amount of the investment allowed are not matching due to abnormal increase in inflation. Accordingly, it is not possible for PESCO to carry out the scope as per the investment plan and may not be able to achieve the targets. Accordingly, it may be decided whether scope of work is required to be completed or the amount is capped, if yes then the target for losses etc also needs to be reconsidered.



It is pertinent to mention here that the issue of excessive deduction of Deferred Credit Credits 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.

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.

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).

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."

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		

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.

The revised calculation of RORB by considering the basis used during Tariff Determination of PESCO is as under:

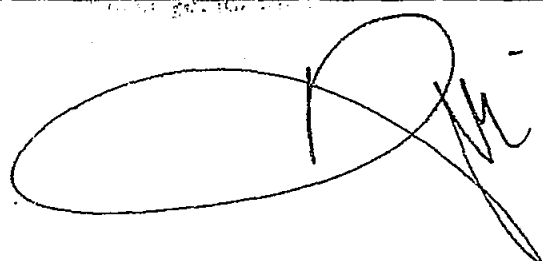
Table-12: RORB Calculation

DESCRIPTION	UOM	AUDITED	AUDITED	PROVISIONAL	PROJECTED
		FY'2020-21	FY'2021-22	FY'2022-23	FY'2023-24
Gross Fixed Assets in Operation-B/F	[Mln Rs]	87,395	94,444	107,485	116,201
Addition in Fixed Assets	[Mln Rs]	7,049	13,041	8,716	10,249
Gross Fixed Assets in Operation-C/B	[Mln Rs]	94,444	107,485	116,201	126,450
Less: Accumulated Depreciation	[Mln Rs]	35,431	39,112	43,137	47,513
Net Fixed Assets in Operation	[Mln Rs]	59,013	68,373	73,064	78,938
Add: Capital Work In Progress - C/B	[Mln Rs]	26,649	33,544	46,800	55,029
Less: Cap. WIP-Deposit Portion	[Mln Rs]	8,273	14,643	14,643	14,643
Investment in Fixed Assets	[Mln Rs]	77,389	87,274	105,221	119,324
Less: Deferred Credits	[Mln Rs]	35,052	39,222	39,822	41,671
Regulatory Assets Base	[Mln Rs]	42,337	48,052	65,399	77,653
Average Regulatory Assets Base	[Mln Rs]	38,469	45,195	56,726	71,526

Rate of Return	[%age]	10.76%	12.03%	17.07%	21.14%
Return on Rate Base	[Mln Rs]	4,138	5,437	9,685	15,121

RORB Allowed	[Mln Rs]	3,779	4,713	7,514	14,292
Under/(Over)	[Mln Rs]	-359	-724	-2,171	-829

(Detailed Working is enclosed as Annex- C)



4.7 Prior Year Adjustment:

4.7.1 Recovery of Quarterly Adjustments

The Authority in its decision in the matter of PESCO Indexation Application for FY 2023-24 has allowed Quarterly Tariff Adjustments (QTA) of negative amount of Rs. (13,111) Million for the period from 2nd QTR of FY 2019-20 to 1st QTR of FY 2021-22 on the basis of Quarterly Tariff Adjustments as notified by Government of Pakistan. However, different discrepancies have been noted in the calculation, which needs to be rectified. The impact of over adjustment is tabulated hereunder:

Table-13: Quarterly Tariff Adjustments

Min Rs.

Sr. No.	Description	Allowed Amount	Net Unit to be Sold (MkWh)	QTA (Rs./kWh)	Recovered	Under/(Over) Recovery Computed	Under/(Over) Recovery as per Decision	Proposed Adjustments
1	2nd & 3rd Qtr. FY 2019-20	29,187	11,222	3.1516	35,366	(6,179)	(7,562)	1,383
2	4th Qtr. FY 2019-20	10,826	11,918	1.1690	13,932	(3,106)	(3,946)	840
3	1st & 2nd Qtr. FY 2020-21	14,986	11,918	1.2853	15,318	(332)	(1,256)	924
4	3rd Qtr. FY 2020-21	2,343	11,918	0.2010	2,396	(53)	(197)	144
5	4th Qtr. FY 2020-21	(2,222)	2,577	(0.8573)	(2,210)	(12)	(16)	4
6	1st Qtr. FY 2021-22	2,612	3,675	0.8956	3,291	(679)	(685)	6
7	2nd Qtr. FY 2021-22	1,457	3,661	0.4995	1,829	(372)	(377)	5
8	3rd Qtr. FY 2021-22	2,616	2,717	0.8970	2,437	179	169	10
9	4th Qtr. FY 2021-22	12,244	3,364	3.4100	11,473	772	654	118
10	1st Qtr. FY 2022-23	2,057	1,550	1.2500	1,938	119	105	14
	TOTAL					(9,664)	(13,111)	3,447

(Detail enclosed as Annex- D).

4.7.2 Other Income:

The authority in its decision has taken other income for FY 2020-21 & FY 2021-22 without considering the adjustment of Wheeling Charges, Rental & Service Income and Amortization of Deferred Credit, resultantly excess deduction of Rs. 1,307 million [FY 2020-21: Rs. 937Mln & FY 2021-22: Rs. 370Mln] has been made under prior year adjustment.

Table-14: Other Income

Min Rs.

DESCRIPTION	ACTUAL	ACTUAL
	FY' 2020-21	FY' 2021-22
Other Income- excluding LPS, Wheeling Charges, Exchange Gains, etc.	1,998	2,280
Add: Rental & Service Income	59	49
Add: Amortization of Deferred Credits	1,852	2,071
Net Other Income	3,909	4,400
Other Income Considered in Decision	4,847	4,770
Excess Deduction	938	370

ver the allow

The revised proposed calculations are as under:

Table-15: Other Income (As per Actual)

Mln Rs.

DESCRIPTION	ACTUAL	ACTUAL
	FY' 2020-21	FY' 2021-22
Other Income- excluding LPS, Wheeling Charges, Exchange Gains, etc.	1,998	2,280
Add: Rental & Service Income	59	49
Add: Amortization of Deferred Credits	1,852	2,071
Net Other Income	3,909	4,400
Other income allowed	3,467	4,180
Under / (Over)	-442	-220

4.7.3 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(1)/2021, dated November 05, 2021 has been assessed as Rs. 4,809 Million and Rs. (3,959) Million respectively, however, the authority has allowed only Rs. (3,959) Million and Rs. 3,562 million for FY 2020-21 & FY 2021-22, respectively, on provisional basis (Working attached as **Annex-E**). Authority is requested to allow the impact of sales mix of **Rs. 850 Million** in the Prior Year Adjustment, moreover apparently the impact of incremental sales for the period Nov 2020 to Jan 2021 has not been accounted for in the said figures as per PESCO calculations, hence the same is claimed separately, however it is also requested to share the detail working of Sales Mix Variance with PESCO to enable it to comment and verify the same. Further, its is quantity variance and the basis of calculation is the variance in the quantity multiply by NEPRA Determined rate, accordingly, the required data has been provided, however, the data of PITC may be shared with PESCO for purpose of analysis and the required reconciliation.

4.7.4 Uniform Seasonal Pricing Structure Subsidy (USPS)

Adjustment of Rs. 707.5 million regarding less recovery of revenue due to Uniform Seasonal Pricing Structure Subsidy (USPS) was requested in the Indexation Application as PYA for FY 2023-24, however, the authority has not allowed it in its decision. The Federal Government has announced Uniform Seasonal Pricing Structure relief package vide S.R.O. 1379(1)/2019 dated 12-11-2019 (Copy enclosed at **Annex-F**) for the period November 2019 to February 2020 on units consumed above the consumption made during the same period / month last year. Accordingly, PESCO has charged subsidized rates to the specified consumers and submitted USPS subsidy claims of Rs. 707.50 Million to Cost Accounts Officer, Subsidy Cell, Ministry Of Energy (Power Division) during the period Jan 2020 to Mar 2020.

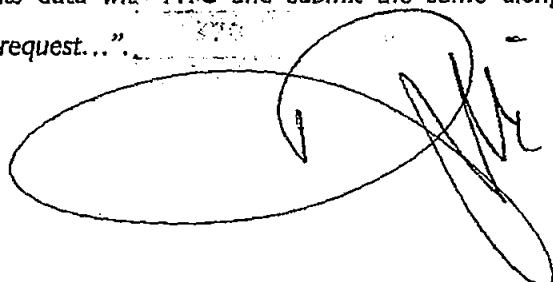
The USPS subsidy claims were returned by the Cost Accounts Officer, Subsidy Cell, Ministry of Energy (Power Division) with the remarks that the said S.R.O does not speak of USPS subsidy by the Federal Government and the matter may be taken up with CPPA-G for settlement. PESCO is facing revenue shortfall 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.

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 & 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.

4.7.5 Impact of positive FCA regarding Lifeline Consumers for the period FY 2017-18 to FY 2020-21 & FY 2021-22 to FY 2022-23 (upto Dec-22).

That the Authority was approached vide letter no. 8139-41/FD/PESCO/CP&C dated 14.05.2022 (placed at **Annex-G**), for the determination of impact of positive FCA on Lifeline consumers, as discussed at para 19.7 of the determination for Multi Year Supply Function Tariff for FY 2020-21 to FY 2024-25, however, the matter was deferred. The instant matter also taken up in the PESCO Motion for Leave for Review petition, however, instead of allowing the adjustment to PESCO, like correction made under PYA, Post Retirement Benefit & RORB in the Review Decision, the matter has been deferred till next indexation/adjustment along with the direction to reconcile the data with PITC. The relevant part of decision is reproduced hereunder:

"150. 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..."



That the impact of positive FCA on the supplies to the Lifeline consumers computed on the basis of CPPA-G Power Purchase Invoiced Units instead of unit billed to the consumers by calculating the units to be sold by applying the determined T&D losses as per Transfer Pricing Mechanism, hence, the direction issued vide the Review Decision dated 23/01/2023, requires rectification or further explanation in this regard and the data of PITC as already requested through e-mail may be shared to give the necessary detail / explanation. However, still PESCO is of the view that the said impact of FCA on lifeline consumers has no correlation with the consumer end data of PITC.

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:

Table-16: Impact of FCA

			Rs. In Million
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

Moreover, the impact of lifeline consumers for FY 2020-21 to FY 2022-23 (Upto Dec-22) Rs.486 million is based on the incorrect assumption of using actual units of lifeline consumers in the units to be sold figure which is contrary to the regulatory targets / decision and it should be based on the reference determined mix of lifeline consumers. Further, the adjustment of said amount against the subsidy receivables is against the GoP policy which states that the negative impact of FCA may be adjusted against the GoP Subsidy, hence the same needs rectification as the said amount pertains to the consumers rather than receivables from GoP.

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 (Working attached as **Annex-H**).

4.7.6 Impact of Incremental Units of Industrial Support Package (ISP) for FY 2020-21 and Winter Incentive Package (WIP) for FY 2021-22

As per Para-7.23 of the decision, the impact of incremental sales for ISP and WIP for FY 2021-22 and onward is being accounted for in the Quarterly Tariff Adjustment decided by the Authority and no further adjustment is required. However, the fact is that impact of these incremental units has never been allowed in the Quarterly Tariff Adjustments by the Authority. It is pertinent to mention that claim of ISP incremental units is pertaining to period prior to period mentioned above and the same was not considered in the authority decision of QTA for 1st QTR of FY 2021-22.

The adjustment on account of Incremental consumption in respect of PESCO as per the transfer pricing mechanism notified vide SRO No. 190(I)/2021 dated 12-02-2021, the Support Package as notified vide SRO No. 1292(I)/2020 dated 03-12-2020, and the Winter Incentive Package as notified vide SRO No. 1418(I)/2021 dated 05-11-2021, 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.

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. The requisite sheets of MIS report are attached at **Annex-I** and the detailed monthly working is attached at **Annex-J**.

Table-17: Impact of Incremental Units

Rs. In Million

Description	FY 2020-21	FY 2021-22		Total
	Claim of ISP Incremental Units	Claim of WIP (2nd Qtr)	Claim of WIP (3rd Qtr)	
Impact of Variable O&M	190	32	2	224
Impact of CPP	3,469	869	31	4,369
UoSC Adjustment	196	39	1	236
Recovery on Incremental Units	(2,441)	(505)	(17)	(2,964)
Required Adjustment for the Quarter	1,414	434	16	1,865

4.7.6 Impact of Incremental Units of Industrial Support Package (ISP) for FY 2020-21 and Winter Incentive Package (WIP) for FY 2021-22

As per Para-7.23 of the decision, the impact of incremental sales for ISP and WIP for FY 2021-22 and onward is being accounted for in the Quarterly Tariff Adjustment decided by the Authority and no further adjustment is required. However, the fact is that impact of these incremental units has never been allowed in the Quarterly Tariff Adjustments by the Authority. It is pertinent to mention that claim of ISP incremental units is pertaining to period prior to period mentioned above and the same was not considered in the authority decision of QTA for 1st QTR of FY 2021-22.

The adjustment on account of Incremental consumption in respect of PESCO as per the transfer pricing mechanism notified vide SRO No. 190(I)/2021 dated 12-02-2021, the Support Package as notified vide SRO No. 1292(I)/2020 dated 03-12-2020, and the Winter Incentive Package as notified vide SRO No. 1418(I)/2021 dated 05-11-2021, 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.

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. The requisite sheets of MIS report are attached at **Annex-I** and the detailed monthly working is attached at **Annex-J**.

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UoSC Adjustment	196	39	1	236
Recovery on Incremental Units	(2,441)	(505)	(17)	(2,964)
Required Adjustment for the Quarter	1,414	434	16	1,865

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

PESCO in its Indexation Application requested to allowed over adjustment of **Rs. 3,817 million** on account of Interim Distribution Margin FY 2018-19, however, the authority has not considered it in its decision. 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. Copy of the relevant pages of PESCO determination for FY 2018-19 & FY 2019-20 and MYT Determination are attached at **Annex-K**.

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

An adjustment of Rs. 2,436 million was requested in the Indexation Application on account of pending FCA of FY 2019-20, but, the same has not been allowed in the decision dated 14th July, 2023. The FCA for the period November 2019 to June 2020 as determined vide NEPRA decision no. 20257-74 dated 07/08/2020 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 (Detail enclosed as **Annex-L**).

5. MLR Request:

Based on the information given in the preceding paragraphs the estimated adjustment for the FY 2023-24 is given here under:

Table-18: PROPOSED ADJUSTMENT FOR FY 2023-24

DESCRIPTION	FY 2023-24	PROPOSED ADJUSTMENTS	FY 2023-24
	DETER'D		REVISED
Power Purchase Price	369,365		369,365
Oper. & Maintenance			
Salaries & Other Benefits	18,820	2,321	21,141
Post Retr. Benefits	9,361	1,186	10,547
Repair and Maintenance	1,235	445	1,680
Traveling Expenses	368	-	368
Vehicle Expenses	265	95	360
Other Expenses	1,366	153	1,519
O & M Cost	31,415	4,200	35,615
Depreciation	4,343	33	4,376
Return on Rate Base	14,292	829	15,121
Less Other Income	(3,590)	(590)	(4,180)
Distribution Margin	46,460	4,472	50,932
PYA	4,476	9,419	13,895
Net Revenue Requirement	420,301	13,891	434,192

6. ANY OTHER ISSUES

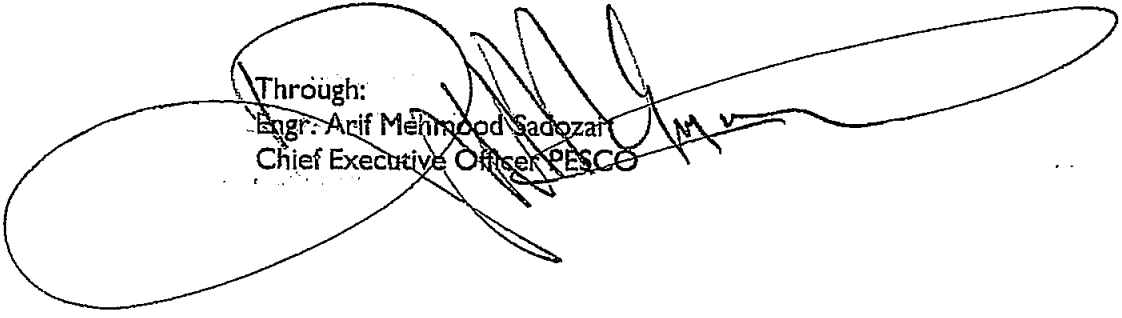
The petitioner craves to grant of permission to raise additional grounds/points at the time of hearing, and also explain if any further points are raised during hearing proceedings.

CONCLUSION

The tariff determined by NEPRA for MYT control period for FY 2020-21 to FY 2024-25 does not meet the revenue requirements of PESCO, therefore, it should be reviewed in the light of above submissions.

PETITIONER
PESHAWAR ELECTRIC SUPPLY COMPANY LTD.

Through:
Engr. Arif Mehmood Sadozai
Chief Executive Officer PESCO



Annex-D

Comparison for POL Prices during FY 2019-20, FY 2020-21, FY 2021-22 & FY 2022-23

2019-20	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Annual Average	Increase w.r.t. Last Year
Premier Euro 5	112.68	117.83	113.24	113.24	114.24	113.99	116.6	116.6	111.59	96.58	81.58	74.52	106.89	
Hi-Cetane Diesel Euro 5	126.82	132.47	127.14	127.14	127.14	125.01	127.26	127.26	122.25	107.25	80.1	80.15	117.50	
Monthly Increase in Petrol	0%	5%	-4%	0%	1%	0%	2%	0%	-4%	-13%	-16%	-9%		
Monthly Increase in Diesel	0%	4%	-4%	0%	0%	-2%	2%	0%	-4%	-12%	-25%	0%		

2020-21	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Annual Average	Increase w.r.t. Last Year
Premier Euro 5	100.11	103.97	103.97	103.97	100.69	103.69	109.2	111.9	111.9	108.56	108.56	110.69	106.43	-0.43%
Hi-Cetane Diesel Euro 5	101.46	106.46	106.46	104.06	101.43	108.44	113.19	116.08	116.08	110.76	110.76	112.55	108.98	-7.25%
Monthly Increase in Petrol	34%	4%	0%	0%	-3%	3%	5%	2%	0%	-3%	0%	2%		
Monthly Increase in Diesel	27%	5%	0%	-2%	-3%	7%	4%	3%	0%	-5%	0%	2%		

2021-22	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Annual Average	Increase w.r.t. Last Year
Premier Euro 5	118.09	119.8	123.3	137.79	145.82	140.82	147.83	159.86	149.86	149.86	179.86	233.89	150.57	41.46%
Hi-Cetane Diesel Euro 5	116.53	116.53	120.04	134.48	142.62	137.62	144.62	154.15	144.15	144.15	174.15	263.31	149.36	37.06%
Monthly Increase in Petrol	7%	1%	3%	12%	6%	-3%	5%	8%	-6%	0%	20%	30%		
Monthly Increase in Diesel	4%	0%	3%	12%	6%	-4%	5%	7%	-6%	0%	21%	51%		

2022-23	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Annual Average	Increase w.r.t. Last Year
Premier Euro 5	230.24	233.91	237.43	224.8	224.8	214.8	249.8	272	272	282	270	262	247.82	64.59%
Hi-Cetane Diesel Euro 5	236	244.44	247.43	235.3	235.3	227.8	262.8	280	293	293	258	253	255.51	71.06%
Monthly Increase in Petrol	-2%	2%	2%	-5%	0%	-4%	16%	9%	0%	4%	-4%	-3%		
Monthly Increase in Diesel	-10%	4%	1%	-5%	0%	-3%	15%	7%	5%	0%	-12%	-2%		

Data prepared from Pol Archives @ <https://psopk.com/en/product-and-services/product-prices/pol/pol-archives>

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22

RORB CALCULATION

	Note	2019-20	2020-21	2021-22	2022-23	2023-24
		Actual	Actual	Actual	Prov.	Index/Adj.
Fixed Assets O/B		83,299	87,395	94,444	107,485	116,201
Addition		4,096	7,049	13,041	8,716	10,249
Fixed Assets C/B		87,395	94,444	107,485	116,201	126,450
Accumulated Depreciation		(32,191)	(35,431)	(39,112)	(43,137)	(47,513)
Net Fixed Assets		55,204	59,013	68,373	73,064	78,938
Capital WIP C/B		19,756	26,649	33,544	46,800	55,029
Capital WIP C/B-Deposit Portion		(7,585)	(8,273)	(14,643)	(14,643)	(14,643)
Fixed Assets Inc. WIP		67,375	77,389	87,274	105,221	119,324
Deferred Credits		(32,775)	(35,052)	(39,222)	(39,822)	(41,671)
Net Assets		34,600	42,337	48,052	65,399	77,653
RAB		37,605	38,469	45,195	56,725	71,526
WACC	N-1	15.02%	10.76%	12.03%	17.07%	21.14%
RORB		5,647	4,138	5,437	9,685	15,121

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 131

IMPACT OF QUARTERLY TARIFF ADJUSTMENT

Mln Rs.

Sr. No.	Description	Period	Allowed Amount	Unit To Sold (MkWh)	Lifeline Supplies (MkWh)	Incremental Units (MkWh)	Net Unit to be Sold (MkWh)	QFA (Rs./kWh)	Recovered	Under(Over) Recovery Computed	Under(Over) Recovery as per Decision	Proposed Adjustments
1	2nd & 3rd Qtr. FY 2019-20	Oct-20 to Sep-21	29,187	12,005	196	588	11,222	3,1516	35,366	(6,179)	(7,562)	1,383
2	4th Qtr. FY 2019-20	Oct-21 to Sep-22	10,826	12,741	90	733	11,918	1,1690	13,932	(3,106)	(3,946)	840
3	1st & 2nd Qtr. FY 2020-21	Oct-21 to Sep-22	14,986	12,741	90	733	11,918	1,2853	15,318	(332)	(1,256)	924
4	3rd Qtr. FY 2020-21	Oct-21 to Sep-22	2,343	12,741	90	733	11,918	0,2010	2,396	(53)	(197)	144
5	4th Qtr. FY 2020-21	Feb-22 to Apr-22	(2,222)	2,790	16	196	2,577	(0,8573)	(2,210)	(12)	(16)	4
6	1st Qtr. FY 2021-22	Jun-22 to Aug-22	2,612	3,834	33	126	3,675	0,8956	3,291	(679)	(685)	6
7	2nd Qtr. FY 2021-22	Jul-22 to Sep-22	1,457	3,835	37	137	3,661	0,4995	1,829	(372)	(377)	5
8	3rd Qtr. FY 2021-22	Sep-22 to Nov-22	2,616	2,876	28	130	2,717	0,8970	2,437	179	169	10
9	4th Qtr. FY 2021-22	Oct-22 to Jan-23	12,244	3,557	34	158	3,364	3,4100	11,473	772	654	118
10	1st Qtr. FY 2022-23	Feb-23 to Mar-23	2,057	1,638	16	72	1,550	1,2500	1,938	119	105	14
	TOTAL									(9,664)	(13,111)	3,447

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56

SALES MIX FOR FY 2020-21 (Net of Incremental Units)						
Sr. No	Particular	Actual Units (Mkwh)	NEPRA Sales Mix (%)	NEPRA Sales Mix (%)	NEPRA Units (Mkwh)	Sales Mix (Mln. Rs.)
			SRO No.09 Dated 01-01-2019	SRO No.09 Dated 12-02-2021		
RESIDENTIAL - A1						
1	UPTO-50	Units/month	34	4.81%	0.59%	329 (1,180)
2	1-100	Units	1,773	17.68%	9.61%	1,415 4,972
3	101-200	Units	1,392	12.74%	13.70%	1,208 3,183
4	201-300	Units	1,202	9.41%	9.88%	886 5,684
5	301-700	Units	652	5.45%	12.92%	714 (1,074)
6	ABOVE 700	Units	138	1.79%	4.44%	240 (2,110)
7	A-1b (03) T	Peak	33	0.58%	0.41%	49 (334)
8	A-1b (03) T	Off-Peak	150	2.44%	1.66%	205 (707)
9	Temp. domestic E-11 (55)		0	0.00%	0.00%	0 2
TOTAL DOMESTIC			5,373	54.90%	53.21%	5,045 8,436
COMMERCIAL - A2						
10	Commercial Tariff (04)		322	3.19%	3.20%	296 530
11	A-2b (05)		0	0.02%	0.00%	1 (19)
12	A-2c(06) T	Peak	86	1.06%	1.10%	99 (280)
13	A-2c(06) T	Off-Peak	391	4.48%	4.39%	413 (328)
14	Temp. coml B-111 (56)		2	0.02%	0.03%	2 (6)
TOTAL COMMERCIAL			802	8.77%	8.73%	812 (102)
INDUSTRIAL						
15	B-1 (07)		5	0.00%	0.00%	- 88
16	B-1 (08)		0	0.22%	0.08%	17 (296)
17	B-1b(09) T	Peak	6	0.36%	0.18%	28 (455)
18	B-1b(09) T	Off-Peak	55	1.85%	0.83%	143 (1,309)
19	B-2a(10)		1	0.04%	0.01%	3 (34)
20	B-2b(12) T	Peak	78	0.91%	1.26%	94 (325)
21	B-2b(12) T	Off-Peak	585	6.05%	5.82%	555 454
22	B-3(14) T	Peak	75	0.87%	1.54%	99 (475)
23	B-3(14) T	Off-Peak	613	8.55%	7.85%	774 (2,320)
24	B-4(17) T	Peak	59	0.77%	1.44%	90 (630)
25	B-4(17) T	Off-Peak	465	5.66%	6.81%	557 (1,326)
26	E-2(58) Temp		0	0.00%	0.00%	- 4
TOTAL INDUSTRIAL			1,942	25.28%	25.82%	2,360 (6,624)
BULK SUPPLY						
27	C-1a (19)		0	0.00%	0.00%	- 4
28	C-1b (25)		16	0.26%	0.20%	6 182
29	C-1c (26) T	Peak	9	0.14%	0.13%	20 (239)
30	C-1c (26) T	Off-Peak	44	0.66%	0.57%	25 327
31	C-2a (28)		12	0.14%	0.05%	44 (513)
32	C-2b (29) T	Peak	29	0.37%	0.39%	20 203
33	C-2b (29) T	Off-Peak	138	1.67%	1.60%	69 1,032
34	C-3a(37)	Off-Peak	0	0.00%	0.03%	109 (539)
35	C-3b (38) T	Peak	2	0.03%	0.00%	2 10
36	C-3b (38) T	Off-Peak	12	0.18%	0.15%	16 (48)
TOTAL BULK SUPPLY			263	3.45%	3.13%	311 419
AGRICULTURAL T/WELLS - TARIFF - D						
37	D-1A (41,42,43,44,46)		0	0.03%	0.03%	3 (36)
38	D-2A (47,48,49,52)	(NOR)	6	0.21%	0.16%	18 (172)
39	D-2A (47,48,49,52)	(SUB)	10	0.00%	0.00%	- 139
40	D-1b (45) T	Peak	0	0.01%	0.01%	1 (12)
41	D-1b (45) T	Off-Peak	2	0.06%	0.04%	5 (45)
42	D-2b (50,51,53,54) T	Peak (NOR)	6	0.12%	0.09%	10 (80)
43	D-2b (50,51,53,54) T	Off-Peak (NOR)	30	0.56%	0.41%	48 (250)
44	D-2b (50,51,53,54) T	Peak (SUB)	4	0.00%	0.00%	- 74
45	D-2b (50,51,53,54) T	Off-Peak (SUB)	21	0.00%	0.00%	- 289
TOTAL AGRICULTURAL T/WELL			79	0.99%	0.74%	85 (93)
46	Public Light PVT G (72,73)		13	0.16%	0.14%	14 (20)
47	Residential Colonies H (76,79)		1	0.03%	0.02%	3 (20)
48	AJK Tariff K-1 (35)		-	0.01%	0.03%	1 (13)
49	AJK Tariff K-1 (36) T	Peak	75	0.55%	0.84%	59 328
50	AJK Tariff K-1 (36) T	Off-Peak	304	2.86%	3.36%	279 367
Total AJK			393	3.61%	4.39%	357 642
GENERAL SERVICES - A3						
51	A-3A (66)		425	3.00%	3.98%	306 2,131
Company Total			9,275	100%	100%	9,275 4,809

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133

SALES MIX FOR FY 2021-22 (Net of Incremental & WIP)						
Sr. No	Particular	Actual Units (MKwh)	NEPRA Sales Mix (%)	NEPRA Sales Mix (%)	NEPRA Units (MKwh)	Sales Mix (Mln. Rs.)
			SRO No.190 Dated 12-02-2021	SRO No.1424 Dated 05-11-2021		
RESIDENTIAL - A1						
1	UPTO-50	Units/Month	37	0.59%	0.59%	57 (77)
2	1-100	Units	1,836	9.61%	9.61%	921 13,301
3	101-200	Units	1,540	13.70%	13.70%	1,313 4,090
4	201-300	Units	1,197	9.88%	9.88%	947 4,524
5	301-700	Units	695	12.92%	12.92%	1,238 (10,615)
6	ABOVE 700	Units	120	4.44%	4.44%	426 (6,461)
7	A-1b (03) T	Units	33	0.41%	0.41%	39 (132)
8	A-1b (03) T	Units	154	1.66%	1.66%	159 (69)
15	Temp. domestic E-1 I (55)	Units	0	0.00%	0.00%	0 3
TOTAL DOMESTIC			5,614	53.21%	5,100	4,563
COMMERCIAL - A2						
10	Commercial Tariff (04)		337	3.20%	3.20%	307 634
11	A-2b (05)		0	0.00%	0.00%	- 1
12	A-2c(06)T	Peak	87	1.10%	1.10%	105 (403)
13	A-2c (06) T	Off-Peak	403	4.39%	4.39%	421 (271)
14	Temp. coml E-1II (56)		3	0.03%	0.03%	3 (16)
TOTAL COMMERCIAL			829	8.73%	836	(53)
INDUSTRIAL						
15	B-1 (07)		5	0.08%	0.08%	5 (12)
16	B-1 (08)		0	0.00%	0.00%	2 (42)
17	B-1b(09) T	Peak	6	0.18%	0.18%	17 (220)
18	B-1b(09) T	Off-Peak	48	0.83%	0.83%	79 (469)
19	B-2a(10)		0	0.01%	0.01%	1 (9)
20	B-2b(12) T	Peak	78	1.26%	1.26%	122 (882)
21	B-2b(12) T	Off-Peak	526	5.82%	5.82%	557 (476)
22	B-3(14) T	Peak	99	1.54%	1.54%	148 (970)
23	B-3(14) T	Off-Peak	611	7.85%	7.85%	752 (2,021)
24	B-4(17) T	Peak	81	1.44%	1.44%	138 (1,157)
25	B-4(17) T	Off-Peak	447	6.81%	6.81%	653 (3,050)
26	E-2(58) Temp		1	0.00%	0.00%	- 18
TOTAL INDUSTRIAL			1,903	25.82%	2,475	(9,290)
BULK SUPPLY						
27	C-1a (19)		0	0.00%	0.00%	- 2
28	C-1b (25)		14	0.20%	0.20%	19 (90)
29	C-1c (26) T	Peak	10	0.13%	0.13%	13 (51)
30	C-1c (26) T	Off-Peak	50	0.57%	0.57%	55 (80)
31	C-2a (28)		9	0.05%	0.05%	5 67
32	C-2b (29) T	Peak	33	0.39%	0.39%	37 (102)
33	C-2b (29) T	Off-Peak	154	1.60%	1.60%	153 0
34	C-3a(37)	Off-Peak	0	0.03%	0.03%	3 (43)
35	C-3b (38) T	Peak	3	0.00%	0.00%	10 (140)
36	C-3b (38) T	Off-Peak	13	0.15%	0.15%	5 129
TOTAL BULK SUPPLY			288	3.13%	300	(309)
AGRICULTURAL T/WELLS - TARIFF - D						
37	D-1A (41,42,43,44,46)		0	0.03%	0.03%	3 (37)
38	D-2A (47,48,49,52)	(NOR)	15	0.16%	0.16%	15 1
39	D-2A (47,48,49,52)	(SUB)	-	0.00%	0.00%	- -
40	D-1b (45) T	Peak	0	0.01%	0.01%	1 (13)
41	D-1b (45) T	Off-Peak	2	0.04%	0.04%	4 (30)
42	D-2b (50,51,53,54) T	Peak (NOR)	9	0.09%	0.09%	8 18
43	D-2b (50,51,53,54) T	Off-Peak (NOR)	46	0.41%	0.41%	39 101
44	D-2b (50,51,53,54) T	Peak (SUB)	1	0.00%	0.00%	- 14
45	D-2b (50,51,53,54) T	Off-Peak (SUB)	4	0.00%	0.00%	- 47
TOTAL AGRICULTURAL T/WELL			77	0.74%	70	101
46	Public Light PVT G (72,73)		12	0.14%	0.14%	14 (22)
47	Residential Colonies H (76,79)		1	0.02%	0.02%	2 (9)
48	AJK Tariff K-1 (35)		2	0.03%	0.03%	3 (18)
49	AJK Tariff K-1 (36) T	Peak	80	0.84%	0.84%	81 (2)
50	AJK Tariff K-1 (36) T	Off Peak	320	3.36%	3.36%	322 75
Total AJK			424	4.39%	421	25
GENERAL SERVICES - A3						
51	A-3A (66)		449	3.98%	3.98%	381 1,004
Company Total			9,584	100%	9,584	(3,959)

9

26

134

Annex-F

**TO BE PUBLISHED IN THE OFFICIAL GAZETTE
GOVERNMENT OF PAKISTAN**

Government of Pakistan
Ministry of Energy
(Power Division)

Islamabad, the November 12, 2019.

NOTIFICATION

S.R.O.1379(I)/2019.- In pursuance of sub-section (7) of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (XL of 1997), the Federal Government is pleased to notify the Uniform Seasonal Pricing Structure for period of November 2019 to February 2020, for units consumed above consumption made during the same period / month last year. The rates are as specified in the Table below, for all EX-WAPDA Distribution Companies, namely:-

"Table

SCHEDULE OF ELECTRICITY TARIFFS FOR ALL XWDISCO			
A-1 General Supply tariff - Residential			
Sr.No.	Tariff Category / particulars	Applicable Winter Rate Rs/kWh	
b)	For Sanctioned load 5 kW & above	Peak	Off-Peak
	Time of Use	11.97	11.97
SCHEDULE OF ELECTRICITY TARIFFS FOR ALL XWDISCO			
A-2 General Supply tariff - Commercial			
Sr.No.	Tariff Category / particulars	Applicable Winter Rate Rs/kWh	
		Peak	Off-Peak
c)	Time of Use	11.97	11.97

SCHEDULE OF ELECTRICITY TARIFFS FOR ALL XWDISCO			
B INDUSTRIAL SUPPLY TARIFF			
Sr.No.	Tariff Category / particulars	Applicable Winter Rate Rs/kWh	
B-1	Upto 25 kW (at 400/230 Volts)	11.97	11.97
B2(a)	Exceeding 25-500 kW (at 400 Volts)	11.97	11.97
	Time of Use	Peak	Off-Peak
B1 (b)	Up to 25 KW	11.97	11.97
B2 (b)	Exceeding 25-500 kW (at 400 Volts)	11.97	11.97
B3	For All Loads up to 5000 KW (at 11, 33	11.97	11.97
B4	For All Loads (at 66, 132 kV & above)	11.97	11.97

[F-NO.P-I-4 (18)/2019]

(Syed Muteen Ahmed)
Section Officer (Tariff)

27

PESHAWAR ELECTRIC SUPPLY COMPANY (PESCO)

Uniform Seasonal Structure Analysis for the month of November, 2019 (w.e.f. 01/11/2019)

Particulars	Units			USPS Rates Per Units			USPS Relief Amount
	Billed	Adjusted	Net	GOP	USPS	Subsidy	
A-1B(03)T PEAK	515,349	0	515,349	22.28	11.97	10.31	5,313,248.19
A-1B(03)T OFF-PEAK	1,876,797	0	1,876,797	15.96	11.97	3.99	7,488,420.08
A-2C(06)T PEAK	959,786	0	959,786	24.23	11.97	12.26	11,766,979.36
A-2C(06)T OFF-PEAK	3,783,533	0	3,783,533	18.26	11.97	6.29	23,798,422.57
B-1(07)	129,659	0	129,659	17.91	11.97	5.94	770,174.46
B-1(09)T PEAK	247,890	0	247,890	21.47	11.97	9.50	2,354,955.00
B-1(09)T OFF-PEAK	1,340,671	0	1,340,671	15.91	11.97	3.94	5,282,243.74
B-2A(10)	31,674	0	31,674	17.41	11.97	5.44	172,306.56
B-2B(12)T PEAK	1,814,607	0	1,814,607	21.41	11.97	9.44	17,129,890.08
B-2B(12)T OFF-PEAK	11,057,963	0	11,057,963	15.7	11.97	3.73	41,246,201.99
B-3(14)T PEAK	492,571	0	492,571	21.41	11.97	9.44	4,649,870.24
B-3(14)T OFF-PEAK	3,416,517	0	3,416,517	15.61	11.97	3.64	30,636,121.88
B-4(17)T PEAK	934,848	0	934,848	21.41	11.97	9.44	8,824,965.12
B-4(17)T OFF-PEAK	3,778,608	0	3,778,608	15.51	11.97	3.54	13,376,272.32
TOTAL	35,380,473	0	35,380,473				172,810,068.54

Muhammad Mashkoor Khan
Addl. Director General (IS)

Yasir Naseem
Finance Director
Countersigned

Muhammad Yaqoob Chaudhary
General Manager Commercial

Muhammad Amjad
Chief Executive Officer

PESHAWAR ELECTRIC SUPPLY COMPANY (PESCO)

Uniform Seasonal Structure Analysis for the month of November, 2019 (w.e.f. 01/11/2019)

Particulars	Units			USPS Rates Per Units			USPS Relief Amount
	Billed	Adjusted	Net	GOP	USPS	Subsidy	
A-1B(03)T PEAK	763,573	417,177	346,396	22.33	11.97	10.38	3,595,593.07
A-1B(03)T OFF-PEAK	2,980,862	1,815,703	1,165,159	16.03	11.97	4.06	4,730,544.20
A-2C(06)T PEAK	3,546,373	2,624,743	921,630	24.49	11.97	12.52	11,588,807.60
A-2C(06)T OFF-PEAK	14,888,985	11,516,432	3,372,553	18.52	11.97	6.55	22,090,222.15
B-1(07)T	120,798	63,814	56,984	18.17	11.97	6.20	353,299.24
B-1(09)T PEAK	430,205	200,554	229,651	21.73	11.97	9.76	2,241,393.76
B-1(09)T OFF-PEAK	3,809,584	2,012,273	1,797,311	16.47	11.97	4.20	5,448,706.20
B-2A(10)T	35,429	12,084	23,345	17.67	11.97	5.70	133,066.50
B-2B(12)T PEAK	3,963,419	2,405,134	1,558,285	21.67	11.97	9.70	15,115,864.50
B-2B(12)T OFF-PEAK	26,949,815	17,046,400	9,903,415	15.86	11.97	3.99	39,515,822.85
B-3(14)T PEAK	3,336,805	2,620,655	716,150	21.67	11.97	9.70	6,946,655.00
B-3(14)T OFF-PEAK	27,435,745	18,884,560	8,551,185	15.87	11.97	3.90	33,345,621.50
B-4(17)T PEAK	2,591,640	1,874,760	716,880	21.67	11.97	9.70	6,958,736.00
B-4(17)T OFF-PEAK	13,435,800	10,978,320	2,457,480	15.77	11.97	3.80	9,338,424.00
TOTAL	103,789,033	72,472,310	31,316,723				161,351,286.57

Muhammad Mashkoor Khan
Jdl. Director General (IS)

Yasir Nabeem
Finance Director

Muhammad Yaqub Chaudhary
General Manager Commercial

Countersigned

Muhammad Amjad
Chief Executive Officer

29

PESHAWAR ELECTRIC SUPPLY COMPANY (PESCO)

Uniform Seasonal Structure Analysis for the month of January, 2020. (w.e.f. 01/11/2019)

Particulars	Units			USPS Rates Per Units			USPS Relief Amount
	Billed	Adjusted	Net	GOP	USPS	Subsidy	
A-10(03)T PEAK	1,219,182	721,294	497,838	22.35	11.97	10.28	5,167,558.44
A-10(03)T OFF-PEAK	4,907,883	2,827,441	2,080,442	16.03	11.97	4.06	8,446,594.52
A-2C(06)T PEAK	3,699,449	2,603,887	1,095,562	24.49	11.97	12.52	13,716,436.24
A-2C(06)T OFF-PEAK	15,097,589	11,562,832	3,534,757	18.52	11.97	6.55	23,152,658.35
B-1(07)	219,297	123,821	95,415	18.17	11.97	6.20	591,577.65
B-1(09)T PEAK	518,653	253,868	264,785	24.73	11.97	9.76	2,584,301.60
B-1(09)T OFF-PEAK	3,463,815	2,070,607	1,393,208	16.17	11.97	4.20	5,851,773.60
B-2A(10)	51,208	27,755	23,453	17.67	11.97	5.70	133,682.10
B-2A(12)T PEAK	4,612,998	2,784,671	1,828,327	21.67	11.97	9.70	17,734,771.80
B-2B(12)T OFF-PEAK	28,925,414	18,425,649	10,499,765	15.96	11.97	3.99	41,894,062.35
B-3(14)T PEAK	2,752,770	2,194,345	558,425	21.67	11.97	9.70	5,416,722.50
B-3(14)T OFF-PEAK	23,130,380	14,559,195	8,571,185	15.87	11.97	3.90	33,427,621.50
B-4(17)T PEAK	4,591,320	3,512,400	1,078,920	21.67	11.97	9.70	10,465,524.00
B-4(17)T OFF-PEAK	27,394,200	22,458,360	4,935,840	15.77	11.97	3.80	18,756,192.00
TOTAL	120,584,048	84,126,126	36,457,922				187,339,176.75

Muhammad Mushkeer Khan
ddl: Director General (IS)

Raz Khan
Finance Director

Sher Ali Khan
Chief Commercial Officer

Countersigned

Muhammad Amjad
Chief Executive Officer

20

By: Chief Auditor
PESCO Peshawar

138

PESHAWAR ELECTRIC SUPPLY COMPANY (PESCO)

Uniform Seasonal Structure Analysis for the month of February, 2020 (w.e.f. 01/11/2019)

Particulars	Units			USPS Rates Per Units			USPS Relief Amount
	Billed	Adjusted	Net	GOP	USPS	Subsidy	
A-1B(03)T PEAK	1,206,024	661,836	544,188	22.25	11.97	10.38	5,548,671.44
A-1B(03)T OFF-PEAK	4,762,610	2,732,348	2,030,262	16.03	11.97	4.06	8,242,863.72
A-2C(06)T PEAK	3,946,414	2,593,668	1,352,743	24.49	11.97	12.52	16,936,342.36
A-2C(06)T OFF-PEAK	18,093,395	12,913,067	5,180,328	18.52	11.97	6.55	83,931,148.40
B-1(07)	232,025	124,686	107,339	18.17	11.97	6.20	665,501.80
B-1(09)T PEAK	572,585	274,018	298,567	21.73	11.97	9.76	2,914,013.92
B-1(09)T OFF-PEAK	3,447,046	2,025,828	1,421,218	16.17	11.97	4.20	5,969,115.60
A(10)	10,480	5,610	4,870	17.67	11.97	5.70	27,759.00
B-2B(12)T PEAK	4,612,669	2,639,542	1,973,127	21.67	11.97	9.70	19,139,331.90
B-2B(12)T OFF-PEAK	28,506,525	17,673,133	10,833,392	15.96	11.97	3.99	43,225,234.08
B-3(14)T PEAK	2,620,695	2,055,075	565,620	21.67	11.97	9.70	5,486,514.00
B-3(14)T OFF-PEAK	18,790,520	11,143,835	7,646,685	15.87	11.97	3.90	29,822,071.50
B-4(17)T PEAK	1,195,800	881,280	317,520	21.67	11.97	9.70	3,079,944.00
B-4(17)T OFF-PEAK	13,077,360	10,207,440	2,869,920	15.77	11.97	3.80	10,905,696.00
TOTAL	101,077,145	65,931,367	35,145,778				185,994,207.72

Muhammad Mashkoor Khan
Addl. Director General (IS)

Yasir Naseem
Finance Director

Shah Bad Khan
Chief Commercial Officer

Countersigned

Muhammad Amlad
Chief Executive Officer

Dy. Chief Auditor
PESCO Peshawar

31

Subsidy Invoice Feb-20.xlsx

Annex - Bay

5th Floor NEECA Building, C-5/2
Islamabad, 31st August 2020
Ph: 051-9244706, Fax: 051-9244704

Subject:- UNIFORM SEASONAL PRICING STRUCTURE (USPS) SUBSIDY CLAIMS FOR THE PERIOD NOVEMBER 2019 TO FEBRUARY 2020.

With reference to above, the PESCO has submitted the subsidy claims on account of Uniform Seasonal Pricing Structure (USPS) for the period December 2019 to February 2020 against tariff of Rs. 11.97 notified vide SRO No 1379(I)/2019 dated 12-11-2019. The claims has been perused in the light of above SRO/ notification and found that said SRO/ notification does not speak payment of subsidy by Federal Government against USPS. Hence this office is not in position to process/ verify USPS subsidy claims.

In view foregoing, the USPS subsidy claims are returned unactioned with the remarks to take up the matter directly with CRPA-G for further necessary action/settlement at their end.

Encl: As Above

(Javed Iqbal)
Cost Accounts Officer

Copy to:

1. Joint Secretary (RF), (Power Division) Ministry of Energy Islamabad.

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OFFICE OF FINANCE DIRECTOR RESCHO
ADMIN. COMP.
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Power Division) Ministry of Energy

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PESHAWAR ELECTRIC SUPPLY COMPANY

(091) 9212021
(091) 9212024

OFFICE OF THE
CHIEF EXECUTIVE PESCO
WAPDA HOUSE, PESHAWAR

No. 175453 / 17 / 1

Dated 22 / 1 / 2020

Syed Muteen Ahmad,
Section Officer (Tariff),
Ministry of Energy (Power Division),
Government of Pakistan, Islamabad.

Subject:- UNIFORM SEASONAL PRICING STRUCTURE (USPS) SUBSIDY CLAIMS FOR THE PERIOD NOVEMBER 2019 TO FEBRUARY 2020

Reference:- Cost Accounts Officer, Ministry of Energy (Power Division), Power Coordination Policy & Finance Wing (Subsidy Cell)'s letter No. SBC-13(50)/2019(USPS), dated 31/08/2020.

Subsidy claims submitted to Subsidy Cell on Account of Uniform Seasonal Pricing Structure (USPS) for the period December, 2019 to February, 2020 against tariff of Rs.11.97 notified vide SRO No. 1379(1)/2019, dated 12/11/2019 has been returned un-actioned by Subsidy Cell on the plea that the said SRO does not speak payment of subsidy by Federal Govt. against Uniform Seasonal Pricing Structure (USPS), rather it has been advised by the Subsidy Cell to take up the matter with CPPA-G for necessary action / settlement at their end.

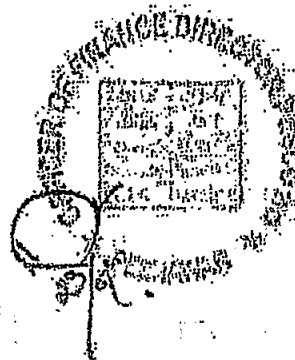
Keeping the foregoing in view, it is requested to please clarify the matter so as to proceed further accordingly.

Chief Executive Officer
PESCO Peshawar

Copy to:-

1. Dy. General Manager (Finance) to pursue the issue with concerned authorities at CPPA-G & Subsidy Cell accordingly.

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24/09/2020



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PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

Tel: 9212025

Fax: 9211987

OFFICE OF THE
CHIEF EXECUTIVE OFFICER

PESCO, PESHAWAR.

Dated: 5/03/2021

No: 7134-39 /ED/PESCO/CP&C

Joint Secretary (PF),
Ministry of Energy (Power Division)
Islamabad.

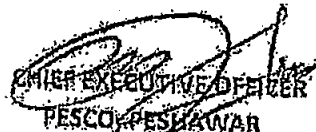
Subject: UNIFORM SEASONAL PRICING STRUCTURE (USPS) SUBSIDY CLAIMS FOR THE PERIOD NOVEMBER 2019 TO FEBRUARY 2020.

- Reference: -
- i) USPS subsidy claims submitted vide this Office letter No. 5462-66 dated 08-01-2020, No. 5513-17 dated 27-01-2020, No. 5613-17 dated 28-02-2020 and No. 5646-50 dated 20-03-2020.
 - ii) Cost Accounts Officer Subsidy cell letter No. SAC-15(50)/2019 dated 31-08-2020
 - iii) This Office letter No. 11153-54 dated 22-09-2020 & No. 13068-67 dated 16-11-2020.

Your kind attention is invited to the S.R.O. 1379(I)/2019 dated 12-11-2019 (Annex-A) wherein the Uniform Seasonal Pricing Structure for the period November 2019 to February 2020 was notified on units consumed above the consumption made during the same period / month last year. Accordingly, PESCO has charged the subsidized rates to the specified consumers and submitted USPS subsidy claims of Rs. 707.50 million to the Cost Accounts Officer, Subsidy cell, Ministry of Energy (Power Division), Islamabad vide letters under reference at Sr. No. (i) above.

The USPS subsidy claims were returned by the Cost Accounts Officer vide letter under reference at Sr. No. (ii) (Annex-B) with the remarks that the said S.R.O. does not speak payment of USPS subsidy by the Federal Government and the matter may be taken up with CPPA-G for settlement. It is apprised that PESCO is operating in a regulatory regime and generates revenue on the basis of NEPRA determined tariff either from consumers or from Federal Government in the shape of subsidy on the basis of the rates notified by GoP (In this case the applicable notification is S.R.O. 09 (I)/2019 dated 01/01/2019 Annex-C). However, PESCO is facing revenue shortfall of Rs. 707.50 Million on the basis of the subsidized USPS rates charged to the consumers and the recovery of the remaining amount is still pending. It is pertinent to mention here that NEPRA is the sole authority for determination of rates and it can only be changed by NEPRA and PESCO does not have the authority to reduce the determined rates.

Keeping foregoing in view, it is therefore once again requested to decide about the revenue shortfall of Rs. 707.50 Million being faced by PESCO and accordingly accept / verify the USPS subsidy claims of PESCO by rectifying the said S.R.O. 1379(I)/2019 dated 12-11-2019.


CHIEF EXECUTIVE OFFICER
PESCO, PESHAWAR

Copy to:

1. Managing Director PESCO, 725-Wapda House, Lahore.
2. Chief Executive Officer, CPPA-G, Islamabad.
3. Chief Commercial Officer, PESCO.
4. Section Officer Tariff, Ministry of Energy, Power Division, Islamabad.
5. Cost Accounts Officer, Subsidy Cell, Ministry of Energy, Power Division, Islamabad.

(34)

PESHAWAR ELECTRIC SUPPLY COMPANY

(091) 9212033
(091) 9213566

OFFICE OF THE
CHIEF EXECUTIVE PESCO
WARDA HOUSE, PESHAWAR

No. 6394-21 / 12-1

Dated: 1/6/2021

Syed Mateen Ahmad
Section Officer (Public),
Ministry of Energy (Power Division),
Government of Pakistan, Islamabad.

Reminder-II

Subject:- UNIFORM SEASONAL PRICING STRUCTURE (USPS) SUBSIDY CLAIMS FOR THE PERIOD NOVEMBER 2019 TO FEBRUARY 2020.

Reference:- This office letter No. 1153-54, dated 22/09/2020 and 13066-67, dated 16/11/2020.

Your attention is invited to this office letter Nos. mentioned above vide which it was intimated that the subsidy claims submitted to Subsidy Cell on account of Uniform Seasonal Pricing Structure (USPS) in the light of SRO No. 1379(I)/2019, dated 12/11/2019 were returned un-actioned by the Subsidy Cell on the plea that the said SRO does not speak payment of USPS subsidy by Federal Govt. and the matter may be taken up with CPPA-G for necessary action / settlement at their end.

Keeping the foregoing in view, it is once again requested to please look into the matter and clarify the same to save PESCO from Revenue loss.

(Signature)
**Chief Executive Officer
PESCO Peshawar**

Copy to:-

1. Managing Director PESCO, 725-WARDA House, Lahore;
2. Chief Executive Officer, CPPA-G, Islamabad.
3. Finance Director, PESCO H/Q Peshawar.
4. Cost Accounts Officer, Subsidy Cell, Ministry of Energy (Power Division), Islamabad.

FINANCE DIRECTOR	
ADMIN	COMP
PAYMENT	EXP
BANKING	STAMP
PENSION	BUDGET
CRISC	TAXATION

(Signature)
Mr. Leelan

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PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

Tel: 9212025
Fax: 9211987

OFFICE OF THE
CHIEF EXECUTIVE OFFICER
PESCO, PESHAWAR.
Dated: 07/05/2021

No: 7256-61 /FD/PESCO/CP&C

Joint Secretary (PF),
Ministry of Energy (Power Division)
Islamabad.

REMINDER-III

Subject: UNIFORM SEASONAL PRICING STRUCTURE (USPS) SUBSIDY CLAIMS FOR THE PERIOD
NOVEMBER 2019 TO FEBRUARY 2020.

- Reference:-
- i) USPS subsidy claims submitted vide this Office letter No. 5462-66 dated 08-01-2020, No. 5513-17 dated 27-01-2020, No. 5613-17 dated 28-02-2020 and No. 5646-50 dated 20-03-2020.
 - ii) Cost Accounts Officer Subsidy cell letter No. SBC-15(50)/2019 dated 31-08-2020.
 - iii) This Office letter No. 11153-64 dated 22-09-2020, letter No. 13066-67 dated 16-11-2020 & letter No. 7134-39/PESCO dated 05-03-2021.

Your kind attention is invited to this office letters referred above at Sr. (iii) wherein it was appraised that in the light of S.R.O. 1379(I)/2019 dated 12-11-2019, PESCO has submitted USPS subsidy claims of Rs. 707.50 million to the Cost Accounts Officer, Subsidy cell, Ministry of Energy (Power Division), Islamabad vide letters under reference at Sr. No. (i) above.

The USPS subsidy claims were returned by the Cost Accounts Officer vide letter under reference at Sr. No. (ii) with the remarks that the said S.R.O. does not speak payment of USPS subsidy by the Federal Government and the matter may be taken up with CPPA-G for settlement. It is again emphasized that PESCO is operating in a regulatory regime and generates revenue on the basis of NEPRA determined tariff either from consumers or from Federal Government in the shape of subsidy on the basis of the rates notified by GoP (In this case the applicable notification is S.R.O. 09 (I)/2019 dated 01/01/2019). However, PESCO is facing revenue shortfall of Rs. 707.50 Million on the basis of the subsidized USPS rates charged to the consumers and the recovery of the remaining amount is still pending. It is pertinent to mention here that NEPRA is the sole authority for determination of rates and it can only be changed by NEPRA and PESCO does not have the authority to reduce the determined rates.

Keeping foregoing in view, it is once again requested to consider PESCO request and decide about the revenue shortfall of Rs. 707.50 Million being faced by PESCO and accordingly accept / verify the USPS subsidy claims of PESCO by rectifying the said S.R.O. 1379(I)/2019 dated 12-11-2019.

Cc to:

1. Managing Director PESCO, 725 Wapda House, Lahore.
2. Chief Executive Officer, CPPA-G, Islamabad.
3. Chief Commercial Officer, PESCO.
4. Section Officer Tariff, Ministry of Energy, Power Division, Islamabad.
5. Cost Accounts Officer, Subsidy Cell, Ministry of Energy, Power Division, Islamabad

CHIEF EXECUTIVE OFFICER
PESCO, PESHAWAR

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144

PESHAWAR ELECTRIC SUPPLY COMPANY LIMITED

Tel: 9212025
Fax: 9211987

OFFICE OF THE
CHIEF EXECUTIVE OFFICER
PESCO PESHAWAR
Dated: 14/05/2022

No: 8139-41/ED/PESCO/CP&C

The Registrar,
National Electric Power Regulatory Authority,
NEPRA Tower, Attaturk Avenue, Sector G-5/1,
ISLAMABAD.

Subject: **IMPACT OF POSITIVE FCA IN THE MATTER OF LIFE LINE CONSUMERS IN REQUESTS FILED BY PESCO FOR PERIODIC ADJUSTMENTS IN TARIFF FOR FY 2017-18 TO FY 2020-21.**

In continuation of Multi Year Tariff petition filed by PESCO on 03-06-2021 and multiple discussions with NEPRA Tariff team, your kind attention is invited towards the NEPRA Decisions in the matter of request filed by PESCO for Periodic Quarterly Adjustments in Tariff for FY 2017-18 to FY 2020-21, wherein the Authority has not considered/ allowed the impact of lifeline consumers. Moreover, the said impact of lifeline consumers has also not 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 2017-18 to FY 2020-21. The detailed monthly working is attached at Annex-A.

The yearly detail of pending/ unrecovered Positive FCA on lifeline consumers as per the requests filed by PESCO and quarterly FCA allowed by NEPRA is as under:

Rs. in Million

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

Keeping foregoing in view, It is requested to kindly 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 in the Multi-Year Tariff Petition filed by PESCO for its Consumer End Tariff for FY 2020-21 to FY 2024-25 please.

CHIEF EXECUTIVE OFFICER
PESCO PESHAWAR

Cc to:

- Chief Financial Officer, PPMC, Evacuee Trust Complex, Islamabad.
- Chief Financial Officer, CPPA-G, Islamabad.

37

145

(Annex-A)

PESHAWAR ELECTRIC SUPPLY COMPANY
IMPACT OF LIFE LINE CONSUMERS IN QUARTERLY ADJUSTMENTS

Year	Description	NEPRA Determined	As per PESCO	Variance
FY 2017-18	4th Qtr	511	565	54
	Sub Total	511	565	54
FY 2018-19	1st Qtr	841	902	61
	2nd Qtr	251	276	25
	3rd Qtr	897	990	93
	4th Qtr	162	184	23
	Sub Total	2,150	2,352	202
FY 2019-20	1st Qtr	2,673	2,947	274
	2nd Qtr	1,465	1,616	150
	3rd Qtr	802	884	82
	Sub Total	4,940	5,446	506
FY 2020-21	1st Qtr	1,229	1,355	126
	2nd Qtr	885	976	91
	3rd Qtr	356	401	45
	Sub Total	2,470	2,731	261
Grand Total		10,071	11,095	1,023

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146

Quarterly Adjustments - 4th Qtr		FY 2017-18	
EPP Adjustment		6th Qtr	4th Qtr
EPP - 1st month of the Qtr			
Reference -		6.7127	6.7127
Actual:		6.7587	6.7587
Variable O&M & Wind & Solar Adjustment		0.7528	0.7516
Net EPP		8.0051	8.0031
Disallowed & Deferred Cost		(0.0278)	(0.0278)
Fuel Price Adjustment Allowed		(0.8898)	(0.8898)
EPP - 2nd month of the Qtr			
Reference -		5.2808	5.2808
Actual:		7.2988	7.2988
Variable O&M & Wind & Solar Adjustment		0.6690	0.6690
Net EPP		8.9308	8.9308
Disallowed & Deferred Cost		0.1188	0.1188
Fuel Price Adjustment Allowed		1.2212	1.2212
EPP - 3rd month of the Qtr			
Reference -		4.5927	4.5927
Actual:		6.3491	6.3491
Variable O&M & Wind & Solar Adjustment		0.8241	0.8241
Net EPP		8.7250	8.7250
Disallowed & Deferred Cost		0.2239	0.2239
Fuel Price Adjustment Allowed		0.5084	0.5084

		Determined	PERCO	Variance
		4th Qtr	4th Qtr	4th Qtr
1st month of the Qtr	Target Losses for the quarter	31.95%	31.95%	-
	1st month of the Qtr			-
	Units Received (MkWh)	1,073	1,073	-
	Units to be sold (MkWh)	780	780	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	730	730	-
	Adjustment already given (Min Rs)	(504)	(504)	-
	Adjustment that should have been with allowed costs only (Min Rs)	(740)	(740)	-
	Impact of disallowed & Deferred costs (Min Rs)	(30)	(30)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	(238)	(238)	-
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(268)	(268)	-
	Impact of lifeline, from new reference			-
	Impact of losses from new reference	(238)	(238)	-
		31.95%	31.95%	-
				-
2nd month of the Qtr	2nd month of the Qtr			-
	Units Received (MkWh)	1,292	1,292	-
	Units to be sold (MkWh)	879	879	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	879	848	30
	Adjustment already given (Min Rs)	1,073	1,037	36
	Adjustment that should have been with allowed costs only (Min Rs)	1,577	1,577	-
	Impact of disallowed & Deferred costs (Min Rs)	253	253	-
	Remaining adjustment for the quarter only allowed (Min Rs)	804	840	(36)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	837	884	(48)
				0
	Impact of lifeline, from new reference	-	36	(36)
	Impact of losses from new reference	804	804	-
		804	840	(36)
				-
3rd month of the Qtr	3rd month of the Qtr	31.95%	31.95%	-
	Units Received (MkWh)	1,500	1,500	-
	Units to be sold (MkWh)	1,020	1,020	-
	Units without Life line (MkWh)	1,020	988	32
	Adjustment already given (Min Rs)	519	501	18
	Adjustment that should have been with allowed costs only (Min Rs)	782	782	-
	Impact of disallowed & Deferred costs (Min Rs)	386	386	-
	Remaining adjustment for the quarter only allowed (Min Rs)	244	251	(7)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	878	897	(19)
				-
	Impact of lifeline, from new reference	-	18	(18)
	Impact of losses from new reference	244	244	-
		244	261	(17)
				-
Total Adjustment on account of EPP allowed only (Min Rs)		511	565	(54)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)		870	1,025	(155)
Impact of lifeline, from new reference		-	84	(84)
Impact of losses from new reference		511	511	-
		511	565	(54)

39

147

2 of 12

Quarterly Adjustments - 1st Qtr		FY 2018-19	
		1st Qtr	1st Qtr
EPP Adjustment			
EPP - 1st month of the Qtr			
Reference -		4.9811	4.9811
Actual		6.2839	6.2839
Variable O&M & Wind & Solar Adjustment		1.1599	1.1599
Net EPP		5.1240	5.1240
Disallowed & Deferred Cost		(0.2096)	(0.2096)
Fuel Price Adjustment Allowed		0.8676	0.8676
EPP - 2nd month of the Qtr			
Reference -		4.7552	4.7552
Actual		6.8406	6.6406
Variable O&M & Wind & Solar Adjustment		0.9351	0.9351
Net EPP		5.7034	5.7034
Disallowed & Deferred Cost		(0.2199)	(0.2199)
Fuel Price Adjustment Allowed		1.1628	1.1628
EPP - 3rd month of the Qtr			
Reference -		5.1217	5.1217
Actual		6.2444	6.2444
Variable O&M & Wind & Solar Adjustment		0.7545	0.7545
Net EPP		5.4898	5.4898
Disallowed & Deferred Cost		(0.1682)	(0.1682)
Fuel Price Adjustment Allowed		0.1999	0.1999

		Determined	PESCO	Variance
		1st Qtr	1st Qtr	1st Qtr
1st month of the Qtr	Target Losses for the quarter	31.95%	31.95%	-
	1st month of the Qtr			
	Units Received (MkWh)	1,536	1,536	-
	Units to be sold (MkWh)	1,045	1,045	-
	Units without Life Line, Agriculture & Domestic Consumer upto 300 units (MkWh)	1,045	1,010	35
	Adjustment already given (Min Rs)	368	356	13
	Adjustment that should have been with allowed costs only (Min Rs)	541	541	-
	Impact of disallowed & Deferred costs (Min Rs)	(322)	(322)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	179	186	(12)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(149)	(116)	(19)
	Impact of lifeline, from new reference	-	19	(19)
	Impact of losses from new reference	179	173	-
		179	186	(19)
2nd month of the Qtr		31.95%	31.95%	-
	2nd month of the Qtr	62.13	62.13	-
	Units Received (MkWh)	1,583	1,583	-
	Units to be sold (MkWh)	1,069	1,063	-
	Units without Life Line, Agriculture & Domestic Consumer upto 300 units (MkWh)	1,069	1,027	35
	Adjustment already given (Min Rs)	1,137	1,195	42
	Adjustment that should have been with allowed costs only (Min Rs)	1,818	1,818	-
	Impact of disallowed & Deferred costs (Min Rs)	(331)	(335)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	581	623	(42)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	249	290	(42)
				0
	Impact of lifeline, from new reference	-	42	(42)
	Impact of losses from new reference	581	581	-
		581	613	(42)
3rd month of the Qtr		31.95%	31.95%	-
	3rd month of the Qtr			
	Units Received (MkWh)	1,361	1,361	-
	Units to be sold (MkWh)	926	926	-
	Units without Life Line (MkWh)	926	895	31
	Adjustment already given (Min Rs)	185	179	6
	Adjustment that should have been with allowed costs only (Min Rs)	272	272	-
	Impact of disallowed & Deferred costs (Min Rs)	229	229	-
	Remaining adjustment for the quarter only allowed (Min Rs)	87	89	(8)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	315	322	(8)
	Impact of lifeline, from new reference	-	8	(8)
	Impact of losses from new reference	87	87	-
		87	95	(8)
Total Adjustment on account of EPP allowed only (Min Rs)		841	902	(61)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)		415	475	(61)
Impact of lifeline, from new reference		-	61	(61)
Impact of losses from new reference		841	841	-
		841	902	(61)

Q

40

148

Quarterly Adjustments - 2nd Qtr

FY 2018-19

EPP Adjustment	2nd Qtr	2nd Qtr
EPP - 1st month of the Qtr		
Reference -	5,2855	5,2855
Actual	5,7897	5,7897
Variable O&M & Wind & Solar Adjustment	0,4859	0,4859
Net EPP	5,3027	5,3027
Disallowed & Deferred Cost	(0,4080)	(0,4080)
Fuel Price Adjustment Allowed	0,4741	0,4741

EPP - 2nd month of the Qtr		
Reference -	5,0497	5,0497
Actual	5,1851	5,1851
Variable O&M & Wind & Solar Adjustment	0,5890	0,5530
Net EPP	4,6831	4,6181
Disallowed & Deferred Cost	(0,0938)	(0,0938)
Fuel Price Adjustment Allowed	(0,3228)	(0,3228)

EPP - 3rd month of the Qtr		
Reference -	5,8519	5,8519
Actual	6,6032	6,6032
Variable O&M & Wind & Solar Adjustment	0,7790	0,7790
Net EPP	5,8251	5,8251
Disallowed & Deferred Cost	(0,6043)	(0,6043)
Fuel Price Adjustment Allowed	0,6685	0,6685

	Determined 2nd Qtr	PESCO 2nd Qtr	Variance 2nd Qtr
1st month of the Qtr	31.95%	31.95%	-
Target Losses for the quarter			
1st month of the Qtr			
Units Received (MKWh)	1,008	1,008	-
Units to be sold (MKWh)	683	683	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MKWh)	685	661	23
Adjustment already given (Mln Rs)	325	314	11
Adjustment that should have been with allowed costs only (Mln Rs)	477	477	-
Impact of disallowed & Deferred costs (Mln Rs)	(410)	(410)	-
Remaining adjustment for the quarter only allowed (Mln Rs)	252	188	(64)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Mln Rs) Net	(208)	(147)	(61)
Impact of lifeline, from new reference	-	11	(11)
Impact of losses from new reference	182	182	-
	182	188	(6)
2nd month of the Qtr	31.95%	31.95%	-
2nd month of the Qtr			
Units Received (MKWh)	62.13	62.13	-
Units to be sold (MKWh)	948	948	-
Units without Life line, Agriculture & Domestic Consumer upto 300 units (MKWh)	645	645	-
Adjustment already given (Mln Rs)	645	645	-
Adjustment that should have been with allowed costs only (Mln Rs)	(208)	(208)	-
Impact of disallowed & Deferred costs (Mln Rs)	(306)	(306)	-
Remaining adjustment for the quarter only allowed (Mln Rs)	(69)	(69)	-
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Mln Rs) Net	(187)	(187)	-
Impact of lifeline, from new reference	-	-	0
Impact of losses from new reference	(88)	(88)	-
	(88)	(88)	-
3rd month of the Qtr	31.95%	31.95%	-
3rd month of the Qtr			
Units Received (MKWh)	1,079	1,079	-
Units to be sold (MKWh)	734	734	-
Units without Life line (MKWh)	734	709	25
Adjustment already given (Mln Rs)	417	403	14
Adjustment that should have been with allowed costs only (Mln Rs)	613	613	-
Impact of disallowed & Deferred costs (Mln Rs)	(652)	(652)	-
Remaining adjustment for the quarter only allowed (Mln Rs)	195	210	(14)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Mln Rs) Net	(499)	(442)	(57)
Impact of lifeline, from new reference	-	14	(14)
Impact of losses from new reference	195	195	-
	195	210	(14)
Total Adjustment on account of EPP allowed only (Mln Rs)	261	276	(15)
Total Adjustment on account of EPP allowed disallowed & Deferred (Mln Rs)	(801)	(876)	(75)
Impact of lifeline, from new reference	-	25	(25)
Impact of losses from new reference	251	251	-
	251	276	(25)

9

411

Division of Management

149

Quarterly Adjustments - 3rd Qrt

FY 2018-19

	3rd Qrt	3rd Qrt
EPP Adjustment		
EPP - 1st month of the Qrt		
Reference -		
Actual	5.7576	5.7576
Variable O&M & Wind & Solar Adjustment	7.7389	7.7389
Net EPP	0.6549	0.6549
Disallowed & Deferred Cost	4.8846	6.8846
Fuel Price Adjustment Allowed	(0.6786)	(0.6786)
	1.8059	1.8059
EPP - 2nd month of the Qrt		
Reference -		
Actual	3.9710	3.9710
Variable O&M & Wind & Solar Adjustment	5.7718	5.7718
Net EPP	1.0948	1.0948
Disallowed & Deferred Cost	4.6770	4.6770
Fuel Price Adjustment Allowed	(0.1030)	(0.1030)
	0.8090	0.8090
EPP - 3rd month of the Qrt		
Reference -		
Actual	5.0010	5.0010
Variable O&M & Wind & Solar Adjustment	6.7929	6.7929
Net EPP	0.9943	0.9943
Disallowed & Deferred Cost	5.7386	5.7386
Fuel Price Adjustment Allowed	0.7748	0.7748
	(0.0372)	(0.0372)

	Determined 3rd Qrt	PESCO 3rd Qrt	Variance 3rd Qrt
1st month of the Qrt	31.95%	31.95%	-
Target Losses for the quarter			
1st month of the Qrt			
Units Received (MkWh)	1,140	1,140	-
Units to be sold (MkWh)	776	776	-
Units without Life Line, Agriculture & Domestic Consumer upto 300 units (MkWh)	776	739	37
Adjustment already given (Min Rs)	1,401	1,534	67
Adjustment that should have been with allowed costs only (Min Rs)	2,059	2,059	-
Impact of disallowed & Deferred costs (Min Rs)	(774)	(774)	-
Remaining adjustment for the quarter only allowed (Min Rs)	(12)	(12)	(9)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(12)	(12)	(9)
Impact of fuel, from new reference	-	87	(87)
Impact of losses from new reference	858	698	-
	458	725	(67)
2nd month of the Qrt	31.95%	31.95%	-
Units Received (MkWh)	82.13	82.13	-
Units to be sold (MkWh)	971	971	-
Units without Life Line, Agriculture & Domestic Consumer upto 300 units (MkWh)	661	661	-
Adjustment already given (Min Rs)	681	629	32
Adjustment that should have been with allowed costs only (Min Rs)	539	509	28
Impact of disallowed & Deferred costs (Min Rs)	786	786	-
Remaining adjustment for the quarter only allowed (Min Rs)	(100)	(100)	-
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	281	277	(4)
Impact of fuel, from new reference	281	277	(4)
Impact of losses from new reference	251	251	-
	251	277	(26)
3rd month of the Qrt	31.95%	31.95%	-
Units Received (MkWh)	969	969	-
Units to be sold (MkWh)	659	659	-
Units without Life Line (MkWh)	659	659	-
Adjustment already given (Min Rs)	(25)	(25)	-
Adjustment that should have been with allowed costs only (Min Rs)	(36)	(36)	-
Impact of disallowed & Deferred costs (Min Rs)	751	751	-
Remaining adjustment for the quarter only allowed (Min Rs)	(12)	(12)	-
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	759	759	-
Impact of fuel, from new reference	(12)	(12)	-
Impact of losses from new reference	(12)	(12)	-
	(12)	(12)	-
Total Adjustment on account of EPP allowed only (Min Rs)	897	890	(9)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)	774	867	(93)
Impact of fuel, from new reference	-	93	(93)
Impact of losses from new reference	897	897	-
	897	890	(9)

9

42

150

Quarterly Adjustments - 4th Qrt		FY 2018-19	
EPP Adjustment		4th Qrt	4th Qrt
EPP - 1st month of the Qrt			
Reference -		5.2359	5.2359
Actual		6.4134	6.4134
Variable O&M & Wind & Solar Adjustment		1.1944	1.1944
Net EPP		5.2190	5.2190
Disallowed & Deferred Cost		(0.5677)	(0.5677)
Fuel Price Adjustment Allowed		0.5308	0.5308
EPP - 2nd month of the Qrt			
Reference -		5.0457	5.0457
Actual		5.9254	5.9254
Variable O&M & Wind & Solar Adjustment		1.0598	1.0598
Net EPP		4.8658	4.8658
Disallowed & Deferred Cost		(0.2798)	(0.2798)
Fuel Price Adjustment Allowed		0.0989	0.0989
EPP - 3rd month of the Qrt			
Reference -		5.1190	5.1190
Actual		7.2445	7.2445
Variable O&M & Wind & Solar Adjustment		1.0457	1.0457
Net EPP		6.1988	6.1988
Disallowed & Deferred Cost		1.2166	1.2166
Fuel Price Adjustment Allowed		(0.1308)	(0.1308)

		Determined	PESCO	Variance
		4th Qrt	4th Qrt	4th Qrt
1st month of the Qrt	Target Losses for the quarter			
	1st month of the Qrt	31.95%	31.95%	-
	Units Received (MkWh)	1,045	1,015	-
	Units to be sold (MkWh)	691	691	-
	Units without life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	691	658	33
	Adjustment already given (Min Rs)	381	382	18
	Adjustment that should have been with allowed costs only (Min Rs)	559	559	-
	Impact of Disallowed & Deferred costs (Min Rs)	(575)	(575)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	179	197	(18)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(388)	(370)	(18)
	Impact of lifeline, from new reference	-	18	(18)
	Impact of losses from new reference	179	179	-
		179	197	(18)
				-
2nd month of the Qrt	2nd month of the Qrt	31.95%	31.95%	-
	Units Received (MkWh)	82.13	62.13	-
	Units to be sold (MkWh)	1,378	1,378	-
	Units without life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	938	928	-
	Adjustment already given (Min Rs)	938	893	45
	Adjustment that should have been with allowed costs only (Min Rs)	94	89	5
	Impact of Disallowed & Deferred costs (Min Rs)	338	338	-
	Remaining adjustment for the quarter only allowed (Min Rs)	(386)	(386)	-
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(44)	48	(5)
	Impact of lifeline, from new reference	-	5	(5)
	Impact of losses from new reference	44	44	-
		44	48	(5)
				0.
				(3)
3rd month of the Qrt	3rd month of the Qrt	31.95%	31.95%	-
	Units Received (MkWh)	1,461	1,481	-
	Units to be sold (MkWh)	994	994	-
	Units without life line (MkWh)	994	994	-
	Adjustment already given (Min Rs)	(130)	(130)	-
	Adjustment that should have been with allowed costs only (Min Rs)	(191)	(191)	-
	Impact of Disallowed & Deferred costs (Min Rs)	1,777	1,777	-
	Remaining adjustment for the quarter (Min Rs)	(81)	(81)	-
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	1,716	1,716	-
	Impact of lifeline, from new reference	-	-	-
	Impact of losses from new reference	(61)	(61)	-
		(61)	(61)	-
				-
				-
Total Adjustment on account of EPP allowed only (Min Rs)		102	184	(28)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)		877	1,090	(213)
Impact of lifeline, from new reference		-	23	(23)
Impact of losses from new reference		182	182	-
		182	184	(2)

B. Cost Account

42

151

Quarterly Adjustments - 1st Qtr		FY 2019-20	
EPP Adjustment		1st Qtr	1st Qtr
EPP - 1st month of the Qtr			
Reference -		8,5420	8,5420
Actual		6,7020	6,7020
Variable O&M & Wind & Solar Adjustment		1,2856	1,2856
Net EPP		5,4384	5,4384
Disallowed & Deferred Cost		0,1245	0,1245
Fuel Price Adjustment Allowed		1,7789	1,7789
EPP - 2nd month of the Qtr			
Reference -		8,2045	8,2045
Actual		6,3213	6,3213
Variable O&M & Wind & Solar Adjustment		1,1307	1,1307
Net EPP		5,1907	5,1907
Disallowed & Deferred Cost		0,2347	0,2347
Fuel Price Adjustment Allowed		1,5518	1,5518
EPP - 3rd month of the Qtr			
Reference -		2,8410	2,8410
Actual		6,8822	6,8822
Variable O&M & Wind & Solar Adjustment		0,8176	0,8176
Net EPP		6,0646	6,0646
Disallowed & Deferred Cost		1,1970	1,1970
Fuel Price Adjustment Allowed		1,8266	1,8266

		Determined	PESCO	Variance
		1st Qtr	1st Qtr	1st Qtr
1st month of the Qtr	Target Losses for the quarter	31.95%	31.95%	-
	1st month of the Qtr			-
	Units Received (MkWh)	1,617	1,617	-
	Units to be sold (MkWh)	1,100	1,100	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	1,100	1,047	53
	Adjustment already given (Min Rs)	1,958	1,884	94
	Adjustment that should have been with allowed costs only (Min Rs)	2,877	2,877	-
	Impact of Disallowed & Deferred costs (Min Rs)	185	185	-
	Remaining adjustment for the quarter only allowed (Min Rs)	979	1,019	(84)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	1,104	1,169	(84)
	Impact of (falling, from new reference	-	94	(84)
	Impact of losses from new reference	819	819	-
		819	1,013	(84)
2nd month of the Qtr		31.95%	31.95%	-
	2nd month of the Qtr			-
	Units Received (MkWh)	62,13	62,13	-
	Units to be sold (MkWh)	1,833	1,813	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	1,098	1,098	-
	Adjustment already given (Min Rs)	1,898	1,845	53
	Adjustment that should have been with allowed costs only (Min Rs)	1,844	1,736	88
	Impact of Disallowed & Deferred costs (Min Rs)	2,681	2,681	-
	Remaining adjustment for the quarter only allowed (Min Rs)	524	524	-
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	855	844	(88)
	Impact of (falling, from new reference	-	88	(88)
	Impact of losses from new reference	855	855	-
		855	944	(89)
3rd month of the Qtr		31.95%	31.95%	-
	3rd month of the Qtr			-
	Units Received (MkWh)	1,587	1,587	-
	Units to be sold (MkWh)	1,046	1,046	-
	Units without Life line (MkWh)	1,040	898	50
	Adjustment already given (Min Rs)	1,912	1,819	92
	Adjustment that should have been with allowed costs only (Min Rs)	2,808	2,808	-
	Impact of Disallowed & Deferred costs (Min Rs)	2,148	2,148	-
	Remaining adjustment for the quarter (Min Rs)	897	899	(82)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	9,045	9,197	(82)
	Impact of (falling, from new reference	-	92	(92)
	Impact of losses from new reference	897	897	-
		897	899	(82)
Total Adjustment on account of EPP allowed only (Min Rs)		2,678	2,947	(274)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)		5,520	5,593	(274)
Impact of (falling, from new reference		-	274	(274)
Impact of losses from new reference		2,678	2,678	-
		2,678	2,947	(274)

9

44

Quarterly Adjustments - 2nd Qrt		FY 2018-20	
		2nd Qrt	2nd Qrt
EPP Adjustment			
EPP - 1st month of the Qrt			
Reference -		9,7579	9,7579
Actual -		9,9953	9,9953
Variable O&M & Wind & Solar Adjustment		0,7588	0,7588
Net EPP		5,2367	5,2367
Disallowed & Deferred Cost		(0,0868)	(0,0868)
Fuel Price Adjustment Allowed		1,5656	1,5656
EPP - 2nd month of the Qrt			
Reference -		2,4877	2,4877
Actual -		4,5448	4,5448
Variable O&M & Wind & Solar Adjustment		0,9453	0,9453
Net EPP		3,5983	3,5983
Disallowed & Deferred Cost		0,1294	0,1294
Fuel Price Adjustment Allowed		0,9824	0,9824
EPP - 3rd month of the Qrt			
Reference -		4,4602	4,4602
Actual -		7,1770	7,1770
Variable O&M & Wind & Solar Adjustment		0,8954	0,8954
Net EPP		6,2816	6,2816
Disallowed & Deferred Cost		(0,0569)	(0,0569)
Fuel Price Adjustment Allowed		1,6779	1,6779

		Determined 2nd Qrt	PESCO 2nd Qrt	Variance 2nd Qrt
1st month of the Qrt	Target losses for the quarter	31.85%	31.85%	-
	1st month of the Qrt			-
	Units Received (MkWh)	1,057	1,057	-
	Units to be sold (MkWh)	719	719	-
	Units without life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	719	683	35
	Adjustment already given (Min Rs)	1,126	1,072	54
	Adjustment that should have been with allowed costs only (Min Rs)	1,655	1,655	-
	Impact of Disallowed & Deferred costs (Min Rs)	(92)	(92)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	329	329	(84)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	327	401	(84)
	Impact of falline, from new reference	-	84	(84)
	Impact of losses from new reference	329	329	-
		329	329	(84)
2nd month of the Qrt		31.95%	31.55%	-
	2nd month of the Qrt			-
	Units Received (MkWh)	82.13	82.13	-
	Units to be sold (MkWh)	923	923	-
	Units without life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	828	828	-
	Adjustment already given (Min Rs)	678	598	80
	Adjustment that should have been with allowed costs only (Min Rs)	817	587	230
	Impact of Disallowed & Deferred costs (Min Rs)	907	907	-
	Remaining adjustment for the quarter only allowed (Min Rs)	119	119	-
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	290	519	(30)
	Impact of falline, from new reference	-	30	(30)
	Impact of losses from new reference	290	290	-
		290	319	(30)
3rd month of the Qrt		31.95%	31.95%	-
	3rd month of the Qrt			-
	Units Received (MkWh)	1,078	1,078	-
	Units to be sold (MkWh)	734	734	-
	Units without life line (MkWh)	734	698	35
	Adjustment already given (Min Rs)	1,378	1,312	66
	Adjustment that should have been with allowed costs only (Min Rs)	2,024	2,024	-
	Impact of disallowed & Deferred costs (Min Rs)	(81)	(81)	-
	Remaining adjustment for the quarter (Min Rs)	647	719	(66)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	566	652	(66)
	Impact of falline, from new reference	-	66	(66)
	Impact of losses from new reference	647	647	-
		647	719	(66)
Total Adjustment on account of EPP allowed only (Min Rs)		1,485	1,615	(130)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)		1,482	1,552	(130)
Impact of falline, from new reference		-	150	(150)
Impact of losses from new reference		1,483	1,465	-
		1,483	1,615	(130)

45

153

Quarterly Adjustments - 3rd Qrt		FY 2019-20	
		3rd Qrt	3rd Qrt
EPP Adjustment			
EPP - 1st month of the Qrt			
Reference -		5.7576	5.7576
Actual		7.0922	7.0922
Variable O&M & Wind & Solar Adjustment		1.0003	1.0003
Net EPP		6.0918	6.0918
Disallowed & Deferred Cost		(0.7769)	(0.7769)
Fuel Price Adjustment Allowed		1.1109	1.1109
EPP - 2nd month of the Qrt			
Reference -		3.9710	3.9710
Actual		5.4285	5.4285
Variable O&M & Wind & Solar Adjustment		1.0526	1.0526
Net EPP		4.3759	4.3759
Disallowed & Deferred Cost		(0.8002)	(0.8002)
Fuel Price Adjustment Allowed		1.2051	1.2051
EPP - 3rd month of the Qrt			
Reference -		5.0010	5.0010
Actual		5.1091	5.1091
Variable O&M & Wind & Solar Adjustment		0.8941	0.8941
Net EPP		4.2150	4.2150
Disallowed & Deferred Cost		(0.8929)	(0.8929)
Fuel Price Adjustment Allowed		0.1069	0.1069

		Determined	PESCO	Variance
		3rd Qrt	3rd Qrt	3rd Qrt
1st month of the Qrt	Target Losses for the quarter	31.95%	31.95%	-
	1st month of the Qrt			
	Units Received (MkWh)	1,144	1,144	-
	Units to be sold (MkWh)	778	778	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	778	741	37
	Adjustment already given (Min Rs)	864	923	42
	Adjustment that should have been with allowed costs only (Min Rs)	1,170	1,270	-
	Impact of Disallowed & Deferred costs (Min Rs)	(888)	(888)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	408	447	(42)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(492)	(441)	(42)
	Impact of Uellaw, from new reference	-	42	(42)
	Impact of losses from new reference	408	408	-
2nd month of the Qrt		31.95%	31.95%	-
	2nd month of the Qrt	62.13	62.13	-
	Units Received (MkWh)	944	944	-
	Units to be sold (MkWh)	643	643	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	643	612	31
	Adjustment already given (Min Rs)	774	737	37
	Adjustment that should have been with allowed costs only (Min Rs)	1,138	1,138	-
	Impact of Disallowed & Deferred costs (Min Rs)	(758)	(758)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	384	401	(37)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(392)	(355)	(37)
	Impact of Uellaw, from new reference	-	37	(37)
	Impact of losses from new reference	384	384	-
3rd month of the Qrt		31.95%	31.95%	-
	3rd month of the Qrt			
	Units Received (MkWh)	942	942	-
	Units to be sold (MkWh)	641	641	-
	Units without Life line (MkWh)	641	610	31
	Adjustment already given (Min Rs)	69	65	3
	Adjustment that should have been with allowed costs only (Min Rs)	101	101	-
	Impact of Disallowed & Deferred costs (Min Rs)	(841)	(841)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	32	35	(3)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(809)	(805)	(3)
	Impact of Uellaw, from new reference	-	3	(3)
	Impact of losses from new reference	32	32	-
Total Adjustment on account of EPP allowed only (Min Rs)		802	884	(82)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)		(4,933)	(3,501)	(82)
Impact of Uellaw, from new reference		-	82	(82)
Impact of losses from new reference		802	802	-
		802	884	(82)

46

Quarterly Adjustments - 1st Qrt		FY 2020-21	
		1st Qrt	1st Qrt
EPP Adjustment			
EPP - 1st month of the Qrt			
Reference -		3,5420	3,5420
Actual		4,6385	4,6385
Variable O&M & Wind & Solar Adjustment		0,9255	0,9255
Net EPP		3,7130	3,7130
Disallowed & Deferred Cost		(0,6665)	(0,6665)
Fuel Price Adjustment Allowed		0,9378	0,9378
EPP - 2nd month of the Qrt			
Reference -		3,2045	3,2045
Actual		5,2465	5,2465
Variable O&M & Wind & Solar Adjustment		0,9229	0,9229
Net EPP		4,3242	4,3242
Disallowed & Deferred Cost		0,6369	0,6369
Fuel Price Adjustment Allowed		0,4828	0,4828
EPP - 3rd month of the Qrt			
Reference -		2,8410	2,8410
Actual		5,0709	5,0709
Variable O&M & Wind & Solar Adjustment		0,7407	0,7407
Net EPP		4,3303	4,3303
Disallowed & Deferred Cost		0,3755	0,3755
Fuel Price Adjustment Allowed		1,1138	1,1138

	Determined	PESCO	Variance
	1st Qrt	1st Qrt	1st Qrt
Target losses for the quarter	31.85%	31.95%	-
1st month of the Qrt			
Units Received (MkWh)	1,748	1,748	-
Units to be sold (MkWh)	1,190	1,190	-
Units without Life line, Agriculture & Domestic Consumer upto 500 units (MkWh)	1,190	1,132	57
Adjustment already given (Mln Rs)	936	949	48
Adjustment that should have been with allowed costs only (Mln Rs)	1,484	1,484	-
Impact of Disallowed & Deferred costs (Mln Rs)	(1,165)	(1,165)	-
Remaining adjustment for the quarter only allowed (Mln Rs)	488	518	(48)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Mln Rs) Net	(89)	(89)	(48)
Impact of lifeline, from new reference	-	48	(48)
Impact of losses from new reference	488	488	-
	488	518	(48)
2nd month of the Qrt	31.95%	31.95%	-
Units Received (MkWh)	62,13	62,13	-
Units to be sold (MkWh)	1,762	1,762	-
Units without Life line, Agriculture & Domestic Consumer upto 500 units (MkWh)	1,199	1,199	-
Adjustment already given (Mln Rs)	1,199	1,241	58
Adjustment that should have been with allowed costs only (Mln Rs)	578	551	28
Impact of Disallowed & Deferred costs (Mln Rs)	851	851	-
Remaining adjustment for the quarter only allowed (Mln Rs)	2,122	1,222	-
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Mln Rs) Net	272	300	(28)
Impact of lifeline, from new reference	272	272	-
Impact of losses from new reference	272	272	-
	272	272	-
3rd month of the Qrt	31.85%	31.85%	-
Units Received (MkWh)	1,374	1,374	-
Units to be sold (MkWh)	935	935	-
Units without Life line (MkWh)	935	890	45
Adjustment already given (Mln Rs)	1,042	992	50
Adjustment that should have been with allowed costs only (Mln Rs)	1,531	1,531	-
Impact of Disallowed & Deferred costs (Mln Rs)	518	518	-
Remaining adjustment for the quarter only allowed (Mln Rs)	489	518	(29)
Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Mln Rs) Net	1,006	1,036	(30)
Impact of lifeline, from new reference	-	50	(50)
Impact of losses from new reference	489	489	-
	489	539	(50)
Total Adjustment on account of EPP allowed only (Mln Rs)	1,320	1,935	(328)
Total Adjustment on account of EPP allowed disallowed & Deferred (Mln Rs)	1,702	1,827	(125)
Impact of lifeline, from new reference	-	126	(126)
Impact of losses from new reference	1,228	1,228	-
	1,228	1,354	(126)

47

Quarterly Adjustments - 2nd Qrt		FY 2020-21	
		2nd Qrt	2nd Qrt
EPP Adjustment			
EPP - 1st month of the Qrt			
Reference -		3.7579	3.7579
Actual		4.9886	4.9886
Variable O&M & Wind & Solar Adjustment		0.8849	0.8849
Net EPP		4.0824	4.0824
Disallowed & Deferred Cost		0.0320	0.0320
Fuel Price Adjustment Allowed		0.2925	0.2925
EPP - 2nd month of the Qrt			
Reference -		2.4877	2.4877
Actual		4.4868	4.4868
Variable O&M & Wind & Solar Adjustment		0.9298	0.9298
Net EPP		3.5669	3.5669
Disallowed & Deferred Cost		0.3088	0.3088
Fuel Price Adjustment Allowed		0.7095	0.7095
EPP - 3rd month of the Qrt			
Reference -		4.4602	4.4602
Actual		6.3776	6.3776
Variable O&M & Wind & Solar Adjustment		1.0530	1.0530
Net EPP		5.3246	5.3246
Disallowed & Deferred Cost		(0.6715)	(0.6715)
Fuel Price Adjustment Allowed		1.6339	1.6339

		Determined 2nd Qrt	PESCO 2nd Qrt	Variance 2nd Qrt
1st month of the Qrt	Target Losses for the quarter	31.93%	31.93%	-
	1st month of the Qrt			
	Units Received (MkWh)	1,106	1,106	-
	Units to be sold (MkWh)	759	759	-
	Units without life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	759	717	38
	Adjustment already given (Min Rs)	220	210	11
	Adjustment that should have been with allowed costs only (Min Rs)	324	324	-
	Impact of Disallowed & Deferred costs (Min Rs)	35	35	-
	Remaining adjustment for the quarter only allowed (Min Rs)	103	114	(11)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	320	349	(21)
	Impact of (falling, from new reference	-	11	(11)
	Impact of losses from new reference	103	103	-
		103	114	(11)
2nd month of the Qrt		31.93%	31.93%	-
	2nd month of the Qrt			
	Units Received (MkWh)	62.13	62.13	-
	Units to be sold (MkWh)	965	965	-
	Units without life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	657	657	-
	Adjustment already given (Min Rs)	503	481	24
	Adjustment that should have been with allowed costs only (Min Rs)	743	743	-
	Impact of Disallowed & Deferred costs (Min Rs)	289	289	-
	Remaining adjustment for the quarter only allowed (Min Rs)	287	282	(24)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	536	560	(24)
	Impact of (falling, from new reference	-	24	(24)
	Impact of losses from new reference	287	287	-
		287	282	(24)
3rd month of the Qrt		31.93%	31.93%	-
	3rd month of the Qrt			
	Units Received (MkWh)	1,110	1,110	-
	Units to be sold (MkWh)	735	735	-
	Units without life line (MkWh)	759	719	38
	Adjustment already given (Min Rs)	1,180	1,104	58
	Adjustment that should have been with allowed costs only (Min Rs)	1,704	1,704	-
	Impact of Disallowed & Deferred costs (Min Rs)	(745)	(745)	-
	Remaining adjustment for the quarter (Min Rs)	344	300	(58)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(201)	(143)	(58)
	Impact of (falling, from new reference	-	56	(56)
	Impact of losses from new reference	544	544	-
		544	600	(56)
Total Adjustment on account of EPP allowed only (Min Rs)		885	976	(91)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)		474	565	(91)
Impact of (falling, from new reference		-	91	(91)
Impact of losses from new reference		885	885	-
		885	976	(91)

4

48

Quarterly Adjustments - 3rd Qtr		FY 2020-21	
EPP Adjustment		3rd Qtr	3rd Qtr
EPP - 1st month of the Qtr			
Reference -		5,7576	5,7576
Actual		7,0899	7,0899
Variable O&M & Wind & Solar Adjustment		0,5571	0,5571
Net EPP		6,1828	6,1828
Disallowed & Deferred Cost		(0,5202)	(0,5202)
Fuel Price Adjustment Allowed		0,6914	0,6914
EPP - 2nd month of the Qtr			
Reference -		4,1414	4,1414
Actual		5,5444	5,5444
Variable O&M & Wind & Solar Adjustment		0,8028	0,8028
Net EPP		4,7415	4,7415
Disallowed & Deferred Cost		(0,0418)	(0,0418)
Fuel Price Adjustment Allowed		0,6416	0,6416
EPP - 3rd month of the Qtr			
Reference -		6,2293	6,2293
Actual		6,6794	6,6794
Variable O&M & Wind & Solar Adjustment		0,9162	0,9162
Net EPP		5,7593	5,7593
Disallowed & Deferred Cost		0,3782	0,3782
Fuel Price Adjustment Allowed		(0,6416)	(0,6416)

		Determined 3rd Qtr	PESCO 3rd Qtr	Variance 3rd Qtr
1st month of the Qtr	Target losses for the quarter			
	1st month of the Qtr	31,95%	31,95%	-
	Units Received (MkWh)	1,162	1,162	-
	Units to be sold (MkWh)	780	790	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	790	752	38
	Adjustment already given (Min Rs)	768	674	94
	Adjustment that should have been with allowed costs only (Min Rs)	3,040	1,040	-
	Impact of disallowed & Deferred costs (Min Rs)	(604)	(604)	-
	Remaining adjustment for the quarter only allowed (Min Rs)	332	368	(36)
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	(272)	(238)	(34)
	Impact of lifeline, from new reference	-	94	(94)
	Impact of losses from new reference	392	392	-
2nd month of the Qtr		25,50%	25,50%	-
	Units Received (MkWh)	62,13	62,13	-
	Units to be sold (MkWh)	989	989	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	737	737	-
	Adjustment already given (Min Rs)	737	720	17
	Adjustment that should have been with allowed costs only (Min Rs)	473	482	11
	Impact of disallowed & Deferred costs (Min Rs)	834	834	-
	Remaining adjustment for the quarter only allowed (Min Rs)	(443)	(443)	-
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	182	372	(190)
		121	131	(10)
	Impact of lifeline, from new reference	-	11	(11)
	Impact of losses from new reference	162	162	-
3rd month of the Qtr		21,33%	21,33%	-
	Units Received (MkWh)	1,005	1,005	-
	Units to be sold (MkWh)	791	791	-
	Units without Life line, Agriculture & Domestic Consumer upto 300 units (MkWh)	791	791	-
	Adjustment already given (Min Rs)	(509)	(509)	-
	Adjustment that should have been with allowed costs only (Min Rs)	(647)	(647)	-
	Impact of disallowed & Deferred costs (Min Rs)	174	174	-
	Remaining adjustment for the quarter only allowed (Min Rs)	(139)	(139)	-
	Remaining adjustment for the quarter with allowed, disallowed & Deferred Cost (Min Rs) Net	36	36	-
	Impact of lifeline, from new reference	-	-	-
	Impact of losses from new reference	(139)	(139)	-
Total Adjustment on account of EPP allowed only (Min Rs)		336	401	(65)
Total Adjustment on account of EPP allowed disallowed & Deferred (Min Rs)		(118)	(70)	(48)
Impact of lifeline, from new reference		-	45	(45)
Impact of losses from new reference		396	396	-
		396	401	(5)

9

49

Pending Claims of Incremental Units In Quarterly Adjustments

DESCRIPTION	FY 2020-21				FY 2021-22			Total
	Claim of ISP Units (2nd Qtr)	Claim of ISP Units (3rd Qtr)	Claim of ISP Units (4th Qtr)	Sub Total	Claim of WIP (2nd Qtr)	Differential Claim of WIP (3rd Qtr)	Sub Total	
Impact of T&D Losses	-	-	-	-	-	-	-	-
Impact of Variable O&M	51	73	66	190	32	2	33	224
Impact of CPP	1,025	1,483	961	3,469	869	31	900	4,369
UoSC ADJUSTMENT	62	77	57	196	39	1	40	236
Recovery on Incremental Units	(993)	(837)	(611)	(2,441)	(505)	(17)	(522)	(2,964)
Revised Adjustment for the Quarter	145	797	478	2,414	434	16	451	1,865

9

50

105

PROCESSING DATE: 10-12-21 6:23:36pm
OLD RATE

CLAIM FOR WINTER INCENTIVE PACKAGE - 2021 OF PESCO FOR THE MONTH 11-2021
FINANCIAL YEAR: 2021/2022

PAGE # 1

PARTICULARS	NO OF CONS	CONSUMPTION (KWH)	REF. (KWH)	CONSUA (KWH)	INCREMENTAL UNITS(KWH)	GOP	RATE PER UNIT				VAR. CHARGES	ADJ. VAR. CHR	AQTA	ADJ. AQTA	TOTAL RELIEF
							UPPL	SUBSIDY	AQTA	(8)	(9)	(10)	(11)	(12)	(13)=TOTAL
DOMESTIC															
A-1a(01)															
300-700 UNITS		34,699,358	25,547,465		9,151,892	19.55	12.96	6.59	1.65		60,310,970.86		15,100,622.25		75,411,592.30
ABOVE 700 UNITS		3,994,857	371,205		3,823,652	22.65	12.96	9.69	1.55		37,051,185.55		6,309,025.40		43,360,210.96
A-1b(03)T															
PEAK		1,099,043	675,959		423,084	22.65	12.96	9.69	1.65		4,099,682.22		690,088.30		4,797,770.52
OFF PEAK	12,866	4,681,928	3,065,258		1,616,670	16.33	12.96	3.37	1.65		5,448,179.08		2,667,506.08		8,115,685.16
COMMERCIAL															
A-2a(04)															
	92,904	10,721,310	6,276,920		4,444,390	19.95	12.96	6.99	1.13		31,066,287.29		5,022,160.89		36,088,448.18
A-2b(05)															
	2	3,563	3,129		434	21.63	12.96	8.67	2.90		3,762.78		1,258.60		5,021.38
A-2c(06)T															
PEAK		4,958,854	3,390,234		1,568,620	23.55	12.96	10.59	2.90		16,611,685.80		4,548,998.00		21,160,683.80
OFF PEAK	6,955	20,903,274	15,588,136		5,315,138	17.58	12.96	4.62	2.90		24,555,937.56		15,413,900.20		39,969,837.76
GENERAL SERVICES															
A-3a(66)															
	13,618	20,482,944	14,016,651		6,466,294	19.51	12.96	6.55	2.90		42,354,222.88		18,752,251.35		61,106,474.24
GRAND TOTAL	126,345	101,565,131	68,734,937		32,810,174						221,501,913.22		68,513,811.08		290,015,724.30

IT IS CERTIFIED THAT ABOVE ENTRIES HAVE BEEN CHECKED AND VERIFIED
IT IS CERTIFIED THAT ABOVE RELIEF HAS BEEN PASSED ON TO THE CONSUMERS

159

CLAIM FOR WINTER INCENTIVE PACKAGE - 2021 OF PESCO FOR THE MONTH 12-2021
FINANCIAL YEAR: 2021/2022

PROCESSING DATE: 29-03-22 3:08:39pm
OLD RATE

PARTICULARS	NO OF CONS	CONSUMPTION (KWH)	REF. CONSUM (KWH)	INCREMENTAL UNITS(KWH)	RATE PER UNIT				CLAIM				TOTAL RELIEF	
					GOP	INPL	SUBSIDY	AQTA	VAR. CHARGES	ADJ. VAR. CHR	AQTA			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)=91011	
DOMESTIC														
A-1a(01)														
308-700 UNITS	14,646	642,954	462,732	180,222	19.55	12.96	6.59	1.55	1,187,659.95		297,365.54		1,485,025.49	
ABOVE 700 UNITS	2,876	98,887	5,995	92,872	22.65	12.96	9.69	1.65	899,929.49		153,238.77		1,053,168.25	
A-1b(03)T														
PEAK	3,874	35,356	19,899	15,457	22.65	12.96	9.69	1.65	149,779.78		25,504.38		175,284.08	
OFF PEAK		143,337	90,755	52,582	16.33	12.96	3.37	1.65	177,282.76		86,769.99		263,963.75	
COMMERCIAL														
A-2a(04)														
29,538		324,274	184,257	148,017	19.95	12.96	6.99	1.13	978,718.69		158,219.19		1,136,937.88	
A-2b(05)														
1		279	225	54	21.63	12.96	8.67	2.98	469.31		156.98		626.28	
A-2c(06)T														
PEAK		693,434	464,115	229,319	23.55	12.96	10.59	2.98	2,428,498.54		665,025.74		3,093,516.28	
OFF PEAK	6,569	2,873,980	2,212,058	661,922	17.58	12.96	4.62	2.98	3,058,080.19		1,919,574.15		4,977,654.34	
GENERAL SERVICES														
A-3a(06)														
12,028		2,272,633	1,496,442	775,591	19.51	12.96	6.55	2.98	5,080,117.78		2,249,212.45		7,329,330.23	
68,725		7,684,514	4,936,477	2,748,036					13,960,448.48		5,555,058.10		19,515,506.58	
GRAND TOTAL														

9

IT IS CERTIFIED THAT ABOVE ENTRIES HAVE BEEN CHECKED AND VERIFIED
IT IS CERTIFIED THAT ABOVE RELIEF HAS BEEN PASSED ON TO THE CONSUMERS

23

CLAIM FOR WINTER INCENTIVE PACKAGE - 2021 OF PESCO FOR THE MONTH 12-2021
FINANCIAL YEAR: 2021/2022

PROCESSING DATE: 29-03-22 3:10:57pm
REQ RATE

PARTICULARS	HO OF CONS	CONSUMPTION (KWH)	[REF. (KWH)]	CONSUM (KWH)	INCREMENTAL UNITS(KWH)	RATE PER UNIT				CLAIM				TOTAL RELIEF
						GOP	UNPL	SUBSIDY	AQTA	VAR. CHARGES	ADJ. VAR. CHR	AQTA	ADJ. AQTA	
	(1)	(2)	(3)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)=97011
DOMESTIC														
A-1a(01)														
360-700 UNITS	60,933	32,025,333	22,030,890	9,094,443	9,094,443	21.23	12.96	8.27	1.65	75,211,843.28	-5,233,947.80	15,005,830.88		84,982,926.36
ABOVE 700 UNITS	19,051	5,944,617	228,859	5,715,759	5,715,759	24.33	12.96	11.37	1.65	64,988,174.37		9,431,001.56		74,419,175.93
A-1b(03)T														
PEAK		759,010	443,173	315,837	315,837	24.33	12.96	11.37	1.65	3,591,064.98	-182,642.36	521,130.88		3,878,966.98
OFF PEAK	10,810	3,064,656	1,950,988	1,133,668	1,133,668	18.01	12.96	5.05	1.65	5,725,021.28		1,870,551.51	-50,586.45	7,595,572.79
COMMERCIAL														
A-2a(04)														
	94,442	11,310,815	5,430,647	4,880,168	4,880,168	21.34	12.96	8.38	1.13	40,895,808.01	-440,997.66	5,514,589.86		45,969,400.21
A-2b(05)														
	1	1,816	1,464	352	352	23.02	12.96	10.06	2.90	3,539.81		1,020.42		4,560.24
A-2c(06)T														
PEAK		4,507,319	3,016,745	1,490,575	1,490,575	24.94	12.96	11.98	2.90	17,857,085.86		4,322,666.86		22,179,752.73
OFF PEAK	6,570	18,688,877	14,378,383	4,302,494	4,302,494	18.97	12.96	6.01	2.90	25,857,988.22		12,477,232.25		38,335,220.47
GENERAL SERVICES														
A-3a(06)														
	13,255	15,122,562	9,038,323	5,492,248	5,492,248	20.90	12.96	7.94	2.90	41,226,381.63	-50,083.91	15,057,494.55		56,283,876.18
GRAND TOTAL	196,062	91,417,005	59,291,472	32,125,534	32,125,534					275,356,107.45	-5,907,671.73	64,281,518.70	-50,586.45	333,599,367.97
														-50,083.91

IT IS CERTIFIED THAT ABOVE ENTRIES HAVE BEEN CHECKED AND VERIFIED
IT IS CERTIFIED THAT ABOVE RELIEF HAS BEEN PASSED ON TO THE CONSUMERS

Pending Claims of Incremental Units in Quarterly Adjustments

Peshawar Electric Supply Company (PESCO) FY 2020-21		2nd Qtr Determined			Annual claim of Incremental Units		
		Oct-20	Nov-20	Dec-20	Oct-20	Nov-20	Dec-20
Units Purchased (Gross)	Actual	1,106	965	1,110			
	T&D losses	31.95%	31.95%	31.95%		31.95%	31.95%
	Units Lost	353	308	354			
Incremental Units Incremental Units (Net Purchases)	Purchases Sales						
		1,106	965	1,110		72	123
						49	84
						72	123
Gross units to be sold at allowed T&D		753	657	755			
Fuel Cost (Rs./kWh)	Reference (Annex IV notified Tariff)	3,758	2,488	4,460		2,488	4,460
	Actual (NEPRA Monthly FCA Decision)	4,051	3,257	5,996			
	FCA (NEPRA Monthly FCA Decision)	0.293	0.770	1.136			
FCA still to be passed on		108	237	544			
Variable O&M	Reference (Annex IV notified Tariff)	0.240	0.227	0.284		0.227	0.284
	Actual	0.476	0.250	0.315			
	Amount Recovered Net Purchases	266	219	315		16	35
	Actual Invoiced cost by CPPA-G	527	241	349			
Under / (Over) Recovery		263	22	35		16	35
Capacity	Reference (Annex IV notified Tariff)	4,921	5,685	4,990		5,685	4,990
	Actual Calculated	5,505	8,408	6,954			
	Amount Recovered Net Purchases	5,444	5,485	5,536		408	636
	Actual Invoiced cost by CPPA-G	6,201	8,112	7,716			
Under / (Over) Recovery		757	2,627	2,180		408	636
UoSC (HVDC & RTDC) & MoC	Reference (Annex IV notified Tariff)	0.3103	0.3338	0.3068		0.3338	0.3068
	Actual Calculated	0.4622	0.5284	0.4690			
	Amount Recovered Net Purchases	343	322	340		24	38
	Actual Invoiced cost by CPPA-G	511	510	520			
Under / (Over) Recovery		168	188	180		24	38
Total Under / (Over) recovered		2,290	3,074	2,959		449	689
Recovery of Fixed cost Incremental Units		-	-	-		(453)	(538)
NET QUARTERLY ADJUSTMENT		1,290	3,074	2,959		(6)	151

Pending Claims of Incremental Units in Quarterly Adjustments

Peshawar Electric Supply Company (PESCO) FY 2020-21				3rd Qtr Determined			Area claim of Incremental Units		
				Jan-21	Feb-21	Mar-21	Jan-21	Feb-21	Mar-21
Units Purchased (Gross)	Actual			1,162	989	1,005			
	T&D losses			31.95%	25.50%	21.33%			
	Units lost			371	252	214	31.95%	25.50%	21.33%
Incremental Units	Purchases								
Incremental Units	Sales						105	53	57
Net Purchases				1,162	989	1,005	72	39	45
							105	53	57
Gross units to be sold at allowed T&D				730	737	791			
Fuel Cost (Rs./kWh)	Reference (Annex IV notified Tariff)			5,758	4,141	6,230			
	Actual (NEPRA Monthly FCA Decision)			6,653	4,783	5,586	5,758	4,141	6,230
FCA still to be passed on	FCA (NEPRA Monthly FCA Decision)			0,895	0,642	(0,643)			
				332	162	(138)			
Variable O&M	Reference (Annex IV notified Tariff)			0,335	0,317	0,374			
	Actual			0,391	0,288	0,313	0,335	0,317	0,374
	Amount Recovered Net Purchases			389	314	376	35	17	21
	Actual Invoiced cost by CPPA-G			454	285	314			
Under / (Over) Recovery				64	(25)	(62)	35	17	21
Capacity	Reference (Annex IV notified Tariff)			5,663	7,605	8,587			
	Actual Calculated			7,845	8,626	6,576	5,663	7,605	8,587
	Amount Recovered Net Purchases			6,578	7,520	8,632	596	399	487
	Actual Invoiced cost by CPPA-G			9,113	8,531	6,611			
Under / (Over) Recovery				2,535	1,010	(2,021)	596	399	487
UoSC (HVDC & NITDC) & Mo	Reference (Annex IV notified Tariff)			0,3222	0,3813	0,4110			
	Actual Calculated			0,5121	0,5600	0,5020	0,3222	0,3813	0,4110
	Amount Recovered Net Purchases			374	377	413	34	20	23
	Actual Invoiced cost by CPPA-G			595	554	505			
Under / (Over) Recovery				221	177	52	34	20	23
Total Under / (Over) recovered				3,152	1,520	(2,129)	666	436	532
Recovery of Fixed cost Incremental Units							(322)	(290)	(225)
NET QUARTERLY ADJUSTMENT				3,152	1,520	(2,129)	345	146	307

Pending Claims of Incremental Units in Quarterly Adjustments

Peshawar Electric Supply Company (PESCO) FY 2020-21		4th Qtr Determined			Arrear claim of Incremental Units		
		Apr-21	May-21	Jun-21	Apr-21	May-21	Jun-21
Units Purchased (Gross)	Actual	1,178	1,489	1,654			
	T&D losses	21.33%	21.33%	21.33%			
Units Lost		251	318	353			
Incremental Units Purchases							
Incremental Units Sales	Purchases						
	Sales						
Gross units to be sold at allowed T&D		927	1,172	1,301			
Fuel Cost (Rs./KWh)							
Reference (Annex IV notified Tariff)	Actual	6,609	5,932	5,934			
	FCA (NEPRA Monthly FCA Decision)	6,172	5,668	5,741			
FCA still to be passed on		(0,437)	(0,264)	(0,1930)			
Variable O&M		(110)	(84)	(68)			
Reference (Annex IV notified Tariff)	Actual	0,445	0,407	0,414			
	Amount Recovered Net Purchases	0,262	0,322	(0,526)			
Actual Invoiced cost by CPPA-G		524	606	684			
Under / (Over) Recovery		309	480	(870)	32	18	16
		(215)	(126)	(1,551)	32	18	16
Capacity							
Reference (Annex IV notified Tariff)	Actual	6,966	5,513	5,604			
	Amount Recovered Net Purchases	6,056	4,819	6,676			
Actual Invoiced cost by CPPA-G		8,208	8,210	9,266			
Under / (Over) Recovery		7,136	7,178	11,039	502	242	217
		(1,072)	(1,032)	1,773	502	242	217
UoSC (HVD/C & NTD/C) & Mo							
Reference (Annex IV notified Tariff)	Actual	0,3851	0,3449	0,3520			
	Amount Recovered Net Purchases	0,4953	0,4084	0,3700			
Actual Invoiced cost by CPPA-G		454	514	582			
Under / (Over) Recovery		584	610	612	28	15	14
		130	96	30	28	15	14
Total Under / (Over) recovered		(1,267)	(1,147)	131	562	275	267
Recovery of Fixed cost Incremental Units							
NET QUARTERLY ADJUSTMENT		(1,267)	(1,147)	131	(259)	(157)	(165)
					304	88	82

Pending Claims of Incremental Units in Quarterly Adjustments

Peshawar Electric Supply Company (PESCO) FY 2021-22		2nd Qtr Determined			Arrear claim of MIP		
		Oct-21	Nov-21	Dec-21	Oct-21	Nov-21	Dec-21
Units Purchased (Gross)	Actual T&D losses	1,217	1,056	1,256			
	Units Lost	259	225	264			
Incremental Units	Purchases						
	Sales	80	59	70		47	44
Net Purchases		63	47	55		37	34
		1,137	997	1,166		47	44
Gross units to be sold at allowed T&D		957	831	972			
Fuel Cost (Rs./kWh)	Reference (Annex IV notified Tariff)	5,173	3,738	5,535			
	Actual (NEPRA Monthly FCA Decision)	9,918	8,040	8,632		3,738	5,535
FCA still to be passed on		4,745	4,302	3,097			
Variable O&M		1,231	969	816			
	Reference (Annex IV notified Tariff)	0.352	0.299	0.403			
	Actual	0.364	0.259	0.289		0.299	0.403
Under / (Over) Recovery	Amount Recovered Net Purchases	400	298	469		14	18
	Actual Invoiced cost by CPPA-G	443	273	357			
		43	(25)	(112)		14	18
Capacity	Reference (Annex IV notified Tariff)	7,883	9,954	9,244			
	Actual Calculated	9,074	7,732	6,735		9,954	9,244
Under / (Over) Recovery	Amount Recovered Net Purchases	8,960	9,920	10,777		466	403
	Actual Invoiced cost by CPPA-G	11,039	8,165	8,325			
		2,079	(1,755)	(2,432)		466	403
Under / (Over) Recovery	Reference (Annex IV notified Tariff)	0.4165	0.4404	0.4258			
	Actual Calculated	0.8774	0.7160	1.3255		0.4404	0.4258
Under / (Over) Recovery	Amount Recovered Net Purchases	473	439	496		21	19
	Actual Invoiced cost by CPPA-G	1,067	756	1,638			
		594	317	1,142		21	19
Total Under / (Over) recovered		3,946	(494)	(605)		501	439
Recovery of Fixed cost Incremental Units		(401)	(585)	(327)		(302)	(203)
QUARTERLY ADJUSTMENT		5,545	(877)	(931)		198	236
[For Addn. Power Plant Capacity Charges and legal charges]				(278)			
NET QUARTERLY ADJUSTMENT							

Pending Claims of Incremental Units in Quarterly Adjustments

Peshawar Electric Supply Company (PESCO) FY 2021-22		3rd Qtr (Filed)			3rd Qtr (Determined)			Ante claim of UUP		
		Jan-22	Feb-22	Mar-22	Jan-22	Feb-22	Mar-22	Jan-22	Feb-22	Mar-22
Units Purchased (Gross)	Actual	1,243	1,080	1,110	1,243	1,080	1,110			
	T&D losses Units Lost	265	230	237	265	230	237			
Incremental Units Net Purchases	Purchases	107	99	65	105	97	65	2	2	
	Sales	84	76	51	83	76	51	2	1	
		1,135	981	1,045	1,137	982	1,045	2	2	
Gross units to be sold at allowed T&D		978	849	873	978	849	873			
Fuel Cost (Rs./MWh)	Reference (Annex IV notified Tariff)	6,512	4,252	6,230	6,512	4,252	6,230	6,512	4,252	
	Actual (NEPRA Monthly FCA Decision)	12,461	9,105	9,098	12,461	9,105	9,098			
FCA still to be passed on	FCA (NEPRA Monthly FCA Decision)	5,949	4,853	2,868	5,949	4,853	2,868			
		1,577	1,118	679	1,577	1,118	679			
Variable O&M	Reference (Annex IV notified Tariff)	0.489	0.346	0.374	0.489	0.346	0.374	0.489	0.346	
	Actual	0.431	0.359	0.348	0.431	0.359	0.348			
Under / (Over) Recovery	Amount Recovered Net Purchases	555	340	391	556	340	391	1	1	
	Actual Invoiced cost by CPPA-G	536	388	386	536	388	386			
		(19)	48	(4)	(20)	48	(4)	1	1	
Capacity	Reference (Annex IV notified Tariff)	7,873	8,913	8,587	7,873	8,913	8,587	7,873	8,913	
	Actual Calculated	7,076	7,920	7,084	7,076	7,920	7,084			
Under / (Over) Recovery	Amount Recovered Net Purchases	8,939	8,741	8,973	8,939	8,741	8,973	15	15	
	Actual Invoiced cost by CPPA-G	8,794	8,551	7,864	8,794	8,551	7,864			
		(445)	(190)	(1,109)	(161)	(205)	(1,109)	15	15	
Upsc (HSDC & NEDJ & Mof)	Reference (Annex IV notified Tariff)	0.3695	0.4079	0.4110	0.3695	0.4079	0.4110	0.3695	0.4079	
	Actual Calculated	0.8379	0.8934	0.8665	0.8379	0.8938	0.8665			
Under / (Over) Recovery	Amount Recovered Net Purchases	420	400	429	420	401	429	1	1	
	Actual Invoiced cost by CPPA-G	1,041	965	962	1,041	961	962			
		621	565	532	621	560	532	1	1	
Total Under / (Over) recovered		2,024	1,541	99	2,017	1,520	98	37	27	
Recovery of Fixed cost Incremental Units		(955)	(588)	(259)	(888)	(578)	(259)	(71)	(10)	
QUARTERLY ADJUSTMENT		1,069	953	(160)	1,029	942	(160)	30	6	
Net Addn Power Plant Capacity Charges and legal charges										
NET QUARTERLY ADJUSTMENT										



Registrar

National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad
Ph: +92-51-9206500, Fax: +92-51-2800026
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/R/ADG(Trf)/TRF-564/PESCO-2021/8685-8687

June 2, 2022

Subject: DETERMINATION OF THE AUTHORITY IN THE MATTER OF
PETITION FILED BY PESHAWAR ELECTRIC SUPPLY COMPANY
LTD. (PESCO) FOR DETERMINATION OF DISTRIBUTION TARIFF
UNDER MYT REGIME FOR THE FY 2020-21 TO FY 2024-25
[CASE # NEPRA/TRF-564/PESCO-2021]

Dear Sir,

Please find enclosed herewith subject Determination of the Authority along with additional note of Engr. Rafique Ahmed Shaikh, Member NEPRA (93 Pages) in Case No. NEPRA/TRF-564/PESCO-2021.

2. The Determination 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

(Syed Safer Hussain)

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.



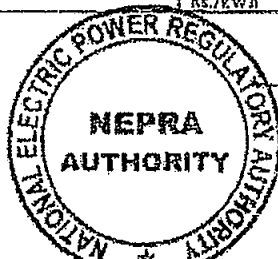
*Determination of the Authority in the matter of MYT Petition
of PESCO for Distribution Tariff under the MYT Regime*

I. Background

- 1.1. The amendments in the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 was passed by the National Assembly on 15th March, 2018, which was published in the official Gazette on 30th April 2018 (the "Amendment Act"), resulting in restructuring of the energy sector. One of the fundamental changes as per the amendment Act is the introduction of a competitive retail energy sector, wherein, supply function has been segregated from the distribution license.
- 1.2. As per the amended Act, function of sale of electric power traditionally being performed by the Distribution Licensees has been amended under Section 21(2)(a), whereby 'sale' of electric power has been removed from the scope of 'Distribution Licensee' and transferred to 'Supply Licensee'.
- 1.3. The newly introduced section 23(E) of the Act, provides NEPRA with the powers to grant Electric Power Supply License for the supply of electric power. As per Section 23E(1), the holder of a distribution license on the date of coming into effect of the Amendment Act, shall be deemed to hold a license for supply of electric power under this section for a period of five years from such date. Thus, all the existing Distribution Licensees have been deemed to have electric Power Supplier Licenses, to ensure distribution licensees earlier performing both the sale and wire functions, can continue to do so. Section 23E, further states that the eligibility criteria for grant of license to supply electric power to be prescribed by the Federal Government, and shall include, provision with respect to a supplier of the last resort, as the case may be.
- 1.4. As per Section 23F (2)(b), the Supplier possess the right to make sales of electric power to consumers within their specified territories on a non-discriminatory basis to all the consumers who meet the eligibility criteria laid down by the Authority.
- 1.5. In view thereof, Peshawar Electric Supply Company Limited (PESCO), hereinafter called "the Petitioner", being a Distribution company as well as deemed Supplier filed separate tariff petitions for the determination of its Distribution and Supply of Electric Power Tariff under the MYT Regime for a period of five years i.e. from FY 2020-21 to FY 2024-25, in terms of Rule 3 (1) of Tariff Standards & Procedure Rules-1998 (hereinafter referred as "Rules").
- 1.6. The Petitioner, inter alia, has requested for a distribution cost for the five years period as detailed below;

Requested Revenue Requirement - Distribution Business

Description	Unit	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
Investment	Mln Rs.	10,213	14,041	13,354	11,550	7,411
Units Received	GWh	15,206	15,632	16,070	16,519	16,982
Units Lost	GWh	5,756	5,757	5,750	5,735	5,713
% of T&D Losses	%	37.85%	36.83%	35.78%	34.72%	33.64%
Units Delivered	GWh	9,450	9,875	10,320	10,784	11,269
G&M	Mln Rs.	16,667	18,301	20,245	22,857	25,597
Depreciation	Mln Rs.	3,000	3,416	3,812	4,154	4,378
Return on Regulatory Asset Base (RoRAB)	Mln Rs.	4,957	5,725	6,725	7,521	7,929
Other Income	Mln Rs.	(2,611)	(2,872)	(3,159)	(3,475)	(3,823)
Distribution Margin	Mln Rs.	22,013	24,571	27,623	31,057	34,076
Net Average Sale Rate	Rs./kWh	2.33	2.49	2.68	2.88	3.02

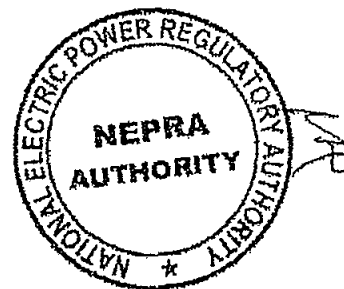


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*Determination of the Authority in the matter of MYT Petition
of PESCO for Distribution Tariff under the MYT Regime*

	Rs. Mln
1st & 2nd Qtr. FY 2018-19	
Allowed Amount	25,120
Qtr. Rs./kWh	2.1699
Recovered	29,055
Under/(Over) Recovery	(3,935)
3rd & 4th Qtr. FY 2018-19	
Allowed Amount	5,443
Qtr. Rs./kWh	0.5877
Recovered	5,963
Under/(Over) Recovery	(520)
Interim D.M. FY 2018-19	
Allowed Amount	3,817
Qtr. Rs./kWh	0.4121
Recovered	4,181
Under/(Over) Recovery	(364)
1st Qtr. FY 2019-20	
Allowed Amount	2,865
Qtr. Rs./kWh	0.3093
Recovered	3,157
Under/(Over) Recovery	(292)
Distribution Margin FY 2019-20	
Allowed	23,376
Recovered	19,839
Under/(Over) Recovery	3,537
Other Income FY 2019-20	
Allowed	(2,940)
Actual	(3,467)
Under/(Over) Recovery	(527)
Sales Mix Variances	
FY 2019-20	(5,345)
	(5,345)
MLR FY 2018-19 & FY 2019-20	
RORB	656
Other Exp without PESCO Fee	50
Tax Payments	3,008
PYA of FY 2018-19	1,737
	5,451
Distribution Margin FY 2020-21	
Allowed	23,376
Recovered	22,188
Under/(Over) Recovery	1,188
Total Prior Period Adjustment	(6,259)



- 64.5. 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 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 has also worked out the impact of positive FCAs not recovered by the Petitioner from life line consumers. The Authority

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Registrar

National Electric Power Regulatory Authority
Islamic Republic of Pakistan

NEPRA Tower, Attalark Avenue (East), G-5/1, Islamabad
Ph: +92-51-9208500, Fax: +92-51-2600026
Web: www.nepa.org.pk, E-mail: registrar@nepa.org.pk

No. NEPRA/R/ADG(Trf)/TRF-511/PESCO-2019/45587-45589
December 14, 2020

Subject: Determination of the Authority in the matter of Petition filed by Peshawar Electric Supply Company Ltd. (PESCO) for Determination of its Supply of Power Tariff for the FY 2018-19 & FY 2019-20 [Case # NEPRA/TRF-511/PESCO-2019]

Dear Sir,

Please find enclosed herewith subject Determination of the Authority along with Annex-I, I-A, II, III, IV & V (62 Pages) in Case No. NEPRA/TRF-511/PESCO-2019.

2. The Determination 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 Supply of Power of Electric Power Act, 1997.
3. The Determination of the Authority along with Annex-II & III (separately for FY 2018-19 and FY 2019-20), Annex-I, I-A, IV & V are to be notified in the official Gazette.

Enclosure: As above


(Syed Safeer Hussain)

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.

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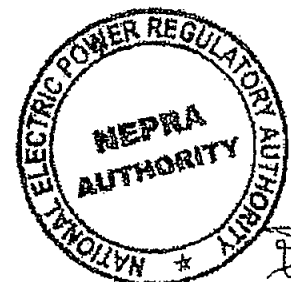


*Determination of the Authority in the matter of Supply of Power Tariff of
Peshawar Electric Supply Company Limited, No. NEPRA/TRF-511/PESCO-2019*

I. Background

- 1.1. The amendments in the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 was passed by the National Assembly on 15th March, 2018, which was published in the official Gazette on 30th April 2018 (the "Amendment Act"), resulting in restructuring of the energy sector.
- 1.2. As per the amended Act, function of sale of electric power traditionally being performed by the Distribution Licensees has been amended under Section 21(2)(a), whereby 'sale' of electric power has been removed from the scope of 'Distribution Licensee' and transferred to 'Supply Licensee'.
- 1.3. Section 23E of the Act, provides NEPRA with the powers to grant Electric Power Supply License for the supply of electric power. Section 23E(1), however, provides that the holder of a distribution license on the date of coming into effect of the Amendment Act, shall be deemed to hold a license for supply of electric power under this section for a period of five years from such date. Thus, all existing Distribution Licensees have been deemed to have Power Supplier Licenses, to ensure distribution licensees earlier performing both the sale and wire functions, can continue to do so. Section 23E, further states that the eligibility criteria for grant of license to supply electric power to be prescribed by the Federal Government, and shall include, provision with respect to a supplier of the last resort, as the case may be.
- 1.4. As per Section 23F (2)(b), the Supplier possess the right to make sales of electric power to consumers within their specified territories on a non-discriminatory basis to all the consumers who meet the eligibility criteria laid down by the Authority.
- 1.5. In view thereof, Peshawar Electric Supply Company Limited (PESCO), hereinafter called "the Petitioner", being a Distribution as well as deemed Supplier filed separate tariff petitions for the determination of its Distribution and Supply of Electric Power Tariff for the FY 2018-19 and FY 2019-20, in terms of Rule 3 (1) of Tariff Standards & Procedure Rules-1998 (hereinafter referred as "Rules").
- 1.6. The Petitioner, inter alia, has requested for a Supply of Power Tariff of Rs.206,176 million i.e. Rs.22.72/kWh and Rs.213,990 million i.e. Rs.23.26/kWh for the FY 2018-19 and FY 2019-20 respectively as detailed below; The Supply Tariff includes Power Purchase Price (PPP) of Rs.165,698 million and Distribution Margin of Rs.20,060 million of the FY 2018-19 and Rs.166,424 million and Rs.22,299 million for the FY 2019-20 respectively.

Description	Unit	Rs. Mln	
		FY 2018-19	FY 2019-20
Power Purchase Cost	Mln Rs.	165,698	166,424
OSM	Mln Rs.	13,587	14,579
Depreciation	Mln Rs.	307	338
Return on Regulatory Asset Base (RoRB)	Mln Rs.	1,203	1,384
Other Income	Mln Rs.	(861)	(920)
Financial Charges	Mln Rs.	4,758	5,500
PYA & Turnover Tax etc.	Mln Rs.	1,424	4,386
Revenue Requirement Supply Function	Mln Rs.	186,116	191,691
Revenue Requirement Distribution Function	Mln Rs.	20,060	22,299
Total Revenue Requirement	Mln Rs.	206,176	213,990
Units to be Sold	GWh	9,074	9,200
Average Sale Rate	Rs./kWh	22.72	23.26



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26.2. The Prior Year Adjustment includes the impact of variation in the following;

- i. Difference between the actual PPP billed and the amount recovered by the DISCO.
- ii. Difference between the assessed DM and the amount actually recovered.
- iii. Difference between the previously assessed PYA and the amount actually recovered.
- iv. Difference between actual other income and the amount allowed
- v. Variation due to Sales Mix.

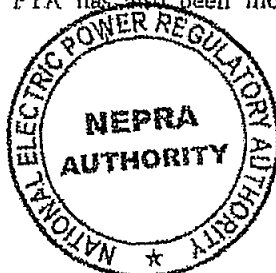
26.3. It is important to highlight that variation between the PPP billed to DISCOs by CPPA-G and the amount recovered by the DISCOs are being accounted for separately through Quarterly/Bi-Annual Adjustment mechanism, therefore, the instant PYA includes accounts for the remaining components.

26.4. 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.

26.5. 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 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 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, which shows a net subsidy claim filed by the Petitioner.

26.6. The Authority in view of the above referred policy guidelines of GoP regarding rationalization of subsidy in the matter of XWDISCOs and in line with its earlier decision in the matter, has decided not to adjust the impact of negative FCA across different consumer categories. Thus, the 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.103 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. 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. Here it is pertinent to mention that the above figures have been worked on the basis of information provided by the Petitioner.

26.7. In addition to above, any over / under recovery of the assessed Distribution Margin for the FY 2017-18 and any previously allowed PYA has also been included as PYA of the Petitioner.



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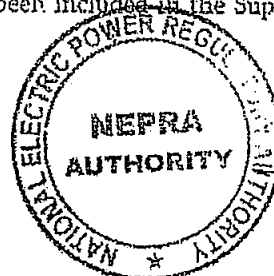


*Determination of the Authority in the matter of Supply of Power Tariff of
Peshawar Electric Supply Company Limited. No. NEPRA/TRF-511/PESCO-2019*

- 26.8. Further, since the FY 2018-19 for which the assessment is being made has already lapsed, therefore, any over / under recovery by the Petitioner in terms of its assessed Revenue Requirement for the FY 2018-19 vis a vis the amount actually recovered by the Petitioner during the same period based on the tariff that remained notified during this period, and Sales Mix for the FY 2018-19, has also been included in the Prior Year Adjustment (PYA), while determining the PYA of the Petitioner for the FY 2019-20.
- 26.9. Based on the discussion made in the above paragraphs, the Authority has assessed the following PYA of the Petitioner for the FY 2018-19 and FY 2019-20;

	Rs. Mln	Rs. Mln
	FY 2019-20	FY 2018-19
PYA 2017		
Allowed	(1,886)	(1,886)
Recovered	(1,796)	(1,796)
Under/(Over) Recovery	(90)	(90)
PYA 2018		
Allowed	26,207	26,207
Recovered	27,054	27,054
Under/(Over) Recovery	(847)	(847)
Distribution Margin FY 2017-18		
Allowed	19,176	19,176
Recovered	17,088	17,088
Under/(Over) Recovery	2,088	2,088
Interim DM Adjusted Back	(8,817)	(8,817)
D.M FY 2018-19		
Allowed	19,597	
Recovered	18,655	
Under/(Over) Recovery	853	
Other Income FY 2017-18		
Allowed	(2,160)	(2,160)
Actual	(2,522)	(2,522)
Under/(Over) Recovery	(362)	(362)
Bad Debts		
Allowed	15,748	15,748
Revised allowed based on regulated sales	14,997	14,997
Adjustment	(14,997)	(14,997)
Sales Mix Variances		
FY 2017-18	(33)	(33)
FY 2018-19	(5,211)	
Total	(5,244)	(33)
Turn Over/Advance Tax	2,023	
Total Prior Period Adjustment	(20,393)	(18,057)

- 26.10. The Petitioner in its working has claimed the entire amount in its Supply Function, therefore, the entire amount of PYA has been included in the Supply function Revenue Requirement of the Petitioner.



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Annex-L

IMPACT OF FCA DURING COVID PERIOD

Mln Rs.

Sr. No.	Month	Actual Unit Sold	Exempt Units-Actual*	Net Units For FCA	FCA Rate	FCA Passed On
IMPACT OF POSITIVE FCA						
1	Nov-19	704	3	701	0.9824	688
2	Dec-19	612	3	609	1.8779	1,143
3	Jan-20	654	4	650	1.1108	723
4	Feb-20	643	4	640	1.2051	771
5	Mar-20	606	4	602	0.1069	64
Total Impact of Positive FCA not passed on to the consumers						3,389
IMPACT OF NEGATIVE FCA						
6	Apr-20	679	342	337	(0.7040)	(237)
7	May-20	586	345	241	(1.2517)	(302)
8	Jun-20	832	441	391	(1.0581)	(414)
Total Impact of Negative FCA not passed on to the consumers						(953)
Total		5,317	1,146	4,171	0.5840	2,436

* Exempt Units includes units supplied to the consumers under the category of Lifeline, Domestic (up to 300 units) and Agriculture supplies during the above period.

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PRESS RELEASE ON CONSUMER PRICE INDEX (CPI) INFLATION
FOR THE MONTH OF DECEMBER, 2023

Indicators	Base Year 2015-16 (%)
Inflation Rate, December, 2023 over November, 2023 (Month on Month)	0.82
Inflation Rate, December 2023 over December, 2022 (Year on Year)	29.66
Average Inflation Rate, Jul-Dec, 2023-24 over Jul-Dec, 2022-23	28.79

Analysis of Consumer Price Index (CPI) Base Year (2015-16)

1. The CPI on new base (2015-16) comprises of urban CPI and Rural CPI. The Urban CPI covers 35 cities and 356 consumer items. The Rural CPI covers 27 Rural Centers and 244 consumer items. In the base year (2015-16) National CPI for 12 major groups is also computed by taking weighted average of Urban CPI and Rural CPI.

Monthly Analysis [December, 2023 over November, 2023]

2. CPI National for the month of December, 2023 increased by **0.82%** over November, 2023. The Urban CPI recorded an increase of **0.73%** while Rural CPI recorded an increase of **0.96%**.

Group	NATIONAL				URBAN				RURAL			
	Weight (%)	INDICES		% Change	Weight (%)	INDICES		% Change	Weight (%)	INDICES		% Change
		Dec, 2023	Nov, 2023			Dec, 2023	Nov, 2023			Dec, 2023	Nov, 2023	
General	100.0	255.24	253.15	0.82	100.00	250.68	248.87	0.73	100.00	262.11	259.61	-0.96
Food & non-alcoholic Beverages	34.58	281.55	282.95	-0.49	30.42	275.22	278.07	-1.02	40.87	288.66	288.43	0.08
Non-perishable food items	29.60	282.99	282.85	0.05	25.97	277.10	277.90	-0.29	35.08	289.57	288.38	0.41
Perishable food items	4.99	272.99	283.54	-3.72	4.46	264.26	279.06	-5.30	5.79	283.14	288.74	-1.94
Alcoholic Beverages, Tobacco	1.02	364.72	362.87	0.51	0.85	385.43	382.32	0.81	1.28	343.84	343.26	0.17
Clothing and footwear	8.60	221.64	220.38	0.57	8.01	212.48	211.64	0.40	9.48	233.32	231.52	0.78
Housing, Water, Elec., Gas & other fuels	23.63	230.62	222.69	3.56	27.03	236.27	229.11	3.13	18.49	218.16	208.53	4.62
Furnishing & HH equipment maintenance	4.10	260.36	258.02	0.91	4.09	252.29	250.25	0.82	4.10	272.51	269.71	1.04
Health	2.79	233.93	232.28	0.71	2.31	234.20	232.12	0.90	3.51	233.67	232.43	0.53
Transport	5.91	312.86	310.34	0.81	6.14	305.96	302.48	1.15	5.56	324.36	323.43	0.29
Communication	2.21	120.20	120.18	0.01	2.35	125.01	125.00	0.01	1.99	111.63	111.61	0.02
Recreation and culture	1.59	256.21	256.14	0.03	1.73	245.92	245.81	0.04	1.38	275.74	275.74	0.00
Education	3.79	186.04	185.62	0.23	4.88	187.28	186.73	0.29	2.13	181.78	181.78	0.00
Restaurants and hotels	6.92	260.16	258.31	0.72	7.41	260.11	258.07	0.79	6.19	260.26	258.73	0.59
Misc. goods and services	4.87	269.77	267.18	0.97	4.77	265.25	262.84	0.92	5.02	276.26	273.42	1.04

3. Top few commodities which varied from previous month i.e. November, 2023 are given below:

URBAN:

FOOD

Increased: Onions (30.83%), Dry Fruits (5.16%), Pulse Masoor (5.05%), Eggs (4.73%), Pan Prepared (4.41%), Pulse Gram (3.73%), Fish (3.17%), Sugar (2.50%), Wheat (2.16%), Pulse Moong (2.01%), Pulse Mash (1.18%), Wheat Flour (0.82%), Milk Powder (0.27%) and Meat (0.20%).

Decreased: Tomatoes (42.26%), Potatoes (18.59%), Tea (8.55%), Chicken (4.20%), Gur (3.49%), Vegetable Ghee (2.70%), Rice (2.65%), Fresh Vegetables (2.17%), Fresh Fruits (1.65%), Cooking Oil (1.55%), Condiments and Spices (1.45%), Gram Whole (0.76%) and Mustard Oil (0.11%).

NON-FOOD

Increased: Electricity Charges (15.76%), Transport Services (11.95%), Woolen Readymade Garments (4.02%), Solid Fuel (2.43%), Construction Input Items (0.67%), Household Equipments (0.62%), Dental Services (0.61%), Construction Wage Rates (0.54%), Cotton Cloth (0.09%), Motor Vehicle Accessories (0.08%) and Footwear (0.02%).

Decreased: Motor Fuel (2.39%).

RURAL: **FOOD**

Increased: Onions (27.76%), Fresh Vegetables (6.96%), Eggs (4.95%), Pulse Masoor (4.29%), Pulse Mash (3.25%), Fish (3.11%), Wheat Products (2.37%), Pulse Moong (2.33%), Tea (1.15%), Wheat (1.10%), Meat (1.07%), Besan (1.02%), Pulse Gram (0.92%), Milk Fresh (0.88%), Sugar (0.74%), Milk Products (0.52%) and Wheat Flour (0.03%).

Decreased: Tomatoes (34.89%), Potatoes (18.18%), Cooking Oil (3.12%), Vegetable Ghee (2.41%), Gur (2.33%), Fresh Fruits (1.94%), Chicken (1.51%), Gram Whole (0.97%) and Rice (0.08%).

NON-FOOD:

Increased: Electricity Charges (15.76%), Transport Services (5.25%), Water Supply (5.18%), Solid Fuel (2.85%), Construction Input Items (2.12%), Construction Wage Rates (0.94%), Drugs and Medicines (0.62%), Motor Vehicles Accessories (0.16%) and Motor Vehicles (0.01%).

Decreased: Motor Fuels (2.63%).

YEARLY ANALYSIS [December, 2023 over December, 2022]

4. CPI National for the month of December, 2023 increased to **29.23%** over December, 2022. The Urban CPI recorded an increase of **30.44%** while Rural CPI recorded an increase of **27.53%**.

Group	NATIONAL				URBAN				RURAL			
	Weight (%)	INDICES		% Change	Weight (%)	INDICES		% Change	Weight (%)	INDICES		% Change
		Dec, 2023	Dec, 2022			Dec, 2023	Dec, 2022			Dec, 2023	Dec, 2022	
General	100.00	255.24	196.86	29.66	100.00	250.68	191.46	30.93	100.00	262.11	205.00	27.86
Food & non-alcoholic Beverages	34.58	281.55	220.82	27.50	30.42	275.22	215.98	27.43	40.87	288.66	226.26	27.58
Non-perishable food items	29.60	282.99	219.92	28.68	25.97	277.10	215.05	28.85	35.08	289.57	225.37	28.49
Perishable food items	4.99	272.99	226.12	20.73	4.46	264.26	221.40	19.36	5.79	283.14	231.60	22.25
Alcoholic Beverages, Tobacco	1.02	364.72	199.49	82.83	0.85	385.43	213.06	80.90	1.28	343.84	185.80	85.06
Clothing and footwear	8.60	221.64	183.62	20.71	8.01	212.48	180.13	17.96	9.48	233.32	188.07	24.06
Housing, Water, Elec., Gas & other fuels	23.63	230.62	167.51	37.68	27.03	236.27	162.56	45.34	18.49	218.16	178.43	22.27
Furnishing & HH equipment maintenance	4.10	260.36	196.45	32.53	4.09	252.29	194.05	30.01	4.10	272.51	200.06	36.21
Health	2.79	233.93	189.63	23.36	2.31	234.20	183.92	27.34	3.51	233.67	195.30	19.65
Transport	5.91	312.86	243.28	28.60	6.14	305.96	243.22	25.80	5.56	324.36	243.38	33.27
Communication	2.21	120.20	111.96	7.36	2.35	125.01	114.49	9.19	1.99	111.63	107.45	3.89
Recreation and culture	1.59	256.21	185.02	38.48	1.73	245.92	180.24	36.44	1.38	275.74	194.09	42.07
Education	3.79	186.04	163.89	13.52	4.88	187.28	166.24	12.66	2.13	181.78	155.76	16.71
Restaurants and hotels	6.92	260.16	199.03	30.71	7.41	260.11	200.18	29.94	6.19	260.26	196.96	32.14
Misc. goods and services	4.87	269.77	204.99	31.60	4.77	265.25	203.20	30.54	5.02	276.26	207.55	33.11

5. Top few commodities which varied from corresponding month of previous year i.e. December, 2022 are given below:

URBAN: **FOOD**

Increased: Fresh Vegetables (65.41%), Wheat Flour (59.03%), Sugar (49.00%), Potatoes (46.76%), Rice (45.60%), Pulse Mash (43.70%), Wheat Products (38.94%), Tea (37.77%), Pulse Masoor (32.29%), Wheat (29.04%), Eggs (26.76%), Milk Fresh (21.77%), Tomatoes (20.96%), Fish (20.29%), Meat (17.42%), Chicken (17.07%), Pulse Moong (12.77%), Gram Whole (11.98%), Pulse Gram (3.90%), Fresh Fruits (3.19%) and Cooking Oil (2.58%).

Decreased: Onions (17.71%), Mustard Oil (4.18%) and Vegetable Ghee (1.17%).

NON-FOOD:

Increased: Gas Charges (519.61%), Electricity Charges (61.60%), Transport Services (38.25%), Drugs and Medicines (32.42%), Doctor (MBBS) Clinic Fee (25.10%), Hospitals Services (23.52%), Motor Fuel (22.50%), Motor Vehicles (21.90%), Construction Input Items (20.26%), Solid Fuel (19.40%), Dental Services (17.99%), Water Supply (16.03%), Medical Tests (15.23%), Tailoring (14.48%), Construction Wage Rates (12.72%), Education (12.66%), Household Servant (12.20%), Postal Services (11.46%) and House Rent (5.64%).



KIBOR

4-Jul-2023

Tenor	Bid	Offer
1 - Week	21.84	22.34
2 - Week	21.93	22.43
1 - Month	22.03	22.53
3 - Month	22.65	22.90
6 - Month	22.72	22.97
9 - Month	22.75	23.25
1 - Year	22.77	23.27

Data Source: Reuters

NON-FOOD
Increased: 1000
Decreased: 1000



KIBOR

2-Jan-2024

Tenor	Bid	Offer
1 - Week	21.71	22.21
2 - Week	21.69	22.19
1 - Month	21.59	22.09
3 - Month	21.21	21.46
6 - Month	21.23	21.48
9 - Month	21.20	21.70
1 - Year	21.20	21.70

Data Source: Refinitiv

**PESHAWAR ELECTRIC SUPPLY COMPANY**

Phone No. 091-9210226
Fax No. 091-9223136
Email: sec.pesco@gmail.com

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

No. 766 /Co:Sec

Dated 03/06/2021

BOARD RESOLUTION

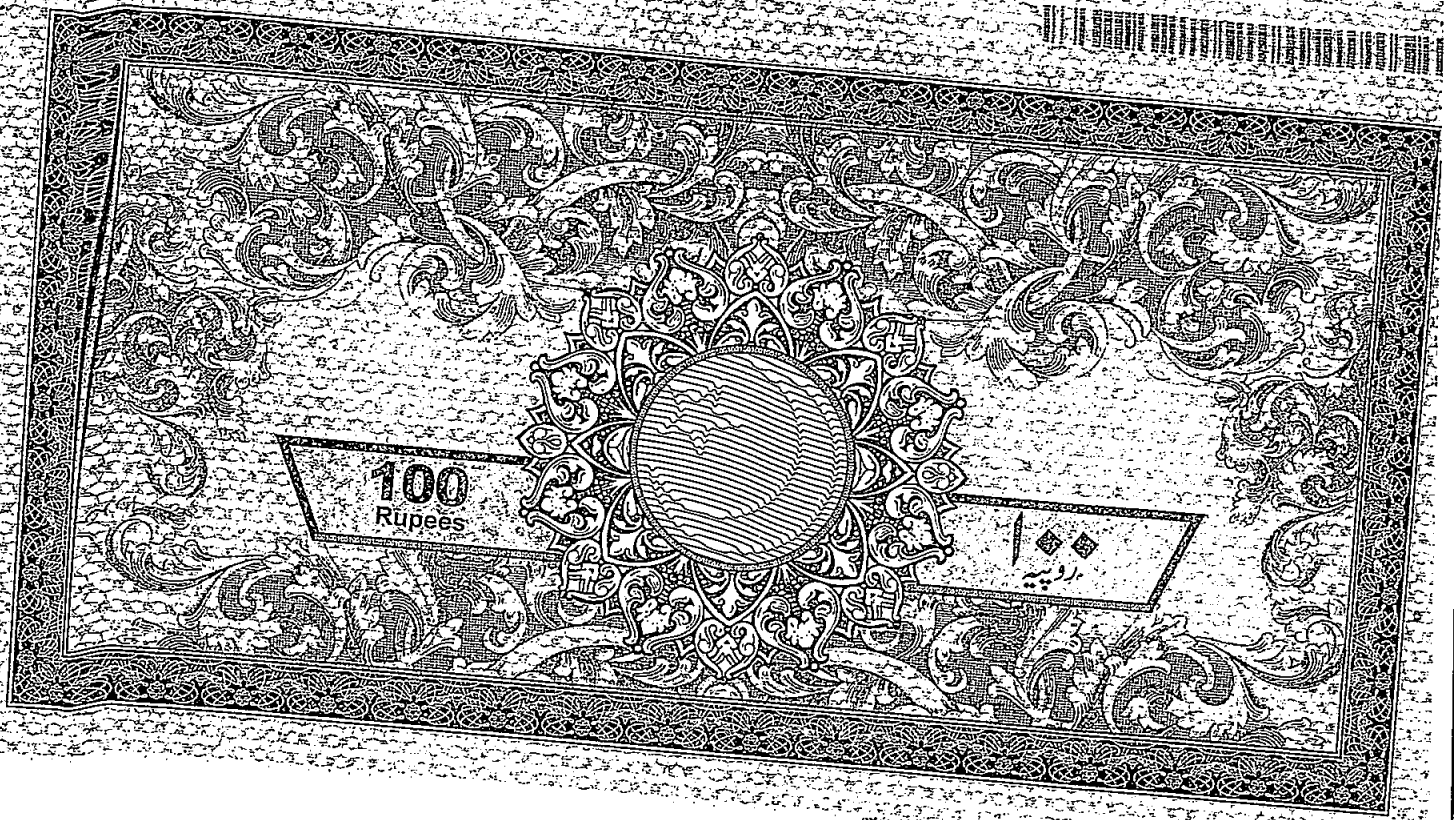
Board of Directors PESCO through circulation RESOLVED to authorize Chief Executive Officer and other Officers of PESCO to file Multi Year Tariff Petition, Review Motion (If required) and subsequent adjustments / details etc with NEPRA (Separately for two licensed activities i.e Distribution Business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

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

Certified True Copy

COMPANY SECRETARY
PESCO
03-06-2021

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AFFIDAVIT

Annex

I Akhtar Hamid Khan S/O, Hazrat Gul Chief Executive Officer, Peshawar Electric Supply Company Limited (Distribution License No. DL/07/2023) Holding CNIC No. 17301-1232264-1 being duly authorized representative/Attorney of Peshawar Electric Supply Company Limited, hereby solemnly affirm and declare that the contents of this Indexation Petition for FY 2024-25 along with Prior year Adjustments including all supporting documents are true and correct to the best of my knowledge and belief and that nothing has been concealed.

Deponent

(Engr. Akhtar Hamid Khan)
Chief Executive Officer
PESCO

