



# National Electric Power Regulatory Authority Islamic Republic of Pakistan

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No. NEPRA/R/ADG(Tariff)/TRF-573 & TRF-574/ 9255-61

June 14, 2024

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

Dear Sir,

Please find enclosed herewith the subject Decision of the Authority along with Annexure-I, I-A, II, III, IV & V (total 45 pages).

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

Enclosure: **As above**

(Engr. Mazhar Iqbal Ranjha)

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

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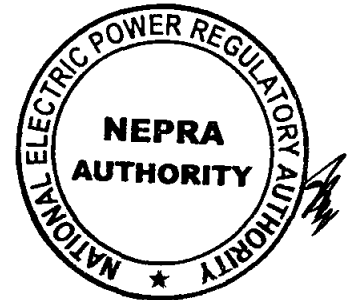
1. Secretary, Cabinet Division, Cabinet Secretariat, Islamabad.
2. Secretary, Ministry of Finance, 'Q' Block, Pak Secretariat, Islamabad.
3. Secretary, Energy and Power Department, Government of Khyber Pakhtunkhwa, First Floor, A-Block, Abdul Wali Khan Multiplex, Civil Secretariat, Peshawar
4. Chief Executive Officer, NTDC, 414 WAPDA House, Shaharah-e-Qauid-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 Electric Supply Company Limited (TESCO), Room No. 213, 1<sup>st</sup> Floor, WAPDA House, Shami Road, Sakhi Chashma, Peshawar

**DECISION OF THE AUTHORITY IN THE MATTER OF REQUEST FILED BY TRIBAL AREAS  
ELECTRICITY SUPPLY COMPANY (TESCO) FOR ADJUSTMENT / INDEXATION OF TARIFF FOR  
FY 2024-25 UNDER THE MULTI YEAR TARIFF.**

**1. Background**

- 1.1. The Authority determined separate tariffs of Tribal Areas Electricity Supply Company (TESCO) (herein referred to as "Petitioner") under the Multi Year Tariff (MYT) regime, for a period of five years i.e. from FY 2020-21 to FY 2024-25, for both its Distribution and Supply of power functions vide tariff determinations dated June 02, 2022. The tariff so determined was notified by the Federal Government vide SRO dated July 25, 2022. The Authority subsequently determined TESCO's annual adjustment / indexation for the FY 2023-24 vide decision dated 14.07.2023 along-with other XWDISCOs.
- 1.2. The Petitioner in line with the adjustment mechanism provided in its notified MYT determination, has filed its request for adjustment/ indexation of different components of its revenue requirement for the FY 2024-25, along-with break-up of costs in terms of Distribution and Supply functions. A Summary of the adjustments request submitted by the Petitioner is as under;

Description	Units	Distribution business	Supply business	Total
Power purchase	Mln. Rs.		76,636	76,636
Pay & Allowances	Mln. Rs.	1,176	294	1,471
Post-Retirement Benefits	Mln. Rs.	452	113	564
New Hiring FY 2024-25	Mln. Rs.	211	53	264
Repair & Maintenance	Mln. Rs.	449	50	499
Travelling Allowance	Mln. Rs.	35	9	44
Vehicle Maintenance	Mln. Rs.	73	18	92
Earthing of HT/LT Poles	Mln. Rs.	615	-	615
Other Expenses	Mln. Rs.	111	28	138
<b>Total O &amp; M Costs</b>	<b>Mln. Rs.</b>	<b>3,123</b>	<b>565</b>	<b>3,688</b>
Depreciation	Mln. Rs.	597	31	629
RORB	Mln. Rs.	2,554	-	2,554
Other Income	Mln. Rs.	(540)	-	(540)
Wheeling Charges	Mln. Rs.	941	-	941
<b>Net Distribution Margin</b>	<b>Mln. Rs.</b>	<b>6,676</b>	<b>596</b>	<b>7,272</b>
PYA	Mln. Rs.	2,184	6,324	8,508
<b>Revenue Requirement</b>	<b>Mln. Rs.</b>	<b>8,860</b>	<b>83,556</b>	<b>92,416</b>



**2. Hearing**

- 2.1. Since the impact of any such adjustments has to be made part of the consumer end tariff, therefore, the Authority, in order to provide an opportunity of hearing to all the concerned and in the interest of natural justice, decided to conduct a hearing in the matter.
- 2.2. A Hearing in the matter was held on April 02, 2024, for which advertisement was published in newspapers on March 20, 2024. Separate notices were also sent to the stakeholders for inviting comments from the interested/ affected parties. The salient features and details of the proposed adjustments along-with notice of hearing were also uploaded on NEPRA's Website for information of all concerned.
- 2.3. 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;

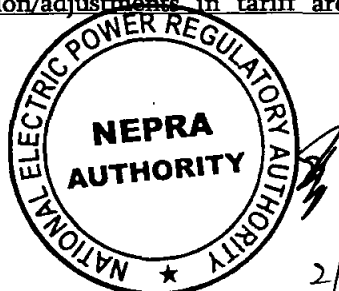
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- i. Whether the requested indexation/adjustments in tariff are in line with the MYT tariff determination and are justified?
- ii. TESCO to present its Power Purchases Price (Energy & Cost) for the FY 2024-25, keeping in view the Section 32 of NEPRA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

**3. Filing of objections/ comments:**

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

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

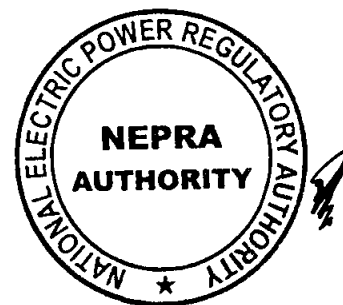


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- 4.1. The Petitioner submitted during the hearing that the requested adjustments are in line with the mechanism determined vide Tariff redetermination and NEPRA guidelines for determination of consumer end tariff (Methodology & Process).
- 4.2. The Petitioner requested the following adjustments on account of its O&M costs, Other Income, RoRB, Prior Period Adjustments etc., for the FY 2024-25;

Description	Unit	Distribution Business	Supply Business	Total Revenue Requirement
<b>Distribution Margin</b>				
Pay & Allowances	Rs. Mln	1,176	294	1,470
Post-Retirement Benefit	Rs. Mln	452	113	565
O&M Costs	Rs. Mln	1,494	158	1,652
Depreciation	Rs. Mln	597	31	628
Return on Rate Base	Rs. Mln	2,554	-	2,554
<b>Gross Margin</b>	<b>Rs. Mln</b>	<b>6,274</b>	<b>596</b>	<b>6,870</b>
Less: Other Income	Rs. Mln	(540)	-	(540)
<b>Net Margin</b>	<b>Rs. Mln</b>	<b>5,734</b>	<b>596</b>	<b>6,330</b>
Wheeling Charges	Rs. Mln	941	-	941
Prior Year Adjustment	Rs. Mln	2,184	6,324	8,508
<b>Total</b>	<b>Rs. Mln</b>	<b>8,860</b>	<b>6,920</b>	<b>15,780</b>



- 4.3. The Petitioner provided the following basis for projection made for the FY 2024-25;

Description	Determined FY 2023-24	Indexation factor	Million Rs.
			Requested FY 2024-25
Salaries, Wages & Other Benefits	1,292	• 10% Ad-hoc Relief • 5% impact of annual increment • Revision of Management Pay (MP) Scales. • MIRAD Expenses	1,470
Post Retirement Benefits	297	• 10% as per expected Federal Government Revision	565
O&M (Others)	159	• CPI General Inflation as per NEPRA methodology. • Old Networks. • Law & Order situation	774
O&M (New Hiring FY 2024-25)	0	• 480 critical manpower will be hired during the FY.	263
O&M (Earthing of HT/LT Poles)	0	• 74,941 No. of HT/LT Poles to be earthed FY 2024-25.	615
Depreciation	520	• As per MYT Mechanism and approved investment plan	628
Return on Rate Base	656	• Cost of Debt - 21.70%, plus 2% (KIBOR as on Feb 21, 2024). • Cost of Equity as per determination in MYT with Feb 2024 PIB and Risk Free Rates.	2,554
Wheeling Charges	0	• As per Asset Allocation Factor Determined by NEPRA in Tariff Determination of FY 2019-20 and latest Wheeling rate by PESCO.	941
Other Income	(277)	• As per MYT Mechanism and approved investment plan	(540)

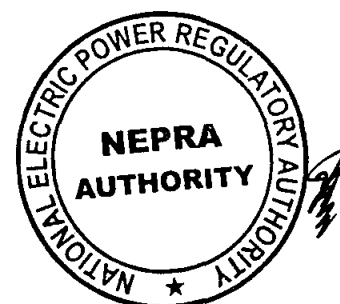
- 4.4. Regarding Pay and Allowances, including employee's salaries and benefits, TESCO submitted that it has adopted the pay structure of BPS for its regular employees and a lump sum pay structure for the contractual employees. In addition to this, any increase in salaries announced by the Federal Government is adopted by TESCO. In addition to the aforementioned, TESCO also submitted that Federal Government has allowed increased the salaries scales of the government employees as on 30/6/2023. TESCO further submitted that it has also adopted Federal Government Revision of Management Pay (MP) Scales and has also revised the pay structure for contractual employees on lump sum pay basis from BPS 1-20. According to TESCO, 85 Officers and 989 officials are working in TESCO, currently. Furthermore, TESCO has considered 5% annual increment for indexation/adjustment of pay and allowances of FY 2024-25. In total, the Petitioner has requested Rs.1,471 million for FY 2024-25 out of which Rs.1,176 million is for Distribution business and Rs.294 million is for Supply business.
- 4.5. With respect to post-retirement benefits, TESCO submitted that Federal Government has announced an increase of 17.5% in the pension on 05.07.2023. Further, number of pensioners

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have increased from 526 during FY 2019-20 to 766 till date i.e. Feb, 2024, an increase of 45.6%. In view thereof, TESCO requested Rs.564 million for post-retirement benefits of FY 2024-25 out of which Rs.452 million is for Distribution business and Rs.113 is for Supply business.

- 4.6. Regarding cost of new hiring, TESCO has submitted that it has severe shortage of both officers and officials with many vacant posts. According to TESCO, it intends to hire 480 employees for smooth operations of Distribution and Supply business during FY 2024-25, for which Board of Directors has accorded approval. Hence, TESCO has requested a total of Rs.264 million as a cost of new hiring for 2024-25, out of which Rs.211 million is for Distribution business and Rs.53 million is for Supply business.
- 4.7. Regarding the MIRAD expenses, TESCO submitted that in pursuance of the approval of Competitive Trading Bilateral Contract Market (CTBCM) on November 12, 2020, and the Authority approval to allow hiring for MIRAD, TESCO has hired DG MIRAD for proper operationalization for this department along with adequate staff. TESCO further submitted that MIRAD expenses include salary of the staff, purchase of equipment, furniture and fixtures, rents and utility bills, POL, software and vehicles. TESCO has also mentioned that salaries expense charged under MIRAD include the salaries for staff hired from the market lump sum on lump sum basis and salaries and benefits for the employees transferred internally from different departments of TESCO to MIRAD. In view of the aforementioned, TESCO has requested Rs.76.47 million for MIRAD expenses for FY 2024-25, which comprises of Rs.61.18 million for Distribution business and Rs.15.29 million for Supply business as detailed below;

Description	Distribution business	Supplier business	Total
	Rs in Million		
Salaries and Employee Benefits	22.46	5.61	28.07
Vehicle & Maintenance	6.24	1.56	7.8
Travelling Allowance	9.65	2.41	12.06
Furniture and Fixtures	1.34	0.34	1.68
IT Equipment	1.47	0.37	1.84
Other Expenses and Rent	1.53	0.38	1.91
Vehicles for MIRAD	18.48	4.62	23.1
<b>Total Expenses</b>	<b>61.17</b>	<b>15.29</b>	<b>76.46</b>



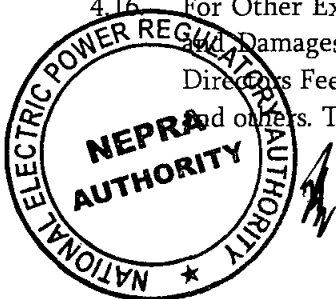
- 4.8. With regard to Repair and Maintenance, TESCO has submitted that its operating jurisdiction starts from Bajour Tribal District up to South Waziristan. According to TESCO, it operates 20 Grid Stations, 332 No. of 11 kV Feeders, 794 KM of 132 kV and 66 kV transmission lines, 17,268 KM HT/LT distribution network and 19,445 distribution transformers. According to TESCO, the Repair & Maintenance allowed in the MYT determination of FY 2020-21 to FY 2024-25 was on the lower side as most of the repair and maintenance of TESCO distribution system was done by the grant given by the government of KPK. Now, due to the financial constraints by the GoKP, TESCO is spending on repair and maintenance from its own resources and partly out of distribution margin.
- 4.9. TESCO has further submitted that most of the network system requires excessive repair and maintenance due to aging, repercussions of war on terror, sabotaging of transmission towers due to security situation, floods in FY 2022-23 damaging high voltage lines. Furthermore, grid stations equipment's, protection system and residential colonies also needs repair & maintenance on regular basis. In addition to the aforementioned, TESCO distribution system is overloaded

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due to non-metered supply, which is a serious safety threat and hurdle to reliable supply of electricity. TESCO also submitted that increase in cost of materials due to inflation, increase in 11kV feeders has resulted in excess costs in repair and maintenance.

- 4.10. TESCO further submitted that it plans to perform earthing system improvement in existing grids, construction of cable trenches, removal of 224 hazard points, construction of protection walls in grid stations and other unplanned and non-predictable operational expenses. According to submissions by TESCO, it was allowed Rs.27 million for the FY 2023-24, which is not enough for the repair & maintenance and the safety of the equipment and workers.
- 4.11. In view of the aforementioned, TESCO has requested the Authority to revise the already determined reference amount under the head of Repair & Maintenance and allow a total of Rs.499 million for the FY 2024-25 out of which Rs. 449 million is for Distribution business while Rs. 50 million for Supplier business.
- 4.12. Regarding of HT/LT poles, TESCO has submitted that NEPRA has issued a show cause notice dated 14.12.2023 to TESCO on account of execution of earthing/grounding of HT/LT Poles/Structures in its service territory. According to TESCO, it has performed earthing of 57,689 HT and 51,601 LT structures through own resource in dense populated areas. Furthermore, procurement and tendering process have been initiated for fixing a further 5000 earthing of HT/LT structures in mainly densely populated areas.
- 4.13. TESCO has submitted that it plans to earth 34,486 HT and 40,455 structures during FY 2024-25 for which it would need an amount of Rs.615 million as one-time expenditure to TESCO during FY 2024-25.
- 4.14. Regarding Travelling Allowance, TESCO has submitted that excessive man power is used in far flung areas due to major overhauling of the system due to aging. Further, excessive training programs and courses have been conducted to train existing man power which results in excessive traveling and outstation stay. Federal Government dated 06.08.2023 has revised rates of Daily Allowance and has revised the travelling and millage allowance resulting in net 30% increase of the Travelling Allowance costs. TESCO submitted that CPI General of Dec 2023 29.66% has been used reduced by X-Factor of 30% resulting in a total of Rs.44 million for FY 2024-25. Out of Rs.44 million, Rs. 35 million is for Distribution business while Rs. 9 million is request for Supplier business which may be allowed by the Authority.
- 4.15. On account of Vehicle Maintenance, TESCO has submitted that it has to maintain a fleet of 112 vehicles for its area of operations spread over 27,219 Squared KM. TESCO also submitted that it has added 8 bucket mounted vehicles, 27 porters, and 21 pick-ups in its vehicle fleet. Further, average POL has increase from Rs.117.50/Ltr in FY 2019-20 to Rs.287.33/Ltr in February 2024 with an increase of 144%. Hence, CPI general of Dec 2023 29.66% has been used reduced by X-Factor of 30% resulting in 20.76% increase for Vehicle Maintenance. In view of the aforementioned, TESCO has requested for a total of Rs.92 million for vehicle maintenance and POL for FY 2024-25. Out of total, Rs.73 million is for Distribution business while Rs. 18 million is requested for Supply business.

- 4.16. For Other Expenses, TESCO has submitted that 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. TESCO has submitted that CPI General of Dec 2023 29.66% has been used reduced



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by X-Factor of 30% for calculation which results in 20.76% net increase for Other Expenses. In view of the aforementioned, TESCO has requested a total of Rs. 138 million for Other Expenses for FY 2024-25 out of which Rs.111 million is for Distribution business and Rs. 28 million is requested for Supplier business.

- 4.17. Regarding Depreciation, TESCO has submitted that the same has been calculated according to the criteria prescribe by NEPRA. Thus, TESCO has requested a total of Rs.629 million under this head for FY 2024-25. Out of the total, Rs.597 million account for Distribution business while Rs.31 million have been requested for Supply business.
- 4.18. On account of Other income, TESCO has requested a total of Rs.540 million for the Distribution business of FY 2024-25. The components of the Other income are as tabulated hereunder,

Description	Rs. in million
Rental and service income	104.92
Profit on deposits	29.52
Amortization of deferred credit	352
Income from non utility operation	0.06
Miscellaneous income	53.59
<b>Total</b>	<b>540.09</b>

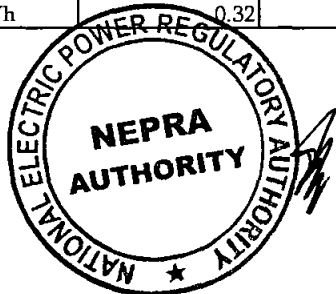
- 4.19. With respect to RORB, TESCO has submitted that in order to achieve NEPRA benchmarks as well to upgrade its aging and overloaded system it requires a RORB vis-à-vis investment plan approved by NEPRA in MYT. The investment plan includes up-gradation of 66kV grid stations, meeting the N-1 contingency criteria of important TESCO grids, bifurcation/trifurcation of 11 kV circuits, 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. TESCO has submitted that these projects are necessary to cope with the upcoming industrial demand based on TESCO PMS study. In view of the aforementioned, TESCO has requested to allow RORB of Rs.2,557 for FY 2024-25.
- 4.20. Regarding Wheeling Charges cost, TESCO has submitted that the Authority in its Tariff determination of Supply Tariff for FY 2019-20 of TESCO dated 14.12.2020 directed that,

*23. Wheeling Charges*

*23.1. 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.*

*23.2. 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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- 4.21. TESCO has submitted that despite the aforementioned directions, PESCO is charging wheeling at Rs.1.17/kWh on all units received by TESCO during FY 2022-23. The Units received and subsequent rate raised by PESCO & actual calculated by TESCO are hereby given as follows,

Wheeling Charges for FY 2022-23				
Source	Share	Total Units (GWh)	PESCO Claim of UoSC (Rs in Million)	UoSC as per NEPRA
NTDC - WAPDA	23.46%	403.51	2,012.21	0.00
PESCO 132 kV	53.06%	912.63		266.90
PESCO Ind Feeders	20.59%	354.15		98.90
PESCO kW Shared	2.89%	49.71		40.13
		1,720.00	2,012.21	405.97

Wheeling Charges for FY 2024-25				
Source	Share	Total Units (GWh)	PESCO Claim of UoSC (Rs in Million)	UoSC as per NEPRA
NTDC - WAPDA	23.46%	424.39	4,612.95	-
PESCO 132 kV	53.06%	959.86		611.91
PESCO Ind Feeders	20.59%	372.47		237.45
PESCO kW Shared	2.89%	52.28		91.99
		1,809.00	4,612.95	941.35

- 4.22. TESCO has submitted that it already has filed an appeal for the amount of wheeling charges withheld by the Authority during FY 2020-21 and FY 2021-22 in the indexation decision of FY 2023-24. TESCO requested the Authority to allow Rs.941.35 million on account of wheeling charges.
- 4.23. The Authority noted that TESCO 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. 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**

- 4.24. 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:

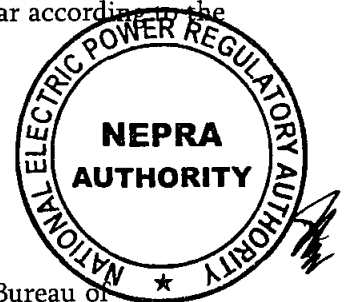
O&M<sub>(Rev)</sub> = Revised O&M Expense for the Current Year

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

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

X = Efficiency factor

- 4.25. Regarding Efficiency Factor, the Authority decided that;



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

#### RORB

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

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

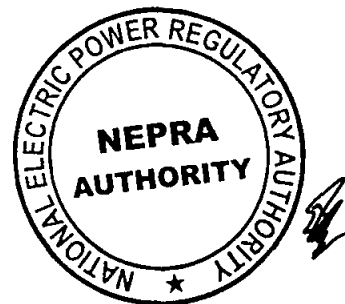
Where:

$RORB_{(Rev)}$  = 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 prior approval of the Authority. In such case the Authority may also revise the efficiency targets in terms of T&D losses etc.

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

#### Depreciation expense

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

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

Where:

$DEP_{(Rev)}$  = Revised Depreciation Expense for the Current Year

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

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

#### Other Income

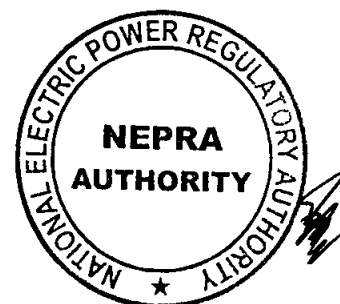
- 4.28. Other income will be assessed in accordance with the following formula/mechanism:

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

Where:

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

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



#### Salaries & Wages

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

#### Post-Retirement Benefits

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

- 4.30. Regarding adjustment of Salaries, Wages & Other Benefits, the Authority observed that the Federal Budget for the FY 2024-25, has not yet been announced by the Federal Government, therefore, budgetary increases of Pay & allowances to be applicable for FY 2024-25, are not available as of to date. In view thereof, the Authority has decided to apply an Adhoc allowance of 15% on provisional basis on the amount of Pay & allowances allowed for the FY 2023-24. In addition, the impact of annual increment @ 5% has also been included in the assessed amount of Salaries, Wages & Other Benefits for the FY 2024-25. Accordingly, for the FY 2024-25, the amount of Pay & allowances has been worked out as Rs.1,440 million, which is hereby allowed to the Petitioner. Since the increases being allowed for the FY 2024-25, are on provisional basis, therefore, the same shall be adjusted subsequently, based on actual increases of Pay &

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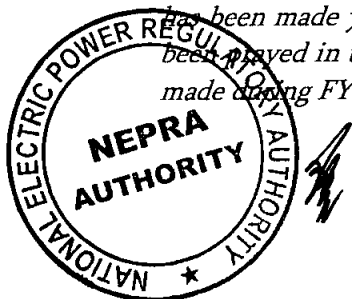
Allowances as announced by the Government in the Federal Budget for the FY 2024-25. The financial impact thereof, would be allowed separately as part of PYA, either in the next adjustment request or tariff determination of the Petitioner as the case may be.

- 4.31. It is pertinent to mention here that the Authority in the allowed Pay & Allowances amount of the Petitioner for the FY 2023-24, provisionally included salaries, wages & other benefits cost of GENCOs employees allocated to the Petitioner, with the direction to provide proper details of such allocated employees in terms of pay scales, terms of adoption, approvals of competent Authority for such adoption and placement details along-with their financial impact. However, no such details have been shared by the Petitioner. In view thereof, the Petitioner is again directed to submit the required details, along-with its next Tariff Petition.
- 4.32. Accordingly, for the FY 2024-25, the total Salaries, Wages & Other Benefits (*excluding post-retirement benefits*) of the Petitioner have been worked out as Rs.1,440 million for both the distribution and supply of power functions.
- 4.33. In order to bifurcate the allowed cost of Salaries, Wages and other benefits costs in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used. Thus, the allowed amount of Salaries & Wages for the FY 2024-25 pertaining to the distribution function works out as Rs.1,156 million and Rs.284 million for Supply function.
- 4.34. The Authority regarding cost of new hiring, in the MYT determination of the Petitioner dated 02.06.2022, decided as under;

*'Additional Recruitment' "The Authority observed that Salaries & Wages cost for the FY2019-20, as per the audited accounts of the Petitioner, have been considered as base cost, therefore, impact of any new recruitment already made till FY2019-20 has been accounted for. For any future recruitment to be carried out in FY2020-21 and onward, the Authority understands that allowing cost of additional hiring, upfront would be unfair with the consumers, without considering/ analyzing the benefits of such recruitment. The Authority understands that it will be in a better position to adjudicate on the issue once the Petitioner provides details of the actual cost incurred in this regard and substantiates the same with the quantified benefits accrued. In view thereof, the Authority has decided to consider the financial impact of any additional hiring during the midterm review, which will be carried out after expiry of 31 year of the MYT control period, whereby the Petitioner would provide complete derail/justification of the recruitment made along-with benefits achieved. The mid-term review would be carried out, in case the Petitioner remains in the public sector."*

- 4.35. Subsequently, the Authority in its MLR decision of the Petitioner dated 01.04.2024 decided as under;

*"The Authority has considered the submissions of the Petitioner and noted that no recruitment has been made yet against the requested amount of Rs.295 million by the Petitioner, as it has been observed in the MLR that NEPRA is requested to allow Rs.295 million for the hiring to be made during FY 2023-24. In view thereof, the Authority has decided to only allow the amount*

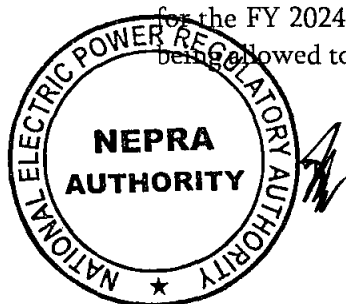


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*of Rs.10.97 million on account of hiring already made by the Petitioner as per the below detail,  
provided by the Petitioner..."*

- 4.36. Consequently, , as per the MYT determination, the Petitioner was required to file a mid-term review for approval of new hiring cost by justifying the same through its prospective benefits. TESCO date has not filed any such request, therefore, the request of the Petitioner cannot be acceded to, as the Petitioner has not filed the Midterm review for approval of new hiring cost along-with its prospective benefits.
- 4.37. Regarding cost for MIRAD, the Authority noted that while allowing indexation/ adjustment for the FY 2023-24 to the Petitioner, the revised salaries, wages & other benefits cost for the FY 2022-23, as provided by the Petitioner was considered, which included impact of all working employees, including MIRAD & GENCO employees allocated to the Petitioner. The amount so allowed for the FY 2023-24 has now been used as reference for projection of salaries, wages & other benefits cost for the FY 2024-25, therefore, no further cost on account of MIRAD hiring is to be allowed.
- 4.38. Regarding Post-retirement Benefits, the Authority in the MYT determination of the Petitioner, allowed actual payment of postretirement benefits and decided that the allowed amount of post-retirement benefits would also be adjusted every year with the Pension increase announced by the GoP for the respective year, till the time the Petitioner remains in the public sector.
- 4.39. Regarding assessment of Post-retirement benefits for the FY 2024-25, the Authority observed that the Federal Budget for the FY 2024-25, has not yet been announced by the Federal Government, therefore, budgetary increases of Pension Benefits for FY 2024-25, are not available as of to date. In view thereof, the Authority has decided to apply an increase of 10% on provisional basis on the amount of Pension Benefits allowed for the FY 2023-24. Accordingly, for the FY 2024-25, the Post retirement benefits of the Petitioner has been worked out as Rs.564 million, which is hereby allowed to the Petitioner. Since the increases being allowed for the FY 2024-25, are on provisional basis, therefore, the same shall be adjusted subsequently, based on actual increases of Pension Benefits as announced by the Government in the Federal Budget for the FY 2024-25. The financial impact thereof, would be allowed separately as part of PYA, either in next adjustment request or tariff determination of the Petitioner as case may be.
- 4.40. In order to bifurcate the allowed cost of Post-retirement benefits in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used. Thus, the allowed amount of post-retirement benefits for the FY 2024-25 pertaining to the distribution function works out as Rs.428 million and Rs.136 million for Supply function.
- 4.41. Regarding Other O&M expenses, the MYT tariff determination requires the same to be indexed with NCPI of December for the respective year after adjustment for the X factor i.e. 30% of CPI. Accordingly, for indexation of other O&M expenses for the FY 2024-25, the NCPI of December 2023 has been considered. The same as reported by Pakistan bureau of Statistics is 29.66%. With this NCPI, and after accounting for the X-factor of 8.9%, the Other O&M cost of the Petitioner for the FY 2024-25, including repair & maintenance works out as Rs.192 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.



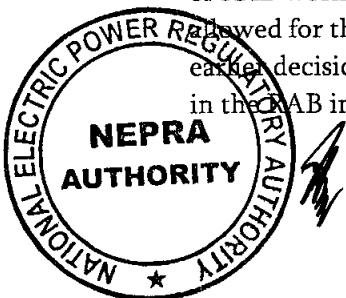
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- 4.42. In order to bifurcate the allowed cost of Other O&M expenses in terms of Distribution and Supply Functions, the criteria adopted by the Authority in the MYT determination has been used. Thus, the allowed amount of O&M expenses for the FY 2024-25 pertaining to the distribution function works out as Rs.103 million and Rs.89 million for Supply function.
- 4.43. Regarding the Petitioner's request to revise the already determined reference amount under the head of Repair & Maintenance, the Authority noted that this request is out of scope of the MYT adjustment/ indexation mechanism as the same only provides for the NCPI indexation on he allowed references after adjustment of X factor. In view thereof, the instant request of the Petitioner is declined.
- 4.44. Regarding Depreciation expenses, the same are required to be worked out based on the Revised Gross Fixed Assets in Operation (GFAIO) for FY 2024-25, to be calculated based on Investment allowed for the FY 2024-25. The revised Gross Fixed Assets in Operation of the Petitioner for the FY 2024-25 works out as Rs.17,959 million, after including therein the impact of allowed investment for the FY 2024-25 i.e. Rs.5,118 million. Accordingly, as per the allowed mechanism the total depreciation expense of the Petitioner for the FY 2024-25 works out as Rs.623 million. The same is being allowed to the Petitioner for both the distribution and supply of power functions.
- 4.45. 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. Thus, the allowed amount of Depreciation expenses for the FY 2024-25 pertaining to the distribution function works out as Rs.614 million and Rs.9 million for Supply function.
- 4.46. 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 2022-23, has been trued up and made part of PYA of the Petitioner for the FY 2024-25 as under;

Depreciation		TESCO
Allowed	Rs. Mln	428
Actual	Rs. Mln	532
Under/(Over) Recovery	Rs. Mln	39

- 4.47. It is clarified that the Authority is in the process of evaluating the investments actually carried out by the Petitioner, whether the same are in line with the allowed investment plan or otherwise. Therefore, for the purpose of truing up of Depreciation expenses for the FY 2022-23, depreciation expense as reported in Audited financial statements of the Petitioner have been considered, keeping in view the mechanism prescribed in the MYT determination. Any adjustment based on the final evaluation of the Authority, if required, would be made in next adjustment/indexation request of the Petitioner.
- 4.48. Regarding RoRB, the reference RoRB is required to be adjusted every year based on the amount of RAB worked out for the respective year after taking into account the amount of investment allowed for that year, as per the mechanism provided in the MYT. Further, the Authority in the earlier decision of the Petitioner, decided to allow WACC by including 100% balance of CWIP in the RAB instead of allowing ROE component only to the extent of 30% of CWIP balance.

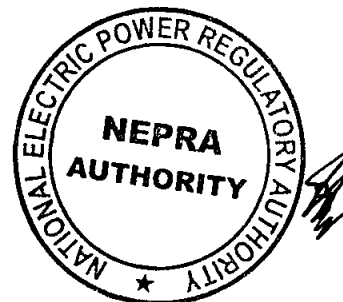


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- 4.49. Accordingly, the revised RAB of the Petitioner for the FY 2024-25, based on the Investment allowed for the FY 2024-25, and incorporating therein 100% balance of CWIP has been worked out. The average RAB of the Petitioner however, for the purpose of calculation of RoRB, works out as Rs.771 million for the FY 2024-25.
- 4.50. Based on the foregoing, , the total RoRB of the Petitioner for the FY 2024-25 works out as Rs.163 million. The entire amount is being allowed to the Petitioner for its distribution function.
- 4.51. It is relevant to mention here that the Authority vide determination dated June 02, 2022 , allowed adjustments on account of variation in KIBOR on biannual basis. The same would be adjusted subsequently once the actual KIBOR and Audited accounts of the Petitioner for the FY 2024-25, are available for true up of RORB.
- 4.52. 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 2022-23, has been trued up and made part of PYA of the Petitioner for the FY 2024-25, on both these accounts as under;

RORB	Unit	TESCO
Allowed KIBOR	%	7.45%
Actual KIBOR 04.07.2022	%	15.32%
Actual KIBOR 03.01.2023	%	17.06%
<b>RoRB (Investment + KIBOR)</b>		
Allowed	Rs.Mln	-
Actual	Rs.Mln	258
<b>Under/(Over) Recovery</b>		258



- 4.53. Here it is pertinent to mention, that amount of investments appearing in the financial statements has been restricted to the extent of allowed investment.
- 4.54. The Authority in MLR decision while allowing RORB on 100% balance of CWIP also directed DISCO to disclose the amount of Interest during Construction (IDC) separately in their financial statements. However, while going through the Financial Statements of the Petitioner, it was observed that the Petitioner has not separately disclosed the amount IDC. Therefore, the amount of adjustment being allowed as part of PYA is purely on provisional basis, subject to downward adjustment based on the amount of IDC reflected in the financial statements of the Petitioner. In case the Petitioner fails to reflect the amount of IDC in financial statements, the Authority may consider not to allow RORB on 100% balance of CWIP. The Petitioner is, therefore, again directed to provide the IDC amount for FY 2020-21 onward and reflect the same in its Audited Financial Statements as well.
- 4.55. It is also clarified that the Authority is in the process of evaluating the investments actually carried out by the Petitioner, whether the same in line with the allowed investment plan or otherwise. Therefore, for the purpose of truing up of RAB for the FY 2022-23, investments as reported in the Audited/ provisional financial statements of the Petitioner, have been considered. However, the amount of investment appearing in the financial statements has been

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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

4.56. Regarding request of the petitioner to allow Rs. 615 million as one time cost to complete its earthing process, the Authority observed that the petitioner is required to carry out CAPEX as per the approved investment plan and in case the petitioner desires to carry out additional investment as requested, approval of the same may be sought from the Authority.

4.57. Regarding Other Income, the same has been adjusted as per the mechanism provided in the MYT determination for the FY 2024-25. The same for the FY 2024-25 works out as Rs.540 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 2022-23, has also been trued up based on Financial statement of the Petitioner for FY 2022-23, resulting in positive adjustment of Rs.245 million. The same has been made part of PYA for the FY 2024-25.

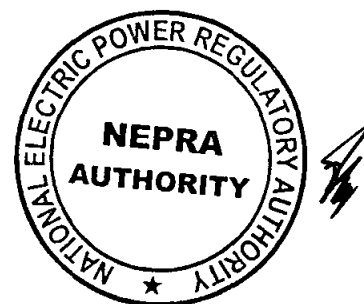
5. **TESCO to present its Power Purchases Price (Energy & Cost) for the FY 2024-25, keeping in view the Section 32 of NEPRA Act and NEPRA Power Procurement Regulations?**

5.1. The Petitioner during the hearing, submitted that it has prepared its Power Purchases based on the recent PMS report and the projected energy sales. The Capacity Obligation of TESCO is also based on the mentioned recent demand forecast. Further, Power Acquisition Program FY 2022-23 to FY 2027-28 is already under review by NEPRA for approval and any direction in the regard will determine the further course of action for the new PPP. TESCO has further submitted that new Business Plan shall shape on the basis of New Investment Plan and 5 Year Power Acquisition Plan after approval from the Authority.

5.2. The petitioner further submitted that according to Section 32 of Act, Regulation 12 of Licensing Regulations, and Regulations 6 & 7 of Procurement Regulations, the recent combined Power Acquisition Program of SOLR is prepared and submitted keeping in view the recently approved IGCEP and the determined Capacity Obligation.

5.3. During the hearing, the petitioner submitted the information as follows,

Description	Units	Reference FY 2023-24	Projected FY 2024-25
Units Received	GWh	2,470	1,809
Units Sold	GWh	2,247	1,648
Units Loss	GWh	223	161
Percentage Loss	%	9.01%	8.89%
Energy Charges	Mln. Rs.	16,295	20,174
Capacity Charges	Mln. Rs.	62,602	51,558
Transmission Charges	Mln. Rs.	5,091	4,873
MoF (CPPA-G)	Mln. Rs.	23	30
Total Power Purchase	Mln. Rs.	84,011	76,636



5.4. The Authority noted that Power Purchase Price (PPP) forecast of the Petitioner as well for all XWDISCOs for the FY 2024-25 has since been determined by the Authority through a separate decision, detailing the assumptions of the forecast and relevant share of the Petitioner. In view thereof, the Authority does not see any rationale to discuss this issue again herein in the instant

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decision. However, for the purpose of calculation of overall revenue requirement of the Petitioner, the PPP forecast for the FY 2024-25 as determined by the Authority, has been made part of the overall Revenue Requirement of the Petitioner. Further, Annex-I of the PPP decision, to the extent of the Petitioner, has been attached as Annex-IV with the instant decision. The PPP forecast of the Petitioner for the FY 2024-25 shall be used as reference for future adjustments of PPP including the monthly and quarterly adjustments.

6. Whether the requested PYA, is justified?

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

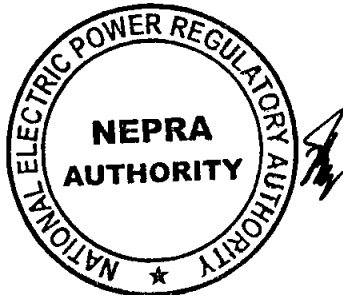
- ✓ Impact of Negative/Positive FCAs not passed on/recovered
- ✓ Under/Over Recovery of allowed Quarterly Adjustments
- ✓ Under/Over Recovery of the assessed DM
- ✓ Under/Over Recovery of the previously assessed PYA
- ✓ Cost allowed in Motion for Leave for Review
- ✓ Sales Mix Variance
- ✓ Adjustment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

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

Total PYA For FY 2022-23 (Mln. Rs.)	
Wheeling Charges	406
Supplemental Charges	2,166
Input Tax Adjustment	4,181
RoRB	1,684
Other Income	(691)
DM	425
Total PYA	8,171

6.3. The Petitioner further during the hearing submitted the following justification under each head of account;

*Noted*

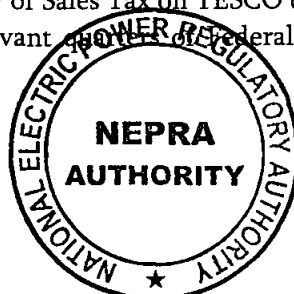




*Decision of the Authority in the matter of request filed by TESCO for Adjustment / Indexation of Tariff for the FY 2024-25 under the MYT*

Description	Mln. Rs.	PYA 2022-23
Wheeling Charges	406	NEPRA, has not allowed wheeling charges to TESCO, under current Multi Year Tariff control period. As per NEPRA's direction, TESCO, has provided to the Authority invoices issued by PESCO to TESCO for the period of FY 2020-21 to December FY 2023. Details of payments along with invoices made to PESCO to the tune of Rs.450 million has already been submitted to the Authority as part of review motion FY 2023-24. TESCO, would request the Authority to allow, the wheeling cost on the actual asset allocation base.
Supplemental Charges	2,166	CPPA-G has charged Rs.2,166 million delayed payment surcharges to TESCO, where as TESCO has billed Rs.281.78 million. TESCO, is not charging delayed payment surcharge to its domestic consumers.
Input Tax Adjustment	4,181	CPPA-G has charged, Rs.4,181 million sales tax charge, which cannot be adjusted by TESCO against its output tax, since TESCO consumers are exempted from Taxes.
RoRB	1,684	NEPRA in its determination for indexation adjustment of FY 2023-24 has considered Regulatory Assets of Rs.3,101 million. TESCO, would request the Authority to consider the Regulatory Assets based on the actual audited accounts of FY 2022-23.
Other Income	(576)	TESCO, was allowed other income (Rs.798) million as per determination, while TESCO has earned other income to the tune of (Rs.1,374) millions.
DM	647	The major portion of over expenditure consists of Rs.159 million in pension and 291 million in R&M.
Total	8,508	

7. The Authority has considered the submissions of the Petitioner regarding PYA and point wise discussion is as under.
- 6.4. Regarding wheeling charges, the Authority in its decision dated 01.04.2024, in the matter of MLR filed by TESCO decided that;
- "...TESCO has not even paid the already allowed amount of wheeling charges to PESCO. In view thereof, the Authority directs TESCO to clear the payment of outstanding amounts to PESCO for the already allowed amount on account of wheeling charges and settle the issue with PESCO through help of Ministry and CPPA-G. Thus no further Cost is allowed till clearance of already allowed amount. If TESCO fails to comply with the directions of the Authority, the already allowed amount of wheeling charges less the amount already paid to PESCO, be deducted as part of PYA in the next tariff indexation/adjustment request."*
- 6.5. In view thereof, the instant request of TESCO to allow wheeling charges of Rs.406 is not allowed. The Petitioner is directed to comply with the direction of the Authority given vide MLR decision dated 01.04.2024.
- 6.6. Regarding Supplemental Charges, the Authority has already decided in the matter that LPS recovered from the consumers on utility bills shall be offset against the late payment invoices raised by CPPA (G) against respective XWDISCO only and in the event of non-submission of evidence of payment to CPPA (G), the entire amount of Late Payment charge recovered from consumers shall be made part of other income and deducted from revenue requirement in the subsequent year. The Petitioner has submitted that CPPA-G has invoiced Late Payment Surcharge for the FY 2022-23, amounting to Rs.2,166 million to TESCO, whereas it has recovered an amount of Rs.282 million from the consumers. Thus, in view of the earlier decision of the Authority, no adjustment is allowed to the Petitioner on account of excess supplemental charges.
- 6.7. Regarding the non-applicability of Sales Tax on TESCO consumers, the Petitioner may take-up this matter with FBR and relevant Federal Government, as the matter does not pertain to NEPRA.

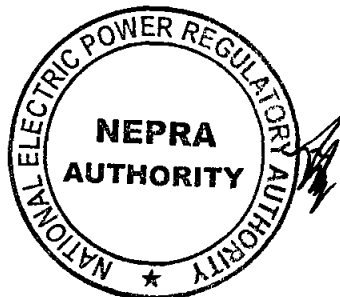


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- 6.8. Regarding the truing up of Depreciation, RoRB and Other Income for the FY 2022-23, the same as per the MYT determination of the Petitioner are required to be trued up based on Audited account of the Petitioner for the relevant year. The Petitioner vide email dated 31.05.2024, provided Audited accounts for FY 2022-23 along-with restated accounts for FY 2021-22. Thus, MYT true ups for FY 2022-23, has been made in light of decision of the Authority and made part related adjustment as PYA. For FY 2021-22, True ups already made in previous determination dated 14.07.2023, and in case of any adjustment based on restated account, the same would be done subsequently after final review of MYT adjustment during next year tariff petition of the Petitioner.
- 6.9. Regarding under/ over recovery of other adjustments in terms of already allowed PYA, DM for the FY 2022-23, quarterly adjustments for the 2<sup>nd</sup> & 3<sup>rd</sup> quarter of FY 2022-23, MYT True ups for FY 2022-23, reworking of other income for FY 2020-21 & FY 2021-22 after including therein the impact of amortization of deferred credits etc., the Authority has carried out its workings and the same has been included in the PYA of the Petitioner, determined for the FY 2024-25.
- 6.11 Based on the above discussion, decisions of the Authority under various head of accounts in the earlier paras and in line with the scope of MYT, the PYA of the Petitioner for the FY 2024-25 has been worked out as under, which is hereby allowed to the Petitioner for the FY 2024-25;

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

Description	Unit	TESCO
<b>January 2023 to December 2023</b>		
Impact of Negative FCA- retained	Rs. Mln	- 0.03
Impact of Positive FCA- Lifeline + EV	Rs. Mln	-
Net	Rs. Mln	- 0
<b>January 2023 to December 2023</b>		
Tariff Diff. Subsidy	Rs. Mln	7,388
Surcharge	Rs. Mln	- 304
Net - Jul.20 to Mar. 23	Rs. Mln	7,084
Excess FCA impact -Adjusted as subsidy	Rs. Mln	
FCA Impact -Adjusted as PYA	Rs. Mln	- 0.03
<b>2nd Qtr. FY 2022-23 (Apr. Jun. 23)</b>		
Allowed Amount	Rs. Mln	1,262
Qtr. Rs./kWh	Rs./kWh	2.33
Recovered	Rs. Mln	720
Under/(Over) Recovery	Rs. Mln	543
<b>3rd Qtr. FY 2022-23 (Jul. Sep. 23)</b>		
Allowed Amount	Rs. Mln	3,615
Qtr. Rs./kWh	Rs./kWh	7.0777
Recovered	Rs. Mln	2,129
Under/(Over) Recovery	Rs. Mln	1,485
<b>D.M FY 2022-23</b>		
Allowed Amount	Rs. Mln	1,058
Rate. Rs./kWh	Rs./kWh	0.49
Recovered	Rs. Mln	851
Under/(Over) Recovery	Rs. Mln	208
<b>PYA 2022</b>		
Allowed Amount	Rs. Mln	- 2,378
Rate. Rs./kWh	Rs./kWh	- 1.11
Recovered	Rs. Mln	- 1,352
Under/(Over) Recovery	Rs. Mln	- 1,026
<b>Other Cost related to PYA</b>		
D.M FY 2021-22 Adjustment	Rs. Mln	
MLR Cost	Rs. Mln	241
Adjustment of Final tariff v.s Interim Tariff	Rs. Mln	
Total		241
<b>Total</b>	Rs. Mln	<b>1,451</b>
<b>MYT True Ups</b>		
<b>TESCO</b>		
<b>FY 2022-23</b>		
<b>Depreciation</b>		
Allowed	Rs. Mln	428
Actual	Rs. Mln	532
Under/(Over) Recovery	Rs. Mln	39
<b>RoRB (Investment + KIBOR)</b>		
Allowed	Rs. Mln	-
Actual	Rs. Mln	258
Under/(Over) Recovery	Rs. Mln	258
<b>Other Income</b>		
Allowed	Rs. Mln	- 798
Actual	Rs. Mln	- 559
Under/(Over) Recovery	Rs. Mln	245
<b>Total MYT True Ups</b>	Rs. Mln	<b>542</b>
<b>G. Total PYA FY 2022-23</b>	Rs. Mln	<b>1,993</b>



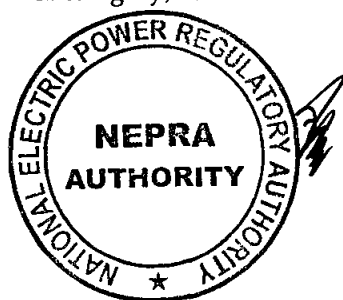
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7. Whether the existing tariff rate design needs to be modified, to levy fixed charges on all consumer categories and fixed charges be designed in a way to ensure that it accounts for a significant portion of fixed costs i.e. capacity charges, UoSC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

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

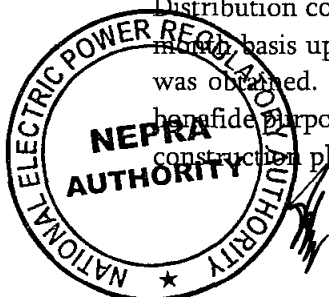
- 7.1. The Petitioner during hearing has submitted that as per Strategic direction 73 of NE Plan "Fixed charges shall be progressively incorporated in the tariffs of all consumer segments except consumers of protected category. Such fixed charges shall duly account for, inter alia, share of capacity cost in cost of service, market interventions, consumption behaviors and affordability of consumers. It is aimed that by FY-2027, the fixed charges shall account for at least 20% of the fixed cost of the respective categories evaluated through a cost-of-service study."
- 7.2. The Petitioner has further submitted that fixed cost being 70% of the PPP is required to be distributed among all consumer categories excluding the protected consumers to optimize the recovery of the fixed costs. The Petitioner has also submitted that fixed charges of different categories may be enhanced which would be in line with MDI charged by CPPA to TESCO on quarterly basis for all type of Consumers.
- 7.3. Regarding the mechanism of recovery of the fixed charges, TESCO has submitted that except protected consumers, the consumer having meters not recording MDI may be charged on the sanctioned load. Further, MDIs recorded by digital meters not billed at the current should be billed and prepaid metering system should be introduced. TESCO has also submitted that it is planning to install digital meters having MDI facility for its domestic consumers.
- 7.4. The Authority observed that as per the current tariff structure, certain consumer categories like Commercial, Industrial, Bulk and Agriculture are levied fixed charges, based on billing demand. Billing demand means 50% of the sanctioned load or actual maximum demand recorded in a month, whichever is higher, except in the case of agriculture tariff D2 where "Billing Demand" shall mean the sanctioned load. The Authority observed that capacity charges of generation companies which are fixed in nature, as it has to be paid based on plant availability, are charged to DISCOs based on the actual MDIs of DISCOs. However, the present consumer end tariff design is volumetric in nature, whereby major portion of the cost is recovered from consumers on units consumed basis i.e. per kWh, and only a small amount of around 3-4% is being recovered on MDIs basis from the consumers. The Authority has also considered NE Plan which provides that fixed charges shall be progressively incorporated in the tariffs of all consumer segments except consumers of protected category. Accordingly, the Authority in line with the relevant provisions of NE Plan 2023-27, has decided to levy fixed charges on certain consumer categories. The Authority has further decided to increase the rate of fixed charges currently applicable to certain categories, keeping in view the quantum of overall fixed charges in the revenue requirement of DISCOs, the cost of service (CoS) of each consumer category and the fact that NE Plan obligates that fixed charges shall account for at least 20% of the fixed cost of the respective categories evaluated through a cost-of-service study. The rate of fixed charges @ Rs./kW/Month for each consumer category, has been mentioned in the Schedule of Tariff (SoT) attached with the decision.



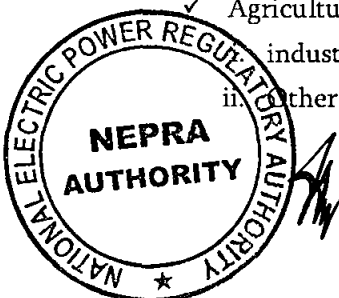
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- 7.5. Here it is pertinent to mention that there are certain consumer categories, where actual load/MDI is not being recorded. The Petitioner for such consumers, submitted that either a fixed charge per connection or per KW sanctioned load be used for recovery of fixed charges. The Authority, for such consumers where MDI is not recorded, has decided to initially levy fixed charges at a fixed rate per month, as mentioned in the SoT attached with the decision. The Authority further directs the Petitioner to ensure that by the time it files its next tariff petition/adjustment request, MDI for all consumers at all levels is properly recorded. However, at the same time, the Authority, not to overburden such consumers who are being levied fixed charges, has adjusted their variable rate (Rs./kWh), to minimize the impact of increase in fixed charges.
- 7.6. Here it is pertinent to mention that Rs.48,088 million and Rs.4,004 million is the share of the Petitioner on account of CpGenCap and UoSC (NTDC/ HVDC) & Market Operator Fee respectively for the FY 2024-25. The overall fixed charges comprising of CpGenCap and UoSC (NTDC/HVDC) & Market Operator Fee in the instant case works out as Rs.52,092 million, which translate into Rs.7,066/kW/month based on projected average monthly MDI of the Petitioner.
9. Whether the existing tariff rate design needs to be modified for consumers having net metering generation facilities or generation facilities behind the meters installed by third parties or Captive generation power, to levy fixed charges, etc. in order to ensure recovery of fixed costs i.e. capacity charges, UoSC etc.?
- 9.1. TESCO during the hearing submitted that NE Policy 4.4.1 (d) & 5.6.7 refers to the financial viability through "recovery of costs arising on account of open access, distributed generation" & NE Plan Strategic Directive 14 & 90. The Petitioner also submitted that in view thereof, the generation behind the meters shall be charged to the Max MDI of the Consumer @ charged by CPPA to TESCO. Further, Solar Rooftops/ distributed generation having net metering facility, other than domestic consumers, may have a pass-through mechanism where the fixed charges may be claimed on the basis of Max MDI as well as UoSC per KW per month, which TESCO is paying to the CPPA-G, reserved for rooftops solar generation in the evening peak.
- 9.2. The Authority considers that the matter requires further deliberations, therefore, the same would be decided subsequently after having input from all the stakeholders.
10. Whether the rate design for Temporary connections needs to be revised or otherwise?
- 10.1. The petitioner during the hearing requested to revise the temporary connection rates as the same are 1.5 times of the maximum tariff of the same category charged to the consumer.
- 10.2. The Authority noted that as per the existing notified tariff terms & conditions, the Temporary Residential/ Commercial Supply means a supply given to persons temporarily on special occasions such as ceremonial, religious gatherings, festivals, fairs, exhibitions, political gathering, marriages and other civil or military functions. This also includes supply to touring cinemas and persons engaged in construction of house/buildings/plazas of single phase loads. A temporary electric power supply connection for the construction shall be provided by Distribution company initially for a period of six months which is further extendable on three months basis up to completion of the specific job/project for which the temporary connection was obtained. "Temporary Industrial Supply" means the supply given to an Industry for the hereof purposes mentioned under the respective definitions of "Industrial Supply", during the construction phase prior to the commercial operation of the Industrial concern.



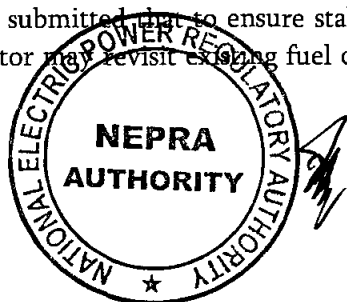
- 10.3. Different DISCOs raised their concerns regarding misuse of temporary connections by consumers as the existing tariff rates for temporary connections are lower than standard rates of comparable regular categories of consumers. DISCOs submitted that this provides incentive to some consumers to exploit by reselling electricity illegally due to delayed infrastructure completion. Therefore, to address such issues, tariff rates needs to be increased, coupled with MDI adjustment.
- 10.4. The Authority in order to address such issues and to discourage delay in infrastructure completion, has decided to increase the rates of temporary connections for Residential, Commercial and Industrial consumers. Accordingly, the rates for temporary connections have been revised along-with application of fixed charges, as mentioned in the SoT attached with this decision. The Authority considers that this will contribute to a fair and balanced tariff structure, encouraging responsible usage of temporary connections.
11. Whether the schedule of tariff be designed on cost of service basis or otherwise?
- 11.1. During the hearing, the Petitioner referred to the strategic directive 84 of NE Plan which states that, "Cross-subsidy by the productive consumers, to subsidize residential and agricultural consumers, shall be progressively restricted to 20% of the respective cost of service of such consumers by FY-2026".
- 11.2. TESCO further submitted that it has forwarded its cost of service study model for FY 2022-23 and FY 2023-24 which reflects the actual cost of service to different categories of consumers. Further, the productive category of consumers have to bear the cost of non-productive consumers in terms of cross-subsidy under the current tariff methodology. In sum instances, the cost of service is lower than the actual tariff being charged to a particular consumer category, which leads to financial unviability for the overall power sector. TESCO also agreed with the strategic directive that cross-subsidy to residential and agricultural consumers should be curtailed with tariff set as per the actual cost of service.
- 11.3. The Authority observed that as per NE Plan 2023-27 under SD 82, Tariffs for residential consumers shall be progressively adjusted to align with the principle of cost-of-service, taking into account the following:
- ✓ Subsidies to the protected categories of residential consumers shall be disbursed directly pursuant to the detailed action plan to be developed under Strategic Directive 067;
  - ✓ Residential consumers (below cost recovery) shall be cross subsidized by:
    - i. industrial & commercial consumers, pursuant to the Strategic Directive 084;
    - ii. Other residential consumers (above cost recovery).
- 11.4. Similarly, SD 83 states that Tariff structure for agricultural consumers shall be segmented into sub-categories, taking into account the following:
- ✓ subsidies to the agricultural consumers shall be disbursed pursuant to the detailed action plan to be developed under Strategic Directive 068;
  - ✓ Agricultural consumers (below cost recovery) shall be cross-subsidized by:
    - i. industrial & commercial consumers, pursuant to the Strategic Directive 084;
    - ii. Other agricultural consumers (above cost recovery).



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- 11.5. Further, SD 84 provides that cross-subsidy by the productive consumers, to subsidize residential and agricultural consumers, shall be progressively restricted to 20% of the respective cost of service of such consumers by FY-2026.
- 11.6. The Authority noted that as per different provisions of NE Plan mentioned above, tariff for residential consumers is progressively to be aligned with the principle of cost-of-service, and till such time, residential consumers below cost of service shall be cross subsidized by Industrial and Commercial consumers and other residential consumers. Similarly, for Agriculture consumers, the tariff structure same shall be segmented into sub-categories and agriculture consumers below cost of service shall be cross subsidized by Industrial and Commercial consumers and other agriculture consumers.
- 11.7. In view thereof, the Authority has decided to gradually reduce the quantum of cross subsidization among different consumer categories and the SoTs for the FY 2024-25, have been designed accordingly.
12. Whether the peak and off-peak timing and rate design needs to be revised, in line with Strategic Directives given in NE Plan?
- 12.1. The Petitioner during the hearing submitted that suggested change in timing and rate design is recommended for all the consumers but the same may be notified in the print and social media, so that the consumers must be aware for the same.
- 12.2. The Authority noted that NE Plan envisages that first assessment of ToU tariff, is to be completed by March 2024. The Authority observed that USAID (PSIA) has been asked to provide technical assistance for carrying out the required assessment. USAID has intimated that said assessment require data from SO, CPPA, and NTDC, therefore, subject to the availability of data, it will be able to conduct the assessment by July / August 2024. In view thereof, the Authority would deliberate this issue, once the required assessment form USAID is received. Further, the authority also understands that the existing infrastructure 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.
- 12.3. In view thereof, the Authority has decided to continue with the existing mechanism of peak / off-peak hours and prevailing rate design. At the same time, the Petitioner is directed to evaluate the different proposals of tariff design so as to make it more efficient and cost reflective with the objective to maximize the utilization of available capacity.
13. Whether prepaid metering shall be allowed to different consumers categories and what shall be appropriate tariff for such consumers considering various periodic adjustments in the base tariff?
- 13.1. During the hearing, TESCO submitted that it agrees with the proposal of prepaid metering infrastructure to be installed for all type of consumer categories including the protected consumers to minimize the electricity theft, minimum human interference and timely revenue collection. The cost of electricity for prepaid meters may be devised on the principle with minimum unit usage under protected category and above of that may be charged on the non-protected category as per actual for domestic. For other categories the charges will be as per NEPRA defined tariff.
- 13.2. The Petitioner further submitted that to ensure stability & predictability in the tariffs of end consumers, the Regulator may revisit existing fuel cost adjustment mechanism so as to ensure



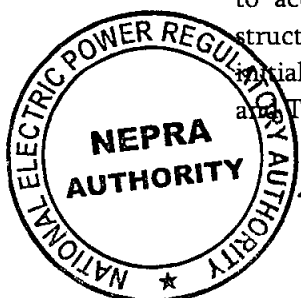
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financial viability of the sector and equity of the consumers on account of price volatility. Accordingly, Regulator may formulate the Forward Fuel-Cost Adjustment (FFCA) mechanism based upon historical and / or future fuel price adjustments with the predetermined control period and appropriate tolerance bands. Towards TESCO side, improvement in short term and medium-term load forecasting through latest tools will narrow the band for tariff adjustments for capacity and energy.

1.3. The Authority observed that various DISCOs have been allowed investments for AMR/AMI meters, in their MYT determinations / Investment plans. IESCO accordingly vide its letter dated 18.01.2024 also requested for pre-paid tariff for Advanced Metering Infrastructure (AMI) project and made the following submissions in this regards;

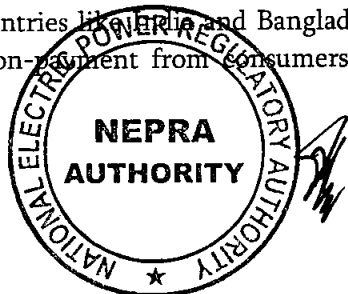
- ✓ The scope of the IESCO AMI project encompasses the implementation of an Advanced Metering Infrastructure (AMI) system, covering the deployment of Smart Meters, Data Concentrator Units (DCU) and essential communication infrastructure in the jurisdiction of Rawalpindi City Circle, Rawalpindi Cantt. Circle and Taxila Division along with the implementation of the new Billing System/ Customer Information System (CIS) for whole IESCO. The project scope involves the installation of 879,564 smart meters, with the first phase targeting the installation of 135,000 smart meters in area of Rawalpindi City Circle. The new Billing system will be operational tentatively from June 2024.
- ✓ IESCO AMI Billing System has a value-added feature of Prepayment along with Post-payment functionality which is already in vogue. The new Billing System is capable to calculate the allowable units / consumption (KWh) and communicate this information to Meter Data Management System (MOMS). Consequently, smart meters are configured to operate exclusively within the limits of these calculated units. After the exhaust of these units, a remote disconnection order will be executed through the smart meter. Further, after the recharge of the new top up the reconnection order will be made automatically.
- ✓ The inclusive development of this prepaid functionality offers various advantages for both the utility companies and consumers;
  - Advance payment will improve the cash flow of utility companies.
  - Mitigate the financial risk associated with bad debts and will increase the revenue collection.
  - Diminishes traditional billing and collection expenses, leading to cost savings for utility companies. Remote disconnection and reconnection through the AMI system will improve overall efficiency and reduce cost.
  - Offers diverse payment options, including online and mobile payments, enhancing convenience for consumers.
  - Enabling consumers to actively monitor and manage their energy consumption pattern through a mobile application.
- ✓ To fully operationalize the salient feature of prepayment in the AMI system, it is imperative to accurately convert the energy top-up amount into units. Currently, prepaid tariff structure is not available. Therefore, it is requested to formulate the prepaid tariff structure initially up-to 25 KW for tariff categories such as Domestic, Commercial, General, Industrial and Temporary by considering the IESCO submissions:



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- Formulation of prepaid tariff structure that will cater for both Protected and non-protected type of consumer categories.
  - Incorporation of Fuel Price Adjustment (FPA) and Quarterly Tariff Adjustment (QTA) charges, minimum charges and PTV fee.
  - Calculation of Electricity Duty (ED), GST and Income tax for non-filer consumers.
  - Incorporation of extra tax and further tax for the industrial consumers.
  - Imposition of fixed charges, especially related to Maximum Demand Indicator (MDI).
- 1.4. Considering the request of IESCO, the Authority made this "pre-paid metering" an issue for deliberations during tariff proceedings of all DISCOs for the FY 2024-25. However, no comments were received from any stakeholder on the issue including the Ministry of Energy (MoE).
- 1.5. The Authority understands that prepaid metering system is a modernized billing mechanism which integrates metering equipment with smart card technology. It may offer benefits for the stakeholders of electricity supply chain but at the same may also have some disadvantages. At the consumer end, it helps them to control electricity consumption patterns and provides a smart payment option. The availability of real time electricity consumption data, also motivates consumers towards utilization of energy-efficient appliances, thus, may help reduce the undue increase in electricity demand. Consequently, may reduce the burden of government in terms of subsidies, circular debt, and import bill. From DISCOs perspective, prepaid metering provides the opportunity to optimize billing & revenue of the distribution utility and improved cash flows, thus helping in meeting their financial obligations. It may also mitigate the financial risk associated with bad debts.
- 1.6. Similarly, in several cases around the world, prepaid metering has helped in significant reduction in non-technical losses. It also reduces financial burden of DISCOs for maintaining workforce employed for manual billing system and may also lead to improved employee to customer ratio. Remote disconnection and reconnection through the AMI system may also improve overall efficiency and reduce cost.
- 1.7. On the other hand, there may be resistance from the employees of DISCOs due to the fear of downsizing and reduction of non-technical staff. Another critical challenge could be the development of IT-based prepaid metering infrastructure, while replacing the conventional billing mechanism. The internet-based purchase of electricity requires specific technical expertise for designing, installing and managing the backend operations of the prepaid metering system and full coordination among power sector institutions on technical systems. Moreover, consumers' acceptance of the technology shift could be one of the challenges towards implementation of prepaid technology.
- 1.8. In view of the above discussion, the Authority has decided to allow the request of IESCO for pre-paid metering as a pilot project, and if successful, the same may be started in other DISCOs. IESCO in this regard shall ensure that all required Technical & IT infrastructure, Security controls and billing system etc. for prepaid metering, are in place.
- 1.9. The Authority has further noted that prepaid metering system had been implemented in neighboring countries like India and Bangladesh in 2005 with the aim of reducing electricity pilferage and non-payment from consumers in remote areas. The Authority observed that



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different approaches were adopted by these countries w.r.t. tariff for prepaid meters. Initially tariff for conventional and prepaid metering was kept same in India, to motivate the consumers. In Bangladesh, the aim of introducing prepaid metering was to eliminate electricity pilferage and to motivate consumers to adopt prepaid metering, a 2% discount was offered.

- 13.3. In view thereof and to promote the pre-paid metering, the Authority has decided to allow a flat variable rate (Rs./kWh) for pre-paid consumers along-with fixed charges, as mentioned in the SoT attached with the instant decision. No monthly FCAs or quarterly adjustments shall be charged from the pre-paid metering consumers. However, regarding applicable Federal and Provincial taxes, duties or surcharges, DISCO shall ensure to recover the same from pre-paid metering consumers, as the same are not part of NEPRA determined tariffs.

14. Whether the Petitioner has prepared any plan in consultation with the Federal Government for its organization restructuring in terms of segregation of responsibilities of Distribution and supply function in order to ensure independent and transparent working of both these functions.

- 14.1. TESCO during the hearing submitted that it has already submitted the bifurcation structure between the supply and distribution to NEPRA, as part of its MYT Petition FY 2020-21 to FY 2024-25. In order to develop a unified structure, a policy decision needs to be taken at CPPA level in consultation with all stakeholders. Any specific direction, when received by the Federal Government in this regard will be complied with.

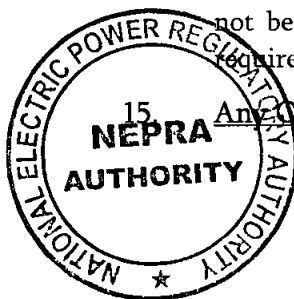
- 14.2. The Authority, keeping in view the amended NEPRA Act, 2018, whereby sale of electric power has been removed from the scope of distribution licenses and transferred to supply licensee, directed the Petitioner in its earlier tariff determinations to make organizational restructuring in terms of segregation of responsibilities of the Distribution and Sale functions, in order to ensure independent and transparent working of both these functions.

- 14.3. Since all the distribution companies are 100% owned by the GoP, therefore, DISCOs in consultation with GoP should develop a centralized restructuring plan and submit the same to NEPRA for consideration and necessary vetting for its compliance with NEPRA applicable documents.

- 14.4. The Authority observed that the Petitioner although in instant Petition has bifurcated its costs into Distribution and Supply of Power Functions, however, the petition was submitted with common accounts and both functions combined. No progress has been shared by the Petitioner in terms of its organizational restructuring. The Authority understands that a proper organization restructuring, is essential to improve the performance of the Petitioner and to ensure transparency for both functions. Therefore, the Petitioner is again directed that a restructuring plan in consultation with the Federal Government be prepared, within the stipulated time.

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

Any other issue that may come up during the hearing?



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**Revision in Tariff Terms & Conditions**

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

**Billing Demand**

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

**Month or Billing Period**

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

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

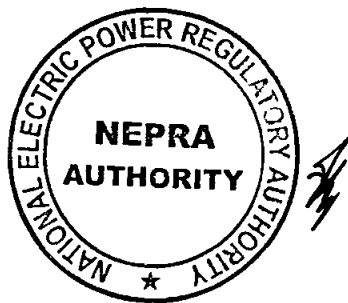
**Late Payment charges (LPC)**

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

16. **Revenue Requirement**

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

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Description	Unit	Allowed FY 2024-25	
		DOP	SOP
Units Received	[MkWh]	1,499	1,499
Units Sold	[MkWh]	1,366	1,366
Units Lost	[MkWh]	133	133
Units Lost	[%]	8.89%	8.89%
Energy Charge			14,794
Capacity Charge			48,088
Transmission Charge/ Market			4,004
Operator Fee			
Distribution Business Cost			1,924
<b>Power Purchase Price</b>	[Mln. Rs.]	-	68,809
Pay & Allowances		1,156	284
Post Retirement Benefits		428	136
Repair & Maintainance		29	3
Traveling allowance		24	10
Vehicle maintenance		22	13
Other expenses		28	63
<b>O&amp;M Cost</b>	[Mln. Rs.]	1,687	509
Depriciation		614	9
RORB		163	-
O.Income		(540)	-
<b>Margin</b>	[Mln. Rs.]	1,924	518
Prior Year Adjustment (PYA)		-	1,993
<b>Revenue Requirement</b>	[Mln. Rs.]	1,924	71,320
<b>Average Tariff</b>	[Rs./kWh]	1.41	52.22

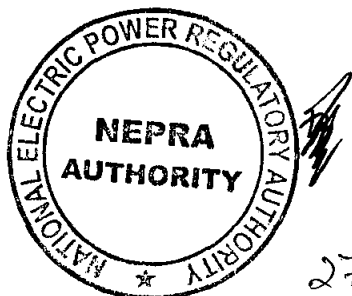
16.2. The above determined revenue shall be recovered from the consumers through the projected sales of 1,366 GWhs, as per Annex – II.

16.3. 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.

## 17. ORDER

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

- I. Tribal Areas Electricity Supply Company (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.



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- II. In addition to compensation of losses, 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%	7.39%	8.78%
UoSC Rs./kWh	0.42	0.79	1.24

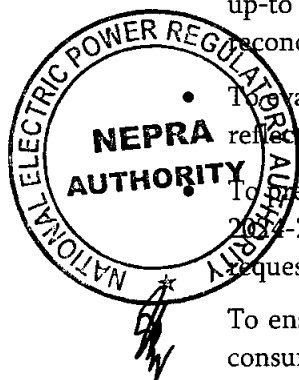
- III. The Petitioner shall comply with, all the existing or future applicable Rules, Regulations, orders of the Authority and other applicable documents as issued from time to time.
- IV. To file future monthly & quarterly adjustments on account of Power Purchase Price (PPP) in line with MYT determination,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

**18. Summary of Direction**

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

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

19. The instant decision of the Authority along-with annexures, is hereby intimated to the Federal Government for filling of uniform tariff application in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997.





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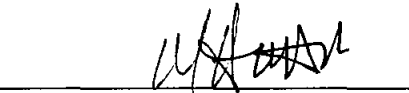
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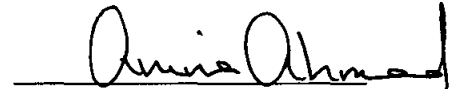
20. The instant decision of the Authority and the Order part along with Annex-I, I-A, II, III, IV and V, be also notified in terms of section 31 of the Regulation of Generation, Transmission and Distribution of Electric Power Act, 1997, while notifying the uniform tariff application decision of the Authority.


**AUTHORITY**

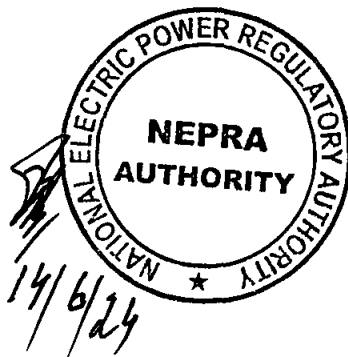
  
Mathar Niaz Rana (nsc)  
Member

  
Rafique Ahmed Shaikh  
Member

  
Engr. Maqsood Anwar Khan  
Member

  
Amina Ahmed  
Member

  
Waseem Mukhtar  
Chairman



**FUEL PRICE ADJUSTMENT MECHANISM**

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

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

Where:

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

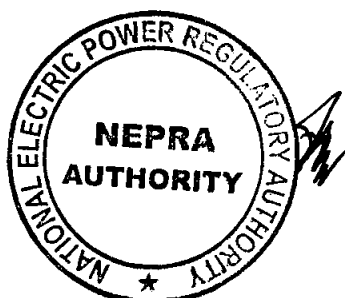
Actual fuel cost component is the fuel cost component in the pool price on which the DISCOs will be charged by CPPA (G) in a particular month; and

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

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

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### QUARTERLY ADJUSTMENT MECHANISM

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

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

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

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

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

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

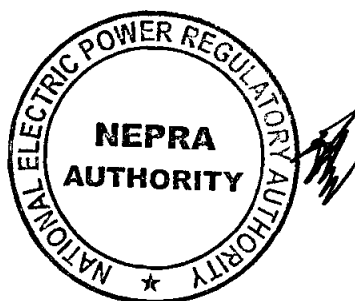
Monthly FCA allowed <sub>(Rs./kWh)</sub> is the FCA allowed by the Authority for the respective months of the concerned period.

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

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

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Mark 9



31/45



**Tribal Areas Electricity Supply Company (TESCO)**  
**Estimated Sales Revenue on the Basis of New Tariff**

Description	Base Revenue				Base Tariff			PYA 2023		Total Tariff		
	Sales	Fixed Charge	Variable Charge	Total	Fixed Charge	Fixed Charge	Variable Charge	Amount	Variable Charge	Fixed Charge	Fixed Charge	Variable Charge
	GWh	Min. Rs.	Min. Rs.	Min. Rs.	Rs./Con/ M	Rs./KW/ M	Rs./ kWh	Min. Rs.	Rs./ kWh	Rs./Con/ M	Rs./KW/ M	Rs./ kWh
Residential												
For peak load requirement less than 5 kW												
Up to 50 Units - Life Line	2	-	41	41	-	-	17.37			-	-	17.37
51-100 units - Life Line	1	-	20	20	-	-	21.88			-	-	21.88
01-100 Units	138	-	5,285	5,285	-	-	38.36	202	1.46	-	-	39.82
101-200 Units	59	-	2,388	2,388	-	-	40.73	86	1.46	-	-	42.20
01-100 Units	11	-	491	491	-	-	44.54	16	1.46	-	-	46.00
101-200 Units	187	-	9,251	9,251	-	-	49.46	274	1.46	-	-	50.92
201-300 Units	283	-	14,915	14,915	-	-	52.77	413	1.46	-	-	54.23
301-400 Units	169	95	9,461	9,556	200	-	56.01	247	1.46	200	-	57.47
401-500 Units	68	58	3,876	3,933	400	-	57.29	99	1.46	400	-	58.76
501-600 Units	32	40	1,899	1,939	600	-	58.66	47	1.46	600	-	60.12
601-700Units	19	18	1,165	1,183	800	-	60.00	28	1.46	800	-	61.47
Above 700 Units	49	36	3,171	3,207	1,000	-	64.75	72	1.46	1,000	-	66.22
For peak load requirement exceeding 5 kW)												
Time of Use (TOU) - Peak	0	-	4	4	-	-	62.78	0	1.46	-	-	64.24
Time of Use (TOU) - Off-Peak	0	1	19	19	1,000	-	56.45	0	1.46	1,000	-	57.91
Temporary Supply	-	-	-	-	2,000	-	79.96	-	1.46	2,000	-	81.43
Total Residential	1,018	247	51,985	52,233				1,484				
Commercial - A2												
For peak load requirement less than 5 kW	5	83	271	354	1,000	-	54.28	7	1.46	1,000	-	55.74
For peak load requirement exceeding 5 kW												
Regular	-	-	-	-	-	2,000	52.88	-	1.46	-	2,000	54.34
Time of Use (TOU) - Peak	1	-	32	32	-	-	60.15	1	1.46	-	-	61.61
Time of Use (TOU) - Off-Peak	2	18	86	103	-	2,000	49.59	3	1.46	-	2,000	51.05
Temporary Supply	-	-	-	-	5,000	-	74.30	-	1.46	5,000	-	75.76
Electric Vehicle Charging Station	-	-	-	-	-	-	64.70	-	1.46	-	-	66.16
Total Commercial	7	101	389	489				11				
General Services-A3	13	31	780	811	1,000	-	58.83	19	1.46	1,000	-	60.09
Industrial												
B1	0	0	1	2	1,000	-	44.84	0	1.46	1,000	-	46.30
B1 Peak	0	-	4	4	-	-	51.36	0	1.46	-	-	52.82
B1 Off Peak	1	0.91	25	26	1,000	-	44.84	1	1.46	1,000	-	46.41
B2	0	1	4	4	-	2,000	40.60	0	1.46	-	2,000	42.06
B2 - TOU (Peak)	13	-	666	666	-	-	50.70	19	1.46	-	-	52.17
B2 - TOU (Off-peak)	107	965	4,291	5,256	-	2,000	40.10	156	1.46	-	2,000	41.57
B3 - TOU (Peak)	10	-	512	512	-	-	50.98	15	1.46	-	-	52.44
B3 - TOU (Off-peak)	149	591	6,240	6,832	-	2,000	41.80	218	1.46	-	2,000	43.26
B4 - TOU (Peak)	-	-	-	-	-	-	51.32	-	1.46	-	-	52.78
B4 - TOU (Off-peak)	-	-	-	-	-	2,000	41.83	-	1.46	-	2,000	43.29
Temporary Supply	-	-	-	-	5,000	-	60.66	-	1.46	5,000	-	62.12
Total Industrial	280	1,558	11,743	13,301				410				
Single Point Supply												
C1(a) Supply at 400 Volts-less than 5 kW	0	-	1	1	2,000	-	55.47	0	1.46	2,000	-	56.93
C1(b) Supply at 400 Volts-exceeding 5 kW	-	-	-	-	-	2,000	50.84	-	1.46	-	2,000	52.30
Time of Use (TOU) - Peak	1	-	33	33	-	-	61.57	1	1.46	-	-	63.03
Time of Use (TOU) - Off-Peak	1	4	73	78	-	2,000	51.96	2	1.46	-	2,000	53.42
C2 Supply at 11 kV	-	-	-	-	-	2,000	53.99	-	1.46	-	2,000	55.45
Time of Use (TOU) - Peak	4	-	226	226	-	-	62.76	5	1.46	-	-	64.23
Time of Use (TOU) - Off-Peak	19	118	955	1,073	-	2,000	50.95	27	1.46	-	2,000	52.41
C3 Supply above 11 kV	-	-	-	-	-	2,000	50.39	-	1.46	-	2,000	51.86
Time of Use (TOU) - Peak	-	-	-	-	-	-	61.70	-	1.46	-	-	63.16
Time of Use (TOU) - Off-Peak	-	-	-	-	-	2,000	49.84	-	1.46	-	2,000	51.30
Total Single Point Supply	24	123	1,288	1,411				36				
Agricultural Tube-wells - Tariff D												
Scarp	-	-	-	-	-	-	54.90	-	1.46	-	-	56.36
Time of Use (TOU) - Peak	-	-	-	-	-	-	48.15	-	1.46	-	-	49.62
Time of Use (TOU) - Off-Peak	-	-	-	-	-	500	41.47	-	1.46	-	500	42.93
Agricultural Tube-wells	-	-	-	-	-	500	40.25	-	1.46	-	500	41.71
Time of Use (TOU) - Peak	-	-	-	-	-	-	46.66	-	1.46	-	-	48.12
Time of Use (TOU) - Off-Peak	23	56	1,027	1,083	-	500	45.49	33	1.46	-	500	46.95
Total Agricultural	23	56	1,027	1,083				33				
Public Lighting - Tariff G	-	0	-	0	2,000	-	58.09	-	1.46	2,000	-	59.55
Residential Colonies	-	-	-	-	2,000	-	58.55	-	1.46	2,000	-	60.01
	-	0	-	0				-				
Pre-Paid Supply Tariff												
Residential					1,000	-	63.25		1.46	1,000	-	64.72
Commercial - A2					-	2,000	56.48		1.46	-	2,000	57.94
General Services-A3					1,000	-	64.49		1.46	1,000	-	65.96
Industrial					-	2,000	55.32		1.46	-	2,000	56.78
Single Point Supply					-	2,000	65.96		1.46	-	2,000	67.43
Agricultural Tube-wells - Tariff D					-	2,000	46.84		1.46	-	2,000	48.30
Grand Total	1,366	2,116	67,212	69,328				1,993				

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



32/4/5

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

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

Sr. No.		TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES	FYA 2023		Total Variable Charges	
			Rs. / Cons. / M	Rs/kW/M	Rs/kWh	Rs/kWh	Rs/kWh		
			A	B	C	D	E= C+D		
Protected	Un-Protected	a) For Sanctioned load less than 5 kW							
		i Up to 50 Units - Life Line	-	-	17.37	-		17.37	
		ii 51 - 100 Units - Life Line	-	-	21.88	-		21.88	
		iii 001 - 100 Units	-	-	38.36	1.46		39.82	
		iv 101 - 200 Units	-	-	40.73	1.46		42.20	
		v 001 - 100 Units	-	-	44.54	1.46		46.00	
		vi 101 - 200 Units	-	-	49.46	1.46		50.92	
		iv 201 - 300 Units	-	-	52.77	1.46		54.23	
		viii 301 - 400 Units	200	-	56.01	1.46		57.47	
		ix 401 - 500 Units	400	-	57.29	1.46		58.76	
		x 501 - 600 Units	600	-	58.66	1.46		60.12	
		xi 601 - 700 Units	800	-	60.00	1.46		61.47	
		vi Above 700 Units	1,000	-	64.75	1.46		66.22	
		b) For Sanctioned load 5 kW & above							
			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak	
	Time Of Use	1,000		62.78	56.45	1.46	1.46	64.24	57.91
	c) Pre-Paid Residential Supply Tariff	1,000		63.25		1.46		64.72	

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

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

Under tariff A-1, there shall be minimum monthly customer charge at the following rates even if no energy is consumed. For consumers where monthly Fixed charges are applicable, no minimum charges shall be applicable on such consumers, even if no energy consumed.

a) Single Phase Connections:

Rs. 75/- per consumer per month

b) Three Phase Connections:

Rs. 150/- per consumer per month

**A-2 GENERAL SUPPLY TARIFF - COMMERCIAL**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES		FYA 2023		Total Variable Charges	
		Rs. / Cons. / M	Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B	C		D		E= C+D	
a)	For Sanctioned load less than 5 kW	1,000		54.28		1.46		55.74	
b)	For Sanctioned load 5 kW & above		2,000	52.88		1.46		54.34	
				Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
c)	Time Of Use		2,000	60.15	49.59	1.46	1.46	61.61	51.05
d)	Electric Vehicle Charging Station			64.70		1.46		66.16	
e)	Pre-Paid Commercial Supply Tariff		2,000	56.48		1.46		57.94	

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

**A-3 GENERAL SERVICES**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES		FYA 2023		Total Variable Charges
		Rs. / Cons. / M	Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh
		A	B	C		D		E= C+D
a)	General Services	1,000	-	58.63		1.46		60.09
b)	Pre-Paid General Services Supply Tariff	1,000	-	64.49		1.46		65.96

**B INDUSTRIAL SUPPLY TARIFFS**

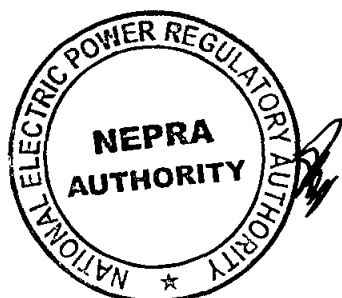
Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES		FYA 2023		Total Variable Charges	
		Rs. / Cons. / M	Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B	C		D		E= C+D	
B1	Upto 25 kW (at 400/230 Volts)	1,000	-	44.84		1.46		46.30	
B2(a)	exceeding 25-500 kW (at 400 Volts)	-	2,000	40.60		1.46		42.06	
	Time Of Use			Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
B1 ( b)	Up to 25 KW	1,000		51.36	44.94	1.46	1.46	52.82	46.41
B2(b)	exceeding 25-500 kW (at 400 Volts)	-	2,000	50.70	40.10	1.46	1.46	52.17	41.57
B3	For All Loads up to 5000 kW (at 11,33 kV)	-	2,000	50.98	41.80	1.46	1.46	52.44	43.26
B4	For All Loads (at 66,132 kV & above)	-	2,000	51.32	41.83	1.46	1.46	52.78	43.29
	Pre-Paid Industrial Supply Tariff	-	2,000	55.32		1.46		56.78	

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

**C - SINGLE-POINT SUPPLY**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES		FYA 2023		Total Variable Charges	
		Rs. / Cons. / M	Rs/kW/M	Rs/kWh		Rs/kWh		Rs/kWh	
		A	B	C		D		E= C+D	
C-1	For supply at 400/230 Volts								
a)	Sanctioned load less than 5 kW	2,000		55.47	1.46			56.93	
b)	Sanctioned load 5 kW & up to 500 kW	-	2,000	50.84	1.46			52.30	
C-2(a)	For supply at 11,33 kV up to and including 5000 kW	-	2,000	53.99	1.46			55.45	
C-3(a)	For supply at 66 kV & above and sanctioned load above 5000 kW	-	2,000	50.39	1.46			51.86	
	Time Of Use								
				Peak	Off-Peak	Peak	Off-Peak	Peak	Off-Peak
C-1(c)	For supply at 400/230 Volts 5 kW & up to 500 kW	-	2,000	61.87	51.96	1.46	1.46	63.33	53.42
C-2(b)	For supply at 11,33 kV up to and including 5000 kW	-	2,000	62.76	50.95	1.46	1.46	64.23	52.41
C-3(b)	For supply at 66 kV & above and sanctioned load above 5000 kW	-	2,000	61.70	49.84	1.46	1.46	63.16	51.30
	Pre-Paid Bulk Supply Tariff		2,000	65.96		1.46			67.43

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



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

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES		PYA 2023	Total Variable Charges
		Ra. / Conn. / M	Ra/kW/M	Ra/kWh		Ra/kWh	Ra/kWh
		A	B	C		D	E= C+D
D-1(a)	SCARP less than 5 kW	-	-	54.90		1.46	
D-2 (a)	Agricultural Tube Wells	-	600	40.25		1.46	
D-1(b)	SCARP 5 kW & above	-	600	Peak	Off-Peak	Peak	Off-Peak
D-2 (b)	Agricultural 5 kW & above	-	600	48.15	41.47	1.46	1.46
Pre-Paid for Agri & Scarp		-	2,000	46.66	45.49	1.46	1.46
					46.84	1.46	48.30

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

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

**E - TEMPORARY SUPPLY TARIFFS**

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES		PYA 2023	Total Variable Charges
		Ra. / Conn. / M	Ra/kW/M	Ra/kWh		Ra/kWh	Ra/kWh
		A	B	C		D	E= C+D
E-1(i)	Residential Supply	2,000		79.96		1.46	
E-1(ii)	Commercial Supply	5,000		74.30		1.46	
E-2	Industrial Supply	5,000		60.66		1.46	

**F - SEASONAL INDUSTRIAL SUPPLY TARIFF**

125% of relevant Industrial tariff

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

**G- PUBLIC LIGHTING**

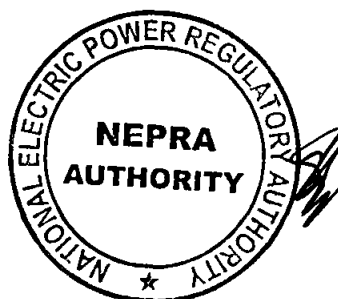
Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES		PYA 2023	Total Variable Charges
		Ra. / Conn. / M	Ra/kW/M	Ra/kWh		Ra/kWh	Ra/kWh
		A	B	C		D	E= C+D
	Street Lighting	2,000		68.09		1.46	

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

Sr. No.	TARIFF CATEGORY / PARTICULARS	FIXED CHARGES	FIXED CHARGES	VARIABLE CHARGES		PYA 2023	Total Variable Charges
		Ra. / Conn. / M	Ra/kW/M	Ra/kWh		Ra/kWh	Ra/kWh
		A	B	C		D	E= C+D
	Residential Colonies attached to industrial premises	2,000		58.55		1.46	

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

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TESCO

Annex - IV

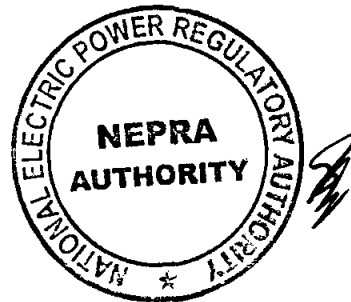
Description	July	August	September	October	November	December	January	February	March	April	May	June	Total
Units Purchased by DISCOs (GWh)	120	127	122	117	121	125	160	112	129	120	128	117	1,499

	Rs./kWh												
Fuel Cost Component	9.3520	9.3877	9.8006	10.2752	7.8609	10.6364	13.0100	8.5276	9.2560	7.6803	7.3925	8.3341	9.3899
Variable O&M	0.4550	0.4854	0.5260	0.5218	0.4063	0.4337	0.6064	0.3927	0.4800	0.4277	0.4575	0.5072	0.4786
Capacity	26.8390	25.2019	25.7044	32.1777	33.1223	34.9326	32.2312	39.6776	37.4036	37.8661	31.0232	29.1907	32.0785
UoSC	2.4218	2.4005	2.2883	2.8284	2.8050	2.8158	2.5738	3.2854	3.0344	2.9599	2.3415	2.3743	2.6709
Total PPP in Rs./kWh	39.0679	37.4754	38.3194	45.8032	44.1945	48.8184	48.4215	51.8832	50.1740	48.9340	41.2147	40.4063	44.6179

	Rs. in million												
Fuel Cost Component	1,126	1,191	1,196	1,203	955	1,333	2,080	958	1,191	922	945	976	14,076
Variable O&M	55	62	64	61	49	54	97	44	62	51	58	59	717
Capacity	3,233	3,197	3,137	3,766	4,024	4,379	5,153	4,458	4,814	4,544	3,964	3,418	48,088
UoSC	292	305	279	331	341	353	411	369	391	355	299	278	4,004
Total PPP in Rs.Mln	4,706	4,754	4,677	5,361	5,369	6,120	7,741	5,830	6,458	5,872	5,266	4,731	66,886

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

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35/45

**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 31 days or less reckoned from the date of last meter reading.

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

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

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

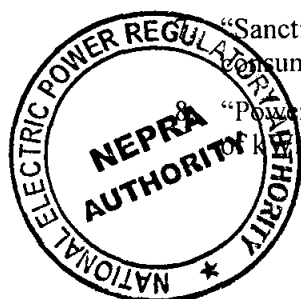
*Provided further that in case of new connections or consumers who have renewed/revised their sanctioned load, the fixed charges will be charged on 50% of the sanctioned load or actual maximum demand recorded in a month, whichever is higher. However, upon establishment of MDI in next six months, the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

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

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

"Sanctioned Load" where applicable means the load in kilowatt as applied for by the consumer and allowed/authorized by the Company for usage by the consumer.

"Power Factor" means the ratio of kWh to KVAh recorded during the month or the ratio of kWh to the square root of sum of square of kWh and kVARh.



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:

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

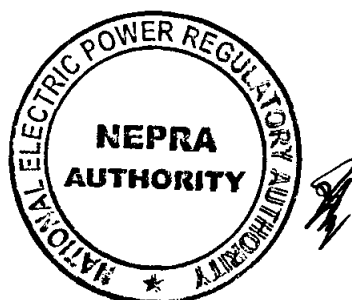
\* To be duly adjusted in case of day light time saving

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

#### **GENERAL CONDITIONS**

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

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## PART-II

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

#### A-1 RESIDENTIAL

##### Definition

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

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

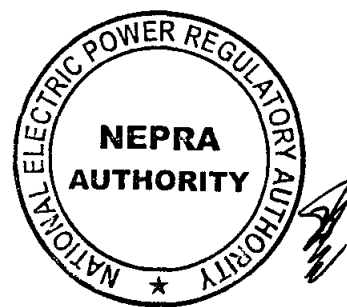
"Protected consumers" mean Non-ToU residential consumers consuming  $\leq 200$  kWh per month consistently for the past 6 months.

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

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

#### A-2 COMMERCIAL

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



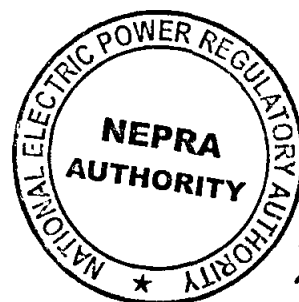
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3. The Electric Vehicle Charging Station shall provide "charging service" to Electric Vehicle shall provide charging service to Electric Vehicles as per the applicable tariff for EVCS plus Rs.24.44/kWh as margin for EVCS. The EVCS shall be billed by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

### A-3 GENERAL SERVICES

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

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



### B INDUSTRIAL SUPPLY

#### Definitions

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

#### Conditions

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

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

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

**B-2 SUPPLY AT 400 VOLTS**

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

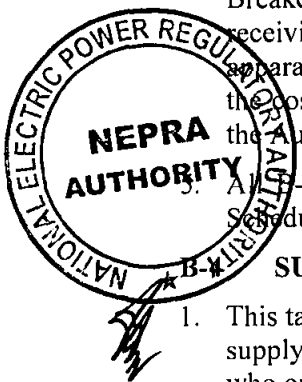
**B-3 SUPPLY AT 11 kV AND 33 kV**

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

5. All B-3 Industrial Consumers shall be billed on the basis of T.O.U tariff given in the Schedule of Tariff.

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

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



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**

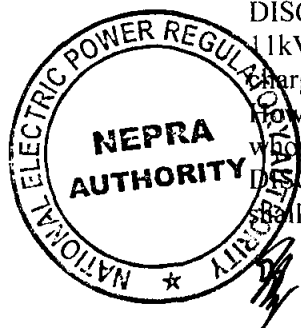
If, for any reason, the meter reading date of a consumer is altered and the acceleration/retardation in the date is up to 4 days no notice will be taken of this acceleration or retardation. But if the date is accelerated or retarded by more than 4 days the fixed charges shall be assessed on proportionate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

### **C-1 SUPPLY AT 400/230 VOLTS**

1. This Tariff is applicable to a consumer having a metering arrangement at 400 volts, having sanctioned load of up to and including 500 kW.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. C-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 DISCOs shall ensure that no additional line losses are incurred and additional loss, if any, shall be borne by the respective consumers.



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

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

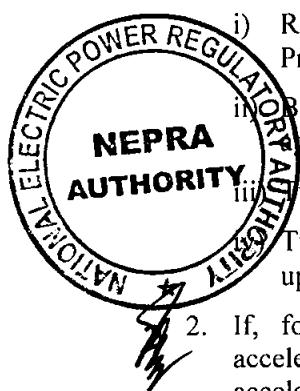
1. This tariff is applicable to consumers having sanctioned load of more than 5000 kW receiving supply at 66 kV and above.
2. If the Grid Station required for provision of supply falls within the purview of the dedicated system under the Eligibility Criteria laid down by the Authority read with CSM,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

### **D AGRICULTURAL SUPPLY**

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

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

1. This tariff shall apply to:



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

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

iii) Tube-wells meant for aqua-culture.

iv) Tube-wells installed in a dairy farm meant for cultivating crops as fodder and for upkeep of cattle.

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

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

#### **D-1**

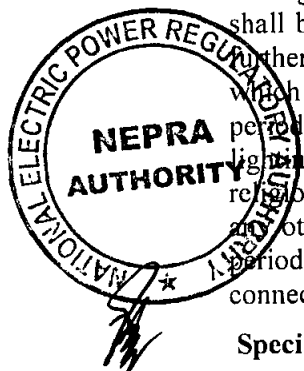
1. This tariff is applicable to all Reclamation and Drainage Operation pumping under SCARP related installation.
2. Consumers having sanctioned load less than 5 kW shall be billed on single-part kWh rate i.e. D-1(a) tariff given in the Schedule of Tariff.
3. All new consumers having sanctioned load 5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

#### **D-2**

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

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

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



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

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

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

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

### **SPECIAL CONDITIONS OF SUPPLY**

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

## **F SEASONAL INDUSTRIAL SUPPLY**

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

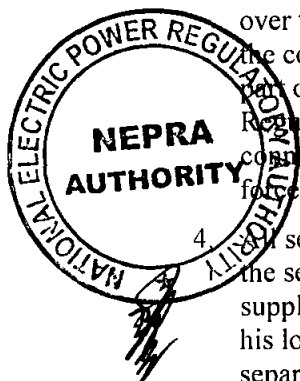
### **Definitions**

“Year” means any period comprising twelve consecutive months.

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

### **Special Conditions of Supply**

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



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

## **G PUBLIC LIGHTING SUPPLY**

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

### **Definitions**

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

### **Special Conditions of Supply**

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

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

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

### **Definitions**

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

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

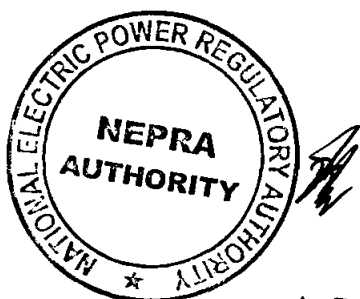
"Residential Colony" attached to the Industrial Supply Consumer, means a group of houses annexed with the factory premises constructed solely for residential purpose of the bonafide employees of the factory, the establishment or the factory owners or partners, etc.

### **Special Conditions of Supply**

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

## **TARCTION**

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



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