



**Registrar**

# **National Electric Power Regulatory Authority**

## **Islamic Republic of Pakistan**

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No. NEPRA/R/ADG(Trf)/TRF-566 & TRF-567 /SEPCO-2021/9215-21

June 14, 2024

**Subject: Decision of The Authority regarding Request filed by Sukkur Electric Power Company (SEPCO) For Adjustment/Indexation of Tariff for the FY 2024-25 under the MYT**

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority along with Annexure-I, I-A II, III, IV & V (total 42 pages).

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

Enclosure: As above

**(Engr. Mazhar Iqbal Ranjha)**

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

**Copy to:**

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad
3. Secretary, Irrigation & Power Deptt. , Govt. of Sindh, Sindh Sectt. No. 2, Tughliq House Karachi
4. Chief Executive Officer, NTDC, 414 WAPDA House, Shaharah-e-Quaid-e-Azam, Lahore
5. Chief Executive Officer, Central Power Purchasing Agency Guarantee Ltd. (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
6. Chief Executive Officer, Sukkur Electric Power Company Ltd. (SEPCO), Administration Block, Thermal Power Station, Old Sukkur.

**DECISION OF THE AUTHORITY IN THE MATTER OF REQUEST FILED BY SUKKUR ELECTRIC  
POWER COMPANY (SEPCO) FOR ADJUSTMENT / INDEXATION OF TARIFF FOR FY 2024-25  
UNDER THE MYT**

1. **Background**

- 1.1. The Authority determined separate tariffs of Sukkur Electric Power Company Limited (SEPCO) (herein referred to as "Petitioner") under the Multi Year Tariff (MYT) regime, for a period of five years i.e. from FY 2020-21 to FY 2024-25, for both its Distribution and Supply of power functions vide tariff determinations dated June 02, 2022. The tariff so determined was notified by the Federal Government vide SRO dated July 25, 2022. The Authority subsequently determined SEPCOs annual adjustment / indexation for the FY 2023-24 vide decision dated July 14, 2023 along-with other XWDISCOs.
- 1.2. The Petitioner in line with the adjustment mechanism provided in its notified MYT determination, has filed its request for adjustment/ indexation of different components of its revenue requirement for the FY 2024-25, along-with break-up of costs in terms of Distribution and Supply functions. A Summary of the adjustments request submitted by the Petitioner is as under;

Description	Unit	Distribution Business	Supply Business	Total Revenue Requirement
O&M Costs	Rs. Mln	18,877	1,769	20,646
Depreciation	Rs. Mln	1,805	6	1,811
Return on Rate Base	Rs. Mln	6,078	423	6,501
Gross Margin	Rs. Mln	26,760	2,198	28,958
Less: Other Income	Rs. Mln	(2,205)	(165)	(2,370)
Net Margin	Rs. Mln	24,554	2,033	26,588
Prior Year Adjustment	Rs. Mln	-	9,209	9,209
Revenue Requirement	Rs. Mln	24,554	11,242	35,796



2. **Hearing**

- 2.1. Since the impact of any such adjustments has to be made part of the consumer end tariff, therefore, the Authority, in order to provide an opportunity of hearing to all the concerned and in the interest of natural justice, decided to conduct a hearing in the matter.
- 2.2. A Hearing on the matter was held on April 02, 2024, for which advertisement was published in newspapers on March 20, 2024. Separate notices were also sent to the stakeholders for inviting comments from the interested/ affected parties. The salient features and details of the proposed adjustments along-with notice of hearing were also uploaded on NEPRA's Website for information of all concerned.
- 2.1. For the purpose of hearing, and based on the pleadings, following issues were framed to be considered during the hearing and for presenting evidence, arguments both verbally and in writing;
- i. Whether the requested indexation/adjustments in tariff are in line with the MYT tariff

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determination and are justified?

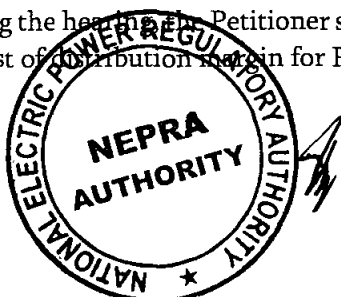
- ii. SEPCO to present its Power Purchases Price (Energy & Cost) for the FY 2024-25, keeping in view the Section 32 of NEPRA Act and NEPRA Power Procurement Regulations?
- iii. Whether the requested PYA, is justified?
- iv. Whether the existing tariff rate design needs to be modified, to levy fixed charges on all consumer categories and fixed charges be designed in a way to ensure that it accounts for a significant portion of fixed costs i.e. capacity charges, UoSC etc. in line with Strategic Directives given in NE Plan.
- v. Whether the existing tariff rate design needs to be modified for consumers having net metering generation facilities or generation facilities behind the meters installed by third parties or Captive generation power, to levy fixed charges, etc. in order to ensure recovery of fixed costs i.e. capacity charges, UoSC etc.?
- vi. What will be the mechanism to recover fixed charges from consumers having meters not recording MDI?
- vii. Whether the schedule of tariff be designed on cost of service basis or otherwise?
- viii. Whether the rate design for Temporary connections needs to be revised or otherwise?
- ix. Whether the peak and off-peak timing and rate design needs to be revised, in line with Strategic Directives given in NE Plan?
- x. Whether prepaid metering shall be allowed to different consumers categories and what shall be appropriate tariff for such consumers considering various periodic adjustments in the base tariff?
- xi. Whether the Petitioner has prepared any plan in consultation with the Federal Government for its organization restructuring in terms of segregation of responsibilities of Distribution and supply function in order to ensure independent and transparent working of both these functions.

3. Filing of objections/ comments:

- 3.1. The interested parties were given an opportunity to submit comments/replies and filing of Intervention Request (IR), if any, within 7 days of the publication of notice of admission in accordance with Rule 6, 7 & 8 of the NEPRA Tariff (Standards & Procedure) Rules 1998 (Tariff Rules). However, no comments have been received in the matter.
- 3.2. During the hearing, the Petitioner was represented by its CEO along-with its technical and financial teams. Based on the pleadings, evidence/record produced and arguments raised during the hearing, issue-wise findings are given as under;

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

- 4.1. During the hearing, the Petitioner submitted that it has filed the annual adjustments / indexation request of Distribution Tariff for FY 2024-25, which are in line with Multi Year Tariff Regime.



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According to the Petitioner, the MYT provides head wise adjustment mechanisms for Salaries and wages, Other operations and maintenance, RORB, Depreciation and Other Income, which are in line with the mechanism determined vide Tariff redetermination and NEPRA guidelines for determination of consumer end tariff (Methodology & Process). The Petitioner submitted the following assumptions used for tariff calculations;

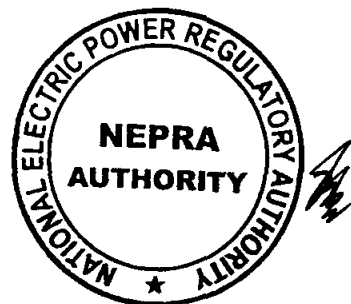
**Inflation:** The NCPI to be used in indexing tariff yearly is the one that is notified by the Pakistan Bureau of Statistics. For the purposes of this petition, NCPI of 28.79% of Dec. 2023 is taken.

**Efficiency Factor:** The X factor has been set a 0% for the tariff period.

**Operating Gross Fixed Asset (GFA):** The value of the Opening GFA used for indexation/ adjustment for FY 2023-24 has been taken on the basis of financial statements of FY2022-23.

**Basis for Bifurcation:** The bifurcation of Revenue Requirements component for Distribution & Supply functions of SEPCO has been made as per the approved mechanism in the MYT determination. The Petitioner also provided the following break-up of costs in terms of Distribution and Supply of Power functions;

Description	Distribution	Supply of	Overall
	Tariff	Power	
	%Share	%Share	%Total
<b>O&amp;M Costs:</b>			
Pay & Allowances & Post Retirement benefits	90%	10%	100%
Travelling Expenses	89%	11%	100%
Vehicle Running Expenses	97%	3%	100%
Other Expenses	97%	3%	100%
Repair & Maintenance	99.90%	0.03%	100%
<b>Total O&amp;M Cost</b>	<b>91%</b>	<b>9%</b>	<b>100%</b>
Depreciation	99.65%	0.35%	100%
Return on Rate Base	99.82%	0.18%	100%
Less: Other Revenues	92%	8%	100%
<b>Distribution Margin(D.M)</b>	<b>84%</b>	<b>16%</b>	<b>100%</b>



- 4.2. The Petitioner requested the following adjustments on account of its O&M costs, Other Income, RoRB, Prior Period Adjustments etc., for the FY 2024-25;

Description	Unit	FY 2023-24	FY 2024-25	Basis of Indexation
		Allowed by NEPRA	Projected	
Salaries & Other Benefits	Mln Rs.	6,285	8,008	Govt. Statutory increase & 5% annual increment
Post Retirement Benefits	Mln Rs.	2,030	7,503	Govt. Statutory increase & Accrual basis.
Repair and Maintenance	Mln Rs.	1,151	1,908	CPI of December 2023 is 28.79%
Traveling Expenses	Mln Rs.	360	548	CPI of December 2023 is 28.79%
Vehicle Expenses	Mln Rs.	257	430	CPI of December 2023 is 28.79%
Other Expenses	Mln Rs.	319	510	CPI of December 2023 is 28.79%
P.M Assistance Package	Mln Rs.	-	1,738	
<b>O &amp; M Cost</b>	<b>Mln Rs.</b>	<b>10,403</b>	<b>20,646</b>	
Depreciation	Mln Rs.	1,705	1,811	As per determined MYT Mechanism
Return on Rate Base	Mln Rs.	10,288	6,501	As per determined MYT Mechanism
Less Other Income	Mln Rs.	(1,952)	(2,370)	As per determined MYT Mechanism
<b>Distribution Margin</b>	<b>Mln Rs.</b>	<b>20,444</b>	<b>26,588</b>	As per determined MYT Mechanism

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**Operating & Maintenance Cost:**

- 4.3. SEPCO has submitted that according to said MYT mechanism, the O&M cost is to be indexed with Consumer Price Index (CPI). Accordingly, the O&M cost will be indexed every year according to the following formula:

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

Where:

O&M (Rev) = Revised O&M Expense for the Current Year.

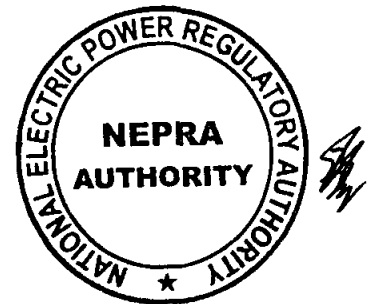
O&M(Ref) = Reference O&M Expense for the Reference Year

$\Delta\text{CPI}$  = Change in Consumer Price Index published by Pakistan Bureau of Statistics latest available on December-23 against the CPI as on December-22 of the Reference Year in terms of percentage.

X = Efficiency factor

- 4.4 Based on this mechanism, the projected O&M Cost for the FY 2024-25, as provided by SEPCO, for its Distribution and Supply business comes out to Rs.20,646 million as tabulated below:

Description	Unit	Determined			Projected		
		FY 2023-24			FY 2024-25		
		DOP	SoP	Total	DOP	SoP	Total
O&M Cost		Rs in Million					
Pay & Allowance	Mln. Rs.	5,194	1,091	6,285	7,208	801	8,008
Post Retirement Benefit	Mln. Rs.	2,021	9	2,030	6,678	825	7,503
Prime Minister Package	Mln. Rs.	-	-	-	1,686	52	1,738
Repair & Maintenance	Mln. Rs.	1,151	-	1,151	1,906	2	1,908
Travelling Allowance	Mln. Rs.	322	38	360	488	60	548
Vehicle Maintenance	Mln. Rs.	250	7	257	417	13	430
Other Expenses	Mln. Rs.	311	8	319	495	15	510
Total	Mln. Rs.	9,249	1,154	10,403	18,877	1,769	20,646



- 4.5 SEPCO further submitted that the projected pay and allowances include 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 and the impact of annual increment in salaries announced by the GoP as per finance bill.
- 4.6 Regarding the Post-Retirement Benefits, SEPCO has submitted that as per MYT determination the post-retirement benefits will be adjusted every year with the increase in pension as announced by GoP. Based on this mechanism, and assuming 10% increase in pension for FY2023-24 and considering the projected cost for the FY 2024-25 comes to Rs. 7,503 million. SEPCO further submitted that the cost pertaining to new retirees will be claimed separately on the basis of actual as was allowed by the Authority in Motion for Leave for Review (MLR) decision of SEPCO. It also stated that as per the Authority directions, SEPCO has created a separate Pension fund, and provision for post-retirement benefits expenses is required to enable it to transfer the funds to the designated bank account. The Authority is therefore requested to allow the annual provision for post-retirement benefits amounting to Rs.7,503 million for FY2024-25.
- 4.7. Regarding the Prime Ministers Package, the Petitioner submitted that the Authority in the MLR decision dated 12.01.2023 directed that,

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“ ... SEPCO may be allowed the cost on account of prime minister assistance package, in its next tariff petition / adjustment request once the petitioner provides actual detail in terms of employees name, CNIC number, designation, date of death, financial impact, etc. once the actual payment made”.

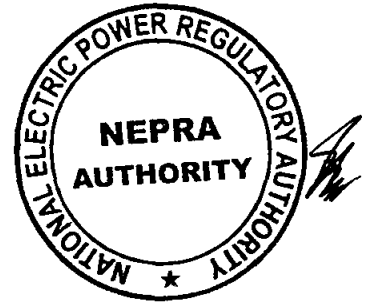
SEPCO submitted that the year wise financial impact of PMSP in lieu of plots for employees deceased in service w.e.f 09.01.2015 to 06.2022 as tabulated hereunder,

Sr.	Year	Amount of Plot Rs in Millions
1	2015	142
2	2016	192
3	2017	251
4	2018	238
5	2019	218
6	2020	156
7	2021	332
8	2022	209
	Total	1,738

4.8. SEPCO requested Repairs and Maintenance cost of Rs. 1,908 million which pertains to Grid Station, Transmission line, Distribution line, Distribution material, building & Civil works, Computers and Equipment.

4.9. Regarding Travelling Allowance, SEPCO submitted that the GoP has revised the rate of Daily allowance & Rate / Km dated 06.08.2023 as tabulated hereunder,

Description	Existing		Revised		Increased		
	Ordinary Rate	Special Rate	Ordinary Rate	Special Rate	Ordinary Rate	Special Rate	%
BPS 1-4	496	800	744	1200	248	400	50%
BPS 5-11	624	880	936	1320	312	440	50%
BPS 12-16	1120	1440	1680	2160	560	720	50%
BPS 17-18	2000	2560	3000	3480	1000	920	36%
BPS 19-20	2480	3280	3720	4920	1240	1640	50%
BPS 21	2800	4000	4200	6000	1400	2000	50%
BPS 22	2800	4800	4200	7200	1400	2400	50%
Average Rate D.A	1760	2537	2640	3754	880	1217	48%



4.10. SEPCO also submitted that the mileage allowance has also been revised which is tabulated as follows,

Description	Unit	Existing Rates	Rates w.e.f 1.07.2023	Increase
Transportation		Rs.	Rs.	Rs.
i) Motor Car	Rs./km	5	7.5	2.5
ii) Motor Cycle/Scooter	Rs./km	2.5	3.75	1.25
Mileage Allowance				
i) Personal Car/Taxi	Rs./km	10	15	5
ii) Motor Cycle/Scooter	Rs./km	4	6	2
iii) Bicycle	Rs./km	2	3	1
iv) Public Transport	Rs./km	2.5	3.75	1.25
Travel by Air			No change	
Carriage of personal effects on Transfer / Retirement	Rs./kg & km	0.02	0.03	0.01

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- 4.11. On Transportation Charges, SEPCO submitted that these include repair and maintenance of vehicles, POL and annual renewal of registration fees. According to SEPCO, the POL prices have increased significantly which are tabulated as hereunder,

Description	FY 2021-22	FY 2022-23	FY 2023-24
	Per Litre		
Average Price of Petrol (Annual)	234	262	276
% Increase (year on year)		12.02%	5.20%
Average Price of Diesel (Annual)	263.31	253	287.33
% Increase (year on year)		-3.92%	13.57%
Average POL Price (Petrol+Diesel)	248.6	257.5	281.5
% Increase (year on year)		3.58%	9.31%

- 4.12. Regarding Other miscellaneous expenditures, SEPCO has submitted that this includes office equipment, stationery and Photostat charges, postage and telecommunications etc. SEPCO has requested that the efficiency factor- X may be allowed on actual basis and the benefit may be passed on the consumers if the actual expenditure in a particular category is less than the indexed amount. Further, X factor of 30% adjustment needs to be re assessed in light of the fact that indexation is based on the NCPI, which is directly linked with prices.
- 4.13. Regarding Depreciation, SEPCO has submitted that request is as per the mechanism provided in the MYT determination for the FY 2020-21 to FY 2022-23 which states that depreciation will be assessed in accordance with the following formula/mechanism:

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

Where: DEP (Rev) = Revised Depreciation Expense for the Current Year

DEP (Ref) = Reference Depreciation Expense for the Reference Year

GFAIO (Rev) = Revised Gross Fixed Assets in Operation for the Current Year

GFAIO (Ref) = Reference Gross Fixed Assets in Operation for the Reference Year

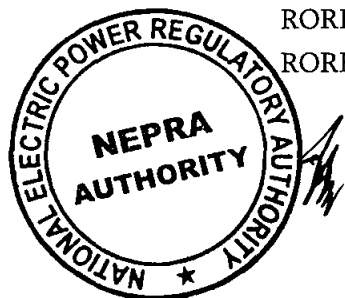
DESCRIPTION	PROVISIONAL		ADJUSTMENT
	FY'2022-23	FY'2023-24	FY'2024-25
	Rs. in Millions		
Gross Fixed Assets in Operation (GFAIO) Opening Balance	44,656	46,007	47,492
Addition in Fixed Assets	1,350	1,485	1,634
Fixed Assets in Operation (GFAIO) Closing Balance	46,007	47,492	49,125
Depreciation-Expense	(1586)	(1705)	(1811)

**Return on Rate Base (RORB):**

- 4.14. Regarding RORB, SEPCO submitted that same is being requested as per the mechanism provided in the MYT determination for the FY 2020-21 to FY2022-23. The Return on Rate Base (RORB) will be assessed in accordance with the following formula/mechanism:

$$\text{RORB(Rev)} = \text{RORB(Ref)} \times \text{RAB(Rev)} / \text{RAB(Ref)}$$

RORB(Rev) = Revised Return on Rate Base for the Current Year



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RORB(Ref) = Reference Return on Rate Base for the Reference Year

RAB(Rev) = Revised Rate Base for the Current Year

RAB(Ref) = Reference Rate Base for the Reference Year

- 4.15. Based on the above mechanism, SEPCO has worked out the RORB for FY 2024-25, with annual KIBOR 21.71% +2% spread as mentioned below;

DESCRIPTION	Mln. Rs.		
	Un-Audited FY 2022-23	Provisional FY 2023-24	Projected FY 2024-25
Gross Fixed Assets in Operation-B/F	44,656	46,007	47,492
Addition in Fixed Assets	1,350	1,485	1,634
Gross Fixed Assets in Operation-C/B	46,007	47,492	49,125
Less: Accumulated Depreciation	21,611	21,611	23,422
Net Fixed Assets in Operation	24,396	25,881	25,704
Add: Capital Work In Progress-C/B	9,266	7,976	9,136
Investment in fixed Assets	33,662	33,857	34,839
Less: Deferred Credits	7,265	6,862	6,999
Regulatory Assets Base	26,397	26,995	27,840
Average Regulatory Assets Base	25,628	26,696	27,418
Rate of Return	21.14%	21.14%	23.71%
Return on Rate basis	5,418	5,644	6,501

- 4.16. SEPCO stated that in light of NEPRA Guidelines, 2015, it is evident that the treatment adopted in the MYT Determination and later in the Review Decision with regards to insufficient Cash Balances is not covered under the Rules and hence, needs to be reconsidered.

#### Other Income:

- 14.16. Regarding Other Income, the petitioner submitted that as per the mechanism provided in the MYT determination for the FY 2020-21 to FY 2022-23, the other income will be assessed in accordance with the following formula/mechanism:

Where;

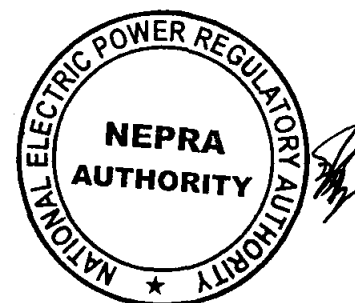
$$OI(Rev) = OI(1) + \{OI(1) - OI(o)\}$$

OI(Rev) = Revised Other Income for the Current Year

OI(1) = Actual Other Income as per latest Financial Statements.

OI(0) = Actual/ Assessed Other Income used in the previous year.

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



- 4.17. The Authority noted that the allowed MYT of the Petitioner provides mechanism for annual adjustment/ indexation of different tariff components. A summary of the allowed adjustment/ indexation, as per the mechanism provided in the MYT determination is as under;

#### O&M expense

- 4.18. The O&M part of Distribution Margin shall be indexed with CPI subject to adjustment for efficiency gains (X factor). Accordingly, O&M will be indexed every year as under;

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

Where:

O&M<sub>(Rev)</sub> = Revised O&M Expense for the Current Year

O&M<sub>(Ref)</sub> = Reference O&M Expense for the Reference Year

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$\Delta$ CPI = Change in Consumer Price Index published by Pakistan Bureau of Statistics  
latest available on 1<sup>st</sup> July against the CPI as on 1<sup>st</sup> July of the Reference  
X = Efficiency factor

4.19. Regarding Efficiency Factor, the Authority decided that;

*"...The Authority in line with its decisions in the matter of XWDISCOs which have been allowed MYTs, has decided to keep the efficiency factor 'X', as 30% of increase in CPI for the relevant year of the MYT control period. The Authority has further decided to implement the efficiency factor from the 3<sup>rd</sup> year of the control period..."*

#### RORB

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

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

Where:

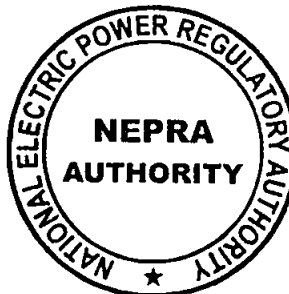
RORB<sub>(Rev)</sub> = Revised Return on Rate Base for the Current Year  
RORB<sub>(Ref)</sub> = Reference Return on Rate Base for the Reference Year  
RAB<sub>(Rev)</sub> = Revised Rate Base for the Current Year  
RAB<sub>(Ref)</sub> = Reference Rate Base for the Reference Year

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

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

#### Depreciation expense

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



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

Where:

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

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

#### Other Income

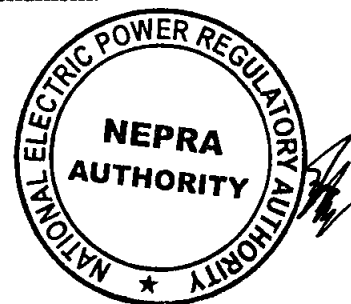
- 4.22. Other income will be assessed in accordance with the following formula/mechanism:

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

Where:

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

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



#### Salaries & Wages

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

#### Post-Retirement Benefits

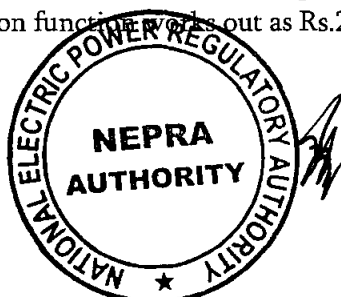
*"... the allowed amount of post-retirement benefits would also be adjusted every year with the Pension increase announced by the GoP for the respective year, till the time the Petitioner remains in the public sector. In case, the Petitioner is privatized during the MYT period, the allowed cost would be adjusted with CPI-X factor."*

- 4.24. Regarding adjustment of Salaries, Wages & Other Benefits, the Authority observed that the Federal Budget for the FY 2024-25, has not yet been announced by the Federal Government, therefore, budgetary increases of Pay & allowances to be applicable for FY 2024-25, are not available as of to date. In view thereof, the Authority has decided to apply an Adhoc allowance of 15% on provisional basis on the amount of Pay & allowances allowed for the FY 2023-24. In addition, the impact of annual increment @ 5% has also been included in the assessed amount

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of Salaries, Wages & Other Benefits for the FY 2024-25. Accordingly, for the FY 2024-25, the amount of Pay & allowances has been worked out as Rs.6,812 million, which is hereby allowed to the Petitioner. Since the increases being allowed for the FY 2024-25, are on provisional basis, therefore, the same shall be adjusted subsequently, based on actual increases of Pay & Allowances as announced by the Government in the Federal Budget for the FY 2024-25. The financial impact thereof, would be allowed separately as part of PYA, either in the next adjustment request or tariff determination of the Petitioner as the case may be.

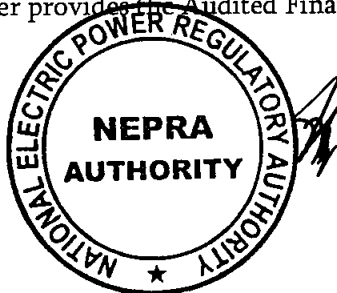
- 4.25. It is pertinent to mention here that the Authority in the allowed Pay & Allowances amount of the Petitioner for the FY 2023-24, provisionally included salaries, wages & other benefits cost of GENCOs employees allocated to the Petitioner, with the direction to provide proper details of such allocated employees in terms of pay scales, terms of adoption, approvals of competent Authority for such adoption and placement details along-with their financial impact. However, no such details have been shared by the Petitioner. In view thereof, the Petitioner is again directed to submit the required details, along-with its next Tariff Petition.
- 4.26. Accordingly, for the FY 2024-25, the total Salaries, Wages & Other Benefits (*excluding post-retirement benefits*) of the Petitioner have been worked out as Rs.6,812 million for both the distribution and supply of power functions.
- 4.27. In order to bifurcate the allowed cost of Salaries, Wages and other benefits costs in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used. Thus, the allowed amount of Salaries & Wages for the FY 2024-25 pertaining to the distribution function works out as Rs.5,630 million and Rs.1,182 million for Supply function.
- 4.28. Regarding Post-retirement Benefits, the Authority in the MYT determination of the Petitioner, allowed actual payment of postretirement benefits and decided that the allowed amount of post-retirement benefits would also be adjusted every year with the Pension increase announced by the GoP for the respective year, till the time the Petitioner remains in the public sector.
- 4.29. Regarding assessment of Post-retirement benefits for the FY 2024-25, the Authority observed that the Federal Budget for the FY 2024-25, has not yet been announced by the Federal Government, therefore, budgetary increases of Pension Benefits for FY 2024-25, are not available as of to date. In view thereof, the Authority has decided to apply an increase of 10% on provisional basis on the amount of Pension Benefits allowed for the FY 2023-24. Accordingly, for the FY 2024-25, the Post retirement benefits of the Petitioner has been worked out as Rs.2,233 million, which is hereby allowed to the Petitioner. Since the increases being allowed for the FY 2024-25, are on provisional basis, therefore, the same shall be adjusted subsequently, based on actual increases of Pension Benefits as announced by the Government in the Federal Budget for the FY 2024-25. The financial impact thereof, would be allowed separately as part of PYA, either in next adjustment request or tariff determination of the Petitioner as case may be.
- 4.30. In order to bifurcate the allowed cost of Post-retirement benefits in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used. Thus, the allowed amount of post-retirement benefits for the FY 2024-25 pertaining to the distribution function works out as Rs.2,223 million and Rs.10 million for Supply function.



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- 4.31. Regarding request of the Petitioner to allow provision for post-retirement benefits, the Authority noted that as per the MYT determination of the Petitioner, the Petitioner has not been allowed provision for post-retirement benefits, rather it was allowed post-retirement benefits based on actual payments. As per the mechanism, the amount so allowed is required to be adjusted every year with the Pension increase announced by the GoP for the respective year, till the time the Petitioner remains in the public sector. Therefore, request of the Petitioner to allow provision for Post-retirement benefits is not allowed, being not in line with the MYT determination.
- 4.32. Regarding Other O&M expenses, the MYT tariff determination requires the same to be indexed with NCPI of December for the respective year after adjustment for the X factor i.e. 30% of CPI. Accordingly, for indexation of other O&M expenses for the FY 2024-25, the NCPI of December 2023 has been considered. The same as reported by Pakistan bureau of Statistics is 29.66%. With this NCPI, and after accounting for the X-factor, the Other O&M cost of the Petitioner for the FY 2024-25 works out as Rs.2,521 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.
- 4.33. In order to bifurcate the allowed cost of Other O&M expenses in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used. Thus, the allowed amount of O&M expenses for the FY 2024-25 pertaining to the distribution function works out as Rs.2,456 million and Rs.65 million for Supply function.
- 4.34. Regarding the Petitioner's request not to account for the impact of X-factor, the Authority observed that this request of the Petitioner is not in line with the MYT determination, which clearly prescribes application of X-Factor, as 30% of increase in CPI for the relevant year, of the MYT control period. Therefore, the request of the Petitioner is not allowed.
- 4.35. Regarding Depreciation expenses, the same are required to be worked out based on the Revised Gross Fixed Assets in Operation (GFAIO) for FY 2024-25, to be calculated based on Investment allowed for the FY 2024-25. The revised Gross Fixed Assets in Operation of the Petitioner for the FY 2024-25 works out as Rs.45,858 million, after including therein the impact of allowed investment for the FY 2024-25 i.e. Rs.8,097 million. Accordingly, as per the allowed mechanism the total depreciation expense of the Petitioner for the FY 2024-25 works out as Rs.1,705 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions
- 4.36. In order to bifurcate the allowed cost of depreciation expenses in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used. Based on the aforementioned, the amount of Rs.1,699 million has been allowed as part of the Distribution function and Rs.06 million for Supply function.
- 4.37. In addition, the mechanism given in the earlier MYT, also provides that the allowed Depreciation for previous year will be trued up, based on actual investments for the respective year. Since, Audited accounts for the relevant years have not been provided with the Petitioner, therefore, true up of depreciation has not been made in the instant PYA. The same would be made once, the Petitioner provides the Audited Financial Statements of the relevant year.



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- 4.38. Regarding RoRB, the reference RoRB is required to be adjusted every year based on the amount of RAB worked out for the respective year after taking into account the amount of investment allowed for that year, as per the mechanism provided in the MYT. Further, the Authority in the earlier decision of the Petitioner, decided to allow WACC by including 100% balance of CWIP in the RAB instead of allowing ROE component only to the extent of 30% of CWIP balance.
- 4.39. Accordingly, the revised RAB of the Petitioner for the FY 2024-25, based on the Investment allowed for the FY 2024-25, and incorporating therein 100% balance of CWIP, works out as Rs.59,579 million. The average RAB of the Petitioner however, for the purpose of calculation of RoRB, works out as Rs.56,359 million for the FY 2024-25.
- 4.40. Here it is pertinent to mention that the Authority vide determination dated 02.06.2022, allowed adjustments on account of variation in KIBOR on biannual basis. The same would be adjusted subsequently once the actual KIBOR and Audited accounts of the Petitioner for the FY 2024-25, are available for true up of RORB.
- 4.41. Based on the above discussion, the total RoRB of the Petitioner for the FY 2024-25 works out as Rs.6,501 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.
- 4.42. In order to bifurcate the allowed RoRB in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used. Based on the aforementioned Rs.6,490 million has been allocated to the distribution function and Rs.11 million has been allocated to the supply function.
- 4.43. In addition the earlier MYT determination of the Petitioner provided a mechanism that the allowed RAB for previous year will be trued up, based on actual investments for the respective year. Since, Audited accounts for the relevant years was not provided with the Petitioner, therefore, true up of RORB has not been made in the instant PYA. The same would be made once, the Petitioner provides the Audited Financial Statements of the relevant year.
- 4.44. The Authority in MLR decision while allowing RORB on 100% balance of CWIP also directed DISCO to disclose the amount of Interest during Construction (IDC) separately in their financial statements. However, while going through the Financial Statements of the Petitioner, it was observed that the Petitioner has not separately disclosed the amount IDC. Therefore, the amount of adjustment being allowed as part of PYA is purely on provisional basis, subject to downward adjustment based on the amount of IDC reflected in the financial statements of the Petitioner. In case the Petitioner fails to reflect the amount of IDC in financial statements, the Authority may consider not to allow RORB on 100% balance of CWIP. The Petitioner is, therefore, again directed to provide the IDC amount for FY 2020-21 onward and reflect the same in its Audited Financial Statements as well.
- 4.45. It is also clarified that the Authority is in the process of evaluating the investments actually carried out by the Petitioner, whether the same in line with the allowed investment plan or otherwise. Therefore, for the purpose of truing up of RAB for the FY 2022-23, investments as reported in the financial statements of the Petitioner, have been considered. However, the amount of investment appearing in the financial statements has been restricted to the extent of



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allowed investment. Any adjustment based on the final evaluation of the Authority, if required, would be made in next adjustment/indexation request of the Petitioner.

- 4.46. Here it is also pertinent to mention that the Authority while working out the RoRB of the Petitioner for the FY 2024-25, has adjusted RAB with insufficient balances of cash and other items vis a vis deposit works & security deposits balances.
- 4.47. Regarding Other Income, the same has been adjusted as per the mechanism provided in the MYT determination for the FY 2024-25. The same for the FY 2024-25 works out as Rs.2,370 million for the Petitioner.
- 4.48. Further, the MYT determination also provides truing up of Other Income every year. Since, Audited accounts for the relevant years was not provided with the Petitioner, therefore, true up of Other Income has not been carried out in the instant PYA. The same would be made once, the Petitioner provides the Audited Financial Statements of the relevant year.

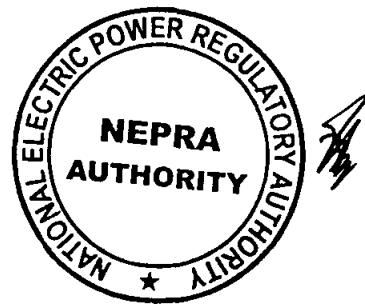
5. Whether the requested PYA, is justified?

- 5.1. The Prior Year Adjustment includes the impact of variation in the following, based on the Authority's allowed benchmarks of T&D losses and recoveries;

- ✓ Impact of Negative/Positive FCAs not passed on/recovered
- ✓ Under/Over Recovery of allowed Quarterly Adjustments
- ✓ Under/Over Recovery of the assessed DM
- ✓ Under/Over Recovery of the previously assessed PYA
- ✓ Cost allowed in Motion for Leave for Review
- ✓ Sales Mix Variance
- ✓ Adjustment of excess LPS over supplemental charges
- ✓ MYT True ups

- 5.2. The Petitioner requested the following amount on account of PYA and also provided its workings under each head as mentioned hereunder;

Sr. No.	Description	Mln. Rs.
1	3rd Qtr of FY 2022-23 (Jan-23 to Mar-23)	(166)
	Notified Rate for Recovery for three Months (Jul-23 to Sep-23)	(1.38)
	Recovered (Jul-23 to Sep-23)	(900)
	Under / (Over) Recovery	(734)
2	4th Qtr of FY 2022-23 (Apr-23 to Jun-23)	
	Allowed Amount	6.609
	QTR Rate	5.52
	Recovered (Oct-23 to Jan-24)	1.063
	Under / (Over) Recovery	5.546
3	D.M for the F.Y 2022-23	
	Allowed Amount	14.421
	D.M Rate	3.80
	D.M Recovered	12.506
	Under / (Over) Recovery	1.916
4	Fixed Cost & ROE Components of SPPs	1.544
5	P.M Package paid lump sum	228
6	USPS Chm	122
	Sub-Total [4 to 6]	1,894
7	Late Payment Surcharge	
	Issued by CPPA-G	1,609
	Recovered Actual / Provisional	359
	Under / (Over) Recovery	1,250
8	Other Income	
	Allowed	1,239
	Actual	1,903
	Under / (Over) Recovery	(664)
9	Net PAY for the FY 2022-23	9,209



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**Recovery of Quarterly Adjustments**

- 5.3. Quarterly Adjustments have been allowed to the Petitioner during 3<sup>rd</sup> & 4<sup>th</sup> Qtr., of FY 2022-23, which were subsequently notified by Government of Pakistan. The recovery period of 3<sup>rd</sup> Qtr., is 03 months and 6 Months for 4<sup>th</sup> Qtr., the un recovered cost under / over has been calculated amounting Rs. (734) Million for the period Jan-23 to Mar23) & Rs. 5,546 Million for the period Mar-23 to Jun-23 the Prior Year Adjustment.

**Under-Recovered Distribution Margin (DM)**

- 5.4. The Authority allowed Distribution Margin (DM) amounting Rs.14,421 Million for the FY 2023-24, whereas actual recovery is amounting to Rs.12,506 million.

**PM Assistance Package**

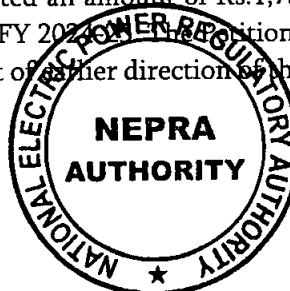
- 5.5. The Authority directed to make actual payment, accordingly on the recommendation of HR department SEPCO, lump sum amount paid to families of employee who died during the service, and the same is claimed in the PYA.

**Late payment Surcharge**

- 5.6. CPPA-G has issued the advices against Late Payment Surcharge for the FY 2022-23 amounting to Rs.1,609 Million whereas SEPCO has recovered from consumer amounting Rs.359 Million the impact of under recovery Amounting Rs.1,250 Million in the PYA.

**Other Income**

- 5.7. The Authority allowed other income amounting Rs.1,239 Million, whereas the actual amounting Rs.1,903 Million, the over recovery of other income amounting Rs.(664) is claimed in the PYA.
- 5.8. The Authority has considered the submissions of the Petitioner regarding PYA and point wise discussion is as under;
- 5.9. Regarding request of the Petitioner to allow under / over recovery of quarterly adjustment for the 3<sup>rd</sup> and 4<sup>th</sup> quarters of FY 2022-23, the Authority noted that currently complete data for the quarterly adjustments allowed for the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of FY 2022-23 is available, therefore, the impact of these two quarterly adjustments are allowed in the instant PYA workings of the Petitioner for the FY 2024-25.
- 5.10. Regarding fixed cost components of SPPs, the Authority noted that said charges are part of Capacity Charges and are included while working out the Quarterly Adjustments, therefore, the request of the Petitioner to allow any such cost as part of PYA as a separate item is not justified.
- 5.11. Regarding PM assistance package, the Authority earlier in its decision dated 14.07.2023, directed the Petitioner to provide employees' name, CNIC numbers, designations, dates of death, their financial impact etc., once the actual payment is made to such employees, along-with payment proof. The Petitioner in this regard has submitted such details. In view thereof, the request of the Petitioner to allow the cost of Rs.228 million on account of PM Package is allowed. Further, the Petitioner has also requested an amount of Rs.1,738 million on account of PM Package as part of its current cost for the FY 2024-25. The Petitioner has provided the employee wise detail of the claimed amount in light of other direction of the Authority. In view thereof, the request

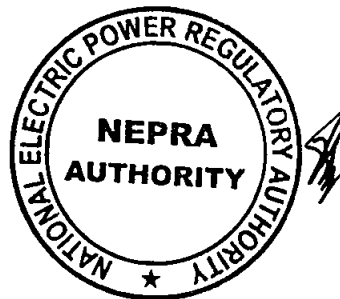


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of the Petitioner to allow cost of Rs.1,738 million on account of PM Package as part of PYA is also allowed.

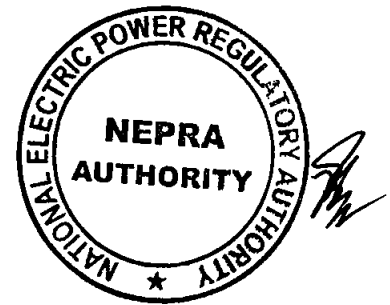
- 5.12. Regarding Uniform Seasonal Pricing Structure (USPS) cost of Rs.122 million, the Authority noted that said package was announced by the Federal Government, whereby the applicable tariff was reduced by the Federal Government for certain category of consumers. The Petitioner shall take-up this matter with the Federal Government for provision of subsidy in the matter, as nothing is pending on the part of the Authority. In view thereof, the request of the Petitioner is not justified.
- 5.13. Regarding LPS, the Authority has already decided that 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. The Petitioner submitted that CPPA-G has invoiced Late Payment Surcharge for the FY 2022-23, amounting to Rs.1,609 million to SEPCO, whereas it has recovered an amount of Rs.359 million from the consumers. Thus, in view of the earlier decision of the Authority, no adjustment is allowed to the Petitioner on account of excess supplemental charges.
- 5.14. Regarding truing up of Depreciation, RoRB and Other Income for the FY 2022-23, the same as per the MYT determination of the Petitioner are required to be trued up based on Audited account of the Petitioner for the relevant year, however, the Petitioner has not provided its Audited accounts for the FY 2022-23. Therefore, the request of the Petitioner to allow any such impact is not considered in the absence of Audited Financial Statements for the relevant year, while working out the PYA. The same would be considered once the Audited accounts of the Petitioner for the period is available.
- 5.15. Regarding under/ over recovery of other adjustments in terms of already allowed PYA, DM for the FY 2022-23, quarterly adjustments for the 2<sup>nd</sup> & 3<sup>rd</sup> quarter of FY 2022-23, MYT True ups for FY 2022-23, reworking of other income for FY 2020-21 & FY 2021-22 after including therein the impact of amortization of deferred credits etc., the Authority has carried out its workings and the same has been included in the PYA of the Petitioner, determined for the FY 2024-25.
- 5.16. Based on the above discussion, decisions of the Authority under various head of accounts in the earlier paras and in line with the scope of MYT, the PYA of the Petitioner for the FY 2024-25 has been worked out as under, which is hereby allowed to the Petitioner for the FY 2024-25;





*Decision of the Authority in the matter of request filed by SEPCO for Adjustment / Indexation of Tariff for the FY 2024-25 under the MYT*

Description	Unit	SEPCO
<b>January 2023 to December 2023</b>		
Impact of Negative FCA- retained	Rs. Mln	- 0.02
Impact of Positive FCA- Lifeline + EV	Rs. Mln	27.16
Net	Rs. Mln	27
<b>January 2023 to December 2023</b>		
Tariff Diff. Subsidy	Rs. Mln	19,013
Surcharge	Rs. Mln	-
Net - Jul.20 to Mar. 23	Rs. Mln	19,013
<b>Excess FCA impact -Adjusted as subsidy</b>		
FCA Impact -Adjusted as PYA	Rs. Mln	27.13
<b>2nd Qtr. FY 2022-23 (Apr. Jun. 23)</b>		
Allowed Amount	Rs. Mln	- 3,491
Qtr. Rs./kWh	Rs./kWh	- 3.03
Recovered	Rs. Mln	- 3,123
Under/(Over) Recovery	Rs. Mln	- 368
<b>3rd Qtr. FY 2022-23 (Jul. Sep. 23)</b>		
Allowed Amount	Rs. Mln	- 166
Qtr. Rs./kWh	Rs./kWh	- 0.1330
Recovered	Rs. Mln	- 167
Under/(Over) Recovery	Rs. Mln	0.2
<b>D.M FY 2022-23</b>		
Allowed Amount	Rs. Mln	12,066
Rate Rs./kWh	Rs./kWh	3.18
Recovered	Rs. Mln	9,850
Under/(Over) Recovery	Rs. Mln	1,916
<b>PYA 2022</b>		
Allowed Amount	Rs. Mln	3,589
Rate Rs./kWh	Rs./kWh	0.95
Recovered	Rs. Mln	2,643
Under/(Over) Recovery	Rs. Mln	946
<b>Other Cost related to PYA</b>		
D.M FY 2021-22 Adjustment	Rs. Mln	- 804
P.M Assistance Package	Rs. Mln	1,966
Other Adjustment of previous PYA	Rs. Mln	- 1
Adjustment of Final tariff v.s Interim Tariff	Rs. Mln	-
Total		1,161
<b>Total</b>	Rs. Mln	<b>3,683</b>



6. SEPCO to present its Power Purchases Price (Energy & Cost) for the FY 2024-25, keeping in view the Section 32 of NEPRA Act and NEPRA Power Procurement Regulations?

6.1. The Petitioner during hearing presented the information regarding the Power Purchase Cost (Energy & Capacity) for the FY 2024-25 which is estimated based on the actual Power Purchase price FY 2023-24;

Description	2020-21 Actual	2021-22 Actual	2022-23 Actual	2023-24 Provisional	2024-25 Projected
Units (MkWh)	4,291	4,490	3,868	4,147	4,178
Incr./Dec %		4.64%	-13.86%	7.23%	7.00%
Cost (Mln Rs.)	54,330	81,095	79,892	96,998	101,980
Av PPP Rs./kWh	12.66	18.06	20.66	23.39	20.57

6.2. The Authority noted that Power Purchase Price (PPP) forecast of the Petitioner as well for all XWDISCOs for the FY 2024-25 has since been determined by the Authority through a separate decision, detailing the assumptions of the forecast and relevant share of the Petitioner. In view thereof, the Authority does not see any rationale to discuss this issue again herein in the instant decision. However, for the purpose of calculation of overall revenue requirement of the Petitioner, the PPP forecast for the FY 2024-25 as determined by the Authority, has been made part of the overall Revenue Requirement of the Petitioner. Further, Annex-I of the PPP decision, to the extent of the Petitioner, has been attached as Annex-IV with the instant decision. The

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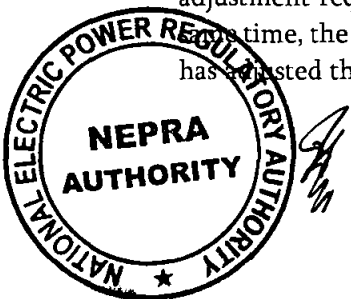
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PPP forecast of the Petitioner for the FY 2024-25 shall be used as reference for future adjustments of PPP including the monthly and quarterly adjustments.

7. Whether the existing tariff rate design needs to be modified, to levy fixed charges on all consumer categories and fixed charges be designed in a way to ensure that it accounts for a significant portion of fixed costs i.e. capacity charges, UoSC etc., in line with Strategic Directives given in NE Plan?

What will be the mechanism to recover fixed charges from consumers having meters not recording MDI?

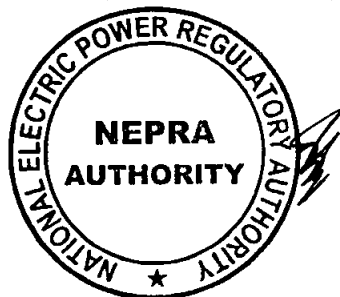
- 7.1. The Petitioner during the hearing submitted that the fixed charges per KW on sanctioned load may be charged to domestic, agricultural, commercial and bulk consumers and half the rate may be charged to none usage of electricity in any month. Initially minimum Rs. 100/KW is proposed. The Petitioner has also requested that the load over and above sanctioned may be regularized.
- 7.2. The Authority observed that as per the current tariff structure, certain consumer categories like Commercial, Industrial, Bulk and Agriculture are levied fixed charges, based on billing demand. Billing demand means 50% of the sanctioned load or actual maximum demand recorded in a month, whichever is higher, except in the case of agriculture tariff D2 where "Billing Demand" shall mean the sanctioned load. The Authority observed that capacity charges of generation companies which are fixed in nature, as it has to be paid based on plant availability, are charged to DISCOs based on the actual MDIs of DISCOs. However, the present consumer end tariff design is volumetric in nature, whereby major portion of the cost is recovered from consumers on units consumed basis i.e. per kWh, and only a small amount of around 3-4% is being recovered on MDIs basis from the consumers. The Authority has also considered NE Plan which provides that fixed charges shall be progressively incorporated in the tariffs of all consumer segments except consumers of protected category. Accordingly, the Authority in line with the relevant provisions of NE Plan 2023-27, has decided to levy fixed charges on certain consumer categories. The Authority has further decided to increase the rate of fixed charges currently applicable to certain categories, keeping in view the quantum of overall fixed charges in the revenue requirement of DISCOs, the cost of service (CoS) of each consumer category and the fact that NE Plan obligates that fixed charges shall account for at least 20% of the fixed cost of the respective categories evaluated through a cost-of-service study. The rate of fixed charges @ Rs./kW/Month for each consumer category, has been mentioned in the Schedule of Tariff (SoT) attached with the decision.
- 7.3. Here it is pertinent to mention that there are certain consumer categories, where actual load/MDI is not being recorded. The Petitioner for such consumers, submitted that either a fixed charge per connection or per KW sanctioned load be used for recovery of fixed charges. The Authority, for such consumers where MDI is not recorded, has decided to initially levy fixed charges at a fixed rate per month, as mentioned in the SoT attached with the decision. The Authority further directs the Petitioner to ensure that by the time it files its next tariff petition/adjustment request, MDI for all consumers at all levels is properly recorded. However, at the same time, the Authority, not to overburden such consumers who are being levied fixed charges, has suggested their variable rate (Rs./kWh), to minimize the impact of increase in fixed charges.



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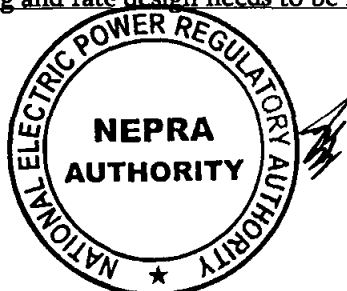
- 7.4. Here it is pertinent to mention that Rs.70,167 million and Rs.5,891 million is the share of the Petitioner on account of CpGenCap and UoSC (NTDC/ HVDC) & Market Operator Fee respectively for the FY 2024-25. The overall fixed charges comprising of CpGenCap and UoSC (NTDC/HVDC) & Market Operator Fee in the instant case works out as Rs.76,058 million, which translate into Rs.6,903/kW/month based on projected average monthly MDI of the Petitioner.
8. Whether the existing tariff rate design needs to be modified for consumers having net metering generation facilities or generation facilities behind the meters installed by third parties or Captive generation power, to levy fixed charges, etc. in order to ensure recovery of fixed costs i.e. capacity charges, UoSC etc.?
- 8.1. The Petitioner on the issue supported the notion that Tariff rate design needs to be modified in respect of net metering consumers. Net metering connections add their demand during peak hours, therefore capacity charges as fixed / MDI may be charged from net metering consumers. The Petitioner submitted that net metering consumers export power to DISCOs at some capacity, which reduce off peak load / demand, however they do not contribute towards reduction of capacity charges.
- 8.2. The Authority considers that the matter requires further deliberations, therefore, the same would be decided subsequently after having input from all the stakeholders.
9. Whether the schedule of tariff be designed on cost of service basis or otherwise?
- 9.1. The Petitioner during the hearing submitted that the Schedule of tariff may be designed as per cost of service basis after addition of fixed charges on domestic, commercial, agricultural and bulk supply consumers from which fixed charges are not charged previously. The Petitioner further added that the Cost of service may be determined as per actual losses instead of NEPRA determined / allowed losses.
- 4.3. The Authority observed that as per NE Plan 2023-27 under SD 82, Tariffs for residential consumers shall be progressively adjusted to align with the principle of cost-of-service, taking into account the following:
- ✓ Subsidies to the protected categories of residential consumers shall be disbursed directly pursuant to the detailed action plan to be developed under Strategic Directive 067;
  - ✓ Residential consumers (below cost recovery) shall be cross subsidized by:
    - i. industrial & commercial consumers, pursuant to the Strategic Directive 084;
    - ii. Other residential consumers (above cost recovery).
- 4.4. Similarly, SD 83 states that Tariff structure for agricultural consumers shall be segmented into sub-categories, taking into account the following:
- ✓ subsidies to the agricultural consumers shall be disbursed pursuant to the detailed action plan to be developed under Strategic Directive 068;
  - ✓ Agricultural consumers (below cost recovery) shall be cross-subsidized by:
    - i. industrial & commercial consumers, pursuant to the Strategic Directive 084;
    - ii. Other agricultural consumers (above cost recovery).



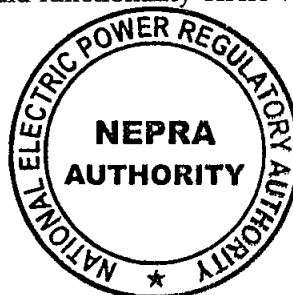
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- 4.5. Further, SD 84 provides that cross-subsidy by the productive consumers, to subsidize residential and agricultural consumers, shall be progressively restricted to 20% of the respective cost of service of such consumers by FY-2026.
- 4.6. The Authority noted that as per different provisions of NE Plan mentioned above, tariff for residential consumers is progressively to be aligned with the principle of cost-of-service, and till such time, residential consumers below cost of service shall be cross subsidized by Industrial and Commercial consumers and other residential consumers. Similarly, for Agriculture consumers, the tariff structure same shall be segmented into sub-categories and agriculture consumers below cost of service shall be cross subsidized by Industrial and Commercial consumers and other agriculture consumers.
- 4.7. In view thereof, the Authority has decided to gradually reduce the quantum of cross subsidization among different consumer categories and the SoTs for the FY 2024-25, have been designed accordingly.
10. Whether the rate design for Temporary connections needs to be revised or otherwise?
- 10.1. The petitioner during the hearing on the issue submitted that the fixed charges of temporary connections may be doubled on the sanctioned load in comparison to regular connections.
- 10.2. The Authority noted that as per the existing notified tariff terms & conditions, the Temporary Residential/ Commercial Supply means a supply given to persons temporarily on special occasions such as ceremonial, religious gatherings, festivals, fairs, exhibitions, political gathering, marriages and other civil or military functions. This also includes supply to touring cinemas and persons engaged in construction of house/buildings/plazas of single phase loads. A temporary electric power supply connection for the construction shall be provided by Distribution company initially for a period of six months which is further extendable on three month basis up to completion of the specific job/project for which the temporary connection was obtained. "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.
- 10.3. Different DISCOs raised their concerns regarding misuse of temporary connections by consumers as the existing tariff rates for temporary connections are lower than standard rates of comparable regular categories of consumers. DISCOs submitted that this provides incentive to some consumers to exploit by reselling electricity illegally due to delayed infrastructure completion. Therefore, to address such issues, tariff rates needs to be increased, coupled with MDI adjustment.
- 10.4. The Authority in order to address such issues and to discourage delay in infrastructure completion, has decided to increase the rates of temporary connections for Residential, Commercial and Industrial consumers. Accordingly, the rates for temporary connections have been revised along-with application of fixed charges, as mentioned in the SoT attached with this decision. The Authority considers that this will contribute to a fair and balanced tariff structure, encouraging responsible usage of temporary connections.
11. Whether the peak and off-peak timing and rate design needs to be revised, in line with Strategic Directives given in NE Plan?



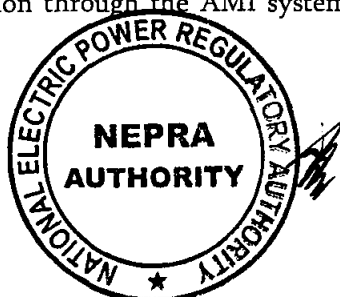
- 11.1. The Petitioner during the hearing submitted The basic concept for implementing peak & off-peak rate design is to minimize system peak and try to straight line the capacity demand at the country level.
- 11.2. The Authority noted that NE Plan envisages that first assessment of ToU tariff, is to be completed by March 2024. The Authority observed that USAID (PSIA) has been asked to provide technical assistance for carrying out the required assessment. USAID has intimated that said assessment require data from SO, CPPA, and NTDC, therefore, subject to the availability of data, it will be able to conduct the assessment by July / August 2024. In view thereof, the Authority would deliberate this issue, once the required assessment form USAID is received. Further, the authority also understands that the existing infrastructure f DISCOs also needs to be evaluated in terms of its capability to cater for multiple peak /off peak rates and times during a billing cycle.
- 11.3. In view thereof, the Authority has decided to continue with the existing mechanism of peak / off-peak hours and prevailing rate design. At the same time, the Petitioner is directed to evaluate the different proposals of tariff design so as to make it more efficient and cost reflective with the objective to maximize the utilization of available capacity.
12. Whether prepaid metering shall be allowed to different consumers categories and what shall be appropriate tariff for such consumers considering various periodic adjustments in the base tariff?
- 12.1. SEPCO during the hearing submitted that the periodic adjustments may be charged in advance on basis of corresponding period of prospective billing. Further, the periodic adjustments may be calculated on average basis in advance of prospective billing period.
- 4.8. The Authority observed that various DISCOs have been allowed investments for AMR/AMI meters, in their MYT determinations / Investment plans. IESCO accordingly vide its letter dated 18.01.2024 also requested for pre-paid tariff for Advanced Metering Infrastructure (AMI) project and made the following submissions in this regards;
- ✓ The scope of the IESCO AMI project encompasses the implementation of an Advanced Metering Infrastructure (AMI) system, covering the deployment of Smart Meters, Data Concentrator Units (DCU) and essential communication infrastructure in the jurisdiction of Rawalpindi City Circle, Rawalpindi Cantt. Circle and Taxila Division along with the implementation of the new Billing System/Customer Information System (CIS) for whole IESCO. The project scope involves the installation of 879,564 smart meters, with the first phase targeting the installation of 135,000 smart meters in area of Rawalpindi City Circle. The new Billing system will be operational tentatively from June 2024.
  - ✓ IESCO AMI Billing System has a value-added feature of Prepayment along with Post-payment functionality which is already in vogue. The new Billing System is capable to calculate the allowable units / consumption (KWh) and communicate this information to Meter Data Management System (MOMS). Consequently, smart meters are configured to operate exclusively within the limits of these calculated units. After the exhaust of these units, a remote disconnection order will be executed through the smart meter. Further, after the recharge of the new top up the reconnection order will be made automatically.
  - ✓ The inclusive development of this prepaid functionality offers various advantages for both the utility companies and consumers;



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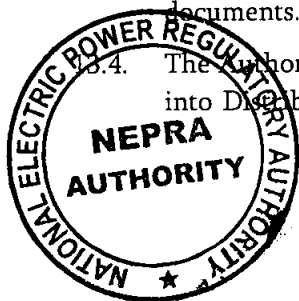
- Advance payment will improve the cash flow of utility companies.
  - Mitigate the financial risk associated with bad debts and will increase the revenue collection.
  - Diminishes traditional billing and collection expenses, leading to cost savings for utility companies. Remote disconnection and reconnection through the AMI system will improve overall efficiency and reduce cost.
  - Offers diverse payment options, including online and mobile payments, enhancing convenience for consumers.
  - Enabling consumers to actively monitor and manage their energy consumption pattern through a mobile application.
- ✓ To fully operationalize the salient feature of prepayment in the AMI system, it is imperative to accurately convert the energy top-up amount into units. Currently, prepaid tariff structure is not available. Therefore, it is requested to formulate the prepaid tariff structure initially up-to 25 KW for tariff categories such as Domestic, Commercial, General, Industrial and Temporary by considering the IESCO submissions:
- Formulation of prepaid tariff structure that will cater for both Protected and non-protected type of consumer categories.
  - Incorporation of Fuel Price Adjustment (FPA) and Quarterly Tariff Adjustment (QTA) charges, minimum charges and PTV fee.
  - Calculation of Electricity Duty (ED), GST and Income tax for non-filer consumers.
  - Incorporation of extra tax and further tax for the industrial consumers.
  - Imposition of fixed charges, especially related to Maximum Demand Indicator (MDI).
- 4.9. Considering the request of IESCO, the Authority made this "pre-paid metering" an issue for deliberations during tariff proceedings of all DISCOs for the FY 2024-25. However, no comments were received from any stakeholder on the issue including the Ministry of Energy (MoE).
- 4.10. The Authority understands that prepaid metering system is a modernized billing mechanism which integrates metering equipment with smart card technology. It may offer benefits for the stakeholders of electricity supply chain but at the same may also have some disadvantages. At the consumer end, it helps them to control electricity consumption patterns and provides a smart payment option. The availability of real time electricity consumption data, also motivates consumers towards utilization of energy-efficient appliances, thus, may help reduce the undue increase in electricity demand. Consequently, may reduce the burden of government in terms of subsidies, circular debt, and import bill. From DISCOs perspective, prepaid metering provides the opportunity to optimize billing & revenue of the distribution utility and improved cash flows, thus helping in meeting their financial obligations. It may also mitigate the financial risk associated with bad debts.
- 4.11. Similarly, in several cases around the world, prepaid metering has helped in significant reduction in non-technical losses. It also reduces financial burden of DISCOs for maintaining workforce employed for manual billing system and may also lead to improved employee to customer ratio. Remote disconnection and reconnection through the AMI system may also improve overall efficiency and reduce cost.



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- 4.12. On the other hand, there may be resistance from the employees of DISCOs due to the fear of downsizing and reduction of non-technical staff. Another critical challenge could be the development of IT-based prepaid metering infrastructure, while replacing the conventional billing mechanism. The internet-based purchase of electricity requires specific technical expertise for designing, installing and managing the backend operations of the prepaid metering system and full coordination among power sector institutions on technical systems. Moreover, consumers' acceptance of the technology shift could be one of the challenges towards implementation of prepaid technology.
- 4.13. In view of the above discussion, the Authority has decided to allow the request of IESCO for pre-paid metering as a pilot project, and if successful, the same may be started in other DISCOs. IESCO in this regard shall ensure that all required Technical & IT infrastructure, Security controls and billing system etc. for prepaid metering, are in place.
- 4.14. The Authority has further noted that prepaid metering system had been implemented in neighboring countries like India and Bangladesh in 2005 with the aim of reducing electricity pilferage and non-payment from consumers in remote areas. The Authority observed that different approaches were adopted by these countries w.r.t. tariff for prepaid meters. Initially tariff for conventional and prepaid metering was kept same in India, to motivate the consumers. In Bangladesh, the aim of introducing prepaid metering was to eliminate electricity pilferage and to motivate consumers to adopt prepaid metering, a 2% discount was offered.
- 12.2. In view thereof and to promote the pre-paid metering, the Authority has decided to allow a flat variable rate (Rs./kWh) for pre-paid consumers along-with fixed charges, as mentioned in the SoT attached with the instant decision. No monthly FCAs or quarterly adjustments shall be charged from the pre-paid metering consumers. However, regarding applicable Federal and Provincial taxes, duties or surcharges, DISCO shall ensure to recover the same from pre-paid metering consumers, as the same are not part of NEPRA determined tariffs.
13. Whether the Petitioner has prepared any plan in consultation with the Federal Government for its organization restructuring in terms of segregation of responsibilities of Distribution and supply function in order to ensure independent and transparent working of both these functions.
- 13.1. The Petitioner submitted during the hearing that the process for segregation of responsibilities of Distribution and supply function in order to independent and transparent working of both these functions are under process.
- 13.2. The Authority, keeping in view the amended NEPRA Act, 2018, whereby sale of electric power has been removed from the scope of distribution licenses and transferred to supply licensee, directed the Petitioner in its earlier tariff determinations to make organizational restructuring in terms of segregation of responsibilities of the Distribution and Sale functions, in order to ensure independent and transparent working of both these functions.
- 13.3. Since all the distribution companies are 100% owned by the GoP, therefore, DISCOs in consultation with GoP should develop a centralized restructuring plan and submit the same to NEPRA for consideration and necessary vetting for its compliance with NEPRA applicable documents.
- 13.4. The Authority observed that the Petitioner although in instant Petition has bifurcated its costs into Distribution and Supply of Power Functions, however, the petition was submitted with



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common accounts and both functions combined. No progress has been shared by the Petitioner in terms of its organizational restructuring. The Authority understands that a proper organization restructuring, is essential to improve the performance of the Petitioner and to ensure transparency for both functions. Therefore, the Petitioner is again directed that a restructuring plan in consultation with the Federal Government be prepared, within the stipulated time.

- 13.5. The Petitioner is directed to ensure compliance of the Authority's direction during the FY 2024-25 and submit its progress report along-with its annual adjustment/ indexation request or petition for the FY 2025-26. In case of non-compliance by the Petitioner, the Authority shall start legal proceedings against the Petitioner under relevant rules and regulations, which may not be limited to imposing of fines but also initiate process for adjustment in the revenue requirement of the Petitioner.

14. Any other issue that may come up during the hearing?

Revision in Tariff Terms & Conditions

- 14.1. The Authority has also decided to revise the tariff Terms & conditions for certain consumer categories as under;

Billing Demand

Regarding change in mechanism of application of fixed charges based on actual MDI or sanctioned load or otherwise, large number of stakeholders raised their concerns in the matter especially with respect to calculation of their sanctioned loads. The Authority considering the concerns of consumers has decided to amend the definition of billing demand for the purpose of charging of fixed charges. The same has been reflected in Tariff Terms & Conditions attached with the instant decision.

Month or Billing Period

Various DISCOs have shown their concerns regarding definition of Month or Billing period, appearing in the Tariff Terms & Conditions, as it does not take into account the month where no of days are in excess of 30. Considering the submissions of DISCOs, the Authority has decided to amend the definition of billing month. The same has been reflected in Tariff Terms & Conditions attached with the instant decision.

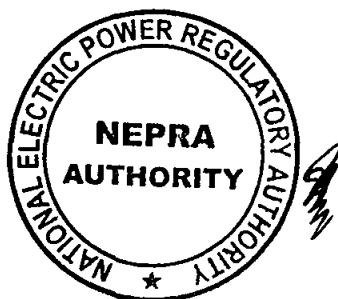
Further, the issue of delayed readings due to holidays etc., resulting in change in slab of domestic consumers, has also been addressed in the Tariff Terms & Conditions attached with the instant decision.

Late Payment charges (LPC)

The Authority also decided to rationalize the Late Payment charges (LPC) by modifying existing rate of 10% into two brackets and accordingly the Tariff Terms & Conditions have been modified.

15. Revenue Requirement

- 15.1. In view of the discussion made in preceding paragraphs and accounting for the adjustments discussed above, the adjusted revenue requirement of the Petitioner, for the FY 2024-25 is as under;



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Description	Unit	Allowed FY 2024-25	
		DOP	SOP
<b>Units Received</b>	[MkWh]	4,084	4,084
<b>Units Sold</b>	[MkWh]	3,418	3,418
<b>Units Lost</b>	[MkWh]	666	666
<b>Units Lost</b>	[%]	<b>16.31%</b>	<b>16.31%</b>
Energy Charge			39,173
Capacity Charge			70,167
Transmission Charge/ Market			5,891
Operator Fee			
<b>Power Purchase Price</b>	[Mln. Rs.]	-	<b>115,231</b>
Wire Business Margin			16,329
<b>Power Purchase Price with Wire Business</b>		-	<b>131,560</b>
Pay & Allowances		5,630	1,182
Post Retirement Benefits		2,223	10
Repair & Maintainance		1,390	-
Traveling allowance		389	46
Vehicle maintenance		302	9
Other expenses		375	10
<b>O&amp;M Cost</b>	[Mln. Rs.]	<b>10,309</b>	<b>1,257</b>
Depreciation		1,699	6
RORB		6,490	11
O.Income		(2,169)	(201)
<b>Margin</b>	[Mln. Rs.]	<b>16,329</b>	<b>1,074</b>
<b>Prior Year Adjustment</b>		-	3,683
<b>Revenue Requirement</b>	[Mln. Rs.]	<b>16,329</b>	<b>136,316</b>
<b>Average Tariff</b>	[Rs./kWh]	<b>4.78</b>	<b>39.88</b>

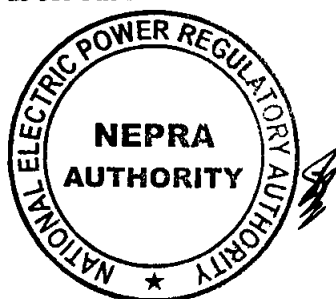
15.2. The above determined revenue shall be recovered from the consumers through the projected sales of 3,418 GWhs, as per Annex – II.

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

## 16. ORDER

16.1. From what has been discussed above, the Authority hereby approves the following adjustments in the MYT of the Petitioner Company for the Financial Year 2024-25;

- I. Sukkur Electric Supply Company Limited (SEPCO), being a supplier, is allowed to charge its consumers such tariff as set out in the schedule of tariff for SEPCO annexed to the decision.



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- II. In addition to compensation of losses, SEPCO, being a distribution licensee, is allowed to charge the users of its system a "Use of system charge" (UOSC) as under:

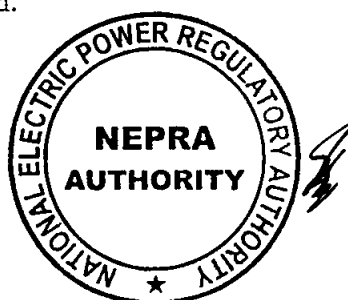
Description	For 132 kV only	For 11 kV only	For both 132kV & 11 kV
Asset Allocation	24.49%	43.81%	68.30%
Level of Losses	1.29%	10.68%	11.83%
UoSC Rs./kWh	1.20	2.42	3.77

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

17. **Summary of Direction**

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

- To provide the reconciled date of sales mix with its reported revenue as per audited financial statements.
- To provide proper details of GENCO employees allocated to it by providing proper employee wise details, their pay scales, terms of adoption, approvals of competent authority for such adoption and placement details along-with their financial impact.
- To provide year wise detail of amounts deposited in the Fund, amount withdrawn along-with profit/interest earned thereon since creation of Fund.
- To provide the IDC amount with subsequent adjustment request and reflect the same in its Audited Financial Statements.
- To get its data, regarding units billed to lifeline consumers, domestic consumers (consuming up-to 300 units) and Agriculture consumers', reconciled with PITC and submit such reconciliation to the Authority for the period FY 2020-21 to FY 2023-24.
- To evaluate the different proposals of tariff design so as to make it more efficient and cost reflective with the objective to maximize the utilization of available capacity.
- To prepare restructuring plan in consultation with the Federal Government during the FY 2024-25 and submit its progress report along-with its annual adjustment/ indexation request or petition for the FY 2025-26.
- To ensure that by the time it files its next tariff petition/ adjustment request, MDI for all consumers at all levels is properly recorded.

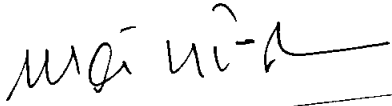


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18. The instant decision of the Authority along-with annexures, is hereby intimated to the Federal Government for filling of uniform tariff application in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric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

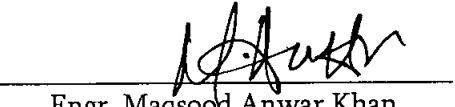
**AUTHORITY**



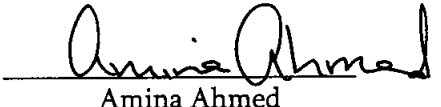
Mathar Niaz Rana (nsc)  
Member



Rafique Ahmed Shaikh  
Member



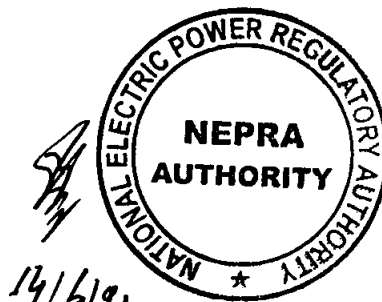
Engr. Maqsood Anwar Khan  
Member



Amina Ahmed  
Member



Waseem Mukhtar  
Chairman



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**FUEL PRICE ADJUSTMENT MECHANISM**

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

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

Where:

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

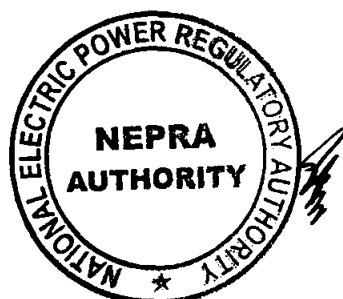
Actual fuel cost component is the fuel cost component in the pool price on which the DISCOs will be charged by CPPA (G) in a particular month; and

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

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

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### QUARTERLY ADJUSTMENT MECHANISM

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

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

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

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

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

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

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

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

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

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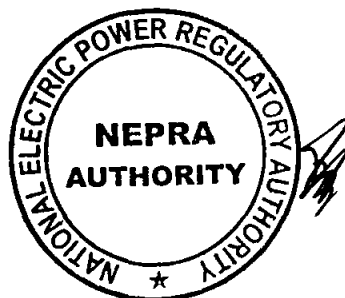


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**Sukkur Electric Power Company Limited (SEPCO)**  
**Estimated Sales Revenue on the Basis of New Tariff**

	Description	Sales	Base Revenue			Base Tariff			PYA 2023		Total Tariff		
		GWh	Fixed Charge	Variable Charge	Total	Fixed Charge	Fixed Charge	Variable Charge	Amount	Variable Charge	Fixed Charge	Fixed Charge	Variable Charge
			Min. Rs.	Min. Rs.	Min. Rs.	Rs./Con/ M	Rs./KWH M	Rs./ kWh	Min. Rs.	Rs./ kWh	Rs./Con/ M	Rs./KWH M	Rs./ kWh
<b>Residential</b>													
Protected	For peak load requirement less than 5 kW												
	Up to 50 Units - Life Line	22	-	142	142	-	-	6.55			-	-	6.55
	51-100 units - Life Line	77	-	848	848	-	-	11.06			-	-	11.06
	01-100 Units	498	-	14,927	14,927	-	-	30.00			-	-	31.11
Un-Protected	101-200 Units	103	-	3,348	3,348	-	-	32.38	115	1.11	-	-	33.49
	01-100 Units	185	-	6,033	6,033	-	-	32.58	205	1.11	-	-	33.69
	101-200 Units	231	-	6,675	6,675	-	-	37.50	257	1.11	-	-	38.61
	201-300 Units	301	-	12,280	12,280	-	-	40.83	334	1.11	-	-	41.93
	301-400 Units	101	28	4,443	4,470	200	-	44.06	112	1.11	200	-	45.17
	401-500 Units	67	17	3,031	3,048	400	-	45.35	74	1.11	400	-	46.46
	501-600 Units	34	13	1,576	1,589	600	-	46.72	37	1.11	600	-	47.83
	601-700 Units	25	9	1,181	1,190	800	-	47.72	27	1.11	800	-	48.82
	Above 700 Units	36	22	1,908	1,930	1,000	-	52.44	40	1.11	1,000	-	53.55
	For peak load requirement exceeding 5 kW)												
	Time of Use (TOU) - Peak	4	-	183	183	-	-	50.51	4	1.11	-	-	51.62
	Time of Use (TOU) - Off-Peak	20	25	898	923	1,000	-	44.18	23	1.11	1,000	-	45.29
	Temporary Supply	0	0	1	1	2,000	-	64.54	0	1.11	2,000	-	65.65
Total Residential		1,703	114	59,474	59,588				1,780				
<b>Commercial - A2</b>													
	For peak load requirement less than 5 kW	92	1,016	3,860	4,877	1,000	-	42.01	102	1.11	1,000	-	43.12
	For peak load requirement exceeding 5 kW												
	Regular	15	115	625	740	-	2,000	40.61	17	1.11	-	2,000	41.72
	Time of Use (TOU) - Peak	66	-	3,148	3,148	-	-	47.88	73	1.11	-	-	48.99
	Time of Use (TOU) - Off-Peak	90	919	3,352	4,271	-	2,000	37.32	100	1.11	-	2,000	38.43
	Temporary Supply	0	1	17	19	5,000	-	58.87	0	1.11	5,000	-	59.98
	Electric Vehicle Charging Station	0	-	-	-	-	-	52.43	-	1.11	-	-	53.54
	Total Commercial	263	2,052	11,003	13,054				292				
General Services-A3		268	125	12,402	12,528	1,000	-	46.64	295	1.11	1,000	-	47.74
<b>Industrial</b>													
	B1	22	13	725	738	1,000	-	32.60	25	1.11	1,000	-	33.71
	B1 Peak	6	-	233	233	-	-	39.12	7	1.11	-	-	40.23
	B1 Off Peak	93	59.02	3,033	3,092	1,000	-	32.71	103	1.11	1,000	-	33.82
	B2	19	130	540	670	-	2,000	28.36	21	1.11	-	2,000	29.47
	B2 - TOU (Peak)	47	-	1,825	1,825	-	-	38.47	53	1.11	-	-	39.58
	B2 - TOU (Off-peak)	299	2,898	8,331	11,028	-	2,000	27.87	332	1.11	-	2,000	28.98
	B3 - TOU (Peak)	9	-	347	347	-	-	38.75	10	1.11	-	-	39.86
	B3 - TOU (Off-peak)	39	154	1,146	1,300	-	2,000	29.56	43	1.11	-	2,000	30.67
	B4 - TOU (Peak)	5	-	212	212	-	-	39.08	6	1.11	-	-	40.19
	B4 - TOU (Off-peak)	24	124	711	835	-	2,000	29.59	27	1.11	-	2,000	30.70
	Temporary Supply	1	0	26	26	5,000	-	45.27	1	1.11	5,000	-	46.38
	Total Industrial	564	3,178	17,128	20,307				626				
<b>Single Point Supply</b>													
	C1(a) Supply at 400 Volts-less than 5 kW	7	4	310	314	2,000	-	43.52	8	1.11	2,000	-	44.63
	C1(b) Supply at 400 Volts-exceeding 5 kW	27	162	1,062	1,224	-	2,000	38.89	30	1.11	-	2,000	40.00
	Time of Use (TOU) - Peak	12	-	574	574	-	-	49.62	13	1.11	-	-	50.73
	Time of Use (TOU) - Off-Peak	66	210	2,632	2,842	-	2,000	40.02	73	1.11	-	2,000	41.13
	C2 Supply at 11 kV	7	33	281	314	-	2,000	42.05	7	1.11	-	2,000	43.16
	Time of Use (TOU) - Peak	13	-	654	654	-	-	50.82	14	1.11	-	-	51.93
	Time of Use (TOU) - Off-Peak	90	570	3,525	4,095	-	2,000	39.01	100	1.11	-	2,000	40.11
	C3 Supply above 11 kV	3	25	116	141	-	2,000	38.45	3	1.11	-	2,000	39.56
	Time of Use (TOU) - Peak	0	-	-	-	-	-	49.76	-	1.11	-	-	50.87
	Time of Use (TOU) - Off-Peak	0	-	-	-	-	2,000	37.89	-	1.11	-	2,000	39.00
Total Single Point Supply		225	1,005	9,153	10,158				249				
<b>Agricultural Tube-wells - Tariff D</b>													
	Scarp	0	-	2	2	-	-	42.95	0	1.11	-	-	44.06
	Time of Use (TOU) - Peak	1	-	43	43	-	-	36.21	1	1.11	-	-	37.32
	Time of Use (TOU) - Off-Peak	11	19	321	340	-	500	29.52	12	1.11	-	500	30.63
	Agricultural Tube-wells	20	36	574	610	-	500	28.31	22	1.11	-	500	29.42
	Time of Use (TOU) - Peak	5	-	158	158	-	-	34.71	5	1.11	-	-	35.82
	Time of Use (TOU) - Off-Peak	76	188	2,558	2,746	-	500	33.54	85	1.11	-	500	34.65
Total Agricultural		113	243	3,658	3,899				128				
	Public Lighting - Tariff G	283	11	13,044	13,055	2,000	-	46.14	314	1.11	2,000	-	47.25
	Residential Colonies	1	0	45	46	2,000	-	46.60	1	1.11	2,000	-	47.71
Total		284	11	13,089	13,101				315				
<b>Pro-Paid Supply Tariff</b>													
	Residential					1,000	-	49.76		1.11	1,000	-	50.87
	Commercial - A2						2,000	42.98		1.11	-	2,000	44.09
	General Services-A3					1,000	-	51.30		1.11	1,000	-	52.41
	Industrial						2,000	41.86		1.11	-	2,000	42.97
	Single Point Supply						2,000	52.82		1.11	-	2,000	53.93
Agricultural Tube-wells - Tariff D							2,000	33.70		1.11	-	2,000	34.81
Grand Total		3,417.60	6,727.15	125,906.68	132,633.83				3,682.53				

Note: The PYA 2023 column shall cease to exist after One (01) year of notification of the Instant decision.



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

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

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES		FYA 2023		Total Variable Charges	
		Rs. / Cons. / M	Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B	C		D		E= C+D	
a)	For Sanctioned load less than 5 kW	-	-	6.55		-		6.55	
i	Up to 50 Units - Life Line	-	-	11.06		-		11.06	
ii	51 - 100 Units - Life Line	-	-	30.00		1.11		31.11	
iii	101 - 200 Units	-	-	32.38		1.11		33.49	
iv	201 - 300 Units	-	-	32.58		1.11		33.69	
v	301 - 400 Units	-	-	37.80		1.11		38.91	
vi	401 - 500 Units	-	-	40.83		1.11		41.93	
vii	501 - 600 Units	200	-	44.06		1.11		45.17	
viii	601 - 700 Units	400	-	45.35		1.11		46.46	
ix	701 - 800 Units	600	-	46.72		1.11		47.83	
x	801 - 900 Units	800	-	47.72		1.11		48.82	
xi	Above 900 Units	1,000	-	52.44		1.11		53.55	
b)	For Sanctioned load 5 kW & above	-	-	Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
	Time Of Use	1,000	-	50.51	44.18	1.11	1.11	51.62	45.29
c)	Pre-Paid Residential Supply Tariff	1,000	-	49.76	-	-	-	-	50.87

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

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

Under tariff A-1, there shall be minimum monthly customer charge at the following rates even if no energy is consumed. For consumers where monthly Fixed charges are applicable, no minimum charges shall be applicable on such consumers, even if no energy 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	FIXED CHARGES	VARIABLE CHARGES		FYA 2023		Total Variable Charges	
		Rs. / Cons. / M	Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B	C		D		E= C+D	
a)	For Sanctioned load less than 5 kW	1,000	-	42.01		1.11		43.12	
b)	For Sanctioned load 5 kW & above	-	2,000	40.61		1.11		41.72	
	Time Of Use	-	2,000	Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
	Electric Vehicle Charging Station	-	-	47.88	37.32	1.11	1.11	48.99	38.43
c)	Pre-Paid Commercial Supply Tariff	-	2,000	52.43	-	1.11	-	53.54	-
		-	-	42.98	-	1.11	-	44.09	-

Where Fixed Charges are applicable Rs./kW/Month, the charges shall be billed based on 50% of sanctioned Load or Actual MDI for the month which ever is higher.

**A-3 GENERAL SERVICES**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES		FYA 2023		Total Variable Charges	
		Rs. / Cons. / M	Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B	C		D		E= C+D	
a)	General Services	1,000	-	46.64		1.11		47.74	
c)	Pre-Paid General Services Supply Tariff	1,000	-	51.30		1.11		52.41	

**B INDUSTRIAL SUPPLY TARIFFS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES		FYA 2023		Total Variable Charges	
		Rs. / Cons. / M	Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B	C		D		E= C+D	
B1	Up to 25 kW (at 400/230 Volts)	1,000	-	32.60		1.11		33.71	
B2(a)	exceeding 25-500 kW (at 400 Volts)	-	2,000	28.36		1.11		29.47	
	Time Of Use	-	-	Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
B1 (b)	Up to 25 KW	1,000	-	39.12	32.71	1.11	1.11	40.23	33.82
B2(b)	exceeding 25-500 kW (at 400 Volts)	-	2,000	38.47	27.87	1.11	1.11	39.58	28.98
B3	For All Loads up to 5000 kW (at 11,33 kV)	-	2,000	38.76	29.86	1.11	1.11	39.86	30.67
B4	For All Loads (at 66,132 kV & above)	-	2,000	39.08	29.89	1.11	1.11	40.19	30.70
	Pre-Paid Industrial Supply Tariff	-	2,000	41.86	-	1.11	-	42.97	-

Where Fixed Charges are applicable Rs./kW/Month, the charges shall be billed based on 50% of sanctioned Load or Actual MDI for the month which ever is higher.

**C - SINGLE-POINT SUPPLY**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES		FYA 2023		Total Variable Charges	
		Rs. / Cons. / M	Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B	C		D		E= C+D	
C-1	For supply at 400/230 Volts	-	-	43.52		1.11		44.63	
a)	Sanctioned load less than 5 kW	2,000	-	38.89		1.11		40.00	
b)	Sanctioned load 5 kW & up to 500 kW	-	2,000	42.05		1.11		43.16	
C-2(a)	For supply at 11,33 kV up to and including 5000 kW	-	2,000	38.45		1.11		39.56	
C-3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	-	2,000	49.62		1.11		50.73	
	Time Of Use	-	-	Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
C-1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	-	2,000	60.82	39.01	1.11	1.11	61.93	40.11
C-2(b)	For supply at 11,33 kV up to and including 5000 kW	-	2,000	49.76	37.89	1.11	1.11	50.87	39.00
C-3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	-	2,000	52.82	-	1.11	-	53.93	-
	Pre-Paid Bulk Supply Tariff	-	2,000	52.82	-	1.11	-	53.93	-

Where Fixed Charges are applicable Rs./kW/Month, the charges shall be billed based on 50% of sanctioned Load or Actual MDI for the month which ever is higher.



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

**D - AGRICULTURE TARIFF**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES		FYA 2023		Total Variable Charges	
		Rs. / Conn. / M	Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B	C		D		E= C+D	
D-1(a)	SCARP less than 5 kW	-	-	42.95		1.11		44.06	
D-2 (a)	Agricultural Tube Wells	-	500	28.31		1.11		29.42	
				Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
D-1(b)	SCARP 5 kW & above	-	500	36.21	29.52	1.11	1.11	37.32	30.63
D-2 (b)	Agricultural 5 kW & above	-	500	34.71	33.54	1.11	1.11	35.82	34.65
	Pre-Paid for Agri & Scarp	-	2,000	33.70		1.11		34.81	

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	FIXED CHARGES	VARIABLE CHARGES		FYA 2023		Total Variable Charges	
		Rs. / Conn. / M	Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B	C		D		E= C+D	
E-1(i)	Residential Supply	2,000	-	64.54		1.11		65.65	
E-1(ii)	Commercial Supply	5,000	-	58.87		1.11		59.98	
E-2	Industrial Supply	5,000	-	45.27		1.11		46.38	

**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	FIXED CHARGES	VARIABLE CHARGES		FYA 2023		Total Variable Charges	
		Rs. / Conn. / M	Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B	C		D		E= C+D	
	Street Lighting	2,000	-	46.14		1.11		47.25	

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

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES		FYA 2023		Total Variable Charges	
		Rs. / Conn. / M	Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B	C		D		E= C+D	
	Residential Colonies attached to industrial premises	2,000	-	46.60		1.11		47.71	

Note: The FYA 2023 column shall cease to exist after One (01) year of notification of the instant decision.



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

**PART-I**

**GENERAL DEFINITIONS**

The Company, for the purposes of these terms and conditions means SEPCO engaged in the business of distribution/supply of electricity within the territory mentioned in the licence granted to it for this purpose.

1. "Month or Billing Period", unless otherwise defined for any particular tariff category, means a billing month of 31 days or less reckoned from the date of last meter reading.

If, for any reason, the scheduled reading period of a consumer exceeds the number of days in a calendar month, the total consumption should be prorated to match the number of days in that calendar month for determining the applicable slab rate and same be used for actual billing purpose.

2. "Minimum Charge", means a charge to recover the costs for providing customer service to consumers even if no energy is consumed during the month.
3. "Fixed Charge" means the part of sale rate in a two-part tariff to be recovered on the basis of "Billing Demand" in kilowatt on monthly basis.
4. "Billing Demand" means the 50% of the sanctioned load or Actual maximum demand recorded in a month, whichever is higher, except in the case of agriculture tariff D2 where "Billing Demand" shall mean the sanctioned load.

*Provided that for the purpose of fixed charges sanctioned load means maximum demand recorded so far.*

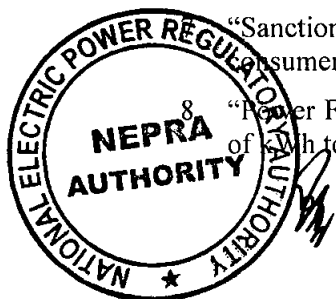
*Provided further that in case of new connections or consumers who have renewed/revised their sanctioned load, the fixed charges will be charged on 50% of the sanctioned load or actual maximum demand recorded in a month, whichever is higher. However, upon establishment of MDI in next six months, the adjustment of fixed charges will be made accordingly by the DISCO."*

*Provided also that consumers having alternate/ dual source i.e. captive power, net metering etc. the existing mechanism of fixed charges shall remain the same i.e. the 50% of the sanctioned load or actual maximum demand recorded in a month, whichever is higher.*

5. "Variable Charge" means the sale rate per kilowatt-hour (kWh) as a single rate or part of a two-part tariff applicable to the actual kWh consumed by the consumer during a billing period.
6. "Maximum Demand" where applicable, means the maximum of the demand obtained in any month measured over successive periods each of 30 minutes' duration except in the case of consumption related to Arc Furnaces, where "Maximum Demand" shall mean the maximum of the demand obtained in any month measured over successive periods each of 15 minutes' duration.

"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.

"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.,



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Annex - IV

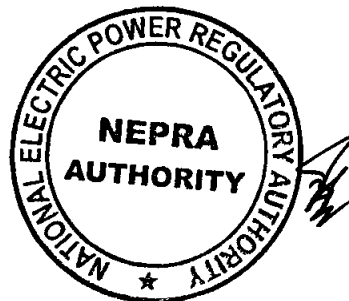
Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	526	541	448	299	191	168	200	166	246	353	445	502	4,084

	Rs./kWh												
Fuel Cost Component	9.3520	9.3877	9.8006	10.2752	7.8609	10.6364	13.0100	8.5276	9.2560	7.6803	7.3925	8.3341	9.1128
Variable O&M	0.4550	0.4854	0.5260	0.5218	0.4063	0.4337	0.6064	0.3927	0.4800	0.4277	0.4575	0.5072	0.4793
Capacity	12.7405	13.5087	13.4321	17.4308	19.1267	28.5019	28.2871	24.1664	22.3424	18.8168	16.0885	15.0339	17.1816
UoS	1.1496	1.2867	1.1958	1.5322	1.6198	2.2974	2.2589	2.0010	1.8126	1.4708	1.2143	1.2228	1.4425
Total PPP in Rs./kWh	23.6972	24.6684	24.9546	29.7601	29.0136	41.8694	44.1624	35.0877	33.8909	28.3956	25.1528	25.0981	28.2161

	Rs. in million												
Fuel Cost Component	4,920	5,075	4,389	3,072	1,500	1,785	2,598	1,414	2,273	2,714	3,290	4,186	37,216
Variable O&M	239	262	236	156	78	73	121	65	118	151	204	255	1,957
Capacity	6,703	7,302	6,015	5,212	3,650	4,782	5,648	4,008	5,487	6,649	7,161	7,551	70,167
UoS	605	696	536	458	309	385	451	332	445	520	540	614	5,891
Total PPP in Rs.Mln	12,468	13,335	11,175	8,898	5,536	7,025	8,818	5,819	8,323	10,033	11,195	12,606	115,231

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

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9. Point of supply means metering point where electricity is delivered to the consumer.
10. Peak and Off Peak hours for the application of Time Of Use (TOU) Tariff shall be the following time periods in a day:

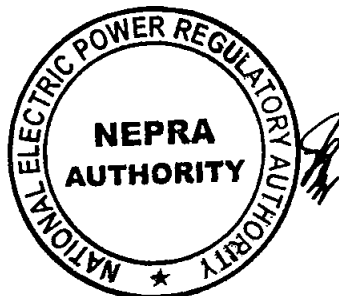
	<u>* PEAK TIMING</u>	<u>OFF-PEAK TIMING</u>
Dec to Feb (inclusive)	5 PM to 9 PM	Remaining 20 hours of the day
Mar to May (inclusive)	6 PM to 10 PM	-do-
June to Aug (inclusive)	7 PM to 11 PM	-do-
Sept to Nov (inclusive)	6 PM to 10 PM	-do-

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

11. "Supply", means the supply for single-phase/three-phase appliances inclusive of both general and motive loads subject to the conditions that in case of connected or sanctioned load 5 kW and above supply shall be given at three-phase.
12. "Consumer" as defined in NEPRA Act.
13. "Charitable Institution" means an institution, which works for the general welfare of the public on no profit basis and is registered with the Federal or Provincial Government as such and has been issued tax exemption certificate by Federal Board of Revenue (FBR).
14. NTDC means the National Transmission and Despatch Company.
15. CPPA(G) means Central Power Purchasing Agency Guarantee Limited (CPPA)(G).
16. The "Authority" means "The National Electric Power Regulatory Authority (NEPRA)" constituted under the Regulation of Generation, Transmission and Distribution of Electric Power Act.

#### GENERAL CONDITIONS

1. "The Company shall render bills to the consumers on a monthly basis or less on the specific request of a consumer for payment by the due date.
2. The Company shall ensure that bills are delivered to consumers at least seven days before the due date. If any bill is not paid by the consumer in full within the due date, a Late Payment Surcharge (LPS) of 5% may be levied for next three (03) days after the due date and thereafter 10% LPS may be charged on the amount billed excluding Govt. taxes and duties etc. In case bill is not served at least seven days before the due date then late payment surcharge will be levied after 7<sup>th</sup> day from the date of delivery of bill.
3. The supply provided to the consumers shall not be available for resale.
4. In the case of two-part tariff average Power Factor of a consumer at the point of supply shall not be less than 90%. In the event of the said Power factor falling below 90%, the consumer shall pay a penalty of two percent increase in the fixed charges determined with reference to maximum demand during the month corresponding to one percent decrease in the power factor below 90%.



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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.

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

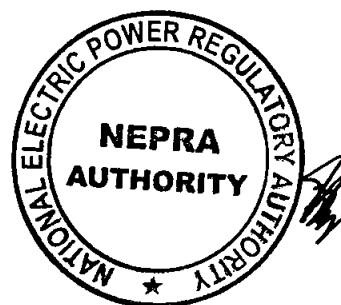
"Protected consumers" mean Non-ToU residential consumers consuming  $\leq 200$  kWh per month consistently for the past 6 months.

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

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

#### A-2 COMMERCIAL

1. This tariff is applicable for supply to commercial offices and commercial establishments such as:
  - i) Shops/Flower Nurseries/Cold Storage
  - ii) Hotels, Hostels and Restaurants,
  - iii) Petrol Pumps and Service Stations,
  - iv) Compressed Natural Gas filling stations,
  - v) Private Hospitals/Clinics/Dispensaries,
  - vi) Places of Entertainment, Cinemas, Theaters, Clubs;
  - vii) Guest Houses/Rest Houses,
  - viii) Office of Lawyers, Solicitors, Law Associates and Consultants etc.
  - ix) Electric Vehicle Charging Stations (EVCS)
2. Electric Vehicle Charging Stations shall be billed under A-2(d) tariff i.e. Rs./kWh for peak and off-peak hours. For the time being, the tariff design is with zero fixed charges, however, in future the Authority after considering the ground situation may design its tariff structure on two part basis i.e. fixed charges and variable charges.



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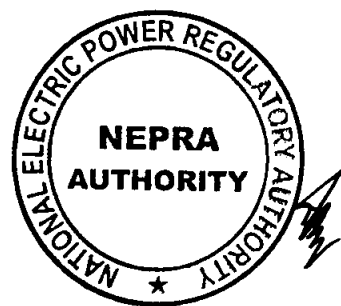
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3. The Electric Vehicle Charging Station shall provide "charging service" to Electric Vehicle shall provide charging service to Electric Vehicles as per the applicable tariff for EVCS plus Rs.24.44/kWh as margin for EVCS. The EVCS shall be billed by DISCOS under A-2(d) tariff. However, monthly FCAs either positive or negative shall not be applicable on EVCS.
4. Consumers under tariff A-2 having sanctioned load of less than 5 kW shall be billed under a Single-Part kWh rate A-2(a)
5. All existing consumers under tariff A-2 having sanctioned load 5 kW and above shall be billed on A-2(b) tariff till such time that they are provided T.O.U metering arrangement; thereafter such consumers shall be billed on T.O.U tariff A-2(c).
6. The existing and prospective consumers having load of 5 kW and above shall be provided T.O.U metering arrangement and shall be billed under tariff A-2(c).

### A-3 GENERAL SERVICES

1. This tariff is applicable to;
  - i. Approved religious and charitable institutions
  - ii. Government and Semi-Government offices and Institutions
  - iii. Government Hospitals and dispensaries
  - iv. Educational institutions
  - v. Water Supply schemes including water pumps and tube wells other than those meant for the irrigation or reclamation of Agriculture land.

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



### B INDUSTRIAL SUPPLY

#### Definitions

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

#### Conditions

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

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

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

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

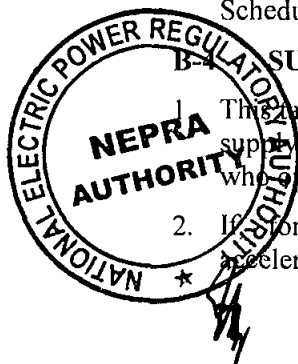
1. This tariff is applicable for supply to Industries having sanctioned load of more than 25 kW up to and including 500 kW.
2. All existing consumers under tariff B-2 shall be provided T.O.U metering arrangement by the Company and converted to B-2(b) Tariff.
3. All new applicants i.e. prospective consumers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

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

1. This tariff is applicable for supply to Industries having sanctioned load of more than 500 kW up to and including 5 MW and also for Industries having sanctioned load of 500 kW or below who opt for receiving supply at 11 kV or 33 kV.
2. The consumers may be allowed extension of load beyond 5MW upto 7.5MW from the DISCO's owned grid station subject to availability of load in the grid and capacity in the 11kV existing dedicated feeder. In such a case the consumer will bear 100% grid sharing charges including transmission line charges and 100% cost of land proportionate to load. While allowing extension in load, the DISCOs shall ensure that no additional line losses are incurred and additional loss, if any, shall be borne by the respective consumers.
3. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.
4. The supply under this Tariff shall not be available to a prospective consumer unless he provides, to the satisfaction and approval of the Company, his own Transformer, Circuit Breakers and other necessary equipment as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively pays to the Company for all apparatus and equipment if so provided and installed by the Company. The recovery of the cost of service connection shall be regulated by the Eligibility Criteria laid down by the Authority read with Consumer Service Manual (CSM).
5. All B-3 Industrial Consumers shall be billed on the basis of T.O.U tariff given in the Schedule of Tariff.

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

1. This tariff is applicable for supply to Industries for all loads of more than 5MW receiving supply at 66 kV, 132 kV and above and also for Industries having load of 5MW or below who opt to receive supply at 66 kV or 132 kV and above.
2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this



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acceleration or retardation. But if the date is accelerated or retarded by more than 4 days, the fixed charges shall be assessed on proportionate basis for the actual number of days between the date of the old reading and the new reading.

3. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the Eligibility Criteria laid down by the Authority read with CSM, the supply under this Tariff shall not be available to such a prospective consumer unless he provides, to the satisfaction and approval of the Company, an independent grid station of his own including Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively, pays to the Company for all such Land, Building, Transformers, Circuit Breakers and other necessary equipment and apparatus if so provided and installed by the Company. The recovery of cost of service connection shall be regulated by Eligibility Criteria laid down by the Authority read with CSM.
4. All B-4 Industrial Consumers shall be billed on the basis of two-part T.O.U tariff.

### **C BULK SUPPLY**

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

#### **General Conditions**

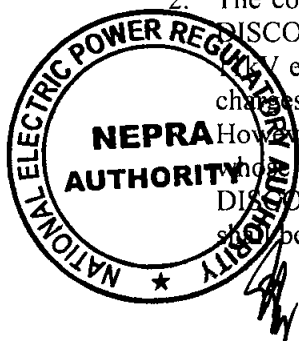
If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days no notice will be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days the fixed charges shall be assessed on proportionate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

### **C-I SUPPLY AT 400/230 VOLTS**

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

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

1. This tariff is applicable to consumers receiving supply at 11 kV or 33 kV at one-point metering arrangement and having sanctioned load of more than 500 kW up to and including 5 MW.
2. The consumers may be allowed extension of load beyond 5MW upto 7.5MW from the DISCO's owned grid station subject to availability of load in the grid and capacity in the existing dedicated feeder. In such a case the consumer will bear 100% grid sharing charges including transmission line charges and 100% cost of land proportionate to load. However, only such consumers be allowed extension of load beyond 5MW upto 7.5MW whose connection is at least three (3) years old. While allowing extension in load, the DISCOs shall ensure that no additional line losses are incurred and additional loss, if any, shall be borne by the respective consumers.



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3. The supply under this Tariff shall not be available to a prospective consumer unless he provides, to the satisfaction and approval of the Company, his own Transformer, Circuit Breakers and other necessary equipment as part of the dedicated distribution system for receiving and controlling the supply, or, alternatively pays to the Company for all apparatus and equipment if so provided and installed by the Company. The recovery of the cost of service connection shall be regulated by the Eligibility Criteria laid down by the Authority read with CSM.
4. All new consumers shall be provided TOU metering arrangement and shall be billed on the basis of tariff C-2(b) as set out in the Schedule of Tariff.
5. Existing consumers governed by this tariff shall be provided with T.O.U metering arrangement and converted to C-2(b).

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

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

### **D AGRICULTURAL SUPPLY**

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

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

1. This tariff shall apply to:

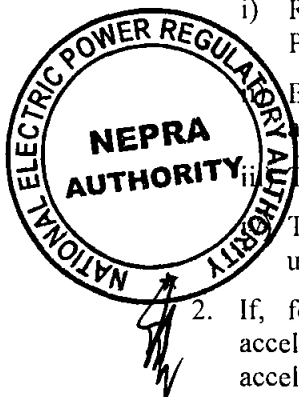
- i) Reclamation and Drainage Operation under Salinity Control and Reclamation Projects (SCARP):

- Bona fide forests, agricultural tube-wells and lift irrigation pumps for the irrigation of agricultural land.

- ii) Tube-wells meant for aqua-culture.

- 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.



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3. The lamps and fans consumption in the residential quarters, if any, attached to the tube-wells shall be charged entirely under Tariff A-1 for which separate metering arrangements should be installed.
4. The supply under this Tariff shall not be available to consumer using pumps for the irrigation of parks, meadows, gardens, orchards, attached to and forming part of the residential, commercial or industrial premises in which case the corresponding Tariff A-1, A-2 or Industrial Tariff B-1, B-2 shall be respectively applicable.

#### **D-1**

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

#### **D-2**

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

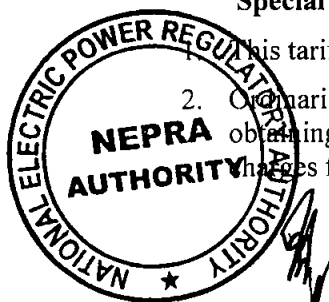
#### **E -1 TEMPORARY RESIDENTIAL/COMMERCIAL SUPPLY**

Temporary Residential/Commercial Supply means a supply given to persons temporarily on special occasions such as ceremonial, religious gatherings, festivals, fairs, exhibitions, political gathering, marriages and other civil or military functions. This also includes supply to touring cinemas and persons engaged in construction of house/buildings/plazas of single phase loads. A temporary electric power supply connection for the construction shall be provided by Distribution company initially for a period of six months which is further extendable on three month basis up to completion of the specific job/project for which the temporary connection was obtained. However, there is no minimum time period for provision of temporary connection. The temporary connection for illumination, lighting, weddings, festivals, functions, exhibitions, political gatherings or national and religious ceremonies, civil or military functions etc., testing of industrial equipment or any other emergent requirement of temporary nature, can be provided for specific time period not exceeding two weeks. The sanctioning officer shall ensure that the temporary connection will be utilized for temporary purpose only.

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

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

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.



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

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

### **SPECIAL CONDITIONS OF SUPPLY**

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

## **F SEASONAL INDUSTRIAL SUPPLY**

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

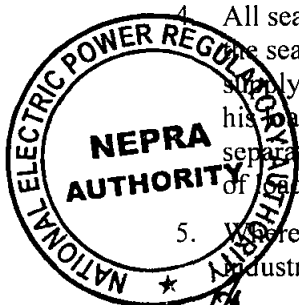
### **Definitions**

“Year” means any period comprising twelve consecutive months.

1. All “Definitions” and “Special Conditions of Supply” as laid down under the corresponding Industrial Tariffs shall also form part of this Tariff so far as they may be relevant.

### **Special Conditions of Supply**

1. This tariff is applicable to seasonal industry.
2. Fixed Charges per kilowatt per month under this tariff shall be levied at the rate of 125% of the corresponding regular Industrial Supply Tariff Rates and shall be recovered only for the period that the seasonal industry actually runs subject to minimum period of six consecutive months during any twelve consecutive months. The condition for recovery of Fixed Charges for a minimum period of six months shall not, however, apply to the seasonal industries, which are connected to the Company’s Supply System for the first time during the course of a season.
3. The consumers falling within the purview of this Tariff shall have the option to change over to the corresponding industrial Supply Tariff, provided they undertake to abide by all the conditions and restrictions, which may, from time to time, be prescribed as an integral part of those Tariffs. The consumers under this Tariff will have the option to convert to Regular Tariff and vice versa. This option can be exercised at the time of obtaining a new connection or at the beginning of the season. Once exercised, the option will remain in force for at least one year.
4. All seasonal loads shall be disconnected from the Company’s Supply System at the end of the season, specified by the consumer at the time of getting connection, for which the supply is given. In case, however, a consumer requires running the non-seasonal part of his load (e.g., lights, fans, tube-wells, etc.) throughout the year, he shall have to bring out 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



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service line and equipment belonging to the Company and installed at his premises shall be removed after expiry of 60 days of the date of commencement of season previously specified by the consumer at the time of his obtaining new connection/re-connection. However, at least ten clear days notice in writing under registered post shall be necessary to be given to the consumer before removal of service line and equipment from his premises as aforesaid, to enable him to decide about the retention of connection or otherwise. No Supply Charges shall be recovered from a disconnected seasonal consumer for any season during which he does not come forward to have his seasonal industry re-connected with the Company's Supply System.

## **G PUBLIC LIGHTING SUPPLY**

"Public Lighting Supply" means the supply for the purpose of illuminating public lamps. The supply under this tariff shall also be applicable for lamps used in public playgrounds and public parks.

### **Definitions**

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

### **Special Conditions of Supply**

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

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

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

### **Definitions**

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

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

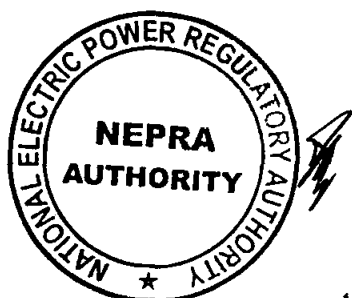
"Residential Colony" attached to the Industrial Supply Consumer, means a group of houses annexed with the factory premises constructed solely for residential purpose of the bonafide employees of the factory, the establishment or the factory owners or partners, etc.

### **Special Conditions of Supply**

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

## **TARCTION**

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



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