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No. NEPRA/ADG(TRF)/TRF-435/SEPCO-2019//47585-87
December 30, 2020

Subject: **DETERMINATION OF THE AUTHORITY IN THE MATTER OF PETITION
FILED BY SUKKUR ELECTRIC POWER COMPANY LIMITED (SEPCO)
FOR DETERMINATION OF ITS SUPPLY OF POWER TARIFF FOR THE FY
2018-19 & 2019-20 [CASE # NEPRA/TRF-435/SEPCO-2019]**

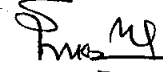
Dear Sir,

Please find enclosed herewith subject Determination of the Authority along with Annex-I, I-A, II, III, IV & V (58 Pages) in Case No. NEPRA/TRF-435/SEPCO-2019.

2. The Determination 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.

3. The Determination of the Authority along with Annex-I, I-A, (Annex-II & III separately for FY 2018-19 and FY 2019-20), Annex-IV & V are to be notified in the official Gazette.

Enclosure: As above


(Syed Safeer Hussain) 30122

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.



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

PETITION NO: NEPRA/TRF-435/SEPCO-2019

DETERMINATION OF SUPPLY OF POWER TARIFF PETITION

FOR

SUKKUR ELECTRIC POWER COMPANY LIMITED (SEPCO)

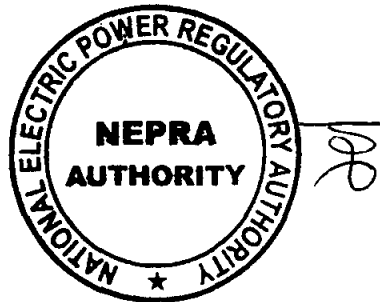
FOR THE FY 2018-19 & FY 2019-20

UNDER

NEPRA TARIFF (STANDARDS AND PROCEDURE) RULES - 1998

Islamabad

**3rd
December , 2020**



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Abbreviations

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

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



**DETERMINATION OF THE AUTHORITY IN THE MATTER OF PETITION FILED BY
SUKKUR ELECTRIC POWER COMPANY LIMITED (SEPCO) FOR DETERMINATION OF
ITS SUPPLY OF POWER TARIFF FOR THE FY 2018-19 & FY 2019-20**

CASE NO. NEPRA/TRF-435/SEPCO-2019

PETITIONER

Sukkur Electric Power Company Limited (SEPCO), Thermal Power Station, Old Sukkur, Sukkur.

INTERVENER

M/s CM Pak Limited (ZONG)

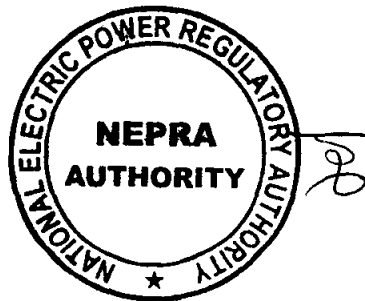
COMMENTATOR

NIL

REPRESENTATION

- i. Chief Executive Officer
- ii. Chief Financial Officer
- iii. Chief Commercial Officer
- iv. Chief Technical
- v. Deputy Manager CP&C

Noted



1. Background

- 1.1. The amendments in the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997 was passed by the National Assembly on 15th March, 2018, which was published in the official Gazette on 30th April 2018 (the "**Amendment Act**"), resulting in restructuring of the energy sector.
- 1.2. As per the amended Act, function of sale of electric power traditionally being performed by the Distribution Licensees has been amended under Section 21(2)(a), whereby 'sale' of electric power has been removed from the scope of 'Distribution Licensee' and transferred to 'Supply Licensee'.
- 1.3. Section 23E of the Act, provides NEPRA with the powers to grant Electric Power Supply License for the supply of electric power. Section 23E(1), however, provides that the holder of a distribution license on the date of coming into effect of the Amendment Act, shall be deemed to hold a license for supply of electric power under this section for a period of five years from such date. Thus, all existing Distribution Licensees have been deemed to have Power Supplier Licenses, to ensure distribution licensees earlier performing both the sale and wire functions, can continue to do so. Section 23E, further states that the eligibility criteria for grant of license to supply electric power to be prescribed by the Federal Government, and shall include, provision with respect to a supplier of the last resort, as the case may be.
- 1.4. As per Section 23F (2)(b), the Supplier possess the right to make sales of electric power to consumers within their specified territories on a non-discriminatory basis to all the consumers who meet the eligibility criteria laid down by the Authority.
- 1.5. In view thereof, Sukkur Electric Power Company Limited (SEPCO), hereinafter called "the Petitioner", being a Distribution as well as deemed Supplier filed separate tariff petitions for the determination of its Distribution and Supply of Electric Power Tariff for the FY 2018-19 and FY 2019-20, in terms of Rule 3 (1) of Tariff Standards & Procedure Rules-1998 (hereinafter referred as "Rules").
- 1.6. The Petitioner, inter alia, has requested for a Supply of Power Tariff of Rs.54,200 million i.e. Rs.19.49/kWh and Rs. 68,190 million i.e. Rs.20.22/kWh for the FY 2018-19 and FY 2019-20 respectively as detailed below; The Supply Tariff includes Power Purchase Price (PPP) of Rs.53,130 million and Supply Cost of Rs.1,070 million of the FY 2018-19 and Rs.67,372 million and Rs.818 million for the FY 2019-20.

Description	Unit	FY 2018-19	FY 2019-20
Power Purchase Cost	Mln Rs.	53,130	67,372
O&M	Mln Rs.	454	500
Depreciation	Mln Rs.	12	13
Return on Regulatory Asset Base (RoRB)	Mln Rs.	51	63
Other Income	Mln Rs.	435	96
Provision for Bad Debts	Mln Rs.	118	146
Total Revenue Requirement	Mln Rs.	54,200	68,190
Units to be Sold	GWh	2,781	3,373
Net Average Sale Rate	Rs./kWh	19.49	20.22

2. Proceedings

- 2.1. In terms of rule 4 of the Tariff standard and Procedure Rules, 1998 (hereinafter referred to as "Rules"), the petition was admitted by the Authority on December 20, 2019. 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 initially scheduled on February 11, 2020, for which notice of admission / hearing along-with the title and brief description of the petition was published in newspapers on January 22, 2020 and also uploaded on NEPRA website; Individual notices were also issued to stakeholders/ interested parties. However, during the hearing, the Authority, owing to non-presence of CEO SEPCO, decided to adjourn the hearing. The hearing was later on rescheduled for June 02, 2020 for which advertisement was published in the newspaper on May 22, 2020, and also uploaded on NEPRA website; individual notices were also issued to stakeholders/interested parties.

3. Issues of Hearing

- 3.1. 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 Petitioner has complied with the direction of the Authority given in earlier determination?
 - ii. As per NEPRA Amendment Act, 2018, obligations of procurement of assets including meters (for satisfying its services) and disconnection / reconnection services (on demand of Supplier) are with Distribution Licensee whereas procedure for metering, billing, collection of approved charges and recovery of arrears are the obligations of Supply Licensee. In this scenario, SEPCO is required to state the mode and manner being developed and followed for appropriate coordination between Distribution Licensee and Supply Licensee?
 - iii. Whether the projected Sales (GWh) and power purchase cost is reasonable?
 - iv. Whether the requested O&M cost, Provision of Bad Debts, Depreciation and Other Income is justified?
 - v. Whether the requested RoRB is justified?
 - vi. Whether the Petitioner has actually written off, provisionally allowed Write offs allowed in the Re determination decision pertaining to the FY 2015-16?
 - vii. Whether the basis used by the Petitioner for bifurcation of its costs into supply and distribution segments are justified?
 - viii. Whether the Petitioner's request regarding efficiency factor X needs consideration?
 - ix. Whether the existing Tariff Terms and Conditions needs to be modified to incorporate concerns raised by various consumers?
 - x. Whether there should any Fixed Charges on residential consumers & General Services Consumers?
 - xi. As provided in NEPRA Amendment Act, 2018, SEPCO as Distribution Licensee shall be deemed to hold Supply License also for a period of 5-years. In this regard, SEPCO is required to explain its organizational restructuring in respect of segregation of responsibilities for Distribution Business and Sale Business?

- xii. Whether the existing minimum/fixed monthly charges even if no energy is consumed needs to be revised to assist in the recovery of fixed cost of the Petitioner?
- xiii. Whether the Petitioner be treated as Supplier of the last resort and whether the tariff of the Petitioner or the National uniform tariff be treated as last resort tariff?
- xiv. Whether the concerns raised by the intervener/ commentator if any are justified?
- xv. Any other issue that may come up during or after the hearing?

4. Filing Of Objections/ Comments

- 4.1. 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 Rules. In response thereof, IR has been filed by M/s CM Pak Limited (ZONG). A brief of the concerns raised by M/s CM Pak is as under;
- 4.2. The intervener highlighted issues being faced in terms of provision of electricity, coupled with over billing, deteriorating system and non-cooperative mechanism being adopted with respect to discharge of liabilities by the Petitioner. It was also submitted that provision of electricity connections despite paid demand notes ranges from 100-400 days, whereas, as per the rule 4 of NEPRA Performance Standards (Distribution) Rules, 2005, the time period prescribed for new connections is within 30 to 55 days. The Intervener accordingly requested the Authority to issue directions to the Petitioner for provision of electricity connection in accordance with law and decide the pending over billing complaints/issues within a specified time in accordance with law.
- 4.3. The Authority observed that the issues highlighted by the Intervener were primarily complaints in nature, therefore, directed the Petitioner, during the hearing, to ensure provision of pending connections without further delay. The Authority also directed the Petitioner to establish a corporate desk to facilitate its corporate clients in terms of provision of electricity and to address the issues of overbilling, if any, on priority basis. The Petitioner did not submit any details with respect to the pending connections as of June 2019. The Authority while analyzing the DISCOs performance statistics report published by PEPCO noted that total applications pending for new connections in respect of the Petitioner were 2,547, which include 2,169 domestic, 280 commercial, 15 Agriculture, 80 industrial and 3 others applications. The Authority directs the Petitioner to provide electricity connections to all these pending applications without further delay and submit a quarterly progress report in this regard.
- 4.4. During the hearing held on June 02, 2020, the Petitioner was represented by its Chief Executive Officer 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;

5. Whether the Petitioner has complied with the direction of the Authority given in earlier determination?

- 5.1. The Authority gave certain directions to the Petitioner in its tariff determination for the FY 2017-18, which have already been deliberated in detail in the distribution tariff determination of the Petitioner for the FY 2018-19 & FY 2019-20, therefore, need not to be discussed again in the instant determination. The Authority further understands that periodic monitoring of the directions given by the Authority is absolutely necessary in order

to analyze the Petitioner's performance, therefore, the Authority has decided to have a half yearly review of the given directions, instead of discussing the same only during the tariff proceedings. Further, the directions given by the Authority in the distribution tariff determination to of the Petitioner for the FY 2018-19 & FY 2019-20, have been reproduced in the instant decision for compliance by the Petitioner.

6. Whether the basis used by the Petitioner for bifurcation of its costs into supply and distribution segments are justified?
7. As provided in NEPRA Amendment Act, 2018, SEPCO as Distribution Licensee shall be deemed to hold Supply License also for a period of 5-years. In this regard, SEPCO is required to explain its organizational restructuring in respect of segregation of responsibilities for Distribution Business and Sale Business?
8. As per NEPRA Amendment Act, 2018, obligations of procurement of assets including meters (for satisfying its services) and disconnection / reconnection services (on demand of Supplier) are with Distribution Licensee whereas procedure for metering, billing, collection of approved charges and recovery of arrears are the obligations of Supply Licensee. In this scenario, SEPCO is required to state the mode and manner being developed and followed for appropriate coordination between Distribution Licensee and Supply Licensee?
- 8.1. As explained in earlier paragraphs, the function of sale of electric power traditionally being performed by the Distribution Licensees has been amended through NEPRA Act, 2018, whereby 'sale' of electric power has been removed from the scope of Distribution Licenses and transferred to 'Supply Licensee'.
- 8.2. In light of the aforementioned provisions of the Act, the Petitioner was required to bifurcate its costs in terms of Distribution and Supply Function and provide basis thereof.
- 8.3. The Petitioner submitted the following table based on which the supply & distribution segments are bifurcated on the basis of functions, job description and activities resulting in cost and revenue to SEPCO;

SUPPLY OF POWER

- CHIEF COMMERCIAL,
- 01 MANAGER (COMMERCIAL)
- 01 MANAGER (S&I) Manager (TMC) & MANAGER (M&T)
- DY MANAGERS (COMMERCIAL)
- REVENUE OFFICERS
- 100% EXPENSES ARE ALLOCATED
- SALARIES AND OTHER EXPENSES OF HEAD QUARTER, ALLOCATED ON THE BASIS OF SERVICES PROVIDED.
- 85% OF EXPENSES OF COMPUTER CENTER

DISTRIBUTION OF POWER

- CE TECHNICAL , CE (DEV) PMU, CE OPERATION,
- 03 X OPERATION CIRCLES, 16 OPERATION DIVISIONS, 62 OPERATION SUBDIVISIONS
- PD GSC , 1 X GSO CIRCLE, PD (Construction)
- 100% EXPENSES ARE ALLOCATED
- SALARIES AND OTHER EXPENSES OF HEAD QUARTER, ALLOCATED ON THE BASIS OF SERVICES PROVIDED.
- 15% OF EXPENSES OF COMPUTER CENTER

- 8.4. Regarding organizational restructuring in respect of segregation of responsibilities for Distribution Business and Sale Business, Petitioner during the hearing did not provide explanation. The Petitioner only submitted that the tariff petitions are filed separately as provided in NEPRA Amendment Act, 2018, SEPCO has initiated to restructure its Organizational restructuring in respect of segregation of responsibilities for Distribution and Supply Business.
- 8.5. The Petitioner further submitted that the procurement of assets including meters are being procured as per approved specification (for satisfying its servicing) and the Procedure for Metering, Billing, Disconnection and Reconnection is being followed as per Consumer Services Manual dully approved by NEPRA. Further the Petitioner submitted that the Consumer Service Manual is being uploaded on SEPCO website & displayed in all field offices for favor of Information of respective consumers.
- 8.6. The Petitioner during the hearing regarding coordination between two segments submitted that
- i. Superintending Engineer (SE) of operation circle is responsible for all activities of both businesses.
 - ii. Deputy Commercial Manager (DCM) of operation circle is responsible for metering, billing and collection of his circle.
 - iii. Executive Engineers of Operation Division are responsible for operation and maintenance of the feeders, distribution transformers and LT lines, sub services to consumers. He will also manage requirement of meters, disconnection and reconnection on the request of Supply of Electricity Business. Sub Division will provide services to Distribution of Electricity and Supply Services on proportionate basis of 60% and 40%.
 - iv. Revenue Officer is responsible for implementing in conjunction with the Executive Engineer, the commercial policies laid down from time by the Company. They are reporting to DCM.
 - v. Procurement of meters are being process centrally through Manager Material Management on request of S.Es and issue the meters to Executive Engineer on their demand.
 - vi. All the financial transactions between two businesses will be adjusted through inter office transaction (IOT) advises.
 - vii. Every Revenue Office & Executive Engineer Office are separate accounting units.
 - viii. Divisional Accounts Officer (D.A.O) is responsible to keep the record of all financial transactions.
- 8.7. In addition to the above the Petitioner submitted that the following steps are being adopted to provide batter services to undertake a detail study to Bottlenecks of the connection process.
- i) Roll out full online application system.
 - ii) Make processes, guidelines and fees more transparent.
 - iii) Introduce cost calculator.

- iv) Improve transparency of information index by ensuring SEPCO notifies its customers of a change in tariff ahead of billing cycle.
- v) Online payment option should be made available.
- 8.8. The Authority understands that as per the Amended Act, the Distribution Licensee is responsible to provide distribution service within its territory on a non-discriminatory basis and develop, maintain and publicly make available, with the prior approval of the Authority, an investment program, meaning thereby, that installation/investment, operation, maintenance and controlling of distribution networks, form part of the Distribution License and activities like metering, billing and collection form part of the Supply License.
- 8.9. The Authority believes that after amendments in NEPRA Act, all the Public Sector Distribution companies are required to make organizational restructuring in terms of segregation of responsibilities of the Distribution and Sale functions and in order to ensure appropriate coordination between both functions. Hence, keeping in view the fact that it is operational issue and DISCOs are owned by the Federal Government, it would be more appropriate that a centralized restructuring plan at the level of Federal Government is prepared to be implemented by all the public sector DISCOs in order to have a uniformity and consistency in the structure.
9. **Whether the projected Sales (GWh) and power purchase cost is reasonable?**
- 9.1. The Petitioner has requested sales of 2,781 GWh & 3,373 GWh for the FY 2019 & FY 2020 respectively and power purchase price of Rs.53,130 & Rs.67,372 for the FY 2019 & FY 2020 respectively. Further the Petitioner provided the following quarter wise tables;

Description	FY 2018-19						Growth Rate %age
	Unit	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.	Total	
Units Purchase	Mkwh	1,580.49	873.96	632.56	1,324.63	4,412	0.94
Units Sold	Mkwh	906.49	625.56	450.67	797.98	2,781	1.00
T&D Losses	%age	42.65%	28.42%	28.75%	39.76%	36.97%	0.30

Description	FY 2019-20						Growth Rate %age
	Unit	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.	Total	
Units Purchase	Mkwh	1,796	960	919	1,515	5,190	1.18
Units Sold	Mkwh	1,097	742	535	999	3,373	1.21
T&D Losses	%age	38.91%	22.66%	41.83%	34.10%	35.02%	0.02-

- 9.2. The Petitioner in its Petition in this regard has submitted that Unit Sales for FY 2018-19 is actual & FY 2019-20 is projected keeping in view the availability of electricity in the system and reduction in T&D Losses by 0.2 % from the last year actual losses i.e. 36.97%.

- 9.3. The Petitioner regarding PPP for the FY 2019-20 i.e. Rs.12.04/kwh has submitted that it is based on the actual power purchase price for the FY 2018-19 and adjusted Rs. 18.53/kWh FY 2019-20. Any change in the fuel price adjustment of PPP will be adjusted on Monthly basis of its energy charges components, capacity and use of system charges will be adjusted on quarterly / Semi-annually basis that is treated as pass through items to the ultimate consumers.
- 9.4. The Petitioner during the hearing submitted that projected sales are based the demand as well as future consumption. Regarding power purchase cost, the Petitioner during the hearing submitted that for the FY 2018-19 Rs. 53,130 (M) is billed by CPPA (G). However, as for the FY 2019-20 the cost of Rs.67,372 (M) is based on CPPA (G) Average Power Purchase Price(PPP) i.e. Rs.12.98/kWh for the FY 2019-20. Detail of requested Power Purchases along with Power Purchase cost is as under;

Description	Units	FY 2018-19 (Actual)	FY 2019-20 (Estimated)	Increase	
				Mkwh	%age
Units Sale	MkWh	2,781	3,373	593	21%
Avg: PPP Un-Adjusted	Rs./Kwh	12	13	0.94	8%

Description	Unit	Amount Rs.
PPP-Energy Charges	Rs. in M	37,189
PPP-Fixed Charge.	Rs. in M	28,043
Use of System Charges	Rs. in M	2,121
Market Operation Fee	Rs. in M	18
Total Power Purchase Cost:	Rs. in M	67,372
Estimated Unit Purchase	Gwh	5,190
Av. PPP	Rs./Kwh	12.98

- 9.5. Further, during the hearing, the Petitioner provided the following actual power purchase cost for the last 5 years;

Year	Unit Purchase (MKwh)	Power Purchase Cost					Av. PPP (Rs/ Kwh)	Increase/ (Decrease) (Rs/Kwh)	%AGE
		Energy Charges	Capacity Charges	Transmission Charges	Market Operation fee	Total Cost			
FY 2014-15	4,406	28,400	12,980	1,174		42,545	9.80	-	-
FY 2015-16	4,187	19,745	12,726	1,203		33,674	8.05	(1.76)	-18%
FY 2016-17	4,483	23,290	12,837	1,307		37,434	8.34	0.29	3%
F Y 2017-18	4,679	29,479	16,110	1,428	15	47,032	10.05	1.71	21%
F Y 2018-19	4,412	27,237	23,155	1,730	17	53,130	12.04	1.99	20%

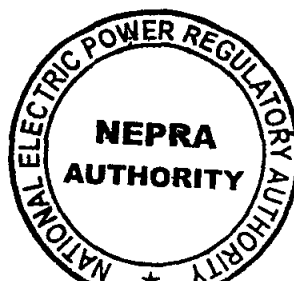
- 9.6. The Authority, observed that variations in the actual Power Purchase Price (PPP) for the FY 2018-19 have already been allowed to the Petitioner through quarterly adjustment mechanism, based on the reference PPP and the level of T&D losses that remained notified during the FY 2018-19 vis a vis the actual PPP of the Petitioner for the FY 2018-19. Therefore, for the purpose of instant petition, the PPP of the Petitioner for the FY 2018-19, shall be the PPP that remained notified during the FY 2018-19, and on which the Petitioner has been allowed quarterly adjustments, thus, any reassessment of PPP for the FY 2018-19, is not required.
- 9.7. Similarly for the FY 2019-20, variations in the Power Purchase Price (PPP) for the 1st quarter of FY 2019-20 i.e. Jul.-to Sep. 2019 has already been allowed to the Petitioner vide the Authority's decision dated November 26, 2019, and the same has been notified by the Federal Government w.e.f. December 01, 2019. For the 2nd and 3rd quarters of the FY 2019-20, the Petitioner has already filed its PPP adjustment requests with the Authority, which are at an advance stage of the proceedings. The Petitioner has also file its PPP adjustment request for the last quarter of FY 2019-20 i.e. Apr. to Jun. 2020, in accordance with the notified mechanism, which would be processed accordingly. Therefore, for the purpose of instant adjustment request, the PPP of the Petitioner for the FY 2019-20, shall be the PPP that remained notified during the FY 2019-20, and on which the Petitioner is being allowed quarterly adjustments, thus, any reassessment of PPP for the FY 2019-20, is not required.
- 9.8. Although, variations in the PPP of the Petitioner are being actualized through quarterly adjustment mechanism, however, the existing PPP references, against which the variations are being allowed, were determined by the Authority keeping in view the FY 2017-18. The Authority understands that these references now require up-dation/ revision as large amount of new capacities e.g. Coal, Nuclear, REs, etc. have since been added in the system, and also to cater for the impact of PKR vs US\$ devaluation, change in fuel prices and CPI indexations. This revision of PPP references would minimize the impact of future monthly fuel charges adjustments & quarterly variations and will provide a more predictable tariff to the consumers.
- 9.9. Accordingly, the Authority, by adopting a forward looking approach, has projected the revised PPP references keeping in view the ground realities of the FY 2020-21. For the purpose of determining the new PPP references, the Authority has carried out a detailed exercise by first projecting the total amount of generation that would be required and then estimating the station wise generation.
- 9.10. As per the analysis, an increase of around 2.8% has been projected in the generation for the FY 2020-21, over the actual generation made during the FY 2019-20.
- 9.11. Here it is pertinent to mention that for the FY 2018-19, the Authority projected a Generation of around 131,435 GWh keeping in view the Power Market Survey (PMS) Report of NTDC, however, the actual generation, remained at 122,708 GWh i.e. 7% lower than the projected generation of 131,435 GWh. Similarly, during the first eight (08) months of FY 2019-20 i.e. from Jul. 2019 to Feb. 2020, before the impact of COVID-19, the actual generation remained at 81,262 GWh, around 2.08% higher than the actual generation during the same period of FY 2018-19, however, still lower by 2.72% than the Authority's projected generation for the same period i.e. 83,535 GWh.



- 9.12. From March onward till June 2020, with Covid-19 around, the actual generation posted a negative growth of around 6%, as compared to the same period last year, resulting in decrease in overall generation in the FY 2019-20 by around 0.7% i.e. 121,868 GWh as compared to 122,708 GWh during the FY 2018-19, thus neutralized the growth of 2.08% witnessed in the first eight months of the FY 2019-20.
- 9.13. The Authority, however, going forward in the FY 2020-21, expects this trend to be reversed and actual generation may post some growth, considering improvement in the Covid-19 situation and easing out of the lockdown. Accordingly, after taking into all these assumptions, the Authority has estimated that the overall system generation will be around 125,264 GWh, and after adjusting for the NTDC's permissible transmission losses, about 121,804 GWh is expected to be delivered to the distribution companies; the estimated share for the Petitioner from the pool, is accordingly assessed as 4,276 GWh. After incorporating the T&D losses target of 19.41% allowed for the FY 2018-19 and 18.11% for the FY 2019-20 of the Petitioner, the sales target works out as 3,446 GWhs for the FY 2018-19 and 3,502 GWhs for the FY 2019-20.
- 9.14. As per the existing mechanism all the power generated from different sources is procured by the Central Power Purchasing Agency (CPPA-G) on behalf of DISCOs at the rates as per their Power Purchase Agreements (PPAs) and as per the Authority's determination. The overall power purchase cost constitutes a pool price which is transferred to the DISCOs according to a mechanism prescribed by the Authority and notified by the Federal Government. Accordingly, the Power Purchase Price has been projected, which in turn formulates the reference values for the monthly fuel adjustments & quarterly/ biannual PPP adjustment with respect to T&D losses, Capacity and Transmission Charges. Here it is pertinent to mention that while making the quarterly/ biannual adjustments of the PPP, the Authority may rationalize the SoT accordingly.
- 9.15. From the available sources i.e. Hydel, Gas, RLNG, RFO, Nuclear, Coal, Solar, Wind, Bagasse and Imports, the estimated/projected generation and cost of electricity is given in the following table:

Source	Generation MkWh	Share	EPP Rs. Mln	CPP Rs. Mln	EPP + CPP Rs. Mln	Share	EPP Rs./kWh	CPP Rs./kWh	EPP + CPP Rs./kWh
Hydel	35,263	28.15%	4,266	148,465	152,731	9.94%	0.12	4.21	4.33
RFO	5,330	4.25%	75,327	84,825	160,151	10.43%	14.13	15.92	30.05
Coal	25,524	20.38%	207,492	197,319	404,811	26.36%	8.13	7.73	15.86
Gas	17,356	13.86%	146,061	54,834	200,895	13.08%	8.42	3.16	11.57
RLNG	27,828	22.22%	258,964	174,773	433,736	28.24%	9.31	6.28	15.59
Bagasse	617	0.49%	4,306	3,500	7,805	0.51%	6.98	5.67	12.65
Wind	3,042	2.43%	-	58,904	58,904	3.84%	-	19.36	19.36
Solar	710	0.57%	-	10,390	10,390	0.68%	-	14.64	14.64
Nuclear	8,914	7.12%	8,982	90,414	99,396	6.47%	1.01	10.14	11.15
Import	506	0.40%	5,856	-	5,856	0.38%	11.57	-	11.57
SPPs	175	0.14%	1,154	-	1,154	0.08%	6.59	-	6.59
Total	125,264	100.00%	712,407	823,422	1,535,829	100.00%	5.69	6.57	12.26
NTDC & CPPA-G Cost					44,702				0.37
Sale to IPPs			(178)	(3,563)	(3,563)				
NTDC Losses			(3,282)						
<hr/>									
PPP Adjusted with NTDC Loss	121,804		708,844	823,422	1,576,968		5.82	6.76	12.95

EPP is the Energy Purchase Price i.e. Fuel & variable O&M
CPP is the Capacity Purchase price



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- 9.16. Here it is pertinent to mention that the aforementioned energy charge includes variable O&M charges, however, variable O&M charges are not made part of monthly fuel charges adjustment and are adjusted as part of quarterly / biannual adjustments. As per the above table, around 28.15% of total generation is expected from Hydel sources. RLNG would contribute around 22.22% of total generation, with around 28.24% share in the overall energy cost. Generation from indigenous gas is expected to be around 14% with a cost share of around 13%. Generation from Coal, both local as well as imported, is expected to be around 20.38%, with a share of around 26 % in the overall energy cost. Renewables and Nuclear sources are expected to contribute around 3.5% and 7.12% in the total generation with a cost share of around 5% and 6.5% respectively. Here it is pertinent to mention that with increased generation from RLNG/ Gas, Coal and Nuclear, the share of RFO in total generation and consequently in the overall cost has been limited to only around 4% and 10.4% respectively. Meaning thereby that variation in generation mix and prices of RLNG/ Gas & Coal would have greater impact on the generation cost, thus, ultimately affecting the consumer-end tariff.
- 9.17. Regarding projection of fuel prices, the Authority noted that as per the RLNG price notification issued by OGRA, RLNG prices in Pakistan are benchmarked with Brent Crude Oil Prices. In addition to this price, Port charges, PSO import related actual costs, PSO/ PLL Margin and Terminal Charges etc. are added to the price. The said prices are also adjusted with the Transmission Losses and other miscellaneous costs. Thus, the RLNG prices in Pakistan are not only affected by the international market being linked with prices of crude oil but also by the exchange rate parity.
- 9.18. Therefore, to have a fair projection of RLNG prices, the Authority considered the projections of Brent Crude oil prices projected by various reliable sources i.e. Short Term Energy Outlook published by US Energy Information Administration, World Bank Commodities Price Forecast report, IMF-World Economic Outlook Database and various analyst firm forecasts for the FY 2020-21.
- 9.19. Accordingly, the Authority keeping in view the prevailing prices of RLNG, projections of crude oil prices and impact of rupee devaluation, has projected RLNG prices as Rs.1,234/mmbtu.
- 9.20. For indigenous gas, the Authority considering the existing price, is Rs.924/mmbtu inclusive of GIDC, has projected the same as Rs.1,000/mmbtu, inclusive of GIDC @ Rs.100/mmbtu.
- 9.21. Regarding price of imported coal, the Authority has analyzed the projections made by Argus consulting, and commodity prices forecasts of World Bank. Based on these reports and keeping in view the impact of devaluation of Pak Rupee, the Authority has assessed coal prices of Rs.554/mmbtu, on delivered basis, as reasonable.
- 9.22. For projection of local coal prices for Thar coal, the Authority has considered the coal price determination made by Thar Coal Energy Board (TCEB) for Block-II. As per the TCEB determination, reference tariff determined for the 2nd year includes variable cost of US\$ 17.37 /Ton and fixed cost of US\$ 50.84/Ton. The total reference cost determined by TCEB has been indexed with US CPI and US\$ /PKR exchange rate to work out the projected coal price for the FY 2020-21, which works out at around Rs.1,228/mmbtu. The same has been considered while projecting the PPP references.

- 9.23. For projection of RFO prices, a comparison of actual RFO prices (*ex-GST, ex-OMC margin, ex-Import incidental charges*) for the period from March 2019 to February 2020, before Covid-19, has been compared with the actual Brent Crude Oil Prices for the same period. As per the comparison, Actual prices of RFO on average remained slightly lower i.e. S\$0.09/gallon than actual Brent Crude Oil Prices.
- 9.24. Accordingly, for making future projections, the impact of negative US\$0.09/gallon has been added in the prices of Brent Crude Oil, projected by US Energy Information Administration in its short term energy outlook report for the FY 2020-21, to project the RFO prices for the FY 2020-21. Afterwards, the same has been enhanced by 8% import incidentals & Inland Freight Equalization Margin, 3.5% of OMC margin and by incorporating therein the impact of exchange rate devaluation, the average RFO price has been worked out as Rs.51,985/MT. By adding therein an average freight of around Rs.2,500/MT, the average RFO prices works out as Rs.54,485/MT. The same has been considered while projecting the PPP references.
- 9.25. The generation cost is transferred to the DISCOs according to the Transfer Price Mechanism (TPM) as prescribed by the Authority. Energy transfer charge shall be calculated on the basis of units delivered after adjusting the transmission loss target allowed to NTDC. NTDC shall, for the purpose of clarity intimate to all DISCOs the generation part of the Transfer Charge during a billing period by deducting from the Transfer Charge the Transmission Charge or Use of System Charges.
- 9.26. According to the above mechanism, Rs.34,774 million and Rs.1,676 million is the share of the Petitioner on account of CpGenCap and USCF & Market Operator Fee respectively for the FY 2020-21. The overall fixed charges comprising of CpGenCap and USCF & Market Operator Fee in the instant case works out as Rs.36,667 million, which translate into Rs.2,966/kW/month based on projected average monthly MDI of the Petitioner i.e.1,030 MW or Rs.8.57/kWh on units purchased basis.
- 9.27. The annual PPP of the Petitioner for the FY 2020-21 in the instant case works out as Rs.61,605 million. With the projected purchase of 4,276 GWh for the same period, the average PPP of the Petitioner turns out to be as Rs.14.41/kWh (Annex-IV), whereas, the national average determined PPP works out as Rs.12.95/kWh after accounting for the allowed level of NTDC losses. On the basis of allowed level of T&D losses of 19.41% for the Petitioner for the FY 2018-19 and 18.11% for the FY 2019-20, the adjusted PPP of the Petitioner is assessed as Rs.17.88/kWh and Rs.17.59/kWh respectively.
10. Whether the requested O&M cost, Provision of Bad Debts, Depreciation and Other Income is justified?
11. Whether the requested RoRB is justified?
- 11.1. The Petitioner in the Supply of Power tariff petition requested an amount of Rs.1,070 million and Rs. 818 million for the FY 2018-19 and FY 2019-20 respectively, for its O & M expenses, Provision of Bad Debt, Depreciation and Other Income as detailed under;

Description	FY 2018-19 Amount (Rs. in M)	FY 2019-20 Amount (Rs. in M)
O&M (Million Rs.)	454	500
Depreciation	12	13
Provision for bad debts	118	146
RoRB	51	63

Other Income	435	96
Total	1,070	818
Sales Volume (MKWh)	2,781	3,373
Average Rs./KWh	0.38	0.24

- 11.2. Here it is pertinent to mention that the Petitioner instead of netting off Other Income i.e. as a negative cost, has considered the same a positive part of its Revenue Requirement, which is not correct. The Authority however while assessing the Revenue requirement of the Petitioner has considered Other Income as a negative cost.

O&M Cost

- 11.3. For projections or assessment of OPEX costs, two commonly used approaches are Ex-Ante and the Ex-Post approach. In a regime where the allowed OPEX is determined Ex-Ante, there will inevitably be deviations between the allowed and actual expenses, in the form of efficiency savings or losses. Thus, resulting in two broad options, one that the utility bears all savings or losses, i.e. no action is taken by the Regulator. Secondly, the utility shares the savings or losses with consumers. The former approach provides the utility with a profit incentive to cut costs, but at the same time places the utility at greater financial risk in the face of losses. The latter somewhat dilutes efficiency incentives, but also limits the losses/gains for the utility and its customers.
- 11.4. The widely used approach is that no adjustments to allowed Revenues or OPEX allowances are made hence providing an incentive to the utility to improve its operations. However, considering the fact that FY 2018-19 already elapsed, the Authority considers it appropriate to use Ex-Post facto approach while determining O&M costs of the Petitioner for the FY 2018-19.
- 11.5. The Petitioner regarding O&M cost submitted that it is based on inflation adjustments to SEPCO's operating expenses from the latest available provisional / Un-Audited data for the FY 2018-19 and 10% increase in Salaries & Allowances in the FY 2019-20. The O&M per unit has been projected at around Rs. 0.15/kWh for the FY 2019-20.

12. Salaries Wages & Other Benefits excluding Postretirement benefits

- 12.1. The Petitioner as per the breakup provided during the hearing has requested Rs. 403 million & Rs. 443 million for the FY 2018-19 & FY 2019-20 respectively. The Petitioner submitted during the hearing that an increase of 10% due to annual increment and Adhoc relief allowed by the Government has been assumed for the FY 2019-20.
- 12.2. The Petitioner regarding the pay and allowances in its petition has stated that it includes salaries of regular and contract employees, wages of daily wages, which includes all benefits such as house rent and acquisitions allowances, medical allowances and facilities, free electricity and pension contribution, considering the impact of increase in salaries annual increment etc. by the Government as per the finance bill.
- 12.3. Considering the fact that the FY 2018-19 and FY 2019-20, for which the costs are being assessed, have already elapsed, therefore, the Authority has decided to consider the actual costs incurred by the Petitioner in this regard. It is also pertinent to mention that being a

public sector company, the Petitioner is obligated to allow the increases announced by the Federal Government through Budget to its employees including the post retirement benefits.

- 12.4. For the FY 2018-19 the actual cost reflected in the accounts of the Petitioner for Salaries & Wages (excluding postretirement benefits, discussed separately) is Rs.3,785 million. Here it is pertinent to mention that the Petitioner, despite the Authority's clear directions, has still not provided the replacement hiring certificate. Therefore, the replacement hiring cost of Rs.97 million has been adjusted from the actual cost of Salaries & Wages of Rs.3,785 million appearing in the accounts. Thus, the net amount, after deducting the replacement hiring cost of Rs.97 million, works out as Rs. 3,687 million, which is hereby allowed to the Petitioner, under the head of salaries, wages & other benefits (excluding postretirement benefits, discussed separately) for the FY 2018-19 for both the Distribution and Supply functions.
- 12.5. The Petitioner is also directed to provide certificate of replacement hiring from its Auditors as directed by the Authority in its previous tariff determinations. Once the requisite certificate is provided by the Petitioner, the Authority may consider allowing the cost of replacement hiring.
- 12.6. Regarding, the FY 2019-20, till finalization of the instant tariff determination, the financial statements of the Petitioner for the FY 2019-20 were not made available. Therefore, for assessment of Salaries & Wages costs for the FY 2019-20, the Authority has decided to incorporate the increases announced by the Government on Salaries and Wages in the Budget of FY 2019-20, on the amount allowed to the Petitioner under this head for the FY 2018-19. Accordingly, the Petitioner is allowed an amount of Rs.4,007 million for the Salaries & Wages costs (excluding postretirement benefits, discussed separately & cost of replacement hiring) for the FY 2019-20 for both the Distribution and Supply Functions. Here it is important to highlight that for the FY 2019-20, the amount of replacement hiring when worked out based on the increases allowed by the Government, t works out as Rs.106 million, which is deducted while assessing the Salaries & Wages expenses of the Petitioner for the FY 2019-20.
- 12.7. The accounts of the Petitioner for the FY 2018-19 do not provide any bifurcation of the Salaries, Wages and other benefits costs in terms of Distribution and Supply Functions. Therefore, the Authority, has allocated the total cost of Salaries, Wages and other benefits proportionately to the Distribution and Supply Functions, based on the figures of Salaries, Wages and other benefits requested in the Distribution and Supply Petitions for both the FY 2018-19 and FY 2019-20. Accordingly, the cost of Salaries, Wages and other benefits (excluding postretirement benefits) for the FY 2018-19 and FY 2019-20 pertaining to the supply function works out as Rs.313 million and Rs.342 million respectively.

13. Post-Retirement Benefits

- 13.1. The Authority considering the overall liquidity position in the power sector and in order to ensure that the Petitioner fulfils its legal liability with respect to the post-retirement benefits, directed the Petitioner to create a separate fund in this regard. Subsequently, this deadline was extended by the Authority. The rationale was that the creation of funds would ensure that the Petitioner records its liability more prudently since the funds would be transferred into a separate legal entity. In addition to that these independent funds would

- generate their own profits, if kept separate from the company's routine operations and in the longer run reducing the Distribution Margin and eventually consumer-end tariff.
- 13.2. During the tariff proceeding of the FY 2016-17 and FY 2017-18, the Petitioner submitted that Trust Deed & Trustee has been approved by the BoD of SEPCO in its 17th Meeting held on 25.02.15 and the Trust deed documents have been submitted to FBR for exemption. The Trust deed has been registered with the Sub-Registrar office Sukkur on dated 04.08.16. The Petitioner also submitted that an initial amount Rs.100 Million for post-retirement benefit Fund has been arranged and the matter is under the BoD approval.
- 13.3. The Authority upon which seriously noted that despite lapse of more than six year, the Petitioner had failed to finalize legal formalities for opening of a separate post retirement fund and directed the Petitioner to create the separate post-retirement benefits Fund before 30th September 2018.
- 13.4. During the hearing of the instant tariff petition the Petitioner has submitted that it has complied with the decision of the Authority, however, the Petitioner has not substantiated it with any evidence or provided any update in the matter regarding deposit of funds in the post retirement benefit account.
- 13.5. As per the breakup provided by the Petitioner during the Hearing the Petitioner has requested Rs.2,758 million (Rs.29 million for supply function & Rs.2,729 million for distribution function) for the FY 2018-19 and Rs.3,056 million (Rs.32 million for supply function & Rs.3,024 million for distribution function) for the FY 2019-20. Further, during hearing, the Petitioner stated that justification for increase in Pension is 10% increase announced by the Government and increase in the Nos. of Pensioners
- 13.6. The Authority, understands that payment of postretirement benefits to the retired employees is a compulsory obligation of the Petitioner which can be best fulfilled through a separate postretirement Fund having sufficient funds. However, failure of the Petitioner to deposit the amount of already collected provision of postretirement benefits into the Fund, would not absolve the Petitioner from its responsibility in this regard.
- 13.7. In view thereof, and considering the fact that FY 2018-19 has already lapsed, the Authority has decided to allow only actual payments made by the Petitioner on account of Post-retirement benefits made during the year as per the accounts provided by the Petitioner. The actual payments reflected in the accounts of the Petitioner is Rs.1,496 million. Accordingly, the same amount is being allowed to the Petitioner for the FY 2018-19 for the postretirement benefits for both the Distribution and Supply Functions, including the impact of payments for the Ex- WAPDA employees retired before 1998.
- 13.8. Regarding, the FY 2019-20, till finalization of the instant determination, the financial statements of the Petitioner for the FY 2019-20 were not made available. Therefore, for assessment postretirement benefits for the FY 2019-20, the Authority has decided to incorporate the increases announced by the Government on Post retirement benefits in the Budget of FY 2019-20, on the amount allowed to the Petitioner under this head for the FY 2018-19. Accordingly, the Petitioner is allowed an amount of Rs.1,646 million for the Post retirement benefits for the FY 2019-20 for both the Distribution and Supply Functions, including the impact of payments for the Ex-WAPDA employees retired before 1998.
- 13.9. For the purpose of bifurcation of the cost in terms of Distribution and Supply Functions, the same criteria as adopted by the Petitioner itself has been considered. Based on the said

criteria, the Petitioner is allowed an amount of Rs.16 million & Rs.17 million for the FY 2018-19 & FY 2019-20 respectively on account of postretirement benefits for the Supply Function.

- 13.10. The Petitioner is directed to provide evidence of creation of post retirement fund and to transfer the already collected provision on account of Post-Retirement benefits into the Fund and also provide break-up of the said postretirement benefits indicating the provision amount pertaining to the prior period and the current portion.

14. Travelling Expenses

- 14.1. The Petitioner has requested Rs.16 million & Rs.17 million for the FY 2018-19 & FY 2019-20 respectively for its Supply Function. The Petitioner regarding Traveling expenses has submitted that it is for daily movement from allied formation to all bank branches and collect the scroll from banks and submit to MIS Directorate.
- 14.2. The Authority, considering the fact that FY 2018-19 has already lapsed, decided to analyze the actual expenditure incurred by the Petitioner under the head "Travelling". As per the accounts submitted by the Petitioner for the FY 2018-19, its expenditure under travelling for the FY 2018-19 is Rs.293 million for both Distribution & Supply Function. A comparison of the same with the actual amount of the Petitioner for the FY 2017-18, showed that its actual Travelling cost for the FY 2018-19 has increased by around 5.46% which is reasonable increase. In view thereof, and comparison with other XWDISCOs, the Authority, considers the cost of Rs.293 million incurred for Travelling for the FY 2018-19 as reasonable and hence the same is allowed to the Petitioner for the FY 2018-19 for both the Distribution and Supply Functions.
- 14.3. For the FY 2019-20, the Petitioner has requested Rs.339 million (for both function) an increase of around 16% in its travelling expenses, as compared to actual cost incurred during the FY 2018-19, however, no cogent justification/rationale has been provided in support of the request. The Authority, therefore, keeping in view the Petitioner's previous trend, inflation and comparison with other DISCOs has decided to allow an amount of Rs.320 million for the travelling expenses for both the Distribution and Supply Functions after adjusting actual cost with inflation i.e. 9.11%.
- 14.4. The accounts submitted by the Petitioner do not provide any bifurcation of the Travelling cost in terms of Distribution and Supply Functions, therefore, for the purpose of bifurcation of the cost in terms of Distribution and Supply Functions, the same criteria as adopted by the Petitioner itself to bifurcate its costs in Distribution and Supply functions has been adopted. Based on the said criteria, the Petitioner is allowed an amount of Rs.13 million & Rs.16 million as travelling costs for the FY 2018-19 & FY 2019-20 respectively for its Supply Function.

15. Vehicle/Transportation Expenses

- 15.1. The Petitioner has requested an amount of Rs.0.38 million & Rs.0.42 million under Transportation expenses for the FY 2018-19 & FY 2019-20 respectively for its supply function. The Petitioner regarding Vehicle expenses has stated that charges include repair and maintenance of vehicles, POL and annual renewal of registration fees.
- 15.2. The Authority, considering the fact that FY 2018-19 & FY 2019-20 has already lapsed, decided to analyze the actual expenditure incurred by the Petitioner under the head

- "Travelling". As per the provisional accounts submitted by Petitioner for the FY 2018-19, its actual expenditure under Vehicle for the FY 2018-19 is Rs.147 million.
- 15.3. A comparison of the same with the actual cost of the Petitioner for the FY 2017-18 i.e. Rs.111 million, showed that actual total Transportation cost for the FY 2018-19, both for the Distribution and Supply functions, increased by around 32% as compared to the actual expenses of the FY 2017-18. However, the Petitioner has itself requested an amount of Rs.129 million for the FY 2018-19 for the Transportation expenses, which when compared with the cost allowed for the FY 2017-18 i.e. Rs.118 million, primarily includes impact of inflation. In view thereof, comparison with other XWDISCOs, and keeping in view the trend of inflation /fuel prices, and Petitioner's service area, the Authority considers the amount of Rs.129 million as reasonable and hence the same is allowed to the Petitioner for the FY 2018-19 as Transportation expenses both for the Distribution and Supply of Power Function.
- 15.4. For the FY 2019-20, the Petitioner has requested an amount of Rs.154 million for the transportation expenses, projecting an increase of around 19%, as compared to requested figure for the FY 2018-19. The Petitioner submitted that the increase has been projected keeping in view the increasing trend in POL prices. The Authority keeping in view the Petitioner's previous trend, inflation, increase in fuel prices and comparison with other DISCOs considers the request of the Petitioner as reasons able and hence allows the amount of Rs.154 million for the Transportation expenses both for the Distribution and Supply of Power Functions for the FY 2019-20.
- 15.5. The accounts submitted by the Petitioner do not provide any bifurcation of the Transportation cost in terms of Distribution and Supply Functions, therefore, for the purpose of bifurcation of the cost in terms of Distribution and Supply Functions, the same criteria as adopted by the Petitioner itself to bifurcate its costs in Distribution and Supply functions has been adopted. Based on the said criteria, the Petitioner is allowed an amount of Rs.0.38 million & Rs.0.42 as Transportation costs for the FY 2018-19 & FY 2019-20 for its Supply Function.
16. **Other Miscellaneous Expenses**
- 16.1. As per the bifurcation provided by the Petitioner in its hearing the Petitioner has requested Rs. 7 million & Rs. 8 million under Other Miscellaneous Expenditures for the FY 2018-19 & FY 2019-20 respectively for its Supply Function. The Petitioner regarding other miscellaneous expenses has stated that it includes repair of furniture and office equipment, stationery and Photostat charges, postage and telecommunications. The Petitioner for the FY 2019-20 projected an increase of 14% in its Other expenses.
- 16.2. The Authority, considering the fact that FY 2018-19 & FY 2019-20 has already lapsed, decided to analyze the actual expenditure incurred by the Petitioner under the head "Other Miscellaneous Expenses". As per the accounts submitted by Petitioner for the FY 2018-19, its actual expenditure under Other Miscellaneous Expense for the FY 2018-19 is Rs.219 million.
- 16.3. The Authority, during analysis, noted that the Petitioner has included an amount of Rs.53.856 million on account of Management and Consultation fees being paid to PEPCO.
- 16.4. Regarding PEPCO fees, the Authority observed that each DISCO is an independent entity having its own board of Directors, thus, allowing any cost on the pretext of PEPCO

Management fee is not logical. Further, the then Ministry of Water & Power, itself in the Peshawar High Court submitted that PEPCO shall be dissolved after June 2011. In view thereof, the cost of PEPCO fee has not been allowed to the Petitioner.

- 16.5. Accordingly, based on the above discussion, and after taking into account the aforementioned disallowed amount from the actual expenses of the Petitioner for the FY 2018-19, the Petitioner costs of total Other Expenses works out as Rs.165 million for the FY 2018-19 for both functions i.e. Distribution & Supply, which is hereby allowed.
- 16.6. For the FY 2019-20, the Petitioner has projected an increase of around 303% in its Other expenses, as compared to actual cost for the FY 2018-19, after adjustment for the PEPCO fee. While justifying its request, the Petitioner submitted that it is due to inclusion of provision for ERP cost & Assets verification. The Petitioner in the petition submitted that it has initiated ERP System in the company. The tender was invited for the ERP System as well as Consultant for ERP implementation. M/s Abacus has been selected for ERP / SAP & M/s CROWE have been approved for Consultant by BOD SEPCO for award of the contracts respectively. Letter of Intent has been issued to the qualified bidders. The cost of the contract of the both contracts have been claimed in the Distribution Margin in O&M heads.
- 16.7. Regarding cost of ERP system, the Authority is of the view that being capital expenditure, the same needs to be considered under the investment program. Therefore, the Petitioner is directed to submit its ERP cost requirement as part of its Investment program.
- 16.8. For the remaining amounts, since the Petitioner has not provided any bifurcation of the requested amount in terms of ERP cost and other miscellaneous expenses, the Authority has decided to allow the inflationary impact over the cost allowed for the FY 2018-19, after deduction of PEPCO charges. Accordingly, the Petitioner is allowed an amount of Rs.180 million for the FY 2019-20, as Other Misc. expenses for both its Distribution and Supply Functions.
- 16.9. The provisional accounts submitted by the Petitioner do not provide any bifurcation of the Other Expenses in terms of Distribution and Supply Functions, therefore, for the purpose of bifurcation of the cost in terms of Distribution and Supply Functions, the same criteria as adopted by the Petitioner itself to bifurcate its costs in Distribution and Supply functions has been adopted. Based on the said criteria, the Petitioner is allowed an amount of Rs.6 million & Rs.3 million as Other Expenses for the FY 2018-19 & FY 2019-20 for its Supply Function. The Petitioner is also directed to provide details of PEPCO Management Fees, if any, claimed previously so that same could be adjusted in the subsequent tariff determinations.
17. **Depreciation**
- 17.1. The Petitioner has requested an amount of Rs. 12 million & Rs. 13 under Depreciation Charges for the FY 2018-19 & FY 2019-20. The Petitioner in its Petition regarding depreciation of assets has stated that it is provided in accordance with the accounting policy of the Company.
- 17.2. The Authority, considering the fact that FY 2018-19 & FY 2019-20 has already lapsed, decided to analyze the actual expenditure incurred by the Petitioner under the head "Depreciation". As per the provisional accounts submitted by Petitioner for the FY 2018-19, its actual expenditure under depreciation for the FY 2018-19 is Rs.1,211 million calculated on actual depreciation rates for each category of Assets, as per the Company's

policy, based on historical costs of the assets for both of its distribution and supply function. The Authority has decided to allow the actual amount to the Petitioner i.e. Rs.1,211 million for the FY 2018-19 for both Supply and Distribution Function.

- 17.3. The accounts submitted by the Petitioner do not provide any bifurcation of the Depreciation charges in terms of Distribution and Supply Functions, therefore, for the purpose of bifurcation of the cost in terms of Distribution and Supply Functions, the same criteria as adopted by the Petitioner itself to bifurcate its costs in Distribution and Supply functions has been adopted. Based on the said criteria, the Petitioner is allowed an amount of Rs.11 million on account of depreciation as part of its Supply function for the FY 2018-19.
- 17.4. In order to make fair assessment of the Petitioner's depreciation charges for the FY 2019-20, the Authority has taken into account the amount of investments allowed to the Petitioner for the instant year. After taking into account new investments, the Gross Fixed Assets in Operation for the FY 2019-20 have been worked out Rs.39,462 million. Accordingly, the depreciation charge for the FY 2019-20, calculated on actual depreciation rates for each category of Assets as per the Company's policy, has been assessed as Rs.1,344 million for both of its distribution and supply function. After carefully examining the relevant details and information pertaining to the deferred credit and amortization, the Authority has assessed amortization of deferred credit to the tune of Rs.587 million for the FY 2019-20, thus, consumers would bear net depreciation of Rs.757 million. Based on the same criteria as adopted by the Petitioner to bifurcate its costs in terms of Distribution and Supply of Power Functions, the Authority has assessed an amount of Rs.12 million on account of depreciation charges for the Supply Function of the Petitioner for the FY 2019-20.

18. Other Income

- 18.1. The Petitioner has requested Rs. 435 million & Rs. 96 million as Other Income for the FY 2018-19 & FY 2019-20 for its Supply function. Here it is pertinent to mention that the Petitioner added Other Income as part of Revenue Requirement rather than netting off the same amount as a negative cost in its Petition, however, during hearing, the Petitioner corrected the same and deducted the requested amounts of other income from its revenue requirement. However, the Petitioner has not provided any basis for the requested amount.
- 18.2. The Authority, considering the fact that FY 2018-19 has already lapsed, decided to consider the actual other income of the Petitioner for the FY 2018-19, which as per the provisional accounts submitted by the Petitioner is around Rs.827 million, including the amount of amortization of deferred credit but exclusive of the amount of late payment charges. The Authority in consistency with its earlier decision, on the issue, has not included the amount of LPS while assessing the other income for the FY 2018-19. The Petitioner is accordingly allowed other Income of Rs.827 million both for the Distribution and Supply Functions for the FY 2018-19, which does not include late payment charges but inclusive of amortization of deferred credit.
- 18.3. The Audited accounts submitted by the Petitioner do not provide any bifurcation of the Other Income in terms of Distribution and Supply Functions, therefore, for the purpose of bifurcation of the cost in terms of Distribution and Supply Functions, the same criteria as adopted by the Petitioner itself to bifurcate its Other Income in Distribution and Supply functions has been adopted. Based on the said criteria, the Petitioner is allowed an amount of Rs.272 million as Other Income for the FY 2018-19 for its Supply Function.

- 18.4. For the FY 2019-20, the Petitioner has projected Rs.96 million as Other Income for its Supply of Power function.
- 18.5. The Authority has decided to consider the amount of Other Income as proposed by the Petitioner for the FY 2019-20, considering it be inclusive of amount of amortization of deferred credit but exclusive of the amount of late payment charges. In view thereof, the Authority has assessed Rs.988 million as Other Income which does not include late payment charge but includes amortization of deferred credit. Based on the said criteria, the Petitioner is allowed an amount of Rs.96 million as Other Income for the FY 2019-20 for its Supply Function.
- 18.6. Here it is pertinent to mention that the LPS recovered from the consumers on utility bills shall be offset against the late payment invoices raised by CPPA (G) against respective XWDISCO only and in the event of non-submission of evidence of payment to CPPA (G), the entire amount of Late Payment charge recovered from consumers shall be made part of other income and deducted from revenue requirement in the subsequent year.
- 18.7. In view thereof, the Authority, again directs the Petitioner to provide the required details of late payment charges recovered from the consumers and any invoice raised by CPPA (G) under the head of mark-up on delayed payments for the period from FY 2014-15 to FY 2019-20, in its next tariff petition.

19. **RORB**

- 19.1. The Petitioner has requested Rs. 51 & Rs. 63 for the FY 2018-19 & FY 2019-20 respectively. The Petitioner has provided the following working regarding the requested amount;

Description	Unit	FY 2018-19	FY 2019-20
		Provisional	Projected
Gross Fixed Assets in Operation - Opening Bal	[Mln Rs]	50	52
Addition in Fixed Assets	[Mln Rs]	1	1
Gross Fixed Assets in Operation - Closing Bal	[Mln Rs]	52	53
Less: Accumulated Depreciation	[Mln Rs]	12	13
Net Fixed Assets in Operation	[Mln Rs]	40	40
Add: Capital Work In Progress - Closing Bal	[Mln Rs]	393	436
Investment in Fixed Assets	[Mln Rs]	432	476
Less: Deferred Credits	[Mln Rs]		
Regulatory Assets Base	[Mln Rs]	432	476
Average Regulatory Assets Base	[Mln Rs]	432	476
Rate of Return	[%age]	11.83%	21.59%
Return on Rate Base	[Mln Rs]	51	63

- 19.2. The Petitioner however did not provide any details in terms of workings of Rate of Return used in its calculations i.e. 11.83% & 21.59% for the FY 2018-19 & FY 2019-20.
- 19.3. The Authority noted that Section 31(3) of the amended NEPRA Act prescribes that;

(b) tariffs should generally be calculated by including a depreciation charge and a rate of return on the capital investment of each licensee commensurate to that earned by other investments of comparable risk;

(c) tariffs should allow licensees a rate of return which promotes continued reasonable investment in equipment and facilities for improved and efficient service;

- 19.4. The Authority allows Return to DISCOs based on WACC as no separate financial charges are allowed. For calculation of Return of Equity (RoE) component of the WACC, the Authority uses the Capital Asset Pricing Model (CAPM), being the most widely accepted model, applied by Regulatory agencies all over the world to estimate the cost of capital for regulated utilities. Since the Authority uses Plain Vanilla WACC, hence the impact of tax shield is taken as zero, and in case any tax is actually paid by the Petitioner, it is treated as pass through.
- 19.5. As per the methodology, in case of negative equity the Authority would consider a minimum of 20% equity and any equity in excess of 30% would be considered as debt.
- 19.6. For assessment of the RoE component for the FY 2018-19, weighted average yield on 05 Years Pakistan Investment Bond (PIB) as of June 13, 2018 has been considered as risk free rate which is 8.4795%. The expected return on any investment is the sum of the risk-free rate and an extra return to compensate for the risk. This extra return or 'risk premium' is the difference between market rate of return and risk free rate. Generally, the return on stock market index is taken as a measure of market rate of return.
- 19.7. To have an appropriate measure of the market rate of return, analyzed KSE-100 Index return, over a period of 8 years, which remained at around 15%. We have also considered Analysts' consensus/ research houses estimates in this regard. The risk premium used by different leading brokerage houses of the country ranges between 6% – 7%. The rate of return on KSE-100 index remained at around 15%, which also, translates into risk premium of around 6.521% (*with risk free rate of 8.4795%, Weighted Average Yield of 5-Year PIB as of June 13, 2018*). Therefore, keeping in view the aforementioned, Market Risk Premium of 6.521% is considered as reasonable for calculation of cost of equity component.
- 19.8. The Authority, keeping in view the earlier studies in the matter, range of betas used by international Regulators, and request of the Petitioner, has decided to maintain a beta of 1.10 while assessing the RoE component of the Petitioner.
- 19.9. As regard the cost of debt, it is the interest rate on which a company would get borrowing from the debt market / commercial banks i.e. a rate at which banks lend to their customers. In order to have a fair evaluation of the cost of debt, the Authority has analyzed the financial statements of the DISCOs. The Authority noted that majority of loans obtained by XWDISCOs are relent loans, therefore, keeping in view the NEPRA (Benchmarks for Tariff Determination), Guidelines, 2018, and the loans obtained by K-Electric, the Authority considers cost of debt as 3 month's KIBOR + 2.00% spread as reasonable. Consequently, the cost of debt has been worked out as 8.93% i.e. 3 Months KIBOR of 6.93% as of 3rd July 2018 plus a spread of 2.00% (*200 basis points*).
- 19.10. Consequent to the aforementioned discussion, the Authority has re-worked the WACC as below;



Cost of Equity;
$K_e = R_F + (R_M - R_F) \times \beta$
$= 8.4795\% + (15\% - 8.4795\% = 6.521\% \times 1.1) = 15.65\%$
Cost of Debt;
$K_d = 8.93\%$

19.11. Accordingly, the WACC has been worked out as under;

WACC;
$WACC = ((K_e \times (E / V)) + (K_d \times (D / V)))$
Where E/V and D/V are equity and debt ratios respectively taken as 30% and 70%;
$WACC = ((15.65\% \times 30\%) + (8.93\% \times 70\%)) = 10.95\%$

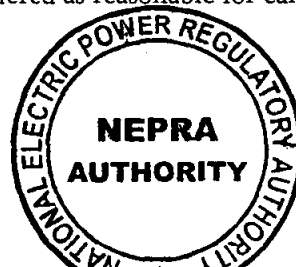
19.12. Thus, using rate of return of 10.95%, the Authority has assessed Rs. 1,141 million as return on rate base for supply & distribution of power function as per the following calculations:

Description	FY 2017-18	FY 2018-19
Fixed Assets O/B	32,932	34,900
Addition	1,968	700
Fixed Assets C/B	34,900	35,600
Depreciation	14,607	15,818
Net Fixed Assets	20,293	19,781
Capital WIP C/B	2,932	3,873
Fixed Assets Inc. WIP	23,225	23,654
Less: Deferred Credits	12,368	13,674
Total	10,857	9,980
RAB		10,419
WACC		10.95%
RORB		1,141

19.13. The provisional accounts submitted by the Petitioner do not provide any bifurcation of the assets in terms of Distribution and Supply Functions, therefore, for the purpose of bifurcation of RoRB in terms of Distribution and Supply Functions, the same criteria as adopted by the Petitioner itself to bifurcate RoRB in Distribution and Supply functions has been adopted. Based on the said criteria, the Petitioner is allowed Rs.35 million as part of its RoRB for Supply function for the FY 2018-19.

19.14. For assessment of the RoE component for the FY 2019-20, weighted average yield on 05 Years Pakistan Investment Bond (PIB) as of June 27, 2019 has been considered as risk free rate which is 13.7687%. The expected return on any investment is the sum of the risk-free rate and an extra return to compensate for the risk. This extra return or 'risk premium' is the difference between market rate of return and risk free rate. Generally, the return on stock market index is taken as a measure of market rate of return.

19.15. To have an appropriate measure of the market rate of return, the return of KSE-100 Index, over a period of 8 years, has been analyzed which remained at around 15%, which translates into risk premium of around 1.23% (with risk free rate of 13.7687%, Weighted Average Yield of 5-Year PIB as of June 27, 2019). Therefore, keeping in view the aforementioned, Market Risk Premium of 1.23% is considered as reasonable for calculation of cost of equity



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component.

19.16. The Authority, keeping in view the earlier studies in the matter, range of betas used by international Regulators, and request of the Petitioner, has decided to maintain a beta of 1.10 while assessing the RoE component of the Petitioner.

19.17. As regard the cost of debt, it is the interest rate on which a company would get borrowing from the debt market / commercial banks i.e. a rate at which banks lend to their customers. In order to have a fair evaluation of the cost of debt, the Authority has analyzed the financial statements of the DISCOs. The Authority noted that majority of loans obtained by XWDISCOs are relent loans, therefore, keeping in view the NEPRA (Benchmarks for Tariff Determination), Guidelines, 2018, and the loans obtained by K-Electric, the Authority considers cost of debt as 3 month's KIBOR + 2.00% spread as reasonable. Consequently, the cost of debt has been worked out as 14.97% i.e. 3 Months KIBOR of 12.97% as of 25th July 2019 plus a spread of 2.00% (200 basis points).

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

Cost of Equity;
$K_e = R_f + (R_M - R_f) \times \beta$
$(13.7687\% + (15\% - 13.7687\% \times 1.1)) = 15.12\%$
Cost of Debt;
$K_d = 14.97\%$

19.19. Accordingly, the WACC has been worked out as under;

WACC;
$WACC = ((K_e \times (E / V)) + (K_d \times (D / V)))$
Where E/V and D/V are equity and debt ratios respectively taken as 30% and 70%;
$WACC = ((15.12\% \times 30\%) + (14.97\% \times 70\%)) = 15.02\%$

19.20. Thus, using rate of return of 15.02%, the Authority has assessed Rs.1,742 million as return on rate base for supply & distribution of power function as per the following calculations:

Description	FY 2019-20
Fixed Assets O/B	35,600
Addition	3,862
Fixed Assets C/B	39,462
Depreciation	17,163
Net Fixed Assets	22,299
Capital WIP C/B	4,011
Fixed Assets Inc. WIP	26,310
Less: Deferred Credits	13,087
Total	13,223
RAB	11,602
WACC	15.02%
RORB	1,742

- 19.21. The provisional accounts submitted by the Petitioner do not provide any bifurcation of the assets in terms of Distribution and Supply Functions, therefore, for the purpose of bifurcation of RoRB in terms of Distribution and Supply Functions, the same criteria as adopted by the Petitioner itself to bifurcate RoRB in Distribution and Supply functions has been adopted. Based on the said criteria, the Petitioner is allowed Rs.34 million as part of its RoRB for Supply function for the FY 2018-19.
- 19.22. The Authority during the tariff determination of the Petitioner for the FY 2015-16, noted that the Petitioner has insufficient cash balance as on 30th June 2015 against its pending liability of receipt against deposit works and consumer security deposits, which indicated that the amount received against the aforementioned heads has been utilized somewhere else and the Petitioner failed to provide details in this regard. The Authority is of the view that the amount collected as security deposit cannot be utilized for any other reason and any profit earned thereon has to be distributed to the consumers. Also, the amount collected under the head of receipt against deposit works has to be spent for the purpose for which it has been collected. The utilization of the money collected against deposit works and security deposits other than the works for which it has been received is illegal and unlawful. In view thereof, the Petitioner in the tariff determination for the FY 2015-16, FY 2016-17 and FY 2017-18 was directed to provide rational / justification for improper utilization of the money because the consumers have to suffer unnecessary delay on this account.
- 19.23. Similarly for the FY 2018-19, the Authority has again observed that the Petitioner had insufficient cash balance as on 30th June 2019, against its pending liability of receipt against deposit works and consumer security deposits, thus, indicating that the amount received against the aforementioned heads has been utilized somewhere else for which no details have been provided. Thus, it would be unfair and unjust with the consumers to suffer due to the unlawful act of the Petitioner.
- 19.24. Accordingly, the Authority has decided, to include the amount of receipts against deposit works as a part of Deferred Credits for the assessment of RAB for FY 2018-19 and FY 2019-20, after excluding therefrom the cash/ bank balances and the amount of stores & Spares available with the Petitioner as on June 30, 2019.
- 19.25. The Authority again directs the Petitioner to ensure that in future consumer's deposits are not utilized for any other purpose. The Petitioner is also directed to restrain from unlawful utilization of receipts against deposit works and security deposits, failing which, the proceedings under the relevant law may be initiated against the Petitioner. The Petitioner is also directed to give clear disclosures in its Financial Statements with respect to the consumer financed spares and stores, work in progress and cash & bank balance.

20. Whether the Petitioner's request regarding efficiency factor X merits consideration?

- 20.1. Petitioner in its petition submitted that formula calculates SEPCO's distribution margin based on projected unit sales, operating expenses, depreciation, investment and return on investment (cost of capital). Generation and transmission costs are treated as pass-through. The formula determines revenues for the period of the tariff control period. Revisions may be made to revenues within that period if actual inflation is different from forecast. The profits or losses that arise from changes in efficiency or demand would, however, be retained by SEPCO for the duration of the revenue control period. At the end of the period, the formula would be reapplied to determine the distribution margin for each quarter period in

the subsequent period of control. Operating expenditures will be subject to an efficiency requirement so that SEPCO will be required to ensure that its increase in costs is below the rate of inflation by an efficiency factor (X) to be determined by NEPRA.

- 20.2. The Petitioner during the hearing submitted that it is making efforts to improve the system through technology considering the efficiency factor.
- 20.3. The Authority observed that Power Purchase Price is a pass through cost for XWDISCOs, therefore, the same is adjusted quarterly keeping in view the cost billed to each DISCO by CPPA-G. The Authority also observed that XWDISCOs have a revenue capped tariff, meaning thereby that any assessment made on account of Distribution Margin by the Authority for a specific tariff period, would be treated as fixed revenue and would not be impacted by any increase or decrease in Unit sales (kWh) by the respective DISCO, based on the Authority's allowed benchmarks of T&D losses and Recoveries etc. Any over / under recovery in this regard owing to variation in sales (kWh) or delay in notification of tariff would be adjusted subsequently through Prior Period Adjustments based on the Authority's allowed benchmarks of T&D losses and Recoveries etc. Thus providing XWDISCOs with the incentive to reduce / minimize their O&M costs by bringing efficiency into their operations and any gains so achieved would be retained by the DISCOs, and vice versa.

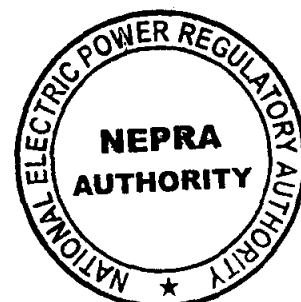
21. Whether the Petitioner has actually written off, provisionally allowed Write offs allowed in the Re determination decision pertaining to the FY 2015-16?

- 21.1. The Petitioner has requested Rs.1,664 million & Rs.1,486 million under Provision of Bad Debt for the FY 2018-19 & FY 2019-20 respectively. The Petitioner regarding Provision of Bad Debt has stated that the socio-economic condition of the consumers of SEPCO's area of service is very poor. The capability of payment utility bills is weak. The Petitioner further submitted that the overall recovery position of consumer end-tariff of SEPCO is as under;

Period	Billing [Rs. In M]	Collection [Rs. In M]	%age of Collection
FY 2018-19	47,570	30,887	65%
FY 2017-18	41,478	24,798	60%
Inc/Dec:	6,092	6,089	5%

- 21.2. Further, the Petitioner provided age wise consumers receivables as on 30th June, 2019 as under:-

	Rs. Mln		
	Actual		Provisional
Aging of Accounts Receivables as on 30 th June	for ending 30th June, 2018	for ending 30th June, 2019	for ending 30th June, 2020
Outstanding for current year	3,751	4,276	3,663
Outstanding for more than 1 year	5,475	5,905	5,524
Outstanding for more than 2 years	4,028	3,955	4,887
Outstanding for more than 3 years	4,364	4,817	5,213
Outstanding for more than 4 years	4,151	4,447	4,335
Outstanding for more than 5 years	70,653	83,542	81,821
Total Receivables as on June 30	92,423	106,943	105,443



- 21.3. The Petitioner also submitted that it has written-off an amounting Rs. 27,009.00 Millions against the Connections of Govt. of Sindh during 2016-17 as per Resolution of outstanding billing issues between Govt. of Sindh & SEPCO for the period July 2010 to July 2016, as per approval of ECC of the cabinet in its meeting held on 25th November 2016, vide Ministry of W&P, policy and finance wing office Memo No. PF-05(03)2016 Dated 07th December 2016, after approval of BoD SEPCO in 26th Meeting held on 15.09.2016. The detail of amount written off is as under;

Year	Amount Written Off as per resolution between GoS & SEPCO after decision ECC of the cabinet Committee (Rs. M)	Other Amount Written Off (Rs. M)	Total
2016-17	27,009.00	1,034.00	28,342.00
2017-18	-	966.43	966.43
Total	27,009.00	2,000.43	29,009.43

- 21.4. Here it is pertinent to mention that the Authority in its Redetermination decision dated September 18, 2017, pertaining to tariff petitions of DISCOs for the FY 2015-16, allowed an amount of Rs.2,009 million to the Petitioner as Write-Offs on provisional basis subject to fulfilment of the given criteria. The Authority also decided that in case the Petitioner fails to actually write off the allowed amounts, as per the given criteria, and required evidence is not provided, the provisionally allowed amount shall be adjusted back subsequently. The tariff for the FY 2015-16 was notified by the Federal Government w.e.f. March 22, 2018, therefore, DISCOs were required to complete the process of Write-Offs till March 21, 2019.
- 21.5. The Petitioner neither in its Petition nor during the hearing provided any details in terms of actual write offs against the amount allowed on provisional basis as per the specified criteria. The Authority in view of the non-completion of the required process/ criteria, has decided to adjust back the amount of write-offs of Rs.1,775 million actually recovered by the Petitioner against the allowed amount of Rs.2,009 million through PYA.
- 21.6. Now, the Petitioner has again requested an amount of Rs.1,664 million & Rs.1,486 million under Provision of Bad Debt for the FY 2018-19 & FY 2019-20 respectively, whereas, the actual write offs appearing in the provisional accounts of the Petitioner for the FY 2018-19 are around Rs.8 million.
- 21.7. In view of the above discussion and the fact that the Petitioner has failed to write-offs the provisionally allowed amount as per the specified criteria, the instant request of the Petitioner to allow provision for bad debts does not merit consideration and hence disallowed.
22. Based on the discussion made in the preceding paragraphs, incorporating all the aforementioned increases, the Authority has assessed Rs.123 million for FY 2018-19 and Rs.328 million for FY 2019-20, on account of Supply Margin i.e. salaries, wages and other benefits including post-retirement benefits, traveling, transportation, other expenses and repair & maintenance, as tabulated below;

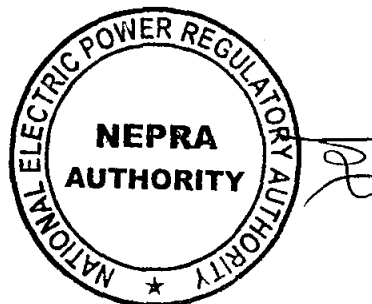
Description	Unit	FY-19	FY-20
Pay & Allowances		321	351
Repalcement Hiring		(8)	(9)
Post Retirement Benefits		16	17
Traveling allowance		13	16
Vehicle maintenance		0.38	0.42
Other expenses		6	3
O&M Cost	[Min. Rs.]	348	378
Depriiation		11	12
RORB		35	34
O.Income		(272)	(96)
Margin		123	328

23. Prior Period Adjustment

- 23.1. The Petitioner, in the petition requested a positive prior period adjustment of Rs.3,944 million pertaining to its distribution function, however, and no further details/ working and justification has been provided by the Petitioner for the requested amount.
- 23.2. The Prior Year Adjustment includes the impact of variation in the following;
- Difference between the actual PPP billed and the amount recovered by the DISCO.
 - Difference between the assessed DM and the amount actually recovered.
 - Difference between the previously assessed PYA and the amount actually recovered.
 - Difference between actual other income and the amount allowed
 - Variation due to Sales Mix.
- 23.3. It is important to highlight that variation between the PPP billed to DISCOs by CPPA-G and the amount recovered by the DISCOs are being accounted for separately through Quarterly/Bi-Annual Adjustment mechanism, therefore, the instant PYA includes accounts for the remaining components.
- 23.4. Here it is also pertinent to mention that the Authority through its interim decision dated September 27, 2019, in the matter of requests filed by Ministry of Energy (MoE) regarding Annual adjustment / indexation of Distribution Margin of DISCOs, allowed an amount of Rs.882 million as Interim adjustment to the Petitioner, strictly on provisional/ interim basis, subject to its adjustment once the annual adjustments of the Petitioner is finalized by the Authority. The said decision was notified by the Federal Government w.e.f. October 01, 2019 and would continue till September 30, 2020, whereby, the Petitioner has been allowed to recover the said amount through monthly billing as a separate tariff component. In view of thereof and the considering the fact that the Petitioner's adjustment request for the FY 2018-19 and FY 2019-20 is being finalized, the amount of Rs.882 million allowed on interim basis, has been adjusted back through PYA. Any under recovery of the allowed Interim DM and the amount actually recovered by the Petitioner would be adjusted subsequently as PYA.
- 23.5. 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 2019-20 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 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 the FY 2019-20, which shows a net subsidy claim filed by the Petitioner.

- 23.6. The Authority in view of the above referred policy guidelines of GoP regarding rationalization of subsidy in the matter of XWDISCOs and in line with its earlier decision in the matter, has decided not to adjust the impact of negative FCA across different consumer categories. Thus, the negative FCA amount pertaining to the lifeline consumers, domestic consumers (consuming up-to 300 units) and Agriculture Consumers for the FY 2019-20 i.e. Rs.46 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. 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. Here it is pertinent to mention that the above figures have been worked on the basis of information provided by the Petitioner.
- 23.7. In addition to above, since the FY 2018-19 for which the assessment has been being made has already lapsed, therefore, any over / under recovery by the Petitioner in terms of its assessed Revenue Requirement for the FY 2018-19 vis a vis the amount actually recovered by the Petitioner during the same period based on the tariff that remained notified during this period, has also been included in the Prior Year Adjustment (PYA), while determining the Revenue Requirement of the Petitioner for the FY 2019-20. Similarly any over / under recovery of the assessed Distribution Margin for the FY 2017-18 and any previously allowed PYA has also been included as PYA in the Revenue requirement of the Petitioner for the FY 2019-20.
- 23.8. Based on the discussion made in the above paragraphs, the Authority has assessed the following PYA of the Petitioner for the FY 2019-20;



Description	Rs. Mln	Rs. Mln
	FY 2019-20	FY 2018-19
PYA 2017		
Allowed	7,337	7,337
Recovered	6,482	6,482
Under/(Over) Recovery	855	855
PYA 2018		
Allowed	9,547	9,547
Recovered	8,341	8,341
Under/(Over) Recovery	1,206	1,206
Distribution Margin FY 2017-18		
Allowed	7,788	7,788
Recovered	6,589	6,589
Under/(Over) Recovery	1,199	1,199
Interim DM Adjusted Back	(882)	(882)
D.M FY 2018-19		
Allowed	7,819	
Recovered	6,496	
Under/(Over) Recovery	1,323	
Other Income FY 2017-18		
Allowed	(862)	(862)
Actual	(895)	(895)
Under/(Over) Recovery	(33)	(33)
Bad Debts		
Allowed	2,009	2,009
Revised allowed based on regulated sales	1,775	1,775
Adjustment	(1,775)	(1,775)
Sales Mix Variances		
FY 2017-18	1,106	1,106
FY 2018-19	2,164	
Total	3,270	
Total Prior Period Adjustment	5,163	1,675

23.9. The Petitioner in its working has claimed the entire amount in its Distribution function, however, being relevant to supply function the entire amount of PYA has been included in the Supply function Revenue Requirement of the Petitioner for the FY 2018-19 & FY 2019-20.

24. Whether the existing Tariff Terms and Conditions needs to be modified to incorporate concerns raised by various consumers?

- 24.1. The Petitioner during the hearing on the issue submitted that following categories of respective consumers are to be mentioned under Commercial Tariff;
- Commercial Banks
 - Marriage Halls / Lawns / Banquets.
 - Private Commercial / Vocational Training Institute.
 - Cattle Farm (doing business of selling Milk at low level)
- 24.2. The Petitioner further submitted for regularization of Un-Authorized extended load within next billing cycle. In addition the Petitioner requested for Updation of amount of security deposit on the basis of New rates on recorded load / on the basis of consumption, minimum average billing for a period 90 days i.e. implementation of EROs.
- 24.3. The Petitioner also requested for allowing Charging of Low Power Factor Penalty against Agriculture Tube Well Connections to avoid installation of inefficient motors.
- 24.4. The Authority noted that a lot of complaints have been received through Pakistan Citizen Portal, as well as in the Consumer Affairs Department of NEPRA, from XWDISCOs and other stakeholders, regarding clarification of Terms & Conditions with regard to applicability of tariff for different consumer categories, like Hostels (Commercial), Foreign Embassies, Water pumps & tube-wells, Fish farms etc.
- 24.5. In order to address these concerns, the Authority framed an issue for discussion during the hearing of DISCOs and for providing written comments in this regard. The Petitioner during the hearing requested for clarification regarding tariff to be charged to Cold storage, private hostels and fish farms/ hatcheries.
- 24.6. Further, the Ministry of Energy (MOE) vide letter dated May 20, 2020, forwarded request from the Government of Punjab for revision in Tariff Category for Water and Sanitation Agencies (WASA) in Punjab from A-3 General Service Category to D-1(b) SCARP (Salinity Control & Reclamation Program).
- 24.7. The Authority considers that SCARP is not the relevant Tariff category for Water Schemes as SCARP is applicable to all Reclamation and Drainage Operation pumping under SCARP related installation. Moreover, the purpose of creation of A-3 category was to reduce the undue benefit of Off-Peak rates for such consumers who although have TOU meters but only operate during day hours. In view thereof, the Authority has decided to maintain its earlier decision of inclusion of water schemes under A-3 category.
- 24.8. The Authority has also decided the other concerns of the DISCOs and other stakeholders by amending the terms & conditions of the tariff, if deemed correct, and the same are attached herewith the instant determination.

25. Whether the Petitioner be treated as Supplier of the last resort and whether the tariff of the Petitioner or the National uniform tariff be treated as last resort tariff?

- 25.1. The Petitioner on the issue has submitted that the National Uniform Tariff be treated as last resort tariff.
- 25.2. The Authority noted that as per the amended NEPRA Act, 2018, the function of sale of

electric power traditionally being performed by the Distribution Licensees has been amended whereby 'sale' of electric power has been removed from the scope of Distribution Licenses and transferred to 'Supply Licensee'.

- 25.3. The 2018 Amended Act has removed the distribution company exclusivity for sale of electric power and empowered the regulator to grant a new form of non-exclusive license for sale of power, i.e. the Electric Power Supplier License. With these powers, the legislature has prescribed a shift from a regulated and restricted power supply sector to an open and competitive one, with conceivably multiple suppliers of power and consumers holding the prerogative of choosing and switching based on rates and products arrived at through competition in the market.
- 25.4. As per the amended Act Section 23E, the eligibility criteria for grant of license to supply electric power to be prescribed by the Federal Government, shall include, provision with respect to a supplier of the last resort, as the case may be.
- 25.5. In the light of aforementioned provisions and keeping in view the fact that when markets are liberalized, the Suppliers always go for the good paying and affluent customers, whereas the economically vulnerable customers are preferred to be avoided. Hence, there must be a declared "Last resort supplier" in the distribution area of each DISCO who would be obligated to provide electricity to a consumer who could not get electricity from any other source. Internationally these "Supplier of Last Resort (SoLR)" are always incumbent utility companies and their consumer end tariffs includes both retail, network costs, cross subsidization along with profits and incentives.
- 25.6. Here it is pertinent to mention that the Authority is in the process of finalization of Supplier Regime in light of the amended NEPRA Act. Once the said regime is finalized, and if any changes are required to be made regarding concept of "Supplier of Last Resort", the same would be revised accordingly.

26. Whether there should any Fixed Charges on residential consumers & General Services Consumers?

- 26.1. The Petitioner during the hearing on the issue has submitted that all the connections such as Govt. Semi Govt. offices and institution, Govt. Hospitals, Dispensaries, Water Supply Schemes and Tube Wells other than those meant for irrigation or reclamation agriculture land are to be billed under tariff General Services (A-3), under single part i.e. KWh rate only.
- 26.2. In this connection its requested that the fixed charges as per MDI recorded are to be charged from consumers of all categories fallen under this tariff whose sanctioned / connected load is more than 5 KW.

26.3. Detail of connections having sanctioned load above 100 KW is as under.

No. of Connections	Category of Load (KW)	Total Sanctioned Load (KW)	Remarks
316	100 to 500	62063	
08	500 to 1000	4901	Mixed Load
07	Above 1000	15879	

- 26.4. The Authority observed that currently no fixed charges are being levied on Domestic consumers and General Service Category, i.e. such consumers only pay variable charge @ Rs./kWh, based on the amount of actual energy consumed during the month.
- 26.5. Considering the increase in capacity charges coupled with demand exiting the system due to net metering etc., the Authority is cognizant that there is a need to levy certain fixed charges for those domestic and general services consumers who have installed net metering facility, however, as the issue requires further deliberation, therefore, the Authority has decided not to levy any fixed charges for such consumers.

27. Whether the existing minimum/fixed monthly charges even if no energy is consumed needs to be revised to assist in the recovery of fixed cost of the Petitioner?

- 27.1. The Petitioner during the hearing has submitted that keeping in view existing Rates of Minimum / Fixed charge per month which are not amended since decades. Hence requested same are to be revised. The Petitioner provided the following table with existing and suggested minimum charges;

Tariff	Category	Existing Mincharges (Rs.)	Suggested to be revised (Rs.)
Domestic	S/Phase	75	75 (for lifeline consumers)
			150 (for others)
	3/Phase	150	300
Commercial	S/Phase	175	250
	3/Phase	350	500
Industrial	B-1	350	700 upto 10 KW 1000 Above 10 to 25 KW
	B-2	2000	7500
	B-3	50000	75000
	B-4	500000	500000
Bulk Supply	C	-	As per industrial categories
Tube Well	D	2000	2000 upto 15 KW 3000 Above 15 KW
Temp. Connections	E	50 per day (Minimum of 500)	100 per day (Minimum of 1000)

- 27.2. The Authority noted that as per the current tariff structure, certain consumer categories like Commercial, Industrial, Bulk and Agriculture are levied fixed charges, which are based on their actual MDI for the month. The Authority considers that the capacity charges of generation companies which are fixed in nature as they have to be paid based on the plant availability, are charged to DISCOs based on their actual MDIs. However, the present consumer end tariff design is of volumetric nature whereby major portion of the Power Purchase Price (PPP) is charged / recovered from the consumers on units consumed basis i.e. per kWh and only a small amount of the total PPP is recovered on MDIs basis. The

Authority considering the increased quantum of capacity charges, and the present volumetric nature of tariff, has decided to increase the rate of fixed charges currently applicable to certain categories, by around 10% i.e. from Rs.360/kW/M, 380/kW/M and 400/kW/M to Rs.400/kW/M, 420/kW/M, and 440/kW/M respectively. However, at the same time, the Authority, not to overburden such consumers who are levied fixed charges, has adjusted their variable rate, to minimize the impact of increase in fixed charges.

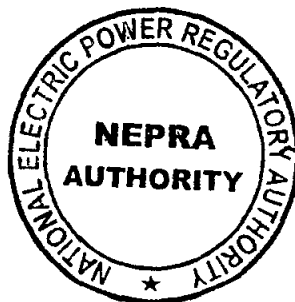
28. Wheeling Issues

- 28.1. The Authority approved National Electric Power Regulatory Authority (Wheeling of Electric Power) Regulations, 2016 (the Regulations) vide SRO dated June 13, 2016, in order to facilitate wheeling of power in the country. However, different stakeholders voiced their concerns on the Regulations in terms of treatment of T&D losses during wheeling, imposition of Cross subsidies, treatment of Stranded costs if any, applicability of Use of System charges of NTDC, Hybrid BPCs, and Banked Energy etc.
- 28.2. The Authority accordingly made two additional issues of Cross Subsidy charge and Stranded cost under the instant petition, for which advertisement was published in the leading newspapers on September 9th, 2020 and hearing in this regard was held on 17th September, 2020. Here it is also pertinent to mention that to get an international view on these issues, the Authority has also engaged an international consultant through USAID.
- 28.3. The Authority considering the impact of the above issues on the power sector, considers that the matter requires further deliberations, and has therefore decided to issue a separate additional decision on the aforementioned proceedings.
- 28.4. Thus, the Use of System Charge (UoSC) determined by the Authority in the instant decision, as mentioned under the Order part, may be revised accordingly, if required in light of the decision of the Authority on the wheeling issues, which will be issued separately.

29. Order

- 29.1. Based on the assessments made in the preceding paragraphs, the total Supply Function Revenue Requirement of the Petitioner for the FY 2018-19 and FY 2019-20 including Power Purchase Price (PPP), and Distribution Margin as assessed in the Distribution Tariff determination of the Petitioner for the FY 2018-19 and FY 2019-20, has been worked out as under;

M. A. J.



Description	Unit	FY-19	FY-20
Units Received	[MkWh]	4,276	4,276
Units Sold	[MkWh]	3,446	3,502
Units Lost	[MkWh]	830	774
Units Lost	[%]	19.41%	18.11%
Energy Charge		24,937	24,937
Capacity Charge		34,774	34,774
Transmission Charge/ Market Operator Fee		1,893	1,893
Power Purchase Price	[Mn. Rs.]	61,605	61,605
Wire Business Margin		7,697	8,489
Power Purchase Price with Wire Business		69,302	70,094
Pay & Allowances		321	351
Repalcement Hiring		(8)	(9)
Post Retirement Benefits		16	17
Repair & Maintainance		-	-
Traveling allowance		13	16
Vehicle maintenance		0.38	0.42
Other expenses		6	3
O&M Cost	[Min. Rs.]	348	378
Depriication		11	12
RORB		35	34
O.Income		(272)	(96)
Margin	[Min. Rs.]	123	328
Prior Year Adjustment		1,675	5,163
Revenue Requirement	[Min. Rs.]	71,100	75,584
Power Purchase Price-Unadj.		17.88	17.59
Power Purchase Price-Adjusted		0.04	0.09
Margin Supply Business		2.23	2.42
Margin Wire Business		0.49	1.47
PYA Adjustments			
Average Tariff	[Rs./kWh]	20.63	21.58

29.2. The Petitioner is allowed to recover the determined revenue requirement for the FY 2018-19 from the consumers through the projected sales of 3,446 GWhs as per Annex-II-FY 2018-19 attached herewith for the FY 2018-19.

29.3. The Petitioner, being a deemed supplier, is allowed to charge its consumers such tariff as set out in the schedule of tariffs for SEPCO annexed to the decision as Annexure-III-FY 2018-19.

- 29.4. Similarly, for the FY 2019-20, the Petitioner is allowed to recover the determined revenue requirement for the FY 2019-20 from the consumers through the projected sales of 3,502 GWhs as per Annex – II-FY 2019-20 attached herewith for the FY 2019-20.
- 29.5. The Petitioner, being a deemed supplier, is allowed to charge its consumers such tariff as set out in the schedule of tariffs for SEPCO annexed to the decision as Annexure-III-FY 2019-20.
- 29.6. The residential consumers will be given the benefit of only one previous slab.

30. Summary of Direction

- 30.1. A summary of all directions passed in this determination by the Authority are reproduced hereunder. The Authority hereby directs the Petitioner to;
- File Multi Year Tariff Petition for a tariff control period of five year to avoid any delay in tariff determinations.
 - to immediately stop the existing practice of deducting 20% of SAP funds for grid augmentation and carry out the augmentation of the grid after coordinating with the Ministry of Energy and report be shared with the Authority by December 31, 2020.
 - to immediately ensure that consumer's deposits are not utilized for any other purpose and the same is reflected in the Audited accounts for the FY 2020-21 & onward.
 - to immediately restrain from unlawful utilization of receipts against deposit works and security deposits immediately, and the same is reflected in the Audited accounts for the FY 2020-21 & onward.
 - to give clear disclosures in its Financial Statements with respect to the consumer financed spares and stores, work in progress and cash & bank balance for the FY 2020-21 & onward.
 - to give clear disclosures in its Financial Statements with respect to the break-up of costs in terms of Distribution and Supply Businesses for the FY 2019-20 and onward.
 - to ensure proper tagging of assets so that costs incurred are properly classified as per their nature and report be submitted to the Authority by June 30, 2021.
 - to provide the required details of late payment charges recovered from the consumers and any invoice raised by CPPA (G) under the head of mark-up on delayed payments for the period from FY 2014-15 to FY 2019-20, by March 31, 2021.
 - to prepare schemes to cater for future demand and for removal of system overloading/constraints. A detailed report shall be submitted as part of its 5-years IGTDP for approval of the Authority before filing of next tariff petition as per requirement under NEPRA Guidelines for determination of Consumer End tariff (Methodology and Process) 2015.
 - to immediately provide electricity connections to all the pending applications without further delay and submit a progress report in this regard by the end of each quarter.

- xi. to immediately establish a corporate desk to facilitate its corporate clients in terms of provision of electricity and to address the issues of overbilling, if any, on priority basis and submit report to the Authority by March 31, 2021.
 - xii. to target high loss feeders to bring the overall losses down. A detailed plan be prepared and submitted to the Authority by March 31, 2021, for monitoring the progress of SEPCO in this respect.
 - xiii. transfer the already collected provision on account of Post-Retirement benefits into the Fund and also provide break-up of the said postretirement benefits indicating the provision amount pertaining to the prior period and the current portion by June 30, 2021.
 - xiv. to provide project wise report for the investments carried out for the FY 2018-19 and for previous years i.e. FY 2016-17 & FY 2017-18 along-with its cost/benefit analysis and technical/financial savings achieved by March 31, 2021. Carry out detailed analysis about the hard and soft areas relative to claims in earlier studies.
 - xv. Take remedial measures for achievement of performance standards as laid down in NEPRA Performance Standards (Distribution) Rules, 2005.
31. The Determination of the Authority including Annex II & III (separately for FY 2018-19 & FY 2019-20), Annex-I, Annex-I-A, Annex-IV and Annex-V, annexed with the determination are hereby intimated to the Federal Government for notification in the official gazette in terms of section 31(7) of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.

AUTHORITY

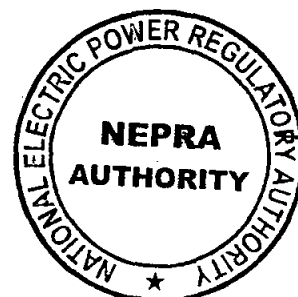
Engr. Bahadur Shah
Member

Rehmatullah Baloch
Member

Rafique Ahmed Shaikh
Member

Saif Ullah Chattha
Vice Chairman

Tauseef H. Farooqi
Chairman



FUEL PRICE ADJUSTMENT MECHANISM

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

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

Where:

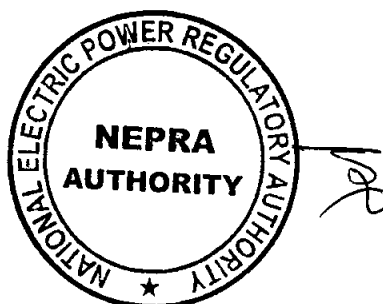
Fuel Price variation is the difference between actual and reference fuel cost component

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

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

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

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QUARTERLY/BIANNUAL ADJUSTMENT MECHANISM

Quarterly/ Biannual 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;

$$\text{Quarterly/Biannual PPP}_{(Adj)} = \frac{\text{PPP}_{(Act)} (\text{excluding FCC}) - \text{PPP}_{(Ref)} (\text{excluding FCC})}{(1 - \text{T\&D Loss \%}) \times (1 - \text{Life line Consumption \%})}$$

Where;

PPP_(Act) is the actual cost in Rs./kWh, excluding FCC, invoiced by CPPA-G to XWDISCOs, adjusted for any cost disallowed by the Authority.

PPP_(Ref) is the reference cost in Rs./kWh as per the Annex-IV of the XWDISCOs determination that remained notified during the period.

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

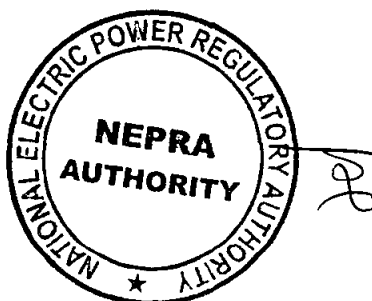
Quarterly/Biannual impact of T&D losses on FCA_(Adj)

$$= \left[\frac{\text{FCA}_{(Allowed)}}{(1 - \text{T\&D Loss \%}) \times (1 - \text{Life line Consumption \%})} \right] - \text{FCA}_{(Allowed)}$$

Where;

FCA_(allowed) 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.



Sukkur Electric Power Supply Company Limited (SEPCO)
Estimated Sales Revenue on the Basis of New Tariff

Description	Sales		Revenue			Base Tariff		PYA 2018		Total Tariff	
	GWh	% Mix	Fixed Charge	Variable Charge	Total	Fixed Charge	Variable Charge	Amount	Variable Charge	Fixed Charge	Variable Charge
			Min. Rs.	Rs./kWh	Rs./kWh	Rs./kWh	Rs./kWh	Min. Rs.	Rs./kWh	Rs./kWh	Rs./kWh
Residential											
Up to 50 Units	46	1.32%	-	185	185		4.00				4.
or peak load requirement less than 5 kW											
01-100 Units	744	21.24%	-	11,595	11,595		15.59	364	0.49		16.
101-200 Units	522	14.92%	-	9,728	9,728		18.62	256	0.49		19.
201-300 Units	412	11.78%	-	8,792	8,792		21.32	202	0.49		21.
301-700 Units	237	6.77%	-	5,410	5,410		22.82	116	0.49		23.
Above 700 Units	34	0.97%	-	860	860		25.24	17	0.49		25.
or peak load requirement exceeding 5 kW)											
Time of Use (TOU) - Peak	2	0.07%	-	59	59		25.24	1	0.49		25.
Time of Use (TOU) - Off-Peak	12	0.35%	-	238	238		19.29	6	0.49		19.
Temporary Supply	0	0.00%	-	0	0		22.87	0	0.49		23.
Total Residential	2,011	57.42%	-	36,868	36,868			963			
Commercial - A2											
peak load requirement less than 5 kW	88	2.52%	-	2,208	2,208		25.04	43	0.49		25.
peak load requirement exceeding 5 kW											
Regular	16	0.46%	13	371	384	440	22.94	8	0.49	440	23.
Time of Use (TOU) - Peak	27	0.77%	-	672	672		24.95	13	0.49		25.
Time of Use (TOU) - Off-Peak	133	3.78%	332	2,518	2,850	440	19.00	65	0.49	440	19.
Temporary Supply	0	0.00%	-	-	-		25.04	-	0.49		25.
Total Commercial	264	7.53%	345	5,770	6,114			129			
General Services-A3											
	310	8.85%	-	6,403	6,403		20.66	133	0.43		21.
Industrial											
B1	18	0.51%	-	474	474		26.52	9	0.49		27.
B1 Peak	8	0.24%	-	208	208		25.12	4	0.49		25.
B1 Off Peak	79	2.25%	-	1,511	1,511		19.17	39	0.49		19.
B2	30	0.87%	74	665	739	440	21.85	15	0.49	440	22.
B2 - TOU (Peak)	42	1.20%	-	1,052	1,052		24.95	21	0.49		25.
B2 - TOU (Off-peak)	288	8.22%	763	5,414	6,177	440	18.80	141	0.49	440	19.
B3 - TOU (Peak)	6	0.17%	-	147	147		24.95	3	0.49		25.
B3 - TOU (Off-peak)	31	0.89%	66	519	586	420	16.70	15	0.49	420	17.
B4 - TOU (Peak)	3	0.09%	-	82	82		24.95	2	0.49		25.
B4 - TOU (Off-peak)	21	0.61%	28	395	423	400	18.60	10	0.49	400	19.
Temporary Supply	2	0.05%	-	38	38		22.52	1	0.49		23.
Total Industrial	529	15.10%	930	10,506	11,437			259			
Single Point Supply for further distribution											
C1(a) Supply at 400 Volts-less than 5 kW	5	0.14%	-	138	138		27.82	2	0.49		28.
C1(b) Supply at 400 Volts-exceeding 5 kW	40	1.15%	29	1,012	1,042	440	25.05	20	0.49	440	25.
Time of Use (TOU) - Peak	8	0.22%	-	195	195		24.95	4	0.49		25.
Time of Use (TOU) - Off-Peak	47	1.33%	70	888	959	440	19.00	23	0.49	440	19.
C2 Supply at 11 kV	16	0.46%	15	360	375	420	22.15	8	0.49	420	22.
Time of Use (TOU) - Peak	17	0.49%	-	431	431		24.95	8	0.49		25.
Time of Use (TOU) - Off-Peak	90	2.56%	122	1,685	1,807	420	18.80	44	0.49	420	19.
C3 Supply above 11 kV	0	0.00%	-	-	-	400	22.05	-	0.49	400	22.
Time of Use (TOU) - Peak	0	0.00%	-	-	-		24.95	-	0.49		25.
Time of Use (TOU) - Off-Peak	0	0.00%	-	-	-	400	18.70	-	0.49	400	19.
Total Single Point Supply	223	6.37%	237	4,710	4,946			109			
Agricultural Tube-wells - Tariff D											
Scarp	10	0.29%	-	272	272		26.65	5	0.49		27.
Time of Use (TOU) - Peak	1	0.02%	-	21	21		24.97	0	0.49		25.
Time of Use (TOU) - Off-Peak	17	0.48%	8	316	324	200	18.72	8	0.49	200	19.
Agricultural Tube-wells	22	0.64%	8	471	479	200	21.02	11	0.49	200	21.
Time of Use (TOU) - Peak	44	1.26%	-	1,100	1,100		24.97	22	0.49		25.
Time of Use (TOU) - Off-Peak	44	1.26%	135	727	861	200	16.52	22	0.49	200	17.
Total Agricultural	138	3.95%	150	2,907	3,058			68			
Public Lighting - Tariff G	2	0.04%	-	35	35		22.12	1	0.49		22.
Residential Colonies attached to industrial premises	25	0.73%	-	563	563		22.12	12	0.49		22.
Sub-Total	27	0.77%	-	598	598			13			
Total Revenue	3,502	100%	1,682	67,762	69,424			1,675			

ie: The PYA 2018 column shall cease to exist after one year from the date of notification of the instant decision.



SCHEDULE OF ELECTRICITY TARIFFS
FOR SUKUR ELECTRIC POWER SUPPLY COMPANY LIMITED (SEPCO)

A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		PYA 2018	Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh	Rs/kWh	
		A	B		C	D	
a)	For Sanctioned load less than 5 kW	-	4.00		-	4.00	
i	Up to 50 Units	-			-		
	For Consumption exceeding 50 Units	-			-		
ii	001 - 100 Units	-	15.59		0.49	16.08	
iii	101 - 200 Units	-	18.62		0.49	19.11	
iv	201 - 300 Units	-	21.32		0.49	21.81	
v	301 - 700 Units	-	22.82		0.49	23.31	
vi	Above 700 Units	-	25.24		0.49	25.73	
b)	For Sanctioned load 5 kW & above	-			-		
	Time Of Use	-	Peak	Off-Peak	Peak	Off-Peak	Peak
			25.24	19.29	0.49	0.49	25.73

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		PYA 2018	Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh	Rs/kWh	
		A	B		C	D	
a)	For Sanctioned load less than 5 kW	-	25.04		0.49	25.53	
b)	For Sanctioned load 5 kW & above	440.00	22.94		0.49	23.43	
	Time Of Use	440.00	Peak	Off-Peak	Peak	Off-Peak	Peak
			24.95	19.00	0.49	0.49	25.44

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		PYA 2018	Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh	Rs/kWh	
		A	B		C	D	
a)	General Services	-	20.66		0.43	21.09	

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		PYA 2018	Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh	Rs/kWh	
		A	B		C	D	
B1	Upto 25 kW (at 400/230 Volts)	-	26.52		0.49	27.01	
B2(a)	exceeding 25-500 kW (at 400 Volts)	440.00	21.85		0.49	22.34	
	Time Of Use		Peak	Off-Peak	Peak	Off-Peak	Peak
B1 (b)	Up to 25 KW		25.12	19.17	0.49	0.49	25.61
B2(b)	exceeding 25-500 kW (at 400 Volts)	440.00	24.95	18.80	0.49	0.49	25.44
B3	For All Loads up to 5000 kW (at 11,33 kV)	420.00	24.95	16.70	0.49	0.49	25.44
B4	For All Loads (at 66,132 kV & above)	400.00	24.95	18.60	0.49	0.49	25.44

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		PYA 2018	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	-	27.82		0.49	28.31	
b)	Sanctioned load 5 kW & up to 500 kW	440.00	25.05		0.49	25.54	
C-2(a)	For supply at 11,33 kV up to and including 5000 kW	420.00	22.15		0.49	22.64	
C-3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	400.00	22.05		0.49	22.54	
	Time Of Use		Peak	Off-Peak	Peak	Off-Peak	Peak
C-1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	440.00	24.95	19.00	0.49	0.49	25.44
C-2(b)	For supply at 11,33 kV up to and including 5000 kW	420.00	24.95	18.80	0.49	0.49	25.44
C-3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	400.00	24.95	18.70	0.49	0.49	25.44



**SCHEDULE OF ELECTRICITY TARIFFS
FOR SUKHUR ELECTRIC POWER SUPPLY COMPANY LIMITED (SEPCO)**

D - AGRICULTURE TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		PYA 2018		Total Variable Charges
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh
		A	B		C		D
D-1(a)	SCARP less than 5 kW	-	26.65		0.49		27.14
D-2 (a)	Agricultural Tube Wells	200.00	21.02		0.49		21.51
			Peak	Off-Peak	Peak	Off-Peak	Peak
D-1(b)	SCARP 5 kW & above	200.00	24.97	18.72	0.49	0.49	25.46
D-2 (b)	Agricultural 5 kW & above	200.00	24.97	16.82	0.49	0.49	25.46

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		PYA 2018		Total Variable Charges
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh
		A	B		C		D
E-1(i)	Residential Supply	-	22.87		0.49		23.36
E-1(ii)	Commercial Supply	-	25.04		0.49		25.53
E-2	Industrial Supply	-	22.52		0.49		23.01

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		PYA 2018		Total Variable Charges
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh
		A	B		C		D
	Street Lighting	-	22.12		0.49		22.61

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		PYA 2018		Total Variable Charges
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh
		A	B		C		D
	Residential Colonies attached to industrial premises	-	22.12		0.49		22.61

Note: The PYA 2018 column shall cease to exist after one year from the date of notification of the instant decision.



Sukkur Electric Power Supply Company Limited (SEPCO)
Estimated Sales Revenue on the Basis of New Tariff

Description	Sales		Revenue			Base Tariff		PYA 2019		Total Tariff	
	GWh	% Mix	Fixed Charge	Variable Charge	Total	Fixed Charge	Variable Charge	Amount	Variable Charge	Fixed Charge	Variable Charge
			Min. Rs.	Rs./kWh		Rs./kW/ M	Rs./ kWh	Min. Rs.	Rs./ kWh	Rs./kW/ M	Rs./ kWh
Residential											
Up to 50 Units	46	1.32%	-	185	185		4.00				4.0
For peak load requirement less than 5 kW											
01-100 Units	744	21.24%	-	11,737	11,737		15.78	1,116	1.50		17.2
101-200 Units	522	14.92%	-	9,827	9,827		18.81	784	1.50		20.3
201-300 Units	412	11.78%	-	8,871	8,871		21.51	614	1.49		23.0
301-700 Units	237	6.77%	-	5,479	5,479		23.11	356	1.50		24.6
Above 700 Units	34	0.97%	-	869	869		25.51	50	1.48		26.9
For peak load requirement exceeding 5 kW)											
Time of Use (TOU) - Peak	2	0.07%	-	60	60		25.51	4	1.49		27.0
Time of Use (TOU) - Off-Peak	12	0.35%	-	242	242		19.56	18	1.49		21.0
Temporary Supply	0	0.00%	-	0	0		23.16	0	1.49		24.6
Total Residential	2,011	57.42%	-	37,269	37,269			2,942			
Commercial - A2											
For peak load requirement less than 5 kW	88	2.52%	-	2,244	2,244		25.44	131	1.49		26.9
For peak load requirement exceeding 5 kW											
Regular	16	0.46%	13	378	390	440	23.34	24	1.49	440	24.8
Time of Use (TOU) - Peak	27	0.77%	-	683	683		25.35	40	1.49		26.8
Time of Use (TOU) - Off-Peak	133	3.78%	332	2,571	2,903	440	19.40	197	1.49	440	20.8
Temporary Supply	0	0.00%	-	-	-		25.44	-	1.49		26.9
Total Commercial	264	7.53%	345	5,875	6,220			393			
General Services-A3											
	310	8.85%	-	6,527	6,527		21.06	462	1.49		22.5
Industrial											
B1	18	0.51%	-	481	481		26.92	27	1.49		28.4
B1 Peak	8	0.24%	-	212	212		25.52	12	1.49		27.0
B1 Off Peak	79	2.25%	-	1,543	1,543		19.57	117	1.49		21.0
B2	30	0.87%	74	678	751	440	22.25	45	1.49	440	23.7
B2 - TOU (Peak)	42	1.20%	-	1,069	1,069		25.35	63	1.49		26.8
B2 - TOU (Off-peak)	288	8.22%	763	5,529	6,292	440	19.20	429	1.49	440	20.6
B3 - TOU (Peak)	6	0.17%	-	149	149		25.35	9	1.49		26.8
B3 - TOU (Off-peak)	31	0.89%	66	532	598	420	17.10	46	1.49	420	18.5
B4 - TOU (Peak)	3	0.09%	-	84	84		25.35	5	1.49		26.8
B4 - TOU (Off-peak)	21	0.61%	28	404	431	400	19.00	32	1.49	400	20.4
Temporary Supply	2	0.05%	-	39	39		22.92	3	1.49		24.4
Total Industrial	529	15.10%	930	10,718	11,648			788			
Single Point Supply for further distribution											
C1(a) Supply at 400 Volts-less than 5 kW	5	0.14%	-	140	140		28.22	7	1.49		29.7
C1(b) Supply at 400 Volts-exceeding 5 kW	40	1.15%	29	1,029	1,058	440	25.45	60	1.49	440	26.9
Time of Use (TOU) - Peak	8	0.22%	-	198	198		25.35	12	1.49		26.8
Time of Use (TOU) - Off-Peak	47	1.33%	70	907	977	440	19.40	70	1.49	440	20.8
C2 Supply at 11 kV	16	0.46%	15	367	381	420	22.55	24	1.49	420	24.0
Time of Use (TOU) - Peak	17	0.49%	-	438	438		25.35	26	1.49		26.8
Time of Use (TOU) - Off-Peak	90	2.56%	122	1,721	1,843	420	19.20	134	1.49	420	20.6
C3 Supply above 11 kV	0	0.00%	-	-	-	400	22.45	-	1.49	400	23.9
Time of Use (TOU) - Peak	0	0.00%	-	-	-		25.35	-	1.49		26.8
Time of Use (TOU) - Off-Peak	0	0.00%	-	-	-	400	19.10	-	1.49	400	20.5
Total Single Point Supply	223	6.37%	237	4,799	5,036			332			
Agricultural Tube-wells - Tariff D											
Scarp	10	0.29%	-	276	276		27.05	15	1.49		28.5
Time of Use (TOU) - Peak	1	0.02%	-	21	21		25.37	1	1.49		26.8
Time of Use (TOU) - Off-Peak	17	0.48%	8	323	331	200	19.12	25	1.49	200	20.6
Agricultural Tube-wells	22	0.64%	8	480	488	200	21.42	33	1.49	200	22.9
Time of Use (TOU) - Peak	44	1.26%	-	1,118	1,118		25.37	66	1.49		26.8
Time of Use (TOU) - Off-Peak	44	1.26%	135	744	879	200	16.92	66	1.49	200	18.4
Total Agricultural	138	3.95%	150	2,963	3,113			206			
Public Lighting - Tariff G	2	0.04%	-	35	35		22.52	2	1.49		24.0
Residential Colonies attached to industrial premises	25	0.73%	-	573	573		22.52	38	1.49		24.0
Sub-Total	27	0.77%	-	608	608			40			
Total Revenue	3,502	100%	1,662	68,759	70,421			5,163			

to: The PYA 2019 column shall cease to exist after one year from the date of notification of the instant decision.



**SCHEDULE OF ELECTRICITY TARIFFS
FOR SUKKUR ELECTRIC POWER SUPPLY COMPANY LIMITED (SEPCO)**

A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		PYA 2019		Total Variable Charges
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh
		A	B		C		D
a)	For Sanctioned load less than 5 kW	-	4.00		-		4.00
i	Up to 50 Units	-					
	For Consumption exceeding 50 Units	-					
ii	001 - 100 Units	-	15.78		1.50		17.28
iii	101 - 200 Units	-	18.81		1.50		20.31
iv	201 - 300 Units	-	21.51		1.49		23.00
v	301 - 700 Units	-	23.11		1.50		24.61
vi	Above 700 Units	-	25.51		1.48		26.99
b)	For Sanctioned load 5 kW & above	-					
	Time Of Use	-	Peak	Off-Peak	Peak	Off-Peak	Peak
			25.81	19.56	1.49	1.49	27.00

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		PYA 2019		Total Variable Charges
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh
		A	B		C		D
a)	For Sanctioned load less than 5 kW	-	25.44		1.49		26.93
b)	For Sanctioned load 5 kW & above	440.00	23.34		1.49		24.83
	Time Of Use	440.00	Peak	Off-Peak	Peak	Off-Peak	Peak
			25.35	19.40	1.49	1.49	26.84

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		PYA 2019		Total Variable Charges
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh
		A	B		C		D
a)	General Services	-	21.06		1.49		22.55

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		PYA 2019		Total Variable Charges
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh
		A	B		C		D
B1	Upto 25 kW (at 400/230 Volts)	-	26.92		1.49		28.41
B2(a)	exceeding 25-500 kW (at 400 Volts)	440.00	22.25		1.49		23.74
	Time Of Use		Peak	Off-Peak	Peak	Off-Peak	Peak
B1 (b)	Up to 25 KW		25.52	19.57	1.49	1.49	27.01
B2(b)	exceeding 25-500 kW (at 400 Volts)	440.00	25.35	19.20	1.49	1.49	26.84
B3	For All Loads up to 5000 kW (at 11,33 kV)	420.00	25.35	17.10	1.49	1.49	26.84
B4	For All Loads (at 66,132 kV & above)	400.00	25.35	19.00	1.49	1.49	26.84

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

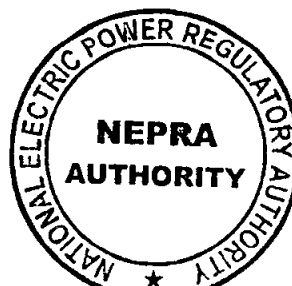
For B2 consumers there shall be a fixed minimum charge of Rs. 2,000 per month.

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		PYA 2019		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	-	28.22		1.49		29.71
b)	Sanctioned load 5 kW & up to 500 kW	440.00	25.45		1.49		26.94
C-2(a)	For supply at 11,33 kV up to and including 5000 kW	420.00	22.55		1.49		24.04
C-3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	400.00	22.45		1.49		23.94
	Time Of Use		Peak	Off-Peak	Peak	Off-Peak	Peak
C-1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	440.00	25.35	19.40	1.49	1.49	26.84
C-2(b)	For supply at 11,33 kV up to and including 5000 kW	420.00	25.35	19.20	1.49	1.49	26.84
C-3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	400.00	25.35	19.10	1.49	1.49	26.84



**SCHEDULE OF ELECTRICITY TARIFFS
FOR SUKKUR ELECTRIC POWER SUPPLY COMPANY LIMITED (SEPCO)**

D - AGRICULTURE TARIFF

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		PYA 2019	Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh	Rs/kWh	
		A	B		C	D	
D-1(a)	SCARP less than 5 kW	-	27.05		1.49	28.54	
D-2 (a)	Agricultural Tube Wells	200.00	21.42		1.49	22.91	
			Peak	Off-Peak	Peak	Off-Peak	Peak
D-1(b)	SCARP 5 kW & above	200.00	25.37	19.12	1.49	1.49	26.86
D-2 (b)	Agricultural 5 kW & above	200.00	25.37	16.92	1.49	1.49	26.86

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		PYA 2019	Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh	Rs/kWh	
		A	B		C	D	
E-1(i)	Residential Supply	-	23.16		1.49	24.65	
E-1(ii)	Commercial Supply	-	25.44		1.49	26.93	
E-2	Industrial Supply	-	22.92		1.49	24.41	

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

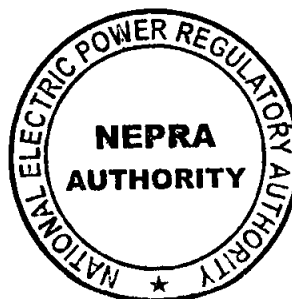
Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		PYA 2019	Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh	Rs/kWh	
		A	B		C	D	
	Street Lighting	-	22.52		1.49	24.01	

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		PYA 2019	Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh	Rs/kWh	
		A	B		C	D	
	Residential Colonies attached to industrial premises	-	22.52		1.49	24.01	

The PYA 2019 column shall cease to exist after one year from the date of notification of the instant decision.



Annex - IV

Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	511	506	484	342	220	213	223	196	228	343	490	520	4,276

Rs./kWh

Fuel Cost Component	5.2798	4.7334	5.0229	5.1733	3.7381	5.5347	6.5124	4.2516	6.2295	6.6087	5.9322	5.9344	5.4397
Variable O&M	0.3897	0.3769	0.3808	0.3520	0.2993	0.4027	0.4887	0.3462	0.3739	0.4447	0.4070	0.4138	0.3918
Capacity	5.2870	5.8872	5.6323	8.7336	13.2507	11.8276	15.7752	11.8791	12.0544	8.9882	6.3932	6.0246	8.1317
UoS	0.3280	0.3646	0.3554	0.4614	0.5862	0.5448	0.7403	0.5436	0.5769	0.4968	0.4000	0.3785	0.4428
Total PPP in Rs./kWh	11.2845	11.3621	11.3915	14.7203	17.8742	18.3098	23.5166	17.0205	19.2347	16.5383	13.1324	12.7513	14.4060

Rs. in million

Fuel Cost Component	2,698	2,395	2,433	1,767	824	1,180	1,453	832	1,418	2,269	2,908	3,086	23,262
Variable O&M	199	191	184	120	66	86	109	68	85	153	200	215	1,676
Capacity	2,701	2,979	2,728	2,983	2,921	2,521	3,520	2,324	2,744	3,087	3,134	3,132	34,774
UoS	168	184	172	158	129	116	165	106	131	171	196	197	1,893
Total PPP in Rs./kWh	5,766	5,749	5,517	5,028	3,941	3,902	5,247	3,329	4,379	5,679	6,437	6,630	61,605

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 DISTRIBUTION
LICENSEES)**

PART-I

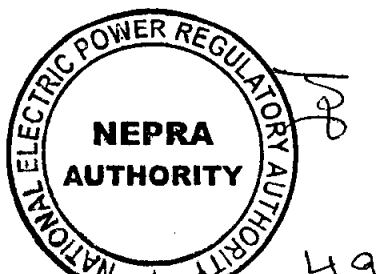
GENERAL DEFINITIONS

1. The Company, for the purposes of these terms and conditions means Sukkur Electric Power Supply Company Limited (SEPCO) engaged in the business of distribution of electricity within the territory mentioned in the licence granted to it for this purpose.
2. "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.
3. "Minimum Charge", means a charge to recover the costs for providing customer service to consumers even if no energy is consumed during the month.
4. "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.
5. "Billing Demand" means the highest of maximum demand recorded in a month except in the case of agriculture tariff D2 where "Billing Demand" shall mean the sanctioned load.
6. "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.
7. "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.
8. "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.
9. "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.
10. Point of supply means metering point where electricity is delivered to the consumer.
11. 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

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



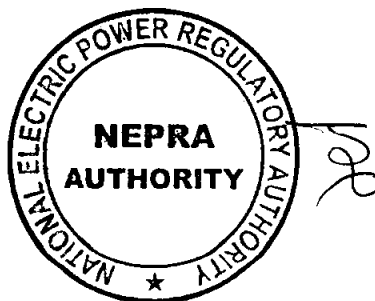
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14. "Charitable Institution" means an institution, which works for the general welfare of the public on no profit basis and is registered with the Federal or Provincial Government as such and has been issued tax exemption certificate by Federal Board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

GENERAL CONDITIONS

1. "The Company shall render bills to the consumers on a monthly basis or less on the specific request of a consumer for payment by the due date.
2. The Company shall ensure that bills are delivered to consumers at least seven days before the due date. If any bill is not paid by the consumer in full within the due date, a Late Payment Charge of 10% (ten percent) shall be levied on the amount billed excluding Govt. tax and duties etc. In case bill is not served at least seven days before the due date then late payment surcharge will be levied after 7th 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%.

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PART-II

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

A-1 RESIDENTIAL

Definition

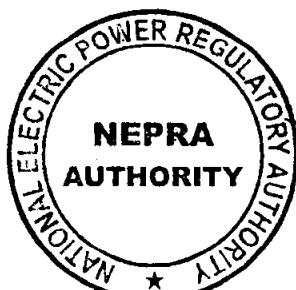
“Life Line Consumer” means those residential consumers having single phase electric connection with a sanctioned load up to 1 kW.

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

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

A-2 COMMERCIAL

1. This tariff is applicable for supply to commercial offices and commercial establishments such as:
 - i) Shops,
 - ii) Hotels, 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.
2. Consumers under tariff A-2 having sanctioned load of less than 5 kW shall be billed under a Single-Part kWh rate A-2(a)
3. All existing consumers under tariff A-2 having sanctioned load 5 kW and above shall be billed on A-2(b) tariff till such time that they are provided T.O.U metering arrangement; thereafter such consumers shall be billed on T.O.U tariff A-2(c).
4. The existing and prospective consumers having load of 5 kW and above can opt for T.O.U metering arrangement and A-2(c) tariff.
5. All existing consumers under tariff A-2 shall be provided T.O.U metering arrangement by the Company and convert it to-A-2 (c) Tariff.
6. All new connections having load requirement 5 kW and above shall be provided T.O.U meters and shall be billed under tariff A-2(c).



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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.
1. Consumers under General Services (A-3) shall be billed on single-part kWh rate i.e. A-3(a) tariff.

B INDUSTRIAL SUPPLY

Definitions

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

Conditions

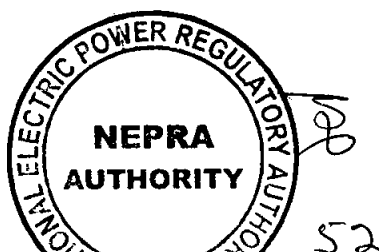
An industrial consumer shall have the option, to switch over to seasonal Tariff-F, provided his connection is seasonal in nature as defined under Tariff-F, and he undertakes to abide by the terms and conditions of Tariff-F and pays the difference of security deposit rates previously deposited and those 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.

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

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

B-2 SUPPLY AT 400 VOLTS

1. This tariff is applicable for supply to Industries having sanctioned load of more than 25 kW up to and including 500 kW.
2. All existing consumers under tariff B-2 shall be provided T.O.U metering arrangement by the Company and converted to B-2(b) Tariff.



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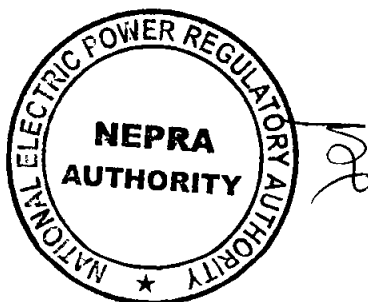
3. All new applicants i.e. prospective consumers applying for service to the Company shall be provided T.O.U metering arrangement and charged according to the applicable T.O.U tariff.

B-3 SUPPLY AT 11 kV AND 33 kV

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

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

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



C BULK SUPPLY

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

General Conditions

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

C-1 SUPPLY AT 400/230 VOLTS

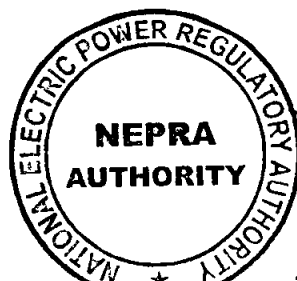
1. This Tariff is applicable to a consumer having a metering arrangement at 400 volts, having sanctioned load of up to and including 500 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. C-1(a) tariff.
3. All new consumers having sanctioned load 5 kW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

C-2 SUPPLY AT 11 kV AND 33 kV

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

C-3 SUPPLY AT 66 kV AND ABOVE

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



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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

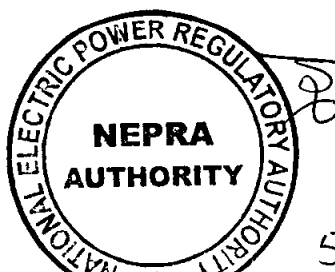
1. This tariff shall apply to:
 - i) Reclamation and Drainage Operation under Salinity Control and Reclamation Projects (SCARP);
 - ii) Bona fide forests, agricultural tube-wells and lift irrigation pumps for the irrigation of agricultural land.
 - iii) Tube-wells meant for aqua-culture.
 - iv) Tube-wells 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 acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.
3. The lamps and fans consumption in the residential quarters, if any, attached to the tube-wells shall be charged entirely under Tariff A-1 for which separate metering arrangements should be installed.
4. The supply under this Tariff shall not be available to consumer using pumps for the irrigation of parks, meadows, gardens, orchards, attached to and forming part of the residential, commercial or industrial premises in which case the corresponding Tariff A-1, A-2 or Industrial Tariff B-1, B-2 shall be respectively applicable.

D-1

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

D-2

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



E -1 TEMPORARY RESIDENTIAL/COMMERCIAL SUPPLY

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

Special Conditions of Supply

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

E -2 TEMPORARY INDUSTRIAL SUPPLY

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

SPECIAL CONDITIONS OF SUPPLY

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

F SEASONAL INDUSTRIAL SUPPLY

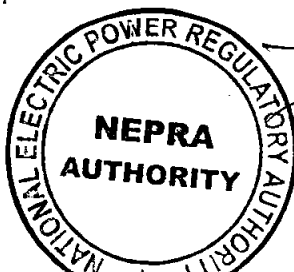
“Seasonal Industry” for the purpose of application of this Tariff, means an industry which works only for part of the year to meet demand for goods or services arising during a particular season of the year. However, any seasonal industry running in combination with one or more seasonal industries, against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

Definitions

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

Special Conditions of Supply

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



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

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

G PUBLIC LIGHTING SUPPLY

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

Definitions

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

Special Conditions of Supply

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

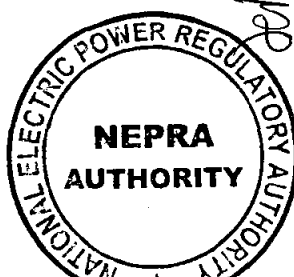
H RESIDENTIAL COLONIES ATTACHED TO INDUSTRIES

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

Definitions

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

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



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

Special Conditions of Supply

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

Noted

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