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Islamic Republic of Pakistan

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No. NEPRA/TRF-340/HESCO-2016/6781-6783
May 18, 2016

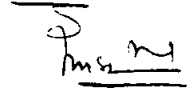
Subject: Decision of the Authority in the matter of Motion for Leave for Review filed by Hyderabad Electric Supply Company Ltd. (HESCO) against Tariff Determination of the Authority pertaining to the Financial Year 2015-2016 Dated April 1, 2016 [Case # NEPRA/TRF-340/HESCO-2016]

Dear Sir,

This is in continuation of this office letter No. NEPRA/TRF-340/HESCO-2016/4215-4217 dated April 1, 2016 whereby Determination of the Authority in the matter of Petition filed by Hyderabad Electric Supply Company Ltd. (HESCO) for the Determination of its Consumer end Tariff pertaining to Financial Year 2015-2016 was sent to the Federal Government for notification in the official Gazette.

2. Please find enclosed herewith the subject Decision of the Authority along with Annexure-II & III (15 pages) in the matter of Motion for Leave for Review filed by Hyderabad Electric Supply Company Ltd.
3. The Decision is being intimated to the Federal Government for the purpose of notification in the official gazette pursuant to Section 31(4) of the Regulation of Generation, Transmission and Distribution of Electric Power Act (XL of 1997).
4. The Order along with Annexure-II & III of the Decision needs to be notified in the official Gazette.

Enclosure: As above


18.05.16

(Syed Safeer Hussain)

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

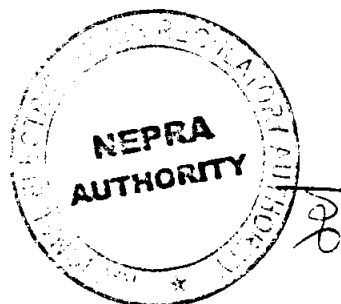
CC:

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



**DECISION OF THE AUTHORITY IN THE MATTER OF MOTION FOR LEAVE FOR
REVIEW FILED BY HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED (HESCO)
AGAINST TARIFF DETERMINATION OF THE AUTHORITY PERTAINING TO THE FY
2015-16, DATED APRIL 1, 2016**

1. The consumer end-tariff for Hyderabad Electric Supply Company Limited (HESCO), hereinafter called "the Petitioner" pertaining to the FY 2015-16, was determined by the Authority vide determination dated April 01, 2016. Being aggrieved with the said determination, the petitioner has filed a motion seeking leave for review with inter-alia following relief:-
 - ✓ To revise the allowed target of T&D loss.
 - ✓ To review the allowed Distribution Margin.
 - ✓ To allow the cost regarding replacement hiring for previous years and for FY 2015-16, keeping in view the certificate issued by the Auditor.
 - ✓ To allow the Provision for Bad Debts.
 - ✓ To allow the written off amount i.e. Rs. 4,209.47 million.
 - ✓ To allow the amount under the head of mark up on delayed payments.
 - ✓ To allowed the financial cost.
 - ✓ To revise the target of sales units in view of 9% reduction of units received up to Feb. 2016.
 - ✓ To revise the allowed investment of Rs. 3,067 million.
 - ✓ To revise the percentage of WACC being on the lower side.
2. The Review motion was admitted on 20th April, 2016 and in order to provide opportunity of hearing to the parties to the proceedings, a hearing was scheduled for 28th of April, 2016 for which due notice was served upon the party. On the date of hearing, Chief Executive Officer of the petitioner company was present along-with his Financial Team.
3. Arguments heard and record perused. As regards, submissions of the petitioner, the same are being discussed under respective heads as under:-



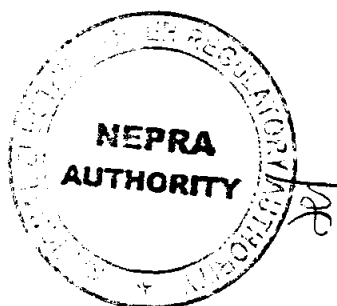


4. **Transmission and Distribution Losses**

4.1 It is the contention of the Petitioner to review the determined target of T&D losses of 20.50% and has submitted the following grounds in this regard;

- a) Assessment of T&D losses for the FY 2015-16 based on T&D losses for FY 2014-15 is irrational, whereas its actual T&D losses for the same period remained as 27.1%. The Petitioner argued that during last year there was significant addition of lines and transformers, which resulted in increase of T&D losses.
- b) All investments made by the Petitioner are not directed to reduce T&D Losses. There are various purposes of investment e.g. to minimize the system constraints, to ensure stable supply, to enable the system for future load demands, to shift load from overloaded grid stations to other grid stations. The Petitioner argued that out of the proposed investment of Rs.4.838 million, only Rs.700 million will be spent for loss reduction under ELR program.
- c) It was stated that the allowed T&D losses for the FY 2015-16 are 20.50%, whereas the actual losses for the FY 2014-15 remained as 27.1%. This means that the Petitioner has to reduce its losses by 6.6% in this year, which is not practically possible after the lapse of nine months.
- d) As per directives of the Authority, the third party has worked out technical losses at 18.46%, although the Petitioner has reservations on the same, but it could be the minimum threshold of technical losses (besides the administrative losses) for consideration in determination for FY 2015-16.
- e) There is a culture of local repair of damaged transformers by the consumers (which is sub-standard) which is one of the reasons of increase in T&D losses. The Petitioner has taken efforts to minimize it but still this aspect is contributing in the losses.
- f) In villages of far-flung areas, usually when one coil of transformers is burnt then collective load is shifted by the consumers themselves to other phases, which causes unbalancing of the system and results in increase in losses.
- g) The self-extension of lines with sub-standard conductors by the consumers due to worst law and order situation is also contributing in technical as well as administrative losses.

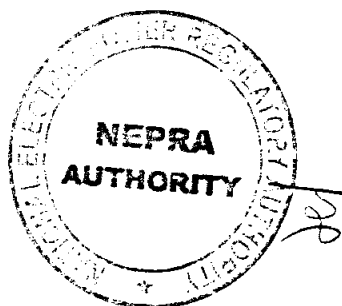
4.2 In view of aforementioned, the Petitioner requested to allow T&D Losses of 26.30%. Having considered the submissions of the Petitioner, the Authority observed that





the Petitioner did not quantify the impact of each of above reasons contributing towards high technical losses. Moreover the Petitioner has also not completed its T&D losses study despite repeated directions. The Authority has also noted that rather than getting the study complete within the stipulated time, it showed its reservations on the partial study that has been already carried out. In view thereof, the Authority had to make its own assessment of the Petitioner's T&D losses as 20.50% considering the fact that it's proposed level of T&D losses for FY 2015-16, was without any basis.

- 4.3 The last year's assessment of T&D losses of 20.50% was based on the Petitioner's request of setting T&D losses at 22%. The Petitioner itself estimated a reduction of 5% in its then actual T&D losses of 26.51%. The reduction was targeted based on the investments to be under taken by the Petitioner. However, in contrary, the Petitioner's actual losses for FY 2014-15, increased to 27.1%. In view thereof, the Authority decided to maintain the same level of T&D losses i.e. 20.50% for FY 2015-16.
- 4.4 The Petitioner's contention that addition of lines and transformers has resulted in increase in its losses, is not maintainable since the Authority has been directing the Petitioner in the tariff determinations for the FY 2013-14, 2014-15 and FY 2015-16 to monetize all the incremental costs which cause additional losses and incorporate these as a part of project cost, while calculating the IRR or NPVs for any village electrification project.
- 4.5 Regarding the Petitioner's concern to reduce its losses by 6.6% this year of which nine months have already lapsed, the Authority is of the view that the Petitioner should not be surprised by the Authority's assessment as it is allowed the same level of T&D losses as were allowed last year.
- 4.6 The Authority is of the view that culture of self-repair using subsidized materials has arisen because of inability of the Petitioner to timely address the consumers' complaints regarding repair & maintenance of the system, therefore, the Petitioner is directed to ensure that all consumer complaints in this regard are addressed in time which is in the Petitioner's own interest. Further, regarding Petitioner plea about the law and order situation, the Authority being already cognizant of this fact has allowed a margin for law and order in the allowed T&D loss target of the Petitioner.
- 4.7 Based on the aforementioned grounds and discussion, the Authority considers that the Petitioner has failed to submit any new evidence / rationale in support of its claim which would provide the basis to the Authority to revise its earlier decision in this regard. Hence the Petitioner's request is rejected.





5. Operation and Maintenance

5.1 Salaries, Wages & Benefits

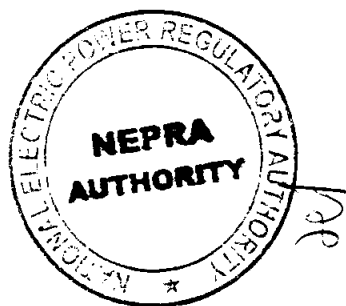
5.1.1 The Petitioner has submitted that the Authority disallowed the financial impact of replacement hiring cost for the FY 2015-16 due to of non-provision of certificate from Auditor.

5.1.2 The Petitioner also submitted that the required certificate has been issued by M/s Deloitte Yousaf Adil Chartered Accountants, and the same has been submitted to the Authority vide letter# FD/HESCO/CPC/6343-45 dated 31-03-2016, covering the period from July 01, 2009 to June 30, 2013. The Petitioner further stated that financial impact of recruitment for the said period has been calculated as Rs.593.56 million, whereas, the financial impact of this recruitment for the remaining period may also be considered and allowed in order to avoid any problem of cash short fall for disbursement of salaries to the employees.

5.1.3 The Petitioner has stated that as per the decision of the Authority it is paying pension to the pensioners of KWAPDA employees retired prior to 1998 after June 2014. The amount of pension to these pensioners has been calculated for the FY 2014-15 Rs. 194.71 million and estimated amount for FY 2015-16 is Rs. 209.31 million, which may be allowed.

5.1.4 The Petitioner in compliance of the Authority's direction, has provided the required certificate of replacement hiring dated March 28, 2016. Accordingly the Authority has decided to allow the cost of Rs.172 million on account of the replacement hiring which was disallowed previously.

5.1.5 As far as the actual cost of Rs.194.71 million incurred by the Petitioner during FY 2014-15 for the Ex-WAPDA pensioners is concerned, the Authority could not verify the same from Petitioner's financial statements. However, since the Petitioner in its MLR has "claimed" that it has actually incurred Rs.194.71 million during the FY 2014-15, therefore, the Authority has decided to allow the same as Prior Year Adjustment. However, the Petitioner is directed to provide a separate disclosure of the amount paid to Ex-WAPDA Pensioners in its financial statements. Here it is pertinent to mention that the impact for FY 2015-16 for the aforementioned EX-WAPDA pensioners has already been incorporated in the allowed pension benefits for the FY 2015-16.





5.2 Repair & Maintenance Expenses:

5.2.1 The Petitioner has stated that while projecting the repair & maintenance expenses, it has already taken very strict approach and projected Rs. 1,026 million for FY 2015-16, whereas the Authority has allowed Rs. 950 million. The Petitioner further stated that the Authority while working out the R&M cost, considered the figure of damaged transformers as 413 in year 2014-15 whereas the actual figure is 1,298 for the year 2014-15, which was duly mentioned in the form-1 of tariff petition for FY 2015-16, therefore, the repair & maintenance expenses may be reviewed on the basis of 1,298 damaged transformers. The Petitioner provided the following reasons regarding damage of transformers, lines and poles;

- a) Distribution network is old and deteriorated and the temperature in its jurisdiction during summer season remains between 45 to 50 degree Celsius.
- b) During monsoon season the thunder storms are a routine matter and it damages the poles and conductors in coastal belt.
- c) The Kunda culture causes the short circuiting and unbalancing of transformers.

5.2.2 The Petitioner accordingly has requested to allow repair and maintenance expenses of Rs.1,026 million for FY 2015-16.

5.2.3 The Authority clarifies that the figure of damaged transformer of 413 was obtained from the Blue Book for the FY 2014-15. The Authority while going through the submission of the Petitioner has observed that the Petitioner has neither addressed the concerns raised by the Authority in this regard nor has submitted any new arguments / provided any new evidence/ rationale in support of its request. The submissions of the Petitioner have already been addressed by the Authority under para 12.3 of its decision dated April 01, 2016, therefore, the request of the Petitioner to revise the Repair & maintenance cost is not accepted.

5.3 Vehicle Running Expenses

5.3.1 The Petitioner has stated that the Authority's allowed Rs. 261 million under the head of vehicle running expenses, are not sufficient on the following grounds;

- a. The Petitioner has a fleet of very old vehicles.
- b. The management has taken extra-ordinary steps against defaulters by making special recovery teams, which results in increase in fuel as well as vehicle repair expenses.





- c. The management has decided to make all necessary expenses on major overhauling of old vehicles to keep them in running condition.

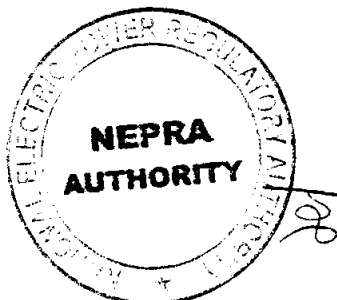
5.3.2 Considering the above fact the Petitioner has the Authority to review and allow the vehicle running expenses amounting to Rs. 278 million for FY 2015-16.

5.3.3 The Authority while going through the submission of the Petitioner has observed that the Petitioner has neither submitted any new arguments nor provided any new evidence/ rationale in support of its request. Further, the Petitioner has not substantiated its claim of improvement in recoveries with any specific numbers. The Authority has already addressed the submissions of the Petitioner under para 12.5.3 of its decision dated April 01, 2016, therefore, the request of the Petitioner to revise the Repair & maintenance cost is not accepted.

5.4 Other Expenses

5.4.1 The Petitioner has stated that the Authority's allowed cost of Rs. 275 million under the head of "Other expenses" on the basis of past trend, which is not sufficient to meet its expenditure under this head of account. The Petitioner also stated that expenses under this head are mostly fixed in nature and the Authority has previously allowed Rs. 295 million under the head in FY 2014-15. The Petitioner further submitted that its management has decided to keep control on expenses under this head of account up-to the available margin and therefore, the requested Rs.275 million in this regard. Further invoices for Rs.7.20 million have been received from PITC on account of communication charges regarding online connectivity of AMR meters project for Qasimabad Sub-division and other meters installed on incoming/outgoing panels of 11KV feeders and distribution transformers. The total impact of these expenses will be Rs.10.82 million for whole FY 2015-16. These expenses are unavoidable and fixed in nature, which will cause an increase in the head of other expenses. Therefore, the Authority is requested to review its decision and allow Rs. 285 million under the head of other expenses.

5.4.2 The Authority has allowed Rs. 258 million under the head of other expenses in the FY 2015-16 and not Rs. 275 million as stated by the Petitioner. The Authority, considering the fact that Petitioner has provided details on account of communication charges regarding online connectivity of AMR meters and in view of the prudence and importance of the expenditure, has decided to allow Rs.10.82 million to the Petitioner on this account. However, the Petitioner is directed to provide a separate disclosure of the said cost in its financial statements.





5.5 Provision for Bad Debt

5.5.1 The Petitioner submitted that the Authority disallowed the provision of bad debts on the ground that it shall allow only actual written-off of bad debts, whereas the Authority is also disallowing the actual written-off of bad debts of GOS amounting to Rs.8,452.28 million, while determining the consumer end tariff petition for FY 2013-14 and FY 2014-15. Further an amount of Rs.4,209.47 million has also been write-off in the month of February 2016. The Petitioner has therefore requested to consider this as subsequent event and allow the amount actually written-off as bad debts from Government of Sind.

5.5.2 The Authority while going through the submission of the Petitioner has observed that the Petitioner has neither submitted any new arguments nor provided any new evidence/ rationale in support of its request. The Authority has already clarified the reasons for not allowing the bad debts written off at para 16.7.2 to 16.7.4 of its determination dated April 01, 2016, which have not been answered by the Petitioner, therefore, the instant request of the Petitioner in this regard is not accepted.

6 Invoice under the head of mark up on delayed payments

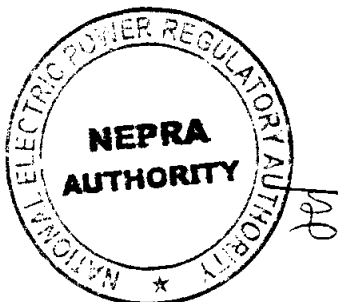
6.1 The Petitioner has requested to consider allowing mark up on delayed payments amounting Rs.2,736 million since invoice has been raised by CPPA (G) in this regard. The Petitioner has also requested to allow the disallowed financial cost.

6.2 The Authority, being consistent with its earlier decision on the issue, while assessing the PYA of the Petitioner for FY 2014-15, deducted an amount Rs.1,143 million on account of LPC due to non-provision of supplemental charges invoice from CPPA (G). Since the Petitioner has now submitted the supplemental charges invoice raised by CPPA (G), therefore, the Authority in line with its decision on the issue has decided to allow the amount of Rs. 1,143 million to the Petitioner in its PYA.

6.3 The issue of finance cost has already been addressed in detail under para 17.2 of the Petitioner determination for the FY 2015-16 dated April 01, 2016, therefore need not to be discussed again as the Petitioner has not submitted any new rationale / evidence in support of its claim.

7 Revision of sales target

7.1 The Petitioner has requested revision of its sales target keeping in view 9% reduction in units received up to March 2016. The Petitioner has also stated that the Authority estimated its share on account of power purchases as 5,787 GWhs whereas, the actual





units received up to Feb. 2016 is 3,240 GWhs, which shows a declining trend of 10%. Similarly the units sold up to Feb. 2016 are 2,462 GWhs which shows decline of 9%. The Petitioner keeping in view the aforementioned has submitted that in the remaining four months it could only receive 1700 GWhs units as per last year figure for the corresponding months and will sell only 1,308 GWhs units in remaining four months as per last year figure. In view thereof, the Petitioner has requested the Authority to review the sales target and accordingly revise the average tariff including the distribution margin for FY 2015-16.

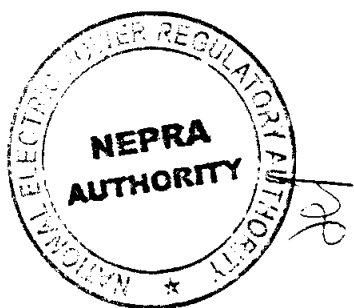
7.2 The Authority has observed that the targeted purchases of the Petitioner for the FY 2015-16 i.e. 5,568 MkWh is around 1% higher as compared to its actual purchases of 5,514 MkWh for FY 2014-15. The Authority has in detail discussed the reasons/justification for projection of the Petitioner purchases for the FY 2015-16 under para 7 of its determination for the FY 2015-16.

7.3 Here it is pertinent to mention that the any impact of extra or less purchases is taken care of while working out the PYA; hence there is no financial impact on the Petitioner in this regard.

8 Investment allowed

8.1 The Petitioner has submitted that the allowed investment of Rs. 3,067 million is not sufficient to cater for the requirement of the planned projects against the requested amount of Rs. 5,935 million. The Petitioner further mentioned that investment in the head of new vehicles of Rs. 79.43 (M) may also be allowed in addition to the investment of other projects i.e. STG, DOP & ELR. Although the Authority in para 10.6 & 10.7 has discussed the request of HESCO regarding procurement of new vehicles but the decision is not clear at the end, which may be reviewed. The Petitioner while justifying its request submitted that its actual expenses up-to March 2016 are Rs.2,355.78 million, whereas, the expected expenditure for the remaining period are Rs.2,482.25 million. In view thereof the Petitioner has requested the Authority to review the amount of investment to the tune of Rs.4,838 million.

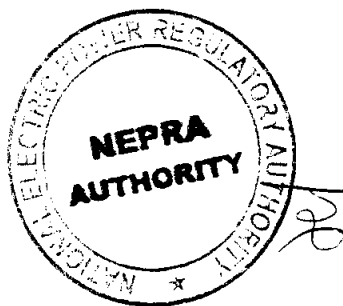
8.2 The Authority, under para 14 & 15 of its determination dated April 01, 2016, has provided the detailed reasoning / justification with regard to the allowed investment. The Authority has never restrained the Petitioner from carrying out any investment which is required for the system growth and maintenance, as clarified in the afore referred paras, wherein it has been stated that the existing mechanism of determining RORB is self-adjusting with respect to the benefits of investments, thus any investments beyond Authority's assessment, carried out by the Petitioner during the FY 2015-16 (which is desirable), would be catered for in next year's returns.





9 **Revision of WACC**

- 9.1 The Petitioner has stated that the Authority has allowed WACC @ 11.83% on the net assets of the Petitioner, keeping in view of international market, whereas the circumstances of Pakistan in present scenario are very critical. The Petitioner further mentioned that the Authority has been calculating WACC before keeping in view the circumstances of local markets. The Petitioner also stated that GOP has relented the foreign loans (through World Bank and Asian Development Bank) at the interest rate of 17%, which is higher than the rate allowed by the Authority and there is the outstanding liability of these loans amounting to Rs. 4,911.97 millions, which is due up to June 2016. Accordingly, the Petitioner has requested to review the rate of WACC at 17.45%.
- 9.2 The Authority after careful review of the Petitioner's argument with respect to the allowing actual cost of debt is of the view that the Petitioner failed to comprehend the concept for the assessment of WACC. The Authority's assessed WACC has always been an "assessment" from which the actual position of the Petitioner's might differ. WACC assessed at different points of time would reflect the market conditions which are different at respective points of times.
- 9.3 The Authority while carefully going through the Petitioner's argument has observed that the Petitioner is of the view that WACC once determined has to remain forever. This is not a static number and depends upon so many variables like different risks, country rating and inflation etc. While making assessment for the year under review the Authority has given detail arguments and rationale.
- 9.4 Moreover, the plea of the Petitioner being unable to meet its obligations regarding debt service liability of the relent loans is not validated through the numbers indicated in the financial statements. The Authority's evaluation indicates that the assessed depreciation and interest charges not only reasonably cover the actual debt service but also provide some extra cushion for the Petitioner.
- 9.5 The Authority, while going through the submissions of the Petitioner observed that the issues raised by the Petitioner have already been deliberated in detail under para 14 & 15 of the determination dated April 01, 2016, wherein, detailed reasoning / justification has been provided. Since the Petitioner has failed to substantiate its aforementioned request with any new rationale / evidence, therefore, the request of the Petitioner to revise the WACC is not accepted.





10. Order

10.1 Having gone through the arguments raised by the Petitioner in its review petition and the submission made during hearing, the Authority has decided as under;

- i. Prior year adjustment of Rs.1,143 million on account LPC and Rs.194.71 million on account of actual payments made to Ex-Wapda Pensioners during the FY 2014-15 is allowed. The Petitioner is directed to provide a separate disclosure of the amount paid to Ex-WAPDA Pensioners in its financial statements.
- ii. Replacement Hiring cost of Rs.172 million is hereby allowed.
- iii. Rs.10.82 million regarding AMR cost has been allowed under the head of other expense. The Petitioner is directed to reflect operating cost of AMR in its financial statement, and to provide a copy of the agreement and the invoice in this regard.
- iv. After incorporating the above changes in the original determination, the Estimated Sales Revenue and Schedule of Tariff (SoT) have been revised and are attached as Annex-II and Annex-III respectively to this decision, which will supersede the earlier Estimated Sales Revenue and SoT attached with the original determination as Annex-II & III respectively.

10.2 The revised Revenue requirement for FY 2015-16 is assessed as follows;

	Description	As per determination dated Apr 01, 2016 Mln. Rs.	Revised as per the MLR Mln. Rs.
1	POWER PURCHASE PRICE	49,664	49,664
	Fuel Cost	30,652	30,652
	Variable O&M	1,698	1,698
	Capacity Charges	15,359	15,359
	Use of System Charges	1,955	1,955
2	DISTRIBUTION MARGIN (net)	8,057	8,239
	Operation and Maintenance Cost (O&M)	6,169	6,351
	Depreciation	1,298	1,298
	Return on Rate Base (RORB)	1,732	1,732
	GROSS DISTRIBUTION MARGIN	9,199	9,381
	Other Income	(1,142)	(1,142)
3	PRIOR YEAR ADJUSTMENT	(5,517)	(4,179)
	TOTAL REVENUE REQUIREMENT	52,204	53,724

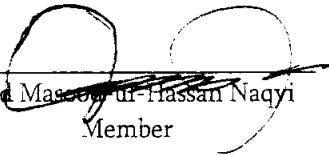
10.3 In term of Section 31(4) of the NEPRA Act, order of the Authority along with Annex-II & III attached to this decision is being intimated to the Federal Govt. for notification in the official gazette.






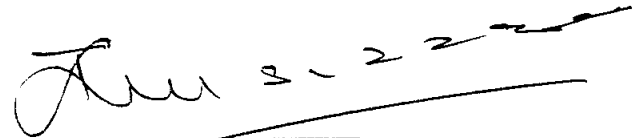
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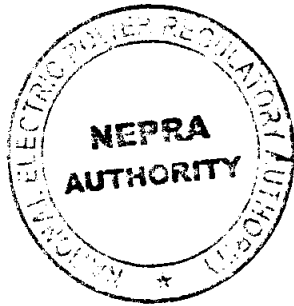
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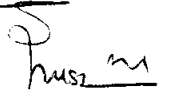

Syed Masood ur-Hassan Naqvi
Member


Maj (R) Haroon Rashid
Member

Himayat Ullah Khan
Vice Chairman

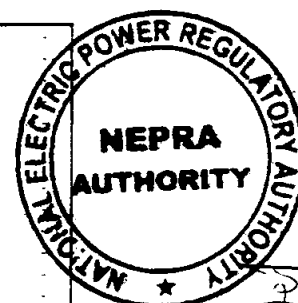

Brig (R) Tariq Saddozai
Chairman




18.05.16

HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED (HESCO)
Estimated Sales Revenue on the Basis of New Tariff

Description	Sales		Tariff		Revenue		
	GWh	% Mix	Fixed Charge	Variable Charge	Fixed Charge	Variable Charge	Total
			Rs./kW/ M	Rs./ kWh		Min. Rs.	
Residential							
Up to 50 Units	307	3.94%		4.00	-	1,230	1,230
For peak load requirement less than 5 kW							
51-100 Units	702	15.86%		9.60	-	5,736	6,736
101-200 Units	290	3.54%		13.80	-	3,997	3,997
201-300 Units	474	10.71%		13.80	-	6,540	6,540
301-700 Units	475	10.74%		14.80	-	7,034	7,034
Above 700 Units	207	4.68%		15.80	-	3,271	3,271
For peak load requirement exceeding 5 kW)							
Time of Use (TOU) - Peak	14	0.33%		15.80	-	229	229
Time of Use (TOU) - Off-Peak	54	1.45%		10.00	-	540	540
Temporary Supply	0	0.00%		15.80	-	0	0
Total Residential	2,534	57.24%				29,677	29,677
Commercial - A2							
For peak load requirement less than 5 kW	126	2.86%		14.80	-	1,871	1,871
For peak load requirement exceeding 5 kW							
Regular	5	0.14%	400.00	12.80	10	79	39
Time of Use (TOU) - Peak	35	0.79%		15.80	-	555	555
Time of Use (TOU) - Off-Peak	129	2.92%	400.00	10.00	236	1,291	1,527
Temporary Supply	1	0.01%		14.80	-	9	9
Total Commercial	297	6.72%			247	3,803	4,050
General Services-A3	133	3.00%		14.10		1,872	1,872
Industrial							
B1	129	2.92%		12.30	-	1,589	1,589
B1 Peak	12	0.27%		15.80	-	189	189
B1 Off Peak	56	1.26%		10.00	-	557	557
B2	28	0.64%	400.00	11.80	42	335	376
B2 - TOU (Peak)	43	0.98%		15.80	-	686	686
B2 - TOU (Off-peak)	242	5.46%	400.00	9.80	503	2,370	2,973
B3 - TOU (Peak)	31	0.70%		15.80	-	488	488
B3 - TOU (Off-peak)	178	4.01%	380.00	9.60	391	1,706	2,097
B4 - TOU (Peak)	17	0.39%		15.80	-	276	276
B4 - TOU (Off-peak)	101	2.28%	360.00	9.50	107	958	1,065
Temporary Supply	0	0.00%		12.30	-	1	1
Total Industrial	837	18.92%			1,143	9,153	10,296
Single Point Supply for further distribution							
C1(a) Supply at 400 Volts-less than 5 kW	2	0.06%		12.80	-	31	31
C1(b) Supply at 400 Volts-exceeding 5 kW	29	0.65%	400.00	12.30	29	355	384
Time of Use (TOU) - Peak	5	0.11%		15.80	-	75	75
Time of Use (TOU) - Off-Peak	35	0.80%	400.00	10.00	52	355	406
C2 Supply at 11 kV	24	0.55%	380.00	12.10	14	296	310
Time of Use (TOU) - Peak	3	0.07%		15.80	-	50	50
Time of Use (TOU) - Off-Peak	15	0.33%	380.00	9.80	20	144	164
C3 Supply above 11 kV	2	0.05%	360.00	12.00	2	24	26
Time of Use (TOU) - Peak	0	0.00%		15.80	-	-	-
Time of Use (TOU) - Off-Peak	0	0.00%	360.00	9.60	-	-	-
Total Single Point Supply	116	2.62%			118	1,329	1,447
Agricultural Tube-wells - Tariff D							
Scarp	235	5.30%		12.30	-	2,885	2,885
Time of Use (TOU) - Peak	35	0.78%		15.80	-	547	547
Time of Use (TOU) - Off-Peak	26	0.59%	200.00	9.60	33	251	284
Agricultural Tube-wells	98	2.22%	200.00	11.80	54	1,159	1,213
Time of Use (TOU) - Peak	15	0.35%		15.80	-	241	241
Time of Use (TOU) - Off-Peak	50	1.12%	200.00	9.60	36	477	512
Total Agricultural	458	10.36%			123	5,560	5,683
Public Lighting - Tariff G	47	1.06%		13.80	-	650	650
Residential Colonies	4	0.09%		13.80	-	55	55
Sub-Total	51	1.15%				705	705
Special Contract - Tariff-J							
J-1 For Supply at 66 kV & above	-	0.00%	360.00	12.00	-	-	-
Time of Use (TOU) - Peak	-	0.00%		15.80	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	360.00	9.60	-	-	-
J-2 (a) For Supply at 11, 33 kV	-	0.00%	380.00	12.10	-	-	-
Time of Use (TOU) - Peak	-	0.00%		15.80	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	380.00	9.80	-	-	-
J-2 (b) For Supply at 66 kV & above	-	0.00%	360.00	12.00	-	-	-
Time of Use (TOU) - Peak	-	0.00%		15.80	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	360.00	9.60	-	-	-
J-3 (a) For Supply at 11, 33 kV	-	0.00%	380.00	12.10	-	-	-
Time of Use (TOU) - Peak	-	0.00%		15.80	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	380.00	9.80	-	-	-
J-3 (b) For Supply at 66 kV & above	-	0.00%	360.00	12.00	-	-	-
Time of Use (TOU) - Peak	-	0.00%		15.80	-	-	-
Time of Use (TOU) - Off-Peak	-	0.00%	360.00	9.60	-	-	-
Total Revenue	4,427	100.00%			1,630	52,094	53,724



**SCHEDULE OF ELECTRICITY TARIFFS
FOR HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED (HESCO)**

A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
a)	For Sanctioned load less than 5 kW			
i	Up to 50 Units	-		4.00
	For Consumption exceeding 50 Units			
ii	001 - 100 Units	-		9.60
iii	101 - 200 Units	-		13.80
iv	201 - 300 Units	-		13.80
v	301 - 700 Units	-		14.80
vi	Above 700 Units	-		15.80
b)	For Sanctioned load 5 kW & above			
			Peak	Off-Peak
	Time Of Use	-	15.80	10.00

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

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	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
a)	For Sanctioned load less than 5 kW			14.80
b)	For Sanctioned load 5 kW & above	400.00		12.80
			Peak	Off-Peak
c)	Time Of Use	400.00	15.80	10.00

Under tariff A-2, there shall be minimum monthly charges at the following rates even if no energy is consumed.

a) Single Phase Connections:

Rs. 175/- per consumer per month

b) Three Phase Connections:

Rs. 350/- per consumer per month

A-3 GENERAL SERVICES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
a)	General Services	-		14.10

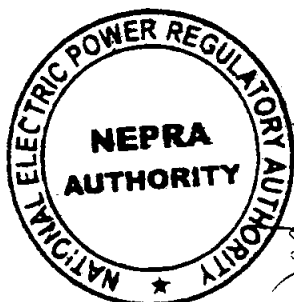
Under tariff A-3, there shall be minimum monthly charges at the following rates even if no energy is

a) Single Phase Connections:

Rs. 175/- per consumer per month

b) Three Phase Connections:

Rs. 350/- per consumer per month



SCHEDULE OF ELECTRICITY TARIFFS
FOR HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED (HESCO)
B INDUSTRIAL SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
B1	Up to 25 kW (at 400/230 Volts)	-		12.30
B2(a)	exceeding 25-500 kW (at 400 Volts)	400.00		11.80
	Time Of Use		Peak	Off-Peak
B1 (b)	Up to 25 KW		15.80	10.00
B2(b)	exceeding 25-500 kW (at 400 Volts)	400.00	15.80	9.80
B3	For All Loads up to 5000 kW (at 11,33 kV)	380.00	15.80	9.60
B4	For All Loads (at 66,132 kV & above)	360.00	15.80	9.50

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

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

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

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

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

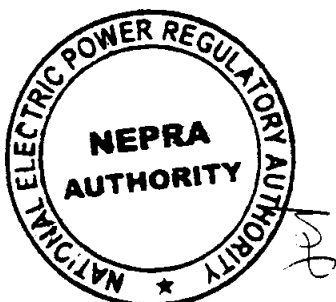
Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
C-1	For supply at 400/230 Volts			
a)	Sanctioned load less than 5 kW	-		12.80
b)	Sanctioned load 5 kW & up to 500 kW	400.00		12.30
C-2(a)	For supply at 11,33 kV up to and including 5000 kW	380.00		12.10
C-3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	360.00		12.00
	Time Of Use		Peak	Off-Peak
C-1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	400.00	15.80	10.00
C-2(b)	For supply at 11,33 kV up to and including 5000 kW	380.00	15.80	9.80
C-3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	360.00	15.80	9.60

D - AGRICULTURE TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES	
		Rs/kW/M	Rs/kWh	
D-1(a)	SCARP less than 5 kW	-		12.30
D-2 (a)	Agricultural Tube Wells	200.00		11.80
			Peak	Off-Peak
D-1(b)	SCARP 5 kW & above	200.00	15.80	9.60
D-2 (b)	Agricultural 5 kW & above	200.00	15.80	9.60

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.



**SCHEDULE OF ELECTRICITY TARIFFS
FOR HYDERABAD ELECTRIC SUPPLY COMPANY LIMITED (HESCO)**

E - TEMPORARY SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES
		Rs/kW/M	Rs/kWh
E-1(i)	Residential Supply	-	15.80
E-1(ii)	Commercial Supply	-	14.80
E-2	Industrial Supply	-	12.30

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

F - SEASONAL INDUSTRIAL SUPPLY TARIFF

125% of relevant industrial tariff

Note:

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

G- PUBLIC LIGHTING

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES
		Rs/kW/M	Rs/kWh
	Street Lighting	-	13.80

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
		Rs/kW/M	Rs/kWh
	Residential Colonies attached to industrial premises	-	13.80

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

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES Rs/kW/M	VARIABLE CHARGES Rs/kWh	
			Peak	Off-Peak
J-1	For supply at 66 kV & above and having sanctioned load of 20MW & above	360.00	12.00	
J-2	(a) For supply at 11,33 kV	380.00	12.10	
	(b) For supply at 66 kV & above	360.00	12.00	
J-3	(a) For supply at 11,33 kV	380.00	12.10	
	(b) For supply at 66 kV & above	360.00	12.00	
	Time Of Use			
J-1(b)	For supply at 66 kV & above and having sanctioned load of 20MW & above	360.00	15.80	9.60
J-2 (c)	For supply at 11,33 kV	380.00	15.80	9.80
J-2 (d)	For supply at 66 kV & above	360.00	15.80	9.60
J-3 (c)	For supply at 11,33 kV	380.00	15.80	9.80
J-3 (d)	For supply at 66 kV & above	360.00	15.80	9.60

