

Annual Report 2021-22



MISSION STATEMENT

To develop and pursue a regulatory framework for safe, reliable, affordable, modern, efficient and market-driven environment for provision of electric power to consumers in Pakistan and to maintain the balance between interests of consumers and service providers in line with the broad economic and social policy objectives of the Government and best international practices of the industry.

Contents

Chairman's Message	1
Authority's Composition and Profiles	5
Composition of the Organization	10
Powers and Functions	14
Key Highlights	16
NEPRA Regulatory Framework	
Role of NEPRA in the Power Sector	19
Regulatory Framework	19
Grant of Licenses	20
Determination of Tariff	21
Performance Standards	21
Monitoring and Enforcement of the Regulatory Framework	21
Transparency	21
Decision Making Process	
The Authority's Regulatory Decision-Making Process	25
Regulatory Activities	
Licensing Activities	29
Generation Licenses	29
Net Metering Licenses	30
Modification in Existing Generation Licenses	30
Review Petitions	30
Cancellation and Revocation of Licences	31
Registration	31
Market Operator License	31
Indicative Generation Capacity Expansion Plan (IGCEP)	32
Tariff Activities	33
Generation Tariff	33
Hydropower	33
Solar Power	34
Wind Power	34
Bagasse	34
Nuclear Power	34

Annual Report 2021-22

Gas	35
RFO	35
Coal	35
Indexation/Adjustment of Tariffs	35
Transmission Tariff	3
Distribution Tariff	3
Fuel Charge Adjustment K-Electric	
Technical Activities	
Approval of the PPAs	41
Competitive Bidding for procuring new green power projects	41
Electric Vehicles	41
Micro Grid (MG's)	41
FCA (Fuel Cost Adjustment)	41
Third Party Assessment of System Operator, K-Electric and CPPA-G	42
Investment & Target losses	42
CASA 1000	42
Plant Factors	42
Heat Rate Numbers	42
Webinars/Events:	43
Monitoring and Enforcement Activities	
Monitoring and Enforcement - Generation	47
Performance Evaluation Reports of IPPs	
Data Exchange Portal	
Conversion of Tariff Structure of Old / Small WAPDA Hyde! Power Stations	47
Monitoring of Hourly Dispatch as per the Grid Code and Economic Merit Order	
Improvements in KE's System Operation	
Legal Proceedings	
Monitoring and Enforcement – Transmission	49
Performance Evaluation Report	
Transmission Data Portal	49
NEPRA Performance Standards (Transmission) Regulations 2022	49
Grid Code Revision	
Benchmarking of Key Performance Indicators for Transmission Licensees	
Review of Progress of Interconnection Arrangements for Different Power Projects	
Complaints Received against NTDC	

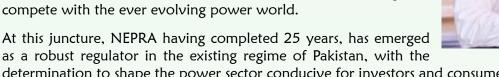
	Misce	ellaneous Matters Pertaining to Site Visit of NTDC Grid Stations	50
	Legal	l Proceedings against NTDC	50
	Force	Majeure Events Claims by the Generation Licensees	50
	Monitorii	ng and Enforcement – Distribution	51
	Perfo	rmance Evaluation Report	51
	Distri	ibution Data Exchange Portal	51
	Moni	itoring of Load Shedding in the Country	51
	Pendi	ing Connections in DISCOs	51
	Legal	l Proceedings under Section 27-A of NEPRA Act	52
Co	nsumer /	Affairs Department	
	Consume	er Affairs Department's Activities	57
	Other	r Major Activities of Consumer Affairs Department	58
Co	mpetitiv	e Trading Bilateral Contract Market (CTBCM)	
	Competit	tive Trading Bilateral Contract Market (CTBCM)	63
	Mark	et Commercial Code	63
	Actio	n Items and Deliverables	63
	1)	Finalization of Eligibility Criteria	63
	2)	Grid Code (GC)	63
	3)	Agency Code (AC)	64
	4)	Distribution Code (DC)	64
	5)	Connection Agreements (CAs)	64
	6)	Security Package Documents (SPDs)	64
	7)	Institutional Restructuring	64
	8)	Lifting of Moratorium	65
	Сара	city Building of Power Sector Entities	65
NE	PRA's Sp	pecial Initiatives	
	Corporate	e Social Responsibility (Power with Prosperity)	69
	Mass	S Vaccination Drive	69
	Inaug	guration Of CSR Projects	69
	Powe	er With Prosperity Fund	69
	MOU	I With AJK Government	70
	Laund	ch Of NEPRA CSR Data Portal	70
	Prom	nulgation Of NEPRA Social Investment Guidelines, 2021	70
	NEPR	RA CSR Awards, 2022	70
	CSR V	Nehinar Series	70

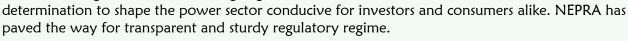
Health, Saj	fety and Environment (Power with Safety)	71
Progre.	ess on Health & Safety Initiatives	71
HSE Av	wareness through NEPRA Webpage	71
NEPRA	A HSE Data Exchange Portal	71
HSE Or	n-Site Performance Evaluations	71
License	ees Safety Manuals	72
License	ees HSE Performance Evaluation Report	72
HSE To	p Performers Awards	72
NEPRA	A Incident Alert - Distribution Transformer Explosion	72
Launch	h of Safety Handbook	72
Interac	ctive & Awareness Sessions / Webinars	73
Power witl	h Security	75
C & I, Legal a	and Finance Departments' Activities	
Coordinati	ion and Implementation (C & I) Department's Activities	79
Legal Depo	artment's Activities	80
Litigati	ion	80
Legisla	ntive Instruments	80
Finance De	epartment's Activities	82
Introdu	uction	82
Externo	al Audit of NEPRA Accounts	82
Contrib	butions to Government and PEER Organization	82
Annuai	l License Fee	83
Compli	liance of Tax Laws	83
Online	Digital Fee Collection Solution	84
Human Reso	ource, Administration and IT Departments' Activities	
Human Re	course Activities	87
Trainin	ng and Development	87
Genero	al Management Training Program for Professionals	87
Recruit	tment and Selection	88
Interns	ship Opportunities	88
Promo	tion of NEPRA Professionals and Support Staff	88
Review	v of NEPRA Service Regulations & its Implementation	88
Hajj / F	Pilgrimage	88
Integra	ation of Database and the Office Management Softwares	88
Introdu	ucing New Performance Evaluation Method	89
Administra	ation Activities	90

	Bette	er safe than infected	90
	Heal	th & Fitness Center Upgradation	90
	Spor	ts Activities	90
	Celel	brations	90
	Fare	wells	91
	Mile	stones Achieved	91
	Media A	ctivities	92
	Informat	ion Technology Department's Activities	93
	Data	Exchange Portal (DxP)	93
	USoA	A - Financial Analysis	93
	Net-I	Metering Compliant Management System	93
	C&I I	mplementation Module	93
	Up-d	ation of Network Operations Center (NOC)	93
	Up-d	ation of IT Infrastructure	94
	Web	site Up-dation	94
	Anticipa	ted Developments and Activities	95
	1)	New Performance Standards Regulations to be Developed for FY 2022-23	95
	2)	Regulations to be Developed for FY 2022-23	95
	3)	Conversion of the Existing Rules into Regulations for FY 2022-23	95
	4)	Anticipated Activities of CTBCM for FY 2022-23	95
	5)	Anticipated Developments - Generation Tariff at Commercial Operation Date FY 2022	2395
	6)	Anticipated Developments – Human Resource for FY 2022-23	96
	Key Reco	mmendations	97
Pic	torial H	ighlights	
		Highlights	101
An	nexures		
	Annex- I:	Audited Financial Statements for the Year Ended on June 30, 2022	109
	Annex- II	: Senior Management & Key Contacts	133
	Annex- II	II: Addresses of NEPRA Regional Offices	134
	Anney- I	V. Glassary of Acronyms used	125

CHAIRMAN'S MESSAGE

On behalf of NEPRA, I would like to congratulate the nation on the 75th Anniversary of independence and recognize that the power sector has come a long way from the installed capacity of 60 MW to over 40,000MW. Although the power sector has grown tremendously over the years, we still have to strive for the affordable, reliable and environmentally sustainable energy to compete with the ever evolving power world.





Three years ago, when I joined NEPRA, I had a dream to transform the power sector by ushering my team into a new era of development. With the grace of Almighty Allah, I have materialized the thirty-year-old idea of competitive electricity market (CTBCM), the long awaited IGCEP, initiated a shift from "Take or Pay" to "Take and Pay", the first ever system operation study to analyse the network constraints, introduced online complaint portals, data exchange portals for real time data access, etc. Despite the daunting challenges, NEPRA has successfully regulated the power sector and moved it one step closer towards achieving sustainable growth.

This has been a gratifying year as the untiring efforts of the NEPRA Team were rewarded with the launch of Competitive Trading Bilateral Contract Market (CTBCM) on May 31, 2022; a landmark achievement. CTBCM like big-bang will transform the electricity market of Pakistan. I would like to thank all the participants of the power sector, for their support and efforts, enabling NEPRA to make CTBCM a reality. The successful launch of the CTBCM has been commended by all the stakeholders of the power sector. Power Sector has embarked upon from conventional regime to long awaited CTBCM regime by opening market for electric power buyer and seller to nurture competition in the electric power market. The NEPRA (Amendment) Act, 2018 entailed a nonexclusive distribution regime to support the competitive electricity market. Since, the Distribution Licenses expired during the year, the Authority granted interim permissions to XWDISCOs for continuity of distribution businesses till such time the Authority decides in the matter.

During the year 2021-22, we have granted twelve (12) Generation Licenses with an accumulated capacity of 211.42 MW; Seven thousand and thirty two (7032) Net-Metering Licenses of accumulated generation capacity of 243.34 MW. Eighty Seven (87) Tariff Determinations / Modifications as well as decision on Review Motions; Five hundred and thirty eight (538) Quarterly Adjustments and Fuel Price Adjustments; Fines were imposed on DISCOs and K-Electric on account of violations of Performance Standards, Distribution Code and other Applicable Documents as well as occurrence of Fatal Accidents; Authority ensured that the DISCOs provide employment and grant to family members of the deceased either its employees or from general public; LESCOs Safety Manuals was approved in June 2022 and other Safety Manuals are under process; and, 95% of the received Consumer Complaints were resolved during the reporting period.

During the FY 2021 – 22, NEPRA remained dedicated to the promotion of indigenous resources. To achieve its objectives, the NEPRA vigorously engaged itself in the resolution of long-standing issues

Annual Report 2021-22

faced by the hydropower generation business. This can be testified by the fact that during FY 2021-22, NEPRA awarded, modified or reviewed tariffs for 10,786 MW hydroelectric power projects, a staggering 45% increase in the number of cases as compared to FY 2020-21. This is besides the contingent EPA approvals of Kohala and Azad Pattan HPPs, CPEC projects having 1,124 MW & 700.7 MW capacity, respectively.

At NEPRA we believe that the regulator has a responsibility towards the society, which is not limited to access of affordable & reliable energy. We believe that the power sector has to step forward to support the community with the access to healthcare, quality education, better service delivery, economic empowerment of women, inclusive development and promote the use of clean energy. NEPRA introduced the significant initiatives i.e., (i) Power with Prosperity; (ii) Power with Safety; (iii) Power with Security, (iv) Power with Equality; and, (v) Power with unity. The first initiative of "Power with Prosperity" aims at transforming socio economic landscape which has encouraged all the licensees to come forward to play their part in inclusive development and the betterment of the society. Active participation of over 250 Licensee in this drive so far, has created a positive impact on more than 19 million people the country and creating over 38,000 jobs (as reported by our Licensees), covering all of United Nation's Sustainable Development Goals.

The second initiative of "Power with Safety" strived for achieving zero incidents where NEPRA conducted numerous Webinars on the safety of all licensees employees and the general public. One of the laudable efforts of NEPRA is that in case of all the fatal accidents, the Authority has ensured that XWDISCOs extend the same compensation not only to its employees but also all the general public who were affected by XWDISCOs carelessness / fault.

We have launched our third initiative of "**Power with Security**", which aims at proactively safeguarding the Information Technology (IT) as well as the operational Technology (OT) side of the power sector and we have had awareness sessions on the cyber security and physical security of the power plants by the leading national and international experts.

The fourth initiative of "**Power with Equality**", aims at providing equal opportunities to its employees, participants and stakeholders irrespective of their gender. Under the initiatives of Corporate Social Responsibility, equal opportunities of employment were provided by the stakeholders. In the last three years NEPRA has hired 23 females out of the existing 43 to ensure that NEPRA being the regulator leads the power sector by example.

The fifth initiative of "Power with Unity", highlights the national and international linkages with academia, for I am a staunch supporter of learning, unlearning and relearning. NEPRA, under its "Power with Unity" drive, signed MOU with LUMS, NUST & NED at national level; internationally we have collaborated with MIT, Florence School and Wartsila on varied subject like Internal Rate of Return (IRR), PLEXOs Modelling working towards better utilities management.

At the end, I would like to proclaim that the we were able to achieve this as a team, the Authority Members, NEPRA Professionals and other power sector counterparts, who have dedicated all their efforts to revolutionize this sector, in the last twenty five years.

The above milestones are just few efforts towards modernizing the sector and achieving our goal of affordable, reliable and sustainable power for the consumers of Pakistan.

(Tauseef Hassan Farooqi) Chairman



The Authority



AUTHORITY'S COMPOSITION AND PROFILES

As per Section 3(1) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (The NEPRA Act), the Federal Government shall, by notification in the official Gazette, establish an Authority to be known as National Electric Power Regulatory Authority.

As per Section 3(2) of the NEPRA (Amendment) Act 2021, the Authority shall consist of a Chairman and four specialized members, to be appointed by the Federal Government, on the nomination by Provinces or the Federal Government by rotation, namely:

- 1. Member (Tariff and Finance);
- 2. Member (Technical);
- 3. Member (Law); and,
- 4. Member (Development)

Prior to the promulgation of the NEPRA (Amendment) Act 2021, the Section 3(1) provided for establishing an Authority consisting of a Chairman, to be appointed by the Federal Government and four Members, one from each Province, after considering recommendations of the respective Provincial Governments. Initially, the Section 3(2) of NEPRA Act 1997, provided that there shall be a Vice Chairman, appointed from amongst the members for a period of one year, by rotation.

MR. TAUSEEF HASSAN FAROOQI

Chairman



Mr. Tauseef H. Farooqi joined NEPRA as Chairman on 05-08-2019. Mr. Farooqi has over 30 Years of Techno-Commercial experience with specialization of managing the Commercial/Business side of IPP/IWPP Projects. He started his career with WAPDA in 1991 and has the distinguished honour of working on both Technical and Finance sides. He then worked with global Companies in Power, Water, and Energy Sectors on Multi-billion Dollars Projects like International Power of UK from 1997 to 2000 on Pakistan's largest Kot Addu Power Plant. Since 2000, he has developed top three (3) IWPP Projects in Abu Dhabi, first with CMS Energy of USA on Taweelah A2 (710 MW and 50 MIGD, a 750 Million USD Project) and Shuweihat S1 (1500 MW and 100 MIGD, a 1.5 Billion USD Project). In 2005, he joined Marubeni of Japan on their largest investment outside Japan in Taweelah B, Abu Dhabi's largest Power Plant, (2000 MW and 160 MIGD, a 3 Billion USD Project).

Mr. Farooqi is an Electrical Engineer from University of Engineering & Technology Lahore, MBA from Lahore University of Management Sciences and a graduate in Executive Program in Management from world's renowned Columbia Business School of USA. Mr. Farooqi is a regular presenter in Power & Water Summits nationally and internationally.

MR. RAFIQUE AHMED SHAIKH

Vice Chairman / Member (Sindh)



Mr. Rafique Ahmed Shaikh joined NEPRA as Member (Sindh) in December, 2018. He is an engineer by profession and has more than 18 years of work experience with national and international electric power utilities. Besides degree in engineering, Mr. Shaikh has acquired Master's Degree in Business Administration. Throughout his National as well as International career, Mr. Shaikh has worked in various managerial capacities in the areas of Power Generation, Distribution and Electricity Regulations. He has demonstrated skills in leadership, strategic planning, improving operational efficiencies, team building and managing costs. He has also worked as Distribution Lead in Port Harcourt Electricity Distribution (PHED), Nigeria. Mr. Shaikh is very well versed with the regulatory regime of power sector in Pakistan as he has dealt with the issues of Regulatory compliances at various national as well as International electric power utilities.

Mr. Shaikh manifests young and energetic leadership with an impetus for change. He has flair for innovation and adaptation to the modern regulatory concepts for objective based regulations. Mr. Shaikh is keen to work with stakeholders for development of a competitive market of electricity in Pakistan.

MR. MAQSOOD ANWAR KHAN

Member (Khyber Pakhtunkhwa)



Engr. Maqsood Anwar Khan joined NEPRA in April, 2021 as Member (Khyber Pakhtunkhwa). He did his BSc in Electrical Engineering from Manuel L. Quezon University Manila, Philippines and possesses over twenty-seven years of experience in the field of power sector, especially in hydropower. Before joining NEPRA, he has served in the Pakhtunkhwa Energy Development Organization (PEDO) as Chief Engineer O&C/Chief Executive Officer of Khyber Pakhtunkhwa Transmission and Grid System Company (KPT&GSC). He has played a key role in creating/development of KPT&GSC for the first time in the province. He successfully completed electric power supply through wheeling arrangements to industrial consumers on cheaper rates through an auction for the first time in the history of Pakistan and for this achievement, he has been awarded a letter of appreciation from the advisor to the Chief Minister Khyber Pakhtunkhwa on Energy and Power. Mr. Maqsood Anwar Khan has a dynamic experience of working with all the energy stakeholders i.e. NTDC, CPPA-G, Ministry of Energy etc.

MR. REHMATULLAH BALOCH

Member (Balochistan)



Mr. Rehmatullah Baloch has graduated in Electrical Engineering from Mehran University of Engineering & Technology (MUET) Jamshoro Sindh and acquired LLB degree from University of Balochistan Quetta. He joined NEPRA as Member (Balochistan) on 21-03-2018. Before joining NEPRA, he has served in WAPDA/NTDC/QESCO at various positions and was also posted as Chief Executive Officer (QESCO). He has vast experience of thirty-one years in the power sector. Major achievements include considerable improvement in QESCO's revenue, contribution towards enhanced installed capacity of the Grid Stations and Transmission lines in Balochistan Province including construction of 16x132 kV New Grid Stations with around 2000 km allied Transmission Lines in the remote areas of Balochistan despite serious security issues.

In recognition of services in the power sector he has been conferred commendation certificates by Chairman WAPDA in 2003, Chief Executive Officer, QESCO (2010) and Chief Minister, Balochistan (2014).

Upon completion of his four years tenure, Mr. Baloch relinquished the charge of the post on March 20, 2022. Currently the post of Member from the province of Balochistan is lying vacant.

COMPOSITION OF THE ORGANIZATION

Section 10 of NEPRA Act provides:

- 1) To carry out the purposes of this Act, the Authority may, from time to time, employ officers, members of its staff, experts, consultants, advisers and other employees on such terms and conditions as it may deem fit.
- All officers, members of staff, experts, consultants, advisers and other employees employed by the Authority shall not be deemed to be civil servants within the meaning of the Civil Servants Act, 1973 (LXXI of 1973).

To dispose-off the regulatory activities, NEPRA comprises of the following Departments:

- i. Registrar Office
- ii. Licensing Department
- iii. Tariff Department
- iv. Technical Department
- v. Monitoring and Enforcement Department
- vi. Consumer Affairs Department with Provincial / Regional Offices
- vii. Coordination & Implementation Department
- viii. Legal Department
- ix. Finance Department
- x. Human Resource & Administration Department
- xi. Information Technology Department

Under NEPRA's special initiatives to augment the role and functions of the Regulator, the following sections are in the offing:

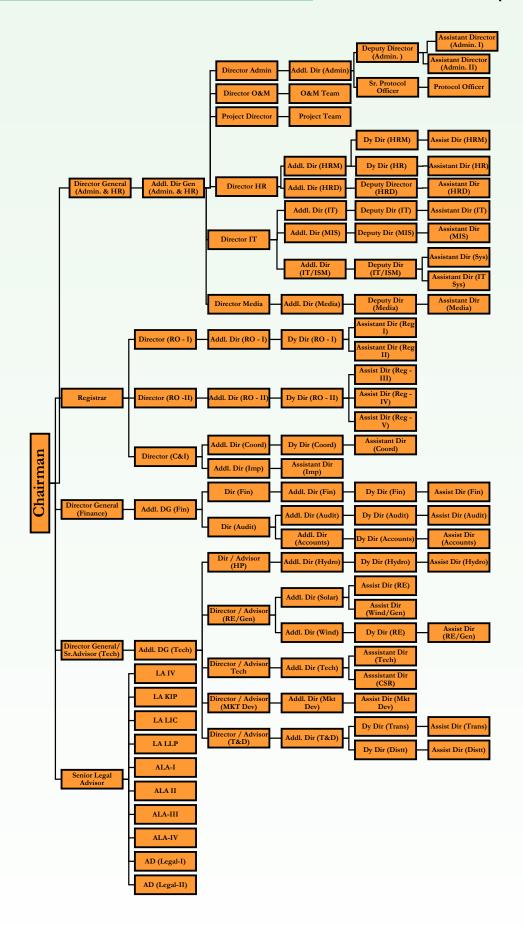
- xii. Competitive Trading Bilateral Contract Market CTBCM
- xiii. Power with Prosperity Corporate Social Responsibility (CSR)
- xiv. Power with Safety Health, Safety & Environment (HSE)
- xv. Power with Security Power (CERT)

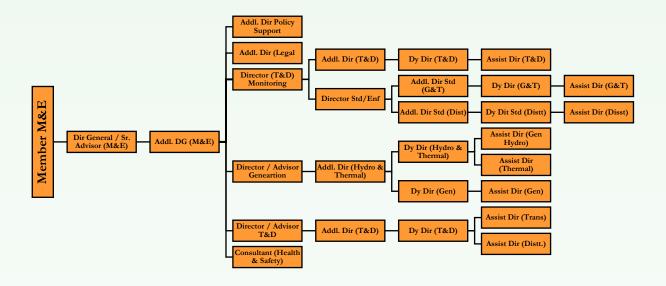
Section 47 of NEPRA Act provides:

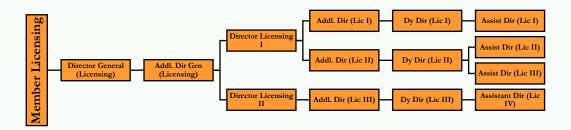
Regulations.—(1) The Authority may, for performance of its functions under this Act and by notification in the official Gazette, make regulations not inconsistent with the provision of this Act and the rules:

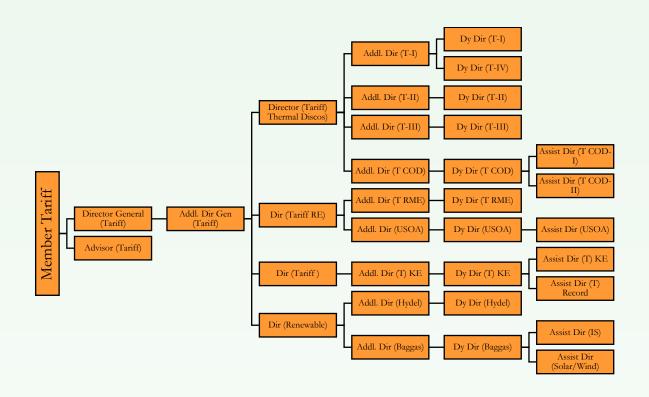
- (2) Without prejudice to the foregoing powers, such regulations may provide for—
 - (a) appointment of officers, members of staff and such other persons and the terms and conditions of their service:

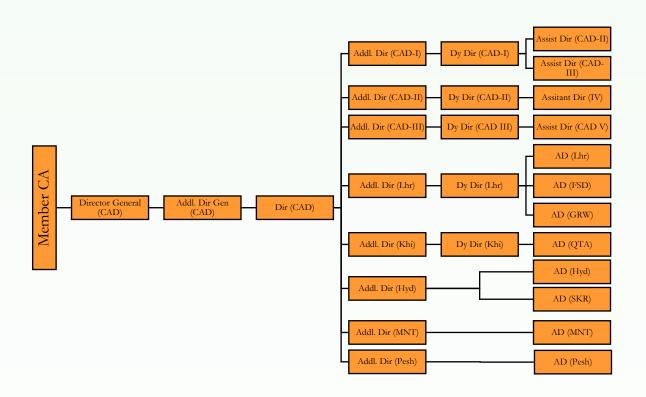
Pursuant to Regulation 47 (2) (a) of NEPRA Act, NEPRA has developed "NEPRA Service Regulations-2003", whereby the terms and conditions of service of officers, members of staff and such other persons have been defined alongwith Organogram notified vide SRO dated September 24, 2020 is as under:











POWERS AND FUNCTIONS

The National Electric Power Regulatory Authority has been established under Section 3 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 to exclusively regulate the provision of electric power services in Pakistan. The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 [Act No. XII of 2018] has strengthened and improved the role and responsibilities of NEPRA.

The powers and functions of the Authority as delineated in Section 7 of the Act are:

- 1) The Authority shall be exclusively responsible for regulating the provision of electric power services.
- 2) In particular and without prejudice to the generality of the foregoing power, only the Authority, subject to the provisions in sub-section (4), shall:
 - a) Grant of licences under this Act;
 - (aa) specify procedures and standards for registration of persons providing electric power services;
 - (ab) aid and advise the Federal Government, in the formulation of national electricity plan
 - (ac) ensure efficient tariff structures and market design for sufficient liquidity in the power Markets
 - b) specify procedures and standards for investment programmes by generation companies and persons licenced or registered under this Act;
 - c) specify and enforce performance standards for generation companies and persons licenced or registered under this Act;
 - d) specify accounting standards and establish a uniform system of account by generation companies and persons licenced or registered under this Act;
 - e) specify fees including fees for grant of licences and renewal thereof;
 - f) [* * * * * * *]
 - g) review its order, decisions or determinations;
 - h) settle disputes between licensees in accordance with the specified procedure;
 - i) issue guidelines and standards operating procedures;
 - (ia) promote the development of a market, including trading, in accordance with the national electricity policy and the national electricity plan; and;
 - j) perform any other function which is incidental or consequential to any of the aforesaid functions:
- 3) Notwithstanding by the provisions of sub-section (2) and without prejudice to the generality of the power conferred by sub-section (1) the Authority shall:
 - a) determine tariff, rates, charges and other terms and conditions for supply of electric power services by the generation, transmission and distribution companies and recommend to the Federal Government for notification;
 - b) review organizational affairs of generation companies and persons licenced or registered under this Act to avoid any adverse effect on the operation of electric power services and for continuous and efficient supply of such services;

¹ Omitted vide The Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018(XII of 2018)

- c) encourage uniform industry standards and code of conduct for generation companies and persons licenced or registered under this Act;
- d) tender advice to public sector projects;
- e) submit reports to the Federal Government in respect of activities of generation companies and persons licenced or registered under this Act;
- f) perform any other function which is incidental or consequential to any of the aforesaid functions.
- 4) Notwithstanding anything contained in this Act, the Government of a Province may construct power houses and grid stations and lay transmission lines for use within the Province and determine the tariff for distribution of electricity within the Province and such shall not be called into question by the Authority.
- Before approving the tariff for the supply of electric power by generation companies using hydro-electric plants, the Authority shall consider the recommendations of the Government of the Province in which such generation facility is located.
- 6) In performing its functions under this Act, the Authority shall protect the interests of consumers and companies providing electric power services in accordance with the principles of transparency and impartiality.

KEY HIGHLIGHTS

- a. Under the Competitive Trading Bilateral Contract Market (CTBCM) regime, NEPRA achieved the commendable success by granting Market Operator License to CPPA-G and approved the Market Commercial code on the May 31, 2022;
- b. Approved the IGCEP on September 24, 2021, which is being actively followed up and monitored through various progress review meetings;
- c. Approved the tariff structure for Electric Vehicles (EVs) along with the incorporation of a new chapter on Regulatory Framework in Consumer Service Manual (CSM);
- d. Twelve (12) Generation Licences for accumulated generation capacity of 211.42 MW were issued;
- e. Seven thousand and thirty two (7032) Net Metering Licenses for accumulated generation capacity of 243.34 MW were issued;
- f. 87 Tariff Determinations / Modifications as well as decision on Review Motions were made;
- g. 244 Quarterly Adjustments were made;
- h. 294 Fuel Price Adjustments were made;
- i. 500 Authority Regulatory Meetings were conducted;
- j. 159 Public Hearings/ Consultative Sessions were conducted;
- k. Fines were imposed on DISCOs and K-Electric on account of violations of Performance Standards, Distribution Code and other Applicable Documents as well as occurrence of fatal accidents;
- 1. LESCOs Safety Manual was approved in June 2022, other Safety Manuals are under process;
- m. 95% of the received consumer complaints were resolved/concluded;
- n. Developed a pocket-sized Safety Handbook in Urdu Language for Line Staff of Distribution Companies;
- o. Managerial Training Program (MTP) for Professionals;
- p. Developed Data Exchange Portals for the following:
 - i. Monitoring and Enforcement: (Generation, Transmission & Distribution;)
 - ii. Corporate Social Responsibility and
 - iii. Health & Safety;
- q. Payments were made on account of surplus Rupees 230.685 Million to Federal Consolidated Fund, statutory charge Rupees 362.326 Million to Competition Commission of Pakistan and taxes Rupees 161.016 Million to Federal Board of Revenue.
- r. Compliance with Federal and Provincial Tax Laws;
- s. External Audit of NEPRA's Financial Statement;
- t. In collaboration with PNRA, a seminar was conducted under the initiative of "Power with Security".





ROLE OF NEPRA IN THE POWER SECTOR

NEPRA was established in 1997, through an Act of Parliament, as a result of Government's Strategic Reforms for the Privatization of the Pakistan's Power Sector in order to make it reliable, efficient and progressive. The independent Regulator was required to provide a level playing field to all stakeholders. One of the most important roles of regulator is to make a balance between the interest of consumers and the service providers in unison with the broad economic and social policy objective of the Government of Pakistan.

Regulatory Framework

The powers and the functions of the Authority are stipulated in Section 7 of the Act. The mandate given to the Regulator was to develop and pursue a Regulatory framework which ensures provision of safe, reliable, efficient and affordable electricity to consumers of Pakistan. To discharge its duties given under NEPRA Act, NEPRA developed the following Rules, Regulations, Codes, Guidelines, Manuals, and Standard Operating Procedures (SOPs) to regulate the power sector of Pakistan.

	Further, Section 38 of the NEPRA Act provides				
1	Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997				
	NEPRA Rules				
1	NEPRA (Tariff Standards and Procedure) Rules, 1998				
2	NEPRA Licensing (Distribution) Rules, 1999				
3	NEPRA Licensing (Generation) Rules, 2000				
4	NEPRA (Fees) Rules, 2002				
5	NEPRA (Fines) Rules, 2002				
6	NEPRA Performance Standards (Distribution) Rules, 2005				
7	NEPRA Performance Standards (Transmission) Rules, 2005				
8	NEPRA Performance Standards (Generation) Rules, 2009				
9	NEPRA (Uniform System of Accounts) Rules, 2009				
10	NEPRA (Market Operator Registration, Standards and Procedure) Rules, 2015				
11	NEPRA (Complaint Handling and Dispute Resolution Procedure) Rules, 2015				
	NEPRA Regulations				
1	NEPRA Licensing (Application and Modification Procedure) Regulations, 1999				
2	NEPRA (Fees Pertaining to Tariff Standards & Procedure) Regulations, 2002				
3	NEPRA "Consumer Eligibility Criteria" 2003 (Repeated)				
4	NEPRA (Resolution of Disputes between Independent Power Producers and other Licensees) Regulations, 2003				
5	NEPRA Service Regulations, 2003				
6	NEPRA Interim Power Procurement (Procedures and Standards) Regulations, 2005				
7	NEPRA Competitive Bidding Tariff (Approval Procedure) Regulations, 2008				
8	NEPRA (Review Procedure) Regulations, 2009				
9	NEPRA (Financial) Regulations, 2010				
10	NEPRA Up-front Tariff (Approval & Procedure) Regulations, 2011				
11	NEPRA (Procedure for filing appeal before the Authority) Regulations, 2012				
12	NEPRA Competitive Bidding Tariff (Approval Procedure) Regulations, 2014				
13	NEPRA (Financial Powers) Regulations, 2015				
14	NEPRA (Alternative & Renewable Energy) Distributed Generation and Net Metering Regulations, 2015				
15	NEPRA (Supply of Electric Power) Regulations, 2015				
16	NEPRA (Interconnection for Renewable Generation Facilities) Regulations, 2015				
17	NEPRA (Wheeling of Electric Power) Regulations, 2016				
18	NEPRA Competitive Bidding Tariff (Approval Procedure) Regulations, 2017				
19	NEPRA Import of Power Regulations, 2017				

	NEPRA Regulations				
20	NEPRA Tariff Procedure Regulation, 2019				
21	NEPRA Licensing(Application, Modification, Extension and Cancellation) Procedure Regulations, 2020				
22	NEPRA Power Purchase Agreements (Review and Approval) Regulations, 2021				
23	NEPRA Licensing (Electric Power Supplier) Regulations 2022				
24	NEPRA (Fees) Regulations 2021				
25	NEPRA Licensing (Micro Grid) Regulations 2022				
26	NEPRA (Fines) Regulations 2021				
27	NEPRA (Uniform System of Accounts) Regulations, 2022				
28	NEPRA Licensing (System Operator) Regulations, 2022				
29	NEPRA Licensing (Market Operator) Regulations, 2022				
30	NEPRA (Registration) Regulations, 2022				
31	NEPRA (Electric Power Trader) Regulations, 2022				
32	NEPRA Consumer Eligibility Criteria (Electric Power Supplier) Regulations, 2022				
33	NEPRA Consumer Eligibility Criteria (Distribution Licensees) Regulations, 2022				
34	NEPRA Performance Standards (Electric Power Supplier) Regulations, 2022				
35	NEPRA (Electric Power Procurement) Regulations (be notified)				
36	NEPRA Licensing (Distribution) Regulations 2022				
37	NEPRA (Security of Information Technology and Operational Technology) Regulations, 2022				
	NEPRA Standard Operating Procedures				
1	NEPRA Standard Operating Procedures (SOPs) for Inspection, Examination and Provision of Copies of Documents, 2015				
	NEPRA Guidelines				
1	NEPRA (Appointment of Consultants) Guidelines, 2015				
2	NEPRA (Sale of Electric Power by Renewable Energy Companies) Guidelines, 2015				
3	NEPRA Determination of Consumer-end-Tariff (Methodology & Process) Guidelines, 2015				
4	NEPRA Determination of Use of System Charges (Methodology & Process) Guidelines, 2017				
5	NEPRA (Selection of Engineering, Procurement and Construction Contractor for Independent Power Producers) Guidelines, 2017				
6	Benchmark for Tariff Determination Guidelines, 2018				
7	Selection of O&M Contractor Guidelines, 2020				
8	NEPRA Social Investment Guidelines, 2021 (CSR)				
9	NEPRA Guidelines for Tariff Adjustment at COD (Generation and Transmission)				
	Codes				
1	Distribution Code 2005				
2	NTDC The Grid Code June 2005 with Grid Code Addendum No. I & II				
3	Commercial Code 2015 of CPPA-G				
4	Power Safety Code for Transmission & Distribution Licensees 2015				
5	Consumer Service Manual 2010				

The NEPRA Act and Rules, Regulations, Guidelines, SOPs (a complete list) made thereunder are available on NEPRA website for ease of all concerned.

Grant of Licenses

Prior to amendment in NEPRA Act, the electric power generation, transmission and distribution were licensed activities. Through NEPRA (Amendment) Act, 2018, in addition to the earlier categories, new license categories have been introduced and now the electric power supply, trade, market operations and system operations are also separate licensed activities. Under the NEPRA Act, the Authority has the exclusive power to grant licenses for provision of electric power services in the country.

Determination of Tariff

Pursuant to Section 7 (3) of NEPRA Act, NEPRA has been expressly conferred the power to determine tariff, rates, charges and other terms and conditions for the supply of electric power services

by generation, transmission, distribution and suppliers and to recommend these to the Federal Government for notification. Section 31, Sub-section (3) of NEPRA Act, provide general guidelines for determination, modification or revision of rates, charges and terms and conditions for provision of electric power services. The Section 31, Sub-section 7 of NEPRA (Amendment) Act 2021, provides that in the event the Federal Government fails to notify the tariff so determined by the Authority, or refer the matter to the Authority for reconsideration, within the time period specified, then the Authority may direct immediate application its recommended and approved tariff or uniform tariff as the case may be, by way of notification of the same, subject to adjustment which may arise on account of reconsideration, if any, subsequently filed by the Federal Government.

A transparent procedure is followed for determination of tariff under NEPRA Tariff (Standards & Procedure) Rules, 1998 through participation of the stakeholders and due diligence is exercised for assessment of appropriate level of expenses and rate of return allowed to the licensees.

Performance Standards

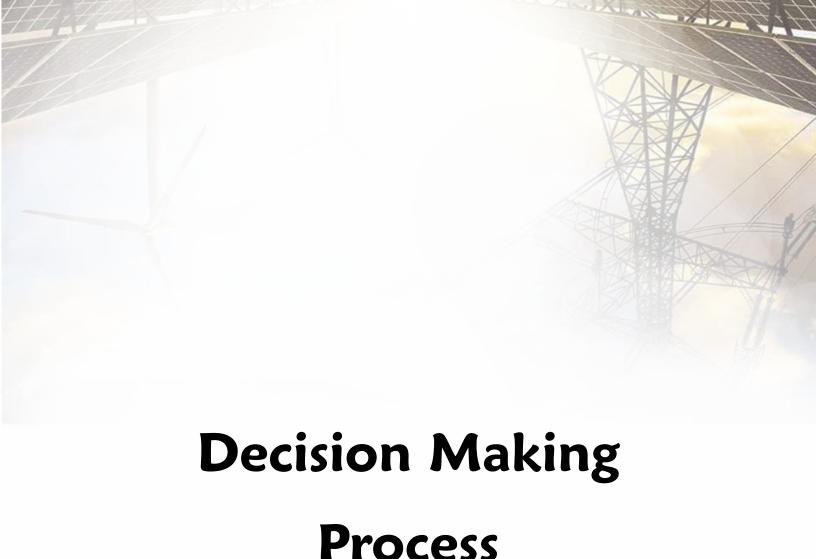
Performance Standards (Generation) Rules, 2009, Performance Standards (Transmission) Rules 2005 and Performance Standards (Distribution) Rules, 2005 have been issued to ensure provision of quality and reliable services to all consumers. These standards are to be observed by all licensees and adherence to the prescribed standards is ensured through site visits, evaluation of performance reports and legal proceedings.

Monitoring and Enforcement of the Regulatory Framework

Monitoring and Enforcement (M&E) is an important function of regulation to ensure that the licensees operate in accordance with the conditions of the applicable documents including the Act, Rules, Regulations, Codes, Manuals, SOPs and the Authority directives etc.

Transparency

Transparency is the essence of NEPRA's regulatory practices and a key element for trustworthiness of regulatory decisions. Transparency is ensured through public participation in the decision-making process by holding public hearings, inviting written comments of stakeholders and general public, availability of public documents including Rules, Regulations, licenses, tariff determinations, and orders / decisions of the Authority etc., on NEPRAs website.



Process



THE AUTHORITY'S REGULATORY DECISION-MAKING PROCESS

NEPRA is delegated to regulate the power sector including issuing licences, determining tariffs, monitoring for maintenance of proper standards and quality of services as well as addressing complaints of consumers. The Authority exercises its power under the NEPRA Act, Rules & Regulations made thereunder and is also empowered to review its own decisions.

All petitions are examined in the light of relevant rules, which, inter-alia, involve the process of consultation with all stakeholders including consumers through public hearings and seeking comments through countrywide advertisements. This provides the Authority with a wide range of information which it evaluates before arriving at a decision.

The NEPRA (Amendment) Act, 2021 provides as under:

Section 5: Meetings of the Authority, etc.—

- (1) Subject to the provisions of this Act, the Authority shall, in performance of its functions and exercise of its powers, conduct its proceedings in accordance with regulations made under this Act.
- (2) The Chairman and two other members shall constitute a quorum for a meeting of the Authority requiring a decision by the Authority:
- (3) "Provided that the members of the Authority shall nominate a member amongst themselves to work as an acting Chairman in case of absence of the Chairman, as the case may be, for meeting of the Authority".
- (4) The member shall have reasonable notice of the time and place of the meeting and the matters on which a decision by the Authority shall be taken in such meeting.
- (5) The decision of the Authority shall be taken by the majority of its members present, and in case of a tie, the person presiding the meeting shall have a casting vote.

Section 6: Decisions of the Authority.— All orders, determinations and decisions of the Authority shall be taken in writing and shall identify the determination of the Chairman and each member.



During FY 2021-22



LICENSING ACTIVITIES

NEPRA Act 1997, Section 14B (1) states that subject to sub-section 5, no person shall, except under the authority of a license issued by the Authority under this Act and subject to the conditions specified in this Act and as may be imposed by the Authority, construct, own or operate a generation facility.

The Sub-section (5) of Section 14B of the Act provided that the Federal Government may, after consultation with the Authority and by notification in official gazette, provide a mechanism for the gradual cessation of the generation licenses for various classes of generation license holders, which shall not extend beyond a period of five years from the coming into effect of the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 (i.e. from 30-04-2018) and thereafter, any generation company may establish, operate and maintain a generation facility without obtaining a license under this Act if it complies with the technical standards relating to connectivity with the grid as may be specified.

Since the mechanism for gradual cessation of the generation licenses for various classes of generation license holders has not been notified, therefore, NEPRA has granted generation licenses during FY 2021-22. The details of various licenses issued by NEPRA during FY 2021-22 are given in following paras.

Generation Licenses

During FY2021-22, thirty-five (35) generation licenses with a cumulative installed capacity of 2,389.65 MW, were processed; twelve (12) licenses with a cumulative generation capacity of 211.42 MW were issued; eight (8) licenses for accumulated installed capacity of 1401.05 MW were returned / rejected due to non-inclusion in IGCEP 2021-30; the remaining fifteen (15) applications with accumulative installed capacity of 787.18 MW are at different stages of processing. Table 1 shows the number of licenses issued during FY 2021-22 along with technology-wise cumulated generation capacity while the Table 2 shows the list of companies to whom these generation licenses have been issued.

Table-1: Source-wise details of Licenses Granted

S. No.	Technology	Number of Licenses	Capacity (MW)
1	Coal	1	10
2	Hydel	1	152.12
3	Solar	9	44.74
4	Natural Gas / RLNG	1	4.56
	Total	12	211.42

Table-2: Licenses Awarded to Generation Companies

S. No.	Name of Licensee	Installed Capacity (MW)	Technology
1	Ittehad Pvt Limited	4.56	Natural Gas / RLNG
2	YDE SA (SMC -Pvt) Limited	0.37	Solar
3	Sapphire Hydro Limited (Sharmai Hydro Pvt Ltd)	152.12	Hydel
4	Shams Power (Pvt. Ltd) Shifa Intl. Hospital	1.67	Solar
5	Burj DG (Pvt) Ltd	0.52	Solar
6	Grid Edge (Pvt) Limited	3.45	Solar
7	AGJV (Pvt) Limited	10	Coal
8	Zero Carbon Power (Pvt.) Ltd	1.82	Solar
9	YDE SA (SMC-Pvt) Limited	0.93	Solar
10	GSolar Power (Pvt.) Limited	1.05	Solar
11	Atlas Energy Limited	4.93	Solar
12	AB Solar Park (Pvt.) Limited	20	Solar
	Total Installed Capacity	211.42	

Net Metering Licenses

During FY 2021-22, the Federal Government notified that the distributed generation facilities of solar or wind power generation up to 25kW, connected through net-metering facilities shall not require a generation license. Subsequently, seven thousand and thirty-two (7,032) Net Metering licenses, with cumulated installed capacity of 243.43 MW were issued. Table 3 comprises of the details of net metering licenses issued in each Distribution company.

S. No. Name of Distribution Company No. of Net Metering Licences Issued Installed Capacity (MW) 1 **IESCO** 1507 22.86 2 **LESCO** 1790 62.39 3 KEL 1078 41.45 4 **GEPCO** 513 23.29 5 MEPCO 1018 46.98 6 **FESCO** 558 26.62 7 PESCO 392 12.51 8 SEPCO 13 2.29 9 9 0.22 **QESCO** 10 DHA (EME) 89 0.54 **HESCO** 64 4.13 11 12 TESCO 1 0.15

Table-3: XWDISCO wise Net Metering Licenses Issued

Modification in Existing Generation Licenses

Total

During the FY 2021-22, NEPRA has concluded ten (10) cases of modifications in the existing licenses, both the Authority proposed and Licensee Proposed Modifications pertaining to extension of term of licenses, addition / reduction of capacity, addition / deletion of Bulk Power Consumer (BPCs), change of technology and change in operational parameters etc. Table 4 comprises a list of companies whose licenses were modified during FY 2021-22.

7,032

243.43

S. No.	Name of Licensee	License No.	Modification Decision Issued on
1	K-Electric Limited	GL/04/2002	15-Sep-21
2	Nishat Mills Limited	SGC/40/2009	30-Mar-22
3	Lucky Electric Pvt. Limited	IGSPL/66/2017	29-Mar-22
4	Zorlu Solar Pakistan Pvt. Limited	SPGL/23/2018	07-Jan-22
5	Foundation Power Company Deharki Limited	1GSPL/06/2007	08-Oct-21
6	Zorlu Solar Pakistan Pvt. Limited	SPGL/23/2017	07-Jan-22
7	Eithad Power Generation Limited	IGSPL/56/2015	22-Nov-21
8	Mughal Energy Limited	SGC/152/2021	25-May-22
9	Access Solar Private Limited	SPGL/03/2013	06-Jun-22
10	Access Electric Private Limited	SPGL/05/2014	06-Jun-22

Table-4: List of License Modifications issued during the FY 2021-22

Review Petitions

During the year 2021-22, a total of ten (10) cases pertaining to review petitions against various determinations / decisions of the Authority were admitted for further processing as per Table 5.

Table-5: Review Petitions under Process

Sr.	Company/Licensee
1	HESCO filed review against LPM of Fimcotex Industries
2	KEL filed review against grant of license to Solis Alpha Energy Pvt Limited
3	KEL filed review against LPM of Engro Polymer & Chemicals Limited
4	GEPCO filed review against grant of distribution license to Aujla & Associates Town Developers Gujranwala
5	NTDC filed a review against grant of license to STDC as Provincial Grid Company
6	NTDC filed a review against grant of license to KPK as Provincial Grid Company
7	PESCO filed a review against LPM of PEDO for its Pehur Hydro Power Plant
8	KEL filed a review against determination of the Authority in the matter of APM in the distribution license of KEL for excluding the exclusivity
9	National Grid Company and Distribution Companies filed a review against LPM of Fatima Energy Limited
10	KEL filed a review against the Determination of the Authority regarding Modification-XI in the Generation License of KEL

Cancellation and Revocation of Licences

During the year 2021-22, the Authority received requests from Licensees for cancellation of their licenses, in total six (06) generation and one (01) distribution were cancelled after due processing. Table 6 includes the list of licenses cancelled.

Table-6: List of Cancelled / Revoked Licenses

Sr.	Name of Licensee	Licence No.	Category	Cancelled on
1	Mekotex Private Limited	SGC/47/2009 dated 12-May-09	CPPs	31-Aug-21
2	Lalpir Solar Power Private Limited	SPGL/26/2018 dated 17-Aug-18	IPP RS-2006	31-Aug-21
3	Hamza Sugar Mills Limited	SGC/67/2010 dated 14-Dec-10	CPPs	03-Sep-21
4	Kolachi Portgen Private Limited	IGSPL/82/2017 dated 02-Jun-17	IPP K-Electric	15-Sep-21
5	Prosperity Weaving Mills Limited	SGC/35/2008 dated 01-Aug-08	CPPs	13-Oct-21
6	Ibrahim Fibres Limited	SGC/33/2007 dated 10-Oct-07	SPPs	17-Jun-22
7	Ibrahim Fibres Limited	17/DL/2008 dated 22-Jul-08	SPP - Distribution	17-Jun-22

Registration

Section 25 of the NEPRA Act stipulates that any person providing electric power services other than generation or an electric power service requiring a license under the NEPRA Act, shall be registered with the Authority in the manner and subject to such conditions as may be prescribed. Accordingly, Private Power and Infrastructure Board (PPIB) and Alternative Energy Development Board (AEDB) have submitted applications for registration as Independent Auction Administrator (IAA)

Market Operator License

NEPRA on the May 31st 2022 granted the licences to CPPA-G to act as the sole Market Operator (MO) in the country. It has been a long journey for the Power Sector of Pakistan which will usher in an era of transparency, predictability and credibility for the Sector.

After the grant of the Market Operator license, CPPA-G is in the process of conducting a dryrun of the CTBCM regime to test all relevant processes and tools without creating any financial obligations on market participants and to assess the impact of market transactions for a period of six (06) months.

Annual Report 2021-22

On the directions of the Authority, CPPA-G has taken the initiatives for raising awareness regarding CTBCM among stakeholders. The Authority is actively monitoring the progress of the same through fortnightly progress review meetings with CPPA-G. The Authority is also in the process of formulating market-based regulations pertaining to the CTBCM.

Indicative Generation Capacity Expansion Plan (IGCEP)

The process of electric power demand forecasting and subsequent expansion of electric power generation capacity & dispatch optimization involves complex statistical and computation efforts. Also, the development of generation facilities is capital intensive and requires significant gestation period based on different type of technologies. Therefore, to maintain the balance between demand and supply of electric power, a comprehensive plan for induction, retirement and replacement of generation capacity is required.

Pursuant to the provisions of the NEPRA Grid Code i.e., Planning Code PC-4 and PC-4.1, NTDC is required to prepare an IGCEP for a period of 0-10 years, while identifying new generation requirements by capacity, location and commissioning dates etc. and submit the same for approval of the Authority. The IGCEP is subject to review and approval by the Authority. Accordingly, NTDC prepared the IGCEP for 2021-30, based on the assumption set approved by the Council of Common Interest (CCI) in its meeting held on September 06, 2021 and submitted it for review and approval of the Authority on September 08, 2021. The IGCEP was evaluated by the professionals of NEPRA and after careful deliberation was approved by the Authority vide its determination September 24, 2021.

Through this plan, an hourly demand forecast is developed for a period of ten years. Next, future generation projects are selected on a least-cost basis by PLEXOS (generation planning software) to meet this demand. This means that there is a significantly reduced risk of over-procurement or under-procurement of electric power generation, while ensuring that a consistent supply of electric power is planned for consumers at the lowest possible cost. Through IGCEP-2021, it has been possible to push power generation in the country towards a greener mix without compromising energy security.

It has made possible to plan a future without heavily relying on imported fuels (especially Coal, RLNG and RFO) and focus on indigenous sources of energy. This will not only help to lower the basket price of overall system but will also ensure the country's electric power supply is less vulnerable to external shocks, such as fuel supply. IGCEP envisions that 90.8% of energy demands in 2030 will be met through indigenous sources of electricity, compared to 60% in 2021.

The IGCEP serves as roadmap for future power procurement in the country and aims to provide clarity to decision - makers in their quest for energy security, affordability and sustainability.

TARIFF ACTIVITIES

Generation Tariff

Under Section 7(3) of the NEPRA Act, NEPRA is exclusively empowered to determine tariff, rates, charges and other terms and conditions for the supply of electric power services by generation, transmission, distribution and suppliers and to recommend these to the Federal Government for notification. Further, pursuant to Section 12 of the Act, the powers to determine tariff, cannot be delegated by the Authority.

Pursuant to Rule 6 of the NEPRA Licensing (Generation) Rules, 2000 the licensee shall charge only such tariff for the provision of electric power or





NEPRA determines the Generation, Transmission, Distribution and Supply tariff for different categories of licensees. The comprehensive process of determination of tariff is given under NEPRA (Tariff Standards & Procedure) Rules, 1998. During FY 2021-22, NEPRA determined tariff for various generation technologies, distribution and supply of electric power companies. The details of the determined tariff are given in following paras:

Hydropower

During the year, following Tariff Determinations, Modification, Review Decisions, & Adjustments / Indexations were issued:

Table-7: List of Tariff Determinations, Modification & Review Decisions

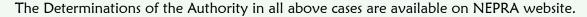
Sr.	Name of the Plant	Capacity MW	Determination date	Decision sought
1	Neelum Jehlum Hydropower	969	30-07-2021	Tariff proposal
2	WAPDA	8420	17-08-2021	Review Decision
3	Shishi Hydropower	1.875	20-10-2021	Tariff Determination
4	Jabori Hydropower	10.2	11-11-2021	Review Decision
5	Karora HPP	11.8	11-11-2021	Review Decision
6	Koto HPP	40	11-11-2021	Review Decision
7	Lawi HPP	69	29-11-2021	Review Decision
8	Machai HPP	2.6	14-02-2022	Modification in tariff
9	Deg-Outfall HPP	4.04	17-02-2022	Modification in tariff
10	Kohala HPP	1124	01-03-2022	Modification in tariff
11	Chianwali HPP	5.38	11-04-2022	Modification in tariff
12	Daral Khwar HPP	36.6	16-05-2022	Modification in tariff
13	Laraib Energy Ltd	84	26-05-2022	Review decision against indexation decision
14	LCC HPP	7.5	20-06-2022	Review decision
		Adjustment / Inde	xation of Tariff	
15	Star Hydro (Patrind HPP)		17-02-2022	Adjustment/ Indexation
16	Malakand-III Hydropower		24-12-2021	Adjustment/ Indexation
			17-08-2021	
17	Laraib Hydropower		19-08-2021 24-12-2021 26-05-2022	Adjustment/ Indexation
18	Jagran-I Hydropower		09-09-2021	Adjustment/ Indexation

The Determination / Decisions of the Authority in all above cases is available on NEPRA website.

Solar Power

During FY 2021-22, Tariff Determinations were issued in the matter of adjustment of Prior Period Project costs (PPPC) under NEPRA (Tariff Standards & Procedure) Rules, 1998. After adjustment of PPPC, the levelized tariff of US Cents 4.2820/kWh and US Cents 4.3148/kWh respectively were approved for the following solar power plants:

- (a) Access Electric (Pvt.) Limited (10 MW)
- (b) Access Solar (Pvt.) Limited (11.52 MW)



Wind Power

During FY 2021-22, following twelve (12) power projects having a cumulative installed capacity of 610MW achieved COD and started supply of electricity to national grid:

- a. Master Green Energy Limited
- b. Tricom Wind Power (Pvt.) Limited
- c. Gul Ahmed Electric Limited
- d. Din Energy Limited
- e. Act 2 Wind (Pvt.) Limited
- f. Artistic Wind Power (Pvt.) Limited
- g. Metro Wind Power Limited
- h. NASDA Green Energy (Pvt.) Limited
- i. Liberty Wind Power 1 (Pvt.) Limited
- j. Liberty Wind Power 2 (Pvt.) Limited
- k. Lakeside Energy (Pvt.) Limited
- I. Indus Wind Energy Limited



The Determinations of the Authority in all above cases are available on NEPRA website.

Bagasse

During FY 2021-22, the Authority decided in the matter of Tariff Modification Petition filed by Shahtaj Sugar Mills Limited (SSML) in respect of Generation Tariff dated January 2nd, 2017, was issued on the January 24th, 2022

Nuclear Power

During FY 2021-22, the Authority decided on the following:

- a. Grant of immediate application of the proposed Tariff for Karachi Nuclear Power Plant Unit-2 located at the Paradise Point, Hawksbay Road, Karachi issued vide letter dated July 1st 2021.
- b. Petition filed by Pakistan Atomic Energy Commission (PAEC) for Karachi Nuclear Power Plant Unit-2 located at the Paradise Point, Hawksbay Road, Karachi issued vide letter dated January 14th 2022
- c. Approval of Fuel Cost Component during Pre-COD period for Karachi Nuclear Power Plant Unit 3 (K-3) issued vide letter dated April 28th 2022.

d. Request filed by Pakistan Atomic Energy Commission (PAEC) for immediate application of interim tariff for Karachi Nuclear Power Plant Unit 3 (K-3), decision thereof was issue vide letter dated May 19th 2022.

Gas

During FY 2021-22, the Authority decided in the matter of Motion for Leave for Review filed by Central Power Generation Company Ltd. (CPGCL) against Determination of the Authority dated December 28, 2020 in the matter of Open Cycle Operations and Reduction in ROE of Guddu 747 MW Power Plant, decision thereof was issued vide letter dated July 28th 2021.

RFO

During FY 2021-22, the Authority gave its Determination / Decision on the following:

- a. Motion for Leave Review filed by Northern Power Generation Company Ltd. (NPGCL) against Determination of the Authority dated December 30th, 2020 in the matter of Tariff Petition for Muzaffargarh Units 1-6 and GTPS Faisalabad Units 5-9, decision thereof was issued vide letter dated August 23rd 2021.
- b. Tariff Petition filed by Jamshoro Power Company Limited (JPCL), decision thereof was issued vide letter dated 27th August 2021.
- c. Motion for Leave for Review filed by Jamshoro Power Company Ltd. (JPCL) against Determination dated August 27th 2021, decision thereof was issued on 23rd December 2021.
- d. Petition filed by Northern Power Generation Company Limited for Modification/Revision of Reference Tariff of Combined Cycle Power Plant (CCP), Nandipur, Gujranwala (TRF 271), decision thereof was vide letter dated 11th April 2022.
- e. Tariff of Tapal Energy Power Limited for RFO based power plant of 126 MW at Karachi, decision thereof was issued vide letter dated 17th June 2022.

Coal

During FY 2021-22, the Authority decided on the following petition / applications in the matter of coal-based power plants:

- a. Motion for Leave for Review filed by Port Qasim Electric Power Company (Private) Ltd. against the Decision of the Authority dated January 12th, 2021 in the matter of Adjustment of Sinosure Component, decision thereof was issued vide decision dated July 1st 2021.
- b. Procurement of Imported Coal using ICI-5 Index for Lucky Electric Power Company Limited, decision thereof was issued vide letter dated February 7th 2022.
- c. Initiation of Suo Moto Proceedings for Inclusion of Mechanism to avoid over payment of Capacity Charges in the matter of FFBL Power Company Limited, decision thereof was issued vide letter dated February 10th 2022.
- d. Tariff Modification Petition filed by FFBL Power Company Limited for sale of 250 MW to Karachi Electric (KE), decision thereof was issued vide letter dated May 20th 2022.

Indexation/Adjustment of Tariffs

During the FY 2021-22, the following adjustments on account of quarterly indexation / adjustments of US CPI, exchange rate, fuel price variation, withholding tax, turnover tax, calorific value and insurance component etc. were decided for the Power Plants:

- i. 244 Quarterly Adjustments
- ii. 294 Fuel Price Adjustments

Transmission Tariff:

- a. During the FY 2021-22 NEPRA issued the review decision pertaining to Pak Matiary Lahore Transmission Line company (PMLTC), with respect to transmission service charge (TSC). In addition NEPRA has also granted interim relief to PMLTC on account of indexation with respect to reference tariff dated December 4, 2018. In this respect the indexation pertaining to July-Sept 2021, Oct-Dec 2021, Jan-Mar 2022 and April- Jul 2022, were issued.
- b. Furthermore the STDC was also allowed indexation in its reference tariff component.
- c. NTDC review decision was also processed and information direction was also sent to NTDC substantiating its claim through provision of documentary evidence .To decision is expected to be finalized in next quarter of FY 2022-23.

Distribution Tariff:

Tariff for Distribution Companies (DISCOs)

Rebasing of consumer end tariff was done by the Authority for the Distribution companies under the Multi Year Tariff (MYT) Regime along-with annual adjustment/indexation as mentioned below;

New Multi Year Tariffs;

a. Quetta Electric Supply Company Ltd. (QESCO)

Determination i.r.o Supply of Power Tariff for the FY 2020-21 to FY 2024-25 Determination i.r.o Distribution of Power Tariff for the FY 2020-21 to FY 2024-25

b. Peshawar Electric Supply Company Ltd. (PESCO)

Determination i.r.o Supply of Power Tariff for the FY 2020-21 to FY 2024-25 Determination i.r.o Distribution of Power Tariff for the FY 2020-21 to FY 2024-25

c. Tribal Areas Electricity Supply Company Ltd. (TESCO)

Determination i.r.o Supply of Power Tariff for the FY 2020-21 to FY 2024-25 Determination i.r.o Distribution of Power Tariff for the FY 2020-21 to FY 2024-25

d. Gujranwala Electric Power Company Ltd. (GEPCO)

Determination i.r.o Supply of Power Tariff for the FY 2020-21 to FY 2024-25 Determination i.r.o Distribution of Power Tariff for the FY 2020-21 to FY 2024-25

e. Multan Electric Power Company Ltd. (MEPCO)

Determination i.r.o Supply of Power Tariff for the FY 2020-21 to FY 2024-25 Determination i.r.o Distribution of Power Tariff for the FY 2020-21 to FY 2024-25

f. Sukkur Electric Power Company Ltd. (SEPCO)

Determination i.r.o Supply of Power Tariff for the FY 2020-21 to FY 2024-25 Determination i.r.o Distribution of Power Tariff for the FY 2020-21 to FY 2024-25

g. Hyderabad Electric Supply Company Ltd. (HESCO)

Determination i.r.o Supply of Power Tariff for the FY 2020-21 to FY 2024-25 Determination i.r.o Distribution of Power Tariff for the FY 2020-21 to FY 2024-25

Annual Adjustments/ Indexations of already allowed Multi Year Tariffs;

The Authority also allowed annual indexations/ adjustments for three distribution companies already under Multi Year Tariffs i.e. IESCO, LESCO and FESCO for the FY 2021-22 and FY 2022-23

Fuel Charge Adjustment

In terms of proviso (iv) to section 31(7) of the NEPRA Act, the Authority may, on monthly basis and not later than a period of seven days, make adjustments in the approved tariff on account of any variations in the fuel charges and policy guidelines as the Federal Government may issue and notify the tariff so adjusted in the official Gazette. During FY 2021-22, the Authority determined the following monthly Fuel Charges Adjustments (FCAs) for XWDISCOs:

Table-8: Fuel Charge Adjustment from July 2021 to June 2022 (Rs/KWh)

Months	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21
Variation	1.3771	1.9539	2.5272	4.7446	4.3020	3.0968
Months	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22
Variation	5.9490	4.8530	2.8680	3.9923	7.9040	9.8972

K-Electric

The Multi Year Tariff (MYT) determination of K-Electric provides mechanism for certain adjustments to be made in the allowed tariff on monthly, quarterly/annual basis.

During the FY 2021-22, the Authority decided in the matter of monthly FCA requests filed by K-Electric for the months of July 2021 till May 2022 as under:

Table-9: FCA Requests of K-Electric for July 2021 till May 2022 (Rs/KWh)

Ju	ıl-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22
0.	689	0.7611	3.7571	1.0751	-0.759	-2.5935	3.278	1.3863	4.8269	5.2718	9.518

In addition, the Authority also decided the following quarterly/ annual adjustments requests of K-Electric as per its MYT determination mechanism;

Quarter	Decision Date	Adjustment Rs./kWh
April 2020 - June 2020	March 30, 2022	(5.6321)
July 2020 - September 2020	March 30, 2022	2.2645
October 2020 - December 2020	March 30, 2022	3.2965
January 2021 - March 2021	June 08, 2022	1.3307
April 2021 - June 2021	June 08, 2022	(0.9429)
July 2021 - September 2021	June 08, 2022	6.4713
October 2021 - December 2021	June 08, 2022	(0.4677)

The Authority decided in the matter of Motion for Leave for Review filed by Lucky Cement Limited against Decision of the Authority dated September 30th, 2020 in the matter of Approval of Power Acquisition Request filed by K-Electric for Purchase of 1-6 MW Power from Lucky Cement Limited decision issued on October 15th 2021.





Approval of the PPAs

NEPRA approved 04 Power/Energy Purchase Agreements (PPAs/EPAs) of different power generation companies executed by CPPA-G and KE. NEPRA further approved two Power Acquisition Contract (PAC) with DISCO. The list of EPAs/PPAs and PACs approved during FY 2021-22 are given in Table below:

Table: List of PPAs/EPAs/PACs approved by the Authority during FY 2021-22

Sr. No.	Power Seller	Power Purchaser	
	PPAs/EPA	As	
1.	Orsun Solar (Pvt.) Ltd.	K-Electric	
2.	Tapal Energy Ltd.	K-Electric	
3.	Gul Ahmad Energy Ltd.	K-Electric	
4.	Gwadar Chic Pak	CPPA-G	
PACs			
5.	Al-Noor sugar mills	HESCO	
6.	International Industries limited	K-Electric	

Competitive Bidding for procuring new green power projects

NEPRA has processed the Request for Proposal (RFP) documents of K-Electric for undertaking the competitive bidding for three solar projects to be established at Winder, Uthal, and Bella districts of Balochistan. The approval of same is under process.

Electric Vehicles

Electric vehicles (EVs) have now become a reality in Pakistan. The number of EVs are continuously increasing in the country. At the same time, the charging infrastructure is being deployed in different parts of the country to serve the EV users. NEPRA at its end has announced the tariff that the owners of the EV charging stations are going to charge for their services. The owners of the public EV charging stations are regarded as commercial consumers of category A-2, the DISCOs are to charge single part Rs. 25.02/kWh tariff for both off-peak and peak, with no fixed charges and waiver of monthly FCAs. The owners of public EV charging stations are allowed a maximum cap of Rs. 50/ kWh (including tariff to be charged by the DISCOs) net of taxes to charge for their services. NEPRA also has announced standards and specifications that the owners of the public EV charging stations have to comply and have included them in the Consumer Services Manual (CSM). It is believed that with the large scale penetration of EVs, the dependence of the transport sector on fossil fuels is going to reduce, which will help in reducing the fuel import bill of the country. It will also help reducing the GHG emission in the transport sector that will contribute in global drive to combat climate change. In order to encourage the EV charging business, the DISCOs are required to allow connections to EVs on priority basis. Uninterrupted power supply is necessary for the EV charging stations to carry out its business. To do so, the DISCOs are required to enhance their distribution system for better services especially on highways and motorways.

Micro Grid (MG)

NEPRA has approved the NEPRA Licencing (Micro Grid), Regulations, 2022 for development of microgrids with a vision to give access of electricity to the remote, far-flung areas of the country. This will enable complying with the sustainable development goals of the UN duly adapted by Government of Pakistan and encouraging economic development in the remotest part of the country. Through this, international investment can be brought in this sector and hence will be very helpful in sustainable development of the country.

FCA (Fuel Cost Adjustment)

NEPRA on monthly basis verifies the submissions of CPPA-G and K-Electric with regards to FCA including Energy numbers, Part load, supplemental charges, start-ups based on respective PPAs and Tariff determinations and transmission losses of NTDCL.

Third Party Assessment of System Operator, K-Electric and CPPA-G

NEPRA has initiated 3rd party assessment of operations of the key power sector players. The assessment of operations of System Operator is being carried out for a period of three years i.e. 2018-19, 2019-20 and 2020-21, of K-Electric for a period two years i.e. 2019-20 and 2020-21 and of CPPA-G for a period of three years i.e. 2018-19, 2019-20 and 2020-21.

Investment & Target losses

NEPRA has revised/updated the loss targets of the DISCOs in the multiyear tariffs as provided in the Table below

Table: Investments and Target Loss allowed to DISCOs and NTDC in their Multiyear Tariffs FY 2021-22

DISCOs/NTDC	Investment (Rs. Million)	Target Loss (%)
IESCO	8593	8.15
LESCO	21692	9.08
HESCO	11932	19.07
PESCO	16230	20.73
GEPCO	6756	9.20
SEPCO	8235	17.41
TESCO	7212	9.31
MEPCO	13602	12.79
QESCO	20571	14.49
FESCO	8417	9.34
NTDC	50560	2.50%

CASA 1000

CASA 1000 project envisaged the transportation of surplus hydroelectric power available in the months of summer from Kyrgyz Republic and Tajikistan to Pakistan. NEPRA has principally agreed upon the CASA 1000 Technical Code version 5.1 and directed NTDC for inclusion of the same in revised Grid Code.

Plant Factors

While processing the tariff petitions of 11 generation plants including Hydel, solar PV and nuclear, during FY 2021-22, NEPRA has determined the plant factors as given in Table below:

Table: NEPRA Approved Plant Factors of Generation Plants

Project	Technology	Plant Factor (%)
Jabori	Hydel	79.57
Karaora	Hydel	72.00
КОТО	Hydel	61.00
Shishi	Hydel	90.00
Lawi	Hydel	51.00
Machai	Hydel	70.00
Access Solar PVT. Limited	Solar	21.70
Access Electric PVT. Limited	Solar	21.70
Zorlu Energy PVT. Limited	Solar	22.97
KANUP 2	Nuclear	85.00
KANUP 3	Nuclear	85.00

Heat Rate Numbers

NEPRA approved the heat rate numbers of the thermal power plants of KE during the FY 2021-22 as per details given in below table:

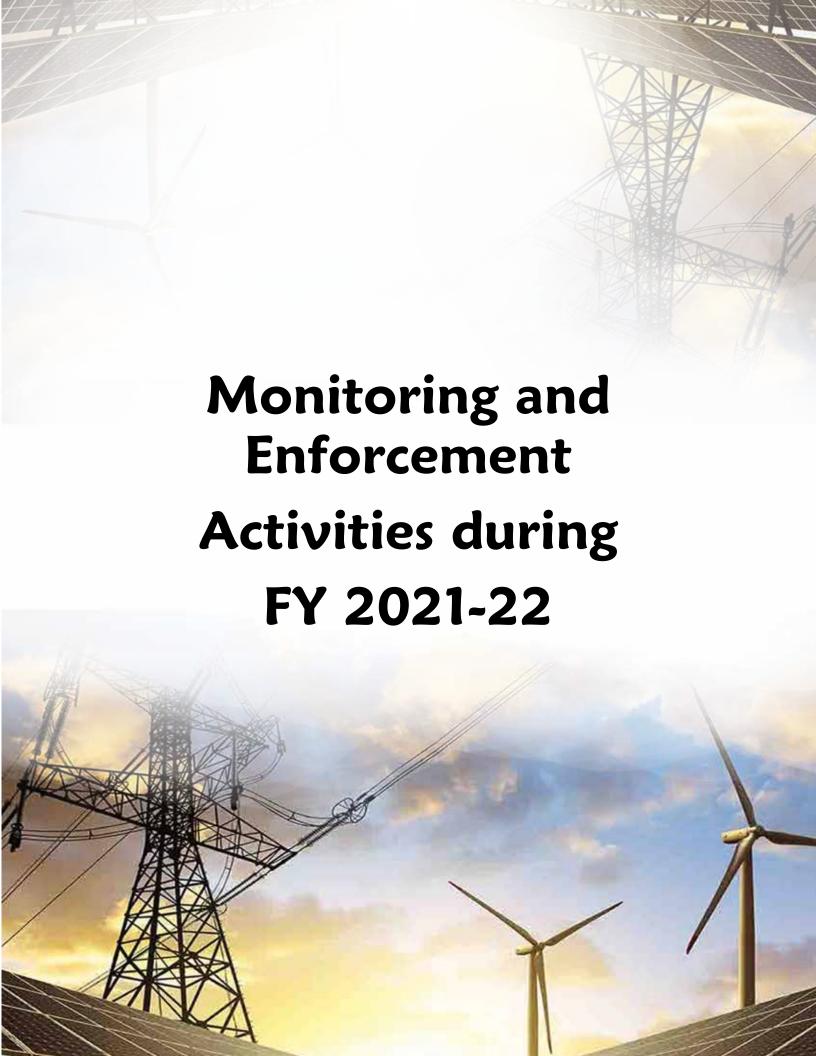
Table: Authority Approved Heat Rate Numbers of KE Thermal Power Generation Plants

Heat Rate KE Projects			(Net HHV Basis)
1a.	Bin Qasim - I - FO -		
	Unit 1	Btu/kWh	10,844
	Unit 2	Btu/kWh	10,653
	Unit 3	Btu/kWh	12,818
	Unit 4	Btu/kWh	13,006
	Unit 5	Btu/kWh	10,614
	Unit 6	Btu/kWh	10,785
2b.	Bin Qasim - I - Gas		
	Unit 1	Btu/kWh	11,525
	Unit 2	Btu/kWh	11,277
	Unit 3	Btu/kWh	12,818
	Unit 4	Btu/kWh	13,006
	Unit 5	Btu/kWh	11,277
	Unit 6	Btu/kWh	11,667
3.	Bin Qasim II - 560 MW	Btu/kWh	8,381
4.	Korangi Town Gas Turbine II	Btu/kWh	100% 75% Load: Load: 9048.22 9099.212
5.	Site Gas Turbine II	Btu/kWh	100% 75% Load: Load: 9104.419 9123.406
6.	Korangi CCPP	Btu/kWh	8,377
7.	Korangi CCPP – HSD	Btu/kWh	7,950
8.	BQPS III	Btu/kWh	6,381

Webinars/Events:

Technical department organized the following events:

- Use of Block chain in power system
- Electric Vehicles, Charge Station Business Plan workshop
- Electric Vehicles, Managed charging workshop
- Consultative session on Micro-Grid Regulation
- Initiated the process of MoU signing ceremony between PTA and NEPRA
- Consultative sessions on Industry-Academia Linkages



MONITORING AND ENFORCEMENT - GENERATION

Performance Evaluation Reports of IPPs

During the year 2021-22, the Authority approved the Performance Evaluation Report comprising of the thirteen (13) Independent Power Producers (IPPs) namely KAPCO, HUBCO, PakGen, Lalpir, TNB Liberty, Uch, Uch-II, Bhikki, Balloki, Haveli Bahadur Shah, Port Qasim, Sahiwal Coal and China Power Hub, under NEPRA Performance Standards (Generation) Rules 2009.

Data Exchange Portal

During the year 2021-22, an inhouse data exchange portal was developed for online acquisition of daily data pertaining to Key Performance Indicators (KPIs) from all operational generation licensees in respect of their generation facilities. After successful completion of beta version, all operational generation licensees were directed to register on the portal. In response, a total number of 111 power plants have registered on the portal as of 30.06.2022.

Conversion of Tariff Structure of Old / Small WAPDA Hydel Power Stations

Pursuant to instructions of the Member (M&E), a techno-commercial analysis of WAPDA hydel power stations was carried out for the FY 2018-19 and 2019-20 and presented before the Authority. The Authority after detailed deliberations upon the working paper principally decided to convert the tariff structure of non-performing old and small WAPDA hydel power stations from "Take or Pay" to "Take & Pay" once the tariff petition is filed by WAPDA Hydroelectric for the FY 2021-22.

Monitoring of Hourly Dispatch as per the Grid Code and Economic Merit Order (EMO)

The generation data submitted by NPCC & K-Electric is analysed on an hourly basis and any deviations that are found w.r.t the Grid Code and Economic Merit Order are highlighted during the Fuel Charge Adjustment proceedings carried out on monthly basis. Due to effective monitoring, there is a substantial improvement in System Operation. CPPA-G has been directed to develop a mechanism of its own for effective monitoring of monthly generation data as submitted by NPCC.

Another major outcome of identifying the generation taken out of merit by NPCC is highlighted as NTDC's System Constraints. The constraints in NTDC's Transmission System are monitored closely and the resulting impact on the System Operation in terms of underutilization of efficient plants and operation of expensive or inefficient plants. Resultantly, NTDC is submitting monthly progress report regarding removal of its system constraints that affect the economic dispatch of generating units.

Improvements in KE's System Operation

Due to effective monitoring of dispatch ordered by K-Electric to its power plants, substantial improvements have been observed in the System Operation such as reduction in minimum loading limit of KE's expensive generation Units of BQPS-I. The issue of minimum loading limit of KE's BQPS-I Units, was also highlighted that led to revision of the minimum loading limit from 110 MW to 90 MW.

Similarly, it was observed that despite being expensive, BQPS-I1 was not ramped down during low demand periods. Rather, KE reduced the energy withdrawal from NTDC's network which is the most economical source of generation available to KE and close monitoring has resulted in saving of millions of rupees to the national exchequer.

LEGAL PROCEEDINGS

Sr.	Lega	l Proceedings		
1	Recovery Proceedings pertaining to Fine Imposed on GENCOs Imposed a fine of Rs. 50 Million on GENCO-II on account of total power failure of January 09, 2021; Imposed a fine of Rs. 25 Million on GENCO-III.			
2	Show Cause Notice issued GENCO-II by CPPA-G Show Cause Notice to be issued to CPGCL for raising invoices pertaining to excess capacity charges in respect of TPS Guddu, non-filing of tariff petition and non-submission of rehabilitation plan in respect of Unit 13 of TPS Guddu Show Cause Notice to be issued to CPPA-G on account of excess capacity charges paid to TPS Guddu.			
3	Show Cause Notice issued KAPCO by CPPA-G	on account of extension in term of the PPA by 485 days with-		
4	collapse occurred on 09.01.2021.	of its lapses, deficiencies and failure in the total power system		
	the energization of their respective bus bars by NT 09.01.2021:	nt of delay in synchronization with the National Grid despite TDC in the wake of total power system collapse occurred on		
	China Power Hub Generation Company Limited	Uch-II Power Limited		
	Saif Power Limited	Kot Addu Power Company Limited		
5	Pak Gen Power Limited	Engro Powergen Qadirpur Limited		
3	Huaneng Shandong Ruyi (Pakistan) Energy Limited (Sahiwal Coal)	Port Qasim Electric Power Company Limited		
	Orient Power Limited	Engro Power Thar Limited		
	Quaid-e-Azam Thermal Power Limited	National Power Parks Management Company Limited (Balloki)		
	Sapphire Electric Limited	Saba Power Limited		
		National Power Parks Management Company Limited (HBS)		
6	Recovery Proceedings pertaining to Fine impo- lmposed a fine of Rs. 50 Million on NTDC on accou failure of January 09, 2021	ant of its inability to restore power in the wake of total power		
	Explanations to PEDO, CPPA-G and PESCO:			
		account of delay in commissioning of Machai Hydro Power		
7	 Project; Explanations issued to PEDO and CPPA-G on Power Project. 	account of delay in commissioning of Daral Khwar Hydro		
	Show Cause Notice to CPPA-G and NTDC			
8	Show Cause Notice issued to CPPA-G and NTDC	on account of minimum loading limit of AES Lalpir and AES		
°	Pakgen power plants which was revised without proper analysis of the adverse operational impact of the same			
	on System Operation.			
	Proceedings initiated against CPHGCL and Gud			
9	NEPRA initiated legal proceedings against CPHGCL & Guddu on account of prolonged forced outages during the FY 2021-22, despite ranking high in the Economic Merit Order.			
	Explanations issued to WAPDA and CPPA-G	vicin Oracli		
	CPPA-G was issued an explanation on account of non-imposition of Liquidated Damages (LDs) on WAPDA on			
10	account of availing higher outages by the units / machines of WAPDA hydel power stations than allowed limit as			
10	specified in the PPA;			
	power stations than allowed limit as specified in the	vailing higher outages by the units / machines of WAPDA hydel e PPA.		
	Non-compliance			
11		unt of non-compliance and its failure to fulfil the obligations		
	as required under the Commercial Code.			

MONITORING AND ENFORCEMENT – TRANSMISSION

Performance Evaluation Report

During the year 2021-22, the Authority approved the Performance Evaluation Report of NTDC & K-Electric (KE) for the FY 2020-21 under Performance Standards (Transmission) Rules, 2005 (PSTR). The same is available on NEPRA website.

Transmission Data Portal

To ensure efficiency, M&E Department in coordination with IT department has initiated the development of transmission data portal. After detailed deliberations on portal including reporting frequency, data formats, analysis aspects and other requirements (if any) various prototypes were developed, in view of the amendments in the legislation. The data portal is in its finalization stage and will be launched soon to retrieve performance data from the transmission licensees.

NEPRA Performance Standards (Transmission) Regulations 2022

Pursuant to NEPRA amendment Act, 2018 the existing rules are required to be converted into the regulations. Accordingly, the first draft of Performance Standards (Transmission) Regulations 2022 has been prepared and shared with the Consultant for comments.

Grid Code Revision

NEPRA provided its comments to NTDC on the earlier draft Grid Code and the latest draft of Grid Code is in process by NTDC in consultation with the Consultant and stakeholders.

Benchmarking of Key Performance Indicators for Transmission Licensees

In pursuance of direction of the Chairman, preliminary meeting on the benchmarking of key performance indicators for transmission licensees was held with M/s Power Planners International (PPI). During meeting detailed deliberations were made on the data requirements and line of action for the purpose.

Review of Progress of Interconnection Arrangements for Different Power Projects

The progress of interconnection arrangements for different power projects is being monitored on regular basis. In this behalf meetings with NTDC, PESCO, PEDO, WAPDA, CPPA-G and other stakeholders were held on following dates:

- a. June 29, 2021
- b. October 05, 2021
- c. February 16, 2022

NEPRA has advised NTDC to ensure that all interconnection arrangements for power plants are completed before scheduled commercial operations date so that energy loss/penalties can be avoided. It is pertinent to highlight that the matter of Daral Khwar HPP COD declaration, Jabori HPP interconnection and Koto HPP equipment designs were resolved

Complaints Received against NTDC

Several complaints against NTDC were received with respect to corruption, misappropriation/

embezzlement in allocation/award of projects, sub-standard work, bribery, mass scale forced transfer/posting and illegal promotions/nepotism/favouritism etc. The Authority directed to constitute a committee to look into matter and place a report before the Authority. Accordingly, the Authority decided and directed the committee to classify the complaints received into the categories namely complaints directly addressed to NEPRA, complaints copied to NEPRA, known complaints, unknown complaints, complaints of technical nature and complaints involved financial corruption in violation of NEPRA laws and thereafter place the case before the Authority for consideration.

Miscellaneous Matters Pertaining to Site Visit of NTDC Grid Stations

The matters of overloading, tripping, maintenance/ physical health of equipment, handing over of residential accommodation and others were identified during site visit of NTDC Grid Stations are being monitored regularly. A number of directions have been issued to NTDC and the matter is actively pursued.

Legal Proceedings against NTDC

Sr.	Legal Proceedings against NTDC
1	In the matter of Tower Collapse in Wake of Cyclonic Winds: An incident of partial blackout occurring in May, 2021 due to collapse of eight 500 kV towers in wake of cyclonic winds in southern part of the country. Accordingly, legal proceedings were initiated against NTDC in terms of Explanation. NTDC failed to provide any cogent reasons to the Explanation and a Show Cause Notice was issued to NTDC on 02-Aug-2022.
2	In the matter of Partial Blackout at 500 kV Jamshoro Grid Station An incident of partial blackout occurred in September, 2021 due to lightning at 500 kV Grid Station causing tripping and the event resulted in power supply failure to K- Electric and HESCO jurisdiction. Accordingly, legal proceedings were initiated against NTDC in terms of Explanation. NTDC failed to provide any cogent reasons to the Explanation and a Show Cause Notice was issued to NTDC on 06-July-2022.
3	On the issues pertaining to Jhimpir-II Grid Station Consequent to the visit of Jhimpir-II Grid in May, 2022, it was observed that the situation of the Grid station is a serious threat to Health & Safety Standards. Accordingly, legal proceedings were initiated and Explanation was issued to NTDC on 15-Aug-2022.
4	Investigation against NTDC under Section 27 A of the NEPRA Act on account of Fatal Accident A fatal accident of contractor's staff occurred due to electrocution during an approved shutdown by NTDC on 500 kV Thar - Matiari Circuit. As per NEPRA instructions, the matter was investigated by NTDC and submitted its report to NEPRA which revealed that all the responsibility was placed on the contractor rather than on NTDC officials. As per directions of the Authority, investigation under section 27A of the NEPRA Act has been conducted and report is scheduled to be presented before the Authority on 31-Aug-2022.

Force Majeure Events Claims by the Generation Licensees

During the proceedings of monthly meetings regarding interconnections of different projects, it was came into notice of the Authority that the Commercial Operation Date of some Independent Power Plants (IPPs) have been extended in lieu of Force Majeure Events (FMEs) owing to COVID-19. It was further revealed that the matter was not brought into notice of the Authority.

As per instructions of the Authority, the role of CPPA-G/PPIB in respect of FM was worked out and placed before the Authority for deliberations. The Authority directed to prepare SOP prescribing the manners, procedures for approval/disbursement and mechanism of declaring or availing FME, seek in-house comments on the same and finalize it accordingly. The Authority further directed to obtain details of FMEs agreed by CPPA-G during last ten (10) years. Accordingly, the desired detail has been obtained from CPPA-G which is under review. Similarly, the draft SOP has been prepared and will be finalized accordingly.

Monitoring and Enforcement – Distribution

Performance Evaluation Report

NEPRA framed Performance Standards (Distribution) Rules (PSDR) in the year 2005. According to PSDR-2005, each distribution company is bound to submit an Annual Performance Report (APR) to NEPRA before 31st August of the succeeding year. The APR contains all the relevant information with respect to compliance with these Rules during the year including a comparison with the compliance reporting provided in the previous year to NEPRA. The APR shall also include as a minimum to System Performance Reports, Consumer Service Performance Reports and Distribution Companies written Reports on the performance and plan/targets for improvement. Accordingly, the APRs submitted by all Ex-WAPDA Distribution Companies (DISCOs) and K-Electric Limited (KEL) for the FY 2020-21 were reviewed on the basis of parameters namely, Transmission and Distribution Losses, Recovery, System Average Interruption Frequency Index (SAIFI), System Average Interruption Duration Index (SAIDI), Time frame for new connections, Load Shedding, Nominal Voltage, Consumer Complaints, Safety & Fault Rate and a comprehensive Performance Evaluation Report (PER) was prepared and uploaded on NEPRA website after approval of the Authority. Similarly, the APRs for the FY 2021-22 are to be submitted by DISCOs and K-Electric before 31st August 2022 as per the requirement of Rule 7 of the Performance Standards (Distribution) Rules, 2005.

Distribution Data Exchange Portal

The data from all the DISCOs have been collected through the Data Exchange Portal (Distribution Module) to gather and analyse all relevant data/ information from Distribution Companies to mitigate risk and promote efficiency in the future by shifting its Paper-based System to electronic filing, physical space Saving and increasing security. The Distribution Companies are providing information regarding the Loading Position of the Distribution Network, TOU Meters, Damaged Transformer, Pending Connections, Defective Meters and Restoration time of Power Breakdown. The same is being monitored and analysed on monthly basis.

Monitoring of Load Shedding in the Country

The Authority initiated proceedings regarding excessive load shedding being carried out by DISCOs in their service territories. The DISCOs are carrying out load shedding based on Aggregate Technical and Commercial (AT&C) losses on the feeders, however, this policy of load shedding is not in line with NEPRA Performance Standards and has never been recognized by NEPRA. The data regarding load shedding has been collected through all regional offices of NEPRA on weekly basis. In order to probe the reasons behind the excessive load shedding in the country, the Authority has constituted an investigation committee to conduct an investigation against DISCOs and GENCOs to find possible violation(s) of the NEPRA Act, rules and regulations that could be the reason behind the excessive load shedding in the country.

Pending Connections in DISCOs

The M&E Department via online portal collects the data pertaining to the pendency of connections from all DISCOs on monthly basis. Based on the data received, the Authority vide its decision directed to initiate legal proceedings against PESCO, IESCO, GEPCO, FESCO, LESCO, MEPCO & K-Electric and accordingly the explanations issued on 23.02.2022. Hearings in the matter of explanations have been held on 29.04.2022. During the hearing, the Authority categorically directed DISCOs to clear all pendency of connections within one month and submit a compliance report to NEPRA in this regard. Further, a list of pending connections along with unsanctioned load (kW) is as follows:

Table-10: Status of Pending Connection as of June 2022

Sr. No	Licensee's Name	Total	Total Load (KW)
1	PESCO	1,988	130,831
2	TESCO	57	299,840.43
3	IESCO	10,892	27,570
4	GEPCO	11114	64108
5	FESCO	50832	170468
6	LESCO	12827	80447
7	MEPCO	80031	291914
8	QESCO	713	5617.06
9	SEPCO	754	10837
10	HESCO	1297	39288
11	K-Electric	6324	93779
	Total	176829	1214699.49

Legal Proceedings under Section 27-A of NEPRA Act

Sr.	Decisions
1	SEPCO: The Authority initiated proceedings regarding 20 fatalities (16 Public & 04 Employees) in the region of SEPCO during July 2019 to November 2020 and decided to impose a fine of Rs. 28 Million on account of 11 out of 20 accidents, with the directions to compensate the families of the deceased and provide jobs to the next of kin. The review petition filed by the Authority's order was rejected
2	FESCO: The Authority initiated proceedings regarding 17 fatalities (03 Public & 14 Employees) in the region of FESCO during July 2019 to January 2021 and decided to impose a fine of Rs. 26 Million on account of 10 out of 17 accidents, with the directions to compensate the families of the deceased and provide jobs to the next of kin. The review petition filed by the Authority's order was rejected
3	IESCO: The Authority initiated proceedings regarding 39 fatalities (28 Public & 11 Employees) in the region of IESCO during July 2019 to June 2021 and decided to impose a fine of Rs. 65 Million, on account of 25 out of 39 accidents, with the directions to compensate the families of the deceased and provide jobs to the next of kin. The review petition filed by the Authority's order was rejected
4	QESCO: The Authority initiated proceedings regarding 13 fatalities (09 Public & 04 Employees) in the region of QESCO during July 2019 to June 2021 and decided to impose a fine of Rs. 10 Million, on account of 04 out of 1 accidents, with the directions to compensate the families of the deceased and provide jobs to the next of kin. The review petition filed by the Authority's order was rejected
5	GEPCO: The Authority initiated proceedings regarding 13 fatalities (08 Public & 05 Employees) in the region of GEPCO during July 2019 to May 2021 and decided to impose a fine of Rs. 21 Million, on account of 25 out of 39 accidents, with the directions to compensate the families of the deceased and provide jobs to the next of kin. The review petition filed by the Authority's order was rejected and GEPCO has filed a writ petition before the High Court.
6	HESCO: The Authority initiated proceedings regarding 15 fatalities (08 Public & 07 Employees) in the region of HESCO during July 2019 to October 2020 and decided to impose a fine of Rs. 31 Million, on account of 12 out of 15 accidents, with the directions to compensate the families of the deceased and provide jobs to the next of kin. The review petition filed by the Authority's order was rejected
7	HESCO: The Authority initiated proceedings regarding 10 fatalities (09 Public & 01 Employees) in the region of HESCO owing to transformer blast on July 22, 2021 and decided to impose a fine of Rs. 26 Million, on account of 10 fatalities, with the directions to compensate the families of the deceased and provide jobs to the next of kin. The review petition filed by the Authority's order was rejected

Sr.	Decisions
8	HESCO: The Authority initiated proceedings regarding 04 fatalities (Public) in the region of HESCO owing to transformer blast on June 18, 2021 and decided to impose a fine of Rs. 10 Million, on account of 03 fatalities, with the directions to compensate the families of the deceased and provide jobs to the next of kin. The review petition filed by the Authority's order was rejected
9	LESCO: The Authority initiated proceedings regarding 01 fatalities and an injury of a minor in the region of LESCO, owing to the fall of a transformer and decided to impose a fine of Rs. 10 Million, with the directions to compensate the families of the deceased and provide jobs to the next of kin. The review petition filed by the Authority's order was rejected.
10	MEPCO: The Authority initiated proceedings regarding 16 fatalities (09 Public & 07 Employees) in the region of MEPCO, during July 2020 to December 2021 and decided to issue a Show Cause Notice, on account of 11 out of 16 fatalities. MEPCO failed to comply by the safety standards.

Consumer Affairs Department's Activities During FY 2021-22



CONSUMER AFFAIRS DEPARTMENT'S ACTIVITIES:

Section 38 of NEPRA Act provides that the Provincial offices of inspection stating that each Provincial Government shall

- (a) establishing offices of inspection that shall be empowered to:
 - (i) enforce compliance with distribution companies' instructions respecting metering, billing, electricity consumption charges and decision of cases of theft of energy; and
 - (ii) make determination in respect of disputes over metering, billing and collection of tariff and such powers may be conferred on the Electric Inspectors appointed by the Provincial Government under section 36 of the Electricity Act, 1910 (Act IX of 1910), exercisable, in addition to their duties under the said Act;
- (b) establish procedures whereby DISCOs and consumers may bring violations of the instructions in respect of metering, billing and collection of tariff and other connected matters before the office of inspection; and
- (c) enforce penalties determined, by the Provincial Government for any such violation.

Further, Section 39 of the NEPRA Act provides:

Regulations.—(1) Any interested person, including a Provincial Government, may file a written complaint with the Authority against a licensee for contravention of any provision of this Act or any order, rule, regulation, licence or instruction made or issued thereunder.

(2) The Authority shall, on receipt of a complaint, before taking any action thereon, give notice to the licensee or any other person against whom such complaint has been made to show cause and provide such licensee or such other person an opportunity of being heard.

Consumer Affairs Department (CAD) of NEPRA receives and processes complaints of electricity consumers against Distribution Companies. For consumer facilitation, NEPRA has established regional offices in different cities for receiving and processing of consumer complaints. Also, a number of complaints were received via Pakistan's Citizens Portal. In addition to already established 09 Regional Offices.

Below given Table-11, shows the DISCO wise status of complaints received, processed and concluded in NEPRA during the FY 2021-22:

Table-11: Status of Consumer Complaints (Head Office & Regional Offices)
(July 2021 - June 2022)

DISCOs	Total Complaints received / processed	Total Complaints disposed off	Under process
MEPCO	775	742	33
HESCO	1415	1338	77
SEPCO	952	904	48
PESCO	626	562	64
GEPCO	380	359	21
KE	5716	5581	135
IESCO	288	281	7
LESCO	1489	1312	177
FESCO	653	592	61
QESCO	135	130	5

DISCO	Total Complaints received / processed	Total Complaints disposed off	Under process
TESCO	2	2	0
NTDC	3	3	0
BTPL	1	1	0
Pakistan Citizens Portal	1	0	1
Total	12436	11807	629

Below given Table-12, shows the DISCO wise status of complaints received, processed and concluded by NEPRA Appellate Tribunal during the FY 2021-22:

Table 12: Status of Appeals & Review Motions disposed by NEPRA Appellate Board During FY 2021-22:

DISCO	Pending as on 01.07. 2021	Filed from 01.07.2020 to 30.06.2021	Total	Decided	Balance as on 30.06.2022
FESCO	43	31	74	23	51
GEPCO	16	14	30	4	26
HESCO	3	7	10	5	5
IESCO	25	14	39	27	12
K-Electric	25	4	29	23	6
LESCO	106	75	181	74	107
MEPCO	29	11	40	24	16
PESCO	2	1	3	1	2
QESCO	0	0	0	0	0
SEPCO	0	0	0	0	0
TESCO	0	0	0	0	0
TOTAL	249	157	406	181	225
		Review Mo	tions:	1	
FESCO	1	0	1	0	1
GEPCO	1	0	1	1	0
HESCO	0	0	0	0	0
IESCO	3	7	10	6	4
K-Electric	5	9	14	7	7
LESCO	2	5	7	2	5
MEPCO	0	0	0	0	0
PESCO	0	0	0	0	0
QESCO	0	0	0	0	0
SEPCO	0	0	0	0	0
TESCO	0	0	0	0	0
TOTAL	12	21	33	16	17

Other Major Activities of Consumer Affairs Department:

For strict compliance of NEPRA (Alternative & Renewable Energy) Distributed Generation and Net-Metering Regulations, 2015 & installation of Bi-Directional meter at the time of new connection & extension of load/shifting of distribution generation facility; DISCOs have been directed as following:

- i. To process the net-metering generation license applications strictly in accordance with relevant provisions of NEPRA (Alternative & Renewable Energy) Distributed Generation and Net-Metering Regulations, 2015 whether a distributed generation facility is installed or not.
- ii. To install bi-direction meters at the premises directly where the consumers intend to apply for a net metering facility to avoid unnecessary costs involving the installation of 3-phase meters.
- iii. To provide an option to the new/prospective 3-phase consumers for the installation of bidirectional meters without the installation of a distributed generation facility.
- iv. To allow shifting of the distributed generation facility as per the codal formalities.
- v. A new chapter on regulatory framework for electric vehicle charging stations has been incorporated in Consumer Service Manual (CSM).
- vi. In lights of suggestions of the Board of Investment, instructions have been issued to all distribution companies to complete the process for change of name, extension/reduction of load and other particulars for electricity connection and net-metering facility within thirty (30) days.
- vii. Action was taken against abnormal billing beyond one month done by DISCOs. In pursuance of public hearing conducted by the Authority on September 30, 2021 all distribution companies were directed to provide relief in the form of slab benefit and fuel price adjustment wherever applicable to all the consumers who have been affected by the abnormal billing beyond one month.
- viii. A web-portal has been developed to facilitate distributed generation installers regarding delay in installation of net meters up to 25 kW.
- ix. In pursuance of decision of Federal Cabinet dated 25-01-2022, IESCO has been directed vide letter dated March 04, 2022 for provision of electricity connections in the jurisdiction of Islamabad Capital Territory (ICT), without linking it with the building by-laws and regulations of the civic agency i.e. CDA.
- x. A notice was taken by the Authority regarding un-scheduled load shedding. In this regard, all Regional offices of NEPRA are facilitating the Complainants in order to resolve their issues on priority.
- xi. Distribution Companies have been directed to check and perform all required tests including grounding/earthing of all those transformers which have been in operation for more than 20 years to ensure that those transformers can further be utilized without any risk or hazard. In order to avoid any accident; the Distribution companies have been directed to immediately replace the transformers which are found faulty during routine tests/ maintenance checks. The distribution companies have replaced a large number of such distribution transformers.
- xii. Meeting with CEOs/ Chief Engineers of FESCO, GEPCO and IESCO was held to expedite installation of pending new connections & replacement of defective meters.
- xiii. All DISCOS have been directed to conduct survey on priority and indicate such places in residential areas which are critical from safety point of view or may cause fatal/ non- fatal accidents and take necessary action for adequate clearance of high tension lines to avoid accident. In this regard; distribution companies have removed a large number of hazardous points.
- xiv. Approximately 3,538 cases have been resolved after conducting hearing(s) during the year.
- xv. All DISCOs have been directed to ensure timely issuance of first bill to the new consumers and in case of any delay; DISCOs have been directed to ensure provision of slab benefit to the consumers along with the option to pay the bill in installments without any late payment surcharge.
- xvi. All DISCOs have been directed to avoid late delivery of bills to the consumers and revise the batch-wise billing program to ensure that seven (07) clear days are being allowed to the consumers for payment.

Competitive Trading Bilateral Contract Market (CTBCM)



COMPETITIVE TRADING BILATERAL CONTRACT MARKET (CTBCM)

The development of competitive wholesale electricity market has been a longstanding goal envisaged through 1992 Strategic Plan of Government of Pakistan to move from monopoly structure to competition through unbundling, corporatization and privatization of generation, distribution and retail/supply of the electric power.

The Authority through its determination dated December 5, 2019 and November 12, 2020 approved the competitive wholesale electricity market i.e. Competitive Trading Bilateral Contract Market (CTBCM) detailed design along with its implementation roadmap. The Authority approved the dry-run of CTBCM on May 31, 2022, without any financial implications for a period of six months.

Objective:

To ensure competition at wholesale level through development of efficient, liquid, transparent, predictable and credible wholesale electricity market; where market participants can trade bilaterally based on the principles of the competitive market.

Evolution of CTBCM:

- 1992 Strategic plan of Power Sector
- 2002 NTDC License (CTBCM envisaged)
- 2015 CPPA operationalized
- 2018 NEPRA Act amended
- 2019 CTBCM high-level design approved
- 2020 CTBCM detailed design approved
- 2021 National Electricity Policy approved
- 2022 Regulatory Framework notified
- 2022 CTBCM launched

Market Commercial Code

The Authority has approved the grant of Market Operator License to CPPA-G and the Market Commercial Code on the May 31, 2022, after public consultations and deliberations.

Action Items and Deliverables

The Authority monitored the implementation of the Action Items approved in the CTBCM Implementation Roadmap of the Detailed Design determination of 2020 and held more than hundred (100) progress review meetings with implementing entities (i.e. XW-DISCOs, KEL, CPPA-G, NTDC, PPIB, AEDB).

1) Finalization of Eligibility Criteria

The draft Eligibility Criteria for the Licensing and Registration of electric power services (transmission, distribution, electric supplier, trader, marker operator, system operator, and registration) have been formulated by the Federal Government. The Authority has duly provided its input/comments in this regard and the said Rules are in the final stages of approval by the Federal Government.

2) Grid Code (GC)

According to Section 23H of the Act, the System Operator (SO) has to prepare a Grid Code to regulate its operations, standards of practice and business conduct, and to enable it to carry out its functions as a system operator. The existing Grid Code was notified in 2005, but now, the same needs to be revised extensively to be aligned with the CTBCM framework. The revised Grid Code will cover provisions for the non-discriminatory open access by the transmission network operators, the roles and responsibilities of Metering Service Provider (MSP), long-term system planning by the system operator, and coordination of the independent system operator with the TNOs, etc. NTDC has to resubmit the updated Grid Code along with System Operator License application to the Authority for approval.

3) Agency Code (AC)

In the single-buyer regime, the CPPA-G acted as an agent of the DISCOs and its functions were regulated through the Commercial Code. Now, the Market Commercial Code governing the functions of the market operator has been approved by the Authority. Therefore, the existing Commercial Code will be extensively revised to deal with the CPPA's revised role as an agent of the DISCOs for the legacy contracts and has been renamed as Agency Code (AC).

The Authority has directed CPPA-G to submit the draft Agency Code along with the application for registration as Special Purpose Agent (SPA).

4) Distribution Code (DC)

After the commencement of the CTBCM, revised Distribution Code shall exclude functions pertaining to the supply of electric power which will be addressed in the Consumer Supply Manual. In this regard, DISCOs have hired a consultant to review and revamp the Distribution Code 2005. Deliberations between stakeholders are underway and the updated draft Distribution Code will be finalized and submitted to NEPRA for onward approval.

5) Connection Agreements (CAs)

The Authority while approving the CTBCM Implementation Roadmap has directed the concerned entities to formulate CAs for submission to the Authority. In this regard, draft CAs were submitted by MEPCO on behalf of all DISCOs for the approval of the Authority. The same were reviewed and significant deficiencies were identified. These observations were forwarded to the working group of DISCOs, with directions to amend the draft CAs and resubmit the same for approval of the Authority.

6) Security Package Documents (SPDs)

PPIB has engaged an international consultant for the preparation of the Security Package Documents (SPDs) for the CTBCM. The SPDs will revise the existing Energy Purchase Agreements, Power Purchase Agreements, Implementation Agreements, etc. and align them with the CTBCM framework. The deliberation process is at an advanced stage after which the SPDs will be submitted to the Authority for approval.

7) Institutional Restructuring

The commencement of the CTBCM required for restructuring of the important entities such as DISCOs, system operator, market operator. Accordingly, the Market Implementation & Regulatory Affairs Departments (MIRAD) were established in each XW-DISCO to build the capacity of the DISCOs and provide a central office to perform market-related functions.

Further, NTDC also completed a major milestone of the secured metering system (\$M\$) project to record and communicate the reading of the Common Delivery Points with half-hourly resolution. In addition, the data institutionalization project to streamline data for long-term planning, and forecast purposes along with automation of metering data transfer was also completed.

To enable the NPCC to perform the critical function of the system operator, state-of-the-art ICT tools were deployed including a short-term demand forecasting tool, the marginal prices discovery application and the SO data exchange portal (SDXP) etc.

8) Lifting of Moratorium

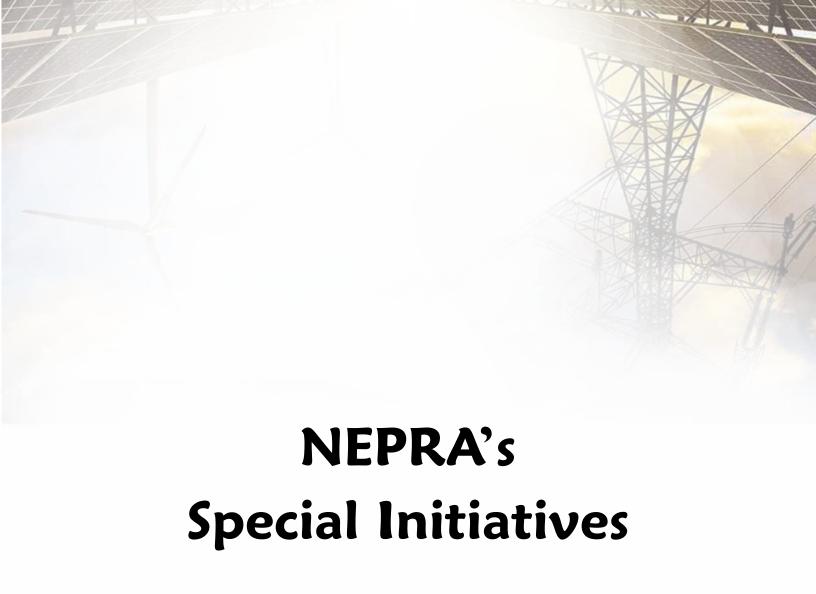
However, in terms of Section 1(3) of the NEPRA Act, as amended through the NEPRA Amendment Act of 2018 (the Amended Act), sections 23A, 23B, 23G and 23H are to come into force after five (05) years of coming into effect of the Amended NEPRA Act, i.e., April 2023, or any earlier date if the Federal Government so notifies. The roles of market operator and system operator, that are critical to the functioning of CTBCM, is contingent to the lifting of moratorium.

The Authority has highlighted this issue in its various communications with the Ministry of Energy (Power Division) and the MoE (PD) has moved a summary for the lifting of the moratorium on the abovementioned sections.

Capacity Building of Power Sector Entities

In order to ensure that all power sector entities are fully equipped of the wholesale electricity market/ CTBCM and CPPA-G was tasked to organize the training. The trainings conducted over the last fiscal year included:

- 1. Medium Terms Load Forecasting Module I
- 2. Medium Terms Load Forecasting Module II
- 3. Transmission Planning Module I
- 4. Transmission Planning Module II
- 5. Generation Planning Module I
- 6. Generation Planning Module II
- 7. Electricity Market Professional Module I
- 8. Electricity Market Professional Module II
- 9. Consultative Workshop on CTBCM framework
- 10. Contract Management & Regulatory





CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES DURING FY 2021-22 (Power with Prosperity)

NEPRA established CSR department with a vision of "**Power with Prosperity**" to envisage model of inclusive development and impact investments in power sector. During the FY 2021-22, CSR Department achieved great milestones by bringing 232 Licensees on board and serving as catalyst for transformation of inclusive development model into reality and impacting approximately 19 million people (as reported by our Licensees). To spread awareness among the licensees about the "Power with Prosperity" Drive, CSR Department arranged numerous Visits, Webinars/Seminars, and signed MOUs with different organizations during the year. To accomplish this noble cause following steps were taken during the year:

Mass Vaccination Drive

In pursuance of NCOC's Mass Vaccination Drive, NEPRA time and again issued directions to its licensees to ensure 100% Covid-19 vaccination of employees working in power plant sites and head offices and gathered data of vaccinated employees from the licensees, along with the local community where they are operating. NEPRA's Anti Covid-19 Drive was very successful and all licensees reported 100% vaccination of their employees, dependents and local communities in their operating areas.

Inauguration Of CSR Projects

Chairman NEPRA visited the following CSR Projects on the invitation of NEPRA Licensees:

- Graduation Ceremony of Roshni Baji, Women Ambassador Program by K-Electric
- Visit of Master Wind Energy (Pvt.) Limited, Metro Power Company (Pvt.) Limited, Gul Ahmed Wind Power Company (Pvt.) Limited and Inauguration of Vocational Training Center at Jhimpir
- Visit to Akhuwat University Lahore (Quarterly Review Briefing by Akhuwat on PwP Fund)
- Inauguration of Community Hospital by Tricon Boston (Wind Power Plant) in Jhimpir
- Solar Powered Water Pumps for Local Community by Gul Ahmed Energy in Jhimpir
- Solar Kits and Sewing Machines distribution by Metro Power in Jhimpir, Thatta
- Free Covid Mobile Vaccinations Units and for Karachi and Balochistan by K-Electric
- Chairman NEPRA inaugurated Breast cancer awareness campaign launched by PAEC at CHASHMA.
- Chairman NEPRA with CSR head attended Karachi Award Ceremony as chief guest.
- Chairman NEPRA with CSR team attended a licensee engagement session at LŬMS Lahore.

Power With Prosperity Fund

In pursuance of NEPRA's CSR Drive, Akhuwat established a Power with Prosperity (PwP) Fund wherein, four (04) NEPRA Licensees participated under PwP Fund for provision of Interest Free Solar Loans to the local communities on easy installments for solarization of communities. The partnering organizations are K-Electric, Engro Energy, KAPCO, Port Qasim Electric Power Company (Pvt.) Limited.







As per latest progress review report by the Akhuwat, Solar Loans have been provided to 174 applicants (163-Male Applicants and 11-Female Applicants) through its 44 operating branches in the country. Moreover, Akhuwat has 100% recovery rate of these loans.

MOU With AJK Government

NEPRA under its CSR drive signed an MOU with AJK Government for implementation of CSR framework in AJK



Launch Of NEPRA CSR Data Portal

October 1, 2022, NEPRA's CSR Data Portal was launched i.e., a dedicated online portal to collect, analyze and report the data provided by NEPRA Licensees regarding CSR activities done by them during the fiscal year. The main purpose of the portal is to get hands on information just on a single click. CSR data portal was launched with technical support of NEPRA's IT Wing.



Promulgation Of NEPRA Social Investment Guidelines, 2021

On November 11, 2021, after the legal consultations and inviting public opinions CSR Department published the NEPRA Social Investment Guidelines, 2021 (generally known as CSR Guidelines) vide SRO 1459(I)/2021 and notified in the Gazette of Pakistan. Since then, the guidelines are applicable on every NEPRA Licensee and they are bound to comply with the instructions laid down in the legal document. According to Guidelines, every licensee is bound to report their CSR Activities to NEPRA on regular basis along with their 5-Years Social Investment Plan.

NEPRA CSR Awards, 2022

In recognition to the commendable services on CSR Front by the NEPRA Licensees, NEPRA CSR Awards, 2022 ceremony was held on January 19, 2022. Following positions were attained by the NEPRA Licensees:

i. Gold Award Winner: K-Electric

ii. Silver Award Winners: WAPDA & PAEC (due to tie between them)

iii. Bronze Award Winner: Engro Energy

CSR Webinar Series

CSR Department also started a Webinar Series wherein, different Social Welfare Organizations (SWOs) are given the opportunity to showcase their idea of work before the licensees and encourage them to spend on CSR activities being performed by the SWOs. Following webinars were held:

- i. Webinar on Akhuwat's Quarterly Progress Review
- ii. (held after every 03-months)
- iii. Webinar on Environmental Benefits proposed by "Agrihood"
- iv. Webinar on High Impacts CSR Projects on "Quality Education"
- v. Webinar for KHI Award Winners
- vi. Webinar on Engagement of Social Welfare Organizations in CSR Drive

HEALTH, SAFETY AND ENVIRONMENT ACTIVITIES DURING FY 2021-22 (Power with Safety)

Progress on Health & Safety Initiatives

NEPRA in 2020 with the vision of "**Power with Safety**" initiated activities for Health, Safety and Environment (HSE) to ensure compliance with NEPRA Power Safety Code and applicable legal requirements by licensees with its commitment to achieve zero incident goal in the Power Sector by adopting the most effective and proactive practices as to ensure safe, reliable, and sustainable power services for Pakistan.

The HSE achieved many milestones during the fiscal year 2021-2022, including released of the HSE Performance Evaluation Report, conducted Site HSE Performance Evaluations, arranged awareness sessions/webinars for licensees, meeting with licensees about the Power Safety Code requirements, reviewed licensee safety manuals, provided safety targets to DISCOs, published incidents alerts, conducted safety campaign, developed safety handbook for line staff and organized a fire drill at the NEPRA Tower.

HSE Awareness through NEPRA Webpage

Developed NEPRA's HSE webpage at NEPRA Website to raise awareness, share incident alerts and initiatives.

NEPRA HSE Data Exchange Portal

NEPRA launched NEPRA HSE Data Exchange Portal for the timely submission of Licensees' reports such as HSE Team Contact Details, Incident Notifications, Final Investigation Report and Annual HSE Performance Evaluation. The objective of this initiative was to monitor Licensees HSE



statistics and performance status for necessary actions and to ensure effective implementation of HSE by Licensees to promote safety culture for sustainable risk reduction. Total two hundred and fifty two (252) licensees are registered on NEPRA Exchange Portal.

HSE On-Site Performance Evaluations

NEPRA conducted on-site HSE performance evaluations of following Licensees during January to June, 2022 to ensure that they maintain an acceptable level of HSE Management System to secure the plants and manage potential risks to consumers, employees, and contractors. After Site visit a compressive report was prepared with positive findings, observations and recommendations and shared with Licensees for improvement.

Month	No.	Name
Jan	1	FFBL Power Company Limited
Jan	2	K-Electric Limited (Transmission)
Feb	3	Chashma Nuclear Power Generating Station (CNGPS)
reb	4	Wapda Jinnah Hydel Power Station
	5	Quaid-e-Azam Thermal Power (Private) Limited
March	6	Northern Power Generation Co. Ltd. Muzaffargah
	7	Sapphire Electric Company Ltd
A :- 1	8	Nishat Power Limited
April	9	Halmore Power Generation Co. Ltd.

Month	No.	Name
May	10	Saba Power Company (Private) Limited
May	11	Neelum Jhelum HydroElectric Project
12 WAPDA Mangla Hydel Power Station		WAPDA Mangla Hydel Power Station
June	13	Laraib Energy Limited (New Bong Escape Hydroelectric Power Complex)

Licensees Safety Manuals

NEPRA reviewed eleven (11) Safety Manuals of Distribution Licensees. Submitted manuals were

reviewed in accordance with NEPRA Power Safety Code 2021 and returned to Licensees with review comments. In response to NEPRA's comments, LESCO, PESCO, TESCO, GEPCO, IESCO, FESCO and K-Electric have re-submitted their Safety Manuals, in which LESCO Safety Manual has been approved by the Honourable Authority and other manuals are in review process.

Licensees HSE Performance Evaluation Report

Aiming for zero incidents in power sector, NEPRA has published Licensees HSE Performance report on November 18, 2021. The purpose of HSE performance evaluation initiative was to create an HSE baseline for power sector, identify top HSE performers for benchmarking, identify unsafe organizations and provide an opportunity for improvement to be a safe organization.

HSE Top Performers Awards

NEPRA recognized the winners for their outstanding performance on November 18, 2021 in the field of HSE based on Performance Evaluation Report. Foundation Power Company Limited was awarded the top performer with Gold medal, whereas, Pakistan Atomic Energy Commission (PAEC) and UCH Power (Private) Limited, achieved 2nd and 3rd with Silver and Bronze medals respectively. Special Recognition

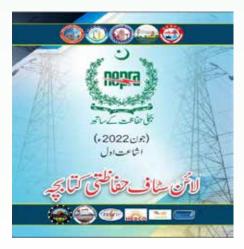
Awards were also given to Hub Power Company, Fauji Fertilizer Bin Qasim and Sapphire Electric Company Limited. Furthermore, Field Staff from different companies were also recognized by NEPRA on the basis of following best safe practices in their respective fields.

NEPRA Incident Alert - Distribution Transformer Explosion

HSE Department has released and uploaded an incident alert at NEPRA's website regarding an explosion of HESCO transformer. By sharing findings and lessons learned, Licensees will be able to identify similar potential hazards in their own operations and take appropriate actions to minimize these risks to avoid similar incidents in the future.

Launch of Safety Handbook

NEPRA in collaboration with Faisalabad Electric Supply Company (FESCO) held a roll-out ceremony of pocket-sized "Line Staff Safety Handbook" on March 9, 2022. The ceremony was attended by a large number of power sector professionals especially the line staff from distribution



companies besides NEPRA officials. NEPRA and FESCO has jointly designed and developed this pocket-sized "Safety Handbook" in Urdu language. The handbook covers most of the safety requirements, which will be carried-out by the DISCOs line staff in their pockets while on duty and will serve as a quick reference while facing any potential safety hazard.

Sr.	Interactive & Awareness Sessions / Webinars
	CEO / MD Session
,	An interactive session of NEPRA Authority with CEOs and MDs of power sector licensees dealing with Generation,
1	Transmission and Distribution Companies was held at NEPRA Headquarter. A comprehensive discussion was held
	to achieve zero accidents.
	Fire Safety Awareness Session
2	An awareness session about fire hazards at the workplace/home was held at NEPRA HQ in collaboration with the
	Directorate of Emergency & Disaster Management (E&DM), CDA, Islamabad on December 23, 2021. The session
	was attended by Chairman NEPRA, Mr. Tauseef H. Farooqi and all NEPRA employees. Meeting with NEPRA Licensees Requiring HSE Guidance
	National Electric Power Regulatory Authority (NEPRA) held a meeting on August 31, 2021 with all respective
	Licensees who did not have acceptable Health, Safety and Environment (HSE) performance. A large number of
3	HSE professionals from Generation, Transmission and Distribution companies attended this meeting to understand
	the legal requirements of the Power Safety Code and to discuss the identified gaps/ shortfalls in HSE performance
	and recommend appropriate solutions.
	Webinar on "Electrical Circuits and Apparatus"
4	National Electric Power Regulatory Authority (NEPRA) held a meeting on November 18, 2021 in collaboration
	with Power Planning and Monitoring Company (PPMC). The Webinar was attended by representatives of PAEC, PNRA and professionals from power sector.
	Webinar on "Working at Height"
	National Electric Power Regulatory Authority (NEPRA) organized a webinar on "Working at Height" in
5	collaboration with "Safe T Consult" on Friday, January 14, 2022. The webinar was attended by a large number of
	power sector professionals. The webinar aimed to create awareness in the power sector of Pakistan and to protect
	workers' lives to achieve a zero-incident goal.
	Regulatory Framework and Oversight for Physical Protection of Nuclear and other Radioactive Material
6	NEPRA in collaboration with Pakistan Nuclear Regulatory Authority (PNRA) held an awareness session on Feb 9, 2022 for NEPRA Professionals about physical protection and security. PNRA officials informed NEPRA Professionals
	about its various physical protection and security protocols to protect employees
	Webinar on Environmental Management System
	National Electric Power Regulatory Authority (NEPRA) organized a webinar on "Environment Management
7	System" in collaboration with "Quaid-e-Azam Thermal Power (Private) Limited" on Friday, February 18, 2022.
	The main purpose of the webinar was to discuss Environmental Management System in the Power Sector in order
	to minimize any adverse impacts and/or damage to the surroundings/environment.
	Webinar on Emergency Management System NEPRA organized a webinar on "Emergency Management System" in collaboration with "Attock Gen Limited"
8	on Tuesday, March 29, 2022. The purpose was to create awareness about an effective "Emergency Management"
	System" which not only plays an important role in reducing the chances of fatal accidents but also preventing
	damage to environment and assets.
	Webinar on HSE Legal Compliance Register
	NEPRA organized virtual webinar on "HSE Legal Compliance Register" on Wednesday, April 27, 2022 in
9	collaboration with Alpha Connect Private Limited. In this webinar, the audience learn about HSE Legal Compliance
	Register in order to prepare, comply and maintain it for relevant federal, provincial and international regulations
	for applicable Occupational Health, Safety, and Environment (HSE) laws. Webinar on Workplace Stress Management
	Under NEPRA "Power with Safety" drive organized a webinar on "Workplace Stress Management" in collaboration
10	with Lahore University of Management Sciences (LUMS) and K-Electric on Friday, May 20, 2022. During the
	webinar, attendees learned about Workplace Stress Management, developing a culture of diversity and inclusion
	at work to change our "unhealthy" organization into a "healthy" organization
	Webinar on Temporary Protective Grounding
11	National Electric Power Regulatory Authority (NEPRA) organized a webinar on "Temporary Protective Grounding"
11	in collaboration with Peshawar Electric Power Company (PESCO) on Thursday, June 16, 2022. The main objective of the webinar was to learn how to apply temporary protective grounding correctly to prevent fatalities and
	injuries while working on electrical systems and poles in the field.
	in your and it is a second of the following

Sr.	Interactive & Awareness Sessions / Webinars
12	Team Building Workshop NEPRA conducted Team Building Workshop in collaboration Alpha Connect Private Limited on 30 June 2022. During a full day training session participants performed different activities. Team Building Workshop provided participants an opportunity to improve their interpersonal skills.
13	Webinar on "PPE & T&P" NEPRA organized a webinar on "Personal Protective Equipment (PPE)/ Tools & Plants (T&P)" in collaboration with K-Electric at NEPRA HQ, Islamabad on September 24, 2021. The webinar aimed to create awareness in the power sector of Pakistan and to protect workers' lives to achieve a zero incident goal.
14	Fire Drill NEPRA conducted an emergency drill on December 24, 2021 with Directorate of Emergency & Disaster Management (E&DM), CDA, Islamabad to demonstrate fire safety awareness and preparedness

POWER WITH SECURITY

The electricity infrastructure is one of the critical and essential service for a country. With Industry/ Energy 4.0, the electricity sector is undergoing major transformation by introduction of new technologies like Smart Grid, Industrial Internet of Things (IIOT), Block Chain, Big Data, Artificial Intelligence; and introduction of renewable energy scenarios. The one of the biggest challenge of this electricity digital revolution is "Cyber Security". The weak security infrastructure can have dire consequences on economy of a country. Therefore it requires proactive approach to ensure the security of both Operation Technology (OT) and Information Technology (IT) networks deployed in electricity sector.

In power sector, threats appears in multiple areas at the same time. We need to assess the electricity grid resilience from different perspectives because we are facing threat of "multi-attack vectors". NEPRA being a proactive electricity regulator published the first draft of "Electric Power Regulatory Authority (Security of Information Technology and Operational Technology) Regulations, 2022" for cybersecurity preparedness of the electricity sector. The licensee compliances to these regulations will be a first step to the strong, resilient cybersecurity infrastructure in electricity sector. These regulations sets a minimum standards for compliance by licensees in the interest of ensuring safe and reliable electric power services to establish necessary trust among the consumers and the stakeholders of the power sector. Under these regulations "PowerCERT" will be established for issuing guideline, threat advisories and possible remedial or protective measures to be adopted by the Licensees.

Believing on that "Cyber Security is Everyone's Responsibility"; NEPRA hosted a series of webinars/workshop in collaborations with academia and industry leaders from Russia, Italy, and Pakistan and to create awareness amongst the power sector professionals on cybersecurity challenges and dedicated solutions available to the electricity sector and against the global risks of cyberattacks. In future, a series of webinars will be conducted on Power Utility Data Protection Policies and Practices, Key elements of trusted collaborations & information sharing, industry standards like ISO/IEC 27001, ISMS 2005/2013, NIST, and NERC CIP for power sector professionals.

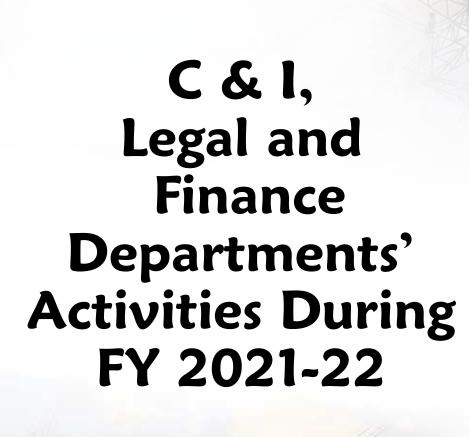








Regulators are certainly not the first line of defense, but the leadership and vision they articulate in a strategy are essential first steps to safeguarding the critical infrastructure from cybersecurity threats. An effective strategy builds on a collaboration, collaborations of regulators, public sector organizations, public and private partnership is a key element in operating and protecting these critical infrastructure. NEPRA signed a MOU with PTA in the areas of Cybersecurity, Block chain and other allied areas of interest.





COORDINATION & IMPLEMENTATION (C&I) DEPARTMENT'S ACTIVITIES

The Coordination & Implementation Department manages the conduct of Authority Regulatory Meetings, Hearings, Public Hearing, Recording of minutes / decisions and issuance thereof. C&I Department ensures internal compliance of Authority decisions through a process of implementation/monitoring in addition to facilitating the Case Officers/Sponsors of Meetings/Hearing in timely disposal of the Authority Decisions.

Periodical reports are submitted to the Authority on the Implementation status of the decisions. During the period under review, a total of 500 Authority Regulatory Meetings and 159 Public Hearings were held; details of which given hereunder:

Table-14. Details of Authority Regulatory Meetings & Hearings

Month	Hearings	Regulatory Meetings	Total
Jul 21	10	40	50
Aug 21	10	34	44
Sep 21	15	41	56
Oct 21	16	34	50
Nov 21	13	45	58
Dec 21	15	25	40
Jan 22	6	51	57
Feb 22	14	27	41
Mar 22	11	55	66
Apr 22	23	47	70
May 22	10	42	52
Jun 22	16	59	75
Total	159	500	659

C&I Department also compiles NEPRA's Quarterly Newsletter on regular basis, which highlights all regulatory and other supporting activities performed during the reporting quarter. All the Newsletters are available on NEPRA's website

LEGAL DEPARTMENT'S ACTIVITIES

Litigation

A summary of cases pending before the respective Honorable Courts of Pakistan till June 30 2022 is as under. These are the cases, wherein either the decision of the Authority is being challenged or NEPRA is party to the case:

Court	Pending on June 30, 2021	Filed in FY 2021-22	Total	Decided during 2021-22	Pending on June 30, 2022
Supreme Court of Pakistan	269	2	271	116	155
Islamabad High Court	122	14	136	2	134
Lahore High Court	514	65	579	51	528
Peshawar High Court	99	195	294	53	241
High Court of Sindh	256	13	269	5	264
Balochistan High Court	3	1	4	0	4
Civil Court	30	3	33	2	31
Total	1293	293	1586	229	1357

Table-13. Summary of Cases Pending and Decided

Legislative Instruments

NEPRA has officially launched Competitive Trading Bilateral Contract Market (CTBCM) which is a NEPRA approved model for the Wholesale Electricity Market of Pakistan. In pursuance of the CTBCM approved design the Authority has granted Market Operator licence to CPPAG and approved the Market Commercial Code with a dry run period of six (6) months with effect from May 31 2022. In this regard, the Authority has notified several regulations pursuant to the NEPRA Act 1997 (Act No. XL of 1997) to provide the necessary enabling framework. These regulations provide for the right mechanisms to strengthen the regulatory framework to ensure a sustainable, efficient, and liquid power market. The regulations notified during the FY 2021-2022 are:

- a. NEPRA Licensing (Electric Power Supplier) Regulations 2022;
- b. NEPRA Consumer Eligibility Criteria (Electric Power Suppliers) Regulations 2022;
- c. NEPRA Consumer Eligibility Criteria (Distribution Licensees) Regulations 2022;
- d. NEPRA (Registration) Regulations 2022;
- e. NEPRA (Electric Power Trader) Regulations, 2022;
- f. NEPRA Performance Standards (Electric Power Suppliers) Regulations, 2022;
- g. NEPRA Licensing (Market Operator) Regulations, 2022;
- h. NEPRA Licensing (Distribution) Regulations 2022;
- i. NEPRA (Uniform System of Accounts) Regulations, 2022;
- j. NEPRA (Fine) Regulations, 2021;
- k. Amendments in the NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021;
- 1. Amendments in NEPRA (Fees) Regulations, 2021.

In pursuance of the initiative of CTBCM, the regulations provide for a predictable, transparent, accountable, and a level playing field to multiple buyers and sellers to trade electricity in the energy sector of Pakistan; introducing competition in the Electricity Market and an enabling environment. The following regulations are under progress and are expected to be notified:

- a. NEPRA (Electric Power Procurement) Regulations;
- b. NEPRA Open Access (Interconnection and Wheeling of Electric Power) Regulations;
- c. NEPRA Licensing (System Operator) Regulations.

FINANCE DEPARTMENT'S ACTIVITIES

Introduction

Section 13 of the NEPRA Act, requires that operations of the Authority shall be funded from grants from Federal Government and fees & fines collected. Further, any surplus of receipts over expenditure after payment of tax shall be remitted to the Federal Consolidation Fund and in case of any deficit, shall be made up by the Federal Government. Furthermore, Section 14 of the Act requires that the Authority shall maintain books of accounts and the same shall be audited by the Auditor General of Pakistan (AGP).

In 2007, all regulatory authorities including NEPRA were brought under the tax net, since then, the compliance to Federal Board of Revenue (FBR) for filing of annual return of income tax accompanied by audited financial statements became obligatory under the corporate taxation framework. Moreover, the implementation of Oracle R12 E-business Suite (Financials & Payroll) contributed pivotal role in transition from legacy single-entry bookkeeping to accrual-based double-entry bookkeeping system leading to International Accounting & Financial Reporting Standards' compliant reporting. Owing to above developments, the annual accounts of NEPRA have been regularly audited by external audit firms of chartered accountants. Furthermore, the Auditors' Report and Audited Financial Statements are regularly published as major content of the Annual Reports of NEPRA.

Finance department, being a service department is responsible to perform major functions as income collector, disbursement of claims relating employees' compensation & benefits, payments to suppliers / vendors / contractors, remittance to government & peer organizations on levies, taxes etc. Finance department also plays a collaborative & advisory role in various processes of budget preparation, hiring, procurement, selection / pre-qualification of suppliers / contractors / professional firms. Finance department also spearheads in the matters of ensuring statutory compliances to AGP and Federal & Provincial Tax Authorities / Boards.

During the financial year ended 30 June, 2022, Finance department extended continued support towards achievements of organizational goals in performing its entrusted internal functions as well as fulfilled external statutory obligations and compliances, a few are being reported as follows:

External Audit of NEPEA Accounts

The Finance Department achieved independent assurance on the annual accounts of NEPRA by the external audit firm i.e. Ilyas Saeed & Company, Chartered Accountants. The Financial Statements for the financial year 2021-22, ended 30 June, 2022 were approved by the Authority in the administrative meeting held on 23rd September, 2022. The Auditors' Report and the Audited Financial Statements are annexed with the Annual Report.

Contributions to Government and PEER Organizations

NEPRA continued to actively fulfill its statutory obligations and paid following contributions during the financial year ended 30 June, 2022:

Nature of Contributions	Payments made during the year 2021-22 Rupees in Million
Payment of surplus to Federal Consolidation Fund (FCF):	
Under section 13 of NEPRA Act, 1997, payment made to FCF during 2021-22.	230.685
So far, NEPRA has made total payments of Rs.1,857.667 Million to FCF.	
Tax payments to Federal Board of Revenue:	
Quarterly installments of advance tax paid by NEPRA.	59.321
Tax withheld & deposited by Licensees on fee income.	85.734
Tax withheld & deposited on various transactions.	<u>15.961</u>
Sub-total Sub-total	161.016
Payments to Competition Commission of Pakistan (CCP):	
Pursuant to S.R.O 1277(I)/2020 dated 27 November, 2020 issued by Finance Division,	
Government of Pakistan, NEPRA made statutory charge of 3% of fee to CCP:	
Arrears upto 30 June, 2021.	321.103
Charge during the year 2021-22.	<u>41.223</u>
Sub-total	362.326
Total	754.027

Annual License Fee

NEPRA issues annual license fee notices in accordance with the base rates (as defined in NEPRA (Fees) Rules, 2002 computed/indexed with most recent National Consumer Price Index (N-CPI) published every month by Pakistan Bureau of Statistics (PBS). Being major source of income, the Annual License Fee notices effective 01 July, 2021 were sent to the licensees for FY 2021-22 summarized as under:

Sr. No.	Licence Segment, Annual Fees, Base Rates in Rupees	Annual Fees, Applicable Rates Effective 01 July, 2021 in Rupees
1	Generation The fee will be calculated, at the rate of Rs. [20 thousand] per MW, on the basis of the Gross (ISO) MW capacity of the licensed generation facility.	19,972
2	National Grid The fees will be charged at the fixed rate of Rs. [10.00 million].	9,986,215
3	Provincial Grid The fees will be charged at the fixed rate of Rs. [2.50 million].	2,496,554
	Special Purpose Transmission Line The fee for Special Purpose Transmission shall be calculated at the rate of Rs.	2,497
4	[2,500] per MW, on the basis of maximum transmission capacity as given in the license of special purpose transmission line, with a maximum ceiling of Rs.10.00 Million.	9,986,215
5	K-Electric (Transmission) The fees will be charged at the fixed rate of Rs. [7.00 Million].	6,990,351
6	Distribution	6,491
	Rs. [6,500] per MVA or Rs. [1,200,000] whichever is more.	1,198,346
7	Market Operator The fee will be charged at the fixed rate of Rs. [10.00 Million].	9,986,215

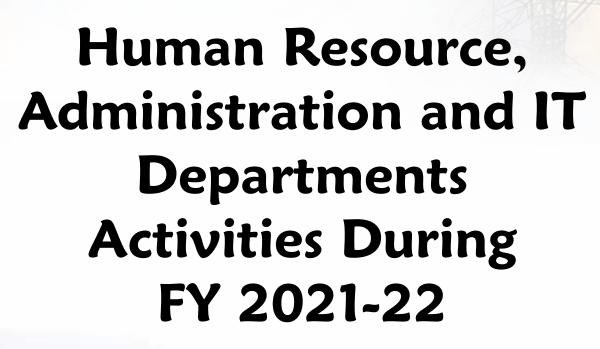
Compliance Of Tax Laws

Finance department represented NEPRA as withholding agent of Federal & Provincial Tax Authorities/ Boards and ensured accurate collection & timely deposit of taxes followed by electronic filing of period statements relating income tax / sales tax on goods & services.

In compliance of section 114(1) of the Income Tax Ordinance, 2001, the annual corporate tax return of NEPRA for the tax year ended 30 June, 2021 (TY 2020-21) was electronically filed to Federal Board of Revenue's online portal well before the due date.

Online Digital Fee Collection Solution

During the financial year 2021-22, NEPRA signed an agreement 1LINK and implemented online solution for collection of fees through digital payment options. The said collaboration is a major milestone, which facilitated NEPRA's licensees to make online payment of fees 24/7 in secured environment using 1BILL platform through electronic banking channels comprising ATMs, Mobile Banking Apps & Internet Banking, intermediaries and over the bank counters.





HUMAN RESOURCE (HR) ACTIVITIES:

The Human Resource (HR) Department of National Electric Power Regulatory Authority (NEPRA) is responsible for recruitment and selection, training and development, reviewing compensation & benefits, succession planning, career management, database management, process re-engineering and revisiting policies and regulations, with the aim to improve the effectiveness of regulatory affairs framework.



In the year 2021-22, NEPRA performed the following activities.

Training and Development

During the FY 2021-2022, the HR Department arranged trainings for its employees of technical and soft skills, after conducting needs assessment arising out of the performance evaluations to ensure that Professionals and Officials have the relevant skills set to execute the assigned tasks.

- Energy Planning and Integration of Renewable Energy
- Capacity Building for Pakistan Regulatory Guidelines
- Regional Markets and Transmission Regulation
- Rate Design for Electric Utilities
- Policy Dialogue Workshop on International Law
- Enhancing Leadership Skills and Decision-Making Skills
- Contract Management According to New Standard Bidding Documents
- Management & Development Course for Supervisors and Junior Executives
- Effective Letters, Reports and Presentations
- Finance And Accounting for Non-Financial Executives, Internal Financial Auditing & Risk Management

General Management Training Program for Professionals



The HR Department scheduled a General Management Training Program of its twenty five (25) Professionals in collaboration with Lahore University of Management Sciences (LUMS) REDC. The mandatory training program was designed by NEPRA focusing on the leadership, interpersonal, presentation, decision making skills and analysis.

A series of subsequent briefing sessions were held for the participants of the General Management Training Program to brief and share their key learning, experiences and possible implementations with the Chairman NEPRA and NEPRA Professionals.

Recruitment and Selection

During the year 2021-22, HR Department inducted Professionals for Corporate Social Responsibility, Monitoring & Enforcement, Tariff, Technical and Human Resource Department to strengthen the functional and support groups.

Internship Opportunities

Over the period, NEPRA offers internship opportunities to young and talented professionals of reputable local/foreign educational institutions who have completed sixteen years of education, with the intent to acquaint fresh graduates with the operations of Regulator and the power sector.

During the year 2021-22, NEPRA provided internship opportunities to nine (09) fresh graduates in the following fields:

Sr. No.	Department	Total Internees
1	HR & Admin/IT	2
2	Consumer Affairs	3
3	Tariff/Finance	1
4	M&E/Standards/Technical	2
5	Licensing	1
	9	

Promotion of NEPRA Professionals and Support Staff

During the year 2021-2022, the HR Department convened the Promotion Board for professionals as well as support staff. The Authority promoted eleven (11) professionals including executive cadres as well as twenty-three (23) members of the support staff.

Review of NEPRA Service Regulations & its Implementation

To cater the challenges posed by the ever-growing expansion in terms of number of employees, inclusion of variable exigencies, incorporation of new functions and sections, this financial year, the Authority decided to review NEPRA Service Regulations (NSR) which is at advanced stage and will be finalized for approval of the Authority.

Hajj / Pilgrimage

HR Department conducted Hajj Balloting for its employees and selected two employees for the holy pilgrimage i.e. "Hajj" and were also provided the hajj expenses.

Integration of Database and the Office Management Softwares

HR Department decided to improve the available files and records which can be integrated with ORACLE software for payroll accounting or personnel administration, through this HR would be

able to store and retrieve documents. Subsequently, HR Department digitized all personal files of the employees in the second quarter of the current year for easy, safe and prompt access.

Introducing New Performance Evaluation Method

The HR Department introduced new method of performance evaluation which is based on specific Key Performance Indicators (KPIs) which assure that the employees are working in an efficient manner.

ADMINISTRATION ACTIVITIES:

2021-22 started with zeal and zest for NEPRA. In the first quarter multiple events as well as webinars were organized and attended by NEPRA, in which Administration Department played a key role. The 2021-22 marks the end of notorious phase of Covid-19 and holds a great importance as things have started to get streamlined after a long time. During the year, the following activities took place under Admin Department.

Better safe than infected

Proactive measures like procurement of face masks, hand sanitizers, hand gloves, floor disinfectants, radioactive thermometers, protective suits for security team etc. for containment of the deadly COVID-19 were taken. The SOPs prescribed by the GoP were thoroughly implemented at NEPRA Tower to help reduce the possibility of COVID-19 at work place.

As per directives of the GoP, NEPRA ensured successful vaccination of not only NEPRA employees but also their families to safeguard NEPRA family against the infamous COVID-19.

Health & Fitness Center Upgradation

The Health & Fitness Center was shifted to the 7thFloor and new equipment was also installed to meet the requirements of the employee's *vis a vis* provide them equipment to use moderate gym facilities within the NEPRA premises.

Sports Activities

NEPRA arranged Table Tennis and Football Tournaments in the months of August and October, 2021 respectively. Both the tournaments were attended by the Authority, NEPRA employees and their families. The team of Administration Department remained Champions during the Football Tournament.

A family gala and cricket tournament was also organized on 5th March, 2022 for recreation and entertainment of NEPRA employees and their families. The event was attended by a large number of NEPRA employees as well as their families. The Tariff Department won the cricket tournament, whereas, the Administration Department became a runner up.

Celebrations

- Chairman NEPRA, along-with NEPRA employees, celebrated **Christmas** in solidarity with Christian employees. On that occasion, Chairman NEPRA on behalf of NEPRA extended Christmas greetings to the Christian employees followed by cake cutting ceremony.
- NEPRA organized an **Eid Milan** program as per its tradition at NEPRA HQ on May 09, 2022.
 The event was graced by Chairman NEPRA, Mr. Tauseef H. Farooqi and was attended by all Head of the Departments, officers and officials.
- As part of New Year Resolution, Chairman NEPRA, Mr. Tauseef H. Farooqi planted a sapling at NEPRA HQ in the presence of officials and inaugurated NEPRA Clean & Green drive on January 03, 2022.
- Chairman NEPRA, Mr. Tauseef H. Farooqi along-with Engr. Rafique Ahmad Sheikh and Engr. Maqsood Anwar Khan (Members NEPRA) and Director General (Admin./HR/CAD), Mr. Naweed I. Sheikh attended the **Khatam ul Quran** Ceremony at NEPRA Mosque Islamabad on April 27, 2022.

- Independence Day was celebrated at NEPRA Tower, Islamabad on August 14, 2021.
- Being the firm believer of power with equality and women empowerment, NEPRA celebrated
 International Women's Day on 8thof March with great enthusiasm.

Farewells

Chairman NEPRA, Mr. Tauseef H. Farooqi along with Member Sindh, Rafique Ahmed Sheikh and Member KPK, Engr. Maqsood Anwar Khan bid farewell to Mr. Rehmatullah Baloch upon completion of his tenure as Member Balochistan. The NEPRA Authority and Senior Officers appreciated the services and contribution of Mr. Rehmatullah Baloch for the power sector and wished him best of luck in his future endeavors on March 17, 2022.

Chairman NEPRA, Mr. Tauseef H. Farooqi bid farewell to Mr. Gul Nawaz, Senior Driver in the presence of NEPRA officials, upon his retirement after serving for 22 years. Chairman NEPRA wished him best of luck for his future endeavors on January 17, 2022. Moreover, farewell was also hosted for another fellow driver namely Mr. Shakeel Haider, who also served NEPRA for 21 years.

Chairman NEPRA, Mr. Tauseef H. Farooqi along with Authority Member and Senior Professionals bid farewell to Consultant CSR, Mrs. Huma Zafar while wishing her the best of luck for her future endeavors on December 27, 2021.

Milestones Achieved:

NEPRA published its Annual Report, 2021-22 & State of Industry Report 2021 and ensured timely submission of the said reports to Federal Government and its stakeholders within the stipulated time.

Chairman NEPRA, Mr. Tauseef H. Farooqi inaugurated the renovated daycare centre at NEPRA HQ. Chairman NEPRA said that the purpose of renovating the daycare centre is to facilitate the working women of NEPRA by providing best facilities to their kids so that they are more focused on their professional assignments on March 03, 2022.

Emergency drill at NEPRA Tower in collaboration with the Directorate of Emergency & Disaster Management, CDA conducted on December 24, 2021.

During the FY 2021-22, NEPRA had the honour of hosting webinars cum seminars at NEPRA Tower, Islamabad. On-line training programs and webinars were organized in collaborations with various departments of NEPRA.

The O&M Department have always strived for energy saving. The O&M Department replaced the lights installed at the washrooms and lobbies of the NEPRA Tower with the energy saving LED lights vis a vis installed automated light sensors to conserve energy.

MEDIA ACTIVITIES:

NEPRA Media Department keeps the media and all the stakeholders including the general public informed about important developments, decisions and enforced actions of paramount importance. In this regard, NEPRA Media Department publishes advertisements and issues Press Releases/ briefs for the information of all.

During this financial year, NEPRA Media Department published a total of 183 advertisements in accordance with the Press Information Department (PID)'s Standing Operating Procedures (SOPs) and guidelines with subsequent uploading of the same on NEPRA website. Similarly, 88 Press Releases and briefs of paramount importance were also shared with the external media personnel of print and electronic media and in-turn not only received huge coverage of the same but also minimized the misreporting. Apart from that, payment amounting to Rs. 23,222,812/- (23.2 Million) were paid to the advertising agencies & newspapers for the published advertisements. Furthermore, two interactive sessions of the Chairman and senior professionals of NEPRA with the journalists were arranged to create awareness in media about the roles and functions of NEPRA so that best possible and accurate reporting is ensure

Moreover, NEPRA Media Department also help achieve extensive coverage of various events/webinars/workshops in print and electronic media; some of which are mentioned below:

- Visits of NEPRA Authority to Laraib Energy Power Plant, Mirpur AJK, K-Electric in Karachi and Wind power plants in Thatta, Sindh.
- Approval of Indicative Generation Capacity Expansion Plan (IGCEP).
- NEPRA's 2nd Inter Departmental Futsul tournament 2021
- MoU signing ceremony of NEPRA's Licensees i-e Akhuwat Foundation, K-Electric & Engro (Pvt.)
 Ltd MoU signing ceremony between Akhuwat Foundation & KAPCO under NEPRA's CSR Drive at Kot Addu.
- Seminar on Cyber Security under NEPRA's initiative "Power With Security"
- MoU signing ceremony between NEPRA & Dawood Global Foundation under NEPRA's CSR initiative
- First-ever NEPRA's HSE Performance Evaluation Award Ceremony under NEPRA's initiative "Power with Safety"
- Christmas Ceremony for Christian employees of NEPRA
- Agreement signing ceremony between NEPRA and 1Link for online solution for payment of fees.
- Inauguration of Clean & Green drive 2022 by Chairman NEPRA
- First ever CSR Award Ceremony 2022 under NEPRA's CSR initiative "Power with Prosperity"
- Visit of Chairman NEPRA along-with NEPRA Professionals to first ever High Voltage
- Direct Current (HVDC) Transmission Line, Matiari Lahore Converter Station at Lahore
- NEPRA Super League, an Inter-Departmental Tape Ball Cricket Tournament,
- International Women's Day-2022 under the theme "Power with Equality"
- Roll-out ceremony of pocket-sized "Line Staff Safety Handbook" in collaboration with FESCO
- Issuance of Market Operator Licence under CTBCM to the CPPA-G
- Workshop on Industry-Academia Linkages.

INFORMATION TECHNOLOGY DEPARTMENT'S ACTIVITIES

Data Exchange Portal (DxP)

For effective and timely sharing of data between NEPRA and the License, the initiative of Data Exchange Portal (DxP) is approved by Authority under which the M&E Generation, CSR and HSE portals developed during the last year are enhanced, new functionalities and reports as per requirements of the relevant departments are developed.

M&E Distribution Portal is developed for submission of KPI data from the Distribution Licensee. Currently, all Distribution Licensees are submitting their KPI data related to Pending Connections, Pending Net Metering Connections, Overloaded Transformers, ToU meters etc. through this portal. The comprehensive dashboards and Licensee Profiles are developed to visualize the progress of Distribution Licensee on their areas.

The work on the development of M&E Transmission Portal is in progress. Using this portal, the transmission licensee will be able to submit the transmission lines interruption details and other relevant KPI data.

USoA - Financial Analysis

Uniform System of Accounts (USoA) is developed for sharing of regulatory accounts data of Licensees. This data repository will serve as foundation for financial analysis, income statements, monthly invoices, payments, balance sheets and cash flow statements. Apart from financial analytics other reports like capacity and actual performance, monthly fuel stocks, liquidated damages etc, are also developed. In next financial year, the portal will be available to the licensee for online submission of regulatory accounts data.

Net-Metering Compliant Management System

A web based Online Complaints Management System for efficient monitoring and tracking of net metering related complaints registered/filed is developed and deployed. The complete process of redressal of complaints from submission till resolution is covered by this system. The dashboard and different reports are developed for NEPRA and DISCO's officials.

C&I Implementation Module

To improve the internal efficiency and timely implementation of authority decisions, C&I implementation module is developed on Enterprise Content Management System (ECM). When a decision is issued, the relevant officers along with timeline (if applicable) is informed through system generated e-mail. Similarly, when the task is overdue, auto generated email about overdue task is initiated. A dashboard and different type of reports are developed to show the department wise and officer wise progress on these decisions.

Up-dation of Network Operations Center (NOC)

Due to increase in number of devices like CCTV, mobile, Wi-Fi etc connected with network; DHCP server and network switches were reconfigured to include extended network. The firewall was also reconfigured to include the additional subnets.

In order to effectively utilize the available computing power, storage space and network bandwidth, IT department expanded its current virtual infrastructure by addition of two (02) new virtual servers (Oracle APEX, Biometric Server). In next financial year, NEPRA is planning to procure the "Cloud as Infrastructure" services.

In order for availability of 24 x7 IT infrastructure and services, NEPRA is working on proposal of procurement of cloud services as Infrastructure.

Up-dation of IT Infrastructure

In order to equip the employees with latest IT infrastructure, NEPRA has procured Sixty (60) new state of the art 11thgeneration laptop and desktop computers with SSD drive, licensed versions of windows, MS Office and antivirus.

Website Up-dation

NEPRA website layouts and main theme is redesigned to make it more user friendly and promotes the culture and tourism of Pakistan. For safety awareness in general public messages written in Urdu are incorporated. The webpages related to the CSR, HSE and CTBCM were redesigned. For knowledge sharing a new webpage is created to provide access to all the webinars/seminars conducted by NEPRA.

Table-15 Summary of User / Visitor of NEPRA Website during FY 2021-22

Month	Number of Visits	Unique Visitors	Pages	Hits	Bandwidth GB
Jul-21	80,216	37,572	380,320	2,750,392	969.54
Aug-21	80,885	36,069	435,195	2,689,084	982.23
Sep-21	80,763	36,738	395,206	2,794,105	1095.7
Oct-21	83,210	35,224	384,434	2,685,171	1195.3
Nov-21	87,757	32,106	401,039	3,227,440	2329.46
Dec-21	73,570	31,165	347,027	2,334,914	1071.41
Jan-22	80,157	30,181	355,786	2,375,882	998.2
Feb-22	70,632	27,572	327,934	2,172,764	908.8
Mar-22	83,480	31,484	359,267	2,390,820	993.34
Apr-22	78,294	30,628	344,741	2,228,165	916.45
May-22	90,204	34,480	375,745	2,510,566	1002.72
Jun-22	109,496	46,602	470,672	3,565,149	1257.35
Total	998,664	409,821	4,577,366	31,724,452	13,721

ANTICIPATED DEVELOPMENTS AND ACTIVITIES

1) New Performance Standards Regulations to be Developed for FY 2022-23

- Electric Power Supplier
- Trader
- System Operator
- Market Operator

2) Regulations to be Developed for FY 2022-23

- Power Procurement Regulations
- Provincial Grid Company
- National Grid Company

3) Conversion of the Existing Rules into Regulations for FY 2022-23

- NEPRA Licensing (Generation) Rules, 2000
- NEPRA Performance Standards (Transmission) Rules, 2005
- NEPRA Performance Standards (Distribution) Rules, 2005

4) Anticipated Activities of CTBCM for FY 2022-23

- Security Package Documents
- Institutional Restructuring
- Lifting of Moratorium

5) Anticipated Developments - Generation Tariff at Commercial Operation Date FY 2022-23

During the FY 2021-22,COD adjustments were made for the following projects:

- Review Motion against Tariff Adjustments at COD Huaneng Shandong Ruyi (Pakistan)
 Energy (Pvt) Limited-Sahiwal (HSRPEL) 1320 MW Coal Power Project.
- Review Motion against Tariff Adjustments at COD Port Qasim Electric Power Company
 (Pt.) Ltd (PQEPCPL) 1320 MW Coal Power Project.
- Review Motion against Tariff Adjustments at COD Star Hydropower Limited (SHPL) -Patrind Hydro Power Project 150 MW Hydropower Project.
- Tariff Adjustments at COD Sindh Nooriabad Power Company (Pvt.) Ltd. Phase-I & II
 (SNPC-I & II) 50 MW Thermal Power Project.
- Tariff Adjustments at COD Quaid e Azam Thermal Power Pvt. Itd. (QAPTL) 1180 MW
 Thermal Power Project
- Tariff Adjustments at COD Pak Matiari-Lahore Transmission Company Pvt. Limited (PMLTC) + 660 KV, 4000 MW HVDC Transmission Line Project.
- Tariff Adjustments at COD Mira Power Ltd. Gulpur Hydropower Project (MPL) 102
 MW Hydropower Project.
- Tariff Adjustments at COD Master Green Energy Ltd. (MGEL) 50 MW Wind Power Project.

6) Anticipated Developments – Human Resource for FY 2022-23

- Oracle HRMS process reengineering with an aim for transparency and integrity of the data.
- Intensive training programmes
- Restructuring in line with the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018.

KEY RECOMMENDATIONS

Remedial measures suggested for the discussed issues, some key recommendations in the areas of Generation, Transmission and Distribution segments are given below:

Area	Recommendations
741 Cu	(a) Optimum mix of 'Take or Pay' and 'Take and Pay' Contracts
	(b) Generation Mix shift from Imported to Indigenous Fuel
	(c) Least-cost procurement through IGCEP and DISCO's demand based
	(d) Debt Restructuring and Swapping of Expensive Debt (esp. CPEC)
	(e) Optimal Capacity Utilization
	(f) Fuel Supply Planning, Sourcing and Management
	(g) RLNG Contract renegotiation with Qatar/Other countries
	(h) Promote Large Hydel and Micro-Hydel Projects
	(i) Timely payments by CPPA-G to IPPs
Generation	(j) Solar Repowering Expensive GENCOs (Lakhra, Jamshoro, Muzaffargarh, Faisalabad, Multan)
	(k) Tariff Notification of 12 RE projects
	(I) Expediting new RE projects through Competitive Bidding (Quaid-e-Azam Solar Park)
	(m) Exploring Cost-Effective new Technologies
	(n) Hybrid projects, wind-solar, floating solar-hydro, batteries, pumped storage hydro
	(o) Off-grid solutions for Rural Electrification
	(p) Promote Bilateral Trade between buyer and seller through CTBCM(q) Promote Net-Metering and Distributed Energy Solutions
	(r) Closure of inefficient Public Sector GENCOs
	(a) Constraints Removal
	(b) IGCEP/TSEP - (Integrated System Planning)
	(c) Project Delivery On Time and within Budget
	(d) SCADA-III
	(e) Improved Forecasting and Planning by NPCC
	(f) Enhancement of Interconnection Capacity between KE and NTDC systems
Transmission	(g) Activation of Provincial Grid Companies
	(h) Increasing number of Regional Control Centers for better control of system operation
	(i) Separation of NPCC from NTDC - making Independent System Operation
	(j) Procurement process to be made fast
	(k) Provincial support for ROW issues
	(I) Private Sector Investment on BOOT basis
	(a) Privatization of DISCOs (Public-Private Partnership with Provincial Contribution)
	(b) Breaking DISCOs up into smaller sizes (Horizontal Restructuring)
	(c) AT&C losses to be discontinued - Use of Modern Technology
	(d) Autonomy of DISCOs, Improve Governance and Independence
	(e) Customer Oriented Business Approach
	(f) Sales Growth: Reduction in Pending Connection
	(g) Timely Payment of Subsidies to DISCOs
	(h) Recoveries and Loss-Reduction to be Improved
	(i) Outsourcing High Loss Feeders through Supplier Regime
	(j) Outsource meter reading and Revenue officer in one Division on experiment basis
	(k) Over taxation on Consumer Billing to be reviewed
Distribution	(I) AMI, AMR at PMT level with ABC Cable
	(m) Pre-paid Meters in DISCOs
	(n) Industry to operate at night to reduce peak and encourage industries with captives to connect with
	Grid
	(o) Capacity Building of DISCOs
	(p) Seasonal Tariff
	(q) Develop SEZs for increasing demand
	(r) Solarization of Tube Wells
	(s) Demand Side Management
	(t) Improve the DISCO's planning cycle, demand forecast and timely provision of investment and
	Power Acquisition Program
	Tower Acquisition Frogram









July 01, 2021

NEPRA held Public Hearing regarding tariff modification petition filed by PAK Matiari Lahore Transmission Company (Pvt.) Ltd. at NEPRA Tower, Islamabad

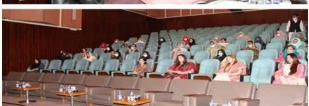




July 06, 2021

Initiation of formal training program i.r.o capacity building of NEPRA employees in collaboration with Florence School of Regulations and Massachusetts Institute of Technology at NEPRA Tower, Islamabad





July 16, 2021 Chairman held meeting with Female Employees of NEPRA





August 03, 2021

NEPRA held three consecutive public hearings on the petitions filed by MEPCO, K-Electric and 3rd quarterly adjustment under MYT





August 12, 2021 Chairman NEPRA, Mr. Tauseef H. Farooqi attended Groundbreaking Ceremony of Tarbela 5th Extension Hydro Project by WAPDA in presence of the Honourable Prime Minister of Pakistan

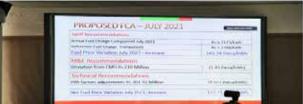




August 14, 2021

Chairman NEPRA, Mr. Tauseef H. Farooqi Celebrated Independence Day with NEPRA Employees at NEPRA Tower, Islamabad





Target Association of the Control of



September 01, 2021

Public Hearing Regarding Fuel Charges Adjustment of XWDISCOs for the Month of July 2021 held at NEPRA Tower, Islamabad

September 15, 2021

Chairman NEPRA, Mr. Tauseef H. Farooqi and CEO-Archive Technologies (Pvt.) Ltd, Mr. Naeem Piracha, signed the agreement to initiate the pilot project for archiving of NEPRA's record







PROMOTING CSR INTERPLES IN PRINCIPLE PRINCIPL

September 17, 2021

Chairman NEPRA, along with Authority Members visited K-Electric where they inaugurated new initiatives on CSR and Distribution/ Operation system

September 18, 2021

NEPRA's Authority visits Wind Power Plants at Jhimpir, Thatta, Sindh





October 03, 2021

NEPRA organized 2nd Inter Departmental Futsul Tournament 2021

October 06, 2021

Akhuwat Islamic Finance (AIM), K-Electric, and Engro Energy signed a Memorandum of Understanding (MoU) to offer interest-free microfinance loans (Qarz-e-Hasna) to households and small business owners





October 22, 2021

NEPRA under its special initiative i.e. 'Power with Security' hosted an in-house seminar on Cyber Security at NEPRA Tower.





November 03, 2021

Public Hearing Regarding Fuel Charges Adjustment of K-Electric for the Month of September 2021 under MYT FY 2017-2023 was held at NEPRA Tower, Islamabad.





November 18, 2021

NEPRA's HSE Performance Evaluation Award ceremony followed by webinar on "Electrical Circuits and Apparatus"





November 30, 2021

Public Hearing Regarding Fuel Charges Adjustment of XWDISCOs for the Month of October 2021 held at NEPRA Tower, Islamabad.





December 03, 2021

Chairman NEPRA Mr. Tauseef H. Farooqi presented and delivered a detailed presentation to the professionals of National Institute of Management (NIM) about NEPRA mandate & structure, its policy





December 23, 2021Chairman NEPRA, Mr. Tauseef H. Farooqi along-with all NEPRA employees celebrated Christmas in solidarity with Christian employees





December 27, 2021

Chairman NEPRA, Mr. Tauseef H. Farooqi along with Authority Member and Senior Professionals bid farewell to Consultant CSR, Mrs. Huma Zafar while wishing her the best of luck for her future endeavours





December 31, 2021

December 31, 2021 Chairman NEPRA, Mr. Tauseef H. Farooqi and CEO 1LINK, Mr. Najeeb Agrawalla signed an agreement at Karachi to facilitate NEPRA licensees to make online payment of fees through digital banking channels using 1Link platform





Jan 03, 2022

As part of New Year Resolution, Chairman NEPRA, Mr. Tauseef H. Farooqi planted a sapling at NEPRA HQ inaugurated NEPRA Clean & Green Drive 2022





Jan 14, 2022

NEPRA hosted a webinar on "Working at Height" in collaboration with "Safe T Consult.". A large number of power sector professionals, and contractors participated along with chairman NEPRA, and professionals





Jan 19, 2022

To celebrate the achievements of NEPRAs licensees in the area of Corporate Social Responsibility (CSR) under the "Power with Prosperity" drive, NEPRA organized the first ever CSR Award Ceremony 2022 at NEPRA HQ





Feb 01, 2022

Public Hearing Regarding Fuel Charges Adjustment of XWDISCOs for the Month of December 2021 held at NEPRA Tower, Islamabad





Feb 15, 2022
Chairman NEPRA talking to the future leaders (students) of National University of Science and Technology (NUST), Islamabad on invitation of Rector and Faculty of NUST





Feb 28, 2022

NEPRA hold two consecutive Public Hearings on Revision in Coal Pricing Mechanism and Fuel Charges Adjustment of XWDISCOs for the Month of January 2022 at NEPRA Tower, Islamabad





March 03, 2022 Chairman NEPRA, Mr. Tauseef H. Farooqi inaugurated the renovated daycare centre at NEPRA HQ





March 04, 2022
Chairman NEPRA, Mr. Tauseef H. Farooqi and Member NEPRA, Mr.
Rafique Ahmad Shaikh along-with senior officers inaugurated 5th NEPRA
Super League, an Inter-Departmental Tape Ball Cricket Tournament at
Islamabad





April 20, 2022

NEPRA hold three consecutive Public Hearings on the tariff petitions of Access Solar, Access Electric (Pvt.) Limited for the determination of Generation Tariff and the application of CPPA-G for grant of license as Market Operator at NEPRA HQ





April 27, 2022

NEPRA hold two consecutive Public Hearings regarding Fuel Charges Adjustment of XWDISCOs and K-Electric for the Month of March 2022





April 27, 2022

Chairman NEPRA, Mr. Tauseef H. Farooqi alongwith Members NEPRA, Engr. Rafique Ahmad Sheikh and Engr. Maqsood Anwar Khan as well as Director General (Admin./HR/CAD), Mr. Naweed I. Sheikh at Khatam ul Quran Ceremony on 26th Ramadan at NEPRA Mosque Islamabad





MAY 09, 2022

NEPRA organized an Eid Milan program at its HQ. The event was graced by Chairman NEPRA, Mr. Tauseef H. Farooqi and attended by all Head of the Departments, officers and officials





MAY 18, 2022

Chairman NEPRA, Mr. Tauseef H. Farooqi briefed the journalists/ correspondents from Print & Electronic Media on mechanism for monthly Fuel Charges Adjustments (FCAs), Quarterly Adjustments and rebasing of Tariff at NEPRA Tower, Islamabad





June 08, 2022

Public Hearing regarding Tariff petition filed by 100 MWp Zorlu Pakistan (Pvt.) Limited for determination of reference Generation Tariff was held at NEPRA Tower, Islamabad





June 13, 2022

NEPRA under the leadership of the Chairman, Mr. Tauseef H. Farooqi holds a workshop on Industry-Academia linkages with the objectives to help creating a nexus between industries and academia





June 23, 2022

Shaikh Abdulaziz Hamad Aljomaih, Vice Chairman, Al Jomaih Holding, Saudia Arabia and Mr. Reyadh S. All-Edrissi- Deputy CEO, National Industries Group called on Chairman NEPRA, Mr. Tauseef H. Farooqi in his office today to discuss matters of mutual interest



Annexures



Annex-I

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

ILYAS SAEED & CO. CHARTERED ACCOUNTANTS A member of mgi worldwide

OFFICE # 26, 2ND FLOOR, ROSE PLAZA, I – 8 MARKAZ, ISLAMABAD PH: (+92) 051 – 4938026 & 051 – 4938027, FAX: (+92) 051 – 4938028 Office # 26, 2nd Floor, Rose Plaza, I-8 Markaz, Islamabad - Pakistan Phone: +92-51-4938026 / 27 E-mail: info.isd@ilyassaeed.com www.ilyassaeed.com

Ilyas Saeed & Co.

Chartered Accountants

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL ELECTRIC POWER REGULATORY AUTHORITY REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of NATIONAL ELECTRIC POWER REGULATORY AUTHORITY (the Authority), which comprise the statement of financial position as at June 30, 2022 and the related income & expenditure account, statement of comprehensive income, statement of changes in fund and statement of cash flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Authority as at June 30, 2022 and its financial performance, its cash flows and changes in general fund for the year then ended in accordance with the approved international financial reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in Pakistan and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved International Financial Reporting Standards as applicable in Pakistan and for such internal control as management determines is necessary to enable the preparation of the 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 Authority's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance,

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A member firm of MGI, a network of independent accounting, audit, tax and consulting firms worldwide

Ilyas Saeed & Co.

Chartered Accountants

but is not a guarantee that an audit conducted in accordance with ISAs 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 the users taken on the basis of these financial statements.

As part of an audit, in accordance with ISAs, 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 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 Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by the 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 Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report related 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 up to the date of our auditors' report. However, future events or conditions may cause the Authority 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 transaction and events in a manner that achieves fair presentation.

We communicate with the management 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.

CHARTERED ACCOUNTANTS Engagement Partner: IMRAN ILYAS ISLAMABAD: 23/09/2022.

UDIN: AR202210247qB3SKXAGU

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NATIONAL ELECTRIC POWER REGULATORY AUTHORITY STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022

		2022	2021
NET ASSETS	Note	Rupees	Rupees
	A SACASAN A	(A)	
NON-CURRENT ASSETS			
Property, plant and equipment	4	485,197,089	527,923,583
Intangible assets	5	36,225	70,923
Advances to employees	6	819,460,998	638,919,853
		1,304,694,312	1,166,914,359
CURRENT ASSETS			
Current portion of advances to employees	6	48,944,557	63,932,259
Fee receivable	7	37,239,688	181,598,863
Advances, deposits, prepayments, other receivables	8	121,325,190	30,005,974
Tax due from government	9	486,887,421	485,717,622
Deferred tax asset	10	70,361,761	,
Cash and bank balances	11	244,171,459	411,145,137
	41.4636.6	1,008,930,076	1,172,399,855
CURRENT LIABILITIES			
Accrued and other liabilities	12	(428,095,963)	(519,790,614)
Provision for taxation	13	(164,435,302)	(166,698,601)
Payable to Federal Consolidation Fund (FCF)	14	(561,829,176)	(461,369,386)
Current portion of long term loans	15	(750,594)	(750,592)
		(1,155,111,035)	(1,148,609,193)
NON-CURRENT LIABILITIES			
Long term loan	15	(23,268,565)	(24,019,159)
Deferred liabilities	16	(3,958,698)	(8,262,824)
Deferred tax liability	10	-	(27,136,948)
		(27,227,263)	(59,418,931)
		1,131,286,090	1,131,286,090
	,		
REPRESENTED BY:			
Capital contribution by Government of Pakistan	17	131,286,090	131,286,090
Building reserve	18	1,000,000,000	1,000,000,000
CONTINGENCIES AND COMMITMENTS	19		
		1,131,286,090	1,131,286,090

The annexed notes 1 to 31 form an integral part of these financial statements.

MEMBER

CHAIRMAN

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
PARTICULARS	Note	Rupees	Rupees
Fee income	20	2,028,359,613	1,880,278,231
Administrative expenses	21	(1,738,982,030)	(1,335,189,668)
Finance cost	22	(4,253,755)	(2,859,273)
Other income	23	106,104,788	67,179,689
Surplus for the year before tax		391,228,616	609,408,979
Taxation	24	(60,083,826)	(182,590,930)
Surplus for the year after tax		331,144,790	426,818,049
			14.00

The annexed notes 1 to 31 form an integral part of these financial statements.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2022

PARTICULARS	2022 Rupees	2021 Rupees
Surplus for the year after tax	331,144,790	426,818,049
Other comprehensive income / (loss) for the year		
Experience adjustment - Defined benefit obligation	-	48,663,855
Tax effect of remeasurement (gain) / loss	-	(14,112,518) 34,551,337
Total comprehensive income for the year	331,144,790	461,369,386

The annexed notes 1 to 31 form an integral part of these financial statements.

Member

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
PARTICULARS	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus for the year before tax	391,228,616	609,408,979
Adjustments for:		
- Provision for gratuity and earned leaves	172,686,824	113,029,189
- Depreciation and amortization	60,310,948	64,245,302
- Finance cost	4,253,755	2,859,273
- Mark up income	(102,438,647)	(66,152,243)
- Gain on sale of fixed assets	(3,659,041)	(1,027,446)
	131,153,839	112,954,075
Working capital changes:		
(Increase) in advances to employees	(165,553,443)	(504,158,072)
Decrease / (Increase) in advances, deposits and other receivables	53,039,959	7,614,397
Decrease / (Increase) in tax refund due from government	(1,169,799)	(4,569,182)
Increase in accrued and other liabilities	(232,681,723)	69,697,713
	(346,365,006)	(431,415,144)
Net cash generated from operations	176,017,449	290,947,910
Payments made:		
Earned leaves and gratuity fund	(36,003,878)	(171,847,237)
Markup on long term loan	(4,253,755)	(2,859,273)
Income taxes	(159,845,834)	(124,014,649)
	(200,103,467)	(298,721,159)
Net cash generated from operating activities	(24,086,018)	(7,773,249)
CACH FLOW FROM INVESTING ACTIVITIES		
CASH FLOW FROM INVESTING ACTIVITIES Capital expenditure during the year	(21,547,206)	(48,513,804)
Cash received against sale of fixed assets	7,656,490	3,480,422
Markup received during the year	102,438,650	66,152,243
Net cash generated from investing activities	88,547,934	21,118,861
wet cash generated from investing activities	66,547,954	21,110,001
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of loans	(750,594)	(750,592)
Amount paid to Federal Consolidation Fund	(230,685,000)	(134,365,528)
Net cash (used in) financing activities	(231,435,594)	(135,116,120)
Net cash & cash equivalents during the year	(166,973,678)	(121,770,508)
Cash and cash equivalents at beginning of the year	411,145,137	532,915,645
Cash and cash equivalents at end of the year	244,171,459	411,145,137
		-, y

The annexed notes 1 to 31 form an integral part of these financial statements.

CHAIRMAN

115

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY FOR THE YEAR ENDED JUNE 30, 2022 STATEMENT OF CHANGES IN FUNDS

	Capital contribution by Government of Pakistan	Building Reserve Fund	Accumulated Surplus	Total
PARTICULARS	<u>Note</u>	Rupees	Si	
Balance as at July 01, 2020	131,286,090	1,000,000,000		1,131,286,090
Total comprehensive income for the year	•		461,369,386	461,369,386
Allocated to Federal Consolidation Fund	14		(461,369,386)	(461,369,386)
Balance as at June 30, 2021	131,286,090	1,000,000,000	,	1,131,286,090
Total comprehensive income for the year		,	331,144,790	331,144,790
Allocated to Federal Consolidation Fund			(331,144,790)	(331,144,790)
Balance as at June 30, 2022	131,286,090	1,000,000,000	,	1,131,286,090

The annexed notes 1 to 31 form an integral part of these financial statements.

1 NATURE AND STATUS OF OPERATIONS

National Electric Power Regulatory Authority (the Authority) was established as a body corporate under Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 for the regulation of power sector in the Country. The Authority operates through Head Office located in NEPRA Tower, Attaturk Avenue (East), Sector G-5/1, Islamabad and ten provincial and regional offices across Pakistan.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as adopted by the Institute of Chartered Accountants of Pakistan. Although, the Authority is not required to comply with the requirements of IFRS, nevertheless, to follow the best practices, the Authority has adopted most of the approved accounting standards as applicable in Pakistan as framework for preparation of financial statements.

2.1 Basis of preparation

These financial statements have been prepared under historical cost convention except for certain financial instruments which are measured at fair value and employee retirement benefits including staff compensated absences which are measured at their present values as determined under the provisions of IAS-19, "Employee Benefits".

2.2 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is the Authority's functional and presentation currency. Amounts presented in Pakistani Rupees have been rounded off to the nearest rupee, unless otherwise indicated.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost comprises purchase price and other directly attributable costs. Capital work-in-progress is stated at cost less impairment, if any. Depreciation is charged on straight line method to write off the depreciable amount of each asset over its estimated useful life. Rates are specified in note 4 to the financial statements. Depreciation on additions is charged from the day on which the asset is put to use and on disposals up to the date of disposal. Normal repairs and maintenance are charged to income and expenditure account as and when incurred, whereas major improvements and modifications are capitalized. Gains and losses on disposal of property, plant and equipment are taken to the income and expenditure account.

The Authority reviews the useful lives and residual values of property plant and equipment on a regular basis.

3.2 Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment except for intangible assets under development which are stated at cost less impairment, if any. Amortization on intangible assets having finite useful life is calculated on straight-line basis at rates specified in note 5 to the financial statements.

3.3 Loans and advances

Loans and advances are classified as long term and / or short term based on the repayment terms and / or recoverability period. These are measured at cost less any provision for doubtful recoverables.

3.4 Investments - Held to maturity investments

The Authority classifies financial assets as held to maturity when it has positive intent and ability to hold the investments to maturity. Held-to-maturity financial assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest rate method less any impairment losses.

3.5 Staff benefits

(i) Defined contribution plan - on retirement

The Authority operates a contributory provident fund in which equal contributions are made by eligible employees and the Authority. The contributions are made at the rate of 5% or 10% (at the option of each employee) of basic salary plus utilities allowance. The Authority's contribution is charged to income and expenditure account currently.

(ii) Earned leaves

The Authority has a policy to provide for encashable leaves to its eligible employees in accordance with respective entitlement on cessation of service or on request of employee(s) during the service period. Related expected cost has been included in the financial statements.

(iii) Defined benefit plan - on retirement

The Authority operates funded and unfunded gratuity schemes in respect of all eligible employees. Provision is made annually for funded and unfunded gratuity schemes to cover the Authority's obligations by way of charge to the income and expenditure account.

3.6 Revenue recognition

License fee is recognized on accrual basis. Interest income on investments / deposits is recognized on a time proportion basis. Income from generation and transmission companies is recognized when fee notice is raised whereas, the income from distribution companies is recognized when units sold are confirmed by the distribution companies.

3.7 Foreign currency transactions

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the reporting date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences are included in income and expenditure account.

3.8 Taxation

(i) Current

Provision for current taxation is based on taxable income at the current rate of tax, after taking into account the applicable tax credits, rebates and exemptions available, if any, and any adjustments to the tax payable in respect of previous years.

(ii) Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all taxable temporary differences arising from differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent it is probable that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on the tax rates that have been enacted or substantially enacted by the date of issue of financial statements.

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.

3.9 Receivables

Receivables are initially recognized at fair value and subsequently stated at amortized cost. Known impaired receivables are written off while receivables considered doubtful of recovery are fully provided for.

3.10 Trade and other payables

Trade and other payables are initially recognized at fair value and subsequently stated at amortized cost.

3.11 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and bank balances and are stated at cost which approximates to their fair value.

3.12 Interest bearing borrowing

Interest bearing borrowings are recognized initially at cost being the fair value of consideration received less attributable transaction costs. Subsequent to initial recognition, interest bearing borrowing are stated at original cost less subsequent repayments. Interest expense for the current year is included in income and expenditure account.

3.13 Provisions

A provision is recognized in the statement of financial position when the Authority has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the same can be made. Provisions are determined by discounting the expected future cash flows at a pre tax discount rate that reflects current market assessment of time value of money and risk specific to the liability. The unwinding of discount is recognized as finance cost.

3.14 Impairment

The carrying amounts of the Authority's assets are reviewed at each reporting date to determine whether there is any indication of impairment loss. An impairment loss is recognized for the amount by which the asset's fair value less cost to sell and value in use. An impairment loss or reversal of impairment loss is recognized in the statement of comprehensive income.

3.15 Off-setting of financial assets and liabilities

A financial asset and a financial liability is set off and the net amount is reported in the financial statements if the Authority has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.16 Financial Instruments

Financial assets and financial liabilities are recognized when the Authority becomes a party to the contractual provisions of the instruments. These are initially measured at cost, which is the fair value of the consideration given or received. These financial assets and liabilities are subsequently measured at fair value and amortized cost as the case may be. The Authority derecognizes financial assets and liabilities when it ceases to be a party to such contractual provisions of the instruments.

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022

		0 0	COST				DEPRECIATION	NOI		W.D.V.
PARTICULARS	AS AT	SHOTHOUS	protection,	ASAT	1	ASAT	a san a san	ACCUMULATED	ASAT	AS AT
	JULY 01, 2021	ADDITIONS	(DELETION)	JUNE 30, 2022	RAIL	JULY 01, 2021	FOR THE YEAR	DEPRECIATION	JUNE 30, 2022	JUNE 30, 2022
Leasehold Land	16,555,500			16,555,500	1%	2,461,179	163,893		2,625,072	13,930,428
Office Building	603,652,217	,	,	603,652,217	3%-20%	209,470,923	15,875,698	,	225,346,621	378,305,596
Machinery & Equipment	206,142,275	160,921		206,303,196	10%	152,603,671	20,630,320		173,233,991	33,069,205
Office Equipment	22,142,855	4,043,095		26,185,950	20%	14,320,250	2,910,245		17,230,495	8,955,455
Computer & Accessories	55,328,813	13,589,211		68,918,024	33%	41,599,466	7,781,115		49,380,581	19,537,443
Furniture & Fixtures	20,866,835	3,753,979		24,620,814	20%	10,777,338	3,137,526		13,914,864	10,705,950
Vehicles	124,631,106		(33,567,653)	91,063,453	20%	90,191,936	9,756,132	(29,570,204)	70,377,864	20,685,589
Others	3,500,300			3,500,300	50%	3,471,553	21,322		3,492,875	7,425
TOTAL 2022 (Rs.)	1,052,819,901	21,547,206	(33,567,653)	1,040,799,454		524,896,316	60,276,251	(29,570,204)	555,602,363	485,197,089
			(12,020,447)							
				2021	11					

		COS	ST				DEPRECIATION	NOI		W.D.V.
PARTICULARS	ASAT	ADDITIONS	(DELETION)	AS AT	DATE	ASAT	COO TUE VEAD	DEPRECIATION	AS AT	AS AT
	JULY 01, 2020	SNOTIONS	(DECETION)	JUNE 30, 2021	NA II	JULY 01, 2020	TON INC TEAN	OF DISPOSAL	JUNE 30, 2021	JUNE 30, 2021
Leasehold Land	16,555,500			16,555,500	1%	2,297,280	163,899		2,461,179	14,094,321
Office Building	591,835,424	11,816,793		603,652,217	3%-20%	191,012,768	18,458,155		209,470,923	394,181,294
Machinery & Equipment	204,719,416	1,422,859		206,142,275	10%	131,835,512	20,768,159		152,603,671	53,538,604
Office Equipment	19,451,890	2,690,965		22,142,855	20%	11,942,693	2,377,557	,	14,320,250	7,822,605
Computer & Accessories	44,288,077	11,040,736		55,328,813	33%	36,106,422	5,493,044		41,599,466	13,729,347
Furniture & Fixtures	18,065,886	2,800,949		20,866,835	20%	8,172,170	2,605,168		10,777,338	10,089,497
Vehicles	114,969,809	18,637,400	(8,976,103)	124,631,106	50%	82,480,250	14,234,813	(6,523,127)	90,191,936	34,439,170
Others	3,500,300			3,500,300	70%	3,360,226	111,327		3,471,553	28,747
TOTAL 2021 (Rs.)	1,013,386,302	48,409,702	(8,976,103)	1,052,819,901		467,207,321	64,212,122	(6,523,127)	524,896,316	527,923,583

4.1 In respect of building, different rates are being used for different components / elements of building such as furnishing, consultancy fee and etc.

	NAL ELECTRIC POWER REGULATORY AUTHORIT TO THE FINANCIAL STATEMENTS	Υ		2022	2021
FOR TH	E YEAR ENDED JUNE 30, 2022		Note	Rupees	Rupees
5	INTANGIBLE ASSETS - Computer softw	ware			
	Opening balance - cost			21,733,961	21,629,859
	Additions during the year			-	104,102
	Closing balance - cost			21,733,961	21,733,961
	Accumulated Amortization			(21,697,736)	(21,663,038)
	Closing balance			36,225	70,923
	Amortization rate		, -	33%	33%
6	ADVANCES TO EMPLOYEES				
	Opening balance			702,852,112	198,694,040
	Paid during the year		6.1	249,887,000	649,289,752
	Recovered during the year			(84,333,557)	(145,131,680)
				868,405,555	702,852,112
	Current portion			(48,944,557)	(63,932,259)
				819,460,998	638,919,853

6.1 These represent advances given to the employees for purchase of vehicles and / or owning land/house. These are interest free and are given for a period of more than one year. Further, advances given for land/house are recoverable during service life and are secured against terminal benefits in accordance with approved policies.

7 FEE RECEIVABLE

Fee receivable - considered good		37,239,688	51,398,863
Fee receivable - not considered good	7.1	161,941,988	130,200,000
		199,181,676	181,598,863
Provision for recievable-not considered good		(161,941,988)	-
		37,239,688	181,598,863

7.1 Rs. 161.94 million (2021: Rs. 130.20 million) is outstanding for a significant period of time. Keeping in view the relevant fee rules and regulations, the provision for recievables in respect of not considered good is being provided against fee income recognised on accrual basis during the previous years.

8 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances to staff		7,775,261	7,267,859
Security deposits		2,148,388	2,148,388
Prepaid rent		7,269,423	4,316,062
Advances to suppliers		92,544,863	3,669,467
Accrued interest		5,618,101	8,455,268
Advances against medical bills		2,741,198	1,838,260
Other receivables		3,227,956	1,084,500
Excess paid to gratuity fund	13.2		1,226,170
	_	121,325,190	30,005,974

8.1 All of the above are unsecured but are considered good.



NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022	<u>Note</u>	2022 Rupees	2021 Rupees
9 TAX DUE FROM GOVERNMENT			
Opening balance Advance tax deducted / paid during the year Tax adjusted against liability of previous years	9.1	485,717,622 161,015,633 (159,845,834) 486,887,421	481,148,440 128,583,831 (124,014,649) 485,717,622

9.1 It includes Rs. 290 million paid for Tax Years 2003 to 2007. The tax authorities issued notices to the Authority for filing of return of total income for the Tax Years 2003 to 2007. The management of the Authority communicated its legal stance through correspondence with the tax authorities. However, to comply with the requirements of statutory notices, returns for the aforesaid Tax Years were filed claiming the net income of the Authority being exempt from tax. However, the tax authorities amended the assessments of all the aforesaid Tax Years by rejecting the stance taken by the Authority and raised a net tax demand of Rs. 290 million. The Commissioner Inland Revenue (Appeals) also upheld these amendments. The appeals filed with Appellate Tribunal Inland Revenue against the orders of Commissioner Inland Revenue (Appeals) were also rejected by the Appellate Tribunal Inland Revenue by placing reliance on the judgment of the High Court in the matter of Pakistan Telecommunication Authority. Whereas amendment for the Tax Year 2003 were annulled by the Appellate Tribunal Inland Revenue on legal grounds. The Authority filed references before the High Court. The Islamabad High Court in its decision dated January 14, 2019 declared that the Authority is not exempt from tax. Meanwhile, the Court has given the ruling that the provisions of Section 49(4) of the Income Tax Ordinance, 2001 could not be given retrospective effect. In light of the above decision, the Authority is subject to tax w.e.f. Tax Year 2007.

10 Deferred tax (asset) / liability

On an in a defense of tour (accest) / lie bility

	Opening deferred tax (asset) / liability		27,136,948	(2,867,899)
	Charged to income & expenditure account		(97,498,709)	15,892,329
	Credit recognised in other comprehensive income	е		14,112,518
	Closing deferred tax liability / (asset)		(70,361,761)	27,136,948
10.1	Deferred tax (asset) / liability arising due to:			
	Accelarated depreciation		39,539,972	64,759,453
	Gratuity provision		(1,148,022)	(2,396,219)
	Leave encashment		(61,790,534)	(35,226,286)
	Provision for doubtful receivables		(46,963,177)	-
			(70,361,761)	27,136,948
11	CASH AND BANK BALANCES			
	Cash in hand			724,383
	Cash at bank:			
	Saving accounts - functional currency	11.1	244,171,459	410,420,754
			244,171,459	411,145,137

11.1 These carry markup ranging from 5.5% to 12.5% (2021: 4% to 6%) per annum.

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NOTES T	TO THE FINANCIAL STATEMENTS		2022	2021
	E YEAR ENDED JUNE 30, 2022	Note	Rupees	Rupees
12	ACCRUED AND OTHER LIABILITIES			
	Accrued expenses		30,427,529	29,386,106
	Payable to gratuity fund	12.1	49,386,218	-
	Provision for earned leaves	12.3	213,070,807	121,469,953
	Accrued markup and other charges		980,781	248,948
	Withholding tax payable		1,151,315	1,652,279
	Payable to Competition Commission of Pakistan		21,509,772	321,103,000
	Security deposits		6,074,064	-
	Other payables		105,495,477	45,930,328
		-	428,095,963	519,790,614
12.1	Payable to gratuity fund			
	year's Actuarial Valuation Report for its Gratuity F			i nas been made
12.2	under the light of the reports of the actuary. Details			r nas been made
	under the light of the reports of the actuary. Details Changes in net liability		rated below;	
	under the light of the reports of the actuary. Details Changes in net liability Opening balance	as enumer	(1,226,170)	113,867,043
	under the light of the reports of the actuary. Details Changes in net liability Opening balance Charge during the year		rated below;	113,867,043 47,437,685
	under the light of the reports of the actuary. Details Changes in net liability Opening balance Charge during the year Other comprehensive income	as enumer	(1,226,170)	113,867,043 47,437,685 (48,663,855)
	under the light of the reports of the actuary. Details Changes in net liability Opening balance Charge during the year Other comprehensive income Payments made during the year	12.2.4	(1,226,170) 50,612,388	113,867,043 47,437,685 (48,663,855) (113,867,043)
	under the light of the reports of the actuary. Details Changes in net liability Opening balance Charge during the year Other comprehensive income	as enumer	(1,226,170)	113,867,043 47,437,685 (48,663,855)
	under the light of the reports of the actuary. Details Changes in net liability Opening balance Charge during the year Other comprehensive income Payments made during the year	12.2.4	(1,226,170) 50,612,388	113,867,043 47,437,685 (48,663,855) (113,867,043)
	Under the light of the reports of the actuary. Details Changes in net liability Opening balance Charge during the year Other comprehensive income Payments made during the year Closing balance Reconciliation of amounts recognized as liability	12.2.4 12.2.1	(1,226,170) 50,612,388 - - - 49,386,218	113,867,043 47,437,685 (48,663,855) (113,867,043) (1,226,170)
	under the light of the reports of the actuary. Details Changes in net liability Opening balance Charge during the year Other comprehensive income Payments made during the year Closing balance Reconciliation of amounts recognized as liability Present value of defined obligations	12.2.4 12.2.1	(1,226,170) 50,612,388 - - 49,386,218	113,867,043 47,437,685 (48,663,855) (113,867,043) (1,226,170)
	Under the light of the reports of the actuary. Details Changes in net liability Opening balance Charge during the year Other comprehensive income Payments made during the year Closing balance Reconciliation of amounts recognized as liability	12.2.4 12.2.1	(1,226,170) 50,612,388 - - - 49,386,218	113,867,043 47,437,685 (48,663,855) (113,867,043) (1,226,170)
12.2.1	under the light of the reports of the actuary. Details Changes in net liability Opening balance Charge during the year Other comprehensive income Payments made during the year Closing balance Reconciliation of amounts recognized as liability Present value of defined obligations	12.2.4 12.2.1	(1,226,170) 50,612,388 - - 49,386,218 577,907,476 (528,521,258)	113,867,043 47,437,685 (48,663,855) (113,867,043) (1,226,170) 527,295,089 (528,521,258)
12.2.1	Changes in net liability Opening balance Charge during the year Other comprehensive income Payments made during the year Closing balance Reconciliation of amounts recognized as liability Present value of defined obligations Fair value of plan assets Movement in present value of defined obligation	12.2.4 12.2.1 =	(1,226,170) 50,612,388 - 49,386,218 577,907,476 (528,521,258) 49,386,218	113,867,043 47,437,685 (48,663,855) (113,867,043) (1,226,170) 527,295,089 (528,521,258) (1,226,169)
12.2.1	Changes in net liability Opening balance Charge during the year Other comprehensive income Payments made during the year Closing balance Reconciliation of amounts recognized as liability Present value of defined obligations Fair value of plan assets Movement in present value of defined obligation Present value of defined obligations at start of the year	12.2.4 12.2.1 =	(1,226,170) 50,612,388 - 49,386,218 577,907,476 (528,521,258) 49,386,218	113,867,043 47,437,685 (48,663,855) (113,867,043) (1,226,170) 527,295,089 (528,521,258) (1,226,169) 594,923,516
12.2.1	Changes in net liability Opening balance Charge during the year Other comprehensive income Payments made during the year Closing balance Reconciliation of amounts recognized as liability Present value of defined obligations Fair value of plan assets Movement in present value of defined obligation Present value of defined obligations at start of the year	12.2.4 12.2.1 =	(1,226,170) 50,612,388	113,867,043 47,437,685 (48,663,855) (113,867,043) (1,226,170) 527,295,089 (528,521,258) (1,226,169) 594,923,516 42,313,668
12.2.1	Changes in net liability Opening balance Charge during the year Other comprehensive income Payments made during the year Closing balance Reconciliation of amounts recognized as liability Present value of defined obligations Fair value of plan assets Movement in present value of defined obligation Present value of defined obligations at start of the year Current service cost Interest cost	12.2.4 12.2.1 =	(1,226,170) 50,612,388 - 49,386,218 577,907,476 (528,521,258) 49,386,218	113,867,043 47,437,685 (48,663,855) (113,867,043) (1,226,170) 527,295,089 (528,521,258) (1,226,169) 594,923,516 42,313,668 51,103,813
12.2.1	Changes in net liability Opening balance Charge during the year Other comprehensive income Payments made during the year Closing balance Reconciliation of amounts recognized as liability Present value of defined obligations Fair value of plan assets Movement in present value of defined obligation Present value of defined obligations at start of the year	12.2.4 12.2.1 =	(1,226,170) 50,612,388	113,867,043 47,437,685 (48,663,855) (113,867,043) (1,226,170) 527,295,089 (528,521,258) (1,226,169) 594,923,516 42,313,668

528,521,258

528,521,258

481,056,472

113,867,043

45,979,796

(54,206,741)

(58,175,312)

528,521,258

Fair value of plan assets at start of the year

Contribution during the year

Experience adjustment

Benefit paid

Expected return on plan assets

NOTES TO THE FINANCIAL STATEMENTS		2022	2021
FOR THE YEAR ENDED JUNE 30, 2022	Note	Rupees	Rupees
12.2.4 Charge during the year			
Transitional liability recognized during the year:			
Current service cost		50,734,088	42,313,668
Interest cost		(121,700)	51,103,813
Expected return on plan assets			(45,979,796)
	_	50,612,388	47,437,685

Discount rate	10.00%	10.00%
Expected rate of salary growth	10.00%	10.00%
Mortality rate	SLIC-2001-2005	SLIC-2001-2005
Withdrawal factor	Low	Low
Average duration of defined benefit obligation	9 years	9 years

12.2.6 Sensitivity analysis

The calculation of defined benefit obligation is sensitive to the assumptions set out above. The following table summarises how the impact on the defined benefit obligation at the end of the reporting period would have increased / (decreased) as a result of a change in the respective assumptions by one percent.

	account by one percent				
			Defined benefit obligation		
	Effect in Rupees due to:		1 percent	1 percent	
	Discount rate		523,236,045	482,132,822	
	Salary increase rate		532,568,040	576,687,789	
12.3	Changes in net liability - earned leaves				
	Opening balance		121,469,953	115,508,493	
	Charge during the year		124,071,764	63,124,754	
	Payments made during the year		(32,470,910)	(57,163,294)	
	Closing balance		213,070,807	121,469,953	
13	PROVISION FOR TAXATION				
	Opening balance		166,698,601	124,014,649	
	Charge during the year		157,582,535	166,698,601	
	Adjustment / payment during the year		(159,845,834)	(124,014,649)	
	Closing balance		164,435,302	166,698,601	
14	PAYABLE TO FEDERAL CONSOLIDATED FUND				
	Opening balance		(461,369,386)	(134,365,528)	
	Add: Total comprehensive income for the year		(331,144,790)	(461,369,386)	
	Less: Paid during the year	14.1	230,685,000	134,365,528	
			(561,829,176)	(461,369,386)	

14.1 According to NEPRA ACT, 1997 (Act No. XL of 1997), any surplus, after payment of taxes, shall be remitted to Federal Consolidated Fund. So far, the Authority has paid Rs. 1,857,666,465/- (2021: Rs. 1,626,981,465/-) to the FCF since inception.

Annual Report 2021-22 /

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022	<u>Note</u>	2022 Rupees	2021 Rupees
15 LONG TERM LOAN			
Loan from GoP through IDA		24,019,159	24,769,751
Current portion of long term loan		(750,594)	(750,592)
Non-current portion of long term loan	_	23,268,565	24,019,159

- 15.1 The Authority entered into a Subsidiary Loan Agreement ("Agreement") with Government of Pakistan (GoP) in respect of loan from International Development Association (IDA). Under the Agreement, the Authority got a loan of US\$ 1 million (equivalent to PKRs. 58 million) from GoP for capacity building project focused on both the employees and the institutional development.
- 15.2 As per the Agreement, loan from GoP is repayable from September 15, 2014 to March 15, 2039 semi-annually in PKRs. The loan carries interest at 14% per annum. However, the Authority has requested GoP for premature repayment / settlement of loan obligation and is waiting for the outcome / approval from GoP.

16 DEFERRED LIABILITIES

	Provision for gratuity - unfunded		16.1	3,958,698	8,262,824
				3,958,698	8,262,824
16.1	Changes in net liability - gratuity	unfunded			
	Opening balance			8,262,824	6,612,974
	Net charge during the year			(771,158)	2,466,750
	Payments during the year			(3,532,968)	(816,900)
	Closing balance			3,958,698	8,262,824

17 CAPITAL CONTRIBUTION BY GOVERNMENT OF PAKISTAN

This represents grant received from Federal Government on non-repayment basis for establishment of the Authority.

18 BUILDING RESERVE

This represents unfunded reserve created in prior years pursuant to the approval of the Authority for the purpose of the NEPRA building.

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

(i) There are no contingencies as at June 30, 2022 (2021: Nil). However, the Authority has been made memo party in various legal cases and the Authority believes that the outcome of these cases would not result in any financial exposure to the Authority.

19.2 Commitments

There is no material commitments as at June 30, 2022 (2021: Nil).

NATION	AL ELECTRIC POWER REGULATORY AUTHORITY		
NOTES T	O THE FINANCIAL STATEMENTS	2022	2021
FOR THE YEAR ENDED JUNE 30, 2022		Rupees	Rupees
20	FEE INCOME		
	License fee	1,726,068,108	1,568,487,966
	Application and modification fee	290,697,998	142,125,153
	Tariff petition and others	74,326,279	228,693,195
,	Gross fee income	2,091,092,385	1,939,306,314
	Less: Fee and levies	(62,732,772)	(59,028,083)
	Net fee income	2,028,359,613	1,880,278,231

- 20.1 In addition to the above stated income, license fee of Rs. 12.93 million has not been recorded as income for the year as managegement is certain that this income would not be recovered from the licensees despite of the fact that these companies have still active licensee status.
- 20.2 This represents an amount payable to Competitive Commission of Pakistan under the CCP Act whereby five Authorities are required to pay an amount equal to 3% of their income collected to CCP on quarterly basis every year. The above provision has been calcualted on the basis of income booked during the year, whereas, actual payment is made on income as and when collected. So far, the Authority has paid Rs. 362,326,000/- (2021: Rs. Nil) since inception.

21 ADMINISTRATIVE EXPENSES

	Salaries, benefits and allowances		1,320,404,033	1,116,209,639
	Repairs and maintenance		30,851,316	23,830,056
	Travelling expenses		18,784,397	17,777,529
	Communication		11,909,611	12,427,056
	Utilities		27,639,087	18,535,810
	Rent expense		10,160,123	14,470,442
	Printing and stationery		12,370,445	12,744,273
	Training and development		25,307,329	3,679,857
	Hearings and events		928,448	276,769
	Advertisement		24,180,275	18,684,743
	Insurance expense		6,788,531	5,880,378
	Legal and professional		8,320,350	9,588,082
	Audit fee	21.1	330,600	250,560
	Vehicle running cost		11,515,100	8,963,330
	Depreciation and amortization		60,310,948	64,245,302
	Provision for bad debts		161,941,988	-
	Staff uniform		827,971	1,141,353
	Entertainment expense		6,411,478	6,484,489
			1,738,982,030	1,335,189,668
21.1	Audit fee			
	Professional fee		285,000	216,000
	Sales tax on services		45,600	34,560
			330,600	250,560
22	FINANCE COST			
	Bank shareas		00.621	110 200
	Bank charges		80,431	110,209
	Markup on long term loan		4,173,324	2,749,064 2,859,273
			4,253,755	2,039,273
				v

	AL ELECTRIC POWER REGULATORY AUTHORITY		2022	2021
NOTES T	O THE FINANCIAL STATEMENTS		2022	
FOR THE	YEAR ENDED JUNE 30, 2022		Rupees	Rupees
23	OTHER INCOME			
	Markup on bank accounts		102,438,647	66,152,243
	Gain on sale of fixed assets	23.1	3,659,041	1,027,446
	Miscellaneous Income		7,100	-
		=	106,104,788	67,179,689
23.1	Gain on sale of fixed assets			
	Proceeds from sale of assets		7,656,490	3,480,422
	Cost of asset disposed off	Γ	33,567,653	8,976,103
	Accumulated depreciation on disposal		(29,570,204)	(6,523,127)
	Net book value of asset disposed off	_	3,997,449	2,452,976
	Net gain on sale of assets	_	3,659,041	1,027,446

23.2 These represent vehicles sold to employees of the Authority under its approved policy.

24 TAXATION

Current tax		
- for the year	164,435,302	166,698,601
-prior years	(6,852,767)	-
	157,582,535	166,698,601
Deferred tax		
-for the year	(97,498,709)	15,892,329
-due to change in tax rate	-	-
	(97,498,709)	15,892,329
	60,083,826	182,590,930

24.1 Relationship between accounting profit and tax expense

Accounting profit before tax	391,228,616	609,408,979
Tax rate	29%	29%
Tax on accounting profit	113,456,299	176,728,604
Tax effect of amount not admissible for tax purposes	65,932,576	37,652,673
Tax effect of depreciation & other admissible for tax	(25,751,382)	(47,682,676)
Tax effect of other items fall under final tax regime	10,797,809	-
Temporary difference	(97,498,709)	15,892,329
Rate change		-
	60,083,826	182,590,930
		A

25 FINANCIAL INSTRUMENTS

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

- * Credit risk;
- * Liquidity risk; and
- * Market risk.

2022 Rupees 2021 Rupees

The Members of the Authority have overall responsibility for the establishment and oversight of the Authority's risk management framework.

The Authority's risk management policies are established to identify and analyze the risks faced by it, 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 Authority's activities. the Authority, 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.

Members oversee how management monitors compliance with the Authority's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Authority.

25.1 Credit risk

Credit risk is the risk of financial loss to the Authority if a counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Authority's receivables from financial institutions.

The Authority's exposure to credit risk is influenced mainly by the individual characteristics of each counter party including the default risk of the industry and country in which the counter party works. The Authority regularly monitors the status of receivables. Cash at bank is placed with financial institutions with high credit ratings. the Authority assesses the credit quality of the counter parties as satisfactory.

The Authority establishes an allowance for impairment that represents its estimate of incurred losses in respect of receivables. The maximum exposure to credit risk at the reporting date is as follows:

Advances to employees	868,405,555	702,852,112
Deposits and other receivables	5,376,344	3,222,888
Fee receivable	37,239,688	181,598,863
Bank balances	244,171,459	410,420,754
	1,155,193,046	1,298,094,617

25.2 Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due. The Authority'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 Authority's reputation.

The Authority ensures that it has sufficient cash on demand to meet expected cash outflows during its operating cycle. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. The Authority monitors rolling forecasts of cash and cash equivalents on the basis of budgets.

The table below analyses the Authority's financial liabilities into relevant maturity groupings based on the remaining period at the year end date to the contractual maturity dates. The amounts

1300

2022 Rupees 2021 Rupees

disclosed in the table are the contractual undiscounted cash flows.

	2022 (Rupees)				
	Carrying	Contractual	With in 1 year	1 to 5 year	Over 5 years
Accrued liabilities	427,115,182	427,115,182	427,115,182	-	
Long term loans	24,999,940	24,999,940	2,082,908	10,414,540	12,502,492
	452,115,122	452,115,122	429,198,090	10,414,540	12,502,492
·					
			2021 (Rupees)		
Accrued liabilities	519,541,666	519,541,666	519,541,666	-	-
Long term loans	25,018,699	25,018,699	2,082,908	10,414,540	12,521,251
	544,560,365	544,560,365	521,624,574	10,414,540	12,521,251

25.3 Market risk

Market risk is the risk of changes in market prices such as foreign exchange rates and interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

a) Interest rate risk

Interest rate risk is the risk that value of financial instrument will fluctuate due to changes in market interest rates. At the reporting date, the interest rate profile is as follows:

Fixed rate instruments

Cash at bank	244,171,459	410,420,754
Long term loan	(24,019,159)	(24,769,751)
	220,152,300	385,651,003

The Authority does not account for any fixed rate financial assets and liabilities at fair value through Income and expenditure. Therefore, a change in interest rate at the reporting date would not affect Income and expenditure.

b) Currency risk

The Authority is not significantly exposed to currency risk.

25.4 Fund management

The Authority's fund management is primarily devised under Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 which requires the Authority to remit any surplus of receipts over expenditure in a year to Federal Consolidation Fund. The members of the Authority monitor the movements in the Federal Consolidation Fund.

25.5 Fair value of financial instruments

The carrying value of financial assets and liabilities reflected in the financial statements approximate their fair values.

2022 Rupees 2021 Rupees

25.6 Determination of fair values

A number of the Authority's accounting policies and disclosures require the determination of fair value for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on following methods:

Non - derivative financial assets

The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

26 TRANSACTIONS WITH RELATED PARTIES

The Authority is a statutory body and is a public sector entity. It is a regulatory body of power sector entities and is getting license fee from other government owned power sector entities. Apart from that, it has obtained loan from Government of Pakistan. Except for being a regulatory body, there are no transactions with these related parties.

Apart from the aforesaid, the staff retirement funds also fall in the category of related parties and the transactions with such staff retirement funds are as follows:-

Other related party transactions

Contribution made to Gratuity fund		113,867,043
Contribution made to Provident fund	32,263,806	31,047,360

Balances outstanding at the year end

Payable to / (due from) Gratuity fund 49,386,218

27 REMUNERATION OF CHAIRMAN AND MEMBERS

The aggregate amounts charged in the financial statements in respect of remuneration including benefits applicable to the chairman and the members are given below:

	Basic pay	22,177,703	26,778,276	
	Allowances	13,179,051	13,239,300	
		35,356,754	40,017,576	
	Number of Persons	4	5	
28	NUMBER OF EMPLOYEES			
	Number of employees	454	461	
	Average number of employees during the year	466	455	
			ya	0

2022 Rupees 2021 Rupees

29 RE-ARRANGMENTS AND RE-CLASSIFICATION

The comparative figures have been re-arranged and / or re-classified, wherever necessary, for the purpose of better comparison. However, no such re-arrangements and / or re-classifications has been done in these financial statements.

30 DATE OF AUTHORIZATION

The financial statements were approved by the Authority in its meeting held on 23/09/122

31 GENERAL

Figures have been rounded off to the nearest rupee.

MEMBER

Annex-II

SENIOR MANAGEMENT & KEY CONTACTS

Name & Designation	Department	Telephone No.	Email
Tauseef H. Farooqi Chairman	Chairman	051-9220902	chairman@nepra.org.pk
Rafique Ahmed Shaikh Member	CA / M&E	051-9206797	rafique.ahmed@nepra.org.pk
Maqsood Anwar Khan Member	Licensing / Tariff	051-9210209	maqsoodanwarkhan@hotmail.com
Member (Balochistan)	Vacant	051-9206887	
Member (Punjab)	Vacant	051-9207300	
Naweed Illahi Shaikh Director General	CAD / HR & Admin	051-9217673	naweedshaikh@nepra.org.pk
Syed Safeer Hussain Registrar	Registrar	051-9206500	safeer@nepra.org.pk
Imtiaz Hussain Baloch Director General	Licensing	051-9206527	ihussain@nepra.org.pk
Anwar Malik Director General	M&E	051-9205004	anwar.malik@nepra.org.pk
Sajid Akram Addl. Director General	Tariff	051-9203163	sajid.akram@nepra,org.pk
Mazhar Iqbal Ranjha Addl. Director General	M&E	051-9207200	miranjha@nepra.org.pk
Kazi Imran Sr. Advisor	M&E	051-9207543	kazi.imran@nepra.org.pk
Muhammad Ramzan Director	C&I	051-9205224	ramzan@nepra.org.pk
Tufail Ahmed Director	Administration	051-9205004	tufail@nepra.org.pk
Irfan Saeed Director	Finance	051-9244765	irfan.saeed@nepra.org.pk
Muddasar Naqvi Legal Advisor	Legal	051-9203680	bmnaqvi@nepra.org.pk
Irfan M. Gill Legal Advisor	Legal	051-2600036	i.gill@nepra.org.pk
Irfan Yousuf Consultant	Technical	051-2600047	irfan.yousuf@nepra.org.pk
Gul Hassan Bhutto Consultant	СТВСМ	051-9208045	bhutto.gulhassan@nepra.org.pk
Sohail Ahmed Consultant	Health Safety & Environment	051-9205045	sohailahmad@nepra.org.pk
Mehroze Rafique Team Lead	Corporate Social Responsibility	051-9205052	m.rafique@nepra.org.pk

Annex-III

ADDRESSES OF NEPRA REGIONAL OFFICES

Karachi	Lahore
1st Floor, Office No. 101 Balad Trade Center Plot No. 15/118, Block No.3 Bahar Muslim Housing Society Karachi.	2nd Floor, Office No. 212 National Tower, Opposite LDA Plaza Edgerton Road, Lahore.
Ph: 021-34893001 cadkarachi@nepra.org.pk	Ph: 042-99203483 cadlahore@nepra.org.pk
Peshawar	Quetta
6th Saddar Road, 2nd Floor Room No. 3 & 4, Tasneem Plaza, 6th Saddar Road Peshawar Cantt Peshawar.	Room No. 1, 2nd Floor, Rehman Center, 7-A, Opposite NADRA Office, Model Town, Hali Riad, Quetta
Ph: 091-5271238-39 cadpeshawar@nepra.org.pk	Ph: 081-2822035-36 cadquetta@nepra.org.pk
Sukkur	Hyderabad
House No. D-10, Hamdard Housing Society, Airport Road, Sukkur	C-64, Phase-1, Near Post Office, Qasimabad, Hyderabad.
Ph: 071-5804563 cadsukkur@nepra.org.pk	Ph: 022-2672538 cadhyderabad@nepra.org.pk
Gwadar	Faisalabad
GPA Complex, 1st Floor, Adjacent to NADRA Office, Abdul Majeed Gwadari Road, Gwadar.	1st floor, Plaza No. C-6B, Opposite National Bank, College Road, Kohinoor City, Faisalabad Ph: 041-8727800 cadfaisalabad@nepra.org.pk
Multan	Gujranwala
Office No 39, 1st Floor, Orient Mall Khanewal road near Chowk Kumharanwala, Multan.	Office # 87, Block M, Trust Plaza, Gujranwala Ph : 055-3822766
Ph: 061-6784537 cadmultan@nepra.org.pk	cadgujranwala@nepra.org.pk

Annex-IV

GLOSSARY OF ACRONYMS USED

ASR Aggregated Service Router

BPC Bulk Power Consumer

CAD Consumer Affairs Division

CCI Council of Common Interests

CCTV Closed Circuit Television

CDA Capital Development Authority

CEO Chief Executive Officer

CIR Committed Information Rate

COD Commercial Operation Date

CPEC China Pakistan Economic Corridor

CPPA-G Central Power Purchasing Agency Guarantee Limited

DCRP Distribution Code Review Panel

DG Distributed Generation

DHCP Dynamic Host Configuration Protocol

DISCO Ex WAPDA Distribution Company

ECC Economic Coordination Committee

ERP Enterprise Resource Planning

FESCO Faisalabad Electric Supply Company Limited

GENCO Public Sector Generation Company

GEPCO Gujranwala Electric Power Company Limited

HESCO Hyderabad Electric Supply Company Limited

HVDC High Voltage Direct Current

IESCO Islamabad Electric Supply Company Limited

LESCO Lahore Electric Supply Company Limited

MEPCO Multan Electric Power Company Limited

MW Megawatt

Annual Report 2021-22

MYT Multi-Year Tariff

NPCC National Power Control Centre

NEPRA National Electric Power Regulatory Authority

NTDC National Transmission and Despatch Company

PESCO Peshawar Electric Supply Company Limited

PPP Power Purchase Price

PSDR Performance Standards (Distribution) Rules

PSGR Performance Standards (Generation) Rules

PSTR Performance Standards (Transmission) Rules

PTPL Punjab Thermal Power (Private) Limited

QESCO Quetta Electric Supply Company Limited

RLNG Re-Gasified Liquefied Natural Gas

SAIFI System Average Interruption Frequency Index

SAIDI System Average Interruption Duration Index

SEPCO Sukkur Electric Power Company Limited

SCADA Supervisory control and data acquisition

SOP Standard Operating Procedure

T&D Transmission and Distribution

TESCO Tribal Areas Electric Supply Company

USAID United State Agency for International Development

UOSC Use of System Charges

USOA Uniform System of Accounts





NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

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