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No.NEPRA/R/DG(Trf)/TRF-573 &TRF-574 /TESCO-2022/18247-23 July 14, 2023

Subject: **DECISION OF THE AUTHORITY IN THE MATTER OF REQUEST FILED BY TRIBAL ELECTRIC SUPPLY COMPANY LTD., (TESCO) FOR ADJUSTMENT/INDEXATION OF TARIFF FOR THE FY 2023-24 UNDER THE MULT YEAR TARIFF [CASE # NEPRA/TRF-573 & TRF-574/TESCO-2022]**

Dear Sir,

Please find enclosed herewith subject Decision of the Authority (42 Pages) in the matter of request filed Tribal Electric Supply Company (TESCO) for adjustment/indexation of tariff for the FY 2023-24 under the Mult Year Tariff in Case No. NEPRA/TRF-573 & TRF-574 /TESCO-2022.

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

Enclosure: As above

(Engr. Mazhar Iqbal Ranjha)

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

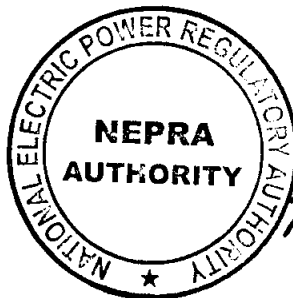
CC:

1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Secretary ,Energy and Power Department, Government of Khyber Pakhtunkhwa, 1st Floor, A-Block, Abdul Wali Khan Multiplex, Civil Secretariat, Peshawar
4. Chief Executive Officer, NTDC, 414 WAPDA House, Shaharah-e-Qaid-e-Azam, Lahore
5. Chief Executive Officer, Central Power Purchasing Agency Guarantee Limited (CPPA-G), Shaheen Plaza, 73-West, Fazl-e-Haq Road, Islamabad
6. Chief Executive Officer ,Tribal Areas Electricity Supply Company Limited (TESCO) Room No. 213, 1st Floor, WAPDA House, Shami Road, Sakhi Chashma, Peshawar

**DECISION OF THE AUTHORITY IN THE MATTER OF REQUEST FILED BY TRIBAL AREAS
ELECTRIC SUPPLY COMPANY (TESCO) FOR ADJUSTMENT / INDEXATION OF TARIFF FOR THE
FY 2023-24 UNDER THE MYT**

1. Back Ground

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

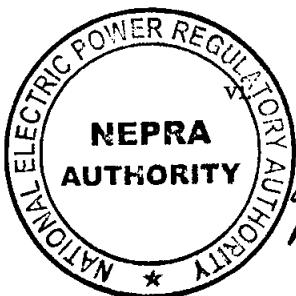


Description	Unit	Distribution Business	Power Supply Business	Total Revenue Requirement
Pay & Allowances	Rs. Mln	906	227	1,133
Post-Retirement Benefits	Rs. Mln	421	105	527
New Hiring	Rs. Mln	196	49	245
MIRAD Expenses	Rs. Mln	72	18	90
Repair & Maintenance	Rs. Mln	133	5	138
Travelling Allowance	Rs. Mln	33	8	41
Vehicle Maintenance	Rs. Mln	46	11	57
Other Expenses	Rs. Mln	114	29	143
Total O & M Costs	Rs. Mln	1,921	452	2,373
Depreciation	Rs. Mln	576	11	587
RORB	Rs. Mln	3,246	-	3,246
Other Income	Rs. Mln	-	779	-
Wheeling Charges	Rs. Mln	-	666	666
PYA	Rs. Mln	3,787	9,786	13,573
Revenue Requirement	Rs. Mln	8,752	10,915	19,667

2. Hearing

- 2.1. Since the impact of any such adjustments has to be made part of the consumer end tariff, therefore, the Authority, in order to provide an opportunity of hearing to all the concerned and meet the ends of natural justice, decided to conduct a hearing in the matter.
- 2.2. Hearing in the matter was held on April 12, 2023, for which advertisement was published in newspapers on March 29, 2023. Separate notices were also sent to the stakeholders for inviting comments from the interested/ affected parties. Salient features and details of the proposed adjustments along-with notice of hearing were also uploaded on NEPRA's Website for information of all concerned.
- 2.3. For the purpose of hearing, and based on the pleadings, following issues were framed to be considered during the hearing and for presenting written as well as oral evidence and arguments;
- Whether the requested adjustments/indexation in tariff are in line with the MYT tariff determination and are justified?
 - Whether the requested wheeling charges, new hiring cost, MIRAD expenses are justified and in line with MYT tariff determination and are justified?
 - TESCO to present its Power Purchases Price (Energy & Cost) for the FY 2023-24, keeping in view the Section 32 of NEPRA Act and NEPRA Power Procurement Regulations?
 - Whether the requested PYA, is justified?
 - Whether the existing Tariff Terms and Conditions needs to be modified (including the request of Cold Storage to charge "B Industrial Supply" Category tariff instead of "A-2 Commercial" category tariff), and keeping in view the amendments in Consumer Service Manual or otherwise?

Whether the existing fixed charges applicable to different consumer categories needs to



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be revised and requires any changes in mechanism for charging of such charges based on Actual MDI or Sanction Load or otherwise? Whether there should any Fixed Charges on consumer's categories who are currently not paying any fixed charges?

- vii. Whether the peak and off-peak rate design needs to be revised?
- viii. Any other issue that may come up during or after the hearing?

3. Filing of objections/ comments:

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

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

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

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

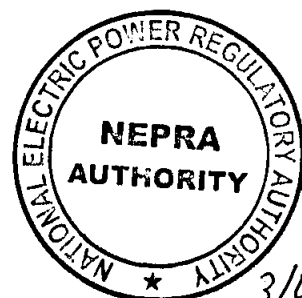
5. Whether the requested wheeling charges, new hiring cost, MIRAD expenses are justified and in line with MYT tariff determination and are justified?

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

7. Whether the requested PYA, is justified?

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

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- 7.2. The Petitioner has requested the following adjustments on account of its Pay & Allowances, Post-retirement benefits, O&M costs, Other Income, RoRB, and Prior Period Adjustments for the FY 2023-24;

Description	FY 2023-24 Projected Rs. Millions		
	Supply Business	Distribution Business	FY 2023-24 Total
Pay & Allowances	226.53	906.11	1132.64
Post-Retirement Benefits	105.35	421.39	526.73
New Hiring	48.98	195.91	244.88
MIRAD Expenses	18.09	72.37	90.46
Repair & Maintenance	4.69	133.1	137.79
Travelling Allowance	8.13	32.52	40.65
Vehicle Maintenance	11.43	45.72	57.15
Other Expenses	28.57	114.27	142.84
Total O & M Costs	451.77	1921.38	2373.14

- 7.3. The Petitioner submitted that projected Pay & Allowance have been indexed / adjusted for FY 2023-24 as follows:

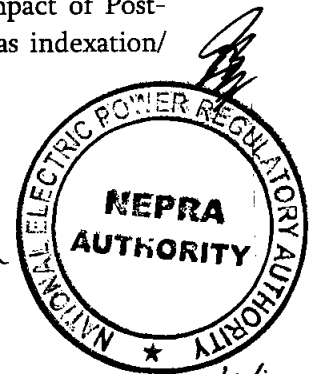
- Pay and Allowances, including employee's salaries and benefits, which are a major component of the O&M expenses of TESCO. TESCO comes under the umbrella of Ministry of Energy and has currently adopted the pay structure of BPS for its regular employees. Further any increase in salaries announced by the Federal Government is adopted by TESCO.
- Federal Government vide O.M. has 2022-283 dated 1st July, 2022 has revised the pay scales of employees along with additional ad hoc relief allowance of 15%. Further 5% financial impact of annual increment, as already allowed by NEPRA, has to be considered for indexation/adjustment of pay and allowances for the FY 2023-24. The total cost under the head Pay & Allowances of the Supply business requested is Rs.226.53 million for FY 2023-24, while for the Distribution business is Rs.906.11 million for FY 2023-24, with total financial impact for Pay & Allowances of Rs.1132.64 million is requested for FY 2023-24 as indexation/adjustment.

- 7.4. Regarding Post-retirement benefits, it has been submitted that;

- The post-retirement benefits of TESCO's employees is paid at the same rate as announced by Federal Government. Further the post-retirement benefits also increase with the retirement of new employees.
- Federal Government vide O.M. 2022-486 dated 1st July, 2022 has announced an increase of 15% in the pension of pensioners. The total cost under the head Post-Retirement Benefits for Supply business requested is Rs.105.35 million for FY 2023-24 and Rs.421.39 million is requested for Distribution business for FY 2023-24, with total financial impact of Post-Retirement Benefits of Rs.526.73 million is requested for the FY 2023-24 as indexation/adjustment.

- 7.5. The Petitioner also requested new Hiring cost for the FY 2023-24 as follows:

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- For FY 2023-24, 21 officers and 505 officials will be hired to fill the vacant posts of TESCO. The total costs for New Hiring is requested as Rs.48.98 million for Supply business for FY 2023-24 and Rs.195.91 million for Distribution business, for the FY 2023-24.

7.6. Regarding MIRAD expenses, the Petitioner has submitted that;

- Currently 07 officers and 02 assistant directors on acting charge base, along with supporting staff working under TESCO MIRAD. In FY 2023-24, 03 Managers and 02 Dy. Directors will also be hired in TESCO MIRAD. Since MIRAD has a dedicated office and in order to better rationalize the costs of MIRAD, separate costs for MIRAD are requested for the FY 2023-24. These costs included pay & allowances, vehicle & maintenance, TA, Furniture and Fixtures, Office Rent, IT equipment, 40% MIRAD Allowance, POL, utility bills, two new Vehicles and software's as per requirements of CTBCM. These costs of MIRAD department have been bifurcated between supply and distribution business. Total costs for MIRAD expenses for the Supply business requested is Rs.18.09 million for FY 2023-24 and Rs.72.37 million for Distribution business for FY 2023-24. Total MIRAD costs of Rs.90.46 million is requested for FY 2023-24 as indexation/adjustment.

7.7. Regarding Other OPEX it has been submitted that;

- These are all those costs, which has not been covered under any other head as discussed above. The major components of other costs are Injuries and Damages, Consultancy Fees, ERP Charges, Safety Consultant Fees, Legal Fees, Board of Directors Fees, Rent, Advertising Fees, Telephone, Computer services, Power Light and Water and others. While determining the other expenses costs the CPI General of Dec 2022 24.5% has been used reduced by X-Factor of 30% resulting in 17.15% net inflation for other expenses costs. Total costs under the head of other expenses of Rs.28.57 million is requested for Supplier business for FY 2023-24, while Rs.114.27 million is requested for Distribution business for FY 2023-24. A total of Rs.142.84 million has been requested in other expenses for FY 2023-24 as indexation/adjustments.

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

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

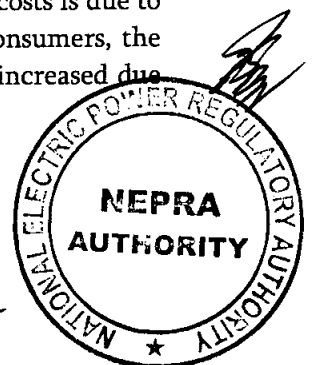
$$\text{DEP (Rev)} = \text{DEP (Ref)} * \text{GFAIO (Rev)} / \text{GFAIO (Ref)}$$

- The depreciation has been calculated according to the criteria prescribe by NEPRA. Rs.11.33 million is requested for Supply business for FY 2023-24, while Rs.575.59 million is requested for Distribution business for FY 2023-24. A total of Rs.587 million under head of depreciation is requested for FY 2023-24 as indexation/adjustment.

7.9. Regarding Repair & Maintenance, the Petitioner submitted that increment in the costs is due to its old and over loaded system. To ensure un-interrupted power supply to its consumers, the maintenance work is increased exponentially. Moreover, cost of material is also increased due

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to inflationary pressure and due to volatile economic conditions and financial instability. This made pressure on the cash flows of TESCO and the cost run off has occurred.

- There are other factors like repair & maintenance of high voltage transmission lines damaged due to floods, increase in 11kV feeders, added in the excess costs in repair and maintenance.
- Rs.4.69 million is requested under head of Repair & Maintenance for Supplier business for FY 2023-24, while Rs.133.10 million is requested for Distribution business for FY 2023-24. A total of Rs.137.79 million is requested for Repair and Maintenance expenses for the FY 2023-24 as indexation/adjustment.

7.10. Regarding Travelling Allowance, the petitioner submitted that:

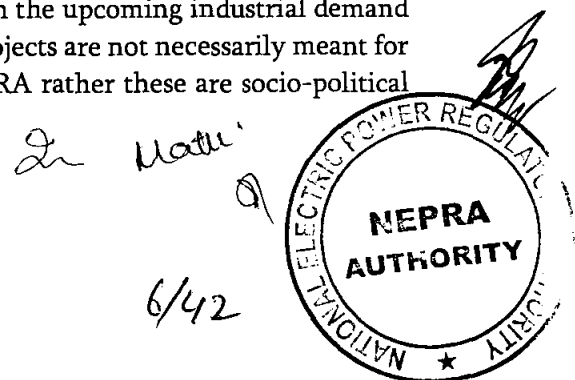
- Due to the system aging and excessive increase in the major overhauling of the system, excessive manpower is used for staying at far flung areas. Moreover, to train the existing manpower of TESCO, excessive training programs and courses were conducted which impacts in the excessive traveling and staying outstation of manpower. This has major impact in the TA bills, which is requested to be allowed. The impact while determining the Travelling Allowance costs the CPI General of Dec 2022 24.5% has been used reduced by X-Factor of 30% resulting in 17.15% net inflation for Travelling Allowance. Total cost under head Travelling Allowance Rs.8.13 million is request for Supplier business for FY 2023-24, while Rs.32.52 million is requested for Distribution business for FY 2023-24. A total of Rs.40.65 million under head travelling allowance is requested for FY 2023-24 as indexation/adjustment.

7.11. Regarding Vehicle Maintenance, the Petitioner submitted that

- It is important to mention that TESCO operations area is spread over 27,219 Squared KM and has to maintain a fleet of vehicles in operations. Further there has been substantially increase in the POL costs due to which the CPI for fuel for Dec 2022 49.45% has been considered. Total costs under head Vehicle Maintenance of Rs. 11.43 million is requested for Supply business for FY 2023-24, while Rs. 45.72 million is requested for the Distribution business for FY 2023-24. A total Rs. 57.15 million is requested for vehicle maintenance and POL for FY 2023-24 as indexation/adjustment.

7.12. Regarding RoRB, the Petitioner submitted that:

- NEPRA while determination of TESCO's Distribution tariff has not allowed RORB to TESCO. As a historical fact TESCO is receiving grants from federal/provincial government. Still TESCO has some strategic projects, which requires to be covered through own resources. These projects include upgradation of 66kV grid stations meeting the N-1 contingency criteria of important TESCO grids, bifurcation, trifurcation of 11 kV circuits, and replacement of overloaded transformers. Segregation of TESCO system from PESCO system as directed by NEPRA and decreasing cost of doing business, reduction in losses in the system. These projects are also necessary to cope with the upcoming industrial demand based on TESCO PMS study. The government funded projects are not necessarily meant for reduction in losses or to achieve the benchmark of NEPRA rather these are socio-political projects.



- Further TESCO is going to initiate projects in FY 2023-24 in the light of TSEP and investment plan already approved by NEPRA in MYT. It is therefore requested to allow RORB of Rs.3246.16 for FY 2023-24.
- While working out the RORB, the RAB assets bases has been readjusted to the projected amount of FY 2023-24. At the same time 3 months KIBOR of Dec 30st 2022 has been considered i.e. 17% and 2% spread as allowed by NEPRA has been added.

7.13. **On the issue of other income**, the Petitioner mentioned that other income comprises of Rental and Service Income, Profit on deposits, amortization of deferred credits, miscellaneous income which is tabulated below. A total of Rs.778.77 million is requested for the Distribution business of FY 2023-24 as indexation/adjustment, as shown below:

Description	FY 2023-24 Projected In Rs. Million
Rental and service income	63.19
Profit on deposits	168.237
Amortization of deferred credit	352.704
Miscellaneous income	194.645
Total Other Income	778.777

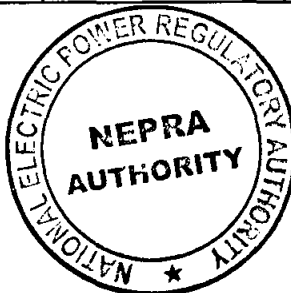
7.14. The Authority noted that the Petitioner has been allowed a Multiyear tariff for a control period of 5 years starting from July 2020 till June 2025, wherein a mechanism for adjustment/ indexation of different components of the revenue requirement has been prescribed. The Authority also noted that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

7.15. **On the issue of Wheeling Charges**, the Petitioner submitted that:

- The Authority in the Tariff determination of Supply Tariff for FY 2019-20 approved the wheeling charges (Use of System Charges), as under:

The Petitioner in its instant petition has requested an amount of Rs.2,550 million on account of wheeling charges. However, no further working/ supportive evidence and justification has been provided by the Petitioner. The Petitioner is using both 11kV and 132 kV transmission lines of PESCO, consequently the Wheeling charges payable to PESCO are calculated according to the use of system charges given in the tariff determination of PESCO for the FY 2019-20.

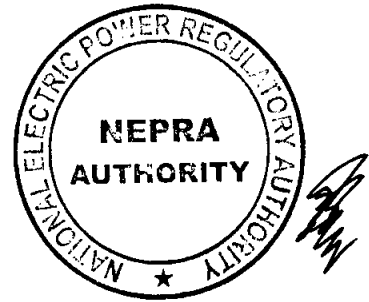
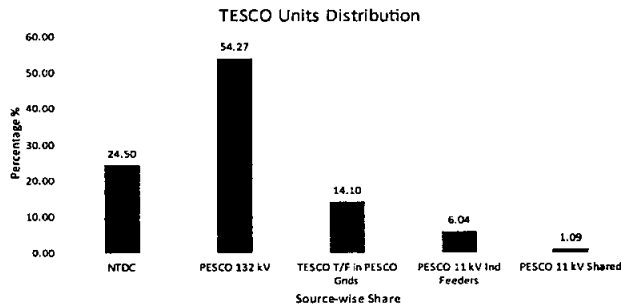
Description	For 132 kV Only	For 11 kV only	For Both 132 kV & 11 kV
Asset Allocation	25%	44%	69%
Level of Losses	3.00%	14.31%	16.88%
UoSC Rs. /kWh	0.32	0.71	1.09



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- The Petitioner further submitted that PESCO is raising wheeling charges based on straightaway Rs.1.09/kWh at all units received by TESCO. TESCO is receiving power from NTDC, WAPDA at 132 kV only and PESCO 132 kV & 11 kV feeders.
- The Units received by TESCO distribution here is,

Units Received Distribution



- Based on the above %, the Units received and subsequent rate raised by PESCO & actual calculated by TESCO are hereby given:

Wheeling Charges By PESCO FY 2020-21

Source	Percentage Share %	Total Units (kWh)	PESCO Claim of UoSC (PKR)	Actual UoSC (PKR)
NTDC-WAPDA	23.46%	522,429,781	3,032,768,914	-
PESCO 132 kV	53.06%	1,181,911,527		378,211,688
PESCO Ind Feeders	20.59%	458,646,015		146,766,725
PESCO 11 kV Shared	2.89%	64,324,144		70,113,317
Total	100.00%	2,227,311,467	3,032,768,914	595,091,730

Wheeling Charges for FY 2021-22

Source	Percentage Share %	Total Units (kWh)	PESCO Claim of UoSC (PKR)	Actual UoSC (PKR)
NTDC-WAPDA	24.50%	558,984,890.00	609,293,530.00	-
PESCO 132 kV	54.27%	1,238,546,170.00	1,350,015,326.00	396,334,775.00
PESCO Ind Feeders	20.14%	459,692,931.00	501,065,294.00	147,101,738.00
PESCO 11 kV Shared	1.09%	24,776,008.00	27,005,849.00	27,005,849.00
Total	100%	2,281,999,999.00	2,487,379,999.00	570,442,362.00

- Based on the above discussion, it is requested to allow wheeling charges as Rs.595.09 million for FY 2020-21 and Rs.570.442 million for FY 2021-22 as part of PYA. For FY 2023-24 Rs.665.981 million is requested to be allowed for the FY 2023-24 as part of indexation/ adjustment.

7.16. The Authority noted that QESCO has been allowed a Multiyear tariff for a control period of 5 years starting from July 2020 till June 2025, wherein a mechanism for adjustment/ indexation of

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different components of the revenue requirement has been prescribed. The Authority also noted that adjustments/ indexations till FY 2022-23 have already been Petitioner. Accordingly, in line with the prescribed mechanism and as per the amended NEPRA Act, the Petitioner filed its adjustment/ indexation request with break-up of costs in terms of Distribution and Supply functions for the FY 2023-24 along-with its PYA workings.

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

O&M EXPENSE

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

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

Where:

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

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

ΔCPI = Change in Consumer Price Index published by Pakistan Bureau of

X = Efficiency factor

- 7.19. 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 3rd year of the control period..."

RORB

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

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

Where:

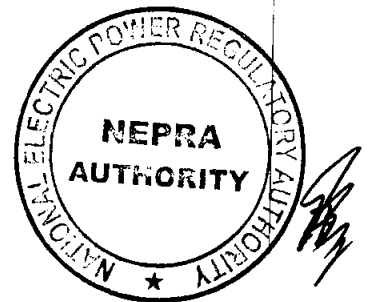
$RORB_{(Rev)}$ = Revised Return on Rate Base for the Current Year

$RORB_{(Ref)}$ = 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

"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



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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

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

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

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 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

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

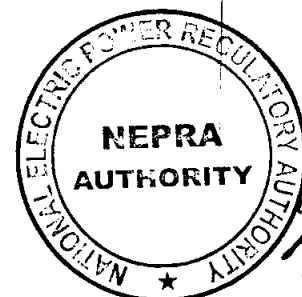
$$OI_{(Rev)} = OI_{(1)} + (OI_{(1)} - OI_{(0)})$$

Where:

$OI_{(Rev)}$	=	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 ..."

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Salaries & Wages

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

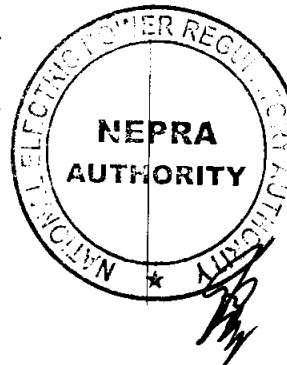
Post-Retirement Benefits

"... the allowed amount of post-retirement benefits would 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."

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

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

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



- 7.24. With above upfront indexation, the Salaries, wages & Other Benefits determined for the FY 2022-23, have now become reference for indexation to be allowed for the FY 2023-24. However, it is also a fact that all these decisions were issued on 02.06.2022, when increases in Salaries, wages & Other Benefits announced in the Federal Budget for the FY 2022-23, were not available. Therefore, while allowing the salaries, wages & other benefits for the FY 2022-23, a projected increase in salaries, wages & other benefits was allowed. The Federal Government subsequently allowed various increases in salaries, wages & other Benefits for the FY 2022-23, vide notification dated 01.07.2022.
- 7.25. In view thereof, revised detail of salaries, wages & other benefits, after including therein the allowed increase as per the Federal Government notification dated 01.07.2022, were obtained from the Petitioner for the FY 2022-23. The same has been reported as Rs.990 million against the allowed amount of Rs.1,053 million. Accordingly, while assessing salaries, wages & other benefits for the FY 2023-24, the revised cost of Rs.990 million for the FY 2022-23, as provided by the Petitioner, has been used as reference. Further, the impact of differential due to revision

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of Salaries, wages & Other Benefits for the FY 2022-23, based on data provided by the Petitioner, has been adjusted as part of PYA, which works out as negative Rs.63 million.

7.26. Here it is pertinent to mention that TESCO has also claimed cost of new hiring made during the FY 2021-22 and FY 2022-23, however, as per the scope of MYT, TESCO was required to file a mid-term review for approval of new hiring cost by justifying the same through its prospective benefits. TESCO till date has not filed any such request, and accordingly, the impact of new hiring amounting to Rs.10.97 million, other than MIRAD, has been adjusted from Salaries & wages cost provided by the Petitioner for the FY 2022-23. Similarly, the request of the Petitioner to allow new hiring cost of around Rs.295 million for the FY 2023-24, is also not being acceded to, as the Petitioner has not filed the Midterm review for approval of new hiring cost along-with its prospective benefits.

7.27. Here it is also pertinent that ECC vide decision dated 21.09.2021 allocated GENCO employees to different DISCOs as under;

"It is proposed that 2,368 Pensioners of GENCOs may be adjusted in their pension disbursing DISCOs or WAPDA. Similarly, 1,753 employees of these plants would be adjusted in DISCOs. Pensions of these employees will be paid by the relevant DISCOs on their retirement according to rules of the relevant DISCOs. In turn the respective DISCOs and WAPDA would claim adjustment of the same from NEPRA in their tariffs."

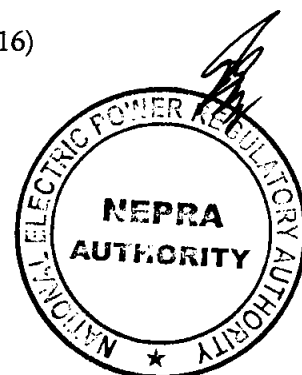
7.28. Although, TESCO has not separately claimed any cost on this account, however, since the Petitioner has submitted its revised detail of salaries, wages & other benefits for the FY 2022-23, therefore, it is presumed that cost of GENCO employees transferred to TESCO, if any, has also been included by the Petitioner in its revised cost of salaries, wages & other benefits for the FY 2022-23. Since the revised salaries, wages & other benefits cost as provided by the Petitioner, for the FY 2022-23, includes impact of all working employees, including MIRAD employees hired till date & TESCO employees allocated to the Petitioner if any, and has been used as reference for projection of salaries, wages & other benefits cost for the FY 2023-24, therefore, no further adjustment on account of MIRAD hiring and GENCO employees transferred to the Petitioner would be allowed.

7.29. Here it is also clarified that the revised amount being allowed under salaries, wages & other benefits for the FY 2022-23 shall be considered as upper cap, subject to downward adjustment only, once the Audited accounts of the Petitioner for FY 2022-23, are available.

7.30. Based on the above discussion & by taking into account the revised numbers for the FY 2022-23, the following increases as announced by the Federal Government in Budget 2024, have been incorporated to project Salaries, Wages & Other Benefits for the FY 2023-24;

- Adhoc relief allowance @ 32.5% on avg. - 30% (BPS-17-22) & 35% (BPS 1-16)
- Annual increment @ 5% of basic pay for 7 months
- Adhoc relief allowance FY 2021-22 revised based on revised basic pay scale

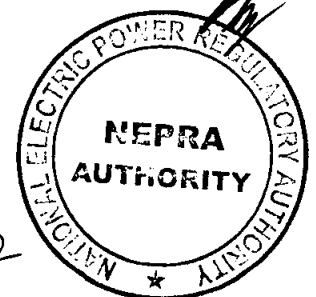
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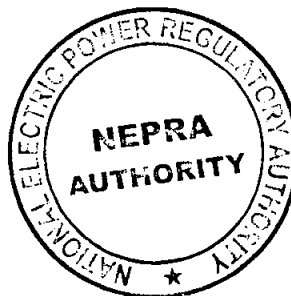
- 7.31. Accordingly, for the FY 2023-24, the total Salaries, Wages & Other Benefits (excluding post-retirement benefits) of the Petitioner have been worked out as Rs.1,292 million for both the distribution and supply of power functions.
- 7.32. In order to bifurcate the allowed cost of Salaries, Wages and other benefits costs in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used.
- 7.33. Regarding Post-retirement Benefits, the Authority allowed actual payment of postretirement benefits in the MYT determination of the Petitioner 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.
- 7.34. In view of the above decision and as per the mechanism provided in the MYT determination of the Petitioner, after taking into account the increases announced by the Federal Government in Budget FY 2024, the post-retirement benefits of the Petitioner for the FY 2023-24 have been assessed as Rs.296 million. The same is being allowed to the Petitioner for the FY 2023-24, for both the distribution and supply of power functions. 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.
- 7.35. Regarding Other O&M expenses, the MYT tariff determination requires the same to be indexed with NCPI of December for the respective year after adjustment for the X factor i.e. 30% of CPI. Accordingly, for indexation of other O&M expenses for the FY 2023-24, the NCPI of December 2022 has been considered. The same as reported by Pakistan bureau of Statistics is 24.47%. With this NCPI, and after accounting for the X-factor, the Other O&M cost of the Petitioner for the FY 2023-24 works out as Rs.145 million based reference cost of Rs.124 million.
- 7.36. Here it is pertinent to mention that NEPRA has also imposed Supplier License fee on the Petitioner from FY 2021-22 onward, however, the said cost is not part of the reference cost allowed to the Petitioner under Other O&M expenses. Accordingly, while working out the other O&M cost of the Petitioner for the FY 2023-24, the fee billed by NEPRA on account of Supplier license has been included in the reference cost of Other O&M expenses for the FY 2022-23. Further, the fee for the FY 2021-22 and FY 2022-23, not previously allowed to the Petitioner has also been included as part of PYA. The amount on account of supplier license fee for the FY 2021-22 and FY 2022-23, included in the PYA, has been worked out as Rs.8.55 million & 11.9 million respectively.
- 7.37. Based on the above discussion, the total Other O&M cost of the Petitioner for the FY 2023-24, including Supplier License Fee, works out as Rs.159 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.
- 7.38. In order to bifurcate the allowed cost of Other O&M expenses in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used.

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- 7.39. Regarding Depreciation expenses, the same are required to be worked out based on the Revised Gross Fixed Assets in Operation (GFAIO) for FY 2023-24, to be calculated based on Investment allowed for the FY 2023-24.
- 7.40. The revised Gross Fixed Assets in Operation of the Petitioner for the FY 2023-24 works out as Rs.14,985 million, after including therein the impact of allowed investment for the FY 2023-24 i.e. Rs.6,048 million. Accordingly, as per the allowed mechanism the total depreciation expense of the Petitioner for the FY 2023-24 works out as Rs.520 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.
- 7.41. In order to bifurcate the allowed cost of depreciation expenses in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used.
- 7.42. In addition the mechanism given in the MYT, also provides that the allowed Depreciation for previous year will be trued up downward only, keeping in view the amount of investment allowed for the respective year. In view thereof, the depreciation cost allowed for the FY 2020-21 & FY 2021-22, has been adjusted as per the mechanism provided in the MYT.
- 7.43. Here it is clarified that the Authority is in the process of evaluating the investments actually carried out by the Petitioner, whether the same in line with the allowed investment plan or otherwise. Therefore, for the purpose of truing up of Depreciation expenses for the FY 2020-21 & FY 2021-22, depreciation expense as reported in Audited/ provisional financial statements of the Petitioner have been considered. Any adjustment based on the final evaluation of the Authority, if required, would be made in next adjustment/indexation request of the Petitioner.
- 7.44. Regarding RoRB, the reference RoRB is required to be adjusted every year based on the amount of RAB worked out for the respective year after taking into account the amount of investment allowed for that year, as per the mechanism provided in the MYT. It is important to mention here that the Authority while deciding the MLRs of GEPCO, MEPCO, SEPCO and PESCO, against their MYT determinations, allowed WACC by including 100% balance of CWIP in the RAB instead of allowing ROE component only to the extent of 30% of CWIP balance. In line with the aforementioned principle decision of the Authority, while working out the RoRB of the Petitioner, the same mechanism has been used.
- 7.45. Accordingly, the revised RAB of the Petitioner for the FY 2023-24, based on the Investment allowed for the FY 2023-24, and incorporating therein 100% balance of CWIP, works out as Rs.3,099 million. The average RAB of the Petitioner however, for the purpose of calculation of RoRB, works out as Rs.3,101 million for the FY 2023-24.
- 7.46. Here it is pertinent to mention that the Authority vide determination dated 02.06.2022, allowed adjustments on account of variation in KIBOR on biannual basis. Considering the fact that prevailing KIBOR rates are very high and the rates built in the reference are much lower, the Authority has decided to provisionally incorporate the prevailing KIBOR of 22% as of 07.06.2023 in the calculation of WACC for the FY 2023-24. By taking into account the KIBOR of 22%, the WACC for the FY 2023-24 works out as 21.14%, as per the formula given in the



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MYT determination. The same would be adjusted subsequently once the actual KIBOR and Audited accounts of the Petitioner for the FY 2023-24, are available for true up of RORB.

- 7.47. Based on the above discussion, the total RoRB of the Petitioner for the FY 2023-24 works out as Rs.656 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.
- 7.48. In order to bifurcate the allowed RoRB in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used.
- 7.49. In addition the mechanism also provides that the allowed RAB for previous year will be trued up downward only, keeping in view the amount of investment allowed for the respective year. Further, the variations on account of KIBOR are also required to be allowed on biannual basis. In view thereof, the RoRB cost allowed for the FY 2020-21 & FY 2021-22, has been trued up and made part of PYA of the Petitioner for the FY 2023-24, on both these accounts as under;

Description	TESCO
Allowed RORB FY 2021	-
Actual RORB FY 2021 (capped to the extent of allowed Investment)	110
True up Adj. as PYA	110

Allowed RORB FY 2022	-
Actual RORB FY 2022 (capped to the extent of allowed Investment)	221
True up Adj. as PYA	221

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

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

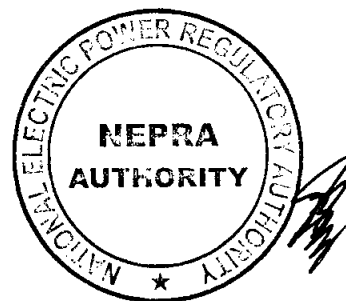


- 7.50. Here it is pertinent to mention, that amount of investments appearing in the financial statements has been restricted to the extent of allowed investment.
- 7.51. The Authority in MLR decision while allowing RORB on 100% balance of CWIP also directed DISCO to disclose the amount of Interest during Construction (IDC) separately in their financial statements. However, while going through the Financial Statements of the Petitioner, it was observed that the Petitioner has not separately disclosed the amount IDC. Therefore, the amount of adjustment being allowed as part of PYA is purely on provisional basis, subject to downward adjustment based on the amount of IDC reflected in the financial statements of the Petitioner. In case the Petitioner fails to reflect the amount of IDC in financial statements, the Authority may consider not to allow RORB on 100% balance of CWIP. The Petitioner is, therefore, again directed to provide the IDC amount for FY 2020-21 onward and reflect the same in its Audited Financial Statements as well.

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- 7.52. It is also clarified that the Authority is in the process of evaluating the investments actually carried out by the Petitioner, whether the same in line with the allowed investment plan or otherwise. Therefore, for the purpose of truing up of RAB for the FY 2020-21 & FY 2021-22, investments as reported in the Audited/ provisional financial statements of the Petitioner, have been considered. However, the amount of investment appearing in the financial statements has been restricted to the extent of allowed investment. Any adjustment based on the final evaluation of the Authority, if required, would be made in next adjustment/indexation request of the Petitioner
- 7.53. Regarding Other Income, the same has been adjusted as per the mechanism provided in the MYT determination for the FY 2023-24. The same for the FY 2023-24 works out as Rs.277 million for the Petitioner. Further, the MYT determination also provides truing up of Other Income every year. Accordingly, the allowed Other income for the FY 2021 & FY 2022, has also been trued up based on Audited/Provisional Financial statement of the Petitioner for the FY 2021 & FY 2022 resulting in positive adjustment of negative Rs.435 million and negative Rs.521 million respectively. The same has been made part of PYA for the FY 2023-24.
- 7.54. The Prior Year Adjustment includes the impact of variation in the following, based on the Authority's allowed benchmarks of T&D losses and recoveries;
- ✓ Impact of Negative/Positive FCAs not passed on/recovered
 - ✓ Under/Over Recovery of allowed Quarterly Adjustments
 - ✓ Under/Over Recovery of the assessed DM
 - ✓ Under/Over Recovery of the previously assessed PYA
 - ✓ Cost allowed in Motion for Leave for Review
 - ✓ Sales Mix Variance
 - ✓ Adjustment of excess LPS over supplemental charges
 - ✓ MYT True ups
- 7.55. The Petitioner has requested the following PYA for the FY 2023-24;

Total TESCO PYA in Rs. Mln			
Description	FY 2020-21	FY 2021-22	Total
RORB	1528.86	2128.97	3657.83
Wheeling Charges By PESCO	595.09	571.1	1166.19
Supplemental Charges Charged By CPPA-G	1122.89	1901.25	3024.14
Financial Impact New Hiring	0	8.26	8.26
MIRAD Expenses	0	54.95	54.95
Input Tax charges by CPPA-G	2266.52	4169.51	6436.02
PHPL Mark Up By CPPA-G	68.01	128.16	196.18
Increase in Repair and Maintenance	18.2	79.4	97.6
PYA Already Allowed	-528	-528	-1056
Total PYA	5071.57	8513.6	13585.17



- 7.56. The Petitioner regarding PYA has submitted the following;

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Hiring made in the FY 2021-22 and FY 2022-23

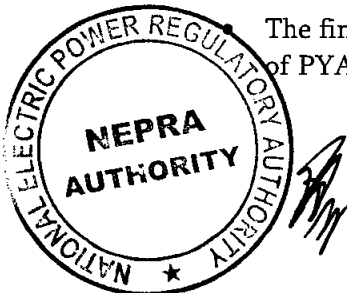
- In FY 2021-22 TESCO has hired Dy. Director Internal Audit and Dy. Director Legal as per the direction of the Board of Directors of TESCO to streamline the internal audit issues and to address the increasing legal matters of TESCO on different issues. TESCO has severe shortage of assistant directors and many posts of assistant directors remained vacant. In order to achieve the smooth operations of TESCO both Suppliers and Distribution business, the ministry of energy power division has allowed the Board of Directors of TESCO for new recruitment both for officers and officials, as per the approved yard stick. Accordingly, the recruitment process through proper procedures has been started during FY 2021-22 that was partially completed and 14 officers have been hired (2 in FY 2021-22 and 12 in FY 2022-23) by TESCO. Further for FY 2023-24, 21 officers and 505 officials will be hired to fill the vacant posts of TESCO.
- The financial impact of hiring made in FY 2021-22 and FY 2022-23 has been made part of PYA. The Salary structure of these officers will be lump sum based and independent of BPS pay scales. The total financial impact in PYA is for FY 2021-22 Rs.0.21 million for Supply business and 0.82 million for Distribution business, while for FY 2022-23 the financial impact in PYA is Rs.1.45 million of Supply business and Rs.5.79 million for Distribution business. The total impact on PYA is Rs.10.97 million.

Hiring Already Made by TESCO						
S.No.	Nomenclature of the Posts	BPS	No of post	Date of Joining	FY 2021-22 Millions	FY 2022-23
1	Dy. Director I/A	18	1	Apr-22	0.311	1.54
2	Dy. Director Legal	18	1	Oct-21	0.715	2.19
3	SDO	17	9	Jan-23	0	5.42
4	Assistant Director (Admn)	17	1	Jan-23	0	0.6
5	Assistant Director (MIS /IT)	17	2	Jan-23	0	1.2
6	Total		14		1.02	10.97

MIRAD expenses

- NEPRA has approved detailed design and implementation plan of the Competitive Trading Bilateral Contract Market (CTBCM) on November 12, 2020, to make a competitive wholesale electricity market functional in near future. Pursuant thereto, TESCO have created a Market Implementation & Regulatory Affairs Department (MIRAD) which became operational from September 2021.
- Regarding recruitment for MIRAD, the Authority has decided to allow hiring for MIRAD in principal and direction has been made to recruit the adequate staff, equipment, and vehicles for the MIRAD department of TESCO. TESCO D.G. MIRAD was hired in September 2021 for proper operationalization along with adequate staff in MIRAD department.

The financial impact of hiring made in FY 2021-22 and FY 2022-23 has been made part of PYA. The Salary structure of the officers hired from the market is lump sum based



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and independent of BPS pay scales. The officers internally transferred from different departments of TESCO are also charged (Salary and Benefits) under MIRAD department and accordingly their salaries along with benefits are made part of MIRAD expenses. The MIRAD expenses includes the salary of the staff, purchase of equipment, purchase of furniture and fixtures, rents and utility bills, POL, software and vehicles. The total financial impact in PYA is for FY 2021-22 and FY 2022-23 Rs.10.99 million for Supply business and 43.96 million for Distribution business with total financial impact of Rs.54.95 million is requested as PYA.

Repair & Maintenance expenses

- The total financial impact in PYA is for FY 2020-21 and FY 2021-22 is Rs.6.84 million for Supply business and Rs.90.76 million for Distribution business with total financial impact of Rs.97.60 million.

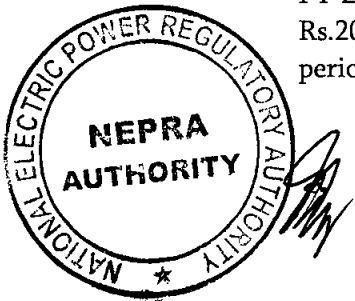
Description	Allowed FY 2020-21 Rs. Millions	Actual FY 2020-21 Rs. Millions	Over/ (Under)	Allowed FY 2021-22 Rs. Millions	Actual FY 2021-22 Rs. Millions	Over/ (Under)
Repair & Maintenance	19	37	18	21	89	68

RoRB

- NEPRA while determination of TESCO's Distribution tariff has not allowed RORB to TESCO. As a historical fact TESCO is receiving grants from federal/provincial government. Still TESCO has some strategic projects, which requires to be covered through own resources. These projects include up-gradation of 66kV grid stations meeting the N-1 contingency criteria of important TESCO grids, bifurcation, trifurcation of 11 kV circuits, and replacement of overloaded transformers. Segregation of TESCO system from PESCO system as directed by NEPRA and decreasing cost of doing business, reduction in losses in the system. These projects are also necessary to cope with the upcoming industrial demand based on TESCO PMS study. The government funded projects are not necessarily meant for reduction in losses or to achieve the benchmark of NEPRA rather these are socio-political projects. In order to achieve all the NEPRA benchmarks and to upgrade the aging and overloaded system of TESCO, it is submitted to the Authority that TESCO may please be allowed Rs.1,021.39 million for FY 2020-21 and Rs.1,528.86 million for FY 2021-22 as PYA, which were previously deferred by the Authority.
- Wheeling Charges of Rs.595.09 million for FY 2020-21 and Rs.570.442 million for FY 2021-22 as part of PYA.

Supplemental charges/ Input Tax/ PHPL Markup.

- CPA-G has billed Rs.1,122.80 million and Rs.1,901.25 million supplemental charges for FY 2020-21 and FY 2021-22 respectively, while TESCO collected Rs.27.36 million and Rs.20.15 million from its meterized consumers as delayed payment surcharge in the same period. In case of domestic consumers LPS is not applicable. The Ministry of Finance is



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not issuing any amount against the delayed payment surcharge by CPPA-G to TESCO. TESCO may kindly be allowed the supplemental charges billed by CPPA-G or issue direction to CPPA-G not to charge this amount from TESCO.

- CPPA-G charges Input Tax Charges to TESCO, and PHPL Markup. As Sales Tax on electricity supplied within EX-FATA has been declared as exempt by Federal Government, TESCO cannot claim input tax adjustment on the electricity sold, resulting in loss to TESCO. CPPA-G has billed Rs.2266.52 million and Rs.4169.51 million as Input Tax to TESCO creating a liability. Against this input tax amount, TESCO has not been able to claim adjustment of the exempt supplies. After 25th Amendment to the constitution of Pakistan, where article 246 and 247 stood omitted and FATA/PATA regions were merged into Khyber Pakhtunkhwa. Further through Finance Act, 2019 residential, commercial and industrial unit's setup before 31st May, 2018 excluding steel and ghee or cooking oil industries, were exempted from tax till 30th June 2023. After the Finance Act 2019, TESCO cannot claim input tax against the output tax as supply of electricity to FATA Regions is treated as exempt supply. The financial position of TESCO does not allow to pay input tax from its pocket. NEPRA is requested to allow the above costs as part of power purchase.

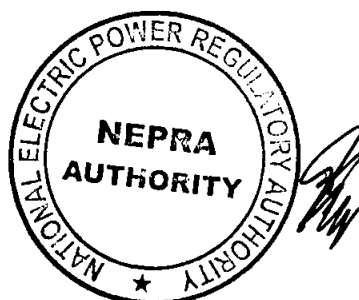
- 7.57. The Authority has considered the submissions of the Petitioner regarding PYA and point wise discussion is as under.
- 7.58. Regarding Input Tax, the Petitioner may take up the matter with CPPA-G and other relevant agencies as the same does not fall under the purview of NEPRA.
- 7.59. Regarding supplemental charges, the Authority earlier in the matter has decided to allow DISCOs to retain LPS to the extent of Supplemental charges billed by CPPA-G. In case supplemental charges billed by CPPA-G are lower than the LPS, than any amount of LPS over and above the supplemental charges are adjusted back as part of PYA on yearly basis. Any supplemental charges over and above the LPS are not allowed by the Authority. As the matter has already been decided by the Authority, therefore, the request of the Petitioner is out of scope of Annual adjustment/indexation, hence not justified. The Authority has decided to disallow the request.
- 7.60. Regarding submissions of the Petitioner to actualize the R&M costs for the previous years and revise the base rates accordingly, the Authority considers such requests are out of scope of the MYT adjustment/ indexation mechanism, hence declined.
- 7.61. Regarding request of the Petitioner to allow cost of hiring made in the FY 2021-22 and FY 2022-23, the matter has been discussed in the previous paragraphs under the head of Salaries & Wages, whereby the requested cost has been disallowed keeping in view the scope of the MYT determination.
- 7.62. Regarding request of the Petitioner to allow cost of MIRAD hiring, the matter has been discussed in the previous paragraphs under the head of Salaries & Wages, whereby the requested cost has been allowed and the previous cost has been made part of PYA.
- 7.63. Regarding RoRB, the request of the Petitioner has been considered in light of the MYT determination and the PYA has been calculated accordingly.

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- 7.64. The Authority had been allowing wheeling charges to the Petitioner in the past, however, the Petitioner did not provide any details of the amount actually billed by PESCO to the Petitioner on account of wheeling charges and the amount actually paid by the Petitioner to PESCO. Therefore, the Petitioner is directed to provide such details and also develop an understanding with PESCO regarding what should be the wheeling rate and submit the same for consideration of the Authority. In the meantime the Authority has decided not to allow the wheeling charges to the Petitioner on provisional basis.
- 7.65. Based on the above discussion, decisions of the Authority under various head of accounts in the earlier paras and in line with the scope of MYT, the PYA of the Petitioner for the FY 2023-24 has been worked out as under;

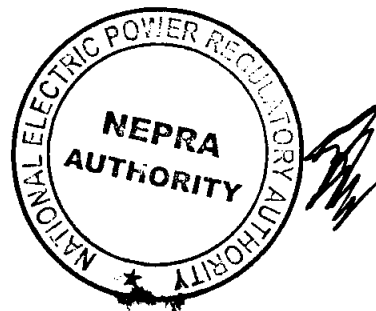
Description	TESCO
2nd & 3rd Qtr. FY 2019-20 (Oct.20 to Sep.21)	
Allowed Amount	- 104
Qtr. Rs./kWh	- 0.0604
Recovered	- 119
Under/(Over) Recovery	15
4th Qtr. FY 2019-20	
Allowed Amount	- 562
Qtr. Rs./kWh	- 0.3270
Recovered	- 639
Under/(Over) Recovery	77
1st & 2nd Qtr. FY 2020-21 (Oct. 21-Sept.22)	
Allowed Amount	- 1,450
Qtr. Rs./kWh	- 0.85
Recovered	- 1,657
Under/(Over) Recovery	207
3rd Qtr. FY 2020-21 (Oct.21-Sept.22)	
Allowed Amount	- 902
Qtr. Rs./kWh	- 0.5272
Recovered	- 1,030
Under/(Over) Recovery	128
4th Qtr. FY 2020-21 (Feb. Apr. 22)	
Allowed Amount	- 193
Qtr. Rs./kWh	- 0.4650
Recovered	- 221
Under/(Over) Recovery	28
1st Qtr. FY 2021-22 (Jun. Aug. 22)	
Allowed Amount	1,195
Qtr. Rs./kWh	2.7969
Recovered	1,157
Under/(Over) Recovery	38
2nd Qtr. FY 2021-22 (Jul. Sep. 22)	
Allowed Amount	4,504
Qtr. Rs./kWh	10.5396
Recovered	4,065
Under/(Over) Recovery	439



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

Description	TESCO
3rd Qtr. FY 2021-22 (Sep. Nov. 22)	
Allowed Amount	4,394
Qtr. Rs./kWh	10.2834
Recovered	4,065
Under/(Over) Recovery	329
4th Qtr. FY 2021-22 (Oct. 22 Jan. 23)	
Allowed Amount	4,456
Qtr. Rs./kWh	6.0212
Recovered	3,279
Under/(Over) Recovery	1,177
1st Qtr. FY 2022-23 (Feb. Mar. 23)	
Allowed Amount	1,262
Qtr. Rs./kWh	3.6214
Recovered	752
Under/(Over) Recovery	510
2nd Qtr. FY 2022-23 (Apr. Jun. 23)	
Allowed Amount	1,262
Qtr. Rs./kWh	2.33
Recovered	
Under/(Over) Recovery	
D.M FY 2021-22	
Allowed Amount	879
Rate. Rs./kWh	1.97
Recovered	3,602
Under/(Over) Recovery	- 2,723
PYA 2019-20	
Allowed Amount	800
Rate. Rs./kWh	0.47
Sales till Feb.11 2022	1,858
Recovered	869
Under/(Over) Recovery	- 69
Excess LPS to be adjusted - FY 2020-21	
LPS Recovered from Consumers	-
Supplemental charges billed by CPPA	1,123
Net	1,123
Excess LPS to be adjusted - FY 2021-22	
LPS Recovered from Consumers	-
Supplemental charges billed by CPPA	1,901
Net	1,901
Adjustment in PYA	-
Other Costs - FY 2020-21 to FY 2022-23	
Pay & Allowance FY 2023 Adjustment	- 63
Turn over/Min. Tax	
Supplier NEPRA Fee- FY 2021-22	9
Supplier NEPRA Fee- FY 2022-23	12
Genco Pensioners FY 2022 & FY 2023	-
NTDC Pensioners	-
Total	- 42
Total	114



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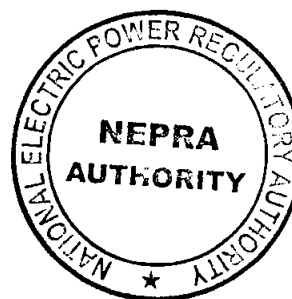
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MYT True Ups		TESCO
FY 2020-21		
Depreciation		
Allowed		348
Actual		400
Under/(Over) Recovery		-
RoRB (Investment + KIBOR)		
Allowed		-
Actual		110
Under/(Over) Recovery		110
Other Income		
Allowed	-	967
Actual	-	1,402
Under/(Over) Recovery	-	435
FY 2021-22		
Depreciation		
Allowed		385
Actual		413
Under/(Over) Recovery		-
RoRB (Investment + KIBOR)		
Allowed		-
Actual		221
Under/(Over) Recovery		221
Other Income		
Allowed	-	798
Actual	-	1,319
Under/(Over) Recovery	-	521
Total MYT Rue Ups	-	624
G. Total PYA FY 2021-22 & FY 2022-23	-	510

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

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

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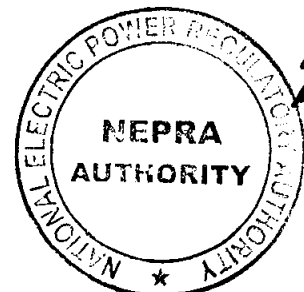


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- 8.3. The Authority keeping in view the submissions of DISCOs and points raised by the commentators, considers that the matter requires further deliberations. Further, the authority also understands that the existing infrastructure of DISCOs also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

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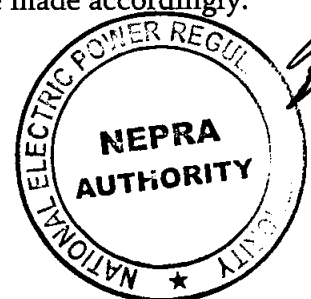
- 11.1. In view of the discussion made in preceding paragraphs and accounting for the adjustments discussed above, the adjusted revenue requirement of the Petitioner, for the FY 2023-24 is as under;

Description	Unit	Allowed FY 2023-24	
		DOP	SOP
Units Received	[MkWh]	2,470	2,470
Units Sold	[MkWh]	2,247	2,247
Units Lost	[MkWh]	223	223
Units Lost	[%]	9.01%	9.01%
Energy Charge			16,295
Capacity Charge			62,602
Transmission Charge/ Market			5,114
Operator Fee			
Distribution Business Cost			2,238
Power Purchase Price	[Mln. Rs.]	-	86,249
Pay & Allowances		1,038	254
Post Retirement Benefits		225	72
Repair & Maintainance		24	3
Traveling allowance		20	8
Vehicle maintenance		18	11
Other expenses		23	52
O&M Cost	[Mln. Rs.]	1,347	400
Depriciation		512	8
RORB		656	-
O.Income		(277)	-
Margin	[Mln. Rs.]	2,238	408
Prior Year Adjustment (PYA)		-	(510)
Revenue Requirement	[Mln. Rs.]	2,238	86,147
PPP with Wire Business Cost-Unadj.		-	34.92
PPP with Wire Business Cost-adj.		-	38.38
Margin		1.00	0.18
PYA Adjustments		-	(0.23)
Average Tariff	[Rs./kWh]	1.00	38.33

- 11.2. The above determined revenue shall be recovered from the consumers through the projected sales of 2,247 GWhs, as per Annex – II.

- 11.3. 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.

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12. **ORDER**

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

- I. Tribal Areas Electricity Supply Company Limited (TESCO), being a supplier, is allowed to charge its consumers such tariff as set out in the schedule of tariff for TESCO annexed to the decision.
- II. In addition to compensation of losses as discussed above, TESCO, 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	20.72%	36.21%	56.93%
Level of Losses	1.50%	5.54%	6.96%
UoSC Rs./kWh	0.23	0.43	0.67

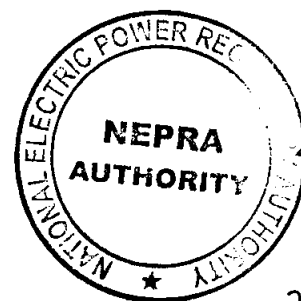
- III. The Petitioner shall comply with, all the existing or future applicable Rules, Regulations, orders of the Authority and other applicable documents as issued from time to time.
- IV. To file future monthly & quarterly adjustments on account of Power Purchase Price (PPP) based on the Annex-IV attached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

13. **Summary of Direction**

13.1. 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 detail of its actual tax assessments and the amount paid to FBR along-with the amount allowed by the Authority on account of tax payments since FY 2014-15 with its subsequent adjustment request.
- To provide the reconciled date of sales mix with its reported revenue as per audited financial statement of the respective year.
- To provide proper details of GENCO employees allocated to it by providing proper employee wise details, their pay scales, terms of adoption, approvals of competent authority for such adoption and placement details along-with their financial impact.
- To provide the IDC amount for FY 2020-21 onward with subsequent adjustment request and reflect the same in its Audited Financial Statements as well.

Mr. Maq



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

AUTHORITY

Mathar Niaz Rana

Mathar Niaz Rana (nsc)
Member

Rafique Ahmed Shaikh
Member

Engr. Maqsood Anwar Khan
Member

Amina Ahmed
Ms. Amina Ahmed
Member



Tauseef H. Farooq
Tauseef H. Farooq
Chairman

FUEL PRICE ADJUSTMENT MECHANISM

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

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

Where:

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

Actual fuel cost component is the fuel cost component in the pool price on which the DISCOs will be charged by CPPA (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.



2nd March 97

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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;

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

Where;

PPP_(Actual) is the actual cost, excluding Fuel cost, invoiced by CPPA-G to XWDISCOs, adjusted for any cost disallowed by the Authority.

PPP_(Recovered) 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

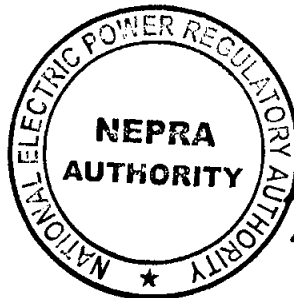
$$= \frac{\text{Monthly FCA allowed}_{(Rs./kWh)} \times \text{Actual units Purchase} \times \% \text{ T\&D losses}}{\text{Where;}}$$

Where;

Monthly FCA allowed _(Rs./kWh) 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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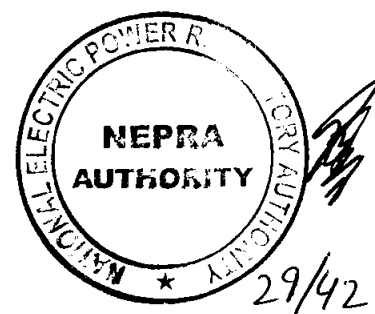
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Triable Areas Electricity Supply Company (TESCO)
Estimated Sales Revenue on the Basis of New Tariff

Description	Sales	Base Revenue			Base Tariff		PYA 2022		Total Tariff	
	GWh	Fixed Charge	Variable Charge	Total	Fixed Charge	Variable Charge	Amount	Variable Charge	Fixed Charge	Variable Charge
		Min. Rs.	Rs./kWh	Rs./kWh	Min. Rs.	Rs./kWh	Min. Rs.	Rs./kWh	Rs./kWh	Rs./kWh
Residential										
For peak load requirement less than 5 kW										
Protected										
Up to 50 Units - Life Line	2	-	12	12		7.00	-	-		7.00
51-100 units - Life Line	3		31	31		11.74	-	-		11.74
01-100 Units	97	-	1,338	1,338		13.74	(22)	(0.23)		13.51
101-200 Units	23	-	367	367		16.06	(5)	(0.23)		15.83
Un-Protected										
01-100 Units	25		731	731		28.68	(6)	(0.23)		28.45
101-200 Units	281		9,592	9,592		34.15	(65)	(0.23)		33.92
201-300 Units	445	-	16,630	16,630		37.34	(102)	(0.23)		37.11
301-400 Units	330	-	13,440	13,440		40.73	(76)	(0.23)		40.50
401-500 Units	149		6,409	6,409		42.94	(34)	(0.23)		42.71
501-600 Units	81		3,606	3,606		44.36	(19)	(0.23)		44.13
601-700 Units	47		2,134	2,134		45.50	(10)	(0.21)		45.29
Above 700 Units	148	-	7,489	7,489		50.43	(29)	(0.20)		50.23
For peak load requirement exceeding 5 kW										
Time of Use (TOU) - Peak	0	-	1	1		49.59	(0)	(0.23)		49.36
Time of Use (TOU) - Off-Peak	0	-	7	7		43.27	(0)	(0.23)		43.04
Temporary Supply	-	-	-	-		49.73	-	(0.23)		49.50
Total Residential	1,632	-	61,786	61,786			(369)			
Commercial - A2										
For peak load requirement less than 5 kW	7	-	295	295		45.35	(1)	(0.23)		45.12
For peak load requirement exceeding 5 kW										
Regular	-	-	-	-	500	47.03	-	(0.23)	500	46.80
Time of Use (TOU) - Peak	1	-	28	28		48.95	(0)	(0.23)		48.72
Time of Use (TOU) - Off-Peak	2	6	73	78	500	42.98	(0)	(0.23)	500	42.75
Temporary Supply	-	-	-	-		45.74	-	(0.23)		45.51
Electric Vehicle Charging Station	0	-	1	1		47.03	(0)	(0.23)		46.80
Total Commercial	9	6	397	402			(2)			
General Services-A3										
	16	-	699	699		44.96	(4)	(0.23)		44.73
Industrial										
B1	0	-	18	18		41.77	(0)	(0.23)		41.54
B1 Peak	0	-	1	1		45.33	(0)	(0.23)		45.10
B1 Off Peak	0	-	9	9		39.77	(0)	(0.23)		39.54
B2	0	0	2	2	500	41.27	(0)	(0.23)	500	41.04
B2 - TOU (Peak)	16	-	713	713		45.27	(4)	(0.23)		45.04
B2 - TOU (Off-peak)	129	129	5,089	5,218	500	39.56	(30)	(0.23)	500	39.33
B3 - TOU (Peak)	29		1,324	1,324		45.27	(7)	(0.23)		45.04
B3 - TOU (Off-peak)	355	80	14,017	14,095	460	39.47	(82)	(0.23)	460	39.24
B4 - TOU (Peak)	-	-	-	-		45.27	-	(0.23)		45.04
B4 - TOU (Off-peak)	-	-	-	-	440	39.37	-	(0.23)	440	39.14
Temporary Supply	-	-	-	-		42.85	-	(0.23)		42.62
Total Industrial	529	209	21,172	21,381			(122)			
Single Point Supply										
C1(a) Supply at 400 Volts-less than 5 kW	0	-	4	4		46.03	(0)	(0.23)		45.80
C1(b) Supply at 400 Volts-exceeding 5 kW	3	6	120	126	500	45.53	(1)	(0.23)	500	45.30
Time of Use (TOU) - Peak	0	-	17	17		48.95	(0)	(0.23)		48.72
Time of Use (TOU) - Off-Peak	8	1	359	361	500	42.35	(2)	(0.23)	500	42.12
C2 Supply at 11 kV	0	-	13	13	460	45.33	(0)	(0.23)	500	45.10
Time of Use (TOU) - Peak	3	-	141	141		48.95	(1)	(0.23)		48.72
Time of Use (TOU) - Off-Peak	15	78	631	709	460	42.15	(3)	(0.23)	460	41.92
C3 Supply above 11 kV	-	-	-	-	440	45.23	-	(0.23)	440	45.00
Time of Use (TOU) - Peak	-	-	-	-		48.95	-	(0.23)		48.72
Time of Use (TOU) - Off-Peak	-	-	-	-	440	42.05	-	(0.23)	440	41.82
Total Single Point Supply	30	85	1,285	1,370			(7)			
Agricultural Tube-wells - Tariff D										
Scarp	2	-	66	66		42.03	(0)	(0.23)		41.80
Time of Use (TOU) - Peak	-	-	-	-		44.95	-	(0.23)		44.72
Time of Use (TOU) - Off-Peak	-	-	-	-	200	37.70	-	(0.23)	200	37.47
Agricultural Tube-wells	22	6	703	709	200	31.70	(5)	(0.23)	200	31.47
Time of Use (TOU) - Peak	1	-	39	39		31.70	(0)	(0.23)		31.47
Time of Use (TOU) - Off-Peak	6	3	202	205	200	31.70	(1)	(0.23)	200	31.47
Total Agricultural	31	9	1,011	1,019			(7)			
Public Lighting - Tariff G	-	-	-	-		45.03	-	(0.23)		44.80
Residential Colonies	-	-	-	-		45.03	-	(0.23)		44.80
Grand Total	2,247	309	86,349	86,658			(510)			

Note: The PYA 2022 column shall cease to exist after 1 year of notification of the instant decision.



**SCHEDULE OF ELECTRICITY TARIFFS
FOR TRIABLE AREAS ELECTRICITY SUPPLY COMPANY (TESCO)**

A-1 GENERAL SUPPLY TARIFF - RESIDENTIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D	
Protected Un-Protected	a) For Sanctioned load less than 5 kW	-						
	i Up to 50 Units - Life Line	-	7.00		-		7.00	
	ii 51 - 100 Units - Life Line	-	11.74		-		11.74	
	iii 001 - 100 Units	-	13.74		(0.23)		13.51	
	iv 101 - 200 Units	-	16.06		(0.23)		15.83	
	v 001 - 100 Units	-	28.68		(0.23)		28.45	
	vi 101 - 200 Units	-	34.15		(0.23)		33.92	
	iv 201 - 300 Units	-	37.34		(0.23)		37.11	
	viii 301 - 400 Units	-	40.73		(0.23)		40.50	
	ix 401 - 500 Units	-	42.94		(0.23)		42.71	
	x 501 - 600 Units	-	44.36		(0.23)		44.13	
	xi 601 - 700 Units	-	45.50		(0.21)		45.29	
	vi Above 700 Units	-	50.43		(0.20)		50.23	
	b) For Sanctioned load 5 kW & above	-						
	Time Of Use	-	Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
			49.59	43.27	(0.23)	(0.23)	49.36	43.04

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

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

Under tariff A-1, there shall be minimum monthly customer charge at the following rates even if no energy is consumed.

a) Single Phase Connections:

Rs. 75/- per consumer per month

b) Three Phase Connections:

Rs. 150/- per consumer per month

A-2 GENERAL SUPPLY TARIFF - COMMERCIAL

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D	
a)	For Sanctioned load less than 5 kW	-	45.35		(0.23)		45.12	
b)	For Sanctioned load 5 kW & above	500.00	47.03		(0.23)		46.80	
	Time Of Use		Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
c)	Time Of Use	500.00	48.95	42.98	(0.23)	(0.23)	48.72	42.75
d)	Electric Vehicle Charging Station	-	47.03		(0.23)		46.80	

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

a) Single Phase Connections;

Rs. 175/- per consumer per month

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

A-3 GENERAL SERVICES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D	
a)	General Services	-	44.96		(0.23)		44.73	

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

a) Single Phase Connections;

Rs. 175/- per consumer per month

b) Three Phase Connections:

Rs. 350/- per consumer per month

B INDUSTRIAL SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		F		D	
B1	Upto 25 kW (at 400/230 Volts)	-	41.77		(0.23)		41.54	
B2(a)	exceeding 25-500 kW (at 400 Volts)	500.00	41.27		(0.23)		41.04	
	Time Of Use		Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
B1 (b)	Up to 25 KW	-	45.33	39.77	(0.23)	(0.23)	45.10	39.54
B2(b)	exceeding 25-500 kW (at 400 Volts)	500.00	45.27	39.56	(0.23)	(0.23)	45.04	39.33
B3	For All Loads up to 5000 kW (at 11,33 kV)	460.00	45.27	39.47	(0.23)	(0.23)	45.04	39.24
B4	For All Loads (at 66,132 kV & above)	440.00	45.27	39.37	(0.23)	(0.23)	45.04	39.14

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

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

C - SINGLE-POINT SUPPLY

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D	
C -1	For supply at 400/230 Volts	-						
a)	Sanctioned load less than 5 kW	-	46.03		(0.23)		45.80	
b)	Sanctioned load 5 kW & up to 500 kW	500.00	45.53		(0.23)		45.30	
C -2(a)	For supply at 11,33 kV up to and including 5000 kW	460.00	45.33		(0.23)		45.10	
C -3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	440.00	45.23		(0.23)		45.00	
	Time Of Use		Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
C -1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	500.00	48.95	42.35	(0.23)	(0.23)	48.72	42.12
C -2(b)	For supply at 11,33 kV up to and including 5000 kW	460.00	48.95	42.15	(0.23)	(0.23)	48.72	41.92
C -3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	440.00	48.95	42.05	(0.23)	(0.23)	48.72	41.82

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

**SCHEDULE OF ELECTRICITY TARIFFS
FOR TRIABLE AREAS ELECTRICITY SUPPLY COMPANY (TESCO)
D - AGRICULTURE TARIFF**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges	
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B		C		D	
D-1(a)	SCARP less than 5 kW	-	42.03		(0.23)		41.80	
D-2 (a)	Agricultural Tube Wells	200.00	31.70		(0.23)		31.47	
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
D-1(b)	SCARP 5 kW & above	200.00	44.95	37.70	(0.23)	(0.23)	44.72	37.47
D-2 (b)	Agricultural 5 kW & above	200.00	31.70	31.70	(0.23)	(0.23)	31.47	31.47

Under this tariff, there shall be minimum monthly charges Rs.2000/- per consumer per month, even if no energy is consumed.

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

E - TEMPORARY SUPPLY TARIFFS

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh
		A	B		C		D
E-1(i)	Residential Supply	-	49.73		(0.23)		49.50
E-1(ii)	Commercial Supply	-	45.74		(0.23)		45.51
E-2	Industrial Supply	-	42.85		(0.23)		42.62

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

F - SEASONAL INDUSTRIAL SUPPLY TARIFF

125% of relevant industrial tariff

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

G- PUBLIC LIGHTING

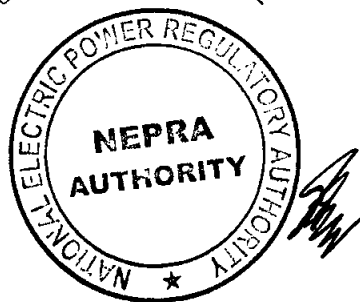
Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh
		A	B		C		D
	Street Lighting	-	45.03		(0.23)		44.80

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

H - RESIDENTIAL COLONIES ATTACHED TO INDUSTRIAL PREMISES

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	VARIABLE CHARGES		FYA 2022		Total Variable Charges
		Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh
		A	B		C		D
	Residential Colonies attached to industrial premises	-	45.03		(0.23)		44.80

Note: The FYA 2022 column shall cease to exist after 1 year of notification of the instant decision.



TESCO

Annex - IV

Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	210	205	212	201	202	206	197	209	198	182	227	220	2,470

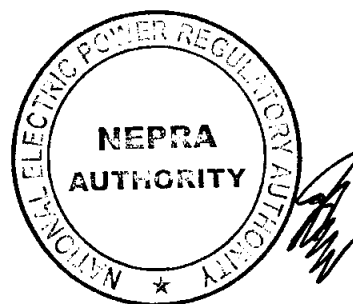
Rs./kWh

Fuel Cost Component	6.8935	6.6457	7.0711	7.8938	4.7831	5.4031	7.4894	4.4337	6.4417	5.4918	5.7090	7.1403	6.2859
Variable O&M	0.3123	0.3073	0.3166	0.3949	0.3237	0.2866	0.3193	0.2330	0.3145	0.3178	0.3037	0.3169	0.3119
Capacity	18.6113	18.9190	21.4520	23.8306	26.4829	26.8500	29.3538	36.2442	35.1616	24.7947	22.5584	21.0510	25.3473
UoSC	1.4920	1.5166	1.7197	1.9710	2.1904	2.2208	2.5576	3.1580	3.0637	1.8390	1.6732	1.5614	2.0708
Total PPP in Rs./kWh	27.3091	27.3887	30.5595	34.0904	33.7802	34.7605	39.7202	44.0689	44.9814	32.4432	30.2444	30.0696	34.0158

Rs. in million

Fuel Cost Component	1,448	1,364	1,499	1,590	967	1,113	1,477	925	1,274	1,002	1,295	1,570	15,525
Variable O&M	66	63	67	80	65	59	63	49	62	58	69	70	770
Capacity	3,910	3,882	4,547	4,800	5,353	5,532	5,791	7,562	6,953	4,525	5,117	4,630	62,602
UoSC	313	311	364	397	443	458	505	659	606	336	380	343	5,114
Total PPP in Rs.Mln	5,738	5,620	6,477	6,867	6,828	7,162	7,836	9,195	8,894	5,920	6,861	6,614	84,011

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



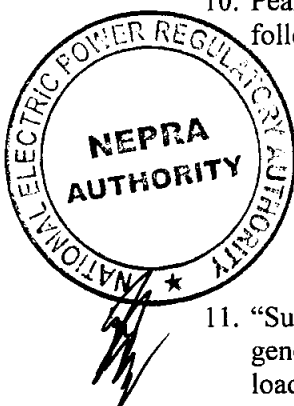
**TERMS AND CONDITIONS OF TARIFF
(FOR SUPPLY OF ELECTRIC POWER TO CONSUMERS BY LICENSEES)**

PART-I

GENERAL DEFINITIONS

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

1. "Month or Billing Period", unless otherwise defined for any particular tariff category, means a billing month of 30 days or less reckoned from the date of last meter reading.
2. "Minimum Charge", means a charge to recover the costs for providing customer service to consumers even if no energy is consumed during the month.
3. "Fixed Charge" means the part of sale rate in a two-part tariff to be recovered on the basis of "Billing Demand" in kilowatt on monthly basis.
4. "Billing Demand" means the 50% of the sanction load or Actual maximum demand recorded in a month, whichever is higher, except in the case of agriculture tariff D2 where "Billing Demand" shall mean the sanctioned load.
5. "Variable Charge" means the sale rate per kilowatt-hour (kWh) as a single rate or part of a two-part tariff applicable to the actual kWh consumed by the consumer during a billing period.
6. "Maximum Demand" where applicable, means the maximum of the demand obtained in any month measured over successive periods each of 30 minutes' duration except in the case of consumption related to Arc Furnaces, where "Maximum Demand" shall mean the maximum of the demand obtained in any month measured over successive periods each of 15 minutes' duration.
7. "Sanctioned Load" where applicable means the load in kilowatt as applied for by the consumer and allowed/authorized by the Company for usage by the consumer.
8. "Power Factor" means the ratio of kWh to KVAh recorded during the month or the ratio of kWh to the square root of sum of square of kWh and kVARh.
9. Point of supply means metering point where electricity is delivered to the consumer.
10. Peak and Off Peak hours for the application of Time Of Use (TOU) Tariff shall be the following time periods in a day:



*** PEAK TIMING**

OFF-PEAK TIMING

Dec to Feb (inclusive)	5 PM to 9 PM	Remaining 20 hours of the day
Mar to May (inclusive)	6 PM to 10 PM	-do-
June to Aug (inclusive)	7 PM to 11 PM	-do-
Sept to Nov (inclusive)	6 PM to 10 PM	-do-

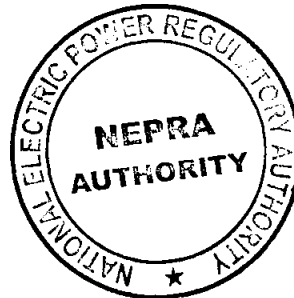
* To be duly adjusted in case of day light time saving

11. "Supply", means the supply for single-phase/three-phase appliances inclusive of both general and motive loads subject to the conditions that in case of connected or sanctioned load 5 kW and above supply shall be given at three-phase.
12. "Consumer" as defined in NEPRA Act.
13. "Charitable Institution" means an institution, which works for the general welfare of the public on no profit basis and is registered with the Federal or Provincial Government as such and has been issued tax exemption certificate by Federal Board of Revenue (FBR).

14. NTDC means the National Transmission and Despatch Company.
15. CPPA(G) means Central Power Purchasing Agency Guarantee Limited (CPPA)(G).
16. The "Authority" means "The National Electric Power Regulatory Authority (NEPRA)" constituted under the Regulation of Generation, Transmission and Distribution of Electric Power Act.

GENERAL CONDITIONS

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



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PART-II

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

A-1 RESIDENTIAL

Definition

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

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

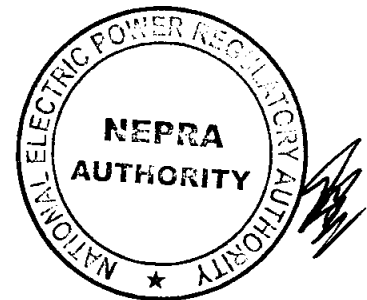
"Protected consumers" mean Non-ToU residential consumers consuming ≤ 200 kWh per month consistently for the past 6 months.

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

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

A-2 COMMERCIAL

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



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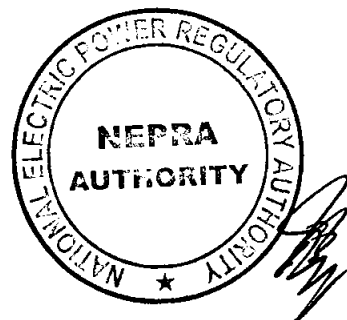
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3. The Electric Vehicle Charging Station shall provide "charging service" to Electric Vehicle shall provide charging service to Electric Vehicles as per the applicable tariff for EVCS plus Rs.24.44/kWh as margin for EVCS. The EVCS shall be billed by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

A-3 GENERAL SERVICES

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

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



B INDUSTRIAL SUPPLY

Definitions

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

Conditions

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

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

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

B-2 SUPPLY AT 400 VOLTS

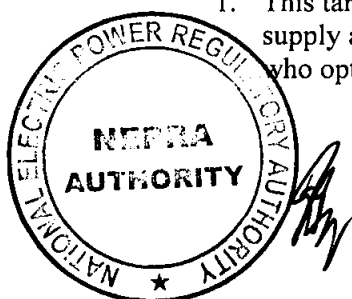
1. This tariff is applicable for supply to Industries having sanctioned load of more than 25 kW up to and including 500 kW.
2. All existing consumers under tariff B-2 shall be provided T.O.U metering arrangement by the Company and converted to B-2(b) Tariff.
3. All new applicants i.e. prospective consumers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

B-3 SUPPLY AT 11 kV AND 33 kV

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

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

1. This tariff is applicable for supply to Industries for all loads of more than 5MW receiving supply at 66 kV, 132 kV and above and also for Industries having load of 5MW or below who opt to receive supply at 66 kV or 132 kV and above.



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

C BULK SUPPLY

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

General Conditions

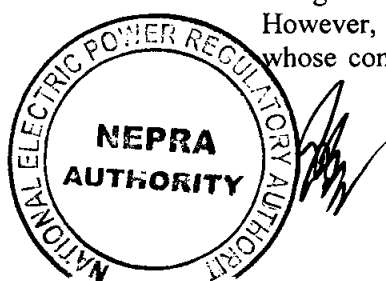
If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days no notice will be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days the fixed charges shall be assessed on proportionate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

C-I SUPPLY AT 400/230 VOLTS

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

C-2 SUPPLY AT 11 kV AND 33 kV

1. This tariff is applicable to consumers receiving supply at 11 kV or 33 kV at one-point metering arrangement and having sanctioned load of more than 500 kW up to and including 5 MW.
2. The consumers may be allowed extension of load beyond 5MW upto 7.5MW from the DISCO's owned grid station subject to availability of load in the grid and capacity in the 11kV existing dedicated feeder. In such a case the consumer will bear 100% grid sharing charges including transmission line charges and 100% cost of land proportionate to load. However, only such consumers be allowed extension of load beyond 5MW upto 7.5MW whose connection is at least three (3) years old. While allowing extension in load, the



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

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

C-3 SUPPLY AT 66 kV AND ABOVE

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

D AGRICULTURAL SUPPLY

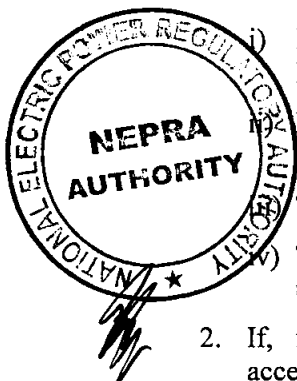
“Agricultural Supply” means the supply for Lift Irrigation Pumps and/or pumps installed on Tube-wells intended solely for irrigation or reclamation of agricultural land or forests, and include supply for lighting of the tube-well chamber.

Special Conditions of Supply

1. This tariff shall apply to:

- i) Reclamation and Drainage Operation under Salinity Control and Reclamation Projects (SCARP):
- ii) Bona fide forests, agricultural tube-wells and lift irrigation pumps for the irrigation of agricultural land.
- iii) Tube-wells meant for aqua-culture.
- iv) Tube-wells installed in a dairy farm meant for cultivating crops as fodder and for upkeep of cattle.

2. If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days, no notice shall be taken of this



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

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

D-1

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

D-2

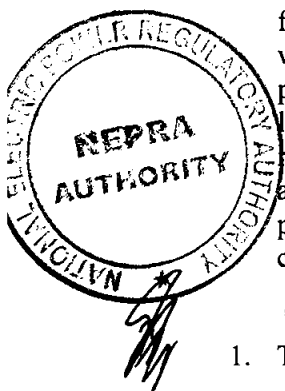
1. This tariff is applicable to consumers falling under Agriculture Supply excluding SCARP related installations.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. D-2(a) tariff given in the Schedule of Tariff.
3. All new consumers having sanctioned load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

E -1 TEMPORARY RESIDENTIAL/COMMERCIAL SUPPLY

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

Special Conditions of Supply

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



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

E -2 TEMPORARY INDUSTRIAL SUPPLY

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

SPECIAL CONDITIONS OF SUPPLY

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

F SEASONAL INDUSTRIAL SUPPLY

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

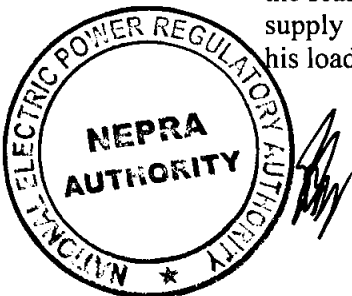
Definitions

“Year” means any period comprising twelve consecutive months.

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

Special Conditions of Supply

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



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separate circuits for such load so as to enable installation of separate meters for each type of load and charging the same at the relevant Tariff.

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

G PUBLIC LIGHTING SUPPLY

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

Definitions

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

Special Conditions of Supply

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

H RESIDENTIAL COLONIES ATTACHED TO INDUSTRIES

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

Definitions

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

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

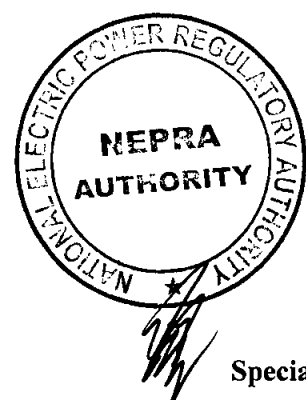
"Residential Colony" attached to the Industrial Supply Consumer, means a group of houses annexed with the factory premises constructed solely for residential purpose of the bonafide employees of the factory, the establishment or the factory owners or partners, etc.

Special Conditions of Supply

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

TARCTION

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



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