



Registrar

# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No.NEPRA/R/DG(Trf)/TRF-562&TRF-563/GEPCO-2021//8233-39 July 14, 2023

Subject: **DECISION OF THE AUTHORITY REGARDING REQUEST FILED BY GUJRANWALA ELECTRIC POWER COMPANY LTD. (GEPCO) FOR ADJUSTMENT/INDEXATION OF TARIFF FOR THE FY 2023-24 UNDER THE MYT [CASE # NEPRA/TRF-562 & TRF-563 /GEPCO-2021]**

Dear Sir,

Please find enclosed herewith subject Decision of the Authority (45 Pages) regarding request filed by Gujranwala Electric Power Company Ltd. (GEPCO) for adjustment/indexation of tariff for the FY 2023-24 under the MYT in Case No. NEPRA/TRF-562 & TRF-563 /GEPCO-2021.

2. The Decision is being intimated to the Federal Government for the purpose of notification in the official Gazette pursuant to Section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 within 30 days from the intimation of this Decision. In the event the Federal Government fails to notify the subject tariff Decision or refer the matter to the Authority for reconsideration, within the time period specified in Section 31(7), then the Authority shall notify the same in the official Gazette pursuant to Section 31(7) of NEPRA Act.

Enclosure: As above

*(Signature)* 14/07/23  
( Engr. Mazhar Iqbal/Ranjha )

Secretary  
Ministry of Energy (Power Division)  
'A' Block, Pak Secretariat  
Islamabad

CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Secretary, Energy Department., Government of the Punjab, 8<sup>th</sup> Floor, EFU House, Main Gulberg, Jail Road, Lahore,
4. Chief Executive Officer, NTDC, 414 WAPDA House, Shaharah-e-Qaid-e-Azam, Lahore
5. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad.
6. Chief Executive Officer, Gujranwala Electric Power Company Ltd. (GEPCO)
7. 565/A, Model Town, G.T. Road, Gujranwala

**DECISION OF THE AUTHORITY IN THE MATTER OF REQUEST FILED BY GURANWALA  
ELECTRIC POWER COMPANY (GEPCO) FOR ADJUSTMENT / INDEXATION OF TARIFF FOR THE  
FY 2023-24 UNDER THE MYT**

**1. Back Ground**

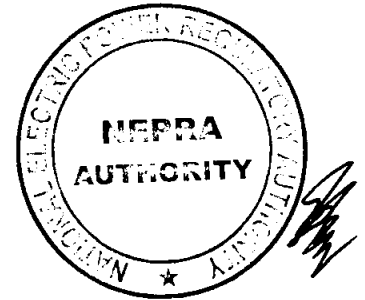
- 1.1. The Authority determined separate tariffs of Gujranwala Electric Power Company Limited (GEPCO) (herein referred to as "Petitioner") under Multi Year Tariff (MYT) regime, for a period of five years i.e. from FY 2020-21 to FY 2024-25, for both its Distribution and Supply of power functions vide tariff determinations dated June 02, 2022. Subsequently, a uniform tariff application u/s 31 (4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 was filed by the Federal Government, which was also decided by the Authority on July 22, 2022 and the decision was intimated to the Federal Government for notification in the official gazette. The tariff so determined was notified by the Federal Government vide SRO dated 25.07.2022. GEPCO, also in the mean time being aggrieved from its determination dated 02.06.2022, filed Motion for Leave for Review (MLR), which was accordingly decided by the Authority dated January 12, 2023.
- 1.2. The Petitioner now in line with the adjustment mechanism provided in its notified MYT determination, has filed its request for adjustment/ indexation of different components of its revenue requirement for the FY 2023-24, along-with break-up of costs in terms of Distribution and Supply functions.
- 1.3. Here it is pertinent to mention that as per the amendment NEPRA Act, function of sale of electric power, traditionally being performed by the Distribution Licensees, has been removed from the scope of Distribution Licensee and transferred to a Supply Licensee. Section 23E, of the amended Act, provides that holder of a distribution license on the date of coming into effect of the Regulation of Generation, Transmission and Distribution of Electric Power (Amendment) Act, 2018 shall be deemed to hold a license for supply of electric power under this section for a period of five years from such date.
- 1.4. The Authority noted that the Petitioner was a deemed supplier till 26.04.2023, in light of aforementioned section of NEPRA Act. The Petitioner, however, has submitted its supply of power license application, which is under consideration of the Authority. In view thereof, the Authority has decided to consider the instant adjustment/ indexation request of the Petitioner for both its Distribution and Supply of Power functions. Thus, the grant of supply tariff under the MYT regime shall in no way be construed as a basis for claiming supply license. The application for grant of Supply license would be processed separately after following the due process of law and in light of applicable documents. The terms & conditions to be given by the Authority, in the supply license would be applicable during the MYT control period and the MYT would be governed by the terms & conditions of the new license.
- 1.5. A Summary of the adjustments request submitted by the Petitioner is as under;



*In note - 2*

*Decision of the Authority in the matter of request filed by GEPCO for  
Adjustment / Indexation of Tariff for the FY 2023-24 under the MYT*

Description	Unit	Distribution Business	Power Supply Business	Total Revenue Requirement
Power Purchase Price	Rs. Mln	-	298,355	298,355
<b>Margin</b>				
Salaries, Wages & Other Benefits	Rs. Mln	10,337	3,446	13,783
Provision for Retirement Benefits	Rs. Mln	6,920	2,307	9,227
O&M Costs	Rs. Mln	2,245	1,435	3,680
Depreciation	Rs. Mln	3,142	64	3,206
Return on Rate Base	Rs. Mln	7,634	156	7,790
Gross Distribution Margin	Rs. Mln	30,278	7,408	37,686
Less: Other Income	Rs. Mln	-971	-2,266	-3,237
Net Distribution Margin	Rs. Mln	29,307	5,142	34,449
Prior Year Adjustment	Rs. Mln	-	12,930	12,930
Revenue Requirement	Rs. Mln	29,307	316,427	345,734
Units Sold	GWh	12,507	12,507	12,507
Requested Tariff	Rs./kWh	2.34	25.30	27.64



## 2. Hearing

- 2.1. Since the impact of any such adjustments has to be made part of the consumer end tariff, therefore, the Authority, in order to provide an opportunity of hearing to all the concerned and meet the ends of natural justice, decided to conduct a hearing in the matter.
- 2.2. Hearing in the matter was held on April 11, 2023, for which advertisement was published in newspapers on March 29, 2023. Separate notices were also sent to the stakeholders for inviting comments from the interested/ affected parties. Salient features and details of the proposed adjustments along-with notice of hearing were also uploaded on NEPRA's Website for information of all concerned.
- 2.3. For the purpose of hearing, and based on the pleadings, following issues were framed to be considered during the hearing and for presenting written as well as oral evidence and arguments;
  - i. Whether the requested adjustments/indexation in tariff are in line with the MYT tariff determination and are justified?
  - ii. GEPCO to present its Power Purchases Price (Energy & Cost) for the FY 2023-24, keeping in view the Section 32 of NEPRA Act and NEPRA Power Procurement Regulations?
  - iii. Whether the requested PYA, is justified?
  - iv. Whether the existing Tariff Terms and Conditions needs to be modified (including the request of Cold Storage to charge "B Industrial Supply" Category tariff instead of "A-2 Commercial" category tariff), and keeping in view the amendments in Consumer Service Manual or otherwise?
  - v. Whether the existing fixed charges applicable to different consumer categories needs to be revised and requires any changes in mechanism for charging of such charges based on Actual MDI or Sanction Load or otherwise? Whether there should any Fixed Charges on consumer's categories who are currently not paying any fixed charges?
  - vi. Whether the peak and off-peak rate design needs to be revised?

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vii. Any other issue that may come up during or after the hearing?

3. Filing of objections/ comments:

3.1. Comments/replies and filing of Intervention Request (IR), if any, were desired from the interested person/ party within 7 days of the publication of notice of admission in terms of Rule 6, 7 & 8 of the Tariff Rules. In response thereof, various commentators have filed their comments on the issue of mechanism of application of fixed charges and tariff to be applicable for cold storage. The same has been discussed under the relevant issue.

3.2. During the hearing, the Petitioner was represented by its CEO along-with its technical and financial teams. On the basis of pleadings, evidence/record produced and arguments raised during the hearing, issue-wise findings are given as under;

4. GEPCO to present its Power Purchases Price (Energy & Cost) for the FY 2023-24, keeping in view the Section 32 of NEPRA Act and NEPRA Power Procurement Regulations?

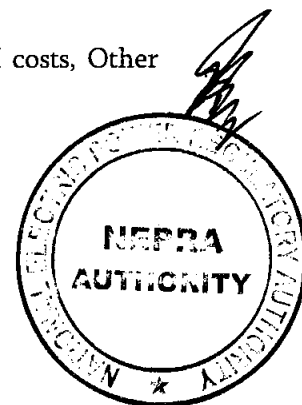
4.1. The Authority noted that Power Purchase Price (PPP) forecast of the Petitioner as well for all XWDISCOs for the FY 2023-24 has since been determined by the Authority through a separate decision, detailing the assumptions of the forecast and relevant share of the Petitioner. In view thereof, the Authority does not see any rationale to discuss this issue again herein in the instant decision. However, for the purpose of calculation of overall revenue requirement of the Petitioner, the PPP forecast for the FY 2023-24 as determined by the Authority, has been made part of the overall Revenue Requirement of the Petitioner. Further, Annex-I of the PPP decision, to the extent of the Petitioner, has been attached as Annex-IV with the instant decision. The PPP forecast of the Petitioner for the FY 2023-24 shall be used as reference for future adjustments of PPP including the monthly and quarterly adjustments.

5. Whether the requested adjustments/indexation in tariff are in line with the MYT tariff determination and are justified?

5.1. The Petitioner submitted during the hearing that the requested adjustments are in line with the mechanism determined vide Tariff redetermination and NEPRA guidelines for determination of consumer end tariff (Methodology & Process).

5.2. The Petitioner has requested the following adjustments on account of its O&M costs, Other Income, RoRB, Prior Period Adjustments for the FY 2023-24;

Rs. in Mln.				
Sr. #	Description	Determined FY 2022-23	Indexation / Adjustment Basis	Indexed / Adjusted Cost FY 2023-24
1	Pay & Allowances	10,556	GoP increases & 5% Annual Increment and General Inflation	13,783
2	Post-Retirement Benefits	13,131	Provision - Audited Accounts FY 2021-22	9,227
3	O&M Costs	2,956	CPI of December 2022	3,680
4	Depreciation	2,848	Allowed Investment for FY 2023-24	3,206
5	RoRB	3,333	Allowed Investment for FY 2023-24	7,790
6	Other Income	-2,579	As per Mechanism	-3,237
Total		30,246		34,449



*2* *Matter A*

5.3. The Petitioner submitted that projected Salaries, Wages and Benefits have been indexed / adjusted for FY 2023-24 as follows:

- 15% Ad-hoc Relief for both FY 2022-23 & 2023-24
- Implication of Scales Revision including Point-to-Point Fixation of Pay
- 15% Disparity Reduction Allowance Impact
- 5% Annual Increment for December 2023 as per direction
- Inflationary Impact on Other Items
- Rs.10 million for DG MIRAD hired on lump sum pay.

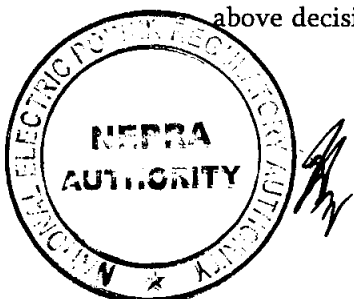
5.4. Regarding Post-retirement benefits, it has been submitted that adjustment / Indexation mechanism for Post-Retirement Benefits has been prescribed in the MYT Determination which states that "post-retirement benefits would be allowed based on the actuarial valuation report for the year for which assessment is being made or as per the latest available audited financial statements. It would be mandatory for the Petitioner to deposit the whole amount of allowed post-retirement benefits into the separate Fund and route all its pension payments through the Fund. If the Petitioner fails to transfer the whole amount of postretirement benefits into the Fund, the Authority will adjust the deficit payments in the next year's provision and from thereon, only actual amounts paid, and amount transferred into the fund would be allowed."

5.5. Accordingly, the amount of provision for Post-Retirement Benefits as per latest Audited Financial Statements for FY 2021-22 based on independent actuarial report is Rs.9,227 million that may be allowed for the FY 2023-24. It further stated that as the MYT Tariff was notified w.e.f. 25.07.2022, the effect of provision allowed for the FY 2020-21 & FY 2021-22 has been adjusted in PYA working, under the head of Recovery of Distribution Margin. For provision allowed for the FY 2022-23, it is submitted that after notification of tariff, the amounts have been started to be deposited into Post-Retirement Benefits Fund. The exact details regarding deposit of amounts into fund, markup earned & post-retirement benefits payments will be provided on the expiry of FY 2022-23 and any over or under amount will be incorporated as PYA in next adjustment / indexation request. The Petitioner during the hearing submitted that 10% increase in the pensioner benefits has been estimated on the projected expenditure for the FY 2022-23.

5.6. Regarding Other OPEX it has submitted that Indexation / Adjustment of O & M Costs has been provided in the MYT Determination of Supply of Power which states that "Regarding O&M costs, the reference costs would be adjusted every Year with CPI-X factor. However, the X factor would be applicable from the 3rd year of the MYT control period. The Adjustment mechanism would be as under;"

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

5.7. The Petitioner further stated that the Authority decided in the MYT determination to keep the efficiency factor (X), as 30% of increase in CPI for the relevant year of the MYT control period and to implement the efficiency factor from the 3<sup>rd</sup> year of the control period, to provide the Petitioner with an opportunity to improve its operational performance, before sharing such gains with the consumers. The MYT was notified w.e.f. 25.07.2022, therefore, considering the above decision of the Authority, it is requested to keep the efficiency factor at zero in instant



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adjustment / indexation request in line with the decisions of the Authority regarding DISCOs already in MYT regime.

5.8. Regarding use of NCPI, the Petitioner submitted that for the purpose of filing future indexation / adjustment requests, NCPI for the month of December is required to be used for the respective year. In line with the aforesaid, the O & M Cost has been indexed to Rs.3,680 million (*reference cost 2,956 million multiplied by 1.2450*) by taking NCPI for December 2022 i.e. 24.50%.

5.9. The Petitioner regarding depreciation expense for the FY 2023-24, submitted as under;

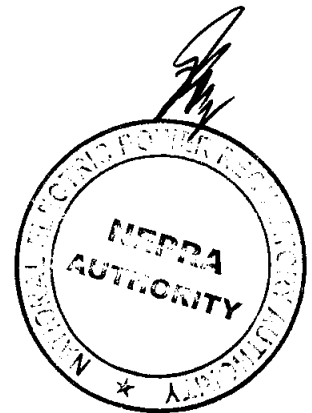
- The adjustment mechanism for Depreciation has been provided in the MYT Determination, which states that reference Depreciation charges would be adjusted every Year as per the following formula.

$$\text{DEP(Rev)} = \text{DEP(Ref)} * \text{GFAIO(Rev)} / \text{GFAIO(Ref)}$$

- By considering the allowed investment for FY 2023-24 of Rs.12,266 million, the amount of Gross Fixed Assets in Operations works out to be Rs.99,551 million. Accordingly, as per Authority's above-mentioned mechanism, the depreciation is indexed to Rs.3,206 million for the FY 2023-24.
- The Petitioner also stated that as per the MYT Determination the investments and depreciation will be trued up to the allowed level of investments, however, due to unprecedented upsurge in the prices of materials, Dollar Rate escalation and general inflationary trend, the actual investments for FY 2020-21 & 2021-22 are more than the investments allowed. However, for the instant determination, RORB & Depreciation has been worked out based on investments allowed by the Authority.

5.10. On the issue of RoRB, the Petitioner mentioned that as per mechanism prescribed by the Authority in the MYT determination and in line with the discussions made in PYA under the head of RORB regarding 100% CWIP, deferred credit, KIBOR adjustment & capitalization of replaced meters, an amount of Rs.7,790 million has been calculated at the allowed level of investment for the FY 2023-24 as follows;

Mln. Rs.					
Description	2020	2021	2022	2023	2024
Fixed Assets	64,308	69,372	74,646	80,494	87,898
Addition	5,705	5,607	6,400	7,404	11,653
Fixed Assets C/B	70,013	74,979	81,046	87,898	99,551
Depreciation	23,022	25,437	28,043	30,891	34,097
Net Fixed Assets	46,991	49,542	53,003	57,007	65,454
Capital WIP C/B	8,063	8,343	9,251	11,711	12,324
Fixed Assets	55,054	57,885	62,254	68,718	77,778
Deferred Credit	20,658	22,306	25,465	28,624	29,769
Total	34,396	35,580	36,789	40,094	48,009
RAB		34,988	36,184	38,442	44,052
Rate		11	11	16	18
RORB		3,730	3,964	6,329	7,790
RORB for 6 months		1,865	1,982	3,165	3,895
Rate		11	13	18	18
RORB		3,797	4,742	6,798	7,790
RORB for 6 months		1,898	2,371	3,399	3,895
Total RORB		3,763	4,353	6,564	7,790



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5.11. It also stated that any under / (over) recovery will be accounted for in next indexation / adjustment request in respect of Deferred Credit & Meters Replaced on the availability of Audited Financial Statements for the respective years i.e. FY 2022-23 & 2023-24. The Petitioner during the hearing submitted that by following the directions, the RoRB has been worked out to be Rs.7,790 million based on the allowed level of investments, bi-annual KIBOR adjustments & return on 100% CWIP.

5.12. On the issue of Other income, the Petitioner mentioned that as per the mechanism for true up of Other Income, provided in its MYT Determination, and by considering the above, the Other Income for FY 2023-24 has been worked out to Rs.3,237 million based on the mechanism prescribed by the Authority, as under;

$$OI_{(Rev)} = OI_{(1)} + \{OI_{(1)} - OI_{(0)}\}$$

$$OI_{(1)} = \text{Actual Other Income for the FY 2021-22 is 2,908 Million}$$

$$OI_{(0)} = \text{Assessed Other Income for the FY 2022-23 is 2,579 Million}$$

$$OI_{(Rev)} = 2,908 + (2,908 - 2,579)$$

$$OI_{(Rev)} = 2,908 + 329 = 3,237$$

5.13. The Authority noted that GEPCO has been allowed a Multiyear tariff for a control period of 5 years starting from July 2020 till June 2025, wherein a mechanism for adjustment/ indexation of different components of the revenue requirement has been prescribed. The Authority also noted that adjustments/ indexations till FY 2022-23 have already been Petitioner. Accordingly, in line with the prescribed mechanism and as per the amended NEPRA Act, the Petitioner filed its adjustment/ indexation request with break-up of costs in terms of Distribution and Supply functions for the FY 2023-24 along-with its PYA workings.

5.14. A summary of the allowed adjustment/ indexation, as per the mechanism provided in the MYT determination of the Petitioner is as under;

#### **O&M EXPENSE**

5.15. The O&M part of Distribution Margin shall be indexed with CPI subject to adjustment for efficiency gains (X factor). Accordingly the O&M will be indexed every year according to the following formula:

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

Where:

$$O \& M_{(Rev)} = \text{Revised O\&M Expense for the Current Year}$$

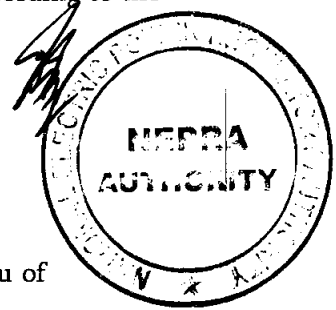
$$O \& M_{(Ref)} = \text{Reference O\&M Expense for the Reference Year}$$

$$\Delta CPI = \text{Change in Consumer Price Index published by Pakistan Bureau of}$$

$$X = \text{Efficiency factor}$$

5.16. Regarding Efficiency Factor, the Authority decided that;

*"...The Authority in line with its decisions in the matter of XWDISCOs which have been allowed MYTs, has decided to keep the efficiency factor "X", as 30% of increase in CPI for the*



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relevant year of the MYT control period. The Authority has further decided to implement the efficiency factor from the 3<sup>rd</sup> year of the control period..."

#### RORB

- 5.17. RORB assessment will be made in accordance with the following formula/mechanism:

$$RORB_{(Rev)} = RORB_{(Ref)} \times \frac{RAB_{(Rev)}}{RAB_{(Ref)}}$$

Where:

RORB<sub>(Rev)</sub> = Revised Return on Rate Base for the Current Year

RORB<sub>(Ref)</sub> = Reference Return on Rate Base for the Reference Year

RAB<sub>(Rev)</sub> = Revised Rate Base for the Current Year

RAB<sub>(Ref)</sub> = Reference Rate Base for the Reference Year

*"In addition the allowed RAB for previous year will be trued up downward only, keeping in view the amount of investment allowed for the respective year. In case, the Petitioner ends up making higher investments than the allowed, the same would be the Petitioner's own commercial decision and would not be considered while truing up the RAB, unless due to any regulatory decisions/interventions/approved plans for which the Petitioner obtains prior approval of the Authority. In such case the Authority may also revise the efficiency targets in terms of T&D losses etc.*

*The Authority also understands that interest payment is an obligatory cash flow liability unlike discretionary dividend payment and considering the fact that any default may hamper the financial position of the Petitioner, hence the Authority has decided to cover the risk of floating KIBOR. Accordingly, fluctuation in the reference KIBOR would be adjusted biannually. In addition, the Authority has also decided to allow sharing of benefit by introducing a claw back mechanism for any savings resulting from cheaper financing by the Petitioner to the extent of 2.00% spread. If the Petitioner manages to negotiate a loan below 2.00% spread, the savings would be shared equally between the consumers and the Petitioner through PYA mechanism annually. In case of more than one loan, the saving with respect to the spread would be worked out by a weighted average cost of debt. The sharing would be only to the extent of savings only i.e. if the spread is greater than 2.00%, the additional cost would be borne by the Petitioner."*

#### DEPRECIATION EXPENSE

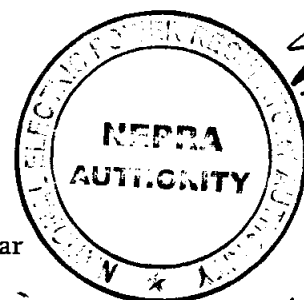
- 5.18. Depreciation expense for future years will be assessed in accordance with the following formula/mechanism:

$$DEP_{(Rev)} = DEP_{(Ref)} \times \frac{GFAIQ_{(Rev)}}{GFAIQ_{(Ref)}}$$

Where:

DEP<sub>(Rev)</sub> = Revised Depreciation Expense for the Current Year

DEP<sub>(Ref)</sub> = Reference Depreciation Expense for the Reference Year





GFAIO<sub>(Rev)</sub> = Revised Gross Fixed Assets in Operation for the Current Year  
GFAIO<sub>(Ref)</sub> = Reference Gross Fixed Assets in Operation for Reference Year

*"In addition the allowed Depreciation for previous year will be trued up downward only, keeping in view the amount of investment allowed for the respective year. In case, the Petitioner ends up making higher investments than the allowed, the same would be the Petitioner's own commercial decision and would not be considered while truing up the depreciation expenses, unless due to any regulatory decisions/interventions/approved plans for which the Petitioner obtains prior approval of the Authority. In such case the Authority may also revise the efficiency targets in terms of T&D losses etc. "*

#### OTHER INCOME

- 5.19. Other income will be assessed in accordance with the following formula/mechanism:

$$OI_{(Rev)} = OI_{(1)} + (OI_{(1)} - OI_{(0)})$$

Where:

OI<sub>(Rev)</sub> = Revised Other Income for the Current Year  
OI<sub>(1)</sub> = Actual Other Income as per latest Financial Statements.  
OI<sub>(0)</sub> = Actual/Assessed Other Income used in the previous year.

*"...the other income would be trued up every year ... "*

#### Salaries & Wages

*"The reference costs shall be adjusted every year with the increase announced by the GoP, being beyond the Petitioner's control, for the respective year till the time the Petitioner remains in the public sector. In addition a 5% increase as requested by the Petitioner would be allowed on the amount of Basic pay to account for the impact of annual increment..."*

#### Post-Retirement Benefits

*"Post-retirement benefits would be allowed based on the actuarial valuation report for the year for which assessment is being made or as per the latest available audited financial statements. It would be mandatory for the Petitioner to deposit the whole amount of allowed Post retirement benefits into the separate Fund and route all its pension payments through the Fund. If the Petitioner fails to transfer the whole amount of postretirement benefits into the Fund, the Authority would adjust the deficit payments in the next year's provision and from thereon, only actual amounts paid and amount transferred into the fund would be allowed."*

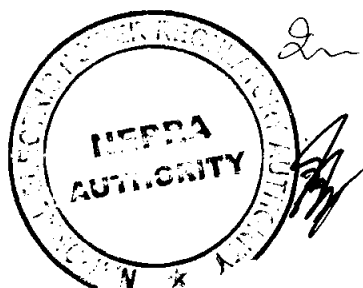
- 5.20. Regarding adjustment of Salaries, Wages & Other Benefits, the Authority observed that the Petitioner was allowed upfront Indexation/adjustment for FY 2021-22 and FY 2022-23, considering the fact by the time the given MYT's were to be notified by the Federal Government, the FY 2022-23, would have started. The relevant extract of the Authority's decision dated 02.06.2022, is as under;



**Upfront Indexation/adjustment for the FY 2021-22 and FY 2022-23**

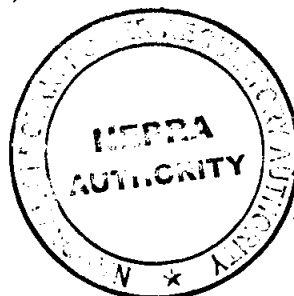
The Authority also understands that by the time the instant decision is notified, the FY 2021-22 would have elapsed and the FY 2022-23 would have started. Meaning thereby that tariff indexation/adjustment for the FY 2021-22, which ideally should have been allowed in July 2021 would have become overdue, and the indexation/adjustment for the FY 2022-23 would also have become due. In view thereof, and in order to ensure timely recovery of the allowed cost to the Petitioner, the Authority has decided to allow the indexation/adjustment for the FY 2021-22 and the FY 2022-23, upfront in the instant decision as per the adjustment /indexation mechanism provided in this determination. However, the impact of under/ over recovery due to indexation/ adjustment for the FY 2021-22 would be allowed / adjusted subsequently as part of future PYA.

- 5.21. With above upfront indexation, the Salaries, wages & Other Benefits determined for the FY 2022-23, have now become reference for indexation to be allowed for the FY 2023-24. However, it is also a fact that all these decisions were issued on 02.06.2022, when increases in Salaries, wages & Other Benefits announced in the Federal Budget for the FY 2022-23, were not available. Therefore, while allowing the salaries, wages & other benefits for the FY 2022-23, a projected increase in salaries, wages & other benefits was allowed. The Federal Government subsequently allowed various increases in salaries, wages & other Benefits for the FY 2022-23, vide notification dated 01.07.2022.
- 5.22. In view thereof, revised detail of salaries, wages & other benefits, after including therein the allowed increase as per the Federal Government notification dated 01.07.2022, were obtained from the Petitioner for the FY 2022-23. The same has been reported as Rs.11,986 million against the allowed amount of Rs.10,556 million. Accordingly, while assessing salaries, wages & other benefits for the FY 2023-24, the revised cost of Rs.11,986 million for the FY 2022-23, as provided by the Petitioner, has been used as reference. Further, the impact of differential due to revision of Salaries, wages & Other Benefits for the FY 2022-23, based on data provided by the Petitioner, has been allowed as part of PYA, which works out as Rs.1,430 million.
- 5.23. Here it is also pertinent to mention that the Petitioner has also claimed cost for employees allocated to it from GENCOs. The Authority understands that such employees have been allocated to the Petitioner in light of decision of ECC dated 23.09.2021, are currently drawing their salaries from DISCOs. The impact of such payments has also been included by the Petitioner in its Pay and Allowance cost for the FY 2022-23. Since the revised salaries, wages & other benefits cost as provide by the Petitioner for the FY 2022-23 includes impact of all working employees including MIRAD employees hired till date & GENCO employees allocated to the Petitioner, and have been used as reference for projection of salaries, wages & other benefits cost for the FY 2023-24, therefore, no further adjustment on account of MIRAD hiring and GENCO employees transferred to the Petitioner would be allowed.
- 5.24. It is further clarified that of Salaries, wages & Other benefits cost of GENCOs employees have been provisionally included in the Pay & Allowance cost of the Petitioner, with the direction to provide proper details of employees allocated to it by providing proper employee wise details,

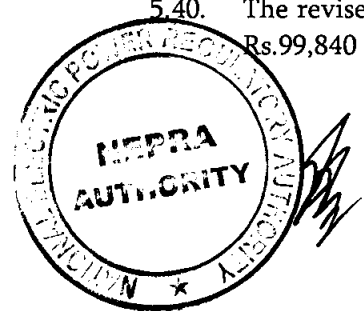


their pay scales, terms of adoption, approvals of competent authority for such adoption and placement details along-with their financial impact.

- 5.25. Here it is also clarified that the revised amount being allowed under salaries, wages & other benefits for the FY 2022-23 shall be considered as upper cap, subject to downward adjustment only, once the Audited accounts of the Petitioner for FY 2022-23, are available.
- 5.26. Based on the above discussion & by taking into account the revised numbers for the FY 2022-23, the following increases as announced by the Federal Government in Budget 2024, have been incorporated to project Salaries, Wages & Other Benefits for the FY 2023-24;
- Adhoc relief allowance @ 32.5% on avg. - 30% (BPS-17-22) & 35% (BPS 1-16)
  - Annual increment @ 5% of basic pay for 7 months
  - Adhoc relief allowance FY 2021-22 revised based on revised basic pay scale
- 5.27. Accordingly, for the FY 2023-24, the total Salaries, Wages & Other Benefits (excluding post-retirement benefits) of the Petitioner have been worked out as Rs.13,702 million for both the distribution and supply of power functions. In case any subsequent revision is announced by the Federal Government in the Pay & Allowances for the FY 2023-24, the same would be considered in the next adjustment/ indexation request.
- 5.28. In order to bifurcate the allowed cost of Salaries, Wages and other benefits costs in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used.
- 5.29. Regarding Post-retirement Benefits, the Authority allowed provision for post-retirement benefits to the Petitioner in the MYT tariff determination, with the direction to deposit the whole amount of allowed Post retirement benefits into the separate Fund and route all its pension payments through the Fund. If the Petitioner fails to transfer the whole amount of postretirement benefits into the Fund, the Authority would adjust the deficit payments in next year's provision and from thereon, only actual amounts paid and amount transferred into the fund would be allowed.
- 5.30. The Authority noted that the Petitioner was allowed a total amount of Rs.35.5 billion under the head of post-retirement benefits including Rs.10.5 billion, Rs.11.9 billion and Rs.13.1 billion for the FY 2020-21, FY 2021-22 and FY 2022-23 respectively in its MYT determination dated 02.06.2022. However, the PYA, allowed in the MYT dated 02.06.2022, was only calculated till the FY 2020-21, therefore, differential of the amount allowed for the FY 2021-22 and the amount recovered during the FY 2021-22, was not included in the PYA.
- 5.31. Since the said tariff was notified w.e.f. 25.07.2022, therefore, the Petitioner is supposed to recover around Rs.27 billion till 24.07.2023, assuming recovery of post-retirement benefits in the FY 2021-22, based on the tariff that remained notified in the FY 2021-22. Further, the Petitioner has also paid actual post-retirement benefits of around Rs.10.9 billion during the FY 2020-21, FY 2021-22 and FY 2022-23 (till April 2023). Moreover, the amount available in the Pension Fund as of March 2023, is around Rs.5.2 billion, as per the information provided by the Petitioner.



- 5.32. Although, as per the above workings, the Petitioner has not deposited sufficient amount in the Fund, however, the FY 2022-23 has not yet lapsed. Therefore, any deduction on account of non-deposit of required amount in the Fund at this stage may not be fair, hence the Authority has decided to make any such adjustment, if required, once the recovery period of the allowed amount is completed.
- 5.33. Regarding assessment of post-retirement benefits for the FY 2023-24, the determination provides that it would be allowed based on the actuarial valuation report for the year for which assessment is being made or as per the latest available audited financial statements. As per the latest audited financial statements of the Petitioner i.e. for the FY 2021-22, the provision for post-retirement benefits is Rs.9,227 million. The same is being allowed to the Petitioner for the FY 2023-24, for both the distribution and supply of power functions.
- 5.34. In order to bifurcate the allowed cost of Post-retirement benefits in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used.
- 5.35. Regarding Other O&M expenses, the MYT tariff determination requires the same to be indexed with NCPI of December for the respective year after adjustment for the X factor i.e. 30% of CPI. Accordingly, for indexation of other O&M expenses for the FY 2023-24, the NCPI of December 2022 has been considered. The same as reported by Pakistan bureau of Statistics is 24.47%. With this NCPI, and after accounting for the X-factor, the Other O&M cost of the Petitioner for the FY 2023-24 works out as Rs.3,464 million based reference cost of Rs.2,957 million.
- 5.36. Here it is pertinent to mention that NEPRA has also imposed Supplier License fee on the Petitioner from FY 2021-22 onward, however, the said cost is not part of the reference cost allowed to the Petitioner under Other O&M expenses. Accordingly, while working out the other O&M cost of the Petitioner for the FY 2023-24, the fee billed by NEPRA on account of Supplier license has been included in the reference cost of Other O&M expenses for the FY 2022-23. Further, the fee for the FY 2021-22 and FY 2022-23, not previously allowed to the Petitioner has also been included as part of PYA. The amount on account of supplier license fee for the FY 2021-22 and FY 2022-23, included in the PYA, has been worked out as Rs.29.44 million & 36.15 million respectively.
- 5.37. Based on the above discussion, the total Other O&M cost of the Petitioner for the FY 2023-24, including Supplier License Fee, works out as Rs.3,506 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.
- 5.38. In order to bifurcate the allowed cost of Other O&M expenses in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used.
- 5.39. Regarding Depreciation expenses, the same are required to be worked out based on the Revised Gross Fixed Assets in Operation (GFAIO) for FY 2023-24, to be calculated based on Investment allowed for the FY 2023-24. Further,
- 5.40. The revised Gross Fixed Assets in Operation of the Petitioner for the FY 2023-24 works out as Rs.99,840 million, after including therein the impact of allowed investment for the FY 2023-24



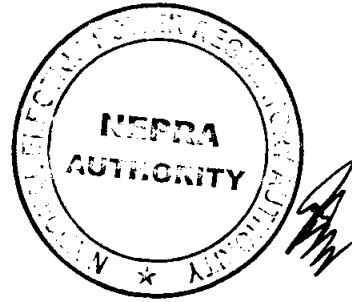
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i.e. Rs.12,266 million. Accordingly, as per the allowed mechanism the total depreciation expense of the Petitioner for the FY 2023-24 works out as Rs.3,235 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.

- 5.41. In order to bifurcate the allowed cost of depreciation expenses in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used.
- 5.42. In addition the mechanism given in the MYT, also provides that the allowed Depreciation for previous year will be trued up downward only, keeping in view the amount of investment allowed for the respective year. In view thereof, the depreciation cost allowed for the FY 2020-21 & FY 2021-22, has been made trued up and made part of PYA of the Petitioner for the FY 2023-24 as under;

Description	GEPCO
Allowed Depreciation FY 2021	2,415
Actual Depreciation FY 2021	2,414
Downward True up Adj. as PYA	- 1
Allowed Depreciation FY 2022	2,606
Actual Depreciation FY 2022	2,613
Downward True up Adj. as PYA	-



- 5.43. Here it is clarified that the Authority is in the process of evaluating the investments actually carried out by the Petitioner, whether the same in line with the allowed investment plan or otherwise. Therefore, for the purpose of truing up of Depreciation expenses for the FY 2020-21 & FY 2021-22, depreciation expense as reported in Audited/ provisional financial statements of the Petitioner have been considered, , keeping in view the mechanism prescribed in the MYT determination. Any adjustment based on the final evaluation of the Authority, if required, would be made in next adjustment/indexation request of the Petitioner.
- 5.44. Regarding RoRB, the reference RoRB is required to be adjusted every year based on the amount of RAB worked out for the respective year after taking into account the amount of investment allowed for that year, as per the mechanism provided in the MYT. Further, the Authority in the MLR decision of the Petitioner dated 12.01.2023, decided to allow WACC by including 100% balance of CWIP in the RAB instead of allowing ROE component only to the extent of 30% of CWIP balance.
- 5.45. Accordingly, the revised RAB of the Petitioner for the FY 2023-24, based on the Investment allowed for the FY 2023-24, and incorporating therein 100% balance of CWIP, works out as Rs.49,889 million. The average RAB of the Petitioner however, for the purpose of calculation of RoRB, works out as Rs.45,894 million for the FY 2023-24.
- 5.46. Here it is pertinent to mention that the Authority vide determination dated 02.06.2022, allowed adjustments on account of variation in KIBOR on biannual basis. Considering the fact that prevailing KIBOR rates are very high and the rates built in the reference are much lower, the Authority has decided to provisionally incorporate the prevailing KIBOR of 22% as of

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07.06.2023 in the calculation of WACC for the FY 2023-24. By taking into account the KIBOR of 22%, the WACC for the FY 2023-24 works out as 21.14%, as per the formula given in the MYT determination. The same would be adjusted subsequently once the actual KIBOR and Audited accounts of the Petitioner for the FY 2023-24, are available for true up of RORB.

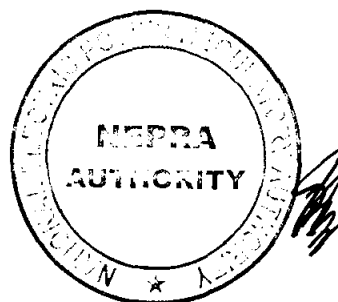
- 5.47. Based on the above discussion, the total RoRB of the Petitioner for the FY 2023-24 works out as Rs.9,703 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.
- 5.48. In order to bifurcate the allowed RoRB in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used.
- 5.49. In addition the mechanism also provides that the allowed RAB for previous year will be trued up downward only, keeping in view the amount of investment allowed for the respective year. Further, the variations on account of KIBOR are also required to be allowed on biannual basis. In view thereof, the RoRB cost allowed for the FY 2020-21 & FY 2021-22, has been trued up and made part of PYA of the Petitioner for the FY 2023-24, on both these accounts as under;

Description	GEPCO
Allowed RORB FY 2021	3,186
Actual RORB FY 2021 (capped to the extent of allowed Investment)	3,443
True up Adj. as PYA	257

Allowed RORB FY 2022	3,554
Actual RORB FY 2022 (capped to the extent of allowed Investment)	4,290
True up Adj. as PYA	736

Description	GEPCO
Allowed KIBOR FY 2021	7.03%
Actual KIBOR 02.07.2020	7.03%
Actual KIBOR 04.01.2021	7.30%

Allowed KIBOR FY 2022	7.03%
Actual KIBOR 02.07.2021	7.45%
Actual KIBOR 04.01.2022	10.52%



- 5.50. Here it is pertinent to mention, that amount of investments appearing in the financial statements has been restricted to the extent of allowed investment.
- 5.51. The Authority in MLR decision while allowing RORB on 100% balance of CWIP also directed DISCO to disclose the amount of Interest during Construction (IDC) separately in their financial statements. However, while going through the Financial Statements of the Petitioner, it was observed that the Petitioner has not separately disclosed the amount IDC. Therefore, the amount of adjustment being allowed as part of PYA is purely on provisional basis, subject to downward adjustment based on the amount of IDC reflected in the financial statements of the Petitioner. In case the Petitioner fails to reflect the amount of IDC in financial statements, the Authority may consider not to allow RORB on 100% balance of CWIP. The Petitioner is, therefore, again directed to provide the

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IDC amount for FY 2020-21 onward and reflect the same in its Audited Financial Statements as well.

- 5.52. It is also clarified that the Authority is in the process of evaluating the investments actually carried out by the Petitioner, whether the same in line with the allowed investment plan or otherwise. Therefore, for the purpose of truing up of RAB for the FY 2020-21 & FY 2021-22, investments as reported in the Audited/ provisional financial statements of the Petitioner, have been considered. However, the amount of investment appearing in the financial statements has been restricted to the extent of allowed investment. Any adjustment based on the final evaluation of the Authority, if required, would be made in next adjustment/indexation request of the Petitioner
- 5.53. Regarding Other Income, the same has been adjusted as per the mechanism provided in the MYT determination for the FY 2023-24. The same for the FY 2023-24 works out as Rs.3,491 million for the Petitioner. Further, the MYT determination also provides truing up of Other Income every year. Accordingly, the allowed Other income for the FY 2021 & FY 2022, has also been trued up based on Audited/Provisional Financial statement of the Petitioner for the FY 2021 & FY 2022 resulting in positive adjustment of Rs.845 million and Rs.912 million respectively. The same has been made part of PYA for the FY 2023-24.
- 5.54. The Prior Year Adjustment includes the impact of variation in the following, based on the Authority's allowed benchmarks of T&D losses and recoveries;
- ✓ Impact of Negative/Positive FCAs not passed on/recovered
  - ✓ Under/Over Recovery of allowed Quarterly Adjustments
  - ✓ Under/Over Recovery of the assessed DM
  - ✓ Under/Over Recovery of the previously assessed PYA
  - ✓ Cost allowed in Motion for Leave for Review
  - ✓ Sales Mix Variance
  - ✓ Adjustment of excess LPS over supplemental charges
  - ✓ MYT True ups
- 5.55. The Petitioner has requested the following PYA for the FY 2023-24;



*Decision of the Authority in the matter of request filed by GEPCO for  
Adjustment / Indexation of Tariff for the FY 2023-24 under the MYT*

Sr. No.	Description	Rs. in Million
A.1	<b>Over Recovery:</b>	
A.1.1	Impact of Quarterly Adjustments	(526)
A.1.2	Distribution Margin FY 2021-22	(6,428)
A.1.3	Other Income FY 2020-21 & 2021-22	(625)
A.1.4	PYA FY 2019-20	(35)
<b>Total Over Recovery</b>		<b>(7,614)</b>
A.2	<b>Under Recovery:</b>	
A.2.1	Minimum Tax Paid FY 2019-20 to 2021-22	5,834
A.2.2	Sales Mix Variance FY 2020-21 & 2021-22	3,452
A.2.3	PM Assistance Package	397
A.2.4	LPS Charged by CPPA-G FY 2020-21 & 2021-22	300
A.2.5	Return on Rate Base (RORB) FY 2020-21 to 2022-	5,738
A.2.6	Salaries, Wages & Other Benefits FY 2022-23	1,430
A.2.7	Unrecovered Cost of FPA (50-350 units) FY 2013-14	3,394
<b>Total Under Recovery</b>		<b>20,544</b>
<b>Net under Recovery</b>		<b>12,930</b>

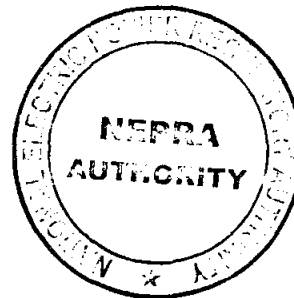
5.56. The Petitioner also provided its calculations under each head as mentioned hereunder;

**Quarterly Adjustments:**

Description	Rs. in Million
<b>Under Recovery:</b>	
1st & 2nd Quarter 2018-19	81
3rd & 4th Quarter 2018-19	7
Interim DM FY 2018-19	17
1st Quarter 2019-20	8
2nd & 3rd Quarter 2019-20	709
4th Quarter 2019-20	340
3rd Quarter 2020-21	4
3rd Quarter 2021-22	171
<b>Total</b>	<b>1,337</b>
<b>Over Recovery:</b>	
1st Quarter 2020-21	(13)
2nd Quarter 2020-21	(11)
4th Quarter 2020-21	(439)
1st Quarter 2021-22	(23)
2nd Quarter 2021-22	(1,377)
<b>Total</b>	<b>(1,862)</b>
<b>Net</b>	<b>(526)</b>

**Distribution Margin**

Description	2021	2022	Total
DM Allowed inclusive of Retirement Provision	23,306	27,155	50,461
Retirement Provision**	(10,213)	(11,937)	(22,150)
DM Allowed exclusive of Retirement Provision	13,093	15,218	28,311
Payments to retired employees	3,643	4,238	7,881
Transfer to Retirement Fund	-	-	-
Revised DM	16,736	19,456	36,192
DM Recovered	15,701	20,055	35,756
Under / (Over) Recovery	1,035	(599)	436
DM Already Allowed in MYT as PYA	(6,864)	0	(6,864)
Actual Under / (Over) Recovery	(5,829)	(599)	(6,428)



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### Other Income

Description	2020-21	2021-22	Total
Allowed Amount	(2,549)	(2,481)	(5,030)
As per Audited FS	(2,747)	(2,908)	(5,655)
Under/(Over) Recovery	(198)	(427)	(625)

### PYA for FY 2019-20

Description	Rs. In Million
Allowed Amount	(3,364)
Recovered from Consumers	(3,329)
Under / (Over) Recovery	(35)

### Minimum Tax Paid FY 2017-18 to 2021-22:

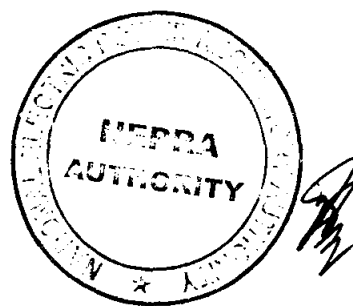
Description	Rs. In Million
Minimum Tax 2017-18 Paid (already allowed Rs. 1,182 M)	
Minimum Tax 2018-19 Paid (already allowed Rs. 1,404 M)	
Minimum Tax 2019-20 Paid	1,492
Minimum Tax 2020-21 Paid	1,975
Minimum Tax 2021-22 Paid	2,367
Total	5,834

### Assessment of minimum Tax U/S 113 / 147 of IT Ordinance:

Description	TY 2018	TY 2019	TY 2020	TY 2021	TY 2022
Description	Rs. In Million				
Revenue / Sale of Electricity	93,658	128,682	124,990	142,647	216,603
Subsidy	28,477	24,213	28,418	22,663	18,006
Other Income	2,066	2,019	3,019	3,413	3,689
Turnover	124,202	154,914	156,427	168,722	238,297
Rate of Minimum Tax	1.25%	1.25%	1.50%	1.50%	1.25%
GEPCO s' Liability	1,553	1,936	2,346	2,531	2,979

### Booking of above Paid Minimum Tax

Description	TY 2018	TY 2019	TY 2020	TY 2021	TY 2022
As Expense (0.25% as Fast-Moving Goods)	234	265	342	369	544
As Receivable (1.25% - 0.25% due to litigations)	947	1,136	1,150	1,606	1,823
Total Tax Paid	1,182	1,401	1,492	1,975	2,367



5.57. The Petitioner further stated that it is contesting the issue of tax with FBR on the following grounds:

- Minimum Tax is not payable on Other Income;
- Minimum Tax is not payable on Subsidy;
- Rate of Min. Tax should be 0.25% as electricity falls under category of Fast-Moving Consumer Goods;

5.58. The Petitioner further submitted that if matter is decided in favor of GEPCO, then the amount of receivable will become due from FBR (which is already booked in FS) but if the matter is

*Dr. M. M. Iqbal*

decided against GEPCO, then this amount from receivables will be transferred to Prior year Tax expense in the Statement of Profit and loss but it is necessary to make payment in order to avail the right of appeal being admitted tax liability. The relevant extract of Note No. 9 of the Financial Statements for FY 2021-22 reflects clearly that the payments made under protest as advance;

9 TAX REFUNDS DUE FROM THE GOVERNMENT

Income tax refundable

9.1	11,932,108,064	9,921,232,855
	<u>11,932,108,064</u>	<u>9,921,232,855</u>

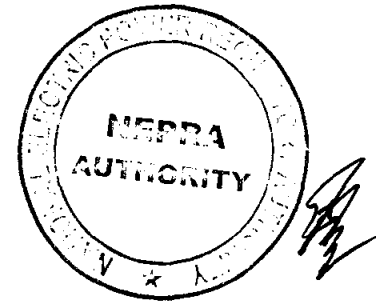
- 9.1 Since past many years, the Company is paying advance income tax under protest on the basis of 1.25%/1.5% of total revenue u/s 113. However, as referred in Note 21, the Company has made provision @ 0.25% of its turnover and is in appeals at different forums against orders of FBR.

**Sales Mix Variance FY 2020-21 & 2021-22**

Description	Rs. In Million
FY 2020-21	4,791.59
FY 2021-22	(1,340.08)
Total	3,451.51

**LPS under recovery/ adjustment for FY 2020-21 & 2021-22:**

Rs. in Million			
FY	LPS Collected-Consumer	LPS Charged-CPPAG	Difference
2020-21	1,681.629	1,949.707	268.078
2021-22	1,790.241	1,821.890	31.649
Total	3,471.870	3,771.597	299.727



**PM Assistance Package**

- 5.59. The Petitioner submitted that it has requested an amount of Rs.990 million on account of Prime Minister's Assistance Package for families of employees who died during service. The said amount was included in the Prior Period Adjustments in the Tariff Petition for FY 2019-20. However, the Authority had observed that the Petitioner has not submitted any details in terms of the period to which this amount pertains, and the employee wise details of the amounts paid. Therefore, the Authority is constrained not to consider this cost unless the Petitioner provides the necessary details in this regard. The Petitioner further submitted that in compliance to the Authority's direction, complete employee wise details of payments are provided containing the HRIS Code, Name of Employee, Father Name, Designation, BPS, Date of Death, and Financial Benefits etc. The Petitioner accordingly requested an amount of Rs.397.081 million to redress the grievances of bereaved families of deceased employees, who approaching through different channels for payment of their entitled assistance package including direct application to the Petitioner management, complaints to Wafaqi Mohtasib, complaints at PM's Performance Delivery Unit (PMDU) etc.

**Return on 100% CWIP instead of 30%**

- 5.60. The Petitioner submitted that the Authority in the MYT Determination allowed return on 30% of CWIP instead of 100% CWIP. However, in the Leave for Motion Decision, the Authority

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acknowledged the stance of the Petitioner to allow return on 100% CWIP. The total impact of aforesaid variation works out to Rs.1,709 million. The Petitioner provided the following break-up of the requested amount;

Description	Rs. in Million			
	2021	2022	2023	Total
RORB as per MYT Determination	2,659	2,945	3,338	8,942
Revised RORB (after Adjustments of CWIP, Deferred Credit, KIBOR & Meter Replacement Cost)	3,763	4,353	6,564	14,680
Increase in RORB	1,104	1,408	3,226	5,738
The Breakup of Increase is due to the followings:				
a) Return on 100% CWIP	512	560	637	1,709
b) Revised Deferred Credit	506	402	197	1,105
c) KIBOR Bi-Annual Adjustment	33	393	2,345	2,772
d) Inclusion of Cost of Meters R&M (Audited)	52	53	47	153
Total Addition	1,104	1,408	3,226	5,738

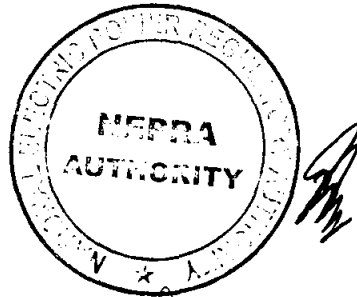
**Inclusion of Security deposit into deferred credit**

- 5.61. The Petitioner further submitted that the Authority while calculating RORB in the MYT has included Security Deposits into Deferred Credit resulting into reduction in RORB. The Authority has compared the amount of Security Deposits with the Cash & Bank Balance and completely ignored the amount of Security Deposits invested in TDRs shown under Short Term Investments instead of Cash & Bank Balances. Specific disclosure has also been made under the head Security Deposits in the Financial Statement regarding investment of these funds into TDRs. The Petitioner stated that by using the Audited amount of Deferred credit, an amount of Rs.1,105 million for the FY 2021 to 2023 has been worked out as PYA. The figure of Deferred Credit for FY 2023 has been provisionally incorporated and any under / over recovery will be claimed in next adjustment request upon availability of Audited Financial Statements for FY 2022-23.

**Bi-Annual adjustment of KIBOR**

- 5.62. The Petitioner on the issue stated that as per the MYT determination in respect of KIBOR adjustments "the Authority has decided to cover the risk of floating KIBOR and accordingly, fluctuation in the reference KIBOR would be adjusted biannually." Further, as per MLR decision the Authority has already decided to allow fluctuation in the reference KIBOR, to be adjusted biannually. In compliance with the aforesaid, the Bi-annual KIBOR and corresponding WACC are as follows;

Dates	KIBOR Rate	WACC
03.07.2020	7.03%	10.66%
04.01.2021	7.30%	10.85%
02.07.2021	7.45%	10.96%
04.01.2022	10.52%	13.11%
01.07.2022	15.32%	16.47%
03.01.2023	17.06%	17.68%



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- 5.63. By incorporating the above KIBOR rates, an amount of Rs.2,772 million has been requested as PYA by the Petitioner.

**R&M of Meters to be allowed as CAPEX**

- 5.64. The Petitioner submitted that the audited figures of cost of replacement meters are as follows and the Authority is requested to allow the same being legitimate expenditure incurred for timely recovery of costs.

Rs. in Mln		
2020	2021	2022
641	333	552

- 5.65. The Petitioner submitted that the additional impact on RORB by considering the above amounts in Assets addition has been calculated to the tune of Rs.153 million. It also stated that the Authority issued the direction for capitalization of aforesaid cost in the MYT determination dated 02.06.2022, at the time when the Financial Year 2022 almost ended and external Audit was in progress and books of account have been closed. However, from the 1<sup>st</sup> July, 2022 for the FY 2022-23, replacement cost of meters has been started to be capitalized instead of expensing out and the same will be shown as part of CAPEX in Financial Statements for FY 2022-23 and the previous years will be reclassified accordingly.

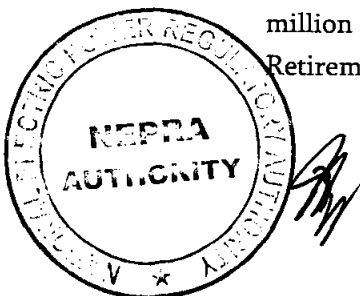
**Salaries, Wages & Other Benefits**

- 5.66. The Petitioner has calculated the under recovered amount to the tune of Rs.1,430 million under the head of Salaries, wages & other benefits for the FY 2022-23 as under;

Description	Mln. Rs.
Amount allowed for FY 2022-23	10,556
Provisional amount for FY 2022-23 (to be allowed)	11,986
<b>Under Recovery</b>	<b>1,430</b>

- 5.67. The Petitioner has also requested an amount of Rs.543 million on account of following reasons under the head of Salaries, wages & other benefits;

- An amount of Rs.543 million was part of Salaries, Wages & Other Benefits for FY 2019-20, however, the same was considered as Provision for Retirement Benefits based on Audited Financial Statements of GEPCO. The total expenditure under the head salaries, wages and other benefits is Rs.17,896 million as per Note No. 25 & 26 of Financial Statements:
- The total amount of provision for retirement benefits is Rs.10,851 million as per disclosure made at para 25.1 & 26.1 of the Financial Statements.
- The Authority in the MYT determination calculated the base figure for Salaries, wages & other benefits to the tune of 7,744 million (17,896 – 10,851).
- Rs.10,851 million is the total provision for the year out of which an amount of Rs.543 million was allocated to CWIP as evident from Note No. 18.2.3 regarding Post-Retirement Benefits.



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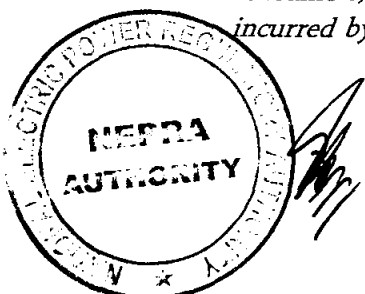
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- Further, the GOP announced increases i.e., 15% Ad-hoc Relief for FY 2022-23, Scales Revisions, Impact of Point-to-Point Fixation of Pay, 15% DRA and average inflation, has been considered for provisional amount of FY 2022-23.
- An amount of Rs.10 million is being claimed for DG MIRAD hired on lump sum pay.

**Unrecovered Cost of FPA (51-350 Units) FY 2012-13:**

- 5.68. The Petitioner submitted that the issue of unrecovered cost of FPA (51-350 units) of Rs.3,394 million was claimed as PYA in Tariff Petition for FY 2019-20, however, the Authority did not consider the request of the Petitioner. The Petitioner further mentioned that it has neither mentioned that this amount is a subsidy, rather explained its case that when the FPA allowed by the Authority has not been recovered from the consumers in 2013, it brought the amount to the Authority to be allowed as PYA. However, it is the Authority's direction to claim it from the Govt. as subsidy whereas the Govt. has also not acknowledged the same. Therefore, it is again reiterated that being a legitimate cost, which is still unrecovered from the consumers as well as from the Government. As the amount of Rs.3,394 million has neither been received from the consumers nor from the Government. The Authority may allow it as PYA to be recovered from the consumers.
- 5.69. The Authority has considered the submissions of the Petitioner regarding PYA and point wise discussion is as under.
- 5.70. On the issue of minimum tax, the Authority in the MYT determination of the Petitioner decided as under;
- "Regarding minimum Tax, the Authority while going through the financial statements of the DISCOs including the Petitioner, has observed that significant amount of tax refund is appearing from FBR. In view thereof, the Authority has decided to allow actual tax paid by the Petitioner net off of the amount of Tax Refund outstanding from FBR, if any, once the Petitioner provides detail of actual tax assessments vis a vis tax paid for the last five years. Accordingly, the Petitioner is directed to provide details of actual tax assessments, tax allowed and the amount of tax paid for the last five years."*
- 5.71. Since the Petitioner has complied with the direction of the Authority and provided the details of actual tax assessments vis a vis tax paid for the last five years, therefore, the amount of minimum tax of Rs.5,834 million, is being allowed to the Petitioner as part of PYA for FY 2023-24. However, the amount is being allowed on provisional basis, subject to adjustment based on the final outcome of the proceedings being carried out by the Petitioner against FBR.
- 5.72. Regarding PM assistance package, the Authority in the MYT determination dated 02.06.2022, decided that;

*"Regarding PM assistance package, the Authority in principle agrees with the request of the Petitioner to allow the Prime Minister Assistance Package as announced by the Federal Government for the families of employees who died during service. However, for the requested amount, the Authority considers that allowing any such costs, upfront would be unfair with the consumers, therefore, the Authority may consider such costs once the actual expenditure is incurred by the Petitioner. Therefore, the Petitioner is required to provide employees name,*



*Dr. M. A. Khan*

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*CNIC number, designation, date of death, along with the financial impact, etc. once the actual payment is made, in its next tariff petition/adjustment request for consideration of the Authority."*

- 5.73. Although the petitioner has provided detail of employees who died during the service along-with other relevant particulars, however, as per the decision the Authority may consider such costs once the actual expenditure is incurred by the Petitioner. Therefore, the Petitioner is required to provide employees name, CNIC number, designation, date of death, along with the financial impact, etc. once the actual payment is made, in its next tariff petition/adjustment request for consideration of the Authority, along-with payment proof. In view thereof, the request of the Petitioner on account of PM Package is not accepted.
- 5.74. Regarding excess supplemental charges, the Authority has already decided to allow DISCOs to retain LPS to the extent of supplemental charges billed by CPPA-G. In case supplemental charges billed by CPPA-G are lower than the LPS, than any amount of supplemental charges over and above the supplemental charges are adjusted back as part of PYA on yearly basis. Any supplemental charges over and above the LPS are not allowed by the Authority. As per the Financial statements of the Petitioner for the FY 2021-22, it has charged an LPS of Rs.2,021.52 million from the consumers, whereas the amount billed by CPPA-G on account of supplemental charges for the FY 2021-22 is Rs.1,821.89 million. Accordingly, an amount of Rs.199.63 million has been adjusted back as part of PYA for the FY 2023-24.
- 5.75. Regarding allowing cost of meters as CAPEX, the Authority in MYT determination of the Petitioner dated 02.06.2022 decided as under;
- "The Authority noted that the Petitioner instead of capitalizing the cost of meters is expensing out the same, therefore, while assessing the R&M costs of the Petitioner for the FY2020-21, the Authority has excluded the amount related to Meters from the actual cost of R&M of the Petitioner for the FY2019-20. The Petitioner is directed to capitalize the cost of meters instead of expensing out the same."*
- 5.76. The Authority further in the MLR decision of the Petitioner dated 12.01.2023, decided that;
- ".... the Petitioner has already been directed to ensure proper classification of cost of meters as part of CAPEX in its audited accounts for the FY 2021-22 and restating its Audited accounts for the FY 2020-21. Once the Audited account of the Petitioner for the FY 2021-22 are available with cost of meters reflected as part of CAPEX, the Authority may consider to allow RoRB on the said amount as part of PYA, in the upcoming adjustments/indexation of the Petitioner for the FY 2023-24, to be filed in February 2023."*
- 5.77. The Authority noted that the Petitioner has not complied with the direction of the Authority in terms of classification of cost of meters as part of CAPEX in its audited accounts for the FY 2021-22, despite the fact that MYT decision was issued on 02.06.2022. In view thereof, the Authority would consider the request of the Petitioner once the Petitioner complies with the direction of the Authority.
- 5.78. Regarding unrecovered cost of FPA for the FY 2012-13 from 51-350 units, the Authority noted that this issue was also raised by the Petitioner in its MYT petition, but the same was declined

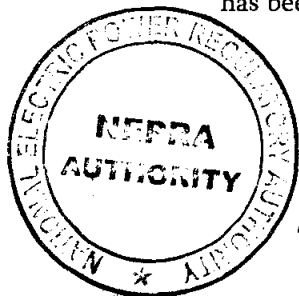


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by the Authority. Therefore, request of the Petitioner is out of scope of MYT adjustment/indexation mechanism, hence declined.

- 5.79. Regarding Sales mix, the Authority noted that although DISCOs have submitted their workings for sales mix for the FY 2020-21 and FY 2021-22, however, scrutiny of the data shows different anomalies in the provided data. The Authority has therefore, carried out its own working in the matter and the amount so worked out is being allowed to the Petitioner on provisional basis, with the direction to the Petitioner to provide the reconciled date of sales mix with its reported revenue as per audited financial statement of the respective year. In case any variation is observed at a later stage in the submitted data, the same would be adjusted as part of PYA subsequently.
- 5.80. For the FY 2020-21, FY 2021-22 and FY 2022-23 (till Dec. 22), the Authority has accounted for the impact of positive FCA on life line consumers based on the information provided by the Petitioner.
- 5.81. The Authority in line with its earlier decision in the matter of negative FCA, has calculated the impact of negative FCA pertaining to the FY 2020-21, FY 2021-22 and FY 2022-23 (till Dec. 22) in the matter of lifeline consumers, domestic consumers (consuming up-to 300 units) and Agriculture Consumers which has been retained by the Petitioner. The Authority has also worked out the impact of positive FCAs not recovered by the Petitioner from life line consumers during the same period. The workings have been carried out based on the information provided by the Petitioner. The Authority also considered the relevant clauses of the S.R.O. 189 (1)/2015 dated March 05, 2015 issued by GoP and the amount of subsidy claims filed by the Petitioner for these periods.
- 5.82. After considering all the aforementioned factors, the Authority observed that the Petitioner has retained a net amount of Rs.455 million on account of negative FCA for these periods, pertaining to the lifeline consumers, domestic consumers (consuming up-to 300 Units) and Agriculture Consumers, which is still lying with the Petitioner. The Authority also considered the amount of subsidy claims filed by the Petitioner for these periods, which shows a net subsidy claim filed by the Petitioner.
- 5.83. The Authority in view of the above and in line with its earlier decisions, has decided not to adjust the impact of negative FCA across different consumer categories. Thus, the net negative FCA amount pertaining to the lifeline consumers, domestic consumers (consuming up-to 300 units) and Agriculture Consumers for these periods i.e. Rs.455 million, which is still lying with the Petitioner, must be adjusted by the Federal Government, against the overall Tariff Differential Subsidy claim in the matter of the Petitioner eventually reducing GOP's overall Tariff Differential Subsidy burden. The above working has been carried out based on the data/information provided by the Petitioner. 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.
- 5.84. Based on the above discussion, decisions of the Authority under various head of accounts in the earlier paras and in line with the scope of MYT, the PYA of the Petitioner for the FY 2023-24 has been worked out as under;

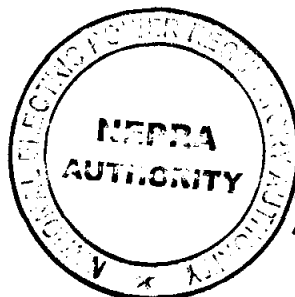


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*Decision of the Authority in the matter of request filed by GEPCO for  
Adjustment / Indexation of Tariff for the FY 2023-24 under the MYT*

Description	GEPCO
<b>July 2020 to December 2022</b>	
Impact of Negative FCA- retained	- 720
Impact of Positive FCA- Lifeline	266
Net	- 455
<b>July 2020 to December 2022</b>	
Tariff Diff. Subsidy	74,516
Surcharge	- 40,761
Net - Jul.20 to Mar. 23	33,755
Excess Negative FCA -Adjusted as subsidy	- 455
Excess Negative FCA -Adjusted as PYA	-
<b>1st &amp; 2nd Qtr. FY 2018-19</b>	
Life Line units	70
Qtr. Rate	1.1756
Impact	81.70
<b>3rd &amp; 4th Qtr. FY 2018-19</b>	
Life Line units	61
Qtr. Rate	0.12
Impact	7.56
<b>1st Qtr. FY 2019-20</b>	
Life Line units	61.20
Qtr. Rate	0.13
Impact	8.12
<b>Interim D.M FY 2018-19</b>	
Life Line units	61.20
Qtr. Rate	0.27
Impact	16.44
<b>2nd &amp; 3rd Qtr. FY 2019-20 (Oct.20 to Sep.21)</b>	
Allowed Amount	13,804
Qtr. Rs./kWh	1.2796
Recovered	13,396
Under/(Over) Recovery	409
<b>4th Qtr. FY 2019-20</b>	
Allowed Amount	8,393
Qtr. Rs./kWh	0.7780
Recovered	8,611
Under/(Over) Recovery	- 218
<b>1st &amp; 2nd Qtr. FY 2020-21 (Oct. 21-Sept.22)</b>	
Allowed Amount	8,020
Qtr. Rs./kWh	0.78
Recovered	8,600
Under/(Over) Recovery	- 581
<b>3rd Qtr. FY 2020-21 (Oct.21-Sept.22)</b>	
Allowed Amount	- 1,317
Qtr. Rs./kWh	- 0.1276
Recovered	- 1,412
Under/(Over) Recovery	95
<b>4th Qtr. FY 2020-21 (Feb. Apr. 22)</b>	
Allowed Amount	- 2,613
Qtr. Rs./kWh	- 1.1407
Recovered	- 2,494
Under/(Over) Recovery	- 119
<b>1st Qtr. FY 2021-22 (Jun. Aug. 22)</b>	
Allowed Amount	63
Qtr. Rs./kWh	0.0245
Recovered	86
Under/(Over) Recovery	- 23
<b>2nd Qtr. FY 2021-22 (Jul. Sep. 22)</b>	
Allowed Amount	3,922
Qtr. Rs./kWh	1.5213
Recovered	5,297
Under/(Over) Recovery	- 1,375

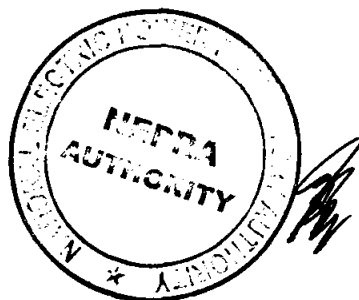


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*Decision of the Authority in the matter of request filed by GEPCO for  
Adjustment / Indexation of Tariff for the FY 2023-24 under the MYT*

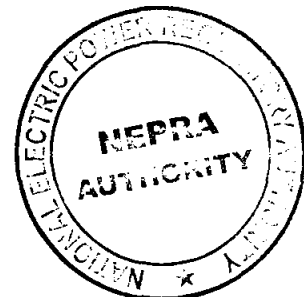
Description	GEPCO
<b>3rd Qtr. FY 2021-22 (Sep. Nov. 22)</b>	
Allowed Amount	2,174
Qtr. Rs./kWh	0.8433
Recovered	2,018
Under/(Over) Recovery	156
<b>4th Qtr. FY 2021-22 (Oct. 22 Jan. 23)</b>	
Allowed Amount	8,963
Qtr. Rs./kWh	3.2356
Recovered	7,929
Under/(Over) Recovery	1,034
<b>1st Qtr. FY 2022-23 (Feb. Mar. 23)</b>	
Allowed Amount	5,308
Qtr. Rs./kWh	4.0607
Recovered	4,541
Under/(Over) Recovery	767
<b>2nd Qtr. FY 2022-23 (Apr. Jun. 23)</b>	
Allowed Amount	6,686
Qtr. Rs./kWh	1.98
Recovered	
Under/(Over) Recovery	
<b>D.M FY 2021-22</b>	
Allowed Amount	27,767
Rate. Rs./kWh	1.88
Recovered	20,163
Under/(Over) Recovery	7,604
<b>PYA 2019-20</b>	10351
Allowed Amount	- 3,364
Rate. Rs./kWh	- 0.32
Sales till Feb.11 2022	- 10,591
Recovered	- 3,442
Under/(Over) Recovery	78
<b>MLR Allowed Cost</b>	
RORB - FY 2020-21	528
RORB - FY 2021-22	612
RORB - FY 2022-23	775
Post-Retirement Benefit	
Other Exp.	
	1,915
<b>Sales Mix Var.</b>	
FY 2020-21	4,792
FY 2021-22	- 1,340
	3,452
<b>Excess LPS to be adjusted - FY 2020-21</b>	
LPS Recovered from Consumers	1,777
Supplemental charges billed by CPPA	1,950
Net	173
<b>Excess LPS to be adjusted - FY 2021-22</b>	
LPS Recovered from Consumers	2,022
Supplemental charges billed by CPPA	1,822
Net	- 200
Adjustment in PYA	- 200
<b>Other Costs - FY 2020-21 to FY 2022-23</b>	
Pay & Allowance FY 2023 Adjustment	1,430
Turn over/Min. Tax	5,834
Supplier NEPRA Fee- FY 2021-22	29
Supplier NEPRA Fee- FY 2022-23	36
Genco Pensioners FY 2022 & FY 2023	-
NTDC Pensioners	-
Total	7,329
<b>Total</b>	<b>20,436</b>



*In Matter*

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MYT True Ups		GEPCO
FY 2020-21		
<b>Depreciation</b>		
Allowed		2,415
Actual		2,414
Under/(Over) Recovery	-	1
<b>RoRB (Investment + KIBOR)</b>		
Allowed		3,186
Actual		3,443
Under/(Over) Recovery		257
<b>Other Income</b>		
Allowed	-	2,481
Actual	-	1,636
Under/(Over) Recovery		845
FY 2021-22		
<b>Depreciation</b>		
Allowed		2,606
Actual		2,613
Under/(Over) Recovery		-
<b>RoRB (Investment + KIBOR)</b>		
Allowed		3,554
Actual		4,290
Under/(Over) Recovery		736
<b>Other Income</b>		
Allowed	-	2,579
Actual	-	1,667
Under/(Over) Recovery		912
<b>Total MYT True Ups</b>		<b>2,749</b>
<b>G. Total PYA FY 2021-22 &amp; FY 2022-23</b>		<b>23,185</b>



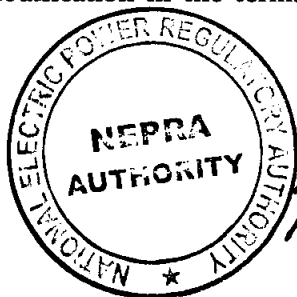
6. Whether the peak and off-peak rate design needs to be revised?

- 6.1. The Authority observed that all DISCOs including the Petitioner during the hearing of their MYT adjustment/indexation request, submitted to continue with the existing mechanism of peak / off-peak hours and prevailing rate design.
- 6.2. Some commentators submitted that tariff be designed in such a way so as to encourage consumption during low load periods. Mr. Arif Bilwani, a consumer of K-Electric submitted that

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for industrial consumers, peak tariff rates may be abolished to encourage consumption and generate economic activity.

- 6.3. The Authority keeping in view the submissions of DISCOs and points raised by the commentators, considers that the matter requires further deliberations. Further, the authority also understands that the existing infrastructure of DISCOs also needs to be evaluated in terms of its capability to cater for multiple peak /off peak rates and times during a billing cycle.
- 6.4. In view thereof, the Authority has decided to continue with the existing mechanism of peak / off-peak hours and prevailing rate design. At the same time, the Petitioner is directed to evaluate the different proposals of tariff design so as to make it more efficient and cost reflective with the objective to maximize the utilization of available capacity.
7. Whether the existing Tariff Terms and Conditions needs to be modified (including the request of Cold Storage to charge "B Industrial Supply" Category tariff instead of "A-2 Commercial" category tariff), and keeping in view the amendments in Consumer Service Manual or otherwise?
- 7.1. The Authority observed that certain amendments have been approved in the NEPRA CSM, regarding extension of load for B-3 from 5MW up-to 7.5MW, after following due process of law. The same amendments are also required to be incorporated in the Tariff determination of DISCOs. Accordingly, the following changes are being made in the Terms & Conditions of Tariff
- "Considering the fact that the Authority, through CSM has already allowed extension in load beyond 5MW upto 7.5MW, therefore, for such consumers the applicable tariff shall remain as B-3. However, while allowing extension in load, the DISCOs shall ensure that no additional line losses are incurred and additional loss, if any, shall be borne by the respective consumers."*
- 7.2. Regarding change in tariff category of Cold Storage to charge "B Industrial Supply" Category tariff instead of "A-2 Commercial, the Authority noted that a large number of stakeholders raised their concerns in the matter. The Authority considering such large representations of the stakeholders decided to initiate separate proceedings in this regard. Accordingly, a separate hearing in the matter was held on 06.06.2023. Therefore, any amendments/modification in the terms & conditions for cold storage would be made based on the final outcome of the separate proceedings being carried out by the Authority.
8. Whether the existing fixed charges applicable to different consumer categories need to be revised and require any changes in mechanism for charging of such charges based on Actual MDI or Sanction Load or otherwise?
9. Whether there should any Fixed Charges on consumer's categories who are currently not paying any fixed charges?
- 9.1. Regarding revision in applicable fixed charges on different consumer categories and change in mechanism of application of fixed charges based on actual MDI or sanction load or otherwise, the Authority noted that large number of stakeholders raised their concerns in the matter. The Authority considering such large representations of the stakeholders decided to initiate separate proceedings in this regard. Accordingly, a separate hearing in the matter was held on 06.06.2023. Therefore, any amendments/modification in the terms & conditions for application of fixed



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charges would be made based on the final outcome of the separate proceedings being carried out by the Authority.

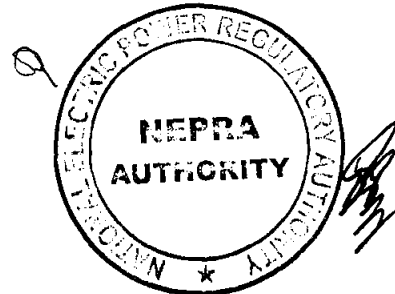
**10. Revenue Requirement**

- 10.1. In view of the discussion made in preceding paragraphs and accounting for the adjustments discussed above, the adjusted revenue requirement of the Petitioner, for the FY 2023-24 is as under;

Description	Unit	Allowed FY 2023-24	
		DOP	SOP
Units Received	[MkWh]	12,885	12,885
Units Sold	[MkWh]	11,725	11,725
Units Lost	[MkWh]	1,160	1,160
Allowed T&D Losses	[%]	9.00%	9.00%
Energy Charge	[Mln. Rs.]		87,069
Capacity Charge			196,482
Transmission Charge & Market			
Operation Fee			15,876
Power Purchase Price		-	299,427
Wire Business Margin			30,955
Power Purchase Price with Wire Business		-	330,382
Pay & Allowances	[Mln. Rs.]	10,276	3,425
Post Retirement Benefits		6,920	2,307
Repair & Maintainance		995	20
Traveling allowance		360	120
Vehicle maintenance		448	24
Other expenses		324	1,215
O&M Cost		19,324	7,111
Depreciation		3,170	65
RORB		9,509	194
O.Income		(1,047)	(2,444)
Margin	[Mln. Rs.]	30,955	4,926
Prior Year Adjustment	[Mln. Rs.]		23,185
Revenue Requirement	[Mln. Rs.]	30,955	358,493
PPP without Wire Business Cost-Unadj.		-	23.24
PPP without Wire Business Cost-adj.		-	25.54
Margin		2.64	0.42
PYA		-	1.98
Average Tariff	[Rs./kWh]	2.64	30.57

- 10.2. The above determined revenue shall be recovered from the consumers through the projected sales of 11,725 GWhs, as per Annex – II.

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10.3. The above assessment has been carried out based on the data/information provided by the Petitioner, which the Authority believes is correct and based on facts. In case of any deviation / misrepresentation observed at a later stage, the Petitioner shall be held responsible for the consequences arising out, under NEPRA Act, Rules and Regulations made thereunder. Any consequential adjustment, if required will be made accordingly.

11. **ORDER**

11.1. From what has been discussed above, the Authority hereby approves the following adjustments in the MYT of the Petitioner Company for the Financial Year 2023-24:-

- I. Gujranwala Electric Power Company Limited (GEPCO), being a supplier, is allowed to charge its consumers such tariff as set out in the schedule of tariff for GEPCO annexed to the decision.
- II. In addition to compensation of losses as discussed above, GEPCO, being a distribution licensee, is allowed to charge the users of its system a "Use of system charge" (UOSC) as under:

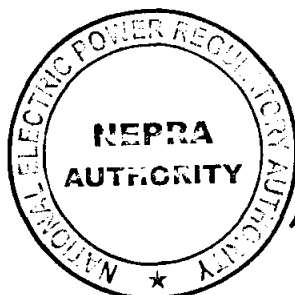
Description	For 132 kV only	For 11 kV only	For both 132kV & 11 kV
Asset Allocation	36.67%	37.68%	74.35%
Level of Losses	0.93%	5.23%	6.11%
UoSC Rs./kWh	1.04	1.16	2.26

- III. The Petitioner shall comply with, all the existing or future applicable Rules, Regulations, orders of the Authority and other applicable documents as issued from time to time.
- IV. To file future monthly & quarterly adjustments on account of Power Purchase Price (PPP) based on the Annex-IV attached with the instant decision.
- V. The Petitioner shall comply with the Tariff terms & Conditions for supply of electricity as annexed with decision as Annex-V.

12. **Summary of Direction**

12.1. The summary of all the directions passed in this decision by the Authority are reproduced hereunder. The Authority hereby directs the Petitioner to;

- To provide the reconciled date of sales mix with its reported revenue as per audited financial statement of the respective year.
- To provide proper details of GENCO employees allocated to it by providing proper employee wise details, their pay scales, terms of adoption, approvals of competent authority for such adoption and placement details along-with their financial impact.
- To provide year wise detail of amounts deposited in the Fund, amount withdrawn along-with profit/interest earned thereon since creation of Fund.
- To provide the IDC amount for FY 2020-21 onward with subsequent adjustment request and reflect the same in its Audited Financial Statements as well.



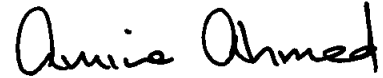
13. Decision of the Authority, is hereby intimated to the Federal Government for filling of uniform tariff application in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.
14. The instant decision of the Authority and the Order part along with revised Annex-I, I-A, II, III, IV and V, be also notified in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, while notifying the uniform tariff application decision of the Authority.

**AUTHORITY**



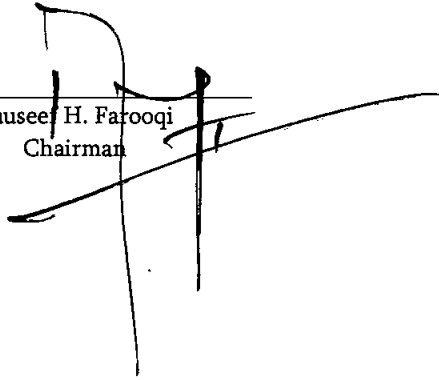
Mathar Niaz Rana (nsc)  
Member

Rafique Ahmed Shaikh  
Member




Ms. Amina Ahmed  
Member

Engr. Maqsood Anwar Khan  
Member

  
Tauseef H. Farooqi  
Chairman



  
14/07/23

**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

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

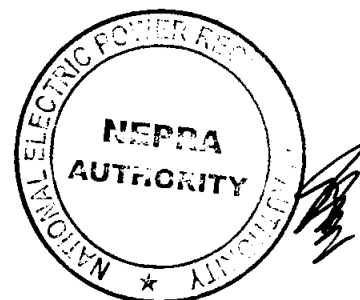
Where:

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 (G) 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.



### QUARTERLY ADJUSTMENT MECHANISM

Quarterly adjustment shall be the Actual variation in Power Purchase Price (PPP), excluding Fuel Cost Component, against the reference Power Purchase Price component and the impact of T&D losses on FCA, for the corresponding months and shall be determined according to the following formula;

$$\text{Quarterly PPP}_{(Adj)} = \text{PPP}_{(Actual)} (\text{excluding Fuel cost}) - \text{PPP}_{(Recovered)} (\text{excluding Fuel cost})$$

Where;

PPP<sub>(Actual)</sub> is the actual cost, excluding Fuel cost, invoiced by CPPA-G to XWDISCOs, adjusted for any cost disallowed by the Authority.

PPP<sub>(Recovered)</sub> is the amount recovered based on reference rate in Rs./kWh, excluding fuel cost, as per the Annex-IV of the XWDISCOs determination that remained notified during the period.

#### Impact of T&D losses on FCA

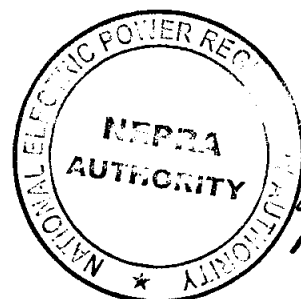
$$= \text{Monthly FCA allowed}_{(Rs./kWh)} \times \text{Actual units Purchase} \times \% \text{ T\&D losses}$$

Where;

Monthly FCA allowed <sub>(Rs./kWh)</sub> is the FCA allowed by the Authority for the respective months of the concerned period.

T&D Loss % is percentage of T&D losses that remained notified during the period.

The sum of amounts so worked for each month of the Quarter shall be divided by the Projected units to be sold as determined by the Authority to work out Rs./kWh Quarterly adjustment.



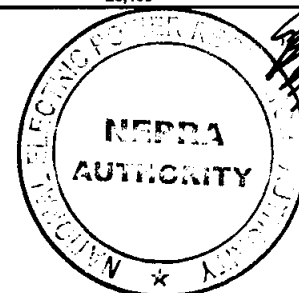
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**Gujranwala Electric Power Company (GEPCO)**  
**Estimated Sales Revenue on the Basis of New Tariff**

Description	Sales	Base Revenue			Base Tariff		PYA 2022		Total Tariff	
	GWh	Fixed Charge	Variable Charge	Total	Fixed Charge	Variable Charge	Amount	Variable Charge	Fixed Charge	Variable Charge
			Min. Rs.		Rs./kW/ M	Rs./ kWh	Min. Rs.	Rs./ kWh	Rs./kW/ M	Rs./ kWh
<b>Residential</b>										
Protected	For peak load requirement less than 5 kW									
	Up to 50 Units - Life Line	29	-	201		7.00	-	-		7.00
	51-100 units - Life Line	28		322		11.67	-			11.67
	01-100 Units	1412	-	19,406		13.74	2,841	2,0116		15.75
Un-Protected	101-200 Units	331	-	5,312		16.06	665	2,0116		18.07
	01-100 Units	528		10,625		20.12	1,068	2,0236		22.15
	101-200 Units	1224		31,331		25.60	2,437	1,9916		27.59
	201-300 Units	1613	-	46,437		28.79	3,212	1,9916		30.78
	301-400 Units	684	-	22,026		32.18	1,363	1,9916		34.17
	401-500 Units	326		11,217		34.39	650	1,9916		36.38
	501-600 Units	170		6,070		35.81	338	1,9916		37.80
	601-700 Units	111		4,093		36.95	221	1,9916		38.94
	Above 700 Units	171	-	7,156		41.86	340	1,9916		43.85
	For peak load requirement exceeding 5 kW)									
Un-Protected	Time of Use (TOU) - Peak	38	-	1,539		41.04	71	1,8906		42.93
	Time of Use (TOU) - Off-Peak	156	-	5,429		34.72	295	1,8886		36.61
	Temporary Supply	1	-	52		41.17	2	1,8806		43.05
	<b>Total Residential</b>	<b>6,821</b>	<b>-</b>	<b>171,217</b>			<b>13,506</b>			
<b>Commercial - A2</b>										
Un-Protected	For peak load requirement less than 5 kW	383	-	14,151		36.92	721	1,8806		38.80
	For peak load requirement exceeding 5 kW									
	Regular	0	1	13	500	38.80	1	1,8806	500	40.48
	Time of Use (TOU) - Peak	81	-	3,267		40.52	152	1,8806		42.40
Un-Protected	Time of Use (TOU) - Off-Peak	305	1,141	10,553	500	34.55	574	1,8806	500	36.43
	Temporary Supply	16	-	590		37.31	30	1,8806		39.19
	Electric Vehicle Charging Station	0	-	5		38.60	0	1,8806		40.48
	<b>Total Commercial</b>	<b>786</b>	<b>1,142</b>	<b>28,679</b>			<b>1,477</b>			
<b>General Services-A3</b>										
Un-Protected		188	-	6,862		36.57	374	1,9916		38.56
	<b>Industrial</b>									
	B1	34	-	1,127		33.33	67	1,9916		35.32
	B1 Peak	66	-	2,433		36.89	131	1,9916		38.88
Un-Protected	B1 Off Peak	424	-	13,287		31.33	845	1,9916		33.32
	B2	0	0	3	500	32.83	0	1,9916	500	34.82
	B2 - TOU (Peak)	157	-	5,775		36.83	312	1,9916		38.82
	B2 - TOU (Off-peak)	974	2,827	30,323	500	31.12	1,941	1,9916	500	33.11
Un-Protected	B3 - TOU (Peak)	113	-	4,162		36.83	225	1,9916		38.82
	B3 - TOU (Off-peak)	1117	1,665	34,655	460	31.03	2,224	1,9916	460	33.02
	B4 - TOU (Peak)	0	-	-		36.83	-	1,9916		38.82
	B4 - TOU (Off-peak)	0	-	-	440	30.93	-	1,9916	440	32.92
Un-Protected	Temporary Supply	1	-	30		34.41	2	1,9916		36.40
	<b>Total Industrial</b>	<b>2,886</b>	<b>4,492</b>	<b>91,796</b>			<b>5,747</b>			
<b>Single Point Supply</b>										
Un-Protected	C1(a) Supply at 400 Volts-less than 5 kW	0	-	2		37.60	0	1,9916		39.59
	C1(b) Supply at 400 Volts-exceeding 5 kW	0	0	7	500	37.10	0	1,9916	500	39.09
	Time of Use (TOU) - Peak	2	-	65		40.52	3	1,9916		42.51
	Time of Use (TOU) - Off-Peak	9	18	306	500	33.92	18	1,9916	500	35.91
Un-Protected	C2 Supply at 11 kV	0	-	-	460	36.90	-	1,9916	500	38.89
	Time of Use (TOU) - Peak	32	-	1,290		40.52	63	1,9916		42.51
	Time of Use (TOU) - Off-Peak	135	207	4,549	460	33.72	269	1,9916	460	35.71
	C3 Supply above 11 kV	0	-	-	440	36.80	-	1,9916	440	38.79
Un-Protected	Time of Use (TOU) - Peak	0	-	-		40.52	-	1,9916		42.51
	Time of Use (TOU) - Off-Peak	0	-	-	440	33.62	-	1,9916	440	35.61
	<b>Total Single Point Supply</b>	<b>178</b>	<b>225</b>	<b>6,219</b>			<b>364</b>			
<b>Agricultural Tube-wells - Tariff D</b>										
Un-Protected	Scarp	0	-	1		33.60	0	1,9916		35.59
	Time of Use (TOU) - Peak	0	-	0		36.52	0	1,9916		38.51
	Time of Use (TOU) - Off-Peak	0	0	1	200	29.27	0	1,9916	200	31.26
	Agricultural Tube-wells	85	137	1,972	200	23.27	169	1,9916	200	25.26
Un-Protected	Time of Use (TOU) - Peak	68	-	1,590		23.27	136	1,9916		25.26
	Time of Use (TOU) - Off-Peak	403	703	9,381	200	23.27	803	1,9916	200	25.26
	<b>Total Agricultural</b>	<b>556</b>	<b>840</b>	<b>12,945</b>			<b>1,108</b>			
Un-Protected	Public Lighting - Tariff G	18	-	647		36.60	35	1,9916		38.59
	Residential Colonies	1	-	29		36.60	2	1,9916		38.59
	Tariff K - A/JK	0	-	-	440	33.82	-	1,9916	440	35.81
	Time of Use (TOU) - Peak	57	-	2,242		39.52	113	1,9916		41.51
Un-Protected	Time of Use (TOU) - Off-Peak	236	385	7,690	440	32.82	470	1,9916	440	34.61
	<b>Grand Total</b>	<b>11,726</b>	<b>7,084</b>	<b>328,224</b>			<b>23,186</b>			

Note: The PYA 2022 column shall cease to exist after One (01) year of notification of the instant decision.



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

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

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges		
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh		
		A	B		C		D		
a) For Sanctioned load less than 5 kW	i Up to 50 Units - Life Line	-	7.00		-		7.00		
	ii 51 - 100 Units - Life Line	-	11.67		-		11.67		
	iii 001 - 100 Units	-	13.74		2.01		15.75		
	iv 101 - 200 Units	-	16.06		2.01		18.07		
	v 001 - 100 Units	-	20.12		2.02		22.15		
	vi 101 - 200 Units	-	25.60		1.99		27.59		
	iv 201 - 300 Units	-	28.79		1.99		30.78		
	viii 301 - 400 Units	-	32.18		1.99		34.17		
	ix 401 - 500 Units	-	34.39		1.99		36.38		
	x 501 - 600 Units	-	35.81		1.99		37.80		
	xi 601 - 700 Units	-	36.95		1.99		38.94		
	vi Above 700 Units	-	41.86		1.99		43.85		
	b) For Sanctioned load 5 kW & above								
	Time Of Use		-	Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
				41.04	34.72	1.89	1.89	42.93	36.61

Protected

Un-Protected

NEPRA  
AUTHORITY

★

As per Authority's decision only protected residential consumers will be given the benefit of one previous slab.

As per Authority's decision, residential life line consumer will not be given any slab benefit.

Under tariff A-1, there shall be minimum monthly customer charge 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 Rs/kW/M	VARIABLE CHARGES Rs/kWh		FYA 2022 Rs/kWh		Total Variable Charges Rs/kWh	
		A	B		C		D	
a)	For Sanctioned load less than 5 kW		36.92		1.88		38.80	
b)	For Sanctioned load 5 kW & above	500.00	38.60		1.88		40.48	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
c)	Time Of Use	500.00	40.52	34.55	1.88	1.88	42.40	36.43
d)	Electric Vehicle Charging Station		38.60		1.88		40.48	

Under tariff A-2 (a), 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

Fixed Charges shall be billed based on 50% of sanctioned Load or Actual MDI for the month which ever is higher. In such case there would be no minimum monthly charges even if no energy is consumed.

**A-3 GENERAL SERVICES**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh
		A	B		C		D
a)	General Services	-	36.57		1.99		38.56

Under tariff A-3, 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

**B INDUSTRIAL SUPPLY TARIFFS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		PTA 2022		Total Variable Charges	
		Rs/kW/M A	Rs/kWh B		Rs/kWh F		Rs/kWh D	
B1	Upto 25 kW (at 400/230 Volts)	-	33.33		1.99		35.32	
B2(a)	exceeding 25-500 kW (at 400 Volts)	500.00	32.83		1.99		34.82	
	Time Of Use		Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
B1 ( b)	Up to 25 KW		36.89	31.33	1.99	1.99	38.88	33.32
B2(b)	exceeding 25-500 kW (at 400 Volts)	500.00	36.83	31.12	1.99	1.99	38.82	33.11
B3	For All Loads up to 5000 kW (at 11,33 kV)	460.00	36.83	31.03	1.99	1.99	38.82	33.02
B4	For All Loads (at 66,132 kV & above)	440.00	36.83	30.93	1.99	1.99	38.82	32.92

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

Fixed Charges shall be billed based on 50% of sanctioned Load or Actual MDI for the month which ever is higher. In such case there would be no minimum monthly charges even if no energy is consumed.

**C - SINGLE-POINT SUPPLY**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D	
C -1	For supply at 400/230 Volts							
a)	Sanctioned load less than 5 kW	-	37.60		1.99		39.59	
b)	Sanctioned load 5 kW & up to 500 kW	500.00	37.10		1.99		39.09	
C -2(a)	For supply at 11,33 kV up to and including 5000 kW	460.00	36.90		1.99		38.89	
C -3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	440.00	36.80		1.99		38.79	
	Time Of Use		Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
C -1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	500.00	40.52	33.92	1.99	1.99	42.51	35.91
C -2(b)	For supply at 11,33 kV up to and including 5000 kW	460.00	40.52	33.72	1.99	1.99	42.51	35.71
C -3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	440.00	40.52	33.62	1.99	1.99	42.51	35.61

Fixed Charges shall be billed based on 50% of sanctioned Load or Actual MDI for the month which ever is higher.

**SCHEDULE OF ELECTRICITY TARIFFS  
FOR GUJRANWALA ELECTRIC POWER COMPANY (GEPCO)  
D - AGRICULTURE TARIFF**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D	
D-1(a)	SCARP less than 5 kW	-	33.60		1.99		35.59	
D-2 (a)	Agricultural Tube Wells	200.00	23.27		1.99		25.26	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
D-1(b)	SCARP 5 kW & above	200.00	36.52	29.27	1.99	1.99	38.51	31.26
D-2 (b)	Agricultural 5 kW & above	200.00	23.27	23.27	1.99	1.99	25.26	25.26

Under this tariff, there shall be minimum monthly charges Rs.2000/- 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	VARIABLE CHARGES		FYA 2022		Total Variable Charges
		Rs/kW/M A	Rs/kWh B		Rs/kWh C		Rs/kWh D
E-1(i)	Residential Supply	-	41.17		1.88		43.05
E-1(ii)	Commercial Supply	-	37.31		1.88		39.19
E-2	Industrial Supply	-	34.41		1.99		36.40

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	VARIABLE CHARGES		FYA 2022		Total Variable Charges
		Rs/kW/M A	Rs/kWh B		Rs/kWh C		Rs/kWh D
	Street Lighting	-	36.60		1.99		38.59

Under Tariff G, there shall be a minimum monthly charge of Rs.500/- per month per kW of lamp capacity installed.

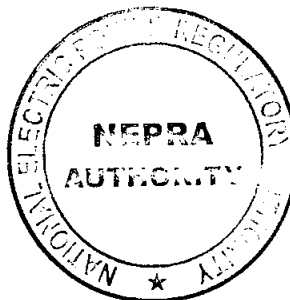
**H - RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges
		Rs/kW/M A	Rs/kWh B		Rs/kWh C		Rs/kWh D
	Residential Colonies attached to industrial premises	-	36.60		1.99		38.59

**K - SPECIAL CONTRACTS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		PYA 2022		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D	
1	Azad Jammu & Kashmir (AJK)  Time Of Use	440.00	33.82		1.99		35.81	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
		440.00	39.52	32.62	1.99	1.99	41.51	34.61

Note: The FYA 2022 column shall cease to exist after One (01) year of notification of the instant decision.



Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	1,507	1,525	1,395	1,062	719	708	701	680	821	966	1,312	1,488	12,885

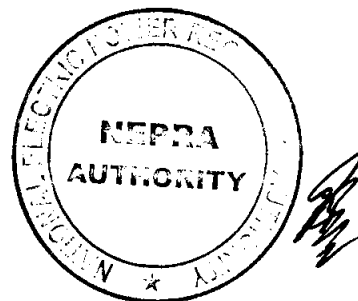
Rs./kWh

Fuel Cost Component	6.8935	6.6457	7.0711	7.8938	4.7831	5.4031	7.4894	4.4337	6.4417	5.4918	5.7090	7.1403	6.4428
Variable O&M	0.3123	0.3073	0.3166	0.3949	0.3237	0.2866	0.3193	0.2330	0.3145	0.3178	0.3037	0.3169	0.3146
Capacity	11.4673	11.0965	12.4269	16.8826	22.1723	22.4393	20.3021	19.4661	19.9948	19.3556	13.1658	10.2952	15.2491
UoSC	0.9193	0.8895	0.9962	1.3964	1.8339	1.8560	1.7689	1.6961	1.7422	1.4356	0.9765	0.7636	1.2321
Total PPP in Rs./kWh	19.5924	18.9390	20.8108	26.5677	29.1131	29.9850	29.8798	25.8290	28.4932	26.6008	20.1551	18.5160	23.2387

Rs. in million

Fuel Cost Component	10,387	10,137	9,866	8,385	3,437	3,825	5,249	3,017	5,290	5,305	7,489	10,628	83,015
Variable O&M	471	469	442	420	233	203	224	159	258	307	398	472	4,054
Capacity	17,279	16,926	17,338	17,934	15,932	15,887	14,230	13,245	16,420	18,698	17,270	15,323	196,482
UoSC	1,385	1,357	1,390	1,483	1,318	1,314	1,240	1,154	1,431	1,387	1,281	1,137	15,876
Total PPP in Rs.Mln	29,522	28,888	29,035	28,222	20,919	21,229	20,943	17,574	23,399	25,697	26,438	27,559	299,427

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



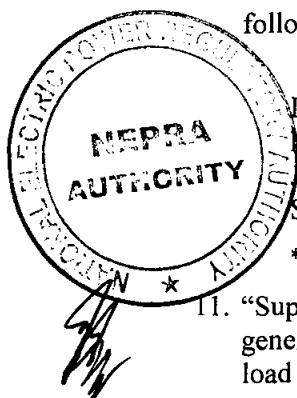
**TERMS AND CONDITIONS OF TARIFF  
(FOR SUPPLY OF ELECTRIC POWER TO CONSUMERS BY LICENSEES)**

**PART-I**

**GENERAL DEFINITIONS**

The Company, for the purposes of these terms and conditions means GEPCO engaged in the business of distribution/supply 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 50% of the sanction load or Actual maximum demand recorded in a month, whichever is higher, 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:



**\* PEAK TIMING**

**OFF-PEAK TIMING**

Dec to Feb (inclusive)	5 PM to 9 PM	Remaining 20 hours of the day
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

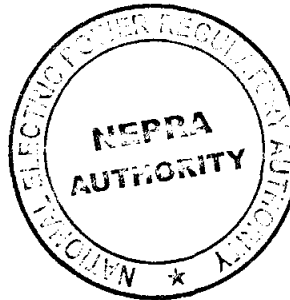
11. "Supply", means the supply for single-phase/three-phase appliances inclusive of both general and motive loads subject to the conditions that in case of connected or sanctioned load 5 kW and above supply shall be given at three-phase.
12. "Consumer" as defined in NEPRA Act.
13. "Charitable Institution" 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).

*Signature*

14. NTDC means the National Transmission and Despatch 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.

#### **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.

The lifeline consumers to include residential Non-Time of Use (Non-ToU) consumers having maximum of last twelve months and current month's consumption  $\leq 100$  units; two rates for  $\leq 50$  and  $\leq 100$  units will continue.

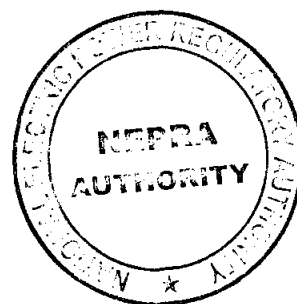
"Protected consumers" mean Non-ToU residential consumers consuming  $\leq 200$  kWh per month consistently for the past 6 months.

Residential Non-ToU consumers not falling under the protected category would be categorized under "Un-protected consumer category".

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/Flower Nurseries/Cold Storage
  - ii) Hotels, Hostels 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.
  - ix) Electric Vehicle Charging Stations (EVCS)
2. Electric Vehicle Charging Stations shall be billed under A-2(d) tariff i.e. Rs./kWh for peak and off-peak hours. For the time being, the tariff design is with zero fixed charges, however, in future the Authority after considering the ground situation may design its tariff structure on two part basis i.e. fixed charges and variable charges.



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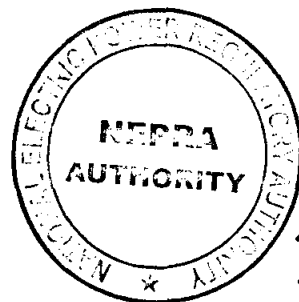
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3. The Electric Vehicle Charging Station shall provide "charging service" to Electric Vehicle shall provide charging service to Electric Vehicles as per the applicable tariff for EVCS plus Rs.24.44/kWh as margin for EVCS. The EVCS shall be billed by DISCOS under A-2(d) tariff. However, monthly FCAs either positive or negative shall not be applicable on EVCS.
4. 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)
5. 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).
6. The existing and prospective consumers having load of 5 kW and above shall be provided T.O.U metering arrangement 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 other than those meant for the irrigation or reclamation of Agriculture land.

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 inside the premises 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, fish farms, fish nurseries & 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.

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**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 25 kW.
2. Consumers having sanctioned load upto 25 kW shall be billed on single-part kWh rate.
3. Consumers under tariff B-1 having sanctioned load of less than 5 kW shall be billed under a Single-Part kWh rate. However, B-1 consumers having sanctioned load of less than 5 kW may opt for ToU meter
4. The existing and prospective consumers having load of 5 kW and above shall be provided T.O.U metering arrangement and shall be billed under tariff B1(b).

**B-2 SUPPLY AT 400 VOLTS**

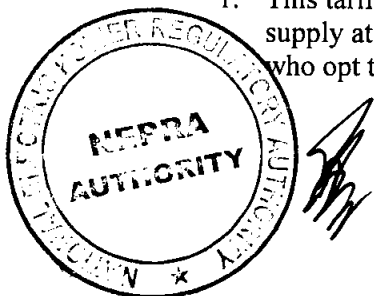
1. This tariff is applicable for supply to Industries having sanctioned load of more than 25 kW up to and including 500 kW.
2. All existing consumers under tariff B-2 shall be provided T.O.U metering arrangement by the Company and converted to B-2(b) Tariff.
3. All new applicants i.e. prospective consumers 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 5 MW and also for Industries having sanctioned load of 500 kW or below who opt for receiving supply at 11 kV or 33 kV.
2. The consumers may be allowed extension of load above 5MW to 7.5MW from the DISCO's owned grid station subject to availability of load in the grid and capacity in the 11kV existing dedicated feeder. In such a case the consumer will bear 100% grid sharing charges including transmission line charges and 100% cost of land proportionate to load above 5MW to 7.5 MW. While allowing extension in load, the DISCOs shall ensure that no additional line losses are incurred and additional loss, if any, shall be borne by the respective consumers.
3. 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.
4. 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 Eligibility Criteria laid down by the Authority read with Consumer Service Manual (CSM).
5. 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 5MW receiving supply at 66 kV, 132 kV and above and also for Industries having load of 5MW or below who opt to receive supply at 66 kV or 132 kV and above.



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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 Eligibility Criteria laid down by the Authority read with CSM, 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 Eligibility Criteria laid down by the Authority read with CSM.
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 to mix-load consumer not selling to any other consumer such as residential, commercial, tube-well and others.

#### **General Conditions**

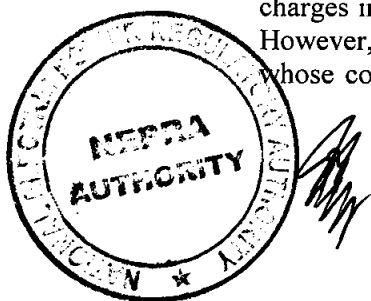
If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days no notice will be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days the fixed charges shall be assessed on proportionate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

### **C-I 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-I(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 more than 500 kW up to and including 5 MW.
2. The consumers may be allowed extension of load beyond 5MW upto 7.5MW from the DISCO's owned grid station subject to availability of load in the grid and capacity in the 11kV existing dedicated feeder. In such a case the consumer will bear 100% grid sharing charges including transmission line charges and 100% cost of land proportionate to load. However, only such consumers be allowed extension of load beyond 5MW upto 7.5MW whose connection is at least three (3) years old. While allowing extension in load, the



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DISCOs shall ensure that no additional line losses are incurred and additional loss, if any, shall be borne by the respective consumers.

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 Eligibility Criteria laid down by the Authority read with CSM.
4. 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.
5. 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**

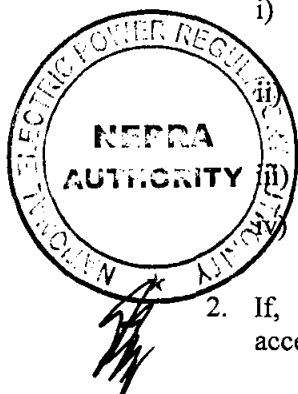
1. This tariff is applicable to consumers having sanctioned load of more than 5000 kW receiving supply at 66 kV and above.
2. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the Eligibility Criteria laid down by the Authority read with CSM, 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 Eligibility Criteria laid down by the Authority read with CSM.
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.
  - 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



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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.
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**

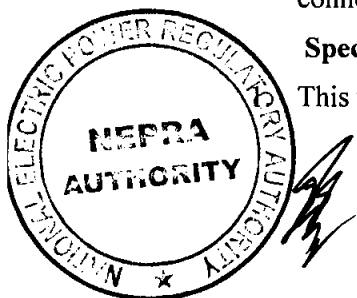
1. This tariff is applicable to consumers falling under Agriculture Supply excluding SCARP related installations.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. D-2(a) tariff given in the Schedule of Tariff.
3. All new consumers having sanctioned load 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, exhibitions, political gathering, marriages and other civil or military functions. This also includes supply to touring cinemas and persons engaged in construction of house/buildings/plazas of single phase loads. A temporary electric power supply connection for the construction shall be provided by Distribution company initially for a period of six months which is further extendable on three month basis up to completion of the specific job/project for which the temporary connection was obtained. However, there is no minimum time period for provision of temporary connection. The temporary connection for illumination, lighting, weddings, festivals, functions, exhibitions, political gatherings or national and religious ceremonies, civil or military functions etc., testing of industrial equipment or any other emergent requirement of temporary nature, can be provided for specific time period not exceeding two weeks. The sanctioning officer shall ensure that the temporary connection will be utilized for temporary purpose only.

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

This tariff shall apply to Residential and Commercial consumers for temporary supply.



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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.

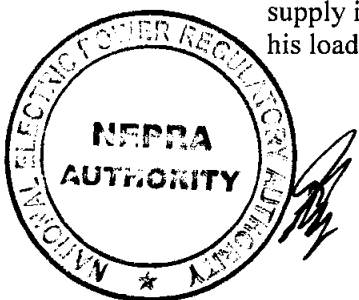
## **Definitions**

“Year” means any period comprising twelve consecutive months.

1. 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



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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. The supply under this tariff shall also be applicable for lamps used in public playgrounds and public parks.

### **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.

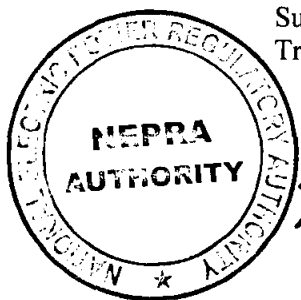
"Residential Colony" attached to the Industrial Supply Consumer, means a group of houses annexed with the factory premises constructed solely for residential purpose of the bonafide employees of the factory, the establishment or the factory owners or partners, etc.

### **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.

## **TARCTION**

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



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