



# National Electric Power Regulatory Authority Islamic Republic of Pakistan

NEPRA Tower, Attaturk Avenue (East), G-5/1, Islamabad  
Ph: +92-51-9206500, Fax: +92-51-2600026  
Web: www.nepra.org.pk, E-mail: registrar@nepra.org.pk

No. NEPRA/TRF-331/GEPCO-2015/2703-2705  
February 29, 2016

**Subject: Determination of the Authority in the matter of Petition filed by Gujranwala Electric Power Company Ltd. (GEPCO) for the Determination of its Consumer end Tariff Pertaining to Financial Year 2015-2016 [Case # NEPRA/TRF-331/GEPCO-2015]**


Dear Sir,

Please find enclosed herewith the subject Determination of the Authority along with Annexure-I, II, III, IV, V, VI & VII (82 pages) in Case No. NEPRA/TRF-331/GEPCO-2015.

2. The Determination is being intimated to the Federal Government for the purpose of notification of the approved tariff in the official gazette pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997) and Rule 16(11) of the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rules, 1998.

3. The Order part along with Annexure-I, II, III, IV, V, VI & VII of the Determination needs to be notified in the official Gazette.

Enclosure: As above

  
29.02.16  
( Syed Safeer Hussain )

Secretary  
Ministry of Water & Power  
'A' Block, Pak Secretariat  
Islamabad

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.



---

**National Electric Power Regulatory Authority  
(NEPRA)**

PETITION NO: NEPRA/TRF-331/GEPCO-2015

**TARIFF DETERMINATION  
FOR  
GUJRANWALA ELECTRIC POWER COMPANY LIMITED  
(GEPCO)  
DETERMINED UNDER  
NEPRA TARIFF (STANDARDS AND PROCEDURE) RULES - 1998**

Islamabad

29<sup>th</sup> February , 2016

---



## Abbreviations

CpGenCap	The summation of the capacity cost in respect of all CpGencos for a billing period minus the amount of liquidated damages received during the months
ADB	Asian Development Bank
AJK	Azad Jammu and Kashmir
AMI	Advance Metering Infrastructure
AMR	Automatic Meter Reading
BoD	Board of Director
BTS	Base Transceiver Station
CAPM	Capital Asset Pricing Model
CDP	Common Delivery Point
COSS	Cost of Service Study
CPPA (G)	Central Power Purchasing Agency Guarantee Limited
CWIP	Closing Work in Progress
DIIP	Distribution Company Integrated Investment Plan
DISCO	Distribution Company
DM	Distribution Margin
DOP	Distribution of Power
ELR	Energy Loss Reduction
ERC	Energy Regulatory Commission
ERP	Enterprise resource planning
FCA	Fuel Charges Adjustment
FY	Financial Year
GIS	Geographical Information System
GOP	Government of Pakistan
GWh	Giga Watt Hours
HHU	Hand Held Unit
HT/LT	High Tension/Low Tension
HSD	High Speed Diesel
IGTDP	Integrated Generation Transmission and Distribution Plan
IESCO	Islamabad Electric Supply Company Limited
KIBOR	Karachi Inter Bank Offer Rates
KSE	Karachi Stock Exchange
KV	Kilo Volt
kW	Kilo Watt
kWh	Kilo Watt Hour
LPC	Late Payment Charges
MDI	Maximum Demand Indicator



MEPCO	Multan Electric Power Company Limited
MMBTU	One million British Thermal Units
MoWP	Ministry of Water and Power
MVA	Mega Volt Amp
MW	Mega Watt
NEPRA	National Electric Power Regulatory Authority
NOC	Network Operation Centre
NTDC	National Transmission & Dispatch Company
O&M	Operation and Maintenance
OGRA	Oil and Gas Regulatory Authority
PEPCO	Pakistan Electric Power Company
PESCO	Peshawar Electric Supply Company
PDEIP	Power Distribution Enhancement Investment Program
PDP	Power Distribution Program
PPA	Power Purchase Agreement
PPP	Power Purchase Price
PYA	Prior Year Adjustment
R&M	Repair and Maintenance
RAB	Regulatory Asset Base
RE	Rural Electrification
RFO	Residual Fuel Oil
RLNG	Re-gasified Liquefied Natural Gas
RoE	Return on Equity
RORB	Return on Rate Base
ROR	Rate of Return
SBP	State Bank of Pakistan
SOT	Schedule of Tariff
STG	Secondary Transmission Grid
SYT	Single Year Tariff
T&D	Transmission and Distribution
TFC	Term Finance Certificate
TOU	Time of Use
TOR	Term of Reference
TPM	Transfer Price Mechanism
USCF	The fixed charge part of the Use of System Charges in Rs./kW/Month
UOSC	Use of System Charges
WACC	Weighted average cost of capital
WAPDA	Water and Power Development Authority
XWDISCO	Ex-WAPDA Distribution Company



---

**DETERMINATION OF THE AUTHORITY IN THE MATTER OF PETITION FILED BY  
GUJRANWALA ELECTRIC POWER COMPANY (GEPCO) FOR THE DETERMINATION  
OF ITS CONSUMER END TARIFF**

---

**CASE NO. NEPRA/TRF-331/GEPCO-2015**

**PETITIONER**

Gujranwala Electric Power Company Limited (GEPCO), 565-A Model Town,  
Gujranwala.

**INTERVENER**

Nil

**COMMENTATOR**

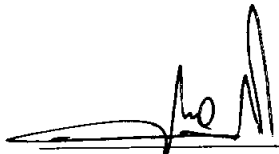
Nil

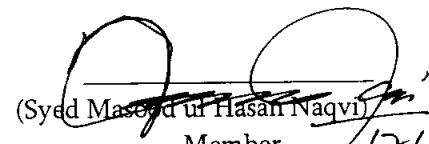
**REPRESENTATION**

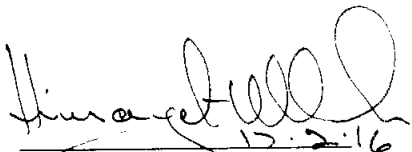
- i. Engineer Zahoor Ahmed Chohan, CEO
- ii. Mr. Iyaz Ahmad-FCA, Finance Director /CFO
- iii. Engineer Ghulam Muhammad O.D/T.D/C.E(P&E)
- iv. Engineer Malik Arshad Javid C.E O&M and Distribution
- v. Ch. Manzoor Hussain , Customer Services Director
- vi. Syed Hashmat Ali Kazmi, Director HR&A
- vii. Muhammad Saddique Malik Addl. DG (L&L)

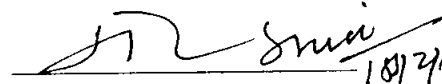


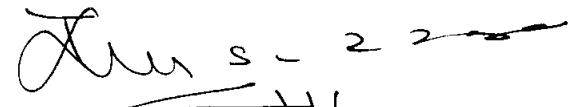
The Authority, in exercise of the powers conferred on it under Section 7(3) (a) read with Section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, Tariff Standards and Procedure Rules, 1998 and all other powers enabling it in this behalf, and after taking into consideration all the submissions made by the parties, issues raised, evidence/record produced during hearings, and all other relevant material, hereby issues this determination.

  
(Khawaja Muhammad Naeem)  
Member

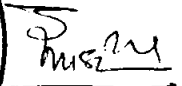
  
(Syed Masood ul Hasan Naqvi)  
Member 17/2

  
(Himayatuallah Khan)  
Member 17.2.16

  
(Maj (Rtd) Haroon Rashid)  
Vice Chairman 18/2/16

  
(Brig (Rtd) Tariq Sadozai)  
Chairman 22/2/16



  
27.02.16

## 1. BACKGROUND

1.1 Gujranwala Electric Power Company Limited (GEPCO), hereinafter called "the Petitioner", being a Distribution Licensee of NEPRA filed a petition for the determination of its consumer-end tariff pertaining to the FY 2015-16 in terms of Rule 3 (1) of Tariff Standards & Procedure Rules-1998 (hereinafter referred as "Rules"). The Petitioner has sought the following relief:

- Tariff for the FY 2015-16 be determined, on the basis of the information provided.
- The Distribution Margin for the FY 2015-16, amounting to Rs.15,356 million, may kindly be approved on the basis of the information and data provided.
- Line losses be allowed @ 11.60%.
- Investment be allowed for Rs.5,644 million.
- The required average sales rate/ tariff of Rs.13.5955/KWh may please be allowed as per "proposed schedule of consumer end electricity tariff" for the financial year 2015-16.
- An opportunity of a personal hearing of this Petition be provided.
- Additional grounds, information and documents in support of its Petition if required, be allowed to be submitted.
- Any other relief that may be deemed just and appropriate in this matter may be allowed.

## 2. PROCEEDINGS

2.1 In terms of rule 4 of the Tariff standard and Procedure Rules, 1998 (hereinafter referred to as "Rules"), the petition was admitted by the Authority on 9<sup>th</sup> September, 2015. In compliance with the provisions of rules 6 & 7 of the Rules, notice of admission / hearing along-with the title and brief description of the petition was published in newspapers on 17<sup>th</sup> September 2015 and separate notices were also sent to the parties which were considered to be affected or interested. Comments /replies and filing of intervention request was desired from any interested person within 7 days of the publication.

## 3. FILING OF OBJECTIONS/ COMMENTS:

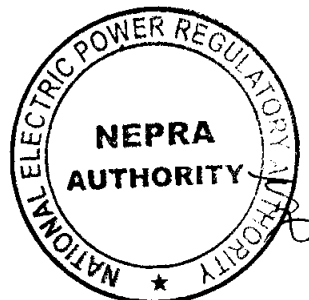
3.1 Despite issuing separate notices to the key stakeholders and publication of notices in the national newspapers, neither any comments were filed nor was any Intervention Request was received.



4. **FRAMING OF ISSUES**

The pleadings so available on record were examined by the Authority in terms of rule 9 of the Tariff Rules and it was decided to conduct a hearing in order to arrive at a just and informed decision. On the basis of pleadings, following issues were framed to be considered during the hearing and for presenting written as well as oral evidence and arguments:-

- Whether the petitioner has complied with the directions of the Authority given in the tariff determination for the FY 2014-15.
- Whether the petitioner's projected energy purchases of 8,297 GWhs and sales of 7,335 GWhs units for the FY 2015-16 is reasonable?
- Whether the T & D losses for the FY 2015-16 @ 11.60% requested by the petitioner based on third party study of 11KV and below system is reasonable?
- Whether the projected power purchase cost of Rs. 83,527 million (Rs.11.388/kWh) for the FY 2015-16 is justified?
- Whether the projected O&M cost of Rs.10,973 million (Rs.1.496/kWh) for the FY 2015-16 is justified?
- What criteria has been considered by the petitioner for the segregation of controllable and un-controllable costs?
- Whether the proposed depreciation charge of Rs. 1,629 million (0.222 /kWh) for the FY 2015-16 is justified?
- Whether the projected Return on Regulatory Asset base (RORB) of Rs. 4,160 million (Rs.0.567/kWh) for the FY 2015-16 is justified?
- Whether the projected other income of Rs. 1,405 million (Rs.0.192/kWh) for the FY 2015-16 is reasonable?
- Whether the petitioner's proposed Investment Plan of Rs. 5,644 million for the FY 2015-16, is justified? Keeping in view the prospective benefits.
- Whether the proposed revenue requirements of Rs. 99,721 million and average sale rate of Rs.13.5955 /kWh for the FY 2015-16, is justified?
- Whether the prior year adjustment amounting to Rs. 837 million related to FY 2014-15 is accurate?

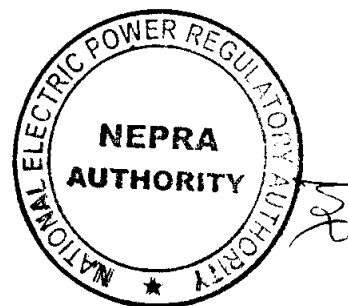




- What is the financial impact / loss of revenue due to TOU metering for cellular companies connections and other similar connections?
- Whether the concerns raised by the intervener/ commentator are justified?
- Whether the existing service delivering structure of circles, divisions and sub-divisions etc. can provide satisfactory services for supply of electric power to the consumers with the substantial expansion in the system?
- Whether the requested rate of return (ROR) of 16.36%, is justified?
- Whether the existing financial, administrative and technical powers concentrated at different layers of hierarchy is required to be amended in order to provide better services on the door step of the consumer?
- What is the impact of non-submission of IGTDP by the petitioner along with the tariff petition for the FY 2015-16 as required under Consumer-end Tariff (Methodology and Process) Guidelines, 2015?
- What will be the mechanism of charging Wheeling/Use of System Charges (UOSC) in case of network of XW-DISCOs are used for Wheeling?
- Whether the tariff petition substantially complies with NEPRA Determination of Consumer-end Tariff (Methodology and Process) Guidelines, 2015?
- Whether the relief sought by the petitioner, are justified?

## 5. HEARING

- 5.1 In order to arrive at a just and informed decision, it was decided to conduct a hearing in the matter on October 02, 2015. Notices of hearing were sent to the concerned parties and published in the leading newspapers on 17<sup>th</sup> September, 2015. Accordingly hearing was held on the due date at NEPRA Tower, Islamabad. In addition, the stakeholders were also informed through individual letters about the time and venue of the hearing.
- 5.2 During the hearing, the Petitioner was represented by its Chief Executive Officer, along with his Financial and Technical team. Representative from the Privatization Commission and general public also participated in the hearing.
- 5.3 On the basis of pleadings, evidence/record produced and arguments raised during the hearing, issue-wise findings are given as under:





6. Issue # 1. Whether the petitioner has complied with the directions of the Authority given in the tariff determination for the FY 2014-15?

6.1 The Authority issued several directions in the tariff determination for the FY 2014-15. The compliance of which are discussed under relevant heads. However, few of the directions are discussed below;

6.2 To print bills with the snap shots of meter readings (both previous and current)

6.2.1 In order to protect the interest of the consumers in the matter of excessive billing, the Authority while considering the proposals floated by different XWDISCOs, during the proceedings of the tariff determination for the FY 2014-15; agreed with the proposal submitted by PESCO regarding printing of snapshot of meter reading on the electricity bills of the consumers not only to enhance the level of confidence of the consumers but also to create an effective quality check on the Meter Readers. Accordingly, the petitioner was also directed to implement the said plan not later than 30<sup>th</sup> April 2015.

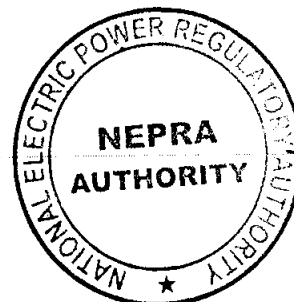
6.2.2 In compliance to the above referred direction, the Petitioner submitted that it has completed the snap shot meter reading project and at present mobile meter reading is being implemented in all Sub divisions, whereby snaps of meter readings are being printed on consumer Electricity Bills.

6.2.3 The Authority appreciates the efforts of the Petitioner, however, several complaints to the effect that snap shots appearing on the bills are not clear and readable. In view thereof, the Authority directs the petitioner to ensure the visibility of the snap shot on the bills and also to maintain its record in soft form for at least a period of twelve (12) months.

6.3 To submit its investment requirements for the implementation of Hand Held Units (HHU) along with its completion timelines with its next tariff petition.

6.3.1 The Authority while considering the proposal of IESCO & MEPCO on the issue of overbilling principally decided to allow the cost of the hand held units to all the XWDISCOs. Accordingly, the Petitioner was directed to submit its investment requirements for the implementation of the said direction along-with the completion timelines in its next tariff petition.

6.3.2 The Petitioner during the hearing submitted that it has opted for mobile phones instead of HHU's, since the present infrastructure did not support the HHUs being based on IR/RF technologies, therefore to avoid replacement of Electricity meters it.





has opted for the mobile phones. The Petitioner also presented that use of mobile phones instead of HHUs has resulted in savings of Rs.72.5 Million on the purchase of 1,450 units, since the price of HHUs is Rs.70,000 as compared to Rs. 20,000 for mobile phones.

- 6.3.3 The Authority having considered the above argument is of the view that although the Petitioner, has started printing snap shots through mobile phones, yet, the importance of HHU cannot be denied being a sustainable solution which will eventually replace the mobile phones. Therefore, the Authority again directs the Petitioner to submit its investment needs in respect of HHUs not later than 30<sup>th</sup> June, 2016.
- 6.4. To install AMR and AMI at all of their CDPs by December 31, 2015.
- 6.5. To install AMR and AMI on the receiving end of at least 30% of their 11 kV feeders (as existing on 30 June 2014) by 31st December 2015 and remaining 70% till June, 2016.
- 6.6. To initiate and install AMR/AMI at the consumer level in at least 10 of their high loss making subdivisions by 31st December, 2015 and remaining 70% by 30th June 2016.
- 6.6.1 The Authority considers that one of the key reasons for high transmission and distribution losses in XWDISCOs is the lack of any tracking mechanism for electricity flow from the points of their electricity purchases (CDP) down to the final consumers. A reliable metering and recording system at every voltage level starting with the 132 kV grid, at the 11 kV and to 440 and 220 volts is therefore critical for the elimination of theft, unaccounted electricity and diagnosing technical problems. In view thereof, the Authority directed all XWDISCOs to install AMR and AMI Systems. The Authority considers that such systems would also enable it in analyzing XWDISCOs' genuine investment requirements. Consequently, reduction in losses would help in saving billions of rupees annually and support GOP's efforts in eliminating circular debt. Thus, the Authority directed all XWDISCOs;
- To install AMR and AMI at all of their CDPs by December 31, 2015.
  - To install AMR and AMI on the receiving end of at least 30% of their 11 kV feeders (as existing on 30 June 2014) by 31st December 2015 and remaining 70% till June, 2016.
  - To initiate and install AMR/AMI at the consumer level in at least 10 of their high loss making subdivisions by 31st December, 2015 and remaining 70% by 30th June 2016.

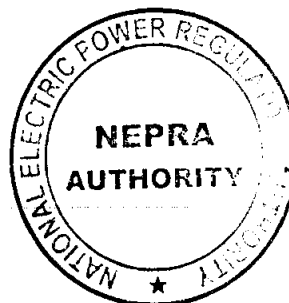


- 6.6.2 In response, the Petitioner submitted that in all of its 68 CDPs, AMR /AMI have been installed, out of which 60 CDPs are on Sophisticated Metering System (SMS). Further, AMR meters have also been installed on all 11kV outgoing feeders under the USAID program, although presently, these AMR meters are only providing online data for load management purpose, however, by updating existing software other information including energy received etc. could also be monitored online. The Petitioner also stated that installation of AMR & AMI at the receiving end of 11 KV feeders, has also been completed under the USAID program. Regarding installation of AMR/AMI at the consumer level, the Petitioner mentioned that it has installed 212 AMR meters at B-3 independent consumers and proposed the following AMR metering plan in its 5 Years Distribution Company Integrated Investment Plan, whereby 35,000 new AMRs have been proposed;

CIR	2015-16	2016-17	2017-18	2018-19	2019-20	Total
AMR Metering	-	10,000 (Ind.)	10,000 (Ind.)	10,000 (Agri.)	5000 (Com.)	35,000

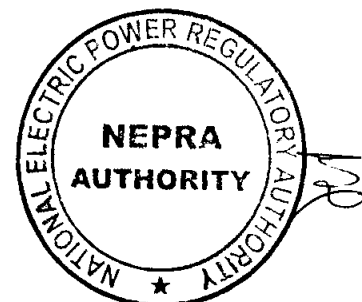
The efforts of the Petitioner are appreciable, however, the Authority directs it to complete the installation of AMRs/ AMIs system within the time lines given by the Authority.

- 6.7. To provide break-up of receivables with aging and nature of receivables and a concrete plan of their recovery not later than 30<sup>th</sup> April, 2015.
- 6.7.1 The Authority during the tariff determination process for FY 2014-15 noted that the issue of the receivables from AJK is outstanding since long and is hampering the liquidity position of the Petitioner badly. The consumers of AJK are being charged at the same rates as of other distribution companies, whereas the payments are being made to the Petitioner on the old rates which is totally against the principle of fairness, equity and justice. Non recovery of the billed amount is one of the major reasons of the circular debt and therefore needs to be addressed on priority basis since the Authority determines consumer-end tariff on 100 % recovery basis. Accordingly, the Authority decided to analyze the receivables of the Petitioner by directing it to provide break-up of its receivables with their aging and nature and a concrete plan of their recovery not later than 30<sup>th</sup> April, 2015.
- 6.7.2 In compliance to the Authority's direction, the Petitioner, vide letter dated April 30, 2015, submitted breakup of its receivable along-with a recovery plan as under;



Sr.#	Head	Aging	Receivables ending June 2014 (Rs. in million)	Recovery Plan	Remarks
1	Current Billing		-	95% of current billing of F.Y 2014-15 would be recovered during the year.	Recovery without AJK:- Govt = 68%, Pvt = 99% Total = 97%  Recovery with AJK (Rs.1,841 M), Fixed Charges (Rs.161 M), Surcharges (Rs. 185 M) & Spillover (Rs. 498 M):- Govt = 101%, Pvt = 100% Total = 100%
2	Private Disconnected Defaulters	Upto 2 months	39.55	15% will be recovered upto June-2015	Rs. 124.21 Million has been Recovered.
		Of 3 months	9.88	15% will be recovered upto June-2015	
		4 to 6 months	25.28	10% will be recovered upto June-2015	
		7 to 12 months	29.7	10% will be recovered upto June-2015	
		13 to 36 months	116.12	5% will be recovered upto June-2015	
		Above 3 years	135.94	5% will be recovered upto June-2015	
Total:			356.51		
3	Deferred Amount		733	Rs.538 million deferred on account of E.Q & Fix Charges by Islamabad High Court. Rs.195 million deferred on account of Income Tax by Lahore High Court and others would be recovered as per decision.	Rs. 76 million has been recovered on account of fix charges in first installment as per order of Supreme Court of Pakistan. Remaining will be recovered upto June-2016. Rs.195 million deferred on account of Income Tax by Lahore High Court and others would be recovered as per decision.
4	Subsidies		1715	ØSubsidies reduced to Rs.1472.76 million ending 06-2015. a) Rs.38 million AJK. b) Rs.913.26 million against Federal Govt. c) Rs.491.62 million against Provincial Govt. Matter has already been taken up with Ministry for arranging payments of subsidies.	a)AJK subsidy pending b)Federal Govt subsidy pending. c)Subsidy Rs.491.62 Million ending 06-2015 has been recovered/Adjusted.
5	Private Running defaulters	Upto 2 months	1120.33	98% will be recovered upto June-2015	77% was recovered upto June-2015
		Of 3 months	35.09	100% will be recovered upto June-2015	100% was recovered upto June-2015
		3 to 6 months	2.75	100% will be recovered upto June-2015	100% was recovered upto June-2015
		6 to 12 months	Nil		Total Recovery amounted to Rs. 902 Million.
Total			1158.17		

6.7.3 The Authority has noted that the Petitioner has not correctly reported its receivables figure as of June 2014 which as per the financial statements of the Petitioner is Rs.12,672 million. The Petitioner has not included the receivables from the Federal, Provincial & AJK governments and the amount of spill overs in its presented figures. A The financial statements of the Petitioner for the FY 2014-15 reveals that its total trade debts have increased to Rs.13,768 million as compared to last year's balance of Rs.12,672 million, mainly because of receivables from the Govt. of AJK which have increased by 43% to Rs.6,452 million, as compared to Rs.4,515 million last year. Although the receivables of the Petitioner excluding receivables from AJK have shown a decrease of around 10% in comparison with last year, yet piling up of receivables from the Govt. of AJK is a matter of great concern.

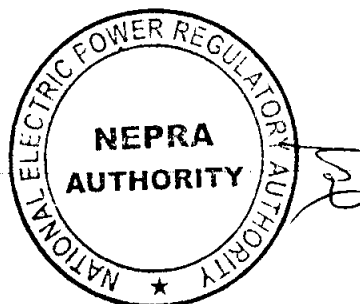




6.7.4 As per the note 15.2 of the financial statements of the Petitioner for FY 2014-15, pertaining to receivables, explains that as per agreement executed between WAPDA, GOP and Government of AJK, the tariff rate is fixed at Rs.4.2 per unit with effect from September 2002. Out of this tariff rate Rs.0.71, Rs.2.44 and Rs.1.05 per unit were to be borne by WAPDA, Government of AJK and GOP, respectively. Till March 2007, the Petitioner billed electricity to the Government of AJK at the tariff rate as per the agreement and payments were cleared, accordingly. Subsequent to March 2007, the electricity is billed to Government of AJK at tariff rates notified by GOP after determination by NEPRA. The accumulating balance receivable from Government of AJK represents the difference between rates applied on electricity bills to Government of AJK based on tariffs notified by GOP after determination by NEPRA and the tariff approved by the sub-committee on Raising of Mangla Dam project. The tariff determined by the sub-committee was Rs. 2.32 per unit, which was increased to Rs. 2.59 per unit subsequently. Government of AJK claims, it does not fall under the purview of NEPRA, hence, it has been settling its dues at the tariff rates determined by sub-committee. The Petitioner has further mentioned that it has taken up the matter with Ministry of Water and Power, who is catering its resolution and accordingly, no provision has been created against the recoverability of this amount in financial statements. Ministry of Water and Power, in response, has stated that the above referred matter is under consideration of the Ministry. The Ministry has further mentioned that, during the current year, in a meeting held on May 29, 2015 it has decided to constitute a committee to deliberate the tariff issue and sort out an amicable tariff for all stake-holders.

6.7.5 Having considered the above, the Authority, again reiterates its stance that the issue of the receivables from AJK is outstanding since long and is hampering the liquidity position of the Petitioner badly and also adversely affects the consumers in shape of increased load shedding, because of increased circular debt. The matter therefore needs to be addressed on priority for which the Petitioner is required to put in extra ordinary efforts. The Petitioner is therefore again directed to take up the matter of recoveries in the sub-committee, constituted in this regard, not later than 30th March, 2016 and the Authority be apprised about the progress as soon as possible.

6.7.6 The Authority observed that the Petitioner was required to submit a concrete recovery plan for its receivables highlighting the strategy as how it intends to achieve the set targets, however, nothing has been mentioned in this regard. In view of the aforementioned, the Authority feels that the Petitioner needs to adopt some



extraordinary measures to improve its recovery and therefore directs the Petitioner to submit a comprehensive recovery plan clearly highlighting the problem areas, targets for their improvements along with intended strategies/tools to achieve the same latest by March 31, 2016. The Petitioner may come up with a plan whereby it can manage its existing receivables in different phases. In the first phase only those receivables may be selected for recovery where maximum results could be achieved with lesser effort and time. In the 2<sup>nd</sup> and onward phases the remaining receivables requiring more time and involving comparatively greater efforts may be dealt with. The objective behind phasing is to resolve the matter on fast track basis instead of taking all the issues together which may require longer period of time and add complexity to the issues by March 31, 2016

- 6.8. To get its strength yard stick approved by the Authority based on proper justifications and its quantified benefits.
- 6.9. To submit a recruitment plan for the requested hiring of staff containing cost/benefit analysis based on best practices.
- 6.10. To submit the certificate of replacement hiring before the finalization of the tariff determination pertaining to the FY 2015-16.
- 6.10.1 The Authority during tariff determinations for the FY 2013-14 and FY 2014-15 disallowed the cost of additional recruitment for the reason that only replacement hiring is allowed subject to completion of audit as per framework provided by the Authority and shall provide the requisite certificate along with next tariff petition failing which this cost will be permanently disallowed.
- 6.10.2 The Authority while considering the proposals of the Petitioner for additional hiring based on the approved yard stick of WAPDA, clearly stated that it never accepted the yardstick of WAPDA and directed the Petitioner to present a comprehensive plan considering the cost/ benefit analysis in line with the best utility practices with the objective of improvement in provision of services at door step of the consumers.
- 6.10.3 The Petitioner in response has submitted that the yardstick for manpower being used by the Petitioner is based on the yardstick approved by WAPDA /PEPCO, set in 1986 and during the span of almost 30 years, it has witnessed substantial increase in its distribution lines, grid stations, consumers, despite of the aforementioned, because of

which it is facing an acute shortage of 4,519 persons. The Petitioner further justifying the additional recruitment stated that if the shortfall is met up, the operational as well as administrative operations will be efficient with healthy impact on employees work stress, reduction in fatalities and accidents, improved coordination all resulting in better consumer end services.

- 6.10.4 The Petitioner further mentioned that the process of recruitment has been started with the approval the Ministry of Water and Power. The Petitioner has also mentioned that the incremental financial effect of Rs.935 Million for the aforesaid recruitment is included in the Salaries and Wages cost for the FY 2015-16. Break-up of the vacant posts of 4,519 in terms of officers and staff as provided by the Petitioner is as under;

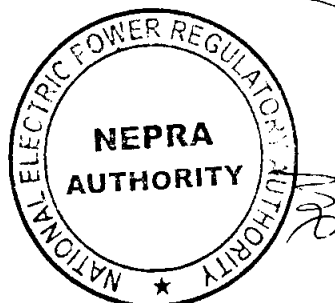
DESCRIPTION	SECTIONED STRENGTH	HELD POSITIONS	VACANT POST
Officer	427	298	129
Staff	16,764	12,374	4,390
<b>Total</b>	<b>17,191</b>	<b>12,672</b>	<b>4,519</b>

- 6.10.5 The Petitioner also in compliance with the Authority's direction has submitted the replacement hiring certificate vide its letter dated 20-04-2015.

- 6.10.6 The issue has been discussed under the relevant head.

- 6.11. **To transfer amount in the post retirement benefit fund and claim the amount so transferred from the Authority in the next year's tariff determination by submission of evidence of transfer of amount.**

- 6.11.1 The Authority in order to protect the interest of employees regarding post-retirement benefits and also keeping in view the liquidity crunch of XWDISCOs, had directed the Petitioner to create an independent fund in the best interest of Petitioner's work force. The Petitioner in its tariff petition for the FY 2014-15, mentioned that it has got approval from its Board of Directors for the creation of Post Retirement Benefit Fund along with the approved balance of Rs.100 million. The Authority considering the fact that all the XWDISCOs who have even created fund in previous years have failed to transfer significant amounts in the fund, directed the Petitioner in the tariff determination for FY 2014-15, to transfer amount in the post retirement benefit fund and claim the amount so transferred from the Authority in the next year's tariff determination by submission of evidence of transfer of amount.





The issue has been discussed under the relevant head.

- 6.12. To share the details of late payment charges recovered from consumers and any Invoice raised by CPPA (G) under the head of mark up on delayed payments for the FY 2014-15. The information must be submitted before the next tariff petition is filed.**

- 6.12.1 As per the clause 9.3(d) of the Electricity supply agreement dated 29th June, 1998 between DISCOs & NTDC, the XWDISCOs are obliged to pay CPPA (G) late payment charge on delay payments of invoice. The clause 9.3 (d) of the agreement deals with Late Payment charge as below:

*"Late Payments by WAPDA or the Company, as the case may be, shall bear mark-up at a rate per annum equal to the Base Rate plus four percent (4%) per annum compounded semi-annually, and shall be computed for the actual number of Days on the basis of three hundred sixty-five (365) Day Year."*

- 6.12.2 In view thereof, the Authority in the tariff determination for FY 2014-15, decided that the late payment charge recovered from the consumers on utility bills shall be offset against the late payment invoices raised by CPPA (G) against respective XWDISCO only i.e. CPPA (G) cannot book late charge over and above what is calculated as per the relevant clause of the agreement to a respective DISCO only. The Petitioner was, therefore, directed to share the details of late payment charges recovered from consumers and any invoice raised by CPPA (G) under the head of mark up on delayed payments for the FY 2014-15. The Petitioner was directed to submit the requisite information before filing of the next tariff petition. Any remaining LPC, (i.e. after the offset) shall be adjusted from the revenue requirement of FY 2015-16 and in the event of non-submission of evidence of payment to CPPA (G), the entire amount of LPC recovered from consumers shall be made part of other income (and deducted from revenue requirement) in the FY 2015-16.

- 6.12.3 In compliance to the Authority direction the Petitioner stated that CPPA (G) has not yet raised any Invoice on account of mark up for the FY 2014-15. However, the Petitioner has recovered Rs.1,088 million under the head of late payment charge during the FY 2014-15.

- 6.12.4 The issue has been discussed under the relevant head.

- 6.13. The Petitioner is directed to give comments on the proposal of lifeline consumers before the next year's tariff petition and also to share the financial impact of revision of criteria of lifeline consumers on its revenue.**

- 6.13.1 The matter of changing terms and conditions of lifeline and residential consumers was raised by Islamabad Electric Supply Company (IESCO) in the tariff petition for the FY

2012-13 and the Authority took comments of all XWDISCOs on the matter during the tariff determination process for the FY 2013-14. Accordingly, the following modifications to the terms and conditions of lifeline and residential consumers were proposed;

- The criteria for Lifeline consumers is modified and only those residential consumers having single phase electric connection with a limited sanctioned load upto 1 kW and consumption of less than 50 units will qualify to be the life line consumers.
- A floating average of six months consumption of lifeline consumers should not exceed 50 units.
- In case of detection billing under the category of lifeline consumers, 1 year average floating billing must be less than 50 units.
- All government offices, educational institutes and mosques should be removed from the category of residential consumers.

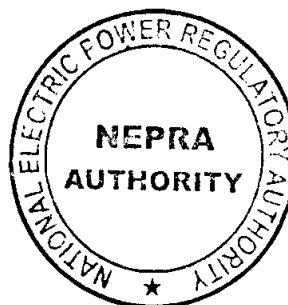
6.13.2 Although the Authority had completed its consultative process but it was felt that before modifying the Terms & Conditions further analysis as to how much consumers will be reduced on monthly basis along with its financial implication from the Petitioner needs to be obtained. Accordingly, the Petitioner, in its tariff determination pertaining to the FY 2014-15 was directed to give comments on the proposal before the next year's tariff petition for the settlement of this issue and also to share the financial impact of revision of criteria of lifeline consumers on its revenue.

6.13.3 The Petitioner in this regard has suggested the following conditions;

1. Only residential consumers having single phase connections to be treated as lifeline.
2. Criteria should be stipulated as for only those consumers having average consumptions of 50 units for 6 consecutive months.

6.13.4 The Authority after careful consideration has decided to modify the Terms & Conditions to the extent of the following;

- The criteria for Lifeline consumers is modified to only those residential consumers having single phase electric connection with a sanctioned load up to 1 kW.
- At any point of time, if the floating average of last six months consumption exceed 50 units, then the said consumer would not be classified as life line for billing month even if its consumption is less than 50 units. For the purpose of



calculating floating average, the consumption charged as detection billing would also be included.

6.13.5 On the issue of that whether all government offices, educational institutes and mosques should be removed from the category of residential consumers, the Authority has decided to create a New General Services Category by changing terms & conditions of the residential consumers and has decided to restrict residential category as Residences and Places of worship, excluding thereby all government and other offices, educational institution. Thus, the consumer category A3 General services shall include;

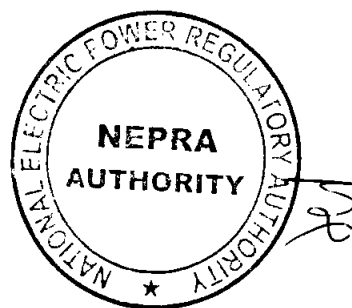
- o Approved charitable/religious institutions
- o Government and semi – Government Offices and institutions
- o Government Hospitals and dispensaries
- o Educational Institutions
- o Water supply schemes including water pumps and tube wells operating on three phase 400 volts other than those meant for the irrigation or reclamation of Agricultural land.

**6.14. To complete study of its Transmission and Distribution losses on 132 KV, 11KV and below.**

6.14.1 While deciding the tariff petition of the Petitioner pertaining to the FY 2012-13, the Authority directed the Petitioner to carry out technical study of its T&D losses. The Authority while deciding the tariff petition for the FY 2013-14, observed that Authority's direction was not complied with and the Petitioner did not give any firm date for the study of its T&D losses. In view thereof, the Authority again directed the Petitioner to complete study of its Transmission and Distribution losses on 132 KV, 11KV and below.

6.14.2 The Petitioner has submitted that study of its T&D Losses is in process. However, a partial study of its system was submitted along-with the tariff petition.

6.14.3 The issue has been discussed under the relevant head.





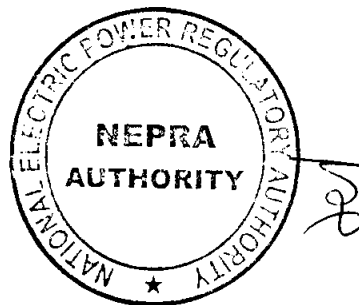
6.15. To submit the details of investment expense undertaken in the FY 2013-14.

6.15.1 The Petitioner in response to the Authority's direction, provided the following information, during the hearing of the instant petition, regarding the investment carried out for the FY 2013-14.

Investment Made During FY 2014 and 2015.		Rs. In Mln
Particulars	2014	2015
	Actual	Actual
Investment Allowed by NEPRA.	4,561	5,058
<b>Own Sources</b>		
DOP	171	150
ELR	362	425
STG	423	550
<b>Foreign Loans</b>		
Exim Bank-Korea	645	375
ADB-Tranche I	-	-
ADB-Tranche -II	1,353	216
ADB-Tranche- III	-	86
ADB-Tranche -IV	-	97
<b>Government Grants</b>		
Village Electrification	NIL	67
Consumer Deposits/Capital Contribution	1,880	1,717
<b>Total</b>	<b>4,834</b>	<b>3,683</b>

Under ADB Loan

Sr. No.	Name Of Grid	Type	Proposed Capacity MVA	Completion Schedule
CONVERSION				
1	Kolo Tarar	AIS	52	May 2014 (Completed)
2	Jalal Pur Nau		52	



**Under Korean Loan (Exim Bank) Completed**

Sr. No.	Name Of Grid	Type	Proposed Capacity MVA	Completion Schedule
1	Old Power House Sialkot	GIS	78	Jun-14
2	Chianwali	AIS	78	Jan-14
3	G.T.Road Gujrat		78	Dec-13
4	Hafizabad-2		78	Feb-14
5	Phalia		52	Dec-13
6	Pindi Bhattian		52	Oct-13
7	Awan Sharif		52	Mar-14

6.15.2 The Authority observed that the aforementioned information provided by the Petitioner could not be reconciled from its financial statements for the FY 2013-14, which raises doubts about the credibility of the information provided by the Petitioner.

6.15.3 The Authority also noted that the provided information is incomplete as it does not provide the details of the projects that were carried out and the benefits that have accrued by making investment of Rs.5,005 million during the FY 2013-14 (*as per the financial statements provided by the petitioner*). In view thereof the Authority again directs the Petitioner to provide project wise detail of actual investments made in FY 2013-14 and FY 2014-15 along-with the cost benefit analysis and also explain the reasons for variation in numbers reported in the presentation and its financial statements. The Authority has also taken a serious notice of non-compliance of its direction in true letter & spirit by the Petitioner, which is serious violation of licensing terms that may lead to initiation of proceedings against the licensee under the relevant rules.

6.16. To submit comments and proposal along with the expansion plan for consideration of the Authority regarding existing service delivering structure of circles, divisions and Sub-divisions etc. with next tariff petition.

6.16.1 Faisalabad Electric Supply Company Limited (FESCO) and Lahore Electric Supply Company Limited (LESCO) requested for creation of new circles, divisions and sub-divisions in the tariff petitions for the FY 2013-14. The Authority directed both the

XWDISCOs to take appointments for a separate presentation on this issue and deferred the decision till that time. In addition, the Authority made this issue a matter for discussion for all XWDISCOs in the tariff petition for the FY 2014-15. All the XWDISCOs including the Petitioner were directed to file comments on the matter vide letter no. NEPRA/R/SAT-I/TRF-100-DISCOs/13653-61 dated 31<sup>st</sup> October, 2014.

6.16.2 The Petitioner did not respond to the letter, therefore, the Authority in its determination for FY 2014-15, directed the Petitioner to submit comments and proposal on this issue with expansion plan for consideration of the Authority along-with next year tariff petition.

6.16.3 The Petitioner has submitted that to provide satisfactory supply of Electricity to consumers, it has prepared a 5 years IGTD / DIIP 2016-20 and has also built a new Narowal circle to provide quality services to its customers. The Petitioner further stated that it has added new grid stations to its system with the aim to improve distribution services in its territory. Such new grid stations also require additional recruitment of approximately 205 persons, which are duly approved by its BOD, and without such hiring it is unable to -improve its efficiency.

6.16.4 The Issue has been discussed under the relevant head.

**6.17. To make a separate presentation on Cost of Service Study (COSS) along with PDP team and requesting Authority for appointment in advance.**

6.17.1 In response to the Authority direction, the Petitioner mentioned that the same has already been made to the Authority during the hearing of its tariff petition pertaining to FY 2014-15 at Avari Hotel Lahore.

6.17.2 The Authority has observed that the Petitioner has totally ignored the Authority direction for submission of tariff petition for the FY 2015-16 on the basis of COSS while noncompliance and disregard of the Authority direction is a serious matter. In future if the Authority's direction are not complied with, the Authority shall be constrained not to accept the petition. Furthermore, the proceeding will also be initiated under the relevant rules and regulation for the violation of the Authority's direction. In view thereof, the Authority directs the Petitioner to submit COSS based consumer end tariff along with its next tariff petition.

**7. Issue # 2. Whether the petitioner's projected energy purchases of 8,297 GWhs and sales of 7,335 GWhs units for the FY 2015-16, is reasonable?**

7.1 The Petitioner has projected its purchases for the FY 2015-16 as 8,297 GWh and sales to be 7,335 GWh. The Petitioner has requested an increase of 5% in its last year units received based on past history and trend of the purchases. It has further been stated that figures have been projected keeping in view ever increasing demand of electric power and the expected increase due to addition/augmentation of grid stations and increase in consumers.

7.2 Following is the history of the Petitioner's purchases and sales over the last five years;

Years	Purchase of units in GWh	Percentage Growth	Sale of units in GWh	Percentage Growth
2011	7,315		6,442	
2012	6,958	-4.88%	6,178	-4.10%
2013	6,633	-4.67%	5,920	-4.18%
2014	7,671	15.65%	6,828	15.34%
2015	7,902	3.01%	7,055	3.32%
2016	8,297	5.00%	7,335	3.97%

7.3 The NEPRA determination of Consumer-end-Tariff (Methodology & Process) Guidelines, 2015, (herein referred to as "The Methodology") prescribes the submission of generation plan by NTDC and procurement plan by CPPA (G) and its approval by the Authority prior to the filing of the tariff petition by the XWDISCOs. Since both NTDC and CPPA (G) did not submit the generation and the procurement plans, the Authority in order to avoid any further delays in the determination of XWDISCOs for the FY 2015-16, decided to consider the power purchases and their corresponding cost as estimated by the XWDISCOs, along with the instant tariff petitions.

7.4 Although, there is an inbuilt mechanism for adjusting actual variation in sales against the estimated sales, yet in order to avoid unnecessary fluctuations in the consumer-end tariff it is appropriate to make realistic assessment of the purchases and sales. Moreover, it is also important for the realistic assessment of monthly reference fuel cost for making monthly fuel cost adjustment pursuant to Section 31(4) of Regulation of Generation, Transmission and Distribution Act (XL 1997).

7.5 In view thereof, the Authority has carried out a detailed exercise for estimating station wise generation pertaining to the FY 2015-16. An increase of around 2.05% has been



assumed over the actual generation pertaining to the FY 2014-15, as generation growth. Here it is pertinent to mention that the actual generation for the FY 2014-15 was 1.94% more than the actual generation for the FY 2013-14.

7.6 After incorporating all the expected upcoming additional generation, it is estimated that in the FY 2015-16 the overall system generation will be about 98,989 GWh. After adjusting for the NTDC's permissible transmission losses of 3.0%, about 96,019 GWh are expected to be delivered to the distribution companies; the estimated share for the Petitioner from the pool for the FY 2015-16, is accordingly assessed as 7,971 GWh for the FY 2015-16, as against 8,297 GWhs projected by it. After incorporating the T&D losses target for the FY 2015-16 (discussed below) the sales target in the instant case for the same period worked out as 7,176 GWhs.

7.1. Whether the petitioner's projected power purchase cost for the FY 2015-16 is justified?

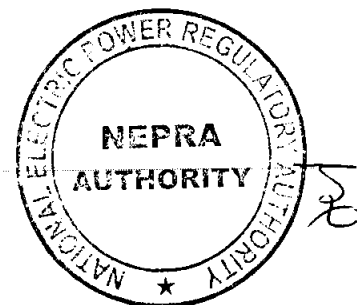
7.1.1 The Petitioner has requested for a Power Purchase Price (PPP) of Rs.83,527 million (Rs.10.06/kWh) for the FY 2015-16, which has been based on expected receipt of units during FY 2015-16 and by escalating the actual cost of generation, Capacity and UoSC for the FY 2014-15 by 5%.

7.1.2 The Petitioner submitted the component wise detail as below:

Description	FY 15-16 (Projected)	
	Amount Rs. In million	Rate in Rs./kWh*
Energy Transfer Charges	56,313	6.78
Capacity Transfer Charges	24,921	3.00
Use of System Charges	2,293	0.28
PPP	83,527	10.06

\* Rate is unadjusted price /kWh

7.1.3 All the power generated from different sources is procured by the Central Power Purchasing Agency [CPPA ( G )] on behalf of XWDISCOs at the rates as per the Power Purchase Agreements (PPAs) as per the Authority's determination. The overall power purchase cost constitutes a pool price which is transferred to the XWDISCOs according to a mechanism prescribed by the Authority and notified by the Federal Government in the Official Gazette. The Power Purchase Price has been projected, which in turn formulates the reference values for the monthly fuel adjustments & biannual PPP adjustment with respect to T&D losses, Capacity and Transmission Charges. Here it is pertinent to mention that while making biannual adjustments of the PPP, the Authority may rationalize the SoT accordingly.





7.1.4 From all the available sources i.e. Hydel, Thermal-Gas, RFO, Nuclear, Coal, Solar, Wind, Bagasse and Imports, a total gross of 98,989 GWh power is expected to be generated during the FY 2015-16. The estimated/projected source-wise generation and cost of electricity is given in the following table:

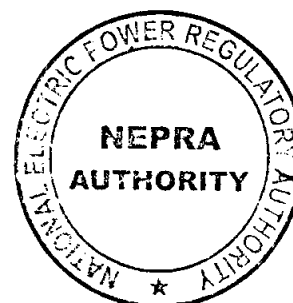
Fuel Type	Gen.	Share	Cost	Share	Rate
	MkWh	%	Min. Rs.	%	Rs./kWh
Hydel	32,563	32.90%	3,124	0.56%	0.10
Coal	102	0%	382	0%	3.74
HSD	1,702	2%	22,168	4%	13.02
F.O.	30,881	31.2%	332,651	59%	10.77
Gas	26,218	26%	177,129	32%	6.76
Nuclear	4,995	5%	6,609	1%	1.32
Mixed	1,015	1%	10,332	2%	10.18
Import from Iran	443	0%	4,669	1%	10.55
Wind Power	724	1%	975	0%	1.35
Bagasse	319	0%	1,977	0%	6.20
Solar	26	0%	64	0%	2.47
<b>Total</b>	<b>98,989</b>	<b>100%</b>	<b>560,080</b>	<b>100%</b>	<b>5.66</b>
Energy Charges [Net of NTDC Losses]	<b>96,019</b>		<b>560,080</b>		<b>5.83</b>
Cap. Charge [Rs. /kWh]			239,695		2.50
UOSC [Rs. /kWh]			30,520		0.32
<b>Total Cost [Rs. /kWh]</b>	<b>96,019</b>		<b>830,295</b>		<b>8.65</b>

7.1.5 Here it is pertinent to mention that the aforementioned energy charge includes variable O&M charges. But as per the tariff methodology, variable O&M charges would not be made part of monthly fuel adjustment and would be adjusted as part of biannually adjustments. From the above table it is clear that 31% of total generation is expected on Residual Fuel oil (RFO) but its share in overall energy cost is expected to be around 59%, which means that variation in generation mix and oil prices will have great impact on the cost of generation and will ultimately affect the consumer-end tariff. The RFO prices over the last year have shown a decreasing trend, whereby the actual average RFO prices during the FY 2014-15 remained at around Rs. 56,121 [excluding Sales Tax and including freight] per metric ton and touched a low of Rs. 40,411 per metric ton as against the last years average projected price of Rs. 65,769 [excluding Sales Tax and including freight] per metric ton. The RFO prices in Pakistan are not only affected by the international market but also by the exchange rate parity. Based on the international market condition, it can be presumed that this lower trend shall continue in the future as well, consequently, for the FY 2015-16, RFO prices have been assumed on an average of Rs. 47,981 per metric ton [excluding Sales Tax and including freight] after incorporating the possible determinants of RFO prices. The HSD prices for the FY 2015-16, are being assumed on an average of Rs. 61.29 per litre.

[excluding Sales Tax], keeping in view the declining trend of HSD price in FY 2014-15, which remained on average Rs. 76.89 per litre during the FY 2014-15, against the projection of Rs.93.45/ litre. Keeping in view the recent developments regarding the import of RLNG and the notification by OGRA regarding provisional price of RLNG, it is quite obvious that gas based power plants will also be run on RLNG especially in the months where there is gas shortage as has been the case in the past. Accordingly, impact of RLNG has also been considered while projecting the gas prices for the FY 2015-16, which has been assumed at Rs. 900/ MMBTU.

- 7.1.6 The generation cost is transferred to the XWDISCOs according to the Transfer Price Mechanism (TPM) as prescribed by the Authority.
- 7.1.7 Energy transfer charge shall be calculated on the basis of units delivered after adjusting target transmission losses up to a maximum of 3%. NTDC shall, for the purpose of clarity intimate to all XWDISCOs the generation part of the Transfer Charge during a billing period by deducting from the Transfer Charge the Transmission Charge or Use of System Charges.
- 7.1.8 According to the above mechanism Rs.22,207 million and Rs.2,830 million is the share of the Petitioner on account of CpGenCap and USCF respectively for the FY 2015-16. The overall fixed charges comprising of CpGenCap and USCF in the instant case works out as Rs.25,037 million, which translates into Rs.1,221 /kW/month or Rs.3.14/kWh.
- 7.1.9 The annual PPP for the FY 2015-16 in the instant case works out as Rs.71,388 million. With the projected purchase of 7,971 GWh for the same period the average PPP turns out to be as Rs.8.96/ kWh (Annex – IV). On the basis of 9.98 % T&D losses, the PPP per kWh is assessed as Rs. 9.95/kWh.
- 7.1.10 Regarding the assessment for the FY 2016-17 and onwards, as per the Methodology, the NTDC would file data for its generation plan before or on 1<sup>st</sup> September, each year. The Authority after due diligence may consider revising the current projection of PPP. Accordingly, the impact of revised prices on the SOT, would be done by the Authority. Here it is pertinent to mention that the references of power purchases would continue to exist irrespective of the financial year unless the revised references are notified by the GoP.

8. Issue # 3. Whether the T & D losses @ 11.60% requested by the petitioner based on third party study of 11KV and below system, is reasonable?





- 8.1 The Petitioner has requested a T&D losses target 11.60% for the FY 2015-16, based on the third party Study of T&D Losses carried out at 11KV and below system.
- 8.2 While deciding the tariff petition of the Petitioner pertaining to the FY 2012-13, the Authority directed the Petitioner to carry out technical study of its T&D losses and submit its TORs along with its completion timelines by 31<sup>st</sup> March 2013. The Authority while deciding the tariff petition for the FY 2013-14 and FY 2014-15, observed that Authority's direction was not complied with and the Petitioner had failed to make any progress in this regard. In view thereof, the Authority again directed the Petitioner to complete study of its Transmission and Distribution losses on 132 KV, 11KV and below.
- 8.3 Following the directions of the Authority, the Petitioner has submitted that work to conduct study of T&D losses has been awarded to M/s Burqaab (Pvt) Ltd. in joint venture with M/s LMKT Pvt. Ltd. The date of commencement of the contract is 10<sup>th</sup> April 2015 and the firm is bound to complete the study with in a year. The Petitioner further stated that the firm has submitted evaluation study of 281 No. 11KV Feeders (39% sample) representing all categories i.e. Domestic, commercial, industrial, tube wells, urban/rural mix feeders. The percentage losses in different segments of power system as submitted by the Petitioner are as follows;

a. Transmission Losses	2.06%	MS PPI
b. HT network Losses	3.08%	M/S Barqaab in J/V with M/S LMKT
c. Transformer Losses	1.17%	
d. LT Network Losses	4.79%	
e. Administrative Losses Margin	0.5%	
Total T&D Losses	11.60%	

- 8.4 The Petitioner during the hearing further stated that these evaluated losses are reasonable as being based upon load flow studies by considering practical data and all desired parameters.
- 8.5 Following is the break-up of losses over the years as submitted by the petitioner;

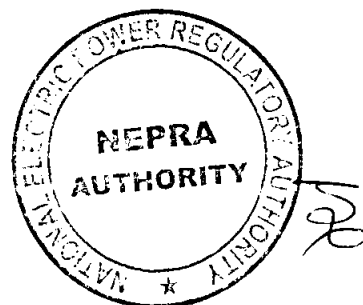
Years	Transmission losses in %	Distribution losses in %	T&D losses in %
2010-11	1.85%	10.31%	11.97%



2011-12	1.64%	9.75%	11.22%
2012-13	1.55%	9.35%	10.75%
2013 -14	1.67%	9.33%	11.00%
2014-15 (Actual)	1.52 %	9.20%	10.72%
2015-16 (Projected)	2.06%	9.54%	11.60%

- 8.6 It has been seriously noted by the Authority that the Petitioner has requested for a T&D loss target of 11.60% for the FY 2015-16 based on third party study, whereas, as per the from-2 of the Petition and the DIIP (page 6) provided by the Petitioner, its actual losses are 10.72% for FY 2014-15. Contradictory to these, on page 3 of the DIIP, the Petitioner has submitted to reduce its losses from 10.75% in FY 2015-16 to 10.5% by FY 2019-20. The Authority fails to understand the reasons of high T&D losses reported in the study whereas the Petitioner itself has claimed that its actual T&D losses are 10.72% for FY 2014-15. The aforementioned variation in numbers raises serious doubts about the credibility of the information provided by the Petitioner and the study carried out through third party.
- 8.7 The Authority has also shown serious concerns regarding non-compliance of its direction with respect to the completion of T&D losses study, as the study submitted by Petitioner is of partial nature (39%) and despite lapse of three years, no confirm date for the completion of the study has been mentioned by the Petitioner. The Authority considers that non-compliance of its direction is a serious violation of licensing terms that may lead to initiation of proceedings against the licensee under relevant rules.
- 8.8 In view of the foregoing, the Authority has decided not to accept the requested T&D losses target by the Petitioner being based on incomplete study and variation in numbers reported by the Petitioner. Therefore, the Authority has decided to maintain its last year assessment of T&D losses at 9.98%. At the same time the Authority directs the Petitioner to complete the study of its T&D losses by June 30, 2016.
9. Issue # 4. Whether the petitioner's proposed Investment plan of Rs. 5,644 million for the FY 2015-16, is justified, keeping in view the prospective benefits?
- 9.1. What is the impact of non-submission of IGTDP by the Petitioner along with the tariff petition for the FY 2015-16/as required under Consumer-end Tariff (Methodology and Process) Guidelines, 2015?

- 9.1.1 As per the NEPRA guidelines for the determination of consumer end tariff (Methodology and Process), 2015 (The Methodology) notified vide S.R.O. 34 (I)/2015 dated January 16, 2015, the submission of IGTDP by XWDISCOs and their approval by the Authority is required before filing of the tariff petition. The deadline for the submission of IGTDP, as per the Methodology, is September 01 each year. Since the Methodology was notified in January 2015, and separate submission of IGTDP and their subsequent approval by the Authority, would have resulted in considerable delays bearing financial implications for the Petitioner, therefore, the Authority, on the request of the XWDISCOs, allowed them to file the IGTDP along with their Consumer-end Tariff Petitions. Here it is pertinent to mention that submission of the IGTDP by XWDISCOs with their tariff petitions, does not mean that the same has been accepted by the Authority as such.
- 9.1.2 The Petitioner although did not submit its IGTDP with the tariff petition as directed by the Authority, however, the same was submitted by the Petitioner afterwards. It has, however, been observed that the figures of projected investments quoted by the Petitioner under different chapters / topics of the submitted document, does not reconcile with each other e.g. figures of projected investments quoted by the Petitioner in its IGTDP under the "Summary Costs for the Investment Plan" and under the "Financing Plan" both for the Best case and the Optimal Case Scenario, does not reconcile. Further, the amounts of IGTDP are also not in agreement with the amounts requested in the Petition for the FY 2015-16.
- 9.1.3 The Authority understands that although IGTDP is the more relevant and detailed document regarding the Investments, however, considering the fact that the Petitioner during the hearing, presented the figures submitted in its Petition, the Authority has decided to consider the figures submitted in the Petition. Here it is pertinent to mention that the hearing was conducted subsequent to the submission of IGTDP.
- 9.1.4 The Petitioner has requested an investment of Rs.5,644 million to execute its development/ investment plan for the FY 2015-16 in the areas of Distribution of Power (DOP), Energy Loss-Reduction (ELR), Secondary Transmission & Grid (STG), Enterprise Resource Planning (ERP), Power Distribution Enhancement Investment Program (PDEIP) including consumer financing. The break-up of proposed investment provided by the Petitioner is as under:



Particulars	Rs. In Million
DOP	300
ELR	400
TOU/Smart meters	900
ERP	300
6 <sup>th</sup> STG- Own Source	1,089
6 <sup>th</sup> STG- Loans	1,655
Capital contributions/grants	1,000
<b>Total</b>	<b>5,644</b>

9.1.5 The Petitioner plans to fund the aforementioned investments through following sources;

Particulars	Rs. In Million
Own sources	2,989
Foreign currency loans	1,655
Capital contributions/grants	1,000
<b>Total</b>	<b>5,644</b>

9.1.6 The Petitioner has submitted the details of requested investment as below:

## 9.2 Distribution of Power (DOP)

The Petitioner has submitted that the investment is planned for the construction/ up gradation of old offices/residential buildings, water tanks, boundary walls of various grid stations and other civil works. The total amounts for the said works are estimated at Rs.80 million. The remaining allocation under DOP amounting to Rs. 220 million is for various works for the distribution of power systems updating and extensions, tools & plant etc.

## 9.3 Energy Loss Reduction (ELR)

Regarding ELR, the Petitioner has mentioned that with the growth in demand on account of new consumers and additional usage of electricity by the existing consumers, has mentioned that the distribution system requires periodic up-gradation in order to avoid distribution system failure. Accordingly, regular investment is made in the system



augmentation / extension and up gradation of HT/LT line system in order to keep down the ever increasing distribution losses emerging all the times due to continuous increase in the demand.

#### 9.4 6<sup>th</sup> STG – Loans/ Own Sources

The Petitioner has stated that, in accordance with the approved PC-1, the GOP has borrowed funds from ADB, which has further been re-lent to the Petitioner. The following projects have been awarded on turn-key basis;

Project Description	Contractor	Total Cost Rs. in M
Ongoing Projects		400
New Jobs awarded for FY 2015-16		689
<b>ADB-Tranche II</b>		
Turnkey – new AIS Daska, Godhpur and double circuit Sahowala-Godhpur transmission line	Siemens	100
Turnkey – one new GIS grid station and one new AIS grid station at Gujranwala	ABB Consortium	100
127 KM transmission lines	ICC	250
<b>ADB- Tranche III (4 Nos. GS 66 KV to 132 KV)</b>	Sino Steel China	780
<b>ADB- Tranche IV (Procurement of Material for Augmentation of Power Transformers)</b>	Contract has been signed and	425
<b>Expenditure during FY 2015-16</b>		<b>2,744</b>

9.5 As per plan, ADB Tranche-II, 03 Nos. 132 KV (Conversion/New) Grid Stations have been completed along with feeding transmission lines during FY 2014-15 namely:

- Kolotarar.
- Jalal Pur Nau.
- New Daka

#### 9.6 Deposit works/Capital Contributions:

9.6.1 The Petitioner has stated that various works will be carried out against the funds received from the public in the form of deposit works, capital contributions and grants received from government through their MNA's/MPA's under various development schemes amounting to Rs.1,000 million.

9.6.2 As per the available information, the Petitioner made a total additions in the fixed assets of Rs.7,153 million & Rs.3,519 million during the FY 2013-14 and FY2014-15 respectively. The aforementioned amounts also include the impact of consumer contribution to the extent of Rs.1,544 million & Rs.1,765 million respectively. Thus, net addition in fixed assets carried out through loans and own resources, works out as Rs.5,609 million and Rs.1,754 million during the FY 2013-14 and FY 2014-15 respectively.

9.6.3 Based on the available record, arguments, evidence and the fact that these allowed investments affect the annual Return on Rate Base (RORB) for a XWDISCO, hence, while allowing investments for any control period the Authority has to keep in view the past trend of investment made by the Petitioner along with its funding arrangements and its previous trend of closing CWIP and transferring of useful assets from CWIP to operating assets. The following table shows the investment allowed and the actual spending of the Petitioner during the period of last three years.

Year	Actual	Allowed
2012-13	7,351	4,561
2013-14	5,005	4,561
2014-15	2,147	5,058

9.6.4 The Authority observed that the actual spending by the Petitioner during the last three years remained around 102% of the allowed investment, however, in FY 2014-15 the actual investment remained at around 42% of the allowed investment.

9.6.5 Based on the discussions in preceding paragraphs and the actual investments carried out by the Petitioner during the previous years as detailed above, the Authority considers that the Petitioner's requested demand of Rs.5,644 million for the FY 2015-16 (*including the impact of consumer contributions of Rs.1,000 million*) seems on the higher side. Accordingly, for FY 2015-16, the Authority has decided to allow an investment amounting to Rs.2,576 Million including Rs.1,000 Million on account of consumer contribution. Here it is pertinent to mention that the existing mechanism of determining RORB is self-adjusting with respect to the benefits of investments, thus any investments beyond Authority's assessment, carried out by the Petitioner during the FY 2015-16 (which is desirable), would be catered for in next year's returns.

9.6.6 Regarding village electrification, the Petitioner is directed that before implementing any village electrification program, it must evaluate the project using NPV / IRR or cost benefit ratios and while calculating the costs, the incremental level of T&D losses must be monetized and must be treated as a project cost. This exercise would result in



identifying the non-feasible projects and consequently may result executing only those village electrification programs which will be feasible after enhancing the budget e.g. electrifying a village may require grid augmentation or construction of new grid station. Accordingly the Authority directs the Petitioner to spend at least 20% of the village electrification funds for improvement / up-gradation of the grid. The Petitioner is further directed to not to undertake any village electrification which would result in overloading of its system. The village electrification would only be undertaken without augmentation of the grid, if it already has spare MVAs.

**10. Issue # 5. Whether the prior year adjustment amounting to Rs.837 million for the FY 2014-15 is accurate?**

10.1 The Petitioner, in its petition requested an amount of Rs.837 million, no working and rationale had been provided along with the petition, however, during the hearing the Petitioner presented that it includes impact of Tax, Consumer Mix Variance and WAPDA Pension. The following breakup of PYA was presented by the Petitioner during the hearing;

Prior Year Adjustment	Rs. Million
Tax	11
Wapda Pension	240
Consumer Mix	586
Total	837

10.2 The Authority after careful consideration of the Petitioner's submission of PYA, provided in the petition and hearing, observed that the Petitioner has not correctly calculated the PYA. In view of the aforementioned, the Authority after doing its own due diligence has worked out the following PYA;

	Mln. Rs.
Notified reference PPP during the FY 2014-15	77,730
Assessed Distribution Margin for the FY 2014-15	11,537
Assessed PYA for the FY 2014-15	750
Add ; 1st Qrt's PPP adjustment pertaining to the FY 2014-15	2,087
Add; 2nd Qrt's PPP adjustment pertaining to the FY 2014-15	1,502
Add; 3rd Qrt 's PPP adjustment pertaining to the FY 2014-15	2,997
Add; 4th Qrt's PPP adjustment pertaining to the FY 2014-15	4,114

Less ;	Regulated PPP recovery on notified rates during the FY 2014-15	88,732
Less;	Regulated DM recovery on notified rates during FY 2014-15	8,287
Less;	Regulated PYA recovery on notified rates during FY 2014-15	6,131
Less;	Net impact of assessed & actual Other Income for the FY 2014-15	1,269
Add;	Impact of Consumer – Mix Variance for the FY 2014-145	586
Add;	Impact of EX-WAPDA Pensioners	240
	<b>Total Unrecovered/ (Over recovered) Costs for the FY 2014-15</b>	<b>(2,878)</b>

10.3 Here it is pertinent to mention, as per the previous practice, the impact of any decrease in (negative) monthly FCA, was not passed on to the Life line and Agriculture Consumers of XWDISCOs. The same relief was adjusted by the Authority in the annual tariff determinations of XWDISCOs, through the Prior Year Adjustment mechanism, whereby the impact of such amount is adjusted in the tariff design across all the consumer categories.

10.4 MoWP vide its letter No.5-PF/02/2013-Subsidy dated May 21, 2015 issued the policy guidelines under Section 31 (4) of the NEPRA Act, 1997 with regard to the Fuel Charge Adjustments and subsidy rationalization of Ex-WAPDA Distribution Companies.

10.5 MoWP in its aforementioned policy guidelines, inter alia, mentioned that ECC of the Cabinet has been pleased to approve the issuance of the following Policy Guidelines under Section 31 (4) of the NEPRA Act, 1997 on 21.05.2015 i.e. that

*"Any negative adjustment on account of monthly FCA will not be passed on to the Domestic consumers who have subsidized electricity tariff."*

10.6 The Authority considered the policy guidelines of the GoP with respect to the Fuel Price Adjustment being consistent with the GoP Policy for phasing out the subsidy which are also consistent with the standards and guidelines as per Rule 17 of Tariff Standards and Procedure Rules -1998.

10.7 Accordingly, the Authority decided that any negative monthly FCA shall not be applicable to lifeline consumers, domestic consumers consuming up to 300 units and Agriculture Consumers of all the XWDISCOs, being already subsidized by the GoP. The impact of such negative FCA not passed on to the aforementioned consumer categories, in the matter of the Petitioner, for the FY 2014-15, works out to be Rs 4,072 Million.

10.8 The Authority in view of the above referred policy guidelines of GoP regarding rationalization of subsidy in the matter of XWDISCOs, has decided not to adjust the impact of negative FCA across different consumer categories, as it was doing in the past. Thus, the negative FPA impact on lifeline consumers, domestic consumers,

(consuming upto 300 units) and Agriculture Consumers i.e. Rs.4,072 Million, which is still lying with the Petitioner, must be adjusted by GoP, against the overall Tariff Differential Subsidy claim in the matter of the Petitioner eventually reducing GOP's overall Tariff Differential Subsidy burden. This decision of the Authority is only applicable under a subsidy regime, whereby aforementioned classes of consumers are receiving subsidy directly in their base tariff.

**11. Issue # 6. Whether the Petitioner projected O&M cost of Rs.10,973 million (Rs.1.496/kWh) for the FY 2015-16, is justified?**

11.1 The Petitioner requested an amount of Rs.10,937 million on account of O&M cost for the FY 2015-16, however, the figure was revised by the Petitioner during the hearing, wherein, an amount of Rs.16,509 million was requested. The Petitioner submitted that these figures are based on the expenses as per books of accounts.

11.2 According to the Petitioner its O&M expenses include salary and other benefits, cost of recoupment of HR, repair and maintenance, traveling allowance, vehicle maintenance allowance and other operating costs related to its distribution and supply business.

11.3 A history of O&M expenses of the Petitioner is provided as here under:

Description	Mln. Rs.			
	FY2013	FY 2014	FY 2015	FY 2016
	Audited			Requested
Salaries & Other Benefits	5,736	6,882	11,611	14,605
Maintenance Expenses	642	823	890	935
Traveling Expenses	210	220	257	260
Vehicle Running Expenses	222	252	234	234
Other Expenses	326	799	481	475
<b>Total</b>	<b>7,136</b>	<b>8,977</b>	<b>13,474</b>	<b>16,509</b>

**11.4 Salaries Wages & Other Benefits**

11.4.1 The Petitioner's requested Salaries Wages and Other Benefits include Pay & Allowances for the existing staff, new hiring and postretirement benefits. The

Petitioner has requested an amount of Rs.14,605 million for FY 2015-16 under this head.

#### 11.5 Pay & Allowances and other benefits (excluding postretirement benefits)

11.5.1 The Petitioner in its petition submitted that it has estimated salaries and wages expense based on the actual expense for the FY 2014-15, duly enhanced by the following factors:

- Increase @ 7.5% on basic pay.
- Impact of annual increment.
- Increase @ 20% on cash Medical allowance having financial impact of Rs.32 Million.

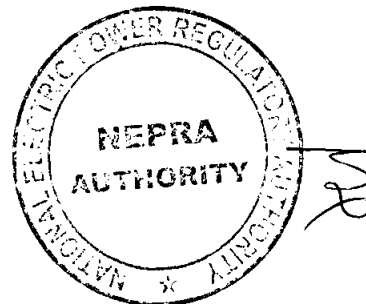
Description	Requested for 2015-16 (Rs. in M)
Pay & Allowances (Regular)	5,070
Pay & Allowances (New Hiring)	935
Bonus	170
<b>Total Salaries &amp; Wages</b>	<b>6,175</b>

11.5.2 The Petitioner submitted that actual expenses, excluding the provision for the long term retirement benefits were Rs.4,609 million FY 2014-15.

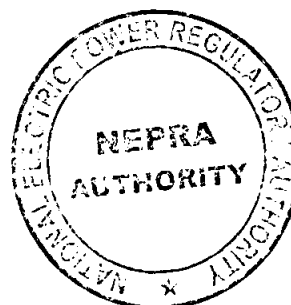
11.5.3 The Petitioner during the hearing presented that a total number 4,519 posts in different cadres have fallen vacant due to retirements / transfers / promotions / deaths of the Petitioner's employees. In view of aforementioned the Petitioner stated that it has started process of recruitment with the approval of the Ministry of Water and Power Order No F.No.1(17)/2012-C&C dated 05-Nov-14. The incremental financial effect of Rs.935 million of aforesaid recruitment has been included by the Petitioner in the Salaries and Wages projected figures of FY 2015-16. The Petitioner submitted the break-up its staff strength as under;

DESCRIPTION	SECTIONED STRENGTH	HELD POSITIONS	VACANT POST
Officer	427	298	129
Staff	16,764	12,374	4,390
<b>Total</b>	<b>17,191</b>	<b>12,672</b>	<b>4,519</b>

- 11.5.4 The Authority during tariff determinations for the FY 2013-14 and FY 2014-15 disallowed the cost of additional recruitment and allowed only replacement hiring subject to the completion of audit as per framework provided by the Authority. The Authority while considering the proposal of the Petitioner for additional hiring based on the approved yard stick of WAPDA, in the tariff determination for FY 2014-15, mentioned that it never accepted the yardstick of WAPDA and directed the Petitioner to get the strength yard stick approved from the Authority, based on proper justification and quantified benefits along-with a comparison of existing state of affairs.
- 11.5.5 However, the Petitioner in contrary to the directions of the Authority of getting its strength yardstick approved by the Authority has again based its proposed recruitment plan for FY 2015-16, on WAPDA's yardstick.
- 11.5.6 The Authority after careful consideration of the provided data is of the view that the provided qualitative benefits by the Petitioner neither include the exiting state of affairs nor it include the future targets rather has mentioned some generic statements e.g. the operational as well as administrative operations will be efficient with healthy impact on employees work stress, reduction in fatalities and accidents, improved coordination all resulting in better consumer end services. Thus, lacking crucial specific numbers attached to it with respect to existing state of affairs and future targets. In view of aforementioned, discussion and the fact that the Petitioner has failed to comply with the Authority's direction in this regard; the Authority has decided not to allow the requested additional recruitment of 4,519 personnel having an impact of Rs.935 million for the FY 2015-16.
- 11.5.7 The Petitioner in compliance of the Authority's direction has provided the certificate of the replacement hiring vide letter no. 77828 dated April 20, 2015. As per the certificate, the Petitioner has made recruitments to the tune of Rs.645.31 million whereas the impact of retirements is around Rs.572.01 million, thus the net financial impact of recruitments and retirements during July 1, 2009 to June 30, 2013, is negative Rs.73.299 million. The Authority considering the materiality of negative amount of Rs.73.299 million and the fact that the Petitioner has not carried out any hiring during the FY 2013-14 and FY 2014-15, whereby its staff would have retired each year, has decided not to deduct Rs.73.299 million from its base expense, used for future assessment in this regard.



- 11.5.8 The Petitioner also requested an amount of Rs.170 million in the head of bonus. The Authority understands that consumers cannot be burdened for such type of incentives and has therefore decided not to allow this cost. If the Petitioner wants to incentivize its employees, it may pay bonus out of its own profits.
- 11.5.9 In view of afore going, the Authority has decided to consider the actual cost of Salaries, Wages and other benefits (excluding post-retirement benefits) appearing in the financial statements of the Petitioner pertaining to the FY 2014-15 for its future assessment.
- 11.5.10 The Authority while assessing the Pay & Allowances & other benefits (excluding postretirement benefits, discussed below), has taken into account the impact of GOP's recent announcement of 7.5% increase as ad-hoc allowance, 5% annual increment, merging ad-hoc relief of 2011 & 2012 in running basic pay and increase in Medical Allowance by 25% as per GOP notification. The Authority while doing the assessment for the FY 2015-16 , has also accounted for the other increases which are notified by the GOP relevant to the FY 2015-16.
- 11.5.11 Based on the discussion made in the preceding paragraphs, incorporating all the aforementioned increases, the Authority has assessed Rs.4,815 million on account of Pay & Allowances and other benefits (excluding postretirement benefits) of the Petitioner for the FY 2015-16.
- 11.6 Post-Retirement Benefits**
- 11.6.1 The Authority considering the overall liquidity position in the power sector and in order to ensure that the Petitioner fulfils its legal liability with respect to the post-retirement benefits, directed the Petitioner to create a separate fund in this regard before 30<sup>th</sup> June 2012. Subsequently, this deadline was extended by the Authority. The rationale was that the creation of funds would ensure that the Petitioner records its liability more prudently since the funds would be transferred into a separate legal entity. In addition to that these independent funds would generate their own profits, if kept separate from the company's routine operations and in the longer run reducing the Distribution Margin and eventually consumer-end tariff.
- 11.6.2 During the tariff determination for the FY 2013-14, the Authority again directed the Petitioner to create an independent postretirement benefit fund. The Petitioner during its tariff determination for the FY 2014-15, informed that the Authority that it had got



approval from its BoD for the creation of postretirement benefit fund along with the approved balance of Rs.100 million. The Petitioner further submitted that it has almost completed all formalities for the creation of fund the creation of fund and it is expected that fund would be created in the near future after getting the necessary approval by the BoD.

11.6.3 On the issue of retired WAPDA employees before 1998, the Authority in its determination of the Petitioner for FY 2014-15, decided that the post retirement benefit cost until 30<sup>th</sup> June, 2014 shall be borne by WAPDA (Hydel) and subsequent cost shall be borne by XWDISCOs without claiming any receivables from WAPDA (hydel).

11.6.4 The Petitioner has requested a provision of Rs.8,429.68 million for the postretirement benefits for FY 2015-16. The request amount has been projected after making an escalation of 5% in the provision of Rs.8,028.27 as per the actuarial valuation report as on June 30, 2015, which also includes provision of Rs.2,108.36 million pertaining to the EX-WAPDA employees. The Petitioner further mentioned that Rs.1,332 million were actually paid as long term retirement benefit FY 2014-15.

11.6.5 The Petitioner during the hearing presented that it has created the Employee Pension Fund, established with a deed dated 05-08-2015 for which a separate bank account at National Bank of Pakistan SIE Branch Gujranwala has also been created, and an amount of Rs. 100 Million has been transferred in the account.

11.6.6 The Authority considers that the Petitioner has complied with the direction of the Authority to the extent of creation of the separate Pension Fund and amount to the extent of Rs.100 million has been transferred into the fund. Yet it is pertinent to mention that the Authority had been allowing the provision for post-retirement benefits to the Petitioner as a part of its O&M cost till FY 2011-12. It was only for the last three years that the Authority decided to allow the actual amount on account of pension benefits, due to non-compliance of the Authority's directions. Thus, any post retirement liability pre FY 2011-12, is with the Petitioner. In view thereof, the Authority directs the Petitioner to transfer the already collected amount of provisions into the fund. For the purpose of assessment pertaining to the FY 2015-16, the Authority has decided to allow the actual payments made by the Petitioner in FY 2014-15 in this regard and thereby applying GOP's notified increases for the FY 2015-16. In addition, actual payments on account of retired WAPDA employees before 1998, is also allowed separately. In view thereof, for FY 2015-16, an amount of Rs.1,465 million is hereby allowed to the Petitioner for the postretirement benefits including the impact of retired WAPDA employees before 1998. Here it is pertinent to

mention that since the post-retirement benefits include other liabilities in addition to Pension, hence it directed to create separate accounts or fund (as the case may be) for each head of post retirement liability. It would be mandatory for the Petitioner to deposit the whole amount into separate funds and accounts (as the case may be).

11.6.7 In view of the foregoing, after incorporating all the aforementioned increases, the Authority has assessed an amount of Rs.6,280 million on account of Salaries, wages and other benefits including the postretirement benefits for the FY 2015-16.

#### 11.7 Repair & Maintenance Expenses

11.7.1 The Petitioner requested an amount of Rs.920 million on account of R&M cost for the FY 2015-16, however, the figure was revised by the Petitioner during the hearing, wherein, an amount of Rs.935 million has been requested. The Petitioner submitted that these figures are based on the expenses as per books of accounts. The Petitioner has projected an increase of 5% over last year's expense of Rs.890 million. The Petitioner, while justifying the request, explained that that it has increased the figure in order to cover inflationary impact, replacement of 132,438 obsolete /defective meters and 1,647 old and fully worn out transformers, panels and cables.

11.7.2 Since the Petitioner did not provide any concrete justification of the requested amount, the Authority carried out an in house analysis of the amount allowed and the actual expenditure incurred by the Petitioner under aforementioned head for the last four years as mentioned hereunder, to adjudicate on the ;

Year	Allowed by the Authority	Actual Expenditure	% Increase in the allowed Expenditure
2014-15	626	890	15%
2013-14	544	822	10%
2012-13	495	642	10%
2011-12	450	476	

11.7.3 The Authority observed that for the FY 2014-15, major portion of the repair and maintenance expenses of the Petitioner are related to the transformers and meters as detailed below;

Category	Expense FY 2014-15	[%]
Office Building	16	2%
General Plant	4	0%
132, 66 & 33 KV Grid Station & Lines	27	3%



11 KV and Below Distribution Line	39	4%
Distribution Transformers	355	40%
Meters	293	33%
Others Miscellaneous	156	18%
<b>Total</b>	<b>890</b>	<b>100%</b>

11.7.4 The available information was further scrutinized and as per the information the number of total transformer damaged during FY 2014-15 were 1,647 which translates into 165 MVAs. When the claimed cost per damaged transformer was calculated, it worked out around Rs.216,000 per transformer. The Authority has noted that main reason of such high repair & maintenance cost is because of the fact that the Petitioner is charging replacement of obsolete /defective meters and old and fully worn out transformers, under the repair and maintenance, instead of capitalizing the same as mentioned by the Petitioner itself. The specific head of repair and maintenance is exclusively for the routine expenses pertaining to maintenance and repair only. Here it is pertinent to mention that during the hearing process of other XWDISCOs, it was revealed that the fixed assets especially transformers and meters are not tagged. The Authority is of the view that proper tagging of the assets is of utmost importance in order to enable the Petitioner to properly classify its cost in terms of capital or expense. The Authority therefore directs the Petitioner to maintain a proper record of its assets by way of tagging each asset for its proper tracking. Although, the Authority has noticed abnormal increase in repair & maintenance cost, however, before adjudicating on the issue, the Authority has decided to seek proper explanation from the Petitioner on the concerns cited by the Authority. The Petitioner is, therefore, directed to provide an explanation on the concerns raised by the Authority in terms of its R&M cost not later than 30<sup>th</sup> March, 2016.

11.7.5 Despite what has been discussed above, the Authority believes that adherence to the service standards and improvement of customer services is only possible through continuous repair and maintenance of distribution network, therefore, the Authority has decided to allow Rs.751 million to the Petitioner under the repair and maintenance cost for FY 2015-16.

## 11.8 Traveling Expenses

11.8.1 The Petitioner requested an amount of Rs.259 million on account of traveling cost for the FY 2015-16, however, the figure was revised by the Petitioner during the hearing, wherein, an amount of Rs.260 million has been requested as against Rs.257 million

incurred during the FY 2014-15. The Petitioner submitted that these figures are based on the expenses as per books of accounts.

11.8.2 The Petitioner has assumed the projected figure on the basis of rates of daily allowance increased by Federal Government effective from July 2010 and subsequent rates revision effective August 01, 2012.

11.8.3 Based on the comparison with other XWDISCOs, Petitioner's submissions and its actual results in this regard, the Authority has decided to allow this cost to the tune of Rs.214 million for the FY 2015-16.

#### 11.9 Vehicle Running Expenses

11.9.1 The Petitioner requested an amount of Rs.294 million on account of vehicle running cost for the FY 2015-16, however, the figure was revised by the Petitioner during the hearing, wherein, an amount of Rs.234 million has been requested (same as incurred during the FY 2014-15). The Petitioner submitted that these figures are based on the expenses as per books of accounts. As per the Petitioner, its transport fleet comprises of 617 vehicles out of which 541 are more than 10-15 years old. The Petitioner further stated that it has to bear a huge cost under the head of major/ minor repairs and high fuel consumption cost. The Petitioner informed that to achieve material saving under this head, its BOD have framed a transport policy to provide vehicle to officers having BPS-17 to BPS-20, whereby 60% of the cost of the vehicle will be borne by the officer, and it is anticipated that on complete implementation of the Transport Policy and replacement of old vehicles in the coming couple of months, a handsome amount will be saved, therefore, vehicle running cost has been restricted to the last year's figure.

11.9.2 In view of the aforementioned, the available evidence/information, past trend, fuel prices declining trend and comparison with other XWDISCOs, the Authority feels the requested amount of Rs.234 Million as reasonable and therefore the same is allowed to the Petitioner for FY 2015-16.

#### 11.10 Other Expenses

11.10.1 The Petitioner requested an amount of Rs.550 million on account of Other Expenses cost for the FY 2015-16, however, the figure was revised by the Petitioner during the hearing, wherein, an amount of Rs.475 million has been requested. The Petitioner submitted that these figures are based on the expenses as per books of accounts. The Petitioner has mentioned that the requested amount has been based on the last year

allowed figure of Rs.472 million and includes expenses like bills collection charges, postage/ Courier, telephone/ Communication, office supplies, Statutory fees, and miscellaneous expenses etc. Actual expenditure incurred for FY 2014-15 is Rs.481 million as per the Financial Statements of the Petitioner.

11.10.2 In view thereof and based on the available evidence/information, previous trend, and comparison with other XWDISCOs, the Authority feels the requested amount of Rs.481 Million as reasonable and therefore the same is allowed to the Petitioner for FY 2015-16.

**12. Issue # 7. Whether the proposed depreciation charge of Rs.1,629 million (0.222 /kWh) for the FY 2015-16 is justified?**

12.1 The Petitioner requested an amount of Rs.1,629 million on account of Depreciation Charges for the FY 2015-16, submitting that the estimated cost has been based keeping in view Rs.4,501 million addition in its fixed assets during the FY 2015-16. Subsequently during hearing the Petitioner presented that the addition during the FY 2014-15 was Rs.3,542 million.

12.2 In order to make fair assessment, the Authority accounts for the investments approved by it for the year. After taking into account new investments, the Gross Fixed Assets in Operation for the FY 2015-16 have been worked out Rs.47,467 million. Accordingly, the depreciation charge for the FY 2015-16 has been assessed as Rs.1,673 million, calculated on actual depreciation rates for each category of Assets as per the Company's policy.

12.3 After carefully examining the relevant details and information pertaining to the deferred credit and amortization as per the accounts for the FY 2014-15, the Authority has assessed amortization of deferred credit to the tune of Rs.750 million for the FY 2015-16. Accordingly, consumers would bear net depreciation of Rs.923 million.

**13. Issue # 8. Whether the projected Return on Regulatory Asset base (RORB) of Rs.4,160 million (Rs.0.567/kWh) for the FY 2015-16 is justified?**

**13.1 Whether the requested rate of return (ROR) of 16.36%, is justified?**

13.1.1 The return requested by the Petitioner for FY 2015-16 is Rs.4,160 million using a Rate of Return of 16.36%. The Petitioner has submitted that the rate has been based as per the last year's submission, wherein, borrowing rates have been considered from 15-17% p.a. No further details in this regard has been provided by the Petitioner. The RORB has been calculated by the Petitioner as under;



Description	Rupees in Million	
	FY 2015-16 Projected	FY 2014-15 Determined
Gross Fixed Assets in Operation - Opening Balance	44,409	42,715
Addition in Fixed Assets	4,501	4,189
Gross Fixed Assets in Operation - Closing Balance	48,910	46,365
Less: Accumulated Depreciation	14,549	13,244
Net Fixed Assets in Operation	34,361	33,121
Add: Capital Work In Progress - Closing Balance	7,224	6,284
Investment in Fixed Assets	41,585	39,405
Less: Deferred Credits	14,698	13,538
Regulatory Assets Base	26,887	25,867
Average Regulatory Assets Base	25,426	24,224
Rate of Return	16.36%	15.97%
<b>Return on Rate Base</b>	<b>4,160</b>	<b>3,869</b>

13.1.2 The Authority uses the Capital Asset Pricing Model (CAPM) for calculation of Return of Equity (RoE) component of the WACC, being the most widely accepted model, which is applied by regulatory agencies all over the world to estimate the cost of capital for regulated utilities. Since the Authority uses Plain Vanilla WACC, hence the impact of tax shield is taken as zero, and in case any tax is paid it is treated as pass through. As per the methodology, in case of negative equity the Authority would consider a minimum of 20% equity and any equity in excess of 30% would be considered as debt. The reason was the GOPs on going privatization program, as it is anticipated that in addition to private equity, GOP would also bring in some additional equity (e.g. may convert loans into equity etc.). Hence, the Authority, in accordance with the approved methodology has decided to change the Petitioner's current optimum capital structure of 80:20 (debt:equity ratio) to 70: 30 (debt:equity ratio).

13.1.3 For the assessment of RoE component, weighted average yield on 05 Years Pakistan Investment Bond (PIB) as of July 16, 2015 has been considered as risk free rate which is 8.9652%.

13.1.4 The Authority understands that the expected return on any investment is the sum of the risk-free rate and an extra return to compensate for the risk. This extra return or 'risk premium' is the difference between market rate of return and risk free rate. Generally, the return on stock market index is taken as a measure of market rate of return. The Authority in order to have an appropriate measure of the market rate of

return, analyzed KSE-100 Index return over a period of 8 years and also considered Analysts' consensus/ research houses estimates in this regard. The rate of return on KSE-100 index during the period from 2008-2015 was around 16.5%, which translates into risk premium of around 7.53% (with risk free rate of 8.9652%). The risk premium used by different leading brokerage houses of the country ranges between 6%-7%.

13.1.5 Keeping in view the aforementioned, the Authority considers Market Risk Premium of 7% as reasonable for calculation of cost of equity component.

13.1.6 The Authority, in order to have an appropriate measure of the Beta, carried out an in-house own study and detailed analysis, whereby not only the local but International Markets were also explored. The Authority also considered a recent study undertaken by Castalia for the ERC in the Philippines using 111 firms selected from the Damodaran (a professor in Stern Business School at New York University) data set. The average Beta from this sample was 0.997 for the transmission and distribution companies and 1.073 for the whole sample. The average gearing of the sample is 67%. If the same is worked out on 70/30 gearing, the beta of 0.997 works out as 1.10. A few examples of Beta used by different Regulators in the world are given as hereunder;

<i>Regulator</i>	<i>Beta</i>	<i>Gearing</i>
<i>Ofgem</i>	0.9-0.95	65/35
<i>AER</i>	0.7	60/40
<i>NZ Com</i>	0.61	60/40
<i>Northern Ireland</i>	0.74	60/40

13.1.7 A beta of 0.75 at a gearing of 60/40 – which is around the mid-point of the above estimates – equates to a beta of 1.0 at a gearing of 70/30. A beta of 0.8 at 60/40 equates to a beta of 1.07 at 70/30. A beta of 0.95 at a gearing of 65/35 works out as 1.11 at 70/30 gearing.

13.1.8 Thus, keeping in view the finding of the study undertaken by Castalia for the ERC in the Philippines using 111 firms, range of betas used by international Regulators and findings of the Authority's in house study, it has decided to assess the beta in the instant case as 1.10.

13.1.9 As regard the cost of debt, the Authority understands that it is the interest rate on which a company would get borrowing from the debt market / commercial banks i.e. a rate at which banks lend to their customers. The Authority during its determination in the matter of XWDISCOs pertaining to the FY 2014-15, decided to use the actual rate

of debt appearing in the balance sheets of the DISCOs (excluding the loans which were disallowed by the Authority) considering the fact that the payment of these loans were due in the FY 2014-15 and onwards. All of these loans were relent loans whose interest ranged between 15%-18%. When this decision was made, the Privatization scenario was not active and the decision was primarily based keeping in view continuous and ongoing public sector ownership of the XWDISCOs. Considering the future privatization policy of GoP, a forward looking approach has been used for the estimating cost of debt of these loans for WACC calculation. Here it is pertinent to mention that historically when State Owned Enterprises were privatized e.g. K-Electric, the relent loans on the balance sheet of K-Electric were converted into equity by the GoP. Further, the Authority was also anticipating some additional equity from the GOP in some form, that's the reason why the Authority raised the optimum capital structure from 80:20 to 70:30. In view of aforementioned, the Petitioner's request of setting cost of debt at 14.56% does not merit consideration, hence rejected by the Authority.

13.1.10 The Authority, in order to do a fair evaluation of the cost of debt, considered recent TFCs / Sukkuk launched by K-Electric Limited with a 5 year's term maturity, whereby Rs.1,500 million were raised by K-Electric on a rate of 3 month KIBOR + 2.75% during FY 2013-14. Here it pertinent to mention that the K-Electric also raised Rs. 22 billion on 7 years TFC on a rate of 3 Months KIBOR plus 1% during 2014-15.

13.1.11 In view of the aforementioned, the Authority has decided to take cost of debt as 3 month's KIBOR + 2.75% spread. Consequently, the cost of debt has been worked out as 9.76% i.e. 3 Months KIBOR of 7.01% as of 2<sup>nd</sup> July 2015 plus 2.75% spread.

13.1.12 Consequent to the aforementioned discussion, the Authority has re-worked the WACC as below;

$$\begin{aligned} k_e &= R_F + (R_M - R_F) \times \beta \\ &= 8.9652\% + (7\% \times 1.1) \\ &= 16.67\% \end{aligned}$$

The cost of debt is;  $K_d = 9.76\%$

$$WACC = [K_e \times (E / V)] + [K_d \times (D / V)]$$

Where E/V and D/V are equity and debt ratios respectively taken as 30% and 70%;

$$WACC = \{16.67\% \times 30\%\} + \{9.76\% \times 70\%\} = 11.83\%$$



13.1.13 Thus, using rate of return of 11.83%, the Authority has assessed Rs.2,704 million as return on rate base as per the following calculations:

Description	Mln. Rs.	
	FY 2014-15 Actual/	FY 2015-16 Projected
Opening fixed assets in operation	42,175	45,694
Assets Additions during the year	3,519	1,773
<b>Closing Fixed Assets in Operation</b>	<b>45,694</b>	<b>47,467</b>
Less: Accumulated Depreciation	13,323	14,995
<b>Net Fixed Assets in operation</b>	<b>32,371</b>	<b>32,472</b>
+ Capital Work in Progress (Closing)	5,998	6,801
<b>Total Fixed Assets</b>	<b>38,369</b>	<b>39,273</b>
Less: Deferred Credit	15,845	16,094
<b>Total</b>	<b>22,525</b>	<b>23,178</b>
Average Regulatory Assets Base		<b>22,852</b>
Return on Rate Base @ 11.83%		<b>2,704</b>

13.14 The Authority while going through the Financial Statements of the Petitioner for the FY 2014-15 noted that the Petitioner has insufficient cash balance as on 30<sup>th</sup> June 2015 against its pending liability of receipt against deposit works and consumer security deposits. The insufficient cash balance indicates that the amount received against the aforementioned heads has been utilized somewhere else and the Petitioner failed to provide details in this regard. The Authority considers that the amount collected as security deposit cannot be utilized for any other reason and any profit earned thereon has to be distributed to the consumers. Similarly, the amount collected under the head of receipt against deposit works has to be spent for the purpose for which it has been collected. The utilization of the money collected against deposit works and security deposits other than the works for which it has been received is illegal and unlawful. The Petitioner has to provide rational / justification for improper utilization of the money because the consumers have to suffer unnecessary delay on this account.

13.15 In view of the aforementioned reasons the Authority considered that it will be unfair and unjust for the consumers to suffer due to the unlawful act of the



Petitioner. Accordingly, the Authority has decided, to include the entire amount of receipts against deposit works as a part of Deferred Credits for the assessment of RAB for FY 2015-16. The Authority directs the Petitioner to ensure that in future consumer's deposits are not utilized for any other purpose. The Petitioner is also being directed to restrain from unlawful utilization of receipts against deposit works and security deposits, failing which, the proceedings under the relevant law shall be initiated against the Petitioner. The Petitioner is also directed to give clear disclosures in its Financial Statements with respect to the consumer financed spares and stores, work in progress and cash & bank balance.

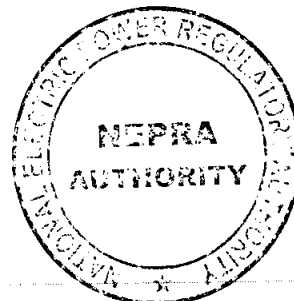
14. Issue # 9. Whether the projected other income of Rs. 1,405 million (Rs.0.192/kWh) for the FY 2015-16 is reasonable?

14.1 The Petitioner has projected Rs.1,405 million as other income for the FY 2015-16 (after adjusting LPC for the FY 2014-15). The Petitioner has not submitted or explained any basis of this projection.

14.2 As per the Tariff Methodology, Other Income may be determined in a manner that is consistent with the base year. Other income may be considered to be a negative other cost which may include, but not be limited to, amortization of deferred credit, meter and rental income, late-payment charges, profit on bank deposits, sale of scrap, income from non-utility operations, commission on PTV fees and miscellaneous income. Other income will be monitored to identify trends. The Authority has assessed other Income for the petitioner as Rs.1,405 Million for FY 2015-16.

14.3 The Authority in consistency with its earlier decision, on the issue, has not included the amount of LPS while assessing the other income for FY 2015-16. Here it is pertinent to mention that the LPS recovered from the consumers on utility bills shall be offset against the late payment invoices raised by CPPA (G) against respective XWDISCO only and in the event of non-submission of evidence of payment to CPPA (G), the entire amount of Late Payment charge recovered from consumers shall be made part of other income and deducted from revenue requirement in the subsequent year.

14.4 In view thereof, the Authority has assessed Rs.1,405 million as Other Income which does not include late payment charge and includes amortization of deferred credit.







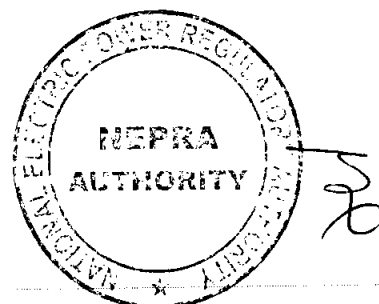
14.5. What is the financial impact / loss of revenue due to TOU metering for cellular companies connections and other similar connections?

14.5.1 The Authority observed that IESCO, in its tariff petition for the FY 2012-13, contended that by installing TOU meters on the connections that operate on a 24 hour basis, an undue benefit of lesser off peak rate is enjoyed by these sort of consumers as their demand remains constant throughout the day, irrespective of the differential tariff being offered in different time spectrum. IESCO presented a negative billing impact of Rs.9 million per month approx. due to the installation of TOU meters on cellular company connections (who according to IESCO, maintains constant load throughout the day). The same concern was noted and addressed in para 6.5 of the tariff determination for the FY 2012-13 dated 27th March, 2013.

14.5.2 Consequently, the Authority decided to deal the matter separately and directed all DISCOs for comments on the issue. Subsequently, comments were filed by DISCOs and they supported the stance of IESCO in their tariff petitions for the FY 2013-14. The following arguments were presented by DISCOs;

15. Risks

- Conversion to a TOU meter is only viable for consumers who are aware of the rules and are able to alter their consumption patterns to maximize plan benefits.
- The main objective of TOU tariff was reduced demand on the power system during peak hours by introducing TOU metering.
- Cellular companies run their business round the clock during peak hours as well thus do not contribute toward the reduction in power demand during the peak hours.
- A separate tariff may be introduced for cellular companies as they do not deserve TOU tariff due constant load behavior.
- The consumer of cellular companies are enjoying the cross subsidy because they are availing the benefits resulting from application of TOU tariff consequently causing a negative impact on revenue as well as average sale rates.
- The Petitioner also submitted a negative billing impact of TOU metering of cellular connections of Rs. 13.88 million affecting the revenues of the company;





Comparison of TOU/ Normal Billing to the Cellular Companies for the Month of June, 2013				
Name of Company	No. Of Connections	TOU Billing	Billing under Normal Tariff	Difference
Cellular Companies	1,955	Rs.38.42 million	Rs. 52.30 million	Rs. 13.88 million

- The XWDISCOs suggested discontinuation of TOU metering on all such connections and more specifically on cellular company connections. FESCO also requested for a separate tariff category for these connections.

- 15.1 Keeping in view the aforementioned arguments / comments submitted by the XW-DISCOs, the Authority decided to hold a separate hearing on the issue by taking stakeholder on board. In this regard a hearing was held on 8th July, 2014. The hearing was attended by representatives of IESCO and legal representatives of Cellular Companies. The representatives of IESCO reiterated their stance and requested the Authority to discontinue the installation of TOU meters on these connections. Whereas, the legal representatives of Cellular companies objected to the proceedings and demanded that evidence of losses being faced by DISCOs should be produced to review by cellular companies in order to provide further justification / evidence. The legal representatives further objected to the suo-moto proceedings and named it as a brain storming session which needs to be followed by examination of evidence by cellular companies and a further hearing opportunity. The legal representatives of IESCO objected to the concerns of cellular companies' representatives and offered to present all the facts to the Authority. The Authority, during the hearing, required both DISCOs and cellular companies to provide their evidences in this regard to the Authority for consideration.
- 15.2 As directed by the Authority during the hearing, IESCO submitted data vide letter No. 7617-20/CE/IESCO/CD(S) dated 21<sup>st</sup> July, 2014. In the meantime some initial information was provided by Warid Telecom Company.
- 15.3 A number of cellular companies instead of providing data, went to the higher court against the suo-motto proceedings initiated by the Authority. The Honorable Islamabad High Court, dismissed their petition and the same was challenged by cellular companies before the Supreme Court of Pakistan. The decision of the Honorable Supreme Court is reproduced here as under;

*"This petition is, therefore, converted into appeal and is allowed. Consequently the impugned judgment dated 22.07.2014 is set aside. This however shall not prevent NEPRA from furnishing the information relevant to the notice issued in the press and to proceed with the hearing after adhering to the National Electric Power Regulatory Authority (Tariff Standards and Procedure) Rule, 1998."*



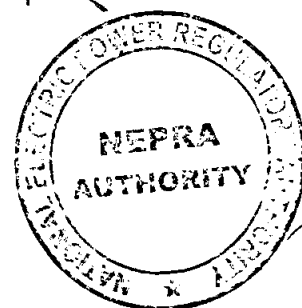
15.4 The representatives of Cellular companies Telecom, Mobilink and Ufone, M/s Aqlal Advocates later on submitted Motion for leave for review vide letter dated 25th July, 2014 and made the following submissions;

- The respondent is unable to file proper evidence without the pleadings and summary of evidence of IESCO being shared with \*them;
- Contrary to Authority's understanding, there is no technical capability in the Network Operations Centre (NOC) of the respondents to measure and record the peak vs off-peak consumption of the BTS sites;
- The consumption data as submitted with the motion shows lower consumption in peak hours and is available with IESCO. Consequently, Authority is requested to seek such data from IESCO and share the same with the Respondents for them to be able to file counter-comments thereon before the Authority proceeds to accept and act upon such IESCO data.
- Rule 9(9) and 9(15) of the Tariff Standards and Procedure Rules, 1998 provides for establishing a detailed schedule for the orderly disposition of the proceeding, entailing, inter alia, for filing of interrogatories, discovery motions, objections and responses to objections and other procedural matters. Thus the instant proceedings have been conducted without summaries of evidence, any discovery, interrogatories or pleadings of the parties which precludes the Respondents from meaningful participation in the proceedings by presenting their case properly and effectively.

15.5 On the afore stated submissions, the Cellular companies made following pleas;

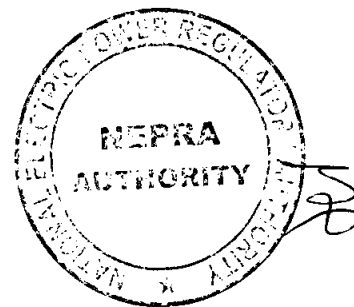
- A detailed schedule for the orderly disposition of the proceeding, inter alia, for filing of interrogatories, discovery motions, objections and responses to objections and other procedural matters be established before further proceedings;
- After collection of all requisite evidence and giving adequate opportunities to the parties to consider and, if required, object to such evidence, declare close of evidence before the next hearing.

15.6 As per decision of Supreme Court of Pakistan the Authority again started proceedings, the Authority vide letter No. 1085-91 dated 23-01-2015 shared the information provided by IESCO with cellular companies for their comments. In response only M/s Mobilink provided their comments vide letter dated 9th March, 2015.





- 15.7 Consequently a letter was issued to the concerned stakeholders dated July 06, 2015 for their comments on the data provided by IESCO. However, till date no comments had been received so far.
- 15.8 In view of aforementioned and as per the statutory requirements, the Authority framed the same issue in the instant petitions and the relevant data was sought from the DISCOs for the onwards comments from the cellular companies.
- 15.9 The Petitioner during the hearing stated that TOU metering tariff be rationalized for all offices including the telecom sector. The Petitioner further informed that 90% of the offices of cellular companies have working hours from 09:00 hours to 17:00 hours i.e. during off-peak hours. These consumers are enjoying cross subsidy because they are availing the benefits resulting from the application of TOU tariff, consequently causing a negative impact on revenue as well as average sale rate of the Petitioner.
- 15.10 The Petitioner submitted that these companies maintain a constant load throughout the day, weeks, months and year as they are not capable of reducing the load during peak hours. The Petitioner also stated that conversion to a TOU meter is only viable for consumers who are aware of the rules and are able to alter their consumption patterns to maximize plan benefits, therefore, pleaded to disallow the installation of TOU meters in respect of those consumers who use constant loads throughout the day including all the telecom and cellular companies.
- 15.11 The Petitioner also submitted the following financial impact / loss of revenue due to TOU metering for cellular companies.





COMPARISON OF TOU / NORMAL BILLING TO THE CELLULAR COMPANIES WHEN TOD TARIFF A-2 C  
(06) IS BILLED UNDER TARIFF A-2(a)(04)  
USING BILLING DATA FOR THE MONTH OF JUNE, 2015

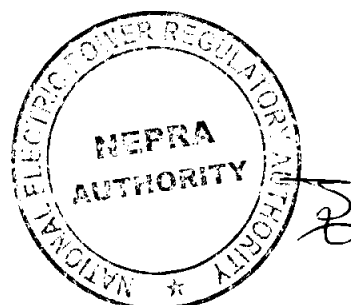
Name of Cellular Company	No. of Connections	Units Charged (Kwh)	TOU Billing			Billing With Normal Tariff A-2(a) Vs A-2(C) (Rs.)	Difference (Rs.)
			Amount Billed (Rs.)				
			Fix Charges	Variable Charges	Total		
(1)	(2)	(3)	(4)	(5)	(6) = 4+5	(7)	(8) = 7-6
Mobilink	521	1,023,151	1,698,800	14,120,280.00	15,819,080.00	18,408,058.00	2,588,978.00
U-Fone	481	1,087,189	1,648,800	14,960,666.00	16,609,466.00	19,580,877.00	2,951,411.00
Telenor	436	813,589	1,422,800	11,189,022.00	12,611,822.00	14,644,602.00	2,032,780.00
Warid	215	425,297	754,400	5,738,060.50	6,492,460.50	7,655,346.00	1,162,885.50
Zong	394	843,987	1,366,400	11,405,091.50	12,771,491.50	15,192,116.00	2,420,624.50
TOTAL	2,047	4,193,213	6,891,200	57,413,120.00	64,304,320.00	75,460,999.00	11,156,679.00

15.12 The Authority keeping in view the sensitivity of the issue has decided to constitute an in house-committee having Technical and financial representation for the review/evaluation of the comments and arguments of the parties. The Authority in light of the findings of the committee may change terms and conditions, if any along with the biannual PPP adjustments.

16. Issue # 10. Whether the existing financial, administrative and technical powers concentrated at different layers of hierarchy is required to be amended in order to provide better services on the door step of the consumer?

16.1 Faisalabad Electric Supply Company (FESCO) and Lahore Electric Supply Company (LESCO) requested for creation of new circles, divisions and sub-divisions in the tariff petitions for the FY 2013-14. The Authority directed both the DISCOs to take appointments for a separate presentation on this issue and deferred the decision till that time. Also, the Authority made this issue a matter for discussion for all XWDISCOs in the tariff petition for the FY 2014-15. All the XWDISCOs including the Petitioner were directed to file comments on the matter vide letter no. NEPRA/R/SAT-I/TRF-100-DISCOs/13653-61 dated 31<sup>st</sup> October, 2014.

16.2 The Petitioner did not respond to the letter, therefore, the Authority in its determination for FY 2014-15, directed the Petitioner to submit comments and proposal on this issue with expansion plan for consideration of the Authority along-with next year tariff petition.





16.3 The Petitioner during the hearing of its instant petition submitted that to provide satisfactory supply of Electricity to consumers, its existing Organizational Structure is working efficiently provided that the vacant positions are filled in to ensure division of labor and internal control established due to segregation of duties. The Petitioner supported its argument by stating that very few complaints have been lodged by the consumers against the Petitioner in NEPRA.

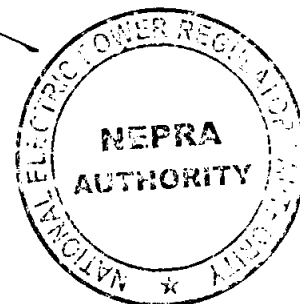
16.4 Since the Petitioner has submitted that its existing organizational structure is working efficiently which it has substantiated with lower number of complaints lodged against it by the consumers, therefore, the Authority does not see any reason to amend the existing financial, administrative and technical powers hierarchy of the Petitioner. The issue of hiring against vacant positions has been discussed in detail under the issue of O&M cost, therefore, need not to be discussed again.

17. Issue # 11. What will be the mechanism of charging Wheeling/Use of System Charges (UOSC) in case of network of XW-DISCOs are used for Wheeling?

17.1 The Petitioner during the hearing submitted that according to license No. TL/01/2002 granted by NEPRA to NTDC, and article-2, sub article-4, the minimum transmission voltage has been declared as 220 KV and above. The Petitioner also mentioned that that DISCOs own system up 132 KV and in case of the Petitioner, no system of NTDC is involved / used in 13 No. sites for transfer of power from Generator to GEPCO system. The Petitioner recommended that;

- i. in the case supply is connected to system of DISCO through these voltage levels, wheeling charges are liable to be levied and less than these levels i.e. 132kv and below, no wheeling charges be levied.
- ii. MDI charges be calculated according to actual recorded MDI at CDPs for respective DISCOS.

17.2 Considering the submission of the Petitioner and the comments of CPPA (G) on the issue of Wheeling (through email dated 21<sup>st</sup> September, 2015) whereby CPPA (G) has informed that while invoicing to DISCOs, it excludes the transmission cost(s) as well as generation capacity cost depending on MDI, the Authority, in view of importance of the matter, has decided to conduct a meeting on the subject matter with all the stakeholders not later than 30<sup>th</sup> June, 2016 to resolve the issue.





18. Issue # 12. Whether the tariff petition substantially complies with NEPRA Determination of Consumer-end Tariff (Methodology and Process) Guidelines, 2015?

18.1 The Petitioner has submitted that the Tariff Petition FY 2015-16 has been filed under rule 3 (2) and (8) of NEPRA Tariff (Standards & Rules) 1999 as well as NEPRA Guidelines for determination of consumer end tariff notified vide S.R.O (I) /2015 dated 16-Jan-2015 which, inter alia, contain the minimum filing requirements (Part 3 read with part 5, 7 and 8 of the guidelines and the forms for minimum filing requirements attached with the guidelines.

18.2 In the perspective of single year tariff petition, the Authority sees no major deviation from the approved Methodology.

19. Issue # 13. Whether the proposed revenue requirements of Rs. 99,721 million and average sale rate of Rs.13.5955 /kWh for the FY 2015-16, is justified?

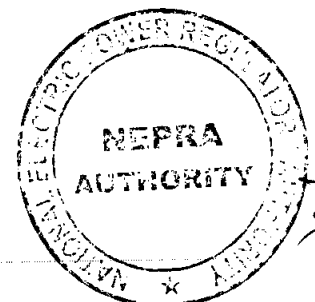
19.1 Annual Revenue Requirement comprises of the following:

1. Power Purchase Price
2. Impact of T&D Losses
3. Distribution Margin
  - i) O&M Expenses
  - ii) Depreciation, RORB and Other Income
4. Prior Year Adjustment

19.2 For the assessment of annual revenue requirement each component of average tariff is discussed in detail in the previous paragraphs.

19.3 Based on the assessments made in the preceding paragraphs the Revenue Requirement for the FY 2015-16 is assessed as per the following details;

1.	Power Purchase Price	Rs. 71,388 Million
	CpGenE	Rs. 46,351 Million
	CpGenCap	Rs. 22,207 Million
	USCF	Rs. 2,830 Million
2.	Distribution Margin (Net)	Rs.10,937 Million
	O&M Cost	Rs. 7,965 Million
	Depreciation	Rs. 1,673 Million
	RORB	Rs. 2,704 Million





Gross DM	Rs. 12,342 Million
Less: Other Income	Rs. 1,405 Million

Prior Year Adjustment	Rs. (2,878) Million
<b>Total Assessed Revenue Requirement</b>	<b>Rs. 79,447 Million</b>

19.4 Based on the projected sales of 7,176 GWh for the FY 2015-16, the Petitioner's average sale rate works out as Rs.11.07/kWh, consisting of Rs.9.95/kWh of adjusted PPP, Rs.1.52/kWh of DM and Rs.(0.40) /kWh of Prior Year Adjustment.

19.5 This revenue would be recovered from the consumers during the FY2015-16, through the projected sales of 7,176 GWhs, as per Annex – II.

## 20. ORDER

From what has been discussed above, the Authority hereby determines the tariff of the Petitioner Company for the Financial Year 2015-16 as under :-

I. Gujranwala Electric Power Company Limited (GEPCO) is allowed to charge its consumers such tariff as set out in the schedule of tariff for GEPCO annexed to the determination.

II. The actual variation in fuel cost component of power purchase price against the reference fuel cost component shall be adjusted on monthly basis without taking into account the T&D losses. The monthly fuel price adjustment shall be based on the actual information submitted by CPPA (G), adjustment of remaining components of PPP will be adjusted biannually. Here it is pertinent to mention that while making biannual adjustments of the PPP, the Authority may rationalize the SoT accordingly.

III. GEPCO is allowed to charge the users of its system a "Use of system charge" (UOSC) equal to:

i) Where only 132 kV system is involved

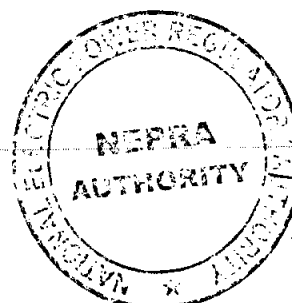
$$UOSC = DM(Gross) \times \frac{(1-L)}{(1-0.01)} \times AFI(T) \quad \text{Paisa / kWh}$$

ii) Where only 11 kV distribution systems is involved.

$$UOSC = DM(Gross) \times \frac{(1-L)}{(1-0.05)} \times AFI(D) \quad \text{Paisa / kWh}$$

iii) Where both 132 kV and 11 kV distribution systems are involved.

$$UOSC = DM(Gross) \times \frac{(1-L)}{(1-0.06)} \times AFI(TD) \quad \text{Paisa / kWh}$$







Where:

Gross Distribution Margin for FY 2015-16 is set at Rs.1.72/kWh (without excluding impact of other income)

'L' is the overall percentage loss assessment for the respective year.

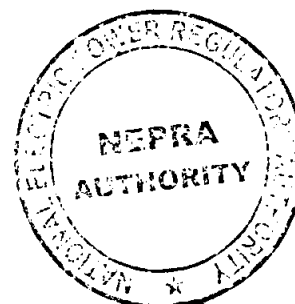
AFI (T) = Adjustment factor for investment at 132 kV level i.e.34%

AFI (D) = Adjustment factor for investment at 11 kV level i.e. 34%.

AFI (TD) =Adjustment factor for investment at both 132 kV & 11 kV level i.e. 68%.

- IV. The residential consumers will be given the benefit of only one previous slab.
- V. GEPCO is hereby allowed the T&D losses target of 9.98% for the FY 2015-16.
- VII. GEPCO is hereby allowed a total investment of Rs.2,576 million
- VIII. The Order part, Annex-I, II, III, IV, V, VI and VII annexed with determination is intimated to the Federal Government for notification in the official gazette under Section 31(4) of the NEPRA Act.
- IX. The Authority hereby determines and approves the following component wise cost and their adjustments mechanism in the matter of GEPCO's tariff petition for the FY 2015-16.

TARIFF COMPONENT	Assessed Cost FY 2015-16	ADJUSTMENTS/ ASSESSMENT	TIME LINES
<b>POWER PURCHASE PRICE</b>			
<b>Energy Purchase Price</b>			
Fuel Cost	43,916	Monthly, as per the approved mechanism.	Data to be provided by CPPA (G)by 3 <sup>rd</sup> of close of the month
Variable O&M	2,435	Biannually, as per the approved mechanism.	Request to be furnished by the Petitioner not later than 10 <sup>th</sup> July and 10 <sup>th</sup> January, as the case may be.
Capacity Charges	22,207	Biannually, as per the approved mechanism.	Request to be furnished by the Petitioner not later than 10 <sup>th</sup> July and 10 <sup>th</sup> January, as the case may be.
Use of System Charges	2,830	Biannually, as per the approved mechanism.	Request to be furnished by the Petitioner not later than 10 <sup>th</sup> July and 10 <sup>th</sup> January, as the case may be.
T&D Losses	9.98%	Biannually, as per the approved mechanism.	Request to be furnished by the Petitioner not later than 10 <sup>th</sup> July and 10 <sup>th</sup> January, as



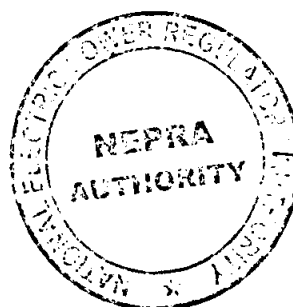


			the case may be.
<b>NET DISTRIBUTION MARGIN</b>	<b>10,937</b>		
<b>O&amp;M Cost</b>			
Salaries, wages & other benefits	4,815	Annually	On the basis of next year tariff petition.
Post-Retirement benefits	1,465	----do----	----do----
Repair and Maintenance	751	----do----	----do----
Other operating expanses	934	----do----	----do----
Depreciation	1,673	----do----	----do----
Return on Rate Base	2,704	----do----	----do----
Other Income	(1,405)	----do----	----do----
Prior Year Adjustment	(2,878)	----do----	----do----

## 21. Summary of Direction

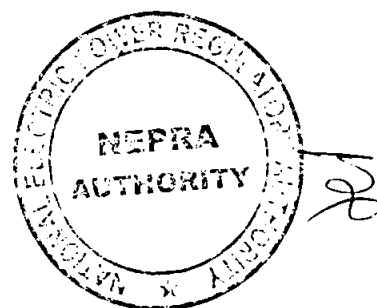
The summary of all the directions passed in this determination by the Authority are reproduced hereunder. The Authority has directed the Petitioner;

- 1- To ensure the visibility of the snap shot on the bills and also to maintain its record in soft form for at least a period of twelve (12) months.
- 2- To submit its investment needs in respect of HHUs not later than 30th June, 2016.
- 3- To complete the installation of AMRs/ AMIs system within the time lines given by the Authority.
- 4- To submit a comprehensive recovery plan clearly highlighting the problem areas, targets for their improvements along with intended strategies/tools to achieve the same latest by March 31, 2016.
- 5- To come up with a plan whereby it can manage its existing receivables in different phases. In the first phase only those receivables may be selected for recovery where maximum results could be achieved with lesser effort and time. In the 2<sup>nd</sup> and onward phases the remaining receivables requiring more time and involving comparatively greater efforts may be dealt with by March 31, 2016
- 6- To get its strength yard stick approved by the Authority based on proper justification and its quantified benefits.
- 7- To share the details of late payment charges recovered from consumers and any invoice raised by CPPA under the head of mark up on delayed payments for the



FY 2014-15 and FY 2015-16. The information must be submitted before the next tariff petition is filed.

- 8- To take up the matter of receivables with the sub-committee constituted regarding AJK recovery issue and inform the Authority accordingly. The Petitioner is further directed to submit a quarterly recovery report on the issue of AJK for consideration of the Authority.
- 9- To transfer the already collected provision on the account of postretirement benefits into the Fund and also create separate accounts or fund (as the case may be) for each head of post retirement liability and transfer the amount in the post retirement liability in the fund or accounts (as the case may be).
- 10- To submit COSS based consumer end tariff along with its next tariff petition.
- 11- To complete the study of its T&D losses by June 30, 2016.
- 12- To provide project wise detail of actual investments made in FY 2013-14 and FY 2014-15 along-with the cost benefit analysis and also explain the reasons for variation in numbers reported in the presentation and its financial statements.
- 13- To provide an explanation on the concerns raised by the Authority regarding abnormal increase in repair & maintenance cost not later than 30<sup>th</sup> March, 2016.
- 14- To maintain proper record of its assets by way of tagging each asset for its proper tracking.
- 15- To spend at least 20% of the village electrification funds for improvement / up-gradation of the grid. The Petitioner is further directed to not to undertake any village electrification which would result in overloading of its system. The village electrification would only be undertaken without augmentation of the grid, if it already has spare MVAs.
- 16- The Petitioner has to provide rational / justification for improper utilization of the consumer security deposit and receipt against deposit work. The Petitioner is also being directed to restrain from unlawful utilization of receipts against deposit works and security deposits, failing which, the proceedings under the relevant law shall be initiated against the Petitioner.
- 17- The Petitioner is also directed to give clear disclosures in its Financial Statements with respect to the consumer financed spares and stores, work in progress and cash & bank balance.



**FUEL PRICE ADJUSTMENT MECHANISM**

Actual variation in fuel cost component against the reference fuel cost component for the corresponding months will be determined according to the following formula

$$\text{Fuel Price variation} = \text{Actual Fuel Cost Component} - \text{Reference Fuel Cost Component}$$

Where:

Fuel Price variation is the difference between actual and reference fuel cost component

Actual fuel cost component is the fuel cost component in the pool price on which the DISCOs will be charged by CPPA in a particular month; and

Reference fuel cost component is the fuel cost component for the corresponding month projected for the purpose of tariff determination as per Annex-IV of the determination;

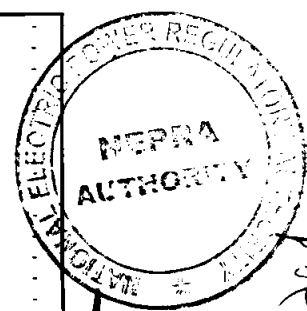
The fuel price adjustment determined by the Authority shall be shown separately in the bill of the consumer and the billing impact shall be worked out on the basis of consumption by the consumer in the respective month.

---



**Gujranwala Electric Power Company Limited (GEPCO)**  
**Estimated Sales Revenue on the Basis of New Tariff**

Description	Sales		Tariff		Revenue		
	GWh	% Mix	Fixed Charge Rs./kW/ M	Variable Charge Rs./ kWh	Fixed Charge Min. Rs.	Variable Charge Min. Rs.	Total
<b>Residential</b>							
Up to 50 Units	393	5.46%		4.00	-	1,573	1,573
For peak load requirement less than 5 kW							
01-100 Units	1539	21.45%		9.30	-	14,306	14,306
101-200 Units	732	10.21%		11.65	-	8,532	8,532
201-300 Units	701	9.77%		11.65	-	8,165	8,165
301-700 Units	319	4.45%		14.55	-	4,644	4,644
Above 700 Units	49	0.69%		15.80	-	777	777
For peak load requirement exceeding 5 kW							
Time of Use (TOU) - Peak	21	0.30%		15.80	-	336	336
Time of Use (TOU) - Off-Peak	85	1.16%		9.80	-	831	831
Temporary Supply	0	0.00%		15.80	-	3	3
<b>Total Residential</b>	<b>3,846</b>	<b>63.62%</b>				<b>36,167</b>	<b>39,167</b>
<b>Commercial - A2</b>							
For peak load requirement less than 5 kW	230	3.21%		15.80	-	3,635	3,635
For peak load requirement exceeding 5 kW							
Regular	0	0.01%	400.00	11.80	1	6	7
Time of Use (TOU) - Peak	37	0.52%		15.80	-	586	586
Time of Use (TOU) - Off-Peak	140	1.95%	400.00	9.80	442	1,373	1,615
Temporary Supply	4	0.06%		15.80	-	66	66
<b>Total Commercial</b>	<b>412</b>	<b>5.74%</b>			<b>443</b>	<b>6,666</b>	<b>6,108</b>
<b>General Services-A3</b>	<b>216</b>	<b>3.00%</b>	<b>-</b>	<b>11.66</b>	<b>-</b>	<b>2,508</b>	<b>2,508</b>
<b>Industrial</b>							
B1	43	0.60%		11.30	-	487	487
B1 Peak	52	0.73%		15.80	-	822	822
B1 Off Peak	306	4.26%		9.80	-	2,997	2,997
B2	1	0.01%	400.00	10.80	2	10	13
B2 - TOU (Peak)	111	1.55%		15.80	-	1,752	1,752
B2 - TOU (Off-peak)	637	8.87%	400.00	9.60	1,675	6,111	7,786
B3 - TOU (Peak)	37	0.51%		15.80	-	581	581
B3 - TOU (Off-peak)	926	12.91%	380.00	9.50	1,310	6,789	10,109
B4 - TOU (Peak)	0	0.00%		15.80	-	-	-
B4 - TOU (Off-peak)	0	0.00%	360.00	9.40	-	-	-
Temporary Supply	0	0.00%		11.30	-	0	0
<b>Total Industrial</b>	<b>2,112</b>	<b>29.44%</b>			<b>2,967</b>	<b>21,660</b>	<b>24,648</b>
<b>Single Point Supply for further distribution</b>							
C1(a) Supply at 400 Volts-less than 5 kW	0	0.00%		11.80	-	1	1
C1(b) Supply at 400 Volts-exceeding 5 kW	0	0.00%	400.00	11.30	0	3	3
Time of Use (TOU) - Peak	1	0.02%		15.80	-	23	23
Time of Use (TOU) - Off-Peak	7	0.10%	400.00	9.80	14	73	87
C2 Supply at 11 kV	3	0.04%	380.00	11.10	3	34	37
Time of Use (TOU) - Peak	21	0.29%		15.80	-	327	327
Time of Use (TOU) - Off-Peak	104	1.45%	380.00	9.60	127	998	1,125
C3 Supply above 11 kV	0	0.00%	360.00	11.00	-	-	-
Time of Use (TOU) - Peak	0	0.00%		15.80	-	-	-
Time of Use (TOU) - Off-Peak	0	0.00%	360.00	9.50	-	-	-
<b>Total Single Point Supply</b>	<b>137</b>	<b>1.91%</b>			<b>144</b>	<b>1,458</b>	<b>1,602</b>
<b>Agricultural Tube-wells - Tariff D</b>							
Scarp	0	0.01%		11.30	-	5	5
Time of Use (TOU) - Peak	0	0.00%		15.80	-	0	0
Time of Use (TOU) - Off-Peak	0	0.00%	200.00	9.50	0	1	1
Agricultural Tube-wells	54	0.75%	200.00	10.80	100	583	683
Time of Use (TOU) - Peak	50	0.70%		15.80	-	790	790
Time of Use (TOU) - Off-Peak	186	2.59%	200.00	9.50	229	1,765	1,994
<b>Total Agricultural</b>	<b>290</b>	<b>4.06%</b>			<b>329</b>	<b>3,143</b>	<b>3,473</b>
Public Lighting	6	0.09%		10.80	-	69	69
Resid. Colon. att. to ind	1	0.02%		10.80	-	12	12
Special Contracts - AJK	14	0.19%	380.00	10.80	15	151	165
Time of Use (TOU) - Peak	27	0.37%		15.80	-	422	422
Time of Use (TOU) - Off-Peak	121	1.68%	360.00	9.90	174	1,194	1,367
<b>Sub-Total</b>	<b>169</b>	<b>2.36%</b>			<b>188</b>	<b>1,648</b>	<b>2,636</b>
<b>Special Contract - Tariff-J</b>							
J-1 For Supply at 66 kV & above	-	0.00%	360.00	11.00	-	-	-
Time of Use (TOU) - Peak	-	0.00%		15.80	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	360.00	9.50	-	-	-
J-2 (a) For Supply at 11, 33 kV	-	0.00%	380.00	11.10	-	-	-
Time of Use (TOU) - Peak	-	0.00%		15.80	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	380.00	9.60	-	-	-
J-2 (b) For Supply at 66 kV & above	-	0.00%	360.00	11.00	-	-	-
Time of Use (TOU) - Peak	-	0.00%		15.80	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	360.00	9.50	-	-	-
J-3 (a) For Supply at 11, 33 kV	-	0.00%	380.00	11.10	-	-	-
Time of Use (TOU) - Peak	-	0.00%		15.80	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	380.00	9.60	-	-	-
J-3 (b) For Supply at 66 kV & above	-	0.00%	360.00	11.00	-	-	-
Time of Use (TOU) - Peak	-	0.00%		15.80	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	360.00	9.50	-	-	-
<b>Total Revenue</b>	<b>7,176</b>	<b>100.00%</b>			<b>4,092</b>	<b>76,360</b>	<b>79,447</b>



**SCHEDULE OF ELECTRICITY TARIFFS  
FOR GUJRANWALA ELECTRIC POWER COMPANY LIMITED(GEPCO)**

**A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
a)	For Sanctioned load less than 5 kW			
i	Up to 50 Units	-		4.00
	For Consumption exceeding 50 Units			
ii	001 - 100 Units	-		9.30
iii	101 - 200 Units	-		11.65
iv	201 - 300 Units	-		11.65
v	301 - 700 Units	-		14.55
vi	Above 700 Units	-		15.80
b)	For Sanctioned load 5 kW & above			
			Peak	Off-Peak
	Time Of Use	-	15.80	9.80

As per the Authority's decision residential consumers will be given the benefits of only one previous slab Under this tariff, there shall be minimum monthly charges at the following rates even if no energy is consumed.

a) Single Phase Connections:

Rs. 75/- per consumer per month

b) Three Phase Connections:

Rs. 150/- per consumer per month

**A-2 GENERAL SUPPLY TARIFF - COMMERCIAL**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
a)	For Sanctioned load less than 5 kW			15.80
b)	For Sanctioned load 5 kW & above	400.00		11.80
			Peak	Off-Peak
c)	Time Of Use	400.00	15.80	9.80

Under this tariff, there shall be minimum monthly charges at the following rates even if no energy is consumed.

a) Single Phase Connections;

Rs. 175/- per consumer per month

b) Three Phase Connections:

Rs. 350/- per consumer per month

**A-3 GENERAL SERVICES**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
a)	General Services	-		11.65

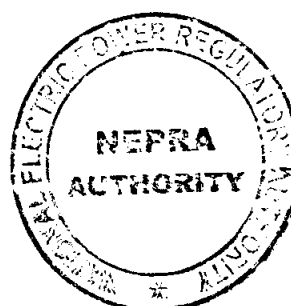
Under tariff A-3, there shall be minimum monthly charges at the following rates even if no energy is

a) Single Phase Connections;

Rs. 175/- per consumer per month

b) Three Phase Connections:

Rs. 350/- per consumer per month



**SCHEDULE OF ELECTRICITY TARIFFS  
FOR GUJRANWALA ELECTRIC POWER COMPANY LIMITED(GEPCO)  
B INDUSTRIAL SUPPLY TARIFFS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
B1	Upto 25 kW (at 400/230 Volts)	-		11.30
B2(a)	exceeding 25-500 kW (at 400 Volts)	400.00		10.80
	Time Of Use			
B1 (b)	Up to 25 KW		15.80	9.80
B2(b)	exceeding 25-500 kW (at 400 Volts)	400.00	15.80	9.60
B3	For All Loads up to 5000 kW (at 11,33 kV)	380.00	15.80	9.50
B4	For All Loads (at 66,132 kV & above)	360.00	15.80	9.40

For B1 consumers there shall be a fixed minimum charge of Rs. 350 per month.

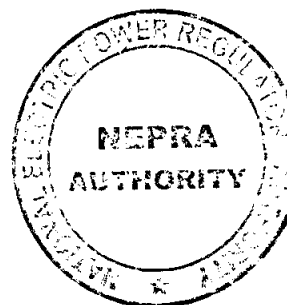
For B2 consumers there shall be a fixed minimum charge of Rs. 2,000 per month.

For B3 consumers there shall be a fixed minimum charge of Rs. 50,000 per month.

For B4 consumers there shall be a fixed minimum charge of Rs. 500,000 per month.

**C - SINGLE-POINT SUPPLY FOR PURCHASE IN BULK BY A DISTRIBUTION LICENSEE AND  
MIXED LOAD CONSUMERS NOT FALLING IN ANY OTHER CONSUMER CLASS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
C - 1	For supply at 400/230 Volts			
a)	Sanctioned load less than 5 kW	-		11.80
b)	Sanctioned load 5 kW & up to 500 kW	400.00		11.30
C - 2(a)	For supply at 11,33 kV up to and including 5000 kW	380.00		11.10
C - 3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	360.00		11.00
	Time Of Use			
C - 1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	400.00	15.80	9.80
C - 2(b)	For supply at 11,33 kV up to and including 5000 kW	380.00	15.80	9.60
C - 3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	360.00	15.80	9.50



**SCHEDULE OF ELECTRICITY TARIFFS  
FOR GUJRANWALA ELECTRIC POWER COMPANY LIMITED(GEPCO)**

**D - AGRICULTURE TARIFF**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES	
			Rs/kWh	
D-1(a)	SCARP less than 5 kW	-		11.30
D-2 (a)	Agricultural Tube Wells	200.00		10.80
			Peak	Off-Peak
D-1(b)	SCARP 5 kW & above	200.00	15.80	9.50
D-2 (b)	Agricultural 5 kW & above	200.00	15.80	9.50

Under this tariff, there shall be minimum monthly charges Rs.2,000/- per consumer per month, even if no energy is consumed.

Note:- The consumers having sanctioned load less than 5 kW can opt for TOU metering.

**E - TEMPORARY SUPPLY TARIFFS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES	
			Rs/kWh	
E-1(i)	Residential Supply	-		15.80
E-1(ii)	Commercial Supply	-		15.80
E-2	Industrial Supply	-		11.30

For the categories of E-1(i&ii) above, the minimum bill of the consumers shall be Rs. 50/- per day subject to a minimum of Rs.500/- for the entire period of supply, even if no energy is consumed.

**F - SEASONAL INDUSTRIAL SUPPLY TARIFF**

125% of relevant industrial tariff

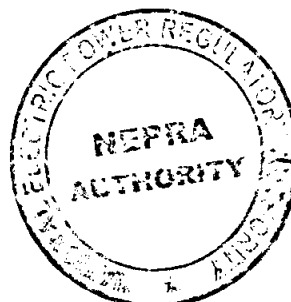
Note:

*Tariff-F consumers will have the option to convert to Regular Tariff and vice versa. This option can be exercised at the time of a new connection or at the beginning of the season. Once exercised, the option remains in force for at least one year.*

**G- PUBLIC LIGHTING**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES	
			Rs/kWh	
	Street Lighting			10.80

There shall be a minimum monthly charge of Rs.500/- per month per kW of lamp capacity installed.





**SCHEDULE OF ELECTRICITY TARIFFS  
FOR GUJRANWALA ELECTRIC POWER COMPANY LIMITED(GEPCO)  
H - RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES**

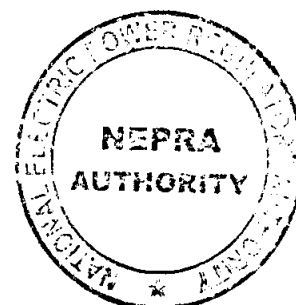
Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES
		Rs/kW/M	Rs/kWh
	Residential Colonies attached to industrial premises	-	10.80

**K - SPECIAL CONTRACTS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
	Azad Jammu & Kashmir (AJK)	360.00	10.80	
	Time of Use	360.00	Peak	Off-Peak
			15.80	9.90

**J - SPECIAL CONTRACTS UNDER NEPRA (SUPPLY OF POWER) REGULATIONS 2015**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
J -1	For supply at 66 kV & above and having sanctioned load of 20MW & above	360.00	11.00	
J-2	(a) For supply at 11,33 kV	380.00	11.10	
	(b) For supply at 66 kV & above	360.00	11.00	
J-3	(a) For supply at 11,33 kV	380.00	11.10	
	(b) For supply at 66 kV & above	360.00	11.00	
	Time Of Use		Peak	Off-Peak
J -1(b)	For supply at 66 kV & above and having sanctioned load of 20MW & above	360.00	15.80	9.50
J-2 (c)	For supply at 11,33 kV	380.00	15.80	9.60
J-2 (d)	For supply at 66 kV & above	360.00	15.80	9.50
J-3 (c)	For supply at 11,33 kV	380.00	15.80	9.60
J-3 (d)	For supply at 66 kV & above	360.00	15.80	9.50



## GEPCO Power Purchase Price

Name	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	823	845	705	693	591	545	469	515	551	593	798	843	7,971

kWh

Fuel Cost Component	4.9811	4.7552	5.1217	5.2366	5.0497	5.8619	7.1241	5.7493	6.6429	6.7227	5.2908	4.9927	5.509
Variable O & M	0.2727	0.2678	0.2825	0.2891	0.2916	0.3337	0.3711	0.3234	0.3467	0.3577	0.3050	0.2891	0.305
CpGenCap	2.4211	2.3987	2.5629	2.2615	2.6785	3.3061	4.0095	3.1163	2.9700	3.2853	2.6966	2.6183	2.7859
USCF	0.3058	0.3241	0.3517	0.3015	0.3729	0.4093	0.4602	0.4030	0.3397	0.4242	0.3080	0.3511	0.3550
Total PPP in Rs. /kWh	7.9807	7.7457	8.3188	8.0886	8.3927	9.9109	11.9650	9.5921	10.2993	10.7898	8.6003	8.2511	8.9558

Rs in Million

Fuel Cost Component	4,102	4,018	3,611	3,630	2,986	3,195	3,339	2,961	3,661	3,984	4,223	4,206	43,916
Variable O & M	225	226	199	200	172	182	174	167	191	212	243	244	2,435
CpGenCap	1,994	2,027	1,807	1,568	1,584	1,802	1,879	1,605	1,637	1,947	2,153	2,206	22,207
USCF	252	274	248	209	221	223	216	208	187	251	246	296	2,830
PPP	6,572	6,545	5,865	5,607	4,963	5,401	5,608	4,940	5,676	6,394	6,865	6,952	71,388

It is clarified that PPP is pass through for all the DISCOs and its monthly references would continue to exist irrespective of the financial year, unless the new SOT is revised and notified by the GOP



65

**TERMS AND CONDITIONS OF TARIFF  
(FOR SUPPLY OF ELECTRIC POWER TO CONSUMERS BY DISTRIBUTION  
LICENSEES)**

**PART-I**

**GENERAL DEFINITIONS**

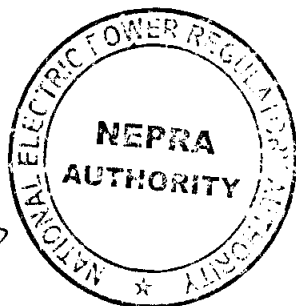
The Company, for the purposes of these terms and conditions means Gujranwala Electric Power Company Limited (GEPCO) engaged in the business of distribution of electricity within the territory mentioned in the licence granted to it for this purpose.

1. "Month or Billing Period", unless otherwise defined for any particular tariff category, means a billing month of 30 days or less reckoned from the date of last meter reading.
2. "Minimum Charge", means a charge to recover the costs for providing customer service to consumers even if no energy is consumed during the month.
3. "Fixed Charge" means the part of sale rate in a two-part tariff to be recovered on the basis of "Billing Demand" in kilowatt on monthly basis.
4. "Billing Demand" means the highest of maximum demand recorded in a month except in the case of agriculture tariff D2 where "Billing Demand" shall mean the sanctioned load.
5. "Variable Charge" means the sale rate per kilowatt-hour (kWh) as a single rate or part of a two-part tariff applicable to the actual kWh consumed by the consumer during a billing period.
6. "Maximum Demand" where applicable, means the maximum of the demand obtained in any month measured over successive periods each of 30 minutes' duration except in the case of consumption related to Arc Furnaces, where "Maximum Demand" shall mean the maximum of the demand obtained in any month measured over successive periods each of 15 minutes' duration.
7. "Sanctioned Load" where applicable means the load in kilowatt as applied for by the consumer and allowed/authorized by the Company for usage by the consumer.
8. "Power Factor" means the ratio of kWh to KVAh recorded during the month or the ratio of kWh to the square root of sum of square of kWh and kVARh,.
9. Point of supply means metering point where electricity is delivered to the consumer.
10. Peak and Off Peak hours for the application of Time Of Use (TOU) Tariff shall be the following time periods in a day:

	<u>* PEAK TIMING</u>	<u>OFF-PEAK TIMING</u>
Dec to Feb (inclusive) day	5 PM to 9 PM	Remaining 20 hours of the
Mar to May (inclusive)	6 PM to 10 PM	-do-
June to Aug (inclusive)	7 PM to 11 PM	-do-
Sept to Nov (inclusive)	6 PM to 10 PM	-do-

\* To be duly adjusted in case of day light time saving

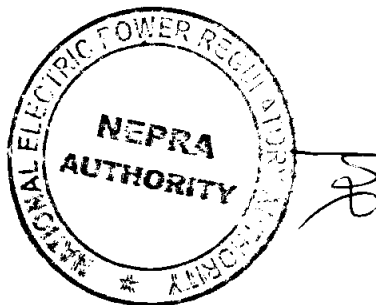
11. "Supply", means the supply for single-phase/three-phase appliances inclusive of both general and motive loads subject to the conditions that in case of connected or sanctioned load exceeding 4 kW supply shall be given at three-phase.



12. "Consumer" means a person or his successor-in-interest as defined under Section 2(iv) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).
13. "Charitable Institution" means an institution, which works for the general welfare of the public on no profit basis and is registered with the Federal or Provincial Government as such and has been issued tax exemption certificate by Federal Board of Revenue (FBR).
14. NTDC means the National Transmission and Dispatch Company.
15. CPPA(G) means Central Power Purchasing Agency Guarantee Limited (CPPA)(G).
16. The "Authority" means "The National Electric Power Regulatory Authority (NEPRA)" constituted under the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).

#### GENERAL CONDITIONS

1. "The Company shall render bills to the consumers on a monthly basis or less on the specific request of a consumer for payment by the due date.
2. The Company shall ensure that bills are delivered to consumers at least seven days before the due date. If any bill is not paid by the consumer in full within the due date, a Late Payment Charge of 10% (ten percent) shall be levied on the amount billed excluding Govt. tax and duties etc. In case bill is not served at least seven days before the due date then late payment surcharge will be levied after 7<sup>th</sup> day from the date of delivery of bill.
3. The supply provided to the consumers shall not be available for resale.
4. In the case of two-part tariff average Power Factor of a consumer at the point of supply shall not be less than 90%. In the event of the said Power factor falling below 90%, the consumer shall pay a penalty of two percent increase in the fixed charges determined with reference to maximum demand during the month corresponding to one percent decrease in the power factor below 90%.



## PART-II

### (Definitions and Conditions for supply of power specific to each consumer category)

#### A-1 RESIDENTIAL

##### Definition

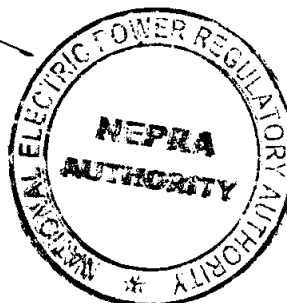
"Life Line Consumer" means those residential consumers having single phase electric connection with a sanctioned load up to 1 kW.

At any point of time, if the floating average of last six months' consumption exceed 50 units, then the said consumer would not be classified as life line for the billing month even if its consumption is less than 50 units. For the purpose of calculating floating average, the consumption charged as detection billing would also be included.

1. This Tariff is applicable for supply to;
  - i) Residences,
  - ii) Places of worship,
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. A-1(a) tariff.
3. All new consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement and shall be billed on the basis of tariff A-1(b) as set out in the Schedule of Tariff.
4. All existing consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement and converted to A- 1(b) Tariff by the Company.

#### A-2 COMMERCIAL

1. This tariff is applicable for supply to commercial offices and commercial establishments such as:
  - i) Shops,
  - ii) Hotels and Restaurants,
  - iii) Petrol Pumps and Service Stations,
  - iv) Compressed Natural Gas filling stations,
  - v) Private Hospitals/Clinics/Dispensaries,
  - vi) Places of Entertainment, Cinemas, Theaters, Clubs;
  - vii) Guest Houses/Rest Houses,
  - viii) Office of Lawyers, Solicitors, Law Associates and Consultants etc.
2. Consumers under tariff A-2 having sanctioned load of less than 5 kW shall be billed under a Single-Part kWh rate A-2(a)
3. All existing consumers under tariff A-2 having sanctioned load 5 kW and above shall be billed on A-2(b) tariff till such time that they are provided T.O.U metering arrangement; thereafter such consumers shall be billed on T.O.U tariff A-2(c).
4. The existing and prospective consumers having load of 5 kW and above can opt for T.O.U metering arrangement and A-2(c) tariff.
5. All existing consumers under tariff A-2 shall be provided T.O.U metering arrangement by the Company and convert it to-A-2 (c) Tariff.
6. All new connections having load requirement 5 kW and above shall be provided T.O.U meters and shall be billed under tariff A-2(c).



### **A-3 GENERAL SERVICES**

1. This tariff is applicable to;
  - i. Approved religious and charitable institutions
  - ii. Government and Semi-Government offices and Institutions
  - iii. Government Hospitals and dispensaries
  - iv. Educational institutions
  - v. Water Supply schemes including water pumps and tube wells operating on three phase 400 volts other than those meant for the irrigation or reclamation of Agriculture land.
1. Consumers under General Services (A-3) shall be billed on single-part kWh rate i.e. A-3(a) tariff.

### **B INDUSTRIAL SUPPLY**

#### **Definitions**

1. "Industrial Supply" means the supply for bona fide industrial purposes in factories including the supply required for the offices and for normal working of the industry.
2. For the purposes of application of this tariff an "Industry" means a bona fide undertaking or establishment engaged in manufacturing, value addition and/or processing of goods.
3. This Tariff shall also be available for consumers having single-metering arrangement such as;
  - i) Poultry Farms
  - ii) Fish Hatcheries and Breeding Farms and
  - iii) Software houses

#### **Conditions**

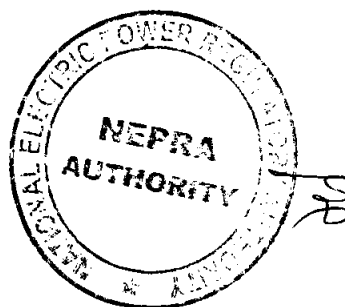
An industrial consumer shall have the option, to switch over to seasonal Tariff-F, provided his connection is seasonal in nature as defined under Tariff-F, and he undertakes to abide by the terms and conditions of Tariff-F and pays the difference of security deposit rates previously deposited and those applicable to tariff-F at the time of acceptance of option for seasonal tariff. Seasonal tariff will be applicable from the date of commencement of the season, as specified by the customers at the time of submitting the option for Tariff-F. Tariff-F consumers will have the option to convert to corresponding Regular Industrial Tariff category and vice versa. This option can be exercised at the time of obtaining a new connection or at the beginning of the season. Once exercised, the option will remain in force for at least one year.

#### **B-1 SUPPLY AT 400 VOLTS THREEPHASE AND/OR 230 VOLTS SINGLE PHASE**

1. This tariff is applicable for supply to Industries having sanctioned load upto a 25 kW.
2. Consumers having sanctioned load less than 25 kW shall be billed on single-part kWh rate.
3. All existing consumers under tariff B-1 shall be provided T.O.U metering arrangement by the Company and convert it to-B1 (b) Tariff.

#### **B-2 SUPPLY AT 400 VOLTS**

1. This tariff is applicable for supply to Industries having sanctioned load of more than 25 kW up to and including 500 kW.



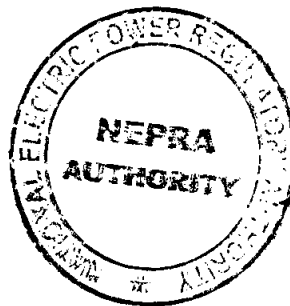
2. All existing consumers under tariff B-2 shall be provided T.O.U metering arrangement by the Company and converted to B-2(b) Tariff.
3. All new applicants i.e. prospective consumers applying for service to the Company shall be provided T.O.U metering arrangement and charged according to the applicable T.O.U tariff.

#### **B-3 SUPPLY AT 11 kV AND 33 kV**

1. This tariff is applicable for supply to Industries having sanctioned load of more than 500 kW up to and including 5000 kW and also for Industries having sanctioned load of 500 kW or below who opt for receiving supply at 11 kV or 33 kV.
2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.
3. The supply under this Tariff shall not be available to a prospective consumer unless he provides, to the satisfaction and approval of the Company, his own Transformer, Circuit Breakers and other necessary equipment as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively pays to the Company for all apparatus and equipment if so provided and installed by the Company. The recovery of the cost of service connection shall be regulated by the NEPRA eligibility criteria.
4. All B-3 Industrial Consumers shall be billed on the basis of T.O.U tariff given in the Schedule of Tariff.

#### **B-4 SUPPLY AT 66 kV, 132 kV AND ABOVE**

1. This tariff is applicable for supply to Industries for all loads of more than 5000 kW receiving supply at 66 kV, 132 kV and above and also for Industries having load of 5000 kW or below who opt to receive supply at 66 kV or 132 kV and above.
2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.
3. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the NEPRA Eligibility Criteria, the supply under this Tariff shall not be available to such a prospective consumer unless he provides, to the satisfaction and approval of the Company, an independent grid station of his own including Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively, pays to the Company for all such Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus if so provided and installed by the Company. The recovery of cost of service connection shall be regulated by NEPRA Eligibility Criteria.
4. All B-4 Industrial Consumers shall be billed on the basis of two-part T.O.U tariff.



## C BULK SUPPLY

"Bulk Supply" for the purpose of this Tariff, means the supply given at one point for self-consumption not selling to any other consumer such as residential, commercial, tube-well and others.

### General Conditions

If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days no notice will be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days the fixed charges shall be assessed on proportionate basis for actual number of days between the date of old reading and the new reading.

### C-1 SUPPLY AT 400/230 VOLTS

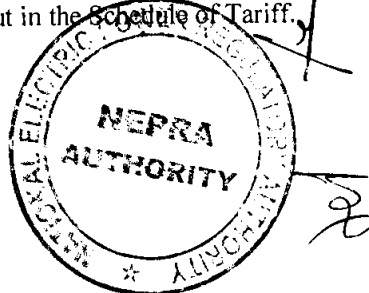
1. This Tariff is applicable to a consumer having a metering arrangement at 400 volts, having sanctioned load of up to and including 500 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. C-1(a) tariff.
3. All new consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangement and shall be billed on the basis of Time-of-Use (T.O.U) tariff C-1(c) given in the Schedule of Tariff.
4. All the existing consumers governed by this tariff having sanctioned load 5 kW and above shall be provided T.O.U metering arrangements.

### C-2 SUPPLY AT 11 kV AND 33 kV

1. This tariff is applicable to consumers receiving supply at 11 kV or 33 kV at one-point metering arrangement and having sanctioned load of up to and including 5000 kW.
2. The supply under this Tariff shall not be available to a prospective consumer unless he provides, to the satisfaction and approval of the Company, his own Transformer, Circuit Breakers and other necessary equipment as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively pays to the Company for all apparatus and equipment if so provided and installed by the Company. The recovery of the cost of service connection shall be regulated by the NEPRA eligibility criteria.
3. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff C-2(b) as set out in the Schedule of Tariff.
4. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-2(b).

### C-3 SUPPLY AT 66 kV AND ABOVE

1. This tariff is applicable to consumers having sanctioned load of more than 5000 kW receiving supply at 66 kV and above.
2. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the NEPRA Eligibility Criteria, the supply under this Tariff shall not be available to such a prospective consumer unless he provides, to the satisfaction and approval of the Company, an independent grid station of his own including Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively, pays to the Company for all such Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus if so provided and installed by the Company. The recovery of cost of service connection shall be regulated by NEPRA Eligibility Criteria.
3. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-3(b).
4. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff C-3(b) as set out in the Schedule of Tariff.





## D AGRICULTURAL SUPPLY

"Agricultural Supply" means the supply for Lift Irrigation Pumps and/or pumps installed on Tube-wells intended solely for irrigation or reclamation of agricultural land or forests, and include supply for lighting of the tube-well chamber.

### Special Conditions of Supply

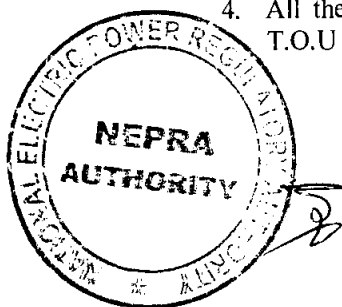
1. This tariff shall apply to:
  - i) Reclamation and Drainage Operation under Salinity Control and Reclamation Projects (SCARP):
  - ii) Bona fide forests, agricultural tube-wells and lift irrigation pumps for the irrigation of agricultural land.
  - iii) Tube-wells meant for aqua-culture, viz. fish farms, fish hatcheries and fish nurseries.
  - iv) Tube-wells installed in a dairy farm meant for cultivating crops as fodder and for upkeep of cattle.
2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.
3. The lamps and fans consumption in the residential quarters, if any, attached to the tube-wells shall be charged entirely under Tariff A-1 for which separate metering arrangements should be installed.
4. The supply under this Tariff shall not be available to consumer using pumps for the irrigation of parks, meadows, gardens, orchards, attached to and forming part of the residential, commercial or industrial premises in which case the corresponding Tariff A-1, A-2 or Industrial Tariff B-1, B-2 shall be respectively applicable.

#### D-1

1. This tariff is applicable to all Reclamation and Drainage Operation pumping under SCARP related installation having sanctioned load of less than 5 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. D-1(a) tariff given in the Schedule of Tariff.
3. All new consumers having sanctioned load 5 kW and above shall be provided TOU metering arrangement and shall be charged on the basis of Time-of- Use (T.O.U) tariff D-1(b) given in the Schedule of Tariff.
4. All the existing consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangements and shall be governed by D-1(a) till that time.

#### D-2

1. This tariff is applicable to consumers falling under Agriculture Supply having sanctioned load less than 5 kW excluding SCARP related installations.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. D-2(a) tariff given in the Schedule of Tariff.
3. All new consumers having sanctioned load 5 kW and above shall be provided TOU metering arrangement and shall be charged on the basis of Time-of- Use (T.O.U) tariff D-2(b) given in the Schedule of Tariff.
4. All the existing consumers having sanctioned load 5 kW and above shall be provided T.O.U metering arrangements and shall be governed by D-2(a) till that time.



## **E-1 TEMPORARY RESIDENTIAL/COMMERCIAL SUPPLY**

Temporary Residential/Commercial Supply means a supply given to persons temporarily on special occasions such as ceremonial, religious gatherings, festivals, fairs, marriages and other civil or military functions. This also includes supply to touring cinemas and persons engaged in construction works for all kinds of single phase loads. For connected load exceeding 4 kW, supply may be given at 400 volts (3 phase) to allow a balanced distribution of load on the 3 phases. Normally, temporary connections shall be allowed for a period of 3 months which can be extended on three months basis subject to clearance of outstanding dues.

### **Special Conditions of Supply**

1. This tariff shall apply to Residential and Commercial consumers for temporary supply.
2. Ordinarily the supply under this Tariff shall not be given by the Company without first obtaining security equal to the anticipated supply charges and other miscellaneous charges for the period of temporary supply.

## **E-2 TEMPORARY INDUSTRIAL SUPPLY**

"Temporary Industrial Supply" means the supply given to an Industry for the bonafide purposes mentioned under the respective definitions of "Industrial Supply", during the construction phase prior to the commercial operation of the Industrial concern.

### **SPECIAL CONDITIONS OF SUPPLY**

1. Ordinarily the supply under this Tariff shall not be given by the Company without first obtaining security equal to the anticipated supply charges and other miscellaneous charges for the period of temporary supply.
2. Normally, temporary connections shall be allowed for a period of 3 months, which may be extended on three months basis subject to clearance of outstanding dues.

## **F SEASONAL INDUSTRIAL SUPPLY**

"Seasonal Industry" for the purpose of application of this Tariff, means an industry which works only for part of the year to meet demand for goods or services arising during a particular season of the year. However, any seasonal industry running in combination with one or more seasonal industries, against one connection, in a manner that the former works in one season while the latter works in the other season (thus running throughout the year) will not be classified as a seasonal industry for the purpose of the application of this Tariff.

### **Definitions**

1. "Year" means any period comprising twelve consecutive months.
2. All "Definitions" and "Special Conditions of Supply" as laid down under the corresponding Industrial Tariffs shall also form part of this Tariff so far as they may be relevant.

### **Special Conditions of Supply**

1. This tariff is applicable to seasonal industry.
2. Fixed Charges per kilowatt per month under this tariff shall be levied at the rate of 125% of the corresponding regular Industrial Supply Tariff Rates and shall be recovered only for the period that the seasonal industry actually runs subject to minimum period of six consecutive months during any twelve consecutive months. The condition for recovery of Fixed Charges for a minimum period of six months shall not, however, apply to the



seasonal industries, which are connected to the Company's Supply System for the first time during the course of a season.

3. The consumers falling within the purview of this Tariff shall have the option to change over to the corresponding industrial Supply Tariff, provided they undertake to abide by all the conditions and restrictions, which may, from time to time, be prescribed as an integral part of those Tariffs. The consumers under this Tariff will have the option to convert to Regular Tariff and vice versa. This option can be exercised at the time of obtaining a new connection or at the beginning of the season. Once exercised, the option will remain in force for at least one year.
4. All seasonal loads shall be disconnected from the Company's Supply System at the end of the season, specified by the consumer at the time of getting connection, for which the supply is given. In case, however, a consumer requires running the non-seasonal part of his load (e.g., lights, fans, tube-wells, etc.) throughout the year, he shall have to bring out separate circuits for such load so as to enable installation of separate meters for each type of load and charging the same at the relevant Tariff.
5. Where a "Seasonal Supply" consumer does not come forward to have his seasonal industry re-connected with the Company's Supply System in any ensuing season, the service line and equipment belonging to the Company and installed at his premises shall be removed after expiry of 60 days of the date of commencement of season previously specified by the consumer at the time of his obtaining new connection/re-connection. However, at least ten clear days notice in writing under registered post shall be necessary to be given to the consumer before removal of service line and equipment from his premises as aforesaid, to enable him to decide about the retention of connection or otherwise. No Supply Charges shall be recovered from a disconnected seasonal consumer for any season during which he does not come forward to have his seasonal industry re-connected with the Company's Supply System.

#### **G PUBLIC LIGHTING SUPPLY**

"Public Lighting Supply" means the supply for the purpose of illuminating public lamps.

##### **Definitions**

"Month" means a calendar month or a part thereof in excess of 15 days.

##### **Special Conditions of Supply**

The supply under this Tariff shall be used exclusively for public lighting installed on roads or premises used by General Public.

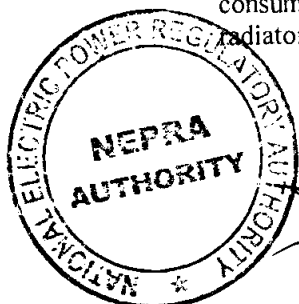
#### **H RESIDENTIAL COLONIES ATTACHED TO INDUSTRIES**

This tariff is applicable for one-point supply to residential colonies attached to the industrial supply consumers having their own distribution facilities.

##### **Definitions**

"One Point Supply" for the purpose of this Tariff, means the supply given by one point to Industrial Supply Consumers for general and domestic consumption in the residential colonies attached to their factory premises for a load of 5 Kilowatts and above. The purpose is further distribution to various persons residing in the attached residential colonies and also for perimeter lighting in the attached residential colonies.

"General and Domestic Consumption", for the purpose of this Tariff, means consumption for lamps, fans, domestic applications, including heated, cookers, radiators, air-conditioners, refrigerators and domestic tube-wells.



“Residential Colony” attached to the Industrial Supply Consumer, means a group of houses annexed with the factory premises constructed solely for residential purpose of the bonafide employees of the factory, the establishment or the factory owners or partners, etc.

**Special Conditions of Supply**

The supply under this Tariff shall not be available to persons who meet a part of their requirements from a separate source of supply at their premises.

**I. TRACTION**

Supply under this tariff means supply of power in bulk to Railways for Railway traction only.

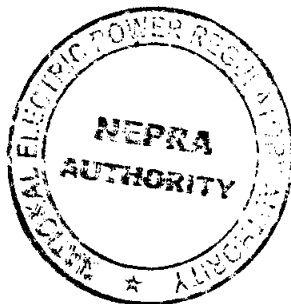
**J. SPECIAL CONTRACTS UNDER NEPRA (SUPPLY OF POWER) REGULATIONS 2015**

Supply for the purpose of this tariff means the supply given at one or more common delivery points;

- i. To a licensee procuring power from GEPCO for the purpose of further supply within its respective service territory and jurisdiction.
- ii. To an O&M operator under the O&M Agreement within the meaning of NEPRA (Supply of Power) Regulations 2015 duly approved by the Authority for the purpose of further supply within the service territory and jurisdiction of the GEPCO
- iii. To an Authorized agent within the meaning of NEPRA (Supply of Power) Regulations 2015, procuring power from the GEPCO for further supply within the service territory and jurisdiction of the GEPCO

**J-1 SUPPLY TO LICENSEE**

1. This tariff is applicable to a Licensee having sanctioned load of 20 MW and above receiving supply at 66 kV and above.
2. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to J-1(b).
3. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff J-1(b) as set out in the Schedule of Tariff.



## **SUPPLY UNDER O&M AGREEMENT**

### **J-2 (a) SUPPLY AT 11 KV AND 33 KV**

1. This tariff is applicable to an O&M operator receiving supply at 11 kV or 33 kV under the O&M Agreement duly approved by the Authority.
2. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to J-2(c).
3. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff J-2(c) as set out in the Schedule of Tariff.

### **J-2 (b) SUPPLY AT 66 KV AND ABOVE**

1. This tariff is applicable to an O&M operator receiving supply at 66 kV & above under the O&M Agreement duly approved by the Authority.
2. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to J-2(d).
3. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff J-2(d) as set out in the Schedule of Tariff.

## **SUPPLY TO AUTHORIZED AGENT**

### **J-3 (a) SUPPLY AT 11 KV AND 33 KV**

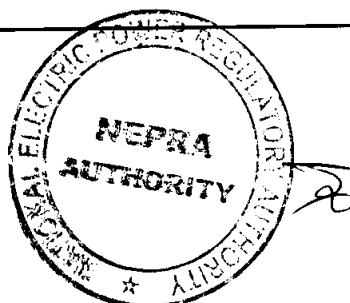
1. This tariff is applicable to an authorized agent receiving supply at 11 kV or 33 kV.
2. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to J-3(c).
3. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff J-3(c) as set out in the Schedule of Tariff.

### **J-3 (b) SUPPLY AT 66 KV AND ABOVE**

1. This tariff is applicable to an authorized agent receiving supply at 66 kV & above.
2. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to J-3(d).
3. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff J-3(d) as set out in the Schedule of Tariff.

## **K. SPECIAL CONTRACTS**

Supply under this tariff means supply of power to Special Contracts, i.e. Government of Azad Jammu & Kashmir (AJK) at one point.



**List of Interested / Affected Parties to send the  
Notices of Admission /Hearing Regarding Tariff Petition filed by  
Gujranwala Electric Power Co. Ltd. (GEPCO) for the Determination of  
its Consumer-end Tariff Pertaining to the FY 2015-16 Based on Actual/Estimated  
Results of FY 2014-15 as Base Year.**

\*\*\*\*\*

**A. Secretaries of various ministries**

1. Secretary  
Cabinet Division  
Cabinet Secretariat  
Islamabad
2. Secretary  
Ministry of Industries & Production  
'A' Block, Pak Secretariat  
Islamabad
3. Secretary  
Ministry of Water & Power  
'A' Block, Pak Secretariat  
Islamabad
4. Secretary  
Ministry of Finance  
'Q' Block, Pak Secretariat  
Islamabad
5. Secretary  
Ministry of Commerce  
A-Block, Pak Secretariat  
Islamabad
6. Secretary  
Privatization Commission  
EAC Building  
Islamabad  
Tel: 9222242
7. Secretary  
Planning and Development Division  
'P' Block, Pak Secretariat  
Islamabad
8. Secretary  
Ministry of Petroleum & Natural Resources  
'A' Block, Pak Secretariat  
Islamabad
9. Secretary  
Irrigation & Power Department

8 77

Govt. of Punjab  
Near Old Anarkali,  
Lahore  
Tele: 042-5760120

**B. Chambers of Commerce & Industry, Telecom Companies & General Public**

1. Chairman  
Public Sector Utility, Sub-Committee  
Karachi Chamber of Commerce & Industries  
Aiwan-e-Tijarat Road, Shahrah-e-Liaquat  
Karachi-2
2. President  
The Federation of Pakistan  
Chamber of Commerce and Industry  
Federation House, Main Clifton ✓  
Karachi – 5675600
3. President,  
Islamabad Chamber of Commerce & Industry,  
Chamber House, Aiwan-e-Sanat-o-Tijarat Road,  
Sector G-8/1, Islamabad.
4. President  
Lahore Chamber of Commerce & Industry ✓  
11, Shahrah-e-Awan-e-Tijarat  
Lahore
5. President  
Gujranwala Chamber of Commerce & Industry, ✓  
Aiwan-e-Tijarat Road,  
Gujranwala.
6. President  
The Sialkot Chamber of Commerce & Industry  
P.O.Box 1870, Shahrah-e- Aiwan-e-Sanat-o-Tijarat ✓  
Sialkot
7. President  
Senior Citizen Foundation of Pakistan  
5-P, Markaz G-7, Sitara Market ✓  
Islamabad
8. Chairman  
All Pakistan Textile Mills Association (APTMA) ✓  
APTMA House, 44-A. Lalazar P.O. Box 5446  
Moulvi Tamizuddin Khan Road  
Karachi
9. Chairman  
S.I.T.E. Association of Industry

H-16, S.I.T.E.  
Karachi

10. M/s SHEHRI  
206-G, Block – 2, P.E.C.H.S  
Karachi – 75400
11. President  
Institute of Electrical & Electronics Engineers of Pakistan (IEEEEP)  
4 – Lawrence Road  
Lahore
12. President  
The Institute of Engineers Pakistan  
IEP Roundabout Engineering Centre  
Gulberg – III  
Lahore – 54660
13. Chairman  
Pakistan Engineering Council  
Attaturk Avenue (East), G-5/2  
Islamabad
14. PTCL  
Corporate Head Quarters, Block – E  
G-8/4, Islamabad-44000
15. Chief Executive Officer  
Mobilink  
Mobilink House 1-A  
Kohistan Road, F-8 Markaz  
Islamabad
16. Chief Executive Officer  
Ufone (Emirates Telecommunication Corporation Group)  
13-B, F-7 Markaz  
Jinnah Super, Islamabad
17. Chief Executive Officer  
Telenor Pakistan (Pvt) Limited  
13-K, Moaiz Centre Bhattai Road  
F-7 Markaz, Islamabad
18. Chief Executive Officer  
Zong  
CMPak Limited  
Kohistan Road, F-8, Markaz  
Islamabad
19. Chief Executive Officer  
Warid Telecom (Pvt) Limited



P.O. Box 3321  
Lahore

20. Chairman  
Pakistan Telecommunication Authority (PTA)  
PTA Headquarters building  
F-5/1, Islamabad
21. TheNetwork for Consumer Protection  
Flat No. 5, 40-A, Ramzan Plaza  
G-9 Markaz, Islamabad
22. Pakistan Steel Melters Association  
30-S, Gulberg Centre  
84-D-1, Main Boulevard  
Gulberg-III, Lahore 54600
23. Mr. Anwar Kamal  
1-Turner Road, Lahore,  
Pakistan
24. Chief Executive Officer  
Transparency International Pakistan  
5-C, 2<sup>nd</sup> Floor, Khayaban-e-Ittehad  
Phase-VII, DHA, Karachi.  
Tel: (092)(021) 35390408  
Fax: (092)(021) 35390410
25. Chairman  
Whistleblower Pakistan  
72-F/II Jami Commercial Street No. 9  
Phase-VII, DHA, Karachi.  
Tel: (092)(021) 35391778
26. M/s Mohammad & Ahmed  
Constitutional. Corporate & Tax Counsel  
Ground Floor, Almas Tower. Begun Tassadug Road  
26-The Mall  
Lahore
27. Secretary Punjab Region  
APTMA House, 97-A,  
Aziz Avenue, Canal Bank,  
Lahore

**C. Power Companies**

1. Member Power  
WAPDA

738 – WAPDA House  
Shahra-e-Quaid-e-Azam  
Lahore  
Tel: 042-9202225  
Fax: 042-9202454, 9202486

2. Managing Director  
Pakistan Electric Power Company (PEPCO)  
721-WAPDA House  
Shahrah-e-Quaid-e-Azam  
Lahore
3. Chief Operating Officer  
Central Power Purchasing Agency  
Room 107 WAPDA House  
Shaharah-e-Qauid-e-Azam  
LAHORE
4. Managing Director  
Private Power and Infrastructure Board (PPIB)  
House No. 50, Sector F-7/4  
Nazimuddin Road  
Islamabad
5. Chief Executive Officer  
Karachi Electric Supply Corporation Ltd.  
7<sup>th</sup> Floor, State Life Building No. 11  
Abdullah Haroon Road  
Karachi

**D. Petitioner**

1. Chief Executive Officer  
Gujranwala Electric Power Company Ltd. (GEPCO)  
565/A, Model Town  
G.T. Road, Gujranwala
2. In addition to above the letters may also be sent to all the Provincial Chief Secretaries and Energy secretaries.

# National Electric Power Regulatory Authority (NEPRA)

## NOTICE OF ADMISSION / HEARING

ALL stakeholders, interested persons and the general public are notified that Gujranwala Electric Power Company Limited (GEPCO) has filed a petition with the National Electric Power Regulatory Authority (NEPRA) for the determination of its consumer-end tariff pertaining to the FY 2015-16 based on actualized results of the FY 2014-15 as base year.

1. The petitioner has applied for the determination of its consumer-end tariff pertaining to the financial year 2015-16, requesting approval of following components:

Sl.	Description	FY 2015-16	FY 2014-15
1	Distribution Margin (15.5%)	15.50	15.50
2	Transmission Margin (11.0%)	11.00	11.00
3	Line Losses (7.0%)	7.00	7.00
4	Average Sale Rate (Rs. 17.75)	17.75	17.75

2. Based on above tariff components the petitioner requested following category-wise tariff:

Description	NEPRA Determined Tariff		Requested Tariff for the FY 2015-16	
	Fuel Charges Rs./MWh	Var. Charges Rs./MWh	Fuel Charges Rs./MWh	Var. Charges Rs./MWh
Residential - A1				
For Peak Load Requirement less than 5 kW				
Up to 50 Lines	3.90	4.90		
1-100 Lines	11.60	11.62		
101-200 Lines	14.00	14.00		
Above 200 Lines	15.00	15.00		
For Peak Load Requirement 5 kW & above				
Time of Day (TOU) - Peak				
Time of Day (TOU) - Off Peak				
Commercial - A2				
For Peak Load Requirement less than 5 kW & up to 50 kW				
For Peak Load Requirement 5 kW & above				
Time of Day (TOU) - Peak				
Time of Day (TOU) - Off Peak				
Industrial				
B1 up to 25 kW (400/230 volt)	14.50	14.50		
B1 up to 25 kW (400/230 volt)	19.00	19.00		
B2 up to 25 kW (400/230 volt)	13.00	13.00		
B2 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		
B3 up to 25 kW (400/230 volt)	19.00	19.00		
B3 up to 25 kW (400/230 volt)	14.00	14.00		