

## GUJRANWALA ELECTRIC POWER COMPANY LIMITED

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**OFFICE OF CHIEF EXECUTIVE OFFICER, GEPCO LTD.**  
(Market Implementation Regulatory Affairs Department)  
WAPDA Rest House, WAPDA colony, W-block, Peoples colony,  
GUJRANWALA

No. GEPCO/MIRAD/Tariff/1423-28

Dated 29/03/2024

The Registrar,  
National Electric Power Regulatory Authority (NEPRA),  
NEPRA Tower, Attaturk Avenue (East), G5/1,  
Islamabad.

Subject: **RESUBMISSION OF PETITION FOR REVISION OF SECURITY DEPOSIT RATES AND INCREASE IN TEMPORARY CONNECTION TARIFF RATES FOR THE CONSUMERS OF GUJRANWALA ELECTRIC POWER COMPANY.**

Reference:

1. NEPRA Letter No. NEPRA/R/TRF-100/3414 Dated: 18-03-2024.
2. GEPCO Letter No. GEPCO/MIRAD/Tariff/606-11 Dated: 02-02-2024.
3. GEPCO Letter No. 413-19 Dated: 22-01-2024.
4. GEPCO Letter No. 4102-08 Dated: 12-12-2023.

GEPCO filed Petition for determination of Security Deposit Rates vide letter dated December 12, 2023 referred to above. Subsequently, an addendum to Annex-B (Proposed Security Deposit Rates) was submitted through a letter dated January 22, 2024, as referenced hereinabove.

Furthermore, GEPCO requested for consideration and determination of increase in Temporary Tariff Rates through GEPCO letter dated February 2, 2024 referred to above, in respect of GEPCO consumers.

The honorable Authority considered both petitions of GEPCO and returned the same through referred letter dated 18-03-2024 with the direction that GEPCO is required to resubmit the aforementioned petitions in accordance with Rule 3 of the NEPRA (Tariff Standards and Procedure) Rules, 1998 (Tariff Rules).

Keeping in view the directions of the honorable Authority, GEPCO is resubmitting the petition for determination of Security Deposit rates for applicable categories of the consumers and increase in Temporary Tariff rates of Residential (E-1(i)), Commercial (E-1(ii)) and Industrial (E-2), in accordance with Rule 3(2) and 3(8) of the Tariff Rules.

The applicable fee indexed to the Consumer Price Index (CPI) for Distribution Licensee, as published on NEPRA website, is Rs. 1,121,666/- (Rs. One Million One Hundred Twenty-One Thousand Six Hundred Sixty-Six Rupees only) in order to proceed for the Petition under Tariff Rules. Enclosed herewith is cheque bearing No.8807071101 dated: 28-03-2024 for Rs 1,020,716/- (One million twenty thousand seven hundred sixteen only) after tax (Rs. 100,950) deduction.

Forwarded please:

<input checked="" type="checkbox"/> For nec action	<input type="checkbox"/> for information
1. DG (Lic.)	2. DG (Admn./HR)
3. DG (M&E)	4. DG (CAD)
5. ADG (Trf.)	6. Dir. (Fin.)
7. Dir. (Tech.)	8. Consultant
9. LA	10. Dir. (IT)

For kind information please

Chairman	2. Dir. (Tech.)
M (Lic.)	2. Dir. (Trf. & Fin)
M (Law)	

with cheque of 1020716/-

REGISTRAR OFFICE  
Dy No: 3546  
Date: 2.4.24

For any clarification or additional information or any other matter relating to the said petition Mr. Irfan Rafique (Director General MIRAD) GEPCO (0318-3991820, email: [gepcodgmirad@gmail.com](mailto:gepcodgmirad@gmail.com)) is designated as focal person.

  
**CHIEF EXECUTIVE OFFICER**  
**GEPCO, GUJRANWALA.**

**D.A.**

- i. Petition for determination of Security Deposit Rates (all categories) is enclosed as *Annexure-I*.
- ii. Petition for determination of Tariff Rates for temporary Connection Categories is enclosed as *Annexure-II*.
- iii. Fee for petition amounting (net of Tax) to Rs 1,020,716/- (One million twenty thousand seven hundred sixteen only) in favor of Registrar NEPRA as cheque No.8807071101 dated 28-03-2024 is attached *Annexure-III*.
- iv. Affidavit of CEO GEPCO (Authorized Officer) on Non-judicial stamp paper worth Rs. 300/- regarding the correctness, authenticity and accuracy of the petition, documents and information submitted *Annexure-IV*.

**Copy to:**

1. Chief Financial Officer, GEPCO Gujranwala for information.
2. General Manager (Technical), GEPCO Gujranwala for information.
3. General Manager (Operation), GEPCO Gujranwala for information.
4. Customer Services Director, GEPCO Gujranwala for information.
5. Chief Law Officer, GEPCO Gujranwala for information.
6. Master file.

C's A/cs Only

THE BANK OF PUNJAB  
GUJRANWALA TRUST PLAZA G.T. ROAD  
GUJRANWALA



PLS100

Cheque No 8807071101

2	8	MAR	20	24
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Date

Pay Registered NEPA or bearer

Rupees one million twenty thousand  
Seven hundred and Sixteen only.

PK09 BPUN 6580 0013 2820 0048

MANAGER CORPORATE ACCOUNTS GEPCO

Please do not write below this line.

AM/Dy: Manager

GEPCO Ltd. Gujranwala.

⑈07071101⑈0830006⑈6580001328200048⑈0000⑈

PKR=1020716/-

[Signature]  
Signature of AM/Dy: Manager  
(C.A) AM/Dy: Manager (H.W.)  
GUJRANWALA

FY 2023-24

# Petition for Determination of Security Deposit FY 2023-24



Providing Power for Progress and Prosperity

March 29, 2024



**GUJRANWALA ELECTRIC POWER COMPANY LIMITED**



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## 1 Background of the Company (GEPCO)

As a result of restructuring of WAPDA Power Wing, Gujranwala Electric Power Company (GEPCO) was incorporated on 25<sup>th</sup> April 1998 and obtained certificate for commencement of business on 5<sup>th</sup> June, 1998. The company started its actual commercial operations, as GEPCO, effective from July 1, 1998. The GEPCO is responsible for the electricity delivery to over 4.3 million consumers of six civil districts of Gujranwala and Gujrat Divisions (Gujranwala, Gujrat, Sialkot, Narowal, Hafizabad and Mandi Bahauddin), Pakistan as set out in GEPCO's Distribution License No. DL/04/2023, granted by NEPRA under the NEPRA Act on May 09, 2023. The Company is headed by a Chief Executive Officer (CEO) and GEPCO Board of Directors and registered address of the company is 565/A, Model Town, G.T. Road, Gujranwala.

Under the provisions of Regulation of Generation, Transmission & Distribution of Electric Power (Amendment) Act, 2018, NEPRA granted Electric Power Supply License No. SOLR/04/2023 to GEPCO on December 27, 2023 for supply of electric power to perform the function of sale of electric power in addition to existing licensee as Distribution Company. The Distribution function now shall, under Section 20, be limited to ownership, operation, management or control of distribution facilities for the movement or delivery to consumers of electric power.

In order to perform its obligatory duties as per NEPRA performance Standards (Distribution) Rules 2005, the petitioner need to recover all security deposit while providing electricity connections to the consumer of its Service territory. Currently GEPCO is recovering Security deposit as per approved/determined Security deposit rates of honorable Authority vide No. NEPRA/R/TRF-100/3685-3687 dated 04-11-2010.

## 2 Grounds for Petition

The electricity tariffs for all categories have increased significantly, therefore, the existing Security Deposit rates, as last approved in 2010, are not adequate to safeguard GEPCO against the risk of possible default by the consumers.

At present (June-2023), there are 45,258 private disconnected consumers involving receivable/default amount of Rs. 2,397.65 million in GEPCO.

Currently GEPCO is issuing demand notices for new connection, restoration of connection, and extension of load to the Applicants on old rates of Security Deposit. The situation, if not corrected, shall continue to cause exposure to risk arising from non-payment of energy dues.

While analyzing the pattern of a postpaid electricity bill and considering a consumer who failed in making the payment and so disconnected, it is found that, ideally, almost 62 days and normally 90 days of consumption is advanced till actual disconnection and the bill amount is always on risk so for





as the department is concerned. Accordingly, it is important to get the payment of such consumption in terms of security so as to cover the estimated power consumption for two and half months.

To avoid this financial loss to GEPCO; in relation to Security Deposit, it is requested to honorable Authority to revise the said rates as for then submitted herein after.

## 2.1 Comparison of Rates (2009 vs 2023)

A Comparison of Inflation rate, Material prices, \$ rate and average tariff is given as under:

Particulars	Sep-09	Feb-23	Increase
Conversion rate PKR/\$	83.18	261.00	214%
CPI (General) Base Year (2008-09)	100.00	430.73	331%
Average Tariff Rs. /kWh	8.05	23.95	198%

## 3 Reference Clauses for the Petition

### 3.1 Security Deposit

As per clause 5.1.1 of Consumer Service Manual 2021, reads as “For all service connections, a demand notice for security deposit as per the rate approved by NEPRA shall be issued to the applicant for depositing the same in the designated bank branch. The Security Deposit rates are as per Annexure- IV.” (Annexure-A)

## 4 Proposed Structure

Security Deposit rates are based on category wise average bill per consumer per kW sanctioned load, using load factor given in Consumer Service Manual 2021 and latest applicable tariff (notified by the Authority vide Letter No. NEPRA/R/ADG(Tariff)/TRF-100/ XWDISCOs/13540-13542 dated July 22, 2022).

- All consumers excluding urban domestic consumers, the security deposit rates are two and half months of average billing including taxes per KW of sanctioned load.
- For urban domestic consumers:
  - Security deposit rates equal to three months on average billing for properties up to 10 Marlas.
  - Security deposit rates equivalent to one percent of the land value as per the rates fixed by the Federal Board of Revenue (FBR) for properties above 10 Marlas.







It is further added that tariff categories A1 & A2 are divided into Urban and Rural and the Security Deposit Rates for Rural connection are proposed to be 50% of urban connection in line with existing methodology of existing approved Security Deposit Rates.

## 5 Method for recovery of Security Deposit

- i. A customer will be required to pay the GEPCO, an amount as approved by the Authority (NEPRA) before provision of a new connection, restoration of the connection or approval of extension of load against connection charges and Security Deposit.
- ii. If the customer no longer wishes to continue its electric power connection, GEPCO shall be liable to refund the Security Deposit to the consumer on demand.
- iii. In case the customer does not pay the electricity dues, GEPCO may adjust the Security Deposit against the outstanding amount billed to the consumer.

## 6 Mechanism for Annual Adjustment/Indexation of Security Deposit

It is proposed that Authority may devise a suitable mechanism/parameter for adjustment/indexation of above said Security Deposit Rates for DISCOs.

## 7 Applicable Categories

- i. Security Deposit rates for all Tariff Categories.

## 8 Prayer

In view of the above submissions, it is humbly requested that the Authority may kindly consider and determine as follows;

- A. Security Deposit under all Tariff Categories as specified in **Annex-B**
- B. GEPCO may be allowed to request additional security deposit from the existing consumers based on their sanctioned load with the approval of the Authority subject to the condition that the total Security Deposit does not exceed the equivalent amount as per approved rates.
- C. A suitable mechanism for Periodic Adjustment/indexation in the Security Deposits.







## CHAPTER 5 SECURITY DEPOSIT

### 5.1 SECURITY DEPOSIT

- 5.1.1 For all service connections, a demand notice for security deposit as per the rate approved by NEPRA shall be issued to the applicant for depositing the same in the designated bank branch. The Security Deposit rates are as per Annexure – IV.
- 5.1.2 A period of thirty days for payment of Demand Notice is given. A grace period of thirty days may be allowed for payment of the demand notice on the request of the applicant.

### 5.2 UPDATION OF SECURITY DEPOSIT

- 5.2.1 In case of change of name due to any reason the Security Deposit shall be updated at prevailing rates subject to adjustment of already paid Security Deposit.
- 5.2.2 In case of change of tariff category, shifting of connection and reconnection (if period of disconnection is more than 365 days), the Security Deposit shall be updated at prevailing rates subject to adjustment of already paid Security Deposit.
- 5.2.3 In case of extension of load, the amount of security deposit shall be updated at prevailing rates for the entire load subject to adjustment of already paid Security Deposit.
- 5.2.4 In case of reduction of load, the Security Deposit shall be updated at prevailing rates and the difference of the Security Deposit shall be refunded/charged, as the case may be.
- 5.2.5 For the purpose of calculating the security deposit, the fraction of a kilowatt (for loads above one kilowatt) which is equal to or more than half kilowatt, shall be taken as one kilowatt, and the fraction which is less than half a kilowatt shall be ignored.



The security deposit paid by the consumer shall be refunded at the time of permanent disconnection if applied by the consumer for refund after getting approval from the load sanctioning officer provided that there is no outstanding dues against the consumer. The process of refund shall be carried out within thirty (30) days of receipt of such request.

### 5.3 BANK GUARANTEE

- 5.3.1 The option of Bank Guarantee in lieu of security deposit shall be available to the industrial consumers under B-3 and B-4 as defined in Tariff terms and conditions categories only. The existing B-3 and B-4 category consumers can also avail option of Bank Guarantee by withdrawing their previous security deposit from



**Annex-B****Proposed Security Deposit Rates**

(3 &amp; 2.5 Months' Revenue with Taxes)

Tariff	Tariff Description	Existing Rates Rs. /kW	1-Month Basis Rs. /kW	3- & 2.5-Months Basis Rs. /kW
A-1 (Residential)	Urban (10 Marla & below)	1,220	4,272	12,817
	Urban (Above 10 Marla)	1,220		As per Note 2 below
	Rural	610	2,136	5,340
A-2 (Commercial)	Urban	1,810	7,129	17,824
	Rural	920	3,565	8,912
A-3	General Service	1,220	5,402	13,506
B-1	Small Industries	1,580	14,653	36,632
B-2	Middle Industries	2,010	16,066	40,165
B-3 (11kV)	Large Industries	2,890	13,942	34,855
B-4 (132kV)	Large Industries	3,560	13,876	34,689
C	Other Bulk Power supply	2,080	4,823	12,056
D	Agriculture Tubewells	15000 (Lumpsum)	7,540	18,850
G	Street Lights (G)	3,240	11,963	29,907
H	Tariff H for Housing Colonies	2,570	4,486	11,216

**Note:**

1. **For Domestic Urban (10 Marla & below):** Security deposit rate is based on 3 Months average billing (Ministry of Energy (Power Division) Letter No.12(35)/2021-DISCO-II dated: 27-11-23 referred)
2. **For Domestic Urban (Above 10 Marla):** Security deposit rates equivalent to one percent of the land value, as per rates fixed by Federal Board of Revenue (FBR) for Properties above 10 Marla (Ministry of Energy (Power Division) Letter No.12(35)/2021-DISCO-II dated: 27-11-23 referred)
3. The Security Deposit for B4 is calculated for 1 kW at 50% load factor (365 kWh per month).



**i. Working of One Month's Security Deposit/kw**

The working of One Month's Security Deposit/kw as per load factor given in Consumer Service Manual is as under:

Tariff	Description	Load Factor	Sanction Load kw	No. of Consumers	Sanction Load per Customer kW	kWhs per Customer	One Months Bill (Excl. taxes)	One Months Bill (incl. taxes)	Estimated One Months Security per kW (incl Taxes)
A-1	Single Phase	20%	5,637,951	3,680,696	1.532	224	5,380	6,375	4,162
A-1	Three Phase	25%	217,484	36,547	5.951	1,086	35,778	42,397	7,125
A-2	Single Phase	20%	543,001	398,410	1.363	199	6,639	8,644	6,342
A-2	Three Phase	25%	388,864	17,759	21.90	3,996	135,943	180,178.60	8,229
A-3	General Service	18%	177,439	22,096	8.030	1,055	36,609	43,382	5,402
B-1	Small Industries	53%	607,632	70,573	8.610	3,331	99,015	126,162	14,653
B-2	Middle Industries	57%	968,853	11,277	85.914	35,749	1,099,844	1,380,293	16,066
B-3	Large Industries	50%	481,077	291	1,653.19	603,413	18,388,633	23,049,034	13,942
B-4	Large Industries	50%	1	1	1	365	11,070	13,876	13,876
D	Agri/Tubewells	40%	388,071	55,911	6.941	2,027	43,438	52,334	7,540
H	Housing Colonies	15%	589	15	39.267	4,300	146,521	176,165	4,486
C	Other BPC	15%	74,230	147	504.97	55,294	2,021,836	2,435,242	4,823
G	Street Lights (G)	40%	22,242	707	1.532	9,186	313,010	376,337	11,963





# GUJRANWALA ELECTRIC POWER COMPANY

Company Secretariat

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Extract of Minutes

Meeting No

Date

Place

153<sup>RD</sup> GEPCO BOD

02-06-2023

Gujranwala

Agenda Item 6.3	Revision of consumer security deposit rates for new and existing electricity connections and authorization to CEO GEPCO for submission of consumer security deposit rates to NEPRA for approval and determination.
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Resolution:

153<sup>rd</sup> BOD-R- As per recommendation of the Policy Strategy, Risk Management & Market Reforms Committee, the Board unanimously RESOLVED to accord approval for revision of Security Deposit rates for new and existing electricity connections with 2-Months Security Deposit.

The Board further RESOLVED THAT, the CEO GEPCO is hereby authorized to submit the revised Security Deposit rates to NEPRA for consideration and determination.

*Note:*

*The above-Board Resolution is based on the following confirmations from the management:*

- No material information has been withheld and the working papers represent all facts of the case.
- All legal and codal formalities have been complied with.
- There is no conflict of interest of any officer of the GEPCO.
- Concerned official / officer of GEPCO's management would be liable for any omission / misstatement of the facts and figures in the working papers.



FY 2023-24

# **Petition for Determination of Tariff Rates for Temporary Connection Categories FY 2023-24**



**Providing Power for Progress and Prosperity**

March 29, 2024



**GUJRANWALA ELECTRIC POWER COMPANY LIMITED**



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## 1 Background of the Company (GEPCO)

As a result of restructuring of WAPDA Power Wing, Gujranwala Electric Power Company (GEPCO) was incorporated on 25<sup>th</sup> April 1998 and obtained certificate for commencement of business on 5<sup>th</sup> June, 1998. The company started its actual commercial operations, as GEPCO, effective from July 1, 1998. The GEPCO is responsible for the electricity delivery to over 4.3 million consumers of six civil districts of Gujranwala and Gujrat Divisions (Gujranwala, Gujrat, Sialkot, Narowal, Hafizabad and Mandi Bahauddin), Pakistan as set out in GEPCO's Distribution License No. DL/04/2023, granted by NEPRA under the NEPRA Act on May 09, 2023. The Company is headed by a Chief Executive Officer (CEO) and GEPCO Board of Directors and registered address of the company is 565/A, Model Town, G.T. Road, Gujranwala.

Under the provisions of Regulation of Generation, Transmission & Distribution of Electric Power (Amendment) Act, 2018, NEPRA granted Electric Power Supply License No. SOLR/04/2023 to GEPCO on December 27, 2023 for supply of electric power to perform the function of sale of electric power in addition to existing licensee as Distribution Company. The Distribution function now shall, under Section 20, be limited to ownership, operation, management or control of distribution facilities for the movement or delivery to consumers of electric power.

The GEPCO is charging NEPRA's approved tariff rates to its consumers. As existing tariff rates for temporary residential, commercial and industrial connections are lower than standard rates, therefore some consumers exploit this by reselling electricity illegally due to delayed infrastructure completion. Accordingly, tariff rates for temporary categories need to be revised to stop the misuse of tariff.

The matter, among other items, was raised by Ministry of Energy (Power Division) through Letter No. 12(35)/2021-DISCO-II dated 27-11-2023 (*Annex-A*). In response thereto, the honorable Authority, vide letter No. NEPRA/DG/(CAD)/TCD-10/159-160 dated January 03, 2024 (*Annex-B*) was pleased to request the Ministry of Energy (Power Division) to direct DISCOs to file petition for determination of Security Deposit rates and increase in tariff rates of temporary connections.

## 2 Grounds for Petition

The existing tariff rates for temporary residential (E-1(i)), commercial (E-1(ii)) and industrial (E-2) connections are lower than standard rates of comparable regular categories of consumer, even falling below residential rated for consumption exceeding 700 units. This provides incentive to some consumers to exploit by reselling electricity illegally due to delayed infrastructure completion. To address this, tariff rates need an increase, coupled with Maximum Demand Indicator (MDI) adjustment.







## GEPCO – Petition for Determination of Temporary Connection Tariff rates & Fixed Charges.

To discourage delaying infrastructure completion and reselling electricity illegally, temporary connection tariff under category E-1(i), E-1(ii) and E-2, need to be reviewed and, accordingly, increased as well as Fixed charges should also be recovered from E-1(ii) and E-2 on the Sanctioned load of such consumers. It is emphasized that fundamental purpose of this request is not to gain additional revenue.

### 2.1 Tariff Rates:

The tariff rates, as determined by honorable Authority vide No. NEPRA/R/DG(Trf)/TRF-562&TRF-563/GEPCO-2021/8233-39 dated July 14,2023 & Applicable tariff rates vide No. NEPRA/DG(Trf)/TRF-100/19271-19290 dated July 25,2023 of relevant regular and temporary consumers are reproduced as below:

A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL						
Sr- No.		TARIFF CATEGORY / PARTICULARS	Fixed Charges Rs./kW/Month	GEPCO Determined Variable Charges Rs. /kWh		Gop Applicable Variable Charges Rs. /kWh
			A	B		D
		a) For sanctioned load less than 5 kW				
Protected	i	Up to 50 Unit. - Life Line		7.00		3.95
	ii	01 - 100 Units Life Lime		11.67		7.74
	iii	001 - 100 Units		15.75		7.74
	iv	101 - 200 Unites		18.07		10.06
Un-Protected	v	001 - 100 Units		22.15		16.48
	vi	101 - 200 Unite		27.59		22.95
	vii	201 - 300 Unit		30.78		27.14
	viii	301 - 400 Units		34.17		32.03
	ix	401 - 500 Unite		36.38		35.24
	x	501 - 600 Units		37.80		36.66
	xi	601 - 700 Units		38.94		37.80
	xii	Above 700 Units		43.85		42.72
		b) For Sanctioned load 5 Kw and above				
		Time Of Use		Peak	Off-Peak	Peak
			42.93	36.61	41.89	35.57





**GEPCO – Petition for Determination of Temporary Connection Tariff rates & Fixed Charges.**

<b>A-2 GENERAL SUPPLY TARIFF - COMMERCIAL</b>						
Sr- No.	TARIFF CATEGORY / PARTICULARS	Fixed Charges Rs./kW/Month	GEPCO Determined Variable Charges Rs./kWh		Gop Applicable Variable Charges Rs./kWh	
		A	B		D	
	a) For sanctioned load less than 5 kW	500	38.80		37.75	
	b) For Sanctioned load 5 Kw and above		40.48		39.43	
			Peak	Off-Peak	Peak	Off-Peak
c	Time Of Use	500	42.40	36.43	41.35	35.38
d	Electric Vehicle Charging Station		40.48		39.43	

<b>B-INDUSTRIAL SUPPLY TARIFFS</b>						
Sr- No.	TARIFF CATEGORY / PARTICULARS	Fixed Charges Rs./kW/Month	GEPCO Determined Variable Charges Rs./kWh		Gop Applicable Variable Charges Rs./kWh	
		A	B		D	
B1	Upto 25 kW (at 400/330 Volts)	500	35.32		34.33	
B2(a)	exceeding 26-800 kW (at 400 Volts)		34.82		33.83	
	Time Of Use		Peak	Off-Peak	Peak	Off-Peak
B1(b)	Upto 25 kW		38.88	33.32	37.89	32.33
B2(b)	exceeding 25-500 kW (at 400 Volt.)	500	38.82	33.11	37.83	32.12
B3	For All Loads op to 5000 kW (at 11,33 kV)	460	38.82	33.02	37.83	32.03
B4	For All Loads at 66, 132 kV & above	440	38.82	32.92	37.83	31.93

<b>E-TEMPORARY SUPPLY TARIFFS</b>				
Sr- No.	TARIFF CATEGORY / PARTICULARS	Fixed Charges Rs./kW/Month	GEPCO Determined Variable Charges Rs./kWh	Gop Applicable Variable Charges Rs./kWh
		A	B	D
E-1 (i)	Residential Supply	-	43.05	42.03
E-1(ii)	Commercial Supply	-	39.19	38.14
E-2	Industrial Supply	-	36.40	35.41





## 2.2 Comparison of Base Tariff Rates

Comparison of Maximum Determined Tariff of the relevant category and Temporary tariff of that category as notified applicable tariff rates Rs/kWh is given as under:

Particulars	*Maximum Tariff of the Relevant Regular Category Rs/kWh	Temporary Tariff Rs/kWh	Difference Rs/kWh
Residential (E-1(i))	43.85	43.05	0.8
Commercial (E-1(ii))	42.40	39.19	3.21
Industrial (E-2)	38.88	36.40	2.48

\*For Residential Maximum Tariff Category is A-1(a)vi Above 700 units.

For Commercial Maximum Tariff Category is A-2 (c) Peak.

For Industrial Maximum Tariff Category is B1(b) Peak.

## 3 Proposed Structure

➤ As per recommendations of Ministry of Energy (Power Division) vide its letter No.12(35)/2021-DISCO-II Dated: 27-11-2023. The proposal to increase the temporary connections tariff rate is based on:

- I. The tariff rates for temporary connections should be set at 1.5 times higher than the maximum tariff rate of the corresponding regular tariff rates.
- II. Fixed charges should be applied for load requirement exceeding 5KW.
- III. Instead of basing fixed charges on actual Maximum Demand Indicator (MDI) readings or 50% of the sanctioned load, Sanctioned load is used for determination of fixed charges.

Particulars	Maximum Tariff of the Relevant Regular Category Rs/kWh	Proposed	
		Fixed Charges Rs/kW	Variable Rs/kWh
Residential (E-1(i))	43.85	-	65.78
Commercial (E-1(ii)) (Up to 5kW)	42.40	-	63.60
Commercial (E-1(ii)) (Above 5kW)	42.40	500	63.60
Industrial (E-2) (Up to 5kW)	38.88	-	58.32
Industrial (E-2) (Above 5kW)	38.88	500	58.32

- The Fixed charge shall be charged based on the Sanctioned Load.
- The rates determined through FPA and AQTA shall remain applicable.





## 4 Revenue Analysis

Category	Average Sanctioned Load (kW)	Annual kWh	FC Rs/kW	Increase Tariff (Proposed-Determined) Rs/kWh	Incremental Revenue (FC+VC)
E-1(i)	2,973	1,189,653	-	22.73	27,034,864
E-1(ii) (up to 5kW)	2,173	1,386,964	-	22.73	31,518,757
E-1(ii) (Above 5kW)	19,553	12,482,676	500	24.41	314,478,821
E-2 (Up to 5kW)	47	79,339	-	21.92	1,739,106
E-2 (Above 5kW)	421	714,049	500	21.92	15,862,558
<b>Total</b>	<b>25,167</b>	<b>15,852,681</b>			<b>390,634,107</b>

<b>Incremental Revenue (Rs.)</b>	<b>390,634,107</b>
Total Sales (kWh) FY 2022-23	10,454,802,568
Temporary Consumers Sales (kWh) FY 2022-23	(15,852,681)
<b>Net Sales (kWh)</b>	<b>10,438,949,887</b>
<b>Decrease in Tariff for Remaining Categories, other than mentioned above, (Paisa/kWh)</b>	<b>3.742</b>

**Note:**

- Above Analysis is based on the FY 2022-23 data.
- Assumed that 90% Sales & Load relates to Above 5kW consumers (Commercial & Industrial)
- Assumed that Total Temporary Connections Sales (kWh) and No. of Consumers remain constant.

## 5 Applicable Categories

- E-1(i) Residential.
- E-1(ii) Commercial (Up to 5kW & Above 5kW)
- E-2 Industrial (Up to 5kW & Above 5kW)

The rates proposed at Section 3 above are based on determined tariffs for GEPCO, however, the changes shall be based on notified tariffs.

## 6 Prayer

In view of the above submissions, it is humbly requested that the Authority may kindly consider and determine as follows;

- Temporary Tariff rates under Tariff Categories E-1(i), E-1(ii) and E-2 as well as Fixed Charges under tariff category E-1(ii) and E-2 as submitted at Section 3 above.





**EXTRACT OF RESOLUTION NO. 19 PASSED THROUGH CIRCULATION BY THE  
BOARD OF DIRECTORS GEPCO DATED 24-01-2024**

**Subject:**

**ADOPTION OF PROPOSED TARIFF RATES OF TEMPORARY CONNECTIONS  
UNDER CATEGORIES of E-1(i), E-1(ii) AND E-2.**

*As per direction of the Ministry of Energy (Power Division) received through PPMC*

**RESOLUTION NO. 19:**

Considering the request of GEPCO's Management and direction of the Ministry of Energy (Power Division) vide letter No.12(35)/2021-DISCO-II dated 27-11-2023 received through PPMC vide letter No.2515-26/GM(R&CO) dated 17-01-2024, the BOD GEPCO RESOLVED THAT approval be and hereby is accorded for adoption of proposed tariff rates of temporary connections under categories of E-1(i), E-1(ii) and E-2.

The Board FURTHER RESOLVED THAT the CEO GEPCO be and hereby is authorized to submit the petition to NEPRA for approval, determination of revised tariff rates and to take all necessary measures related thereto.

**Note:** The above **Board Resolution** is re based on the following confirmations from the management:

- No material information has been withheld and the working papers represent all facts of the case.
- All legal and codal formalities have been complied with,
- There is no conflict of interest of any officer of the GEPCO.
- Concerned Officer / official of GEPCO's management would be liable for any omission / misstatement of the facts and figures in the working papers.

  
Company Secretary  
GEPCO





**GOVERNMENT OF PAKISTAN  
MINISTRY OF ENERGY  
(POWER DIVISION)**



Islamabad, the November 27, 2023

Chairman NEPRA,  
NEPRA Tower, Ataturk Avenue (EAST), G-5/1,  
Islamabad.

Subject: - **PROPOSAL FOR REVISION OF SECURITY DEPOSIT RATES ON  
CURRENT TARIFF RATE, URGENT FEES FOR NEW ELECTRICITY  
CONNECTION AND INCREASING THE TEMPORARY CONNECTIONS  
TARIFF RATE**

The DISCOs supply electricity on credit basis requiring a security deposit from new connection applicants to cover potential arrears in case of default. NEPRA set the current deposit rates in 2010, whereas the average tariff rate has been increased over 400 % per Kwh from June 2010 to September 2023. It is evident that the existing deposit amounts are insufficient keeping in view tariff increase. This surge in billing rates necessitates a revision of security deposit rates to offset arrears caused by tariff hikes and prevent the annual rise in arrears from disconnected defaulters contributing to circular debt accumulation. Therefore, it is proposed that NEPRA may revise the existing security deposit rates along with the following modifications.

**Security Deposit**

- a) For all consumers excluding urban domestic consumers, the security deposit rates are recommended to be set at two and a half months based on average billing.
- b) For urban domestic consumers:
  - i. Security deposit rates equal to three months on average billing are proposed for properties up to 10 Marlas.
  - ii. Security deposit rates equivalent to one percent of the land value, as per the rates fixed by the Federal Board of Revenue (FBR) for properties above 10 Marlas.
- c) Modify existing rules to permit DISCOs for filing of common petitions for the determination of 'Security Deposit' rates concurrently with tariff determination. This adjustment aims to streamline the process, eliminating the necessity for separate petitions for security and tariff determinations.

**Urgent Fee for New Electricity Connection**

To expedite the process of providing new electricity connections to applicants in need of immediate service, a new urgent fee structure is proposed. This aims to prioritize and fast-track the installation of electricity connections, specifically in those cases where only energy meter and cable are involved, and no distribution transformer is required. It seeks to improve efficiency in service delivery with strict adherence to regulatory standards, thereby establishing a streamlined process for urgent electricity connections required by such consumers.

The detailed implementation plan is proposed as follows:

- a) An additional urgent fee will be charged in conjunction with the standard connection installation charges, aligning with the existing rates in DISCOs:
  - i. Rs. 15,000 for single-phase connections
  - ii. Rs. 30,000 for three-phase connections

1/2




- b) This will apply to both domestic and commercial connections up to 15 kW, as well as industrial and agricultural connections up to 8 kW.
- c) A dedicated priority and record-keeping system will be maintained at the Divisional level to ensure timely installation of urgent fee connections.
- d) Upon the applicant's selection of the urgent connection option, a 'Demand Notice' will be issued on the next working day from the date of application. The connection will be installed within two working days from the payment date of demand notice by the applicant.
- e) DISCOs will uphold an adequate inventory of spare meters and cables to facilitate the prompt installation of urgent fee connections.
- f) If a DISCO fails to install an urgent fee connection within the stipulated period, the DISCO will be held accountable to refund the urgent fees. Disciplinary action will be initiated against the officer/official responsible for any delay(s).
- g) DISCOs will be responsible for effectively communicating the details of this urgent fee connection to the public through appropriate channels, ensuring widespread awareness and understanding.

**Increasing the temporary connections tariff rate**

The existing tariff rates for temporary residential, commercial, and industrial connections are lower than standard rates, even falling below residential rates for consumption exceeding 700 units. Some consumers exploit this by reselling electricity illegally due to delayed infrastructure completion. To address this, tariff rates need an increase, coupled with Maximum Demand Indicator (MDI) adjustments. This encourages timely completion of infrastructure, reducing illegal resale. These adjustments will notably impact commercial plazas and residential colonies with long-standing temporary connections. Based on these observations, the following proposed adjustments in tariff rates for temporary connections are recommended for review.

- a) The tariff rates for temporary connections should be set at 1.5 times higher than the maximum tariff rate of the corresponding regular tariff rates.
- b) Fixed charges should be applied for load requirements exceeding 5 KW;
- c) Instead of basing fixed charges on actual Maximum Demand Indicator (MDI) readings or 50% of the sanctioned load, it is suggested that these charges be determined based on the sanctioned load. This approach is advisable because some prospective consumers seeking temporary connections often request higher loads to cover up delayed establishment of the necessary infrastructure.

2. It is requested to please consider the above proposals and necessary amendments may kindly be made in the relevant rules.

  
(Akbar Azam Rajar)  
Deputy Secretary (DISCOs)  
Tele: 051-9214273

**Copy to:**

- SO to the Secretary, Ministry of Energy (Power Division), Islamabad.
- SPS to the Additional Secretary-I, Ministry of Energy (Power Division), Islamabad.







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

No. NEPRA/DG(CAD)/TCD-10/ 159-160

January 03, 2024

Mr. Akbar Azam Rajar,  
Deputy Secretary (DISCOs)  
Ministry of Energy (Power Division),  
Block A, Pak Secretariat,  
Islamabad.

Subject: PROPOSAL FOR REVISION OF SECURITY DEPOSIT RATES ON CURRENT  
TARIFF RATE, URGENT FEES FOR NEW ELECTRICITY CONNECTION AND  
INCREASE IN THE TEMPORARY CONNECTION TARIFF RATE.  
Misc. 62/12/2023

The Ministry of Energy (Power Division) vide letter No. 12(35)/2021-DISCO-II dated November 27, 2023 has suggested amendments in Consumer Service Manual (CSM) and other relevant applicable documents regarding the following:

- i. Urgent fee for new electricity connection.
- ii. Revision of Security Deposit rates.
- iii. Increasing the temporary connections tariff rates.

2. The Authority considered the matter of provision of connection on urgent fee basis and in this regard, a public hearing has already been held on December 19, 2023 for amendments in Consumer Service Manual (CSM).

3. Moreover, regarding revision of security deposit rates and increase in tariff rates for temporary connections: Ministry of Energy (Power Division) is requested to direct the DISCOs to file petitions for determination of security deposit rates and enhancement in tariff rates of temporary connections for deliberation by the Authority.



(Masroor Khan)  
Director

Copy to:

PS to Secretary,  
Ministry of Energy (Power Division),  
Block A, Pak Secretariat,  
Islamabad.



E.OFFICE

SJS (CAD)

2024



## POWER PLANNING AND MONITORING COMPANY

Office # 112, Evacuee Trust Complex, Agha Khan Road, Islamabad

Tele: 051-9211301, 051-9211302, Fax: 051-2726915, E-mail : [gmcspenco@gmail.com](mailto:gmcspenco@gmail.com)

No. 2515-26 /GM(R&CO)

Dated: 17 /01/2024

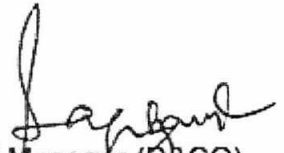
**Chief Executive Officers,  
All Distribution Companies**

**Subject: PROPOSALS FOR REVISION OF SECURITY DEPOSIT RATES ON CURRENT  
TARIFF RATE, URGENT FEES FOR NEW ELECTRICITY CONNECTION AND  
INCREASE IN THE TEMPORARY CONNECTION TARIFF RATE.**

Please find enclosed herewith a copy of the Ministry of Energy (Power Division) letter No. 12(35)/2018-DISCO-II (Part-III) dated 12.01.2024, along with NEPRA letter No. NEPRA/DG(CAD)/TCD-10/159-160 dated 03.01.2024 and MoE proposal dated 27.11.2023 on the subject matter, which is self-explanatory.

It is requested to file petitions before NEPRA within 15-days, aligning with the proposals presented by the Power Division, for determination of security deposit rates and enhancement in the tariff rates of temporary connection, for further deliberations by the Authority.

DA/ as above

  
General Manager (R&CO)  
PPMC

Copy to:-

1. Section Officer (DISCO-II), Ministry of Energy (Power Division), Islamabad.
2. SO to MD PPMC Evacuee Trust Complex, Islamabad.



No.12(35)/2018-DISCO-II (Part-III)  
GOVERNMENT OF PAKISTAN  
MINISTRY OF ENERGY  
(POWER DIVISION)

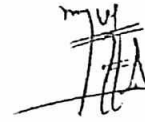
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Islamabad, the January 12, 2024

Subject: - PROPOSAL FOR REVISION OF SECURITY DEPOSIT RATES ON  
CURRENT TARIFF RATE, URGENT FEES FOR NEW ELECTRICITY  
CONNECTION AND INCREASE IN THE TEMPORARY CONNECTION  
TARIFF RATE.

I am directed to enclosed herewith a copy of NEPRA's letter No. NEPRA / DG(CAD) / TCD-10 / 159-160 dated 03.01.2024 on the subject noted above with request to file petitions for determination of security deposit rates and enhancement in tariff rates of temporary connections for deliberation by the Authority.

Encl: As Above:



(Musafa Nazar)  
Section Officer (DISCO-II)  
Tele: 051-9214273

Distribution:

1. All CEOs of DISCOs.
2. The GM (R&CO), PPMC, Islamabad. (with request to coordinate with all DISCOs on the subject matter and ensure further necessary)



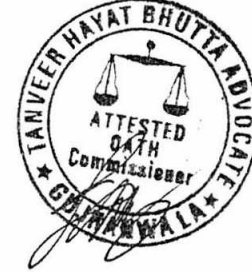
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ID : PB-GRW-BB62CA8702C  
 Type : Low Denomination  
 Amount : Rs 300/-



Scan for online verification

Description : AFFIDAVIT- 4  
 Applicant : MUHAMMAD AYUB [31301-3584060-1]  
 S/O : MUHAMMAD NAWAZ  
 Agent : Self  
 Address : GRW  
 Issue Date : 27-Mar-2024 11:10:30 AM  
 Delisted On/Validity : 3-Apr-2024  
 Amount in Words : Three Hundred Rupees Only  
 Reason : AFFIDAVIT TO NEPRA  
 Vendor Information : Awais | PB-GRW-25 | District Courts



نوٹ: یہ لرائزیشن تاریخ اجرا سے سات دنوں تک کے لیے قابل استعمال ہے۔ ای اسٹامپ کی تصدیق بذریعہ ویب سائٹ، کیوار کوڈ یا ایس ایم ایس سے کی جا سکتی ہے۔

Type "eStamp <16 digit eStamp Number>" send to 8100

**AFFIDAVIT**

I Muhammad Ayub S/O Muhammad Nawaz, Chief Executive Officer Gujranwala Electric Power Company having CNIC No. 31301-3584060-1, duly authorized by the Board of Directors of Gujranwala Electric Power Company Limited vide agenda Item 6.3 in 153<sup>rd</sup> GEPCO BOD meeting held on 02-06-2023 and Resolution No.19 passed through Circulation dated 24-01-2024, do hereby solemnly affirm and testify that the contents of the application for filling petition for determination of Security Deposit rates and tariff rates for temporary connection categories, are in accordance with the direction from the Ministry of Energy (Power Division) received through PPMC and that Annexed documents are true and correct to the best of my knowledge, belief on the basis of provided confirmations by the concerned formations put before me; and further declare that:

1. I am the Chief Executive Officer of the Gujranwala Electric Power Company (GEPCO) and fully aware of the affairs of the Company particularly to endorse petition for determination of security deposit rates and temporary connection tariff rates.
2. Whatsoever stated in the application and accompanied documents is true and nothing has been concealed.

Deponent

Engr. Muhammad Ayub,  
 Chief Executive Officer GEPCO

Kw

**S.A/cs Only**

THE BANK OF PUNJAB

GUJRANWALA TRUST PLAZA G.T. ROAD

GUJRANWALA

Date



PLS100

Cheque No 8807071101

28 MAR 2024

Pay to the order of **Register NEFA** or bearer

Rupees **one million twenty thousand**

**Seven hundred and sixteen only.**

PK09 BPUN 6580 0013 2820 0048

MANAGER CORPORATE ACCOUNTS GEPCO LTD

**AM/DY: Manager (C.A.)**

GEPCO Ltd. Gujranwala.

070711010830006165800013282000480000

## E-STAMP



ID : PB-GRW-BB62CA8702C303D  
Type : Low Denomination  
Amount : Rs 300/-



Scan for online verification

Description : AFFIDAVIT- 4  
Applicant : MUHAMMAD AYUB [31301-3584060-1]  
S/O : MUHAMMAD NAWAZ  
Agent : Self  
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Deponent

