



ANNUAL REPORT

2024-25



NATIONAL ELECTRIC POWER REGULATORY AUTHORITY



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NATIONAL ELECTRIC POWER
REGULATORY AUTHORITY



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.

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CHAIRMAN'S MESSAGE

I am pleased to present NEPRA's Annual Report for FY 2024-25, a year marked by steady progress in regulatory reform and institutional strengthening. During the year, the Authority advanced critical milestones under the Competitive Trading Bilateral Contract Market (CTBCM), including the review of key market documents and the establishment of the Independent System and Market Operator (ISMO), pivotal steps toward the development of a transparent, efficient, and competitive electricity market.

Despite prevailing economic challenges, NEPRA remained focused on balancing consumer affordability with the long-term financial sustainability of the power sector. Through fair, transparent, and timely tariff and licencing determinations, supported by enhanced monitoring and technical oversight, the Authority strengthened accountability and contributed to measurable improvements in overall system performance.

Consumer protection continued to remain central to NEPRA's regulatory mandate. To enhance accessibility and responsiveness, NEPRA launched the "NEPRA Asaan Approach" mobile application, enabling consumers to conveniently register electricity-related complaints and facilitating their prompt redressal. This digital initiative complements existing complaint-handling mechanisms available through NEPRA's regional offices, including in-person submissions and courier services. In addition, the Appellate Board and Provincial Offices of Inspection remained actively engaged in ensuring the timely and effective resolution of consumer grievances.

The Authority also actively supported the integration of renewable energy into the national power system and promoted the expansion of net-metering facilities. These initiatives empowered consumers to generate their own electricity, reduce energy costs, and supply surplus power to the grid, thereby advancing national sustainability and energy security objectives.

Institutional strengthening remained a key priority throughout the year. Enhancements in digital systems, cyber-security frameworks, internal audit functions, and adjudicatory processes enabled NEPRA to operate with greater transparency, efficiency, and institutional resilience.

Notwithstanding these achievements, the power sector continues to face structural challenges requiring sustained and focused attention. Surplus generation capacity, modest demand growth, transmission constraints, governance weaknesses within distribution companies, existence of circular debt, and delays in privatization remain significant impediments to long-term financial viability.

At the same time, the evolving sector landscape presents an opportunity to realign reforms, strengthen institutional governance, and accelerate the transition toward a more efficient, transparent, and market-oriented power sector.

As we move forward, NEPRA remains fully committed to advancing competitive market reforms, enhancing operational efficiency, and reinforcing investor and consumer confidence. I extend my sincere appreciation to my fellow Members, the NEPRA Secretariat, and all stakeholders for their continued dedication and support in advancing a reliable, sustainable, and resilient power sector for Pakistan.

WASEEM MUKHTAR
Chairman

1. THE AUTHORITY

Section 3 of the NEPRA Act provides that the Authority shall consist of a Chairman and four specialized Members, all of whom shall be appointed by the Federal Government. In addition to the Chairman, the Authority shall comprise: (a) Member (Tariff and Finance), (b) Member (Technical), (c) Member (Law), and (d) Member (Development).

The Chairman shall be appointed for a term of four years, while each Member shall hold office for a term of three years. Each Member of the Authority shall be nominated by the respective Province or the Federal Government, as the case may be, on a rotational basis in the following manner:

Portfolio	Rotation-I	Rotation-II	Rotation-III	Rotation-IV
Tariff and Finance	Balochistan	Punjab	Khyber Pakhtunkhwa	Sindh
Technical	Sindh	Khyber Pakhtunkhwa	Punjab	Balochistan
Law	Punjab	Sindh	Balochistan	Khyber Pakhtunkhwa
Development	Khyber Pakhtunkhwa	Balochistan	Sindh	Punjab

Mr. Waseem Mukhtar assumed the charge as Chairman NEPRA on August 10, 2023 for a term of four years in pursuance of Section 3 (5) of NEPRA Act. He is the 10th Chairman of NEPRA.



Mr. Rafique Ahmed Shaikh, after completion of his 1st term as Member (Sindh), assumed the charge of office of the Member (Technical) on December 06, 2022, for another term of three years.



Engr. Maqsood Anwar Khan after completion of his 1st term as Member (Khyber Pakhtunkhwa), assumed the charge of office of the Member (Development) on April 21, 2025, for another term of three years.



Mr. Mathar Niaz Rana (ncs) took the charge of the office of the Member (Tariff and Finance) on November 11, 2022. Mr. Rana represented the province of Balochistan and resigned from the post of Member (Tariff and Finance) NEPRA on April 11, 2025.



Ms. Amina Ahmed, the first woman appointed as a Member of NEPRA representing the province of Punjab, assumed the charge of Member (Law) on February 06, 2023.



2. COMPOSITION OF THE ORGANIZATION

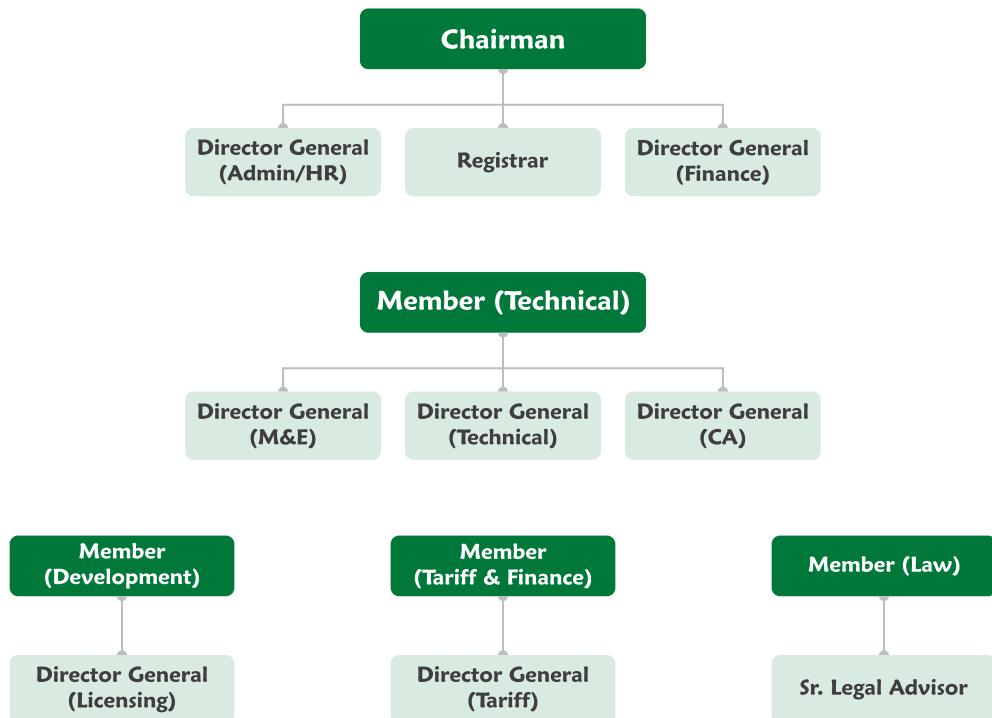
Section 10 of NEPRA Act provides that:

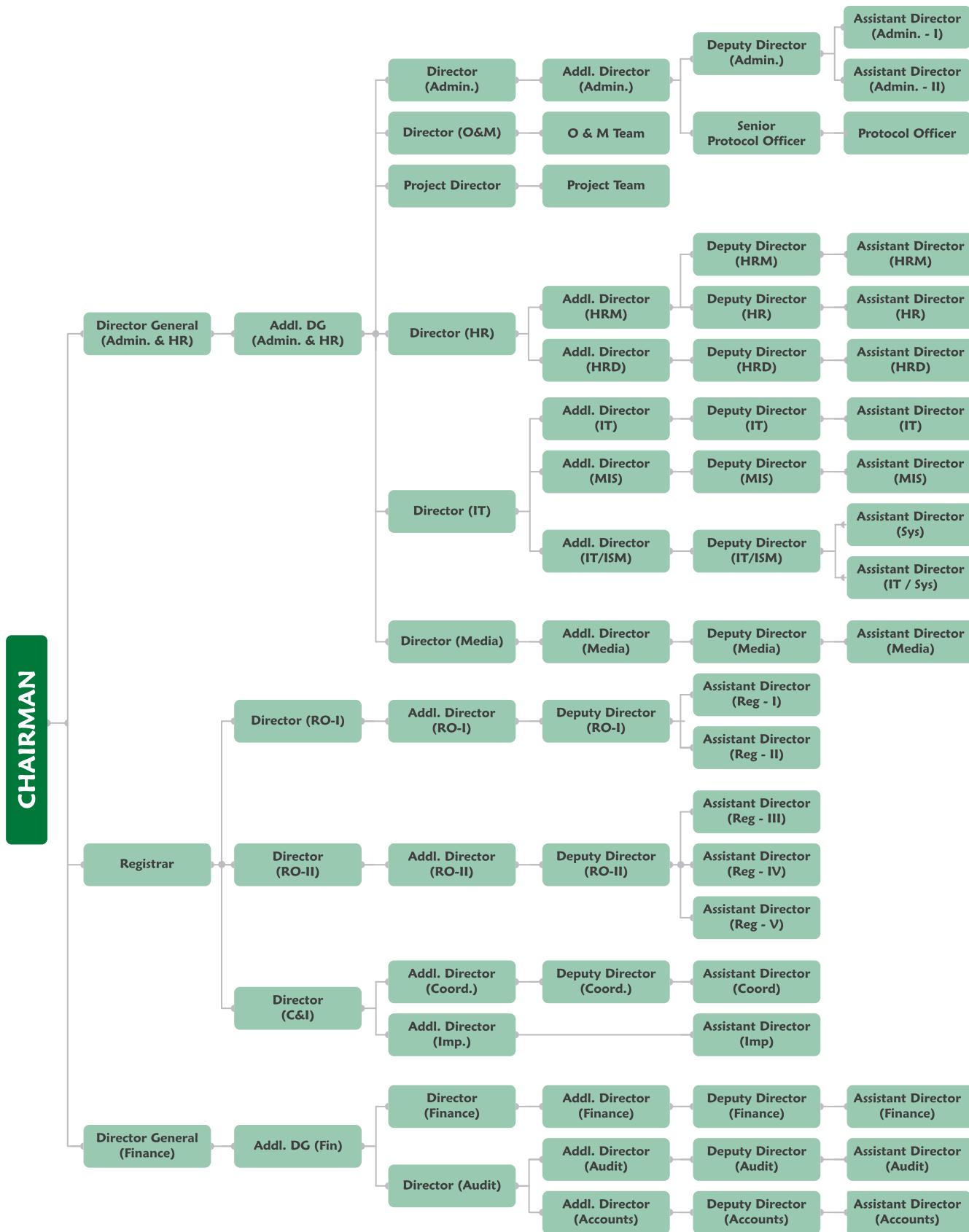
- i. To carry out the purposes of this Act, the Authority may, from time to time, employ officers, members of its staff, experts, consultants, advisers and other employees on such terms and conditions as it may deem fit.
- ii. All officers, members of staff, experts, consultants, advisers and other employees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

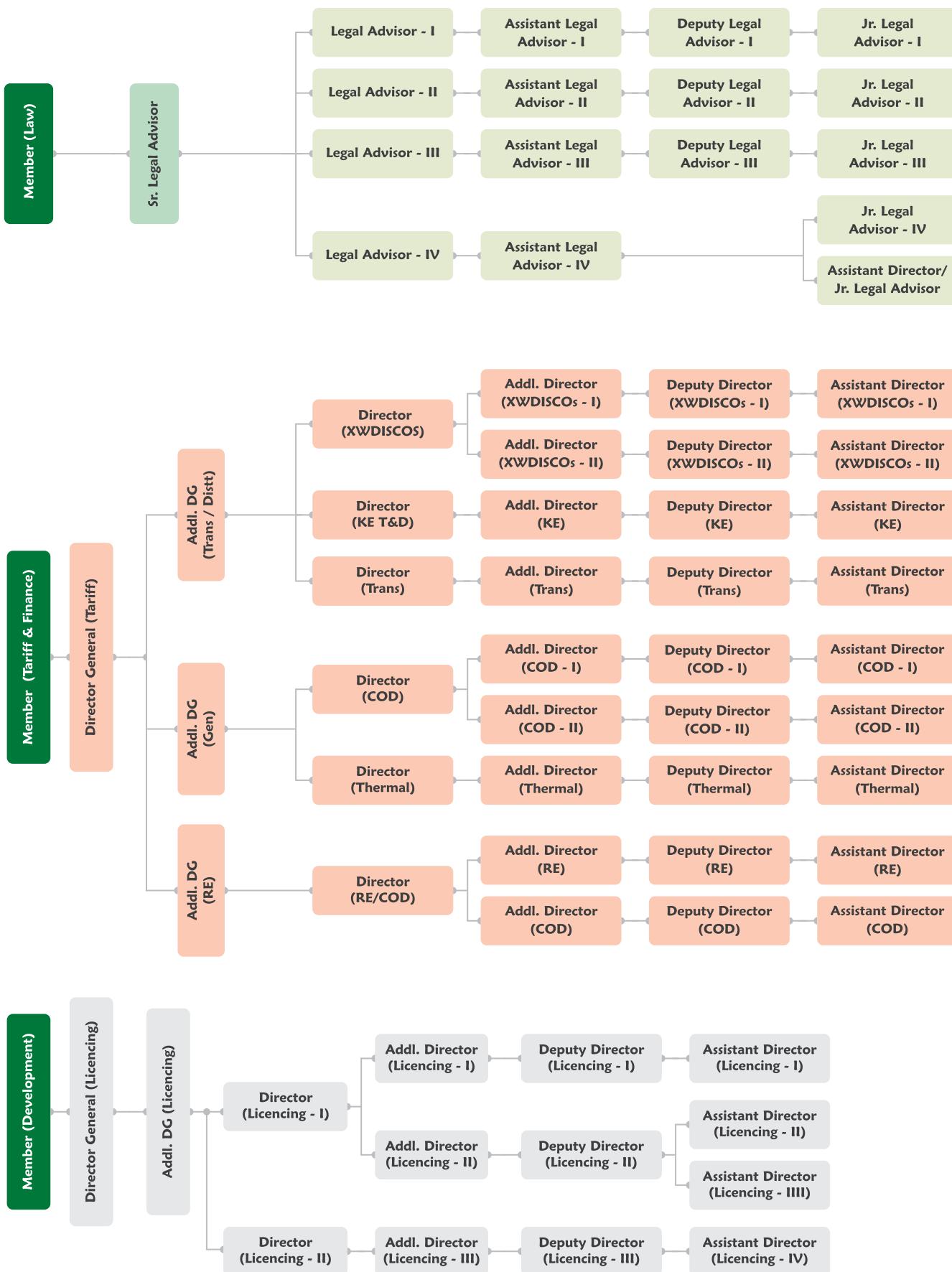
To carry out its regulatory functions, NEPRA is organized into the following departments:

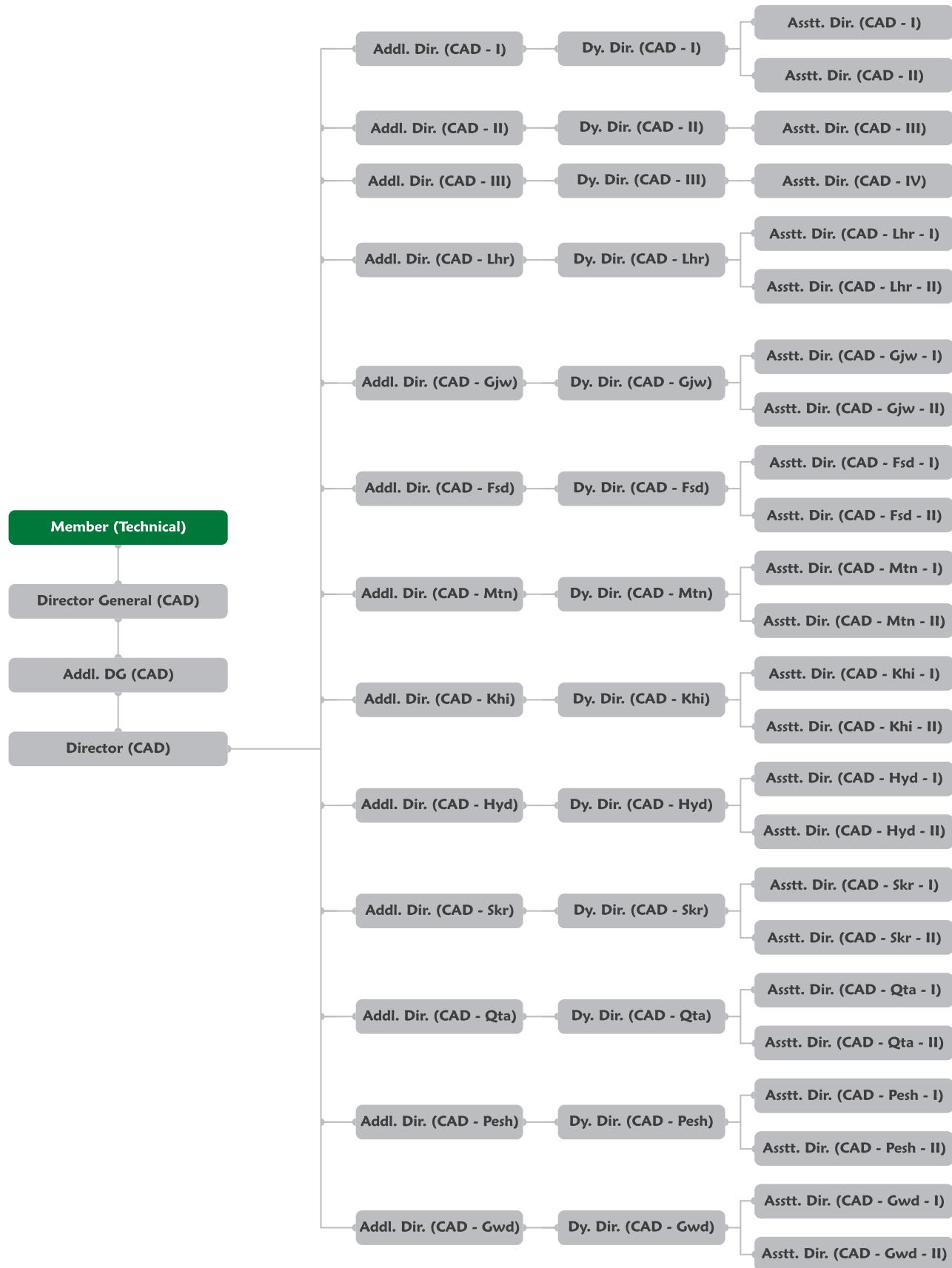
- i. Registrar Office
- ii. Licensing Department
- iii. Tariff Department
- iv. Technical Department
- v. Monitoring and Enforcement Department
- vi. Consumer Affairs Department
- vii. Legal Department
- viii. Coordination and Implementation Department
- ix. Finance Department
- x. Human Resource and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

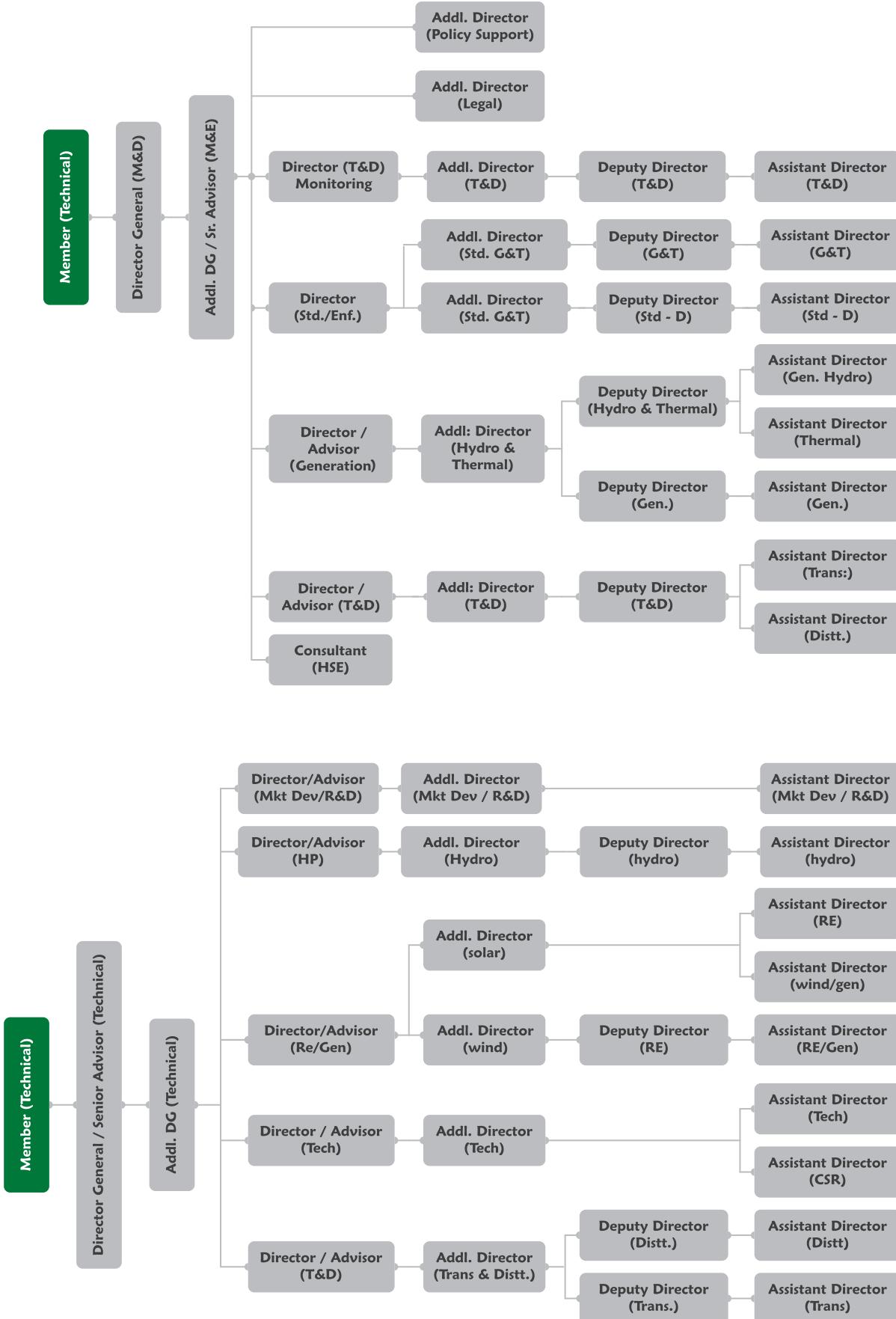
The Organogram notified vide SRO 07(I)/2025 dated January 08, 2025, is as under:













3. POWERS AND FUNCTIONS

NEPRA was established under Section 3 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (the “Act”) to exclusively regulate the provision of electric power services in Pakistan. The Act was further amended in 2018 through the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 [Act No. XII of 2018] provide, inter-alia, the regulatory framework for the development of competitive electricity market in the country.

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 Licence 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 Licence and renewal thereof;
 - f. [*****][1]
 - g. review its order, decisions or determinations;
 - h. settle disputes between Licensees in accordance with the specified procedure;
 - i. issue guidelines and standard operating procedures;
 - a. Promote the development of a market, including trading, in accordance with the national electricity policy and plan;] and;
 - j. Perform any other function which is incidental or consequential to any of the aforesaid functions;
3. Notwithstanding the provisions of sub-section (2) and without prejudice to the generality of the power conferred by sub-section (1) the Authority shall:-

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



- 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;
- 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.
5. 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

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY

4. KEY HIGHLIGHTS OF NEPRA ACTIVITIES DURING FY 2024-25

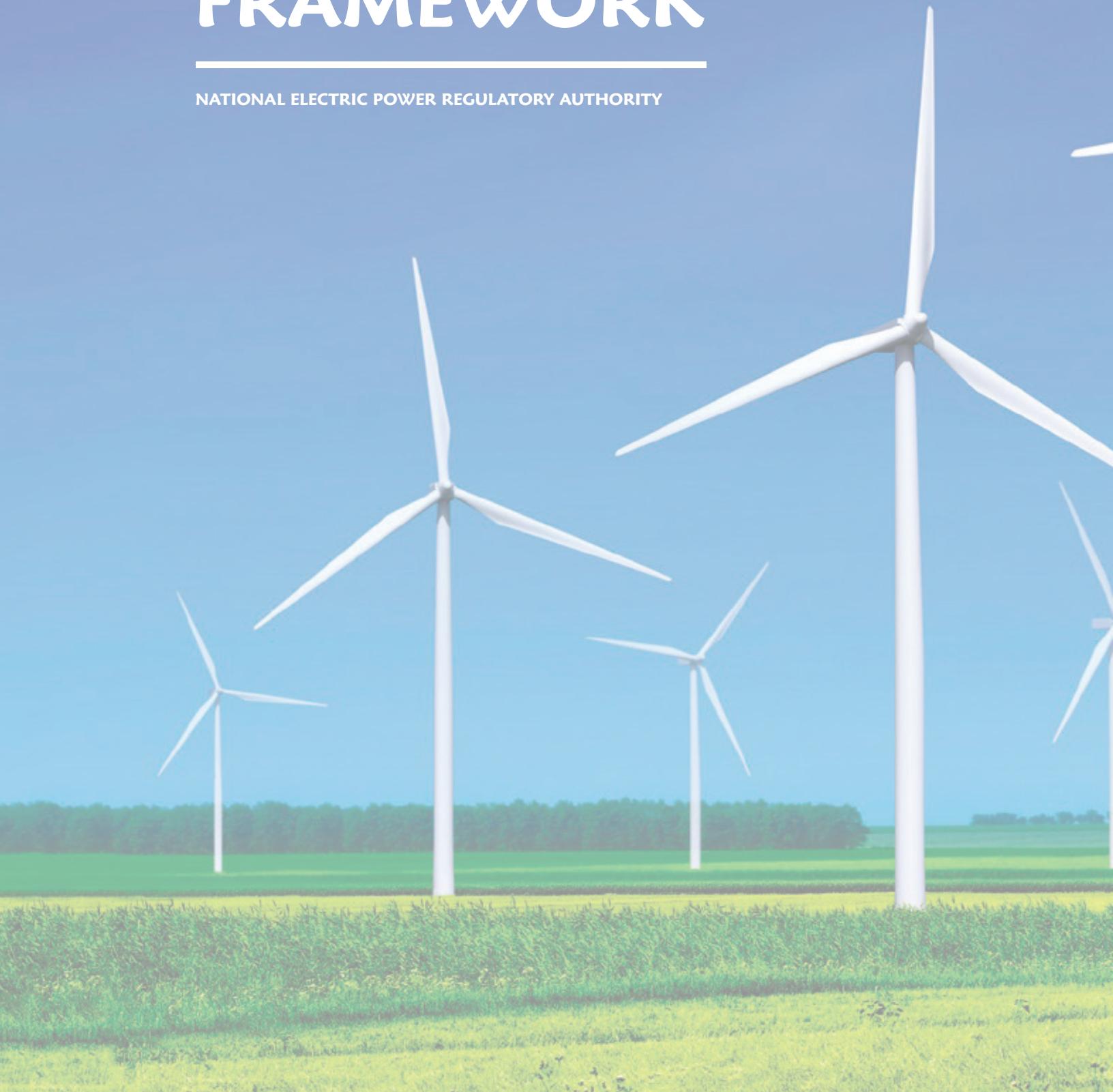
1. Issuance of six (06) Generation Licences/Concurrence for cumulative capacity of 1,364.90 MW;
2. Issuance of nine thousand one hundred and fifty (9,150) Net-Metering Licences/Concurrence for combined generation capacity of 1,250.90 MW;
3. Issuance of one (01) Distribution Licence to Hazara Electric Supply Company Limited;
4. Issuance of one (01) Electric Power Supply Licence to Hazara Electric Supply Company Limited to act as Supplier of Last Resort in its designated service territories;
5. Issuance of ten (10) modifications in the existing Generation Licences;
6. Approval of one (01) modification in Distribution Licence of PESCO;
7. Approval of one (01) modification in Supply Licence of PESCO;
8. Approval of transfer of five (05) Generation Licences;
9. Transfer of System Operator and Market Operator Licence to the newly created entity named Independent System and Market Operator of Pakistan (Guarantee) Limited (ISMO);
10. Issuance of sixty-seven (67) Tariff decisions, including tariff determinations, decisions on review motions, and decisions on reconsideration requests filed by Government of Pakistan;
11. Approval of 780 Tariff Adjustments (Monthly, Quarterly, Biannual and Annual);
12. Notification of seven hundred eighty-three (783) decisions of the Authority in the Official Gazette, comprising tariff determinations, decisions on review motions and reconsideration requests, as well as adjustment decisions
13. Decision of the Authority in the matter of Write-Off Claims of K-Electric Limited (KE) for Multi-Year Tariff (MYT) 2017-2023;
14. Approval of the Multi Year Tariff for K Electric's Distribution and Supply business for FY 2023-24 to FY 2029-30;
15. Approval of uniform tariff for FY 2025-26 pursuant to a motion filed by the Federal Government;
16. Interim and Multi Year Tariff for DISCOs for FY 2025-26;
17. Approval of Multi Year Tariff for K Electric's Transmission business for FY 2023-24 to FY 2029-30;
18. National Power Parks Management Company (Pvt.) Limited-HBS Modification Decision;
19. National Power Parks Management Company (Pvt.) Limited-Balloki Modification Decision;
20. SK Hydro (Pvt.) Limited - Interim Relief;
21. Determination of Market Operator Fees of CPPA-G for the FY 2024-25;
22. Approval of Revised Investment Plan and Loss Assessment of NGC for FY 2022-23 to FY 2024-25;
23. The Authority admitted/registered 108 applications/petitions during the FY 2024-25;
24. Notification of amendments in the following two existing Regulations in the Official Gazette of Pakistan:



- a. Amendment in NEPRA (Electric Power Procurement) Regulations, 2022 notified vide SRO 2070(I)/2024 dated December 24, 2024; and
- b. Amendment in NEPRA Licencing (Electric Power Suppliers) Regulations, 2022 notified vide SRO 1098(I)/2025 dated June 19, 2025;
- 25. Substantial progress made in finalizing the operating procedures of power plants, and black start facilities;
- 26. Acquisition of daily & monthly operational data from all power plants, transmission and distribution companies through the NEPRA Data Exchange Portals during FY 2024-25;
- 27. Approval of Performance Evaluation Reports (PERs) of FY 2023-24 for Generation, Transmission & Distribution Licensees , which are available on NEPRA's website;
- 28. Fine of Rs. 100 million was imposed on CPGCL for tripping and fire incidents of ST-16 and Guddu 747, Rs. 25 million on CPPA-G for non-finalization of operating procedures and black start agreements, and Rs. 25 million on KE for total power system collapse;
- 29. Conclusion of legal proceedings against NGC and CPPA-G on revision in the minimum loading limit of certain plants;
- 30. Legal proceedings concluded and fine of Rs. 40 million on NGC on account of fatal accident, tower collapse and partial blackout;
- 31. Fine of Rs. 564 million have been imposed on DISCOs and KE on account of violation of various Distribution Rules, Codes and other applicable documents under NEPRA law;
- 32. With the efforts of NEPRA, 100% earthing/grounding of HT/LT structures has been executed by IESCO, MEPCO, and FESCO in their service territories to avoid further accidents;
- 33. Refund/adjustment of billions of rupees to consumers due to the detection of wrongful overbilling;
- 34. NEPRA has published the 3rd edition of Power Safety Code 2024, Health, Safety, and Environment PER 2023-24, Safety Flyer with Safety Advisory;
- 35. NEPRA launched “Safety Awareness Campaign 2025” and implement “Monsoon and Flood Preparedness Safety Guidelines”.
- 36. NEPRA launched “NEPRA Asaan Approach” mobile application to allow electricity consumers to file complaints online;
- 37. Resolution of 93% of Consumer Complaints;
- 38. Remittance of Rupees 922 million in the Federal Consolidated Fund of the Government of Pakistan;
- 39. Compliance with Federal and Provincial Tax Laws by NEPRA;
- 40. External Audit of NEPRA's Financial Statement;
- 41. Conducting of 459 Authority Regulatory Meetings;
- 42. Holding of 109 Public Hearings/Consultative Sessions.

NEPRA REGULATORY FRAMEWORK

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY



5. NEPRA REGULATORY FRAMEWORK

5.1 ROLE OF NEPRA IN THE POWER SECTOR:

Established in 1997, the National Electric Power Regulatory Authority (NEPRA) is an independent regulatory body mandated to oversee and regulate Pakistan's electric power sector. NEPRA's core objective is to ensure the provision of affordable, reliable, and sustainable electricity to consumers nationwide. In alignment with its regulatory mandate, NEPRA plays a pivotal role in harmonizing the interests of key stakeholders—namely consumers and service providers—while ensuring consistency with the broader economic and social policy objectives of the Government of Pakistan.

5.2 REGULATORY FRAMEWORK:

Section 7 of the NEPRA Act mandates the Authority to develop and pursue a regulatory framework that ensures provision of safe, reliable, sustainable and affordable electricity to consumers by employing modern, efficient and market-driven regulatory tools. To perform its duties, the Authority has developed a robust, market-oriented regulatory framework comprising Rules^[2], Regulations, Codes, Guidelines, Manuals, and Standard Operating Procedures (SOPs) to effectively regulate the power sector of Pakistan. The regulatory framework for the power sector of Pakistan is as follows:

1. NEPRA Act	
1.1	Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 (hereinafter to be referred as "the NEPRA Act") with all amendments up to December, 2021
2. NEPRA Rules	
2.1	NEPRA Tariff (Standards and Procedure) Rules, 1998
2.2	NEPRA Licencing (Distribution) Rules, 1999
2.3	NEPRA Licencing (Generation) Rules, 2000
2.4	NEPRA (Fines) Rules, 2002
2.5	NEPRA (Fee) Rules, 2002
2.6	NEPRA Performance Standards (Distribution) Rules, 2005
2.7	NEPRA Performance Standards (Transmission) Rules, 2005
2.8	NEPRA Performance Standards (Generation) Rules, 2009
2.9	NEPRA (Uniform System of Accounts) Rules, 2009
2.10	NEPRA (Market Operator Registration, Standards and Procedure) Rules, 2015
2.11	NEPRA (Complaint Handling and Dispute Resolution Procedure) Rules, 2015
2.12	The Eligibility Criteria (Electric Power Supplier Licences) Rules, 2023
2.13	The Eligibility Criteria (System Operator Licence) Rules, 2023
2.14	The Registration (Manner and Conditions for Entities providing Electric Power Services) Rules, 2023
2.15	The Eligibility Criteria (Market Operator Licence) Rules, 2023
2.16	The Eligibility Criteria (Transmission Licences) Rules, 2023
2.17	The Eligibility Criteria (Distribution Licences) Rules, 2023
2.18	The Eligibility Criteria (Electric Power Trader Licences) Rules, 2023

^[2] The Federal Government may frame rules either on its own motion or on the recommendation of the Authority.



3. NEPRA Regulations	
3.1	NEPRA (Fees Pertaining to Tariff Standards and Procedure) Regulations, 2002
3.2	NEPRA (Resolution of Disputes between Independent Power Producers and other Licensees) Regulations, 2003
3.3	NEPRA (Review Procedure) Regulations, 2009
3.4	NEPRA (Procedure for filing appeal before the Authority) Regulations, 2012
3.5	NEPRA (Alternative and Renewable Energy) Distributed Generation and Net-Metering Regulations, 2015
3.6	NEPRA (Supply of Electric Power) Regulations, 2015
3.7	NEPRA Licencing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021
3.8	NEPRA (Fees) Regulations, 2021
3.9	NEPRA (Fine) Regulations, 2021
3.10	NEPRA (Registration) Regulations, 2022
3.11	NEPRA Licencing (Distribution) Regulations, 2022
3.12	NEPRA Licencing (Electric Power Supplier) Regulations, 2022
3.13	NEPRA Consumer Eligibility Criteria (Electric Power Suppliers) Regulations, 2022
3.14	NEPRA Consumer Eligibility Criteria (Distribution Licensees) Regulations, 2022
3.15	NEPRA (Uniform System of Accounts) Regulations, 2022
3.16	NEPRA Licencing (Market Operator) Regulations, 2022
3.17	NEPRA Performance Standards (Electric Power Suppliers) Regulations, 2022
3.18	NEPRA (Electric Power Trader) Regulations, 2022
3.19	NEPRA Licencing (Micro Grid) Regulations, 2022
3.20	NEPRA (Security of Information Technology and Operational Technology) Regulations, 2022
3.21	NEPRA Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022
3.22	NEPRA Licencing (System Operator) Regulations, 2022
3.23	NEPRA (Electric Power Procurement) Regulations, 2022
4. NEPRA Standard Operating Procedures	
4.1	NEPRA Standard Operating Procedures for Inspection, Examination and Provision of Copies of Documents, 2015
5. NEPRA Guidelines	
5.1	NEPRA (Sale of Electric Power by Renewable Energy Companies) Guidelines, 2015
5.2	NEPRA Guidelines for Determination of Consumer-end Tariff (Methodology and Process), 2015
5.3	NEPRA Guidelines to Lay Down the Methodology and Process for Determination of Revenue Requirement and Use of System Charges for Transmission Licensee, 2017
5.4	NEPRA (Selection of Engineering, Procurement and Construction Contractor by Independent Power Producers) Guidelines, 2017
5.5	NEPRA (Benchmarks for Tariff Determination) Guidelines, 2018
5.6	NEPRA (Selection of Operation and Maintenance Contractors by Generation Companies) Guidelines, 2021
5.7	NEPRA (Social Investment) Guidelines, 2021
5.8	NEPRA Guidelines for Procurement of Coal on Spot Basis, 2022

6. NEPRA Codes	
6.1	Distribution Code, 2005
6.2	Commercial Code, 2015 of CPPA-G
6.3	Power Safety Code for Licensees, 2021
6.4	Market Commercial Code, 2022
6.5	Grid Code, 2023
7. NEPRA Manuals	
7.1	Consumer Service Manual – January, 2021
7.2	Regulatory Framework for Electric Vehicle Charging Stations

The NEPRA Act, along with the Rules, Regulations, Guidelines, and Standard Operating Procedures (SOPs) issued thereunder, is available on the NEPRA website for the convenience of all stakeholders and general public.

5.3 GRANT OF LICENCES/CONCURRENCES AND REGISTRATIONS:

Prior to the enactment of the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018, the generation, transmission and distribution of electric power were the only licenced activities. However, the aforesaid amendments introduced new licenced categories, and now electric power supply, trading, market operations, and system operations are also licenced activities.

Furthermore, the licencing regime for generation has been abolished, and instead, concurrence regime has been introduced for generation companies with effect from April 27, 2023. Under the NEPRA Act, the Authority is vested with the exclusive power to grant licences and concurrence for provision of electric power services in the country.

In addition to the issuance of licences and concurrences under the NEPRA Act, the Authority has been mandated to issue Registrations to persons providing electric power services, other than generation or electric power services requiring a licence under the Act.

5.4 DETERMINATION OF TARIFF:

Pursuant to Section 7 (3) of NEPRA Act, the Authority is exclusively empowered to determine tariff, rates, charges and other terms and conditions for the provision of electric power services by generation, transmission, distribution and supplier companies and to intimate its recommendations to the Federal Government for notification in the Official Gazette.

Section 31, Sub-section (3) of NEPRA Act, provides general guidelines for determination, modification or revision of rates, charges and terms and conditions for provision of electric power services.

Section 31, Sub-section (7) of NEPRA (Amendment) Act 2021, stipulate that:

“Notification of the Authority's approved Tariff or Uniform Tariff, as the case may be; rates, charges, and other terms and conditions for the supply of electric power services shall be made, in the Official Gazette, by the Federal Government within 30 days of intimation of the same by the Authority. 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 for immediate application of 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”.

The Authority follows a transparent procedure for the determination of tariffs under the NEPRA Tariff (Standards and Procedure) Rules, 1998, which involves the participation of stakeholders and the general public. Furthermore, the Authority exercises due diligence in assessing the appropriate level of expenses and prudent rate of return.

5.5 PRESCRIBE AND ENFORCE PERFORMANCE STANDARDS:

The Authority developed and issued Performance Standards (Generation) Rules, 2009, Performance Standards (Transmission) Rules, 2005 and Performance Standards (Distribution) Rules, 2005 to ensure that licensees provide better service quality and reliable services to all consumers. The Authority ensures compliance with these standards through site visits, evaluation of performance reports, and legal proceedings. The Authority is also in the process of reviewing and improving these standards in view of global developments in the power sector and prudent utility practices.

5.6 MONITORING AND ENFORCEMENT OF THE REGULATORY FRAMEWORK:

Monitoring and Enforcement (M&E) is a critical function of the Authority that ensure the performance of licensees is in accordance with the conditions of the applicable documents, including the Act, Rules, Regulations, Codes, Manuals, SOPs and Authority directives. The following pages provide an overview of the actions taken by the Authority regarding the M&E of its licensees.

5.7 TRANSPARENCY:

Transparency is the essence of NEPRA's regulatory practices. This commitment to transparency is reflected in a comprehensive approach that involves effective public engagement in the decision-making process. This engagement is ensured through the conduct of public hearings, the solicitation of written comments from stakeholders and the general public on regulatory decisions. Furthermore, to enhance transparency, “regulatory documents”, including Rules, Regulations, Licences, Tariff Determinations, as well as the orders and decisions of the Authority, are made available on the website of NEPRA.



AUTHORITY'S REGULATORY DECISION-MAKING PROCESS

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6. THE AUTHORITY'S REGULATORY DECISION-MAKING PROCESS

NEPRA is responsible to regulate the power sector with a broad mandate that includes key functions such as issuing licences and concurrences, determining tariffs, and ensuring that licensees adhere to regulatory performance standards to ensure improved service quality. The Authority also has a critical role in addressing and resolving consumer complaints. In addition, in accordance with the powers conferred by the Act, the Authority may review and reconsider its own decisions to promote fairness and transparency in governance.

Each petition submitted to NEPRA is carefully evaluated within the ambit of the regulatory framework. This process includes active engagement with stakeholders through public hearings and solicitation of comments and views from stakeholders via nationwide advertisements. These measures provide the Authority with a comprehensive range of data and perspectives, which are meticulously analysed to inform and guide its decision-making process.

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

Section 5: Meetings of the Authority, etc.—

- a. 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.
- b. The Chairman and two other members shall constitute a quorum for a meeting of the Authority requiring a decision by the Authority:
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.
- c. 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.
- d. 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.

REGULATORY ACTIVITIES DURING FY 2024-25

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY



7. REGULATORY ACTIVITIES DURING FY 2024-25

7.1 LICENSING ACTIVITIES:

7.1.1 Generation Licences:

During the period under consideration, five (05) applications pertaining to generation licences with an installed capacity of 831.90 MW remained at various stages of processing. Out of these, three (03) licences having an accumulative installed capacity of 810.90 MW were issued, whereas the remaining two (02) applications remain at different stages of processing. The list of the generation licences issued during FY 2024-25 is given below:

Sr. No.	Name of Licencee	Installed Cap.	Fuel	Licence/ Concurrence	Date of Issuance
1.	Nestle Pakistan Limited	12.50	Furnace/Diesel Oil	SGC/174/2024	December 13, 2024
2.	Nestle Pakistan Limited	21.70	Furnace Oil	SGC/175/2024	December 13, 2024
3.	Central Power Generation Company Limited	776.70	Natural Gas	GL/29/2025	June 23, 2025
Total		810.90			

Source: NEPRA

7.1.2 Generation Concurrence:

The first proviso of Section-14B(5) of the NEPRA Act stipulates that “a generation company intending to set up a generating facility shall prepare and submit a detailed scheme covering all financial, geological, hydrological, technical, safety and environmental aspects to the Authority for its concurrence”. The five-year period given under the said provision was already completed on April 26, 2023. Since the mechanism for gradual cessation of generation Licences for various classes of generation licence holders is yet to be notified, the Authority continued granting generation licences until April 26, 2023 and thereafter began issuing concurrence to generation companies.

During the period under consideration, twelve (12) applications with an installed capacity of 2,096.256 MW regarding the grant of concurrences remained under process. In this regard, two (02) Concurrences were issued to Burj Solar Energy (Pvt.) Limited and Fazal Solar Energy (Pvt.) Limited.

In addition to the above, Kot Addu Power Company Limited (KAPCO) submitted an application for the extension/renewal of its generation licence on June 21, 2024, restricting the capacity to 550 MW instead of 1,600 MW. In this regard, the Authority observed that the Power Purchase Agreement (PPA) of KAPCO had already expired and size of the generation facility had been reduced. Therefore, for all practical purposes, the application was treated as pertaining to a new generation facility.

In consideration of the above, the Authority, through its Determination dated April 18, 2025, granted a fresh concurrence to KAPCO in terms of Section 14B(5) of the NEPRA Act for its 550 MW generation facility. The list of the generation licences granted during the FY 2024-25 is given below:



Sr. No.	Name of Licencee	Installed Cap. (MW)	Fuel	Concurrence	Date of Issuance
1.	Fazal Solar Energy (Pvt.) Limited	1.00	Solar	SGC/C/02/2024	September 29, 2024
2.	Burj Solar Energy (Pvt.) Limited	3.006	Solar	SGC/C/03/2024	September 29, 2024
3.	Kot Addu Power Company Limited	550	Natural Gas/ RLNG/LSFO	IGSP/C/01/2025	April 18, 2025

Source: NEPRA

7.1.3 Distribution Licences:

In FY 2024-25, the Authority, in terms of Section 20 and 21 of the NEPRA Act, granted Distribution Licence to Hazara Electric Supply Company Limited (HAZECO) (Licence No. DL/10/2025 dated May 23, 2025) for providing distribution services in the areas/districts of Abbottabad, Haripur, Mansehra, Battagram and Torghar in Khyber Pakhtunkhwa. Accordingly, the Authority also approved the Licencee Proposed Modification (LPM) in the Distribution Licence of PESCO to carve out the said areas from its licence.

Further, various applications remained under processing, including:

- i. Rashakai Special Economic Zone Development and Operations Company (Pvt.) Limited;
- ii. Six (06) projects of Punjab Industrial Estates Development and Management Company (PIEDMC) including Sundar Project, Bhalwal Project, Rahim Yar Khan Project, Quaid-e-Azam Business Park Sheikhupura Project, Vehari Project and Bahawalpur Project;
- iii. Bahria Town (Pvt.) Limited (Rawalpindi/Islamabad);
- iv. Bahria Town (Pvt.) Limited (Lahore) and
- v. Pakistan Expatriates Cooperative Housing Society Valancia (PECHS-Valancia), Lahore.

7.1.4 Supplier Licences:

During the period under consideration, the Authority in terms of Section 23E of the NEPRA Act, granted Electric Power Supply Licence to Hazara Electric Supply Company Limited (HAZECO) to act as Supplier of Last Resort in its designated service territory. Accordingly, the Authority approved a modification in the Electric Power Supplier Licence of PESCO. Further, the Authority is currently processing twenty-six (26) applications for the grant of Supplier Licences.

7.1.5 Net-Metering Concurrences:

In FY 2024-25, a total of nine thousand one hundred and fifty (9,150) net-metering concurrences were issued, representing a cumulative installed capacity of 1,250.90 MW. The detail of the net metering concurrences issued are provided below:

Sr. No.	Name of Distribution Company (DISCO)	No. of Net Metering Concurrences Issued	Installed Capacity (MW)
1	PESCO	775	109.80
2	TESCO	69	9.24
3	IESCO	890	100.71
4	GEPCO	910	116.11
5	LESCO	1,745	303.70
6	FESCO	1,871	205.55
7	MEPCO	1,631	240.50
8	HESCO	121	27.55
9	SEPCO	68	18.58
10	QESCO	44	9.74
11	KE	1,026	109.41
Total		9,150	1,250.90

Source: NEPRA

7.1.6 Modifications in the Existing Licences:

During FY 2024-25, twenty-eight (28) applications pertaining to Licensee Proposed Modifications (LPMs) in existing generation licences were processed. Of these, ten (10) LPM cases were finalized, and the corresponding modifications were issued.

Sr. No.	Name of Licensee	Licence Number	Modification/Decision Issued
1	Western Energy (Pvt.) Limited	WPGL/37/2017	October 30, 2024
2	Dadu Energy (Pvt.) Limited	SGC/62/2010	January 10, 2025
3	Omni Power (Pvt.) Limited	SGC/63/2010	January 10, 2025
4	Shikarpur Power (Pvt.) Limited	SGC/64/2010	January 10, 2025
5	Thatta Power (Pvt.) Limited	SGC/76/2011	January 10, 2025
6	Peshawar Electric Supply Company Limited	DL/07/2023	May 23, 2025
7	Peshawar Electric Supply Company Limited	SOLR/07/2023	May 23, 2025
8	Chiniot Power Limited	IGSPL/41/2014	May 27, 2025
9	Central Power Generation Company Limited	GL/02/2002	June 23, 2025
10	Shahtaj Sugar Mills Limited	IGSPL/72/2016	June 26, 2025

Source: NEPRA

7.1.7 Transfer of Generation Licences:

During the reporting period, NPW Solar (Pvt.) Limited acquired three (03) generation facilities of the Solis Group, while Smart PV Solar (Pvt.) Limited acquired two (02) generation facilities. Consequently, the respective generation licences, with a combined installed capacity of 14.00 MW, were transferred to the acquiring companies in accordance with Section 27 of the NEPRA Act. The details of these transferred facilities are provided below:

Sr. No.	Generation Licence No.	Installed Capacity	Transfer of Generation Licence		Licence Transfer Date
			From	To	
1	SGC/I36/2020	03 MW	Solis Charlie Energy (Pvt.) Limited	Smart PV Solar (Pvt.) Limited	September 18, 2024
2	SGC/I37/2020	2.50 MW	Solis Alpha Energy (Pvt.) Limited	NPW Solar (Pvt.) Limited	September 18, 2024
3	SGC/I41/2020	03 MW	Solis Bravo Energy (Pvt.) Limited	Smart PV Solar (Pvt.) Limited	September 18, 2024
4	SGC/I38/2020	01 MW	Solis Alpha Energy (Pvt.) Limited	NPW Solar (Pvt.) Limited	September 18, 2024
5	SGC/I42/2020	4.50 MW	Solis Alpha Energy (Pvt.) Limited	NPW Solar (Pvt.) Limited	September 18, 2024

Source: NEPRA

7.1.8 Expired and Cancelled Licences:

During the period under consideration, the terms of different licences and registrations expired. These included two (02) generation licences with a combined installed capacity of around 94 MW. Further, nine (09) licences, having a cumulative installed capacity of 289 MW, were cancelled at the request of licensees.

Expired Licences				
Sr. No.	Name of Licensee	Installed Capacity	Licence/Registration	Expiry Date
1	Engro Polymer and Chemicals Limited	79.02	SGC/26/2004	November 10, 2024
2	Al-Abbas Sugar Mills Limited	15.00	SGC/58/2010	May 18, 2025
Cancelled Licences				
1	Two Star Energy (Pvt.) Limited	49.80	IGSPL/91/2017	August 08, 2024
2	The Thal Industries Corporation Limited (Safina Sugar Mills Limited)	41.00	IGSPL/54/2015	August 08, 2024
3	RYK Energy Limited	25.00	IGSPL/80/2017	August 08, 2024
4	Indus Energy Limited	31.00	IGSPL/86/2017	August 08, 2024
5	Asia Energy (Pvt.) Limited	30.00	SPGL/28/2019	August 08, 2024
6	Alliance Power (Pvt.) Limited	30.00	IGSPL/46/2014	August 08, 2024
7	YDE SA (SMC-Pvt.) Limited	5.0058	SGC/173/2023	October 02, 2024
8	K1 Solar Power Lahore (Pvt.) Limited	15.00	SPGL/32/2020	October 29, 2024
9	P&G Energy (Pvt.) Limited	62.20	SPGL/34/2020	October 29, 2024

Source: NEPRA

7.1.9 Transfer and Assignment of System Operator and Market Operator Licence to Independent System and Market Operator of Pakistan:

The Federal Government, through its decision dated October 29, 2024 approved the establishment of Independent System and Market Operator, functions that were previously performed by NGC and CPPA-G, respectively. Accordingly, NGC and CPPA-G requested the transfer of their System Operator and Market Operator Licence to a new company named Independent System and Market Operator of Pakistan (Guarantee) Limited (ISMO). Further, ISMO submitted a request for acquisition of the above-mentioned System Operator and Market Operator licence in its favor.

The Authority observed that the relevant provisions of the National Electricity Policy 2021 and National Electricity Plan 2023 envisage the restructuring of the System Operator and Market Operator, which is in line with the approved design of the future market/CTBCM. In this regard, ISMO will carry out the various functions, especially those relating to system operations, including but not limited to, dispatch and long-term planning, as the NEPRA Act envisages for the System Operator. Further, the company will take-over and perform the functions of development and operations of the competitive wholesale electricity market from CPPA-G. Accordingly, the Authority, through its Determination dated April 30, 2025, approved the transfer of the System Operator and Market Operator Licence from NGC and CPPA-G to ISMO.

7.1.10 Progress on Integrated System Plan 2024-34 comprising of Indicative Generation Capacity Expansion Plan (IGCEP) and Transmission System Expansion Plan (TSEP):

In compliance with PC-4 of the Grid Code, NGC submitted, on April 30, 2024, the Integrated System Plan for the years 2024-34 (ISP-2024), comprising (a). Indicative Generation Capacity Expansion Plan (IGCEP-2024) and (b). Transmission System Expansion Plan (TSEP-2024) for review and approval by the Authority. The Authority considered the matter and decided to seek comments from stakeholders; accordingly, a notice was published in various newspapers on May 17, 2024. In order to make the ISP process understandable to different stakeholders, the Authority held a full-day workshop on May 24, 2024.

In response to the notices, the Authority received comments from various stakeholders, which were considered during the regulatory meeting held on June 26, 2024, and the Authority decided to hold a public hearing. Before the public hearing, the Authority, during the discussion and processing of ISP-2024, directed NGC to submit an addendum to the ISP-2024 for various reasons (inter alia, including a scenario with the system load factor increased from 60% to 70%), which it failed to submit despite the lapse of considerable time and numerous reminders. Accordingly, the Authority has initiated legal proceedings against NGC in terms of the NEPRA Fine Regulations. In view of the above, the ISP-2024 was neither been approved nor returned, as of June 30, 2025.

7.1.11 Progress on Registration of CPPA-G as Special Purpose Agent and Approval of associated Agency Code:

The application of CPPA-G for registration as a Special Purpose Agent (SPA), along with Agency Code, under Section-25A of the NEPRA Act is at an advanced stage of processing. The SPA role positions CPPA-

G as the agent for Suppliers of Last Resort (SoLR) and KE, responsible for overseeing the management and administration of legacy contracts within the CTBCM framework. Since submitting its application in November 2022, the Authority has admitted the case and initiated a public and stakeholder consultation process.

The regulatory process has involved extensive consultations among CPPA-G, the Authority, and other stakeholders, including hearings and technical meetings throughout the period. While many stakeholder concerns regarding the Agency Code have been addressed, some critical issues remain unresolved. The Authority held a hearing on April 25, 2025, followed by additional technical discussions, reflecting the complex and evolving regulatory environment for SPA operations. As of June 30, 2025, the Authority is in the process of finalizing the SPA Registration and Agency Code.

7.1.12 Restructuring of NGC:

The Authority granted NGC a Licence for management of the national grid/network, and System Operator Licence (for system operations and planning) to National Transmission and Despatch Company Limited (NTDC). On November 06, 2024, the Federal Government approved the strategic restructuring of NTDC to enhance operational efficiency, remove redundancies, and ensure compliance with Section 17 of the NEPRA Act, 1997. Following this restructuring, the existing NTDC was renamed National Grid Company of Pakistan Limited (NGC) to clearly define its transmission-focused mandate within the new legal and institutional framework.

The Federal Government further incorporated the Independent System and Market Operator of Pakistan (Guarantee) Limited (ISMO) on December 04, 2024, and the System Operator Licence, along with the corresponding functions, was transferred to it through a Determination of the Authority dated April 30, 2025. Additionally, the Energy Infrastructure Development and Management Company Limited (EIDMC) was incorporated on January 03, 2025, and has been mandated with transmission project planning, execution, procurement, and commercial operations.

7.2 TARIFF ACTIVITIES

Although a limited segment of the electricity market is presently exposed to price competition through CTBCM, the majority of electricity business is governed by tariffs determined by the Authority. In this context, the Authority's role is central to ensuring that regulated tariffs are set in a transparent, consistent, and balanced manner, enabling licensees to recover their prudently incurred costs while protecting consumers from excessive charges. By exercising this oversight through a consultative and stakeholders' participatory process, the Authority provides price discipline where competition is absent, while also creating the regulatory certainty necessary to sustain investor confidence and prepare the sector for a gradual transition towards greater market liberalization.

During the FY 2024-25, the Authority processed a number of tariff petitions and review motions, and issued one-time and periodic determinations on tariff components based on prescribed and prudent mechanisms of adjustments, indexations and variations through a consultative and transparent process with stakeholders and public participation.

7.2.1 Tariff Determinations:

The Authority issued a series of significant decisions pertaining to tariff approvals, modifications, and adjustments across multiple generation companies during the financial year ended June 30, 2025. The decisions addressed matters such as the approval of interim and provisional tariffs, tariff modifications to allow operational flexibility, and reduction of tariff components through joint applications by the CPPA-G and various Independent Power Producers (IPPs).

Sr. No.	Matter	Company / Applicant	Type of Decision	Issuance Date
1	Request for approval of Jetty O&M Tariff	China Power Hub Generation Company (Pvt.) Limited	Approval of Jetty O&M Tariff	July 25, 2024
2	Grant of Interim Tariff for EPC Stage (660 MW Coal Project)	Jamshoro Power Company Limited	Interim Tariff (EPC Stage)	September 13, 2024
3	Tariff Modification Petition for inclusion of Open Cycle Operations on gas (Block-I & II)	Central Power Generation Company Limited	Tariff Modification	March 11, 2025
4	Request for Provisional Tariff	Kot Addu Power Company Limited	Provisional Tariff	April 09, 2025
5	Joint application for Reduction in Tariff Components	CPPA-G and Nishat Power Limited	Tariff Reduction	May 27, 2025
6	Joint application for Reduction in Tariff Components	CPPA-G and Nishat Chunian Power Limited	Tariff Reduction	May 27, 2025
7	Joint application for Reduction in Tariff Components	CPPA-G and Liberty Power Tech. Limited	Tariff Reduction	May 27, 2025
8	Joint application for Reduction in Tariff Components	CPPA-G and Narowal Energy Limited	Tariff Reduction	May 27, 2025
9	Joint application for Reduction in Tariff Components	CPPA-G and Engro Powergen Qadirpur Limited	Tariff Reduction	May 27, 2025
10	Joint application for Reduction in Tariff Components	CPPA-G and Saif Power Limited	Tariff Reduction	May 27, 2025
11	Joint application for Reduction in Tariff Components	CPPA-G and Sapphire Electric Company Limited	Tariff Reduction	May 27, 2025
12	Joint application for Reduction in Tariff Components	CPPA-G and Foundation Power Company (Daharki) Limited	Tariff Reduction	May 27, 2025
13	Joint application for Reduction in Tariff Components	CPPA-G and Attock Gen. Limited	Tariff Reduction	June 23, 2025
14	2 nd Tariff Modification Petition for 747 MW CCPP Guddu	Central Power Generation Company Limited	Tariff Modification	July 02, 2025

Source: NEPRA

7.2.2 Review Motion Decisions:

The Authority also considered review motions filed by power generation companies challenging earlier decisions related to fuel price adjustments. These review motions were examined to ensure that the due regulatory process was observed and that the principles of transparency and fairness were upheld.



Sr. No.	Matter	Company/Applicant	Issuance Date
1	Motion for leave for review against Decisions of the Authority in the matter of Fuel Price Adjustments	Port Qasim Electric Power Company (Pvt.) Limited	February 12, 2025
2	Motion for leave for review against Fuel Price Adjustment for May, 2025	Huaneng Shandong Ruyi (Pakistan) Energy (Pvt.) Limited	May 26, 2025

7.2.3 Decisions Relating to KE:

During the reporting period, the Authority also adjudicated tariff matters specifically relating to KE. These included the evaluation of KE's write-off claims under the MYT framework, as well as the determination of tariff petitions for KE's generation plants.

Sr. No.	Matter	Issuance Date
1	Tariff Petition for Power Generation Plants	October 22, 2024
2	Write-off Claims under MYT 2017-2023	June 05, 2025

Source: NEPRA

7.2.4 Periodic Adjustments:

In addition to the above decisions, the Authority issued monthly, quarterly, and annual adjustments and indexations for various tariff components, including fuel prices, insurance, and withholding tax, applicable to IPPs. These adjustments ensured that tariffs remained reflective of prevailing market and financial conditions.

7.2.5 Tariff Adjustments/Indexations of Hydropower Projects:

The Authority processed periodic adjustments for multiple hydropower projects during the financial year ending June 30, 2025.

Sr. No.	Project	Decision Date
1	Laraib Energy	31-07-2024, 26-09-2024, 10-12-2024, 30-04-2025, 14-05-2025
2	Karot Hydropower	10-09-2024, 19-11-2024, 27-05-2025
3	Gulpar Hydropower	29-08-2024, 04-03-2025, 22-05-2025
4	Patrind Hydropower	10-07-2024, 07-08-2024, 27-03-2025, 22-05-2025
5	Malakand-III Hydropower	10-09-2024, 10-12-2024, 23-04-2025, 14-05-2025
6	Jagran-I Hydropower	06-11-2024
7	Chianwali Hydropower	08-08-2024, 06-11-2024, 04-03-2025, 23-04-2025
8	Marala Hydropower	31-07-2024, 06-11-2024, 04-03-2025, 23-04-2025
9	Pak Pattan Hydropower	31-07-2024, 06-11-2024, 04-03-2025, 23-04-2025
10	Suki Kinari Hydropower	02-01-2025, 11-03-2025

Source: NEPRA

7.2.6 Other Hydropower Tariff Determinations and Reviews:

The Authority also issued new determinations and review decisions for other hydropower projects.

Sr. No.	Project	Capacity	Determination Date	Decision Sought
1	Gorkin Matiltan	84 MW	December 11, 2024	Tariff Petition filed by PEDO for Tariff Determination of 84 MW Gorkin Matiltan Hydropower Project.
2	Daral Khwar	36.6 MW	January 13, 2025	Suo Moto Proceedings for change in COD.

Source: NEPRA

7.2.7 Renewable Energy Tariff Adjustments (Wind and Solar):

Pursuant to the indexation mechanism stipulated in the Authority's earlier determinations, adjustments to tariff components for wind and solar projects were issued on quarterly, bi-annual, and annual basis. These adjustments were primarily due to variations in Consumer Price Indices, currency exchange rates, and KIBOR/LIBOR/SOFR. The following projects were covered under these periodic adjustments.

Sr. No.	Name of IPPs	Sr. No.	Name of IPPs
1	Quaid-e-Azam Solar Power	25	Three Gorges 3 rd Wind Farm Pakistan
2	Apollo Solar Development Pakistan	26	Tricon Boston Consulting Corporation -A
3	Best Green Energy Pakistan	27	Tricon Boston Consulting Corporation -B
4	Crest Energy Pakistan	28	Tricon Boston Consulting Corporation -C
5	Harappa Solar	29	Zephyr Power
6	AJ Power	30	FFC Energy
7	Oursun Pakistan	31	Three Gorges 1 st Wind Farm Pakistan
8	Gharo Solar	32	Zorlu Enerji Pakistan
9	Atlas Solar	33	Foundation Wind Energy -I
10	HNDS Energy	34	Foundation Wind Energy -II
11	Meridian Energy	35	Metro Power Company
12	Helios Power	36	Sachal Energy Development
13	Act Wind	37	Master Green Energy
14	Yunus Energy	38	Lucky Renewables
15	Sapphire Wind Power	39	Act2 Din Wind
16	Hydro China Dawood Power	40	Metro Wind Power
17	UEP Wind Power	41	Gul Ahmed Electric
18	Master Wind Energy	42	Indus Wind Energy
19	Gul Ahmed Wind Power	43	Din Energy
20	Tenaga Generasi	44	Artistic Wind Power
21	Hawa Energy	45	Liberty Wind Power -1
22	Jhimpir Power	46	Liberty Wind Power -2
23	Artistic Energy	47	Lakside Energy
24	Three Gorges 2 nd Wind Farm Pakistan	48	NASDA Green Energy

Source: NEPRA



In line with the approved indexation framework, periodic tariff adjustments for the above renewable energy projects were carried out on quarterly, bi-annual, and annual basis. These adjustments were made primarily due to variations in Consumer Price Indices, currency exchange rates, and reference interest rates (KIBOR, LIBOR, and SOFR).

In addition, the Authority:

- (a) Allowed reimbursement of 7.5% withholding tax on dividends to eligible IPPs.
- (b) Issued annual adjustments of the insurance components for wind and solar projects.
- (c) Implemented the transition from LIBOR to SOFR (vide decisions dated December 05, 2024 and December 13, 2024), resulting in revised indexation of the foreign interest component of tariffs for the relevant projects.

7.2.8 Transition from LIBOR to SOFR:

The Ministry of Energy (Power Division) through letter dated June 12, 2024, forwarded the decision of Economic Coordination Committee (ECC) on February 01, 2024 to NEPRA, wherein ECC directed seventy-two (72) power projects with foreign financing, advising them to formally file tariff modification petitions with NEPRA for the transition from LIBOR to SOFR, in accordance with the NEPRA (Tariff Standards and Procedure) Rules, 1998. As per the ECC decision, all the project lenders were allowed to opt for any of the following options:

- (a) Daily Simple SOFR plus relevant ISDA recommended CAS (0.26161% for quarterly payment and 0.42826% for semi-annual payment); or
- (b) Term SOFR plus relevant ISDA recommended CAS.

Accordingly, NEPRA advised the power projects with foreign financing vide letter date June 12, 2024, to formally file tariff modification petitions for the transition from LIBOR to SOFR, in accordance with the NEPRA (Tariff Standards and Procedure) Rules, 1998. After considering the requests received from numerous stakeholders, the Authority decided to initiate suo-moto proceedings in the matter. Accordingly, Advertisement/Notice of Hearing was published in the national daily newspapers on August 17, 2024, inviting intervention request or comments in the matter. Separate notices were also sent to all the stakeholders on August 20, 2024 for participation in the hearing. The hearing was conducted on September 05, 2024 at NEPRA Headquarters. Following issues were framed for discussion during the proceedings:

- (a) What should be the agreed-upon lookback period? Should there be a uniform lookback period for all relevant power projects, or would it be justified to have different lookback periods for different plants?
- (b) Any other issues that may arise during the hearing with the approval of the Authority.

Further written consents were also obtained from IPPs for adoption of following options:

- (a) Option 1: Daily Simple SOFR plus the relevant ISDA recommended CAS.
- (b) Option 2: Term SOFR plus the relevant ISDA recommended CAS.

Out of total 41 RE projects (wind and Solar); 36 IPPs opted Term SOFR, 04 IPPs opted Daily SOFR and 01 IPP opted both Term and Daily SOFR partially. The Authority issued decision of transition from LIBOR to SOFR decision on December 05, 2024 for revision of foreign interest component of RE projects and review decision was issued on December 13, 2024.

7.3 TECHNICAL ACTIVITIES

- (a) Determined and reviewed the Revised Transmission Investment Plan (TIP) and Loss Assessment of NGC for FY 2022-23 to FY 2024-25.
- (b) Processed Distribution Integrated Investment Plans (DIIPs) for IESCO, FESCO, GEPCO, QESCO, TESCO, HESCO, MEPCO, and SEPCO, including review motions filed by IESCO, FESCO, and KE, and an additional investment plan of FESCO.
- (c) Conducted hearings on five-year Distribution Investment Plans of MEPCO, HESCO, and SEPCO.
- (d) Evaluated bid proposals for KE's 150 MW solar PV projects at Winder and Bela and a 220 MW hybrid project at Dhabeji.
- (e) Processed Power Purchase Agreements (PPAs) and Power Acquisition Contracts (PACs) including amendments to PPAs of Lucky Electric Power Company (660 MW), Jamshoro Power Company (660 MW), Port Qasim Electric Power Company (1,320 MW), Shahtaj Sugar Mills, HESCO-Thatta Power, and KAPCO.
- (f) PPA Review Committee report for CPGCL.
- (g) Reviewed and provided comments on petitions, including Punjab Thermal Power Limited (1,263 MW), Quaid-e-Azam Thermal Power Ltd. (efficiency review), and SK Hydropower interim relief.
- (h) Verified capacity/outage data for SNPC-I & II and provided comments on NPMV costs of Gharo and Oursun Solar.
- (i) Provided comments on the New Energy Vehicle Policy 2025-30.

7.4 MONITORING AND ENFORCEMENT ACTIVITIES

7.4.1 Acquisition of Data pertaining to Key Performance Indicators (KPIs) from Generation, Transmission & Distribution Licensees:

The data related to KPIs was obtained from Generation, Transmission and Distribution Licensees for FY 2024-25 to enable effective monitoring of the licensees.

7.4.2 Data Exchange Portals:

Daily/Monthly data on various parameters was collected through the Online Data Exchange Portals from generation, transmission, and distribution licensees to analyse all relevant information and implement necessary regulatory measures. This approach is sustainable and efficient, as it replaces the paper-based system with electronic filing, saves physical space, enhances data security, and facilitates effective data analysis.

7.4.3 Preparation of Performance Evaluation Reports of Operational Power Plants:

The PERs of licensees for the period FY 2023-24 were prepared and uploaded on NEPRA website. In addition, bi-annual and quarterly reports till March, 2025 for Generation and Transmission licensees were also prepared and uploaded on the NEPRA website. These reports provide a snapshot of the performance of the licensees during aforesaid period.

7.4.4 Case Remanded Back by Appellate Tribunal NEPRA regarding Unit Transformer Damage of China Power Hub Generation Company Limited (CPHGCL):

The Authority imposed a fine of Rs. 10 million on CPHGCL on account of extended forced outage of Unit1 of its power plant resulting from damage of unit transformer. Subsequently, CPHGCL filed an Appeal before the Appellate Tribunal against the Order of the Authority, and the Appellate Tribunal remanded the case back to the Authority. The case was placed before the Authority in a Regulatory Meeting held on August 09, 2023.

Pursuant to the decision taken by the Authority in the aforementioned meeting, NEPRA professionals, along with an external expert, visited CPHGCL's premises and inspected the damaged unit transformer. Accordingly, a post-visit report in the matter was prepared and presented before the Authority in the Regulatory Meeting held on July 02, 2024. In light of the decision taken in the aforesaid meeting, comments from both CPHGCL and CPPA-G were sought on the said report, and thereafter a hearing of the relevant stakeholders was also held on February 20, 2025. After obtaining detailed post-hearing comments and other relevant information, a Case Officer's Report has been prepared and processed for Authority's consideration and final decision.

7.4.5 Legal Proceedings Concluded Against Generation Licensees:

Following legal proceedings against different generation licensees are concluded.

- (a) The Authority imposed a fine of Rs. 100 million on CPGCL in connection with the tripping and fire incident at Steam Turbine-16 of the Guddu 747 MW Power Plant.
- (b) The Authority imposed a fine of Rs. 25 million on KE in relation to the complete power system collapse on January 23, 2023, as well as the subsequent delays in system restoration.
- (c) Upon satisfactory response to the explanation, the Authority disposed of the proceedings initiated against HSR (Sahiwal Coal) in connection with the total power system collapse that occurred on January 23, 2023.
- (d) Upon satisfactory response to the explanation, the Authority disposed of the proceedings initiated against Lucky Electric Power in relation to the total power system collapse.
- (e) Upon satisfactory response to the explanation, the Authority disposed of the proceedings initiated against QATPL (Bhikki) in relation to the total power system collapse.
- (f) The Authority imposed a fine of Rs. 25 million on CPPA-G for failing to finalize the Operating Procedures for several power plants and for not signing the black start procedures with various power plants.
- (g) The Authority imposed a fine of Rs. 25 million on NGC on account of non-finalization of Operating Procedures of a number of power plants and non-signing of black start procedures with different power plants.

- (h) Upon satisfactory response to the explanation, the Authority disposed of the proceedings initiated against Narowal Energy Limited in relation to the total power system collapse.
- (i) The Authority accepted the response submitted by Tapal Energy Limited to the Explanation issued in connection with the total power system collapse that occurred on January 23, 2023.

7.4.6 Issuance of Directions to Different Power Plants regarding Activation of Black Start Facilities:

Orient Power and Sapphire Electric Power have reported that their facilities are equipped with black start capabilities; however, these facilities have not yet been commissioned, as commissioning requires specific adjustments to control systems and modifications to existing electrical schemes. The plants have indicated that implementing these changes requires additional costs, which are currently under evaluation.

Accordingly, a consultative session was held on December 13, 2024, with participation from representatives of the plants, the System Operator, and the Power Purchaser. Based on the discussions during the session, directions were issued to the plants regarding the activation of black start facilities, and no additional cost will be allowed. Subsequently, similar directions were also issued to Foundation Power, which is facing a similar situation.

7.4.7 Operating Procedures and Black Start Facility at different Power Plants:

The country experienced multiple power system collapses in 2021, 2022, and 2023, marked by inadequate Black Start facilities and failure of power plants to synchronize as per Notice to Sync (NTS), causing delays in restoration. Key factors included additional time requirements beyond NTS in Operating Procedures (OPs) and inactive Black Start facilities. NGC and CPPA-G were directed to finalize OPs with power plants and sign Black Start procedures, but their progress remained unsatisfactory despite repeated follow-ups. Consequently, after due regulatory process, a fine of Rs. 25 million was imposed on each entity.

7.4.8 Daily Generation Data:

Daily analysis and power position data of generation plants of ISMO and KE systems including but not limited to percentage utilisation, peak demand, peak generation, and peak shortfall keeping in view the installed, dependable and available capacity, plant wise daily energy, and outages was prepared.

7.4.9 Implementation of Day Ahead Merit Order (DAMO):

It is noted that instead of clear directions in the Grid Code, there is non-implementation of DAMO. Therefore, the Authority issued certain directions to ISMO and CPPA-G for the execution of DAMO with completion targeted within three (03) months. The aforesaid entities were also directed to submit the finalized Standard Operating Procedures/Guidelines for DAMO for approval of the Authority. Similarly, Authority's directions were also conveyed to relevant generation companies to ensure timely and accurate submission of all information / data to ISMO for the implementation of DAMO.

7.4.10 Legal Proceedings Concluded against Transmission Licensees:

A fine of Rs. 10 million was imposed on NGC on account of fatal accidents involving Mr. Zain ul Abideen and Mr. Khair Bux.

7.4.11 Legal Proceedings Challenged in NEPRA Appellate Tribunal:

NGC challenged following decisions of the Authority in NEPRA Appellate Tribunal:

- (a) Imposition of fine of Rs. 10 million on NGC in the matter of Tower Collapse in Wake of Cyclonic Winds at South region.
- (b) Imposition of fine of Rs. 10 million was imposed on NGC with respect to fatal accident involving Mr. Shahid.
- (c) A fine of Rs. 10 million was imposed on NGC in the matter of partial blackout occurred in September, 2021 due to the fault at 500 kV Jamshoro grid station.

7.4.12 Legal Proceedings in Process against Transmission Licensees:

- (a) An Explanation was issued to the NGC regarding the delay in completing the 500 kV Lahore North Grid Station.
- (b) An Explanation was issued to NGC regarding fire erupted at the 220kV Band Road Grid Station in Lahore.
- (c) An Explanation was issued to NGC regarding payment dispute of 697.10 million rupees between NGC and NPGCL.
- (d) An Explanation was issued to NGC with respect to non-submission of report on violations of NGC's Specification P44:2018.
- (e) A Show Cause Notice was issued to NGC in May, 2025 regarding violation of NGC's Specification P44:2018 under Section 27A of NEPRA Act.
- (f) A Show Cause Notice was issued to NGC on Safety Hazards including operational and maintenance (inadequate civil works) issues found during visits of 500 kV Jamshoro and 220 kV Jhimpir-II grid stations.

7.4.13 Investigations and Monitoring Activities:

During FY 2024-25, following investigations and monitoring activities were carried out:

- (a) Initiated investigation under Section 27A of NEPRA Act regarding violation of NGC's Specification P44: 2018 on usage of unsafe 11 kV VCBs.
- (b) Monitoring of progress of interconnection arrangements between NGC and KE at KE's 500 kV KKI and 220 kV Dhabeji Grid Stations.
- (c) Monitoring of persisted delays in SCADA-III project of NGC.
- (d) Monitoring of approved Investment Plan of NGC for 2022-2025.

7.4.14 Monitoring of Load-Shedding in the Country:

Several DISCOs, including HESCO, SEPCO, QESCO, PESCO, and KE, have been implementing load-shedding based on Aggregate Technical and Commercial (AT&C) losses at the feeder level, a practice not recognized under the NEPRA Act or its Performance Standards. Taking serious notice of this violation,

NEPRA initiated legal proceedings against these entities for excessive and discriminatory load-shedding.

Following due process, NEPRA imposed a fine of Rs. 50 million on each of the five DISCOs for non-compliance. Recovery actions were initiated against HESCO, SEPCO, and QESCO, while KE and PESCO contested the decision before the NEPRA Appellate Tribunal.

Despite these regulatory measures, the DISCOs have continued to apply load-shedding based on AT&C loss criteria, constituting an ongoing breach of the provisions of the NEPRA Act, Distribution Licences, and the Performance Standards (Distribution) Rules, 2005. Numerous consumer complaints have been received regarding this persistent and inequitable practice.

In response, NEPRA issued Show Cause Notices to HESCO, SEPCO, and QESCO on March 12, 2025, under Sections 27B and 28 of the NEPRA Act, along with a daily fine of Rs. 100,000 for continued default. Proceedings against QESCO remain ongoing. Meanwhile, the NEPRA Appellate Tribunal granted stay orders to KE and PESCO, contingent upon submission of postdated cheques equivalent to the imposed fines, resulting in a temporary suspension of proceedings against them.

In addition to the above, NEPRA monitors load-shedding across the electricity distribution network by selecting 20 feeders at random from each DISCO on a weekly basis. This sampling method provides a representative snapshot of load-shedding events within each DISCO's network, allowing for an unbiased assessment of power interruptions.

7.4.15 Quarterly Monitoring and Verification of Investment Plans of DISCOs:

NEPRA allowed DISCOs to invest in developing and maintaining efficient, constraint-free distribution facilities that receive power from transmission companies for onward delivery to supply companies and, ultimately, to end consumers. The primary objective of this investment is to enhance the distribution infrastructure, ensuring that electricity is transmitted reliably and efficiently across the network. This investment focuses on upgrading and expanding the facilities within the DISCO's service area, facilitating smooth and uninterrupted power delivery, reducing system losses, and improving overall grid stability.

In line with this initiative, NEPRA, through its determination dated June 02, 2022, approved a comprehensive Five-Year Investment Plan (FY 2020-21 to FY 2024-25) for PESCO, TESCO, GEPCO, MEPCO, HESCO, SEPCO, and QESCO.

As part of its regulatory mandate, NEPRA Authority decided to carry out quarterly monitoring of the investment implementation process. This includes assessment of expenditure under each approved head, evaluation of performance against defined targets and benchmarks, and estimation of anticipated costs and benefits. Notably, any variation between allowed investment and actual expenditure is subject to downward adjustment on an annual basis to ensure fiscal discipline and accountability. In this regards, quarterly data for FY 2020-21 through FY 2024-25 was collected from the companies.

7.4.16 Establishment of Safety Directorate:

According to Section 7.1 of the NEPRA Power Safety Code, all the Licensees are required to establish their independent Safety directorate/departments of Occupational Health, Safety, and Environment.



Subsequently, all DISCOs had complied with NEPRA's directives except HESCO, SEPCO and QESCO. Accordingly, legal proceedings were initiated against these three DISCOs on account of non-establishment of their safety directorates. Show Cause Notices were issued to them under Regulation 4 (8) and 4 (9) of the Fine Regulation, and hearing for each was also held. The Authority, after detailed deliberations on the subject matter, imposed a fine of Rs. 10 million on each HESCO and QESCO, whereas, the case of SEPCO is under process. In response, QESCO has filed a review petition against the said order of the Authority which is under regulatory process.

7.4.17 Interconnection Issues of Access Solar with IESCO:

The Authority, vide its decision, directed initiation of legal proceedings against IESCO on account of the delay in grid interconnection of Access Solar (Pvt.) Limited and Access Electric (Pvt.) Limited, which resulted in a financial loss to the national exchequer. In pursuance thereof, a Show Cause Notice was issued to IESCO under the NEPRA (Fine) Regulations, 2021, and a hearing in the matter was duly conducted.

Upon completion of the legal proceedings and after evaluating the facts of the case, the Authority imposed a fine of Rs. 50 million on IESCO for the unwarranted delay in grid interconnection and the consequent loss to the national exchequer.

7.4.18 Earthing/Grounding of DISCOs:

During the investigations conducted by NEPRA regarding fatal accidents occurred in different DISCOs, it was observed that the distribution facilities of DISCOs particularly Poles, Structures, etc. lack earthing/grounding which is one of the major causes of occurrence of fatal accidents. The Authority took serious notice and decided to seek a comprehensive plan along with specific timelines from DISCOs for execution of earthing/grounding of 100% of their distribution system. The Authority took notice and initiated legal proceedings against all DISCOs on account of failure to execute earthing/grounding of HT/LT poles/structures within their service territories. After following due legal process, the Authority imposed fines of Rs. 10 million on all DISCOs except SEPCO. The proceedings for SEPCO are still ongoing and will be decided in due course of time. NEPRA, being a regulator, is keeping a vigilant eye on the execution/progress of earthing/grounding of HT/LT structures/poles on a periodic basis.

The Authority, while imposing fines, directed to execution of the earthing of the remaining steel structure within three months of issuance of the order. However, DISCOs showed their inability and could not be able to complete the tasks in the Authority-approved timelines. Therefore, the Authority again took notice and initiated proceedings against the DISCOs on account of continuous violations, whose requisite timelines to complete the earthing of HT/LT Steel Structures had lapsed. The said proceedings are still ongoing and will be concluded in due course of time. Moreover, IESCO, MEPCO and FESCO have completed the said task and submitted their completion certificates.

7.4.19 Legal Proceedings against Distribution Licensees:

During the reported period, NEPRA also initiated legal proceedings under Section 27A against LESCO and IESCO on account of fatal and non-fatal accidents.

7.4.20 Details of Fine Imposed by NEPRA:

During FY 2024-25, the Authority imposed significant financial penalties on generation, transmission, and distribution licensees for violations of licence terms, safety obligations, and performance standards. The penalties primarily relate to fatal and non-fatal accidents, earthing/ grounding deficiencies, and system reliability and governance failures.

- (a) Total Penalties Imposed: Rs. 724 Million
- (b) Highest Single Penalty: Rs. 200 Million on IESCO (non-fatal accident case)
- (c) Dominant Violation Category: Safety-related incidents (fatal/non-fatal accidents and earthing deficiencies)
- (d) Regulatory Posture: Strong enforcement focus on public safety, system grounding, and institutional safety governance
- (e) Recovery Status: Majority of penalties are either under recovery, under review, or under adjudication before the NEPRA Appellate Tribunal

Licensee	Total Fine (Rs. Million)	Key Issues
GENCO-II	150	Power plant tripping and fire incident, asset transfer/gas quota violation
PESCO	72	Fatal accidents, earthing deficiencies
TESCO	10	Earthing
IESCO	260	Non-fatal accident, earthing failures, delayed grid interconnection
GEPCO	33	Fatal accidents, earthing
LESCO	56	Fatal accidents (including monsoon-related), earthing
FESCO	25	Fatal accidents, earthing
MEPCO	23	Fatal accidents, earthing
HESCO	40	Fatal accidents, earthing, safety directorate
SEPCO	15	Fatal accidents
QESCO	20	Earthing, safety directorate
KE	10	Fatal accidents
NGC	10	Fatal accident
Total	724	

IESCO alone accounts for ~35% of total penalties, indicating heightened regulatory concern regarding safety and operational compliance.

Violation Category-wise Analysis:

Category	Total Fine (Rs. Million)	Share
Fatal Accidents	264	~36%
Non-Fatal Accidents	200	~27%
Earthing/Grounding Deficiencies	100	~13%
Safety Governance Failures (Safety Directorate)	20	~3%
Operational/Technical Failures (tripping, fire)	90	~13%
Commercial/Regulatory Violations	50	~7%
Total	724	

Nearly three-quarters of total penalties relate directly to safety and accident-related violations, underscoring NEPRA's zero-tolerance approach toward public and worker safety.



Key Takeaways:

Safety compliance, particularly earthing/grounding and accident prevention, remains the Authority's foremost enforcement priority.

Repeated penalties across multiple DISCOs point to systemic weaknesses rather than isolated incidents.

Strengthening safety directorates, preventive maintenance, and governance accountability is critical to reducing regulatory exposure.

Persistent non-compliance is increasingly attracting higher and more deterrent-level penalties.

7.4.21 Health, Safety and Environment:

During the FY 2024-25, NEPRA achieved significant milestones in the field of HSE through a series of strategic initiatives aimed to prioritize HSE across the power sector. These initiatives were designed to protect human and animal lives, conserve the environment, and safeguard critical assets of the power industry. NEPRA emphasized strict enforcement of the NEPRA Power Safety Code 2024 and relevant legal obligations among its licensees, with a firm commitment to achieve a zero-incident goal through proactive safety practices.

- (a) NEPRA has published the 3rd edition of Power Safety Code 2024, a comprehensive framework of safety requirements designed to protect employees, contractors, and the general public across the power sector, while ensuring the preservation of the environment and the safeguarding of vital national assets.
- (b) The NEPRA has published the HSE-PER 2023-24, comprehensive review of HSE practices across the power sector. This evaluation included all NEPRA licensees regardless of size, capacity, or technological configuration, engaged in Generation, Transmission, and Distribution, whether in construction or operational phases. The primary objective of this initiative is to assess the effectiveness of HSE Management Systems to protect the lives and well-being of employees, contract workers, visitors, the general public, and even animals potentially exposed to electrical infrastructure.
- (c) NEPRA has published a safety flyer with safety advisory aimed to raise awareness and prevent future electrical accidents in the country.
- (d) NEPRA conducted a full day virtual awareness session via Zoom on March 18, 2025 to discuss the key aspects of the NEPRA Power Safety Code 2024 with power sector professionals, ensuring a comprehensive understanding of implementation and compliance.
- (e) NEPRA directed all licensees and power sector companies to launch the "Safety Awareness Campaign 2025" and "Monsoon and Flood Preparedness Safety Guidelines" to ensure operational continuity, the protection of critical infrastructure, and protect employees, contractors, and the general public. The campaign content includes comprehensive safety guidelines for the general public, private electricians, and line staff, which are available on the HSE page of the NEPRA website.

7.5 CONSUMER AFFAIRS AND COMPLAINT MANAGEMENT ACTIVITIES

NEPRA is responsible for resolving complaints from electricity consumers against DISCOs/Licensees. To ensure consumer satisfaction, NEPRA has established ten (10) Regional Offices in various cities specifically dedicated to the receipt and processing of these complaints. Additionally, a substantial number of complaints are also received through Pakistan's Citizens Portal for resolution. The table below provides a DISCO-wise breakup of complaints received, processed, and resolved at the NEPRA Head Office and its Regional Offices for FY 2024-25:

7.5.1 NEPRA Consumer Complaint Management :

NEPRA (Head Office and Provincial/Regional Offices) has received/processed a total No. of 19,675 complaints during the period July 01, 2024 to June 30, 2025 out of which 18,009 complaints have been redressed/disposed of and 1,666 complaints are under process. Moreover, a total No. of 6,912 hearings were also conducted (including online, Head Office and in Regional Offices) and directions were issued accordingly. In addition, 76,373 complaints were received on NEPRA Asaan Approach mobile application during the reporting period, out of which 76,184 have been redressed.

DISCO	Total Complaints Received/Processed	Total Complaints Disposed Of	Total No. of Complaints under Process	Hearings Conducted
PESCO	629	459	170	383
TESCO	6	2	4	2
IESCO	412	386	26	163
GEPCO	731	704	27	184
LESCO	4,534	4,170	364	1,308
FESCO	900	852	48	422
MEPCO	2,088	1,940	148	421
HESCO	1,688	1,657	31	803
SEPCO	1,396	1,070	326	878
QESCO	189	127	62	75
KE	6,504	6,044	460	2,273
Pakistan Citizen Portal	598	598	0	0
Total	19,675	18,009	1,666	6,912
NEPRA Asaan Approach (Mobile App)	76,373	76,184	189	0
Grand Total	96,048	94,193	1,855	6,912

Source: NEPRA

7.5.2 Resolution of Court-Referred Cases and Major Complaints:

NEPRA has processed/disposed of forty-six (46) Complaints/Cases/Writ Petitions referred by various Courts of law during the period July, 2024 to June, 2025. A number of one hundred seventy-eight (178) major cases/complaints have also been decided by Complaints Resolution Committee(s) during the reporting period and directions/speaking orders were issued accordingly.

7.5.3 Other Major Activities:

- In order to facilitate the electricity consumers of Pakistan for their complaints; NEPRA launched a mobile application namely “NEPRA Asaan Approach” on July 31, 2024.
- The DISCOs including KE were also directed to print details regarding “NEPRA ASAAN



APPROACH" mobile application on the electricity bills and display Pana flexes at all field offices (sub divisions, divisions etc.) for awareness of general public.

(c) On receipt of numerous consumer complaints regarding prolonged load-shedding in the service territory of KE, particularly during the heat wave in Karachi; the Authority considering the severity of the conditions, directed KE to adopt the following immediately:

- Load-shedding should be carried out if it is absolutely essential and in strict accordance with NEPRA's applicable documents.
- If load-shedding is necessary and compliant with NEPRA's applicable documents, it should be avoided during night hours to the greatest extent possible.
- Any required, lawful load-shedding should be limited to maximum duration of one hour per occurrence.

(d) The Authority issued an Explanation to KE with regard to non-adherence to the directions of the Authority with respect to provision of information on the pretext that a large number of net-metering applications were rejected by KE on the basis of overloading of Common Distribution System/PMTs. Besides, directed KE to entertain all the applications without any delay and promptly process all net metering application in accordance with NEPRA (Alternative and Renewable Energy) Distribution Generation and Net-Metering Regulations, 2015. Also, KE shall fulfil its responsibility by carrying out the required upgrades and maintenance as part of its obligations for the proper management of the CDS and to ensure that net metering consumers are not unjustly deprived of their rightful services.

(e) NEPRA conducted an inquiry, pursuant to reports from various sources, including print, electronic, and social media whereby it was highlighted that electricity consumers received inflated bills for the month of June, 2024. Accordingly, legal proceedings were initiated against all the DISCOs on account of misuse of pro-rata mechanism and against KE for not implementing pro-rata adjustments for cases where meter readings were carried out for more than 30 days, which resulted inflated electricity bills for the period April to June, 2024.

(f) The Authority also issued directive/directions to all the DISCOs including KE for adjustment of bills for the period from April, 2024 to June, 2024 along with waiver of LPS where pro-rata billing was carried out in violation of earlier directions of the Authority. In response, the directions of the Authority have been complied by DISCOs by adjusting a total amount of Rs. 6.189 billion to 2.4158 million number of consumers on account of overbilling established by the NEPRA team during the inquiries.

(g) On the directions of the Prime Minister received through Ministry of Energy (Power Division); the Authority constituted an Investigation Committee (IC) for investigation into the issue of overbilling by DISCOs and manipulation of MDI by industrial sector.

(h) On receipt of several complaints regarding imposition of fixed charges on account of MDI; all the DISCOs have been directed to scrutinize the record and correct the wrongly charged MDI in the historical data/master file to avoid excessive charging of fixed charges on MDI basis.

(i) On the recommendation of Inquiry Committee, constituted under Section 27A of the NEPRA Act, to investigate issuance of fake/detection bills in Narowal-I under the territory of GEPSCO in pursuance of decision of the President Secretariat (Public) received from Wafaqi Mohtasib (Ombudsman)'s Secretariat Regional Office, Gujranwala; directions were issued to GEPSCO to

provide credit to all the consumers who were charged bill adjustments/ detection bill in lump sum during the period from April, 2021 to December, 2021 in Narowal-I sub division and to take action against the delinquent officials under GEPCO service rules. In response, GEPCO reported that credit/relief has been provided to 8,531 affected consumers, involving a total adjustment of 1,298,823 units besides action taken against the delinquents.

- (j) In order to ensure transparency and timely communication, DISCOs and PITC have been directed to make changes in billing system for printing geo-tagging on each meter photo on electricity bills and notifying consumers via SMS after capturing the meter reading.
- (k) In compliance with the directives of the Authority and Show Cause Notices issued to LESCO, FESCO and MEPCO, due credit/relief has been provided by the said DISCOs to the affected consumers who were charged detection bills on account of slowness of energy meters for more than two billing cycles in violation of provisions of CSM.
- (l) The Authority has approved amendment in Consumer Service Manual (CSM) regarding facility of instalments for payment of electricity bill and the same was conveyed to all the DISCOs including KE and other stakeholders.

7.6 NEPRA APPELLATE BOARD

The Authority has established an Appellate Board to adjudicate appeals submitted to NEPRA against decisions made by the Provincial Offices of Inspection under Section 38 of the NEPRA Act, 1997. The table below presents the status of appeals and review petitions considered by the Appellate Board during FY 2024-25:

7.6.1 Appeals Filed Before the NEPRA Appellate Board:

During the period from July 01, 2024 to June 30, 2025, the NEPRA Appellate Board processed appeals filed by various DISCOs. At the beginning of the period, a total of 79 appeals were pending. An additional 181 appeals were filed during the year, bringing the cumulative total to 260 appeals.

Out of these, 159 appeals were decided during the reporting period, while 101 appeals remained under process as of June 30, 2025. Among the DISCOs, LESCO recorded the highest number of new appeals (82), followed by PESCO (25) and FESCO (24). Most entities demonstrated steady progress in disposing of cases, with several DISCOs, TESCO and HESCO, clearing their entire pending caseload by the end of the year. The detailed breakup of appeals, covering pending cases, new filings, disposals, and closing balance, has been compiled by the NEPRA Appellate Board:

DISCO	Pending as on July 01, 2024	Filed from July 01, 2024 to June 30, 2025	Total	Decided	Balance as on June 30, 2025
PESCO	8	25	33	20	13
TESCO	1	0	1	1	0
IESCO	10	3	13	4	9
GEPCO	12	15	27	23	4
LESCO	16	82	98	53	45
FESCO	10	24	34	26	8
MEPCO	12	19	31	22	9
HESCO	1	1	2	2	0
KE	9	12	21	8	13
Total	79	181	260	159	101

Source: NEPRA Appellate Board



7.6.2 Review Petitions before NEPRA:

In accordance with the provisions of the NEPRA (Review Procedure) Regulations, 2009, any party aggrieved by the decision of the NEPRA Appellate Board has the right to file a review petition before NEPRA. These review petitions are duly examined and adjudicated by the Appellate Board in accordance with the prescribed regulatory framework. During FY 2024-25, several parties exercised this right and submitted review petitions challenging the decisions made by the Appellate Board. The following table provides a summary of the review petitions filed during the said period, the parties involved, and the current status of each petition:

DISCO	Pending as on July 01, 2024	Filed from July 01, 2024 to June 30, 2025	Total	Decided	Balance as on June 30, 2025
PESCO	2	0	2	2	0
IESCO	4	0	4	4	0
LESCO	2	4	6	6	0
FESCO	0	1	1	1	0
MEPCO	3	1	4	4	0
KE	1	0	1	1	0
Total	12	6	18	18	0

Source: NEPRA Appellate Board

7.6.3 High Courts' Judgments in Appellate Board Cases:

Decisions of the NEPRA Appellate Board are occasionally challenged before the Honourable High Courts by DISCOs or consumers seeking judicial review of the Board's determinations. Such petitions are generally filed under the constitutional jurisdiction of the High Courts, primarily on questions of law, procedural fairness, or interpretation of regulatory provisions.

During the reporting period, the High Courts issued judgments in a total of six (06) cases pertaining to decisions of the NEPRA Appellate Board. Out of these, four (04) judgments were decided in favour of NEPRA, upholding the Appellate Board's determinations. The remaining two (02) cases were remanded back to NEPRA for review or fresh decision. This outcome reflects a strong validation of NEPRA's appellate processes, with the majority of decisions sustained by the judiciary.

7.6.4 Status Summary of Appeals before the NEPRA Appellate Tribunal under Section 12G of the NEPRA Act:

The NEPRA Appellate Tribunal was constituted by the Federal Government under Section 12 of the NEPRA (Amendment) Act, 2018, to serve as an independent forum for the adjudication of appeals against decisions of the NEPRA Appellate Board. In accordance with Section 12(G) of the NEPRA Act, any party aggrieved by a decision or order of the NEPRA Appellate Board may prefer an appeal before the Appellate Tribunal.

During the period from 2022 to June 30, 2025, a total of 67 appeals were filed before the NEPRA Appellate Tribunal. Of these, 26 appeals were disposed of, while 41 appeals remained pending as of June 30, 2025. Among the DISCOs, FESCO and LESCO accounted for the highest number of appeals filed, with 26 and 18 appeals respectively, followed by GEPCO with 10 appeals and PESCO with 6 appeals. Several entities, including IESCO and MEPCO, concluded the period with no pending appeals.

reflecting complete clearance of their respective caseloads.

Out of the 26 appeals decided during the reporting period, 17 were decided in favour of NEPRA, while 9 appeals were remanded to NEPRA for review or for a fresh decision.

The table below presents the status of appeals filed before the NEPRA Appellate Tribunal during FY 2024-25 against decisions of the NEPRA Appellate Board, providing an overview of appeals received, cases disposed of, and those currently under adjudication:

DISCO	Total Filed during 2022 to June, 2025	Decided	Net Balance as on June 30, 2025
PESCO	6	2	4
IESCO	1	1	0
GEPCO	10	6	4
LESCO	18	2	16
FESCO	26	11	15
MEPCO	1	1	0
HESCO	3	2	1
KE	2	1	1
Total	67	26	41

Source: NEPRA Appellate Board

7.7 LEGAL ACTIVITIES

NEPRA's Legal realm ensures that regulatory actions, enforcement proceedings, licencing processes, tariff determinations, and policy directions are fully aligned with the governing statutory framework.

NEPRA undertakes litigation management as critical function, in addition to preparation of compliance reports, and the defense of Authority decisions before judicial and quasi-judicial forums. Additionally, it contributes to sectoral studies and regulatory reports by examining relevant legal issues, identifying gaps within existing regulatory frameworks, and recommending measures to strengthen compliance and governance across the power sector. The following activities were undertaken by legal team in support of the Authority's discharge of its mandate:

7.7.1 Promulgation of New Regulations/Guidelines and Amendments in NEPRA Rules/Regulations/Guidelines/Codes:

In accordance with Section 47 of the NEPRA Amended Act, 2018, NEPRA is tasked with developing Regulations that govern the conduct, procedures, duties, responsibilities, and terms and conditions of licensees or registered entities, provided they do not conflict with the Act and Rules. In the FY 2024-25, NEPRA notified the following amendments in the existing Regulations in the Official Gazette of Pakistan:

- (a) Amendment in NEPRA (Electric Power Procurement) Regulations, 2022 notified vide SRO 2070(I)/2024 dated December 24, 2024; and
- (b) Amendment in NEPRA Licencing (Electric Power Suppliers) Regulations, 2022 notified vide SRO 1098(I)/2025 dated June 19, 2025.



7.7.2 Status of Pending Legal Cases:

As of June 30, 2025, a total of 1,296 legal cases were pending before various Honourable Courts of Pakistan and the NEPRA Appellate Tribunal, in which either the decisions of the Authority were challenged or NEPRA was impleaded as a proper and necessary party. During FY 2024-25, 316 cases were filed, while 89 cases were decided or disposed of during the same period.

7.8 COMPETITIVE TRADING BILATERAL CONTRACT MARKET (CTBCM)

Pakistan's power sector has historically been shaped by a centralized, single-buyer model that created inefficiencies, capacity surpluses, and lack of choice for consumers. The WAPDA Strategic Plan of 1992 was the first blueprint for unbundling and corporatization of the sector. This Plan initiated reforms by unbundling generation, transmission, and distribution functions to improve accountability and efficiency. However, despite progress, the single-buyer model persisted, concentrating market power and preventing competitive discipline.

Over time, this lack of competitive discipline contributed to systemic issues such as rising capacity payments, inefficiencies in dispatch, and accumulation of circular debt.

Recognizing these structural barriers, the NEPRA Act amendments of 2018 provided the legal mandate to move beyond the single-buyer model toward a competitive, multi-buyer framework. Building on this foundation, NEPRA approved the High-Level Market Design in 2019 and the Detailed Design and Implementation Roadmap in 2020, providing a clear framework for transitioning to the CTBCM. Later on, the National Electricity Policy and National Electricity Plan endorsed the CTBCM design and provided policy support for this transition towards a competitive electricity market.

7.8.1 Key Milestones in FY 2024-25:

- (a) Establishment of ISMO: On April 30, 2025, NEPRA transferred the Market Operator and System Operator licences to the ISMO. Ensuring ISMO's independence in governance and decision-making is critical to avoid conflicts of interest, enhance transparency, and strengthen investor confidence.
- (b) KE Integration Plan: NEPRA approved KE's integration into CTBCM on May 26, 2025, ensuring integration of Pakistan's largest private utility into central economic dispatch and paving the way for participation of Bulk Power Consumers (BPCs) located in the territory of KE in the CTBCM.
- (c) Supplier-to-Supplier Sales Allowed: The Authority approved Amendments to the NEPRA Licencing (Electric Power Supplier) Regulations, 2022, allowing supplier-to-supplier sales. This step enhances market liquidity and strengthens the competitive structure.
- (d) Test Run of Market Commercial Code (MCC): Market Operator completed the six-month test run of the MCC, validating processes, IT systems, and rules. The Final Test Run (FTR) Report remained under regulatory review and is at advanced stage of approval.

7.8.2 Key Market Instruments under Regulatory Process:

- (a) Final Test Run and Market Commercial Code

During FY 2022-23 and FY 2023-24, the Market Operator completed the six-month Test Run of the

CTBCM. This exercise was a critical milestone, as it validated the operational processes, methodologies, IT systems, and governance rules required for market functioning. The Test Run demonstrated the technical readiness of systems and identified refinements necessary to ensure smooth commercial operations.

Following the Test Run, the Market Operator submitted the FTR report along with proposed amendments to the MCC, covering adjustments to formulas, settlement methodologies, and operational labelling. These submissions are currently under NEPRA's regulatory review and have reached an advanced stage of approval. The MCC, once approved, will serve as the foundational rulebook of the wholesale electricity market, ensuring transparency, accountability, and non-discriminatory participation.

(b) Use of System Charges for Wheeling/Open Access

The operationalization of CTBCM has been constrained primarily due to challenges associated with the determination of wheeling or open-access charges, particularly the treatment of stranded cost components. The inclusion of stranded costs, intended to compensate for underutilised generation capacity procured under legacy power purchase arrangements, has, however, remained a critical impediment to market participation, as the number and allocation of such costs could significantly influence the economic feasibility of bilateral contracting and erode confidence in the reform process and stall the very market liberalization it seeks to promote.

Wheeling charges determination was initially issued by NEPRA on January 01, 2021. DISCOs challenged the same in Islamabad High Court (IHC), and the IHC vide its order dated March 03, 2023, directed NEPRA to decide the matter within period of 10 weeks from the date of receipt of order. Pursuant thereto, DISCOs filed wheeling petitions for FY 2022-23. However, the matter lingered on due to a number of requests from DISCOs and the Ministry of Energy (Power Division), to align with the rebasing of consumer-end tariffs.

However, recognizing the issue that without treatment of stranded cost component, the wheeling charges may be too high to support market transactions, the Ministry of Energy (Power Division) has initiated a process for amendments in the NE Plan and Supplier Eligibility Criteria Rules.

(c) Agency Code

The operationalization of CTBCM has been constrained primarily due to challenges associated with the determination of wheeling or open-access charges, particularly the treatment of stranded cost components. The inclusion of stranded costs, intended to compensate for underutilised generation capacity procured under legacy power purchase arrangements, has, however, remained a critical impediment to market participation, as the number and allocation of such costs could significantly influence the economic feasibility of bilateral contracting and erode confidence in the reform process and stall the very market liberalization it seeks to promote.

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due to a number of requests from DISCOs and the Ministry of Energy (Power Division), to align with the rebasing of consumer-end tariffs.

However, recognizing the issue that without treatment of stranded cost component, the wheeling charges may be too high to support market transactions, the Ministry of Energy (Power Division) has initiated a process for amendments in the NE Plan and Supplier Eligibility Criteria Rules.

(d) Connection Agreements (CAs)

There are three types of Connection Agreements, i.e., NGC-Generator, NGC-DISCOs, and DISCO-BPC. DISCOs have submitted draft Connection Agreements with BPCs, in line with CTBCM requirements for defining roles, responsibilities, and obligations of interconnected parties. The submitted agreement is under regulatory review to ensure consistency with the Grid and Distribution Codes, as well as to embed enforceable provisions that strengthen contractual clarity and reduce disputes.

(e) Use of System Agreement (UoSA)

Draft UoSA was submitted by DISCOs and KE under the NEPRA Open Access (Interconnection and Wheeling of Electric Power) Regulations, 2022. The draft UoSA set out the rights and responsibilities of market participants for using the network under open access. The submitted draft is under regulatory review and approval process to ensure that UoSA not only ensure non-discriminatory access but also stipulates the rights and obligations of the parties.

(f) Distribution Code

The revised Distribution Code, submitted by DISCOs, addresses critical aspects such as open access, operational coordination with the System Operator, RE integration, and improved demand forecasting. The draft is undergoing regulatory review, supported by international benchmarking exercise, to ensure the Code provides robust, transparent, and enforceable framework for distribution sector. Its finalization is expected to enhance operational discipline, forecasting accuracy, and the integration of distributed and renewable resources.

(g) Performance Standards (Distribution)

The Distribution Performance Standards are currently under public consultation. The proposed revisions are focused on raising benchmarks for service quality, operational efficiency, and consumer satisfaction. Once finalized, the Standards will embed measurable indicators that improve DISCO performance, enhance consumer protection, and create stronger accountability frameworks across the distribution sector.

(h) Market Participation Agreements/Service Provider Agreement

During FY 2024-25, CPPA-G submitted drafts of the Market Participation Agreements (MPA) and Service Provider Agreements (SPA).

- (a) MPA set out the rights, obligations, and compliance requirements for all market participants, ensuring a transparent and enforceable framework for entry and participation in CTBCM.
- (b) SPA govern the engagement of service providers to support CTBCM such as open access,

provision of metering data, etc., ensuring accountability and alignment with regulatory standards.

As of June 2025, both agreements are under NEPRA's regulatory review, being refined through stakeholder consultations and international benchmarking.

7.8.3 Submissions Pending from Stakeholders:

(a) Security Package Documents (SPDs)

To be developed and submitted by PPIB. These documents are critical for bankable bilateral contracts between DISCOs and generators. Delay in PPIB submission may restrict the ability of DISCOs and generators to sign bilateral contracts, impacts the transition from the single-buyer model.

(b) Connection Agreements (Generators, NGC, DISCOs)

Agreements defining technical and commercial rights for interconnection between network licensees and generators are yet to be submitted by relevant licensees. Delay in submission risks creating uncertainty in interconnection rights and obligations, undermining investor confidence and limiting bulk power consumer access. Timely submission of these instruments is critical to sustain reform momentum and ensure Pakistan's readiness for competitive market operations.

7.9 COORDINATION AND IMPLEMENTATION ACTIVITIES

During FY 2024-25, the Coordination and Implementation (C&I) activities were aimed to facilitate the core regulatory processes of the Authority by ensuring timely organization and coordination of meetings, hearings, and stakeholder consultations. The Department efficiently managed all administrative and procedural arrangements related to the regulatory decision-making forums.

In line with its mandate, a total of 459 Regulatory Meetings and 109 Public Hearings/Consultative Sessions were successfully conducted during the year. These sessions provided a robust platform for deliberation on tariff determinations, licensing matters, consumer affairs, market operations, and other regulatory initiatives.

Through proactive coordination and streamlined communication across organization, while ensuring that the proceedings of Authority were conducted in an efficient, transparent, and structured manner, thus supporting evidence-based regulatory decision-making and stakeholder engagement throughout the fiscal year.

7.10 FINANCE ACTIVITIES

In accordance with Sections 13 and 14 of the NEPRA Act, the Authority's financial operations are supported through revenues generated from fees and fines. Any surplus, after fulfilling corporate tax obligations, is remitted to the Federal Consolidated Fund (FCF), while deficit is covered by the Federal Government. NEPRA maintains comprehensive books of accounts, which are subject to audit by the Auditor General of Pakistan (AGP), ensuring transparency and fiscal accountability.

Since its inclusion in the national tax framework in 2007, NEPRA has consistently complied with Federal Board of Revenue (FBR) regulations, filing annual corporate tax returns accompanied by the



annual audited financial statements. To uphold independence and audit quality, NEPRA engaged M/s RSM Avais Hyder Liaqat Nauman, Chartered Accountants, through a competitive process to conduct the external audit for FY 2024-25, in line with AGP protocols and best practices.

Throughout the FY 2024-25, the contributions of Finance Department were instrumental in strengthening financial governance, key highlights of the year are as under:

7.10.1 External Audit of NEPRA Accounts:

To uphold transparency and financial integrity, the Finance Department facilitated the independent audit of NEPRA's accounts for the fiscal year ended June 30, 2025. The services of M/s RSM Avais Hyder Liaqat Nauman, Chartered Accountants, were engaged following best practices and PPRA procurement protocols. The audit was completed in accordance with International Standards on Auditing as applicable in Pakistan. The audited financial statements were formally approved by the Authority. The Auditors' Report, along with key extracts from the audited financial statements, is annexed to this Annual Report.

7.10.2 Contributions to Government and Peer Organizations:

During the FY 2024-25, NEPRA proactively discharged its statutory responsibilities by making critical financial contributions to government institutions and partner organizations:

Nature of Contributions/Payments	Payments made in FY 2024-25 Rupees in Million
<u>Payment of Surplus to Federal Consolidation Fund (FCF):</u> Under Section 13 of NEPRA Act, 1997, payment made to FCF during 2024-25. So far, NEPRA has made total payments of Rs. 3,931/- Million to FCF.	922
<u>Tax Payments to Federal Board of Revenue:</u> (i) Quarterly instalments of advance tax paid by NEPRA. (ii) Tax withheld and deposited by Licensees on fee income. (iii) Tax withheld and deposited on various transactions. Sub-total:	449 291 54 794
<u>Payments to Competition Commission of Pakistan (CCP):</u> Pursuant to S.R.O. 1277(I)/2020 dated November 27, 2020 issued by Finance Division, Government of Pakistan, NEPRA made statutory charge of 3% of fees to CCP: Charge during the year 2024-25. So far, NEPRA has made total payment of Rs. 657 Million to CCP.	159
Total	1,875

7.10.3 Annual Fee:

As a major revenue stream, annual fees were assessed and invoiced in accordance with the NEPRA (Fees) Regulation, 2021. The rates were indexed using the latest monthly National Consumer Price Index (N-CPI) published by Pakistan Bureau of Statistics (PBS). Updated licence fee notices, effective July 01, 2024, were sent to all licensees/companies including Generation, Transmission, Distribution, Electric Power Supplier, and Market Operators/System Operators.

Sr. No.	Licence Segment, Annual Fees, Base Rates in Rupees (Notified April,2024)	Annual Fees, Applicable Rates Effective 01 July, 2024 in Rupees (Indexed)
1	<u>Generation:</u> The fee will be calculated, at the rate of Rs. [44,786 thousand] per MW, on the basis of the Gross (ISO) MW capacity of the licenced generation facility.	43,343
2	<u>National Grid:</u> The fee will be charged at the fixed rate of Rs. [21.4973 million].	20,804,730
3	<u>Provincial Grid:</u> The fee will be charged at the fixed rate of Rs. [5.3743 million].	5,201,158
4	<u>Special Purpose Transmission Line :</u> The fee for Special Purpose Transmission shall be calculated at the rate of Rs. [5.375 Thousand] per MW, on the basis of maximum transmission capacity as given in the licence of special purpose transmission line, with a maximum ceiling of Rs.21.4973 Million.	5,202 20,804,730
5	<u>K-Electric (Transmission) :</u> The fee will be charged at the fixed rate of Rs. [15.048 Million].	14,563,205
6	<u>Distribution:</u> Rs. [13,973] per MVA or Rs. [2.5797 Million] whichever is more.	13,523 2,496,591
7	<u>Electric Power Supplier:</u> Rs. [21,497] per MW or Rs. [2.5797 Million] whichever is more.	20,804 2,496,591
8	<u>Market Operator:</u> The fee will be charged at the fixed rate of Rs. [21.4973 Million].	20,804,730
9	<u>System Operator:</u> The fee will be charged at the fixed rate of Rs. [21.4973 Million].	20,804,730

7.10.4 Compliance with Tax Laws:

During the financial year, the Finance Department diligently fulfilled its role as NEPRA's withholding agent for both Federal and Provincial Tax Authorities. It ensured accurate calculation, timely deduction and remittance of income tax and sales tax across a wide range of financial transactions related to procurement of goods and services.

The department also managed electronic submission of periodic tax statements in accordance with statutory obligations, maintaining transparency and audit readiness. In line with Section 114(1) of the Income Tax Ordinance, 2001, NEPRA's corporate tax return for the FY 2023-24, was successfully filed with the Federal Board of Revenue well before the prescribed deadline, demonstrating proactive compliance and statutory reporting.

7.11 HUMAN RESOURCE ACTIVITIES

NEPRA's Human Resource Department manages recruitment and selection, training and development, reviewing compensation and benefits, succession planning, career management, database management, process re-engineering and revisiting policies and regulations, with the aim of not only to enhance the skills of the professionals and staff but also to retain and provide smooth transition of suitable employees to more responsible roles.

During FY 2024-25, NEPRA recognized outstanding performance by promoting forty-six (46) employees across various cadres, reflecting a merit-based culture and commitment to employee growth. Out of these 46 employees, 13 were professionals who participated in the Management Training Program in FY 2024-25 and were promoted after successful completion.

To build capacity and keep pace with the evolving energy sector, NEPRA nominated professionals for specialized trainings. In the first quarter, three (03) professionals participated in a USAID-PSIA workshop on Generation Planning in collaboration with CPPA-G in Lahore. In the second quarter, employees attended sessions on competition assessment and digital infrastructure, while also hosting probationary officers of the 52nd Common Training Program for exposure to regulatory functions. In the third quarter, seven (07) professionals attended the Danish Energy Transition Initiative (DETI) workshop. Additionally, two (02) professionals participated in a certified program in procurement management course at LUMS. Throughout the year, multiple nominations were made for professional workshops and capacity-building programs, reinforcing sectoral excellence.

NEPRA advanced digital HR management by fully digitalizing employee personal files in the second quarter, with daily updates enabling real-time access and efficient reporting. This initiative continued into subsequent quarters, streamlining data management and reducing administrative delays.

As part of employee welfare, Hajj balloting was conducted in the second quarter, selecting two (02) employees for the 2025 pilgrimage, with all preparations initiated. In the fourth quarter, NEPRA revised its Service Regulations after a year-long consultative process involving internal experts and external consultants, addressing employee growth, emerging functions, and modern HR demands.

NEPRA continued its internship program to nurture young talent and enhance its socially responsible image. Each internship offered exposure to the energy regulatory framework and equipped fresh graduates with practical skills for career development.

7.12 ADMINISTRATIVE ACTIVITIES

FY 2024-25 witnessed sustained administrative efficiency, logistical support, and infrastructure enhancements under the Administration Department, ensuring seamless operations across NEPRA Tower, regional, and provincial offices.

Routine tasks including general office management, safety and security protocols, transport supervision, inventory control, and management of Regional/Provincial Offices were executed without interruption throughout the year.

Facility upgrades prioritized employee well-being and regional functionality. The NEPRA Tower Day Care Centre was renovated in the third quarter which was further upgraded in the fourth quarter for improved hygiene standards. Regional offices in Lahore and Gujranwala received ergonomic furniture, revamped reception areas, and a new daycare facility in Lahore during the third quarter. Comprehensive refurbishing of Karachi and Lahore regional offices, including upgraded meeting spaces, was completed in the fourth quarter.

Tender management for outsourced services, miscellaneous projects, and procurements ensured uninterrupted service delivery, with processes conducted transparently throughout the year.

Employee engagement was fostered through sports tournaments. A Cricket Tournament on November 14, 2024, saw the Tariff Department emerge as champions. The 5th Inter-Departmental Football Tournament on February 22, 2025, was won by NEPRA Sultans (Admin. and HR). The department also arranged multiple administrative and public hearings at NEPRA Tower under supervised protocols.

Annual publications, including the Annual Report 2023-24 and, State of the Industry Report 2024, were designed, printed, and distributed in the second quarter of FY 2025.

7.13 INFORMATION TECHNOLOGY ACTIVITIES

7.13.1 Data Exchange Portals and Mobile Application Support:

NEPRA's IT team provided continuous technical and operational support for its key data exchange platforms, including the CMS-CAD, Net Metering, and HSE Portals. A major achievement was the comprehensive redesign of the HSE Portal, incorporating updated evaluation criteria, and improved reporting capabilities for greater accuracy and transparency. The CMS-CAD Portal was also enhanced with new reports and updated forms aligned with departmental needs. Regular weekly backups were implemented to ensure database and application resilience. Moreover, the Department maintained robust support for the "NEPRA Asaan Approach" mobile application, which facilitates streamlined consumer complaint redressal. The Data Exchange Portals for Generation, Transmission, and Distribution were also upgraded with a three-tier automated email notification system, enhancing data submission compliance and improving operational efficiency.

7.13.2 Strengthening NEPRA's Cybersecurity Defence:

As part of its ongoing commitment to information security, NEPRA undertook key initiatives to enhance its cybersecurity defence. During the year, a comprehensive Vulnerability and Risk Assessment was conducted across NEPRA's ICT infrastructure to identify and address potential security gaps.

7.13.3 Oracle E-Business Suite – Maintenance and Enhancements:

The IT team continued to provide critical functional and operational support for NEPRA's Oracle ERP system. This included the successful implementation of the financial year's budgeting policies, financial periods, and formula updates. The system is updated for automated tax deduction processes and customized financial reports, significantly improving the ERP's efficiency and utility.

7.13.4 Enterprise Content and Document Management:

The IT team actively maintained NEPRA's Enterprise Content Management System (ECMS). Key activities included the creation of new departmental sites, configuration of search services, implementation of access controls, periodic re-indexing, and weekly backups of critical content. A significant milestone was the successful establishment of connectivity with the e-Office system, enabling NEPRA to conduct all official communication and correspondence with Federal Ministries and Divisions through a secure and fully digitized platform.

7.13.5 IT Infrastructure Upgrades:

To support NEPRA's expanding operational needs, the IT team made considerable investments in infrastructure. Over 350 laptops and desktops were managed across the organization. The Department acquired a high-performance server to enhance data storage and processing capabilities. Additionally, 29 Ultra 7 laptops and 35 desktop computers were procured, each installed with licenced operating systems, Microsoft Office 2024, and advanced antivirus protection. Heavy-duty printers and scanners



were also deployed to support document management and administrative workflows. These upgrades demonstrate NEPRA's commitment to technological advancement and efficient service delivery.

7.13.6 NEPRA's Cybersecurity Response to Geo-Political Escalation:

In response to the heightened security concerns arising from the geo-political tensions in Pakistan during the year, NEPRA established a Cybersecurity Command and Control Center to support power sector entities during the period of increased risk. The Center operated on a 24/7 basis, facilitating incident coordination, and advisory support to ensure the resilience and security of critical energy infrastructure. This timely initiative played a pivotal role in maintaining sectoral preparedness and regulatory coordination during a period of potential operational threats.

7.13.7 Website and Email Hosting Shift with Strengthened Cybersecurity Controls:

During the year, NEPRA successfully migrated its official website and email server hosting. As part of this transition, additional cyber-security clauses were incorporated into the contractual agreement with the hosting service provider to ensure enhanced protection of NEPRA's digital assets, data confidentiality, and service continuity. These measures reflect NEPRA's continued commitment to strengthening its cyber-security posture.

7.13.8 Network Monitoring and Control:

This year, IT team made major improvements in the monitoring and management of its internal network by installing advanced managed core switches. These switches enable real-time monitoring of wired network traffic, thereby enhancing security and control. The deployment also introduced VLAN segmentation to optimize bandwidth usage and isolate critical devices. Additionally, the centralized management through the dashboard has simplified IT administration, enabling more efficient network oversight and support.

7.13.9 Wide Area Network (WAN) Expansion:

To ensure seamless connectivity across all regional and provincial offices, IT team significantly expanded its Wide Area Network infrastructure. The expansion included the deployment of Committed Information Rate data connections using both fiber optic and wireless media. This effort successfully linked NEPRA's Head Office in Islamabad with its offices in Peshawar, Lahore, Quetta, Karachi, Faisalabad, Multan, Gujranwala, Hyderabad, and Sukkur.

7.13.10 Virtual Hearings and Zoom Meetings:

The IT team successfully managed and conducted over 300 important hearings, meetings and online interviews. All of these sessions were carried out smoothly without any interruptions, showing NEPRA's strong focus on reliable and efficient virtual communication.

7.13.11 Business Continuity and Disaster Recovery:

To avoid any interruptions and keep things running smoothly, IT team set up a strong backup and disaster recovery system. This ensures that important data and systems are safe and can be quickly restored if something unexpected happens. With constant monitoring and active IT support, NEPRA kept its systems up and running 99.90% of the time.

7.13.12 Helpdesk Support:

The IT Helpdesk Support team played an important role in keeping NEPRA's IT infrastructure and services running smoothly throughout the year. They responded to hundreds of technical requests and fixed most issues in less than one hour. Regular training helped the staff stay updated and skilled in solving different types of IT problems.

Month	Number of Visits	Unique Visitors	Pages	Hits
July, 2024	121,666	22,185,448	35,542,089	35,651,405
August, 2024	60,074	4,108,275	11,424,664	11,514,710
September, 2024	127,116	600,523	4,131,563	4,441,605
October, 2024	410,113	1,590,400	15,797,479	16,110,611
November, 2024	409,547	1,566,740	16,819,596	17,074,445
December, 2024	386,959	1,509,383	16,611,122	16,862,421
January, 2025	670,984	2,517,761	19,356,905	19,710,630
February, 2025	1,278,816	1,925,819	17,520,671	18,218,070
March, 2025	342,630	452,642	2,761,169	4,163,386
April, 2025	3,916,290	17,112,688	126,353,475	128,077,753
May, 2025	1,955,591	4,715,987	40,660,222	41,892,807
June, 2025	93,464	336,653	2,122,967	5,903,479
Total	9,773,250	58,622,319	309,101,922	319,621,322

ANTICIPATED DEVELOPMENT/ ACTIVITIES FY 2025-26

NATIONAL ELECTRIC POWER REGULATORY AUTHORITY



8. ANTICIPATED DEVELOPMENT/ACTIVITIES FY 2025-26

8.1 ANTICIPATED LICENCING ACTIVITIES FY 2025-26:

- (a) Amendments in the NEPRA Licensing (Electric Power Supplier) Regulations, 2022.
- (b) Amendments in the NEPRA Licensing (Application, Modification, Extension and Cancellation) Procedure Regulations, 2021.
- (c) Formulation of new regulations pertaining to Concurrence.
- (d) Formulation of regulations pertaining to Connectivity to the grid in terms of Section 14B(5) of the NEPRA Act.
- (e) Approval of Integrated System Plan 2025 comprising of IGCEP 2025-35 and TSEP 2025-35.
- (f) Grant of Registration to CPPA-G for Special Purpose Agent for Legacy Contracts and Associated Code.
- (g) Grant of 20-25 Isolated Supplier Licence after amendments in the NEPRA Licensing (Electric Power Supplier) Regulations, 2022.
- (h) Issuance of 15-20 Generation Concurrences.
- (i) Grant of 5-10 Competitive Supplier Licences.
- (j) Grant of 5-10 Supplier of Last Resort licences.
- (k) Grant of 5-10 Distribution Licences.
- (l) Issuance of 10,000 net-metering concurrences.

8.2 ANTICIPATED TARIFF ACTIVITIES FY 2025-26:

- (a) Tariff Modification Petition filed by Northern Power Generation Company Limited for Nandipur Power Plant.
- (b) Tariff Petition filed by Kot Addu Power Company Limited for Determination of Reference Generation Tariff.
- (c) Tariff Petition filed by Jamshoro Power Company Limited for EPC Stage Tariff.
- (d) Pakistan Atomic Energy Commission (C-5) Tariff Petition.
- (e) Review Filed by KE against decision dated October 22, 2024 for its Generation Power Plants.
- (f) Sindh Nooriabad Power Company (Pvt.) Limited (Phase-I) Modification Petition.
- (g) Sindh Nooriabad Power Company (Pvt.) Limited (Phase-II) Modification Petition.
- (h) Review of Central Power Generation Company Limited (Old Block-I and II).
- (i) HSR's Reviews against quarterly indexation and FPA decision.
- (j) Joint Applications filed by CPPA-G and following IPPs for reduction of Tariff.
 - (i) National Power Parks Management Company (Pvt.) Limited-HBS Project
 - (ii) National Power Parks Management Company (Pvt.) Limited-Balloki Project
 - (iii) Central Power Generation Company Limited (Guddu 747 MW)
 - (iv) Northern Power Generation Company Limited (Nandipur Power Plant)
 - (v) Quaid-e-Azam Thermal Power (Pvt.) Limited
 - (vi) Uch-II Power (Pvt.) Limited
- (k) Determination of Tariff for WAPDA Hydroelectric for FY 2025-26 is anticipated in FY 2025-26.

8.3 ANTICIPATED TECHNICAL ACTIVITIES FY 2025-26:

- (a) Finalize and implement revised Transmission Investment Plan (TIP) and conduct periodic reviews of NGC's project execution, losses, and system reliability.
- (b) Evaluate new DIIPs of DISCOs and KE, ensuring investment alignment with approved tariff control periods.
- (c) Monitor implementation of investment plan commitments and prepare consolidated progress reports for Authority review.
- (d) Undertake periodic audits and technical verification of power plants and distribution assets, including capacity testing, outage analysis, and network upgrades.
- (e) Provide technical inputs on national policy initiatives (e.g., Electric Vehicle Charging, New Energy Vehicle Policy, Renewable Integration).
- (f) Oversee grid integration of renewable and hybrid projects, ensuring compliance with Grid and Market Codes.

8.4 ANTICIPATED MONITORING AND ENFORCEMENT ACTIVITIES FY 2025-26:

- (a) Activation of black start facilities available at different power plants.
- (b) Ensure periodic testing of black start facilities in line with the Grid Code.
- (c) Finalization of operating procedures of different power plants.
- (d) Automated verification of SCED-based dispatch through Balmoral's Hourly Dispatch Model.
- (e) Digitalization of monthly report to be available to the public as a Dashboard.
- (f) Monitoring of Investment Plan of NGC and KE.
- (g) Monthly review of NGC's system constraints.
- (h) Regular monitoring of the SCADA-III Project until its full operationalization.
- (i) Ensure the implementation of the Distribution Integrated Investment Plan of DISCOs.
- (j) Ensure earthing/grounding of HT/LT Poles/Structures in all remaining DISCOs.
- (k) Implementation of AMI//AMR metering at the PMT level in all DISCOs.
- (l) Design and update NEPRA's HSE Webpage to promote awareness, incident alerts, and initiatives.
- (m) Conduct webinars and workshops for the power industry to promote awareness among power sector professionals.
- (n) Conduct annual HSE performance evaluation of power sector companies to enhance their safety management systems and ensure compliance with the regulatory standards.
- (o) Total process review petition filed by CPPA-G against the Authority's decision of imposing a fine of Rs. 10 million on account of extension in the term of the PPA signed with KAPCO by 485 days without prior approval of the Authority.
- (p) Total process review petition filed by CPGCL against the Authority's decision of imposing a fine of Rs. 100 million on account of tripping and fire incident of ST-16 of Guddu 747 CCPP.

8.5 ANTICIPATED ACTIVITIES OF CTBCM FOR FY 2025-26:

- (a) Declaration of the Competitive Market Operations Date of the CTBCM.
- (b) Approval of Final Test Run and Market Commercial Code.
- (c) Approval of Agency Code.

- (d) Approval of Use of System Agreement.
- (e) Decision of Market Participation Agreement and Service Provider Agreement.
- (f) Approval of Connection Agreement for Distribution Licensees and BPCs.
- (g) Approval of Distribution Code.
- (h) Approval of Wheeling Auction Process.

8.6 ANTICIPATED ACTIVITIES OF INFORMATION TECHNOLOGY FY 2025-26:

- (a) The existing Complaint Management System will be integrated with the NEPRA Asaan mobile application to provide a unified, accessible, and user-friendly platform for consumer engagement and grievance resolution.
- (b) External VAPT will be carried out for NEPRA's official website and internally developed applications to proactively identify and address potential security vulnerabilities.
- (c) A clause-wise evaluation of all NEPRA licensees will be conducted to assess compliance with the NEPRA (Security of Information Technology and Operational Technology) Regulations, 2022.
- (d) Customized cybersecurity training sessions will be delivered to all NEPRA employees to enhance internal capability and awareness against evolving cyber threats.
- (e) Legacy server infrastructure will be migrated to a modern environment to improve performance, reliability, and scalability of digital services.
- (f) NEPRA will strengthen its cybersecurity posture through infrastructure upgrades in collaboration with the National Telecommunication and Information Security Board.

8.7 ANTICIPATED ACTIVITIES OF HUMAN RESOURCE DEPARTMENT FY 2025-26:

- (a) Implement the revised NEPRA Service Regulations, ensuring alignment of recruitment, promotion, and performance evaluation processes with updated organizational needs.
- (b) Expand digitization of HR data, integrating employee profiles, attendance, leave management, and appraisal systems into the ERP framework for efficient tracking and reporting.
- (c) Strengthen employee development initiatives, introducing structured training modules, specialized workshops, and sector-focused capacity-building programs.
- (d) Enhance merit-based career progression by linking promotions and training opportunities with individual performance and departmental objectives.
- (e) Continue internship and mentorship programs for graduates, fostering industry awareness and talent pipeline development for future recruitment.
- (f) Conduct employee satisfaction and engagement surveys to inform HR planning and workplace improvement measures.
- (g) Ensure timely implementation of employee welfare schemes, including medical coverage renewals, insurance, and retirement benefits.
- (h) Support internal communication and culture-building through recognition programs, awareness drives, and collaborative learning activities.



8.8 ANTICIPATED ACTIVITIES OF ADMINISTRATION DEPARTMENT FY 2025-26:

- (a) Provide uninterrupted administrative, logistic, and facility management support to all NEPRA offices, including provincial and regional centers.
- (b) Undertake preventive maintenance of critical systems such as electrical installations, and building safety infrastructure.
- (c) Implement further digitalization of administrative records to streamline correspondence, procurement, and inventory tracking.
- (d) Upgrade office infrastructure and workspaces, including ergonomic refurbishments, energy-efficient lighting, and accessibility enhancements across regional offices.
- (e) Maintain and improve daycare and welfare facilities at NEPRA Tower and regional offices, ensuring compliance with safety and hygiene standards.
- (f) Ensure cost-effective procurement and contract management, strengthening oversight of outsourced services including security, housekeeping, and transport.
- (g) Coordinate and manage Authority events and hearings, ensuring timely logistical support for public hearings, consultations, and inter-departmental meetings.
- (h) Facilitate publication and distribution of statutory documents such as the Annual Report, State of Industry Report, and other Authority publications.
- (i) Promote employee engagement and team cohesion through annual sports tournaments, cultural events, and corporate social activities.
- (j) Continue collaboration with the Media Section to maintain transparency through press releases, advertisements, and awareness campaigns in line with PID guidelines.

8.9 ANTICIPATED ACTIVITIES OF FINANCE DEPARTMENT FY 2025-26:

- (a) Aims to build upon its robust operational foundation and deepen institutional capacity. The ongoing utilisation and enhancement of Oracle EBS R12 including modules for Receivables, Payables, Payroll, Assets, and Cash Management will continue to drive process automation, fee invoicing accuracy, and real-time management reporting. These systems will also support expanded digital compliance across federal and provincial tax regimes.
- (b) A key milestone will be the completion and go-live of the RAAST-based payment and receipt solution, integrated through online banking portals. This initiative will reinforce NEPRA's commitment to transparency and enable end-to-end digitization of all fund transfers and receipts handled by the Authority from FY 2025-26 onwards.
- (c) Looking ahead, the focus will be on improving budget forecasting, strengthening internal controls, and fostering strategic collaborations to align financial planning with NEPRA's broader regulatory and energy sector priorities.

ANNEXURES



ANNEX - I

**AUDITORS' REPORT AND THE
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED ON JUNE 30, 2025**



INDEPENDENT AUDITOR'S REPORT

To the members of National Electric Power Regulatory Authority Report on the Audit for 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, 2025, the statement income expenditure , statement of comprehensive income, the statement of changes in fund, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement income expenditure , statement of comprehensive income, the statement of changes in fund, the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give a true and fair view of the state of the Authority's affairs as at June 30, 2025 and of the surplus, it's comprehensive income, the changes in fund and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2 of the financial statements, which describes the basis of preparation. These financial statements have been prepared in accordance with the generally accepted accounting principles, as prescribed by the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 and where the Act does not provide specific guidance on accounting treatment, the policies set out in Note 3, which align with the requirements of the International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants of Pakistan (ICAP), have been applied. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the approved International Financial Reporting Standards as applicable in Pakistan and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

The engagement partner on the audit resulting in this independent auditor's report is Syed Naveed Abbas.

**RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS**

Place: Islamabad

Date: 12 DEC 2025

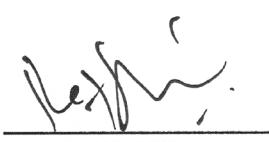
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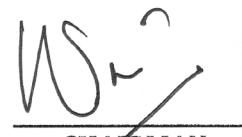
NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

		2025	2024
	Note	(Rupees)	(Rupees)
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	490,942,615	545,256,239
Intangible assets	5	138,025	308,726
Advances to employees	6	984,261,650	1,003,547,787
Defined benefit plan asset-net	7	277,766,610	-
Deferred tax asset	8	151,793,350	236,350,722
		1,904,902,250	1,785,463,474
CURRENT ASSETS			
Fee receivable	9	10,568,464	31,223,780
Advances, deposits, prepayments and other receivables	10	36,136,368	33,979,056
Advance Tax	11	794,051,539	351,008,808
Current portion of advances to employees	6	148,257,952	107,245,992
Bank balances	12	696,955,418	492,997,687
		1,685,969,741	1,016,455,323
TOTAL ASSETS		3,590,871,991	2,801,918,797
LIABILITIES			
NON-CURRENT LIABILITIES			
Long term loan	13	19,079,094	21,767,375
Deferred liabilities	14	9,525,978	7,413,997
Defined benefit obligation-net	15	-	336,471,886
		28,605,072	365,653,258
CURRENT LIABILITIES			
Provision for taxation	16	924,474,490	543,753,517
Payable to federal consolidation fund	17	883,911,739	221,988,057
Accrued and other liabilities	18	617,756,303	538,487,281
Contract liability	19	2,900,614	-
Current portion of long term loan	13	1,937,683	750,594
		2,430,980,829	1,304,979,449
NET ASSETS		1,131,286,090	1,131,286,090
REPRESENTED BY:			
Building reserve	20	1,000,000,000	1,000,000,000
Capital contribution by Government of Pakistan	21	131,286,090	131,286,090
		1,131,286,090	1,131,286,090
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes from 1 to 34 form an integral part of these financial statements.

RJM


MEMBER


CHAIRMAN



**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
STATEMENT OF INCOME AND EXPENDITURE
FOR THE YEAR ENDED JUNE 30, 2025**

	Note	2025 (Rupees)	2024 (Rupees)
INCOME			
Fee income	23	5,532,255,369	3,748,975,744
Other income	24	387,701,761	471,862,810
TOTAL INCOME		5,919,957,130	4,220,838,554
EXPENDITURE			
Administrative expenses	25	(3,401,291,300)	(2,916,998,076)
Finance cost	26	(2,723,406)	(3,407,887)
Surplus for the year before tax		2,515,942,424	1,300,432,591
Taxation	27	(978,760,152)	(816,524,126)
Surplus for the year after tax		1,537,182,272	483,908,465

The annexed notes from 1 to 34 form an integral part of these financial statements.

R.M

MEMBER

CHAIRMAN

**NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025**

	2025 (Rupees)	2024 (Rupees)
Surplus for the year after tax	1,537,182,272	483,908,465
OTHER COMPREHENSIVE INCOME:		
Experience adjustment - defined benefit obligation gain/(loss)	46,288,381	(370,420,936)
Experience adjustment - unfunded gratuity scheme gain	621,168	1,519,440
Tax effect of remeasurement gain	(180,139)	106,981,434
Other comprehensive gain/(loss) for the year	46,729,410	(261,920,062)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>1,583,911,682</u>	<u>221,988,403</u>

The annexed notes from 1 to 34 form an integral part of these financial statements.




MEMBER



CHAIRMAN



NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Capital contribution by Government of Pakistan	Building reserve fund	Accumulated surplus	Total
			Rupees -----	-----
Balance as at July 01, 2023	131,286,090	1,000,000,000	-	1,131,286,090
Surplus for the year after tax	-	-	483,908,465	483,908,465
Other comprehensive loss for the year	-	-	(261,920,062)	(261,920,062)
Allocated to federal consolidation fund	-	-	(221,988,403)	(221,988,403)
Balance as at June 30, 2024	131,286,090	1,000,000,000	-	1,131,286,090
Surplus for the year after tax	-	1,537,182,272	-	1,537,182,272
Other comprehensive gain for the year	-	46,729,410	-	46,729,410
Allocated to federal consolidation fund	-	(1,583,911,682)	-	(1,583,911,682)
Balance as at June 30, 2025	131,286,090	1,000,000,000	-	1,131,286,090

The annexed notes from 1 to 34 form an integral part of these financial statements.

CHAIRMAN

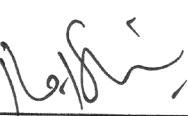
MEMBER

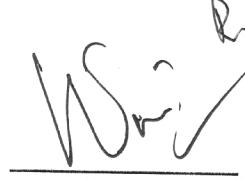


NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Note</u>	2025 (Rupees)	2024 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES			
Surplus for the year before tax		2,515,942,424	1,300,432,591
Adjustments for non-cash items:			
Provision for gratuity and earned leaves		287,686,387	338,202,159
Depreciation and amortization		80,176,246	78,412,151
Finance cost		2,723,406	3,407,887
Mark up income		(374,678,028)	(438,800,295)
Gain on sale of fixed assets		(12,722,641)	(8,438,279)
Reversal of allowance for expected credit loss		-	(24,624,236)
		(16,814,630)	(51,840,613)
Working capital changes:			
(Increase)/decrease in current assets:			
Advances to employees		(21,725,823)	(114,046,856)
Fee receivable		20,655,316	6,912,183
Advances, deposits, prepayments and other receivables		(2,157,312)	4,104,268
Advance Tax		(345,432,594)	(271,124,754)
		15,499,073	39,866,954
Increase/(decrease) in current liabilities:			
Accrued and other liabilities		(333,161,340)	(334,288,205)
		2,165,966,454	914,303,773
Net cash generated from operations			
Earned leaves and gratuity fund		(786,232,790)	(497,278,299)
Markup on long term loan		(2,723,406)	(3,407,887)
Income taxes		(611,272,083)	(300,020,138)
		(1,400,228,279)	(800,706,324)
		765,738,175	113,597,449
Net cash inflow from operating activities			
CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure during the year		(28,846,761)	(94,091,682)
Cash received against sale of fixed assets		15,877,483	8,438,279
Markup received during the year		374,678,028	438,800,287
		361,708,750	353,146,884
Net cash inflow from investing activities			
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of loans		(1,501,194)	(750,594)
Amount paid to federal consolidation fund		(921,988,000)	(589,128,000)
		(923,489,194)	(589,878,594)
Net increase/(decrease) in cash and cash equivalents during the year			
		203,957,731	(123,134,261)
Cash and cash equivalents at beginning of the year		492,997,687	616,131,948
Cash and cash equivalents at the end of the year		696,955,418	492,997,687

The annexed notes from 1 to 34 form an integral part of these financial statements.


 MEMBER


 CHAIRMAN



ANNEX - II

SENIOR MANAGEMENT AND KEY CONTACTS

Name and Designation	Department	Telephone No.	Email
Chairman	Chairman	051-9220902	chairman@nepra.org.pk
Member	Development	051-9210209	maqsoodanwarkhan@hotmail.com
Member	Tariff & Finance	051-9206887	matharrana@hotmail.com
Member	Technical	051-9206797	rafique.ahmed@nepra.org.pk
Member	Law	051-9207300	amina.ahmed@nepra.org.pk
Imtiaz Hussain Baloch, Director General	Licencing	051-9206527	ihussain@nepra.org.pk
Syed Safeer Hussain, Consultant	Technical	051-9205043	safeer@nepra.org.pk
Naweed Illahi Shaikh, Director General	CAD	051-9217673	naweedshaikh@nepra.org.pk
Wasim Anwar Bhinder, Director General	HR & Admin./ Registrar	051-9206500	registrar@nepra.org.pk
Sajid Akram, Director General	NEPRA Appellate Tribunal Cell	051-9203163	sajid.akram@nepra.org.pk
Jamil Akhtar, Director General	Finance	051-9210947	Jamil.akhtar@nepra.org.pk
Mian Ahmad Ibrahim, Senior Legal Advisor	Legal	051-9244761	ahmad.ibrahim@nepra.org.pk
Muhammad Yousaf, Addl. Director General	Tariff	051-9205294	m.yousaf@nepra.org.pk
Iftikhar Ali Khan, Addl. Director General	Registrar Office	051-9205052	iftikhar@nepra.org.pk
Muhammad Ramzan, Addl. Director General	Licencing	051-9244722	ramzan@nepra.org.pk
Kazi Imran, Senior Advisor	M&E	051-9207754	kazi.imran@nepra.org.pk
Gul Hassan Bhutto, Consultant/Advisor/ Director	CTBCM/ Technical	051-9208045	bhutto.gulhassan@nepra.org.pk
Humaira Butt, Director	C&I	051-9206798	humaira@nepra.org.pk

ANNEX - III

PROVINCIAL / REGIONAL OFFICES

FAISALABAD

1st floor, Plaza No. C-6B, Opposite National Bank,
College Road, Kohinoor City, Faisalabad
Ph : 041-8727800
cadfaisalabad@nepra.org.pk

HYDERABAD

Dawood Centre, 2nd Floor, Room No. 10, Autobhan
Road, Latifabad, Hyderabad.
Ph : 022-3823322
cadhyderabad@nepra.org.pk

GUJRANWALA

Office # 87, Block M, Trust Plaza, Grand Trunk
Road, Model Town, Gujranwala.
Ph : 055-3822766
cadgujranwala@nepra.org.pk

KARACHI

7th Floor, Office No. 706, Balad Trade Centre,
Alamgir Road, Bahadurabad, Bihar Muslim
Co-operative Housing Society, Bahadurabad,
Karachi
Ph: 021-34893001
cadkarachi@nepra.org.pk

LAHORE

1st Floor, Link Arcade, 54 B, GECH Society, Phase 3,
Link Road, Model Town, Lahore.
Ph: 042-99333931
cadlahore@nepra.org.pk

MULTAN

20-22, Third Floor, Bomanji Square,84/2,
Nusrat Road, Cantt., Multan.
Phone:061-4545233
cadmultan@nepra.org.pk

PESHAWAR

6th Saddar Road, 2nd Floor Room No. 3 & 4,
Tasneem Plaza, Peshawar Cantt, Peshawar.
Ph: 091-5271238-39
cadpeshawar@nepra.org.pk

QUETTA

Room No. 1, 2nd Floor, Rehman Plaza, 7-A, Opposite
NADRA Office, Model Town, Hali Road, Quetta
Ph: 081-2822035-36
cadquette@nepra.org.pk

SUKKAR

House No. C-7, Hamdard Housing Society, Airport Road, Sukkur
Ph : 071-5804563
cadsukkur@nepra.org.pk



ANNEX - IV

GLOSSARY OF ACRONYMS

AT&C	Aggregate Technical and Commercial
BPC	Bulk Power Consumer
CCI	Council of Common Interests
COD	Commercial Operation Date
CPEC	China Pakistan Economic Corridor
CPPA-G	Central Power Purchasing Agency (Guarantee) Limited
CSM	Consumer Service Manual
CTBCM	Competitive Trading Bilateral Contract Market
DAMO	Day Ahead Merit Order
DIIP	Distribution Integrated Investment Plan
DISCO	Distribution Company
ECC	Economic Coordination Committee
EIDMC	Energy Infrastructure Development and Management Company Limited
FESCO	Faisalabad Electric Supply Company Limited
GENCO	Public Sector Generation Company
GEPCO	Gujranwala Electric Power Company Limited
HAZECO	Hazara Electricity Supply Company Limited
HESCO	Hyderabad Electric Supply Company Limited
HSE	Health, Safety, and Environment
HVDC	High Voltage Direct Current
IESCO	Islamabad Electric Supply Company Limited
IGCEP	Indicative Generation Capacity Expansion Plan
IPP	Independent Power Producer
ISMO	Independent System and Market Operator
KIBOR	Karachi Interbank Offered Rate
LESCO	Lahore Electric Supply Company Limited
LIBOR	London Interbank Offered Rate
MCC	Market Commercial Code
MEPCO	Multan Electric Power Company Limited
MW	Megawatt
MYT	Multi-Year Tariff
N-CPI	National Consumer Price Index
NGC	National Grid Company of Pakistan Limited
PESCO	Peshawar Electric Supply Company Limited
PIEDMC	Punjab Industrial Estates Development and Management Company
PPA	Power Purchase Agreement
PSDR	Performance Standards (Distribution) Rules
PSGR	Performance Standards (Generation) Rules
PSTR	Performance Standards (Transmission) Rules
QESCO	Quetta Electric Supply Company Limited
RLNG	Re-Gasified Liquefied Natural Gas
SCADA	Supervisory Control and Data Acquisition



SEPCO	Sukkur Electric Power Company Limited
SoLR	Suppliers of Last Resort
SOP	Standard Operating Procedure
SPA	Special Purpose Agent
T&D	Transmission and Distribution
TESCO	Tribal Areas Electric Supply Company Limited
TSEP	Transmission System Expansion Plan
UoSC	Use of System Charges
USoA	Uniform System of Accounts



NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
NEPRA Tower, Attaturk Avenue (East),
Sector G-5/1, Islamabad, Pakistan
Ph: +92 51 2013200, Fax: +92 51 9210215
Email: info@nepra.org.pk, Web: www.nepra.org.pk



NEPRA Asaan Approach



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